



Oppenheimer Holdings Inc.

Second Quarter Update – 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.

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**

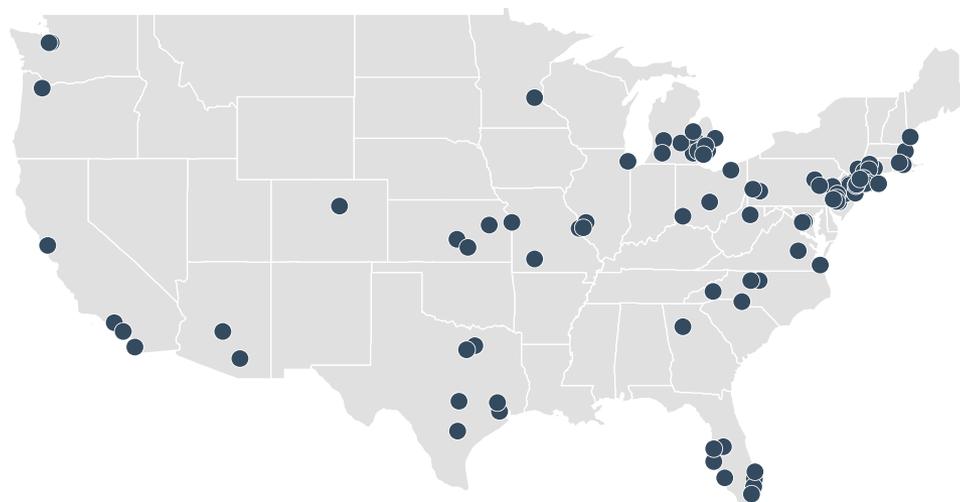
Retail Branches in the US: **94**

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

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

\$250.9 million
Revenue for 2Q-19

\$983.8 million
Revenue for TTM 6-30-19



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



- Tel Aviv, Israel



- Hong Kong, China

Summary Operating Results: 2Q-19 (Unaudited)



| (\$000's) REVENUE | For the 3-Months Ended | | |
|-------------------------------------|------------------------|-----------------|---------------|
| | 6-30-19 | 6-30-18 | % Change |
| Commissions | \$ 80,896 | \$ 82,850 | (2.4) |
| Advisory fees | 80,707 | 77,270 | 4.4 |
| Investment banking | 32,006 | 27,904 | 14.7 |
| Bank deposit sweep income | 31,830 | 28,853 | 10.3 |
| Interest | 13,550 | 13,056 | 3.8 |
| Principal transactions, net | 3,045 | 6,400 | (52.4) |
| Other | 8,901 | 6,223 | 43.0 |
| Total Revenue | 250,935 | 242,556 | 3.5 |
| EXPENSES | | | |
| Compensation and related expenses | 155,783 | 151,871 | 2.6 |
| Non-Compensation related expenses | 77,761 | 78,168 | (0.5) |
| Total Expenses | 233,544 | 230,039 | 1.5 |
| Pre-tax Income | 17,391 | 12,517 | 38.9 |
| Net income | \$ 12,375 | \$ 8,855 | 39.8 |
| Basic net income per share | \$ 0.95 | \$ 0.67 | +41.8% |
| Diluted net income per share | \$ 0.89 | \$ 0.63 | +41.3% |

| Highlights | |
|------------|---|
| ✓ | Quarterly revenues in excess of \$250 million |
| ✓ | Advisory fees higher due to higher assets under management at 3/31/19 compared to 3/31/18 |
| ✓ | Increase of 62.5% in fees earned from M&A activities |
| ✓ | Higher short-term interest rates continue to benefit bank deposit sweep income |
| ✓ | Legal and regulatory costs declined by approximately 70% in 2Q-19 compared with 2Q-18 |
| ✓ | Other revenue increase due to increases in cash surrender value of Company-owned life insurance and to favorable legal settlements during 2Q-19 |
| ✓ | Compensation as a percentage of revenue was 62.1% in 2Q-19 compared to 62.6% in 2Q-18 |

Summary Operating Results: 1H-19 (Unaudited)

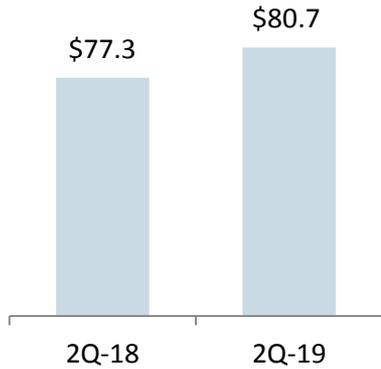


| (\$000's) | For the 6-Months Ended | | | |
|-------------------------------------|------------------------|---------|------------|---------------|
| | | 6-30-19 | 6-30-18 | % Change |
| REVENUE | | | | |
| Commissions | \$ | 160,305 | \$ 166,257 | (3.6) |
| Advisory fees | | 154,354 | 154,818 | (0.3) |
| 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% |

