



# Oppenheimer Holdings Inc.

Second Quarter 2021 Investor Update



This presentation and other written or oral statements made from time to time by representatives of Oppenheimer Holdings Inc. (the “company”) may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may relate to such matters as anticipated financial performance, future revenues or earnings, business prospects, new products or services, anticipated market performance and similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on the company’s current beliefs, expectations and assumptions regarding the future of the company’s business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the company’s control. The company cautions that a variety of factors could cause the company’s actual results to differ materially from the anticipated results or other expectations expressed in the company’s forwarding-looking statements. These risks and uncertainties include, but are not limited to, those risk factors discussed in Part I, “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on March 1, 2021 (the “2020 10-K”). In addition, important factors that could cause actual results to differ materially from those in the forward-looking statements include those factors discussed in Part I, “Item 2. Management’s Discussion & Analysis of Financial Condition and Results of Operations – Factors Affecting ‘Forward-Looking Statements’” of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 filed with the SEC on July 29, 2021 (“2021 10-Q2”). Any forward-looking statements herein are qualified in their entirety by reference to all such factors discussed in the 2020 10-K, the 2021 10-Q1 and the company’s other SEC filings. There can be no assurance that the company has correctly or completely identified and assessed all of the factors affecting the company’s business. Therefore, you should not rely on any of these forward-looking statements. Any forward-looking statement made by the company in this presentation is based only on information currently available to the company and speaks only as of the date on which it is made. The company does not undertake any obligation to publicly update or revise any forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

# Business Overview

**Oppenheimer** is a leading investment bank and full-service investment firm that provides financial services and advice to high net worth investors, individuals, businesses and institutions.

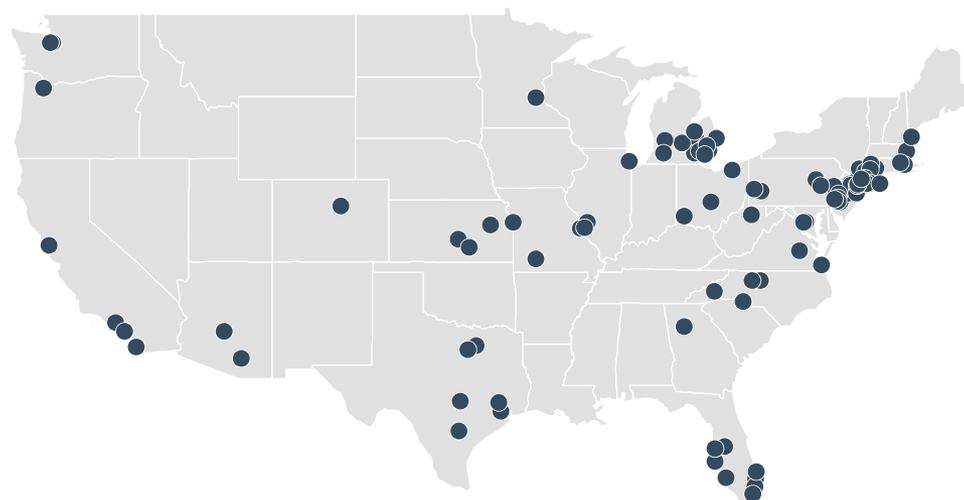
Oppenheimer Snapshot (as of 6/30/21)	
Listed NYSE Ticker:	OPY
Shareholders' Equity (\$M):	\$752.5
Market Cap (\$M):	\$640.2
Book Value per Share:	\$59.29
Tangible Book Value per Share: <sup>(1)</sup>	\$45.90
Share Price:	\$50.84
2Q-21 Earnings per Share (Basic):	\$2.46
2Q-21 Earnings per Share (Diluted):	\$2.28
P/E Ratio (TTM):	3.81
Dividend Yield (TTM): <sup>(2)</sup>	2.91%
Employees:	2,948
# of Financial Advisors:	1,004
Retail Branches in the US:	92
Client Assets under Administration (\$B):	\$117.3
Assets Under Management (\$B):	\$43.7

**\$340.3** million

Revenue in 2Q-21

**\$31.2** million

Net Income in 2Q-21



- London, UK
- Geneva, Switzerland
- St. Helier, Isle of Jersey
- Munich, Germany



- Tel Aviv, Israel



- Hong Kong, China

(1) Represents book value less goodwill and intangible assets divided by number of shares outstanding.

