



Oppenheimer Holdings Inc.

Annual Stockholders'  
Meeting: Virtual

*New York, NY  
May 10, 2021*

**WELCOME to Oppenheimer's 2021  
Annual Stockholders' Meeting**

May 10, 2021

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 March 31, 2021 filed with the SEC on April 30, 2021 (“2021 10-Q1”). 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-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

A Preeminent Wealth Manager and Investment Bank

**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.

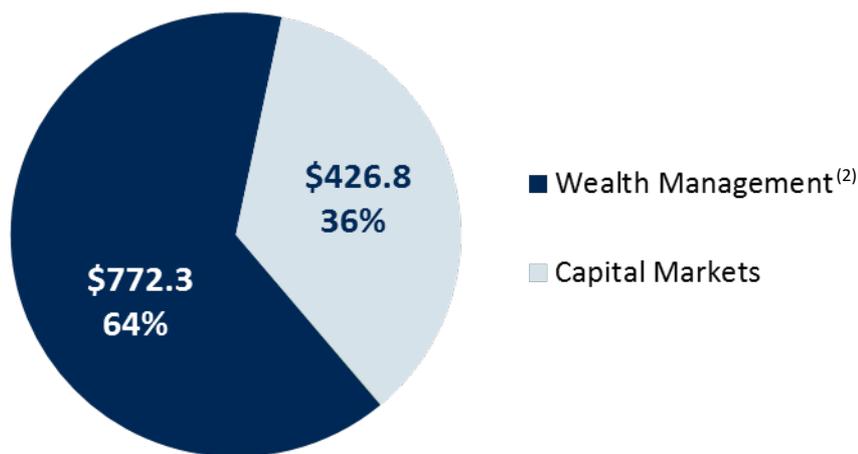
## Wealth Management

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

## Capital Markets

Investment banking services and capital markets products for institutions and corporations

### Business Mix – FY 2020 Revenue (\$1,198.7M)<sup>(1)</sup>



(1) Chart does not include \$(0.4) million allocated to Corporate/Other.

(2) Wealth Management represents the Private Client and Asset Management business segments.

(3) Full year 2020 operating results substantially impacted by \$110.8 million in incentive fees from alternative investments earned in the 4Q-20.

(4) Represents book value less goodwill and intangible assets divided by number of shares outstanding.

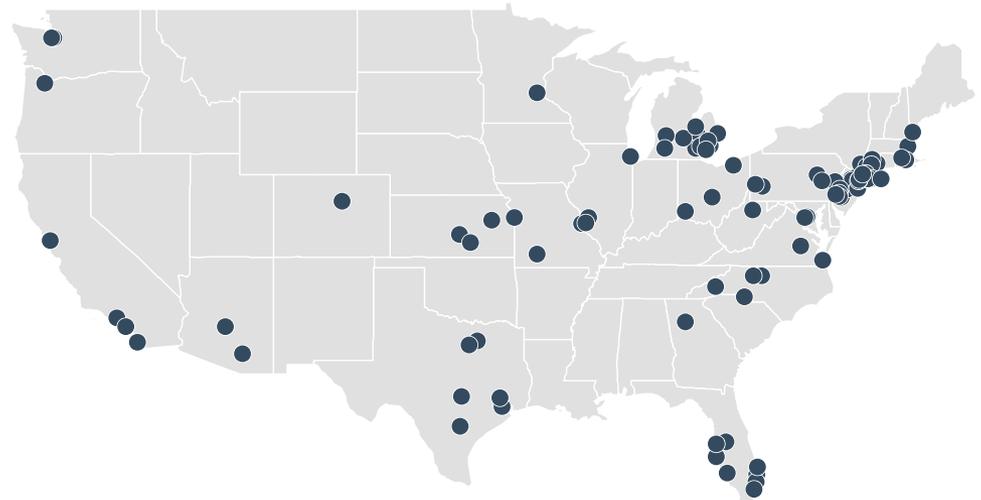
(4) Includes special dividend of \$1.00 per share paid on December 30, 2020 to holders of Class A non-voting and Class B voting common stock.

Oppenheimer Snapshot (NYSE: OPY)	3/31/21	12/31/20 <sup>(3)</sup>
Shareholders' Equity (\$M):	\$719.7	\$685.6
Market Cap (\$M):	\$507.8	\$392.3
Book Value per Share:	\$56.74	\$54.93
Tangible Book Value per Share: <sup>(4)</sup>	\$43.34	\$41.31
Share Price:	\$40.05	\$31.43
Basic Earnings per Share (TTM):	\$12.28	\$9.73
Diluted Earnings per Share (TTM):	\$11.61	\$9.30
P/E Ratio (TTM):	3.26	3.23
Dividend Yield (TTM): <sup>(5)</sup>	3.70%	4.70%
Employees:	2,894	2,908
# of Financial Advisors:	1,000	1,002
Retail Branches in the US:	92	92
Client Assets under Administration (\$B):	\$111.4	\$104.8
Assets Under Management (\$B):	\$40.2	\$38.8

