



Converge Technology Solutions

Q2'2023 Earnings Presentation



Shaun Maine
Group Chief Executive Officer



Greg Berard
Global President & Chief Executive Officer



Avjit Kamboj
Chief Financial Officer

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USE OF NON-IFRS MEASURES AND RATIOS: Converge’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and the accounting policies we adopted in accordance with IFRS. In this presentation, management has used certain terms, including Adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”) and Adjusted Net Income, Gross Sales, Organic Growth, Backlog and ARR, which are not recognized under IFRS and do not have a standardized meaning under IFRS. Converge’s method of calculating such non-IFRS measures and ratios may differ from methods used by other companies and therefore may not be comparable to similar measures presented by other companies. The Company refers to the non-IFRS measures and ratios because certain investors may use this information to assess the Company’s performance and also determine the Company’s ability to generate cash flow. Such non-IFRS measures and ratios are furnished to provide additional information and should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS and is not necessarily indicative of operating costs presented under IFRS. A full description of these non-IFRS measures and ratios and reconciliations for such non-IFRS measures an ratios can be found in the MD&A that accompanies the financial statements for the period ended June 30, 2023 and for the year ended December 31, 2022 and filed under the Company’s profile on SEDAR at www.sedar.com.

All figures in this document are in C\$ unless otherwise stated.



\$ 317.2 M
Q2'23 Gross Services
Sales

33% Y/Y
Growth

Company Overview

Converge is a services-led, software-enabled, IT & cloud solutions provider focused on delivering advanced analytics, application modernization, cloud, cybersecurity, digital infrastructure, and digital workplace offerings to mid-market customers.

Converge supports these solutions with advisory, implementation, and managed services expertise across all major IT vendors in the marketplace.

