



Oppenheimer Holdings Inc.

Annual Stockholders' Meeting

New York, NY

May 13, 2019



**WELCOME to Oppenheimer's 2019
Annual Stockholders' Meeting
May 13, 2019**

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 February 28, 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 March 31, 2019 filed with the SEC on April 26, 2019 (“2019 10-Q1”). 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-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
- Financial Results
- Business Segments

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.

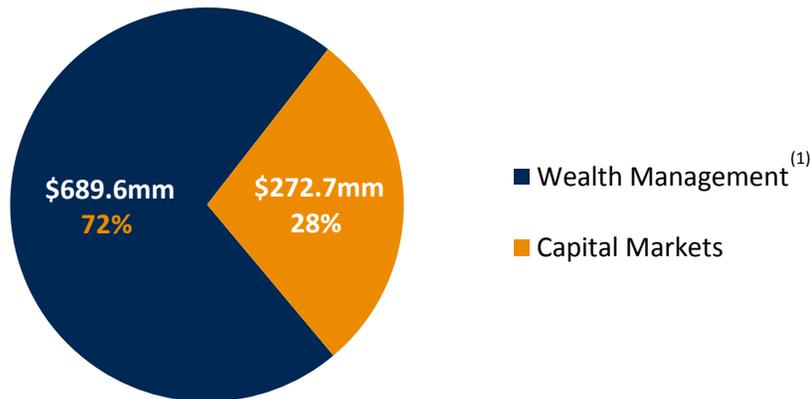
Wealth Management

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 2018 Revenue (\$962.3mm)⁽²⁾



(1) Wealth Management represents the Private Client and Asset Management business segments.
 (2) Does not include \$(4.1) million allocated to Corporate/Other.

Oppenheimer Snapshot (as of 12/31/18)

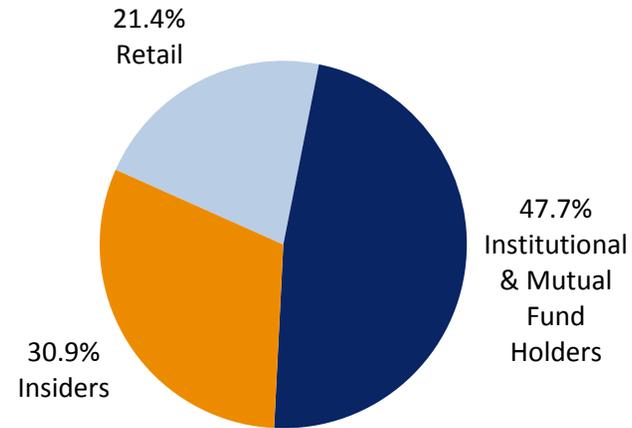
Listed NYSE Ticker:	OPY
Shareholders' Equity (\$mm):	\$544.4
Market Cap (\$mm) – 5/10/19	\$340.9
Book Value per Share:	\$41.74
Tangible Book Value per Share:	\$28.71
Share Price – 5/10/19	\$26.38
2018 Revenue (\$mm):	\$958.2
Employees:	2,976
# of FAs:	1,073
Retail Branches in the US:	92
Client Assets under Administration (\$bn):	\$80.1
Assets Under Management (\$bn):	\$26.7

Significant Insider Ownership Committed to Firm's Long Term Success

Institutional (47.7%)⁽¹⁾

- Top 10 institutional holders (~27.2%) of Class A non-voting common stock:
 - BlackRock Fund Advisors (~ 4.73%)
 - Dimensional Fund Advisors LP (~ 4.49%)
 - The Vanguard Group, Inc. (~ 3.73%)
 - Renaissance Technologies (~ 3.11%)
 - Greenwich Wealth Management LLC (~ 2.37%)
 - Numeric Investors LLC (~ 2.33%)
 - AQR Capital Management LLC (~2.11)
 - SSgA Funds Management, Inc. (~1.74)
 - Geode Capital Management LLC (~1.30)
 - Hotchkis & Wiley Capital Management LLC (~1.25)

