



Investor Presentation

Q3 FY2025

A HIGHER STANDARD





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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Tecsys at a glance

Purpose:

To empower
good companies
to be great

Position:

To clarify
uncertainty in the
supply chain

Mission:

To equip supply
chain greatness

Vision:

That good
companies have
the space to thrive

Our story is all about our customers

40+ years

of complex
supply network
experience

13 times

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

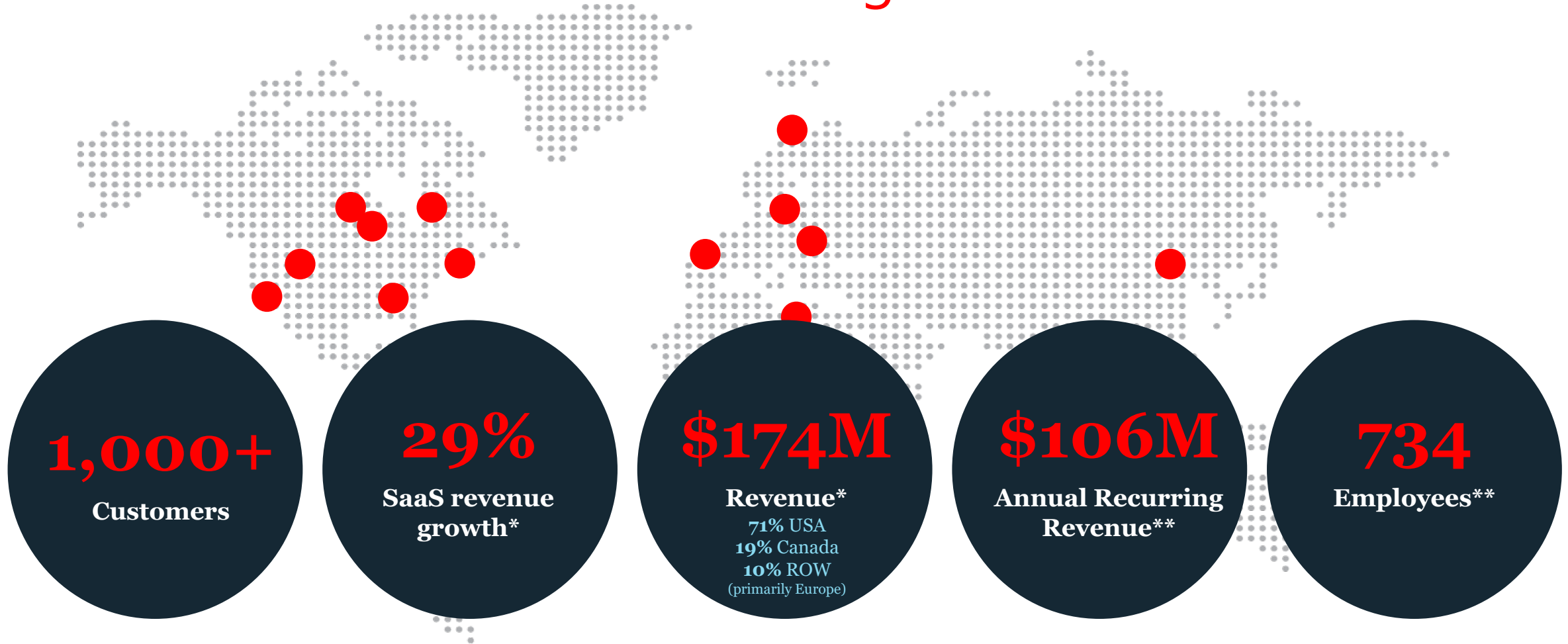
40%

of Gartner's Healthcare
Supply Chain Top 25
for 2024 are customers

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



Global reach and financial strength

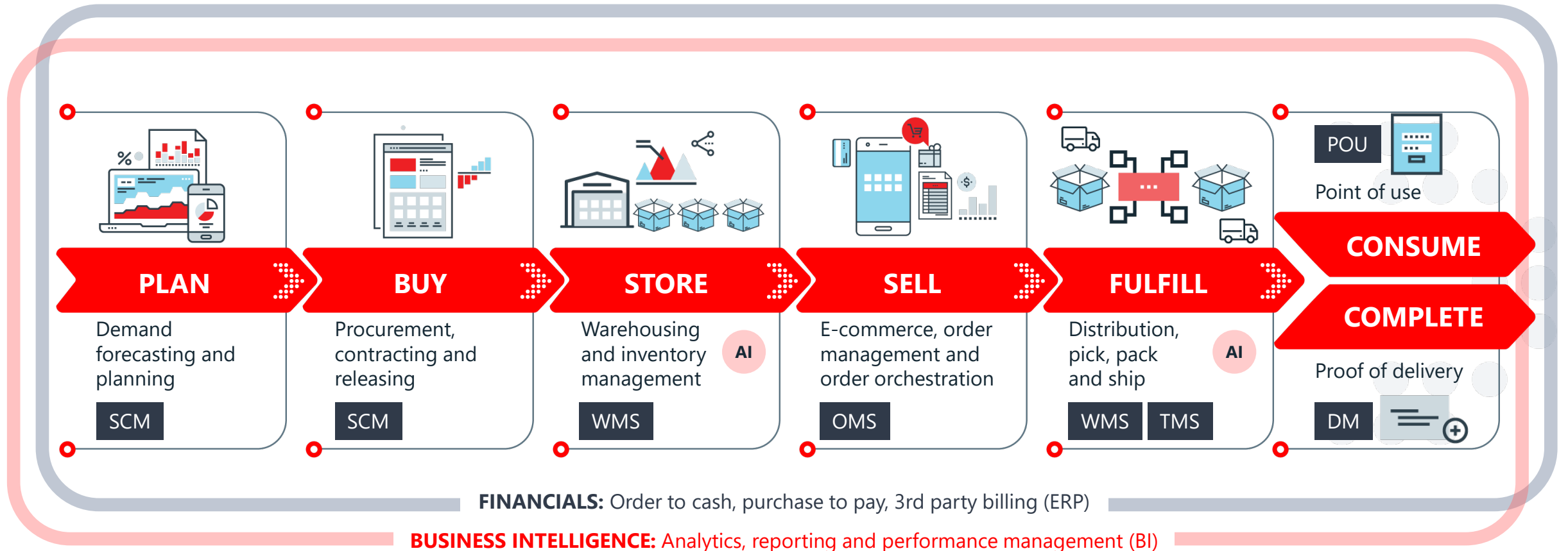


* Last twelve months, January 31, 2025

** On January 31, 2025

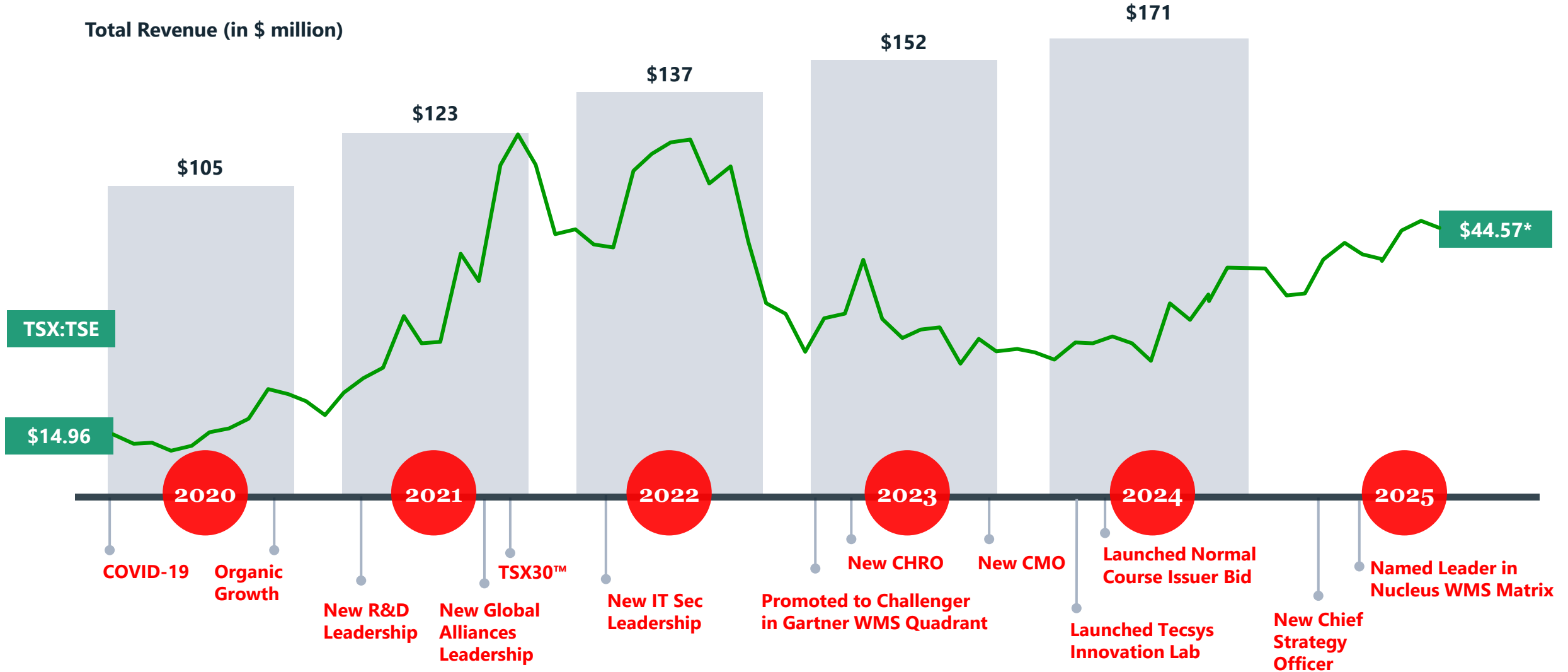
End-to-end integrated supply chain management solutions

