



Oppenheimer Holdings Inc.

Third Quarter 2019 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, 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 September 30, 2019 filed with the SEC on October 25, 2019 (“2019 10-Q3”). 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-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.

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I. Company Overview

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 9/30/19)

Listed NYSE Ticker: **OPY**

Shareholders' Equity (\$mm): **\$566.6**

Market Cap (\$mm): **\$383.5**

Book Value per Share: **\$44.27**

Tangible Book Value per Share: **\$30.99**

Share Price: **\$30.06**

TTM 9-30-19 Revenue (\$mm): **\$980.8**

Employees: **2,974**

of Financial Advisors: **1,043**

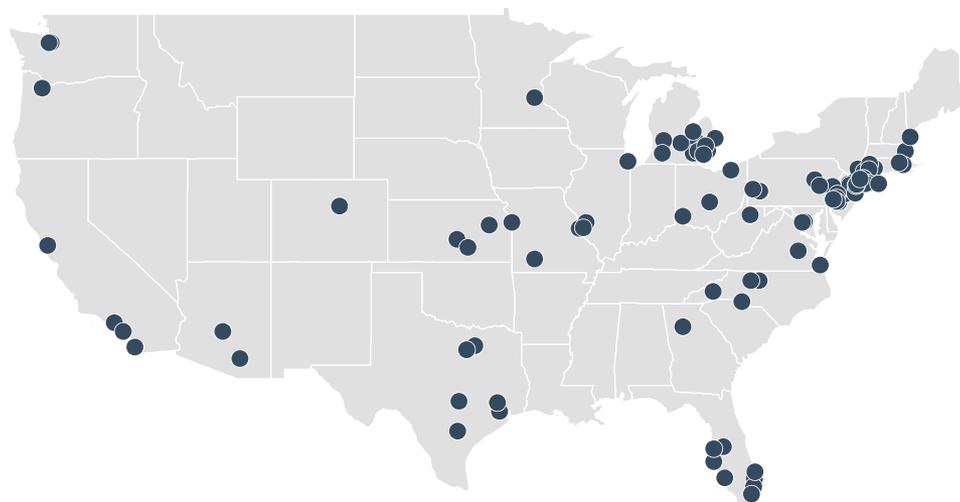
Retail Branches in the US: **94**

Client Assets under Administration (\$bn): **\$87.6**

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

\$737.5 million
Revenue for YTD 9-30-19

\$27.5 million
Net Income for YTD 9-30-19



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



- Tel Aviv, Israel



- Hong Kong, China



II. Business Unit Update

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, and Trust Services
- Margin & Securities Lending

