



November 7, 2018
For Immediate Release

News Release

Circa Reports Sales and Operating results for the Third Quarter Ended September 30, 2018 and Declares a Special Cash Dividend

Calgary, AB – Circa Enterprises Inc. (CTO-TSXV) (the "Company" or "Circa"), a manufacturer of equipment for the telecommunication, electrical utility, and construction industries, reports results of operations for the third quarter ended September 30, 2018 and declares a special cash dividend of \$0.06 per share on its common shares.

Summary of third quarter operating results:

- Q3 2018 consolidated sales of \$8.3 million, representing a 10% increase over the Q3 2017 sales of \$7.5 million
- Profit for the period from continuing operations for Q3 2018 of \$287,000, or \$0.03 per share compared to profit from continuing operations of \$212,000, or \$0.02 per share for Q3 2017
- EBITDA of \$674,000 for Q3 2018 compared to EBITDA of \$787,000 for Q3 2017 (see below for explanation and calculation of EBITDA)
- Working capital of \$8.1 million

Summary of year-to date operating results:

- Consolidated sales of \$23.1 million for the nine months ended September 30, 2018, an increase of 18% compared to sales of \$19.6 million for the nine months ended September 30, 2017
- Profit for the period from operations for the nine months ended September 30, 2018 of \$1,066,000, or \$0.11 per share compared to profit for the period from operations of \$485,000, or \$0.05 per share for the same period in 2017
- EBITDA of \$2.1 million for the nine months ended September 30, 2018 compared to EBITDA of \$1.2 million for the nine months ended September 30, 2017 (see below for explanation and calculation of EBITDA)

EBITDA is earnings before interest, taxes, depreciation and amortization. EBITDA is a non-IFRS financial measure and does not have any standardized meaning prescribed by International Financial Reporting Standards and, therefore, may not be comparable to similar measures presented by other issuers. Management believes that EBITDA is a useful supplemental measure, which provides an indication of the results generated by Circa's primary business activities prior to consideration of how those activities are financed, amortized or taxed. Readers are cautioned, however, that EBITDA should not be construed as an alternative to comprehensive income determined in accordance with IFRS as an indicator of the Company's financial performance. EBITDA is calculated by the Company as follows:

	(unaudited) Nine months 30 Sep 2018	(unaudited) Nine months 30 Sep 2017	(unaudited) Three months 30 Sep 2018	(unaudited) Three months 30 Sep 2017
	\$000's	\$000's	\$000's	\$000's
Profit for the period from operations	1,066	485	287	212
Income taxes	388	184	192	105
Interest	61	23	16	23
Depreciation and amortization	590	557	179	447
EBITDA	2,105	1,249	674	787

Circa's consolidated sales in the third quarter of 2018 were \$8.3 million -- an \$800,000 or 10% increase over the third quarter in 2017. Telecom segment sales increased \$0.5 million overall as the Company recorded an increase of \$0.3 million in sales from its legacy surge protection product, largely as the result of a large military project. The Company also saw an increase of \$0.1 million from the Guardian Telecom product line over the same quarter in the prior year and a modest increase in the cable and connectivity product sales. Sales in the Circa Metals segment were up \$0.3 million on strong Hydel branded sales in the quarter, compared to the same period in 2018.

As a result of the strong sales, the Company posted after tax profit of \$287,000 in the third quarter of 2018 compared to profit of \$212,000 in the third quarter of the previous year. This earnings improvement was due to the sales growth and strong margins in the Telecom segment as gross profit increased and the Company held the line on selling, general and administration expenses. The increased sales in Metals did not translate into higher earnings in the Metals segment as gross margins declined due to higher costs. The Company saw a sharp increase of 20-25% in steel prices, which is the main material in the Metals segment products. The Company is absorbing the increase in the current year, but is expecting to increase prices in fiscal 2019.

Grant Reeves, Circa's President and Chief Executive Officer, stated:

"Circa is pleased to report another solid quarter and is well positioned for future growth in both our Telecom and Metals segments. Our Guardian product line anticipates several large project quotations to become orders in the near future, whereas our Hydel branded products continue to post year-over-year growth as a result of market share gains that are underpinned by increased capacity and higher output rates from our new equipment. The recent quarter also included a large military project for our legacy surge protection products and saw growth in our OEM cable business, both trends that are expected to continue. Higher costs due to steel tariffs and U.S. tariffs imposed on imported product did hurt our margins in the quarter. Price increases were implemented to offset the U.S. imposed tariffs while recovery of higher steel prices will be addressed with our annual price increase effective January 2019.

We are pleased to report the fifth consecutive annual special cash dividend of \$0.06 per share, an increase of 20% over the previous year."

CIRCA ENTERPRISES INC.
Condensed Consolidated Statement of Comprehensive Income

Unaudited

	Nine months ended 30 Sep 2018	Nine months ended 30 Sep 2017	Three months ended 30 Sep 2018	Three months ended 30 Sep 2017
	\$000's	\$000's	\$000's	\$000's
Sales	23,117	19,635	8,259	7,518
Freight	584	513	216	184
Net sales	22,533	19,122	8,043	7,334
Cost of sales	15,669	13,968	5,658	5,144
Gross profit	6,864	5,154	2,385	2,190
Selling, general and administrative expenses	5,360	4,463	1,910	1,851
Operating profit	1,504	691	475	339
Loss on disposal of assets	9	1	-	1
Other income	20	-	20	-
Finance costs	61	23	16	23
Profit before tax	1,454	669	479	317
Income tax expense	388	184	192	105
Profit for the period from operations attributable to shareholders of the Company	1,066	485	287	212
Other comprehensive income (loss)				
Exchange differences on translating foreign operations, net of tax	81	(186)	(47)	(108)
Total comprehensive income for the period attributable to shareholders of the Company	1,147	299	240	104
Earnings per share (in \$'s)				
Basic	0.11	0.05	0.03	0.02
Diluted	0.10	0.05	0.03	0.02

DECLARATION OF SPECIAL DIVIDEND

The Company announced today that its Board of Directors has declared a special cash dividend of \$0.06 per share on its common shares payable January 4, 2019 to shareholders of record at the close of business December 20, 2018. The Dividend is deemed to be an eligible dividend for purposes of the Income Tax Act (Canada).

Circa Enterprises Inc. is a public company with operations in Alberta, Ontario and Florida. The outstanding common shares of Circa Enterprises Inc. are listed and trade on the TSX Venture Exchange under the trading symbol CTO. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

The Company's quarterly financial statements and related management's discussion and analysis have been filed with certain securities regulatory authorities in Canada and may be accessed electronically through the SEDAR website at www.sedar.com.

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