Altus Group

Q4 & FY 2024 Earnings Call & Webcast

TSX: AIF | February 20, 2025

Forward-looking information & statements

Certain information in this presentation may constitute “forward-looking information” within the meaning of applicable securities legislation. All information contained in this presentation, other than statements of current and historical fact, is forward-looking information. Forward-looking information includes, but is not limited to, statements relating to expected financial and other benefits of acquisitions and the closing of acquisitions (including the expected timing of closing), as well as the discussion of our business, strategies and leverage (including the commitment to increase borrowing capacity), expectations of future performance, including any 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”, “anticipate”, “estimate”, “intend”, “plan”, “would”, “could”, “should”, “continue”, “goal”, “objective”, “remain” and other similar terminology.

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 not be known and 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 (including sections entitled “Business Outlook”) include, but are not limited to: engagement and product pipeline opportunities in 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; successful execution of our business strategies; consistent and stable economic conditions or conditions in the financial markets including stable interest rates and credit availability for CRE; 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.

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 include, but are not limited to: the CRE market conditions; the general state of the economy; our financial performance; our financial targets; our international operations; acquisitions, joint ventures and strategic investments; business interruption events; third party information and data; cybersecurity; industry competition; professional talent; our subscription renewals; our sales pipeline; client concentration and loss of material clients; product enhancements and new product introductions; technology strategy; our use of technology; intellectual property; compliance with laws and regulations; privacy and data protection; artificial intelligence; our leverage and financial covenants; interest rates; inflation; our brand and reputation; our cloud transition; fixed price engagements; currency fluctuations; credit; tax matters; our contractual obligations; legal proceedings; regulatory review; health and safety hazards; our insurance limits; dividend payments; our share price; share repurchase programs; our capital investments; equity and debt financings; our internal and disclosure controls; and environmental, social and governance (“ESG”) matters and climate change, as well as those described in our annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2024 (which are available on SEDAR+ at www.sedarplus.ca).

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 presentation 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.

Certain information in this presentation, including sections entitled “2025 Business Outlook”, may be considered as “financial outlook” within the meaning of applicable securities legislation. The purpose of this financial outlook is to provide readers with disclosure regarding Altus Group’s reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

Non-GAAP and other measures

The Company uses certain non-GAAP financial measures, non-GAAP ratios, total of segments measures, capital management measures, and supplementary and other financial measures as defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure (“NI 52-112”). The Company believes that these measures may assist investors in assessing an investment in the Company’s shares as they provide additional insight into the Company’s 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. These measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with 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.

Financial review

Q4 2024 results

Pawan Chhabra
Chief Financial Officer

Consolidated Q4 2024 results

	Q4 2024	Q4 2023	Y/Y CHANGE
Revenues	**$135.5**	**$131.1**	▲ 1.0% *CC
Profit (Loss) from continuing operations	**$22.9**	**$(8.3)**	▲ 374.9%
Basic EPS from continuing operations	**$0.50**	**$(0.18)**	▲ 377.8%
Diluted EPS from continuing operations	**$0.48**	**$(0.18)**	▲ 366.7%
Adjusted EBITDA*	**$32.4**	**$20.9**	▲ 51.8% *CC
Adjusted EBITDA Margin*	**23.9%**	**15.9%**	▲ 800 bps *CC
Adjusted EPS*	**$0.85**	**$0.26**	▲ 226.9%
Net cash provided by operating activities	**$24.7**	**$44.7**	▼ 44.7%
Free Cash Flow*	**$24.6**	**$40.1**	▼ 38.7%

In Q3 2024 the results from Property Tax were classified as Discontinued Operations. Accordingly, all amounts except for Free Cash Flow and net cash provided by operating activities represent results from Continuing Operations.

REVENUE:

- ▲ Analytics
- ▼ Appraisals & Development Advisory

ADJUSTED EBITDA:

- ▲ Analytics
- ▲ Appraisals & Development Advisory

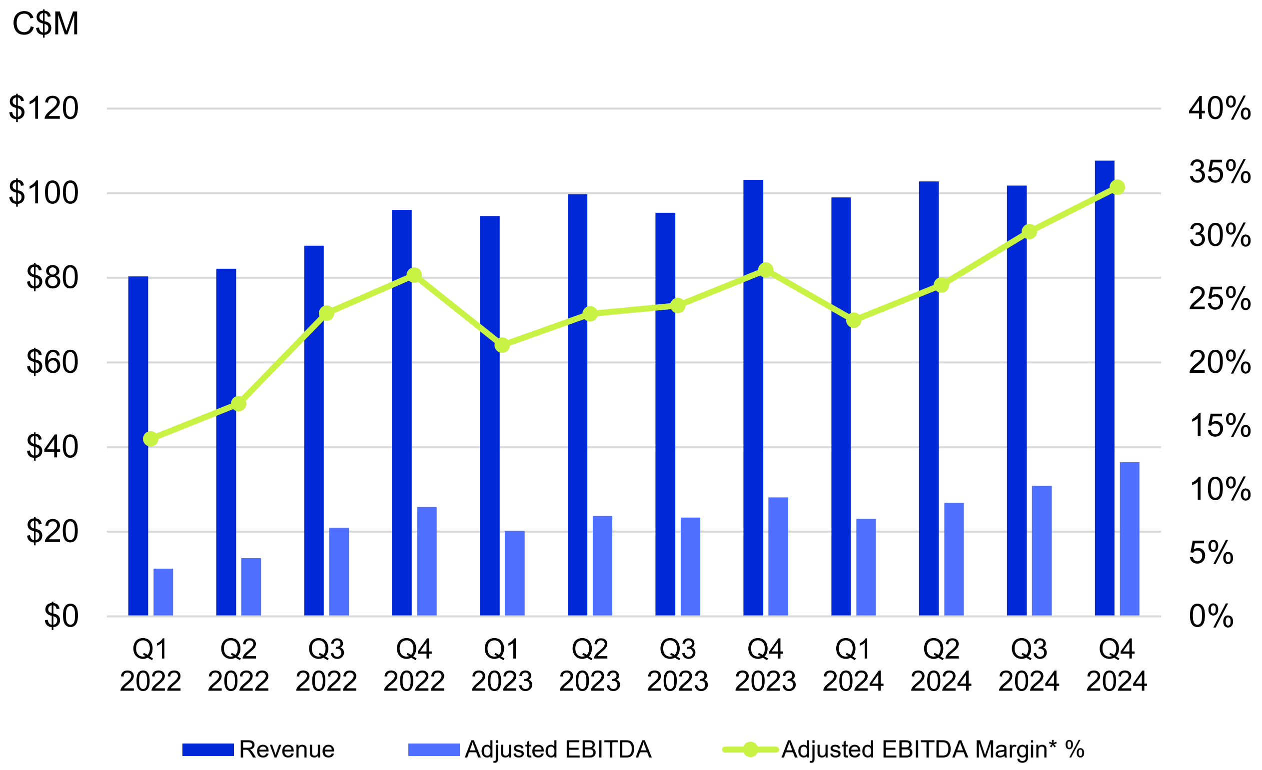
ADJUSTED EBITDA MARGIN*:

- ▲ Analytics
- ▲ Appraisals & Development Advisory

* Non-GAAP and other financial measure | CC = Constant Currency | All growth rates (% & bps) are presented on a y/y view | All amounts except EPS in C$M

Analytics results

Resilient revenue growth & margin expansion



Q4 2024:

