



Investor Presentation Q3 FY2024

40 YEARS OF GROWTH

Safe Harbour

The statements in this presentation relating to matters that are not historical fact are forward-looking statements that are based on management's beliefs and assumptions.

Such statements are not guarantees of future performance, and are subject to a number of uncertainties, including but not limited to future economic conditions, the markets that Tecsys Inc. serves, the actions of competitors, major new technological trends and other factors beyond the control of Tecsys Inc., which could cause actual results to differ materially from such statements.

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Tecsyst at a Glance

Our Purpose:

To empower
good companies
to be great

Our Position:

To clarify
uncertainty in the
supply chain

Our Mission:

To equip supply
chain greatness

Our Vision:

That good
companies have
the space to thrive

Our story is all about our customers



40 Years

of complex
supply network
experience

12 Times

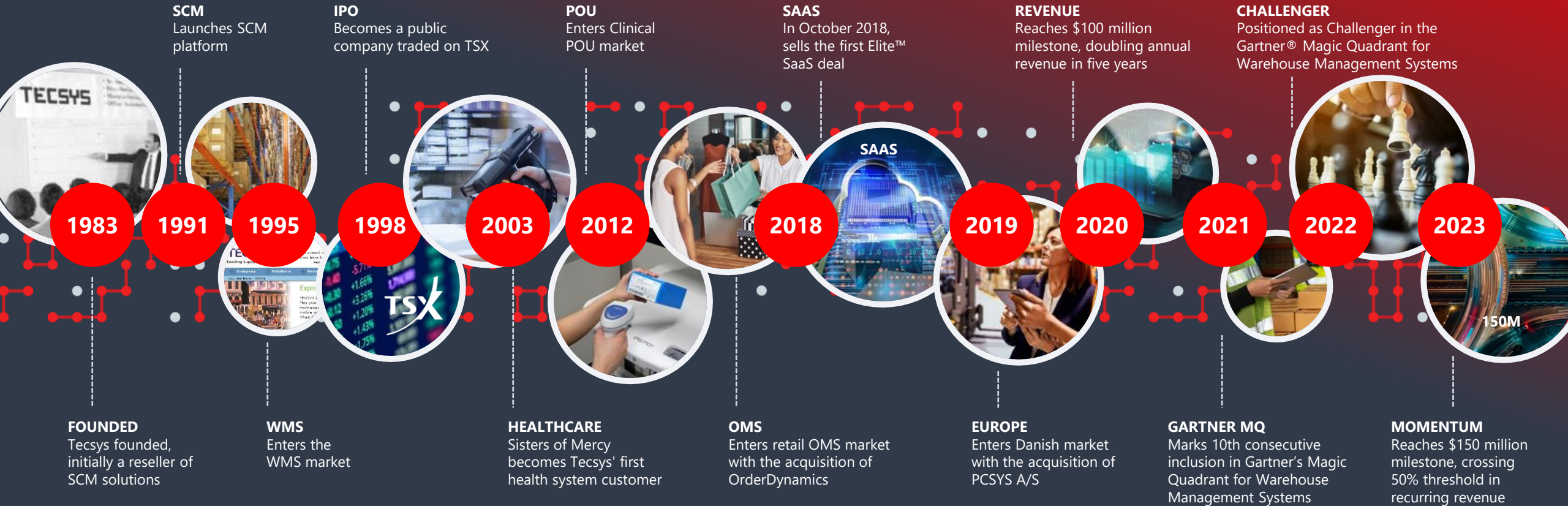
Tecsys named in
Gartner's Magic
Quadrant for WMS and
positioned as
Challenger since 2022

Top 2

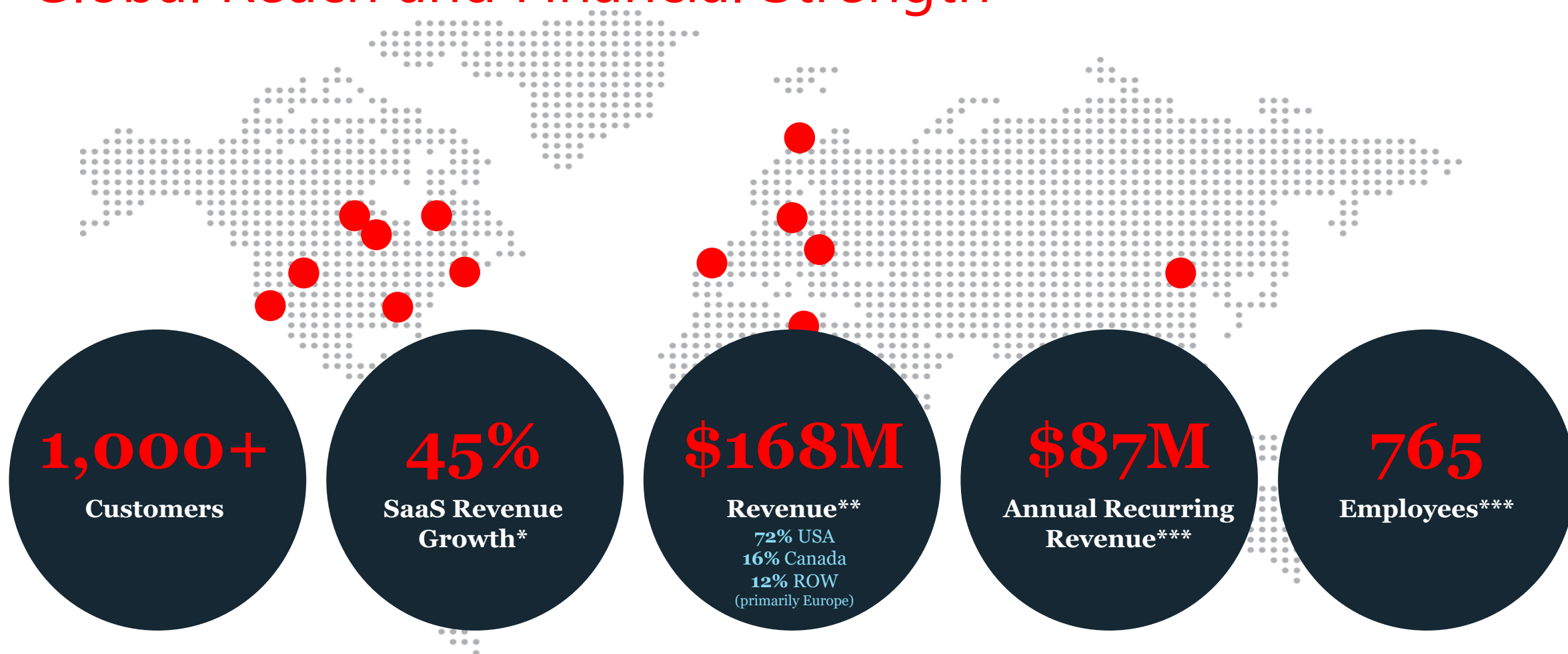
Eight customers, two
with Masters
recognition, on
Gartner's Healthcare
Supply Chain Top 25
for 2023

