Accord Announces First Quarter 2019 Results

TORONTO, April 30, 2019 /CNW/ - Accord Financial Corp. (TSX – ACD) today released its financial results for the quarter ended March 31, 2019. 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 Ended March 31	
	2019	2018
	$	$
Average funds employed (millions)	347	229
Revenue (000's)	12,588	10,033
Net earnings attributable to shareholders (000's)	1,643	1,216
Adjusted net earnings (000's) (note)	1,816	1,441
Earnings per common share (basic and diluted)	0.19	0.15
Adjusted earnings per common share (basic and diluted)	0.22	0.17
Book value per share (Mar. 31)	$ 10.65	$ 9.38

Net earnings attributable to shareholders ("shareholders' net earnings") increased by 35% to $1,643,000 in the first quarter of 2019 compared to the $1,216,000 earned last year. Shareholders' net earnings increased as a result of higher revenue and a lower provision for losses. Earnings per common share ("EPS") rose to 19 cents compared to 15 cents in the first quarter of last year. Adjusted net earnings rose to $1,816,000 from the $1,441,000 earned in the first quarter of 2018. Adjusted EPS were 22 cents compared to 17 cents in last year's first quarter. Revenue rose by 25% to $12,588,000 in the first quarter compared to $10,033,000 last year as a result of higher funds employed. Average funds employed were 52% higher at $347 million this year compared to $229 million last year.

Commenting on the first quarter's results, Mr. Simon Hitzig, CEO, noted: "This quarter marked the ninth straight quarter of strong portfolio growth, with total funds employed reaching $376 million at March 31. Revenue and earnings per share continue to follow suit, with both measures in the first quarter beating the same period last year by 25% and 27%, respectively. Trailing twelve months adjusted EPS clocked in at $1.34, an all-time high. Our stock closed the quarter at $10.04 per share, valued at 7.5 times trailing adjusted EPS."

At the Company's Board of Directors ("Board") meeting held today, the Board declared a regular quarterly dividend of $0.09 per common share, payable June 3, 2019 to shareholders of record at the close of business May 17, 2019.

About Accord Financial Corp.

Accord Financial Corp., founded in 1978, is one of North America's leading independent finance companies. Serving clients throughout the United States and Canada, Accord's flexible finance programs cover the full spectrum of asset-based lending, from receivables and inventory finance, to equipment leasing and trade finance, to film and media finance. For 41 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 (basic and diluted) is adjusted net earnings divided by the weighted average number of common shares outstanding (basic and diluted) 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 Ended March 31	
	2019	**2018**
	$'000	$'000
Shareholders' net earnings	1,643	1,216
Adjustments, net of tax:		
Stock-based compensation	42	22
Business acquisition expenses	131	203
Adjusted net earnings	1,816	1,441

2) Book value per share – book value is shareholders' equity and is the same as the net asset value (calculated as total assets minus total liabilities) of the Company 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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