



OPPENHEIMER HOLDINGS INC.

First Quarter 2020 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, 2019 filed with the SEC on March 2, 2020 (the “2019 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’” and Part II, “Item IA. Risk Factors” of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 filed with the SEC on May 1, 2020 (“2020 10-Q1”). Any forward-looking statements herein are qualified in their entirety by reference to all such factors discussed in the 2019 10-K, the 2020 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 3/31/20)

Listed NYSE Ticker: **OPY**

Shareholders' Equity (\$M): **\$587.0**

Market Cap (\$M): **\$256.6**

Book Value per Share: **\$46.16**

Tangible Book Value per Share: **\$32.79**

Share Price: **\$19.76**

Employees: **2,946**

of Financial Advisors: **1,029**

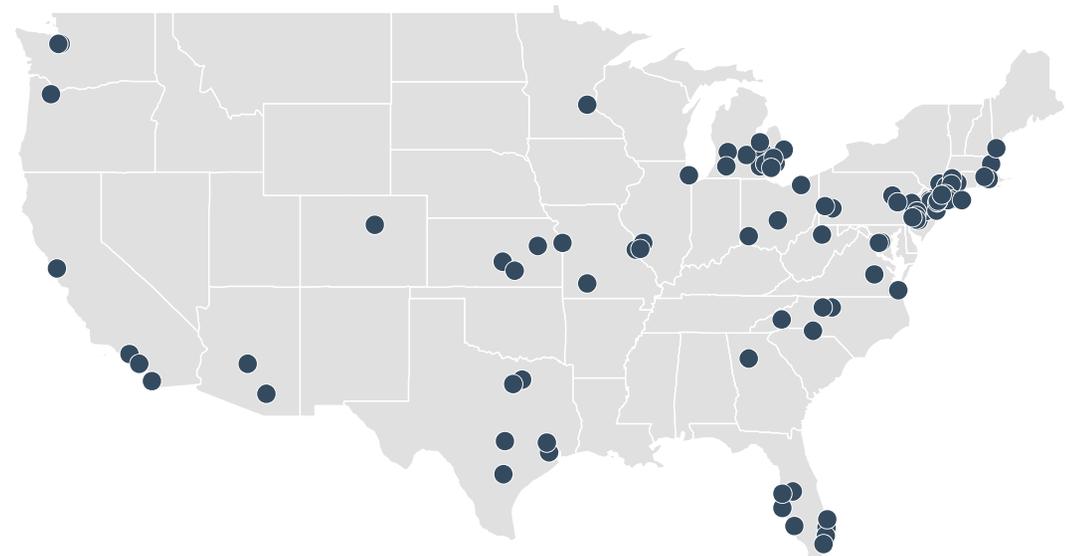
Retail Branches in the US: **93**

Client Assets under Administration (\$B): **\$79.1**

Assets Under Management (\$B): **\$28.0**

\$1.02 billion
Revenue for TTM 3-31-20

\$49.6 million
Net Income for TTM 3-31-20



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



- Tel Aviv, Israel



- Hong Kong, China

SUMMARY OPERATING RESULTS: 1Q-20 (UNAUDITED)



(\$000's)	For the 3-Months Ended		
	3-31-20	3-31-19	% Change
REVENUE			
Commissions	\$ 103,249	\$ 79,409	23.1%
Advisory fees	86,164	73,647	14.5%
Investment banking	25,728	28,043	-9.0%
Bank deposit sweep income	18,826	33,968	-80.4%
Interest	10,890	12,727	-16.9%
Principal transactions, net	(868)	11,438	*
Other	(9,219)	12,538	*
Total Revenue	234,770	251,770	-7.2%
EXPENSES			
Compensation and related expenses	157,676	160,355	-1.7%
Non-Compensation related expenses	66,871	75,363	-12.7%
Total Expenses	224,547	235,718	-5.0%
Pre-tax Income	10,223	16,052	-57.0%
Net income	\$ 7,818	\$ 11,194	43.2%
Basic net income per share	\$0.61	\$0.86	41.0%
Diluted net income per share	\$0.58	\$0.81	39.7%