A platform for success



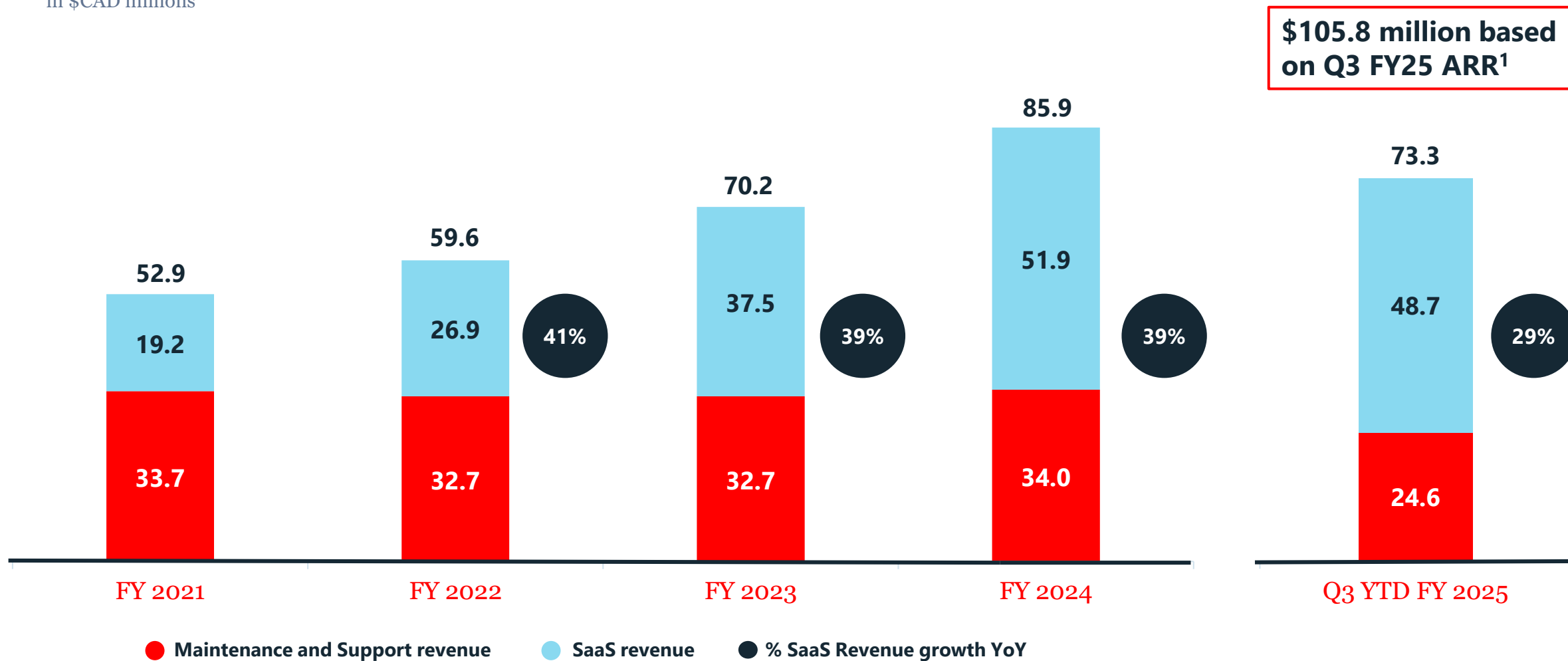
Momentum

Total Revenue (in \$ million)



SaaS growth driving increase in recurring revenue

in \$CAD millions



Customers

Percentage of SaaS annual recurring revenue

Healthcare

76% | 24%

General distribution



Solutions built on experience: Delivering end-to-end solutions with technology and services

