Constellation Software Inc. Announces Results for the Second Quarter Ended June 30, 2026 and Declares Quarterly Dividend

TORONTO, ONTARIO (August 11, 2026) -- Constellation Software Inc. (TSX:CSU) ("Constellation" or the "Company") today announced its financial results for the second quarter ended June 30, 2026 and declared a $1.00 per share dividend payable on October 9, 2026 to all common shareholders of record at close of business on September 18, 2026. 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, 2026 and the accompanying notes, our Management Discussion and Analysis for the three and six months ended June 30, 2026 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, 2025, 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 2026 and Subsequent Headlines:

- Revenue grew 17% (3% organic growth, 1% after adjusting for changes in foreign exchange rates) to $3,335 million compared to $2,844 million in Q2 2025.
- Net income attributable to common shareholders increased 386% to $274 million ($12.93 on a diluted per share basis) from $56 million ($2.66 on a diluted per share basis) in Q2 2025. Excluding the impacts of foreign exchange and the IRGA liability revaluation the increase was 8%.
- A number of acquisitions were completed for aggregate cash consideration of $732 million (which includes acquired cash). Deferred payments associated with these acquisitions have an estimated value of $160 million resulting in total consideration of $893 million.
- Cash flows from operations ("CFO") were $477 million, an increase of 10%, or $44 million, compared to $433 million for the comparable period in 2025.
- Free cash flow available to shareholders[1] ("FCFA2S") increased $125 million to $345 million compared to $220 million for the same period in 2025 representing an increase of 57%.
- Subsequent to June 30, 2026, the Company completed or has open commitments to acquire a number of businesses for aggregate cash consideration of $669 million on closing plus total estimated deferred payments of $149 million for total consideration of $818 million.

Total revenue for the quarter ended June 30, 2026 was $3,335 million, an increase of 17%, or $491 million, compared to $2,844 million for the comparable period in 2025. For the first six months of 2026 total revenues were $6,516 million, an increase of 19%, or $1,018 million, compared to $5,498 million for the comparable period in 2025. 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 3% and 4% respectively, 1% 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, 2026 was $274 million compared to $56 million for the same period in 2025. On a per share basis this translated into a net income per diluted share of $12.93 in the quarter ended June 30, 2026 compared to net income per diluted share of $2.66 for the same period in 2025. For the six months ended June 30, 2026, net income attributable to common shareholders of CSI was $641 million or $30.25 per diluted share compared to $192 million or $9.07 per diluted share for the same period in 2025.

1. See Non-IFRS measures.

For the quarter ended June 30, 2026, CFO increased $44 million to $477 million compared to $433 million for the same period in 2025 representing an increase of 10%. For the first six months of 2026, CFO increased $115 million to $1,374 million compared to $1,260 million during the same period in 2025, representing an increase of 9%.

For the quarter ended June 30, 2026, FCFA2S increased $125 million to $345 million compared to $220 million for the same period in 2025 representing an increase of 57%. For the six months ended June 30, 2026, FCFA2S increased $348 million to $1,078 million compared to $730 million for the same period in 2025 representing an increase of 48%.

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,	
	2026	2025	2026	2025
	($ in millions)		($ in millions)	
Net cash flows from operating activities	477	433	1,374	1,260
Adjusted for:				
Interest paid on lease obligations	(5)	(4)	(9)	(8)
Interest paid on debt	(43)	(32)	(104)	(94)
Debt transaction costs	(4)	(4)	(5)	(4)
Payments of lease obligations	(38)	(33)	(76)	(63)
IRGA / TSS membership liability revaluation charge	(64)	(126)	13	(220)
Property and equipment purchased	(22)	(16)	(40)	(31)
Interest and dividends received	80	20	92	32
	383	239	1,246	871
Less amount attributable to Non-controlling interests	(38)	(19)	(168)	(140)
Free cash flow available to shareholders	345	220	1,078	730

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.

