MANAGEMENT'S DISCUSSION AND ANALYSIS

Throughout this interim MD&A, all amounts are in U.S. dollars unless otherwise indicated.

The interim Management's Discussion and Analysis ("MD&A") provides a review of Onex Corporation's ("Onex") unaudited interim consolidated financial results for the three months ended March 31, 2019 and assesses factors that may affect future results. The financial condition and results of operations are analyzed noting the significant factors that impacted the unaudited interim consolidated statements of earnings, unaudited interim consolidated statements of comprehensive earnings, unaudited interim consolidated balance sheets and unaudited interim consolidated statements of cash flows of Onex. As such, this interim MD&A should be read in conjunction with the unaudited interim consolidated financial statements and notes thereto included in this report. The financial results have been prepared in accordance with International Financial Reporting Standards ("IFRS") to provide information about Onex on a consolidated basis and should not be considered as providing sufficient information to make an investment or lending decision in regard to any particular Onex operating business, private equity fund, credit strategy or other investments.

The following interim MD&A is the responsibility of management and is as of May 9, 2019. Preparation of the interim MD&A includes the review of the disclosures by senior management of Onex and by the Onex Disclosure Committee. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit and Corporate Governance Committee, comprised exclusively of independent directors. The Audit and Corporate Governance Committee has reviewed and recommended approval of the interim MD&A by the Board of Directors. The Board of Directors has approved this disclosure.

The interim MD&A is presented in the following sections:

Onex Corporation's financial filings, including the 2019 First Quarter interim MD&A and Financial Statements, the 2018 Annual Report, Annual Information Form and Management Information Circular, are available on Onex' website, www.onex.com, and on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Forward-Looking/Safe Harbour Statements

This interim MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve significant and diverse risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. Except as may be required by Canadian securities law, Onex is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this interim MD&A.

Non-GAAP Financial Measures

This interim MD&A contains non-GAAP financial measures which have been calculated using methodologies that are not in accordance with IFRS. The presentation of financial measures in this manner does not have a standardized meaning prescribed under IFRS and is therefore unlikely to be comparable to similar financial measures presented by other companies. Onex management believes that these financial measures provide helpful information to investors. Reconciliations for the non-GAAP financial measures to information contained in the unaudited interim consolidated financial statements have been presented where it is practical.

References

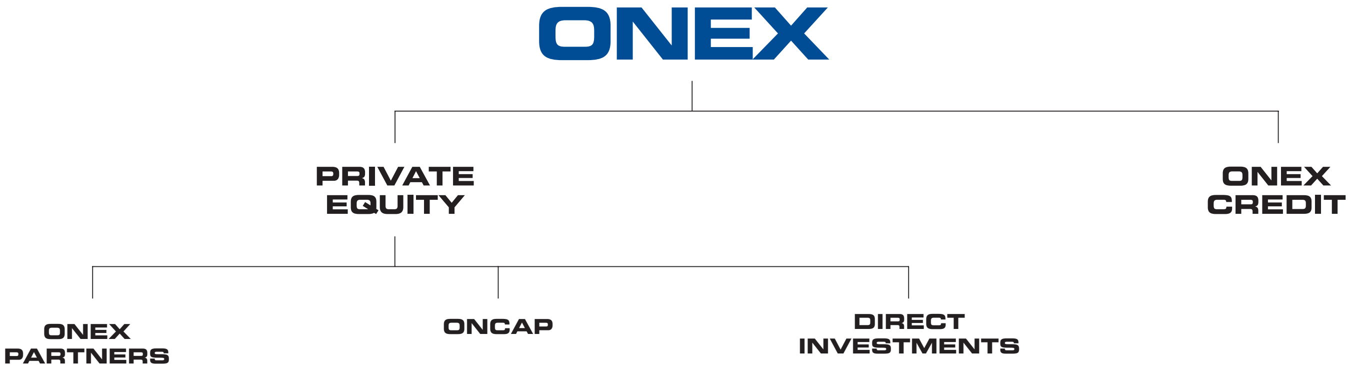
References to **Onex** or the **Company** represent Onex Corporation. References to the **Onex management team** include the management of Onex, Onex Partners, ONCAP and Onex Credit. References to management without the use of "team" include only the relevant group. For example, Onex management does not include management of Onex Partners, ONCAP or Onex Credit.

References to the **Onex Partners Groups** represent Onex, the limited partners of the relevant Onex Partners Fund, the Onex management team and, where applicable, certain other limited partners as co-investors. References to the **ONCAP Groups** represent Onex, the limited partners of the relevant ONCAP Fund, the Onex management team and, where applicable, certain other limited partners as co-investors. For example, references to the Onex Partners IV Group represent Onex, the limited partners of Onex Partners IV, the Onex management team and, where applicable, certain other limited partners as co-investors.

A glossary of terms commonly used within the interim MD&A is included on page 41.

COMPANY OVERVIEW

Onex is a public company, the shares of which trade on the Toronto Stock Exchange under the symbol ONEX. The Company manages and invests capital in its private equity and credit platforms on behalf of shareholders and investors from around the world from its offices in Toronto, New York, New Jersey and London.



WHO WE ARE AND WHAT WE DO

Onex is an investor first and foremost, with $6.6 billion of shareholder capital ($64.19 or C$85.78 per share) primarily invested in or committed to its private equity and credit platforms. We also manage $23.1 billion of invested and committed capital on behalf of investors from around the world, including public and private pension plans, sovereign wealth funds, insurance companies and family offices, that have chosen to invest alongside us. Onex' policy is to maintain a financially strong parent company with funds available to meet capital commitments to its investing platforms and to support the growth of its asset management business.

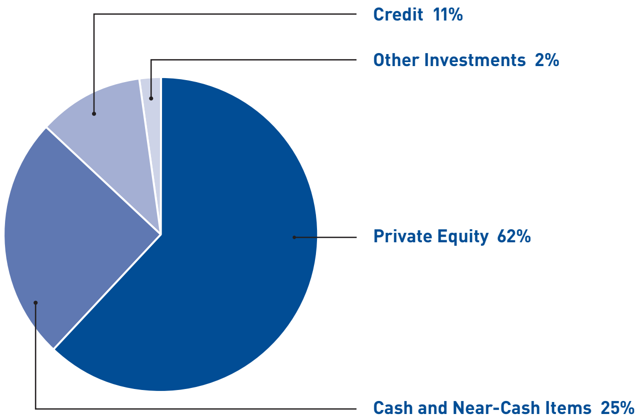
Critical to our success is the strong alignment of interests between Onex' shareholders, our limited partners and the Onex management team. Onex' distinctive ownership culture is evidenced by our management team's $1.7 billion investment in Onex shares, DSUs, private equity investments and Onex Credit strategies.

With an experienced management team, significant financial resources and no external debt, Onex is well-positioned to continue building shareholder value through its investment activities and asset management platforms.

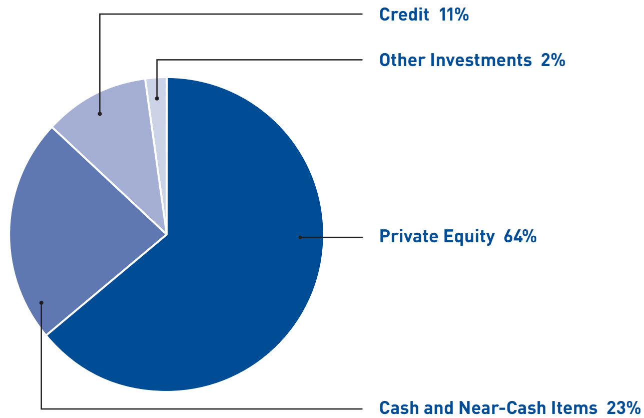
INVESTING

At March 31, 2019, substantially all of Onex' shareholder capital was invested in or committed to its private equity and credit platforms.

Onex' Investment Allocation at March 31, 2019



Onex' Investment Allocation at December 31, 2018



Private Equity

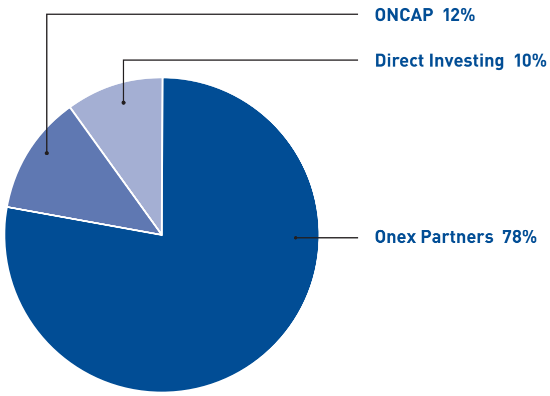
Founded in 1984, Onex is one of the oldest and most successful private equity firms. Today, the Company primarily invests in its two private equity platforms: Onex Partners for larger transactions and ONCAP for middle-market and smaller transactions. Our private equity funds seek to acquire and build high-quality businesses in partnership with talented management teams and focus on execution theses rather than macro-economic or industry trends. Onex has always been the largest limited partner in each of its private equity funds.

Our private equity funds typically acquire a control position, which allows the funds to drive important strategic decisions and effect change at the businesses. The Onex management team and our private equity funds do not get involved in the daily operating decisions of the businesses.

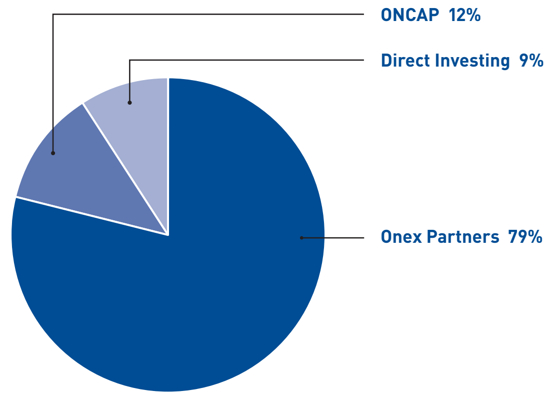
Over 35 years, we have built more than 100 operating businesses, completing about 635 acquisitions with a total value of $78 billion. Since inception, Onex has generated a gross MOC of 2.6 times, resulting in a 27% Gross IRR on realized, substantially realized and publicly traded investments.

As at March 31, 2019, Onex' investments in private equity totalled $4.0 billion (December 31, 2018 – $4.0 billion).

Onex' $4.0 billion Investment in Private Equity at March 31, 2019



Onex' $4.0 billion Investment in Private Equity at December 31, 2018



Credit

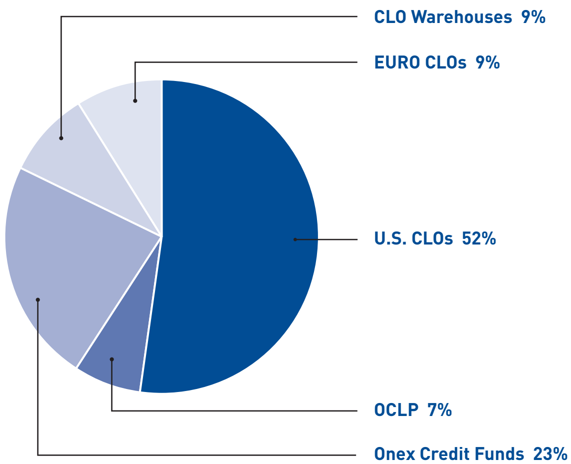
Established in 2007, Onex Credit invests primarily in non-investment grade debt through collateralized loan obligations ("CLOs"), private debt and other credit strategies. We practise value-oriented investing, employing a bottom-up, fundamental and structural analysis of the underlying borrowers. Stringent oversight of portfolio construction risk, profile and liquidity management complements our approach to investment research. Our team maintains disciplined risk management, with a focus on capital preservation across all strategies. We seek to generate strong risk-adjusted and absolute returns across market cycles. Onex is a significant investor across its credit strategies.

Onex Credit's senior loan strategies, which represent the vast majority of its assets under management, have generated strong risk-adjusted returns, low defaults and low loan losses. Since December 2007 and up to December 2018, Onex Credit has invested $27 billion across more than 830 borrowers in North America and, selectively, in Europe. During this period, those strategies experienced very few defaults, representing an annualized principal default rate of 0.55%, well below the leveraged loan market default rate of 2.72%(1) over the same period.

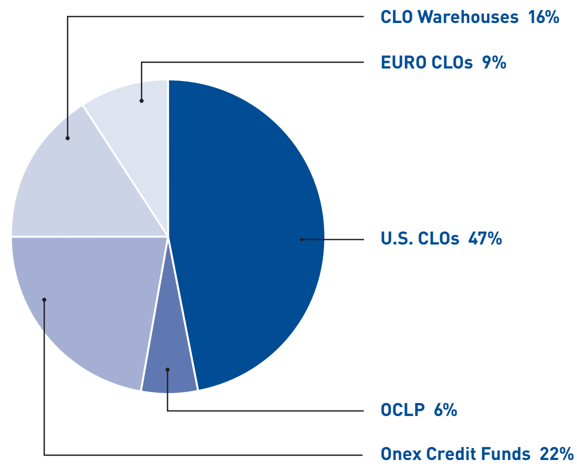
(1) The leveraged loan market default rate is calculated as the average default rate for each 12-month period since December 2007, based on historical default rates reported by J.P. Morgan's U.S. High-Yield and Leveraged Loan Strategy.

As at March 31, 2019, Onex' investments in Onex Credit strategies totalled $712 million (December 31, 2018 – $726 million). In addition, Onex had $93 million (December 31, 2018 – $89 million) invested in a credit strategy included in cash and near-cash items.

