



# Guardian Capital Group Limited

ANNUAL MEETING OF SHAREHOLDERS

George Mavroudis | President and Chief Executive Officer

May 13, 2021

# Forward Looking Statements

This presentation may contain “forward-looking statements” with respect to Guardian Capital Group Limited and its products and services, including its business operations and strategy and financial performance and condition. These statements, characterized by such words as “goal”, “outlook”, “intends”, “expects”, “plan”, “prospects”, “are confident”, “believe” and “anticipate”, are intended to reflect Guardian’s objectives, plans, expectations, estimates, beliefs and intentions.

By their nature, forward-looking statements involve risks and uncertainties. There is a risk that the expectations reflected in such forward-looking statements will not be achieved. Undue reliance should not be placed on these statements, as a number of factors could cause actual results to differ materially from Guardian’s objectives, plans, expectations and estimates reflected in the forward-looking statements. Factors that could cause actual results to differ materially from expectations include, among other things, general economic and market conditions, including interest rates, business competition, changes in government regulations or in tax laws, and other factors.



# The Guardian of Today

**Growth**

**Quality**

**Ecosystem**



# Guardian's Businesses

March 31, 2021

## Corporate Activities and Investments

- Management expertise, financing, coordination of business activities and support
- Shareholders' equity: \$737 million (2020 - \$563M)
- Securities holdings: \$654 million (2020 - \$524M)
- Market Capitalization: \$860 million<sup>1</sup>
- TSX Listed: GCG, GCG.A



**GUARDIAN CAPITAL**

**GUARDIAN CAPITAL GROUP**

Total Client Assets

**\$76.3 Billion**

**Investment Management**

AUM of \$43.7 billion

**Wealth Management**

AUA of \$28.7 billion

AUM of \$3.9 billion

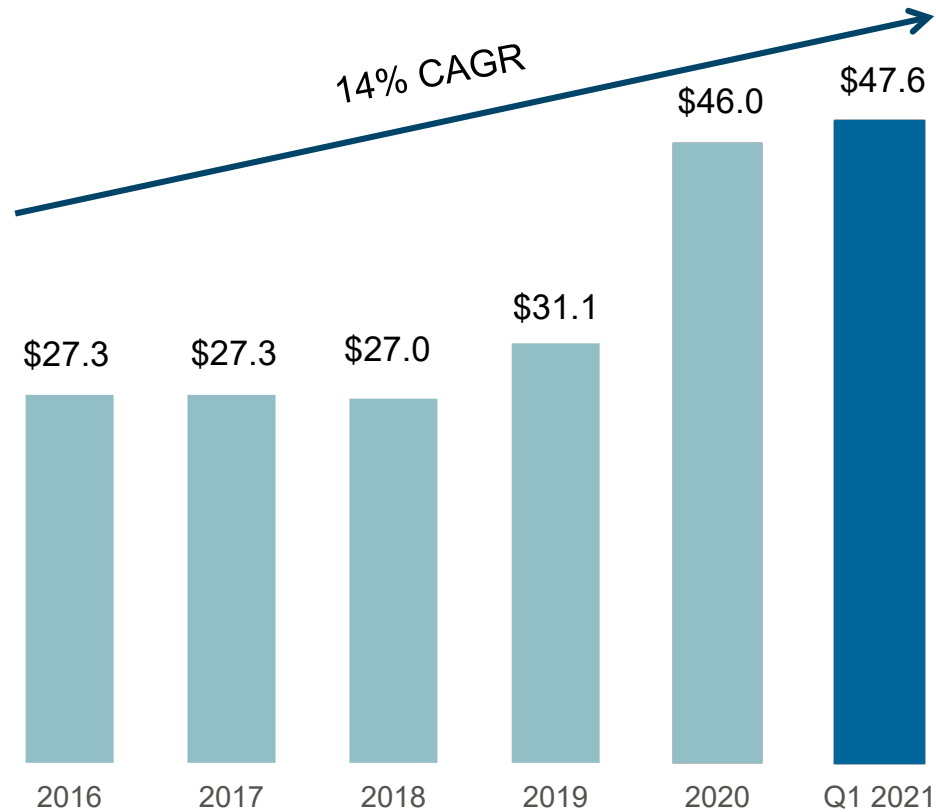
<sup>1</sup>As at May 12, 2021



# Guardian's Fee-Generating Assets

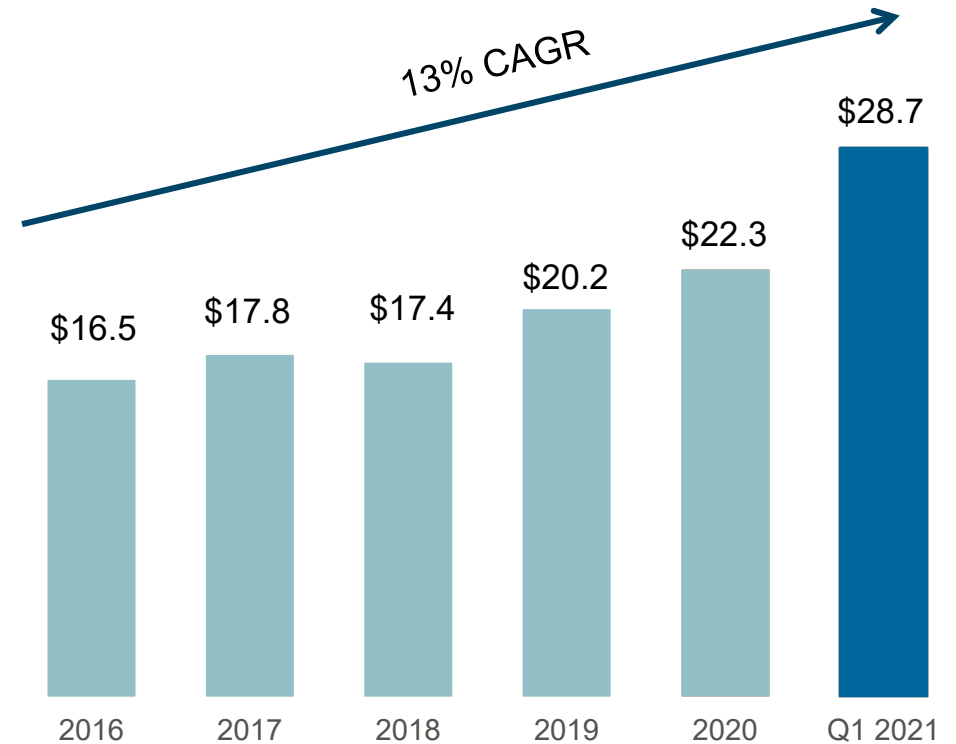
## Assets Under Management

As at period end (\$ billions)



## Assets Under Administration

As at period end (\$ billions)



# 2020 Financial Statement Highlights

(\$ millions, except per share amounts)	2020	2019	% Increase / Decrease
Net revenues	\$ 215.8	\$ 186.1	16%
Operating earnings	\$ 54.8	\$ 48.9	12%
EBITDA attributable to shareholders <sup>1</sup>	\$ 70.3	\$ 63.2	11%
AUM	\$ 45,984	\$ 31,147	48%
AUA	\$ 22,289	\$ 20,248	10%
Shareholders' equity, per share <sup>1</sup>	\$ 25.69	\$ 25.01	3%
Securities, per share <sup>1</sup>	\$ 23.23	\$ 24.99	-7%
Securities net of operating borrowings, per share <sup>2</sup>	\$ 20.66	\$ 21.73	-5%

<sup>1</sup> As defined in Guardian's MD&A

<sup>2</sup> This metric is the securities balance, net of operating bank loans and borrowings, but before any deferred taxes on the securities, divided by the diluted number of shares outstanding



# Q1 2021 Financial Statement Highlights

(\$ millions, except per share amounts)	2021	2020	% Increase / Decrease
Net revenues	\$ 64.7	\$ 49.9	30%
Operating earnings	\$ 17.5	\$ 10.8	62%
EBITDA attributable to shareholders <sup>1</sup>	\$ 21.2	\$ 14.4	47%
AUM	\$ 47,643	\$ 27,527	73%
AUA	\$ 28,680	\$ 18,152	58%
Shareholders' equity, per share <sup>1</sup>	\$ 27.14	\$ 20.94	30%
Securities, per share <sup>1</sup>	\$ 24.05	\$ 19.50	23%
Securities net of operating borrowings, per share <sup>2</sup>	\$ 21.34	\$ 16.59	29%

