



## Fiera Capital reports first quarter 2018 results

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- **Assets under management (“AUM”) reached \$131.4 billion, a 8% year-over-year increase**
- **Quarterly revenues grew 19% on a year-over-year basis**
- **Adjusted EBITDA per share<sup>(1)</sup> of \$0.32, compared to \$0.31 year-over-year**
- **Net earnings (loss) per share of \$(0.02), compared to \$0.05 year-over-year**
- **Adjusted net earnings per share<sup>(1)</sup> of \$0.24, compared to \$0.27 year-over-year**

**Montreal, May 11, 2018** – Fiera Capital Corporation (TSX: FSZ) (“Fiera Capital” or the “Firm”), a leading independent asset management firm, today announced its financial results for the first quarter ended March 31, 2018.

“Our Firm’s AUM have grown to \$131.4 billion as at March 31, 2018, due to positive client inflows in the quarter, mainly from the Private Wealth clientele and from Institutional clients who invested in our Private Alternative Investments division, accompanied by positive market performance and a favorable foreign exchange impact,” said Jean-Guy Desjardins, Chairman of the Board and Chief Executive Officer of Fiera Capital. “Additionally, I am pleased to witness our U.S. divisions and our Private Alternative Investments division organically gaining in scale, driven by the effectiveness of our business development teams.”

“Also in the quarter, we continued to invest in our global operating platform through strategic acquisitions, namely with our intention to acquire Clearwater Capital Partners, LLC, a leading Asia focused credit and special situations investment firm, as well as CGOV Asset Management, a highly reputable Ontario-based investment management firm focused on high-net-worth and institutional investors. In all, our Firm remains committed to providing clients with true-alpha portfolio management, including innovative and diversified traditional and private markets strategies, which further differentiate us from other asset managers,” added Mr. Desjardins.

## Assets Under Management (in \$ millions)

Markets	AUM AS AT		
	March 31, 2018	December 31, 2017	March 31, 2017
<b>Institutional</b>	<b>68,565</b>	68,038	62,106
<b>Private Wealth</b>	<b>27,516</b>	26,319	26,264
<b>Retail</b>	<b>35,279</b>	34,544	33,693
<b>Total</b>	<b>131,360</b>	128,901	122,063

Assets under management amounted to \$131.4 billion as at March 31, 2018, representing an increase of \$9.3 billion, or 8%, compared to \$122.1 billion as at March 31, 2017, and an increase of \$2.5 billion, or 2%, from \$128.9 billion as at December 31, 2017.

During the first quarter, the Firm won \$2.0 billion in new mandates, namely in the institutional and private wealth sectors, offset by lost mandates of \$1.8 billion which were driven primarily by clients that either consolidated the investment service providers or that pursued other asset classes. New AUM stem primarily from the Private Wealth clientele in the US as well as the Institutional clientele in Canada and from the Private Alternative investment strategies. Also, during the period, the fluctuations in foreign exchange rates on the US dollar had a positive impact of \$1.6 billion, whereas the positive net contribution of \$0.3 billion and market appreciation of \$0.3 billion have contributed to the sequential changes in the Firm's total AUM.

## Revenues

Revenues for the first quarter ended March 31, 2018, were \$120.0 million, representing an increase of \$19.4 million, or 19%, compared to \$100.6 million for the same period last year. The year-over-year increase in revenues is due mainly to the organic growth, mostly from the Institutional and Private Wealth clientele as well as growth in Private Alternative Investment strategies. The agreement with City National Rochdale ("CNR") to acquire the management of the Emerging Markets Fund in December 2017 was also a contributor to revenue growth.

Revenues for the first quarter decreased by \$22.0 million, or 16%, compared to \$142.0 million from the previous quarter. The decrease in revenues is mainly due to lower performance fees which are generally recorded in the second and fourth quarter of the year, partially offset by higher base management fees, resulting primarily from the inclusion of a full quarter of revenues from CNR, combined with organic growth in the Private Alternative investment strategies and new mandates in the US.

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

Adjusted EBITDA for the first quarter was \$28.8 million, representing an increase of \$3.6 million, or 14%, compared to \$25.2 million for the comparable period in 2017, and a decrease of \$7.3 million, or 20%, compared to \$36.1 million from the previous quarter ended December 31, 2017. The sequential decrease is mainly due to lower revenues resulting from lower performance fees, partially offset by higher base management fees and lower operating expenses.

Adjusted EBITDA per share<sup>(1)</sup> was \$0.32 (basic and diluted) for the first quarter ended March 31, 2018, compared to \$0.31 (basic) and \$0.30 (diluted) for the corresponding quarter ended March 31, 2017, and to \$0.43 (basic and diluted) for the previous quarter ended December 31, 2017.

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

The Firm recorded a net loss attributable to the Company's shareholders of \$(2.2) million, or \$(0.02) per share (basic and diluted), for the first quarter ended March 31, 2018, versus \$4.4 million, or \$0.05 per share (basic and diluted), for the quarter ended March 31, 2017, and net earnings attributable to the Company's shareholders of \$0.8 million, or \$0.01 per share (basic and diluted), for the quarter ended December 31, 2017. The decrease in net earnings in the quarter is mainly attributable to the increase in a charge in the accretion and change in fair value of purchase price obligations related to the agreement with CNR to acquire the management of the Emerging Markets Fund.

