



Kinaxis Q4 2020 Results Conference Call

TSX:KXS

March 4, 2021

PRESENTED BY

John Sicard | President and CEO

Richard Monkman | CFO, VP Corporate Services

Blaine Fitzgerald | EVP, Finance

Forward looking statements

Forward-Looking Information

This document contains forward-looking statements within the meaning of applicable Canadian securities legislation. In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “will”, “expect”, “anticipate”, “aim”, “estimate”, “intend”, “plan”, “seek”, “believe”, “potential”, “continue”, “is/are likely to” or the negative of these terms, or other similar expressions intended to identify forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs.

These forward-looking statements include, among other things, statements relating to: our expectations regarding our revenue, expenses and operations; our plans for and timing of expansion of our solutions and services; our future growth plans; the acceptance by our customers and the marketplace of new technologies and solutions; our ability to attract new customers and develop and maintain existing customers; our expectations with respect to advancement in our technologies; our competitive position and our expectations regarding competition; and anticipated trends and challenges in our business and the markets in which we operate.

Forward-looking statements are based on certain assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments and other factors we believe are appropriate, and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Given these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. These statements are provided to assist external stakeholders in understanding Kinaxis’ expectations as of the date of this document and may not be appropriate for other purposes.

Whether actual results, performance or achievements will conform to our expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those identified starting on page 3 of our Management’s Discussion and Analysis for the fourth quarter and year ended December 31, 2020, and in our other public disclosure documents, which are available under our profile on SEDAR (www.sedar.com). Although the forward-looking statements contained in this document are based upon what our management believes are reasonable assumptions, these risks, uncertainties, assumptions and other factors could cause our actual results, performance, achievements and experience to differ materially from our expectations, future results, performances or achievements expressed or implied by the forward-looking statements. The forward-looking statements made in this document relate only to events or information as of the date of this document is made and are expressly qualified in their entirety by this cautionary statement. Except as required by law, we do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Non-IFRS Measures

This document makes reference to certain non-IFRS measures, specifically Adjusted EBITDA. These non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS, and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement the IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, they should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS. We use Adjusted EBITDA to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess our ability to meet our capital expenditure and working capital requirements.

Adjusted EBITDA is not a recognized, defined or standardized measure under IFRS. Our definition of Adjusted EBITDA will likely differ from that used by other companies (including our peers) and therefore comparability may be limited. Non-IFRS measures should not be considered a substitute for or in isolation from measures prepared in accordance with IFRS. Investors are encouraged to review our financial statements and disclosures in their entirety and are cautioned not to put undue reliance on non-IFRS measures and view them in conjunction with the most comparable IFRS financial measures.

For a reconciliation of Adjusted EBITDA to the most comparable IFRS financial measure please see the section titled, ‘Reconciliation of Non-IFRS Measures’ in the Company’s Management’s Discussion and Analysis filed on SEDAR (sedar.com) for the fourth quarter and year ended December 31, 2020.

All amounts are in United States dollars, unless otherwise indicated.

