



## CORUS ENTERTAINMENT ANNOUNCES FISCAL 2020 FIRST QUARTER RESULTS

- Consolidated revenues increased slightly for the quarter
- Consolidated segment profit<sup>(1)(2)</sup> was down 4% for the quarter
- Consolidated segment profit margin<sup>(1)</sup> of 39% for the quarter
- Net income attributable to shareholders of \$78.1 million (\$0.37 per share basic) for the quarter
- Net debt to segment profit<sup>(1)(3)</sup> leverage of 3.08 times, due to the adoption of IFRS 16 - Leases that added \$156.6 million of lease liabilities to the net debt calculation, offset by bank loan repayments of \$48.7 million in the quarter
- Free cash flow<sup>(1)(2)</sup> of \$53.0 million for the quarter

**TORONTO, January 10, 2020 – Corus Entertainment Inc.** (TSX: CJR.B) announced its first quarter financial results today.

“Our solid Q1 results demonstrate the benefits of Corus’ diverse portfolio of businesses, with increased Television advertising revenues and double-digit revenue growth in our content business for the quarter,” said Doug Murphy, President and Chief Executive Officer. “The strong momentum from last year continues as we invest to position Corus for the future, advancing our strategic initiatives to diversify our revenues and deliver our premium video content in more ways within Canada and around the world. Our data-driven selling approach is setting the new standard and providing innovative, client-centric solutions for our advertisers. Once again, our strong free cash flow enabled us to further reduce our bank debt and this, combined with our recently announced share buyback program and attractive dividend yield, is providing additional value to our shareholders.”

### Financial Highlights

	Three months ended	
	<b>November 30,</b>	
(in thousands of Canadian dollars except per share amounts)	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Television	<b>429,951</b>	426,190
Radio	<b>37,927</b>	41,281
	<b>467,878</b>	467,471
<b>Segment profit<sup>(1)(2)</sup></b>		
Television	<b>178,618</b>	184,553
Radio	<b>12,028</b>	13,012
Corporate	<b>(6,531)</b>	(5,927)
	<b>184,115</b>	191,638
Net income attributable to shareholders	<b>78,116</b>	60,415
Adjusted net income attributable to shareholders <sup>(1)(3)</sup>	<b>79,980</b>	70,111
Basic earnings per share	<b>\$0.37</b>	\$0.28
Adjusted basic earnings per share <sup>(1)(3)</sup>	<b>\$0.38</b>	\$0.33
Diluted earnings per share	<b>\$0.37</b>	\$0.28
<b>Free cash flow<sup>(1)(2)</sup></b>	<b>53,048</b>	42,406

<sup>(1)</sup> Segment profit, segment profit margin, adjusted net income attributable to shareholders, adjusted basic earnings per share, free cash flow and net debt to segment profit do not have standardized meanings prescribed by International Financial Reporting Standards (“IFRS”). The Company believes these non-IFRS measures are frequently used as key measures to evaluate performance. For definitions, explanations and reconciliations see discussion under the Key Performance Indicators section of the First Quarter 2020 Report to Shareholders.

<sup>(2)</sup> Segment profit for the three months ended November 30, 2019 was impacted by the adoption of the new accounting standard, IFRS 16 - Leases, effective September 1, 2019. This has resulted in an increase in segment profit and free cash flow of approximately \$3.4 million and \$3.9 million, respectively, for the quarter. Further discussion of this can be found in the Impact of New Accounting Policies section of the First Quarter 2020 Report to Shareholders.

<sup>(3)</sup> Refer to page 10 of this press release for details of adjustments to arrive at adjusted net income attributable to shareholders, adjusted basic earnings per share, and the calculation of net debt to segment profit.

## **Consolidated Results from Operations**

Consolidated revenues for the three months ended November 30, 2019 were \$467.9 million, consistent with \$467.5 million last year, and consolidated segment profit was \$184.1 million, a decrease of 4% from \$191.6 million last year. Net income attributable to shareholders for the quarter ended November 30, 2019 was \$78.1 million (\$0.37 per share basic), as compared to \$60.4 million (\$0.28 per share basic) last year. Net income attributable to shareholders for the first quarter of fiscal 2020 includes integration, restructuring and other costs of \$2.5 million (\$0.01 per share, net of income taxes). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of \$80.0 million (\$0.38 per share basic) for the quarter. Net income attributable to shareholders for the prior year quarter includes integration, restructuring and other costs of \$13.2 million (\$0.05 per share, net of income taxes). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of \$70.1 million (\$0.33 per share basic) for the prior year quarter.