<sup>1</sup> As defined in Guardian's MD&A

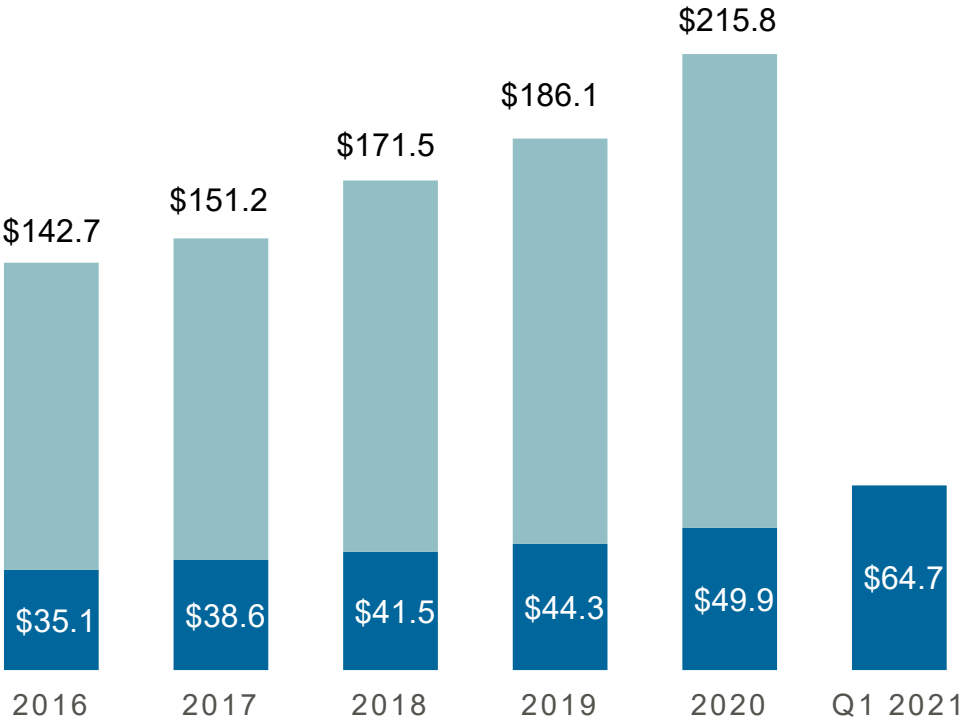
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# Financial Highlights

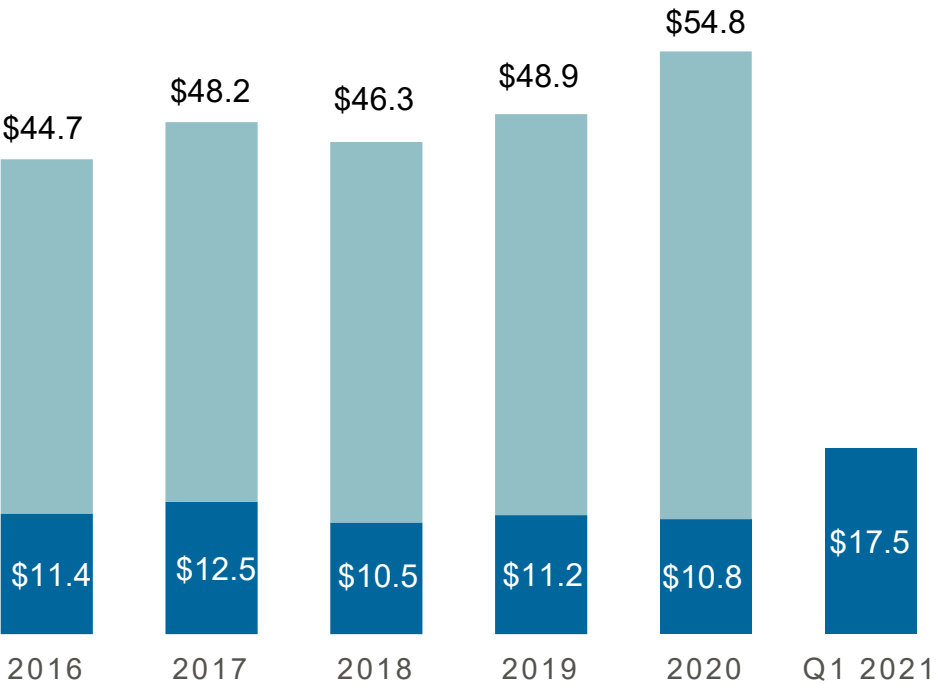
## Net Revenue

For the years ended December 31 (\$ millions)



## Operating Earnings

For the years ended December 31 (\$ millions)

