

# First Quarter Fiscal 2023

Financial results and highlights

For the three months ended December 31, 2022 and 2021

February 1, 2023

**CGI**



# Forward-Looking Information and Statements

Our presentations contain “forward-looking information” within the meaning of Canadian securities laws and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable United States safe harbours. All such forward-looking information and statements are made and disclosed in reliance upon the safe harbour provisions of applicable Canadian and United States securities laws. Forward-looking information and statements include all information and statements regarding CGI’s intentions, plans, expectations, beliefs, objectives, future performance, and strategy, as well as any other information or statements that relate to future events or circumstances and which do not directly and exclusively relate to historical facts. Forward-looking information and statements often but not always use words such as “believe”, “estimate”, “expect”, “intend”, “anticipate”, “foresee”, “plan”, “predict”, “project”, “aim”, “seek”, “strive”, “potential”, “continue”, “target”, “may”, “might”, “could”, “should”, and similar expressions and variations thereof. These information and statements are based on our perception of historic trends, current conditions and expected future developments, as well as other assumptions, both general and specific, that we believe are appropriate in the circumstances. Such information and statements are, however, by their very nature, subject to inherent risks and uncertainties, of which many are beyond the control of CGI, and which give rise to the possibility that actual results could differ materially from our expectations expressed in, or implied by, such forward-looking information or forward-looking statements. These risks and uncertainties include but are not restricted to: risks related to the market such as the level of business activity of our clients, which is affected by economic and political conditions, additional external risks (such as pandemics, armed conflict, climate-related issues and inflation) and our ability to negotiate new contracts; risks related to our industry such as competition and our ability to develop and expand our services, to penetrate new markets, and to protect our intellectual property rights; risks related to our business such as risks associated with our growth strategy, including the integration of new operations, financial and operational risks inherent in worldwide operations, foreign exchange risks, income tax laws and other tax programs, our ability to attract and retain qualified employees, to negotiate favourable contractual terms, to deliver our services and to collect receivables, to disclose, manage and implement environmental, social and governance (ESG) initiatives and standards, as well as the reputational and financial risks attendant to cybersecurity breaches and other incidents, and financial risks such as liquidity needs and requirements, maintenance of financial ratios, interest rate fluctuations and the discontinuation of major interest rate benchmarks and changes in creditworthiness and credit ratings; as well as other risks identified or incorporated by reference in our presentations, in CGI’s quarterly MD&A and in other documents that we make public, including our filings with the Canadian Securities Administrators (on SEDAR at [www.sedar.com](http://www.sedar.com)) and the U.S. Securities and Exchange Commission (on EDGAR at [www.sec.gov](http://www.sec.gov)). Unless otherwise stated, the forward-looking information and statements contained in our presentations are made as of the date hereof and CGI disclaims any intention or obligation to publicly update or revise any forward-looking information or forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. While we believe that our assumptions on which these forward-looking information and forward-looking statements are based were reasonable as at the date hereof, you are cautioned not to place undue reliance on these forward-looking information or statements. Furthermore, you are reminded that forward-looking information and statements are presented for the sole purpose of assisting investors and others in understanding our objectives, strategic priorities and business outlook as well as our anticipated operating environment. You are cautioned that such information may not be appropriate for other purposes. Further information on the risks that could cause our actual results to differ significantly from our current expectations may be found in section titled *Risk Environment* of CGI’s quarterly MD&A, which is incorporated by reference in this cautionary statement. We also caution that the above-mentioned risks and the risks disclosed in CGI’s quarterly MD&A and other documents and filings are not the only ones that could affect us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial could also have a material adverse effect on our financial position, financial performance, cash flows, business or reputation.

Please refer to the “Investors” section of CGI’s website at [www.cgi.com](http://www.cgi.com) to consult disclosure documents used by management when discussing CGI’s financial results with investors and analysts.

All amounts are in Canadian dollars unless otherwise indicated.

## Non-GAAP and Other Key Performance Measures Definitions

Non-GAAP financial metrics used in this presentation: Constant currency growth, adjusted EBIT, adjusted EBIT margin, net debt, net debt to capitalization ratio, ROIC, net earnings excluding specific items, net earnings margin excluding specific items, and diluted earnings per share excluding specific items. CGI reports its financial results in accordance with IFRS. However, management believes that these non-GAAP measures provide useful information to investors regarding the company’s financial condition and results of operations as they provide additional measures of its performance. These measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers and should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with IFRS. Additional details for these non-GAAP measures can be found on pages 3, 4 and 5 of CGI’s Q1 F2023 MD&A which is posted on CGI’s website, and filed with SEDAR at [www.sedar.com](http://www.sedar.com) and EDGAR at [www.sec.gov](http://www.sec.gov).

Key performance measures used in this presentation: bookings, book-to-bill ratio, backlog, DSO, net earnings margin, and ROE. The composition of these measures can also be found on pages 3, 4 and 5 of CGI’s Q1 F2023 MD&A.



