



FOR IMMEDIATE RELEASE

All amounts in U.S. dollars  
unless otherwise stated

## – Onex Reports First-Quarter 2019 Results –

**Toronto, May 10, 2019** – Onex Corporation (TSX: ONEX) today announced its financial results for the first quarter ended March 31, 2019 and an update on matters following quarter end.

Gerry Schwartz, Chairman and Chief Executive Officer of Onex, stated: “We’ve had a good start to the year. Onex Partners had a very successful realization and made a new proprietary investment in the insurance industry. Each of Onex Partners, ONCAP and Onex Credit saw growth in the value of their investments during the quarter.” Mr. Schwartz continued, “We also agreed to acquire Gluskin Sheff, an outstanding wealth management platform serving the Canadian high and ultra-high net worth marketplace. With Gluskin Sheff and Onex combined, we’ll have an opportunity to introduce alternative asset strategies to an underserved market.”

As of January 1, 2019, Onex determined it was an investment entity, as defined by IFRS 10. As such, Onex’ financial and operating statements are now presented in a manner that more closely reflects its business and activities.

### **Highlights**

- Onex reported Q1 segment net earnings of \$195 million (\$1.91 per share) comprised of \$183 million from the increased value of our investments and \$12 million from our asset management segment.
- At quarter end, Onex’ total shareholder capital was \$6.6 billion (\$64.19 (C\$85.78) per share) of which \$6.4 billion (\$61.85 (C\$82.65) per share) was mainly in private equity, credit investments and cash or near-cash items and the balance was in Onex’ asset management segment.
- In early March, Onex Partners sold BrightSpring Health (formerly ResCare) for an enterprise value of approximately \$1.3 billion. Onex received approximately \$185 million, including \$38 million of carried interest.
- In late April, Onex Partners invested \$750 million and led a consortium of investors that committed a total of \$1.8 billion to establish Convex Group Limited. Onex invested \$124 million as part of this transaction.
- Onex Credit increased its assets under management by approximately 9% since year-end to \$11.2 billion. This was driven by the issuance of two collateralized loan obligations totalling approximately \$1 billion.

- In March, Onex agreed to acquire 100% of Gluskin Sheff + Associates Inc. (“Gluskin Sheff”) for C\$445 million. On May 9, Gluskin Sheff shareholders approved the transaction, which is expected to close in the second quarter of 2019, subject to customary closing conditions.
- Yesterday, Onex increased its quarterly dividend by 14% to C\$0.10 per Subordinate Voting Share (“SVS”) beginning with the dividend declared by the Board of Directors payable in July 2019.
- In the first four months of 2019, Onex repurchased 621,127 SVS for a total cost of \$34 million, or an average cost per share of C\$73.58.
- At March 31, 2019, Onex had \$1.6 billion of cash and near-cash on hand compared to \$1.4 billion of cash and near-cash at December 31, 2018.

### **Financial Results**

On January 1, 2019, Onex determined that it met the definition of an investment entity, as defined by IFRS 10, Consolidated financial statements. This change in status has fundamentally changed how Onex prepares, presents and discusses its financial results relative to prior periods. Prior periods have not been restated to reflect the change in Onex’ investment entity status. Accordingly, the readers of this press release, Onex’ first quarter interim MD&A and unaudited interim consolidated financial statements should exercise significant caution in reviewing, considering and drawing conclusions from period-to-period comparisons and changes, as the direct comparisons between dates or across periods can be inappropriate or not meaningful if not carefully considered in this context.

As a result of the change in investment entity status, Onex recognized a non-recurring net gain of \$3.5 billion from the derecognition of previously consolidated corporate investments. This non-cash net gain represents the difference between the fair value of previously consolidated corporate investments and their carrying value on January 1, 2019.

Total segment net earnings, which do not include the non-recurring transition gain, were \$195 million (\$1.91 per share) for the quarter. Q1 net earnings from the investing segment totalled \$183 million (\$1.79 per share) and were primarily driven by the net increase in fair value of Onex’ investment in Onex Partners IV as well as mark-to-market gains on investments in Onex Credit strategies. Q1 net earnings from the asset management segment totalled \$12 million (\$0.12 per share).

Enclosed are supplementary schedules and non-IFRS measures related to Onex’ consolidated net earnings, shareholder capital and cash and near-cash change in the quarter. The complete financial statements prepared in accordance with International Financial Reporting Standards, including Management’s Discussion and Analysis of the results, are posted on Onex’ website, [www.onex.com](http://www.onex.com), and are also available on SEDAR at [www.sedar.com](http://www.sedar.com). A supplemental information package with additional information is available on Onex’ website, [www.onex.com](http://www.onex.com).

### **Webcast**

Onex management will host a webcast to review Onex’ first-quarter 2019 results on Friday, May 10 at 11:00 a.m. ET. The webcast will be available in listen-only mode from the Presentations and Events section of Onex’ website, <https://ir.onex.com/events-and-presentations>. A 90-day on-line replay will be available shortly following the completion of the event.

