



Guardian Capital Group Limited (TSX: GCG; GCG.A) Announces 2022 First Quarter Operating Results

TORONTO, May 12, 2022 --

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

For the three months ended March 31, <i>(\$ in thousands, except per share amounts)</i>	2022		2021
Net revenue	\$	75,065	\$ 64,694
Operating earnings		19,366	17,504
Net gains (losses)		(7,982)	41,971
Net earnings		5,815	50,861
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EBITDA ⁽¹⁾	\$	26,370	\$ 23,489
Adjusted cash flow from operations ⁽¹⁾		19,949	20,523
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Attributable to shareholders:			
Net earnings	\$	4,262	\$ 49,625
EBITDA ⁽¹⁾		23,846	21,211
Adjusted cash flow from operations ⁽¹⁾		17,755	18,492
Per share, diluted:			
Net earnings	\$	0.16	\$ 1.83
EBITDA ⁽¹⁾		0.90	0.78
Adjusted cash flow from operations ⁽¹⁾		0.67	0.68
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As at <i>(\$ in millions, except per share amounts)</i>	2022		2021
	March 31	December 31	March 31
Assets under management	\$ 53,123	\$ 56,341	\$ 47,643
Assets under administration	30,526	31,508	28,680
Total client assets	83,649	87,849	76,323
Shareholders' equity	\$ 828	\$ 839	\$ 737
Securities	741	752	654
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Per share:			
Shareholders' equity ⁽¹⁾	\$ 31.27	\$ 31.53	\$ 27.14
Securities ⁽¹⁾	27.97	28.27	24.05

The Company is reporting \$83.6 billion in total client assets as at March 31, 2022, which include assets under management ("AUM") and assets under administration ("AUA"). This is a 5% decrease from \$87.8 billion reported as at December 31, 2021, and a 10% increase from \$76.3 billion as at March 31, 2021.

Assets Under Management ("AUM") were \$53.1 billion as at March 31, 2022, a 6% decrease from \$56.3 billion as at December 31, 2021, and a 12% increase from \$47.6 billion as at March 31, 2021. The decrease in the AUM during the current quarter was driven largely by the negative global financial market performance, partially offset by net inflow of new assets, while the increase since March 31, 2021 was due to a combination of the net inflow of assets throughout 2021, and the net positive performance in the global equities market. The Company's Assets Under Administration ("AUA") were \$30.5 billion as

at March 31, 2022, a 3% decrease from \$31.5 billion as at December 31, 2021 and a 6% increase from \$28.7 billion as at March 31, 2021.

The Company is reporting Operating earnings of \$19.4 million for the quarter ended March 31, 2022, an increase of 11% or \$1.9 million higher than the \$17.5 million reported in the first quarter of 2021. This growth was achieved while continuing to make investments into the strategically important initiatives to the buildout of our retail distribution capabilities, to integrate and enhance the recently acquired businesses and to buildout the recently launched Guardian Smart Infrastructure Management Inc., the private infrastructure business. These initiatives incurred a combined Operating loss of \$2.3 million in the current quarter, \$1.1 million higher than in the first quarter of 2021.

Net revenue for the current quarter grew to \$75.1 million, 16% or \$10.4 million higher than the \$64.7 million reported in the same quarter in the prior year. The increase is in line with our growth in total client assets and reflects our successful organic growth throughout 2021 and the benefit of net positive performances in the global financial markets since the first quarter of 2021.

Expenses in the current quarter were \$55.7 million, an \$8.5 million increase from \$47.2 million in the same quarter in the prior year. The higher expenses reflect the growth in our businesses and the strategic investments made into the initiatives described above.

Net losses in the current quarter were \$8.0 million, compared to Net gains of \$42.0 million in the same quarter in the prior year. The largest portion of the Net losses in the current quarter were due to the declines in fair values of a portion of our securities holdings exposed to non-Canadian equity markets. These losses were partially offset by the increase in the fair value of the BMO shares.

The Company's Net earnings attributable to shareholders in the current quarter were \$4.3 million, compared to \$49.6 million in the same quarter in 2021. The Net losses, as described above, compared to the large Net gains in the prior year, had the most significant impact on the change in Net earnings attributable to shareholders. This was partially offset by the growth in Operating earnings over the same period.

EBITDA attributable to shareholders⁽¹⁾ for the current quarter was \$23.8 million, compared to \$21.2 million in the same period in the prior year. Adjusted cash flow from operations attributable to shareholders⁽¹⁾ for the current quarter was \$17.8 million, compared to \$18.5 million in the same quarter in the prior year.

The Company's Shareholders' equity as at March 31, 2022 was \$828 million, or \$31.27 per share⁽¹⁾, compared to \$839 million, or \$31.53 per share⁽¹⁾ as at December 31, 2021, and \$737 million, or \$27.14 per share⁽¹⁾ as at March 31, 2021. Since December 31, 2021, the Company returned to shareholders \$4.7 million in dividends and \$2.3 million in share buybacks. The fair value of the Company's Securities as at March 31, 2022 was \$741 million, or \$27.97 per share⁽¹⁾, compared to \$752 million, or \$28.27 per share⁽¹⁾ as at December 31, 2021 and \$654 million, or \$24.05 per share⁽¹⁾ as at March 31, 2021.