Highlights

- Commissions higher due to clients repositioning their portfolios during market volatility related to COVID-19 pandemic
- Advisory fees higher based on record client assets under management at year-end 2019
- Lower short-term interest rates negatively impacted bank deposit sweep income
- Small trading losses due primarily to widening spreads in non-investment grade bonds and the dislocation in the municipal credit markets
- Other revenue decreased primarily due to decreases in value of assets supporting company-owned life insurance policies used to hedge deferred compensation obligations
- Compensation as a percentage of revenue was 67.2% in 1Q-20 compared to 63.7% in 1Q-19

* Percentage not meaningful.

COVID-19 PANDEMIC:

- COVID-19 quickly spread in the U.S. with cases reaching more than one million and more than 60,000 deaths (Apr 30th)
- States enforced regulatory mandates such as closures of non-essential businesses, "shelter-in place", school closures, and social distancing
- New York hit particularly hard with over 300,000 cases (Apr 30th)

FINANCIAL AND ECONOMIC IMPACT:

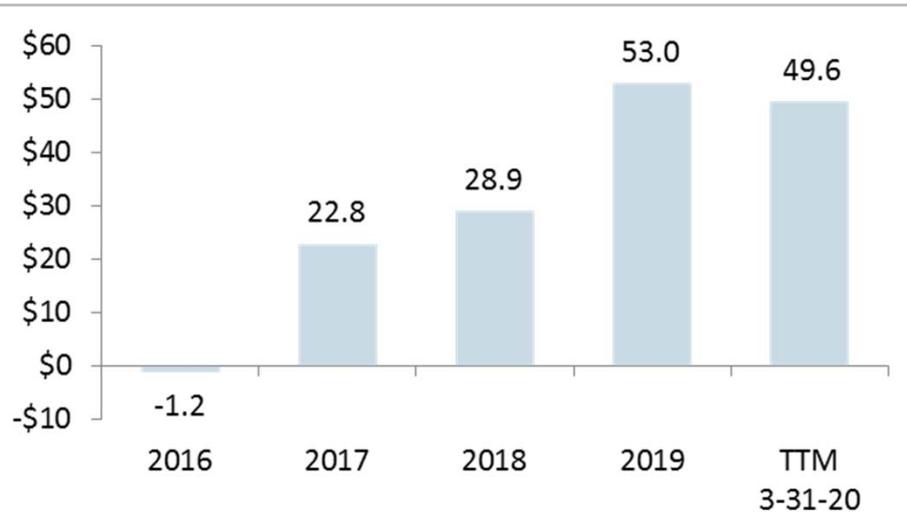
- Widespread fall-out as market volatility increased, credit quality deteriorated, liquidity concerns mounted, unemployment quickly ramped up, and supply and demand issues heightened
- S&P 500 down almost 34% from its all-time high of 3386 on February 19, 2020 to March low point
- Federal Reserve cut short-term interest rates by a total of 150bps along with a \$700 billion quantitative easing program
- The effective fed funds rate stood at 8bps on March 31, 2020 with a target range of 0bps to 25bps
- Bond market experienced a flight to safety as COVID-19 impact concerns caused declines in investment grade, high-yield corporate, municipals, and emerging markets debt
- Global oversupply of oil put pressure on oil prices which ended the quarter at \$20.28 a barrel
- U.S. 10-Year Treasury bond yields dropped to a historical intraday-low of .32% during March

IMPACT ON OPPENHEIMER 1Q-20 RESULTS:

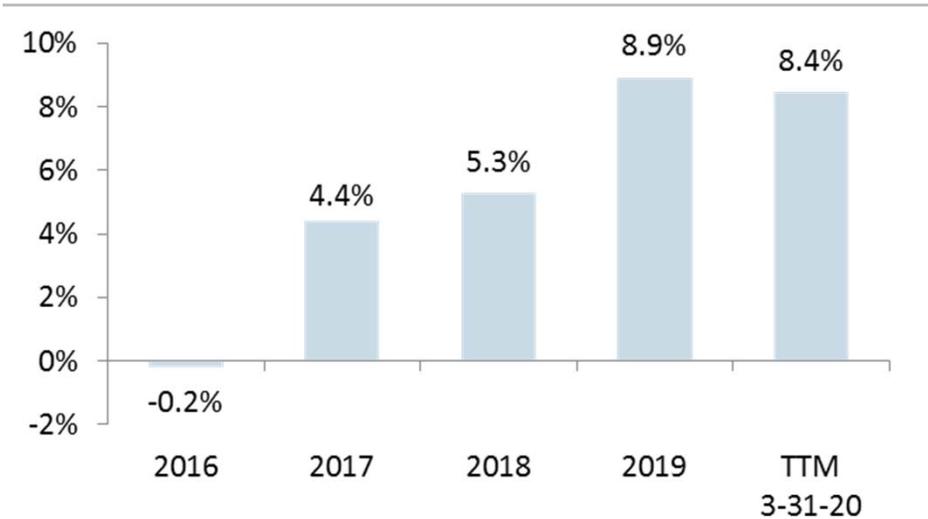
- Commission revenue ended the period up substantially (30%) due to transaction-based commissions on both the retail and institutional sides as clients repositioned their portfolios
- Asset management fees were up 17% during the 1Q-20 due to record high asset values of client portfolios as of year-end 2019
- Largest impact on results for the 1Q-20 was the decrease in short-term interest rates, resulting in a decline of bank deposit sweep income of \$15.1 million from the 1Q-19
- Investment banking was down 8% due to COVID-19 pandemic's effect on clients' risk appetite and the resulting cancellation of active mandates
- Trading losses of less than \$1 million due to firm's strong risk management amid reduced trading exposures
- Government-mandated shutdowns remain a major concern going into the second quarter with no certainty of when restrictions will be lifted or when the economy may resume a normal pattern of growth

SELECT FINANCIAL MEASURES

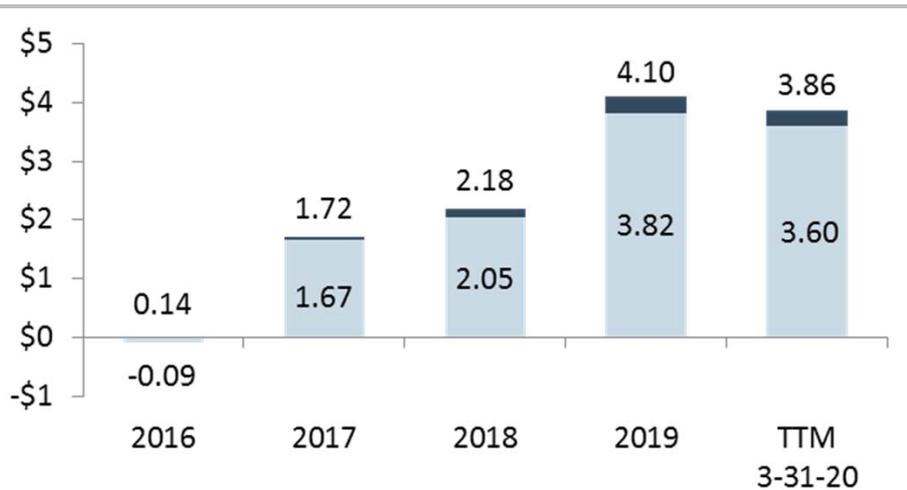
Net Income (\$M)



Return on Equity (%)

