



Oppenheimer Holdings Inc.

Investor Presentation – September 2019



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, 2018 filed with the SEC on March 1, 2019 (the “2018 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 II, “Item 7. 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, 2019 filed with the SEC on July 26, 2019 (“2019 10-Q2”). Any forward-looking statements herein are qualified in their entirety by reference to all such factors discussed in the 2018 10-K, the 2019 10-Q2 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.

- I. Company Overview
- II. Business Unit Update
 - ❖ Wealth Management
 - ❖ Capital Markets
- III. Financial Overview
- IV. Summary



I. Company Overview

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 6/30/19)

Listed NYSE Ticker: **OPY**

Shareholders' Equity (\$mm): **\$563.6**

Market Cap (\$mm): **\$351.8**

Book Value per Share: **\$43.84**

Tangible Book Value per Share: **\$30.62**

Share Price: **\$27.22**

TTM 6-30-19 Revenue (\$mm): **\$983.8**

Employees: **2,970**

of Financial Advisors: **1,036**

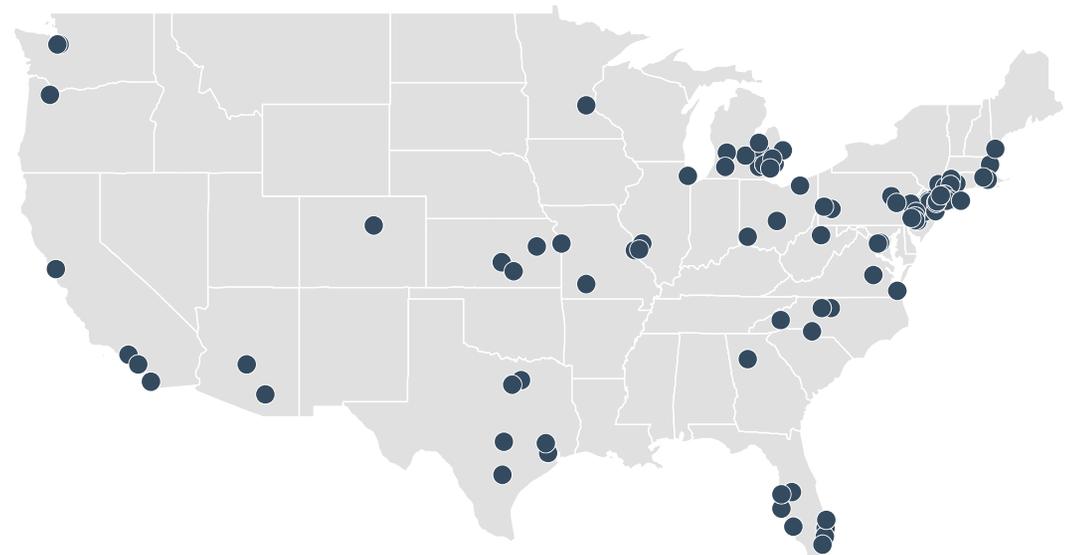
Retail Branches in the US: **94**

Client Assets under Administration (\$bn): **\$87.3**

Assets Under Management (\$bn): **\$30.2**

\$502.7 million
Revenue for YTD 6-30-19

\$23.6 million
Net Income for YTD 6-30-19



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



- Tel Aviv, Israel



- Hong Kong, China

The background of the slide features a complex network of white lines connecting various nodes. The nodes are represented by small, semi-transparent circles in shades of blue, orange, and white. The overall aesthetic is digital and futuristic, with a bokeh effect of larger, out-of-focus light spots in the background. The text is centered in a white, sans-serif font on a semi-transparent grey rectangular area at the bottom.

II. Business Unit Update

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, and Trust Services
- Margin & Securities Lending

