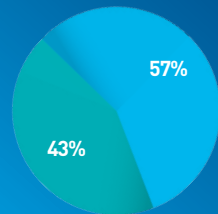


## LTM<sup>(1)</sup> ADJUSTED EBITDA SEGMENTATION PRO FORMA THE SALE OF BUSINESS ICT<sup>(2)</sup> SERVICES



American Broadband Services

Canadian Broadband Services

LTM Revenue <sup>(1)</sup>	\$ 2,294M
LTM Adjusted EBITDA <sup>(1)(3)</sup>	\$ 1,080M
Enterprise value <sup>(4)</sup> (February 28, 2019)	\$ 7,930M
Market Capitalisation (February 28, 2019)	\$ 4,081M
Multiple and subordinate voting shares outstanding	50M

## CORPORATE OBJECTIVES AND STRATEGIES

Continuously seeking to innovate our processes, operations, services and products while efficiently managing capital utilization to secure future growth:

- Leveraging Internet superiority and video services
- Emphasizing digitization of services for an enhanced customer experience
- Growing the business customer base and strategically extending the network to new service areas
- Optimizing the return on investments by improving our cost structure
- At Atlantic Broadband, driving superior adjusted EBITDA growth in the recently acquired MetroCast systems and building on initial successes in expanding the Florida market.



## CANADIAN BROADBAND SERVICES SEGMENT

- Cogeco Connexion is the 2<sup>nd</sup> largest cable operator in Ontario and Québec with 785,000 Internet service customers.
- Offers Internet with speeds of up to 1 Gbps, video services and telephony services to primarily residential customers.
- Offers enhanced video services through its interactive TiVo multi-screen platform.
- Provides Business services to small and medium sized businesses. To grow market share, we are focusing our sales efforts on hosted PBX, connectivity services and cloud-based managed Wi-Fi services.



## AMERICAN BROADBAND SERVICES SEGMENT

- Atlantic Broadband is the 9<sup>th</sup> largest cable operator in the United States with 430,000 Internet service customers.
- Offers Internet with speeds of up to 1 Gbps, video services and telephony services to primarily residential customers.
- Offers enhanced video services through its TiVo platform.
- Provides Business services to small and medium sized businesses. We offer a broad product portfolio, including fiber based connectivity and hosted PBX phone offering.

## ANNOUNCED SALE OF THE BUSINESS ICT SERVICES SEGMENT

- On February 27<sup>th</sup>, Cogeco Communications announced that it had reached an agreement to sell its Business ICT segment for \$720 million
- Cogeco will now focus exclusively on the Canadian and US broadband segments
- This transaction will provide greater flexibility to pursue organic investment and acquisition opportunities

## INVESTMENT HIGHLIGHTS

- **Strong Canadian Cable Operations**
  - Leveraging superior Internet speeds in a large portion of our footprint
  - Industry leading adjusted EBITDA margin
  - Strong free cash flow generation
- **Successful U.S. Cable Expansion Strategy**
  - Strong organic growth opportunity in our largely regional markets with fragmented competition
  - Higher service penetration opportunity in newly acquired MetroCast areas
  - Florida expansion provides for higher growth opportunity and stable cash flow
  - Positioned to act as a consolidator of regional cable operators
- **Strong Financial Performance**
  - Attractive adjusted EBITDA margins, strong FCF and dividend growth
  - Prudent financial management with a history of de-leveraging following acquisitions

## CONSOLIDATED FINANCIAL HIGHLIGHTS AND REVISED GUIDELINES

<i>In millions of Canadian dollars, except per share data and %</i>	Financial Guidelines*		As Reported		Constant FX <sup>(4)</sup>
	FY2018 <sup>(5)</sup>	FY2019E Growth for %	6 months 2018 <sup>(7)</sup>	6 months 2019 <sup>(7)</sup>	6 months 2019 <sup>(7)</sup>
Revenue	<b>2,147</b>	<b>6% to 8%</b>	1,014	<b>1,161</b>	<b>1,137</b>
Adjusted EBITDA <sup>(3)</sup>	<b>1,007</b>	<b>8% to 10%</b>	475	<b>548</b>	<b>538</b>
Profit for the period from continuing operations	<b>385</b>		238 <sup>(10)</sup>	<b>165</b>	
Profit for the period attributable to owners of the Corporation	<b>351</b>		217 <sup>(10)</sup>	<b>147</b>	
Earnings per share from continuing operations	<b>7.61</b>		4.77 <sup>(10)</sup>	<b>3.15</b>	
Dividends per share <sup>(8)</sup>	<b>1.90</b>	<b>2.10</b>	0.95	<b>1.05</b>	
Cash flow from operating activities	<b>621</b>		198	<b>298</b>	
Capital expenditures <sup>(9)</sup>	<b>458</b>	<b>450 to 470</b>	197	<b>193</b>	<b>188</b>
Capital intensity <sup>(3)</sup>	<b>21.3%</b>	<b>20% to 21%</b>			
Free cash flow <sup>(3)</sup>	<b>302</b>	<b>38% to 45%</b>	152	<b>233</b>	<b>232</b>

