


Guild mortgage

OWN WHAT MATTERS

Fourth Quarter and Full Year2021 Investor Presentation

MARCH 2022

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 following: any disruptions in the secondary home loan market and their effects on our ability to sell the loans that we originate; any changes in certain U.S. government-sponsored entities and government agencies or their current roles; the effects of any termination of our servicing rights; any changes in macro-economic conditions and in U.S. residential real estate market conditions, including changes in prevailing interest rates or monetary policies; the effects of our existing and future indebtedness on our liquidity and our ability to operate our business; any failure to maintain or grow our historical referral relationships with our referral partners; any delays in recovering service advances; our inability to attract, integrate and retain qualified personnel; any failure to maintain, adapt, and improve the technological infrastructure that supports our origination and servicing platform; any decline in our ability to recapture loans from borrowers who refinance; our failure to identify, develop and integrate acquisitions of other companies or technologies, or any diversion of our management’s attention due to the foregoing, including risks related to our recent acquisition of Residential Mortgage Services Holdings, Inc.; any non-compliance with the complex laws and regulations governing our industry and the related costs associated with maintaining and monitoring compliance; and the other risks, uncertainties and factors 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 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 made in this investor presentation, whether as a result of new information, future developments or otherwise. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make. 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 Fourth Quarter 2021 Results

Q4 Highlights

- ✓ Generated GAAP net income of $42.2 million, or $0.69 per diluted share
  - Adjusted net income was $22.3 million, or $0.37 per share[1]
  - Net revenue totaled $343.1 million compared to $454.2 million in 4Q20
  - Adjusted EBITDA totaled $38.6 million compared to $121.2 million in 4Q20[1]
  - Quarter-over-quarter declines were mostly a function of lower origination volumes and tighter gain on sale margins
- ✓ Total in-house originations of $8.8 billion
  - Purchase loans came in at $5.5 billion representing 62% of total in-house originations
- ✓ Gain on sale margin of 3.47% based on in-house originations and 3.94% based on pull-through adjusted locked volume
- ✓ Maintained a strong liquidity profile with $243 million of cash, $1.5 billion of unutilized loan funding capacity and $61.1 million of undrawn borrowing capacity on MSR financing line

1. See appendix pages 15 and 16 for reconciliation of non-GAAP measures.

Overview of Fourth Quarter 2021 Results *(continued)*

4Q Origination Segment

- ✓ Net income for the origination segment of $53.4 million compared to $154.5 million in 4Q20, with the year-over-year decline primarily driven by a decline in gain on sale margin and origination volumes
- ✓ Gain on sale margin based on in-house originations of 3.47% vs. 4.36% in 4Q20
- ✓ Gain on sale margin based on locked pipeline volume of 3.94% vs. 4.82% in 4Q20
- ✓ Net revenue for the segment totaled $307.2 million while expenses came in at $253.8 million

4Q Servicing Segment

- ✓ Net income for the servicing segment totaled $27.3 million compared to a loss of ($24.5) million in 4Q20
- ✓ In-house servicing portfolio increased 18% to $71 billion from 4Q20; retained servicing rights on 80% of loans sold
  - Servicing portfolio leverage ended the quarter at 37% with $250 million of borrowings and a fair value of $675 million
- ✓ Recaptured 61% of refinance opportunities, highlighting the power of Guild's business model
- ✓ Approximately 1.1% of servicing portfolio loans were in forbearance as of quarter end versus the industry average of 1.4% as reported by the Mortgage Bankers Association

Overview of Full Year 2021 Results

2021 Highlights

✓ Generated GAAP net income of $283.8 million, or $4.67 per diluted share

- Adjusted net income was $258.5 million, or $4.27 per share[1]
- Net revenue totaled $1.6 billion, consistent with 2020
- Adjusted EBITDA totaled $366.2 million compared to $714.3 million in 2020[1]
- Year-over-year declines were mostly a function of tighter gain on sale margins

✓ Total in-house originations of $36.8 billion

- Purchase loans came in at $20.1 billion representing 55% of total in-house originations

✓ Gain on sale margin of 4.02% based on in-house originations and 4.17% based on pull-through adjusted locked volume

✓ Return on Equity (ROE) and Adjusted ROE of 34% and 31%, respectively, in 2021[1]

1. See appendix pages 15 and 16 for reconciliation of non-GAAP measures.

Overview of Full Year 2021 Results *(continued)*

2021 Origination Segment

- ✓ Net income for the origination segment of $392.8 million compared to $765.3 million in 2020, 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 4.02% vs. 5.00% in 2020
- ✓ Gain on sale margin based on pull-through adjusted locked volume of 4.17% vs. 4.49% in 2020
- ✓ Net revenue for the segment totaled $1.5 billion while expenses came in at $1.1 billion

