



Fiera Capital reports second quarter 2020 results

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

Montreal, August 14, 2020 – 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, 2020. Financial references are in Canadian dollars unless otherwise indicated.

- **Assets under management (“AUM”) of \$171.0 billion as at June 30, 2020:**
 - a \$12.9 billion or 8% increase compared to March 31, 2020
 - a \$21.5 billion or 14% increase compared to June 30, 2019
- **Q2 2020 revenues of \$166.9 million:**
 - a \$5.2 million or 3% increase compared to Q1 2020 revenues of \$161.7 million
 - a \$17.0 million or 11% increase compared to Q2 2019 revenues of \$149.9 million
- **Net loss of \$14.3 million in Q2 2020** compared to net earnings of \$12.0 million and a net loss of \$4.8 million in Q1 2020 and Q2 2019, respectively
 - Q2 2020 net loss and net loss attributable to the Company’s shareholders include a \$20.9 million restructuring charge recorded in relation to the Company’s new global management structure announced on June 17, 2020
 - **Net loss attributable to the Company’s shareholders of \$14.7 million in Q2 2020** compared to net earnings of \$7.6 million in Q1 2020 and a net loss of \$5.5 million in Q2 2019
 - **Net loss attributable to the Company’s shareholders per share of \$0.14 in Q2 2020** compared to net earnings of \$0.07 in Q1 2020 and to a net loss of \$0.06 in Q2 2019
- **Subsequent events**
 - Normal course issuer bid (“NCIB”) announced in July
 - Dividend of \$0.21 per share declared in August

NON-IFRS MEASURES

- **Adjusted EBITDA¹ of \$51.9 million in Q2 2020** compared to \$43.5 million in Q1 2020 and \$45.8 million in Q2 2019
 - **Adjusted EBITDA margin¹ of 31.1% in Q2 2020**, compared to 26.9% in Q1 2020 and 30.6% in Q2 2019
- **Adjusted net earnings per share^{1,2} of \$0.38**, compared to adjusted net earnings per share^{1,2} of \$0.20 in Q1 2020 (\$0.20 basic and \$0.19 diluted) and \$0.33 in Q2 2019

“Fiera Capital’s strong second quarter results confirmed the resilience of our business model against a volatile and uncertain economic environment,” said Jean-Guy Desjardins, Chairman of the Board and Chief Executive Officer. “Going forward, our new global operating model will allow us to strengthen our position as the trusted investment advisor of choice, in a more effective and efficient manner.”

“I am very pleased with our Adjusted EBITDA of \$51.9 million and margin of 31.1%, despite the market volatility that we have been facing. We continued to win specialized and multi-asset new mandates across public and private market strategies, while also concentrating our efforts on the ongoing refinement of our globally integrated distribution model,” said Jean-Philippe Lemay, Global President and Chief Operating Officer. “The health and safety of our employees will remain our top priority as we continue executing on our strategic initiatives in the coming months.”

“As a result of our prudent approach to capital allocation for the first half of the year and our strong operating results, our balance sheet remains well capitalized, therefore I am pleased to announce that the board has approved a dividend of 21 cents per share, payable on September 23,” said Lucas Pontillo, Executive Vice President and Global Chief Financial Officer.

Assets Under Management (in \$ millions)

Markets	AUM as at			Quarter-over-Quarter Change		Year-over-Year Change	
	June 30, 2020	March 31, 2020	June 30, 2019	\$	%	\$	%
Institutional	98,258	90,242	80,198	8,016	8.9%	18,060	22.5%
Private Wealth	35,948	34,496	32,788	1,452	4.2%	3,160	9.6%
Retail	36,781	33,383	36,545	3,398	10.2%	236	0.6%
Total	170,987	158,121	149,531	12,866	8.2%	21,456	14.4%

	March 31, 2020	New	Lost	Net Contributions	Market	Foreign Exchange Impact	Acquisition (Disposition) /Adjustment	June 30, 2020
Institutional	90,242	2,339	(1,263)*	(953)	9,240	(1,347)	-	98,258
Private Wealth	34,496	803	(329)	(20)	2,198	(1,200)	-	35,948
Retail	33,383	1,016	(467)	(55)	4,490	(406)	(1,180)	36,781
AUM - end of period	158,121	4,158	(2,059)*	(1,028)	15,928	(2,953)	(1,180)	170,987

* Includes \$0.9 billion in anticipated attrition in relation to historical acquisitions

AUM at June 30, 2020 was \$171.0 billion compared to:

- **\$158.1 billion as at March 31, 2020, an increase of \$12.9 billion, or 8.2%.**

The recovery in global equity markets and new mandates won in the second quarter contributed \$15.9 billion and \$4.2 billion, respectively, towards AUM. These increases were partially offset by an unfavourable foreign exchange impact of \$3.0 billion, gross redemptions of \$3.1 billion and a decrease in AUM of \$1.2 billion following the sale of Fiera Investments’ retail mutual funds to Canoe Financial LP (“Canoe”) on June 26, 2020.

