



Earnings Call – Q3 - FY25

July 14, 2025



Except for historical information, the matters discussed in this presentation are forward-looking statements that involve risks and uncertainties. Words like “believe,” “will”, “can”, “believe”, “expect,” “anticipate” and similar expressions (or the negative of such terms, as well as other words or expressions referencing future events, conditions or circumstances) mean that these are our best estimates as of this writing, but there can be no assurances that expected or anticipated results or events will actually take place, so our actual future results could differ significantly from those statements. Factors that could cause or contribute to such differences include, but are not limited to: effectiveness of our new operational structure, our ability to maintain our competitive advantages, acceptance of new software and improved versions of our existing software by our customers, the general economics of the pharmaceutical industry, our ability to finance growth, our ability to continue to attract and retain highly qualified technical staff, market conditions, macroeconomic factors, and a sustainable market. Further information on our risk factors is contained in our quarterly, annual and current reports and filed with the U.S. Securities and Exchange Commission.

Non-GAAP Financial Measures

This press release includes certain financial measures not presented in accordance with generally accepted accounting principles (“GAAP”) such as Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted EPS and certain ratios and other metrics derived there from. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the presentation of these measures may not be comparable to similarly-titled measures used by other companies. We believe (i) these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends; and (ii) that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are set forth in the appendix to this presentation.

Third Quarter Highlights



CURRENT PERIOD

\$20.4M

Revenue

+10%

Revenue
Growth

\$(3.35)

Diluted EPS

\$0.45

Adj.
Diluted EPS

37%

Adj. EBITDA
Margin

Prior Year Comparison (3Q24)

\$18.5M

Revenue

+14%

Revenue
Growth

\$0.15

Diluted EPS

\$0.27

Adj.
Diluted EPS

30%

Adj. EBITDA
Margin

Trailing Twelve Months (TTM) 3Q25 Highlights



CURRENT PERIOD

\$80.4M

Revenue

+20%

Revenue
Growth

\$(3.14)

Diluted EPS

\$1.10

Adj.
Diluted EPS

28%

Adj. EBITDA
Margin

Prior Year Comparison (3Q24)

\$67.0M

Revenue

+20%

Revenue
Growth

\$0.52

Diluted EPS

\$1.09

Adj.
Diluted EPS

31%

Adj. EBITDA
Margin

General

- Overall software revenue growth of 6% for 3Q25 and 16% for TTM
- Renewal rates impacted by client consolidations and site closures
- Revenue contribution from Pro-ficiencyTM software below expectations

ADMET Predictor®
DISCOVERY
(Cheminformatics)

+8%

Q3 Revenue Growth

GastroPlus®
BIOSIMULATION
(PBPK)

+4%

Q3 Revenue Growth

MonolixSuiteTM
BIOSIMULATION
(PKPD)

+3%

Q3 Revenue Growth

QSP/QST Software
BIOSIMULATION
(QSP/QST)

-39%

Q3 Revenue Decline

Pro-ficiencyTM
CLINICAL OPS
(Study Optimization)

\$0.4M

Q3 Revenue

+4%

TTM Revenue Growth

+0%

TTM Revenue Flat

+18%

TTM Revenue Growth

+7%

TTM Revenue Growth

\$4.4M

TTM Revenue ⁽¹⁾

⁽¹⁾ The TTM revenue for the ALI and MC business units only includes revenue since the acquisition of Pro-ficiency in June 2024.

General

- Overall services revenue growth of 17% for 3Q25 and 27% for TTM
- Total backlog \$20.7M, over 91% expected to be converted to revenue within 12 months
- Revenue contribution from Med Comm services below expectations

PBPK Services
BIOSIMULATION

-10%

Q3 Revenue Decline

PKPD Services
BIOSIMULATION

-9%

Q3 Revenue Decline

QSP/QST Services
BIOSIMULATION

-22%

Q3 Revenue Decline

Med Comm Services
COMMERCIALIZATION

\$2.0M

Q3 Revenue

-13%

TTM Revenue Decline

+6%

TTM Revenue Growth

-1%

TTM Revenue Decline

\$7.3M

TTM Revenue ⁽¹⁾

⁽¹⁾ The TTM revenue for the MC business unit only includes revenue since the acquisition of Pro-ficiency in June 2024.

