

TVA Group (TVA-B.TO)

Case Study by Thomas Giroux

Recommendation: (L) TVA-B.TO Price Target of 2.79 CAD
Estimated Total Returns: \approx 215%

January 29th, 2024

(000's of CAD, except per share amounts)

Shares Outstanding	43,205
Share Price	1.3
Market Cap	56,167
Total Debt	68,868
Cash	-
Enterprise Value	125,035

Major Shareholders

	Shares Owned (millions)	% of Out	Value (millions CAD)
Quebecor	25.22	64.86%	32.79
Rational Investment Group LLC	6.18	15.91%	6
Fidelity Management & Research Co LLC	1.2	3.25%	1
Chou Associates Management	0.05	0.13%	0.05

Pros (what's good for investors):

- **The cost-cutting measures from Q3 '23 are likely underpriced in the stock's price.**
- **The P/BV is almost 5x lower than industry peers.**
- **Underutilization of leverage which, once used, could fund growth.**

Cons (what needs to be fixed):

- **The board hasn't been revamped in too long, even amidst lacking results.**
- **NWC needs revision and optimization to solve intrinsic value proposition.**

Company Overview:

TVA Group operates as a multimedia services provider in the province of Québec. Its main business segments are Broadcasting, Magazines, Film Production & Audiovisual Services, and Production & Distribution. The Broadcasting segment creates, produces, and broadcasts entertainment, sports, news, and public affairs programming, as well as engages in commercial production; operates a French-language television network; markets digital products associated with various televisual brands; and provides custom publishing and specialty services. The Magazines segment publishes magazines in various fields, such as the arts, entertainment, television, fashion, and decoration; and markets digital products associated with various magazine brands. The Film Production & Audiovisual Services segment offers soundstage, mobile, and equipment rental services, as well as dubbing and described video, virtual and postproduction, and visual effects. The Production & Distribution segment produces and distributes television shows, movies, and television series worldwide. TVA Group Inc. was incorporated in 1960 and is headquartered in Montreal, Canada. The company operates as a subsidiary of Quebecor Media Inc.

Thesis:

The legacy media industry is suffering from changing trends (mostly coming from internet streaming content that is faster and cheaper to get a hold of). Moreover, the top line for the company is still very much robust as the main cash generating segments are still generating revenues. While restructuring has already been heavily underway in 23' with roughly a third of the workforce being fired, future actions will be required to see a rising stock price. However, it is my belief that the stock is discounted to its intrinsic value, especially with employee layoffs drastically cutting costs, misleading impairment charges and favorable financing with Quebecor that provides the needed liquidity to meet debt obligations and stay afloat. The main problem for TVA is the costs from operations that were growing faster than revenues.

Restructuring:

As mentioned previously, the layoffs that recently took place at TVA Group will undeniably help the enterprise reach a profitable bottom line. The robust top line earnings of the company are jeopardized by a higher growth rate of costs. Again, with roughly a third of the workforce fired the consequential savings are of 45,790,000 CAD. With such costs eliminated, positive net income is expected for the last quarter of 23'. Indeed, cost adjusted nine months ended 2023 net income is 7,911,000, versus (32,019,000) with employee costs prior to restructurings.

	Before restructuring	After
Number of employees	1,765	1,218
Employee costs (CAD 000's)	147,750	101,960

Employee layover	547
Employee costs after restructuring	101,960
Consequential savings CAD 000's	45,790

2023E

<i>CAD 000's</i>	Q123	Q223	Q323	9 Monhs Ended 23'
Revenues	136,103	138,760	118,620	393,483
<i>Growth</i>		2%	-17%	
Rights and audiovisual content costs	96,251	82,052	50,436	228,739
Printing and distribution	3,303	3,663	3,315	10,281
Services rendered by the parent corp.	8,586	8,245	6,327	23,158
Building costs	4,390	4,240	4,002	12,632
Marketing	4,309	3,719	3,484	11,512
Other	6,903	6,625	5,394	18,922
Employee costs	36,338	34,059	29,177	99,574
D&A	7,182	6,973	6,805	20,960
Financial expenses	(118)	(43)	947	786
Operational restructuring costs	902	120	7,684	8,706
Total costs	168,046	149,653	117,571	435,270
<i>Growth</i>		-12%	-27%	
Income (Loss) before tax recover	(31,943)	(10,893)	1,049	(41,787)
Income tax recovery	(8,319)	(3,006)	1,691	(9,634)
Share of income of associates	(91)	(40)	(3)	(134)
Net (loss) income	(23,533)	(7,847)	(639)	(32,019)

