

Onex Corporation

CONSOLIDATED BALANCE SHEETS

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i>	As at June 30, 2018	As at December 31, 2017	As at January 1, 2017
Assets			
Current assets			
Cash and cash equivalents	\$ 2,728	\$ 3,376	\$ 2,371
Short-term investments	146	258	154
Accounts receivable	3,226	3,320	3,873
Inventories	2,510	2,248	2,510
Other current assets	1,122	1,119	1,412
	9,732	10,321	10,320
Property, plant and equipment	5,078	5,326	4,275
Long-term investments	12,818	12,114	8,672
Other non-current assets	779	825	1,194
Intangible assets	8,297	7,887	9,286
Goodwill	8,617	8,223	9,174
	\$ 45,321	\$ 44,696	\$ 42,921
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities	\$ 4,512	\$ 4,396	\$ 4,294
Current portion of provisions	220	235	305
Other current liabilities	1,504	1,470	1,579
Current portion of long-term debt of operating companies and credit strategies, without recourse to Onex Corporation	1,615	333	407
Current portion of Limited Partners' Interests	56	59	89
	7,907	6,493	6,674
Non-current portion of provisions	217	243	340
Long-term debt of operating companies and credit strategies, without recourse to Onex Corporation	21,585	21,716	22,456
Other non-current liabilities	2,019	2,051	2,169
Deferred income taxes	1,208	1,190	1,533
Limited Partners' Interests	7,915	7,965	8,385
	40,851	39,658	41,557
Equity			
Share capital	319	321	324
Non-controlling interests	2,108	2,145	1,857
Retained earnings (deficit) and accumulated other comprehensive earnings (loss)	2,043	2,572	(817)
	4,470	5,038	1,364
	\$ 45,321	\$ 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 June 30		Six months ended June 30	
	2018	2017	2018	2017
Revenues	\$ 6,448	\$ 6,199	\$ 12,470	\$ 11,890
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(4,759)	(4,557)	(9,214)	(8,773)
Operating expenses	(1,080)	(1,053)	(2,151)	(2,060)
Interest income	131	89	246	175
Amortization of property, plant and equipment	(168)	(162)	(339)	(313)
Amortization of intangible assets and deferred charges	(191)	(167)	(381)	(329)
Interest expense of operating companies and credit strategies	(340)	(304)	(651)	(581)
Increase (decrease) in value of investments in joint ventures and associates at fair value, net	(70)	95	(155)	120
Stock-based compensation expense	(56)	(116)	(91)	(178)
Other gain	–	–	82	–
Other expense	(98)	(149)	(137)	(359)
Limited Partners' Interests charge	(57)	(357)	(77)	(876)
Loss before income taxes and discontinued operations	(240)	(482)	(398)	(1,284)
Provision for income taxes	(22)	(24)	(28)	(26)
Loss from continuing operations	(262)	(506)	(426)	(1,310)
Earnings from discontinued operations	–	3,174	–	3,042
Net Earnings (Loss)	\$ (262)	\$ 2,668	\$ (426)	\$ 1,732

Earnings (Loss) from Continuing Operations attributable to:

Equity holders of Onex Corporation	\$ (253)	\$ (517)	\$ (411)	\$ (1,308)
Non-controlling Interests	(9)	11	(15)	(2)
Loss from Continuing Operations	\$ (262)	\$ (506)	\$ (426)	\$ (1,310)

Net Earnings (Loss) attributable to:

Equity holders of Onex Corporation	\$ (253)	\$ 2,712	\$ (411)	\$ 1,801
Non-controlling Interests	(9)	(44)	(15)	(69)
Net Earnings (Loss)	\$ (262)	\$ 2,668	\$ (426)	\$ 1,732

Net Earnings (Loss) per Subordinate Voting Share of Onex Corporation

Basic and Diluted:				
Continuing operations	\$ (2.50)	\$ (5.05)	\$ (4.06)	\$ (12.77)
Discontinued operations	–	31.65	–	30.37
Net Earnings (Loss) per Subordinate Voting Share	\$ (2.50)	\$ 26.60	\$ (4.06)	\$ 17.60

