



Fiera Capital reports second quarter 2019 results

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- **Assets under management (“AUM”) of \$149.5 billion as at June 30, 2019:**
 - up 7% compared to June 30, 2018
 - up 3% compared to March 31, 2019
- **Q2 2019 revenues of \$149.9 million, up 19%, or \$23.7 million, from last year**
- **Adjusted EBITDA¹ of \$45.8 million; up 40% compared to Q2 2018**
 - **Q2 2019 adjusted EBITDA margin¹ of 30.6%, compared to 25.9% in Q2 2018**
- **Net loss per share² of \$0.06, compared to net loss per share² of \$0.02 in the second quarter of last year**
 - **Adjusted net earnings per share^{1,2} of \$0.33, compared to adjusted net earnings per share^{1,2} of \$0.26 in Q2 2018**
- **LTM³ Q2 2019 average basis points earned on AUM⁴ of 36.7, compared to 33.9 for LTM³ Q2 2018**

Montreal, August 14, 2019 – Fiera Capital Corporation (TSX: FSZ) (“Fiera Capital” or the “Company”), a leading independent asset management firm, today announced its financial results for the second quarter ended June 30, 2019.

"Our strategic execution on a year to date basis was instrumental in positioning Fiera for future growth. We closed three acquisitions on two continents, adding expertise and quality assets to our private alternative investments platform and gaining a global strategic partner on our Board. A fourth acquisition, which we expect to close in the coming weeks, will further solidify our leading position in liability-driven investments and contribute 10 billion dollars in AUM. All of our 2022 strategic plan initiatives are now underway and we are well positioned to become one of the top 100 asset managers in the world," said Jean-Guy Desjardins, Chairman of the Board and Chief Executive Officer.

"Adjusted EBITDA increased 40% year over year as a result of organic growth and strategic acquisitions. Moving forward, investing in the Company and improving our margins will be key in creating shareholder value. As such, our near-term efforts will be focused on properly integrating our recently announced acquisitions for the benefit of our existing and future clients, and pursuing the various streamlining initiatives already underway," said Vincent Duhamel, Global President and Chief Operating Officer.

"The introduction of a dividend reinvestment plan in May and the decision to hold the dividend rate constant at \$0.84 per share per year were the first steps of a capital structure plan designed to reduce leverage," added Lucas Pontillo, Executive Vice President and Global Chief Financial Officer. "To that, we layered on an innovative \$110 million senior subordinated unsecured debenture offering, which provides us with flexibility in how we repay both the interest and the principal, making room for even further balance sheet optimization over the course of the next five years. The debenture has the added benefit of not impacting our existing leverage covenant under our credit facility. "

Assets Under Management (in \$ millions)

Markets	AUM as at			Y-o-Y Change		Q-o-Q Change	
	June 30, 2019	March 31, 2019	June 30, 2018	\$	%	\$	%
Institutional	80,198	76,489	73,142	7,056	9.6%	3,709	4.8%
Private Wealth	32,788	32,696	30,560	2,228	7.3%	92	0.3%
Retail	36,545	35,676	35,687	858	2.4%	869	2.4%
Total	149,531	144,861	139,389	10,142	7.3%	4,670	3.2%

Second quarter Business Highlights

- **Expansion of real estate strategies with the closing of the acquisition of Palmer Capital Partners Limited ("Palmer Capital")** – April 3, 2019. The Company completed the acquisition of an 80% interest in Palmer Capital, a UK focused real estate investment manager, marking its first acquisition of a real estate investment management business outside of Canada. The acquisition, made through Fiera Real Estate, added approximately \$740 million in AUM.
- **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 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 also acquired an 11.0% stake in Fiera Capital.
- **Growth of the Company's Liability-Driven Investment ("LDI") suite of strategies with the announced acquisition of Foresters Asset Management Inc. ("Foresters Asset Management")** – May 15, 2019. The acquisition of Foresters Asset Management, an Ontario-based investment management firm focused on institutional and insurance LDI, provides Fiera Capital with an opportunity to broaden its relationships by offering robust investment solutions to Foresters Asset Management clients, including access to enhanced fixed income, equity and private market strategies. Following the closing of the transaction, expected in the third quarter of 2019, Fiera Capital's total LDI AUM is expected to exceed \$25 billion, solidifying its position as a leader in Canadian institutional fixed income and LDI capabilities.