Trusted provider of supply chain technology
for the world's most complex supply networks





Global Reach and Financial Strength



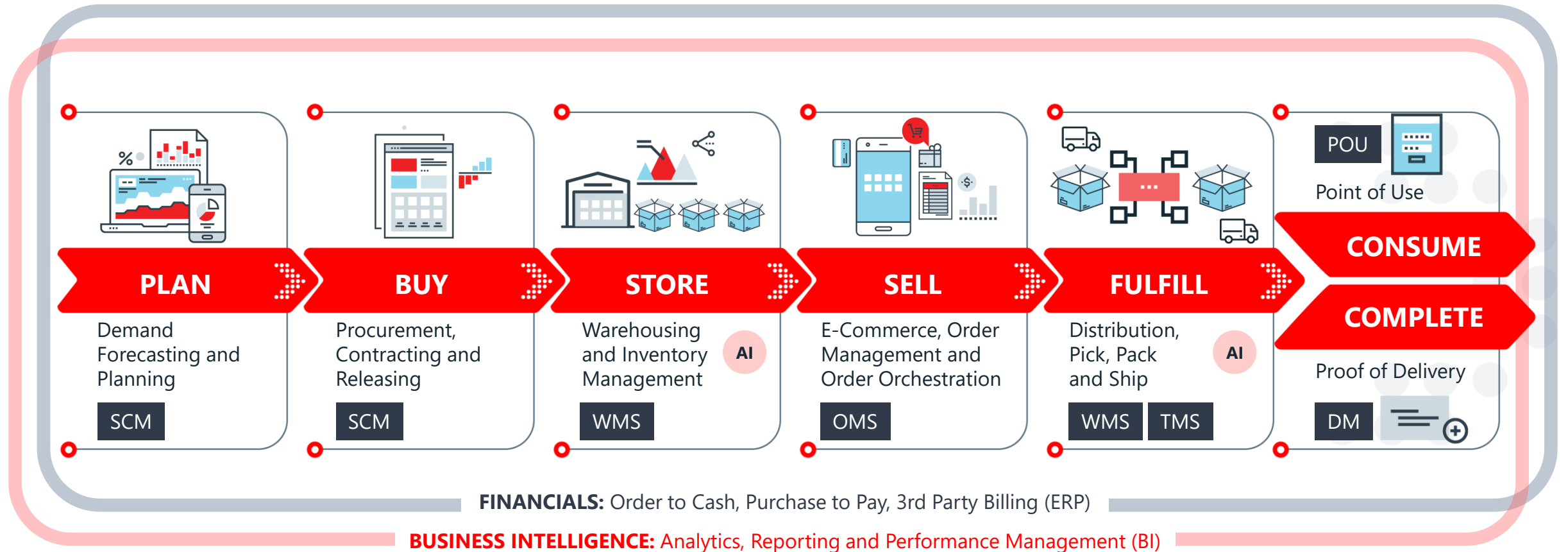
* Constant currency growth in Q3 FY24 vs. same period last year based on January 31, 2024 exchange rates