Financial Results

Revenue - Q3



(in millions)

+10%

Total Revenue
Growth

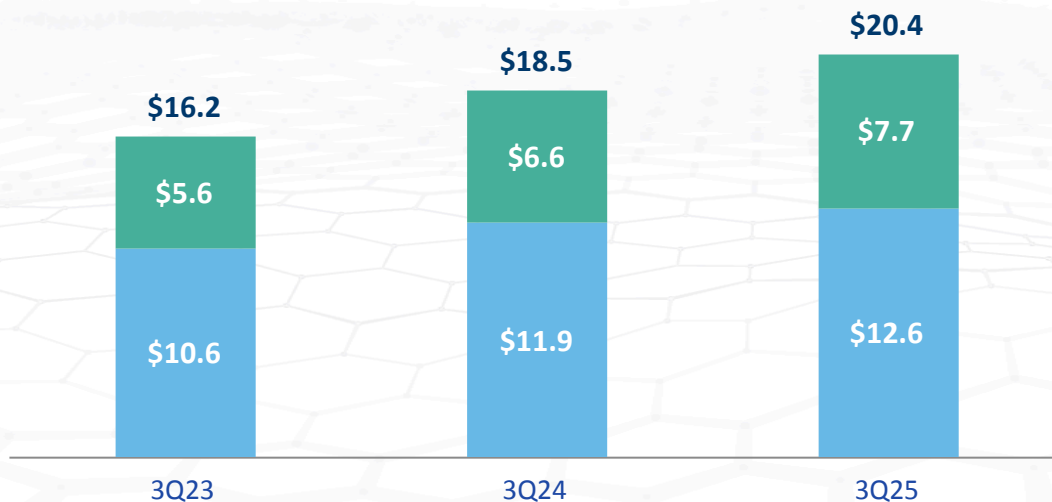
+6%

Software Revenue
Growth

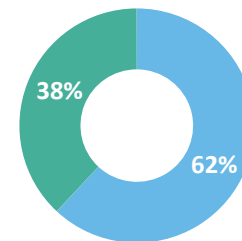
+17%

Services Revenue
Growth

■ Software ■ Services

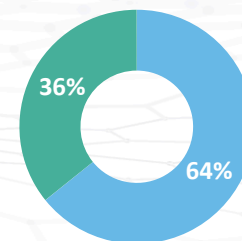


3Q25 Mix



■ Software ■ Services

3Q24 Mix



■ Software ■ Services

Revenue - YTD



(in millions)