Onex' $712 million Investment in Onex Credit Strategies at March 31, 2019



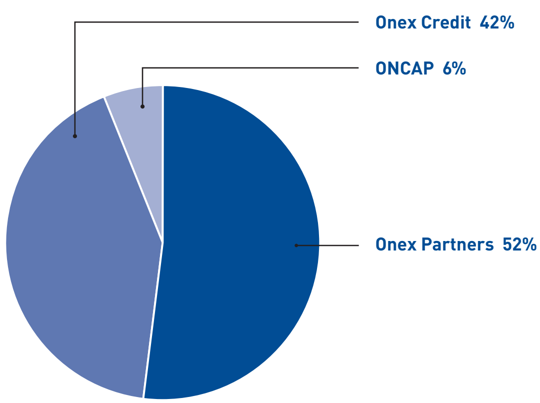
Onex' $726 million Investment in Onex Credit Strategies at December 31, 2018



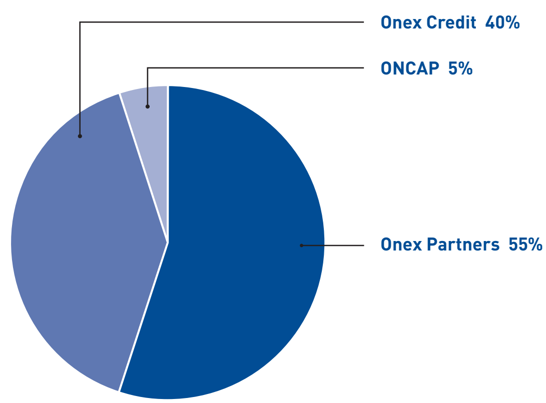
ASSET MANAGEMENT

As of March 31, 2019, Onex managed $23.1 billion (December 31, 2018 – $23.2 billion) of invested and committed capital on behalf of investors from around the world.

Onex' $23.1 billion of Investor Capital at March 31, 2019



Onex' $23.2 billion of Investor Capital at December 31, 2018



Investor capital includes capital managed on behalf of co-investors and the Onex management team.

Managing investor capital provides Onex with two significant financial benefits: (i) a committed stream of annual management fees and (ii) the opportunity to share in investors' gains. Onex has run-rate management fees of $195 million, consisting of $144 million from private equity and $51 million from credit, and $20.2 billion of assets under management subject to carried interest or incentive fees at March 31, 2019. This does not include the allocation of management fees and carried interest on Onex' invested and committed capital for purposes of the Company's segment reporting, as described on page 24 of this interim MD&A.

Private Equity Manager

In private equity, Onex has raised nine Onex Partners and ONCAP Funds since 1999 and is currently investing Onex Partners V, a $7.15 billion fund, and ONCAP IV, a $1.1 billion fund.

During the initial fee period of the Onex Partners and ONCAP Funds, Onex receives a management fee based on limited partners' committed capital. At March 31, 2019, the management fees of Onex Partners V and ONCAP IV were determined on this basis.

Following the termination of the initial fee period, Onex is entitled to a management fee based on limited partners' net funded commitments. At March 31, 2019, the management fees of Onex Partners III and IV and ONCAP II and III were determined on this basis. As realizations occur in these funds, the management fees earned by Onex will decrease.

The General Partner of the Onex Partners and ONCAP Funds is entitled to 20% of the realized net gains of the limited partners in each Fund provided the limited partners have achieved a minimum 8% net return on their investment. This performance-based capital allocation of the net gains is referred to as carried interest. Onex is entitled to 40% of the carried interest realized in the Onex Partners and ONCAP Funds. Onex and Onex Partners management are entitled to the remaining 60% of the carried interest realized in the Onex Partners Funds and ONCAP management is entitled to 60% of the carried interest realized in the ONCAP Funds and an equivalent carried interest on Onex' net gains from the ONCAP Funds. Once the ONCAP IV investors achieve a net return of two times their aggregate capital contributions, carried interest participation increases from 20% to 25% of the realized net gains in ONCAP IV. The following table presents carried interest received by Onex since 2015.

(Unaudited) ($ millions)	**Carried Interest Received**
2015	**$ 1**
2016	**14**
2017	**121**
2018	**37**
2019 (up to March 31)	**38**
Total	**$ 211**

The amount of carried interest ultimately received by Onex is based on realizations, the timing of which can vary significantly from year to year.

The ability to raise new private equity capital is primarily dependent on the general fundraising environment and Onex' investment track record. The following table summarizes the performance of the Onex Partners and ONCAP Funds from their inception up to March 31, 2019. The Net IRR and Net MOC represent the performance for limited partners of the Onex Partners and ONCAP Funds, excluding Onex as a limited partner, and are therefore not representative of the overall performance of each fund.

		Performance Returns(1)			
	Vintage	Gross IRR	Net IRR(2)	Gross MOC	Net MOC(2)
Onex Partners Funds					
Onex Partners I(3)	2003	55%	38 %	4.0x	3.1x
Onex Partners II	2006	17%	13 %	2.3x	1.9x
Onex Partners III	2009	19%	13 %	2.2x	1.8x
Onex Partners IV	2014	3%	(1)%	1.1x	1.0x
Onex Partners V(4)	2017	–	–	1.0x	–
Total Onex Partners Funds(5)		26%	n/a	1.9x	n/a
ONCAP Funds					
ONCAP I(3)(6)	1999	43%	33 %	4.1x	3.1x
ONCAP II(6)	2006	30%	21 %	4.0x	2.8x
ONCAP III(6)	2011	26%	19 %	3.0x	2.2x
ONCAP IV	2016	21%	8 %	1.2x	1.1x
Total ONCAP Funds(5)		45%	n/a	2.6x	n/a

(1) Performance returns are non-GAAP financial measures. Onex management believes that performance returns are useful to investors since Onex' ability to raise capital in new funds may be materially impacted by the performance returns of current and prior funds.

(2) Net IRR and Net MOC are presented for limited partners in the Onex Partners and ONCAP Funds and exclude the capital contributions and distributions attributable to Onex' commitment as a limited partner in each fund.

(3) Onex Partners I is substantially realized and ONCAP I has been fully realized.

(4) Performance reflects the short operating period of Onex Partners V. Cash outflows occurred in November 2018 to fund the first investment made by the Fund. The Gross IRR, Net IRR and Net MOC are not presented as they are not meaningful.

(5) Represents the aggregate performance returns for all Onex Partners and ONCAP Funds, respectively, since inception. The aggregate performance of the ONCAP Funds is presented in U.S. dollars. Net IRR and Net MOC are not calculable across the aggregate Onex Partners and ONCAP Funds.

(6) Returns are calculated in Canadian dollars, the functional currency of these ONCAP Funds.

Credit Manager

Onex Credit continues to grow the product lines and distribution channels for its non-investment grade credit investing. To date, Onex Credit has closed 18 CLOs, raised its first private debt fund with an investing capacity of $1.1 billion, and has several other active credit strategies.

As of March 31, 2019, Onex Credit earns run-rate management fees of $51 million on $9.5 billion of fee-generating investor capital:

	Fee-Generating Assets Under Management	Management Fee Basis	Management Fee %
CLOs	$ 8,211	Collateral principal balance	up to 0.50%
Onex Credit Funds	$ 684	Net asset value or	0.45% to 1.50%
		Gross invested assets	0.55%
Private debt	$ 572	Funded commitments	up to 1.25%
		Unfunded commitments	up to 0.50%

Onex Credit is also entitled to incentive fees on $9.0 billion of investor capital it manages as of March 31, 2019. Incentive fees range between 15% and 20% and, in certain instances, are subject to a hurdle or minimum preferred return to investors.

FIRM RESOURCES

Experienced team with significant depth

Onex is led by an Executive Committee comprised of the firm's founder and CEO, Gerry Schwartz, and four Senior Managing Directors. Collectively, these executives have more than 155 years of investing experience and have worked at Onex for an average of 28 years. Onex' stability results from its ownership culture, rigorous recruiting standards and highly collegial environment.

Onex' 105 investment professionals are each dedicated to a separate investment platform: Onex Partners (60), ONCAP (21) and Onex Credit (24). These investment teams are supported by approximately 85 professionals dedicated to Onex' corporate functions and investment platforms.

Substantial financial resources available for future growth

Onex seeks to maintain a financially strong parent company with funds available to meet its capital commitments to its investing platforms and to support the growth of its asset management business. Onex' financial strength comes from both its own capital as well as the capital committed by its investors. Today, Onex has substantial financial resources available to support its investing platforms with:

- approximately $1.5 billion of cash and near-cash items and no external debt;
- $4.8 billion of limited partner uncalled capital available for future Onex Partners V investments; and
- $316 million of limited partner uncalled capital available for future ONCAP IV investments.

Strong alignment of interests

Critical to our success is the strong alignment of interests between Onex' shareholders, our limited partners and the Onex management team. In addition to Onex being the largest limited partner in each private equity fund and having meaningful investments in our credit platform, the Company's distinctive ownership culture requires the Onex management team to have a significant ownership in Onex shares and to invest meaningfully in each private equity investment. At March 31, 2019, the Onex management team:

- was the largest shareholder in Onex, with a combined holding of approximately 16.2 million shares, or 16% of outstanding shares, and 0.8 million DSUs;
- had a total cash investment in Onex' private equity investments of approximately $480 million; and
- had a total investment in Onex Credit strategies at market value of approximately $300 million.

As well, Onex and Onex Partners management are required to reinvest 25% of all Onex Partners carried interest and MIP distributions in Onex shares until they individually own at least one million shares and must hold these shares until retirement.

OUR OBJECTIVE

We work to create long-term value for shareholders and to have that value reflected in Onex' share price. We deliver this value by (i) investing Onex' shareholder capital primarily in Onex' private equity funds and Onex Credit strategies and (ii) managing and growing the third-party capital invested in and committed to Onex' private equity and credit platforms. We believe we have the investment philosophy, talent, financial resources and track record to continue to deliver on this objective.

Q1 2019 ACTIVITY

PRIVATE EQUITY INVESTING

Capital Deployment

The table below presents the significant private equity investments made since January 1, 2019.

(Unaudited)

Fund	Company	Transaction	Period	Onex' Share *($ millions)*
Direct investment	RSG	Add-on investment	Mar '19	$ 25
Onex Partners V	Convex	Original investment	Apr '19	124
Total				$ 149

In March 2019, Onex invested an additional $25 million in common equity of RSG to support the company's acquisition activities.

In April 2019, Onex invested $124 million in Onex Partners V as its share of the fund's investment in Convex, a de novo specialty property and casualty insurance company.

Following these investments, Onex has uncalled committed capital of $1.8 billion to Onex Partners V and $218 million to ONCAP IV.

Realizations

The table below presents the significant private equity realizations and distributions to date in 2019.

(Unaudited)

Fund	Company	Transaction	Period	Onex' Share[1] *($ millions)*
Onex Partners I	BrightSpring Health	Sale of business	Mar '19	$ 96[2]
Onex Partners III	BrightSpring Health	Sale of business	Mar '19	89[2]
Onex Partners IV	SIG	Dividend	Apr '19	20
Direct investment	RSG	Preferred distribution	Mar '19	7
Total				$ 212

(1) Includes carried interest received by Onex and is reduced for amounts paid under management incentive programs, if applicable.

(2) Excludes amounts held in escrow.

In March 2019, the Onex Partners I and Onex Partners III Groups sold BrightSpring Health (formerly ResCare) for an enterprise value of approximately $1.3 billion. Onex' share of the net proceeds from Onex Partners I and Onex Partners III was $96 million and $89 million, respectively, including carried interest of $38 million and net of the MIP distribution of $11 million.

Fund-level Developments

During the three months ended March 31, 2019, the Onex Partners and ONCAP operating businesses continued to execute on their investment theses:

- Three operating businesses completed follow-on acquisitions for total consideration of approximately $165 million;
- Three operating businesses collectively raised or refinanced approximately $295 million of debt;
- 24 operating businesses paid down debt totalling approximately $130 million;
- In Onex Partners IV, Clarivate Analytics agreed to merge with Churchill Capital Corp and SMG agreed to merge with AEG Facilities. Both of these transactions are expected to close later in 2019, subject to customary closing conditions and regulatory approvals; and
- In Onex Partners IV and Onex Partners V, KidsFoundation in April 2019 proposed to acquire Partou Holding B.V., the second-largest childcare provider in the Netherlands. The acquisition is expected to close later in 2019, subject to customary regulatory approvals and works council consultations.

Performance

During the first three months of 2019, Onex' investing segment had net gains from private equity investments of $137 million. The following table presents the recent performance of Onex' private equity investments:

	Three Months Ended March 31, 2019	Twelve Months Ended March 31, 2019
Increase (decrease) in value of Onex' private equity investments in U.S. dollars[1]:		
Onex Partners	5%	(1)%
ONCAP	1%	5 %
Direct investments	1%	1 %
Total private equity investments	4%	–

(1) Adjusted for capital deployed, realizations and distributions. Performance results are gross of management incentive programs and an allocation of management fees and carried interest on Onex' capital.

CREDIT INVESTING

Capital Deployment

During the first three months of 2019, Onex invested $15 million in Onex Credit strategies, including $13 million in the equity of its sixteenth CLO denominated in U.S. dollars ("CLO-16"). On closing, Onex received $50 million plus interest for the investment that supported the warehouse facility for CLO-16. As a result, at March 31, 2019, Onex had a net investment of $521 million in CLOs, after dispositions and distributions, including $66 million in one warehouse facility.

Realizations

Onex receives regular quarterly distributions from CLO investments, including $20 million during the three months ended March 31, 2019 (2018 – $12 million). Additionally, Onex received a final distribution of $2 million from CLO-2, which was redeemed in November 2018, and a $2 million distribution from OCLP I.

Performance

During the first three months of 2019, Onex had net gains of $51 million from its Onex Credit strategies investments.

Onex primarily invests in the equity tranches of CLOs. Market pricing for CLO equity is more volatile than the underlying leveraged loan market due to the leverage employed in a CLO and the relative illiquidity of CLO equity. CLO equity pricing may also be affected by changes in fixed income market sentiment and investors' general appetite for risk. Our long-term target Net IRR for our CLO equity investments is 12%.

