

THE AQT 2018 COMPETITIVENESS BAROMETER

DATA ANALYSIS RESULTS FOR COMPANIES
WITH 4 TO 500 EMPLOYEES

TECH INDUSTRY SMES AT A GLANCE

35 AVERAGE NUMBER OF OVERALL EMPLOYEES

Companies whose total revenue exceeds \$10M employ an average staff of 222 people; businesses with sales between \$5M and \$10M employ 68 people on average.

27% of companies with employees outside Québec (average workforce of 43 employees)

19 AVERAGE LIFESPAN OF THE BUSINESS

For the first time, this indicator - which has risen steadily since 2011 - is exhibiting a youthful trend. This reversal of the prevailing trend toward ageing companies also confirms the rise in businesses founded after 2006; this segment has increased by 11% since 2015.

> THE INDUSTRY IS GETTING YOUNGER

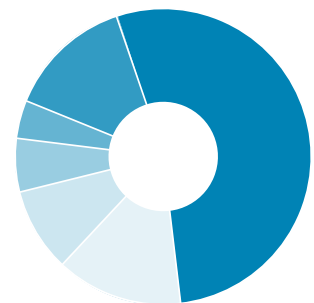
The rising number of new companies since 2006 is attributable to business opportunities generated by the Internet, social media, the "software as a service" approach, and cloud computing.

53% OF JOBS ARE IN PRODUCTION AND RESEARCH AND DEVELOPMENT

These results reflect the accelerating speed at which businesses are evolving and upgrading their technologies.

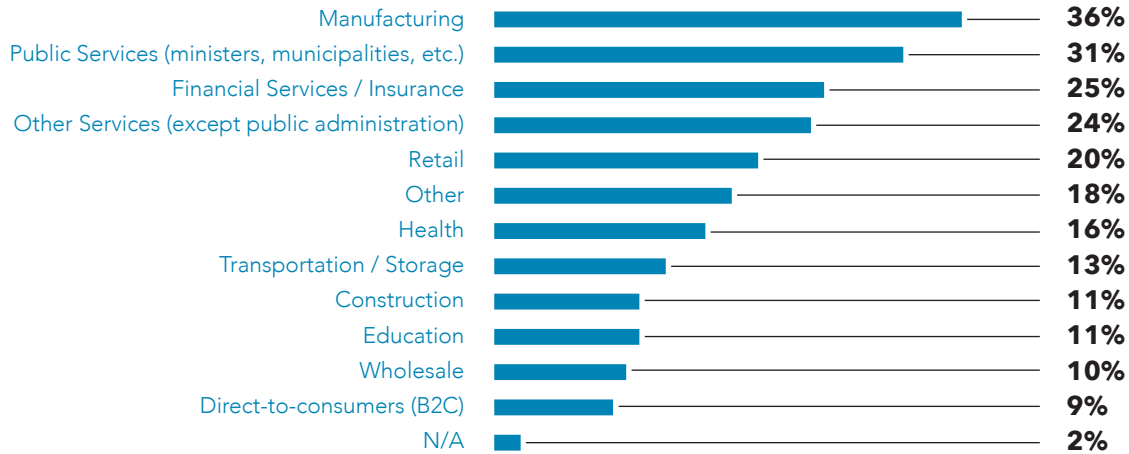
In addition, 23% of all staff work in positions related to customer service and marketing.

- **14%**
Upper Management
- **53%**
Production/R&D
- **14%**
Customer Service
- **9%**
Marketing
- **6%**
Administration
- **4%**
Other