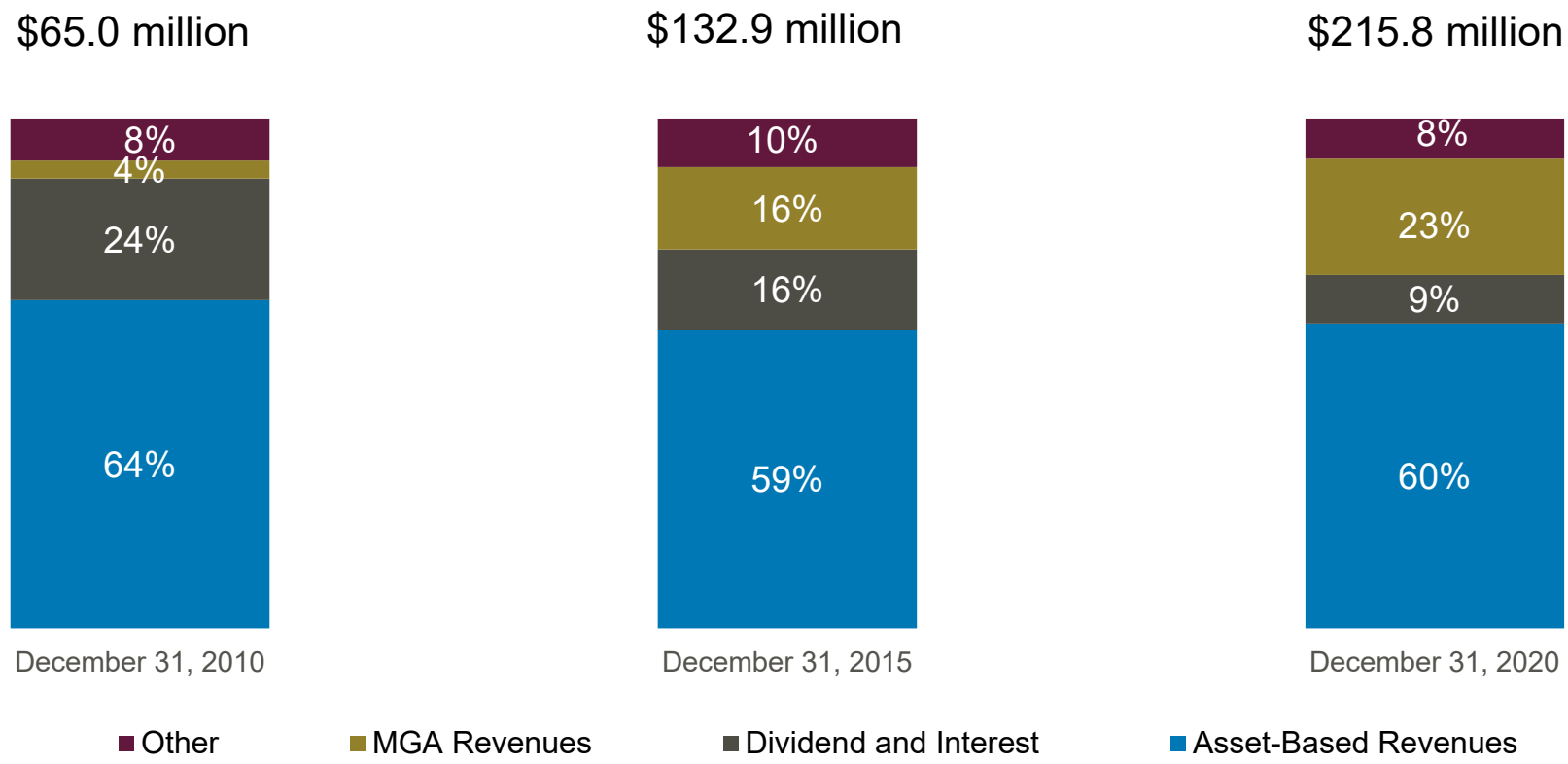


■ First Quarter Results

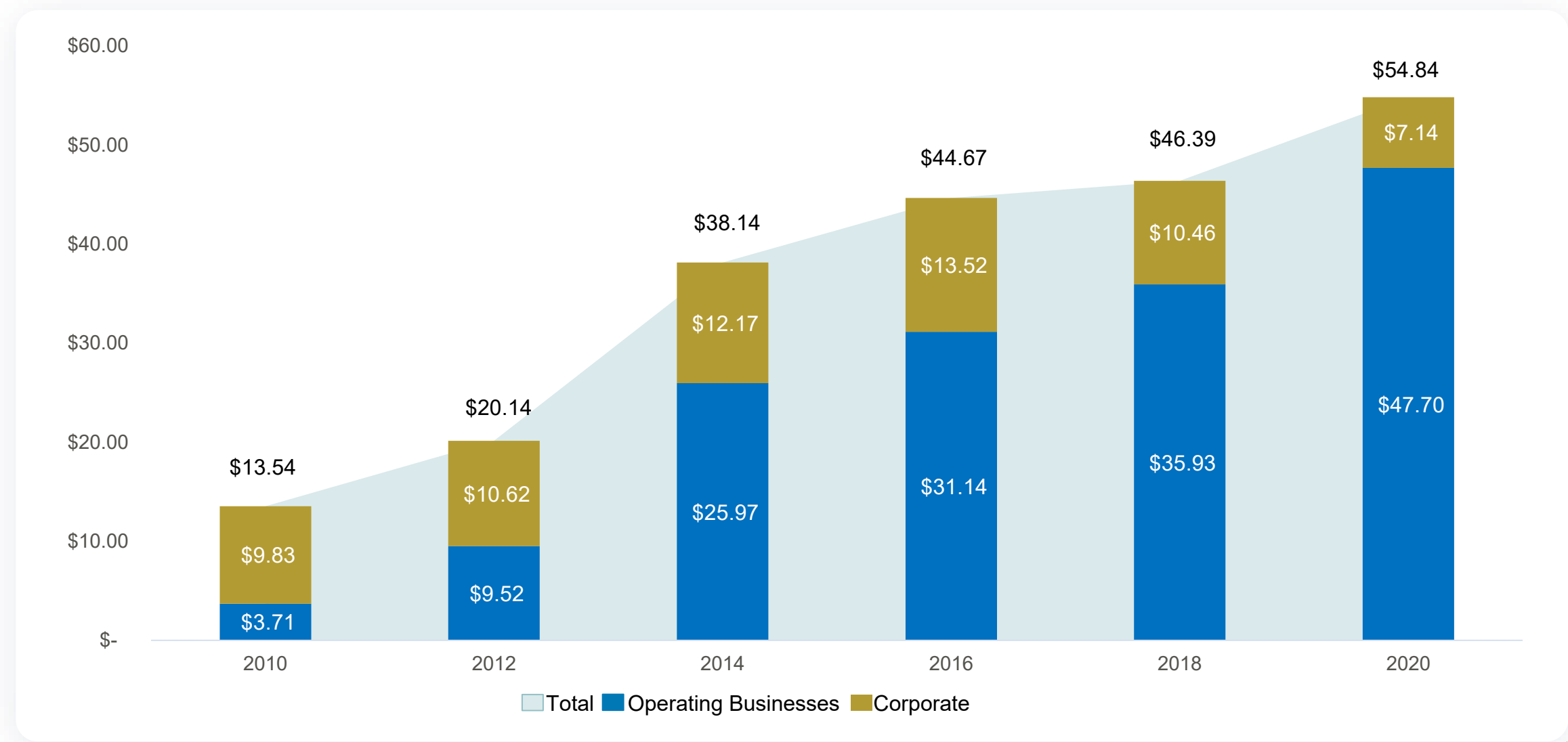


# Diversified Revenue Sources

Revenue by type for the years ended:



# Operating Earnings by Segment



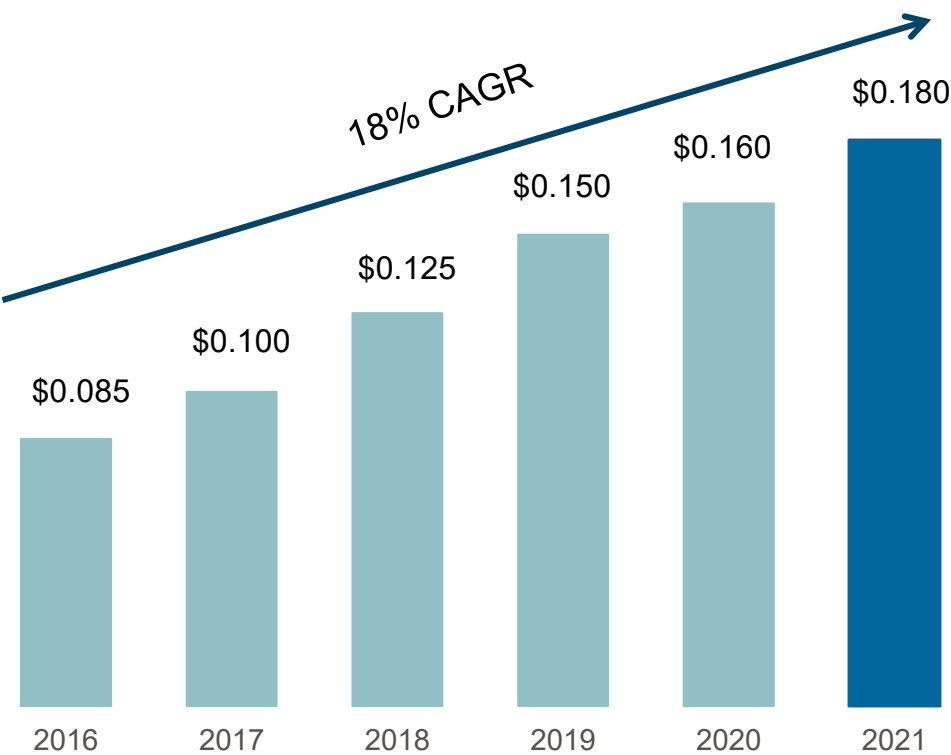
Operating earnings for the years ended, in \$ millions



# Return to Shareholders: Dividends

## Quarterly Dividends Per Share

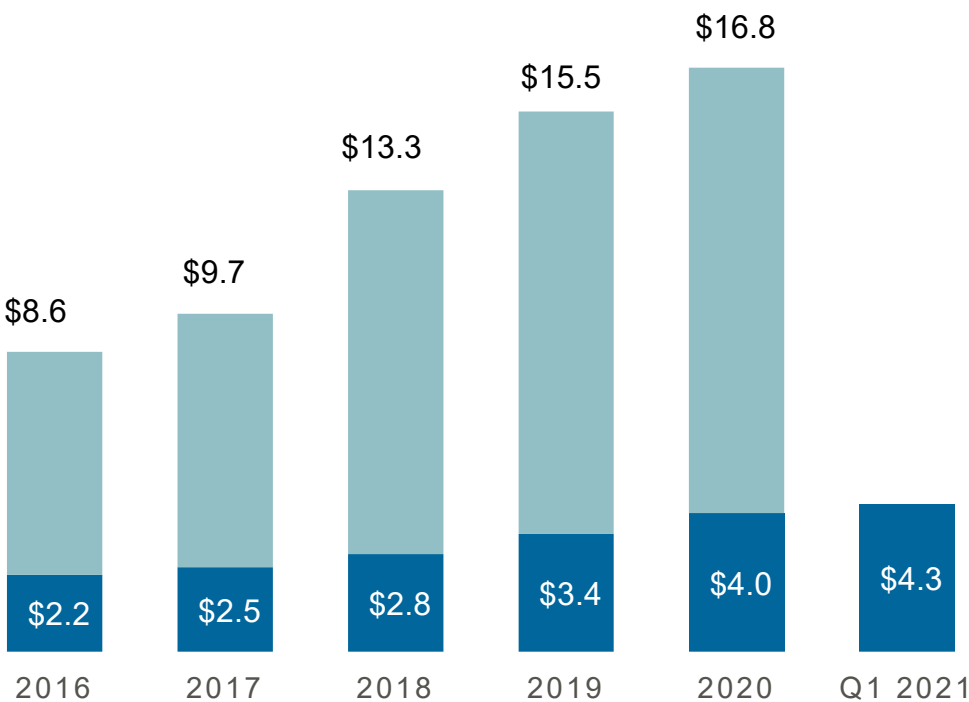
For the periods shown (\$ per share)



The quarterly dividends per share represent the dividend paid in the fourth quarter with the exception of the 2021 dividend which is the declared amount, payable on April 19, 2021.

## Total Annual Dividends Paid

For the periods shown (\$ millions)



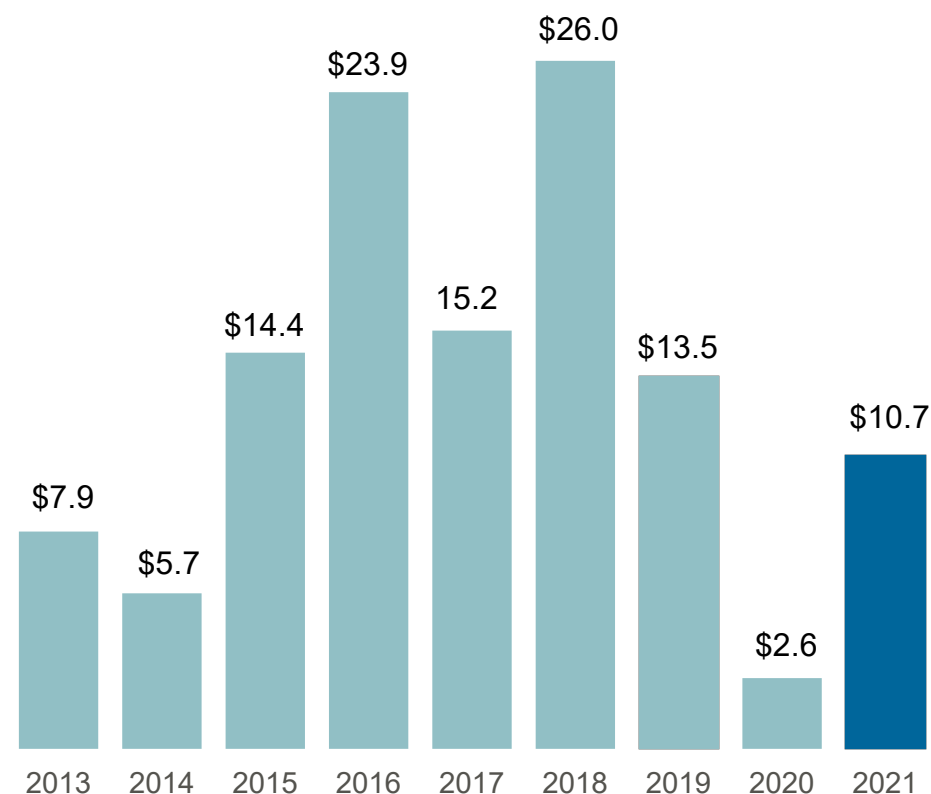
First Quarter Amounts



# Return to Shareholders: Share Buybacks

	Shares (in 000's)	Average Price (in \$'s)
<b>Outstanding at Jan. 1, 2013</b>	<b>33,044</b>	
2013	(574)	\$13.73
2014	(324)	\$17.45
2015	(817)	\$17.62
2016	(1,173)	\$20.35
2017	(632)	\$24.08
2018	(1,118)	\$23.28
2019	(566)	\$23.93
2020	(99)	\$25.99
2021	(343)	\$31.14
Total Purchases	(5,646)	\$21.23
<b>Outstanding at May 1, 2021</b>	<b>27,398</b>	