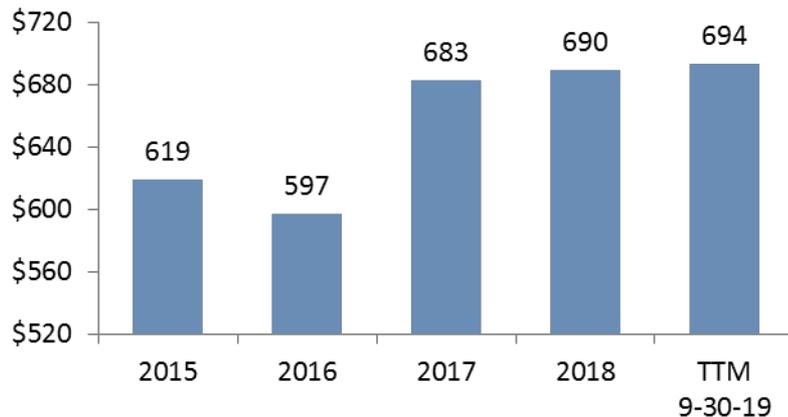
ADVISORY SERVICES

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

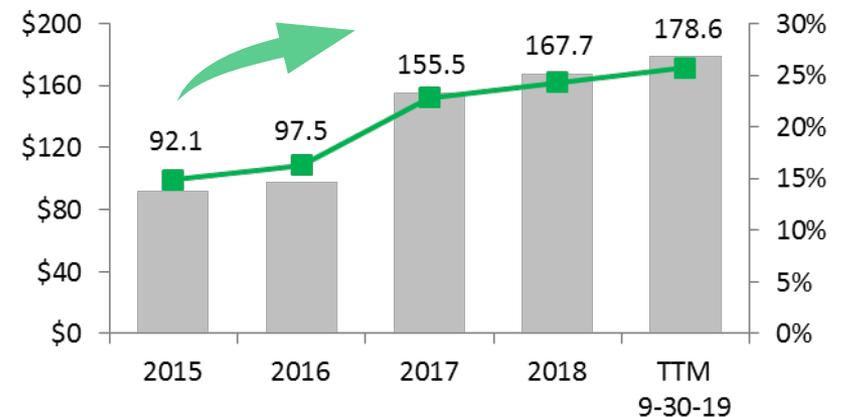
ALTERNATIVE INVESTMENTS

- 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 (\$mm)



Pre-Tax Income and Pre-Tax Margin (\$mm)



Key Business Metrics

1,043

Financial Advisors

At 9/30/19

\$87.6bn

Assets under Administration

At 9/30/19

\$30.2bn

Assets under Management

At 9/30/19

\$84.0mm

Client Assets Per Financial Advisor

At 9/30/19

* 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
 - 37 senior research analysts covering 550+ companies
- Corporate Access (Conferences & NDRs)

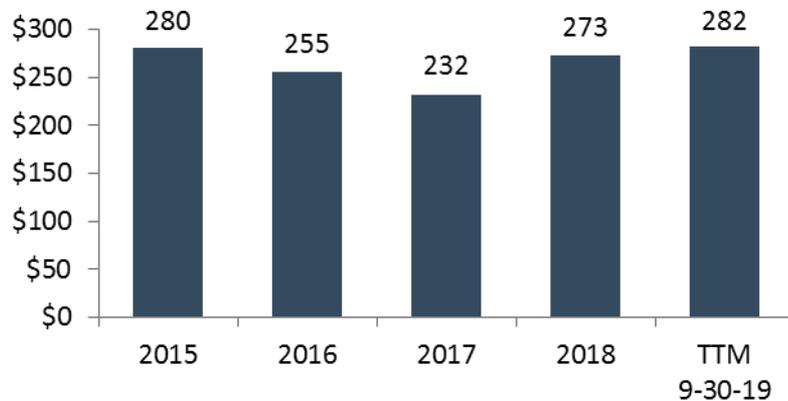
INVESTMENT BANKING

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

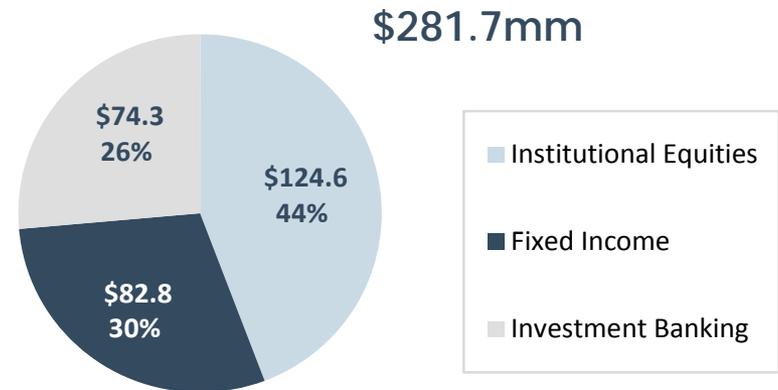
FIXED INCOME

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

Capital Markets Revenue (\$mm)