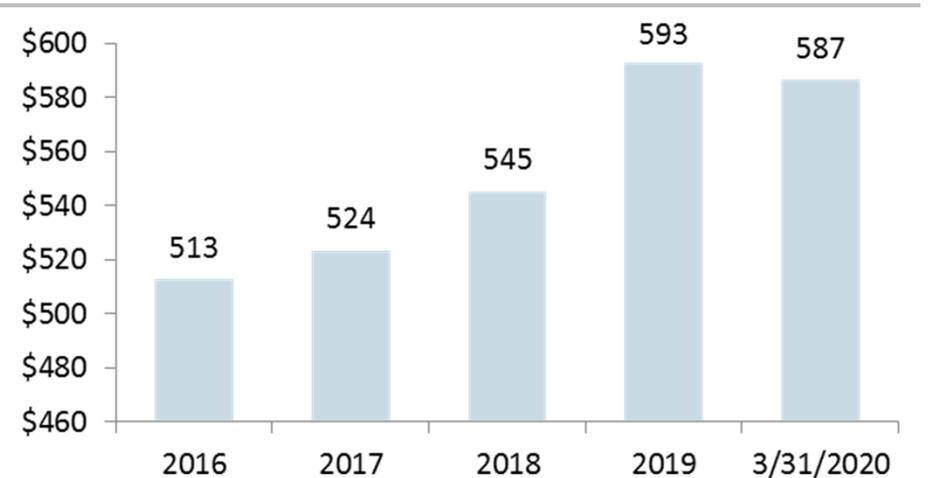


Earnings per Share (\$)



■ EPS - Diluted ■ EPS - Basic

Shareholders' Equity



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

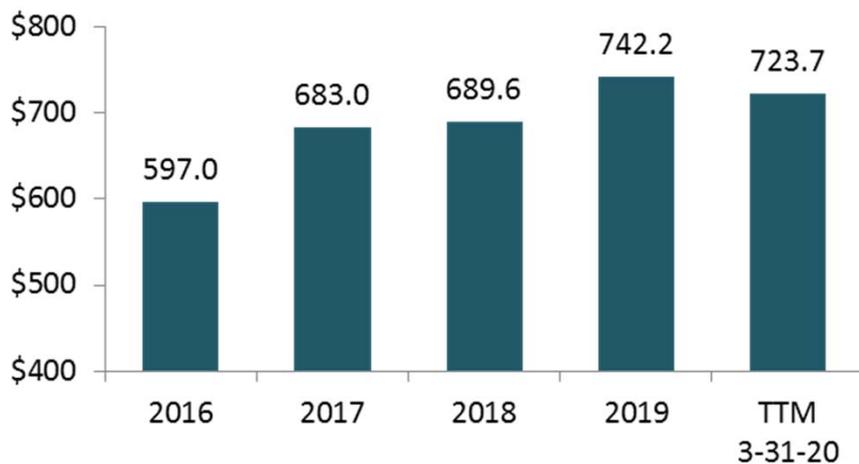
ADVISORY SERVICES

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

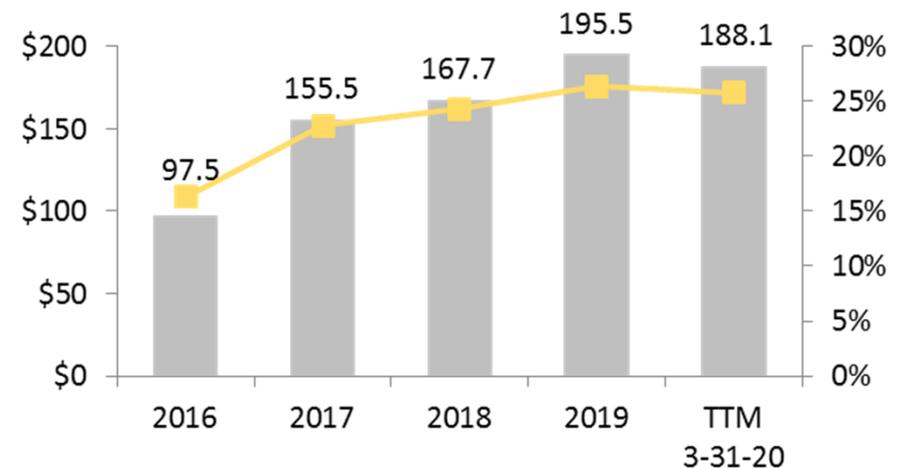
ALTERNATIVE INVESTMENTS

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

Wealth Management Revenue (\$M)



