

# Investor Day Presentation

February 15, 2023



# Welcome Remarks

Jennifer McCaughey

Director, Investor Relations





# Agenda

- 1 **Welcome Remarks**
- 2 Update on Strategic Plan
- 3 Capital Allocation Priorities
- 4 IT and Cyber Solutions
- 5 Advanced Technologies
- 6 Break
- 7 Health
- 8 Learning
- 9 Cross Selling
- 10 Closing Remarks
- 11 Survey
- 12 Q&A

# Caution Regarding Forward Looking Statements



Certain information included in this document is forward-looking and is subject to important risks and uncertainties. The results or events predicted in these statements may differ materially from actual results or events. Such statements are generally accompanied by words such as “intend”, “anticipate”, “believe”, “estimate”, “expect” or similar statements. Factors which could cause results or events to differ from current expectations include, among other things: the impact of price competition; scarce number of qualified professionals; the impact of rapid technological and market change; loss of business or credit risk with major customers; technical risks on fixed price projects; general industry and market conditions and growth rates; international growth and global economic conditions, and including currency exchange rate fluctuations; and the impact of consolidations in the business services industry. For additional information with respect to certain of these and other factors, please see the Company’s most recent annual report and other reports filed by Calian with the Ontario Securities Commission. Calian disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. No assurance can be given that actual results, performance or achievement expressed in, or implied by, forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.

# Senior Leadership Team



**Kevin Ford**  
CEO



**Patrick Houston**  
CFO & Corporate Secretary



**Michele Bedford**  
CCO



**Sean Hamer**  
CTO



**Sue Ivay**  
CHRO



**Michael Muldner**  
CIO



**Robin Richardson**  
VP Marketing



**Patrick Thera**  
Advanced Technologies



**Gordon McDonald**  
Health (Outgoing)



**Derek Clark**  
Health (Incoming)



**Sacha Gera**  
IT & Cyber Solutions



**Don Whitty**  
Learning

 Capable and experienced leadership team

# Calian – FY22 Snapshot

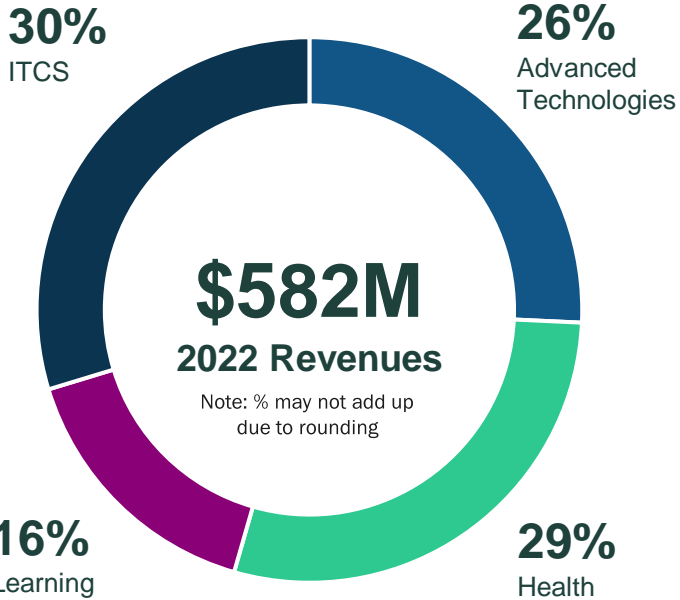
**40 years**  
History

**4,500**  
Workforce

**Ottawa**  
Head Office

**\$649M**  
Market Cap

**CGY**  
TSX



## REVENUE SEGMENTATION

### Customers

**53%**  
Commercial

**47%**  
Government

### Geography

**29%**  
International

**71%**  
Canada

### Technology

**27%**  
Products

**73%**  
Services

 A diverse product and services company

# Four-Piston Engine

30%

## ITCS

**\$173M**

2022 Revenues

- On-demand Talent & Government Solutions
- IT Solution Provider
- XaaS and Cyber MDR

29%

## HEALTH

**\$167M**

2022 Revenues

- Healthcare Professional Services
- Pharmaceutical Industry Solutions
- In-store Health Clinics

26%

## ADVANCED TECHNOLOGIES

**\$150M**

2022 Revenues

- Space
- Defence
- Terrestrial

16%

## LEARNING

**\$92M**

2022 Revenues

- Domestic Defence
- Global Defence
- Commercial

Note: % may not add up due to rounding

This business model provides diversity and stability



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# Update on Strategic Plan

Kevin Ford  
CEO



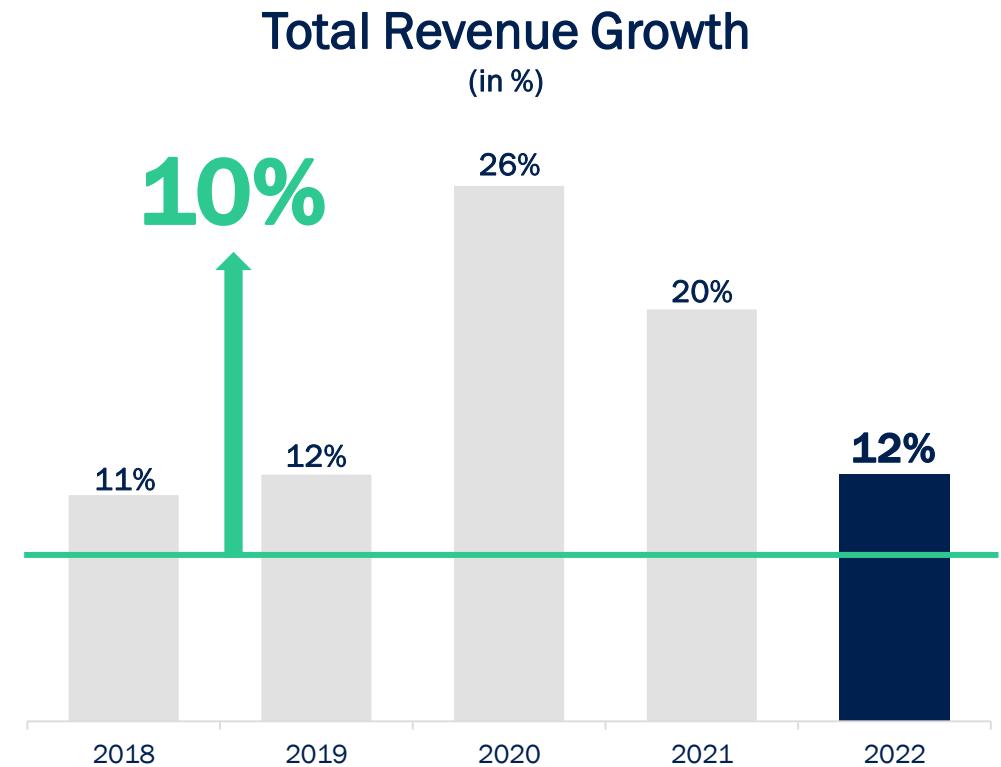
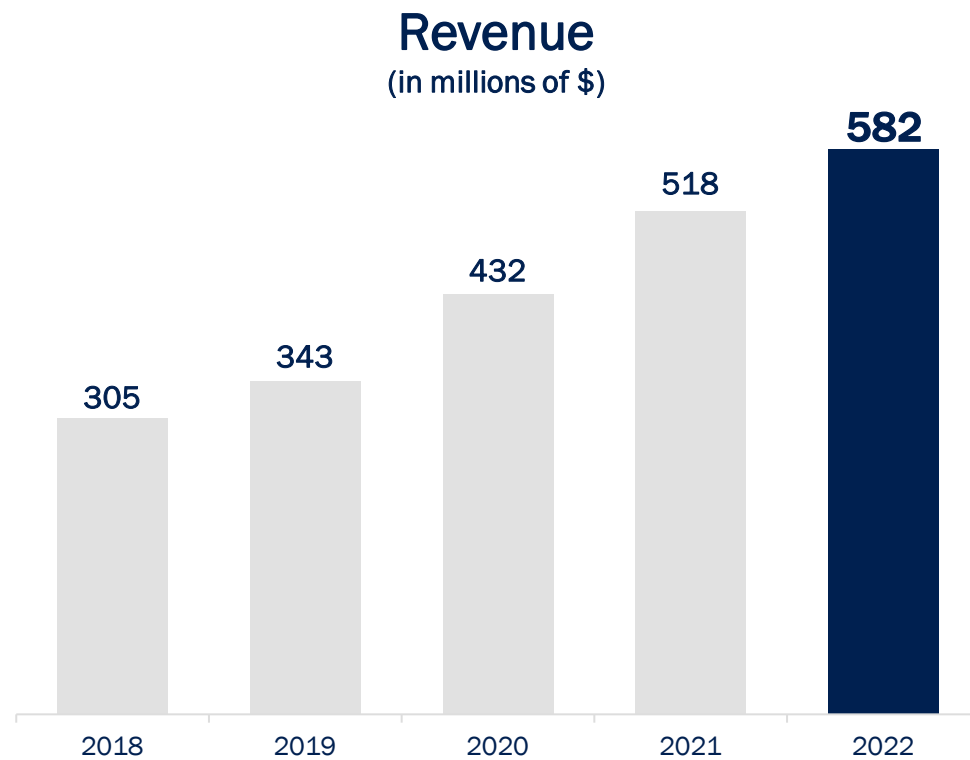
# Strategic Plan – Growth Strategy



$$\begin{array}{ccccc} \mathbf{5\%} & & \mathbf{5\%} & & \mathbf{10\%} \\ \text{Organic} & + & \text{Acquisitive} & = & \text{Target} \\ \text{Growth} & & \text{Growth} & & \text{Growth} \end{array}$$

✦ Revenue objective: Crossing the \$500 million mark

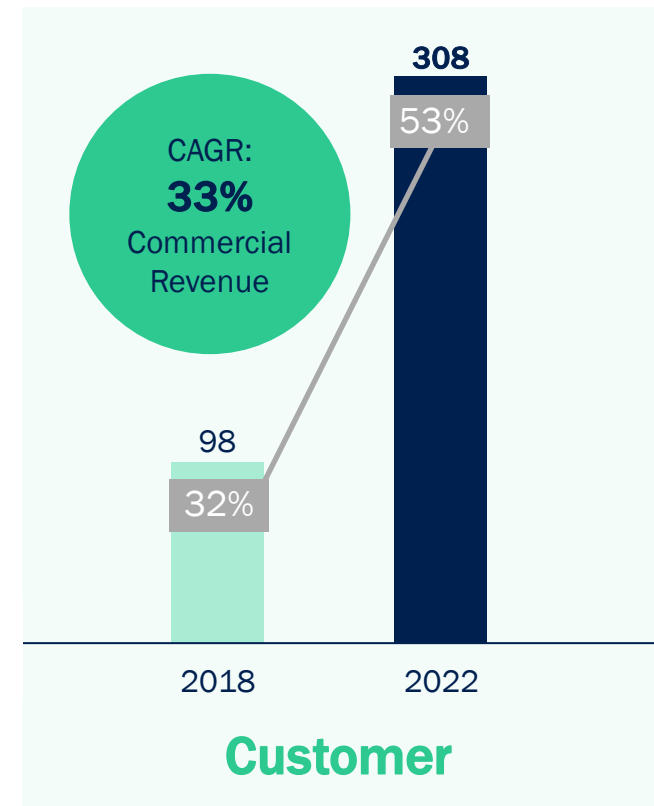
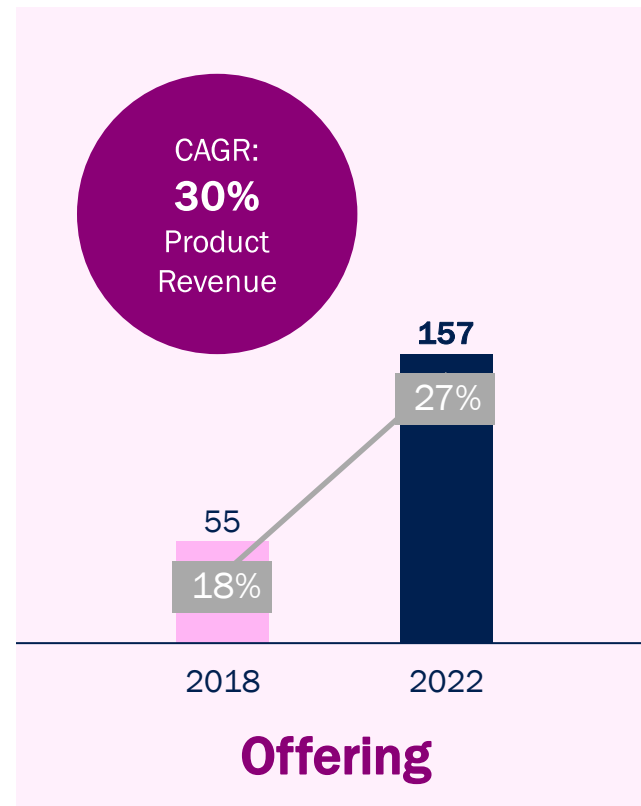
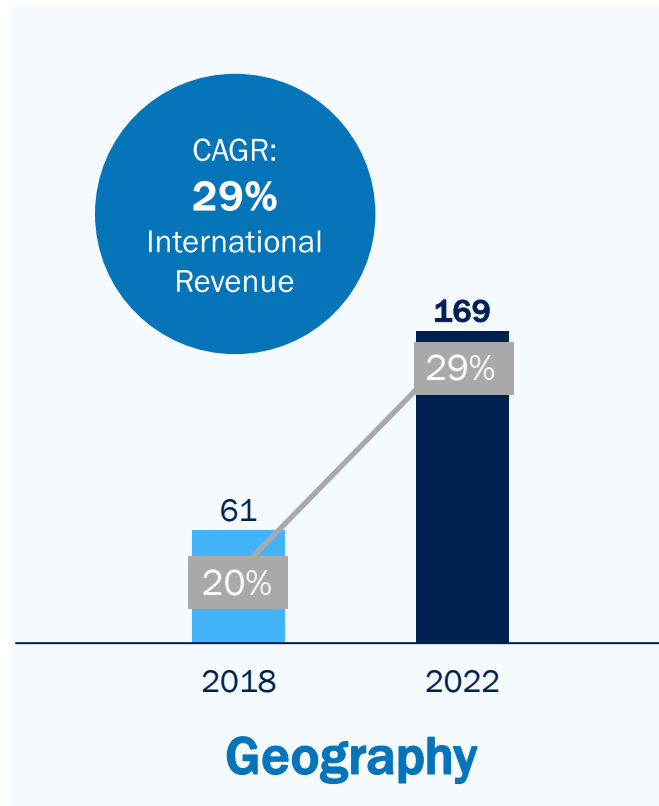
# Track Record – 5-Year Revenue Growth



✦ Surpassing 10% revenue growth objective every year

# Track Record – 5-Year Revenue Diversification

## 5-Year Revenue (in millions of dollars)

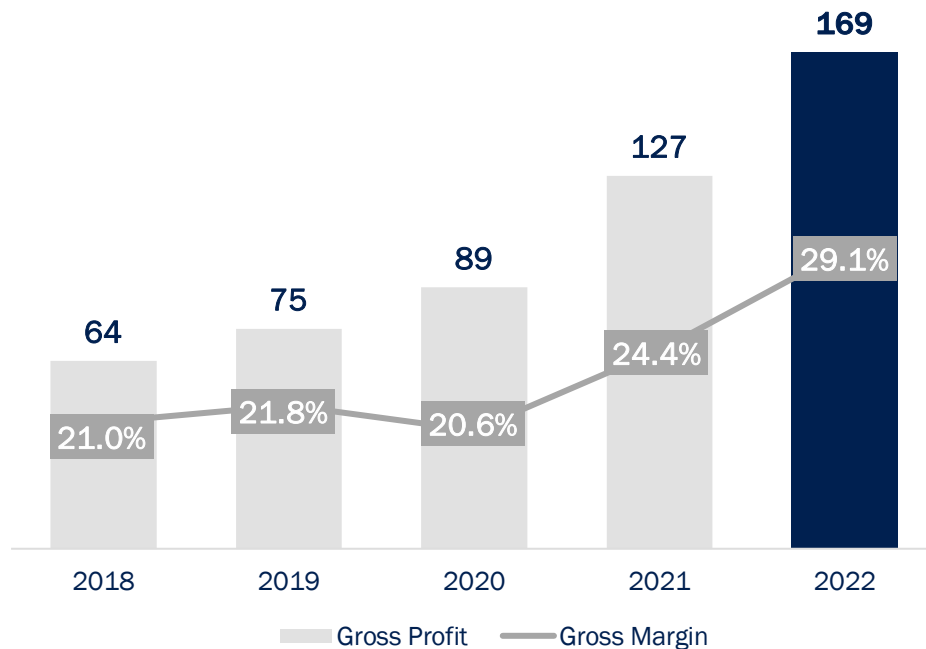


✦ Diversifying revenues by geography, offering and customer

# Track Record – 5-Year Margin Expansion

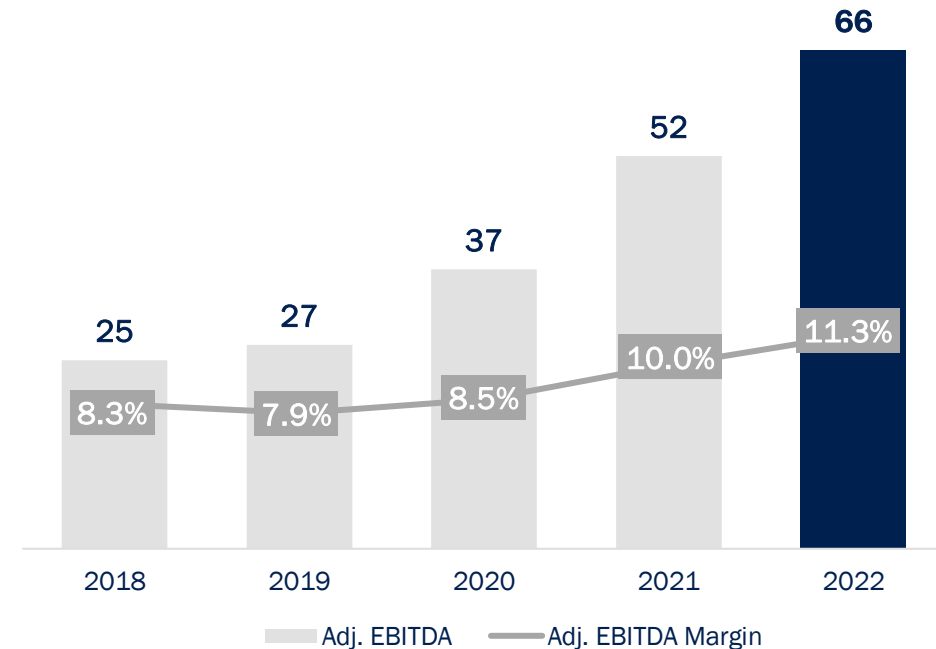
## Gross Profit & Margin

(in millions of dollars, except margin)



## Adj. EBITDA<sup>1</sup> & Margin<sup>1</sup>

(in millions of dollars, except margin)



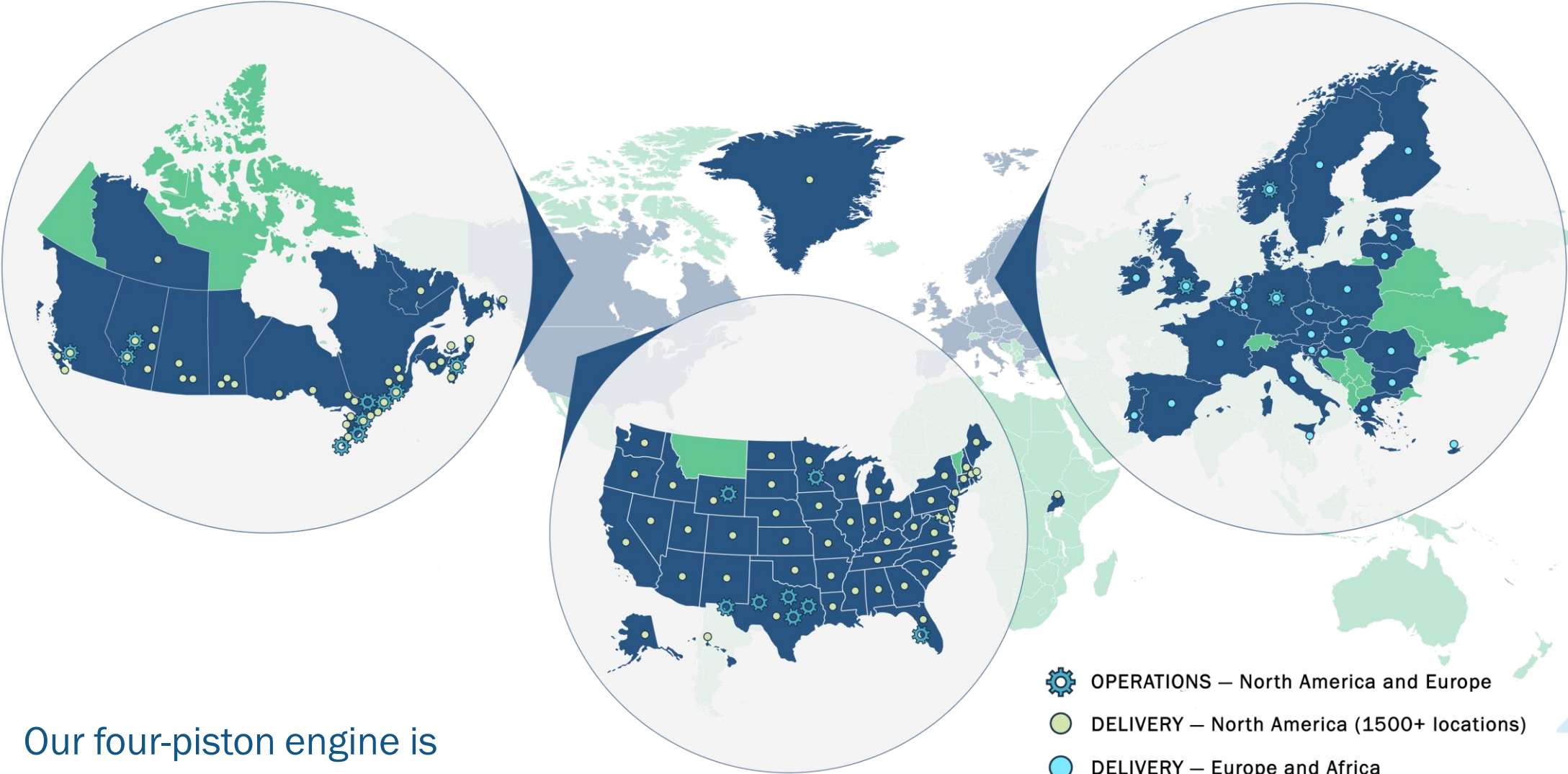
1) This is a non-GAAP measure. Please refer to the MD&A.