Class A Stock – Ownership⁽¹⁾



Insiders^{(1),(2)}

- Albert Lowenthal, Chairman/CEO holds:
 - Class A – 24.6% of non-voting common stock
 - Class B – 97.5% of voting common stock

Corporate Buybacks

- During 2018, the Company bought back a total of 236,122 shares for \$5.9 million (average price of \$24.96 per share)
- During 1Q-19, the Company bought back a total of 79,383 shares for \$2.0 million (average price of \$25.64 per share)

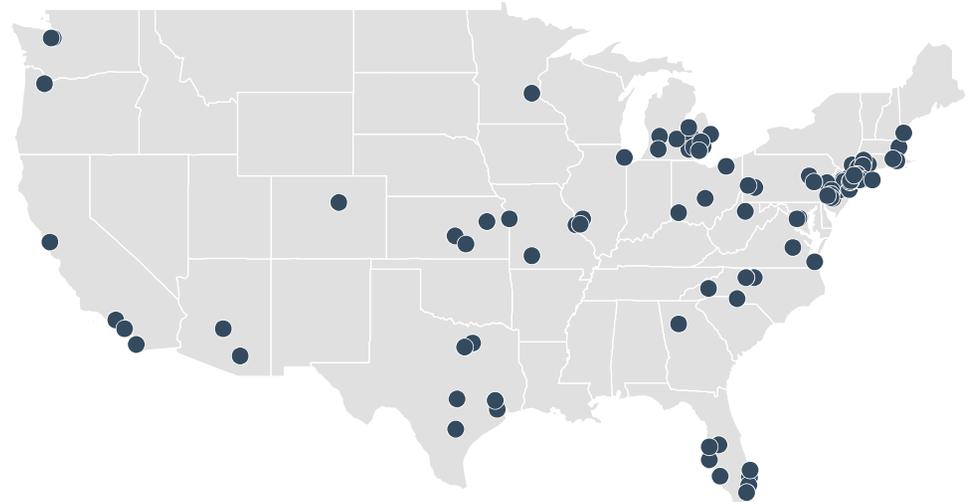
(1) Holdings are as of 3/31/19 per forms filed as of 5/13/19.

(2) Proxy Statement on Schedule 14A as of 3/22/19.

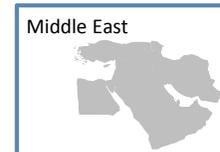
Global Footprint

Strong Presence in the U.S. and Internationally

- 94 offices in the U.S.
- 6 international offices
- 2,984 employees
 - 1,062 financial advisors
 - 185+ institutional sales professionals
 - 30+ 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
- Frankfurt, Germany

- Tel Aviv, Israel

- Hong Kong

Summary Operating Results – Full Year



(\$000's)	For the 12-Months Ended		
	12-31-18	12-31-17	% Change
REVENUE			
Commissions	\$ 329,668	\$ 336,620	(2.1)
Advisory fees	314,349	320,746	(2.0)
Investment banking	115,353	78,215	47.5
Bank deposit sweep income	116,052	76,839	51.0
Interest	52,484	48,498	8.2
Principal transactions, net	14,461	23,273	(37.9)
Other	15,787	36,147	(56.3)
Total Revenue	958,154	920,338	4.1
EXPENSES			
Compensation and related expenses	607,192	602,138	0.8
Non-Compensation related expenses	306,109	298,464	2.6
Total Expenses	913,301	900,602	1.4
Pre-tax Income	44,853	19,736	127.3
Net income	\$ 28,892	\$ 22,816	26.6
Basic net income per share	\$ 2.18	\$ 1.72	26.7%
Diluted net income per share	\$ 2.05	\$ 1.67	22.8%

Highlights
<ul style="list-style-type: none"> ✓ Advisory fees lower due to significant incentive fees recognized in 4Q-17 partially offset by higher management fees in 2018 ✓ Investment banking results increased due to higher equity underwriting and M&A fees ✓ Increases in short-term interest rates continue to benefit bank deposit sweep income ✓ Other revenue decline primarily due to decreases in cash surrender value of company-owned life insurance during 2018 ✓ Compensation and related expenses as a percentage of revenue was 63.4% during the year ended 2018 vs. 65.4% during the year ended 2017

