

Alaris Equity Partners Income Trust Releases 2024 Fourth Quarter Financial Results

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CALGARY, March 10, 2025 - [Alaris Equity Partners Income Trust](#) (together, as applicable, with its subsidiaries, "Alaris" or the "Trust") is pleased to announce its results for the three months and year ended December 31, 2024. The results are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. All amounts below are in Canadian dollars unless otherwise noted.

In January 2024, Alaris determined that it met the definition of an investment entity, as defined by IFRS 10, Consolidated financial statements. This change in status has fundamentally changed how Alaris prepares, presents and discusses its financial results relative to prior periods. IFRS requires that this change in accounting be made prospectively and as a result prior periods are not restated to reflect the change in Alaris' investment entity status. Accordingly, the readers of this press release, Alaris' annual MD&A and audited consolidated financial statements should exercise significant caution in reviewing, considering, and drawing conclusions from period-to-period comparisons and changes, as the direct comparisons between dates or across periods can be inappropriate if not carefully considered in this context.

Highlights:

- The Trust, through its wholly-owned subsidiaries (the "Acquisition Entities"), invested approximately \$139 million of new capital during 2024, as well as, an incremental \$118 million subsequent to year end. The total invested capital in the twelve months to the date of this press release, is approximately \$249 million, an increase compared to Alaris five-year average. These investments included \$160 million in three new Partners and \$89 million in existing Partners through follow-on investments;
- During Q4 2024, Alaris completed its second asset management ("AUM") transaction. The Trust, through its Acquisition Entities, completed a strategic recapitalization with Ohana Growth Partners, LLC ("Ohana"), whereby Alaris raised US\$120 million of capital from independent investors resulting in the growth of third party AUM. The Trust now has over \$2.2 billion of capital including \$1.5 billion of invested capital and \$700 million of AUM;
- The Trust, together with its Acquisition Entities, earned \$46.9 million of Partner Distribution revenue in Q4 2024 and a total of \$194.2 million for the year ended December 31, 2024, an increase of 12% for the three-month period and 19% for the year both as compared to the prior year. These increases are a result of:
 - The incremental Distributions from new and follow-on investments noted above and collection of previously deferred preferred Distributions from LMS Management LP and LMS Reinforcing Steel USA LP (collectively, "LMS") of \$2.3 million;
 - An increase in common Distributions of 45% in Q4 2024 and 170% for the year 2024 compared to the respective periods in 2023. Total common Distributions for 2024 of \$34.5 million represent a 20% cash yield on the common portfolio;
- Alaris' Acquisition Entities realized gains on Partner investments of \$40.1 million or \$0.88 per unit in the year 2024 compared to \$13.5 million or \$0.30 per unit in the prior year, 2023. These gains were realized on the redemptions of three Partner investments and the gain on the exchange of units in the Ohana AUM transaction;
- Alaris' net distributable cash flow ⁽⁶⁾ for the year ended December 31, 2024, of \$130.4 million or \$2.87 per unit, which does not include realized gains, increased by 42%, from \$91.6 million or \$2.02 per unit in 2023 after adjusting the comparable period for non-recurring settlement and litigation costs;
- Net book value ⁽⁴⁾ per unit increased by \$3.10 or 15% to \$24.22 during the year 2024. Included in the increase is \$1.78 per unit foreign exchange gain. The Trust paid \$1.36 per unit to unitholders, a 6.4% cash yield based on 2023 book value;
- The Actual Payout Ratio ⁽²⁾ for the Trust, based on Alaris net distributable cash flow ⁽⁶⁾ for the year ended December 31, 2024, is 48%;
- Based on unaudited results from each of its Partners, Alaris estimates an overall positive performance metric reset of approximately 4.9% for the annual preferred Distributions that are resetting in 2025, resulting in additional Run Rate Revenue ⁽⁷⁾ of approximately \$5 million or \$0.11 per unit;

- The current weighted average combined Earnings Coverage Ratio ⁽³⁾ for Alaris' Partners remains at approximately 1.5x, with ten of twenty Partners at 1.5x or above. In addition, thirteen of our partners have either no debt or less than 1.0x Senior Debt to trailing twelve-month EBITDA.

President's Message

Alaris has been going through a transformative period that has created significant value for our unitholders. Our decision to add common equity investments in 2019 alongside our traditional preferred equity is having the desired outcomes we had expected and communicated to unitholders. We can now look back and report that our net book value ⁽⁴⁾ per unit has grown at a compounded rate of 18.9% annually over the last three years. For a lower risk investment strategy like ours, these unlevered returns are exceptional in the private equity industry that has, in our opinion, posted much lower returns over that same period. With some of our early common equity investments coming to a point where those companies may decide to sell, we are excited about the potential gains in the future as well.

