



Second Quarter 2021

Supplemental Disclosure

1. Segmented information

(in thousands of canadian dollars)

	FY 2018	FY 2019	FY 2020	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
Revenues																	
YP																	
Print	\$ 127,897	\$ 103,177	\$ 81,286	\$ 32,974	\$ 37,825	\$ 29,038	\$ 28,060	\$ 25,873	\$ 30,121	\$ 23,838	\$ 23,345	\$ 20,698	\$ 23,847	\$ 18,976	\$ 17,765	\$ 16,514	\$ 18,888
Digital	357,705	298,762	252,252	94,860	91,514	88,609	82,722	77,802	76,489	74,309	70,162	67,610	64,433	61,304	58,904	57,000	55,700
YP - Total	485,602	401,939	333,538	127,834	129,339	117,647	110,782	103,675	106,610	98,147	93,507	88,308	88,280	80,280	76,669	73,514	74,588
Other ¹	92,577	1,274	-	31,690	34,139	12,759	13,989	1,112	162	-	-	-	-	-	-	-	-
Intersegment eliminations	(984)	-	-	(210)	(266)	(256)	(252)	-	-	-	-	-	-	-	-	-	-
Total Revenues	577,195	403,213	333,538	159,314	163,212	130,150	124,519	104,787	106,772	98,147	93,507	88,308	88,280	80,280	76,669	73,514	74,588
Print	135,914	103,177	81,286	36,964	41,410	29,480	28,060	25,873	30,121	23,838	23,345	20,698	23,847	18,976	17,765	16,514	18,888
Digital	441,281	300,036	252,252	122,350	121,802	100,670	96,459	78,914	76,651	74,309	70,162	67,610	64,433	61,304	58,904	57,000	55,700
YP Segment revenue YoY %																	
YP Total	(16.7%)	(17.2%)	(17.0%)	(13.1%)	(17.0%)	(17.7%)	(19.2%)	(18.9%)	(17.6%)	(16.6%)	(15.6%)	(14.8%)	(17.2%)	(18.2%)	(18.0%)	(16.8%)	(15.5%)
YP Print	(22.8%)	(19.3%)	(21.2%)	(18.3%)	(23.3%)	(24.9%)	(24.9%)	(21.5%)	(20.4%)	(17.9%)	(16.8%)	(20.0%)	(20.8%)	(20.4%)	(23.9%)	(20.2%)	(20.8%)
YP Digital	(14.3%)	(16.5%)	(15.6%)	(11.2%)	(14.1%)	(15.0%)	(17.1%)	(18.0%)	(16.4%)	(16.1%)	(15.2%)	(13.1%)	(15.8%)	(17.5%)	(16.0%)	(15.7%)	(13.6%)
Gross Profit																	
YP	306,157	243,889	205,749	78,903	82,734	74,557	69,963	64,011	66,035	59,044	54,799	53,887	57,637	47,801	46,425	43,950	44,754
YP Gross Profit %	63.0%	60.7%	61.7%	61.7%	64.0%	63.4%	63.2%	61.7%	61.9%	60.2%	58.6%	61.0%	65.3%	59.5%	60.6%	59.8%	60.0%
Other ¹	33,660	650	-	11,776	13,896	3,454	4,534	509	141	-	-	-	-	-	-	-	-