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) (in millions of U.S. dollars)	Six months ended June 30	
	2018	2017
Operating Activities		
Loss for the period from continuing operations	\$ (426)	\$ (1,310)
Adjustments to loss from continuing operations:		
Provision for income taxes	28	26
Interest income	(246)	(175)
Interest expense of operating companies and credit strategies	651	581
Earnings (loss) before interest and provision for income taxes	7	(878)
Cash taxes paid	(119)	(112)
Items not affecting cash and cash equivalents:		
Amortization of property, plant and equipment	339	313
Amortization of intangible assets and deferred charges	381	329
Decrease (increase) in value of investments in joint ventures and associates at fair value, net	155	(120)
Stock-based compensation expense	64	127
Other gain	(82)	–
Foreign exchange (gain) loss	29	(56)
Limited Partners' Interests charge	77	876
Change in provisions	11	48
Change in carried interest	(27)	(61)
Other	(39)	146
	796	612
Changes in non-cash working capital items:		
Accounts receivable	132	139
Inventories	(206)	(7)
Other current assets	4	3
Accounts payable, accrued liabilities and other current liabilities	(38)	(174)
Decrease in cash and cash equivalents due to changes in non-cash working capital items	(108)	(39)
Increase (decrease) in other operating activities	(29)	27
Cash flows from operating activities of discontinued operations	–	10
	659	610
Financing Activities		
Issuance of long-term debt	2,959	1,400
Repayment of long-term debt	(1,476)	(1,587)
Cash interest paid	(604)	(504)
Cash dividends paid	(12)	(10)
Repurchase of share capital of Onex Corporation	(54)	(58)
Repurchase of share capital of operating companies	(51)	(15)
Contributions by Limited Partners	445	459
Issuance of share capital by operating companies	55	196
Proceeds from sale of interests in operating companies under continuing control	120	259
Distributions paid to non-controlling interests and Limited Partners	(587)	(1,836)
Increase (decrease) due to other financing activities	(12)	14
Cash flows from financing activities of discontinued operations	–	26
	783	(1,656)
Investing Activities		
Acquisitions, net of cash and cash equivalents in acquired companies of \$58 (2017 – \$62)	(1,347)	(621)
Purchase of property, plant and equipment	(363)	(311)
Proceeds from sales of operating companies and businesses no longer controlled	–	2,355
Proceeds from sales of investments in joint ventures and associates	570	–
Distributions received from investments in joint ventures and associates	37	46
Purchase of investments in joint ventures and associates	(27)	(6)
Cash interest received	240	181
Change in restricted cash	(9)	(15)
Net sales (purchases) of investments and securities for credit strategies	(1,389)	46
Net sales (purchases) of investments and securities at parent company and operating companies	383	(148)
Increase (decrease) due to other investing activities	(158)	46
Cash flows used in investing activities of discontinued operations	–	(240)
	(2,063)	1,333
Increase (Decrease) in Cash and Cash Equivalents for the Period	(621)	287
Increase (decrease) in cash due to changes in foreign exchange rates	(27)	23
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	2,728	2,681
Cash and cash equivalents held by disposal group	–	2
Cash and Cash Equivalents Held by Continuing Operations	\$ 2,728	\$ 2,679

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 JUNE 30, 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	\$ 1,696	\$ 415	\$ 449	\$ 197	\$ 676	\$ 403	\$ 1,122	\$ 1	\$ 1,489	\$ 6,448
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(1,571)	(242)	(336)	—	(441)	(197)	(949)	—	(1,023)	(4,759)
Operating expenses	(56)	(106)	(81)	(177)	(82)	(105)	(150)	(12)	(311)	(1,080)
Interest income	1	1	—	—	2	—	—	120	7	131
Amortization of property, plant and equipment	(18)	(16)	(7)	(2)	(57)	(4)	(22)	—	(42)	(168)
Amortization of intangible assets and deferred charges	(4)	(7)	(4)	(11)	(41)	(80)	(5)	(2)	(37)	(191)
Interest expense of operating companies and credit strategies	(5)	(24)	(7)	(18)	(59)	(51)	(21)	(78)	(77)	(340)
Decrease in value of investments in joint ventures and associates at fair value, net	—	—	—	—	—	—	—	—	(70)	(70)
Stock-based compensation expense	(8)	(1)	(1)	(1)	—	(5)	(2)	—	(38)	(56)
Other income (expense)	(14)	8	(1)	1	(13)	(32)	—	(23)	(24)	(98)
Limited Partners' Interests charge	—	—	—	—	—	—	—	(8)	(49)	(57)
Earnings (loss) before income taxes	21	28	12	(11)	(15)	(71)	(27)	(2)	(175)	(240)
Recovery of (provision for) income taxes	(5)	(3)	(2)	(2)	(8)	(3)	10	—	(9)	(22)
Net earnings (loss)	\$ 16	\$ 25	\$ 10	\$ (13)	\$ (23)	\$ (74)	\$ (17)	\$ (2)	\$ (184)	\$ (262)
Net earnings (loss) attributable to:										
Equity holders of Onex Corporation	\$ 2	\$ 23	\$ 9	\$ (11)	\$ (23)	\$ (55)	\$ (18)	\$ (2)	\$ (178)	\$ (253)
Non-controlling interests	14	2	1	(2)	—	(19)	1	—	(6)	(9)
Net earnings (loss)	\$ 16	\$ 25	\$ 10	\$ (13)	\$ (23)	\$ (74)	\$ (17)	\$ (2)	\$ (184)	\$ (262)

(a) Includes Flushing Town Center, Meridian Aviation, Parkdean Resorts, Survitec, Schumacher, WireCo, the operating companies of ONCAP II, III and IV (excluding IntraPac) and the parent company. Investments in joint ventures and associates recorded at fair value include AIT, BBAM, Incline Aviation Fund, JELD-WEN, Pinnacle Renewable Energy and Venanpri Group.