Onex generated mark-to-market gains of $36 million on CLO investments during the three months ended March 31, 2019 (2018 – losses of $5 million). All of the CLOs remain onside with their various coverage tests and Onex remains a long-term investor in CLOs. To date, we have substantially realized three CLOs, generating a Net IRR of approximately 12%.

INVESTING SEGMENT EARNINGS

During the three months ended March 31, 2019, Onex' investing segment generated net earnings of $183 million ($1.79 per share), which was primarily driven by $137 million and $51 million of net gains from private equity and Onex Credit strategies investments, respectively, partially offset by net losses from real estate and other investments. Onex' investing segment net earnings for the three months ended March 31, 2019 were reduced by allocations to the asset management segment of $16 million and less than $1 million, representing management fees and carried interest, respectively, that would have been earned by the asset management segment had Onex' capital been subject to management fees and carried interest under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

ASSET MANAGEMENT

At March 31, 2019, Onex' third-party assets under management totalled $23.1 billion (December 31, 2018 – $23.2 billion) and fee-generating assets under management totalled $20.6 billion (December 31, 2018 – $20.6 billion).

Investor Capital Under Management[1][2]

(Unaudited) ($ millions)	Total			Fee-Generating		
	March 31, 2019	December 31, 2018[3]	**Change in Total**	**March 31, 2019**	December 31, 2018	**Change in Total**
Onex Partners	**$ 12,111**	$ 12,681	**(4)%**	**$ 10,120**	$ 10,534	**(4)%**
ONCAP[3]	**1,265**	1,269	**–**	**1,057**	1,057	**–**
Onex Credit	**9,717**	9,230	**5 %**	**9,467**	9,010	**5 %**
Total	**$ 23,093**	$ 23,180	**–**	**$ 20,644**	$ 20,601	**–**

(1) Capital under management is a non-GAAP financial measure.

(2) Invested amounts included in investor capital under management are presented at fair value and include investor co-investments and capital invested by the Onex management team.

(3) Capital under management for ONCAP II and III is in Canadian dollars and has been converted to U.S. dollars using the exchange rates on March 31, 2019 and December 31, 2018, respectively.

Onex' fee-generating investor capital under management of $20.6 billion at March 31, 2019 remains relatively unchanged from December 31, 2018, as the decrease in the Onex Partners Funds as a result of the sale of BrightSpring Health, as described on page 11 of this interim MD&A, was mostly offset by an increase at Onex Credit from the closing of CLO-16.

During the three months ended March 31, 2019, Onex' asset management segment generated net earnings of $12 million ($0.12 per share), as described on page 24 of this interim MD&A. Management and advisory fees and carried interest during the three months ended March 31, 2019 totalled $65 million (2018 – $47 million) and $4 million (2018 – loss of $1 million), respectively. Onex' asset management segment net earnings for the three months ended March 31, 2019 include allocations from the investing segment of $16 million (2018 – $11 million) and less than $1 million (2018 – $2 million), representing management fees and carried interest, respectively, that would have been earned by the asset management segment had Onex' capital been subject to management fees and carried interest under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

Carried interest is typically received only on the realization of underlying fund investments. During the first quarter of 2019, Onex received $38 million of carried interest from the sale of BrightSpring Health, as described on page 11 of this interim MD&A. At March 31, 2019, unrealized carried interest and incentive fees outstanding totalled $76 million (December 31, 2018 – $110 million).

	Segment Management and Advisory Fees			Unrealized Carried Interest and Incentive Fees[1]		
(Unaudited) ($ millions)	**Three months Ended March 31, 2019**	Three months Ended March 31, 2018	**Change in Total**	**As at March 31, 2019**	As at December 31, 2018	**Change in Total**
Onex Partners	**$ 45**	$ 27	**$ 18**	**$ 56**	$ 89	**$ (33)**
ONCAP	**8**	8	**–**	**20**	21	**(1)**
Onex Credit	**12**	12	**–**	**–**	–	**–**
Total	**$ 65**	$ 47	**$ 18**	**$ 76**	$ 110	**$ (34)**

(1) Excludes unrealized carried interest and incentive fees related to Onex' capital. The actual amount of carried interest and incentive fees earned by Onex will depend on the ultimate performance of each underlying fund.

The quarter-over-quarter increase in management and advisory fees for Onex Partners was driven by Onex Partners V beginning to accrue management fees in late 2018.

In March 2019, Onex entered into an agreement to acquire Gluskin Sheff for C$445 million. Gluskin Sheff is a Canadian wealth management firm serving high net worth private clients and institutional investors with fee-generating assets under management of C$8.3 billion at March 31, 2019. On May 9, 2019, the shareholders of Gluskin Sheff approved the transaction, which is expected to close in the second quarter of 2019, subject to customary closing conditions.

Over the past five years, fee-generating capital under management has increased by a compound annual growth rate ("CAGR") of 8%.

Fee-Generating Capital Under Management (March 31, 2014 to March 31, 2019)

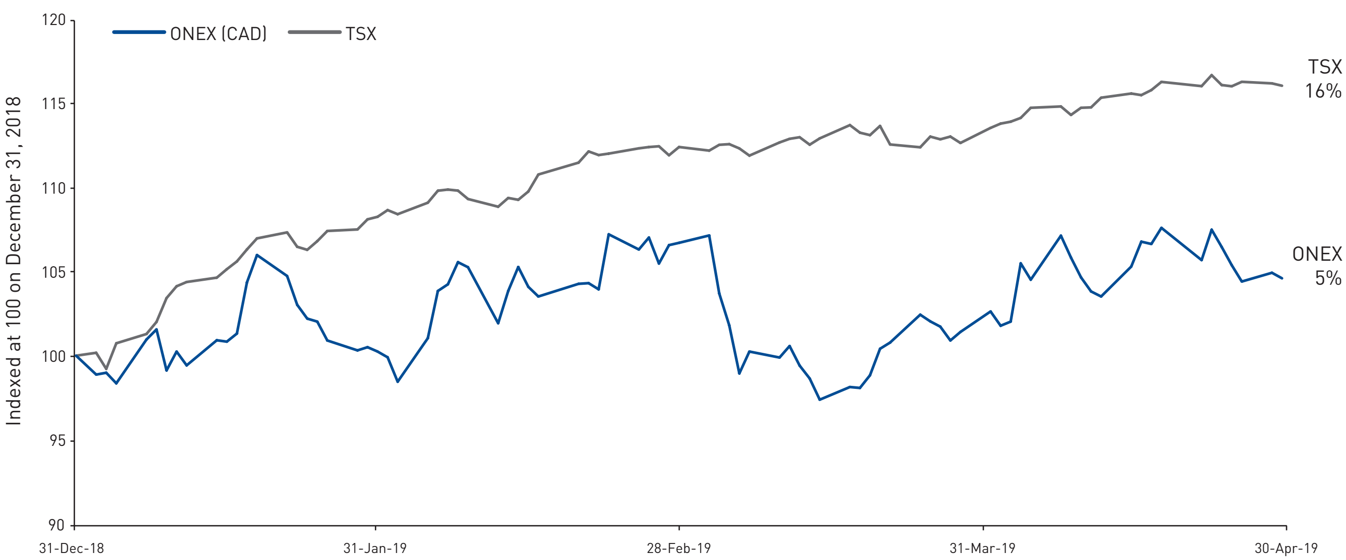
SHARE PRICE

Our objective is to have the value of our investing and asset management activities reflected in our share price. These efforts are supported by a long-standing quarterly dividend and an active stock buyback program. In May 2019, Onex increased its quarterly dividend by 14% to C$0.10 per SVS beginning in July 2019. This increase follows similar increases in the previous six years and reflects Onex' continued growth and ongoing commitment to its shareholders. Year-to-date through April 30, 2019, $13 million was returned to shareholders through dividends and Onex repurchased and cancelled 621,127 SVS at a total cost of $34 million (C$46 million), or an average purchase price of $54.79 (C$73.58) per share.

At April 30, 2019, Onex' SVS closed at C$77.71, a 5% increase from December 31, 2018. This compares to a 16% increase in the S&P/TSX Composite Index ("TSX").

The chart below shows the performance of Onex' SVS in Canadian dollars during the first four months of 2019 relative to the TSX.

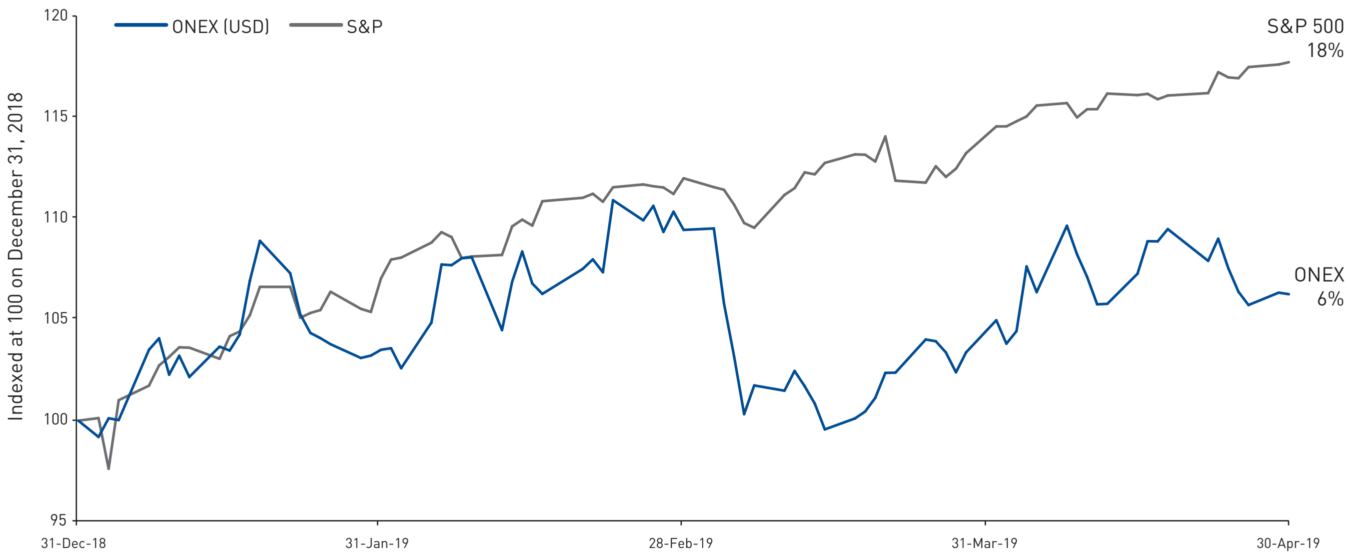
Onex Relative Performance (CAD) (December 31, 2018 to April 30, 2019)



As a substantial portion of Onex' investments and management fees are denominated in U.S. dollars, Onex' Canadian dollar share price will also be impacted by the change in the exchange rate between the U.S. dollar and Canadian dollar. During the four months ended April 30, 2019, the value of Onex' SVS increased by 6% in U.S. dollars compared to an 18% increase in the Standard & Poor's 500 Index ("S&P 500").

The chart below shows the performance of Onex' SVS in U.S. dollars during the first four months of 2019 relative to the S&P 500.

Onex Relative Performance (USD) (December 31, 2018 to April 30, 2019)



FINANCIAL REVIEW

This section discusses the significant changes in Onex' unaudited interim consolidated statements of earnings and unaudited interim consolidated statements of cash flows for the three months ended March 31, 2019 compared to those for the period ended March 31, 2018, and compares Onex' financial condition at March 31, 2019 to that at December 31, 2018.

In simple terms, Onex is an investor and asset manager. As discussed below, Onex' financial and operating information is now presented in a manner that more closely reflects its business and activities.

Investments and investing activity refer to the investment of Onex' shareholder capital primarily in its private equity funds, credit strategies and certain investments held outside the private equity funds and credit strategies. These investments are held directly or indirectly through wholly-owned subsidiaries of Onex, which are referred to as **Investment Holding Companies**. While there are a number of Investment Holding Companies, substantially all of these companies are direct or indirect subsidiaries of Onex Private Equity Holdings LLC, Onex CLO Holdings LLC or Onex Credit Holdings LLC. These three companies, which are referred to as the **Primary Investment Holding Companies**, are the holding companies for substantially all of Onex' investments, excluding intercompany loans receivable from Onex and the Asset Managers.