Q2'23

\$957.2 M

+31% y/y

Gross
Sales¹

\$175.7 M

+32% y/y

Gross
Profit

\$41.5 M

+6% y/y

Adj.
EBITDA¹

H1'23

\$1.9 B

+37% y/y

\$347.3 M

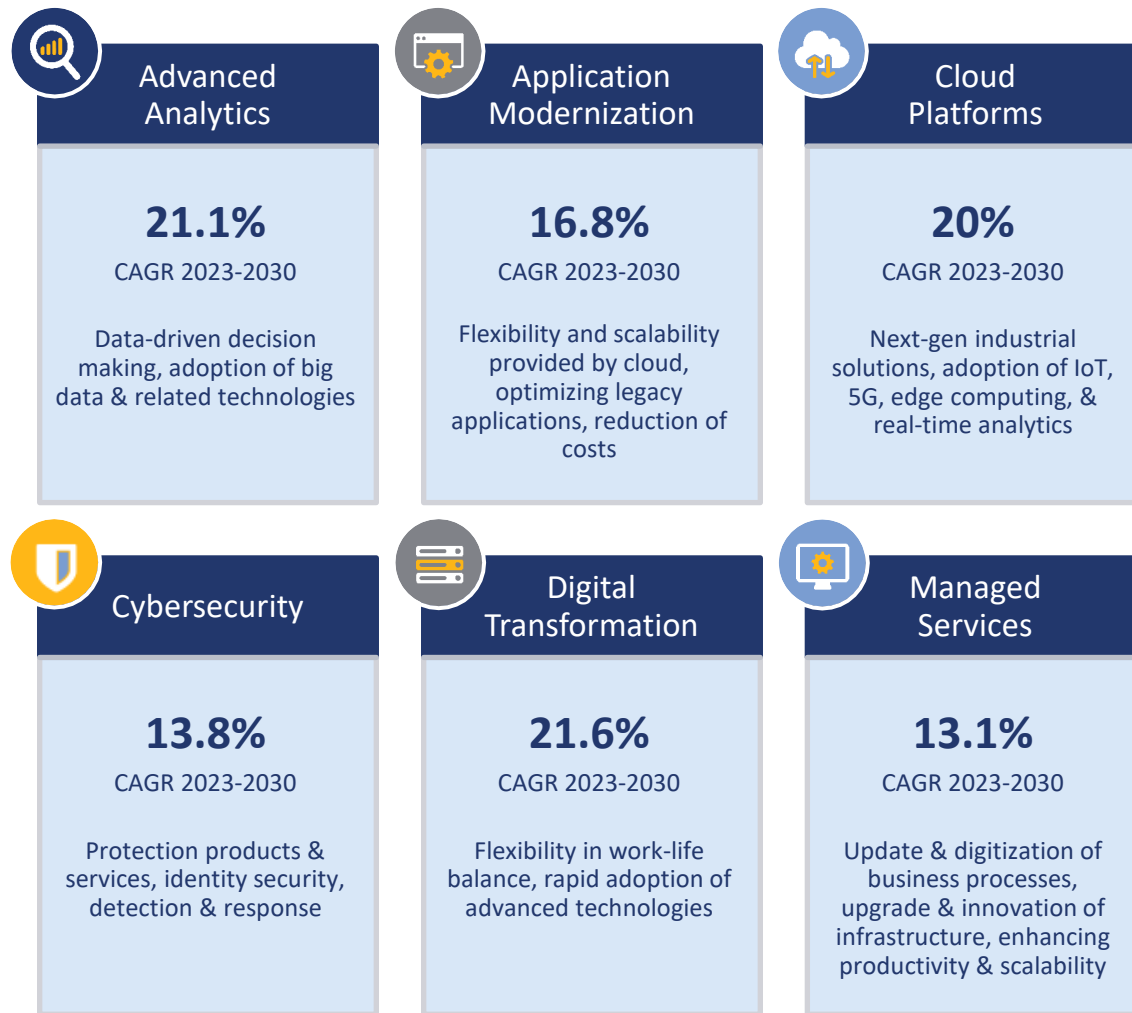
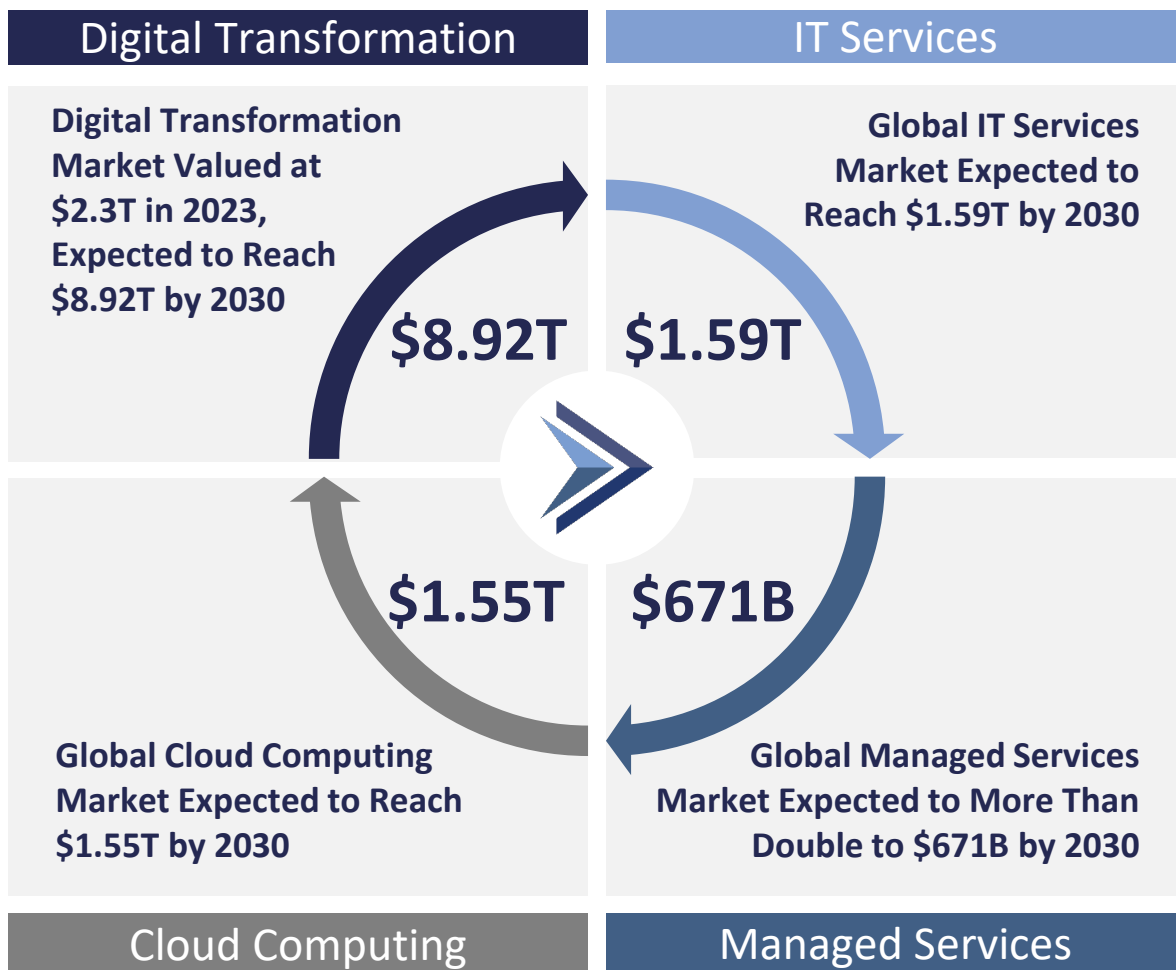
+43% y/y

\$82.7 M

+20% y/y

¹Non-IFRS measure. Refer to reconciliation to nearest IFRS measure provided in appendix to this presentation.

Market Opportunity – By Sector



Source: IDC, Forrester, eMarketer, Gartner, MarketingLand, BigCommerce, IDG, Canalys, Spiceworks, ResearchAndMarkets, Mordor Intelligence, Grand View Research