**George D. Schindler**

President and Chief  
Executive Officer



**Steve Perron**

Executive Vice-President and  
Chief Financial Officer

# Financial highlights: Q1 F2023

			vs Q1 F2022
<b>Revenue</b>	<b>\$3.45B</b>	<b>▲</b>	<b>11.6%</b>
Constant currency growth <sup>1</sup>		<b>▲</b>	<b>12.3%</b>
<b>Adjusted EBIT<sup>1</sup></b>	<b>\$554M</b>	<b>▲</b>	<b>6.3%</b>
Adjusted EBIT margin <sup>1</sup>	<b>16.1%</b>	<b>▼</b>	<b>(80 bps)</b>
<b>Net earnings</b>	<b>\$382M</b>	<b>▲</b>	<b>4.1%</b>
Net earnings margin <sup>2</sup>	<b>11.1%</b>	<b>▼</b>	<b>(80 bps)</b>
<b>Net earnings excluding specific items<sup>1</sup></b>	<b>\$398M</b>	<b>▲</b>	<b>7.8%</b>
Net earnings margin excluding specific items <sup>1</sup>	<b>11.5%</b>	<b>▼</b>	<b>(40 bps)</b>
<b>Diluted EPS</b>	<b>\$1.60</b>	<b>▲</b>	<b>7.4%</b>
<b>Diluted EPS excluding specific items<sup>1</sup></b>	<b>\$1.66</b>	<b>▲</b>	<b>10.7%</b>

1) Non-GAAP measures defined in the Key Performance Measures section of the Q1 F2023 MD&A, including references to reconciliations to their closest IFRS measure when applicable.

2) Defined in the Key Performance Measures section of the Q1 F2023 MD&A.

# CEO remarks

“CGI began fiscal year 2023 with positive momentum, delivering sustained double-digit increases in both constant currency revenue growth and EPS accretion,” said George D. Schindler, President and Chief Executive Officer. “Our ongoing investments continued to deliver value for all of our stakeholders, notably in our strong positioning as a trusted partner for clients’ digitization priorities, which contributed to generating over \$4 billion in bookings during the quarter, of which one-third were new business. CGI’s operational and delivery discipline also contributed to strengthening our robust balance sheet, enabling us to continue driving our build and buy profitable growth strategy.”

## Talent profile

# 90,250

## Consultants & Professionals

**34%**

identify as female

+90 bps year-over-year

Improving representation of women at all levels

**84%\***

are shareholders through our Share Purchase Plan

A culture of ownership

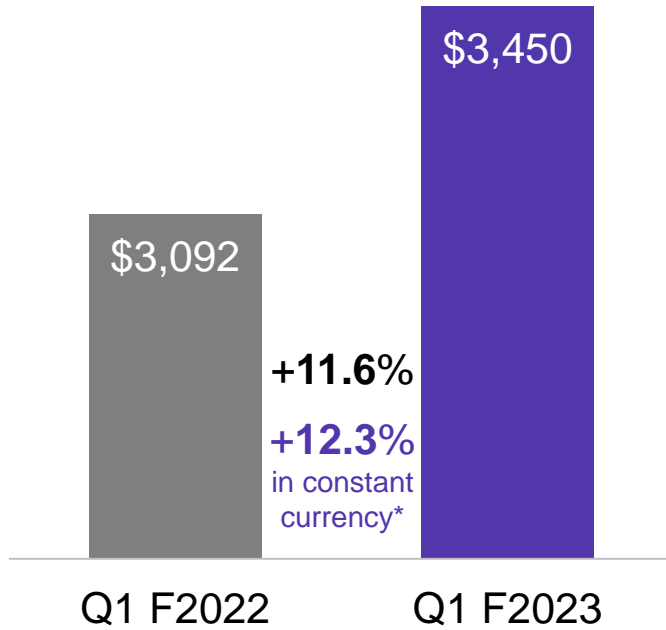
**Balanced delivery model**

62% Proximity

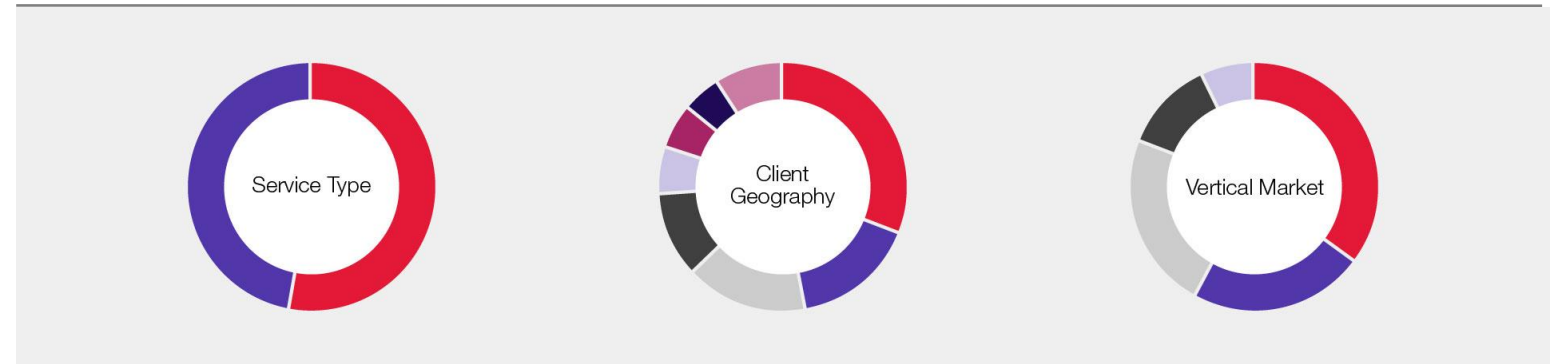
38% Global delivery centers  
(22% offshore)

