

# Investor Presentation

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December 2022

# Piper Sandler Investor Presentation Disclosures

## 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, 2021 and updated in our subsequent reports filed with the SEC.

These reports are available at our Website at [www.pipersandler.com](http://www.pipersandler.com) and at the SEC Website at [www.sec.gov](http://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.

## Piper Jaffray and Sandler O’Neill merged on January 3, 2020 to become Piper Sandler Companies

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. Financial results and measures beginning from the date of merger on January 3, 2020 include Sandler O’Neill.

## About Piper Sandler Companies

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. Alternative asset management and fixed income advisory services are offered through separately registered advisory affiliates.

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# Contents

- I. Value proposition and business highlights**
- II. Investment rationale**
- III. Reconciliation of non-GAAP financial measures**



Section I

# **Value proposition and business highlights**

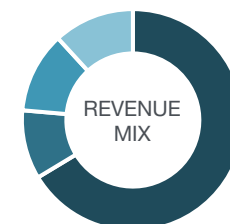
## A leading investment bank

**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

## \$1.7BB

LTM 3Q 2022  
ADJUSTED NET  
REVENUES\*



### INVESTMENT BANKING | \$1.1BB

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

### PUBLIC FINANCE | \$167MM

- Municipal underwriting and advisory

### EQUITY BROKERAGE | \$196MM

- Institutional sales and trading
- Equity and macro research

### FIXED INCOME | \$196MM

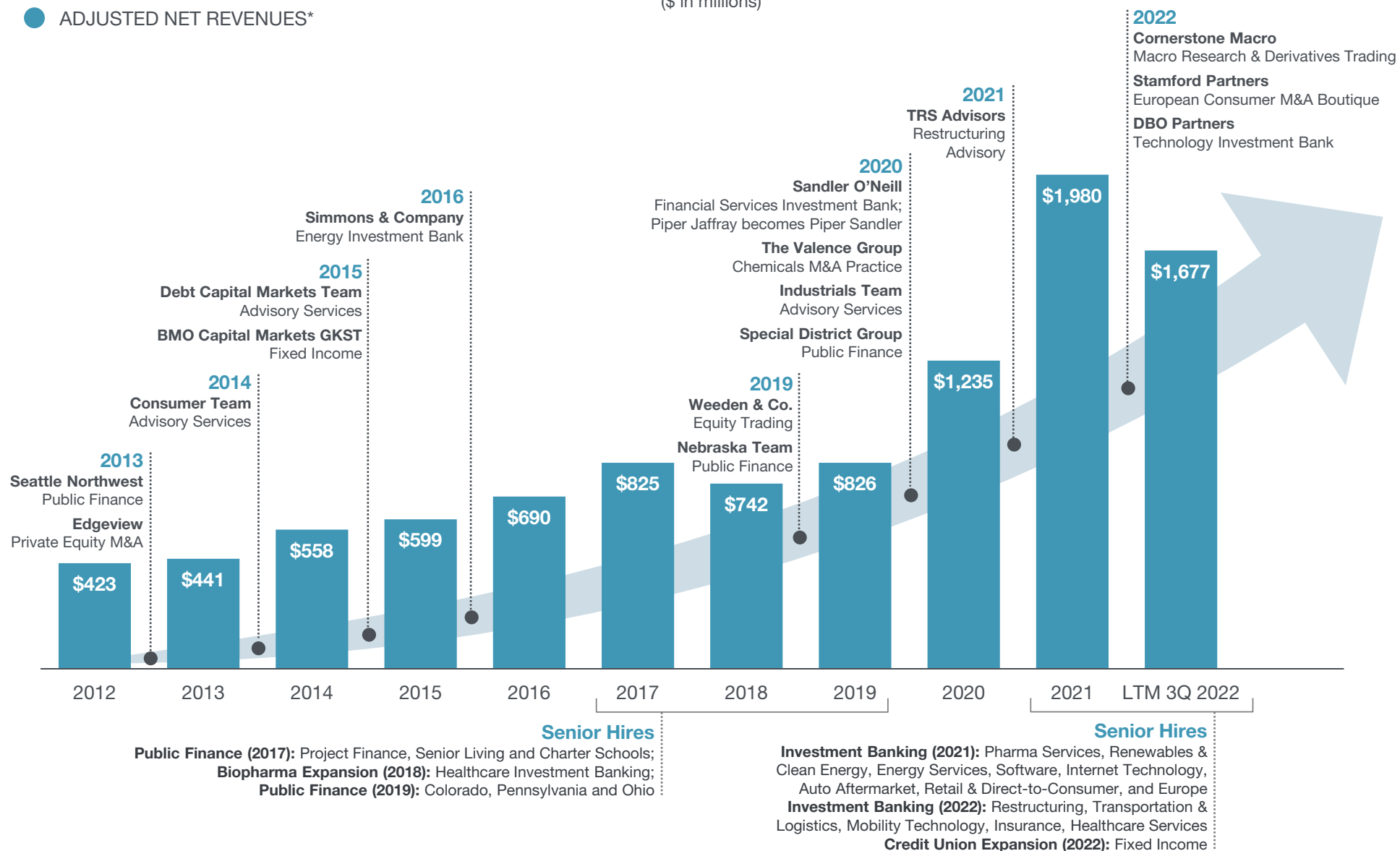
- Municipal and taxable sales and trading
- Balance sheet strategy and analytics

# Transforming our business through strategic investments

## Building a Stronger and More Durable Platform

(\$ in millions)

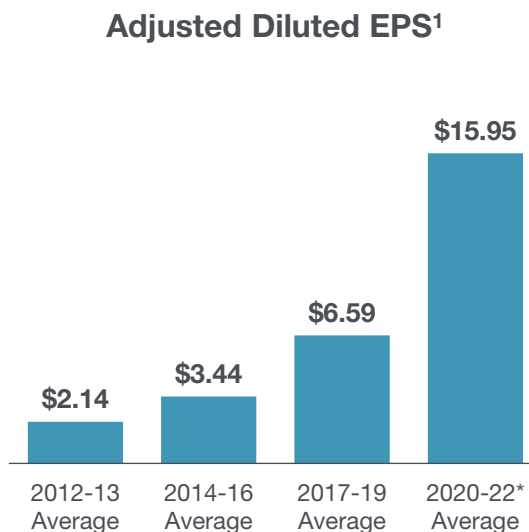
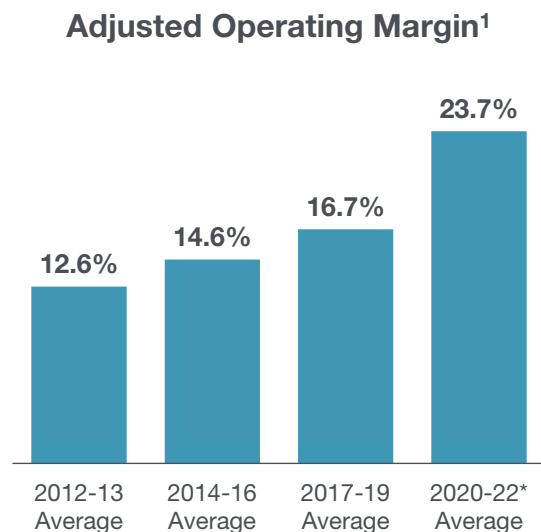
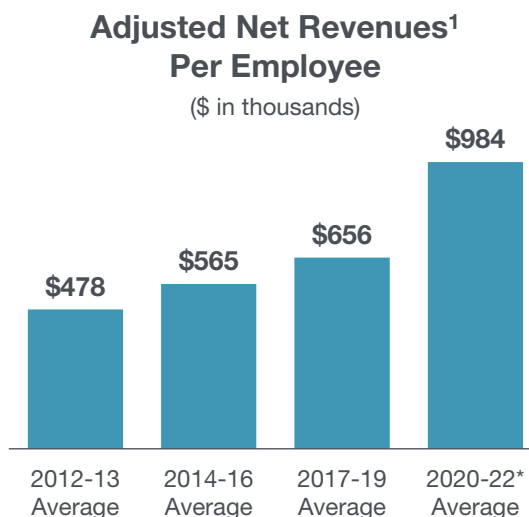
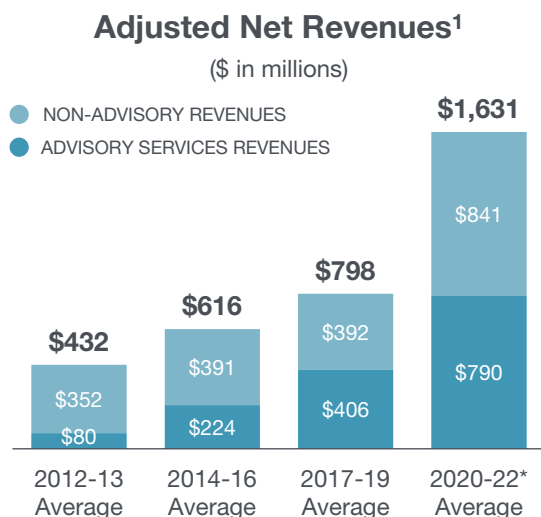
● ADJUSTED NET REVENUES\*



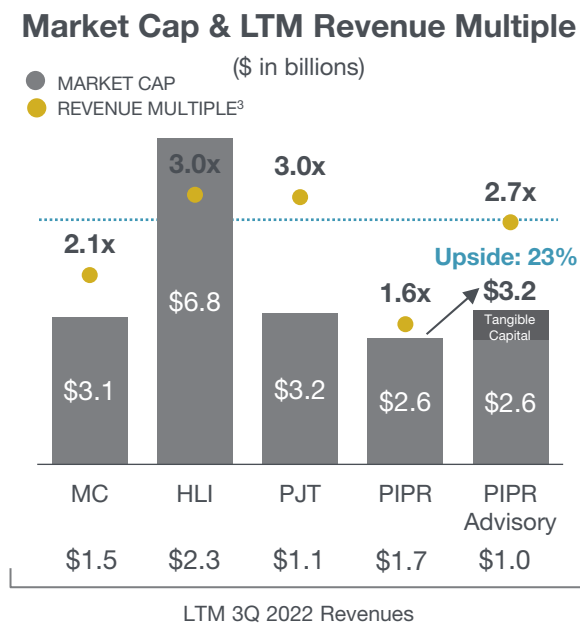
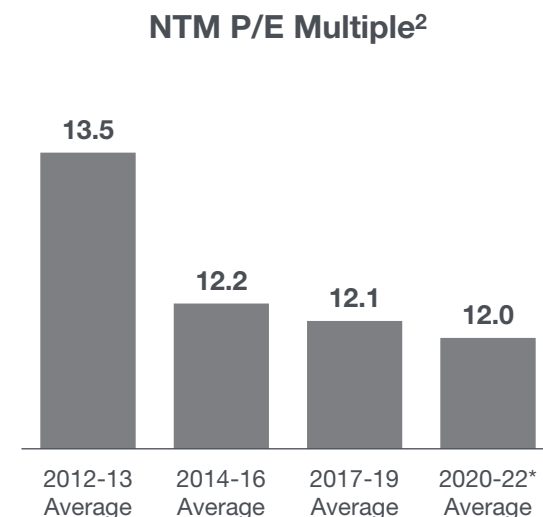
\* A non-GAAP financial measure. See Appendix for a reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP measure

