

Readers are referred to the disclaimer regarding Forward-Looking Statements, Non-IFRS Financial Measures and Other Financial Measures at the end of this Release.

## IGM FINANCIAL REPORTS SECOND QUARTER EARNINGS

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**Winnipeg – August 2, 2023:** IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the second quarter of 2023.

### **IGM HIGHLIGHTS**

- Net earnings of \$138.2 million or 58 cents per share compared to \$207.1 million or 87 cents per share in 2022. **Adjusted net earnings, excluding other items,<sup>1</sup> were \$205.5 million or 86 cents per share** for the second quarter of 2023 compared to \$207.1 million or 87 cents per share in 2022.
- **Assets under management and advisement of \$261.1 billion, up slightly from the prior quarter** and up 7.9% from the second quarter of 2022.
- IGM Financial's assets under management and advisement **including Strategic Investments** were \$402.8 billion as at June 30, 2023, compared with \$376.5 billion at March 31, 2023 and \$305.0 billion at June 30, 2022. This is a new measure and reflects the importance of these high growth investments and their contribution to IGM's value.
- Net outflows were \$821 million compared to net outflows of \$527 million in 2022.

"We are pleased with the strong earnings contributions from IG Wealth and Mackenzie this quarter. We implemented actions in the quarter enabling us to invest in our businesses while sustainably reducing expenses resulting in an after-tax restructuring charge of \$76.2 million," said James O'Sullivan, President and Chief Executive Officer of IGM Financial Inc. "With the closing of the Rockefeller Capital Management and China Asset Management Co., Ltd. transactions, we are introducing a new measure of our assets under management and advisement that includes our proportionate share of our investments in China Asset Management Co., Ltd., Rockefeller Capital Management, Northleaf Capital Group Ltd., and Wealthsimple Financial Corp. Assets under management and advisement including Strategic Investments were \$402.8 billion at June 30, 2023."

IGM Financial is also announcing it is holding an Investor Day on December 5, 2023 in Toronto. Further details will be announced in the fall.

Net earnings available to common shareholders for the second quarter of 2023 were \$138.2 million or 58 cents per share compared to \$207.1 million or 87 cents per share in 2022. Adjusted net earnings available to common shareholders, excluding other items,<sup>1</sup> for the second quarter of 2023 were \$205.5 million or 86 cents per share compared to \$207.1 million or 87 cents per share in 2022.

Net earnings available to common shareholders for the six months ended June 30, 2023 were \$519.5 million or \$2.18 per share compared to \$426.4 million or \$1.78 per share in 2022. Adjusted net earnings available to common shareholders, excluding other items,<sup>1</sup> for the six month period of 2023 were \$412.0 million or \$1.73 per share compared to \$426.4 million or \$1.78 per share in 2022.

### **WEALTH MANAGEMENT**

*Reflects the activities of operating companies that are principally focused on providing financial planning and related services to Canadian households, and includes the activities of IG Wealth Management and Investment Planning Counsel (IPC), which has been reclassified as discontinued operations.*

**Net earnings** in the second quarter of 2023 were \$116.8 million and represented 56.8% of IGM's adjusted net earnings available to common shareholders. This was an increase of 7.4% compared to the second quarter of 2022.

**Assets under advisement** at June 30, 2023 were \$147.8 billion, an increase of 0.7% from \$146.8 billion at March 31, 2023 and an increase of 10.2% from \$134.2 billion at June 30, 2022.

### ***IG Wealth Management***

**Assets under advisement** at June 30, 2023 were \$116.8 billion, an increase of 0.8% from \$115.9 billion at March 31, 2023 and an increase of 10.8% from \$105.5 billion at June 30, 2022.

**Quarterly net client outflows were \$424 million**, compared to net client inflows of \$389 million in the second quarter of 2022.

**Quarterly gross client inflows** were \$2.8 billion, down 8.9% from gross client inflows of \$3.1 billion in 2022.

### **ASSET MANAGEMENT**

*Reflects the activities of operating companies primarily focused on providing investment management services, and represents the operations of Mackenzie Investments.*

**Net earnings** in the second quarter of 2023 were \$50.1 million and represented 24.4% of IGM's adjusted net earnings available to common shareholders. This was a decrease of 2.3% compared to the second quarter of 2022.

