



# Oppenheimer Holdings Inc.

Fourth Quarter and Full Year 2021 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, 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 September 30, 2021 filed with the SEC on October 29, 2021 (“2021 10-Q3”). 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-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

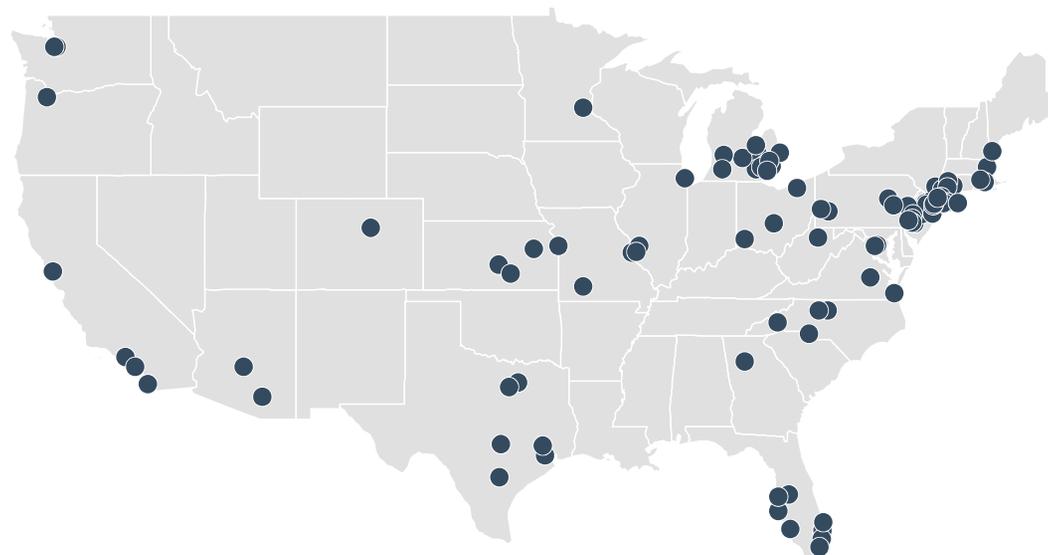
**Oppenheimer** is a leading investment bank and full-service investment firm that provides financial services and advice to high net worth investors, individuals, businesses and institutions.

## Oppenheimer Snapshot (as of 12/31/21)

Listed NYSE Ticker:	OPY
Stockholders' Equity (\$M):	\$823.8
Market Cap (\$M):	\$585.0
Book Value per Share:	\$65.66
Tangible Book Value per Share: <sup>(1)</sup>	\$52.11
Share Price:	\$46.37
2021 Earnings per Share (Basic):	\$12.57
2021 Earnings per Share (Diluted):	\$11.70
P/E Ratio (TTM):	3.69
Dividend Yield (TTM): <sup>(2)</sup>	3.39%
Employees:	2,913
# of Financial Advisors:	996
Retail Branches in the US:	93
Client Assets under Administration (\$B):	\$122.1
Assets Under Management (\$B):	\$46.2

**\$1.4** billion  
Revenue in 2021

**\$159.0** million  
Net Income in 2021



### Europe

- London, UK
- Geneva, Switzerland
- St. Helier, Isle of Jersey
- Munich, 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 per share paid on December 31, 2021 to holders of Class A non-voting and Class B voting common stock.

# Summary Operating Results: 4Q-21 (Unaudited)



(\$000's)

For the 3-Months Ended

REVENUE	12/31/21	12/30/20	% Change
Commissions	\$ 101,076	\$ 97,971	3.2%
Advisory fees	118,798	204,521	-41.9%
Investment banking	117,563	84,139	39.7%
Bank deposit sweep income	3,928	4,262	-7.8%
Interest		8,827	8.4%
Principal transactions, net	4,483	8,975	-50.1%
Other	9,703	14,213	-31.7%
<b>Total Revenue</b>	<b>365,118</b>	<b>422,908</b>	<b>-13.7%</b>
<b>EXPENSES</b>			
Compensation and related expenses	193,787	244,073	-20.6%
Non-Compensation related expenses	79,379	65,040	22.0%
<b>Total Expenses</b>	<b>273,166</b>	<b>309,113</b>	<b>-11.6%</b>
Pre-tax Income	91,952	113,795	-19.2%
9,567			
<b>Net income</b>	<b>\$ 62,897</b>	<b>\$ 81,880</b>	<b>-23.2%</b>

<b>Earnings per share (Basic)</b>	\$ 4.99	\$ 6.56	<b>-23.9%</b>
<b>Earnings per share (Diluted)</b>	\$ 4.61	\$ 6.17	<b>-25.3%</b>

## Highlights

The comparison of revenue for the 4Q-21 to the 4Q-20 was significantly impacted by a reduction in incentive fee income from alternative investments of **\$109.4 million**

Record revenue and earnings in Capital Markets segment for the 4Q-21 was driven by record investment banking results

Compensation expense as a percentage of revenue was lower at **53.1%** during the 4Q-21 vs. **57.7%** in the same period last year

The effective tax rate for the 4Q-21 was **31.6%** compared with **28.0%** for the prior year period

Client assets under administration and management were both at record levels at December 31, 2021

Book value and tangible book value per share reached record levels at December 31, 2021

