



Fiera Capital reports third quarter 2019 results

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- **Assets under management of \$164.7 billion as at September 30, 2019**
 - up 15% compared to September 30, 2018
- **Q3 2019 revenues of \$160.0 million**, up 17% or \$22.9 million from last year
- **Adjusted EBITDA^{1,2} of \$46.6 million** versus \$36.6 million in Q3 2018
- **Net loss per share³ of \$0.05** compared to net earnings per share of \$0.01 in Q3 2018
 - **Adjusted net earnings per share^{1,2,3} of \$0.32** versus the basic adjusted net earnings per share of \$0.29 in Q3 2018 (diluted adjusted net earnings per share of \$0.27 in Q3 2018)
- **Company declares dividend of \$0.21 per share**

Montreal, November 8, 2019 – Fiera Capital Corporation (TSX: FSZ) (“Fiera Capital” or the “Company”), a leading independent asset management firm, today announced its financial results for the third quarter ended September 30, 2019.

"Our focus during the third quarter was on integrating our recently closed acquisitions and building a strong global operations and IT platform. Since founding Fiera Capital 16 years ago, we have been allocating our capital to develop and grow our investment platform. Today, we have a wide range of successful and competitive investment strategies, positioning us better than ever before to differentiate ourselves and serve our clients globally. Our capital allocation priorities for our next phase of growth will be threefold. We will focus on improving our distribution capabilities to leverage the robust suite of investment strategies now in place, we will invest in further strengthening our technology platform, and we will continue to effectively manage our financial leverage," said Jean-Guy Desjardins, Chairman of the Board and Chief Executive Officer.

"We are very pleased with our third quarter results and 29.1% adjusted EBITDA margin as we continue to make progress on several fronts. The rigour and effectiveness of our teams' acquisition integration efforts surpassed our expectations, particularly with Foresters Asset Management, which was successfully integrated prior to the closing of the transaction," said Vincent Duhamel, Global President and Chief Operating Officer. *"Furthermore, we are proactively moving forward on a number of streamlining initiatives and technology enhancements, including putting in place a global operations and IT infrastructure that will ultimately set us apart in our commitment to continue to deliver exceptional client service."*

"We remain focused on effectively managing leverage and optimizing the capital structure as we realize the full benefits of our recent acquisitions," added Lucas Pontillo, Executive Vice President

and Global Chief Financial Officer. "We are also pleased to confirm that the Board has approved a dividend of 21 cents per share."

Assets Under Management ("AUM") (in \$ millions)

Markets	AUM as at			Q-o-Q Change		Y-o-Y Change	
	September 30, 2019	June 30, 2019	September 30, 2018	\$	%	\$	%
Institutional	92,826	80,198	76,373	12,628	15.7%	16,453	21.5%
Private Wealth	33,446	32,788	30,976	658	2.0%	2,470	8.0%
Retail	38,392	36,545	36,126	1,847	5.1%	2,266	6.3%
Total	164,664	149,531	143,475	15,133	10.1%	21,189	14.8%

Third Quarter Business Highlights

- AUM of \$164.7 billion as at September 30, 2019, an increase of \$15.2 billion, or 10.2%, from June 30, 2019.** AUM as at September 30, 2019 was below the preliminary September 30, 2019 AUM figure of \$166.1 billion announced on October 18, 2019, as a result of late month-end withdrawals. The recently closed acquisitions of Foresters Asset Management Inc. ("Foresters"), Integrated Asset Management Corp. ("IAM") and Natixis Investment Managers Canada Corp. ("Natixis Canada") added \$11.2 billion, \$2.0 billion and \$1.8 billion in AUM, respectively. Of the combined \$15.0 billion, approximately \$13.2 billion was attributed to the Institutional market and \$1.8 billion to the Retail market.
- Scaling up in liability-driven investments ("LDI") with the closing of Foresters** – August 16, 2019. The acquisition of Foresters, an Ontario-based investment management firm focused on institutional and insurance LDI, from Foresters Life Insurance Company ("Foresters Financial"), which contributed \$11.2 billion in AUM, enhances Fiera Capital's institutional fixed income platform and provides the Company with the opportunity to broaden its relationship with Foresters Financial and its clients.
- Strengthening of the Private Alternative Investments platform with the closing of the acquisition of IAM** – July 3, 2019. The acquisition of IAM added over \$3 billion in AUM and committed capital to the Company's private alternative investments platform. IAM's private debt investment team has been integrated within Fiera Private Debt and the industrial real estate team joined Fiera Real Estate.
- Closing of the previously announced acquisition of Natixis Canada** – July 3, 2019. The Company completed the acquisition of all the issued and outstanding shares of Natixis Canada, the holding company of Natixis Investment Managers Canada LP ("Natixis LP"), acting as investment fund manager of publicly and privately distributed investment funds (the "Natixis Funds"). Together, Natixis LP and Natixis Funds were subsequently rebranded to "Fiera Investments" and added approximately \$1.8 billion in AUM at the time of closing. With the expertise of its affiliated investment managers and its offering of over 200 investment strategies, Fiera Investments will focus on delivering innovative investment solutions that provide capital growth and income to Canadian retail investors.