**Total assets under management** were \$193.3 billion, a decrease of 0.2% from \$193.8 billion at March 31, 2023 and an increase of 4.7% from \$184.7 billion at June 30, 2022. Third party assets under management were \$116.6 billion at June 30, 2023, a decrease of 0.3% from March 31, 2023 and an increase of 4.2% from June 30, 2022.

**Investment fund net redemptions** were \$616 million compared to net redemptions of \$819 million in the second quarter of 2022.

**Mutual fund gross sales** of \$1.7 billion were comparable to the second quarter of 2022.

**ETF business** - ETF assets under management totalled \$12.9 billion at June 30, 2023, up slightly from March 31, 2023 and up from \$11.6 billion at June 30, 2022. Excluding investment in ETFs by IGM's managed products, ETF assets under management were \$5.2 billion at June 30, 2023, compared to \$5.1 billion at March 31, 2023 and \$5.4 billion at June 30, 2022.

### **STRATEGIC INVESTMENTS AND OTHER**

*Represents the key strategic investments made by the Company, including China Asset Management Co., Ltd. (ChinaAMC), Great-West Lifeco Inc. (Lifeco), Rockefeller Capital Management (Rockefeller), Northleaf Capital Group Ltd. (Northleaf), Wealthsimple Financial Corp. (Wealthsimple), and Portage Ventures LPs, as well as unallocated capital.*

On January 12, 2023, the Company closed the previously announced transaction to acquire Power Corporation of Canada's 13.9% interest in ChinaAMC, increasing the Company's overall investment in ChinaAMC to 27.8%, and to sell a portion of the Company's investment in Lifeco, reducing it from 4.0% to 2.4%.

**Great-West Lifeco Inc.** – The Company’s proportionate share of Lifeco’s second quarter estimated earnings was \$14.5 million<sup>2</sup> compared to \$29.0 million in the second quarter of 2022. This included a reduction of \$5.7 million to adjust first quarter earnings to the actual earnings disclosed by Lifeco.

**China Asset Management Co., Ltd.** – The Company’s proportionate share of ChinaAMC’s second quarter earnings was \$27.7 million compared to \$14.8 million in the second quarter of 2022.

## **DIVIDENDS**

The Board of Directors has declared a dividend of 56.25 cents per share on the Company’s common shares which is payable on October 31, 2023 to shareholders of record on September 29, 2023.

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<sup>1</sup> Other items in 2023 consisted of:

- Restructuring and other charges of \$76.2 million after-tax (\$103.3 million pre-tax) recorded in the second quarter resulting from streamlining and simplifying the business to more effectively align with business priorities. The charge includes the Company’s changes to the organizational structure to advance the growing needs of the business, digital transformation by retiring duplicate systems and modernizing information technology and an effort to consolidate its real estate footprint to better reflect client and advisor needs.
- A gain on the sale of a portion of the Company’s investment in Lifeco of \$168.6 million after-tax (\$172.9 million pre-tax) consisting of \$174.8 million recorded in the first quarter and a decrease of \$6.2 million that was recorded on a prospective basis in the second quarter.
- Lifeco IFRS 17 adjustment of \$15.1 million, recorded in the second quarter, representing a change of estimate which has been recorded on a prospective basis.

<sup>2</sup> The Company recorded its proportionate share of second quarter Lifeco earnings using consensus analysts’ earnings estimates as Lifeco is now reporting quarterly earnings after the Company.

## **FORWARD-LOOKING STATEMENTS**

*Certain statements in this Release, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect IGM Financial’s current expectations. Forward-looking statements are provided to assist the reader in understanding the Company’s financial position and results of operations as at and for the periods ended on certain dates and to present information about management’s current expectations and plans relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Company, as well as the outlook for North American and international economies, for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “plans”, “believes”, “estimates”, “seeks”, “intends”, “targets”, “projects”, “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “will”, “should”, “would” and “could”.*

*This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including the perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. While the Company considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.*

*By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved.*

*A variety of material factors, many of which are beyond the Company’s and its subsidiaries’ control, affect the operations, performance and results of the Company, and its subsidiaries, and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets,*

management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates), the effect of applying future accounting changes, operational and reputational risks, business competition, technological change, changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), the Company's ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Company's and its subsidiaries' success in anticipating and managing the foregoing factors.

