

Investor Presentation

March 2021

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Piper Sandler Companies (NYSE: PIPR) is a leading investment bank driven to help clients Realize the Power of Partnership®. Securities brokerage and investment banking services are offered in the U.S. through Piper Sandler & Co., member SIPC and NYSE; in Europe through Piper Sandler Ltd., authorized and regulated by the U.K. Financial Conduct Authority; and in Hong Kong through Piper Sandler Hong Kong Ltd., authorized and regulated by the Securities and Futures Commission. Private equity strategies and fixed income advisory services are offered through separately registered advisory affiliates.

Piper Sandler Investor Presentation

Cautionary notice regarding forward-looking statements

This presentation contains forward-looking statements. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated, including those factors identified in the document entitled “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2020 and updated in our subsequent reports filed with the SEC.

These reports are available at our Website at www.pipersandler.com and at the SEC Website at www.sec.gov.

Forward-looking statements speak only as of the date they are made, and Piper Sandler undertakes no obligation to update them in light of new information or future events.

On January 3, 2020, Piper Jaffray and Sandler O’Neill merged to become Piper Sandler Companies.

The fiscal year 2020 financial results and measures include Sandler O’Neill beginning from the date of merger on January 3, 2020. Financial measures for periods ending on or prior to December 31, 2019 and presented herein, represent the results of Piper Jaffray Companies not including Sandler O’Neill.

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Section I.

Our business and value proposition



Year Founded: 1895
NYSE: PIPR
Headquarters: Minneapolis, MN
Employees: 1,500+
Offices: 60+

A leading investment bank

We enable growth and success for our clients through deep sector expertise, candid advice and a differentiated, highly productive culture.

- Diversified firm with market leadership across businesses, deep expertise in focus sectors, and broad product capabilities
- One of the largest and broadest middle-market investment banks on the street with a reputation for client-first approach
- Top-ranked M&A advisor and represents one of the fastest growing platforms in the U.S.
- Book run, market-leading equity and debt underwriting franchises
- Scaled equity brokerage business and premier client destination that combines top-ranked research, trading, and capital markets capabilities
- Differentiated, advice-driven fixed income business
- Well capitalized and low leverage with meaningful capacity to generate free cash flow across cycles

\$1.23BB

FULL YEAR 2020
ADJUSTED NET
REVENUES*



INVESTMENT BANKING | \$716MM**

- M&A advisory
- Equity and debt capital markets
- Debt advisory
- Restructuring advisory

EQUITY BROKERAGE | \$161MM**

- Institutional sales and trading
- Equity and technical research

PUBLIC FINANCE | \$143MM**

- Municipal underwriting and advisory

FIXED INCOME | \$196MM**

- Municipal and taxable sales and trading
- Balance sheet strategy and analytics

* A non-GAAP financial measure. See Appendix for a reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP measure.

** Represents 2020 revenues

Strategic objectives

I. Our business and value proposition

WE REMAIN FOCUSED ON EXECUTING OUR LONG-TERM STRATEGIC OBJECTIVES



Drive revenue growth

Continue executing on our investments and fully realizing the revenue synergies resulting from recent acquisitions by collaborating across business lines to leverage the full capabilities of our firm to pave the way for future growth

Transforming our business through strategic investments and selectively adding partners who share our client-centric culture and who can leverage our platform to better serve clients

Growing our investment banking platform through accretive combinations, developing internal talent, and continued sector and geographic expansion



Build a stronger and more durable platform

Leverage scale within equity brokerage and fixed income platforms driven by expanded client base and product offerings

Continue to grow market share and register strong relative performance across market cycles

Reduced inventory and risk in our fixed income business as we focus on defined client verticals driving a strategic shift towards an advisory-centric model with more consistent returns



Maximize shareholder value

Prudently managing capital and costs to maintain our balance sheet strength and flexibility through all market conditions

Deploy excess capital to drive shareholder returns through growth initiatives, dividends, and share repurchases

Transforming our business through strategic investments

I. Our business and value proposition

DRIVING REVENUE GROWTH, BUILDING A STRONGER AND MORE DURABLE PLATFORM, AND MAXIMIZING SHAREHOLDER VALUE THROUGH FOCUSED INVESTMENTS

2013

Invested in Public Finance

Acquired Seattle Northwest, a market leader in the Pacific Northwest

Invested in Advisory

Acquired Edgeview, an M&A firm dedicated to the private equity community

2015

Invested in Advisory

Added a leading DCM team to broaden our product capabilities

Invested in Fixed Income

Acquired BMO Capital Markets GKST to expand our fixed income sales, trading and underwriting platforms

2018

Invested in Healthcare

Strengthened industry sub-verticals with expansion into biopharma

PIPER | SANDLER

2020

Invested in Financial Services

Merged with Sandler O'Neill, the leading financial services investment bank; the combination increases the scale of our M&A practice, strengthens our capital markets platform, adds a differentiated fixed income business, and enhances our equities business

2014

Invested in Advisory

Acquired PCG, an M&A boutique for health and wellness-oriented businesses, to add a new vertical to our consumer group

2016

Invested in Energy

Acquired Simmons & Company, a premier energy investment bank

2017

Invested in Public Finance

Broadened specialty sectors, and expanded our high-yield practice

2019

Invested in Equity Trading

Acquired Weeden & Co. to be a market leader in best execution

Invested in Public Finance

Added a team in Nebraska to continue expanding our state and local government practice

2020

Invested in Advisory

Acquired The Valence Group adding a leading chemicals and materials M&A advisory practice

Expanded our diversified industrials and services group with the addition of a new team









Acquired TRS Advisors, a restructuring advisory firm, to broaden our product capabilities

Investment banking

I. Our business and value proposition

SIGNIFICANTLY SCALED, DURABLE PLATFORM WITH DEEP AND BROAD SECTOR EXPERTISE

- Multiple market-leading franchises in significant industry sectors provide resiliency across cycles
- Five scaled industry teams each with potential to generate \$100MM+ of annual investment banking revenues, including healthcare and financial services which can each generate \$200MM+ in a strong year

Financial Services 	65 SENIOR BANKERS 458 COMPLETED DEALS* 362 STOCKS COVERED	Healthcare 	40 SENIOR BANKERS 199 COMPLETED DEALS* 239 STOCKS COVERED	Diversified Industrials & Services 	25 SENIOR BANKERS 104 COMPLETED DEALS*	Energy & Power 	28 SENIOR BANKERS 222 COMPLETED DEALS* 90 STOCKS COVERED
Consumer 	17 SENIOR BANKERS 137 COMPLETED DEALS* 88 STOCKS COVERED	Chemicals & Materials 	13 SENIOR BANKERS 35 COMPLETED DEALS*	Technology 	8 SENIOR BANKERS 55 COMPLETED DEALS* 128 STOCKS COVERED	Capital Advisory & Markets, & Sponsor Coverage 	39 SENIOR BANKERS 39 JUNIOR BANKERS

* Completed deals include closed advisory deals from January 1, 2016 to December 31, 2020; deal counts reflect combined Piper Jaffray and Sandler O'Neill data

Note: Senior bankers include vice president through managing directors. Stocks covered represent number of companies under coverage by research. The Chemicals & Materials group represents historical data from The Valence Group, which we acquired on April 3, 2020.

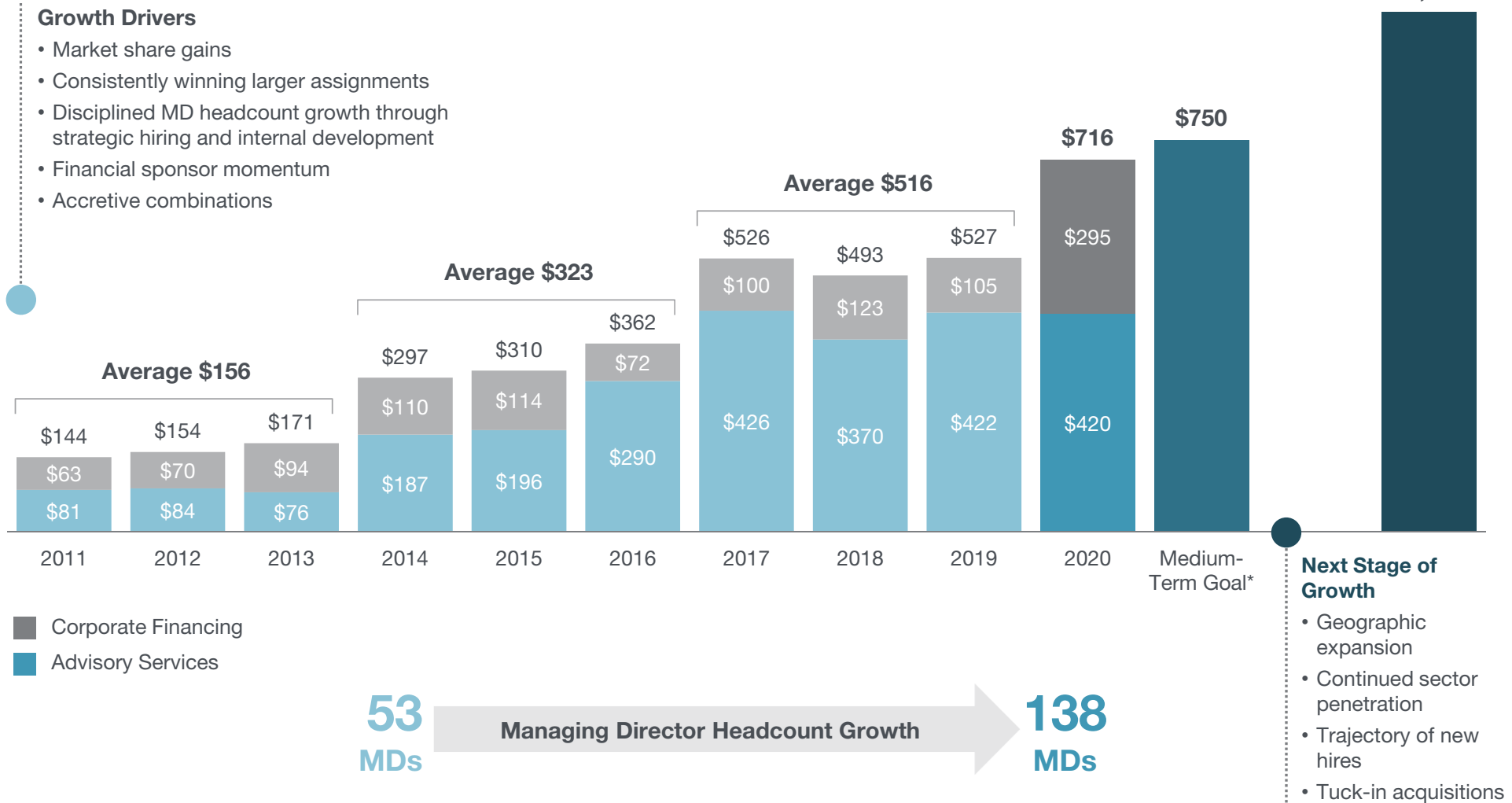
Growth trajectory of corporate investment banking platform

