



# Kinaxis Investor Overview

TSX:KXS

November 2019

PRESENTED BY

Richard Monkman | CFO, VP Corporate Services

Rick Wadsworth | VP, IR

# 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, 2018, and in our other public disclosure documents, which are available under our profile on SEDAR ([www.sedar.com](http://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](http://sedar.com)) for the fourth quarter and year ended December 31, 2018.

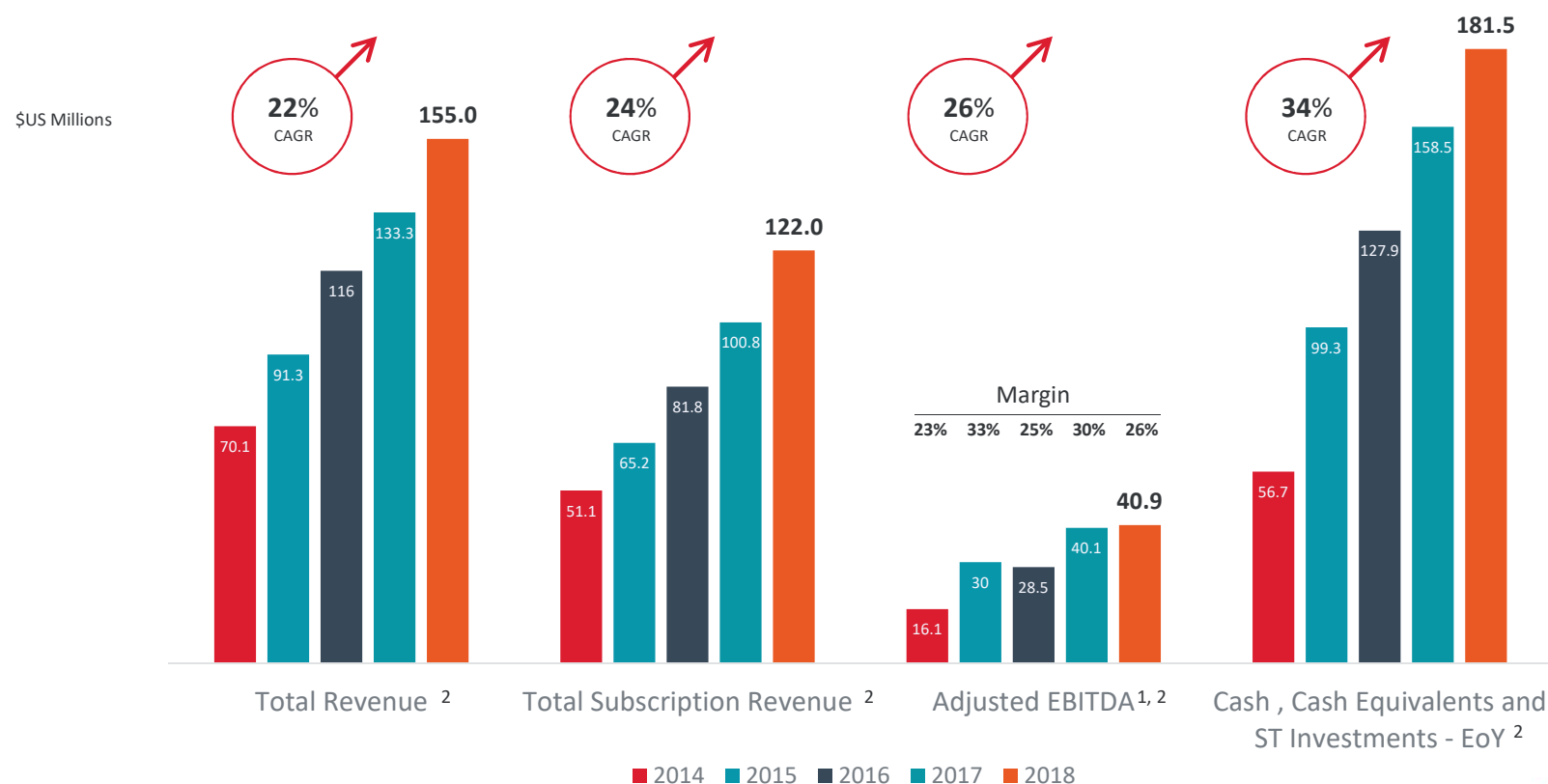
All amounts are in United States dollars, unless otherwise indicated.



