

SHAW COMMUNICATIONS INC

Form 6-K

April 12, 2017

Table of Contents

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

April 12, 2017

Commission File Number: 001-14684

Shaw Communications Inc.

(Translation of registrant's name into English)

Suite 900, 630 3rd Avenue S.W., Calgary, Alberta T2P 4L4 (403) 750-4500

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

The information contained in this report on Form 6-K and any exhibits hereto shall be deemed filed with the Securities and Exchange Commission (SEC) are incorporated by reference into and as part of the Registration Statement on Form F-10 (File No. 333-188260) filed by the registrant under the Securities Act of 1933, as amended.

Table of Contents

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Shaw Communications Inc.

Date: April 12, 2017

By: /s/ Vito Culmone
Name: Vito Culmone
Title: Executive Vice President and Chief Financial
Officer
Shaw Communications Inc.

Table of Contents

Shaw Communications Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three month and six ended February 28, 2017

April 12, 2017

Contents

<u>Introduction</u>	7
<u>Selected financial and operational highlights</u>	8
<u>Overview</u>	10
<u>Outlook</u>	12
<u>Non-IFRS and additional GAAP measures</u>	12
<u>Discussion of operations</u>	16
<u>Supplementary quarterly financial information</u>	20
<u>Other income and expense items</u>	22
<u>Financial position</u>	23
<u>Liquidity and capital resources</u>	24
<u>Accounting standards</u>	25
<u>Related party transactions</u>	26
<u>Financial instruments and other instruments</u>	26
<u>Risk and uncertainties</u>	26
Advisories	

The following Management's Discussion and Analysis (MD&A), dated April 12, 2017, should be read in conjunction with the unaudited interim Consolidated Financial Statements and Notes thereto for the quarter ended February 28, 2017 and the 2016 Annual Consolidated Financial Statements, the Notes thereto and related MD&A included in the Company's 2016 Annual Report. The financial information presented herein has been prepared on the basis of International Financial Reporting Standards (IFRS) for interim financial statements and is expressed in Canadian dollars unless otherwise indicated. References to Shaw , the Company , we , us or our mean Shaw Communications and its subsidiaries and consolidated entities, unless the context otherwise requires.

Caution concerning forward-looking statements

Statements included in this MD&A that are not historic constitute forward-looking statements within the meaning of applicable securities laws. Such statements include, but are not limited to:

statements about future capital expenditures;

asset acquisitions and dispositions;

cost efficiencies;

financial guidance for future performance;

business and technology strategies and measures to implement strategies;

statements about the Company's equity investments, joint ventures and partnership arrangements including any statements about write-downs, losses and liabilities;

competitive strengths; and

expansion and growth of the Company's business and operations and other goals and plans.

Table of Contents

Shaw Communications Inc.

They can generally be identified by words such as anticipate , believe , expect , plan , intend , target , goal and expressions (although not all forward-looking statements contain such words). All of the forward-looking statements made in this report are qualified by these cautionary statements.

Forward-looking statements are based on assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances as of the current date. The Company's management believes that its assumptions and analysis in this MD&A are reasonable and that the expectations reflected in the forward looking statements contained herein are also reasonable based on the information available on the date such statements are made and the process used to prepare the information. These assumptions, many of which are confidential, include but are not limited to:

general economic conditions;

interest;

income tax and exchange rates;

technology deployment;

content and equipment costs;

industry structure;

conditions and stability;

government regulation; and

the integration of recent acquisitions.

You should not place undue reliance on any forward-looking statements. Many factors, including those not within the Company's control, may cause the Company's actual results to be materially different from the views expressed or implied by such forward-looking statements, including but not limited to:

general economic, market and business conditions;

changes in the competitive environment in the markets in which the Company operates and from the development of new markets for emerging technologies;

industry trends, technological developments, and other changing conditions in the entertainment, information and communications industries;

the Company's ability to execute its strategic plans and capital projects;

the Company's ability to achieve cost efficiencies;

technology, cyber security and reputational risks;

opportunities that may be presented to and pursued by the Company;

changes in laws, regulations and decisions by regulators that affect the Company or the markets in which it operates;

the Company's status as a holding company with separate operating subsidiaries; and

other factors described in this report under the heading "Known events, trends, risks and uncertainties". The foregoing is not an exhaustive list of all possible factors.

Should one or more of these risks materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein.

The Company provides certain financial guidance for future performance as the Company believes that certain investors, analysts and others utilize this and other forward-looking information in order to assess the Company's expected operational and financial performance and as an indicator of its ability to service debt and pay dividends to shareholders. The Company's financial guidance may not be appropriate for this or other purposes.

