TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE
KING CITY, ONTARIO
TSX: TWC **March 1, 2024**

TWC ENTERPRISES LIMITED ANNOUNCES 2023 YEAR END RESULTS AND INCREASE IN ELIGIBLE DIVIDEND

Consolidated Financial Highlights

	Three months ended		Year ended	
(in thousands of dollars except per share amounts)	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Net earnings	**$ 4,289**	$ 4,245	**$ 22,042**	$ 18,666
Basic and diluted earnings per share	**$ 0.18**	$ 0.17	**$ 0.90**	$ 0.76

Operating Data

	Three months ended		Year ended	
	December 31, 2023	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Canadian Full Privilege Golf Members			**15,256**	15,417
Championship rounds – Canada	**129,000**	150,000	**1,087,000**	1,177,000
18-hole equivalent championship golf courses – Canada			**35.5**	37.5
18-hole equivalent managed championship golf courses – Canada			**2.0**	2.0
Championship rounds – U.S.	**52,000**	70,000	**254,000**	269,000
18-hole equivalent championship golf courses – U.S.			**6.5**	8.0

The following is an analysis of net earnings:

(thousands of Canadian dollars)	**Year Ended December 31, 2023**	Year Ended December 31, 2022
Operating revenue	**$ 225,865**	$ 186,512
Direct operating expenses [1]	**185,804**	137,936
Net operating income [1]	**40,061**	48,576
Amortization of membership fees	**4,604**	4,294
Depreciation and amortization	**(14,192)**	(17,856)
Interest, net and investment income	**8,973**	806
Other items	**(7,896)**	(7,998)
Income taxes	**(9,508)**	(9,156)
Net earnings	**$ 22,042**	$ 18,666

The following is a breakdown of net operating income (loss) by segment:

(thousands of Canadian dollars)	**Year Ended December 31, 2023**	Year Ended December 31, 2022
Net operating income (loss) by segment		
Canadian golf club operations	**$ 42,730**	$ 48,521
US golf club operations (2023 - US $4,043,000: 2022 - US $2,940,000)	**5,463**	3,742
Corporate and other	**(8,132)**	(3,687)
Net operating income [1]	**$ 40,061**	$ 48,576

Operating revenue is calculated as follows:

(thousands of Canadian dollars)	**Year Ended December 31, 2023**	Year Ended December 31, 2022
Annual dues	**$ 69,399**	$ 68,105
Golf	**44,817**	44,594
Corporate events	**7,595**	7,850
Food and beverage	**30,859**	31,057
Merchandise	**14,083**	13,547
Real estate	**54,594**	15,811
Rooms and other	**4,518**	5,548
Operating revenue	**$ 225,865**	$ 186,512

Direct operating expenses are calculated as follows:

(thousands of Canadian dollars)		Year Ended December 31, 2023		Year Ended December 31, 2022
Operating cost of sales	**$**	**19,890**	$	18,686
Real esate cost of sales		**59,895**		16,394
Labour and employee benefits		**63,579**		60,927
Utilities		**7,445**		7,707
Selling, general and administrative expenses		**5,124**		5,616
Property taxes		**3,136**		3,116
Insurance		**4,415**		3,650
Repairs and maintenance		**5,482**		5,150
Turf operating expenses		**4,230**		4,312
Fuel and oil		**1,513**		1,746
Other operating expenses		**11,095**		10,632
Direct Operating Expenses (1)	**$**	**185,804**	$	137,936

(1) Please see Non-IFRS Measures

2023 Consolidated Operating Highlights

Operating revenue increased 21.1% to $225,865,000 in 2023 from $186,512,000 in 2022 due to the revenue from 31 Highland Gate home sales in 2023 (2022 – 10).

Direct operating expenses increased 34.7% to $185,804,000 in 2023 from $137,936,000 in 2022 due to the cost of sales from the 31 Highland Gate home sales in 2023 (2022 – 10), as well as above normal increases in labour and certain operating expenses. It continues to be a challenging environment in being able to manage labour costs due to the above normal minimum wage increases and a competitive environment for hiring staff.

Net operating income for the Canadian golf club operations segment decreased 11.0% to $42,730,000 in 2023 from $48,521,000 in 2022 due to the conclusion of ClubLink's lease of The Country Club which expired as of December 31, 2022, as well as above normal increases in labour and certain operating expenses. There has also been a noticeable decline in traffic in the Muskoka, Ontario tourist region this summer which has affected the results of the Company's resorts which operate in this area.

