


# Guild mortgage

OWN WHAT MATTERS

## First Quarter 2022
## Investor Presentation

MAY 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 macroeconomic and U.S. residential real estate market conditions; any changes in certain U.S. government-sponsored entities and government agencies, and any organizational or pricing changes in these entities, their guidelines or their current roles; the effects of any termination of our servicing rights; any changes in prevailing interest rates or U.S. monetary policies; the effects of our existing and future indebtedness on our liquidity and our ability to operate our business; any disruption in the technology that supports our origination and servicing platform; 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.; the effects of the ongoing COVID-19 pandemic; pressure from existing and new competitors; any failure to maintain or grow our historical referral relationships with our referral partners; any delays in recovering service advances; inaccuracies in the estimates of the fair value of the substantial portion of our assets that are measured on that basis (including our mortgage servicing rights); any failure to adapt to and implement technological changes; the failure of the internal models that we use to manage risk and make business decisions to produce reliable or accurate results; the degree of business and financial risk associated with certain of our loans; any cybersecurity breaches or other vulnerability involving our computer systems or those of certain of our third-party service providers; our inability to secure additional capital, if needed, to operate and grow our business; the impact of operational risks, including employee or consumer fraud, the obligation to repurchase sold loans in the event of a documentation error, and data processing system failures and errors; any repurchase or indemnification obligations caused by the failure of the loans that we originate to meet certain criteria or characteristics; the seasonality of the mortgage origination industry; any failure to protect our brand and reputation; any non-compliance with the complex laws and regulations governing our mortgage loan origination and servicing activities; and the other 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, 2021, 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 made in this 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 First Quarter 2022 Results

**Q1 Highlights**

- ✓ Generated GAAP net income of $208.0 million, or $3.38 per diluted share
  - Adjusted net income was $32.1 million, or $0.53 per share[1]
  - Net revenue totaled $481.8 million compared to $343.1 million in 4Q21
  - Adjusted EBITDA totaled $46.7 million compared to $38.6 million in 4Q21[1]
- ✓ Total in-house originations of $6.1 billion
  - Purchase loans came in at $4.0 billion representing 66% of total in-house originations
- ✓ Gain on sale margin of 4.00% based on in-house originations and 3.34% based on pull-through adjusted locked volume
- ✓ Maintained a strong liquidity profile with $244 million of cash, $1.9 billion of unutilized loan funding capacity and $200 million of undrawn borrowing capacity on MSR financing line

