

# Alaris Royalty Corp. Announces 2013 Financial Results

10.03.2014 | [Marketwired](#)

*NOT FOR DISTRIBUTION IN THE UNITED STATES. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAW.*

CALGARY, ALBERTA -- (Marketwired - March 10, 2014) - [Alaris Royalty Corp.](#) ("Alaris" or the "Corporation") (TSX:AD) is pleased to announce its results for the three months and year ended December 31, 2013. The Corporation continues to display year over year and quarter over quarter per share growth in Partner revenue, Normalized EBITDA, net cash from operating activities and dividends paid. The results are prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

## Full Year 2013 Highlights (compared to the prior year):

- 92% increase in capital invested in 2013: \$173(1) million invested into four new Partners as well as follow-on investments into three existing Partners
- 61% increase in revenue from Partners(2) to \$52.7 million
- 69% increase in Normalized EBITDA(3) to \$43.9 million
- 66% increase in net cash from operating activities to \$43.8 million
- 46% increase in dividends paid to \$35.7 million
- 11% decrease in our full year actual payout ratio to 81% from 92%, while also increasing our annualized dividend per share by 20%
- Increased the permanent borrowing capacity on our revolving credit facility to \$75 million from \$50 million to provide more flexibility when funding transactions

## Per Share Items:

- 29% increase in revenue per share from Partner distributions to \$1.97
- 32% increase in Normalized EBITDA to \$1.65
- 30% increase in net cash from operating activities to \$1.64
- 20% increase in annualized dividends to \$1.44

## Q4 2013 Highlights (compared to the prior year same period):

- 31% increase in revenue per share from Partners to \$0.54
- 41% increase in Normalized EBITDA per share to \$0.48
- 18% increase in dividends paid per share to \$0.36

## Financial Results

2013 was another year of significant accretive growth for the Corporation as demonstrated in the table below. The results of the fourth quarter and the fiscal year are summarized in four key performance metrics compared to the prior year period on a per share basis. The Corporation used Normalized EBITDA rather than EBITDA to display normalized operating results by backing out the impact of a \$15.5 million loss in the fourth quarter from the previously announced receivership of SHS as well as the impact of a \$13.1 million gain realized in the second quarter on the reduction of its financial interests in LifeMark Health Limited Partnership ("LifeMark").

	Three months ending Dec 31		Year ending Dec 31		
	2013	2012	Change	2013	2012
Revenue from Partners per share	\$0.54	\$0.41	+30.8%	\$1.97	
Normalized EBITDA per share	\$0.48	\$0.34	+41.2%	\$1.65	
Net cash from operating activities per share	\$0.51	\$0.23	+121.7%	\$1.64	
Dividends per share	\$0.36	\$0.305	+18.0%	\$1.36	
Weighted average basic shares outstanding (000's)	28,694	22,337	+28.4%	26,696	

The Corporation deployed \$173 million of capital in 2013 while continuing to focus on its investment pillars of: (i) growing cash flow on a per share basis; (ii) reducing volatility of cash flow; (iii) diversifying our revenue base; (iv) increasing visibility of our cash flows and; (v) providing liquidity to shareholders. Management believes that by applying these pillars, the Corporation can provide a more secure and growing dividend to its shareholders. Examples of the implementation of the pillars are:

#### **Growth:**

- Contributed capital to four new partners in 2013: SHS(4), SCR Mining and Tunneling, LP ("SCR"), Sequel Youth and Family Services, LLC ("Sequel") and SM Group International, LP ("SMi").
- Follow on investments into Agility Health LLC ("Agility"), Killick Aerospace Limited Partnership ("Killick") and LMS Reinforcing Steel, LP ("LMS")(5).
- Due to the increase in net cash from operating activities in 2013, Alaris increased its monthly dividend twice to an annualized rate of \$1.44 per share, a total increase of 20%.

#### **Reduce Volatility:**

- Negotiated collars on the maximum increase or decrease of the annual distributions from SCR, Sequel & SMi.
- Nine(6) out of the twelve current revenue streams from Partners are dictated by a volatility reducing collar.
- Negotiated a distribution reset for SCR which will be based on the rolling averages of 2015/2014 financial performance vs the financial performance of 2014/2013 and will not take place until January 1, 2016.
- Estimated net organic growth in annual distributions from Partners of +1.0% for 2014.

