

## *Mediagrif reports its results for fiscal year 2018*

### Fiscal year 2018 highlights:

- Revenues up 4.1% to reach \$80.9 million.
- Adjusted EBITDA<sup>1</sup> of \$23.4 million including non-recurring expenses of \$2.0 million.
- Cash flow from operating activities totaled \$17.9 million.
- Adjusted profit<sup>2</sup> of \$8.5 million (\$0.57 per share).
- Acquisition of the assets of Orchestra completed on June 23, 2017.

### Quarterly dividend:

- Declaration of a quarterly dividend of \$0.10 per share payable on July 16, 2018 to shareholders of record on July 3, 2018.

**Longueuil, Canada, June 12, 2018** – Mediagrif Interactive Technologies Inc. (TSX: MDF), a Canadian leader in information technology, today announced its financial results for the year ended March 31 2018. Unless otherwise indicated, all amounts are in Canadian dollars.

### SUMMARY OF CONSOLIDATED RESULTS

In thousands of Canadian dollars, except per share amounts Unaudited by independent auditors	Three months ended March 31,		Fiscal years ended March 31,	
	2018 \$	2017 \$	2018 \$	2017 \$
<b>Revenues</b>	<b>20,479</b>	19,996	<b>80,937</b>	77,738
<b>Adjusted EBITDA<sup>1</sup></b>	<b>5,620</b>	6,384	<b>23,372</b>	28,554
<b>Operating profit</b>	<b>3,427</b>	4,579	<b>14,924</b>	21,447
<b>Adjusted profit for the period<sup>2</sup></b>	<b>2,099</b>	3,578	<b>8,534</b>	15,841
<b>Profit</b>	<b>2,099</b>	3,578	<b>7,177</b>	15,841
<b>Adjusted earnings per share<sup>2</sup> (basic and diluted)</b>	<b>0.14</b>	0.24	<b>0.57</b>	1.06
<b>Earnings per share (basic and diluted)</b>	<b>0.14</b>	0.24	<b>0.48</b>	1.06
<b>Basic and diluted weighted average number of shares outstanding (in thousands)</b>	<b>14,849</b>	14,975	<b>14,870</b>	14,993

<sup>1</sup>See reconciliation of adjusted EBITDA and profit as well as the “About Mediagrif Interactive Technologies Inc.” section.

<sup>2</sup>See reconciliation of adjusted profit and profit as well as the “About Mediagrif Interactive Technologies Inc.” section.

## **FISCAL YEAR ENDED MARCH 31, 2018**

For fiscal year 2018, revenues reached \$80.9 million, an increase of 4.1% compared to \$77.7 million in fiscal year 2017.

The increase in revenues is mainly attributable to the addition of Orchestra revenues of \$4.0 million for a period of nine months following its acquisition on June 23, 2017 as well as additional revenues from ASC of \$1.3 million for a full twelve-month period in fiscal year 2018 compared to a ten-month period during fiscal year 2017. In addition, InterTrade and BidNet platforms continued their organic growth adding \$1.0 million in revenues during fiscal year 2018.

These revenues increases were partially offset by lower revenues at Jobboom for a total amount of \$1.2 million mainly due to price adjustments reflecting market conditions as the number of customers remained stable during the year with the number of job postings increasing 78% when compared to fiscal year 2017.

With respect to LesPAC, following the launch of free ads posting to consumers on several ad categories on March 1, 2017, total ads posted increased by 176 % during fiscal year 2018 when compared to fiscal year 2017. While revenues from ad posting decreased by \$1.0 million during fiscal year 2018, the initiatives launched to compensate for this expected decrease have shown good results, most notably during the last two quarters of fiscal year 2018 where ad revenues basically remained at the same level than fiscal year 2017.

During all of fiscal year 2018, the Corporation continued its investments in technology and infrastructure as well as in sales and marketing in order to seize market opportunities, respond to competitive environments and strengthen its position in its growing businesses areas.

As of today, these initiatives have shown good results with the conclusion of agreements with current and new customers during fiscal year 2018.

The Corporation will continue to invest in order to increase the organic growth of its platforms operating in growing fields of activity.

Adjusted EBITDA for fiscal year 2018 totalled \$23.4 million and includes non-recurring expenses of \$2.0 million mostly related to retention incentives and termination benefits. In addition, adjusted EBITDA for fiscal year 2018 includes a \$1.3 million operational loss from Orchestra.

Profit reached \$7.2 million (\$0.48 per share), compared to \$15.8 million (\$1.06 per share) during fiscal year 2017.

Profit for fiscal year 2018 includes a non-cash non-recurring income tax expense of \$1.4 million (\$0.09 per share) following the U.S. tax reform enacted on January 1, 2018. In addition, a foreign exchange loss of \$0.6 million on assets denominated in U.S. dollars and an interest expense of \$0.4 million related to a tax settlement have been recorded during fiscal year 2018, compared to a foreign exchange gain of \$0.4 million during fiscal year 2017.

The Corporation expects the US corporate tax rate reduction to have a positive impact on its profit in future fiscal years.

## **FOURTH QUARTER OF FISCAL YEAR 2018**

For the fourth quarter of fiscal year 2018, revenues reached \$20.5 million, an increase of \$0.5 million when compared to the fourth quarter of fiscal year 2017.