(2) Includes special dividend of \$1.00 per share paid on December 30, 2020 to holders of Class A non-voting and Class B voting common stock.

## Summary Operating Results: 2Q-21 (Unaudited)



(\$000's)

	For the 3-Months Ended		
REVENUE	6-30-21	6-30-20	% Change
Commissions	\$ 96,171	\$ 101,636	-5.4%
Advisory fees	111,152	75,981	46.3%
Investment banking	104,742	46,186	126.8%
Bank deposit sweep income	3,712	7,122	-47.9%
Interest	8,909	6,220	43.2%
Principal transactions, net	6,305	12,064	-47.7%
Other	9,302	15,521	-40.1%
<b>Total Revenue</b>	<b>340,293</b>	<b>264,730</b>	<b>28.5%</b>
<b>EXPENSES</b>			
Compensation and related expenses	231,140	179,594	28.7%
Non-Compensation related expenses	65,985	61,872	6.6%
<b>Total Expenses</b>	<b>297,125</b>	<b>241,466</b>	<b>23.1%</b>
Pre-tax Income	43,168	23,264	85.6%
<b>Net income</b>	<b>\$ 31,159</b>	<b>\$ 17,649</b>	<b>76.5%</b>
<b>Earnings per share (Basic)</b>	<b>\$ 2.46</b>	<b>\$ 1.40</b>	<b>75.7%</b>
<b>Earnings per share (Diluted)</b>	<b>\$ 2.28</b>	<b>\$ 1.34</b>	<b>70.1%</b>

### Highlights

Record second quarter gross revenue was driven by investment banking revenue and advisory fees

Higher advisory fees in the second quarter of 2021 were driven by record assets under management

Record revenue and earnings in Capital Markets segment for the second quarter was driven by record investment banking results

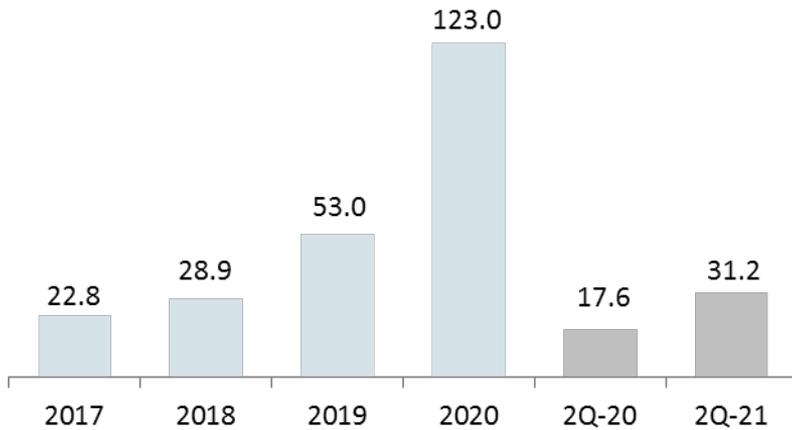
Compensation as a percentage of revenue was steady at 67.9% compared with the prior year

Client Assets under administration and under management were both at record levels at 6/30/21

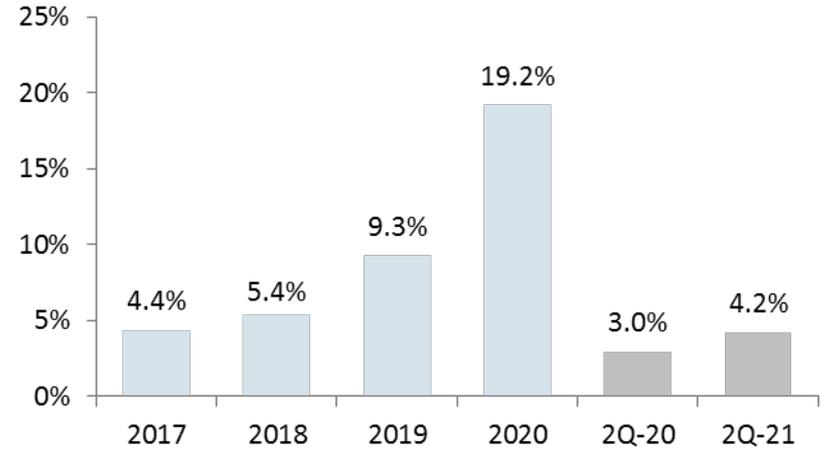
Book value and tangible book value per share and shareholders' equity were all at records at 6/30/21

