News release

For immediate release

Cogeco 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 $610.5 million;**
- **Adjusted EBITDA[(1)] reached $281.0 million, an increase of 4.5% (4.1% in constant currency);**
- **Free cash flow[(1)] increased by 70.6% (71.0% in constant currency) to reach $87.6 million; and**
- **A quarterly eligible dividend of $0.475 was declared, compared to $0.43 for the fourth quarter of fiscal 2018.**

MONTRÉAL, Oct. 30, 2019 /CNW Telbec/ - Today, Cogeco Inc. (TSX: CGO) ("Cogeco" 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% (2.7% in constant currency) compared to the same period of the prior year to reach $610.5 million driven by growths of 3.1% (2.7% in constant currency) and 2.9%, respectively, in the Communications and Other segments. Revenue increased in the Communications segment mostly as a result of organic growth and the acquisition of the south Florida fibre network previously owned by FiberLight, LLC (the "FiberLight acquisition") on October 3, 2018 combined with the activation of bulk properties in Florida during the fourth quarter of fiscal 2019 in the American broadband services operations. Revenue increased by 2.9% in the Other segment mainly from the acquisition of radio stations from RNC Média inc. (the "RNC Média acquisition") during the first quarter of fiscal 2019, partly offset by a soft advertising market and increased competition in the media activities;
- Adjusted EBITDA increased by 4.5% (4.1% in constant currency) to reach $281.0 million mostly attributable to higher adjusted EBITDA in the Communications segment resulting from increases in both the American and Canadian broadband services operations;
- Profit for the period from continuing operations amounted to $95.2 million of which $30.8 million, or $1.91 per share, was attributable to owners of the Corporation compared, respectively, to $78.3 million, $25.5 million, and $1.56 per share, for the same 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 $97.1 million of which $31.4 million, or $1.95 per share, was attributable to owners of the Corporation compared, respectively, to $77.3 million, $25.2 million, and $1.54 per share, for the same 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 70.6% to reach $87.6 million. On a constant currency basis, free cash flow increased by 71.0% 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 17.2% to reach $314.9 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 declared a quarterly eligible dividend of $0.475 compared to $0.43 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 for the last quarter of fiscal year 2019, we are pleased with Cogeco's overall performance," declared Philippe Jetté, President and Chief Executive Officer of Cogeco Inc.

"In our Cogeco Communications subsidiary, our Canadian broadband services operations' adjusted EBITDA increased in the fourth quarter compared to last year thanks to our cost optimization efforts," stated Mr. Jetté. "I am also pleased to report that Cogeco Connexion 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," added Mr. Jetté. "Our American broadband services operations 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."

"At Cogeco Media, results are in line with expectations," concluded Mr. Jetté. "We have completed the integration of our new radio stations, and our key Montréal stations continued to benefit from high ratings during the quarter."

Fiscal 2020 Financial Guidelines

Cogeco 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

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). 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).

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/cgo/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	**610,510**	592,277	3.1	2.7	2,427	**2,444,062**	2,262,030	8.0	6.4	37,433
Adjusted EBITDA[3]	**280,981**	268,942	4.5	4.1	986	**1,131,980**	1,035,110	9.4	7.8	15,797
Integration, restructuring and acquisition costs[4]	**839**	1,812	(53.7)			**12,851**	20,463	(37.2)		
Profit for the period from continuing operations	**95,193**	78,340	21.5			**368,165**	399,950	(7.9)		
Profit (loss) for the period from discontinued operations	**1,920**	(1,052)	—			**75,380**	(24,381)	—		
Profit for the period	**97,113**	77,288	25.7			**443,545**	375,569	18.1		
Profit for the period attributable to owners of the Corporation	**31,445**	25,165	25.0			**143,163**	126,437	13.2		
Cash flow										
Cash flow from operating activities	**314,905**	268,679	17.2			**890,077**	638,377	39.4		
Acquisitions of property, plant and equipment[5]	**146,599**	164,472	(10.9)	(11.4)	929	**439,055**	460,910	(4.7)	(6.8)	9,342
Free cash flow[3]	**87,611**	51,354	70.6	71.0	(221)	**469,155**	320,147	46.5	46.1	1,330
Financial condition										
Cash and cash equivalents						**559,393**	86,352	—		
Total assets						**7,125,037**	7,335,547	(2.9)		
Indebtedness[6]						**3,514,185**	3,951,791	(11.1)		
Equity attributable to owners of the Corporation						**754,768**	710,908	6.2		
Per Share Data[7]										
Earnings (loss) per share										
Basic										
From continuing operations	**1.91**	1.56	22.4			**7.38**	8.19	(9.9)		
From discontinued operations	**0.04**	(0.02)	—			**1.48**	(0.47)	—		
From continuing and discontinued operations	**1.95**	1.54	26.6			**8.86**	7.72	14.8		
Diluted										
From continuing operations	**1.89**	1.55	21.9			**7.32**	8.13	(10.0)		
From discontinued operations	**0.04**	(0.02)	—			**1.47**	(0.47)	—		
From continuing and discontinued operations	**1.93**	1.52	27.0			**8.79**	7.66	14.8		
Dividends	**0.43**	0.39	10.3			**1.72**	1.56	10.3		

(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 operations 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 operations related to the FiberLight acquisition and by the Corporation subsidiary, Cogeco Media, for the acquisition of 10 regional radio stations on November 26, 2018. 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 in constant currency amounted to $145.7 million and $429.7 million, respectively.
(6)	Indebtedness is defined as the aggregate of bank indebtedness, balance due on business combinations and principal on long-term debt.
(7)	Per multiple and subordinate voting shares.

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SOURCE Cogeco Inc.