		As reported	CC*
Revenue	$107.7M	▲ **4.4%**	▲ **1.6%**
Recurring Revenue*	$101.1M	▲ **8.7%**	▲ **5.8%**
Adjusted EBITDA	$36.4M	▲ **29.4%**	▲ **25.2%**
Adjusted EBITDA Margin*	33.8%	▲ **650** bps	▲ **630** bps

* Non-GAAP and other financial measure | CC = Constant Currency | All growth rates (% & bps) are presented on a y/y view

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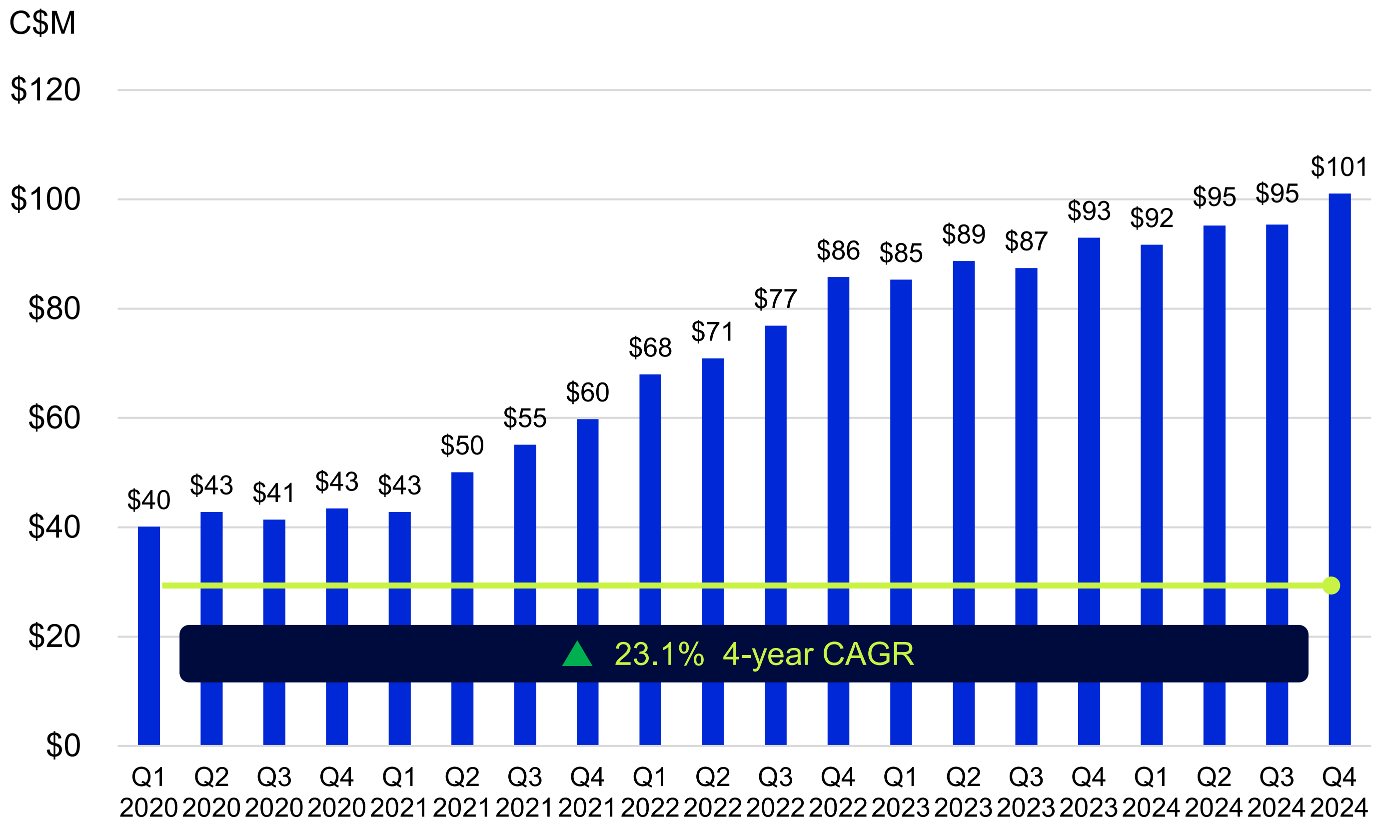
Analytics Recurring Revenue*

Resilient & growing recurring revenue base



Q4 2024:

$101.1M ▲ 5.8%

- Organic Recurring Revenue* was up 4.5%
- 94% of Analytics revenues were recurring vs. 90% in the prior year
- Recurring Revenue* makes up 75% of consolidated revenue

* Non-GAAP and other financial measure | All % growth rates are presented on a y/y view on a Constant Currency basis | CAGR = compound annual growth rate

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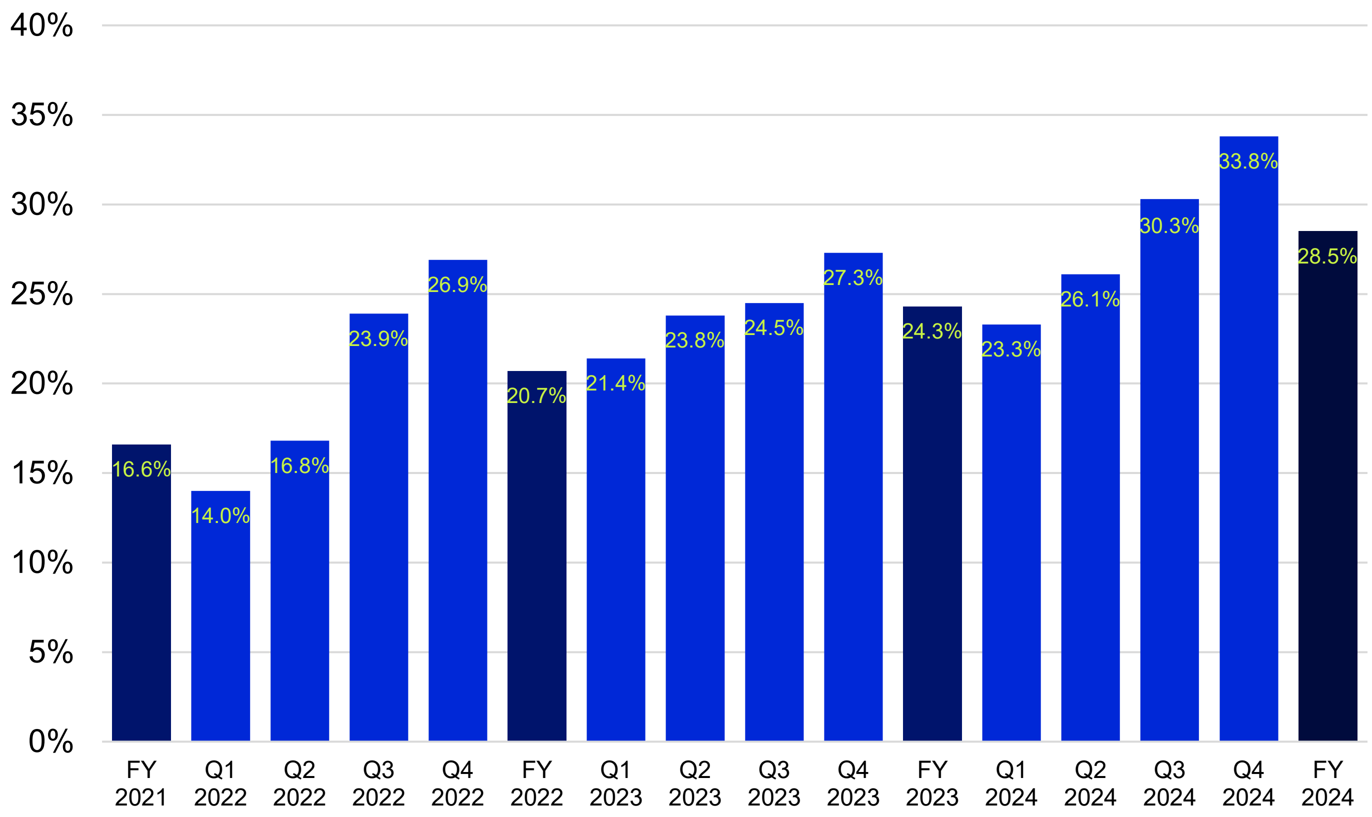
Analytics Adjusted EBITDA margin*

