



# Oppenheimer Holdings Inc.

Fourth Quarter and Full Year 2020 Investor Update



# Safe Harbor Statement

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 September 30, 2020 filed with the SEC on October 29, 2020 (“2020 10-Q3”). 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-Q3 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.

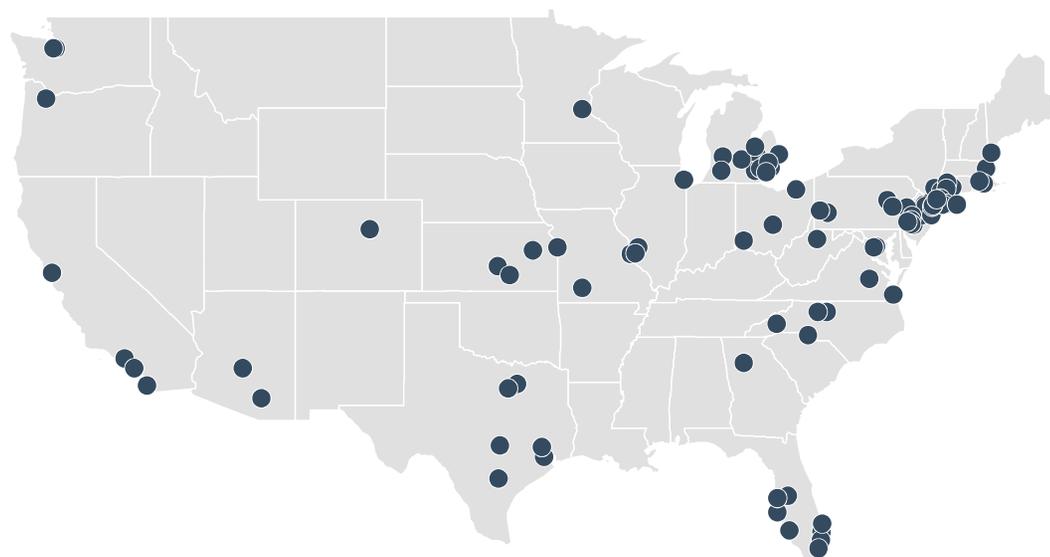
# Business Overview

**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 12/31/20)	
Listed NYSE Ticker:	OPY
Shareholders' Equity (\$M):	\$685.6
Market Cap (\$M):	\$392.3
Book Value per Share:	\$54.93
Tangible Book Value per Share: <sup>(1)</sup>	\$41.31
Share Price:	\$31.43
Earnings per Share (Basic):	\$9.73
Earnings per Share (Diluted):	\$9.30
P/E Ratio (TTM):	3.23
Dividend Yield (TTM): <sup>(2)</sup>	4.70%
Employees:	2,908
# of Financial Advisors:	1,002
Retail Branches in the US:	92
Client Assets under Administration (\$B):	\$104.8
Assets Under Management (\$B):	\$38.8

**\$1.2** billion  
Revenue in 2020

**\$123.0** million  
Net Income in 2020



**Europe**

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



**Middle East**

- Tel Aviv, Israel



**Asia**

- 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 paid on December 30, 2020 to holders of Class A non-voting and Class B voting common stock.

# Fourth Quarter and Full Year 2020 Financial Highlights



**\$1.2**  
Billion  
**Revenue**  
FY 2020

Record gross revenue for the fourth quarter and full year

**↑ 132%**  
**Net**  
**Income**  
YoY

Record pre-tax income and net income for the fourth quarter and full year

**↑ 137%**  
**Basic**  
**EPS**  
YoY

Record basic and diluted earnings per share for the fourth quarter and full year

**\$130.3**  
Million  
**Revenue**  
FY 2020

Record revenue and earnings for the fourth quarter and full year in Asset Management segment

**\$426.8**  
Million  
**Revenue**  
FY 2020

Record revenue and earnings in Capital Markets segment for the fourth quarter and full year

**\$685.6**  
Million  
At  
12/31/20

Shareholders' Equity reached a record as of December 31, 2020

**\$54.93**  
**BVPS**  
**\$41.31**  
**TBVPS**

Book value and tangible book value per share reached record levels at December 31, 2020