**+10.1%**  
year-over-year increase

# Revenue performance: Q1 F2023



## Revenue mix



Service Type	Percentage
Managed IT and business process services	53%
Business and strategic IT consulting and systems integration services	47%

Client Geography	Percentage
U.S.	31%
Canada	16%
France	16%
U.K.	11%
Germany	6%
Finland	6%
Sweden	5%
Rest of the world	9%

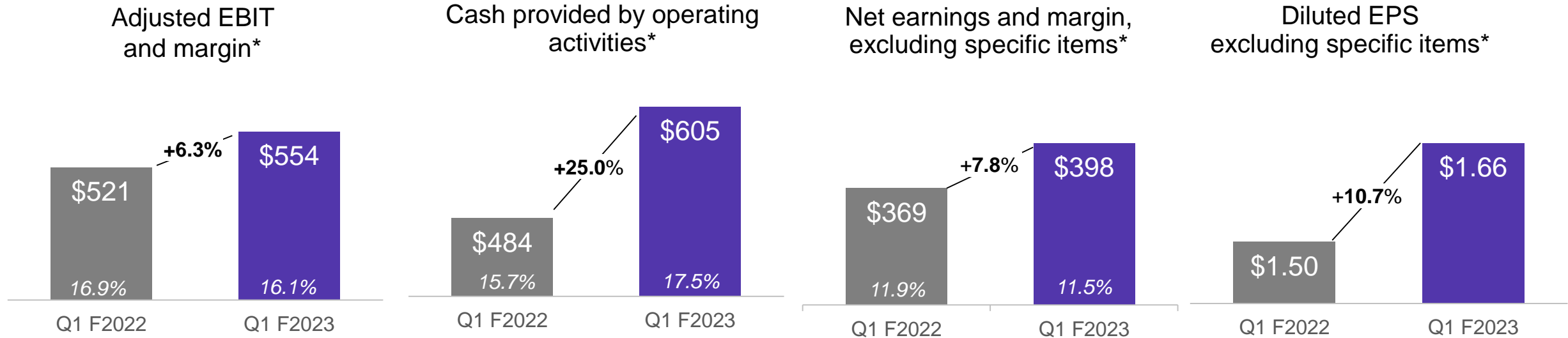
Vertical Market	Percentage
Government	35%
Financial services	23%
MRD	23%
Communications and utilities	12%
Health	7%

Dollar figures in millions

\* Constant currency growth is a non-GAAP measure for which we provide the reconciliation to the closest IFRS measure in the Q1 F2023 MD&A

# Financial highlights: Q1 F2023

(in dollars and % of revenue)



Dollar figures in millions

\* Adjusted EBIT, adjusted EBIT margin, and net earnings, net earnings margin and diluted EPS, all three excluding specific items are non-GAAP measures for which we provide more details in the Q1 F2023 MD&A. Cash provided by operating activities is a key performance measure for which we provide more details in the Q1 F2023 MD&A.



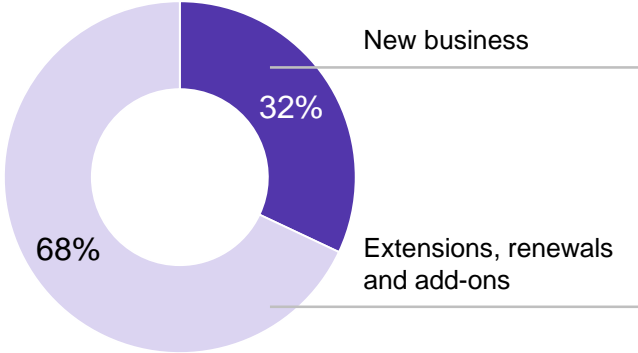
# Demand for end-to-end services driving bookings