#### **Diversification:**

- Continued diversification ensured that the failure of SHS did not impact Alaris' monthly dividend and had a minimal impact on the Corporation's payout ratio.
- Alaris' single largest annualized revenue source is now only 17% and now has only four annualized revenue streams accounting for more than 10% of total revenue.

#### **Visibility:**

- Revenues from the Corporation's twelve Partners for 2014 are largely determined at this time and the Corporation expects to continue to have predictable and relatively low general and administrative expenses in 2014.

#### **Liquidity:**

- The Corporation's float increased throughout 2013 as a result of equity offerings in January and July and average daily trading volumes continue to provide adequate trading liquidity.

The Corporation's focus on these five pillars translated into revenues from Partners for the year ended December 31, 2013 increasing 61% to \$52.7 million from \$32.1 million in 2012. For the year ended

December 31, 2013, the Corporation recorded earnings of \$29.8 million, EBITDA of \$42.2 million and Normalized EBITDA of \$43.9 million, compared to earnings of \$18.0 million, and EBITDA of \$25.9 million and Normalized EBITDA of \$26.1 million in the prior year. The increase in earnings and EBITDA can be attributed to the addition of new Partners (SHS - March 2013, SCR - May 2013, Sequel - July 2013 and SMi - Nov 2013) and follow on contributions to Agility, Killick and LMS toward the end of 2013. Alaris recorded a \$2.9 million loss in Q4 due to the one-time write down of the entire \$15.5 million value of the investment in SHS. Normalized EBITDA increased in Q4, 2013 as the loss on SHS in Q4 was \$2.5 million greater than the \$13.1 million gain on the reduction of Alaris' financial interest in LifeMark in Q2, both items viewed by management as non-recurring items. For the year ended December 31, 2013, net cash from operating activities was \$43.7 million and total dividends paid in the year were \$35.6 million resulting in a full year payout ratio for 2013 of approximately 81%.

"While the end of 2013 provided some significant challenges with the receivership of SHS, it demonstrated the importance of diversification and the strength of the Alaris business model as one of our businesses went to zero and there was no impact on our dividend and only a modest increase in our payout ratio. The rest of the year was highly successful as we were able to increase our dividend twice in the year as we added new partners in established and profitable businesses with high quality management teams; and contributed more capital into current partners who have been performing well. We funded our growth with successful bought deal financings in January and in July, and have a balance sheet that has us well positioned for further successes in 2014" said Steve King, CEO, Alaris Royalty Corp.

Reconciliation of Earnings to EBITDA (thousands)	2013	2012	Three months ending Dec 31 2013	Year ending Dec 31 2012
Earnings/(loss)	\$(2,856)		\$4,931	\$29,823
Adjustments to Earnings:				
Amortization & depreciation	27	27	106	108
Interest	433	335	1,677	1,033
Income tax expense	1,325	2,571	10,544	6,688
EBITDA	\$(1,071)		\$7,864	\$42,150
Normalizing Adjustments:				
Gain on reduction of LifeMark interests	-	-	(13,052)	-
Impairment loss on SHS	15,512	-	15,512	-
Bad debt expense	575	-	575	-
Unrealized foreign exchange loss/(gain)	(1,358)	(321)	(1,258)	245
Normalized EBITDA	\$13,658	\$7,543	\$43,927	\$26,110

## Return to Shareholders

Alaris continued to display strong total returns to shareholders in 2013 with a 27% total return in 2013, the fifth consecutive year of double digit total return to shareholders. These returns came by way of an increasing amount of cash returned to shareholders through dividends paid (20% increase in the annualized dividend in 2013) as well as share price appreciation. The increasing return of cash dividends is only possible because of the increase in net cash from operating activities per share, which the Corporation continues to realize through both organic growth in revenue as well as from additional distributions received from investments in new and existing Partners. Alaris has provided shareholders with a total return over the last 5 years equal to 360%, or 36% displayed as a compound annual growth rate ("CAGR"). The S&P TSX Composite Index has displayed total returns over the same time period of 74%, a CAGR of 12%.