Consistent margin expansion



Q4 2024:

33.8% ▲ 630 bps

FY 2024:

28.5% ▲ 400 bps

Margin improvement driven by:

- ✓ Revenue growth
- ✓ Global Service Center efficiencies
- ✓ Benefits from restructuring activities
- ✓ Expense growth moderating

*Non-GAAP and other financial measure | Adjusted EBITDA Margin basis points (bps) change is presented on a Constant Currency basis. Please refer to the 2025 Business Outlook slide for assumptions and the Company's Forward-Looking Information & statements disclaimer.

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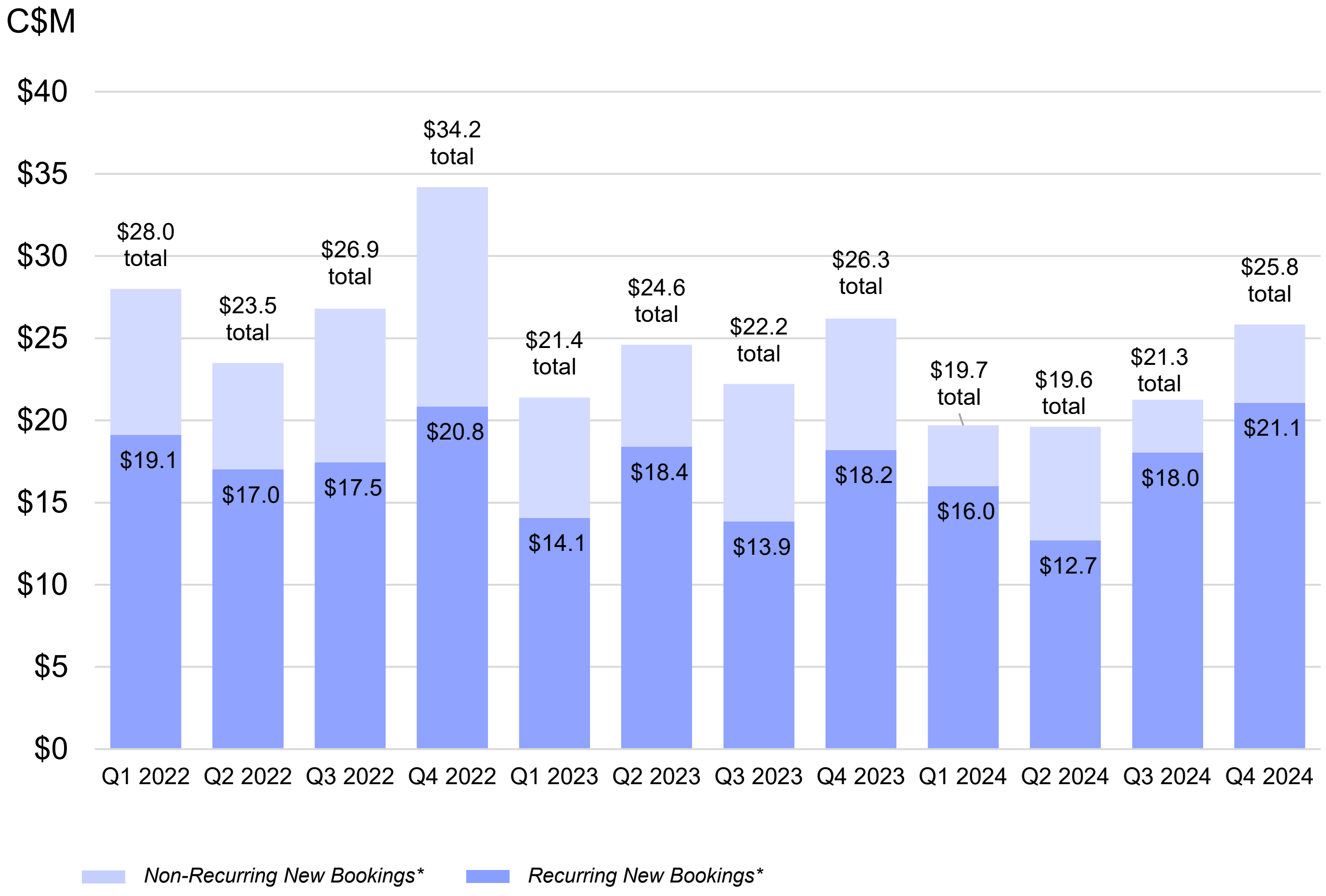
Analytics New Bookings*

$86.3M of New Bookings* added in FY2024, majority of which represent recurring revenue solutions



Q4 2024 NEW BOOKINGS*:

$25.8M ▼ 5.3%

Q4 2024 RECURRING NEW BOOKINGS*:

$21.1M ▲ 10.9%

* Non-GAAP and other financial measure | All growth rates presented on a Constant Currency basis on a y/y view

New Bookings includes new contracts and additional solutions & services added by existing customers; excludes renewals, with the exception of additional capacity/products purchased at the time of renewal.