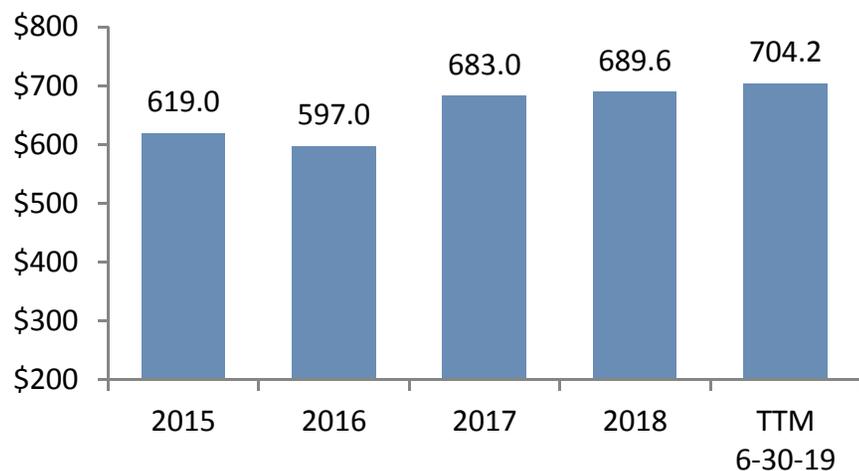
ADVISORY SERVICES

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

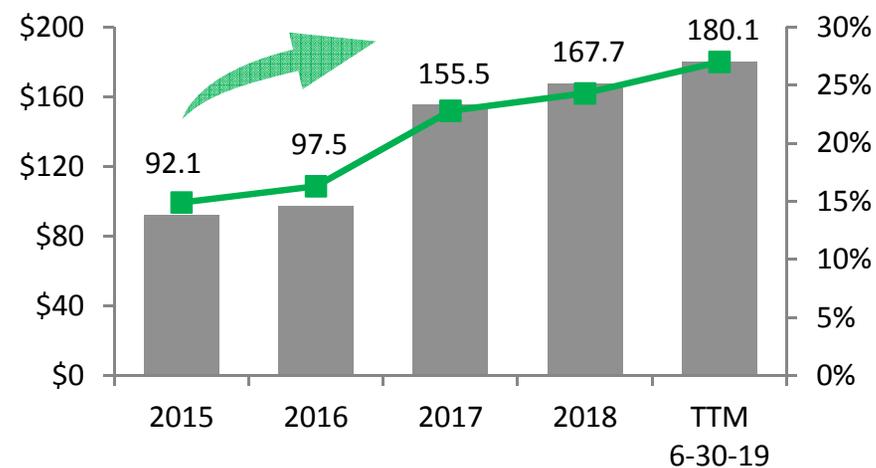
ALTERNATIVE INVESTMENTS

- Hedge Funds and Fund-of-Funds
- Private Equity
- Private Market Opportunity, recently launched to source investments across the private markets continuum

Wealth Management Revenue (\$mm)



Pre-Tax Income and Pre-Tax Margin (\$mm)



Key Business Metrics

1,036

Financial Advisors

At 6/30/19

\$87.3bn

Assets under Administration

At 6/30/19

\$30.2bn

Assets under Management

At 6/30/19

\$84.2mm

Client Assets per Financial Advisor

At 6/30/19

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

Capital Markets

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

INSTITUTIONAL EQUITIES

- Sales and Trading
- Equity Research
 - 32 senior research analysts covering 500+ companies
- Corporate Access (Conferences & NDRs)