Second Quarter 2019 Highlights

(In \$millions)

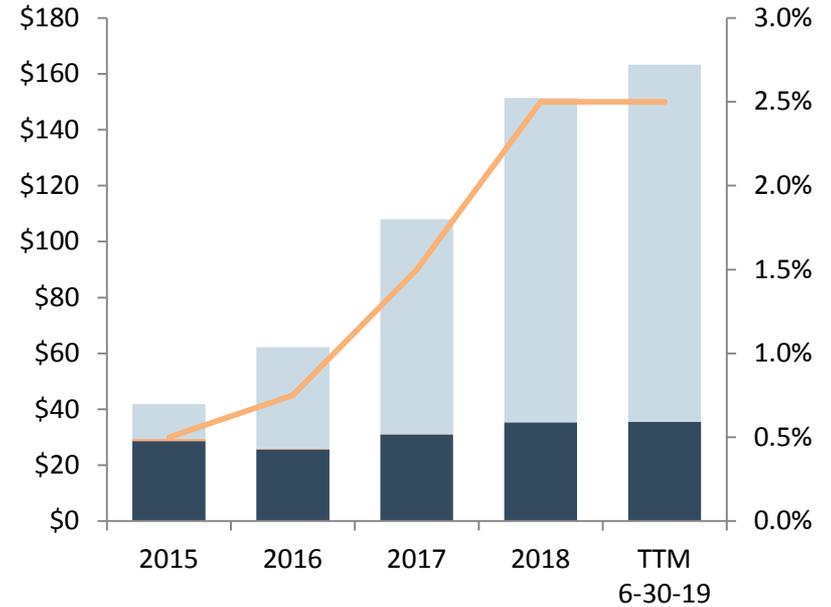
Advisory Fees



Commission Revenue



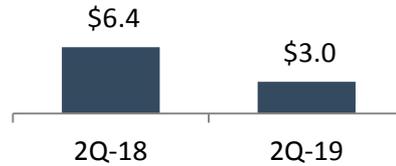
Interest and Fee Revenues



Investment Banking Revenue



Principal Transactions Revenue



- Margin Interest
- Money Fund Sweep Program
- Bank Deposit Sweep Income
- Fed Funds Target

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 will take 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 payable 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 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 OPY 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

Business Segments

Our business is well diversified across a wide range of clients, services and industries

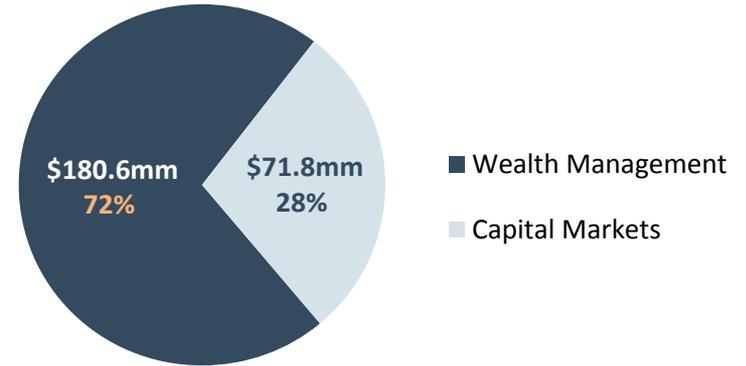
WEALTH MANAGEMENT

Private client services and asset management solutions tailored to unique financial objectives

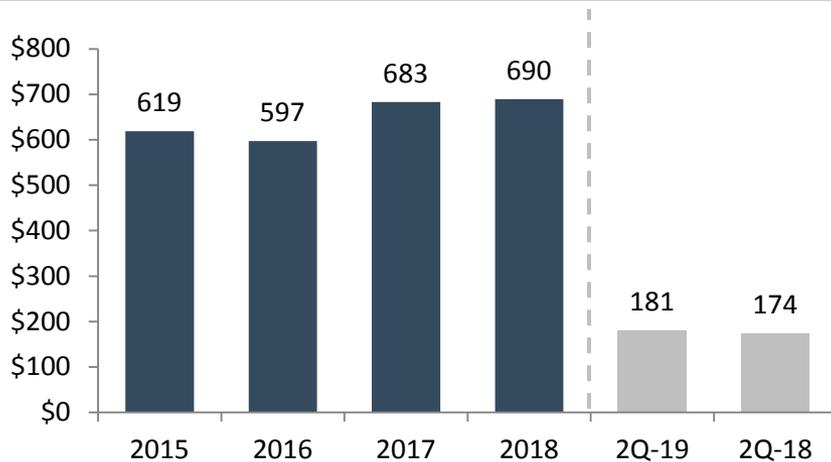
CAPITAL MARKETS

Investment banking services and capital markets products for institutions and corporations

