News release

For immediate release

Cogeco releases its results for the second quarter of fiscal 2019

- **Revenue increased by 9.8% (7.3% in constant currency(1)), to reach $608.6 million;**
- **Adjusted EBITDA(1) increased by 12.6% (10.3% in constant currency), to reach $284.9 million;**
- **Free cash flow(1) reached $128.2 million compared to $59.7 million for the second quarter of fiscal 2018; and**
- **A quarterly eligible dividend of $0.43 per share was declared, compared to $0.39 per share in the comparable quarter of fiscal 2018.**

Montréal, April 9, 2019 – Today, Cogeco Inc. (TSX: CGO) ("Cogeco" or the "Corporation") announced its financial results for the second quarter ended February 28, 2019, in accordance with International Financial Reporting Standards ("IFRS").

Following Cogeco Communications' announcement on February 27, 2019 of the agreement to sell Cogeco Peer 1 Inc., its Business information and communications ("Business ICT") services subsidiary, operating and financial results for the current and comparable periods were reclassified as discontinued operations.

For the second quarter of fiscal 2019:

- Revenue increased by 9.8% (7.3% in constant currency) to reach $608.6 million driven by growth of 10.2% (7.6% in constant currency) in the Communications segment, partly offset by a decrease of 0.6% in the Other segment. Revenue increased in the Communications segment mostly as a result of the impact of the MetroCast cable systems acquisition ("the MetroCast acquisition") on January 4, 2018, which was included in revenue for only a two-month period for the comparable period of the prior year, partly offset by a decrease of 0.6% in the Other segment resulting mainly from a soft advertising market and increased competition in the media activities;
- Adjusted EBITDA increased by 12.6% (10.3% in constant currency) to reach $284.9 million mostly attributable to the higher adjusted EBITDA in the Communications segment as a result of the impact of the MetroCast acquisition combined with strong organic growth in the American broadband services operations;
- Profit for the period from continuing operations amounted to $87.6 million of which $27.4 million, or $1.69 per share, was attributable to owners of the Corporation compared to $161.9 million for the second quarter of fiscal 2018 of which $51.7 million, or $3.16 per share, was attributable to owners of the Corporation resulting mainly from variations in income taxes and depreciation and amortization, partly offset by higher adjusted EBITDA combined with a decrease in integration, restructuring and acquisition costs. The income taxes in the prior year included a $94 million adjustment following the United States tax reform which reduced the federal corporate rate from 35% to 21%
- On February 27, 2019, Cogeco Communications announced that it had reached an agreement to sell Cogeco Peer 1 Inc., its Business ICT services subsidiary, to affiliates of Digital Colony. The transaction, valued at $720 million, is expected to be completed during the third quarter of fiscal 2019. Operating and financial results from the Business ICT services subsidiary for both the current and comparable periods have therefore been reclassified as discontinued operations. For the second quarter of fiscal 2019, loss for the period from discontinued operations amounted to $5.4 million compared to $16.1 million for the same period of the prior year;
- Profit for the period amounted to $82.3 million of which $25.7 million, or $1.58 per share, was attributable to owners of the Corporation compared to $145.8 million for the second quarter of fiscal 2018 of which $46.6 million, or $2.85 per share, was attributable to owners of the Corporation. The variation is mainly due to last year's $94 million income tax reduction following the United States tax reform and depreciation and amortization, partly offset by higher adjusted EBITDA combined with the decrease in integration, restructuring

and acquisition costs and a lower loss from discontinued operations;
- Free cash flow amounted to $128.2 million compared to $59.7 million for the same period of the prior year. On a constant currency basis, free cash flow doubled as a result of higher adjusted EBITDA combined with the decreases in acquisitions of property, plant and equipment, integration, restructuring and acquisition costs and current income taxes expense;
- Cash flow from operating activities reached $204.7 million compared to $202.4 million for the same period of the prior year mainly due to higher adjusted EBITDA and decreases in income taxes paid and integration, restructuring and acquisition costs, partly offset by the decrease in changes in non-cash operating activities primarily due to changes in working capital and the increase in financial expense paid;
- The Corporation revised its 2019 financial guidelines giving effect to the discontinued operations of Cogeco Communications' Business ICT services subsidiary. On a constant currency basis, the Corporation expects revenue to grow between 5% and 7%, adjusted EBITDA between 7% and 9% and free cash flow is expected to grow between 33% and 40%; and
- At its April 9, 2019 meeting, the Board of Directors of Cogeco declared a quarterly eligible dividend of $0.43 compared to $0.39 per share in the comparable period of fiscal 2018.

"We are very satisfied with our overall results for the second quarter of fiscal 2019," declared Philippe Jetté, President and Chief Executive Officer of Cogeco Inc.

"In our Canadian broadband services operations, Cogeco Connexion's results and operations have been returning to levels that are in line with its performance before the implementation of a new advanced customer management system in fiscal 2018 which impacted operating results of the last few quarters," stated Mr. Jetté. "We are pleased to see increases in both revenue and adjusted EBITDA compared to the same quarter of last year."

"At Atlantic Broadband, our American broadband services operations, I am delighted to report that we continue to see solid organic growth," continued Mr. Jetté.

"At the end of the second quarter of fiscal 2019, we reached an agreement to sell Cogeco Peer 1, our Business ICT services subsidiary, to affiliates of Digital Colony. This transaction will allow Cogeco Communications to focus its resources and efforts on our Canadian and American broadband services operations, with greater flexibility to pursue organic investment and acquisition opportunities," added Mr. Jetté.

"At Cogeco Media, our radio business, the highly challenging state of the advertising market continues to be reflected in our results. However, the integration of our 10 new radio stations is proceeding very positively and we are excited at the prospect of further enriching our offering throughout the province of Québec," concluded Mr. Jetté.

(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.

ABOUT COGECO

Cogeco Inc. is a diversified holding corporation which operates in the communications and media sectors. Its Cogeco Communications Inc. subsidiary provides residential and business customers with Internet, video and telephony services through its two-way broadband fibre networks, operating in Québec and Ontario, Canada, under the Cogeco Connexion name, and in the United States under the Atlantic Broadband brand (in 11 states along the East Coast, from Maine to Florida). Through Cogeco Peer 1, Cogeco Communications Inc. provides business customers with a suite of information technology services (colocation, network connectivity, hosting, cloud and managed services), by way of its 16 data centres, extensive FastFiber Network® and more than 50 points of presence in North America and Europe. Its Cogeco Media subsidiary owns and operates 23 radio stations with complementary radio formats and extensive coverage serving a wide range of audiences mainly across the province of Québec, as well as Cogeco News, a news agency. Cogeco's subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CGO). The subordinate voting shares of Cogeco Communications Inc. are also listed on the Toronto Stock Exchange (TSX: CCA).

- 30 -

Source:

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Analyst Conference Call:

Wednesday, April 10, 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/cgo/en/investors/investor-relations/