



Fiera Capital reports fourth quarter and fiscal 2019 results

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- **Assets under management (“AUM”) of \$169.7 billion as at December 31, 2019:**
 - 3% increase compared to September 30, 2019
 - 24% increase compared to December 31, 2018
- **Q4 2019 revenues of \$204.5 million:**
 - 28% increase compared to Q3 2019 revenues of \$160.0 million
 - 30% increase compared to Q4 2018 revenues of \$157.0 million
- **Net earnings of \$5.3 million in Q4 2019** compared to a net loss of \$4.6 million and a net loss of \$1.6 million in Q3 2019 and Q4 2018, respectively
 - **Net earnings attributable to the Company’s shareholders of \$3.4 million in Q4 2019** compared to a net loss of \$4.7 million in Q3 2019 and \$1.7 million in Q4 2018
 - **Net earnings attributable to the Company’s shareholders per share of \$0.03 in Q4 2019** compared to net losses of \$0.05 in Q3 2019 and \$0.02 in Q4 2018
- **Dividend declared of \$0.21 per share**

NON-IFRS MEASURES

- **Adjusted EBITDA^{1,2} of \$61.8 million in Q4 2019** versus \$46.6 million in Q3 2019 and \$39.3 million in Q4 2018, an increase of 33% and 57%, respectively
 - **Adjusted EBITDA margin^{1,2} in Q4 2019 of 30.2%**, versus 29.1% in Q3 2019 and 25.1% in Q4 2018
- **Adjusted net earnings per share^{1,2,3} of \$0.42**, compared to adjusted net earnings per share^{1,2,3} of \$0.32 in Q3 2019 and \$0.29 in Q4 2018

Montreal, March 19, 2020 – Fiera Capital Corporation (TSX: FSZ) (“Fiera Capital” or the “Company”), a leading independent asset management firm, today announced its financial results for the fourth quarter and fiscal year ended December 31, 2019.

“2019 results confirmed that Fiera Capital’s growth strategy is proving effective. Through acquisitions, we expanded our suite of investment strategies to better serve our clients. We organically grew AUM both in 2019 and in the fourth quarter in an environment weighed down by outflows, and curtailed the impact of redemptions by funding strategies in more profitable asset classes. In private alternatives, an asset class we are intently focused on growing, we grew AUM to \$12.0 billion at the end of 2019, up \$3.6 billion or 43% from 2018. In addition, our Global Equity

team continued to experience strong net flows," said Jean-Guy Desjardins, Chairman of the Board and Chief Executive Officer.

"We are very pleased with our operational results for the fourth quarter and the fiscal year. We significantly enhanced our global operations and IT infrastructure and began building on our existing distribution model, in line with our 2022 Strategic Plan," said Vincent Duhamel, Vice Chairman of the Board of Directors. "We are very proud of Fiera Capital's global footprint today, as well the asset class and market diversification the Company has achieved over the years. Leveraging this competitive advantage by bringing the right strategies to our global clients' portfolios will be at the heart of our next phase of growth."

"Measures taken during the year to optimize the capital structure improved the resilience of our balance sheet. Against the backdrop of closing four acquisitions in 2019, we strengthened our adjusted EBITDA margin and consequently improved our banking covenant ratios. During the fourth quarter, cash and cash equivalents increased by over \$8 million, reaching \$96.2 million as at December 31, while the drawn portion of our revolving credit facility declined by over \$30 million," added Lucas Pontillo, Executive Vice President and Global Chief Financial Officer. "We are also pleased to confirm that the Board has approved a quarterly dividend of 21 cents per share."

Assets Under Management (in \$ millions)

Markets	AUM as at			Y-o-Y Change		Q-o-Q Change	
	December 31, 2019	September 30, 2019	December 31, 2018	\$	%	\$	%
Institutional	96,298	92,826	71,958	24,340	33.8%	3,472	3.7%
Private Wealth	33,838	33,446	31,317	2,521	8.1%	392	1.2%
Retail	39,535	38,392	33,400	6,135	18.4%	1,143	3.0%
Total	169,671	164,664	136,675	32,996	24.1%	5,007	3.0%

Fourth Quarter Business Highlights

- AUM of \$169.7 billion as at December 31, 2019, an increase of \$5.0 billion, or 3%, from September 30, 2019.** The increase in the current quarter was primarily due to market appreciation and new mandates, which had a favourable impact on AUM of \$4.8 billion and \$4.7 billion, respectively. New mandates in the current quarter included new institutional global equity mandates won in Europe and the United States which contributed \$2.8 billion towards this AUM growth. These increases were partly offset by lost mandates and net outflows of \$3.1 billion and the unfavourable impact of foreign exchange rate fluctuations of \$1.4 billion in the current quarter.
- MSCI ESG rating upgraded to 'A' from 'BBB'.** MSCI noted that Fiera Capital continues to lead its industry peers in incorporating ESG principles into its business activities with its responsible investment policies, thereby enabling effective management of ESG risks and opportunities. MSCI's report also made light of the Company's improvements in reinforcing its cybersecurity programs through training provided to its employees.

