



FOR IMMEDIATE RELEASE

THE CALDWELL PARTNERS INTERNATIONAL ISSUES STRONG FISCAL 2018 FOURTH QUARTER AND FULL YEAR FINANCIAL RESULTS

- Annual revenue of **\$66.9 million**.
- Operating profit of **\$3.97 million**.
- Board declares 27th consecutive quarterly dividend and raises dividend to **2.25 cents**.

Toronto - November 13, 2018 - Retained executive search firm The Caldwell Partners International Inc. (TSX: CWL) today issued its financial results for the fiscal 2018 fourth quarter and year ended August 31, 2018. All references to quarters or years are for the fiscal periods unless otherwise noted and all currency amounts are in Canadian dollars.

Financial Highlights (in \$000s except per share amounts)

	Three Months Ended August 31		Year Ended August 31	
	2018	2017	2018	2017
Professional fees	\$18,743	\$15,758	\$66,512	\$57,495
License fees	\$142	\$92	\$371	\$310
Revenues	\$18,885	\$15,850	\$66,883	\$57,805
Cost of sales	\$13,552	\$11,588	\$48,968	\$42,305
Expenses	\$4,259	\$3,476	\$13,949	\$12,387
Operating profit	\$1,074	\$786	\$3,966	\$3,113
Investment income (loss) from marketable securities	\$8	\$180	\$14	\$38
Earnings before tax	\$1,082	\$966	\$3,980	\$3,151
Net earnings after tax (1)	\$347	\$704	\$2,015	\$1,957
Net earnings per share	\$0.017	\$0.034	\$0.099	\$0.096

1. As a result of the new substantively enacted tax rate, the Company's US entity deferred tax balances were adjusted by \$654 for the year, resulting in deferred tax expenses with \$204 being recognized in the second quarter when the deferred tax assets were adjusted to the hybrid fiscal 2018 rate and \$450 in fourth quarter when the deferred tax assets were adjusted to the fully reduced rate we anticipate to be able to utilize in future periods. No such expense was incurred in the prior year.

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“This was an outstanding year of accomplishment and growth for Caldwell,” said John Wallace, chief executive officer. “We exceeded expectations for both the quarter and the year, and saw significant year-over-year increases in revenue (+15.7%) and operating profit (+27.4%). Our fourth quarter brought record levels of revenue, positioning us well as we head into fiscal 2019.

Wallace added: “We continue to grow our scale and resultant impact in the marketplace. Collaboration among partner teams and geographies has further expanded, and there is now more significant breadth and depth to the expertise we can offer to our clients. Products and services that support our core competency of retained executive search, such as our Agile Talent Solutions, allow us to provide more seamless talent solutions to our clients. As does expanding our partner team in important geographies and industries, as we already have by adding three new partners in the new fiscal year thus far. In all things our primary drive and focus remains on connecting our clients with transformational talent and our shareholders with increasing value.”

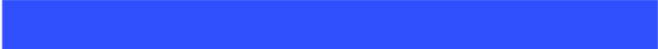
The Board of Directors today also declared the payment of a quarterly dividend of 2.25 cents per Common Share payable to holders of Common Shares of record on November 26, 2018 and to be paid on December 14, 2018.

Financial Highlights (all numbers expressed in \$000s)

- Operating revenue:

Fourth Quarter

- Professional fees for the fourth quarter of 2018 increased 18.9% (16.2% excluding a favourable 2.7% variance from exchange rate fluctuations) over the comparable period last year to \$18,743 (2017: \$15,758).
 - Fourth quarter professional fees in the US were up 35.7% (31.9% excluding a favourable 3.8% variance from exchange rate fluctuations) to \$14,244 (2017: \$10,492). A decrease in the Average Number of Partners was more than offset by increases in the Number of Assignments per Partner and the Average Fee per Assignment during the period.
 - Fourth quarter professional fees in Canada were down 24.5% to \$3,836 (2017: \$5,079). The impact of a lower Average Number of Partners, lower Number of Assignments per Partner and a lower Average Fee per Assignment. Two specific assignments generating collective Professional Fees in excess of \$800 in the previous year without similar high fee searches in the current year drove much of the decrease in professional fees and the Average Fee per Assignment in the current quarter.
 - Fourth quarter professional fees in Europe were up 254.5% (up 244.6% excluding a favourable 9.9% variance from exchange rate fluctuations) to \$663 (2017: \$187). A decrease in the Average Fee per Assignment was more than offset by increases in the Average Number of Partners and the Number of Assignments per Partner.
- License fees from our licensees in Latin America and New Zealand for the use of the Caldwell brand and intellectual property for the 2018 fourth quarter were \$142 (2017: \$92).



Full Year

- Professional fees for the year increased 15.7% (an increase of 17.9% excluding an unfavourable 2.2% variance from exchange rate fluctuations) over the comparable period last year to \$66,512 (2017: \$57,495).
 - Year to date professional fees in the US were up 19.5% (22.7% excluding an unfavourable 3.2% variance from exchange rate fluctuations) to \$49,770 (2017: \$41,658). This was the result of increases in the Average Number of Partners, the Number of Assignments per Partner and the Average Fee per Assignment during the period.
 - Year to date professional fees in Canada were down 2.1% to \$14,546 (2017: \$14,852), with a higher Average Fee per Assignment and higher Number of Assignments per Partner being more than offset by a lower Average Number of Partners.
 - Year to date professional fees in Europe were up 122.9% (up 113.8% excluding a favourable 9.1% variance from exchange rate fluctuations) to \$2,196 (2017: \$985) with a higher Average Number of Partners, Number of Assignments per Partner and Average Fee per Assignment.
- Year to date license fees for the year ended August 31, 2018 were \$371 (2017: \$310).

- Operating profit:

Fourth Quarter

- For the 2018 fourth quarter, higher revenue (\$3,035) partially offset by higher cost of sales (\$1,964) and expenses (\$783) resulted in an increase in operating profit of \$288 over the comparable period in the prior year to \$1,074 (2017: \$786).
 - Fourth quarter cost of sales increased 16.9% or \$1,964 to \$13,552 (14.4% excluding an unfavourable 2.5% variance from exchange rate fluctuations) from \$11,588.
 - Fourth quarter expenses increased 22.5% or \$783 from the prior year comparable period to \$4,259 (2017: \$3,476). Excluding exchange rate variances of \$31, expenses on a constant currency basis increased \$752 or 21.7% versus the same period last year. The constant currency increase was the result of increased share-based compensation expense caused by an increase in the share price in the current year as well as an increase in the performance factor as a result of exceeding operational performance targets (\$541), increased legal fees (\$118), increased director expenses resulting from higher deferred stock unit valuations on the higher share price (\$116) and increased marketing expenses related to our brand update initiative (\$55). These increases were partially offset by lower foreign exchange gains on intercompany loan balances and US dollar denominated bank account balances (\$72) and general cost increases decreases across other categories (\$6).
 - On a segment basis, the fourth quarter operating profit of \$1,074 came from the US producing \$952 (\$633 prior to eliminating \$319 of intercompany license fees), Canada \$282 (\$601 prior to eliminating \$319 of intercompany license fee revenue) and Europe generating an operating loss of \$160.
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Full Year

