Q1 2021 INVESTOR PRESENTATION

LPL Financial Holdings Inc.
June 2, 2021

Notice to Investors: Safe Harbor Statement

Statements in this presentation regarding LPL Financial Holdings Inc.’s (together with its subsidiaries, the “Company”) future financial and operating results, growth, priorities, business strategies and outlook, including forecasts and statements relating to the Company’s future advisory and brokerage asset levels and mix, organic asset growth, client cash programs (including future portfolio yields and deposit betas), Core G&A* expenses (including outlook for 2021), Gross Profit* benefits, investments (including technology investments), capital returns and the benefits expected to result from the integration of Waddell & Reed’s wealth management business, including its effect on the Company’s run-rate EBITDA*, as well as any other statements that are not related to present facts or current conditions or that are not purely historical, constitute forward-looking statements. These forward-looking statements are based on the Company's historical performance and its plans, estimates and expectations as of June 2, 2021. Forward-looking statements are not guarantees that the future results, plans, intentions or expectations expressed or implied by the Company will be achieved. Matters subject to forward-looking statements involve known and unknown risks and uncertainties, including economic, legislative, regulatory, competitive and other factors, which may cause actual financial or operating results, levels of activity or the timing of events to be materially different from those expressed or implied by forward-looking statements. Important factors that could cause or contribute to such differences include: the spread of COVID-19 and its direct and indirect effects on global economic and financial conditions; changes in interest rates and fees payable by banks participating in the Company's client cash programs; the Company's strategy and success in managing client cash program fees; limitations imposed by regulators on third-party banks’ ability to participate in third-party client cash programs; changes in general economic and financial market conditions, including retail investor sentiment; fluctuations in the levels of advisory and brokerage assets, including net new assets, and the related impact on revenue; the effects of competition in the financial services industry; the success of the Company in attracting and retaining financial advisors and institutions, and their ability to market effectively financial products and services; whether retail investors served by newly-recruited advisors choose to move their respective assets to new accounts at the Company; changes in the growth and profitability of the Company's fee-based business; the effect of current, pending and future legislation, regulation and regulatory actions, including disciplinary actions imposed by federal and state regulators and self-regulatory organizations; the costs of settling and remediating issues related to regulatory matters or legal proceedings, including actual costs of reimbursing customers for losses in excess of the Company’s reserves; changes made to the Company’s services and pricing, and the effect that such changes may have on the Company’s Gross Profit* streams and costs; execution of the Company's plans and its success in realizing the synergies, expense savings, service improvements and/or efficiencies expected to result from its investments, initiatives, acquisitions and programs; the successful onboarding of advisors and client assets in connection with the acquisition of Waddell & Reed’s wealth management business; and the other factors set forth in Part I, “Item 1A. Risk Factors” in the Company's 2020 Annual Report on Form 10-K, as may be amended or updated in the Company's Quarterly Reports on Form 10-Q or other filings with the SEC. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of developments occurring after June 2, 2021, even if its estimates change, and statements contained herein are not to be relied upon as representing the Company's views as of any date subsequent to June 2, 2021.

THIS PRESENTATION PRESENTS DATA AS OF MARCH 31, 2021, UNLESS OTHERWISE INDICATED.

Notice to Investors: Non-GAAP Financial Measures

Management believes that presenting certain non-GAAP financial measures by excluding or including certain items can be helpful to investors and analysts who may wish to use some or all of this information to analyze the Company's current performance, prospects and valuation. Management uses this non-GAAP information internally to evaluate operating performance and in formulating the budget for future periods. Management believes that the non-GAAP financial measures and metrics discussed herein are appropriate for evaluating the performance of the Company**. Specific Non-GAAP financial measures have been marked with an * (asterisk) within this presentation. Reconciliations and calculations of such measures can be found on pages 36-38.**

Gross profit is calculated as total revenues, which were $1,708 million for the three months ended March 31, 2021, less advisory and commission expenses and brokerage, clearing and exchange fees ("BC&E"), which were $1,109 million and $19 million, respectively, for the three months ended March 31, 2021. All other expense categories, including depreciation and amortization of fixed assets and amortization of intangible assets, are considered general and administrative in nature. Because the Company's gross profit amounts do not include any depreciation and amortization expense, the Company considers its gross profit amounts to be non-GAAP measures that may not be comparable to those of others in its industry. Management believes that gross profit amounts can provide investors with useful insight into the Company's core operating performance before indirect costs that are general and administrative in nature. For a calculation of gross profit, please see page 36 of this presentation.

EBITDA is defined as net income plus interest and other expense, income tax expense, depreciation and amortization, and amortization of intangible assets. The Company presents EBITDA because management believes that it can be a useful financial metric in understanding the Company's earnings from operations. EBITDA is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of profitability or liquidity. For a reconciliation of net income to EBITDA, please see page 36 of this presentation. In addition, the Company's EBITDA can differ significantly from EBITDA calculated by other companies, depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments.

Credit Agreement EBITDA is defined in, and calculated by management in accordance with, the Company's credit agreement ("Credit Agreement") as "Consolidated EBITDA," which is Consolidated Net Income (as defined in the Credit Agreement) plus interest expense, tax expense, depreciation and amortization, and amortization of intangible assets, and is further adjusted to exclude certain non-cash charges and other adjustments, including unusual or non-recurring charges and gains, and to include future expected cost savings, operating expense reductions or other synergies from certain transactions. The Company presents Credit Agreement EBITDA because management believes that it can be a useful financial metric in understanding the Company's debt capacity and covenant compliance under its Credit Agreement. Credit Agreement EBITDA is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of profitability or liquidity. In addition, the Company's calculation of Credit Agreement EBITDA can differ significantly from adjusted EBITDA calculated by other companies, depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate, capital investments and the types of adjustments made by such companies. For a reconciliation of Credit Agreement EBITDA to net income, please see page 36 of this presentation.

EPS Prior to Amortization of Intangible Assets and Acquisition Costs is defined as GAAP earnings per share ("EPS") plus the per share impact of amortization of intangible assets and acquisition costs. The per share impact is calculated as amortization of intangible assets expense and acquisition costs, net of applicable tax benefit, divided by the number of shares outstanding for the applicable period. The Company presents EPS Prior to Amortization of Intangible Assets and Acquisition Costs because management believes the metric can provide investors with useful insight into the Company's core operating performance by excluding non-cash items and acquisition costs that management does not believe impact the Company's ongoing operations. EPS Prior to Amortization of Intangible Assets and Acquisition Costs is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to GAAP EPS or any other performance measure derived in accordance with GAAP. For a reconciliation of GAAP EPS to EPS Prior to Amortization of Intangible Assets and Acquisition Costs, please see page 37 of this presentation.