36% OF COMPANIES SERVE THE MANUFACTURING SECTOR

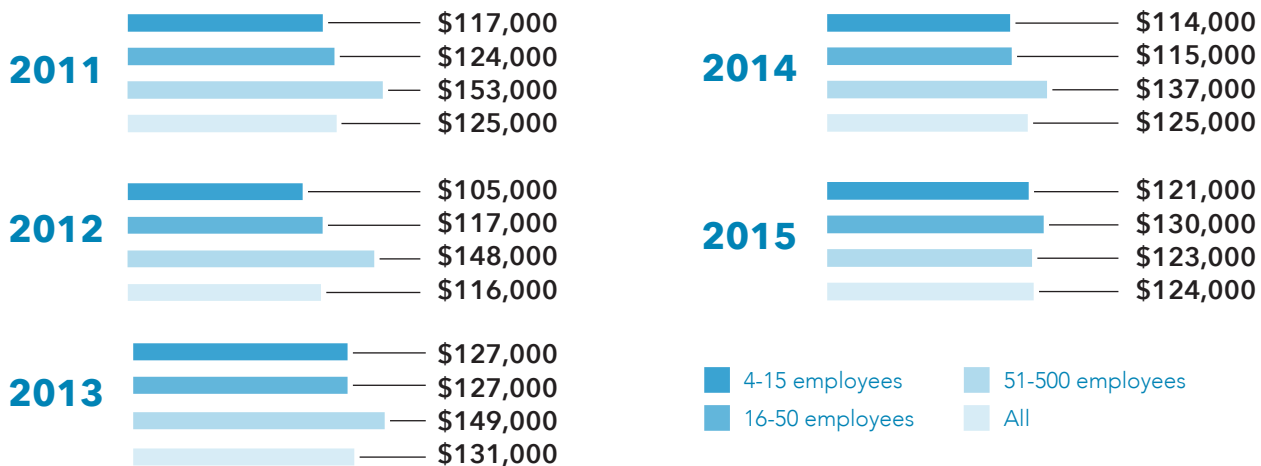
This figure is similar to that in our 2015 survey. However, the latter ranked "Financial Services / Insurance" second and "Other public services" third.



\$124 000 OF GROSS REVENUE GENERATED PER EMPLOYEE, ON AVERAGE

This is the third consecutive decrease (\$14,000) of this indicator for these companies.

For their part, businesses with 4 to 15 employees and those with 16 to 50 staffers demonstrate continued growth, with respective increases of \$7,000 and \$15,000.



2.51% AVERAGE ANNUAL GROWTH OVER 10 YEARS FOR THE ICT INDUSTRY, I.E. NEARLY DOUBLE THE TOTAL ANNUAL GDP GROWTH OF 1.52%

The ICT industry's GDP represents 5.04% of Québec's total GDP¹.

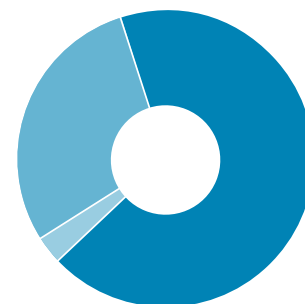
68% TOOK ADVANTAGE OF TAX CREDITS

Companies with a higher number of employees tend to take advantage of tax credits more often than their smaller counterparts.

Although the rate of usage of these credits has increased (following consecutive decreases from 2012 to 2015) they remain difficult to access for companies with 4 to 15 employees. Barriers to use include the imposition of a \$50,000 eligibility threshold for SMEs, opaque program management, and the complexity of eligibility criteria.

For companies who used these credits, this fiscal benefit represented a similar share of their total sales: 15% for the R&D tax credit versus 12% for e-commerce.

- **68%**
Used tax credits
- **29%**
Did not use tax credits
- **3%**
Don't know; did not respond