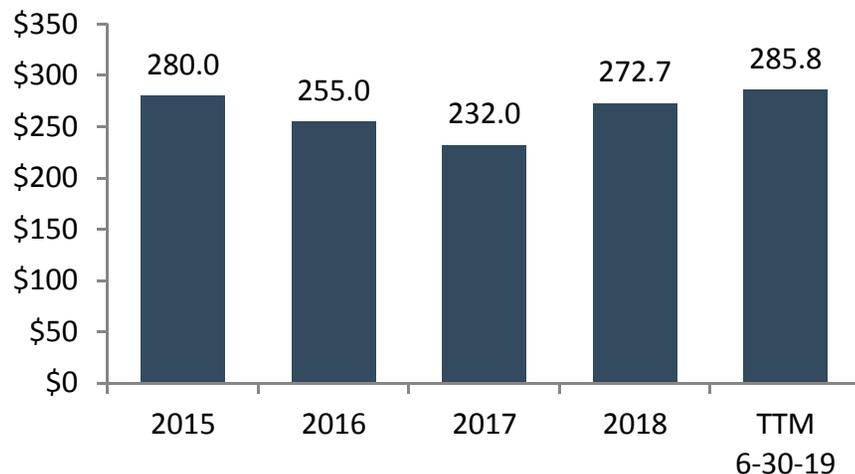
INVESTMENT BANKING

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

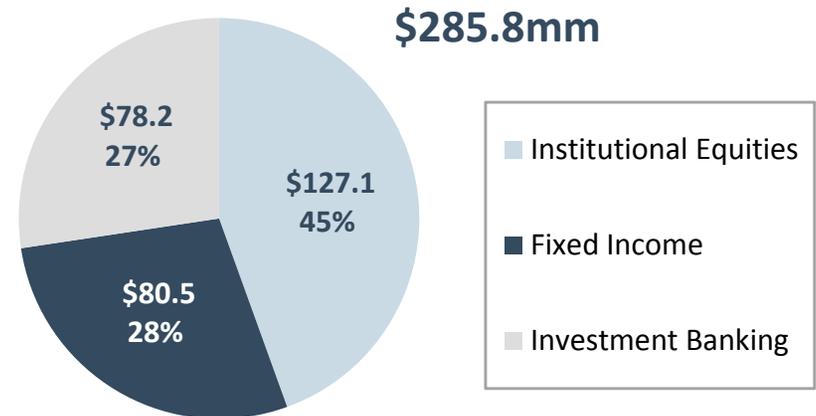
FIXED INCOME

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

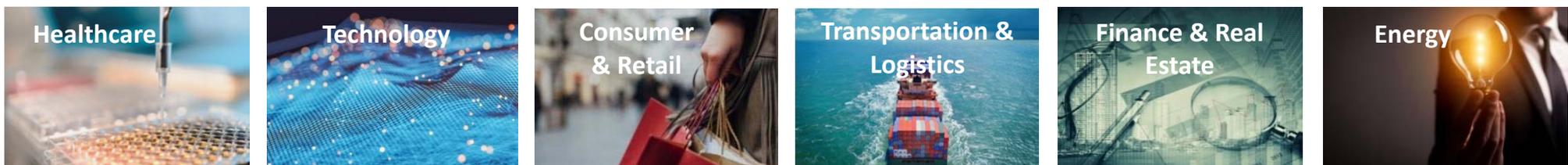
Capital Markets Revenue (\$mm)



TTM 6-30-19 Capital Markets Revenue Breakdown



Investment Banking Focus Industries



Select 2019 Investment Banking Transactions

\$1,500,000,000

BLACKROCK

*Financial Institutions & Real Estate
IPO
Co-Lead Manager*

June 2019

\$100,000,000

*Restructuring
Senior Secured Credit Facility
Exclusive Financial Advisor and
Sole Lead Arranger*

June 2019

\$234,255,000

MIRATI
THERAPEUTICS

*Healthcare
Follow-on
Co-Lead Manager*

June 2019

\$230,277,760

*Financial Institutions & Real Estate
IPO
Co-Lead Manager*

May 2019

\$8,100,000,000

Uber

*Technology
IPO
Co-Manager*

May 2019

\$123,970,000

tufin

*Technology
IPO
Co-Manager*

April 2019

\$90,562,500

*Healthcare
Follow-on
Lead Manager*

April 2019

\$1,397,000,000

*Rental Services
Mergers & Acquisitions
Exclusive Financial Advisor*

March 2019

\$2,000,000,000

*Technology
Debt Private Placement
Joint Bookrunner*

March 2019

\$260,000,000

*Financial Institutions & Real Estate
IPO
Senior Co-Lead Manager*

March 2019

\$287,500,000

8x8
Global Cloud Communications

*Technology
Convertible Debt
Co-Lead Manager*

February 2019

\$172,500,000

*Healthcare
Follow-on
Lead Manager*

January 2019



III. Financial Overview

1

Auction Rate Securities Tender Offer

- Announced participation in auction rate securities tender offer that will result in \$20 million of additional liquidity in the 3Q-19
- Participation in the tender offer resulted in an unrealized loss of \$2.4 million in the 2Q-19
- Participation in the tender offer also resulted in a reduction in "Level 3" securities to zero at June 30, 2019 for the first time in over a decade

2

Senior Secured Note Redemption

- Announced partial redemption of 6.75% Senior Secured Notes which took place on August 25, 2019
- Partial redemption will result in \$1.7 million in costs associated with paying the call premium on the Senior Secured Notes in the 3Q-19
- The redemption of 25% of the Senior Secured Notes will reduce interest costs by \$3.8 million annually

3

Quarterly Dividend

- Announced an increase in its quarterly dividend from \$0.11 to \$0.12 per share, a 9.1% increase, effective for the 2Q-19 and paid on August 23, 2019 to holders of Class A non-voting and Class B voting common stock of record on August 9, 2019

