



Fiera Capital reports third quarter 2018 results

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- **Assets under management (“AUM”) reached \$143.5 billion, a 17% year-over-year increase**
- **Quarterly revenues grew 28% on a year-over-year basis**
- **Adjusted EBITDA per share⁽¹⁾ of \$0.38, compared to \$0.33 year-over-year**
- **Net earnings per share of \$0.01, compared to \$0.06 year-over-year**
- **Adjusted net earnings per share⁽¹⁾ of \$0.29, compared to \$0.28 year-over-year**

Montreal, November 9, 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 third quarter ended September 30, 2018. The Firm increased its AUM to \$143.5 billion as of the end of the quarter and grew quarterly revenues 28% on a year-over-year basis.

“The Firm’s significant growth was attributable to positive client inflows in the quarter and the acquisition of Clearwater Capital Partners, accompanied by positive market performance and partially offset by foreign exchange variation,” said Jean-Guy Desjardins, Chairman of the Board and Chief Executive Officer of Fiera Capital. “We are pleased with our momentum in the institutional market space, with notable mandates won in balanced, fixed income as well as international and global equities.”

“During the third quarter, we continued to diligently focus on improving our margins and pursued the integration of recent acquisitions that position the Firm for further growth. In October, we welcomed Kanesh Lakhani as President and Chief Executive Officer of our European Division and Lucas Pontillo as Executive Vice President and Global Chief Financial Officer. Both new team members come to Fiera Capital with significant experience in the asset management industry, and I am confident that they will contribute to our goal of becoming one of the top 100 asset managers in the world,” added Mr. Desjardins.

Assets Under Management (in \$ millions)

Markets	AUM AS AT		
	September 30, 2018	June 30, 2018	September 30, 2017
Institutional	76,373	73,142	64,358
Private Wealth	30,976	30,560	25,720
Retail	36,126	35,687	32,925
Total	143,475	139,389	123,003

Assets under management amounted to \$143.5 billion as at September 30, 2018, representing an increase of \$20.5 billion, or 17%, compared to \$123.0 billion as at September 30, 2017, and an increase of \$4.1 billion, or 3%, from \$139.4 billion as at June 30, 2018.

The sequential increase of \$4.1 billion in AUM is mainly due to \$4.1 billion in new mandates, namely in the institutional and retail sectors, combined with the acquisition of Clearwater Capital Partners (“Clearwater”) amounting to \$1.8 billion in AUM, partially offset by lost mandates of \$1.2 billion and negative net contribution 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 negative impact of \$1.0 billion, whereas market appreciation of \$1.6 billion has contributed to the sequential changes in the Firm’s total AUM.

Revenues

Revenues for the third quarter ended September 30, 2018, were \$137.1 million, representing an increase of \$30.0 million, or 28%, compared to \$107.1 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 created in June 2018 following the acquisition of City National Rochdale (“CNR”), and from the recent acquisitions of CGOV Asset Management (“CGOV”) and Clearwater at the end of May 2018 and mid August 2018, respectively.

Revenues for the third quarter increased by \$10.9 million, or 9%, compared to \$126.2 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 and Clearwater acquisitions.

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

Adjusted EBITDA for the third quarter was \$36.6 million, representing an increase of \$9.6 million, or 36%, compared to \$27.0 million for the comparable period in 2017, and an increase of \$3.9 million, or 12%, compared to \$32.7 million from the previous quarter ended June 30, 2018. The sequential increase is mainly due to higher revenues, combined with a full quarter of operation

from the acquisitions of CGOV and the Fiera Capital Markets Fund created in June 2018, partially offset by higher operating expenses to support the Firm's growth and expansion.

Adjusted EBITDA per share⁽¹⁾ was \$0.38 (basic) and \$0.36 (diluted) for the third quarter ended September 30, 2018, compared to \$0.33 (basic) and \$0.32 (diluted) for the corresponding quarter ended September 30, 2017, and to \$0.35 (basic and diluted) for the previous quarter ended June 30, 2018.

Net Earnings (Loss) and Adjusted Net Earnings⁽¹⁾

The Firm recorded net earnings attributable to the Company's shareholders of \$1.0 million, or \$0.01 per share (basic and diluted), for the third quarter ended September 30, 2018, versus \$4.6 million, or \$0.06 per share (basic) and \$0.05 (diluted), for the quarter ended September 30, 2017, and a net loss attributable to the Company's shareholders of \$(2.1) million, or \$(0.02) per share (basic and diluted), for the quarter ended June 30, 2018. The quarter's net earnings attributable to the Company's shareholders resulted mainly from the increase in charges in the accretion and change in fair value of the purchase price obligations related to the CNR acquisition, combined with the rise in debt interest and income taxes, partially offset by an improvement in operating margins.

Adjusted net earnings⁽¹⁾ attributable to the Company's shareholders for the quarter ended September 30, 2018, amounted to \$27.5 million, or \$0.29 per share (basic) and \$0.27 (diluted), compared to \$23.1 million, or \$0.28 per share (basic) and \$0.27 (diluted), for the same period in 2017, and to \$23.8 million, or \$0.26 per share (basic and diluted) for the previous quarter ended June 30, 2018.