## Summary Operating Results: 2021 (Unaudited)



(\$000's)

For the 12-Months Ended

REVENUE	12/31/21	12/31/20	% Change
Commissions	\$ 401,607	\$ 395,097	1.6%
Advisory fees	451,197	455,261	-0.9%
Investment banking	433,707	222,298	95.1%
Bank deposit sweep income	15,557	34,829	-55.3%
Interest	36,482	33,477	9.0%
Principal transactions, net	26,147	27,874	-6.2%
Other	29,338	29,831	-1.7%
<b>Total Revenue</b>	<b>1,394,035</b>	<b>1,198,667</b>	<b>16.3%</b>
<b>EXPENSES</b>			
Compensation and related expenses	886,840	770,997	15.0%
Non-Compensation related expenses	282,554	258,670	9.2%
<b>Total Expenses</b>	<b>1,169,394</b>	<b>1,029,667</b>	<b>13.6%</b>
Pre-tax Income	224,641	169,000	32.9%
<b>Net income</b>	<b>\$ 158,964</b>	<b>\$ 122,986</b>	<b>29.3%</b>

<b>Earnings per share (Basic)</b>	\$ 12.57	\$ 9.73	<b>29.2%</b>
<b>Earnings per share (Diluted)</b>	\$ 11.70	\$ 9.30	<b>25.8%</b>

### Highlights

Record revenue of **\$1.4 billion**, net income of **\$159.0 million**, and basic earnings per share of **\$12.57** for the full year 2021

EBITDA compounded annual growth rate (CAGR) of **36.5%** over the period from January 1, 2017 until December 31, 2021

Investment banking revenue increased **95.1%** during the year, driven by higher M&A advisory and equity underwriting revenue

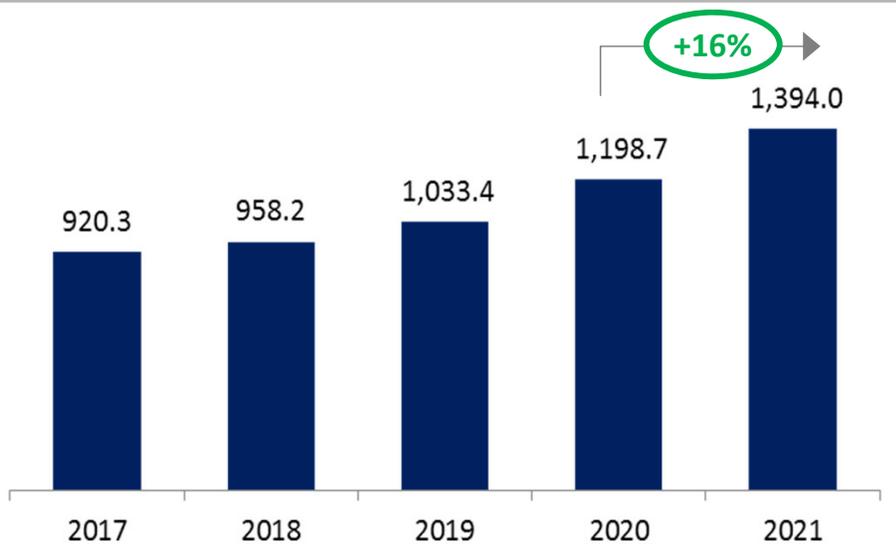
Bank deposit sweep income decreased **\$19.3 million** or **55.3%** from a year ago due to lower short-term interest rates partially offset by higher average cash sweep balances

Compensation expense as a percentage of revenue was lower at **63.6%** during the current year vs. **64.3%** last year

The effective tax rate for the full year 2021 was **29.2%** compared with **27.2%** for the prior year

# Select Financial Measures

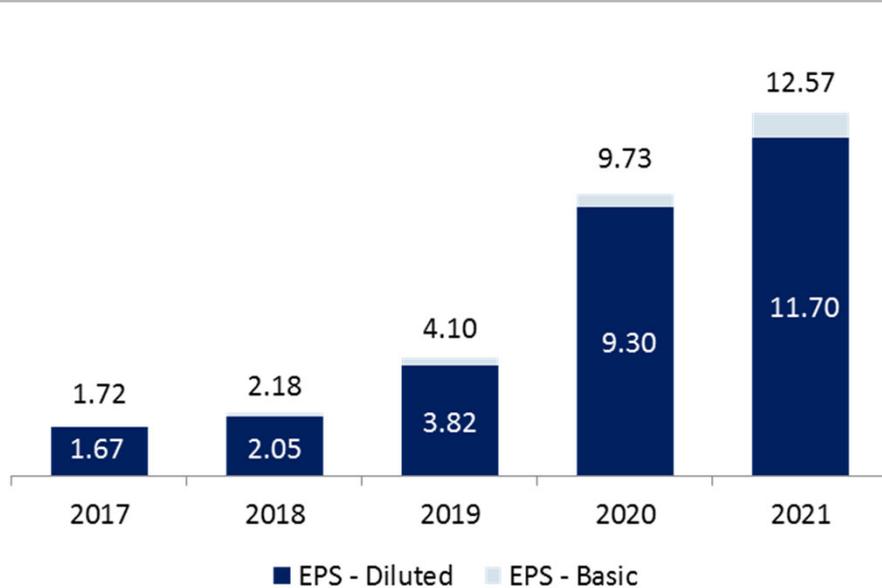
Revenue (\$M)



