



CANACCORD GENUITY GROUP INC. REPORTS FIRST QUARTER FISCAL 2020 RESULTS

Excluding significant items, first quarter earnings per common share of \$0.23⁽¹⁾

La version française du présent communiqué sera déposée sur SEDAR. / A French-language version of this communication will be made available on SEDAR

TORONTO, August 6, 2019 –Canaccord Genuity Group Inc. (Canaccord Genuity Group, the Company, TSX: CF) today announced its financial results for the first fiscal quarter, ended June 30, 2019.

“We delivered a solid first quarter result and a positive start to our 2020 fiscal year,” said Dan Daviau, President & CEO, Canaccord Genuity Group Inc. “We continued to demonstrate improving stability across businesses and geographies, as we invested into our core strengths and took steps to deliver improving returns for our shareholders.”

First fiscal quarter highlights:

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

- Quarterly revenue of \$325.5 million, a first quarter record
- Revenue from higher-margin advisory activities reached highest level in three years
- Excluding significant items¹, 57% of diluted earnings per share contributed by global wealth management operations
- Total client assets of \$67.6 billion in global wealth management business, increased 2.1% from a year ago
- Quarterly dividend increased to \$0.05 per common share
- Subsequent to the end of the fiscal quarter, initiated a Substantial Issuer Bid pursuant to which the Company will offer to repurchase for cancellation up to \$40.0 million of its common shares

	Three months ended June 30		Year-over-year change	Three months ended March 31	Quarter-over-quarter change
	Q1/20	Q1/19		Q4/19	
Revenue	\$325,508	\$274,123	18.7%	\$284,808	14.3%
First fiscal quarter highlights- adjusted¹					
Expenses - excluding significant items ¹	\$286,978	\$244,774	17.2%	\$262,587	9.3%
Earnings per common share – diluted, excluding significant items ¹	\$0.23	\$0.19	21.1%	\$0.12	91.7%
Net Income - excluding significant items ¹	\$30,654	\$25,035	22.4%	\$16,610	84.6%
Net Income attributable to common shareholders – excluding significant items ^{1,3}	\$28,218	\$21,651	30.3%	\$14,466	95.1%
First fiscal quarter highlights- IFRS					
Expenses	\$294,156	\$252,241	16.6%	\$279,265	5.3%
Earnings per common share – diluted	\$0.18	\$0.14	28.6%	\$0.00	n.m.
Net Income ²	\$24,290	\$18,649	30.2%	\$2,456	n.m.
Net Income attributable to common shareholders ³	\$21,854	\$15,265	43.2%	\$312	n.m.
<p>1. Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 6 of the MD&A</p> <p>2. Before non-controlling interests and preferred share dividends</p> <p>3. Net income attributable to common shareholders is calculated as the net income adjusted for non-controlling interests and preferred share dividends</p>					

¹ Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 6 of the MD&A

Core business performance highlights:

Canaccord Genuity Wealth Management

The Company's combined global wealth management operations earned revenue of \$129.7 million for the first fiscal quarter, a year-over-year increase of 15.2%. Excluding significant items¹, the pre-tax net income contribution from this segment improved by 24.5% year-over-year to \$23.3 million.

- Wealth management operations in the UK & Europe generated \$71.9 million in revenue and, after intersegment allocations, and excluding significant items¹, recorded net income of \$14.0 million before taxes in Q1/20
- Canaccord Genuity Wealth Management (North America) generated \$57.8 million in revenue and, after intersegment allocations and before taxes, recorded net income of \$9.3 million in Q1/20

Revenue in the Company's North American wealth management business increased by 23.6% year-over-year, reflecting increased transactional activities and continued asset growth in connection with Investment Advisor recruiting activities. Notably the pre-tax profit margin in this business improved to 16.0% for the three-month period, as non-compensation expenses returned to a more normalized level. In the UK & Europe, first quarter revenue increased by 9.3% compared to the same period one year ago, primarily due to higher commissions and fees revenue, and contributions from the Thomas Miller Wealth Management Limited ("Thomas Miller") and McCarthy Taylor Ltd. ("McCarthy Taylor") acquisitions.

