# Guild mortgage

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**Third Quarter 2021**
**Investor Presentation**

NOVEMBER 2021

# Disclaimer

**Forward-Looking Statements**

This presentation contains forward-looking statements. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “would” and “outlook,” or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

Important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements include, but are not limited to, the risks, uncertainties and factors that are set forth under Item IA. – Risk Factors and all other disclosures appearing in Guild’s Annual Report on Form 10-K for the year ended December 31, 2020, as well as in other documents Guild files from time to time with the Securities and Exchange Commission. The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this investor presentation. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Many of the important factors that will determine these results are beyond our ability to control or predict. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and, except as otherwise required by law, we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

# Overview of Third Quarter 2021 Results

**Q3 Highlights**

- ✓ Generated GAAP net income of $72 million, or $1.17 per diluted share
  - Adjusted net income was $77 million, or $1.27 per share[1]
  - Net revenue totaled $413 million compared to $564 million in 3Q20
  - Adjusted EBITDA totaled $108 million compared to $267 million in 3Q20[1]
  - Year-over-year declines were mostly a function of lower loan origination fees and gain on sale of loans consistent with reduced volumes across the industry
- ✓ Total in-house originations of $10 billion
  - Purchase loans came in at $6.2 billion representing 61.4% of total in-house originations
- ✓ Gain on sale margin of 3.96% based on in-house originations and 3.81% based on pull through adjusted locked volume
- ✓ Maintained a strong liquidity profile with $303 million of cash, $1.7 billion of unutilized warehouse capacity and $149 million of undrawn borrowing capacity on MSR financing line

1. See appendix page 11 for reconciliation of non-GAAP measures.

# Overview of Third Quarter 2021 Results *(continued)*

**Origination Segment**

- ✓ Net income for the origination segment of $101 million compared to $287 million in 3Q20, with the year-over-year decline primarily driven by decreased loan origination fees and gain on sale of loans
- ✓ Gain on sale margin based on in-house originations of 3.96% vs. 5.62% in 3Q20
- ✓ Gain on sale margin based on pull-through adjusted locked volume of 3.81% vs. 4.89% in 3Q20
- ✓ Net revenue for the segment totaled $397 million while expenses came in at $297 million
  - Expenses as a percent of net revenue increased to 75% in 3Q21 from 49% in 3Q20

