



YellowPagesTM



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This report is also available at www.corporate.yip.ca

Third Quarter 2019

Supplemental Disclosure

1. Segmented information

(in thousands on canadian dollars)

	FY 2017	FY 2018	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19
Revenues													
YP													
Print	165,674	127,897	40,338	49,302	38,684	37,350	32,974	37,825	29,038	28,060	25,873	30,121	23,838
Digital	417,466	357,705	106,820	106,503	104,305	99,838	94,860	91,514	88,609	82,722	77,802	76,489	74,309
YP - Total	583,140	485,602	147,158	155,805	142,989	137,188	127,834	129,339	117,647	110,782	103,675	106,610	98,147
Other	146,279	92,577	33,317	38,057	33,119	41,786	31,690	34,139	12,759	13,989	1,112	162	-
Intersegment eliminations	(1,452)	(984)	(267)	(347)	(412)	(425)	(210)	(266)	(256)	(252)	-	-	-
Total Revenues	727,967	577,195	180,208	193,515	175,696	178,549	159,314	163,212	130,150	124,519	104,787	106,772	98,147
Print	186,860	135,914	45,685	55,838	43,326	42,012	36,964	41,410	29,480	28,060	25,873	30,121	23,838
Digital	541,107	441,281	134,523	137,677	132,370	136,537	122,350	121,802	100,670	96,459	78,914	76,651	74,309
YP Segment revenue YoY %													
YP Total		(16.7%)					(13.1%)	(17.0%)	(17.7%)	(19.2%)	(18.9%)	(17.6%)	(16.6%)
YP Print		(22.8%)					(18.3%)	(23.3%)	(24.9%)	(24.9%)	(21.5%)	(20.4%)	(17.9%)
YP Digital		(14.3%)					(11.2%)	(14.1%)	(15.0%)	(17.1%)	(18.0%)	(16.4%)	(16.1%)
Gross Profit													
YP	339,478	306,157	84,768	90,862	82,022	81,826	78,903	82,734	74,557	69,963	64,011	66,035	59,044
YP Gross Profit %	58.2%	63.0%	57.6%	58.3%	57.4%	59.6%	61.7%	64.0%	63.4%	63.2%	61.7%	61.9%	60.2%
Other	44,536	33,660	9,738	13,597	10,340	10,861	11,776	13,896	3,454	4,534	509	141	-
Intersegment eliminations	(495)	(163)	(72)	(96)	(153)	(174)	(11)	(21)	(61)	(70)	-	-	-
Total Gross Profit	383,519	339,654	94,434	104,363	92,209	92,513	90,668	96,609	77,950	74,427	64,520	66,176	59,044
Gross Profit %	52.7%	58.8%	52.4%	53.9%	52.5%	51.8%	56.9%	59.2%	59.9%	59.8%	61.6%	62.0%	60.2%
Adjusted EBITDA¹													
YP	182,589	185,026	43,756	48,553	45,406	44,874	46,898	53,252	46,023	38,853	45,097	43,375	37,786
YP Adjusted EBITDA margin %	31.3%	38.1%	29.7%	31.2%	31.8%	32.7%	36.7%	41.2%	39.1%	35.1%	43.5%	40.7%	38.5%
Other	520	7,539	(2,222)	1,389	538	815	1,035	3,970	238	2,296	284	47	-
Total Adjusted EBITDA	183,109	192,565	41,534	49,942	45,944	45,689	47,933	57,222	46,261	41,149	45,381	43,422	37,786
Adjusted EBITDA margin % ¹	25.2%	33.4%	23.0%	25.8%	26.1%	25.6%	30.1%	35.1%	35.5%	33.0%	43.3%	40.7%	38.5%
CAPEX¹													
YP	53,773	9,556	12,749	10,178	16,488	14,358	4,415	(423)	1,763	3,801	2,416	2,712	2,351
Other	7,112	2,480	2,109	1,707	1,763	1,533	980	839	422	239	208	70	-
Total CAPEX	60,885	12,036	14,858	11,885	18,251	15,891	5,395	416	2,185	4,040	2,624	2,782	2,351
CAPEX % of revenues	8.4%	2.1%	8.2%	6.1%	10.4%	8.9%	3.4%	0.3%	1.7%	3.2%	2.5%	2.6%	2.4%
Adjusted EBITDA less CAPEX¹													
YP	128,816	175,470	31,007	38,375	28,918	30,516	42,483	53,675	44,260	35,052	42,681	40,663	35,435
YP Adjusted EBITDA less CAPEX margin %	22.1%	36.1%	21.1%	24.6%	20.2%	22.2%	33.2%	41.5%	37.6%	31.6%	41.2%	38.1%	36.1%
Other	(6,592)	5,059	(4,331)	(318)	(1,225)	(718)	55	3,131	(184)	2,057	76	(23)	-
Total Adjusted EBITDA less CAPEX	122,224	180,529	26,676	38,057	27,693	29,798	42,538	56,806	44,076	37,109	42,757	40,640	35,435
Adjusted EBITDA less CAPEX margin % ¹	16.8%	31.3%	14.8%	19.7%	15.8%	16.7%	26.7%	34.8%	33.9%	29.8%	40.8%	38.1%	36.1%