Capital Markets Revenue Breakdown TTM 9-30-19



Investment Banking Focus Industries



Select 3Q-19 Investment Banking Transactions

\$1,160,000,000



*Technology
IPO
Co-Manager*

September 2019

\$603,750,000



*Technology
IPO
Co-Manager*

September 2019

\$350,000,000



*Healthcare
Convertible Senior Notes
Co-Manager*

September 2019

\$258,750,016



*Healthcare
Follow-On
Lead Manager*

August 2019

\$845,000,000



*Rental Services
Senior Notes
Co-Manager*

August 2019

\$14,030,000



*Healthcare
Confidentially Marketed Public
Offering
Sole Bookrunner*

July 2019

Undisclosed



*Rental Services
Sale of Tank Division
Exclusive M&A Advisor*

July 2019

\$374,325,000



*Technology
IPO
Co-Manager*

July 2019



III. Financial Overview

Summary Operating Results: 3Q-19 (Unaudited)

(\$000's)	For the 3-Months Ended		
	9-30-19	9-30-18	% Change
REVENUE			
Commissions	\$ 78,627	\$ 79,678	(1.3)
Advisory fees	80,887	78,154	3.5
Investment banking	21,798	28,328	(23.1)
Bank deposit sweep income	28,894	30,053	(3.9)
Interest	12,344	13,403	(7.9)
Principal transactions, net	7,606	(16)	*
Other	4,637	8,214	(43.5)
Total Revenue	234,793	237,814	(1.3)
EXPENSES			
Compensation and related expenses	151,284	152,846	(1.0)
Non-Compensation related expenses	77,013	77,814	(1.0)
Total Expenses	228,297	230,660	(1.0)
Pre-tax Income	6,496	7,154	(9.2)
Net income	\$ 3,949	\$ 5,071	(22.1)
Basic net income per share	\$ 0.31	\$ 0.38	(18.4)%
Diluted net income per share	\$ 0.29	\$ 0.36	(19.4)%

Highlights

- Advisory fees higher due to higher assets under management at 6/30/19 compared to 6/30/18
- Investment banking fees lower due to fewer lead-managed equity transactions partially offset by higher M&A advisory fees
- Lower short-term interest rates negatively impacted bank deposit sweep income
- Other revenue decrease primarily due to decreases in cash surrender value of Company-owned life insurance
- Legal and regulatory costs declined by approximately 73%
- Compensation as a percentage of revenue was 64.4% in 3Q-19 compared to 64.3% in 3Q-18

* Percentage not meaningful.

Summary Operating Results: YTD 9/30/19 (Unaudited)

(\$000's)

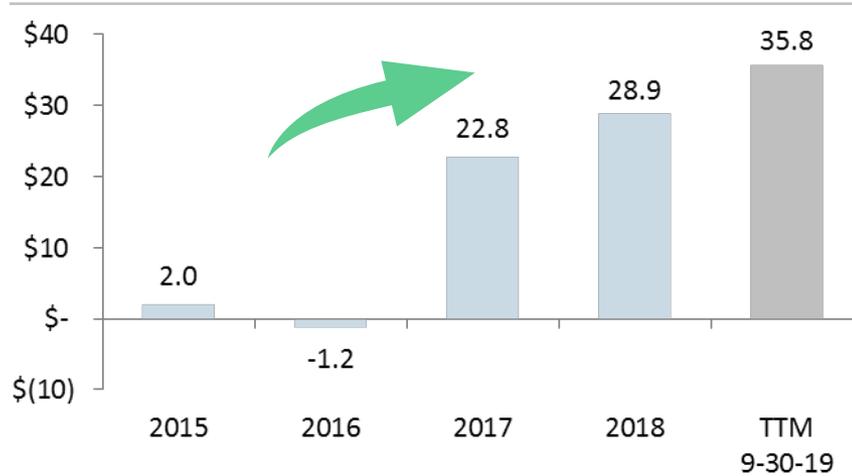
	For the 9-Months Ended		
REVENUE	9-30-19	9-30-18	% Change
Commissions	\$ 238,932	\$ 245,935	(2.8)
Advisory fees	235,241	232,972	1.0
Investment banking	81,847	84,442	(3.1)
Bank deposit sweep income	94,692	84,203	12.5
Interest	38,621	38,686	(0.2)
Principal transactions, net	22,089	9,110	142.5
Other	26,076	19,552	33.4
Total Revenue	737,498	714,900	3.2
EXPENSES			
Compensation and related expenses	467,422	457,821	2.1
Non-Compensation related expenses	230,137	227,787	1.0
Total Expenses	697,559	685,608	1.7
Pre-tax Income	39,939	29,292	36.3
Net income	\$ 27,518	\$ 20,631	33.4
Basic net income per share	\$ 2.13	\$ 1.56	+36.5%
Diluted net income per share	\$ 1.99	\$ 1.47	+35.4%

