

Onex Corporation

CONSOLIDATED BALANCE SHEETS

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i>	As at March 31, 2018	As at December 31, 2017	As at January 1, 2017
Assets			
Current assets			
Cash and cash equivalents	\$ 2,944	\$ 3,376	\$ 2,371
Short-term investments	268	258	154
Accounts receivable	3,244	3,320	3,873
Inventories	2,415	2,248	2,510
Other current assets	1,414	1,119	1,412
	10,285	10,321	10,320
Property, plant and equipment	5,294	5,326	4,275
Long-term investments	12,075	12,114	8,672
Other non-current assets	863	825	1,194
Intangible assets	8,461	7,887	9,286
Goodwill	8,645	8,223	9,174
	\$ 45,623	\$ 44,696	\$ 42,921
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities	\$ 4,424	\$ 4,396	\$ 4,294
Current portion of provisions	234	235	305
Other current liabilities	1,567	1,470	1,579
Current portion of long-term debt of operating companies and credit strategies, without recourse to Onex Corporation	215	333	407
Current portion of Limited Partners' Interests	386	59	89
	6,826	6,493	6,674
Non-current portion of provisions	241	243	340
Long-term debt of operating companies and credit strategies, without recourse to Onex Corporation	22,377	21,716	22,456
Other non-current liabilities	2,002	2,051	2,169
Deferred income taxes	1,262	1,190	1,533
Limited Partners' Interests	7,866	7,965	8,385
	40,574	39,658	41,557
Equity			
Share capital	320	321	324
Non-controlling interests	2,160	2,145	1,857
Retained earnings (deficit) and accumulated other comprehensive earnings (loss)	2,569	2,572	(817)
	5,049	5,038	1,364
	\$ 45,623	\$ 44,696	\$ 42,921

See notes to the unaudited interim consolidated financial statements, including the changes in accounting policies retrospectively adopted on January 1, 2018.

Onex Corporation

CONSOLIDATED STATEMENTS OF EARNINGS

<i>(Unaudited)</i> <i>(in millions of U.S. dollars except per share data)</i>		Three months ended March 31	
		2018	2017
Revenues	\$	6,022	\$ 5,691
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)		(4,455)	(4,216)
Operating expenses		(1,071)	(1,007)
Interest income		115	86
Amortization of property, plant and equipment		(171)	(151)
Amortization of intangible assets and deferred charges		(190)	(162)
Interest expense of operating companies and credit strategies		(311)	(277)
Increase (decrease) in value of investments in joint ventures and associates at fair value, net		(85)	25
Stock-based compensation expense		(35)	(62)
Other gain		82	–
Other expense		(39)	(210)
Limited Partners' Interests charge		(20)	(519)
Loss before income taxes and discontinued operations		(158)	(802)
Provision for income taxes		(6)	(2)
Loss from continuing operations		(164)	(804)
Loss from discontinued operations		–	(132)
Net Loss	\$	(164)	\$ (936)
Loss from Continuing Operations attributable to:			
Equity holders of Onex Corporation	\$	(158)	\$ (791)
Non-controlling Interests		(6)	(13)
Loss from Continuing Operations	\$	(164)	\$ (804)
Net Loss attributable to:			
Equity holders of Onex Corporation	\$	(158)	\$ (911)
Non-controlling Interests		(6)	(25)
Net Loss	\$	(164)	\$ (936)
Net Loss per Subordinate Voting Share of Onex Corporation			
Basic and Diluted:			
Continuing operations	\$	(1.56)	\$ (7.70)
Discontinued operations		–	(1.18)
Net Loss per Subordinate Voting Share	\$	(1.56)	\$ (8.88)

See notes to the unaudited interim consolidated financial statements, including the changes in accounting policies retrospectively adopted on January 1, 2018.

Onex Corporation

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

Three months ended March 31

(in millions of U.S. dollars)