# Elevating the earnings power of our platform

## Consistently Growing our Platform



## Compelling Valuation



\* Note 2020-22 represents the average of 2020, 2021, and LTM 3Q 2022

1) A non-GAAP measure

2) NTM P/E Multiple represents the median NTM P/E multiple for each calendar year, then averaged according to the year groupings; Source: Capital IQ

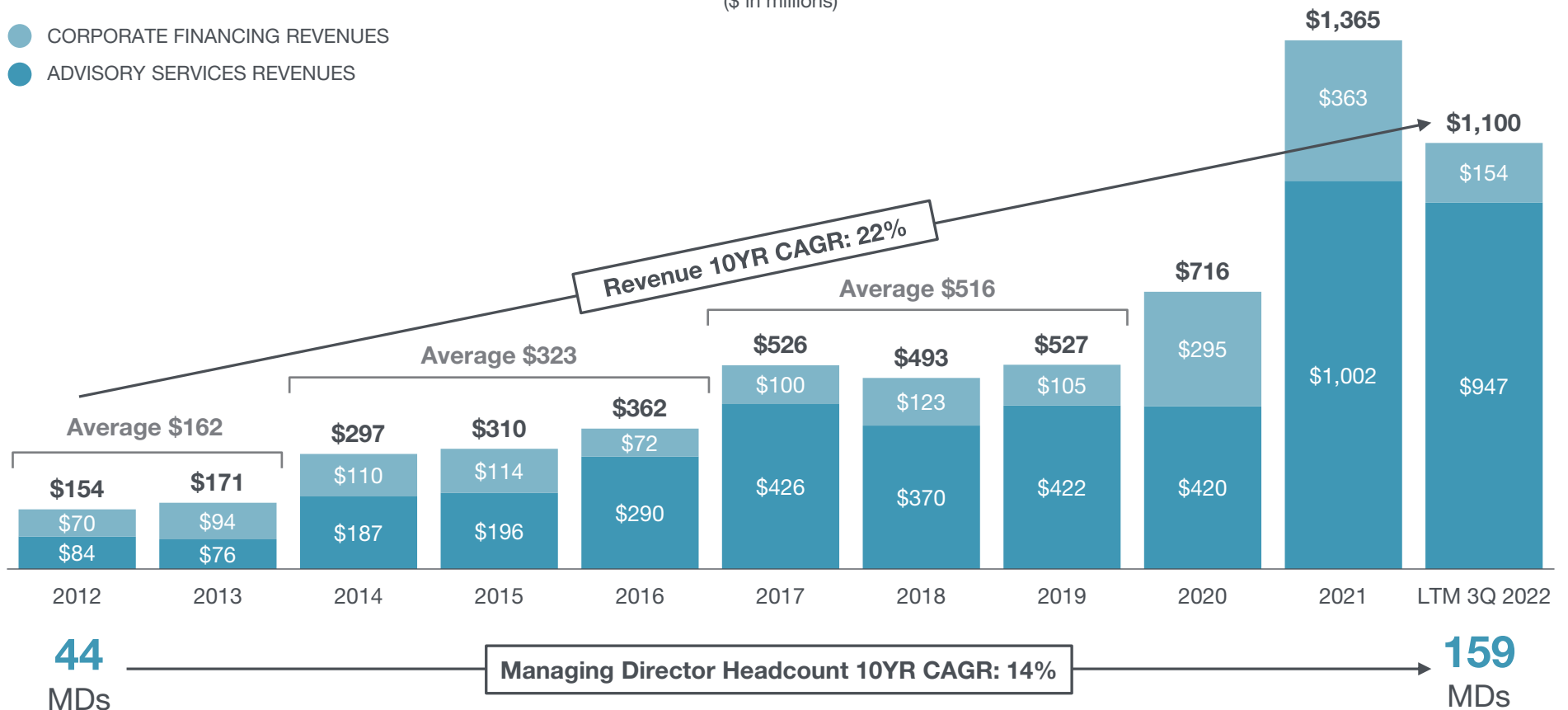
3) Revenue multiple represents market cap as of December 2, 2022 / LTM 3Q 2022 revenues; Source: Capital IQ

# Corporate investment banking

## A Decade of Investing for Growth

(\$ in millions)

- CORPORATE FINANCING REVENUES
- ADVISORY SERVICES REVENUES



Market share gains

Larger assignments / higher fees

MD growth through strategic hiring and internal development

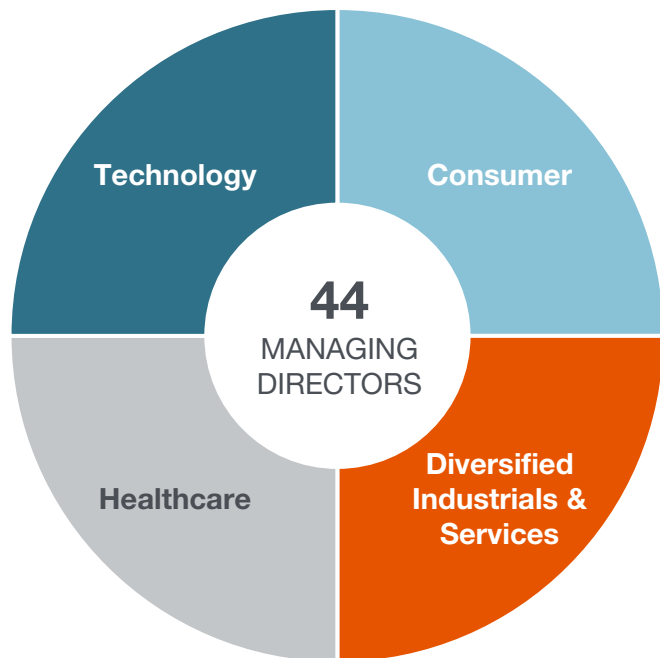
Momentum with private equity

Accretive combinations



# Creating a scaled and diversified platform through organic and acquisitive growth

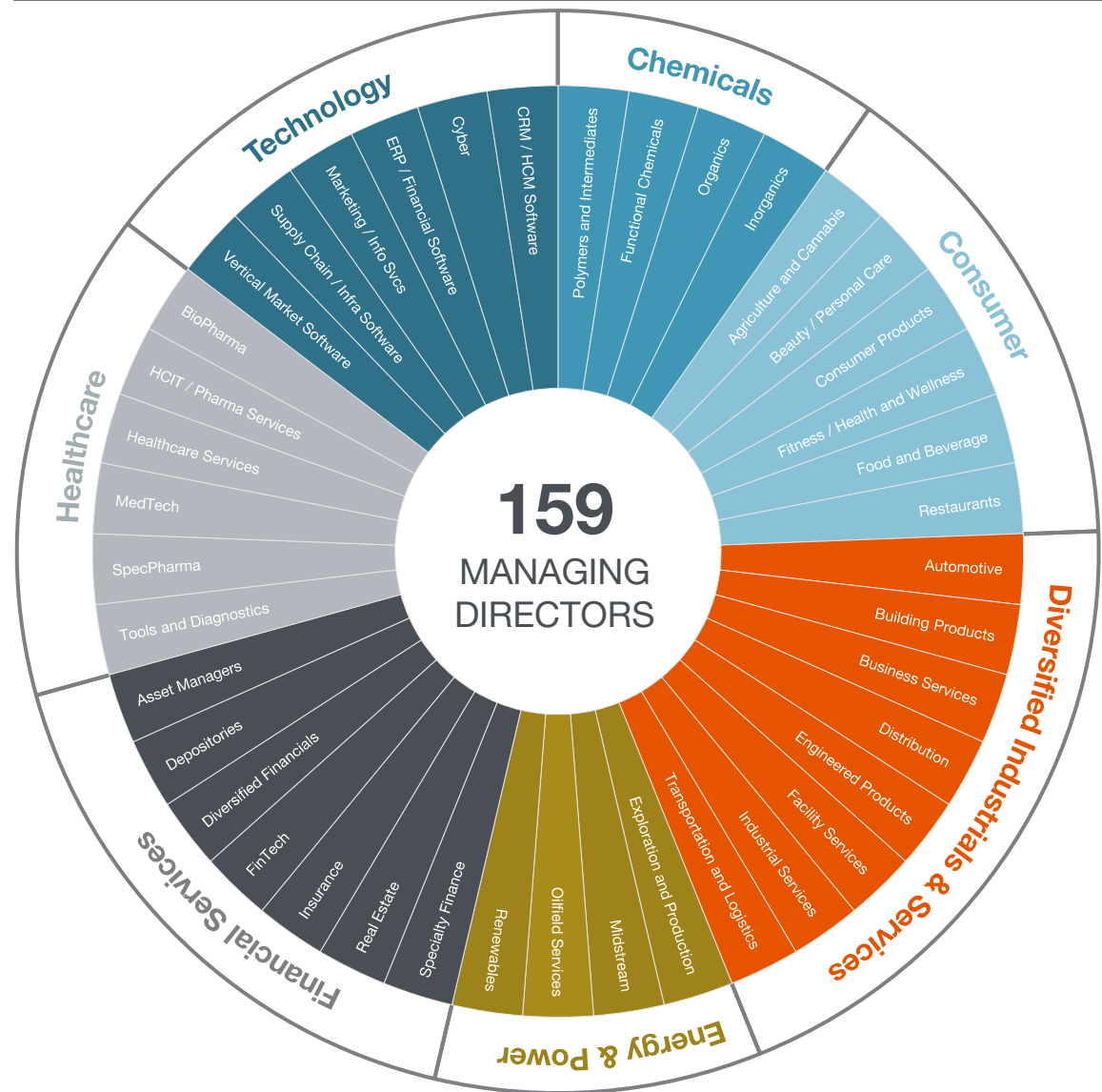
Piper Sandler 2012



## Since 2012

- ✓ Added sector and product expertise
- ✓ Grown revenues, productivity, and market share
- ✓ Acquired firms have contributed talented leadership to our senior management teams