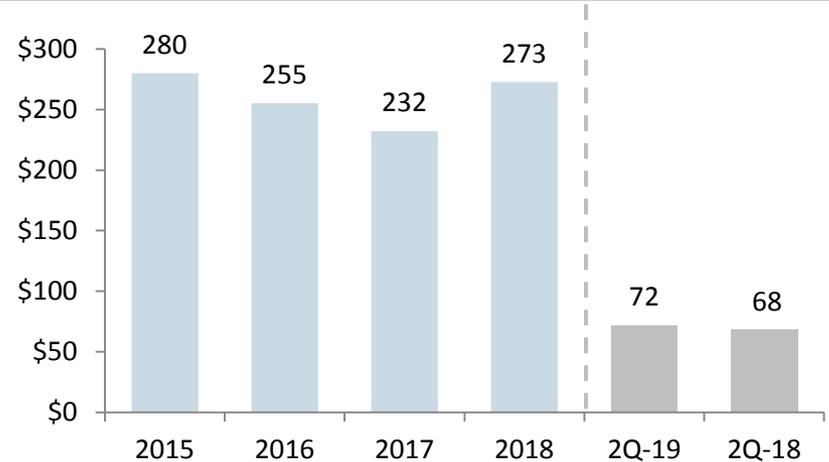
Business Mix – 2Q-19 Revenue (\$252.4mm)⁽¹⁾



Wealth Management Revenue (\$mm)



Capital Markets Revenue (\$mm)



Note: Wealth Management includes both Private Client and Asset Management business segments.

(1) Does not include (\$1.4) million allocated to Corporate/Other.

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

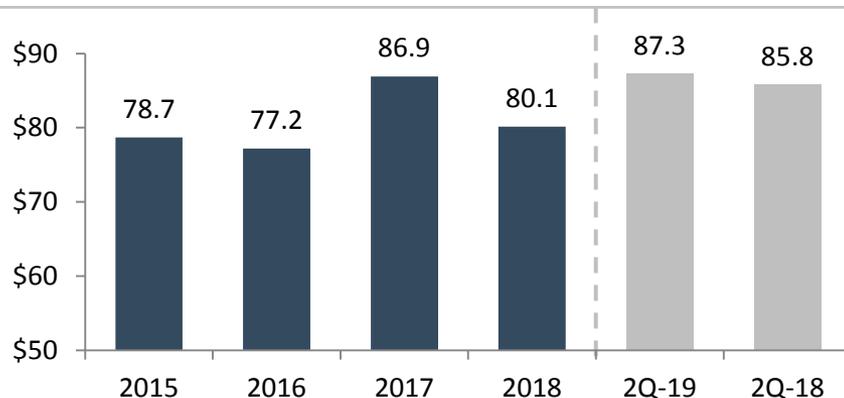
- Hedge Funds and Fund-of-Funds
- Private Equity
- Private Market Opportunity, recently launched to source investments across the private markets continuum

| Financial Snapshot (\$mm) | 2Q-19 | 2Q-18 | % Change |
|---------------------------|----------|----------|----------|
| Revenue | \$ 180.6 | \$ 174.3 | 4.9% |
| Pre-tax Income | \$ 48.7 | \$ 37.5 | 30.1% |
| Profit Margin | 27.0% | 21.5% | 25.5% |
| # of Financial Advisors | 1,036 | 1,083 | |

Q2-19 Highlights

- ✓ Client AUA were \$87.3 billion at 6/30/19 compared with \$80.1 billion at 12/31/18, an increase of 9.0%
- ✓ AUM increased 5.2% to \$30.2 billion at 6/30/19, a record high, when compared to \$28.7 billion at 6/30/18
- ✓ Wealth Management profit margin of 27.0%
- ✓ Bank Deposit Sweep Income was \$31.8 million in 2Q-19, up 10.3% compared to 2Q-18

Client Assets Under Administration (\$bn)



Client Assets Per Financial Advisor (\$mm)



* Wealth Management includes both Private Client and Asset Management divisions.