Core G&A consists of total operating expenses, which were $1,493 million for the three months ended March 31, 2021, excluding the following expenses: advisory and commission, regulatory charges, promotional, employee share-based compensation, depreciation and amortization, amortization of intangible assets, and BC&E. Management presents Core G&A because it believes Core G&A reflects the corporate operating expense categories over which management can generally exercise a measure of control, compared with expense items over which management either cannot exercise control, such as advisory and commission expenses, or which management views as promotional expense necessary to support advisor growth and retention, including conferences and transition assistance. Core G&A is not a measure of the Company's total operating expenses as calculated in accordance with GAAP. For a reconciliation of Core G&A to the Company's total operating expenses, please see page 38 of this presentation. The Company does not provide an outlook for its total operating expenses because it contains expense components, such as advisory and commission expenses, that are market-driven and over which the Company cannot exercise control. Accordingly, a reconciliation of the Company's outlook for Core G&A to an outlook for total operating expenses cannot be made available without unreasonable effort.

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LPL Overview

Mission

We take care of our advisors so they can take care of their clients.

Value Proposition

We are a leader in the retail financial advice market and the nation's largest independent broker-dealer[1].

Our scale and self-clearing platform enable us to provide advisors with the capabilities they need, and the service they expect, at a compelling price, including:

- **Open architecture offering** with no proprietary products
- **Choice of advisory platforms** between corporate and hybrid, as well as **centrally managed solutions** to support portfolio allocation and trading
- **Enhanced capabilities, ClientWorks technology, Client Care model,** and **Business Solutions**
- **Industry-leading advisor payout rates**
- **Growth capital** to expand or acquire other practices

Key Markets and Services

$950B+ Retail Assets:

- **Advisory:** $497B
- **Brokerage:** $462B

17,000+ Advisors:

- **Independent Advisors:** 9,800+
- **Hybrid RIA:** 5,100+ (460+ firms)
- **Institutional Services:** 2,600+ (770+ banks and credit unions)

Key Metrics

Q1 2021 Business Metrics

Client Assets (end of period):	$958B
Organic Net New Assets:	$28.9B
Organic Annualized Growth:	12.8%
Recruited Assets[2]:	$23.8B
Advisors (end of period):	17,672
Accounts (end of period):	6.1M

Q1 2021 LTM Financial Metrics

Average Client Assets:	$835B
Organic Net New Assets:	$71B
Organic Annualized Growth:	10.6%
Recruited Assets[2]:	$56B
Gross Profit*:	$2.1B
EBITDA*:	$0.9B
EPS Prior to Amort. of Intangible Assets and Acquisition Costs*:	$6.16

Q1 2021 Debt Metrics

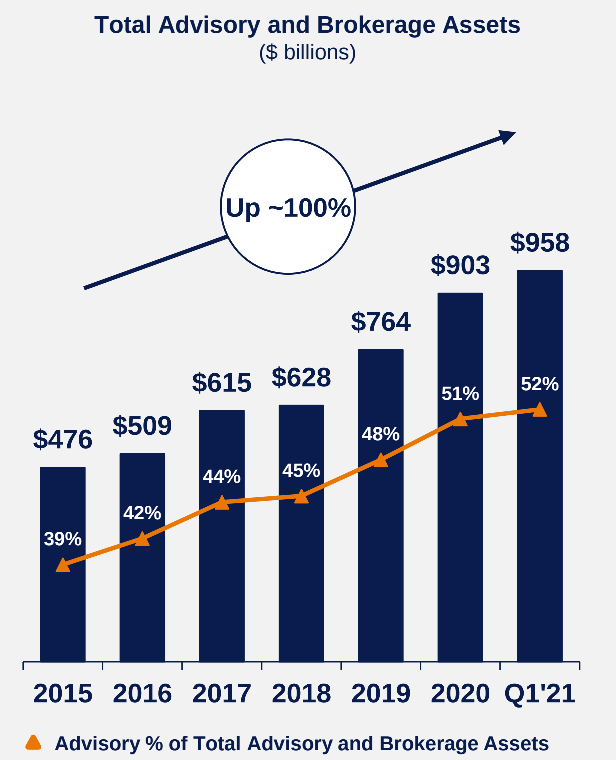
Credit Agr. EBITDA* (TTM):	$1.0B
Total Debt:	$2.4B
Net Leverage Ratio[3]:	2.11x
Cost of Debt:	3.15%

Debt Ratings[4]

