

## Press Release

### Guardian Capital Group Limited (TSX: GCG; GCG.A) Announces 2019 Second Quarter Operating Results

Toronto, Ontario, August 8, 2019

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

For the periods ended June 30 (\$ in thousands, except per share amounts)	Three months		Six months	
	2019	2018	2019	2018
Net revenue	\$ 45,963	\$ 42,924	\$ 90,254	\$ 84,440
Operating earnings	12,590	11,302	23,766	21,806
Net gains	7,957	20,800	73,840	4,868
Net earnings attributable to shareholders	16,838	25,385	84,058	19,177
EBITDA <sup>(1)</sup>	\$ 16,238	\$ 13,313	\$ 30,747	\$ 25,784
Adjusted cash flow from operations <sup>(1)</sup>	12,524	10,310	23,028	19,074
Per share:				
Net earnings attributable to shareholders	\$ 0.62	\$ 0.90	\$ 3.06	\$ 0.68
EBITDA <sup>(1)</sup>	0.60	0.47	1.12	0.91
Adjusted cash flow from operations <sup>(1)</sup>	0.46	0.37	0.84	0.68
As at (\$ in millions, except per share amounts)		2019 June 30	2018 December 31	June 30
Assets under management	\$ 30,090	\$ 26,962	\$ 29,731	
Assets under administration	18,784	17,385	17,980	
Shareholders' equity	648	599	645	
Securities	663	627	670	
Per share:				
Shareholders' equity <sup>(1)</sup>	\$ 23.73	\$ 21.57	\$ 22.74	
Securities <sup>(1)</sup>	24.29	22.58	23.63	

The Company's Operating earnings for the quarter ended June 30, 2019 were \$12.6 million, an 11% increase compared to \$11.3 million during the same quarter in the prior year.

The Net revenue increased to \$46.0 million in the current quarter, \$3.1 million or 7% higher than the \$42.9 million in the same quarter in the prior year. The Net management fees earned in the current quarter increased \$1.1 million to \$23.4 million, a 5% increase from the same period in the prior year. The revenue growth outpaced the growth in AUM of 1% during the same period. The largest contribution to the revenue growth came from the UK operations, which continued to experience significant inflow of new client assets into the Fundamental Global Equity strategy. The total AUM managed by the UK subsidiary has now surpassed \$3 billion. Partially offsetting the revenue growth from the Fundamental Global Equity strategy was the decrease in contributions from the domestic investment management business. Net commission revenue increased by \$1.4 million, or 13%, to \$12.6 million in the current quarter, compared to the same period in the prior year. The increase was due largely to the increase in annual servicing commissions in the Managing General Agency ("MGA"), benefiting from both the sale of life insurance policies sold in the prior year and the contributions from the advisors recruited in the prior periods. Administrative services income increased by \$0.6 million to \$3.9 million, when compared to the recent year. The increase was largely in the Financial Advisory Segment.

Partially offsetting the increase in Net revenue was the increase in expenses to \$33.4 million in the current quarter, \$1.8 million higher than the prior year expenses of \$31.6 million. The increased expenses were largely incurred in the UK investment management and the MGA businesses mentioned above to support the growth of these businesses, including increased employee compensation costs.

The volatility in the global financial markets continues to drive significant fluctuations in the quarterly Net gains associated with our Securities and consequently, the Net earnings attributable to shareholders. Net gains in the current quarter were \$8.0 million, compared to \$20.8 million in the prior year. The lower Net gains in the current quarter are directly related to the financial market performance during the current quarter compared to the prior year. Included in the Net gains for the current quarter are net gains realized on the disposal of 100,000 shares of the Bank of Montreal.

The Company's Net earnings attributable to shareholders in the current quarter were \$16.8 million, compared to a Net earnings attributable to shareholders of \$25.4 million in the prior year. The lower Net earnings attributable to shareholders in the current quarter were largely due to lower Net gains recorded in the current quarter, partially offset by the increase in Operating earnings, as described above.

The Company's Assets Under Management ("AUM") surpassed the \$30 billion mark for the first time and is at \$30.1 billion as at June 30, 2019, compared to \$27.0 billion at the end of 2018 and \$29.7 billion as at June 30, 2018. The increase in AUM is due to the combination of positive financial market performance and successes in attracting net new assets into the Fundamental Global Equity strategy, partially offset by net outflows from the domestic strategies. The Company's assets under administration were \$18.8 billion as at June 30, 2019, compared to \$17.4 billion at the end of 2018 and \$18.0 billion as at June 30, 2018.