Following the transaction, Canoe entrusted Fiera Capital with \$450 million of sub-advisory mandates. This amount is reflected in the Company's new mandates.

- **\$149.5 billion as at June 30, 2019, an increase of \$21.5 billion, or 14.4%.**

The increase was primarily due to the acquisitions of Integrated Asset Management Corp. ("IAM") and Foresters Asset Management Inc. ("Foresters"), both of which were completed in the second half of 2019 and which contributed \$14.4 billion of incremental AUM, market appreciation of \$6.5 billion, and a favourable foreign exchange impact of \$2.4 billion. These increases were partly offset by net redemptions of \$1.8 billion.

- After having decreased by 6.8% during the first three months of 2020 against the backdrop of extreme market volatility, the Company's assets under management increased by 8.2% during the second quarter, reflecting the lower volatility embedded in the Company's consolidated AUM portfolio.
- Net redemptions in the second quarter of 2020 included \$0.9 billion in anticipated attrition in relation to historical acquisitions.

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

	THREE-MONTH PERIODS ENDED			SIX-MONTH PERIODS ENDED	
	Jun. 30, 2020	Mar. 31, 2020	Jun. 30, 2019	Jun. 30, 2020	Jun. 30, 2019
AUM (in \$ billions)	171.0	158.1	149.5	171.0	149.5
Average AUM (in \$ billions)	169.7	166.4	148.9	168.0	145.4
Revenues					
Base management fees	155,902	154,824	135,543	310,726	264,636
Performance fees	1,991	3,251	1,554	5,242	3,161
Share of earnings in joint ventures and associates	2,216	(249)	-	1,967	-
Other revenues	6,756	3,831	12,807	10,587	24,892
Total revenues	166,865	161,657	149,904	328,522	292,689
Expenses					
SG&A ^(*) and external managers expenses	122,471	118,328	110,848	240,799	220,050
All other net expenses	58,708	31,307	43,839	90,015	84,006
	181,179	149,635	154,687	330,814	304,056
Net earnings (loss)	(14,314)	12,022	(4,783)	(2,292)	(11,367)
Attributable to					
The Company's shareholders	(14,703)	7,581	(5,513)	(7,122)	(12,066)
Non-controlling interest	389	4,441	730	4,830	699
Net earnings (loss)	(14,314)	12,022	(4,783)	(2,292)	(11,367)
Earnings					
Adjusted EBITDA ¹	51,893	43,451	45,804	95,344	84,621
Net earnings (loss)	(14,314)	12,022	(4,783)	(2,292)	(11,367)
Adjusted net earnings ^{1,2}	38,704	20,471	32,481	59,275	57,354
Basic per share					
Adjusted EBITDA ¹	0.50	0.42	0.47	0.92	0.86
Net earnings (loss)	(0.14)	0.07	(0.06)	(0.07)	(0.12)
Adjusted net earnings ^{1,2}	0.38	0.20	0.33	0.57	0.58
Weighted average shares outstanding (in thousands)	103,004.42	102,715.90	98,428.70	103,447.23	98,182.61
Diluted per share					
Adjusted EBITDA ¹	0.50	0.41	0.47	0.92	0.86
Net earnings (loss) (**)	(0.14)	0.07	(0.06)	(0.07)	(0.12)
Adjusted net earnings ^{1,2} (**)	0.38	0.19	0.33	0.57	0.58
Weighted average shares outstanding (in thousands)	103,004.42	107,289.40	98,428.70	103,447.23	98,182.61

(*) 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.

Revenues for the three-month period ended June 30, 2020 were \$166.9 million compared to:

- **\$161.7 million in the first quarter of 2020, an increase of \$5.2 million, or 3.2%.**
The increase was mainly the result of a \$2.5 million increase in the Company's share of earnings from joint ventures, primarily related to Fiera Real Estate UK (formerly Palmer Capital) and a \$1.1 million increase in base management fees resulting from higher AUM for the period. The first quarter of 2020 included a \$5.1 million loss on foreign exchange forward contracts, which did not recur in the second quarter. These increases were partly offset by a \$3.5 million decrease in performance fees and other revenues.
- **\$149.9 million for the same period last year, an increase of \$17.0 million, or 11.3%.**
The increase was primarily due to \$20.4 million of higher management fees related to the acquisitions of IAM, Foresters and Fiera Investments (formerly the Canadian operations of Natixis Investment Managers), which were completed in the second half of 2019, as well as a \$2.2 million increase in the Company's share of earnings in joint ventures in connection with the acquisition of an 80% interest in Palmer Capital Partners Limited in April 2019. These increases were partly offset by a \$6.1 million decrease in other revenues as a result of revenue from specific contracts which did not recur in the second quarter of 2020.

