



Constellation Software Inc. Announces Results for the Second Quarter Ended June 30, 2025 and Declares Quarterly Dividend

TORONTO, Aug. 08, 2025 -- Constellation Software Inc. (TSX:CSU) ("Constellation" or the "Company") today announced its financial results for the second quarter ended June 30, 2025 and declared a \$1.00 per share dividend payable on October 10, 2025 to all common shareholders of record at close of business on September 19, 2025. This dividend has been designated as an eligible dividend for the purposes of the Income Tax Act (Canada). Please note that all dollar amounts referred to in this press release are in U.S. Dollars unless otherwise stated.

The following press release should be read in conjunction with the Company's Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended June 30, 2025 and the accompanying notes, our Management Discussion and Analysis for the three and six months ended June 30, 2025 and with our annual Consolidated Financial Statements, prepared in accordance with International Financial Reporting Standards ("IFRS") and our annual Management's Discussion and Analysis for the year ended December 31, 2024, which can be found on SEDAR+ at www.sedarplus.com and on the Company's website www.csisoftware.com. Additional information about the Company is also available on SEDAR+ at www.sedarplus.com.

Q2 2025 and Subsequent Headlines:

- Revenue grew 15% (5% organic growth, 4% after adjusting for changes in foreign exchange rates) to \$2,844 million compared to \$2,468 million in Q2 2024.
- Net income attributable to common shareholders decreased 68% to \$56 million (\$2.66 on a diluted per share basis) from \$177 million (\$8.35 on a diluted per share basis) in Q2 2024.
- A number of acquisitions were completed for aggregate cash consideration of \$380 million (which includes acquired cash). Deferred payments associated with these acquisitions have an estimated value of \$89 million resulting in total consideration of \$469 million.
- Cash flows from operations ("CFO") were \$433 million, an increase of 63%, or \$168 million, compared to \$265 million for the comparable period in 2024.
- Free cash flow available to shareholders¹ ("FCFA2S") increased \$37 million to \$220 million compared to \$182 million for the same period in 2024.

Total revenue for the quarter ended June 30, 2025 was \$2,844 million, an increase of 15%, or \$376 million, compared to \$2,468 million for the comparable period in 2024. For the first six months of 2025 total revenues were \$5,498 million, an increase of 14%, or \$676 million, compared to \$4,822 million for the comparable period in 2024. The increase for both the three and six month periods compared to the same periods in the prior year is primarily attributable to growth from acquisitions as the Company experienced organic growth of 5% and 3% respectively, 4% and 3% respectively for both periods after adjusting for the impact of changes in the valuation of the US dollar against most major currencies in which the Company transacts business. Organic growth is not a standardized financial measure and might not be comparable to measures disclosed by other issuers.

Net income attributable to common shareholders of CSI for the quarter ended June 30, 2025 was \$56 million compared to \$177 million for the same period in 2024. On a per share basis this translated into a net income per diluted share of \$2.66 in the quarter ended June 30, 2025 compared to net income per diluted share of \$8.35 for the same period in 2024. For the six months ended June 30, 2025, net income attributable to common shareholders of CSI was \$192 million or \$9.07 per diluted share compared to \$282 million or \$13.31 per diluted share for the same period in 2024.

For the quarter ended June 30, 2025, CFO increased \$168 million to \$433 million compared to \$265 million for the same period in 2024 representing an increase of 63%. For the first six months of 2025, CFO increased \$258 million to \$1,260 million compared to \$1,002 million during the same period in 2024, representing an increase of 26%.

For the quarter ended June 30, 2025, FCFA2S increased \$37 million to \$220 million compared to \$182 million for the same period in 2024 representing an increase of 20%. For the six months ended June 30, 2025, FCFA2S increased \$102 million to \$730 million compared to \$628 million for the same period in 2024 representing an increase of 16%.

1. See Non-IFRS measures.

Forward Looking Statements

Certain statements herein may be "forward looking" statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Constellation or the industry to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the results discussed in the forward looking statements. These forward looking statements reflect current assumptions and expectations regarding future events and operating performance and are

made as of the date hereof and Constellation assumes no obligation, except as required by law, to update any forward looking statements to reflect new events or circumstances.

Non-IFRS Measures

Free cash flow available to shareholders "FCFA2S" refers to net cash flows from operating activities less interest paid on lease obligations, interest paid on debt, debt transaction costs, payments of lease obligations, the IRGA / TSS membership liability revaluation charge, and property and equipment purchased, and includes interest and dividends received, and the proceeds from sale of interest rate caps. The portion of this amount applicable to non-controlling interests is then deducted. We believe that FCFA2S is useful supplemental information as it provides an indication of the uncommitted cash flow that is available to shareholders if we do not make any acquisitions, or investments, and do not repay any debts. While we could use the FCFA2S to pay dividends or repurchase shares, our objective is to invest all of our FCFA2S in acquisitions which meet our hurdle rate.