Source: MarketsandMarkets, Fortune Business Insights, Market Research Future

Acquisition Overview – Advanced Analytics

Portfolio of Companies



2018



Lighthouse

Analytics, Hybrid Cloud,
Infrastructure, Security

2019



Essextec

AI, Cybersecurity,
Data Analytics

2021



Carpe Datum & LPA

Analytics, AI,
Performance Management,
Planning & Forecasting

2022



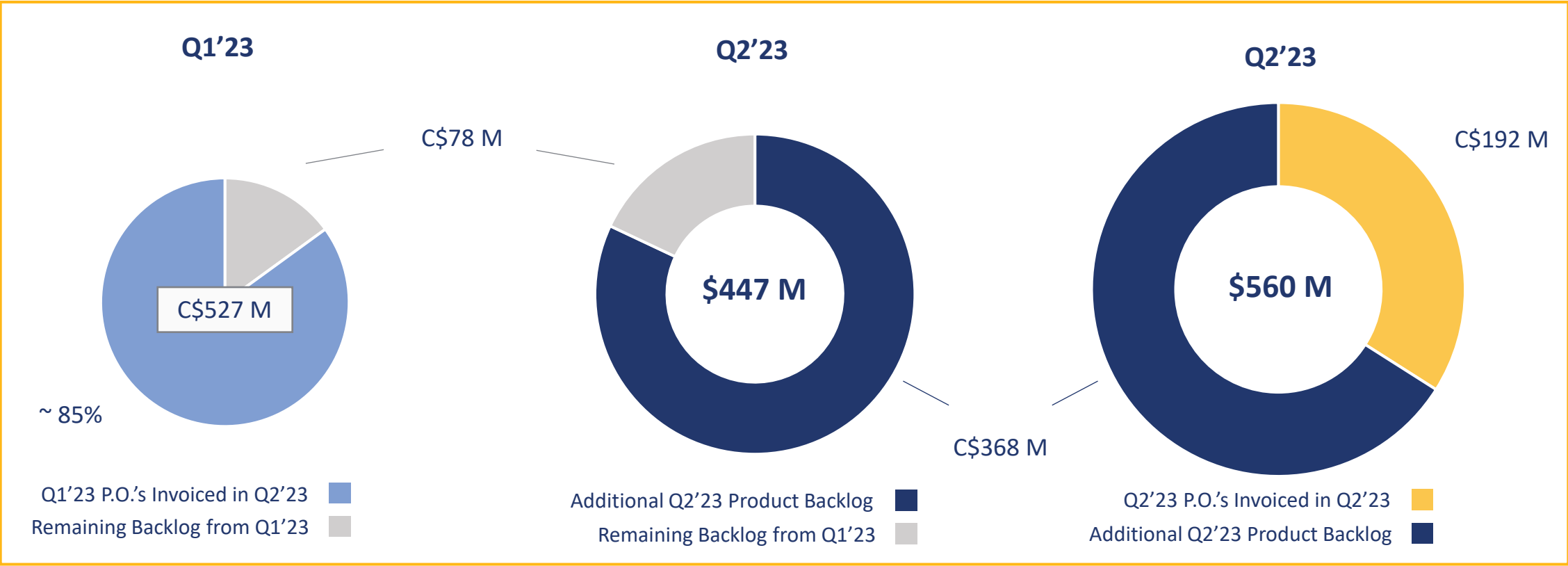
NewComp Analytics

AI & Machine Learning, Data
Engineering, BI & Data
Visualization, Financial
Planning & Analytics

Converge Backlog Management

CTS Product Backlog

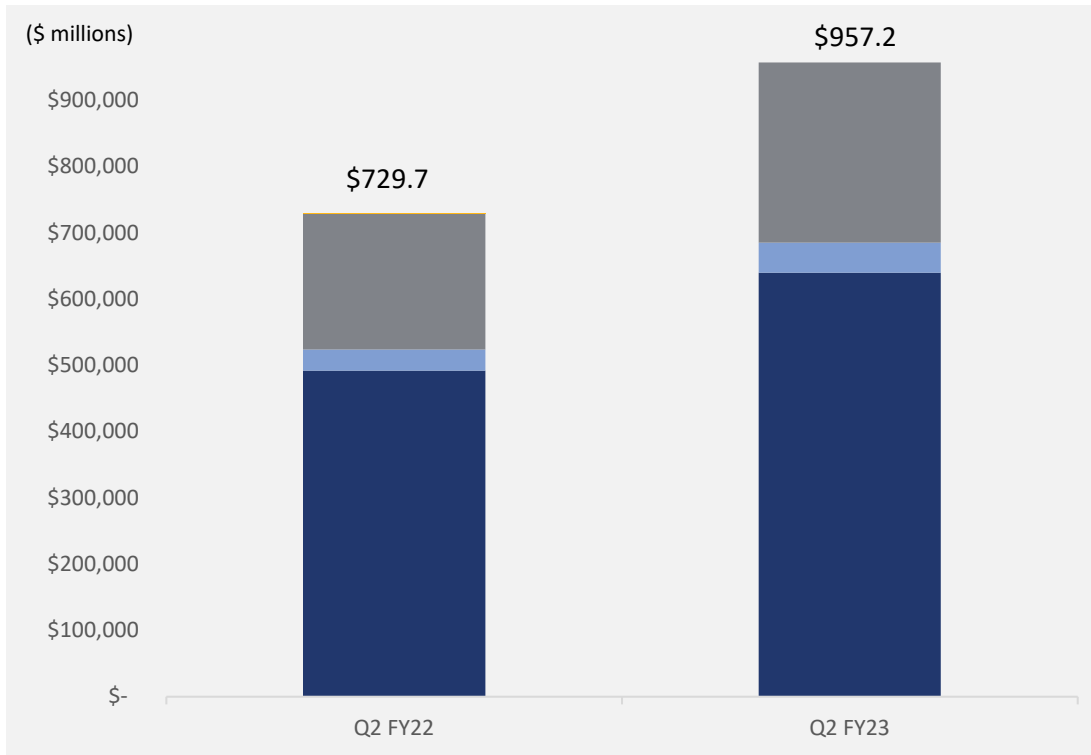
Demand Generated in Q2'23



Note: Bookings backlog is calculated as purchase orders received from customers not yet delivered at the end of the fiscal period for North America Region.

