

# Canaccord Genuity Group Inc.

Quarterly fact sheet - Q1 fiscal 2023 TSX: CF, CF.PRA, CF.PRC



## First quarter fiscal 2023 results

"The abrupt deceleration in global markets impacted first fiscal quarter financial performance in all of our capital markets businesses and to a lesser degree, our wealth management businesses," said Dan Daviau, President & CEO of Canaccord Genuity Group Inc. "In addition to the more challenging backdrop, our quarterly results were impacted by markdowns of certain inventory positions held in connection with supporting our capital markets clients in Australia and Canada."

"Looking forward, we expect that economic conditions will continue to tighten before they improve but we continue to be active globally and we feel good about our market position, the outlook for our wealth management businesses and a continuance of strong M&A activity in our capital markets businesses."

- / \$328.8 million in revenue<sup>1</sup>
- / \$0.11 diluted EPS<sup>1</sup>
- / \$27.5 million in pre-tax net income<sup>1</sup>
- / \$90.7 billion in client assets
- / 2,615 employees firm wide

In any market environment, we are steadfastly focused on driving long-term value for our clients and shareholders.

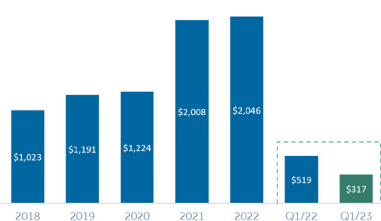
By growing our global wealth management businesses and intensifying our focus in our core capital markets strengths, we endeavor to deliver stability in times of stress, and increased value when markets are active.

Our strong balance sheet provides us the flexibility to harness opportunities for growth as we help our clients manage through new market headwinds.

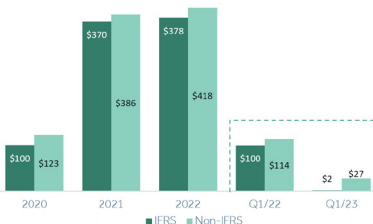
C\$ - thousands, except earnings per share	Three months ended				
	Q1/23 Jun. 30/22	Q1/22 Jun. 30/21	% change	Q4/22 Mar. 31/22	% change
Revenue	\$317,370	\$518,831	-38.8%	\$499,793	-36.5%
Global wealth management revenue	\$162,219	\$195,004	-16.8%	\$174,274	-6.9%
Global capital markets revenue	\$164,137	\$324,216	-49.4%	\$312,046	-47.4%
Corporate & Other revenue	-\$8,986	-\$389	n.m.	\$13,473	-166.7%
Pre-tax net income - adjusted <sup>1</sup>	\$27,452	\$113,957	-75.9%	\$94,525	-71.0%
Net income available to common shareholders - adjusted <sup>1</sup>	\$11,879	\$81,251	-85.4%	\$54,678	-78.3%
Earnings per diluted common share - adjusted <sup>1</sup>	\$0.11	\$0.73	-84.9%	\$0.52	-78.8%
Compensation ratio <sup>1</sup>	60.4%	61.5%	-1.1 p.p	60.0%	0.4p.p
Non-compensation expense ratio <sup>1</sup>	31.3%	16.7%	14.6 p.p	20.7%	10.6p.p
Pre-tax profit margin <sup>1</sup>	8.3%	21.8%	-13.5p.p	19.3%	-11.0p.p

## Key financial measures: Fiscal years ended March 31; Q1 ended June 30

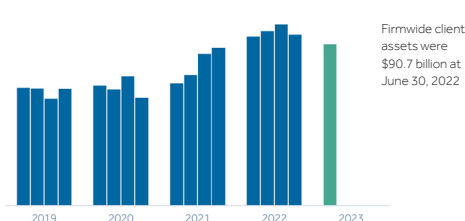
Revenue - C\$ millions



Pre-tax net income<sup>1,2</sup> - C\$ millions



Total client assets - C\$ billions



## Notable corporate developments:

**August 3, 2022:** The Company announced that through its UK & Europe capital markets business, Canaccord Genuity Limited, has entered into an asset purchase agreement to acquire the business of Results International Group LLP ("Results"). Results is an independent advisory firm headquartered in London, UK focused in the healthcare and technology sectors, which provides M&A and corporate finance services to entrepreneurs, corporates, private equity firms and investors. This transaction complements recent investments by the Company to expand its global Advisory business with the acquisitions of Petsky Prunier (2019) and Sawaya Partners (2021) in the US, and expands its European domain expertise in the Healthcare and Technology sectors. The transaction is expected to close in the second quarter of the Company's current fiscal year, subject to customary closing conditions.