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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

		June 30, 2026		December 31, 2025
Assets				
Current assets:				
Cash and cash equivalents	$	2,886	$	3,089
Accounts receivable		1,613		1,465
Unbilled revenue		498		452
Inventories		77		66
Other assets		850		727
		5,925		5,798
Non-current assets:				
Property and equipment		242		240
Right of use assets		388		384
Deferred income taxes		438		355
Investments in associates		626		655
Other assets		473		345
Intangible assets		9,522		8,392
		11,690		10,373
Total assets	$	17,615	$	16,171
Liabilities and Shareholders' Equity				
Current liabilities:				
Debt with recourse to Constellation Software Inc.	$	-	$	-
Liability of CSI under the IRGA		678		775
Debt without recourse to Constellation Software Inc.		658		591
Accounts payable and accrued liabilities		1,889		1,941
Dividends payable		21		21
Deferred revenue		2,654		2,219
Provisions		25		17
Acquisition holdback payables		310		216
Lease obligations		150		143
Income taxes payable		174		150
		6,559		6,073
Non-current liabilities:				
Debt with recourse to Constellation Software Inc.		1,472		1,489
Liability of CSI under the IRGA		508		458
Debt without recourse to Constellation Software Inc.		2,066		2,051
Deferred income taxes		1,024		886
Acquisition holdback payables		243		208
Lease obligations		295		280
Other liabilities		573		457
		6,182		5,830
Total liabilities		12,741		11,904
Shareholders' equity:				
Capital stock		99		99
Accumulated other comprehensive income (loss)		87		130
Retained earnings		3,945		3,347
Non-controlling interests		744		692
		4,875		4,267
Total liabilities and shareholders' equity	$	17,615	$	16,171

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,	
	2026	2025	2026	2025
Revenue				
License	$ 92	$ 87	$ 183	$ 183
Professional services	573	532	1,119	1,019
Hardware and other	116	80	216	155
Maintenance and other recurring	2,554	2,144	4,998	4,141
	3,335	2,844	6,516	5,498
Expenses				
Staff	1,696	1,457	3,383	2,869
Hardware	66	43	123	83
Third party license, maintenance and professional services	331	268	643	522
Travel, telecommunications, supplies, software and equipment	181	144	340	275
Professional fees	69	55	133	102
Other, net	97	73	184	143
Depreciation	56	50	111	96
Amortization of intangible assets	348	286	673	558
	2,844	2,375	5,589	4,647
Foreign exchange loss (gain)	(14)	118	(58)	150
IRGA/TSS Membership liability revaluation charge	64	126	(13)	220
Finance and other expense (income)	(45)	(28)	(61)	(108)
Share in net (income) loss of equity investee	(11)	(0)	(22)	(0)
Bargain purchase gain	(11)	(5)	(11)	(5)
Impairment of intangible and other non-financial assets	9	9	16	11
Finance costs	83	71	164	142
	74	290	16	409
Income (loss) before income taxes	417	179	910	441
Current income tax expense (recovery)	164	155	335	292
Deferred income tax expense (recovery)	(50)	(60)	(128)	(109)
Income tax expense (recovery)	114	95	207	183
Net income (loss)	303	85	703	258
Net income (loss) attributable to:				
Common shareholders of Constellation Software Inc.	274	56	641	192
Non-controlling interests	29	28	62	66
Net income (loss)	303	85	703	258
Earnings per common share of Constellation Software Inc.				
Basic and diluted	$ 12.93	$ 2.66	$ 30.25	$ 9.07

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statements of Comprehensive 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,	
	2026	2025	2026	2025
Net income (loss)	$ 303	$ 85	$ 703	$ 258
Items that are or may be reclassified subsequently to net income (loss):				
Foreign currency translation differences from foreign operations and other, net of tax	(15)	185	(52)	264
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	(15)	280	(52)	479
Total comprehensive income (loss)	$ 288	$ 364	$ 651	$ 737
Total other comprehensive income (loss) attributable to:				
Common shareholders of Constellation Software Inc.	(11)	213	(42)	353
Non-controlling interests	(4)	66	(10)	126
Total other comprehensive income (loss)	$ (15)	$ 280	$ (52)	$ 479
Total comprehensive income (loss) attributable to:				
Common shareholders of Constellation Software Inc.	264	270	599	545
Non-controlling interests	24	95	52	192
Total comprehensive income (loss)	$ 288	$ 364	$ 651	$ 737