Table of Contents

Shaw Communications Inc.

Any forward-looking statement speaks only as of the date on which it was originally made and, except as required by law, the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement to reflect any change in related assumptions, events, conditions or circumstances. All forward looking statements contained in this MD&A are expressly qualified by this statement.

Non-IFRS and additional GAAP measures

Certain measures in this MD&A do not have standard meanings prescribed by IFRS and are therefore considered non-IFRS measures. These measures are provided to enhance the reader's overall understanding of our financial performance or current financial condition. They are included to provide investors and management with an alternative method for assessing our operating results in a manner that is focused on the performance of our ongoing operations and to provide a more consistent basis for comparison between periods. These measures are not in accordance with, or an alternative to, IFRS and do not have standardized meanings. Therefore, they are unlikely to be comparable to similar measures presented by other entities.

Please refer to **Non-IFRS and additional GAAP measures** in this MD&A for a discussion and reconciliation of non-IFRS measures, including operating income before restructuring costs and amortization and free cash flow.

Table of Contents

Shaw Communications Inc.

Introduction

Strategic update

Shaw is focused to deliver long-term growth and connect customers to the world through a best-in-class seamless connectivity experience. In 2016, Shaw positioned itself as a leading enhanced connectivity provider through the acquisition of Freedom Mobile (formerly, WIND). The addition of a wireless business enabled the Company to combine the power of fibre, coax, Wi-Fi and wireless networks to deliver a seamless experience of anytime and anywhere enhanced connectivity within its operating footprint. In 2017, the Company continues to execute on its long-term strategic plan which is centred on delivering exceptional customer experiences by leveraging and further developing a world-class converged network and providing leading technology through best-in-class strategic partners.

Shaw's world-class converged network

Shaw's broadband network strategy provides flexibility, cost efficiency and a speed advantage that continues to support the success of its Internet offerings, including WideOpen Internet 150, the fastest widely available Internet speed provided in nearly every neighborhood across Shaw's wireline footprint. The combination of this exceptional service with the tremendous value and pricing stability offered through value plans have had a positive impact on customer retention. Shaw's wireline and wireless network roadmap continues to progress with the DOCSIS 3.1 and the LTE-Advanced upgrades targeted for completion, as planned, by the end of fiscal 2017.

Global technology leader

BlueSky TV is now available everywhere Shaw offers cable video. Western Canadians are now able to enjoy a revolutionary TV experience made possible by Shaw's strategic partnership with Comcast. The Company's partnerships with industry leaders such as Comcast will allow it to continue to access leading-edge technology in the global communications industry.

The BlueSky TV experience is more than just a new guide and set-top-box, it is an elegant system that listens, learns and curates content to provide an exceptional viewing experience. Shaw is optimistic that BlueSky TV combined with WideOpen 150 and flexible TV packages will provide a compelling reason for consumers to stay and switch to Shaw.

Freedom Mobile leadership transition and integration

Following a successful year of leading the transition of Freedom Mobile and laying the important groundwork for integrating the companies, Alek Krstajic has announced he will be stepping down as CEO, Freedom Mobile.

During his time, Mr. Krstajic was instrumental in activating Freedom Mobile's LTE-Advanced network and in providing customers with the best value and enhanced connectivity. With his departure, Shaw is welcoming Paul McAleese as Chief Operating Officer, Freedom Mobile, who will guide the division's operations and continued growth. Mr. McAleese has more than two decades of experience in mobile communications in the U.S., U.K., and Canada and is a proven wireless industry veteran.

The integration of Freedom Mobile will enhance the development of Shaw as a world-class connectivity provider.

Table of Contents**Shaw Communications Inc.**

In what has been a remarkably fast-paced and dynamic year of innovation, change and growth, the Company is excited by the potential reflected in the first half results for fiscal 2017, including the continued improvements in the Consumer division's subscriber trend and the growth in Wireless subscribers. Shaw's employees have shown tremendous commitment and engagement to execute on the longer term strategic initiatives and to serve Shaw's customers.

Selected financial and operational highlights**Basis of presentation**

On April 1, 2016, Shaw sold 100% of its wholly owned subsidiary Shaw Media Inc. to Corus Entertainment Inc. (Corus), a related party subject to common voting control, for \$2.65 billion, comprised of \$1.85 billion in cash and 71,364,853 Corus Class B non-voting participating shares. Accordingly, the operating results and operating cash flows for the previously reported Media division are presented as discontinued operations separate from the Company's continuing operations. This MD&A reflects the results of continuing operations, unless otherwise noted.