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



Key Business Metrics

1,029

Financial Advisors

At 3/31/20

\$79.1B

Assets under Administration

At 3/31/20

\$28.0B

Assets under Management

At 3/31/20

\$1.3B

Net Positive Client Asset Inflows

1Q-20

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

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

INSTITUTIONAL EQUITIES

- Sales and Trading
- Equity Research
 - ~40 senior research analysts covering 600+ companies
- Corporate Access (Conferences & NDRs)

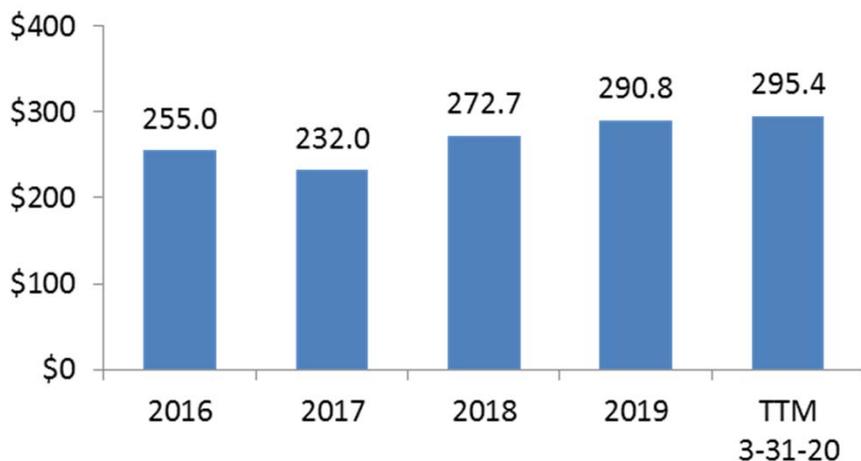
INVESTMENT BANKING

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

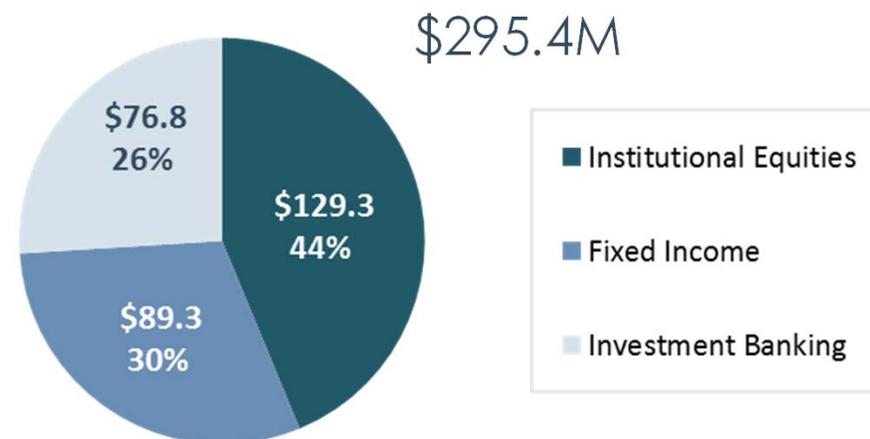
FIXED INCOME

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

Capital Markets Revenue (\$M)