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

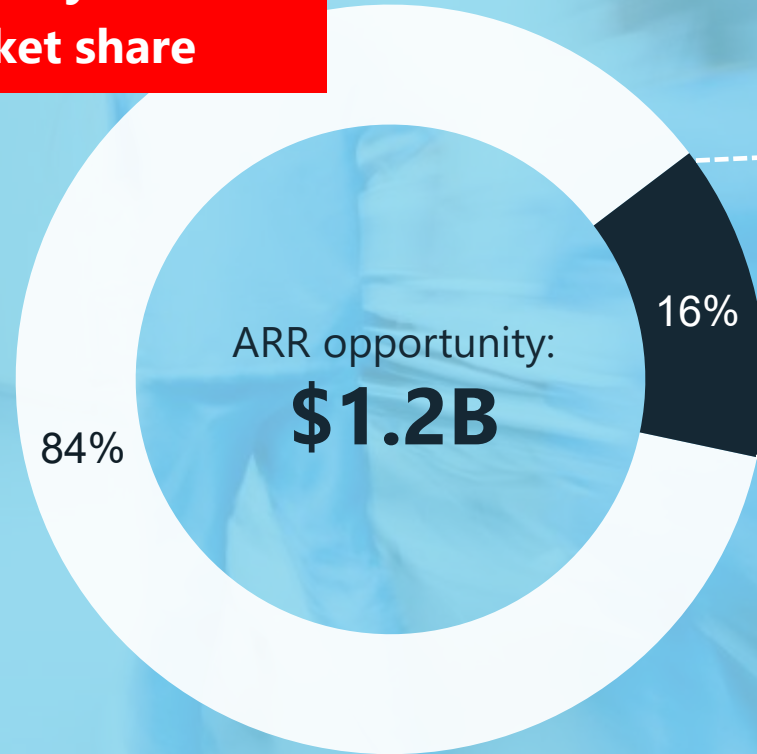
Health Systems market opportunity

Becoming dominant in U.S. Health Systems market – The \$1.2B ARR* opportunity

373

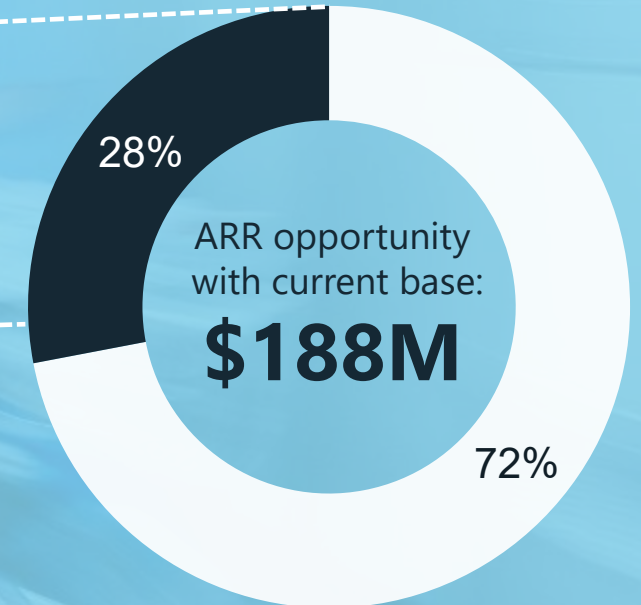
Target Health Systems

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 and 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 and the U.S.

Delivering exceptional innovation and service together

Partner ecosystem - Accelerate growth

Technology partners

AWS, Workday, Oracle, Shopify, Locus Robotics, Zebra Technologies, SVT Robotics, TraceLink and Matthews Automation

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

Advisory and service partners

Deloitte, CGI, KPMG, Bricz, Avalon CSC, RiseNow Consulting, Sequoia Group, Sedlak Supply Chain Consultants and TechSera

