



CORUS ENTERTAINMENT ANNOUNCES FISCAL 2020 SECOND QUARTER RESULTS

- Consolidated revenues declined 2% for the quarter and 1% year-to-date
- Consolidated segment profit⁽¹⁾⁽²⁾ increased 2% for the quarter and decreased 2% year-to-date
- Consolidated segment profit margin⁽¹⁾ of 31% for the quarter and 36% year-to-date
- Net income attributable to shareholders of \$18.5 million (\$0.09 per share basic) for the quarter and \$96.6 million (\$0.46 per share basic) year-to-date
- Net debt to segment profit⁽¹⁾⁽³⁾ of 3.00 times at February 29, 2020 improved from 3.08 times at November 30, 2019
- Free cash flow⁽¹⁾⁽²⁾ of \$65.1 million for the quarter and \$118.1 million year-to-date

TORONTO, April 1, 2020 – Corus Entertainment Inc. (TSX: CJR.B) announced its second quarter financial results today.

“Our determined focus on executing on our strategic priorities resulted in solid second quarter consolidated revenues and segment profit,” said Doug Murphy, President and Chief Executive Officer. “At this unprecedented time across the world, we are focused on the health and well-being of our employees, who continue to diligently serve the needs of our audiences, clients and partners. We deeply understand that one of our foremost responsibilities as an essential national and local broadcaster is to provide reliable and timely information, news and entertainment for the public, particularly in times like these.

“The entire Corus family has been working tirelessly on business continuity measures that not only enable us to continue delivering programming across our networks, but ensure we are positioned to return to normal operations, when the situation warrants it. Strong operating and financial discipline are engrained in our culture, enabling our team to navigate adeptly through challenges. We are benefitting from the work we have done to create sufficient liquidity and improve our financial flexibility, and our long-term strategy remains unchanged.”

Financial Highlights

	Three months ended		Six months ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
<small>(in thousands of Canadian dollars except per share amounts)</small>				
Revenues				
Television	347,843	353,466	777,794	779,656
Radio	28,152	30,649	66,079	71,930
	375,995	384,115	843,873	851,586
Segment profit⁽¹⁾⁽²⁾				
Television	115,472	113,709	294,090	298,262
Radio	4,576	4,955	16,604	17,967
Corporate	(4,139)	(5,516)	(10,670)	(11,443)
	115,909	113,148	300,024	304,786
Net income attributable to shareholders	18,524	6,344	96,640	66,759
Adjusted net income attributable to shareholders ⁽¹⁾⁽³⁾	25,900	15,733	105,880	85,844
Basic earnings per share	\$0.09	\$0.03	\$0.46	\$0.31
Adjusted basic earnings per share ⁽¹⁾⁽³⁾	\$0.12	\$0.07	\$0.50	\$0.40
Diluted earnings per share	\$0.09	\$0.03	\$0.46	\$0.31
Free cash flow⁽¹⁾⁽²⁾	65,073	83,909	118,121	126,315

⁽¹⁾ 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 Second Quarter 2020 Report to Shareholders.

⁽²⁾ Segment profit for the three and six months ended February 29, 2020 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 for the quarter and year-to-date of approximately \$3.4 million and \$6.7 million, respectively, and an increase in free cash flow of approximately \$4.2 million and \$8.0 million, respectively. Further discussion of this can be found in the Impact of New Accounting Policies section of the Second Quarter 2020 Report to Shareholders.

⁽³⁾ 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 February 29, 2020 were \$376.0 million, down 2% from \$384.1 million last year, and consolidated segment profit was \$115.9 million, an increase of 2% from \$113.1 million last year. Net income attributable to shareholders for the quarter ended February 29, 2020 was \$18.5 million (\$0.09 per share basic), as compared to \$6.3 million (\$0.03 per share basic) last year. Net income attributable to shareholders for the second quarter of fiscal 2020 includes integration, restructuring and other costs of \$10.0 million (\$0.03 per share, net of income taxes). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of \$25.9 million (\$0.12 per share basic) for the quarter. Net income attributable to shareholders for the prior year quarter includes integration, restructuring and other costs of \$4.0 million (\$0.01 per share, net of income taxes) and an impairment of an investment in associates of \$8.7 million (\$0.03 per share, net of income taxes). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$15.7 million (\$0.07 per share basic) for the prior year quarter.