- **Know sooner. Act Faster. Supply chain planning, monitoring and response.**
- Eliminating volatility in your supply chain is impossible, but managing it is not.
- Trusted by top brands, Kinaxis is the leading provider of cloud-based, software-as-a-service (**SaaS**) solutions that give people the confidence to know they are making the best supply chain planning decisions to maximize business performance.

# Investment Highlights – High Growth SaaS Model

Rapid revenue growth and strong profitability



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

<sup>2</sup> Based on IFRS standards applicable at the time. 2018 amounts are pre-IFRS 15/16 for comparability purposes.

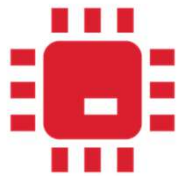


# Investment Highlights

- 1 Industry-recognized, disruptive SaaS product in a growing market
- 2 Growing blue chip customer base
- 3 Growing list of partners providing scale
- 4 Investing for accelerated revenue growth, strong profitability
- 5 Strong leadership team

# Proven across multiple market verticals

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**HIGH TECH AND  
ELECTRONICS**



**AEROSPACE  
AND DEFENSE**



**INDUSTRIAL**



**LIFE SCIENCES AND  
PHARMACEUTICALS**

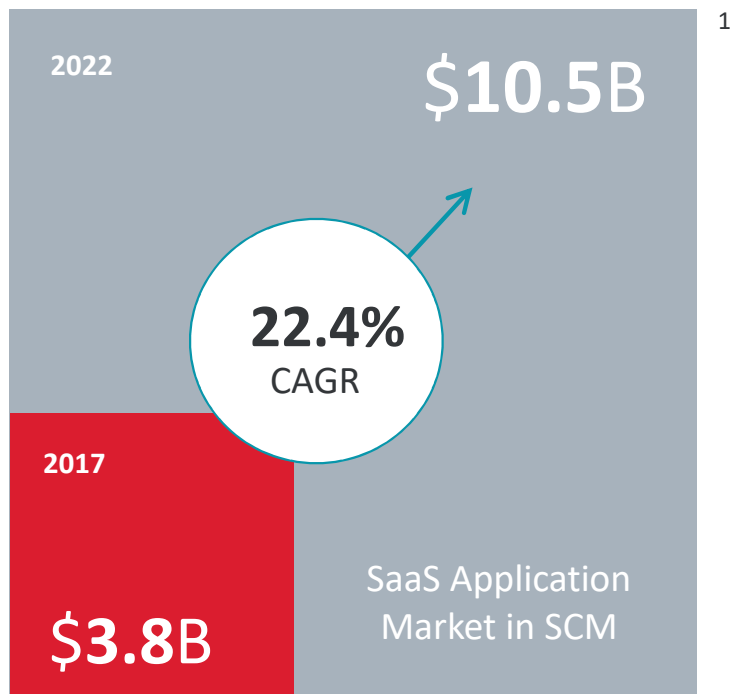


**AUTOMOTIVE**



**CONSUMER  
PACKAGED GOODS**

# Rapidly growing market for SaaS-based SCM solutions

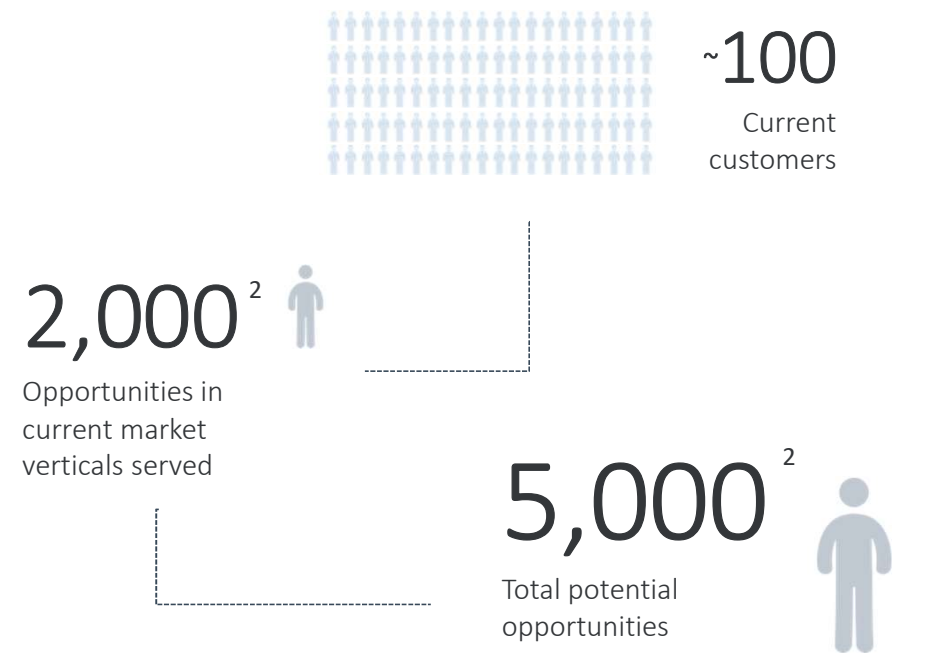


<sup>1</sup> Forecast: Supply Chain Management — SaaS and On-Premises, Worldwide, 2017-2022

<sup>2</sup> Kinaxis internal study

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## Kinaxis' market opportunity <sup>2</sup>



# Today's global marketplace is complex and volatile

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Short and  
dynamic  
demand

Brand  
pressure

SKU  
explosion

Global, multi-  
tier sourcing

Unexpected  
events

Omni-channel  
growth

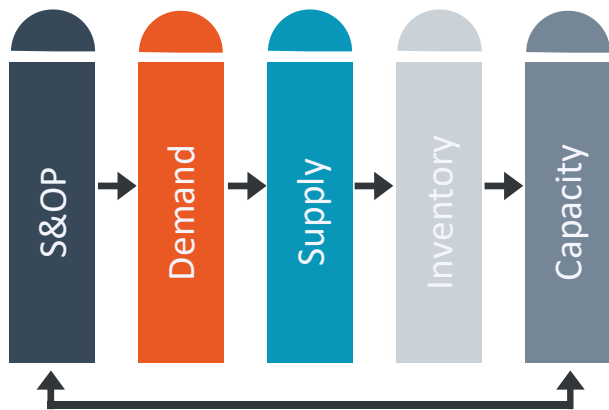
Short delivery  
lead time

Distribution  
cost increase

Shifting  
regulations

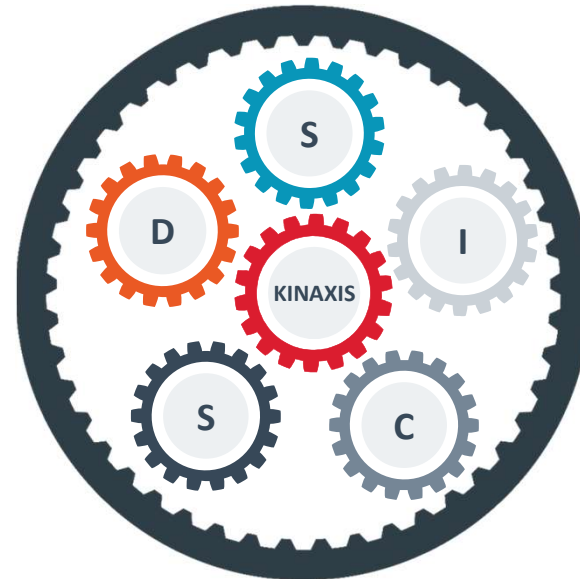


# Concurrent planning instantly and continuously balances the end-to-end supply chain



## Old way

- Cascaded
- Static and siloed
- Slow and difficult to respond to change
- Focused on functional metrics

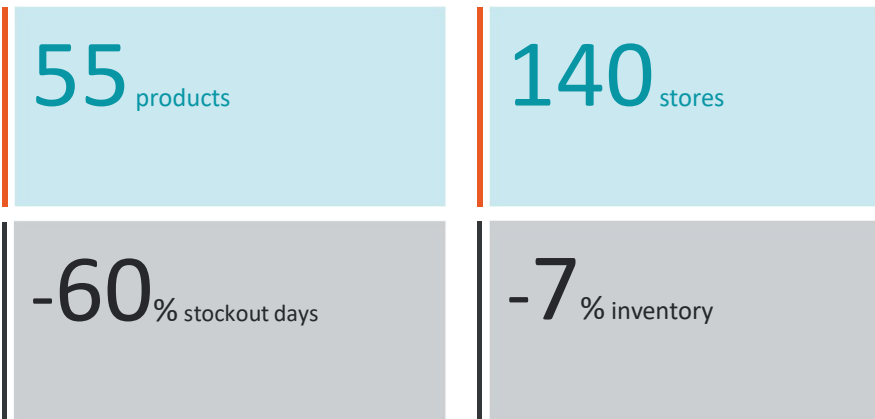


## Our way

- Concurrent
- Real-time and integrated single system
- Fast proactive response to change
- Aligned around corporate metrics