** Last twelve months, January 31, 2024

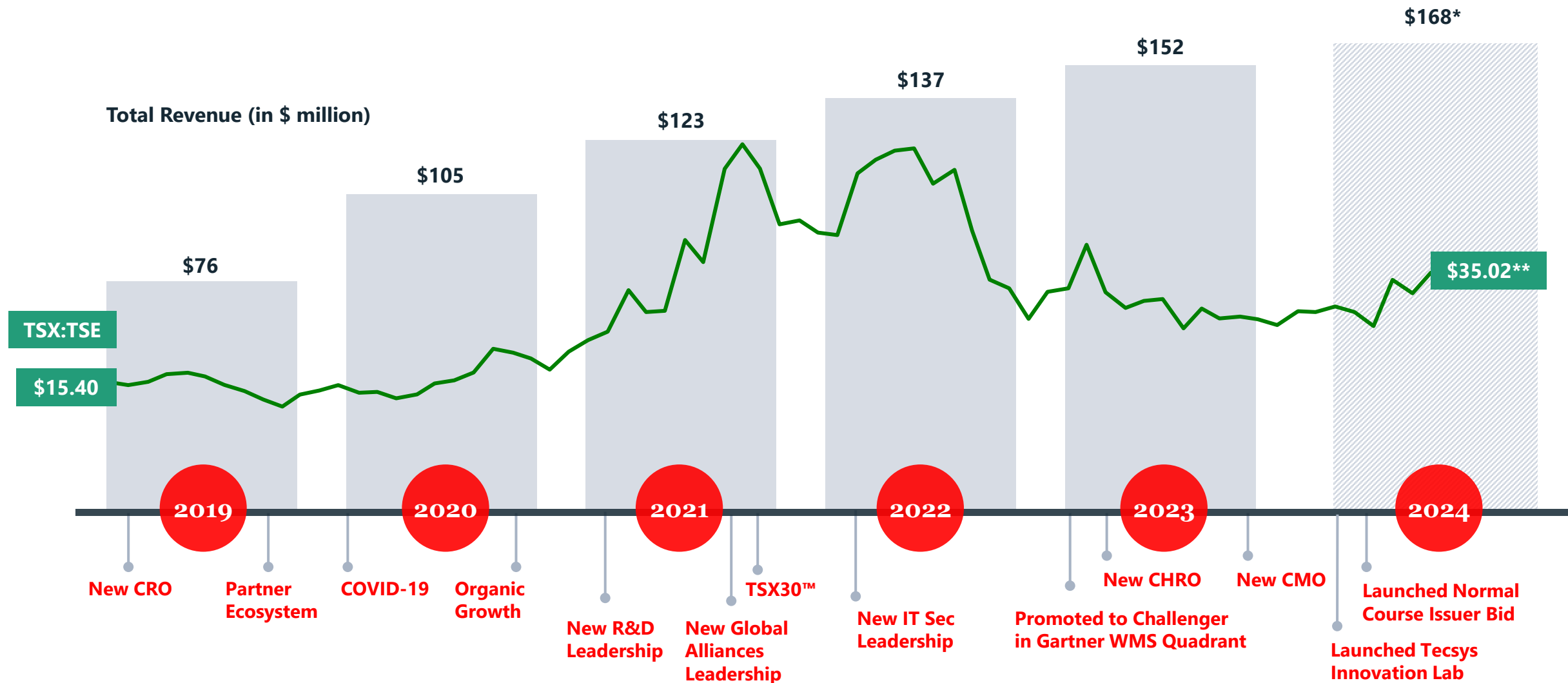
*** On January 31, 2024

End-to-end Integrated Supply Chain Management Solutions

A platform for success

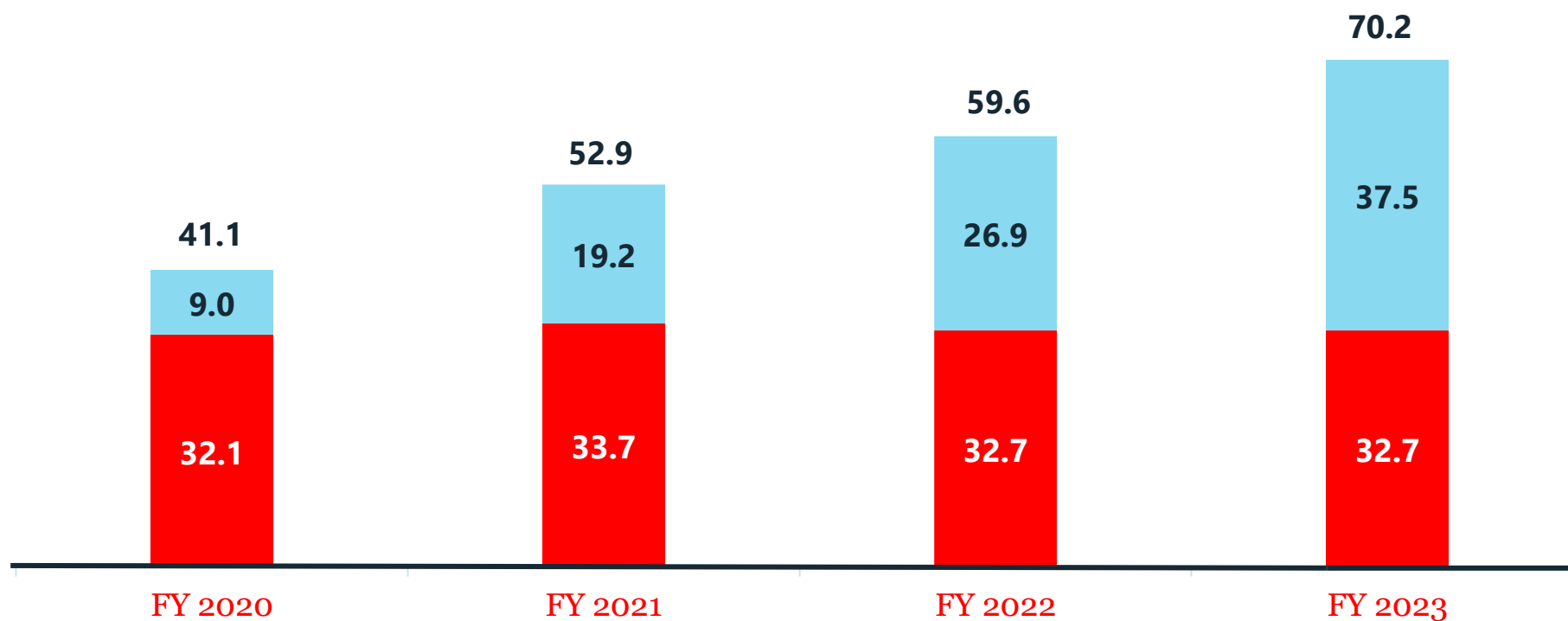


Tecsys Momentum



SaaS Growth Driving Increase in Recurring Revenue

in \$CAD millions



● Maintenance and Support Revenue ● SaaS Revenue

48%
Q3 2024 SaaS
Revenue Growth
YoY

Our Customers

Converging Complex Distribution

51%

Percentage of Annual
Recurring Revenue

49%

Healthcare



Solutions Built on Experience: Delivering end-to-end solutions with technology & services tailored to key industries

Healthcare Supply Chains Are Stressed

- Point of use breakdowns
- Volume fluctuations
- IDNs struggling

- Standardization across networks
- Extraordinary pressure on supply chain to deliver
- Regulatory requirements

Result: Healthcare supply chains need solutions urgently

Opportunity: Tecsys is considered the **leader** in solving these issues for IDNs

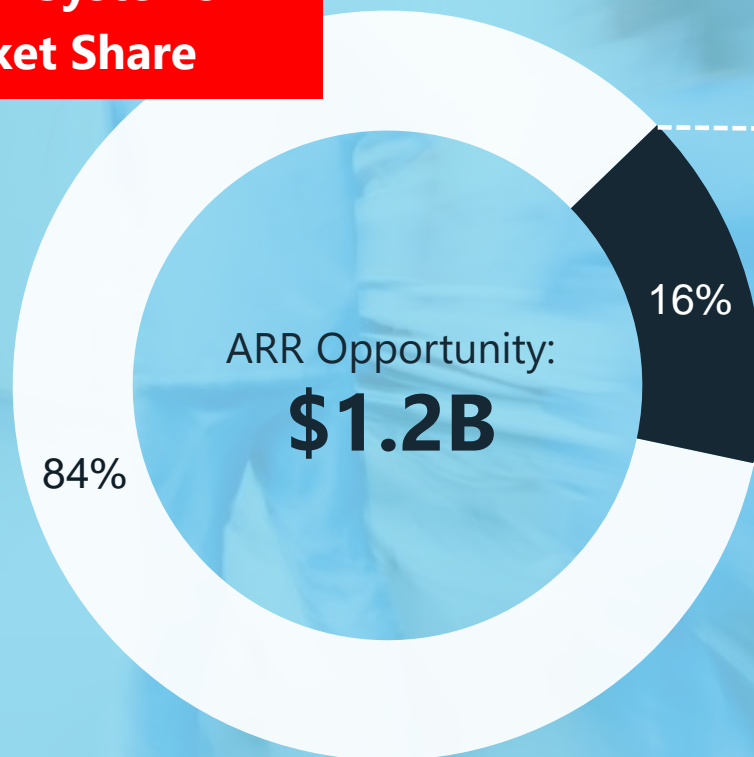
Healthcare Market Opportunity

Becoming Dominant in U.S. Health Systems Market – The \$1.2B ARR* Opportunity

373