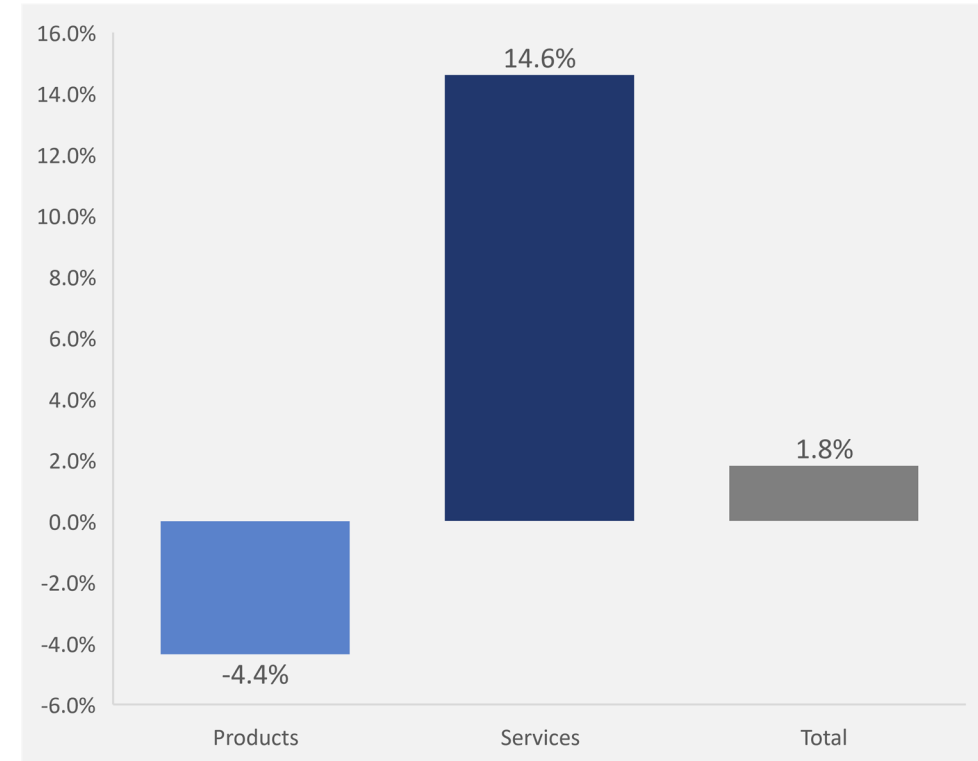
Q2'23 | Gross Sales

Gross Sales – Q2'23



Hardware & Software ■ 3rd Party & Professional Services ■ Managed Services ■

Organic Growth – Q2'23



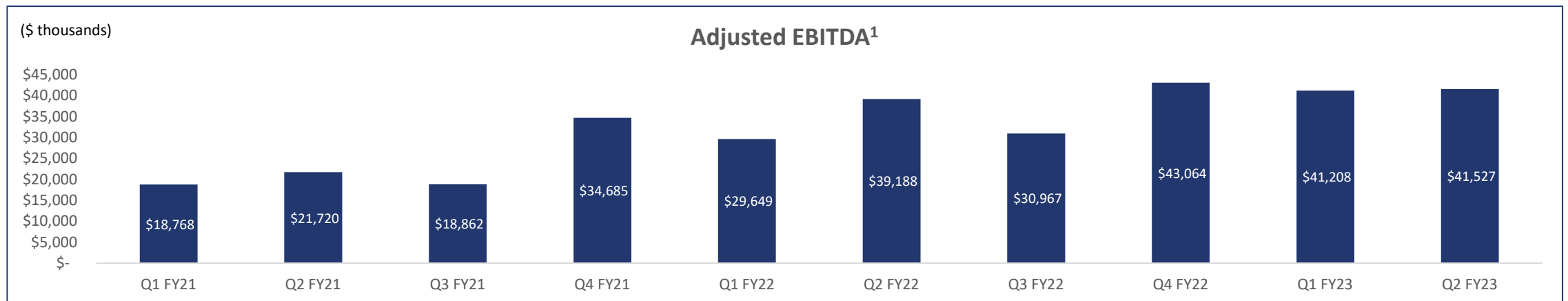
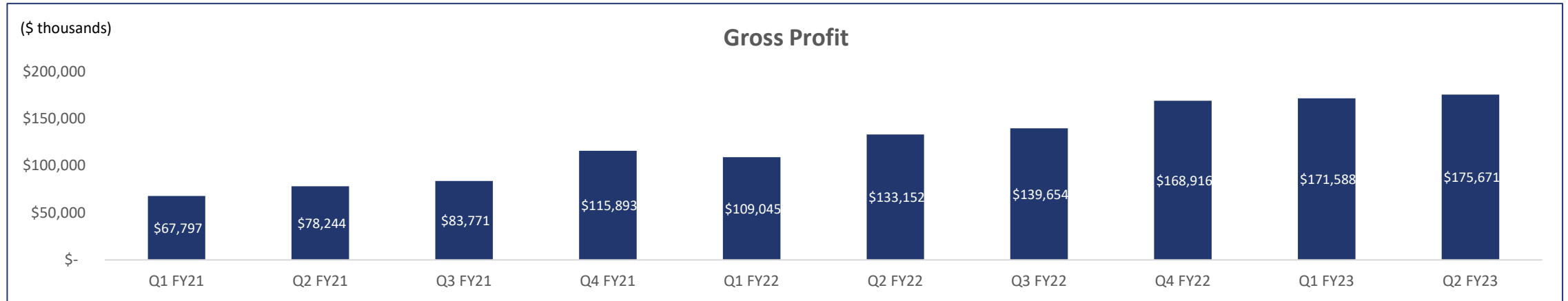
Decrease ■ Increase ■ Total ■

