

GAMCO
INVESTORS



Financial Reconciliation

GAMCO's non-GAAP measures include adjusted income before taxes, adjusted effective tax rate, adjusted net income and adjusted net income per fully diluted share. GAMCO's calculation of these non-GAAP measures may not be comparable to similarly titled measures of other companies due to potential differences between companies in the method of calculation. As a result, the use of these non-GAAP measures has limitations and should not be considered superior to, in isolation from, or a substitute for, related U.S. GAAP measures.

These non-GAAP measures allow management and investors to view operating trends, perform analytical comparisons and benchmark performance between periods to understand operating performance without regard to items that we do not consider to be a component of our core operating performance. Management uses these measures in its financial, investment and operational decision-making processes, for internal reporting and as part of its forecasting and budgeting processes. For these reasons we believe these non-GAAP measures are useful for our investors.

Adjusted income before taxes, adjusted effective tax rate, adjusted net income and adjusted net income per fully diluted share can be used by investors to review our results on a consistent basis. Examples of adjustments to these measures include the GAAP impact of the 2016 Deferred Cash Compensation Agreement ("DCCA"), First Half 2017 DCCA, and the Fourth Quarter 2017 DCCA that were put in place to enable the Company to more quickly pay down its debt, the acceleration of outstanding RSAs, charitable contributions, closed-end fund launch expenses, extinguishment of debt, and the recently enacted Tax Cuts and Jobs Act.

Forward Looking Statements

Statements in this presentation that are not purely historical facts, including, without limitation, statements about our expected future financial position, preliminary estimates, results of operations or cash flows, as well as other statements including, without limitation, words such as "anticipate," "believe," "plan," "estimate," "expect," "intend," "should," "could," "goal," "may," "target," "designed," "on track," "comfortable with," "optimistic" and other similar expressions, constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 12E of the Securities Exchange Act of 1934, as amended. Actual results and the timing of some events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors, including, without limitation, those set forth below:

- the composition and market value of our assets under management;
- regulations adversely affecting the financial services industry;
- competition in the investment management industry;
- our assets under management include investments in foreign companies;
- our ability to develop and market new investment strategies successfully;
- our relationships with current and potential customers;
- our ability to retain qualified personnel;
- our ability to perform operational tasks;
- our ability to maintain effective cyber security;
- our ability to identify and execute on our strategic initiatives;
- our ability to select and oversee third party vendors;
- our ability to maintain effective information systems;
- litigation risks;
- our ability to properly address conflicts of interest;
- our ability to maintain adequate insurance coverage;
- our ability to maintain an effective system of internal controls;
- our ability to maintain our fee structure in light of competitive fee pressures;
- our relationship with investment consulting firms; and
- the significant concentration of our revenues in a small number of customers.

Additional factors that could cause our actual results to differ materially from our expectations are discussed under the section entitled "Risk Factors" in our Form 10-K for the year ended December 31, 2017 and our quarterly report on Form 10-Q for the quarter ended March 31, 2017, June 30, 2017, and September 30, 2017 which together with our other filings can be viewed at www.sec.gov. You should not unduly rely on these forward-looking statements. Except as required by law, we are not obligated to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events or otherwise.

Sidoti & Company Spring Conference

March 29, 2018

GBL

Kieran Caterina
Senior Vice President

Diane LaPointe
Senior Vice President

Mission Statement

To earn a superior risk-adjusted return for our clients over the long-term by providing value-added products.

By earning returns for our clients, we will be earning returns for all our stakeholders:

- Our Professional Staff
- Our Shareholders

Market Capitalization

IPO – February 1999

Shares outstanding	30 million
IPO Price	\$17.50
Market Capitalization	\$525 million

Market Capitalization

Today

Shares outstanding	29 million
Market price	\$25.00
Market Capitalization	\$725 million

Shareholder Compensation

Since IPO - \$ Millions

Spin-offs	\$ 1,005
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Dividends	491
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Stock Buybacks	453
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Total	\$ 1,949
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GBL: History of Creating Value

Clear Financial Strategy

- **Generate strong cash flow**
- **Efficient capital allocation**
- **Opportunistic acquisitions**
- **New Investment Vehicles**

GBL: History of creating value

Acquisitions

1999: Mathers

2000: Comstock

2002: Woodlands

2010: NMF Asset Management

2015: Dinsmore

GBL: History of creating value

Spin-offs

2009: Teton Advisors

2015: Associated Capital

GBL: History of creating value

Product Innovation

2014: GGZ

2015: GVP, BCV & ECF

2016: GGO & MOGLC

2017: GMP & FOANC

2018: GRBIC

GBL: AUM Mix

Funds

- Closed-end
- Open-end

Institutional & PWM

- Direct
- Sub-advisory

UCITS

Summary of Full Year Results

Assets Under Management

\$ in billions

	2017	2016
AUM As of December 31	\$43.1	\$40.0
Average AUM	\$42.0	\$38.9

Summary of Full Year Results

Financial Results, as adjusted

	2017	2016
Operating Profit	\$158.9 mil	\$153.2 mil
Operating Margin	44.1%	43.2%
Diluted EPS	\$2.82	\$2.82

