Enghouse Systems
Software engineered for results

NEWS

Enghouse Releases First Quarter Results

Markham, Ontario – March 12, 2026 **– Enghouse Systems Limited (TSX: ENGH)** announces first quarter (unaudited) financial results for the period ended January 31, 2026. All figures are denominated in Canadian dollars unless otherwise indicated.

First Quarter Financial Highlights:

- Revenue was $120.1 million as compared to $124.0 million in Q1 2025;
- Recurring revenue, which includes SaaS and maintenance services, decreased by 3.8% to $84.6 million compared to $87.9 million in Q1 2025, and represents 70.4% of total revenue, as we continue to prioritize this revenue stream;
- Results from operating activities were $28.3 million compared to $31.0 million in Q1 2025;
- Net income was $17.5 million compared to $21.9 million in Q1 2025;
- Adjusted EBITDA decreased to $31.1 million compared to $33.1 million, while achieving a 25.9% margin;
- Net cash provided by operating activities, excluding changes in working capital and income taxes paid, was $31.4 million compared to $37.7 million in Q1 2025. Cash, cash equivalents and short-term investments were $260.2 million as at January 31, 2026.

Amid ongoing macroeconomic shifts, everchanging AI impact predictions and an increasingly unpredictable global environment, Enghouse continues to remain persistent in its core principles of disciplined execution, operational resilience and long-term value creation. The Company benefits from a substantial recurring revenue base, which consistently represents approximately 70% of total revenues and demonstrates stability and predictability across changing market conditions.

Throughout the quarter, the Company continued with its restructuring and alignment initiatives to support operational efficiency and profitability, positioning the business for scalable growth. Our Asset Management Group revenue increased over the prior year quarter as our expansion in that segment provides for a more diverse product suite. Combined with offering a balanced mix of on-premise and SaaS solutions, Enghouse is both well positioned and funded to capitalize on accretive opportunities that expand the Company's portfolio.

During the quarter, Enghouse completed the acquisition of Sixbell Telco ("Sixbell"), a provider of telecommunications and customer engagement software solutions in Latin America. Sixbell provides a comprehensive suite of software platforms that enable service providers to modernize and transform their networks. Its solutions span converged charging, intelligent routing, signaling management, and voice interaction solutions.

The Company generated positive net cash provided by operating activities during the quarter, while funding the Sixbell acquisition, returning $16.4 million to shareholders through dividends and repurchasing $5.1 million of its shares. As a result, Enghouse closed the quarter with $260.2 million in cash, cash equivalents and short-term investments, compared to $269.1 million at October 31, 2025, with no external debt financing.

With a robust balance sheet and consistent cash generation, Enghouse remains well-equipped to allocate capital in a disciplined manner, including dividends, share repurchases and strategic acquisitions that deepen vertical expertise and strengthen geographic presence. The Company remains focused on driving profitable growth, enhancing operational efficiency and delivering predictable performance and long-term shareholder value.

Quarterly dividends:

Today, the Board of Directors approved a 3.3% increase in the Company's eligible quarterly dividend to $0.31 per common share, payable on May 29, 2026, to shareholders of record at the close of business on May 15, 2026. This represents the 18th consecutive year in which the Company increased its dividend.

Enghouse Systems Limited
Financial Highlights
(unaudited, in thousands of Canadian dollars)