- **Announcement of maintaining the quarterly dividend at \$0.21 per share going forward, until further notice and the implementation of a Dividend Reinvestment Plan (“DRIP”)** – May 30, 2019. At its 2019 Annual General and Special Meeting of Shareholders, the Company announced that its Board of Directors elected to hold the current dividend level of \$0.21 per share per quarter, constant until further notice. Since becoming a public company in 2010, Fiera Capital’s annual dividend payment has grown at a compounded annual growth rate of nearly 16% and, including the most recent dividend announced in March, has increased its dividend 13 times. The Company also announced the implementation of a DRIP, providing shareholders with the option to reinvest their dividends to acquire additional Class A Subordinate Voting Shares (“Class A shares”). Reiterating its commitment to creating value for its shareholders and its clients, the Company emphasized the importance of sound capital management and stated that its near-term efforts would be focused on properly integrating its recently announced acquisitions and pursuing the various streamlining initiatives already underway.
- **Fiera Infrastructure becomes a member of GRESB, the ESG benchmark for real assets** – June 3, 2019. Becoming a member of GRESB marked an important milestone for Fiera Infrastructure as it took a significant step towards leadership on ESG issues. GRESB assesses, scores and benchmarks ESG performance data in order to provide standardized and validated data to the capital markets. GRESB membership requires Fiera Infrastructure to report on detailed ESG practices and performance, which will then be benchmarked against global peers. Fiera Infrastructure joins Fiera Real Estate, Fiera Capital’s dedicated real estate investment platform, in this partnership.
- **Announcement of a \$100 million bought deal offering of 5.6% senior subordinated unsecured debentures** – June 13, 2019. Revised upward from \$75 million due to strong demand, the Company entered into an agreement for a \$100 million bought deal offering with a syndicate of underwriters. The Company also granted the underwriters an option to purchase up to an additional \$10 million aggregate principal amount of debentures. The Company will have the option to satisfy its obligation to repay the principal amount of the debentures due at redemption or maturity by issuing and delivering that number of freely tradeable Class A shares. The debentures will not be convertible into Class A Shares at the option of the holders at any time. Net proceeds will be used to fund recently announced acquisitions, to repay indebtedness and for general corporate purposes.

Second quarter 2019 Financial and Operating Results

The following table provides selected financial information for the three-month period ended June 30, 2019, compared to the quarter ended March 31, 2019, and to the quarter ended June 30, 2018, as well as for the six-month periods ended June 30, 2019, and 2018, respectively.

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

	THREE-MONTH PERIODS			SIX-MONTH PERIODS	
	ENDED			ENDED	
	Jun. 30, 2019	Mar. 31, 2019	Jun. 30, 2018	Jun. 30, 2019	Jun. 30, 2018
AUM (in \$ millions)	149,531	144,861	139,389	149,531	139,389
Revenues					
Base management fees and other revenues	148,350	141,178	123,582	289,528	242,093
Performance fees – Traditional assets	1,195	1,557	2,664	2,753	4,237
Performance fees – Alternative assets	359	50	(14)	408	(117)
Total revenues	149,904	142,785	126,232	292,689	246,213
Expenses					
SG&A ^(*) and external managers expenses	110,848	109,202	99,627	220,050	197,514
All other net expenses	43,839	40,167	28,820	84,006	53,007
	154,687	149,369	128,447	304,056	250,521
Net earnings (loss)	(4,783)	(6,584)	(2,215)	(11,367)	(4,308)
Attributable to					
The Company's shareholders	(5,513)	(6,553)	(2,106)	(12,066)	(4,299)
Non-controlling interest	730	(31)	(109)	699	(9)
Net earnings (loss)	(4,783)	(6,584)	(2,215)	(11,367)	(4,308)
Earnings					
Adjusted EBITDA	45,804	38,817	32,703	84,621	61,542
Net earnings (loss)	(4,783)	(6,584)	(2,215)	(11,367)	(4,308)
Adjusted net earnings	32,481	24,873	23,792	57,354	45,453
Basic per share					
Adjusted EBITDA	0.47	0.40	0.35	0.86	0.67
Net earnings (loss)	(0.06)	(0.07)	(0.02)	(0.12)	(0.05)
Adjusted net earnings	0.33	0.26	0.26	0.58	0.50
Diluted per share					
Adjusted EBITDA	0.47	0.40	0.35	0.86	0.67
Net earnings (loss)	(0.06)	(0.07)	(0.02)	(0.12)	(0.05)
Adjusted net earnings	0.33	0.26	0.26	0.58	0.50