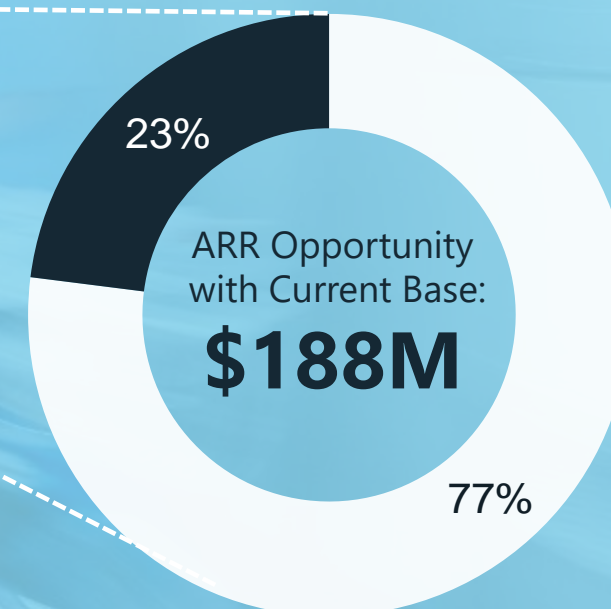
Target Health Systems

**Health Systems
Market Share**



■ Market Opportunity ■ Current Share

**Base Account
Penetration**



■ Market Opportunity

Brand Owner/Retail Convergence Drives Opportunity in Complex Distribution

- Seismic shift happening in retail
- Consumers demand products faster

- Businesses/trading partners expect the same
- Extraordinary pressure on supply chain to deliver

Result: Supply Chain Management needs urgent upgrade to handle complexity
Opportunity: Tecsys is well positioned to solve these challenges

Distribution Convergence Market Opportunity –\$6B

ARR Opportunity
\$6B

12,000
Total Prospects

Industries:

High-volume distribution/wholesalers of hard goods in these specific verticals: General hard goods – agricultural equipment, auto parts, computer equipment, construction materials, consumer packaged goods, electrical & electronics, fulfillment operations, giftware, HVAC, healthcare products, heavy equipment, home products, industrial products, office supplies, service parts, third-party logistics services

\$200M-\$10B+

Target market revenue range

Canada & the U.S.