Capital Markets Revenue Breakdown 2019



Investment Banking Focus Industries



SELECT 1Q-20 INVESTMENT BANKING TRANSACTIONS

\$225,000,000



*Transportation & Logistics
Mergers & Acquisitions
Exclusive Financial Advisor*

March 2020

\$126,240,000



*Healthcare
Follow-On
Co-Manager*

March 2020

\$75,000,000



*Healthcare
Confidentially Marketed Public
Offering
Co-Manager*

March 2020

\$82,250,000



*Healthcare
Follow-On
Co-Manager*

February 2020

\$500,000,000



*Healthcare
Follow-On
Co-Manager*

February 2020

\$46,000,000



*Healthcare
Confidentially Marketed Public
Offering
Lead Manager*

February 2020

\$2,250,000,000



*Financial Institutions
IPO
Co-Lead Manager*

January 2020

\$100,000,000



Calidad en Carnes

*Debt Capital Markets
Senior Secure Notes
Sole Book-Runner and Manager*

January 2020

CAPITAL STRUCTURE

Conservative risk profile with strong balance sheet

As of March 31, 2020 (\$ in thousands)	
Total Assets:	\$2,139,633
Shareholders' Equity:	\$586,730
Long-Term Debt:	\$148,600
Total Capitalization:	\$735,330
<hr/>	
Debt to Equity Ratio:	25.3%
Gross Leverage Ratio ⁽¹⁾ :	3.6x
Broker-Dealer Regulatory Capital (\$ in thousands)	
Regulatory Net Capital:	\$250,900
Regulatory Excess Net Capital:	\$224,100

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

Liquidity & Capital

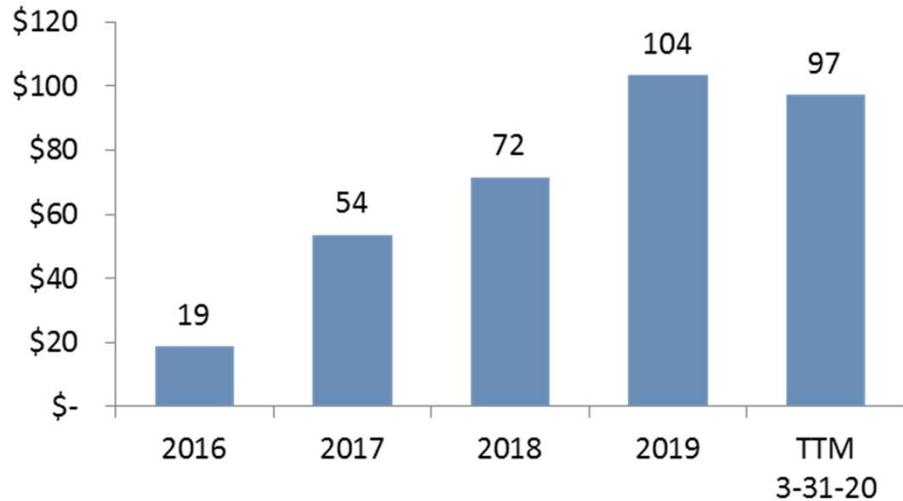
- The Company bought back a total of 409,504 shares for \$8.4 million (average price of \$20.60 per share) during the 1Q-20
- The Company's level 3 assets were \$nil at March 31, 2020 (compared with \$21.8 million at March 31, 2019)
- Regulatory Net Capital and Excess Net Capital at record levels
- During the 1Q-20, the Company redeemed a total of \$1.4 million of its Senior Secured Notes

Book & Tangible Book Value per Share (\$)

