Altus Group

# Q3 2024 Earnings Call & Webcast

TSX: AIF | November 7, 2024

# 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 the Company’s business, strategies and leverage (including the commitment to increase borrowing capacity), expectations of future performance, including any guidance on financial expectations, and the Company’s 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 the Company 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; successful completion of the transaction to divest the Property Tax business in accordance with the terms thereof, unamended, absence of any material purchase price adjustment for working capital or otherwise; continued adoption of cloud subscriptions by the Company’s customers; retention of material clients and bookings; sustaining the Company’s software and subscription renewals; successful execution of the Company’s 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 the Company operates; 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 the Company’s 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 commercial real estate market; the general state of the economy; the Company’s financial performance; the Company’s financial targets; the Company’s international operations; acquisitions; business interruption events; third party information and data; cybersecurity; industry competition; professional talent; the Company’s subscription renewals; the Company’s sales pipeline; client concentration and loss of material clients; the Company’s cloud transition; product enhancements and new product introductions; technological strategy; intellectual property; property tax appeals and seasonality; compliance with laws and regulations; privacy and data protection; artificial intelligence; the Company’s use of technology; the Company’s leverage and financial covenants; interest rates; inflation; the Company’s brand and reputation; fixed price and contingency engagements; currency fluctuations; credit; tax matters; health and safety hazards; the Company’s contractual obligations; legal proceedings; regulatory review; the Company’s insurance limits; the Company’s ability to meet the solvency requirements necessary to make dividend payments; the Company’s share price; the Company’s capital investments; the issuance of additional common shares and debt; the Company’s internal and disclosure controls; environmental, social and governance (“ESG”) matters; climate risk; and geopolitical risks, as well as those described in the Company’s annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2023 (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 the Company has 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, the Company does not undertake to update or revise it to reflect new events or circumstances. Additionally, the Company undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of Altus Group, the Company’s financial or operating results, or the Company’s securities.

Certain information in this Presentation, including sections entitled “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

**Pawan Chhabra**
Chief Financial Officer

# Consolidated results

*In Q3 2024 the results from Property Tax have been classified as Discontinued Operations. Accordingly, all amounts except for Free Cash Flow and net cash related to operating activities represent results from Continuing Operations.*

| | Q3 2024 | Q3 2023 | Y/Y CHANGE |
|---|---|---|---|
| Revenues | **$128.4** | **$124.5** | ▲ 1.4% *CC |
| Profit (Loss) from continuing operations | **$(2.9)** | **$(3.3)** | ▲ 12.0% |
| Basic EPS from continuing operations | **$(0.06)** | **$(0.07)** | ▲ 14.3% |
| Diluted EPS from continuing operations | **$(0.06)** | **$(0.07)** | ▲ 14.3% |
| Adjusted EBITDA* | **$21.6** | **$17.0** | ▲ 23.5% *CC |
| Adjusted EBITDA Margin* | **16.8%** | **13.6%** | ▲ 300 bps *CC |
| Adjusted EPS* | **$0.19** | **$0.14** | ▲ 35.7% |
| Net cash related to operating activities | **$18.4** | **$36.0** | ▼ 49.0% |
| Free Cash Flow* | **$16.0** | **$34.1** | ▼ 53.0% |

Q3 2024 REVENUE:

- ▲ Analytics
- ▼ Appraisals & Development Advisory

Q3 2024 ADJUSTED EBITDA MARGIN*:

- ▲ Analytics
- ▲ Appraisals & Development Advisory

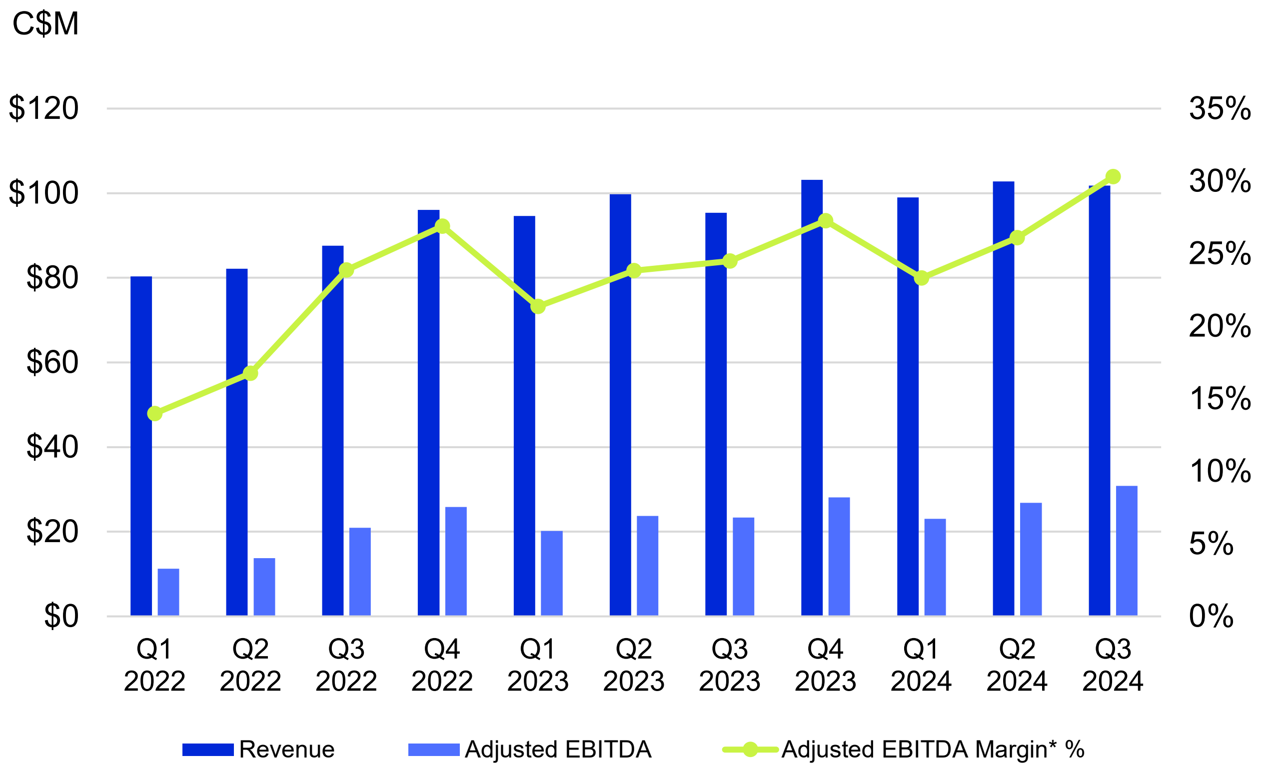
YTD CASH GENERATION:

- ▲ Free Cash Flow*
- ▲ Net cash related to operating activities

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

# Analytics results

## Steady revenue growth & margin expansion




Q3 2024:

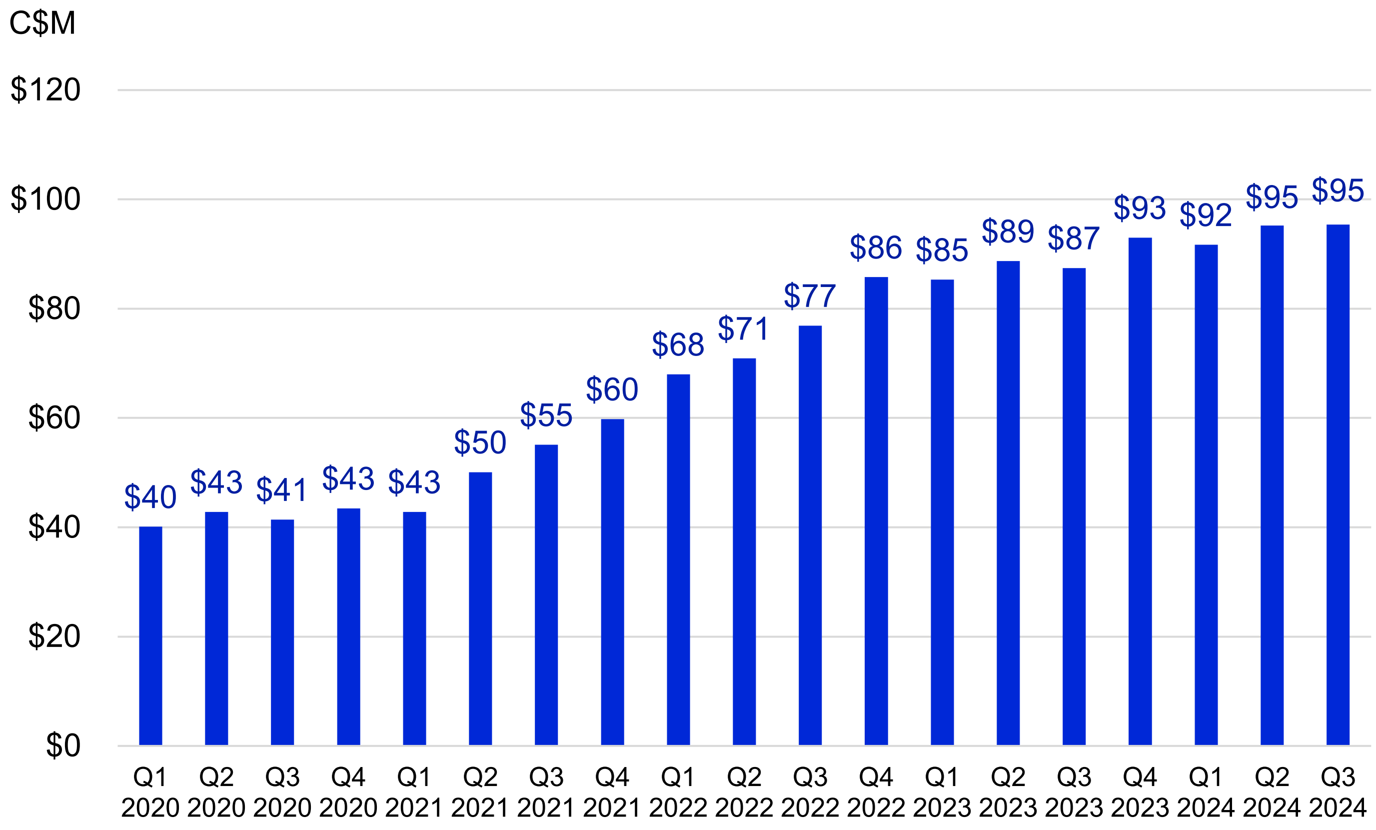
| | | As reported | CC* |
|---|---|---|---|
| Revenue | $101.8M | ▲ **6.8%** | ▲ **4.7%** |
| Recurring Revenue* | $95.4M | ▲ **9.1%** | ▲ **7.0%** |
| Adjusted EBITDA | $30.8M | ▲ **32.1%** | ▲ **28.5%** |
| Adjusted EBITDA Margin* | 30.3% | ▲ **580 bps** | ▲ **560 bps** |



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

# Analytics Recurring Revenue*

## Resilient & growing recurring revenue base




Q3 2024:

**$95.4M ▲ 7.0%**

- Organic Recurring Revenue* was up 5.3%
- 94% of Analytics revenues were recurring vs. 92% in the prior year
- Recurring Revenue* makes up 74% of total consolidated revenue from continuing operations