4

Share Repurchase Program & Buybacks

- Announced board approval of share repurchase program that authorizes purchase of up to 640,000 shares of Class A non-voting common stock representing approximately 5% of 12,756,308 currently issued and outstanding shares
- Purchased 167,209 shares of Class A non-voting common stock under share repurchase program during the 2Q-19 for \$4.3 million at an average share price of \$25.82

Summary Operating Results: 1H-19 (Unaudited)



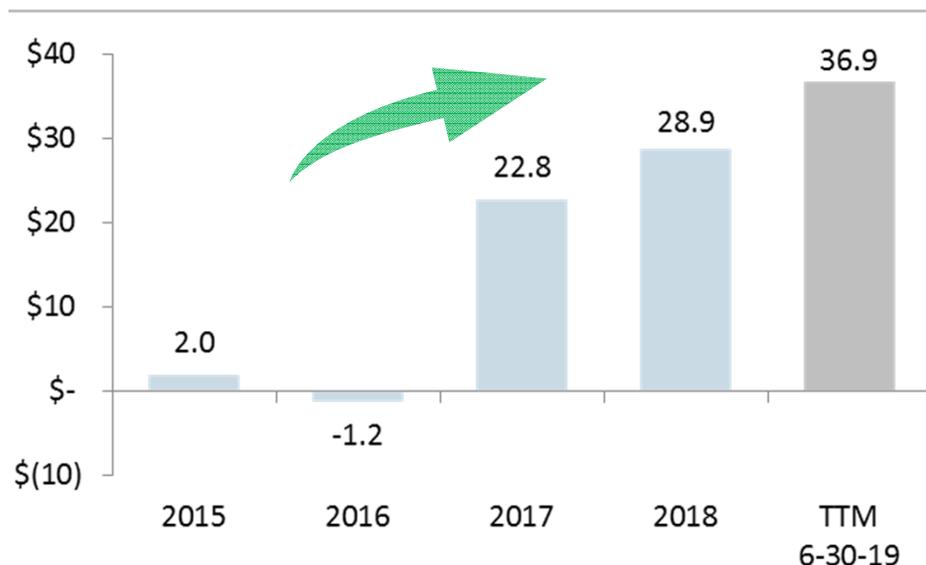
(\$000's)	For the 6-Months Ended		
	6-30-19	6-30-18	% Change
REVENUE			
Commissions	\$ 160,305	\$ 166,257	(3.6)
Advisory fees	154,354	154,818	(0.3)
Investment banking	60,049	56,114	7.0
Bank deposit sweep income	65,798	54,150	21.5
Interest	26,277	25,283	3.9
Principal transactions, net	14,483	9,126	58.7
Other	21,439	11,338	89.1
Total Revenue	502,705	477,086	5.4
EXPENSES			
Compensation and related expenses	316,138	304,975	3.7
Non-Compensation related expenses	153,124	149,973	2.1
Total Expenses	469,262	454,948	3.1
Pre-tax Income	33,443	22,138	51.1
Net income	\$ 23,569	\$ 15,560	51.5
Basic net income per share	\$ 1.81	\$ 1.17	+54.7%
Diluted net income per share	\$ 1.70	\$ 1.11	+53.2%

