



# Earnings Call: Q1 - FY26

January 8, 2026



# Safe Harbor Statement



Except for historical information, the matters discussed in this presentation are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Words like "believe," "will", "can", "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. Statements include but are not limited to those relating to fiscal year 20206 guidance, expected revenue growth and mix, margins and profitability, demand for our services and software, pricing actions, client spending levels and long-term business strategies. Factors that could cause or contribute to such differences include, but are not limited to: effectiveness of our operational structure, our ability to maintain our competitive advantages and commercialize AI and cloud-enabled solutions, evolving regulatory and data privacy standards governing AI technologies, 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 presentation 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.

# First Quarter 2026 Highlights



## Current period

**\$18.4M**

Revenue

**-3%**

Revenue  
Decline

**\$0.03**

Diluted EPS

**\$0.13**

Adj.  
Diluted EPS

**19%**

Adj. EBITDA  
Margin

## Prior Year Comparison (1Q25)

**\$18.9M**

Revenue

**+31%**

Revenue  
Growth

**\$0.01**

Diluted EPS

**\$0.17**

Adj.  
Diluted EPS

**24%**

Adj. EBITDA  
Margin

# Trailing Twelve Months (TTM) Highlights



## Current period

**\$78.7M**

Revenue

**+6%**

Revenue  
Growth

**(\$3.20)**

Diluted EPS <sup>(1)</sup>

**\$0.98**

Adj.  
Diluted EPS

**27%**

Adj. EBITDA  
Margin

## Prior Year Comparison (1Q25)

**\$74.4M**

Revenue

**+20%**

Revenue  
Growth

**\$0.40**

Diluted EPS

**\$0.94**

Adj.  
Diluted EPS

**29%**

Adj. EBITDA  
Margin

<sup>(1)</sup> Diluted EPS includes a non-cash impairment charge of \$77.2 million

## General

- Overall software revenue decline of 17% for 1Q26 and was flat TTM
- Renewal rates impacted by client consolidations and site closures

Discovery

Development

Clinical Operations

**+3%**

Q1 Revenue Growth

**-6%**

Q1 Revenue Decline

**-82%**

Q1 Revenue Decline

**+3%**

TTM Revenue Growth

**+1%**

TTM Revenue Growth

**-28%**

TTM Revenue Decline

## General

- Overall services revenue growth of 16% for 1Q26 and 15% for TTM
- Total backlog \$20.4M

Development

Commercialization

**+8%**

Q1 Revenue  
Growth

**+42%**

Q1 Revenue  
Growth

**-5%**

TTM Revenue  
Decline

**+191%**

TTM Revenue  
Growth

# Revenue - Q1 FY26



(in millions)

