

## Clairvest Reports Fiscal 2019 Third Quarter Results

TORONTO, Feb. 12, 2019 -- Clairvest Group Inc. (TSX: CVG) today reported results for the fiscal 2019 third quarter and nine months ended December 31, 2018. *(All figures are in Canadian dollars unless otherwise stated)*

### Highlights

- December 31, 2018 book value was \$751.5 million or \$49.65 per share versus \$728.4 million or \$48.06 per share as at September 30, 2018
- Net income for the quarter and for the nine months ended December 31, 2018 was \$24.0 million or \$1.59 per share and \$92.1 million or \$6.07 per share, respectively
- Clairvest and Clairvest Equity Partners V (“CEP V”) completed a combined US\$17.5 million equity investment in Meriplex Communications, Ltd. (“Meriplex Communications”)
- Clairvest and CEP V completed a combined \$21.3 million preferred equity investment in Right Time Heating and Air Conditioning Canada Inc. (“Right Time HVAC”)
- Clairvest and Clairvest Equity Partners IV (“CEP IV”) announced the proposed sale of their interest in Rivers Casino subject to regulatory approval
- Subject to the approval of the Toronto Stock Exchange, Clairvest’s Board of Directors approved a new normal course issuer bid

Clairvest’s book value was \$751.5 million or \$49.65 per share as at December 31, 2018, compared with \$728.4 million or \$48.06 per share as at September 30, 2018. The increase in book value per share for the quarter was primarily attributable to net income for the quarter of \$24.0 million, or \$1.59 per share. For the nine months ended December 31, 2018, net income was \$92.1 million or \$6.07 per share. During the quarter, 20,400 shares were purchased and cancelled under the current normal course issuer bid for a total purchase price of \$0.9 million, or an average price of \$45.72 per share.

As at December 31, 2018, Clairvest had approximately \$890.7 million 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 October 2018, Clairvest and CEP V acquired 60.3% of Meriplex Communications by way of a US\$17.5 million equity investment. Meriplex Communications, based in Houston, designs, implements and manages intelligent network solutions for businesses. Clairvest’s portion of the investment was US\$5.3 million.

In November 2018, Clairvest and CEP V invested \$21.3 million in Right Time HVAC to acquire a 50% interest in the form of convertible preferred shares. Right Time HVAC is an independent Canadian heating, ventilation and air-conditioning contractor focused strictly on the residential replacement market and operating out of seven locations in Ontario and Manitoba. Clairvest’s portion of the investment was \$6.4 million.

During the quarter, Clairvest and CEP IV announced the proposed sale of their interest in Rivers Casino, based in Des Plaines, Illinois. The proposed transaction is subject to regulatory approvals and is anticipated to close during fiscal 2020. Should the transaction close on anticipated terms, the sale of Clairvest’s interest in Rivers Casino is expected to increase Clairvest’s book value by approximately \$0.58 per share from the December 31, 2018 book value per share of \$49.65.

“During the quarter, Clairvest closed on two new investments in CEP V, both in industries that we have been targeting for several years. The multi-year effort of industry research, thesis development and company selection resulted in our investments in Meriplex Communications and Right Time HVAC. We are backing in-place management teams and look forward to supporting their growth in the coming years,” said Ken Rotman, CEO of Clairvest. “In addition, our existing portfolio is performing well in aggregate as those companies continued to grow internally and acquire and integrate competitors.”

Subject to the approval of the Toronto Stock Exchange, Clairvest’s Board of Directors has approved a new normal course issuer bid to purchase up to 5% of the outstanding common shares on the Toronto Stock Exchange during a 12-month period expected to commence on March 7, 2019.

### Summary of Financial Results – Unaudited

Financial Results <sup>(1)</sup>	Quarter ended		Nine months ended	
	2018	2017	2018	2017
	\$	\$	\$	\$
Net investment gain (loss)	24,258	94,418	(108,661)	114,876
Net carried interest income – realized and unrealized changes	4,206	22,241	29,971	39,239
Distributions, interest income, dividends and fees	6,068	5,012	228,813	27,229
Total expenses, excluding income taxes	5,892	34,611	42,853	60,204

Net income and comprehensive income	<b>24,032</b>	74,103	<b>92,060</b>	105,152
Basic and fully diluted net income per share	<b>1.59</b>	4.88	<b>6.07</b>	6.92

<b>Financial Position</b>	<b>December 31 2018</b>	March 31, 2018
(\$000's, except share information and per share amounts)	<b>\$</b>	<b>\$</b>
Total assets <sup>(1)</sup>	<b>888,435</b>	834,889
Total cash, cash equivalents and temporary investments and restricted cash <sup>(1)</sup>	<b>393,706</b>	147,924
Unrealized carried interest from the CEP Funds <sup>(2)</sup>	<b>70,993</b>	127,900
Corporate investments, at fair value <sup>(1)</sup>	<b>384,662</b>	515,172
Total liabilities <sup>(1)</sup>	<b>136,925</b>	167,568
Management participation <sup>(1)</sup>	<b>51,139</b>	91,267
Book value <sup>(2)</sup>	<b>751,510</b>	667,321
Common shares outstanding	<b>15,136,495</b>	15,162,995
Book value per share <sup>(2)</sup>	<b>49.65</b>	44.01

<sup>(1)</sup> Under IFRS, the Company is required to fair value certain acquisition entities and wholly-owned holding entities and record them as corporate investments. The Company is also required to recognize as revenue that portion of the carried interest from the CEP Funds which are allocated to the principals and employees of Clairvest through various limited partnerships which are controlled by Clairvest. In addition, Clairvest is required to record a liability for any entitlements of limited partners of a partnership where the limited partners are not part of the consolidated group of the Company but where the partnership is required to be consolidated by the Company. Accordingly, that portion of the carried interest from the CEP Funds that is allocated to the limited partners of these partnerships ("MIP Partnerships") and the carried interest payable to MIP Partnerships by other partnerships which are consolidated by Clairvest (collectively, the "Management participation") are recorded as an expense and a liability of the Company.

<sup>(2)</sup> 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 third quarter fiscal 2019 financial statements and MD&A are available on the SEDAR website at [www.sedar.com](http://www.sedar.com) and the Clairvest website at [www.clairvest.com](http://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](mailto: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.*