**Share Buybacks**  
For the periods ended (\$ millions)

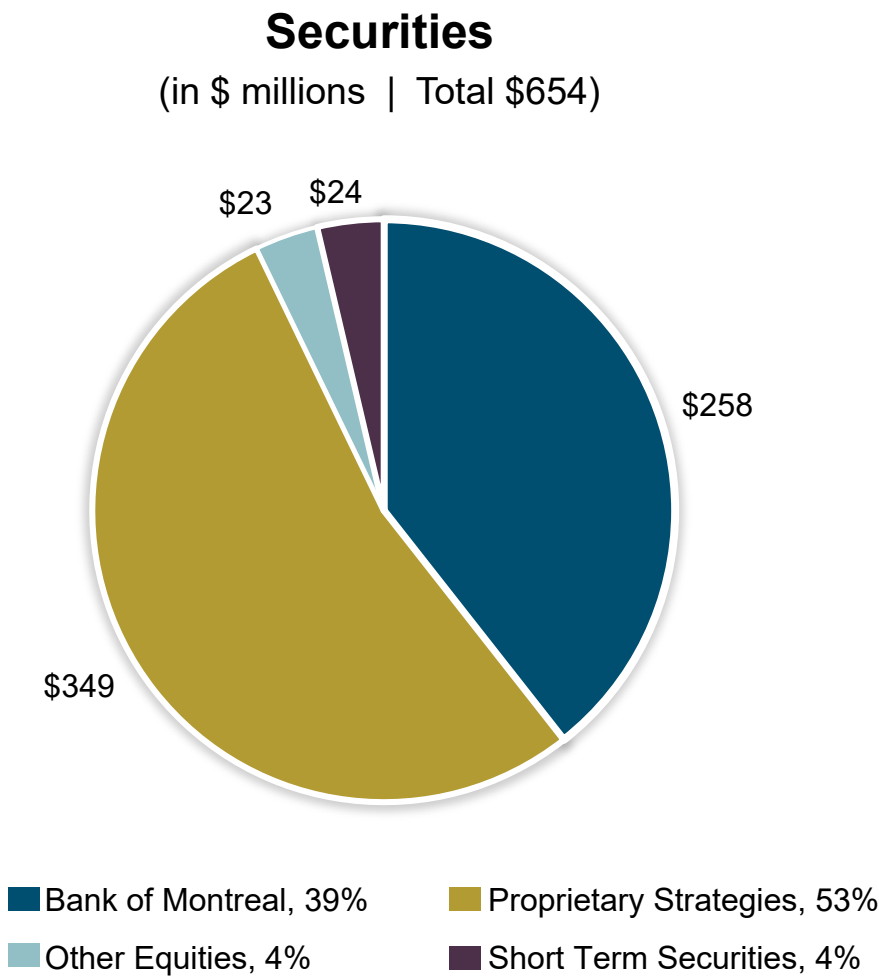


Since 2013, approximately \$110.6 million has been returned to shareholders in the form of share buybacks.  
\* Excludes the effects of treasury stock

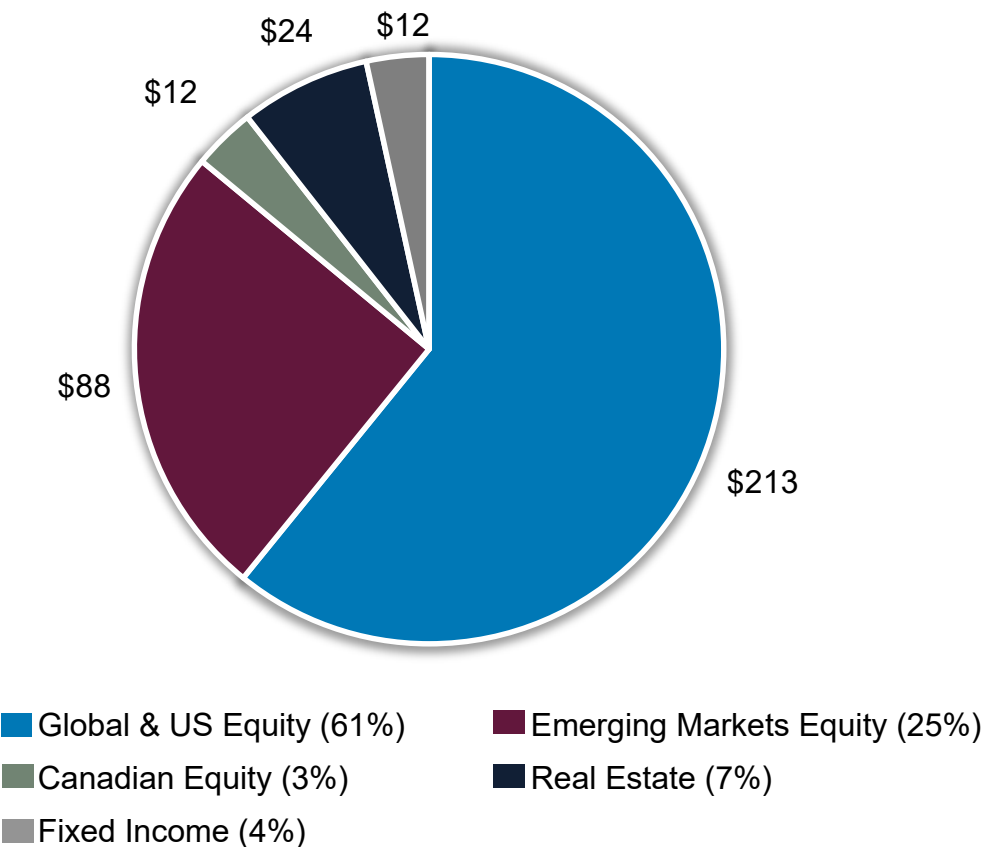
The 2021 Share buyback amount includes the buybacks to May 1, 2021



# Managing Our Investment Portfolio



**Guardian Capital Proprietary Strategies**  
(in \$ millions) | Total \$349



# Investment Management



## GUARDIAN CAPITAL

- **\$43.7 billion<sup>1</sup> in Institutional AUM<sup>2</sup>**
- Competitive investment products
- Executing on opportunities
- Active across multiple distribution channels