Financial Highlights

<i>(millions of Canadian dollars except per share amounts)</i>	Three months ended			Six months ended		
	February 28, 2017	February 29, 2016	Change %	February 28, 2017	February 29, 2016	Change %
Operations:						
Revenue	1,304	1,151	13.3	2,618	2,295	14.1
Operating income before restructuring costs and amortization ⁽¹⁾	540	502	7.6	1,079	1,010	6.8
Operating margin ⁽¹⁾	41.4%	43.6%	(2.2pts)	41.2%	44.0%	(2.8pts)
Net income from continuing operations	147	116	26.7	237	254	(6.7)
Income from discontinued operations, net of tax		48	(100.0)		128	(100.0)
Net income	147	164	(10.4)	237	382	(38.0)
Per share data:						
Basic and diluted earnings per share						
Continuing operations	0.30	0.24		0.48	0.52	
Discontinued operations		0.08			0.23	
	0.30	0.32		0.48	0.75	
Weighted average participating shares outstanding during period (millions)						
	489	477		488	476	
Funds flow from continuing operations ⁽²⁾	424	363	16.8	838	710	18.0
Free cash flow ⁽¹⁾	147	119	23.5	305	291	4.8

- (1) See definitions and discussion under Non-IFRS and additional GAAP measures .
- (2) Funds flow from operations is before changes in non-cash balances related to operations as presented in the unaudited interim Consolidated Statements of Cash Flows.

Table of Contents**Shaw Communications Inc.****Subscriber (or revenue generating unit (RGU)) highlights**

	February 28, 2017	August 31, 2016	Change Three months ended February 28, 2017	February 29, 2016	Change Six months ended February 28, 2017	February 29, 2016
Consumer						
Video Cable	1,650,789	1,671,059	(7,124)	(25,782)	(20,270)	(43,811)
Video Satellite	770,294	790,574	(4,611)	(6,002)	(20,280)	(18,929)
Internet	1,818,072	1,787,642	13,466	4,335	30,430	13,768
Phone	931,893	956,763	(7,025)	(14,473)	(24,870)	(36,700)
Total Consumer	5,171,048	5,206,038	(5,294)	(41,922)	(34,990)	(85,672)
Business Network Services						
Video Cable	53,475	61,153	(4,480)	(13,572)	(7,678)	(16,443)
Video Satellite	32,000	30,994	1,041	2,442	1,006	2,741
Internet	173,144	179,867	(3,856)	(1,547)	(6,723)	(2,562)
Phone	312,384	301,328	5,692	3,104	11,056	5,601
Total Business Network Services	571,003	573,342	(1,603)	(9,573)	(2,339)	(10,663)
Wireless						
Postpaid	714,917	667,028	33,582		47,889	
Prepaid	371,268	376,260	(155)		(4,992)	
Total Wireless	1,086,185	1,043,288	33,427		42,897	
Total Subscribers	6,828,236	6,822,668	26,530	(51,495)	5,568	(96,335)

In the quarter, the Company continued its momentum of improving subscriber trends with consolidated RGU net gains of 26,530.

Consumer RGUs in the second quarter of fiscal 2017 declined by 5,294, a significant improvement over the 41,922 RGU losses in the second quarter of fiscal 2016. This quarter's Consumer RGU result represents the division's best performance since the second quarter of fiscal 2012. This trend of year-over-year improvement continues to be driven by strong Internet subscriber growth linked to the WideOpen Internet 150 value offering and by notable reductions in both cable video and phone RGU losses attributed mainly to strong bundle and value plan offerings.

The Company also reported significant improvements in Wireless postpaid and prepaid subscribers adding a combined 33,427 RGUs as compared to 9,470 RGUs gained in the first quarter of fiscal 2017, finishing the period with a total 1,086,185 RGUs. Strong RGU results in the quarter reflect the compelling value proposition of Freedom

Mobile s offering to thousands of value-conscious Canadians.

Table of Contents

Shaw Communications Inc.

Overview

Our fiscal 2017 second quarter financial results represent improvements in consolidated revenue and operating income before restructuring costs and amortization over the second quarter of fiscal 2016. For further discussion of divisional performance see Discussion of operations .

Highlights of the second quarter financial results are as follows:

Revenue

Revenue for the quarter of \$1.30 billion increased \$153 million or 13.3% from \$1.15 billion for the second quarter of 2016.

