Altus Group

Q3 2022 Earnings Call & Webcast

Nov. 10, 2022

Camilla Bartosiewicz

Chief Communications Officer

Forward-looking information & statements

Certain information in this presentation and on the Q3 2022 results earnings call and webcast may constitute “forward-looking information” within the meaning of applicable securities legislation. All information contained in this press release, other than statements of current and historical fact, is forward-looking information. Forward-looking information includes, but is not limited to, the discussion of our business and operating initiatives, focuses and strategies, our expectations of future performance for our various business units and our consolidated financial results, including the guidance on financial expectations, and our expectations with respect to cash flows and liquidity. Generally, forward-looking information can be identified by use of words such as “may”, “will”, “expect”, “believe”, “plan”, “would”, “could”, “remain” and other similar terminology. All of the forward-looking information in this press release is qualified by this cautionary statement.

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results, performance or achievements, industry results or events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that we identified and applied in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to: engagement and product pipeline opportunities in Altus Analytics will result in associated definitive agreements; continued adoption of cloud subscriptions by our customers; retention of material clients and bookings; sustaining our software and subscription renewals; settlement volumes in the Property Tax business occurring on a timely basis and assessment authorities processing appeals in a manner consistent with expectations; successful execution of our business strategies; consistent and stable economic conditions or conditions in the financial markets; consistent and stable legislation in the various countries in which we operate; consistent and stable foreign exchange conditions; no disruptive changes in the technology environment; opportunity to acquire accretive businesses and the absence of negative financial and other impacts resulting from strategic investments or acquisitions on short term results; successful integration of acquired businesses; and continued availability of qualified professionals. Projections may also be impacted by macroeconomic factors, in addition to other factors not controllable by the Company. Altus Group has also made certain macroeconomic and general industry assumptions in the preparation of such forward-looking statements. Not all factors which affect the forward-looking information are known, and actual results may vary from the projected results in a material respect, and may be above or below the forward-looking information presented in a material respect.

The COVID-19 pandemic has cast additional uncertainty on each of these factors and assumptions. There can be no assurance that they will continue to be valid. The duration, extent and severity of the impact the COVID-19 pandemic, including measures to prevent its spread, will have on our business is uncertain and difficult to predict at this time. As of the date of this press release, some of our offices and clients remain subject to limited COVID-19 restrictions, and a significant portion of our employees continue to work remotely.

Inherent in the forward-looking information are known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any results, performance or achievements expressed or implied by such forward-looking information. Those risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information include, but are not limited to: the general state of the economy; the COVID-19 pandemic; our financial performance; our financial targets; the commercial real estate market; acquisitions; industry competition; business interruption events; third party information; cybersecurity; professional talent; our cloud subscriptions transition; software renewals; our sales pipeline; enterprise transactions; customer concentration and loss of material clients; product enhancements and new product introductions; technological strategy; intellectual property; property tax appeals and seasonality; legislative and regulatory changes; privacy and data protection; our brand and reputation; fixed-price and contingency engagements; the Canadian multi-residential market; currency fluctuations; interest rates; credit; income tax matters; health and safety hazards; our contractual obligations; legal proceedings; our insurance limits; our ability to meet the solvency requirements necessary to make dividend payments; our leverage and financial covenants; our share price; our capital investments; and the issuance of additional common shares and debt, as well as those described in our annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2021 and Management’s Discussion and Analysis for the year ended December 31, 2021 (which are available on SEDAR at www.sedar.com).

Given these risks, uncertainties and other factors, investors should not place undue reliance on forward-looking information as a prediction of actual results. The forward-looking information reflects management’s current expectations and beliefs regarding future events and operating performance and is based on information currently available to management. Although we have attempted to identify important factors that could cause actual results to differ materially from the forward-looking information contained herein, there are other factors that could cause results not to be as anticipated, estimated or intended. The forward-looking information contained herein is current as of the date of this press release and, except as required under applicable law, we do not undertake to update or revise it to reflect new events or circumstances. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Altus Group, our financial or operating results, or our securities.

Non-GAAP and other measures

Non-GAAP financial measures

We use certain non-GAAP measures as indicators of financial performance. Readers are cautioned that they are not defined performance measures, and do not have any standardized meaning under IFRS and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to financial measures as reported by those entities. We believe that these measures which include non-GAAP financial measures and non-GAAP ratios as defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure ("**NI 52-112**"), may assist investors in assessing an investment in our shares as they provide additional insight into our performance. These non-GAAP measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS.

Other measures

We also apply certain other measures to allow us to measure our performance against our operating strategy and against the results of our peers and competitors. Readers are cautioned that they are not standardized financial measurements in accordance with IFRS and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to financial measures as reported by those entities. These other measures, which include supplementary financial measures as defined in NI 52-112, should not be considered in isolation or as a substitute for any other measure of performance under IFRS.

Please refer to the Company's most current MD&A or the Appendix of this presentation for a full list and definitions of the non-GAAP and other financial measures referred in this presentation.

Angelo Bartolini

Chief Financial Officer

Q3 2022 highlights

All % growth rates are on constant currency over Q3 2021 unless otherwise stated:

▲ 18%
Consolidated Revenues

▲ 34%
Consolidated Adj. EBITDA*

18.5%
Consolidated Adj. EBITDA Margin* ▲ 240 bps y/y

▲ $7M
Consolidated Profit

▲ 35%
Analytics Revenues

▲ 6%
CRE Consulting Revenues

▲ 332%
Cash from Operations
(as reported)

$0.15
Earnings Per Share (EPS)
(basic & diluted, ▲ from -$0.01

▲ 40%
Analytics Over Time Revenues*

24%
Analytics Adj. EBITDA Margin*
▲ 590 bps y/y

▲ 28%
Analytics Bookings*

$0.42
Adj. EPS*
▲ *from $0.39*

** Non-GAAP measure*

Strong consolidated performance

$ CAD Millions	Q3 2022	Q3 2021	Year-over-year change: As Reported	Year-over-year change: Constant Currency
Revenues	**$177.7**	$151.8	▲ 17.1%	▲ 18.1%
Profit (Loss)	**$6.8**	(-$0.3)	▲ 2,414.2%	
EPS (basic & diluted)	**$0.15**	(-$0.01)	▲ 1,600.0%	
Adjusted EBITDA*	**$32.9**	$24.4	▲ 34.8%	▲ 33.6%
Adjusted EBITDA margin*	**18.5%**	16.1%	▲ 240 bps	
Adjusted EPS*	**$0.42**	$0.39	▲ 7.7%	

▲ 13.2%

Organic Revenues*
(y/y, CC)

6 consecutive quarters of **double-digit** topline growth

$24.2M

Cash from operations

vs. $5.6M in prior year

* Non-GAAP measure   CC = constant currency

AltusGroup

Growing revenues & expanding margins at Analytics

$ CAD Millions	Q3 2022	Q3 2021	Year-over-year change *As Reported*	*Constant Currency*
Revenues	**$87.6**	$65.1	▲ 34.6%	▲ 34.8%
Over Time Revenues*	**$76.9**	$55.1	▲ 39.6%	▲ 40.1%
Adjusted EBITDA*	**$20.9**	$11.7	▲ 78.4%	▲ 75.8%
Adjusted EBITDA margin*	**23.9%**	18.0%	▲ 590 bps	