 Growing margins significantly



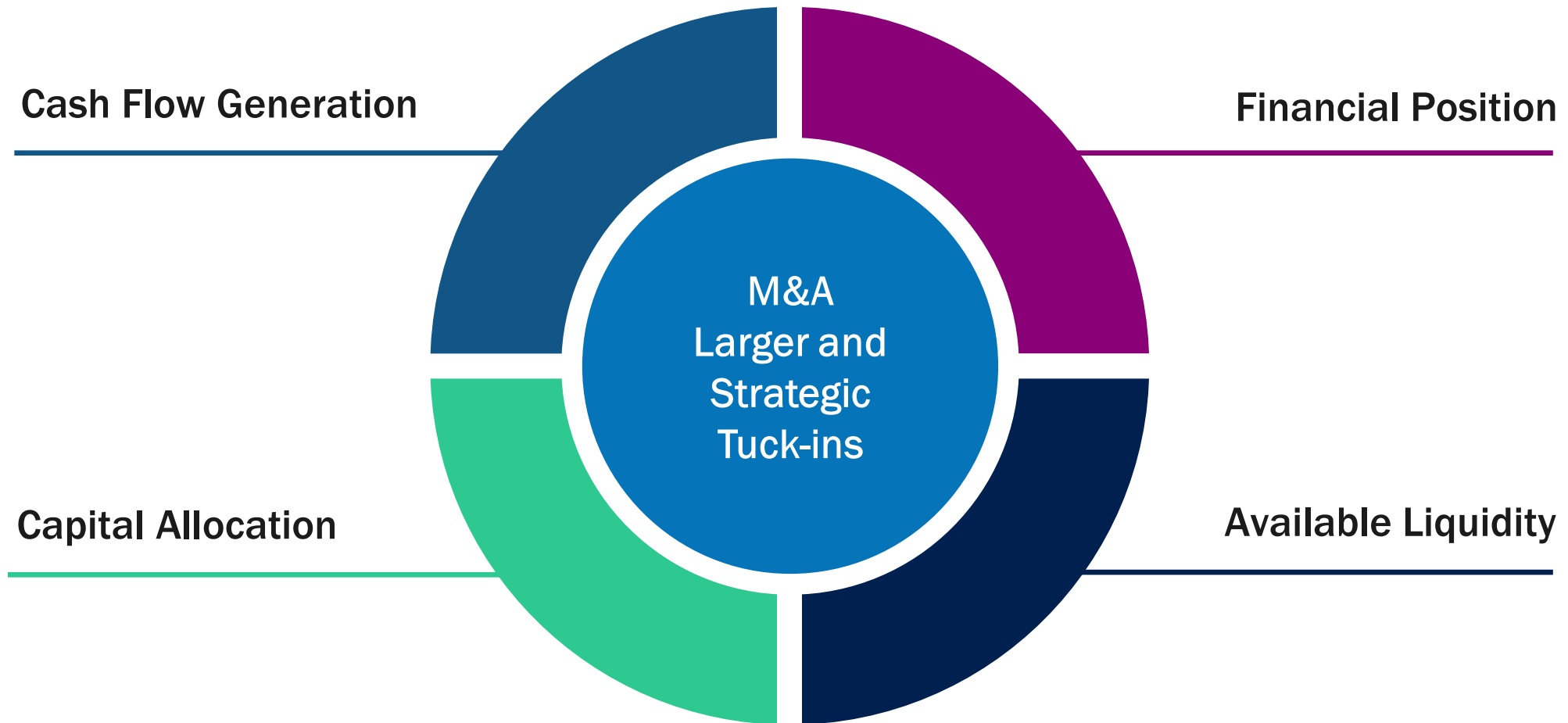
**Looking Ahead**

# Looking Ahead – Going Global



Our four-piston engine is gaining a growing global footprint

# Looking Ahead – M&A



✦ We have the funding to make it happen



# Looking Ahead – Executing High Growth Opportunities

				
	ITCS	Health	Learning	AT
Selected Growth Opportunity	XaaS & Cyber Managed Detection & Response (MDR)	Pharmaceutical Industry Solutions (PSP & CRO)	Integrated Synthetic Training Environments	GNSS antennas



Tailwinds from end markets

Cross-selling opportunities

- **PSP** – Patient Support Programs
- **CRO** – Contract Research Organization

Well-positioned to drive future growth



# Agenda

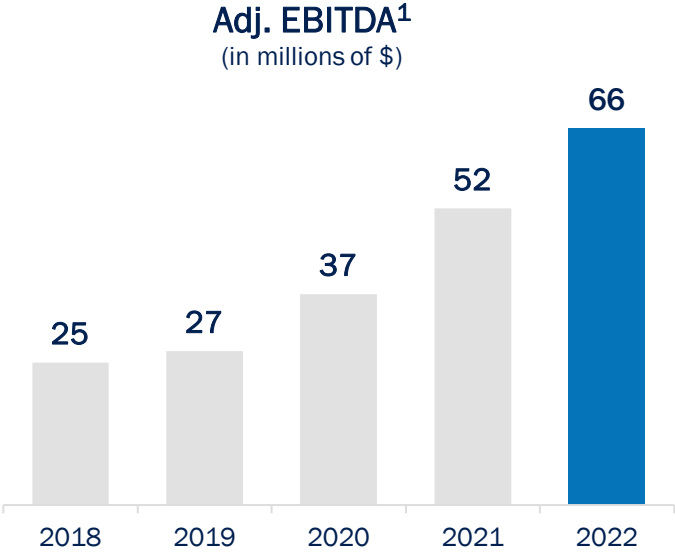
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# Capital Allocation Priorities

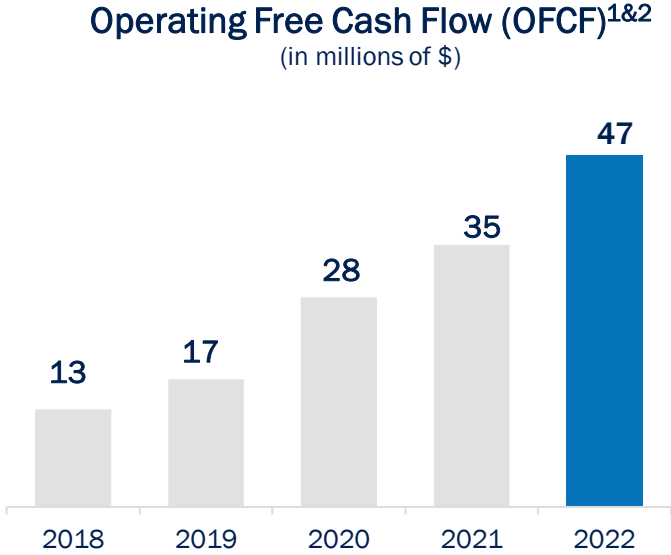
Patrick Houston  
CFO and Corporate Secretary



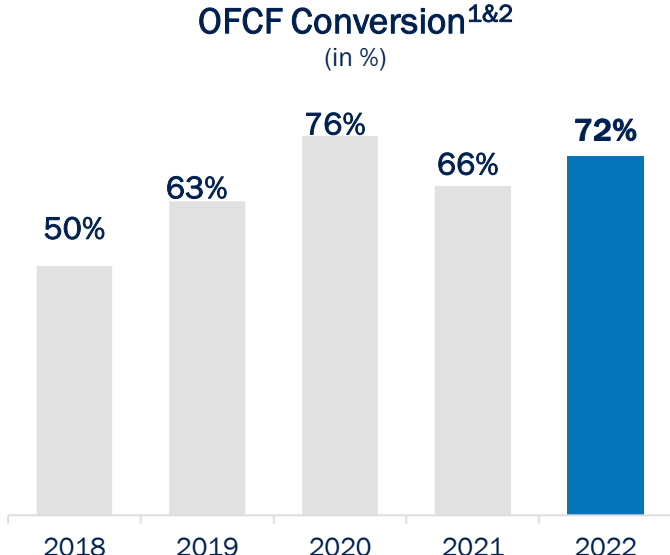
# Generating Strong and Growing Operating FCF



1) This is a non-GAAP measure. Please refer to the MD&A.



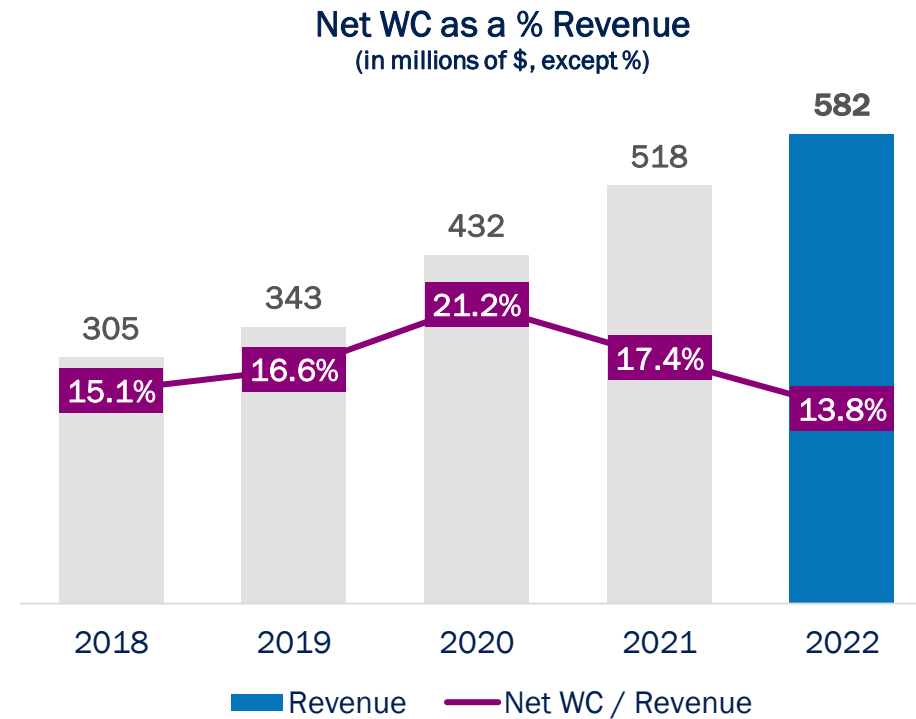
1) This is a non-GAAP measure. Please refer to the MD&A.  
2) OFCF=CFO less capex and excluding working capital



1) This is a non-GAAP measure. Please refer to the MD&A.  
2) OFCF Conversion = OFCF divided by adjusted EBITDA

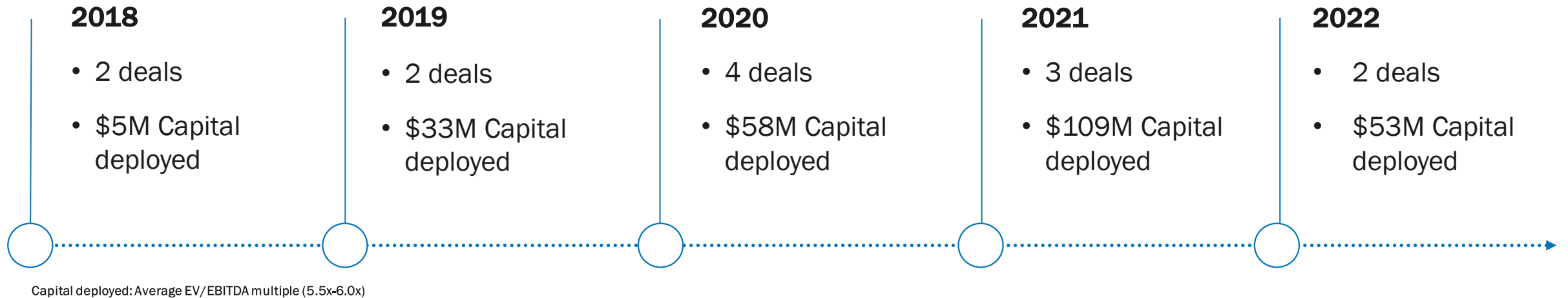
☆ High operating FCF conversion rate

# Working Capital Dynamics



✦ Net WC as a % of revenue is reverting to normalized levels

# M&A – Track Record of EBITDA Accretive Acquisitions



 Consistent deployment of capital

# M&A – Track Record of Post Acquisition Performance

## Actions

**9**

Acquisitions  
(avg. of 2 deals/year)

**>\$200M**

Capital deployed  
(increasing from <\$5M to \$80M)

**5X**

Avg. multiple paid upfront  
(trailing EBITDA)

## Results

**34%**

Revenue  
growth

**51%**

EBITDA growth

## How?

- Ability to identify good targets and complete successful deals
- Deal structure that enables growth
- Identification of synergies and ability to drive implementation quickly

Note: based on 9 acquisitions completed since FY19 (4 fiscal years)

 EBITDA growth surpassed top line growth

# M&A – Targeting Larger Acquisitions



## M&A Criteria

- Profitable & growing
- Strategic fit (complementary/scale)
- Cultural fit
- Disciplined valuation (do not overpay)

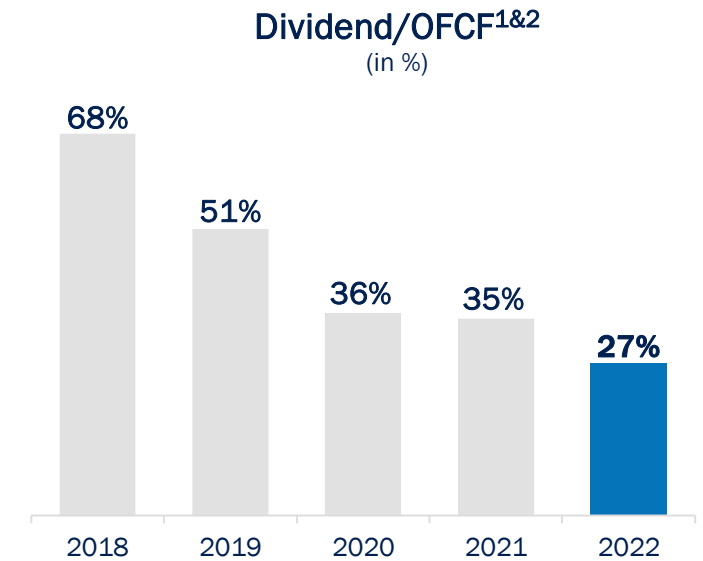
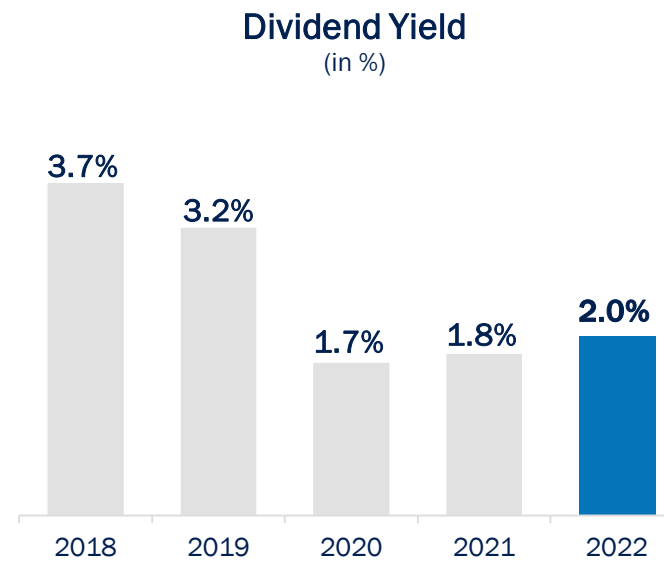
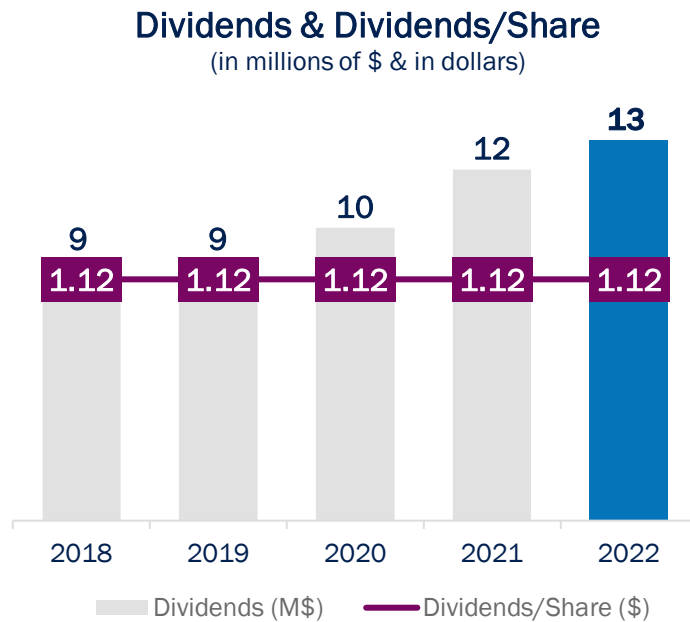
## M&A Process

- Dedicated M&A team
- Pipeline: ~10 deals/quarter
- Target closing: ~2-3 deals/year (larger transactions)
- Individual bids & competitive bids

✦ Comfortable with a leverage ratio reaching 2.5x Net Debt to EBITDA



# Dividend – Maintaining Payment History



1) This is a non-GAAP measure. Please refer to the MD&A.  
2) OFCF=CFO less capex and excluding working capital

✦ The dividend payment will be re-evaluated over time given its relative size to OFCF

# Equity Investments – Ramping Up Deals

## ECO System Investments

- Geographical expansion and entry into new markets necessitates greater partnership and eco-system to bring best in class technology to our customers
- Use equity investments to drive combined go to market strategy
- Preferential equity positions to deliver long term ROI
- Small investments <\$2M are targeted



## Example

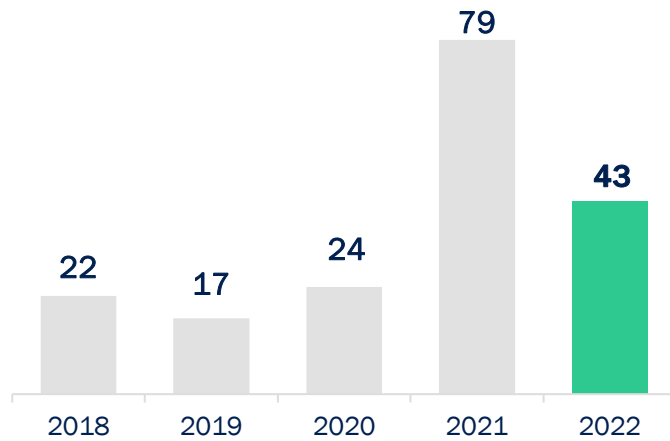
- **Field Effect Cyber Range** – a simulation-based cyber security training platform used to grow individual skills, rehearse incident response and train teams
- **Financing group** – Edison Partners and Round 13 Growth
- **Total investment** – US\$34.5M, of which ~\$2M was Calian

*“We see the investment in Field Effect as a way to enhance our solution set and begin to address this gap for our growing customer base including governments and defence agencies.”*

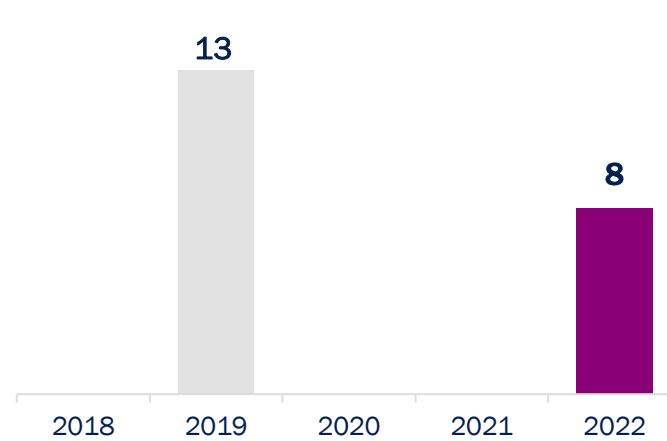
☆ Dual objective: return on investment & driving our business forward