### Guardian Capital LP

**\$18.1 billion in AUM<sup>1</sup>**

Canadian Equities, Global Equities, Canadian Fixed Income, Balanced Solutions

### GuardCap Asset Management Limited

**\$12.2 billion in AUM<sup>1</sup>**

Global Equities, Emerging Markets Equities

### Alta Capital Management, LLC

**\$4.4 billion in AUM<sup>1</sup>**

US Equities

### Agincourt Capital Management, LLC

**\$9.0 billion in AUM<sup>1</sup>**

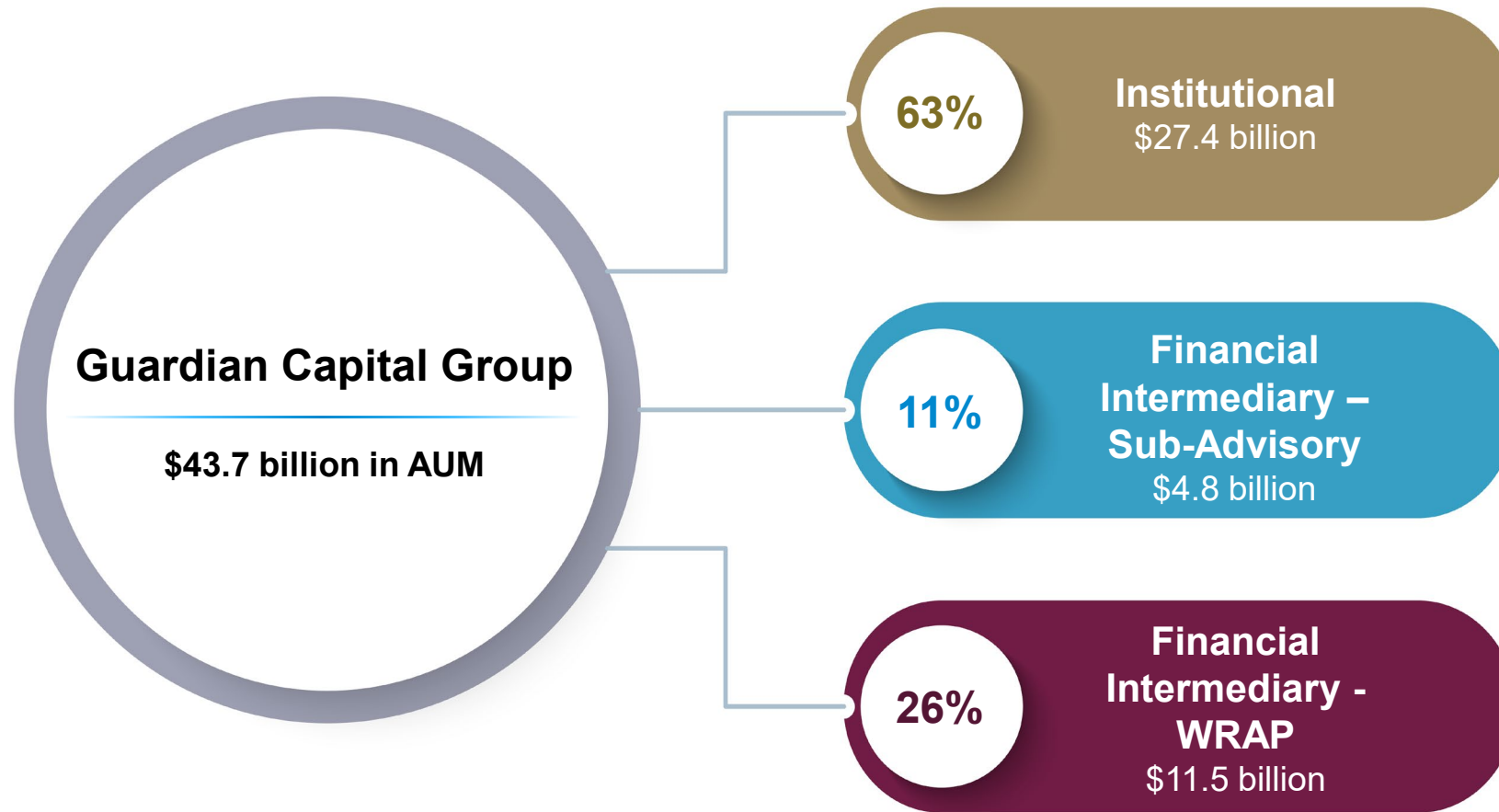
US Fixed Income



<sup>1</sup>As at March 31, 2021 <sup>2</sup>Institutional AUM excludes the \$3.9B of AUM related to the Wealth Management Segment

