

Clairvest Reports Fiscal 2020 First Quarter Results

TORONTO, Aug. 12, 2019 -- Clairvest Group Inc. (TSX: CVG) today reported results for the fiscal 2020 first quarter ended June 30, 2019. *(All figures are in Canadian dollars unless otherwise stated)*

Highlights

- June 30, 2019 book value was \$776.8 million or \$51.32 per share versus \$778.7 million or \$51.44 per share as at March 31, 2019. Dividends totaling \$0.5144 per share were declared during the first quarter of fiscal 2020 offset by net income \$0.39 per share or \$5.9 million
- Clairvest completed the fundraising of Clairvest Equity Partners VI (“CEP VI”) which closed at US\$850 million
- Clairvest and Clairvest Equity Partners IV (“IV”) sold its remaining interest in Impero Waste Services, LLC (“Impero Waste”) for cash proceeds of US\$8.6 million
- Clairvest and Clairvest Equity Partners V (“CEP V”) completed a combined US\$34.4 million equity investment in Durante Rentals, LLC (“Durante Rentals”)
- Subsequent to quarter end, Clairvest and CEP V completed a combined £23.0 million equity investment in FSB Technology (UK) Ltd. (“FSB Tech”)
- Subsequent to quarter end, Clairvest paid an annual ordinary dividend of \$1.5 million, or \$0.10 per share, and a special dividend of \$6.3 million, or \$0.4144 per share, both paid on July 25, 2019

Clairvest’s book value was \$776.8 million or \$51.32 per share as at June 30, 2019, compared with \$778.7 million or \$51.44 per share as at March 31, 2019. The decrease in book value per share for the quarter was primarily attributable to \$7.8 million or \$0.5144 per share of dividends accrued as at June 30, 2019, net of net income for the quarter of \$5.9 million, or \$0.39 per share.

In April 2019, Clairvest completed the fundraising of CEP VI which comprised Clairvest’s commitment of US\$230 million alongside US\$620 million from third party investors. As at June 30, 2019, Clairvest had approximately \$1.6 billion of capital available for future acquisitions through treasury funds, credit facilities, access to funds in its acquisition entities and uncalled committed capital in various Clairvest Equity Partnerships (the “CEP Funds”).

In May 2019, Clairvest and CEP IV sold its remaining interest in Impero Waste, formerly Winters Bros. Waste Systems of Connecticut, LLC (“WBCT”), for cash proceeds of US\$8.6 million. Clairvest and CEP IV originally invested in WBCT in 2013. Including the partial realization of WBCT in October 2017, Clairvest and CEP IV generated 1.4 times invested capital, or an IRR of 8%, on this investment. Clairvest’s portion of the sale proceeds on Impero Waste was US\$2.3 million (C\$3.0 million).

In June 2019, Clairvest and CEP V invested US\$34.4 million for a majority equity interest in Durante Rentals, a leading independent construction equipment rental provider in the New York Metropolitan area that serves primarily small to mid-sized contractors through a network of 10 branches across New York, New Jersey, and Connecticut. Clairvest’s portion of the investment was US\$10.3 million (C\$13.5 million) for a 21.7% ownership interest in Durante Rentals.

Subsequent to quarter end, Clairvest and CEP V completed a majority equity investment in FSB Tech, a leading Business to Business sports and internet gaming technology supplier based in London, United Kingdom. The aggregate investment made at closing was £23 million, and may be increased by up to £4 million subject to certain conditions. Clairvest’s portion of the investment at closing was £6.8 million (C\$11.1 million) for a 24.3% ownership interest in FSB Tech.

“Clairvest continues to successfully execute its proven investment strategy with the addition of two new investments to the portfolio: Durante Rentals and FSB Tech”, said Ken Rotman, CEO of Clairvest. “In addition to new investments, the existing portfolio companies continue to grow both through acquisitions and through investment in new capabilities and talent”.

Also subsequent to quarter end, Clairvest paid an annual ordinary dividend of \$0.10 per share and a special dividend of \$0.4144 per share, such that in aggregate, the dividends represent 1% of the March 31, 2019 book value. Both dividends were paid on July 25, 2019 to common shareholders of record as at July 5, 2019 and are eligible dividends for Canadian income tax purposes.

Summary of Financial Results – Unaudited

Financial Results	Quarter ended	
	2019	2018
	June 30	
(\$000’s, except per share amounts)	\$	\$
Net investment gain	19,484	60,398
Net carried interest income – realized and unrealized changes	2,244	23,595
Distributions, interest income, dividends and fees	6,553	5,245
Total expenses, excluding income taxes	23,188	26,425
Net income and comprehensive income	5,878	54,655

Financial Position	June 30, 2019	March 31, 2019
(\$000's, except share information and per share amounts)	\$	\$
Total assets	916,891	911,253
Total cash, cash equivalents and temporary investments	375,099	452,325
Unrealized carried interest from the CEP Funds	58,728	56,484
Corporate investments, at fair value	385,526	366,279
Total liabilities	140,107	132,561
Management participation	45,314	42,599
Book value ⁽¹⁾	776,784	778,692
Common shares outstanding	15,136,495	15,136,495
Book value per share ⁽¹⁾	51.32	51.44

(1) Book value is a Non-IFRS measure calculated as the value of total assets less the value of total liabilities. The term book value does not have any standardized meaning according to IFRS and therefore may not be comparable to similar measures presented by other companies. There is no comparable IFRS measure presented in Clairvest's consolidated financial statements and thus no applicable quantitative reconciliation for such non-IFRS financial measure. The Company has calculated book value consistently for many years and believes that book value can provide information useful to its shareholders in understanding its performance, and may assist in the evaluation of its business relative to that of its peers.

Clairvest's first quarter fiscal 2020 financial statements and MD&A are available on the SEDAR website at www.sedar.com and the Clairvest website at www.clairvest.com.

About Clairvest

Clairvest Group Inc. is a private equity investor which invests its own capital, and that of third parties through the Clairvest Equity Partners ("CEP") limited partnerships, in businesses that have the potential to generate superior returns. In addition to providing financing, Clairvest contributes strategic expertise and execution ability to support the growth and development of its investee partners. Clairvest realizes value through investment returns and the eventual disposition of its investments.

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Forward-looking Statements

This news release contains forward-looking statements with respect to Clairvest Group Inc., its subsidiaries, its CEP limited partnerships and their investments. These statements are based on current expectations and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Clairvest, its subsidiaries, its CEP limited partnerships and their investments to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include general and economic business conditions and regulatory risks. Clairvest is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or otherwise.

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