2. YP Customer information²

(on a trailing twelve month basis)

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19
Customer Count	238,100	235,000	231,700	227,300	219,500	207,700	197,000	186,700	178,800	170,600	162,000
Net Annual Change in Customers	(5,100)	(8,000)	(10,100)	(12,900)	(18,600)	(27,300)	(34,700)	(40,600)	(40,700)	(37,100)	(35,000)
ARPC	\$ 2,621	\$ 2,562	\$ 2,513	\$ 2,464	\$ 2,447	\$ 2,446	\$ 2,470	\$ 2,488	\$ 2,481	\$ 2,486	\$ 2,517

Definitions:

Customer Count : Number of YP customers advertising through one of our products as at the end of the reporting period on a trailing twelve month basis. These do not include 411.ca customers.

Net Annual Change in Customers : Net change in customer count on a year-over-year basis

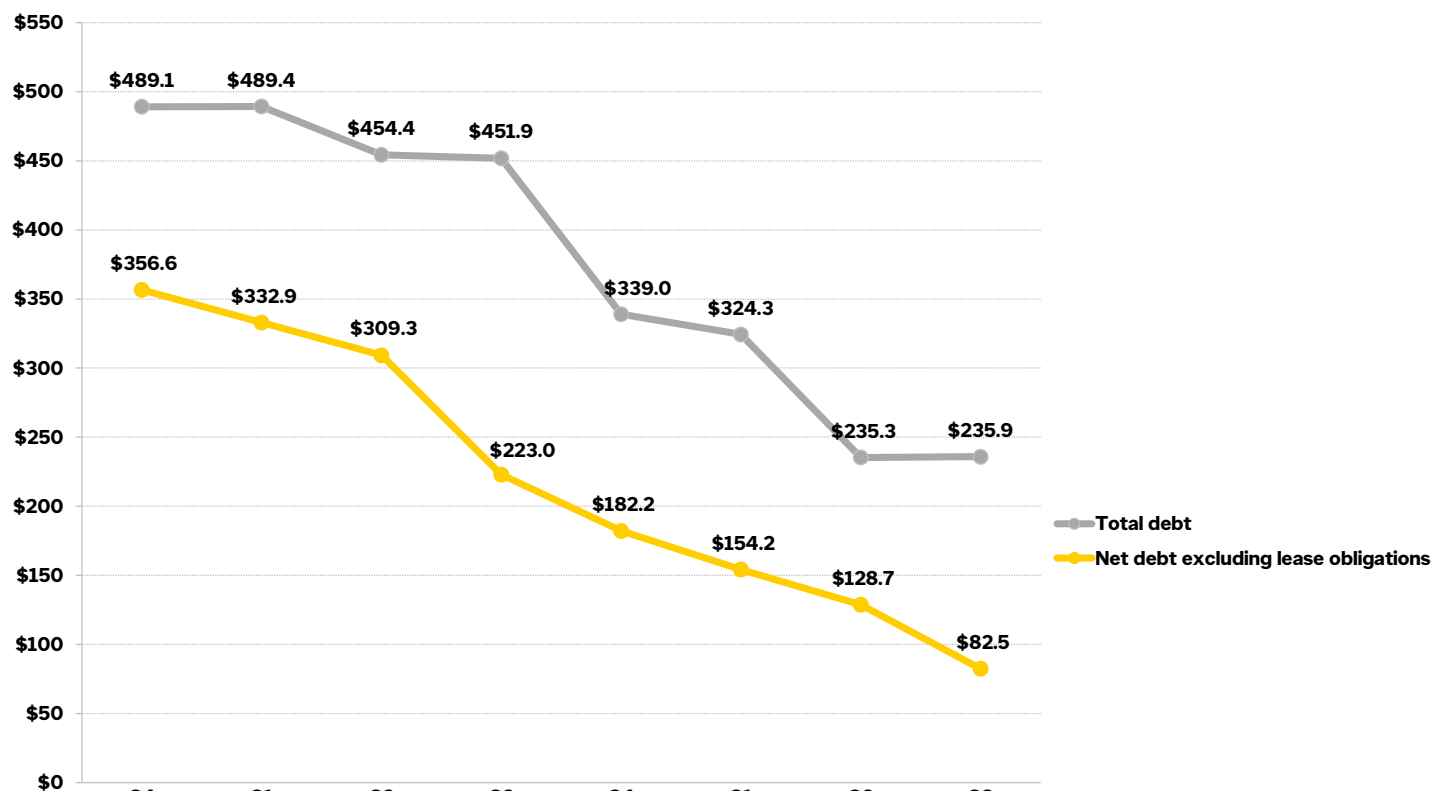
ARPC : YP Average contracted revenue per customer on a trailing twelve month basis excluding 411.ca

(1) Adjusted EBITDA, Adjusted EBITDA margin, CAPEX, Adjusted EBITDA less CAPEX and Adjusted EBITDA less CAPEX margin are non-GAAP financial measures and do not have any standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other public companies. Refer to the section on Non-GAAP financial measures at the end of this document for more details.

