

## **Constellation Software Inc. Announces Results for the First Quarter Ended March 31, 2025 and Declares Quarterly Dividend**

**TORONTO, ONTARIO (May 12, 2025)** -- Constellation Software Inc. (TSX:CSU) (“Constellation” or the “Company”) today announced its financial results for the first quarter ended March 31, 2025 and declared a \$1.00 per share dividend payable on July 11, 2025 to all common shareholders of record at close of business on June 20, 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 months ended March 31, 2025 and the accompanying notes, our Management Discussion and Analysis for the three months ended March 31, 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](http://www.sedarplus.com) and on the Company’s website [www.csisoftware.com](http://www.csisoftware.com). Additional information about the Company is also available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com)

### **Q1 2025 Headlines:**

- Revenue increased 13% (0.3% organic growth, 2% after adjusting for changes in foreign exchange rates) to \$2,654 million compared to \$2,353 million in Q1 2024.
- Net income attributable to common shareholders was \$115 million for Q1 2025 (\$5.44 on a diluted per share basis), compared to net income attributable to common shareholders of \$105 million (\$4.95 on a diluted per share basis) in Q1 2024.
- A number of acquisitions were completed for aggregate cash consideration of \$94 million (which includes acquired cash). Deferred payments associated with these acquisitions have an estimated value of \$39 million resulting in total consideration of \$133 million.
- On January 31, 2025, the Company purchased 8,300,029 shares in Asseco Poland S.A. (“Asseco”) representing approximately 9.99% of the issued shares in Asseco. The shares were acquired at a price of 85 PLN per share for total consideration of \$174 million. During the three months ended March 31, 2025, the Company recorded a gain of \$157 million within other comprehensive income reduced by transaction costs of \$2 million.
- Cash flows from operations (“CFO”) were \$827 million, an increase of 12%, or \$90 million, compared to \$737 million for the comparable period in 2024.
- Free cash flow available to shareholders<sup>1</sup> (“FCFA2S”) were \$510 million, an increase of 14%, or \$64 million, compared to \$446 million for the comparable period in 2024.

Total revenue for the quarter ended March 31, 2025 was \$2,654 million, an increase of 13%, or \$300 million, compared to \$2,353 million for the comparable period in 2024. The increase is primarily attributable to growth from acquisitions as the Company experienced organic growth of 0.3% in the quarter, 2% after adjusting for the impact of changes in the valuation of the US dollar against most major currencies in which the Company transacts business. For acquired companies, organic growth is calculated as the difference between actual revenues achieved by each company in the financial period following acquisition compared to the estimated revenues they achieved in the corresponding financial period preceding the date of acquisition by Constellation. Organic growth is not a standardized financial measure and might not be comparable to measures disclosed by other issuers.

The net income attributable to common shareholders of CSI for the quarter ended March 31, 2025 was \$115 million compared to \$105 million for the same period in 2024. On a per share basis this translated into net income per basic and diluted share of \$5.44 in the quarter ended March 31, 2025 compared to \$4.95 for the same period in 2024. There was no change in the number of shares outstanding.

For the quarter ended March 31, 2025, CFO increased \$90 million to \$827 million compared to \$737 million for the same period in 2024 representing an increase of 12%.

1. See Non-IFRS measures.

For the quarter ended March 31, 2025, FCFA2S increased \$64 million to \$510 million compared to \$446 million for the same period in 2024 representing an increase of 14%.

### **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 March 31,	
	<u>2025</u>	<u>2024</u>
	(\$ in millions)	
<b>Net cash flows from operating activities</b>	827	737
<b>Adjusted for:</b>		
Interest paid on lease obligations	(4)	(3)
Interest paid on debt	(62)	(41)
Proceeds from sale of interest rate cap	-	-
Debt transaction costs	(0)	(11)
Payments of lease obligations	(31)	(29)
IRGA / TSS membership liability revaluation charge	(94)	(81)
Property and equipment purchased	(15)	(10)
Interest and dividends received	11	6
	<hr/> 631	<hr/> 568
Less amount attributable to Non-controlling interests	(121)	(122)
Free cash flow available to shareholders	510	446

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:

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**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