+20%

Total Revenue
Growth

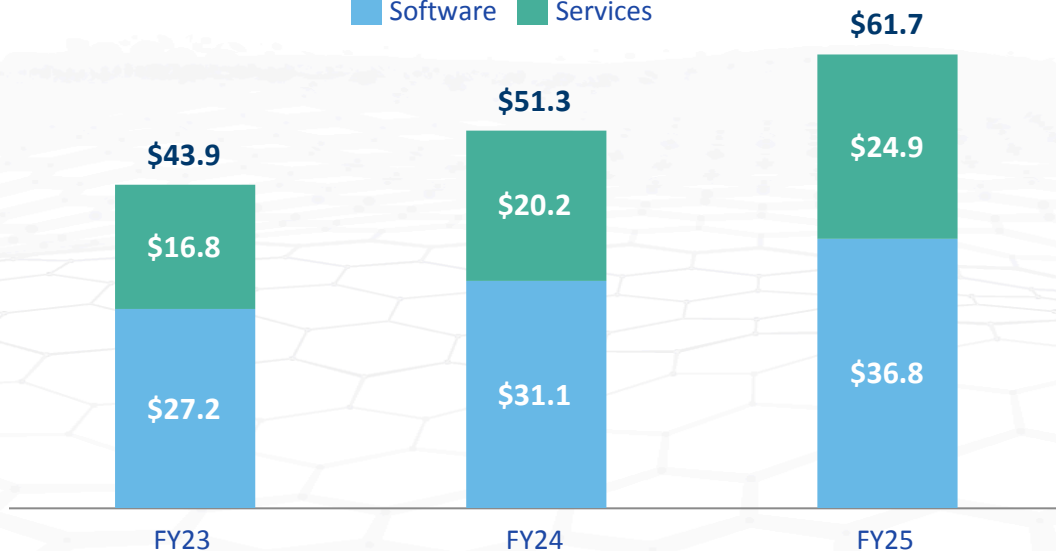
+18%

Software Revenue
Growth

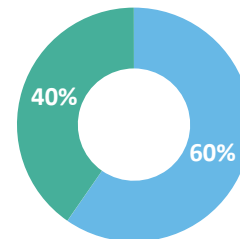
+23%

Services Revenue
Growth

■ Software ■ Services

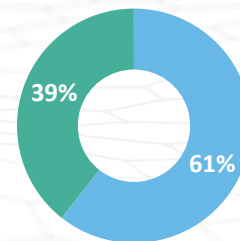


FY25 Mix



■ Software ■ Services

FY24 Mix



■ Software ■ Services

Revenue - Trailing Twelve Months (TTM)



(in millions)