**-3%**

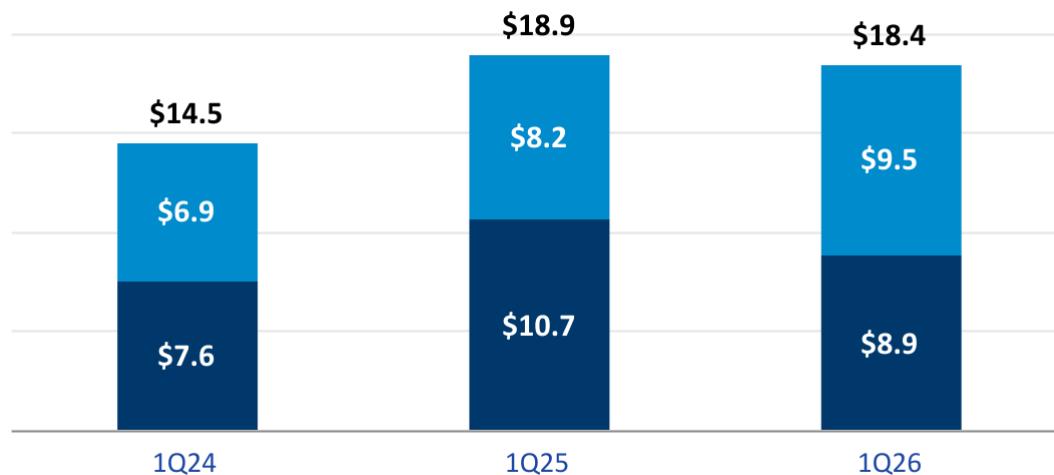
Total Revenue  
Decline

**-17%**

Software Revenue  
Decline

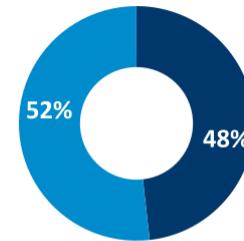
**+16%**

Services Revenue  
Growth



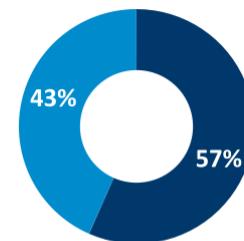
■ Software ■ Services

**1Q26 Mix**



■ Software ■ Services

**1Q25 Mix**



■ Software ■ Services

# Revenue - Trailing Twelve Months (TTM)



(in millions)