## Book-to-bill ratio 109% for the last twelve months

Q1 F2023 bookings\*

**\$4.0B**

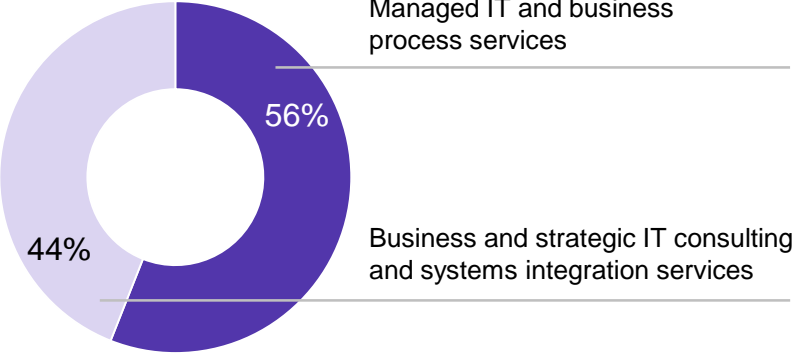
Bookings by contract type



Q1 F2023 Book-to-bill ratio\*

**117%**

Bookings by service type

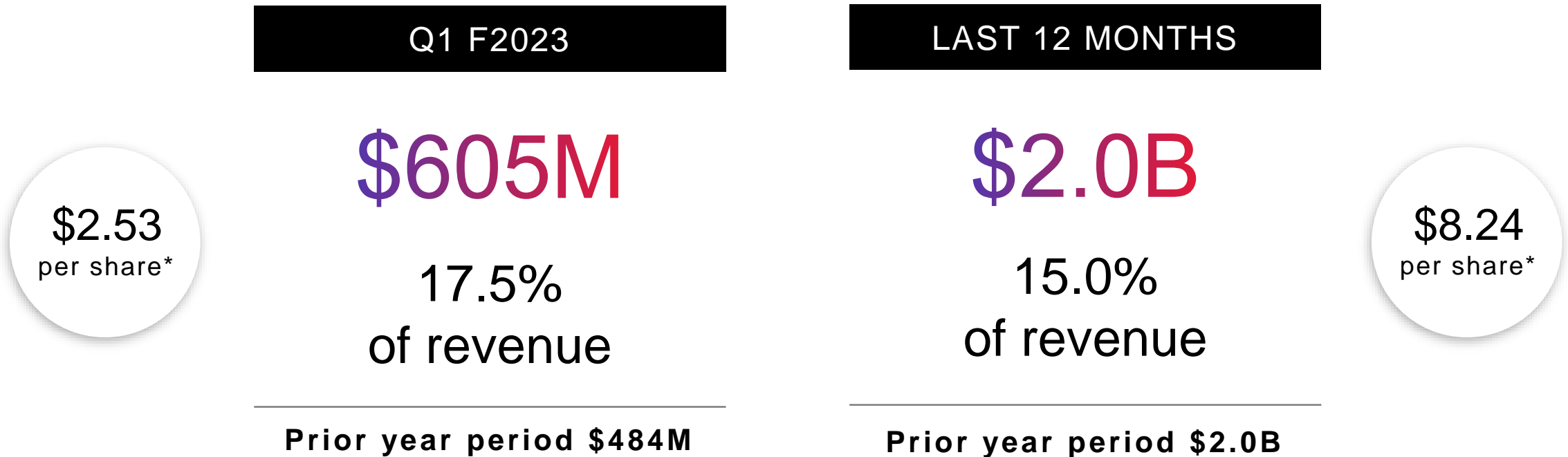


\* Bookings and book-to-bill ratio are key performance measures for which we provide more details in the Q1 F2023 MD&A.

# Segmented Results (quarterly)

<i>In millions of CAD</i>	Q1 F2023			Q1 F2022		
	Revenue \$	Adjusted EBIT* \$ %		Revenue \$	Adjusted EBIT* \$ %	
Western and Southern Europe	628.1	77.4	12.3%	503.5	78.4	15.6%
U.S. Commercial and State Government	566.0	82.3	14.5%	483.4	71.7	14.8%
Canada	506.4	119.0	23.5%	465.5	119.3	25.6%
U.S. Federal	464.0	73.1	15.8%	416.6	58.9	14.1%
Scandinavia and Central Europe	398.2	31.1	7.8%	404.9	33.9	8.4%
U.K. and Australia	329.9	45.1	13.7%	298.5	47.2	15.8%
Finland, Poland and Baltics	203.3	29.2	14.4%	192.3	25.0	13.0%
Asia Pacific	221.4	71.0	32.1%	184.0	59.1	32.1%
Northwest and Central-East Europe	178.1	25.9	14.5%	182.1	28.1	15.4%
Eliminations	(45.2)			(38.3)		
<b>Total CGI</b>	<b>3,450.3</b>	<b>554.1</b>	<b>16.1%</b>	<b>3,092.4</b>	<b>521.5</b>	<b>16.9%</b>

# Cash provided by operating activities\*



\*Cash provided by operating activities per diluted share is a key performance measure of our cash provided by operating activities on a per share basis, assuming all dilutive elements are exercised.

