

News Release

FOR IMMEDIATE RELEASE

COGECO COMMUNICATIONS RELEASES ITS RESULTS FOR THE SECOND QUARTER OF FISCAL 2020

- **Revenue remained essentially stable (0.9% increase in constant currency) compared to the same period of the prior year, reaching \$586.5 million;**
- **Adjusted EBITDA⁽¹⁾ decreased by 1.1% (0.7% in constant currency) to reach \$277.4 million; and**
- **A quarterly eligible dividend of \$0.58 per share was declared.**

Montréal, April 7, 2020 – Today, Cogeco Communications Inc. (TSX: CCA) ("Cogeco Communications" or the "Corporation") announced its financial results for the second quarter ended February 29, 2020, in accordance with International Financial Reporting Standards ("IFRS").

COVID-19 PANDEMIC

The COVID-19 pandemic is having a profound impact on the world population and its various economies. During this time of crisis, access to our Internet, video and telephony services are of paramount importance and are considered an essential service. In order to continue providing our usual level of services to customers, Cogeco Communications has proactively implemented many operational changes in the two Canadian provinces and eleven U.S. states where it operates. Among these measures, the Corporation has proactively instructed most of its employees to work from home and for those who must work on site or on the road, the Corporation has put in place several measures to ensure the safety of its employees and its customers. We have also converted most customer visits to self installation and remote repairs, transitioned store operations to be handled remotely, increased network capacity and provided customers with temporary relief measures during the crisis. We are satisfied with the complex plan that was rapidly put into place and will continue to be alert to any additional operational changes which we believe are warranted in the circumstances.

FISCAL 2020 FINANCIAL GUIDELINES

Cogeco Communications is withdrawing its financial guidelines for the fiscal year 2020 as the COVID-19 pandemic is evolving rapidly and its duration, magnitude and economic impact are uncertain. As a result, it is not possible at this time to reliably estimate the impact of the pandemic on the financial results of the Corporation for the remainder of the fiscal year. Although the crisis is expected to impact revenue and adjusted EBITDA in the short-term, the Corporation does not currently expect a significant impact on its free cash flow⁽¹⁾. The Corporation intends to reinstate annual guidance when the situation stabilizes.

(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.

OPERATING RESULTS

For the second quarter of fiscal 2020:

- Revenue remained essentially stable compared to the same period of the prior year and reached \$586.5 million. On a constant currency basis, revenue increased by 0.9%, mainly explained as follows:
 - American broadband services revenue increased by 3.7% in constant currency resulting from growth in both residential and business Internet service customers combined with rate increases mostly implemented during the fourth quarter of fiscal 2019, partly offset by a decrease in video service customers.
 - Canadian broadband services revenue decreased by 1.4% as a result of a decline in video service customers and lower net pricing from consumer sales primarily as a result of the carry-over effect of product bundles being promoted more actively from the fourth quarter of fiscal 2019 to the second quarter of fiscal 2020, partly offset by rate increases implemented during the first quarter of fiscal 2020, customers' transition to higher value offerings, continued growth in Internet service customers and growth in commercial revenue.
- Adjusted EBITDA⁽¹⁾ decreased by 1.1% to reach \$277.4 million. On a constant currency basis, adjusted EBITDA decreased by 0.7%, mainly explained as follows:
 - Canadian broadband services adjusted EBITDA decreased by 2.5% in constant currency mainly due to a decline in revenue.
 - American broadband services adjusted EBITDA increased by 2.8% in constant currency mainly as a result of organic revenue growth.
- Profit for the period from continuing operations amounted to \$114.0 million, of which \$109.4 million, or \$2.24 per share, was attributable to owners of the Corporation compared to \$86.1 million, \$81.7 million, and \$1.65 per share, respectively, in the comparable period of fiscal 2019. The increase resulted mainly from the decrease in financial expense mostly due to a non-cash gain on debt modification as a result of the reduction of the interest rate by 0.25%;
- Profit for the period amounted to \$114.0 million, of which \$109.4 million, or \$2.24 per share, was attributable to owners of the Corporation compared to \$80.8 million, \$76.3 million, and \$1.55 per share, respectively, in the comparable period of fiscal 2019. The variation is mainly due to a higher profit for the period from continuing operations combined with a loss for the period from discontinued operations in the same period of the prior year;
- Free cash flow⁽¹⁾ remained essentially stable and reached \$125.1 million. On a constant currency basis, free cash flow also remained stable mainly as a result of the increase in acquisitions of property, plant and equipment, mostly offset by the decreases in financial expense and in current income taxes;
- Cash flow from operating activities increased by 16.1% to reach \$231.7 million mainly due to the increase in changes in non-cash operating activities primarily due to changes in working capital and the decrease in financial expense paid;
- At its April 7, 2020 meeting, the Board of Directors of Cogeco Communications declared a quarterly eligible dividend of \$0.58 per share compared to \$0.525 in the comparable quarter of fiscal 2019;
- On January 10, 2020, the Corporation 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 was completed on March 10, 2020 and is subject to post closing adjustments; and
- As a result of the external and extraordinary events and circumstances created by the evolving COVID-19 pandemic and out of caution, the Corporation has determined that it is in its best interest to terminate its automatic share purchase plan (the "ASPP") under its normal course issuer bid (the "NCIB"). The Corporation will terminate the ASPP effective as of April 8, 2020. The NCIB will remain in effect on the same terms and subject to the same restrictions as previously disclosed.

(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.