Highlights

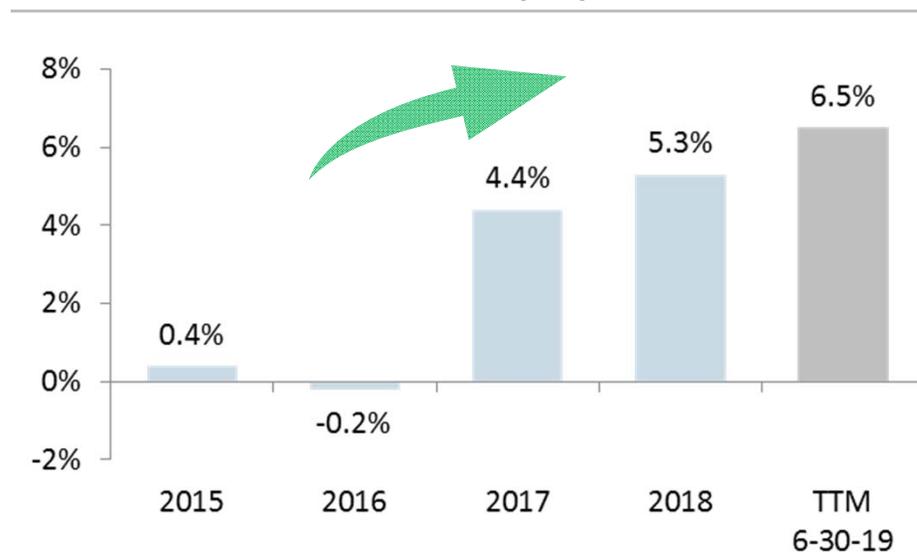
- ✓ YTD revenue in excess of \$500 million
- ✓ Increase in Investment Banking revenue driven by 58% increase in advisory fees
- ✓ Higher short-term interest rates continue to benefit bank deposit sweep income
- ✓ Other revenue increase due to increases in cash surrender value of Company-owned life insurance and to favorable legal settlements during 1H-19
- ✓ Compensation as a percentage of revenue was 62.9% in 1H-19 compared to 63.9% in 1H-18
- ✓ Legal and regulatory costs declined by approximately 120% in 1H-19 compared with 1H-18

Select Financial Measures

Net Income (\$mm)



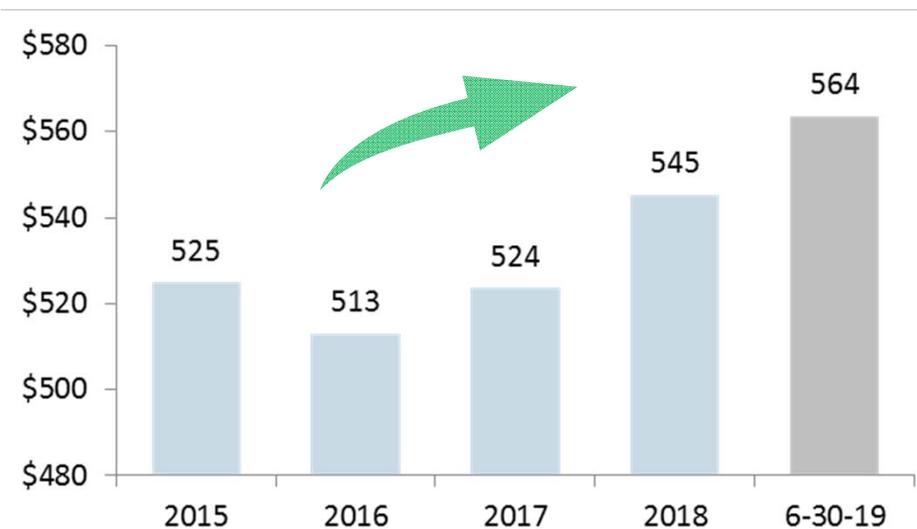
Return on Equity (%)



Earnings per Share (\$)



Shareholders' Equity



■ EPS - Diluted ■ EPS - Basic

Capital Structure

Conservative risk profile with strong balance sheet

As of June 30, 2019 (\$ in thousands)

Total Assets:	\$2,562,416
Stockholders' Equity:	\$563,610
Long-Term Debt:	\$200,000
Total Capitalization:	\$763,610

Debt to Equity Ratio:	35.5%
Debt to Equity Ratio (Pro-forma):	26.6%*

Gross Leverage Ratio ⁽¹⁾ :	4.7x
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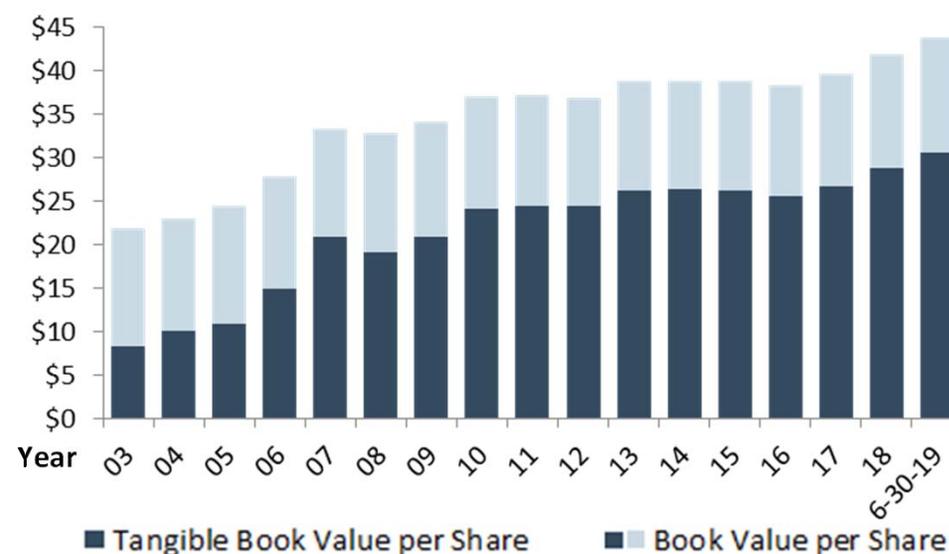
Broker-Dealer Regulatory Capital (\$ in thousands)

