



CANACCORD GENUITY GROUP INC. REPORTS SECOND QUARTER FISCAL 2021 RESULTS

Excluding significant items, second quarter earnings per common share of \$0.28⁽¹⁾

TORONTO, November 6, 2020—Canaccord Genuity Group Inc. (Canaccord Genuity Group, the Company, TSX: CF) today announced its financial results for the second fiscal quarter ended September 30, 2020.

“Our second fiscal quarter results reflect the breadth of our offerings, the resiliency of our business mix and the strength of the entire CG team. We earned record firmwide revenue for the second consecutive quarter and it was the strongest quarter on record for investment banking activities,” said Dan Daviau, President & CEO of Canaccord Genuity Group Inc.

“Despite concerns about the pandemic's ongoing influence on world economies, in addition to near-term political uncertainty in the UK and the U.S., we have good momentum and a supportive backdrop for activities in our core midmarket focus areas. We begin the second half of fiscal 2021 with a stronger market position in each of our businesses and geographies, and a resilient business mix that is capable of delivering enduring value for our shareholders.”

Second quarter and six-month fiscal year-to-date highlights:

(All dollar amounts are stated in thousands of Canadian dollars unless otherwise indicated)

- Second quarter revenue of \$390.4 million, highest quarterly revenue on record, surpassing Q1/21 revenue
- Record quarterly investment banking revenue of \$131.6 million, an increase of 153.2% year-over-year on continued strength in mid-market life sciences, technology and mining sectors
- Excluding significant items⁽¹⁾, diluted earnings per common share for the second quarter were \$0.28 per share (\$0.25 per share on an IFRS basis)
- Excluding significant items⁽¹⁾, diluted earnings per common share for the first six months of fiscal 2021 were \$0.53 per share (\$0.47 per share on an IFRS basis)
- Excluding significant items⁽¹⁾, our global wealth management businesses contributed 46% of diluted earnings per share for our operating businesses in the second quarter and 47% of diluted earnings per share fiscal year-to-date
- Total client assets in our global wealth management businesses reached \$73.4 billion, an increase of 6.6% from Q1/21 and an increase of 12.1% from Q2/20
- Purchased 49,600 common shares for cancellation under the normal course issuer bid during the six months ended September 30, 2020
- Second quarter common share dividend of \$0.055 per share

	Three months ended September 30		Quarter-over- quarter change	Three months ended June 30	Quarter-over- quarter change
	Q2/21	Q2/20			
Revenue	\$390,357	\$270,697	44.2 %	\$377,728	3.3 %
Second fiscal quarter highlights- adjusted¹					
Expenses - excluding significant items ¹	\$339,843	\$242,125	40.4 %	\$335,965	1.2 %
Earnings per common share – diluted, excluding significant items ¹	\$0.28	\$0.18	55.6 %	\$0.25	12.0 %
Net Income - excluding significant items ^{1,2}	\$36,891	\$23,760	55.3 %	\$32,897	12.1 %
Net Income attributable to common shareholders – excluding significant items ^{1,3}	\$32,982	\$21,512	53.3 %	\$29,065	13.5 %
Second fiscal quarter highlights- IFRS					
Expenses	\$344,499	\$254,527	35.3 %	\$340,674	1.1 %
Earnings per common share – diluted	\$0.25	\$0.10	150.0 %	\$0.22	13.6 %
Net Income ²	\$32,993	\$13,178	150.4 %	\$28,964	13.9 %

Net Income attributable to common shareholders ³	\$29,084	\$11,137	161.1 %	\$25,132	15.7 %
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Core business performance highlights:

Canaccord Genuity Wealth Management

The Company's combined global wealth management operations earned revenue of \$146.0 million for the second fiscal quarter and \$283.9 million for the first six months of the fiscal year, year-over-year increases of 26.5% and 15.8% respectively. Excluding significant items ⁽¹⁾, the second quarter pre-tax net income contribution from this segment improved by 23.7% year-over-year to \$26.9 million.

- Canaccord Genuity Wealth Management North America generated \$67.3 million in revenue and, after intersegment allocations and before taxes, recorded net income of \$11.7 million in Q2/21
- Wealth management operations in the UK & Europe generated \$64.3 million in revenue and, after intersegment allocations, and excluding significant items ⁽¹⁾, recorded net income of \$14.1 million before taxes in Q2/21
- Wealth management operations in Australia generated \$14.3 million in revenue and, after intersegment allocations and before taxes, and excluding significant items ⁽¹⁾ recorded net income of \$1.1 million before taxes in Q2/21, a slight increase of \$0.4 million from Q1/21

In the UK & Europe, second quarter revenue decreased by 3.1% compared to the same period one year ago, primarily due to the reduction in interest revenue attributable to the lower interest rate environment and lower volume of execution-only activities during the three-month period. Excluding significant items ⁽¹⁾, the pre-tax profit margin in this business was 22.8% for the first six months of fiscal 2021, an improvement of 1.7 percentage points when measured on a year-over-year basis.