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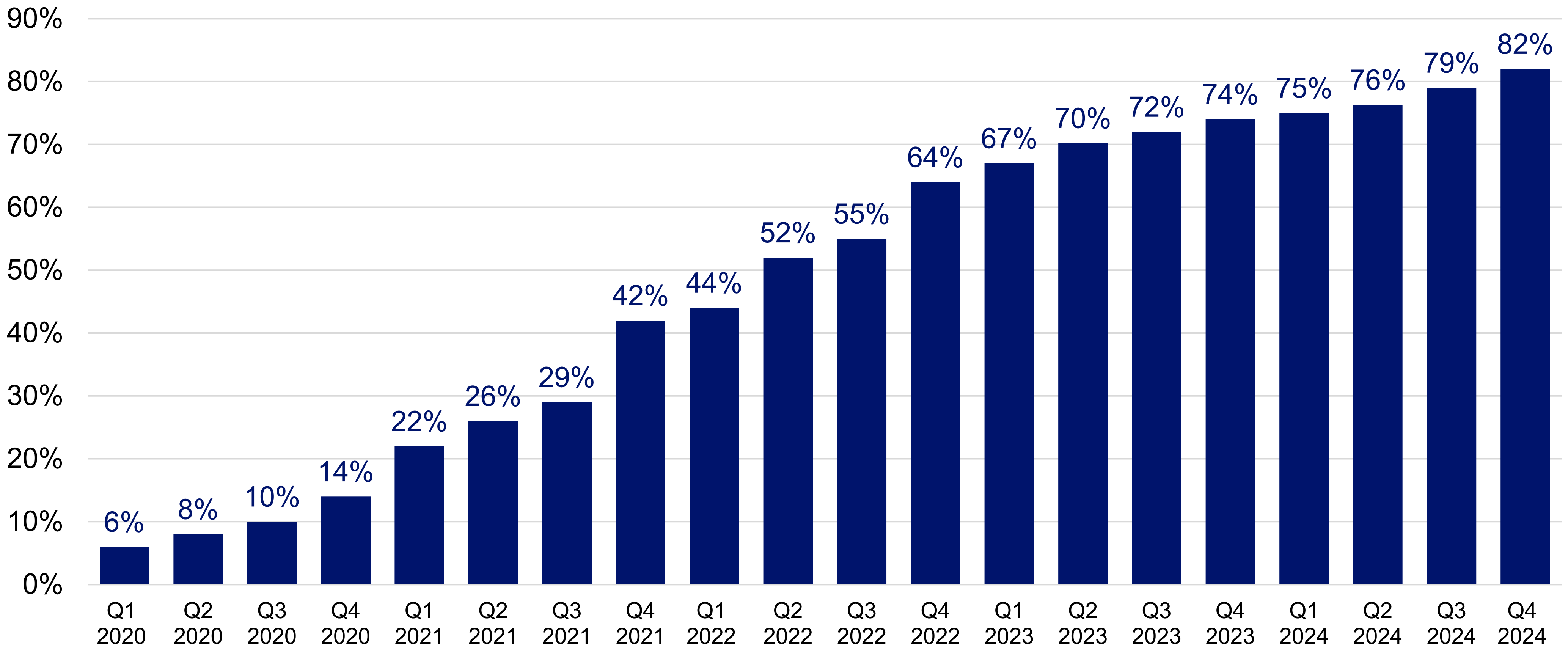
Analytics Cloud Adoption Rate*

Successful transition to subscription revenue



* Non-GAAP and other financial measure

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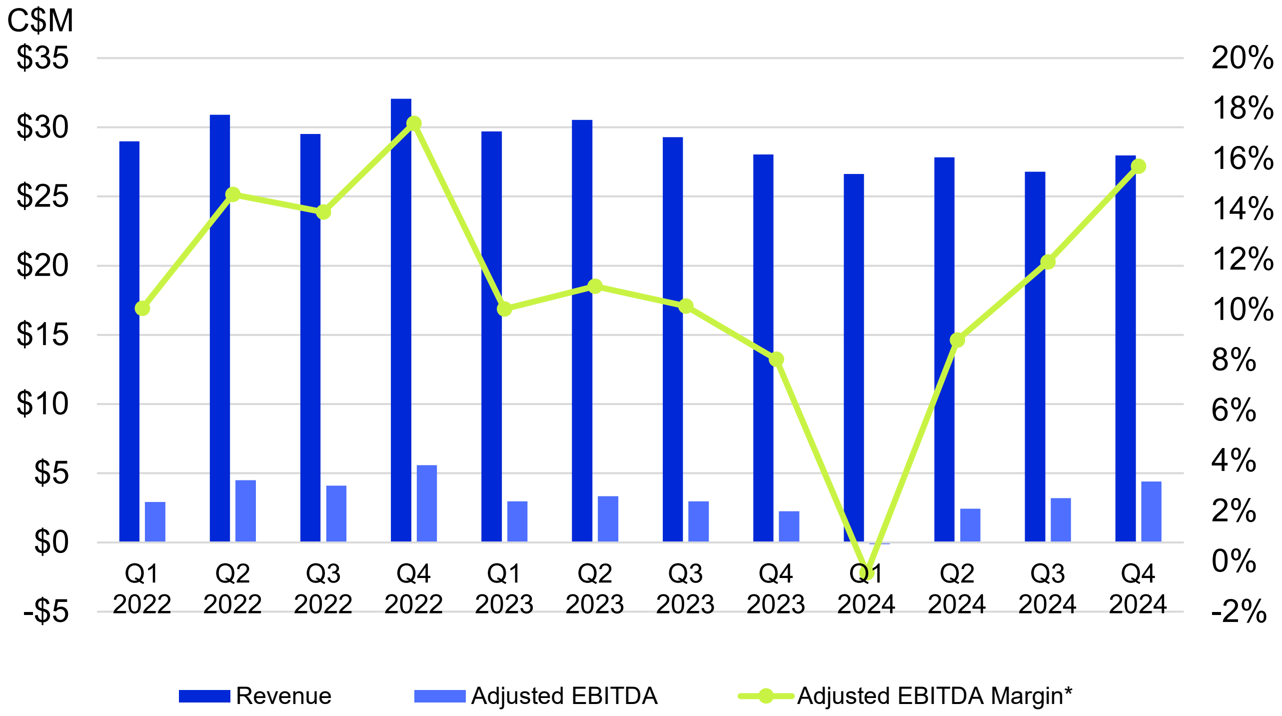
Appraisals & Development Advisory results

Navigating macro conditions & enhancing profitability



Q4 2024:

		As reported	CC*
Revenue	$28.0M	▼ **0.3%**	▼ **1.0%**
Adjusted EBITDA	$4.4M	▲ **95.3%**	▲ **93.4%**
Adjusted EBITDA Margin*	15.7%	▲ **770** bps	▲ **770** bps

* Non-GAAP and other financial measure | CC = Constant Currency | All growth rates (% & bps) are presented on a y/y view

Balance sheet

$41.9M

CASH POSITION

$282.9M

BANK DEBT

2.01x

FUNDED DEBT TO EBITDA RATIO**

Significant capital to invest in growth

$309.0M

TOTAL LIQUIDITY*
AS AT DECEMBER 31, 2024

+

~$600M

ESTIMATED NET PROCEEDS FROM PROPERTY TAX SALE
AS AT JANUARY 1, 2025

* Non-GAAP and other financial measure | All Balance Sheet figures are as at Dec. 31, 2024 | Total Liquidity = cash + bank credit facilities available

** As defined in the Company's credit facility agreement available on SEDAR`+ (includes both continuing and discontinued operations)

CEO remarks

2024 review & 2025 business outlook

Jim Hannon
Chief Executive Officer

2024 highlights

TOP STRATEGIC ACCOMPLISHMENTS:

Grew Analytics business

6.4% Recurring Revenue* growth & 400 bps Adjusted EBITDA margin* expansion

Grew cash flow

11.9% growth in net cash provided by operating activities & 23.0% growth in Free Cash Flow*

Sold Property Tax

Accelerates business transformation to pure-play software, data and analytics platform & enhances financial flexibility for growth

Connected datasets

Connected ARGUS data to an Altus ID

Launched ARGUS Intelligence

Delivered innovative new functionality for performance management

Initiated new pricing strategy

Launched asset-based pricing strategy for ARGUS Intelligence investor clients

*Non-GAAP and other financial measure | All % and bps changes are presented on a y/y view on a Constant Currency basis for FY2024 over FY2023 | Net cash provided by operating activities and Free Cash Flow % growth are presented on an as reported basis

2024 in review

CONSOLIDATED PERFORMANCE – FOR CONTINUING OPERATIONS:

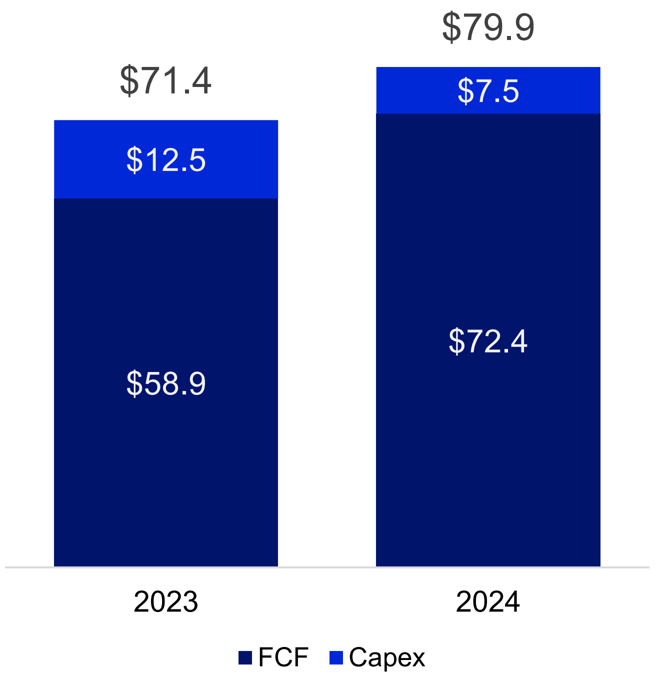
Revenue	$519.7M	▲ 0.6%
Adjusted EBITDA*	$82.9M	▲ 23.7%
Adjusted EPS*	$1.17	▲ 143.8% as reported
Profit	$(0.8M)	▲ 97.6% as reported
Basic EPS	$(0.02)	▲ 97.3% as reported
Diluted EPS	$(0.02)	▲ 97.3% as reported

BUSINESS SEGMENT PERFORMANCE

	Revenue		Adjusted EBITDA		Adjusted EBITDA Margin*	
Analytics	**$411.3M**	▲ 3.0%	**$117.2M**	▲ 20.0%	**28.5%**	▲ 400 BPS
Appraisals & Development Advisory	**$109.2M**	▼ 7.3%	**$9.9M**	▼ 15.0%	**9.1%**	▼ 80 BPS

*Non-GAAP and other financial measure | CC = Constant Currency | All $ and % changes are presented on a y/y view on CC unless otherwise indicated, for FY2024 over FY2023.

Amplifying cash generation



NET CASH PROVIDED BY OPERATING ACTIVITIES:

▲ 11.9%

FREE CASH FLOW*:

▲ 23.0%

- Net Cash Provided by Operating Activities reflects improvements in working capital
- Lower capex following significant investments in modernizing systems & without Property Tax software capitalization
- Committed to Free Cash Flow* conversion FY 2026 target: 65-70%

* Non-GAAP and other financial measure | All % changes are presented on an As Reported basis for FY2024 over FY2023, reflecting contribution for both continuing and discontinued operations

Balanced capital allocation priorities

Our top priority is to deploy our cash towards opportunities that drive organic profitable growth. All other uses of available cash are evaluated on an incremental return profile.

OUR LONG-TERM CAPITAL ALLOCATION PRIORITIES ARE:

Re-invest in organic growth initiatives	• Pursue growth investments to drive long-term revenue and earnings growth, overweight on the Analytics business segment
Maintain strong balance sheet to have financial flexibility	• As required, pay down debt to target leverage range: 2.0 – 2.5x Funded Debt to EBITDA ratio* (4.5x capacity)
Consider value-enhancing acquisitions	• Opportunistically consider value-enhancing strategic and tuck-in acquisitions that accelerate or support the execution of our strategy
Maintain legacy dividend	• Committed to maintain $0.15/share quarterly dividend (~C$28M/yr.)
Repurchase shares with available cash	• Announced renewal of NCIB to be deployed opportunistically when we believe our shares are substantially undervalued • Plans to expand buyback program to C$250M with net proceeds from Property Tax sale

* As defined in the Company's credit facility agreement available on SEDAR+

2025 business outlook

	FY2024 results:		FY2025 expectations:	Q1 2025 expectations:
ANALYTICS	• $411.3 M total Analytics revenue • $383.4 M Recurring Revenue* • $117.2 M Adjusted EBITDA • 28.5% Adjusted EBITDA margin*	▲ 3.0% ▲ 6.4% ▲ 20.0% ▲ 400 bps	• 4-7% total Analytics revenue growth • 6-9% Recurring Revenue* growth • 250-350 bps of Adjusted EBITDA margin* expansion	• 0-2% total Analytics revenue growth • 2-3% Recurring Revenue* growth • 50-150 bps of Adjusted EBITDA margin* expansion
APPRAISALS & DEVELOPMENT ADVISORY	• $109.2 M Revenue • $9.9 M Adjusted EBITDA • 9.1% Adjusted EBITDA margin*	▼ 7.3% ▼ 15.0% ▼ 80 bps	• Low single digit revenue growth • Adjusted EBITDA margin* expansion	• 4-6% revenue decline • $1-2M Adjusted EBITDA improvement
CONSOLIDATED	• $519.7 M Revenue • $82.9 M Adjusted EBITDA* • 15.9% Adjusted EBITDA margin*	▲ 0.6% ▲ 23.7% ▲ 300 bps	• 3-5% revenue growth • 300-400 bps of Adjusted EBITDA margin* expansion	• Flat revenue growth • 150-250 bps of Adjusted EBITDA margin* expansion

Disclaimer:

Forecasting future results or trends is inherently difficult for any business and actual results or trends may vary significantly. The business outlook is forward-looking information that is based upon the assumptions and subject to the material risks discussed under the "Forward-Looking Information Disclaimer" section. Key assumptions for the business outlook by segment: Analytics: consistency and growth in number of assets on the Valuation Management Solutions platform, continued ARGUS cloud conversions, new sales (including New Bookings converting to revenue within Management's expected timeline and uptake on new product functionality), client and software retention consistent with 2024 levels, pricing action, improved operating leverage, as well as consistent and gradually improving economic conditions in financial and CRE markets. Appraisal & Development Advisory: improved client profitability and improved operating leverage. The Consolidated outlook assumes that corporate costs will remain elevated throughout 2025 consistent with 2024 levels.