I. Our business and value proposition

ONE OF THE LARGEST AND BROADEST MIDDLE MARKET INVESTMENT BANKS ON THE STREET

Corporate Investment Banking Revenues

(\$ in millions)



* Medium-Term Goal illustrates the Piper Sandler pro forma platform in a normalized market environment by combining 2019 revenues of \$527 and 2019 Sandler O'Neill investment banking revenues of \$227M

Comprehensive suite of products and services

I. Our business and value proposition

PROVIDING THE HIGHEST QUALITY ADVICE TO OUR CLIENTS

M&A Advisory

- Top-ranked middle market M&A advisor¹
- Industry-focused M&A
- Advised more than 1,200 M&A transactions worth more than \$350 billion in the past 5 years²

Equity Securities

- Leading underwriter of middle market companies
- Leading aftermarket trading support
- Focused and dedicated research coverage

Debt Securities

- Product expertise across entire leveraged capital spectrum
- Leading market share in bank debt³

Private Placements

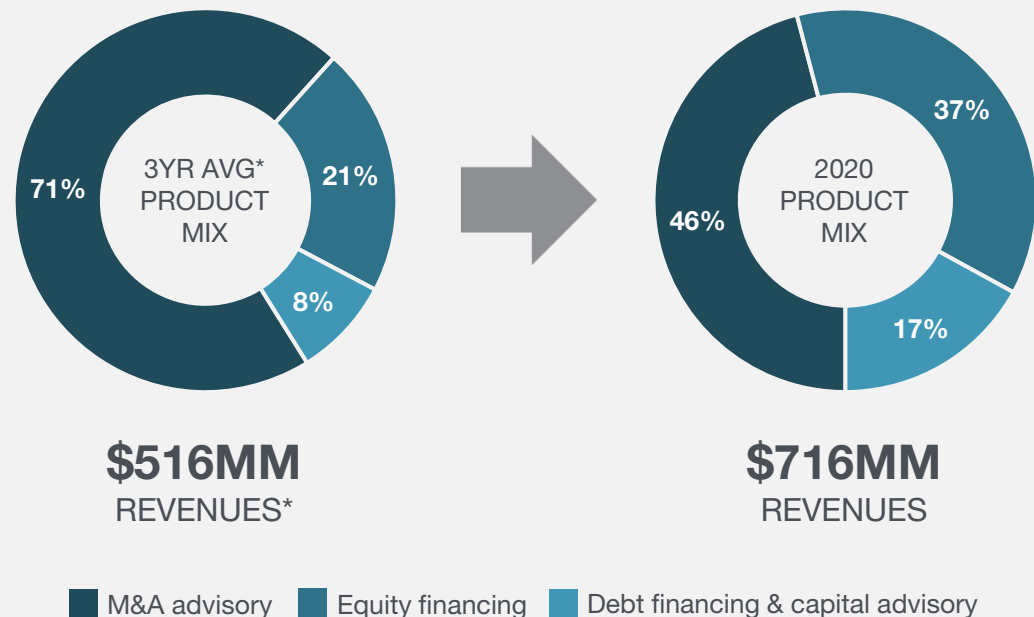
- Leading industry expertise and products knowledge
- Extensive relationships with private equity and venture firms

Restructuring and Special Situations

- Advisor of recapitalization and balance sheet management for financial institutions
- Advisor to financially stressed businesses, creditor constituencies, investors
- Chapter 11, out-of-court workouts, sale of assets, reorganizations, exchange/tender offers, acquisitions

INVESTMENT BANKING REVENUES BY PRODUCT

Our diversified mix of products allows us to serve clients across all market cycles and provides resiliency to our platform



* Represents average of 2017, 2018, and 2019

¹ Refinitiv, S&P, Dealogic, etc.

² Completed advisory deals are from January 1, 2016 to December 31, 2020 and combines data from Piper Jaffray, Sandler O'Neill, and The Valence Group

³ S&P Global Market Intelligence, Bloomberg, Piper Sandler Syndicate Desk

Market leader in capital raising for healthcare and financial services

I. Our business and value proposition

EQUITY FINANCING

Active equity underwriting calendar driven by leadership in life sciences

Life Sciences IPO & Follow-on Transactions¹ 2020

RANK BASED ON # OF BOOK RUN DEALS*
(\$ in billions)

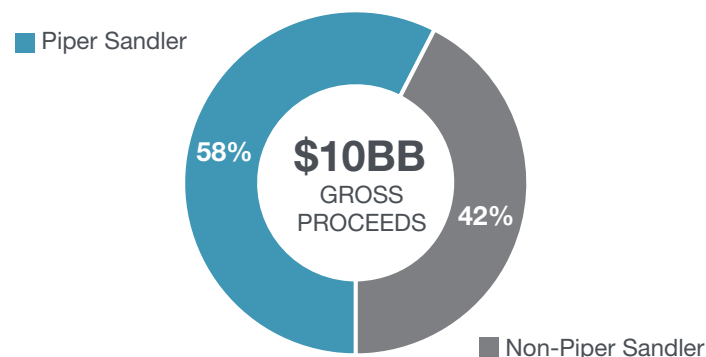
1	Jefferies	103	\$14.3
2	Cowen & Co	97	\$15.8
3	Leerink Swann & Co	81	\$15.5
4	JPMorgan	71	\$14.1
5	Piper Sandler	70	\$9.8
6	BofA Merrill Lynch	60	\$10.2
7	Goldman Sachs	55	\$12.7
8	Morgan Stanley	53	\$8.8
9	Evercore Partners Inc	46	\$7.6
10	Guggenheim Securities LLC	35	\$6.4

DEBT CAPITAL RAISING

Strong activity within community and regional bank debt issuance driven by low interest rates and recapitalization within banks

Community & Regional Bank Debt Issuance Transactions² 2020

BOOK RUN MARKET SHARE



	# of Deals	Gross Proceeds
Total Institutional Transactions	213	\$10.0BB
Piper Sandler Transactions	88	\$5.8BB
Piper Sandler Market Share	41%	58%

¹ Deal count includes deals with market cap < \$5 billion and deal values > \$20 million; Data as of December 31, 2020; Source: Dealogic, Piper Sandler ECM

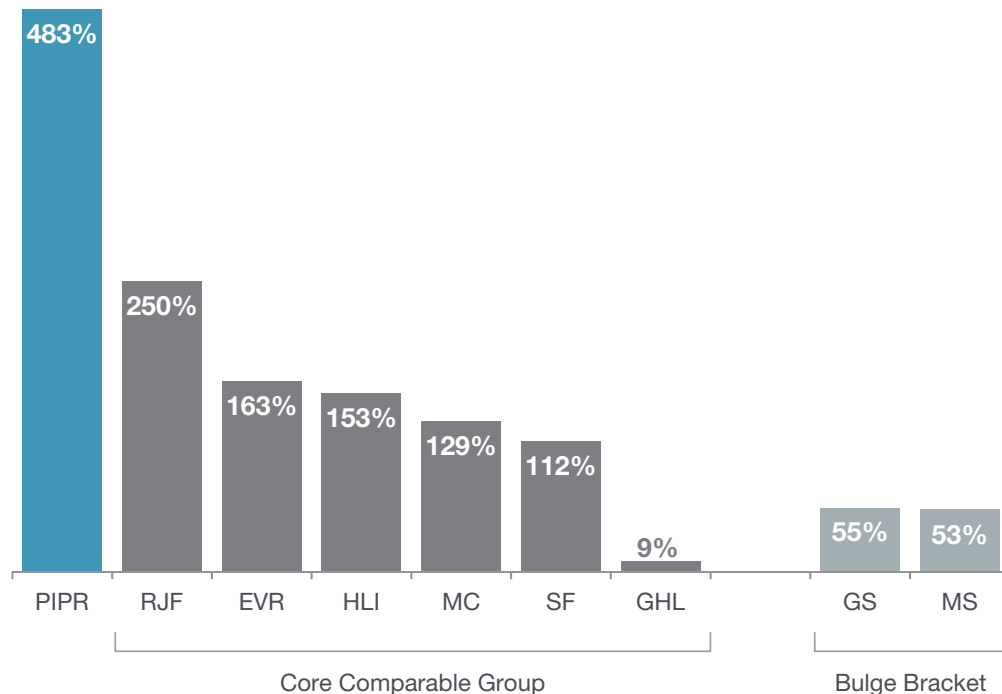
² Includes \$1000 par subordinated debt and senior note offerings for Community Banks with less than \$40 billion in assets; Excludes transactions less than \$5 million in offering size. Data as of December 31, 2020; Source: S&P Global Market Intelligence, Bloomberg, Piper Sandler Syndicate Desk