**\$104.8B**  
**CAUA**  
**\$34.8B**  
**AUM**

Client assets under administration and under management were both at record levels at December 31, 2020

# Summary Operating Results: 4Q-20 (Unaudited)



(\$000's)

For the 3-Months Ended

REVENUE	12-31-20	12-31-19	% Change
Commissions	\$ 97,971	\$ 81,182	20.7%
Advisory fees	204,521	118,430	72.7%
Investment banking	84,139	44,364	89.7%
Bank deposit sweep income	4,262	22,730	-81.2%
Interest	8,827	12,102	-27.1%
Principal transactions, net	8,975	8,005	12.1%
Other	14,213	9,068	56.7%
<b>Total Revenue</b>	<b>422,908</b>	<b>295,881</b>	<b>42.9%</b>
<b>EXPENSES</b>			
Compensation and related expenses	244,073	190,292	28.3%
Non-Compensation related expenses	65,040	70,616	-7.9%
<b>Total Expenses</b>	<b>309,113</b>	<b>260,908</b>	<b>18.5%</b>
Pre-tax Income	113,795	34,973	225.4%
<b>Net income</b>	<b>\$ 81,880</b>	<b>\$ 25,435</b>	<b>221.9%</b>

<b>Earnings per share (Basic)</b>	\$ 6.56	\$ 1.99	<b>229.6%</b>
<b>Earnings per share (Diluted)</b>	\$ 6.17	\$ 1.84	<b>235.3%</b>

## Highlights

- Record revenue and operating results for the quarter were primarily due to significantly higher investment banking income and incentive fees from our sponsorship of alternative investments
- Retail and institutional commissions higher driven by elevated volatility and increased client participation during the quarter
- Advisory fees increased due to record incentive fees as well as increased management fees due to higher assets under management
- The Investment Banking division had its best quarter due to significantly higher equities underwriting fees and an increase in M&A fees
- Lower short-term interest rates negatively impacted bank deposit sweep income
- Compensation expense as a percentage of revenue was lower at 57.7% during the current period versus 64.3% the same period last year
- Non-compensation expenses were lower primarily due to lower interest, legal and regulatory, and travel and entertainment costs during the current period versus the same period last year

# Summary Operating Results: YTD 12/31/20 (Unaudited)



(\$000's)

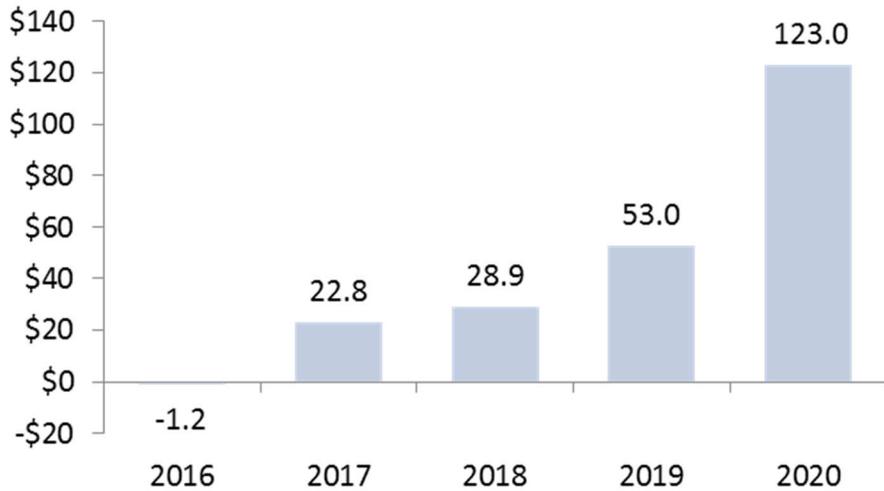
REVENUE	For the Year Ended		
	12-31-20	12-31-19	% Change
Commissions	\$ 395,097	\$ 320,114	23.4%
Advisory fees	455,261	353,671	28.7%
Investment banking	222,298	126,211	76.1%
Bank deposit sweep income	34,829	117,422	-70.3%
Interest	33,477	50,723	-34.0%
Principal transactions, net	27,874	30,094	-7.4%
Other	29,831	35,144	-15.1%
<b>Total Revenue</b>	<b>1,198,667</b>	<b>1,033,379</b>	<b>16.0%</b>
<b>EXPENSES</b>			
Compensation and related expenses	770,997	657,714	17.2%
Non-Compensation related expenses	258,670	300,753	-14.0%
<b>Total Expenses</b>	<b>1,029,667</b>	<b>958,467</b>	<b>7.4%</b>
Pre-tax Income	169,000	74,912	125.6%
<b>Net income</b>	<b>\$ 122,986</b>	<b>\$ 52,953</b>	<b>132.3%</b>
<b>Earnings per share (Basic)</b>	<b>\$ 9.73</b>	<b>\$ 4.10</b>	<b>137.3%</b>
<b>Earnings per share (Diluted)</b>	<b>\$ 9.30</b>	<b>\$ 3.82</b>	<b>143.5%</b>