Highlights

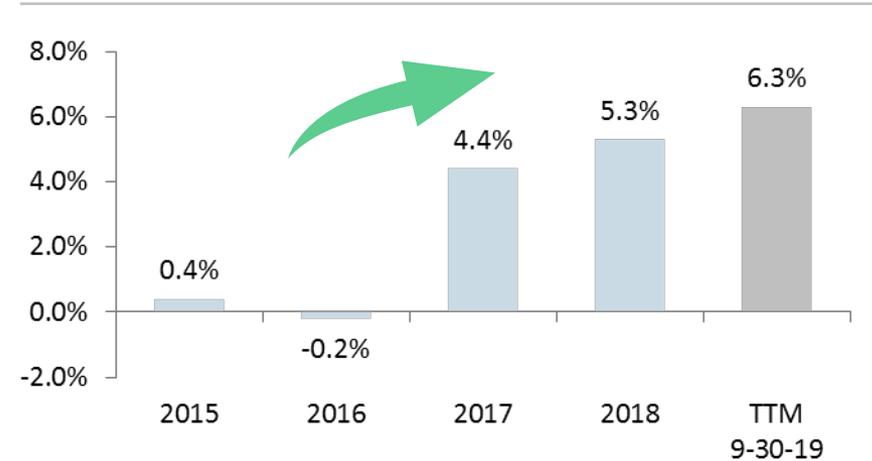
- Year-to-date revenues up over 3%
- Retail transaction-based revenues continue to decline due to lower client activity
- Investment banking revenue decrease due to lower equities underwriting revenue partially offset by higher M&A advisory fees
- Bank deposit sweep income increase due to higher short-term interest rates over the comparable period
- Other revenue increase primarily due to increases in cash surrender value of Company-owned life insurance
- Compensation as a percentage of revenue was 63.4% YTD 9/30/19 compared to 64.0% YTD 9/30/18

Select Financial Measures

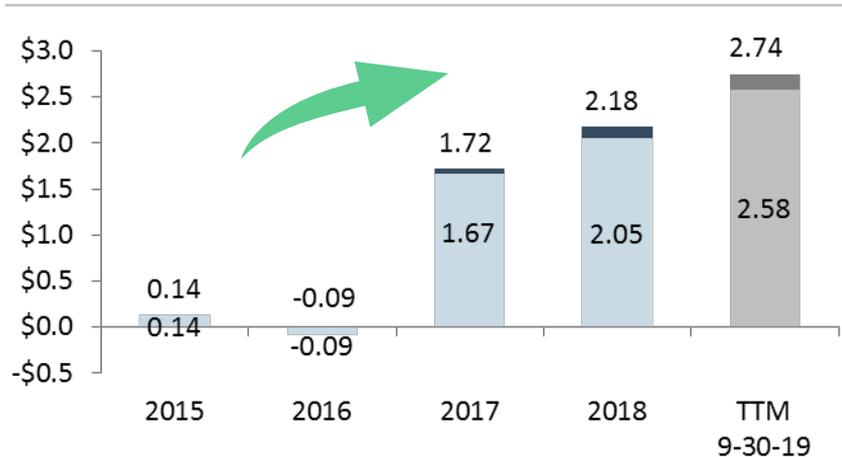
Net Income (\$mm)



Return on Equity (%)



Earnings per Share (\$)