# Balance Sheet – Positioned to Support Growth

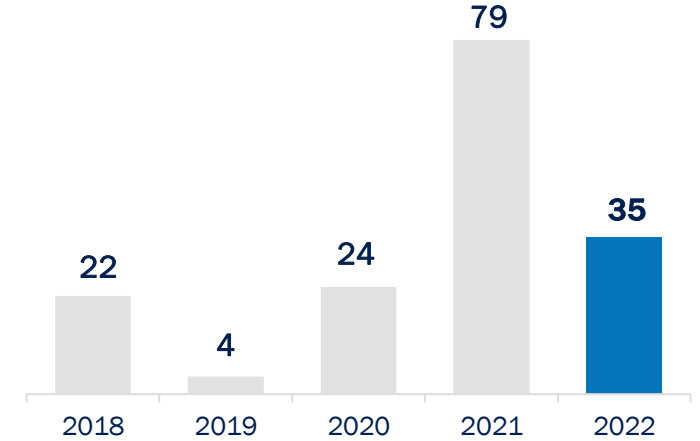
Cash & Cash Equivalents  
(in millions of \$)



Total Debt  
(in millions of \$)



Net Cash Position  
(in millions of \$)



**\$58M**  
Q1-23  
Cash

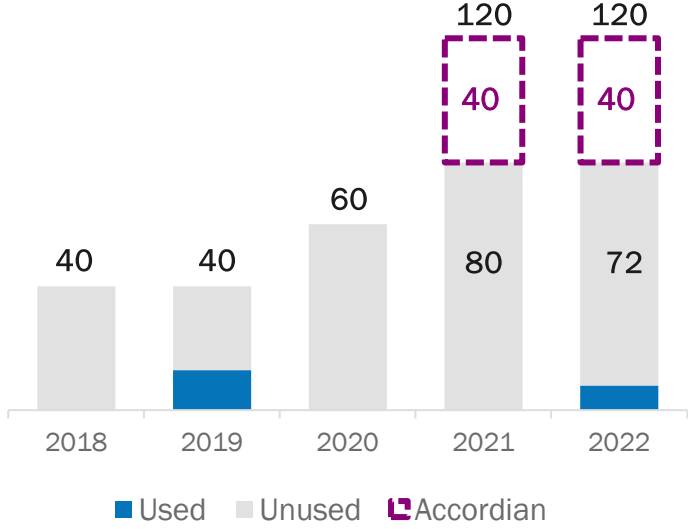
**\$8M**  
Q1-23  
Debt

**\$50M**  
Q1-23  
Net Cash  
Position

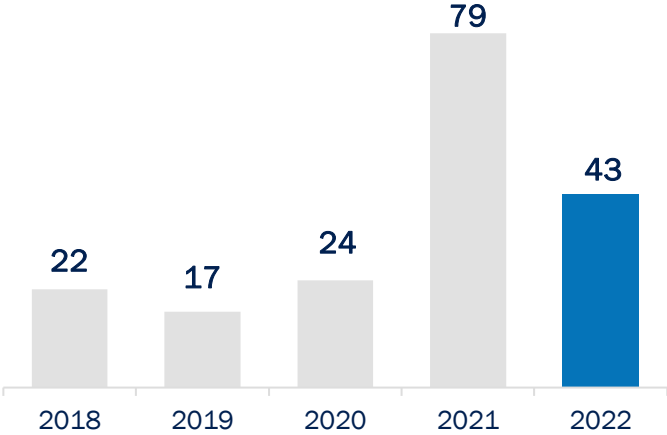
☀️ Calian is in a net cash position

# Liquidity – Current Availability

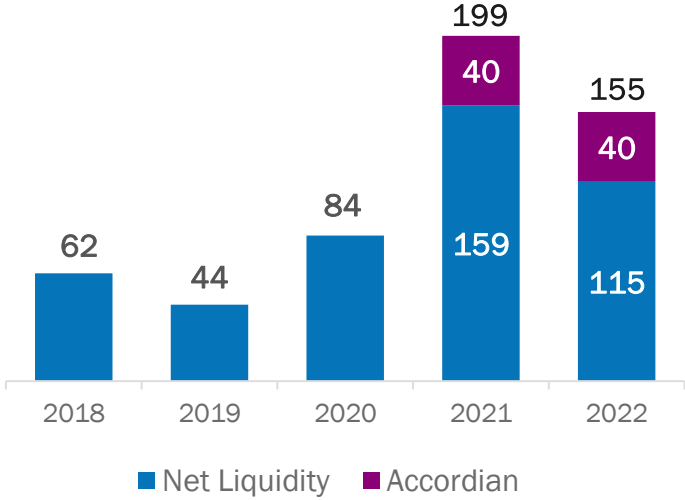
**Credit Facility**  
(in millions of \$)



**Cash & Cash Equivalents**  
(in millions of \$)



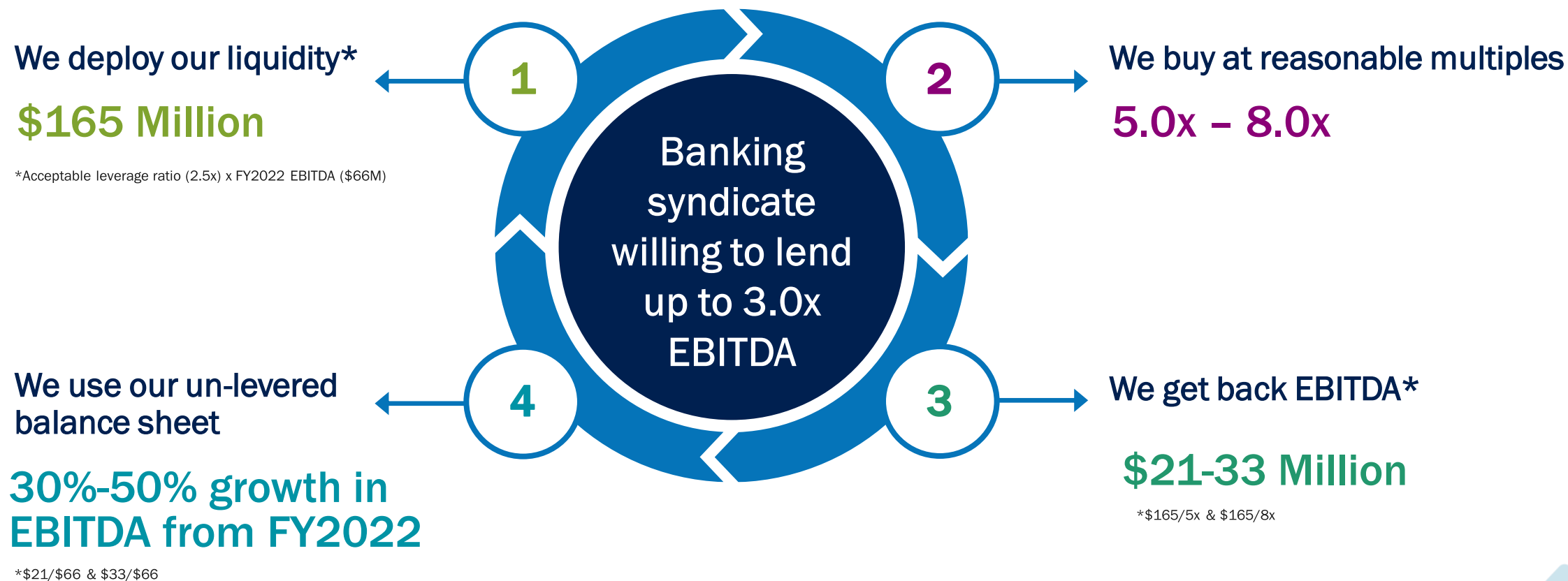
**Cash Available**  
(in millions of \$)



1) Net Liquidity= Unused portion of credit line + cash & cash equivalents

☆ Ample liquidity to pursue growth through acquisitions

# Liquidity – Potential Availability



✦ Significant growth opportunity from using balance sheet at conservative leverage levels

# Key Takeaways

- Profitable growth and execution
- Strong cash flow conversion
- Consistent deployment of capital
- Ability to drive significant return from capital deployment



✦ The capital allocation priority is making strategic acquisitions

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# IT and Cyber Solutions

Sacha Gera





# ITCS – FY22 Snapshot

**~475**  
Workforce

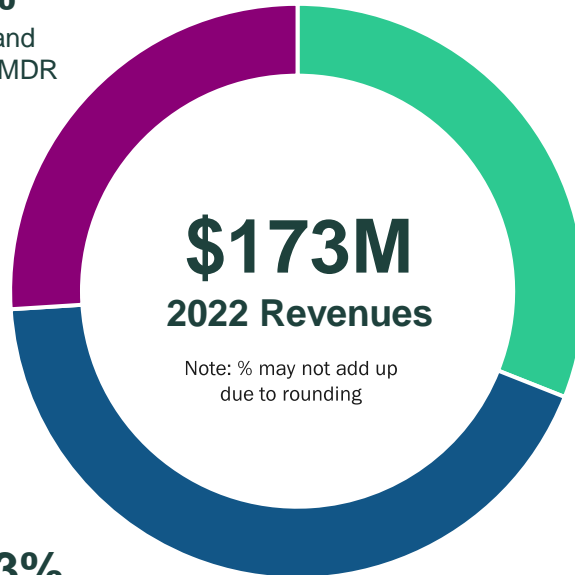
**8% / 102%**  
Organic/Acquisitive Growth

**17%**  
EBITDA %

**\$205M**  
New Contract Signings

**\$97M**  
Backlog

**26%**  
XaaS and  
Cyber MDR



**31%**  
IT Solution  
Provider

**43%**  
On-demand Talent  
and Government  
Solutions

## REVENUE SEGMENTATION

### Customers

**~65%**  
Commercial

**~35%**  
Government

### Geography

**~45%**  
International

**~55%**  
Canada

### Offering

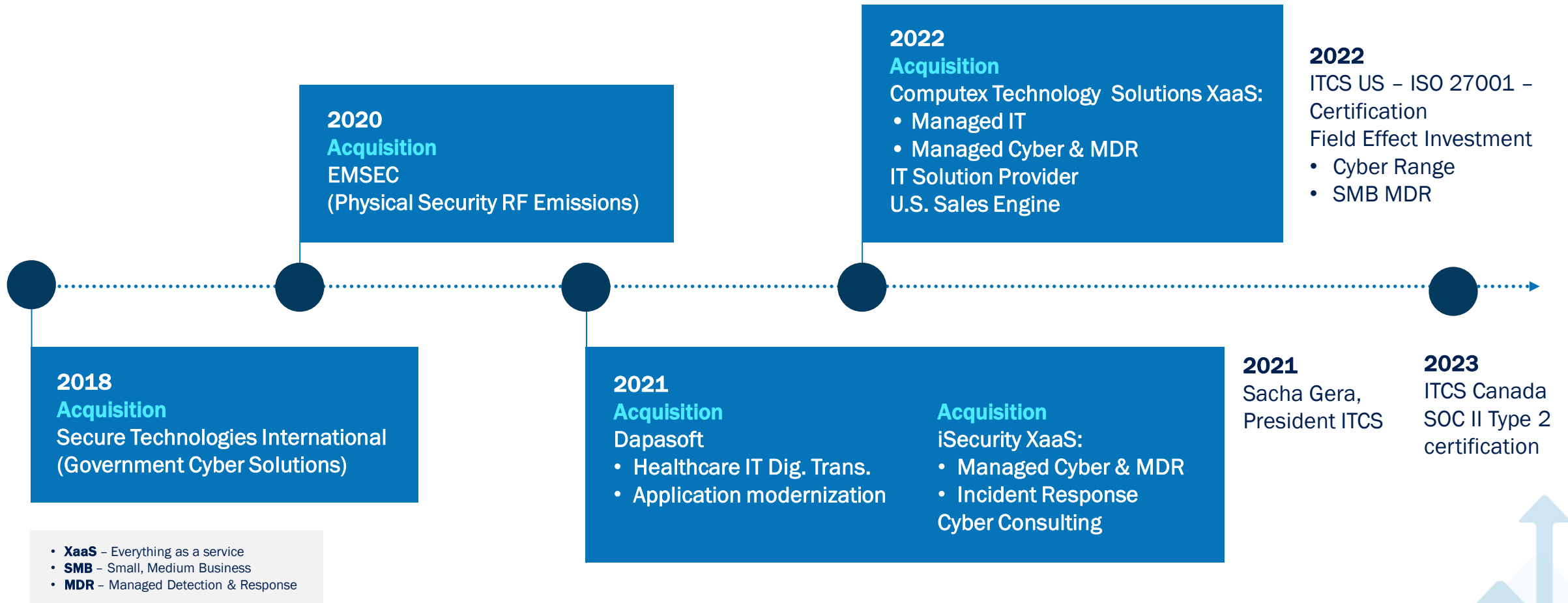
**36%**  
Products

**64%**  
Services

\*XaaS = Everything as a Service includes recurring revenue from Managed IT (NOCaaS), Cyber (SOCaaS, Incident Response)

 Diverse, profitable, growth business growing globally

# ITCS – Key Historical Milestones

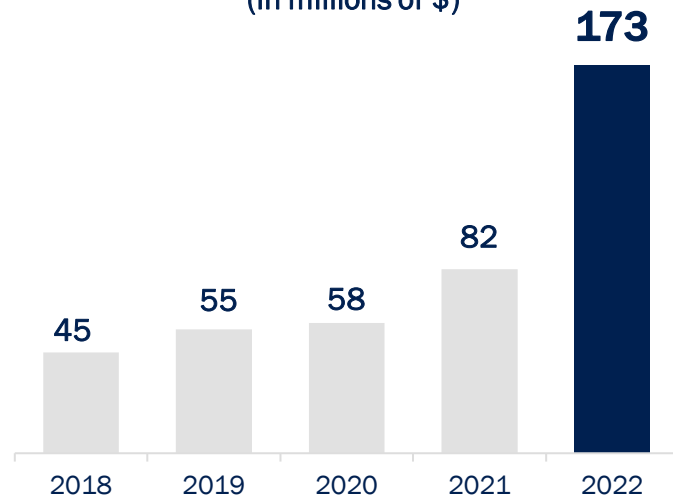


 >\$130M invested in building a comprehensive IT and Cyber portfolio – deliberate, not opportunistic

# ITCS – Financial Performance

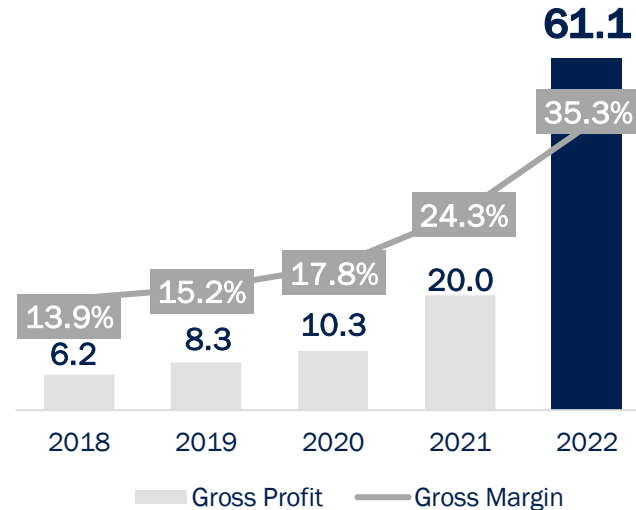
### Revenues

(in millions of \$)



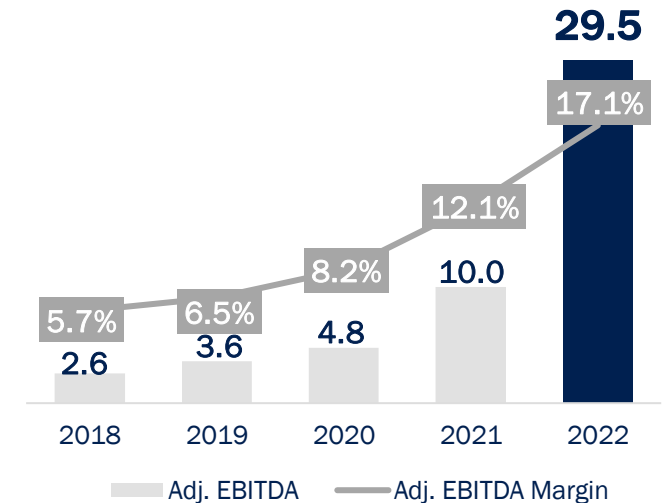
### Gross Profit & Margin

(in millions of \$, except margin)



### Adj. EBITDA<sup>1</sup> & Margin<sup>1</sup>

(in millions of \$, except margin)



1) This is a non-GAAP measure. Please refer to the MD&A.



Rapid revenue and margin growth driven by acquisitions – accelerating organic & recurring revenue growth

# ITCS – Business Description



**43%**

**On-demand Talent and Government Solutions**

**PROBLEM SOLVED:**

- Talent Scarcity
- Physical Security
- Government Compliance

**SERVICES:**

- IT/Cyber Talent Resourcing
- Application Modernization
- RF Emission & Bug Sweeping
- Drone Mitigation

- **CISO** – Chief Information Security Officer
- **CIO** – Chief Information Officer
- **MDR** – Managed Detection & Response



**31%**

**IT Solution Provider**

**PROBLEM SOLVED:**

- Cloud Transformation
- Hybrid Work
- Multi-Vendor Procurement

**SERVICES:**

- Enterprise Architecture
- Tech. Advisory & Engineering
- Public/Hybrid Cloud Migration
- Data Centre Builds
- Firewalls & Network Security
- Wireless & SD-WAN



**26%**

**XaaS & Cyber MDR**

**PROBLEM SOLVED:**

- IT & Cyber Scale
- Geographic Coverage
- Pricing Economics

**SERVICES:**

- Outsourced IT & Cyber Ops.
- Cyber Consulting, Audits
- Fractional CISO/CIO
- Cyber Incident Response
- Data Breach Remediation
- IT Infra. Monitoring & Mgmt.

\*XaaS = Everything as a Service includes recurring revenue from Managed IT (NOCaaS), Cyber (SOCaaS, Incident Response)

 Trusted one-stop shop, full breadth, deep depth IT and Cyber Portfolio

# ITCS – Brands That Trust Us

## Manufacturing & Transportation

POLARIS

Cargill

Wholesome

Daisy BRAND

OmniLogistics

## Energy

PLAINS

OXY

PIONEER  
NATURAL RESOURCES

CALLON  
PETROLEUM

COTERRA

## Finance

CENTRAL BANK  
Centered around you.

BANK OF CANADA  
BANQUE DU CANADA

HIGHLANDS  
RESIDENTIAL MORTGAGE

eDF

ally

## Healthcare

TRUVEN  
HEALTH ANALYTICS

FAIRVIEW

UHN

LivaNova  
Health innovation that matters

## Retail and Real Estate

SAVE & MASTER

TOPGOLF

Brookfield

ASHLEY

Indigo

## Tech and Defence

GENERAL DYNAMICS

Seneca

ERICSSON

Microsoft

ciena  
Experience. Outcomes.