## **Operational Results - Highlights for Q1 2020**

### **Television**

- Segment revenues were up 1% in Q1 2020
- Advertising revenues increased 1% in Q1 2020
- Subscriber revenues were down 2% in Q1 2020, but flat on a proforma basis when adjusted for the TLN disposal
- Merchandising, distribution and other revenues were up \$2.6 million (15%) in Q1 2020
- Segment profit<sup>(1)</sup> was down 3% in Q1 2020
- Segment profit margin<sup>(1)</sup> of 42% in Q1 2020 compared to 43% in the prior year

### **Radio**

- Segment revenues decreased \$3.4 million in Q1 2020
- Segment profit<sup>(1)</sup> decreased \$1.0 million in Q1 2020
- Segment profit margin<sup>(1)</sup> of 32% in Q1 2020 was consistent with the prior year

### **Corporate**

- Free cash flow<sup>(1)</sup> of \$53.0 million, up from \$42.4 million in the prior year
- Net debt to segment profit<sup>(1)</sup> leverage of 3.08 times at November 30, 2019, up from 2.82 times at August 31, 2019, due to implementation of IFRS 16 - *Leases* that added \$156.6 million to the net debt calculation, offset by bank loan repayments of \$48.7 million in the quarter
- Consolidated segment profit margin<sup>(1)</sup> of 39% in Q1 2020 compared to 41% in the prior year
- Normal course issuer bid accepted by TSX for share purchase and cancellation of up to 9,913,940 Class B Non-Voting Participating Shares during the period November 12, 2019 through November 11, 2020

<sup>(1)</sup> Segment profit, segment profit margin, free cash flow and net debt to segment profit do not have standardized meanings prescribed by IFRS. The Company reports on these because they are key measures used to evaluate performance. For definitions and explanations, see the discussion under the *Key Performance Indicators* section of the First Quarter 2020 Report to Shareholders.

Corus Entertainment Inc. reports its financial results in Canadian dollars.

The unaudited interim condensed consolidated financial statements and accompanying notes for the three months ended November 30, 2019 and Management's Discussion and Analysis are available on the Company's website at [www.corusent.com](http://www.corusent.com) in the Investor Relations section.

A conference call with Corus senior management is scheduled for January 10, 2020 at 8:00 a.m. ET. While this call is directed at analysts and investors, members of the media are welcome to listen in. The dial-in number for the conference call for local and international callers is 1.647.427.7450 and for North America is 1.888.231.8191. More information can be found on the Corus Entertainment website at [www.corusent.com](http://www.corusent.com) in the Investor Relations section.

### **Use of Non-IFRS Financial Measures**

This press release includes the non-IFRS financial measures of adjusted net income attributable to shareholders, adjusted basic earnings per share, free cash flow and net debt to segment profit that are not in accordance with, nor an alternate to, generally accepted accounting principles ("IFRS") and may be different from non-IFRS measures used by other companies. In addition, these non-IFRS measures are not based on any comprehensive set of accounting rules or principles.

Non-IFRS financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS. They are limited in value because they exclude charges that have a material effect on the Company's reported results and, therefore, should not be relied upon as the sole financial measures to evaluate the Company's financial results. The non-IFRS financial measures are meant to supplement, and to be viewed in conjunction with, IFRS financial results. A reconciliation of the Company's non-IFRS measures is included in the Company's most recent Report to Shareholders which is available on Corus' website at [www.corusent.com](http://www.corusent.com) as well as on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Caution Concerning Forward-Looking Information**

*This press release contains forward-looking information and should be read subject to the following cautionary language:*

