

Canlan Reports Record Q1 Revenue

Burnaby, British Columbia--(Newsfile Corp. - May 10, 2024) - Canlan Ice Sports Corp. (TSX: ICE) (the "Company" or "Canlan Sports") today reported its financial results for the first quarter ended March 31, 2024.

Overview of Q1 2024

- Total operating revenue of \$26.2 million (the Company's highest Q1 revenue) increased by \$1.7 million or 7.0% compared to a year ago due to pricing and higher volumes;
- Total operating earnings were \$7.6 million compared to \$7.4 million in 2023; and
- Net earnings of \$4.2 million or \$0.32 per share compared to \$3.4 million or \$0.26 per share in 2023.

First Quarter Results

	For the 3 months ended March 31	
<i>(in thousands)</i>	2024	2023
Ice rink & recreational facilities revenue	\$ 26,186	\$ 24,477
Operating expenses	16,336	15,018
	9,850	9,459
G&A expenses	2,220	2,031
Operating earnings ¹	\$ 7,630	\$ 7,428
Operating earnings per share	\$ 0.57	\$ 0.56
Depreciation	1,858	1,930
Interest	635	449
Interest rate swap (gain) loss	(514)	580
Foreign exchange gain	(2)	-
Gain on sale of assets	-	(10)
Income tax expense	1,415	1,034
Net earnings	\$ 4,238	\$ 3,445
Net earnings per share	\$ 0.32	\$ 0.26

	March 31, 2024	December 31, 2023
Key Balance Sheet Figures (in thousands):		
Assets		
Cash and cash equivalents	\$ 18,312	\$ 19,029
Property plant and equipment	93,023	93,328
Other assets	10,869	9,642
Total assets	\$ 122,204	\$ 121,999
Liabilities and Equity		
Debt	\$ 42,501	\$ 42,948
Lease liabilities	6,077	6,327
Accounts payable and accrued liabilities	12,087	11,742
Deferred revenue	9,961	14,425
Other liabilities	2,256	1,901
Total liabilities	72,882	77,343
Share capital and contributed surplus	63,652	63,652

Foreign currency translation reserve	3,660	2,832
Deficit	(17,990)	(21,828)
Total shareholders' equity	49,322	44,656
Total liabilities and equity	\$ 122,204	\$ 121,999

First Quarter Results

(three months ended March 31, 2024 compared with three months ended March 31, 2023)

- Total operating revenue of \$26.2 million increased by \$1.7 million or 7.0% compared to 2023 mainly due to higher sales from soccer leagues, third-party surface rentals and food and beverage operations;
- Facility operating expenses of \$16.3 million increased by \$1.3 million or 8.8% mainly due to increased roof refurbishment costs, annual wage increments as planned and increased customer service and marketing expenses to service increased traffic flow;
- The Company's roof remediation program will continue as scheduled in 2024 to proactively improve the weather resistance of building envelopes of specific sports complexes in its portfolio;
- Total G&A expenses of \$2.2 million increased by \$0.2 million or 9.3% mainly due to increased wages and IT costs. To strengthen operations support and KPI reporting, the Company recruited additional team members and implemented technology at the central office during the second half of fiscal 2023. In addition, the Company recorded compensation expense in Q1 2024 (no expense required in Q1 2023) related to a new long-term incentive compensation plan that commenced during fiscal 2023;
- After G&A expenses, operating earnings was \$7.6 million compared to \$7.4 million in 2023; and
- After recording depreciation expense of \$1.9 million, finance costs of \$0.1 million, and income tax expense of \$1.4 million, net earnings for the period were \$4.2 million or \$0.32 earnings per share compared to \$3.4 million or \$0.26 per share in 2023.

"The year got off to a great start as surface utilization rates increased for virtually all locations for ice and turf activities during Q1," said Canlan Sports' President & CEO, Joey St-Aubin. "This translated to higher traffic flows into our restaurants as food and beverage sales reached an all-time high for Q1 as well. I want to commend our teams at all locations and our central office for their efforts in servicing our customers, sales and marketing campaigns, and executing promotional events. Currently the focus is on marketing and delivery of our spring/summer leagues, tournaments and programming, and carrying out the major capital projects in our 2024 business plan."

Dividend Policy

The Company's Board of Directors has approved the continuation of the Company's quarterly dividend policy. As such, the Board declares eligible dividends totaling \$0.03 per common share that will next be paid on July 16, 2024 to shareholders of record at the close of business June 28, 2024. Canlan's Board of Directors reviews the Company's dividend policy on a quarterly basis. Canlan's dividend is designated as an "eligible" dividend under the Income Tax Act (Canada) and any corresponding provincial legislation. Under this legislation, individuals resident in Canada may be entitled to enhanced dividend tax credits, which reduce income tax otherwise payable.

Filings

The Company's financial statements and Management's Discussion & Analysis for the quarter ended

March 31, 2024 will be available via SEDAR Plus (www.sedarplus.ca) on or before May 15, 2024 and through the Company's website, www.canlansports.com.

About Canlan Sports

Canlan Ice Sports Corp. (operating as Canlan Sports) is the North American leader in the ownership, operations and programming of multi-purpose recreation and entertainment facilities. We currently own, lease and/or manage 16 facilities in Canada and the United States with 48 ice surfaces, as well as five indoor soccer fields, and 20 sport, volleyball, and basketball courts. To learn more about Canlan please visit www.canlansports.com.

Canlan Ice Sports Corp. is listed on the Toronto Stock Exchange under the symbol "ICE."

Caution concerning forward-looking statements

This News Release may contain information that constitutes "forward-looking" information within the meaning of applicable securities laws. Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budgets", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information in this press release includes, but is not limited to, anticipated benefits of capital expenditures (including energy efficiencies and enhanced customer experiences) and expectations of business growth. Forward-looking information is based on the reasonable assumptions, estimates, analyses, beliefs and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable at the date that such information is disclosed. Forward-looking information is subject to various known and unknown risks and uncertainties, many of which are beyond the ability of Canlan to control or predict, that may cause Canlan's actual results, performance or achievements to be materially different from those expressed or implied thereby. Material risk factors that could cause actual results to differ materially from the forward-looking information provided herein include those factors identified in Canlan's public disclosure file available at www.sedarplus.ca and, in particular, the risk factors set out under the heading "Risk Factors" in the Company's MD&A available for review on the Company's profile at www.sedarplus.ca. Such forward-looking information represents management's best judgment based on information currently available. Accordingly, readers are advised not to place undue reliance on forward-looking information. The forward-looking information herein is made as of the date of this press release only, and the Company does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable securities law.

For more information:

Canlan Ice Sports Corp.

Ivan Wu

CFO

604 736 9152

¹ Operating earnings is defined as earnings after general and administrative expenses and before interest, depreciation, foreign currency exchange gain, gain on assets sold, interest rate swap gain/loss and income tax. However, operating earnings is not a term that has specific meaning in accordance with IFRS, and may be calculated differently by other companies. Canlan reconciles operating earnings to its net earnings.



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/208698>