Delivering Exceptional Innovation & Service Together

Partner Ecosystem - Accelerate Growth

Technology Alliances

**AWS, Workday, Oracle, Shopify,
Locus Robotics, Zebra Technologies,
SVT Robotics, Cerner and Optimizely**

- Complementary solutions
- Specific vertical
- Market reach
- Access to a customer base
- Market share

Advisory & Service Alliances

**Deloitte, CGI, KPMG, Bricz, Avalon CSC,
RiseNow Consulting, Sequoia Group,
Huron Consulting, Longbow Advantage
and TechSera**

- Complementary services
- Aligned vertical focus
- Access to a customer base
- Strong local network
- Resource augmentation

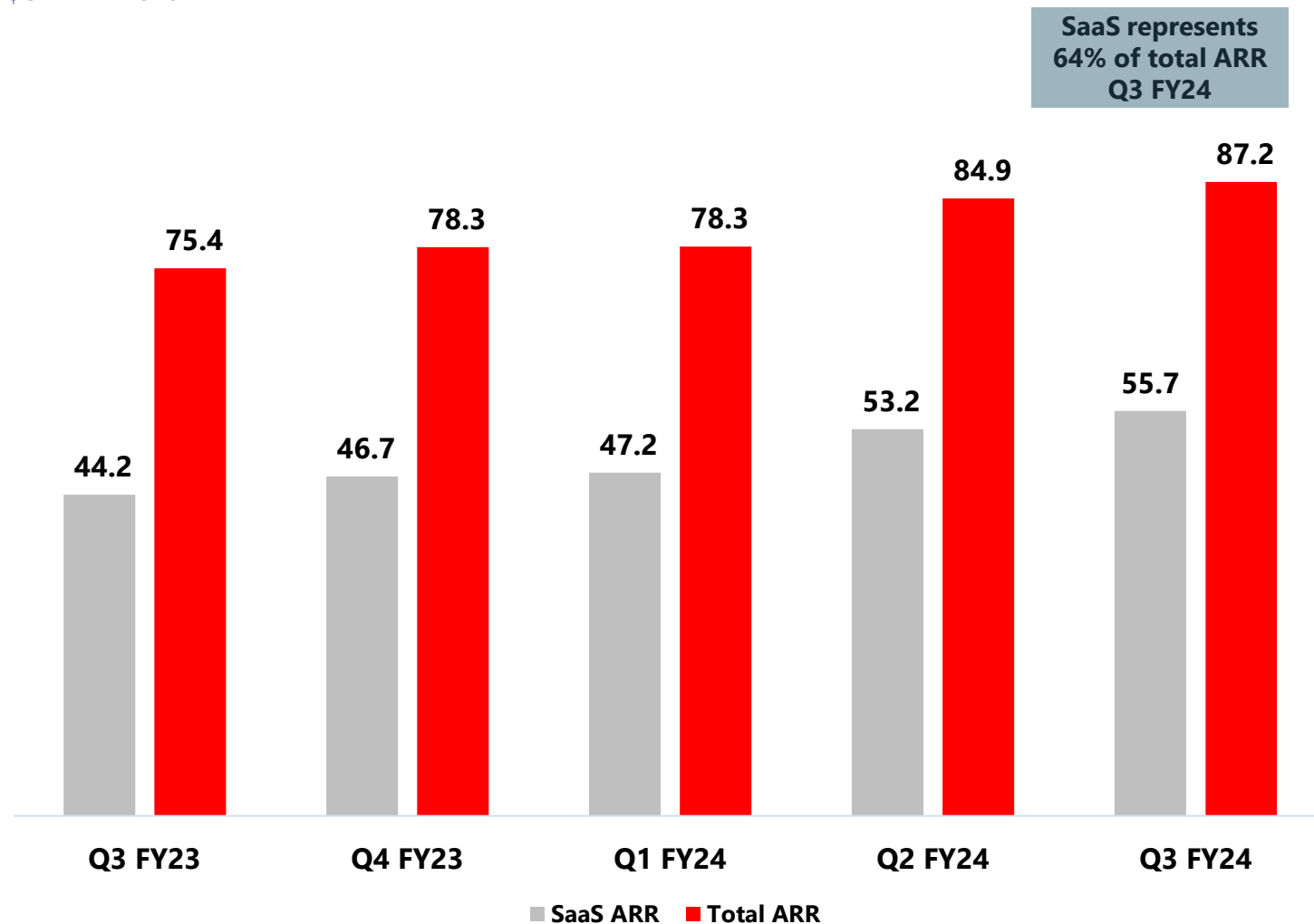
Partner influenced current sales pipeline