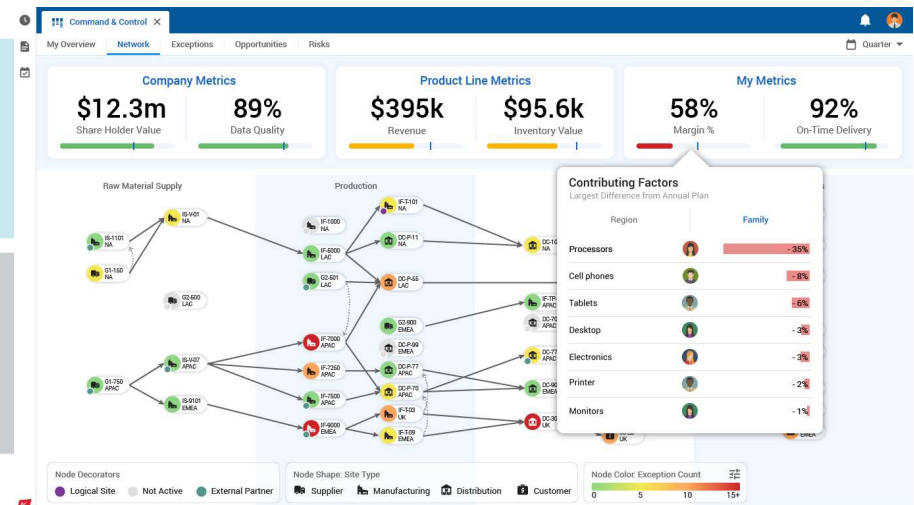
# Accelerated product innovation

## Development Platform



## Demand Sensing

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## New UI and Visualizations



# Market Leader



Magic Quadrant for Supply Chain Planning  
System of Record<sup>1</sup>

3<sup>rd</sup> consecutive year in **Leaders Quadrant**.  
Positioned furthest on **Completeness of Vision**



This graphic was published by Gartner, Inc as part of a larger research document and should be evaluated in the content of the entire document. The Gartner document is available upon request from Kinaxis.

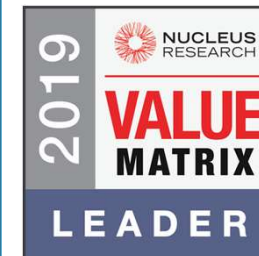
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<sup>1</sup> Gartner, Magic Quadrant for Supply Chain Planning System of Record, A. Salley, T. Payne, A. Pradhan, August 23, 2018



3<sup>rd</sup> consecutive year as **Leader**.  
Highest on **Greater Usability**



# Innovative leaders partner with Kinaxis

Aerospace & Defense	Automotive	Consumer Products	High Tech / Electronics	Industrial	Life Sciences
					
					
					
					