## 2014 Outlook

Alaris' agreements with its Partners provide for estimated revenue to the Corporation of approximately \$63.2 million in 2014. For the first quarter of 2014, those same agreements with its Partners provides for estimated revenue to the Corporation of approximately \$15.6 million. On a per share basis, even with the reduction of the SHS distribution to nil in December 2013, as well as the temporary restructuring of the distribution from Labstat International, ULC ("Labstat") to a reduced fixed amount and the addition of a variable portion, revenues in the first quarter of 2014 are expected to be the same as the fourth quarter in 2013 at \$0.54 per share and 22.7% higher than the revenue per share numbers reported for the first quarter of 2013 (\$0.44 per share). Annual general and administrative expenses are currently estimated at \$5.3 million annually and include all public company costs. The senior debt facility was drawn to \$44.5 million at December 31, 2013 and \$50.5 million at March 10, 2014, leaving the Corporation with approximately \$27 million of net debt

available. The annual interest rate on that debt was approximately 6.0% at December 31, 2013 and remains at that level today. Cash requirements after net income are expected to be minimal, as current capital expenditures consist of office furniture and computer equipment.

Alaris' unique capital structure continues to fill a niche in the private capital markets. Therefore, Alaris continues to attract interest in its capital from private businesses across North America and is confident it will contribute capital to new, and existing Partners in 2014. As a conservative measure, Alaris does not use any estimates for future revenue earned from the contribution of capital into new or existing Partners in its guidance or budgeting process.

### **CRA Update**

In January 2014, the Corporation received a proposal letter from the Canada Revenue Agency (the "CRA") wherein the CRA advised that it intended to reassess Alaris and deny the deduction of certain non-capital losses claimed by Alaris for the taxation year ended July 14, 2009. The CRA has since followed up with further communication and indicated that it intends to reassess Alaris on the basis that there occurred an acquisition of control in 2006 in connection with a reorganization of the Corporation. The Corporation then received a notice of reassessment (the "Notice of Reassessment") from the CRA in February 2014 pursuant to which the CRA did deny the deduction of the non-capital losses claimed by Alaris for the taxation year ended July 14, 2009 and was challenging that tax filing based on the acquisition of control rules of the Income Tax Act (Canada).

Alaris intends to file a notice of objection to the Notice of Reassessment and has 90 days from the date the Notice of Reassessment is mailed to do so. Alaris is required to pay a deposit of 50% of the assessed tax liability (plus interest) at that time. Alaris' total federal and provincial assessed tax liability (as described in the Notice of Reassessment) is estimated to be \$3.6 million and Alaris will be required to pay a deposit of approximately \$1.8 million on that amount, with the remaining amount not payable until the dispute with the CRA is resolved and only if the result is not in Alaris' favor. Alaris has adequate capital available to it to pay the maximum amount of all tax liabilities it could incur if it was reassessed on all of its tax filings to date and if these reassessments were ultimately upheld through the tax adjudication process.

In management's view, the CRA's reassessment of Alaris, and certain of its recent reassessments of other Canadian companies, is part of a broader initiative on the CRA's part to challenge companies with respect to the use of tax assets. Alaris has received legal (tax) advice that Alaris should be entitled to deduct the non-capital losses, and as such, Alaris is of the opinion that its tax filings to date are correct and will withstand any reassessment by the CRA. Alaris intends to vigorously defend its tax filing position. Alaris anticipates that legal proceedings through the CRA and tax courts would take considerable time to resolve. The Corporation firmly believes it will be successful in defending its position and therefore, any deposits paid to the CRA would be refunded, plus interest.

### **Labstat Additional Contribution Complete**

The previously announced \$6 million contribution to Labstat from Alaris, the temporary restructuring of the distribution to Alaris as well as the revised credit agreement between Labstat and its senior lenders closed on February 28th, 2014. The total capital Alaris has contributed to Labstat is now \$47.2 million and now carries a maximum annualized distribution of \$6.7 million. The fixed distribution to Alaris over the next 12 months will equal \$3.4 million while the variable cash sweep portion can take the distribution up to its maximum of \$6.7 million over the next 12 months, provided certain financial covenants and performance targets are met. Labstat's recent results continue to demonstrate the strength and profitability of their current operations with upside for 2014 coming from any new contracts resulting from the anticipated implementation of certain regulations in the United States under the Tobacco Control Act as well as any new contracts the company enters in to throughout the year.