Piper Sandler 2022  
Multiple Market-Leading Franchises in Significant Industry Sectors Provide Resiliency Across Cycles



# Comprehensive suite of products and services

## Providing the Highest Quality Advice

### M&A ADVISORY

- Top-ranked M&A advisor
- Industry-focused M&A
- Advised more than 1,000 M&A transactions worth more than \$375 billion in the past 5 years<sup>1</sup>

### EQUITY SECURITIES

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

### DEBT SECURITIES

- Product expertise across entire leveraged capital spectrum
- Leading market share in bank debt<sup>2</sup>

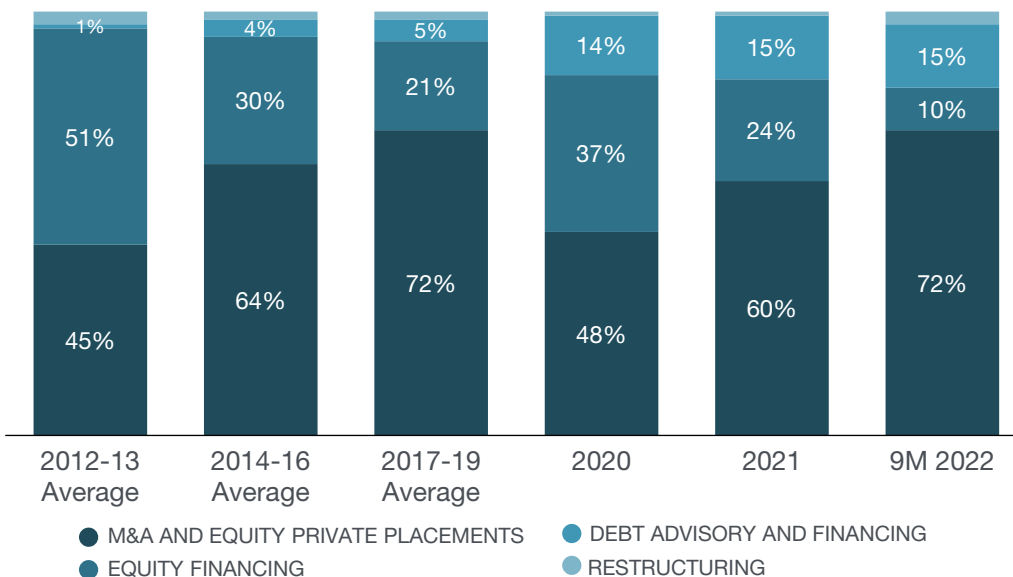
### PRIVATE PLACEMENTS

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

### RESTRUCTURING AND SPECIAL SITUATIONS

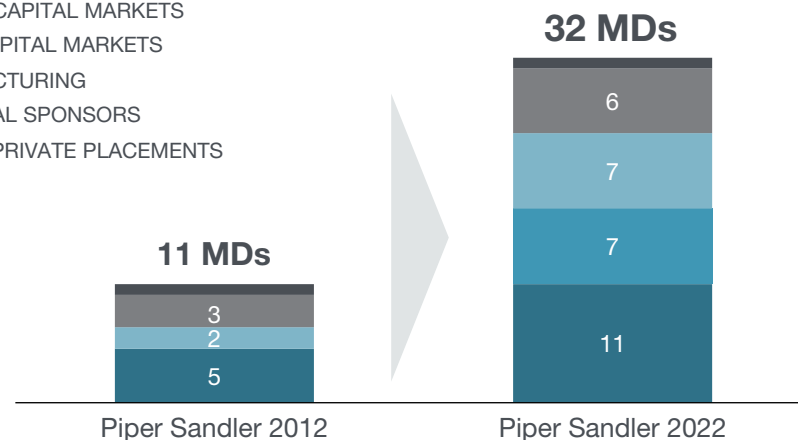
- Advisor of recapitalization and balance sheet management for financial institutions
- Leading advisor to financially stressed businesses, creditor constituencies, investors
- Chapter 11, out-of-court workouts, sale of assets, reorganizations, exchange/tender offers, acquisitions

## Corporate Investment Banking Revenue Mix by Product



## Expanding our Product-Focused Managing Directors

- EQUITY CAPITAL MARKETS
- DEBT CAPITAL MARKETS
- RESTRUCTURING
- FINANCIAL SPONSORS
- EQUITY PRIVATE PLACEMENTS



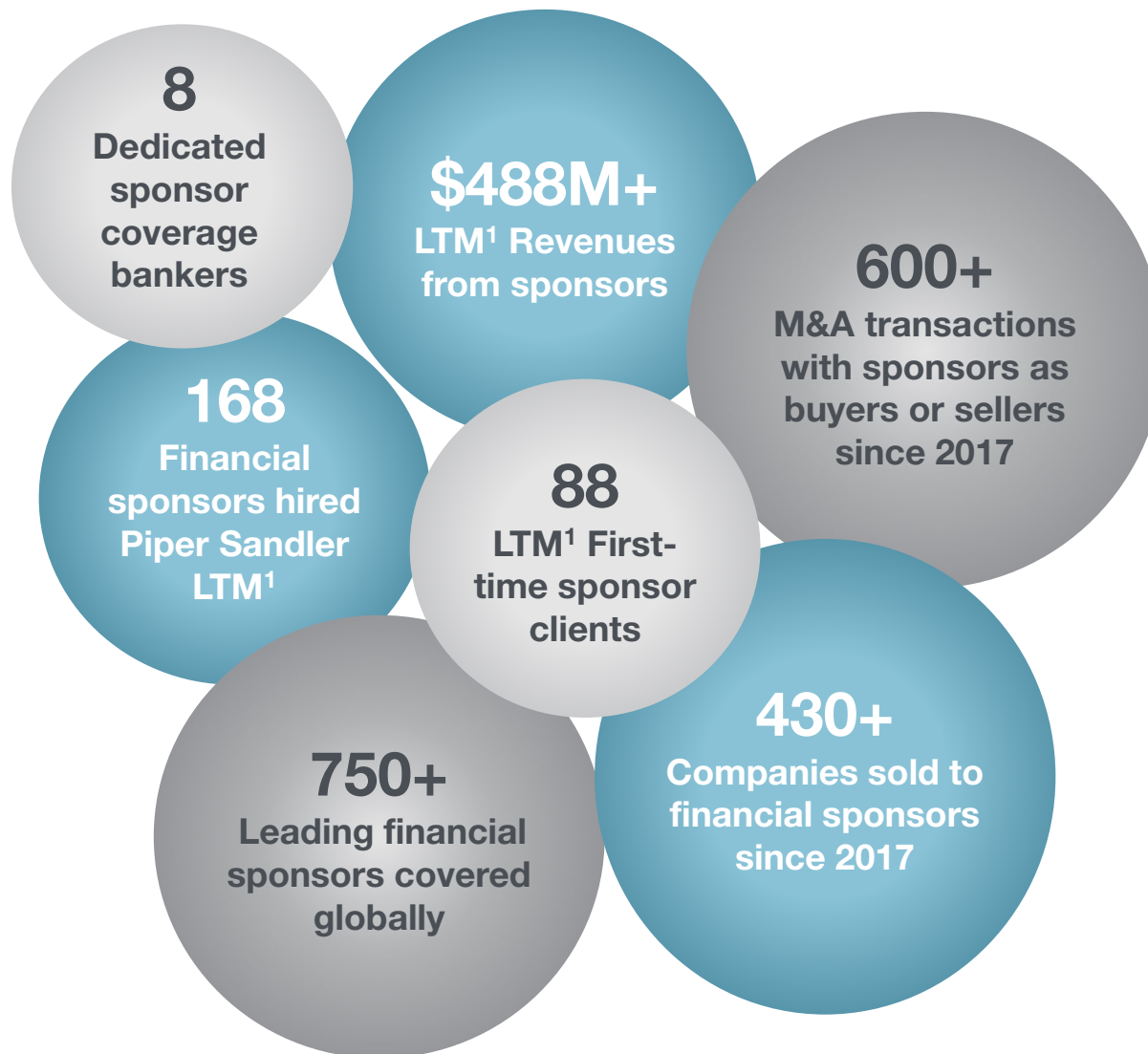
Note: Piper Sandler 2022 is as of September 30, 2022

1) Completed M&A transactions from July 1, 2017 to June 30, 2022; reflects combined data of Piper Sandler and its predecessors

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

# The best connectivity to private equity buyers

## Leading Private Equity Advisory Practice



## Most Active Investment Banks to U.S. Private Equity<sup>2</sup>

LTM 3Q 2022

<b>1</b>	Jefferies	171
<b>2</b>	William Blair	166
<b>3</b>	Houlihan Lokey	163
<b>4</b>	<b>Piper Sandler</b>	<b>141</b>
<b>5</b>	Raymond James	128
<b>6</b>	Baird	122
<b>7</b>	Stifel	119
<b>8</b>	Evercore	102

