



CANACCORD GENUITY GROUP INC. REPORTS FOURTH QUARTER FISCAL 2020 RESULTS

Excluding significant items, fourth quarter earnings per common share of \$0.17 ⁽¹⁾

TORONTO, June 2, 2020—Canaccord Genuity Group Inc. (Canaccord Genuity Group, the Company, TSX: CF) today announced its financial results for the fourth quarter and fiscal year ended March 31, 2020.

"Despite the unprecedented market turmoil in our fourth fiscal quarter, we achieved a solid quarterly result, which contributed to a strong financial performance for fiscal 2020. I am so proud of our employees for staying grounded in our core values and supporting our clients at a time when they needed us most," said Dan Daviau, President & CEO of Canaccord Genuity Group Inc.

"We entered this environment with a robust financial and strategic position to support our business activities, and while the medium and longer-term macroeconomic impact of COVID-19 remains unclear, I am confident that Canaccord Genuity continues to perform well and remains well positioned to deliver long-term value for our clients and our shareholders."

Fourth quarter and fiscal 2020 highlights:

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

- Excluding significant items ⁽¹⁾, diluted earnings per common share for the fourth fiscal quarter were \$0.17 per share (\$0.21 per share on an IFRS basis)
- Excluding significant items ⁽¹⁾, diluted earnings per common share for fiscal 2020 were \$0.81 per share (\$0.65 per share on an IFRS basis), an increase of 1.3% when compared to fiscal 2019 (and an increase of 35.4% from \$0.48 per share on an IFRS basis)
- Excluding significant items, our global wealth management businesses contributed 56.8% of the diluted earnings per share for our operating businesses in fiscal 2020 and 52.9% of the diluted earnings per share for the fourth quarter
- Total client assets in our global wealth management operations decreased by 7.6% year-over-year to \$60.7 billion. This reduction in client assets has been in-line with the broader market declines for equities, partially offset by cash and non-equities in client portfolios. As at May 31, 2020 total client assets have risen to approximately \$66 billion reflecting improvements in market prices and net new assets.
- Global capital markets businesses earned record advisory fees revenue of \$205.6 million for the fiscal year, an improvement of 46.1% compared to fiscal 2019
- The Company remains committed to advancing its previously disclosed strategy of removing \$20 million from its fixed cost base in connection with its objective of margin improvement
- Returned \$79.6 million of capital to shareholders during fiscal 2020 through common share dividends and common share buybacks, reducing common shares outstanding by 6.8% from the end of fiscal 2019
- Prior years' investments in our infrastructure, technology platform and systems has allowed all business units to rapidly transition to operate remotely and collaborate seamlessly, while providing clients with the full complement of CG capabilities in a secure environment
- Fourth quarter common share dividend of \$0.05 per share

	Three months ended March 31		Quarter-over-quarter change	Three months ended December 31	Quarter-over-quarter change	Fiscal 2020	Fiscal 2019	Change
	Q4/20	Q4/19						
Revenue	\$319,648	\$284,808	12.2%	\$308,014	3.8 %	\$1,223,867	\$1,190,567	2.8%
Fourth fiscal quarter highlights- adjusted¹								
Expenses - excluding significant items ¹	\$294,703	\$262,587	12.2%	\$277,004	6.4 %	\$1,100,810	\$1,054,981	4.3%
Earnings per common share – diluted, excluding significant items ¹	\$0.17	\$0.12	41.7%	\$0.23	(26.1) %	\$0.81	\$0.80	1.3%

⁽¹⁾ Figures excluding significant items are non-IFRS measures. See non-IFRS measures on page 14 of the MD&A.

Net Income - excluding significant items ^{1,2}	\$21,451	\$16,610	29.1%	\$30,458	(29.6) %	\$106,323	\$107,355	(1.0) %
Net Income attributable to common shareholders - excluding significant items ^{1,3}	\$19,142	\$14,466	32.3%	\$27,619	(30.7) %	\$96,491	\$96,899	(0.4) %
Fourth fiscal quarter highlights- IFRS								
Expenses	\$289,430	\$279,265	3.6%	\$285,731	1.3 %	\$1,123,844	\$1,097,911	2.4%
Earnings per common share - diluted	\$0.21	\$0.00	n.m.	\$0.17	23.5 %	\$0.65	\$0.48	35.4%
Net Income ²	\$26,246	\$2,456	n.m.	\$22,840	14.9 %	\$86,554	\$71,582	20.9%
Net Income attributable to common shareholders ³	\$23,937	\$312	n.m.	\$20,158	18.7 %	\$77,086	\$61,126	26.1%
1. Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 14 of the MD&A 2. Before non-controlling interests and preferred share dividends 3. Net income attributable to common shareholders is calculated as the net income adjusted for non-controlling interests and preferred share dividends								