Over the last two years, we have also added a third party capital management initiative that has resulted in Alaris now having an economic interest in US\$520 million of institutional capital that Alaris unitholders participate in by way of management fees and a percentage of the profits earned on those investments. The relationships made with large institutions around the world will continue to benefit our unitholders in the future through co-investment opportunities that will allow us to do larger deals and have more flexibility on structure. Already, total capital deployed, including through third parties, has been \$1.487 billion just over the last twenty five months and we look forward to capitalizing further during the years ahead.

Our underlying portfolio continues to remain strong with the vast majority of our partners having grown and strengthened during 2024. Just as importantly, we believe that we are well positioned to withstand the anticipated economic impact of the US and Canadian tariffs. 90% of our investments are in American companies doing business strictly in the US. They are also service companies that do not rely on importing or exporting any products. Having 90% of our revenue and assets in US dollars also puts us in a good position if the Canadian dollar continues to weaken.

With a reported 48% Actual Payout Ratio ⁽²⁾ for the year just completed, we are below our target of roughly 60% Actual Payout Ratio ⁽²⁾ to our unitholders. Given that our units are trading below our net book value ⁽⁴⁾ per unit of \$24.22, we have taken the position that we will use our excess cash to strategically buy back our units through our normal course issue bid ("NCIB"). We have been active in our NCIB over the last quarter and will continue to buy back units until our units trade to their intrinsic value.

I'd like to thank all of the Alaris staff for the incredibly hard work that they have done to create these results. I'd also like to thank our board of trustees for guiding us as we've evolved our company. A special thanks to Mitch Shier who has announced his retirement from our board, effective as of our annual unitholders meeting. Mitch has been with me for the full 17 years that we've been public and has been a huge contributor to our growth and success.

Results of Operations

Note where the financial information for the year ended December 31, 2024 is comparable to specific information from the year ended December 31, 2023 consolidated financial statements, amounts have been provided for comparative purposes. As noted above, users of this press release, management discussion and analysis and the audited consolidated financial statements to which it relates should exercise significant caution in reviewing, considering and drawing conclusions from period-to-period comparisons and changes.

| Per Unit Results Period ending December 31 | Three months ended | | | Twelve months ended | | |
|--------------------------------------------------------------|--------------------|---------|----------|---------------------|---------|----------|
| | 2024 | 2023 | % Change | 2024 | 2023 | % Change |
| Partner related changes in net gain on Corporate Investments | \$ 1.15 | \$ 1.53 | -24.8 | % \$ 5.26 | \$ 5.27 | -0.2 |
| Adjusted EBITDA | \$ 0.91 | \$ 1.39 | -34.5 | % \$ 4.53 | \$ 4.76 | -4.8 |
| Alaris net distributable cash flow | \$ 0.93 | \$ 0.50 | +86.0 | % \$ 2.87 | \$ 1.71 | +67.8 |
| Adjusted earnings | \$ 0.36 | \$ 0.95 | -62.1 | % \$ 2.71 | \$ 3.10 | -12.6 |

| | | | | | | |
|--------------------------------------|---------|---------|----------|---------|---------|--------|
| Change in Net book value | \$ 1.42 | \$ 0.22 | +545.5 % | \$ 3.10 | \$ 1.28 | +142.2 |
| Weighted average basic units (000's) | 45,520 | 45,498 | | 45,503 | 45,449 | |

During the three months ended December 31, 2024, Partner related changes in net gain on Corporate Investments ⁽⁵⁾ decreased by 24.8% as compared to Q4 2023, which is primarily due to higher unrealized fair value gains on Partner investments in Q4 2023. In Q4 2024, Alaris completed a strategic transaction with Ohana and the Unify Consulting, LLC ("Unify") investment was redeemed, resulting in a net realized gain on Partner investments of \$31.1 million. These transactions created an offsetting decrease to net unrealized gain on Partner investments. The net fair value of Partner investments increased by \$3.8 million in the quarter, as compared to an increase of \$27.5 million in Q4 2023. Partner Distribution revenues increased compared to Q4 2023, partially due to follow on investments made during the year in The Shipyard, LLC ("Shipyard") and Federal Management Partners, LLC ("FMP") as well as a new investment in Cresa, LLC ("Cresa"). Also in the quarter, Ohana and LMS paid all outstanding deferred Distributions. The US dollar strengthened both during the quarter and throughout the year, outperforming the prior comparative periods. This contributed to an improvement in US-denominated distribution revenue for the three months and year ended December 31, 2024.