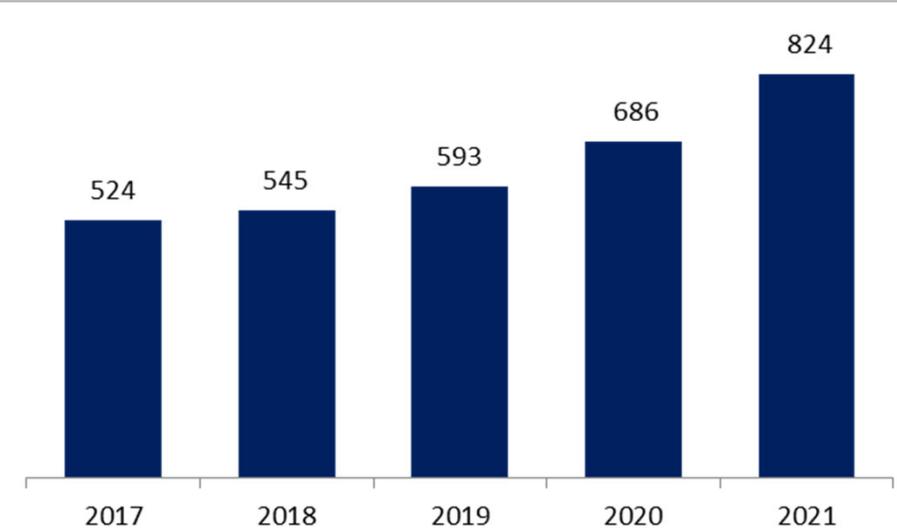
Net Income (\$M)



Earnings per Share (\$)



Stockholders' Equity (\$M)

