



## **Fiera Capital reports fourth quarter and fiscal 2018 results and announces quarterly dividend increase**

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- **Annual revenues of \$540.3 million, up 18% year over year**
- **Adjusted EBITDA of \$137.5 million, up 18% year over year**
- **Execution of 2022 Strategic Plan underway**
- **Assets under management (“AUM”) of \$136.7 billion as at December 31, 2018; up 6% year over year**
- **2018 IFRS net loss per share of \$0.05, compared to net earnings per share (“EPS”) of \$0.13 in 2017**
  - **2018 adjusted EPS of \$1.07, compared to \$1.21 in 2017**
- **Quarterly dividend increase of 5%**
  - **13<sup>th</sup> dividend increase in 7 years**

**Montreal, March 22, 2019** – 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 full year ended December 31, 2018.

“The Company delivered excellent results for both the quarter and the year, notwithstanding challenging market conditions at the end of 2018. Most of our fund managers outperformed their benchmarks during the year, which helped grow revenues and adjusted EBITDA by 18%. What’s more, strategic acquisitions made during the year further diversified our offering and expanded our global presence,” said Jean-Guy Desjardins, Chairman of the Board and Chief Executive Officer of Fiera Capital.

“In addition, we continue to execute on our 2022 Strategic Plan and are moving forward on our goal of becoming one of the top 100 asset managers in the world. Improving operating efficiency is one of the fundamental pillars of the Strategic Plan, which we carry out with achievements such as the successful streamlining of custodians completed during the fourth quarter. Finally, we are very pleased with the proposed acquisition of IAM, a transaction that will significantly strengthen our private alternative investments platform. In all, these initiatives support our long-term objective of delivering value to both clients and shareholders.”

## Assets Under Management (in \$ millions)

Markets	AUM AS AT			Y-o-Y change		Q-o-Q change	
	December 31, 2018	December 31, 2017	September 30, 2018	(in \$M)	(%)	(in \$M)	(%)
Institutional	71,958	68,038	76,373	3,920	5.8%	(4,415)	(5.8%)
Private Wealth	31,317	26,319	30,976	4,998	19.0%	341	1.1%
Retail	33,400	34,544	36,126	(1,144)	(3.3%)	(2,726)	(7.5%)
<b>Total</b>	<b>136,675</b>	<b>128,901</b>	<b>143,475</b>	<b>7,774</b>	<b>6.0%</b>	<b>(6,800)</b>	<b>(4.7%)</b>

## Revenues

### 2018 vs 2017

Revenues increased \$81.2 million in 2018, or 18%, to \$540.3 million, mainly as a result of:

- additional revenues from the Fiera Capital Emerging Markets fund created in June 2018, following the acquisition of the rights to manage the CNR fund (the “CNR transaction”) in December 2017;
- the recent acquisitions of CGOV Asset Management (“CGOV”) and Clearwater; and
- organic growth, mostly from the institutional sector and in Private Alternative Investments.

These increases were partially offset by lower performance fees recorded in 2018, as well as by a loss on a foreign currency hedge, compared to a gain for the comparable period last year.

### Q4 2018 vs Q4 2017

Revenues for the fourth quarter of 2018, were \$157.0 million, an increase of \$15.0 million, or 11%, compared to \$142.0 million for the same period last year. The year-over-year increase is mainly a result of:

- higher AUM following the acquisitions of CGOV and Clearwater in May and August 2018, respectively;
- additional revenues generated from the Fiera Capital Emerging Markets Fund created in June 2018 following the CNR transaction; and
- organic growth, mostly from the institutional and private wealth sectors, as well as in Private Alternative Investments.

These increases were partly offset by lower performance fees recorded in the fourth quarter of 2018 compared to the same period last year, as well as by a loss on a foreign currency hedge, compared to a gain for the comparable period last year.

### Q4 2018 vs Q3 2018

Revenues for the fourth quarter ended December 31, 2018 increased by \$19.9 million, or 15%, compared to \$137.1 million in the previous quarter, mainly as a result of:

- higher performance fees, as performance fees are generally paid out in the second and fourth quarters; and
- a full quarter contribution from Clearwater, following the closing of the acquisition in August 2018.

These increases were partly offset by a loss on a foreign currency hedge recorded in the fourth quarter, compared to a gain recorded in the third quarter of 2018.