Revenue in the Company's North American wealth management business increased by 37.5% year-over-year, primarily due to increased investment banking revenue from higher new issue activity compared to the same period in the prior year, in addition to higher commissions and fees revenue. The pre-tax profit margin in this business increased to 17.4% for the three-month period and increased by 0.7 percentage points to 15.6% for the first six months of the fiscal year.

Our Australian wealth management operations earned revenue of \$14.3 million and excluding significant items ⁽¹⁾, pre-tax net income of \$1.1 million in the second quarter of fiscal 2021, reflecting contributions from the acquisition of Patersons Securities Limited in Q3/20.

Total client assets in the Company's global wealth management businesses at the end of the second fiscal quarter amounted to \$73.4 billion.

- Client assets in North America were \$24.6 billion as at September 30, 2020, an increase of 10.8% from \$22.2 billion at the end of the previous quarter and an increase of 20.8% from \$20.4 billion at September 30, 2019.
- Client assets in the UK & Europe were \$45.4 billion (£26.4 billion) as at September 30, 2020, an increase of 4.2% from \$43.6 billion (£25.9 billion) at the end of the previous quarter and an increase of 2.7% from \$44.2 billion (£27.1 billion) at September 30, 2019.
- Client assets in Australia were \$3.4 billion (AUD 3.5 billion) as at September 30, 2020, an increase of 9.9 % from \$3.1 billion (AUD 3.3 billion) last quarter. In addition to client assets held in our investment management platform, client assets totalling \$12.1 billion (AUD 12.6 billion) are also held in other accounts on our Australian wealth management trading platform.

Canaccord Genuity Capital Markets

Excluding significant items ⁽¹⁾, the Company's global capital markets businesses contributed pre-tax net income of \$42.9 million for the second quarter, an increase of 387.9% compared to the same period in the previous fiscal year. Globally, this segment earned revenue of \$476.4 million for the first six months of the fiscal year, an improvement of 40.6%, compared to the same period a year ago. Revenue for the second quarter was \$241.5 million, an increase of 62.4% from \$148.7 million for the second quarter of fiscal 2020.

- Canaccord Genuity Capital Markets led or co-led 99 investment banking transactions globally, raising total proceeds of C\$3.9 billion during fiscal Q2/21.
- Canaccord Genuity Capital Markets participated in 155 investment banking transactions globally, raising total proceeds of C\$19.3 billion during fiscal Q2/21.

The US capital markets business was the largest contributor of revenue for this segment, with quarterly revenue of \$113.0 million, representing an increase of 64.9% year over year. This included an increase of \$17.8 million in principal trading revenue over Q2/20 resulting from increased trading volume during the quarter. Investment banking revenue also increased by 108.5% year-over-year, to \$32.7 million, reflecting robust new-issue activity, primarily in the life sciences and technology segments.

Revenue in the Canadian capital markets operations increased by 27.2% year-over-year as a result of higher investment banking and commissions and fees revenue. This business continues to be a top-ranked domestic underwriter in the region and is the leading IPO underwriter for the calendar year-to-date.

Second quarter revenue contributed by our Australian capital markets operations increased significantly, to \$46.3 million in Q2/21 from \$7.1 million in Q2/20. This performance was largely driven by the robust environment for underwriting activities in our focus sectors and also includes unrealized gains in certain inventory and warrant positions earned in respect of investment banking activity.

Our UK & Europe operations recorded a decline in revenue of 25.9% year over year due to lower investment banking and advisory fees revenue. Despite the softer environment for capital raising and advisory activities during the three-month period, CG currently holds the #2 ranking for AIM listings year-to-date and has secured a healthy number of new corporate broking wins in this environment.

Summary of Corporate Developments:

On August 6, 2020 at the fiscal 2020 Annual General Meeting of Shareholders, Jill Denham and Eric Rosenfeld were elected to the Company's Board of Directors. The Company has ten directors, eight of whom are independent, and three of whom are female.

