

Press Release

Guardian Capital Group Limited (TSX: GCG; GCG.A) Announces 2017 Second Quarter Operating Results

Toronto, Ontario, August 10, 2017

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

| For the periods ended June 30 <i>(\$ in thousands, except per share amounts)</i> | Three months | | Six months | |
|---|--------------|-----------|------------|-----------|
| | 2017 | 2016 | 2017 | 2016 |
| Net revenue | \$ 37,208 | \$ 34,191 | \$ 75,826 | \$ 69,261 |
| Operating earnings | 12,160 | 10,300 | 24,618 | 21,650 |
| Net gains | 10,783 | 1,028 | 28,372 | 17,806 |
| Net earnings available to shareholders | 19,387 | 8,887 | 44,390 | 32,705 |
| EBITDA ⁽¹⁾ | \$ 13,470 | \$ 11,607 | \$ 26,776 | \$ 24,085 |
| Adjusted cash flow ⁽¹⁾ | 10,859 | 9,435 | 15,276 | 19,018 |
| Per share: | | | | |
| Net earnings available to shareholders | \$ 0.67 | \$ 0.30 | \$ 1.52 | \$ 1.09 |
| EBITDA ⁽¹⁾ | 0.46 | 0.39 | 0.92 | 0.80 |
| Adjusted cash flow ⁽¹⁾ | 0.37 | 0.32 | 0.53 | 0.64 |

| As at <i>(\$ in millions, except per share amounts)</i> | 2017 | | 2016 | |
|--|-----------|-------------|-----------|---------|
| | June 30 | December 31 | June 30 | June 30 |
| Assets under management | \$ 26,379 | \$ 27,280 | \$ 25,654 | |
| Assets under administration | 17,073 | 16,489 | 15,425 | |
| Shareholders' equity | 603 | 580 | 514 | |
| Securities | 627 | 620 | 540 | |
| Per share: | | | | |
| Shareholders' equity ⁽¹⁾ | \$ 20.54 | \$ 19.62 | \$ 17.10 | |
| Securities ⁽¹⁾ | 21.35 | 20.97 | 17.96 | |

The Company's operating earnings for the quarter ended June 30, 2017 were \$12.2 million, an 18% increase, compared to \$10.3 million in the same period a year earlier. All segments of the Company contributed positively to the growth. This increase was achieved while continuing to invest in developing operations in the UK and the US. The operating losses related to these two initiatives in the current quarter were \$1.5 million, \$0.6 million higher than the losses incurred in the same quarter in the prior year. These investments will continue to have a dampening effect on earnings in the short term, but are expected, over the long term, to improve future operating earnings.

Net gains in the current quarter were \$10.8 million, compared to \$1.0 million in the prior period, largely as a result of net gains realized within the investment funds consolidated by the Company.

Net earnings available to shareholders for the current quarter increased to \$19.4 million, or \$0.67 per share, compared to \$8.9 million, or \$0.30 per share a year earlier, resulting from the increased operating earnings and net gains, as described above.

The Company's assets under management as at June 30, 2017 were \$26.4 billion, an increase of 3% from \$25.7 billion at June 30, 2016 but a decrease of 3% from \$27.3 billion at the end of 2016. Assets under administration at the end of the current quarter were \$17.1 billion, an 11% increase from \$15.4 billion at June 30, 2016, and up 4% from \$16.5 billion at the end of 2016.

EBITDA for the current quarter was \$13.5 million, or \$0.46 per share, compared to \$11.6 million, or \$0.39 per share in 2016. Adjusted cash flow from operations for the current quarter was \$10.9 million, or \$0.37 per share, compared to \$9.4 million, or \$0.32 per share in 2016.

The Company's shareholders' equity as at June 30, 2017 was \$603 million, or \$20.54 per share, compared to \$580 million, or \$19.62 per share as at December 31, 2016 and \$514 million, or \$17.10 per share as at June 30, 2016. The Company's securities as at June 30, 2017 were valued at \$627 million, or \$21.35 per share, compared to \$620 million, or \$20.97 per share, as at December 31, 2016 and \$540 million, or \$17.96 per share, as at June 30, 2016.

The Board of Directors has declared a quarterly eligible dividend of \$0.10 per share, payable on October 18, 2017, to shareholders of record on October 11, 2017.

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

| Three months ended <i>(\$ in thousand, except per share amounts)</i> | Jun 30, 2017 | Mar 31, 2017 | Dec 31, 2016 | Sep 30, 2016 | Jun 30, 2016 | Mar 31, 2016 | Dec 31, 2015 | Sep 30, 2015 |
|--|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net revenue | \$ 37,208 | \$ 38,618 | \$ 38,240 | \$ 35,185 | \$ 34,191 | \$ 35,070 | \$ 34,353 | \$ 33,188 |
| Operating earnings | 12,160 | 12,458 | 12,371 | 10,646 | 10,300 | 11,350 | 10,256 | 10,876 |
| Net gains (losses) | 10,783 | 17,589 | 10,754 | 10,057 | 1,028 | 16,778 | 9,658 | (2,407) |
| Net earnings | 19,638 | 25,518 | 19,859 | 17,475 | 9,169 | 24,072 | 17,362 | 6,278 |
| Net earnings available to shareholders | 19,387 | 25,003 | 19,417 | 17,353 | 8,887 | 23,818 | 17,138 | 6,053 |
| Shareholders' equity | 603,428 | 605,039 | 580,177 | 545,339 | 513,939 | 497,656 | 504,255 | 470,533 |
| Net earnings available to shareholders per Class A and Common share | | | | | | | | |
| Basic | \$ 0.70 | \$ 0.91 | \$ 0.69 | \$ 0.61 | \$ 0.31 | \$ 0.83 | \$ 0.59 | \$ 0.21 |
| Diluted | 0.67 | 0.86 | 0.65 | 0.58 | 0.30 | 0.79 | 0.56 | 0.20 |
| Shareholders' equity per Class A and Common share ⁽¹⁾ | | | | | | | | |
| Basic | \$ 21.75 | \$ 21.81 | \$ 20.75 | \$ 19.11 | \$ 18.08 | \$ 17.51 | \$ 17.37 | \$ 15.96 |
| Diluted | 20.54 | 20.58 | 19.62 | 18.07 | 17.10 | 16.63 | 16.55 | 15.23 |
| Dividends paid | \$ 0.100 | \$ 0.085 | \$ 0.085 | \$ 0.085 | \$ 0.085 | \$ 0.075 | \$ 0.075 | \$ 0.075 |

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.

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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 earnings, which were \$19,638 for the three months ended June 30, 2017 (2016 - \$9,169), and Net cash from operating activities, which was \$14,541 for the three months ended June 30, 2017 (2016 - \$13,294). 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.