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GIB.A (TSX)
GIB (NYSE)
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CGI reports first quarter Fiscal 2024 results

Revenue up 4.4% and book-to-bill ratio¹ of 116.2%

Q1-F2024 performance highlights

- Revenue of \$3.60 billion, up 4.4% year-over-year or 1.5% year-over-year in constant currency¹;
- Earnings before income taxes of \$527.1 million, up 2.0% year-over-year, for a margin¹ of 14.6%;
- Adjusted EBIT¹ of \$584.2 million, up 5.4% year-over-year, for a margin¹ of 16.2%;
- Net earnings of \$389.8 million, up 1.9% year-over-year, for a margin¹ of 10.8%;
- Net earnings excluding specific items^{1,2} of \$427.2 million, up 7.3% year-over-year, for a margin¹ of 11.9%;
- Diluted EPS of \$1.67, up 4.4% year-over-year;
- Diluted EPS excluding specific items^{1,2} of \$1.83, up 10.2% year-over-year;
- Cash from operating activities of \$577.2 million, representing 16.0% of revenue¹;
- Bookings¹ of \$4.19 billion, for a book-to-bill ratio¹ of 116.2%; and
- Backlog¹ of \$26.57 billion or 1.8x annual revenue.

Note: All figures in Canadian dollars. Q1-F2024 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 Administrators on SEDAR+ at www.sedarplus.ca and the U.S. Securities and Exchange Commission on EDGAR at www.sec.gov.

Montréal, Quebec, January 31, 2024 - CGI (TSX: GIB.A) (NYSE: GIB)

Q1-F2024 results

“CGI began fiscal year 2024 in a strong position, again demonstrating the resilience of our model and the disciplined execution of our plan,” said George D. Schindler, President and Chief Executive Officer. “The combination of our trusted client partnerships and end-to-end services contributed to bookings of \$4.2 billion in the quarter and \$16.4 billion, or 114% of revenue, over the last 12 months. CGI’s outcome-based offerings, particularly those focused on generating cost savings and accelerating modernization—including through AI—continue to resonate with clients. Our robust balance sheet, further strengthened in the quarter by the operational and delivery excellence of our team, enables us to continue driving our build and buy profitable growth strategy.”

¹ Constant currency revenue 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, book-to-bill ratio, 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 Q1-F2024 include: \$1.7 million in acquisition-related and integration costs and \$35.7 million from the cost optimization program, both net of tax; Specific items in Q1-F2023 include: \$15.8 million in acquisition-related and integration costs, net of tax.

For the first quarter of Fiscal 2024, the Company reported revenue of \$3.60 billion, representing a year-over-year increase of 4.4%. When excluding foreign currency variations, revenue grew by 1.5% year-over-year.

Earnings before income taxes were \$527.1 million, up 2.0% year-over-year, for a margin of 14.6%, down 40 basis points compared to the same period last year, primarily as a result of expenses related to implementing our previously announced cost optimization program. Adjusted EBIT was \$584.2 million, up 5.4% year-over-year, for a margin of 16.2%, up 10 basis points compared to the same period last year.

Net earnings were \$389.8 million, up 1.9% compared with the same period last year, for a margin of 10.8%. Diluted earnings per share, as a result, were \$1.67 compared to \$1.60 last year, representing an increase of 4.4%.

Net earnings excluding specific items¹ were \$427.2 million. This represents an increase of 7.3% year-over-year, and a margin of 11.9%. On the same basis, diluted earnings per share increased by 10.2% to \$1.83, up from \$1.66 for the same period last year.

Cash provided by operating activities was \$577.2 million, representing 16.0% of revenue. On a trailing twelve months basis, cash provided by operating activities was \$2.1 billion, representing 14.4% of revenue.

Bookings were \$4.19 billion, up \$152 million on a year-over-year basis, representing a book-to-bill ratio of 116.2%. As of December 31, 2023, the Company's backlog stood at \$26.57 billion or 1.8x annual revenue.