- For the 2018 full year, higher revenue (\$9,078) partially offset by higher cost of sales (\$6,663) and expenses (\$1,562) resulted in an increase in operating profit of \$853 to \$3,966 (2017: \$3,113).
 - Cost of sales for the year increased 15.7% to \$48,968 (18.1% excluding a favourable 2.4% variance from exchange rate fluctuations) from \$42,305.
 - Full year expenses increased 12.6% or \$1,562 over the prior year to \$13,949 (2017: \$12,387). Excluding exchange rate variances of \$199, expenses on a constant currency basis increased \$1,761 or 14.2% over the same period last year. Constant currency cost increases were seen in increased share-based compensation expense caused by the increase in the share price in the current year as well as an increase in the performance factor as a result of exceeding operational performance targets (\$766), increased marketing expenses related to our brand update initiative which is now complete (\$216), firm-wide search team practice meetings for business development and training being held during the current year but not in the prior year (\$182), increased director expenses resulting from higher deferred stock unit valuations due to the increase in share price (\$130), increased business development costs on higher revenue (\$122), a reduction in the final earn-out amount payable from the fiscal 2015 acquisition of Hawksmoor Search Limited benefiting the prior year with no such benefit in the current year as the amount was fully settled (\$115), increased legal fees (\$79), increased partner recruitment expenses (\$77) and general increases across other categories (\$74).
- On a segment basis, full year operating profit of \$3,966 came from operating profit in the US of \$3,464 (\$2,341 prior to eliminating \$1,123 of intercompany license fees) and operating profit in Canada of \$1,044 (\$2,167 prior to eliminating intercompany license fee revenue) being offset by an operating loss in Europe of \$542.
- Net earnings after tax:
 - On December 22, 2017, the US tax reform ("Tax Cuts and Jobs Act") was substantively enacted and reduced the maximum federal corporate income tax rate for the Company's US entity from 35% to 21%. As this rate change occurred part way into our fiscal year, a hybrid rate derived from the current and new tax rates applies to our fiscal 2018 full year US taxable income. As a result of this new substantively enacted tax rate, the Company's US entity deferred tax balances were adjusted during the second quarter based on an estimated hybrid rate, and again in the fourth quarter to reflect the fully reduced rate to be realized in fiscal 2019 and future years. Including state and local taxes in addition to federal, the approximate overall impact in the United States is a reduction in our blended US statutory rate from 37.6% in fiscal 2017 to 29.4% in fiscal 2018 and 25.3% in fiscal 2019 and future periods. While the newly lowered rates decrease our current income tax expense accordingly, the rate reductions also result in deferred tax charges in the

year to revalue our deferred tax assets originally recognized at the higher rates. This resulted in deferred tax expense for the full year of \$654, with \$204 recognized in the second quarter when the deferred tax assets were adjusted to the hybrid fiscal 2018 rate and \$450 in fourth quarter when the deferred tax assets were adjusted to the fully reduced rate we anticipate to be able to utilize in future periods.

- Income tax expense in the fourth quarter of fiscal 2018 was \$734 (\$284 net of deferred tax expense for the enacted rate adjustment) (2017: \$262) arising from a current income tax expense of \$1,131 (2017: \$462 recovery) offset by a deferred tax recovery of \$398 (2017: \$724 expense).
- Fourth quarter net earnings were \$347 (\$0.017 per share) in 2018, as compared to \$704 (\$0.034 per share) in the comparable period a year earlier.
- The full year net earnings after tax were \$2,015 (\$0.099 per share) in 2018, versus \$1,957 (\$0.096 per share) in 2017.

Average Number of Partners, Professional Fees per Partner, Number of Assignments, Number of Assignments per Partner, and Average Fee per Assignment do not have any standardized meaning under IFRS and may not be comparable to measures presented by other companies. These operating measures are used by the Company to analyze its results. Please refer to section “Non - GAAP Financial Measures and Other Operating Measures” in the Company’s MD&A for a definition of these terms.

For a complete discussion of the quarterly financial results, please see the company’s Management Discussion and Analysis posted on SEDAR at www.sedar.com.

