



ISC Provides Annual Guidance and Outlook for 2023

February 9, 2023

REGINA, Saskatchewan, Feb. 09, 2023 (GLOBE NEWSWIRE) -- Information Services Corporation (TSX:ISV) ("ISC", "we" or the "Company") today announced its outlook and annual guidance for 2023.

Highlights – Consolidated Annual Guidance 2023¹

- Revenue is expected to be between \$200.0 million and \$205.0 million
- Net income is expected to be between \$27.0 million and \$32.0 million
- Earnings before interest, taxes, depreciation and amortization ("EBITDA")¹ is expected to be between \$58.0 million and \$63.0 million
- Adjusted EBITDA¹ is expected to be between \$65.0 million and \$70.0 million

Outlook

As the world begins to navigate post-pandemic conditions, including a higher interest rate environment, we continue to believe that ISC is positioned for success, given the proven robustness of our business. The Company anticipates revenue consistency in 2023, driven by its two core segments, Registry Operations and Services, through the addition of Ontario Property Tax Services revenue and the continuing expansion of our Services suite of products and services to existing customers.

The Registry Operations segment is expected to remain a strong free cash flow contributor and a direct beneficiary of any future upswing in economic conditions in Saskatchewan. We will continue to monitor economic conditions, particularly any further increases to interest rates in 2023, which can have a temporary dampening effect on transaction volumes. However, provincial market publications suggest the housing market is changing as consumers adjust to higher lending rates and higher costs of living. Saskatchewan continues to fare better than many other regions in the country, and this is expected to persist in 2023. Based on the data we use to model our own trends and forecasts, we agree with this view. In addition, following the acquisition of Reamined Systems Inc. in June 2022, and the addition of Ontario Property Tax Services to our Registry Operations Segment, we expect additional, consistent revenue from that division — adding to the segment's overall revenue in 2023.

In Services, we expect to work on new opportunities with our customers and continue our investment in *Registry Complete* and *Recovery Complete* in 2023. With the addition of accounts receivable management, complementing asset recovery within our Recovery Solutions suite of services, we have expanded our product offerings in this division to support our customers all the way through to the end of the lending life cycle. With the introduction of *Recovery Complete*, our customers across all our divisions will have access to our entire suite of products and services, improving our revenue potential from our existing customer base. Despite expected changes to the Ontario Business Registry in 2023, we believe Services is sufficiently diversified for any industry, market or economic challenges that might present in 2023. Additionally, our investments in people, technology and new opportunities will further expand and further diversify the business.

In Technology Solutions in 2023, we expect to complete and deliver solution implementation projects deferred from 2022. Although active projects decreased during the pandemic, there is refreshed interest in new and deferred projects as customers look to reactivate initiatives paused due to COVID-19. We are optimistic about the current state of our new business pipeline due to the ongoing need to update technology solutions. We are in a unique position to provide solutions that are aligned with our customers' needs.

The key drivers of our expenses will continue to be wages and salaries, cost of goods sold, information technology costs, and costs associated with the pursuit of new business opportunities. With current inflationary pressures, we continue to look at the appropriateness of our pricing across the business (except for the Saskatchewan Registries, where pricing is governed by the Master Service Agreement) to maintain margins while remaining competitive. During 2023, and as part of our corporate strategy related to information security, we also expect to complete certification for ISO 27001. This international certification will demonstrate our adherence to controls in management information security assets.

With these factors in mind, we expect revenue grow well over 2022 expected levels at \$200.0 million to \$205.0 million, with net income of \$27.0 million to \$32.0 million, and EBITDA¹ of \$58.0 million to \$63.0 million in 2023. Considering the evolution of the business over the last two years, we believe adding adjusted EBITDA to our guidance metrics will help provide a better understanding about the performance of our business by removing the impact from share-based compensation, acquisition expenses or any other non-recurring costs. In 2023, we expect adjusted EBITDA¹ to be between \$65.0 million and \$70.0 million.

The diversification of our business remains a key part of our strategy. As such, we will continue to look for efficiencies across the business, drive organic growth in our Services and Technology Solutions segments by winning new business, and explore appropriate acquisition targets that complement or add value to our existing lines of business.

Notes

¹ EBITDA and adjusted EBITDA are not recognized measures under International Financial Reporting Standards ("IFRS") and do not have a standardized meaning prescribed by IFRS and, therefore, they may not be comparable to similar measures reported by other corporations. Please refer to section 8 for "Non-IFRS Financial Measures" and "Financial Measures and Key Performance Indicators" in Management's Discussion and

Analysis for the three and nine months ended September 30, 2022. Additionally, see Non-GAAP Performance Measures section noted below.

About ISC®

Headquartered in Canada, ISC is the leading provider of registry and information management services for public data and records. Throughout our history, we have delivered value to our clients by providing solutions to manage, secure and administer information through our Registry Operations, Services and Technology Solutions segments. ISC is focused on sustaining its core business while pursuing new growth opportunities. The Class A Shares of ISC trade on the Toronto Stock Exchange under the symbol ISV.

Cautionary Note Regarding Forward-Looking Information

This news release includes forward-looking information within the meaning of applicable Canadian securities laws including, without limitation, expectations with respect to future results, including revenue, net income, EBITDA and adjusted EBITDA, segment performance, the industries in which we operate, economic activity, growth opportunities, investments, completion of projects, ISO 27001 and acquisitions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to changes in economic, market and business conditions, including those arising from public health concerns, reliance on key customers and licences, dependence on key projects and clients, securing new business and fixed-price contracts, identification of viable growth opportunities, implementation of our growth strategy, competition and other risks detailed from time to time in the filings made by the Company including those detailed in ISC's Annual Information Form for the year ended December 31, 2021 and ISC's Unaudited Condensed Consolidated Interim Financial Statements and Notes and Management's Discussion and Analysis for the third quarter ended September 30, 2022, copies of which are filed on SEDAR at www.sedar.com.

The forward-looking information in this release is made as of the date hereof and, except as required under applicable securities laws, ISC assumes no obligation to update or revise such information to reflect new events or circumstances.

Non-GAAP Performance Measures

Included within this news release is reference to the following non-GAAP performance measure. This measure is reviewed regularly by management and the Board of Directors in assessing our performance and making decisions regarding the ongoing operations of our business and its ability to generate returns. This measure may also be used by external parties in decision making related to ISC's performance. This is not a recognized measure under GAAP and does not have a standardized meaning under IFRS, so may not be reliable ways to compare us to other companies.

Non-GAAP Performance Measure	Why we use it	How we calculate it	Most comparable IFRS financial measure
EBITDA	<ul style="list-style-type: none"> To evaluate performance and profitability of segments and subsidiaries as well as conversion of revenues. We believe that certain investors and analysts use EBITDA to measure our ability to service debt and meet other performance obligations. EBITDA is also used as a component of determining short-term incentive compensation for employees. 	EBITDA: Net income add Depreciation and amortization, net finance expense, income tax expense	Net income
Adjusted EBITDA	<ul style="list-style-type: none"> To evaluate performance and profitability of segments and subsidiaries as well as the conversion of revenue while excluding non-operational share-based volatility. We believe that certain investors and analysts use adjusted EBITDA to measure our ability to service debt and meet other performance obligations. 	Adjusted EBITDA: EBITDA add (remove) Share-based compensation expense, stock option expense, acquisition and integration costs, gain on disposal of property, plant and equipment assets	Net income

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