

Intact Financial Corporation strengthens its supply chain network with acquisition of On Side Restoration

Will enhance customer experience and deepen claims expertise

- Acquiring a national restoration firm with an outstanding reputation for customer service
- Residential and commercial customers will benefit from simpler, faster and superior service
- Strategically aligned: combination delivers operational efficiencies, deeper claims expertise and risk diversification
- Financially compelling: attractive internal rate of return and immediate low single digit accretion to NOIPS

TORONTO, Aug. 6, 2019 /CNW/ - Intact Financial Corporation (**TSX:IFC**) and On Side Developments Ltd., the parent company of On Side Restoration ("**On Side Restoration**") today announced that they are joining forces to strengthen repair and restoration services for personal and commercial property claims customers across Canada. With this acquisition IFC will deepen its claims expertise and strengthen its supply chain network. The transaction is expected to close on or before October 1, 2019 subject to certain conditions, including regulatory approval.

On Side Restoration is a national restoration firm, based in Vancouver, with more than 1,200 employees and 35 branches coast to coast. Its reputation for excellent customer service along with 40 years of claims experience makes it a strong strategic fit for IFC.

"Our claims service is a key differentiator and is at the heart of what we promise. On Side Restoration is already an important part of our Rely Network of preferred vendors and they have a track record of providing excellent customer service and helping us deliver on that promise," said Charles Brindamour, Chief Executive Officer, Intact Financial Corporation. "By taking ownership in the supply chain and combining our strengths we can ensure simpler, faster and consistently higher quality outcomes for property claims customers. This transaction will reduce claims handling costs and provide diversification to our property exposures with a new and counter cyclical earnings stream," added Mr. Brindamour.

"With this agreement we are combining two leading companies who are keenly focused on providing the highest levels of professionalism, care, and exceptional customer service in property restoration," said Craig Hogarth, Founder and President, On Side Restoration. "Becoming part of the Intact family is an exciting next step that will fuel another 40 years of growth as we continue to build our business and serve a wide variety of clients, including other key partners and insurers," added Mr. Hogarth.

IFC has been steadily increasing collaboration over time with On Side Restoration to reduce cycle times and simplify processes for an improved customer experience. Through this acquisition IFC expects to further increase operational efficiencies and improve customer satisfaction by reducing the duplication of processes and controls, which will result in quick decision making and faster completion of repair and restoration work.

The property supply chain, namely restoration services, is a growing area of business, particularly as our communities are experiencing more frequent weather events. Intact will gain full ownership of On Side Restoration over a two-year period for a variable purchase consideration which is based in part on future profitability metrics. The purchase price will be financed from internal resources. The acquisition will provide immediate low single digit accretion to NOIPS, and mild accretion to ROE.

About On Side Restoration

On Side Restoration is one of the nation's leading Canadian-owned restoration companies with 35 branches from Victoria, BC to St. John's, Newfoundland. For the past 40 years the company has been restoring damaged homes and businesses 24 hours a day, 365 days a year. Proprietary internal systems include eClaim, a transparent web-based file management software program, and On Side LiVE, their 24 hour customizable emergency call centre. Experienced and certified crew operate On Side Restoration's extensive fleet of emergency response vehicles and leverage their 13,000+ pieces of specialty equipment. Further information about On Side Restoration can be found at www.onside.ca.

About Intact Financial Corporation

Intact Financial Corporation (TSX: IFC) is the largest provider of property and casualty (P&C) insurance in Canada and a leading provider of specialty insurance in North America, with over \$10 billion in total annual premiums. The Company has approximately 14,000 full- and part-time employees who serve more than five million personal, business and public-sector clients through offices in Canada and the U.S. In Canada, Intact distributes insurance under the Intact Insurance brand through a wide network of brokers, including its wholly-owned subsidiary BrokerLink, and directly to consumers through belairdirect. In the U.S., OneBeacon Insurance Group, a wholly-owned subsidiary, provides specialty insurance products through independent agencies, brokers, wholesalers and managing general agencies.

Forward Looking Statements

Certain statements included in this press release, including without limitation, the timing for completion of the proposed acquisition, management's estimates and expectations in relation to resulting accretion, internal rate of return, net operating

income per share, annual synergies, operational efficiencies and risk diversification are forward looking statements. The words "will", "expected to" and comparable words or phrases are intended to identify forward looking statements. Forward looking statements are based on estimates and assumptions made by management in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes are appropriate in the circumstances.

Many factors could cause IFC's actual results, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward looking statements, including without limitation, the terms and conditions of, and regulatory approvals relating to, the proposed acquisition, timing for completion of the proposed acquisition and various other actions to be taken or requirements to be met in connection with the proposed acquisition and the factors discussed in IFC's most recently filed Annual Information Form and annual Management's Discussion & Analysis. These factors are not intended to represent a complete list of the factors that could affect IFC. These factors should, however, be considered carefully.

All of the forward-looking statements included in this press release are qualified by these cautionary statements. Although the forward-looking statements are based upon what management believes to be reasonable assumptions, IFC cannot assure investors that actual results will be consistent with these forward-looking statements. When relying on forward-looking statements to make decisions, investors should ensure the preceding information is carefully considered. Undue reliance should not be placed on forward-looking statements made in this press release. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this press release, whether as a result of new information, future events or otherwise.



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