

Clairvest Reports Fiscal 2020 Second Quarter Results

TORONTO, Nov. 12, 2019 -- Clairvest Group Inc. (TSX: CVG) today reported results for the fiscal 2020 second quarter and six months ended September 30, 2019. *(All figures are in Canadian dollars unless otherwise stated)*

Highlights

- September 30, 2019 book value was \$790.3 million or \$52.35 per share versus \$776.8 million or \$51.32 per share as at June 30, 2019
- Net income for the quarter and for the six months ended September 30, 2019 was \$15.5 million or \$1.03 per share and \$21.4 million or \$1.42 per share, respectively
- Clairvest and Clairvest Equity Partners V (“CEP V”) completed a combined £23.0 million equity investment in FSB Technology (UK) Ltd. (“FSB Technology”)
- Clairvest completed a US\$11.2 million equity investment in SST Solar Holdings, Inc. (“SST”)
- Subsequent to quarter end, Clairvest and CEP V completed the sale of their interest in GTA Gaming
- Subsequent to quarter end, Clairvest and CEP V announced their intention to roll 100% of their equity interest in Accel Entertainment, Inc. (“Accel Entertainment”) into the business combination of Accel Entertainment and TPG Pace Holdings Corp. (“TPG Pace”)

Clairvest’s book value was \$790.3 million or \$52.35 per share as at September 30, 2019, compared with \$776.8 million or \$51.32 per share as at June 30, 2019. The increase in book value per share for the quarter was primarily attributable to net income for the quarter of \$15.5 million, or \$1.03 per share. During the quarter, Clairvest purchased and cancelled 39,194 common shares under its normal course issuer bid at an average price of \$51.00/share. For the six month ended September 30, 2019, net income was \$21.4 million or \$1.42 per share.

In July 2019, Clairvest and CEP V completed a majority equity investment in FSB Technology, 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 Technology.

In August 2019, Clairvest completed a majority equity investment in SST, a solar operations and maintenance company serving both the commercial and residential sector in the United States. The investment made at closing was US\$11.2 million for a 67.1% ownership interest in SST.

In November 2019, Clairvest and CEP V completed the sale of their interest in GTA Gaming, which comprised investments in two limited partnerships which operate various gaming assets in the Province of Ontario, for aggregate cash proceeds of \$51.8 million. Clairvest’s portion of the proceeds was \$15.5 million against its cost of \$9.0 million. The sale of GTA Gaming is expected to add approximately \$0.38 per share to Clairvest’s book value for the quarter ended December 31, 2019.

“We are pleased with the progress of the portfolio and that recent investments are in industries that Clairvest has deep domain knowledge and expertise. With FSB Technology, Clairvest is extending its 19-year track record in the gaming industry to the online gaming supplier market with a focus on sports betting, and with SST we are building on our experience in the renewable energy space”, said Ken Rotman, CEO of Clairvest.

Subsequent to quarter end, Clairvest and CEP V announced their intention to roll 100% of their equity interest in Accel Entertainment into the business combination of Accel Entertainment and TPG Pace. Clairvest and CEP V were together the largest shareholder of Accel Entertainment and will become the largest shareholder of the combined company, which will be publicly-traded on the New York Stock Exchange. Under the terms of the proposed merger, Clairvest and CEP V will receive approximately 16.2 million shares of the combined entity, representing approximately 15% equity ownership. The actual number of shares and ownership interest are subject to factors which are not yet known. Consistent with its beneficial ownership, Clairvest will own approximately 4.86 million shares of the combined entity. The transaction is expected to close in November 2019. As at September 30, 2019, Clairvest’s carrying value in Accel Entertainment reflected a discount to the proposed transaction price.

Summary of Financial Results – Unaudited

Financial Results ⁽¹⁾	Quarter ended		Six months ended	
	September 30		September 30	
	2019	2018	2019	2018
(\$000’s, except per share amounts)	\$	\$	\$	\$
Net investment gain (loss)	14,166	(193,317)	33,650	(132,919)
Net carried interest income – realized and unrealized changes	1,695	2,170	3,939	25,765
Distributions, interest income, dividends and fees	12,422	217,900	18,975	223,145
Total expenses, excluding income taxes	10,509	10,936	33,697	37,361
Net income and comprehensive income	15,511	13,373	21,389	68,028

Basic and fully diluted net income per share	1.03	0.88	1.42	4.48
--	------	------	------	------

Financial Position	September 30 2019	March 31, 2019
(\$000's, except share information and per share amounts)	\$	\$
Total assets	902,710	911,253
Total cash, cash equivalents and temporary investments	369,269	452,325
Unrealized carried interest from the CEP Funds	57,794	56,484
Corporate investments, at fair value	432,869	366,279
Total liabilities	112,414	132,561
Management participation	45,638	42,599
Book value ⁽¹⁾	790,296	778,692
Common shares outstanding	15,097,301	15,136,495
Book value per share ⁽¹⁾	52.35	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 second 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.

Contact Information

Maria Shkolnik
 Director, Investor Relations and Marketing
 Clairvest Group Inc.
 Tel: (416) 925-9270
 Fax: (416) 925-5753
marias@clairvest.com

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.

www.clairvest.com