Employee layover	547
Employee costs before restructuring	147,750
Employee costs after restructuring	101,960
Consequential savings	45,790

Savings per quarter (for 23') 11,448

Empl costs 9 months ended
23' 99,574

Restructuration Savings 45,790

**Updated costs 9 months
ended 23' 53,784**

Net Income nine months ended 2023	7,911
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<i>CAD 000's</i>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Nine Months Ended	
Revenues	444,816	439,340	589,890	590,866	589,707	551,910	569,910	508,144	622,834	594,409	393,483	
<i>Growth</i>		-1%	26%	0%	0%	-7%	3%	-12%	18%	-5%		2%
Rights and audiovisual content costs	160,033	198,332	258,481	251,179	244,320	238,273	241,470	224,192	298,354	317,051	228,739	
Printing and distribution	19,382	17,012	31,875	33,227	27,765	24,076	20,913	15,399	15,071	14,555	10,281	
Services rendered by the parent corp.	21,971	22,293	26,745	29,200	29,890	37,092	36,357	31,891	34,299	33,346	23,158	
Building costs	8,873	9,007	20,173	21,286	21,338	20,403	17,245	16,932	16,552	16,603	12,632	
Marketing	15,712	14,842	15,360	17,730	16,066	14,762	15,066	13,958	15,344	17,290	11,512	
Other	27,514	22,085	31,264	31,727	33,975	22,565	22,081	17,400	23,536	28,429	18,922	
Employee costs	130,761	126,343	158,602	161,116	149,922	144,356	144,338	103,066	139,395	147,750	53,784	
D&A	21,430	22,104	33,515	35,961	34,874	35,542	40,311	33,330	32,107	29,947	20,960	
Financial expenses	6,265	4,231	4,104	3,378	2,449	2,477	3,892	2,535	2,674	1,305	786	
Operational restructuring costs	4,865	3,594	6,315	5,940	6,390	2,433	5,890	6,197	4,670	930	8,706	
Impairment of assets	-	41,000	60,107	40,100	42,405	-	-	-	-	-	-	
Total costs	416,806	480,843	646,541	630,844	609,394	541,979	547,563	464,900	582,002	607,206	389,480	
<i>Growth</i>		13%	26%	-2%	-4%	-12%	1%	-18%	20%	4%		3%
Income (Loss) before tax recover	28,010	(41,503)	(56,651)	(39,978)	(19,737)	9,931	22,347	43,244	40,832	(12,797)	4,003	
Income tax recovery	6,110	(8,753)	(7,818)	542	(3,631)	2,467	6,150	11,845	11,486	(3,113)	(3,113)	
Share of income of associates	6,154	8,338	6,134	(829)	(445)	(684)	(485)	(942)	(1,148)	(795)	(795)	
Net (loss) income	15,746	(41,088)	(54,967)	(39,691)	(15,661)	8,148	16,682	32,341	30,494	(8,889)	7,911	

Note on impairment of assets for Q3 23':

A great deal of costs in the third quarter for TVA was linked to impairment charges and goodwill impairment. Indeed, these costs were acknowledged after a value exercise of the broadcasting trademarks it has (the shows and movies it broadcasts). Although legitimate from an accounting point of view, it poses questionable impacts on the value of the stock itself by inflicting a negative net income for the quarter. The value attributed to the trademarks is very hard to assess and quite similar to art (it's only worth what a buyer is willing to buy it for and the potential buyers are limited, so is the demand). According to management in the Q3 2023 statement:

During the third quarter of 2023, unfavourable market conditions and the changing ecosystem of the television industry led the Corporation to perform an impairment test on its Broadcasting cash-generating unit. The Corporation concluded that the recoverable amount, based on fair value less costs of disposal, was less than its carrying amount. Accordingly, a \$4,813,000 goodwill impairment charge was recognized, as well as a \$2,850,000 impairment charge with respect to certain trademarks. (Q3 23' interim financial statement, p.10)

The main reason as to why this charge was incurred on the income statement is understandable, yet it's also not substantial enough to where is it should damage shareholder value. By adding back the 7.663 million impairment charge to revenues, the net income for Q3 23' stands at **7.024 million**.

Debts and Liquidity Concerns:

TVA has no cash on hand since 2022. However, it has multiple ways of meeting short term obligations via its credit facility with Quebecor (\$120 million @ 6.95% + spread of debt ratio) and its on-demand credit with an undisclosed bank (\$20 million @ 6.95%+ spread of debt ratio). As at Sept 30th, \$9.31 million from the on-demand credit and \$69 million from the credit facility were drawn (\$78.31 million total) at a cost of \$151,000.

Debt Obligations as at September 30 23' (CAD 000's)

	<1 year	1-3 years	3-5 years	>5 years	Total
Long-term debt	-	69,000	-	-	69,000
Lease liabilities	1,868	3,239	1,432	1,375	7,914
Payment of interest	6,083	4,753	202	94	11,132
Content rights	205,700	172,955	6,652	314	385,621
Other commitments	10,929	6,142	1,536	-	18,607
Total	224,580	256,089	9,822	1,783	492,274

NWC Problem:

After restructuring, it's clear that TVA will focus mainly on their best income-generating segment, the Broadcasting segment. By completing a DCF analysis of this segment alone, it's clear the enterprise still faces many problems. However, one key issue stems from net working capital (NWC). Indeed, since 2020, current assets have dramatically outgrown current liabilities, thus leading to a surge in change in NWC. This surge is due to rising audiovisual content value that is, rightfully so, a current asset (because it produces revenues in the short term), yet it's still capital that isn't put to work in the most efficient way. The first DCF analysis is performed using current change in NWC (14% of sales). The second DCF, where we generate returns, is performed using a scenario where NWC is of 6.25% of sales. According to the table below, the past fourth quarters of the past years (starting in 20') show an unusual rise in audiovisual content and is due to the royalties on movies broadcasted during the Holidays which have higher acquisition costs and a higher value as well.

Net Working Capital												
000's CAD	Q120	Q220	Q320	Q420	Q121	Q221	Q321	Q421	Q122	Q222	Q322	Q422
ST Audiovisual Content	92,164	72,770	72,539	112,982	113,447	101,408	107,401	108,530	120,972	101,354	110,937	135,038
%growth		-21%	0%	56%	0%	-11%	6%	1%	11%	-16%	9%	22%
Total Current Assets	241,281	234,586	253,250	274,488	289,199	281,364	285,979	334,146	339,915	309,548	299,811	323,134
%growth		-3%	8%	8%	5%	-3%	2%	17%	2%	-9%	-3%	8%
Total Current Liabilities	240,291	222,872	225,414	222,627	249,132	245,916	241,341	258,598	276,141	259,488	247,690	262,547
%growth		-7%	1%	-1%	12%	-1%	-2%	7%	7%	-6%	-5%	6%
Change in NWC	990	11,714	27,836	51,861	40,067	35,448	44,638	75,548	63,774	50,060	52,121	60,587

DCF (Current NWC Values):

WACC

Debt	82,872
% Debt	59.6%
Cost of Debt	6.95%
Tax Rate	27%

Equity Value	56,167
% Equity	40.4%
Cost of Equity	6.11%
Risk Free Rate	4.14%
Beta	0.69
Market Risk Premium	2.86%