# Actual customer results

## Happier customers



On-time delivery  
improved from  
52%-95%



Reduced  
manufacturing  
lead times by 20%

## Lower costs



Reduced finished  
goods inventory  
by 33%



Adherence to  
inventory targets  
above 95%

## Better efficiency



15% gain in  
efficiency of supply  
chain planning

S&OP scenario creation and  
analysis reduced from

48  
HOURS → 30  
MINS

## Faster decision-making























Assessment of demand plan  
variation reduced from

2  
WEEKS → 2  
MINS

New (big) order assessment and  
commit process reduced from

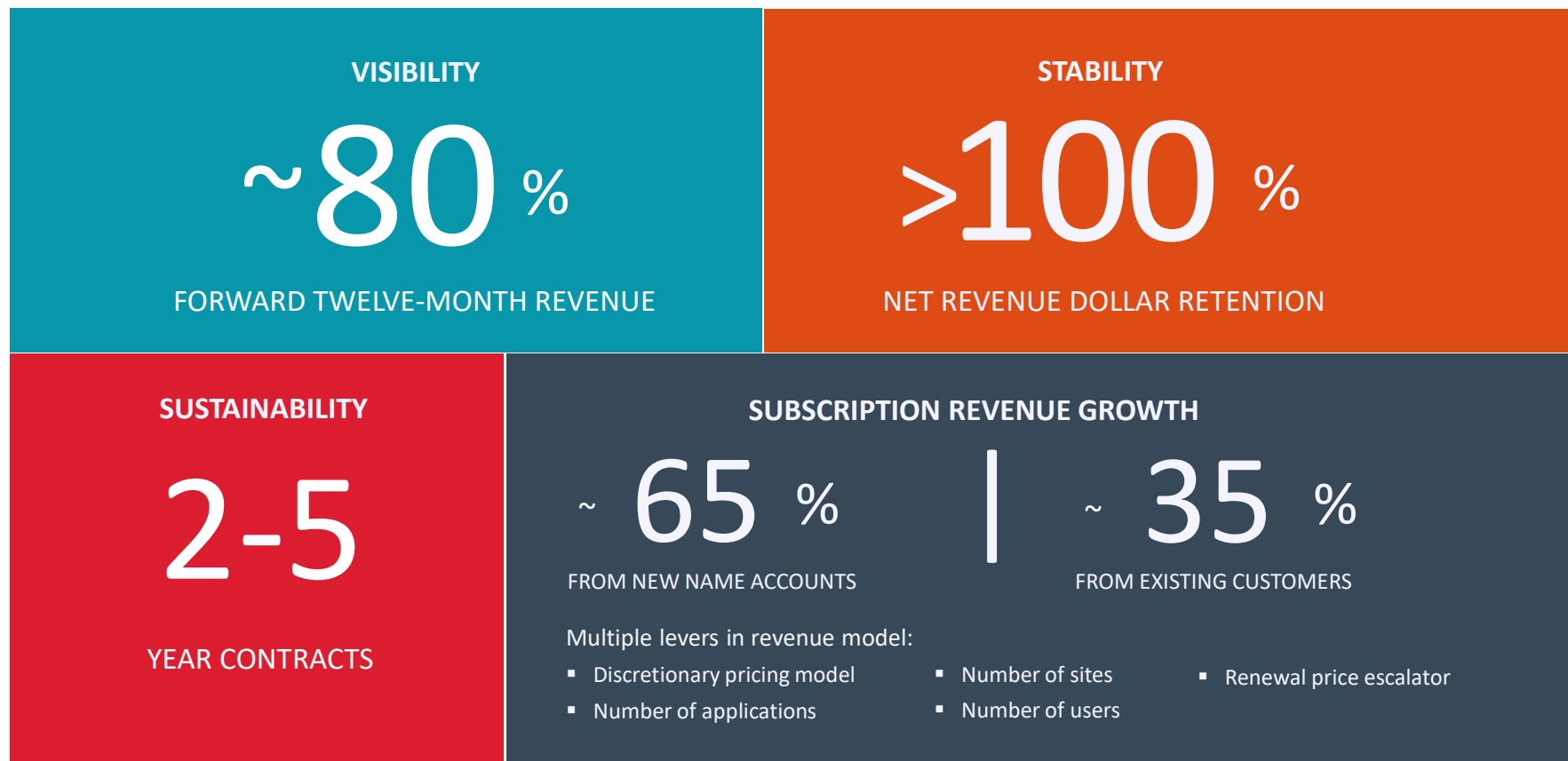
14  
DAYS → 1-2  
DAYS

# Kinaxis partner ecosystem

Strategy and Alliance partners	Service partners	Resellers
                	  	 



# Business model provides visibility, stability & growth



# Financial results, Q3 2019

\$USD thousands	Q3 2019	Q3 2018	Change
<b>Total Revenue</b>	<b>\$47,131</b>	<b>\$36,585</b>	<b>29%</b>
SaaS	<b>\$31,229</b>	<b>\$24,489</b>	<b>28%</b>
Subscription Term Licenses	<b>3,278</b>	<b>508</b>	<b>545%</b>
<b>Gross Profit</b>	<b>\$33,328</b>	<b>\$24,571</b>	<b>36%</b>
(margin)	(71%)	(67%)	
<b>Profit</b>	<b>\$4,533</b>	<b>\$2,665</b>	<b>70%</b>
(per share)	(\$0.17/diluted share)	(\$0.10/diluted share)	
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$12,100</b>	<b>\$9,353</b>	<b>29%</b>
(margin)	(26%)	(26%)	

