

Press Release

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

Toronto, Ontario, November 9, 2017

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

For the periods ended September 30 <i>(\$ in thousands, except per share amounts)</i>	Three months		Nine months	
	2017	2016	2017	2016
Net revenue	\$ 36,315	\$ 35,185	\$ 112,141	\$ 104,446
Operating earnings	10,505	10,646	35,123	32,296
Net gains	10,987	10,057	39,359	27,863
Net earnings available to shareholders	17,987	17,353	62,377	50,058
EBITDA ⁽¹⁾	\$ 11,811	\$ 12,065	\$ 38,587	\$ 36,150
Adjusted cash flow ⁽¹⁾	4,785	9,293	20,061	28,311
Per share:				
Net earnings available to shareholders	\$ 0.61	\$ 0.58	\$ 2.13	\$ 1.67
EBITDA ⁽¹⁾	0.40	0.40	1.32	1.21
Adjusted cash flow ⁽¹⁾	0.17	0.31	0.69	0.95

As at <i>(\$ in millions, except per share amounts)</i>	2017		2016	
	September 30	December 31	September 30	September 30
Assets under management	\$ 26,335	\$ 27,280	\$ 27,269	\$ 27,269
Assets under administration	17,271	16,489	16,134	16,134
Shareholders' equity	608	580	545	545
Securities	621	620	571	571
Per share:				
Shareholders' equity ⁽¹⁾	\$ 20.67	\$ 19.62	\$ 18.07	\$ 18.07
Securities ⁽¹⁾	21.12	20.97	18.94	18.94

The Company's operating earnings for the quarter ended September 30, 2017 were \$10.5 million, substantially the same as the \$10.6 million in the same period a year earlier.

Net gains in the current quarter were \$11.0 million, compared to \$10.1 million in the same period a year earlier. Of the net gains in the current quarter, approximately \$6.0 million were from the sale of 100,000 bank of Montreal shares, and the remainder were recognized within the investment funds consolidated by the Company.

Net earnings available to shareholders for the current quarter increased to \$18.0 million, or \$0.61 per share, compared to \$17.4 million, or \$0.58 per share a year earlier, resulting from the increased net gains, as described above.

The Company's assets under management as at September 30, 2017 were \$26.3 billion, a decrease of 3% from \$27.3 billion at the end of 2016 and at September 30, 2016. Assets under administration at the end of the current quarter were \$17.3 billion, a 5% increase from \$16.5 billion at the end of 2016 and up 7% from \$16.1 billion at September 30, 2016.

EBITDA for the current quarter was \$11.8 million, or \$0.40 per share, compared to \$12.1 million, or \$0.40 per share in 2016. Adjusted cash flow from operations for the current quarter was \$4.8 million, or \$0.17 per share, compared to \$9.3 million, or \$0.31 per share in 2016. The decrease in adjusted cash flow from operations was due to a significantly larger tax installment being paid in the current quarter than in the prior year.

The Company's shareholders' equity as at September 30, 2017 was \$608 million, or \$20.67 per share, compared to \$580 million, or \$19.62 per share as at December 31, 2016 and \$545 million, or \$18.07 per share as at September 30, 2016. The Company's securities as at September 30, 2017 were valued at \$621 million, or \$21.12 per share, compared to \$620 million, or \$20.97 per share, as at December 31, 2016 and \$571 million, or \$18.94 per share, as at September 30, 2016.

The Board of Directors has declared a quarterly eligible dividend of \$0.10 per share, payable on January 18, 2018, to shareholders of record on January 11, 2018.

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

Three months ended (\$ in thousand, except per share amounts)	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015
Net revenue	\$ 36,315	\$ 37,208	\$ 38,618	\$ 38,240	\$ 35,185	\$ 34,191	\$ 35,070	\$ 34,353
Operating earnings	10,505	12,160	12,458	12,371	10,646	10,300	11,350	10,256
Net gains (losses)	10,987	10,783	17,589	10,754	10,057	1,028	16,778	9,658
Net earnings	18,232	19,638	25,518	19,859	17,475	9,169	24,072	17,362
Net earnings available to shareholders	17,987	19,387	25,003	19,417	17,353	8,887	23,818	17,138
Shareholders' equity	608,013	603,428	605,039	580,177	545,339	513,939	497,656	504,255
Net earnings available to shareholders per Class A and Common share								
Basic	\$ 0.70	\$ 0.70	\$ 0.91	\$ 0.69	\$ 0.61	\$ 0.31	\$ 0.83	\$ 0.59
Diluted	0.67	0.67	0.86	0.65	0.58	0.30	0.79	0.56
Shareholders' equity per Class A and Common share ⁽¹⁾								
Basic	\$ 21.75	\$ 21.75	\$ 21.81	\$ 20.75	\$ 19.11	\$ 18.08	\$ 17.51	\$ 17.37
Diluted	20.54	20.54	20.58	19.62	18.07	17.10	16.63	16.55
Dividends paid	\$ 0.100	\$ 0.100	\$ 0.085	\$ 0.085	\$ 0.085	\$ 0.085	\$ 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 \$18,232 for the three months ended September 30, 2017 (2016 - \$17,475), and Net cash from operating activities, which was \$11,924 for the three months ended September 30, 2017 (2016 - \$9,929). 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.