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

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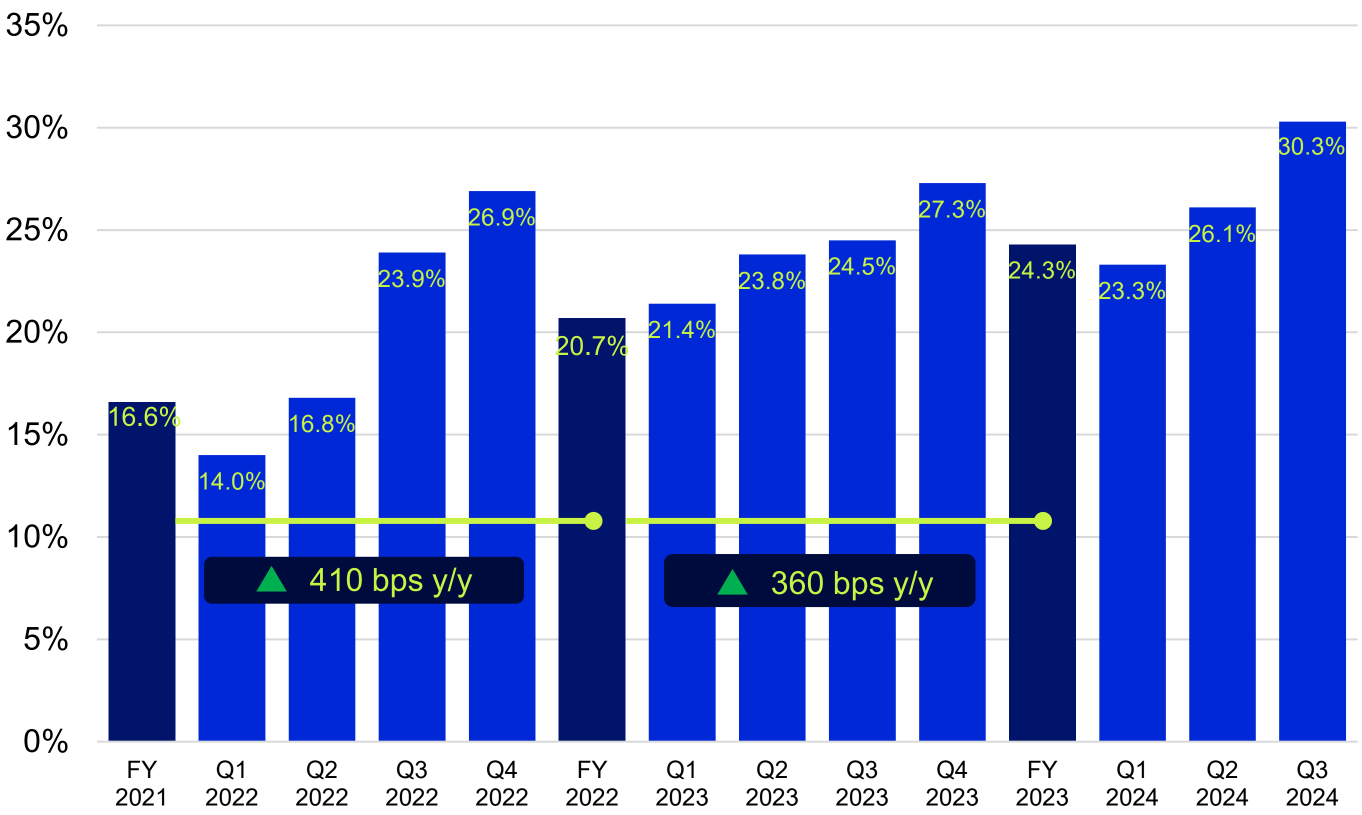
# Analytics Adjusted EBITDA margin*

## Steady margin expansion




Q3 2024:

**30.3% ▲ 560 bps**

*CC

YTD 2024:

**26.6% ▲ 320 bps**

*CC

Plans to deliver 400 – 500 bps of annualized margin improvement in 2024, to be 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 an As Reported y/y view for historic results and CC for 2024.
Please refer to the 2024 Business Outlook slide for assumptions and the Company's Forward-Looking Information & statements disclaimer.



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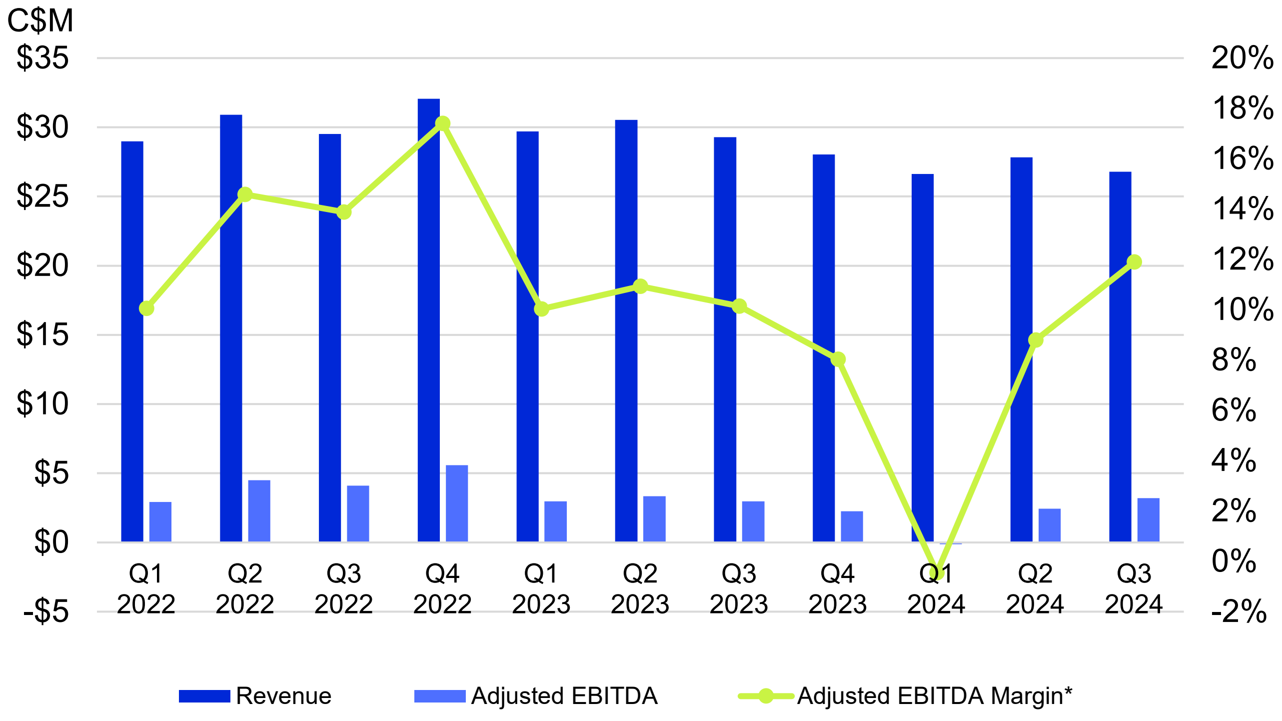
# Appraisals & Development Advisory results