# Select Financial Measures

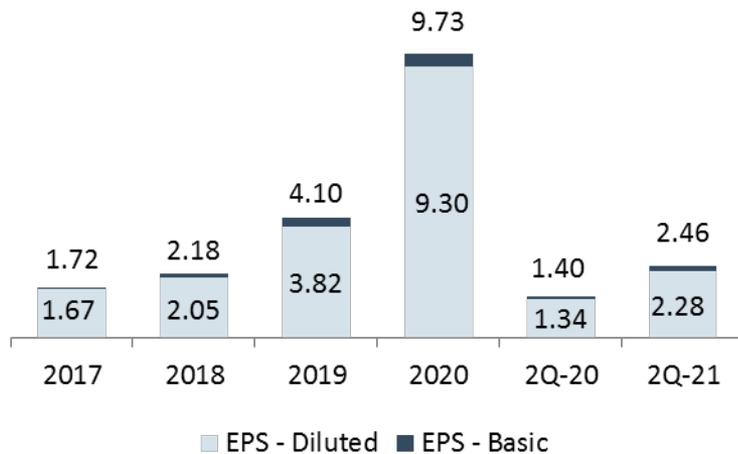
### Net Income (\$M)



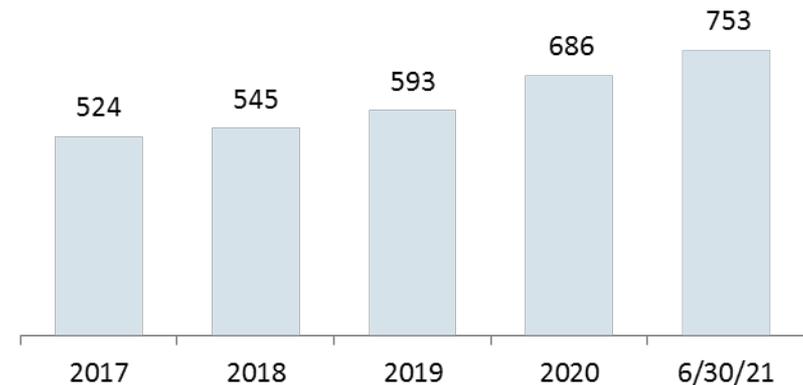
### Return on Equity (%)



### Earnings per Share (\$)



### Shareholders' Equity (\$M)



# Segment Results (Unaudited)



(*'000s, except per share amounts or otherwise indicated*)

	<u>2Q-21</u>	<u>2Q-20</u>	<u>% Δ</u>	<u>1H-21</u>	<u>1H-20</u>	<u>% Δ</u>
<b>Private Client</b>						
Revenue	\$ 166,863	\$ 141,825	17.7%	\$ 330,886	\$ 283,243	16.8%
Pre-Tax Income	\$ 21,673	\$ 24,349	-11.0%	\$ 45,936	\$ 57,718	-20.4%
Assets Under Administration (\$Bn)	\$ 117.3	\$ 89.7	30.8%	\$ 117.3	\$ 89.7	30.8%
<b>Asset Management</b>						
Revenue	\$ 25,544	\$ 17,515	45.8%	\$ 49,774	\$ 36,791	35.3%
Pre-Tax Income	\$ 8,638	\$ 3,983	116.9%	\$ 16,191	\$ 8,288	95.4%
Assets Under Management (\$Bn)	\$ 43.7	\$ 32.7	33.6%	\$ 43.7	\$ 32.7	33.6%
<b>Capital Markets</b>						
Revenue	\$ 147,945	\$ 105,270	40.5%	\$ 331,544	\$ 180,812	83.4%
Pre-Tax Income	\$ 39,373	\$ 22,322	76.4%	\$ 89,364	\$ 22,179	302.9%