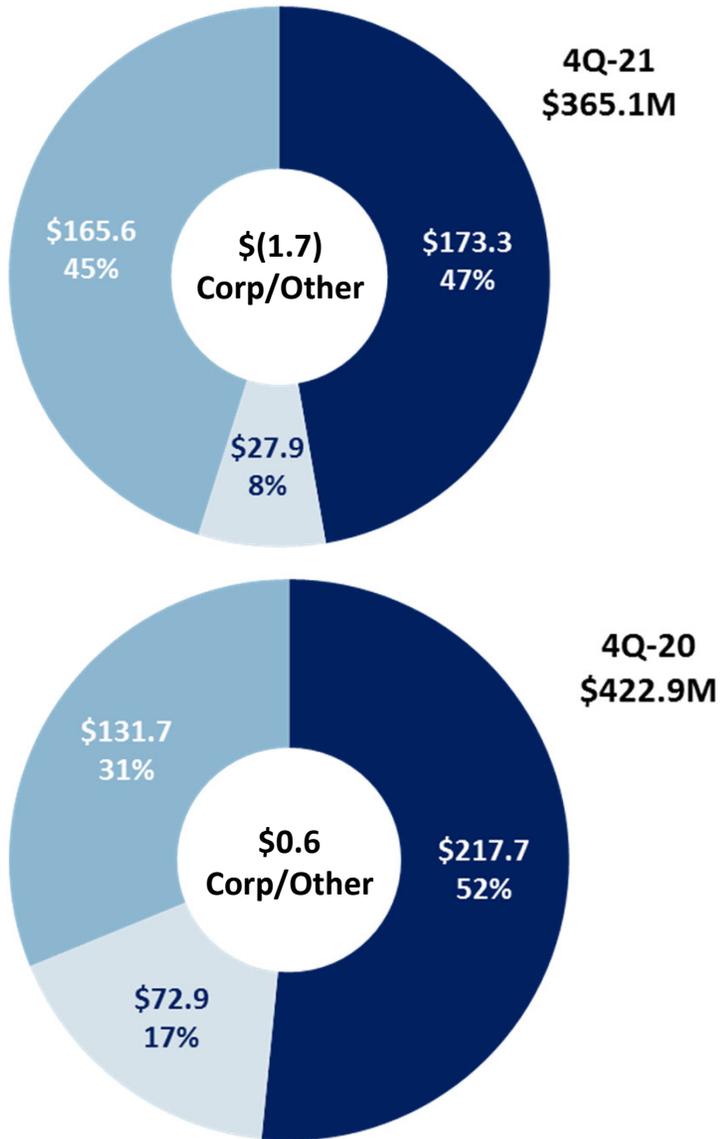


■ EPS - Diluted   ■ EPS - Basic

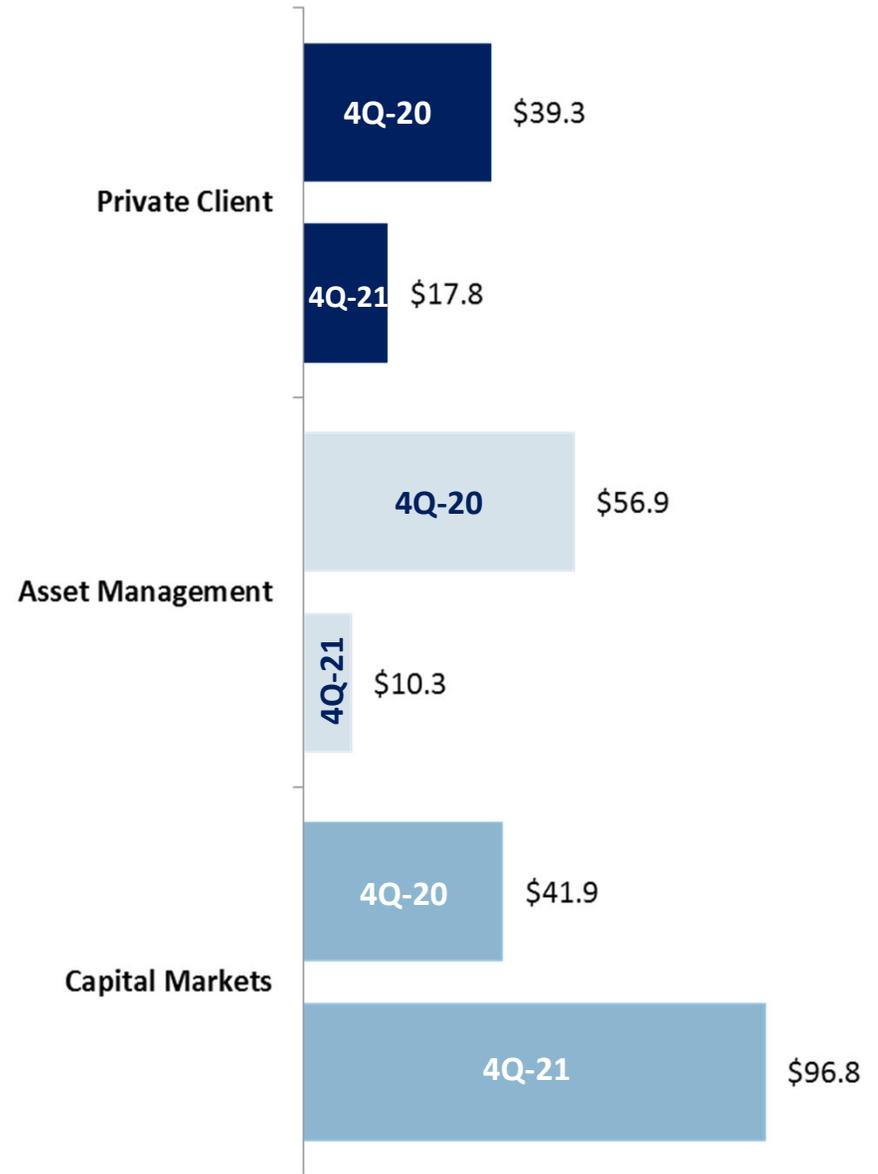
# Segment Revenue Breakdown 4Q-21 vs. 4Q-20

Revenue Breakdown by Segment (\$M)

■ Private Client   ■ Asset Management   ■ Capital Markets



Pre-Tax Income Breakdown by Segment (\$M)

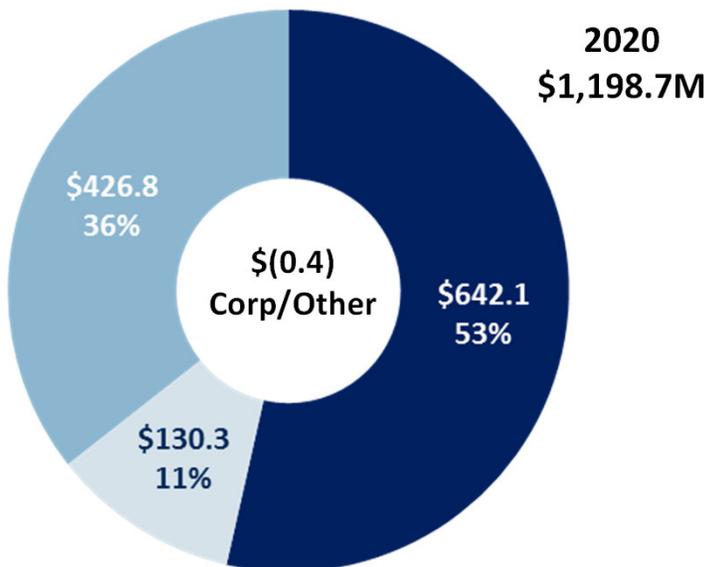
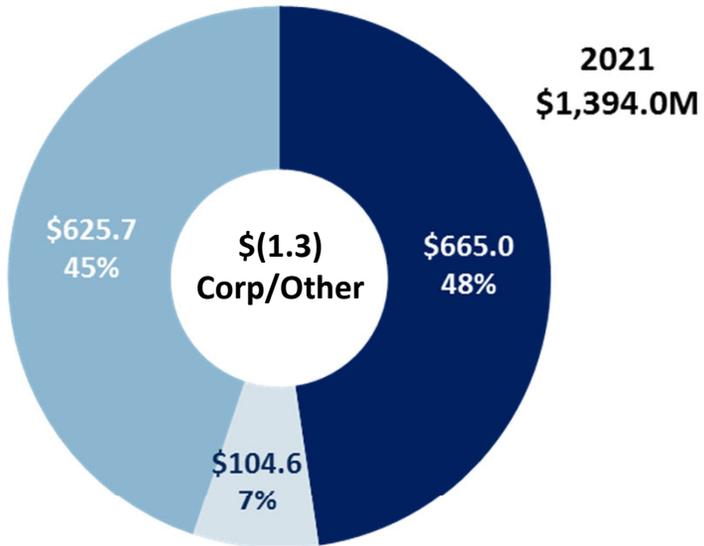