Intersegment eliminations	(163)	-	-	(11)	(21)	(61)	(70)	-	-	-	-	-	-	-	-	-	-
Total Gross Profit	339,654	244,539	205,749	90,668	96,609	77,950	74,427	64,520	66,176	59,044	54,799	53,887	57,637	47,801	46,425	43,950	44,754
Gross Profit %	58.8%	60.6%	61.7%	56.9%	59.2%	59.9%	59.8%	61.6%	62.0%	60.2%	58.6%	61.0%	65.3%	59.5%	60.6%	59.8%	60.0%
Adjusted EBITDA²																	
YP	185,026	161,014	129,442	46,898	53,252	46,023	38,853	45,097	43,375	37,786	34,756	32,563	41,928	27,312	27,639	26,583	24,440
YP Adjusted EBITDA margin %	38.1%	40.1%	38.8%	36.7%	41.2%	39.1%	35.1%	43.5%	40.7%	38.5%	37.2%	36.9%	47.5%	34.0%	36.0%	36.2%	32.8%
Other ¹	7,539	331	-	1,035	3,970	238	2,296	284	47	-	-	-	-	-	-	-	-
Total Adjusted EBITDA	192,565	161,345	129,442	47,933	57,222	46,261	41,149	45,381	43,422	37,786	34,756	32,563	41,928	27,312	27,639	26,583	24,440
Adjusted EBITDA margin %²	33.4%	40.0%	38.8%	30.1%	35.1%	35.5%	33.0%	43.3%	40.7%	38.5%	37.2%	36.9%	47.5%	34.0%	36.0%	36.2%	32.8%
CAPEX²																	
YP	9,556	9,460	5,573	4,415	(423)	1,763	3,801	2,416	2,712	2,351	1,981	1,231	1,528	1,339	1,474	1,240	1,345
Other ¹	2,480	278	-	980	839	422	239	208	70	-	-	-	-	-	-	-	-
Total CAPEX	12,036	9,738	5,573	5,395	416	2,185	4,040	2,624	2,782	2,351	1,981	1,231	1,528	1,339	1,474	1,240	1,345
CAPEX % of revenues	2.1%	2.4%	1.7%	3.4%	0.3%	1.7%	3.2%	2.5%	2.6%	2.4%	2.1%	1.4%	1.7%	1.7%	1.9%	1.7%	1.8%
Adjusted EBITDA less CAPEX²																	
YP	175,470	151,554	123,869	42,483	53,675	44,260	35,052	42,681	40,663	35,435	32,775	31,332	40,400	25,973	26,165	25,343	23,095
YP Adjusted EBITDA less CAPEX margin %	36.1%	37.7%	37.1%	33.2%	41.5%	37.6%	31.6%	41.2%	38.1%	36.1%	35.1%	35.5%	45.8%	32.4%	34.1%	34.5%	31.0%
Other ¹	5,059	53	-	55	3,131	(184)	2,057	76	(23)	-	-	-	-	-	-	-	-
Total Adjusted EBITDA less CAPEX	\$ 180,529	\$ 151,607	\$ 123,869	\$ 42,538	\$ 56,806	\$ 44,076	\$ 37,109	\$ 42,757	\$ 40,640	\$ 35,435	\$ 32,775	\$ 31,332	\$ 40,400	\$ 25,973	\$ 26,165	\$ 25,343	\$ 23,095
Adjusted EBITDA less CAPEX margin %²	31.3%	37.6%	37.1%	26.7%	34.8%	33.9%	29.8%	40.8%	38.1%	36.1%	35.1%	35.5%	45.8%	32.4%	34.1%	34.5%	31.0%