*To the extent any statements made in this report contain information that is not historical, these statements are forward-looking statements and may be forward-looking information within the meaning of applicable securities laws (collectively, "forward-looking information"). These forward-looking statements relate to, among other things, our objectives, goals, strategies, intentions, plans, estimates and outlook, including advertising, distribution, merchandise and subscription revenues, operating costs and tariffs, taxes and fees, and can generally be identified by the use of words such as "believe", "anticipate", "expect", "intend", "plan", "will", "may" and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances may be considered forward-looking information. Although Corus believes that the expectations reflected in such forward-looking information are reasonable, such information involves assumptions and risks and uncertainties and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied with respect to the forward-looking information, including without limitation, factors and assumptions regarding the general market conditions and general outlook for the industry, interest rates, stability of the advertising, distribution, merchandise and subscription markets, operating and capital costs and tariffs, taxes and fees, our ability to source desirable content and our capital and operating results being consistent with our expectations. Actual results may differ materially from those expressed or implied in such information. Important factors that could cause actual results to differ materially from these expectations include, among other things: our ability to attract and retain advertising revenues; audience acceptance of our television programs and cable networks; our ability to recoup production costs, the availability of tax credits and the existence of co-production treaties; our ability to compete in any of the industries in which we do business; the opportunities (or lack thereof) that may be presented to and pursued by us; conditions in the entertainment, information and communications industries and technological developments therein; changes in laws or regulations or the interpretation or application of those laws and regulations; our ability to integrate and realize anticipated benefits from our acquisitions and to effectively manage our growth; our ability to successfully defend ourselves against litigation matters arising out of the ordinary course of business; and changes in accounting standards. Additional information about these factors and about the material assumptions underlying any forward-looking information may be found under the heading "Risks and Uncertainties" in the Management's Discussion and Analysis for the year ended August 31, 2019 and the first quarter ended November 30, 2019 and under the heading "Risk Factors" in our Annual Information Form. Corus cautions that the foregoing list of important assumptions and factors that may affect future results is not exhaustive. When relying on our forward-looking information to make decisions with respect to Corus, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise specified, all forward-looking information in this document speaks as of the date of this document. Unless otherwise required by applicable securities laws, Corus disclaims any intention or obligation to publicly update or revise any forward-looking information whether as a result of new information, events or circumstances that arise after the date thereof or otherwise.*

**About Corus Entertainment Inc.**

Corus Entertainment Inc. (TSX: CJR.B) is a leading media and content company that develops and delivers high quality brands and content across platforms for audiences around the world. Engaging audiences since 1999, the company's portfolio of multimedia offerings encompass 34 specialty television services, 39 radio stations, 15 conventional television stations, a suite of digital assets, animation software, technology and media services. Corus is an established creator of globally distributed content through Nelvana animation studio, Corus Studios, and children's book publishing house Kids Can Press. The company also owns innovative full-service social digital agency so.da, and lifestyle entertainment company Kin Canada. Corus' roster of premium brands includes Global Television, W Network, HGTV Canada, Food Network Canada, HISTORY®, Showcase, Adult Swim, National Geographic, Disney Channel Canada, YTV, Global News, Globalnews.ca, Q107, Country 105, and CFOX. Visit Corus at [www.corusent.com](http://www.corusent.com).

- 30 -

For further information, please contact:

**Doug Murphy**  
President and Chief Executive Officer  
Corus Entertainment Inc.  
[Doug.Murphy@corusent.com](mailto:Doug.Murphy@corusent.com)

**John Gossling**  
Executive Vice President and Chief Financial Officer  
Corus Entertainment Inc.  
[John.Gossling@corusent.com](mailto:John.Gossling@corusent.com)

**Heidi Kucher**  
Director, Investor Relations  
Corus Entertainment Inc.  
[Heidi.Kucher@corusent.com](mailto:Heidi.Kucher@corusent.com)

**Melissa Eckersley**  
Corporate Communications Lead  
Corus Entertainment Inc.  
[Melissa.Eckersley@corusent.com](mailto:Melissa.Eckersley@corusent.com)