2018: 0%
Q3 FY24: 25%



SaaS Driving Annual Recurring Revenue (ARR)¹ Growth

in \$CAD millions



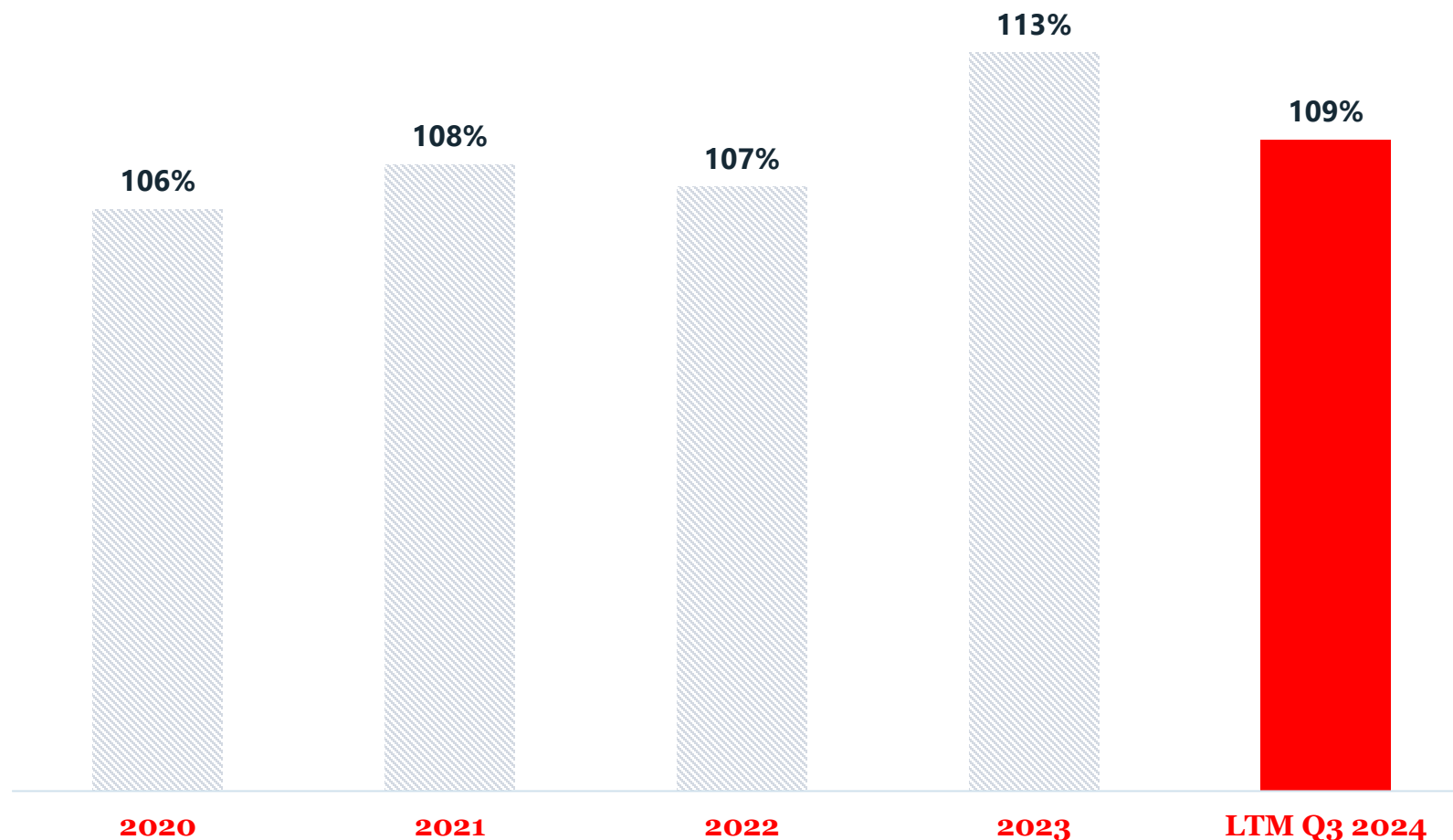
26%

**Q3 FY24 SaaS ARR
growth YoY**

63%

**Q3 FY24 recurring
revenue as a % of
total revenue
excluding hardware**