Regulatory Net Capital:	\$201,694
Regulatory Excess Net Capital:	\$184,985

Liquidity & Capital

- On August 25, 2019, the Company redeemed 25% of its 6.75% Senior Secured Notes
- Participation in ARS issuer tender offer resulted in \$20 million in additional liquidity in the 3Q-19
- "Level 3" assets reduced to zero for the first time in over a decade
- For the YTD 6-30-19, the Company bought back a total of 246,592 shares for \$6.4 million at an average price of \$25.76 per share
- Increased quarterly dividend on common stock from \$0.11 to \$0.12 per share, a 9.1% increase

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

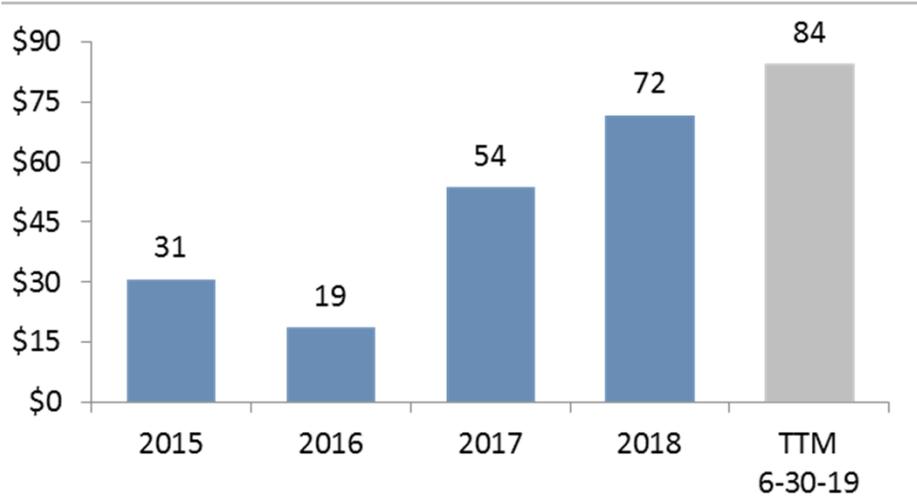


* Pro-forma for \$50 million partial redemption that took place on 8/25/19.

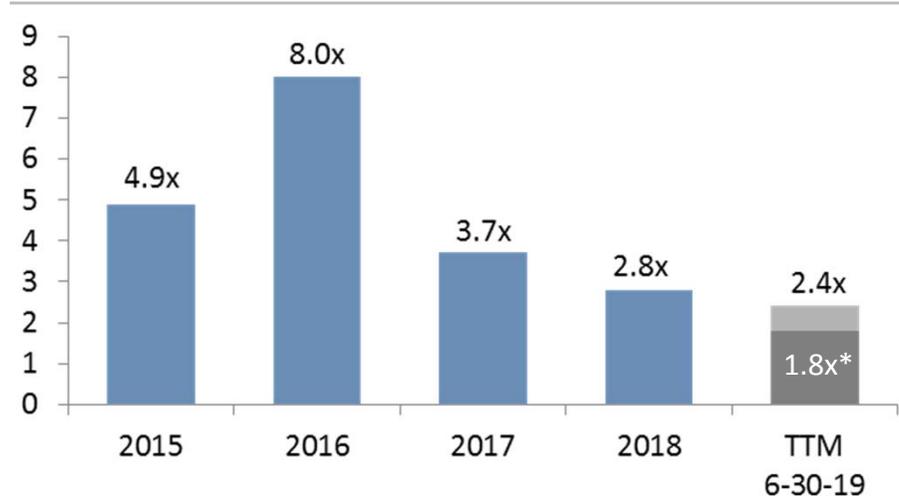
(1) Total Assets divided by Total Stockholders' Equity.