**CORUS ENTERTAINMENT INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(unaudited - in thousands of Canadian dollars)	As at November 30, 2019	As at August 31, 2019
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	64,249	82,568
Accounts receivable	458,068	372,828
Income taxes recoverable	—	13,772
Prepaid expenses and other assets	32,697	19,557
<b>Total current assets</b>	<b>555,014</b>	<b>488,725</b>
Tax credits receivable	29,638	25,035
Investments and other assets	63,479	51,707
Property, plant and equipment	358,477	225,927
Program rights	603,127	507,913
Film investments	55,026	53,336
Intangibles	1,880,278	1,876,235
Goodwill	1,383,958	1,383,958
Deferred income tax assets	58,047	59,463
	<b>4,987,044</b>	<b>4,672,299</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	521,694	429,483
Current portion of bank debt	76,339	76,339
Provisions	9,445	10,331
Income taxes payable	3,461	—
<b>Total current liabilities</b>	<b>610,939</b>	<b>516,153</b>
Bank debt	1,607,756	1,655,406
Other long-term liabilities	472,951	278,117
Provisions	9,336	7,686
Deferred income tax liabilities	469,645	472,700
<b>Total liabilities</b>	<b>3,170,627</b>	<b>2,930,062</b>
<b>EQUITY</b>		
Share capital	822,508	830,477
Contributed surplus	1,509,408	1,512,818
Accumulated deficit	(688,565)	(758,757)
Accumulated other comprehensive income	22,591	12,187
<b>Total equity attributable to shareholders</b>	<b>1,665,942</b>	<b>1,596,725</b>
Equity attributable to non-controlling interest	150,475	145,512
<b>Total equity</b>	<b>1,816,417</b>	<b>1,742,237</b>
	<b>4,987,044</b>	<b>4,672,299</b>

**CORUS ENTERTAINMENT INC.**  
**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

	Three months ended	
	<b>November 30,</b>	
(unaudited - in thousands of Canadian dollars except per share amounts)	<b>2019</b>	2018
Revenues	<b>467,878</b>	467,471
Direct cost of sales, general and administrative expenses	<b>283,763</b>	275,833
Depreciation and amortization	<b>39,967</b>	54,328
Interest expense	<b>28,823</b>	31,339
Integration, restructuring and other costs	<b>2,534</b>	13,181
Other expense (income), net	<b>(2,063)</b>	1,237
Income before income taxes	<b>114,854</b>	91,553
Income tax expense	<b>30,494</b>	24,777
<b>Net income for the period</b>	<b>84,360</b>	66,776
<b>Other comprehensive income, net of income taxes:</b>		
<b>Items that may be reclassified subsequently to income:</b>		
Unrealized change in fair value of cash flow hedges	<b>4,949</b>	(378)
Unrealized foreign currency translation adjustment	<b>(53)</b>	290
	<b>4,896</b>	(88)
<b>Items that will not be reclassified to income:</b>		
Unrealized change in fair value of financial assets	<b>5,508</b>	—
Actuarial gain on post-retirement benefit plans	<b>4,756</b>	2,326
	<b>10,264</b>	2,326
Other comprehensive income, net of income taxes	<b>15,160</b>	2,238
<b>Comprehensive income for the period</b>	<b>99,520</b>	69,014
<b>Net income attributable to:</b>		
Shareholders	<b>78,116</b>	60,415
Non-controlling interest	<b>6,244</b>	6,361
	<b>84,360</b>	66,776
<b>Comprehensive income attributable to:</b>		
Shareholders	<b>93,276</b>	62,653
Non-controlling interest	<b>6,244</b>	6,361
	<b>99,520</b>	69,014
<b>Earnings per share attributable to shareholders:</b>		
Basic	<b>\$0.37</b>	\$0.28
Diluted	<b>\$0.37</b>	\$0.28

**CORUS ENTERTAINMENT INC.**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(unaudited - in thousands of Canadian dollars)	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income	Total equity attributable to shareholders	Non-controlling interest	Total equity
As at August 31, 2019	830,477	1,512,818	(758,757)	12,187	1,596,725	145,512	1,742,237
Comprehensive income	—	—	78,116	15,160	93,276	6,244	99,520
Dividends declared	—	—	(12,680)	—	(12,680)	(3,415)	(16,095)
Share repurchase under normal course issuer bid ("NCIB")	(2,655)	(1,215)	—	—	(3,870)	—	(3,870)
Share repurchase commitment under NCIB	(5,314)	(2,449)	—	—	(7,763)	—	(7,763)
Actuarial gain on post-retirement benefit plans	—	—	4,756	(4,756)	—	—	—
Share-based compensation expense	—	254	—	—	254	—	254
Equity funding	—	—	—	—	—	2,134	2,134
<b>As at November 30, 2019</b>	<b>822,508</b>	<b>1,509,408</b>	<b>(688,565)</b>	<b>22,591</b>	<b>1,665,942</b>	<b>150,475</b>	<b>1,816,417</b>

