



Stock Market Symbols
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CGI reports strong third quarter Fiscal 2023 results

Revenue up 11.2% and diluted Earnings Per Share (EPS) up 15.9%

Q3-F2023 performance highlights

- Revenue of \$3.62 billion, up 11.2% year-over-year or 6.3% year-over-year in constant currency¹;
- Earnings before income taxes of \$559.0 million, up 14.3% year-over-year, for a margin¹ of 15.4%;
- Adjusted EBIT¹ of \$584.8 million, up 12.5% year-over-year, for a margin of 16.1%¹;
- Net earnings of \$415.0 million, up 13.9% year-over-year, for a margin of 11.5%;
- Net earnings excluding specific items^{1,2} of \$425.7 million, up 14.7% year-over-year, for a margin of 11.7%¹;
- Diluted EPS of \$1.75, up 15.9% year-over-year;
- Diluted EPS excluding specific items^{1,2} of \$1.80, up 16.9% year-over-year;
- Cash from operating activities of \$409.1 million, representing 11.3% of revenue;
- Bookings¹ of \$4.39 billion, for a book-to-bill ratio of 121.1%; and
- Backlog¹ of \$25.63 billion or 1.8x annual revenue.

Note: All figures in Canadian dollars. Q3-F2023 MD&A, interim condensed consolidated financial statements and accompanying notes can be found at cgi.com/investors and have been filed with the Canadian securities regulators on SEDAR+ at www.sedarplus.ca and the U.S. Securities and Exchange Commission on EDGAR at www.sec.gov.

Montréal, Quebec, July 26, 2023 - CGI (TSX: GIB.A) (NYSE: GIB)

Q3-F2023 results

“In the third quarter of fiscal 2023, our team again delivered double-digit EPS accretion and sustained margin expansion on a year-over-year basis,” said George D. Schindler, President and Chief Executive Officer. “Our results were supported by the combination of our profitable growth strategy, proven operational discipline, and clients’ continued trust in CGI as their partner of choice for delivering ROI-led digitization. Strong quarterly bookings were driven by managed services and intellectual property solutions across geographies, highest in government and financial services sectors. Given the current macro-economic environment, CGI’s diverse portfolio of geographies, industries and services serve as a resilient foundation for profitable growth.”

For the third quarter of Fiscal 2023, the Company reported revenue of \$3.62 billion, representing a year-over-year increase of 11.2%. When excluding foreign currency impacts, revenue grew by 6.3% year-over-year.

¹ Constant currency growth, diluted EPS excluding specific items, adjusted EBIT, adjusted EBIT margin, net earnings excluding specific items, net earnings margin excluding specific items and diluted EPS excluding specific items are non-GAAP financial measures or ratios. Earnings before income taxes margin, net earnings margin, cash from operating activities as a percentage of revenue, bookings and backlog are key performance measures. See “Non-GAAP and other key performance measures” section of this press release for more information, including quantitative reconciliations to the closest International Financial Reporting Standards (IFRS) measure, as applicable. These are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other companies.

² Specific items in Q3-F2023 include: \$10.7 million in acquisition-related and integration costs, net of tax; Specific items in Q3-F2022 include: \$6.9 million in acquisition-related and integration costs, net of tax.

Earnings before income taxes were \$559.0 million, up 14.3% year-over-year, for a margin of 15.4%, up 40 basis points compared to the same period last year. Adjusted EBIT was \$584.8 million, up 12.5% year-over-year, for a margin of 16.1%, up 10 basis points compared to the same period last year.

Net earnings were \$415.0 million, up 13.9% compared with the same period last year, for a margin of 11.5%. Diluted earnings per share, as a result, were \$1.75 compared to \$1.51 last year, representing an increase of 15.9%. When excluding acquisition-related and integration costs, net of tax, net earnings were \$425.7 million. This represents an increase of 14.7% year-over-year, and a margin of 11.7%. On the same basis, diluted earnings per share increased by 16.9% to \$1.80, up from \$1.54 for the same period last year.

The number of CGI consultants and professionals worldwide currently stands at approximately 91,500, representing a year-over-year net increase of 3,000 people.

Cash provided by operating activities was \$409.1 million, or 11.3% of revenue, representing a decrease of 2.4% on a year-over-year basis. On a fiscal 2023 year-to-date basis, cash provided by operating activities was \$1.48 billion, or 13.8% of revenue, representing an increase of 7.8% on a year-over-year basis.

Bookings were \$4.39 billion, up \$978 million on a year-over-year basis, representing a book-to-bill ratio of 121.1%. As of June 30, 2023, the Company's backlog stood at \$25.63 billion or 1.8x annual revenue.