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

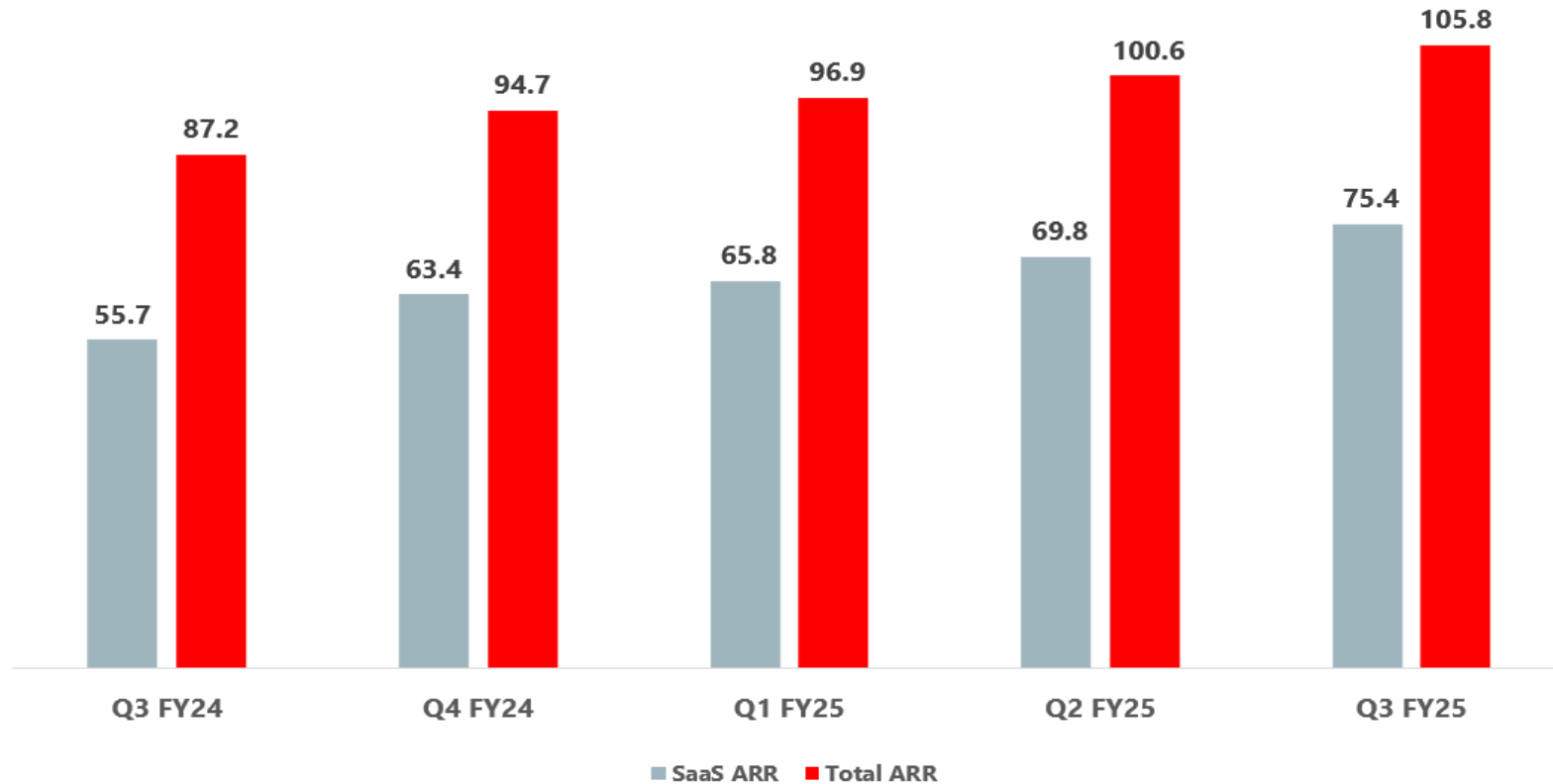
Partner influenced current sales pipeline