LOCKHEED MARTIN

## Public Sector

City of Lubbock  
TEXAS

MIDLAND  
HEALTH

ODESSA  
COLLEGE

UMC  
HEALTH  
SYSTEM

Government of Canada / Gouvernement du Canada  
Canada

☆ >1,100 customers to mine for cross-sell and up-sell, at the beginning of this upside

# ITCS – Customers and Contracts



<b>On-Demand Talent and Government Solutions</b>	<b>IT Solution Provider</b>	<b>XaaS &amp; Cyber MDR</b>
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		On-Demand Talent and Government Solutions	IT Solution Provider	XaaS & Cyber MDR
<b>Customers</b>	<b>Number</b>	<ul style="list-style-type: none"> <li>• ~50</li> </ul>	<ul style="list-style-type: none"> <li>• ~1,100</li> </ul>	<ul style="list-style-type: none"> <li>• ~300</li> </ul>
	<b>Size</b>	<ul style="list-style-type: none"> <li>• Public Sector (government)</li> <li>• ICT OEMs</li> </ul>	<ul style="list-style-type: none"> <li>• Mid-Market &amp; Enterprise</li> <li>• Public sector (SLED)</li> </ul>	<ul style="list-style-type: none"> <li>• Mid-Market</li> <li>• Public sector (hospitals)</li> </ul>
	<b>Geography</b>	<ul style="list-style-type: none"> <li>• Canada</li> </ul>	<ul style="list-style-type: none"> <li>• U.S.</li> </ul>	<ul style="list-style-type: none"> <li>• U.S. &amp; Canada</li> </ul>
	<b>Verticals</b>	<ul style="list-style-type: none"> <li>• 85% public sector</li> <li>• 15% commercial</li> </ul>	<ul style="list-style-type: none"> <li>• 10% public sector</li> <li>• 90% commercial</li> </ul>	<ul style="list-style-type: none"> <li>• 25% public sector</li> <li>• 75% commercial</li> </ul>
<b>Contracts</b>	<b>Length</b>	<ul style="list-style-type: none"> <li>• Non-recurring revenue</li> <li>• 3-6 months fixed price projects and Multi-year/per diem billing</li> <li>• Predictable backlog</li> </ul>	<ul style="list-style-type: none"> <li>• Non-recurring revenue</li> <li>• 6-12 months fixed price projects</li> <li>• Variable backlog</li> </ul>	<ul style="list-style-type: none"> <li>• Recurring revenue</li> <li>• 3 month fixed price projects &amp; Retainers &amp; Multi-year/subscription</li> <li>• Predictable backlog</li> </ul>
	<b>Important</b>	<ul style="list-style-type: none"> <li>• Government of Canada</li> <li>• General Dynamics</li> <li>• Ericsson</li> </ul>	<ul style="list-style-type: none"> <li>• Microsoft</li> <li>• Dave and Busters</li> <li>• Polaris</li> </ul>	<ul style="list-style-type: none"> <li>• Highlands Residential</li> <li>• Health Sciences North</li> <li>• Ontario Health</li> </ul>

☆ Diverse mix of customers/verticals/geography, equipped to weather recessionary pressures

# ITCS – EBITDA Margins and Growth Potential

	On-Demand Talent & Government Solutions	IT Solution Provider	XaaS & Cyber MDR
EBITDA % (relative to ITCS Segment Margin of 17%)	Below	In-line	Above
Growth Potential	Low	Low/Medium	Medium/High

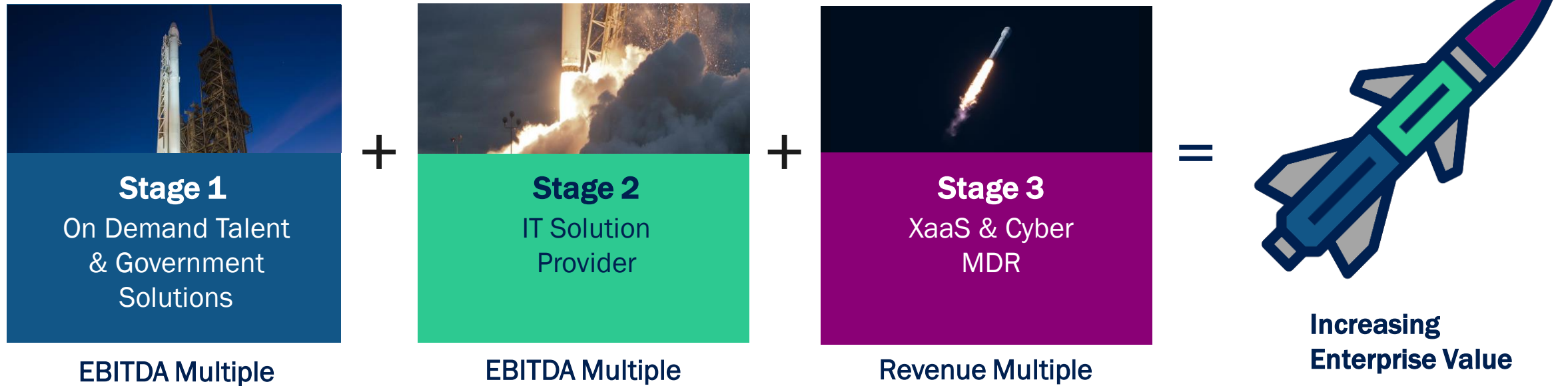


XaaS & Cyber MDR

✦ XaaS & Cyber MDR has greatest potential for growth and EBITDA expansion

# ITCS – Building Enterprise Value Via Stage 3 of our Rocket

Enterprise Valuation



Brainware

Digital Transformation

Recurring Revenue

☆ Sum of the parts valuation, Stage 3 has greatest enterprise value creation potential



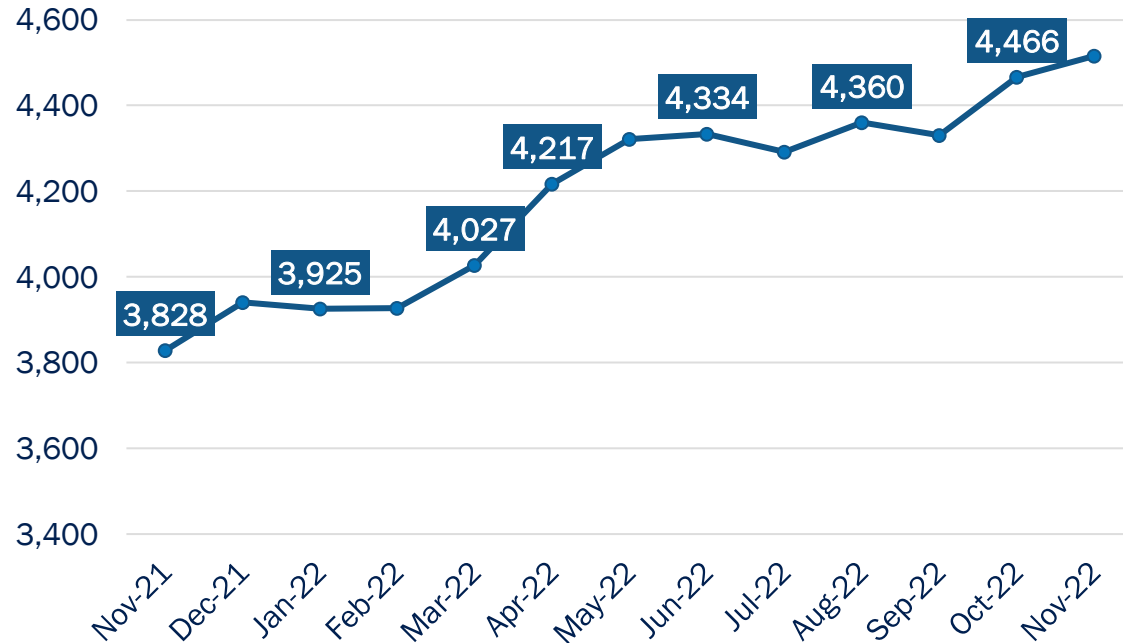
# ITCS – Generating Recurring Revenue Streams

**+18%**  
MRR, YoY

**\$54M**  
Exit, ARR

**5X**  
Subscription bundles

MRR – XaaS (CAD \$Ks)



**Systems+**  
Servers, Networks,  
Storage

**Cybersecurity+**  
Prevention, Remediation,  
Incident Response

**Productivity+**  
Office 365,  
E-mail, Teams

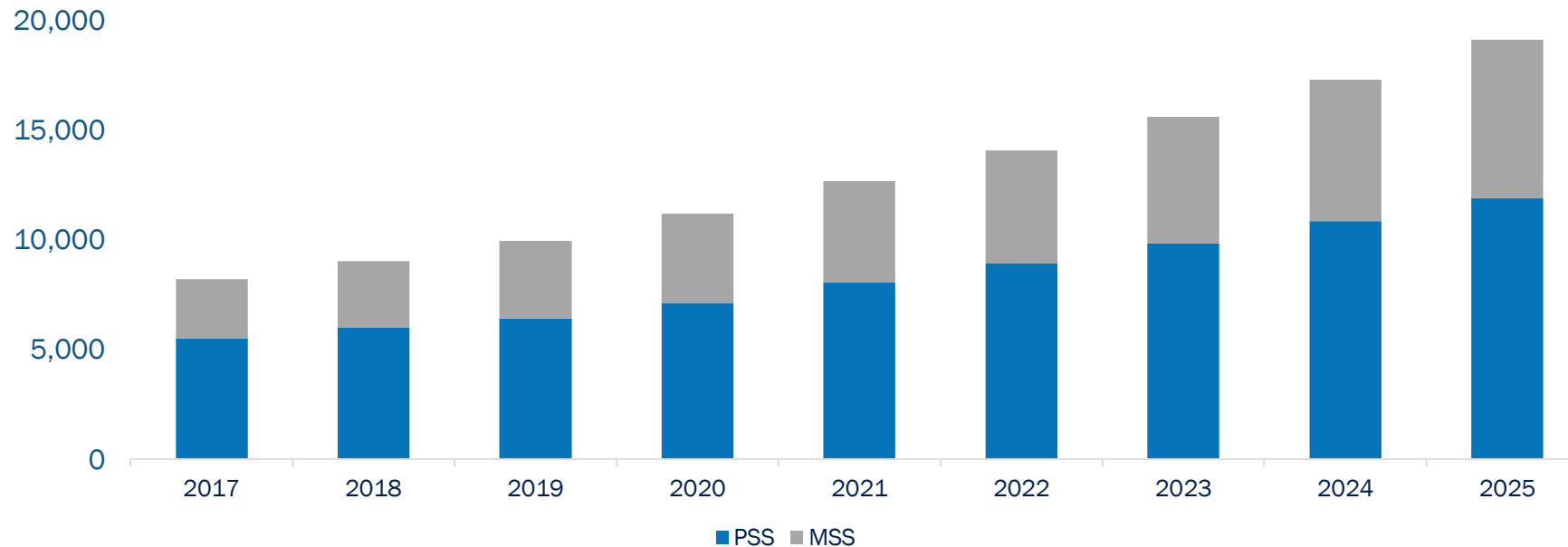
**Workstations+**  
Laptop,  
workstations

**Connectivity+**  
SD-WAN, MPLS,  
Switch and Routes

🌟 Accelerating organic growth & subscription revenue

# ITCS – Total Addressable Market of XaaS and Cyber MDR

**Total Managed and Professional Security Services Market**  
Revenue Forecast by Product (M\$), Americas, 2017-2025



**CAGR 2020-2025: 11.3%**

Source: All figures are rounded. The base year is 2020. Frost & Sullivan.



Although the market is mature, the interest in cybersecurity services remains high against the backdrop of high-profile breaches

# ITCS – Market Trends for XaaS & Cyber MDR

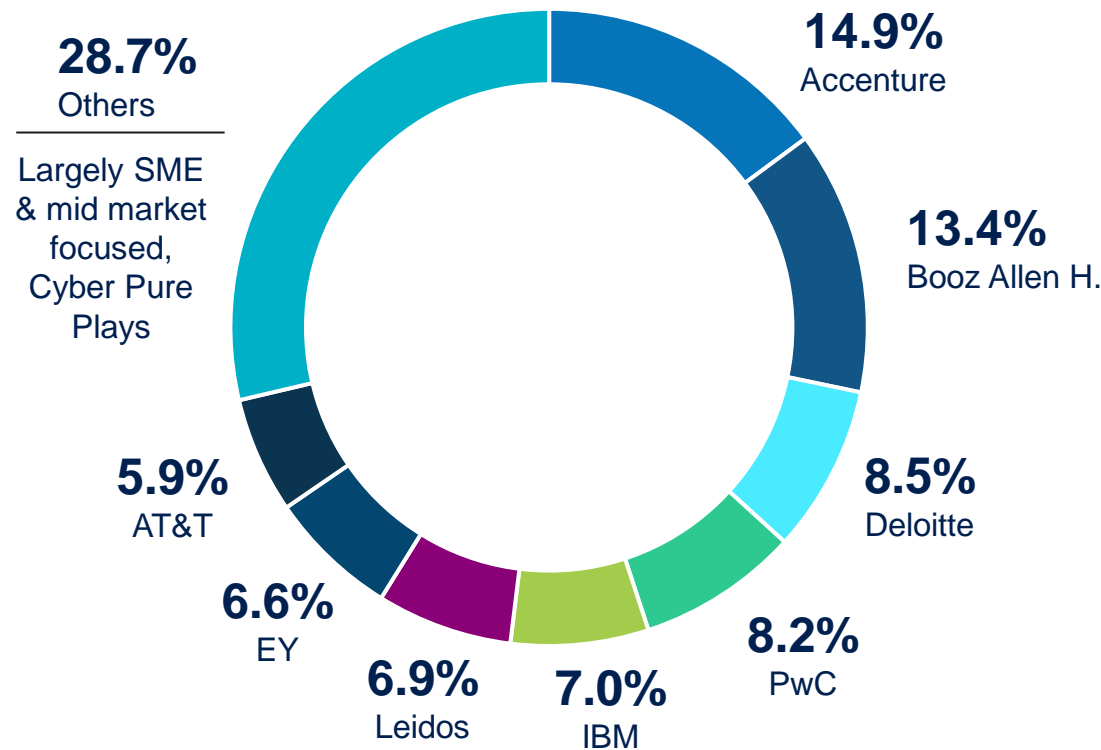


- Rapid migration to multi-cloud and multi-vendor IT environments driving complexity; talent & skills shortage driving vulnerabilities
- Evolving threat landscape and growing cyber attack surface as clients adopt hybrid work and work from anywhere
- Ransomware attacks increasing in frequency and complexity causing significant loss of business, operational disruption, reputational harm
- Cyber insurance costs rising rapidly, coverage is reducing and sometimes unavailable as hacker agility trumps organizational agility

✦ The perfect storm – persistent tailwinds

# ITCS – Competitive Landscape for XaaS and Cyber MDR

**Total Managed and Professional Security Services Market**  
Revenue Share of Top Participants, Americas 2020



These are full breadth IT & Cyber service providers; strong brand assist in sales cycle.






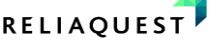




Such vendors prove to be innovative and capable, but often lack the attention, focus and relationships to penetrate the SME & mid-market.

Because of that, they often specialize in servicing the upper end of the mid-market and Enterprise and may even partner with larger MSSPs.

Source: All figures are rounded. The base year is 2020. Frost & Sullivan.

★ Fragmented markets: >40K U.S. VARs/MSSP Servicing SME & Mid-Market “Others”

# ITCS – Competitive Landscape for ‘Other’ Cyber Pure Plays

	Delivery model	Visibility	Platform-based	Capability to Scale	Connectivity	Technology agnostic	Competitive pricing	Full-suite services
 CALIAN	Platform-led and co-managed	●	●	●	●	●	●	●
 CYDERES	Co-managed	●	○	●	●	●	○	●
 NTTSecurity	Co-managed	●	●	●	●	●	●	●
 ARCTIC WOLF	Platform-led	●	●	●	●	○	●	●
 deepwatch	Co-managed + workbench	●	●	●	●	○	○	●
 RELIAQUEST	Platform-led MSS	●	●	●	●	●	●	●
 OPTIV	Co-managed	○	●	●	○	●	●	○
 expel	Workbench Platform	●	●	●	●	●	●	●
 RAPID7	Platform-led	●	●	●	●	●	●	●
 expel	Workbench Platform	●	●	●	●	●	●	●

Source: Kernel Advisory

 Cyber MDR Pure Players compete on a variety of differentiators

# ITCS – Growth Strategy - XaaS and Cyber MDR



2017-2022 | Storming and Forming

- ✓ Acquired MDR - iSecurity
- ✓ Acquired XaaS & U.S. Footprint - Computex
- ✓ Establish Sales Distribution Engine, Customer Success, N.A. Operational Scale
- ✓ ISO27001, SOC II Accreditations



2023-2024 | Norming

- Harmonizing N.A Operations, GTM, and Sales
- Cross-sell & Upsell Across Base
- Acquire N.A. Geographic Coverage
- Invest in R&D, Differentiation, Automation
- Invest in Disrupters; Build Eco-System
- Build Cyber Talent Funnel



2025-2030 | Performing

- Top 5 XaaS & Cyber MDR Provider in N.A.
- Analyst Coverage in Reports
- Monetize Eco-System, Affiliate Program
- Launch Next Gen Services
- Go Global outside of N.A.



Ingredients in place, focused on execution, growing confidence in our plan to achieve long term vision

# ITCS – Value Proposition for XaaS and Cyber MDR

1. Talent and ability to source & scale including government secret cleared
2. N.A. geographic and vertical market focus
3. Breadth/depth of portfolio, sales distribution engine
4. Strategic partners: CRWD, MSFT, CSCO, PALO
5. 24 x 7 global enablement, follow the sun
6. Cost competitive – access to low-cost global resources
7. Proprietary platform for mid-market & \*COTS for Enterprise
8. Technology agnostic, support best of breed
9. Investing in R&D to drive efficiency and differentiation
10. Access to liquidity to consolidate market, invest in disruptors



• **COTS** - Commercially off the shelf

✦ Expansive capability and global team give Calian a competitive edge

# ITCS – Key Takeaways

- Vision: Top 5 XaaS & Cyber MDR N.A. player in five years
- Diverse customer base, equipped to weather recessionary pressure
- Organic growth is accelerating
- Cross-sell focus and mining of >1,100 customer base in infancy
- Harmonizing Operations, GTM and Sales across N.A.
- Accelerating growth in recurring revenue streams
- Growing TAM & positive market trends creating tailwinds
- Strategic acquisition pipeline growing, deliberate not opportunistic
- Building eco-system and disruptive capability
- Global team driving competitive advantage and pricing economics
- Growing confidence in our plan to achieve long term vision



✦ Amplifying sticky, higher margin recurring revenues to build enterprise value



# Q&A





# Agenda

- 1 Welcome Remarks
- 2 Update on Strategic Plan
- 3 Capital Allocation Priorities
- 4 IT and Cyber Solutions
- 5 Advanced Technologies**
- 6 Break
- 7 Health
- 8 Learning
- 9 Cross Selling
- 10 Closing Remarks
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- 12 Q&A

# Advanced Technologies

Patrick Thera



# AT – FY22 Snapshot

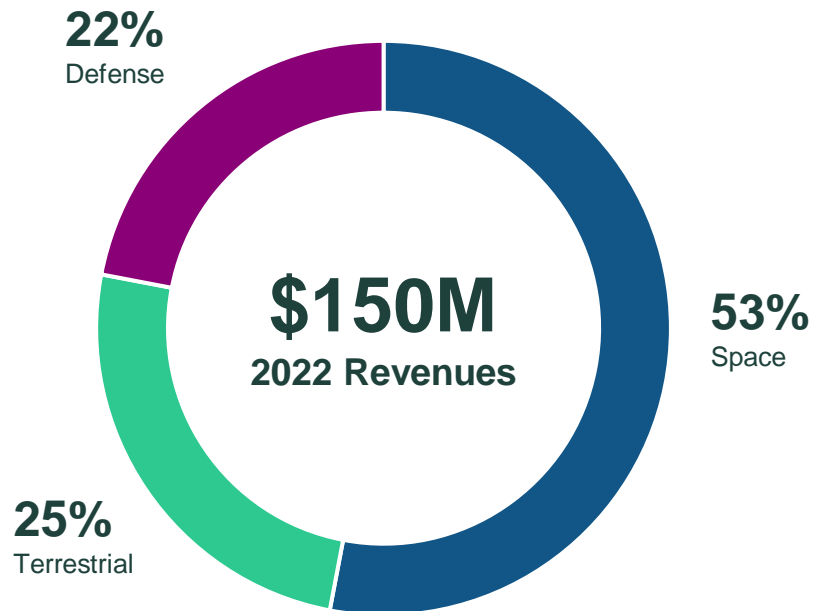
**~925**  
Workforce

**-10% / 0%**  
Organic / Acquisitive Growth

**14%**  
EBITDA %

**\$184M**  
New Contract Signings

**\$168M**  
Backlog



Note: % may not add up due to rounding

## REVENUE SEGMENTATION

### Customers

**~79%**  
Commercial

**~21%**  
Government

### Geography

**~70%**  
International

**~30%**  
Canada

### Offering

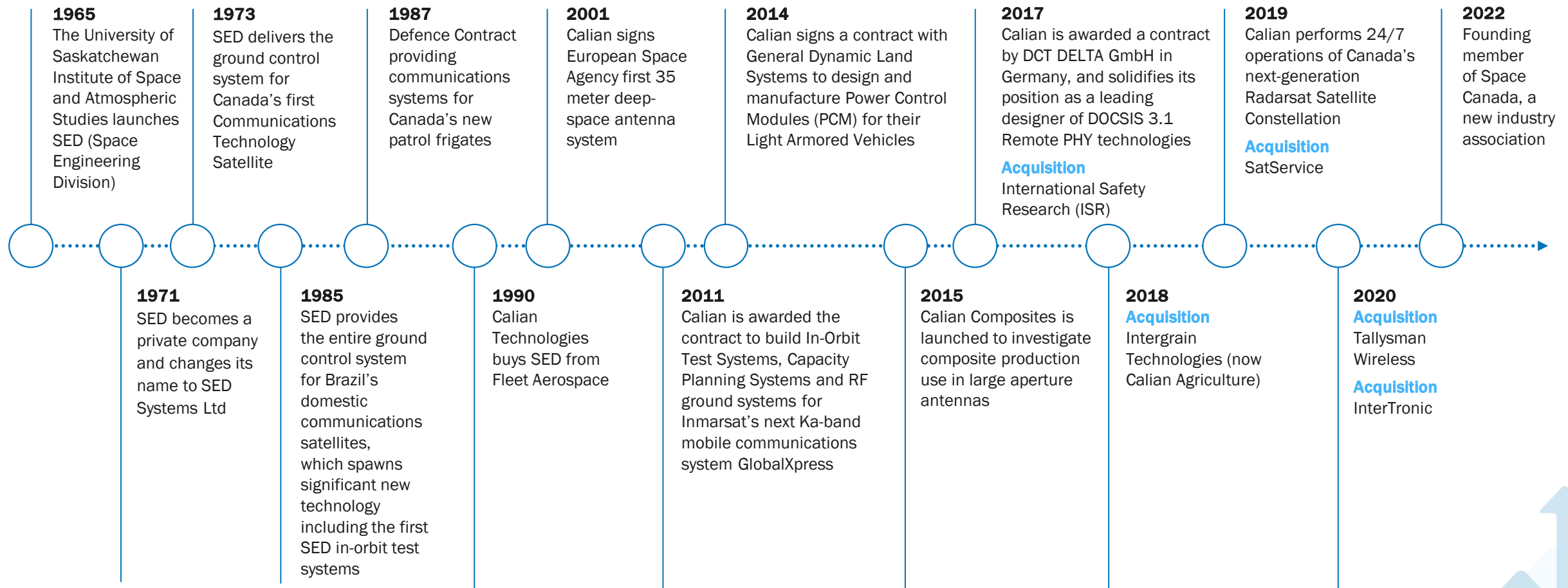
**62%**  
Products

**38%**  
Services



Global customer base and a growing global footprint with over 70% of our business exported out of Canada

