

TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE
KING CITY, ONTARIO
TSX: TWC

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TWC ENTERPRISES LIMITED ANNOUNCES 2019 YEAR END RESULTS AND ELIGIBLE CASH DIVIDEND

Consolidated Financial Highlights (unaudited)

| (in thousands of dollars except per share amounts) | Three months ended | | Year ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 |
| Net earnings (continuing) | 4,859 | 3,436 | 4,904 | 9,206 |
| Net earnings (discontinued operations) | - | 2,549 | - | 216,983 |
| Net earnings | 4,859 | 5,985 | 4,904 | 226,189 |
| Basic and diluted earnings per share (continuing) | 0.18 | 0.12 | 0.18 | 0.34 |
| Basic and diluted earnings per share (discontinued operations) | - | 0.09 | - | 7.94 |
| Basic and diluted earnings per share | 0.18 | 0.21 | 0.18 | 8.28 |

Operating Data

| | Three months ended | | Year ended | |
|---|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 |
| ClubLink | | | | |
| Canadian Full Privilege Golf Members | | | 14,193 | 14,602 |
| Championship rounds – Canada | 115,000 | 93,000 | 1,069,000 | 1,019,000 |
| 18-hole equivalent championship golf courses – Canada | | | 41.5 | 41.5 |
| 18-hole equivalent managed championship golf courses – Canada | | | 1.0 | 1.0 |
| Championship rounds – U.S. | 77,000 | 82,000 | 331,000 | 334,000 |
| 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) | Year Ended December 31, 2019 | Year Ended December 31, 2018 |
|---|---|---|
| Net operating income (loss) by segment | | |
| Canadian golf club operations | \$ 31,267 | \$ 32,390 |
| US golf club operations (2019 - US \$695,000; 2018 - US \$124,000) | 931 | 114 |
| Corporate operations | (3,212) | (3,475) |
| Net operating income ⁽¹⁾ | \$ 28,986 | \$ 29,029 |

The following is an analysis of net earnings:

| (thousands of Canadian dollars) | Year Ended December 31, 2019 | Year Ended December 31, 2018 |
|--|---|---|
| Operating revenue | \$ 163,641 | \$ 165,941 |
| Direct operating expenses ⁽¹⁾ | 134,655 | 136,912 |
| Net operating income ⁽¹⁾ | 28,986 | 29,029 |
| Amortization of membership fees | 5,146 | 6,697 |
| Depreciation and amortization | (20,119) | (16,150) |
| Land lease rent | - | (4,384) |
| Interest, net and investment income | (4,923) | (11,447) |
| Other items | (1,644) | 16,720 |
| Impairment expense | (352) | (7,865) |
| Income taxes | (2,190) | (3,394) |
| Net earnings (continuing) | 4,904 | 9,206 |
| Net earnings (discontinued operations) | - | 216,983 |
| Net earnings | \$ 4,904 | \$ 226,189 |

Direct operating expenses are calculated as follows:

| (thousands of Canadian dollars) | Year Ended December 31, 2019 | Year Ended December 31, 2018 |
|--|---|---|
| Cost of sales | \$ 22,414 | \$ 22,786 |
| Labour and employee benefits | 70,475 | 71,665 |
| Utilities | 8,118 | 8,210 |
| Selling, general and administrative expenses | 5,454 | 5,218 |
| Property taxes | 3,450 | 3,635 |
| Repairs and maintenance | 4,241 | 4,508 |
| Insurance | 2,724 | 2,617 |
| Fertilizers and pest control products | 2,378 | 2,617 |
| Fuel and oil | 1,357 | 1,463 |
| Other operating expenses | 14,044 | 14,193 |
| Direct Operating Expenses ⁽¹⁾ | \$ 134,655 | \$ 136,912 |

⁽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.

2019 Consolidated 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 resulted in a decrease of 458 members.

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 and interest expense is reflected instead.

Consolidated operating revenue decreased 1.4% to \$163,641,000 in 2019 from \$165,941,000 in 2018 due to the sale of Fontainebleau.

Direct operating expenses decreased 1.7% to \$134,655,000 in 2019 from \$136,912,000 in 2018 due to a 1.7% decrease in Canadian direct operating expenses.

Net operating income for the Canadian golf club operations segment decreased 3.5% to \$31,267,000 in 2019 from \$32,390,000 in 2018 due to the sale of Fontainebleau.

Amortization of membership fees decreased 23.2% to \$5,146,000 from \$6,697,000 in 2018 due to the completion of the amortization period of revenue for members that joined in 2007 which was completed in 2018.

Interest, net and investment income for continuing operations decreased 57.0% to \$4,923,000 in 2019 from \$11,447,000 in 2018 due to less borrowings outstanding and investment income earned on funds from the White Pass divestiture.

Other items consist of the following income (loss) items:

| (thousands of Canadian dollars) | | 2019 | 2018 |
|---|----|----------------|-------------|
| Gain on sale of property, plant and equipment | \$ | 525 | \$ 6,630 |
| Insurance claims | | 2,141 | 1,145 |
| Unrealized foreign exchange gain (loss) | | (6,944) | 12,238 |
| Unrealized gain (loss) on shares held for trading | | 2,426 | (3,175) |
| Equity income | | 1,135 | - |
| Other | | (927) | (118) |
| Other items | \$ | (1,644) | \$ 16,720 |

Net earnings decreased to \$4,904,000 in 2019 from \$226,189,000 in 2018 due to the White Pass gain recognized in 2018. Basic and diluted earnings per share decreased to 18 cents per share in 2019, compared to \$8.28 in 2018.

Eligible Cash Dividend

Today, TWC Enterprises Limited announced an eligible cash dividend of 2 cents per common share to be paid on March 31, 2020 to shareholders of record as at March 13, 2020.

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 52.5 18-hole equivalent championship and 3.5 18-hole equivalent academy courses (including one managed property) at 40 locations in Ontario, Quebec and Florida.

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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