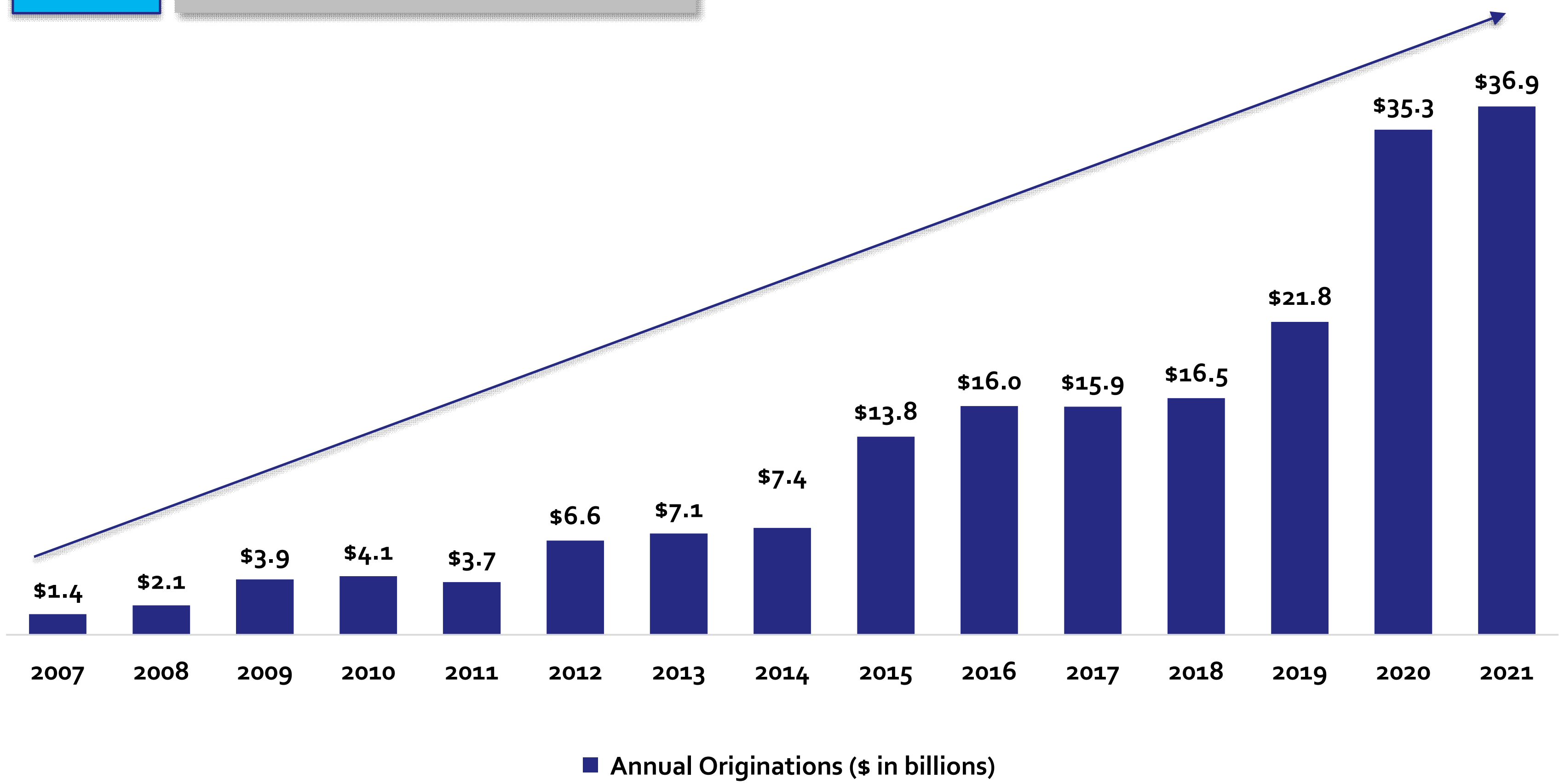
2021 Servicing Segment

- ✓ Net income for the servicing segment totaled $55.6 million compared to a loss of $184.0 million in 2020
- ✓ In-house servicing portfolio increased 18% to $71 billion from 2020; retained servicing rights on 84% of loans sold
- ✓ Recaptured 63% of refinance opportunities, highlighting the power of Guild's business model