### **Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”<sup>(1)</sup>)**

#### 2018 vs 2017

The Company generated \$137.5 million of adjusted EBITDA in 2018 (\$1.45 per share, basic and diluted), an increase of \$20.7 million, or 18%, compared to \$116.8 million (\$1.42 per share – basic, \$1.33 per share – diluted) in 2017. The year-over-year increase is mainly attributable to:

- the CNR transaction of December 2017;
- the CGOV acquisition of May 2018; and
- an increase in revenues driven by organic growth as a result of concerted collaboration efforts between our global distribution teams.

This was partly offset by an increase in variable compensation related to long-term cash agreements with key investment professionals, which aim to secure and contribute to the continued growth in revenues and investment strategies, as well as higher operating expenses to support the Company’s growth.

#### Q4 2018 vs Q4 2017

Adjusted EBITDA for the fourth quarter of 2018 was \$39.3 million (\$0.41 per share – basic and diluted), representing an increase of \$3.2 million, or 9%, compared to \$36.1 million (\$0.43 per share – basic and diluted) for the comparable 2017 period. The increase was primarily driven by:

- the CNR transaction of December 2017;
- the CGOV acquisition of May 2018; and
- and increased revenues from the deployment of Private Alternative Investment strategies.

This was partly offset by an increase in operating expenses to support the Company’s growth.

#### Q4 2018 vs Q3 2018

Compared to the third quarter of 2018, fourth quarter adjusted EBITDA increased by \$2.7 million, or 7%, mainly driven by:

- higher margins from the CNR transaction and the CGOV acquisitions; and
- a full quarter contribution from Clearwater, following the closing of the acquisition in August 2018.

The increase was partially offset by higher operating expenses to support the Company’s growth.

### **Adjusted Net Earnings<sup>(1)</sup> and Net Earnings (Loss)**

#### 2018 and 2017

2018 adjusted net earnings attributable to the Company’s shareholders (“adjusted net earnings”) totalled \$101.2 million (\$1.07 per share, basic and diluted), compared to \$99.3 million (\$1.21 per share – basic, \$1.13 per share – diluted) in 2017.

2018 adjusted net earnings reflects the net loss, excluding \$74.0 million (\$0.78 per share – basic and diluted) of depreciation of property and equipment, amortization of intangible assets and share-based compensation, as well as \$32.2 million (\$0.34 per share – basic and diluted) of acquisition, restructuring, integration and other costs, an expense related to the accretion and change in fair value of purchase price obligations and the accretion on effective interest on convertible bonds and the revaluation of assets held-for-sale, net of income taxes.

The Company recorded a net loss attributable to the Company's shareholders ("net loss") of \$5.0 million in 2018 (\$0.05 per share – basic and diluted), compared to net earnings of \$10.7 million (\$0.13 per share – basic, \$0.12 per share – diluted) in 2017.

The decrease in net earnings is attributable to an increased expense relating to the accretion and change in fair value of purchase price obligations of \$18.6 million stemming from the CNR transaction, partly offset by the improvement in operating margins driven by higher revenues as a result of sales efforts, market appreciation and acquisitions.

#### Q4 2018, Q4 2017 and Q3 2018

Adjusted net earnings for the fourth quarter of 2018 totalled \$28.3 million (\$0.29 per share – basic and diluted), compared to \$29.2 million (\$0.35 per share – basic and diluted), for the fourth quarter of 2017, and to \$27.5 million (\$0.29 per share – basic, \$0.27 per share – diluted) for the third quarter of 2018.

Adjusted net earnings for the fourth quarter of 2018 includes the net loss, adjusted for \$19.0 million (\$0.20 per share – basic and diluted) of depreciation of property and equipment, amortization of intangible assets and share-based compensation, as well as \$11.0 million (\$0.11 per share – basic and diluted) of acquisition, restructuring, integration and other costs, an expense related to the accretion and change in fair value of purchase price obligations and the accretion on effective interest on convertible bonds and the revaluation of assets held-for-sale, net of income taxes.