■ EPS - Diluted ■ EPS - Basic

Shareholders' Equity



Capital Structure

Conservative risk profile with strong balance sheet

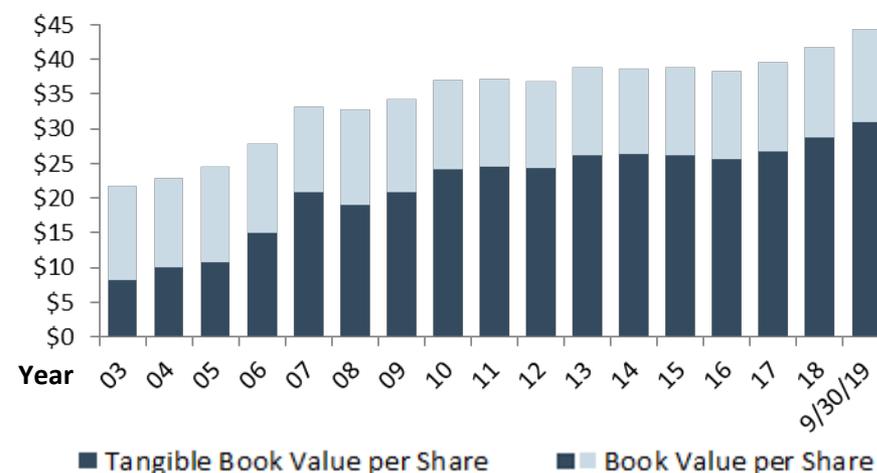
As of September 30, 2019 (\$ in thousands)	
Total Assets:	\$2,203,488
Stockholders' Equity:	\$566,627
Long-Term Debt:	\$150,000
Total Capitalization:	\$716,627
Debt to Equity Ratio: 26.5%	
Gross Leverage Ratio⁽¹⁾: 3.9x	
Broker-Dealer Regulatory Capital (\$ in thousands)	
Regulatory Net Capital:	\$230,815
Regulatory Excess Net Capital:	\$214,818

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

Liquidity & Capital

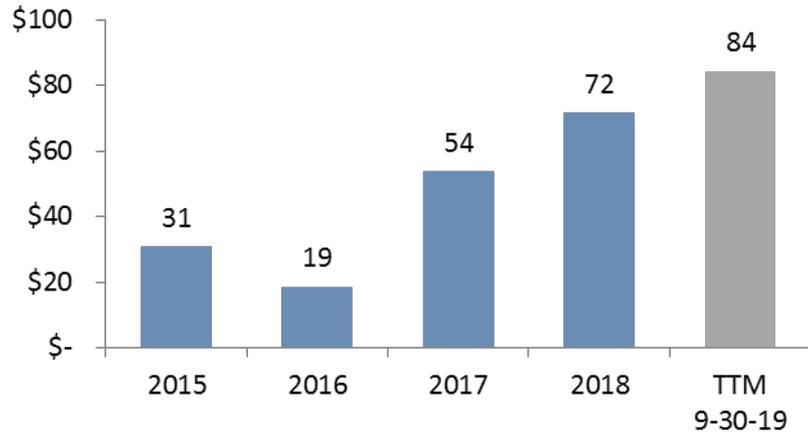
- The Company redeemed \$50 million (25%) of its 6.75% Senior Secured Notes due 2022 ("Notes") on August 25, 2019 plus accrued and unpaid interest and incurred \$1.9 million in costs associated with paying the associated Call Premium (\$1.7 million) and the write-off of debt issuance costs (\$0.2 million) during the third quarter of 2019
- For the YTD September 30th, 2019, the Company bought back a total of 323,249 shares for \$8.4 million (average price of \$25.99 per share)