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, 2026

	Equity Attributable to Common Shareholders of CSI					
	Capital stock	**Accumulated other comprehensive income (loss)**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at January 1, 2026	**$ 99**	**$ 130**	**$ 3,347**	**$ 3,576**	**$ 692**	**$ 4,267**
Total comprehensive income (loss):						
Net income (loss)	-	-	641	641	62	703
Other comprehensive income (loss)						
Foreign currency translation differences from foreign operations and other, net of tax and changes in the fair value of equity investments at FVOCI	-	(42)	-	(42)	(10)	(52)
Total other comprehensive income (loss)	**-**	**(42)**	**-**	**(42)**	**(10)**	**(52)**
Total comprehensive income (loss)	**-**	**(42)**	**641**	**599**	**52**	**651**
Transactions with owners, recorded directly in equity						
Other movements in non-controlling interests	-	-	(1)	(1)	(0)	(1)
Dividends paid to non-controlling interests	-	-	-	-	-	-
Dividends to shareholders of the Company	-	-	(42)	(42)	-	(42)
Balance at June 30, 2026	**$ 99**	**$ 87**	**$ 3,945**	**$ 4,131**	**$ 744**	**$ 4,875**

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					
	Capital stock	**Accumulated other comprehensive income (loss)**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at January 1, 2025	**$ 99**	**$ (224)**	**$ 2,919**	**$ 2,795**	**$ 493**	**$ 3,288**
Total comprehensive income (loss):						
Net income (loss)	-	-	192	192	66	258
Other comprehensive income (loss)						
Foreign currency translation differences from foreign operations and other, net of tax	-	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 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,	
	2026	2025	2026	2025
Cash flows from (used in) operating activities:				
Net income (loss)	303	85	703	258
Adjustments for:				
Depreciation	56	50	111	96
Amortization of intangible assets	348	286	673	558
IRGA/TSS Membership liability revaluation charge	64	126	(13)	220
Finance and other expense (income)	(45)	(28)	(61)	(108)
Share in net (income) loss of equity investee	(11)	(0)	(22)	(0)
Bargain purchase (gain)	(11)	(5)	(11)	(5)
Impairment of intangible and other non-financial assets	9	9	16	11
Finance costs	83	71	164	142
Income tax expense (recovery)	114	95	207	183
Foreign exchange loss (gain)	(14)	118	(58)	150
Depreciation of third party costs	4	4	8	9
Change in non-cash operating assets and liabilities exclusive of effects of business combinations	(203)	(185)	(18)	46
Transaction costs associated with equity securities classified as FVOCI	-	-	-	(2)
Income taxes paid	(218)	(192)	(325)	(299)
Net cash flows from (used in) operating activities	477	433	1,374	1,260
Cash flows from (used in) financing activities:				
Interest paid on lease obligations	(5)	(4)	(9)	(8)
Interest paid on debt	(43)	(32)	(104)	(94)
Increase (decrease) in Topicus revolving credit debt facility without recourse to CSI	24	(135)	(262)	(104)
Proceeds from issuance of debt facilities without recourse to CSI	354	341	598	368
Repayments of debt facilities without recourse to CSI	(156)	(69)	(228)	(99)
Other financing activities	(12)	1	(8)	(0)
Dividends paid to non-controlling interests	-	-	-	(0)
Debt transaction costs	(4)	(4)	(5)	(4)
Payments of lease obligations, net of sublease receipts	(38)	(33)	(76)	(63)
Dividends paid to common shareholders of the Company	(21)	(21)	(42)	(42)
Net cash flows from (used in) in financing activities	100	43	(137)	(48)
Cash flows from (used in) investing activities:				
Acquisition of businesses	(732)	(380)	(1,429)	(474)
Cash obtained with acquired businesses	79	45	156	56
Post-acquisition settlement payments, net of receipts	(94)	(114)	(163)	(130)
Purchases of investments and other assets	(15)	(14)	(47)	(189)
Proceeds from sales of other investments and other assets	0	15	0	15
Decrease (increase) in restricted cash	(0)	(3)	1	5
Interest, dividends and other proceeds received	80	20	92	32
Property and equipment purchased	(22)	(16)	(40)	(31)
Net cash flows from (used in) investing activities	(703)	(446)	(1,429)	(717)
Effect of foreign currency on cash and cash equivalents	1	68	(11)	101
Increase (decrease) in cash and cash equivalents	(124)	98	(202)	596
Cash and cash equivalents, beginning of period	$ 3,010	$ 2,477	$ 3,089	$ 1,980
Cash and cash equivalents, end of period	$ 2,886	$ 2,575	$ 2,886	$ 2,575