COGECO COMMUNICATIONS

News release

For immediate release

Cogeco Communications Releases Its Results for the Fourth Quarter of Fiscal 2019

- **Revenue increased by 3.1% (2.7% in constant currency) compared to the same period of the prior year to reach $583.7 million;**
- **Adjusted EBITDA[(1)] reached $275.6 million, an increase of 4.6% (4.3% in constant currency);**
- **Free cash flow[(1)] increased by 76.5% (76.9% in constant currency) to reach $84.3 million; and**
- **A quarterly eligible dividend of $0.58 was declared, compared to $0.525 for the fourth quarter of fiscal 2018.**

MONTRÉAL, Oct. 30, 2019 /CNW Telbec/ - Today, Cogeco Communications Inc. (TSX: CCA) ("Cogeco Communications" or the "Corporation") announced its financial results for the fourth quarter ended August 31, 2019, in accordance with International Financial Reporting Standards ("IFRS").

Following Cogeco Communications' completion, on April 30, 2019, of the sale of Cogeco Peer 1 Inc., its Business information and communications technology ("Business ICT") services subsidiary, the operating and financial results from this subsidiary for the current and comparable periods are presented as discontinued operations separate from the Corporation's continuing operations.

For the fourth quarter of fiscal 2019:

- Revenue increased by 3.1% compared to the same period of the prior year to reach $583.7 million mainly driven by the growth of 7.0% in the American broadband services segment. On a constant currency basis, revenue increased by 2.7%, mainly explained as follows:
    - American broadband services revenue increased by 6.0% in constant currency resulting from rate increases implemented in August 2018, the activation of bulk properties in Florida during the fourth quarter of fiscal 2019, the continued growth in Internet service customers as well as the acquisition of the south Florida fibre network previously owned by FiberLight, LLC (the "FiberLight acquisition") on October 3, 2018. The increase was partly offset by a decrease in telephony service customers.
    - Canadian broadband services revenue remained stable as a result of rate increases and growth in Internet and commercial services, partly offset by decreases in video and telephony services customers compared to the same period of the prior year primarily due to issues resulting from the implementation of a new customer management system in the second half of fiscal 2018.
- Adjusted EBITDA increased by 4.6% to reach $275.6 million. On a constant currency basis, adjusted EBITDA increased by 4.3%, mainly as a result of the following:
    - American broadband services adjusted EBITDA increased by 4.1% in constant currency mainly as a result of strong organic growth combined with the impact of the FiberLight acquisition.
    - Canadian broadband services adjusted EBITDA increased by 3.6% in constant currency mainly from a decline in operating expenses.
- Profit for the period from continuing operations amounted to $92.4 million, of which $87.9 million, or $1.78 per share, was attributable to owners of the Corporation compared, respectively, to $75.9 million, $72.8 million, and $1.48 per share, in the comparable period of fiscal 2018. The increase resulted mainly from higher adjusted EBITDA combined with the decrease in financial expense;
- Profit for the period amounted to $94.3 million, of which $89.8 million, or $1.82 per share, was attributable to owners of the Corporation compared, respectively, to $74.8 million, $71.7 million, and $1.45 per share, in the comparable period of fiscal 2018. The variation is mainly due to a higher profit from continuing operations combined with a profit from discontinued operations;
- Free cash flow, from continuing operations, increased by 76.5% to reach $84.3 million. On a constant currency basis, free cash flow increased by 76.9% as a result of higher adjusted EBITDA combined with the decreases in

acquisitions of property, plant and equipment and financial expense;
- Cash flow from operating activities increased by 19.3% to reach $304.7 million mainly due to higher adjusted EBITDA, the decreases in income taxes paid and financial expense paid and the increase in changes in non-cash operating activities primarily due to changes in working capital; and
- At its October 30, 2019 meeting, the Board of Directors of Cogeco Communications declared a quarterly eligible dividend of $0.58 compared to $0.525 per share in the fourth quarter of fiscal 2018.

(1)	The indicated terms do not have standardized definitions prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-IFRS financial measures" section of the MD&A.

"As we report our results of the last quarter of fiscal year 2019 we are pleased with Cogeco Communications' overall performance," declared Philippe Jetté, President and Chief Executive Officer of Cogeco Communications Inc.

"Cogeco Connexion's adjusted EBITDA increased in the fourth quarter compared to last year thanks to our cost optimization efforts," added Mr. Jetté. "I am also pleased to report that our Canadian broadband services segment experienced a stabilization of its primary service units, made good progress with its digitization activities and is getting ready to launch its IPTV platform."

"We continue to be very satisfied with results at Atlantic Broadband," concluded Mr. Jetté. "Our American broadband services segment closed the fiscal year with healthy increases in revenue, adjusted EBITDA and primary service units. We are pleased with our expansion in the Florida market and are looking for more acquisitions now that our recent acquisitions are fully integrated."

Fiscal 2020 Financial Guidelines

Cogeco Communications maintains its 2020 preliminary financial guidelines as issued on July 10, 2019. Please consult the "Fiscal 2020 financial guidelines" section of the Corporation's 2019 Annual Report for further details.

ABOUT COGECO COMMUNICATIONS

Cogeco Communications Inc. is a communications corporation. It is the 8th largest cable operator in North America, operating in Canada under the Cogeco Connexion name in Québec and Ontario, and along the East Coast of the United States under the Atlantic Broadband brand (in 11 states from Maine to Florida). The Corporation provides residential and business customers with Internet, video and telephony services through its two-way broadband fibre networks. Cogeco Communications Inc.'s subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CCA).