During the year ended December 31, 2024, Partner related changes in net gain on Corporate Investments ⁽⁵⁾, remained relatively consistent year over year which is the result of an increase in Partner Distribution revenues and realized gains in the current year, offset by a decrease in net unrealized gains from Partner investments, both as compared to the prior year. Partner Distribution revenue increased during the year as noted above due to incremental Distributions from follow on and new investments made in the year, partially offset by the redemption of Brown & Settle Investments, LLC and a subsidiary thereof (collectively, "Brown & Settle"), which occurred in April 2024 and Heritage Restoration, LLC ("Heritage") deferring Distributions in 2024. During the year, net realized gain from Partner investments increased more than 190%, to \$0.88 per unit primarily due to the gain on Ohana's strategic transaction and gains on the redemptions of Brown & Settle and Unify. These realized gains in the year, were partially offset by previously recorded fair value increases, as they were reclassified to realized during Q4. Along with the realized gain of \$0.88 per unit there was also a net unrealized gain on the fair value of Partner investments during 2024 of \$0.16 per unit.

For the three months ended December 31, 2024, Adjusted EBITDA ⁽¹⁾ per unit decreased by 34.5% as compared to Q4 2023. This decrease is primarily due to the timing of net gains from Partner investments which were lower in Q4 2024, in addition to higher management bonus expense and unit-based compensation during the quarter as compared to the prior period. For the year ended December 31, 2024, Adjusted EBITDA ⁽¹⁾ per unit decreased by 4.8% partially due to \$2.6 million decrease to the fair value of promissory notes receivable, and higher operating expenses as compared to the prior year (excluding the Sandbox litigation and legal costs for comparability purposes).

Adjusted Earnings ⁽¹⁰⁾ per unit decreased by 62.1% in Q4 2024 and by 12.6% in the year ended December 31, 2024, each as compared to the respective comparable periods in 2023, mainly as a result of the same reasons described above for decreases in Adjusted EBITDA ⁽¹⁾ per unit, as well as higher total tax expense incurred by the Acquisition Entities in both periods in 2024 as compared to 2023, partially offset by lower legal and accounting fees in 2024 due to non-reoccurring litigation and legal costs incurred in 2023, which are not removed from the calculation of Adjusted earnings ⁽¹⁰⁾ per unit, whereas they are adjusted out of the calculation of Adjusted EBITDA ⁽¹⁾ per unit.

Alaris net distributable cash flow per unit ⁽⁶⁾ increased by 86.0% in the three months ended December 31, 2024 as compared to Q4 2023. This increase in distributable cash flow during the quarter is primarily due to lower cash taxes paid as compared to Q4 2023 and higher Partner Distribution revenue received. During the year ended December 31, 2024, Alaris net distributable cash flow per unit ⁽⁶⁾ increased by 67.8% as compared to the prior year. The increase is primarily due to non-reoccurring legal costs and higher cash taxes paid in 2023 as compared the current year, as well as higher Partner Distribution revenue during the current year. After adjusting out non-recurring settlement and litigation costs in the prior year, Alaris net distributable cashflow per unit ⁽⁶⁾ increased by 42.1% in 2024 as compared to the year ended December 31, 2023.

Outlook

In Q4 2024, the Trust together with its Acquisition Entities earned \$46.9 million of revenue from Partners,

\$46.3 million in Partner Distributions net of foreign exchange and \$0.6 million of third party transaction and management fee revenue. Which was ahead of previous guidance of \$38.9 million due to the following: (i) LMS' payment of all deferred Distributions; (ii) receipt of paid in-kind Distributions on Ohana's previous convertible preferred units; (iii) higher than expected common Distributions received, as well as (iv) higher realized foreign exchange rate on US denominated Distributions. Common Distributions are not fixed or set in advance, but rather paid as declared and as cash flow of Partners permit. Alaris expects total revenue from its Partners in Q1 2025 of approximately \$42.5 million.

During the three months ended December 31, 2024, the Trust, through its Acquisition Entities, exchanged \$187 million of existing equity in Ohana for new equity as part of the Ohana AUM and strategic recapitalization. Also, an additional \$14 million was invested into Cresa, bringing Alaris' total investment in Cresa to US\$30.0 million. Subsequent to December 31, 2024, Alaris invested in two new Partners, The Berg Demo Holdings, LLC ("Berg") and Professional Electric Contractors of Connecticut, Inc. ("PEC"), and as of the date of this MD&A the total invested capital in 2025 is approximately \$118 million. These transactions are reflected in Alaris' Run Rate Revenue ⁽⁷⁾ for the next twelve months, of approximately \$187 million, The Run Rate Cash Flow ⁽⁸⁾ table below outlines the Trust and it's Acquisition Entities' combined expectation for Partners Distribution revenue, transaction fee revenue, general and administrative expenses, third party interest expense, tax expense and distributions to unitholders for the next twelve months. The Run Rate Cash Flow ⁽⁸⁾ is a forward looking supplementary financial measure and outlines the net cash from operating activities, less the distributions paid, that Alaris is expecting to generate over the next twelve months. The Trust's method of calculating this measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