Services gross sales organic growth of 14.6% (1.8% organic growth overall)

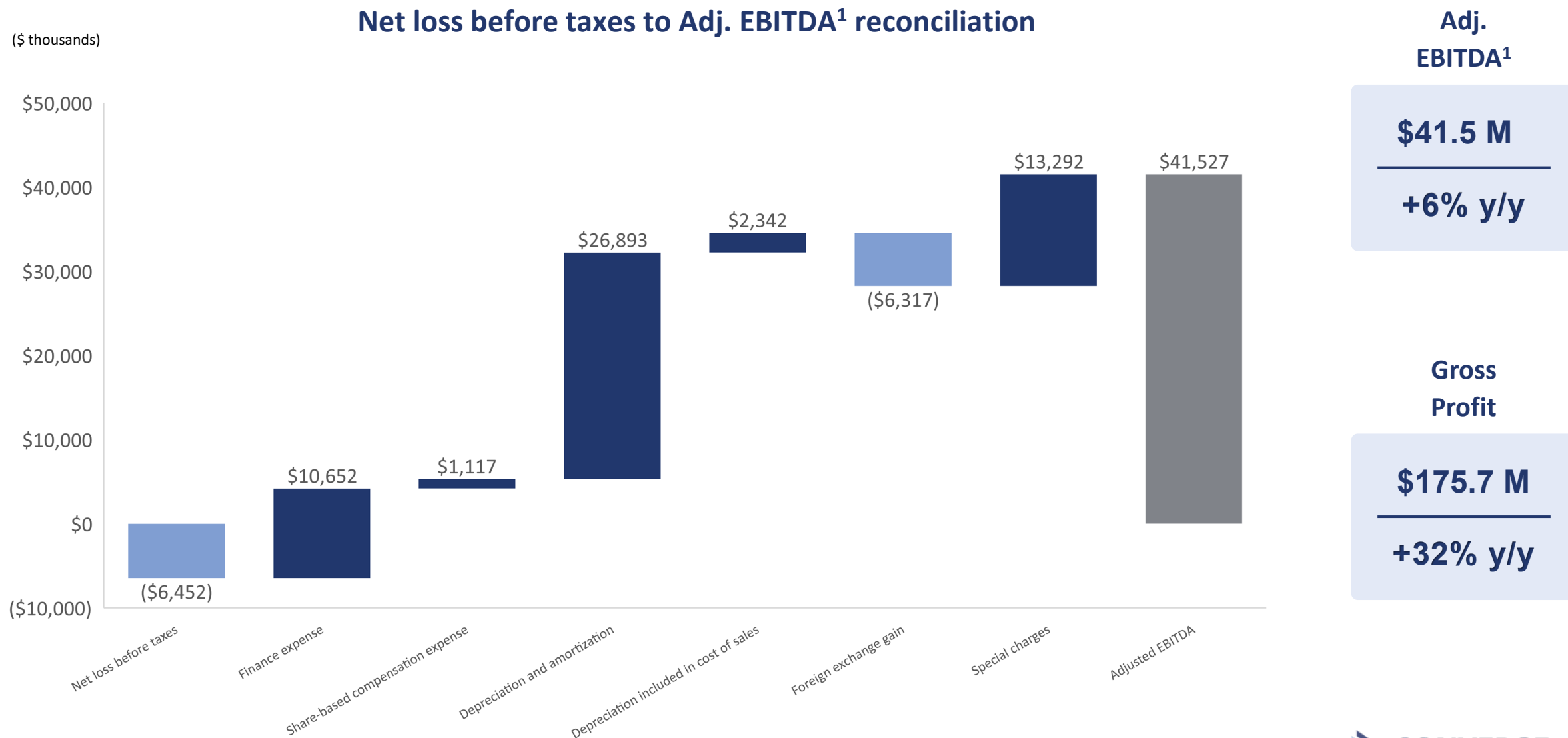
Managed Services ARR = \$152.5 Million

Profitability

Record Gross Profit of \$175.5 Million in Q2 FY23, 32% increase year over year



Adjusted EBITDA



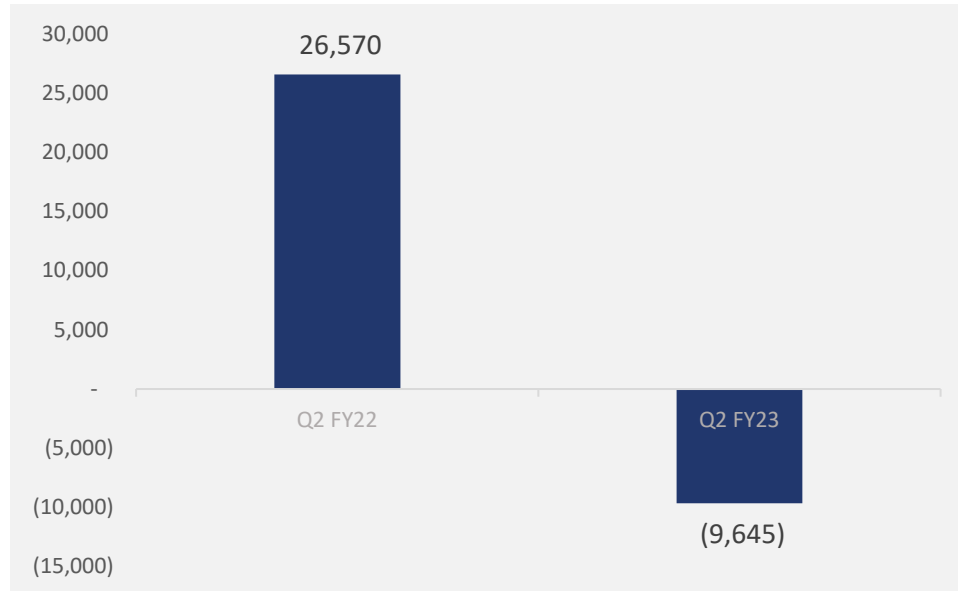
Key Financial Metrics

<i>In \$000s except per share amounts</i>	Q223	Q222	H123	H122
Gross Sales¹	957,219	729,678	1,922,477	1,403,607
Revenue	665,813	515,196	1,344,011	1,009,236
Gross Profit (GP)	175,672	133,152	347,260	242,196
Gross Profit (GP) as %	26.4%	25.8%	25.8%	24.0%
Adjusted EBITDA¹	41,527	39,187	82,735	68,836
Adjusted EBITDA¹ as % of GP	23.6%	29.4%	23.8%	28.4%
Adjusted EBITDA¹ as % of Revenue	6.2%	7.6%	6.2%	6.8%
Net (loss) income	(4,495)	11,678	(7,856)	9,270
Adjusted net income¹	25,124	29,900	49,565	52,410
Adjusted EPS¹	0.12	0.14	0.24	0.24

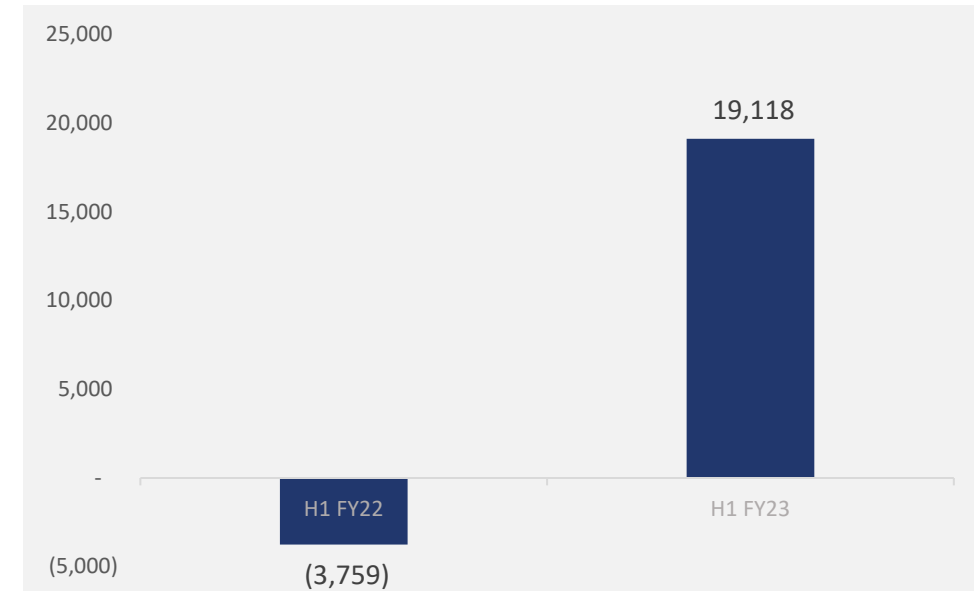
¹Non-IFRS measure. Refer to reconciliation to nearest IFRS measure provided in appendix to this presentation.

Liquidity and Cash Flows

Cash from operating Activities – Q2'23



Cash from operating Activities – H1'23



**Liquidity
available**

~\$250M

**Net Debt to
Adjusted EBITDA¹
Leverage per credit
agreement**

2.8x

Converge Platform – Sales Strategy & Support



Net New Logos

Converge added 112 net new logos, contributing to 215 for H1'23¹

H1'23 Campaigns

175 Practice-Specific Campaigns

Featured Campaign – ChatGPT and Beyond: A Comprehensive Guide to Unlocking the Power of LLMs
External Attendees/Leads: 197

107 Events

57 Solution-Focused

60 Partners Featured

5,341

External Event Attendees

5,833 Total Leads

3,916 New Customer Leads (67%)

1,917 Existing Customer Leads (33%)

¹Statistic based on North American Region

Fully Integrated Set of Solutions & Services



Advanced Analytics

- AI/ML
- Business Analytics
- Data Visualization
- Data Platforming & Integration
- Financial & Operational Mgmt.
- Robotic Process Automation



