

# Yellow Pages Limited Reports First Quarter 2025 Financial and Operating Results and Declares a Cash Dividend<sup>1</sup>

**Montreal (Quebec), May 14, 2025** — Yellow Pages Limited (TSX: Y) (the “Company”), a leading Canadian digital media and marketing company, released its operating and financial results today for the quarter ended March 31, 2025.

“Our first quarter results show continued steady progress toward revenue stability, good profitability, and a strong cash balance,” said David A. Eckert, CEO of Yellow Pages Limited.

Eckert commented on the key developments:

- **Progress toward revenue stability.** “For the fifth consecutive quarter, we report a favorable ‘bending of the revenue curve’ in Q1, as our rate of change in revenue was better than the change reported for the previous quarter.”
- **Solid quarterly earnings.** “Our Adjusted EBITDA<sup>2</sup> for the quarter was 23.4% of revenue, even with our continued investments in revenue initiatives, including the steady continued expansion of our sales force.”
- **Strong cash balance.** “Despite certain significant, seasonal cash disbursements during the quarter, cash still stood at approximately \$49 million at the end of April.”

Sherilyn King, President of Yellow Pages Limited, added, “We continue to be very pleased with our progress on metrics underlying our revenue generation, including the size of our sales force, the continued deceleration of the customer count decline rate, fueled by new customer acquisitions and stable renewal rates, and strong average spend per customer. We believe these fundamentals bode well for our medium- and long-term future. Also, our Board has once again declared a dividend of \$0.25 per common share, to be paid on June 16, 2025 to shareholders of record as of May 27, 2025.”

## Financial Highlights

(In thousands of Canadian dollars, except percentage information and per share information)

Yellow Pages Limited	For the three-month periods ended March 31,	
	2025	2024
Revenues	\$50,808	\$54,971
Adjusted EBITDA <sup>2</sup>	\$11,885	\$15,297
Adjusted EBITDA margin <sup>2</sup>	23.4%	27.8%
Income before income taxes	\$6,661	\$11,369
Net income	\$4,963	\$8,395
Basic income per share	\$0.37	\$0.62
Diluted income per share	\$0.35	\$0.61
CAPEX <sup>2</sup>	\$473	\$986
Adjusted EBITDA less CAPEX <sup>2</sup>	\$11,412	\$14,311
Adjusted EBITDA less CAPEX margin <sup>2</sup>	22.5%	26.0%
Cash flows from operating activities	\$3,278	\$5,454

<sup>(1)</sup> The dividend will be designated as an eligible dividend pursuant to subsection 89(14) of the Income Tax Act (Canada) and any applicable provincial legislation pertaining to eligible dividends.

<sup>(2)</sup> Adjusted EBITDA is equal to Income from operations before depreciation and amortization and restructuring and other charges (defined herein as Adjusted EBITDA), as shown in Yellow Pages Limited’s interim condensed consolidated statements of income. Adjusted EBITDA, Adjusted EBITDA margin, CAPEX, Adjusted EBITDA less CAPEX and Adjusted EBITDA less CAPEX margin are non-GAAP financial measures and do not have any standardized meaning under IFRS® Accounting Standards. Therefore, they are unlikely to be comparable to similar measures presented by other public companies. Refer to the section on Non-GAAP financial measures at the end of this document for more details.

## First Quarter of 2025 Results

- Total Revenues decreased 7.6% year-over-year and amounted to \$50.8 million for the three-month period ended March 31, 2025, an improvement from the decrease of 8.1% reported last quarter.
- Adjusted EBITDA less CAPEX<sup>1</sup> totalled \$11.4 million and the EBITDA less CAPEX margin<sup>1</sup> was 22.5%.
- Net income amounted to \$5.0 million, or to \$0.35 diluted income per share.

## Financial Results for the First Quarter of 2025

Total revenues for the first quarter ended March 31, 2025 decreased by 7.6% year-over-year and amounted to \$50.8 million as compared to \$55.0 million for the same period last year. The decrease in revenues is mainly due to the decline of our higher margin digital media and print products and to a lesser extent to our lower margin digital services products, thereby creating pressure on our gross profit margins.

