



## Press Release

### Guardian Capital Group Limited (TSX: GCG; GCG.A) Announces 2018 Third Quarter Operating Results

Toronto, Ontario, November 8, 2018

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

For the periods ended September 30 (\$ in thousands, except per share amounts)	Three months		Nine months	
	2018	2017	2018	2017
Net revenue	\$ 42,773	\$ 36,315	\$ 127,213	\$ 112,141
Operating earnings	12,444	10,505	34,250	35,123
Net gains (loss) <sup>(2)</sup>	28,481	4,068	33,349	27,045
Net earnings (loss) attributable to shareholders <sup>(2)</sup>	34,320	12,310	53,497	52,837
EBITDA <sup>(1)</sup>	\$ 15,562	\$ 11,811	\$ 41,346	\$ 38,587
Adjusted cash flow from operations <sup>(1)</sup>	11,083	9,064	30,157	30,045
Per share:				
Net earnings (loss) attributable to shareholders <sup>(2)</sup>	\$ 1.21	\$ 0.42	\$ 1.89	\$ 1.81
EBITDA <sup>(1)</sup>	0.55	0.40	1.46	1.32
Adjusted cash flow from operations <sup>(1)</sup>	0.39	0.31	1.07	1.03
As at (\$ in millions, except per share amounts)		2018 September 30	December 31	2017 September 30
Assets under management	\$ 29,185	\$ 27,250	\$ 26,335	
Assets under administration	18,096	17,795	17,271	
Shareholders' equity	670	634	608	
Securities	688	652	621	
Per share:				
Shareholders' equity <sup>(1)</sup>	\$ 23.57	\$ 21.88	\$ 20.67	
Securities <sup>(1)</sup>	24.20	22.49	21.12	

The Company's operating earnings for the quarter ended September 30, 2018 were \$12.4 million, compared to \$10.5 million during the same quarter in the prior year. The total revenue increased to \$42.8 million in the current quarter, \$6.5 million higher than \$36.3 million in the same quarter in the prior year. All of the main components of revenue increased compared to the prior year. Included in the management fee income this quarter is \$4.6 million from the recently acquired US-based investment management business ("Alta"), accounting for substantially all of the increased management fee income compared to the prior year. Substantially all of the increase in commission revenue in the Financial Advisory Segment was contributed by the life insurance Managing General Agency business, through its organic growth and successful recruitment of new advisors.

The expenses for the quarter were higher than the prior year by \$4.5 million. Included in the current quarter's expenses were \$3.1 million of operating expenses of Alta, additional costs in the Financial Advisory Segment associated with the continuing costs of the new technology platform and higher amortization expenses arising from significant recruitments of advisors in prior quarters, and increased interest expenses in the Corporate Segment resulting from increased financing used to acquire Alta.

The adoption of IFRS 9 by the Company on January 1, 2018, introduced significant volatility to net gains (losses) resulting from the financial markets. As a result, we continued to see fluctuations in net gains (losses) in the current quarter. The fair value of the securities increased significantly, including the shares of Bank of Montreal, resulting in net gains of \$28.5 million being recorded in the current quarter, compared to net gains of \$4.1 million in the prior year.

As a result of the net gains and improved operating earnings as described above, the Company is reporting net earnings attributable to shareholders in the current quarter of \$34.3 million, compared to net earnings attributable to shareholders of \$12.3 million in the prior year.

The Company's AUM was \$29.2 billion as at September 30, 2018, compared to \$27.3 billion at the end of 2017 and \$26.3 billion as at September 30, 2017. The increase in AUM is due largely to the addition of assets managed by Alta, positive financial market

performance, partially offset by outflow of assets. The Company's assets under administration were \$18.1 billion as at September 30, 2018, compared to \$17.8 billion at the end of 2017 and \$17.3 billion as at September 30, 2017.

EBITDA<sup>(1)</sup> for the current quarter was \$15.6 million, or \$0.55 per share, compared to \$11.8 million, or \$0.40 per share for 2017. Adjusted cash flow from operations<sup>(1)</sup> for the current quarter was \$11.1 million, or \$0.39 per share, compared to \$9.1 million, or \$0.31 per share for 2017.

The Company's shareholders' equity as at September 30, 2018 was \$670 million, or \$23.57 per share<sup>(1)</sup>, compared to \$634 million, or \$21.88 per share<sup>(1)</sup> as at December 31, 2017, and \$608 million, or \$20.67 per share<sup>(1)</sup>, as at September 30, 2017. The fair value of the Company's Securities as at September 30, 2018 was \$688 million, or \$24.20 per share<sup>(1)</sup>, compared to \$652 million, or \$22.49 per share<sup>(1)</sup>, as at December 31, 2017, and \$621 million or \$21.12 per share<sup>(1)</sup>, as at September 30, 2017.

The Board of Directors has declared a quarterly eligible dividend of \$0.125 per share, payable on January 18, 2019, to shareholders of record on January 11, 2019.

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

For the three months ended (\$ in thousand, except per share amounts)	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016
Net revenue	\$ 42,773	\$ 42,924	\$ 41,516	\$ 39,097	\$ 36,315	\$ 37,208	\$ 38,618	\$ 38,240
Operating earnings	12,444	11,302	10,504	13,046	10,505	12,160	12,458	12,371
Net gains (losses) <sup>(2)</sup>	28,481	20,800	(15,932)	38,186	4,068	(3,603)	25,871	45,511
Net earnings (loss) <sup>(2)</sup>	35,079	26,245	(5,279)	44,466	12,555	7,493	33,800	49,514
Net earnings (loss) attributable to shareholders <sup>(2)</sup>	34,320	25,385	(6,208)	43,982	12,310	7,242	33,285	49,072
Shareholders' equity	670,382	644,956	623,511	634,416	608,013	603,428	605,039	580,177
Per Class A and Common share (in \$)								
Net earnings (loss) attributable to shareholders <sup>(2)</sup>	\$ 1.21	\$ 0.90	\$ (0.23)	\$ 1.51	\$ 0.42	\$ 0.25	\$ 1.14	\$ 1.65
Shareholders' equity <sup>(1)</sup>	\$ 23.57	\$ 22.74	\$ 21.98	\$ 21.88	\$ 20.67	\$ 20.54	\$ 20.58	\$ 19.62
Dividends paid	\$ 0.125	\$ 0.125	\$ 0.100	\$ 0.100	\$ 0.100	\$ 0.100	\$ 0.085	\$ 0.085

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

For further information, contact:

Donald Yi  
Chief Financial Officer  
(416) 350-3136

George Mavroudis  
President and Chief Executive Officer  
(416) 364-8341

<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. 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 \$35,079 for the three months ended September 30, 2018 (2017 - \$12,555), and Net cash from operating activities, which was \$18,101 for the three months ended September 30, 2018 (2017 - \$16,203). The per share amounts for EBITDA, Adjusted cash flow from operations, Shareholders' equity and Securities 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 quarterly Management's Discussions and Analysis, including a reconciliation of these measures to their most comparable IFRS measures.

<sup>(2)</sup> Prior period figures have been restated to reflect the retrospective application of IFRS 9, which was adopted by the Company on January 1, 2018.