# Wealth Management\*

Well recognized brand and one of the few independent, non-bank broker-dealers with full service capabilities

## Retail Services

- Full-Service Brokerage
- Financial Planning, Retirement Services, Corporate & Executive Services & Trust Services
- Margin & Securities Lending

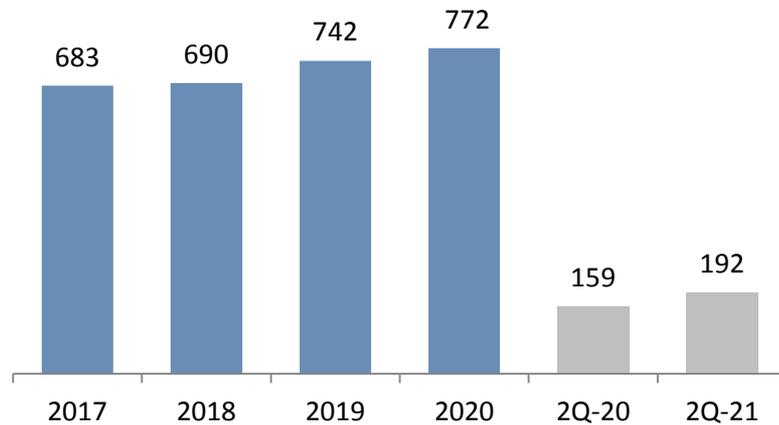
## Advisory Services

- Investment Policy Design & Implementation
- Asset Allocation & Portfolio Construction
- Research, Diligence & Manager Selection
- Portfolio Monitoring & Reporting

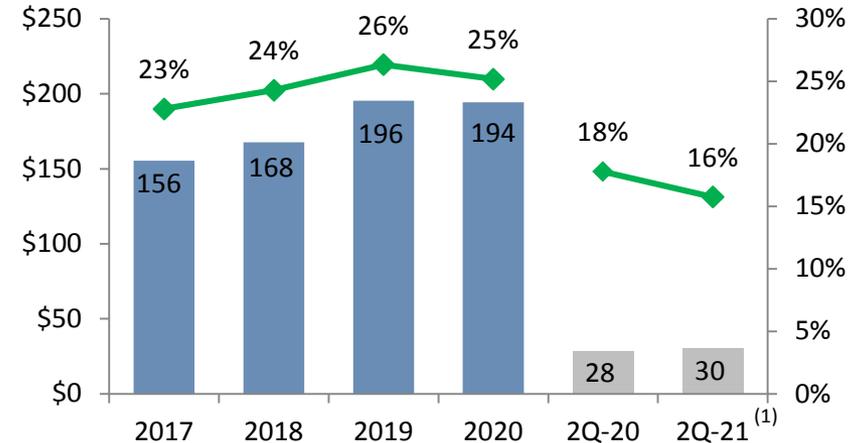
## Retail Investments

- Hedge Funds & Fund-of-Funds
- Private Equity
- Private Market Opportunity (Qualified Investors only) to source investments across the private markets continuum

### Wealth Management Revenue (\$M)



### Pre-Tax Income (\$M) and Pre-Tax Margin (%)



**1,004**

Financial Advisors

At 6/30/21

**\$117.3B**

Assets under Administration

At 6/30/21

**\$43.7B**

Assets under Management

At 6/30/21

**\$0.6B**

Net Positive Client Asset Inflows

2Q-21

**↑ 46.3%**

Advisory Fees

2Q-21 vs. 2Q-20

\* Wealth Management includes both Private Client and Asset Management business segments.

