



Fiera Capital Reports Second Quarter 2023 Results

Montreal, August 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 second quarter ended June 30, 2023. Financial references are in Canadian dollars unless otherwise indicated.

<i>(in \$ thousands except where otherwise indicated)</i>	Q2 2023	Q1 2023	Q2 2022	YTD 2023	YTD 2022
End of period AUM (in \$ billions)	164.2	164.7	156.7	164.2	156.7
Average AUM (in \$ billions)	164.5	163.9	163.0	164.2	170.3
IFRS Financial Measures					
Total revenues	159,843	157,091	163,845	316,934	336,188
Base management fees	149,793	147,428	150,451	297,221	309,762
Net earnings ¹	10,484	(2,517)	10,759	7,967	14,178
Non-IFRS Financial Measures					
Adjusted EBITDA ²	45,468	38,823	46,437	84,291	93,765
Adjusted EBITDA margin ²	28.4 %	24.7 %	28.3 %	26.6 %	27.9 %
Adjusted net earnings ^{1,2}	28,708	23,544	31,555	52,252	64,807
LTM Free Cash Flow ²	45,198	67,891	109,828	45,198	109,828

Note: Certain totals, subtotals and percentages may not reconcile due to rounding.

“Our investment teams continue to be amongst the leaders in the industry in terms of investment performance, with 95% and 91% of equity and fixed income strategies beating their benchmark over a one-year period respectively. Despite this, the environment for flows remained challenged during the quarter given the persistent macroeconomic uncertainty and clients’ continued overweighting to cash. However, we maintained our consistent track record of positive organic growth in our Private Markets platform.” said Jean-Guy Desjardins, Chairman of the Board and Global Chief Executive Officer. *“We have also made progress toward the regionalization of our distribution model with the hiring of an Executive Director and Chief Executive Officer for EMEA and the appointment of an Executive Director and Chief Executive Officer for Asia. We also expect to conclude the hiring of regional CEOs in Canada and the US by the end of the third quarter.”*

“As we navigate uncertain market conditions in 2023, we are seeing the results of our collective teams’ efforts towards a prudent approach to cost management with an adjusted EBITDA margin of 28.4%, a marked improvement from last quarter and a return to consistent levels compared to the same period last year.” said Lucas Pontillo, Executive Director and Global Chief Financial Officer. *“We continued to optimize our capital structure and maintain our financial flexibility through the closing of our \$65 million 8.25% public debt offering this quarter with proceeds used towards the redemption of our \$110 million hybrid maturing in 2024. I am also pleased to announce that the Board of Directors has approved a dividend of 21.5 cents per share, payable on September 20, 2023.”*

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

By Platform	March 31, 2023	New	Lost	Net Contributions	Net Organic Growth ³	Market and Other ⁴	June 30, 2023
Public Markets, excluding AUM sub-advised by PineStone	95,397	653	(551)	(1,583)	(1,481)	1,292	95,208
Public Markets AUM sub-advised by PineStone	50,560	3	—	(1,911)	(1,908)	1,444	50,096
Public Markets - Total	145,957	656	(551)	(3,494)	(3,389)	2,736	145,304
Private Markets	18,715	601	(206)	(86)	309	(131)	18,893
Total	164,672	1,257	(757)	(3,580)	(3,080)	2,605	164,197

By Distribution Channel	March 31, 2023	New	Lost	Net Contributions	Net Organic Growth ³	Market and Other ⁴	June 30, 2023
Institutional	89,279	580	(152)	(1,542)	(1,114)	1,692	89,857
Financial Intermediaries	61,146	343	(270)	(1,735)	(1,662)	792	60,276
Private Wealth	14,247	334	(335)	(303)	(304)	121	14,064
Total	164,672	1,257	(757)	(3,580)	(3,080)	2,605	164,197

By Platform	December 31, 2022	New	Lost	Net Contributions	Net Organic Growth ³	Market and Other ⁴	June 30, 2023
Public Markets, excluding AUM sub-advised by PineStone	91,046	2,074	(1,898)	(892)	(716)	4,878	95,208
Public Markets AUM sub-advised by PineStone	49,219	30	(2,037)	(2,437)	(4,444)	5,321	50,096
Public Markets - Total	140,265	2,104	(3,935)	(3,329)	(5,160)	10,199	145,304
Private Markets	18,241	1,177	(384)	(228)	565	87	18,893
Total	158,506	3,281	(4,319)	(3,557)	(4,595)	10,286	164,197