(unaudited - in thousands of Canadian dollars)	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income	Total equity attributable to shareholders	Non-controlling interest	Total equity
As at August 31, 2018, as previously presented	2,330,477	12,119	(856,668)	36,460	1,522,388	154,415	1,676,803
IFRS 9 transitional adjustment	—	—	—	9,396	9,396	—	9,396
IFRS 15 transitional adjustment	—	—	1,985	—	1,985	—	1,985
Adjusted balance as at September 1, 2018	2,330,477	12,119	(854,683)	45,856	1,533,769	154,415	1,688,184
Comprehensive income	—	—	60,415	2,238	62,653	6,361	69,014
Dividends declared	—	—	(12,715)	—	(12,715)	(5,222)	(17,937)
Actuarial gain on post-retirement benefit plans	—	—	2,326	(2,326)	—	—	—
Share-based compensation expense	—	45	—	—	45	—	45
<b>As at November 30, 2018</b>	<b>2,330,477</b>	<b>12,164</b>	<b>(804,657)</b>	<b>45,768</b>	<b>1,583,752</b>	<b>155,554</b>	<b>1,739,306</b>

**CORUS ENTERTAINMENT INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Three months ended	
	<b>November 30,</b>	
(unaudited - in thousands of Canadian dollars)	<b>2019</b>	2018
<b>OPERATING ACTIVITIES</b>		
Net income for the period	<b>84,360</b>	66,776
Adjustments to reconcile net income to cash flow from operations:		
Amortization of program rights	<b>132,601</b>	129,570
Amortization of film investments	<b>5,826</b>	3,529
Depreciation and amortization	<b>39,967</b>	54,328
Deferred income tax recovery	<b>(5,979)</b>	(9,347)
Share-based compensation expense	<b>254</b>	45
Imputed interest	<b>12,556</b>	10,594
Payment of program rights	<b>(119,192)</b>	(110,214)
Net spend on film investments	<b>(15,522)</b>	(10,663)
CRTC benefit payments	<b>(722)</b>	(861)
Other	<b>(675)</b>	(3,470)
Cash flow from operations	<b>133,474</b>	130,287
Net change in non-cash working capital balances related to operations	<b>(76,002)</b>	(84,916)
<b>Cash provided by operating activities</b>	<b>57,472</b>	45,371
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	<b>(4,274)</b>	(2,569)
Proceeds from sale of property	<b>9</b>	3
Equity funding by a non-controlling interest	<b>2,134</b>	—
Net cash flows for intangibles, investments and other assets	<b>(1,286)</b>	(399)
<b>Cash used in investing activities</b>	<b>(3,417)</b>	(2,965)
<b>FINANCING ACTIVITIES</b>		
Decrease in bank loans	<b>(48,674)</b>	(57,009)
Shares repurchased under NCIB	<b>(3,296)</b>	—
Payments of lease liabilities	<b>(3,884)</b>	—
Dividends paid	<b>(12,718)</b>	—
Dividends paid to non-controlling interest	<b>(3,415)</b>	(7,222)
Other	<b>(387)</b>	(2,309)
<b>Cash used in financing activities</b>	<b>(72,374)</b>	(66,540)
Net change in cash and cash equivalents during the period	<b>(18,319)</b>	(24,134)
Cash and cash equivalents, beginning of the period	<b>82,568</b>	94,801
<b>Cash and cash equivalents, end of the period</b>	<b>64,249</b>	70,667

**CORUS ENTERTAINMENT INC.**  
**BUSINESS SEGMENT INFORMATION**

(unaudited - in thousands of Canadian dollars)

**Three months ended November 30, 2019**

	Television	Radio	Corporate	Consolidated
Revenues	429,951	37,927	—	467,878
Direct cost of sales, general and administrative expenses	251,333	25,899	6,531	283,763
<b>Segment profit (loss)<sup>(1)(2)</sup></b>	<b>178,618</b>	<b>12,028</b>	<b>(6,531)</b>	<b>184,115</b>
Depreciation and amortization				39,967
Interest expense				28,823
Integration, restructuring and other costs				2,534
Other income, net				(2,063)
<b>Income before income taxes</b>				<b>114,854</b>