One of the fastest growing investment banks

I. Our business and value proposition

SERVING THE FULL RANGE OF MIDDLE-MARKET COMPANIES WITH OUR REPUTATION FOR CLIENT-FIRST APPROACH AND STRAIGHTFORWARD ADVICE

Growth in Advisory Services Revenues¹
2020 VS. 2013



U.S. M&A All Industries²
2016-2020

RANK BASED ON
OF DEALS

1	Goldman Sachs & Co. LLC	868
2	Houlihan Lokey, Inc.	783
3	Piper Sandler Companies	763
4	JPMorgan	739
5	Morgan Stanley	629
6	Jefferies LLC	592
7	Evercore Inc.	539
8	Barclays	526
9	Bank of America	520
10	Raymond James	470

¹ Represents growth in Advisory Revenue from 2013 to the last reported LTM period. Source: SEC Filings & Earnings Releases

² Includes nationwide acquisitions announced from January 1, 2016 to December 31, 2020 across all industries. Combines Piper and Sandler deal activity. Source: Mergermarket; data as of February 22, 2021

Update on merger with Sandler O'Neill

I. Our business and value proposition

RESULTS TRACKING EXPECTATIONS EVEN IN DIFFICULT ENVIRONMENT ILLUSTRATING THE RESILIENCY OF THE BUSINESS

Performance Update

- Near record revenues and profitability significantly above expectations despite mixed markets
- Maintained No. 1 rank in Bank M&A this year, advising on six of the 10 largest bank mergers by deal value in the U.S.¹
- Record debt capital raising driven by the low interest rate environment; 58% market share based on debt raised for community banks
- Record client activity in fixed income as we continue to provide advice so banks are able to maximize earnings, manage risk, and preserve capital
- Some referrals across businesses leveraging the deep relationships of the combined platform
- Platform is well positioned to continue to perform well across market cycles

Firm Profile

- Merged on January 3, 2020, and combined firm became Piper Sandler Companies
- Successfully integrated the business and retained all partners
- Full-service investment bank dedicated to providing comprehensive advisory services and transaction execution services to financial institutions
- Singular focus on financial services companies with exceptional industry knowledge
- Leader in M&A and capital offering within the financial services sector
- 300+ companies covered under research and 1000+ banks covered in fixed income
- Industry-leading productivity with more than \$300MM of annual revenues

Performance Stats 2020

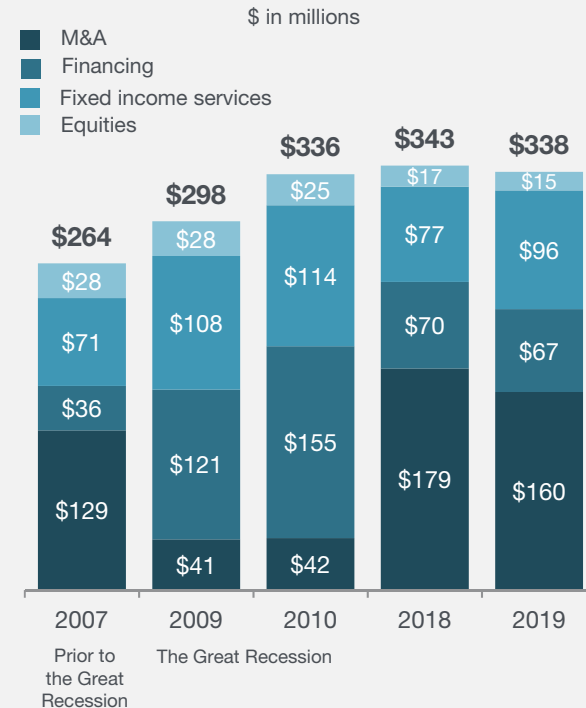
\$32.4BB

AGGREGATE VALUE OF COMPLETED
M&A ADVISORY TRANSACTIONS

\$5.8BB

RAISED ON BOOK RUN DEBT ISSUANCES
FOR COMMUNITY BANKS²

Stable Revenues Regardless of Market Environment



¹ Includes all U.S. bank and thrift transactions announced in 2020. Source: S&P Global Market Intelligence.; data as of January 27, 2021

² Includes \$1000 par subordinated debt and senior note offerings for Community Banks with less than \$40 billion in assets; Excludes transactions less than \$5 million in offering size; Source: S&P Global Market Intelligence, Bloomberg, Piper Sandler Syndicate Desk

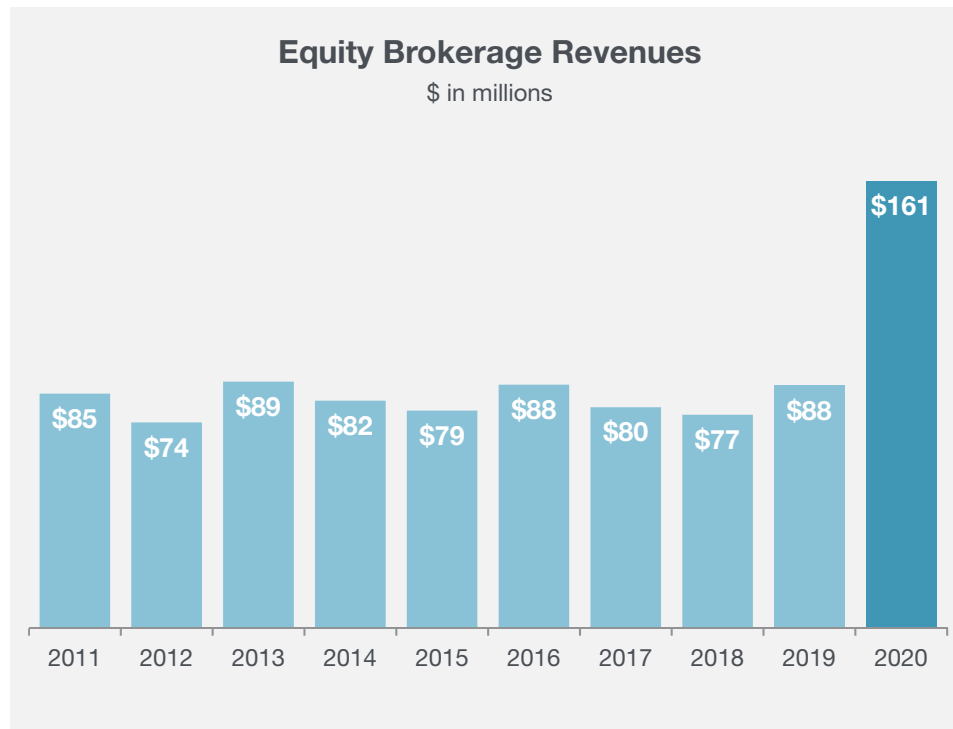
Equity institutional brokerage

I. Our business and value proposition

CREATING REAL VALUE FOR INSTITUTIONAL INVESTORS

Combination of top-ranked research, trading, and capital markets capabilities creates a premier client destination

- Delivers deep sector expertise, trading excellence, advisory resources, and natural liquidity to our clients
- Complemented by fully integrated research, investment banking, corporate access and execution services
- Consistently providing strong guidance and transaction skills to our corporate and institutional clients



SCALED PLATFORM WITH 170+ PROFESSIONALS AND ANNUAL REVENUES OF \$130MM+*

Equity Trading

- Unconflicted business model with leading trading capabilities
- Over 100 sales and trading professionals with a local presence in every major US financial market
- Extensive client base of 1,500 accounts globally for sourcing liquidity, with a top 15 marketplace ranking¹ and an Autex crossing rate of approximately 20%
- Minimize market impact and help clients reduce transaction costs
- Experts in mid- and small-cap liquidity with sector trader centralization creating efficiency and improving quality

Equity Research

- 50+ senior research analysts
- In-depth, proprietary research on 800+ companies
- Coverage across most sectors within the S&P 500 including small-, mid- and large-cap stocks
- Extensive economic, market, industry and technical analysis
- Value-add investment ideas

Equity Sales

- Combination of generalist and specialty sales ranked #1 in multiple industry verticals²
- Deep expertise across industry sectors
- Event-driven and multiple specialty sales professionals
- Supports our full suite of investment banking products
- Facilitates direct access to corporate clients via conferences, unique events, roadshows and one-on-one meetings

* Represents Piper Sandler Pro Forma










¹ GPS Revenue Report for the first nine months of 2020; Source: McLagan

² Greenwich Associates' survey for 2019


Global equity sales and trading platform


I. Our business and value proposition


MEANINGFULLY EXPANDED TRADING PLATFORM


Products	2016	2020
High-Touch (Cash) Trading Deep sector expertise combined with trading excellence that minimizes market impact and reduces trading costs		
Program Trading Qualitative and quantitative analysis that strategically blends algorithms and human input to prevent disrupting the marketplace and achieve benchmark goals	X	
Algo (No-Touch) Trading Flexible and proprietary trading technology with ability to customize strategies	X	
Commission Management Comprehensive and flexible program with ability to fund all client commission arrangements (CSA, soft dollar, commission recapture participation program)	X	
Derivatives Trading Agency model with superior execution that provides clients with multi-disciplinary, collaborative approach towards portfolio management	X	
International Trading (24-Hour) Global execution capabilities in more than 40 countries extending across all major exchanges in Europe, Asia and the Americas	X	
Event-Driven Strategies Timely and insightful commentary on a variety of scenarios including merger arbitrage, relative-value, spin-offs, SPACs and other special situations		


Ranking #1 in multiple categories for 16 consecutive years, according to the Greenwich Associates' portfolio trading survey

- 

Overall portfolio trading quality
- 

Minimizing market impact
- 

Capability of sales professionals
- 

Efficient trade settlement
- 

Advising on implementation strategy

Update on acquisition of Weeden

I. Our business and value proposition

COMBINED CAPABILITIES REPRESENT ONE OF THE BROADEST AND DEEPEST MIDDLE-MARKET EQUITIES PLATFORM IN THE U.S.