FCFA2S is not a recognized measure under IFRS and, accordingly, readers are cautioned that FCFA2S should not be construed as an alternative to net cash flows from operating activities.

The following table reconciles FCFA2S to net cash flows from operating activities:

	Three months ended June 30,		Six months ended June 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(\$ in millions)		(\$ in millions)	
Net cash flows from operating activities	433	265	1,260	1,002
Adjusted for:				
Interest paid on lease obligations	(4)	(3)	(8)	(7)
Interest paid on debt	(32)	(37)	(94)	(78)
Proceeds from sale of interest rate cap	-	-	-	-
Debt transaction costs	(4)	(2)	(4)	(13)
Payments of lease obligations	(33)	(29)	(63)	(58)
IRGA / TSS membership liability revaluation charge	(126)	(8)	(220)	(89)
Property and equipment purchased	(16)	(13)	(31)	(23)
Interest and dividends received	20	9	32	15
	<u>239</u>	<u>182</u>	<u>871</u>	<u>749</u>
Less amount attributable to Non-controlling interests	(19)	1	(140)	(121)
Free cash flow available to shareholders	220	182	730	628

Due to rounding, certain totals may not foot.

About Constellation Software Inc.

Constellation's common shares are listed on the Toronto Stock Exchange under the symbol "CSU". Constellation acquires, manages and builds vertical market software businesses.

For further information:

Jamal Baksh
Chief Financial Officer
(416) 861-9677
info@csissoftware.com
www.csissoftware.com

SOURCE: CONSTELLATION SOFTWARE INC.

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statements of Financial Position

(In millions of U.S. dollars, except per share amounts. Due to rounding, numbers presented may not foot.)

Unaudited

June 30, 2025 December 31, 2024 June 30, 2024

Assets

Current assets:

Cash	\$	2,575 \$	1,980 \$	1,873
Accounts receivable		1,285	1,292	1,116
Unbilled revenue		466	369	419
Inventories		67	56	60
Other assets		685	596	628
		5,079	4,293	4,096
Non-current assets:				
Property and equipment		231	222	215
Right of use assets		381	329	324
Deferred income taxes		281	219	192
Equity securities		481	13	14
Other assets		369	316	298
Intangible assets		7,907	7,459	6,985
		9,650	8,559	8,027
<hr/>				
Total assets	\$	14,728 \$	12,851 \$	12,123
<hr/>				
Liabilities and Shareholders' Equity				
Current liabilities:				
Debt with recourse to Constellation Software Inc.	\$	575 \$	303 \$	274
Debt without recourse to Constellation Software Inc.		250	319	342
Accounts payable and accrued liabilities		1,515	1,589	1,312
Dividends payable		21	21	21
Deferred revenue		2,415	1,966	2,086
Provisions		23	22	11
Acquisition holdback payables		183	218	271
Lease obligations		130	115	115
Income taxes payable		112	111	104
		5,223	4,664	4,537
Non-current liabilities:				
Debt with recourse to Constellation Software Inc.		1,932	1,855	1,834
Debt without recourse to Constellation Software Inc.		1,981	1,689	1,604
Deferred income taxes		787	670	620
Acquisition holdback payables		165	131	110
Lease obligations		291	252	247
Other liabilities		367	300	268
		5,523	4,899	4,683
<hr/>				
Total liabilities		10,746	9,563	9,220
<hr/>				
Shareholders' equity:				
Capital stock		99	99	99
Accumulated other comprehensive income (loss)		129	(224)	(158)
Retained earnings		3,068	2,919	2,517
Non-controlling interests		686	493	445
		3,982	3,288	2,903
<hr/>				
Total liabilities and shareholders' equity	\$	14,728 \$	12,851 \$	12,123
<hr/>				

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statements of Income (loss)

(In millions of U.S. dollars, except per share amounts. Due to rounding, numbers presented may not foot.)