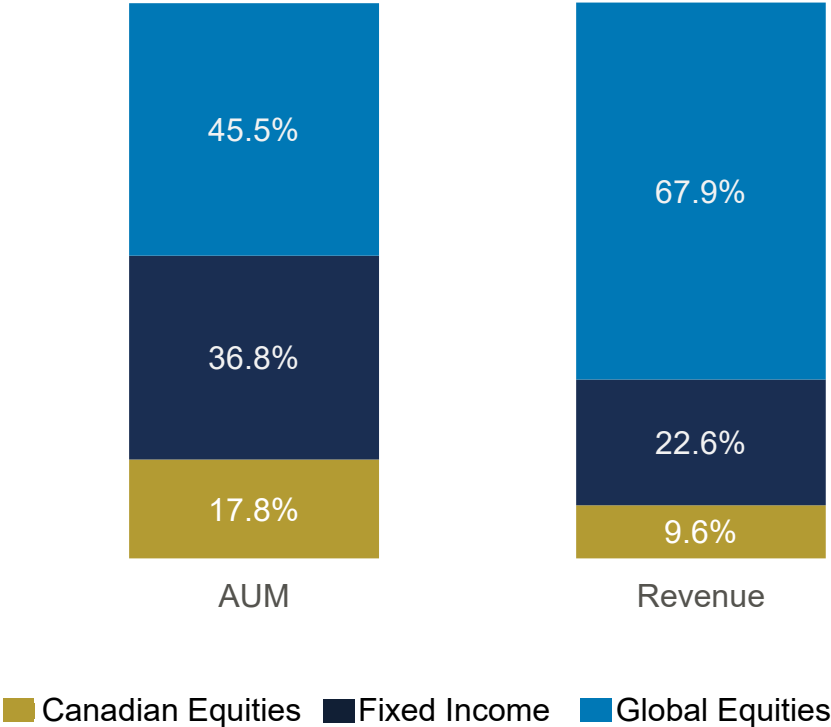


# Distribution Channels of our Investment Management Business

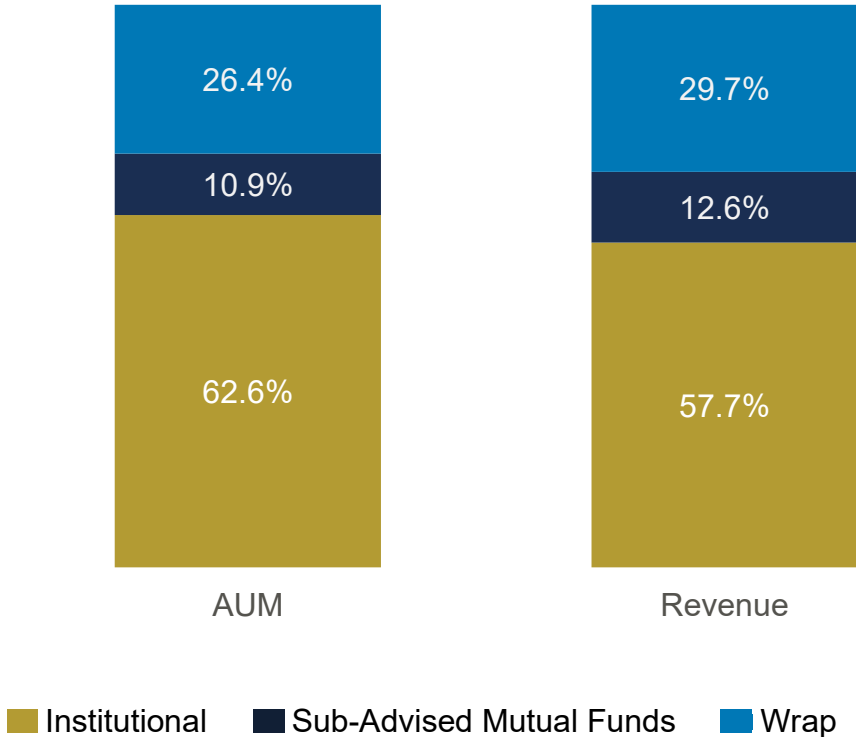


# Investment Management

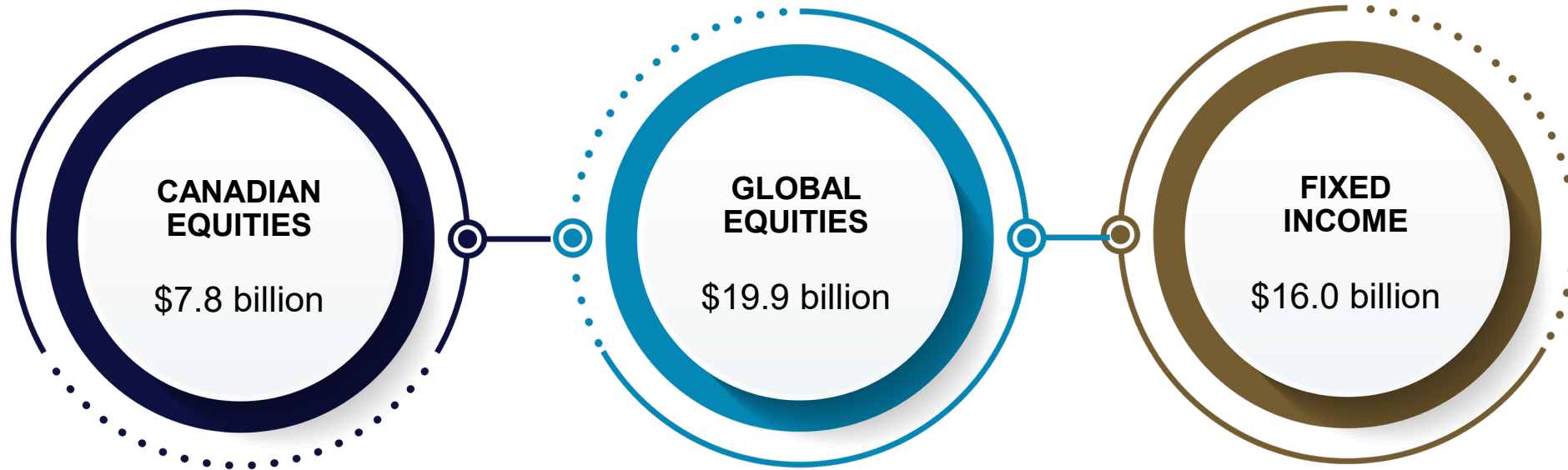
AUM and Revenue by Type



AUM and Revenue by Distribution Channels



# Institutional Investment Solutions



## INVESTMENT STRATEGIES

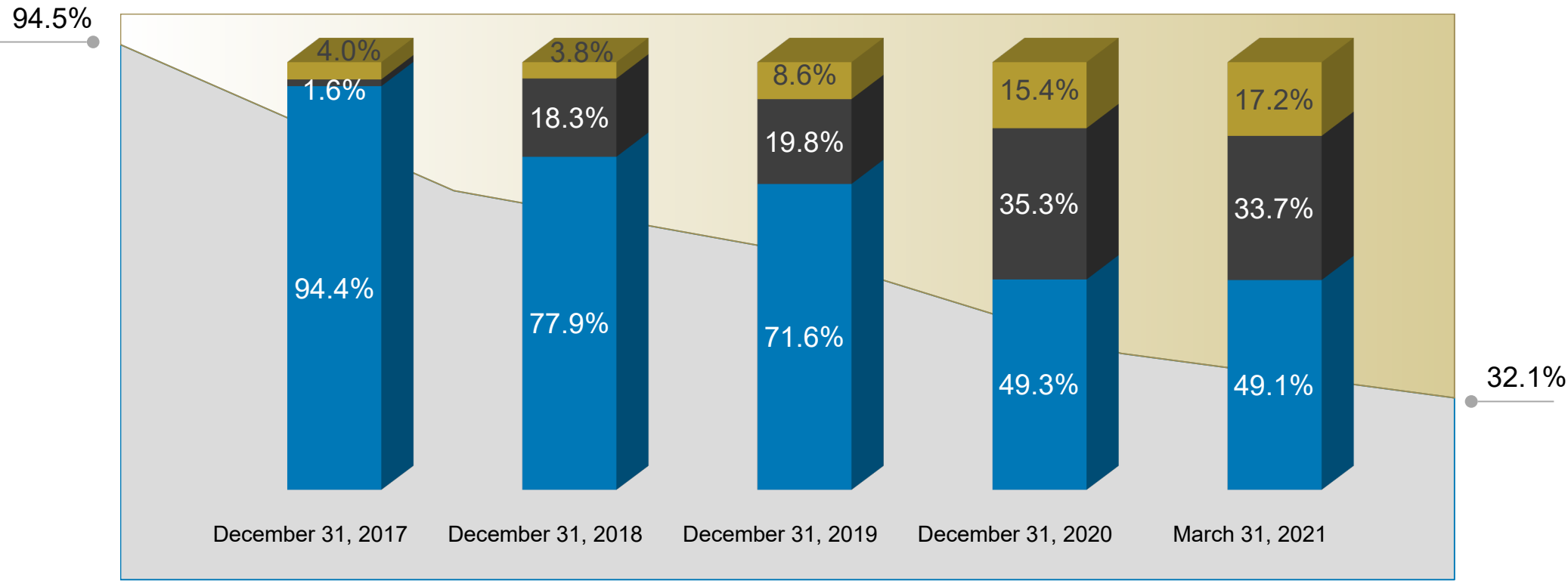
- Large Cap Core
- Growth
- Equity Income
- High Conviction All Cap

- Systematic Strategies (i<sup>3</sup>)
- Fundamental Global & Emerging Market Equity
- US Equity Large Cap and All Cap Growth

- Core
- Liability Driven
- Short Duration
- High Yield
- Unconstrained HY
- US Fixed Income (Core, Government, Corporate, Structured)



# Institutional AUM and Revenue: By Geography



Revenue: Canada



Revenue: U.S., Europe, Asia & Australia



Canadian Client AUM



U.S. Client AUM

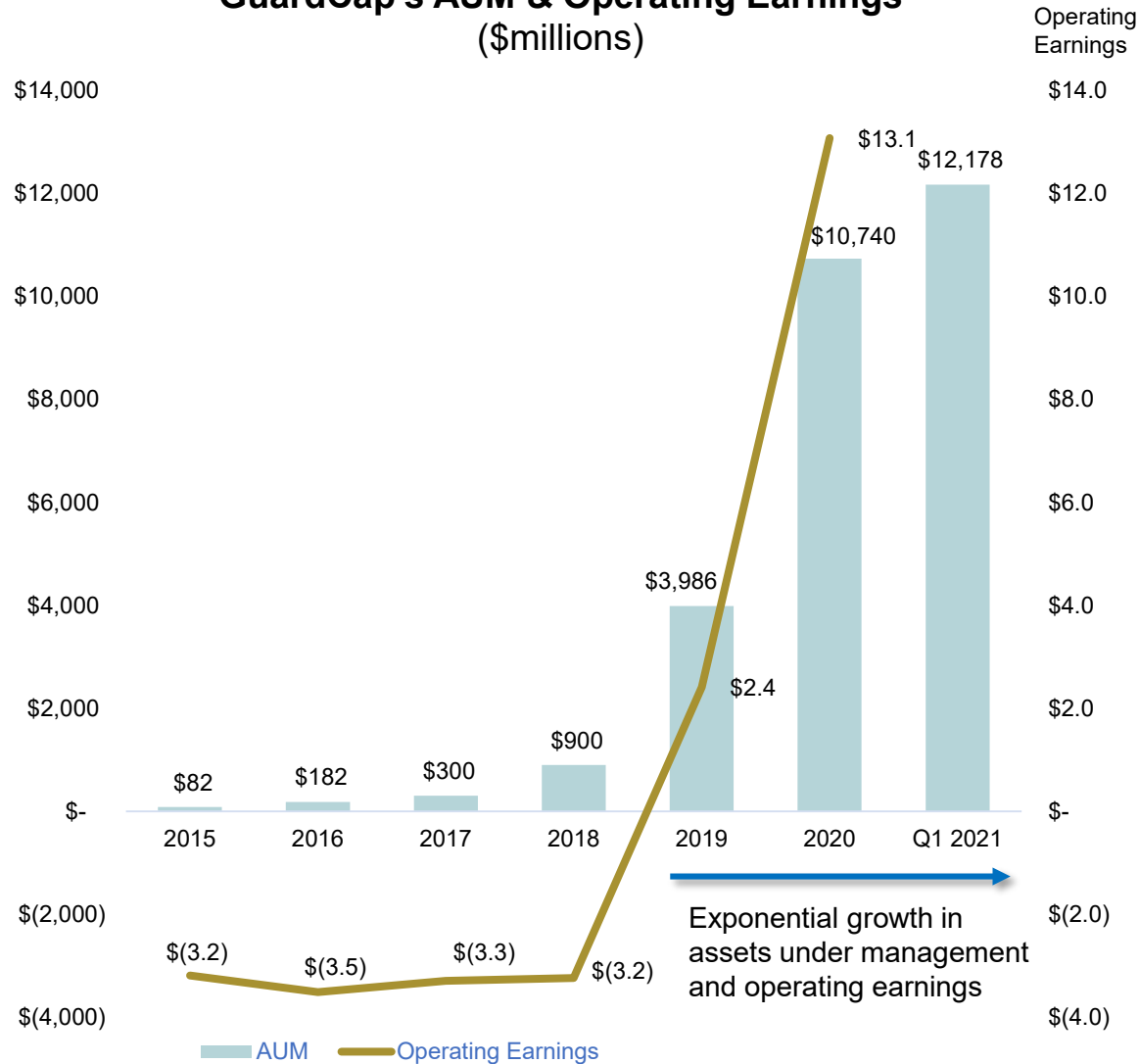


International Client AUM

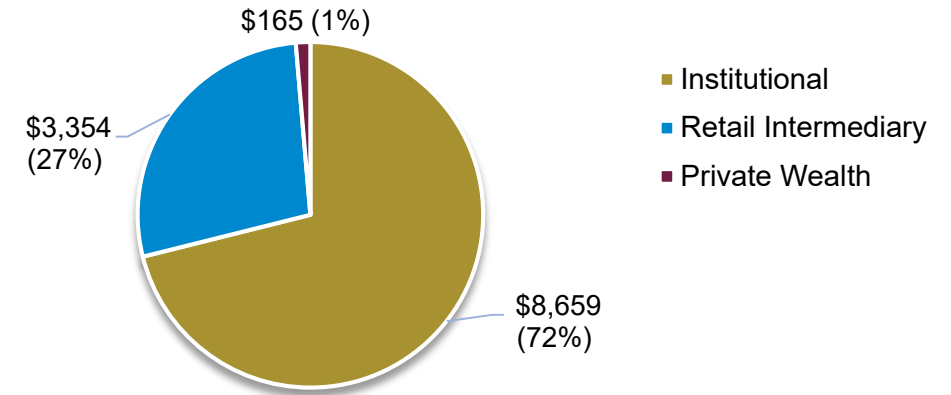


# Strategic Initiatives – Patient Organic Growth

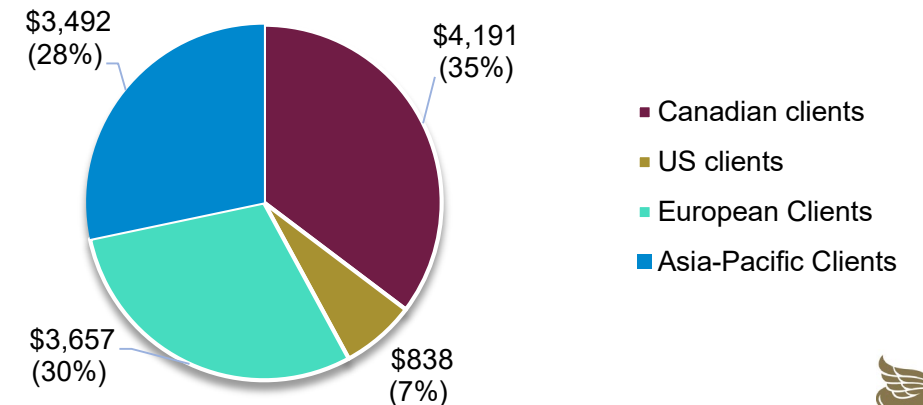
**GuardCap's AUM & Operating Earnings**  
(\$millions)