Run rate general and administrative expenses are currently estimated at \$18.5 million and include all public company costs incurred by the Trust and its Acquisition Entities. The Trust's Run Rate Payout Ratio ⁽⁹⁾ is expected to be within a range of 55% and 60% when including Run Rate Revenue ⁽⁷⁾, overhead expenses and our existing capital structure. The table below sets out our estimated Run Rate Cash Flow ⁽⁸⁾ as well as the after-tax impact of positive net investment, the impact of every 1% increase in Secure Overnight Financing Rate ("SOFR") based on current outstanding USD debt and the impact of every \$0.01 change in the USD to CAD exchange rate.

Alaris' financial statements and MD&A are available on SEDAR+ at www.sedarplus.ca and on our website at www.alarisequitypartners.com.

| Run Rate Cash Flow (\$ thousands except per unit) | Amount (\$) | \$ / Unit |
|---------------------------------------------------|-------------|-----------|
| Run Rate Revenue, Partner Distribution revenue | \$ 187,400 | \$ 4.13 |
| General and administrative expenses | (18,500) | (0.41) |
| Third party Interest and taxes | (62,700) | (1.38) |
| Net cash from operating activities | \$ 106,200 | \$ 2.34 |
| Distributions paid | (61,800) | (1.36) |
| Run Rate Cash Flow | \$ 44,400 | \$ 0.98 |
| Other considerations (after taxes and interest): | | |
| New investments Every \$50 million deployed @ 14% | +2,651 | +0.06 |
| Interest rates Every 1.0% increase in SOFR | -3,200 | -0.07 |
| USD to CAD Every \$0.01 change of USD to CAD | +/- 900 | +/- 0.02 |

Earnings Release Date and Conference Call Details

Alaris management will host a conference call at 9am MT (11am ET), Tuesday, March 11, 2025 to discuss the financial results and outlook for the Trust.

Participants must register for the call using this link: Q4 2024 Conference Call. Pre-register to receive the dial-in numbers and unique PIN to access the call seamlessly. It is recommended that you join 10 minutes prior to the event start (although you may register and dial in at any time during the call). Participants can access the webcast here: Q4 webcast. A replay of the webcast will be available two hours after the call and archived on the same web page for six months. Participants can also find the link on our website, stored under the "Investors" section - "Presentations and Events", at www.alarisequitypartners.com.

An updated corporate presentation will be posted to the Trust's website within 24 hours at www.alarisequitypartners.com.

About the Trust:

Alaris' investment and investing activity refers to providing, through the Acquisition Entities, structured equity to private companies ("Partners") to meet their business and capital objectives, which includes management buyouts, dividend recapitalization, growth and acquisitions. Alaris achieves this by investing its unitholder capital, as well as debt, through the Acquisition Entities, in exchange for distributions, dividends or interest (collectively, "Distributions") as well as capital appreciation on both preferred and common equity. The principal objective is to generate predictable cash flows for distribution payments to its unitholders while growing net book value through returns from capital appreciation. Distributions, other than common equity Distributions, from the Partners are adjusted annually based on the percentage change of a "top-line" financial performance measure such as gross margin or same store sales and rank in priority to common equity position.

Non-GAAP and Other Financial Measures

The terms Adjusted Earnings, components of Corporate investments, EBITDA, Adjusted EBITDA, Alaris net distributable cashflow, Earnings Coverage Ratio, Run Rate Payout Ratio, Actual Payout Ratio, Run Rate Revenue, Run Rate Cash Flow, and Per Unit amounts (collectively, the "Non-GAAP and Other Financial Measures") are financial measures used in this MD&A that are not standard measures under International Financial Reporting Standards ("IFRS"). The Trust's method of calculating the Non-GAAP and Other Financial Measures may differ from the methods used by other issuers. Therefore, the Trust's Non-GAAP and Other Financial Measures may not be comparable to similar measures presented by other issuers.

