

Crown Capital Partners Announces Financial Results for Q4 and Full-Year 2017

CALGARY, March 2, 2018 /CNW/ - Crown Capital Partners Inc. ("Crown" or the "Corporation") (TSX: CRWN), which provides growth capital to successful mid-market companies, today announced its financial results for the fourth quarter and year ended December 31, 2017. Crown's complete financial statements and management's discussion and analysis for the three- and twelve-month periods ended December 31, 2017 are available on SEDAR at www.sedar.com.

2017 Financial & Operating Highlights

- Total revenue of \$29.0 million, an increase of 58% from \$18.4 million in 2016.
- Net income, net of non-controlling interests, of \$6.7 million (2016 - \$5.1 million), or \$0.71 per common share (basic) (2016 - \$0.54).
- Adjusted EBIT¹ of \$11.5 million, up by 28% from \$9.0 million in 2016.
- Crown Capital Fund IV, LP ("Crown IV LP"), an investment fund managed by Crown in which Crown holds an effective 36.5% interest, deployed \$113.6 million in 2017, including \$18.2 million that was redeployed into a new investment in RBee Aggregate Consulting Ltd. ("RBee").
- Total equity per common share (basic) increased to \$10.98 at year-end (2016 - \$10.67).
- Total assets of \$229.1 million at December 31, 2017, up from \$182.4 million at December 31, 2016.
- Dividends paid in 2017 totaled \$0.50 per share.

Q4 2017 Financial & Operating Highlights

- Total revenue of \$8.9 million, a 65% increase from \$5.4 million in 2016.
- Net income, net of non-controlling interests, of \$2.1 million (2016 - \$0.9 million), or \$0.22 per common share (basic) (2016 - \$0.09).
- Adjusted EBIT¹ of \$3.4 million, an increase of 90% from \$1.8 million in 2016.
- On December 1, 2017 paid a quarterly dividend of \$0.13 per common share.
- Announced progress on the realization of loans to Petrowest Corporation ("Petrowest") and that Crown now expects CCF IV LP to recover, through its ownership interest in and loan to RBee and from other cash proceeds on the sale of Petrowest's assets, the full amount of its outstanding loan to Petrowest in addition to all interest and certain fees receivable from Petrowest.
- In addition to its new investment in RBee, Crown IV LP deployed \$15 million in the quarter through two transactions:
 - \$8 million term loan to Canadian Helicopters Limited
 - \$7 million term loan to Active Exhaust Corp.
- Subsequent to quarter end, Crown Fund IV and two syndicate partners provided a \$33 million (Crown Fund IV interest - \$30 million), 60-month term loan to Baylin Technologies and Crown announced a quarterly dividend of \$0.15 per common share, payable on March 2, 2018.

"It was solid fourth quarter financially and operationally, highlighted by 65% growth in revenue, a 90% increase in Adjusted EBIT, and three new investments," said Chris Johnson, President and CEO of Crown. "In addition to the six new companies we added to the portfolio in 2017, we made important progress with the realization of our loans to Petrowest and started 2018 with a \$33 million loan to Baylin."

Mr. Johnson added: "In 2018, our focus is to continue to build a diversified portfolio of high-quality businesses, which will drive both short-term and longer-term revenue for Crown. Entrepreneurs need intelligent, non-dilutive capital alternatives, and Crown has an exceptional platform to serve their needs. We continue to see strong demand and a healthy transaction pipeline for 2018. As we deploy more capital, we are well positioned to grow revenue, cash flow and return on equity while increasing our quarterly dividend to shareholders. We recently moved the dividend to \$0.15 per share – a 36% increase since the start of 2016. The demand from mid-market borrowers is matched by continued strong demand from institutional investors for Crown IV LP and, generally, for access to private credit. These conditions support our objective to further build and diversify our capital base this year."