	2018	2017
Operating Activities		
Loss for the period from continuing operations	\$ (164)	\$ (804)
Adjustments to loss from continuing operations:		
Provision for income taxes	6	2
Interest income	(115)	(86)
Interest expense of operating companies and credit strategies	311	277
Earnings (loss) before interest and provision for income taxes	38	(611)
Cash taxes paid	(54)	(36)
Items not affecting cash and cash equivalents:		
Amortization of property, plant and equipment	171	151
Amortization of intangible assets and deferred charges	190	162
Decrease (increase) in value of investments in joint ventures and associates at fair value, net	85	(25)
Stock-based compensation expense	23	50
Other gain	(82)	–
Foreign exchange (gain) loss	27	(27)
Limited Partners' Interests charge	20	519
Change in provisions	8	40
Other	(42)	113
	384	336
Changes in non-cash working capital items:		
Accounts receivable	207	164
Inventories	(156)	(65)
Other current assets	39	29
Accounts payable, accrued liabilities and other current liabilities	(221)	(155)
Decrease in cash and cash equivalents due to changes in non-cash working capital items	(131)	(27)
Decrease in other operating activities	(21)	(17)
Cash flows from operating activities of discontinued operations	–	79
	232	371
Financing Activities		
Issuance of long-term debt	1,610	137
Repayment of long-term debt	(1,005)	(232)
Cash interest paid	(279)	(239)
Cash dividends paid	(6)	(5)
Repurchase of share capital of Onex Corporation	(18)	(54)
Repurchase of share capital of operating companies	(41)	(3)
Contributions by Limited Partners	355	458
Issuance of share capital by operating companies	7	18
Proceeds from sale of interests in operating companies under continuing control	107	140
Distributions paid to non-controlling interests and Limited Partners	(149)	(169)
Decrease due to other financing activities	(30)	(18)
Cash flows from financing activities of discontinued operations	–	26
	551	59
Investing Activities		
Acquisitions, net of cash and cash equivalents in acquired companies of \$55 (2017 – \$68)	(1,089)	(586)
Purchase of property, plant and equipment	(174)	(139)
Proceeds from sale of investment in joint venture	533	–
Distributions received from investments in joint ventures and associates	17	15
Purchase of investments in joint ventures and associates	–	(2)
Cash interest received	110	91
Change in restricted cash	(322)	60
Net sales (purchases) of investments and securities for credit strategies	(420)	161
Net sales (purchases) of investments and securities at parent company and operating companies	90	(13)
Increase due to other investing activities	15	3
Cash flows used in investing activities of discontinued operations	–	(39)
	(1,240)	(449)
Decrease in Cash and Cash Equivalents for the Period	(457)	(19)
Increase in cash due to changes in foreign exchange rates	25	4
Cash and cash equivalents, beginning of the period – continuing operations	3,376	2,169
Cash and cash equivalents, beginning of the period – discontinued operations	–	202
Cash and Cash Equivalents	2,944	2,356
Cash and cash equivalents held by discontinued operations	–	270
Cash and Cash Equivalents Held by Continuing Operations	\$ 2,944	\$ 2,086

See notes to the unaudited interim consolidated financial statements, including the changes in accounting policies retrospectively adopted on January 1, 2018.

Onex Corporation

INFORMATION BY INDUSTRY SEGMENT

FOR THE THREE MONTHS ENDED MARCH 31, 2018

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i>	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other ^(a)	Consolidated Total
Revenues	\$ 1,499	\$ 377	\$ 431	\$ 200	\$ 607	\$ 430	\$ 1,139	\$ 1	\$ 1,338	\$ 6,022
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(1,382)	(220)	(326)	—	(408)	(209)	(968)	—	(942)	(4,455)
Operating expenses	(52)	(111)	(75)	(176)	(84)	(105)	(156)	(13)	(299)	(1,071)
Interest income	—	1	—	—	—	—	—	106	8	115
Amortization of property, plant and equipment	(19)	(17)	(7)	(2)	(58)	(3)	(22)	—	(43)	(171)
Amortization of intangible assets and deferred charges	(2)	(11)	(4)	(12)	(41)	(77)	(4)	(1)	(38)	(190)
Interest expense of operating companies and credit strategies	(4)	(23)	(6)	(18)	(56)	(45)	(21)	(65)	(73)	(311)
Decrease in value of investments in joint ventures and associates at fair value, net	—	—	—	—	—	—	—	—	(85)	(85)
Stock-based compensation expense	(10)	(3)	(2)	(1)	(1)	(5)	(2)	—	(11)	(35)
Other gain	—	—	—	—	—	—	—	—	82	82
Other income (expense)	(11)	(1)	—	1	(13)	(32)	1	27	(11)	(39)
Limited Partners' Interests charge	—	—	—	—	—	—	—	(9)	(11)	(20)
Earnings (loss) before income taxes	19	(8)	11	(8)	(54)	(46)	(33)	46	(85)	(158)
Recovery of (provision for) income taxes	(5)	(5)	2	(2)	2	(12)	11	—	3	(6)
Net earnings (loss)	\$ 14	\$ (13)	\$ 13	\$ (10)	\$ (52)	\$ (58)	\$ (22)	\$ 46	\$ (82)	\$ (164)
Net earnings (loss) attributable to:										
Equity holders of Onex Corporation	\$ 2	\$ (11)	\$ 13	\$ (9)	\$ (51)	\$ (47)	\$ (22)	\$ 46	\$ (79)	\$ (158)
Non-controlling interests	12	(2)	—	(1)	(1)	(11)	—	—	(3)	(6)
Net earnings (loss)	\$ 14	\$ (13)	\$ 13	\$ (10)	\$ (52)	\$ (58)	\$ (22)	\$ 46	\$ (82)	\$ (164)
<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i> As at March 31, 2018	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other ^(a)	Consolidated Total
Total assets	\$ 2,976	\$ 1,279	\$ 990	\$ 1,509	\$ 6,831	\$ 6,799	\$ 2,087	\$ 10,392	\$ 12,760	\$ 45,623
Long-term debt ^(b)	\$ 181	\$ 1,133	\$ 386	\$ 944	\$ 3,905	\$ 3,106	\$ 933	\$ 7,978	\$ 4,026	\$ 22,592