(1) Pre-tax income and margin percentage negatively impacted by an increase in compensation costs associated with share-based compensation tied to the Company's stock price and a decrease in bank deposit sweep income

# Capital Markets

A leading capital markets business providing sophisticated investment banking, research and trading solutions

## Institutional Equities

- Sales and Trading
- Equity Research
  - 38 senior research analysts covering 600+ companies
- Corporate Access (Conferences & NDRs)

## Investment Banking

- Mergers & Acquisitions
- Equity Capital Markets
- Debt Capital Markets
- Restructuring & Special Situations

## Fixed Income

- Taxable Fixed Income
- Non-Taxable Fixed Income
- Public Finance

**\$39.4M**

Pre-Tax Income

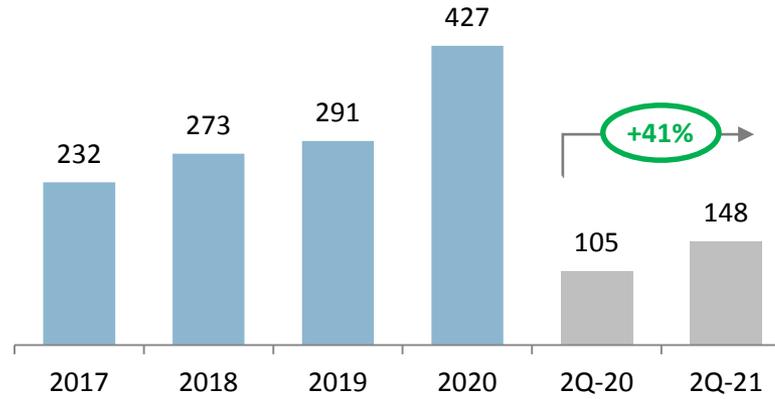
2Q-21

**26.6%**

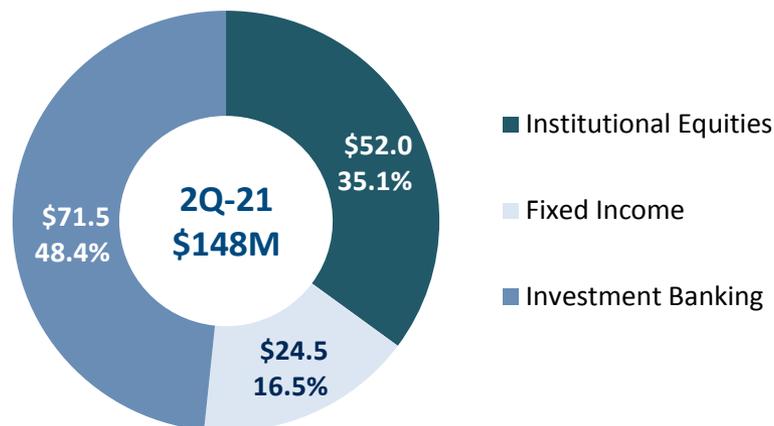
Profit Margin

2Q-21

## Capital Markets Revenue (\$M)



## Capital Markets Revenue Breakdown 2Q-21



## Investment Banking Focus Industries



# Select 2Q-21 Investment Banking Transactions

\$150,000,000



*Financial Institutions  
Convertible Senior  
Notes Offering  
Sole Bookrunner*

June 2021

\$215,000,000/ \$200,000,000/  
\$125,000,000



*Technology*

*Senior Unsecured Convertibles Notes /  
Common Stock Issuance  
Exclusive Financial Advisor/  
Exclusive Placement Agent*

June 2021

\$1,000,000,000

**Western Asset Diversified  
Income Fund**

*Financial Institutions  
Initial Public Offering  
Co-Lead Manager*

June 2021

\$11,100,000,000



*Technology  
SPAC Business Combination  
Capital Markets Advisor*

June 2021

\$73,075,429



*Healthcare  
Confidentially Marketed  
Public Offering  
Lead Manager*

May 2021

\$1,649,550,800



*Consumer  
Initial Public Offering  
Co-Manager*

May 2021

\$300,000,000



*Debt Capital Markets  
Senior Secured Notes  
Sole Bookrunner and Manager*

May 2021

\$650,600,000



Business Combination with



*Technology  
Business Combination  
Joint Financial Advisor*

May 2021

Undisclosed



Merged with



*Healthcare  
M&A Advisory  
Financial Advisor*

May 2021

\$113,472,000 / \$41,835,286



*Restructuring  
Distressed Exchange / Rights Offering  
Exclusive Financial Advisor /  
Sole Dealer Manager*