### **Foreign Exchange Impacts**

The declining value of the Canadian dollar ("CAD") relative to the U.S. dollar ("USD") is a net benefit to Alaris' future earnings on all U.S. revenue streams which Alaris currently has partnership agreements with (currently approximately USD\$19 million of revenue from three Partners). Rates of the currency hedges in place for 2014 and 2015 will provide for gains on current USD income as the forward rates for 2014 and 2015 are at rates in excess of the spot rates of all Alaris' USD revenue streams on either the date they were entered into or the rate of exchange for 2013. Alaris has a conservative policy regarding its foreign exchange exposure. The Corporation enters into forward contracts covering approximately 100% of the USD income from a new U.S. Partner for the first 12 months following an investment, while also locking in the exchange

rate for generally 70% to 80% of the anticipated second year of USD income. From that point, Alaris then rolls over the contracts so that it constantly has 24 months of forward contracts in place. This policy allows Alaris to smooth its CAD/USD pairing fluctuations and also allows the Corporation to have a high predictability of its foreign exchange adjusted CAD income.

## **MD&A and Financial Statements**

The Consolidated Statement of Financial Position, Statement of Comprehensive Income, and Statement of Cash Flows are attached to this news release. The Corporation highly recommends that the Management Discussion and Analysis is read in conjunction with this press release and the financial statements for this period. Alaris' financial statements and MD&A will be available later today on SEDAR at [www.sedar.com](http://www.sedar.com) and on our website at [www.alarisroyalty.com](http://www.alarisroyalty.com) in the "Investor Briefcase" section immediately after these results are released by Marketwired.

## **Conference Call Information**

The Corporation will be hosting a conference call at 9:00am Mountain Standard Time ("MST"), 11:00am Eastern Standard Time ("EST"), on Monday, March 10, 2014 (today) to discuss the results for the three and twelve months ended December 31, 2013.

Participants can access the conference call by telephone by dialing toll free 1-800-565-0813 or 1-416-340-8527. Alternatively, to listen to this event online, please enter <http://www.gowebcasting.com/5312> in your web browser and follow the prompts given. Please connect to the call or log into the webcast at least 10 minutes prior to the beginning of the event.

For those unable to participate in the conference call at the scheduled time, it will be archived for replay until the end of day March 17, 2014. You can access the replay by dialing toll free 1-800-408-3053 or 1-905-694-9451 and entering the passcode 9312643. The webcast will be archived for 90 days and is available for replay by using the same link as above or by clicking on the link we'll have stored under the "Investor Briefcase" on our website at [www.alarisroyalty.com](http://www.alarisroyalty.com).

## **2014 Annual and Special Meeting of Shareholders**

On May 8, 2014 the annual and special meeting of the common shareholders of Alaris Royalty Corp. will take place at 3:00pm MST at the Hotel Le Germain at 899 Centre Street S.W, Calgary, Alberta, T2G 1B8. The holder of record date for this meeting is April 3, 2014.

## **Corporate Presentation**

An updated corporate presentation will be available on the Corporation's website later today under the Investor Briefcase section at [www.alarisroyalty.com](http://www.alarisroyalty.com)

## **About the Corporation:**

Alaris provides alternative financing to the Private Company Partners ("Partners") in exchange for royalties or distributions with the principal objective of generating stable and predictable cash flows for dividend payments to its shareholders. Royalties or distributions from the Private Company Partners are structured as a percentage of a "top line" financial performance measure such as gross margin and same-store sales and rank in priority to the owners' common equity position.

## **Non-IFRS Measures**

The terms EBITDA, Normalized EBITDA and Payout Ratio are financial measures used in this news release that are not standard measures under International Financial Reporting Standards ("IFRS"). The Corporation's method of calculating EBITDA, Normalized EBITDA and Payout Ratio may differ from the methods used by other issuers. Therefore, the Corporation's EBITDA, Normalized EBITDA and Payout Ratio may not be comparable to similar measures presented by other issuers.

EBITDA refers to net earnings (loss) determined in accordance with IFRS, before depreciation and amortization, net of gain or loss on disposal of capital assets, interest expense and income tax expense.