(a) Includes Survitec, Schumacher, WireCo, ONCAP II, III and IV, Flushing Town Center, Meridian Aviation, Parkdean Resorts and the parent company. Investments in joint ventures and associates recorded at fair value include AIT, BBAM, Incline Aviation Fund, JELD-WEN, Mavis Discount Tire (up to March 2018), Pinnacle Renewable Energy (since February 2018) and Venanpri Group.

(b) Long-term debt includes current portion, excludes finance leases and is net of financing charges.

Onex Corporation

INFORMATION BY INDUSTRY SEGMENT

FOR THE THREE MONTHS ENDED MARCH 31, 2017

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i>	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other ^(a)	Consolidated Total
Revenues	\$ 1,482	\$ 421	\$ 437	\$ 188	\$ 501	\$ 345	\$ 1,120	\$ 1	\$ 1,196	\$ 5,691
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(1,358)	(252)	(331)	—	(329)	(138)	(939)	—	(869)	(4,216)
Operating expenses	(53)	(134)	(77)	(166)	(76)	(111)	(136)	(9)	(245)	(1,007)
Interest income	—	1	—	—	—	—	—	80	5	86
Amortization of property, plant and equipment	(16)	(16)	(7)	(2)	(48)	(3)	(24)	—	(35)	(151)
Amortization of intangible assets and deferred charges	(2)	(15)	(4)	(11)	(36)	(53)	(4)	(1)	(36)	(162)
Interest expense of operating companies and credit strategies	(3)	(37)	(5)	(18)	(51)	(42)	(18)	(48)	(55)	(277)
Increase in value of investments in joint ventures and associates at fair value, net	—	—	—	—	—	—	—	—	25	25
Stock-based compensation recovery (expense)	(11)	(1)	1	(1)	(1)	(2)	(1)	—	(46)	(62)
Other income (expense)	(8)	5	(2)	(3)	24	(20)	(54)	(31)	(121)	(210)
Limited Partners' Interests charge	—	—	—	—	—	—	—	(10)	(509)	(519)
Earnings (loss) before income taxes and discontinued operations	31	(28)	12	(13)	(16)	(24)	(56)	(18)	(690)	(802)
Recovery of (provision for) income taxes	(8)	(3)	(4)	4	2	(17)	24	—	—	(2)
Earnings (loss) from continuing operations	23	(31)	8	(9)	(14)	(41)	(32)	(18)	(690)	(804)
Loss from discontinued operations ^(b)	—	—	—	—	—	—	—	—	(132)	(132)
Net earnings (loss)	\$ 23	\$ (31)	\$ 8	\$ (9)	\$ (14)	\$ (41)	\$ (32)	\$ (18)	\$ (822)	\$ (936)
Net earnings (loss) attributable to:										
Equity holders of Onex Corporation	\$ 3	\$ (27)	\$ 8	\$ (8)	\$ (14)	\$ (22)	\$ (32)	\$ (18)	\$ (801)	\$ (911)
Non-controlling interests	20	(4)	—	(1)	—	(19)	—	—	(21)	(25)
Net earnings (loss)	\$ 23	\$ (31)	\$ 8	\$ (9)	\$ (14)	\$ (41)	\$ (32)	\$ (18)	\$ (822)	\$ (936)

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i> As at December 31, 2017	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other ^(a)	Consolidated Total
Total assets	\$ 2,964	\$ 1,321	\$ 971	\$ 1,524	\$ 6,808	\$ 5,656	\$ 2,094	\$ 10,048	\$ 13,310	\$ 44,696
Long-term debt ^(c)	\$ 187	\$ 1,132	\$ 379	\$ 939	\$ 3,770	\$ 2,566	\$ 943	\$ 7,877	\$ 4,256	\$ 22,049

- (a) Includes Survitec, Schumacher, WireCo, ONCAP II, III and IV, Flushing Town Center, Meridian Aviation, Parkdean Resorts (since March 2017) and the parent company. Investments in joint ventures and associates recorded at fair value include AIT, BBAM, Incline Aviation Fund, JELD-WEN (since May 2017), Mavis Discount Tire and Venanpri Group.
- (b) Represents the after-tax results of JELD-WEN and USI.
- (c) Long-term debt includes current portion, excludes finance leases and is net of financing charges.

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