Consolidated revenues for the six months ended February 29, 2020 were \$843.9 million, a decline of 1% from \$851.6 million last year, and consolidated segment profit was \$300.0 million, a decrease of 2% from \$304.8 million last year. Net income attributable to shareholders for the six months ended February 29, 2020 was \$96.6 million (\$0.46 per share basic), as compared to a net income attributable to shareholders of \$66.8 million (\$0.31 per share basic) last year. Net income attributable to shareholders for the six months ended February 29, 2020 includes integration, restructuring and other costs of \$12.6 million (\$0.04 per share). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of \$105.9 million (\$0.50 per share basic) for the current fiscal year. Net income attributable to shareholders for the six months ended February 28, 2019 includes integration, restructuring and other costs of \$17.2 million (\$0.06 per share, net of income taxes) and an impairment of an investment in associates of \$8.7 million (\$0.03 per share, net of income taxes). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$85.8 million (\$0.40 per share basic) for the prior fiscal year.

Operational Results - Highlights for Q2 2020

Television

- Segment revenues decreased 2% in Q2 2020 and were flat year-to-date. On a proforma basis, when adjusted for the disposal of the Telelatino Network in March 2019, segment revenues were flat for the quarter and up 1% year-to-date
- Advertising revenues decreased 6% in Q2 2020 and 2% year-to-date. On a proforma basis, advertising revenues were down 5% in Q2 2020 and 1% year-to-date
- Subscriber revenues were down 2% in both Q2 2020 and year-to-date. On a proforma basis, subscriber revenues were up 1% in Q2 and flat year-to-date
- Merchandising, distribution and other revenues increased \$8.3 million (50%) in Q2 2020 and \$10.9 million (32%) year-to-date
- Segment profit⁽¹⁾ was up 2% in Q2 2020 and down 1% year-to-date
- Segment profit margin⁽¹⁾ of 33% in Q2 2020 and 38% year-to-date, compared to 32% and 38%, respectively, in the prior year

Radio

- Segment revenues decreased \$2.5 million (8%) in Q2 2020 and \$5.8 million (8%) year-to-date
- Segment profit⁽¹⁾ decreased \$0.4 million (8%) in Q2 2020 and \$1.4 million (8%) year-to-date
- Segment profit margin⁽¹⁾ of 16% in Q2 2020 and 25% year-to-date was comparable with the prior year

Corporate

- Free cash flow⁽¹⁾ of \$65.1 million in Q2 2020 and \$118.1 million year-to-date, compared to \$83.9 million and \$126.3 million, respectively, in the prior year
- Net debt to segment profit⁽¹⁾ was 3.00 times at February 29, 2020, up from 2.82 times at August 31, 2019, due to the implementation of IFRS 16 - *Leases* that added \$153.6 million to the net debt calculation as at February 29, 2020, offset by bank loan repayments of \$38.3 million in Q2 2020 and \$87.0 million for the year-to-date, as well as segment profit growth
- As at February 29, 2020 2.48 million shares have been repurchased under the Normal Course Issuer Bid since its implementation on November 13, 2019
- Consolidated segment profit margin⁽¹⁾ of 31% in Q2 2020 and 36% year-to-date, compared to 29% and 36%, respectively, in the prior year

⁽¹⁾ 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 Second Quarter 2020 Report to Shareholders.

COVID – 19 Update

The Company is closely monitoring the evolution of the novel coronavirus-19 (“COVID-19”) situation. The priority has been keeping the Company’s employees safe and healthy. Active steps have been taken to implement physical distancing and other measures as recommended by public health agencies, decreasing the number of people in the Company’s offices and broadcast centres. Where possible, the Company’s employees are working from home. Appropriate business continuity measures are being taken to ensure uninterrupted service of the Company’s television, digital and radio operations, which are considered essential services across Canada. The Company has gone through extraordinary lengths to continue to serve its customers and audiences, ensuring that Canadians can connect with high-quality news and entertainment at a time when it is needed the most.

It is too soon to gauge the impacts of the current COVID-19 outbreak, given the many unknowns related to it. These include the duration and severity of the outbreak. COVID-19 is altering business and consumer activity in affected areas and beyond which may materially impact the Company. The Company’s financial priorities remain unchanged. Importantly the Company remains committed to increasing its financial flexibility over the longer term. In this environment, however, the Company believes it is prudent to conserve cash out of an abundance of caution. As such, the Company expects to refrain from buying back shares under its share buyback program in the immediate term. Consistent with this approach, the Board of Directors has elected to defer its decision on the declaration of the June dividend at this time. The outside date for a decision on the declaration of the June dividend is June 9, 2020, by which point the Company expects to have more clarity on the nature and length of the impact of the COVID-19 pandemic. For greater clarity, the Company is not reducing, eliminating or temporarily suspending the dividend at this time.