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

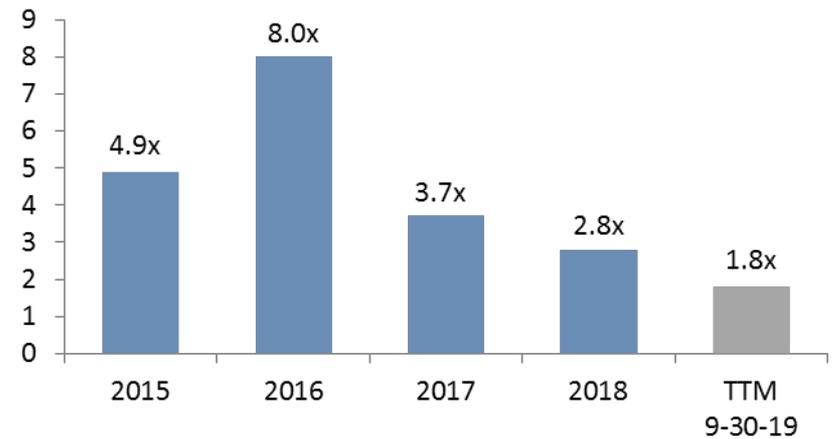


Historical Financial Ratios

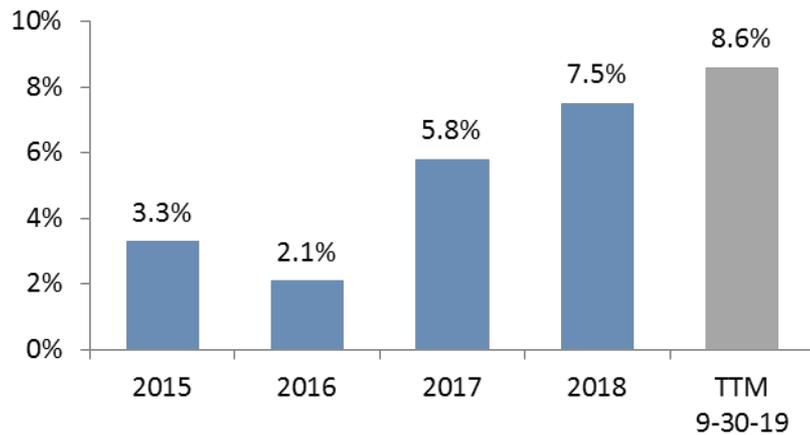
Consolidated Adjusted EBITDA (\$mm)



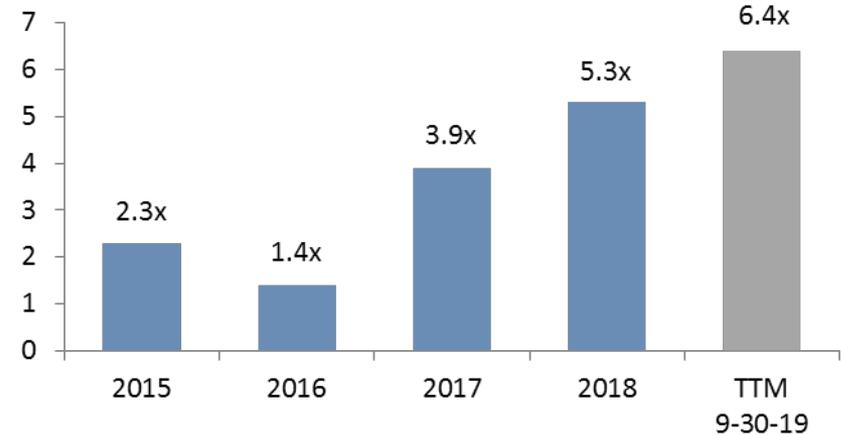
Long-Term Debt to Consolidated Adjusted EBITDA (x)



Consolidated Adjusted EBITDA Margin (%)



Interest Coverage (x)





IV. Summary

- Firm's operating results have significantly improved over the last few years
- Business model is low risk and well diversified with low leverage
- Building momentum in investment banking business
- Increasing shift from transaction-based business to fee-based business
- Declining interest rate environment will present challenges
- Investing in technology to enhance compliance efforts and to support business initiatives
- Conservative balance sheet
- Reduced leverage as a result of additional liquidity
- Reviewing prospects of independent wealth management channel
- ARS portfolio significantly reduced by tender offers and redemptions
- Lower legal and regulatory costs



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