# Segment Revenue Breakdown 2021 vs. 2020

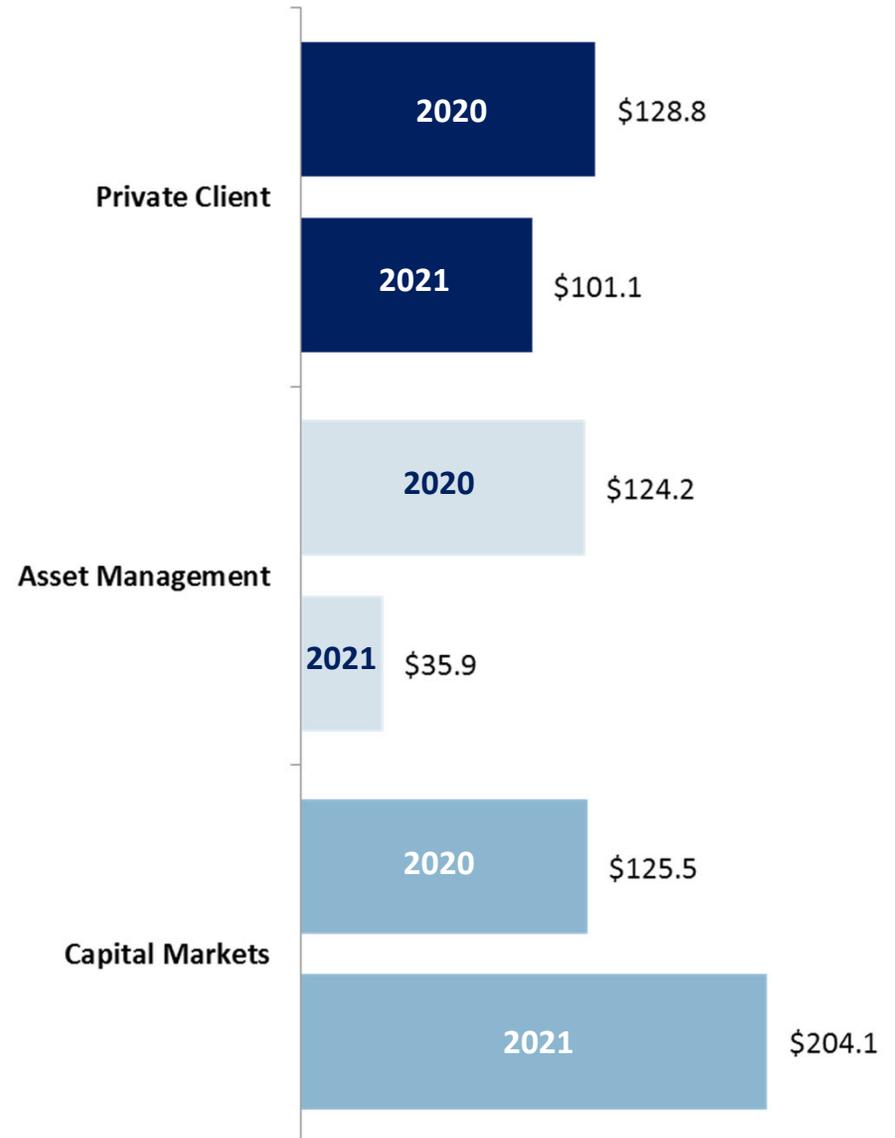


Revenue Breakdown by Segment (\$M)

■ Private Client   ■ Asset Management   ■ Capital Markets



Pre-Tax Income Breakdown by Segment (\$M)