## Highlights

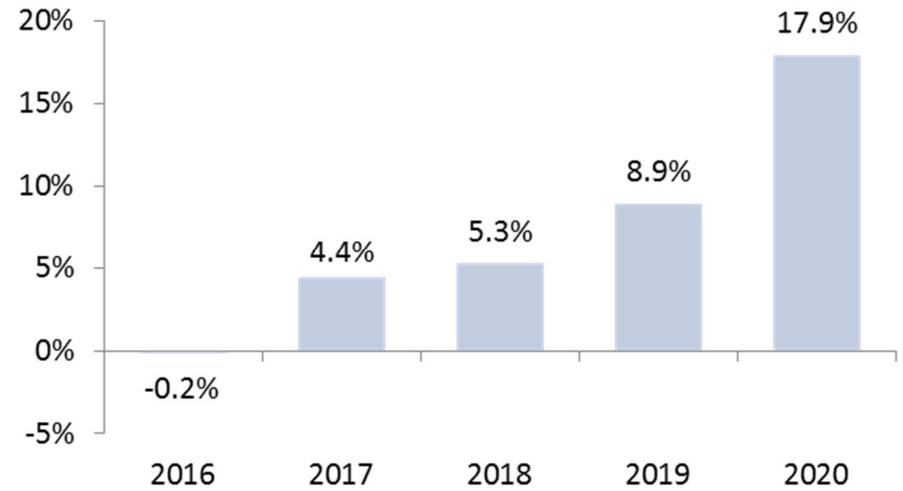
- Record revenue and operating results for the year were primarily due to significantly higher investment banking income and incentive fees from our sponsorship of alternative investments
- Retail and institutional commissions higher driven by elevated volatility and increased client participation during the year
- Advisory fees increased due to record incentive fees as well as increased management fees due to higher assets under management
- Investment banking had a record year driven by higher equity underwriting revenue and increased M&A activity
- Lower short-term interest rates negatively impacted bank deposit sweep income
- Other revenue decreased primarily due to decreases in the cash surrender value of Company-owned life insurance policies
- Compensation expense as a percentage of revenue was higher at 64.3% during the current year versus 63.6% last year
- Non-compensation expenses were lower primarily due to lower interest costs as well as lower legal and regulatory, travel and entertainment, and conference costs

# Select Financial Measures

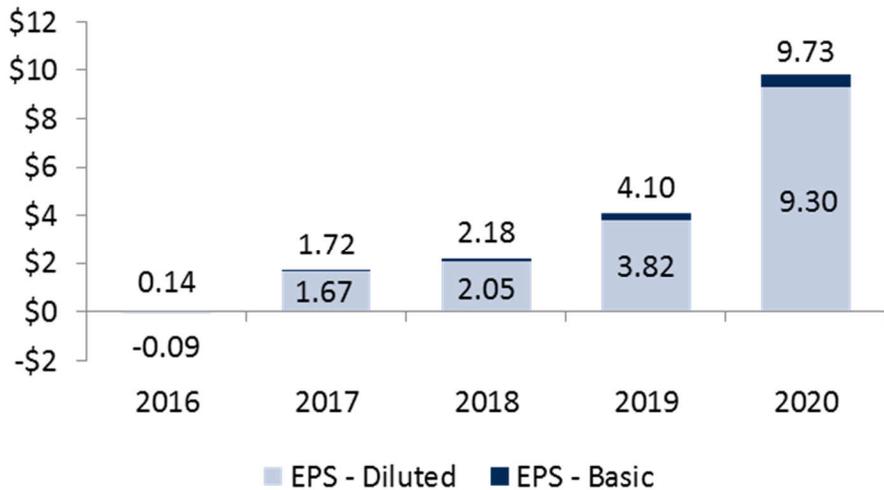
### Net Income (\$M)