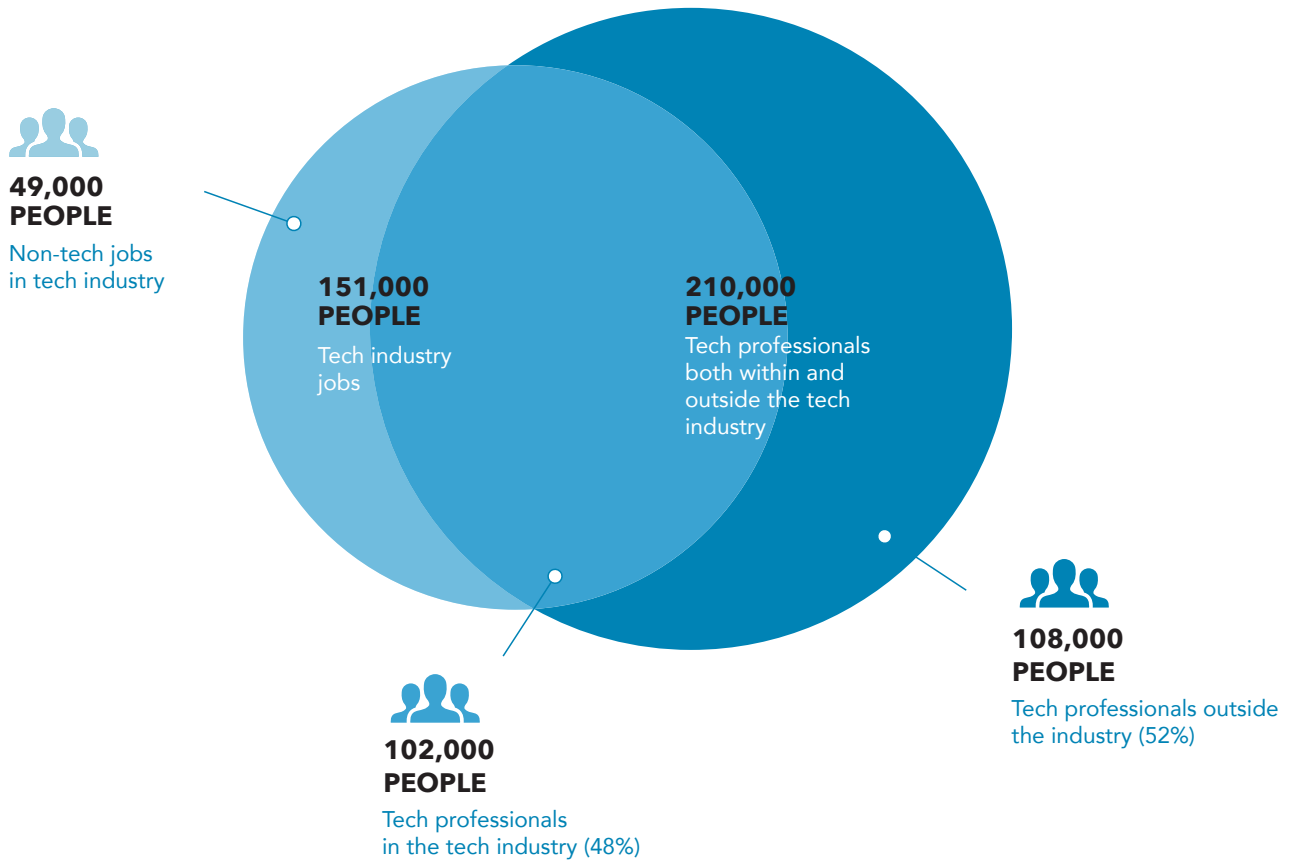


The SR&ED and TCEB tax credits have been essential to our company's growth. They enabled us to boost competitiveness by providing additional tools, so we could innovate and develop world-class products. In short, they worked as catalysts and accelerators for our business.

JEAN MAGNY
CEO, Genius Solutions

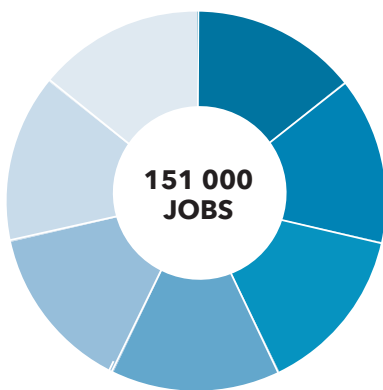
1. 2018 Sectoral Analysis, TECHNOCCompétences, p.7

OVERALL BREAKDOWN OF QUÉBEC ICT INDUSTRY JOBS AND PROFESSIONALS IN 2018



THE QUÉBEC TECH INDUSTRY

The tech industry SMEs creates quality jobs



- Finance
- Management
- Clients support
- International development
- Engineering
- Programing
- Marketing

Source: Taken from 2018 Sectoral Analysis, TECHNOCompétences, p.12.