



## **Fiera Capital reports second quarter 2018 results and increases quarterly dividend**

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- **Assets under management (“AUM”) reached \$139.4 billion, an 11% year-over-year increase**
- **Quarterly revenues grew 15% on a year-over-year basis**
- **Adjusted EBITDA per share<sup>(1)</sup> of \$0.35, compared to \$0.35 year-over-year**
- **Net earnings (loss) per share of \$(0.02), compared to \$0.01 year-over-year**
- **Adjusted net earnings per share<sup>(1)</sup> of \$0.26, compared to \$0.31 year-over-year**
- **Fiera Capital closes acquisitions of CGOV Asset Management and Clearwater Capital Partners**

**Montreal, August 10, 2018** – Fiera Capital Corporation (TSX: FSZ) (“Fiera Capital”, the “Company” or the “Firm”), a leading independent asset management firm, today announced its financial results for the second quarter ended June 30, 2018.

“Our Firm’s AUM increased to \$139.4 billion as at June 30, 2018. This was attributable to the acquisition of CGOV Asset Management and net new client inflows in the quarter, accompanied by positive market performance,” said Jean-Guy Desjardins, Chairman of the Board and Chief Executive Officer of Fiera Capital. “Additionally, our Private Alternative Investments division is gaining in scale and contributing to strong revenue growth and momentum.”

“During the quarter, we diligently focused on improving profitability and closed an acquisition, which brings added investment expertise and scale to our operations: CGOV Asset Management (“CGOV”), 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 differentiates us from other asset managers,” added Mr. Desjardins.

## Assets Under Management (in \$ millions)

Markets	AUM AS AT		
	June 30, 2018	March 31, 2018	June 30, 2017
Institutional	73,142	68,565	65,451
Private Wealth	30,560	27,516	26,408
Retail	35,687	35,279	33,799
Total	139,389	131,360	125,658

Assets under management amounted to \$139.4 billion as at June 30, 2018, representing an increase of \$13.7 billion, or 11%, compared to \$125.7 billion as at June 30, 2017, and an increase of \$8.0 billion, or 6%, from \$131.4 billion as at March 31, 2018.

The sequential increase of \$8.0 billion in AUM is mainly due to the acquisition of CGOV amounting to \$5.0 billion. Also, during the second quarter, the Firm won \$1.8 billion in new mandates, namely in the institutional and private wealth sectors, offset by lost mandates of \$1.3 billion which were driven primarily by clients that either consolidated the investment service providers or that pursued other asset classes. Furthermore, during the period, the fluctuations in foreign exchange rates on the US dollar had a positive impact of \$1.1 billion, whereas market appreciation of \$1.1 billion and the positive net contribution of \$0.2 billion have contributed to the sequential changes in the Firm's total AUM.

## Revenues

Revenues for the second quarter ended June 30, 2018, were \$126.2 million, representing an increase of \$16.9 million, or 15%, compared to \$109.3 million for the same period last year. The year-over-year increase in revenues is mainly due to organic growth, combined with market appreciation, mostly from the institutional and private wealth sectors as well as growth in the Private Alternative Investment strategies, along with additional revenues from the Fiera Capital Emerging Markets fund newly created following the acquisition of the City National Rochdale ("CNR") Emerging Markets Fund, and from the recent acquisition of CGOV at the end of May 2018.

Revenues for the second quarter increased by \$6.2 million, or 5%, compared to \$120.0 million from the previous quarter. The increase in revenues is mainly due to higher base management fees, namely in the institutional and private wealth sectors as well as growth in Private Alternative Investment strategies, combined with additional revenues from the CGOV acquisition.

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

Adjusted EBITDA for the second quarter was \$32.7 million, representing an increase of \$4.2 million, or 15%, compared to \$28.5 million for the comparable period in 2017, and an increase of \$3.9 million, or 13%, compared to \$28.8 million from the previous quarter ended March 31, 2018. The sequential increase is mainly due to higher base management fees resulting from organic growth, combined with the CGOV acquisition and the CNR Emerging Markets Fund acquisition, partially offset by higher operating expenses to support the Firm's growth and expansion.