The reader is cautioned that the foregoing list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not place undue reliance on forward-looking statements.

Other than as specifically required by applicable Canadian law, the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Additional information about the risks and uncertainties of the Company's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials filed with the securities regulatory authorities in Canada, available at [www.sedar.com](http://www.sedar.com).

## **NON-IFRS FINANCIAL MEASURES AND OTHER FINANCIAL MEASURES**

This report contains Non-IFRS financial measures and non-IFRS ratios that do not have standard meanings prescribed by IFRS and may not be directly comparable to similar measures used by other companies. These measures and ratios are used to provide management, investors and investment analysts with additional measures to assess earnings performance.

Non-IFRS financial measures include, but are not limited to, "Adjusted net earnings available to common shareholders", "adjusted net earnings", "adjusted earnings before income taxes", "adjusted earnings before interest and taxes" (Adjusted EBIT), "earnings before interest, taxes, depreciation and amortization before sales commissions" (EBITDA before sales commissions), and "earnings before interest, taxes, depreciation and amortization after sales commissions" (EBITDA after sales commissions). These measures exclude other items which are items of a non-recurring nature, or that could make the period-over-period comparison of results from operations less meaningful. EBITDA before sales commissions excludes all sales commissions. EBITDA after sales commissions includes all sales commissions and highlights aggregate cash flows.

Non-IFRS ratios include the following:

Ratio	Numerator	Denominator
Adjusted earnings per share (Adjusted EPS)	Adjusted net earnings available to common shareholders	Average number of outstanding common shares on a diluted basis
Return (Adjusted return) on equity (ROE, Adjusted ROE)	Net earnings (Adjusted net earnings) available to common shareholders	Average shareholders' equity excluding non-controlling interest
ROE (Adjusted ROE) excluding the impact of fair value through other comprehensive income investments	Net earnings (Adjusted net earnings) available to common shareholders	Average shareholders' equity excluding non-controlling interest and the impact of fair value through other comprehensive income investments net of tax

Refer to the appropriate reconciliations of non-IFRS financial measures, including as components of non-IFRS ratios, to reported results in accordance with IFRS included in IGM Financial Inc.'s most recent Management, Discussion and Analysis.

This report also contains other financial measures which include:

- **Assets under Management and Advisement (AUM&A)** represents the consolidated AUM and AUA of IGM Financial. In the Wealth Management segment, AUM is a component part of AUA. All instances where the asset management segment is providing investment management services or distributing its products through the

Wealth Management segment are eliminated in our reporting such that there is no double-counting of the same client savings held at IGM Financial's operating companies. IPC's AUM, AUA, sales, redemptions and net flows have been disclosed as Discontinued operations under AUM&A.

- **Assets under Advisement (AUA)** are the key driver of the Wealth Management segment. AUA are savings and investment products held within client accounts of our Wealth Management segment operating companies.
- **Assets under Management (AUM)** are the key driver of the Asset Management segment. AUM are a secondary driver of revenues and expenses within the Wealth Management segment in relation to its investment management activities. AUM are client assets where we provide investment management services, and include investment funds where we are the fund manager, investment advisory mandates to institutions, and other client accounts where we have discretionary portfolio management responsibilities. IPC's AUM, sales and redemptions have been disclosed as Discontinued operations under AUM.
- **Assets under Management and Advisement including Strategic Investments (AUM&A including SI)** represents AUM&A including the Company's proportionate share of the AUM&A of Strategic Investments based on the Company's direct and indirect ownership of the Strategic Investments. The Strategic Investments included are those whose activities are primarily in asset and wealth management, and include a 27.8% interest in ChinaAMC, 56% interest in Northleaf, 20.5% interest in Rockefeller and a 24.3% interest in Wealthsimple. Rockefeller client assets include assets under management and advisement as well as assets held for investment purposes and only receiving administrative services.