Fourth Quarter and Fiscal 2019 Financial and Operating Results

The following table provides selected financial information for the quarter ended December 31, 2019, compared to the quarter ended September 30, 2019, and to the quarter ended December 31, 2018, as well as for the twelve-month periods ended December 31, 2019, and 2018, respectively.

Key Financial Highlights (in \$ thousands except for per share data)

	THREE-MONTH PERIODS ENDED			TWELVE-MONTH PERIODS ENDED	
	Dec. 31, 2019	Sep. 30, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
AUM (in \$ millions)	169,671	164,664	136,675	169,671	136,675
Revenues					
Base management fees	155,304	150,316	128,561	570,256	485,624
Performance fees	29,918	1,564	17,807	34,643	23,102
Share of earnings in joint ventures and associates	6,047	-	-	6,047	-
Other revenues	13,257	8,076	10,595	46,224	31,559
Total revenues	204,526	159,956	156,963	657,170	540,285
Expenses					
SG&A (*) and external managers expenses	149,680	118,754	123,000	488,481	427,769
All other net expenses	49,592	45,795	35,536	179,395	117,271
	199,272	164,549	158,536	667,876	545,040
Net earnings (loss)	5,254	(4,593)	(1,573)	(10,706)	(4,755)
Attributable to					
The Company's shareholders	3,387	(4,740)	(1,709)	(13,419)	(5,013)
Non-controlling interest	1,867	147	136	2,713	258
Net earnings (loss)	5,254	(4,593)	(1,573)	(10,706)	(4,755)
Earnings					
Adjusted EBITDA ¹	61,752	46,578	39,322	192,953	137,483
Net earnings (loss)	5,254	(4,593)	(1,573)	(10,706)	(4,755)
Adjusted net earnings ^{1,2}	42,661	32,580	28,251	132,597	101,237
Basic per share					
Adjusted EBITDA ¹	0.61	0.46	0.41	1.95	1.45
Net earnings (loss)	0.03	(0.05)	(0.02)	(0.14)	(0.05)
Adjusted net earnings ^{1,2}	0.42	0.32	0.29	1.34	1.07
Weighted average shares outstanding (in thousands)	101,022.6	100,706.6	96,740.8	99,045.4	94,665.0
Diluted per share					
Adjusted EBITDA ¹	0.60	0.46	0.41	1.95	1.45
Net earnings (loss) (**)	0.03	(0.05)	(0.02)	(0.14)	(0.05)
Adjusted net earnings ^{1,2} (**)	0.41	0.32	0.29	1.34	1.07
Weighted average shares outstanding (in thousands)	103,373.9	100,706.6	96,740.8	99,045.4	94,665.0

(*) SG&A: Selling, general and administrative expenses

(**) In the event where basic EPS is negative, diluted EPS is calculated similarly to EPS.

Revenues

Q4 2019 vs Q4 2018

Revenues for the fourth quarter of 2019 were \$204.5 million compared to \$157.0 million for the same period last year, an increase of \$47.5 million or 30%. The year-over-year increase is mainly due to:

- organic growth primarily from Institutional, Private Wealth and Fiera Private Alternative Investments;
- higher performance fees and other revenues;
- the share of earnings in joint ventures and associates, primarily related to Palmer Capital; and
- additional revenues from the four acquisitions completed during the year which included: the acquisition of an 80% interest in Palmer Capital Partners Limited (“Palmer Capital”); Foresters Asset Management Inc. (“Foresters”), Integrated Asset Management Corp. (“IAM”) and Natixis’ Canadian operations (“Natixis Canada”, subsequently rebranded to “Fiera Investments”).

Q4 2019 vs Q3 2019

Revenues for the fourth quarter ended December 31, 2019 were \$204.5 million compared to \$160.0 million in the third quarter of fiscal 2019, an increase of \$44.5 million or 28%. The increase was primarily due to:

- higher year-end performance fees;
- the share of earnings in joint ventures and associates, primarily related to Palmer Capital;
- higher other revenues mainly from a gain on a forward foreign exchange contract; and
- higher base management fees as a result of a higher AUM base.