(1) "Adjusted EBITDA" and "EBITDA" are Non-GAAP financial measures and refer to earnings determined in accordance with IFRS, before depreciation and amortization, interest expense (finance costs) and income tax expense. EBITDA is used by management and many investors to determine the ability of an issuer to generate cash from operations. "Adjusted EBITDA" and "Adjusted EBITDA per unit", which is a non-GAAP ratio that removes the impact from unrealized fluctuations in exchange rates and their impact on the Trust's investments at fair value, as well as one time items and the impact of finance costs and taxes included within the net gain on Corporate Investments incurred by the Acquisition Entities and, on a per unit basis, is and the same amount divided by weighted average basic units outstanding. Management believes Adjusted EBITDA, EBITDA and Adjusted EBITDA per unit are useful supplemental measures from which to determine the Trust's ability to generate cash available for servicing its loans and borrowings, income taxes and distributions to unitholders. The Trust's method of calculating these Non-GAAP financial measures may differ from the methods used by other issuers. Therefore, they may not be comparable to similar measures and ratios presented by other issuers.

| <i>\$ thousands except per unit amounts</i> | Three months ended December 31 | | | Year ended December 31 | |
|------------------------------------------------------------------|-----------------------------------|-----------|----------|---------------------------|-----------|
| | 2024 | 2023 | % Change | 2024 | 2023 |
| Earnings | \$ 77,940 | \$ 40,738 | | \$ 234,415 | \$ 138,44 |
| Depreciation and amortization | 149 | 58 | | 545 | 227 |
| Finance costs | 1,153 | 9,624 | | 4,598 | 31,533 |
| Total income tax expense | 479 | 10,865 | | 1,033 | 31,767 |
| EBITDA | \$ 79,721 | \$ 61,285 | +30.1 % | \$ 240,591 | \$ 201,97 |
| <i>Adjustments:</i> | | | | | |
| Gain on derecognition of previously consolidated entities | \$ - | \$ - | | \$ (30,260) | \$ - |
| Foreign exchange | (61,597) | 2,406 | | (80,821) | 2,562 |
| Sandbox litigation and legal costs | - | 146 | | - | 13,843 |
| Finance costs, senior credit facility and convertible debentures | 6,865 | - | | 29,058 | - |
| Acquisition Entities income tax expense - current | 7,302 | - | | 17,320 | - |
| Acquisition Entities income tax expense - deferred | 6,882 | - | | 28,154 | - |
| Net unrealized (gain) / loss on derivative contracts | 2,240 | (479) | | 2,240 | (1,880 |

| | | | | | | |
|--------------------------|-----------|-----------|-------|---|------------|-----------|
| Adjusted EBITDA | \$ 41,413 | \$ 63,358 | -34.6 | % | \$ 206,282 | \$ 216,50 |
| Adjusted EBITDA per unit | \$ 0.91 | \$ 1.39 | -34.5 | % | \$ 4.53 | \$ 4.76 |

(2) "Actual Payout Ratio" is a supplementary financial measure and refers to Alaris' total distributions paid during the period (annually or quarterly) divided by the actual net cash from operating activities Alaris generated for the period. It represents the net cash from operating activities after distributions paid to unitholders available for either repayments of senior debt and/or to be used in investing activities.

(3) "Earnings Coverage Ratio ("ECR")" is a supplementary financial measure and refers to the EBITDA of a Partner divided by such Partner's sum of debt servicing (interest and principal), unfunded capital expenditures and distributions to Alaris. Management believes the earnings coverage ratio is a useful metric in assessing our partners continued ability to make their contracted distributions.

(4) "Net book value" and "net book value per unit" are Non-GAAP financial measures and represents the equity value of the company or total assets less total liabilities and the same amount divided by weighted average basic units outstanding. Net book value and net book value per unit are used by management to determine the growth in assets over the period net of amounts paid out to unitholders as distributions. Management believes net book value and net book value per unit are useful supplemental measures from which to compare the Trust's growth period over period. The Trust's method of calculating these Non-GAAP financial measures may differ from the methods used by other issuers. Therefore, they may not be comparable to similar measures presented by other issuers.

| | 31-Dec 2024 | 30-Sep 2024 | 31-Dec 2023 |
|---------------------------------------------|----------------|----------------|----------------|
| <i>\$ thousands except per unit amounts</i> | | | |
| Total Assets | \$ 1,199,683 | \$ 1,130,415 | \$ 1,474,894 |
| Total Liabilities | \$ 97,721 | \$ 93,236 | \$ 514,071 |
| Net book value | \$ 1,101,962 | \$ 1,037,179 | \$ 960,823 |
| Weighted average basic units (000's) | 45,503 | 45,498 | 45,498 |
| Net book value per unit | \$ 24.22 | \$ 22.80 | \$ 21.12 |