Debt + Equity 139,039

WACC 5.49%

Broadcast Segment Only

Assumptions

Value Assumptions

WACC	5.49%
TGR	2.00%

000's CAD						1	2	3	4	5
Income Statement	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenue	417,597	443,754	408,754	491,762	479,458	489,047	498,828	508,805	518,981	529,360
% growth		6%	-8%	20%	-3%	2%	2%	2%	2%	2%
EBIT	17,191	32,843	52,563	36,799	(5,851)	37,535	38,286	39,051	39,832	40,629
% of sales	4%	7%	13%	7%	-1%	2%	2%	2%	2%	2%
Taxes	4,470	9,032	14,397	10,348	(5,851)	10,134	10,337	10,544	10,755	10,970
% of EBIT	26%	28%	27%	28%	0%	27%	27%	27%	27%	27%
Cash Flow Items	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
D&A	20,565	15,914	15,625	14,517	13,822	14,671	14,965	15,264	15,569	15,881
% of sales	5%	4%	4%	3%	3%	3%	3%	3%	3%	3%
CapEx	3,285	3,892	2,535	2,674	1,305	4,890	4,988	5,088	5,190	5,294
% of sales	1%	1%	1%	1%	0%	1%	1%	1%	1%	1%
Change in NWC	4,995	5,505	51,861	75,548	60,587	68,467	69,836	71,233	72,657	74,110
% of sales	1%	1%	13%	15%	13%	14%	14%	14%	14%	14%
DCF	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenue	417,597	443,754	408,754	491,762	479,458	489,047	498,828	508,805	518,981	529,360
% growth		6%	-8%	20%	-3%	2%	2%	2%	2%	2%
EBIT	17,191	32,843	52,563	36,799	(5,851)	37,535	38,286	39,051	39,832	40,629
% margin	4%	7%	13%	7%	-1%	2%	2%	2%	2%	2%
Taxes	4,470	9,032	14,397	10,348	(5,851)	10,134	10,337	10,544	10,755	10,970
% of EBIT	26%	28%	27%	28%	0%	27%	27%	27%	27%	27%
EBIAT						27,401	27,949	28,508	29,078	29,659
D&A						14,671	14,965	15,264	15,569	15,881
% of sales						3%	3%	3%	3%	3%
CapEx						4,890	4,988	5,088	5,190	5,294
% of sales						1%	1%	1%	1%	1%
Change in NWC						66,326	69,835	68,920	72,657	74,110
% of sales						14%	14%	14%	14%	14%
Unlevered FCF						(29,144)	(31,910)	(30,237)	(33,200)	(33,864)
Present Value of FCF						(27,627)	(28,673)	(25,755)	(26,806)	(25,918)
Terminal Value										(988,697)
Present Value of Terminal value										(756,715)
Enterprise Value										(891,493)
Add Cash										-
Sub Debt										68,868
Equity Value										(960,361)
Shares										43,205
Share Price										\$ (22.23)

DCF (NWC @ 6.25% of sales):