**+6%**

Total Revenue  
Growth

**\$62.1**

**\$24.1**

**\$38.0**

**1Q24**

**0%**

Software Revenue  
Growth

**\$74.4**

**\$30.3**

**\$44.2**

**1Q25**

**+15%**

Services Revenue  
Growth

**\$78.7**

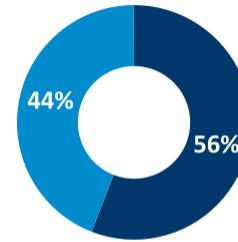
**\$34.7**

**\$44.0**

**1Q26**

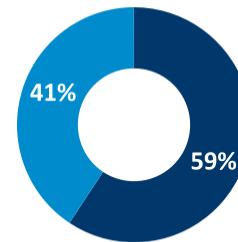
■ Software ■ Services

**1Q26 Mix**



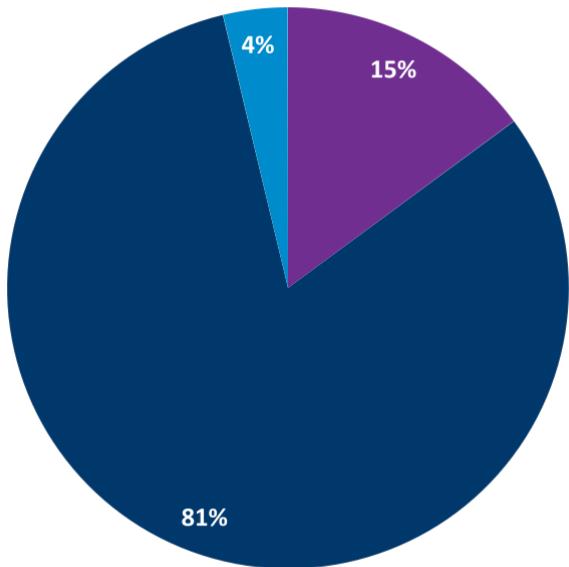
■ Software ■ Services

**1Q25 Mix**



■ Software ■ Services

1Q26



## First Quarter Highlights

### Discovery

#### ADMET Predictor®

- 11 new clients
- 2 upsells to existing clients

### Development

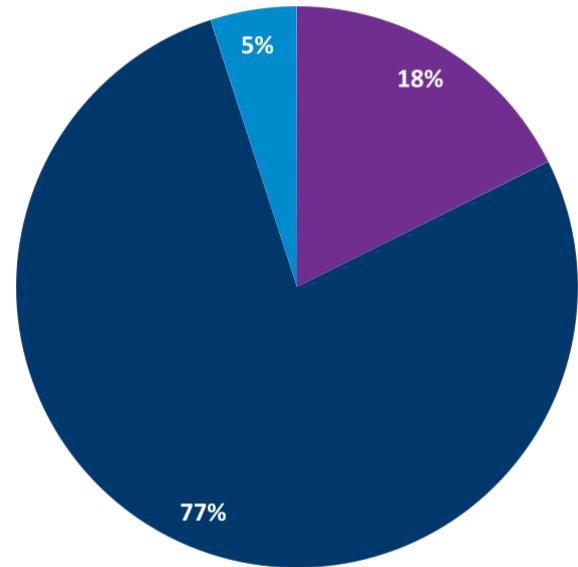
#### GastroPlus®

- 10 new clients
- 2 upsells to existing clients

#### MonolixSuite™

- 6 new clients
- 8 upsells to existing clients

TTM

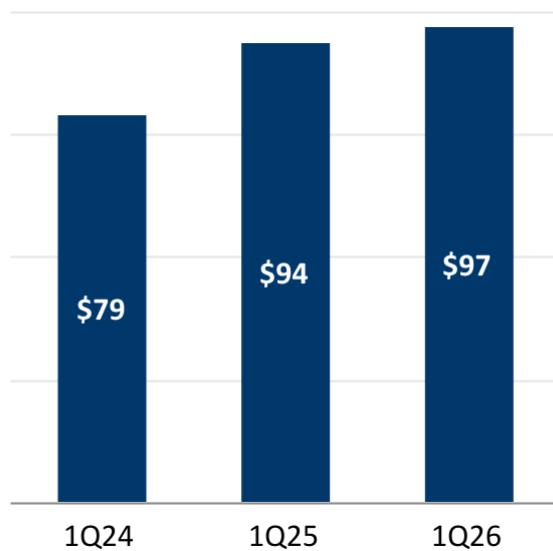


 Discovery  
 Development  
 Clinical Ops

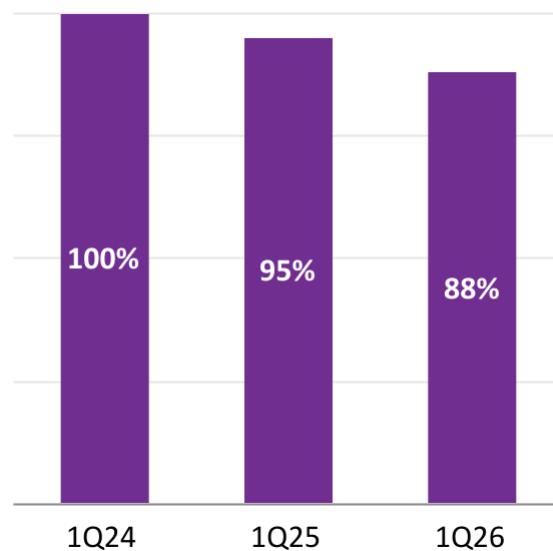
 Discovery  
 Development  
 Clinical Ops

## Commercial Clients

**Avg. Revenue per Client**  
(in thousands)



**Renewal Rate**  
(fee based)



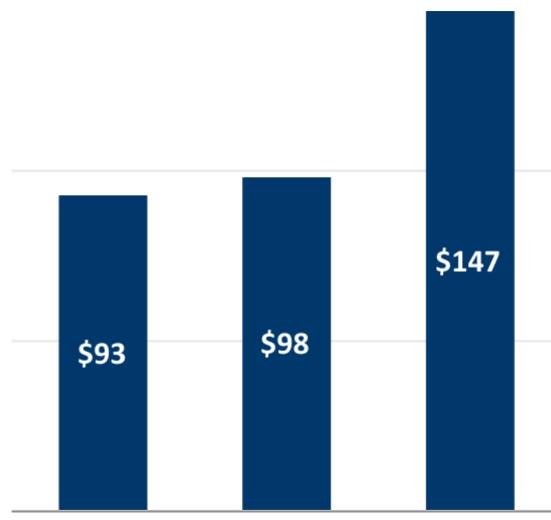
# Software Performance Metrics - TTM



## Commercial Clients

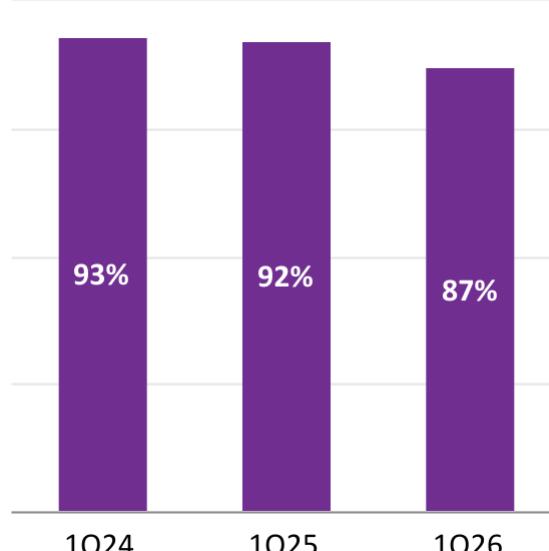
### Avg. Revenue per Client

(in thousands)