Q3 FY25: 25%



SaaS driving Annual Recurring Revenue (ARR)¹ growth

in \$CAD millions



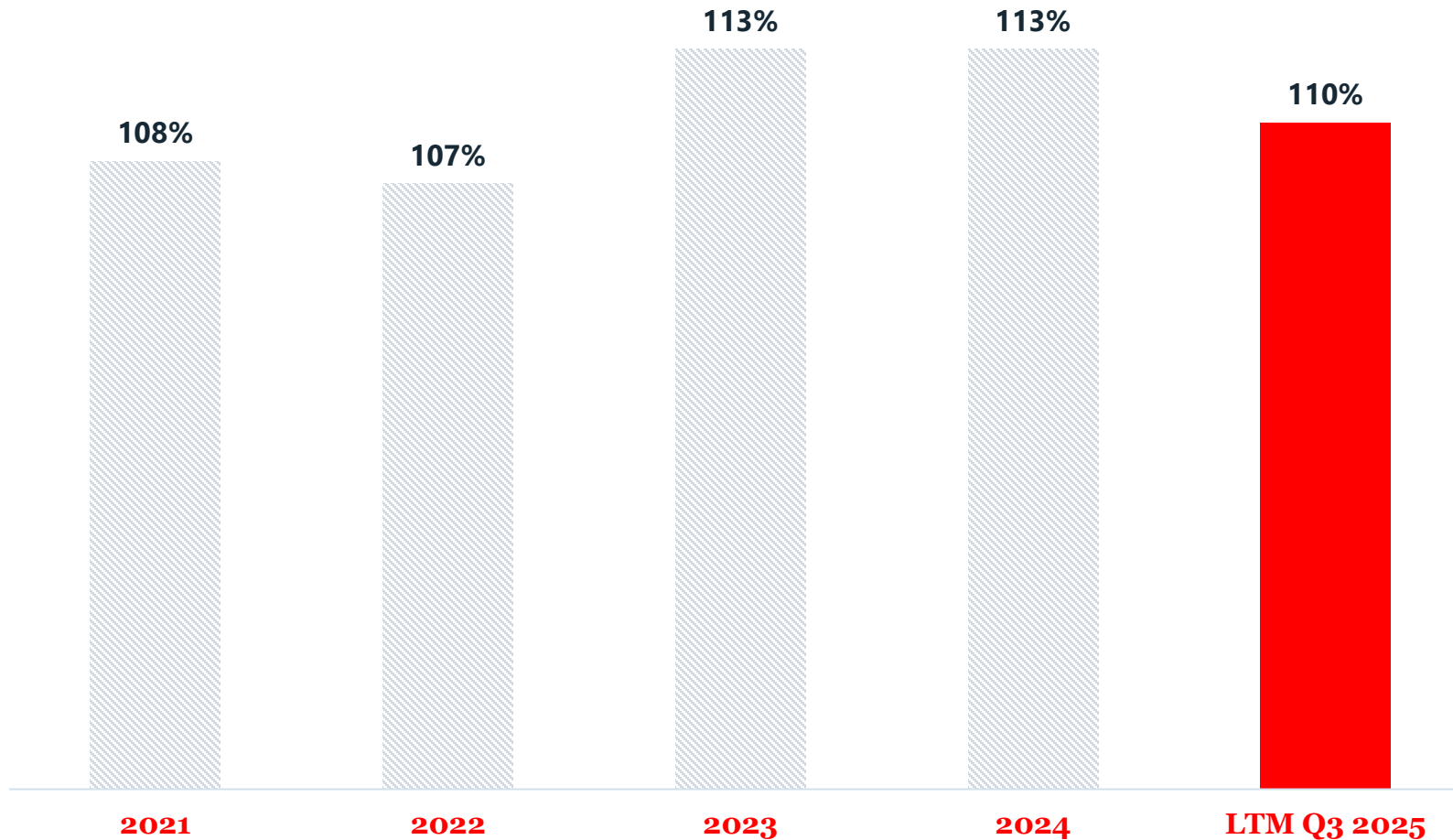
35%

Q3 FY25 SaaS ARR
growth YoY

56%

Q3 FY25 recurring
revenue as a % of
total revenue

Annual Recurring Revenue net retention rate



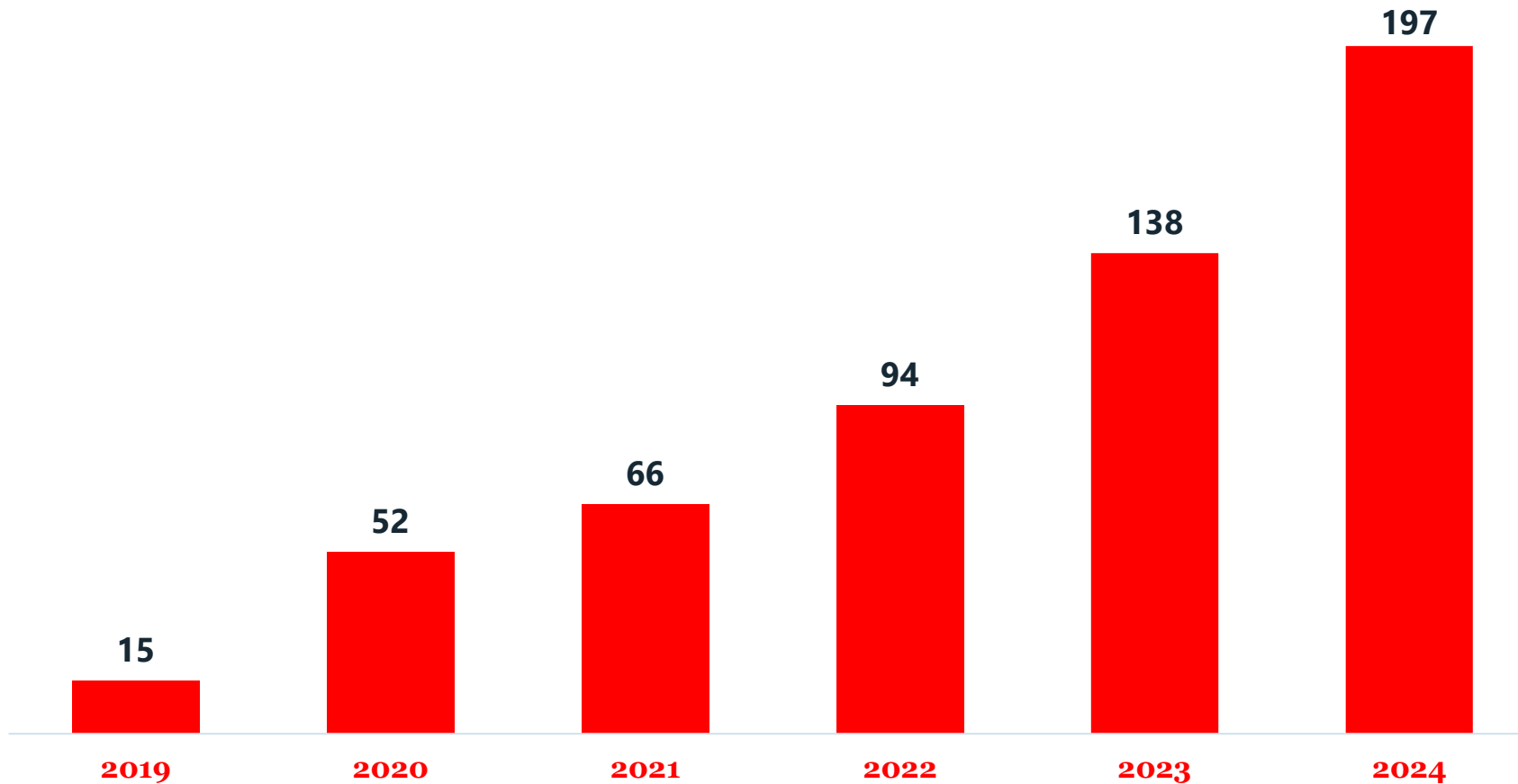
110%

**LTM Q3 Fiscal
2025 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



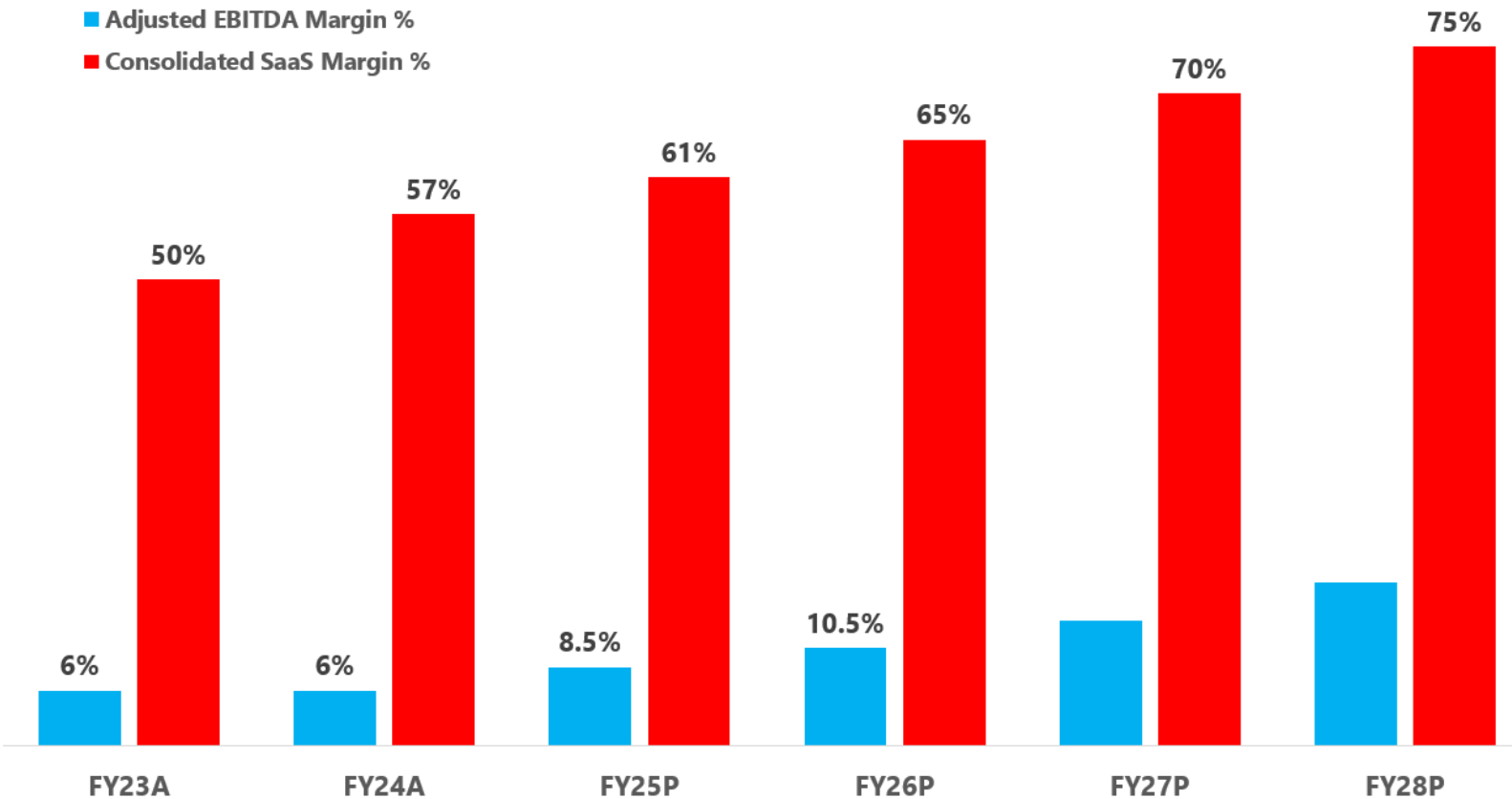
\$210 million

Q3 FY25 SaaS RPO

34%

Q3 FY25 SaaS RPO
YoY Growth

Projected* SaaS margin expansion



- Previously sub-scale SaaS business at an inflection point.
- Current Elite product margins on latest infrastructure are running at over 75%.
- AEBITDA FY25P and FY26P represent guidance mid-point.
- AEBITDA FY27P and FY28P are directional targets.

Financial highlights

in \$CAD thousands except EPS

	Q3 2025		Q3 2024		Δ YoY		Q3 2025 TTM		Q3 2024 TTM		Δ YoY	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
SaaS Revenue	17,252	38%	14,160	32%	3,092	22%	62,887	36%	48,860	29%	14,027	29%
Maintenance and Support Revenue	8,142	18%	8,620	20%	(478)	-6%	32,700	19%	33,809	20%	(1,109)	-3%