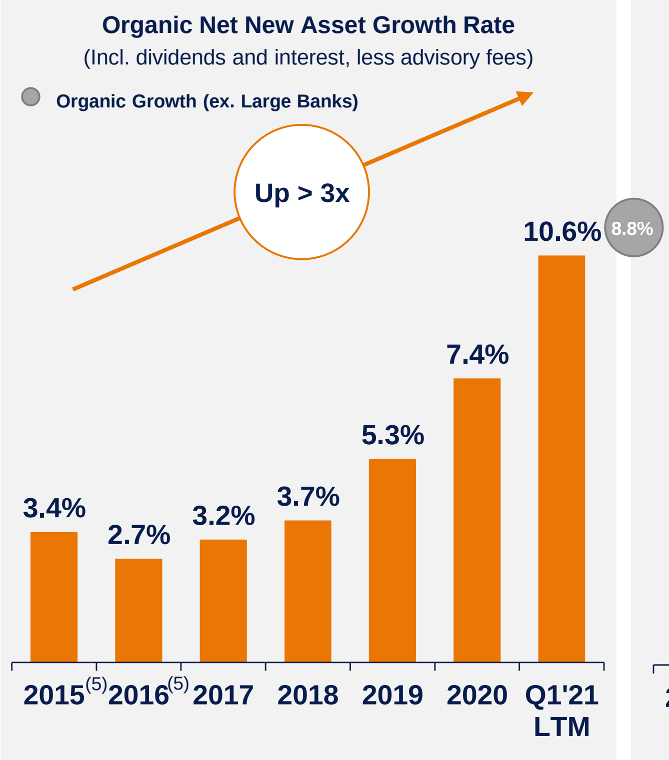
Moody's Rating:	Ba1
S&P Rating:	BB+

We continue to drive business and financial growth

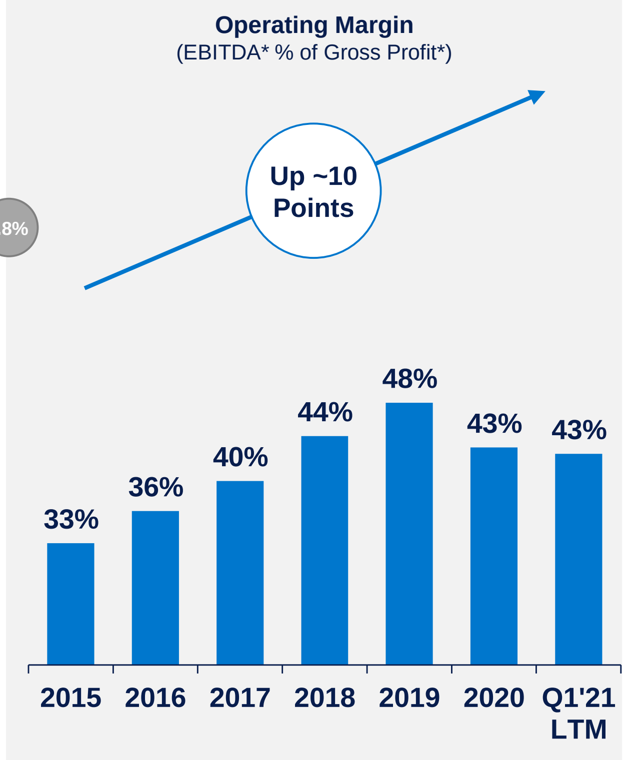
Total assets have increased by ~100%



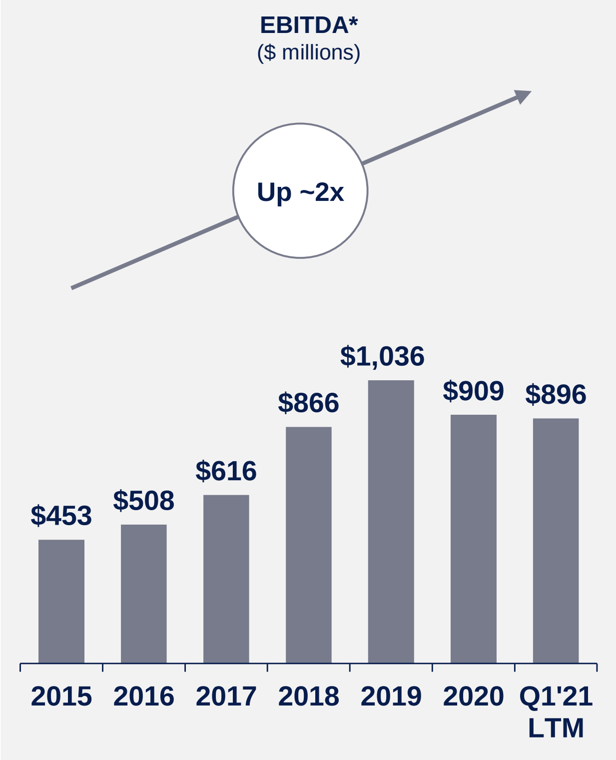
Organic asset growth has more than tripled



Operating margin has increased ~10 percentage points



EBITDA* has nearly doubled



We are creating the next generation of the Independent Model

PLAY 1

Meeting advisors where they are in the evolution of their practices

Deepen our participation across traditional independent and 3rd party bank channels

—

Redefine our industry with our new, transformative independent employee and RIA-only models

PLAY 2

Helping advisors differentiate and win end-clients

Create a leading end-to-end platform for advisors

—

Develop and enhance end-client experiences

PLAY 3

Delight advisors and their clients with industry-leading experiences

Transform our service model into a Customer Care model

—

Drive performance, efficiency and scale with a real-time, digital operating model

—

Develop excellence in Continuous Improvement

PLAY 4

Helping advisors run the most successful businesses in the industry

Raise quality of execution and likelihood of success through Business Solutions

—

Unlock growth, succession and protection through innovative Growth and Capital Solutions

A strategy to win in the marketplace

LPL Investment Highlights: Significant opportunities to grow and create long-term shareholder value

1	**Established market leader with scale advantages and structural tailwinds**
2	**Expanded capabilities to enhance the advisor value proposition**
3	**Organic growth opportunities through net new assets and ROA**
4	**Resilient business model with natural hedges to market volatility**
5	**Disciplined expense management driving operating leverage**
6	**Capital-light business model with significant capacity to deploy**
7	**Opportunity to consolidate fragmented core markets through M&A**

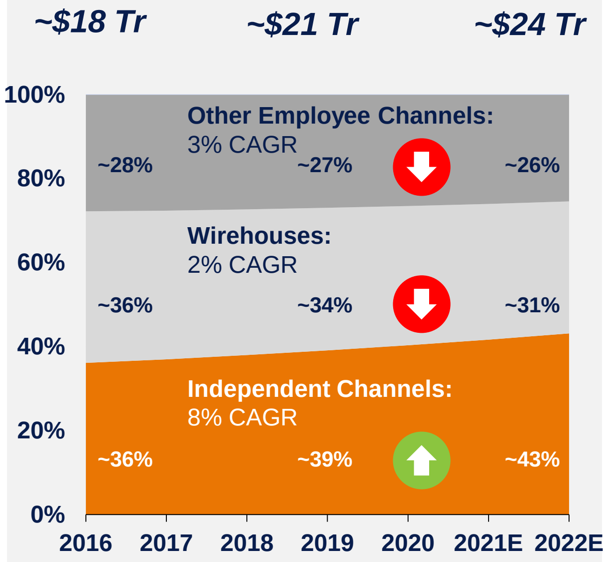
We are a market leader with scale advantages and industry tailwinds

