



Fiera Capital Reports First Quarter 2023 Results

Montreal, May 10, 2023 – Fiera Capital Corporation (TSX: FSZ) (“Fiera Capital” or the “Company”), a leading independent asset management firm, today announced its financial results for the first quarter ended March 31, 2023. Financial references are in Canadian dollars unless otherwise indicated.

<i>(in \$ thousands except where otherwise indicated)</i>	Q1 2023	Q4 2022	Q1 2022
End of period AUM (in \$ billions)	164.7	158.5	174.5
Average AUM (in \$ billions)	163.9	159.7	177.5
IFRS Financial Measures			
Total revenues	157,091	184,697	172,343
Base management fees	147,428	147,390	159,311
Net earnings (loss) ¹	(2,517)	2,509	3,419
Non-IFRS Financial Measures			
Adjusted EBITDA ²	38,823	52,825	47,328
Adjusted EBITDA margin ²	24.7 %	28.6 %	27.5 %
Adjusted net earnings ^{1,2}	23,544	33,083	33,252
LTM Free Cash Flow ²	67,891	58,944	145,257

“AUM in the first quarter of 2023 benefited from market appreciation and organic growth in Private Markets. I am pleased that our investment strategies continue to deliver excellent investment performance to our clients despite the volatile markets, with 91% and 83% of equity and fixed income strategies beating their benchmark over a one-year period respectively.” said Jean-Guy Desjardins, Chairman of the Board and Chief Executive Officer. “We continue to make progress with our distribution strategy, and while this quarter’s net flows were impacted by losses in the financial intermediaries channel, I am optimistic about our future momentum in the channel, particularly in light of the announcement of our distribution partnership with New York Life Investments this quarter.”

“While revenues decreased from the previous quarter due to performance fees recognized in Q4 2022, base management fees were in-line quarter-over-quarter. We continue to maintain a prudent approach to cost management as we remain vigilant in the face of an uncertain market environment in the year ahead.” said Lucas Pontillo, Executive Director and Global Chief Financial Officer. “Our Q1 2023 LTM free cash flow also improved from the previous quarter. As such, I am pleased to announce that the Board of Directors has approved a dividend of 21.5 cents per share, payable on June 19, 2023.”

Assets Under Management (in \$ millions, unless otherwise indicated)

	December 31, 2022	New	Lost	Net Contributions	Net Organic Growth ³	Market and Other ⁴	March 31, 2023
Canada	107,220	1,676	(1,241)	178	613	4,967	112,800
United States	33,785	231	(1,273)	(477)	(1,519)	1,759	34,025
Europe & Asia	17,501	117	(1,048)	322	(609)	955	17,847
Total	158,506	2,024	(3,562)	23	(1,515)	7,681	164,672

	March 31, 2022	New	Lost	Net Contributions	Net Organic Growth ³	Market and Other ⁴	Strategic ⁵	March 31, 2023
Canada	116,059	5,205	(6,310)	(2,617)	(3,722)	463	—	112,800
United States	40,194	1,886	(4,244)	(2,885)	(5,243)	1,638	(2,564)	34,025
Europe & Asia	18,291	1,231	(2,053)	(341)	(1,163)	719	—	17,847
Total	174,544	8,322	(12,607)	(5,843)	(10,128)	2,820	(2,564)	164,672

- AUM of \$164.7 billion increased by \$6.2 billion or 3.9% compared to December 31, 2022, primarily due to a favourable market impact, partly offset by negative net organic growth in Public Markets, mainly from one large Global and International equity mandate within our Financial Intermediaries clients.
- AUM decreased by \$9.8 billion or 5.6% compared to March 31, 2022, due to a decrease in Public Markets AUM from negative net organic growth, driven mainly from lost mandates and client rebalancings in the Global and International Equity strategies, which were partly offset by an increase in Private Markets AUM from positive net organic growth.