For the periods ended January 31	Three months			
	2026	2025	Var ($)	Var (%)
Revenue	**$ 120,098**	**$ 124,000**	**(3,902)**	***(3.1)***
Direct costs	44,627	44,463	164	*0.4*
Revenue, net of direct costs	**$ 75,471**	**$ 79,537**	**(4,066)**	***(5.1)***
As a % of revenue	*62.8%*	*64.1%*		
Operating expenses	46,390	48,457	(2,067)	*(4.3)*
Special charges	810	91	719	*790.1*
Results from operating activities	**$ 28,271**	**$ 30,989**	**(2,718)**	***(8.8)***
As a % of revenue	*23.5%*	*25.0%*		
Amortization of acquired software and customer relationships	(6,621)	(8,479)	1,858	*21.9*
Foreign exchange (losses) gains	(1,044)	2,309	(3,353)	*(145.2)*
Interest expense – lease obligations	(128)	(128)	0	*0.0*
Finance income	1,548	2,304	(756)	*(32.8)*
Finance expenses	(74)	(3)	(71)	*(2366.7)*
Other income	1,459	299	1,160	*388.0*
Income before income taxes	**$ 23,411**	**$ 27,291**	**(3,880)**	***(14.2)***
Provision for income taxes	5,911	5,387	524	*9.7*
Net income for the period	**$ 17,500**	**$ 21,904**	**(4,404)**	***(20.1)***
Basic earnings per share	$ 0.32	$ 0.40	(0.08)	*(20.0)*
Diluted earnings per share	$ 0.32	$ 0.40	(0.08)	*(20.0)*
Net cash provided by operating activities	20,791	21,249	(458)	*(2.2)*
Net cash provided by operating activities excluding changes in working capital and income taxes paid	31,407	37,741	(6,334)	*(16.8)*
Adjusted EBITDA				
Results from operating activities	28,271	30,989	(2,718)	*(8.8)*
Depreciation	614	653	(39)	*6.0*
Depreciation of right-of-use assets	1,451	1,378	73	*(5.3)*
Special charges	810	91	719	*(790.1)*
Adjusted EBITDA	**$ 31,146**	**$ 33,111**	**(1,965)**	***(5.9)***
Adjusted EBITDA margin	*25.9%*	*26.7%*		
Adjusted EBITDA per diluted share	**$ 0.57**	**$ 0.60**	**(0.03)**	***(5.0)***

Enghouse Systems Limited

Condensed Consolidated Interim Statements of Financial Position

(in thousands of Canadian dollars) *(unaudited)*	As at January 31, 2026	As at October 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 260,190	$ 269,061
Short-term investments	22	25
Accounts receivable	106,396	88,980
Prepaid expenses and other assets	15,779	17,001
	382,387	**375,067**
Non-current assets:		
Property and equipment	4,109	3,890
Right-of-use assets	10,892	11,453
Intangible assets	85,851	89,710
Goodwill	338,520	341,593
Deferred income tax assets	34,458	35,105
	473,830	**481,751**
	$ 856,217	**$ 856,818**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 67,984	$ 76,167
Income taxes payable	10,644	10,662
Dividends payable	16,350	16,426
Provisions	1,861	2,013
Deferred revenue	126,647	108,268
Lease obligations	4,288	5,197
	227,774	**218,733**
Non-current liabilities:		
Deferred income tax liabilities	14,114	13,439
Deferred revenue	5,866	6,791
Net employee defined benefit obligation	2,408	2,442
Lease obligations	6,213	5,944
	28,601	**28,616**
	256,375	**247,349**
Shareholders' equity		
Share capital	116,347	116,894
Contributed surplus	11,688	11,110
Retained earnings	439,769	443,134
Accumulated other comprehensive income	32,038	38,331
	599,842	**609,469**
	$ 856,217	**$ 856,818**

Enghouse Systems Limited

Condensed Consolidated Interim Statements of Operations and Comprehensive Income

(in thousands of Canadian dollars, except per share amounts)
(unaudited)

Periods ended January 31	Three months 2026	2025
Revenue		
Software licenses	$ 16,859	$ 17,781
SaaS and maintenance services	84,553	87,932
Professional services	16,096	16,108
Hardware	2,590	2,179
	120,098	**124,000**
Direct costs		
Software licenses	646	736
Services	42,659	42,497
Hardware	1,322	1,230
	44,627	44,463
Revenue, net of direct costs	**75,471**	**79,537**
Operating expenses		
Selling, general and administrative	22,395	23,636
Research and development	21,930	22,790
Depreciation	614	653
Depreciation of right-of-use assets	1,451	1,378
Special charges	810	91
	47,200	**48,548**
Results from operating activities	**28,271**	**30,989**
Amortization of acquired software and customer relationships	(6,621)	(8,479)
Foreign exchange (losses) gains	(1,044)	2,309
Interest expense – lease obligations	(128)	(128)
Finance income	1,548	2,304
Finance expenses	(74)	(3)
Other income	1,459	299
Income before income taxes	**23,411**	**27,291**
Provision for income taxes	5,911	5,387
Net income for the period	**$ 17,500**	**$ 21,904**
Items that may be subsequently reclassified to income:		
Cumulative translation adjustment	(6,293)	9,571
Other comprehensive (loss) income	**(6,293)**	**9,571**
Comprehensive income	**$ 11,207**	**$ 31,475**
Earnings per share		
Basic	**$ 0.32**	$ 0.40
Diluted	**$ 0.32**	$ 0.40

Enghouse Systems Limited

Condensed Consolidated Interim Statements of Cash Flows

(in thousands of Canadian dollars)
(unaudited)