+20%

Total Revenue
Growth

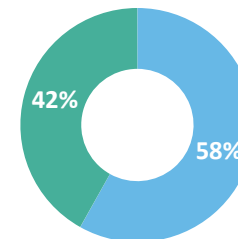
+16%

Software Revenue
Growth

+27%

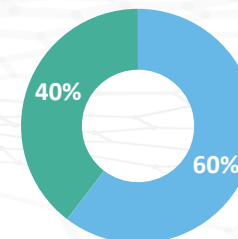
Services Revenue
Growth

3Q25 Mix



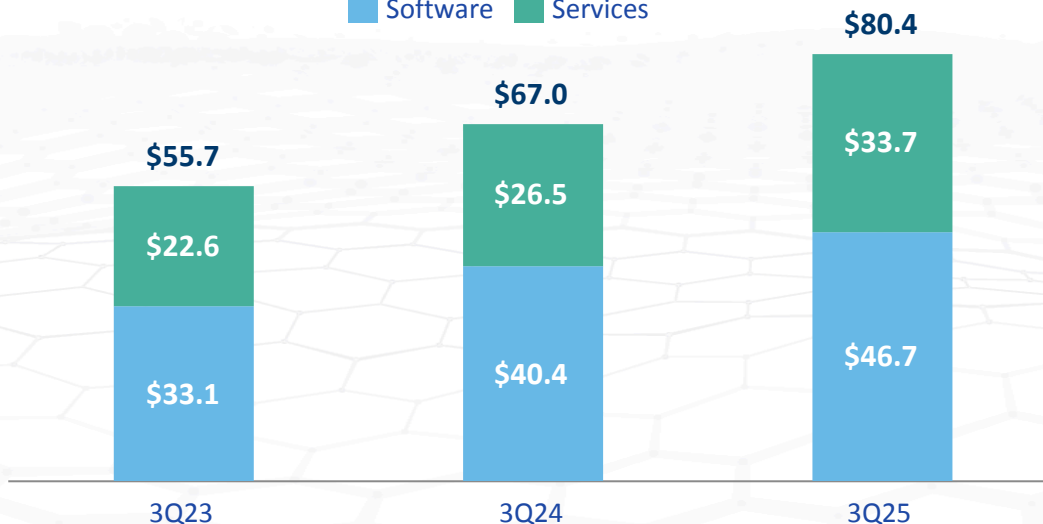
Software Services

3Q24 Mix

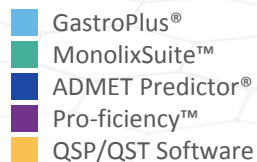
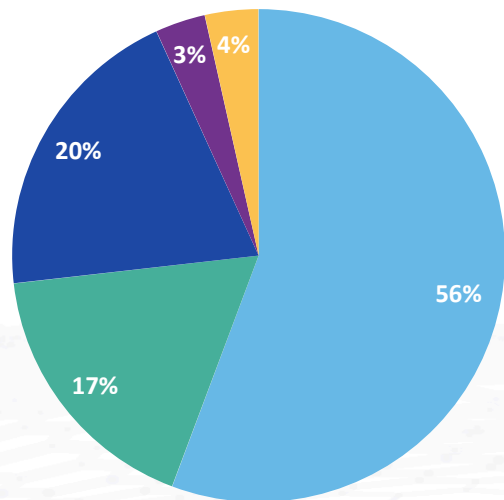


Software Services

Software Services



3Q25



Third Quarter Highlights

GastroPlus®

- 12 new customers
- 4 upsells to existing customers

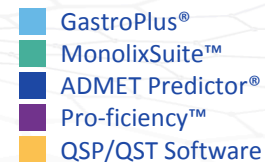
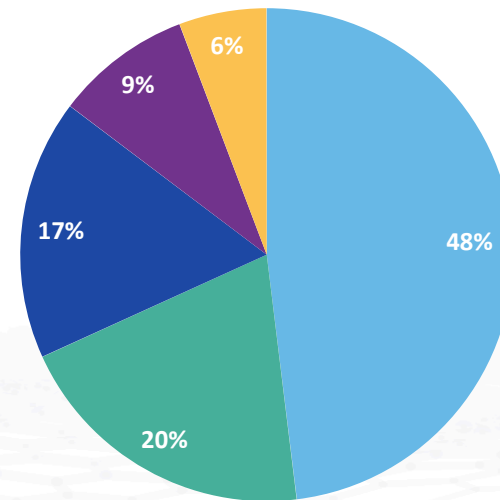
MonolixSuite™

- 18 new customers
- 8 upsells to existing customers

ADMET Predictor®

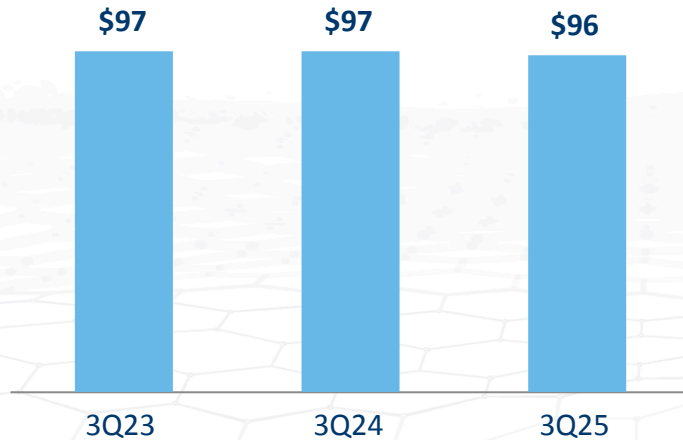
- 16 new customers
- 3 upsells to existing customers

TTM

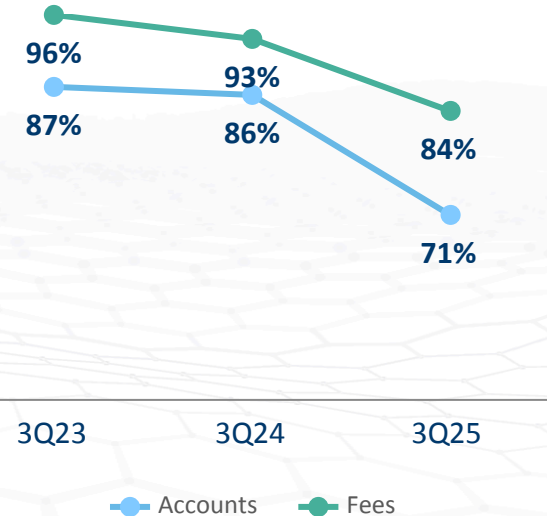


Commercial Customers

Avg. Revenue per Customer
(in thousands)