As of December 31, 2023, the number of CGI consultants and professionals worldwide stood at approximately 90,500.

During the first quarter of Fiscal 2024, the Company invested \$49.4 million in business acquisitions, \$85.4 million back into its business, and \$126.1 million under its current Normal Course Issuer Bid to purchase for cancellation 943,250 of its Class A subordinate voting shares.

Return on invested capital was 15.9%, an increase of 40 basis points on a year-over-year basis.

As at December 31, 2023, long-term debt and lease liabilities, including both their current and long-term portions, were \$3.00 billion, down from \$3.88 billion at the same time last year, primarily due to the \$670.4 million scheduled repayment of a term loan. As of the same date, net debt stood at \$1.84 billion, down from \$2.50 billion at the same time last year. The net debt-to-capitalization ratio stood at 17.6% at the end of December 2023, down 650 basis points when compared to the prior year.

At the end of December 2023, with cash and investments of \$1.2 billion on hand, excluding funds held for clients, and a fully available revolving credit facility, the Company had \$2.7 billion in readily available liquidity to pursue its Build and Buy profitable growth strategy.

¹ Specific items in Q1-F2024 include: \$1.7 million in acquisition-related and integration costs and \$35.7 million from the cost optimization program, both net of tax.

Financial highlights	Q1-F2024	Q1-F2023	Change
<i>In millions of Canadian dollars except earnings per share and where noted</i>			
Revenue	3,603.0	3,450.3	152.7
Growth	4.4%	11.6%	(720 bps)
Constant currency revenue growth	1.5%	12.3%	(1,080 bps)
Earnings before income taxes	527.1	516.5	10.6
Margin %	14.6%	15.0%	(40 bps)
Adjusted EBIT	584.2	554.1	30.1
Margin %	16.2%	16.1%	10 bps
Net earnings	389.8	382.4	7.4
Margin %	10.8%	11.1%	(30 bps)
Net earnings excluding specific items ¹	427.2	398.2	29.0
Margin %	11.9%	11.5%	40 bps
Diluted EPS	1.67	1.60	0.07
Diluted EPS excluding specific items ¹	1.83	1.66	0.17
Weighted average number of outstanding shares (diluted) <i>In millions of shares</i>	233.9	239.4	(5.5)
Net finance costs	7.3	18.1	(10.8)
Long-term debt and lease liabilities ²	3,001.1	3,876.4	(875.3)
Net debt ³	1,843.7	2,503.8	(660.1)
Net debt to capitalization ratio ³	17.6%	24.1%	(650 bps)
Cash provided by operating activities	577.2	605.3	(28.1)
As a percentage of revenue	16.0%	17.5%	(150 bps)
Days sales outstanding (DSO) ³	41	44	(3)
Purchase for cancellation of Class A subordinate voting shares	(126.1)	(10.3)	(115.8)
Return on invested capital (ROIC) ³	15.9%	15.5%	40 bps
Bookings	4,187	4,035	152
Backlog	26,573	25,011	1,562

¹ Specific items in Q1-F2024 include: \$1.7 million in acquisition-related and integration costs and \$35.7 million from the cost optimization program, both net of tax; Specific items in Q1-F2023 include: \$15.8 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.

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

To access the MD&A – [click here](#)

Normal Course Issuer Bid

On January 30, 2024, the Company's Board of Directors authorized the renewal of its Normal Course Issuer Bid, which, subject to approval by the Toronto Stock Exchange, allows for the purchase for cancellation of up to 20,457,737 Class A subordinate voting shares over the next 12 months, representing approximately 10% of the Company's public float as of the close of business on January 23, 2024. The current program will terminate on February 5, 2024, and repurchases of Class A subordinate voting shares under the renewed program may

commence on February 6, 2024. For further information, please refer to the Company's [press release](#) regarding the renewal of its Normal Course Issuer Bid.

Q1-F2024 results conference call

Management will host a conference call this morning at 9:00 a.m. (EST) to discuss results. Participants may access the call by dialing +1-888-396-8049 or +1-416-764-8646 Conference ID: 66827836 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: 827836, until February 28, 2024.

