



FOR IMMEDIATE RELEASE

All amounts in U.S. dollars  
unless otherwise stated

## Onex Reports First Quarter 2023 Results

**TORONTO, May 12, 2023** – Onex Corporation (TSX: ONEX) today announced its financial results for the first quarter ended March 31, 2023.

On May 11, 2023, Bobby Le Blanc was appointed Chief Executive Officer of Onex following shareholder approval of the MVS amendment proposal at the company’s annual meeting.

“We are moving forward with targeted initiatives to reinvigorate growth, drive positive outcomes for our partners and accelerate the value creation process,” said Bobby Le Blanc, Chief Executive Officer. “With nearly \$8 billion of invested capital, a debt-free balance sheet and our entrepreneurial culture, we are well positioned to grow Onex’ intrinsic value.”

### **Financial Results**

<i>(unaudited)(\$ millions except per share amounts)</i>	<b>Three Months Ended March 31, 2023</b>	Three Months Ended March 31, 2022
Net earnings (loss)	\$ (232)	\$ 164
Net earnings (loss) per diluted share	\$ (2.87)	\$ 1.89
Investing segment net earnings	\$ 44	\$ 62
Asset management segment net earnings (loss)	(69)	5
Total segment net earnings (loss) <sup>(1)</sup>	\$ (25)	\$ 67
Total segment net earnings (loss) per fully diluted share <sup>(2)</sup>	\$ (0.32)	\$ 0.76
Asset management fee-related earnings (loss) <sup>(3)</sup>	\$ (8)	\$ (7)
Total fee-related earnings (loss) <sup>(4)</sup>	\$ (16)	\$ (15)
Distributable earnings <sup>(5)</sup>	\$ 68	\$ 25

<sup>(1)</sup> Refer to pages 18 and 19 of Onex’ Q1 2023 Interim MD&A for further details concerning the composition of segment net earnings. A reconciliation of total segment net earnings to net earnings is provided in the supplementary financial schedules in this press release.

<sup>(2)</sup> Refer to the glossary in Onex’ Q1 2023 Interim MD&A for details concerning the composition of fully diluted shares.

<sup>(3)</sup> Asset management fee-related earnings (loss) excludes Onex’ public company expenses and other expenses associated with managing Onex’ investing capital and is a component of total fee-related earnings (loss).

<sup>(4)</sup> Fee-related earnings (loss) is a non-GAAP financial measure that does not have a standardized meaning prescribed under International Financial Reporting Standards (“IFRS”). Therefore, it may not be comparable to similar financial measures disclosed by other companies. The most directly comparable financial measure under IFRS to fee-related earnings (loss) is Onex’ net earnings (loss). Refer to the 2023 Year-To-Date Results & Activity section of Onex’ Q1 2023 Interim MD&A and the supplementary financial schedules in this press release for further details concerning fee-related earnings (loss).

<sup>(5)</sup> Distributable earnings is a non-GAAP financial measure that does not have a standardized meaning prescribed under IFRS. Therefore, it may not be comparable to similar financial measures disclosed by other companies. The most directly comparable financial measure under IFRS to distributable earnings is Onex’ net earnings (loss). Refer to the 2023 Year-To-Date Results & Activity section of Onex’ Q1 2023 Interim MD&A and the supplementary financial schedules in this press release for further details concerning distributable earnings.

## *Fundraising*

Onex has raised approximately \$900 million in fee-generating capital across its Credit and Private Equity platforms year-to-date. In April 2023, ONCAP V completed its second close bringing total commitments to approximately \$520 million, including \$250 million from Onex.

As previously disclosed, current market conditions are contributing to lengthy and time-consuming fundraising processes for many private equity funds. Accordingly, the company has decided to pause fundraising for Onex Partners VI until the fundraising environment improves. Onex' other Private Equity and Credit platforms are not impacted by this decision and continue to progress with their fundraising objectives.

“We are fortunate to have strong and diverse investment platforms across Onex,” said Bobby Le Blanc. “The Onex Partners team will continue to focus on maximizing returns from its existing portfolio and investing capital in new opportunities.”

Onex Partners V continues to perform strongly to date with further upside potential through future growth, value creation and monetization opportunities. After closing out the investment period of Fund V, the team will continue to remain active creating value across the portfolio, and Onex will continue deploying capital across all our platforms, including Onex Partners.