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

Revenues

Q2 2019 vs Q2 2018

Revenues for the second quarter of 2019 were \$149.9 million, an increase of \$23.7 million, or 19%, compared to \$126.2 million for the same period last year. The year-over-year increase is mainly the result of:

- market appreciation;
- organic growth, mainly from Institutional, Private Wealth and Fiera Private Alternative Investments;
- a full quarter of revenue contribution in Q2 2019 from CGOV Asset Management (“CGOV”), acquired in May 2018, compared to one month of revenue contribution in Q2 2018;
- the August 2018 acquisition of Clearwater Capital Partners (“Clearwater”);
- the acquisition of an 80% interest in Palmer Capital Partners Limited (“Palmer Capital”) in April 2019; and
- an increase in other revenues.

Q2 2019 vs Q1 2019

Revenues for the second quarter ended June 30, 2019 increased by \$7.1 million, or 5%, compared to \$142.8 million in the previous quarter, mainly as a result of:

- higher base management fees resulting from the acquisition of Palmer Capital; and
- higher revenues in Institutional and Fiera Private Alternative Investments.

YTD June 30, 2019 vs YTD June 30, 2018

Revenues for the six-month period ended June 30, 2019, were \$292.7 million, an increase of \$46.5 million, or 19%, compared to \$246.2 million for the same period last year. The year-over-year increase is mainly the result of:

- additional revenues from the acquisitions of CGOV, Clearwater and Palmer Capital; and
- organic growth in Institutional and Private Wealth stemming from enhanced distribution capabilities, as well as growth in Fiera Private Alternative Investments.

Results were partially offset by lower revenues in Retail following the sale of our retail mutual funds to Canoe Financial LP in February, as well as lower performance fees on select funds.

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

Q2 2019 vs Q2 2018

Adjusted EBITDA for the second quarter of 2019 was \$45.8 million (\$0.47 per share – basic and diluted), representing an increase of \$13.1 million, or 40%, compared to \$32.7 million (\$0.35 per share – basic and diluted) for the comparable 2018 period. The increase was primarily driven by:

- the acquisitions of CGOV, Clearwater and Palmer Capital;
- increased revenues from the deployment of private alternative investment strategies in real estate, infrastructure and private debt; 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.

Q2 2019 vs Q1 2019

Compared to the first quarter of 2019, Q2 2019 adjusted EBITDA increased by \$7.0 million, or 18%, mainly driven by higher revenues resulting from the acquisition of Palmer Capital, combined with higher revenues from Institutional and Fiera Private Alternative Investments.

YTD June 30, 2019 vs YTD June 30, 2018

Adjusted EBITDA for the six-month period ended June 30, 2019 was \$84.6 million (\$0.86 per share – basic and diluted), representing an increase of \$23.1 million, or 38%, compared to \$61.5 million (\$0.67 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 debt; 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.

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

Q2 2019 vs Q2 2018

Adjusted net earnings for the second quarter of 2019 totalled \$32.5 million (\$0.33 per share – basic and diluted), up \$8.7 million from \$23.8 million (\$0.26 per share – basic and diluted) in the second 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,

partly offset by an increase in SG&A expense as a result of the Company's growth, the inclusion of Clearwater and CGOV operating expenses, higher interest on long-term debt and on finance leases as well as higher income taxes.

Q2 2019 vs Q1 2019

Adjusted net earnings for the second quarter of 2019 totalled \$32.5 million (\$0.33 per share – basic and diluted), up \$7.6 million from \$24.9 million (\$0.26 per share – basic and diluted) in the first quarter of 2019, mainly as a result of higher base management fees and other revenues.