Adjusted EBITDA for the fourth quarter of fiscal year 2018 totaled \$5.6 million and includes non-recurring retention incentives of \$0.2 million in connection with the acquisition of Orckestra. Furthermore, adjusted EBITDA for the fourth quarter of fiscal year 2018 includes a \$0.3 million operational loss from Orckestra compared to a \$0.7 million loss during the third quarter of the current fiscal year.

Profit reached \$2.1 million (\$0.14 per share) compared to \$3.6 million (\$0.24 per share) during the fourth quarter of fiscal year 2017. Profit for the fourth quarter of fiscal year 2018 also includes a non-deductible interest expense of \$0.4 million related to a tax settlement.

## **FINANCIAL POSITION AND FINANCING**

During fiscal year 2018, cash flows generated by operating activities reached \$17.9 million, compared to \$23.7 million in fiscal year 2017.

The Corporation used a portion of these funds and funds available on its credit facility to proceed with the acquisition of Orckestra for an amount of \$1.5 million. In addition, acquisition of capital assets for \$3.7 million and repayments of long term debt for an amount of \$3.4 million have been made during fiscal year 2018.

Also during fiscal year 2018, the Corporation paid out a total of \$6.0 million (\$0.40 per share) in dividends.

As at March 31, 2018, the Corporation had \$13.2 million in cash and cash equivalents and \$51.8 million available on its revolving credit facility of \$80.0 million.

## **QUARTERLY DIVIDEND**

The Board of Directors of Mediagrif declared a quarterly dividend of \$0.10 per share payable on July 16, 2018, to shareholders of record on July 3, 2018.

## RECONCILIATION OF ADJUSTED EBITDA AND PROFIT

Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, foreign exchange gain (loss) and other revenues (expenses) as historically calculated by the Corporation.

In thousands of Canadian dollars Unaudited by independent auditors	Three months ended March 31,		Fiscal years ended March 31,	
	2018 \$	2017 \$	2018 \$	2017 \$
<b>Profit</b>	<b>2,099</b>	3,578	<b>7,177</b>	15,841
Income tax expense	1,110	795	5,814	5,079
Depreciation of property, plant and equipment and amortization of intangible assets	864	686	3,281	2,575
Amortization of acquired intangible assets	1,304	1,105	5,093	4,679
Amortization of deferred financing costs	10	10	40	40
Amortization of deferred lease inducement	(33)	(32)	(137)	(284)
Foreign exchange loss (gain)	(437)	82	618	(437)
Interest on long-term debt and interest related to a tax settlement, net amount	704	155	1,487	885
Loss (gain) on disposal of property, plant and equipment and intangible assets	(1)	5	(1)	176
<b>Adjusted EBITDA</b>	<b>5,620</b>	6,384	<b>23,372</b>	28,554

## RECONCILIATION OF PROFIT AND ADJUSTED PROFIT

Adjusted profit represents profit before the income tax expense related to the U.S. tax reform announced on December 22, 2017.

In thousands of Canadian dollars Unaudited and not reviewed by independent auditors	Three months ended March 31,		Fiscal years ended March 31,	
	2018 \$	2017 \$	2018 \$	2017 \$
<b>Profit</b>	<b>2,099</b>	3,578	<b>7,177</b>	15,841
Income tax expense related to the U.S. tax reform	-	-	1,357	-
<b>Adjusted profit</b>	<b>2,099</b>	3,578	<b>8,534</b>	15,841
<b>Adjusted earnings per share</b>	<b>0.14</b>	0.24	<b>0.57</b>	1.06

## **About Mediagrif Interactive Technologies Inc.**

[Mediagrif Interactive Technologies Inc.](http://www.mediagrif.com) (TSX: MDF) is a Canadian leader in information technology offering strategic sourcing and unified commerce solutions as well as B2B and B2C marketplaces. Mediagrif's solutions are used by millions of consumers and businesses in North America and around the world. The Corporation has offices in Canada, the United States, Denmark and China. For more information, please visit us at [www.mediagrif.com](http://www.mediagrif.com) or call 1 877 677-9088.

*In addition to providing profit measures in accordance with IFRS, the Corporation shows operating profit and earnings before interest, taxes, depreciation, amortization, foreign exchange gain (loss) and other revenues (expenses) ("Adjusted EBITDA") as supplementary earnings measures. Operating profit and adjusted EBITDA are not intended to be measures that should be regarded as an alternative to other financial operating performance measures prepared in accordance with IFRS. Those measures do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Adjusted EBITDA is provided to assist investors in determining the Corporation's ability to generate profitability from its operations and to evaluate its financial performance.*

*This press release contains certain forward-looking statements with respect to the Corporation. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those expected by these forward-looking statements. We consider the assumptions on which these forward-looking statements are based to be reasonable, but caution the reader that these assumptions regarding future events, many of which are beyond our control, may ultimately prove to be incorrect since they are subject to risks and uncertainties that affect us. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities legislation. Unless otherwise indicated, all amounts are in Canadian dollars.*

Audited consolidated financial statements, accompanying notes and MD&A are available on [www.mediagrif.com](http://www.mediagrif.com) and have been filed with SEDAR at the following address: [www.sedar.com](http://www.sedar.com).

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### **For further information:**

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