▲ 25.0%

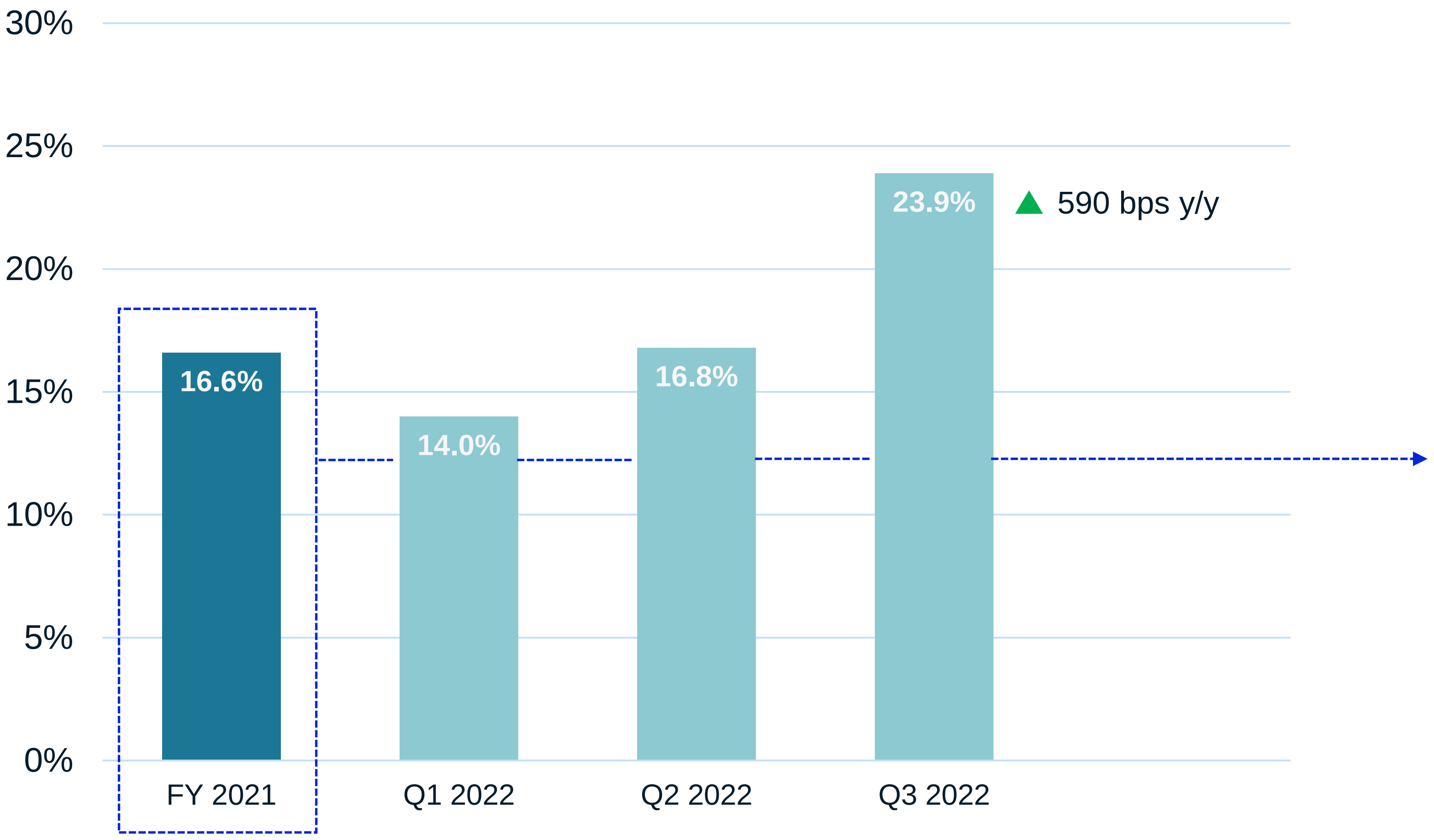
Organic Revenues*
(y/y, CC)

▲ 28.2%

Organic Over Time Revenues* (y/y, CC)