First Quarter Financial Highlights

The Company's financial highlights reflect the following major items for the first quarter of 2023:

- Revenues of \$157.1 million decreased by \$15.2 million, or 8.8% compared to Q1 2022, driven by lower base management fees in Public Markets due to lower average AUM, partly offset by higher base management fees in Private Markets.
- Adjusted EBITDA of \$38.8 million decreased by \$8.5 million or 18.0% compared to Q1 2022 due to a decrease in revenues, partly offset by a decrease in compensation costs and sub-advisory fees.
- Adjusted net earnings of \$23.5 million decreased by \$9.8 million, or 29.4% compared to Q1 2022, primarily due to lower Adjusted EBITDA and higher interest on long-term debt and debentures
- Net loss¹ of \$2.5 million decreased by \$5.9 million compared to net earnings of \$3.4 million in Q1 2022. The decrease was primarily due to lower Adjusted EBITDA and the impact of the following:
 - Higher other expenses of \$6.0 million, primarily due to a provision for certain claims recorded in the current quarter;
 - Higher restructuring, acquisition related and other costs of \$4.2 million. In response to the current economic environment, the Company continued its efforts of streamlining its operations, resulting in the recognition of \$6.1 million of termination costs during the first quarter of 2023; and
 - Higher interest on long-term debt and debentures of \$3.0 million, primarily due to rising interest rates, partly offset by interest rate swaps.

These decreases in net earnings (loss) were partly offset lower depreciation and amortization of \$1.7 million, due to certain intangible assets being fully amortized.

- LTM free cash flow of \$67.9 million decreased by \$77.4 million or 53.3% compared to Q1 2022. The decrease was mainly due to lower cash generated by operating activities and settlements of purchase price obligations and puttable financial instrument liabilities in the second and third quarter of fiscal 2022.

First Quarter Business Highlights

Strategic Distribution Partnership Announced

The Company has expanded its US footprint through a new strategic distribution partnership with New York Life Investments, a well-recognized and respected global investment manager. The agreement, announced on March 13, 2023, contains certain exclusivity rights in the US retail intermediary channel for various investment strategies managed by Fiera Capital Inc ("FCI"), Fiera Comox Partners Inc. and the Fiera UK Atlas Global Companies team. It will also expand the distribution of FCI's Tax Efficient Fixed Income separately managed account ("SMA") strategies, as well as its US Growth Equity team's flagship Small-Mid Cap Growth and Small Cap Growth SMA strategies.

Leadership Change

On January 21, 2023, Jean-Guy Desjardins, founder and Executive Chairman of the Company, was re-appointed Chief Executive Officer. As part of the announcement, a newly constituted Executive Committee was formed, comprising of Jean-Guy Desjardins and the following executives:

- John Valentini, *Executive Director and President, Fiera Private Markets*
- Jean Michel, *Executive Director, President and Chief Investment Officer, Fiera Public Markets*
- Peter Stock, *Executive Director and President, Fiera Private Wealth*
- Lucas Pontillo, *Executive Director, Global Chief Financial Officer*
- Gabriel Castiglio, *Executive Director, Global Chief Legal Officer and Corporate Secretary*

Dividend Declared

On May 9, 2023, the Board of Directors declared a quarterly dividend of \$0.215 per Class A Share and Class B Share, payable on June 19, 2023 to shareholders of record at the close of business on May 22, 2023. The dividend is an eligible dividend for income tax purposes.

Additional details relating to the company's operating results can be found on our [Investor Relations web page](#) under *Financial Documents - Quarterly Results - Management's Discussion and Analysis*.

Conference Call

Live

Fiera Capital will hold a conference call at 10:00 a.m. (ET) on Wednesday, May 10, 2023, to discuss its financial results. The dial-in number to access the conference call from Canada and the United States is 1-888-390-0620 (toll-free) and 1-416-764-8651 from outside North America (access code: 91952362).

The conference call will also be accessible via [webcast](#) in the [Investor Relations](#) section of Fiera Capital's website, under *Events and Presentations*.

Replay

An audio replay of the call will be available until May 17, 2023 by dialing 1-888-309-0541 (toll free), access code 952362 followed by the number sign (#).

The webcast will remain available for three months following the call and can be accessed in the [Investor Relations](#) section of Fiera Capital's website under *Events and Presentations*.

Footnotes

- 1) Attributable to the Company's shareholders
- 2) Earnings before interest, taxes, depreciation and amortization ("EBITDA"), Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA per share, Adjusted net earnings and Adjusted net earnings per share (basic and diluted), and Last Twelve Months ("LTM") Free Cash Flow are not standardized measures prescribed by International Financial Reporting Standards ("IFRS"), and are therefore unlikely to be comparable to similar measures presented by other companies. We have included non-IFRS measures to provide investors with supplemental measures of our operating and financial performance. We believe non-IFRS measures are important supplemental metrics of operating and financial performance because they highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. Securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers, many of which present non-IFRS measures when reporting their results. Management also uses non-IFRS measures in order to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets and to assess its ability to meet future debt service, capital expenditure and working capital requirements.