**GuardCap's Client Segmentation**  
Q1 2021 AUM



**GuardCap's Geographical Diversification of Clients'**  
Q1 2021 AUM



# Strategic Investments – Canadian Retail Asset Management

## GUARDING YOUR PROSPERITY JOURNEY

- Recruited strong talent with track record of industry leading innovation
- Solutions focused on products that meet different phases of an investor's financial lifecycle – accumulation and decumulation
- Decumulation (retirement) phase is at early inflection point due to demographics
- Sales and marketing process empowered by digital technology and predictive analytics
- Client acquisition from both Guardian wealth management platforms and arm's length financial advisors across the industry
- Innovation across asset classes and global markets with flexible access through SMA, mutual fund and ETF formats

# Wealth Management

- **\$28.7 billion in AUA<sup>1</sup>**
- **\$3.9 billion in AUM<sup>1</sup>**
- Diversified Wealth Management business providing services to a full range of clients
- National distribution platforms
- Leading platform for Canada's independent financial advisors

## Mutual Fund & Securities Dealerships

**\$15.8 billion in AUA<sup>1</sup>**

Over 850 advisors and more than 125,000 clients

## Life Insurance MGA

**\$7.5 billion in AUA<sup>1</sup>**

More than 4,000 advisors  
\$1.5 billion of Premiums in Force

## Outsourced CIO business

**\$5.1 billion in AUA<sup>1</sup>**

**\$0.3 billion in AUM<sup>1</sup>**

Approximately 100 client relationships

## Private Wealth, Offshore & Robo-Advisory Businesses

**\$3.6 billion in AUM<sup>1</sup>**

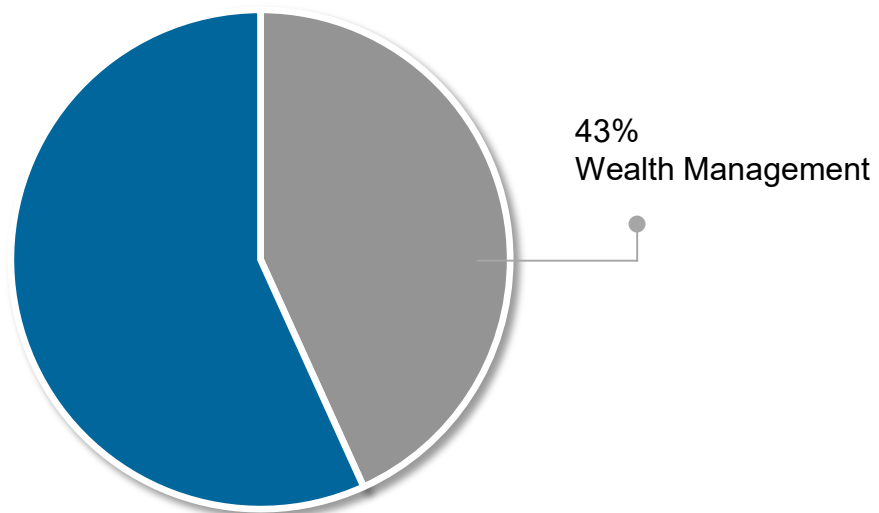
**\$0.3 billion in AUA<sup>1</sup>**

Over 4,500 clients

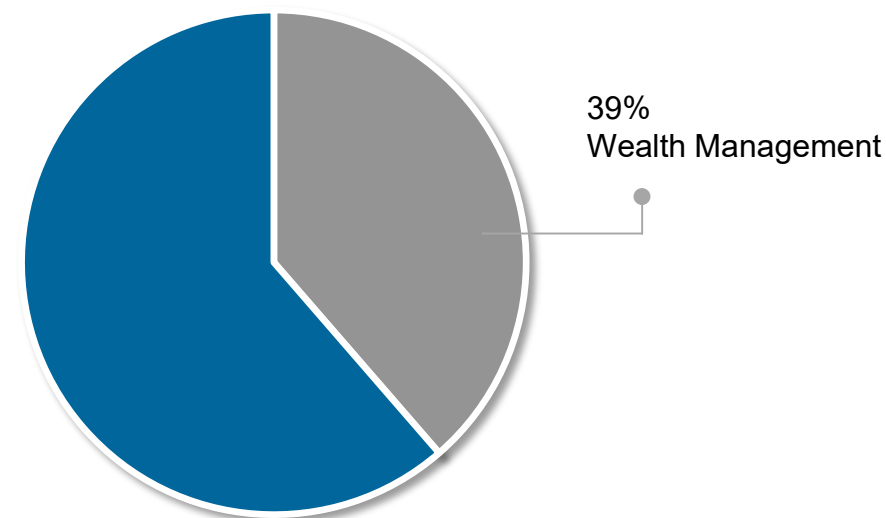


# Wealth Management

**Revenue as % of Guardian's  
Total Revenue**



**Operating Earnings as a % of Guardian's  
Total Operating Earnings**



To reflect its current operating structure, in Q1 2021 Guardian restructured its operating segments, and reclassified the Private Wealth and Robo-advisory businesses from Investment Management to the newly created Wealth Management segment.

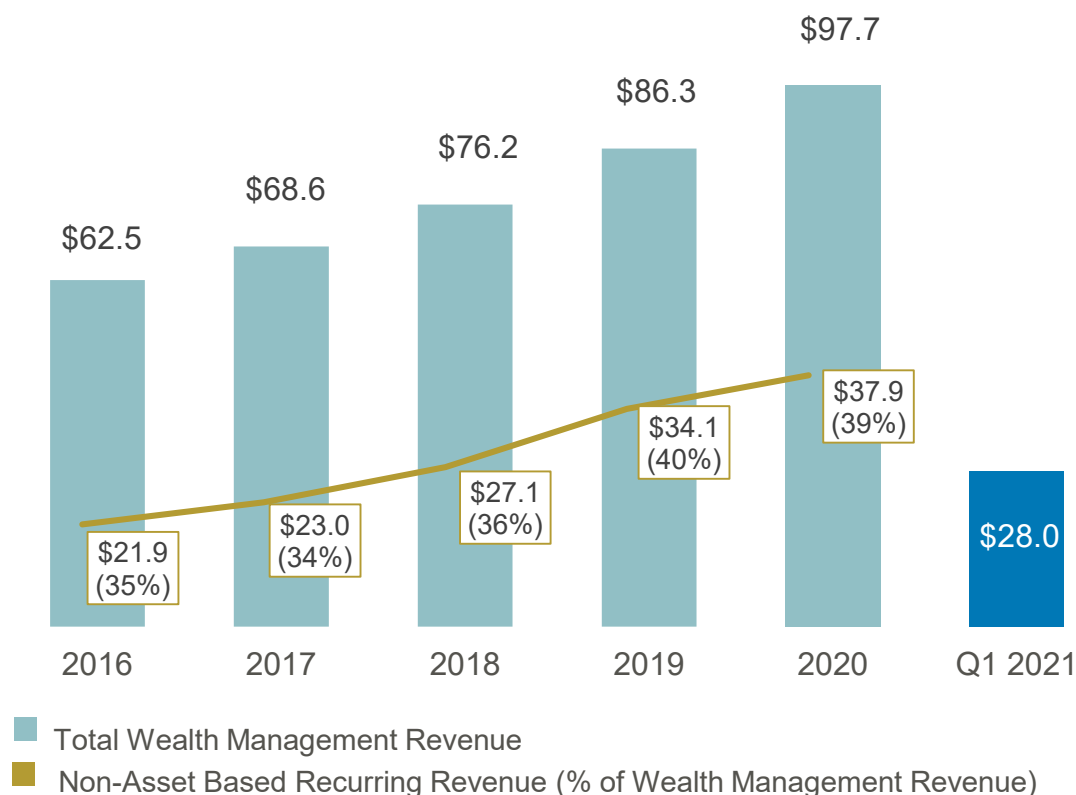
The Wealth Management segment also contains the Mutual Fund and Securities Dealerships and the Insurance MGAs which were previously in the Financial Advisory segment, and the newly-acquired outsourced CIO Business.