Performance Update

- Record revenues on a combined basis for 2020 driven by leveraging the expanded client base, execution expertise and product capabilities to find liquidity for clients in robust markets
- Operating results are exceeding expectations driven by a combination of strong execution and a more favorable market environment
- Margins in the business meaningfully improved driven by realizing and exceeding the anticipated cost synergies
- Combined platform has one of the highest cross rates in the market reflecting the breadth of our client base
- Consistent growth in number of trading clients since the acquisition

Firm Profile

- Acquisition closed in August 2019
- 98-year-old firm with a strong culture, entrusted with trading since 1922
- Provides premier global trading solutions, specializing in best execution through the use of high-touch and program trading, proprietary algorithmic strategies and derivatives
- Has ranked No. 1 in multiple trading categories for 15 years according to the Greenwich Portfolio Trading Survey¹
- 50+ sales, trading and execution professionals (averaging 15 years of experience)
- Leads with client relationships cultivated over decades through mutual trust, trading expertise and proprietary technology

Performance Stats of Combined Platform

\$161MM

2020
RECORD REVENUES

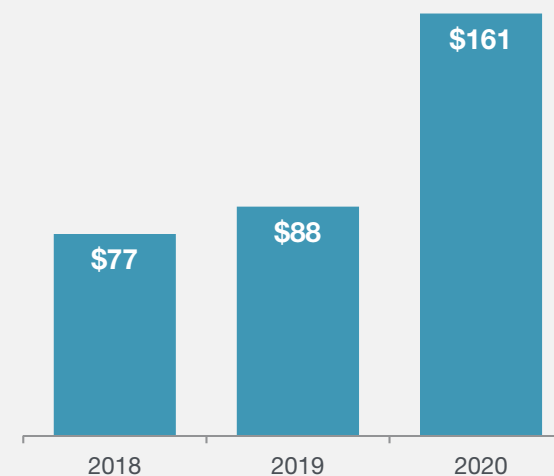
11.6BB

2020 SHARES TRADED
UP 2X+ OVER 2019

Equity Brokerage Revenues

Last 3 Years

\$ in millions



¹ Greenwich Associates is the premier strategic consulting and research source for providers and users of financial services worldwide. Greenwich Associates analyzes the largest sell-side portfolio trading desks based on a one-on-one question and answer survey with the top buy-side program trading desks. This is a 100% unbiased independent survey that covers a multitude of industry trends and categories.

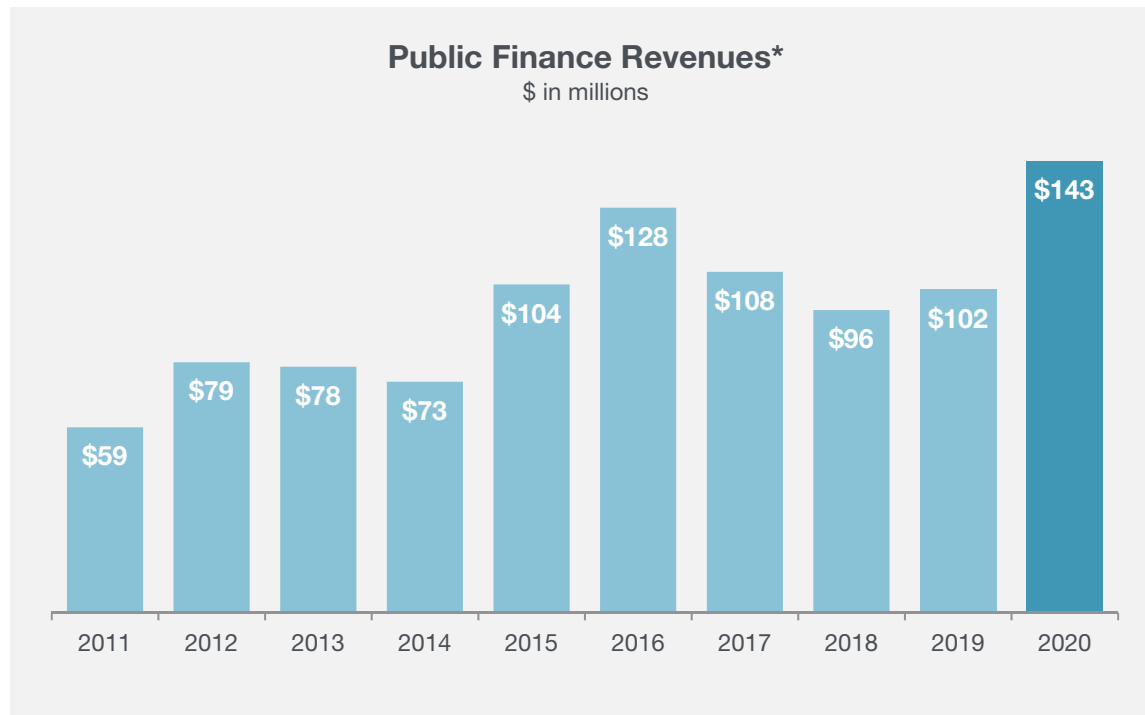
Public finance

I. Our business and value proposition

LEADING MIDDLE-MARKET TAX-EXEMPT UNDERWRITER

Local market relationships and knowledge amplified by the strength of substantial scale and expertise

- Uniquely positioned market leader in a steady business with solid margins
- Broad product set to meet client's needs
- Robust distribution capabilities with a team of 300+ public finance and distribution professionals
- Industry sector expertise in high-margin specialty sectors



SECTOR EXPERTISE

Government

- Local Municipalities
- School Districts
- State and State Agencies
- Infrastructure for Development

Healthcare

- Non-Profit Health Care Providers

Senior Living

- Assisted & Independent Living
- Retirement Communities (CCRCs)

Education

- Higher Education
- Charter Schools

Hospitality

- Hotels and Convention Centers

Housing

- Single & Multi-Family Housing

Transportation

- Toll Roads & Surface Transportation
- Airports

* Public finance revenues include municipal financing and public finance advisory

Longstanding public finance leadership

I. Our business and value proposition

NATIONAL PLATFORM, REGIONAL EXPERTISE

Consistently improving a strong franchise

- Periods of market instability create industry consolidation opportunities
- We are a destination of choice – we continually attract professionals or firms and their clients
- Adding professionals to expand our footprint, strengthen areas of industry expertise and broaden our product capabilities

Our Platform	2007	2010	2014	2020
Number of Offices	18	23	36	50
Number of States	15	18	27	30
Number of Professionals	93	100	125	142
Negotiated Market Share ¹	1.4%	1.8%	3.2%	4.9%

RECORD MARKET SHARE, RANKING AMONG THE NATION'S LEADING UNDERWRITERS

Negotiated and Private Placements² 2020

RANK BASED ON NUMBER OF ISSUES
(\$ in billions)

1	Stifel Nicolaus & Co Inc	899
2	Piper Sandler & Co	847
3	RBC Capital Markets	643
4	D A Davidson & Co	578
5	Raymond James	573
6	Robert W Baird & Co Inc	520
7	Citi	385
8	BofA Securities Inc	368
9	J P Morgan Securities LLC	341
10	Morgan Stanley	207

¹ Market share based on par value of long-term senior municipal negotiated issuance; Source: Refinitiv, data as of January 14, 2021

² Includes number and aggregate par value raised through sole/senior negotiated and private placement transactions from January 1, 2020 through December 31, 2020; Source: Refinitiv, data as of January 14, 2021

Fixed income business

I. Our business and value proposition

DIFFERENTIATED FIXED INCOME MODEL PROVIDING COMPREHENSIVE INVESTMENT SOLUTIONS TO CLIENTS

Leads with advice in defined client verticals and strategically utilizes capital to facilitate client needs

- Strength of product expertise and analytics driving a shift toward a more advisory centric model

Leadership in focused markets

- Growing business focused on public entity clients
- Unique expertise in municipal bond markets
- Deep penetration and leadership within banks

Capital efficient model with industry leading distribution and product capabilities

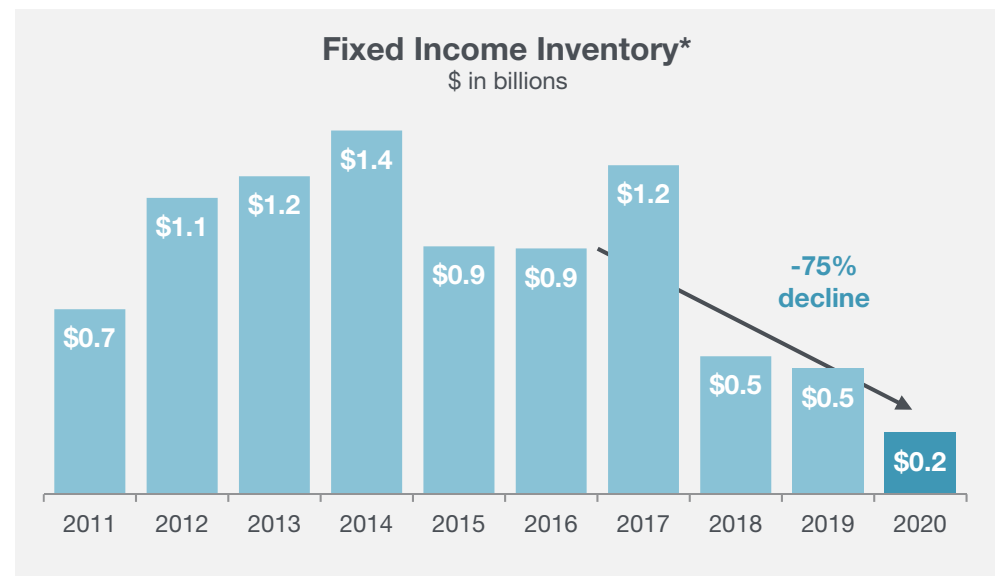
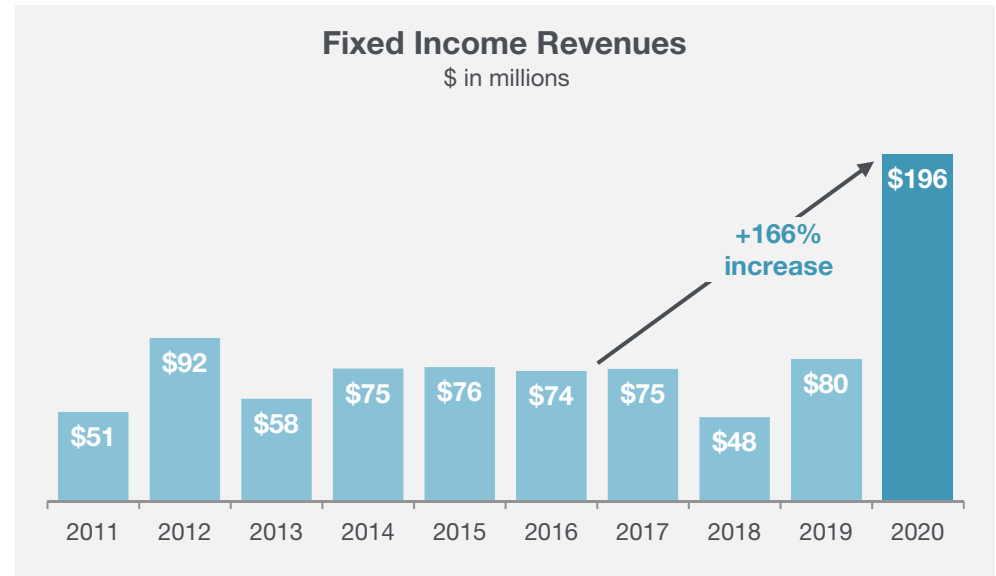
- Meaningful increase in scale combined with a significant reduction in inventory and risk driving higher and more consistent returns