# Global Footprint

Strong presence in the U.S. and Internationally

- 92 offices in the U.S.
- 6 international offices
- 2,894 employees
  - 1,000 financial advisors
  - 185+ institutional sales professionals
  - 38 senior research analysts



	US	London	Hong Kong	Tel Aviv	Geneva	St. Helier	Frankfurt
Wealth Management	✓						
Institutional Equities	✓	✓	✓	✓	✓		
Fixed Income	✓	✓	✓	✓		✓	
Investment Banking	✓	✓		✓			✓
Research	✓	✓		✓			



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



- Tel Aviv, Israel



- Hong Kong

# Summary Operating Results: Full Year 2020



(\$000's)

REVENUE	For the Year Ended		
	12-31-20	12-31-19	% Change
Commissions	\$ 395,097	\$ 320,114	23.4%
Advisory fees <sup>(1)</sup>	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 annual gross revenue, net income, and earnings per share

Retail and institutional commissions higher driven by elevated volatility and increased client participation during the year

Record revenue and earnings in Asset Management segment driven by record incentive fees from alternative investments as well as increased management fees

Investment banking had a record year driven by higher equity underwriting revenue and increased M&A activity

Non-compensation expenses were lower primarily due to lower interest costs as well as lower legal and regulatory, travel and entertainment, and conference costs

Record book value and tangible book value per share and shareholders' equity at 12/31/21

(1) Full year 2020 operating results substantially impacted by \$110.8 million in incentive fees from alternative investments earned in the 4Q-20.

# Summary Operating Results: 1Q-21 (Unaudited)



(\$000's)

For the 3-Months Ended

REVENUE	3-31-21	3-31-20	% Change
Commissions	\$ 113,471	\$ 103,249	9.9%
Advisory fees	104,496	86,164	21.3%
Investment banking	124,501	25,728	383.9%
Bank deposit sweep income	4,008	18,826	-78.7%
Interest	8,666	10,890	-20.4%
Principal transactions, net	10,865	(868)	*
Other	7,275	(9,219)	*
<b>Total Revenue</b>	<b>373,282</b>	<b>234,770</b>	<b>59.0%</b>

## EXPENSES

Compensation and related expenses	255,601	157,676	62.1%
Non-Compensation related expenses	65,554	66,871	-2.0%
<b>Total Expenses</b>	<b>321,155</b>	<b>224,547</b>	<b>43.0%</b>
Pre-tax Income	52,127	10,223	409.9%
<b>Net income</b>	<b>\$ 38,658</b>	<b>\$ 7,818</b>	<b>394.5%</b>

<b>Earnings per share (Basic)</b>	\$ 3.07	\$ 0.61	<b>403.3%</b>
<b>Earnings per share (Diluted)</b>	\$ 2.91	\$ 0.58	<b>401.7%</b>

## Highlights

Record first quarter gross revenue, net income, and earnings per share

Commissions higher driven by elevated volatility and increased institutional participation during the quarter

Record first quarter advisory fees driven by record assets under management at 12/31/20

Record revenue and earnings in Capital Markets segment driven by record investment banking results due to increases in equity underwriting and M&A advisory fees

Capital Markets pre-tax profit margin was 27.2% driven by the strength in investment banking and sales and trading

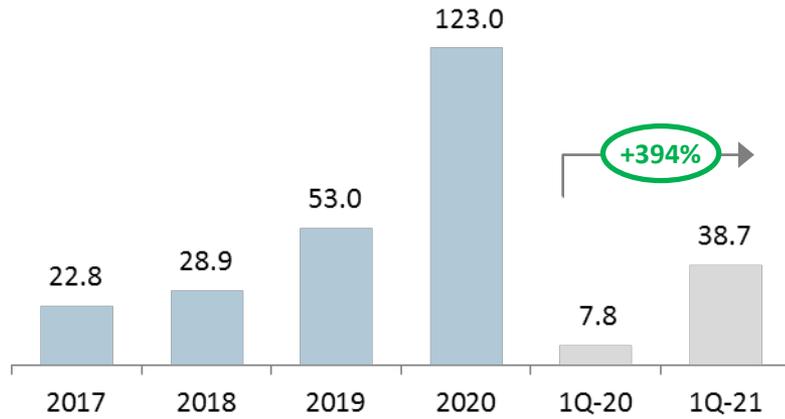
Record client assets under administration and assets under management at 3/31/21

\* Percentage not meaningful.