Financial Overview

\$ in millions

	<u>12/31/16</u>	<u>12/31/17</u>
ASSETS		
Cash and investments	\$ 77.1	\$ 54.6
Other assets	<u>72.1</u>	<u>73.7</u>
Total assets	<u>\$ 149.2</u>	<u>\$ 128.3</u>
LIABILITIES AND EQUITY		
Other liabilities ^(a)	\$ 81.6	\$ 135.4
Debt	234.2	89.2
Equity	<u>(166.6)</u>	<u>(96.3)</u>
Total liabilities and equity	<u>\$ 149.2</u>	<u>\$ 128.3</u>

(a) Excludes deferred compensation of \$53.5 and \$59.0, respectively.

Financial Overview

\$ in millions, except per share data

	<u>2016</u>	<u>2017</u>	<u>Est.</u> <u>2018</u>
Revenues	\$ 353	\$ 361	
Operating income	153	159	
Effective tax rate	35%	38%	25%
Diluted EPS	\$ 2.82	\$ 2.82	

All numbers are as adjusted.

In Sum

- **Pure equity asset manager**
- **Recurring earnings stream**
- **Flexible financial structure**
- **Cash generation**

Q&A

Appendix

\$ in millions, except per share and percentages

	<u>Q4 2016</u>	<u>Q1 2017</u>	<u>Q2 2017</u>	<u>Q3 2017</u>	<u>Q4 2017</u>	<u>2016</u>	<u>2017</u>
Operating profit, U.S. GAAP	\$ 52.0	\$ 42.4	\$ 39.7	\$ 23.4	\$ 39.5	\$ 191.7	\$ 145.0
Deferred compensation (1)	(14.5)	(8.1)	(7.4)	9.8	(1.9)	(53.5)	(7.6)
RSA acceleration (2)	-	-	3.3	1.6	1.2	-	6.1
Closed-end fund launch (3)	-	-	-	1.0	-	0.6	1.0
Management fee (4)	4.0	3.3	3.7	3.6	3.8	14.4	14.4
Operating profit, as adjusted	\$ 41.5	\$ 37.6	\$ 39.3	\$ 39.4	\$ 42.6	\$ 153.2	\$ 158.9
Operating margin, U.S. GAAP	52.1%	49.4%	45.3%	26.5%	40.1%	54.3%	40.2%
Deferred compensation (1)	(14.6)	(9.5)	(8.4)	11.1	(1.9)	(15.2)	(2.1)
RSA acceleration (2)	-	-	3.8	1.8	1.1	-	1.7
Closed-end fund launch (3)	-	-	-	1.1	-	-	0.3
Management fee (4)	4.0	3.8	4.2	4.1	3.9	4.1	4.0
Operating margin, as adjusted	41.5%	43.7%	44.9%	44.6%	43.2%	43.2%	44.1%
Diluted EPS, U.S. GAAP	\$ 1.07	\$ 0.82	\$ 0.76	\$ 0.55	\$ 0.46	\$ 3.92	\$ 2.60
Deferred compensation (1)	(0.29)	(0.16)	(0.14)	0.19	(0.04)	(1.11)	(0.15)
RSA acceleration (2)	-	-	0.07	0.06	0.03	-	0.15
Closed-end fund launch (3)	-	-	-	0.02	-	0.01	0.02
Tax Cuts and Jobs Act (5)	-	-	-	-	0.27	-	0.27
Other (6)	-	-	-	(0.12)	0.06	-	(0.07)
Diluted EPS, as adjusted	\$ 0.78	\$ 0.66	\$ 0.69	\$ 0.70	\$ 0.78	\$ 2.82	\$ 2.82

(1) Represents amount of additional compensation that would have been recorded if the CEO's RSU was not in place.

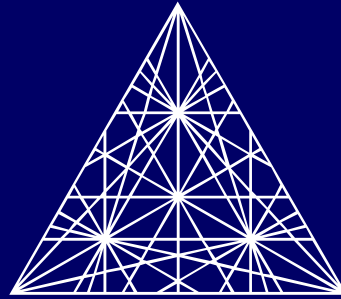
(2) Represents amount of additional expense from acceleration of RSA vesting.

(3) Represents costs to launch new closed-end fund.

(4) Represents management fee on pre-tax profits, which includes non-operating items.

(5) Represents the impact of the Tax Cuts and Jobs Act.

(6) Represents the impact of tax reversals, charitable contributions, and loss on extinguishment of debt.



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