# Capital Structure Ratios

Return on Invested Capital\*

15.5%

▲ versus 15.3% in Q1 F2022

Return on Equity\*

20.6%

▲ versus 20.3% in Q1 F2022

Net Debt to Capitalization\*

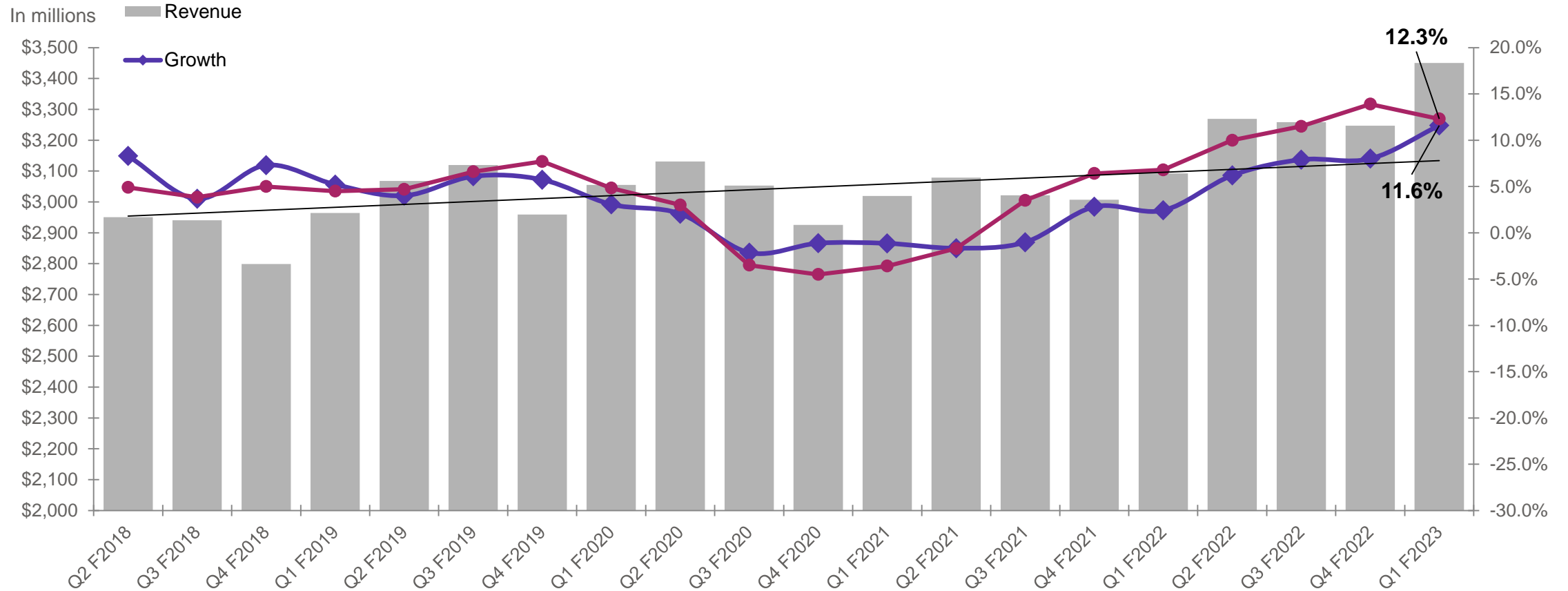
24.1%

▼ versus 27.8% in Q1 F2022

\* Net debt to capitalization and return on invested capital are non-GAAP measures for which we provide more details in the Q1 F2023 MD&A. Return on equity is a key performance measure for which we provide more details in the Q1 F2023 MD&A.

# Revenue Trend

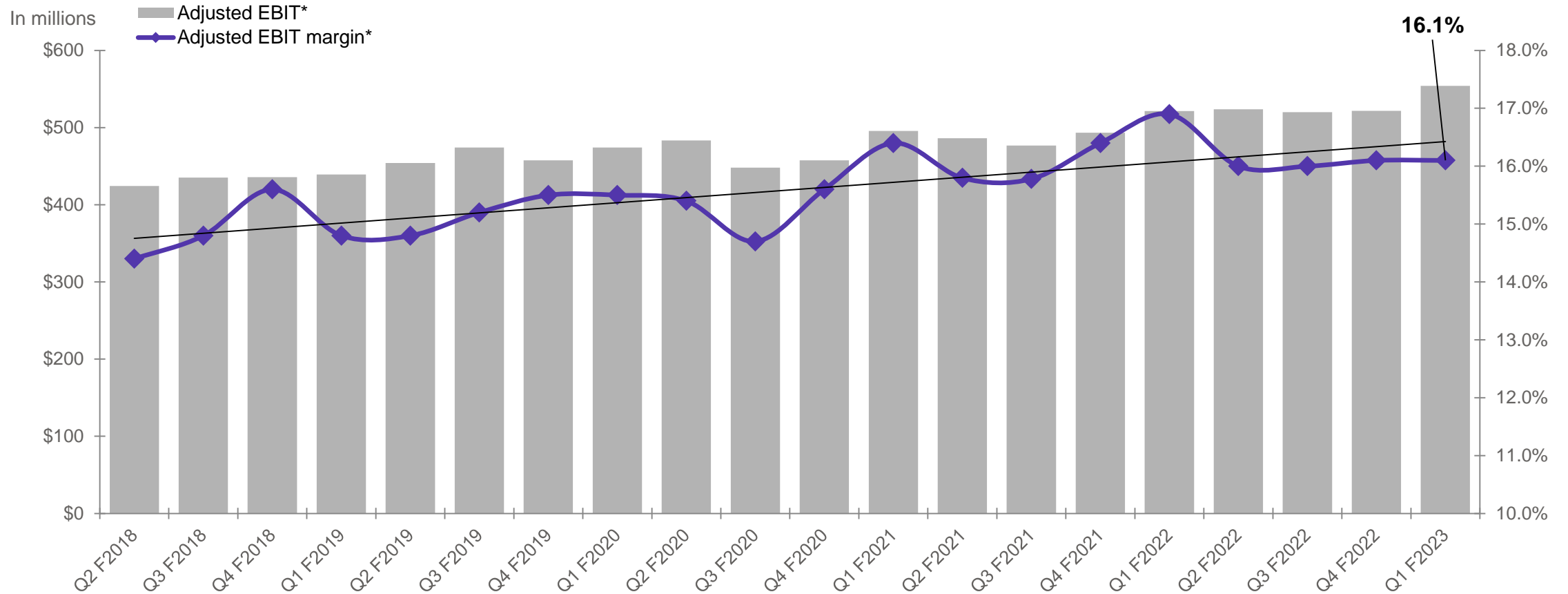
Revenue of \$3,450 million, year-over-year growth of 11.6% or 12.3% on a constant currency basis