(2) These figures have been restated to exclude YP Dine customers

3. Total debt and Net debt excluding lease obligations¹

(in thousands on canadian dollars)



	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Senior Secured Notes	308.9	309.1	279.2	279.4	167.5	168.2	79.1	79.5
Exchangeable debentures	94.1	94.6	95.1	95.6	96.2	96.7	97.3	97.9
Lease obligations	86.2	85.7	80.1	76.8	75.3	59.4	58.9	58.5
Total debt	\$489.1	\$489.4	\$454.4	\$451.9	\$339.0	\$324.3	\$235.3	\$235.9
Lease obligations	(86.2)	(85.7)	(80.1)	(76.8)	(75.3)	(59.4)	(58.9)	(58.5)
Cash and restricted cash	(46.4)	(70.8)	(65.0)	(152.1)	(81.5)	(110.7)	(47.7)	(94.9)
Net debt excluding lease obligations	\$356.6	\$332.9	\$309.3	\$223.0	\$182.2	\$154.2	\$128.7	\$82.5

(1) Net debt excluding lease obligations is a non-GAAP financial measure and does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other public companies. Refer to the section on Non-GAAP financial measures at the end of this document for more details.

Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA margin

In order to provide a better understanding of the results, the Company uses the terms Adjusted EBITDA and Adjusted EBITDA margin. Adjusted EBITDA, or Income from operations before depreciation and amortization, and restructuring and other charges (defined herein as Adjusted EBITDA), as shown in Yellow Pages Limited's interim condensed consolidated statements of income. Adjusted EBITDA margin is defined as the percentage of Adjusted EBITDA to revenues. Adjusted EBITDA and Adjusted EBITDA margin are not performance measures defined under IFRS and are not considered an alternative to income from operations or net earnings in the context of measuring Yellow Pages performance. Adjusted EBITDA and Adjusted EBITDA margin do not have a standardized meaning and are therefore not likely to be comparable to similar measures used by other publicly traded companies. Management uses Adjusted EBITDA and Adjusted EBITDA margin to evaluate the performance of its business as it reflects its ongoing profitability. Management believes that certain investors and analysts use Adjusted EBITDA and Adjusted EBITDA margin to measure a company's ability to service debt and to meet other payment obligations or to value companies in the media and marketing solutions industry as well as to evaluate the performance of a business.

Adjusted EBITDA less CAPEX and Adjusted EBITDA less CAPEX margin

The Company also uses Adjusted EBITDA less CAPEX and Adjusted EBITDA less CAPEX margin, whereby Adjusted EBITDA less CAPEX is defined as Adjusted EBITDA, as defined above, less CAPEX which we define as additions to intangible assets and additions to property and equipment less lease incentives received as reported in the Investing Activities section of the Company's interim condensed consolidated statements of cash flows. Adjusted EBITDA less CAPEX margin is defined as the percentage of Adjusted EBITDA less CAPEX to revenues. Adjusted EBITDA less CAPEX and Adjusted EBITDA less CAPEX margin are non-GAAP financial measures and do not have any standardized meaning under IFRS and therefore, are unlikely to be comparable to similar measures presented by other publicly traded companies. We use Adjusted EBITDA less CAPEX and Adjusted EBITDA less CAPEX margin to evaluate the performance of our business as it reflects its ongoing profitability.

The most comparable IFRS financial measure to Adjusted EBITDA less Capex is income from operations before depreciation and amortization, and restructuring and other charges (defined above as Adjusted EBITDA) as shown in Yellow Pages Limited's interim condensed consolidated statements of income. Refer to page 5 and page 12 of the November 12, 2019 MD&A for a reconciliation of CAPEX and Adjusted EBITDA less CAPEX, respectively

Net debt excluding lease obligations

Net debt excluding lease obligations is a non-IFRS financial measure and does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other publicly traded companies. Net debt excluding lease obligations is comprised of Senior Secured Notes (including current portion) and Exchangeable debentures less Cash and restricted cash as presented in our interim condensed consolidated statements of financial position. We use net debt excluding lease obligations as an indicator of the Company's ability to cover financial obligations and reduce debt and associated interest charge as it represents the amount of debt excluding lease obligations that is not covered by available cash. We believe that certain investors and analysts use net debt to determine a company's financial leverage.

The most comparable IFRS financial measure is total debt, as presented in the capital disclosures note on page 53 in our annual consolidated financial statements. The table below the graph in section 3 of this document provides a reconciliation of total debt to net debt.