



## Fiera Capital reports first quarter 2019 results

/NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR  
DISSEMINATION IN THE UNITED STATES/

- **Assets under management (“AUM”) of \$144.9 billion as at March 31, 2019:**
  - up 10% compared to March 31, 2018
  - up 6% compared to December 31, 2018
- **Q1 2019 revenues of \$142.8 million, up 19%, or \$22.8 million from last year**
- **Adjusted EBITDA<sup>1,2</sup> of \$38.8 million, up 35% compared to Q1 2018**
- **Net loss per share of \$0.07, compared to net loss per share of \$0.02 in the first quarter of last year**
- **Q1 2019 adjusted EBITDA margin<sup>1,2</sup> of 27.2%, compared to 24.0% in Q1 2018**
- **LTM<sup>3</sup> Q1 2019 average basis points earned on AUM<sup>4</sup> of 36.4, compared to 33.3 for LTM<sup>3</sup> Q1 2018**

**Montreal, May 9, 2019** – 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, 2019.

*“As we announced earlier this morning, we are excited to be partnering with Natixis Investment Managers and to be able to offer their highly rated active global investment strategies to our Canadian client base. Natixis is a global player with C\$1.2 trillion in AUM and a presence in 38 countries, and the agreement now establishes Fiera Capital as their preferred Canadian*

---

<sup>1</sup> Earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA, adjusted EBITDA margin 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)

<sup>2</sup> The Company adopted IFRS 16 Leases on January 1, 2019. The comparative information presented for 2018 has not been restated and is presented, as previously reported, under IAS 17 Leases and related interpretations. Compared to Q1 2018, the adoption of IFRS 16 had a favourable impact of approximately \$2.6 million on Q1 2019 adjusted EBITDA and 1.8% on Q1 2019 adjusted EBITDA margin. Compared to Q4 2018, the adoption of IFRS 16 had a favourable impact of approximately \$3.0 million on Q1 2019 adjusted EBITDA and 2.1% on Q1 2019 adjusted EBITDA margin.

<sup>3</sup> Last twelve months

<sup>4</sup> Calculated as a function of base management fees

distribution platform. We are confident that his strategic partnership will accelerate our growth and global leadership position as we continue to execute on our 2022 strategic plan to become one of the top 100 asset managers in the world,” said Jean-Guy Desjardins, Chairman of the Board and Chief Executive Officer of Fiera Capital.

“First quarter revenues increased almost 20% year over year, reflecting solid organic growth and contribution from our strategic acquisitions, as well as the positive impact of the market recovery since the start of the year. Committed to generating alpha for our clients, our investment teams delivered excellent above-benchmark performance through our growing suite of differentiated strategies.”

### Assets Under Management (in \$ millions)

Markets	AUM as at			Y-o-Y Change		Q-o-Q Change	
	March 31, 2019	December 31, 2018	March 31, 2018	(in \$M)	(%)	(in \$M)	(%)
Institutional	76,489	71,958	68,565	7,924	11.6%	4,531	6.3%
Private Wealth	32,696	31,317	27,516	5,180	18.8%	1379	4.4%
Retail	35,676	33,400	35,279	397	1.1%	2,276	6.8%
<b>Total</b>	<b>144,861</b>	<b>136,675</b>	<b>131,360</b>	<b>13,501</b>	<b>10.3%</b>	<b>8,186</b>	<b>6.0%</b>

### First Quarter Business Highlights

- **Global Q1 equity market rebound.** Following a volatile end to 2018, the first three months of 2019 saw equity markets recover around the world as trade tensions between the U.S. and China eased and the Fed took a dovish stance on interest rate hikes. High-yield corporate bonds and commodities also rebounded.
- **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. IAM's private debt investment team will be incorporated within Fiera Private Lending and the industrial real estate team will be joining Fiera Properties.
- **Strategy to efficiently deploy capital within the Infrastructure platform** – January 29, 2019. Fiera Infrastructure announced a long-term partnership with EllisDon (the “Partnership”), one of North America’s most successful and experienced construction capital groups, whereby the Company will acquire EllisDon’s interest in its existing portfolio of ten public-private projects (“PPP”). The Partnership was formed in October 2018, the acquisition of the first two projects closed in Q1 2019 and a third is expected to close in Q2 2019.

