

Accord Announces Record Funds Employed, Record Quarterly Revenue and First Quarter 2018 Results

TORONTO, May 2, 2018 /CNW/ - Accord Financial Corp. (TSX – ACD) today released its financial results for the quarter ended March 31, 2018. The financial figures presented in this release are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards.

SUMMARY OF FINANCIAL RESULTS		
	Three Months 2018	Ended March 31 2017
	\$	\$
Average funds employed (millions)	229	143
Revenue (000's)	10,033	6,501
Net earnings attributable to shareholders (000's)	1,216	1,226
Adjusted net earnings (000's) (note)	1,441	1,362
Earnings per common share (basic and diluted)	0.15	0.15
Adjusted earnings per common share (basic and diluted)	0.17	0.16
Book value per share (Mar. 31)	\$ 9.38	\$ 9.13

Net earnings attributable to shareholders ("shareholders' net earnings") decreased slightly to \$1,216,000 in the first quarter of 2018 compared to the \$1,226,000 earned last year. Shareholders' net earnings declined mainly as a result of a higher provision for losses and other expenses. Earnings per common share ("EPS") remained unchanged at 15 cents compared to the first quarter of last year. Adjusted net earnings rose to \$1,441,000 from the \$1,362,000 earned in the first quarter of 2017. Adjusted EPS were 17 cents compared to 16 cents in last year's first quarter. Revenue rose by 54% to a quarterly record \$10,033,000 in the first quarter compared to \$6,501,000 last year as a result of higher funds employed. Average funds employed were 60% higher at \$229 million this year compared to \$143 million last year.

Commenting on the first quarter's results, Mr. Tom Henderson, CEO, noted: "We had our first full quarter that included the results of the two acquisitions we made in the last six months of 2017. While we had expected top line improvement, we did not expect any significant year-over-year improvement in earnings this quarter. Nonetheless, I am quite confident we are on track to produce improved results later in this current fiscal year provided we continue to maintain quality assets on our balance sheet. Our assets have grown significantly over the last year due to very strong internal growth and from the acquisitions of BondIt Media Capital and CapX Partners. We are in the process of finalizing a new bank line that will provide us with most of the funding we will need to keep growing over the next three years."

As noted in the Company's press release of April 26, 2018, a regular quarterly dividend of \$0.09 per share was declared payable June 1, 2018 to shareholders of record at the close of business May 17, 2018.

About Accord Financial Corp.

Accord Financial Corp. is a leading North American finance company providing distinctive working capital solutions to companies from coast to coast. Accord's flexible finance programs cover the full spectrum of asset-based lending, from factoring and inventory finance, to equipment leasing and trade finance, to film and media finance. For 40 years, Accord has helped businesses manage their cash flows and maximize financial opportunities – keeping business liquid.

Note: Non-IFRS measures

The Company's financial statements have been prepared in accordance with IFRS. The Company uses a number of other financial measures to monitor its performance and believes that these measures may be useful to investors in evaluating the Company's operating performance and financial position. These measures may not have standardized meanings or computations as prescribed by IFRS that would ensure consistency between companies using these measures and are, therefore, considered to be non-IFRS measures. The non-IFRS measures presented in this press release are as follows:

1) Adjusted net earnings and adjusted EPS. The Company derives these measures from amounts presented in its IFRS prepared financial statements. Adjusted net earnings comprise shareholders' net earnings before stock-based compensation, business acquisition expenses (transaction and integration costs and amortization of intangible assets) and restructuring expenses. Adjusted EPS is adjusted net earnings divided by the weighted average number of common shares outstanding in the period. Management believes adjusted net earnings is a more appropriate measure of operating performance as it excludes items which do not relate to ongoing operating activities. The following table provides a reconciliation of the Company's net earnings to adjusted net earnings:

	Three Months 2018	Ended March 31 2017
	\$'000	\$'000
Shareholders' net earnings	1,216	1,226
Adjustments, net of tax:		
Stock-based compensation	22	69
Business acquisition expenses	203	67

Adjusted net earnings	1,441	1,362
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2) Book value per share – book value is total shareholders' equity and is the same as the net asset value of the Company (calculated as total assets minus total liabilities) less non-controlling interests. Book value per share is the book value divided by the number of common shares outstanding as of a particular date.

3) Funds employed are the Company's finance receivables and loans, an IFRS measure. Average funds employed are the average finance receivables and loans calculated over a particular period.

SOURCE Accord Financial Corp.

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