

Clarke Inc. Reports 2024 Third Quarter Results

HALIFAX, NS, Nov. 8, 2024 /CNW/ - Clarke Inc. ("Clarke" or the "Company") (TSX: CKI) today announced its results for the three and nine months ended September 30, 2024.

Third Quarter Results

Results for the three and nine months ended September 30, 2024, improved compared to the same periods in 2023. The Company's net income was \$12.2 million and \$16.4 million for the three and nine months ended September 30, 2024, respectively, compared to net losses of \$1.9 million and \$4.1 million, respectively, for the same periods in 2023.

Hotel operations produced strong third quarter results and achieved net operating income¹ of \$8.6 million for the quarter and \$18.4 million year-to-date, compared to \$8.2 million and \$18.2 million, respectively, in 2023. The improved year-over-year results are mainly due to increased business in our Northern Canadian markets. Hotel revenue in the three and nine months ended September 30, 2024 was \$18.5 million and \$47.4 million, respectively, compared to \$19.3 million and \$50.0 million in 2023. The Company had two fewer hotels in operations in 2024 compared to 2023, which was the cause of the decline. On a same-hotel basis, hotel revenue was materially consistent for the three months ended September 30, 2024 and increased by \$0.8 million for the nine months ended September 30, 2024.

During the third quarter of 2024, the Company's book value per common share¹ increased by \$1.69, or 10.2%. The increase can be attributed primarily to (i) hotel net operating income of \$8.6 million or \$0.62 per share, (ii) revaluation gains on certain hotels of \$15.6 million or \$1.12 per share, (iii) a fair value adjustment on investment properties of \$4.1 million or \$0.29 per share, and (iv) after-tax remeasurement gains and changes on the Company's pension plans of \$2.5 million or \$0.18 per share, offset by (v) depreciation of \$2.6 million or \$0.19 per share and (vi) interest and accretion of \$1.9 million or \$0.14 per share.

The Company's book value per common share at the end of the quarter was \$18.32 while our common share price was \$23.96. Additional commentary on our third quarter results can be found in our Management's Discussion & Analysis for the three and nine months ended September 30, 2024.

¹ Book value per share and hotel net operating income are non-IFRS measures and ratios. Refer to the "Cautionary Statement Regarding Use of Non-IFRS Accounting Measures and Ratios" section of this press release and our September 30, 2024 MD&A for more information.

Other Information

Highlights of the interim condensed consolidated financial statements for the three and nine months ended September 30, 2024 compared to the three and nine months ended September 30, 2023 are as follows:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
(in millions, except per share amounts)	\$	\$	\$	\$
Hotel and rental revenue	20.0	19.6	49.8	50.5
Provision of services revenue	4.8	4.3	7.3	6.8
Investment and other income (loss)	8.6	(4.8)	9.5	(4.9)
Net income (loss)	12.2	(1.9)	16.4	(4.1)
Other comprehensive income	11.5	2.7	8.7	5.0
Comprehensive income	23.6	0.8	25.1	1.0
Basic and diluted earnings (loss) per share ("EPS")	0.87	(0.13)	1.17	(0.29)
Total assets	469.4	452.5	469.4	452.5
Total liabilities	213.8	237.7	213.8	237.7
Long-term financial liabilities	147.6	117.1	147.6	117.1

About Clarke

Clarke is an investment and real estate company with holdings in a diversified group of businesses and across real estate sectors. Clarke's common shares (CKI) trade on the Toronto Stock Exchange. Further information about Clarke, including Clarke's Interim Condensed Consolidated Financial Statements and Management's Discussion & Analysis for the three and nine months ended September 30, 2024, is available on SEDAR+ at www.sedarplus.ca and www.clarkeinc.com.

Cautionary Statement Regarding Use of Non-IFRS Accounting Measures and Ratios

This press release makes reference to "book value per share" and "net operating income". Book value per share and net operating income are not financial measures or ratios calculated and presented in accordance with International Financial Reporting Standards ("IFRS") and should not be considered in isolation or as a substitute to any financial measures or ratios of performance calculated and presented in accordance with IFRS. These non-IFRS financial measures and ratios are presented in this press release because management of Clarke believes that such measures and ratios enhance the user's understanding of our historical and current financial performance.

Book value per share is measured by dividing shareholders' equity of the Company at the date of the statement of financial position by the number of common shares outstanding at that date. Net operating income is defined as revenue less expenses. Net operating income measures operating results before interest, depreciation, amortization and income taxes. Clarke's method of determining these amounts may differ from other companies' methods and, accordingly, these amounts may not be comparable to measures used by other companies.

Note on Forward-Looking Statements and Risks

This press release may contain or refer to certain forward-looking statements relating, but not limited, to the Company's expectations, intentions, plans and beliefs with respect to the Company. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "does not expect", "is expected", "budgets", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or equivalents or variations of such words and phrases, or state that certain actions, events or results, "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements include, without limitation, those with respect to the future price and value of securities held by the Company, changes in these securities holdings, changes to the Company's hedging practices, currency fluctuations and requirements for additional capital. Forward-looking statements rely on certain underlying assumptions that, if not realized, can result in such forward-looking statements not being achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others, the lease-up and construction schedules of the Company's investment properties in operation and under construction, the Company's investment strategy, legal and regulatory risks, general market risk, potential lack of diversification in the Company's investments, interest rates, foreign currency fluctuations, the sale of the Company's investments, the fact that dividends from investee companies are not guaranteed, reliance on key executives, commodity market risk, risks associated with the investment in derivative instruments and other factors. With respect to the Company's investment in hotel, residential real estate and ferry operations, such risks and uncertainties include, among others, weather conditions, safety, claims and insurance, uninsured losses, changes in levels of business and commercial travel and tourism, increases in the supply of accommodations and housing in local markets, rent caps, changes to residential tenancy laws in local markets, the recurring need for renovation and improvement of real estate holdings, labour relations, and other factors.

Although the Company has attempted to identify important factors that could cause actions, events or results not to be as estimated or intended, there can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Other than as required by applicable Canadian securities laws, the Company does not update or revise any such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements.

SOURCE Clarke Inc.

View original content: <http://www.newswire.ca/en/releases/archive/November2024/08/c3909.html>

%SEDAR: 00009934E

For further information: For further information, please contact George Armoyan, President and Chief Executive Officer, at (902) 442-3413 or Tom Casey, Chief Financial Officer, at (902) 420-6446.

CO: Clarke Inc.

CNW 15:34e 08-NOV-24