

ADJUSTED EBITDA

Fiscal 2019 adjusted EBITDA increased by 26.1% (21.5% in constant currency). In local currency, adjusted EBITDA amounted to US\$351.3 million compared to US\$288.4 million for fiscal 2018. The increase was mainly due to the impact of the MetroCast and FiberLight acquisitions combined with strong organic growth.

Excluding the MetroCast and FiberLight acquisitions and the prior year's non-recurring costs of \$3.1 million (\$US2.5 million) related to hurricane Irma, adjusted EBITDA in constant currency increased by 5.7% for fiscal 2019.

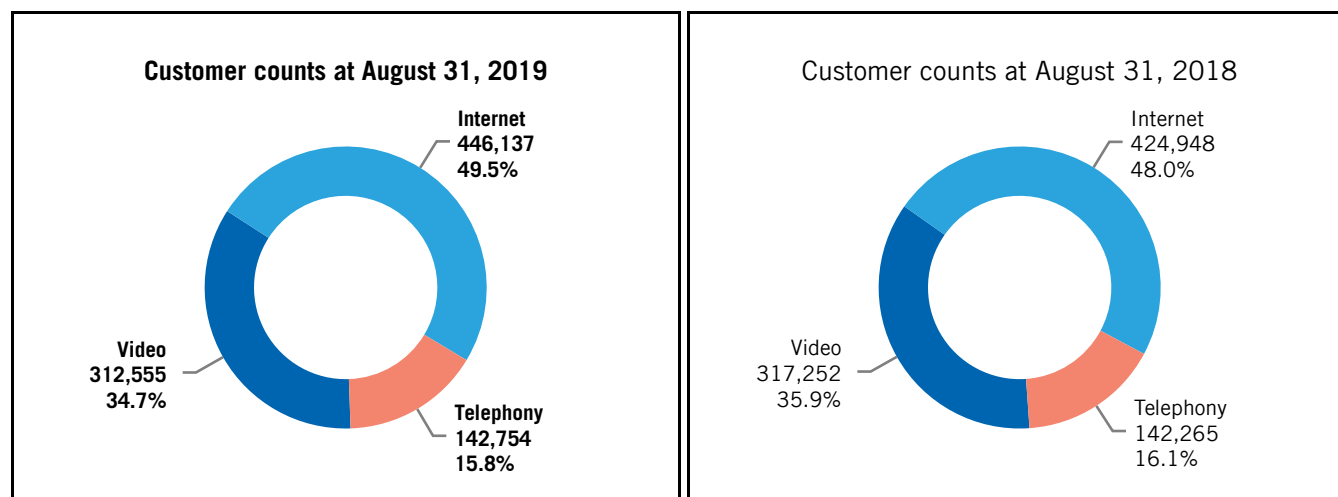
CAPITAL INTENSITY AND ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT

Fiscal 2019 acquisitions of property, plant and equipment decreased by 9.4% (12.4% in constant currency) mainly due to:

- the acquisition of several dark fibres throughout south Florida from FiberLight, LLC for a consideration of \$21.2 million (US\$16.8 million) during the second quarter of fiscal 2018; partly offset by
- additional capital expenditures related to the impact of the MetroCast acquisition; and
- additional capital expenditures related to the expansion in Florida.

Fiscal 2019 capital intensity reached 18.6% compared to 25.1% for fiscal 2018 mainly as a result of lower capital expenditures combined with revenue growth.

CUSTOMER STATISTICS



	August 31, 2019	Net additions (losses)		% of penetration ⁽²⁾⁽³⁾	
		Years ended			
	August 31, 2019	August 31, 2019	August 31, 2018 ⁽¹⁾	August 31, 2019	August 31, 2018 ⁽³⁾
Primary service units	901,446	16,981	20,251		
Internet service customers	446,137	21,189	21,417	50.8	49.7
Video service customers	312,555	(4,697)	(6,760)	35.6	37.1
Telephony service customers	142,754	489	5,594	16.2	16.6

(1) Excludes 251,379 primary services units (130,404 Internet services, 87,873 video services and 33,102 telephony services) from the MetroCast acquisition completed in the second quarter of fiscal 2018.

(2) As a percentage of homes passed.

(3) In the first quarter of fiscal 2019, the number of homes passed in the American broadband services segment have been adjusted upwards in order to reflect the number of non-served multi-dwelling unit passings within the footprint and consequently, the penetration as a percentage of homes passed for fiscal 2018 have also been adjusted.

INTERNET

Fiscal 2019 Internet service customers net additions stood at 21,189 compared to 21,417 for the prior year as a result of:

- additional connects related to the Florida expansion initiatives and in the MetroCast footprint;
- our customers' ongoing interest in high speed offerings; and
- growth in both the residential and business sectors.

VIDEO

Fiscal 2019 video service customers net losses stood at 4,697 compared to 6,760 for the prior year mainly from:

- competitive offers in the industry; and
- a changing video consumption environment; partly offset by
- our customers' ongoing interest in TiVo's digital advanced video services; and
- the activation of bulk properties in Florida during the fourth quarter of fiscal 2019.

TELEPHONY

Fiscal 2019 telephony service customers net additions stood at 489 compared to 5,594 for the prior year mainly as a result of the growth in the business sector, partly offset by a decline in the residential sector.

DISTRIBUTION OF CUSTOMERS

At August 31, 2019, 52% of the American broadband services segment's customers enjoyed "double play" or "triple play" bundled services.