## Revenues

### Q1 2019 vs Q1 2018

Revenues for the first quarter of 2019, were \$142.8 million, an increase of \$22.8 million, or 19%, compared to \$120.0 million for the same period last year. The year-over-year increase is mainly the result of:

- higher AUM following the acquisitions of CGOV Asset Management (“CGOV”) and Clearwater Capital Partners (“Clearwater”) in May and August 2018, respectively;
- additional revenues generated 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”);
- market appreciation combined with organic growth, mostly from the institutional and private wealth sectors, as well as in the Private Alternative Investments; and
- a gain on a foreign currency hedge, compared to a loss for the comparable period last year.

### Q1 2019 vs Q4 2018

Revenues for the first quarter ended March 31, 2019 decreased by \$14.2 million, or 9%, compared to \$157.0 million in the previous quarter, mainly as a result of:

- lower performance fees, as performance fees are generally recorded in the second and fourth quarters.

The lower performance fees were partly offset by higher base management fees due to strong markets and a gain on a foreign currency hedge recorded in the first quarter of 2019, compared to a loss recorded in the quarter ended December 31, 2018.

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

### Q1 2019 vs Q1 2018

Adjusted EBITDA for the first quarter of 2019 was \$38.8 million (\$0.40 per share – basic and diluted), representing an increase of \$10.0 million, or 35%, compared to \$28.8 million (\$0.32 per share – basic and diluted) for the comparable 2018 period. The increase was primarily driven by:

- additional revenues generated from the Fiera Capital Emerging Markets Fund created in June 2018 following the CNR transaction;
- the acquisitions of CGOV and Clearwater in May and August 2018, respectively;
- increased revenues from the deployment of Private Alternative Investment strategies in real estate, infrastructure and private lending; and
- the shift in lease expense classification from operating expenses to financing costs and amortization following the adoption of a new accounting standard related to leases (“IFRS 16 Leases”).

This was partly offset by an increase in operating expenses as the Company continues to focus on growing the business, both organically and via acquisitions, while investing in efficiency and process improvements.

### Q1 2019 vs Q4 2018

Compared to the fourth quarter of 2018, Q1 quarter 2019 adjusted EBITDA decreased by \$0.5 million, or 1%, mainly driven by:

- lower performance fees, as performance fees are generally recorded in the second and fourth quarters.

The decrease was largely offset by:

- higher revenues following strong market appreciation;
- lower performance fee-related expenses; and
- the shift in lease expense classification from operating expenses to financing costs and amortization as a result of the adoption of IFRS 16 *Leases*.

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

#### Q1 2019 vs Q1 2018

Adjusted net earnings for the first quarter of 2019 totalled \$24.9 million (\$0.26 per share – basic and diluted), up \$3.2 million from \$21.7 million (\$0.24 per share – basic and diluted) in the first quarter of 2018, mainly as a result of:

- the increase in total revenues, the acquisitions of Clearwater and CGOV and a positive change in fair value of foreign exchange contracts; and
- the revaluation of the transactions denominated in foreign currencies, which had a higher positive effect on adjusted net earnings in Q1 2019,

partly offset by an increase in SG&A expense as a result of the company's growth and the acquisitions of Clearwater and CGOV, as well as the loss incurred on the change in fair value of derivatives.

#### Q1 2019 vs Q4 2018

Adjusted net earnings for the first quarter of 2019 totalled \$24.9 million (\$0.26 per share – basic and diluted), down \$3.4 million from \$28.3 million (\$0.29 per share – basic and diluted) in the fourth quarter of 2018, mainly as a result of:

- lower total revenues, principally as a result of lower performance and incentive fees that are generally recognized in Q4 of each year;
- an increase in income taxes; and
- a loss from the change in fair value of derivatives in Q1 2019.