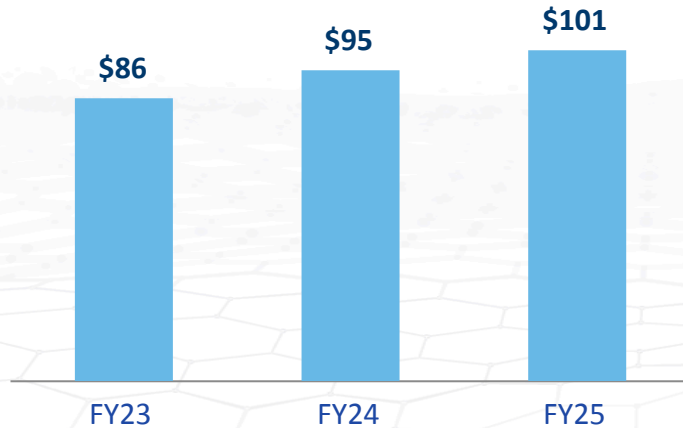


Renewal Rates

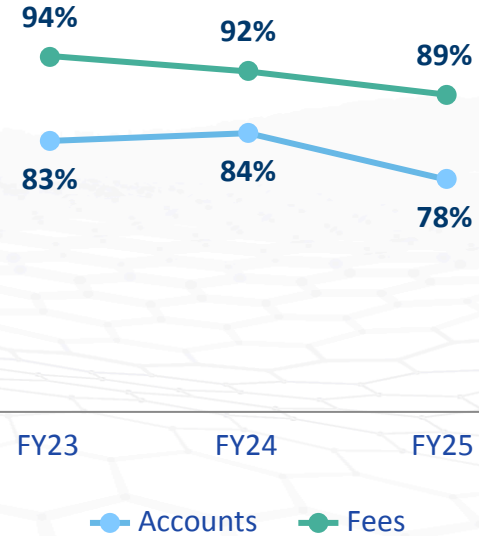


Commercial Customers

Avg. Revenue per Customer
(in thousands)