\* Please refer to "Caution about forward-looking statements" below. The FY2019 financial guidelines have been revised on April 9, 2019 to give effect to the announcement of the agreement to sell its Business ICT segment. The financial guidelines are based on FY2018 actual foreign exchange rates at USD/CND of 1.28.

## BUSINESS SEGMENTS

<i>In millions of Canadian dollars</i>	Canadian Broadband Services			American Broadband Services		
	As Reported		Constant FX <sup>(4)</sup>	As Reported		Constant FX <sup>(4)</sup>
	6 months 2018 <sup>(7)</sup>	6 months 2019 <sup>(7)</sup>	6 months 2019 <sup>(7)</sup>	6 months 2018 <sup>(7)</sup>	6 months 2019 <sup>(7)</sup>	6 months 2019 <sup>(7)</sup>
Revenue	651	649	<b>649</b>	363	512	<b>487</b>
Adjusted EBITDA	342	338	<b>339</b>	153	234	<b>223</b>

Note: This Fact Sheet, which includes non-IFRS financial measures, should be read in conjunction with the detailed disclosure contained in Cogeco Communications' 2018 annual report and 2<sup>nd</sup> quarter of fiscal 2019 shareholders' report.

- (1) Last twelve months ended February 28, 2019.
- (2) ICT is defined as Information and Communications Technology.
- (3) Non-IFRS financial measures: Adjusted EBITDA, capital intensity and free cash flow are non-IFRS measures and reconciliation to the most comparable IFRS measures can be found in Cogeco Communications' 2018 annual report and 2<sup>nd</sup> quarter of fiscal 2019 shareholders' report. Free cash flow excludes purchases of Spectrum licenses.
- (4) Enterprise value defined as market capitalisation plus indebtedness (as defined on page 3 of the 2018 annual report), less cash and cash equivalents and short-term investments.
- (5) FY2018 financial results include 8 months of the acquired MetroCast's financial results and were restated to comply with IFRS 15, to reflect a change in accounting policy with respect to reconnect costs as well as to reclassify results from the Business ICT services segment as discontinued operations. The changes in accounting policies are described on pages 41 to 49 of the 2<sup>nd</sup> quarter of fiscal 2019 shareholders' report.
- (6) Financial results in constant currency are non-IFRS measures. For the six-month period ended February 28, 2019, the financials are translated at the actual foreign exchange rates of the comparable period of fiscal 2018 which were 1.2574 USD/CND.
- (7) For the 6 months ended February 28.
- (8) Based on an annualized quarterly dividend of \$0.525 per share declared on October 31, 2018, January 10, 2019 and April 23, 2019. The dividend is subject to Board of Directors' approval on a quarterly basis and there is no assurance that it will remain at the current level.
- (9) Capital expenditures are defined as acquisitions of property, plant and equipment and exclude purchases of Spectrum licenses.
- (10) Fiscal 2018 financial results include \$94 million in profit from an income tax adjustment related to the United States tax reform.

### Caution about forward-looking statements

Certain statements in this Fact Sheet, including, but not limited to, the statements appearing under the "Corporate Objectives and Strategies" section in the 2018 annual report and the "Fiscal 2019 Revised Financial Guidelines" section in the 2<sup>nd</sup> quarter of fiscal 2019 shareholders' report, constitute forward-looking information within the meaning of securities laws and are fully described on page 4 of the 2<sup>nd</sup> quarter of fiscal 2019 shareholders' report. These statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities, which are reasonable as of the current date. While we consider these assumptions to be reasonable based on the information currently available to us, they may prove to be incorrect. Statements regarding the sale of the Business ICT services segment also constitute forward-looking statements where we can give no assurance that the proposed transaction will be completed or that it will be completed on the terms and conditions contemplated in the Fact Sheet. Forward-looking information is also subject to certain factors, including uncertainties and main risk factors which are described in Cogeco Communications' 2018 annual report that could cause actual results to differ materially from what we currently expect.

**Corporate information:** [corpo.cogeco.com/cca/en/home](http://corpo.cogeco.com/cca/en/home)



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