

# ONEX CORPORATION

## CONSOLIDATED BALANCE SHEETS

<i>(in millions of U.S. dollars)</i>	<b>As at December 31, 2018</b>	As at December 31, 2017	As at January 1, 2017
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 2,680	\$ 3,376	\$ 2,371
Short-term investments	77	258	154
Accounts receivable	3,186	3,320	3,873
Inventories	2,656	2,248	2,510
Other current assets	1,124	1,119	1,412
Assets held by discontinued operations	1,148	–	–
	<b>10,871</b>	10,321	10,320
Property, plant and equipment	4,913	5,326	4,275
Long-term investments	12,756	12,114	8,672
Other non-current assets	616	825	1,194
Intangible assets	8,048	7,887	9,286
Goodwill	8,213	8,223	9,174
	<b>\$ 45,417</b>	\$ 44,696	\$ 42,921
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	\$ 4,116	\$ 4,396	\$ 4,294
Current portion of provisions	151	227	264
Other current liabilities	1,800	1,478	1,620
Current portion of long-term debt, without recourse to Onex Corporation	879	333	407
Current portion of Limited Partners' Interests	560	59	89
Liabilities held by discontinued operations	775	–	–
	<b>8,281</b>	6,493	6,674
Non-current portion of provisions	162	224	254
Long-term debt, without recourse to Onex Corporation	21,465	21,716	22,456
Other non-current liabilities	1,615	2,070	2,255
Deferred income taxes	1,138	1,190	1,533
Limited Partners' Interests	7,119	7,965	8,385
	<b>39,780</b>	39,658	41,557
<b>Equity</b>			
Share capital	320	321	324
Non-controlling interests	3,075	2,145	1,857
Retained earnings (deficit) and accumulated other comprehensive earnings (loss)	2,242	2,572	(817)
	<b>5,637</b>	5,038	1,364
	<b>\$ 45,417</b>	\$ 44,696	\$ 42,921

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

# ONEX CORPORATION

## CONSOLIDATED STATEMENTS OF EARNINGS

Year ended December 31 <i>(in millions of U.S. dollars except per share data)</i>	2018	2017
<b>Revenues</b>	<b>\$ 23,785</b>	\$ 22,767
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	<b>(17,563)</b>	(16,624)
Operating expenses	<b>(4,077)</b>	(3,903)
Interest income	<b>538</b>	376
Amortization of property, plant and equipment	<b>(643)</b>	(612)
Amortization of intangible assets and deferred charges	<b>(744)</b>	(662)
Interest expense	<b>(1,439)</b>	(1,191)
Increase (decrease) in value of investments in joint ventures and associates at fair value, net	<b>(585)</b>	760
Stock-based compensation recovery (expense)	<b>58</b>	(175)
Other gains	<b>343</b>	731
Other expense	<b>(517)</b>	(703)
Impairment of goodwill, intangible assets and long-lived assets, net	<b>(627)</b>	(179)
Limited Partners' Interests recovery (charge)	<b>714</b>	(1,350)
<b>Loss before income taxes and discontinued operations</b>	<b>(757)</b>	(765)
Recovery of (provision for) income taxes	<b>(89)</b>	66
<b>Loss from continuing operations</b>	<b>(846)</b>	(699)
Earnings from discontinued operations	<b>50</b>	3,103
<b>Net Earnings (Loss) for the Year</b>	<b>\$ (796)</b>	\$ 2,404
<b>Earnings (Loss) from Continuing Operations attributable to:</b>		
Equity holders of Onex Corporation	<b>\$ (711)</b>	\$ (768)
Non-controlling Interests	<b>(135)</b>	69
<b>Loss from Continuing Operations for the Year</b>	<b>\$ (846)</b>	\$ (699)
<b>Net Earnings (Loss) attributable to:</b>		
Equity holders of Onex Corporation	<b>\$ (663)</b>	\$ 2,401
Non-controlling Interests	<b>(133)</b>	3
<b>Net Earnings (Loss) for the Year</b>	<b>\$ (796)</b>	\$ 2,404
<b>Net Earnings (Loss) per Subordinate Voting Share of Onex Corporation</b>		
Basic and Diluted:		
Continuing operations	<b>\$ (7.05)</b>	\$ (7.51)
Discontinued operations	<b>0.48</b>	31.05
<b>Net Earnings (Loss) per Subordinate Voting Share for the Year</b>	<b>\$ (6.57)</b>	\$ 23.54