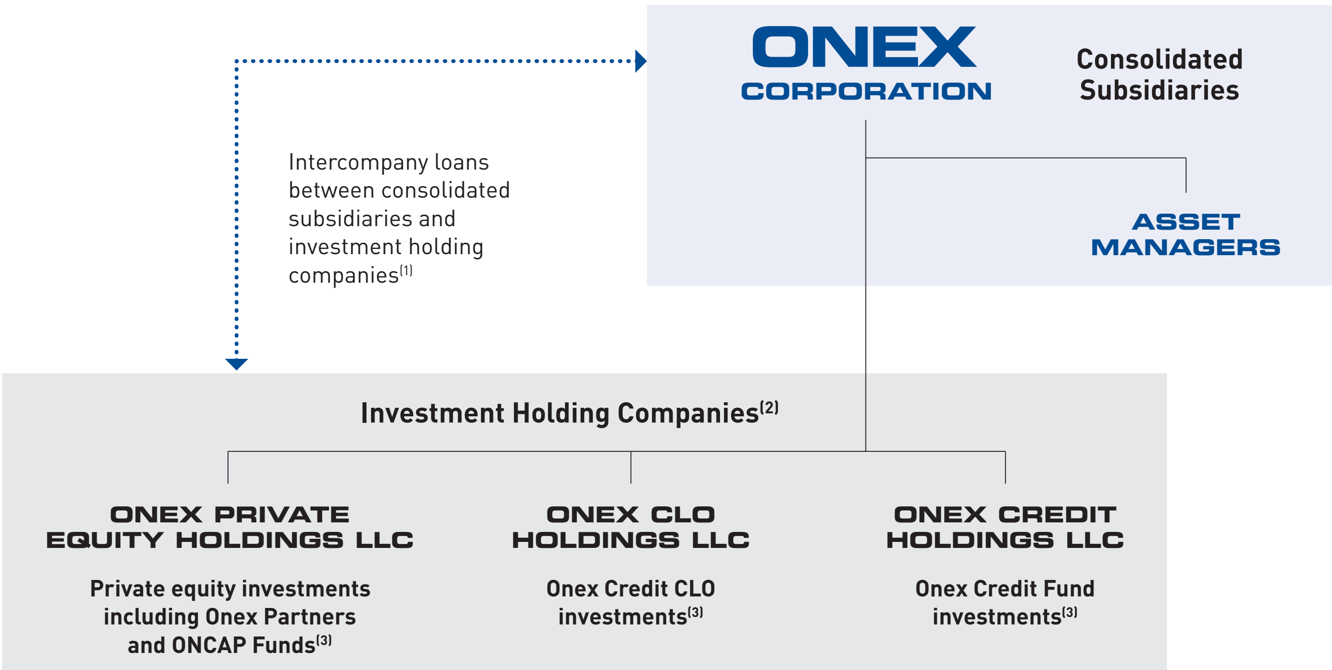
Asset management refers to the activity of managing capital in Onex' private equity funds and credit strategies. This activity is conducted through wholly-owned subsidiaries of Onex, which are the managers of the Onex Partners Funds, ONCAP Funds and Onex Credit strategies. These subsidiaries are referred to as Onex' **Asset Managers** and are consolidated by Onex.

Users of the unaudited interim consolidated financial statements may note detailed line-item disclosures relating to **intercompany loans**. IFRS requires specific disclosures and presentation of intercompany loans between Onex and the Asset Managers, and the Investment Holding Companies. Specifically, IFRS requires that:

- intercompany loans payable by Onex and the Asset Managers to Investment Holding Companies are recognized as liabilities in Onex' unaudited interim consolidated balance sheet. A corresponding and offsetting amount is recognized within corporate investments in Onex' unaudited interim consolidated balance sheet, representing the related loan receivable from Onex and the Asset Managers; and
- intercompany loans payable by Investment Holding Companies to Onex and the Asset Managers are part of the fair value measurement of Onex' corporate investments in the unaudited interim consolidated balance sheet, which reduces the fair value of Onex' corporate investments. Onex classifies the corresponding loan receivable from Investment Holding Companies within corporate investments in its unaudited interim consolidated balance sheet, which increases the value of Onex' corporate investments by the same amount as the related loans payable.

There is no impact to net assets or net earnings from these intercompany loans in Onex' unaudited interim consolidated financial statements.

The simplified diagram below illustrates the types of subsidiaries included within Onex' corporate structure and the basis on which they are accounted for following the change in Onex' investment entity status on January 1, 2019.



(1) Onex Corporation and the consolidated asset management subsidiaries enter into intercompany loans that, in aggregate, have no net effect on Onex' financial position. Intercompany loans payable by the consolidated subsidiaries to the Investment Holding Companies are recognized as liabilities in the unaudited interim consolidated balance sheet, with the corresponding loan receivable held as an asset within corporate investments in the unaudited interim consolidated balance sheet.

(2) Onex' investments in the Investment Holding Companies are recorded as corporate investments at fair value through profit or loss.

(3) Onex' investments in private equity, CLOs and Onex Credit Funds are typically held directly or indirectly through wholly-owned investment holding companies, which are subsidiaries of the Primary Investment Holding Companies identified above. Onex Private Equity Holdings LLC also includes Onex' investment in private debt.

As discussed in the investment entity status section on the following page, on January 1, 2019, Onex determined that it met the definition of an investment entity, as defined by IFRS 10, *Consolidated financial statements* ("IFRS 10"). While this does not represent a change in accounting standards, this change in status has fundamentally changed how Onex prepares, presents and discusses its financial results relative to prior periods. **Accordingly, users of this interim MD&A and the unaudited interim consolidated financial statements to which it relates should exercise significant caution in reviewing, considering and drawing conclusions from period-to-period comparisons and changes.** Onex is required to provide comparative financial statements and to discuss in the accompanying interim MD&A both the current and prior period information and the changes therein. However, the change in Onex' investment entity status and, as a result, the presentation of its financial results can cause direct comparisons between dates or across periods to be inappropriate or not meaningful if not carefully considered in this context. Prior periods have not been restated to reflect the change in Onex' investment entity status.

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with Onex' unaudited interim consolidated statements of earnings for the three months ended March 31, 2019 and March 31, 2018, the corresponding notes thereto and the December 31, 2018 audited annual consolidated financial statements.

INVESTMENT ENTITY STATUS

On January 1, 2019, Onex determined it met the definition of an investment entity, as defined by IFRS 10. This change in status resulted from the change in how Onex measures and evaluates the performance of its investments, which are now performed on a fair value basis for substantially all of Onex' investments. This change was driven primarily by the following factors: (i) performance metrics reviewed by Onex management have evolved over time and now primarily focus on the fair value of Onex' investments; (ii) growth of Onex' investment in Onex Credit strategies ($815 million as at January 1, 2019), for which the measurement and evaluation have always been performed on a fair value basis; and (iii) Onex' disposition of certain investments that were not measured and evaluated on a fair value basis.

As a result of this change in status, the assets and liabilities of Onex' subsidiaries that do not provide investment-related services are no longer included in Onex' consolidated balance sheet and Onex' investments in these subsidiaries are instead shown as corporate investments at fair value as at January 1, 2019, totalling $9.2 billion, including intercompany loans receivable from Investment Holding Companies. Onex recorded a gain on the transition to investment entity status of $3.5 billion on January 1, 2019, including items reclassified from accumulated other comprehensive loss, reflecting the difference between the corporate investments' fair values and their previous carrying values. These corporate investments are subsequently measured at fair value through profit or loss. The change in investment entity status has been accounted for prospectively from January 1, 2019, in accordance with IFRS 10.

As a result of this change in status, the following financial statement line items are now recognized within Onex' unaudited interim consolidated financial statements.

Treasury investments

Treasury investments include commercial paper, federal and municipal debt instruments, corporate obligations and structured products. Treasury investments are measured at fair value through profit or loss in the unaudited interim consolidated statement of earnings in accordance with IFRS 9, *Financial Instruments* ("IFRS 9").

Corporate investments

Corporate investments include Onex' investments in its subsidiaries, primarily consisting of Investment Holding Companies, that meet the investment entity exception to consolidation criteria in IFRS 10. These subsidiaries primarily invest Onex' shareholder capital in the Onex Partners Funds, ONCAP Funds and Onex Credit strategies. Corporate investments are measured at fair value through profit or loss in accordance with IFRS 9. The fair value of the corporate investments includes the fair value of both intercompany loans receivable from and payable to Onex and the Asset Managers. In addition, the fair value of corporate investments includes the liability associated with management incentive programs, including the Management Investment Plan (the "MIP"), as described in note 33(d) to the 2018 audited annual consolidated financial statements.

At March 31, 2019, substantially all of the Company's corporate investments, excluding intercompany loans, consisted of investments made in the Primary Investment Holding Companies or investments made directly by Onex.

Intercompany loans with Investment Holding Companies

Intercompany loans payable to Investment Holding Companies represent financial liabilities which are payable to subsidiaries of Onex and are recorded at fair value in the unaudited interim consolidated financial statements. Intercompany loans receivable from Investment Holding Companies are classified as corporate investments and represent loans receivable from subsidiaries of Onex, which are recorded at fair value in the unaudited interim consolidated financial statements. Onex has elected to measure these financial instruments at fair value through profit or loss, in accordance with IFRS 9.

Management and advisory fees

Onex earns management fees and advisory fees for managing limited partner capital through its private equity funds and credit strategies, and for services provided directly to certain underlying operating businesses. Onex accounts for management and advisory fees as revenue from contracts with customers using the five-step model outlined in note 1 to the 2018 audited annual consolidated financial statements. Asset management services are provided over time and the amount earned is generally calculated based on a percentage of limited partners' committed capital, limited partners' net funded commitments, unfunded commitments, the collateral principal balance, gross invested assets or net asset value of the respective funds. Revenue earned from management and advisory fees is recognized as the service is provided over time.

Use of judgements and estimates

Investment entity status

Judgement is required when determining that Onex, the parent company, meets the definition of an investment entity, which IFRS 10 defines as an entity that: (i) obtains funds from one or more investors for the purpose of providing those investors with investment management services; (ii) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and (iii) measures and evaluates the performance of substantially all of its investments on a fair value basis. When determining whether Onex meets the definition of an investment entity under IFRS 10, Onex management applied significant judgement when assessing whether the Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

Onex conducts its business primarily through controlled subsidiaries which consist of entities providing asset management services, investment holding companies, general partners of private equity and credit funds and limited partnerships. Certain of these subsidiaries were formed for legal, regulatory or similar reasons by Onex and share a common business purpose. The assessment of whether Onex, the parent company, meets the definition of an investment entity was performed on an aggregate basis with these subsidiaries.

Corporate investments

The measurement of corporate investments is significantly impacted by the fair values of the investments held by the Onex Partners Funds, ONCAP Funds and Onex Credit strategies. The fair value of corporate investments is assessed at each reporting date with changes in fair value recognized through profit or loss.

The valuation of non-public investments requires significant judgement due to the absence of quoted market values, inherent lack of liquidity and the long-term nature of such investments. Valuation methodologies include discounted cash flows and observations of the trading multiples of public companies considered comparable to the private companies being valued. The valuations take into consideration company-specific items, the lack of liquidity inherent in a non-public investment and the fact that comparable public companies are not identical to the companies being valued. Such considerations are necessary because, in the absence of a committed buyer and completion of due diligence procedures, there may be company-specific items that are not fully known that may affect the fair value. A variety of additional factors are reviewed, including, but not limited to, financing and sales transactions with third parties, current operating performance and future expectations of the particular investment, changes in market outlook and the third-party financing environment. In determining changes to the fair value of the underlying private equity investments, emphasis is placed on current company performance and market conditions.

For publicly traded investments, the valuation is based on closing market prices less adjustments, if any, for regulatory and/or contractual sale restrictions.

The fair value of underlying investments in Onex Credit strategies that are not quoted in an active market may be determined by using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Judgement and estimates are exercised to determine the quantity and quality of the pricing sources used. Where no market data is available, positions may be valued using models that include the use of third-party pricing information and are usually based on valuation methods and techniques generally recognized as standard within the industry. Models use observable data to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations may require estimates to be made. Changes in assumptions about these factors could affect the reported fair value of the underlying investments in Onex Credit strategies.

The MIP is included in the fair value of corporate investments and is measured using an internally developed valuation model. The critical assumptions and estimates used in the valuation model include the fair value of the underlying investments, the time to expected exit from each investment, a risk-free rate and an industry comparable historical volatility for each investment. The fair value of the underlying investments includes the same critical assumptions and estimates previously described.

The changes in fair value of corporate investments are further described on page 25 of this interim MD&A.

The Company assessed whether its underlying subsidiaries met the definition of an investment entity, as defined under IFRS 10. In certain circumstances, this assessment was performed together with other entities that were formed in connection with each other for legal, regulatory or similar reasons. Similarly, where a subsidiary's current business purpose was to facilitate a common purpose with a group of entities, the assessment of whether those subsidiaries met the definition of an investment entity was performed on an aggregated basis.

Certain subsidiaries were formed for various business purposes that, in certain circumstances, have evolved since their formation. When the Company assessed whether these subsidiaries met the definition of an investment entity, as defined under IFRS 10, professional judgement was exercised to determine the primary business purpose of these subsidiaries and the measurement basis, which were significant factors in determining their investment entity status.

CHANGES IN ACCOUNTING POLICIES

The Company has adopted the following new accounting standard, along with any consequential amendments, effective January 1, 2019. This change was made in accordance with applicable transitional provisions.

IFRS 16 – Leases

IFRS 16, *Leases*, supersedes IAS 17, *Leases* and requires lessees to recognize a right-of-use asset and a lease liability for substantially all lease contracts. On January 1, 2019, Onex adopted IFRS 16 on a modified retrospective basis and has chosen to not restate comparative information in accordance with the transitional provisions in IFRS 16. As a result, the comparative information continues to be presented in accordance with the Company's previous accounting policies.

On adoption of IFRS 16, Onex recognized lease liabilities totalling $72 million in relation to leases which had previously been classified as operating leases under IAS 17. The lease liabilities were measured at the present value of the remaining lease payments, discounted using Onex' incremental borrowing rates as at January 1, 2019. Onex' weighted-average incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 3.20%.

The associated right-of-use assets totalled $71 million and were measured at an amount equal to the lease liabilities, adjusted for previously recognized lease accruals, in accordance with the transitional provisions of IFRS 16, and are comprised entirely of real estate premises. There was no impact to retained earnings on January 1, 2019 as a result of adopting IFRS 16.

In applying IFRS 16, the Company has used the following practical expedients as permitted by the standard:

- Previous assessments were relied on to determine whether leases were onerous;
- Operating leases with a remaining lease term of less than 12 months at January 1, 2019 were treated as short-term leases under IFRS 16;
- Initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application; and
- Payments associated with leases of low-value assets are recognized on a straight-line basis as an expense in the unaudited interim consolidated statement of earnings.

The Company also elected not to reassess whether a contract is or contains a lease as at January 1, 2019, as permitted by IFRS 16.

From January 1, 2019, leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use. Each lease payment is allocated between the repayment of the lease liability and finance cost. The finance cost is charged to the unaudited interim consolidated statement of earnings over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Right-of-use assets and lease liabilities arising from a lease are initially measured on a present value basis. Right-of-use assets are included within property and equipment in the unaudited interim consolidated balance sheet at March 31, 2019.