Scenario Assumptions										
Value Assumptions			Business Assumptions:							
WACC	5.49%		NWC 6.25% of sales							
TGR	2.00%									
000's CAD						1	2	3	4	5
Income Statement	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenue	417,597	443,754	408,754	491,762	479,458	489,047	498,828	508,805	518,981	529,360
% growth		6%	-8%	20%	-3%	2%	2%	2%	2%	2%
EBIT	17,191	32,843	52,563	36,799	(5,851)	37,535	38,286	39,051	39,832	40,629
% of sales	4%	7%	13%	7%	-1%	2%	2%	2%	2%	2%
Taxes	4,470	9,032	14,397	10,348	(5,851)	10,134	10,337	10,544	10,755	10,970
% of EBIT	26%	28%	27%	28%	0%	27%	27%	27%	27%	27%
Cash Flow Items	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
D&A	20,565	15,914	15,625	14,517	13,822	14,671	14,965	15,264	15,569	15,881
% of sales	5%	4%	4%	3%	3%	3%	3%	3%	3%	3%
CapEx	3,285	3,892	2,535	2,674	1,305	4,890	4,988	5,088	5,190	5,294
% of sales	1%	1%	1%	1%	0%	1%	1%	1%	1%	1%
Change in NWC	4,995	5,505	51,861	75,548	60,587	34,233	34,918	35,616	36,329	37,055
% of sales	1%	1%	13%	15%	13%	7%	7%	7%	7%	7%
DCF	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenue	417,597	443,754	408,754	491,762	479,458	489,047	498,828	508,805	518,981	529,360
% growth		6%	-8%	20%	-3%	2%	2%	2%	2%	2%
EBIT	17,191	32,843	52,563	36,799	(5,851)	37,535	38,286	39,051	39,832	40,629
% margin	4%	7%	13%	7%	-1%	2%	2%	2%	2%	2%
Taxes	4,470	9,032	14,397	10,348	(5,851)	10,134	10,337	10,544	10,755	10,970
% of EBIT	26%	28%	27%	28%	0%	27%	27%	27%	27%	27%
EBIAT	12,721	23,811	38,166	26,451	-	27,401	27,949	28,508	29,078	29,659
D&A	20,565	15,914	15,625	14,517	13,822	14,671	14,965	15,264	15,569	15,881
% of sales	5%	4%	4%	3%	3%	3%	3%	3%	3%	3%
CapEx	3,285	3,892	2,535	2,674	1,305	4,890	4,988	5,088	5,190	5,294
% of sales	1%	1%	1%	1%	0%	1%	1%	1%	1%	1%
Change in NWC	4,995	5,505	51,861	75,548	60,587	30,565	31,177	31,800	32,436	33,085
% of sales	1%	1%	13%	15%	13%	6.25%	6.25%	6.25%	6.25%	6.25%
Unlevered FCF	25,006	30,328	(605)	(37,254)	(48,070)	6,616	6,748	6,883	7,021	7,161
Present Value of FCF						6,271	6,064	5,863	5,669	5,481
Terminal Value										209,085
Present Value of Terminal value										160,026
Enterprise Value										189,375
Add Cash										-
Sub Debt										68,868
Equity Value										120,507
Shares										43,205
Share Price										\$ 2.79

Pressing Need to Change the Board:

The current board of directors of TVA hasn't been able to generate meaningful changes to a rapidly evolving ecosystem of media and broadcasting. Indeed, their questionable work experience and time as a board member raises doubts as to what "progress" and shareholder value has been gained with these individuals during their tenure at the company. To quantify their relevance at the company a grade (from 1 to 5, 5 being the best grade) was attributed to each individual based on their time on the board, the performance of the stock during their board presence and their outside work experience. It's clear that the new board members of TVA should have meaningful experience in crisis management and company turnarounds (reaching profitability). The most important factor at play in the choice for the next board members was also their ability to digitalize a business and to successfully scale the latter. Also, the proposed new board members are on average, 5 years younger which will help them being more in tune with industry trends.

Current members	Relevance to face changes (1-5)	Years on the Board	Industry Expertise (Work Title)	Age
Jacques Dorion	2	22	Media Consulting	75
Nathalie Elgrably-Lévy	1	16	Economist	55
Sylvie Lalonde	2	23	Media Manager	73
Régine Laurent	1	2	Nurse	67
A. Michel Lavigne	2	19	Accountant	73
Jean-Marc Léger	3	16	Poling Industry	62
Annick Mongeau	2	9	Public Relations	49
Daniel Paillé	1	6	Economist	73

Alternative members	Relevance to face changes (1-5)	Industry Expertise (Work Title)	Age	Current Company	Relevance?
Dax Dasilva	4	Digitalization	47	Lightspeed Commerce	Online profitability and platform building
Alain Bouchard	5	International Businessman	75	Alimentation Couche-tard	International acquisitions
George Schindler	4	International Businessman	60	CGI	IT and online business management
Julie Pilon	5	Online Scalability	50	MDF Commerce	Online market acquisition
Stephen K. Smith	5	Profitable Growth Advisor	70	Yellow Pages	Digital strategy and turnaround to profitability
Harley Finkelstein	5	Serial Entrepreneur	40	Shopify	Experienced Media Board Member

Last Problem to Address, EBITDA Margin:

Pierre-Karl Péladeau mentioned in the last two quarterly earnings reports that by cutting 547 jobs and reallocating the resources of now defunct divisions to the "Broadcasting" segment, the EBITDA margin would eventually grow and prevent unsurmountable COGS and S, G & A. Below is a guideline to highlight the discrepancy between TVA's EBITDA margin and its Comps.