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# ONEX CORPORATION

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended December 31 <i>(in millions of U.S. dollars)</i>	2018	2017
<b>Operating Activities</b>		
Loss for the year from continuing operations	\$ (846)	\$ (699)
Adjustments to loss from continuing operations:		
Provision for (recovery of) income taxes	89	(66)
Interest income	(538)	(376)
Interest expense	1,439	1,191
Earnings before interest and provision for (recovery of) income taxes	144	50
Cash taxes paid	(241)	(241)
Items not affecting cash and cash equivalents:		
Amortization of property, plant and equipment	643	612
Amortization of intangible assets and deferred charges	744	662
Decrease (increase) in value of investments in joint ventures and associates at fair value, net	585	(760)
Stock-based compensation expense (recovery)	(111)	117
Other gains	(343)	(731)
Foreign exchange (gain) loss	(31)	74
Impairment of goodwill, intangible assets and long-lived assets, net	627	179
Limited Partners' Interests charge (recovery)	(714)	1,350
Change in provisions	19	32
Change in carried interest	(132)	(39)
Other	235	252
	1,425	1,557
Changes in non-cash working capital items:		
Accounts receivable	(159)	(34)
Inventories	(273)	55
Other current assets	(60)	59
Accounts payable, accrued liabilities and other current liabilities	229	123
Increase (decrease) in cash and cash equivalents due to changes in non-cash working capital items	(263)	203
Increase due to other operating activities	57	5
Cash flows from operating activities of discontinued operations	129	110
	1,348	1,875
<b>Financing Activities</b>		
Issuance of long-term debt	7,023	8,053
Repayment of long-term debt	(5,597)	(7,227)
Cash interest paid	(1,228)	(1,047)
Cash dividends paid	(25)	(22)
Repurchase of share capital of Onex Corporation	(77)	(93)
Repurchase of share capital of operating companies	(122)	(54)
Contributions by Limited Partners	1,596	673
Issuance of share capital by operating companies	1,278	198
Proceeds from sale of interests in operating companies under continuing control	631	259
Proceeds from sale-leaseback transaction	-	91
Distributions paid to non-controlling interests and Limited Partners	(1,255)	(2,332)
Limited Partnership interest acquired by Onex, the parent company	-	(156)
Increase (decrease) due to other financing activities	(123)	113
Cash flows from (used in) financing activities of discontinued operations	29	(46)
	2,130	(1,590)
<b>Investing Activities</b>		
Acquisitions, net of cash and cash equivalents in acquired companies of \$105 (2017 - \$75)	(2,597)	(970)
Purchase of property, plant and equipment	(654)	(709)
Proceeds from sales of operating companies and businesses no longer controlled	410	3,214
Proceeds from sales of investments in joint ventures and associates	570	591
Distributions received from investments in joint ventures and associates	63	71
Purchase of investments in joint ventures and associates	(1,243)	(6)
Cash interest received	522	367
Cash dividends received	28	106
Change in restricted cash	5	(38)
Net purchases of investments and securities for credit strategies	(1,781)	(944)
Net sales (purchases) of investments and securities at parent company and operating companies	578	(691)
Increase (decrease) due to other investing activities	160	(45)
Cash flows used in investing activities of discontinued operations	(145)	(263)
	(4,084)	683
<b>Increase (Decrease) in Cash and Cash Equivalents for the Year</b>	(606)	968
Increase (decrease) in cash due to changes in foreign exchange rates	(63)	37
Cash and cash equivalents, beginning of the year - continuing operations	3,362	2,160
Cash and cash equivalents, beginning of the year - discontinued operations	14	211
<b>Cash and Cash Equivalents</b>	2,707	3,376
<b>Cash and cash equivalents held by discontinued operations</b>	27	14
<b>Cash and Cash Equivalents Held by Continuing Operations</b>	\$ 2,680	\$ 3,362