Scaled Platform With Proven Track Record of Growth

Guild's Annual Origination Volume Since 2007

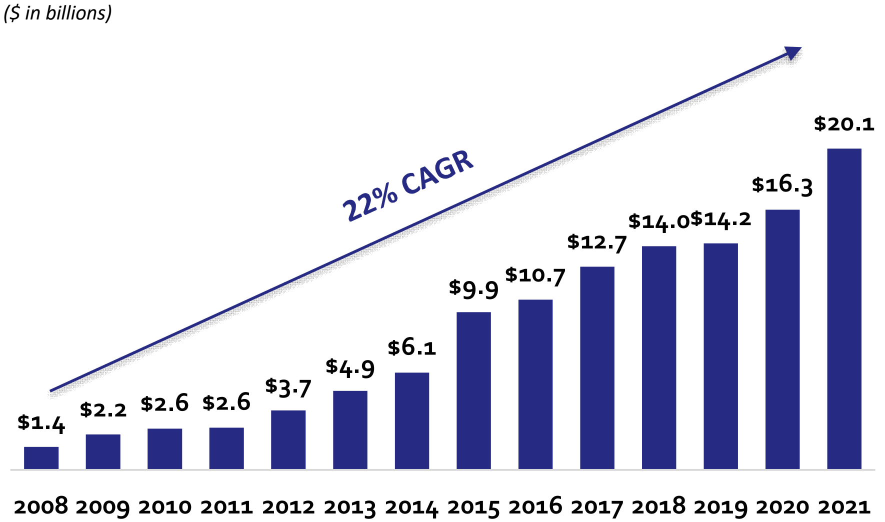
26% Origination Volume CAGR[1]



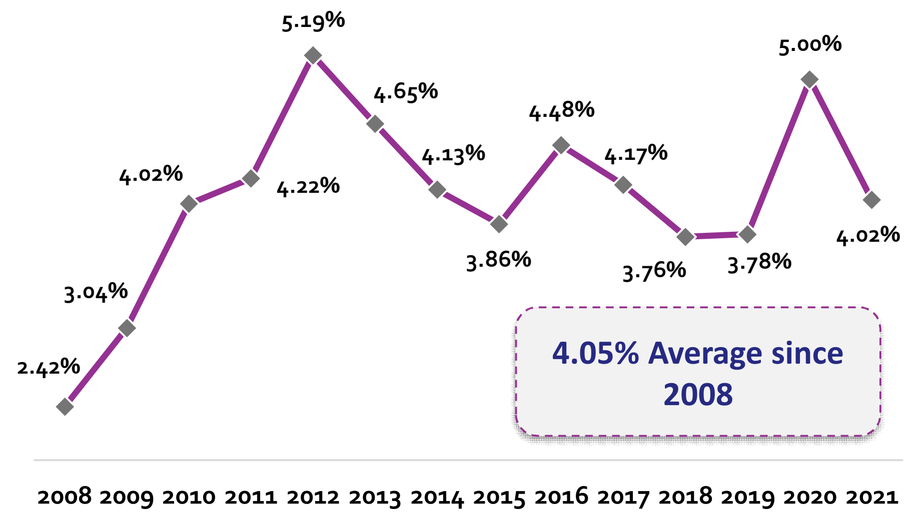
1. CAGR is equal to the compound annual growth rate of Guild's annual origination volume for the year ended December 31, 2007 through the year ended December 31, 2021.

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 year ended December 31, 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 – Q4 and Full Year 2021 Financials

Balance Sheet

($ in Thousands, except share and per share data)	December 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents	$243,108	$334,623
Restricted cash	5,012	5,010
Mortgage loans held for sale	2,204,216	2,368,777
Ginnie Mae loans subject to repurchase right	728,978	1,275,842
Accounts and interest receivable	68,359	43,390
Derivative assets	27,961	130,338
Mortgage servicing rights, net	675,340	446,998
Intangible assets, net	41,025	—
Goodwill	175,144	62,834
Other assets	214,061	150,275
Total assets	**$4,383,204**	**$4,818,087**
Liabilities and stockholders' equity		
Warehouse lines of credit	$1,927,478	$2,143,443
Notes payable	250,227	145,750
Ginnie Mae loans subject to repurchase right	729,260	1,277,026
Accounts payable and accrued expenses	56,836	41,074
Accrued compensation and benefits	75,079	106,313
Investor reserves	18,437	14,535
Income taxes payable	—	19,454
Contingent liabilities due to acquisitions	59,500	18,094
Derivative liabilities	2,079	38,270
Operating lease liabilities	97,836	94,891
Note due to related party	2,614	4,639
Deferred compensation plan	101,600	89,236
Deferred tax liabilities	142,245	89,370
Total liabilities	**$3,463,191**	**$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; 20,723,912 and 19,666,981 shares issued and outstanding at December 31, 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 December 31, 2021 and December 31, 2020	403	403
Additional paid-in capital	42,175	18,035
Retained earnings	877,194	717,357
Non-controlling interest	34	—
Total stockholders' equity	**920,013**	**$735,992**
Total liabilities and stockholders' equity	**$4,383,204**	**$4,818,087**