Selling General & Administrative ("SG&A") and external managers' expenses were \$122.5 million for the three-month period ended June 30, 2020 compared to:

- **\$118.3 million in the first quarter of 2020, an increase of \$4.2 million, or 3.6%.**
The increase was primarily due to higher variable compensation expense of \$8.9 million as well as higher share-based compensation expense of \$7.4 million, which included \$3.2 million of accelerated vesting from employee terminations. This was partly offset by a \$5.0 million decrease in SG&A due to cost containment measures and a \$6.4 million decrease in salaries and benefits, mainly as a result of lower employee benefit costs compared to the first quarter of 2020 and the recognition of subsidies related to the Canadian Emergency Wage Subsidy ("CEWS") program.
- **\$110.8 million for the same period last year, an increase of \$11.7 million, or 10.6%.**
The increase was primarily due to \$10.6 million of higher variable compensation and additional fixed compensation of \$3.6 million due to additional operating costs as a result of the three acquisitions completed in the second half of 2019. These increases were partly offset by the favourable impact of cost containment measures and the recognition of subsidies related to the CEWS program during the second quarter of 2020.

Net loss attributable to the Company's shareholders of \$14.7 million, or \$0.14 per share (basic and diluted), for the three-month period ended June 30, 2020 compared to:

- **Net earnings attributable to the Company's shareholders of \$7.6 million, or \$0.07 per share (basic and diluted), in the first quarter of 2020.**

The decrease was mainly the result of a \$21.8 million increase in restructuring costs, of which \$20.9 million was attributable to the new global management structure, an \$18.9 million decrease due to the accretion and change in fair value of purchase price obligations and puttable financial instruments, as well as \$7.4 million of higher share-based compensation expense, which included \$3.2 million of expense from accelerated vesting related to employees impacted by the new global management structure. These decreases were partially offset by a \$6.3 million favourable impact from income taxes, higher revenues of \$5.2 million and a \$3.0 million decrease in SG&A excluding share-based compensation. In addition, the Company recognized a loss on interest rate swaps of \$6.7 million in the first quarter of 2020, which did not recur in the second quarter of 2020.

While the new management structure and global operating model is expected to generate synergies by reducing redundancies and increasing operating efficiency, savings generated in 2020 will be redeployed during the current fiscal year to certain key functions in order to accelerate future growth. The Company expects this new structure to generate positive EBITDA, net of redeployed investments, in the range of \$5 million to \$10 million starting in the 2021 financial year.

- **Net loss attributable to the Company's shareholders of \$5.5 million, or \$0.06 per share (basic and diluted), for the same period last year.**

The increase in net loss was primarily due to \$25.0 million of restructuring charges recognized in the second quarter of 2020, of which \$20.9 million was attributable to the new global management structure, and \$15.0 million due to higher compensation expense. These were partially offset by a \$17.0 million increase in revenues compared to the same period last year, a \$6.1 million favourable impact from income taxes, and the recognition of subsidies primarily from the CEWS program.

Adjusted EBITDA for the second quarter of 2020 was \$51.9 million, or \$0.50 per share (basic and diluted) for the three-month period ended June 30, 2020 compared to:

- **\$43.5 million or \$0.42 per share (basic) and \$0.41 per share (diluted) in the first quarter of 2020, an increase of \$8.4 million, or 19%.**

The increase was primarily due to a \$5.2 million increase in revenues driven by higher average AUM and an increase in the Company's share of earnings in joint ventures, as well as a \$3.0 million decrease in SG&A excluding the impact of share-based compensation.

- **\$45.8 million, or \$0.47 per share (basic and diluted) for the same period last year, an increase of \$6.1 million, or 13.3%.**

The increase was mainly due to a \$17.0 million increase in revenues driven primarily by the acquisitions of IAM, Foresters and Fiera Investments completed in the second half of 2019, partly offset by a \$9.6 million increase in SG&A excluding the impact of share-based compensation, as a result of higher compensation expense in line with the increases in revenue.

Adjusted net earnings for the second quarter of 2020 were \$38.7 million or \$0.38 per share (basic and diluted), compared to:

- **\$20.5 million, or \$0.20 per share (basic) and \$0.19 per share (diluted) in the first quarter of 2020, an increase of \$18.2 million, or 88.7%.**

The increase was primarily driven by a \$5.2 million increase in revenues, a \$3.0 million decrease in SG&A excluding share-based compensation and \$1.1 million of realized and unrealized gains on investments recorded in the second quarter of 2020. In addition, the Company recognized a loss on interest rate swaps of \$6.7 million in the first quarter of 2020, which did not recur in the second quarter of 2020.