Summary Operating Results – First Quarter



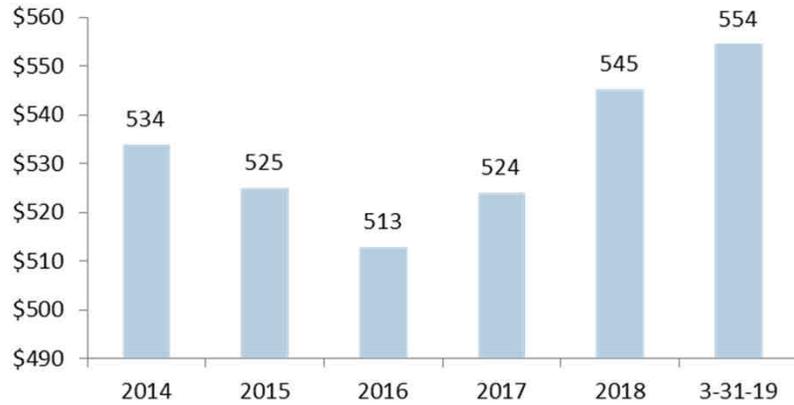
(\$000's)	For the 3-Months Ended		
	3-31-19	3-31-18	% Change
REVENUE			
Commissions	\$ 79,409	\$ 83,407	(4.8)
Advisory fees	73,647	77,548	(5.0)
Investment banking	28,043	28,210	(0.6)
Bank deposit sweep income	33,968	25,297	34.3
Interest	12,727	12,227	4.1
Principal transactions, net	11,438	2,726	319.6
Other	12,538	5,115	145.1
Total Revenue	251,770	234,530	7.4
EXPENSES			
Compensation and related expenses	160,355	153,104	4.7
Non-Compensation related expenses	75,363	71,805	5.0
Total Expenses	235,718	224,909	4.8
Pre-tax Income	16,052	9,621	66.8
Net income	\$ 11,194	\$ 6,705	67.0
Basic net income per share	\$ 0.86	\$ 0.51	68.6%
Diluted net income per share	\$ 0.81	\$ 0.48	68.8%

Highlights	
✓	Quarterly revenues in excess of \$250 million
✓	Advisory fees lower due to lower assets under management at 12/31/18 compared to 12/31/17
✓	Increase of 77.7% in fees earned from M&A activities
✓	Higher short-term interest rates continue to benefit bank deposit sweep income
✓	Principal transactions revenue higher due to higher trading income in fixed income and equities during 1Q-19
✓	Other revenue increase primarily due to increases in cash surrender value of company-owned life insurance during 1Q-19
✓	Compensation as a percentage of revenue was 63.7% in 1Q-19 compared to 65.3% in 1Q-18

