GUARDIAN CAPITAL

Press Release

Guardian Capital Group Limited (TSX: GCG; GCG.A) Announces 2020 First Quarter Operating Results

Toronto, Ontario, May 13, 2020
All per share figures disclosed below are stated on a diluted basis.

For the three months ended March 31 *($ in thousands, except per share amounts)*	**2020**	2019
Net revenue	**$ 49,901**	$ 44,291
Operating earnings	**10,813**	11,176
Net gains (losses)	**(161,289)**	65,883
Net earnings (loss) attributable to shareholders	**(136,368)**	67,220
EBITDA[1]	**$ 14,370**	$ 14,509
Adjusted cash flow from operations [1]	**13,320**	10,504
Per share:		
Net earnings (loss) attributable to shareholders	**$ (5.35)**	$ 2.43
EBITDA[1]	**0.53**	0.53
Adjusted cash flow from operations [1]	**0.49**	0.38

($ in millions, except per share amounts)	**March 31**	December 31	March 31
Assets under management	**$ 27,527**	$ 31,147	$ 29,621
Assets under administration	**18,152**	20,248	18,745
Shareholders' equity	**563**	683	656
Securities	**524**	682	674
Per share:			
Shareholders' equity[1]	**$ 20.94**	$ 25.01	$ 23.66
Securities[1]	**19.50**	24.99	24.30

During the current quarter, the COVID-19 pandemic caused a series of events which led to significant disruptions in the global financial markets and economies. Although the Company was not immune to the negative impact, its operating business segments have shown resiliency during this challenging period. The diversification of the Company's businesses and revenue sources has helped to shield its Operating earnings from the full impact of the pandemic. The significant, rapid decline in the public equities markets towards the end of Q1 2020, especially its impact on the value of Bank of Montreal shares, posed the greatest stress to the Company's financial position and results. The write down in the fair value of the Securities resulted in significant Net losses being recorded in the current quarter. These Net losses were largely unrealized losses. The extent to which Guardian's business, financial condition and results of operations will continue to be impacted by the COVID-19 pandemic is highly uncertain and will depend on future developments, including the duration and spread of the outbreak and related public health advisories and restrictions.

On March 16th, the Company initiated its business continuity plan ("BCP") in response to the public health guidelines on physical distancing issued by the various levels of government in Canada and abroad. To protect its employees, they were transitioned to work remotely from their homes at that time. As a result, substantially all of the Company's employees continue to work safely from their homes and are fully operational. The transition to the BCP was smooth, with no material interruptions to day-to-day operations.

The Company's total assets under management ("AUM") were $27.5 billion as at March 31, 2020, compared to $31.1 billion at December 31, 2019 and $29.6 billion as at March 31, 2019. The decrease in AUM was approximately 12% in the current quarter and can mainly be attributed to the market downturn caused by the COVID-19 pandemic on the world economies and the global financial markets. Overall, the client asset net outflows were a small part of the decline in AUM due largely to the healthy inflow of new assets into the Fundamental Global Equity strategy, ending the quarter with $4.5 billion in AUM, an increase of $0.5 billion during the quarter.

The Company's assets under administration ("AUA") were $18.2 billion as at March 31, 2020, compared to $20.2 billion at the end of 2019 and $18.7 billion as at March 31, 2019. Included in the current quarter were $0.4 billion of AUA provided by Aurrea Signature Inc. ("Aurrea"), an MGA, which was acquired on December 31, 2019.

As the volatility of the financial markets can result in significant fluctuations in the Company's Net gains (losses) and Net earnings (loss) attributable to shareholders, management believes that Operating earnings and EBITDA are better measures of the Company's performance, during such periods.

Guardian’s consolidated Operating earnings for the quarter ended March 31, 2020 were $10.8 million, as compared to $11.2 million during the same quarter in the prior year, a 3% decrease.