	March 31, 2025	December 31, 2024	March 31, 2024
<b>Assets</b>			
Current assets:			
Cash	\$ 2,477	\$ 1,980	\$ 2,078
Accounts receivable	1,363	1,291	1,205
Unbilled revenue	406	369	361
Inventories	58	56	56
Other assets	637	596	575
	4,942	4,293	4,276
Non-current assets:			
Property and equipment	222	223	142
Right of use assets	346	328	322
Deferred income taxes	237	219	157
Equity securities	353	13	14
Other assets	318	316	291
Intangible assets	7,477	7,465	6,746
	8,954	8,565	7,671
<b>Total assets</b>	<b>\$ 13,896</b>	<b>\$ 12,857</b>	<b>\$ 11,946</b>
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Debt with recourse to Constellation Software Inc.	\$ 419	\$ 303	\$ 276
Debt without recourse to Constellation Software Inc.	365	319	348
Accounts payable and accrued liabilities	1,449	1,590	1,304
Dividends payable	21	21	21
Deferred revenue	2,511	1,967	2,272
Provisions	23	22	8
Acquisition holdback payables	216	219	172
Lease obligations	119	115	115
Income taxes payable	130	111	135
	5,254	4,667	4,653
Non-current liabilities:			
Debt with recourse to Constellation Software Inc.	1,865	1,855	1,832
Debt without recourse to Constellation Software Inc.	1,687	1,689	1,470
Deferred income taxes	692	673	634
Acquisition holdback payables	145	133	105
Lease obligations	266	252	244
Other liabilities	346	300	257
	5,001	4,903	4,542
<b>Total liabilities</b>	<b>10,255</b>	<b>9,569</b>	<b>9,195</b>
Shareholders' equity:			
Capital stock	99	99	99
Accumulated other comprehensive income (loss)	(63)	(224)	(145)
Retained earnings	3,010	2,919	2,358
Non-controlling interests	595	493	439
	3,641	3,288	2,752
<b>Total liabilities and shareholders' equity</b>	<b>\$ 13,896</b>	<b>\$ 12,857</b>	<b>\$ 11,946</b>

# 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 March 31,	
	2025	2024
Revenue		
License	\$ 96	\$ 88
Professional services	487	470
Hardware and other	74	59
Maintenance and other recurring	1,996	1,737
	2,654	2,353
Expenses		
Staff	1,412	1,293
Hardware	40	35
Third party license, maintenance and professional services	254	215
Occupancy	17	14
Travel, telecommunications, supplies, software and equipment	131	112
Professional fees	47	38
Other, net	53	50
Depreciation	46	44
Amortization of intangible assets	272	242
	2,272	2,042
Foreign exchange loss (gain)	32	(18)
IRGA/TSS Membership liability revaluation charge	94	81
Finance and other expense (income)	(45)	(9)
Bargain purchase gain	-	(2)
Impairment of intangible and other non-financial assets	3	10
Redeemable preferred securities expense (income)	-	58
Finance costs	71	67
	154	186
Income (loss) before income taxes	227	125
Current income tax expense (recovery)	136	127
Deferred income tax expense (recovery)	(49)	(75)
Income tax expense (recovery)	87	52
Net income (loss)	140	74
Net income (loss) attributable to:		
Common shareholders of Constellation Software Inc.	115	105
Non-controlling interests	24	(31)
Net income (loss)	140	74
Earnings per common share of Constellation Software Inc.		
Basic and diluted	\$ 5.44	\$ 4.95

# 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 March 31,	
	2025	2024
Net income (loss)	\$ 140	\$ 74
Items that are or may be reclassified subsequently to net income (loss):		
Foreign currency translation differences from foreign operations and other, net of tax	79	(48)
Items that will not be reclassified to net income (loss):		
Changes in the fair value of equity investments at FVOCI	155	-
Other comprehensive income (loss), net of income tax	234	(48)
Total comprehensive income (loss)	\$ 374	\$ 25
Total other comprehensive income (loss) attributable to:		
Common shareholders of Constellation Software Inc.	161	(40)
Non-controlling interests	74	(8)
Total other comprehensive income (loss)	\$ 234	\$ (48)
Total comprehensive income (loss) attributable to:		
Common shareholders of Constellation Software Inc.	276	65
Non-controlling interests	98	(40)
Total comprehensive income (loss)	\$ 374	\$ 25