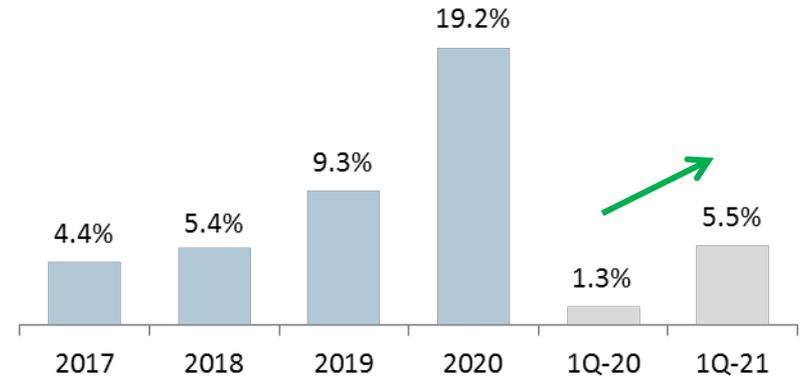
# Select Financial Measures

Strong performance across key performance metrics

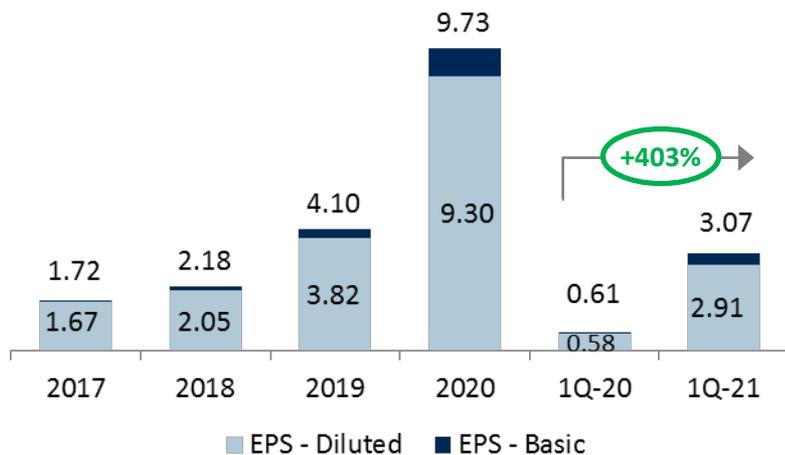
### Net Income (\$M)



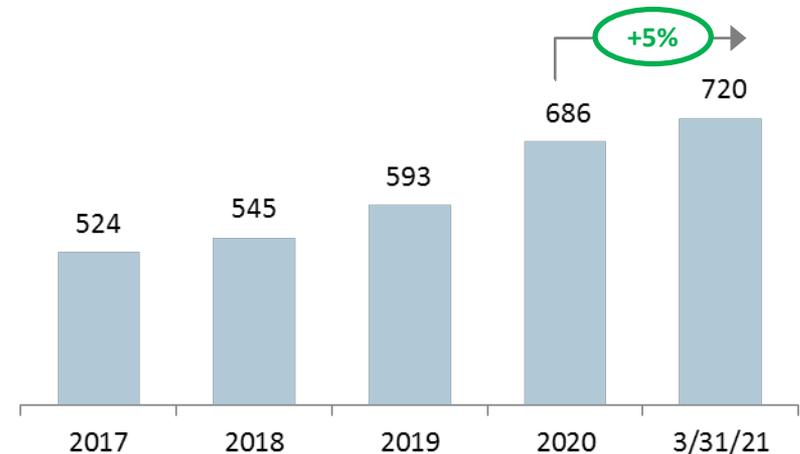
### Return on Equity (%)