Growing demand for advice

Projected Growth in US Retail Investment Market

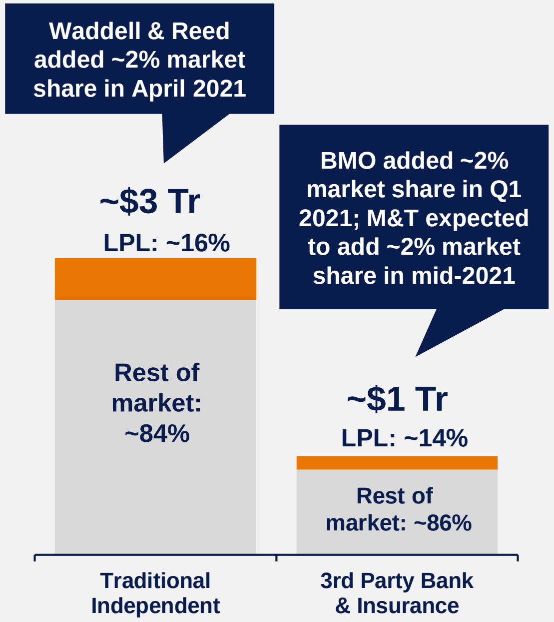
Independent Channel gaining share

Total Advisor-mediated Assets



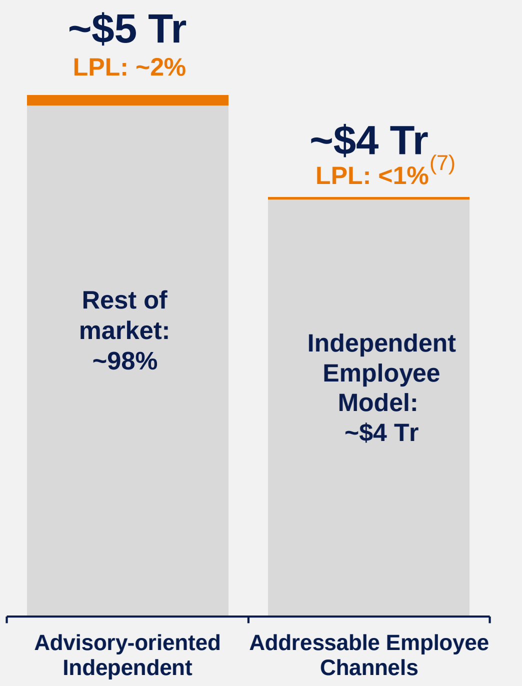
Leading position in traditional markets

Traditional Markets[6]



Tripling our total addressable markets

Expanded Addressable Markets[6]



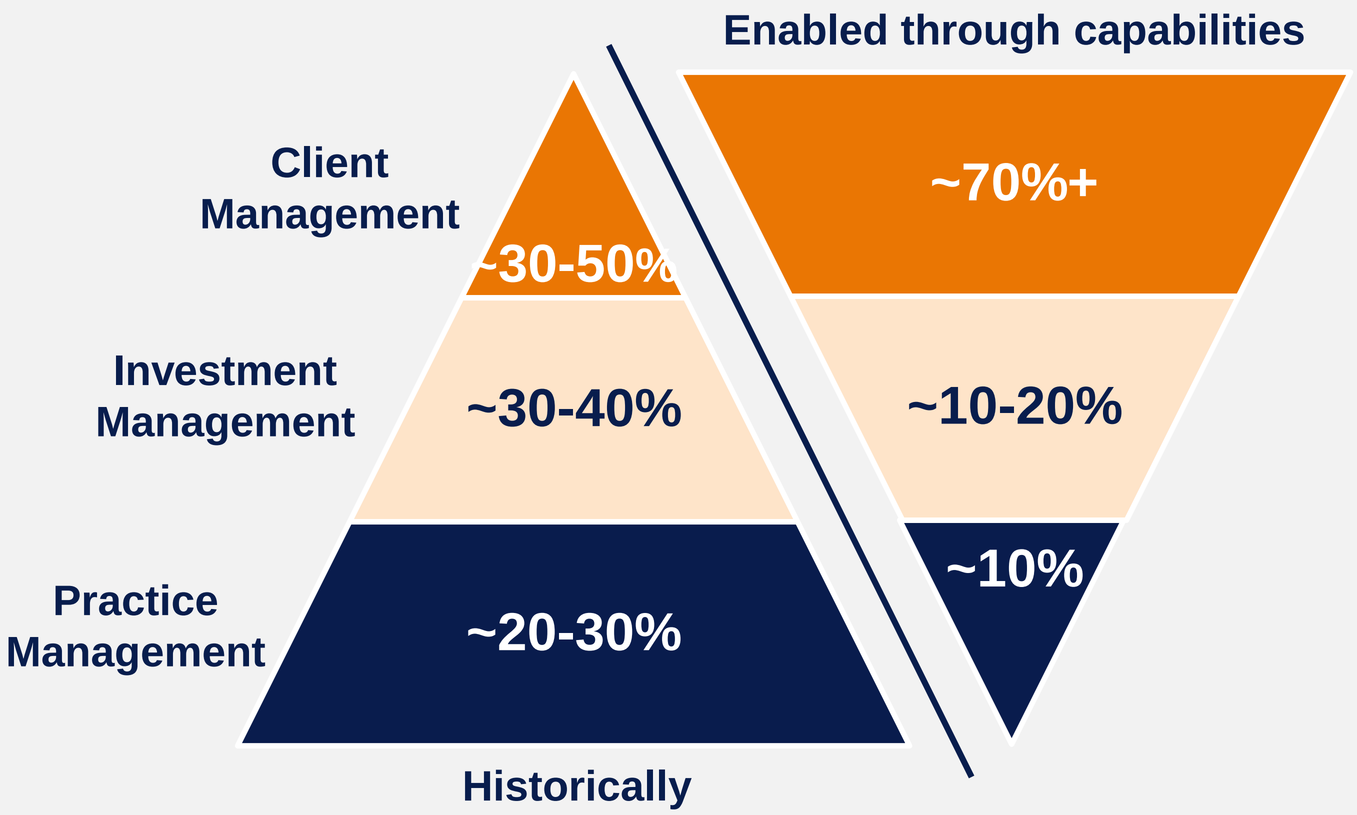
We are expanding our addressable markets by ~3x with new affiliation models