EBITDA is used by management and many investors to determine the ability of an issuer to generate cash from operations. Management believes EBITDA is a useful supplemental measure from which to determine the Corporation's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and dividends. The Corporation has provided a reconciliation of net income to EBITDA in this news release.

Normalized EBITDA refers to EBITDA excluding items that are non-recurring in nature, such as gains associated with the reduction of interest in one partner and an impairment loss in another with which the Corporation has transacted. "Normalized EBITDA" is calculated by adding back non-recurring charges to EBITDA. Management deems non-recurring charges to be unusual and/or infrequent charges that the Corporation incurs outside of its common day-to-day operations. For the three and twelve months ended December 31, 2013, the gain on the reduction of financial interests in LifeMark as well as the loss on the SHS contribution are considered by management to be non-recurring charges. Adding back these non-recurring charges allows management to assess EBITDA from ongoing operations.

Payout Ratio: The term "payout ratio" is a financial measure used in this news release that is not a standard measure under International Financial Reporting Standards. Actual Payout ratio means Alaris' total dividends paid over the fiscal twelve months ended 2013 and 2012 divided by its net cash from operating activities over that same period. Annualized Payout Ratio means Alaris' total annualized dividend per share expected to be paid over the next twelve months divided by the estimated net cash from operating activities per share Alaris expects to generate over the same twelve month period (after giving effect to the impact of all information disclosed today).

The terms EBITDA, Normalized EBITDA and Payout Ratio should only be used in conjunction with the Corporation's annual audited and quarterly reviewed financial statements, excerpts of which are available below, while complete versions are available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Definitions:**

Compound Annual Growth Rate (CAGR) is the year-over-year growth rate of an investment over a specified period of time. The compound annual growth rate is calculated by taking the nth root of the total percentage growth rate, where n is the number of years in the period being considered

Total Return refers to the return a shareholder would realize on reinvesting dividends for shares in a security as well as from the share price appreciation over the holding period used for the calculation. The total return earned over the holding period is calculated by assuming a reinvestment of all realized dividends into the security annually on the last day of the period that has a valid price. Because of the difference in dividend reinvestment for daily and non-daily periods, the total return can be different given the same start and end date.

#### **Forward-Looking Statements**

*This news release contains forward-looking statements under applicable securities laws. Statements other than statements of historical fact contained in this news release are forward-looking statements, including, without limitation, management's expectations, intentions and beliefs concerning the growth, results of operations, performance of the Corporation and the Private Company Partners, the, the future financial position or results of the Corporation, business strategy, and plans and objectives of or involving the Corporation or the Private Company Partners. Many of these statements can be identified by looking for words such as "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. In particular, this news release contains forward-looking statements regarding the anticipated financial and operating performance of the Private Company Partners in 2014, the revenues to be received by Alaris in 2014 (aggregate and on a per share basis), its general and administrative expenses in 2014, the cash requirements of the Corporation in 2014, the CRA proceedings (including the expected timing and financial impact thereof), Annualized Payout Ratio, net growth in distributions from Partners, Alaris' ability to attract new private businesses to invest in, and Alaris' foreign exchange hedging policies and the impact thereof. To the extent that any forward-looking statements herein constitute a financial outlook, including without limitation, estimated revenues (aggregate and on a per share basis) and expenses, Annualized Payout Ratio, and net growth in distributions from Partners, they were approved by management as of the date hereof and have been included to assist readers in understanding management's current expectations regarding Alaris' financial performance and are subject to the same risks and assumptions disclosed herein.*

*By their nature, forward-looking statements require Alaris to make assumptions and are subject to inherent risks and uncertainties. Assumptions about the performance of the Canadian and U.S. economies in 2014*

*and how that will affect Alaris' business and that of its Partners are material factors considered by Alaris management when setting the outlook for Alaris. Key assumptions include, but are not limited to, assumptions that the Canadian and U.S. economies will grow moderately in 2014, that interest rates will not rise in a material way over the next 12 to 24 months, that the Partners will continue to make distributions to Alaris as and when required, that the businesses of Alaris' Partners will not change in a material way, that the Corporation will experience net positive resets to its annual royalties and distributions from its Partners in 2014, more private companies will require access to alternative sources of capital, and that Alaris will have the ability to raise required equity and/or debt financing on acceptable terms. Management of Alaris has also assumed that capital markets will remain stable and that the Canadian dollar will remain in a range of approximately plus or minus 5% of par relative to the U.S. dollar. In determining expectations for economic growth, management of Alaris primarily considers historical economic data provided by the Canadian and U.S. governments and their agencies.*