Closely integrated with investment banking providing access to significant new issue product

- Both origination and distribution capabilities
- Strong distribution in municipal new issue and financial services-related debt deals

Expanded sales force and capabilities creates significant organic growth opportunities

- 230+ professionals including 129 sales professionals and 36 trading professionals



* Fixed income inventory represents financial instruments and other inventory positions owned excluding equity securities, convertible securities, and derivative contracts.

Diversified mix of clients and products provides durability across market cycles

I. Our business and value proposition

ONE OF THE LARGEST MIDDLE-MARKET FIXED INCOME PLATFORMS WITH ANNUAL REVENUE POTENTIAL OF \$150MM+*

Client Base

- Financial institutions
- Public entities
- Funds
- Money managers
- RIAs
- Insurance companies
- Trust departments

Product Offerings

- Municipal bonds (taxable and tax-exempt)
- Mortgage-backed securities (MBS) and asset-backed securities (ABS)
- CLOs
- Agency securities
- Corporate bonds
- CDs and commercial paper
- Money market funds and variable-rate securities
- Preferred stock
- Treasuries
- Derivatives/Interest rate management
- Loans
- New issue municipal and bank debt



Providing holistic approach to balance sheet management, focused on building core franchise value for financial institutions



Designing unique portfolio solutions for public entity clients focused on their liquidity needs and risk tolerances



Executing the appropriate investment strategy while employing competitive bidding to ensure advantageous pricing



Evaluating suitable investments using relative value analysis and credit monitoring tools



Maintaining constant dialogue with clients to ensure changes in investment parameters are immediately implemented



Access to meaningful new issue deal flow and a broad array of taxable and tax-exempt fixed income products


* Represents Piper Sandler Pro Forma

Section II.

Investment rationale

Investment rationale

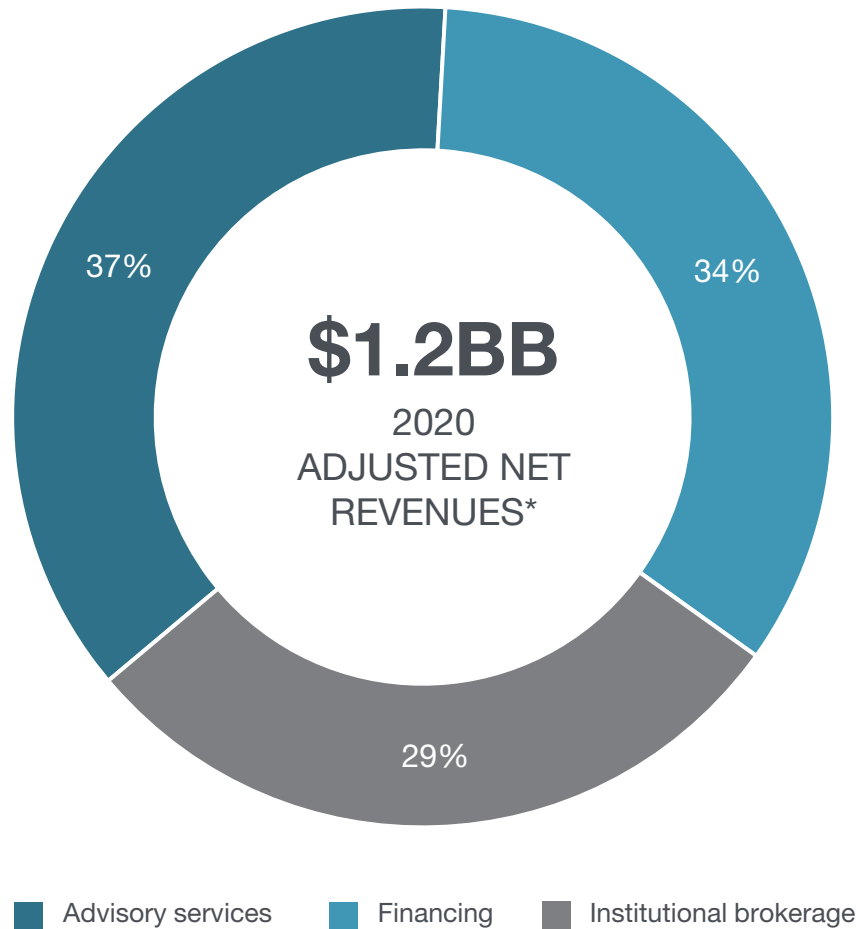
II. Investment rationale

-  **Diversified firm with market leadership, broad product capabilities and scale across all business lines**
-  **Track record of profitable growth**
-  **Advice-driven model with low incremental operating capital needs and the capacity to generate significant cash flows**
-  **Disciplined operating management and financial flexibility to drive shareholder returns**
-  **Destination of choice for top tier franchises and talent looking to grow their business and leverage the combined platform**

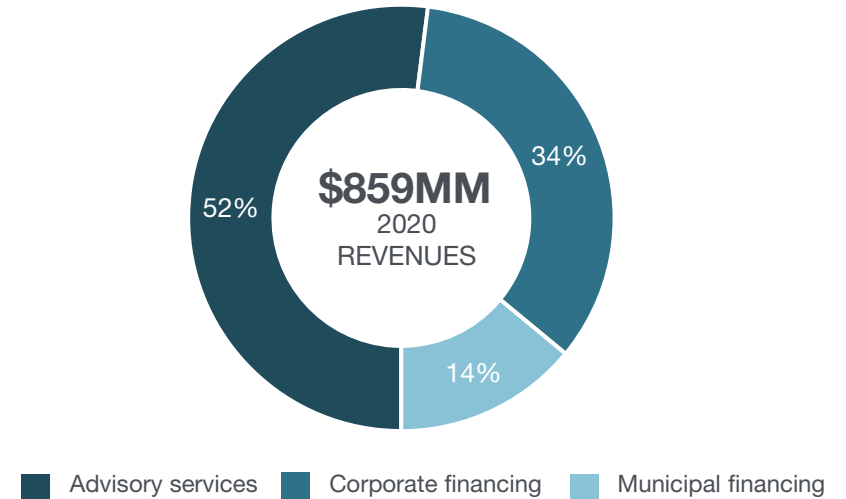
Diversified firm with broad product capabilities