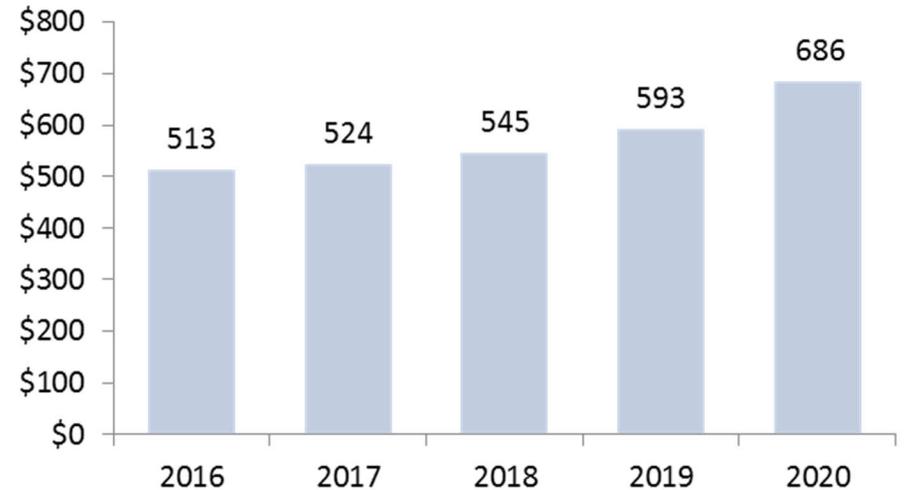
### Return on Equity (%)



### Earnings per Share (\$)



### Shareholders' Equity (\$M)



# Segment Results (Unaudited)



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

	<u>4Q-20</u>	<u>4Q-19</u>	<u>% Δ</u>		<u>FY-20</u>	<u>FY-19</u>	<u>% Δ</u>
<b>Private Client<sup>(1)</sup></b>							
Revenue	\$ 217,743	\$ 175,900	23.8%		\$ 642,083	\$ 653,409	-1.7%
Pre-Tax Income	\$ 39,362	\$ 42,416	-7.2%		\$ 122,844	\$ 163,917	-25.1%
Assets Under Administration (\$Bn)	\$ 104.8	\$ 91.0	15.2%		\$ 104.8	\$ 91.0	15.2%
<b>Asset Management</b>							
Revenue	\$ 72,851	\$ 35,179	107.1%		\$ 130,274	\$ 88,755	46.8%
Pre-Tax Income	\$ 56,911	\$ 19,114	197.7%		\$ 71,625	\$ 31,606	126.6%
Asset Under Management (\$Bn)	\$ 38.8	\$ 32.1	20.9%		\$ 38.8	\$ 32.1	20.9%
<b>Capital Markets</b>							
Revenue	\$ 131,651	\$ 83,982	56.8%		\$ 426,752	\$ 290,830	46.7%
Pre-Tax Income (Loss)	\$ 41,894	\$ (2,891)	*		\$ 83,442	\$ (13,724)	*

• Percentage not meaningful.

(1) Private Client Division revenue and pre-tax income negatively impacted by a decrease in bank deposit sweep income and margin revenue of 60.8% or \$91.7 million from 2019 to 2020.

