

# FISCAL 2017 | Q4 Results

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### Important Information

This presentation contains forward-looking statements concerning anticipated future events, results, circumstances, performance or expectations with respect to CI and its products and services, including its business operations, strategy and financial performance and condition. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, such statements involve risks and uncertainties. For further information regarding factors that could cause actual results to differ from expectations, please refer to Management's Discussion and Analysis available at www.cifinancial.com.

This presentation contains several non-IFRS financial measures including adjusted net income, free cash flow, EBITDA, and operating cash flow that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. However, management uses these financial measures and also believes that most shareholders, creditors, other stakeholders and investment analysts prefer to include the use of these financial measures in analyzing CI's results. These non-IFRS measures are described and/or reconciled to the nearest IFRS measure in CI's Management's Discussion and Analysis available at www.cifinancial.com.

Figures exclude non-controlling interest, where applicable.



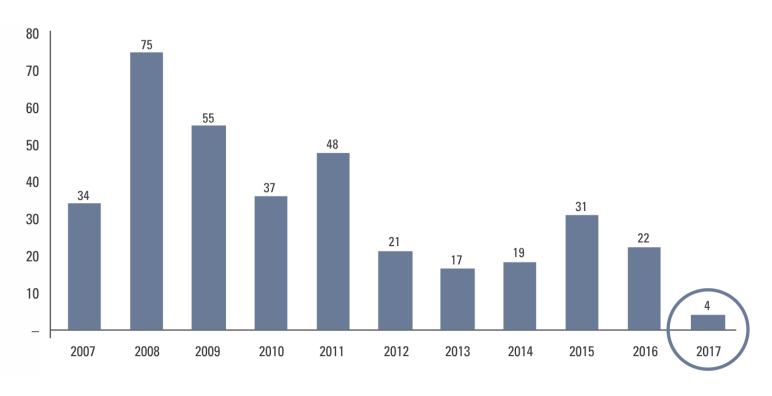


### Introduction

- 2017 was especially active for CI
- Update on sales
- Sentry integration on schedule
  - Meeting and/or exceeding targets
- Financial markets in 2018 may be more volatile than 2017
  - We see this as a positive for CI's active portfolio managers



## Number of Days the S&P 500 Lost >1%



Source: Bloomberg, in local currency



### S&P 500 Maximum Drawdown



Source: Bloomberg, in local currency





### Financial Highlights

(annual)

[millions, except per share]	2017	2016	Change
Average AUM	\$126,269	\$110,852	14%
Net income	\$499.9	\$503.0	-1%
per share	\$1.89	\$1.86	2%
Adjusted net income*	\$579.2	\$532.1	9%
per share	\$2.19	\$1.96	12%
Free cash flow	\$648.4	\$604.7	7%
Shares repurchased	\$413.2	\$290.9	42%



<sup>\*</sup>The year ended December 31, 2017 excludes \$39.0 million (\$28.7 million after tax) in provisions for compensation, legal and tax costs, a \$45 million provision for the settlement of outstanding notices of reassessment received for the years 2006 to 2008, and \$5.6 million related to a fair value adjustment to contingent consideration. The year ended December 31, 2016 excludes \$39.6 million (\$29.1 million after tax) in provisions for compensation, legal and tax costs.

## Financial Highlights

(consecutive quarters)

[millions, except per share]	<b>Q</b> 4-2017	<b>Q</b> 3-2017	Change
Average AUM	\$142,469	\$120,304	18%
Net income	\$128.6	\$140.8	-9%
per share	\$0.47	\$0.55	-15%
Adjusted net income*	\$162.9	\$140.8	16%
per share*	\$0.59	\$0.55	7%
Free cash flow	\$180.6	\$159.1	14%
Shares repurchased	\$150.6	\$100.0	51%



<sup>\*</sup>The quarter ended December 31, 2017 excludes \$39.0 million (\$28.7 million after tax) in provisions for compensation, legal and tax costs and \$5.6 million related to a fair value adjustment to contingent consideration.

### Financial Highlights

(year over year quarters)

[millions, except per share]	<b>Q4-2017</b>	<b>Q</b> 4-2016	Change
Average AUM	\$142,469	\$114,780	24%
Net income	\$128.6	\$121.0	6%
per share	\$0.47	\$0.45	4%
Adjusted net income*	\$162.9	\$140.6	16%
per share*	\$0.59	\$0.53	11%
Free cash flow	\$180.6	\$154.0	17%
Shares repurchased	\$150.6	\$65.0	132%



<sup>\*</sup>The quarter ended December 31, 2017 excludes \$39.0 million (\$28.7 million after tax) in provisions for compensation, legal and tax costs and \$5.6 million related to a fair value adjustment to contingent consideration. The quarter ended December 31, 2016 excludes \$26.6 million (\$19.6 million after tax) in provisions for compensation, legal and tax costs.

## Change to DSC Accounting

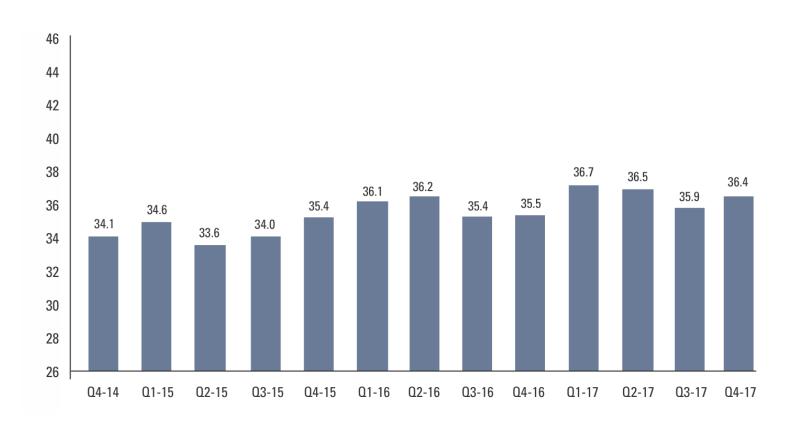
 Effective January 1, 2018, CI will write off the \$205 million DSC balance to retained earnings