### Earnings per Share (\$)



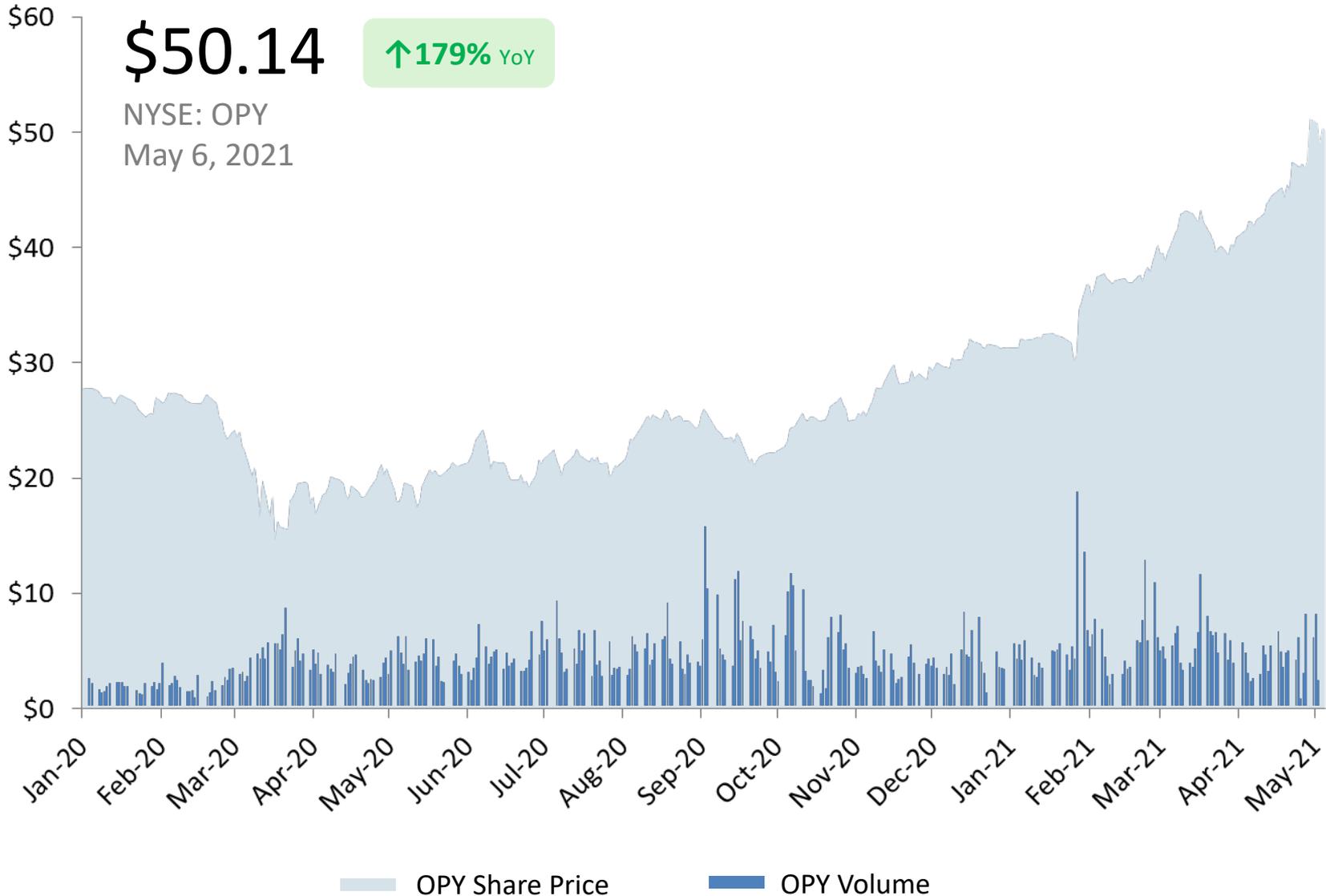
### Shareholders' Equity (\$M)



# Oppenheimer Holdings Inc. Share Price



Significant increase in share price over the past year



# Capital Structure

Conservative risk profile with strong balance sheet

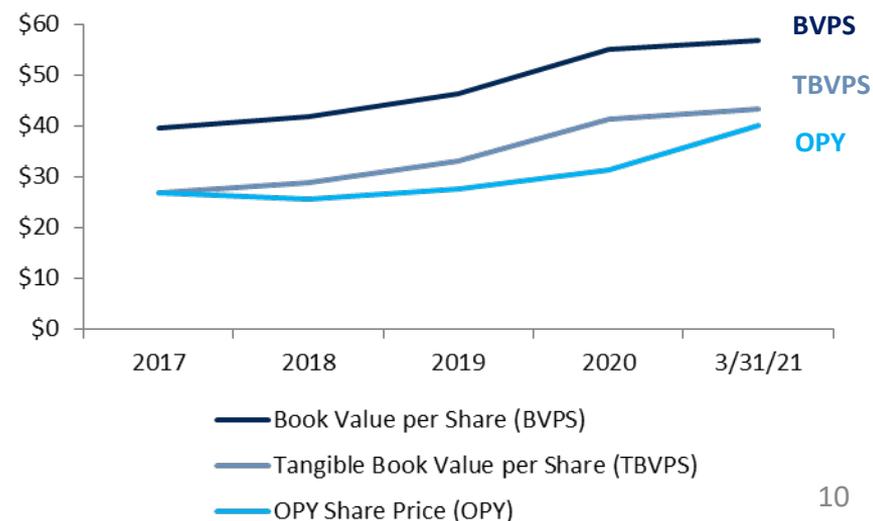
As of March 31, 2021 (\$ in thousands)	
Total Assets:	\$2,709,151
Shareholders' Equity:	\$719,740
Long-Term Debt:	\$125,000
Total Capitalization:	\$844,740
<b>Debt to Equity Ratio: 17.4%</b>	
Gross Leverage Ratio <sup>(1)</sup> :	3.76x
Broker-Dealer Regulatory Capital (\$ in thousands)	
Regulatory Net Capital:	\$314,429
Regulatory Excess Net Capital:	\$290,004