The Company recorded a net loss of \$1.7 million (\$0.02 per share – basic and diluted) for the fourth quarter of 2018, compared to net earnings of \$0.8 million (\$0.01 per share – basic and diluted) for the fourth quarter of 2017, and net earnings of \$1.0 million (\$0.01 per share – basic and diluted) for the third quarter of 2018. The quarter's net loss in the fourth quarter of 2018 was mainly attributable to the increase in expenses related to the accretion and change in fair value of the purchase price obligations stemming from the CNR transaction, combined with the rise in debt interest and integration costs, partially offset by an improvement in operating margins.

#### **Dividend**

On March 21, 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, a \$0.01 increase. The dividend is payable on May 1, 2019 to shareholders of record at the close of business on April 3, 2019. The dividend is an eligible dividend for income tax purposes.

## 2018 Business Highlights

- **2022 Strategic Plan underway** – The execution of the 2022 Strategic Plan commenced in the fourth quarter of 2018 and the first initiatives are already well underway. These initiatives, whether large or small, will have an impact on our processes, practices and corporate culture. This is a turning point that will help properly position Fiera Capital for the coming years in order to achieve our goal of becoming one of the top 100 asset managers in the world.
- **Fiera Capital Expands Presence in Asia with Acquisition of Clearwater Capital Partners** – August 9, 2018. The Company closed its acquisition of Clearwater Capital Partners LLC, an Asia focused credit and special situations investment firm headquartered in Hong Kong. The aggregate consideration paid at closing, subject to various post-closing adjustments, was approximately US\$14.9 million.
- **Fiera Capital Acquires Leading High-Net-Worth and Institutional Investment Firm CGOV Asset Management** – May 31, 2018. Fiera Capital closed its acquisition of CGOV, an Ontario-based high-net-worth and institutional investment firm with approximately C\$5 billion in assets under management at closing.
- **Expanded presence in the UK with acquisition of Palmer Capital Partners Limited (“Palmer Capital”)** – December 21, 2018. The Company entered into a purchase agreement with Palmer Capital to acquire an 80% interest in Palmer Capital, marking its first acquisition of a real estate investment management business outside of Canada and its second acquisition in the UK. Palmer Capital has over £800 million in assets under management with an additional £215.5 million managed through joint ventures.
- **Launch of Fiera Comox Private Equity** – December 3, 2018. Fiera Comox announced the launch of Fiera Comox Private Equity, enabling the independent investment manager to offer clients two distinct global private investment strategies: Agriculture and now, Private Equity.
- **Milestone achievement: successfully completed the streamlining of custodians** – November 2018. The Canadian division celebrated a milestone achievement during the fourth quarter: the successful completion of a complex multi-phase initiative launched back in 2015 to address the significant challenges that stemmed from having multiple vendors administrating our investment funds. The many benefits of this achievement include reduced operating costs across the funds, enhanced operational, regulatory and fiduciary, compliance, and improved client reporting. These benefits align perfectly with the objectives of operational scalability and cost efficiency outlined in the 2022 Strategic Plan.
- **Launch of the Global Respect & Inclusion Policy** – December 17, 2018. The policy aims to foster an inclusive and diverse culture that will drive innovation as we pursue our goal of positioning Fiera Capital among the top 100 asset managers in the world. The Global Respect & Inclusion Policy reflects the Company’s commitment to creating a work

environment where employees embrace diversity and original thinking while treating one another with respect.

## Subsequent Events

- **Strategy to efficiently deploy capital within the Infrastructure platform** – January 29, 2019. Fiera Infrastructure announced that it entered into a long-term partnership with EllisDon, one of North America’s most successful and experienced construction capital groups, to acquire EllisDon’s interest in its existing portfolio of ten public-private projects (“PPP”). The completion of these ten projects is expected to add approximately \$100 million to Fiera Infrastructure’s AUM. Moreover, the Partnership has the right of first offer over EllisDon’s future PPP for a pre-agreed period that has the potential to increase AUM significantly.
- **Closing of the Canoe transaction** – February 22, 2019. The Company completed the closing of its previously announced transaction whereby Canoe Financial LP (“Canoe”), a Canadian mutual fund company, has acquired the rights to manage nine of the Company’s retail mutual funds. Canoe has also acquired the Company’s ownership interest in Fiera Capital Funds Inc., Fiera Capital’s wholly owned subsidiary and registered mutual fund dealer and retained Fiera Capital to act as sub-advisor for four of the nine funds.
- **Strengthening of the Private Alternative Investments Platform with the acquisition of Integrated Asset Management Corp. (“IAM”)** – March 22, 2019. The announced acquisition of IAM is expected to add over \$3 billion in AUM and committed capital to the Company’s private alternative investments platform.