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

# Financial guidance, FY 2019

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FY 2019 guidance	
Total Revenue	\$188-190 million
SaaS revenue	~22% growth
Subscription Term Licenses revenue	~\$26 million
Adjusted EBITDA margin <sup>1</sup>	27-29% of revenue

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

# Building the Team for Acceleration

Management	Board
<p><b>John Sicard</b>, Chief Executive Officer</p> <ul style="list-style-type: none"> <li>Key contributor to the architecture and development of Kinaxis since 1994</li> </ul> <p><b>Richard Monkman</b>, Chief Financial Officer</p> <ul style="list-style-type: none"> <li>CFO since 2005; high-tech finance experience (public and private)</li> <li>Brendan Wood Top Gun CFO, Software companies, 2019</li> </ul> <p><b>Paul Carreiro</b>, Chief Revenue Officer</p> <ul style="list-style-type: none"> <li>Joined Kinaxis September 2017</li> <li>Diverse global, operations and sales management experience at Infor &amp; SAP</li> </ul> <p><b>Andrew McDonald</b>, Chief Product Officer</p> <ul style="list-style-type: none"> <li>Joined October 2018 with 20 years experience building innovative, creative product teams</li> <li>Former President of the Platforms Business Division at Alcatel-Lucent, Chief Product Officer of venture capital backed CENX</li> </ul> <p><b>Anne Robinson</b>, Chief Strategy Officer</p> <ul style="list-style-type: none"> <li>Joined January 2019 as a proven leader in analytics and digital transformation, with expertise in operations, supply chain, and strategy</li> <li>Former Executive Director, Global Supply Chain Strategy, Analytics and Systems at Verizon</li> </ul> <p><b>Jay Muelhoefer</b>, Chief Marketing Officer</p> <ul style="list-style-type: none"> <li>Joined March 2018</li> <li>Extensive experience as CMO and a product leader in SaaS environments, at companies like PTC, IBM and Platform Computing</li> </ul> <p><b>Megan Patterson</b>, Chief Human Resources Officer</p> <ul style="list-style-type: none"> <li>Joined Kinaxis in 2008, 20 years high-tech HR experience</li> <li>Oversees the global human resources operations at Kinaxis</li> </ul>	<p><b>Ian Giffen</b> (Chair)</p> <ul style="list-style-type: none"> <li>Serves as an advisor and/or director to technology companies and investment funds</li> <li>Corporate Director to public and private technology companies and investment funds</li> </ul> <p><b>Angel Mendez</b></p> <ul style="list-style-type: none"> <li>Former SVP Cisco Technology</li> <li>Previously SVP of Global Operations, Palm</li> </ul> <p><b>Jill Denham</b></p> <ul style="list-style-type: none"> <li>Former Vice Chair at CIBC Retail Markets, and Director of the OTPP Board</li> <li>Director at the National Bank of Canada and Chair of the Board of Morneau Shepell</li> </ul> <p><b>Bob Courteau</b></p> <ul style="list-style-type: none"> <li>CEO of Altus Group Limited</li> <li>Previous corporate executive with SAP AG</li> </ul> <p><b>Pamela Passman</b></p> <ul style="list-style-type: none"> <li>Vice-Chair, Ethisphere Institute and President, Center for Responsible Enterprise and Trade</li> <li>Former Corporate Vice President and Deputy General Counsel, Microsoft</li> </ul> <p><b>Kelly Thomas</b></p> <ul style="list-style-type: none"> <li>CEO of Worldlocity</li> <li>Former Chief Product Officer of JDA Software, and SVP of Product Strategy at i2 Technologies</li> </ul> <p><b>John Sicard</b>, Chief Executive Officer</p> <ul style="list-style-type: none"> <li>CEO of Kinaxis</li> </ul>

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# Kinaxis growth focus

MULTIPLE OPPORTUNITIES TO INCREASE MARKET PENETRATION

- 1 Continuous customer value - land & expand
- 2 Expand geographic market focus
- 3 Invest in further product innovation
- 4 Leverage channel partners for scale and reach
- 5 Penetrate new vertical markets



**Thank you**