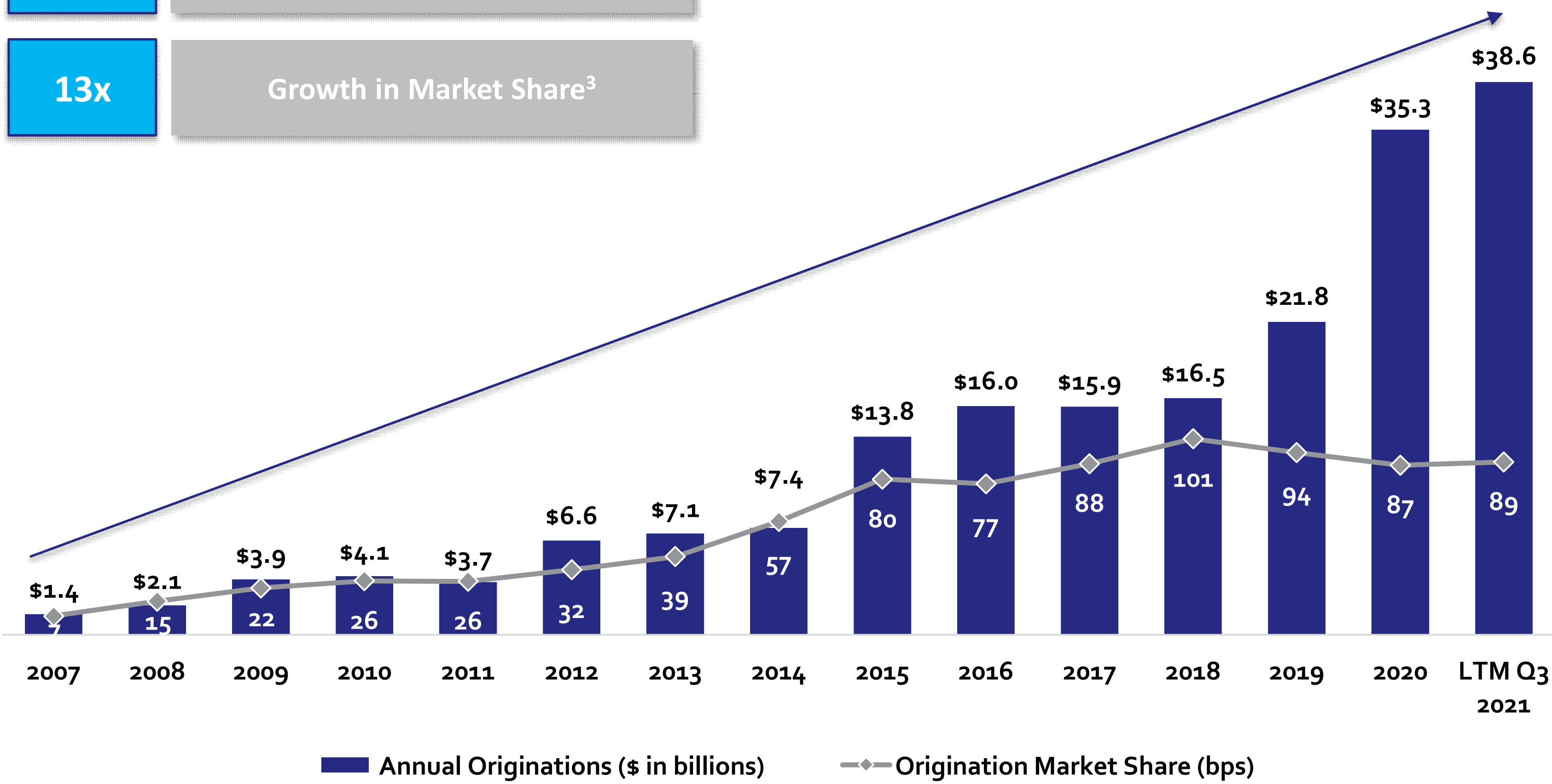
**Servicing Segment**

- ✓ Net income for the servicing segment totaled $10.1 million compared to a loss of $11.5 million in the prior year
- ✓ In-house servicing portfolio increased 20% to $68 billion; retained servicing rights on 72.7% of loans sold
  - Servicing portfolio leverage ended the quarter at 26% with $165 million of borrowings and a fair value of $625 million
- ✓ Recaptured 62.4% of refinance opportunities, highlighting the power of Guild's symbiotic business model
- ✓ 1.8% of servicing portfolio loans were in forbearance as of quarter end versus the average of 2.9% as reported by the Mortgage Bankers Association