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

The unaudited interim condensed consolidated financial statements and accompanying notes for the three and six months ended February 29, 2020 and Management’s Discussion and Analysis are available on the Company’s website at www.corusent.com in the Investor Relations section.

A conference call with Corus senior management is scheduled for April 1, 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 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 as well as on SEDAR at 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; failure to meet covenants under our senior credit facility; epidemics, pandemics or other public health crises, including the current outbreak of novel coronavirus (“COVID-19”) 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 second quarter ended February 29, 2020 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.

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CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited - in thousands of Canadian dollars)	As at February 29, 2020	As at August 31, 2019
ASSETS		
Current		
Cash and cash equivalents	58,458	82,568
Accounts receivable	390,159	372,828
Income taxes recoverable	12,276	13,772
Prepaid expenses and other assets	28,511	19,557
Total current assets	489,404	488,725
Tax credits receivable	36,139	25,035
Investments and other assets	57,727	51,707
Property, plant and equipment	348,062	225,927
Program rights	709,892	507,913
Film investments	53,231	53,336
Intangibles	1,909,896	1,876,235
Goodwill	1,383,958	1,383,958
Deferred income tax assets	58,290	59,463
	5,046,599	4,672,299
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	525,751	429,483
Current portion of bank debt	76,339	76,339
Provisions	8,970	10,331
Total current liabilities	611,060	516,153
Bank debt	1,570,477	1,655,406
Other long-term liabilities	598,434	278,117
Provisions	9,686	7,686
Deferred income tax liabilities	462,311	472,700
Total liabilities	3,251,968	2,930,062
EQUITY		
Share capital	815,205	830,477
Contributed surplus	1,509,352	1,512,818
Accumulated deficit	(695,053)	(758,757)
Accumulated other comprehensive income	14,722	12,187
Total equity attributable to shareholders	1,644,226	1,596,725
Equity attributable to non-controlling interest	150,405	145,512
Total equity	1,794,631	1,742,237
	5,046,599	4,672,299

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Three months ended		Six months ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
<i>(unaudited - in thousands of Canadian dollars except per share amounts)</i>				
Revenues	375,995	384,115	843,873	851,586
Direct cost of sales, general and administrative expenses	260,086	270,967	543,849	546,800
Depreciation and amortization	40,299	54,801	80,266	109,129
Interest expense	29,783	31,846	58,606	63,185
Integration, restructuring and other costs	10,024	4,047	12,558	17,228
Other expense, net	5,448	6,521	3,385	7,758
Income before income taxes	30,355	15,933	145,209	107,486
Income tax expense	7,932	4,213	38,426	28,990
Net income for the period	22,423	11,720	106,783	78,496
Other comprehensive loss, net of income taxes:				
Items that may be reclassified subsequently to income:				
Unrealized change in fair value of cash flow hedges	(9,157)	(14,368)	(4,208)	(14,746)
Unrealized foreign currency translation adjustment	231	(170)	178	120
	(8,926)	(14,538)	(4,030)	(14,626)
Items that will not be reclassified to income:				
Unrealized change in fair value of financial assets	1,057	96	6,565	96
Actuarial loss on post-retirement benefit plans	(12,471)	(3,502)	(7,715)	(1,176)
	(11,414)	(3,406)	(1,150)	(1,080)
Other comprehensive loss, net of income taxes	(20,340)	(17,944)	(5,180)	(15,706)
Comprehensive income (loss) for the period	2,083	(6,224)	101,603	62,790
Net income attributable to:				
Shareholders	18,524	6,344	96,640	66,759
Non-controlling interest	3,899	5,376	10,143	11,737
	22,423	11,720	106,783	78,496
Comprehensive income (loss) attributable to:				
Shareholders	(1,816)	(11,600)	91,460	51,053
Non-controlling interest	3,899	5,376	10,143	11,737
	2,083	(6,224)	101,603	62,790
Earnings per share attributable to shareholders:				
Basic	\$0.09	\$0.03	\$0.46	\$0.31
Diluted	\$0.09	\$0.03	\$0.46	\$0.31