On August 18, 2020 the Company filed a notice to renew the normal course issuer bid (NCIB) to provide the Company with the choice to purchase up to a maximum of 5,390,674 of its common shares during the period from August 21, 2020 to August 20, 2021 through the facilities of the TSX and on alternative trading systems in accordance with the requirements of the TSX. The purpose of the purchase of common shares under the NCIB is to enable the Company to acquire shares for cancellation. The maximum number of shares that may be purchased under the current NCIB represents 5.0% of the Company's outstanding common shares at the time of the notice. During the six months ended September 30, 2020, there were 29,700 shares purchased and cancelled under the current NCIB and an additional 19,900 shares purchased but not yet cancelled as of September 30, 2020.

On September 10, Alex Aylen was promoted to Head of Equities for Canaccord Genuity's capital markets business in the UK & Europe. Alex joined the business as Head of Corporate Sales (UK & Europe) in June 2018 and has been instrumental in improving coordination of our institutional offerings in the region and increasing client wins. In her new role, Alex oversees and coordinates all current and prospective client engagement across Sales, Research and Corporate Broking for the region.

On October 22, Jason Melbourne was appointed Global Head of Distribution for Canaccord Genuity Group Inc. In addition to continuing to lead the Canadian institutional equities business, he becomes responsible for leading coordination of deal origination and securities placement across CG's key geographies. Mr. Melbourne joined the Company with the merger of Canaccord and Genuity in 2010 and has been integral to the building of the Canadian institutional sales desk. Following his promotion to Global Head of Canadian Equity sales in 2016, he has fostered a team-based performance culture that has extended to improving cross-border and cross-desk collaboration, and strengthening our placement capabilities for clients across CG's geographies. As a member of the Global Operating Committee, Jason will work closely with global counterparts to support the advancement of key initiatives for the business.

On October 22, Jen Pardi was promoted to Global Head of Equity Capital Markets. In addition to continuing to lead the U.S. ECM team, she becomes responsible for driving best practices and coordination of ECM activities across all our geographies. With close to two decades of corporate finance, equity and debt capital markets experience, Jen has been involved in the completion of over 1,000 transactions with an aggregate value of over \$150 billion. Since being promoted to Head of U.S. Equity Capital Markets in 2013, she has been integral to increasing Canaccord Genuity's U.S. syndicate participation and has been at the forefront of our cross-border equity capital markets activities. In this expanded role, Jen will lead an active dialogue with our Global Operating Committee on all ECM related activities.

Total compensation expense as a percentage of revenue increased from 58.3% in Q2/20 and 59.2% in the first six months of fiscal 2020 to 64.2% in Q2/21 and 65.6% on a year to date basis. The increase in the compensation ratio for the first six months of fiscal 2021 was primarily due to an increase in the fair value of performance share units (PSUs) granted in prior periods as a component of the Company's overall executive compensation program. The fair value of the PSUs is based upon progress against certain pre-determined three-year performance metrics, including share price relative to the market, as measured at the time of vesting. The PSUs are awarded annually and vest after three years and are paid in cash at the time of vesting in an amount calculated with reference to the share price at the time of vesting and, accordingly, the value will vary with share price as well as progress against other performance metrics. Changes to the fair value of the PSUs as measured in future periods may increase or decrease from the fair value as recorded at September 30, 2020 and such changes will be recorded through compensation expense.

Results for the second quarter and year-to-date fiscal 2021 were impacted by the following significant items:

- Amortization of intangible assets acquired in connection with business combinations
- Certain incentive-based costs related to the acquisition and growth initiatives in the UK & Europe wealth business

Selected financial information excluding significant items ⁽¹⁾:

	Three months ended Sept 30		Quarter- over- quarter change	Six months ended Sept 30		YTD over YTD change
(C\$ thousands, except per share and % amounts)	2020	2019		2020	2019	