# Scaled Platform With Proven Track Record of Growth

## Guild's Annual Origination Volume and Market Share Since 2007[1]

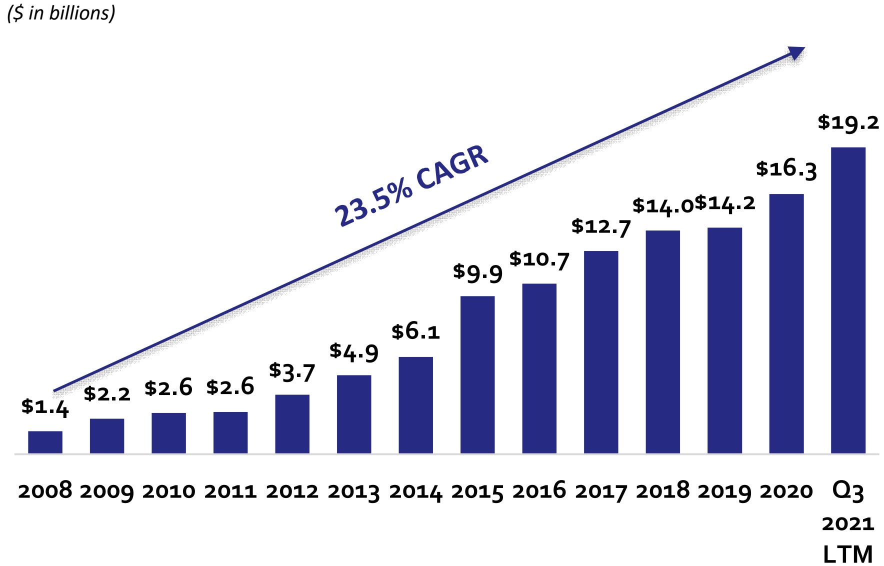
| | |
|---|---|
| 28% | Origination Volume CAGR[2] |
| 13x | Growth in Market Share[3] |



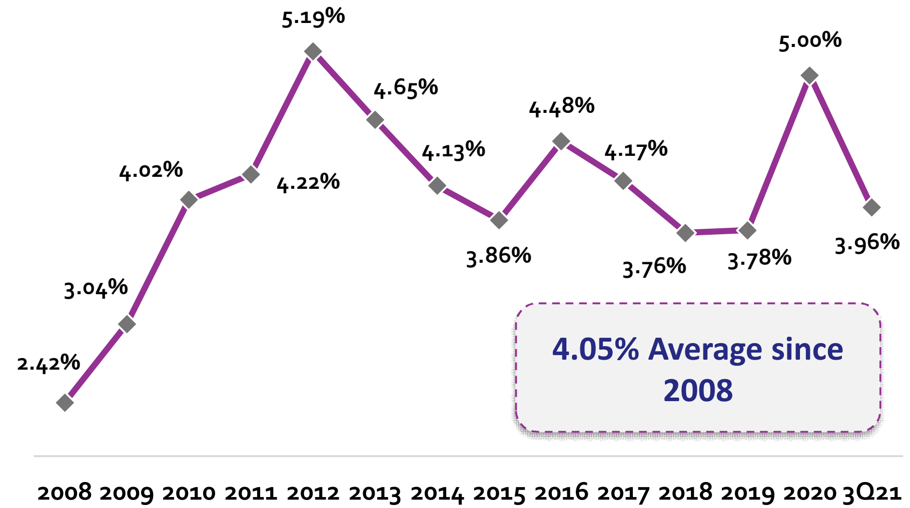

1. Inside Mortgage Finance Publications, Inc. Copyright © 2021. Used with permission.
2. CAGR is equal to the compound annual growth rate of Guild's annual origination volume for the year ended December 31, 2007 through the twelve months ended September 30, 2021.
3. Growth in share of total origination volume over the last thirteen years through September 30, 2021.

# Strategy Has Enabled Durable Originations and More Consistent Returns

## Guild's Historical Purchase Volume[1]




## Guild's Historical Gain on Sale Margin[2]




We believe our strategy enables:

✓ More **stable origination volume**

✓ More **consistent margins**

✓ **Increased stability through** interest rate and refinance **cycles**

1. Company information. CAGR is equal to the compound annual growth rate of Guild's annual purchase origination volume for the year ended December 31, 2008 through the twelve months ended September 30, 2021.
2. Company information. Represents the components of loan origination fees and gain on sale of loans, net divided by total in-house origination to derive basis points.