April 2021

Undisclosed



Sale to



*A subsidiary of  
Anthem.  
Healthcare  
Exclusive Financial Advisor*

April 2021

\$2,000,000,000



*Technology  
Initial Public Offering  
Co-Managers*

April 2021

# Capital Structure

Conservative risk profile with strong balance sheet

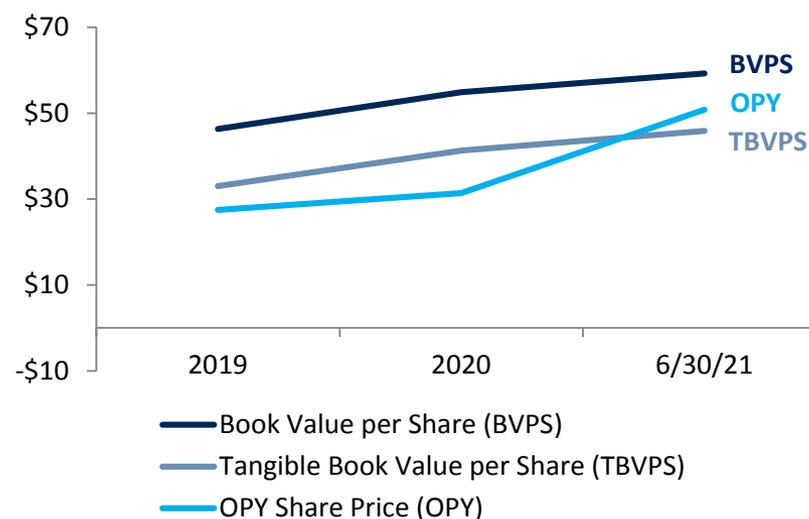
As of June 30, 2021 (\$ in thousands)	
Total Assets:	\$2,714,318
Shareholders' Equity:	\$752,507
Long-Term Debt:	\$125,000
Total Capitalization:	\$877,507
<b>Debt to Equity Ratio: 16.6</b>	
Gross Leverage Ratio <sup>(1)</sup> :	3.60x
Broker-Dealer Regulatory Capital (\$ in thousands)	
Regulatory Net Capital:	\$344,729
Regulatory Excess Net Capital:	\$319,139

(1) Total Assets divided by Total Shareholders' Equity.

## Liquidity & Capital

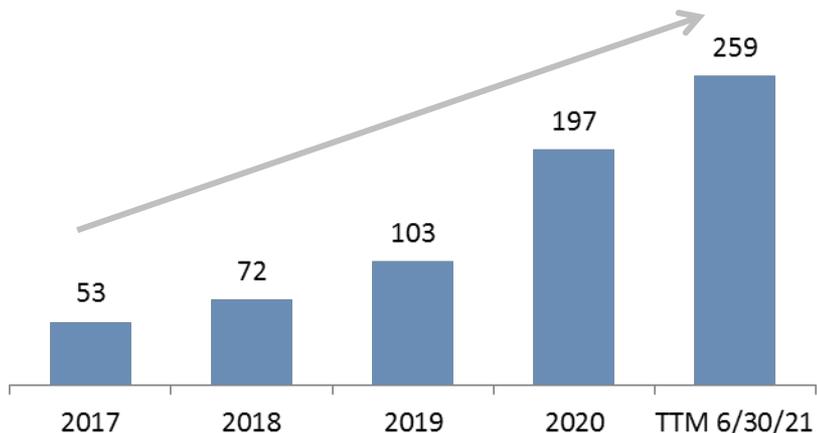
- Shareholders' equity reached a record \$752.5 million as of June 30, 2021
- Book value (\$59.29) and tangible book value (\$45.90) per share reached record levels at June 30, 2021
- Regulatory Net Capital and Excess Net Capital at record levels
- The Board of Directors announced a \$0.03, or 25%, increase in the quarterly dividend to \$0.15 per share effective for 2Q-21 payable on August 26, 2021 to holders of Class A non-voting and Class B voting common stock of record on August 12, 2021
- Level 3 assets, comprised of auction rate securities, were \$31.4 million as of June 30, 2021