- Completion of the previously announced \$100 million bought deal public offering of senior subordinated unsecured debentures (July 4, 2019) and exercise in full and closing of the \$10 million over-allotment option (July 9, 2019).

Third quarter 2019 Financial and Operating Results

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

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

	THREE-MONTH PERIODS			NINE-MONTH PERIODS	
	ENDED			ENDED	
	Sep. 30, 2019	Jun. 30, 2019	Sep. 30, 2018	Sep. 30, 2019	Sep. 30, 2018
AUM (in \$ millions)	164,664	149,531	143,475	164,664	143,475
Revenues					
Base management fees	150,316	135,543	126,936	414,952	357,064
Performance fees	1,564	1,554	1,174	4,725	5,294
Other revenues	8,076	12,807	8,999	32,968	20,964
Total revenues	159,956	149,904	137,109	452,645	383,322
Expenses					
SG&A ^(*) and external managers expenses	118,754	110,848	107,254	338,804	304,767
All other net expenses	45,795	43,839	28,728	129,801	81,736
	164,549	154,687	135,982	468,605	386,503
Net earnings (loss)	(4,593)	(4,783)	1,127	(15,960)	(3,181)
Attributable to					
The Company's shareholders	(4,740)	(5,513)	995	(16,806)	(3,304)
Non-controlling interest	147	730	132	846	123
Net earnings (loss)	(4,593)	(4,783)	1,127	(15,960)	(3,181)
Earnings					
Adjusted EBITDA	46,578	45,804	36,620	131,199	98,163
Net earnings (loss)	(4,593)	(4,783)	1,127	(15,960)	(3,181)
Adjusted net earnings	32,580	32,481	27,533	89,934	72,987
Basic per share					
Adjusted EBITDA	0.46	0.47	0.38	1.32	1.05
Net earnings (loss)	(0.05)	(0.06)	0.01	(0.17)	(0.04)
Adjusted net earnings	0.32	0.33	0.29	0.91	0.78
Diluted per share					
Adjusted EBITDA	0.46	0.47	0.36	1.32	1.05
Net earnings (loss)	(0.05)	(0.06)	0.01	(0.17)	(0.04)
Adjusted net earnings	0.32	0.33	0.27	0.91	0.78

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

Revenues

Q3 2019 vs Q3 2018

Revenues for the third quarter of 2019 were \$160.0 million, an increase of \$22.9 million, or 17%, compared to \$137.1 million for the same period last year. The year-over-year increase is mainly the result of:

- the full quarter impact of the August 2018 acquisition of Clearwater Capital Partners (“Clearwater”);
- the acquisition of an 80% interest in Palmer Capital Partners Limited (“Palmer Capital”) in April 2019;
- the recent acquisitions of Natixis Canada, IAM and Foresters, closed during the third quarter of 2019;
- organic growth, mainly from Institutional, Private Wealth and Fiera Private Alternative Investments;
- partially offset by a decrease in other revenues, mainly as a result of a loss on forward foreign exchange contracts, compared to a gain for the same period last year.

Q3 2019 vs Q2 2019

Revenues for the third quarter ended September 30, 2019 increased by \$10.1 million, or 7%, compared to \$149.9 million in the previous quarter, mainly from:

- higher base management fees resulting from the three acquisitions closed during the third quarter of 2019;
- higher revenues in Institutional and Fiera Private Alternative Investments;
- partially offset by a decrease in other revenues, mainly a result of a loss on forward foreign exchange contracts, combined with lower other revenues related to transaction fees from Fiera Private Alternative Investments.

YTD September 30, 2019 vs YTD September 30, 2018

Revenues for the nine-month period ended September 30, 2019, were \$452.6 million, an increase of \$69.3 million, or 18%, compared to \$383.3 million for the same period last year. The year-over-year increase is mainly the result of:

- additional revenues from the acquisitions of Clearwater and Palmer Capital, as well as the three acquisitions closed during the third quarter of 2019;
- organic growth in Institutional and Private Wealth stemming from enhanced distribution capabilities, as well as growth in Fiera Private Alternative Investments.

Results were partially offset by lower revenues in Retail following the sale of our retail mutual funds to Canoe Financial LP in February 2019, as well as lower performance fees on select funds.

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

Q3 2019 vs Q3 2018

Adjusted EBITDA for the third quarter of 2019 was \$46.6 million (\$0.46 per share – basic and diluted), representing an increase of \$10.0 million, or 27%, compared to \$36.6 million (\$0.38 per share basic and \$0.36 per share diluted) for the comparable 2018 period. The increase was primarily driven by:

- the acquisitions of Clearwater and Palmer Capital, as well as the three acquisitions closed during the third quarter of 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 operating expenses to financing costs and amortization following the adoption of a new accounting standard related to leases (“IFRS 16 Leases”).