The Board of Directors has declared a quarterly eligible dividend of \$0.24 per share, payable on July 18, 2022, to shareholders of record on July 11, 2022.

The Company's financial results for the past eight quarters are summarized in the following table.

	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
<i>As at (\$ in millions)</i>								
Assets under management	\$ 53,123	\$ 56,341	\$ 53,113	\$ 51,960	\$ 47,945	\$ 45,984	\$ 32,733	\$ 31,200
Assets under administration	30,526	31,508	30,015	29,582	28,376	22,289	20,755	20,010
Total client assets	83,649	87,849	83,128	81,542	76,321	68,273	53,488	51,210
<i>For the three months ended (\$ in thousands)</i>								
Net revenue	\$ 75,065	\$ 78,049	\$ 72,384	\$ 69,960	\$ 64,694	\$ 63,724	\$ 52,042	\$ 50,124
Operating earnings	19,366	22,314	20,771	21,199	17,504	18,493	12,108	13,427
Net gains (losses)	(7,982)	52,331	(8,146)	56,467	41,971	80,983	35,739	43,254
Net earnings	5,815	64,451	8,597	66,831	50,861	87,083	42,652	51,244
Net earnings attributable to shareholders	4,262	62,421	7,054	65,138	49,625	86,039	42,201	50,486

<i>(in \$)</i>								
Net earnings attributable to shareholders:								
Per Class A and Common share								
Basic	\$ 0.17	\$ 2.52	\$ 0.28	\$ 2.59	\$ 1.95	\$ 3.38	\$ 1.66	\$ 1.99

Diluted	0.16	2.35	0.27	2.42	1.83	3.17	1.56	1.87
Dividends paid on Class A and Common shares	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16

As at								
Shareholders' equity(\$ in thousands)	\$ 828,404	\$ 838,520	\$ 781,334	\$ 780,323	\$ 737,363	\$ 699,610	\$ 631,863	\$ 596,265
Per Class A and Common share(in \$)								
Basic	\$ 33.67	\$ 33.89	\$ 31.56	\$ 31.15	\$ 29.02	\$ 27.43	\$ 24.80	\$ 23.50
Diluted	31.27	31.53	29.40	29.09	27.14	25.69	23.25	22.07
Total Class A and Common shares outstanding(shares in thousands)	26,892	26,954	26,968	27,263	27,691	27,740	27,758	27,758

Guardian Capital Group Limited is a diversified financial services company founded in 1962. The Company is headquartered in Canada and also has offices in the United Kingdom, the United States and the Caribbean. It provides investment and wealth management services to clients and services to financial advisors in its national mutual fund dealer, securities dealer, and life insurance managing general agency. Its Common and Class A shares are listed on The Toronto Stock Exchange.

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Caution Concerning Forward-Looking Information

Certain information included in this press release constitutes forward-looking information within the meaning of applicable Canadian securities laws. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events or the negative thereof. Forward-looking information in this press release includes, but is not limited to, statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations. Such forward-looking information reflects management's beliefs and is based on information currently available. All forward-looking information in this press release is qualified by the following cautionary statements.

Although Guardian believes that the expectations reflected in such forward-looking information are reasonable, such information involves known and unknown risks and uncertainties which may cause Guardian's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially include but are not limited to: general economic and market conditions, including interest rates, business competition, changes in government regulations or in tax laws, the duration and severity of the current COVID pandemic, the ongoing conflict in the Ukraine, as well as those risk factors discussed or referred to in the disclosure documents filed by Guardian with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com. The reader is cautioned to consider these factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information.

The forward-looking information included in this press release is made as of the date of this press release and should not be relied upon as representing Guardian's views as of any date subsequent to the date of this press release.

⁽¹⁾The Company's management uses EBITDA, EBITDA attributable to shareholders, including the per share amount, Adjusted cash flows from operations, Adjusted cash flow from operations attributable to shareholders, including the per share amount, 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 and EBITDA attributable shareholders as EBITDA less the 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 Adjusted cash flow from operations attributable to shareholders as Adjusted cash flow from operations less the amounts attributable to non-controlling interests. The most comparable IFRS measures are Net earnings, which was \$5.8 million in 2022 (2021 - \$50.9 million) and Net cash used in operating activities, which was \$0.7 million in 2022 (2021 - Net cash from operations \$6.1 million). The per share amounts for EBITDA attributable to shareholders, Adjusted cash flow from operations attributable to shareholders, Shareholders' equity and Securities are calculated by dividing the amounts by diluted shares, which is calculated in a manner similar to net earnings attributable to shareholders per share.

More detailed descriptions of these non-IFRS measures are provided in the Company's Management's Discussion and Analysis, including a reconciliation of these measures to their most comparable IFRS measures.