Q4 2020 financial highlights*

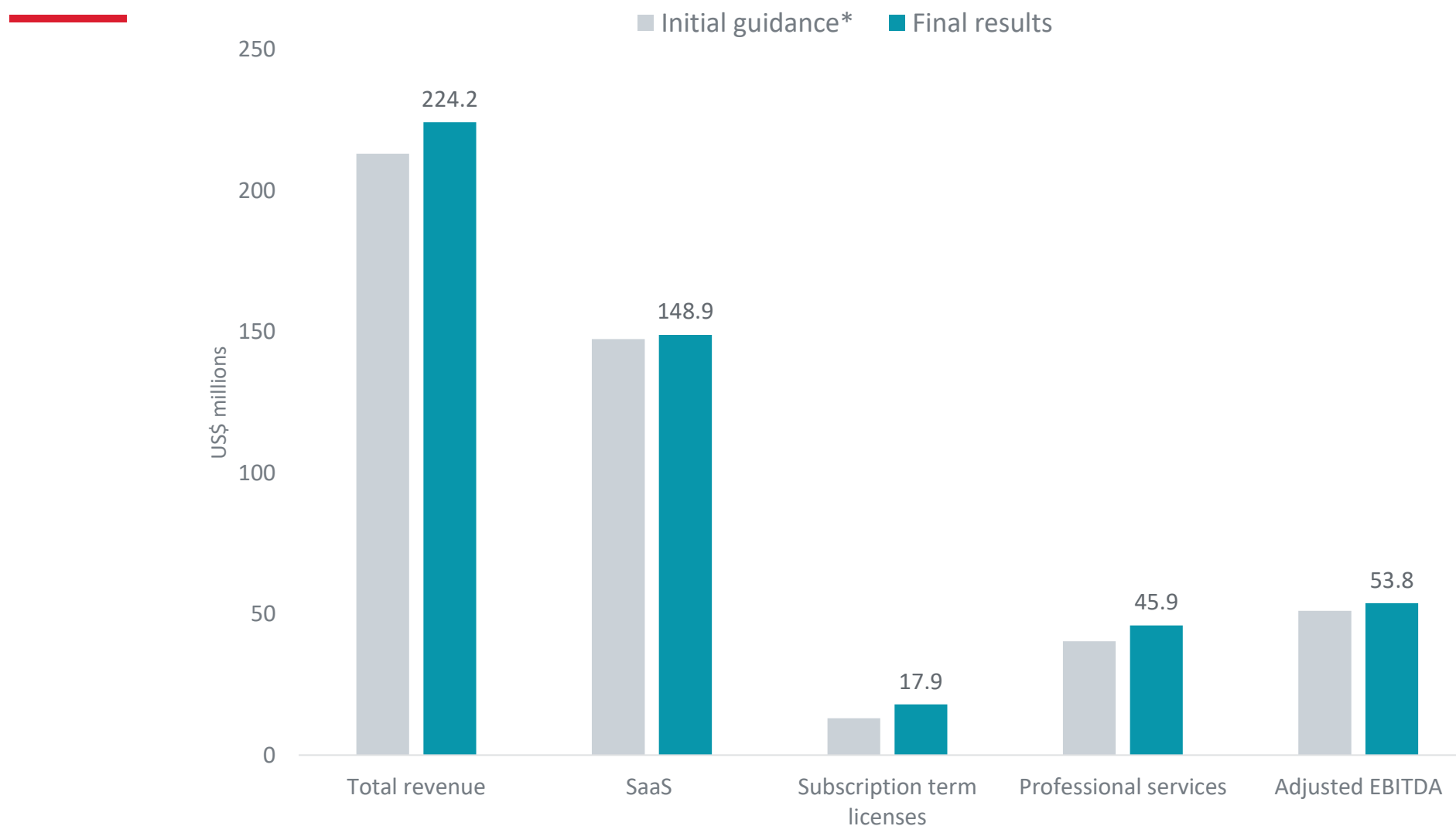
\$39.8 ↑24%
SaaS revenue

\$54.9
Total revenue

11%
Adjusted EBITDA margin

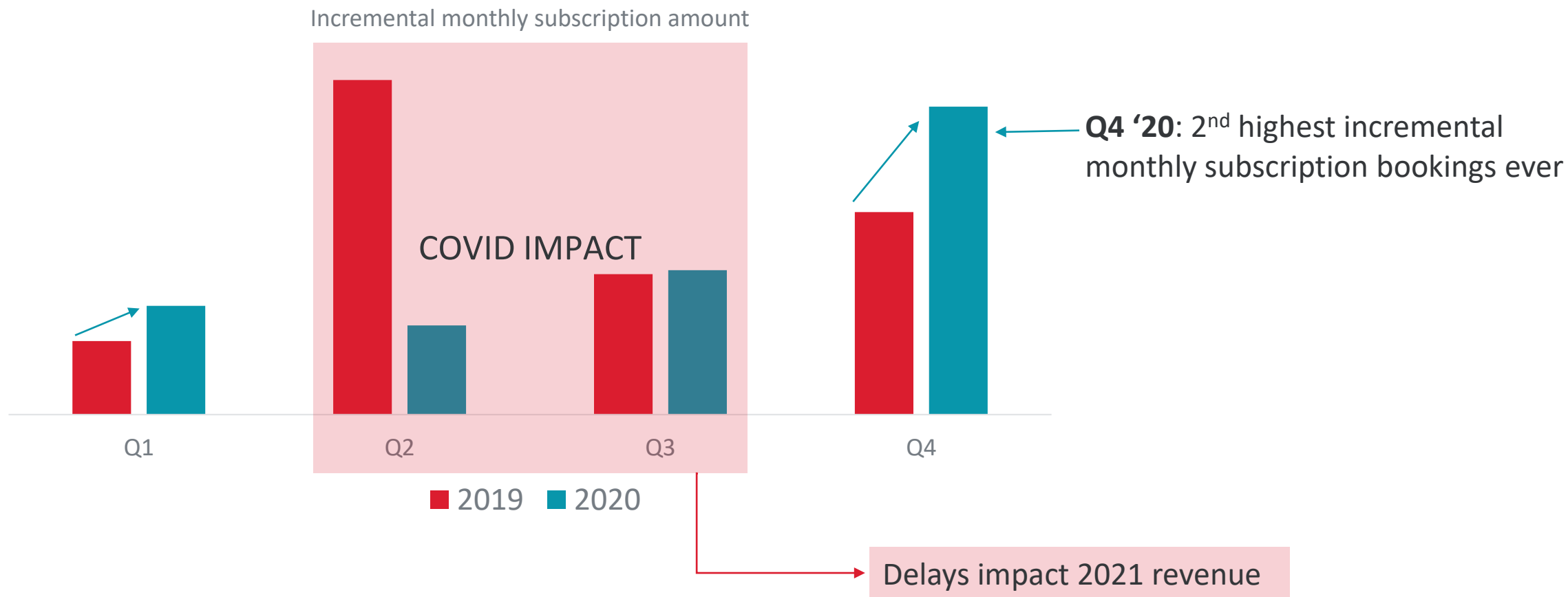
*\$USD millions

FY 2020 highlights – met/beat initial guidance*



* Based on midpoint of guidance range provided on Feb 26, 2020 earnings call

Incremental subscription bookings momentum



Momentum in the market

Gartner 2021 Magic Quadrant for Supply Chain Planning Solutions

Figure 1. Magic Quadrant for Supply Chain Planning Solutions



Recent customer wins *include...*

morphosys

MARVELL

CRESTRON

CYIENT

WEIR
ESCO

MARS

Financial results, Q4 2020

\$USD millions	Q4 2020	Q4 2019	Change
Total Revenue	\$54.9	\$56.3	(2%)
SaaS	\$39.8	\$32.0	24%
Subscription Term Licenses	\$1.9	\$12.1	(84%)
Gross Profit	\$34.8	\$41.4	(16%)
(margin)	(63%)	(74%)	
Profit	\$(1.6)	\$7.8	(120%)
(per share, diluted)	(\$0.06)	(\$0.29)	
Adjusted EBITDA¹	\$6.1	\$18.1	(66%)
(margin)	(11%)	(32%)	
Cash Flow from Operating Activities	\$3.2	\$8.0	-60%