## *Gluskin Sheff*

In March 2023, Onex announced its intention to wind down the operations of Gluskin Sheff following an agreement with RBC Wealth Management Canada to expand distribution of Onex investment products through their network. In connection with the wind-down, a non-cash impairment charge of \$171 million was recognized in the first quarter related to the write-down of property and equipment, goodwill and intangible assets of Gluskin Sheff. A restructuring provision of \$20 million was also recognized in the first quarter in connection with the planned transition and wind-down of the wealth management business.

Onex remains well positioned to expand the distribution of its unique alternative investment products in the private wealth channel, through its agreement with RBC Wealth Management and potential future partners.

## **O1 Highlights**

- Onex' investing capital per fully diluted share<sup>(6)</sup> increased 4% during the 12 months ended March 31, 2023 and decreased 1% from December 31, 2022. Onex had approximately \$7.8 billion of investing capital, or \$96.24 (C\$130.25) per fully diluted share at March 31, 2023. In Canadian dollars, investing capital per fully diluted share increased 12% during the 12 months ended March 31, 2023, reflecting the appreciation of the U.S. Dollar.

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<sup>(6)</sup> Refer to the glossary in Onex' Q1 2023 Interim MD&A for details concerning the composition of investing capital per share. The percentage changes in investing capital per share exclude the impact of capital deployed in Onex' asset management segment, where applicable, and dividends paid by Onex.

- The value of Onex' private equity investments was essentially unchanged from the prior quarter<sup>(7)</sup> (Q1 2022: 2% increase). Investments in Credit strategies generated a net gain of \$28 million or a return of 4% (Q1 2022: net loss of \$13 million or 2%), which was primarily driven by an increase in the fair value of CLO investments, consistent with a strengthening in the leveraged loan market.
- Carried interest declined by \$53 million during the quarter, resulting in \$220 million of unrealized carried interest at March 31, 2023 after also receiving \$8 million of carried interest.
- Onex received \$89 million in private equity distributions in the first quarter.
- As of March 31, 2023, Onex had \$34.7 billion of third-party fee-generating assets under management ("FG AUM")<sup>(8)</sup>. Run-rate management fees<sup>(8)</sup> from this capital were \$260 million.
- Onex had approximately \$1.1 billion of cash and near-cash<sup>(9)</sup> as of March 31, 2023 (December 31, 2022 – \$1.1 billion).

### **Webcast**

Onex management will host a webcast to review Onex' first quarter 2023 results on Friday, May 12, 2023 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://www.onex.com/events-and-presentations>. A 90-day on-line replay will be available shortly following the completion of the event.

### **Additional Information**

Enclosed are supplementary financial schedules related to Onex' consolidated net earnings (loss), investing capital, fee-related earnings (loss), distributable earnings, and cash and near-cash changes for the three months ended March 31, 2023. The financial statements prepared in accordance with International Financial Reporting Standards (IFRS), 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).

### **About Onex**

Onex is an investor and asset manager that invests capital on behalf of Onex shareholders and clients across the globe. Formed in 1984, we have a long track record of creating value for our clients and shareholders. Onex' two primary businesses are Private Equity and Credit. In Private Equity, we raise funds from third-party investors, or limited partners, and invest them, along with

<sup>(7)</sup> The gross return on Onex' private equity investments is a non-GAAP ratio calculated using methodologies that are not in accordance with IFRS. The presentation of this ratio does not have a standardized meaning prescribed under IFRS and therefore may not be comparable to similar financial measures presented by other companies. The net gains (losses) used to calculate the gross return of Onex' private equity investments are gross of management incentive programs. Refer to page 9 of Onex' Q1 2023 Interim MD&A for further details concerning the gross performance of Onex' private equity investments.

<sup>(8)</sup> Refer to the glossary in Onex' Q1 2023 Interim MD&A for details concerning the composition of FG AUM and run-rate management fees.

<sup>(9)</sup> Cash and near-cash is a non-GAAP financial measure calculated using methodologies that are not in accordance with IFRS. The presentation of these measures does not have standardized meaning prescribed under IFRS and therefore might not be comparable to similar financial measures presented by other companies. The most directly comparable financial measure under IFRS to cash and near-cash is Onex' consolidated cash and cash equivalents balance, which was \$84 million at March 31, 2023 (December 31, 2022 - \$111 million). Refer to the *Cash and Near-Cash* section of Onex' Q1 2023 Interim MD&A and the supplementary financial schedules in this press release for further details concerning Onex' cash and near-cash.