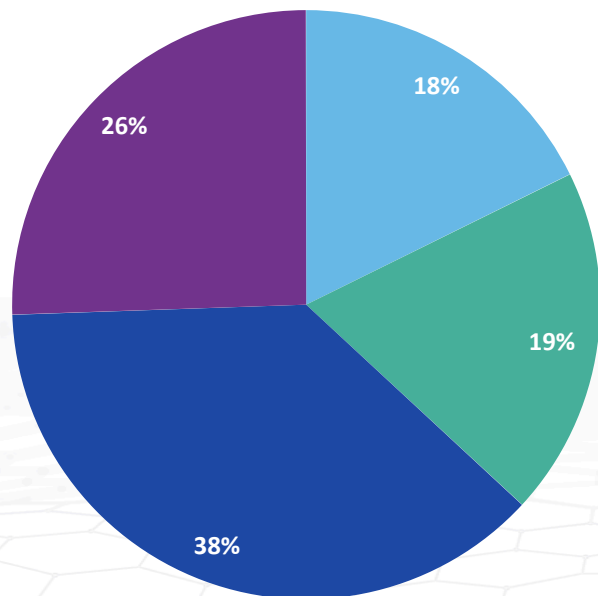
Renewal Rates



Services Solutions as % of Services Revenue



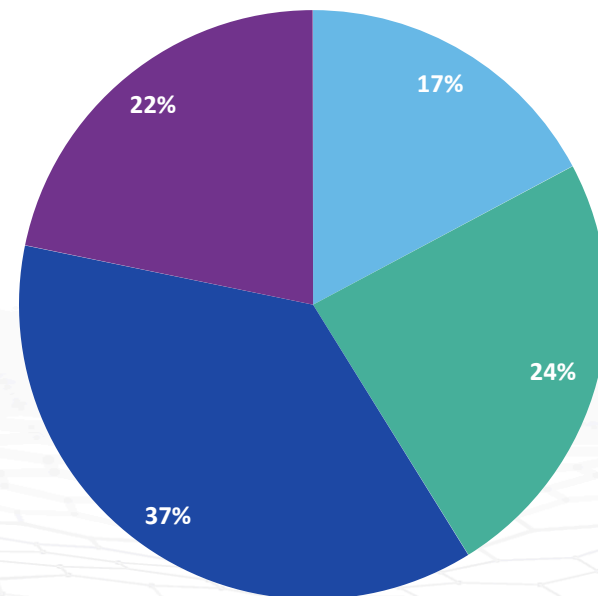
3Q25



PBPK Services
PKPD Services

QSP/QST Services
Med Comm Services

TTM



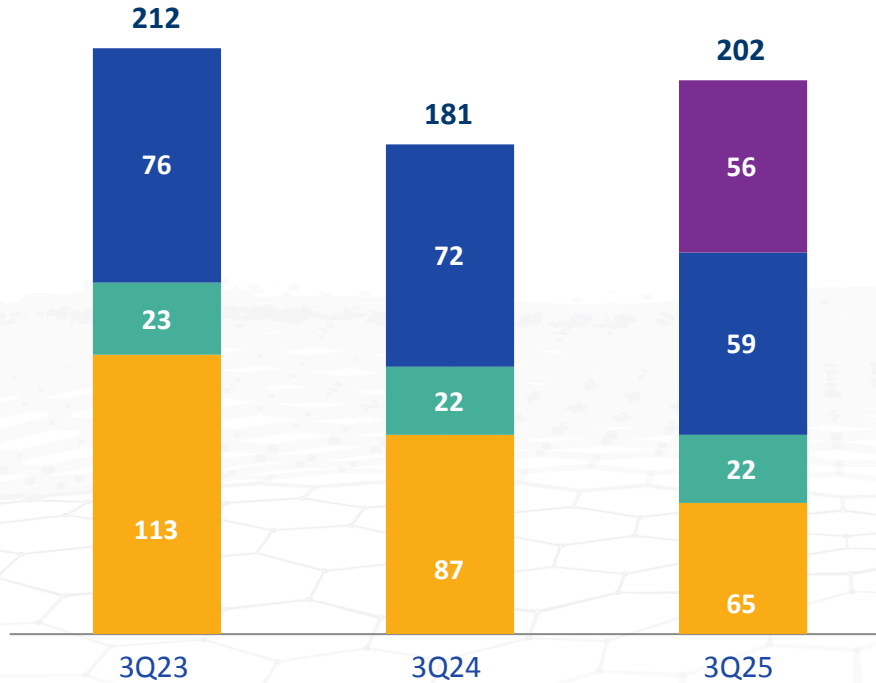
PBPK Services
PKPD Services

QSP/QST Services
Med Comm Services

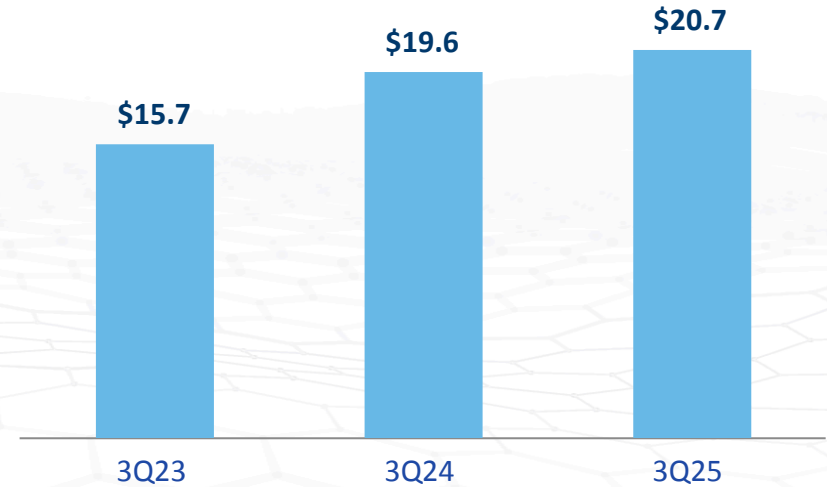
Services Performance Metrics



Total Projects



Backlog (in millions)