EBITDA<sup>(1)</sup> for the current quarter was \$16.2 million, or \$0.60 per share, compared to \$13.3 million, or \$0.47 per share for 2018, a 22% increase (28% on a per share basis). Adjusted cash flow from operations<sup>(1)</sup> for the current quarter was \$12.5 million, or \$0.46 per share, compared to \$10.3 million, or \$0.37 per share for 2018, 21% increase (24% on a per share basis). Both measures increased compared to last year due largely to improved Operating earnings and the increase in amortization expenses being included in Operating earnings, which are excluded in calculating these non-IFRS measures. In addition, the initial adoption of a new accounting standard, IFRS 16 - Leases, has also impacted the growth in these measures as the Company elected to apply the new standard on a modified retrospective basis and not restate the prior periods. As a result, the prior period figures are not entirely comparable with current period figures. The new accounting standard had the effect of increasing both the EBITDA<sup>(1)</sup> and the Adjusted cash flow from operations<sup>(1)</sup> by \$0.6 million in the current quarter, compared to what they would have been under the previous standard. Adjusting for the effects of the accounting changes, both the EBITDA<sup>(1)</sup> and the Adjusted cash flow from operations<sup>(1)</sup> increased by 17% from same quarter in the prior year.

The Company's Shareholders' equity as at June 30, 2019 was \$648 million, or \$23.73 per share<sup>(1)</sup>, compared to \$599 million, or \$21.57 per share<sup>(1)</sup> as at December 31, 2018, and \$645 million, or \$22.74 per share<sup>(1)</sup>, as at June 30, 2018. The fair value of the Company's Securities as at June 30, 2019 was \$663 million, or \$24.29 per share<sup>(1)</sup>, compared to \$627 million, or \$22.58 per share<sup>(1)</sup>, as at December 31, 2018, and \$670 million or \$23.63 per share<sup>(1)</sup>, as at June 30, 2018.

The Board of Directors has declared a quarterly eligible dividend of \$0.15 per share, payable on October 18, 2019, to shareholders of record on October 11, 2019.

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

For the three months ended	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017
<i>(\$ in thousand, except per share amounts)</i>								
Net revenue	\$ 45,963	\$ 44,291	\$ 44,300	\$ 42,773	\$ 42,924	\$ 41,516	\$ 39,097	\$ 36,315
Operating earnings	12,590	11,176	12,137	12,444	11,302	10,504	13,046	10,505
Net gains (losses)	7,957	65,883	(89,001)	28,481	20,800	(15,932)	38,186	4,068
Net earnings (loss)	17,601	68,099	(69,652)	35,079	26,245	(5,279)	44,466	12,555
Net earnings (loss) attributable to shareholders	16,838	67,220	(70,449)	34,320	25,385	(6,208)	43,982	12,310
Shareholders' equity	656,167	656,167	599,311	670,382	644,956	623,511	634,416	608,013
Per Class A and Common share (in \$)								
Net earnings (loss) attributable to shareholders	\$ 0.62	\$ 2.43	\$ (2.63)	\$ 1.21	\$ 0.90	\$ (0.23)	\$ 1.51	\$ 0.42
Shareholders' equity <sup>(1)</sup>	\$ 23.73	\$ 23.66	\$ 21.57	\$ 23.57	\$ 22.74	\$ 21.98	\$ 21.88	\$ 20.67
Dividends paid	\$ 0.150	\$ 0.125	\$ 0.125	\$ 0.125	\$ 0.125	\$ 0.100	\$ 0.100	\$ 0.100

Guardian Capital Group Limited is a diversified financial services company founded in 1962. Its Common and Class A shares are listed on The Toronto Stock Exchange and the Company is celebrating its 50<sup>th</sup> anniversary as a listed company. 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. For further information, contact:

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<sup>(1)</sup> The Company's management uses EBITDA, EBITDA per share, Adjusted cash flow from operations, Adjusted cash flow from operations per share, Shareholders' equity per share and Securities per share to evaluate and assess the performance of its business. These 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, and the most comparable IFRS measures is Net earnings, which were \$17.6 million for the three months ended June 30, 2019 (2018 - \$26.2) million. 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 and the most comparable IFRS measures is Net cash from (used in) operating activities, which was \$19.3 million for the three months ended June 30, 2019 (2018 - \$16.9 million). The per share amounts for these non-IFRS measures are calculated by dividing the amounts by diluted shares, which is calculated in a similar manner as net earnings available to shareholders per share. More detailed descriptions of these non-IFRS measures are provided in the Company's Management's Discussions and Analysis, including a reconciliation of these measures to their most comparable IFRS measures.