Q3 2019 vs Q2 2019

Compared to the second quarter of 2019, Q3 2019 adjusted EBITDA increased by \$0.8 million, or 2%. The sequential increase in adjusted EBITDA is mainly the result of higher revenues from the three acquisitions closed during the third quarter of 2019 as well as organic growth, partially offset by a loss on the forward foreign exchange contracts, compared to a gain for the previous quarter, and higher overall operating expenses as a result of the recent acquisitions closed during the third quarter.

YTD September 30, 2019 vs YTD September 30, 2018

Adjusted EBITDA for the nine-month period ended September 30, 2019 was \$131.2 million (\$1.32 per share – basic and diluted), representing an increase of \$33.0 million, or 34%, compared to \$98.2 million (\$1.05 per share – basic and diluted) for the comparable 2018 period. The increase was primarily driven by:

- the acquisitions of Clearwater and Palmer Capital, as well as the three acquisitions closed during the third quarter of 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 operating expenses to financing costs and amortization following the adoption of a new accounting standard related to leases (“IFRS 16 Leases”).

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

Q3 2019 vs Q3 2018

For the third quarter ended September 30, 2019, the Company reported a net loss attributable to the Company’s shareholders of \$4.7 million (\$0.05 per share – basic and diluted), compared to net earnings of \$1.0 million (\$0.01 per share – basic and diluted), for the same quarter last year. The negative variance is mainly attributable to the increase in overall operating expenses as a result of the recent acquisitions closed during the third quarter, as well as higher restructuring and

other integration costs, higher interest and income tax expense, and the increase of the purchase price obligation related to the acquisition of Clearwater.

Q3 2019 vs Q2 2019

The Company reported a net loss attributable to the Company's shareholders of \$4.7 million (\$0.05 per share – basic and diluted) during the third quarter of 2019, compared to a net loss of \$5.5 million (\$0.06 per share – basic and diluted) in the previous quarter. The variance in net loss is mainly attributable to higher revenues and lower acquisition costs, share-based compensation and income tax expense, partially offset by increased depreciation and amortization charges, interest expense, restructuring and integration costs, and the increase of the purchase price obligation related to the acquisition of Clearwater.

YTD September 30, 2019 vs YTD September 30, 2018

For the nine-month period ended September 30, 2019, the Company reported a net loss attributable to the Company's shareholders of \$16.8 million (\$0.17 per share – basic and diluted), compared to a net loss of \$3.3 million (\$0.04 per share – basic and diluted), for the comparable period last year. The variance in net loss is attributable to higher overall operating expenses as a result of the recent acquisitions closed during the third quarter, as well as higher interest expense, higher amortization and depreciation costs, higher acquisition and restructuring costs and higher income tax expense.

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

Q3 2019 vs Q3 2018

Adjusted net earnings for the third quarter of 2019 totalled \$32.6 million (\$0.32 per share – basic and diluted), up \$5.1 million from \$27.5 million (\$0.29 per share basic and \$0.27 per share diluted) in the third quarter of 2018, mainly as a result of an increase in total revenues from the acquisitions of Clearwater, Natixis Canada, IAM and Foresters, as well as from organic growth.

This was partly offset by an increase in SG&A expense in line with the Company's growth, higher interest on long-term debt and leases, as well as higher income tax expense.

Q3 2019 vs Q2 2019

Adjusted net earnings for the third quarter of 2019 totalled \$32.6 million (\$0.32 per share – basic and diluted), up \$0.1 million from \$32.5 million (\$0.33 per share – basic and diluted) in the second quarter of 2019. The increase in adjusted net earnings is mainly attributable to the increase in operating results, partially offset by higher interest expense.

YTD September 30, 2019 vs YTD September 30, 2018

Adjusted net earnings for the nine-month period ended September 30, 2019, totalled \$89.9 million (\$0.91 per share – basic and diluted), up \$16.9 million from \$73.0 million (\$0.78 per share – basic and diluted) from the comparable period of 2018, stemming mainly from an AUM driven increase in revenues following the closing of five acquisitions, as well as organic and market growth.

This was partly offset by an increase in SG&A expense in line with the Company's growth and the

inclusion of Clearwater, Palmer, Fiera Investments, IAM and Foresters operating expenses, higher interest on long-term debt and leases as well as higher income taxes.

Dividend

On November 7, 2019, 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 December 18, 2019 to shareholders of record at the close of business on November 20, 2019. The dividend is an eligible dividend for income tax purposes.

Conference Call

Fiera Capital will hold a conference call at 10:30 a.m. (EST) on Friday, November 8, 2019, 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 November 15, 2019. The telephone number to access the replay of the call is 1-855-859-2056 (toll-free), access code 7778632. 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 and adjusted net earnings per share 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\$164.7 billion in assets under management as of September 30, 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.

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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