Professional Services Revenue	13,920	31%	13,021	30%	899	7%	55,842	32%	55,412	33%	430	1%
License Revenue	212	0%	396	1%	(184)	-46%	1,799	1%	1,633	1%	166	10%
Hardware Revenue	5,655	13%	7,626	17%	(1,971)	-26%	20,626	12%	28,765	17%	(8,139)	-28%
Total Revenue	45,181	100%	43,823	100%	1,358	3%	173,854	100%	168,479	100%	5,375	3%
Cost of Revenue	23,907	53%	23,893	55%	14	0%	91,790	53%	92,340	55%	(550)	-1%
Gross Profit	21,274	47%	19,930	45%	1,344	7%	82,064	47%	76,139	45%	5,925	8%
Sales & Marketing	9,053	20%	8,223	19%	830	10%	34,894	20%	32,317	19%	2,577	8%
General and Administration	3,096	7%	2,650	6%	446	17%	12,537	7%	11,179	7%	1,358	12%
Research and Development	7,114	16%	7,834	18%	(720)	-9%	29,085	17%	28,676	17%	409	1%
Restructuring Costs	-	0%	-	0%	-	n.a	2,122	1%	-	0%	2,122	n.a
Operating Expenses	19,263	43%	18,707	43%	556	3%	78,638	45%	72,172	43%	6,466	9%
Profit from Operations	2,011	4%	1,223	3%	788	64%	3,426	2%	3,967	2%	(541)	-14%
Net Profit	1,193	3%	759	2%	434	57%	3,008	2%	2,036	1%	972	48%
Adjusted EBITDA	3,535	8%	2,640	6%	895	34%	11,848	7%	9,283	6%	2,565	28%
EPS Basic & diluted	0.08		0.05		0.03	60%	0.20		0.14		0.06	43%
SaaS ARR Bookings	4,040		4,864		(824)	-17%	18,841		14,401		4,440	31%
Total Annual Recurring Revenue							105,760		87,248		18,512	21%
SaaS Backlog							210,181		157,215		52,966	34%
Professional Services Backlog							44,430		36,653		7,777	21%
SaaS Annual Recurring Revenue							75,438		55,733		19,705	35%

Refer to January 31, 2025, Management Discussion and Analysis "Non-IFRS Performance Measures"

Refer to January 31, 2025, Management Discussion and Analysis "Key Performance Indicators"

Corporate overview

\$657M

Market cap**
14.7M S/O

TMX

Symbol TCS

33¢

Dividend per year*

17%

Insider ownership**

Brokerage coverage

- Cormark Securities Inc.
- National Bank Financial
- Raymond James
- Stifel
- Ventum Financial

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** On January 31, 2025

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 and replace legacy systems. \$6B ARR TAM

**29%
SaaS
revenue
growth**

LTM January 31, 2025, YoY SaaS revenue growth of 29%

**3.2x NTM
EV/sales**

Trading at 3.2x NTM EV/sales, a 68% discount to its closest comparable MANH



Thank you

