



Fiera Capital reports first quarter 2020 results

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Montreal, May 15, 2020 – Fiera Capital Corporation (TSX: FSZ) (“Fiera Capital” or the “Company”), a leading independent asset management firm, today announced its financial results for the first quarter ended March 31, 2020.

- **Assets under management (“AUM”) of \$158.1 billion as at March 31, 2020:**
 - 7% decrease compared to December 31, 2019
 - 9% increase compared to March 31, 2019
- **Q1 2020 revenues of \$161.7 million:**
 - 21% decrease compared to Q4 2019 revenues of \$204.5 million
 - 13% increase compared to Q1 2019 revenues of \$142.8 million
- **Net earnings of \$12.0 million in Q1 2020** compared to net earnings of \$5.3 million and a net loss of \$6.6 million in Q4 2019 and Q1 2019, respectively
 - **Net earnings attributable to the Company’s shareholders of \$7.6 million in Q1 2020** compared to net earnings of \$3.4 million in Q4 2019 and a net loss of \$6.6 million in Q1 2019
 - **Net earnings attributable to the Company’s shareholders per share of \$0.07 in Q1 2020** compared to net earnings of \$0.03 in Q4 2019 and to a net loss of \$0.07 in Q1 2019
- **Subsequent events**
 - Sale of Fiera Investments retail mutual funds announced
 - Dividend declared of \$0.21 per share

NON-IFRS MEASURES

- **Adjusted EBITDA¹ of \$43.5 million in Q1 2020** compared to \$61.8 million in Q4 2019 and \$38.8 million in Q1 2019
 - **Adjusted EBITDA margin¹ in Q1 2020 of 26.9%**, compared to 30.2% in Q4 2019 and 27.2% in Q1 2019
- **Adjusted net earnings per share^{1,2} of \$0.20**, compared to adjusted net earnings per share^{1,2} of \$0.42 in Q4 2019 and \$0.26 in Q1 2019

"I am very pleased with our Q1 2020 financial results, especially in light of the challenging environment we are facing with COVID-19. As a result of our efforts on diversifying our investment platform since the creation of Fiera Capital almost 17 years ago, we completed a first quarter marked by extreme market volatility on a solid footing. Our active approach to portfolio management, our asset class and regional diversification and the dedication of our employees, make up the competitive advantage that has allowed us to outperform, in all respects, during these unprecedented times," said Jean-Guy Desjardins, Chairman of the Board and Chief Executive Officer. *"While it is still too early to determine the overall implications that COVID-19 will have over the coming quarters, we are monitoring the situation closely, and continue to be focused on providing our customers with the investment excellence that they have come to expect from Fiera Capital."*

"Assets under management decreased by 6.8% in the first quarter of 2020, outperforming many of our peers. This is a testament not only to the diversity and resiliency of our investment platform but also the continued efforts of our client service and distribution teams," said Vincent Duhamel, Vice Chairman of the Board. *"Furthermore, based on preliminary results, we expect that April 30 consolidated AUM should be above \$167 billion, reflecting the improved market environment and our investment teams' continued outperformance. In early April, our Global Equity team funded a significant institutional client win of US\$ 1 billion and on April 30, their Global Equity Fund's institutional share class (FCGIX) received a five-star overall rating from Morningstar. This Morningstar rating is a measure of the Fund's risk-adjusted return, relative to 764 funds in its category, World Large Stock."*

"I am extremely pleased with the investment performance of our teams during the first quarter of 2020, with many of them continuing to deliver first quartile performance on a trailing twelve-month basis from March 31," said Jean-Philippe Lemay, Global President and Chief Operating Officer. *"Thanks to the hard work and commitment of our operations and technology teams, as well as the investments already made in our platform, when the firm transitioned to working from home in mid-March, we swiftly and effectively shifted to operating remotely. This included managing our investment strategies and staying close to our clients during these difficult times. I am proud to say that despite the physical distances that separated us, we continued to win new mandates, announced the sale of Fiera Investments' retail mutual funds and continued making progress with our operations and technology transformation efforts."*