Q4 & FY2017 Financial Results Summary

Selected Quarterly Information		Three Months Ended December 31,		Twelve Months Ended December 31,	
(\$ in 000s, except per share and number of shares)		2017	2016	2017	2016
Revenue:					
Interest revenue	\$	5,487	\$ 3,589	\$ 20,311	\$ 11,510
Fees and other income		1,888	2,225	5,634	3,754
Performance fee distributions		-	-	1,044	-
Net realized gain on sale of investments		1,144	-	3,344	1,741
Net change in unrealized gains in fair value of investments		417	(397)	(1,325)	1,361
Total Revenue	\$	8,936	\$ 5,417	\$ 29,008	\$ 18,366
Total comprehensive income, net of non-controlling interests	\$	2,112	\$ 877	\$ 6,735	\$ 5,097
Weighted average shares outstanding - basic		9,520,611	9,517,688	9,524,972	9,504,362
Total comprehensive income per share - basic	\$	0.22	\$ 0.09	\$ 0.71	\$ 0.54
Weighted average shares outstanding - diluted		9,837,088	9,687,598	9,825,532	9,674,272

Total comprehensive income per share - diluted	\$ 0.21	\$ 0.09	\$ 0.69	\$ 0.53
Adjusted EBIT ¹	\$ 3,415	\$ 1,795	\$ 11,468	\$ 8,976
Investments, at fair value through profit or loss	\$ 181,302	\$ 158,951	\$ 181,302	\$ 158,951
Total assets	\$ 229,050	\$ 182,375	\$ 229,050	\$ 182,375
Total non-current liabilities	\$ 120,075	\$ 76,821	\$ 120,075	\$ 76,821
Total equity	\$ 104,449	\$ 101,519	\$ 104,449	\$ 101,519
Common Shares outstanding at December 31,	9,510,017	9,514,759	9,510,017	9,514,759
Total equity per share - basic	\$ 10.98	\$ 10.67	\$ 10.98	\$ 10.67

Reconciliation of Earnings before Income Taxes to Adjusted EBIT (\$ in 000s)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
Earnings before income taxes	\$ 6,988	\$ 3,241	\$ 20,867	\$ 12,120
Add: financing costs	137	-	559	-
Add: non-cash share-based compensation	382	440	1,378	1,489
Deduct: net income attributable to non-controlling interests	(4,092)	(1,886)	(11,336)	(4,633)
Adjusted EBIT	\$ 3,415	\$ 1,795	\$ 11,468	\$ 8,976

1. Adjusted EBIT is not a measure of financial performance (nor does it have a standardized meaning) under IFRS. In evaluating this measure, investors should consider that the methodology applied in calculating this measure may differ among companies and analysts. Adjusted EBIT is calculated by Crown as earnings before non-cash share-based compensation, finance costs and income taxes less net income and comprehensive income attributable to non-controlling interests. The Corporation has provided a reconciliation of earnings before income taxes to Adjusted EBIT in this news release. The Corporation believes Adjusted EBIT is a useful supplemental measure that may assist investors in assessing the financial performance and the cash anticipated to be generated by Crown's business. Adjusted EBIT should not be considered as the sole measure of Crown's performance and should not be considered in isolation from, or as a substitute for, analysis of the Corporation's financial statements.

Conference Call & Webcast

Crown will host a conference call to discuss its Q4 2017 financial results at 8:30 a.m. EDT on March 2, 2018. The call will be hosted by Chris Johnson, President & CEO, and Michael Overvelde, CFO. To participate in the call, dial 647-427-7450 or 1-888-231-8191 using the conference ID 2786778. The audio webcast can be accessed at www.crowncapital.ca under Investor Relations or <http://bit.ly/2sjbKF7>. Listeners should access the webcast or call 10-15 minutes before the start time to ensure they are connected.

ABOUT CROWN

Crown (TSX: CRWN) is a specialty finance company focused on providing capital to successful Canadian and select U.S. companies. Crown also manages capital pools, including some in which Crown has a direct ownership interest. Crown originates, structures and provides tailored special situation and long-term financing solutions to a diversified group of private and public mid-market companies in the form of loans, royalties and other structures with minimal or no ownership dilution.

FORWARD-LOOKING STATEMENTS

This news release contains certain "forward looking statements" and certain "forward looking information" as defined under applicable Canadian and U.S. securities laws. Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements in this news release include, but are not limited to, statements, management's beliefs, expectations or intentions regarding the alternative financial market and the general economy, transaction pipeline, Crown's business plans and strategy, including anticipated capital deployments and the timing thereof, and Crown's future cash flow and shareholder value. Forward-looking statements are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements are subject to various risks and uncertainties concerning the specific factors identified in the Crown's periodic filings with Canadian securities regulators. See Crown's most recent annual information form for a detailed discussion of the risk factors affecting Crown. In addition, Crown's dividend policy will be reviewed from time to time in the context of the Corporation's earnings, financial requirements for its operations, and other relevant factors and the declaration of a dividend will always be at the discretion of the board of directors of the Corporation. Crown undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

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CO: Crown Capital Partners Inc.

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