** Non-GAAP measure* *CC = constant currency*

Expanding Analytics Adjusted EBITDA margins*



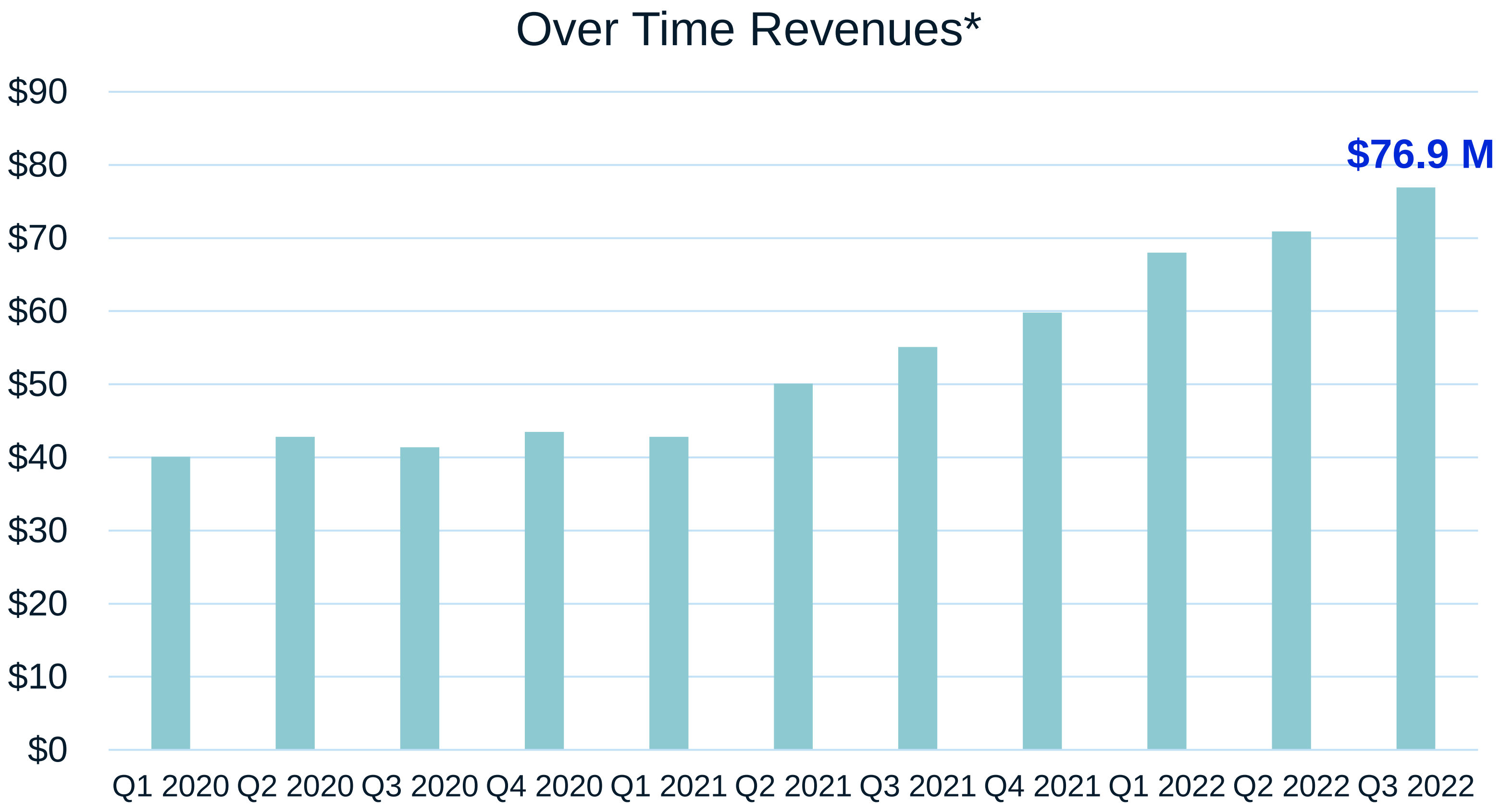
18.4%

YTD Adj. EBITDA margin*
110 bps y/y
from 17.3% YTD Q3/21

Balancing growth & investments to steadily expand annual margins

* Non-GAAP measure

Growing Over Time revenue base at Analytics



▲ 40.1%

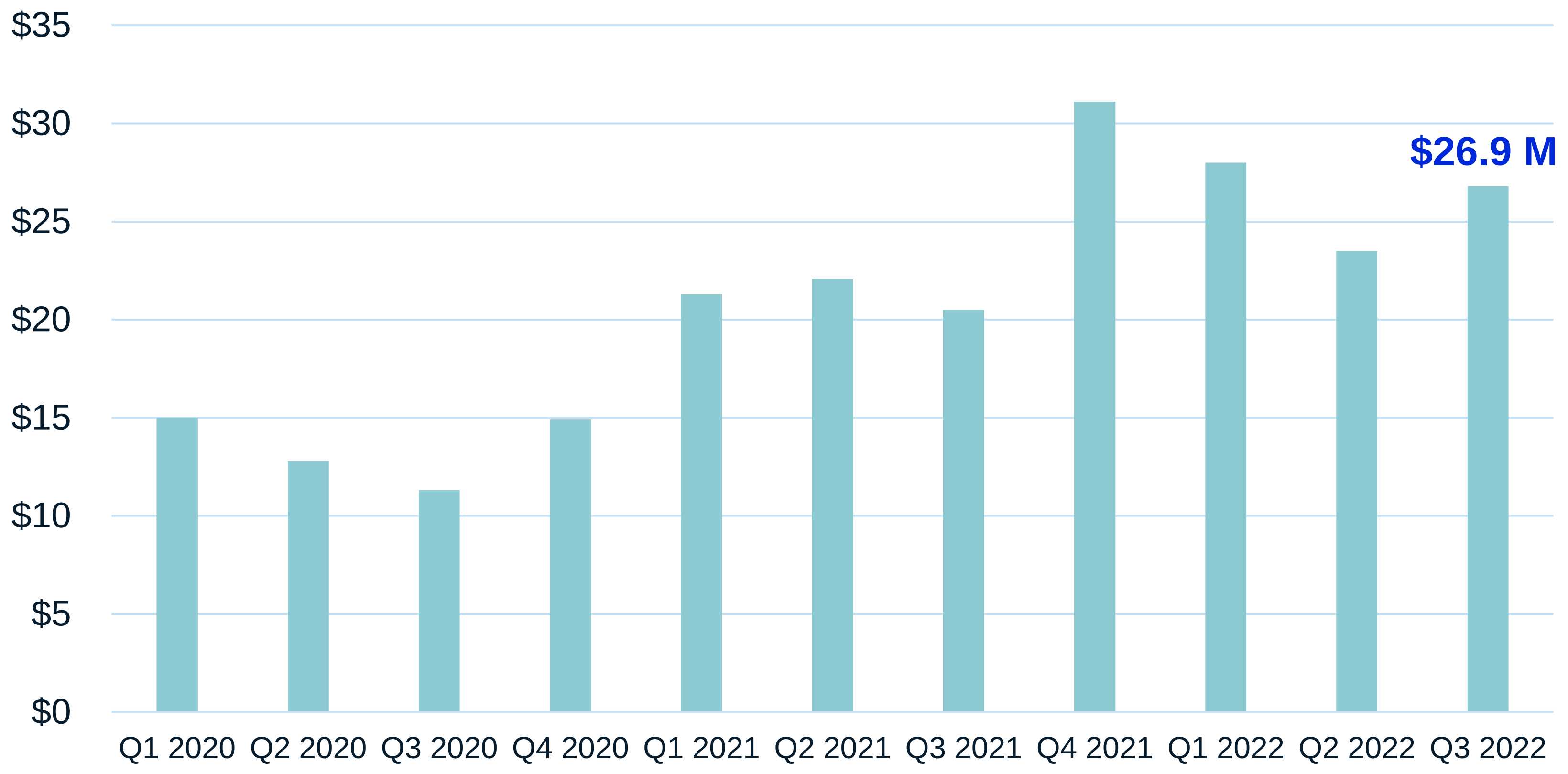
(y/y, CC)

▲ 28.2% **Organic** Over Time Revenues* (y/y, CC)

~86% of YTD Analytics revenues are Over Time

* Non-GAAP measure CC = constant currency

Solid Analytics Bookings* growth



▲ 27.9%

Total Bookings
(y/y, CC)

▲ 54.5%

Recurring Bookings*
(y/y, CC)

** Non-GAAP measure   CC = constant currency*

Steady performance at CRE Consulting

REVENUES

$ CAD Millions	Q3 2022	Q3 2021	Year-over-year change: As Reported	Year-over-year change: Constant Currency
Property Tax	**$60.7**	$58.5	▲ 3.9%	▲ 6.0%
Valuation & Cost Advisory	**$29.5**	$28.3	▲ 4.4%	▲ 5.2%
Revenues	**$90.3**	$86.8	▲ 4.0%	▲ 5.7%

ADJUSTED EBITDA

$ CAD Millions	Q3 2022	Q3 2021	Year-over-year change: As Reported	Year-over-year change: Constant Currency
Property Tax	**$17.8**	$18.6	▼ 4.5%	▼ 3.5%
Valuation & Cost Advisory	**$4.1**	$3.9	▲ 5.6%	▲ 6.6%
Adjusted EBITDA*	**$21.9**	$22.5	▼ 2.7%	▼ 1.8%
Adjusted EBITDA margin*	**24.2%**	25.9%	▼ 170 bps	