YTD June 30, 2019 vs YTD June 30, 2018

Adjusted net earnings for the six-month period ended June 30, 2019, totalled \$57.4 million (\$0.58 per share – basic and diluted), up \$11.9 million from \$45.5 million (\$0.50 per share – basic and diluted) from the comparable period of 2018, mainly as a result of:

- an AUM driven increase in revenues resulting from organic and market growth, as well as various acquisitions, compared to the same period last year; and
- the revaluation of liabilities denominated in foreign currencies, which had a higher positive effect on adjusted net earnings in the first six months of 2019,

partly offset by an increase in SG&A expense as a result of the Company's growth and the inclusion of Clearwater and CGOV operating expenses, higher interest on long-term debt and on finance leases as well as higher income taxes.

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

Q2 2019 vs Q2 2018

For the second quarter ended June 30, 2019, the Company reported a net loss attributable to the Company's shareholders of \$5.5 million (\$0.06 per share – basic and diluted), compared to a net loss of \$2.1 million (\$0.02 per share – basic and diluted), for the same quarter last year. The decrease is mainly attributable to higher one-time acquisition related costs, higher income taxes 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.

Q2 2019 vs Q1 2019

The Company reported a net loss attributable to the Company's shareholders of \$5.5 million (\$0.06 per share – basic and diluted) during the second quarter of 2019, compared to a net loss of \$6.6 million (\$0.07 per share – basic and diluted) in the previous quarter. The positive variance is mainly due to higher revenues due to organic growth and acquisitions, partially offset by higher one-time acquisition related costs and higher income tax expense.

YTD June 30, 2019 vs YTD June 30, 2018

For the six-month period ended June 30, 2019, the Company reported a net loss attributable to the Company's shareholders of \$12.1 million (\$0.12 per share – basic and diluted), compared to a net loss of \$4.3 million (\$0.05 per share – basic and diluted), for the comparable period last year. The decrease is attributable to higher overall operating expenses, higher amortization and depreciation costs, higher acquisition and restructuring costs and higher income tax expense, partially offset by higher revenues as a result of enhanced distribution capabilities, market appreciation and acquisitions.

Dividend

On August 13, 2019, the Board of Directors maintained and 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 September 23, 2019 to shareholders of record at the close of business on August 26, 2019. The dividend is an eligible dividend for income tax purposes.

Subsequent Events

- **Completion of the previously announced \$100 million bought deal public offering of senior subordinated unsecured debentures (July 4, 2019) and exercise in full and closing of the \$10 million over-allotment option (July 9, 2019).**
- **Strengthening of the Private Alternative Investments platform with the closing of the acquisition of Integrated Asset Management Corp. ("IAM") – July 3, 2019.** The announced acquisition of IAM added 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 Debt and the industrial real estate team will be joining Fiera Real Estate.
- **Closing of the previously announced acquisition of Natixis' Canadian operations and funds – July 3, 2019.** The Company completed the acquisition of all the issued and outstanding shares of Natixis Investment Managers Canada Corp., the holding company of Natixis Investment Managers Canada LP ("Natixis LP"), acting as investment fund manager of publicly and privately distributed investment funds (the "Natixis Funds"). Together, Natixis LP and Natixis Funds were subsequently rebranded to Fiera Investments and added approximately \$1.8 billion in AUM at the time of closing. With the expertise of its affiliated investment managers and its offering of over 200 investment strategies, Fiera Investments will focus on delivering innovative investment solutions that provide capital growth and income to Canadian retail investors.
- **Opening of new global headquarters in flagship Fiera Capital Tower in Montreal – July 29, 2019.** The Company announced its new global headquarters located at 1981 McGill College Avenue, in Montreal, marking an important milestone in the evolution of the Company that was founded in 2003. The new Fiera Capital headquarters offers a state-of-the-art work environment to more than 300 employees of the 640,000 square foot building and is a testament to the Company's dedication to offering best-in-class investment solutions and exemplary service to clients.

Conference Call

Fiera Capital will hold a conference call at 10:30 a.m. (EDT) on Wednesday, August 14, 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), 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 August 21, 2019. The telephone number to access the replay of the call is 1-855-859-2056 (toll-free), access code 4472856. 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 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
- 2) Attributable to the Company's shareholders
- 3) Last twelve months
- 4) Calculated as a function of base management fees

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\$149.5 billion in assets under management as of June 30, 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

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.

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