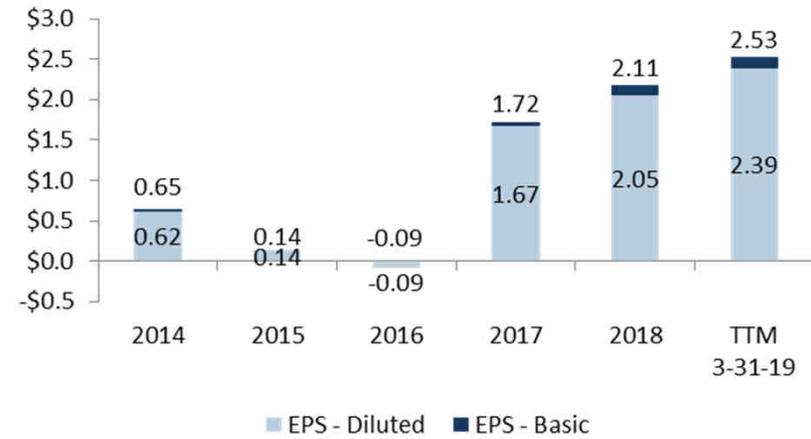
Select Financial Measures



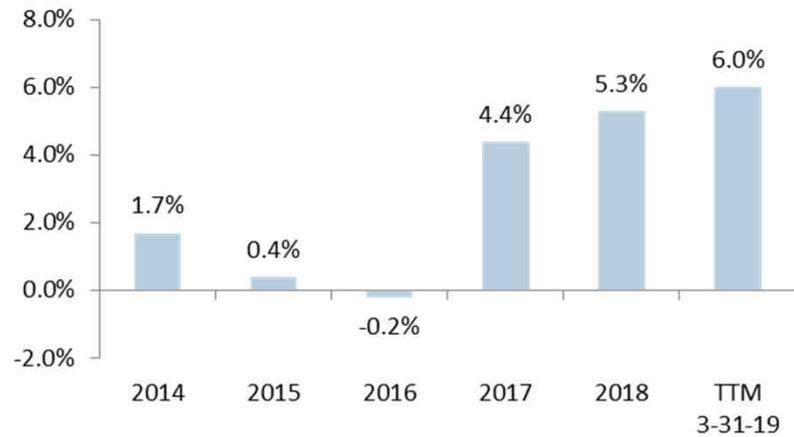
Shareholders Equity (\$mm)



Earnings per Share (\$)



Return on Equity (%)



Book Value (\$)



Capital Structure



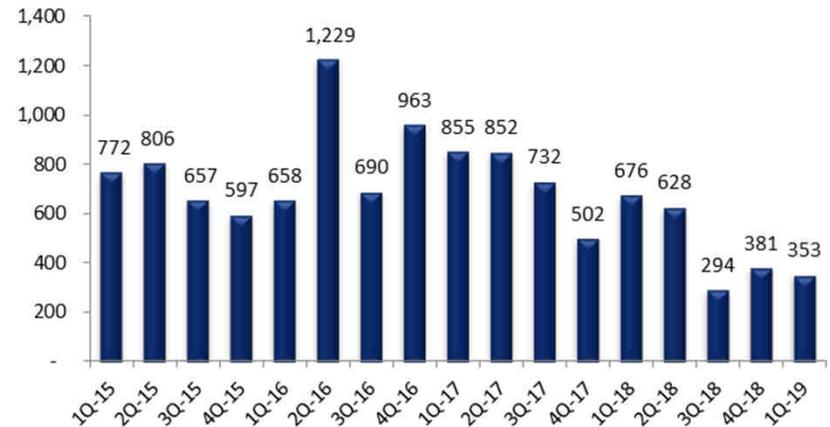
Conservative risk profile with strong balance sheet

As of March 31, 2019 (\$ in thousands)	
Total Assets:	\$2,527,510
Stockholders' Equity:	\$554,487
Long-Term Debt:	\$200,000
Total Capitalization:	\$754,487
Debt to Equity Ratio: 36.1%	
Gross Leverage Ratio⁽¹⁾: 4.6x	
Broker-Dealer Regulatory Capital (\$ in thousands)	
Regulatory Net Capital:	\$202,415
Regulatory Excess Net Capital:	\$187,019

Liquidity & Capital

- Issued \$200 million 5 year 6.75% Senior Secured Notes in June 2017
- Level 3 assets represent 0.86% of total assets
- Broker-Dealer Regulatory Net Capital at highest level in several years
- Book value per share of \$42.58 and tangible book value per share of \$29.52, both record highs

Value-at-Risk (VaR) (\$in thousands)



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

Interest Rates



Continuing to see the benefit of a rising interest rate environment

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 \$5.3 billion at 3-31-19
- Bank deposit sweep income of \$124.7 million for TTM 3-31-19

Margin Lending

- Credit extended to clients on a collateralized basis
- Average customer margin debits were \$756.0 million for TTM 3-31-19
- Margin interest revenue of \$35.6 million for TTM 3-31-19

Interest and Fee Revenues (\$mm)