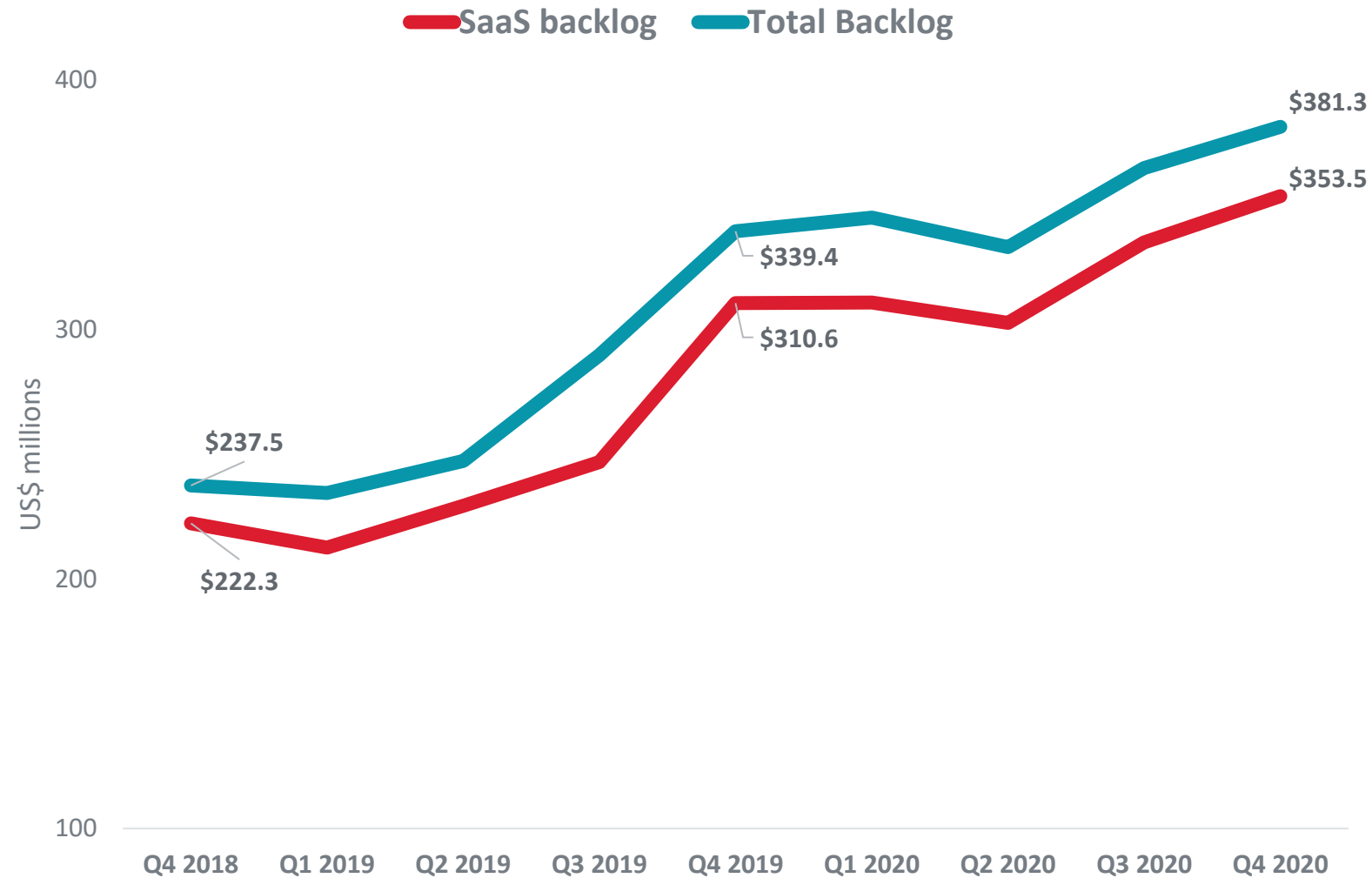
¹ Adjusted EBITDA is a non-IFRS measure. For reconciliation of Adjusted EBITDA to profit, please see related "Management's Discussion & Analysis"

Financial results, FY 2020

\$USD millions	FY 2020	FY 2019	Change
Total Revenue	\$224.2	\$191.5	17%
SaaS	\$148.9	\$118.9	25%
Subscription Term Licenses	\$17.9	\$26.2	(32%)
Gross Profit (margin)	\$154.1 (69%)	\$137.7 (72%)	12%
Profit (per share, diluted)	\$13.7 (\$0.49)	\$23.3 (\$0.87)	(41%)
Adjusted EBITDA¹ (margin)	\$53.8 (24%)	\$57.7 (30%)	(7%)
Cash Flow from Operating Activities	\$59.5	\$36.6	62%

¹ Adjusted EBITDA is a non-IFRS measures. For reconciliation of Adjusted EBITDA to profit, please see related "Management's Discussion & Analysis"