# 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

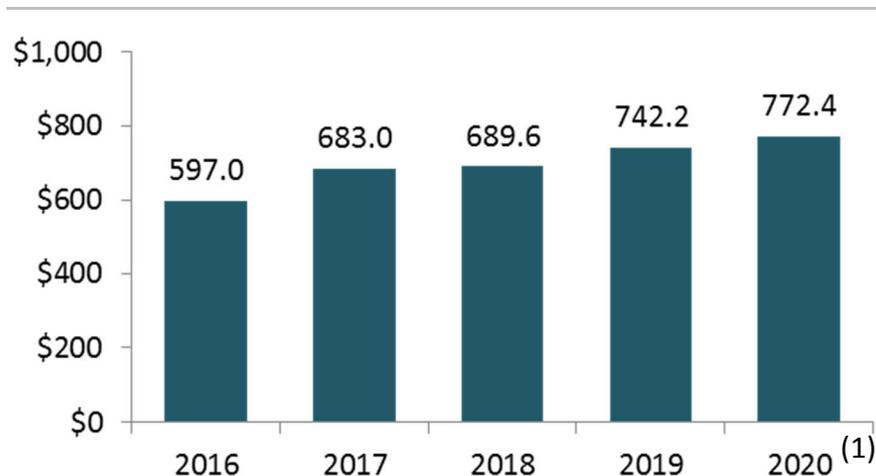
## ADVISORY SERVICES

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

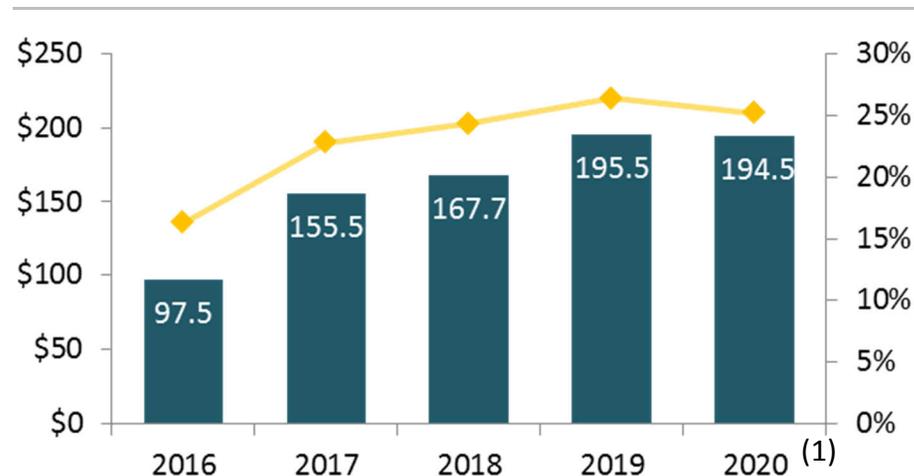
## ALTERNATIVE INVESTMENTS

- Hedge Funds & 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 (%)



**1,002**

Financial Advisors

At 12/31/20

**\$104.8B**

Assets under Administration

At 12/31/20

**\$38.8B**

Assets under Management

At 12/31/20

**\$663 million**

Net Positive Client Asset Inflows

In 2020

**\$111 million**

Incentive Fees from Alternative Investments

In 2020

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

(1) Private Client Division revenue and pre-tax income negatively impacted by a decrease in bank deposit sweep income and margin revenue of 60.8% or \$91.7 million from 2019 to 2020.

# Capital Markets

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)