## Navigating macro conditions & enhancing profitability




Q3 2024:

| | | As reported | CC* |
|---|---|---|---|
| Revenue | $26.8M | ▼ **8.5%** | ▼ **9.3%** |
| Adjusted EBITDA | $3.2M | ▲ **7.5%** | ▲ **4.7%** |
| Adjusted EBITDA Margin* | 11.9% | ▲ **180 bps** | ▲ **160 bps** |



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

# Balance sheet

| | |
|---|---|
| $39.6M | CASH POSITION |
| $306.1M | BANK DEBT |
| 2.07x | FUNDED DEBT TO EBITDA RATIO** |

## Firepower to invest in growth

| | |
|---|---|
| $283.5M | TOTAL LIQUIDITY* AS AT SEPTEMBER 30, 2024 |
| ~$600M | NET PROCEEDS FROM PLANNED PROPERTY TAX DIVESTITURE*** |

* Non-GAAP and other financial measure | All Balance Sheet figures are as at Sep. 30, 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)

*** Assumes the successful completion of the previously announced divestiture of the Property Tax business in accordance with the terms thereof, unamended, and the absence of any material purchase price adjustment for working capital or otherwise.



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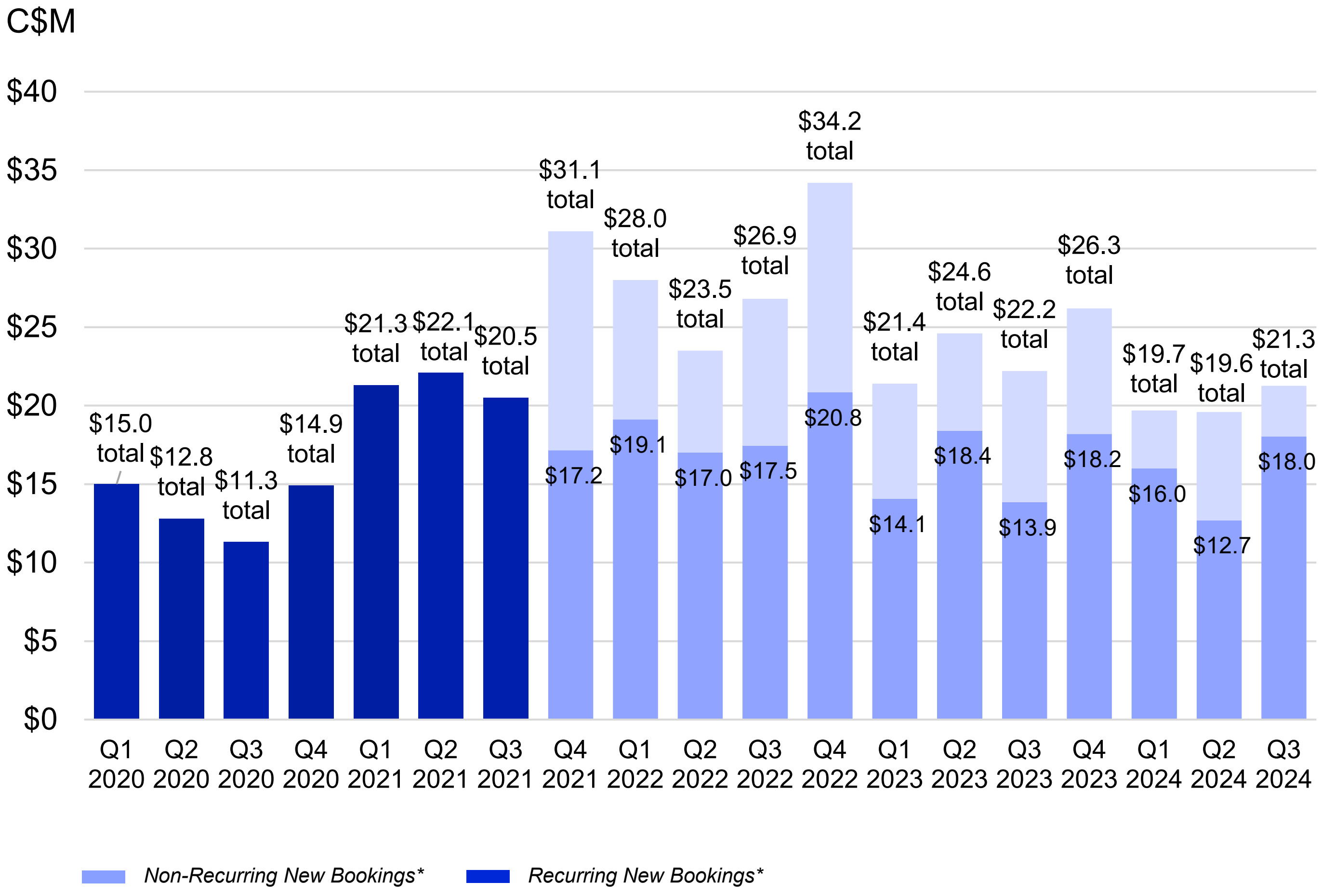
# CEO remarks

**Jim Hannon**
Chief Executive Officer

# Analytics New Bookings*

## Focusing on adding recurring new bookings




Q3 2024 NEW BOOKINGS*:

**$21.3M ▼ 5.2%**

Q3 2024 RECURRING NEW BOOKINGS*:

**$18.0M ▲ 29.3%**

* 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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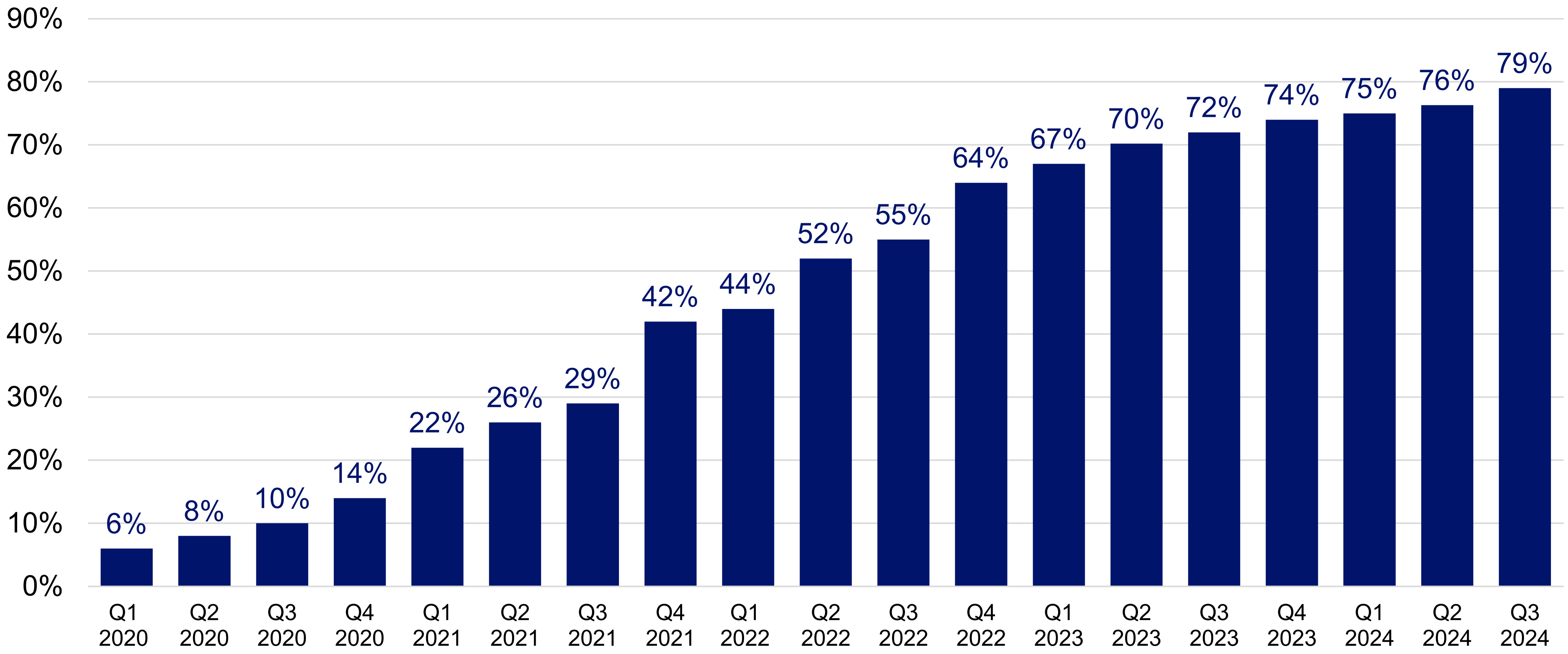
# Cloud Adoption Rate*

Successful transition to subscription revenue




* Non-GAAP and other financial measure



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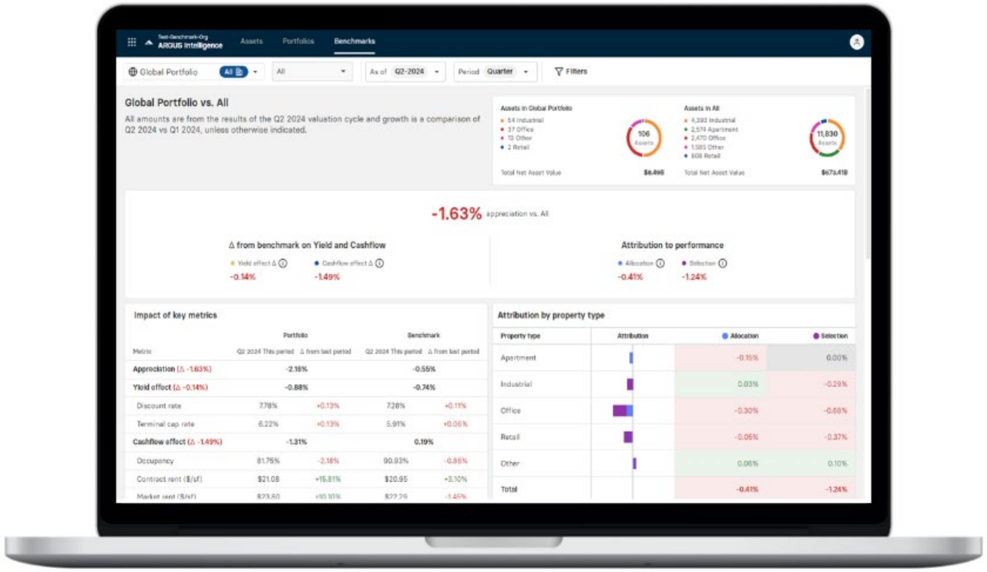
# Introducing ARGUS Intelligence

## New product built to drive CRE performance, powered by the Altus Intelligence Platform

ARGUS INTELLIGENCE




ALTUS INTELLIGENCE PLATFORM

… delivers asset, portfolio, and benchmark management for performance optimization

**What's new?**

- ✓ Addresses data organization & access issues
- ✓ Includes ARGUS Enterprise and new functionality to analyze, compare & stress-test performance
- ✓ Provides actionable performance insights to quickly identify and react to the key drivers of portfolio value and cash flow growth
- ✓ New modern interface with intuitive views of asset-level financial and performance data
- ✓ Opens up user universe to new personas

Ingests data & connects Altus' rich valuation & cashflow modeling datasets under a common Altus ID

CORE CAPABILITIES:

- Asset Manager functionality
- Automated ARGUS data consolidation
- ARGUS Enterprise

ADD-ON CAPABILITIES:

- Portfolio Manager functionality
- Benchmark Manager functionality (available in Q1 2025)



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# Question period

For additional inquiries please email IR@altusgroup.com

# APPENDIX

# 2024 business outlook

| | FY 2024 business outlook: | | YTD results: |
|---|---|---|---|
| ANALYTICS | • 6 – 9% Recurring Revenue* growth<br>• 400 – 500 bps of Adjusted EBITDA margin* expansion | UNCHANGED | ▲ 6.7%<br>▲ 320 bps |
| APPRAISALS & DEVELOPMENT ADVISORY | • High single digit revenue decline (updated from low single digit decline)<br>• Mid single digit Adjusted EBITDA decline (updated from single digit growth) | | ▼ 9.3%<br>▼ 41.3% |
| CONSOLIDATED | • Single digit revenue growth<br>• Double digit Adjusted EBITDA* growth<br>• Adjusted EBITDA margin* improvement over 2023 | UNCHANGED | ▲ 0.5%<br>▲ 10.7%<br>▲ 120 bps |

Note: Presented on a Constant Currency* basis over full year 2023. The Consolidated outlook excludes contribution from Property Tax.