	Advisory-Oriented Independent Market New ~$5 Tr Opportunity		Independent Employee Market New ~$4 Tr Opportunity
	Strategic Wealth Services	**RIA-Only Advisory**	**Independent Employee**
Overview	• Previously referred to as our **“Premium” model** • Provides comprehensive support for **“breakaway advisors” to move to independence** • Includes enhanced, hands-on assistance through all aspects of **new practice startup and transition** • Delivers **tailored business support** through strategic consulting and Business Solutions	• Enables RIAs to leverage **fully-integrated** capabilities, technology, services, and clearing platform • Supported by dedicated **relationship management** teams along with practice-level support • Provides the **flexibility to outsource risk management and compliance** (Corporate RIA) or manage internally (Hybrid RIA)	• Pairs the **benefits of independence** with the **turnkey services** of an employee model • Enables advisors to **own their client relationships** and have the freedom to design their practices to **fit their model for advice** • Increases **payout for advisors** versus traditional employee firms through a lower-cost model
Progress	**We have recruited 7 practices to date, serving over $2B in assets**	We continue to progress our model for RIA-only advisors, focusing on a **dedicated service experience** and **integrated technology capabilities**	**We have recruited 3 practices to date, serving ~$350M in assets**

We have increased our investment capabilities to enhance our advisor value proposition and drive growth

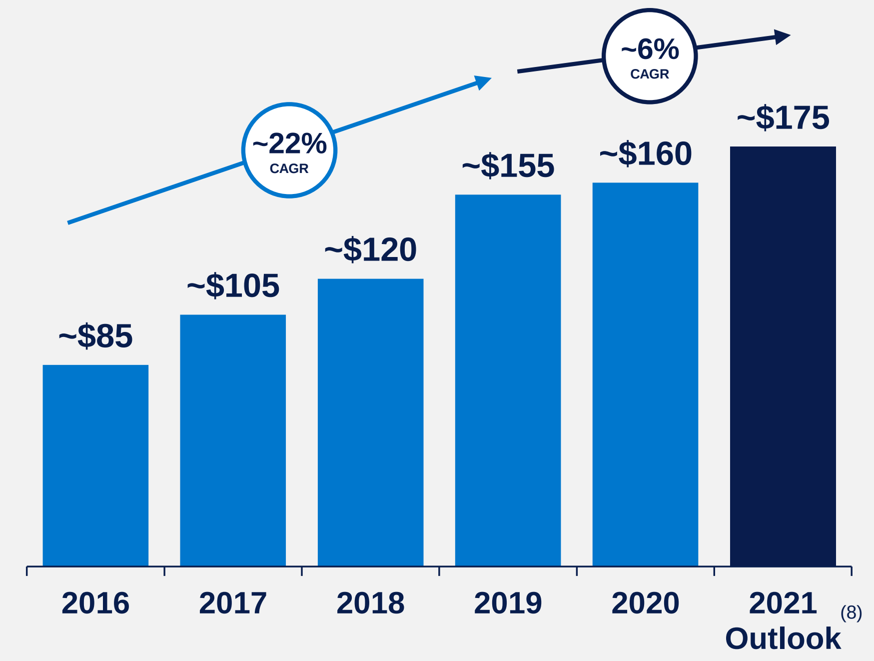
We are focused on delivering capabilities that position advisors to spend more time with their clients

Illustrative Advisor Time Allocation



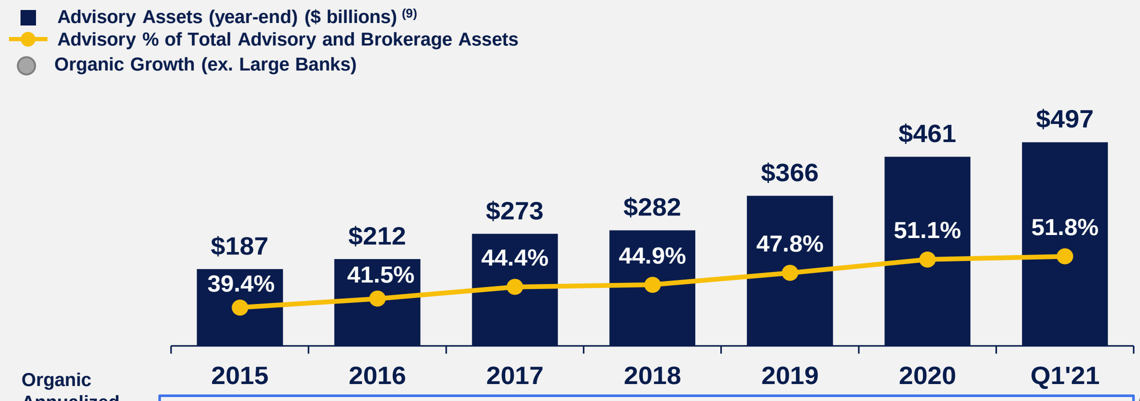
As a result, we have increased our technology investments over time

Technology Portfolio Spend
($ millions)



Advisory assets are over 50% of total assets

Our business is shifting from Brokerage to Advisory

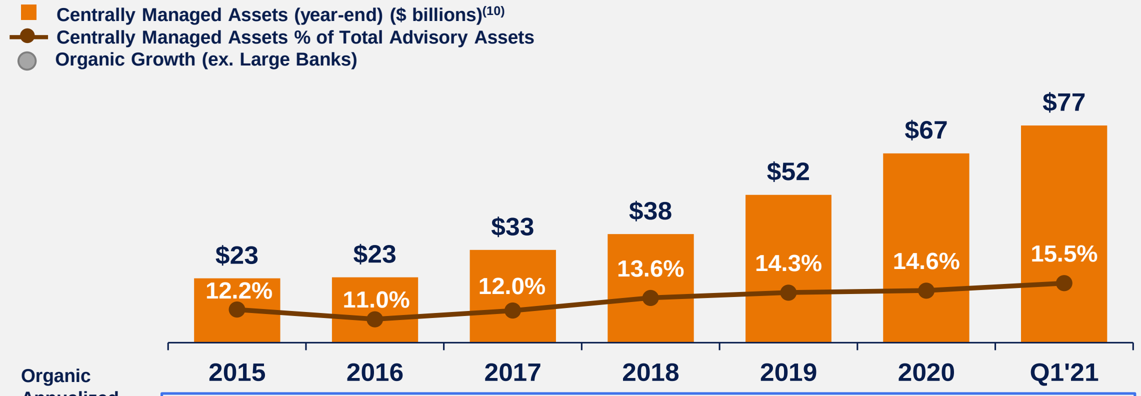


Organic Annualized Growth Rate:	2015	2016	2017	2018	2019	2020	Q1'21	
	n/a	n/a	13.2%	9.0%	11.8%	13.6%	19.7%	15.4%