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

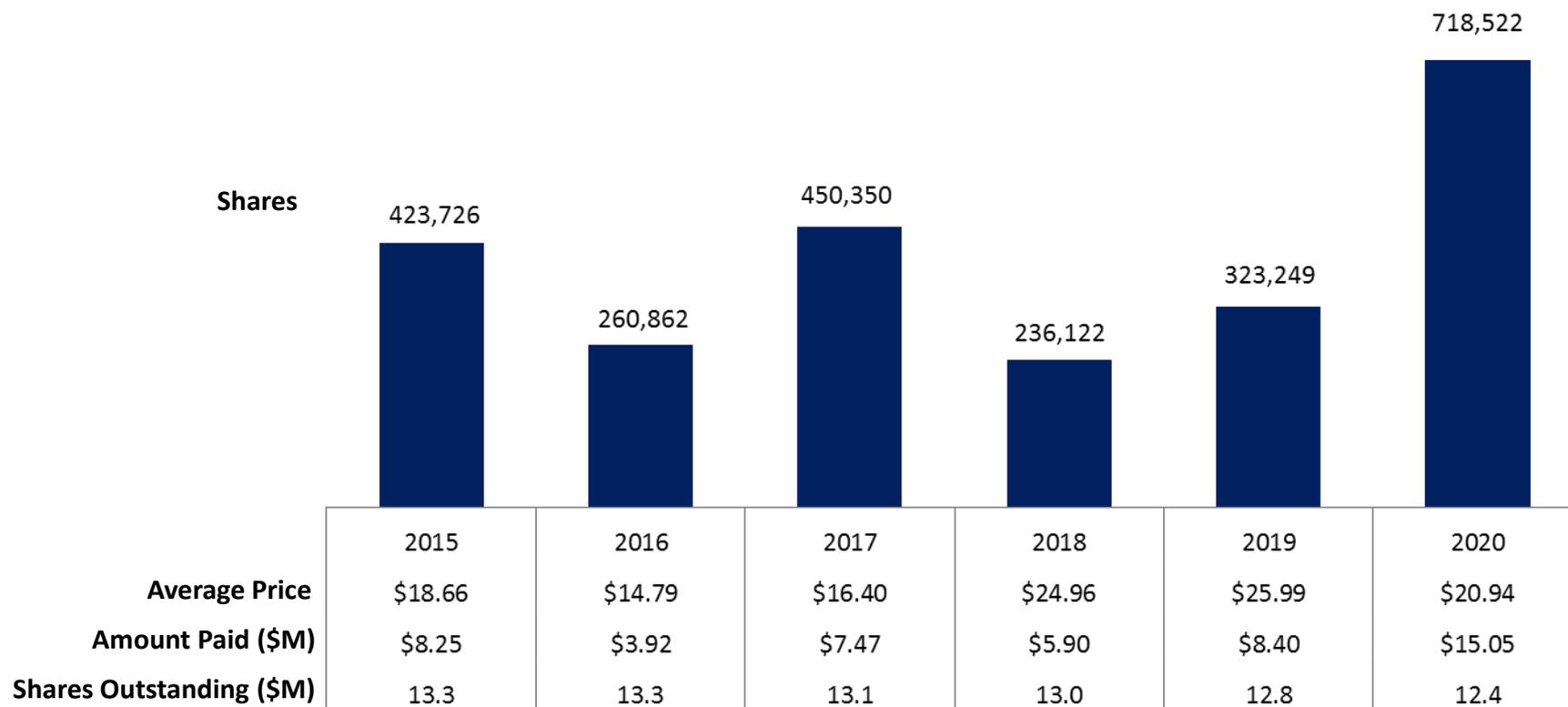
## Liquidity & Capital

- Shareholders' equity reached a record \$719.7 million as of March 31, 2021
- Book value (\$56.74) and tangible book value per share (\$43.34) reached record levels at March 31, 2021
- Special dividend of \$1.00 per share paid to holders of Class A non-voting and Class B voting common stock on December 30, 2020 bringing total 2020 dividends to \$1.48 per share compared to \$0.48 per share in 2019
- Quarterly dividend of \$0.12 per share effective for the 1Q-21 payable on May 28, 2021 to holders of Class A non-voting and Class B voting common stock of record on May 14, 2021
- In September 2020, the Firm issued \$125 million of 5.5% Senior Secured Notes due 2025 using the net proceeds, along with cash on hand, to redeem in full its 6.75% Senior Secured Notes due July 2022. Going forward, the Firm will save \$3.3 million in annual interest costs
- Level 3 assets, comprised of auction rate securities, were \$31.5 million as of March 31, 2021

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



# OPY Corporate Class A Buyback Activity



**There were no stock buybacks in the 1Q-21.**

## FDIC Insured Bank Deposit Program

- Client funds swept into deposit accounts at participating banks and eligible for FDIC deposit insurance
- +45 participating banks
- FDIC Insured Bank Deposit program balance of \$7.4 billion at 3/31/21
- Bank deposit sweep income of \$20.0 million for TTM 3/31/21

## Margin Lending

- Credit extended to clients on a collateralized basis
- Average customer margin debits were \$1,046.1 million for TTM 3/31/21
- Margin interest revenue of \$23.3 million for TTM 3/31/21

