



# FISCAL 2018 | Q2 Results

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# Important Information

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Figures exclude non-controlling interest, where applicable.



# Peter Anderson

## Chief Executive Officer



# Q2-2018 Highlights

- Earnings per share: \$0.61, 3% above Q1-2018
- Free cash flow: \$163 million (YTD \$330 million, highest ever for CI)
- Average AUM: \$139.5 billion, near record highs
- Sentry integration is almost complete and has added to CI's earnings

# Free Cash Flow Allocation

- Will continue to return 100% of free cash flow to shareholders
- We believe CI's stock price creates a buying opportunity
- Shifting towards more share repurchases
- Annual dividend of \$0.72 per share, paid quarterly
- New dividend yield will be in line with the TSX

# Free Cash Flow Allocation (cont'd)

- Up to \$1 billion in share repurchases\*
- Will buy CI's shares at recent price levels
- Strategy is reviewed on an ongoing basis
- Net debt to EBITDA can increase to 2.0 times

\*Over the next 12-18 months

# Sales Update

- Q2 net sales disappointing
- Company focused on returning to positive sales
- Causes of net redemptions included:
  - Performance of larger funds
  - Industry-wide redemption trends
- Positive signs include gross sales, new advisors, improved performance

# Product Update

- Announced:
  - New pricing on a number of funds
  - Lower entry levels for CI Preferred Pricing™
- Fall launches
  - To be announced soon
  - Meets the needs of all distribution channels
- New marketing campaign (fall 2018 and 2019)



# Doug Jamieson

## Chief Financial Officer



# Financial Highlights

(consecutive quarters)

[millions, except per share]	Q2-2018	Q1-2018	Change
Average AUM	\$139,487	\$141,870	-2%
Assets under advisement	\$43,717	\$42,658	2%
Net income per share	\$159.9 \$0.61	\$159.0 \$0.59	1% 3%
Free cash flow	\$163.0	\$166.9	-2%

# Financial Highlights

(year over year quarters)

[millions, except per share]	Q2-2018	Q2-2017	Change
Average AUM	\$139,487	\$122,691	14%
Net income	\$159.9	\$109.6	46%
per share	\$0.61	\$0.42	45%
Adjusted net income*	\$159.9	\$154.6	3%
per share	\$0.61	\$0.59	3%
Free cash flow	\$163.0	\$154.8	5%

\*The quarter ended June 30, 2017 excludes a \$45.0 million provision for the settlement of outstanding notices of reassessment received for the years 2006 to 2008.

# Sentry

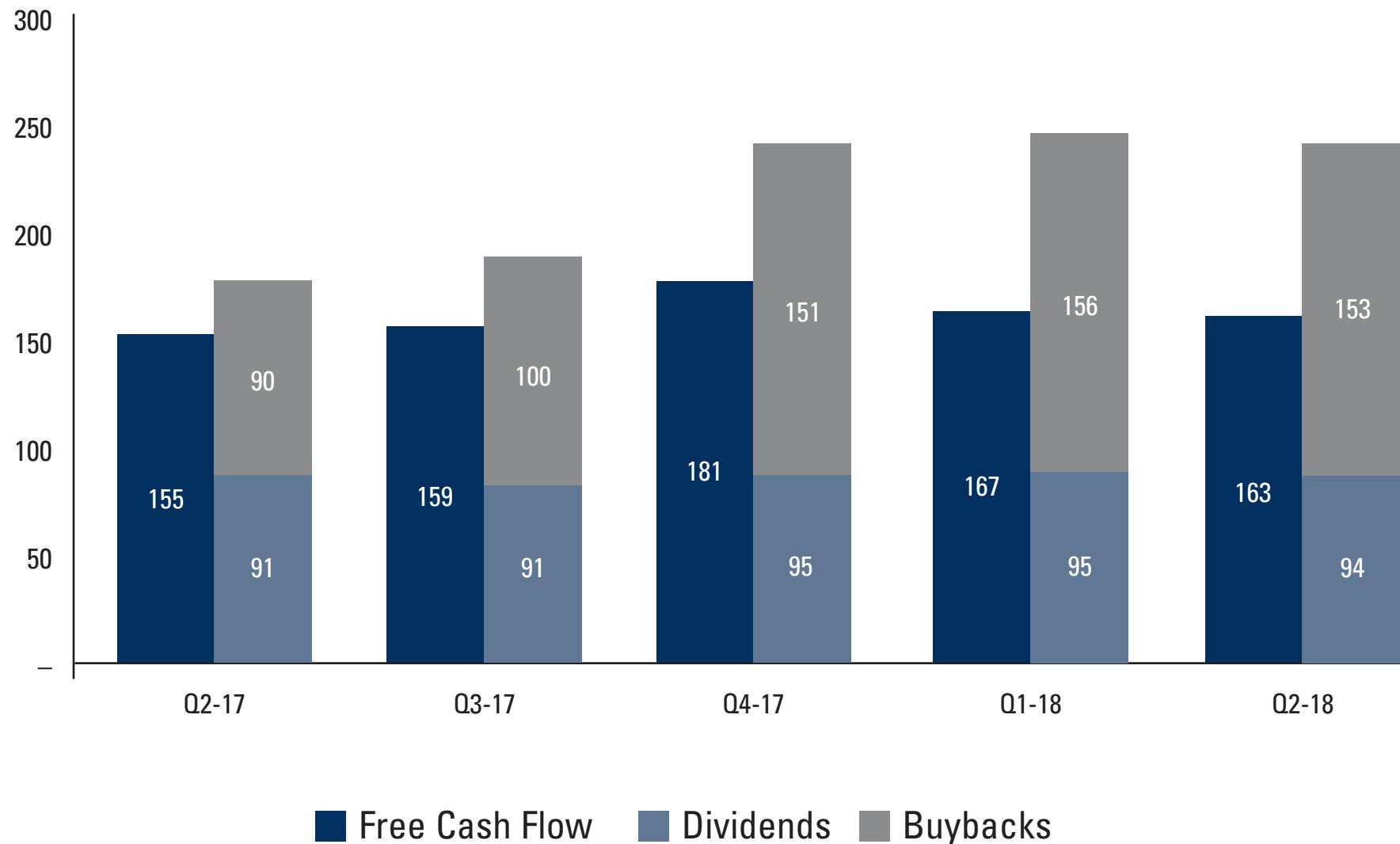
- Synergies 95% achieved, expect 100% by September
- Back office moving to CI's platform
- Run-rate EBITDA of \$130 million
- Purchase multiple of 6x
- Accretion of over \$0.04/share for both Q1 and Q2 2018

# SG&A

- Q2 SG&A ~\$130 million
- Expect 2018 increase of 3% above Q4-2017 run rate
- New initiatives and innovation

# Free Cash Flow & Return to Shareholders

(in \$millions)





# Peter Anderson

## Chief Executive Officer



# CI's Strengths

- Scale
- Distribution
- Portfolio management
- Sales culture

# Conclusion

- CI's business lines performing well
- Business continues to operate efficiently
- Share repurchases are the best use of CI's cash today
- Will buy shares at recent price levels
- Committed to buying up to \$1 billion of CI shares\*
- Our focus is on the future of this company

\*Over the next 12-18 months

The background of the image is a grayscale aerial photograph of a modern city. On the left, two prominent skyscrapers with glass facades stand side-by-side. A multi-lane highway curves from the bottom right towards the center of the frame, filled with numerous cars. In the distance, a dense cluster of buildings forms the city's skyline under a hazy sky.

Thank You