Adjusted net earnings for the quarter ended September 30, 2018, include the net earnings, adjusted for \$19.7 million, or \$0.21 per share (basic) and \$0.19 (diluted), of depreciation of property and equipment, amortization of intangible assets and share-based compensation, as well as \$6.8 million, or \$0.07 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

On November 8, 2018, 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 December 19, 2018, to shareholders of record at the close of business on November 21, 2018. The dividend is an eligible dividend for income tax purposes.

Third quarter Business Highlights

- **Expanded presence in Asia with acquisition of Clearwater Capital Partners** – August 9, 2018. The Company acquired 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 US\$21 million, including US\$12 million in cash and US\$9 million in newly issued Class A Shares. Additional contingent payments of up to US\$44 million (undiscounted amount) will be payable over five years if certain performance conditions are achieved.
- **Renegotiated terms and conditions of existing assets under management agreement** – August 31, 2018. Fiera Capital announced that it has agreed on the terms and conditions of a renewal until June 30, 2022 of the assets under management agreement with National Bank of Canada and Natcan Investment Management Inc., a wholly-owned subsidiary of National Bank of Canada, dated April 2, 2012.

Subsequent Events

- **Execution of new Strategic Plan** – October 2, 2018. The Company provided an update on the advancement of the Firm's 2022 Strategic Plan (the "2022 Plan"). The objective of the 2022 Plan, which was developed internally over the past 12-months and approved by the Firm's Board of Directors in August is to establish Fiera Capital as a top-tier, global, multi-strategy asset manager with top-quartile embedded strategies, recognized for its talented people and for providing the best solutions to its clients globally.
- **Welcoming key hires** – October 16 and 22, 2018. Kanesh Lakhani was appointed President and Chief Executive Officer of Fiera Capital's European Division, based in London and Lucas Pontillo joined Fiera Capital as Executive Vice President and Global Chief Financial Officer. Former Chief Financial Officer John Valentini progressed to a full-time role as President and Chief Executive Officer of Fiera Private Alternative Investments.
- **Natcan annual payment obligation** – October 1st, 2018. Fiera Capital proceeded with a cash payment of \$8.5 million to Natcan Investment Management Inc., a wholly-owned subsidiary of National Bank of Canada, pursuant to the terms of the asset purchase agreement, dated February 24, 2012, as amended, with respect to the acquisition by the Corporation of the business of Natcan.
- **Sale of retail mutual funds to Canoe Financial LP** – October 22, 2018. The Company reached an agreement with Canoe Financial LP, pursuant to which Canoe has agreed to acquire the rights to manage nine retail mutual funds and agreed that Fiera Capital would continue to act as sub-advisor for the Fiera Capital Global Equity Fund, Fiera Capital Defensive Global Equity Fund, Fiera Capital International Equity Fund, and Fiera Capital Equity Growth Fund. The transaction is expected to close during Q1 2019 and is subject to among other matters, receiving all necessary unitholder and regulatory approvals, as well as satisfying other customary conditions of closing.

Third Quarter 2018 Financial and Operating Results

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

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

	THREE-MONTH PERIODS ENDED			NINE-MONTH PERIODS ENDED	
	Sep. 30, 2018	Jun. 30, 2018	Sep. 30, 2017	Sep. 30, 2018	Sep. 30, 2017
AUM (in \$ millions)	143,475	139,389	123,003	143,475	123,003
Revenues					
Base management fees and other revenues	135,935	123,582	105,523	378,028	313,712
Performance fees – Traditional assets	1,133	2,664	1,603	5,370	3,339
Performance fees – Alternative assets	41	(14)	1	(76)	(1)
Total revenues	137,109	126,232	107,127	383,322	317,050
Expenses					
SG&A ^(*) and external managers expenses	107,254	99,627	84,923	304,767	250,768
All other net expenses	28,728	28,820	17,433	81,736	56,654
	135,982	128,447	102,356	386,503	307,422
Net earnings (loss)	1,127	(2,215)	4,771	(3,181)	9,628
Attributable to					
The Company's shareholders	995	(2,106)	4,603	(3,304)	9,908
Non-controlling interest	132	(109)	168	123	(280)
Net earnings (loss)	1,127	(2,215)	4,771	(3,181)	9,628
Earnings					
Adjusted EBITDA	36,620	32,703	27,020	98,163	80,699
Net earnings (loss)	1,127	(2,215)	4,771	(3,181)	9,628
Adjusted net earnings ^(**)	27,533	23,792	23,059	72,670	70,017
Basic per share					
Adjusted EBITDA	0.38	0.35	0.33	1.05	0.99
Net earnings (loss)	0.01	(0.02)	0.06	(0.04)	0.12
Adjusted net earnings ^(**)	0.29	0.26	0.28	0.78	0.86
Diluted per share					
Adjusted EBITDA	0.36	0.35	0.32	1.05	0.95
Net earnings (loss)	0.01	(0.02)	0.05	(0.04)	0.12
Adjusted net earnings ^(**)	0.27	0.26	0.27	0.78	0.83

(*) 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 nine-month ended September 30, 2018.

Conference Call

Fiera Capital will hold a conference call at 10:30 a.m. (EST) on Friday, November 9, 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: 8593568.

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 16, 2018. The telephone number to access the replay of the call is 1-855-859-2056 (toll-free), access code 8593568. 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

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\$143.5 billion in assets under management as of September 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

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.

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