Adjusted net earnings<sup>(1)</sup> attributable to the Company's shareholders for the quarter ended March 31, 2018, amounted to \$21.3 million, or \$0.24 per share (basic and diluted), compared to \$21.8 million, or \$0.27 per share (basic) and \$0.26 (diluted), for the same period in 2017, and to \$29.2 million, or \$0.35 per share (basic and diluted) for the previous quarter ended December 31, 2017. Adjusted net earnings for the quarter ended March 31, 2018, reflected net loss, excluding \$17.7 million, or \$0.20 per share (basic and diluted), of depreciation of property and equipment, amortization of intangible assets and share-based compensation, as well as \$5.8 million, or \$0.6 per share (basic and diluted) of acquisition and restructuring, integration and other costs (net of income taxes) and a charge related to the accretion and change in fair value of purchase price obligations.

### **Dividend**

The Board of Directors declared a dividend of \$0.19 per Class A subordinate voting share and Class B special voting share of Fiera Capital. The dividend is payable on June 20, 2018, to shareholders of record at the close of business on May 23, 2018. The dividend is an eligible dividend for income tax purposes.

## First quarter Business Highlights

- **Launch of Two New Strategies in Europe and Charlemagne Capital Rebranded to Fiera Capital** – January 15, 2018. The fund range in Europe is expanded with two new strategies, Fiera Capital Global Equity Fund and Fiera Capital US Equity Fund, launching on the Firm's UCITS platform. Charlemagne Capital now officially operates under the Fiera Capital brand name and forms the basis of Fiera Capital's European division. The name change was the final step to the integration within Fiera Capital.
- **Fiera Capital Expands Presence in Asia with Acquisition of Clearwater Capital Partners** – March 1, 2018. Fiera Capital announced the acquisition of Clearwater Capital Partners, LLC, a leading Asia focused credit and special situations investment firm headquartered in Hong Kong with US\$1.4 billion in assets under management. The acquisition, expected to close at the end of the second quarter, is subject to regulatory approval.
- **Fiera Capital Acquires Leading High-Net-Worth and Institutional Investment Firm CGOV Asset Management** – March 23, 2018. Fiera Capital and CGOV announced that they have reached an agreement whereby Fiera Capital will acquire CGOV, an Ontario-based high-net-worth and institutional investment firm with approximately C\$5.3 billion in assets under management as at December 31, 2017. The transaction, expected to close early in the second quarter, is subject to regulatory approval.
- **The Firm presents its approach to Corporate Social Responsibility and updated its website to meet new Toronto Stock Exchange requirements relating to website disclosure of security holder information** – April 10, 2018. The Firm's practice of integrating the assessment of material environmental, social and governance (ESG) risk factors into how assets are managed on behalf of clients can be found in the Firm's Responsible Investment Policy as well as its Proxy Voting Policy; both policies are available on the Firm's new [Responsibility section](#) of its Website. The new section also outlines the Firm's CSR approach, including policies and initiatives related to Human Capital, Enterprise Risk Management, Governance and building ties with communities.

## Subsequent Events

- **Fiera Capital is in the process of renegotiating an extension and modification of the terms and conditions of its existing credit agreement.** The Firm expects to receive commitments from its lenders shortly and plans to finalize and execute the renegotiated *Fifth Amended and Restated Credit Agreement* by the end of May 2018.

## First quarter 2018 Financial and Operating Results

The following table provides selected financial information for the three-month period ended March 31, 2018, compared to the quarter ended December 31, 2017, and to the quarter ended March 31, 2017.

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

	THREE-MONTH PERIODS ENDED		
	Mar. 31, 2018	Dec. 31, 2017	Mar. 31, 2017
<b>AUM (in \$ millions)</b>	<b>131,360</b>	128,901	122,063
<b>Revenues</b>			
Base management fees and other revenues	<b>118,511</b>	110,812	100,042
Performance fees – Traditional assets	<b>1,573</b>	10,039	527
Performance fees – Alternative assets	<b>(103)</b>	21,195	5
<b>Total revenues</b>	<b>119,981</b>	142,046	100,574
<b>Expenses</b>			
SG&A <sup>(*)</sup> and external managers expenses	<b>97,887</b>	109,861	78,048
All other net expenses	<b>24,187</b>	31,101	18,173
	<b>122,074</b>	140,962	96,221
<b>Net earnings (loss)</b>	<b>(2,093)</b>	1,084	4,353
<b>Attributable to</b>			
The Company's shareholders	<b>(2,193)</b>	763	4,428
Non-controlling interest	<b>100</b>	321	(75)
<b>Net earnings (loss)</b>	<b>(2,093)</b>	1,084	4,353
<b>Earnings</b>			
Adjusted EBITDA	<b>28,839</b>	36,056	25,199
Net earnings (loss)	<b>(2,093)</b>	1,084	4,353
Adjusted net earnings <sup>(**)</sup>	<b>21,344</b>	29,238	21,838
<b>Basic per share</b>			
Adjusted EBITDA	<b>0.32</b>	0.43	0.31
Net earnings (loss)	<b>(0.02)</b>	0.01	0.05
Adjusted net earnings <sup>(**)</sup>	<b>0.24</b>	0.35	0.27
<b>Diluted per share</b>			
Adjusted EBITDA	<b>0.32</b>	0.43	0.30
Net earnings (loss)	<b>(0.02)</b>	0.01	0.05
Adjusted net earnings <sup>(**)</sup>	<b>0.24</b>	0.35	0.26

(\*) 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-month ended March 31, 2018.

## Conference Call

Fiera Capital will hold a conference call at 10:30 a.m. (EDT) on Friday, May 11, 2018, 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: 2487467.

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 May 18, 2018. The telephone number to access the replay of the call is 1-855-859-2056 (toll-free), access code 2487467. 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 as well as non-cash items 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. The definition of adjusted net earnings was amended and 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\$131.4 billion in assets under management as of March 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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