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 (loss)	—	—	96,640	(5,180)	91,460	10,143	101,603
Dividends declared	—	—	(25,221)	—	(25,221)	(10,661)	(35,882)
Share repurchase under normal course issuer bid ("NCIB")	(9,761)	(3,629)	—	—	(13,390)	—	(13,390)
Share repurchase commitment under NCIB	(5,511)	(398)	—	—	(5,909)	—	(5,909)
Actuarial loss on post-retirement benefit plans	—	—	(7,715)	7,715	—	—	—
Share-based compensation expense	—	561	—	—	561	—	561
Equity funding	—	—	—	—	—	5,411	5,411
As at February 29, 2020	815,205	1,509,352	(695,053)	14,722	1,644,226	150,405	1,794,631

(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 (loss)	—	—	66,759	(15,706)	51,053	11,737	62,790
Dividends declared	—	—	(25,431)	—	(25,431)	(15,163)	(40,594)
Reduction of stated capital	(1,500,000)	1,500,000	—	—	—	—	—
Actuarial loss on post-retirement benefit plans	—	—	(1,176)	1,176	—	—	—
Share-based compensation expense	—	247	—	—	247	—	247
As at February 28, 2019	830,477	1,512,366	(814,531)	31,326	1,559,638	150,989	1,710,627

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Six months ended	
	February 29,	February 28,	February 29,	February 28,
(unaudited - in thousands of Canadian dollars)	2020	2019	2020	2019
OPERATING ACTIVITIES				
Net income for the period	22,423	11,720	106,783	78,496
Adjustments to reconcile net income to cash flow from operations:				
Amortization of program rights	122,962	127,558	255,563	257,128
Amortization of film investments	5,255	2,856	11,081	6,385
Depreciation and amortization	40,299	54,801	80,266	109,129
Deferred income tax recovery	(99)	(10,600)	(6,078)	(19,947)
Impairment of investment in associate	—	8,720	—	8,720
Share-based compensation expense	307	202	561	247
Imputed interest	13,682	11,071	26,238	21,665
Payment of program rights	(147,809)	(126,590)	(267,001)	(236,804)
Net spend on film investments	(17,958)	(17,722)	(33,480)	(28,385)
CRTC benefit payments	(11)	(50)	(733)	(911)
Other	(2,533)	(338)	(3,208)	(3,808)
Cash flow from operations	36,518	61,628	169,992	191,915
Net change in non-cash working capital balances related to operations	29,225	24,692	(46,777)	(60,224)
Cash provided by operating activities	65,743	86,320	123,215	131,691
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(2,016)	(3,591)	(6,290)	(6,160)
Proceeds from sale of property	30	6	39	9
Net cash flows for intangibles, investments and other assets	1,316	(2,124)	30	(2,523)
Cash used in investing activities	(670)	(5,709)	(6,221)	(8,674)
FINANCING ACTIVITIES				
Decrease in bank loans	(38,295)	(60,539)	(86,969)	(117,548)
Shares repurchased under NCIB	(9,667)	—	(12,963)	—
Payments of lease liabilities	(4,163)	—	(8,047)	—
Equity funding by a non-controlling interest	3,277	—	5,411	—
Dividends paid	(12,648)	(12,717)	(25,366)	(12,717)
Dividends paid to non-controlling interest	(7,246)	(9,941)	(10,661)	(17,163)
Other	(2,122)	(431)	(2,509)	(2,740)
Cash used in financing activities	(70,864)	(83,628)	(141,104)	(150,168)
Net change in cash and cash equivalents during the period	(5,791)	(3,017)	(24,110)	(27,151)
Cash and cash equivalents, beginning of the period	64,249	70,667	82,568	94,801
Cash and cash equivalents, end of the period	58,458	67,650	58,458	67,650

CORUS ENTERTAINMENT INC.
BUSINESS SEGMENT INFORMATION

(unaudited - in thousands of Canadian dollars)

Three months ended February 29, 2020

	Television	Radio	Corporate	Consolidated
Revenues	347,843	28,152	—	375,995
Direct cost of sales, general and administrative expenses	232,371	23,576	4,139	260,086
Segment profit (loss)⁽¹⁾⁽²⁾	115,472	4,576	(4,139)	115,909
Depreciation and amortization				40,299
Interest expense				29,783
Integration, restructuring and other costs				10,024
Other expense, net				5,448
Income before income taxes				30,355