VARIABILITY OF RESULTS

Onex' unaudited interim consolidated operating results may vary substantially from quarter to quarter and year to year for a number of reasons. Those reasons may be significant with respect to (i) Onex' asset management activities and the fees and carried interest associated therewith; (ii) the aggregate fair value of its investments in and related to the private equity and credit funds and strategies, including the underlying private equity operating businesses, as the result of not only changes in specific underlying values but also new investments or realizations by those funds; or (iii) Onex' cash position or the amount and value of its treasury investments. More broadly, Onex' results may be materially affected by such factors as changes in the economic or political environment, foreign exchange and interest rates, the value of stock-based compensation, tax and trade legislation or its application. Given the diversity of Onex' asset management business and of the Onex Partners and ONCAP Funds' operating businesses and Onex Credit investments, the exposures, risks and contingencies that could impact Onex' investments may be many, varied and material. Certain of those matters are discussed under the heading "Risk Factors" in Onex' 2018 Annual Information Form.

In addition, the fair values of Onex' underlying investments in Onex Credit strategies are impacted by the CLO market, leveraged loan market and credit risk (both own and counterparty), which may vary substantially from quarter to quarter and year to year.

REVIEW OF UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The discussions that follow identify those material factors that affected Onex' unaudited interim consolidated financial results for the three months ended March 31, 2019. As a result of the change in Onex' investment entity status, Onex has two reportable segments as of January 1, 2019 and most financial statement line items are not comparable to results for the three months ended March 31, 2018, as described in the following sections.

Consolidated net earnings

Onex recorded consolidated net earnings of $3.7 billion and net earnings per share of $37.37 during the first quarter of 2019, which included a non-recurring net gain of $3.5 billion as a result of the derecognition of previously consolidated corporate investments following the change in Onex' investment entity status, as described on page 20 of this interim MD&A. During the same period in 2018, Onex recorded a consolidated net loss of $164 million and the net loss attributable to equity holders of Onex was $158 million ($1.56 per share). Table 1 presents the segmented results for the three months ended March 31, 2019.

Onex' segmented results include allocations of management fees and carried interest that would have been earned on Onex' capital in the Onex Partners and ONCAP Funds as this presentation is used by management, in part, to assess segment performance. During the period, these allocations reduced Onex' investing segment income and increased Onex' asset management segment income, with no net impact to total segment net earnings.

TABLE 1 — *(Unaudited)* *(in millions of U.S. dollars)* Three months ended March 31, 2019	Investing	Asset Management[a]	Total
Net gains on corporate investments (including an increase in carried interest and incentive fees)	$ 180[b][c]	$ 4[b]	$ 184[b][c]
Management and advisory fees	–	65[c]	65[c]
Interest and net treasury investment income	4	–	4
Total segment income	184	69	253
Compensation	–	(47)	(47)
Amortization of right-of-use assets	–	(2)	(2)
Other expense	(1)	(8)	(9)
Segment net earnings	$ 183	$ 12	$ 195
Stock-based compensation			(8)
Amortization of property and equipment, and other intangible assets, excluding right-of-use assets			(4)
Gain on derecognition of previously consolidated corporate investments			3,719
Reclassification from accumulated other comprehensive loss on derecognition of previously consolidated corporate investments			(170)
Net earnings			$ 3,732
Segment net earnings per share[d]			$ 1.91
Net earnings per share			$ 37.37

(a) The asset management segment includes the costs of Onex' corporate functions.

(b) The asset management segment includes an allocation of less than $1 million from the investing segment, representing carried interest that would have been earned by the asset management segment had Onex' capital been subject to carried interest under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

(c) The asset management segment includes an allocation of $16 million from the investing segment, representing management fees that would have been earned by the asset management segment had Onex' capital been subject to management fees under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

(d) Calculated on a fully diluted basis.

Net earnings in the investing segment for the three months ended March 31, 2019 were primarily driven by net gains on corporate investments of $180 million. Net earnings in the asset management segment for the three months ended March 31, 2019 were primarily driven by management and advisory fees of $65 million, partially offset by $47 million of compensation expense.

Net earnings for the three months ended March 31, 2018 are presented by industry segment in Note 18 to the unaudited interim consolidated financial statements and are not comparable to the results above following the change in Onex' investment entity status, as described on page 20 of this interim MD&A.

Consolidated income for the three months ended March 31, 2019

Consolidated income for the three months ended March 31, 2019 primarily consisted of: (i) net gains on corporate investments, which primarily consist of Onex' share of the net gains in the Onex Partners Funds, ONCAP Funds and Onex Credit strategies; and (ii) management and advisory fees, which Onex earns for managing investor capital through its private equity funds and Onex Credit strategies. During the three months ended March 31, 2018, Onex did not recognize any income for gains (losses) on corporate investments and management and advisory fees in its unaudited interim consolidated statement of earnings given its investment entity status during this time, as described on page 20 of this interim MD&A.

Net gains on corporate investments of $180 million in the investing segment for the three months ended March 31, 2019 were primarily attributable to the following private equity investments and Onex Credit strategies:

TABLE 2	*(Unaudited) ($ millions)* Three months ended March 31, 2019	Net Gains (Losses) on Corporate Investments
Onex Partners Funds[a]		
Onex Partners I		$ –
Onex Partners II		–
Onex Partners III		28
Onex Partners IV		118
Onex Partners V		(1)
Management incentive programs		(6)
Total net gains from Onex Partners Funds		139
ONCAP Funds[a]		
ONCAP II		5
ONCAP III		7
ONCAP IV		(7)
Management incentive programs		–
Total net gains from ONCAP Funds		5
Net gains from other private equity investments		9
Management fees on Onex' capital[b]		(16)
Total net gains from private equity		$ 137
Onex Credit Strategies		
U.S. CLOs		$ 33
EURO CLOs		2
CLO warehouses		1
OCLP I		3
OCP Senior Floating Income Fund		4
Onex Debt Opportunity Fund		3
Onex Senior Credit Fund		5
Total net gains from Onex Credit strategies		$ 51

(a) Onex' investments in the Onex Partners and ONCAP Funds include co-investments, where applicable.

(b) Represents management fees that would have been incurred had Onex' capital been subject to management fees under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds. These management fees reduce Onex' investing segment income in the period and are included in Onex' asset management segment income.

During the three months ended March 31, 2019, net gains on corporate investments were primarily driven by the net increase in fair value of Onex' investment in Onex Partners IV. The net increase in the fair value of Onex' investment in Onex Partners IV was primarily driven by an increase in the underlying fair value of Clarivate Analytics, partially offset by a decrease in fair value of Save-A-Lot.

Management and advisory fees for the three months ended March 31, 2019 were from the following sources:

TABLE 3	*(Unaudited) ($ millions)* Three months ended March 31, 2019	Management and Advisory Fees
Source of management and advisory fees		
Onex Partners		$ 32
Onex Credit		12
ONCAP		5
Total management and advisory fees earned		49
Management fees on Onex' capital[a]		16
Total segment management and advisory fees		$ 65

(a) Represents management fees that would have been earned had Onex' capital been subject to management fees under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds. These management fees reduce Onex' investing segment income in the period and are included in Onex' asset management segment income.

Consolidated revenues and cost of sales for the three months ended March 31, 2018

Consolidated revenues and cost of sales for the three months ended March 31, 2018 were primarily derived from products sold and services rendered by the controlled operating companies of the Onex Partners and ONCAP Funds. During the three months ended March 31, 2019, Onex did not recognize in its unaudited interim consolidated statement of earnings any revenues or cost of sales from the controlled operating companies of the Onex Partners and ONCAP Funds following the change in the Company's investment entity status on January 1, 2019, as described on page 20 of this interim MD&A.

Table 4 provides revenues and cost of sales by industry segment for the three months ended March 31, 2018.

Revenues and Cost of Sales by Industry Segment for the Three Months Ended March 31, 2018

TABLE 4 — *(Unaudited) ($ millions)* Three months ended March 31, 2018	Revenues	Cost of Sales
Electronics Manufacturing Services	$ 1,499	$ 1,382
Healthcare Imaging	377	220
Insurance Services	200	–
Packaging Products and Services[a]	607	408
Business and Information Services[b]	430	209
Food Retail and Restaurants[c]	1,139	968
Credit Strategies[d]	1	–
Other[e]	1,338	942
Total	$ 5,591	$ 4,129

Results are reported in accordance with IFRS and may differ from those reported by the individual operating companies.

(a) The packaging products and services segment consisted of IntraPac, sgsco and SIG.

(b) The business and information services segment consisted of Clarivate Analytics, Emerald Expositions and SMG.

(c) The food retail and restaurants segment consisted of Jack's and Save-A-Lot.

(d) The credit strategies segment consisted of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations, (iii) Onex Credit Funds and (iv) Private Lending. Costs of the credit strategies segment are recorded in operating expenses.

(e) Other included Flushing Town Center, Meridian Aviation, Parkdean Resorts, Schumacher, Survitec, WireCo, the operating companies of ONCAP II, III and IV (excluding IntraPac) and the parent company.

Compensation

Compensation expense for the three months ended March 31, 2019 was $47 million and included the compensation expense, excluding stock-based compensation, of Onex Partners, ONCAP, Onex Credit and Onex corporate employees. During the three months ended March 31, 2018, compensation expense was classified as cost of sales and operating expenses in the unaudited interim consolidated statement of earnings and included the compensation expense for employees of the Onex controlled operating companies, Onex Partners, ONCAP, Onex Credit and Onex corporate. The change in classification of compensation expense in the unaudited interim consolidated statement of earnings was a result of the change in the Company's investment entity status, as described on page 20 of this interim MD&A.

Amortization of property and equipment, and other intangible assets

Amortization of property and equipment, and other intangible assets for the three months ended March 31, 2019 was $6 million and consisted primarily of amortization expense of right-of-use assets related to Onex' leased premises and other property and equipment. During the three months ended March 31, 2018, amortization expense totalled $350 million and was classified as amortization of property, plant and equipment and amortization of intangible assets and deferred charges in the unaudited interim consolidated statement of earnings and included expenses of the controlled operating companies as well as Onex. The decrease in amortization expense and the change in classification were primarily driven by the derecognition of previously consolidated controlled operating companies on January 1, 2019, as described on page 20 of this interim MD&A.

Interest expense

Consolidated interest expense for the three months ended March 31, 2019 was $1 million, relating to lease liabilities associated with leased premises, and is classified as other expense in the unaudited interim consolidated statement of earnings. Consolidated interest expense for the three months ended March 31, 2018 was $305 million and included the consolidated interest expense of the previously consolidated operating companies and credit strategies. The decrease in interest expense was primarily driven by the derecognition of previously consolidated controlled operating companies and credit strategies on January 1, 2019, as described on page 20 of this interim MD&A.

Stock-based compensation

Onex recorded a consolidated stock-based compensation expense of $8 million during the first quarter of 2019 compared to $33 million in the same period in 2018. The stock-based compensation expense recognized during the first quarter of 2019 relates to Onex, the parent company, for its stock options and Director DSUs. The expense recognized during the same period in 2018 also included the expense associated with the MIP equity interests and stock-based plans at the controlled operating companies. The expense associated with the MIP equity interests for the first quarter of 2019 is included as a component of the net gain on corporate investments following the change in Onex' investment entity status. The expense associated with the stock-based compensation plans at the previously consolidated operating companies are no longer recognized following the change in Onex' investment entity status.

The expense recorded by Onex, the parent company, on its stock options during the first quarter of 2019 was primarily due to the 1% increase in the market value of Onex' shares to C$75.38 at March 31, 2019 from C$74.35 at December 31, 2018. This compares to a 1% increase during the same period in 2018.

Table 5 details the change in stock-based compensation.

Stock-Based Compensation

TABLE 5 | *(Unaudited) ($ millions)* — Three months ended March 31

	2019	2018	**Change**
Onex, the parent company, stock options	**$ 8**	$ 7	**$ 1**
Onex, the parent company, MIP equity interests	**–**	3	**(3)**
Onex operating companies	**–**	23	**(23)**
Total stock-based compensation expense	**$ 8**	$ 33	**$ (25)**

Gain on derecognition of previously consolidated corporate investments

As a result of a change in Onex' investment entity status on January 1, 2019, as described on page 20 of this interim MD&A, a non-recurring gain on derecognition of previously consolidated corporate investments of $3.7 billion was recorded in the unaudited interim consolidated statement of earnings for the three months ended March 31, 2019. The gain represents the difference between the fair value of previously consolidated corporate investments and their carrying values on January 1, 2019.

Reclassification from accumulated other comprehensive loss on derecognition of previously consolidated corporate investments

As a result of a change in Onex' investment entity status on January 1, 2019, a non-recurring $170 million loss was reclassified from accumulated other comprehensive loss to net earnings as a result of the derecognition of previously consolidated corporate investments, as described on page 20 of this interim MD&A. The accumulated other comprehensive loss primarily consisted of currency translation adjustments.

Decrease in value of investments in joint ventures and associates at fair value, net

During the three months ended March 31, 2019, Onex did not have any investments classified as investments in joint ventures and associates as a result of the change in its investment entity status on January 1, 2019, as described on page 20 of this interim MD&A. During the three months ended March 31, 2018, investments in joint ventures and associates represented those investments in operating businesses over which Onex had joint control or significant influence, but not control. These investments were measured at fair value with both realized and unrealized gains and losses recognized in the unaudited interim consolidated statement of earnings as a result of increases or decreases in fair value. Investments deemed to be investments in joint ventures or associates and measured at fair value through earnings during the three months ended March 31, 2018 primarily included AIT, BBAM, JELD-WEN, Mavis Discount Tire (up to March 2018), Pinnacle Renewable Energy (since February 2018) and Venanpri Group.