"Despite the challenging market environment since the outbreak of the coronavirus pandemic, we are very pleased with our Q1 operating results, which generated increased Revenues and Adjusted EBITDA to our comparable Q1 2019 results," added Lucas Pontillo, Executive Vice President and Global Chief Financial Officer. *"While we are encouraged by the improved market performance subsequent to quarter-end, we remain vigilant and recognize that it is still premature to determine the full extent of the economic impact of this pandemic. As such, we continue to exercise prudence and are closely monitoring expense and capital allocation initiatives. Our balance sheet remains well capitalized and we have sufficient liquidity, with over \$65 million in cash and cash equivalents at quarter end."*

Assets Under Management (in \$ millions)

Markets	AUM as at			Quarter-over-Quarter Change		Year-over-Year Change	
	March 31, 2020	December 31, 2019	March 31, 2019	\$	%	\$	%
Institutional	90,242	96,298	76,489	(6,056)	(6.3%)	13,753	18.0%
Private Wealth	34,496	33,838	32,696	658	1.9%	1,800	5.5%
Retail	33,383	39,535	35,676	(6,152)	(15.6%)	(2,293)	(6.4%)
Total	158,121	169,671	144,861	(11,550)	(6.8%)	13,260	9.2%

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

	THREE-MONTH PERIODS ENDED		
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2019
AUM (in \$ millions)	158,121	169,671	144,861
Revenues			
Base management fees	154,824	155,304	129,093
Performance fees	3,251	29,918	1,607
Share of earnings in joint ventures and associates	(249)	6,047	-
Other revenues	3,831	13,257	12,085
Total revenues	161,657	204,526	142,785
Expenses			
SG&A(*) and external managers expenses	118,328	149,680	109,202
All other net expenses	31,307	49,592	40,167
	149,635	199,272	149,369
Net earnings (loss)	12,022	5,254	(6,584)
Attributable to			
The Company's shareholders	7,581	3,387	(6,553)
Non-controlling interest	4,441	1,867	(31)
Net earnings (loss)	12,022	5,254	(6,584)
Earnings			
Adjusted EBITDA ¹	43,451	61,752	38,817
Net earnings (loss)	12,022	5,254	(6,584)
Adjusted net earnings ¹	20,471	42,661	24,873
Basic per share			
Adjusted EBITDA ¹	0.42	0.61	0.40
Net earnings (loss)	0.07	0.03	(0.07)
Adjusted net earnings ¹	0.20	0.42	0.26
Weighted average shares outstanding (in thousands)	102,715.9	100,706.6	96,740.8
Diluted per share			
Adjusted EBITDA ¹	0.41	0.60	0.40
Net earnings (loss) (**)	0.07	0.03	(0.07)
Adjusted net earnings ¹ (**)	0.19	0.41	0.26
Weighted average shares outstanding (in thousands)	107,289.4	100,706.6	96,740.8

(*) SG&A: Selling, general and administrative expenses (**) The non-IFRS measures basic and diluted Adjusted EBITDA and Adjusted net earnings per share are calculated using the same weighted average number of shares outstanding as the basic and diluted net earnings (loss) per share figures, respectively, calculated in accordance with IFRS, regardless of net earnings or net loss.

Assets Under Management

- **AUM as at March 31, 2020 was \$158.1 billion, compared to \$169.7 billion as at December 31, 2019, a decrease of \$11.6 billion, or 6.8%.** The decrease in the first quarter was primarily a result of market headwinds of \$14.5 billion in connection with the extreme volatility in global equity markets set off by fears around the COVID-19 pandemic. This was partly offset by a favourable foreign exchange rate impact of \$5.6 billion. Gross redemptions of \$4.9 billion were partly offset by \$1.7 billion in new mandates won.
- **Compared to AUM of \$144.9 billion at the end of the first quarter of 2019, March 31, 2020 AUM increased by \$13.2 billion, or 9.2%.** The increase was primarily due to acquisitions which contributed \$16.3 billion of incremental AUM, new mandates of \$12.6 billion and a favourable foreign exchange impact of \$3.6 billion. These increases were partly offset by gross redemptions of \$14.4 billion and unfavourable market movements of \$4.8 billion.