Onex' own investing capital, through the funds of our private equity platforms, Onex Partners and ONCAP. Similarly, in Credit, we raise and invest capital across several private credit, public credit and public equity strategies. Our investors include a broad range of global clients, including public and private pension plans, sovereign wealth funds, insurance companies and family offices. In total, Onex has \$51.1 billion in assets under management, of which \$7.8 billion is Onex' own investing capital. With offices in Toronto, New York, New Jersey, Boston and London, Onex and its experienced management teams are collectively the largest investors across Onex' platforms.

Onex is listed on the Toronto Stock Exchange under the 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.

### **Non-GAAP Financial Measures**

This press release contains non-GAAP financial measures and ratios which have been calculated using methodologies that are not in accordance with IFRS. 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. Onex management believes these financial measures and ratios provide helpful information to investors. Reconciliations of the non-GAAP financial measures to information contained in the consolidated financial statements have been presented where practical.

### **For Further Information:**

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## Supplementary Financial Schedules

### *Summarized Consolidated Net Earnings (Loss)*

<i>(Unaudited)(\$ millions except per share amounts)</i>	Three months ended March 31			2022 <sup>(i)</sup>
	Investing	Asset Management	Total	Total
Segment income	\$ 44	\$ 18	\$ 62	\$ 149
Segment expenses	-	(87)	(87)	(82)
Segment net earnings (loss)	\$ 44	\$ (69)	\$ (25)	\$ 67
Stock-based compensation recovery			3	107
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(10)	(11)
Impairment of goodwill, intangible assets and property & equipment			(171)	-
Restructuring expense			(20)	-
Unrealized carried interest included in segment net earnings (loss) – Credit			(6)	(1)
Unrealized performance fees included in segment net earnings (loss)			(3)	-
Other income			2	2
Earnings (loss) before income taxes			(230)	164
Provision for income taxes			(2)	-
<b>Net earnings (loss)</b>			<b>\$ (232)</b>	<b>\$ 164</b>
Segment net earnings (loss) per share <sup>(ii)</sup>	\$ 0.54	\$ (0.86)	\$ (0.32)	\$ 0.76
<b>Net earnings (loss) per share</b>				
Basic			<b>\$ (2.87)</b>	<b>\$ 1.90</b>
Diluted			<b>\$ (2.87)</b>	<b>\$ 1.89</b>

(i) Refer to pages 18 and 19 of Onex' Q1 2023 Interim MD&A for further details concerning the composition of segmented results.

(ii) Calculated on a fully diluted basis.

### *Investing Capital<sup>(i)</sup>*

<i>(Unaudited)(\$ millions except per share amounts)</i>	March 31, 2023	December 31, 2022
Private Equity		
Onex Partners Funds	\$ 4,141	\$ 4,228
ONCAP Funds	698	718
Other Private Equity	884	853
Carried Interest	202	265
	5,925	6,064
Private Credit		
Investments	724	701
Carried Interest	18	16
	742	717
Real Estate	33	34
Cash and Near-Cash	1,097	1,053
Other Net Assets (Liabilities)	1	(5)
<b>Investing Capital</b>	<b>\$ 7,798</b>	<b>\$ 7,863</b>
<b>Investing Capital per share (U.S. dollars)<sup>(ii)</sup></b>	<b>\$ 96.24</b>	<b>\$ 96.95</b>
<b>Investing Capital per share (Canadian dollars)<sup>(ii)</sup></b>	<b>\$ 130.25</b>	<b>\$ 131.31</b>

(i) Refer to the glossary in Onex' Q1 2023 Interim MD&A for further details concerning the composition of investing capital.

(ii) Calculated on a fully diluted basis using the treasury stock method. Fully diluted shares for investing capital per share were 81.0 million at March 31, 2023.

## *Fee-Related Earnings (Loss) and Distributable Earnings*

<i>(Unaudited)(\$ millions)</i>	<b>Three Months Ended March 31, 2023</b>	<b>Three Months Ended March 31, 2022</b>
<b>Private Equity</b>		
Management and advisory fees	\$ 27	\$ 28
Total fee-related revenues from Private Equity	27	28
Compensation expense	(23)	(20)
Support and other net expenses	(11)	(10)
<b>Net contribution</b>	<b>\$ (7)</b>	<b>\$ (2)</b>
<b>Credit</b>		
Management and advisory fees	\$ 38	\$ 39
Performance fees	5	–
Other income	1	–
Total fee-related revenues from Credit	\$ 44	\$ 39
Compensation expense	(23)	(26)
Support and other net expenses	(22)	(18)
<b>Net contribution</b>	<b>\$ (1)</b>	<b>\$ (5)</b>
<b>Asset management fee-related earnings (loss)</b>	<b>\$ (8)</b>	<b>\$ (7)</b>
<b>Public Company and Onex Capital Investing</b>		
Compensation recovery	\$ (4)	\$ (4)
Other net expenses	(4)	(4)
<b>Total expenses</b>	<b>\$ (8)</b>	<b>\$ (8)</b>
<b>Total fee-related earnings (loss)</b>	<b>\$ (16)</b>	<b>\$ (15)</b>
Realized carried interest	\$ 8	\$ –
Realized net gain on investments	76	40
<b>Distributable earnings</b>	<b>\$ 68</b>	<b>\$ 25</b>