*Disclaimer:*

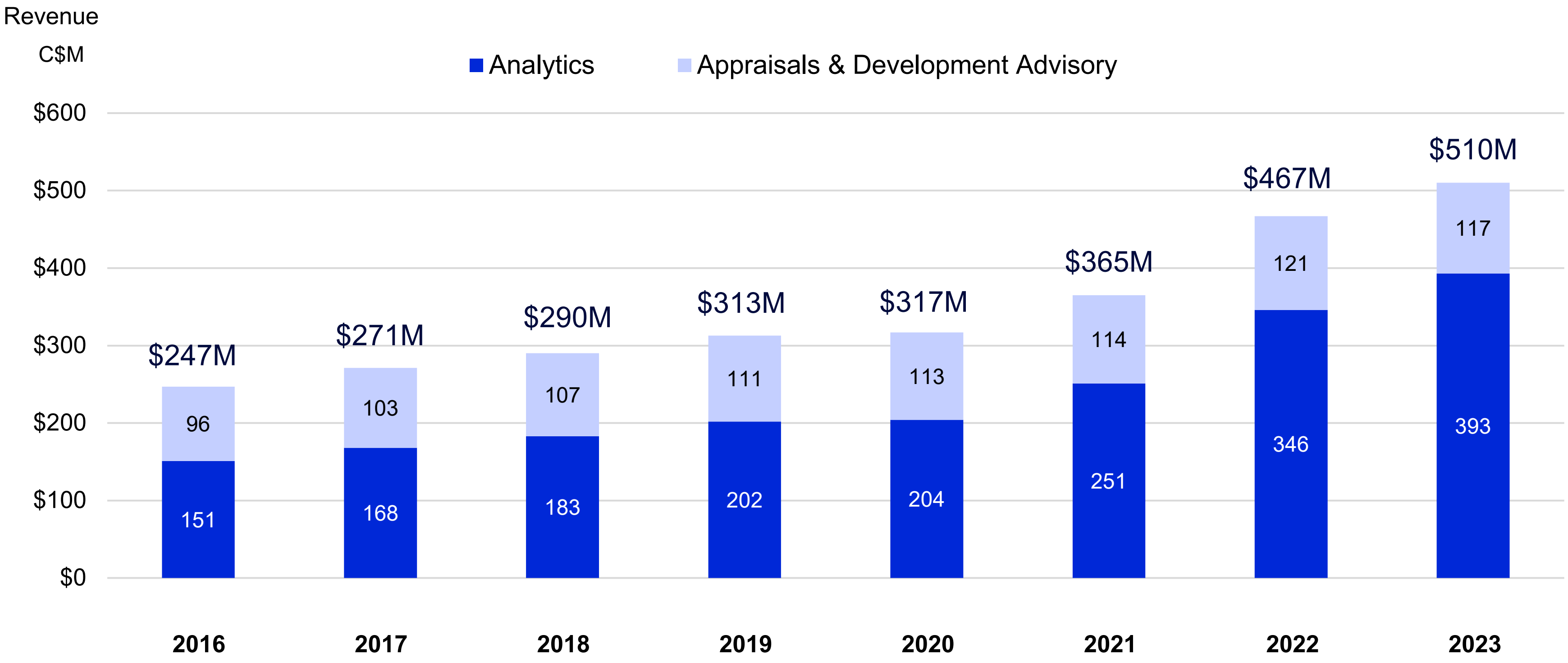
*Forecasting future results or trends is inherently difficult for any business and actual results or trends may vary significantly. The business outlook is forward-looking information that is based upon the assumptions and subject to the material risks discussed under the "Forward-Looking Information 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), client and software retention consistent with 2023 levels, pricing action, the successful integration of Forbury, improved operating leverage, as well as consistent and increasingly stable economic conditions in financial and CRE markets. Appraisal & Development Advisory: improved client profitability and improved operating leverage. The Consolidated outlook assumes the Property Tax business moves to discontinued operations in 2024. The Consolidated outlook assumes that corporate costs will remain elevated through the remainder of 2024*

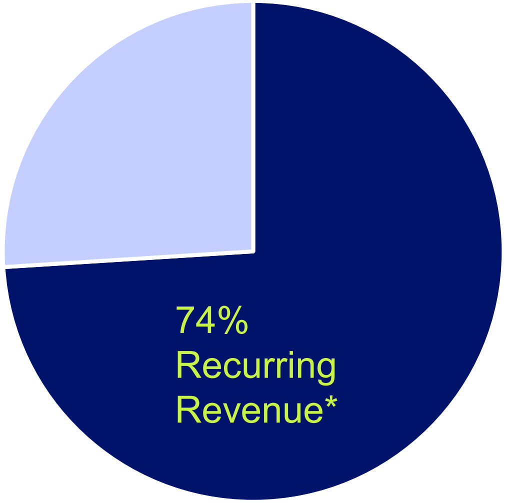


* Non-GAAP and other financial measure

# Continuing Operations business segment contribution




| Adjusted EBITDA margin* | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|
| Appraisals & Development Advisory | 12.5% | 11.7% | 11.9% | 12.0% | 13.4% | 14.3% | 14.1% | 9.8% |
| Analytics | 27.1% | 27.9% | 22.6% | 18.2% | 17.6% | 16.6% | 20.7% | 24.3% |



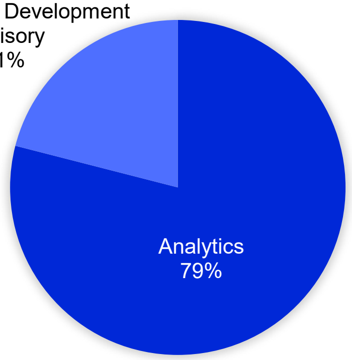

As at Q3 2024, 74% of Altus' consolidated revenue from continuing operations was Recurring Revenue*