Revenues

Q1 2020 vs Q1 2019

Revenues for the first quarter of 2020 were \$161.7 million compared to \$142.8 million for the same period last year, an increase of \$18.9 million or 13%. The year-over-year increase was mainly the result of:

- additional revenues from the four acquisitions completed in 2019 and consisting of: the acquisition of an 80% interest in Palmer Capital Partners Limited (“Palmer Capital”) as well as the acquisitions of Foresters Asset Management Inc. (“Foresters”), Integrated Asset Management Corp. (“IAM”) and Fiera Investments (previously Natixis’ Canadian operations or “Natixis Canada”);
- organic growth primarily from Institutional markets and Fiera Private Alternative Investments; and
- higher performance fees stemming mainly from traditional assets.

These increases were partially offset by lower other revenues, namely due to a \$4.9 million loss on foreign exchange forward contracts in the first quarter of 2020 compared to a \$0.9 million gain in the comparable period last year. The loss on foreign exchange forward contracts was primarily due to the weakening of the Canadian dollar versus the U.S. dollar, which was negatively impacted by lower oil prices during the current quarter, in addition to the economic fallout from COVID-19.

Q1 2020 vs Q4 2019

Compared to revenues of \$204.5 million in the fourth quarter of fiscal 2019, revenues of \$161.7 million in the first quarter of 2020 represent a decrease of \$42.8 million or 21%. The decrease was primarily due to:

- \$26.7 million in lower performance fees, as performance fees are generally recorded in the fourth quarter of Fiera Capital’s fiscal year;
- a \$6.3 million decrease in share of earnings in joint ventures and associates, primarily related to Palmer Capital, and which can vary significantly from quarter to quarter as a result of the long-term nature of the underlying projects;
- \$9.5 million in lower other revenues mainly from:

- A \$4.9 million loss on foreign exchange forward contracts., as well as
- lower transaction and commitment fees in private alternative investment strategies.

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

Q1 2020 vs Q1 2019

For the quarter ended March 31, 2020, the Company reported net earnings attributable to the Company's shareholders of \$7.6 million, or \$0.07 per share (basic and diluted), compared to a net loss of \$6.6 million, or \$0.07 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, net of a \$4.9 million loss on foreign exchange forward contracts, and a \$19.9 million unrealized gain on the revaluation of purchase price obligations and a puttable financial instrument liability, which was primarily due to market volatility resulting from COVID-19. These increases were partly offset by higher SG&A and higher interest related expenses. Interest related expense in the current quarter included a \$6.8 million loss on interest rate swaps compared to a \$2.1 million loss related to interest rate swaps during the first quarter of 2019.

Q1 2020 vs Q4 2019

The Company reported net earnings attributable to the Company's shareholders of \$7.6 million, or \$0.07 per share (basic and diluted), during the first quarter of 2020, compared to \$3.4 million, or \$0.03 per share (basic and diluted), in the fourth quarter of 2019. The increase was primarily due to a \$19.9 million unrealized gain on the revaluation of purchase price obligations and a puttable financial instrument liability, combined with lower restructuring costs as well as lower income tax expenses, partially offset by higher interest expense. Interest expense in the current quarter included a \$6.8 million loss on interest rate swaps compared to a \$1.3 million gain in the fourth quarter of 2019. Net earnings in the current quarter included a \$4.9 million loss on foreign exchange forward contracts compared to a \$1.0 million gain in the fourth quarter of 2019.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"⁽¹⁾)

Q1 2020 vs Q1 2019

Adjusted EBITDA for the first quarter of 2020 was \$43.5 million, or \$0.42 per share (basic) and \$0.41 per share (diluted), representing an increase of \$4.7 million, or 12%, compared to \$38.8 million, or \$0.40 per share (basic and diluted) for the comparable 2019 period. The increase was primarily due to:

- positive Adjusted EBITDA contributions from the four acquisitions completed in 2019; and
- an increase in revenues from institutional markets and private alternative investment strategies,

partially offset by a \$4.9 million loss on foreign exchange forward contracts.