Three months ended February 28, 2019

	Television	Radio	Corporate	Consolidated
Revenues	353,466	30,649	—	384,115
Direct cost of sales, general and administrative expenses	239,757	25,694	5,516	270,967
Segment profit (loss)⁽¹⁾	113,709	4,955	(5,516)	113,148
Depreciation and amortization				54,801
Interest expense				31,846
Integration, restructuring and other costs				4,047
Other expense, net				6,521
Income before income taxes				15,933

Six months ended February 29, 2020

	Television	Radio	Corporate	Consolidated
Revenues	777,794	66,079	—	843,873
Direct cost of sales, general and administrative expenses	483,704	49,475	10,670	543,849
Segment profit (loss)⁽¹⁾⁽²⁾	294,090	16,604	(10,670)	300,024
Depreciation and amortization				80,266
Interest expense				58,606
Integration, restructuring and other costs				12,558
Other expense, net				3,385
Income before income taxes				145,209

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

⁽²⁾ Segment profit for the three and six months ended February 29, 2020 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 for the quarter and year-to-date of approximately \$3.4 million and \$6.7 million, respectively. Further discussion of this can be found in the Impact of New Accounting Policies section of the Second Quarter 2020 Report to Shareholders.

(unaudited - in thousands of Canadian dollars)

Six months ended February 28, 2019

	Television	Radio	Corporate	Consolidated
Revenues	779,656	71,930	—	851,586
Direct cost of sales, general and administrative expenses	481,394	53,963	11,443	546,800
Segment profit (loss)⁽¹⁾	298,262	17,967	(11,443)	304,786
Depreciation and amortization				109,129
Interest expense				63,185
Integration, restructuring and other costs				17,228
Other expense, net				7,758
Income before income taxes				107,486

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

REVENUES BY TYPE

	Three months ended		Six months ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
(unaudited - in thousands of Canadian dollars)				
Advertising	225,860	240,284	548,269	561,619
Subscriber fees	123,750	125,639	247,419	252,323
Merchandising, distribution and other	26,385	18,192	48,185	37,644
	375,995	384,115	843,873	851,586

NON-IFRS FINANCIAL MEASURES

	Three months ended		Six months ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
(unaudited - in thousands of Canadian dollars, except per share amounts)				
Adjusted Net Income Attributable to Shareholders				
Net income attributable to shareholders	18,524	6,344	96,640	66,759
Adjustments, net of income tax:				
Impairment of investment in associates	—	6,409	—	6,409
Integration, restructuring and other costs	7,376	2,980	9,240	12,676
Adjusted net income attributable to shareholders	25,900	15,733	105,880	85,844
Basic earnings per share	\$0.09	\$0.03	\$0.46	\$0.31
Adjustments, net of income tax:				
Impairment of investment in associates	—	\$0.03	—	\$0.03
Integration, restructuring and other costs	\$0.03	\$0.01	\$0.04	\$0.06
Adjusted basic earnings per share	\$0.12	\$0.07	\$0.50	\$0.40

(unaudited - in thousands of Canadian dollars)	Three months ended		Six months ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
Free Cash Flow				
Cash provided by (used in):				
Operating activities ⁽¹⁾	65,743	86,320	123,215	131,691
Investing activities	(670)	(5,709)	(6,221)	(8,674)
	65,073	80,611	116,994	123,017
Add: cash used in business acquisitions, strategic investments and non-controlling interest ⁽²⁾	—	3,298	1,127	3,298
Free cash flow	65,073	83,909	118,121	126,315

⁽¹⁾ Free cash flow for the three and six months ended February 29, 2020 was impacted by the adoption of IFRS 16, effective September 1, 2019. This has resulted in an increase in free cash flow of approximately \$4.2 million for the quarter and \$8.0 million for the year-to-date. Further discussion of this can be found in the Impact of New Accounting Policies section of the First Quarter 2020 Report to Shareholders.

⁽²⁾ Strategic investments are comprised of investments in venture funds and associated companies

(unaudited - in thousands of Canadian dollars)	Six months ended	
	February 29, 2020	August 31, 2019
Net Debt and Net Debt to Segment Profit		
Total bank loans, net of unamortized financing fees	1,646,816	1,731,745
Lease liabilities	153,607	—
Cash and cash equivalents	(58,458)	(82,568)
Net debt	1,741,965	1,649,177
Segment profit (denominator) ⁽¹⁾	580,323	585,085
Net debt to segment profit	3.00	2.82

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