

# TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE  
KING CITY, ONTARIO  
TSX: TWC

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## TWC ENTERPRISES LIMITED ANNOUNCES 2021 YEAR END RESULTS AND ELIGIBLE CASH DIVIDEND

### Consolidated Financial Highlights (unaudited)

(in thousands of dollars except per share amounts)	Three months ended		Year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net earnings	61,963	8,359	89,647	971
Basic and diluted earnings per share	2.52	0.33	3.64	0.04

### Operating Data

	Three months ended		Year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>ClubLink</b>				
Canadian Full Privilege Golf Members			15,545	14,861
Championship rounds – Canada	198,000	232,000	1,191,000	1,223,000
18-hole equivalent championship golf courses – Canada			39.5	39.5
18-hole equivalent managed championship golf courses – Canada			2.0	1.0
Championship rounds – U.S.	68,000	58,000	261,000	249,000
18-hole equivalent championship golf courses – U.S.			8.0	8.0

The following is an analysis of net earnings:

<b>(thousands of Canadian dollars)</b>	<b>Year Ended December 31, 2021</b>	<b>Year Ended December 31, 2020</b>
Operating revenue	\$ 174,013	\$ 127,216
Direct operating expenses <sup>(1)</sup>	121,601	83,305
Net operating income <sup>(1)</sup>	52,412	43,911
Amortization of membership fees	4,404	4,585
Depreciation and amortization	(19,440)	(19,249)
Interest, net and investment income	(1,204)	(3,609)
Other items	74,763	(21,458)
Income taxes	(21,288)	(3,209)
Net earnings	\$ 89,647	\$ 971

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

<b>(thousands of Canadian dollars)</b>	<b>Year Ended December 31, 2021</b>	<b>Year Ended December 31, 2020</b>
Net operating income (loss) by segment		
Canadian golf club operations	\$ 54,660	\$ 46,213
US golf club operations (2021 - US \$1,854,000; 2020 - US \$449,000)	2,354	567
Corporate and other - including Highland Gate	(4,602)	(2,869)
Net operating income <sup>(1)</sup>	\$ 52,412	\$ 43,911

Operating revenue is calculated as follows:

<b>(thousands of Canadian dollars)</b>	<b>Year Ended December 31, 2021</b>	<b>Year Ended December 31, 2020</b>
Annual dues	\$ 62,460	\$ 54,296
Golf	45,599	42,673
Corporate events	3,542	2,327
Food and beverage	19,400	16,070
Merchandise	11,647	8,544
Real estate sales	26,572	-
Rooms and other	4,793	3,306
	\$ 174,013	\$ 127,216

Direct operating expenses are calculated as follows:

<b>(thousands of Canadian dollars)</b>	<b>Year Ended</b>		<b>Year Ended</b>
	<b>December 31, 2021</b>		<b>December 31, 2020</b>
Operating cost of sales	\$	<b>14,543</b>	\$ 11,236
Real estate cost of sales		<b>28,338</b>	-
Labour and employee benefits		<b>44,387</b>	39,358
Utilities		<b>6,970</b>	7,049
Selling, general and administrative expenses		<b>4,574</b>	3,906
Property taxes		<b>1,189</b>	3,401
Repairs and maintenance		<b>4,051</b>	3,184
Insurance		<b>3,103</b>	2,970
Turf eoperating expenses		<b>3,953</b>	3,179
Fuel and oil		<b>1,233</b>	908
Other operating expenses		<b>9,260</b>	8,114
<b>Direct Operating Expenses <sup>(1)</sup></b>	<b>\$</b>	<b>121,601</b>	<b>\$ 83,305</b>

<sup>(1)</sup> Please see Non-IFRS Measures on following page

## 2021 Consolidated Highlights

As required by IFRS, ClubLink recognizes its annual dues revenue on a straight-line basis throughout the year based on when its properties are allowed to open and services are provided. As a result of COVID-19 lockdowns in both 2020 and 2021, annual dues revenue was not recognized during certain periods early in both years. Canadian annual dues revenue increased to \$56,508,000 in 2021 from \$48,081,000 in 2020 due to an increase in members. Any displaced revenue from the closure period was recognized into revenue throughout the remainder of the year on a straight-line basis.

Operating revenue increased 36.8% to 174,013,000 in 2021 from \$127,216,000 in 2020 due to higher annual dues revenue along with the ability to operate in 2021 with less restrictions as compared to 2020 in addition to the revenue earned from 17 Highland Gate home sales.

Direct operating expenses increased 46.0% to \$121,601,000 in 2021 from \$83,305,000 in 2020 due to costs associated to higher revenue and activity levels in 2021 in addition to the cost of Highland Gate sales.

Net operating income for the Canadian golf club operations segment increased 18.3% to \$54,660,000 in 2021 from income of \$46,213,000 in 2020.

Interest, net and investment income decreased 66.6% to an expense of \$1,204,000 in 2021 from \$3,609,000 in 2020 due to a decrease in operational borrowings and an increase in investment income from the Company's investment in Automotive Properties REIT.

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

<b>(thousands of Canadian dollars)</b>	<b>Year Ended</b>		<b>Year Ended</b>
	<b>December 31, 2021</b>		<b>December 31, 2020</b>
Gain on sale of property, plant and equipment	<b>\$</b>	<b>40,304</b>	<b>\$</b> 1,416
Unrealized gain (loss) on investment in marketable securities		<b>30,360</b>	(7,311)
Unrealized gain on real estate fund investments		<b>9,311</b>	-
Insurance proceeds		<b>3,812</b>	-
Equity income from investments in joint ventures		<b>1,270</b>	115
Foreign exchange gain (loss)		<b>(207)</b>	1,256
Glen Abbey redevelopment charge		<b>(9,785)</b>	-
Loss on sale of common shares in Carnival plc		-	(16,240)
Other		<b>(302)</b>	(694)
<b>Other items</b>	<b>\$</b>	<b>74,763</b>	<b>\$</b> (21,458)

On October 8, 2021, the Company sold Heron Bay Golf Club for net proceeds of \$40,235,000 (US\$31,736,000). A gain of \$39,425,000 (US\$31,661,000) was recorded on the sale. This represents the vast majority of the total gain on property, plant and equipment recorded for the year.

At December 31, 2021, the Company recorded unrealized gains of \$30,360,000 on investment in marketable securities (December 31, 2020 - loss of \$7,311,000). This gain is attributable to the Company's investment in Automotive Properties REIT. The Company also recorded unrealized gains of \$9,311,000 (December 31, 2020 - nil) on real estate fund investments in relation to Florida and southeastern US real estate.

The exchange rate used for translating US denominated assets has changed from 1.2732 at December 31, 2020 to 1.2678 at December 31, 2021. This has resulted in a foreign exchange loss of \$207,000 in 2021 on the translation of the Company's US denominated financial instruments.

Net earnings increased to \$89,647,000 in 2021 from \$971,000 in 2020 due to the other items as described above and the improved golf results. Basic and diluted earnings per share increased to \$3.64 per share in 2021, compared to 4 cents in 2020.

### **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 Cash Dividend**

Today, TWC Enterprises Limited announced an eligible cash dividend of 2 cents per common share to be paid on March 31, 2022 to shareholders of record as at March 15, 2022.

### **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 49.5 18-hole equivalent championship and 3 18-hole equivalent academy courses (including two managed properties) at 37 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](http://www.sedar.com) and on the Company website at [www.twcenterprises.ca](http://www.twcenterprises.ca)*