Total client assets in the Company's global wealth management businesses at the end of the first fiscal quarter amounted to \$67.6 billion.

- Client assets in North America were \$21.2 billion as at June 30, 2019, an increase of 2.7% from \$20.7 billion at the end of the previous quarter and an increase of 12.2% from \$18.9 billion at June 30, 2018
- Client assets in the UK & Europe were \$45.6 billion (£27.4 billion) as at June 30, 2019, an increase of 3.1% from \$44.2 billion (£25.4 billion) at the end of the previous quarter and a decrease of 1.9% from \$46.4 billion (£26.9 billion) at June 30, 2018. New client assets of approximately \$1.5 billion from the previously announced acquisition of Thomas Miller are reflected in the results for Canaccord Genuity Wealth Management in the UK & Europe.

Canaccord Genuity Capital Markets

Excluding significant items¹, this segment contributed pre-tax net income of \$20.4 million for the quarter, an improvement of 55.2% compared to the same period in the previous fiscal year. Globally, Canaccord Genuity Capital Markets earned first fiscal quarter revenue of \$190.0 million, an increase of 21.7% compared to the same period a year ago.

- Canaccord Genuity Capital Markets led or co-led 51 investment banking transactions globally, raising total proceeds of C\$3.7 billion during fiscal Q1/20.
- Canaccord Genuity Capital Markets participated in 109 investment banking transactions globally, raising total proceeds of C\$12.7 billion during fiscal Q1/20.

During the three-month period, revenue earned from investment banking and advisory fees increased by 21.9% and 117.0% respectively, compared to the same period last year, with the largest contributions coming from the Company's Canadian and U.S. operations. Canaccord Genuity Capital Markets was the leading equities underwriter in Canada for the first six months of calendar 2019 based on league table data provided by FP Infomart. Canaccord Genuity's U.S. capital markets business earned record quarterly revenue which included a 231% increase in advisory revenue reflecting organic growth and contributions from the Petsky Prunier acquisition. The UK & Europe capital markets operation operated close to a break-even level, a result of lower overall expenses following the recent restructuring, in addition to increased activity levels, most notably in the corporate broking and advisory segments. Revenue and net income in the Company's Australian capital markets business were lower on a year-over-year basis but increased substantially when compared to Q4/19, as activity levels improved.

Summary of Corporate Developments:

On May 1, 2019, the Company announced its completion of the acquisition of Thomas Miller Wealth Management Limited and the private client investment management business of Thomas Miller Investment (Isle of Man) Limited.

On June 5, 2019 the Company's Board of Directors implemented a new dividend policy pursuant to which the Company intends to pay a quarterly dividend of at least \$0.05 per share, subject to conditions described in the Management Discussions and Analysis ("MD&A"). This development reflects the increasing stability in the Company's wealth management business and its expected growth profile.

On June 10, 2019 the Company, through its Australian operations, announced an agreement to acquire Patersons Securities Limited, a premier Australian financial services business, with operations in wealth management and capital markets. This acquisition will substantially increase the Company's wealth management business in the region and establishes a significant platform for expansion in Australia. The acquisition is expected to be completed during the quarter ended December 31, 2019 which will be the third quarter of Canaccord Genuity Group's 2020 fiscal year.

On June 28, 2019 the Company announced that its board of directors of the Company has authorized the initiation of a substantial issuer bid (the "Offer") pursuant to which the Company will offer to repurchase for cancellation up to \$40.0 million of its common shares (the "Common Shares").

On July 3, 2019 the Company announced the commencement and terms of its Substantial Issuer Bid. The Offer is being made by way of a "modified Dutch auction", which will allow shareholders who choose to participate in the Offer to individually select the price, within a range of not less than \$5.50 per Common Share and not more than \$6.30 per Common Share (in increments of \$0.10 per Common Share), at which they are willing to sell their Common Shares. Details of the Offer, including instructions for tendering Common Shares, are included in the formal offer to purchase and issuer bid circular, letter of transmittal and notice of guaranteed delivery (collectively, the "Offer Documents"). The Offer will expire on August 9, 2019 unless extended or withdrawn.