# 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

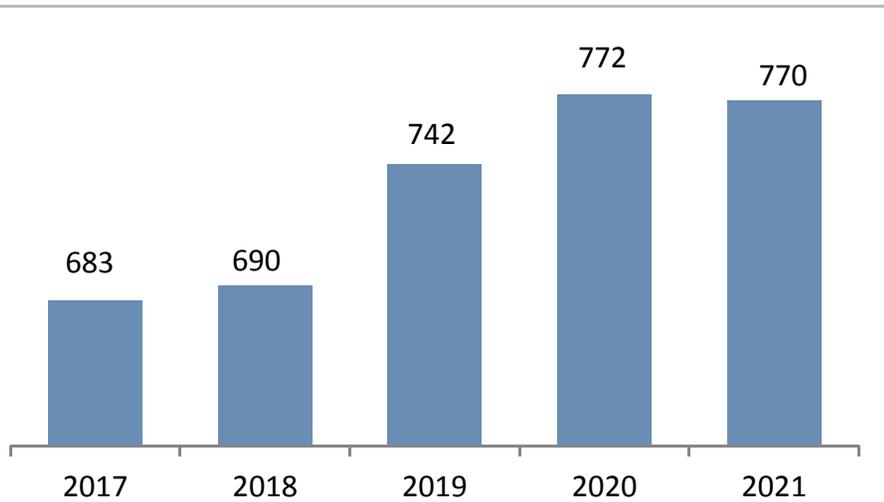
## Advisory Services

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

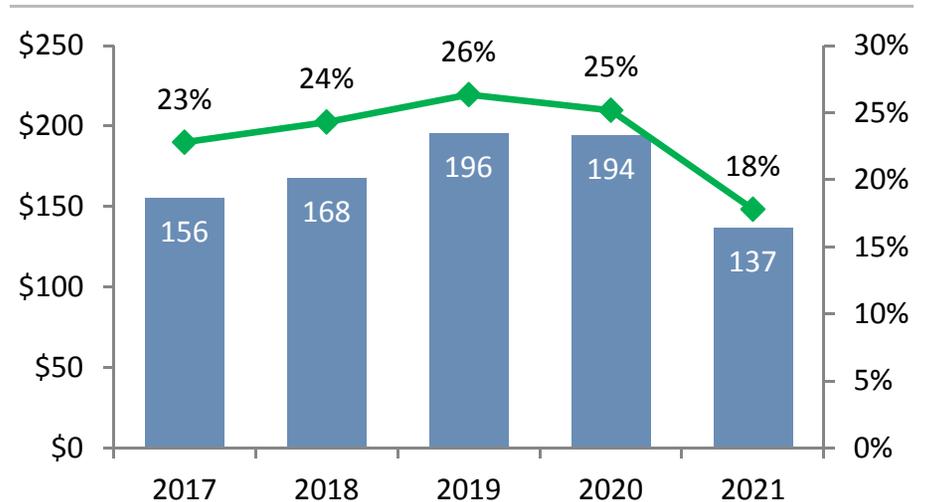
## Retail Investments

- 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 (%)



**996**

Financial Advisors  
At 12/31/21

**\$122.1B**

Assets under Administration  
At 12/31/21

**\$46.2B**

Assets under Management  
At 12/31/21

**\$1.0B**

Net Positive Client Asset Inflows  
In 2021

**↓\$109.4M**

Incentive Fees  
4Q-21 vs. 4Q-20

\* 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

## Retail Services

- 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

**\$204.1M**

Pre-Tax Income

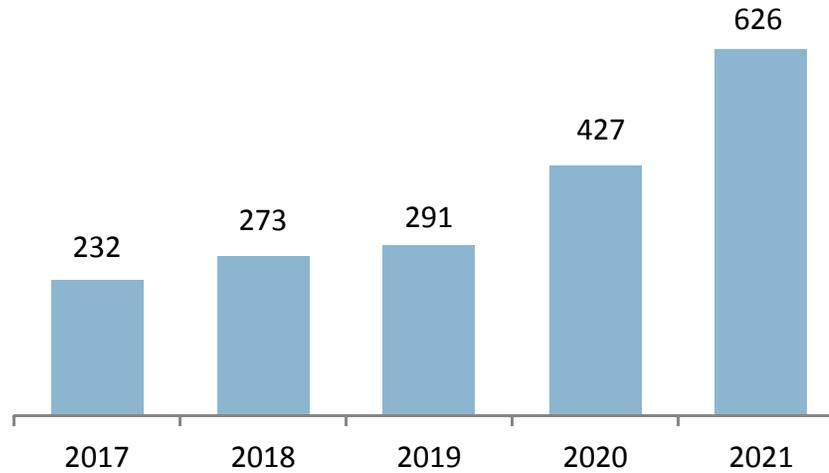
2021

**32.6%**

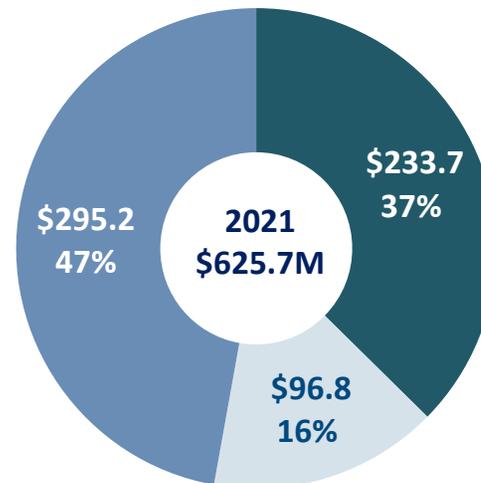
Profit Margin

2021

## Capital Markets Revenue (\$M)



## Capital Markets Revenue Breakdown 2021



■ Institutional Equities   ■ Fixed Income   ■ Investment Banking

## Investment Banking Focus Industries



# Select 4Q-21 Investment Banking Transactions

**\$104,844,800**

**CHICAGO ATLANTIC  
REAL ESTATE FINANCE**

*Financial Institutions  
Initial Public Offering  
Joint Book-Running Manager  
December 2021*

**\$3,740,000,000**

**TPG / vacasa**

*Technology  
Business Combination  
Capital Markets Advisor  
December 2021*

**Undisclosed**

**CRITICAL RENTAL  
SOLUTIONS**  
Sale to  
**DTC**  
Ohio  
Transmission  
Corporation

A Portfolio Company of

**GENSTAR**  
CAPITAL  
Services

*Exclusive Financial Advisor  
December 2021*

**\$402,500,000**

**Apellis**

*Healthcare  
Confidentially Marketed  
Public Offering  
Co-Lead Manager  
December 2021*