2019 vs 2018

Revenues for the twelve-month period ended December 31, 2019 were \$657.2 million compared to \$540.3 million for the same period last year, an increase of \$116.9 million or 22%. The year-over-year increase was primarily due to:

- additional revenues from the four acquisitions completed during the year;
- the share of earnings in joint ventures and associates primarily related to Palmer Capital;
- organic growth resulting from continued enhancements to our distribution capabilities, mostly from Institutional and Private Wealth, as well as growth in private alternative investment strategies; and
- higher performance fees from both traditional and alternative asset classes.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”⁽¹⁾⁽²⁾)

Q4 2019 vs Q4 2018

Adjusted EBITDA for the fourth quarter of 2019 was \$61.8 million, or \$0.61 per share (basic) and \$0.60 per share (diluted), representing an increase of \$22.5 million, or 57%, compared to \$39.3 million, or \$0.41 per share (basic and diluted) for the comparable 2018 period. The increase was primarily due to:

- positive adjusted EBITDA contributions from the four acquisitions completed during the year;
- an increase in revenues from private alternative investment strategies;
- higher performance fees and other revenues; and
- the shift in lease expense classification from SG&A to financing costs and to amortization following the adoption of a new accounting standard related to leases (“IFRS 16 Leases”) on January 1, 2019.

Q4 2019 vs Q3 2019

Compared to the third quarter of 2019, Q4 2019 adjusted EBITDA improved from \$46.6 million to \$61.8 million, an increase of \$15.2 million or 33%. The increase in adjusted EBITDA was primarily due to higher revenues from higher performance fees, base management fees and other revenues, in addition to the favourable impact of a gain from foreign exchange forward contracts compared to a loss recorded in the previous quarter. These increases were partly offset by higher SG&A.

2019 vs 2018

Adjusted EBITDA for the twelve-month period ended December 31, 2019 was \$193.0 million, or \$1.95 per share (basic and diluted), representing an increase of \$55.5 million, or 40%, compared to \$137.5 million, or \$1.45 per share (basic and diluted), for the comparable 2018 period. The increase was primarily driven by:

- full-year adjusted EBITDA contributions from the 2018 acquisitions of CGOV Asset Management (“CGOV”) and Clearwater;
- positive adjusted EBITDA contributions from the four acquisitions completed in 2019;
- increased revenues from the deployment of private alternative investment strategies in real estate, infrastructure and private debt; and
- the shift in lease expense classification from SG&A to financing costs and to amortization following the adoption of IFRS 16 Leases on January 1, 2019.

Net Earnings (Loss) attributable to the Company’s shareholders

Q4 2019 vs Q4 2018

For the fourth quarter ended December 31, 2019, the Company reported net earnings attributable to the Company’s shareholders of \$3.4 million, or \$0.03 per share (basic and diluted), compared to a net loss of \$1.7 million, or \$0.02 per share (basic and diluted), for the same quarter of last year. The increase in net earnings attributable to the Company’s shareholders was primarily due

to an increase in revenues, as described above, partly offset by an increase in SG&A and income tax expenses.

Q4 2019 vs Q3 2019

The Company reported net earnings attributable to the Company's shareholders of \$3.4 million, or \$0.03 per share (basic and diluted), during the fourth quarter of 2019, compared to a net loss of \$4.7 million, or \$0.05 per share (basic and diluted), in the third quarter of fiscal 2019. The increase in net earnings attributable to the Company's shareholders is primarily due to higher revenues partly offset by higher SG&A as a result of the four acquisitions closed during the year and continued enhancements to our distribution capabilities, as well as higher income tax expenses.

2019 vs 2018

For the twelve-month period ended December 31, 2019, the Company reported a net loss attributable to the Company's shareholders of \$13.4 million, or \$0.14 per share (basic and diluted), compared to a net loss of \$5.0 million, or \$0.05 per share (basic and diluted), for the comparable period last year. The increase in net loss attributable to the Company's shareholders was mainly a result of an increase in SG&A, depreciation of right-of-use assets and interest on lease liabilities following the adoption of IFRS 16 Leases on January 1, 2019, and greater income tax expenses. These increases were partly offset by higher revenues as a result of continued enhancements to our distribution capabilities, market appreciation and the four acquisitions closed during the year.