The year-over-year improvement in revenue was primarily due to the acquisition of Freedom Mobile (formerly, WIND) on March 1, 2016, contributing Wireless revenues of \$140 million.

Excluding the results of the Wireless division, revenue for the quarter from the combined Consumer, Business Network Services and Business Infrastructure Services divisions was up 1.1%.

The Business Network Services and Business Infrastructure Services divisions contributed a combined \$11 million to the consolidated revenue improvements for the quarter driven primarily by customer growth.

The Consumer division year-over-year revenue for the period was down \$1 million.

Compared to the first quarter of fiscal 2017, consolidated revenue for the quarter decreased 0.7% or by \$9 million. The decrease in revenue over the prior quarter relates to a lower revenue in the Consumer division offset by growth in each of the Business Network Services, Business Infrastructure Services and Wireless divisions.

Revenue for the six month period of \$2.62 billion increased \$323 million or 14.1% from \$2.30 billion for the comparable period in fiscal 2016.

The year-over-year improvement in revenue was primarily due to the Wireless division contributing revenues of \$279 million.

Excluding the results of the Wireless division, revenue for the six month period from the combined Consumer, Business Network Services and Business Infrastructure Services divisions was up 1.9%.

Customer acquisition was the primary driver of revenue growth in the Business Network Services and Business Infrastructure Services divisions, contributing a combined \$36 million to consolidated revenue growth. The Consumer division's revenue increased by \$2 million over the comparable prior year period due primarily to rate increases partially offset by RGU losses.

Operating income before restructuring costs and amortization

Second quarter operating income before restructuring costs and amortization of \$540 million increased \$38 million or 7.6% from \$502 million for the second quarter of 2016.

The year-over-year improvement in operating income before restructuring costs and amortization was primarily due to contributions from the Wireless division of \$29 million.

Excluding the results of the Wireless division, operating income before restructuring costs and amortization for the quarter increased 1.8% over the second quarter of fiscal 2016.

Table of Contents

Shaw Communications Inc.

The Business Network Services and Business Infrastructure Services divisions contributed a combined \$9 million to the consolidated increase in operating income before restructuring costs and amortization for the quarter driven primarily by customer growth. Consumer division year-over-year operating income before restructuring costs and amortization was comparable to the prior year quarter.

Operating margin for the second quarter of 41.4% was down from 43.6% in the second quarter of fiscal 2016 due primarily to the impact of the added lower Wireless operating margin of 20.7% in the period.

Compared to the first quarter of fiscal 2017, operating income before restructuring costs and amortization for the current quarter was up \$1 million.

For the six month period, operating income before restructuring costs and amortization of \$1.08 billion increased \$69 million or 6.8% from \$1.01 billion for the comparable period

The year-over-year improvement was due primarily to contributions from the Wireless division of \$59 million.

Excluding the results of the Wireless division, operating income before restructuring costs and amortization for the six month period increased 0.8% over the comparable period.

The combined operating income before restructuring costs and amortization increase of \$24 million for the six month period in the Business Network Services and Business Infrastructure Services divisions was partially offset by \$14 million of lower operating income before restructuring costs and amortization in the Consumer division.

Free cash flow

Free cash flow for the second quarter of \$147 million increased \$28 million from \$119 million for the second quarter of 2016.

Free cash flow increased in the quarter as a result of higher consolidated operating income before restructuring costs and amortization of \$38 million, \$22 million in dividends received from the investment in Corus and \$20 million in lower cash taxes. The improvements were partially offset by higher planned capital expenditures in the amount of \$23 million, reflecting the addition of the Wireless division capital expenditures, and the loss of free cash flow from discontinued operations in the amount of \$29 million.

Table of Contents**Shaw Communications Inc.****Net Income**

Net income was \$147 million and \$237 million for the three and six months ended February 28, 2017, respectively, compared to \$164 million and \$382 million for the same periods in fiscal 2016. The changes in net income are outlined in the following table.

<i>(millions of Canadian dollars)</i>	February 28, 2017 net income compared to:		
	Three months ended		Six months ended
	November 30, 2016	February 29, 2016	February 29, 2016
Increased (decreased) operating income before restructuring costs and amortization ⁽¹⁾	1	38	69
Decreased (increased) restructuring costs	12		(12)
Increased amortization	(10)	(34)	(66)
Change in net other costs and revenue ⁽²⁾	85	41	(18)
Decreased (increased) income taxes	(30)	(14)	10
Decreased income from discontinued operations, net of tax		(48)	(128)