Core business performance highlights:

Canaccord Genuity Wealth Management

The Company's combined global wealth management operations earned revenue of \$137.9 million for the fourth fiscal quarter, a year-over-year increase of 17.8%. Excluding significant items⁽¹⁾, the pre-tax net income contribution from this segment was \$16.6 million, which represents 53.3% of the adjusted pre-tax net income attributable to the Company's combined operating businesses for the three-month period.

- Wealth management operations in the UK & Europe generated \$68.4 million in revenue and, after intersegment allocations, and excluding significant items⁽¹⁾, recorded net income of \$13.0 million before taxes in Q4/20
- Canaccord Genuity Wealth Management (North America) generated \$56.7 million in revenue and, after intersegment allocations and before taxes, recorded net income of \$2.7 million in Q4/20
- Wealth management operations in Australia generated \$12.9 million in revenue and, after intersegment allocations, and excluding significant items⁽¹⁾, recorded net income of \$0.9 million before taxes in Q4/20

Fourth quarter revenue in the Company's UK & Europe wealth management business increased by 7.7% compared to the same period one year ago, primarily due to higher commissions and fees revenue and contributions from the Thomas Miller and McCarthy Taylor acquisitions. Excluding significant items⁽¹⁾, the pre-tax profit margin in this business was 19.1% for the three-month period and 20.3% for the fiscal year.

Revenue in the Company's North American wealth management business increased by 5.8% in Q4/20 compared to the same period in the prior year, primarily due to higher commission and fees revenue partially offset by lower investment banking revenue when compared to the same period in the prior year. The pre-tax profit margin in this business decreased to 4.7% for the three-month period and decreased by 2.2 p.p. to 10.8% for the fiscal year. With the rapid decline in market prices in March 2020, there were certain pressures on client margin accounts with the result that provisions were recorded above normal levels, negatively impacting profit margins for the quarter.

The Company's Australian wealth management business earned revenue of \$12.9 million, reflecting contributions from the recent acquisition of Patersons Securities Limited, which was completed on October 21, 2019.

Total client assets in the Company's global wealth management businesses at the end of the fourth fiscal quarter amounted to \$60.7 billion, a decrease of \$5.0 billion or 7.6% from March 31, 2019. This reduction in client assets has been in-line with the broader

⁽¹⁾ Figures excluding significant items are non-IFRS measures. See non-IFRS measures on page 14 of the MD&A.

market, with declines for equities partially offset by cash and non-equities in client portfolios. Total client assets as of May 31, 2020 have recovered to approximately \$66 billion.

- Client assets in North America were \$18.4 billion as at March 31, 2020, a decrease of 12.1% from \$21.0 billion at the end of the previous quarter and a decrease of 10.8% from \$20.7 billion at March 31, 2019. With improvements in market prices and net new assets added, client assets stood at approximately \$21.5 billion as of May 31, 2020
- Client assets in the UK & Europe were \$39.9 billion (£22.7 billion) as at March 31, 2020, a decrease of 17.1% from \$48.1 billion (£28.1 billion) at the end of the previous quarter, and a decrease of 9.8% from \$44.2 billion (£25.4 billion) at March 31, 2019. As at May 31, 2020 client assets have recovered to approximately \$41.5 billion (£24.4 billion).
- Client assets in Australia held in our investment management platforms were \$2.4 billion as at March 31, 2020, primarily reflecting contributions from the acquisition of Patersons Securities Limited. In addition, client assets totalling \$8.6 billion are also held in other accounts on our Australian wealth management trading platform.