# AT – Key Historical Milestones

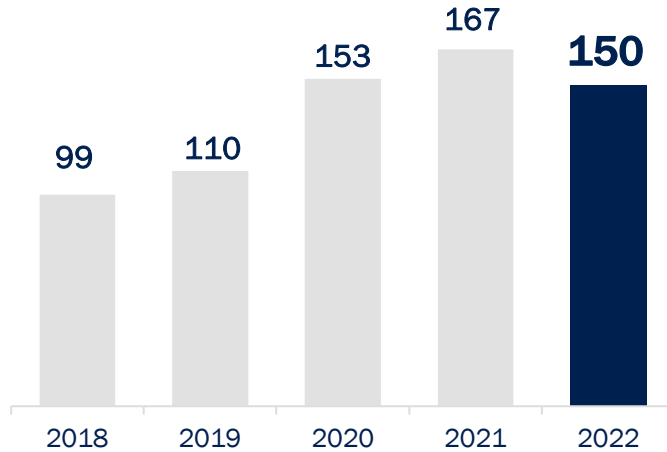


Over 55 years of accomplishments in space ground systems, terrestrial communications and defence technologies

# AT – Financial Performance

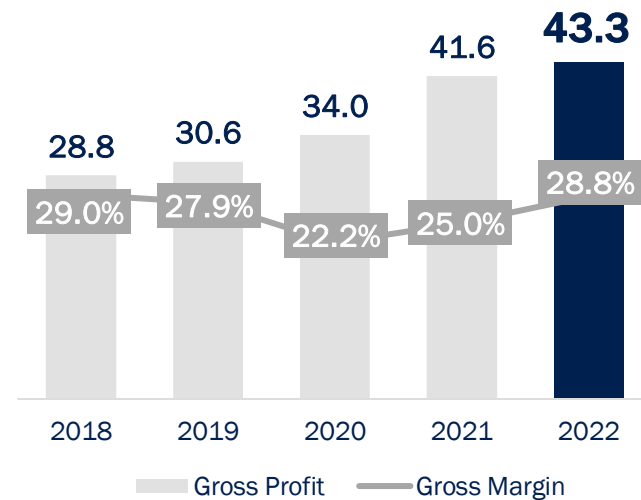
## Revenues

(in millions of \$)



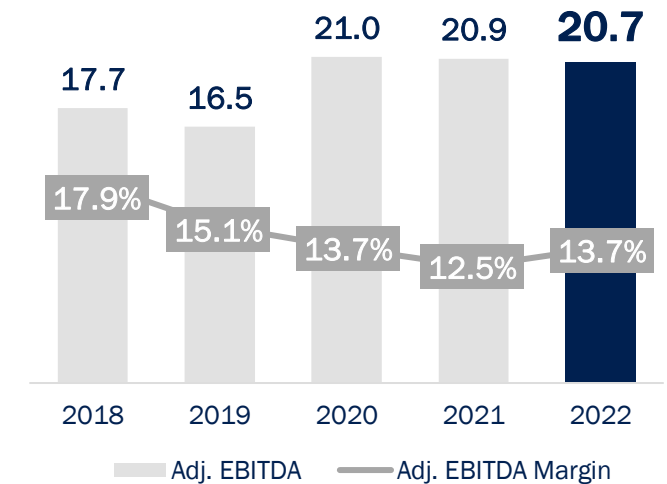
## Gross Profit & Margin

(in millions of \$, except margin)



## Adj. EBITDA<sup>1</sup> & Margin<sup>1</sup>

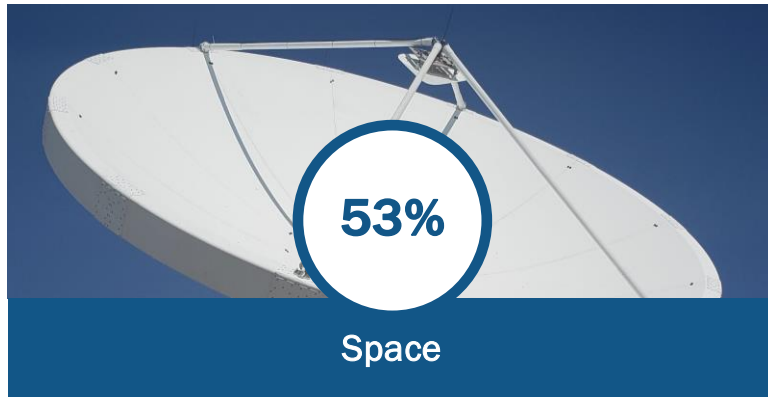
(in millions of \$, except margin)



1) This is a non-GAAP measure. Please refer to the MD&A.

☼ Recently impacted from rolling off of large contract and supply chain shortages

# AT – Business Description



Global leader in the provision of sophisticated ground-based solutions to the satellite industry for over 55 years.

High availability, high reliability, high performance products and solutions allowing our customers to provide services, orchestrate services, test their capabilities using a combination of software, electronics and mechanical components.

## PRODUCTS

- Satellite Communication Gateways including large aperture antennas
- Satellite/Space Communications products
- Space and ground asset command, control and test
- Broadcast solutions
- Satellite Operations

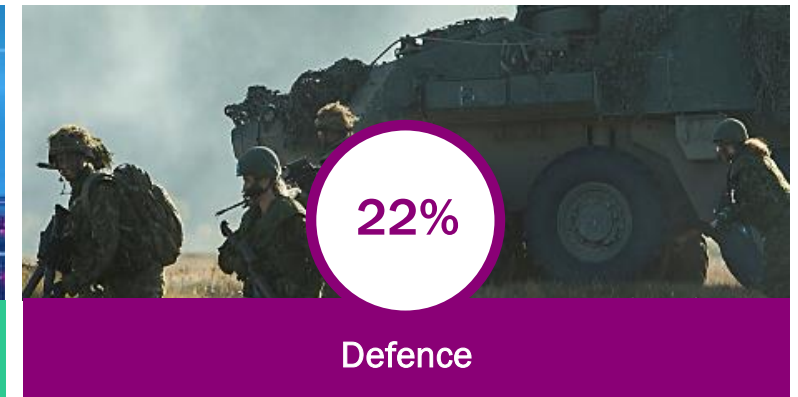


Provides solutions oriented to a variety of markets.

- Wired and terrestrial wireless products
- GNSS antennas and receivers
- Asset management
- Agriculture technology
- Nuclear and environment
- Composites structures designs and fabrication

## PRODUCTS

- Advanced Cable Network products
- Precision GNSS location and timing antennas and receivers
- Asset management solutions
- Crop storage monitoring
- Environment and nuclear SMR consulting



Defence engineering services, solutions and products.

Usually in support of large defence prime contractors or government direct. We provide highly reliable aerospace and defense electronics, engineering and technical services

## PRODUCTS

- Vetrronics control modules
- Vehicle electronics boxes, assemblies and harnesses
- Staffing services for various departments of DND including DRDC
- Surveillance and situation awareness

- **DND** – Department of National Defence
- **DRDC** – Defence Research and Development Canada

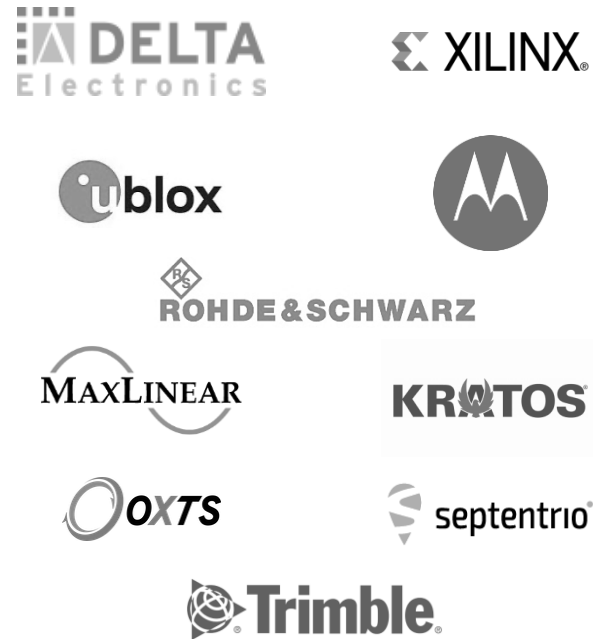
 We offer a broad set of agile engineering and manufacturing capabilities

# AT – Brands That Trust Us

## Space



## Terrestrial



## Defence




✦ Customers come to us when failure is not an option



# AT – Customers and Contracts



		Space	Terrestrial	Defence
<b>Customers</b>	<b>Number</b>	>100	>500	>10
	<b>Size</b>	Mixed	Mixed	Large defence primes
	<b>Geography</b>	Global	Global – mostly North American and Europe	Mostly North American and Europe
	<b>Verticals</b>	<ul style="list-style-type: none"> <li>• Communications</li> <li>• Satellite command and control</li> <li>• Defence</li> <li>• Space exploration</li> <li>• Radio astronomy</li> </ul>	<ul style="list-style-type: none"> <li>• GNSS</li> <li>• Terrestrial wireless</li> <li>• Cable networks</li> <li>• Agriculture</li> <li>• Small modular reactors</li> </ul>	<ul style="list-style-type: none"> <li>• Military vehicles components and assemblies</li> <li>• Engineering and technical services</li> <li>• Composite structures</li> </ul>
<b>Contracts</b>	<b>Length</b>	Varies	Varies	Varies – dominated by long term products and services
	<b>Important</b>	<ul style="list-style-type: none"> <li>• Inmarsat - providing ground and software solutions for over 30 years</li> <li>• SXM – providing uplink delivery solutions for over 20 years</li> </ul>	<ul style="list-style-type: none"> <li>• Rohde and Schwarz test equipment</li> <li>• Remote PHY DOCSIS module construction</li> <li>• BinSense/Fuel Lock products</li> <li>• SaskPower – SMR consulting</li> </ul>	<ul style="list-style-type: none"> <li>• GDLS – power control modules</li> <li>• KIDDE – fire detection and control</li> <li>• DRDC – R&amp;D support</li> <li>• DRS Technologies – MSTAR radar</li> </ul>


 Our deep subject matter expertise allows us to understand our customer’s requirements and propose innovative solutions. Our attention to quality means they will come back to us again and again.

# AT – EBITDA Margins and Growth Potential

	Space	Terrestrial	Defense
EBITDA % (relative to AT Segment Margin of 14%)	In line	Above	In line
Growth Potential	Moderate	High	Moderate



Global Navigation Satellite System (GNSS) antennas  
(~15% of AT business)

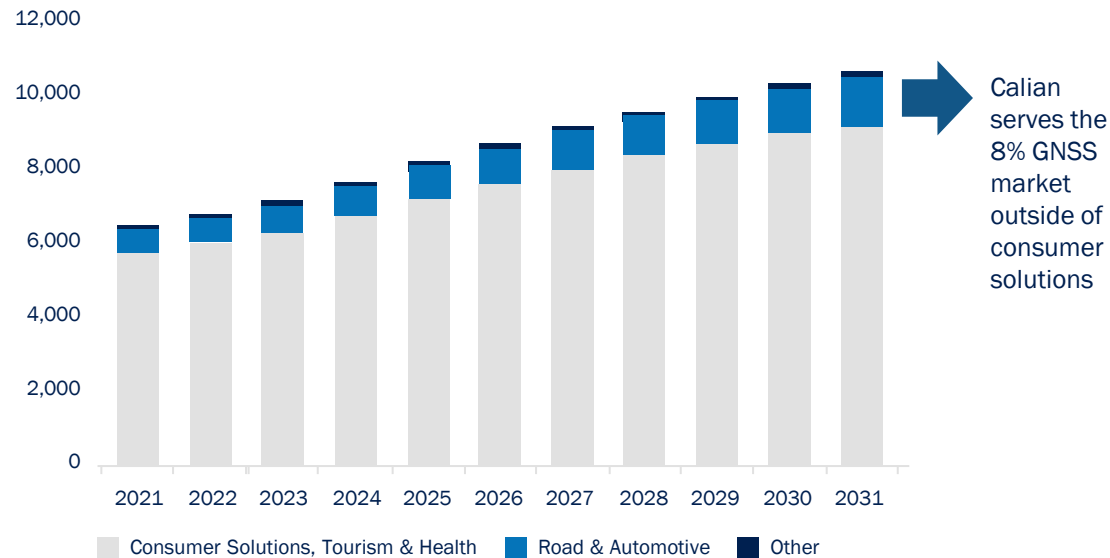
Key output of GNSS antennas and receivers are an accurate location and time derived from GNSS network

☀ Targeting a sustainable AT Segment EBITDA margin in line with the other segments

# AT – GNSS Market and Growth

The growing adoption and integration of in-vehicle systems amongst new car shipments pushes the share of the Road and Automotive segment amongst the global installed base of GNSS devices from 9% in 2021 to 12% in 2031

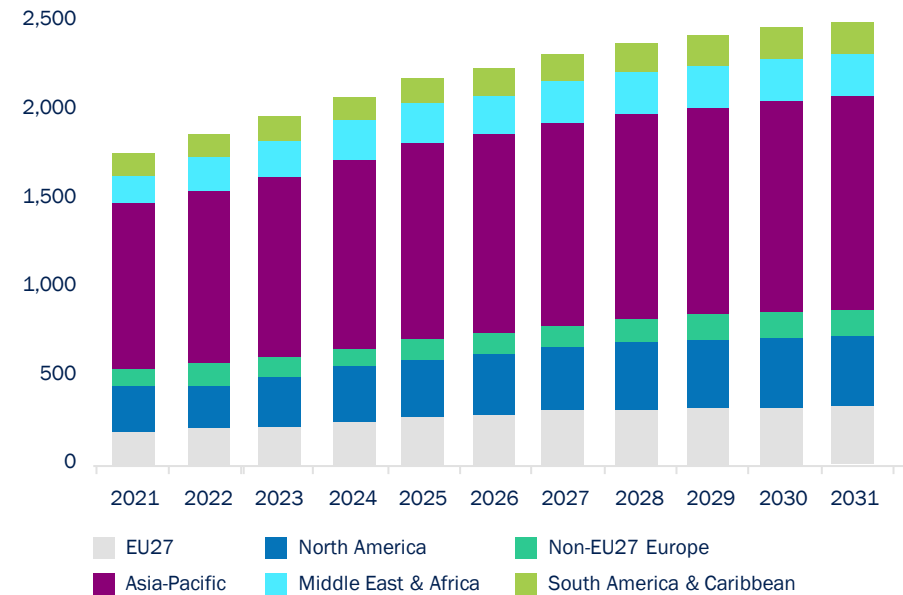
**Installed base of GNSS devices by segment**



Source: EUSPA EO and GNSS Market Report ISSUE 1, copyright © EU Agency for the Space Programme, 2022

**CAGR 2021-2031: 5.0%**

**Shipments by region**



Source: EUSPA EO and GNSS Market Report ISSUE 1, copyright © EU Agency for the Space Programme, 2022

**CAGR 2021-2031: 3.3%**

☆ The GNSS market is set to grow steadily across the next decade

# AT – Market Trends for GNSS Top 3 Markets



## Aviation and drones is the market expecting largest growth

- Growth in the autonomous and electric vehicles market
- Growth in the use cases for aerial drones
- Highly accurate timing and location information improves air traffic/transport/rail routing and efficiency

## The Maritime segment is currently the second largest market

- With automation and 5G expected to bring technological advancements in ports, GNSS will continue expanding its role beyond merely providing navigation information
- Fleet tracking and control is a significant market in maritime, aeronautical and land transportation

## Agriculture market expected to surpass Maritime segment in coming years

- GNSS is enabling new technologies, ranging from traditional farming applications to Internet-of-Things, blockchain, Agri-fin tech and value chain management
- Location-based asset tracking including food integrity monitoring (producer to consumer)
- Precision agriculture application will allow for conservation of fuel, pesticides, herbicides, fertilizer

Source: EUSPA EO and GNSS Market Report ISSUE 1, copyright © EU Agency for the Space Programme, 2022

 There are 17 market verticals that use GNSS

# AT – Competitive Landscape for GNSS

## Top Competitors

 Hemisphere®

 Harxon  
a *BDStar* company

 amotech  
technology for autonomous mobility

 TAOGLAS

 AeroAntenna  
Technology, Inc.

 TOPCON

 NovAtel

 ANTCOM

 MAXTENA®  
WIRELESS INNOVATIONS COMPANY

## Market Verticals

- Agriculture
- Aviation and Drones
- Biodiversity, Ecosystems and Natural Capital
- Climate Services
- Consumer Solutions, Tourism and Health
- Emergency Management and Humanitarian Aid
- Energy and Raw Materials
- Fisheries and Aquaculture
- Forestry
- Infrastructure
- Insurance and Finance
- Maritime and Inland Waterways
- Rail
- Road and Automotive
- Space
- Urban Development and Cultural Heritage

Source: EUSPA EO and GNSS Market Report ISSUE 1, copyright  
© EU Agency for the Space Programme, 2022

## Value Chain

- International organizations and standardization bodies
- Component manufacturers
- Receiver manufacturers
- Product manufacturers
- System integrators
- Added-value service providers
- End users/users of positioning information

Source: EUSPA EO and GNSS Market Report ISSUE 1, copyright  
© EU Agency for the Space Programme, 2022



The market is highly competitive, fragmented and complex given the number of verticals and players in the value chain

# AT – New Markets - Beyond the Antenna



## Augmented GNSS and Cloud Technologies enable new levels of Asset Management

- Smart antennas enable location tracking to centimetres in 3-dimensions allowing for in-building tracking solutions
- Allows not only for fleet tracking but tracking of assets in vehicle or in building
  - Instant inventory checking for emergency vehicles, public service vehicles
  - Tracking of tools, devices and people in multiple industries



✦ Providing full asset management solutions to emerging markets

# AT – Growth Strategy for GNSS

## Organic growth

- Invest in novel new antenna solutions for new market niches
- Differentiate antenna solutions in existing markets
- Develop new receiver applications
- Seek distribution partners for global coverage
- Assist customers in assessing product suitability for application
- Collaborate with academia
- Participate in tradeshows and customer visits to gain additional market insight

## Acquisition criteria

- Searching for targets that have complementary as opposed to competing technologies – different verticals, different geographies, complementary teams
- Seeking targets in particular application verticals to drive demand and take advantage of downstream market

✦ Calian's GNSS business is expected to have an organic CAGR of 20% over the next 3 years

# AT – Value Proposition for GNSS

1. Provide antenna solutions to meet or exceed customer requirements at an attractive price
2. Support our customers from pre-sales engineering through to product end-of-life
3. Collaborate with our customers to integrate our products into their solutions
4. Help our customers select the best antenna product that meets their needs
5. Maintain exceptional engineering staff capable of innovating and creating new products
6. Ensure the quality of the products that we deliver

## Performance for provide differentiation

- **Availability** – percentage of time timing/location data is available for the user
- **Accuracy** – difference between true and computed (time/location)
- **Continuity** – uninterrupted performance
- **Integrity** – how well you can trust the time/location data you are receiving
- **Time to first fix** – how long it takes to gain a useable time/location
- **Robustness to spoofing** – ability to avoid false signals

*Tune these characteristics to meet the market technical requirements at the compelling market price*

 Understanding how our customers use GNSS technology is critical to aligning them with the best product we offer



# AT – Key Takeaways

- In business for over 55 years with global customers built up through relationships and reputation that provide us with repeat business
- Diverse in our markets common in our solid team of engineers and technicians capable of strong subject matter expertise to build critical solutions for our customers
- Continuous investment in innovation and creativity to drive organic growth
- Continuous strategic acquisitions in complementary capabilities
- Growing leadership for succession and expansion
- Increasing product offerings to drive up margin percentages, decrease revenue variability
- Taking advantage of the positive trends in the GNSS market over the next decade
- Our GNSS business is expected to have a CAGR of 20% over the next 3 years
- Targeting a sustainable AT segment EBITDA margin in line with the other segments



Critical infrastructure to help the world innovate, communicate, lead healthy lives and stay safe

**Q&A**





# Agenda

- 1 Welcome Remarks
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- 4 IT and Cyber Solutions
- 5 Advanced Technologies
- 6 **Break**
- 7 Health
- 8 Learning
- 9 Cross Selling
- 10 Closing Remarks
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- 12 Q&A