## Book & Tangible Book Value per Share (\$)

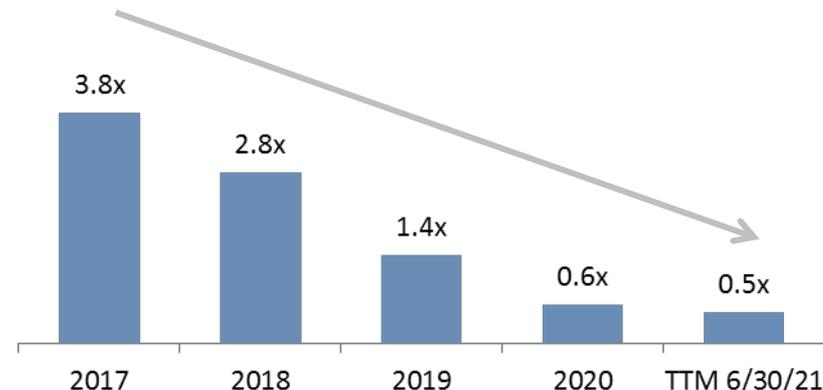


# Historical Financial Ratios

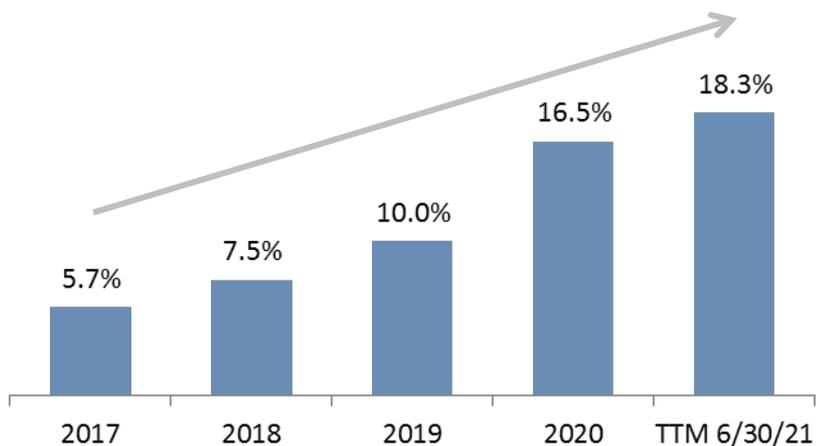
### Consolidated Adjusted EBITDA (\$M)



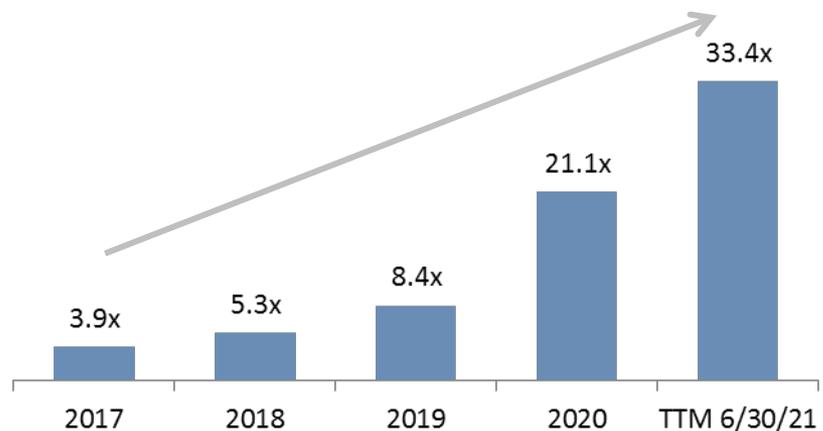
### Long-Term Debt to Consolidated Adjusted EBITDA (x)



### Consolidated Adjusted EBITDA Margin (%)



### Interest Coverage (x)





For more information contact Investor Relations at [info@opco.com](mailto:info@opco.com)