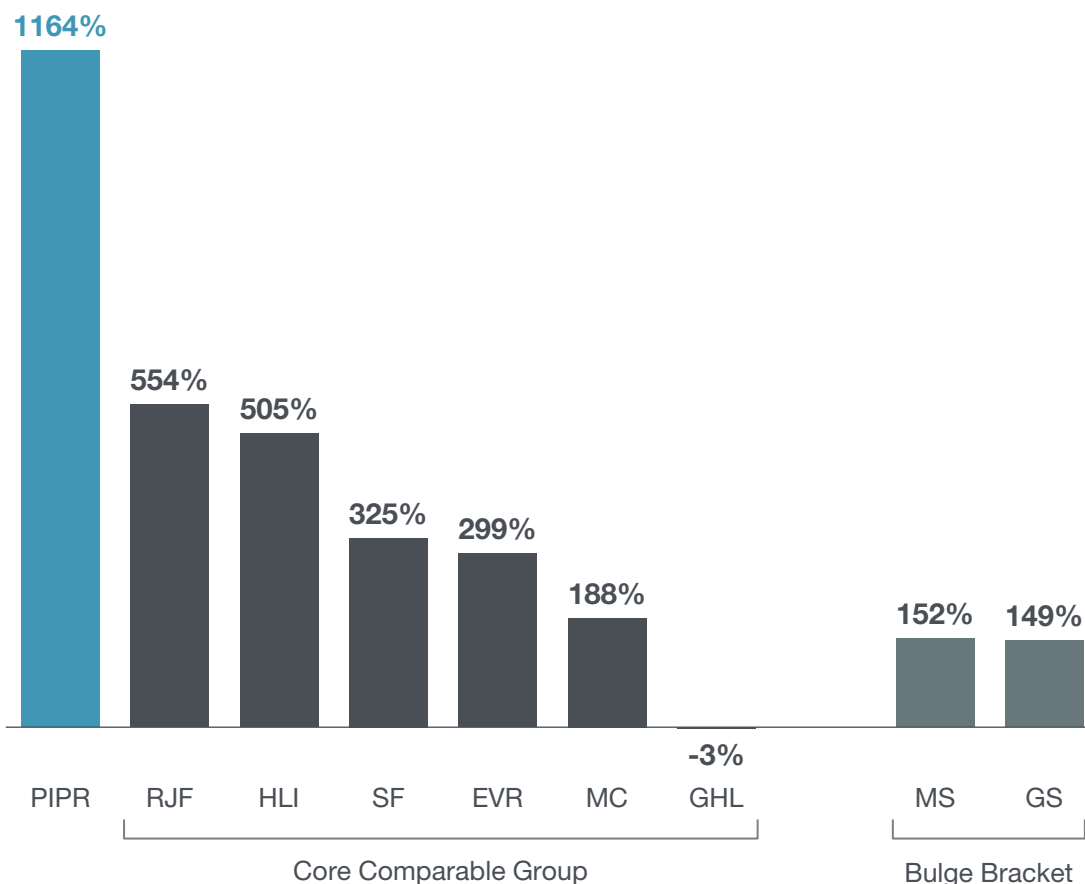
1) LTM as of 3Q 2022

2) Represents transactions closed in the U.S. by middle market banks on behalf of private equity groups; Source: Pitchbook.

# Exceptional growth of advisory practice

## Growth in Advisory Services Revenues<sup>1</sup>

LTM 3Q 2022 vs. 2013



## U.S. M&A < \$1B<sup>2</sup>

LTM 3Q 2022

1	Houlihan Lokey, Inc.	230
2	Jefferies LLC	168
3	Piper Sandler & Co	162
4	Raymond James	152
5	Lincoln International LLC	148
6	JPMorgan	128
7	William Blair & Company	128
8	Goldman Sachs & Co. LLC	119
9	Robert W. Baird & Co. Inc	117
10	Stifel/KBW	115

2012

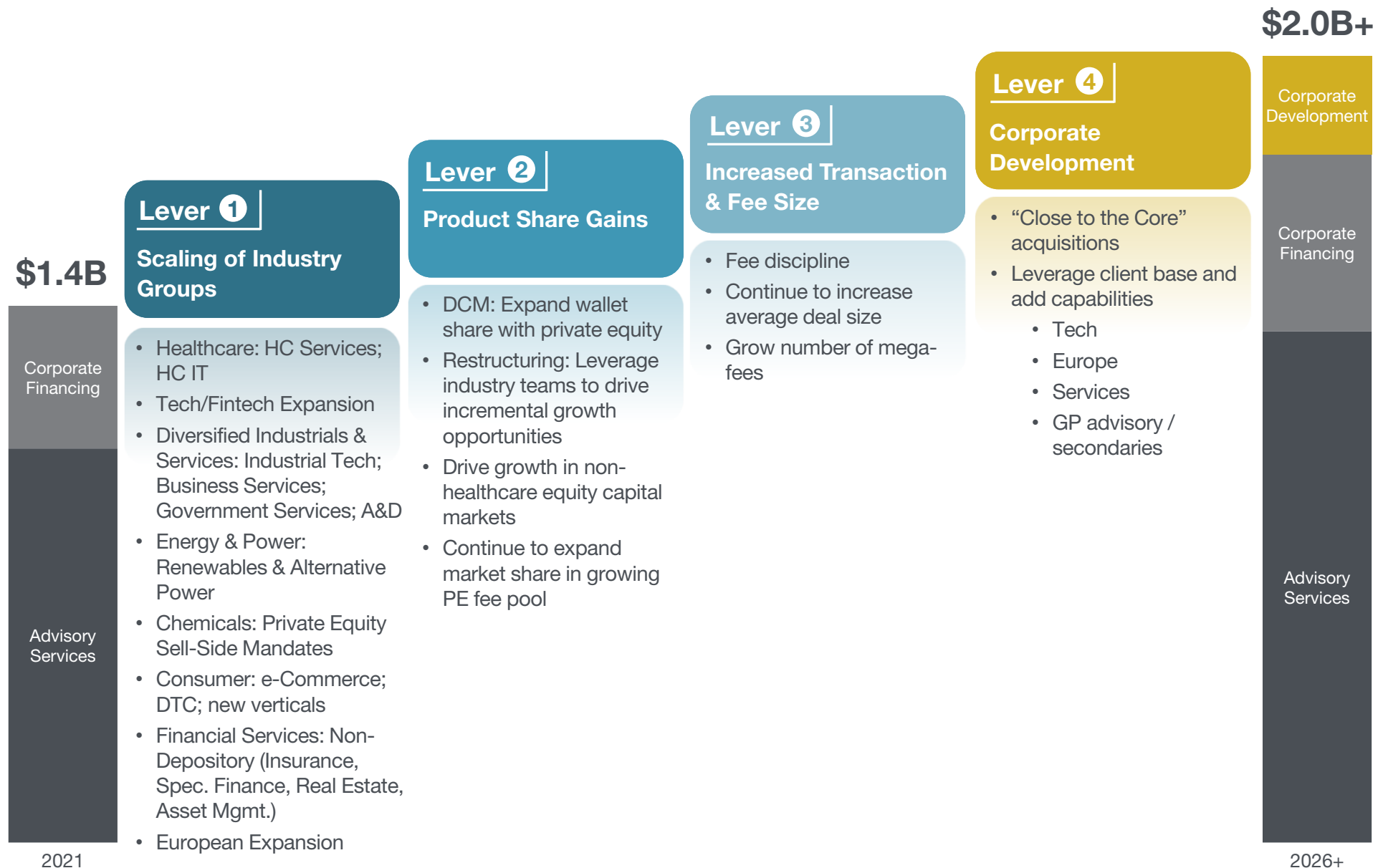
26	Piper Sandler & Co	33
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1) Represents growth in Advisory Revenue from 2013 to the last reported LTM period. Source: SEC Filings & Earnings Releases

2) Includes U.S. M&A announced activity across all industries with deal value <\$1B. Source: Mergermarket.

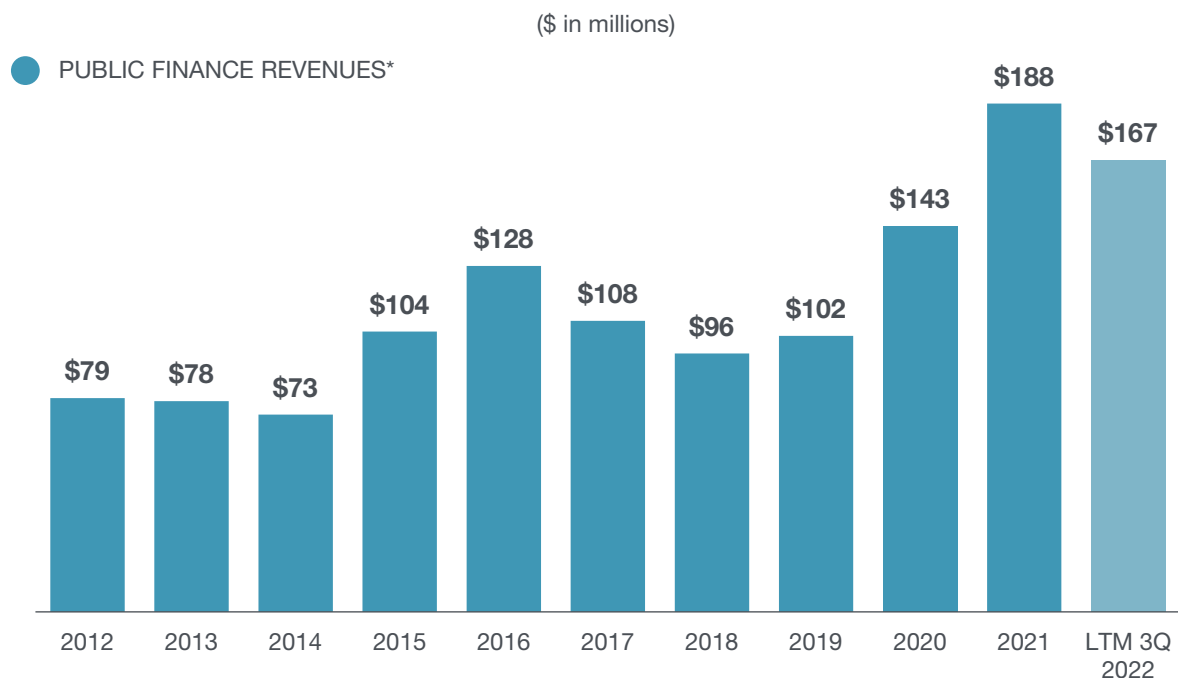
# Path to \$2 billion of corporate investment banking revenues