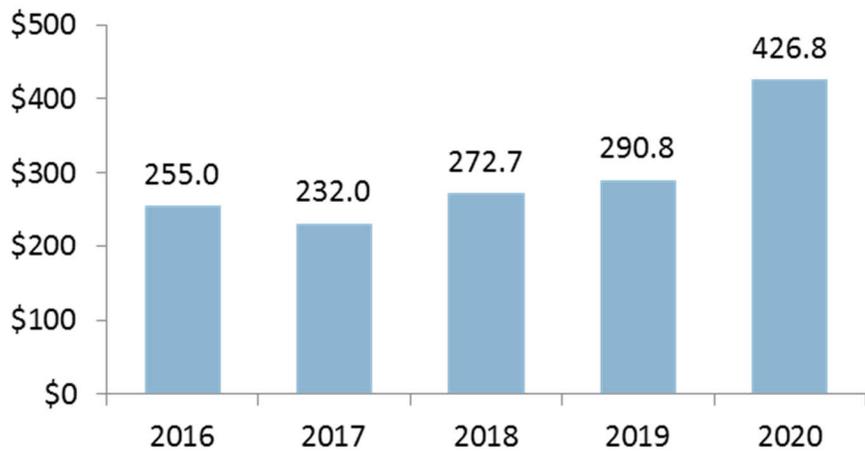
**INVESTMENT BANKING**

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

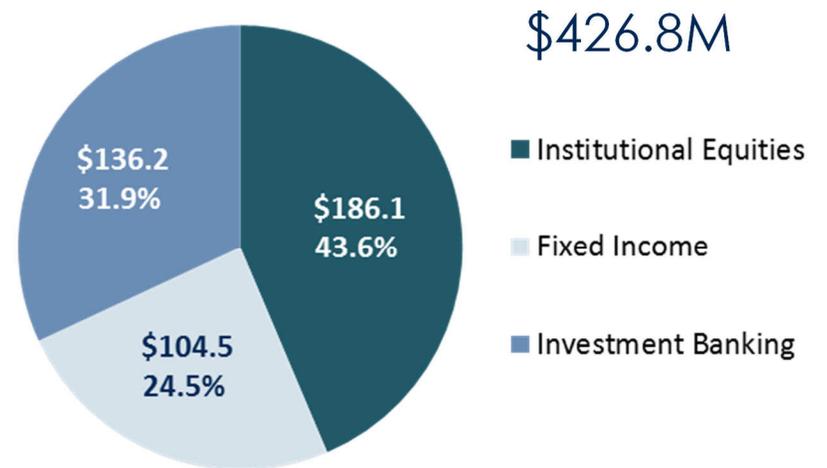
**FIXED INCOME**

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

**Capital Markets Revenue (\$M)**



**Capital Markets Revenue Breakdown FY 2020**



## Investment Banking Focus Industries



# Select 4Q-20 Investment Banking Transactions

**\$172,500,000**



*Consumer & Retail  
Follow-On  
Lead Bookrunner  
December 2020*

**\$230,000,000**

**Rodgers Silicon Valley  
Acquisition Corp.**

*Technology  
Initial Public Offering  
Sole Bookrunner  
December 2020*

**\$275,800,000**



*Healthcare  
Follow-On  
Lead Manager  
December 2020*

**\$3,490,000,108**



*Technology  
Initial Public Offering  
Co-Manager  
December 2020*

**\$61,700,000**



**Rental Services**  
*Sale of Vanguard Modular  
Building Systems, LLC to*



*Exclusive Financial Advisor*

November 2020

**\$115,000,000**



*Financial Institutions  
SPAC Initial Public Offering  
Sole Bookrunner*

November 2020

**\$125,000,000**



*Technology  
Convertible Senior Notes  
Sole Advisor*

November 2020

**\$475,000,000**



*Financial Institutions  
Initial Public Offering  
Senior Co-Lead Manager*

November 2020

**\$1,913,600,000**



*Technology  
Follow-On  
Joint Bookrunner*

October 2020

**\$1,325,000,000**



*Financial Institutions  
Initial Public Offering  
Senior Co-Lead Manager*

October 2020