Annual Recurring Revenue Net Retention Rate



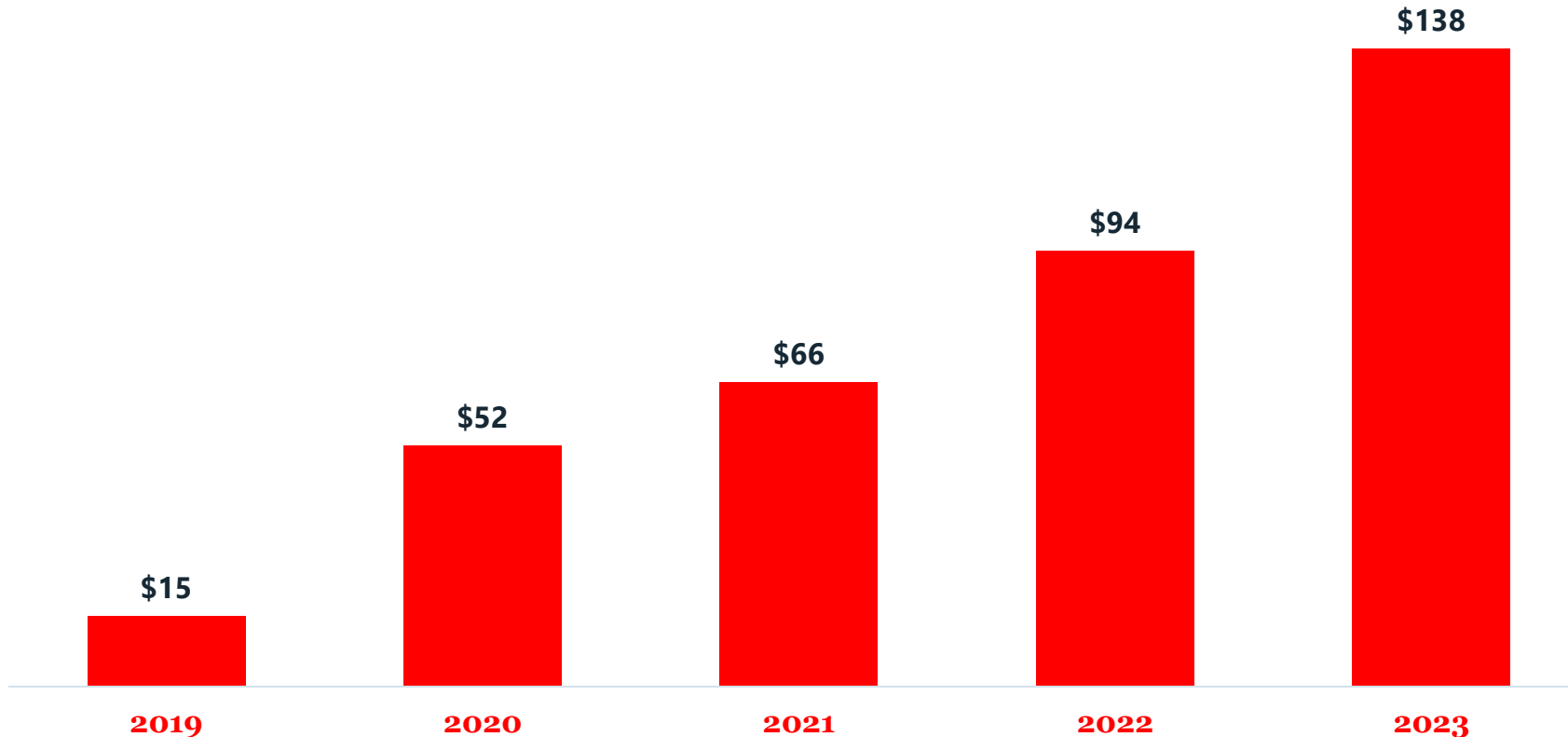
109%

**LTM Q3 Fiscal
2024 Recurring
Revenue Net
Retention Rate**

**Net Retention = (Existing
customer expansion less
churn) divided by Beginning
period ARR**

SaaS Remaining Performance Obligation (RPO)