## Interest and Fee Revenue (\$M)



# Business Segment Results



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

	<u>1Q-21</u>	<u>1Q-20</u>	<u>% Δ</u>	<u>FY-20</u>	<u>FY-19</u>	<u>% Δ</u>
<b>Private Client<sup>(1)</sup></b>						
Revenue	\$ 164,023	\$ 141,418	16.0%	\$ 642,083	\$ 653,409	-1.7%
Pre-Tax Income	\$ 24,263	\$ 33,369	-27.3%	\$ 122,844	\$ 163,917	-25.1%
Assets Under Administration (\$Bn)	\$ 111.4	\$ 79.1	40.8%	\$ 104.8	\$ 91.0	15.2%
<b>Asset Management</b>						
Revenue	\$ 24,230	\$ 19,276	25.7%	\$ 130,274	\$ 88,755	46.8%
Pre-Tax Income	\$ 7,553	\$ 4,305	75.4%	\$ 71,625	\$ 31,606	126.6%
Asset Under Management (\$Bn)	\$ 40.2	\$ 28.0	43.6%	\$ 38.8	\$ 32.1	20.9%
<b>Capital Markets</b>						
Revenue	\$ 183,599	\$ 75,542	143.0%	\$ 426,752	\$ 290,830	46.7%
Pre-Tax Income (Loss)	\$ 49,991	\$ (143)	*	\$ 83,442	\$ (13,724)	*

• Percentage not meaningful.

(1) Operating results continued to be negatively impacted by low interest rates.

# Leading Wealth Management Platform

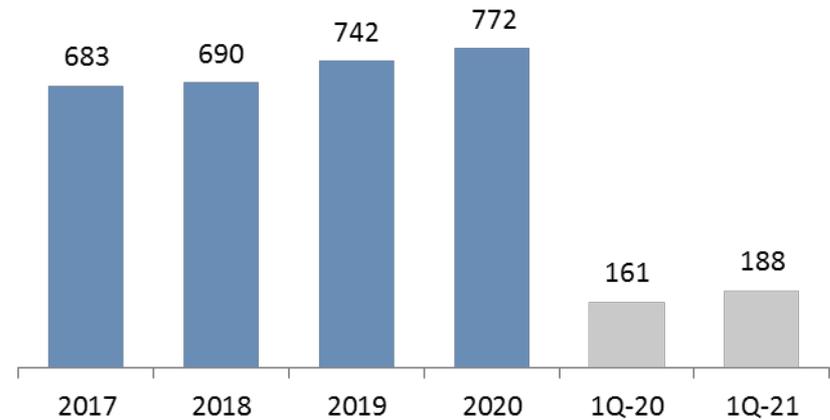


Well recognized brand and one of the few independent, non-bank broker-dealers with full service capabilities

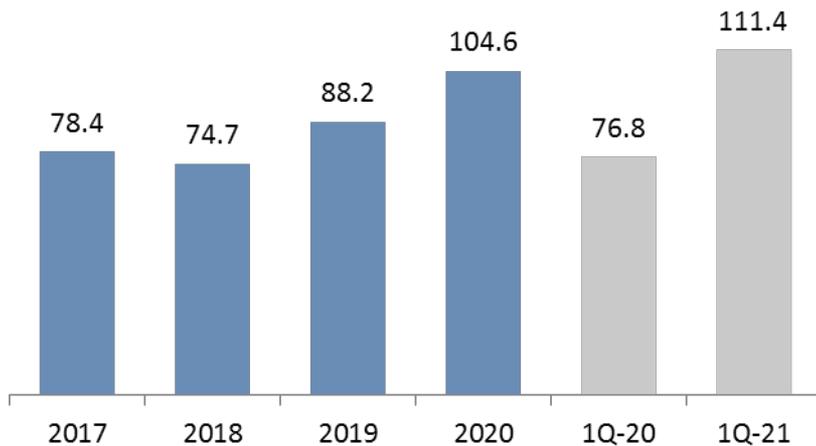
## Wealth Management Services

- **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 Asset Management:**
  - Hedge Funds & Fund-of-Funds
  - Private Equity

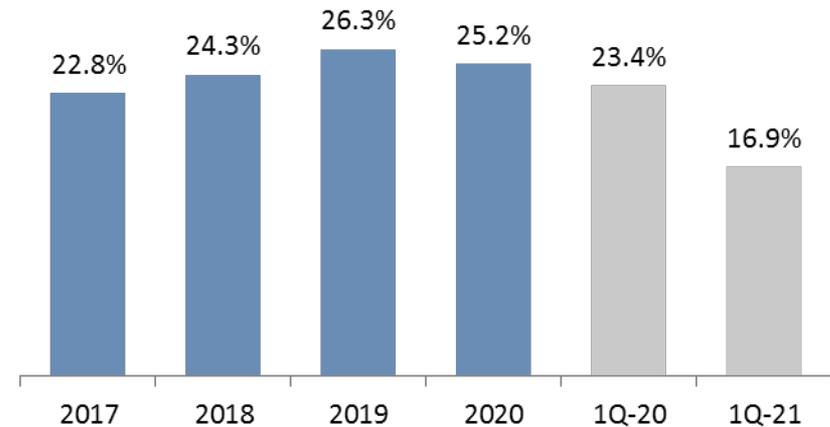
## Wealth Management Revenue (\$M)