** Non-GAAP measure*

AltusGroup

Strong balance sheet enables continued investment in growth

$46.6 M	CASH POSITION
$324.0 M	BANK DEBT
2.29x	FUNDED DEBT TO ADJUSTED EBITDA RATIO *Compared to 2.63x in Q2 2022 and well below maximum limit of 4.5x*
2.20x	NET DEBT TO ADJUSTED EBITDA RATIO*

** Non-GAAP measure*

Jim Hannon

Chief Executive Officer

Solid foundation for long-term growth

▲ 40%

Over Time Revenues*
(Q3, y/y, CC)

24%

Q3 Adj. EBITDA margins*
▲ 590 bps y/y

▲ 55%

Q3 Recurring Bookings*
(Q3, y/y, CC)

ANALYTICS

High recurring revenue growth & margin expansion

PROPERTY TAX

Steady multi-year revenue growth & cash generation

12%

Revenue 5-yr CAGR
(2017 – 2022 TTM)

34%

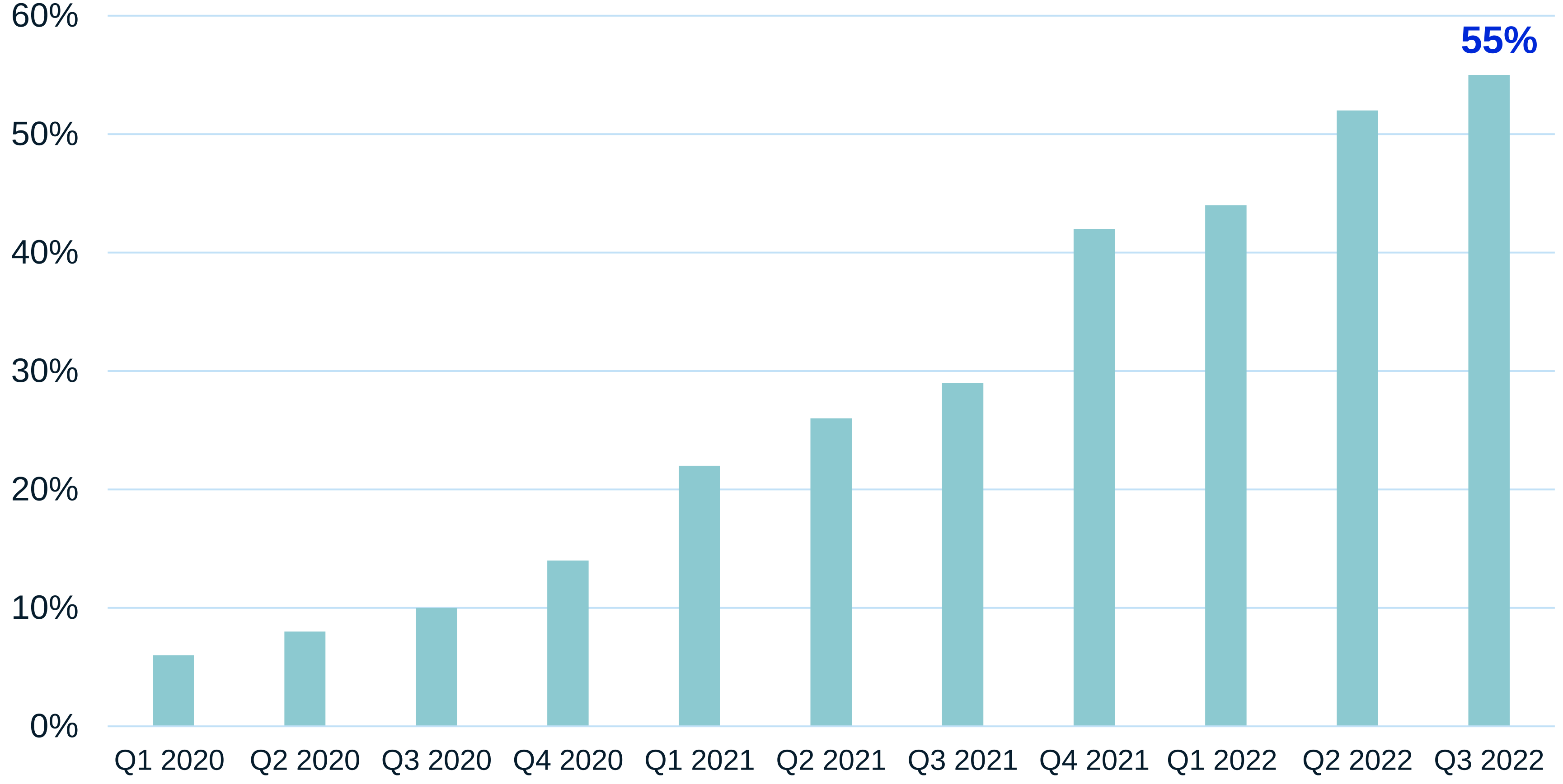
YTD Adj. EBITDA Margins*

Healthy

Backlog

** Non-GAAP measure* *Note: all growth % rates presented on constant currency (CC) over 2021*

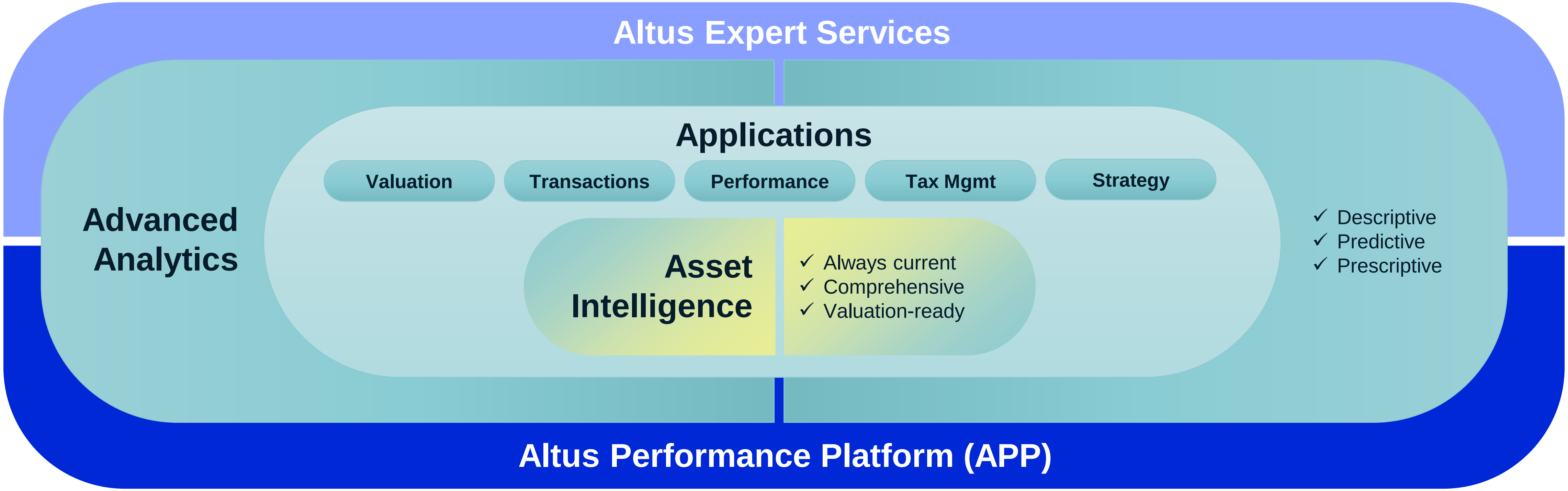
Steady ARGUS cloud adoption



Target to exit 2022 with low-to-mid 60% AE Cloud Adoption Rate*

* Non-GAAP measure

Positioned for predictive analytics



α optimize performance

β manage risk

Successfully executing on business transformation

2022 strategic priorities:

FOCUS

- Sales execution to drive profitable revenue growth in tier one geographies, across core customer sectors and segments
- Advance SaaS transition with global ARGUS cloud adoption

SIMPLIFICATION

- Pivot to value selling under new offer structure with Intelligence as a Service
- Unification of enterprise-wide data to expand data & analytics capabilities
- Transition of tech stack under common platform to drive platform economics and power Intelligence as a Service delivery

EXECUTION

- Optimized "One Altus" internal systems and infrastructure
- Elevated talent strategy with "One Altus" culture of transformation, diversity, equity and inclusion

YTD progress:

YTD over 2021, constant currency %:

Consolidated revenues ▲ **20%,** profit ▲ **$7M,** Adj. EBITDA* ▲ **21%**

Analytics Over Time revenue* ▲ **46%**

CRE Consulting revenue ▲ **8%** at **28%** Adj. EBITDA margins*

Analytics Adj. EBITDA margins* ▲ **110 bps** y/y YTD while absorbing investments

Analytics Bookings* ▲ **22%**

AE cloud adoption rate* ▲ from 42% to **55%**

- ✓ Simplified to one cohesive set of offers that span the CRE lifecycle (value selling)
- ✓ Modernized on one architecture that connects the business (Altus Performance Platform)
- ✓ Came together under one operating model (Analytics & Property Tax redesign)
- ✓ Optimized under one back-office infrastructure (finance, HR and IT modernization)

* *Non-GAAP measure* *(all growth % rates presented on constant currency over 2021, year-to-date as at Sept. 30, 2022)*

Q&A

For all investor inquiries please email

IR@altusgroup.com

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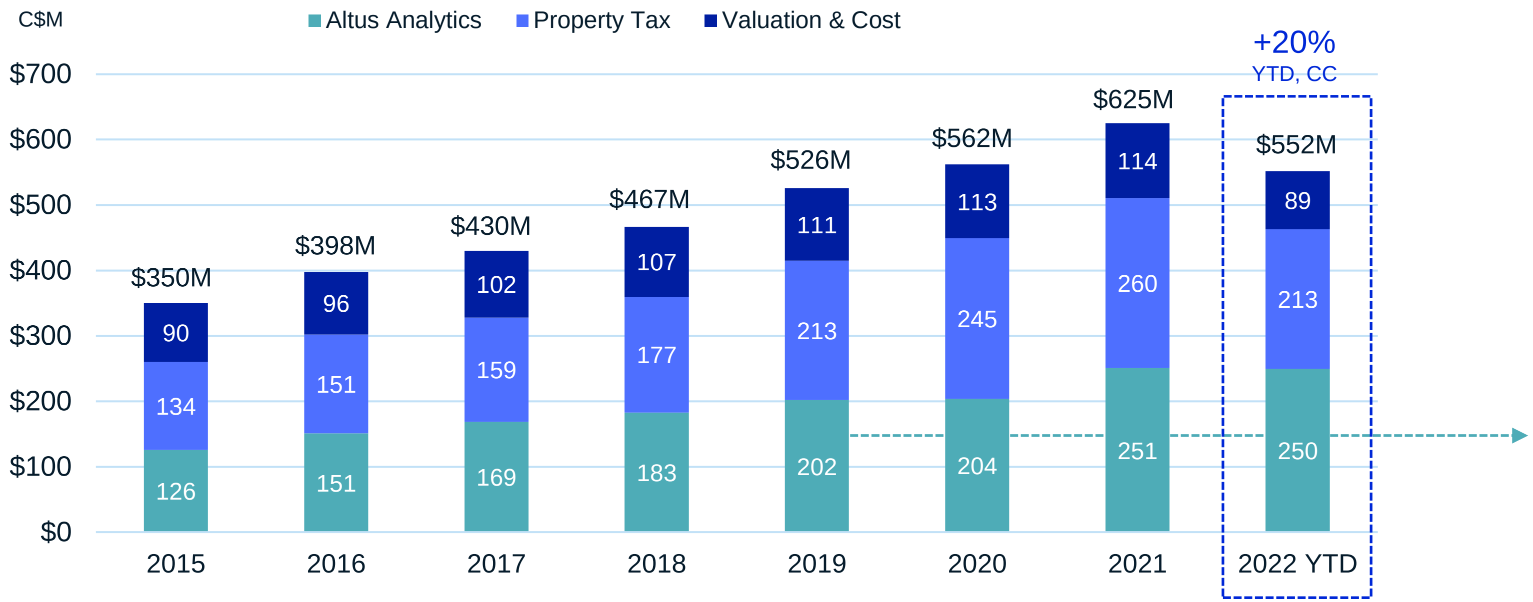
Appendix

Steady profitable revenue growth



2019 aspirational target to double Analytics revenue to **$400 M** in 2023

Implied 19% 4-yr CAGR

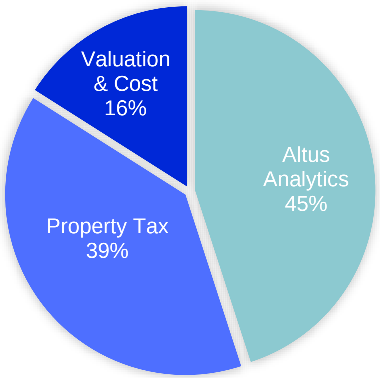
	Altus Analytics	Property Tax	Valuation & Cost
Revenue model	Subscription-based (~86% Over Time)	~80% contingency-based & ~20% fees/ time & materials	Predominately fixed fee
Y/Y revenue growth *(CC, YTD 2022)*	40%	9%	7%
6-yr revenue CAGR *(2015 – 2021)*	12%	12%	4%
Adj. EBITDA margin* *(YTD 2022)*	18%	34%	13%

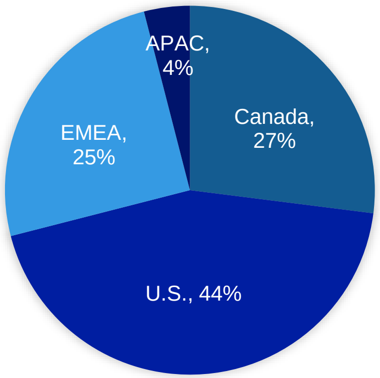
** Non-GAAP measure CC = constant currency*