For a description of the Company's non-IFRS Measures, please refer to page 37 of the Company's Management's Discussion and Analysis for the three months ended March 31, 2023 which is available on SEDAR at www.sedar.com. For a reconciliation of the Company's non-IFRS Measures, refer to the below tables:

Reconciliation to EBITDA and Adjusted EBITDA (in \$ thousands)

	FOR THE THREE MONTHS ENDED		
	March 31, 2023	December 31, 2022	March 31, 2022
Net earnings (loss)	(748)	4,467	5,453
Income tax expense	147	1,675	1,604
Amortization and depreciation	13,713	15,074	15,357
Interest on long-term debt and debentures	10,593	9,908	7,579
Interest on lease liabilities, foreign exchange revaluation and other financial charges	790	1,118	(1,721)
EBITDA	24,495	32,242	28,272
Restructuring, acquisition related and other costs	8,010	7,323	3,833
Accretion and change in fair value of purchase price obligations and other	(481)	(6,105)	(39)
Share-based compensation	2,507	2,470	14,609
(Gain) loss on investments, net	(1,287)	893	1,061
Other expenses (income)	5,579	16,002	(408)
Adjusted EBITDA	38,823	52,825	47,328
Per share basic	0.38	0.51	0.46
Per share diluted	0.38	0.50	0.46
Weighted average shares outstanding - basic (thousands)	102,750	102,927	101,960
Weighted average shares outstanding - diluted (thousands)	102,750	104,640	103,380

Reconciliation to Adjusted Net Earnings (in \$ thousands)

	FOR THE THREE MONTHS ENDED		
	March 31, 2023	December 31, 2022	March 31, 2022
Net earnings (loss) attributable to the Company's shareholders	(2,517)	2,509	3,419
Amortization and depreciation	13,713	15,074	15,357
Restructuring, acquisition related and other costs	8,010	7,323	3,833
Accretion and change in fair value of purchase price obligations and other, and effective interest on debentures	(228)	(5,784)	575
Share-based compensation	2,507	2,470	14,609
Other expenses (income)	5,579	16,002	(408)
Tax effect of above-mentioned items	(3,520)	(4,511)	(4,133)
Adjusted net earnings attributable to the Company's shareholders	23,544	33,083	33,252
Per share – basic			
Net earnings (loss)	\$ (0.02)	\$ 0.02	\$ 0.03
Adjusted net earnings (loss)	0.23	0.32	0.33
Per share – diluted			
Net earnings (loss)	\$ (0.02)	\$ 0.02	\$ 0.03
Adjusted net earnings (loss)	0.23	0.32	0.32
Weighted average shares outstanding - basic (thousands)	102,750	102,927	101,960
Weighted average shares outstanding - diluted (thousands)	102,750	104,640	103,380

Reconciliation to LTM Free Cash Flow (in \$ thousands)

	FOR THE THREE MONTHS ENDED							
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net cash generated by (used in) operating activities	(13,463)	66,722	25,686	46,853	(25,951)	97,226	36,960	61,452
Settlement of Purchase Price Obligations	—	—	(3,476)	(23,901)	—	—	—	(3,551)
Proceeds on promissory note	1,536	1,497	1,455	1,375	1,334	1,319	1,258	1,152
Distributions received from joint ventures and associates, net of investments	4,252	2,513	3,621	4,338	6,330	2,256	1,788	(222)
Dividends and other distributions to NCI	—	10	—	(1,753)	(1,425)	(19)	(43)	(626)
Lease payments, net of lease inducements	(4,510)	(4,607)	(4,396)	(4,221)	(4,306)	(4,822)	(3,829)	(4,698)
Interest paid on long-term debt and debentures	(10,379)	(9,713)	(8,191)	(8,299)	(7,427)	(6,636)	(7,460)	(6,705)
Other restructuring costs	1,180	1,056	470	160	418	883	3,112	2,599
Acquisition related and other costs	716	527	153	680	1,412	1,326	892	1,260
Free Cash Flow	(20,668)	58,005	15,322	15,232	(29,615)	91,533	32,678	50,661
LTM Free Cash Flow	67,891	58,944	92,472	109,828	145,257	135,012	131,426	112,613

- 3) Net Organic Growth represents the sum of New, Lost and Net Contributions.
- 4) Market and Other includes the impact of market changes, income distributions and foreign exchange.
- 5) Relates to AUM connected to Bel Air, which is no longer sub-advised by Fiera Capital effective May 14, 2022, following the sale of the Company's equity interest in Bel Air on February 28, 2021.