Application Modernization

- Application Development & Migrations
- DevOps
- Containers Services & Kubernetes
- Automation & Orchestration
- Observability & Intelligent Ops
- Integration & Middleware



Cloud Platforms

- Cloud Foundations & Landing Zones
- Cloud Migrations
- IBM Power on Cloud
- VMware on Cloud
- Infrastructure as Code & Automation
- Cloud Governance & Operations
- FinOps & Cost Optimization



Cybersecurity

- Threat Assessments
- Risk & Compliance
- Identity & Access
- Data Protection
- Security Intelligence & Analytics
- Response, Remediation & Maturity



Digital Infrastructure

- Datacenter & Compute
- Intelligent Networking
- Customer Experience
- Multi-site Deployment
- Configuration Centers
- Infrastructure Security



Digital Workplace

- Voice & Unified Communications
- Workplace Productivity Solutions
- Endpoint Management Solutions
- Virtual Desktop Solution
- End User Compute



GIDS

- Planning/Acquisition
- Configuration
- Deployment
- Support
- Management
- Retirement/Disposal

...Delivered through End-to-End Service Offerings



Advise

- Architecture Planning & Insights
- Roadmap Design & Prioritization
- Software Asset Management
- Strategic Transformation Workshops & Assessments



Implement

- Agile Methodology & DevSecOps
- Build & Design
- Integration & Support
- Program & Project Management
- Talent Services



Manage

- Service Desk & Managed ITSM
- Managed Applications (AMS)
- Security Operations Center (SOC)
- Infrastructure Operations Center (IOC)

Advanced Analytics Practice



AI, Machine Learning, & Application Development

- Custom Application Development
- Virtual Agents (Speech & Text)
- Deep Search (NLP/NLU)
- Predictive Analytics
- Visual Insights
- Data Science, RPA



Business Analytics & Data Visualization

- Self-Service & Dashboarding
- Metadata Modeling
- Visualization
- Enterprise Reporting
- Analytics Governance



Data Platforming & Integration

- Data Pipeline Architecture
- Data Integration & Governance
- Master Data Management
- Data Architecture
- Data Warehouse & Virtualization



Financial & Operational Performance Management

- Forecasting & Budgeting
- Scenario Modeling
- Financial Reporting
- Consolidations
- HR Planning
- Migration & Upgrades
- Implementation/Training

30+

Our Practice boasts a **30+ year heritage** to accelerate business outcomes through emerging technologies. Our portfolio includes thousands of projects spanning all industries.

100+

Our Team of **100+ dedicated experts** support clients with strategy, design, development, deployment, managed services and support of critical work loads, application modernization and green field solutions across North America.

10x

Our Success drives **10x business outcomes** through our strategic, transformative thought leadership coupled with our innovative, multi-partner, technology solutions.

Enterprise Generative AI Use Cases



Intuitively interact with complex data

Converse with data to get support

Generate content from ideas



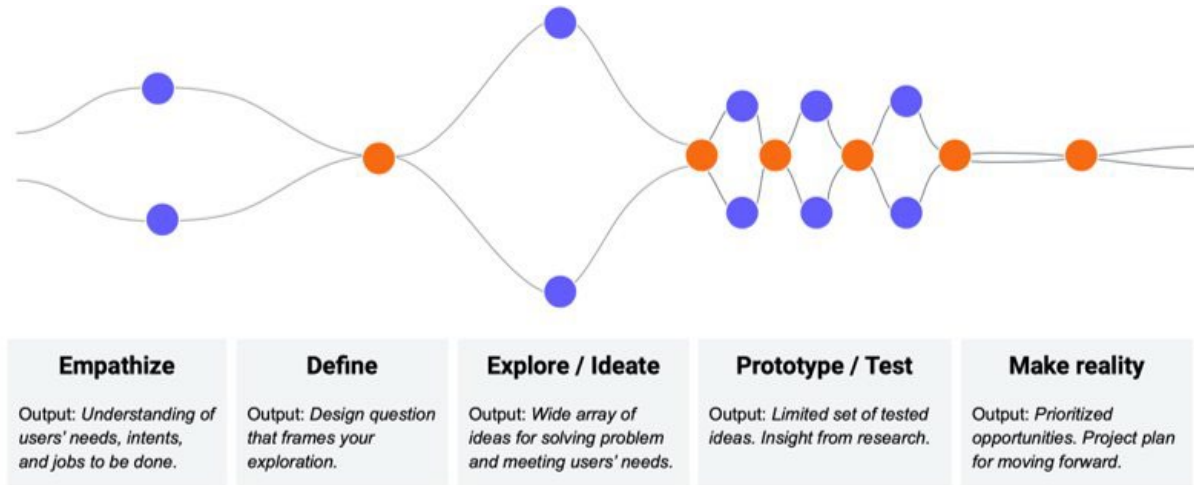
Google Cloud



CONVERGE + YOU

DESIGN THINKING WORKSHOP

- What is Design Thinking?
 - A **human-centered** strategy for creative problem solving
 - Emphasis on **empathy**, **cross-discipline ideation**, and **rapid experimentation**
 - **Defines the MVP** by prioritizing results