Financial highlights	Q3-F2023	Q3-F2022	Change
<i>In millions of Canadian dollars except earnings per share and where noted</i>			
Revenue	3,623.4	3,258.6	364.8
Growth	11.2%	7.9%	330 bps
Constant currency growth	6.3%	11.5%	(520 bps)
Earnings before income taxes	559.0	489.0	70.0
Margin %	15.4%	15.0%	40 bps
Adjusted EBIT	584.8	519.9	64.9
Margin %	16.1%	16.0%	10 bps
Net earnings	415.0	364.3	50.7
Margin %	11.5%	11.2%	30 bps
Net earnings excluding specific items ¹	425.7	371.2	54.5
Margin %	11.7%	11.4%	30 bps
Diluted EPS	1.75	1.51	0.24
Diluted EPS excluding specific items ¹	1.80	1.54	0.26
Weighted average number of outstanding shares (diluted)	236.9	240.8	(3.9)
Net finance costs	12.8	22.9	(10.1)
Long-term debt and lease liabilities ²	3,765.9	3,840.1	(74.2)
Net debt ³	2,279.6	3,073.0	(793.4)
Net debt to capitalization ratio ³	21.7%	30.6%	(890 bps)
Cash provided by operating activities	409.1	419.2	(10.1)
As a percentage of revenue	11.3%	12.9%	(160 bps)
Days sales outstanding (DSO) ³	44	48	(4)
Return on invested capital (ROIC) ³	15.7%	15.8%	(10 bps)

Bookings	4,388	3,410	978
Backlog	25,633	23,238	2,395

¹ Specific items in Q3-F2023 include: \$10.7 million in acquisition-related and integration costs, net of tax; Specific items in Q3-F2022 include: \$6.9 million in acquisition-related and integration costs, net of tax.

² Long-term debt and lease liabilities include both the current and long-term portions of the long-term debt and lease liabilities.

³ Net debt, net debt to capitalization ratio and ROIC are non-GAAP financial measures or ratios. DSO is a key performance measure. See "Non-GAAP and other key performance measures" section of this press release for more information, including quantitative reconciliations to the closest International Financial Reporting Standards (IFRS) measure, as applicable. These are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other companies.

During the third quarter of Fiscal 2023, the Company invested \$101.5 million back into its business and \$53.1 million under its current Normal Course Issuer Bid to purchase for cancellation 390,100 of its Class A subordinate voting shares, at a weighted average price of \$136.02.

Return on invested capital (ROIC) was 15.7%, a decrease of 10 basis points when compared to the prior year, and up 10 basis points sequentially.

As at June 30, 2023, long-term debt and lease liabilities, including both their current and long-term portions, were \$3.77 billion, down from \$3.84 billion at the same time last year. As of the same date, net debt stood at \$2.28 billion, down from \$3.07 billion at the same time last year. The net debt-to-capitalization ratio stood at 21.7% at the end of June 2023, down 890 basis points when compared to the prior year.

At the end of June 2023, with cash of \$1.5 billion on hand excluding funds held for clients, and a fully available revolving credit facility, the Company had \$3.0 billion in readily available liquidity to pursue its Build and Buy profitable growth strategy.

To access the financial statements – [click here](#)

To access the Q3-F2023 MD&A – [click here](#)

Q3-F2023 results conference call

Management will host a conference call this morning at 9:00 a.m. (EDT) to discuss results. Participants may access the call by dialing +1-888-396-8049 or +1-416-764-8646 Conference ID: 22098618 or via cgi.com/investors. For those unable to participate on the live call, a podcast and copy of the slides will be archived for download at cgi.com/investors. Interested parties may also access a replay of the call by dialing +1-877-674-7070 Passcode: 098618, until August 26, 2023.

About CGI

Founded in 1976, CGI is among the largest independent IT and business consulting services firms in the world. With 91,500 consultants and professionals across the globe, CGI delivers an end-to-end portfolio of capabilities, from strategic IT and business consulting to systems integration, managed IT and business process services and intellectual property solutions. CGI works with clients through a local relationship model complemented by a global delivery network that helps clients digitally transform their organizations and accelerate results. CGI Fiscal 2022 reported revenue is \$12.87 billion and CGI shares are listed on the TSX (GIB.A) and the NYSE (GIB). Learn more at cgi.com.