Resilient, recurring & repeatable revenue streams

Diversified by offer & geography

YTD Sept. 30, 2022





Proven stability across various economic cycles

Stable performance during 2020-2021 pandemic and 2008-2009 financial crisis

Revenue model not based on CRE transactional volumes

ALTUS ANALYTICS

- High recurring subscription revenue base (~87% of revenues are Over Time*)
- Mission critical solutions that are in non-discretionary demand (provide increased risk transparency during periods of uncertainty)
- ARGUS as the "currency" of CRE valuations as properties change hands
- Sticky customer base (96% AE maintenance retention rate*, low churn)

CRE CONSULTING

- Property tax liabilities remain & tax savings provide upside in a contingency model
- Market dislocations & valuation volatility enhance tax appeal opportunities
- Valuation requirements remain
- Cost advisory services supported by multi-year contracts

- Potential impact would mainly be to non-core services & new bookings
- Market volatility as potential catalyst for technology & analytics adoption and outsourced expertise (aligned with Altus' alpha-beta value proposition)

* Non-GAAP measure (All figures/metrics are YTD as at Sept. 30, 2022)

Selected financial information

CONSOLIDATED	Three months ended Sept. 30, 2022	2021	Nine months ended Sept. 30, 2022	2021
Revenues	$ 177,691	$ 151,797	$ 551,689	$ 462,478
Canada	27%	28%	27%	30%
U.S.	49%	41%	44%	36%
Europe	19%	26%	25%	29%
Asia Pacific	5%	5%	4%	5%
Adjusted EBITDA (1)	$ 32,910	$ 24,415	$ 100,394	$ 83,894
Adjusted EBITDA margin (1)	18.5%	16.1%	18.2%	18.1%
Profit (loss)	$ 6,827	$ (295)	$ 7,870	$ 18,683
Earnings (loss) per share:				
Basic	$0.15	$(0.01)	$0.18	$0.46
Diluted	$0.15	$(0.01)	$0.17	$0.44
Adjusted (1)	$0.42	$0.39	$1.46	$1.48
Dividends declared per share	$0.15	$0.15	$0.45	$0.45

In thousands of dollars, except for per share amounts ($CAD)

* Non-GAAP measure

Business segment performance

ALTUS ANALYTICS	Three months ended September 30, 2022	2021	% Change	CC % Change	Nine months ended September 30, 2022	2021	% Change	CC % Change
Revenues	$ 87,599	$ 65,101	34.6%	34.8%	$ 250,042	$ 178,677	39.9%	40.1%
Adjusted EBITDA*	$ 20,917	$ 11,728	78.4%	75.8%	$ 45,906	$ 30,869	48.7%	46.7%
Adjusted EBITDA margin*	23.9%	18.0%			18.4%	17.3%		
Other Measures*								
Bookings	$ 26,865	$ 20,525	30.9%	27.9%	$ 78,367	$ 63,946	22.6%	21.5%
Over Time Revenues	$76,915	$ 55,093	39.6%	40.1%	$215,875	$ 148,004	45.9%	46.1%
AE software maintenance retention rate	97%	95%			96%	94%		
Geographical revenue split								
North America	76%	73%			77%	75%		
International	24%	27%			23%	25%		
Cloud adoption rate (as at end of period)					55%	29%		

CRE CONSULTING	Three months ended September 30, 2022	2021	% Change	CC % Change	Nine months ended September 30, 2022	2021	% Change	CC % Change
Revenues								
Property Tax	$ 60,742	$ 58,488	3.9%	6.0%	$ 212,753	$ 199,851	6.5%	8.5%
Valuation and Cost Advisory	29,526	28,283	4.4%	5.2%	89,420	84,176	6.2%	7.1%
Revenues	$ 90,268	$ 86,771	4.0%	5.7%	$ 302,173	$ 284,027	6.4%	8.1%
Adjusted EBITDA*								
Property Tax	$ 17,763	$ 18,596	(4.5%)	(3.5%)	$ 73,121	$ 69,394	5.4%	8.2%
Valuation and Cost Advisory	4,099	3,882	5.6%	6.6%	11,521	10,492	9.8%	10.6%
Adjusted EBITDA*	$ 21,862	$ 22,478	(2.7%)	(1.8%)	$ 84,642	$ 79,886	6.0%	8.5%
Adjusted EBITDA margin*	24.2%	25.9%			28.0%	28.1%		

In thousands of dollars ($CAD)

** Non-GAAP measure*   *CC = constant currency*

Reconciliation of Adjusted EBITDA to Profit (Loss)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Adjusted EBITDA	$ 32,910	$ 24,415	$ 100,394	$ 83,894
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 (1)	2,868	3,294	9,088	9,722
Depreciation of right-of-use assets	(2,873)	(3,100)	(9,137)	(8,910)
Depreciation of property, plant and equipment and amortization of intangibles	(12,010)	(8,712)	(36,267)	(24,648)
Acquisition and related transition (costs) income	(439)	(1,032)	(4,721)	(8,112)
Unrealized foreign exchange gain (loss) (2)	1,740	(507)	2,033	(1,249)
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles (2)	(13)	5	-	248
Share of profit (loss) of joint venture	1,082	927	2,227	442
Non-cash share-based compensation costs (3)	(7,217)	(5,865)	(17,421)	(13,277)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged (3)	(150)	829	(4,371)	1,005
Restructuring (costs) recovery	(8,045)	(32)	(21,895)	(253)
Gain (loss) on investments (4)	(259)	1,336	(117)	1,839
Other non-operating and/or non-recurring income (costs) (5)	(3,086)	(7,611)	(8,785)	(8,573)
Earnings (loss) before finance costs and income taxes	**4,508**	**3,947**	**11,028**	**32,128**
Finance (costs) income, net - leases	(490)	(552)	(1,450)	(1,704)
Finance (costs) income, net - other	5,108	(1,297)	2,634	(2,808)
Profit (loss) before income taxes	**9,126**	**2,098**	**12,212**	**27,616**
Income tax (expense) recovery	(2,299)	(2,393)	(4,342)	(8,933)
Profit (loss) for the period	**$ 6,827**	**$ (295)**	**$ 7,870**	**$ 18,683**

In thousands of dollars, ($CAD)

(1) Management uses the non-GAAP occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 when analyzing financial and operating performance.
(2) Included in office and other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).
(3) Included in employee compensation expenses in the interim condensed consolidated statements of comprehensive income (loss).
(4) Gain (loss) on investments relates to changes in the fair value of investments in partnerships.
(5) Other non-operating and/or non-recurring income (costs) for the three and nine months ended September 30, 2022 relate to legal, advisory, and other consulting costs related to organizational and strategic initiatives, including those related to the transition of certain members of our leadership team. For the three and nine months ended September 30, 2021, other non-operating and/or non-recurring income (costs) relate to (i) costs relating to the June 13, 2021 cybersecurity incident net of insurance proceeds received or receivable, and (ii) transaction and other related costs. These are included in office and other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).