Onex Corporation

INFORMATION BY INDUSTRY SEGMENT

FOR THE THREE MONTHS ENDED JUNE 30, 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	\$ 1,557	\$ 504	\$ 446	\$ 191	\$ 571	\$ 299	\$ 1,196	\$ 1	\$ 1,434	\$ 6,199
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(1,430)	(288)	(338)	—	(370)	(125)	(1,003)	—	(1,003)	(4,557)
Operating expenses	(54)	(131)	(79)	(167)	(74)	(96)	(139)	(16)	(297)	(1,053)
Interest income	1	—	—	—	2	—	—	83	3	89
Amortization of property, plant and equipment	(17)	(15)	(8)	(2)	(49)	(2)	(26)	—	(43)	(162)
Amortization of intangible assets and deferred charges	(3)	(11)	(3)	(11)	(37)	(64)	(5)	(2)	(31)	(167)
Interest expense of operating companies and credit strategies	(3)	(39)	(5)	(18)	(50)	(50)	(20)	(51)	(68)	(304)
Increase in value of investments in joint ventures and associates at fair value, net	—	—	—	—	—	—	—	—	95	95
Stock-based compensation expense	(6)	(2)	(1)	—	—	(7)	(1)	—	(99)	(116)
Other income (expense)	(7)	(8)	(1)	(2)	2	(45)	(17)	(36)	(35)	(149)
Limited Partners' Interests charge	—	—	—	—	—	—	—	(3)	(354)	(357)
Earnings (loss) before income taxes and discontinued operations	38	10	11	(9)	(5)	(90)	(15)	(24)	(398)	(482)
Recovery of (provision for) income taxes	(4)	(10)	(4)	3	(3)	—	7	—	(13)	(24)
Earnings (loss) from continuing operations	34	—	7	(6)	(8)	(90)	(8)	(24)	(411)	(506)
Earnings from discontinued operations ^(b)	—	—	—	—	—	—	—	—	3,174	3,174
Net earnings (loss)	\$ 34	\$ —	\$ 7	\$ (6)	\$ (8)	\$ (90)	\$ (8)	\$ (24)	\$ 2,763	\$ 2,668
Net earnings (loss) attributable to:										
Equity holders of Onex Corporation	\$ 4	\$ —	\$ 7	\$ (6)	\$ (8)	\$ (71)	\$ (8)	\$ (24)	\$ 2,818	\$ 2,712
Non-controlling interests	30	—	—	—	—	(19)	—	—	(55)	(44)
Net earnings (loss)	\$ 34	\$ —	\$ 7	\$ (6)	\$ (8)	\$ (90)	\$ (8)	\$ (24)	\$ 2,763	\$ 2,668

- (a) Includes Flushing Town Center, Meridian Aviation, Parkdean Resorts, Survitec, Schumacher, WireCo, the operating companies of ONCAP II, III and IV 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.