(5) "Partner related changes in net gain on Corporate Investments" The components of Corporate Investments are Non-GAAP financial measures and are presented for better comparability to prior year reporting. These amounts are reconciled to information from note 3 of the consolidated financial statements below. The Trust's method of calculating these Non-GAAP financial measures may differ from the methods used by other issuers. Therefore, they may not be comparable to similar measures presented by other issuers.

| <i>\$ thousands</i> | Three months ended December 31 | | | % Change | Year De |
|-----------------------------------------------------------------------------------------------------|-----------------------------------|-----------|--------|----------|------------|
| | 2024 | 2023 | | | |
| Partner Distribution revenue - Preferred, including realized foreign exchange <small>Note 1</small> | \$ 43,618 | \$ 39,490 | +10.5 | % | \$ 1 |
| Partner Distribution revenue - Common | \$ 2,710 | \$ 1,874 | +44.6 | % | \$ 3 |
| Net realized gain from Partners investments | \$ 31,102 | \$ 758 | > 500% | % | \$ 4 |
| Net unrealized gain (loss) on Partners investments | \$ (25,262) | \$ 27,522 | -191.8 | % | \$ 7 |
| Partner related changes in net gain on Corporate Investments | \$ 52,168 | \$ 69,644 | -25.1 | % | \$ 2 |
| Partner related changes in net gain on Corporate Investments per unit | \$ 1.15 | \$ 1.53 | -24.8 | % | \$ 5 |

Note 1 - In the year ended December 31, 2023, Partner Distribution revenue - Preferred, including realized foreign exchange and Partner Distribution revenue - Common were presented as one line on the face of the income statement titled "Revenues, including realized foreign exchange gain" in the amount of \$41,861 for the three months ended and \$194,064 for the year ended. Prior period Partner Distribution revenue - Preferred, including realized foreign exchange for the three months and year months ended December 31, 2023 above has been adjusted to exclude Sono Bello and Ohana's management and transaction fee income (Q4 2023 - \$497, year ended 2023 - \$1,757) for period over period comparability, which in 2024 is recognized in the Trust's Management and advisory fee income.

(6) "Alaris net distributable cashflow" is a non-GAAP measure that refers to all sources of external revenue in both the Trust and the Acquisition Entities less all general and administrative expenses, third party interest expense and tax expense. Alaris net distributable cashflow is a useful metric for management and investors as it provides a summary of the total cash from operating activities that can be used to pay the Trust distribution, repay senior debt and/or be used for additional investment purposes. The Trust's method of calculating this Non-GAAP measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers. The 2023 comparatives are presented prior to the Trust's change in status as an investment entity and have been aligned with the most comparative balance in the 2024 presentation.

| <i>\$ thousands except per unit amounts</i> | Three months ended | | | Year ended |
|-------------------------------------------------------------------------------|--------------------|-------------|----------|------------|
| | December 31 | December 31 | % Change | |
| Partner Distribution revenue - Preferred, including realized foreign exchange | \$ 43,618 | \$ 39,490 | | \$ 157,511 |
| Partner Distribution revenue - Common | 2,710 | 1,874 | | 34,511 |
| Third party management and advisory fees | 593 | 497 | | 2,119 |
| <i>Expenditures of the Trust:</i> | | | | |
| General and administrative | (5,085) | (2,647) | | (18,395) |
| Current income tax expense | (598) | - | | (1,943) |
| Third party cash interest paid by the Trust | - | - | | (4,062) |
| <i>Expenditures incurred by Acquisition Entities:</i> | | | | |
| Operating costs and other | (1,049) | (1,017) | | (3,895) |
| Transactions costs | (1,413) | (2,016) | | (3,944) |
| Acquisition Entities income tax expense - current | (7,302) | (1,937) | | (17,321) |
| Cash interest paid, senior credit facility and convertible debentures | (7,381) | (8,431) | | (25,411) |
| Alaris net distributable cash flow, prior to changes in working capital | \$ 24,093 | \$ 25,813 | | \$ 119,211 |
| Alaris' changes in net working capital | 18,276 | (2,991) | | 11,176 |
| Alaris net distributable cash flow | \$ 42,369 | \$ 22,822 | +85.7 % | \$ 130,387 |
| Alaris net distributable cash flow per unit | \$ 0.93 | \$ 0.50 | +86.0 % | \$ 2.87 |

(7) "Run Rate Revenue" is a supplementary financial measure and refers to Alaris' total revenue expected to be generated over the next twelve months based on contracted distributions from current Partners, excluding any potential Partner redemptions, it also includes an estimate for common dividends or distributions based on past practices, where applicable. Run Rate Revenue is a useful metric as it provides an expectation for the amount of revenue Alaris can expect to generate in the next twelve months based on information known.