Q1 2020 vs Q4 2019

Compared to the fourth quarter of 2019, Q1 2020 Adjusted EBITDA decreased from \$61.8 million to \$43.5 million, a decrease of \$18.3 million or 30%. The decrease in Adjusted EBITDA was primarily due to lower performance fees, lower other revenues and the unfavourable impact of a \$4.9 million loss from foreign exchange forward contracts compared to a \$1.0 million gain recorded in the previous quarter, as described above. These increases were partly offset by lower SG&A.

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

Q1 2020 vs Q1 2019

Adjusted net earnings for the first quarter of 2020 was \$20.5 million, or \$0.20 per share (basic) and \$0.19 per share (diluted), compared to \$24.9 million, or \$0.26 per share (basic and diluted), in the first quarter of 2019. The \$4.4 million decrease was mainly due to an increase in SG&A expense, higher interest related expense resulting from a \$6.8 million loss on interest rate swaps compared to a \$2.1 million loss in the same period last year, and higher income tax expense in the first quarter of 2020. Adjusted net earnings in the current quarter was further negatively impacted by a loss on foreign exchange forward contracts of \$4.9 million compared to a gain of \$0.9 million in the same period last year.

Q1 2020 vs Q4 2019

Adjusted net earnings for the first quarter of 2020 totalled \$20.5 million, or \$0.20 per share (basic) and \$0.19 per share (diluted), compared to \$42.7 million, or \$0.42 per share (basic) and \$0.41 (diluted) in the fourth quarter of 2019. The \$22.2 million decrease was mainly from lower performance fees in the first quarter, as performance fees are generally recorded in the fourth quarter of the Company's fiscal year, and a loss on interest rate swaps of \$6.8 million compared to a gain of \$1.3 million in the previous quarter, partly offset by lower SG&A expense. Adjusted net earnings in the current quarter were further negatively impacted by a loss on foreign exchange forward contracts of \$4.9 million, compared to a gain of \$1.0 million in the fourth quarter of 2019.

Subsequent Events

I. COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 as a global pandemic. The outbreak of COVID-19 has resulted in governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity and capital markets have also experienced significant volatility and weakness. The governments have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic is unknown at this time, as is the effect of the government's interventions. The Company is continuing to review the potential impact of market risk to its capital position and profitability should the

duration, spread or intensity of the pandemic further develop. It is not possible to forecast with certainty the duration and full scope of the economic impact of COVID-19 both in the short and long term. Furthermore, a sustained period of market volatility could require a write-down of the Company's goodwill and intangible assets in subsequent quarters. The valuation of the Company's purchase price obligations could also be impacted if expected results from operations change significantly from original assumptions.

II. Sale of Fiera Investments retail mutual funds announced

On April 9, 2020, Fiera Capital announced that it has reached a definitive agreement with Canoe Financial LP ("Canoe"), pursuant to which Canoe has agreed to acquire the rights to manage all of Fiera Investments' retail mutual funds. This transaction will allow Fiera Capital to broaden its existing partnership with Canoe by leveraging the combination of Canoe's strong distribution network in the Canadian retail market and Fiera Capital's excellence in investment management. The transaction is expected to close on or about June 26, 2020 and is subject to, among other matters, receiving all necessary securityholder and regulatory approvals, as well as satisfying other customary closing conditions.

III. Dividends Declared

On May 14, 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 June 25, 2020 to shareholders of record at the close of business on May 27, 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 Friday, May 15, 2020, to discuss its financial results. The dial-in number to access the conference call from Canada and the United States is 1-866-865-3087 (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 May 22, 2020. The telephone number to access the replay of the call is 1-855-859-2056 (toll-free), access code 1487309. 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) 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\$158.1 billion in assets under management as of March 31, 2020. 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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