

Press Release

Guardian Capital Group Limited (TSX: GCG; GCG.A) Announces 2017 First Quarter Operating Results

Toronto, Ontario, May 11, 2017

All per share figures disclosed below are stated on a diluted basis.

For the periods ended March 31			
<i>(\$ in thousands, except per share amounts)</i>		2017	2016
Net revenue		\$ 38,618	\$ 35,070
Operating earnings		12,458	11,350
Net gains		17,589	16,778
Net earnings available to shareholders		25,003	23,818
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EBITDA ⁽¹⁾		\$ 13,306	\$ 12,478
Adjusted cash flow ⁽¹⁾		4,417	9,583
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Per share:			
Net earnings available to shareholders		\$ 0.86	\$ 0.79
EBITDA		0.46	0.42
Adjusted cash flow		0.15	0.32
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As at			
<i>(\$ in millions, except per share amounts)</i>		2017	2016
		March 31	December 31 March 31
Assets under management		\$ 26,967	\$ 27,280 \$ 24,817
Assets under administration		16,958	16,489 14,987
Shareholders' equity		605	580 498
Securities		636	620 534
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Per share:			
Shareholders' equity		\$ 20.58	\$ 19.62 \$ 16.63
Securities		21.63	20.97 17.84

The Company's assets under management as at March 31, 2017 were \$27.0 billion, a decrease of 1% from \$27.3 billion at the end of 2016 and an increase of 9% from \$24.8 billion at March 31, 2016. Assets under administration were \$17.0 billion at the end of the current quarter, up 3% from \$16.5 billion at the end of 2016 and a 13% increase from \$15.0 billion at March 31, 2016.

The Company's operating earnings for the quarter ended March 31, 2017 were \$12.5 million, compared to \$11.4 million in the same period a year earlier. The increase in operating earnings in the current quarter was led by the Financial Advisory Segment, where they grew by \$1.7 million, or 67%, while the Investment Management Segment's operating earnings decreased by \$0.2 million, or 4%. In the current quarter, the Investment Management Segment incurred \$1.5 million in operating losses related to our building of a UK-based Fundamental Equities investment management team and a US distribution team, compared to losses of \$1.0 million in this area in Q1 of 2016. These losses are expected to continue to have a dampening effect on earnings in the short term, setting the stage for improved future operating earnings and long-term value.

Net gains of \$17.6 million for the current quarter are slightly higher than the gains of \$16.8 million in the prior period. In both periods, the gains arose from a combination of the consolidated UCITS investment fund managed by the Company's subsidiary and the sale of Bank of Montreal shares.

Net earnings available to shareholders for the current quarter were \$25.0 million, or \$0.86 per share, compared to \$23.8 million, or \$0.79 per share, a year earlier, with the increase provided by the increased operating earnings and net gains.

EBITDA⁽¹⁾ for the current quarter was \$13.3 million, or \$0.46 per share, compared to \$12.5 million, or \$0.42 per share in 2016. Adjusted cash flow from operations⁽¹⁾ for the current quarter was \$4.4 million, or \$0.15 per share, compared to \$10.0 million, or \$0.32 per share in 2016. The large reduction in adjusted cash flow from operations is due to higher tax payments in the current quarter compared to Q1 of 2016.

The Company's shareholders' equity as at March 31, 2017 was \$605 million, or \$20.58 per share, compared to \$580

million, or \$19.62 per share as at December 31, 2016 and \$498 million, or \$16.63 per share as at March 31, 2016. The Company's securities as at March 31, 2017 were valued at \$636 million, or \$21.63 per share, compared to \$620 million, or \$20.97 per share, as at December 31, 2016 and \$534 million, or \$17.84 per share, as at March 31, 2016.

The Board of Directors has declared a quarterly eligible dividend of \$0.10 per share, payable on July 18, 2017, to shareholders of record on July 11, 2017.

The following table summarizes the Company's financial results for the past eight quarters.

Three months ended <i>(\$ in thousand, except per share amounts)</i>	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015
Net revenue	\$ 38,618	\$ 38,240	\$ 35,185	\$ 34,191	\$ 35,070	\$ 34,353	\$ 33,188	\$ 33,066
Operating earnings	12,458	12,371	10,646	10,300	11,350	10,256	10,876	11,390
Net gains (losses)	17,589	10,754	10,057	1,028	16,778	9,658	(2,407)	602
Net earnings	25,518	19,859	17,475	9,169	24,072	17,362	6,278	9,786
Net earnings available to shareholders	25,003	19,417	17,353	8,887	23,818	17,138	6,053	9,604
Shareholders' equity	605,039	580,177	545,339	513,939	497,656	504,255	470,533	473,944
Net earnings available to shareholders								
per Class A and Common share								
Basic	\$ 0.91	\$ 0.69	\$ 0.61	\$ 0.31	\$ 0.83	\$ 0.59	\$ 0.21	\$ 0.33
Diluted	0.86	0.65	0.58	0.30	0.79	0.56	0.20	0.31
Shareholders' equity per Class A and								
Common share								
Basic	\$ 21.81	\$ 20.75	\$ 19.11	\$ 18.08	\$ 17.51	\$ 17.37	\$ 15.96	\$ 16.08
Diluted	20.58	19.62	18.07	17.10	16.63	16.55	15.23	15.32
Dividends paid	\$ 0.085	\$ 0.085	\$ 0.085	\$ 0.085	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075

Guardian Capital Group Limited is a diversified financial services company founded in 1962. The Company provides institutional and high net worth investment management services to clients; financial services to international investors; and services to financial advisors in its national mutual fund dealer, securities dealer, and insurance distribution network. Its Common and Class A shares are listed on The Toronto Stock Exchange.

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⁽¹⁾ The Company's management uses EBITDA and Adjusted cash flow from operations to evaluate and assess the performance of its business. These two measures do not have standardized measures under International Financial Reporting Standards ("IFRS"), and are therefore unlikely to be comparable to similar measures presented by other companies. However, management believes that most shareholders, creditors, other stakeholders and investment analysts prefer to include the use of these measures in analyzing the Company's results. The Company defines EBITDA as net earnings before interest, income taxes, amortization, stock-based compensation, net gains or losses, less amounts attributable to non-controlling interests. The Company defines Adjusted cash flow from operations as net cash from operating activities, net of changes in non-cash working capital items and non-controlling interests. The most comparable IFRS measures are Net earnings, which were \$25,518 for the three months ended March 31, 2017 (2016 - \$24,072), and Net cash from (used in) operating activities, which was \$(6,091) for the three months ended March 31, 2017 (2016 - \$4,450). More detailed descriptions of these two non-IFRS measures are provided in the Company's quarterly Management's Discussions and Analysis, including a reconciliation of these measures to their most comparable IFRS measures.