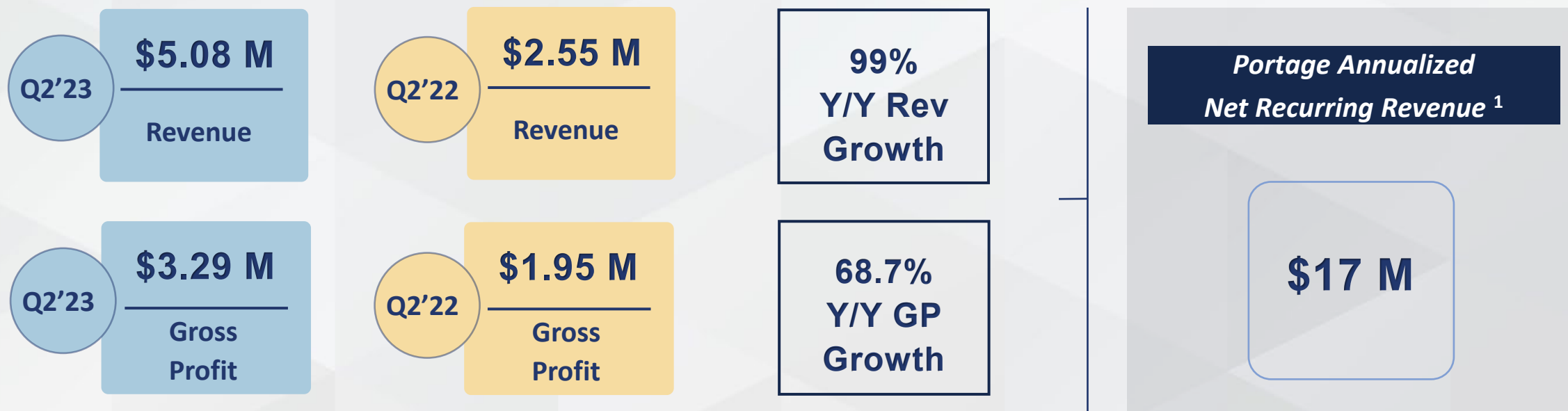


Source: Lucid Design Thinking Foundations 2022

Portage Financial Update

Portage CyberTech, is focused on powering trusted digital transactions between individuals, businesses, and government organizations. Portage customers use its SaaS solutions and expert services to power digital signatures with legal reliability, and to improve experiences for trusted transactions.

See the Q2-2023 Financial Statements and MD&A for further details.



¹Annual Recurring Revenue from SaaS solutions



Q&A



Shaun Maine
Group Chief Executive Officer



Greg Berard
Global President & Chief Executive Officer



Avjit Kamboj
Chief Financial Officer

Non-IFRS Measures & Reconciliation



Adjusted EBITDA

	Q2 2023	Q2 2022	Q2 2023 LTM	Q2 2022 LTM
Net income (loss) before taxes	(6,452)	13,078	(9,738)	12,077
Finance expense	10,652	3,094	20,002	4,912
Share-based compensation expense	1,117	1,685	1,965	2,897
Depreciation and amortization	26,893	17,178	52,783	31,657
Depreciation included in cost of sales	2,342	1,561	4,002	2,312
Foreign exchange loss	(6,317)	(2,968)	(3,855)	3,701
Special charges	13,292	5,559	17,576	11,280
Adjusted EBITDA	41,527	39,187	82,735	68,836

Non-IFRS Measures & Reconciliation



Adjusted Earnings per Share (EPS)

	Q2 2023	Q2 2022	Q2 2023 LTM	Q2 2022 LTM
Net income (loss)	(4,495)	11,678	(7,856)	9,270
Special charges	13,292	5,559	17,576	11,280
Amortization on acquired intangibles	21,527	13,946	41,735	25,262
Foreign exchange (gain) loss	(6,317)	(2,968)	(3,855)	3,701
Stock based compensation	1,117	1,685	1,965	2,897
Adjusted Net Income	25,124	29,900	49,565	52,410
Adjusted Earnings per Share (EPS) - basic	\$ 0.12	\$ 0.14	\$ 0.24	\$ 0.24
Weighted average # of shares - basic	208,331	215,292	208,649	214,847

Non-IFRS Measures & Reconciliation



Gross Sales

	Q2 23	Q2 22	Q2 23 LTM	Q2 22 LTM
Product	639,996	491,821	1,305,306	945,210
Managed services	45,182	32,268	85,818	66,251
Third party and professional services	272,041	205,589	531,353	392,146
Gross sales	957,219	729,678	1,922,477	1,403,607
Adjustment for sales transacted as agent	(291,406)	(214,482)	(578,466)	(394,371)
Net revenue	665,813	515,196	1,344,011	1,009,236

Gross Sales Organic Growth

	Q2 2023	Q2 2022
Gross sales	957,219	729,678
Less: gross sales from Companies not owned in comparative period	214,227	215,748
Gross sales of Companies owned in comparative period	742,992	513,930
Prior period gross sales	729,678	452,120
Organic Growth - \$	13,314	61,810
Organic Growth - %	1.8%	13.7%

Non-IFRS Measures & Reconciliation



Gross Profit Organic Growth

	Q2 2023	Q2 2022
Gross profit	175,672	133,152
Less: gross profit from companies not owned in comparative period	39,239	40,737
Gross profit of companies owned in comparative period	136,433	92,415
Prior period gross revenue	133,152	78,244
Organic Growth - \$	3,281	14,171
Organic Growth - %	2.5%	18.1%