

Press Release

Guardian Capital Group Limited (TSX: GCG; GCG.A) Announces 2024 First Quarter Operating Results

Toronto, Ontario, May 9, 2024

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>	2024	2023
Net revenue	\$ 62,497	\$ 54,493
Operating earnings	12,318	11,240
Net gains	12,737	18,134
Net earnings from continuing operations	21,441	25,252
Net earnings from discontinued operations	-	554,933
Net earnings	21,441	580,185
EBITDA ⁽¹⁾	\$ 18,906	\$ 17,371
Adjusted cash flow from operations ⁽¹⁾	15,209	18,097
Attributable to shareholders:		
Net earnings from continuing operations	\$ 21,167	\$ 24,924
Net earnings	21,167	487,603
EBITDA ⁽¹⁾	18,333	16,395
Adjusted cash flow from operations ⁽¹⁾	14,695	17,113
Per share, diluted:		
Net earnings from continuing operations	\$ 0.86	\$ 1.00
Net earnings	0.86	18.79
EBITDA ⁽¹⁾	0.75	0.65
Adjusted cash flow from operations ⁽¹⁾	0.60	0.20

As at <i>(\$ in millions, except per share amounts)</i>	2024 March 31	2023 December 31	2023 March 31
Assets under management	\$ 57,276	\$ 54,694	\$ 52,261

Assets under advisement	4,040	4,080	4,065
Total Client Assets	61,316	58,774	56,326
Shareholders' equity	\$ 1,255	\$ 1,241	\$ 1,242
Securities	1,253	1,318	1,301
Per share amounts (diluted):			
Shareholders' equity ⁽¹⁾	\$ 50.30	\$ 49.39	\$ 48.73
Securities ⁽¹⁾	50.22	52.44	51.06

The Company is reporting Total Clients Assets of \$61.3 billion as at March 31, 2024, which include assets under management ("AUM") and assets under advisement ("AUA"). This is a 4% increase from \$58.8 billion as at December 31, 2023, and a 9% increase from \$56.3 billion reported as at March 31, 2023.

As previously announced, the Company entered into an agreement to acquire all outstanding equity interest in Sterling Capital Management LLC ("Sterling"), a Charlotte, North Carolina-based investment management company with approximately US \$78 billion (CA \$106 billion) in AUM and AUA. This transaction is expected to close in Q3 of 2024.

The Company's Operating earnings were \$12.3 million for the quarter ended March 31, 2024, a 10% increase from \$11.2 million in the same quarter in the prior year. EBITDA⁽¹⁾ attributable to shareholders was \$18.3 million for the current quarter, compared to \$16.4 million in the same quarter in the prior year.

Net revenue for the current quarter was \$62.5 million, a 15% increase from \$54.5 million in the same quarter in the prior year. Increase was driven by the higher interest income earned on the proceed from the sale of the Worldsource businesses, along with an increase in net management and advisory fee revenue, consistent with the rise in Total Client Assets. Operating expenses were 16% higher in the current quarter at \$50.2 million, compared to \$43.3 million in the same period in the prior year. The increases were largely the result of the increased strategic investments into our additional anticipated growth sources for the future, including increased technology expenditures to support these businesses, and increased interest expense due to rise in borrowing rates. Included in the current quarter's results is approximately \$0.7 million in costs related to the pending Sterling acquisition.

Net gains in the current quarter were \$12.7 million, compared to \$18.1 million in the same quarter in the prior year, which largely reflect the changes in fair values of the Company's Securities portfolio in each of those periods, consistent with performance of the global financial markets.

Net earnings attributable to shareholders was \$21.2 million in the current quarter, compared to \$487.6 in the comparative period, when the Net gains on the sale of the Worldsource businesses were recorded.

Adjusted cash flow from operations⁽¹⁾ for the current quarter was \$15.2 million, compared to \$18.1 million in the comparative period. The decrease compared to the comparative period is due to 2023 including the Adjusted cash flow from operations of Worldsource for the first two months of the quarter.

During the current quarter, the Company returned to shareholders \$8.4 million in dividends and \$4.1 million in share buybacks.

The Company's Shareholders' equity as at March 31, 2024 was \$1,255 million, or \$50.30 per share⁽¹⁾, compared to \$1,241 million, or \$49.39 per share⁽¹⁾ as at December 31, 2023. The Company's Securities as at March 31, 2024 had a fair value of \$1,253 million, or \$50.22 per share⁽¹⁾, compared to \$1,318 million, or \$52.44 per share⁽¹⁾ as at December 31, 2023.

The Board of Directors is pleased to have declared a quarterly eligible dividend of \$0.37 per share, payable on July 18, 2024, to shareholders of record on July 11, 2024.