# 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

Three months ended March 31, 2025

	Equity Attributable to Common Shareholders of CSI				Non-controlling interests	Total equity
	Capital stock	Accumulated other comprehensive income (loss)	Retained earnings	Total		
<b>Balance at January 1, 2025</b>	<b>\$ 99</b>	<b>\$ (224)</b>	<b>\$ 2,919</b>	<b>\$ 2,795</b>	<b>\$ 493</b>	<b>\$ 3,288</b>
<i>Total comprehensive income (loss):</i>						
Net income (loss)	-	-	115	115	24	140
<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	-	161	-	161	74	234
<b>Total other comprehensive income (loss)</b>	<b>-</b>	<b>161</b>	<b>-</b>	<b>161</b>	<b>74</b>	<b>234</b>
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>161</b>	<b>115</b>	<b>276</b>	<b>98</b>	<b>374</b>
Transactions with owners, recorded directly in equity						
Other movements in non-controlling interests	-	-	(4)	(4)	4	(0)
Dividends paid to non-controlling interests	-	-	-	-	(0)	(0)
Dividends to shareholders of the Company	-	-	(21)	(21)	-	(21)
<b>Balance at March 31, 2025</b>	<b>\$ 99</b>	<b>\$ (63)</b>	<b>\$ 3,010</b>	<b>\$ 3,046</b>	<b>\$ 595</b>	<b>\$ 3,641</b>

# 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

Three months ended March 31, 2024

	Equity Attributable to Common Shareholders of CSI				Non-controlling interests	Total equity
	Capital stock	Accumulated other comprehensive income (loss)	Retained earnings	Total		
<b>Balance at January 1, 2024</b>	<b>\$ 99</b>	<b>\$ (99)</b>	<b>\$ 1,876</b>	<b>\$ 1,877</b>	<b>\$ 85</b>	<b>\$ 1,961</b>
<i>Total comprehensive income (loss):</i>						
Net income (loss)	-	-	105	105	(31)	74
<i>Other comprehensive income (loss)</i>						
Foreign currency translation differences from foreign operations and other, net of tax	-	(40)	-	(40)	(8)	(48)
<b>Total other comprehensive income (loss)</b>	<b>-</b>	<b>(40)</b>	<b>-</b>	<b>(40)</b>	<b>(8)</b>	<b>(48)</b>
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>(40)</b>	<b>105</b>	<b>65</b>	<b>(40)</b>	<b>25</b>
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	-	-	-	-	(85)	(85)
Dividends to shareholders of the Company	-	-	(21)	(21)	-	(21)
<b>Balance at March 31, 2024</b>	<b>\$ 99</b>	<b>\$ (145)</b>	<b>\$ 2,358</b>	<b>\$ 2,313</b>	<b>\$ 439</b>	<b>\$ 2,752</b>



# 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 March 31,	
	2025	2024
Cash flows from (used in) operating activities:		
Net income (loss)	\$ 140	\$ 74
Adjustments for:		
Depreciation	46	44
Amortization of intangible assets	272	242
IRGA/TSS Membership liability revaluation charge	94	81
Finance and other expense (income)	(45)	(9)
Bargain purchase (gain)	-	(2)
Impairment of intangible and other non-financial assets	3	10
Redeemable preferred securities expense (income)	-	58
Finance costs	71	67
Income tax expense (recovery)	87	52
Foreign exchange loss (gain)	32	(18)
Depreciation of third party costs	5	-
Change in non-cash operating assets and liabilities exclusive of effects of business combinations	231	208
Transaction costs associated with equity securities classified as FVOCI	(2)	-
Income taxes paid	(107)	(68)
Net cash flows from (used in) operating activities	827	737
Cash flows from (used in) financing activities:		
Interest paid on lease obligations	(4)	(3)
Interest paid on debt	(62)	(41)
Increase (decrease) in CSI facility	-	(578)
Increase (decrease) in Topicus revolving credit debt facility without recourse to CSI	31	114
Proceeds from issuance of Senior Notes	-	1,000
Proceeds from issuance of debt facilities without recourse to CSI	27	112
Repayments of debt facilities without recourse to CSI	(30)	(18)
Other financing activities	(1)	(2)
Dividends paid to non-controlling interests	(0)	(85)
Debt transaction costs	(0)	(11)
Payments of lease obligations, net of sublease receipts	(31)	(29)
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)
Net cash flows from (used in) in financing activities	(91)	351
Cash flows from (used in) investing activities:		
Acquisition of businesses	(94)	(223)
Cash obtained with acquired businesses	11	35
Post-acquisition settlement payments, net of receipts	(16)	(76)
Purchases of investments and other assets	(175)	(0)
Proceeds from sales of other investments and other assets	-	4
Decrease (increase) in restricted cash	7	(11)
Interest, dividends and other proceeds received	11	5
Property and equipment purchased	(15)	(10)
Net cash flows from (used in) investing activities	(271)	(277)
Effect of foreign currency on cash	33	(17)
Increase (decrease) in cash	497	794
Cash, beginning of period	\$ 1,980	\$ 1,284
Cash, end of period	\$ 2,477	\$ 2,078