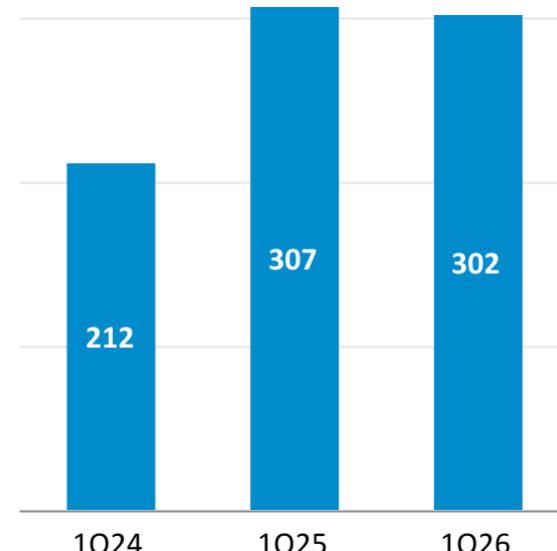
### Renewal Rate

(fee based)



### Clients

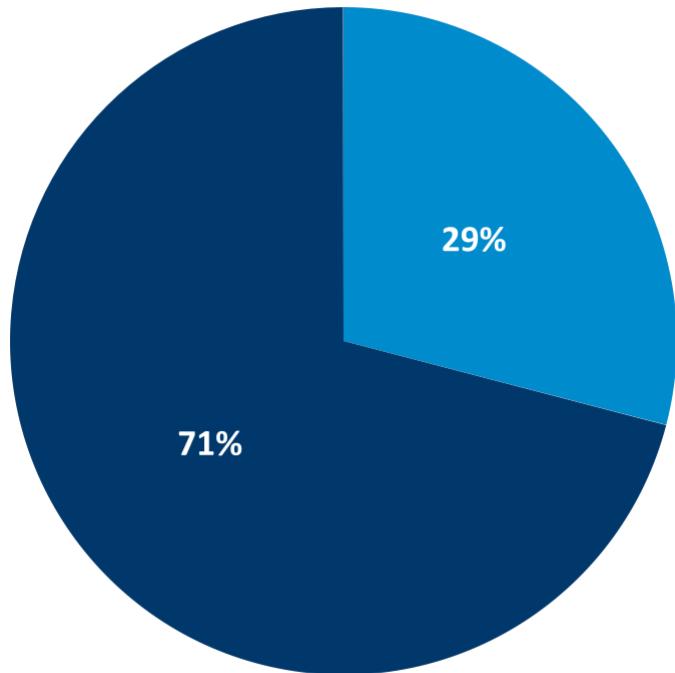
(end of period)