Canaccord Genuity Capital Markets

Globally, Canaccord Genuity Capital Markets earned revenue of \$176.6 million for the fourth fiscal quarter, representing an increase of 10.3% from Q4/19, largely resulting from an increase in advisory fees revenue in our US and Canadian operations. Compared to the exceptional performance in fiscal 2019, revenue in Canaccord Genuity Capital Markets declined slightly, by 2.1% to \$689.5 million for the fiscal year. Excluding significant items⁽¹⁾, this segment contributed pre-tax net income of \$14.5 million for the fourth quarter, an improvement of 36.3% compared to the prior year, and \$59.8 million for fiscal 2020.

- Canaccord Genuity Capital Markets led or co-led 47 investment banking transactions globally, raising total proceeds of C\$1.6 billion during fiscal Q4/20.
- Canaccord Genuity Capital Markets led or co-led 185 investment banking transactions globally, raising total proceeds of C\$9.7 billion during fiscal 2020.
- Canaccord Genuity Capital Markets, including led or co-led, participated in 89 investment banking transactions globally, raising total proceeds of C\$7.8 billion during fiscal Q4/20.
- Canaccord Genuity Capital Markets, including led or co-led, participated in a total of 373 investment banking transactions globally, raising total proceeds of C\$51.7 billion during fiscal 2020.

The Company's US capital markets business was the largest contributor of revenue in this segment for the three-month period, with revenue of \$105.6 million, or 59.8% of total global capital markets revenue. This included a 37.2% increase over the same period in the prior year in advisory revenue, reflecting organic growth and contributions from the Petsky Prunier acquisition which closed in Q4/19.

Fourth quarter revenue in our Canadian capital markets operations decreased by 28.1% year-over-year as a result of lower investment banking and commissions and fees revenue. Even with this decrease in revenue, this business continues to be a top-ranked domestic underwriter in Canada. For both the fourth quarter and fiscal 2020, Canaccord Genuity Capital Markets in Canada was ranked #1 for IPOs and was the #1 equities underwriter (by volume) based on league table data provided by FP Infomart.

Excluding significant items, our UK & Europe capital markets business earned pre-tax net income of \$0.8 million for the fourth quarter, increasing its pre-tax net income for the year to \$3.6 million.

Fourth quarter revenue earned by our Australian capital markets business more than doubled year-over-year to \$8.9 million, reflecting an increase in investment banking activities and higher commissions and fees revenue.

Summary of Corporate Developments:

On March 25, 2020, the Company provided a business and operational update for its shareholders in relation to the recent volatility driven by COVID-19. The Company employs a disciplined capital allocation strategy and ongoing business continuity planning as part of the Company's firm wide and continuous risk management practices. These integral procedures have ensured that businesses in all geographies have continued to provide uninterrupted service for clients during the current global healthcare and economic crisis.

⁽¹⁾ Figures excluding significant items are non-IFRS measures. See non-IFRS measures on page 14 of the MD&A.

On May 12, 2020, the Company announced its investment in a state-of-the art unified managed account platform to support Investment Advisors and Portfolio Managers in its Canadian wealth management business.

On May 20, 2020, the Company announced that Canaccord Genuity Wealth Management has been selected by Morgan Stanley as its Canadian platform partner to support the entry of Morgan Stanley Wealth Management into Canada. Canaccord Genuity will deliver a suite of wealth management solutions and technology, as well as custody and clearing services to Morgan Stanley Wealth Management Canada.

Results for the Fourth quarter and fiscal 2020 were impacted by the following significant items:

- Amortization of intangible assets acquired in connection with business combinations as well as acquisition-related and restructuring costs for Thomas Miller and Patersons Securities Limited
- Costs related to the ongoing integration efforts in the Company's UK & Europe wealth management business
- Adjustment to certain incentive-based costs related to the acquisition and growth initiatives in the UK & Europe wealth business
- Adjustment to contingent consideration in connection with the acquisition of Thomas Miller due to revised projections based on current market conditions

In addition, results for the quarter were impacted by the recognition of \$3.7 million of deferred tax assets (\$11.6 million for fiscal 2020) in the Company's US operations which, because of historical losses, had not been recognized previously. This deferred tax asset recognition resulted in an effective tax rate of 13.1% for the fourth quarter and 13.5% for fiscal 2020.