During the three months ended March 31, 2018, Onex recorded a decrease in the fair value of investments in joint ventures and associates of $85 million. The decrease was primarily due to a decrease in the public share price of JELD-WEN, partially offset by an increase in the fair value of Mavis Discount Tire (up to March 2018) and an increase in the public share price of Pinnacle Renewable Energy subsequent to its February 2018 initial public offering.

Of the total fair value decrease recorded during the first three months of 2018, $87 million was attributable to the limited partners in the Onex Partners and ONCAP Funds, which contributed to the Limited Partners' Interests charge. Onex' share of the total fair value decrease was an increase of $2 million.

Other gain

In February 2018, Pinnacle Renewable Energy completed an initial public offering. As a result of this transaction, the ONCAP II Group no longer controlled Pinnacle Renewable Energy. A gain of $82 million was recorded based on the interest retained at fair value over the historical accounting carrying value of the investment. The gain was entirely attributable to the equity holders of Onex, as the interests of the Limited Partners were recorded as a financial liability at fair value. Following Onex' change in its investment entity status on January 1, 2019, as described on page 20 of this interim MD&A, Onex will no longer recognize gains from the loss of control of operating companies as Onex no longer consolidates controlled operating companies.

Limited Partners' Interests charge

Onex did not recognize a Limited Partners' Interest charge during the three months ended March 31, 2019 as a result of the change in its investment entity status on January 1, 2019, as described on page 20 of this interim MD&A.

The Limited Partners' Interests charge in Onex' unaudited interim consolidated statement of earnings for the three months ended March 31, 2018 primarily represented the change in the fair value of the underlying investments in the Onex Partners and ONCAP Funds and credit strategies that was allocated to the limited partners and recorded as Limited Partners' Interests liability in Onex' unaudited interim consolidated balance sheet. The Limited

Partners' Interests charge for the Onex Partners and ONCAP Funds includes the fair value changes of consolidated operating companies, investments in joint ventures and associates and other investments that are held in the Onex Partners and ONCAP Funds. The Limited Partners' Interests charge for the credit strategies includes the fair value changes of the underlying investments in the Onex Credit Lending Partners and Onex Credit Funds consolidated by Onex.

During the three months ended March 31, 2018, Onex recorded a charge of $11 million for Limited Partners' Interests for the Onex Partners and ONCAP Funds. The net increase in the fair value of certain of the investments held in the Onex Partners and ONCAP Funds contributed to the Limited Partners' Interests charge for the Onex Partners and ONCAP Funds recorded in the three months ended March 31, 2018.

Included in the Limited Partners' Interests charge for the Onex Partners and ONCAP Funds is a decrease of $8 million in carried interest for the three months ended March 31, 2018. Onex' share of the change in carried interest for the first quarter of 2018 was a decrease of $3 million. The change in the amount of carried interest that has been netted against the Limited Partners' Interests for the Onex Partners and ONCAP Funds decreased during the first three months of 2018 due to a slight net decrease in the fair value of certain of the investments in the Onex Partners and ONCAP Funds. The ultimate amount of carried interest realized will be dependent on the actual realizations for each fund in accordance with the limited partnership agreements.

During the three months ended March 31, 2018, Onex recorded a charge of $9 million for Limited Partners' Interests for the credit strategies.

Other comprehensive earnings

Other comprehensive earnings of $170 million for the three months ended March 31, 2019 represent the reclassification of accumulated other comprehensive losses of the previously consolidated operating companies to the unaudited interim consolidated statement of earnings as a result of the change in Onex' investment entity status under IFRS 10, as described on page 20 of this interim MD&A.

Other comprehensive earnings for the three months ended March 31, 2018 represents the unrealized gains or losses, net of income taxes, related to cash flow hedges, remeasurements for post-employment benefit plans and foreign exchange gains or losses on foreign self-sustaining operations. During the three months ended March 31, 2018, Onex reported other comprehensive earnings of $120 million. The earnings recorded during the first quarter of 2018 were largely due to favourable currency translation adjustments on foreign operations.

SUMMARY OF QUARTERLY INFORMATION

Tables 6 and 7 summarize Onex' key consolidated financial information for the last eight quarters. Historical financial information has been restated for discontinued operations.

Onex' quarterly consolidated financial results following the change in Onex' investment entity status on January 1, 2019, as described on page 20 of this interim MD&A, are not comparable to the historical results. In addition, Onex' quarterly consolidated results up to December 31, 2018 did not follow any specific trends due to the acquisitions or dispositions of businesses by Onex, and the varying business activities and cycles at Onex' operating businesses and Onex Credit strategies.

Consolidated Quarterly Financial Information

TABLE 6 — *(Unaudited)* *($ millions except per share amounts)*	**March 2019**
Total segment income	**$ 253**
Total segment expenses	**(58)**
Segment net earnings	**195**
Other non-segment items	**3,537**
Net earnings	**$ 3,732**
Segment net earnings per share[i]	**$ 1.91**
Net earnings per share	**$ 37.37**

(i) Calculated on a fully diluted basis.

Consolidated Quarterly Results Prior to Change in Investment Entity Status

TABLE 7 (Unaudited) ($ millions except per share amounts)	2018				2017		
	Dec.	Sept.	June	March	Dec.	Sept.	June
Revenues	$ 6,090	$ 6,105	$ 5,999	$ 5,591	$ 5,844	$ 5,916	$ 5,753
Earnings (loss) from continuing operations	$ 73	$ (470)	$ (272)	$ (177)	$ 268	$ 358	$ (513)
Net earnings (loss)	$ 88	$ (458)	$ (262)	$ (164)	$ 304	$ 368	$ 2,668
Net earnings (loss) attributable to:							
Equity holders of Onex	$ 173	$ (425)	$ (253)	$ (158)	$ 276	$ 324	$ 2,712
Non-controlling Interests	(85)	(33)	(9)	(6)	28	44	(44)
Net earnings (loss)	$ 88	$ (458)	$ (262)	$ (164)	$ 304	$ 368	$ 2,668
Earnings (loss) per share							
Earnings (loss) from continuing operations	$ 1.57	$ (4.33)	$ (2.59)	$ (1.69)	$ 2.37	$ 3.10	$ (5.12)
Earnings from discontinued operations	0.14	0.11	0.09	0.13	0.36	0.08	31.72
Net earnings (loss)	$ 1.71	$ (4.22)	$ (2.50)	$ (1.56)	$ 2.73	$ 3.18	$ 26.60

SHAREHOLDER CAPITAL

As at March 31, 2019, Onex' shareholder capital was $6.6 billion ($64.19 or C$85.78 per share). Shareholder capital and shareholder capital per share are non-GAAP financial measures used by Onex management to, in part, assess Onex' performance. A reconciliation of total segmented assets to shareholder capital is included in the following table:

TABLE 8 (Unaudited) ($ millions except per share amounts) As at March 31, 2019	Investing	Asset Management	Total
Total segmented assets	**$ 6,371**	**$ 474**	**$ 6,845**
Accounts payable and accrued liabilities	**–**	**(60)**	**(60)**
Lease and other liabilities	**–**	**(83)**	**(83)**
DSU hedge assets	**–**	**(76)**	**(76)**
Total shareholder capital	**$ 6,371**	**$ 255**	**$ 6,626**
Shareholder capital per share[i]	**$ 61.85**	**$ 2.34**	**$ 64.19**

(i) Calculated on a fully diluted basis.

CASH AND NEAR-CASH

Table 9 provides a breakdown of cash and near-cash at Onex at March 31, 2019.

Cash and Near-Cash

TABLE 9 (Unaudited) ($ millions)	
Cash and cash equivalents	$ 543
Cash and cash equivalents within Investment Holding Companies[a]	554
Treasury investments	125
Treasury investments within Investment Holding Companies	87
Management fees receivable[b]	192
OCP Senior Floating Income Fund	93
Cash and near-cash	$ 1,594

(a) Includes restricted cash and cash equivalents of $34 million for which the Company can readily remove the external restriction.

(b) Includes management fees receivable from the Onex Partners and ONCAP Funds.

Table 10 provides a reconciliation of the change in cash and near-cash at Onex from December 31, 2018 to March 31, 2019.

Change in Cash and Near-Cash

TABLE 10 (Unaudited) ($ millions)		Amount
Cash and near-cash at December 31, 2018[a]		$ 1,439
Private equity realizations:		
BrightSpring Health sale	185	
Other	13	198
Private equity investments:		
RSG	(25)	(25)
Flushing Town Center distributions		30
Net Onex Credit strategies investment activity, including warehouse facilities		61
Onex share repurchases, options exercised and dividends		(52)
Net other, including capital expenditures, management fees, operating costs and treasury income[b]		(57)
Cash and near-cash at March 31, 2019[a][b]		**$ 1,594**

(a) Includes $212 million (December 31, 2018 – $279 million) of treasury investments, $93 million (December 31, 2018 – $89 million) invested in an Onex Credit unlevered senior secured loan strategy fund and $192 million (December 31, 2018 – $205 million) of management fees.

(b) Other includes the impact of incentive compensation payments paid in 2019 related to 2018, and foreign exchange on cash.

In April 2019, the Onex Partners IV Group received a dividend from SIG, of which Onex' share was CHF20 million ($20 million). Additionally, in April 2019, Onex invested $124 million in Onex Partners V as its share of the fund's investment in Convex, a de novo specialty property and casualty insurance company.

CONSOLIDATED FINANCIAL POSITION

Consolidated assets

Consolidated assets totalled $10.6 billion at March 31, 2019 compared to $45.4 billion at December 31, 2018. The decrease in consolidated assets was primarily driven by the derecognition of previously consolidated corporate investments and credit strategies on January 1, 2019 following the change in Onex' investment entity status, as described on page 20 of this interim MD&A.

Table 11 shows consolidated assets by reportable segment as at March 31, 2019.

Consolidated Assets by Reportable Segment

TABLE 11 — *(Unaudited) ($ millions)* As at March 31, 2019	Investing	Asset Management	Total
Cash and cash equivalents	$ 543	$ –	$ 543
Treasury investments	125	–	125
Management and advisory fees, recoverable fund expenses and other receivables	192[a]	120	312
Corporate investments	5,511	–	5,511
Other assets	–	91	91
Property and equipment	–	180	180
Goodwill and other intangible assets	–	83	83
Total segment assets	$ 6,371	$ 474	$ 6,845
Net intercompany loans receivable, comprising part of the fair value of Investment Holding Companies			3,754
Total assets			$ 10,599

(a) Represents management fees receivable that Onex has elected to defer cash receipt from the Onex Partners and ONCAP Funds.

Table 12 shows consolidated assets by reportable segment as at December 31, 2018.

Consolidated Assets by Reportable Segment

TABLE 12 *(Unaudited) ($ millions)*	As at December 31, 2018	Percentage Breakdown
Electronics Manufacturing Services	$ 3,738	9%
Healthcare Imaging	1,192	3%
Insurance Services	1,487	3%
Packaging Products and Services[a]	6,771	15%
Business and Information Services[b]	6,526	15%
Food Retail and Restaurants[c]	1,784	4%
Credit Strategies[d]	10,247	23%
Other[e]	12,524	28%
Assets held by continuing operations	44,269	100%
Other – assets held by discontinued operations[f]	1,148	
Total consolidated assets	$ 45,417	

(a) The packaging products and services segment consists of IntraPac, Precision, sgsco and SIG.

(b) The business and information services segment consists of Clarivate Analytics, Emerald Expositions and SMG.

(c) The food retail and restaurants segment consists of Jack's and Save-A-Lot.

(d) The credit strategies segment consists of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations, (iii) Onex Credit Funds and (iv) Private Lending.

(e) Other includes Flushing Town Center, KidsFoundation, Meridian Aviation, Survitec, Schumacher, WireCo, Parkdean Resorts, the operating companies of ONCAP II, III and IV (excluding IntraPac and Precision) and the parent company. In addition, other includes the following investments, which are accounted for at fair value: AIT, BBAM, JELD-WEN, Incline Aviation Fund, Pinnacle Renewable Energy, PowerSchool, RSG, Ryan, Venanpri Group and Wyse.

(f) At December 31, 2018, the assets of BrightSpring Health were included in the other segment and have been presented as a discontinued operation.

Corporate investments

At March 31, 2019, the Company's interests in Investment Holding Companies were recorded at fair value through profit or loss. The Investment Holding Companies directly or indirectly invest the Company's capital in the Onex Partners Funds, ONCAP Funds, Onex Credit strategies and other investments. The Company's corporate investments were comprised of the following amounts at March 31, 2019:

TABLE 13 *(Unaudited) ($ millions)*	January 1, 2019	Capital Deployed	Realizations and Distributions	Change in Fair Value	March 31, 2019
Onex Partners Funds	$ 3,050	$ –	$ (151)	$ 139	$ 3,038
ONCAP Funds	458	–	(1)	5	462
Other private equity	375	25	(8)	9	401
Carried interest	110	n/a	(38)	4	76
Total private equity investments	3,993	25	(198)	157	3,977
Onex Credit strategies	815	15	(76)	51	805
Real estate	148	–	(30)	(6)	112
Other net assets[a]	434	(113)	298	(2)	617
Total corporate investments excluding intercompany loans	5,390	(73)	(6)	200	5,511
Intercompany loans receivable from Onex and the Asset Managers	3,766	73	(85)	–	3,754
Intercompany loans payable to Onex and the Asset Managers	(414)	(1)	–	–	(415)
Intercompany loans receivable from Investment Holding Companies	414	1	–	–	415
Total corporate investments	$ 9,156	$ –	$ (91)	$ 200	$ 9,265

(a) Other net assets consist of the assets (primarily cash and cash equivalents) and liabilities of the Investment Holding Companies, excluding investments in private equity, Onex Credit strategies, real estate and intercompany loans receivable from and payable to Onex and the Asset Managers. Capital deployed and realizations and distributions of other net assets represent the cash flows of the Investment Holding Companies associated with investments in private equity, Onex Credit strategies, real estate and intercompany loans receivable from and payable to Onex and the Asset Managers.