## **About Onex**

Founded in 1984, Onex manages and invests capital in its private equity and credit platforms on behalf of investors from around the world. In total, Onex has \$31 billion of assets under management, including \$6.6 billion of shareholder capital. Onex invests through its two private equity platforms, Onex Partners for larger transactions and ONCAP for middle market and smaller transactions, and Onex Credit which manages primarily non-investment grade debt through collateralized loan obligations, private debt and other credit strategies. With offices in Toronto, New York, New Jersey and London, Onex and its experienced management team are collectively the largest investors across Onex' platforms.

The Onex Partners and ONCAP businesses have assets of \$51 billion, generate annual revenues of \$31 billion and employ approximately 172,000 people worldwide. Onex shares trade on the Toronto Stock Exchange under the stock symbol ONEX. For more information on Onex, visit its website at [www.onex.com](http://www.onex.com). Onex' security filings can also be accessed at [www.sedar.com](http://www.sedar.com).

## **Forward-Looking Statements**

This press release may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as “believes”, “expects”, “potential”, “anticipates”, “estimates”, “intends”, “plans” and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve significant and diverse risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. Except as may be required by Canadian securities law, Onex is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this press release.

## **For further information:**

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## Supplementary and Non-IFRS Measures

### Summarized Consolidated Net Earnings

*(Unaudited) (\$ millions except per share amounts)*  
*Three months ended March 31, 2019*

	Investing <sup>(i)</sup>	Asset Management <sup>(i)</sup>	Total
Segment income	\$ 184	\$ 69	\$ 253
Segment expenses	(1)	(57)	(58)
Segment net earnings	\$ 183	\$ 12	\$ 195
Stock-based compensation expense			(8)
Amortization of property and equipment and other intangible assets, excluding right-of-use assets			(4)
Gain on derecognition of previously consolidated corporate investments			3,719
Reclassification from accumulated other comprehensive loss on derecognition of previously consolidated corporate investments			(170)
<b>Net earnings</b>			<b>\$ 3,732</b>
Segment net earnings per share <sup>(ii)</sup>	\$ 1.79	\$ 0.12	\$ 1.91
<b>Net earnings per share</b>			<b>\$ 37.37</b>

(i) Refer to the unaudited interim consolidated financial statements for segment presentation and allocation considerations.

(ii) Calculated on a fully diluted basis.

### Shareholder Capital

*(Unaudited) (\$ millions except per share amounts)*  
*As at March 31, 2019*

	Investing	Asset Management	Total
Total segmented assets	\$ 6,371	\$ 474	\$ 6,845
Accounts payable and accrued liabilities	-	(60)	(60)
Lease and other liabilities	-	(83)	(83)
DSU hedge assets	-	(76)	(76)
<b>Total shareholder capital<sup>(i)</sup></b>	<b>\$ 6,371</b>	<b>\$ 255</b>	<b>\$ 6,626</b>
<b>Shareholder capital per share<sup>(i)(ii)</sup></b>	<b>\$ 61.85</b>	<b>\$ 2.34</b>	<b>\$ 64.19</b>

(i) Shareholder capital and shareholder capital per share are non-GAAP financial measures which have been calculated using methodologies that are not in accordance with IFRS. A reconciliation of total segmented assets to shareholder capital is presented in the table above. The presentation of financial measures in this manner does not have a standardized meaning prescribed under IFRS and is therefore unlikely to be comparable to similar financial measures presented by other companies. Management believes that shareholder capital is useful to investors as the metric is used, in part, to assess Onex' performance.

(ii) Calculated on a fully diluted basis. Fully diluted shares were 109 million at March 31, 2019. Fully diluted shares include all outstanding Subordinate Voting Shares as well as outstanding stock options where Onex' share price exceeds the exercise price of the stock options and the stock options have a dilutive impact to Onex' capital per share.

### Cash and Near-Cash

The table below provides a reconciliation of the change in cash and near-cash in the quarter.

*(Unaudited) (\$ millions)*

Cash and near-cash on hand at December 31, 2018 <sup>(i)</sup>	\$ 1,439
Private equity realizations	198
Private equity investments	(25)
Real estate distributions	30
Net Onex Credit strategies investment activity, including warehouse facilities	61
Onex share repurchases, options exercised and dividends	(52)
Net other, including capital expenditures, management fees, operating costs and treasury income <sup>(ii)</sup>	(57)
<b>Cash and near-cash on hand at March 31, 2019<sup>(i)(ii)</sup></b>	<b>\$ 1,594</b>

(i) Includes \$212 million (December 31, 2018 – \$279 million) of treasury investments, \$93 million (December 31, 2018 – \$89 million) invested in an Onex Credit unlevered senior secured loan strategy fund and \$192 million (December 31, 2018 – \$205 million) of management fees.

(ii) Other includes the impact of incentive compensation payments paid in 2019 related to 2018, and foreign exchange on cash.