Historical EBITDA Margin on Broadcasting		EBITDA Margin %						
Company	Segment	2018	2019	2020	2021	2022	2023	Co. Average
TVA Group	Broadcasting	6.73%	10.03%	14.93%	9.09%	-0.12%	-2.03%	6.44%
Fox Corp	Television	7.42%	7.86%	6.46%	7.88%	4.52%	11.58%	7.62%
Gray Television Inc	Broadcasting	39.76%	28.70%	35.56%	23.29%	30.67%	18.37%	29.39%
Stingray Group	Broadcasting	35.25%	35.99%	41.23%	51.67%	36.64%	39.29%	40.01%
Corus Entertainment	Television	36.14%	37.12%	36.12%	37.97%	30.69%	24.18%	33.70%
Average (ex TVA)		29.64%	27.42%	29.84%	30.20%	25.63%	23.36%	23.43%
Highest		39.76%	37.12%	41.23%	51.67%	36.64%	39.29%	
Lowest		7.42%	7.86%	6.46%	7.88%	4.52%	11.58%	

Comps:

When conducting a comps analysis with several other media enterprises in North America, two pros stand out:

- Low P/BV (almost 5x lower than industry average)
- Underusage of leverage (D/E = 26.4% vs 159.3% avg) that could be used to nurture financial stability, or even fund new higher growth opportunities

Comps USD millions												
Stock Price USD 21/05		FX	LTM Rev (USD)	MC (USD)	EV (USD)	LTM EPS	LTM EBITDA Mrgn	P/E	LTM Net Debt	P/BV(LTM)	LTM EV/EBITDA	Debt/Equity
\$ 1.44	TVA Group	CAD	401.1	45.8	113.2	(0.82)	-1.5%	-	67.5	0.17x	-	26.4%
\$ 31.14	Fox Corp	USD	14,557	14,146.9	19,750.9	1.67	18.9%	18.21	5,288.0	1.42x	6.8x	89.0%
\$ 27.23	Liberty SiriusXM Group	USD	8,953	8,902.0	22,759.9	2.54	28.2%	11.26	10,831.0	0.97x	8.6x	84.4%
\$ 6.11	Gray Television Inc	USD	3,281	623.7	7,492.7	(1.39)	24.0%	-	6,219.0	0.35x	9.3x	238.1%
\$ 7.92	Stingray Group	CAD	250.6	400.0	698.1	0.39	31.4%	14.94	297.2	1.60x	8.6x	134.7%
\$ 0.70	Corus Entertainment	CAD	1,066.7	102.0	1,048.1	(1.58)	21.4%	-	844.6	0.47x	4.4x	250.2%
Average (exTVA)			5,621.7	4,835.4	10,349.9	0.326	24.78%	14.80	4,696.0	0.96x	7.5x	159.3%
Highest			14,557.0	14,146.9	22,759.9	2.54	31.4%	18.21	10,831.0	1.60x	9.3x	250.2%
Lowest			250.6	45.8	113.2	(1.58)	-1.5%	11.26	297.2	0.47x	4.4x	84.4%

Other Risks:

- **The overall industry in which TVA operates is under a great deal of pressure coming from online alternatives.**
- **The debt/liquidity situation of the enterprise could get tricky if top line is affected in near term.**
- **EBITDA margin needs to increase significantly (get closer to industry average) for TVA to stay afloat.**

Summary:

- **Recent employee cuts will absolutely alleviate bottom line pressures and are most likely mispriced at the 1.3 CAD levels.**
- **A great deal of costs for Q3 23' were incurred following a dubious impairment test on the broadcasting segment's assets.**
- **As mentioned in risks above, the debt schedule of the company isn't too stressful just yet (and the cost of debt is acceptable given the current state of TVA) but could prove to be problematic if mishandled.**
- **DCF analysis of the broadcasting segment shows a value of 2.79 CAD after proper guidance.**