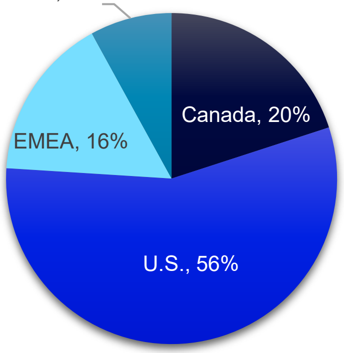
** Non-GAAP and other financial measure | Consolidated revenues exclude Geomatics' and Property Tax's revenues, which were reflected as Discontinued Operations starting Q1 2020 and Q3 2024 respectively*

# Resilient business model provides stability

Stable revenue base

Q3 2024




Trusted by the largest CRE leaders

- Equity Investors
- Debt Investors
- Valuers & Appraisers
- Banks
- Developers
- Corporates
- Brokers

Proven stability across various economic cycles

ANALYTICS

- ~94% of Q3 2024 revenues were recurring, supported by a loyal customer base & low churn
- Solutions for performance and risk transparency embedded in key workflows (ARGUS entrenched in key CRE workflows, strong client loyalty & software retention)
- Large, global firms account for majority of revenues & model not based on CRE transactional volumes

CRE CONSULTING

- Supported by highly-repeatable revenue streams and strong client loyalty
- Appraisals are required for many clients
- Development advisory services are diversified by client segments and supported by multi-year contracts

- Market volatility as potential catalyst for tech adoption and outsourced expertise (aligned with Altus' alpha-beta value proposition)

Expense levers

- Ongoing refinement to target operating model & business transformation initiatives provide sustainable improvements & expense levers to navigate in a dynamic global business environment

# Reportable segment performance

| Revenues | Three months ended September 30, | | | | Nine months ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| *In thousands of dollars* | **2024** | 2023 | % Change | CC* % Change | **2024** | 2023 | % Change | CC* % Change |
| Analytics | $ 101,811 | $ 95,338 | 6.8% | 4.7% | $ 303,561 | $ 289,723 | 4.8% | 3.5% |
| Appraisals and Development Advisory | 26,796 | 29,287 | (8.5%) | (9.3%) | 81,244 | 89,531 | (9.3%) | (9.3%) |
| Intercompany eliminations | (188) | (175) | (7.4%) | (6.9%) | (579) | (572) | (1.2%) | (0.4%) |
| **Total Revenues** | $ 128,419 | $ 124,450 | 3.2% | 1.4% | $ 384,226 | $ 378,682 | 1.5% | 0.5% |

| Adjusted EBITDA | Three months ended September 30, | | | | Nine months ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| *In thousands of dollars* | **2024** | 2023 | % Change | CC* % Change | **2024** | 2023 | % Change | CC* % Change |
| Analytics | $ 30,825 | $ 23,340 | 32.1% | 28.5% | $ 80,753 | $ 67,325 | 19.9% | 17.9% |
| Appraisals and Development Advisory | 3,191 | 2,969 | 7.5% | 4.7% | 5,508 | 9,286 | (40.7%) | (41.3%) |
| Corporate | (12,448) | (9,328) | (33.4%) | (30.1%) | (35,786) | (31,705) | (12.9%) | (10.7%) |
| **Total Adjusted EBITDA*** | $ 21,568 | $ 16,981 | 27.0% | 23.5% | $ 50,475 | $ 44,906 | 12.4% | 10.7% |

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

# Selected financial information

| Selected Financial Information | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| *In thousands of dollars, except for per share amounts* | **2024** | 2023 | **2024** | 2023 |
| Revenues | $ 128,419 | $ 124,450 | $ 384,226 | $ 378,682 |
| Canada | 20% | 23% | 21% | 23% |
| U.S. | 56% | 54% | 56% | 54% |
| EMEA | 16% | 16% | 16% | 16% |
| Asia Pacific | 8% | 7% | 7% | 7% |
| Adjusted EBITDA* | $ 21,568 | $ 16,981 | $ 50,475 | $ 44,906 |
| Adjusted EBITDA margin* | 16.8% | 13.6% | 13.1% | 11.9% |
| Profit (loss) for the period from continuing operations, net of tax | $ (2,877) | $ (3,271) | $ (23,665) | $ (25,174) |
| Profit (loss) for the period from discontinued operations, net of tax | $ 3,532 | $ 4,200 | $ 26,450 | $ 35,546 |
| Profit (loss) | $ 655 | $ 929 | $ 2,785 | $ 10,372 |
| Earnings (loss) per share: | | | | |
| Basic | | | | |
| Continuing operations | $ (0.06) | $((0.07) | $(0.52) | $(0.56) |
| Discontinued operations | $0.08 | $0.09 | $ 0.58 | $0.79 |
| Diluted | | | | |
| Continuing operations | $ (0.06) | $(0.07) | $(0.51) | $(0.55) |
| Discontinued operations | $0.08 | $ 0.09 | $0.57 | $0.77 |
| Adjusted* | $0.19 | $0.14 | $0.32 | $0.22 |
| Dividends declared per share | $0.15 | $0.15 | $0.45 | $0.45 |
| Free Cash Flow* | $ 16,013 | $ 34,101 | $ 47,866 | $ 18,797 |
| | | | As at September 30, | |
| | | | **2024** | 2023 |
| Funded debt to EBITDA ratio** | | | 2.07:1 | 2.08:1 |