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

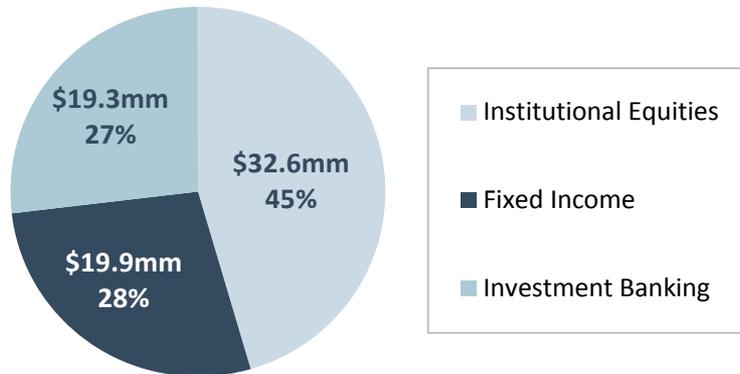
- Mergers & Acquisitions
- Equity Capital Markets
- Debt Capital Markets
- Restructuring & Special Situations

FIXED INCOME

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

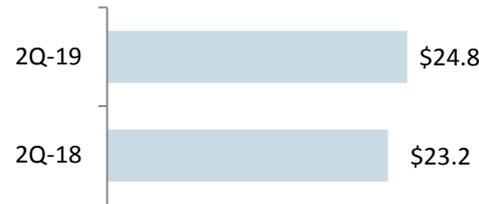
(In \$millions)

2Q-19 Capital Markets Revenue Breakdown (\$71.8mm)



(In \$millions)

Institutional Equities Commissions



Equity Underwriting Fees



Advisory Fees from IBK



Fixed Income Revenue



Investment Banking Focus Industries



Select 2Q-19 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

\$30,777,571



*Healthcare
US IPO
Joint Bookrunner*

April 2019

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 |
| Broker-Dealer Regulatory Capital (\$ in thousands) | |
| Regulatory Net Capital: | \$201,694 |
| Regulatory Excess Net Capital: | \$184,985 |

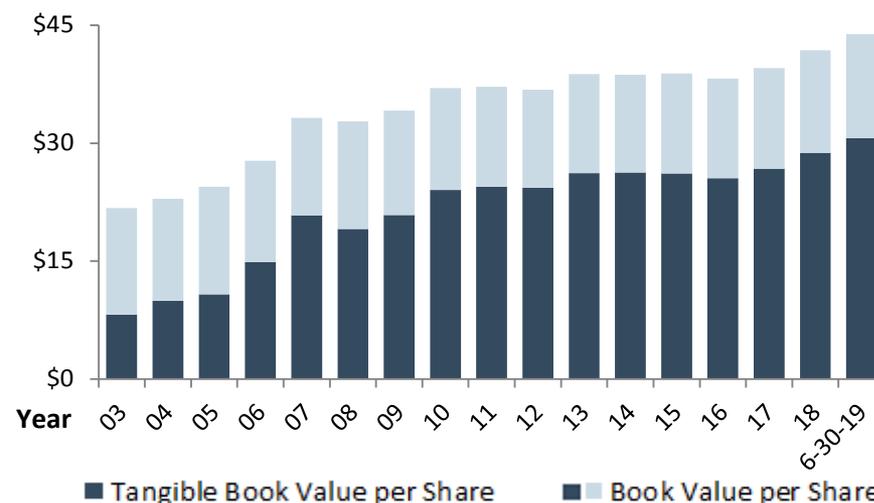
* Pro-forma for \$50 million partial redemption due to take place on 8/25/19.

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

Liquidity & Capital

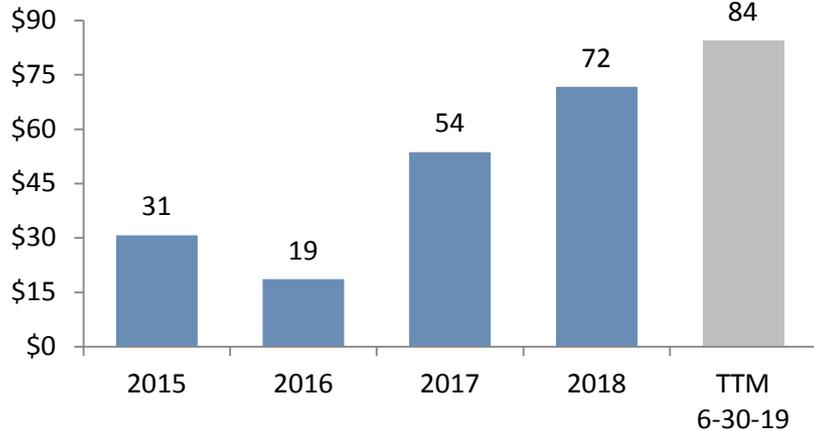
- Announced partial redemption of 6.75% Senior Secured Notes which will take place on August 25, 2019
- Participation in ARS issuer tender offer will result in \$20 million in additional liquidity in the 3Q-19
- "Level 3" assets reduced to zero for the first time in over a decade
- Purchased 167,209 shares of common stock under share repurchase program during 2Q-19 for \$4.3 million at an average share price of \$25.82
- Announced an increase in quarterly dividend on common stock from \$0.11 to \$0.12 per share, a 9.1% increase