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

# Overview of First Quarter 2022 Results *(continued)*

**Q1 Origination Segment**

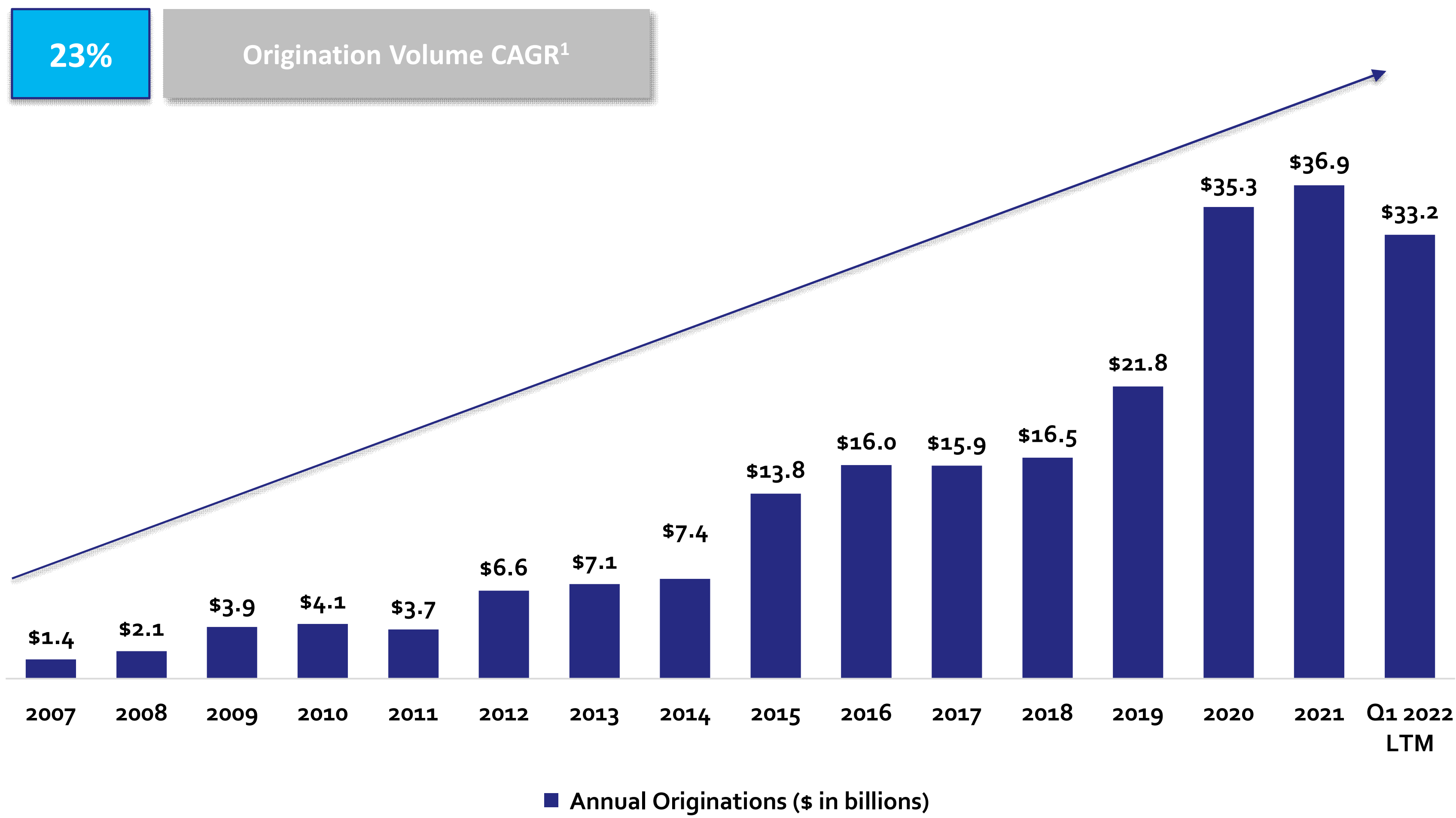
- ✓ Net income for the origination segment of $63.4 million compared to $53.4 million in 4Q21
- ✓ Gain on sale margin based on in-house originations of 4.00% vs. 3.47% in 4Q21
- ✓ Gain on sale margin based on locked pipeline volume of 3.34% vs. 3.94% in 4Q21
- ✓ Net revenue for the segment totaled $245.6 million while expenses came in at $182.2 million
  - Expenses as a percentage of net revenue decreased to 74% in 1Q22 from 83% in 4Q21

**Q1 Servicing Segment**

- ✓ Net income for the servicing segment totaled $226.8 million compared to $27.3 million in 4Q21
- ✓ In-house servicing portfolio increased 3% to $73 billion from 4Q21; retained servicing rights on 89% of loans sold
  - Servicing portfolio leverage ended the quarter at 17% with $160 million of borrowings and a fair value of $938 million
- ✓ Recaptured 55% of refinance opportunities, highlighting the power of Guild's business model

# Scaled Platform With Proven Track Record of Growth

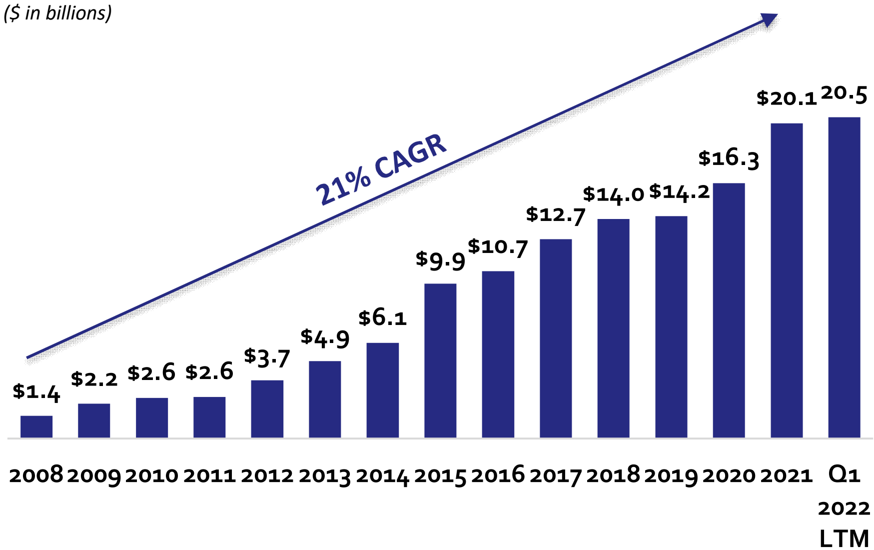
## Guild's Annual Origination Volume Since 2007