Unaudited

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue				
License	\$ 87	\$ 87	\$ 183	\$ 175
Professional services	532	495	1,019	964
Hardware and other	80	68	155	127
Maintenance and other recurring	2,144	1,819	4,141	3,556
	<u>2,844</u>	<u>2,468</u>	<u>5,498</u>	<u>4,822</u>
Expenses				
Staff	1,457	1,328	2,869	2,620
Hardware	43	37	83	72
Third party license, maintenance and professional services	268	243	522	458
Occupancy	17	16	33	30
Travel, telecommunications, supplies, software and equipment	144	133	275	245
Professional fees	55	44	102	83
Other, net	56	51	109	101
Depreciation	50	45	96	89
Amortization of intangible assets	286	258	558	500
	<u>2,375</u>	<u>2,155</u>	<u>4,647</u>	<u>4,197</u>
Foreign exchange loss (gain)	118	4	150	(15)
IRGA/TSS Membership liability revaluation charge	126	8	220	89
Finance and other expense (income)	(28)	(23)	(108)	(32)
Bargain purchase gain	(5)	(2)	(5)	(5)
Impairment of intangible and other non-financial assets	9	6	11	16
Redeemable preferred securities expense (income)	-	-	-	58
Finance costs	71	69	142	136
	<u>290</u>	<u>61</u>	<u>409</u>	<u>247</u>
Income (loss) before income taxes	179	252	441	378
Current income tax expense (recovery)	155	143	292	270
Deferred income tax expense (recovery)	(60)	(78)	(109)	(153)
Income tax expense (recovery)	<u>95</u>	<u>65</u>	<u>183</u>	<u>117</u>
Net income (loss)	<u>85</u>	<u>187</u>	<u>258</u>	<u>261</u>
Net income (loss) attributable to:				
Common shareholders of Constellation Software Inc.	56	177	192	282
Non-controlling interests	28	10	66	(21)
Net income (loss)	<u>85</u>	<u>187</u>	<u>258</u>	<u>261</u>
Earnings per common share of Constellation Software Inc.				
Basic and diluted	\$ 2.66	\$ 8.35	\$ 9.07	\$ 13.31

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statements of Income (loss)

(In millions of U.S. dollars, except per share amounts. Due to rounding, numbers presented may not foot.)

Unaudited

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 85	\$ 187	\$ 258	\$ 261
Items that are or may be reclassified subsequently to net income (loss):				
Foreign currency translation differences from foreign operations and other, net of tax	185	(14)	264	(62)
Items that will not be reclassified to net income (loss):				
Changes in the fair value of equity investments at FVOCI	95	-	215	-
Other comprehensive income (loss), net of income tax	280	(14)	479	(62)
Total comprehensive income (loss)	\$ 364	\$ 173	\$ 737	\$ 198
Total other comprehensive income (loss) attributable to:				
Common shareholders of Constellation Software Inc.	213	(13)	353	(53)
Non-controlling interests	66	(1)	126	(9)
Total other comprehensive income (loss)	\$ 280	\$ (14)	\$ 479	\$ (62)
Total comprehensive income (loss) attributable to:				
Common shareholders of Constellation Software Inc.	270	164	545	229
Non-controlling interests	95	9	192	(30)
Total comprehensive income (loss)	\$ 364	\$ 173	\$ 737	\$ 198

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statement of Changes in Equity

(In millions of U.S. dollars, except per share amounts. Due to rounding, numbers presented may not foot.)

Unaudited

Six months ended June 30, 2025

	Equity Attributable to Common Shareholders of CSI				Non-controlling interests	Total equity
	Capital stock	Accumulated other comprehensive income (loss)	Retained earnings	Total		
Balance at January 1, 2025	\$ 99	\$ (224)	\$ 2,919	\$ 2,795	\$ 493	\$ 3,288
<i>Total comprehensive income (loss):</i>						
Net income (loss)	-	-	192	192	66	258
<i>Other comprehensive income (loss)</i>						

Foreign currency translation differences from foreign operations and other, net of tax and changes in the fair value of equity investments at FVOCI	-	353	-	353	126	479
Total other comprehensive income (loss)	-	353	-	353	126	479
Total comprehensive income (loss)	-	353	192	545	192	737
Transactions with owners, recorded directly in equity						
Other movements in non-controlling interests	-	-	(1)	(1)	1	(0)
Dividends paid to non-controlling interests	-	-	-	-	(0)	(0)
Dividends to shareholders of the Company	-	-	(42)	(42)	-	(42)
Balance at June 30, 2025	\$ 99	\$ 129	\$ 3,068	\$ 3,296	\$ 686	\$ 3,982

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statement of Changes in Equity

(In millions of U.S. dollars, except per share amounts. Due to rounding, numbers presented may not foot.)