Forward-looking information and statements

This press release contains “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, the termination, modification, delay or suspension of our contractual agreements, our expectations regarding future revenue resulting from bookings and backlog, 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, and to achieve ESG commitments and targets, including without limitation, our commitment to net-zero carbon emissions by 2030, 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 this press release, in CGI's annual and quarterly MD&A and in other documents that we make public, including our filings with the Canadian Securities Administrators (on SEDAR+ at www.sedarplus.ca) and the U.S. Securities and Exchange Commission (on EDGAR at www.sec.gov). Unless otherwise stated, the forward-looking information and statements contained in this press release 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 of this press release, readers are cautioned not to place undue reliance on these forward-looking information or statements. Furthermore, readers 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. Readers 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 the section titled *Risk Environment* of CGI's annual and quarterly MD&A, which is incorporated by reference in this cautionary statement. We also caution readers that the above-mentioned risks and the risks disclosed in CGI's annual and 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.

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Non-GAAP and other key performance measures

Non-GAAP financial measures and ratios used in this press release: Constant currency growth, adjusted EBIT, adjusted EBIT margin, net earnings excluding specific items, net earnings margin excluding specific items, diluted EPS excluding specific items, net debt, net debt to capitalization ratio, and return on invested capital (ROIC). 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. Key performance measures used in this press release: cash from operating activities as a percentage of revenue, bookings, book-to-bill ratio, backlog, days sales outstanding (DSO), earnings before income taxes margin, and net earnings margin.

Below are reconciliations to the most comparable IFRS financial measures and ratios, as applicable.

The descriptions of these non-GAAP measures and ratios and other key performance measures can be found on pages 3, 4 and 5 of our Q3-F2023 MD&A which is posted on CGI's website, and filed with SEDAR+ at www.sedarplus.ca and EDGAR at www.sec.gov.

Reconciliation between constant currency growth and growth

<i>In thousands of CAD except for percentage</i>	For the three months ended June 30,		
	2023	2022	%
Total CGI revenue	3,623,428	3,258,638	11.2%
Constant currency year-over-year revenue growth	6.3%		
Foreign currency impact	4.9%		
Variation over previous period	11.2%		

Reconciliation between adjusted EBIT and earnings before income taxes

<i>In thousands of CAD except for percentage</i>	For the three months ended June 30,			
	2023	% of revenue	2022	% of revenue
Adjusted EBIT	584,821	16.1%	519,870	16.0%
<i>Minus the following items:</i>				
Acquisition-related and integration costs	13,032	0.4%	8,014	0.2%
Net finance costs	12,808	0.4%	22,887	0.7%
Earnings before income taxes	558,981	15.4%	488,969	15.0%

Net earnings and Diluted EPS, excluding specific items

<i>In thousands of CAD except for percentages and shares data</i>	For the three months ended June 30,		
	2023	2022	Change
Earnings before income taxes	558,981	488,969	14.3%
<i>Add back:</i>			
Acquisition-related and integration costs	13,032	8,014	
Earnings before income taxes excluding specific items	572,013	496,983	15.1%
Income tax expense	144,002	124,625	15.5%
<i>Effective tax rate</i>	25.8%	25.5%	
<i>Add back:</i>			
Tax deduction on acquisition-related and integration costs	2,352	1,113	
<i>Impact on effective tax rate</i>	(0.2%)	(0.2%)	
Income tax expense excluding specific items	146,354	125,738	16.4%
<i>Effective tax rate excluding specific items</i>	25.6%	25.3%	
Net earnings excluding specific items	425,659	371,245	14.7%
<i>Net earnings margin excluding specific items</i>	11.7%	11.4%	
Weighted average number of shares outstanding			
Class A subordinate voting shares and Class B multiple voting shares (basic)	233,075,350	237,436,642	(1.8%)
Class A subordinate voting shares and Class B multiple voting shares (diluted)	236,883,434	240,802,680	(1.6%)
Earnings per share excluding specific items (in dollars)			
Basic	1.83	1.56	17.3%
Diluted	1.80	1.54	16.9%

Reconciliation between net debt and long-term debt and lease liabilities

As at June 30,	2023	2022
<i>In thousands of CAD except for percentages</i>		
Reconciliation between net debt and long-term debt and lease liabilities¹:		
Net debt	2,279,642	3,072,995
<i>Add back:</i>		
Cash and cash equivalents	1,468,832	779,623
Short-term investments	3,060	4,511
Long-term investments	19,507	15,970
Fair value of foreign currency derivative financial instruments related to debt	(5,165)	(32,964)
Long-term debt and lease liabilities ¹	3,765,876	3,840,135
Net debt to capitalization ratio	21.7%	30.6%
Return on invested capital	15.7%	15.8%
Days sales outstanding	44	48

¹ As at June 30, 2023, long-term debt and lease liabilities were \$3,112.4 million (\$3,156.0 million as at June 30, 2022) and \$653.5 million (\$684.2 million as at June 30, 2022), respectively, including their current portions.