



TFSA Investors: Buy North America's Best Real Estate Technology Company

Description

Altus Group Limited ([TSX:AIF](#)) is a leading provider of software, data solutions and independent advisory services to the [global commercial real estate](#) (CRE) industry.

The company's businesses, Altus Analytics and Altus Expert Services, offer solutions to empower clients to analyze, gain insight and recognize value on their real estate investments.

Headquartered in Canada, the company has approximately 2,500 employees around the world, with operations in North America, Europe and Asia Pacific.

The company's clients include some of the world's largest commercial real estate industry participants. The company has three reporting business segments: Altus Analytics, Commercial Real Estate Consulting (CRE Consulting) and Geomatics.

The company has a price to earnings ratio of 22.65, a price to book ratio of 3.86 and market capitalization of 1.4 billion. Debt is very sparingly used at Altus Group, as evidenced by a debt to equity ratio of just 0.62. The company has average performance metrics with an operating margin of 6.08% and a return on equity of 0.89%.

The company's key competitive strengths includes independence, industry expertise, breadth and diversity of products, differentiated data and software solutions, and a growing global scale in the real estate industry.

These provide the company with a competitive advantage that allows it to meet a diverse range of customer needs as a single provider.

The company has gained significant market share in several core markets, and the company has built longstanding client relationships across all business units.

The company services clients through the entire life cycle of their real estate holdings, from acquisition or the development of a project to asset disposition.

The company has strong data and technology products and appear to be well positioned to serve global enterprise clients who require multiple solutions and professional services to address complex CRE portfolios.

The diversity of the company's offerings also allows it to mitigate market volatility downturns with better resilience.

Altus Group faces [competition from data providers](#), software providers, local or regional firms offering professional real estate or land?based services, real property brokerages, real property brokerages and accounting, law, specialty and engineering firms.

There has recently been a rise in new data products introduced to the market from other CRE firms and start?ups and the company also faces competition from other software providers primarily in real estate asset management, valuation, budgeting, forecasting, reporting and lease management solutions.

Although many leading brokerages are clients of Altus Analytics offerings, these firms have a national and international base and also compete with the company for larger clients with multi?jurisdictional and multi service professional real estate service needs, primarily in the areas of valuations, due diligence, and some property tax assessments.

In the most recent year, the company's revenues were up 13.6% and consolidated profit improved by \$6.7 million. Altus Analytics revenues increased 14.4% to \$50.4 million and earnings before interest, tax, depreciation and amortization (EBITDA) increased 3.2% to \$10.4 million.

Altus Analytics' recurring revenues grew 12.0% to \$38.3 million and Commercial Real Estate Consulting revenues increased 17.0% to \$76.4 million.

Overall, Altus Group offers an excellent opportunity for long-term shareholders looking to gain exposure to the real estate technology industry.

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