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# Health

Gordon McDonald



# Health – FY22 Snapshot

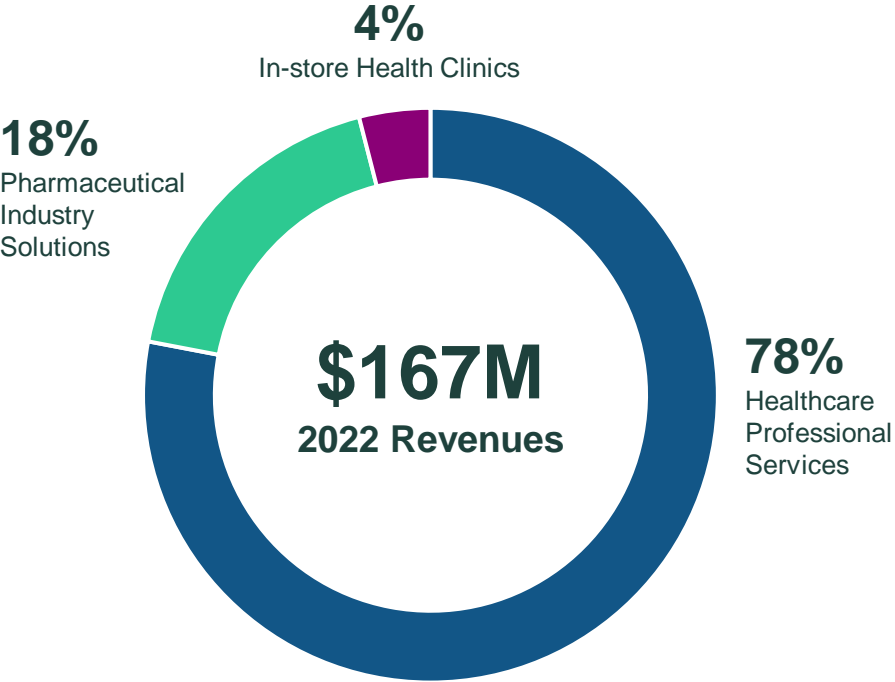
**~1,550**  
Workforce

**-14% / 0%**  
Organic / Acquisitive Growth

**17%**  
EBITDA %

**\$154M**  
New Contract Signings

**\$707M**  
Backlog



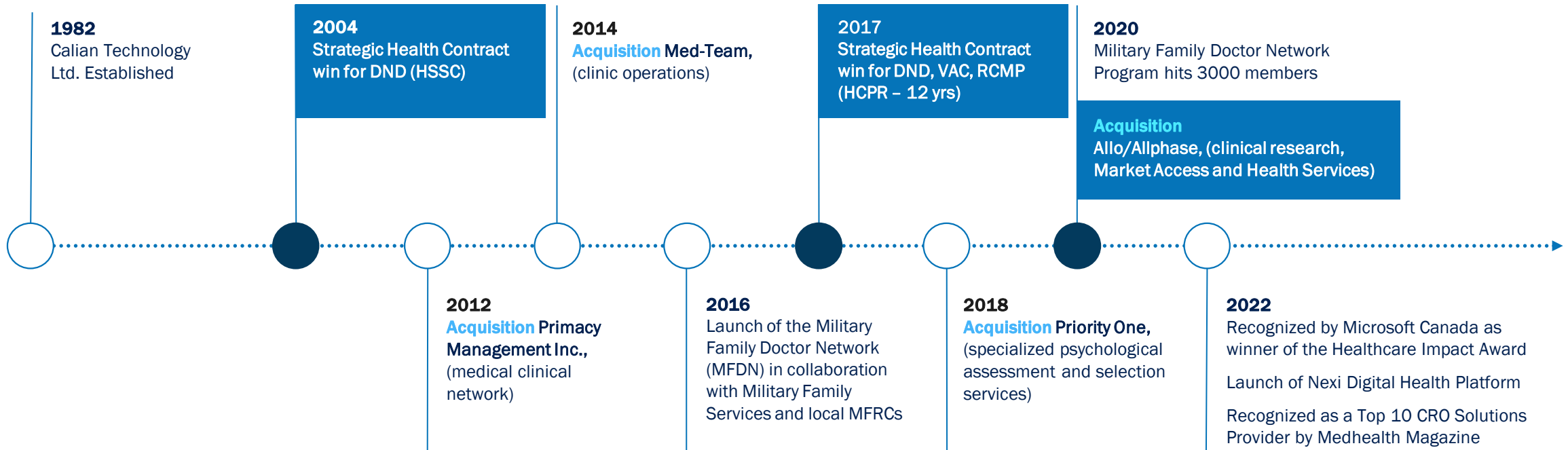
Note: % may not add up due to rounding

### REVENUE SEGMENTATION

Customers	Geography	Offering
~42% Commercial	~5% International	0% Products
~58% Government	~95% Canada	100% Services

✦ The majority of the Health business is currently in Healthcare Professional Services

# Health – Key Historical Milestones

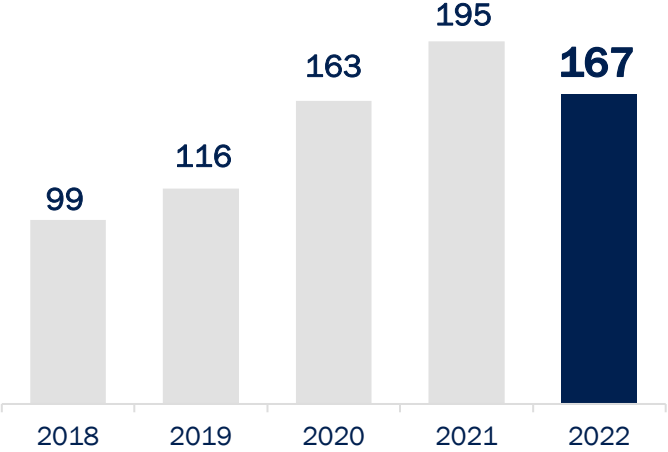


- **HSSC** – Health Services Support Contract
- **MFRC** – Military Family Resource Centres
- **DND** – Department of National Defence
- **VAC** – Veterans Affairs Canada
- **RCMP** – Royal Canadian Mounted Police
- **HCPR** – Health Care Provider Requirement Contracts
- **CRO** – Contract Research Organization (clinical research)

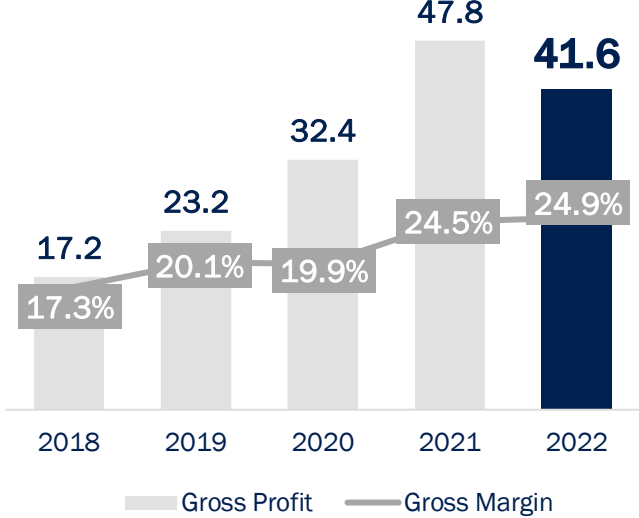
 The addition of Alio/Allphase was a transformative acquisition into a growth segment

# Health – Financial Performance

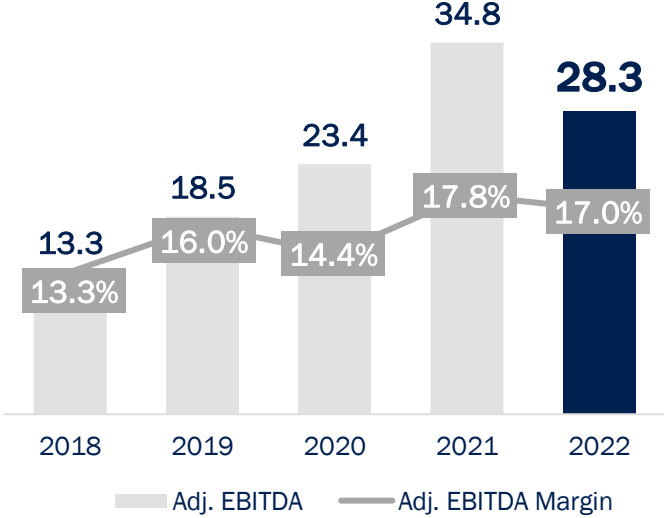
**Revenues**  
(in millions of \$)



**Gross Profit & Margin**  
(in millions of \$, except margin)



**Adj. EBITDA<sup>1</sup> & Margin<sup>1</sup>**  
(in millions of \$, except margin)



1) This is a non-GAAP measure. Please refer to the MD&A.

✦ Financial performance was impacted by COVID-19 in the past few years



# Health – Business Description



Manage a network of more than 2,800 healthcare professionals delivering primary care and occupational health services:

- 85 classifications of care providers supporting the members of our CAF
- Mental health and primary care and dental services to provinces and territories
- Psychological services to Canada's enforcement agencies
- Turnkey medical solutions
- Direct to patient solutions
- Hospital Health Professional Services and solutions



Provide clinical trial management services, specialty medication support and market access services to the pharmaceutical industry, all enabled by an innovative healthcare delivery management software:

- Full-service Contract Research Organization (CRO)
- Functional Service Provider (FSP)
- Patient Support Programs (PSP)
- Digital health technology platforms (Nexi and CVC)
- Go-to-market pharmaceutical program partnerships – driving market access / commercialization



Design, build and manage all in-store health clinics (148 clinic spaces):

- Medical property management
- Establish physician practices
- Clinic design, fit-up and 24x7 support
- Medical clinic supply chain
- Advertising and promotion

- **CAF** – Canadian Armed Forces
- **CVC** – Corolar Virtual Care

 Diversifying into the pharmaceutical industry to generate future growth

# Health – Brands That Trust Us



 The defence industry represents over 50% of Health segment revenues

# Health – Customers & Contracts



Healthcare Professional Services



Pharmaceutical Industry Solutions



In-Store Health Clinics

		Healthcare Professional Services	Pharmaceutical Industry Solutions	In-Store Health Clinics
<b>Customers</b>	Number	>50	>120 products	1
	Size	Large (public sector)	Multi-national large corporations	Large national customer (Loblaws)
	Geography	Canada	Canada, International	Canada
	Verticals	<ul style="list-style-type: none"> <li>Defence</li> <li>Municipalities</li> <li>Provincial Governments</li> </ul>	<ul style="list-style-type: none"> <li>Pharmaceutical</li> <li>Medical Device</li> <li>Diagnostics</li> </ul>	<ul style="list-style-type: none"> <li>Food/Pharmaceutical</li> </ul>
<b>Contracts</b>	Length	Multi-year contracts with options for renewals	Primarily long-term and project based	Medium-term: 5-year contract (year 3)
	Important	<ul style="list-style-type: none"> <li>Department of National Defence (DND) – 12-year contract (year 5)</li> <li>Epiq Class Action Services Canada, Inc.</li> </ul>		

✦ The DND contract is a stabilizing contract as we move into growth markets

# Health – EBITDA Margins & Growth Potential

	Healthcare Professional Services	Pharmaceutical Industry Solutions	In-Store Health Clinics
EBITDA % (relative to Health Segment Margin of 17%)	In line	Below	Above
Growth Potential	Low	High	Low



**Nexi** creates **Time is money**  
Unleash the potential of your home healthcare business.

- PATIENTS SERVED: 1M+
- PATIENT VISITS: 3M+
- HOURS OF CARE: 4.5M
- HEALTHCARE PROVIDERS: 5K

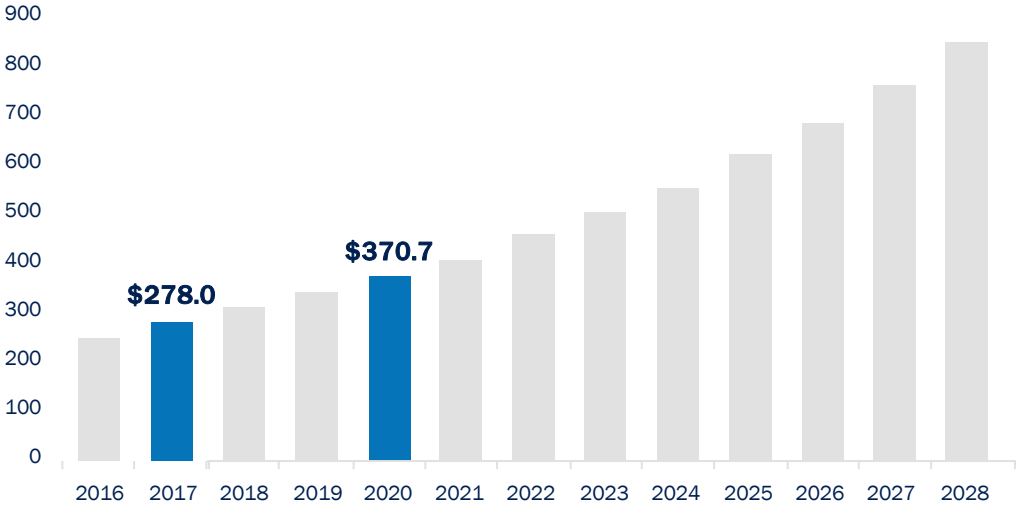
Get Started for Free [nexisuite.com](https://nexisuite.com)

Patient Support Programs (PSP) using Nexi Digital Health Platform & Contract Research Organization (CRO)

Targeting a sustainable Health Segment EBITDA margin of 18-20% in 3 to 5 years

# Health – Home Healthcare Market & Growth (PSP)

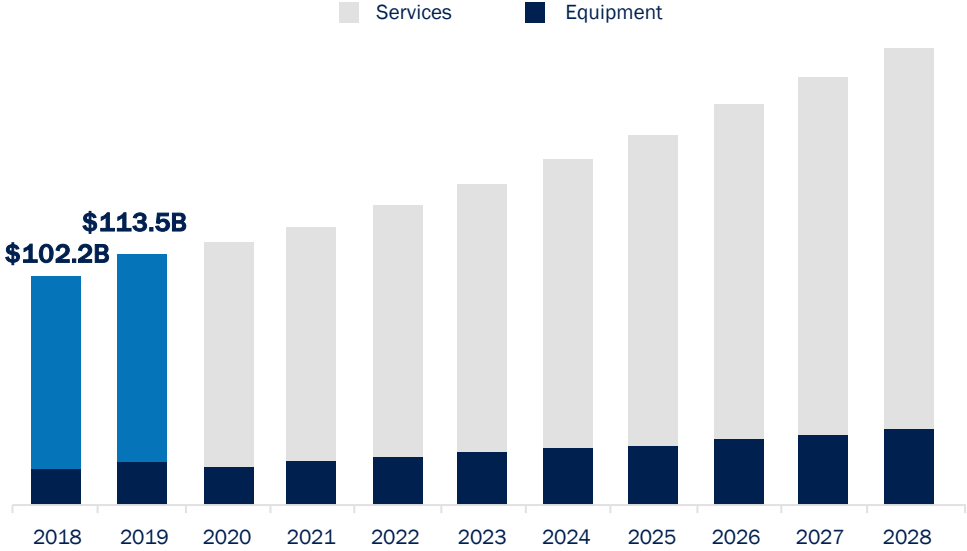
**Global Home Healthcare Market**  
Revenue (USD Billion)



**CAGR 2018-2028: ~10.1%\***

Source: IBISWorld, 2021

**U.S. Home Healthcare Market**  
Size, by component (USD Billion)



**CAGR 2018-2028: 7.3%**

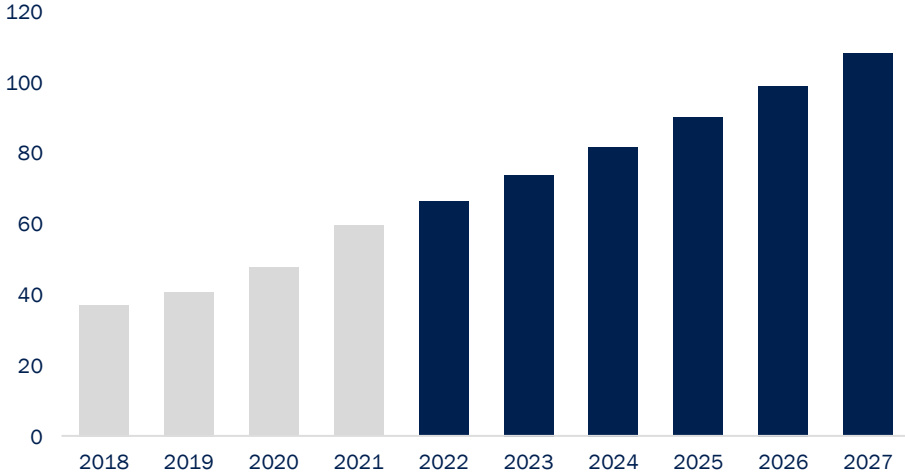
Grand View Research

• PSP – Patient Support Programs

Higher PSP growth projected in the U.S. market

# Health – Pharma Market & Growth (CRO)

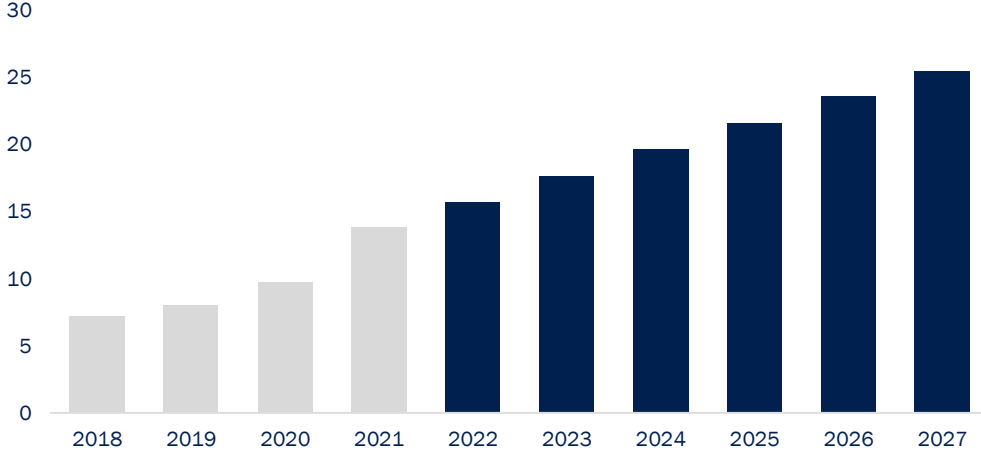
**CRO: Revenue Forecast (\$B)**  
Global, 2018-2027



**CAGR 2018-2028: 10.5%**

Source: IBISWorld, 2021

**CRO: Revenue Forecast by Clinical Development Phases (\$B)**  
North America, 2028-2027



**CAGR 2018-2028: 10.7%**

Grand View Research

Higher growth projected in the N.A. market

# Health – Market Trends for the Pharma Industry



- High cost of institutional care (cost savings for payers of home healthcare vs hospitals)
- Evolving payer environment
- Aging population – demographics – demand vs. availability
- Increased number of strategic partnerships and alliances – gain access to more programs (US)
- Demand for sustainable Patient Support Programs (PSP)
  - Increased funding for Medicare and Medicaid (US)
  - Increased demand for personalized care
  - Increased chronic disease management
- Changing reimbursement policies

✦ Positive long-term growth drivers for the Pharmaceutical industry

# Health – Competitive Landscape for Pharma Industry

## Global



## United States



## Canada



## High barriers to entry

- Availability of pharmaceutical subject matter expertise
- Licensing and accreditation requirements
- Regulations and evidence required to obtain reimbursements
- Geographic licensing requirements are different from state to state in the U.S.
- Secure technologies – compliant and validated

## Basis of competition

- Price
- Quality and speed of services
- Brand/reputation/customer satisfaction (performance)

★ Fragmented market with opportunity for consolidation

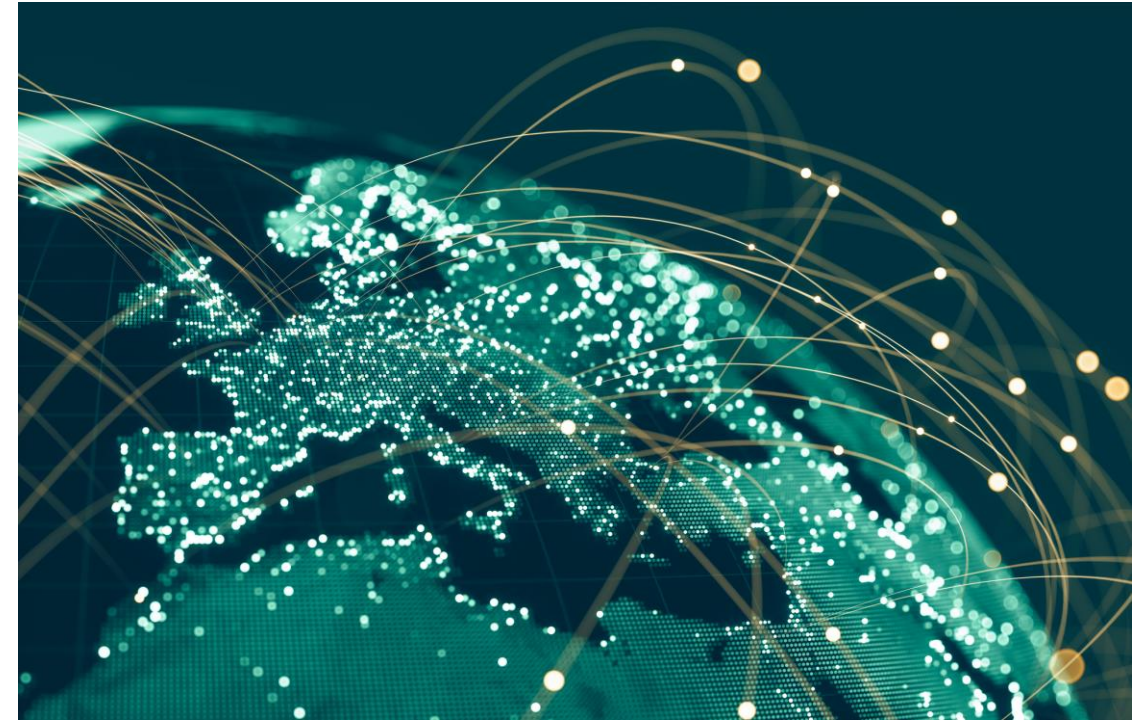


# Health – Growth Strategy for Pharma Industry

## Organic growth

- Leverage Nexi in Canada/U.S./Europe as a SaaS and licensed model
- Expand on pharma driven PSPs into community care and private care
- Clients are taking us into new geographies (PSPs into US/Europe)
- Continue to productize/license Nexi as a resource management engine and health enterprise management platform
- Expand Clinical Trial business into Phase 2 and Phase 3 research in Canada and U.S.
- Build on the Healthcare Provider (HCP) network (add new discipline)
- Foster partnership opportunities with competitors and clients

★ CATALYST: penetrating the U.S. market (e.g., using Nexi)



• PSP – Patient Support Programs

# Health – Acquisition Strategy for Pharma Industry (CRO/PSP)

## Acquisition criteria

- Targeting revenue of \$25M to \$50M
- Seeking health technology through a leverageable platform
- Focusing on a scalable business
- Expanding across geographies

## Market focus/verticals for acquisitions:

- Digital health – smart services/online services
- Patient support programs
- Pharmaceutical supply/distribution
- Contract (clinical) research organization (CRO)
- Home care
- Hospitals and LTC technology-based services/solutions
- Health Artificial Intelligence
- Virtual care

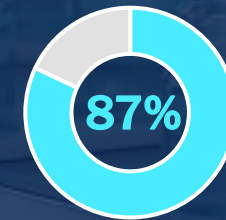
# Health – Value Proposition for Pharma Industry

1. Speed and reliability
2. Feature-rich Digital Health Enterprise Management platform (leverage Nexi)
3. Reduction of costs of operation in the pharmaceutical industry (leverage Nexi)
4. Industry-leading KPIs
5. Reimbursement & co-pay management capability
6. Ability to manage high-volume PSPs
7. Ability to manage a growing/diverse healthcare Gig Economy
8. Experience in a highly regulated environment
9. Managing the largest number of pharmaceuticals (or PSPs) in Canada
10. A network of over 2,800 Health Care Providers

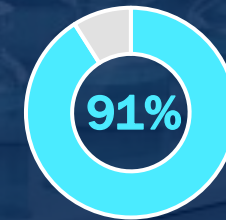
- HCP – Health Care Provider
- PSP – Patient Support Programs

## The Calian® Nexi™ health-enterprise resource management platform

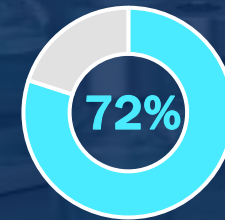
transforms patient support programs (PSPs) through automation, analytics and machine learning, delivering more accurate, timely, integrated and profitable healthcare services.



