



FOR IMMEDIATE RELEASE

*All amounts in U.S. dollars  
unless otherwise stated*

## – Onex Reports Second-Quarter 2019 Results –

**Toronto, August 8, 2019** – Onex Corporation (TSX: ONEX) today announced its financial results for the second quarter and six months ended June 30, 2019 and an update on matters following quarter end.

Gerry Schwartz, Chairman and Chief Executive Officer of Onex, stated: “While markets everywhere remain competitive, our private equity platforms were able to find new opportunities and our credit platform continued to grow.” Mr. Schwartz continued, “We completed our acquisition of Gluskin Sheff in June and although it’s still early, we’re already seeing opportunities to introduce Gluskin Sheff clients to Onex’ private alternative strategies.”

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 segment net earnings for the three- and six-months ended June 30, 2019 of \$299 million and \$494 million (\$2.90 and \$4.80 per fully diluted share), respectively. This growth was primarily driven by net gains in its investing segment.
- The fair value of Onex’ private equity investments generated a gross return of 7% during the three-months ended June 30, 2019 and a gross return of 11% in the first six months of the year.
- Onex’ total shareholder capital per share increased by approximately 4% in the second quarter to \$66.85 (C\$87.48) per share, primarily driven by net increase in Onex’ private equity investments within the investing segment.
- In June, Onex completed its acquisition of Gluskin Sheff for C\$445 million (\$329 million). Gluskin Sheff has fee-generating assets under management of C\$8.1 billion (\$6.2 billion) as of June 30, 2019.
- In May, Onex Partners agreed to acquire WestJet Airlines Ltd. (“WestJet”) for C\$31.00 per share. On July 23, the shareholders of WestJet approved the transaction, which is expected to close later in 2019, subject to customary closing conditions and regulatory approvals.

- In July, Onex Partners announced the sale of Jack's Family Restaurants. Upon close, Onex expects to receive approximately \$224 million of net sale proceeds, resulting in a gross multiple of invested capital of 3.6x and a gross IRR of 38%.
- Onex Credit increased its assets under management by approximately 13% year-to-date to \$11.7 billion. This was driven by the issuance of three collateralized loan obligations totalling approximately \$1.5 billion.
- In the first seven months of 2019, Onex repurchased 629,027 Subordinate Voting Shares for a total cost of \$34 million (C\$46 million), or an average cost per share of C\$73.59.

## **Financial Results**

On January 1, 2019, Onex determined 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 periods ending on or before December 31, 2018. Periods ending on or before December 31, 2018 have not been restated to reflect the change in Onex' investment entity status. Accordingly, the readers of this press release, Onex' second 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.

For the three-months ended June 30, 2019, total segment net earnings were \$299 million (\$2.90 per fully diluted share). Net earnings from the investing segment totalled \$283 million (\$2.76 per fully diluted share) in the quarter and were primarily driven by net gains on Onex' private equity investments. The second quarter net earnings from the asset and wealth management segment totalled \$16 million (\$0.14 per fully diluted share) driven by an increase in management and advisory fees and one month of operations from Gluskin Sheff, partially offset by compensation expense.

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 in the first quarter. 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.

For the six-months ended June 30, 2019, total segment net earnings, which do not include the non-recurring transition gain, were \$494 million (\$4.80 per fully diluted share). Net earnings from the investing segment totalled \$466 million (\$4.54 per fully diluted share) in the same period and were primarily driven by net gains on Onex' private equity investments. Net earnings for the six-months ended June 30, 2019 from the asset management segment totalled \$28 million (\$0.26 per fully diluted share) driven by an increase in management and advisory fees and one month of operations from Gluskin Sheff, partially offset by compensation expense.

Enclosed are supplementary schedules and non-IFRS measures related to Onex' consolidated net earnings for the three- and six-months ended June 30, 2019, shareholder capital at June 30, 2019 and cash and near-cash change for the six-months ended June 30, 2019. 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' second-quarter 2019 results on Thursday, August 8 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 invests and manages capital on behalf of its shareholders, institutional investors and high net worth clients from around the world. Onex' platforms include: Onex Partners, private equity funds focused on larger opportunities in North America and Europe; ONCAP, private equity funds focused on middle market and smaller opportunities in North America; Onex Credit, which manages primarily non-investment grade debt through collateralized loan obligations, private debt and other credit strategies; and Gluskin Sheff's actively managed public equity and public credit funds. In total, Onex has approximately \$39 billion of assets under management, of which approximately \$6.9 billion is shareholder capital. With offices in Toronto, New York, New Jersey and London, Onex and its experienced management teams are collectively the largest investors across Onex' platforms.