By Distribution Channel	December 31, 2022	New	Lost	Net Contributions	Net Organic Growth ³	Market and Other ⁴	June 30, 2023
Institutional	84,330	2,121	(1,593)	(700)	(172)	5,699	89,857
Financial Intermediaries	60,275	555	(2,104)	(2,340)	(3,889)	3,890	60,276
Private Wealth	13,901	605	(622)	(517)	(534)	697	14,064
Total	158,506	3,281	(4,319)	(3,557)	(4,595)	10,286	164,197

- AUM of \$164.2 billion decreased by \$0.5 billion or 0.3% compared to March 31, 2023 due to negative net organic growth in Public Markets AUM, partly offset by a favourable market impact primarily from equities and positive net organic growth in Private Markets AUM.
- AUM increased by \$5.7 billion or 3.6% compared to December 31, 2022, due to a favourable market impact and new mandates, partly offset by outflows principally related to AUM sub-advised by PineStone Asset Management Inc. ("PineStone").

Second Quarter Financial Highlights

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

- Revenue increased by \$2.7 million, or 1.7% compared to Q1 2023. The increase was primarily due to higher base management fees as a result of higher average AUM in the quarter and higher commitment and transaction fees, partly offset by lower performance fees in Private Markets. Revenue decreased by \$4.0 million, or 2.4% compared to Q2 2022. The decrease was primarily due to lower performance fees crystallized in Europe and Canada and lower share of earnings in joint ventures and associates, due to timing of completion for certain projects.
- Adjusted EBITDA increased by \$6.7 million or 17.3% compared to Q1 2023, principally due to higher revenue and lower employee compensation costs. Adjusted EBITDA was marginally lower compared to Q2 2022 due to the decrease in revenues, but offset by a reduction in expenses, as reflected by an adjusted EBITDA margin of 28.4% in the quarter.
- Adjusted net earnings increased by \$5.2 million, or 22.1% compared to Q1 2023, primarily due to higher revenues, lower SG&A, excluding share-based compensation, and favourable foreign exchange revaluation, partly offset by higher income tax expense.
 - Adjusted net earnings decreased by \$2.9 million, or 9.2% compared to Q2 2022, primarily due to lower revenues, higher interest on long-term debt and debentures, and higher income tax expense, partly offset by lower SG&A, excluding share-based compensation.
- Net earnings attributable to the Company's shareholders increased by \$13.0 million compared to Q1 2023, primarily due to a lower provision related to certain claims, lower restructuring, acquisition related and other costs, favourable foreign exchange revaluation, higher revenues, and lower SG&A, partly offset by higher income tax expense.
 - Net earnings attributable to the Company's shareholders decreased by \$0.3 million compared to Q2 2022.
- LTM free cash flow decreased by \$64.6 million compared to Q2 2022. The decrease was mainly due to lower cash generated by operating activities, higher interest paid on long-term debt and debentures, lower distributions received from joint ventures and associates, and higher dividends and other distributions to non-controlling interest.

Year-to-Date Financial Highlights

The Company's financial highlights reflect the following major items for the six-month period ended June 30, 2023 compared to the six-month period ended June 30, 2022:

- Revenue decreased by \$19.3 million or 5.7%, primarily due to lower base management fees in Public Markets from lower average AUM, lower share of earnings in joint ventures and associates, and lower performance fees primarily in Public Markets, partly offset by higher base management fees in Private Markets.
- Adjusted EBITDA decreased by \$9.5 million, or 10.1%, primarily due to lower revenues, partly offset by net lower employee compensation costs and sub-advisory fees.
- Adjusted net earnings decreased by \$12.5 million, or 19.3%, primarily due to lower revenues and higher interest on long-term debt and debentures, partly offset by lower SG&A.
- Net earnings attributable to the Company's shareholders decreased by \$6.2 million. Items which impacted the six-month period ended June 30, 2023 compared to the same period last year included:
 - A lower contribution from adjusted EBITDA of \$9.5 million;
 - A provision of \$6.2 million related to certain claims recorded in the current year; and
 - A \$6.3 million increase in interest on long-term debt and debentures, due to rising interest rates;

These items were partly offset by lower accretion and change in the fair value of purchase price obligations and promissory note.