Results for the first quarter of fiscal 2020 were impacted by the following significant items:

- Amortization of intangible assets acquired in connection with business combinations as well as acquisition-related costs for Thomas Miller and Petsky Prunier
- Certain incentive-based costs related to the acquisition of Hargreave Hale

Summary of results for Q1 fiscal 2020 and selected financial information excluding significant items¹

(C\$ thousands, except per share and % amounts)	Three months ended June 30		Year-over-year change
	2019	2018	
Total revenue per IFRS	\$325,508	\$274,123	18.7%
Total expenses per IFRS	\$294,156	\$252,241	16.6%
<u>Revenue</u>			
Total revenue excluding significant items	\$325,508	\$274,123	18.7%
<u>Expenses</u>			
<i>Significant items recorded in Canaccord Genuity Capital Markets</i>			
Amortization of intangible assets	\$2,471	\$579	326.8%
Restructuring costs	-	\$1,316	-100%
Acquisition-related costs	\$177	\$1,173	-84.9%
<i>Significant items recorded in Canaccord Genuity Wealth Management</i>			
Amortization of intangible assets	\$3,043	\$2,856	6.5%
Acquisition-related costs	\$335	-	n.m
Incentive-based costs related to acquisition	\$1,152	\$1,543	(25.3)%
Total significant items	\$7,178	\$7,467	-3.9%
Total revenue excluding significant items	\$325,508	\$274,123	18.7%
Total expenses excluding significant items	\$286,978	\$244,774	17.2%
Net income before taxes – adjusted	\$38,530	\$29,349	31.3%
Income taxes – adjusted	\$7,876	\$4,314	82.6%
Net income - adjusted	\$30,654	\$25,035	22.4%
Net income attributable to common shareholders, adjusted	\$28,218	\$21,651	30.3%

¹Figures excluding significant items are non-IFRS measures. See Non-IFRS measures in page 6 of the MD&A

Financial condition at the end of first quarter fiscal 2020 vs. fourth quarter of fiscal 2019

- Cash and cash equivalents balance of \$585.5 million, a decrease of \$235.2 million from \$820.7 million
- Working capital of \$547.2 million, a decrease of \$76.0 million from \$623.2 million
- Total shareholders' equity of \$839.7 million, a decrease of \$36.7 million from \$876.4 million

Common and Preferred Share Dividends:

On August 6, 2019, the Board of Directors approved a dividend of \$0.05 per common share, payable on September 10, 2019, with a record date of August 30, 2019.

On August 6, 2019, the Board approved a cash dividend of \$0.24281 per Series A Preferred Share payable on September 30, 2019 to Series A Preferred shareholders of record as at September 13, 2019

On August 6, 2019, the Board approved a cash dividend of \$0.31206 per Series C Preferred Share payable on September 30, 2019 to Series C Preferred shareholders of record as at September 13, 2019.

ACCESS TO QUARTERLY RESULTS INFORMATION

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

CONFERENCE CALL AND WEBCAST PRESENTATION

Interested parties are invited to listen to Canaccord Genuity's first quarter fiscal 2020 results conference call via live webcast or a toll-free number. The conference call is scheduled for Wednesday August 7 at 8:00 a.m. Eastern time. 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 archived on a listen-only basis at: www.canaccordgenuity.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. Q1/20 results call. If a passcode is requested, please use 1558515.

A replay of the conference call will be made available from approximately two hours after the live call on August 7, 2019, until October 7, 2019 at 416-849-0833 or 1-855-859-2056 by entering passcode 1558515.

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, Australia, the UK, Guernsey, Jersey, and the Isle of Man. Canaccord Genuity Capital Markets, the 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. Canaccord Genuity Series A Preferred Shares are listed on the TSX under the symbol CF.PR.A. Canaccord Genuity Series C Preferred Shares are listed on the TSX under the symbol CF.PR.C. The Company's 6.25% Convertible Unsecured Senior Subordinated Debentures are listed on the TSX under the symbol CF.DA.A.

FOR FURTHER INFORMATION:

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www.canaccordgenuity.com/investor-relations

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