Unaudited

Six months ended June 30, 2024

	Equity Attributable to Common Shareholders of CSI				Non-controlling interests	Total equity
	Capital stock	Accumulated other comprehensive income (loss)	Retained earnings	Total		
Balance at January 1, 2024	\$ 99	\$ (99)	\$ 1,876	\$ 1,877	\$ 85	\$ 1,961
<i>Total comprehensive income (loss):</i>						
Net income (loss)	-	-	282	282	(21)	261
<i>Other comprehensive income (loss)</i>						
Foreign currency translation differences from foreign operations and other, net of tax	-	(53)	-	(53)	(9)	(62)
Total other comprehensive income (loss)	-	(53)	-	(53)	(9)	(62)
Total comprehensive income (loss)	-	(53)	282	229	(30)	198

Transactions with owners, recorded directly in equity

Non-controlling interests arising from business combinations	-	-	-	-	(0)	(0)
Conversion of Lumine Special Shares to subordinate voting shares of Lumine and settlement of accrued dividend on Lumine Special Shares through the issuance of subordinate voting shares of Lumine	-	-	-	-	872	872
Conversion of Lumine Preferred Shares to subordinate voting shares of Lumine and settlement of accrued dividend on Lumine Preferred Shares through the issuance of subordinate voting shares of Lumine	-	(6)	400	394	(394)	-
Other movements in non-controlling interests	-	-	1	1	(1)	(0)
Dividends paid to non-controlling interests	-	-	-	-	(86)	(86)
Dividends to shareholders of the Company	-	-	(42)	(42)	-	(42)
Balance at June 30, 2024	\$ 99	\$ (158)	\$ 2,517	\$ 2,458	\$ 445	\$ 2,903

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statements of Cash Flows

(In millions of U.S. dollars, except per share amounts. Due to rounding, numbers presented may not foot.)

Unaudited

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cash flows from (used in) operating activities:				
Net income (loss)	\$ 85	\$ 187	\$ 258	\$ 261
Adjustments for:				
Depreciation	50	45	96	89
Amortization of intangible assets	286	258	558	500
IRGA/TSS Membership liability revaluation charge	126	8	220	89
Finance and other expense (income)	(28)	(23)	(108)	(32)
Bargain purchase (gain)	(5)	(2)	(5)	(5)
Impairment of intangible and other non-financial assets	9	6	11	16
Redeemable preferred securities expense (income)	-	-	-	58
Finance costs (note 13)	71	69	142	136
Income tax expense (recovery)	95	65	183	117
Foreign exchange loss (gain)	118	4	150	(15)
Depreciation of third party costs	4	-	9	-
Change in non-cash operating assets and liabilities exclusive of effects of business combinations	(185)	(174)	46	34

Transaction costs associated with equity securities classified as FVOCI	-	-	(2)	-
Income taxes paid	(192)	(177)	(299)	(245)
Net cash flows from (used in) operating activities	433	265	1,260	1,002
Cash flows from (used in) financing activities:				
Interest paid on lease obligations	(4)	(3)	(8)	(7)
Interest paid on debt	(32)	(37)	(94)	(78)
Increase (decrease) in CSI facility	-	-	-	(578)
Increase (decrease) in Topicus revolving credit debt facility without recourse to CSI	(135)	(21)	(104)	92
Proceeds from issuance of Senior Notes	-	-	-	1,000
Proceeds from issuance of debt facilities without recourse to CSI	341	164	368	276
Repayments of debt facilities without recourse to CSI	(69)	(14)	(99)	(32)
Other financing activities	1	(24)	(0)	(27)
Dividends paid to non-controlling interests	-	(0)	(0)	(86)
Debt transaction costs	(4)	(2)	(4)	(13)
Payments of lease obligations, net of sublease receipts	(33)	(29)	(63)	(58)
Distribution to the Joday Group	-	-	-	(64)
Principal repayments to the Joday Group pursuant to the Call Notice	-	-	-	(22)
Dividends paid to common shareholders of the Company	(21)	(21)	(42)	(42)
Net cash flows from (used in) in financing activities	43	12	(48)	363
Cash flows from (used in) investing activities:				
Acquisition of businesses	(380)	(452)	(474)	(675)
Cash obtained with acquired businesses	45	31	56	66
Post-acquisition settlement payments, net of receipts	(114)	(54)	(130)	(130)
Purchases of investments and other assets	(14)	(0)	(189)	(1)
Proceeds from sales of other investments and other assets	15	2	15	5
Decrease (increase) in restricted cash	(3)	2	5	(9)
Interest, dividends and other proceeds received	20	8	32	13
Property and equipment purchased	(16)	(13)	(31)	(23)
Net cash flows from (used in) investing activities	(446)	(476)	(717)	(753)
Effect of foreign currency on cash	68	(5)	101	(22)
Increase (decrease) in cash	98	(205)	596	590
Cash, beginning of period	\$ 2,477	\$ 2,078	\$ 1,980	\$ 1,284
Cash, end of period	\$ 2,575	\$ 1,873	\$ 2,575	\$ 1,873