[millions, except per share]	2017
Amortized	\$98.5
Spent	\$31.3
Pretax impact	\$67.2
EPS impact	+0.19



### Total SG&A

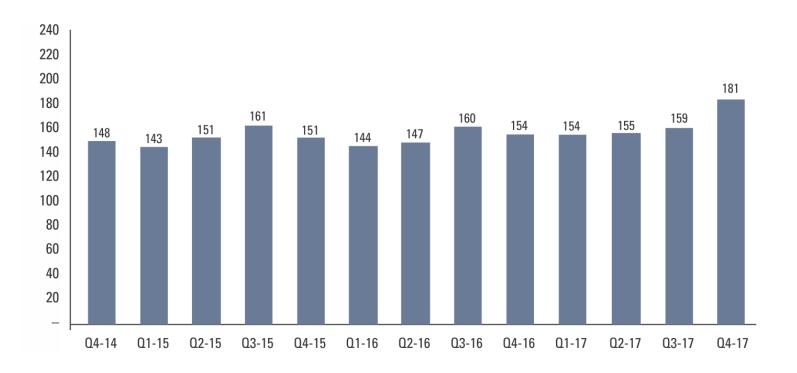
(as a % of average AUM, in basis points)





## Quarterly Free Cash Flow

(in \$millions)





### Return to Shareholders

[in \$millions]	2017	<b>Q</b> 4-2017	<b>Q</b> 3-2017
Operating cash flow	606	159	166
Adjustments	74	29	-
Sales commissions	(31)	(7)	(6)
Free cash flow	648	181	159
Shares repurchased	413	151	100
Dividends	368	95	91
Total	781	245	191

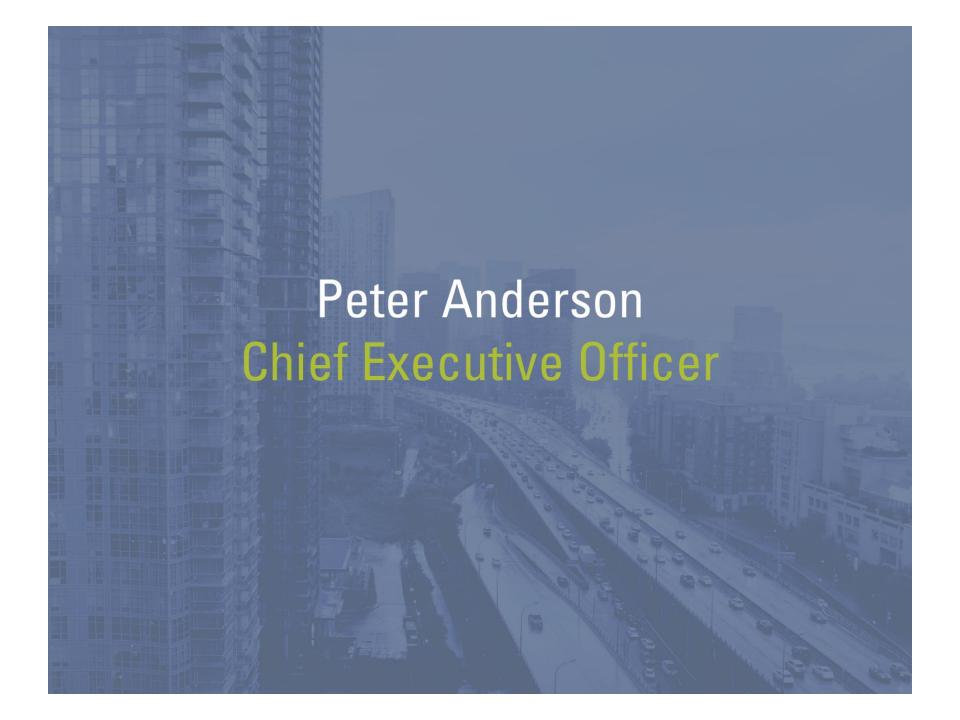
Note: Totals may not sum due to rounding.



## Sentry

- Synergies ahead of forecast
- EBITDA of \$30 million in Q4
- Still very comfortable with value
  - Acquisition model included significant redemptions





### 2017 Overview

- Acquired Sentry and BBS
  - Acquired GSFM at the end of 2016
- Industry challenges continue
  - Margins, regulation, products, banks
- Cl's scale, distribution and lines of business create opportunities



### **Business Line Review**

#### Assante & Stonegate

- Very strong year for net sales
- Record year for advisor recruitment
- Assets under advisement up 12% to \$43 billion

#### First Asset

- Record ETF net sales
- ETF AUM up 53% to \$3.8 billion in 2017
- Launched several active ETFs managed by CI managers



### **Business Line Review**

(cont'd)

#### CI Institutional Asset Management

- Strong net sales
- Built out the sales/service team
- Pipeline remains robust

#### GSFM

- Retail net sales of \$470 million
- Institutional sales performance expected to improve

### **Business Line Review**

(cont'd)

#### BBS Securities

- Client assets and new accounts continue to grow
- Opportunities to leverage their technology

#### CI Investments

- Retail net sales significantly improved relative to 2016
- IIROC gross sales have improved

#### Summary

- Recent acquisitions are meeting/exceeding expectations
- Will continue to focus on building shareholder value