Depreciation and amortization decreased 20.0% to $14,192,000 in 2023 from $17,856,000 in 2022 due to the conclusion of The Country Club lease which has also resulted in a decline in depreciation of right-of-use assets.

Interest, net and investment income increased to income of $8,973,000 in 2023 from $806,000 in 2022 due to a decrease in borrowings and an increase in distributions from the Company’s investment in Automotive Properties REIT. On September 1, 2022, the Company paid off several non-revolving mortgages in advance of their due dates resulting in an expense of $2,604,000 which includes prepayment penalties and other costs.

Other items consist of the following income (loss) items:

		Year Ended December 31, 2023		Year Ended December 31, 2022
Foreign exchange gain	$	**659**	$	247
Unrealized loss on investment in marketable securities		**(20,763)**		(15,754)
Contingent contractual obligation		**6,620**		-
Gain on sale of investments in joint venture		**6,437**		-
Gain on property, plant and equipment		**1,182**		376
Equity income (loss) from investments in joint ventures		**(123)**		457
Gain (loss) on real estate fund investments		**(510)**		6,356
Allowance on loans receivable		**(150)**		-
Demolition of Woodlands clubhouse		**(262)**		-
Insurance proceeds		**187**		580
Other		**(1,173)**		(260)
Other items	$	**(7,896)**	$	(7,998)

At December 31, 2023, the Company recorded unrealized losses of $20,763,000 on its investment in marketable securities (December 31, 2022 - loss of $15,754,000). This loss is attributable to the fair market value adjustments of the Company's investment in Automotive Properties REIT. The Company also recorded losses of $510,000 (December 31, 2022 - gain of $6,356,000) on fair market value adjustments of its real estate fund investments in relation to Florida and southeastern US real estate.

The contingent contractual obligation of USD$5,000,000 (CDN$6,620,000) originating from the sale of White Pass in 2018 expired in July 2023 and as such has been reversed since it had not been expended.

On September 20, 2023, the Company completed the divestiture of its investment in the Geranium real estate management company along with other non-Highland Gate joint ventures in which it was a co-investor with the Geranium Group. These assets were purchased by the Company’s co-investors with Geranium. Total proceeds for the transaction were $12,500,000 including deferred proceeds of $5,300,000. A gain of $6,437,000 was recorded as a result of the transaction.

Net earnings increased to $22,042,000 in 2023 from $18,666,000 in 2022 due to the increase in interest, net and investment income as described above. Basic and diluted earnings per share increased to 90 cents per share in 2023, compared to 76 cents in 2022.

Non-IFRS Measures

TWC uses non-IFRS measures as a benchmark measurement of our own operating results and as a benchmark relative to our competitors. We consider these non-IFRS measures to be a meaningful supplement to net earnings. We also believe these non-IFRS measures are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance. These measures, which included direct operating expenses and net operating income do not have standardized meaning under IFRS. While these non-IFRS measures have been disclosed herein to permit a more complete comparative analysis of the Company’s operating performance and debt servicing ability relative to other companies, readers are cautioned that these non-IFRS measures as reported by TWC may not be comparable in all instances to non-IFRS measures as reported by other companies.

The glossary of financial terms is as follows:

Direct operating expenses = expenses that are directly attributable to company's business units and are used by management in the assessment of their performance. These exclude expenses which are attributable to major corporate decisions such as impairment.
Net operating income = operating revenue – direct operating expenses

Net operating income is an important metric used by management in evaluating the Company's operating performance as it represents the revenue and expense items that can be directly attributable to the specific business unit's ongoing operations. It is not a measure of financial performance under IFRS and should not be considered as an alternative to measures of performance under IFRS. The most directly comparable measure specified under IFRS is net earnings.

Eligible Dividend

Today, TWC Enterprises Limited announced an eligible cash dividend of 7.5 cents per common share to be paid on April 1, 2024 to shareholders of record as at March 15, 2024. This is a 50% increase to the previous quarterly dividend of 5 cents per common share.

Corporate Profile

TWC is engaged in golf club operations under the trademark, "ClubLink One Membership More Golf." TWC is Canada's largest owner, operator and manager of golf clubs with 44 18-hole equivalent championship and 2 18-hole equivalent academy courses (including two managed properties) at 34 locations in Ontario, Quebec and Florida.

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Management's discussion and analysis, financial statements and other disclosure information relating to the Company is available through SEDAR and at www.sedar.com and on the Company website at www.twcenterprises.ca