Selected financial information excluding significant items ⁽¹⁾:

	Three months ended March 31		Quarter- over- quarter change	Year ended March 31		YTD over YTD change
	2020	2019		2020	2019	
(C\$ thousands, except per share and % amounts)						
Total revenue per IFRS	\$319,648	\$284,808	12.2%	\$1,223,867	\$1,190,567	2.8%
Total expenses per IFRS	\$289,430	\$279,265	3.6%	\$1,123,844	\$1,097,911	2.4%
<i>Total expenses per IFRS</i>	<i>\$289,430</i>	<i>\$279,265</i>	<i>3.6%</i>	<i>\$1,123,844</i>	<i>\$1,097,911</i>	<i>2.4%</i>
Expenses						
<i>Significant items recorded in Canaccord Genuity Capital Markets</i>						
Amortization of intangible assets	\$1,773	\$639	177.5%	\$9,167	\$2,496	267.3%
Restructuring costs	-	\$11,754	n.m.	-	\$13,070	n.m.
Acquisition- related costs	-	\$803	n.m.	\$1,806	\$1,976	(8.6)%
<i>Significant items recorded in Canaccord Genuity Wealth Management</i>						
Amortization of intangible assets	\$3,924	\$2,801	40.1%	\$13,940	\$11,153	25.0%
Restructuring costs	\$(427)	-	n.m.	\$1,921	-	n.m.
Acquisition-related costs	\$(4,238)	\$918	n.m.	\$(1,930)	\$1,088	(277.4)%
Incentive-based costs related to acquisitions ⁽²⁾	\$(6,305)	\$(237)	n.m.	\$(1,870)	\$4,294	(143.5)%
Development costs	-	-	-	-	\$245	n.m.
<i>Significant items recorded in Corporate and Other</i>						
Loss on extinguishment of convertible debentures	-	-	-	-	\$8,608	n.m.
Total significant items	\$(5,273)	\$16,678	(131.6)%	\$23,034	\$42,930	(46.3)%
Total expenses excluding significant items	\$294,703	\$262,587	12.2%	\$1,100,810	\$1,054,981	4.3%
Net income before taxes – adjusted	\$24,945	\$22,221	12.3%	\$123,057	\$135,586	(9.2)%
Income taxes – adjusted	\$3,494	\$5,611	(37.7)%	\$16,734	\$28,231	(40.7)%
Net income - adjusted	\$21,451	\$16,610	29.1%	\$106,323	\$107,355	(1.0)%
Net income attributable to common shareholders, adjusted	\$19,142	\$14,466	32.3%	\$96,491	\$96,899	(0.4)%
Earnings per common share – basic, adjusted	\$0.20	\$0.15	33.3%	\$0.98	\$1.01	(3.0)%
Earnings per common share – diluted, adjusted	\$0.17	\$0.12	41.7%	\$0.81	\$0.80	1.3%
(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 fourth quarter fiscal 2020 vs. third quarter of fiscal 2020:

- Cash and cash equivalents balance of \$997.1 million, an increase of \$448.4 million from \$548.7 million
- Working capital of \$547.3 million, an increase of \$13.5 million from \$533.8 million
- Total shareholders' equity of \$928.6 million, an increase of \$77.4 million from \$851.2 million

Common and Preferred Share Dividends:

On June 2, 2020, the Board of Directors approved a dividend of \$0.05 per common share, payable on June 30, 2020, with a record date of June 19, 2020.

On June 2, 2020, the Board approved a cash dividend of \$0.24281 per Series A Preferred Share payable on June 30, 2020 to Series A Preferred shareholders of record as at June 19, 2020.

On June 2, 2020, the Board approved a cash dividend of \$0.31206 per Series C Preferred Share payable on June 30, 2020 to Series C Preferred shareholders of record as at June 19, 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 Fourth quarter and fiscal 2020 results conference call via live webcast or a toll-free number. The conference call is scheduled for Wednesday, June 3, 2020 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.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. Q4/20 results call. If a passcode is requested, please use 1996214.

A replay of the conference call will be made available from approximately two hours after the live call on June 3, 2020 until August 3, 2020 at 416-849-0833 or 1-855-859-2056 by entering passcode 1996214.

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 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:

Investor and media relations inquiries:

Christina Marinoff
Vice President, Investor Relations and Communications
Phone: 416-687-5507
Email: cmarinoff@cgf.com

www.cgf.com/investor-relations

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