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

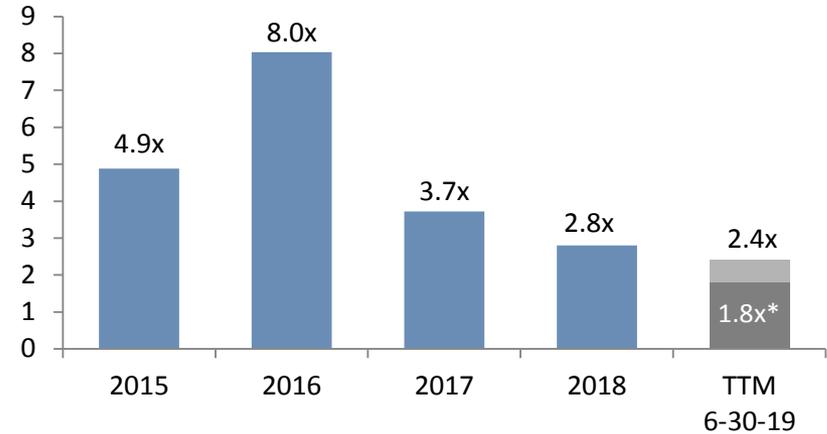


Historical Financial Ratios

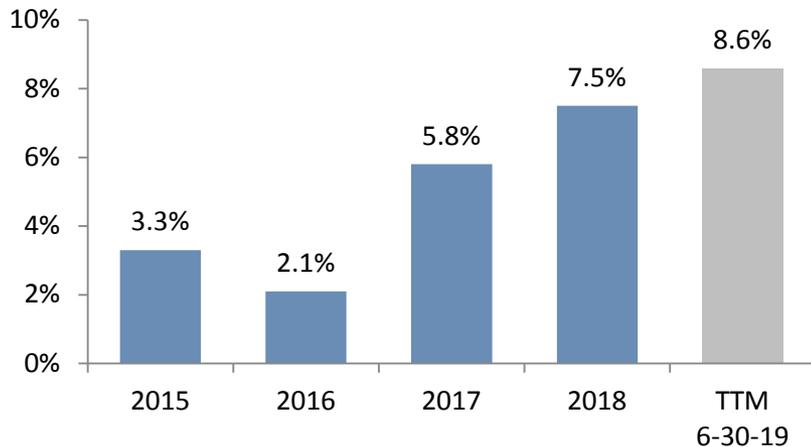
Consolidated Adjusted EBITDA (\$mm)



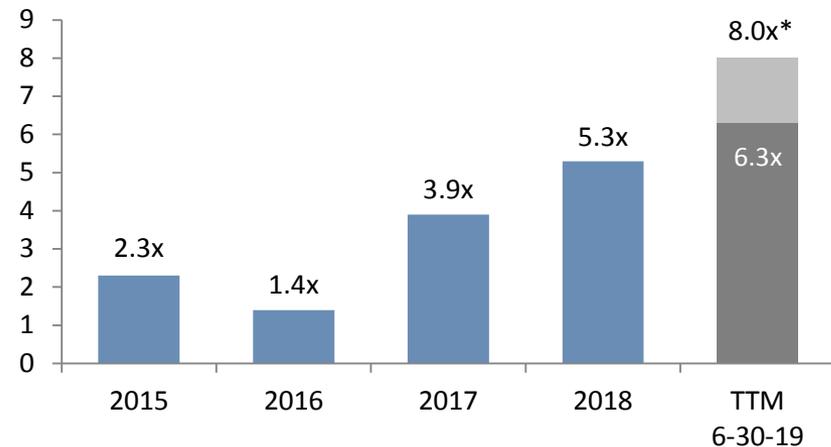
Long-Term Debt to Consolidated Adjusted EBITDA (x)



Consolidated Adjusted EBITDA Margin (%)



Interest Coverage (x)



* Pro-forma for \$50 million partial redemption due to take place on 8/25/19.



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