Adjusted Net Earnings⁽¹⁾⁽²⁾ attributable to the Company's shareholders

Q4 2019 vs Q4 2018

Adjusted net earnings for the fourth quarter of 2019 totalled \$42.7 million, or \$0.42 per share (basic) and \$0.41 (diluted), up \$14.4 million from \$28.3 million, or \$0.29 per share (basic and diluted), in the fourth quarter of 2018, mainly as a result of an increase in revenues from the four acquisitions closed in 2019, as well as from organic growth. This was partly offset by an increase in SG&A expenses, interest expense on long-term debt and leases, and income tax expense. The increase in SG&A is partly due to the Company's continued investment in infrastructure and costs related to the execution of its growth strategy.

Q4 2019 vs Q3 2019

Adjusted net earnings for the fourth quarter of 2019 totalled \$42.7 million, or \$0.42 per share (basic) and \$0.41 (diluted), up \$10.1 million from \$32.6 million, or \$0.32 per share (basic and diluted) in the third quarter of 2019. The increase in adjusted net earnings is primarily due to the increase of adjusted EBITDA partially offset by higher income taxes compared to the previous quarter.

2019 vs 2018

Adjusted net earnings for the twelve-month period ended December 31, 2019 totalled \$132.6 million or \$1.34 per share (basic and diluted), up \$31.4 million from \$101.2 million or \$1.07 per share (basic and diluted), from the comparable period in 2018. The increase is primarily

due to higher revenues as a result of the four acquisitions closed in 2019 and continued enhancements to our distribution capabilities. This was partly offset by an increase in SG&A, interest on long-term debt and leases and income tax expense.

Dividend

On March 18, 2020, the Board of Directors declared a dividend of \$0.21 per Class A subordinate voting share and Class B special voting share of Fiera Capital. The dividend is payable on April 28, 2020 to shareholders of record at the close of business on March 31, 2020. The dividend is an eligible dividend for income tax purposes.

Conference Call

Fiera Capital will hold a conference call at 10:30 a.m. (EDT) on Thursday, March 19, 2020, to discuss its financial results. The dial-in number to access the conference call from Canada and the United States is 1-888-231-8191 (toll-free), and is 1-647-427-7450 from outside North America.

The conference call will also be accessible via [webcast](#) in the Investors Relations section of Fiera Capital's website (www.fieracapital.com), under Events.

A replay of the call will be available by telephone until March 26, 2020. The telephone number to access the replay of the call is 1-855-859-2056 (toll-free), access code 1241979. The replay will also be available in the Investors Relations section of the Website under Events, in the days following the event.

Footnotes

- 1) Earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA, adjusted EBITDA margin and adjusted EBITDA per share, adjusted net earnings, adjusted net earnings per share and dividend payout ratio are not standardized measures prescribed by International Financial Reporting Standards ("IFRS"). These non-IFRS measures do not have any standardized meaning and may not be comparable to similar measures presented by other companies. Certain comparative figures have been restated to conform with the current presentation. Please refer to the "Non-IFRS Measures" Section of the Company's MD&A for the definitions and the reconciliation to IFRS measures, available at www.fieracapital.com
- 2) The Company adopted IFRS 16 Leases on January 1, 2019, which resulted in a shift in lease expense classification from operating expenses to financing costs and amortization. The comparative information presented for 2018 has not been restated and is presented, as previously reported, under IAS 17 Leases and related interpretations.
- 3) Attributable to the Company's shareholders

Forward-Looking Statements

This document may contain certain forward-looking statements. These statements relate to future events or future performance, and reflect 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. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target", "intend" or the negative of these terms, or other comparable terminology.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement.

These factors include, but are not limited to, market and general economic conditions, the nature of the financial services industry, and the risks and uncertainties detailed from time to time in Fiera Capital's interim condensed and annual consolidated financial statements, and its latest Annual Report and Annual Information Form filed on www.sedar.com. These forward-looking statements are made as of the date of this document, and Fiera Capital assumes no obligation to update or revise them to reflect new events or circumstances.

About Fiera Capital Corporation

Fiera Capital is a leading independent asset management firm with approximately C\$169.7 billion in assets under management as of December 31, 2019. The Company provides institutional, retail and private wealth clients with access to full-service integrated money management solutions across traditional and alternative asset classes. Clients and their portfolios derive benefit from Fiera Capital's depth of expertise, diversified offerings and outstanding service. Fiera Capital trades under the ticker FSZ on the Toronto Stock Exchange. www.fieracapital.com

In the U.S., asset management services are provided by the Company's U.S. affiliates who are investment advisers that are registered with the U.S. Securities and Exchange Commission (SEC). 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.

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