Reconciliation of Adjusted Earnings (Loss) Per Share to Profit (Loss)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Profit (loss) for the period	**$ 6,827**	**$ (295)**	**$ 7,870**	**$ 18,683**
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 [(1)]	(2,868)	(3,294)	(9,088)	(9,722)
Depreciation of right-of-use assets	2,873	3,100	9,137	8,910
Finance costs (income), net - leases	490	552	1,450	1,704
Amortization of intangibles of acquired businesses	9,682	7,293	29,688	20,781
Unrealized foreign exchange loss (gain)	(1,740)	507	(2,033)	1,249
Loss (gain) on disposal of right-of-use assets, property, plant and equipment and intangibles	13	(5)	-	(248)
Non-cash share-based compensation costs	7,217	5,865	17,421	13,277
Loss (gain) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged	150	(829)	4,371	(1,005)
Interest accretion on contingent consideration payables	-	-	6	-
Restructuring costs (recovery)	8,045	32	21,895	253
Loss (gain) on hedging transactions, including currency forward contracts and interest expense (income) on swaps	(8,748)	-	(10,252)	-
Acquisition and related transition costs (income)	439	1,032	4,721	8,112
Loss (gain) on investments	259	(1,336)	117	(1,839)
Share of loss (profit) of joint venture	(1,082)	(927)	(2,227)	(442)
Other non-operating and/or non-recurring costs (income)	3,086	7,611	8,785	8,573
Tax impact on above	(5,609)	(2,874)	(16,230)	(6,816)
Adjusted earnings (loss) for the period	$ 19,034	$ 16,432	$ 65,631	$ 61,470
Weighted average number of shares - basic	44,608,742	41,158,776	44,430,353	40,922,098
Weighted average number of restricted shares	629,728	652,544	645,763	546,363
Weighted average number of shares – adjusted	45,238,470	41,811,320	45,076,116	41,468,461
Adjusted earnings (loss) per share [(2)]	**$0.42**	**$0.39**	**$1.46**	**$1.48**

In thousands of dollars, except for per share amounts ($CAD)

(1) Management uses the non-GAAP occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 when analyzing financial and operating performance.
(2) Refer to the Non-GAAP and Other Measures section above for the definition of Adjusted EPS.

Cash flow summary

	Three months ended Sept. 30,		Nine months ended Sept. 30,	
	2022	2021	2022	**2021**
Net cash related to operating activities	$ 24,167	$ 5,600	$ 49,620	**$ 45,535**
Net cash related to financing activities	(37,585)	(7,940)	(5,005)	**106,529**
Net cash related to investing activities	(6,969)	(5,993)	(46,701)	**(153,637)**
Effect of foreign currency translation	(97)	622	(2,545)	**(1,696)**
Change in cash position during the period	$ (20,484)	$ (7,711)	$ (4,631)	**$ (3,269)**
Dividends paid	**$ 6,537**	**$ 5,368**	**$ 18,415**	**$ 15,971**

In thousands of dollars ($CAD)

Debt, leverage & liquidity

Quarter end	Cash position	Total bank debt	Funded debt to Adjusted EBITDA ratio	Net debt to Adjusted EBITDA ratio*
Q3 2022	$46.6 M	$324.0 M	2.29x	2.20x
Q2 2022	$67.1 M	$345.0 M	2.63x	2.37x
Q1 2022	$46.8 M	$306.7 M	2.60x	2.37x
Q4 2021	$51.3 M	$287.6 M	2.47x	2.17x
Q3 2021	$66.4 M	$246.9 M	2.05x	1.63x
Q2 2021	$74.1 M	$246.8 M	2.03x	1.58x
Q1 2021	$69.1 M	$128.0 M	1.11x	0.57x
Q4 2020	$69.6 M	$123.0 M	1.09x	0.54x
Q3 2020	$91.1 M	$153.5 M	1.49x	0.66x
Q2 2020	$74.1 M	$160.0 M	1.65x	0.96x
Q1 2020	$71.2 M	$176.1 M	1.85x	1.24x
Q4 2019	$60.3 M	$138.0 M	1.49x	0.92x
Q3 2019	$56.0 M	$146.0 M	1.72x	1.16x
Q2 2019	$51.6 M	$150.0 M	1.90x	1.31x
Q1 2019	$37.5 M	$142.4 M	2.01x	1.52x

Liquidity as at Sept. 30, 2022:

Cash	$46.6 M
Bank Credit Facilities Available	$226.0 M
Total Liquidity	**$272.6 M**

** Non-GAAP measure*

Summary of quarterly results

	2022			2021					2020	
	Q3	Q2	Q1	**FY 2021**	Q4	Q3	Q2	Q1	**FY 2020**	**Q4**
Results of Operations										
Revenues	$ 177,691	$ 206,414	$ 167,584	**$ 625,387**	$ 162,909	$ 151,797	$ 173,523	$ 137,158	**$ 561,156**	$ 139,480
Adjusted EBITDA	$ 32,910	$ 49,743	$ 17,741	**$ 109,755**	$ 25,861	$ 24,415	$ 42,239	$ 17,240	**$ 98,928**	$ 26,734
Adjusted EBITDA margin	18.5%	24.1%	10.6%	**17.5%**	15.9%	16.1%	24.3%	12.6%	**17.6%**	19.2%
Profit (loss) for the period from continuing operations	$ 6,827	$ 12,499	$ (11,456)	**$ 25,573**	$ 6,890	$ (295)	$ 16,341	$ 2,637	**$ 27,009**	$ 4,622
Profit (loss) for the period from discontinued operations	$ -	$ -	$ -	**$ -**	$ -	$ -	$ -	$ -	**$ (5,576)**	$ (276)
Basic earnings (loss) per share:										
Continuing operations	$0.15	$0.28	$(0.26)	**$0.62**	$0.16	$(0.01)	$0.40	$0.07	**$0.67**	$0.11
Discontinued operations	$0.00	$0.00	$0.00	**$0.00**	$0.00	$0.00	$0.00	$0.00	**$(0.14)**	$(0.01)
Diluted earnings (loss) per share:										
Continuing operations	$0.15	$0.28	$(0.26)	**$0.60**	$0.15	$(0.01)	$0.39	$0.06	**$0.66**	$0.11
Discontinued operations	$0.00	$0.00	$0.00	**$0.00**	$0.00	$0.00	$0.00	$0.00	**$(0.14)**	$(0.01)
Adjusted earnings (loss) per share	$0.42	$0.77	$0.27	**$1.90**	$0.42	$0.39	$0.75	$0.34	**$1.67**	$0.44
Weighted avg. # shares ('000s):										
Basic	44,609	44,508	44,171	**41,684**	43,945	41,159	41,049	40,552	**40,159**	40,380
Diluted	45,382	45,179	44,171	**42,899**	45,269	41,159	42,116	41,642	**41,209**	41,532