Total digital revenues decreased 6.8% year-over-year and amounted to \$40.7 million for the three-month period ended March 31, 2025 compared to \$43.7 million for the same period last year. The revenue decline is mainly attributable to a decrease in digital customer count, partially offset by an increase in the average spend per customer.

Total print revenues decreased 10.5% year-over-year and amounted to \$10.1 million for the three-month period ended March 31, 2025. The revenue decline is mainly due to the decrease in the number of print customers while the spend per customer has improved year-over-year driven by price increases.

The decline rate for total revenues, digital revenues and print revenues all improved year-over-year. The improvement of the revenue decline rates was mainly due to the deceleration of the customer count decline rate, fueled by an increase in new customer acquisitions, while renewal rates remained relatively stable and an increase in average spend per customer, due in part to price increases.

Adjusted EBITDA<sup>1</sup> decreased to \$11.9 million or 23.4% of revenues in the first quarter ended March 31, 2025, relative to \$15.3 million or 27.8% of revenues for the same period last year. The decrease in Adjusted EBITDA and Adjusted EBITDA margin<sup>1</sup> for the three-month period ended March 31, 2025 is the result of revenue pressures, the ongoing investments in our tele-sales force capacity, and the impact of the Company's share price on cash settled stock-based compensation expense, partially offset by optimization in cost of sales, reductions in other operating costs including reductions in our workforce and associated employee expenses. The revaluation of cash settled stock-based compensation liabilities resulted in a recovery of \$1.3 million for the three-month period ended March 31, 2025 compared to a recovery of \$1.9 million for the same period last year. Revenue pressures from product mix and investments in our tele-sales force capacity, partially offset by continued optimization and cost reductions, will continue to cause pressure on margins in upcoming quarters.

Adjusted EBITDA less CAPEX decreased by \$2.9 million to \$11.4 million during the first quarter of 2025, compared to \$14.3 million during the same period last year. The decrease in Adjusted EBITDA less CAPEX and Adjusted EBITDA less CAPEX margin for the three-month period ended March 31, 2025 is driven by the decrease in Adjusted EBITDA, partially offset by a decrease in CAPEX spend year-over-year.

Net income for the three-month period ended March 31, 2025 amounted to \$5.0 million as compared to net income of \$8.4 million for the same period last year. The decrease is mainly due to lower Adjusted EBITDA and the increase in restructuring and other charges, partially offset by the decrease in income taxes.

Cash flows from operating activities decreased by \$2.2 million to \$3.3 million for the three-month period ended March 31, 2025 from \$5.5 million for the same period last year. The decrease is mainly due to lower Adjusted EBITDA of \$3.4 million partially offset by a decrease in funding of post-employment benefit plans of \$1.5 million.

<sup>(1)</sup> Adjusted EBITDA is equal to Income from operations before depreciation and amortization and restructuring and other charges (defined herein as Adjusted EBITDA), as shown in Yellow Pages Limited's interim condensed consolidated statements of income. Adjusted EBITDA, Adjusted EBITDA margin, CAPEX, Adjusted EBITDA less CAPEX, Adjusted EBITDA less CAPEX margin are non-GAAP financial measures and do not have any standardized meaning under IFRS Accounting Standards. Therefore, they are unlikely to be comparable to similar measures presented by other public companies. Refer to the section on Non-GAAP financial measures at the end of this document for more details.

## Conference Call & Webcast

Yellow Pages Limited will hold an analyst and media call and simultaneous webcast at 8:30 a.m. (Eastern Time) on May 14, 2025 to discuss first quarter 2025 results. The call may be accessed by dialing 416-695-6725 within the Toronto area, or 1-866-696-5910 outside of Toronto, Passcode 4418135#. Please be prepared to join the conference at least 5 minutes prior to the conference start time.

The call will be simultaneously webcast on the Company's website at:

<https://corporate.yip.ca/en/investors/financial-reports>.

The conference call will be archived in the Investors section of the site at:

<https://corporate.yip.ca/en/investors/financial-events-presentations>.

## About Yellow Pages Limited

Yellow Pages Limited (TSX: Y) is a Canadian digital media and marketing company that creates opportunities for buyers and sellers to interact and transact in the local economy. Yellow Pages holds some of Canada's leading local online properties including YP.ca, Canada411 and 411.ca. The Company also holds the YP, Canada411 and 411 mobile applications and Yellow Pages print directories. For more information visit [www.corporate.yip.ca](http://www.corporate.yip.ca).