# Appendix – Q3 2021 Financials

# Balance Sheet

| *($ in Thousands, except share and per share data)* | September 30, 2021 | December 31, 2020 |
|---|---|---|
| ***Assets*** | | |
| Cash and cash equivalents | $302,931 | $334,623 |
| Restricted cash | 6,022 | 5,010 |
| Mortgage loans held for sale | 2,139,346 | 2,368,777 |
| Ginnie Mae loans subject to repurchase right | 913,438 | 1,275,842 |
| Accounts and interest receivable | 52,180 | 43,390 |
| Derivative asset | 55,792 | 130,338 |
| Mortgage servicing rights, net | 625,149 | 446,998 |
| Intangible assets, net | 43,013 | — |
| Goodwill | 175,144 | 62,834 |
| Other assets | 171,317 | 150,275 |
| **Total assets** | **$4,484,332** | **$4,818,087** |
| ***Liabilities and stockholders' equity*** | | |
| Warehouse lines of credit | $1,907,995 | $2,143,443 |
| Notes payable | 165,259 | 145,750 |
| Ginnie Mae loans subject to repurchase right | 913,438 | 1,277,026 |
| Accounts payable and accrued expenses | 66,047 | 41,074 |
| Accrued compensation and benefits | 81,003 | 106,313 |
| Investor reserves | 18,665 | 14,535 |
| Income taxes payable | - | 19,454 |
| Contingent liabilities due to acquisitions | 77,189 | 18,094 |
| Derivative liability | - | 38,270 |
| Operating lease liabilities | 98,485 | 94,891 |
| Note due to related party | 3,126 | 4,639 |
| Deferred compensation plan | 98,787 | 89,236 |
| Deferred tax liability | 116,823 | 89,370 |
| **Total liabilities** | **$3,546,817** | **$4,082,095** |
| Commitments and contingencies | | |
| ***Stockholders' equity*** | | |
| Preferred stock, $0.01 par value; 50,000,000 shares authorized; no shares issued and outstanding | — | — |
| Class A common stock, $0.01 par value; 250,000,000 shares authorized; 20,663,625 and 19,666,981 shares issued and outstanding at September 30, 2021 and December 31, 2020 | 207 | 197 |
| Class B common stock, $0.01 par value; 100,000,000 shares authorized; 40,333,019 shares issued and outstanding at September 30, 2021 and December 31, 2020 | 403 | 403 |
| Additional paid-in capital | 39,321 | 18,035 |
| Retained earnings | 897,584 | 717,357 |
| **Total stockholders' equity** | **$937,515** | **$735,992** |
| **Total liabilities and stockholders' equity** | **$4,484,332** | **$4,818,087** |

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# Income Statement

| ($ in Thousands, except per share data) | Three Months Ended September 30, 2021 | 2020 |
|---|---|---|
| ***Revenue*** | | |
| Loan origination fees and gain on sale of loans, net | $396,961 | $565,009 |
| Loan servicing and other fees | 50,248 | 40,159 |
| Valuation adjustment of mortgage servicing rights | (35,535) | (41,006) |
| Interest income | 16,652 | 14,905 |
| Interest expense | (15,310) | (15,488) |
| Other income, net | (59) | (35) |
| **Net revenue** | **$412,957** | **$563,544** |
| ***Expenses*** | | |
| Salaries, incentive compensation and benefits | $270,894 | $273,560 |
| General and administrative | 24,807 | 27,255 |
| Occupancy, equipment and communication | 18,014 | 14,315 |
| Depreciation and amortization | 4,107 | 1,822 |
| Provision for foreclosure losses | (2,325) | 547 |
| **Total expenses** | **$315,497** | **$317,499** |
| **Income before income tax expense** | **$97,460** | **$246,045** |
| Income tax expense | 25,364 | 64,223 |
| **Net income** | **$72,096** | **$181,822** |
| ***Net income per share attributable to Class A and Class B Common Stock:*** | | |
| Basic | $1.18 | |
| Diluted | $1.17 | |
| ***Weighted average shares outstanding of Class A and Class B Common Stock:*** | | |
| Basic | 60,986 | |
| Diluted | 61,400 | |