The shift to Advisory can create value

- Assets are shifting from Brokerage to Advisory, consistent with industry trends, as end clients seek greater levels of support from advisors
- Our mix of Advisory is below industry levels of ~70% Advisory
- We are shifting towards Advisory at a rate of ~2%+ per year
- Advisory ROA is ~10 bps higher than Brokerage ROA, so a ~2% shift is ~$15M in annual Gross Profit* benefit

Centrally managed platforms are growing within Advisory



Organic Annualized Growth Rate:	2015	2016	2017	2018	2019	2020	Q1'21	
	n/a	n/a	22.1%	20.3%	17.3%	16.9%	46.7%	20.3%

Centrally managed platforms generate higher returns than Advisory

- Outsourcing portfolio design and management can free up advisors' time to serve clients and grow their practices
- Advisors can also continue to design their own portfolios while outsourcing investment management tasks to LPL
- Centrally managed platforms have increased as a percentage of total advisory assets
- Centrally managed platform ROA is ~10 bps higher than Advisory overall, so a 1% increase is ~$3M in annual Gross Profit* benefit

We continue to scale and expand our Business Solutions portfolio

Business Solutions has grown to ~1,700 subscribers, more than double a year ago
Annualized revenue has increased to ~$19 million, up by ~$9 million from a year ago
Launched our 6th Business Solution – M&A Solutions – in Q1 2021

Professional Services

- **Digital and employee-powered solutions** that provide practice management expertise to increase practice-level growth and operational efficiency
- Higher revenue and higher cost due to **full support from a LPL team**
- Subscriptions average **$1,500+ per month**

Admin Solutions
Reduce daily tasks with experienced and trained administrative help

Marketing Solutions
Unleash digital marketing to generate new prospects and connect with existing clients

CFO Solutions
Optimize the growth, scale, and profitability of the advisor's business

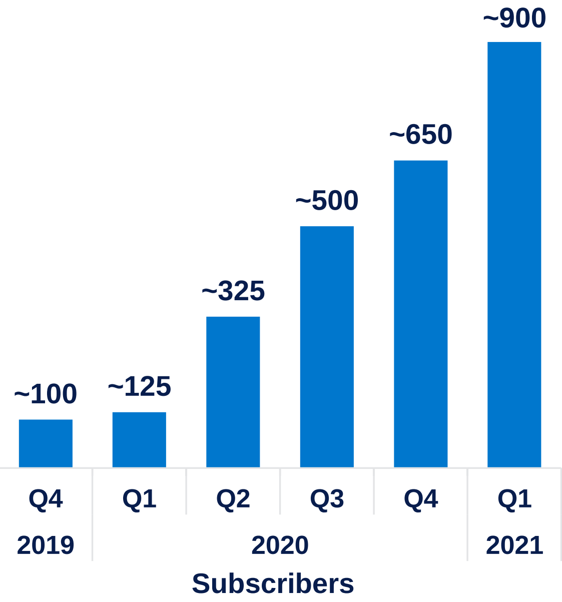
Business Optimizers

- **Digital solutions** that provide risk mitigation and business continuity services to support practice operations and succession planning
- Lower revenue and lower cost since they **deliver digital capabilities**
- Subscriptions average **$100+ per month**

Assurance Plan
LPL-backed succession plan to protect advisors' businesses and support their families and clients

Remote Office Solutions
Smart, secure office network and connectivity technology to support remote operations

Launched Q1 2021
M&A Solutions
Comprehensive buyer and seller programs supporting all aspects of advisor practice M&A



We have added M&A Solutions as our sixth Business Solution

Buying or selling a practice can be a demanding process for advisors. LPL's M&A Solutions provides comprehensive buyer and seller development programs and an end-to-end transaction platform which support all aspects of advisor practice M&A.

PREMIUM BUYER PROGRAM

Prepare your practice for growth through M&A
(Business model: asset retention, NNA growth, subscription revenue)

- Priority access to deal flow
- Discounts on financing & free deal execution
- Detailed annual valuations
- Timely market commentary and insights
- Access to M&A experts

SELLER SUPPORT PROGRAM

Simplify the M&A process and maximize the value of your practice
(Business model: asset retention, NNA growth, success fee)

- Preparation for practice sale
- Buyer sourcing and contact
- Assistance in selecting final partner
- Comprehensive transaction analysis
- Access to M&A experts

DEAL EXECUTION PLATFORM

The end-to-end platform for M&A transactions

Provides comprehensive business valuations, support through due diligence, negotiation, and deal structuring, competitive financing options with no origination fees, templated closing documents, and post-transaction integration support.

- End-to-End Platform
- Single Point of Contact
- In-House Services
- Execution support for Buyer and Seller Programs

We are supporting advisors with access to capital throughout their practice lifecycle

Transition Assistance
Capital to help advisors transition their practices to LPL

Growth Capital
Capital and expertise to support practice growth initiatives

Advisor Practice M&A
Capital and expertise to support acquisitions of other practices

Assurance Plan
Capital and expertise to help advisors monetize and transition their practices

