

TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE
KING CITY, ONTARIO
TSX: TWC

May 2, 2019

TWC ENTERPRISES LIMITED ANNOUNCES FIRST QUARTER 2019 RESULTS AND ELIGIBLE CASH DIVIDEND

Consolidated Financial Highlights (unaudited)

(in thousands of dollars except per share amounts)	Three months ended	
	March 31, 2019	March 31, 2018
Net loss (continuing)	(3,986)	(2,452)
Net loss (discontinued operations)	-	(4,849)
Net loss	(3,986)	(7,301)
Basic and diluted loss per share (continuing)	(0.15)	(0.09)
Basic and diluted loss per share (discontinued operations)	-	(0.18)
Basic and diluted loss per share	(0.15)	(0.27)

Operating Data

	Three months ended	
	March 31, 2019	March 31, 2018
ClubLink		
Canadian Full Privilege Golf Members	14,350	14,915
Championship rounds – Canada	1,000	2,000
18-hole equivalent championship golf courses – Canada	41.5	42.5
18-hole equivalent managed championship golf courses – Canada	1	-
Championship rounds – U.S.	136,000	139,000
18-hole equivalent championship golf courses – U.S.	11.0	11.0

The following is a breakdown of net operating income by segment:

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2019	March 31, 2018
Net operating income (loss) by segment		
Canadian golf club operations	\$ 1,998	\$ 2,986
US golf club operations (2019 - US \$1,832,000 ; 2018 - US \$1,294,000)	2,435	1,637
Corporate operations	(856)	(768)
Net operating income (continuing) ⁽¹⁾	3,577	3,855
Rail and port operations (discontinued operations) (2019 - nil; 2018 - US loss \$2,609,000)	-	(3,299)
Net operating income ⁽¹⁾	\$ 3,577	\$ 556

The following is an analysis of net loss:

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2019	March 31, 2018
Operating revenue	\$ 23,034	\$ 23,352
Direct operating expenses ⁽¹⁾	19,457	19,497
Net operating income ⁽¹⁾	3,577	3,855
Amortization of membership fees	1,247	1,654
Depreciation and amortization	(5,099)	(4,075)
Land lease rent	-	(1,102)
Interest, net and investment income	(1,374)	(3,727)
Other items	(4,265)	205
Income taxes	1,928	738
Net loss (continuing)	(3,986)	(2,452)
Net loss (discontinued operations)	-	(4,849)
Net loss	\$ (3,986)	\$ (7,301)

Direct operating expenses are calculated as follows:

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2019	March 31, 2018
Cost of sales	\$ 1,127	\$ 1,212
Labour and employee benefits	9,362	9,729
Utilities	1,735	1,659
Selling, general and administrative expenses	1,365	1,183
Property taxes	1,984	1,959
Repairs and maintenance	791	781
Insurance	662	604
Fertilizers and pest control products	122	134
Fuel and oil	106	116
Other operating expenses	2,203	2,120
Direct Operating Expenses ⁽¹⁾	\$ 19,457	\$ 19,497

⁽¹⁾ Please see Non-IFRS Measures on page following.

Non-IFRS Measures

TWC uses non-IFRS measures as a benchmark measurement of our own operating results and as a benchmark relative to our competitors. We consider these non-IFRS measures to be a meaningful supplement to net earnings. We also believe these non-IFRS measures are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance. These measures, which included direct operating expenses and net operating income do not have standardized meaning under IFRS. While these non-IFRS measures have been disclosed herein to permit a more complete comparative analysis of the Company's operating performance and debt servicing ability relative to other companies, readers are cautioned that these non-IFRS measures as reported by TWC may not be comparable in all instances to non-IFRS measures as reported by other companies.

The glossary of financial terms is as follows:

Direct operating expenses = expenses that are directly attributable to company's business units and are used by management in the assessment of their performance. These exclude expenses which are attributable to major corporate decisions such as impairment.

Net operating income = operating revenue – direct operating expenses

Net operating income is an important metric used by management in evaluating the Company's operating performance as it represents the revenue and expense items that can be directly attributable to the specific business unit's ongoing operations. It is not a measure of financial performance under IFRS and should not be considered as an alternative to measures of performance under IFRS. The most directly comparable measure specified under IFRS is net earnings.

First Quarter 2019 Consolidated Operating Highlights

On June 6, 2018, TWC announced that it entered into a purchase and sale agreement to sell the White Pass rail and port operations to a joint venture for proceeds of US\$290,000,000. Closing on July 31, 2018, the transaction represented a sale of the complete operations of White Pass. Consequently, this segment is being presented as discontinued operations in the financial statements.

On December 14, 2018, the Company sold Club de Golf Le Fontainebleau to the shareholders of Club de Golf Rosemère for net proceeds of \$8,589,000. ClubLink retains a management fee arrangement of Fontainebleau. This sale has resulted in a decrease of 458 members and a decrease in net operating income for the Canadian golf operations segment year over year.

As of January 1, 2019, the Company adopted IFRS 16, Leases. As part of this guidance, land lease rent for operating leases will no longer be expensed directly. Instead, these leases are set up on the balance sheet and right-of-use depreciation expense is reflected instead.

Consolidated operating revenue from continuing operations decreased 1.4% to \$23,034,000 for the three month period ended March 31, 2019 from \$23,352,000 in 2018.

Direct operating expenses from continuing operations decreased 0.2% to \$19,457,000 for the three month period ended March 31, 2019 from \$19,497,000 in 2018.

Net operating income for the Canadian golf club operations segment decreased 33.1% to \$1,998,000 for the three month period ended March 31, 2019 from \$2,986,000 in 2018.

Amortization of membership fees decreased 24.6% to \$1,247,000 from \$1,654,000 in 2018.

Interest, net and investment income for continuing operations decreased 63.1% to \$1,374,000 interest expense for the three month period ended March 31, 2019 from \$3,727,000 in 2018 due to interest income earned on funds from the sale of White Pass and a decrease in borrowings.

Other items have changed to a loss of \$4,265,000 for the three month period ended March 31, 2019 from income of \$205,000 in 2018 due to a foreign exchange loss of \$4,435,000 as a result of the strengthening of the Canadian dollar since December 31, 2018 and the impact on the US dollar funds from the White Pass sale.

Net loss decreased to \$3,986,000 for the three month period ended March 31, 2019 from \$7,301,000 in 2018 due to the disposition of White Pass and the lack of off-season expenses for this business. Basic and diluted loss per share decreased to 15 cents per share in 2019, compared to 27 cents in 2018.

Eligible Dividend

Today, TWC Enterprises Limited announced an eligible cash dividend of 2 cents per common share to be paid on June 14, 2019 to shareholders of record as at May 31, 2019.

Corporate Profile

TWC is engaged in golf club operations under the trademark, "ClubLink One Membership More Golf." TWC is Canada's largest owner, operator and manager of golf clubs with 53.5 18-hole equivalent championship and 3.5 18-hole equivalent academy courses (including one managed property) at 41 locations in Ontario, Quebec and Florida.

For further information please contact:

Andrew Tamlin
Chief Financial Officer
15675 Dufferin Street
King City, Ontario L7B 1K5
Tel: 905-841-5372 Fax: 905-841-8488
atamlin@clublink.ca

Management's discussion and analysis, financial statements and other disclosure information relating to the Company is available through SEDAR and at www.sedar.com and on the Company website at www.twcenterprises.ca