Backlog growth



Guidance, FY 2021

2021 guidance

Total revenue	\$242-247 million
Annual SaaS revenue growth	17-20%
Subscription term license revenue	\$3-5 million
Adjusted EBITDA ¹	11-14%

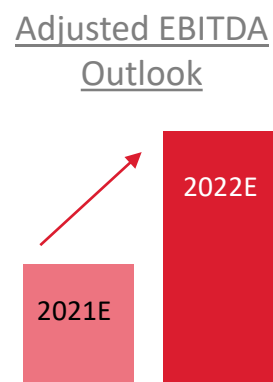
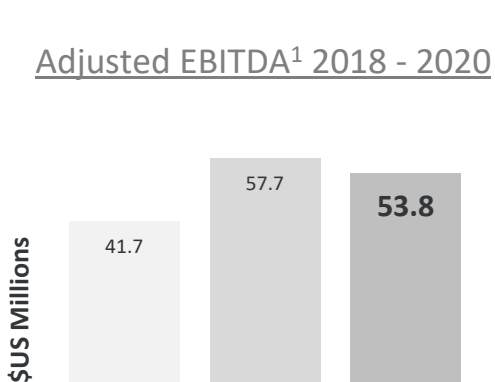
1 Adjusted EBITDA is a non-IFRS measures. For reconciliation of Adjusted EBITDA to profit, please see related "Management's Discussion & Analysis"

- COVID-related incremental bookings delays in 2020 impact 2021 SaaS growth
- Subscription term license revenue at low-point of normal 3-year cycle
 - Impacts total revenue and Adjusted EBITDA by ~\$14 million v FY2020
- Major strategic investments in 2020 reflected in 2021 Adjusted EBITDA, benefit future
- Expected growth in incremental bookings in 2021 to benefit 2022

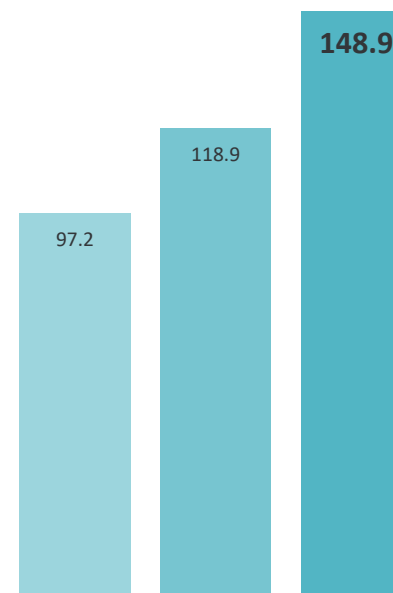
Return to stronger growth expected in 2022

2021E: COVID temporarily impacts SaaS revenue, Adjusted EBITDA¹; strong 2020 investment level reflected in Adjusted EBITDA¹

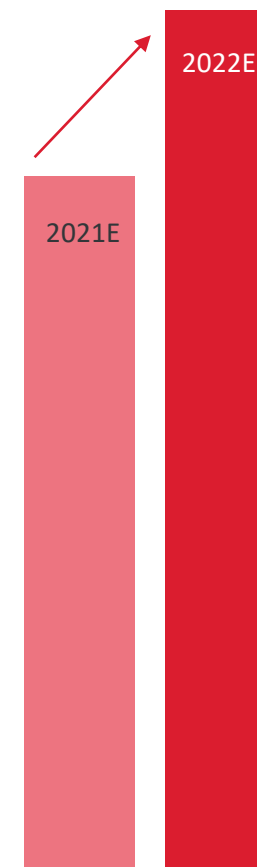
2022E: Stronger growth in SaaS revenue and Adjusted EBITDA¹ returns, investment level tempers



SaaS Revenue 2018 - 2020



SaaS Revenue Outlook



¹ Adjusted EBITDA is a non-IFRS measure. For reconciliation of Adjusted EBITDA to profit, please see related "Management's Discussion & Analysis"

Growth opportunities



New customers,
Land and expand



Product dominance



Customer
excellence



Strategic
alliances



AI/ML, new
applications



Investigate
acquisitions



Data centre
expansion



Solution
extension
partners



Thank You

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