\* Constant currency growth is a non-GAAP measure for which we provide the reconciliation to their closest IFRS measure in the Q1 F2023 MD&A.

# Adjusted EBIT Trend\*

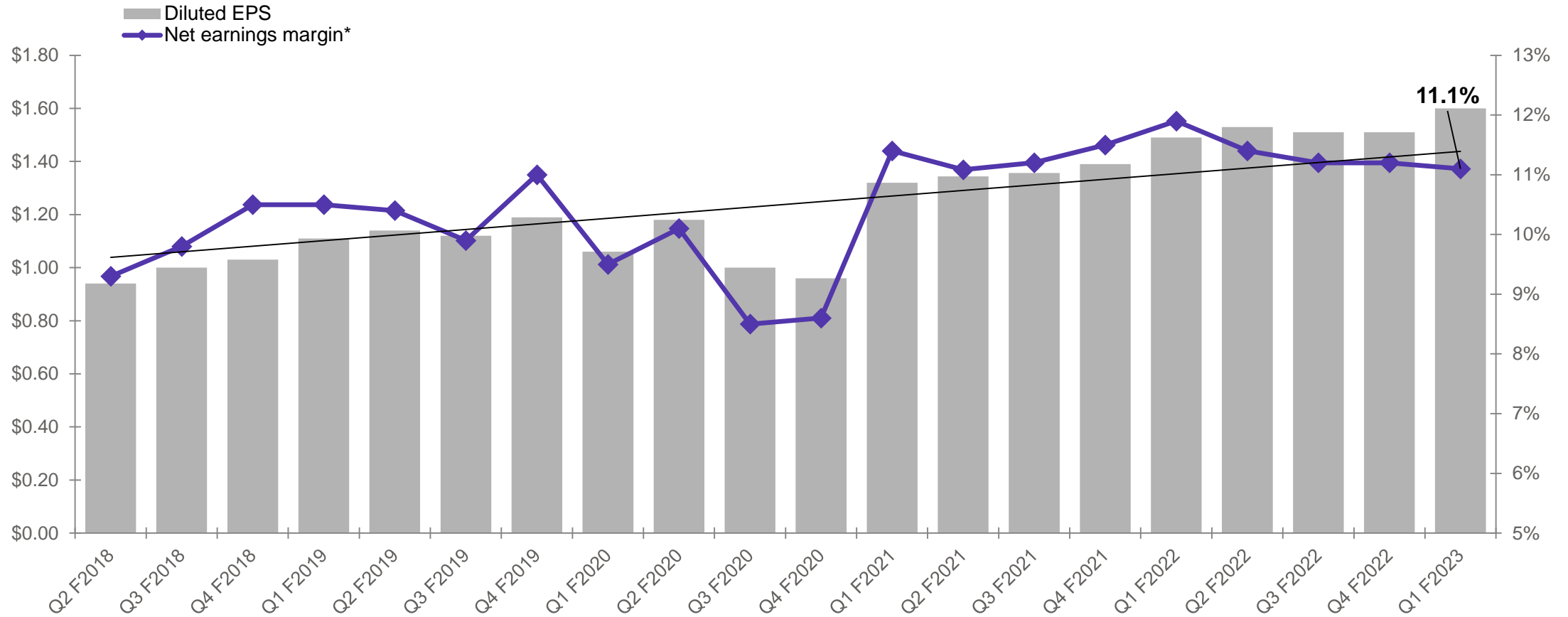
Adjusted EBIT of \$554 million; margin of 16.1%, down 80 basis from Q1 F2022



\* Adjusted EBIT and adjusted EBIT margin are non-GAAP measures for which we provide the reconciliation to their closest IFRS measure in the Q1 F2023 MD&A.

