News release

For immediate release

Cogeco Releases its Results for the First Quarter of Fiscal 2020

- **Revenue increased by 1.8% (1.4% in constant currency) compared to the same period of the prior year to reach $618.5 million;**
- **Adjusted EBITDA[(1)] reached $290.5 million, an increase of 5.2% (4.7% in constant currency);**
- **Free cash flow[(1)] decreased by 3.6% (3.5% in constant currency) to reach $108.9 million;**
- **Atlantic Broadband signed a definitive agreement to purchase Thames Valley Communications, a broadband services company operating in Southeastern Connecticut, for US$50 million; and**
- **A quarterly eligible dividend of $0.475 was declared.**

MONTRÉAL, Jan. 14, 2020 /CNW Telbec/ - Today, Cogeco Inc. (TSX: CGO) ("Cogeco" or the "Corporation") announced its financial results for the first quarter ended November 30, 2019, in accordance with International Financial Reporting Standards ("IFRS").

For the first quarter of fiscal 2020:

- Revenue increased by 1.8% (1.4% in constant currency) compared to the same period of the prior year to reach $618.5 million driven by growth of 1.8% (1.3% in constant currency) in the Communications segment and 3.1% in the Other segment, respectively. Revenue increased in the Communications segment mostly as a result of the American broadband services operations' growth in both residential and business Internet service customers. Revenue increased by 3.1% in the Other segment due to the acquisition of radio stations from RNC Média inc. (the "RNC Média acquisition") during the first quarter of fiscal 2019, offset by a soft advertising market and increased competition in the media activities;
- Adjusted EBITDA increased by 5.2% (4.7% in constant currency) to reach $290.5 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 $94.2 million of which $31.3 million, or $1.96 per share, was attributable to owners of the Corporation compared to $82.8 million, $27.3 million, and $1.68 per share, respectively, for the same period of fiscal 2019. The increase resulted mainly from higher adjusted EBITDA combined with the decreases in financial expense and integration, restructuring and acquisition costs, partly offset by the increase in income taxes;
- Profit for the period amounted to $94.2 million of which $31.3 million, or $1.96 per share, was attributable to owners of the Corporation compared to $79.1 million, $26.2 million, and $1.61 per share, respectively, for the same period of fiscal 2019. The variation is mainly due to a higher profit from continuing operations combined with a loss for the period from discontinued operations in the same period of the prior year;
- Free cash flow decreased by 3.6% to reach $108.9 million. On a constant currency basis, free cash flow decreased by 3.5% as a result of the increases in acquisitions of property, plant and equipment and current income taxes expense, partly offset by higher adjusted EBITDA combined with the decreases in financial expense and integration, restructuring and acquisition costs;
- Cash flow from operating activities increased by 45.0% to reach $149.5 million mainly due to higher adjusted EBITDA combined with the decreases in income taxes paid, financial expense paid, integration, restructuring and acquisitions costs as well as changes in non-cash operating activities primarily due to changes in working capital;
- At its January 14, 2020 meeting, the Board of Directors of Cogeco declared a quarterly eligible dividend of $0.475 per share compared to $0.43 per share in the fourth quarter of fiscal 2019; and
- On January 10, 2020, Cogeco Communications announced that its subsidiary Atlantic Broadband had signed a definitive agreement to purchase Thames Valley Communications, a broadband services company operating in

Southeastern Connecticut, for US$50 million. The transaction is subject to customary regulatory approvals and is expected to close within three months. Upon closing of the transaction, Atlantic Broadband will add approximately 10,000 customers to its operations.

(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.

"We are satisfied with the overall performance of Cogeco for the first quarter of 2020," declared Philippe Jetté, President and Chief Executive Officer of Cogeco Inc.

"At Cogeco Communications, Cogeco Connexion's adjusted EBITDA increased again this first quarter compared to last year as it continues to focus on operational efficiencies, digital transformation and enhanced marketing activities," said Mr. Jetté. "We see good progress in primary service units for our Canadian broadband segment and are excited by the upcoming launch of the IPTV platform which will provide an enhanced experience and more entertainment choices for our customers." added Mr. Jetté.