**\$418,600,000**

**sweetgreen**

*Technology & Consumer  
Initial Public Offering  
Passive Bookrunner  
November 2021*

**Undisclosed**

**iCare**  
HEALTH SOLUTIONS  
sale to  
**vsp**  
Globe

*Healthcare  
Exclusive Financial Advisor  
November 2021*

**\$57,500,000**

**PHENIXFIN**

*Financial Institutions  
Offering of 5.25% Notes due 2028  
Lead Left Bookrunner  
November 2021*

**\$155,000,000**

**VERTEX**  
ENERGY

*Energy  
Convertible Bond Offering  
Sole Placement Agent  
November 2021*

**c. \$810,000,000**

**bel  
for all for  
good** **LEERDAMMER**

Sale to

**GRUPE  
LACTALIS**

*Consumer  
Financial Advisor  
October 2021*

**Undisclosed**

**CREATIVE  
LIVE**  
Sale to  
**fiverr.**

*Technology  
Exclusive Financial Advisor  
October 2021*

**\$22,666,650**

**Agile**  
THERAPEUTICS

*Healthcare  
Confidentially Marketed  
Public Offering  
Sole Bookrunner  
October 2021*

**Undisclosed**

**STUDY  
EDGE**  
Has Been Acquired By  
**Accelerate Learning CARLYLE**

*Technology  
Exclusive Sell-Side Financial Advisor  
October 2021*

# Capital Structure

*Conservative risk profile with strong balance sheet*

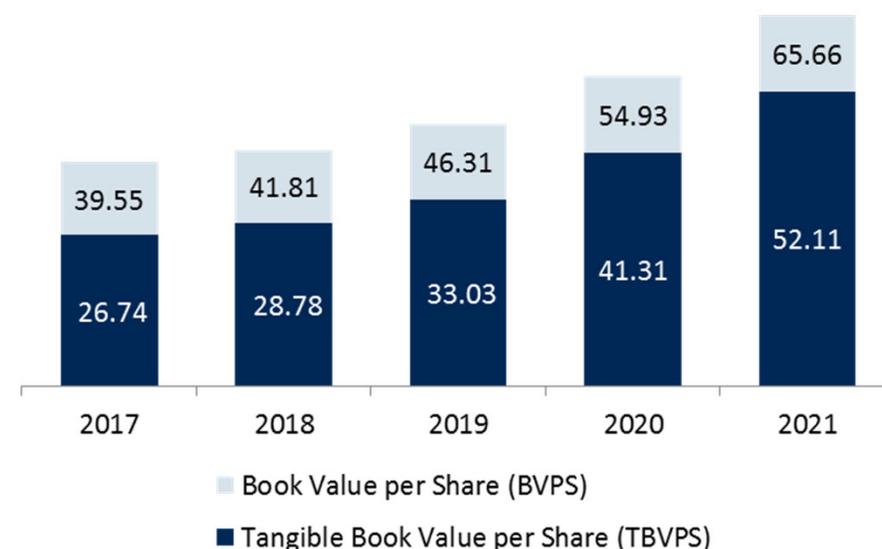
As of December 31, 2021 (\$ in thousands)	
Total Assets:	\$3,044,839
Stockholders' Equity:	\$823,850
Long-Term Debt:	\$125,000
Total Capitalization:	\$948,850
<b>Debt to Equity Ratio:</b> 15.2%	
<b>Gross Leverage Ratio<sup>(1)</sup>:</b> 3.7x	
Broker-Dealer Regulatory Capital (\$ in thousands)	
Regulatory Net Capital:	\$423,304
Regulatory Excess Net Capital:	\$396,977

(1) Total Assets divided by Stockholders' Equity.

## Liquidity & Capital

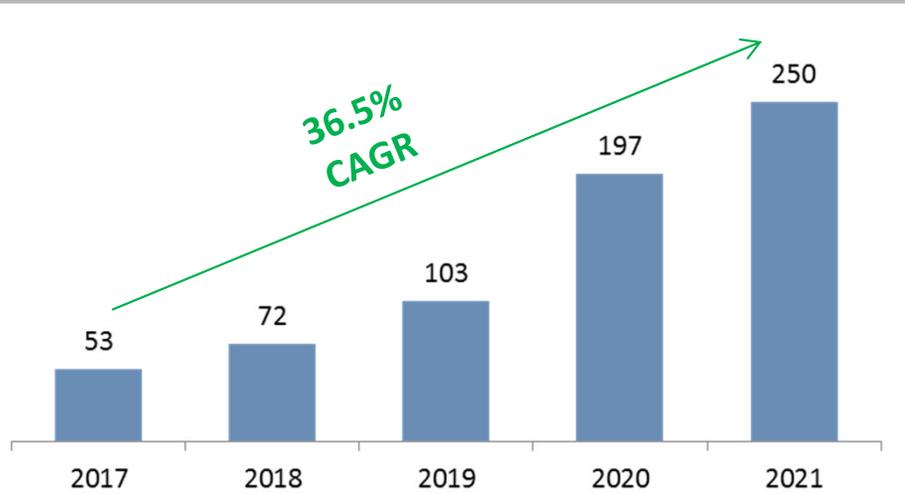
- Stockholders' equity reached a record \$823.8 million as of December 31, 2021
- Book value (\$65.66) and tangible book value (\$52.11) per share reached record levels at December 31, 2021
- The Board of Directors announced a quarterly dividend of \$0.15 per share effective for the fourth quarter of 2021 payable on February 25, 2022 to holders of Class A non-voting and Class B voting common stock of record on February 11, 2022
- 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 31, 2021 in the amount of \$12.6 million
- Level 3 assets, comprised of auction rate securities, were \$31.8 million as of December 31, 2021