Second Quarter Business Highlights

Issuance of 8.25% Senior Subordinated Unsecured Hybrid Debentures

On June 29, 2023 the Company entered into an agreement, whereby a syndicate of underwriters have agreed to purchase \$65 million aggregate principal amount of senior subordinated unsecured hybrid debentures due December 31, 2026 (the "Debentures") at a price of \$1,000 per Debenture. The Debentures bear interest at a rate of 8.25% per annum. The net proceeds of this offering was used to partially fund the redemption of the Company's \$110 million aggregate principal amount of 5.60% senior subordinated unsecured debentures due July 31, 2024 (the "2024 Debentures"), which redemption was completed on July 31, 2023. Subsequent to the quarter-end, on July 28, 2023, the Company issued 2,250 senior subordinated unsecured hybrid debentures following the exercise of the over-allotment option for gross proceeds of \$2.25 million, also maturing on December 31, 2026.

Redemption of 5.6% Hybrid Debentures Announced

On June 29, 2023, the Company announced that it will redeem all issued and outstanding 2024 Debentures on July 31, 2023. The \$110 million aggregate principal amount was redeemed at par.

Leadership Announcements

As part of the Company's global expansion strategy, the Company appointed Klaus Schuster as Executive Director and Chief Executive Officer, EMEA effective May 30, 2023. Mr. Schuster is responsible for driving the end-to-end market strategy for this key region. He directly leads the Company's distribution and marketing teams across EMEA and provides executive leadership for all employees across all functions in the region.

Subsequent to June 30, 2023

Normal Course Issuer Bid ("NCIB")

The Company announces that the Toronto Stock Exchange (the "TSX") approved the renewal of the Company's NCIB to purchase for cancellation up to 4,000,000 of its Class A Shares over the twelve-month period commencing on August 16, 2023 and ending no later than August 15, 2024, and representing approximately 4.67% of its 85,694,246 issued and outstanding Class A Shares as at August 3, 2023.

Under the NCIB that will expire August 15, 2023, and pursuant to which the Company was authorized to purchase up to 4,000,000 Class A Shares, Fiera Capital did not purchase any shares under the NCIB.

The Board of Directors of the Company believes that the repurchase of Class A Shares, which the Company may carry out from time to time, represents a responsible investment and the NCIB will provide Fiera Capital with the flexibility to purchase Class A Shares as it considers advisable.

Purchases under the NCIB will be made on the open market through the facilities of the TSX and through Canadian alternative trading systems, as well as outside the facilities of the TSX pursuant to exemptions available under applicable securities legislation or exemption orders issued by securities regulatory authorities. The price that the Company will pay for the Class A Shares will be the market price of such shares at the time of the acquisition as per the requirements of the market where the trade is made and applicable securities laws, except for purchases effected outside the facilities of the TSX pursuant to exemptions available under applicable securities legislation or exemption orders issued by securities regulatory authorities which will be at a discount to the prevailing market price.

The average daily trading volume (the “ADTV”) of the Class A Shares over the last six complete calendar months was 241,288 Class A Shares. Accordingly, under TSX rules and policies, Fiera Capital is entitled on any trading day to purchase on the TSX up to 60,322 Class A Shares. Fiera Capital may also purchase, once a week and in excess of the foregoing daily repurchase limit of 25% of the ADTV, blocks of Class A Shares that are not owned by any insiders, in accordance with the TSX rules and policies.

Dividend Declared

On August 9, 2023, the Board of Directors declared a quarterly dividend of \$0.215 per Class A Share and Class B Share, payable on September 20, 2023 to shareholders of record at the close of business on August 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 Thursday, August 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.