- **\$32.5 million, or \$0.33 per share (basic and diluted) for the same period last year, an increase of \$6.2 million, or 19.1%.**

The increase was mainly due to a \$17.0 million increase in revenues driven by the three acquisitions completed in the second half of 2019. This was partially offset by a \$9.6 million increase in SG&A primarily due to higher variable compensation expense, in line with revenue growth over the same period.

Additional details relating to the company's operating results can be found on our Investor Relations web page <https://www.fieracapital.com/en/investor-relations> under *Quarterly Reports - Management Discussion and Analysis*.

Subsequent Events

I. Normal Course Issuer Bid

Subsequent to the end of the second quarter of 2020, the Toronto Stock Exchange (the "TSX") approved the Company's normal course issuer bid ("NCIB") to purchase for cancellation up to a maximum of 2,000,000 Class A subordinate voting shares (the "Class A Shares"), representing approximately 2.4% of its 84,124,711 issued and outstanding Class A Shares as at July 8, 2020. The NCIB began on July 15, 2020 and will end at the latest on July 14, 2021. The Company has not purchased any Class A Shares since the beginning of the NCIB.

II. Dividends Declared

On August 13, 2020, the Board declared a quarterly dividend of \$0.21 per Class A Share and Class B Special Voting Share of the Corporation, payable on September 23, 2020 to shareholders of record at the close of business on August 26, 2020. The dividend is an eligible dividend for income tax purposes.

Conference Call

Live

Fiera Capital will hold a conference call at 10:30 a.m. (EDT) on Friday, August 14, 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 1-647-427-7450 from outside North America (access code: 5873969).

The conference call will also be accessible via [webcast](#) in the [Investor Relations](#) section of Fiera Capital's website, under *Events and Presentations*.

Replay

An audio replay of the call will be available until August 21, 2020 by dialing 1-855-859-2056 (toll free), access code 5873969.

The webcast will remain available for three months following the call and can be accessed in the [Investor Relations](#) section of the website under *Events and Presentations*.

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”), and are therefore unlikely to be comparable to similar measures presented by other companies. We have included non-IFRS measures to provide investors with supplemental measures of our operating and financial performance. We believe non-IFRS measures are important supplemental metrics of operating and financial performance because they highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. Securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers, many of which present non-IFRS measures when reporting their results. Management also uses non-IFRS measures in order to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets and to assess its ability to meet future debt service, capital expenditure and working capital requirements.

For reconciliation to, and a description of, the Company's non-IFRS Measures, please refer to page 28 of the Company's Management, Discussion and Analysis for the three and six months ended June 30, 2020.

On January 1, 2019, the Company adopted IFRS 16 – *Leases*, using the modified retrospective approach where comparative information has not been restated and is presented as previously reported and, therefore, may not be comparable. Prior to the adoption of IFRS 16 on January 1, 2019, as a lessee, the Company classified leases as an operating lease or finance lease under IAS 17 based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Rent expenses related to operating leases were previously recognized in selling, general and administrative expenses. Following the adoption of IFRS 16, lease payments are presented as cash generated (used in) financing activities whereas prior to the adoption of IFRS 16, they were presented as cash generated (used in) operating activities in the statement of cash flows. Refer to Note 2 of the audited

consolidated financial statements for the year ended December 31, 2019 for further details on the transition to IFRS 16.

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.

With respect to Fiera Capital's management's expectations regarding contribution to EBITDA starting in financial year 2021, financial performance is based on information available to management and certain assumptions, including realization of estimated expense savings relating to redundancies, estimated amount of investment required to develop Fiera Capital's integrated global distribution function and assumptions regarding the organic growth in assets under management. Actual results could differ depending on a number of factors, including the ability to hire key personnel at anticipated compensation terms and conditions and general market conditions.

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 global asset management firm with approximately C\$171.0 billion in assets under management as of June 30, 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. Fiera Capital's depth of

expertise, diversified investment platform and commitment to delivering outstanding service are core to our mission of being at the forefront of investment management science to create sustainable wealth for clients. Fiera Capital trades under the ticker FSZ on the Toronto Stock Exchange. www.fieracapital.com

Headquartered in Montreal, Fiera Capital, with its affiliates in various jurisdictions, has offices in over a dozen cities around the world, including New York (U.S.), London (UK), and Hong Kong (SAR).

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) or exempt from registration. 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.

For more information:

Analysts and investors

Mariem Elsayed
Director, Investor Relations and Public Affairs
Fiera Capital Corporation
514 954-6619
melsayed@fieracapital.com

Media inquiries

Marion Hourdel
Coordinator, Corporate Communications
Fiera Capital Corporation
514 954-3329
mhourdel@fieracapital.com