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

	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022
<i>As at (\$ in millions)</i>								
Assets under management	\$ 57,276	\$ 54,694	\$ 52,310	\$ 52,754	\$ 52,261	\$ 49,587	\$ 47,814	\$ 46,931
Assets under advisement	4,040	4,080	3,905	3,773	4,065	3,716	3,788	3,944
Total Client Assets	61,316	58,774	56,215	56,527	56,326	53,303	51,602	50,875

For the three months ended (\$ in thousands)

Net revenue	\$	\$	\$	\$	\$	\$	\$	\$
	62,497	62,245	62,611	61,833	54,493	50,681	48,434	50,056
Operating earnings	12,318	13,097	18,474	17,038	11,240	8,790	10,419	11,404
Net gains (losses)	12,737	60,747	(17,358)	(3,736)	18,134	18,225	(21,148)	(91,545)
Net earnings (losses) from continuing operations	21,441	68,048	(2,270)	11,532	24,852	25,249	(11,582)	(73,463)
Net earnings from discontinued operations	-	-	-	-	-	-	-	-
Net earnings (losses)	21,441	68,048	(2,270)	11,532	554,933	6,386	5,034	5,239
Net earnings (loss) from continuing operations attributable to shareholders	21,167	67,087	(2,506)	11,145	579,785	31,635	(6,548)	(68,224)
Net earnings (loss) attributable to shareholders	21,167	67,087	(2,506)	11,145	24,524	24,679	(11,780)	(74,053)
	21,167	67,087	(2,506)	11,145	487,203	29,961	(7,608)	(69,698)

Per share amounts (in \$)

Net earnings (loss) from continuing operations attributable to shareholders

Basic	\$	\$	\$	\$	\$	\$	\$	\$
	0.90	2.85	(0.11)	0.47	1.04	1.02	(0.49)	(3.03)
Diluted	0.86	2.68	(0.11)	0.45	1.00	0.96	(0.49)	(3.03)
Net earnings (loss) attributable to shareholders:								
Basic	\$	\$	\$	\$	\$	\$	\$	\$
	0.90	2.85	(0.11)	0.47	20.27	1.24	(0.31)	(2.85)
Diluted	0.86	2.68	(0.11)	0.45	18.79	1.16	(0.31)	(2.85)
Dividends paid	\$	\$	\$	\$	\$	\$	\$	\$
	0.34	0.34	0.34	0.34	0.24	0.24	0.24	0.24

As at

Shareholders' equity (\$ in millions)	\$	\$	\$	\$	\$	\$	\$	\$
	1,255	1,241	1,201	1,213	1,242	768	743	743
Per share amounts (in \$)								
Basic	\$	\$	\$	\$	\$	\$	\$	\$
	53.69	52.87	50.90	51.11	52.42	31.84	30.82	30.68
Diluted	50.30	49.39	47.54	47.63	48.73	29.43	28.88	28.74
Total Class A and Common shares outstanding (shares in thousands)	25,136	25,230	25,408	25,609	26,113	26,246	26,246	26,342

Guardian Capital Group Limited (Guardian) is a global investment management company servicing institutional, retail and private clients through its subsidiaries. It also manages a proprietary portfolio of securities. Founded in 1962, Guardian's reputation for steady growth, long-term relationships and its core values of trustworthiness, integrity and stability have been key to its success over six decades. Its Common and Class A shares are listed on the Toronto Stock Exchange as GCG and GCG.A, respectively. To learn more about Guardian, visit www.guardiancapital.com.

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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 the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves known and unknown risks and uncertainties which may cause the Company'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 outbreak and severity of pandemics, such as COVID 19, military conflicts in various parts of the world, as well as those risk factors discussed or referred to in the disclosure documents filed by the Company 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 the Company's views as of any date subsequent to the date of this press release.

(1) Non IFRS Measures

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, and stock-based compensation expenses, net gains or losses and net earnings from discontinued operations. 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 cash flows from discontinued operations. Adjusted cash flow from operations attributable to shareholders as Adjusted cash flow from operations less the amounts attributable to non-controlling interests. A reconciliation between these measures and the most comparable IFRS measures are as follows:

For the three months ended March 31, (\$ in thousands)	2024	2023
Net earnings	\$ 21,441	\$ 580,185
Add (deduct):		
Net earnings from discontinued operations	--	(554,933)
Income tax expense	3,614	4,122
Net (gains)	(12,737)	(18,134)
Stock-based compensation	866	916
Interest expense	2,449	1,929
Amortization	3,273	3,286
EBITDA	18,906	17,371
Less attributable to non-controlling interests in continuing operations	(573)	(976)
EBITDA attributable to shareholders	\$ 18,333	\$ 16,395

For the three months ended March 31, (\$ in thousands)	2024	2023
Net cash from operating activities	\$ (8,407)	\$ 10,187
Add (deduct):		
Net cash from operating activities, discontinued operations	--	(10,087)
Net change in non-cash working capital items	23,616	8,284
Net change in non-cash working capital items, discontinued operations	--	9,713
Adjusted cash flow from operations	15,209	18,097
Less attributable to non-controlling interests, continuing operations	(514)	(984)

Adjusted cash flow from operations attributable to shareholders	\$	\$
	14,695	17,113

The per share amounts for EBITDA attributable to shareholders, Adjusted cash flow from operations attributable to shareholders, Shareholders' equity and Securities per share 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.