Analyst Conference Call:	**Thursday, October 31, 2019 at 11:00 a.m.** (Eastern Daylight Time) Media representatives may attend as listeners only.
	Please use the following dial-in number to have access to the conference call by dialing five minutes before the start of the conference:
	Canada/United States Access Number: **1-877-291-4570** International Access Number: **+ 1-647-788-4919**
	In order to join this conference, participants are only required to provide the operator with the company name, that is, Cogeco Inc. or Cogeco Communications Inc.
	By Internet at http://corpo.cogeco.com/cca/en/investors/investor-relations

FINANCIAL HIGHLIGHTS										

	Three months ended					Years ended				
	August 31, 2019	August 31, 2018[1]	Change	Change in constant currency[2]	Foreign exchange impact[2]	**August 31, 2019**	August 31, 2018[1]	Change	Change in constant currency[2]	Foreign exchange impact[2]
(in thousands of dollars, except percentages and per share data)	**$**	$	%	%	$	**$**	$	%	%	$
Operations										
Revenue	**583,673**	566,184	3.1	2.7	2,427	**2,331,820**	2,147,404	8.6	6.8	37,433
Adjusted EBITDA[3]	**275,610**	263,411	4.6	4.3	986	**1,107,940**	1,006,818	10.0	8.5	15,797
Adjusted EBITDA margin[3]	**47.2 %**	46.5 %				**47.5 %**	46.9 %			
Integration, restructuring and acquisition costs[4]	**712**	1,677	(57.5)			**11,150**	20,328	(45.1)		
Profit for the period from continuing operations	**92,403**	75,870	21.8			**356,908**	384,578	(7.2)		
Profit (loss) for the period from discontinued operations	**1,920**	(1,052)	—			**75,380**	(24,381)	—		
Profit for the period	**94,323**	74,818	26.1			**432,288**	360,197	20.0		
Profit for the period attributable to owners of the Corporation	**89,770**	71,701	25.2			**415,353**	350,833	18.4		
Cash flow										
Cash flow from operating activities	**304,702**	255,438	19.3			**868,711**	620,748	39.9		
Acquisitions of property, plant and equipment[5]	**145,099**	162,319	(10.6)	(11.2)	929	**434,545**	457,808	(5.1)	(7.1)	9,342
Free cash flow[3]	**84,250**	47,739	76.5	76.9	(221)	**454,059**	301,850	50.4	50.0	1,330
Capital intensity[3]	**24.9 %**	28.7 %				**18.6 %**	21.3 %			
Financial condition										
Cash and cash equivalents						**556,504**	84,725	—		
Total assets						**6,951,079**	7,180,043	(3.2)		
Indebtedness[6]						**3,454,923**	3,914,711	(11.7)		
Equity attributable to owners of the Corporation						**2,199,789**	1,997,169	10.1		
Per Share Data[7]										
Earnings (loss) per share										
Basic										
From continuing operations	**1.78**	1.48	20.3			**6.89**	7.61	(9.5)		
From discontinued operations	**0.04**	(0.02)	—			**1.53**	(0.49)	—		
From continuing and discontinued operations	**1.82**	1.45	25.5			**8.41**	7.12	18.1		
Diluted										
From continuing operations	**1.77**	1.47	20.4			**6.83**	7.55	(9.5)		
From discontinued operations	**0.04**	(0.02)	—			**1.51**	(0.49)	—		
From continuing and discontinued operations	**1.80**	1.44	25.0			**8.35**	7.06	18.3		
Dividends	**0.525**	0.475	10.5			**2.10**	1.90	10.5		

(1)	Fiscal 2018 was restated to comply with IFRS 15 and to reflect a change in accounting policy as well as to reclassify results from Cogeco Peer 1 as discontinued operations. For further details, please consult the "Accounting policies" and "Discontinued operations" sections of the MD&A of the Corporation's 2019 Annual Report.
(2)	Key performance indicators presented on a constant currency basis are obtained by translating financial results of the current periods denominated in US dollars at the foreign exchange rates of the comparable periods of the prior year. For the three-month period and year ended August 31, 2018, the average foreign exchange rates used for translation were 1.3100 USD/CDN and 1.2773 USD/CDN, respectively.
(3)	The indicated terms do not have standardized definitions prescribed by the International Financial Reporting Standards ("IFRS") and, therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-IFRS financial measures" section of the MD&A of the Corporation's 2019 Annual Report.
(4)	For the year ended August 31, 2019, integration, restructuring and acquisition costs were mostly due to restructuring costs in the Canadian broadband services segment incurred in the first half of fiscal 2019 related to an operational optimization program. In addition, acquisition and integration costs were incurred by the American broadband services segment related to the FiberLight acquisition. For the year ended August 31, 2018, integration, restructuring and acquisition costs were related to the MetroCast acquisition completed on January 4, 2018.
(5)	For the three-month period and year ended August 31, 2019, acquisitions of property, plant and equipment, intangible and other assets in constant currency amounted to $144.2 million and $425.2 million, respectively.
(6)	Indebtedness is defined as the aggregate of bank indebtedness, balance due on a business combination and principal on long-term debt.
(7)	Per multiple and subordinate voting share.

Source:	**Cogeco Communications Inc.**
	Patrice Ouimet
	Senior Vice President and Chief Financial Officer
	Tel.: 514-764-4700
Information:	**Media**
	Marie-Hélène Labrie
	Senior Vice-President, Chief Public Affairs and Communications Officer
	Tel.: 514-764-4700

SOURCE Cogeco Communications Inc.