PBPK Services QSP/QST Services PKPD Services Med Comm Services

Income Statement Summary - Q3 FY25 ⁽¹⁾



(in millions, except Diluted EPS and Adjusted Diluted EPS)

	3Q25	% of Rev	3Q24	% of Rev
Revenue	\$20.4	100%	\$18.5	100%
Cost of revenue	7.3	36%	5.3	29%
Gross profit	13.0	64%	13.3	71%
R&D	1.2	6%	1.3	7%
S&M	2.7	13%	2.4	13%
G&A	6.1	30%	7.7	41%
Impairments	77.2	379%	—	NM
Total operating exp	87.3	429%	11.4	61%
(Loss) Income from operations	(74.2)	(365)%	1.9	10%
(Loss) Income before income taxes	(74.0)	(364)%	3.9	21%
Income tax benefit (expense)	6.7	33%	(0.8)	(4)%
Effective tax rate	9%		19%	
Net (loss) income	\$(67.3)	(331)%	\$3.1	17%
Diluted EPS	\$(3.35)		\$0.15	
Adjusted EBITDA	\$7.4	37%	\$5.6	30%
Excluded items	\$76.3		\$2.5	
Adjusted Diluted EPS	\$0.45		\$0.27	

⁽¹⁾ Numbers may not add due to rounding

Income Statement Summary - YTD



(in millions, except Diluted EPS and Adjusted Diluted EPS)

	FY25	% of Rev	FY24	% of Rev
Revenue	\$61.7	100%	\$51.3	100%
Revenue growth	20%		17%	
Gross profit	36.4	59%	36.3	71%
R&D	5.2	8%	3.8	7%
S&M	9.2	15%	6.3	12%
G&A	16.1	26%	18.9	37%
Impairments	77.2	125%	—	NM
Total operating exp	107.8	175%	29.0	57%
(Loss) Income from operations	(71.4)	(116)%	7.3	14%
(Loss) Income before income taxes	(70.3)	(114)%	11.5	22%
Income tax benefit (expense)	6.2	10%	(2.4)	(5)%
Effective tax rate	9%		21%	
Net (loss) income	\$(64.0)	(104)%	\$9.1	18%
Diluted EPS	\$(3.19)		\$0.45	
Adjusted EBITDA	\$18.5	30%	\$16.1	31%
Excluded items	\$82.7		\$6.6	
Adjusted Diluted EPS	\$0.93		\$0.77	

⁽¹⁾ Numbers may not add due to rounding

Balance Sheet Summary



(in millions)

	May 31, 2025	August 31, 2024
Cash and short-term investments	\$28.5	\$20.3
Total current assets	51.8	39.3
Total assets	\$134.4	\$196.6
Current liabilities	10.1	12.1
Long-term liabilities	0.5	2.1
Total liabilities	10.6	14.2
Shareholders' equity	123.8	182.4
Total liabilities and shareholders' equity	\$134.4	\$196.6

	<u>Guidance</u>
Total Revenue	\$76M - \$80M
Total Revenue Growth	9% - 14%
Software Revenue Mix	55% - 60%
Adjusted EBITDA ⁽¹⁾ Margin	23% - 27%
Adjusted Diluted EPS ⁽²⁾	\$0.93 - \$1.06

⁽¹⁾ Adjusted EBITDA represents net income excluding the effect of interest expense (income), provision (benefit) for income taxes, amortization expense, intangible asset amortization, equity-based compensation expense, loss (gain) on currency exchange, goodwill impairment, change in fair value of contingent consideration, reorganization expense, acquisition and integration expense and other items not indicative of our ongoing operating performance.

⁽²⁾ Adjusted net income and adjusted diluted earnings per share exclude the effect of amortization expense, equity-based compensation expense, loss (gain) on currency exchange, goodwill impairment, change in fair value of contingent consideration, reorganization expense, acquisition and integration expense and other items not indicative of our ongoing operating performance as well as the income tax provision adjustment for such charges.