## **SECOND QUARTER WEBCAST AND CONFERENCE CALL**

IGM Financial Inc.'s Second Quarter 2023 results conference call and webcast will be held on Thursday, August 3, 2023 at 8:00 a.m. ET. The webcast and conference call can be accessed respectively through [igmfinancial.com/en](http://igmfinancial.com/en) or by phone at 1-800-319-4610 or 1-416-915-3239.

The most recent Consolidated Financial Statements and Management's Discussion and Analysis (MD&A) of operating results are available on IGM Financial Inc.'s website at [igmfinancial.com/en](http://igmfinancial.com/en).

## **ABOUT IGM FINANCIAL INC.**

IGM Financial Inc. is one of Canada's leading diversified wealth and asset management companies with approximately \$261 billion in total assets under management and advisement at June 30, 2023. The company provides a broad range of financial planning and investment management services to help more than two million Canadians meet their financial goals. Its activities are carried out principally through IG Wealth Management, Mackenzie Investments and Investment Planning Counsel. IGM Financial is a member of the Power Corporation group of companies.

## **FOR MORE INFORMATION CONTACT:**

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**Consolidated Statements of Earnings**

(unaudited) Three months ended June 30 Six months ended June 30  
(in thousands of Canadian dollars, except per share amounts) 2023 2022 2023 2022

**Revenues**

Wealth management	\$ 552,482	\$ 535,295	\$ 1,086,593	\$ 1,096,506
Asset management	238,652	241,883	474,806	498,018
Dealer compensation expense	(79,423)	(82,088)	(158,749)	(173,204)
Net asset management	159,229	159,795	316,057	324,814
Net investment income and other	8,108	(447)	19,057	(2,942)
Gain on sale of Lifeco shares	(6,141)	-	172,977	-
Proportionate share of associates' earnings	57,976	50,033	111,020	98,433
	<b>771,654</b>	<b>744,676</b>	<b>1,705,704</b>	<b>1,516,811</b>

**Expenses**

Advisory and business development	254,064	243,602	499,705	488,570
Operations and support	298,671	193,530	500,446	396,617
Sub-advisory	16,322	15,420	32,168	32,827
Interest	30,120	28,236	58,175	56,215
	<b>599,177</b>	<b>480,788</b>	<b>1,090,494</b>	<b>974,229</b>
Earnings before income taxes	172,477	263,888	615,210	542,582
Income taxes	35,438	58,498	98,799	120,789
Net earnings from continuing operations	137,039	205,390	516,411	421,793
Net earnings from discontinued operations	1,789	2,941	4,918	6,703
Net earnings	138,828	208,331	521,329	428,496
Non-controlling interest	(627)	(1,230)	(1,790)	(2,079)
<b>Net earnings available to common shareholders</b>	<b>\$ 138,201</b>	<b>\$ 207,101</b>	<b>\$ 519,539</b>	<b>\$ 426,417</b>

**Earnings per share (in dollars)**

Net earnings available to common shareholders from continuing operations				
- Basic	\$ 0.57	\$ 0.85	\$ 2.16	\$ 1.75
- Diluted	\$ 0.57	\$ 0.85	\$ 2.16	\$ 1.75
Net earnings available to common shareholders				
- Basic	\$ 0.58	\$ 0.87	\$ 2.18	\$ 1.78
- Diluted	\$ 0.58	\$ 0.87	\$ 2.18	\$ 1.78