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

# ONEX CORPORATION

## INFORMATION BY INDUSTRY SEGMENT

### FOR THE YEAR ENDED DECEMBER 31, 2018

	Electronics Manufacturing Services	Healthcare Imaging	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other	Consolidated Total
Revenues	\$ 6,633	\$ 1,601	\$ 793	\$ 2,776	\$ 1,647	\$ 4,467	\$ 3	\$ 5,865	\$ 23,785
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(6,117)	(959)	–	(1,839)	(699)	(3,838)	–	(4,111)	(17,563)
Operating expenses	(226)	(424)	(700)	(328)	(518)	(597)	(49)	(1,235)	(4,077)
Interest income	1	4	–	2	–	1	499	31	538
Amortization of property, plant and equipment	(74)	(62)	(9)	(238)	(14)	(87)	–	(159)	(643)
Amortization of intangible assets and deferred charges	(15)	(25)	(47)	(163)	(318)	(18)	(5)	(153)	(744)
Interest expense	(26)	(98)	(74)	(307)	(201)	(85)	(324)	(324)	(1,439)
Decrease in value of investments in joint ventures and associates at fair value, net	–	–	–	–	–	–	–	(585)	(585)
Stock-based compensation recovery (expense)	(33)	(4)	(4)	(2)	(23)	(7)	–	131	58
Other gains	–	–	–	–	–	–	–	343	343
Other expense	(61)	(74)	–	(65)	(96)	(8)	(206)	(7)	(517)
Impairment of goodwill, intangible assets and long-lived assets, net	–	–	–	(52)	(39)	(150)	–	(386)	(627)
Limited Partners' Interests recovery (charge)	–	–	–	–	–	–	(1)	715	714
Earnings (loss) before income taxes and discontinued operations	82	(41)	(41)	(216)	(261)	(322)	(83)	125	(757)
Recovery of (provision for) income taxes	17	(18)	(9)	(4)	(3)	(49)	–	(23)	(89)
Earnings (loss) from continuing operations	99	(59)	(50)	(220)	(264)	(371)	(83)	102	(846)
Earnings from discontinued operations <sup>(a)</sup>	–	–	–	–	–	–	–	50	50
Net earnings (loss)	\$ 99	\$ (59)	\$ (50)	\$ (220)	\$ (264)	\$ (371)	\$ (83)	\$ 152	\$ (796)
<b>Net earnings (loss) attributable to:</b>									
Equity holders of Onex Corporation	\$ 14	\$ (52)	\$ (44)	\$ (163)	\$ (197)	\$ (372)	\$ (83)	\$ 234	\$ (663)
Non-controlling interests	85	(7)	(6)	(57)	(67)	1	–	(82)	(133)
Net earnings (loss)	\$ 99	\$ (59)	\$ (50)	\$ (220)	\$ (264)	\$ (371)	\$ (83)	\$ 152	\$ (796)

<i>(in millions of U.S. dollars)</i>	Electronics Manufacturing Services	Healthcare Imaging	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other	Consolidated Total
As at December 31, 2018									
Total assets	\$ 3,738	\$ 1,192	\$ 1,487	\$ 6,771	\$ 6,526	\$ 1,784	\$ 10,247	\$ 13,672	\$ 45,417
Long-term debt <sup>(b)</sup>	\$ 747	\$ 1,149	\$ 950	\$ 2,762	\$ 3,088	\$ 953	\$ 8,420	\$ 4,275	\$ 22,344
Property, plant and equipment additions <sup>(c)</sup>	\$ 88	\$ 41	\$ 6	\$ 299	\$ 14	\$ 81	\$ 3	\$ 189	\$ 721
Intangible assets with indefinite life	\$ –	\$ 8	\$ 148	\$ 438	\$ 308	\$ 436	\$ –	\$ 421	\$ 1,759
Goodwill additions from acquisitions <sup>(c)</sup>	\$ 175	\$ –	\$ 1	\$ 86	\$ 433	\$ –	\$ –	\$ 556	\$ 1,251
Goodwill	\$ 198	\$ 227	\$ 615	\$ 2,278	\$ 2,685	\$ 230	\$ 62	\$ 1,918	\$ 8,213

(a) Represents the after-tax results of BrightSpring Health (up to December 2018).

(b) Includes the current portion of long-term debt, excludes finance leases and is net of financing charges.

(c) Amounts for 2018 include BrightSpring Health (up to December 2018), which is a discontinued operation.