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

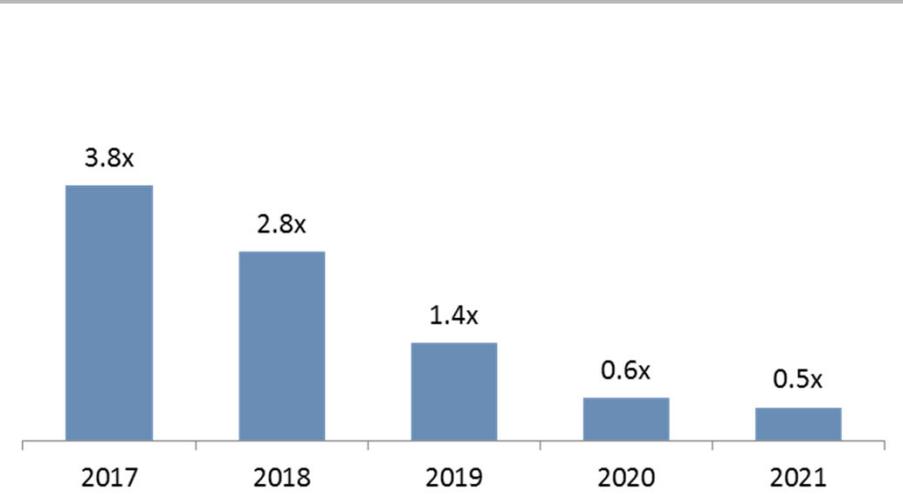


# Historical Financial Ratios

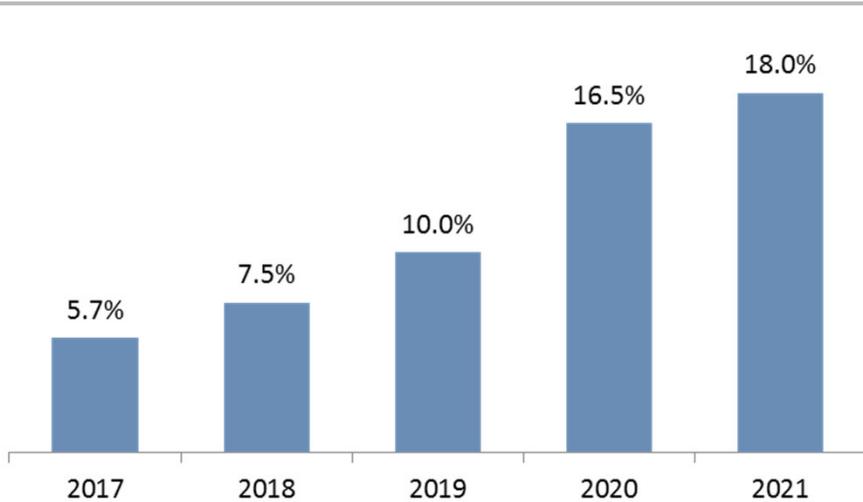
### Consolidated Adjusted EBITDA (\$M)



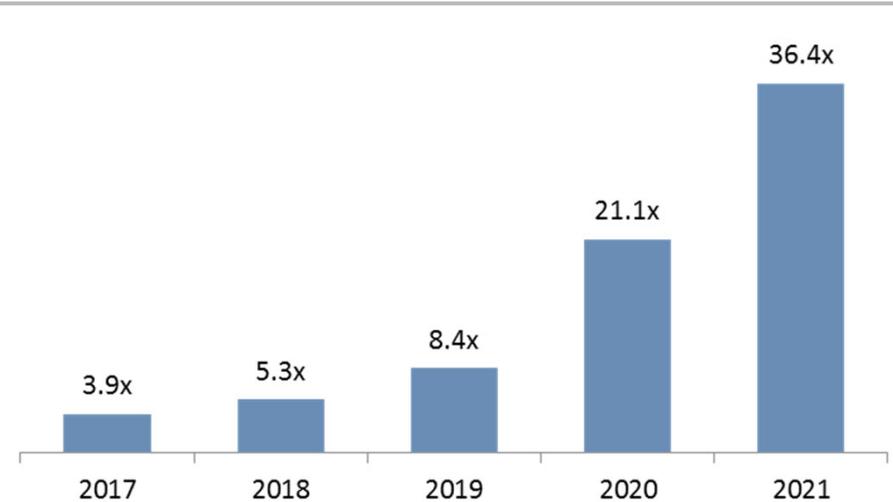
### Long-Term Debt to Consolidated Adjusted EBITDA (x)



### Consolidated Adjusted EBITDA Margin (%)



### Interest Coverage (x)





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