Historical Financial Ratios

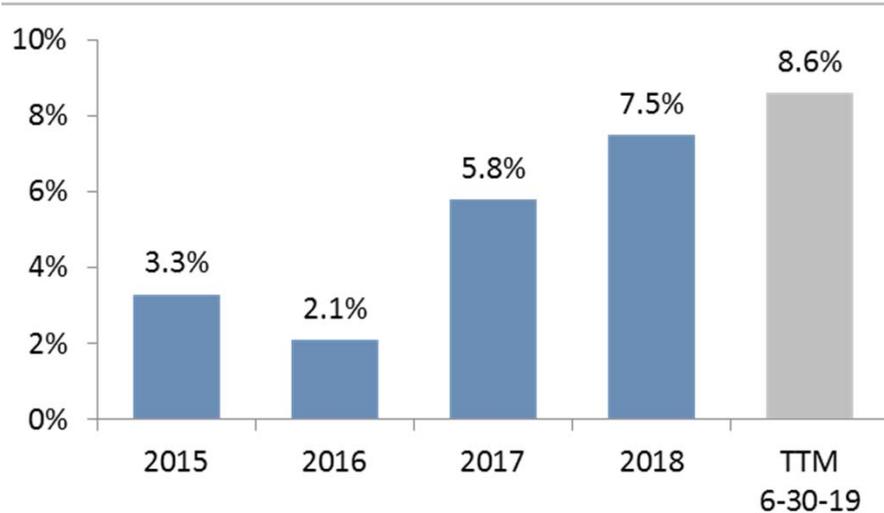
Consolidated Adjusted EBITDA (\$mm)



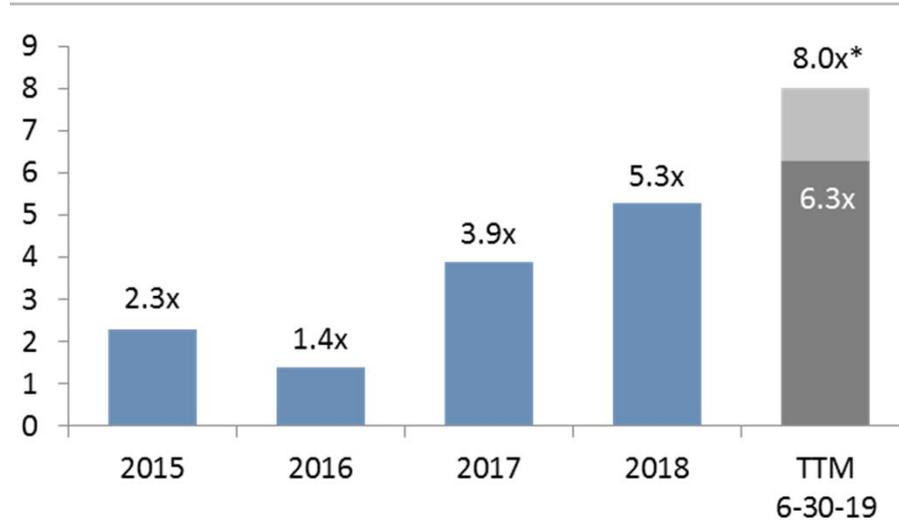
Long-Term Debt to Consolidated Adjusted EBITDA (x)



Consolidated Adjusted EBITDA Margin (%)



Interest Coverage (x)



* Pro-forma for \$50 million partial redemption that took place on 8/25/19.



IV. Summary

- Firm's operating results have significantly improved
- Business model is low risk and well diversified with low leverage
- Building momentum in investment banking business
- Increasing shift from transaction-based business to fee-based business
- Continue to benefit from interest rate environment
- Investing in technology to enhance compliance efforts and to support business initiatives
- ARS portfolio significantly reduced by tender offers and redemptions
- Lower legal and regulatory costs
- Conservative balance sheet
- Reduced leverage as a result of additional liquidity
- Reviewing prospects of independent wealth management channel
- Investing in our future and poised for growth, organically and through acquisitions



For more information contact Investor Relations at info@opco.com