This was partially offset by:

- a positive change in fair value of the forward foreign exchange contracts;
- higher AUM and management fees; and
- lower SG&A expense, mainly from lower performance and incentive fees and the shift in lease expense classification from operating expenses to financing costs and amortization following the adoption of IFRS 16 *Leases*.

## **Net Earnings (loss)**

### Q1 2019 vs Q1 2018

For the first quarter ended March 31, 2019, the Company reported a net loss attributable to the Company's shareholders of \$6.6 million (\$0.07 per share – basic and diluted), compared to a net loss of \$2.2 million (\$0.02 per share – basic and diluted), for the same quarter last year. The decrease is mainly attributable to an increase in amortization of intangible assets, higher interest expenses and higher expenses related to the accretion and change in fair value of the purchase price obligations (mainly related to the CNR and Clearwater transactions), partially offset by higher revenues due to volume and acquisitions.

### Q1 2019 vs Q4 2018

The Company reported a net loss attributable to the Company's shareholders of \$6.6 million (\$0.07 per share – basic and diluted) during the first quarter of 2019, compared to a net loss of \$1.7 million (\$0.02 per share – basic and diluted) in the previous quarter. The decrease is mainly due to the income tax expense in the first quarter of 2019 compared to an income tax credit for the previous quarter, combined with the increase in amortization of intangible assets, partially offset by higher revenues due to volume and acquisitions.

	FOR THE THREE-MONTH PERIODS ENDED		
	MARCH 31, 2019	DECEMBER 31, 2018	MARCH 31, 2018
Net earnings (loss) attributable to the Company's shareholders	(6,553)	(1,709)	(2,193)
Depreciation of property and equipment	1,084	1,179	947
Amortization of intangible assets	12,415	12,468	10,022
Depreciation of right-of-use assets	5,057	-	-
Share-based compensation <sup>(*)</sup>	5,234	5,359	6,745
Restructuring, integration and other costs <sup>(*)</sup>	3,128	3,399	928
Acquisition costs <sup>(*)</sup>	1,707	2,966	3,018
Accretion and change in fair value of purchase price obligations and effective interest on convertible bonds <sup>(*)</sup>	6,807	8,692	4,784
Revaluation of assets-held-for-sale <sup>(*)</sup>	(546)	191	-
Less: Income taxes on above-mentioned items <sup>(*)</sup>	3,460	4,294	2,590
Adjusted net earnings attributable to the Company's shareholders	24,873	28,251	21,661
Per share – basic			
Net earnings (loss)	(0.07)	(0.02)	(0.02)
Adjusted net earnings	0.26	0.29	0.24
Per share – diluted			
Net earnings (loss)	(0.07)	(0.02)	(0.02)
Adjusted net earnings	0.26	0.29	0.24

## Dividend

On May 8, 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. The dividend is payable on June 19, 2019 to shareholders of record at the close of business on May 22, 2019. The dividend is an eligible dividend for income tax purposes.

## Subsequent Events

- Distribution agreement and strategic partnership established with Natixis Investment Managers (“Natixis”), one of the largest asset management firms in the world** – May 9, 2019. The Company announced that it has entered into a distribution agreement with Natixis, a global asset management firm with a presence in 38 countries and US\$924.5 billion in AUM. Through the distribution agreement, Fiera Capital will distribute Natixis investment strategies to Canadian institutional, private wealth and retail clients, and Natixis will offer complementary Fiera Capital investment strategies in international markets. As part of the agreement, Natixis has also acquired an 11.0% stake in Fiera Capital.
- Expansion of real estate strategies with the closing of the Palmer Capital Partners Limited (“Palmer Capital”) transaction** – April 3, 2019. The Company completed the acquisition of an 80% interest in Palmer Capital, marking its first acquisition of a real estate investment management business outside of Canada and wits second acquisition in the UK. Palmer Capital has over £800 million in assets under

management with an additional £260 million managed through joint ventures and becomes the UK arm of Fiera Fiera Properties.