**IGM FINANCIAL INC.**
**Financial Highlights**

(unaudited)	For the three months ended June 30			As at and for the six months ended June 30		
	2023	2022	Change	2023	2022	Change
<b>Net earnings available to common shareholders</b> (\$ millions)						
Net Earnings	\$ 138.2	\$ 207.1	(33.3) %	\$ 519.5	\$ 426.4	21.8 %
Adjusted Net Earnings <sup>(1)</sup>	205.5	207.1	(0.8)	412.0	426.4	(3.4)
<b>Diluted earnings per share</b>						
Net Earnings	0.58	0.87	(33.3)	2.18	1.78	22.5
Adjusted Net Earnings <sup>(1)</sup>	0.86	0.87	(1.1)	1.73	1.78	(2.8)
<b>Return on equity</b>						
Net Earnings				16.8%	13.9%	
Adjusted Net Earnings <sup>(1)</sup>				13.3%	13.9%	
<b>Dividends per share</b>	<b>0.5625</b>	0.5625	-	<b>1.125</b>	1.125	-
<b>Consolidated assets under management and advisement (AUM&amp;A)</b> <sup>(2)</sup> (\$ millions)				\$ 261,106	\$ 242,083	7.9 %
<b>Consolidated assets under management</b> <sup>(2)</sup>				<b>221,374</b>	208,466	6.2
<b>Wealth Management</b> <sup>(2)</sup>						
<b>Assets under advisement</b>				<b>147,802</b>	134,159	10.2
<b>IG Wealth Management</b>						
Assets under management <sup>(3)</sup>				104,761	96,603	
Other assets under advisement				12,053	8,871	
<b>Assets under advisement</b>				<b>116,814</b>	105,474	10.8
<b>Discontinued operations</b>						
				<b>30,995</b>	28,692	8.0
<b>Asset Management (Mackenzie Investments)</b>						
Investment funds				61,539	58,944	
Institutional SMA				7,203	6,344	
Sub-advisory to Canada Life				47,871	46,575	
Total excluding sub-advisory to Wealth Management				116,613	111,863	
Sub-advisory and AUM to Wealth Management				76,722	72,855	
<b>Total assets under management</b>				<b>193,335</b>	184,718	4.7
<b>Consolidated AUM&amp;A including strategic investments</b>				<b>402,750</b>	304,982	32.1
Consolidated AUM&A				261,106	242,083	
Strategic investments <sup>(4)</sup>				141,644	62,899	
<b>Consolidated AUM&amp;A including strategic investments and excluding discontinued operations</b>				<b>371,755</b>	276,290	34.6
<b>Net Flows</b>						
(\$ millions)						
For the three months ended June 30, 2023						
Investment fund net sales	\$	(509)	\$	(616)	\$	(1,125)
Institutional SMA net sales		-		273		273
<b>IGM product net sales</b>		<b>(509)</b>		<b>(343)</b>		<b>(852)</b>
Other dealer net flows		85		-		85
Discontinued operations net flows		(88)		-	34	(54)
<b>Total net flows</b> <sup>(2)</sup>		<b>(511)</b>		<b>(343)</b>		<b>(821)</b>
For the six months ended June 30, 2023						
Investment fund net sales	\$	(782)	\$	(544)	\$	(1,326)
Institutional SMA net sales		-		371		371
<b>IGM product net sales</b>		<b>(782)</b>		<b>(173)</b>		<b>(955)</b>
Other dealer net flows		862		-		862
Discontinued operations net flows		225		-	37	262
<b>Total net flows</b> <sup>(2)</sup>		<b>307</b>		<b>(173)</b>		<b>169</b>

<sup>(1)</sup> Non-IFRS Financial Measures - 2023 adjusted net earnings excluded:

- Restructuring and other charges of \$76.2 million after-tax (\$103.3 million pre-tax) recorded in the second quarter resulting from streamlining and simplifying the business to more effectively align with business priorities. The charge includes the Company's changes to the organizational structure to advance the growing needs of the business, digital transformation by retiring duplicate systems and modernizing information technology and an effort to consolidate its real estate footprint to better reflect client and advisor needs.
- A gain on the sale of a portion of the Company's investment in Lifeco of \$168.6 million after-tax (\$172.9 million pre-tax) consisting of \$174.8 million recorded in the first quarter and a decrease of \$6.2 million that was recorded on a prospective basis in the second quarter.
- Lifeco IFRS 17 adjustment of \$15.1 million, recorded in the second quarter, representing a change of estimate which has been recorded on a prospective basis.

<sup>(2)</sup> Consolidated results eliminate double counting where business is reflected within multiple segments.

<sup>(3)</sup> Includes separately managed accounts.

<sup>(4)</sup> Proportionate share of Strategic Investment AUM comprised of 27.8% (2022 - 13.9%) of ChinaAMC AUM, 56% (2022 - 56%) of Northleaf's AUM, 20.5% (2022 - nil) of Rockefeller's client assets, and 24.3% (2022 - 24.3%) of Wealthsimple's AUA.

<sup>(5)</sup> Asset Management flows activity excludes sub-advisory to Canada Life and the Wealth Management segment.