

Newfoundland Capital Corporation Limited

Fourth Quarter 2017

Period Ended December 31 (unaudited)



Dartmouth, N.S. – March 8, 2018, Newfoundland Capital Corporation Limited (the “Company”) today announces its financial results for the fourth quarter ending December 31, 2017.

Highlights

- **Revenue** was \$47.4 million in the fourth quarter, a \$0.5 million or 1% increase over the fourth quarter of 2016. Annual revenue of \$169.9 million was \$0.3 million higher than last year. Growth in the quarter and year-to-date was primarily related to higher revenue in the Company’s Ontario broadcasting operations that benefited from ratings success, combined with the business acquisition in Kamloops, British Columbia, which offset declines in certain Alberta and Newfoundland and Labrador stations because of the challenging economic environment in those regions.
- **Adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”⁽¹⁾)** in the fourth quarter of \$18.4 million was \$1.7 million or 10% higher than the same time last year as a result of higher revenue and reduced operating costs. The fourth quarter last year included higher restructuring expenses, partially offset by a recovery of certain previously paid copyright fees. Year-to-date Adjusted EBITDA of \$52.6 million was \$0.9 million or 2% higher than 2016 due to primarily to the focus on cost control. Excluding 2017 and 2016 restructuring expenses, the 2017 non-cash expense related to the extension of executive stock options, and normalizing for the impact of the reduction and refund of certain copyright tariffs in the prior year, organic Adjusted EBITDA was \$0.6 million or 4% higher in the fourth quarter and \$0.9 million or 2% higher year-to-date.
- **Profit** for the fourth quarter of \$7.2 million was \$3.2 million or 31% lower than the same quarter last year and year-to-date profit of \$26.7 million was \$4.3 million or 14% lower than the prior year, primarily because of an impairment charge of \$5.5 million related to certain rural Alberta broadcast licences recognized in 2017, which had an after-tax impact of \$3.9 million on the fourth quarter and year-to-date results.

Significant events

- Subsequent to year-end, the Company announced the retirement of Mr. Harry R. Steele from his position as Chairman of the Board and has designated him Chairman Emeritus in recognition of his tremendous contribution to the Company. Mr. Robert G. Steele has been appointed Chairman of the Board in addition to his role as President and Chief Executive Officer of the Company.
- During the fourth quarter, the Company repurchased for cancellation 109,200 of its Class A Subordinate Voting Shares for cash consideration of \$1.4 million
- In December the Board of Directors declared dividends totaling \$0.25 per share, bringing the total dividends declared for 2017 to \$0.50 per share which was an increase of \$0.30 or 150% compared to 2016.

“We achieved a successful 2017, growing Adjusted EBITDA in a year when revenue was steady,” commented Rob Steele, Chairman, President and Chief Executive Officer. “The Company is focussed on radio and will continue to invest in our existing operations as well as seek out opportunities for expansion that are beneficial to our shareholders.”

Financial Highlights – Fourth quarter

<i>(thousands of Canadian dollars, except share information)</i>	Three months ended December 31	
	2017	2016
Revenue	\$ 47,430	46,972
Adjusted EBITDA ⁽¹⁾	18,363	16,696
Profit	7,160	10,375
Earnings per share – basic	0.28	0.41
Earnings per share – diluted	0.27	0.39
Weighted average number of shares outstanding <i>(in thousands)</i>	25,538	25,598
	December 31	December 31
	2017	2016
Share price, NCC.A (closing)	12.95	9.76
Total assets	369,103	372,386
Long-term debt, including current portion	109,795	129,455
Shareholders' equity	163,758	151,155

The Company's annual audited consolidated financial statements along with related notes and the annual Management's Discussion and Analysis are available on the Company's website at www.ncc.ca and www.sedar.com. The Company's Annual Report will be available on the Company's website at www.ncc.ca and www.sedar.com by March 31, 2018.

⁽¹⁾ Non-IFRS Accounting Measure

Adjusted EBITDA is a measure that is not defined by International Financial Reporting Standards and is not standardized for public issuers. This measure may not be comparable to similar measures presented by other public enterprises. The Company believes this is an important measure because the Company's key decision makers use this measure internally to evaluate the performance of management. The Company's key decision makers also believe certain investors use it as a measure of the Company's financial performance and for valuation purposes. A calculation of this measure is found in the Company's annual Management's Discussion and Analysis.

About Newfoundland Capital Corporation Limited

Newfoundland Capital Corporation Limited (TSX: NCC.A, NCC.B) owns and operates Newcap Radio which is one of Canada's leading radio broadcasters with 101 broadcast licences (72 radio stations and 29 repeating signals) across Canada. The Company reaches millions of listeners each week through a variety of formats and is a recognized industry leader in radio programming, sales and networking.

This press release contains forward looking statements. These forward-looking statements are based on current expectations. The use of terminology such as "expect", "intend", "anticipate", "believe", "may", "will", "should", "would", "plan" and other similar terminology relate to, but are not limited to, our objectives, goals, plans, strategies, intentions, outlook and estimates. By their very nature, these statements involve inherent risks and uncertainties, many of which are beyond the Company's control, which could cause actual results to differ materially from those expressed in such forward-looking statements. As a result, there is no guarantee that any forward-looking statements will materialize and readers are cautioned not to place undue reliance on these statements. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For further information:

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