# Net Earnings Margin\* and Diluted EPS\* Trend

Net earnings of \$382 million – diluted EPS of \$1.60, up 7.4% from Q1 F2022

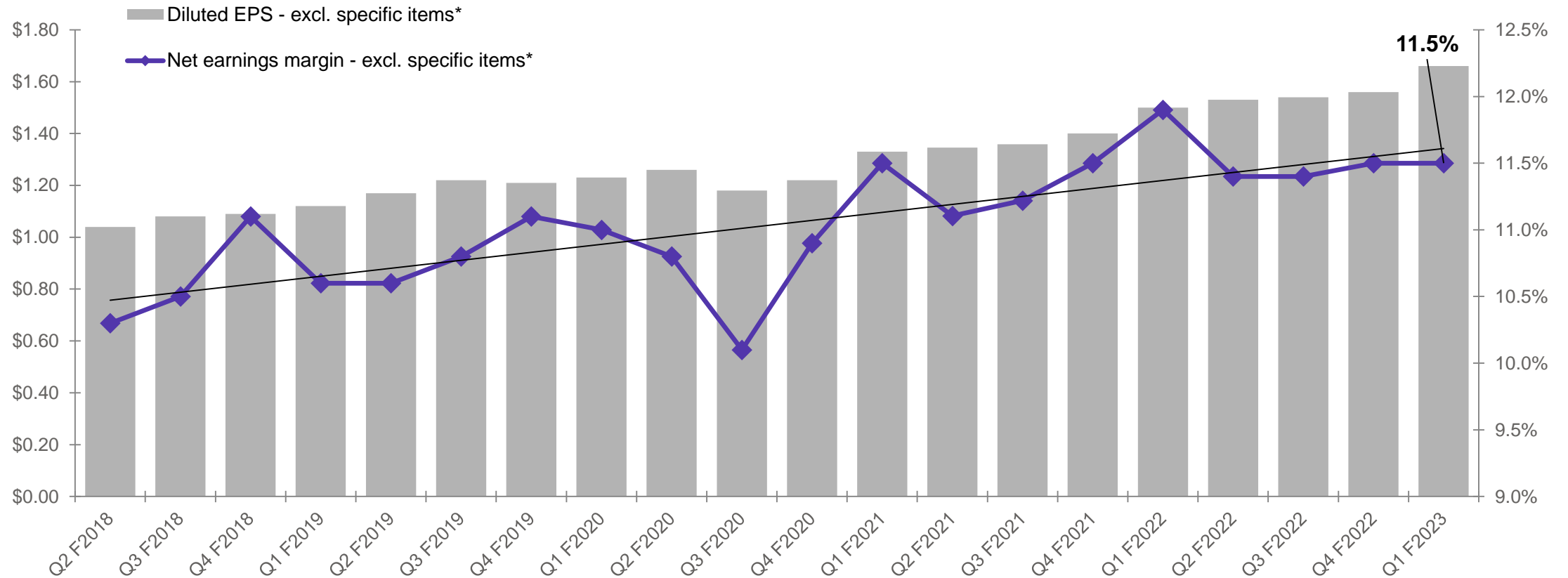


\* Net earnings margin and diluted earnings per share are key performance measures for which we provide more details in the Q1 F2023 MD&A.

# Net Earnings Margin\* and Diluted EPS\* Trend

Excluding specific items\*

Net earnings excluding specific items\* of \$398 million – diluted EPS of \$1.66 excluding specific items\*, up 10.7% from Q1 F2022