"In the U.S., we are pleased with the results at Atlantic Broadband. Our American broadband operations is pursuing its organic growth fueled by increased sales and marketing efforts in both the residential and business markets, while we continue to look for new acquisitions to accelerate our growth," added Mr. Jetté.

"Our radio business, now composed of 23 stations, shows satisfying results despite a soft advertising market. Cogeco Media remains competitive, thanks to the excellent ratings many of our stations continue to enjoy and a strong focus on high quality programming and cost efficiency," concluded Mr. Jetté.

Fiscal 2020 Financial Guidelines

Cogeco maintained its fiscal 2020 financial guidelines as issued on October 30, 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).

SHAREHOLDERS' REPORT

Three-month period ended November 30, 2019

FINANCIAL HIGHLIGHTS

	Three months ended				
	November 30, 2019	November 30, 2018	Change	Change in constant currency[(1)]	Foreign exchange impact[(1)]
(in thousands of dollars, except percentages and per share data)	**$**	$	%	%	$
Operations					
Revenue	**618,469**	607,361	1.8	1.4	2,836
Adjusted EBITDA	**290,509**	276,201	5.2	4.7	1,197

Integration, restructuring and acquisition costs[2]	**80**	7,034	(98.9)		
Profit for the period from continuing operations	**94,216**	82,767	13.8		
Loss for the period from discontinued operations	**—**	(3,622)	(100.0)		
Profit for the period	**94,216**	79,145	19.0		
Profit for the period from continuing operations attributable to owners of the Corporation	**31,284**	27,314	14.5		
Profit for the period attributable to owners of the Corporation	**31,284**	26,168	19.6		
Cash flow					
Cash flow from operating activities	**151,071**	103,119	46.5		
Acquisitions of property, plant and equipment[3]	**122,030**	101,149	20.6	19.7	914
Free cash flow	**108,893**	112,922	(3.6)	(3.5)	(51)
Financial condition[4]					
Cash and cash equivalents	**541,117**	559,393	(3.3)		
Total assets	**7,187,536**	7,125,037	0.9		
Indebtedness[5]	**3,580,689**	3,514,185	1.9		
Equity attributable to owners of the Corporation	**773,615**	754,768	2.5		
Per Share Data[6]					
Earnings (loss) per share					
Basic					
From continuing operations	**1.96**	1.68	16.7		
From discontinued operations	**—**	(0.07)	(100.0)		
From continuing and discontinued operations	**1.96**	1.61	21.7		
Diluted					
From continuing operations	**1.94**	1.67	16.2		
From discontinued operations	**—**	(0.07)	(100.0)		
From continuing and discontinued operations	**1.94**	1.60	21.3		
Dividends	**0.475**	0.43	10.5		

(1)	Key performance indicators presented on a constant currency basis are obtained by translating financial results of the current period denominated in US dollars at the foreign exchange rate of the comparable period of the prior year. For the three-month period ended November 30, 2018, the average foreign exchange rate used for translation was 1.3082 USD/CDN.
(2)	For the three-month period ended November 30, 2019, integration, restructuring and acquisition costs were mostly due to acquisition and integration costs in the American broadband services operations and integration costs in the Corporation's subsidiary, Cogeco Media. Fiscal 2019 integration, restructuring and acquisition costs were related to an operational optimization program in the Canadian broadband services operations, the FiberLight acquisition in the American broadband services operations and the acquisition of 10 regional radio stations by Cogeco Media.
(3)	For the three-month period ended November 30, 2019, acquisitions of property, plant and equipment in constant currency amounted to $121.1 million.
(4)	At November 30, 2019 and August 31, 2019.
(5)	Indebtedness is defined as the aggregate of bank indebtedness, balance due on business combinations and principal on long-term debt.
(6)	Per multiple and subordinate voting shares.

Source:	**Cogeco 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
Analyst Conference Call:	**Wednesday, January 15, 2020 at 9:30 a.m.** (Eastern 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/

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