Income Statement

($ in Thousands, except per share data)	Three Months Ended December 31	
	2021	2020
Revenue		
Loan origination fees and gain on sale of loans, net	306,208	$461,569
Loan servicing and other fees	51,660	43,768
Valuation adjustment of mortgage servicing rights	(16,991)	(50,491)
Interest income	17,724	15,795
Interest expense	(15,560)	(17,239)
Other income, net	16	804
Net revenue	**$343,057**	**$454,206**
Expenses		
Salaries, incentive compensation and benefits	$249,609	$303,300
General and administrative	7,758	26,501
Occupancy, equipment and communication	19,820	15,555
Depreciation and amortization	4,119	1,986
Provision for foreclosure losses	(212)	5,293
Total expenses	**$281,094**	**$352,635**
Income before income tax expense	**$61,963**	**$101,571**
Income tax expense	19,794	22,805
Net income	**42,169**	**78,766**
Net income attributable to non-controlling interest	9	—
Net income attributable to Guild	**$42,160**	**$78,766**
Net income per share attributable to Class A and Class B Common Stock:		
Basic	$0.69	$1.31
Diluted	$0.69	$1.31
Weighted average shares outstanding of Class A and Class B Common Stock:		
Basic	61,043	60,000
Diluted	61,530	60,056

Income Statement

($ in Thousands, except per share data)	2021	2020
Revenue		
Loan origination fees and gain on sale of loans, net	1,480,516	$1,759,871
Loan servicing and other fees	194,759	160,237
Valuation adjustment of mortgage servicing rights	(101,572)	(296,307)
Interest income	64,110	57,649
Interest expense	(61,590)	(60,168)
Other income, net	87	765
Net revenue	**$1,576,310**	**$1,622,047**
Expenses		
Salaries, incentive compensation and benefits	$1,019,790	$953,758
General and administrative	91,291	101,948
Occupancy, equipment and communication	67,328	57,070
Depreciation and amortization	11,488	7,501
Provision for foreclosure losses	(518)	7,700
Total expenses	**$1,189,379**	**$1,127,977**
Income before income tax expense	**$386,931**	**$494,070**
Income tax expense	103,149	123,493
Net income	**283,782**	**370,577**
Net income attributable to non-controlling interest	9	—
Net income attributable to Guild	**$283,773**	**$370,577**
Net income per share attributable to Class A and Class B Common Stock:		
Basic	$4.69	6.18
Diluted	$4.67	6.17
Weighted average shares outstanding of Class A and Class B Common Stock:		
Basic	60,511	60,000
Diluted	60,825	60,056

Segment Income Statements

($ in Millions)	Three Months Ended			
	December 31, 2021	September 30, 2021	December 31, 2020	YoY %Δ
Origination				
Total in-house originations[1]	$8,835.3	$10,032.2	$10,580.2	(16.5%)
In-house originations # (000's)	29	33	37	(21.6%)
Net revenue	$307.2	$397.4	$463.6	(33.7%)
Total expenses	$253.8	$296.9	$309.1	(17.9%)
Net income allocated to origination	$53.4	$100.5	$154.5	(65.4%)
Servicing				
UPB of servicing portfolio (period end)[2]	$70,938.6	$67,965.0	$59,969.7	18.3%
# Loans serviced (000's) (period end)	301	293	271	11.1%
Loan servicing and other fees	$51.7	$50.2	$43.8	18.0%
Valuation adjustment of MSRs	($17.0)	($35.5)	($50.5)	66.3%
Net revenue	$37.5	$17.2	($8.0)	570%
Total expenses	$10.2	$7.1	$16.5	(38.2%)
Net income (loss) allocated to servicing	$27.3	$10.1	($24.5)	211.3%

1. Includes retail and correspondent loans and excludes brokered loans.
2. Excludes subserviced portfolio of $0, $1.2 billion, and $844.6 million as of December 31, 2021, September 30, 2021, and December 31, 2020, respectively.