### **Annual General Meeting**

Shareholders of Fiera Capital are welcome to attend the Company's annual general meeting to be held on Thursday, May 30, 2019 at 9:30 a.m. at the Centre Mont-Royal, located at 2200 Mansfield Street, Montreal, Quebec.

## First Quarter 2019 Financial and Operating Results

The following table provides selected financial information for the three-month period ended March 31, 2019, compared to the quarter ended December 31, 2018 and to the quarter ended March 31, 2018.

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

	THREE-MONTH PERIODS			VARIANCE	
	ENDED			Quarter Over Quarter	Year Over Year
	Mar. 31, 2019	Dec. 31, 2018	Mar. 31, 2018		
<b>AUM (in \$ millions)</b>	<b>144,861</b>	136,675	131,360	8,186	13,501
<b>Revenues</b>					
Base management fees and other revenues	<b>141,178</b>	139,156	118,511	2,022	22,667
Performance fees – Traditional assets	<b>1,557</b>	8,309	1,573	(6,752)	(16)
Performance fees – Alternative assets	<b>50</b>	9,498	(103)	(9,448)	153
<b>Total revenues</b>	<b>142,785</b>	156,963	119,981	(14,178)	22,804
<b>Expenses</b>					
SG&A <sup>(*)</sup> and external managers expenses	<b>109,202</b>	123,000	97,887	13,798	(11,315)
All other net expenses	<b>40,167</b>	35,536	24,187	(4,631)	(15,980)
	<b>149,369</b>	158,536	122,074	9,167	(27,295)
<b>Net earnings (loss)</b>	<b>(6,584)</b>	(1,573)	(2,093)	5,011	4,491
<b>Attributable to</b>					
The Company's shareholders	<b>(6,553)</b>	(1,709)	(2,193)	(4,844)	(4,360)
Non-controlling interest	<b>(31)</b>	136	100	(167)	(131)
<b>Net earnings (loss)</b>	<b>(6,584)</b>	(1,573)	(2,093)	(5,011)	(4,491)
<b>Earnings</b>					
Adjusted EBITDA	<b>38,817</b>	39,322	28,839	(505)	9,978
Net earnings (loss)	<b>(6,584)</b>	(1,573)	(2,093)	(5,011)	(4,491)
Adjusted net earnings	<b>24,873</b>	28,251	21,344	(3,378)	3,529
<b>Basic per share</b>					
Adjusted EBITDA	<b>0.40</b>	0.41	0.32	(0.01)	0.08
Net earnings (loss)	<b>(0.07)</b>	(0.02)	(0.02)	(0.05)	(0.05)
Adjusted net earnings	<b>0.26</b>	0.29	0.24	(0.03)	0.02
<b>Diluted per share</b>					
Adjusted EBITDA	<b>0.40</b>	0.41	0.32	(0.01)	0.08
Net earnings (loss)	<b>(0.07)</b>	(0.02)	(0.02)	(0.05)	(0.05)
Adjusted net earnings	<b>0.26</b>	0.29	0.24	(0.03)	0.02

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



## Conference Call

Fiera Capital will hold a conference call at 10:30 a.m. (EDT) on Thursday, May 9, 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: 9094176.

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 16, 2019. The telephone number to access the replay of the call is 1-855-859-2056 (toll-free), access code 9094176. 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

Earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA, adjusted EBITDA margin 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\$144.9 billion in assets under management as of March 31, 2019. 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](http://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.

Additional information about Fiera Capital Corporation, including the Company's annual information form, is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **For further information:**

Mariam Elsayed  
Director, Investor Relations and Public Affairs  
Fiera Capital Corporation  
514-954-6619  
[melsayed@fieracapital.com](mailto:melsayed@fieracapital.com)