In thousands of dollars, except for per share amounts ($CAD)

AltusGroup

Non-GAAP and other measures definitions

- ***Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")*** is a non-GAAP financial measure which represents profit (loss) adjusted for the effects of: profit (loss) from discontinued operations, occupancy costs calculated on a similar basis prior to the adoption of IFRS 16, finance costs (income), net - other, depreciation of property, plant and equipment and amortization of intangibles, depreciation of right-of-use assets, finance costs (income), net - leases, acquisition and related transition costs (income), unrealized foreign exchange (gains) losses, (gains) losses on disposal of right-of-use assets, property, plant and equipment and intangibles, share of (profit) loss of joint venture, impairment charges, non-cash share-based compensation costs, (gains) losses on equity derivatives net of mark-to-market adjustments on related restricted share units ("RSUs") and deferred share units ("DSUs") being hedged, (gains) losses on derivatives, restructuring costs (recovery), (gains) losses on investments, (gains) losses on hedging transactions, other costs or income of a non-operating and/or non-recurring nature, and income tax expense (recovery). Refer to the below for a reconciliation of Adjusted EBITDA to profit (loss).
- ***Adjusted EBITDA margin*** is a non-GAAP financial ratio which represents the percentage factor of Adjusted EBITDA to revenues. We use Adjusted EBITDA and Adjusted EBITDA margin to evaluate the performance of our business, as well as when making decisions about the ongoing operations of the business and our ability to generate cash flows.
- ***Adjusted Earnings (Loss)*** is a non-GAAP financial measure which represents profit (loss) adjusted for the effects of: profit (loss) from discontinued operations, occupancy costs calculated on a similar basis prior to the adoption of IFRS 16, depreciation of right-of-use assets, finance costs (income), net - leases, amortization of intangibles of acquired businesses, unrealized foreign exchange losses (gains), (gains) losses on disposal of right-of-use assets, property, plant and equipment and intangibles, non-cash share-based compensation costs, losses (gains) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged, interest accretion on contingent consideration payables, restructuring costs (recovery), losses (gains) on hedging transactions and interest expense (income) on swaps, acquisition and related transition costs (income), losses (gains) on investments, share of (profit) loss of joint venture, impairment charges, (gains) losses on derivatives, other costs or income of a non-operating and/or non-recurring nature, and the tax impact on these items. We use Adjusted Earnings (Loss) to facilitate the calculation of Adjusted Earnings (Loss) per Share ("Adjusted EPS").
- ***Adjusted EPS*** is a non-GAAP financial ratio calculated by dividing the Adjusted Earnings (Loss) by the basic weighted average number of shares adjusted for the effects of the weighted average number of restricted shares. We use Adjusted EPS to assess the performance of our business before the effects of the noted items, because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Refer to the below for a reconciliation of Adjusted EPS to profit (loss).
- ***Constant currency*** is a non-GAAP financial measure that allows for current financial and operational performance to be understood against comparative periods without the impact of fluctuations in foreign currency exchange rates against the Canadian dollar. The financial results and non-GAAP measures presented at constant currency within this document are obtained by translating monthly results denominated in local currency (US dollars, British pound, Euro, Australian dollars, and other foreign currencies) at the foreign exchange rates of the comparable month.
- ***Net debt to Adjusted EBITDA leverage ratio*** is a non-GAAP financial ratio which represents net debt, or total borrowings less cash and cash equivalents (net of short-term deposits), as a percentage of Adjusted EBITDA. We use Net debt to Adjusted EBITDA leverage ratio as a measure of our ability to service our debt and other long-term obligations.

Non-GAAP and other measures definitions

- ***Bookings*** is a supplementary financial measure for the Altus Analytics business segment. We define Bookings as the annual contract value for new sales of our recurring offerings (software, Appraisal Management and data subscriptions) and the total contract value for one-time engagements (consulting, training and due diligence). The contract value of renewals is excluded from this metric, with the exception of additional capacity or products purchased at the time of renewal. *Organic Bookings* is a supplementary financial measure which represents Bookings, excluding Bookings from business acquisitions that are not fully integrated, prior to the first anniversary of the acquisition. *Recurring Bookings* is a supplementary financial measure which represents the total annual contract value of new sales of our recurring offerings. We use Bookings, Organic Bookings, and Recurring Bookings as measures to track the performance and success of our sales initiatives, and as an indicator of future revenue growth.
- ***Organic Revenue*** is a supplementary financial measure which represents revenue, consistent with IFRS 15, *Revenue from Contracts with Customers*, excluding the revenues from business acquisitions that are not fully integrated, prior to the first anniversary of the acquisition. We use Organic Revenue to evaluate to assess revenue trends in our business on a comparable basis versus the prior year, and as an indicator of future revenue growth.
- ***Over Time Revenues*** is a supplementary financial measure consistent with IFRS 15, *Revenue from Contracts with Customers*, for the Altus Analytics business segment. Our Over Time Revenues are comprised of software subscription revenues recognized on an over time basis in accordance with IFRS 15, software maintenance revenues associated with our legacy licenses sold on perpetual terms, Appraisal Management revenues, and data subscription revenues. For greater clarity, this measure does not include revenue from distinct on-premise licenses which is recognized upfront at the point in time when the software is delivered to the customer. *Organic Over Time Revenues* represents Over Time Revenues, excluding the Over Time Revenues from business acquisitions that are not fully integrated, prior to the first anniversary of the acquisition. We use Over Time Revenues and Organic Over Time Revenues as measures to assess revenue trends in our business, and as an indicator of future revenue growth.
- ***AE software maintenance retention rate*** is a supplementary financial measure calculated as a percentage of AE software maintenance revenue retained upon renewal; it represents the percentage of the available renewal opportunity in a fiscal period that renews, calculated on a dollar basis, excluding any growth in user count or product expansion. We use AE software maintenance retention rate as a measure to evaluate our success in retaining our AE software customers.
- ***Cloud adoption rate*** is another measure that represents the percentage of the total AE user base contracted on the ARGUS Cloud platform. It includes both new AE cloud users as well as those who have migrated from our AE on-premise software. We use cloud adoption rate as a measure of our progress in transitioning the AE user base to our cloud-based platform, a key component of our overall product strategy.

Upcoming IR conferences & events

Members of Altus' executive leadership team are scheduled to participate in the following investor conferences in November:

- **RBC Capital Markets Global Technology, Internet, Media and Telecommunications Conference**
  - New York City, November 16
  - Jim Hannon (Chief Executive Officer), Jorge Blanco (Chief Commercial Officer) & Camilla Bartosiewicz (Chief Communications Officer) will be hosting one-on-one meetings
  - Fireside chat presentation with Jim Hannon at 12:50 p.m. EST (replay of webcast will be posted to website)

- **TD Securities Technology Conference**
  - Toronto, November 21
  - Angelo Bartolini (Chief Financial Officer) & Camilla Bartosiewicz (Chief Communications Officer) will be hosting one-on-one meetings