Adjusted EBITDA Non-GAAP Reconciliation ⁽¹⁾



(in millions)

	FY24				FY25			FY24	FY25
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Full Year	YTD
Net Income	\$1.945	\$4.029	\$3.137	\$0.843	\$0.206	\$3.074	\$(67.317)	\$9.954	\$(64.037)
Excluding:									
Interest income and expense, net	(1.292)	(1.348)	(1.522)	(0.213)	(0.159)	(0.154)	(0.170)	(4.375)	(0.483)
Provision for income taxes	0.461	1.223	0.753	0.020	0.064	0.434	(6.727)	2.457	(6.229)
Depreciation and amortization	1.091	1.105	1.263	2.206	2.265	2.274	2.318	5.665	6.857
Stock-based compensation	1.303	1.585	1.665	1.387	1.589	1.557	1.279	5.940	4.425
(Gain) loss on currency exchange	(0.044)	0.098	(0.009)	(0.431)	0.015	(0.002)	(0.035)	(0.386)	(0.022)
Impairments	—	—	—	—	—	—	77.221	—	77.221
(Loss) income from disposal of fixed assets	—	—	—	—	—	—	0.023	—	0.023
Change in value of contingent consideration	(0.110)	0.440	(0.599)	(1.370)	—	(0.640)	—	(1.639)	(0.640)
Reorganization expense	—	—	—	—	0.258	0.157	0.845	—	1.260
Mergers & Acquisitions expense	0.034	0.003	0.898	1.706	0.255	(0.122)	—	2.641	0.133
Adjusted EBITDA	\$3.388	\$7.135	\$5.586	\$4.148	\$4.493	\$6.578	\$7.437	\$20.257	\$18.508

⁽¹⁾ Numbers may not add due to rounding

Adjusted Diluted EPS Non-GAAP Reconciliation ⁽¹⁾



(in millions, except Diluted EPS and Adjusted Diluted EPS)

	FY24				FY25			FY24	FY25
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Full Year	YTD
Net (loss) Income (GAAP)	\$1.945	\$4.029	\$3.137	\$0.843	\$0.206	\$3.074	\$(67.317)	\$9.954	\$(64.037)
Excluding:									
Amortization	0.991	0.991	1.122	2.059	2.130	2.130	2.165	5.163	6.425
Stock-based compensation	1.303	1.585	1.665	1.387	1.589	1.557	1.279	5.940	4.425
(Gain) loss on currency exchange	(0.044)	0.098	(0.009)	(0.431)	0.015	(0.002)	(0.035)	(0.386)	(0.022)
Mergers & Acquisitions expense	0.034	0.003	0.898	1.706	0.255	(0.122)	—	2.641	0.133
Change in value of contingent consideration	(0.110)	0.440	(0.599)	(1.370)	—	(0.640)	—	(1.639)	(0.640)
Reorganization expense	—	—	—	—	0.258	0.157	0.845	—	1.260
Impairments	—	—	—	—	—	—	77.221	—	77.221
(Loss) income from disposal of fixed assets	—	—	—	—	—	—	0.023	—	0.023
Tax effect on above adjustments	(0.417)	(0.746)	(0.603)	(0.554)	(1.007)	0.041	(5.153)	(2.320)	(6.119)
Adjusted Net income (Non-GAAP)	3.702	6.400	5.611	3.640	3.446	6.195	9.028	19.353	18.669
Weighted-avg. common shares outstanding:									
Diluted	20.279	20.315	20.433	20.338	20.266	20.277	20.113	20.301	20.092
Diluted EPS (GAAP)	\$0.10	\$0.20	\$0.15	\$0.04	\$0.01	\$0.15	\$(3.35)	\$0.49	\$(3.19)
Adjusted Diluted EPS (Non-GAAP)	\$0.18	\$0.32	\$0.27	\$0.18	\$0.17	\$0.31	\$0.45	\$0.95	\$0.93

⁽¹⁾ Numbers may not add due to rounding



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