Business Segment Results



(\$000's)	For the 12-Months Ended			For the 3-Months Ended		
	12-31-18	12-31-17	% Change	3-31-19	3-31-18	% Change
Revenue						
Wealth Management ⁽¹⁾	689,567	682,649	1.0	180,113	171,738	4.9
Capital Markets	272,719	231,632	17.7	70,961	61,529	15.3
Corporate - Other	(4,132)	6,057	*	696	1,263	(44.9)
	<u>\$ 958,154</u>	<u>\$ 920,338</u>	<u>4.1</u>	<u>\$ 251,770</u>	<u>\$ 234,530</u>	<u>7.4</u>
Pre-tax Income (loss)						
Wealth Management ⁽¹⁾	167,687	155,525	7.8	45,076	43,880	2.7
Capital Markets	(13,416)	(39,978)	66.4	(2,647)	(6,057)	56.3
Corporate - Other	(109,418)	(95,811)	(14.2)	(26,377)	(28,202)	6.5
	<u>\$ 44,853</u>	<u>\$ 19,736</u>	<u>127.3</u>	<u>\$ 16,052</u>	<u>\$ 9,621</u>	<u>66.8</u>

* Percentage not meaningful.

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

Leading Wealth Management Platform

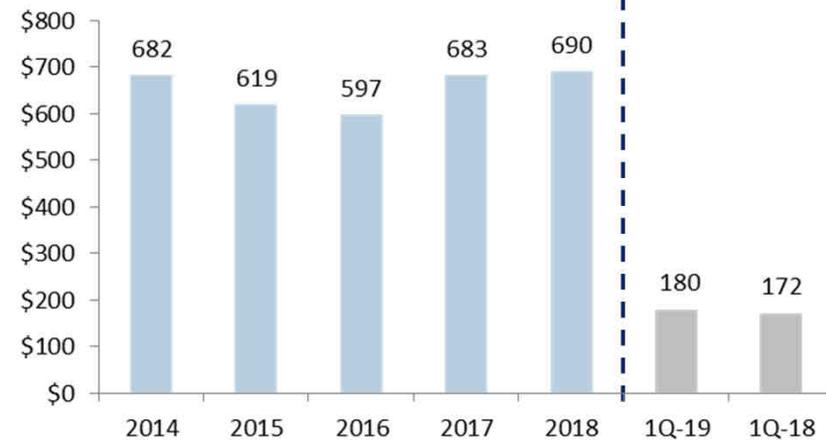


Well recognized brand and one of the few independent, non bank broker dealers with full service capabilities

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

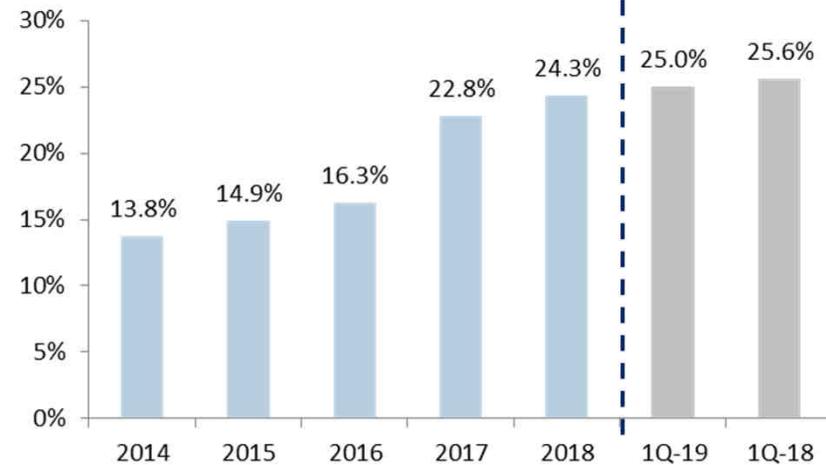
Wealth Management Revenue (\$mm)



Client Assets per Financial Advisor (\$mm)