## Caution Concerning Forward-Looking Statements

*This press release contains forward-looking statements about the objectives, strategies, financial conditions and results of operations and businesses of YP (including, without limitation, payment of a cash dividend per share per quarter to its common shareholders). These statements are forward-looking as they are based on our current expectations, as at May 13, 2025, about our business and the markets we operate in, and on various estimates and assumptions. Our actual results could materially differ from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. As a result, there is no assurance that any forward-looking statements will materialize. Risks that could cause our results to differ materially from our current expectations are discussed in section 5 of our May 13, 2025 Management's Discussion and Analysis. We disclaim any intention or obligation to update any forward-looking statements, except as required by law, even if new information becomes available, as a result of future events or for any other reason.*

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## Non-GAAP Financial Measures

### Adjusted EBITDA and Adjusted EBITDA margin

In order to provide a better understanding of the results, the Company uses the terms Adjusted EBITDA and Adjusted EBITDA margin. Adjusted EBITDA is equal to Income from operations before depreciation and amortization and restructuring and other charges (defined herein as Adjusted EBITDA), as shown in Yellow Pages Limited's interim condensed consolidated statements of income. Adjusted EBITDA margin is defined as the percentage of Adjusted EBITDA to revenues. Adjusted EBITDA and Adjusted EBITDA margin are not performance measures defined under IFRS Accounting Standards and are not considered an alternative to income from operations or net income in the context of measuring Yellow Pages performance. Adjusted EBITDA and Adjusted EBITDA margin do not have a standardized meaning under IFRS Accounting Standards and are therefore not likely to be comparable to similar measures used by other publicly traded companies. Adjusted EBITDA and Adjusted EBITDA margin should not be used as exclusive measures of cash flow since they do not account for the impact of working capital changes, income taxes, interest payments, pension funding, capital expenditures, debt principal reductions and other sources and uses of cash, which are disclosed on page 10 of our May 13, 2025 MD&A. Management uses Adjusted EBITDA and Adjusted EBITDA margin to evaluate the performance of its business as it reflects its ongoing profitability. Management believes that certain investors and analysts use Adjusted EBITDA and Adjusted EBITDA margin to measure a company's ability to service debt and to meet other payment obligations or as common measurement to value companies in the media and marketing solutions industry as well as to evaluate the performance of a business.

### Adjusted EBITDA less CAPEX and Adjusted EBITDA less CAPEX margin

The Company also uses Adjusted EBITDA less CAPEX, which is defined as Adjusted EBITDA, as defined above, less CAPEX which we define as additions to intangible assets and additions to property and equipment as reported in the Investing Activities section of the Company's consolidated statements of cash flows. Adjusted EBITDA less CAPEX margin is defined as the percentage of Adjusted EBITDA less CAPEX to revenues. Adjusted EBITDA less CAPEX and Adjusted EBITDA less CAPEX margin are non-GAAP financial measures and do not have any standardized meaning under IFRS Accounting Standards. Therefore, are unlikely to be comparable to similar measures presented by other publicly traded companies. We use Adjusted EBITDA less CAPEX and Adjusted EBITDA less CAPEX margin to evaluate the performance of our business as it reflects cash generated from business activities. We believe that certain investors and analysts use Adjusted EBITDA less CAPEX and Adjusted EBITDA less CAPEX margin to evaluate the performance of businesses in our industry.

The most comparable financial measure under IFRS Accounting Standards to Adjusted EBITDA less CAPEX is Income from operations before depreciation and amortization and restructuring and other charges (defined above as Adjusted EBITDA) as shown in Yellow Pages Limited's interim condensed consolidated statements of income. Refer to table below for reconciliation of Adjusted EBITDA less CAPEX.

### **Adjusted EBITDA less CAPEX**

(In thousands of Canadian dollars, except percentage information)

<b>For the three-month periods March 31,</b>	<b>2025</b>		<b>2024</b>	
Income from operations before depreciation and amortization and restructuring and other charges (Adjusted EBITDA)	\$	11,885	\$	15,297
CAPEX		473		986
<b>Total Adjusted EBITDA less CAPEX</b>	<b>\$</b>	<b>11,412</b>	<b>\$</b>	<b>14,311</b>