* 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

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| *In thousands of dollars, except for per share amounts* | **2024** | **2023** | **2024** | **2023** |
| Profit (loss) for the period | $ 655 | $ 929 | $ 2,785 | $ 10,372 |
| (Profit) loss from discontinued operations, net of tax | (3,532) | (4,200) | (26,450) | (35,546) |
| Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 (2) | (2,320) | (2,417) | (7,539) | (7,142) |
| Depreciation of right-of-use assets | 2,422 | 1,914 | 6,676 | 5,969 |
| Depreciation of property, plant and equipment and amortization of intangibles (8) | 8,769 | 8,081 | 26,993 | 27,822 |
| Acquisition and related transition costs (income) | 25 | 51 | 8,894 | 191 |
| Unrealized foreign exchange (gain) loss (3) | 1,963 | 502 | 217 | 2,653 |
| (Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles (3) | 7 | 7 | 1,578 | 19 |
| Share of (profit) loss of joint venture | (1,507) | (1,196) | (2,013) | (2,336) |
| Non-cash share-based compensation costs (4) | 3,168 | 3,189 | 10,054 | 8,137 |
| (Gain) loss on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs (4) | (741) | (290) | (2,915) | 4,019 |
| Restructuring costs (recovery) | 2,008 | 20 | 9,113 | 2 |
| (Gain) loss on investments (5) | (881) | (32) | (640) | (358) |
| Other non-operating and/or non-recurring (income) costs (6) | 449 | 1,842 | 2,905 | 11,546 |
| Finance costs (income), net – leases | 277 | 159 | 637 | 640 |
| Finance costs (income), net – other (9) | 6,016 | 7,546 | 14,676 | 15,020 |
| Income tax expense (recovery) (10) | 4,790 | 876 | 5,504 | 3,898 |
| Adjusted EBITDA | $ 21,568 | $ 16,981 | $ 50,475 | $ 44,906 |
| Depreciation of property, plant and equipment and amortization of intangibles of non-acquired businesses (8) | (1,747) | (2,172) | (4,961) | (6,633) |
| Finance (costs) income, net – other (9) | (6,016) | (7,546) | (14,676) | (15,020) |
| (Gain) loss on hedging transactions, including currency forward contracts and interest expense (income) on swaps (9) | 1,679 | 2,259 | 704 | (705) |
| Tax effect of adjusted earnings (loss) adjustments (10) | (6,770) | (2,932) | (16,885) | (12,294) |
| Adjusted earnings (loss)* | $ 8,714 | $ 6,590 | $ 14,657 | $ 10,254 |
| Weighted average number of shares – basic | 45,927,341 | 45,408,482 | 45,748,192 | 45,262,101 |
| Weighted average number of restricted shares | 251,085 | 460,702 | 333,464 | 502,836 |
| Weighted average number of shares – adjusted | 46,178,426 | 45,869,184 | 46,081,656 | 45,764,937 |
| Adjusted earnings (loss) per share (7) | $0.19 | 0.14 | $0.32 | 0.22 |

(1) Comparative figures have been restated to reflect discontinued operations.
(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 interim condensed consolidated statements of comprehensive income (loss).
(4) Included in employee compensation expenses in the interim condensed 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 three and nine months ended September 30, 2024 relate to legal, advisory, consulting, and other professional fees related to organizational and strategic initiatives. These are included in other operating expenses in the interim condensed 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, the Company has 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, the Company has 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

# Debt, leverage & liquidity

| Quarter end | Cash position | Total bank debt | Funded debt to EBITDA ratio** |
|---|---|---|---|
| **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 |
| **Q2 2020** | $74.1 M | $160.0 M | 1.65x |

| Liquidity as at September 30, 2024: | |
|---|---|
| Cash | $39.6 M |
| Bank Credit Facilities Available | $243.9 M |
| Total Liquidity | $283.5 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 | $ 18,372 | $ 36,019 | $ 55,212 | $ 26,736 |
| Less: Capital Expenditures | (2,359) | (1,918) | (7,346) | (7,939) |
| **Free Cash Flow*** | $ 16,013 | $ 34,101 | $ 47,866 | $ 18,797 |



* Non-GAAP and other financial measure

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

AltusGroup

# Summary of consolidated quarterly results

| | 2024 | | | 2023 | | | | | 2022 | |
|---|---|---|---|---|---|---|---|---|---|---|
| *In thousands of dollars, except for per share amounts* | **Sep 30** | **Jun 30** | **Mar 31** | **Fiscal 2023** | **Dec 31** | **Sep 30** | **Jun 30** | **Mar 31** | **Fiscal 2022** | **Dec 31** |
| **Results of Operations** | | | | | | | | | | |
| Revenues | $ 128,419 | $ 130,392 | $ 125,418 | $ 509,734 | $ 131,052 | $ 124,450 | $ 130,092 | $ 124,140 | $ 466,868 | $ 127,932 |
| Adjusted EBITDA* | $ 21,568 | $ 17,986 | $ 10,922 | $ 65,764 | $ 20,858 | $ 16,981 | $ 16,465 | $ 11,457 | $ 47,789 | $ 20,515 |
| Adjusted EBITDA margin* | 16.8% | 13.8% | 8.7% | 12.9% | 15.9% | 13.6% | 12.7% | 9.2% | 10.2% | 16.0% |
| Profit (loss) for the period from continuing operations | $ (2,877) | $ (8,636) | $ (12,151) | $ (32,542) | $ (7,369) | $ (3,271) | $(10,487) | $(11,415) | $ (55,872) | $ 5,687 |
| Profit (loss) for the period from discontinued operations | $ 3,532 | $ 10,919 | $ 11,999 | $ 42,766 | $ 7,221 | $ 4,200 | $ 22,343 | $ 9,001 | $ 54,982 | $ (14,445) |
| Basic earnings (loss) per share: | | | | | | | | | | |
| Continuing operations | $(0.06) | $(0.19) | $(0.27) | $(0.72) | $(0.16) | $(0.07) | $(0.23) | $(0.25) | $(1.25) | $0.13 |
| Discontinued operations | $0.08 | $0.24 | $0.26 | $0.94 | $0.16 | $0.09 | $0.49 | $0.20 | $1.23 | $(0.32) |
| Diluted earnings (loss) per share: | | | | | | | | | | |
| Continuing operations | $(0.06) | $(0.19) | $(0.27) | $(0.71) | $(0.16) | $(0.07) | $(0.23) | $(0.25) | $(1.25) | $0.13 |
| Discontinued operations | $0.08 | $0.24 | $0.26 | $0.93 | $0.16 | $0.09 | $0.49 | $0.20 | $1.23 | $(0.32) |
| Adjusted earnings (loss) per share* | $0.19 | $0.14 | $(0.01) | $0.48 | $0.26 | $0.14 | $0.05 | $0.03 | $0.23 | $0.25 |
| Weighted average number shares ('000s): | | | | | | | | | | |
| Basic | 45,927 | 45,782 | 45,533 | 45,302 | 45,421 | 45,408 | 45,361 | 45,012 | 44,635 | 44,715 |
| Diluted | 46,803 | 46,418 | 45,533 | 45,908 | 45,421 | 45,904 | 45,816 | 45,012 | 44,635 | 44,715 |

* 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.