*There can be no assurance that the assumptions, plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions and should not be read as guarantees or assurances of future performance. The actual results of the Corporation and the Partners could materially differ from those anticipated in the forward-looking statements contained herein as a result of certain risk factors, including, but not limited to, the following: general economic conditions and changes in the financial markets; risks associated with the Partners and their respective businesses; a change in the ability of the Partners to continue to pay Alaris' preferred distributions; a material change in the operations of a Partner or the industries in which they operate; a failure to obtain required regulatory approvals on a timely basis or at all; changes in legislation and regulations and the interpretations thereof; litigation risk associated with the CRA's reassessment and the Corporation's challenge thereof; and material adjustments to the unaudited internal financial reports provided to Alaris by the Partners. In addition, the information set forth under the heading "Risk Factors" in the Corporation's Annual Information Form dated March 13, 2013 and the Corporation's management discussion and analysis dated, March 10, 2014 for the year-ended December 31, 2013 (complete copies of which can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Corporation's website at [www.alarisroyalty.com](http://www.alarisroyalty.com)) identify additional factors that could affect the operating results and performance of the Corporation and may cause the actual results of the Corporation to differ materially from those anticipated in forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on any forward-looking information contained in this news release. Statements containing forward-looking information reflect management's current beliefs and assumptions based on information in its possession on the date of this news release. Although management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.*

Alaris Royalty Corp.  
Consolidated statement of financial position

December 31 2013	December 31 2012	
Assets		
Cash and cash equivalents	\$8,998,342	\$3,638,255
Prepayments	125,543	182,811
Trade and other receivables	955,831	899,529
Foreign exchange contracts	-	18,113
Promissory note receivable	8,500,000	2,500,000
Current Assets	18,579,716	7,238,708
Promissory note receivable	6,915,000	1,250,000
Equipment	59,825	59,881
Intangible assets	6,479,265	6,570,201
Preferred LP and LLC Units	433,988,295	298,226,402
Investment tax credit receivable	10,922,393	10,922,393
Deferred income taxes	3,785,015	8,673,125
Non-current assets	462,149,793	325,702,002
Total Assets	\$480,729,509	\$332,940,710
Liabilities		
Accounts payable and accrued liabilities		
	\$1,361,588	\$1,805,561
Dividends payable	3,443,243	2,345,347
Foreign exchange contracts	633,801	-
Income taxes payable	1,031,701	40,585
Current Liabilities	6,470,333	4,191,493
Loans and borrowings	44,500,000	50,000,000
Non-current liabilities	44,500,000	50,000,000
Total Liabilities	\$50,970,333	\$54,191,493
Equity		
Share capital	413,237,576	252,016,172
Equity reserve	5,688,079	2,930,483
Fair value reserve	(4,883,951)	2,336,689
Translation reserve	1,201,883	(265,220)
Retained earnings	14,515,589	21,731,093
Total Equity	\$429,759,176	\$278,749,217
Total Liabilities and Equity	\$480,729,509	\$332,940,710

Alaris Royalty Corp.  
Consolidated statement of comprehensive income  
For the years ended December 31



