

TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE
KING CITY, ONTARIO
TSX: TWC

November 7, 2024

TWC ENTERPRISES LIMITED ANNOUNCES THIRD QUARTER 2024 RESULTS AND ELIGIBLE DIVIDEND

Consolidated Financial Highlights (unaudited)

(in thousands of dollars except per share amounts)	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net earnings	42,719	17,690	45,177	17,753
Basic and diluted earnings per share	1.75	0.72	1.85	0.72

Operating Data

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Canadian Full Privilege Golf Members			15,414	15,530
Championship rounds – Canada	567,000	567,000	966,000	958,000
18-hole equivalent championship golf courses – Canada			35.5	35.5
18-hole equivalent managed championship golf courses – Canada			3.5	2.0
Championship rounds – U.S.	30,000	33,000	166,000	202,000
18-hole equivalent championship golf courses – U.S.			6.5	6.5

The following is an analysis of net earnings:

(thousands of Canadian dollars)	For the three months ended	
	September 30, 2024	September 30, 2023
Operating revenue	\$ 66,383	\$ 67,635
Direct operating expenses ⁽¹⁾	46,099	47,264
Net operating income ⁽¹⁾	20,284	20,371
Amortization of membership fees	1,409	1,469
Depreciation and amortization	(3,565)	(3,607)
Interest, net and investment income	2,737	2,327
Other items	32,641	2,610
Income taxes	(10,787)	(5,480)
Net earnings	\$ 42,719	\$ 17,690

(thousands of Canadian dollars)	For the nine months ended	
	September 30, 2024	September 30, 2023
Operating revenue	\$ 193,912	\$ 158,798
Direct operating expenses ⁽¹⁾	160,037	122,237
Net operating income ⁽¹⁾	33,875	36,561
Amortization of membership fees	3,494	3,582
Depreciation and amortization	(10,761)	(10,561)
Interest, net and investment income	8,335	6,608
Other items	24,138	(10,962)
Income taxes	(13,904)	(7,475)
Net earnings	\$ 45,177	\$ 17,753

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

(thousands of Canadian dollars)	For the three months ended	
	September 30, 2024	September 30, 2023
Net operating income (loss) by segment		
Canadian golf club operations	\$ 21,304	\$ 21,173
US golf club operations		
(2024 - US \$17,000; 2023 - US\$259,000)	26	347
Corporate and other	(1,046)	(1,149)
Net operating income ⁽¹⁾	\$ 20,284	\$ 20,371

(thousands of Canadian dollars)	For the nine months ended	
	September 30, 2024	September 30, 2023
Net operating income (loss) by segment		
Canadian golf club operations	\$ 35,219	\$ 34,314
US golf club operations		
(2024 - US\$2,647,000; 2023 - US \$3,398,000)	3,578	4,585
Corporate and other	(4,922)	(2,338)
Net operating income ⁽¹⁾	\$ 33,875	\$ 36,561

Operating revenue is calculated as follows:

(thousands of Canadian dollars)	For the three months ended	
	September 30, 2024	September 30, 2023
Annual dues	\$ 17,966	\$ 17,230
Golf	18,822	18,570
Corporate events	4,533	4,322
Food and beverage	15,373	15,714
Merchandise	5,478	5,611
Real estate	1,692	3,291
Rooms and other	2,519	2,897
Operating revenue	\$ 66,383	\$ 67,635

(thousands of Canadian dollars)	For the nine months ended	
	September 30, 2024	September 30, 2023
Annual dues	\$ 53,719	\$ 51,906
Golf	38,231	38,343
Corporate events	7,321	6,939
Food and beverage	26,438	27,153
Merchandise	11,814	11,531
Real estate	52,582	18,821
Rooms and other	3,807	4,105
Operating revenue	\$ 193,912	\$ 158,798

Direct operating expenses are calculated as follows:

(thousands of Canadian dollars)	For the three months ended	
	September 30, 2024	September 30, 2023
Operating cost of sales	\$ 9,050	\$ 9,232
Real estate cost of sales	1,951	3,816
Labour and employee benefits	23,890	22,429
Utilities	2,120	2,193
Selling, general and administrative expenses	1,165	1,246
Property taxes	230	463
Insurance	1,121	1,099
Repairs and maintenance	1,609	1,623
Turf operating expenses	1,244	1,120
Fuel and oil	584	676
Other operating expenses	3,135	3,367
Direct Operating Expenses⁽¹⁾	\$ 46,099	\$ 47,264

(thousands of Canadian dollars)	For the nine months ended	
	September 30, 2024	September 30, 2023
Operating cost of sales	\$ 17,181	\$ 17,012
Real estate cost of sales	55,161	19,093
Labour and employee benefits	54,259	51,807
Utilities	5,704	5,771
Selling, general and administrative expenses	4,008	4,058
Property taxes	2,778	2,999
Insurance	3,389	3,298
Repairs and maintenance	4,398	4,456
Turf operating expenses	3,772	3,484
Fuel and oil	1,168	1,215
Other operating expenses	8,219	9,044
Direct Operating Expenses ⁽¹⁾	\$ 160,037	\$ 122,237

⁽¹⁾ Please see Non-IFRS Measures

Third Quarter 2024 Consolidated Operating Highlights

Operating revenue decreased 1.9% to \$66,383,000 for the three month period ended September 30, 2024 from \$67,635,000 in 2023 due to the decline in real estate revenue from one Highland Gate home sales compared to two in 2023. The Canadian golf club operations segment has seen a decrease in food and beverage revenue, but this has been offset by an increase in annual dues and golf revenue.

Direct operating expenses decreased 2.5% to \$46,099,000 for the three month period ended September 30, 2024 from \$47,264,000 in 2023 due to the decline in real estate cost of sales from less home sales in the third quarter of 2024. The Canadian golf club operations segment has seen an increase in maintenance and labour expenses, but these have been offset by decreases in other operating costs.

Net operating income for the Canadian golf club operations segment increased to \$21,304,000 for the three month period ended September 30, 2024 from \$21,173,000 in 2023.

Interest, net and investment income increased to income of \$2,737,000 for the three month period ended September 30, 2024 from \$2,327,000 in 2023 due to higher cash balances and the income earned on these balances.

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

	For the three months ended	
	September 30, 2024	September 30, 2023
Foreign exchange gain (loss)	\$ 205	\$ (165)
Unrealized gain (loss) on investment in marketable securities	24,839	(9,859)
Gain on sale of property, plant and equipment	7,822	364
Loss on real estate fund investments	(48)	(679)
Contingent contractual obligation	-	6,620
Gain on sale of investments in joint venture	-	6,521
Other	(177)	(192)
Other items	\$ 32,641	\$ 2,610

At September 30, 2024, the Company recorded unrealized gains of \$24,839,000 on its investment in marketable securities (September 30, 2023 - losses of \$9,859,000). This gain is attributable to the fair market value adjustments of the Company's investment in Automotive Properties REIT.

On July 3, 2024, the Company announced the closing of the sale of the former Woodlands Golf Club to a joint venture managed by 13th Floor Homes. TWC is a 50% partner in the joint venture along with 13th Floor Homes. A gain of \$7,788,000 (US\$5,711,000) was recorded as a result of the sale and represents one-half of the total gain due to the sale to a joint venture owned 50% by the Company. This represents the majority of the total gain on property, plant and equipment recorded at September 30, 2024.

Net earnings in the amount of \$42,719,000 for the three month period ended September 30, 2024 changed from \$17,690,000 in 2023 due to the change in unrealized gain on the Company's investment in Automotive Properties REIT as compared to 2023. Basic and diluted earnings per share increased to \$1.75 per share in 2024, compared to basic and diluted earnings per share of \$0.72 cents in 2023.

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 December 16, 2024 to shareholders of record as at December 2, 2024.

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 45.5 18-hole equivalent championship and 2 18-hole equivalent academy courses (including three managed properties) at 35 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