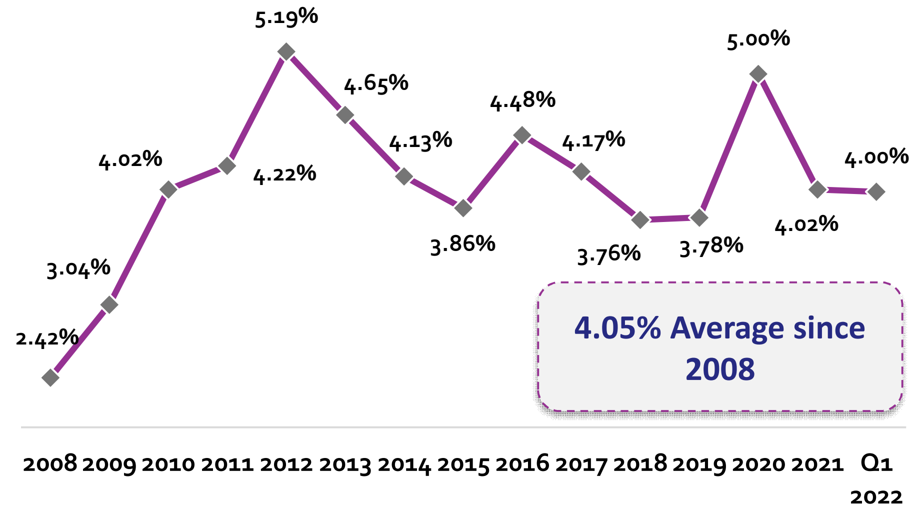

1. CAGR is equal to the compound annual growth rate of Guild's annual origination volume for the year ended December 31, 2007 through the last twelve months ended March 31, 2022.

# 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 last twelve months ended March 31, 2022.
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 – Q1 2022 Financials

# Balance Sheet

| (in thousands, except share and per share data) | March 31, 2022 | December 31, 2021 |
|---|---|---|
| ***Assets*** | | |
| Cash and cash equivalents | $243,999 | $243,108 |
| Restricted cash | 6,312 | 5,012 |
| Mortgage loans held for sale | 1,281,799 | 2,204,216 |
| Ginnie Mae loans subject to repurchase right | 628,157 | 728,978 |
| Accounts and interest receivable | 34,513 | 68,359 |
| Derivative assets | 78,002 | 27,961 |
| Mortgage servicing rights, net | 937,556 | 675,340 |
| Intangible assets, net | 39,038 | 41,025 |
| Goodwill | 173,434 | 175,144 |
| Other assets | 210,708 | 214,061 |
| **Total assets** | **$3,633,518** | **$4,383,204** |
| ***Liabilities and stockholders' equity*** | | |
| Warehouse lines of credit | $1,156,829 | $1,927,478 |
| Notes payable | 160,167 | 250,227 |
| Ginnie Mae loans subject to repurchase right | 628,815 | 729,260 |
| Accounts payable and accrued expenses | 51,294 | 56,836 |
| Accrued compensation and benefits | 49,788 | 75,079 |
| Investor reserves | 17,380 | 18,437 |
| Contingent liabilities due to acquisitions | 20,438 | 59,500 |
| Derivative liabilities | 12,087 | 2,079 |
| Operating lease liabilities | 93,949 | 97,836 |
| Note due to related party | 2,099 | 2,614 |
| Deferred compensation plan | 100,493 | 101,600 |
| Deferred tax liabilities | 210,921 | 142,245 |
| **Total liabilities** | **$2,504,260** | **$3,463,191** |
| 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 shares issued and outstanding at March 31, 2022 and December 31, 2021 | 207 | 207 |
| Class B common stock, $0.01 par value; 100,000,000 shares authorized; 40,333,019 shares issued and outstanding at March 31, 2022 and December 31, 2021 | 403 | 403 |
| Additional paid-in capital | 43,407 | 42,175 |
| Retained earnings | 1,085,192 | 877,194 |
| Non-controlling interest | 49 | 34 |
| **Total stockholders' equity** | **1,129,258** | **920,013** |
| **Total liabilities and stockholders' equity** | **$3,633,518** | **$4,383,204** |