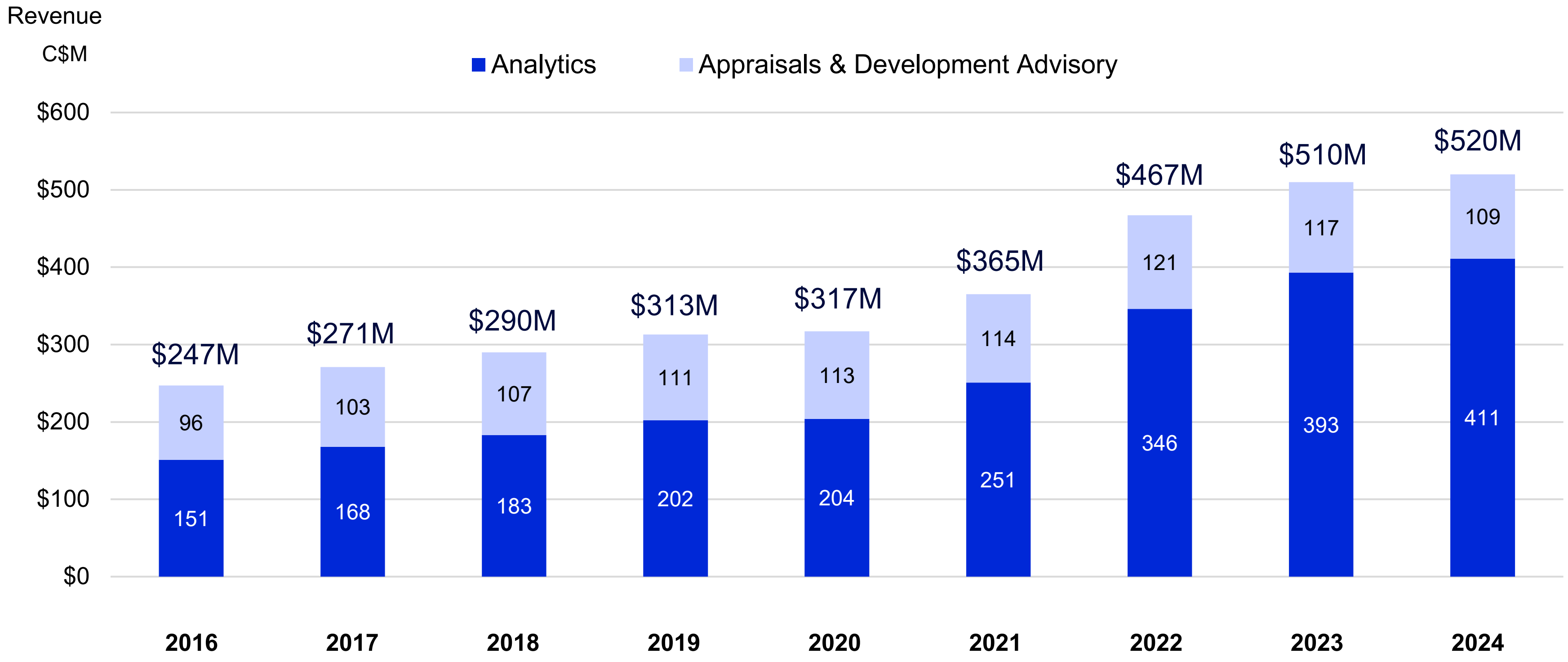
* Non-GAAP and other financial measure | % & bps changes presented on a Constant Currency basis over the corresponding period in 2024. | FY2026 targets remain unchanged, as detailed in the Q3 2024 MD&A.

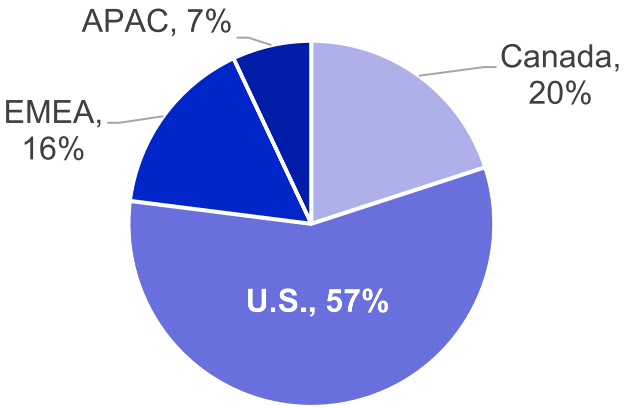
Question period

For additional inquiries please email IR@altusgroup.com

APPENDIX

Business segment contribution





Adjusted EBITDA margin*	2016	2017	2018	2019	2020	2021	2022	2023	2024
	12.5%	11.7%	11.9%	12.0%	13.4%	14.3%	14.1%	9.8%	9.1%
	27.1%	27.9%	22.6%	18.2%	17.6%	16.6%	20.7%	24.3%	28.5%

* Non-GAAP and other financial measure | Consolidated revenues exclude Geomatics’ and Property Tax’s revenues, which were reflected as Discontinued Operations starting Q1 2020 and Q3 2024 respectively

Reportable segment performance

Revenues	Quarter ended December 31,				Year ended December 31,			
In thousands of dollars	**2024**	2023	% Change	CC* % Change	**2024**	2023	% Change	CC* % Change
Analytics	$ 107,721	$ 103,190	4.4%	1.6%	$ 411,282	$ 392,913	4.7%	3.0%
Appraisals and Development Advisory	27,964	28,046	(0.3%)	(1.0%)	109,208	117,577	(7.1%)	(7.3%)
Intercompany eliminations	(184)	(186)	1.1%	1.5%	(763)	(758)	(0.7%)	(0.6%)
Total Revenues	$ 135,501	$ 131,050	3.4%	1.0%	$ 519,727	$ 509,732	2.0%	0.6%

Adjusted EBITDA	Quarter ended December 31,				Year ended December 31,			
In thousands of dollars	**2024**	2023	% Change	CC* % Change	**2024**	2023	% Change	CC* % Change
Analytics	$ 36,409	$ 28,145	29.4%	25.2%	$ 117,162	$ 95,469	22.7%	20.0%
Appraisals and Development Advisory	4,401	2,254	95.3%	93.4%	9,909	11,540	(14.1%)	(15.0%)
Corporate	(8,390)	(9,541)	12.1%	17.0%	(44,176)	(41,246)	(7.1%)	(4.3%)
Total Adjusted EBITDA*	$ 32,420	$ 20,858	55.4%	51.8%	$ 82,895	$ 65,763	26.1%	23.7%

* Non-GAAP and other financial measure | CC = Constant Currency

Selected financial information

Selected Financial Information	Quarter ended December 31,		Year ended December 31,	
In thousands of dollars, except for per share amounts	**2024**	2023 (1)	**2024**	2023 (1)
Revenues	$ 135,501	$ 131,050	$ 519,727	$ 509,732
Canada	20%	22%	20%	23%
U.S.	57%	56%	57%	55%
EMEA	16%	16%	16%	16%
Asia Pacific	7%	6%	7%	6%
Adjusted EBITDA*	$ 32,420	$ 20,858	$ 82,895	$ 65,763
Adjusted EBITDA margin*	23.9%	15.9%	15.9%	12.9%
Profit (loss) for the period from continuing operations, net of tax	$ 22,872	$ (8,319)	$ (793)	$ (33,493)
Profit (loss) for the period from discontinued operations, net of tax	$ (12,234)	$ 8,179	$ 14,216	$ 43,725
Profit (loss)	$ 10,638	$ (140)	$ 13,423	$ 10,232
Earnings (loss) per share:				
Basic				
Continuing operations	$0.50	$(0.18)	$(0.02)	$(0.74)
Discontinued operations	$(0.27)	$0.18	$0.31	$0.97
Diluted				
Continuing operations	$0.48	$(0.18)	$(0.02)	$(0.74)
Discontinued operations	$(0.26)	$0.18	$0.30	$0.95
Adjusted*	$0.85	$0.26	$1.17	$0.48
Dividends declared per share	$0.15	$0.15	$0.60	$0.60
Net cash provided by (used in) operating activities	$ 24,708	$ 44,693	$ 79,920	$ 71,429
Free Cash Flow*	$ 24,599	$ 40,141	$ 72,465	$ 58,938