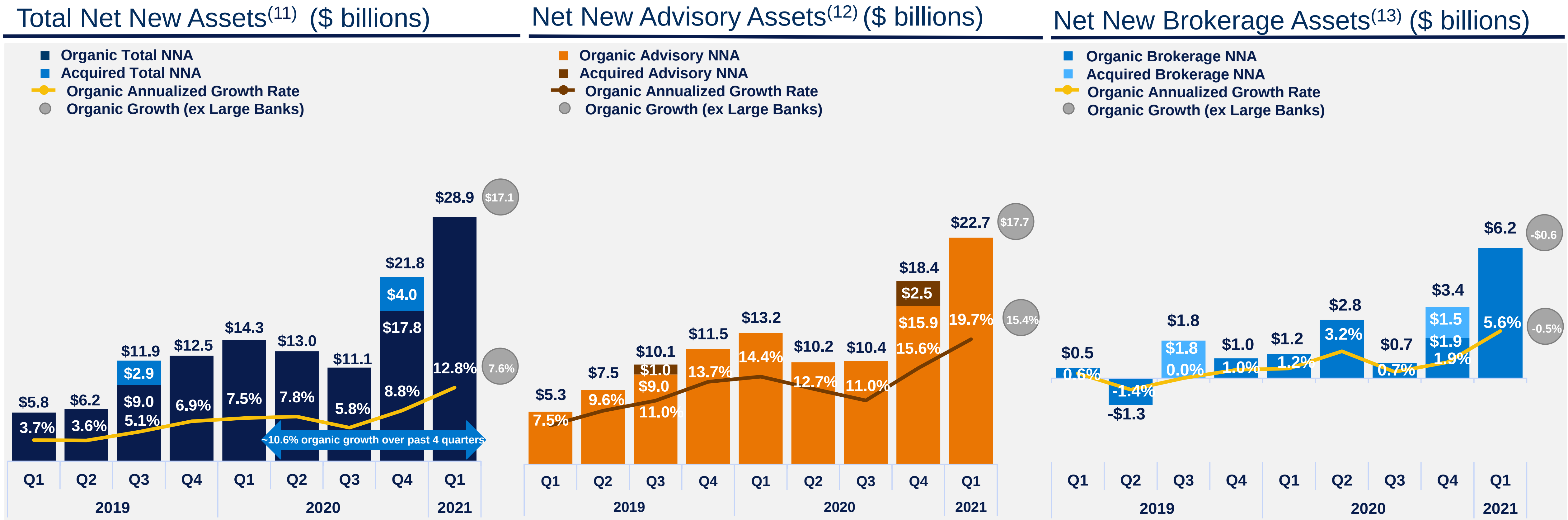
We are digitizing key advisor workflows to help drive practice scalability and efficiency

ClientWorks Connected

1. **Attracting Prospects** (Lead gen)
2. **Turning Prospects into Clients** (Getting to yes)
3. **New Account Onboarding** (Attracting new assets)
4. **Managing Portfolios** (Creating great investor outcomes)
5. **Client Management** (Goals-based planning)
6. **Servicing Client Requests** (Helping clients live their lives)

For each of the platforms, we are integrating a free solution as well as leading third-party options

We continued to drive solid organic growth with a Net New Asset growth rate of ~13% in Q1 and ~11% for the past twelve months



Net Brokerage to Advisory Conversions[14] (billions): $1.4 $1.8 $1.7 $1.9 $2.4 $1.6 $2.0 $2.6 $3.3

We are the leading 3rd party provider to the bank channel, and the additions of M&T and BMO Harris strengthen our strategic position

We are the largest provider of outsourced bank wealth management services

*Serving **700+ institutions** with **~$125B(15) in assets***

Background Context: *The bank channel is a ~$1T market in which broker-dealers, such as LPL, provide 3rd party services to institutions such as clearing services, trading platforms, product & service offerings, technology and other advisor resources*

Our Value

- We provide financial institutions with access to an array of investment solutions and wealth management platforms to enhance and scale their business.
- With LPL, banks can provide retail clients with enhanced capabilities, grow their business faster, increase profitability, and lower regulatory risk.

Top 10 Banks on LPL's Platform

Zions Bank; New York Community Bank (Member FDIC); Webster Bank; Sterling National Bank; BECU; Old National; South State Bank; Trustmark Bank; Community Bank N.A.; Central Bank

We onboarded BMO Harris in Q1 2021 and expect M&T to onboard in the middle of 2021

M&T Bank | BMO

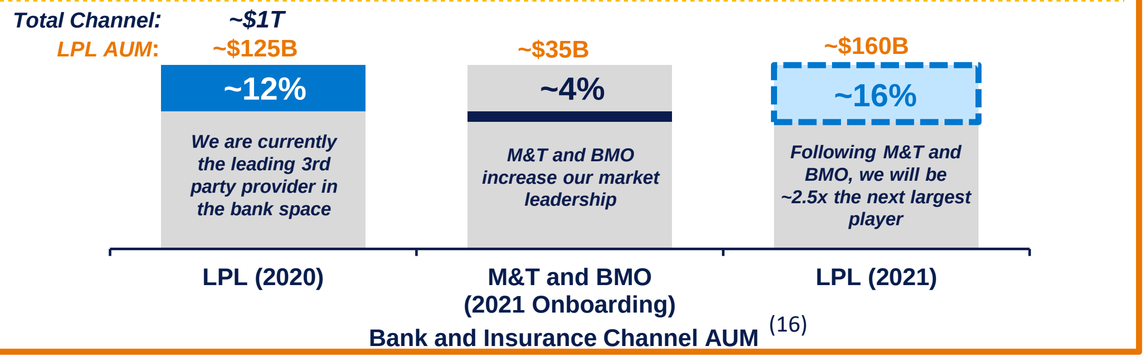
M&T Securities, Inc.

- Fortune 500 bank with 700+ branches nationwide
- ~$20B in Assets and 170+ Advisors
- Agreement to join LPL signed in July 2020
- Expected onboarding in the middle of 2021