in \$CAD millions



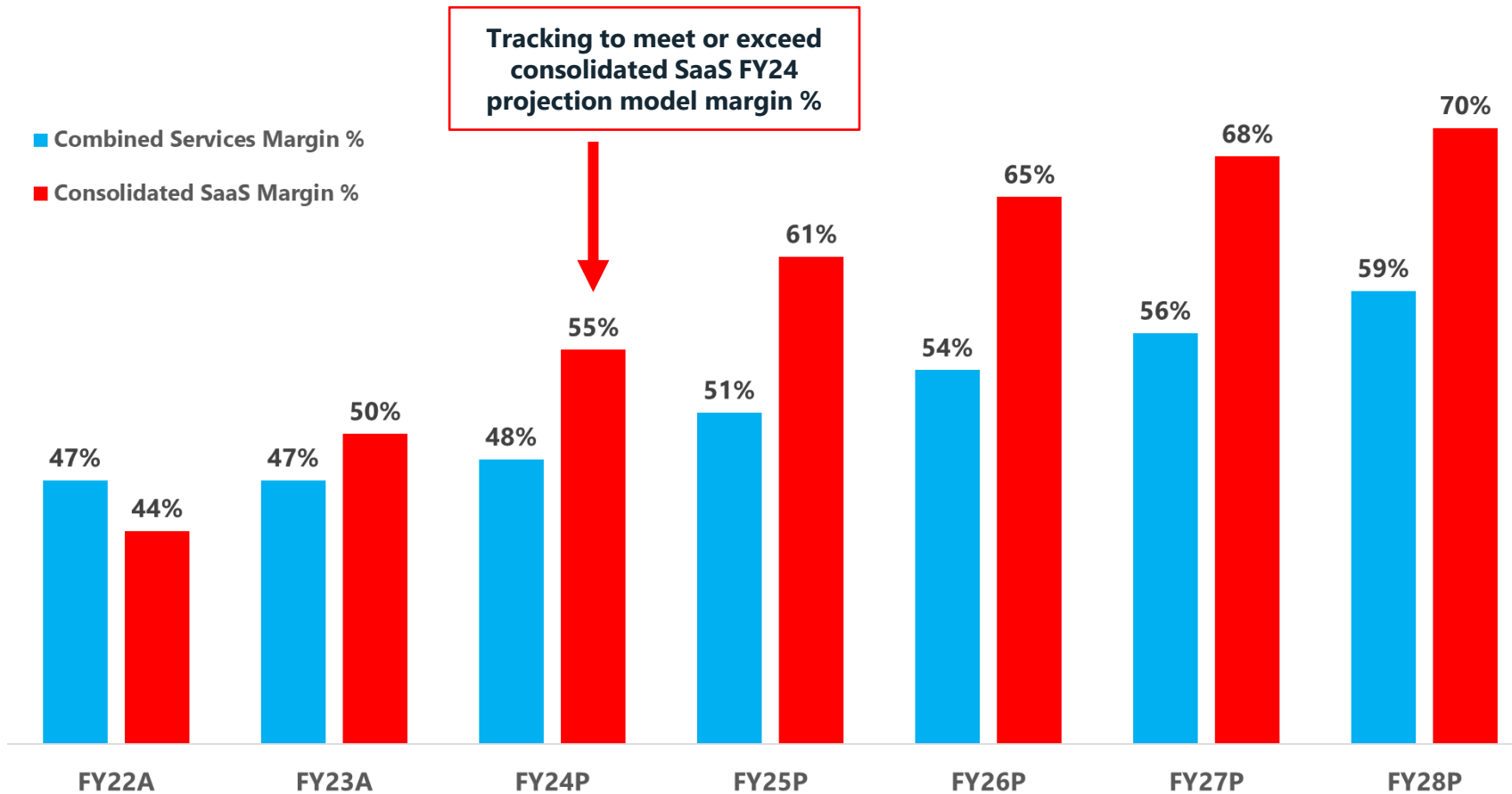
\$157M

Q3 FY24 SaaS RPO

23%

Q3 FY24 SaaS RPO YoY
Growth

Projected* SaaS Margin Expansion



- Combined services margins include SaaS, maintenance and support (including hosting) and professional services.
- Previously sub-scale SaaS business at an inflection point.
- *Projection assumes: 30% YoY SaaS Bookings growth, incremental SaaS deals with 75% margins and PS revenue growth 8% per year.

Financial Highlights

in \$CAD thousands except EPS

	Q3 2024		Q3 2023		Δ YoY		Q3 2024 TTM		Q3 2023 TTM		Δ YoY	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Total Revenue	43,823	100%	38,917	100%	4,906	13%	168,479	100%	145,520	100%	22,959	16%
Total Revenue Excluding Hardware	36,197	83%	32,542	84%	3,655	11%	139,714	83%	123,561	85%	16,153	13%
SaaS Revenue	14,160	32%	9,544	25%	4,616	48%	48,860	29%	34,051	23%	14,809	43%
Maintenance and Support Revenue	8,620	20%	8,356	21%	264	3%	33,809	20%	32,730	22%	1,079	3%
Professional Services Revenue	13,021	30%	13,569	35%	(548)	-4%	55,412	33%	53,635	37%	1,777	3%
Cost of Revenue	23,893	55%	21,909	56%	1,984	9%	92,340	55%	81,945	56%	10,395	13%
Gross Profit	19,930	45%	17,008	44%	2,922	17%	76,139	45%	63,575	44%	12,564	20%
Sales & Marketing	8,223	19%	7,349	19%	874	12%	32,317	19%	26,690	18%	5,627	21%
General and Administration	2,650	6%	2,813	7%	(163)	-6%	11,179	7%	11,271	8%	(92)	-1%
Research and Development	7,834	18%	5,806	15%	2,028	35%	28,676	17%	22,125	15%	6,551	30%
Operating Expenses	18,707	43%	15,968	41%	2,739	17%	72,172	43%	60,086	41%	12,086	20%
Profit from Operations	1,223	3%	1,040	3%	183	18%	3,967	2%	3,489	2%	478	14%
Net Profit	759	2%	888	2%	(129)	-15%	2,036	1%	4,229	3%	(2,193)	-52%
Adjusted EBITDA	2,640	6%	2,774	7%	(134)	-5%	9,283	6%	8,765	6%	518	6%
EPS Basic	0.05		0.06		(0.01)	-17%	0.14		0.29		(0.15)	-52%
EPS Diluted	0.05		0.06		(0.01)	-17%	0.14		0.28		(0.14)	-50%
SaaS ARR Bookings	4,864		5,831		(967)	-17%	14,401		16,992		(2,591)	-15%
Total Annual Recurring Revenue							87,248		75,361		11,887	16%
SaaS Backlog							157,215		128,313		28,902	23%
Professional Services Backlog							36,653		38,167		(1,514)	-4%
SaaS Annual Recurring Revenue							55,733		44,192		11,541	26%

Refer to January 31, 2024 Management Discussion and Analysis "Non-IFRS Performance Measures"

Refer to January 31, 2024 Management Discussion and Analysis "Key Performance Indicators"

Corporate Overview

\$515M

Market Cap**
14.7M S/O

TMX

Symbol TCS

31¢

Dividend per Year*

18%

Insider Ownership**

Brokerage Coverage

- Cormark Securities Inc.
- Echelon Capital Markets
- National Bank Financial
- Raymond James
- Stifel

* Last twelve months, January 31, 2024

** On January 31, 2024

Reasons to Invest

Cloud-based



Operates a **single cloud-based platform** that services two major supply chain market segments.

**\$1.2B
ARR
TAM**



Greenfield **opportunity in healthcare** with the potential to dominate a global \$1.2B ARR TAM.

**\$6B
ARR
TAM**



Disruptor **opportunity in complex distribution** as retail, 3PL, and distributors modernize & replace legacy systems. \$6B ARR TAM.

**43%
SaaS
Revenue
Growth**



LTM January 31, 2024 YoY SaaS revenue growth of 43%.

**2.5x
NTM
EV/sales**



Trading at 2.5x NTM EV/sales, a 83% discount to its closest comparable MANH.



Thank You