II. Investment rationale

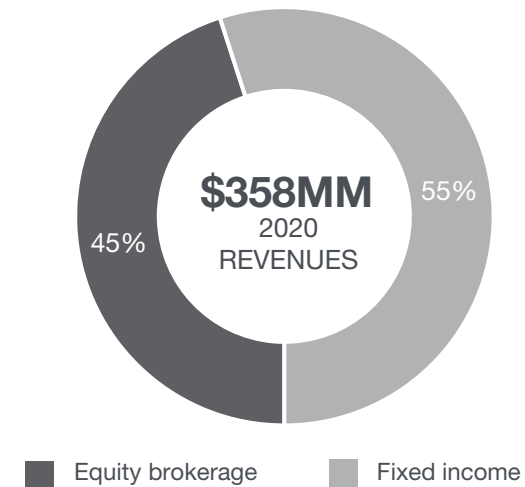
Adjusted Net Revenue Mix



Investment Banking Revenue Mix



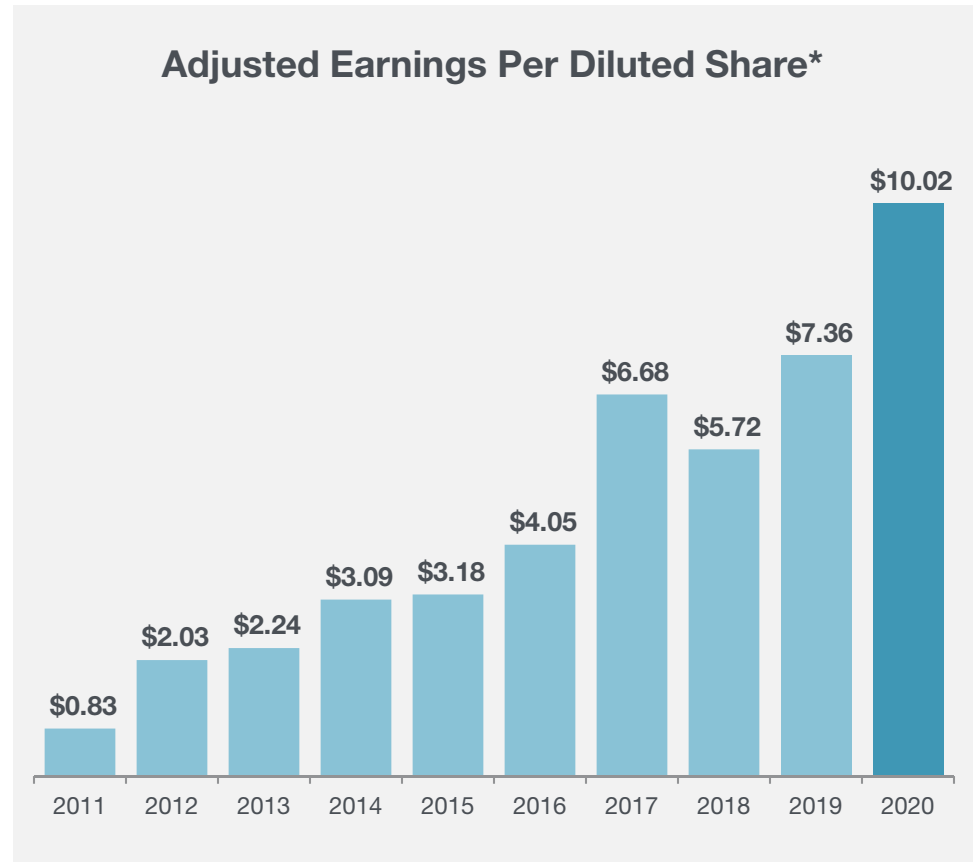
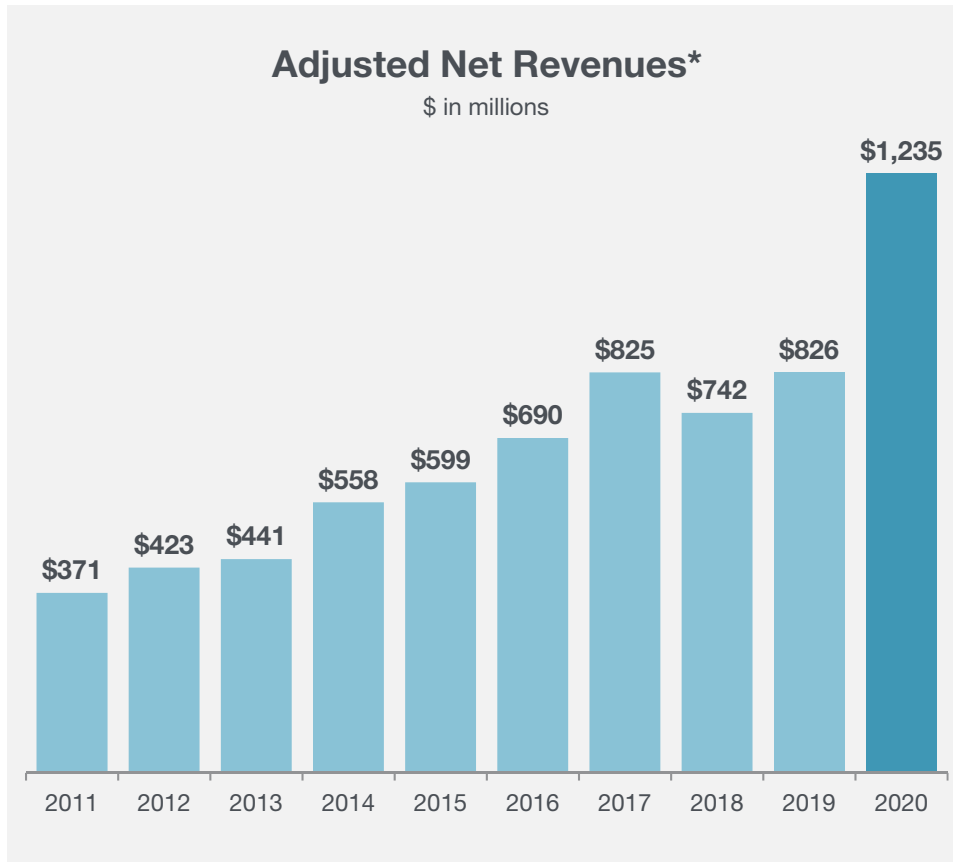
Institutional Brokerage Revenue Mix



* A non-GAAP financial measure. See Appendix for a reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP measure.

Track record of profitable growth

II. Investment rationale



* A non-GAAP financial measure. See Appendix for a reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP measure.

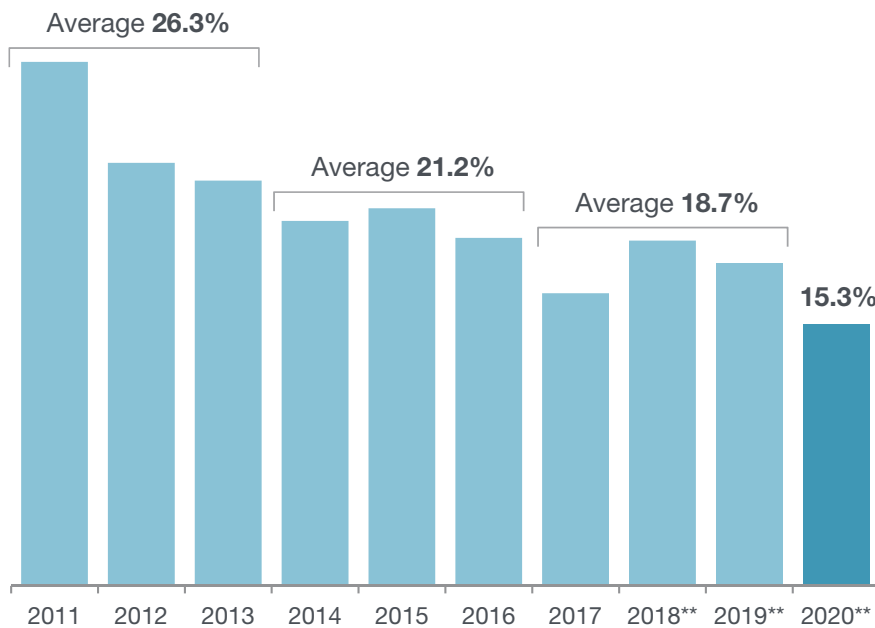
Disciplined cost management driving operating leverage

II. Investment rationale

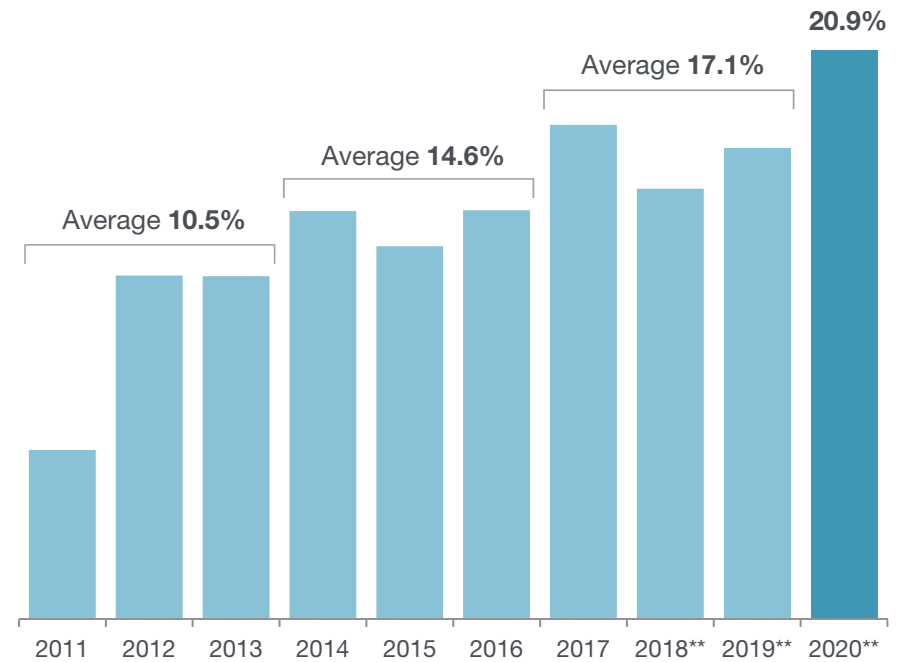
PRUDENTLY MANAGE COSTS TO DRIVE MARGIN ACROSS MARKET CYCLES

- Maintain compensation ratio to balance profitability and retention
- Continue non-compensation cost reduction initiatives

Adjusted Non-Compensation Ratio¹



Adjusted Operating Margin²



¹ A non-GAAP financial measure which represents adjusted non-compensation expenses* as a percentage of adjusted net revenues*

² A non-GAAP financial measure which represents adjusted operating income* as a percentage of adjusted net revenues*