Annual General Meeting of Shareholders

This morning the company will hold its Annual General Meeting of Shareholders. The meeting will be held at 11:00 a.m. (EST) via live webcast at <https://www.icastpro.ca/syt2f8> (Password: CGI2023).

About CGI

Founded in 1976, CGI is among the largest independent IT and business consulting services firms in the world. With 90,500 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 2023 reported revenue is \$14.30 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 revenue 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 Q1-F2024 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 revenue growth and growth

For the three months ended December 31,	Change			
	2023	2022	\$	%
<i>In thousands of CAD except for percentages</i>				
Total CGI revenue	3,602,970	3,450,272	152,698	4.4%
Constant currency revenue growth	1.5%			
Foreign currency impact	2.9%			
Variation over previous period	4.4 %			

Reconciliation between earnings before income taxes and adjusted EBIT

For the three months ended December 31,	2023	% of Revenue	2022	% of Revenue
<i>In thousands of CAD except for percentage</i>				
Earnings before income taxes	527,135	14.6%	516,548	15.0%
<i>Plus the following items:</i>				
Acquisition-related and integration costs	2,178	0.1%	19,424	0.6%
Cost optimization program	47,662	1.3%	—	—%
Net finance costs	7,258	0.2%	18,141	0.5%
Adjusted EBIT	584,233	16.2%	554,113	16.1%

Net earnings and Diluted EPS, excluding specific items

For the three months ended December 31,			Change	
	2023	2022	\$	%
<i>In thousands of CAD except for percentages and shares data</i>				
Earnings before income taxes	527,135	516,548	10,587	2.0%
Add back:				
Acquisition-related and integration costs	2,178	19,424	(17,246)	(88.8%)
Cost optimization program	47,662	—	47,662	—%
Earnings before income taxes excluding specific items	576,975	535,972	41,003	7.7%
Income tax expense	137,339	134,169	3,170	2.4%
Effective tax rate	26.1%	26.0%		
Add back:				
Tax deduction on acquisition-related and integration costs	433	3,575	(3,142)	(87.9%)
Impact on effective tax rate	—%	(0.3%)		
Tax deduction on cost optimization program	11,970	—	11,970	—%
Impact on effective tax rate	(0.1%)	—%		
Income tax expense excluding specific items	149,742	137,744	11,998	8.7%
Effective tax rate excluding specific items	26.0%	25.7%		
Net earnings excluding specific items	427,233	398,228	29,005	7.3%
Net earnings margin excluding specific items	11.9%	11.5%		
Weighted average number of shares outstanding				
Class A subordinate voting shares and Class B multiple voting shares (basic)	230,298,674	236,126,560	(5,827,886)	(2.5%)
Class A subordinate voting shares and Class B multiple voting shares (diluted)	233,897,282	239,436,764	(5,539,482)	(2.3%)
Earnings per share excluding specific items (in dollars)				
Basic	1.86	1.69	0.17	10.1%
Diluted	1.83	1.66	0.17	10.2%

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

As at December 31,	2023	2022
<i>In thousands of CAD except for percentages</i>		
Reconciliation between long-term debt and lease liabilities¹ and net debt:		
Long-term debt and lease liabilities ¹	3,001,052	3,876,371
<i>Minus the following items:</i>		
Cash and cash equivalents	1,132,661	1,324,835
Short-term investments	8,387	6,301
Long-term investments	17,225	16,686
Fair value of foreign currency derivative financial instruments related to debt	(872)	24,794
Net debt	1,843,651	2,503,755
Net debt to capitalization ratio	17.6%	24.1%
Return on invested capital	15.9%	15.5%
Days sales outstanding	41	44

¹ As at December 31, 2023, long-term debt and lease liabilities were \$2,377.1 million (\$3,173.8 million as at December 31, 2022) and \$624.0 million (\$702.6 million as at December 31, 2022), respectively, including their current portions.