Growth as a Core Competency: The Same Playbook As The Last Decade



# Public finance

## 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

### SPECIAL DISTRICTS

### 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

## National Platform, Regional Expertise



**41**

OFFICES<sup>1</sup>

**27**

STATES<sup>1</sup>

**159**

PROFESSIONALS<sup>1</sup>

**5.1%**

MARKET SHARE<sup>2</sup>

## 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

## Negotiated and Private Placements<sup>3</sup>

LTM 3Q 2022

<b>1</b>	Stifel Nicolaus & Co Inc	934
<b>2</b>	<b>Piper Sandler &amp; Co</b>	<b>671</b>
<b>3</b>	RBC Capital Markets	439
<b>4</b>	D A Davidson & Co	392
<b>5</b>	Robert W Baird & Co Inc	387
<b>6</b>	Raymond James	381
<b>7</b>	BofA Securities Inc	260
<b>8</b>	Citi	211
<b>9</b>	J P Morgan Securities LLC	194
<b>10</b>	Wells Fargo & Co	172

1) As of September 30, 2022

2) Market share based on par value of long-term senior municipal negotiated issuance from October 1, 2021 through September 30, 2022. Source: Refinitiv, data as of October 5, 2022

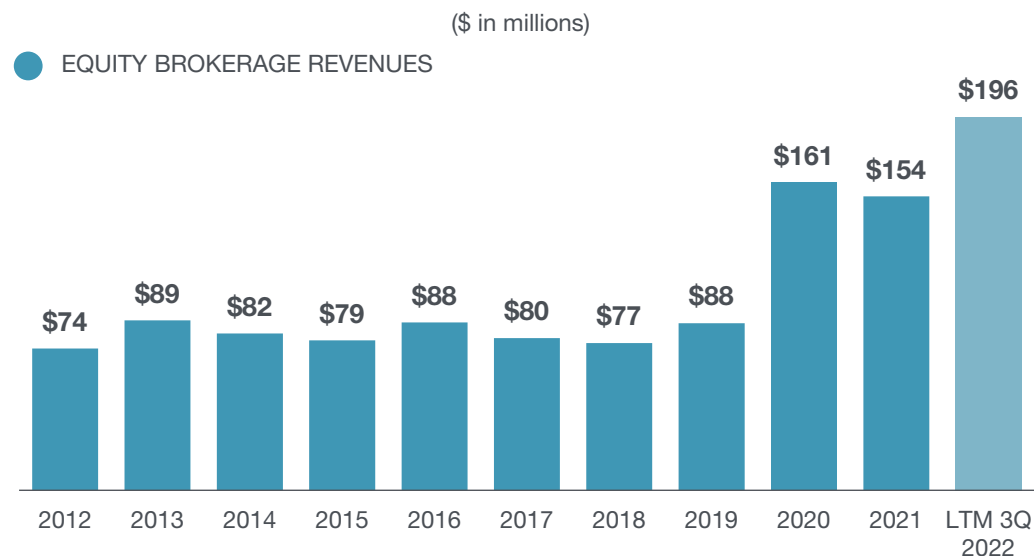
3) Rank based on number of sole/senior negotiated and private placement transactions from October 1, 2021 through September 30, 2022. Source: Refinitiv, data as of October 5, 2022

# Equity institutional brokerage

## 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 300+ Professionals

### 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 approximately 2,000 accounts globally for sourcing liquidity, with a top 15 marketplace ranking<sup>1</sup> 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 AND MACRO RESEARCH

- 60+ senior research analysts
- In-depth, proprietary research on 1,000+ companies
- Coverage across most sectors within the S&P 500 including small-, mid- and large-cap stocks
- Extensive economic, market, industry and technical analysis
- Best-in-class macro research providing impartial insights into economic trends, energy, portfolio strategy, policy actions and political development
- Value-add investment ideas

### EQUITY SALES










- Combination of generalist and specialty sales ranked top 5 in multiple industry verticals<sup>2</sup>
- 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

1) GPS Revenue Report for 1H 2022; Source: McLagan

2) Greenwich Associates' survey for 2020



# Best-in-class equity sales and trading platform

Meaningfully Expanded Trading Platform	Piper Sandler 2012	Piper Sandler 2022
<b>HIGH-TOUCH (CASH) TRADING</b> Deep sector expertise combined with trading excellence that minimizes market impact and reduces trading costs		
<b>PROGRAM TRADING</b> Qualitative and quantitative analysis that strategically blends algorithms and human input to prevent disrupting the marketplace and achieve benchmark goals		
<b>ALGO (NO-TOUCH) TRADING</b> Flexible and proprietary trading technology with ability to customize strategies		
<b>COMMISSION MANAGEMENT</b> Comprehensive and flexible program with ability to fund all client commission arrangements (CSA, soft dollar, commission recapture participation program)		
<b>DERIVATIVES TRADING</b> Agency model with superior execution that provides clients with multi-disciplinary, collaborative approach towards portfolio management		
<b>INTERNATIONAL TRADING (24-HOUR)</b> Global execution capabilities in more than 40 countries extending across all major exchanges in Europe, Asia and the Americas		
<b>EVENT-DRIVEN STRATEGIES</b> Timely and insightful commentary on a variety of scenarios including merger arbitrage, relative-value, spin-offs, SPACs and other special situations		

# Fixed income

## Differentiated Model Providing Comprehensive 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

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

### 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

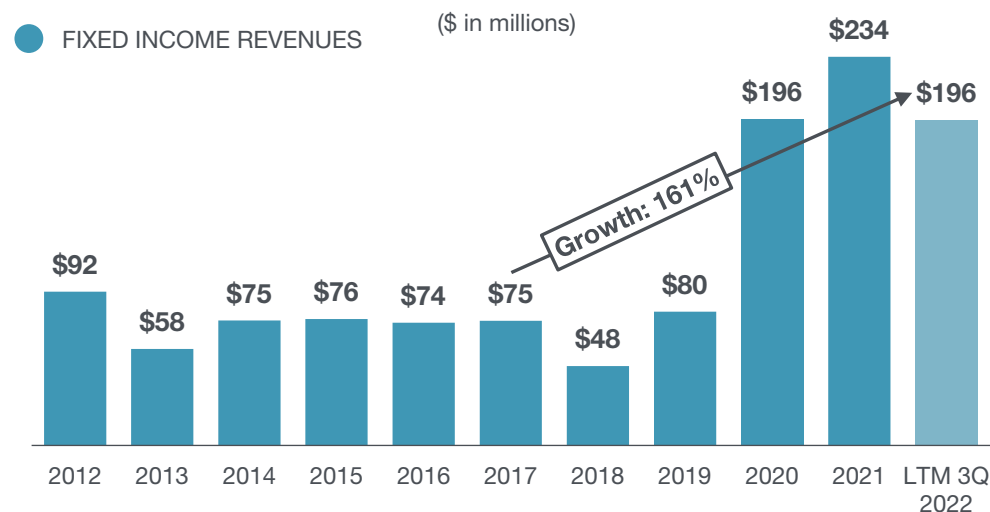
### Closely integrated with investment banking providing access to significant new issue product

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

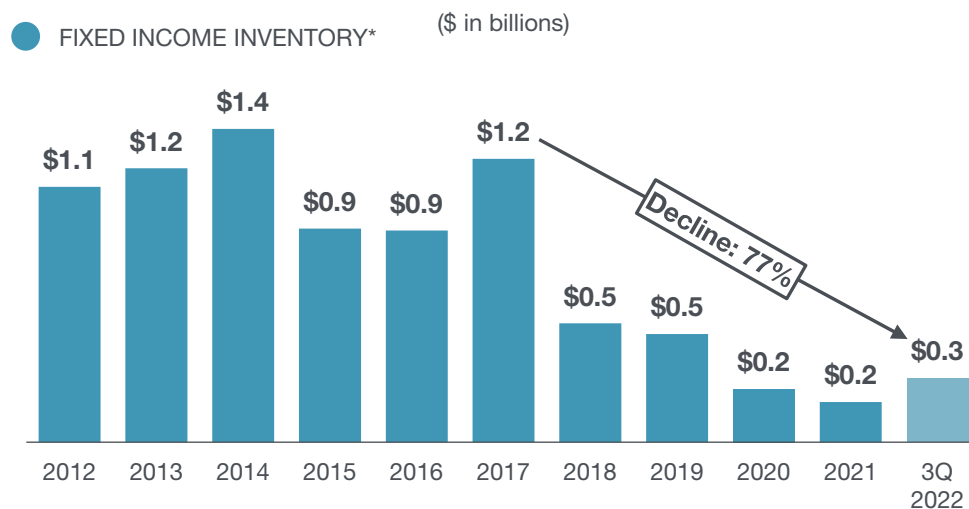
### Expanded sales force and capabilities creates significant organic growth opportunities

- 235+ professionals including 128 sales professionals, 38 trading professionals, and 31 financial strategies professionals

## One of the Largest Middle-Market Platforms



## Shifting to an Advice-Driven Model



\* 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

## Providing an Integrated, End-to-End Solution



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

## Client Base

- Financial institutions (banks, credit unions)
- 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 financial services debt