# Services Solutions as % of Services Revenue

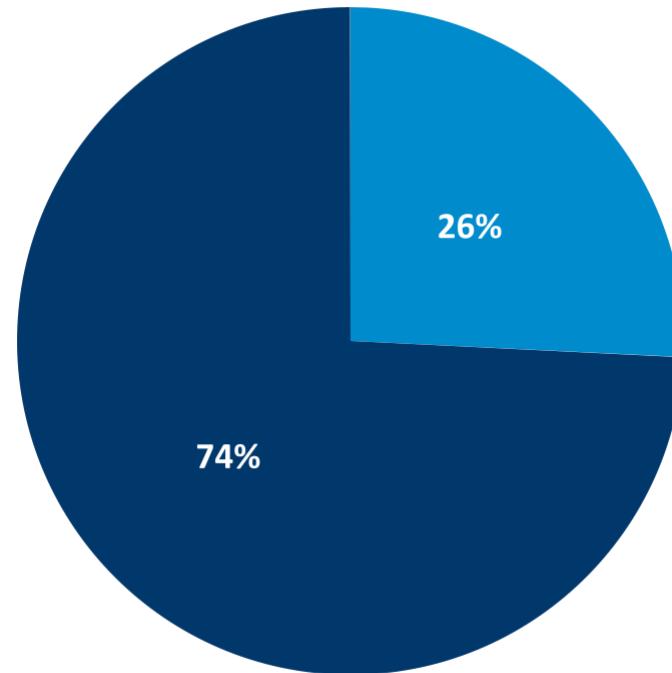


**Q1 FY26**



- Development
- Commercialization

**TTM**

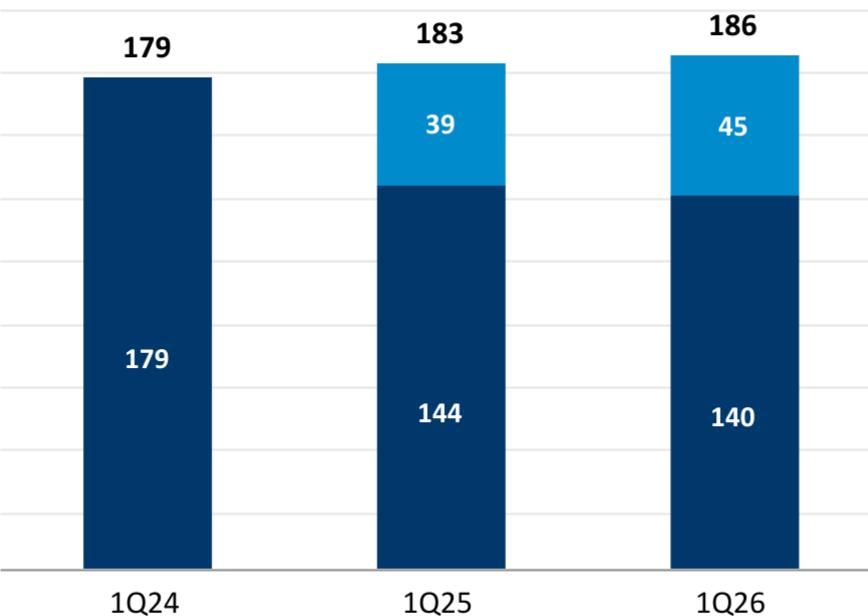


- Development
- Commercialization

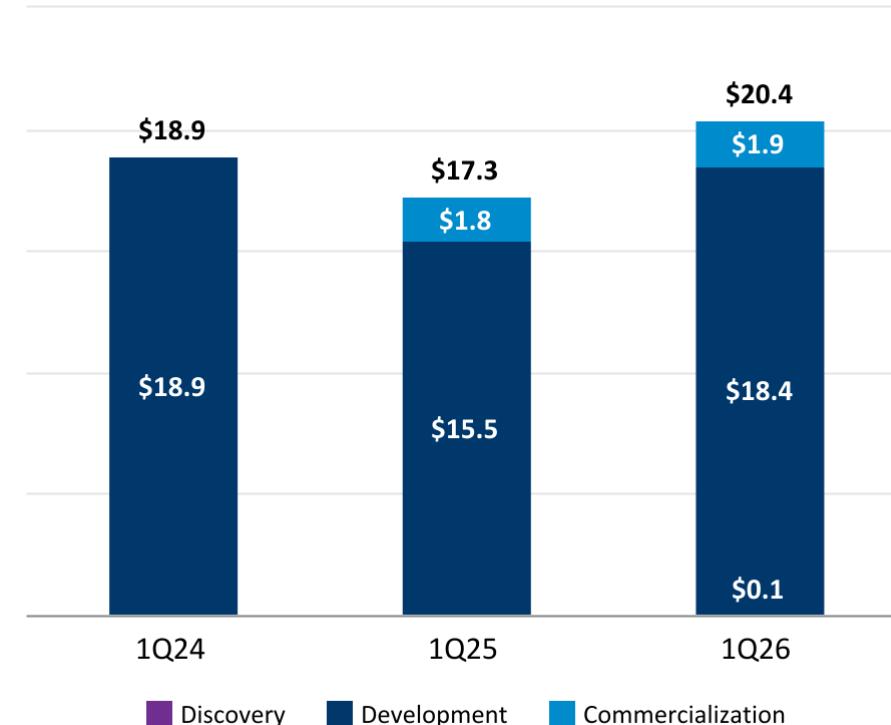
# Services Performance Metrics Q1 FY26



## Total Projects



## Backlog (in millions)



Discovery

Development

Commercialization

Discovery

Development

Commercialization

# Income Statement Summary - Q1 FY26 <sup>(1)</sup>



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

	1Q26	% of Rev	1Q25	% of Rev
Revenue	\$18.4	100%	\$18.9	100%
Cost of revenue	7.5	41%	8.7	46%
Gross profit	10.9	59%	10.2	54%
R&D	3.0	16%	1.8	10%
S&M	3.2	17%	2.9	15%
G&A excluding nonrecurring	4.0	22%	4.9	26%
Nonrecurring	—	0%	0.5	3%
Total operating expense	10.2	55%	10.1	53%
Income from operations	0.7	4%	0.1	1%
Income before income taxes	1.0	5%	0.3	1%
Income tax expense	(0.3)	-2%	(0.1)	0%
Net Income	\$0.7	4%	\$0.2	1%
Diluted EPS	\$0.03		\$0.01	
Adjusted EBITDA	\$3.5	19%	\$4.5	24%
Adjusted Diluted EPS	\$0.13		\$0.17	

<sup>(1)</sup> Numbers may not add due to rounding

# Balance Sheet Summary <sup>(1)</sup>



(in millions)

	November 30, 2025	August 31, 2025
<b>Cash and short-term investments</b>	<b>\$35.7</b>	<b>\$32.4</b>
Other current assets	22.5	19.2
Long term assets	79.7	80.4
<b>Total assets</b>	<b>\$137.8</b>	<b>\$131.9</b>
Current liabilities	10.3	6.7
Long-term liabilities	0.4	0.4
<b>Total liabilities</b>	<b>10.7</b>	<b>7.1</b>
Shareholders' equity	127.1	124.8
<b>Total liabilities and shareholders' equity</b>	<b>\$137.8</b>	<b>\$131.9</b>

<sup>(1)</sup> Numbers may not add due to rounding