(8) "Run Rate Cash Flow" is a Non-GAAP financial measure and outlines the net cash from operating activities, net of distributions paid, that Alaris is expecting to have after the next twelve months. This measure is comparable to net cash from operating activities less distributions paid, as outlined in Alaris' consolidated statements of cash flows.

(9) "Run Rate Payout Ratio" is a Non-GAAP financial ratio that refers to Alaris' distributions per unit expected to be paid over the next twelve months divided by the net cash from operating activities per unit calculated in the Run Rate Cash Flow table. Run Rate Payout Ratio is a useful metric for Alaris to track and to outline as it provides a summary of the percentage of the net cash from operating activities that can be used to either repay senior debt during the next twelve months and/or be used for additional investment purposes. Run Rate Payout Ratio is comparable to Actual Payout Ratio as defined above.

(10) "Adjusted Earnings" is a Non-GAAP financial measure and Non-GAAP Ratio and refer to earnings determined in accordance with IFRS, before impact of the one time gain on derecognition of previously consolidated entities and foreign exchange gain (loss) and the same amount divided by weighted average basic units outstanding. Adjusted earnings and Adjusted earnings per unit are used by management to determine earnings excluding fluctuations due to unrealized changes in exchange rates that impact earnings and specifically the fair value of Corporate investment. Management believes Adjusted earnings and Adjusted earnings per unit are useful measures from which to compare the Trust's earnings period over period. The

Trust's method of calculating these Non-GAAP financial measures and ratio may differ from the methods used by other issuers. Therefore, they may not be comparable to similar measures presented by other issuers.

| | Three months ended December 31 | | | Year ended December 31 | |
|---------------------------------------------------------------------|-----------------------------------|-----------|----------|---------------------------|------------|
| | 2024 | 2023 | % Change | 2024 | 2023 |
| <i>\$ thousands except per unit amounts</i> | | | | | |
| Earnings | \$ 77,940 | \$ 40,738 | | \$ 234,415 | \$ 138,415 |
| Add back: Foreign exchange (gain) loss | \$ (61,597) | \$ 2,406 | | \$ (80,821) | \$ 2,500 |
| Add back: Gain on derecognition of previously consolidated entities | \$ - | na | | \$ (30,260) | na |
| Adjusted earnings | \$ 16,343 | \$ 43,144 | -62.1 % | \$ 123,334 | \$ 141,415 |
| Adjusted earnings per unit | \$ 0.36 | \$ 0.95 | -62.1 % | \$ 2.71 | \$ 3.10 |

(11) "Per Unit" values, other than earnings per unit, refer to the related financial statement caption as defined under IFRS or related term as defined herein, divided by the weighted average basic units outstanding for the period.

The terms Net Book Value, Components of Corporate investments, EBITDA, Adjusted EBITDA, Alaris net distributable cashflow, Earnings Coverage Ratio, Run Rate Payout Ratio, Actual Payout Ratio, Run Rate Revenue, Run Rate Cash Flow and Per Unit amounts should only be used in conjunction with the Trust's audited consolidated financial statements, complete versions of which available on SEDAR+ at www.sedarplus.ca.

Forward-Looking Statements

This news release contains forward-looking information and forward-looking statements (collectively, "forward-looking statements") under applicable securities laws, including any applicable "safe harbor" provisions. Statements other than statements of historical fact contained in this news release are forward-looking statements, including, without limitation, management's expectations, intentions and beliefs concerning the growth, results of operations, performance of the Trust and the Partners, the future financial position or results of the Trust, business strategy and plans and objectives of or involving the Trust or the Partners. Many of these statements can be identified by looking for words such as "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. In particular, this news release contains forward-looking statements regarding: the anticipated financial and operating performance of the Partners; the attractiveness of Alaris' capital offering; the Trust's Run Rate Payout Ratio, Run Rate Cash Flow, Run Rate Revenue and total revenue; the impact of recent new investments and follow-on investments; expectations regarding receipt (and amount of) any common equity Distributions or dividends from Partners in which Alaris holds common equity, including the impact on the Trust's net cash from operating activities, Run Rate Revenue, Run Rate Cash Flow and Run Rate Payout Ratio; the impact of future deployment; the Trust's ability to deploy capital; expected gains on common equity and future exits; payout of Alaris' AUM strategy including, without limitation, the impact of management fees and profit participation; the yield on the Trust's investments and expected resets on Distributions; changes in interest rates, including SOFR and exchange rates; the impact of deferred Distributions and the timing of repayment thereof; the Trust's return on its investments; and Alaris' expenses for 2025. To the extent any forward-looking statements herein constitute a financial outlook or future oriented financial information (collectively, "FOFI"), including estimates regarding revenues, Distributions from Partners (restarting full or partial Distributions and common equity distributions), Run Rate Payout Ratio, Run Rate Cash Flow, net cash from operating activities, expenses and impact of capital deployment, they were approved by management as of the date hereof and have been included to provide an understanding with respect to Alaris' financial performance and are subject to the same risks and assumptions disclosed herein. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur.