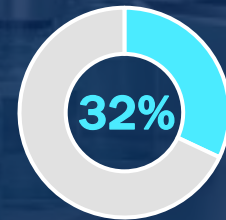
Faster assignment of HCPs



Decrease in human errors



Reduction of administrative tasks



Cost savings per patient

 One-stop-shop for an integrated health services and technology partner

# Health – Key Takeaways

- Over 80% of current Health segment revenues are stable and supported by long-term contracts
- The addition of Alio/Allphase in 2020 was a transformative acquisition into pharmaceutical industry solutions (CRO & PSP)
- Generating organic growth by leveraging our Nexi platform in Canada and the U.S. (SaaS and licensing models)
- Our strategy is to diversify into the higher growth pharmaceutical industry solutions market (CRO & PSP)
- Looking to make further strategic acquisitions in a fragmented market (CRO & PSP)
- Targeting a sustainable Health segment EBITDA margin of 18-20% in 3 to 5 years

- CRO – Contract Research Organization
- PSP – Patient Support Programs



✦ Transitioning into the higher growth pharmaceutical industry solutions market in the U.S.

# Health – Incoming New President - Derek Clark



President



Chief Operating Officer



General Manager of Sales



Chief Commercial Officer – Canada



☆ Derek started on February 6, 2023

# Health – Why Calian?



## Digital Health Trends

- Remote/Virtual Care
- Access/Connectivity/Security
- Clinical trial management
- VR/Augmented Reality



## Assets to Leverage

- Balance sheet strength
- 40 years of credibility
- Unmatched clinical depth
- Deep Pharma expertise



## 4-Piston Engine

- Health
- ITCS
- Learning
- Advanced Technologies

☆ Derek started on February 6, 2023

# Q&A





# Agenda

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# Learning

Don Whitty



# Learning – FY22 Snapshot

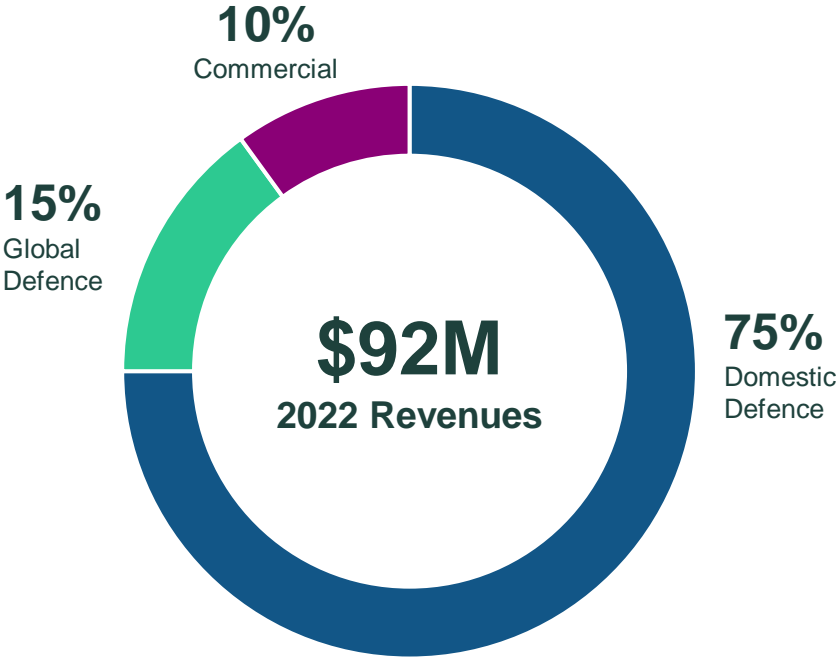
**~1,375**  
Workforce

**7% / 16%**  
Organic / Acquisitive Growth

**18%**  
EBITDA %

**\$154M**  
New Contract Signings

**\$328M**  
Backlog

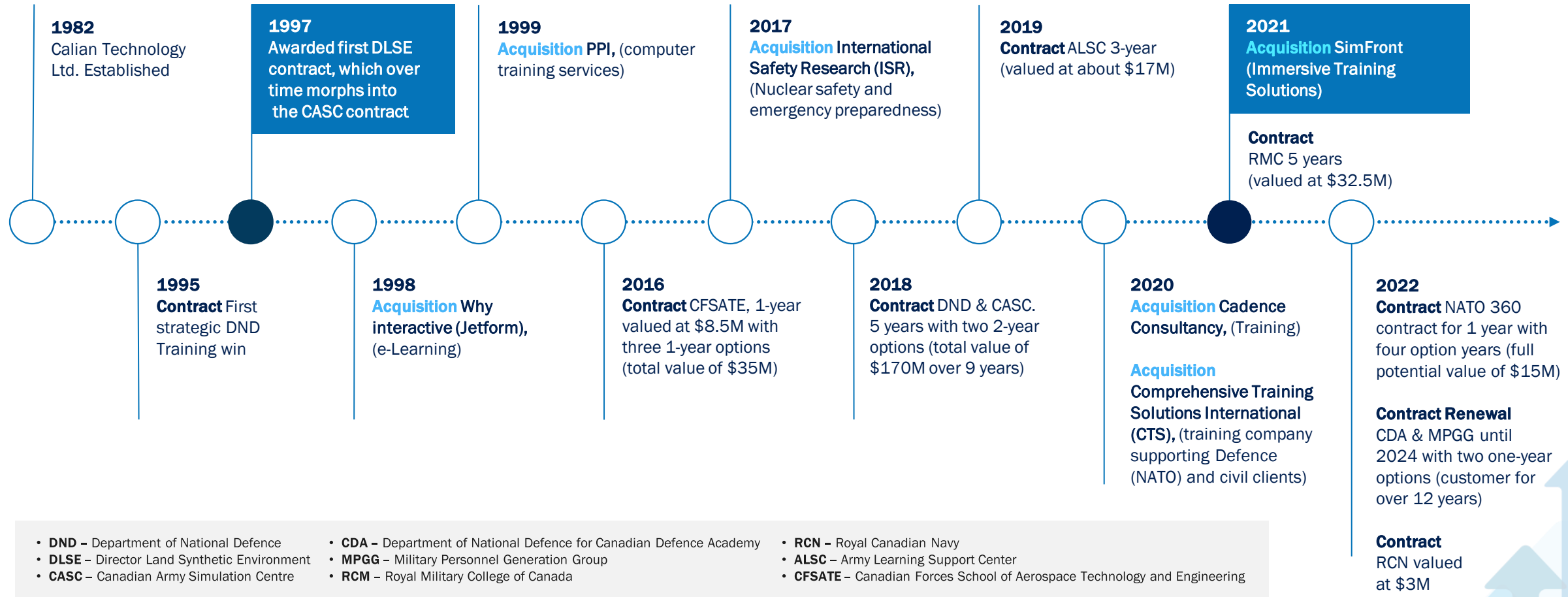


Note: % may not add up due to rounding

REVENUE SEGMENTATION		
Customers	Geography	Offering
~10% Commercial	~15% International	4% Products
~90% Government	~85% Canada	96% Services

 Provides innovative learning solutions for complex training and delivery programs for militaries, nations and organizations around the world

# Learning – Key Historical Milestones



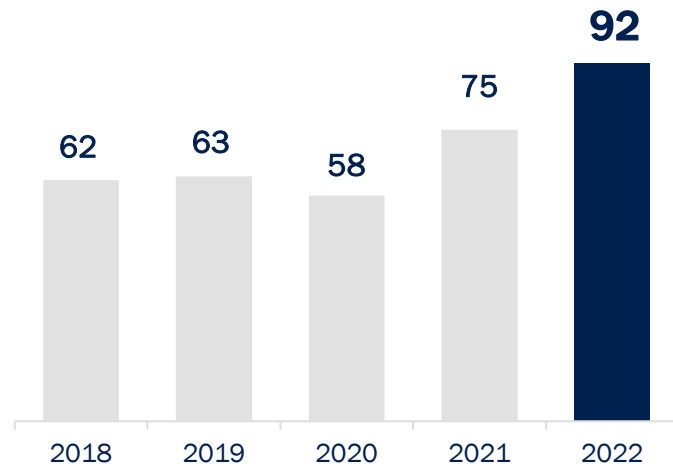
- **DND** – Department of National Defence
- **DLSE** – Director Land Synthetic Environment
- **CASC** – Canadian Army Simulation Centre
- **CDA** – Department of National Defence for Canadian Defence Academy
- **MPGG** – Military Personnel Generation Group
- **RCM** – Royal Military College of Canada
- **RCN** – Royal Canadian Navy
- **ALSC** – Army Learning Support Center
- **CFSATE** – Canadian Forces School of Aerospace Technology and Engineering

★ The acquisition of SimFront was a game changer

# Learning – Financial Performance

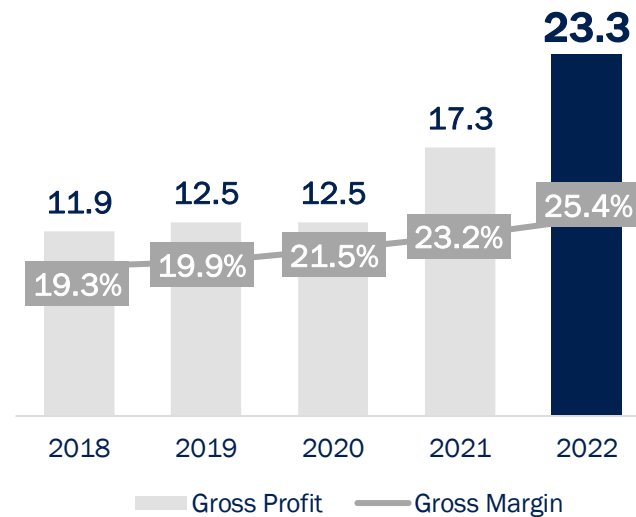
### Revenues

(in millions of \$)



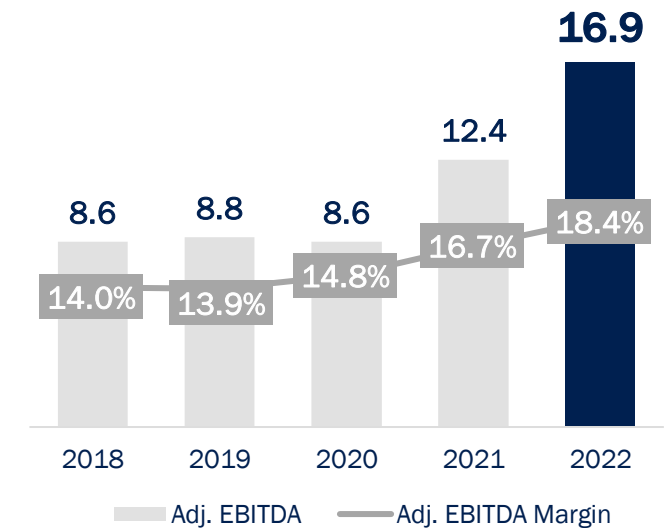
### Gross Profit & Margin

(in millions of \$, except margin)



### Adj. EBITDA<sup>1</sup> & Margin<sup>1</sup>

(in millions of \$, except margin)



1) This is a non-GAAP measure. Please refer to the MD&A.

✦ Financial performance driven by long-term contracts and acquisitions

# Learning – Business Description



Provides simulation-based training for the Canadian Armed Forces. This includes individual training for skills development and collective training to sustain readiness.

- Providing end-to-end training solutions, including design, development, delivery, and evaluation of training exercises
- Support after-action-review (AAR) of training, to understand the effectiveness of training
- Developing a synthetic training environment for all participants
- System-agnostic architecture, to allow any simulation system to connect into the synthetic environment
- Immersive training solutions for individual competency development (VR/AR/MR/XR)
- Operational applications for simulation-to-C2 and automate voice recognition



Provides a range of military training for NATO member countries, including scenario development, concept development, and delivery of complex exercises.



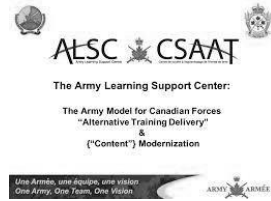
Develops and delivers more engaging, efficient and cost-effective learning programs for companies.

- Curriculum design and development
- Facilitation and delivery
- Immersive learning solutions
- Learning strategy and consulting
- Measurement and evaluation
- Workforce development
- Learning staff augmentation

- **VCCI** – Virtual Command and Control Interface
- **AR/VR/MR/XR** – Augmented Reality/Virtual Reality/Mixed Reality/Extended Reality

★ 90% of the offering is delivering end-to-end military training and simulation solutions

# Learning – Institutions That Trust Us



Joint Force  
Training Centre



Eurocorps



Joint Warfare  
Centre



Ministry of Defence



National Défense  
Defence nationale



Ministry  
of Defence



★ Leveraging NATO relationships to gain new opportunities in Europe

# Learning – Customers and Contracts



Domestic Defence



Global Defence



Commercial

		Domestic Defence	Global Defence	Commercial
<b>Customers</b>	<b>Number</b>	< 20	<20	>25
	<b>Size</b>	Large	Medium and Large	Medium and Large organizations
	<b>Geography</b>	Canada	NATO, NATO Nations, Australia, Africa	North America
	<b>Verticals</b>	<ul style="list-style-type: none"> <li>• Defence</li> <li>• Learning Innovation</li> <li>• Interoperability</li> </ul>	<ul style="list-style-type: none"> <li>• Defence</li> <li>• Learning Innovation</li> <li>• Interoperability</li> </ul>	<ul style="list-style-type: none"> <li>• Government &amp; Crown Corporations</li> <li>• Trades Development</li> <li>• Energy, Oil &amp; Gas</li> <li>• Higher Education</li> <li>• Regulatory Bodies</li> </ul>
<b>Contracts</b>	<b>Length</b>	Medium term 3-5 years + option years	Medium term 1-5 years + option years	Short term (3 months to 3 years)
	<b>Important</b>	<ul style="list-style-type: none"> <li>• Canadian Army Simulation Centre (CASC)</li> <li>• Army Learning Support Centre (ALSC)</li> <li>• Royal Military College (RMC)</li> <li>• Military Personnel Generation (MPG)</li> <li>• Canadian Forces School of Aerospace and Technology and Engineering (CFSATE)</li> </ul>	<ul style="list-style-type: none"> <li>• NATO Joint Warfare Centre 360 Training Environment</li> <li>• NATO Allied Command Transformation Warfare Development Agenda</li> <li>• NATO Allied Command Operations E3D and Key Leader Training</li> <li>• Provisioning NATO with an Enhanced Wargaming Visualisation capability</li> </ul>	<ul style="list-style-type: none"> <li>• A growing number of commercial customers</li> </ul>

 Strong customer relationships resulting in multiple contract renewals

# Learning – EBITDA Margins & Growth Potential

	Domestic Defence	Global Defence	Commercial
EBITDA % (relative to Learning Segment Margin of 18%)	In line	Above	Above
Growth Potential	Low to medium	High	High



Integrated Synthetic Training Environments (ISTE) to Global Defence market

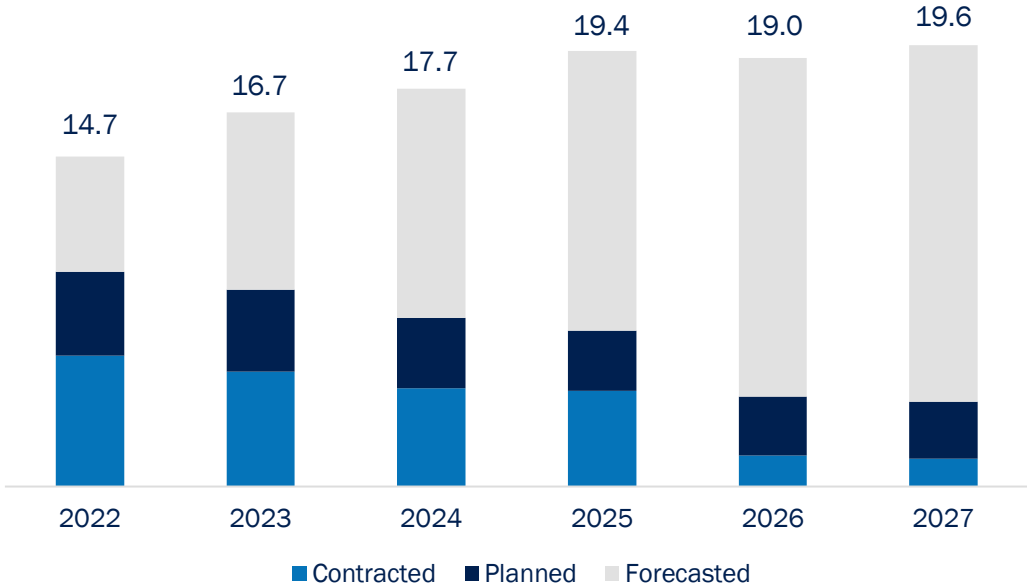
🌟 Targeting a sustainable Learning Segment EBITDA margin of 18-22% in 3 to 5 years



# Learning – Military Training & Simulation Market and Growth

## Total Military Training & Simulation Market

2022-2027 (\$B USD)

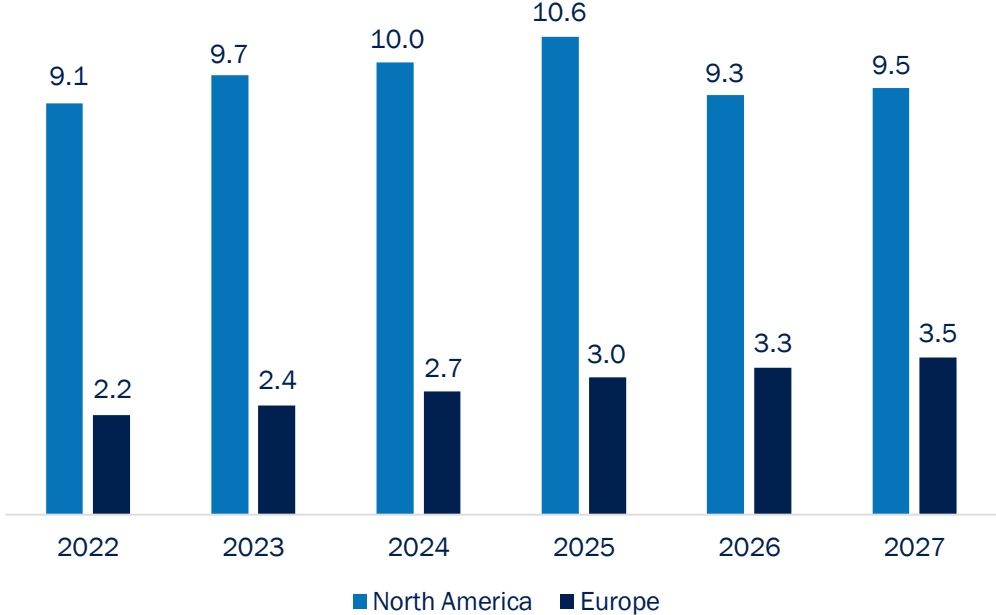


**CAGR 2022-2027: 5.9%**

Source: Frost & Sullivan, Market Overview – Defence Training and Simulation

## Revenue Forecast: North America & Europe

2022-2027 (\$B USD)