	As at December 31,	
	2024	2023
Funded debt to EBITDA ratio**	2.01:1	2.06:1

* Non-GAAP and other financial measure

** As defined in the Company's credit facility agreement available on SEDAR+

Reconciliation of Profit (Loss) to Adjusted EBITDA and Adjusted Earnings

	Quarter ended December 31,		Year ended December 31,	
In thousands of dollars, except for per share amounts	**2024**	**2023**	**2024**	**2023**
Profit (loss) for the period	$ 10,638	$ (140)	$ 13,423	$ 10,232
(Profit) loss from discontinued operations, net of tax	12,234	(8,179)	(14,216)	(43,725)
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 (2)	(1,618)	(1,289)	(9,157)	(8,431)
Depreciation of right-of-use assets	1,595	2,078	8,271	8,047
Depreciation of property, plant and equipment and amortization of intangibles (8)	8,752	9,560	35,745	37,382
Acquisition and related transition costs (income)	20	3,759	8,914	3,950
Unrealized foreign exchange (gain) loss (3)	543	970	760	3,622
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles (3)	(4,074)	(3)	(2,496)	16
Share of (profit) loss of joint venture	(937)	(810)	(2,950)	(3,146)
Non-cash share-based compensation costs (4)	3,231	3,041	13,285	11,178
(Gain) loss on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs (4)	24	1,512	(2,891)	5,531
Restructuring costs (recovery)	2,939	311	12,052	313
(Gain) loss on investments (5)	194	659	(446)	301
Impairment charge	7,000	-	7,000	-
Other non-operating and/or non-recurring (income) costs (6)	2,951	2,528	5,856	14,074
Finance costs (income), net – leases	301	131	938	771
Finance costs (income), net – other (9)	3,781	8,816	18,457	23,836
Income tax expense (recovery) (10)	(15,154)	(2,086)	(9,650)	1,812
Adjusted EBITDA	$ 32,420	$ 20,858	$ 82,895	$ 65,763
Depreciation of property, plant and equipment and amortization of intangibles of non-acquired businesses (8)	(1,836)	(2,322)	(6,797)	(8,955)
Finance (costs) income, net – other (9)	(3,781)	(8,816)	(18,457)	(23,836)
(Gain) loss on hedging transactions, including currency forward contracts and interest expense (income) on swaps (9)	(502)	3,762	202	3,057
Tax effect of adjusted earnings (loss) adjustments (10)	13,055	(1,664)	(3,830)	(13,958)
Adjusted earnings (loss)*	$ 39,356	$ 11,818	$ 54,013	$ 22,071
Weighted average number of shares – basic	45,904,069	45,421,165	45,787,374	45,302,194
Weighted average number of restricted shares	233,275	433,123	308,353	485,530
Weighted average number of shares – adjusted	46,137,344	45,854,288	46,095,727	45,787,724
Adjusted earnings (loss) per share (7)	$0.85	$0.26	$1.17	$0.48

(1) Comparative figures have been restated to reflect discontinued operations. Refer to Note 11 of the financial statements.
(2) 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.
(3) Included in other operating expenses in the consolidated statements of comprehensive income (loss).
(4) Included in employee compensation expenses in the consolidated statements of comprehensive income (loss).
(5) (Gain) loss on investments relates to changes in the fair value of investments in partnerships.
(6) Other non-operating and/or non-recurring (income) costs for the quarters and years ended December 31, 2024 and 2023 relate to legal, advisory, consulting, and other professional fees related to organizational and strategic initiatives. These are included in other operating expenses in the consolidated statements of comprehensive income (loss).
(7) Refer to page 4 of the MD&A for the definition of Adjusted EPS.
(8) For the purposes of reconciling to Adjusted Earnings (Loss), the amortization of intangibles of acquired businesses is adjusted from Profit (loss) for the period. Per the quantitative reconciliation above, we have added back depreciation of property, plant and equipment and amortization of intangibles and then deducted the depreciation of property, plant and equipment and amortization of intangibles of non-acquired businesses to arrive at the amortization of intangibles of acquired businesses.
(9) For the purposes of reconciling to Adjusted Earnings (Loss), the interest accretion on contingent consideration payables and (gains) losses on hedging transactions and interest expense (income) on swaps is adjusted from Profit (loss) for the period. Per the quantitative reconciliation above, we have added back finance costs (income), net – other and then deducted finance costs (income), net – other prior to adjusting for interest accretion on contingent consideration payables and (gains) losses on hedging transactions and interest expense (income) on swaps.
(10) For the purposes of reconciling to Adjusted Earnings (Loss), only the tax impacts for the reconciling items noted in the definition of Adjusted Earnings (Loss) is adjusted from profit (loss) for the period.

* Non-GAAP and other financial measure

AltusGroup

Debt, leverage & liquidity

Quarter end	Cash position	Total bank debt	Funded debt to EBITDA ratio**
Q4 2024	$41.9 M	$282.9 M	2.01x
Q3 2024	$39.6 M	$306.1 M	2.07x
Q2 2024	$49.5 M	$306.4 M	2.11x
Q1 2024	$44.3 M	$328.6 M	2.15x
Q4 2023	$41.9 M	$308.6 M	2.06x
Q3 2023	$44.7 M	$314.1 M	2.08x
Q2 2023	$43.1 M	$335.8 M	2.19x
Q1 2023	$42.9 M	$350.1 M	2.21x
Q4 2022	$55.3 M	$319.6 M	2.13x
Q3 2022	$46.6 M	$324.0 M	2.29x
Q2 2022	$67.1 M	$345.0 M	2.63x
Q1 2022	$46.8 M	$306.7 M	2.60x
Q4 2021	$51.3 M	$287.6 M	2.47x
Q3 2021	$66.4 M	$246.9 M	2.05x
Q2 2021	$74.1 M	$246.8 M	2.03x
Q1 2021	$69.1 M	$128.0 M	1.11x
Q4 2020	$69.6 M	$123.0 M	1.09x
Q3 2020	$91.1 M	$153.5 M	1.49x

Liquidity as at September 30, 2024:	
Cash	$41.9 M
Bank Credit Facilities Available	$267.1 M
Total Liquidity	$309.0 M

Free Cash Flow	Three months ended September 30,		Nine months ended September 30,	
In thousands of dollars	**2024**	2023	**2024**	2023
Net cash provided by (used in) operating activities	$ 24,708	$ 44,693	$ 79,920	$ 71,429
Less: Capital Expenditures	(109)	(4,552)	(7,455)	(12,491)
Free Cash Flow*	$ 24,599	$ 40,141	$ 72,465	$ 58,938