# Income Statement

| (in thousands, except per share data) | Three Months Ended | |
|---|---|---|
| | March 31, 2022 | December 31, 2021 |
| ***Revenue*** | | |
| Loan origination fees and gain on sale of loans, net | 242,639 | 306,208 |
| Loan servicing and other fees | 53,177 | 51,660 |
| Valuation adjustment of mortgage servicing rights | 184,601 | (16,991) |
| Interest income | 15,263 | 17,724 |
| Interest expense | (14,138) | (15,560) |
| Other income, net | 220 | 16 |
| **Net revenue** | **$481,762** | **$343,057** |
| ***Expenses*** | | |
| Salaries, incentive compensation and benefits | $187,329 | $249,609 |
| General and administrative | (5,630) | 7,758 |
| Occupancy, equipment and communication | 18,312 | 19,820 |
| Depreciation and amortization | 3,913 | 4,119 |
| (Relief) provision for foreclosure losses | (321) | (212) |
| **Total expenses** | **$203,603** | **$281,094** |
| **Income before income tax expense** | **$278,159** | **$61,963** |
| Income tax expense | 70,186 | 19,794 |
| **Net income** | **207,973** | **42,169** |
| Net income attributable to non-controlling interest | 15 | 9 |
| **Net income attributable to Guild** | **$207,958** | **$42,160** |
| ***Net income per share attributable to Class A and Class B Common Stock:*** | | |
| Basic | $3.41 | $0.69 |
| Diluted | $3.38 | $0.69 |
| ***Weighted average shares outstanding of Class A and Class B Common Stock:*** | | |
| Basic | 61,057 | 61,043 |
| Diluted | 61,494 | 61,530 |

# Segment Income Statements

| ($ in Millions) | Three Months Ended | | |
|---|---|---|---|
| | March 31, 2022 | December 31, 2021 | Seq %Δ |
| ***Origination*** | | | |
| Total in-house originations[1] | $6,061.6 | $8,835.3 | (31%) |
| In-house originations # (000's) | 19 | 29 | (34%) |
| Net revenue | $245.6 | $307.2 | (20%) |
| Total expenses | $182.2 | $253.8 | (28%) |
| Net income allocated to origination | $63.4 | $53.4 | 19% |
| ***Servicing*** | | | |
| UPB of servicing portfolio (period end) | $73,250.6 | $70,938.6 | 3% |
| # Loans serviced (000's) (period end) | 307 | 301 | 2% |
| Loan servicing and other fees | $53.2 | $51.7 | 3% |
| Valuation adjustment of MSRs | $184.6 | ($17.0) | 1,186% |
| Net revenue | $237.6 | $37.5 | 533% |
| Total expenses | $10.9 | $10.2 | 6% |
| Net income allocated to servicing | $226.8 | $27.3 | 731% |

1. Includes retail and correspondent loans and excludes brokered loans.

# Non-GAAP Reconciliation

| *($ in Millions, except per share data)* | Three Months Ended | |
|---|---|---|
| | March 31, 2022 | December 31, 2021 |
| ***Reconciliation of Net Income to Adjusted Net Income*** | | |
| Net income attributable to Guild | $208.0 | $42.2 |
| Net income attributable to non-controlling interest | — | — |
| Net Income | $208.0 | $42.2 |
| *Add adjustments:* | | |
| Change in fair value of MSRs due to model inputs and assumptions | (209.5) | (16.8) |
| Change in fair value of contingent liabilities due to acquisitions | (28.9) | (13.6) |
| Amortization of acquired intangible assets | 2.0 | 2.0 |
| Stock-based compensation | 1.3 | 1.4 |
| Tax impact of adjustments[1] | 59.3 | 7.2 |
| **Adjusted Net Income[2]** | **$32.1** | **$22.3** |
| Weighted average shares outstanding of Class A and Class B Common Stock | 61 | 61 |
| **Earnings per share** | **$3.41** | **$0.69** |
| **Adjusted earnings per share[3]** | **$0.53** | **$0.37** |
| ***Reconciliation of Net Income to Adjusted EBITDA*** | | |
| Net income | $208.0 | $42.2 |
| *Add adjustments:* | | |
| Interest expense on non-funding debt | 1.7 | 1.6 |
| Income tax expense | 70.2 | 19.8 |
| Depreciation and amortization | 3.9 | 4.1 |
| Change in fair value of MSRs due to model inputs and assumptions | (209.5) | (16.8) |
| Change in fair value of contingent liabilities due to acquisitions | (28.9) | (13.6) |
| Stock-based compensation | 1.3 | 1.4 |
| **Adjusted EBITDA[4]** | **$46.7** | **$38.6** |
| ***Reconciliation of Return on Equity to Adjusted Return on Equity*** | | |
| Adjusted Net Income[2] | $32.1 | $22.3 |
| Average Stockholders' Equity | 1,024.6 | 928.8 |
| **Adjusted Return on Equity** | **12.5%** | **9.6%** |
| **Return on Equity** | **81.2%** | **18.2%** |

1. Implied tax rate used was 25.2% and 26.7% for the three months ended March 31, 2022 and December 31, 2021, respectively.
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.

Guild mortgage

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