Section II

# **Investment rationale**

# Investment rationale



**Diversified firm with market leadership, broad product capabilities and scale across all business lines**



**Track record of, and continued focus on, profitable growth**



**Advice-driven model with low incremental operating capital needs and the capacity to generate significant cash flows**



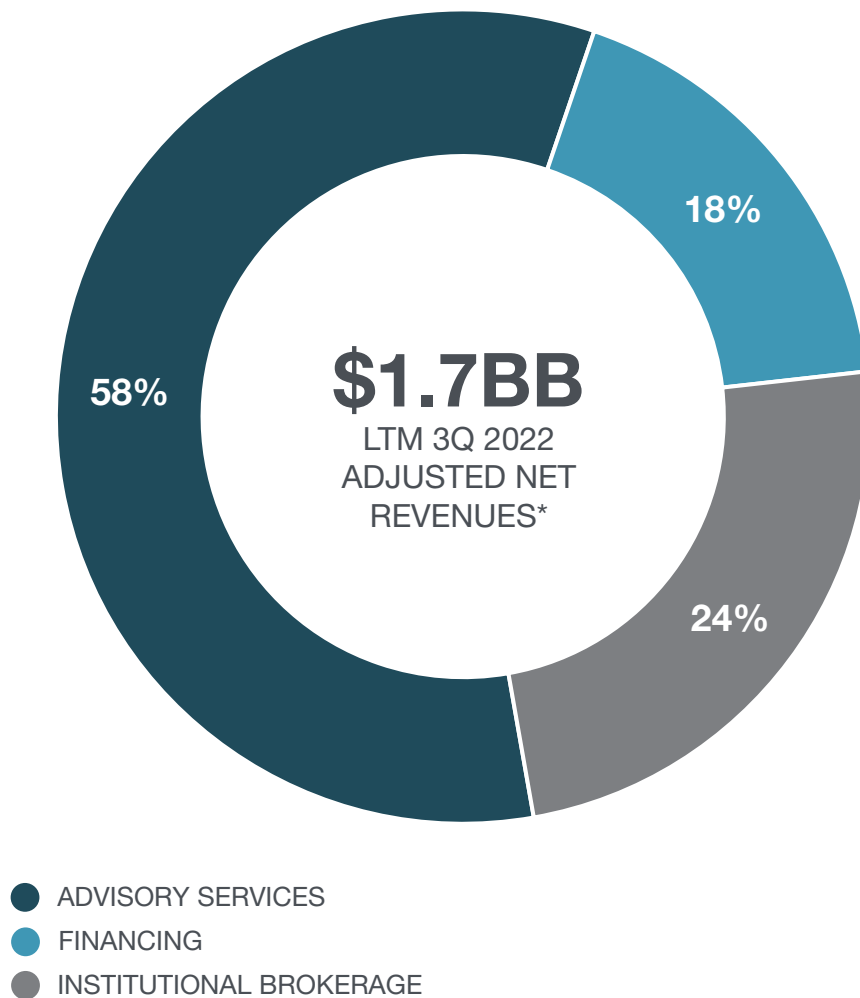
**Disciplined operating management and financial flexibility to drive shareholder returns**



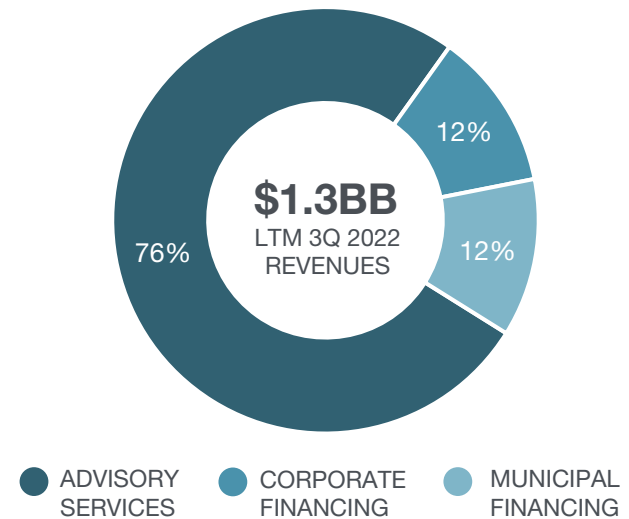
**Destination of choice for top tier franchises and talent looking to grow their business and leverage the combined platform**

# Diversified firm with broad product capabilities

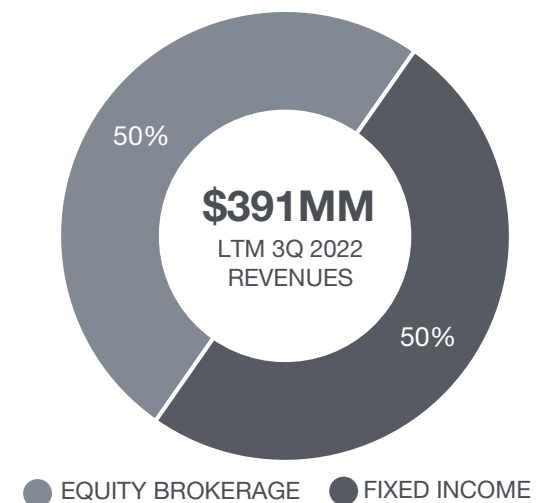
## Adjusted Net Revenue Mix



## Investment Banking Revenue Mix



## Institutional Brokerage Revenue Mix

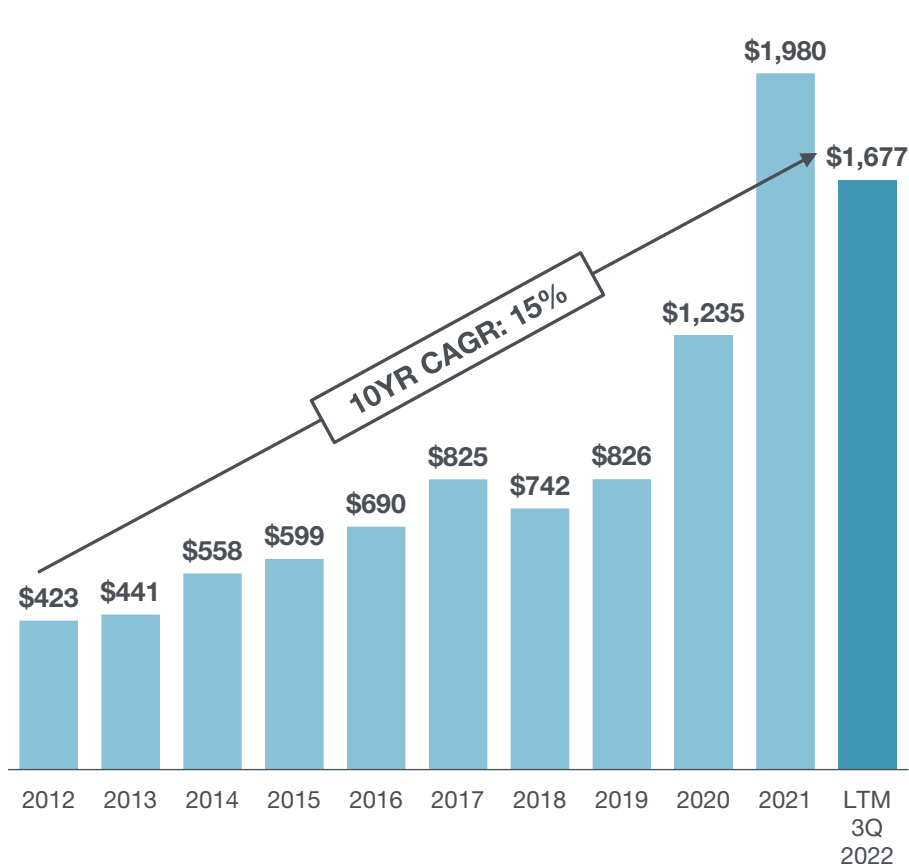


\* A non-GAAP financial measure. See Appendix for a reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP measure.

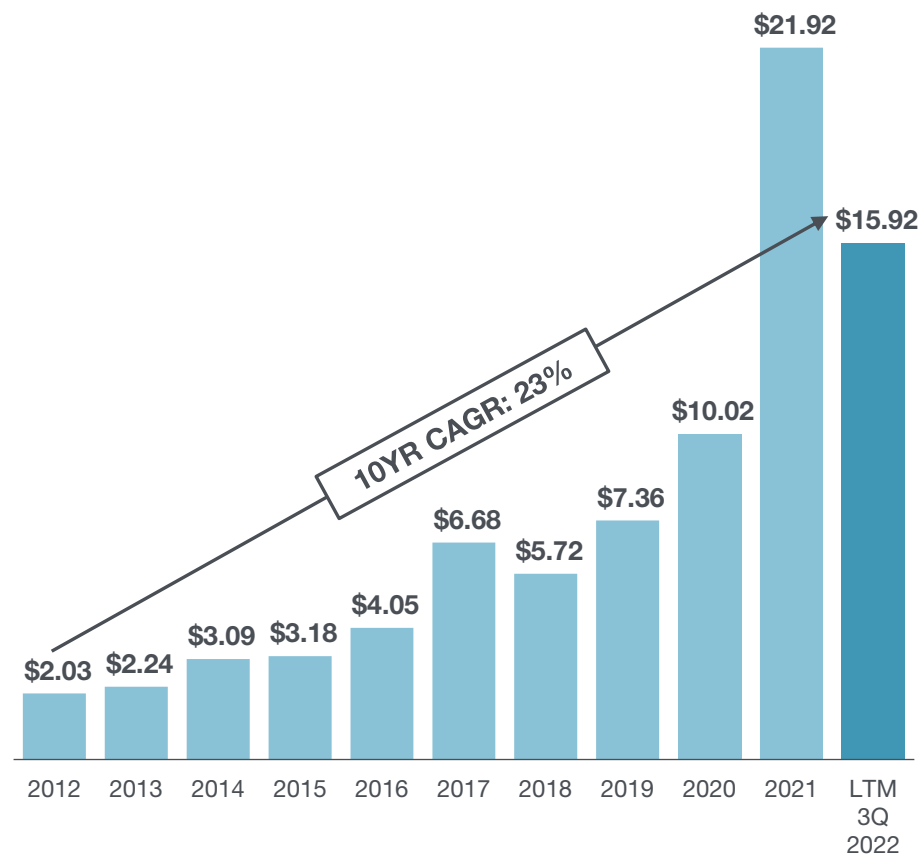
# Track record of, and continued focus on, profitable growth

## Adjusted Net Revenues\*

(\$ in millions)