Wealth Management Profit Margin



Wealth Management Metrics

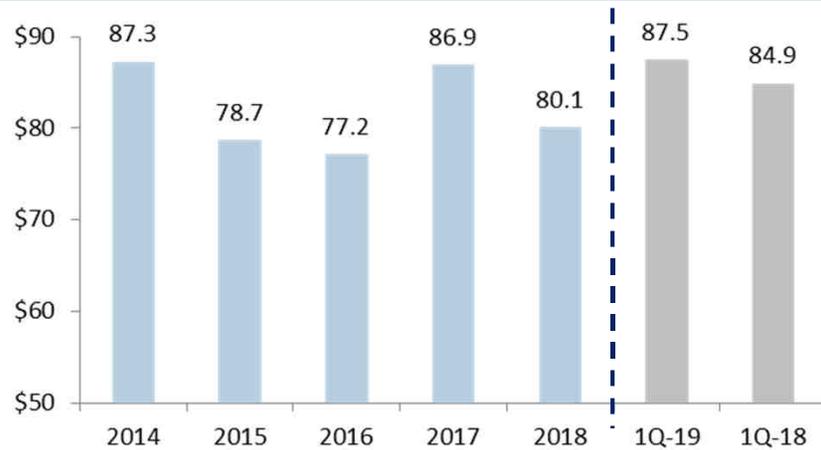


Increasing Shift to Fee Based Revenue

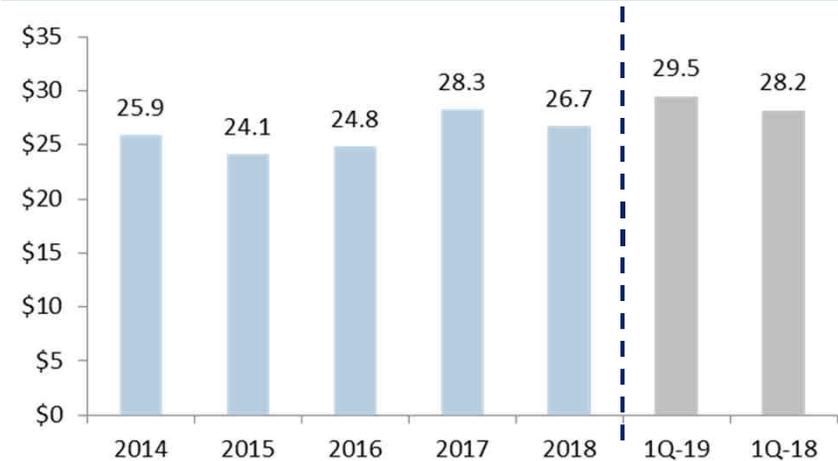
Advisory Fees as a Percentage of Wealth Management Advisory Fees and Commissions



Client Assets Under Administration (\$bn)



Client Assets Under Management (\$bn)



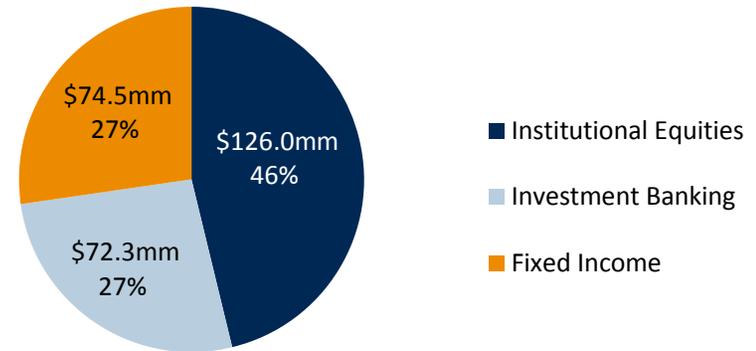
A leading capital markets business providing sophisticated investment banking, research and trading solutions

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

FY 2018 (\$272.7mm)



Capital Markets Revenue (\$mm)



- Firm's operating results have significantly improved
- 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
- Continue to benefit from rising interest rate environment
- Investing in technology to enhance compliance efforts and to support business initiatives
- ARS portfolio significantly reduced by tender offers and redemptions
- Lower legal and regulatory costs
- Conservative balance sheet
- Reviewing prospects of independent wealth management channel
- Investing in our future and poised for growth, organically and through acquisitions



Thank you!