"Cogeco Connexion, our Canadian broadband segment, continues to operate in a highly competitive pricing market," declared Philippe Jetté, President and Chief Executive Officer of Cogeco Communications Inc. "While our subscriber numbers are satisfying, we incurred greater investments in promotions and sales and marketing activity."

"Our American broadband segment's performance for the second quarter was in line with expectations," stated Mr. Jetté. "With its continued investments in sales and marketing activities, Atlantic Broadband has seen good subscriber growth."

"As our world is facing an unprecedented crisis, I am heartened to see how our entire organization has come together in the face of this situation," concluded Mr. Jetté. "At this time when access to the Internet, TV and telephony services are of paramount importance, Cogeco has rapidly adapted its operations to continue to serve its customers and the communities it operates in while protecting its employees."

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).

- 30 -

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

Analyst Conference Call: **Wednesday, April 8, 2020 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 | | | | | Six months ended | | | | |
|--|--------------------|-------------------|---------|--|--|-------------------|-------------------|---------|--|--|
| | February 29, 2020 | February 28, 2019 | Change | Change in constant currency ⁽¹⁾ | Foreign exchange impact ⁽¹⁾ | February 29, 2020 | February 28, 2019 | Change | Change in constant currency ⁽¹⁾ | Foreign exchange impact ⁽¹⁾ |
| <i>(in thousands of dollars, except percentages and per share data)</i> | \$ | \$ | % | % | \$ | \$ | \$ | % | % | \$ |
| Operations | | | | | | | | | | |
| Revenue | 586,467 | 584,129 | 0.4 | 0.9 | (2,637) | 1,173,294 | 1,160,802 | 1.1 | 1.1 | 199 |
| Adjusted EBITDA | 277,372 | 280,552 | (1.1) | (0.7) | (1,127) | 559,477 | 548,403 | 2.0 | 2.0 | 70 |
| Adjusted EBITDA margin | 47.3% | 48.0% | | | | 47.7% | 47.2% | | | |
| Integration, restructuring and acquisition costs ⁽²⁾ | 5,458 | 3,722 | 46.6 | | | 5,519 | 9,435 | (41.5) | | |
| Profit for the period from continuing operations | 114,011 | 86,128 | 32.4 | | | 203,719 | 164,934 | 23.5 | | |
| Loss for the period from discontinued operations | — | (5,369) | (100.0) | | | — | (8,991) | (100.0) | | |
| Profit for the period | 114,011 | 80,759 | 41.2 | | | 203,719 | 155,943 | 30.6 | | |
| Profit for the period from continuing operations attributable to owners of the Corporation | 109,391 | 81,718 | 33.9 | | | 193,569 | 155,510 | 24.5 | | |
| Profit for the period attributable to owners of the Corporation | 109,391 | 76,349 | 43.3 | | | 193,569 | 146,519 | 32.1 | | |
| Cash flow | | | | | | | | | | |
| Cash flow from operating activities | 231,653 | 199,462 | 16.1 | | | 380,845 | 298,458 | 27.6 | | |
| Acquisitions of property, plant and equipment ⁽³⁾ | 110,840 | 92,773 | 19.5 | 20.3 | (736) | 232,142 | 193,330 | 20.1 | 20.0 | 178 |
| Free cash flow | 125,062 | 125,307 | (0.2) | (0.1) | (96) | 227,906 | 232,810 | (2.1) | (2.0) | (147) |
| Capital intensity | 18.9% | 15.9% | | | | 19.8% | 16.7% | | | |
| Financial condition⁽⁴⁾ | | | | | | | | | | |
| Cash and cash equivalents | | | | | | 501,895 | 556,504 | (9.8) | | |
| Total assets | | | | | | 6,994,453 | 6,951,079 | 0.6 | | |
| Indebtedness ⁽⁵⁾ | | | | | | 3,464,045 | 3,454,923 | 0.3 | | |
| Equity attributable to owners of the Corporation | | | | | | 2,255,576 | 2,199,789 | 2.5 | | |
| Per Share Data⁽⁶⁾ | | | | | | | | | | |
| Earnings (loss) per share | | | | | | | | | | |
| Basic | | | | | | | | | | |
| From continuing operations | 2.24 | 1.65 | 35.8 | | | 3.95 | 3.15 | 25.4 | | |
| From discontinued operations | — | (0.11) | (100.0) | | | — | (0.18) | (100.0) | | |
| From continuing and discontinued operations | 2.24 | 1.55 | 44.5 | | | 3.95 | 2.97 | 33.0 | | |
| Diluted | | | | | | | | | | |
| From continuing operations | 2.22 | 1.64 | 35.4 | | | 3.91 | 3.13 | 24.9 | | |
| From discontinued operations | — | (0.11) | (100.0) | | | — | (0.18) | (100.0) | | |
| From continuing and discontinued operations | 2.22 | 1.53 | 45.1 | | | 3.91 | 2.95 | 32.5 | | |
| Dividends | 0.58 | 0.525 | 10.5 | | | 1.16 | 1.05 | 10.5 | | |

- (1) 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 and six-month periods ended February 28, 2019, the average foreign exchange rates used for translation were 1.3313 USD/CDN and 1.3198 USD/CDN, respectively.
- (2) For the three and six-month periods ended February 29, 2020, integration, restructuring and acquisition costs resulted mostly from organizational changes and costs related to the acquisition of Thames Valley Communications. For the second-quarter and first six months of fiscal 2019, integration, restructuring and acquisition costs were mostly due to an operational optimization program.
- (3) For the three and six-month periods ended February 29, 2020, acquisitions of property, plant and equipment in constant currency amounted to \$110.8 million and \$232.0 million, respectively.
- (4) At February 29, 2020 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 share.