Periods ended January 31	Three months 2026	2025
OPERATING ACTIVITIES		
Net income for the period	$ 17,500	$ 21,904
Adjustments for non-cash items		
Depreciation	614	653
Depreciation of right-of-use assets	1,451	1,378
Interest expense – lease obligations	128	128
Amortization of acquired software and customer relationships	6,621	8,479
Stock-based compensation expense	567	108
Provision for income taxes	5,911	5,387
Finance expenses and other (income)	(1,385)	(296)
	31,407	**37,741**
Changes in non-cash operating working capital	(3,911)	(11,891)
Income taxes paid	(6,705)	(4,601)
Net cash provided by operating activities	**20,791**	**21,249**
INVESTING ACTIVITIES		
Purchase of property and equipment, net	(824)	(404)
Acquisitions, net of cash acquired*	(5,524)	(6,586)
Proceeds from sale of intangible asset	701	-
Net cash used in investing activities	**(5,647)**	**(6,990)**
FINANCING ACTIVITIES		
Normal course issuer bid share repurchases	(5,051)	(5,950)
Repayment of lease obligations	(1,589)	(1,374)
Dividends paid	(16,426)	(14,397)
Net cash used in financing activities	**(23,066)**	**(21,721)**
Impact of foreign exchange on cash and cash equivalents	(949)	3,526
Decrease in cash and cash equivalents	**(8,871)**	**(3,936)**
Cash and cash equivalents – beginning of period	269,061	274,240
Cash and cash equivalents – end of period	**$ 260,190**	**$ 270,304**

**Acquisitions are net of cash acquired of $83 for the three months ended January 31, 2026 and $2,620 for the three months ended January 31, 2025.*

Enghouse Systems Limited

Segment Reporting Information

(in thousands of Canadian dollars)

Three months ended January 31	2026 (Unaudited)			2025 (Unaudited)		
	IMG	AMG	Total	IMG	AMG	Total
Revenue	$ 67,296	$ 52,802	$ 120,098	$ 73,221	$ 50,779	$ 124,000
Direct costs	(22,798)	(21,829)	(44,627)	(25,713)	(18,750)	(44,463)
Revenue, net of direct costs	**44,498**	**30,973**	**75,471**	**47,508**	**32,029**	**79,537**
Operating expenses excluding special charges	(21,511)	(12,695)	(34,206)	(22,602)	(11,978)	(34,580)
Depreciation	(326)	(288)	(614)	(402)	(251)	(653)
Depreciation of right-of-use assets	(926)	(525)	(1,451)	(909)	(469)	(1,378)
Segment profit	**$ 21,735**	**$ 17,465**	**$ 39,200**	**$ 23,595**	**$ 19,331**	**$ 42,926**
Special charges			(810)			(91)
Corporate and shared service expenses			(10,119)			(11,846)
Results from operating activities			**$ 28,271**			**$ 30,989**

About Enghouse

Enghouse Systems Limited is a Canadian publicly traded company (TSX: ENGH) that provides mission-critical vertically focused enterprise software solutions. Our core technologies are used for contact centers, video communications, virtual healthcare, education, telecommunications networks, IPTV, public safety and transit. The Company's two-pronged strategy to grow earnings focuses on both organic growth and acquisitions, which, to date, have been funded through net cash provided by operating activities as the Company has no external debt financing. The Company is organized around two business segments, the Interactive Management Group ("IMG") and the Asset Management Group ("AMG") due to their unique customer segments and technology offerings. Further information about Enghouse may be obtained from the Company's website at www.enghouse.com.

Conference Call and Webcast

A conference call to discuss the results will be held on Friday, March 13, 2026 at 8:45 a.m. EST. To participate, please call Local +1-289-514-5100 or North American Toll-Free 1-800-717-1738. Confirmation code: 85248. A webcast is also available at: https://www.enghouse.com/investors.php.

For further information please contact:

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The Company uses non-IFRS measures to assess its operating performance. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation. The Company uses Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA per diluted share as measures of operating performance. Therefore, these collective Adjusted EBITDA measures may not be comparable to similar measures presented by other issuers. Adjusted EBITDA is calculated based on results from operating activities adjusted for depreciation of property and equipment and right-of-use assets and special charges for acquisition related restructuring costs. Management uses Adjusted EBITDA to evaluate operating performance as it excludes amortization of software and intangibles (which is an accounting allocation of the cost of software and intangible assets arising on acquisition), any impact of finance and tax related activities, asset depreciation, foreign exchange gains and losses, other income and restructuring costs.