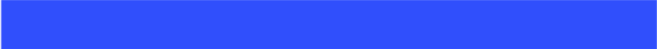
About Caldwell

At Caldwell we believe *Talent Transforms*. As a leading provider of executive talent, we enable our clients to thrive and succeed by helping them identify, recruit and retain their best people. Our reputation—nearly 50 years in the making—has been built on transformative searches across functions and geographies at the very highest levels of management and operations. We leverage our skills and networks to also provide agile talent in the form of flexible and on-demand advisory solutions for companies looking for support in strategy and operations. With offices and partners across North America, Europe, Latin America and Asia Pacific, we take pride in delivering an unmatched level of service and expertise to our clients.

Caldwell’s Common shares are listed on The Toronto Stock Exchange (TSX: CWL). Please visit our website at www.caldwellpartners.com for further information.

Forward-Looking Statements

Forward-looking statements in this document are based on current expectations that are subject to the significant risks and uncertainties cited. These forward-looking statements generally can be identified by use of statements that include phrases such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “foresee,” “may,” “will,” “likely,” “estimates,” “potential,” “continue” or other similar words or phrases. Similarly, statements that describe our objectives, plans or goals also are forward-looking statements. The Company is subject to many factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement including, but not limited to, our ability to



attract and retain key personnel; exposure to our Partners taking our clients with them to another firm; the performance of the Canadian, US and international economies; competition from other companies directly or indirectly engaged in executive search; liability risk in the services we perform; potential legal liability from clients, employees and candidates for employment; cybersecurity requirements, vulnerabilities, threats and attacks; damage to our brand reputation; our ability to align our cost structure to changes in our revenue; adverse tax law rulings; our ability to generate sufficient cash flow from operations to support our growth and maintain our dividend; foreign currency exchange rate fluctuations; marketable securities valuation fluctuations; volatility of the market price and volume of our common shares; any potential impairment of our acquired goodwill and intangible assets; and the risk associated with license fee agreement renewals. For more information on the factors that could affect the outcome of forward-looking statements, refer to the "Risk Factors" section of our Annual Information Form and other public filings (copies of which may be obtained at www.sedar.com). These factors should be considered carefully and the reader should not place undue reliance on the forward-looking statements. Although any forward-looking statements are based on what management currently believes to be reasonable assumptions, we cannot assure readers that actual results, performance or achievements will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect. Except as required by Canadian securities laws, we do not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf; such statements speak only as of the date made. The forward-looking statements included herein are expressly qualified in their entirety by this cautionary language.

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THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in \$000s Canadian)

	As at August 31 2018	As at August 31 2017
Assets		
Current assets		
Cash and cash equivalents	14,885	10,917
Marketable securities	5,654	5,048
Accounts receivable	10,858	9,393
Prepaid expenses and other assets	1,711	1,848
	33,108	27,206
Non-current assets		
Restricted cash	138	133
Marketable securities	137	172
Advances	146	503
Property and equipment	1,378	1,699
Intangible assets	92	178
Goodwill	2,885	2,761
Deferred income taxes	1,897	1,650
Total assets	39,781	34,302
Liabilities		
Current liabilities		
Accounts payable	2,693	2,044
Compensation payable	19,205	15,896
Dividends payable	408	408
Income taxes payable	1,409	636
Deferred revenue	438	1,107
	24,153	20,091
Non-current liabilities		
Compensation payable	1,615	958
Provisions	93	133
	25,861	21,182
Equity attributable to owners of the Company		
Share capital	7,515	7,515
Contributed surplus	15,002	14,992
Accumulated other comprehensive income	1,257	850
Deficit	(9,854)	(10,237)
Total equity	13,920	13,120
Total liabilities and equity	39,781	34,302

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF EARNINGS

(in \$000s Canadian, except per share amounts)

	Twelve months ended August 31	
	2018	2017
Revenues		
Professional fees	66,512	57,495
Licence fees	371	310
	66,883	57,805
Cost of sales	48,968	42,305
Gross profit	17,915	15,500
Expenses		
General and administrative	12,487	11,210
Sales and marketing	1,507	1,173
Foreign exchange loss (gain)	(45)	4
	13,949	12,387
Operating profit	3,966	3,113
Investment income	14	38
Earnings before income tax	3,980	3,151
Income tax expense	1,965	1,194
Net earnings for the year attributable to owners of the Company	2,015	1,957
Earnings per share		
Basic and diluted	\$0.099	\$0.096