Note: All amounts in C\$ unless otherwise indicated

1. These figures exclude significant items. Figures excluding significant items are non-IFRS measures and should be read in conjunction with IFRS measures. Refer to Non-IFRS Measures in the Q1/23 MD&A and the reconciliation of net income as determined under IFRS to adjusted net income, which excludes significant items, as described and available at [www.canaccordgenuity.com/investor-relations](http://www.canaccordgenuity.com/investor-relations).

Driven to increase shareholder value.

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## Core operating businesses

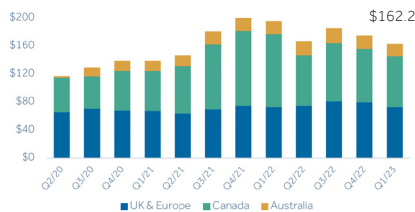


Our wealth management businesses have continued to demonstrate stability of earnings and a meaningful share of our profitability.

This segment contributed revenue of \$162.2 million for the first fiscal quarter. Excluding significant items, the pre-tax net income<sup>1</sup> contribution from this segment was \$24.7 million during the three month period.

Globally, total client assets remained strong at \$90.7 billion at June 30, 2022 but below recent all-time highs, reflecting lower asset values at the end of the three-month period.

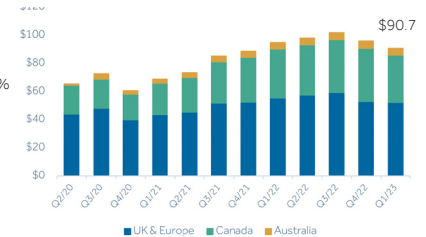
**Revenue**  
C\$ millions, fiscal quarters



**Pre-tax net income<sup>1</sup> and profit margin<sup>1</sup>**  
Fiscal quarters



**Client assets**  
C\$ billions, fiscal quarters

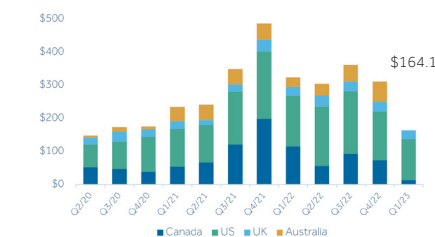


Our strategic focus for our global capital markets businesses has centred on establishing mid-market leadership in our core focus sectors, while we deepen our client offering to diversify our revenue streams and enhance our earnings stability through market cycles.

Globally, Canaccord Genuity Capital Markets earned revenue of \$164.1 million for the first fiscal quarter. Advisory fee revenue increased 8.7% year-over-year to \$82.6 million. Excluding significant items, this segment contributed pre-tax net income<sup>1</sup> of \$4.1 million for the three month period. Our results for the quarter reflect the significant decline in new issue activity compared to near-record highs of the prior year, and the impact of sharp declines in the value of certain inventory and warrant positions earned in respect of our investment banking activity.

During the first fiscal quarter, Canaccord Genuity participated in 80 transactions, raising gross proceeds of C\$6.2 billion for growth companies.

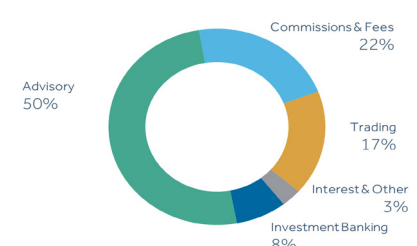
**Revenue**  
C\$ millions, fiscal quarters



**Pre-tax net income<sup>1</sup> and profit margin<sup>1</sup>**  
Fiscal quarters



**Capital markets revenue by activity**  
Q1 2023



## Analyst coverage:

Jeff Fenwick, Cormark Securities | Rob Goff, Echelon Wealth | Graham Ryding, TD Securities | Stephen Boland, Raymond James

## ABOUT CANACCORD GENUITY GROUP INC.

Through its principal subsidiaries, Canaccord Genuity Group Inc. (the Company) is a leading, full-service financial services firm, with operations in two principal segments of the securities industry: wealth management and capital markets. Since its establishment in 1950, the Company has been driven by an unwavering commitment to building lasting client relationships. We achieve this by generating value for our individual, institutional and corporate clients through comprehensive investment solutions, brokerage services and investment banking services. The Company has wealth management offices located in Canada, the UK, Guernsey, Jersey, the Isle of Man and Australia. The Company's international capital markets division operates in North America, UK & Europe, Asia, Australia and the Middle East.

**Investor and media relations:** Christina Marinoff, Vice President, Investor Relations & Communications

T: 416.869.7293 E: investor.relations@cgf.com [www.cgf.com/investor-relations](http://www.cgf.com/investor-relations)

Note: All amounts in C\$ unless otherwise indicated

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