**\$128,250,000**



*Healthcare  
Initial Public Offering  
Lead Manager*

October 2020

**\$197,706,708**



*Technology  
Follow-On  
Joint Bookrunner*

October 2020

# Capital Structure

Conservative risk profile with strong balance sheet

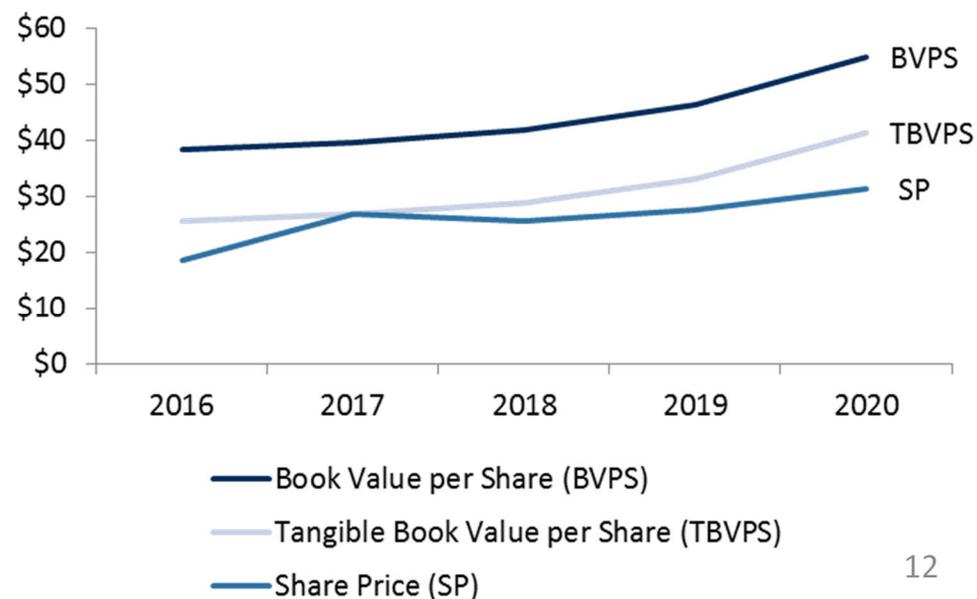
As of December 31, 2020 (\$ in thousands)	
Total Assets:	\$2,713,942
Shareholders' Equity:	\$685,621
Long-Term Debt:	\$125,000
Total Capitalization:	\$810,621
<b>Debt to Equity Ratio: 18.2%</b>	
Gross Leverage Ratio <sup>(1)</sup> :	3.96x
Broker-Dealer Regulatory Capital (\$ in thousands)	
Regulatory Net Capital:	\$274,539
Regulatory Excess Net Capital:	\$250,102

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

## Liquidity & Capital

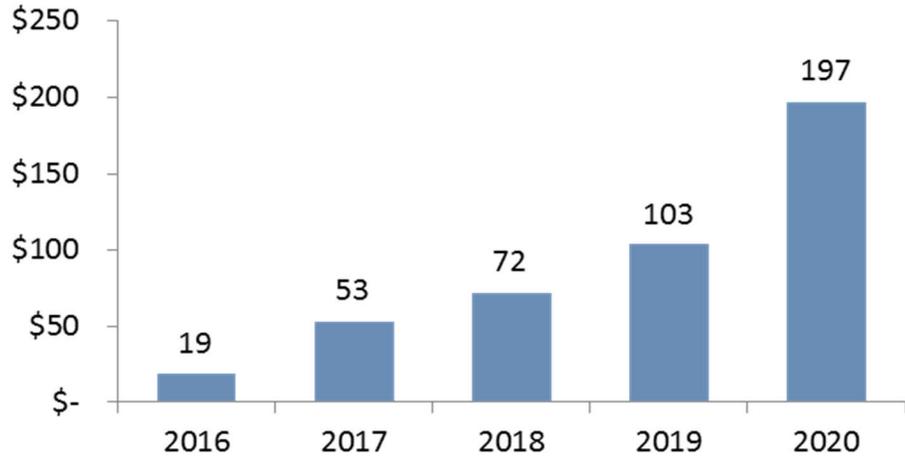
- Shareholders' equity reached a record high \$685.6 million on December 31, 2020
- Book value (\$54.93) and tangible book value per share (\$41.31) reached record levels at December 31, 2020
- The Company bought back a total of 718,522 shares of its Class A Non-Voting Common Stock for \$15 million (average price of \$20.94 per share) during 2020
- The Company paid a special dividend of \$1.00 per share to holders of Class A non-voting and Class B voting common stock on December 30, 2020 or \$12.5 million bringing total 2020 dividends to \$1.48 per share compared to \$0.48 per share in 2019
- Level 3 assets, comprised of auction rate securities, were \$30.7 million as of December 31, 2020