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 August 17, 2023 by dialing 1-888-390-0541 (toll free), access code 896532 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 THE THREE MONTHS ENDED			FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2023	March 31, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net earnings	11,921	(748)	11,753	11,173	17,206
Income tax expense	5,140	147	672	5,287	2,276
Amortization and depreciation	13,435	13,713	13,512	27,148	28,869
Interest on long-term debt and debentures	11,215	10,593	7,886	21,808	15,465
Interest on lease liabilities, foreign exchange revaluation and other financial charges	(2,370)	790	2,646	(1,580)	925
EBITDA	39,341	24,495	36,469	63,836	64,741
Restructuring, acquisition related and other costs	3,448	8,010	5,328	11,458	9,161
Accretion and change in fair value of purchase price obligations and other	(2,024)	(481)	3,648	(2,505)	3,609
Share-based compensation	3,951	2,507	1,811	6,458	16,420
Loss (gain) on investments, net	157	(1,287)	443	(1,130)	1,504
Other expenses (income)	595	5,579	(1,262)	6,174	(1,670)
Adjusted EBITDA	45,468	38,823	46,437	84,291	93,765
Per share basic	0.44	0.38	0.45	0.82	0.92
Per share diluted	0.37	0.38	0.44	0.80	0.91
Weighted average shares outstanding - basic (thousands)	103,720	102,750	103,170	102,903	102,251
Weighted average shares outstanding - diluted (thousands)	122,875	102,750	104,493	105,806	103,586

Reconciliation to Adjusted Net Earnings (in \$ thousands)

	FOR THE THREE MONTHS ENDED			FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2023	March 31, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net earnings attributable to the Company's shareholders	10,484	(2,517)	10,759	7,967	14,178
Amortization and depreciation	13,435	13,713	13,512	27,148	28,869
Restructuring, acquisition related and other costs	3,448	8,010	5,328	11,458	9,161
Accretion and change in fair value of purchase price obligations and other, and effective interest on debentures	(1,712)	(228)	4,335	(1,940)	4,910
Share-based compensation	3,951	2,507	1,811	6,458	16,420
Other expenses (income)	595	5,579	(1,262)	6,174	(1,670)
Tax effect of above-mentioned items	(1,493)	(3,520)	(2,928)	(5,013)	(7,061)
Adjusted net earnings attributable to the Company's shareholders	28,708	23,544	31,555	52,252	64,807
Per share – basic					
Net earnings	0.10	(0.02)	0.10	0.08	0.14
Adjusted net earnings	0.28	0.23	0.31	0.51	0.63
Per share – diluted					
Net earnings	0.09	(0.02)	0.10	0.08	0.14
Adjusted net earnings	0.24	0.23	0.30	0.49	0.63
Weighted average shares outstanding - basic (thousands)	103,720	102,750	103,170	102,903	102,251
Weighted average shares outstanding - diluted (thousands)	122,875	102,750	104,493	105,806	103,586

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

	FOR THE THREE MONTHS ENDED							
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	2023	2023	2022	2022	2022	2022	2021	2021
Net cash generated by (used in) operating activities	14,123	(13,463)	66,722	25,686	46,853	(25,951)	97,226	36,960
Settlement of purchase price obligations and puttable financial instrument liability	(1,500)	—	—	(3,476)	(23,901)	—	—	—
Proceeds on promissory note	1,460	1,536	1,497	1,455	1,375	1,334	1,319	1,258
Distributions received from joint ventures and associates, net of investments	502	4,252	2,513	3,621	4,338	6,330	2,256	1,788
Dividends and other distributions to NCI	(5,895)	—	10	—	(1,753)	(1,425)	(19)	(43)
Lease payments, net of lease inducements	(4,925)	(4,510)	(4,607)	(4,396)	(4,221)	(4,306)	(4,822)	(3,829)
Interest paid on long-term debt and debentures	(12,019)	(10,379)	(9,713)	(8,191)	(8,299)	(7,427)	(6,636)	(7,460)
Other restructuring costs	452	1,180	1,056	470	160	418	883	3,112
Acquisition related and other costs	341	716	527	153	680	1,412	1,326	892
Free Cash Flow	(7,461)	(20,668)	58,005	15,322	15,232	(29,615)	91,533	32,678
LTM Free Cash Flow	45,198	67,891	58,944	92,472	109,828	145,257	135,012	131,426

- 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.

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 PineStone Asset Management Inc. ("PineStone"), 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.sedarplus.ca.

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\$164.2 billion in assets under management as of June 30, 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.sedarplus.ca.

For more information:

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