Segment Income Statements

($ in Millions)	2021	2020	YoY %Δ
Origination			
Total in-house originations[1]	$36,808.7	$35,185.5	4.6%
In-house originations # (000's)	124	125	(0.8%)
Net revenue	$1,485.0	$1,767.5	(16.0%)
Total expenses	$1,092.3	$1,002.2	9.0%
Net income allocated to origination	$392.8	$765.3	(48.7%)
Servicing			
UPB of servicing portfolio (period end)[2]	$70,938.6	$59,969.7	18.3%
# Loans serviced (000's) (period end)	301	271	11.1%
Loan servicing and other fees	$194.8	$160.2	21.5%
Valuation adjustment of MSRs	($101.6)	($296.3)	65.7%
Net revenue	$97.5	($137.7)	170.8%
Total expenses	$41.8	$46.3	(9.7%)
Net income (loss) allocated to servicing	$55.6	($184.0)	130.2%

1. Includes retail and correspondent loans and excludes brokered loans.
2. Excludes subserviced portfolio of $0, $1.2 billion, and $844.6 million as of December 31, 2021, September 30, 2021, and December 31, 2020, respectively.

Non-GAAP Reconciliation

($ in Millions, except per share data)	Three Months Ended December 31	
	2021	2020
Reconciliation of Net Income to Adjusted Net Income		
Net income attributable to Guild	$42.2	$78.8
Net income attributable to non-controlling interest	—	—
Net Income	$42.2	$78.8
Add adjustments:		
Change in fair value of MSRs due to model inputs and assumptions	(16.8)	11.0
Change in fair value of contingent liabilities due to acquisitions	(13.6)	3.8
Amortization of acquired intangible assets	2.0	—
Stock-based compensation	1.4	1.0
Tax impact of adjustments[1]	7.2	(4.0)
Adjusted Net Income[2]	**$22.3**	**$90.7**
Weighted average shares outstanding of Class A and Class B Common Stock	61	60
Earnings per share	**$0.69**	**$1.31**
Adjusted earnings per share[3]	**$0.37**	**$1.51**
Reconciliation of Net Income to Adjusted EBITDA		
Net income	$42.2	$78.8
Add adjustments:		
Interest expense on non-funding debt	1.6	2.1
Income tax expense	19.8	22.8
Depreciation and amortization	4.1	2.0
Change in fair value of MSRs due to model inputs and assumptions	(16.8)	11.0
Change in fair value of contingent liabilities due to acquisitions	(13.6)	3.8
Stock-based compensation	1.4	1.0
Adjusted EBITDA[4]	**$38.6**	**$121.5**
Reconciliation of Return on Equity to Adjusted Return on Equity		
Adjusted Net Income[2]	$22.3	$90.7
Average Stockholders' Equity	928.8	711.9
Adjusted Return on Equity	**9.6%**	**50.9%**
Return on Equity	**18.2%**	**44.3%**

1. Implied tax rate used was 26.7% and 25.0% for the quarters ended December 31, 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.

Non-GAAP Reconciliation

($ in Millions, except per share data)	2021	2020
Reconciliation of Net Income to Adjusted Net Income		
Net income attributable to Guild	$283.3	$370.6
Net income attributable to non-controlling interest	—	—
Net income	$283.8	$370.6
Add adjustments:		
Change in fair value of MSRs due to model inputs and assumptions	(49.4)	171.6
Change in fair value of contingent liabilities due to acquisitions	5.0	31.7
Amortization of acquired intangible assets	4.0	—
Stock-based compensation	6.0	1.0
Tax impact of adjustments[1]	9.2	(51.1)
Adjusted Net Income[2]	**$258.5**	**$523.8**
Weighted average shares outstanding of Class A and Class B Common Stock	61	60
Earnings per share	**$4.69**	**$6.18**
Adjusted earnings per share[3]	**$4.27**	**$8.73**
Reconciliation of Net Income to Adjusted EBITDA		
Net income	$283.8	$370.6
Add adjustments:		
Interest expense on non-funding debt	6.2	8.4
Income tax expense	103.1	123.5
Depreciation and amortization	11.5	7.5
Change in fair value of MSRs due to model inputs and assumptions	(49.4)	171.6
Change in fair value of contingent liabilities due to acquisitions	5.0	31.7
Stock-based compensation	6.0	1.0
Adjusted EBITDA[4]	**$366.2**	**$714.3**
Reconciliation of Return on Equity to Adjusted Return on Equity		
Adjusted Net Income[2]	$258.5	$523.8
Average Stockholders' Equity	828.0	571.0
Adjusted Return on Equity	**31.2%**	**91.7%**
Return on Equity	**34.3%**	**64.9%**

1. Implied tax rate used was 26.7% and 25.0% for 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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