## Client Assets per Financial Advisor (\$M)



## Wealth Management Profit Margin

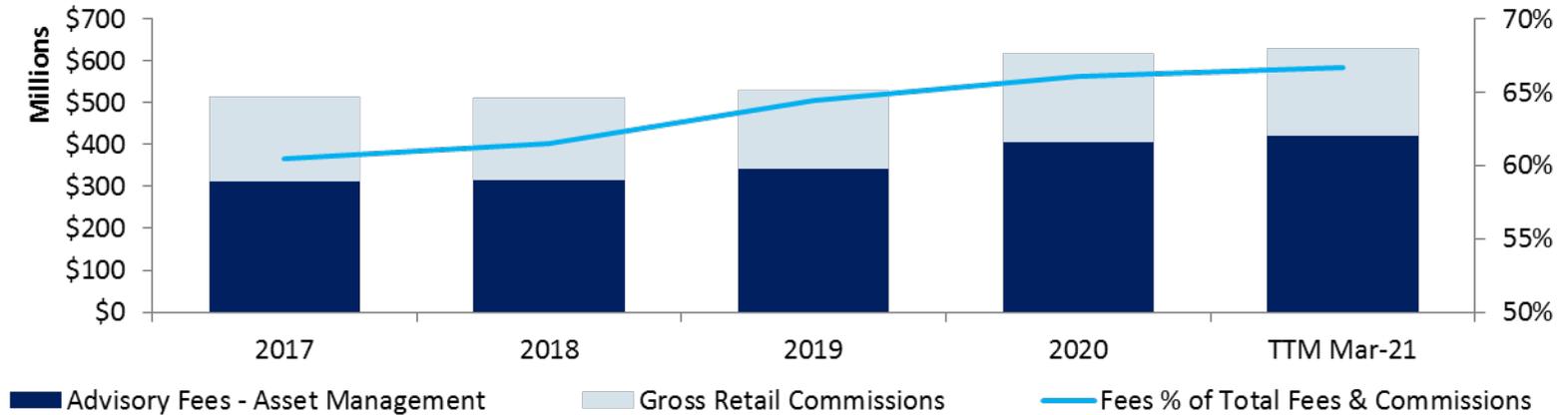


# Wealth Management Metrics

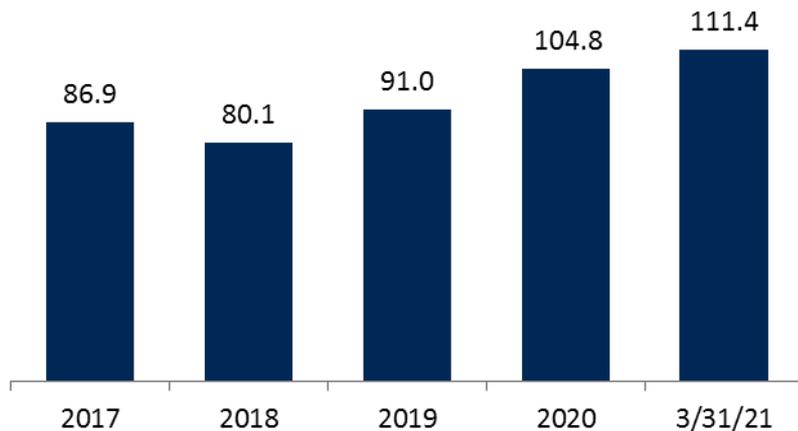


Increasing shift to Fee-Based Revenue

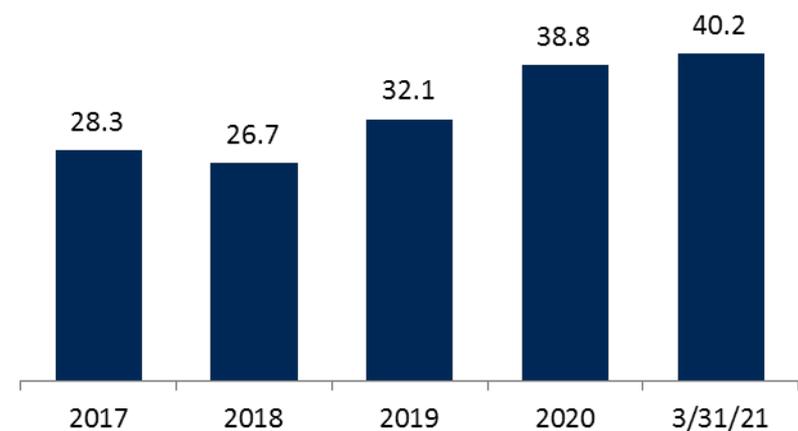
## Advisory Fees as a Percentage of Wealth Management Advisory Fees and Commissions