The Onex Partners and ONCAP businesses have assets of \$53 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 June 30, 2019*

	Investing <sup>(a)</sup>	Asset and Wealth Management <sup>(a)(b)</sup>	Total
Segment income <sup>(c)(d)</sup>	\$ 283	\$ 72	\$ 355
Segment expenses	-	(56)	(56)
Segment net earnings	\$ 283	\$ 16	\$ 299
Stock-based compensation			(27)
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(7)
Acquisition and integration expenses <sup>(e)</sup>			(44)
Earnings before income taxes			221
Recovery of income taxes			37
<b>Net earnings</b>			<b>\$ 258</b>
Segment net earnings per share <sup>(f)</sup>	\$ 2.76	\$ 0.14	\$ 2.90
<b>Net earnings per share – diluted</b>			<b>\$ 2.58</b>

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

(b) The asset and wealth management segment includes the costs of Onex' corporate functions.

(c) The asset and wealth management segment includes an allocation of less than \$1 million from the investing segment, representing a reduction of carried interest that would have been earned by the asset and wealth management segment had Onex' capital been subject to carried interest under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

(d) The asset and wealth management segment includes an allocation of \$15 million from the investing segment, representing management fees that would have been earned by the asset and wealth management segment had Onex' capital been subject to management fees under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

(e) Acquisition and integration expenses primarily relate to expenses associated with the Onex Credit chief executive officer's future participation in distributions from the Onex Credit asset management platform following his retirement from the business.

(f) Calculated on a fully diluted basis.

*(Unaudited) (\$ millions except per share amounts)*  
*Six months ended June 30, 2019*

	Investing <sup>(a)</sup>	Asset and Wealth Management <sup>(a)(b)</sup>	Total
Segment income <sup>(c)(d)</sup>	\$ 467	\$ 141	\$ 608
Segment expenses	(1)	(113)	(114)
Segment net earnings	\$ 466	\$ 28	\$ 494
Stock-based compensation			(35)
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(11)
Acquisition and integration expenses <sup>(e)</sup>			(44)
Gain on derecognition of previously consolidated corporate investments			3,719
Reclassification from accumulated other comprehensive loss on derecognition of previously consolidated corporate investments			(170)
Earnings before income taxes			3,953
Recovery of income taxes			37
<b>Net earnings</b>			<b>\$ 3,990</b>
Segment net earnings per share <sup>(f)</sup>	\$ 4.54	\$ 0.26	\$ 4.80
<b>Net earnings per share – diluted</b>			<b>\$ 39.95</b>

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

(b) The asset and wealth management segment includes the costs of Onex' corporate functions.

(c) The asset and wealth management segment includes an allocation of less than \$1 million from the investing segment, representing a reduction of carried interest that would have been earned by the asset and wealth management segment had Onex' capital been subject to carried interest under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

(d) The asset and wealth management segment includes an allocation of \$31 million from the investing segment, representing management fees that would have been earned by the asset and wealth management segment had Onex' capital been subject to management fees under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

(e) Acquisition and integration expenses primarily relate to expenses associated with the Onex Credit chief executive officer's future participation in distributions from the Onex Credit asset management platform following his retirement from the business.

(f) Calculated on a fully diluted basis.

## Shareholder Capital

(Unaudited) (\$ millions except per share amounts)

As at June 30, 2019

	Investing		Asset and Wealth Management		Total
Total segmented assets	\$ 6,287	\$	955	\$	7,242
Accounts payable and accrued liabilities	-		(33)		(33)
Accrued compensation	-		(69)		(69)
Lease and other liabilities	-		(134)		(134)
DSU hedge assets	-		(81)		(81)
<b>Total shareholder capital<sup>(a)</sup></b>	<b>\$ 6,287</b>	<b>\$</b>	<b>638</b>	<b>\$</b>	<b>6,925</b>
<b>Shareholder capital per share (U.S. dollars)<sup>(a)(b)</sup></b>	<b>\$ 61.05</b>	<b>\$</b>	<b>5.80</b>	<b>\$</b>	<b>66.85</b>
<b>Shareholder capital per share (Canadian dollars)<sup>(a)(b)</sup></b>	<b>\$ 79.89</b>	<b>\$</b>	<b>7.59</b>	<b>\$</b>	<b>87.48</b>

(a) 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.

(b) Calculated on a fully diluted basis. 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 from December 31, 2018 to June 30, 2019.

(Unaudited) (\$ millions)

Cash and near-cash on hand at December 31, 2018 <sup>(a)</sup>	\$ 1,439
Private equity realizations	235
Private equity investments	(149)
Real estate distributions	36
Net Onex Credit strategies investment activity, including warehouse facilities	62
Acquisition of Gluskin Sheff	(297)
Onex share repurchases, options exercised and dividends	(70)
Net other, including capital expenditures, management fees, operating costs and treasury income <sup>(b)</sup>	(124)
<b>Cash and near-cash on hand at June 30, 2019<sup>(a)(b)</sup></b>	<b>\$ 1,132</b>

(a) Includes \$146 million (December 31, 2018 – \$279 million) of treasury investments, \$95 million (December 31, 2018 – \$89 million) invested in an Onex Credit unlevered senior secured loan strategy fund and \$182 million (December 31, 2018 – \$205 million) of management fees.

(b) Other includes the impact of incentive compensation payments paid in 2019 related to the 2018 fiscal year, acquisition and integration expenses and foreign exchange on cash.