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 SIX MONTHS ENDED JUNE 30, 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	\$ 3,195	\$ 792	\$ 880	\$ 397	\$ 1,283	\$ 833	\$ 2,261	\$ 2	\$ 2,827	\$ 12,470
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(2,953)	(462)	(662)	—	(849)	(406)	(1,917)	—	(1,965)	(9,214)
Operating expenses	(108)	(217)	(156)	(353)	(166)	(210)	(306)	(25)	(610)	(2,151)
Interest income	1	2	—	—	2	—	—	226	15	246
Amortization of property, plant and equipment	(37)	(33)	(14)	(4)	(115)	(7)	(44)	—	(85)	(339)
Amortization of intangible assets and deferred charges	(6)	(18)	(8)	(23)	(82)	(157)	(9)	(3)	(75)	(381)
Interest expense of operating companies and credit strategies	(9)	(47)	(13)	(36)	(115)	(96)	(42)	(143)	(150)	(651)
Decrease in value of investments in joint ventures and associates at fair value, net	—	—	—	—	—	—	—	—	(155)	(155)
Stock-based compensation expense	(18)	(4)	(3)	(2)	(1)	(10)	(4)	—	(49)	(91)
Other gain	—	—	—	—	—	—	—	—	82	82
Other income (expense)	(25)	7	(1)	2	(26)	(64)	1	4	(35)	(137)
Limited Partners' Interests charge	—	—	—	—	—	—	—	(17)	(60)	(77)
Earnings (loss) before income taxes	40	20	23	(19)	(69)	(117)	(60)	44	(260)	(398)
Recovery of (provision for) income taxes	(10)	(8)	—	(4)	(6)	(15)	21	—	(6)	(28)
Net earnings (loss)	\$ 30	\$ 12	\$ 23	\$ (23)	\$ (75)	\$ (132)	\$ (39)	\$ 44	\$ (266)	\$ (426)
Net earnings (loss) attributable to:										
Equity holders of Onex Corporation	\$ 4	\$ 12	\$ 22	\$ (20)	\$ (74)	\$ (102)	\$ (40)	\$ 44	\$ (257)	\$ (411)
Non-controlling interests	26	—	1	(3)	(1)	(30)	1	—	(9)	(15)
Net earnings (loss)	\$ 30	\$ 12	\$ 23	\$ (23)	\$ (75)	\$ (132)	\$ (39)	\$ 44	\$ (266)	\$ (426)
<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i> As at June 30, 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	\$ 3,212	\$ 1,227	\$ 1,010	\$ 1,481	\$ 6,589	\$ 6,610	\$ 2,048	\$ 11,042	\$ 12,102	\$ 45,321
Long-term debt ^(b)	\$ 345	\$ 1,135	\$ 383	\$ 939	\$ 3,802	\$ 3,083	\$ 917	\$ 8,602	\$ 3,994	\$ 23,200

- (a) Includes Flushing Town Center, Meridian Aviation, Parkdean Resorts, Survitec, Schumacher, WireCo, the operating companies of ONCAP II, III and IV (excluding IntraPac) 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 SIX MONTHS ENDED JUNE 30, 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	\$ 3,039	\$ 925	\$ 883	\$ 379	\$ 1,072	\$ 644	\$ 2,316	\$ 2	\$ 2,630	\$ 11,890
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(2,788)	(540)	(669)	—	(699)	(263)	(1,942)	—	(1,872)	(8,773)
Operating expenses	(107)	(265)	(156)	(333)	(150)	(207)	(275)	(25)	(542)	(2,060)
Interest income	1	1	—	—	2	—	—	163	8	175
Amortization of property, plant and equipment	(33)	(31)	(15)	(4)	(97)	(5)	(50)	—	(78)	(313)
Amortization of intangible assets and deferred charges	(5)	(26)	(7)	(22)	(73)	(117)	(9)	(3)	(67)	(329)
Interest expense of operating companies and credit strategies	(6)	(76)	(10)	(36)	(101)	(92)	(38)	(99)	(123)	(581)
Increase in value of investments in joint ventures and associates at fair value, net	—	—	—	—	—	—	—	—	120	120
Stock-based compensation expense	(17)	(3)	—	(1)	(1)	(9)	(2)	—	(145)	(178)
Other income (expense)	(15)	(3)	(3)	(5)	26	(65)	(71)	(67)	(156)	(359)
Limited Partners' Interests charge	—	—	—	—	—	—	—	(13)	(863)	(876)
Earnings (loss) before income taxes and discontinued operations	69	(18)	23	(22)	(21)	(114)	(71)	(42)	(1,088)	(1,284)
Recovery of (provision for) income taxes	(12)	(13)	(8)	7	(1)	(17)	31	—	(13)	(26)
Earnings (loss) from continuing operations	57	(31)	15	(15)	(22)	(131)	(40)	(42)	(1,101)	(1,310)
Earnings from discontinued operations ^(b)	—	—	—	—	—	—	—	—	3,042	3,042
Net earnings (loss)	\$ 57	\$ (31)	\$ 15	\$ (15)	\$ (22)	\$ (131)	\$ (40)	\$ (42)	\$ 1,941	\$ 1,732
Net earnings (loss) attributable to:										
Equity holders of Onex Corporation	\$ 7	\$ (27)	\$ 15	\$ (14)	\$ (22)	\$ (93)	\$ (40)	\$ (42)	\$ 2,017	\$ 1,801
Non-controlling interests	50	(4)	—	(1)	—	(38)	—	—	(76)	(69)
Net earnings (loss)	\$ 57	\$ (31)	\$ 15	\$ (15)	\$ (22)	\$ (131)	\$ (40)	\$ (42)	\$ 1,941	\$ 1,732

<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 Flushing Town Center, Meridian Aviation, Parkdean Resorts (since March 2017), Survitec, Schumacher, WireCo, the operating companies of ONCAP II, III and IV 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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