## Client Assets Under Administration (\$B)



## Client Assets Under Management (\$B)



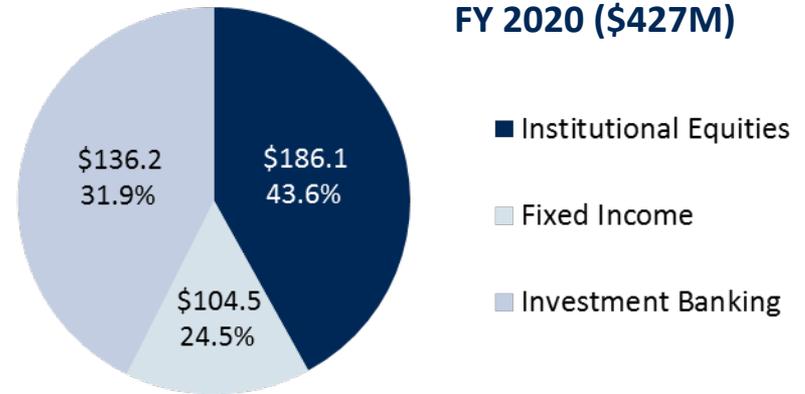
A leading capital markets business providing sophisticated investment banking, research and trading solutions

## Summary

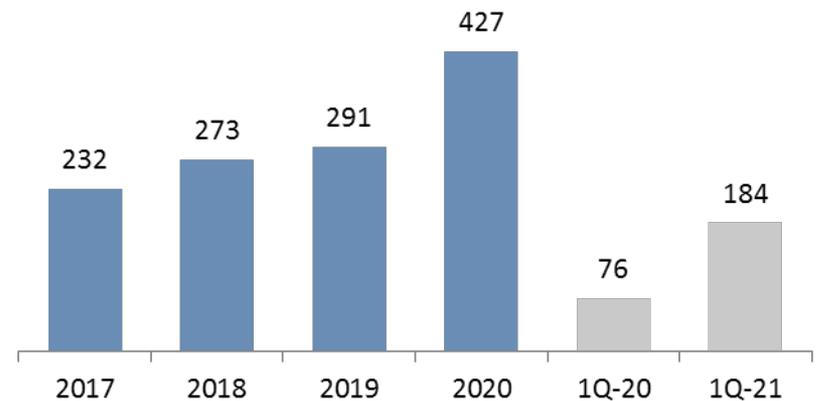
### Capital Markets segment includes:

- *Investment Banking*
  - Mergers & Acquisitions
  - Equity Capital Markets
  - Debt Capital Markets
  - Restructuring & Special Situations
  
- *Institutional Equities*
  - Sales & Trading
  - Equity Research
  - Corporate Access
  
- *Global Fixed Income*
  - Taxable Fixed Income
  - Non-Taxable Fixed Income
  - Public Finance

## Capital Markets Revenue Breakdown



## Capital Markets Revenue (\$M)



# Capital Markets Results

Revenue (\$M)

Pre-Tax Income (\$M)

**FY 20 vs. 19**

Equities



Revenue (\$M)

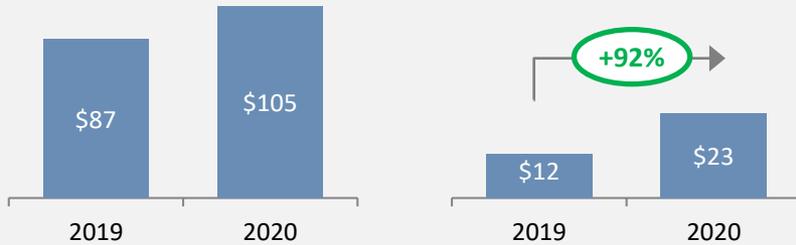
Pre-Tax Income (\$M)

**1Q-21 vs. 1Q-20**

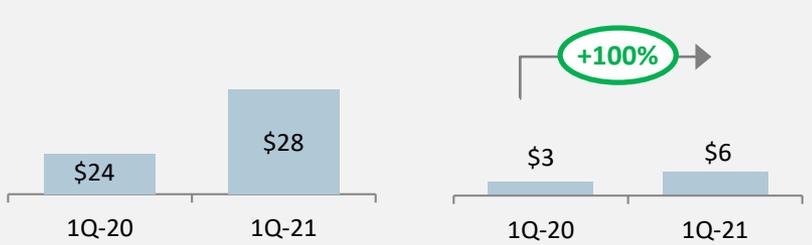
Equities



Fixed Income



Fixed Income



Investment Banking



Investment Banking



# Summary

Investing in our future and poised for growth

## In Review

Record operating results for 2020 and 1Q-21 due to the strength in the performance of Wealth Management and Capital Markets businesses



Record client assets under administration and assets under management in Wealth Management business



Four consecutive quarters of > \$100 million in revenues for Capital Markets business



Balance sheet is stronger than ever with record shareholders' equity, liquid balance sheet, and more favorable long-term financing terms

## Looking Forward

Will continue to pursue organic and inorganic growth opportunities in core businesses while looking to enter independent channel



Well positioned to continue taking market share in Capital Markets while continuing to deliver strong results in Wealth Management



Interest rate sensitive businesses poised to do well in a rising interest rate environment



Will continue to opportunistically purchase outstanding shares in the open market (Remaining authorization: 401,013 shares)

# Let's Talk Future™

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