



CHESSWOOD ANNOUNCES RESULTS FOR 2018
Eighth Consecutive Year of Record Operating Income and Originations
Income before Taxes of \$32.7 million vs \$27.8 in 2017

TORONTO, March 13, 2019 – Chesswood Group Limited (“Chesswood” or “the Company”) (TSX: CHW), a North American commercial equipment finance provider for small and medium-sized businesses, today reported its results for the fourth quarter and year ended December 31, 2018.

“Once again we had an extremely busy year that culminated in our eighth successive year of record operating income and originations. If not for last year’s one-time \$9.4 million tax recovery due to the U.S. Tax Cuts and Jobs Act, this year’s net earnings would also have been another record” said Barry Shafran, Chesswood’s President and CEO. “Our finance receivables exceeded \$900 million for the first time, reflecting our annual originations record this year of \$400 million, 16% ahead of last year’s originations” added Shafran.

“Our shareholders have relied on us for sustainable dividends for more than a decade. In 2018 we paid out \$15.1 million in dividends, providing our shareholders with an annual yield of 7.65% based on our average share price in 2018 of \$10.98. Just as importantly, the percentage of our free cash flow that we paid out in dividends was approximately 65% at the end of the fourth quarter” Shafran said.

This year’s results include in Operating Income the interest expense on \$20 million of additional revolving debt that was used to retire the Company’s convertible debentures in early January 2018. Interest on the convertible debentures was not included in the calculation of Operating Income in prior years. The additional interest included in Operating Income in 2018 totaled approximately \$900,000, or \$225,000 a quarter.

<u>Financial Highlights</u> (in CDN \$000's, except EPS)	For the Three Mths Ended		For the Years Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Operating Income⁽¹⁾⁽²⁾	\$7,904⁽²⁾	\$8,018 ⁽²⁾	\$33,704⁽²⁾	\$32,075 ⁽²⁾
Net Income⁽³⁾	\$5,277	\$13,798 ⁽³⁾	\$22,885	\$25,431 ⁽³⁾
Adjusted EBITDA⁽¹⁾	\$8,280	\$8,010	\$35,013	\$31,860
Earnings Per Share – basic⁽³⁾	\$0.30	\$0.76 ⁽³⁾	\$1.28	\$1.41 ⁽³⁾

(1) See "Non-GAAP Measures" below.

(2) Operating income in 2018 includes interest expense on an additional \$20 million of revolving debt used to retire convertible debentures in January 2018 of approx. \$900,000 or \$225,000 for the year and quarter respectively. Convertible debenture interest in 2017 and prior was not part of the calculation of Operating Income.

(3) 2017 net income includes \$9.4 million tax recovery as a result of the Tax Cuts and Jobs Act passed in Dec. 2017

Non-GAAP Measures

Operating Income is not a recognized measure under International Financial Reporting Standards and does not have a standard meaning. Accordingly, this measure may not be comparable to similar measures presented by other issuers. Please refer to the Company’s Management Discussion and Analysis in Chesswood’s 2018 Annual Report for additional information concerning these measures and a reconciliation of these measures to the Company’s consolidated net income.

About Chesswood

Through three wholly-owned subsidiaries in the U.S. and Canada, Chesswood Group Limited is North America's only publicly-traded commercial equipment finance company focused on small and medium-sized businesses. Our Colorado-based Pawnee Leasing Corporation, founded in 1982, finances a highly diversified portfolio of commercial equipment leases and loans through relationships with over 600 independent brokers in the U.S. In Canada, Blue Chip Leasing Corporation has been originating and servicing commercial equipment leases and loans since 1996, and today operates through a nationwide network of more than 50 independent brokers. Located in Houston, Texas, Tandem Finance Inc. provides equipment financing to small and medium sized businesses in the U.S. through the equipment vendor channel. Based in Toronto, Canada, Chesswood's shares trade on the Toronto Stock Exchange under the symbol CHW.

Learn more at www.ChesswoodGroup.com www.PawneeLeasing.com www.BlueChipLeasing.com
www.TandemFinance.com

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