Forward-Looking Statements

This document contains forward-looking statements relating to future events or future performance and reflecting management's expectations or beliefs regarding future events including business and economic conditions and Fiera Capital's growth, results of operations, performance and business prospects and opportunities. Forward-looking statements may include comments with respect to Fiera Capital's objectives, strategies to achieve those objectives, expected financial results, and the outlook for Fiera Capital's businesses and for the Canadian, American, European, Asian and other global economies. Such statements reflect management's current beliefs and are based on factors and assumptions it considers to be reasonable based on information currently available to management and may typically be identified by terminology such as "believe", "expect", "aim", "goal", "plan", "anticipate", "estimate", "may increase", "may fluctuate", "predict", "potential", "continue", "target", "intend" or the negative of these terms or other comparable terminology and similar expressions of future or conditional verbs, such as "will", "should", "would" and "could."

By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions, forecasts, projections, expectations or conclusions will not prove to be accurate. The uncertainty created by the COVID-19 pandemic has heightened such risk given the increased challenge in making predictions, forecasts, projections, expectations, or conclusions. As a result, the Company does not guarantee that any forward-looking statement will materialize and readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors, many of which are beyond Fiera Capital's control, could cause actual events or results to differ materially from the predictions, forecasts, projections, expectations, or conclusions expressed in such forward-looking statements which include, but are not limited to, risks related to investment performance and investment of the assets under management ("AUM"), AUM concentration related to strategies sub-advised by StonePine Asset Management Inc. ("StonePine"), reputational risk, regulatory compliance, information security policies, procedures and capabilities, privacy laws, litigation risk, insurance coverage, third-party relationships, growth and integration of acquired businesses, AUM growth, key employees, ownership structure and potential dilution, indebtedness, market risk, credit risk, inflation, interest rates and recession risks and other factors described in the Company's Annual Information Form for the year ended December 31, 2022 under the heading "Risk Factors" or discussed in other materials filed by the Company with applicable securities regulatory authorities from time to time which are available on SEDAR at www.sedar.com.

The preceding list of important factors is not exhaustive. When relying on forward-looking statements in this document and any other disclosure made by Fiera Capital, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Fiera Capital does not undertake to update or revise any forward-looking statements, whether written or oral, that may be made from time to time by it or on its behalf in order to reflect new events or circumstances, except as required by applicable laws.

About Fiera Capital Corporation

Fiera Capital is a leading independent asset management firm with a growing global presence and approximately C\$164.7 billion in assets under management as of March 31, 2023. The Company delivers customized and multi-asset solutions across public and private market asset classes to institutional, financial intermediary and private wealth clients across North America, Europe and key markets in Asia. Fiera Capital's depth of expertise, diversified investment platform and commitment to delivering outstanding service are core to our mission of being at the forefront of investment management science to create sustainable wealth for clients. Fiera Capital trades under the ticker FSZ on the Toronto Stock Exchange.

Headquartered in Montreal, Fiera Capital, with its affiliates in various jurisdictions, has offices in over a dozen cities around the world, including New York (U.S.), London (UK), and Hong Kong (SAR).

Each affiliated entity (each an “Affiliate”) of Fiera Capital only provides investment advisory or investment management services or offers investment funds in the jurisdictions where the Affiliate and/or the relevant product is registered or authorized to provide services pursuant to an exemption from registration.

In the U.S., asset management services are provided by the Company’s affiliates who are investment advisers that are registered with the U.S. Securities and Exchange Commission (SEC) or exempt from registration. Registration with the SEC does not imply a certain level of skill or training. For details on the particular registration of, or exemptions therefrom relied upon by, any Fiera Capital entity, please consult this [webpage](#).

Additional information about Fiera Capital Corporation, including the Company's annual information form, is available on SEDAR at www.sedar.com.

For more information:

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