2. YP Customer information

(on a trailing twelve month basis)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
Customer Count	219,500	207,700	197,000	186,700	178,800	170,600	162,000	153,300	145,700	138,400	132,100	125,400	119,400	113,000
Net Annual Change in Customers	(18,600)	(27,300)	(34,700)	(40,600)	(40,700)	(37,100)	(35,000)	(33,400)	(33,100)	(32,200)	(29,900)	(27,900)	(26,300)	(25,400)
ARPC	\$ 2,447	\$ 2,446	\$ 2,470	\$ 2,488	\$ 2,481	\$ 2,486	\$ 2,517	\$ 2,567	\$ 2,571	\$ 2,537	\$ 2,536	\$ 2,540	\$ 2,544	\$ 2,569

Definitions:

Customer Count : Number of YP customers advertising through one of our products as at the end of the reporting period on a trailing twelve month basis. These do not include 411.ca customers.

Net Annual Change in Customers : Net change in customer count on a year-over-year basis

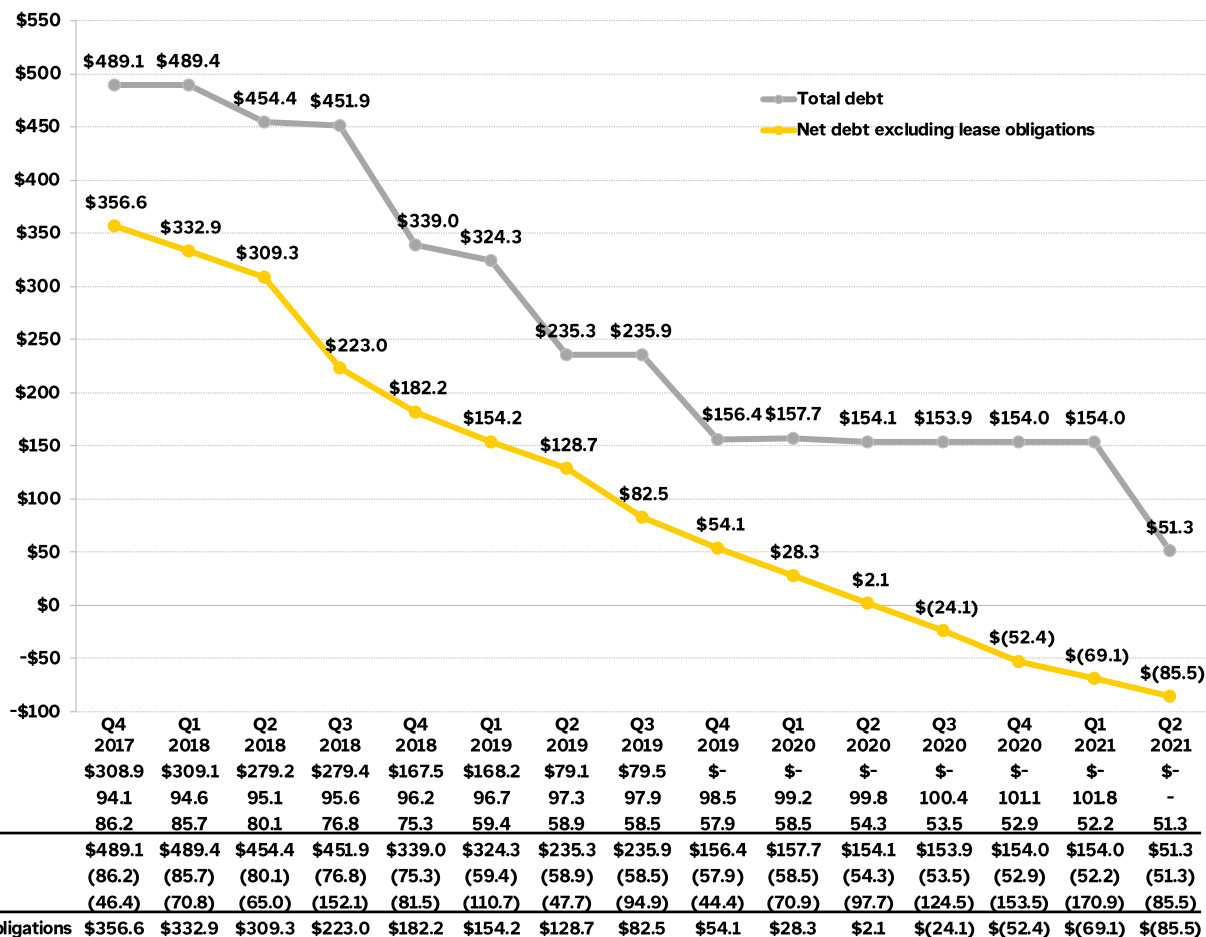
ARPC : YP Average contracted revenue per customer on a trailing twelve month basis excluding 411.ca

(1) Prior to 2020, the Company's operations were categorized into two reportable segments: YP and Other. Subsequent to the second quarter of 2019, there are no longer any operations being reported in the Other

(2) 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. 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.

3. Total debt and Net debt excluding lease obligations¹

(in millions of canadian dollars)



(1) Net debt excluding lease obligations is a non-GAAP financial measure and does not have any standardized meaning under IFRS. Therefore, it is 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.

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, or 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 and are not considered an alternative to income from operations or net earnings in the context of measuring Yellow Pages performance. Adjusted EBITDA and Adjusted EBITDA margin do not have a standardized meaning under IFRS 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, business acquisitions, debt principal reductions and other sources and uses of cash, which are disclosed on page 14 of the August 4, 2021 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 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 and Adjusted EBITDA less CAPEX margin, whereby Adjusted EBITDA less CAPEX is defined as Adjusted EBITDA, as defined above, less CAPEX which we define as additions to intangible assets and additions to property and equipment. 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 and 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 its ongoing profitability.

The most comparable IFRS financial measure 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 page 8 of the August 4, 2021 MD&A for a reconciliation of Adjusted EBITDA less CAPEX.

Net debt excluding lease obligations

Net debt excluding lease obligations is a non-IFRS financial measure and does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other publicly traded companies. Net debt excluding lease obligations is comprised of Senior Secured Notes (including current portion) and Exchangeable debentures less Cash as presented in our interim condensed consolidated statements of financial position. We use net debt excluding lease obligations as an indicator of the Company's ability to cover financial obligations and reduce debt and associated interest charge as it represents the amount of debt excluding lease obligations that is not covered by available cash. We believe that certain investors and analysts use net debt to determine a company's financial leverage.

The most comparable IFRS financial measure is total debt, as presented in the capital disclosures note on page 48 of our Consolidated Financial Statements and accompanying notes for the years ended December 31, 2020 and 2019. The table below the graph in section 3 of this document provides a reconciliation of total debt to net debt.