# Wealth Management – Growing and Predictable Revenues

## Wealth Management Revenue and Non-Asset Based Recurring Revenues

(\$ millions)



- The Wealth Management Segment has a growing stream of non-asset based recurring revenues
- These revenues include the commissions earned on renewal of insurance policies sold in previous years, as well as administrative services income and interest income
- These revenue streams are not directly correlated to the level of client AUM and AUA

The above revenue figures are before any inter-segment eliminations and have been restated to reflect the change in the Wealth Management operating segment



# IDC Worldsource Insurance Network Inc. (IDC WIN)

## Leading Market Position & Favourable Industry Dynamics

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- Success in consolidating smaller players while growing organically has driven IDC WIN to a top 3 position in the Managing General Agency market in Canada
- Business benefits from strong tailwinds of growth in insurance and investment products related to Canada's demographic shift and household wealth dynamics
- 4,000 + advisors, over 200 employees and 14 offices across Canada

## Large and Attractive M&A Opportunities

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- Successful in consolidating smaller players, with the acquisition and integration of 7 businesses since 2012
- Opportunities exist to continue consolidation of the fragmented MGA industry, supported by incremental capital
- Potential to expand into adjacent offerings

## Large National Network

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- Stable, long-standing relationships with Canada's largest blue chip insurance carriers
- These relationships support IDC WIN's independent portfolio of products and provide top tier economics
- Management team includes experienced executives with significant industry experience and a track record of organic and acquisition-led growth

## Attractive Model with Built-In Downside Protection

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- Generates diverse and recurring revenues with growing Operating Earnings margins of over 35%
- Highly predictable business model benefits, with approximately 50% of the revenue recurring on significant in force premiums

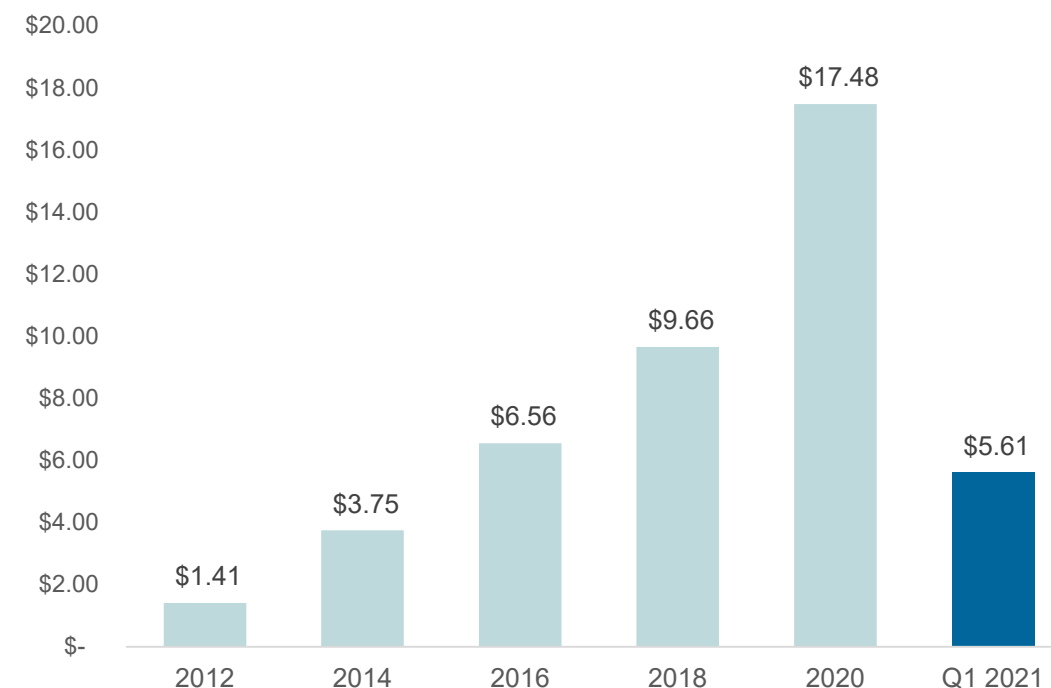


# Managing General Agency – IDC WIN

## Key Financial Metrics

- Premiums in force are approximately \$1.5 billion
- AUA has grown from \$1.6B in 2011 to \$7.5B at the end of Q1 2021
- Growing recurring revenue stream – Renewal commissions represent over 40% of total commission revenue. Premiums sold of \$55 million in Q1 2021
- Operating earnings: \$0.2 million in 2011 to \$17.5 million in 2020. Now represents 32% of Guardian's overall operating earnings
- EBITDA attributable to shareholders reached \$6.3 million in Q1 2021 as compared to \$4.4 in Q1 2020

## Operating Earnings (\$ millions)



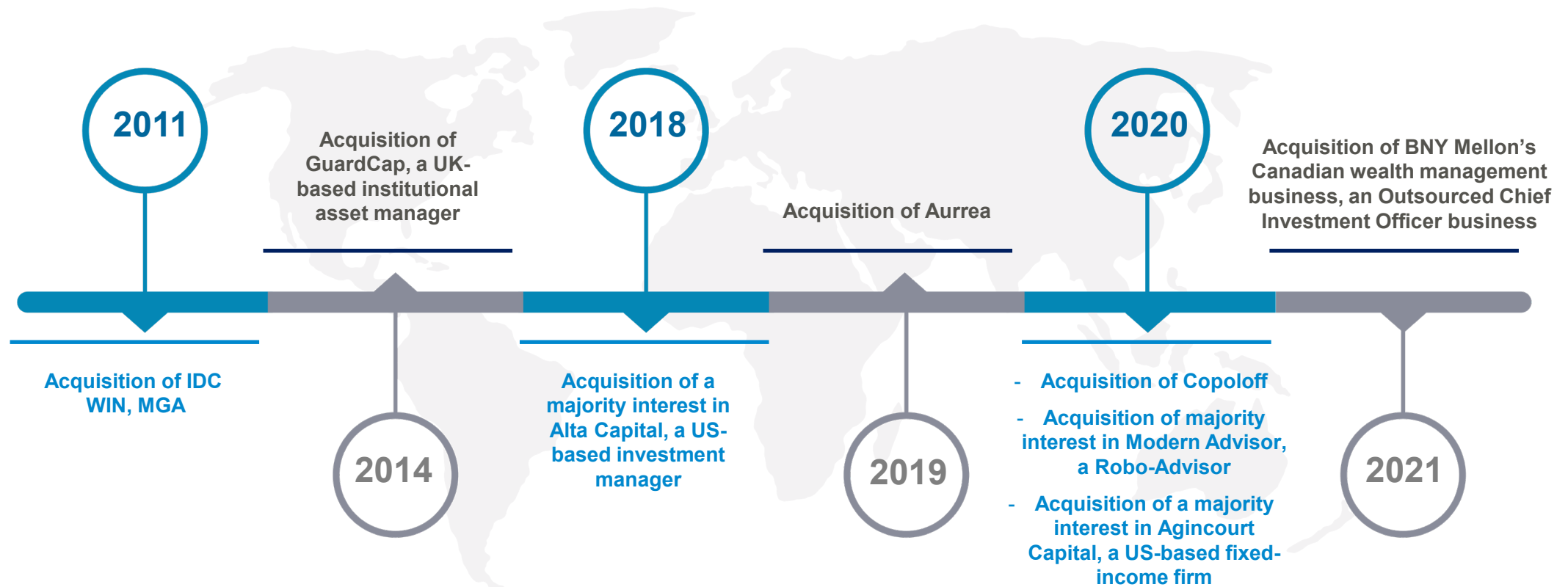
# Strategic Investments – Guardian Partners Inc.

## WEALTH MANAGEMENT FOR THE ULTRA HIGH NET WORTH

- Acquisition of an Outsourced Chief Investment Officer (OCIO) business adding over \$5B in client assets
- Provide highly specialized investment solutions and advice for UHNW, family offices, endowments and foundations, and SME pensions
- Complimentary with our wealth management business
- Potential for industry consolidation

# Strategic Acquisitions

Guardian has made a number of strategic acquisitions which complement our organic growth strategies, investing over **\$150 million** over the past decade.



# Guardian Capital Group at a glance

STABILITY

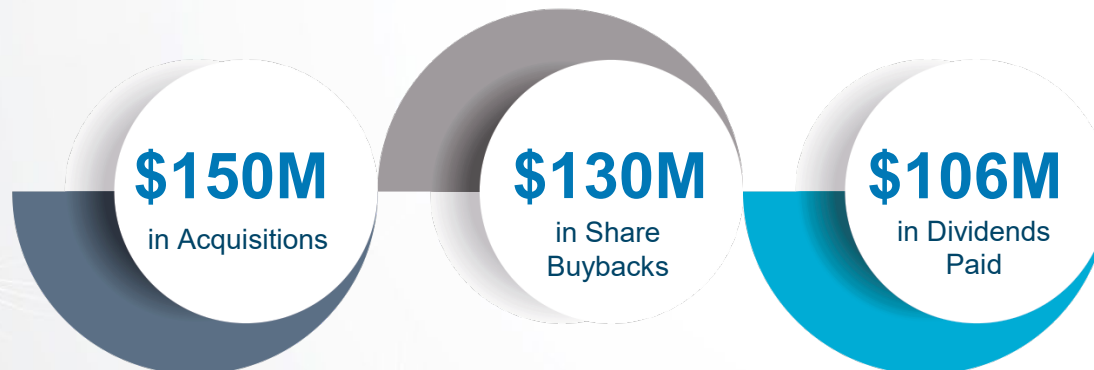
TRUSTWORTHINESS

INTEGRITY

## GUARDIAN CAPITAL GROUP



## ALLOCATION OF CAPITAL OVER THE PAST DECADE



- Servicing a growing ecosystem of clients and over **5,000** independent advisors
- Expanding range of investment product offerings

Diversified client base:  
Canada, US, Europe and  
Asia/Australia

# **Explore the world of Guardian Capital**

[guardiancapital.com](https://guardiancapital.com)