Net revenue increased to $49.9 million in the quarter, $5.6 million or 13% higher than the $44.3 million in the prior year. The main contributors to the revenue growth were a $2.8 million increase in Net management fee, due largely to the growth in GuardCap, and a $2.3 million increase in Net commissions. Included in the current quarter Net commission revenue was a $1.5 million contribution from Aurrea.

The impact of COVID-19 on Net revenue was largely limited to March 2020 revenue. If the lower equity market levels continue for a prolonged period-of-time, Net revenue in future quarters may be further negatively impacted.

Offsetting the increase in Net revenue was the increase in expenses to $39.1 million in the quarter, $6.0 million higher than the prior year expenses of $33.1 million. Included in the increase were largely variable compensation expenses from the growing UK investment management business, the expenses associated with the inclusion of Aurrea, the continued investments made in technology in the Dealers business, the additional distribution resources in the Canadian Retail Asset management team and additional expenses in the Corporate Activities and Investments Segment to support all of the operating businesses.

As discussed above, due to the downturn in the global financial markets Net losses of $161.3 million were recorded in the current quarter, compared to Net gains of $65.9 million in the same quarter in the prior year.

As a result of the Net losses and Operating earnings described above, the Company's Net loss attributable to shareholders in the current quarter were $136.4 million, compared to Net earnings attributable to shareholders of $67.2 million in 2019.

EBITDA(1) for the current quarter was $14.4 million, compared to $14.5 million in the prior year. Adjusted cash flow from operations(1) for the quarter was $13.3 million, compared to $10.5 million in the prior year.

The Company’s Shareholders’ equity as at March 31, 2020 was $563 million, or $20.94 per share(1), compared to $683 million, or $25.01 per share(1) as at December 31, 2019, and $656 million or $23.66 per share(1) as at March 31, 2019. The fair value of the Company’s Securities as at March 31, 2020 was $524 million, or $19.50 per share(1), compared to $682 million, or $24.99 per share(1) as at December 31, 2019 and $674 million or $24.30 per share(1) as at March 31, 2019.

The Board of Directors has declared a quarterly eligible dividend of $0.16 per share, payable on July 17, 2020, to shareholders of record on July 10, 2020.

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

	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018
For the three months ended ($ in thousands)								
Net revenue	**$ 49,901**	$ 49,865	$ 45,983	$ 45,963	$ 44,291	$ 44,300	$ 42,773	$ 42,924
Operating earnings	**10,813**	13,030	12,105	12,590	11,176	12,137	12,444	11,302
Net gains (losses)	**(161,289)**	24,140	(1,274)	7,957	65,883	(89,001)	28,481	20,800
Net earnings (loss)	**(134,911)**	31,808	8,952	17,601	68,099	(69,652)	35,079	26,245
Net earnings (loss) attributable to shareholders	**(136,368)**	30,787	8,275	16,838	67,220	(70,449)	34,320	25,385
Shareholders' equity(1)	**562,821**	682,777	653,983	647,983	656,167	599,311	670,382	644,956
Per Class A and Common share (in $)								
Net earnings (loss) attributable to shareholders								
Diluted	**(5.35)**	1.13	0.31	0.62	2.43	(2.63)	1.21	0.90
Shareholders' equity								
Diluted	**20.94**	25.01	23.93	23.73	23.66	21.57	23.57	22.74
Dividends paid	**$ 0.150**	$ 0.150	$ 0.150	$ 0.150	$ 0.125	$ 0.125	$ 0.125	$ 0.125
As at (in thousands of shares)								
Total Class A and Common shares outstanding	**27,758**	27,956	27,956	27,956	28,405	28,405	29,012	29,012

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 life insurance managing general agency. Its Common and Class A shares are listed on The Toronto Stock Exchange.
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[1] 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 (loss), which were $(134.9) million for the quarter ended March 31, 2020 (2019 - $68.1 million Net earnings), and Net cash from operating activities, which was $4.3 million for the quarter ended March 31, 2020 (2019 - $(5.3) million). 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 attributable 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.