Historical Financials:

Segmented EBITDA															
CAD 000's															
	Q120	Q220	Q320	Q420	Q121	Q221	Q321	Q421	Q122	Q222	Q322	Q422	Q123	Q223	Q323
Revenues															
Broadcasting	108,061	86,767	97,400	116,513	113,922	129,158	111,118	137,564	114,139	122,168	104,601	138,550	116,010	115,840	98,317
Growth %	-20%	12%	20%	-2%	13%	-14%	24%	-17%	7%	-14%	32%	-16%	0%	-15%	
Film Production & Audiovisual Services	17,982	7,460	11,856	21,366	18,017	17,949	28,070	21,985	19,351	18,334	17,304	19,925	14,272	12,239	12,519
Growth %	-59%	59%	80%	-16%	0%	56%	-22%	-12%	-5%	-6%	15%	-28%	-14%	2%	
Magazines	10,923	10,037	12,569	13,419	10,507	11,508	11,630	12,010	9,661	10,374	9,945	10,567	8,647	9,362	9,342
Growth %	-8%	25%	7%	-22%	10%	1%	3%	-20%	7%	-4%	6%	-18%	8%	0%	
Production & Distribution	4,753	2,869	1,884	1,926	3,275	6,391	5,071	5,688	5,980	2,456	3,279	8,276	2,341	5,882	2,550
Growth %	-40%	-34%	2%	70%	95%	-21%	12%	5%	-59%	34%	152%	-72%	151%	-57%	
Intersegment items	(3,955)	(3,278)	(4,172)	(5,606)	(4,913)	(5,584)	(5,186)	(5,346)	(4,634)	(5,863)	(4,610)	(5,394)	(5,167)	(4,563)	(4,108)
	137,764	103,854	119,538	147,619	140,808	159,423	150,703	171,901	144,497	147,469	130,519	171,926	136,102	138,761	118,619
Adjusted EBITDA															
Broadcasting	3,829	3,470	16,938	36,739	(3,582)	6,284	21,624	20,364	(15,468)	(149)	14,067	965	(22,806)	(4,539)	14,456
Film Production & Audiovisual Services	3,172	507	2,947	7,453	3,628	3,913	10,565	4,812	3,844	2,172	2,585	4,283	(555)	(413)	669
Magazines	664	2,890	2,999	2,122	1,763	1,758	2,048	1,919	440	1,646	1,222	495	(367)	309	1,288
Production & Distribution	667	428	427	(369)	292	2,007	1,222	1,547	1,553	(489)	49	1,752	(355)	582	(146)
Intersegment items	175	71	52	125	35	3	45	36	(90)	55	272	181	106	218	218
	8,507	7,366	23,363	46,070	2,136	13,965	35,504	28,678	(9,721)	3,235	18,195	7,676	(23,977)	(3,843)	16,485
D&A	8,531	8,471	8,124	8,204	8,258	7,944	8,136	7,769	7,620	7,462	7,446	7,419	7,182	6,973	6,805
Financial expenses	670	665	634	566	701	705	649	619	500	94	64	647	(118)	(43)	947
Operational restructuring costs	302	1,802	2,734	1,359	(273)	435	20	4,488	20	113	49	748	902	120	7,684
EBITDA	(996)	(3,572)	11,871	35,941	(6,550)	4,881	26,699	15,802	(17,861)	(4,434)	10,636	(1,138)	(31,943)	(10,893)	1,049