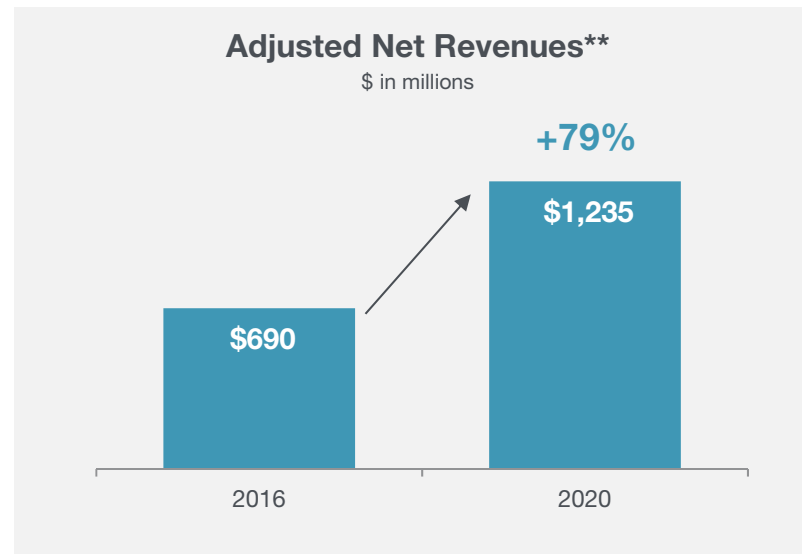
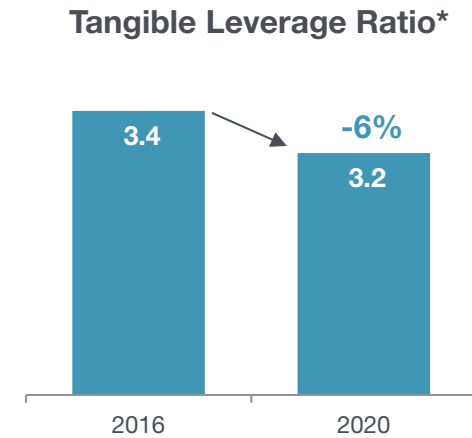
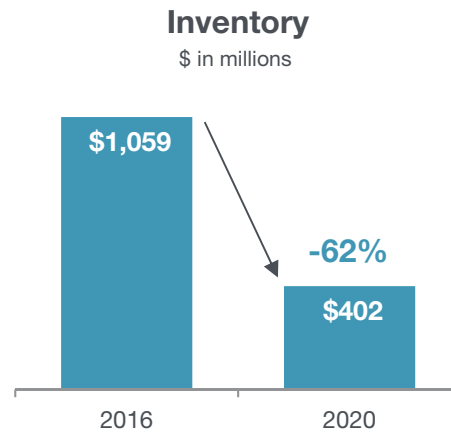
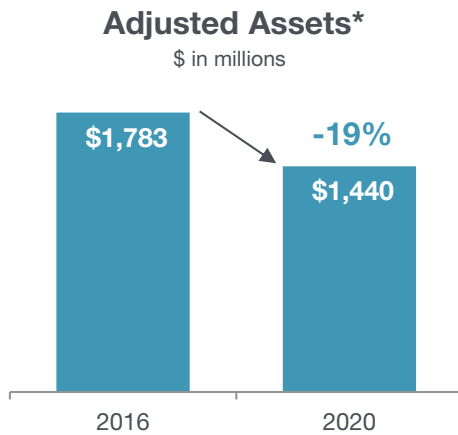
* See Appendix for a reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP measure

** For comparison purposes, 2018, 2019, and 2020 have been adjusted to assume reimbursed deal expenses of \$25.1 million, \$25.8 million, and \$38.1 million, respectively, are reported on a net basis

Advice-driven model with low operating capital needs

II. Investment rationale

DECREASING OPERATING CAPITAL WHILE GROWING REVENUES AND INVESTING IN THE BUSINESS

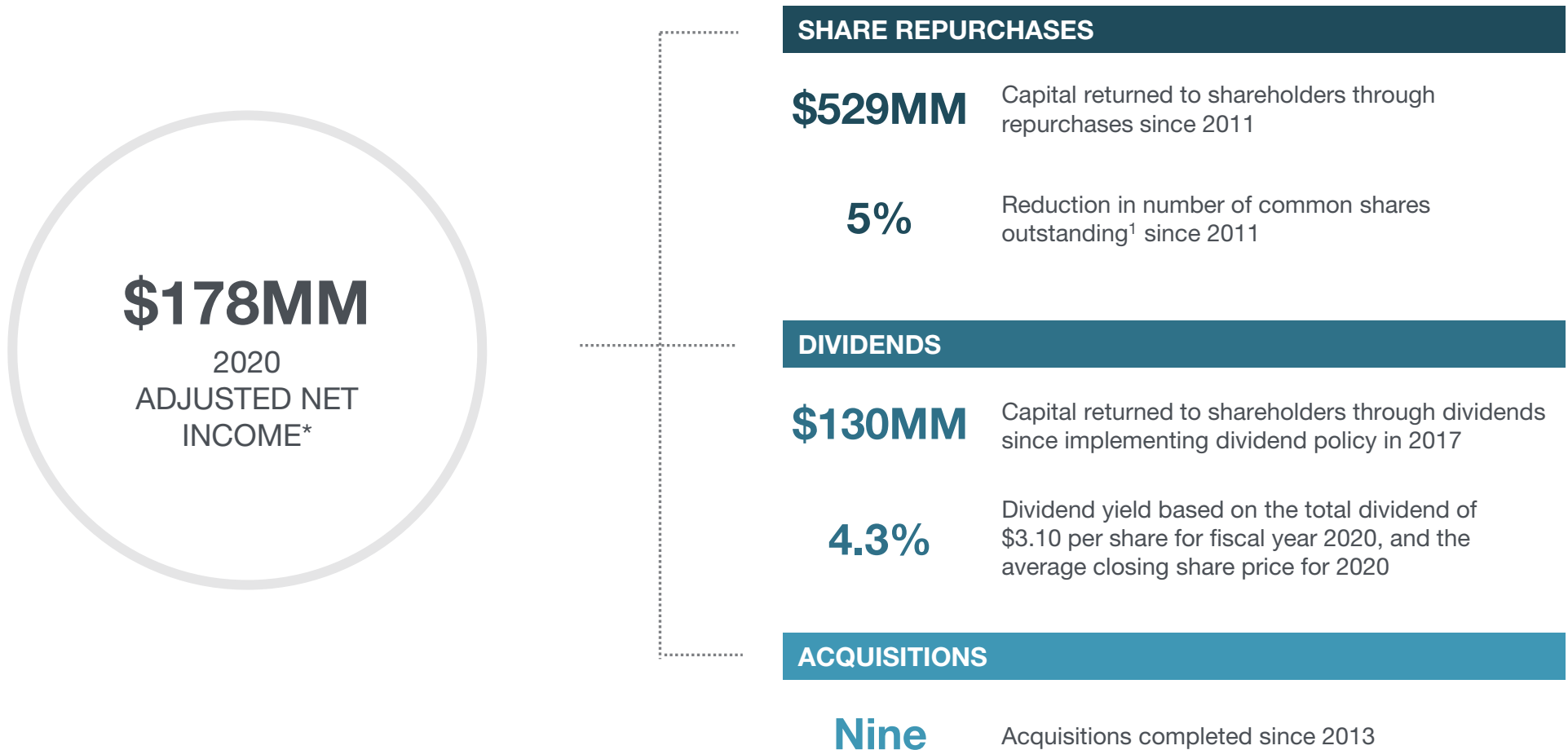


* Adjusted assets equal total assets excluding goodwill and intangible assets, right-of-use lease asset, and assets from noncontrolling interests. Tangible leverage ratio equals adjusted assets divided by tangible common shareholders' equity (i.e. total shareholders' equity less goodwill and intangible assets, and noncontrolling interests).

** See Appendix for a reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP measure

Multiple levers to generate returns for shareholders

II. Investment rationale



* See Appendix for a reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP measure

¹ Common shares outstanding at December 31, 2020 were 18.1 million compared to 19.1 million at December 31, 2010

Appendix

Reconciliation of non-GAAP financial measures

Reconciliation of non-GAAP financial measures

Selected financial data by year

(Amounts in thousands)	For the year ended December 31,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net revenues:										
Net revenues – U.S. GAAP basis	\$1,238,213	\$834,566	\$740,953	\$823,621	\$693,214	\$602,264	\$567,841	\$443,508	\$424,135	\$369,063
Adjustments:										
Revenue related to noncontrolling interests	(12,881)	(10,769)	(3,621)	(5,319)	(11,070)	(9,810)	(15,699)	(8,794)	(4,174)	(1,785)
Interest expense on long-term financing	9,628	1,848	4,902	7,171	8,195	6,406	5,454	5,803	3,236	3,759
Adjusted net revenues	\$1,234,960	\$825,645	\$742,234	\$825,473	\$690,339	\$598,860	\$557,596	\$440,517	\$423,197	\$371,037
Compensation and benefits:										
Compensation and benefits – U.S. GAAP basis	\$877,462	\$516,090	\$488,487	\$589,637	\$482,749	\$388,895	\$359,219	\$282,474	\$265,316	\$234,507
Adjustments:										
Compensation from acquisition-related agreements	(113,396)	(5,138)	(29,246)	(54,999)	(36,241)	(4,019)	(3,945)	(1,620)	-	-
Adjusted compensation and benefits	\$764,066	\$510,952	\$459,241	\$534,638	\$446,508	\$384,876	\$355,274	\$280,854	\$265,316	\$234,507
Non-compensation expenses:										
Non-compensation expenses – U.S. GAAP basis	\$292,203	\$199,497	\$179,977	\$154,668	\$168,821	\$147,653	\$126,251	\$113,631	\$109,702	\$234,087
Adjustments:										
Non-compensation expenses related to noncontrolling interests	(4,029)	(4,306)	(4,827)	(2,932)	(2,864)	(3,403)	(4,546)	(3,400)	(1,708)	(322)
Acquisition-related restructuring and integration costs	(10,755)	(14,321)	-	-	(10,197)	(10,652)	-	(4,707)	(3,512)	-
Goodwill impairment	-	-	-	-	-	-	-	-	-	(120,298)
Amortization of intangible assets related to acquisitions	(44,728)	(4,298)	(4,858)	(10,178)	(15,587)	(1,622)	(2,972)	(1,349)	-	-
Non-compensation expenses from acquisition-related agreements	(12,085)	(114)	(683)	(600)	-	-	-	-	-	-
Adjusted non-compensation expenses	\$220,606	\$176,458	\$169,609	\$140,958	\$140,173	\$131,976	\$118,733	\$104,175	\$104,482	\$113,467
Income/(loss) from continuing operations before income tax expense:										
Income/(loss) from continuing operations before income tax expense – U.S. GAAP basis	\$68,548	\$118,979	\$72,489	\$79,316	\$41,644	\$65,716	\$82,371	\$47,403	\$49,117	(\$99,531)
Adjustments:										
Revenue related to noncontrolling interests	(12,881)	(10,769)	(3,621)	(5,319)	(11,070)	(9,810)	(15,699)	(8,794)	(4,174)	(1,785)
Interest expense on long-term financing	9,628	1,848	4,902	7,171	8,195	6,406	5,454	5,803	3,236	3,759
Non-compensation expenses related to noncontrolling interests	4,029	4,306	4,827	2,932	2,864	3,403	4,546	3,400	1,708	322
Compensation from acquisition-related agreements	113,396	5,138	29,246	54,999	36,241	4,019	3,945	1,620	-	-
Acquisition-related restructuring and integration costs	10,755	14,321	-	-	10,197	10,652	-	4,707	3,512	-
Goodwill impairment	-	-	-	-	-	-	-	-	-	120,298
Amortization of intangible assets related to acquisitions	44,728	4,298	4,858	10,178	15,587	1,622	2,972	1,349	-	-
Non-compensation expenses from acquisition-related agreements	12,085	114	683	600	-	-	-	-	-	-
Adjusted operating income	\$250,288	\$138,235	\$113,384	\$149,877	\$103,658	\$82,008	\$83,589	\$55,488	\$53,399	\$23,063
Interest expense on long-term financing	(9,628)	(1,848)	(4,902)	(7,171)	(8,195)	(6,406)	(5,454)	(5,803)	(3,236)	(3,759)
Adjusted income before adjusted income tax expense	\$240,660	\$136,387	\$108,482	\$142,706	\$95,463	\$75,602	\$78,135	\$49,685	\$50,163	\$19,304