2013	2012	
Revenues		
Royalties and distributions		
	\$51,576,277	\$32,089,405
Interest and other	1,130,727	20,259
Gain on reduction of LifeMark interest		
	13,052,160	-
Impairment loss on SHS	(15,512,013)	-
Unrealized loss on foreign exchange contracts		
	(651,915)	(3,750)
Total Revenue	49,595,236	32,105,914
Salaries and benefits	2,679,570	1,796,174
Corporate and office	1,371,188	971,072
Legal and accounting fees	919,791	1,330,689
Non-cash stock-based compensation		
	3,808,518	1,901,683
Bad debts	575,000	-
Depreciation and amortization	106,283	107,633
Subtotal	9,460,350	6,107,251
Earnings from operations	40,134,886	25,998,663
Finance costs	1,677,102	1,033,392
Unrealized foreign exchange loss/(gain)		
	(1,909,530)	241,794
Earnings before taxes	40,367,314	24,723,477
Deferred income tax expense	8,257,300	5,978,701
Current income tax expense	2,286,517	709,173
Total income tax expense	10,543,817	6,687,874
Earnings	29,823,497	18,035,603
Other comprehensive income		
Net change in fair value of Preferred LP units		
	4,800,000	50,000
Tax impact of change in fair value		
	(600,000)	(6,250)
Realized gain/(loss) on reduction of partnership interest		
	(13,052,160)	-
Tax impact of realized gain	1,631,519	-
Foreign currency translation differences		
	1,467,103	(140,273)
Other comprehensive income for the year, net of income tax		
(5,753,537)	(96,523)	
Total comprehensive income for the year		
	\$24,069,960	\$17,939,080
Earnings per share		
Basic earnings per share	\$1.12	\$0.86
Fully diluted earnings per share	\$1.09	\$0.84
Weighted average shares outstanding		
Basic	26,695,896	20,934,899
Fully Diluted	27,408,071	21,475,993

Alaris Royalty Corp.  
 Consolidated statement of cash flows  
 For the years ended December 31

2013	2012	
Cash flows from operating activities		
Earnings from the year	\$29,823,497	\$18,035,603
Adjustments for:		
Finance costs	1,677,102	1,033,392
Deferred income tax expense	8,257,300	5,978,701
Depreciation and amortization	106,282	107,633
Bad debts expense	575,000	-
Gain on reduction of interest in LifeMark	(13,052,160)	-
Impairment loss on SHS	15,512,013	-
Unrealized loss on foreign exchange forward contract	651,915	3,750
Unrealized foreign exchange (gain)/loss	(1,909,530)	241,794
Non-cash stock-based compensation	3,808,518	1,901,683
	45,449,937	27,302,556
Change in:		
-trade and other receivables	(631,302)	26,037
-prepayments	57,268	(63,303)
-trade and other payables	547,143	231,851
Cash generated from operating activities	45,423,046	27,497,141
Finance costs	(1,677,102)	(1,033,392)
Net cash from operating activities	\$43,745,944	\$26,463,749
Cash flows from investing activities		
Acquisition of equipment	(15,290)	(9,835)
Acquisition of Preferred LP Units	(173,282,648)	(91,141,585)
Proceeds from reduction of LifeMark interest#	30,000,000	-
Net cash used in investing activities	\$(143,297,938)	\$(91,151,420)
Cash flows from financing activities		
New share capital, net of share issue costs	155,685,585	46,286,377
Proceeds from exercise of options	2,332,603	607,500
Repayment of debt	(168,000,000)	(49,000,000)
Proceeds from debt	162,500,000	92,500,000
Promissory notes issued	(11,665,000)	(1,250,000)
Dividends paid	(35,648,317)	(24,464,678)
Payments in lieu of dividends on RSUs	(292,790)	(241,738)
Net cash used in financing activities	\$104,912,081	\$64,437,461
Net increase/(decrease) in cash and cash equivalents	5,360,087	(250,210)
Cash and cash equivalents, Beginning of year	3,638,255	3,888,465
Cash and cash equivalents, End of year	\$8,998,342	\$3,638,255

(1) Reflects Alaris' total cost of investments and includes a \$15.5 million cost base on the SHS Services Management LP ("SHS") contribution.

(2) Includes revenue from Partner distributions as well as interest earned on promissory notes.

(3) This is a non-IFRS measure. See definition under Non-IFRS Measures section.

(4) SHS went into receivership on December 13, 2013 and is no longer included in Alaris' guidance.

(5) Converted a \$3 million promissory note into additional preferred shares in LMS in December 2013.

(6) Includes the automatic 4% escalator on LifeMark's distribution each July 1st.

## CONTACT INFORMATION

[Alaris Royalty Corp.](#)

Curtis Krawetz

Vice President, Investor Relations

403-221-7305

[www.alarisroyalty.com](http://www.alarisroyalty.com)

---

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/168151--Alaris-Royalty-Corp.-Announces-2013-Financial-Results.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

---

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!

Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).