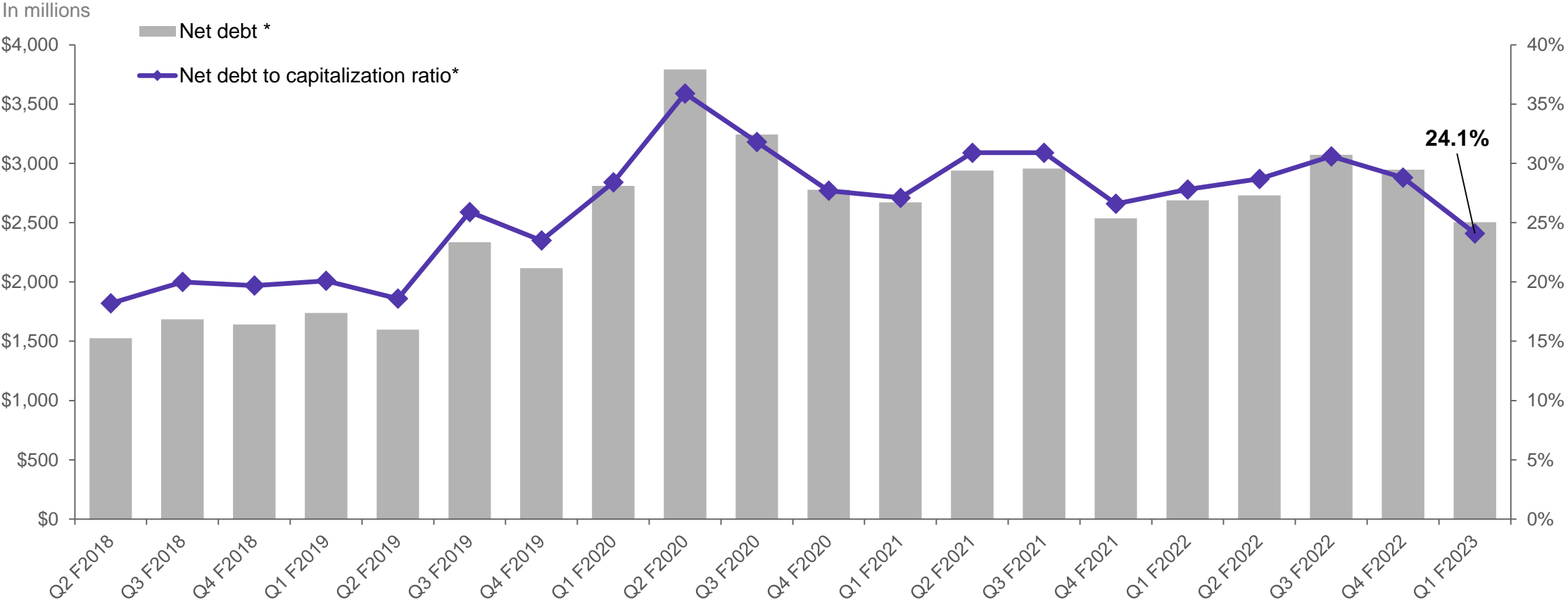


\* Net earnings, net earnings margin and diluted EPS, all excluding specific items, are non-GAAP measures for which we provide the reconciliation to their closest IFRS measure in the Q1 F2023 MD&A.



# Net Debt\* Trend




Net debt at \$2.50 billion or 24.1% net debt to capitalization ratio, down 370 basis points from Q1 F2022



\* Net debt and net debt to capitalization ratio are non-GAAP measures for which we provide the reconciliation to their closest IFRS measure in the Q1 F2023 MD&A.

# F2022 ESG targets, progress and achievements

**Our goal:** To be recognized by our stakeholders as an engaged, ethical, and responsible corporate citizen

 ENVIRONMENT	 SOCIAL	 GOVERNANCE
<p style="text-align: center;"><b>Climate priority</b></p> <ul style="list-style-type: none"> <li>• <b>Net-zero emissions by 2030</b> <ul style="list-style-type: none"> <li>• <b>65%</b> reduction of CO<sub>2</sub> emissions since 2014</li> <li>• <b>47%</b> of total energy from renewable sources</li> </ul> </li> <li>• <b>100% renewable electricity in all our data centers by 2023</b> <ul style="list-style-type: none"> <li>• <b>76%</b> of data center electricity from renewable sources</li> </ul> </li> </ul>	<p style="text-align: center;"><b>People priority</b></p> <ul style="list-style-type: none"> <li>• <b>Diversity</b> Achieve the same level of diversity representation at the leadership levels as the company population as a whole by <b>2025</b> <ul style="list-style-type: none"> <li>• <b>33%</b> SBU Presidents who are women</li> <li>• <b>71</b> voluntary member resource groups</li> </ul> </li> <li>• <b>Education</b> Reach twice as many program participants for our education and mentoring programs as CGI members by <b>2023</b> <ul style="list-style-type: none"> <li>• <b>~502,000</b> STEM and educational programs beneficiaries</li> </ul> </li> </ul> <p style="text-align: center;"><b>Communities priority</b></p> <ul style="list-style-type: none"> <li>• <b>Pro bono</b> <b>100%</b> of business units to implement pro bono projects by <b>2026</b> <ul style="list-style-type: none"> <li>• <b>58%</b> of business units implemented pro bono projects</li> <li>• Nearly <b>17,000</b> members engaged, impacting nearly 1M beneficiaries worldwide</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Data privacy and security</b> <ul style="list-style-type: none"> <li>• Operating under approved Binding Corporate Rules (considered the 'Gold' standard for data transfer)</li> <li>• Annual security training and acknowledgement by our members including subcontractors</li> </ul> </li> <li>• <b>Management Foundation</b> Over 46 years of best practices guiding CGI's management on alignment of principles to ensure consistent and successful delivery of services</li> <li>• <b>Enterprise risk management</b> Embedded in our strategic planning process, and continuously monitored and reassessed each quarter</li> <li>• <b>Human rights</b> Committed to respecting human rights in accordance with United Nations, guidelines and in alignment with our company values</li> <li>• <b>Ethics</b> Annual acknowledgement by our members—91% compliance**</li> <li>• <b>Procurement</b> <ul style="list-style-type: none"> <li>• Established third-party management framework including compliance to ethics</li> <li>• 70% of significant suppliers assessed on environmental and social criteria by 2025</li> <li>• 58% of our significant suppliers were evaluated by EcoVadis, which represents an increase of 14% compared to 2021.</li> </ul> </li> <li>• <b>Board Composition</b> Board diversity by geography, diversity by domain and diversity by gender (comprised of 31% women)</li> </ul>

\*CGI's ESG reports are published annually; for additional information please refer to our 2022 ESG report (expected release: early February 2023).

\*\*Excludes members on leave and those who have completed it after September 30<sup>th</sup>, 2022

# Contact our investor relations team to continue the conversation

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