Total revenue per IFRS	\$390,357	\$270,697	44.2%	\$768,085	\$596,205	28.8%
Total expenses per IFRS	\$344,499	\$254,527	35.3%	\$685,173	\$548,683	24.9%
Revenue						
Total revenue excluding significant items	\$390,357	\$270,697	44.2%	\$768,085	\$596,205	28.8%
Total expenses per IFRS	\$344,499	\$254,527	35.3%	\$685,173	\$548,683	24.9%
Expenses						
<i>Significant items recorded in Canaccord Genuity Capital Markets</i>						
Amortization of intangible assets	\$743	\$2,465	(69.9)%	\$1,491	\$4,936	(69.8)%
Acquisition-related costs	-	\$1,629	(100.0)%	-	\$1,806	(100.0)%
<i>Significant items recorded in Canaccord Genuity Wealth Management</i>						
Amortization of intangible assets	\$3,288	\$3,528	(6.8)%	\$6,614	\$6,571	0.7%
Restructuring costs	-	\$1,098	(100.0)%	-	\$1,098	(100.0)%
Acquisition-related costs	-	\$1,973	(100.0)%	-	\$2,308	(100.0)%
Incentive-based costs related to acquisitions ⁽²⁾	\$625	\$1,709	(63.4)%	\$1,260	\$2,861	(56.0)%
Total significant items	\$4,656	\$12,402	(62.5)%	\$9,365	\$19,580	(52.2)%
Total expenses excluding significant items	\$339,843	\$242,125	40.4%	\$675,808	\$529,103	27.7%
Net income before taxes – adjusted	\$50,514	\$28,572	76.8%	\$92,277	\$67,102	37.5%
Income taxes – adjusted	\$13,623	\$4,812	183.1%	\$22,489	\$12,688	77.2%
Net income - adjusted	\$36,891	\$23,760	55.3%	\$69,788	\$54,414	28.3%
Net income attributable to common shareholders, adjusted	\$32,982	\$21,512	53.3%	\$62,047	\$49,730	24.8%
Earnings per common share – basic, adjusted	\$0.34	\$0.21	61.9%	\$0.64	\$0.49	30.6%
Earnings per common share – diluted, adjusted	\$0.28	\$0.18	55.6%	\$0.53	\$0.41	29.3%
(1) Figures excluding significant items are non-IFRS measures.						
(2) Incentive-based costs related to the acquisitions and growth initiatives in the UK & Europe wealth business						

Financial condition at the end of second quarter fiscal 2021 vs. second quarter of fiscal 2020

- Cash and cash equivalents balance of \$904.6 million, an increase of \$445.4 million from \$459.2 million
- Working capital of \$559.6 million, an increase of \$13.1 million from \$546.5 million
- Total shareholders' equity of \$935.7 million, an increase of \$99.5 million from \$836.2 million

Common and Preferred Share Dividends:

On November 6, 2020, the Board of Directors approved a dividend of \$0.055 per common share, payable on December 10, 2020, with a record date of November 27, 2020.

On November 6, 2020, the Board approved a cash dividend of \$0.24281 per Series A Preferred Share payable on December 31, 2020 to Series A Preferred shareholders of record as at December 18, 2020.

On November 6, 2020, the Board approved a cash dividend of \$0.31206 per Series C Preferred Share payable on December 31, 2020 to Series C Preferred shareholders of record as at December 18, 2020.

ACCESS TO QUARTERLY RESULTS INFORMATION

Interested investors, the media and others may review this quarterly earnings release and supplementary financial information at www.cgf.com/investor-relations/investor-resources/financial-reports/

CONFERENCE CALL AND WEBCAST PRESENTATION

Interested parties are invited to listen to Canaccord Genuity's second quarter fiscal 2021 results conference call via live webcast or a toll-free number. The conference call is scheduled for Monday, November 9, 2020 at 8:00 a.m. Eastern time, 5:00 a.m. Pacific time, 1:00 p.m. UK time, 9:00 p.m. China Standard Time, and midnight Australia EST. During the call, senior executives will comment on the results and respond to questions from analysts and institutional investors.

The conference call may be accessed live and will also be archived on a listen-only basis at: www.cgf.com/investor-relations/news-and-events/conference-calls-and-webcasts/

Analysts and institutional investors can call in via telephone at 647-427-7450 (within Toronto), 1-888-231-8191 (toll free outside Toronto), 0-800-051-7107 (toll free from the United Kingdom), 0-800-91-7449 (toll free from France), 10-800-714-1191 (toll free from Northern China), 10-800-140-1195 (toll free from Southern China), 1-800-287-011 (toll free from Australia), 800-017-8071 (toll free from United Arab Emirates).

Please ask to participate in the Canaccord Genuity Group Inc. Q2/21 results call. If a passcode is requested, please use 3658895.

A replay of the conference call will be made available from approximately two hours after the live call on November 9, 2020, until January 9, 2021 at 416-849-0833 or 1-855-859-2056 by entering passcode 3658895 followed by the (#) key.

ABOUT CANACCORD GENUITY GROUP INC.

Through its principal subsidiaries, Canaccord Genuity Group Inc. (the "Company") is a leading independent, 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.

Canaccord Genuity Group Inc. is publicly traded under the symbol CF on the TSX.

FOR FURTHER INFORMATION:

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None of the information on the Company's websites at www.cgf.com should be considered incorporated herein by reference.