At March 31, 2019, Onex' corporate investments totalled $9.3 billion (January 1, 2019 – $9.2 billion), which are more fully described in note 4 to the unaudited interim consolidated financial statements.

During the three months ended March 31, 2019, Onex' investment of capital primarily consisted of investments made in RSG and CLO-16, as described on pages 11 and 12, respectively, of this interim MD&A.

During the three months ended March 31, 2019, realizations and distributions to Onex primarily consisted of Onex' share of the proceeds from the Onex Partners I and Onex Partners III sale of BrightSpring Health, as described on page 11 of this interim MD&A, and distributions received from CLOs, as described on page 12 of this interim MD&A.

During the three months ended March 31, 2019, the change in fair value of Onex' corporate investments totalled $200 million, which was primarily driven by changes in the fair value of Onex' private equity investments and Onex Credit strategies investments, which are more fully described on page 25 of this interim MD&A.

Intercompany loans payable to Investment Holding Companies as at March 31, 2019

Onex has intercompany loans payable to the Investment Holding Companies as at March 31, 2019. The loans are primarily due on demand and are non-interest bearing. At March 31, 2019, intercompany loans payable to the Investment Holding Companies totalled $3.8 billion and the corresponding receivable of $3.8 billion was included in the fair value of the Investment Holding Companies within corporate investments. There is no impact on net assets or net earnings from these intercompany loans.

At December 31, 2018, intercompany loans payable to the Investment Holding Companies were eliminated in the Company's consolidated balance sheet as Onex consolidated the financial results of all Investment Holding Companies. The accounting treatment for Investment Holding Companies changed on January 1, 2019 as a result of the change in Onex' investment entity status, as described on page 20 of this interim MD&A.

Equity

Table 14 provides a reconciliation of the change in equity from December 31, 2018 to March 31, 2019.

Change in Equity

TABLE 14 *(Unaudited) ($ millions)*	
Balance – December 31, 2018	$ 5,637
Derecognition of consolidated corporate investments	**(2,905)**
Dividends declared	**(6)**
Repurchase and cancellation of shares	**(34)**
Net earnings	**3,732**
Equity as at March 31, 2019	**$ 6,424**

Derecognition of consolidated corporate investments

As a result of the change in Onex' investment entity status on January 1, 2019, as described on page 20 of this interim MD&A, the non-controlling interests and accumulated other comprehensive loss associated with controlled operating companies that were previously consolidated by Onex were derecognized from the unaudited interim consolidated statement of equity.

Dividend policy

In May 2019, Onex announced that it had increased its quarterly dividend by 14% to C$0.10 per SVS beginning with the dividend declared by the Board of Directors payable in July 2019.

Table 15 presents Onex' dividend paid per share for the twelve months ended March 31 during the past five years. The table reflects the increase in the dividend per share over this time.

TABLE 15 *(Unaudited) ($ per share amounts)*	Dividend Paid per Share
Last twelve months ended March 31:	
2015	**C$ 0.19**
2016	**C$ 0.24**
2017	**C$ 0.27**
2018	**C$ 0.29**
2019	**C$ 0.34**

Shares outstanding

At March 31, 2019, Onex had 100,000 Multiple Voting Shares outstanding, which have a nominal paid-in value reflected in Onex' unaudited interim consolidated financial statements. Onex also had 99,785,058 SVS issued and outstanding. Note 8 to the unaudited interim consolidated financial statements provides additional information on Onex' share capital. There was no change in the Multiple Voting Shares outstanding during the first three months of 2019.

Table 16 shows the change in the number of SVS outstanding from December 31, 2018 to April 30, 2019.

TABLE 16 *($ millions except per share amounts)*	Number of SVS	Average Price per Share (USD)	Average Price per Share (CAD)	Total Cost (USD)	Total Cost (CAD)
SVS outstanding at December 31, 2018	100,403,493				
Shares repurchased and cancelled:					
Normal Course Issuer Bids	**(621,127)**	**$ 54.79**	**$ 73.58**	**$ 34**	**$ 46**
Issuance of shares:					
Dividend Reinvestment Plan	**4,443**	**$ 56.37**	**$ 76.25**	**less than $ 1**	**less than $ 1**
SVS outstanding at April 30, 2019	**99,786,809**				

Shares repurchased and cancelled

The NCIB enables Onex to repurchase up to 10% of its public float of SVS during the period of the relevant Bid. Onex believes that it is advantageous for Onex and its shareholders to continue to repurchase Onex' SVS from time to time when the SVS are trading at prices that reflect a discount to their value as perceived by Onex, while taking into account other opportunities to invest Onex' cash.

On April 18, 2019, Onex renewed its NCIB following the expiry of its previous NCIB on April 17, 2019. Under the new NCIB, Onex is permitted to purchase up to 10% of its public float of SVS, or 8,213,787 SVS. Onex may purchase up to 36,400 SVS during any trading day, being 25% of its average daily trading volume for the six months ended March 31, 2019. Onex may also purchase SVS from time to time under the Toronto Stock Exchange's block purchase exemption, if available, or by way of private agreement pursuant to an issuer bid exemption order, if sought and received, under the new NCIB. The new NCIB commenced on April 18, 2019 and will conclude on the earlier of the date on which purchases under the NCIB have been completed and April 17, 2020. A copy of the Notice of Intention to make the NCIB filed with the Toronto Stock Exchange is available at no charge to shareholders by contacting Onex.

Under the previous NCIB that expired on April 17, 2019, Onex repurchased 1,536,532 SVS at a total cost of $94 million (C$124 million) or an average purchase price of $61.39 (C$81.02) per share.

Issuance of shares – Dividend Reinvestment Plan

Onex' Dividend Reinvestment Plan enables Canadian shareholders to reinvest cash dividends to acquire new SVS of Onex at a market-related price at the time of reinvestment. During the period from January 1, 2019 to April 30, 2019, Onex issued 4,443 SVS at an average cost of C$76.25 per SVS.

Stock Option Plan

At March 31, 2019, Onex had 13,170,367 options outstanding to acquire SVS, of which 8,427,417 options were vested and exercisable. During the first quarter of 2019, 274,300 options were surrendered at a weighted average exercise price of C$40.70 for aggregate cash consideration of $8 million (C$10 million) and 47,250 options expired.

Management Deferred Share Unit Plan

In early 2019, 14,472 DSUs were issued to the Onex management team having an aggregate value, at the date of grant, of $1 million (C$1 million) in lieu of that amount of cash compensation for Onex' 2018 fiscal year. At March 31, 2019, there were 758,503 (December 31, 2018 – 743,139) Management DSUs outstanding.

Forward agreements were entered into with a counterparty financial institution to economically hedge Onex' exposure to changes in the value of all outstanding Management DSUs. Forward agreements with a fair value of $76 million at March 31, 2019, including those associated with Director DSUs, are recorded within other assets in the unaudited interim consolidated balance sheet.

Management of capital

Onex considers the capital it manages to be the amounts it has invested in cash and cash equivalents, near-cash investments, treasury investments managed by third-party investment managers, investments made in the Onex Partners and ONCAP Funds, Onex Credit strategies and other investments. Onex also manages capital from other investors in the Onex Partners Funds, ONCAP Funds and Onex Credit strategies. Onex' objectives in managing capital have not changed since December 31, 2018.

At March 31, 2019, Onex had $1.6 billion of cash and near-cash items, including $554 million held within Investment Holding Companies, and $497 million of near-cash items at fair value. Near-cash items included $212 million of treasury investments managed by third-party investment managers, as described below, $93 million invested in an unlevered fund managed by Onex Credit and $192 million of management fees receivable from limited partners of its private equity platforms.

Onex has a conservative cash management policy driven towards maintaining liquidity and preserving principal in all its treasury investments.

At March 31, 2019, the fair value of treasury investments, including cash yet to be deployed, was $212 million (December 31, 2018 – $279 million). The decrease in treasury investments was primarily driven by the investment in RSG and a change in the mix of cash and near-cash items. Treasury investments are managed in a mix of short-term and long-term portfolios. Short-term investments consist of liquid investments and include money market instruments and commercial paper with original maturities of three months to one year. Long-term investments consist of securities and include money market instruments, federal and municipal debt instruments, corporate obligations and structured products with maturities of one to five years. The short- and long-term investments have current Standard & Poor's ratings ranging from BBB to AAA. The portfolio concentration limits range from a maximum of 10% for BBB investments to 100% for AAA investments. The investments are managed to maintain an overall weighted average duration of two years or less.

Today, Onex has access to uncalled committed limited partner capital for investments through Onex Partners V ($4.8 billion) and ONCAP IV ($316 million). In addition, Onex has uncalled committed capital of $143 million from other Onex Partners and ONCAP Funds that may be used for possible future funding of existing businesses and funding of partnership expenses.

LIQUIDITY AND CAPITAL RESOURCES

Major cash flow components

This section should be read in conjunction with the unaudited interim consolidated statements of cash flows and the corresponding notes thereto. Table 17 summarizes the major consolidated cash flow components for the three months ended March 31, 2019 and 2018.

Major Cash Flow Components

TABLE 17 — *(Unaudited) ($ millions)* Three months ended March 31	**2019**	2018
Cash from (used in) operating activities	**$ (5)**	$ 232
Cash from (used in) financing activities	**$ (56)**	$ 551
Cash from (used in) investing activities	**$ 65**	$ (1,240)
Decrease in cash due to the derecognition of previously consolidated corporate investments	**$ (2,169)**	$ –
Consolidated cash and cash equivalents held by continuing operations	**$ 543**	$ 2,893

Cash from (used in) operating activities

Table 18 provides a breakdown of cash from (used in) operating activities by cash generated from operations and changes in non-cash working capital items, other operating activities and operating activities of discontinued operations for the three months ended March 31, 2019 and 2018.

Components of Cash from Operating Activities

TABLE 18 — *(Unaudited) ($ millions)* Three months ended March 31	**2019**	2018
Cash generated from operations	**$ 69**	$ 355
Changes in non-cash working capital items:		
Management and advisory fees, recoverable fund expenses and other receivables	**(40)**	–
Other assets	**(3)**	38
Accounts receivable	**–**	191
Inventories	**–**	(156)
Accounts payable, accrued liabilities and other liabilities	**(31)**	(219)
Decrease in cash and cash equivalents due to changes in non-cash working capital items	**(74)**	(146)
Decrease in other operating activities	**–**	(24)
Cash from operating activities of discontinued operations	**–**	47
Cash from (used in) operating activities	**$ (5)**	$ 232

Cash generated from operations includes the net earnings (loss) from continuing operations before interest and income taxes, adjusted for cash taxes paid and items not affecting cash and cash equivalents, in addition to cash flows from Onex' investments in and loans made to the Investment Holding Companies. The significant changes in non-cash working capital items for the three months ended March 31, 2019 were:

- $40 million increase in management and advisory fees, recoverable fund expenses and other receivables, driven by an increase in fees earned but not yet received from the limited partners of the Onex Partners and ONCAP Funds. This compares to a change of nil during the three months ended March 31, 2018 as this change was eliminated prior to the change in Onex' investment entity status on January 1, 2019, as described on page 20 of this interim MD&A; and

- $31 million decrease in accounts payable and accrued liabilities primarily as a result of the payment of 2018 incentive compensation during the first three months of 2019. This compares to a decrease in accounts payable of $219 million during the three months ended March 31, 2018, which included the previously consolidated controlled operating companies of Onex prior to the change in Onex' investment entity status, as described on page 20 of this interim MD&A.

Cash from (used in) financing activities

Cash used in financing activities was $56 million for the first three months of 2019 compared to cash from financing activities of $551 million for the same period in 2018. Cash used in financing activities for the three months ended March 31, 2019 primarily consisted of $36 million of cash used to repurchase Onex stock, as described on page 36 of this interim MD&A.

For the three months ended March 31, 2018, cash from financing activities was $551 million and included:

- $599 million of net new long-term debt primarily from new long-term debt at SMG and an increase in outstanding debt at sgsco, partially offset by debt repayments made by Meridian Aviation;
- $355 million of contributions received primarily from the limited partners of the Onex Partners and ONCAP Funds; and
- $107 million of proceeds from the Onex Partners III Group's sale of a portion of its shares in Emerald Expositions' March 2018 secondary offering.

Partially offsetting these were:

- $274 million of cash interest paid;
- $149 million of distributions primarily to the limited partners of the Onex Partners and ONCAP Funds; and
- $41 million of cash used for share repurchases primarily by Celestica.

Cash from (used in) investing activities

Cash from investing activities totalled $65 million for the three months ended March 31, 2019 compared to cash used in investing activities of $1.2 billion during the same period in 2018. Cash from investing activities during the three months ended March 31, 2019 primarily consisted of the sale of treasury investments totalling $63 million.

Cash used in investing activities totalled $1.2 billion for the three months ended March 31, 2018 and included:

- $1.1 billion used to fund acquisitions primarily related to the Onex Partners IV Group's investment in SMG;
- $420 million of net purchases of investments and securities for credit strategies;
- a $322 million change in restricted cash primarily due to proceeds from the sale of Mavis Discount Tire; and
- $170 million used for the purchase of property, plant and equipment primarily at Carestream Health, Celestica, Parkdean Resorts, Save-A-Lot and SIG.

Partially offsetting these were:

- $533 million from the sale of Mavis Discount Tire;
- $110 million of cash interest received primarily by the CLOs in credit strategies; and
- $90 million of net proceeds received primarily from third-party investment managers from the sales of investments and securities primarily by Onex, the parent company.