By their nature, forward-looking statements require Alaris to make assumptions and are subject to inherent risks and uncertainties. Assumptions about the performance of the Canadian and U.S. economies over the next 24 months and how that will affect Alaris' business and that of its Partners (including, without limitation, the impact of any global health crisis, like COVID-19, and global economic and political factors) are material factors considered by Alaris management when setting the outlook for Alaris. Key assumptions include, but are not limited to, assumptions that: the Russia/Ukraine conflict, conflicts in the Middle East, and other global

economic pressures over the next twelve months will not materially impact Alaris, its Partners or the global economy; interest rates will not rise in a matter materially different from the prevailing market expectation over the next 12 months; global health crises, like COVID-19 or variants thereof, will not impact the economy or our Partners operations in a material way in the next 12 months; the businesses of the majority of our Partners will continue to grow; more private companies will require access to alternative sources of capital; the businesses of new Partners and those of existing Partners will perform in line with Alaris' expectations and diligence; and that Alaris will have the ability to raise required equity and/or debt financing on acceptable terms. Management of Alaris has also assumed that the Canadian and U.S. dollar trading pair will remain in a range of approximately plus or minus 15% of the current rate over the next 6 months. In determining expectations for economic growth, management of Alaris primarily considers historical economic data provided by the Canadian and U.S. governments and their agencies as well as prevailing economic conditions at the time of such determinations.

There can be no assurance that the assumptions, plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions and should not be read as guarantees or assurances of future performance. The actual results of the Trust and the Partners could materially differ from those anticipated in the forward-looking statements contained herein as a result of certain risk factors, including, but not limited to, the following: impact of widespread health crises is, like COVID-19 (or its variants), other global economic factors (including, without limitation, the Russia/Ukraine conflict, conflicts in the Middle East, inflationary measures and global supply chain disruptions on the global economy, tariffs and internal trade disputes on the Trust and the Partners (including how many Partners will experience a slowdown of their business and the length of time of such slowdown)); the dependence of Alaris on the Partners, including any new investment structures; leverage and restrictive covenants under credit facilities; reliance on key personnel; failure to complete or realize the anticipated benefit of Alaris' financing arrangements with the Partners; a failure to obtain required regulatory approvals on a timely basis or at all; changes in legislation and regulations and the interpretations thereof; risks relating to the Partners and their businesses, including, without limitation, a material change in the operations of a Partner or the industries they operate in; inability to close additional Partner contributions or collect proceeds from any redemptions in a timely fashion on anticipated terms, or at all; a failure to settle outstanding litigation on expected terms, or at all; a change in the ability of the Partners to continue to pay Alaris at expected Distribution levels or restart distributions (in full or in part); a failure to collect material deferred Distributions; a change in the unaudited information provided to the Trust; a negative impact on the Trust or Partners with risk to cybersecurity and or implementation of artificial intelligence; and a failure to realize the benefits of any concessions or relief measures provided by Alaris to any Partner or to successfully execute an exit strategy for a Partner where desired. Additional risks that may cause actual results to vary from those indicated are discussed under the heading "Risk Factors" and "Forward Looking Statements" in Alaris' Management Discussion and Analysis and Annual Information Form for the year ended December 31, 2024, which is or will be (in the case of the AIF) filed under Alaris' profile at www.sedarplus.ca and on its website at www.alarisequitypartners.com.

Readers are cautioned that the assumptions used in the preparation of forward-looking statements, including FOFI, although considered reasonable at the time of preparation, based on information in Alaris' possession as of the date hereof, may prove to be imprecise. In addition, there are a number of factors that could cause Alaris' actual results, performance or achievement to differ materially from those expressed in, or implied by, forward looking statements and FOFI, or if any of them do so occur, what benefits the Trust will derive therefrom. As such, undue reliance should not be placed on any forward-looking statements, including FOFI.

The Trust has included the forward-looking statements and FOFI in order to provide readers with a more complete perspective on Alaris' future operations and such information may not be appropriate for other purposes. The forward-looking statements, including FOFI, contained herein are expressly qualified in their entirety by this cautionary statement. Alaris disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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