Fee-related earnings (loss) and distributable earnings are non-GAAP financial measures. The tables below provide reconciliations of Onex' net earnings to fee-related earnings (loss) and distributable earnings during the three months ended March 31, 2023 and 2022.

<i>(Unaudited)</i> (\$ millions)	<b>Three Months Ended March 31, 2023</b>	<b>Three Months Ended March 31, 2022</b>
<b>Net earnings (loss)</b>	<b>\$ (232)</b>	<b>\$ 164</b>
Provision for income taxes	2	–
Earnings (loss) before income taxes	<b>\$ (230)</b>	<b>\$ 164</b>
Stock-based compensation recovery	(3)	(107)
Amortization of property, equipment and intangible assets, excluding right-of-use assets	10	11
Impairment of goodwill, intangible assets and property & equipment,	171	–
Restructuring expense	20	–
Unrealized carried interest included in segment net earnings (loss) – Credit	6	1
Unrealized performance fee included in segment net earnings	3	–
Other income	(2)	(2)
<b>Total segment net earnings (loss)</b>	<b>(25)</b>	<b>67</b>
Net unrealized decrease (increase) in carried interest	61	(20)
Net unrealized loss (gain) on corporate investments	32	(22)
<b>Distributable earnings</b>	<b>68</b>	<b>25</b>
Less: Realized carried interest	(8)	–
Less: Net realized gain on corporate investments	(76)	(40)
<b>Total fee-related earnings (loss)</b>	<b>\$ (16)</b>	<b>\$ (15)</b>

### ***Cash and Near-Cash***

The table below provides a breakdown of cash and near-cash at Onex as at March 31, 2023 and December 31, 2022.

<i>(Unaudited)</i> (\$ millions)	<b>March 31, 2023<sup>(i)</sup></b>	<b>December 31, 2022<sup>(i)</sup></b>
Cash and cash equivalents within Investment Holding Companies <sup>(ii)</sup>	\$ 307	\$ 253
Treasury investments within Investment Holding Companies	260	271
Management fees and recoverable fund expenses receivable <sup>(iii)</sup>	517	460
Subscription financing receivable <sup>(iv)</sup>	13	69
<b>Cash and near-cash</b>	<b>\$ 1,097</b>	<b>\$ 1,053</b>

- (i) Excludes cash, cash equivalents and treasury investments allocated to the asset management segment related to accrued incentive compensation (\$43 million (December 31, 2022 – \$122 million)) and contingent consideration related to the acquisition of Onex Falcon (\$57 million (December 31, 2022 – \$57 million)).
- (ii) Includes restricted cash and cash equivalents of \$2 million (December 31, 2022 – \$2 million) for which the Company can readily remove the external restriction. Excludes cash and cash equivalents reserved for Onex' share of uncalled expenses payable by the Investment Holding Companies of \$27 million (December 31, 2022 - \$27 million).
- (iii) Includes management fees and recoverable fund expenses receivable from certain funds which Onex has elected to defer cash receipt from, less amounts allocated to the asset management segment related to accrued incentive compensation and contingent consideration related to the acquisition of Falcon Investment Advisors.
- (iv) Subscription financing receivable attributable to third-party investors in certain Credit Funds.

The table below provides a reconciliation of the change in cash and near-cash from March 31, 2023 to December 31, 2022.

<i>(Unaudited)</i> (\$ millions)	
Cash and near-cash at December 31, 2022	\$ 1,053
Private equity realizations	89
Private equity investments	(3)
Net private credit strategies investment activity	5
Options exercised, investments in RSU hedges and dividends	(24)
Net other, including capital expenditures, operating costs and changes in working capital	(23)
<b>Cash and near-cash at March 31, 2023</b>	<b>\$ 1,097</b>