**CAGR 2022-2027: 2.7%**

Source: Frost & Sullivan, Market Overview – Defence Training and Simulation

☆ The global military training and simulation market shows strong growth through 2027

# Learning – Market Trends for ISTE



## War in Ukraine

- Budgets are accelerating for partners closer to the battle front
- Growth areas are not in services and solutions – they are currently in weapons and mission systems
- Need for more high-readiness training, with realistic, immersive scenarios based on current events
- Larger simulation-based exercises with more NATO participants
- Increased demand for Wargaming, Urban Warfare, Cyber and space

## Operational tempo and uncertainty

- High operational deployment Tempo
- High global political tensions
- Alternative training solutions during the pandemic

## Defence budgets

- Broadly higher defence budgets, with drive to deliver high quality training and maximizing value for money
- More performance measurement to focus additional investment (put investment in highest-impact areas)

## Defence budgets for training

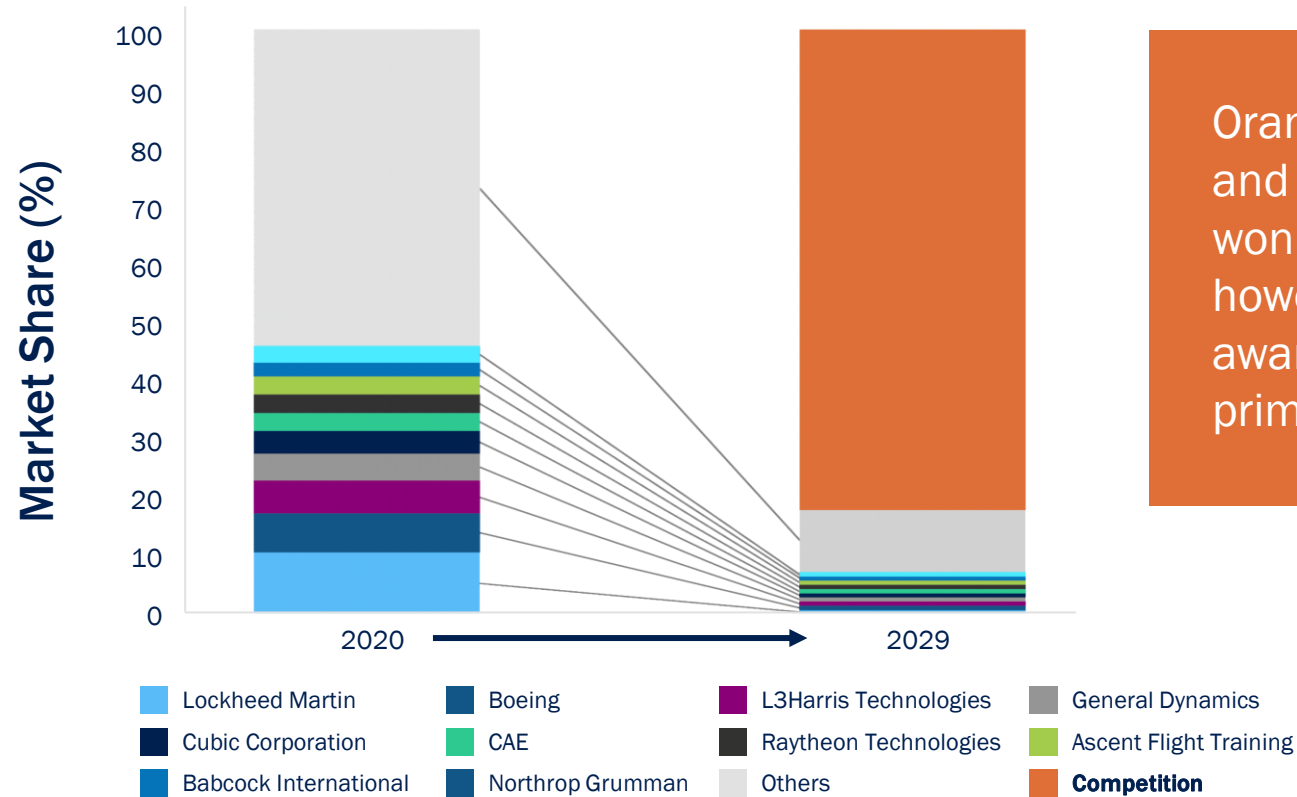
- Militaries are facing pressure to reduce the cost of training (for individual and collective training)
- Additional funding being allocated to hire talent to compliment Canadian Forces staffing deficiencies



NATO and NATO Nations request innovative thinking to modernize training digitization for greater impact

# Learning – Competitive Landscape for ISTE

## Vast Majority of Forecasted Business Has Not been Won



Orange represents the upcoming military training and simulation contracts that have not yet been won. There are many incumbents in the market, however, the upcoming programs have yet to be awarded to an incumbent. This open potential for priming or partnering with OEMs.

Source: Frost & Sullivan



The training and simulation market is highly competitive with an opportunity to bring new technologies and solutions to the market

# Learning – Growth Strategy for ISTE

## Organic growth

- Grow the NATO 360 Scenario Design contract at NATO Joint Warfare Centre in Norway (expected to grow by 30% in 2023)
- Invest in War-gaming co-incident with two research contracts from NATO to design an Enhanced Wargaming capability
- Provide additional services and solutions to compliment CAF personnel shortages
- Leverage interoperability – Canadian Dept of National and UK Ministry of Defence CAST Memorandum for software development

## Acquisition criteria

- Growing through strategically filling gaps on our ISTE offering (Analytics/AI, War-gaming, Urban Warfare)
- Looking for companies with new or strategically aligned technologies
- Searching for companies that provide complimentary services into strategic and new markets
- Ensure fit with Calian culture and customer requirement

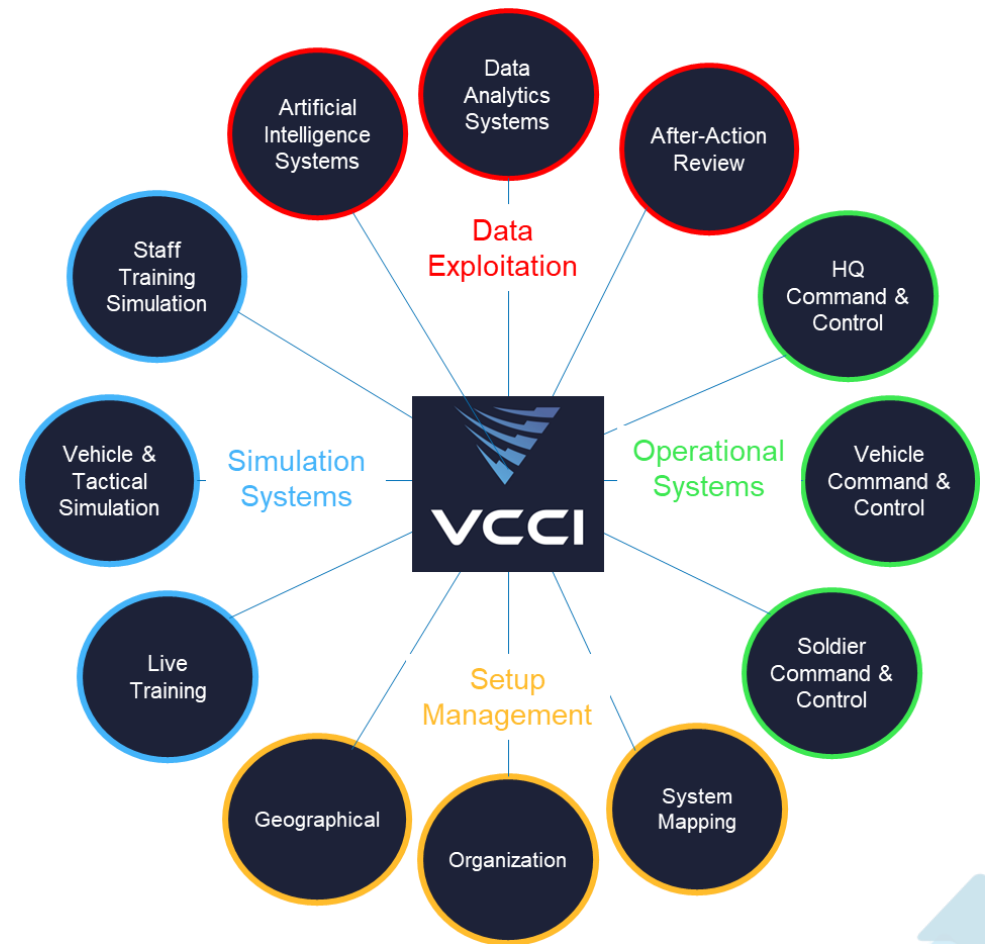
- **CAF** – Canadian Armed Forces
- **CAST** – Command and Staff Training
- **ISTE** – Integrated Synthetic Training Environment
- **AI** – Artificial Intelligence



**CATALYST:** leveraging key contracts to expand ISTE opportunities in Europe and globally & continue to make aligned acquisitions to fulfill strategic plan

# Learning – Value Proposition for ISTE

1. We have experience and credibility
2. The only military training leader to provide end-to-end synthetic training solutions for high-readiness and collective training
3. Our solution is system-agnostic and interoperable with existing simulation tools and operational systems (VCCI)
4. We use innovative technology and analytics to accelerate time to competency
5. Respected as leaders in Enhanced Wargaming Capability and Next Generation Modelling and Simulation



✦ Our Virtual Command and Control Interface (VCCI) is our key differentiator

# Learning – Key Takeaways

- Over 70% of Learning segment revenues are stable and supported by long term contracts (\$328M of backlog)
- The addition of SimFront was a game changer
- Taking advantage of our VCCI technology to offer reduced training costs
- Generating organic growth by leveraging NATO relationships to gain new customers in Europe
- Looking to make strategic acquisitions
- Targeting a sustainable Learning segment EBITDA margin of 18-22% in 3 to 5 years (from 18% currently)
- Our R&D investment and innovation projects with NATO and MOD are additional strong validation for our commitment to ISTE

• **VCCI** – Virtual Command and Control Interface



★ On track to surpass the \$100M revenue milestone in FY23

# Q&A





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# Cross Selling: Capturing our Synergies

Robin Richardson  
VP, Marketing



# Synergies Across the Four-Piston Engine – Cybersecurity














✦ Cyber solutions are required across every solution across the Calian Four-Piston Engine

# Solution Synergies – Remote Patient Monitoring



✦ Opportunities to bring the four-piston engine together to solve customer problems

# Market Synergies – Defence

Global Defence	   			
	ITCS	Health	Learning	AT
 Défense nationale / National Defence				
NAVY				
Air Force				
Army				
NATO 				
European Defence   				
Defence OEMs  				
APAC Defence				
US Defence				

Significant opportunities to leverage our four-piston engine


 Defence offers the largest opportunity to cross sell by leveraging one business unit to introduce other business units

# Key Takeaways

## We Are Just Getting Started

- Leveraging synergies within the business units for cross selling
- Leveraging synergies across business units—cybersecurity and training are leading the way across all business units

## Customer Solution Synergies

- See opportunities to combine our business unit capabilities to create solutions to solve our customers' challenges (i.e.: remote healthcare)
- Opportunities to leverage our 4-piston engine in our targeted customer accounts and segments (i.e.: Defence, Health)

## Market Synergies

- ✓ Global defence lead—development and execution of growth strategy in global defence

✦ Capturing the synergies of our Four-Piston engine is boosting sales revenues





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# Closing Remarks

Kevin Ford  
CEO



# Key Takeaways – Track Record of Execution

- **Revenue growth surpassing 10%/year**
- **Revenue diversification**
  - By geography (from 20% to 29% international)
  - By offering (from 18% to 27% technology products)
  - By customer (from 32% to 53% commercial)
- **Margin expansion**
  - Gross margin (from 21.0% to 29.1%)
  - EBITDA margin (from 8.3% to 11.3%)



✦ Proven track record over the past 5 years





# Key Takeaways – M&A

- **Generating robust cash flow**
  - High operating FCF conversion rate
  - Working capital reverting back to normalized levels
- **Track record of M&A**
  - EBITDA accretive acquisitions
  - Post acquisition performance
- **Strong balance sheet**
  - Net cash position
- **Over \$200M of funding capacity available**



✦ Solid pipeline of targets

# Key Takeaways – Promising Organic Growth Opportunities

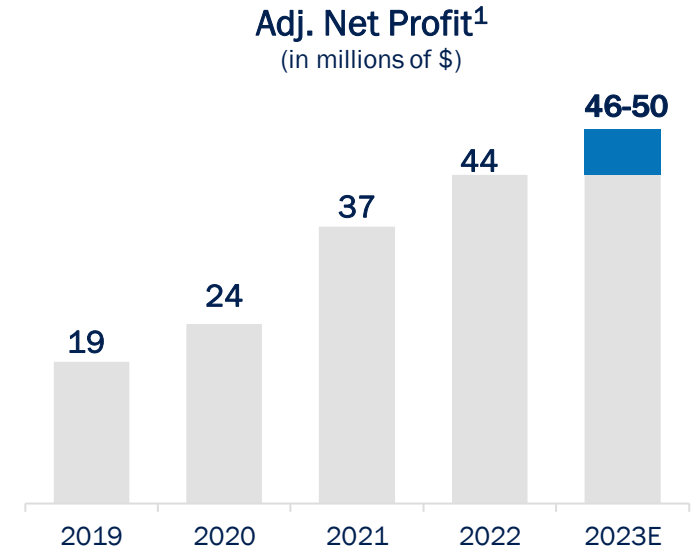
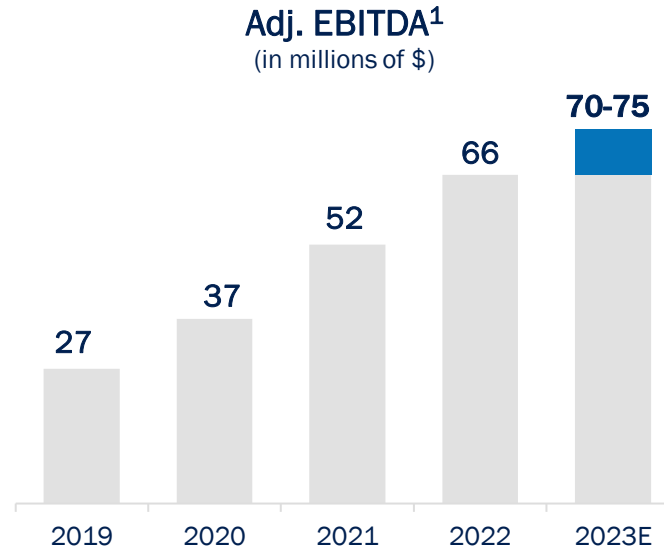
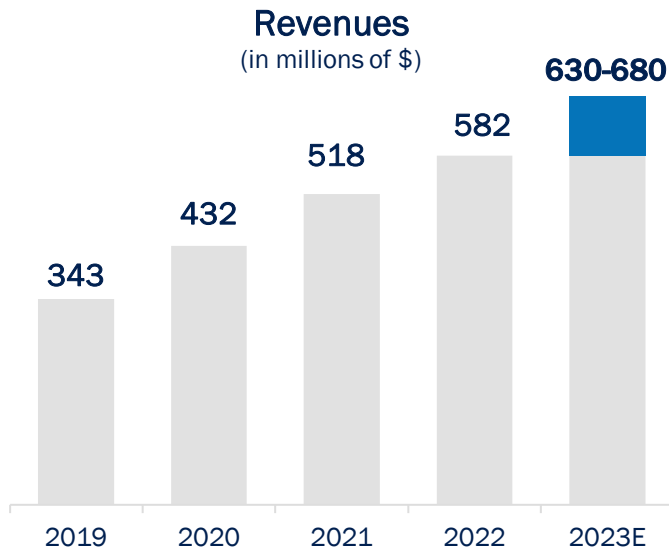
	 ITCS	 Health	 Learning	 AT
<b>Selected Growth Opportunity</b>	XaaS & Cyber MDR	Pharmaceutical Industry	Integrated synthetic training environments	GNSS antennas
<b>Market Growth (CAGR)</b>	<b>11.3%</b> (CAGR 2020-25) Total managed and professional security services	<b>10.1%</b> (CAGR 2018-28) Global home healthcare market <b>10.7%</b> (CAGR 2018-28) CRO revenue forecast by clinical development phases	<b>5.9%</b> (CAGR 2022-27) Total military training and simulation market <b>2.7%</b> (CAGR 2022-27) Revenue forecast: North America and Europe	<b>5.0%</b> (CAGR 2021-31) Installed base of GNSS devices <b>3.3%</b> (CAGR 2021-31) Shipments
<b>Targeted Growth Rate (3-year CAGR)</b>	<b>Above market</b>	<b>In line with market</b>	<b>Above market</b>	<b>Above market</b>

**Supported by \$1.3B in backlog**



Despite demonstrating consolidated organic growth of 8% (5-yr average), we have numerous growth opportunities at much higher growth rates

# Delivering Guidance



1) This is a non-GAAP measure. Please refer to the MD&A.

1) This is a non-GAAP measure. Please refer to the MD&A.

 Track record of delivering on guidance

# Our Journey to \$1 Billion of Revenues

## Continue to deliver double digit growth

- Strong FCF
- Increasing margins
- Growing into new customers

## Leverage high growth opportunities

- Enhanced cross selling
- Larger M&A deals
- Focus on high organic growth assets

>\$800 Million

>\$1 Billion

Today

Run Rate - End FY25

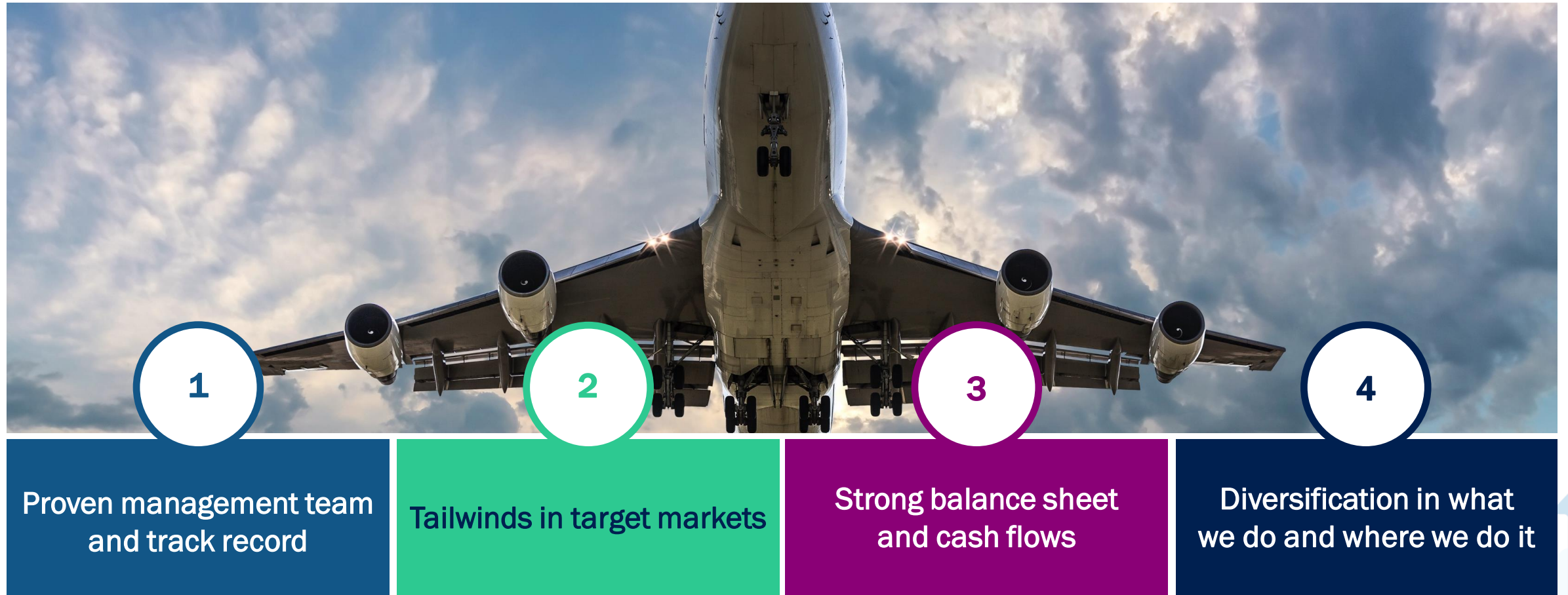
✦ We have the track record, growth opportunities and balance sheet to make this happen!

# Putting ESG at the Forefront



Aligning our ESG reporting framework to several United Nations Sustainable Development Goals (SDGs)

# Investment Value Proposition





**We help the world communicate, innovate,  
learn, and lead safe and healthy lives –  
today and tomorrow.**









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# Survey



# Survey – QR Code





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**Q&A**



# Thank you

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