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

# ONEX CORPORATION

## INFORMATION BY INDUSTRY SEGMENT

### FOR THE YEAR ENDED DECEMBER 31, 2017

	Electronics Manufacturing Services	Healthcare Imaging	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other	Consolidated Total
Revenues	\$ 6,143	\$ 1,862	\$ 775	\$ 2,395	\$ 1,262	\$ 4,724	\$ 4	\$ 5,602	\$ 22,767
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(5,645)	(1,068)	–	(1,528)	(517)	(3,984)	–	(3,882)	(16,624)
Operating expenses	(209)	(507)	(696)	(302)	(414)	(572)	(64)	(1,139)	(3,903)
Interest income	2	2	–	2	–	1	346	23	376
Amortization of property, plant and equipment	(68)	(62)	(6)	(199)	(8)	(105)	–	(164)	(612)
Amortization of intangible assets and deferred charges	(9)	(47)	(46)	(150)	(253)	(18)	(5)	(134)	(662)
Interest expense	(12)	(145)	(72)	(223)	(176)	(82)	(211)	(270)	(1,191)
Increase in value of investments in joint ventures and associates at fair value, net	–	–	–	–	–	–	–	760	760
Stock-based compensation expense	(30)	(4)	(3)	(1)	(20)	(6)	–	(111)	(175)
Other gain	–	731	–	–	–	–	–	–	731
Other expense	(39)	(9)	(3)	(107)	(77)	(69)	(111)	(288)	(703)
Impairment of goodwill, intangible assets and long-lived assets, net	–	–	–	(2)	(7)	(5)	–	(165)	(179)
Limited Partners' Interests charge	–	–	–	–	–	–	(20)	(1,330)	(1,350)
Earnings (loss) before income taxes and discontinued operations	133	753	(51)	(115)	(210)	(116)	(61)	(1,098)	(765)
Recovery of (provision for) income taxes	(27)	(61)	60	18	48	32	–	(4)	66
Earnings (loss) from continuing operations	106	692	9	(97)	(162)	(84)	(61)	(1,102)	(699)
Earnings from discontinued operations <sup>(a)</sup>	–	–	–	–	–	–	–	3,103	3,103
Net earnings (loss)	\$ 106	\$ 692	\$ 9	\$ (97)	\$ (162)	\$ (84)	\$ (61)	\$ 2,001	\$ 2,404
<b>Net earnings (loss) attributable to:</b>									
Equity holders of Onex Corporation	\$ 14	\$ 630	\$ 7	\$ (98)	\$ (114)	\$ (85)	\$ (61)	\$ 2,108	\$ 2,401
Non-controlling interests	92	62	2	1	(48)	1	–	(107)	3
Net earnings (loss)	\$ 106	\$ 692	\$ 9	\$ (97)	\$ (162)	\$ (84)	\$ (61)	\$ 2,001	\$ 2,404

(in millions of U.S. dollars)

As at December 31, 2017

	Electronics Manufacturing Services	Healthcare Imaging	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other	Consolidated Total
Total assets	\$ 2,964	\$ 1,321	\$ 1,524	\$ 6,808	\$ 5,656	\$ 2,094	\$ 10,048	\$ 14,281	\$ 44,696
Long-term debt <sup>(b)</sup>	\$ 187	\$ 1,132	\$ 939	\$ 3,770	\$ 2,566	\$ 943	\$ 7,877	\$ 4,635	\$ 22,049
Property, plant and equipment additions <sup>(c)</sup>	\$ 95	\$ 64	\$ 6	\$ 269	\$ 8	\$ 48	\$ 1	\$ 261	\$ 752
Intangible assets with indefinite life	\$ –	\$ 8	\$ 148	\$ 443	\$ 458	\$ 436	\$ –	\$ 564	\$ 2,057
Goodwill additions from acquisitions	\$ –	\$ –	\$ 1	\$ –	\$ 72	\$ –	\$ –	\$ 495	\$ 568
Goodwill	\$ 23	\$ 227	\$ 616	\$ 2,327	\$ 2,304	\$ 230	\$ 62	\$ 2,434	\$ 8,223

(a) Represents the after-tax results of BrightSpring Health, JELD-WEN (up to May 2017) and USI (up to May 2017).

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

(c) Amounts for 2017 include BrightSpring Health, JELD-WEN (up to May 2017) and USI (up to May 2017), which are discontinued operations.

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