Adjusted EBITDA per share<sup>(1)</sup> was \$0.35 (basic and diluted) for the second quarter ended June 30, 2018, compared to \$0.35 (basic) and \$0.34 (diluted) for the corresponding quarter ended June 30, 2017, and to \$0.32 (basic and diluted) for the previous quarter ended March 31, 2018.

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

The Firm recorded a net loss attributable to the Company's shareholders of \$(2.1) million, or \$(0.02) per share (basic and diluted), for the second quarter ended June 30, 2018, versus \$0.9 million, or \$0.01 per share (basic and diluted), for the quarter ended June 30, 2017, and a net loss attributable to the Company's shareholders of \$(2.2) million, or \$(0.02) per share (basic and diluted), for the quarter ended March 31, 2018. The quarter's net loss attributable to the Company's shareholders of \$(2.1) million resulted mainly from the increase in charges in the accretion and change in fair value of the purchase price obligations related to the CNR Emerging Markets Fund acquisition, combined with the rise in debt interest and income taxes, partially offset by an improvement in operating margins.

Adjusted net earnings<sup>(1)</sup> attributable to the Company's shareholders for the quarter ended June 30, 2018, amounted to \$23.8 million, or \$0.26 per share (basic and diluted), compared to \$25.1 million, or \$0.31 per share (basic) and \$0.30 (diluted), for the same period in 2017, and to \$21.3 million, or \$0.24 per share (basic and diluted) for the previous quarter ended March 31, 2018.

Adjusted net earnings for the quarter ended June 30, 2018, includes the net loss, adjusted for \$17.6 million, or \$0.19 per share (basic and diluted), of depreciation of property and equipment, amortization of intangible assets and share-based compensation, as well as \$8.3 million, or \$0.09 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 and the accretion on effective interest on convertible bonds.

### Dividend

The Board of Directors declared a dividend of \$0.20 per Class A subordinate voting share and Class B special voting share of Fiera Capital. The dividend is payable on September 19, 2018, to shareholders of record at the close of business on August 22, 2018. The dividend is an eligible dividend for income tax purposes.

### Second quarter Business Highlights

- **Fiera Capital Acquired Leading High-Net-Worth and Institutional Investment Firm CGOV Asset Management – May 31, 2018.** At time of closing, CGOV, an Ontario-based high-net-worth and institutional investment firm, had \$5.0 billion in assets under management.
- **Fiera Capital has renegotiated the terms and conditions of its existing credit agreement.** The facility was increased to \$600 million and the term was extended to June 2022.

- **City National Rochdale Emerging Markets Fund now offered as the Fiera Capital Emerging Markets Fund.** The investment team continues to be led by Anindya Chatterjee, Senior Vice President and Senior Portfolio Manager. The objective, process and risks of the fund are unchanged.
- **Release of updated outlook [Global Financial Forecast 2018-2025: Inflation fears and rising rates pave way for recession](#).** – June 6, 2018. Looking ahead seven years, the usual length of an economic cycle, the forecast seeks to provide guidance for investors who are seeking both to structure their portfolios within the current market environment and prepare for future policy developments. Highlights: 2018-19 investment outlook tempered by strong performance in 2017; Central banks expected to adopt a "timid" approach to interest rate rises; and "mild" recession forecast for late 2020 or early 2021.