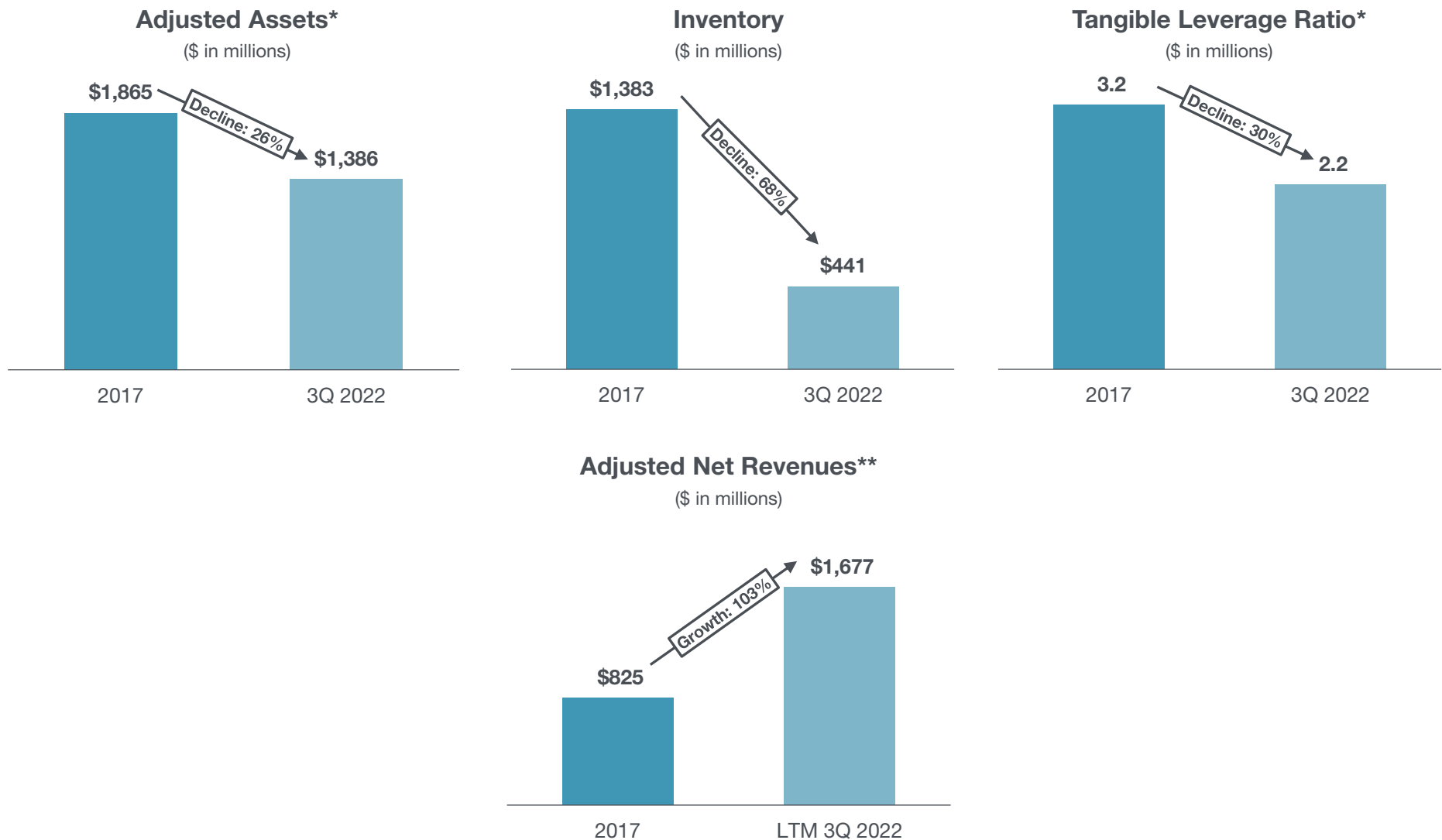
## Adjusted Earnings Per Diluted Share\*



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

# Advice-driven model with low operating capital needs

## 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).

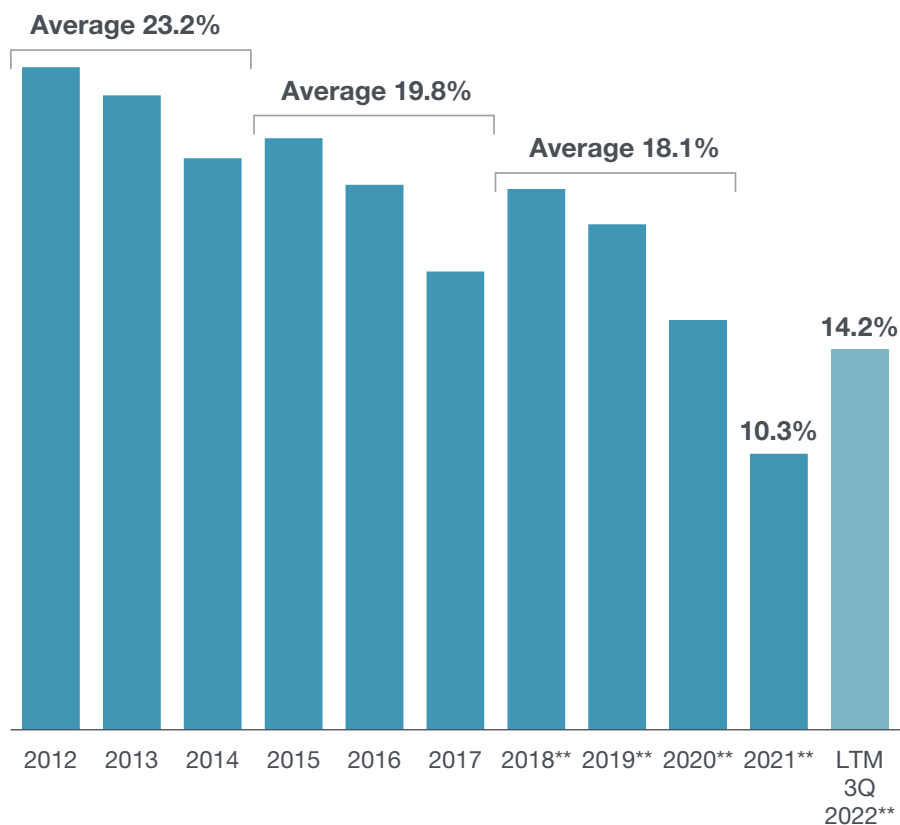
\*\* See Appendix for a reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP measure



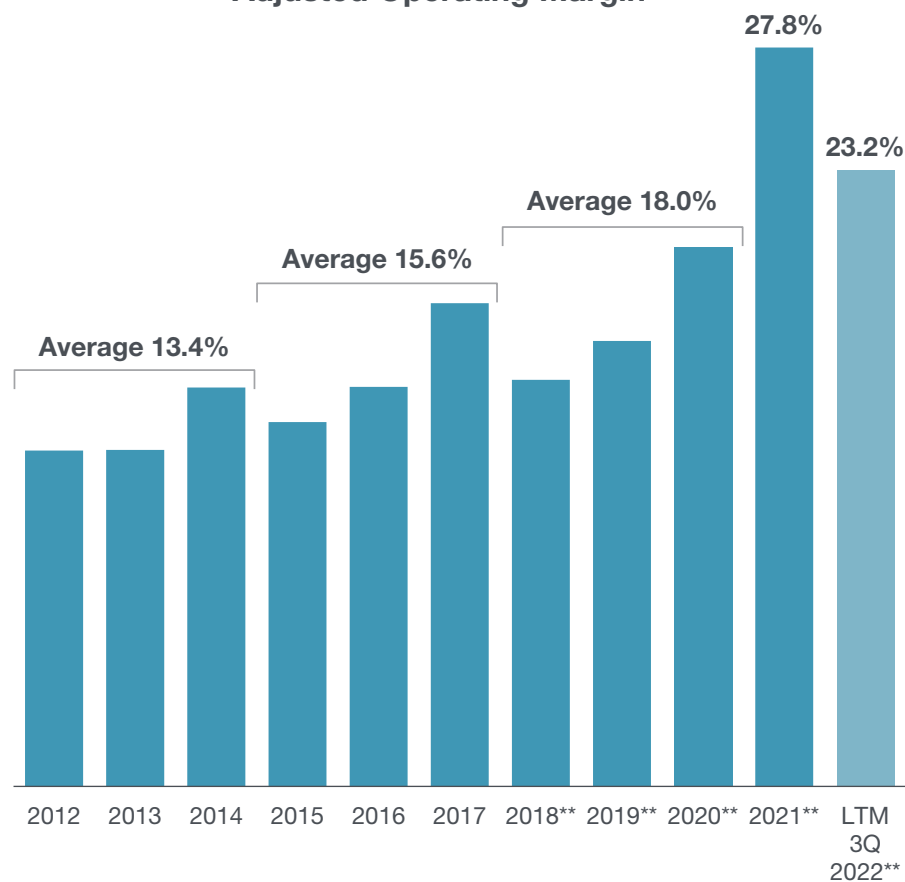
# Disciplined cost management driving operating leverage

## Prudently Manage Costs to Drive Margin Across Market Cycles

Adjusted Non-Compensation Ratio<sup>1</sup>



Adjusted Operating Margin<sup>2</sup>



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, 2020, 2021 and LTM 3Q 2022 have been adjusted to assume reimbursed deal expenses of \$25.1 million, \$25.8 million, \$38.1 million, \$42.9 million and \$32.7 million respectively, are reported on a net basis

# Multiple levers to generate returns for shareholders

**\$284MM**

LTM 3Q 2022  
ADJUSTED NET  
INCOME\*

## SHARE REPURCHASES

**\$758MM**

Capital returned to shareholders through repurchases since 2012

**8%**

Reduction in number of common shares outstanding<sup>1</sup> since 2012

## DIVIDENDS

**\$328MM**

Capital returned to shareholders through dividends since implementing dividend policy in 2017

**7.0%**

Dividend yield based on the total dividend of \$9.45 per share for fiscal year 2021, and the average closing share price for 2021

## ACQUISITIONS

**12**

Acquisitions completed since 2012

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

1) Common shares outstanding at September 30, 2022 were 17.4 million compared to 18.9 million at December 31, 2011