Reconciliation of non-GAAP financial measures

Selected financial data by year – continued

(Amounts in thousands)	For the year ended December 31,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Income tax expense:										
Income tax expense – U.S. GAAP basis	\$19,192	\$24,577	\$18,046	\$53,808	\$10,926	\$19,618	\$25,087	\$9,376	\$11,686	\$1,565
Tax effect of adjustments:										
Compensation from acquisition-related agreements	27,456	1,014	7,254	19,244	12,541	1,563	1,535	630	-	-
Acquisition-related restructuring and integration costs	2,043	3,551	-	-	3,188	4,144	-	1,831	1,366	-
Goodwill impairment	-	-	-	-	-	-	-	-	-	1,850
Amortization of intangible assets related to acquisitions	11,345	1,048	1,203	3,877	6,060	630	1,073	331	-	-
Non-compensation expenses from acquisition-related agreements	3,069	-	169	(7)	-	-	-	-	-	-
Impact of the Tax Cuts and Jobs Act legislation	-	-	(952)	(36,356)	-	-	-	-	-	-
Impact of deferred tax asset valuation allowance	-	-	(4,650)	-	-	-	-	-	-	-
Adjusted income tax expense	\$63,105	\$30,190	\$21,070	\$40,566	\$32,715	\$25,955	\$27,695	\$12,168	\$13,052	\$3,415
Net income/(loss) applicable to Piper Sandler Companies:										
Net income/(loss) applicable to Piper Sandler Companies – U.S. GAAP basis	\$40,504	\$111,711	\$57,036	(\$61,939)	(\$21,952)	\$52,075	\$63,172	\$45,090	\$41,268	(\$102,021)
Adjustment to exclude net income/(loss) from discontinued operations	-	23,772	1,387	(85,060)	(44,464)	12,384	17,041	12,457	6,303	538
Net income/(loss) from continuing operations	\$40,504	\$87,939	\$55,649	\$23,121	\$22,512	\$39,691	\$46,131	\$32,633	\$34,965	(\$102,559)
Adjustments:										
Compensation from acquisition-related agreements	85,940	4,124	21,992	35,755	23,700	2,456	2,410	990	-	-
Acquisition-related restructuring and integration costs	8,712	10,770	-	-	7,009	6,508	-	2,876	2,146	-
Goodwill impairment	-	-	-	-	-	-	-	-	-	118,448
Amortization of intangible assets related to acquisitions	33,383	3,250	3,655	6,301	9,527	992	1,899	1,018	-	-
Non-compensation expenses from acquisition-related agreements	9,016	114	514	607	-	-	-	-	-	-
Impact of the Tax Cuts and Jobs Act legislation	-	-	952	36,356	-	-	-	-	-	-
Impact of deferred tax asset valuation allowance	-	-	4,650	-	-	-	-	-	-	-
Adjusted net income	\$177,555	\$106,197	\$87,412	\$102,140	\$62,747	\$49,647	\$50,440	\$37,517	\$37,111	\$15,889

Reconciliation of non-GAAP financial measures

Selected financial data by year – continued

	For the year ended December 31,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
(Amounts in thousands, except per share data)										
Net income/(loss) applicable to Piper Sandler Companies' common shareholders:										
Net income/(loss) applicable to Piper Sandler Companies' common shareholders – U.S. GAAP basis	\$40,504	\$107,200	\$49,993	(\$64,875)	(\$21,952)	\$48,060	\$58,141	\$40,596	\$35,335	(\$102,021)
Adjustment to exclude net income/(loss) from discontinued operations	-	22,928	1,217	(85,060)	(44,464)	11,429	15,684	11,215	5,397	538
Net income/(loss) from continuing operations	\$40,504	\$84,272	\$48,776	\$20,185	\$22,512	\$36,631	\$42,457	\$29,381	\$29,938	(\$102,559)
Adjustment related to participating shares (1)	-	625	40	(614)	(3,948)	-	-	-	-	18,837
	\$40,504	\$84,897	\$48,816	\$19,571	\$18,564	\$36,631	\$42,457	\$29,381	\$29,938	(\$83,722)
Adjustments:										
Compensation from acquisition-related agreements	85,940	3,981	19,428	30,266	19,552	2,267	2,218	891	-	-
Acquisition-related restructuring and integration costs	8,712	10,397	-	-	5,782	6,006	-	2,589	1,836	-
Goodwill impairment	-	-	-	-	-	-	-	-	-	96,694
Amortization of intangible assets related to acquisitions	33,383	3,138	3,212	5,334	7,858	916	1,748	917	-	-
Non-compensation expenses from acquisition-related agreements	9,016	110	452	514	-	-	-	-	-	-
Impact of the Tax Cuts and Jobs Act legislation	-	-	837	30,774	-	-	-	-	-	-
Impact of deferred tax asset valuation allowance	-	-	4,087	-	-	-	-	-	-	-
Adjusted net income applicable to Piper Sandler Companies' common shareholders	\$177,555	\$102,523	\$76,832	\$86,459	\$51,756	\$45,820	\$46,423	\$33,778	\$31,774	\$12,972
Earnings/(loss) per diluted common share:										
Earnings/(loss) per diluted common share – U.S. GAAP basis	\$2.72	\$7.69	\$3.72	(\$4.99)	(\$1.72)	\$3.34	\$3.87	\$2.70	\$2.26	(\$6.51)
Adjustment to exclude net income/(loss) from discontinued operations	-	1.65	0.09	(6.56)	(3.48)	0.79	1.04	0.75	0.34	0.03
Income/(loss) from continuing operations	\$2.72	\$6.05	\$3.63	\$1.57	\$1.76	\$2.55	\$2.83	\$1.95	\$1.92	(\$6.54)
Adjustment related to participating shares (1)	-	0.04	-	(0.05)	(0.31)	-	-	-	-	1.20
Adjustment for inclusion of unvested acquisition-related stock	(1.89)	-	-	-	-	-	-	-	-	-
	\$0.83	\$6.09	\$3.63	\$1.52	\$1.45	\$2.55	\$2.83	\$1.95	\$1.92	(\$5.34)
Adjustments:										
Compensation from acquisition-related agreements	5.76	0.29	1.44	2.33	1.53	0.16	0.15	0.06	-	-
Acquisition-related restructuring and integration costs	0.58	0.75	-	-	0.45	0.42	-	0.17	0.11	-
Goodwill impairment	-	-	-	-	-	-	-	-	-	6.16
Amortization of intangible assets related to acquisitions	2.24	0.23	0.24	0.41	0.61	0.06	0.12	0.06	-	-
Non-compensation expenses from acquisition-related agreements	0.61	0.01	0.04	0.04	-	-	-	-	-	-
Impact of the Tax Cuts and Jobs Act legislation	-	-	0.06	2.38	-	-	-	-	-	-
Impact of deferred tax asset valuation allowance	-	-	0.31	-	-	-	-	-	-	-
Adjusted earnings per diluted common share	\$10.02	\$7.36	\$5.72	\$6.68	\$4.05	\$3.18	\$3.09	\$2.24	\$2.03	\$0.83
Weighted average diluted common shares outstanding:										
Weighted average diluted common shares outstanding – U.S. GAAP basis	14,901	13,937	13,425	12,978	12,779	14,389	15,025	15,061	15,616	15,685
Adjustment:										
Unvested acquisition-related restricted stock with service conditions	2,814	-	-	-	-	-	-	-	-	-
Adjusted weighted average diluted common shares outstanding	17,715	13,937	13,425	12,978	12,779	14,389	15,025	15,061	15,616	15,685

(1) For periods prior to 2020, Piper Sandler Companies calculated earnings per common share using the two-class method, which requires the allocation of consolidated adjusted net income between common shareholders and participating security holders, which in the case of Piper Sandler Companies, represented unvested stock with non-forfeitable dividend rights. No allocation of undistributed earnings was made for periods in which a loss was incurred, or for periods in which the special cash dividend exceeded adjusted net income resulting in an undistributed loss.