## Fourth quarter and Full Year 2018 Financial and Operating Results

The following table provides selected financial information for the three-month period ended December 31, 2018, compared to the quarter ended September 30, 2018 and to the quarter ended December 31, 2017, as well as for the twelve-month periods ended December 31, 2018 and 2017, respectively.

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

	THREE-MONTH PERIODS ENDED			TWELVE-MONTH PERIODS ENDED	
	Dec. 31, 2018	Sep. 30, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
<b>AUM (in \$ millions)</b>	<b>136,675</b>	143,475	128,901	<b>136,675</b>	128,901
<b>Revenues</b>					
Base management fees and other revenues	<b>139,156</b>	135,935	110,812	<b>517,183</b>	424,524
Performance fees – Traditional assets	<b>8,309</b>	1,133	10,039	<b>13,680</b>	13,379
Performance fees – Alternative assets	<b>9,498</b>	41	21,195	<b>9,422</b>	21,193
<b>Total revenues</b>	<b>156,963</b>	137,109	142,046	<b>540,285</b>	459,096
<b>Expenses</b>					
SG&A <sup>(*)</sup> and external managers expenses	<b>123,000</b>	107,254	109,861	<b>427,769</b>	360,630
All other net expenses	<b>35,536</b>	28,728	31,101	<b>117,271</b>	87,754
	<b>158,536</b>	135,982	140,962	<b>545,040</b>	448,384
<b>Net earnings (loss)</b>	<b>(1,573)</b>	1,127	1,084	<b>(4,755)</b>	10,712
<b>Attributable to</b>					
The Company's shareholders	<b>(1,709)</b>	995	763	<b>(5,013)</b>	10,671
Non-controlling interest	<b>136</b>	132	321	<b>258</b>	41
<b>Net earnings (loss)</b>	<b>(1,573)</b>	1,127	1,084	<b>(4,755)</b>	10,712
<b>Earnings</b>					
Adjusted EBITDA	<b>39,322</b>	36,620	36,056	<b>137,483</b>	116,753
Net earnings (loss)	<b>(1,573)</b>	1,127	1,084	<b>(5,013)</b>	10,712
Adjusted net earnings <sup>(**)</sup>	<b>28,251</b>	27,533	29,238	<b>101,237</b>	99,254
<b>Basic per share</b>					
Adjusted EBITDA	<b>0.41</b>	0.38	0.43	<b>1.45</b>	1.42
Net earnings (loss)	<b>(0.02)</b>	0.01	0.01	<b>(0.05)</b>	0.13
Adjusted net earnings <sup>(**)</sup>	<b>0.29</b>	0.29	0.35	<b>1.07</b>	1.21
<b>Diluted per share</b>					
Adjusted EBITDA	<b>0.41</b>	0.36	0.43	<b>1.45</b>	1.33
Net earnings (loss)	<b>(0.02)</b>	0.01	0.01	<b>(0.05)</b>	0.12
Adjusted net earnings <sup>(**)</sup>	<b>0.29</b>	0.27	0.35	<b>1.07</b>	1.13

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

(\*\*) Adjusted net earnings and adjusted net earnings per share have been restated to adjust for the accretion and change in fair value of purchase price obligations. Refer to the Non-IFRS Section of the Company's MD&A for the three and twelve-month ended December 31, 2018.

## Conference Call

Fiera Capital will hold a conference call at 10:30 a.m. (EDT) on Friday, March 22, 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), from outside North America is 1-647-427-7450, conference ID: 2356766.

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

A replay of the call will be available by telephone until March 29, 2019. The telephone number to access the replay of the call is 1-855-859-2056 (toll-free), access code 2356766. The replay will also be available in the Investors Relations section of the Website under Events, in the days following the event.

## Non-IFRS Measures

- (1) Earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA 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](http://www.fieracapital.com)

## 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](http://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\$136.7 billion in assets under management as of December 31, 2018. The Firm 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](http://www.fieracapital.com)

In the U.S., asset management services are provided by the Firm'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 Firm's annual information form, is available on SEDAR at [www.sedar.com](http://www.sedar.com).

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