## Section III

# **Reconciliation of non-GAAP financial measures**

# Reconciliation of non-GAAP financial measures

	LTM										
	Sept. 30, 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
(Amounts in thousands)											
<b>Net revenues:</b>											
Net revenues – U.S. GAAP basis	\$1,682,830	\$2,031,061	\$1,238,213	\$834,566	\$740,953	\$823,621	\$693,214	\$602,264	\$567,841	\$443,508	\$424,135
Adjustments:											
Revenue related to noncontrolling interests	(12,885)	(59,050)	(12,881)	(10,769)	(3,621)	(5,319)	(11,070)	(9,810)	(15,699)	(8,794)	(4,174)
Interest expense on long-term financing	6,599	8,446	9,628	1,848	4,902	7,171	8,195	6,406	5,454	5,803	3,236
Adjusted net revenues	\$1,676,544	\$1,980,457	\$1,234,960	\$825,645	\$742,234	\$825,473	\$690,339	\$598,860	\$557,596	\$440,517	\$423,197
<b>Compensation and benefits:</b>											
Compensation and benefits – U.S. GAAP basis	\$1,118,509	\$1,305,166	\$877,462	\$516,090	\$488,487	\$589,637	\$482,749	\$388,895	\$359,219	\$282,474	\$265,316
Adjustments:											
Compensation from acquisition-related agreements	(95,842)	(116,795)	(113,396)	(5,138)	(29,246)	(54,999)	(36,241)	(4,019)	(3,945)	(1,620)	-
Adjusted compensation and benefits	\$1,022,667	\$1,188,371	\$764,066	\$510,952	\$459,241	\$534,638	\$446,508	\$384,876	\$355,274	\$280,854	\$265,316
<b>Non-compensation expenses:</b>											
Non-compensation expenses – U.S. GAAP basis	\$303,747	\$284,383	\$292,203	\$199,497	\$179,977	\$154,668	\$168,821	\$147,653	\$126,251	\$113,631	\$109,702
Adjustments:											
Non-compensation expenses related to noncontrolling interests	(10,222)	(7,196)	(4,029)	(4,306)	(4,827)	(2,932)	(2,864)	(3,403)	(4,546)	(3,400)	(1,708)
Acquisition-related restructuring and integration costs	(10,165)	(4,724)	(10,755)	(14,321)	-	-	(10,197)	(10,652)	-	(4,707)	(3,512)
Amortization of intangible assets related to acquisitions	(17,603)	(30,080)	(44,728)	(4,298)	(4,858)	(10,178)	(15,587)	(1,622)	(2,972)	(1,349)	-
Non-compensation expenses from acquisition-related agreements	(249)	(249)	(12,085)	(114)	(683)	(600)	-	-	-	-	-
Adjusted non-compensation expenses	\$265,508	\$242,134	\$220,606	\$176,458	\$169,609	\$140,958	\$140,173	\$131,976	\$118,733	\$104,175	\$104,482
<b>Income/(loss) from continuing operations before income tax expense:</b>											
Income/(loss) from continuing operations before income tax expense – U.S. GAAP basis	\$260,574	\$441,512	\$68,548	\$118,979	\$72,489	\$79,316	\$41,644	\$65,716	\$82,371	\$47,403	\$49,117
Adjustments:											
Revenue related to noncontrolling interests	(12,885)	(59,050)	(12,881)	(10,769)	(3,621)	(5,319)	(11,070)	(9,810)	(15,699)	(8,794)	(4,174)
Interest expense on long-term financing	6,599	8,446	9,628	1,848	4,902	7,171	8,195	6,406	5,454	5,803	3,236
Non-compensation expenses related to noncontrolling interests	10,222	7,196	4,029	4,306	4,827	2,932	2,864	3,403	4,546	3,400	1,708
Compensation from acquisition-related agreements	95,842	116,795	113,396	5,138	29,246	54,999	36,241	4,019	3,945	1,620	-
Acquisition-related restructuring and integration costs	10,165	4,724	10,755	14,321	-	-	10,197	10,652	-	4,707	3,512
Amortization of intangible assets related to acquisitions	17,603	30,080	44,728	4,298	4,858	10,178	15,587	1,622	2,972	1,349	-
Non-compensation expenses from acquisition-related agreements	249	249	12,085	114	683	600	-	-	-	-	-
Adjusted operating income	\$388,369	\$549,952	\$250,288	\$138,235	\$113,384	\$149,877	\$103,658	\$82,008	\$83,589	\$55,488	\$53,399
Interest expense on long-term financing	(6,599)	(8,446)	(9,628)	(1,848)	(4,902)	(7,171)	(8,195)	(6,406)	(5,454)	(5,803)	(3,236)
Adjusted income before adjusted income tax expense	\$381,770	\$541,506	\$240,660	\$136,387	\$108,482	\$142,706	\$95,463	\$75,602	\$78,135	\$49,685	\$50,163

# Reconciliation of non-GAAP financial measures – continued

	LTM										
	Sept. 30, 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
(Amounts in thousands)											
<b>Income tax expense:</b>											
Income tax expense – U.S. GAAP basis	\$71,825	\$111,144	\$19,192	\$24,577	\$18,046	\$53,808	\$10,926	\$19,618	\$25,087	\$9,376	\$11,686
Tax effect of adjustments:											
Compensation from acquisition-related agreements	20,133	23,646	27,456	1,014	7,254	19,244	12,541	1,563	1,535	630	-
Acquisition-related restructuring and integration costs	2,134	1,180	2,043	3,551	-	-	3,188	4,144	-	1,831	1,366
Amortization of intangible assets related to acquisitions	3,962	6,436	11,345	1,048	1,203	3,877	6,060	630	1,073	331	-
Non-compensation expenses from acquisition-related agreements	63	63	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	\$98,117	\$142,469	\$63,105	\$30,190	\$21,070	\$40,566	\$32,715	\$25,955	\$27,695	\$12,168	\$13,052
<b>Net income/(loss) applicable to Piper Sandler Companies:</b>											
Net income/(loss) applicable to Piper Sandler Companies – U.S. GAAP basis	\$186,086	\$278,514	\$40,504	\$111,711	\$57,036	(\$61,939)	(\$21,952)	\$52,075	\$63,172	\$45,090	\$41,268
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
Net income/(loss) from continuing operations	\$186,086	\$278,514	\$40,504	\$87,939	\$55,649	\$23,121	\$22,512	\$39,691	\$46,131	\$32,633	\$34,965
Adjustments:											
Compensation from acquisition-related agreements	75,709	93,149	85,940	4,124	21,992	35,755	23,700	2,456	2,410	990	-
Acquisition-related restructuring and integration costs	8,031	3,544	8,712	10,770	-	-	7,009	6,508	-	2,876	2,146
Amortization of intangible assets related to acquisitions	13,641	23,644	33,383	3,250	3,655	6,301	9,527	992	1,899	1,018	-
Non-compensation expenses from acquisition-related agreements	186	186	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	\$283,653	\$399,037	\$177,555	\$106,197	\$87,412	\$102,140	\$62,747	\$49,647	\$50,440	\$37,517	\$37,111

# Reconciliation of non-GAAP financial measures – continued

	LTM Sept. 30 2022	2021	2020	2019	Twelve Months Ended December 31, 2018201720162015201420132012						
(Amounts in thousands, except per share data)											
<b>Net income/(loss) applicable to Piper Sandler Companies' common shareholders:</b>											
Net income/(loss) applicable to Piper Sandler Companies' common shareholders – U.S. GAAP basis	\$186,086	\$278,514	\$40,504	\$107,200	\$49,993	(\$64,875)	(\$21,952)	\$48,060	\$58,141	\$40,596	\$35,335
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
Net income/(loss) from continuing operations	\$186,086	\$278,514	\$40,504	\$84,272	\$48,776	\$20,185	\$22,512	\$36,631	\$42,457	\$29,381	\$29,938
Adjustment related to participating shares (1)	-	-	-	625	40	(614)	(3,948)	-	-	-	-
	\$186,086	\$278,514	\$40,504	\$84,897	\$48,816	\$19,571	\$18,564	\$36,631	\$42,457	\$29,381	\$29,938
Adjustments:											
Compensation from acquisition-related agreements	75,709	93,149	85,940	3,981	19,428	30,266	19,552	2,267	2,218	891	-
Acquisition-related restructuring and integration costs	8,031	3,544	8,712	10,397	-	-	5,782	6,006	-	2,589	1,836
Amortization of intangible assets related to acquisitions	13,641	23,644	33,383	3,138	3,212	5,334	7,858	916	1,748	917	-
Non-compensation expenses from acquisition-related agreements	186	186	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	\$283,653	\$399,037	\$177,555	\$102,523	\$76,832	\$86,459	\$51,756	\$45,820	\$46,423	\$33,778	\$31,774
<b>Earnings/(loss) per diluted common share:</b>											
Earnings/(loss) per diluted common share – U.S. GAAP basis	\$10.90	\$16.43	\$2.72	\$7.69	\$3.72	(\$4.99)	(\$1.72)	\$3.34	\$3.87	\$2.70	\$2.26
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
Income/(loss) from continuing operations	\$10.90	\$16.43	\$2.72	\$6.05	\$3.63	\$1.57	\$1.76	\$2.55	\$2.83	\$1.95	\$1.92
Adjustment related to participating shares (1)	-	-	-	0.04	-	(0.05)	(0.31)	-	-	-	-
Adjustment for inclusion of unvested acquisition-related stock	(0.70)	(1.62)	(1.89)	-	-	-	-	-	-	-	-
	\$10.21	\$14.81	\$0.83	\$6.09	\$3.63	\$1.52	\$1.45	\$2.55	\$2.83	\$1.95	\$1.92
Adjustments:											
Compensation from acquisition-related agreements	4.44	5.49	5.76	0.29	1.44	2.33	1.53	0.16	0.15	0.06	-
Acquisition-related restructuring and integration costs	0.47	0.21	0.58	0.75	-	-	0.45	0.42	-	0.17	0.11
Amortization of intangible assets related to acquisitions	0.80	1.39	2.24	0.23	0.24	0.41	0.61	0.06	0.12	0.06	-
Non-compensation expenses from acquisition-related agreements	0.01	0.01	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	\$15.92	\$21.92	\$10.02	\$7.36	\$5.72	\$6.68	\$4.05	\$3.18	\$3.09	\$2.24	\$2.03
<b>Weighted average diluted common shares outstanding:</b>											
Weighted average diluted common shares outstanding – U.S. GAAP basis	17,065	16,955	14,901	13,937	13,425	12,978	12,779	14,389	15,025	15,061	15,616
Adjustment:											
Unvested acquisition-related restricted stock with service conditions	747	1,251	2,814	-	-	-	-	-	-	-	-
Adjusted weighted average diluted common shares outstanding	17,812	18,206	17,715	13,937	13,425	12,978	12,779	14,389	15,025	15,061	15,616

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.

This presentation includes non-GAAP measures. The non-GAAP measures are not meant to be considered in isolation or as a substitute for the corresponding U.S. GAAP measures, and should be read only in conjunction with our consolidated financial statements prepared in accordance with U.S. GAAP.