Three months ended November 30, 2018

	Television	Radio	Corporate	Consolidated
Revenues	426,190	41,281	—	467,471
Direct cost of sales, general and administrative expenses	241,637	28,269	5,927	275,833
<b>Segment profit (loss)<sup>(1)</sup></b>	<b>184,553</b>	<b>13,012</b>	<b>(5,927)</b>	<b>191,638</b>
Depreciation and amortization				54,328
Interest expense				31,339
Integration, restructuring and other costs				13,181
Other expense, net				1,237
<b>Income before income taxes</b>				<b>91,553</b>

<sup>(1)</sup> Segment profit does not have a standardized meaning prescribed by IFRS. For definitions and explanations, see discussion under the Key Performance Indicators section of the First Quarter 2020 Report to Shareholders.

<sup>(2)</sup> Segment profit for the three months ended November 30, 2019 was impacted by the adoption of the new accounting standard, IFRS 16 - Leases, effective September 1, 2019. This has resulted in an increase in segment profit and free cash flow of approximately \$3.4 million and \$3.9 million, respectively, for the quarter. Further discussion of this can be found in the Impact of New Accounting Policies section of the First Quarter 2020 Report to Shareholders.

## REVENUES BY TYPE

	Three months ended	
	November 30,	
(unaudited - in thousands of Canadian dollars)	2019	2018
Advertising	322,409	321,335
Subscriber fees	123,669	126,684
Merchandising, distribution and other	21,800	19,452
	<b>467,878</b>	467,471

## NON-IFRS FINANCIAL MEASURES

	Three months ended	
(unaudited - in thousands of Canadian dollars, except per share amounts)	November 30,	
	2019	2018
<b>Adjusted Net Income Attributable to Shareholders</b>		
Net income attributable to shareholders	78,116	60,415
<b>Adjustments, net of income tax:</b>		
Integration, restructuring and other costs	1,864	9,696
<b>Adjusted net income attributable to shareholders</b>	<b>79,980</b>	70,111
<b>Basic earnings per share</b>	<b>\$0.37</b>	\$0.28
<b>Adjustments, net of income tax:</b>		
Integration, restructuring and other costs	0.01	0.05
<b>Adjusted basic earnings per share</b>	<b>\$0.38</b>	\$0.33

	Three months ended	
(unaudited - in thousands of Canadian dollars)	November 30,	
	2019	2018
<b>Free Cash Flow</b>		
Cash provided by (used in):		
Operating activities <sup>(1)</sup>	57,472	45,371
Investing activities	(3,417)	(2,965)
	<b>54,055</b>	42,406
Deduct: cash used in (provided by) business acquisitions, strategic investments and non-controlling interest <sup>(2)</sup>	(1,007)	—
<b>Free cash flow</b>	<b>53,048</b>	42,406

<sup>(1)</sup> Free cash flow for the three months ended November 30, 2019 was impacted by the adoption of IFRS 16, effective September 1, 2019. This has resulted in an increase in free cash flow of approximately \$3.9 million for the quarter. Further discussion of this can be found in the Impact of New Accounting Policies section of the First Quarter 2020 Report to Shareholders.

<sup>(2)</sup> Strategic investments are comprised of investments in venture funds and associated companies

	Three months ended	
(unaudited - in thousands of Canadian dollars)	November 30,	
	2019	2018
<b>Net Debt and Net Debt to Segment Profit</b>		
Total bank loans, net of unamortized financing fees	1,684,095	1,731,745
Lease liabilities	156,556	—
Cash and cash equivalents	(64,249)	(82,568)
<b>Net debt</b>	<b>1,776,402</b>	1,649,177
Segment profit (denominator) <sup>(1)</sup>	577,562	585,085
<b>Net debt to segment profit</b>	<b>3.08</b>	2.82

<sup>(1)</sup> Reflects aggregate amounts for the most recent four quarters, as detailed in the table in the "Quarterly Consolidated Financial Information" section of the First Quarter 2020 Report to Shareholders. Effective September 1, 2019, the Company adopted IFRS 16. There has been no restatement of segment profit for the prior three quarters. Refer to Impact of New Accounting Policies section of the First Quarter 2020 Report to Shareholders for more information.