CAD 000's																
	Q120	Q220	Q320	Q420	Q121	Q221	Q321	Q421	Q122	Q222	Q322	Q422	Q123	Q223	Q323	
CF related to operating activities																
Net (loss) income		(712)	(2,737)	8,407	27,383	(4,452)	3,852	19,001	12,093	(13,015)	(3,209)	7,599	(264)	(23,533)	(7,847)	(639)
D&A	8,531	8,471	8,124	8,204	8,258	7,944	8,136	7,769	7,620	7,462	7,446	7,419	7,182	6,973	6,805	
Share of (income) loss of associates	(257)	(169)	21	(537)	(402)	(261)	111	(596)	(249)	(163)	195	(578)	(91)	(40)	(3)	
Deferred income taxes	(2,135)	318	(303)	(1,383)	(124)	(557)	(295)	1,879	(980)	(559)	(2,004)	698	1,054	(3,204)	(819)	
Impairment of assets and other	22	(253)	13	(316)	(81)	13	13	7	13	635	13	791	13	43	7,696	
	5,449	5,583	16,262	33,351	3,199	10,991	26,966	21,152	(6,611)	4,166	13,249	8,066	(15,375)	(4,075)	13,040	
Net change in non-cash in operating activities	10,129	22,960	(37,587)	(18,229)	4,238	(34,838)	(5,376)	16,553	(3,991)	(843)	(15,073)	29,091	24,937	(93,040)	6,372	
Cash flows provided (used in) from operating activities	15,578	28,543	(21,325)	15,122	7,437	(23,847)	21,590	37,705	(10,602)	3,323	(1,824)	37,157	9,562	(97,115)	19,412	
CF related to investing activities																
Additions to PP&E	(4,823)	(1,965)	(2,458)	(4,229)	(3,737)	(2,999)	(4,488)	(5,925)	(5,196)	(7,112)	(3,939)	(3,989)	(1,667)	(210)	(996)	
Additions to intangible assets	(1,033)	(488)	(549)	(599)	(1,004)	(497)	(346)	(942)	(423)	(305)	(87)	(299)	(125)	(54)	(46)	
Business acquisitions	-	-	-	(3,519)	(606)	-	-	-	-	(3,750)	(2,573)	-	-	-	-	
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(1,150)	-	-	-	-	
Other	-	401	271	13	-	-	271	-	-	-	271	-	-	-	271	
Cash flows used in investing activities	(5,856)	(2,052)	(2,736)	(8,334)	(5,347)	(3,496)	(4,563)	(6,867)	(5,619)	(11,167)	(7,478)	(4,288)	(1,792)	(264)	(771)	
Cash flows related to financing activities																
Net change in bank indebtedness	5,416	458	(258)	(3,917)	1,553	2,292	43	(5,587)	1,574	1,422	5,624	(7,513)	2,106	6,918	3,873	
Net change in revolving credit facility	(14,732)	(26,134)	25,252	(2,123)	(3,085)	25,920	(16,130)	(21,842)	12,990	6,885	1,835	(24,729)	(8,970)	-	-	
Net change in long-term debt	-	-	-	-	-	-	-	(741)	(796)	-	-	-	-	91,000	(22,000)	
Repayment of lease liabilities	(856)	(867)	836	(835)	(979)	(749)	(786)	-	(715)	(580)	(627)	(853)	(525)	(514)		
Other	(53)	-	-	-	(53)	-	(125)	-	(53)	-	-	-	(53)	(14)	-	
Cash flows (used in) provided by financing activities	(10,225)	(26,543)	25,830	(6,875)	(2,564)	27,463	(16,998)	(28,170)	13,715	7,592	6,879	(32,869)	(7,770)	97,379	(18,641)	
Net change in cash	(503)	(52)	97	(87)	(474)	120	29	2,668	(2,506)	(252)	(2,423)	-	-	-	-	
Cash at beginning of period	3,383	2,880	2,828	2,925	2,838	2,364	2,484	2,513	5,181	2,675	2,423	-	-	-	-	
Cash at end of period	2,880	2,828	2,925	2,838	2,364	2,484	2,513	5,181	2,675	2,423	-	-	-	-	-	
Interest and taxes reflected as operating activities																
Net interest paid	707	304	268	641	369	383	381	382	294	294	450	728	298	258	1,442	
Income taxes paid (received)	3,029	44	2,310	742	10,763	2,344	5,150	3,483	3,817	1,906	(1,975)	(189)	1,209	1,338	585	