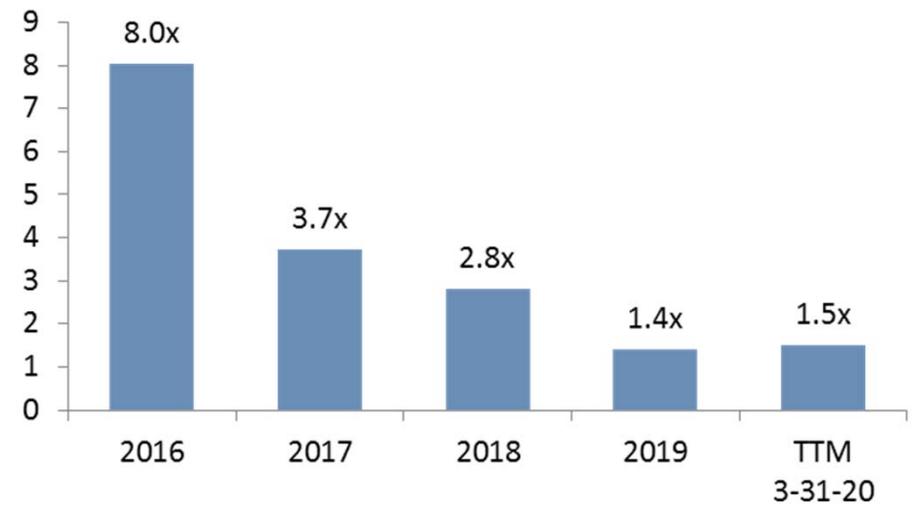


HISTORICAL FINANCIAL RATIOS

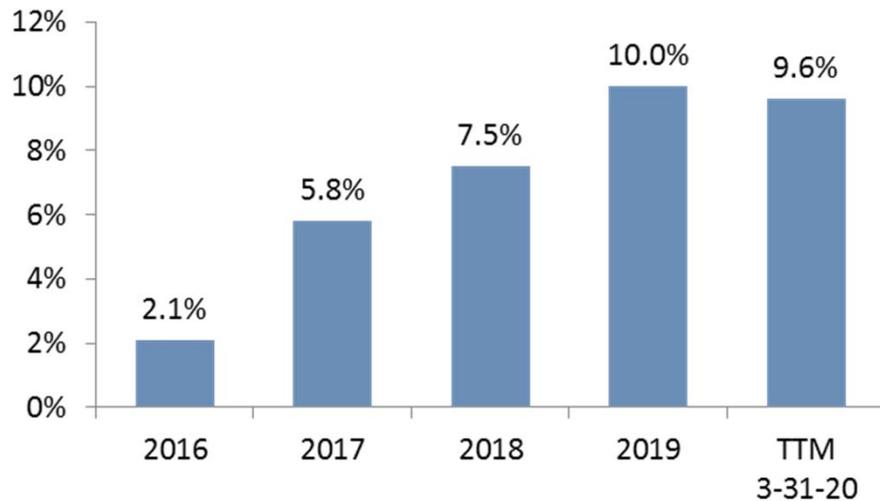
Consolidated Adjusted EBITDA (\$M)



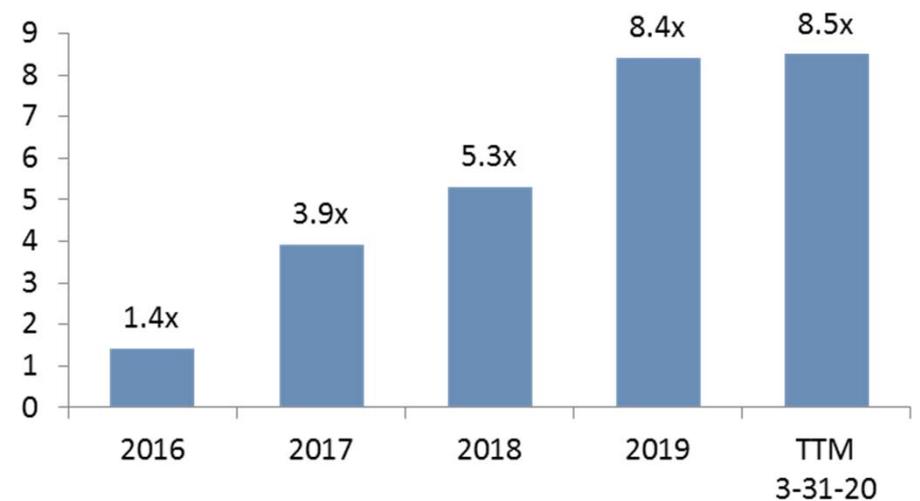
Long-Term Debt to Consolidated Adjusted EBITDA (x)



Consolidated Adjusted EBITDA Margin (%)



Interest Coverage (x)





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