# Segment Income Statements

| ($ in Millions) | Three Months Ended | | | |
|---|---|---|---|---|
| | September 30, 2021 | June 30, 2021 | September 30, 2020 | YoY %Δ |
| ***Origination*** | | | | |
| Total in-house originations[1] | $10,032.2 | $8,173.2 | $10,046.5 | (0.14%) |
| In-house originations # (000's) | 33 | 27 | 36 | (8%) |
| Net revenue | $397.4 | $332.8 | $567.0 | (30%) |
| Total expenses | $296.9 | $254.1 | $279.6 | 6% |
| Net income allocated to origination | $100.5 | $78.8 | $287.4 | (65%) |
| *Servicing* | | | | |
| UPB of servicing portfolio (period end)[2] | $67,965 | $65,670.3 | $56,428.9 | 20% |
| # Loans serviced (000's) (period end) | 293 | 287 | 260 | 13% |
| Loan servicing and other fees | $50.2 | $47.7 | $40.2 | 25% |
| Valuation adjustment of MSRs | ($35.5) | ($84.8) | ($41.0) | (13.3%) |
| Net revenue | $17.2 | ($37.2) | ($1.4) | (1,335%) |
| Total expenses | $7.1 | $11.7 | $10.2 | (30%) |
| Net income (loss) allocated to servicing | $10.1 | ($48.9) | ($11.5) | 188% |

1. Includes retail and correspondent loans and excludes brokered loans.
2. Excludes subserviced portfolio of $1.2 billion, $0.6 billion, and $1 billion as of September 30, 2021, June 30, 2021, and September 30, 2020, respectively.

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# Non-GAAP Reconciliation

| ($ in Millions, except per share data) | Three Months Ended September 30, 2021 | 2020 |
|---|---|---|
| ***Reconciliation of Net Income to Adjusted Net Income*** | | |
| Net income | $72.1 | $181.8 |
| *Add adjustments:* | | |
| Change in fair value of MSRs due to model inputs and assumptions | (1.8) | 9.5 |
| Change in fair value of contingent liabilities due to acquisitions | 5.5 | 7.9 |
| Amortization of acquired intangible assets | 2.0 | — |
| Stock-based compensation | 1.5 | — |
| Tax impact of adjustments[1] | (1.8) | (4.4) |
| **Adjusted Net Income[2]** | **$77.5** | **$194.7** |
| Weighted average shares outstanding of Class A and Class B Common Stock | 61 | |
| **Adjusted earnings per share[3]** | **$1.27** | |
| ***Reconciliation of Net Income to Adjusted EBITDA*** | | |
| Net income | $72.1 | $181.8 |
| *Add adjustments:* | | |
| Interest expense on non-funding debt | 1.6 | 2.1 |
| Income tax expense | 25.4 | 64.2 |
| Depreciation and amortization | 4.1 | 1.8 |
| Change in fair value of MSRs due to model inputs and assumptions | (1.8) | 9.5 |
| Change in fair value of contingent liabilities due to acquisitions | 5.5 | 7.9 |
| Stock-based compensation | 1.5 | — |
| **Adjusted EBITDA[4]** | **$108.4** | **$267.3** |

1. Implied tax rate used was 25.5% for the quarters ended September 30, 2021 and 2020.
2. Adjusted Net Income represents earnings before the change in the fair value measurements related to our MSRs, contingent liabilities related to completed acquisitions due to changes in valuation assumptions, amortization of acquired intangible assets and stock-based compensation.
3. Adjusted earnings per share represents adjusted net income divided by the basic weighted average shares outstanding of Class A and Class B common stock.
4. Adjusted EBITDA represents earnings before interest (without adjustment for net warehouse interest related to loan fundings and payoff interest related to loan prepayments), taxes, depreciation and amortization exclusive of any change in the fair value measurements of the MSRs due to valuation assumptions, contingent liabilities from business acquisitions and stock-based compensation.

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