Decrease in cash due to the derecognition of previously consolidated corporate investments

During the three months ended March 31, 2019, cash decreased by $2.2 billion due to the derecognition of previously consolidated corporate investments on January 1, 2019 as a result of the change in Onex' investment entity status, as described on page 20 of this interim MD&A.

Consolidated cash resources

At March 31, 2019, consolidated cash and cash equivalents held by continuing operations decreased to $543 million from $2.7 billion at December 31, 2018. The significant decrease in consolidated cash was driven by the derecognition of previously consolidated operating companies as a result of the change in Onex' investment entity status on January 1, 2019, as described on page 20 of this interim MD&A.

At March 31, 2019, Onex had $1.6 billion of cash and near-cash on hand, as discussed on page 31 of this interim MD&A. Onex management reviews the amount of cash and near-cash on hand when assessing the liquidity of the Company.

Onex' commitment to the Funds

At March 31, 2019, Onex' total uncalled committed capital to the Onex Partners and ONCAP Funds was $2.3 billion, including approximately $2.0 billion to Onex Partners V and $218 million to ONCAP IV, which will be primarily deployed for future new investments. Of the remaining uncalled committed capital at March 31, 2019, $143 million may be used for possible future funding of existing businesses and funding of partnership expenses. Onex' total uncalled committed capital to the Onex Partners and ONCAP Funds excludes remaining commitments to funds solely for possible future funding of partnership expenses. At March 31, 2019, Onex also had uncalled committed capital of $51 million to OCLP I.

RELATED-PARTY TRANSACTIONS

Management and advisory fees

Onex is entitled to management fees from its private equity and credit platforms, and directly from certain operating businesses, as described on page 21 of this interim MD&A. Onex indirectly controls, jointly controls or has significant influence over certain operating businesses held by the Onex Partners and ONCAP Funds and as such, advisory fees from these operating businesses represent related-party transactions.

The amount of management fees recognized as revenue in the unaudited interim consolidated statement of earnings during the three months ended March 31, 2019 is further described on page 25 of this interim MD&A.

Incentive fees

Onex Credit is entitled to incentive fees on $9.0 billion of investor capital that it manages as of March 31, 2019. Incentive fees range between 15% and 20% and some are subject to a hurdle or minimum preferred return to investors. As Onex indirectly controls Onex Credit Lending Partners, the CLOs and certain other Onex Credit Funds, the incentive fees in respect of limited partner capital represent related-party transactions.

During the three months ended March 31, 2019, Onex recognized less than $1 million in incentive fees.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and the Chief Financial Officer have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Chief Executive Officer and the Chief Financial Officer have also designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that information required to be disclosed by the Company in its corporate filings has been recorded, processed, summarized and reported within the time periods specified in securities legislation.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to the inherent limitations in all such systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our internal controls over financial reporting and disclosure controls and procedures are effective in providing reasonable, not absolute, assurance that the objectives of our control systems have been met.

GLOSSARY

The following is a list of commonly used terms in Onex' interim MD&A and unaudited interim consolidated financial statements and their corresponding definitions.

Adjusted EBITDA is a non-GAAP financial measure and is based on the local accounting standards of the individual operating companies. The metric is based on earnings before interest, taxes, depreciation and amortization as well as other adjustments. Other adjustments can include non-cash costs of stock-based compensation and retention plans, transition and restructuring expenses including severance payments, annualized pro-forma adjustments for acquisitions, the impact of derivative instruments that no longer qualify for hedge accounting, the impacts of purchase accounting and other similar amounts.

Assets under management are the sum of the fair value of invested assets and uncalled committed capital that Onex manages on behalf of investors, including Onex' own uncalled committed capital in excess of cash and cash equivalents.

Carried interest is an allocation of part of an investor's gains to Onex and its management team after the investor has realized a preferred return.

CLO warehouse is a leveraged portfolio of credit investments that Onex establishes in anticipation of raising a new CLO. The leverage is typically provided by a financial institution that serves as the placement agent for the relevant CLO. The leverage provided by a financial institution may be in the form of a total return swap that transfers the credit and market risk of specified securities. Onex provides capital to establish the CLO warehouses.

Co-investment is a direct investment made by limited partners alongside a fund.

Collateral principal amount is the aggregate principal balance of the CLO investments in debt obligations, excluding defaulted debt obligations, and also includes the principal balance of cash deposits.

Collateralized Loan Obligation ("CLO") is a structured investment fund that invests in non-investment grade debt. Interests in these funds are sold in rated and unrated tranches that have rights to the CLO's collateral and payment streams in descending order of priority. The yield to investors in each tranche decreases as the level of priority increases.

Committed capital is the amount contractually committed by limited partners that a fund may call for investments or to pay management fees and other expenses.

Deferred Share Units ("DSUs") are synthetic investments made by Directors and the Onex management team, where the gain or loss mirrors the performance of the SVS. DSUs may be issued to Directors in lieu of director fees and to senior management in lieu of a portion of their annual short-term incentive compensation.

Discontinued operation is a component of Onex that has either been disposed of or is currently classified as held for sale and represents either a major line of business or geographical area of operations, a single coordinated plan to dispose of a separate line of business or geographical area of operations, or a subsidiary acquired exclusively with a view to near-term resale.

Economic ownership is the percentage by which Onex economically participates in an operating company investment.

Fee-generating capital is the assets under management on which the Company receives management fees, incentive fees and/or carried interest.

Fully diluted shares include all outstanding SVS as well as outstanding stock options where Onex' share price exceeds the exercise price of the stock options and the stock options have a dilutive impact. Fully diluted shares used in the calculations of segment net earnings (loss) per share are calculated using the treasury stock method.

General partner is a partner that determines most of the actions of a partnership and can legally bind the partnership. The general partners of Onex-sponsored funds are Onex-controlled subsidiaries.

Gross internal rate of return ("Gross IRR") is the annualized percentage return achieved on an investment or fund, taking time into consideration. This measure does not reflect a limited partner's return since it is calculated without deducting carried interest, management fees, taxes and expenses.

Gross multiple of capital ("Gross MOC") is an investment's or fund's total value divided by the capital that has been invested. This measure does not reflect a limited partner's multiple of capital since it is calculated without deducting carried interest, management fees, taxes and expenses.

Hurdle or **preferred return** is the minimum return required from an investment or fund before entitlement to payments under the MIP, carried interest or incentive fees.

Incentive fees are performance fees generated on investors' capital managed by Onex Credit, some of which are subject to a hurdle or preferred return to investors.

International Financial Reporting Standards ("IFRS") are a set of standards adopted by Onex to determine accounting policies for the consolidated financial statements that were formulated by the International Accounting Standards Board, and allows for comparability and consistency across businesses. As a publicly listed entity in Canada, Onex is required to report under IFRS.

Investing capital represents Onex' investing assets that are invested in private equity, Onex Credit strategies, treasury investments, cash and cash equivalents and near-cash available for investing. Investing capital is determined on the same basis as segmented assets for Onex' investing segment.

Investing capital per share is Onex investing capital divided by the number of fully diluted shares outstanding.

Investor capital is the invested and committed uncalled capital of third-party investors.

Joint ventures are a type of business arrangement in which two or more parties agree to share control over key decisions in order to reach a common objective, typically profit generation or cost reduction.

Leveraged loans refer to the non-investment grade senior secured debt of relatively highly leveraged borrowers. A leveraged loan is often issued by a company in connection with it being acquired by a private equity or corporate investor.

Limited partner is an investor whose liability is generally limited to the extent of their share of the partnership.

Limited Partners' Interests charge primarily represents the change in the fair value of the underlying investments in the Onex Partners, ONCAP and credit strategies funds, net of carried interest, which is allocated to the limited partners and recorded as Limited Partners' Interests liability.

Limited Partners' Interests liability represents the fair value of limited partners' invested capital in the Onex Partners, ONCAP and credit strategies funds and is affected primarily by the change in the fair value of the underlying investments in those funds, the impact of the carried interest, as well as any contributions by and distributions to the limited partners in those funds.

LTM Adjusted EBITDA is Adjusted EBITDA of a business over the last twelve months.

Management investment plan ("MIP") is a plan that requires Onex and Onex Partners management to invest in each of the operating businesses acquired or invested in by Onex. Management's required cash investment is 1.5% of Onex' interest in each acquisition or investment. Management is allocated 7.5% of Onex' realized gain from an operating business investment, subject to Onex realizing the full return of its investment plus a net 15% internal rate of return on the investment. The plan also has vesting requirements, certain limitations and voting requirements.

Multiple Voting Shares of Onex are the controlling class of shares, which entitle Mr. Gerald W. Schwartz to elect 60% of Onex' Directors and to 60% of the total shareholder vote on most matters. The shares have no entitlement to distribution on wind-up or dissolution above their nominal paid-in value and do not participate in dividends or earnings.

Near-cash are investment holdings in readily marketable investments that can be converted to cash in an orderly market. In addition, near-cash includes management fees receivable from the limited partners of Onex' private equity funds.

Net internal rate of return ("Net IRR") is the annualized percentage return earned by the limited partners of a fund, excluding Onex as a limited partner, after the deduction of carried interest, management fees, taxes and expenses, taking time into consideration.

Net multiple of capital ("Net MOC") is the investment distributions and unrealized value, net of carried interest and taxes, to limited partners subject to carried interest and management fees in the funds, excluding Onex as a limited partner, divided by the limited partners' total contributions for investments, fees and expenses.

Non-controlling interests represent the ownership interests in Onex' controlled operating companies by shareholders other than Onex and the limited partners in the Onex Partners and ONCAP Funds.

Normal Course Issuer Bid(s) ("NCIB" or the **"Bids")** is an annual program(s) approved by the Board of Directors that enables Onex to repurchase SVS for cancellation.

ONEX is the share symbol for Onex Corporation on the Toronto Stock Exchange.

Onex Credit Funds are the actively managed, diversified portfolio investment funds of Onex Credit, which include two closed-end funds listed on the Toronto Stock Exchange (TSX: OCS-UN and OSL-UN). Onex controls certain funds managed by Onex Credit in which Onex holds an investment.

Onex Credit Lending Partners is a private debt fund which provides credit to middle-market, upper middle-market and large private equity sponsor-owned portfolio companies and, selectively, other corporate borrowers predominantly in the United States and, selectively, in Canada and Europe. The strategy invests the majority of its capital in senior secured loans of companies primarily in less cyclical and less capital-intensive industries, with a focus on capital preservation. The fund employs a buy-and-hold approach to investing, with a goal of owning a diversified pool of investments.

Private equity platform refers to our investing and asset management activities carried on through the Onex Partners and ONCAP Funds.

Private Lending consists of Onex Credit Lending Partners and private debt originated by Onex.

Shareholder capital represents Onex' total assets adjusted to include accounts payable and accrued liabilities, and lease and other liabilities, and to exclude associated DSU hedge assets.

Shareholder capital per share is shareholder capital divided by the number of fully diluted shares outstanding.

Subordinate Voting Shares ("SVS") are the non-controlling share capital of Onex. SVS shareholders are entitled to elect 40% of Onex' Directors and to 40% of the total shareholder vote on most matters. These shares are the only class of stock that economically participates in Onex Corporation. The SVS trade on the Toronto Stock Exchange.

Throughout the interim MD&A and unaudited interim consolidated financial statements, the following operating businesses are referenced as follows:

- **"AIT"** – Advanced Integration Technology LP
- **"AutoSource"** – AutoSource Holdings, Inc.
- **"BBAM"** – BBAM Limited Partnership
- **"Bradshaw"** – Bradshaw International, Inc.
- **"BrightSpring Health"** – Res-Care, Inc.
- **"Carestream Health"** – Carestream Health, Inc.
- **"Celestica"** – Celestica Inc.
- **"Chatters"** – Chatters Canada
- **"Clarivate Analytics"** – Clarivate Analytics
- **"Convex"** – Convex Group Limited
- **"Davis-Standard"** – Davis-Standard Holdings, Inc.
- **"Emerald Expositions"** – Emerald Expositions Events, Inc.
- **"EnGlobe"** – EnGlobe Corp.
- **"Flushing Town Center"** – Flushing Town Center
- **"FLY Leasing Limited"** – FLY Leasing Limited
- **"Gluskin Sheff"** – Gluskin Sheff + Associates Inc.
- **"Hopkins"** – Hopkins Manufacturing Corporation
- **"Incline Aviation Fund"** – Incline Aviation Fund
- **"IntraPac"** – IntraPac International Corporation
- **"Jack's"** – Jack's Family Restaurants
- **"JELD-WEN"** – JELD-WEN Holding, Inc.
- **"KidsFoundation"** – KidsFoundation Holdings B.V.
- **"Laces"** – Laces Group
- **"Mavis Discount Tire"** – Mavis Tire Supply LLC
- **"Meridian Aviation"** – Meridian Aviation Partners Limited and affiliates
- **"Parkdean Resorts"** – Parkdean Resorts
- **"Pinnacle Renewable Energy"** – Pinnacle Renewable Holdings, Inc.
- **"PowerSchool"** – PowerSchool Group LLC
- **"Precision"** – Precision Global
- **"PURE Canadian Gaming"** – PURE Canadian Gaming Corp.
- **"RSG"** – Ryan Specialty Group, LLC
- **"Ryan"** – Ryan, LLC
- **"Save-A-Lot"** – Save-A-Lot
- **"Schumacher"** – Schumacher Clinical Partners
- **"sgsco"** – SGS International, LLC
- **"SIG"** – SIG Combibloc Group AG
- **"SMG"** – SMG Holdings Inc.
- **"Survitec"** – Survitec Group Limited
- **"Tecta"** – Tecta America Corporation
- **"Venanpri Group"** – Venanpri Group
- **"Walter"** – Walter Surface Technologies
- **"WireCo"** – WireCo WorldGroup
- **"Wyse"** – Wyse Meter Solutions Inc.
- **"York"** – York Risk Services Holding Corp.