# Fiscal 2026 Guidance



Guidance	
<b>Total Revenue</b>	\$79M - \$82M
<b>Total Revenue Growth</b>	0% - 4%
<b>Software Revenue Mix</b>	57% - 62%
<b>Adjusted EBITDA Margin <sup>(1)</sup></b>	26% - 30%
<b>Adjusted Diluted EPS <sup>(2)</sup></b>	\$1.03 - \$1.10

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

<sup>(2)</sup> Adjusted net income and adjusted diluted earnings per share exclude the effect of amortization, equity-based compensation expense, loss (gain) on currency exchange, impairment charges, 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 <sup>(1)</sup>



(in thousands)

	1Q26	1Q25
Net income	\$676	\$206
Excluding:		
Interest income and expense, net	(267)	(159)
Provision for income taxes	294	64
Depreciation and amortization	1,346	2,265
Stock-based compensation	1,465	1,589
Loss on currency exchange	10	15
Reorganization expense	—	258
Mergers & Acquisitions expense	10	255
Adjusted EBITDA	\$3,534	\$4,493

<sup>(1)</sup> Numbers may not add due to rounding

# Adjusted Diluted EPS Non-GAAP Reconciliation <sup>(1)</sup>



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

	1Q26	1Q25
Net income	\$676	\$206
Excluding:		
Amortization	1,259	2,130
Stock-based compensation	1,465	1,589
Loss on currency exchange	10	15
Mergers & Acquisitions expense	10	255
Reorganization expense	—	258
Tax effect on above adjustments	(832)	(1,007)
Adjusted Net income	\$2,588	\$3,446
Diluted weighted-avg. common shares outstanding	20,220	20,266
Diluted EPS	\$0.03	\$0.01
Adjusted Diluted EPS	\$0.13	\$0.17

<sup>(1)</sup> Numbers may not add due to rounding



# Thank You



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