* Non-GAAP and other financial measure

** As defined in the Company's credit facility agreement available on SEDAR+

Summary of consolidated quarterly results

In thousands of dollars, except for per share amounts	2024 Fiscal 2024	2024 Dec 31	2024 Sep 30	2024 Jun 30	2024 Mar 31	2023 Fiscal 2023	2023 Dec 31	2023 Sep 30	2023 Jun 30	2023 Mar 31
Results of Operations										
Revenues	$ 519,727	$ 135,501	$ 128,419	$ 130,389	$ 125,418	$ 509,732	$ 131,050	$ 124,450	$ 130,092	$ 124,140
Adjusted EBITDA*	$ 82,895	$ 32,420	$ 21,568	$ 17,985	$ 10,922	$ 65,763	$ 20,858	$ 16,981	$ 16,468	$ 11,456
Adjusted EBITDA margin*	15.9%	23.9%	16.8%	13.8%	8.7%	12.9%	15.9%	13.6%	12.7%	9.2%
Profit (loss) for the period from continuing operations	$ (793)	$ 22,872	$ (2,877)	$ (8,636)	$ (12,152)	$ (33,493)	$ (8,319)	$ (3,271)	$(10,487)	$(11,415)
Profit (loss) for the period from discontinued operations	$ 14,216	$(12,234)	$ 3,532	$ 10,919	$ 11,999	$ 43,725	$ 8,179	$ 4,200	$ 22,343	$ 9,009
Basic earnings (loss) per share:										
Continuing operations	$(0.02)	$0.50	$(0.06)	$(0.19)	$(0.27)	$(0.74)	$(0.18)	$(0.07)	$(0.23)	$(0.25)
Discontinued operations	$0.31	$(0.27)	$0.08	$0.24	$0.26	$0.97	$0.18	$0.09	$0.49	$0.20
Diluted earnings (loss) per share:										
Continuing operations	$(0.02)	$0.48	$(0.06)	$(0.19)	$(0.27)	$(0.74)	$(0.18)	$(0.07)	$(0.23)	$(0.25)
Discontinued operations	$0.30	$(0.26)	$0.08	$0.24	$0.26	$0.95	$0.18	$0.09	$0.49	$0.20
Adjusted earnings (loss) per share*	$1.17	$0.85	$0.19	$0.14	$(0.01)	$0.48	$0.26	$0.14	$0.05	$0.03
Weighted average number shares ('000s):										
Basic	45,787	45,904	45,927	45,782	45,533	45,302	45,421	45,408	45,361	45,012
Diluted	46,762	47,193	46,803	46,418	45,533	45,908	45,421	45,904	45,816	45,012

* Non-GAAP and other financial measure

Non-GAAP and other measures definitions

Altus Group uses certain non-GAAP financial measures, non-GAAP ratios, total of segments measures, capital management measures, and supplementary and other financial measures as defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure ("NI 52-112"). Management believes that these measures may assist investors in assessing an investment in the Company's shares as they provide additional insight into the Company's 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. These measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS.

Adjusted Earnings (Loss): Altus Group uses Adjusted Earnings (Loss) to facilitate the calculation of Adjusted Earnings (Loss) per Share ("Adjusted EPS"). How it's calculated: Profit (loss) added or (deducted) by: profit (loss) from discontinued operations, net of tax; occupancy costs calculated on a similar basis prior to the adoption of IFRS 16; depreciation of right-of-use assets; amortization of intangibles of acquired businesses; acquisition and related transition costs (income); unrealized foreign exchange losses (gains); (gains) losses on disposal of right-of-use assets, property, plant and equipment and intangibles; share of (profit) loss of joint venture; non-cash share-based compensation costs; (gains) losses on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs; (gains) losses on derivatives; interest accretion on contingent consideration payables; restructuring costs (recovery); impairment charges; (gains) losses on investments; (gains) losses on hedging transactions and interest expense (income) on swaps; other costs or income of a non-operating and/or non-recurring nature; finance costs (income), net - leases; and the tax impact of these items.

Constant Currency: Altus Group uses Constant Currency to allow 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. How it's calculated: The financial results and non-GAAP and other measures presented at Constant Currency within this document are obtained by translating monthly results denominated in local currency (U.S. dollars, British pound, Euro, Australian dollars, and other foreign currencies) to Canadian dollars at the foreign exchange rates of the comparable month in the previous year.

Adjusted EPS: Altus Group uses Adjusted EPS to assess the performance of the business, on a per share basis, before the effects of the noted items because they affect the comparability of the Company's financial results and could potentially distort the analysis of trends in business performance. How it's calculated: Adjusted Earnings (Loss) divided by basic weighted average number of shares, adjusted for the effects of the weighted average number of restricted shares.

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"): Altus Group uses Adjusted EBITDA to evaluate the performance of the business, as well as when making decisions about the ongoing operations of the business and the Company's ability to generate cash flows. This measure represents Adjusted EBITDA determined on a consolidated entity-basis as a total of the Company's various segments. All other Adjusted EBITDA references are disclosed in the Company's financial statements and are not considered to be non-GAAP financial measures pursuant to NI 52-112. How it's calculated: Profit (loss) added or (deducted) by: profit (loss) from discontinued operations, net of tax; occupancy costs calculated on a similar basis prior to the adoption of IFRS 16; depreciation of right-of-use assets; depreciation of property, plant and equipment and amortization of intangibles; 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; 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"); (gains) losses on derivatives, restructuring costs (recovery); impairment charges; (gains) losses on investments; other costs or income of a non-operating and/or non-recurring nature; finance costs (income), net - leases; finance costs (income), net - other; and income tax expense (recovery).

Free Cash Flow: Altus Group uses Free Cash Flow to understand how much of the cash generated from operating activities is available to repay borrowings and to reinvest in the Company. How it's calculated: Net cash provided by (used in) operating activities deducted by capital expenditures.

Adjusted EBITDA Margin: Altus Group uses Adjusted EBITDA margin to evaluate the performance of the business, as well as when making decisions about the ongoing operations of the business and its ability to generate cash flows. How it's calculated: Adjusted EBITDA divided by revenue.

Non-GAAP and other measures definitions

New Bookings, Organic New Bookings, Recurring New Bookings and Non-Recurring New Bookings: For its Analytics reportable segment, Altus Group uses New Bookings, Organic New Bookings, Recurring New Bookings and Non-Recurring New Bookings as measures to track the performance and success of sales initiatives, and as an indicator of future revenue growth. How it's calculated: *New Bookings:* The total of annual contract values for new sales of the Company's recurring solutions and services (software subscriptions, Valuation Management Solutions and data subscriptions) plus the total of contract values for one-time engagements (consulting, training, and due diligence). The value of contract renewals is excluded from this metric with the exception of additional capacity or products purchased at the time of renewal. The total annual contract values for VMS are based on an estimated number of assets at the end of the first year of the contract term. New Bookings is inclusive of any new signed contracts as well as any additional solutions and services added by existing customers within the Analytics reportable segment. *Organic New Bookings*: The total of New Bookings deducted by New Bookings from business acquisitions that are not fully integrated (up to the first anniversary of the acquisition). *Recurring New Bookings*: The total of annual contract values for new sales of the recurring solutions and services. *Non-Recurring New Bookings*: The total of contract values for one-time engagements.

Organic Revenue: Altus Group uses Organic Revenue to evaluate and assess revenue trends in the business on a comparable basis versus the prior year, and as an indicator of future revenue growth. How it's calculated: Revenue deducted by revenues from business acquisitions that are not fully integrated (up to the first anniversary of the acquisition).

Recurring Revenue, Non-Recurring Revenue, Organic Recurring Revenue: For its Analytics reportable segment, Altus Group uses Recurring Revenue, Non-Recurring Revenue and Organic Recurring Revenue as measures to assess revenue trends in the business, and as an indicator of future revenue growth. How it's calculated: *Recurring Revenue*: Revenue from software subscriptions recognized on an over time basis in accordance with IFRS 15, software maintenance revenue associated with the Company's legacy licenses sold on perpetual terms, Valuation Management Solutions, and data subscriptions. *Non-Recurring Revenue:* Total Revenue deducted by Recurring Revenue. *Organic Recurring Revenue*: Recurring Revenue deducted by Recurring Revenue from business acquisitions that are not fully integrated (up to the first anniversary of the acquisition).

Cloud Adoption Rate: For its Analytics reportable segment, Altus Group uses the Cloud Adoption Rate as a measure of its progress in transitioning the Argus Enterprise user base to its cloud-based platform, a key component of its overall product strategy. How it's calculated: Percentage of the total Argus Enterprise user base contracted on the ARGUS Cloud platform.