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(in \$000s Canadian)

	Twelve months ended August 31	
	2018	2017
Net earnings for the year	2,015	1,957
Other comprehensive income:		
Items that may be reclassified subsequently to net earnings		
Realization of gain included in net income	-	(38)
Unrealized gain on marketable securities	65	123
Cumulative translation adjustment	342	(414)
Comprehensive earnings for the year attributable to owners of the Company	2,422	1,628

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in \$000s Canadian)

	Deficit	Share Capital	Contributed Surplus	Cumulative Translation Adjustment	Accumulated Other Comprehensive Income (Loss) Unrealized Gains (Loss) on Marketable Securities	Total Equity
Balance - August 31, 2016	(10,572)	7,295	15,025	842	337	12,927
Net earnings for the year	1,957	-	-	-	-	1,957
Dividend payments declared	(1,622)	-	-	-	-	(1,622)
Employee share option plan share issue	-	220	(33)	-	-	187
Realization of gains on marketable securities included in net earnings	-	-	-	-	(38)	(38)
Change in unrealized loss on marketable securities	-	-	-	-	123	123
Change in cumulative translation adjustment	-	-	-	(414)	-	(414)
Balance - August 31, 2017	(10,237)	7,515	14,992	428	422	13,120
Net earnings for the year	2,015	-	-	-	-	2,015
Dividend payments declared	(1,632)	-	-	-	-	(1,632)
Share-based payment expense	-	-	10	-	-	10
Change in unrealized loss on marketable securities	-	-	-	-	65	65
Change in cumulative translation adjustment	-	-	-	342	-	342
Balance - August 31, 2018	(9,854)	7,515	15,002	770	487	13,920

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOW

(in \$000s Canadian)

	Twelve months ended	
	August 31	
	2018	2017
Cash flow provided by (used in)		
Operating activities		
Net earnings for the year	2,015	1,957
Add (deduct) items not affecting cash		
Depreciation	537	559
Amortization	90	94
Amortization of advances	751	803
Realized gain on marketable securities	-	(38)
Share based payment expense	10	-
Unrealized foreign exchange on subsidiary loans	(54)	(12)
Reduction in marketable securities following assignment to partner (note 3)	-	432
(Increase) decrease in deferred taxes	(194)	723
Change in fair value of contingent consideration	-	(109)
Increase in cash settled share-based compensation	657	271
(Increase) decrease in accounts receivable	(1,182)	338
(Increase) decrease in prepaid expenses and other assets	(181)	759
Increase (decrease) in accounts payable	599	(277)
Increase in compensation payable	3,518	929
Decrease in provisions	(37)	(51)
Increase in income taxes payable	757	162
Payment of cash settled share-based compensation	(553)	(709)
Payment of contingent consideration	-	(181)
Decrease in deferred revenue	(676)	(65)
Net cash provided by operating activities	6,057	5,585
Investing activities		
Proceeds from sale of marketable securities	-	1,101
Purchase of marketable securities	(500)	(1,000)
Payment of advances	-	(1,125)
Decrease in restricted cash	-	48
Additions to property and equipment	(176)	(469)
Net cash used in investing activities	(676)	(1,445)
Financing activities		
Share issuance from employee share option plan	-	187
Dividend payments	(1,632)	(1,622)
Net cash used in financing activities	(1,632)	(1,435)
Effect of exchange rate changes on cash and cash equivalents	219	(210)
Net increase in cash and cash equivalents	3,968	2,495
Cash and cash equivalents, beginning of year	10,917	8,422
Cash and cash equivalents, end of year	14,885	10,917