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

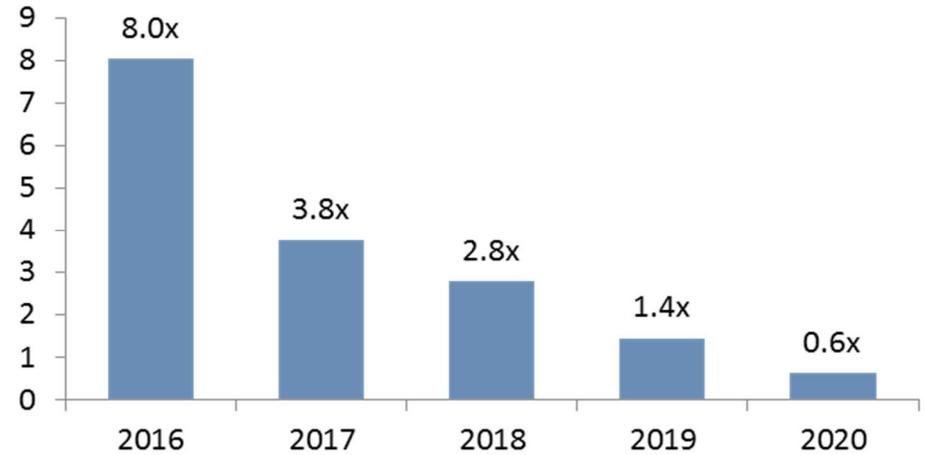


# Historical Financial Ratios

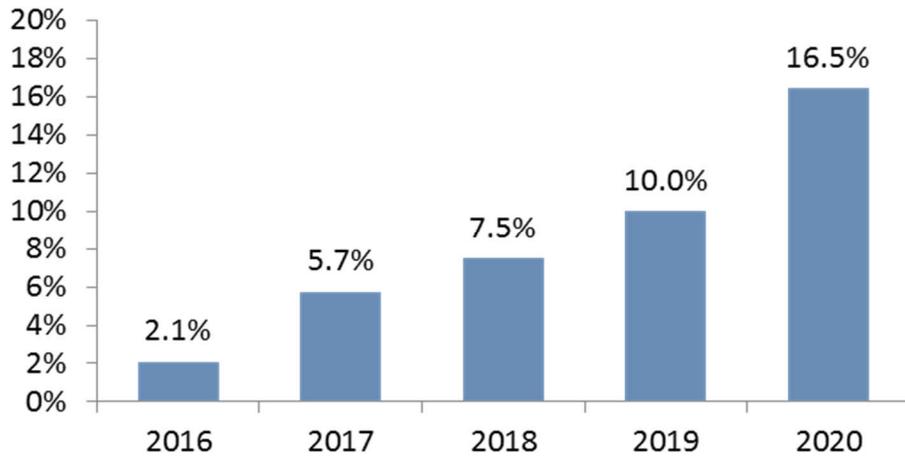
**Consolidated Adjusted EBITDA (\$M)**



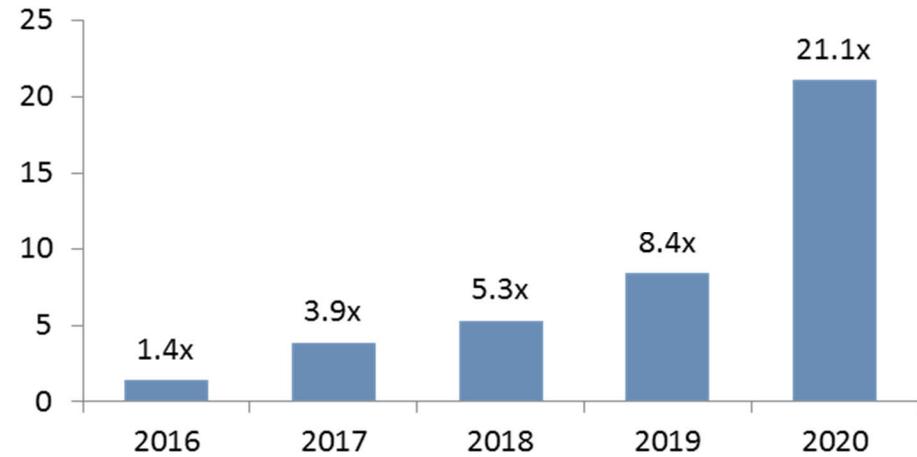
**Long-Term Debt to Consolidated Adjusted EBITDA (x)**



**Consolidated Adjusted EBITDA Margin (%)**



**Interest Coverage (x)**





# PPENHEIMER

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