### Subsequent Events

- **Fiera Capital Expands Presence in Asia with Acquisition of Clearwater Capital Partners** – August 9, 2018. The Company closed its previously-announced 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, including approximately US\$5.9 million in cash and US\$9 million in 982,532 newly issued Class A subordinate voting shares of the Company ("Class A Shares"). The Class A Shares were issued at a price equal to \$11.93, being the volume weighted average price of the Class A Shares on the Toronto Stock Exchange for the period of 30 consecutive trading days ending on the second to last full trading day prior to closing. Additional contingent payments of up to US\$44 million will be payable over five years if certain performance conditions are achieved. Contingent payments are payable, at the Company's discretion, in cash or Class A Shares, or a combination thereof. Any Class A Shares issued for a contingent payment shall be issued at a price equal to the volume weighted average price of the Class A Shares on the Toronto Stock Exchange for the period of five consecutive trading days ending on the second to last full trading day prior to the date on which such contingent payment is made.

## Second quarter 2018 Financial and Operating Results

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

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

	THREE-MONTH PERIODS ENDED			SIX-MONTH PERIODS ENDED	
	Jun. 30, 2018	Mar. 31, 2018	Jun. 30, 2017	Jun. 30, 2018	Jun. 30, 2017
<b>AUM (in \$ millions)</b>	<b>139,389</b>	131,360	125,658	<b>139,389</b>	125,658
<b>Revenues</b>					
Base management fees and other revenues	<b>123,582</b>	118,511	108,147	<b>242,093</b>	208,189
Performance fees – Traditional assets	<b>2,664</b>	1,573	1,209	<b>4,237</b>	1,736
Performance fees – Alternative assets	<b>(14)</b>	(103)	(7)	<b>(117)</b>	(2)
<b>Total revenues</b>	<b>126,232</b>	119,981	109,349	<b>246,213</b>	209,923
<b>Expenses</b>					
SG&A <sup>(*)</sup> and external managers expenses	<b>99,627</b>	97,887	87,797	<b>197,514</b>	165,845
All other net expenses	<b>28,820</b>	24,187	21,048	<b>53,007</b>	39,221
	<b>128,447</b>	122,074	108,845	<b>250,521</b>	205,066
<b>Net earnings (loss)</b>	<b>(2,215)</b>	(2,093)	504	<b>(4,308)</b>	4,857
<b>Attributable to</b>					
The Company's shareholders	<b>(2,106)</b>	(2,193)	877	<b>(4,299)</b>	5,305
Non-controlling interest	<b>(109)</b>	100	(373)	<b>(9)</b>	(448)
<b>Net earnings (loss)</b>	<b>(2,215)</b>	(2,093)	504	<b>(4,308)</b>	4,857
<b>Earnings</b>					
Adjusted EBITDA	<b>32,703</b>	28,839	28,480	<b>61,542</b>	53,679
Net earnings (loss)	<b>(2,215)</b>	(2,093)	504	<b>(4,308)</b>	4,847
Adjusted net earnings <sup>(**)</sup>	<b>23,792</b>	21,344	25,120	<b>45,136</b>	46,958
<b>Basic per share</b>					
Adjusted EBITDA	<b>0.35</b>	0.32	0.35	<b>0.67</b>	0.66
Net earnings (loss)	<b>(0.02)</b>	(0.02)	0.01	<b>(0.05)</b>	0.07
Adjusted net earnings <sup>(**)</sup>	<b>0.26</b>	0.24	0.31	<b>0.49</b>	0.58
<b>Diluted per share</b>					
Adjusted EBITDA	<b>0.35</b>	0.32	0.34	<b>0.67</b>	0.64
Net earnings (loss)	<b>(0.02)</b>	(0.02)	0.01	<b>(0.05)</b>	0.06
Adjusted net earnings <sup>(**)</sup>	<b>0.26</b>	0.24	0.30	<b>0.49</b>	0.56

(\*) 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 June 30, 2018.

## Conference Call

Fiera Capital will hold a conference call at 10:30 a.m. (EDT) on Friday, August 10, 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: 6966529.

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 August 17, 2018. The telephone number to access the replay of the call is 1-855-859-2056 (toll-free), access code 6966529. 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\$139.4 billion in assets under management as of June 30, 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).

### **For further information:**

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