BMO Harris Financial Advisors

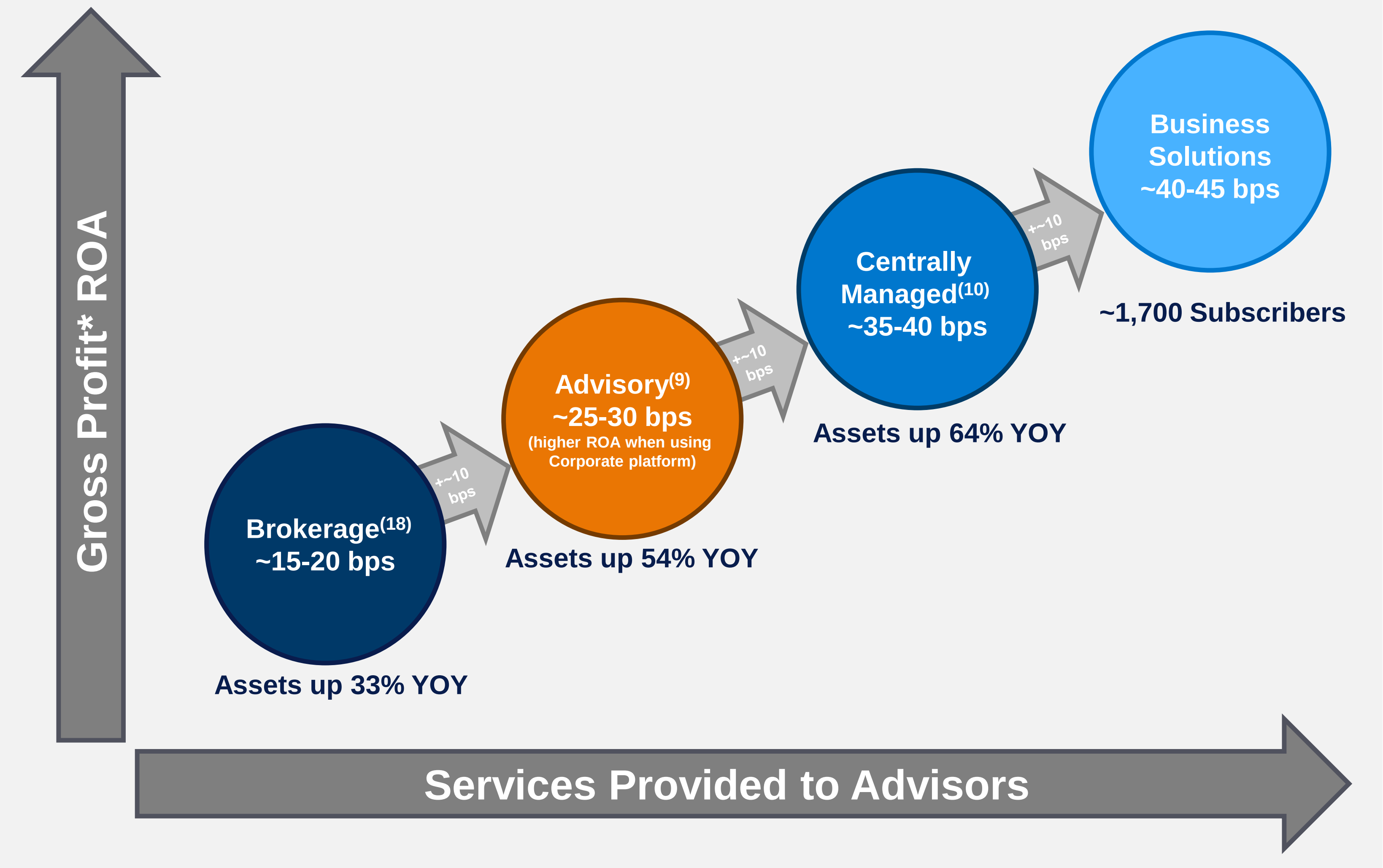
- Bank with 500+ branches nationwide
- ~$15B in Assets and 115+ Advisors
- Agreement to join LPL signed in October 2020
- Onboarded in in Q1 2021

M&T and BMO Harris expand our 3rd party leadership of the bank channel



As advisors use more of our services, our returns increase

We have seen a favorable mix shift in our platforms[17]



Additional drivers of growth

New Models
- Strategic Wealth Services (formerly Premium)
- Independent Employee Model
- RIA-Only Model

Enhanced Services & Capabilities
- Industry-leading service experience
- New integrated layer of capabilities

We benefit from rising market levels and interest rates, and our business model has natural hedges to market volatility

Annual Gross Profit* Impact

Macro benefits

Market Levels (S&P 500)

Rising market levels drive growth in assets and related revenues including Advisory Fees, Trailing Commissions, and Sponsor Revenues

~$25M
Per 100pt increase in market levels

Interest Rates

Rising interest rates benefit ICA and DCA yields, including estimated deposit sharing of 25-50% per rate hike

~$35-55M (19)
Per 25 bps increase in FFE target rates

Natural offsets to market declines

Cash Sweep Balance

Increased risk and volatility in the market drives higher cash sweep balances

As equity markets declined in early 2020, ICA balances increased by ~$10B, which translates to a **~$30M benefit annually** (20)

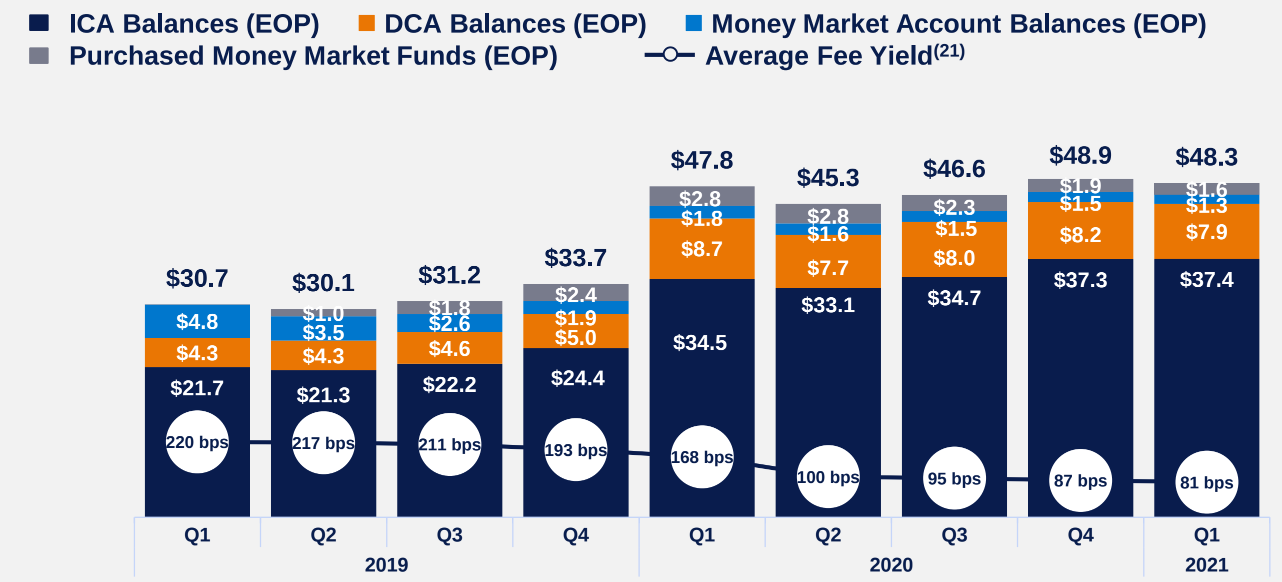
Transaction Volume

Increased risk and volatility in the market drives additional portfolio rebalancing activity and higher transaction volumes

Transaction & fee revenue **increased ~$20M** sequentially in Q1 2020

Q1 Client Cash balances remained elevated

Client Cash balances ($ billions)

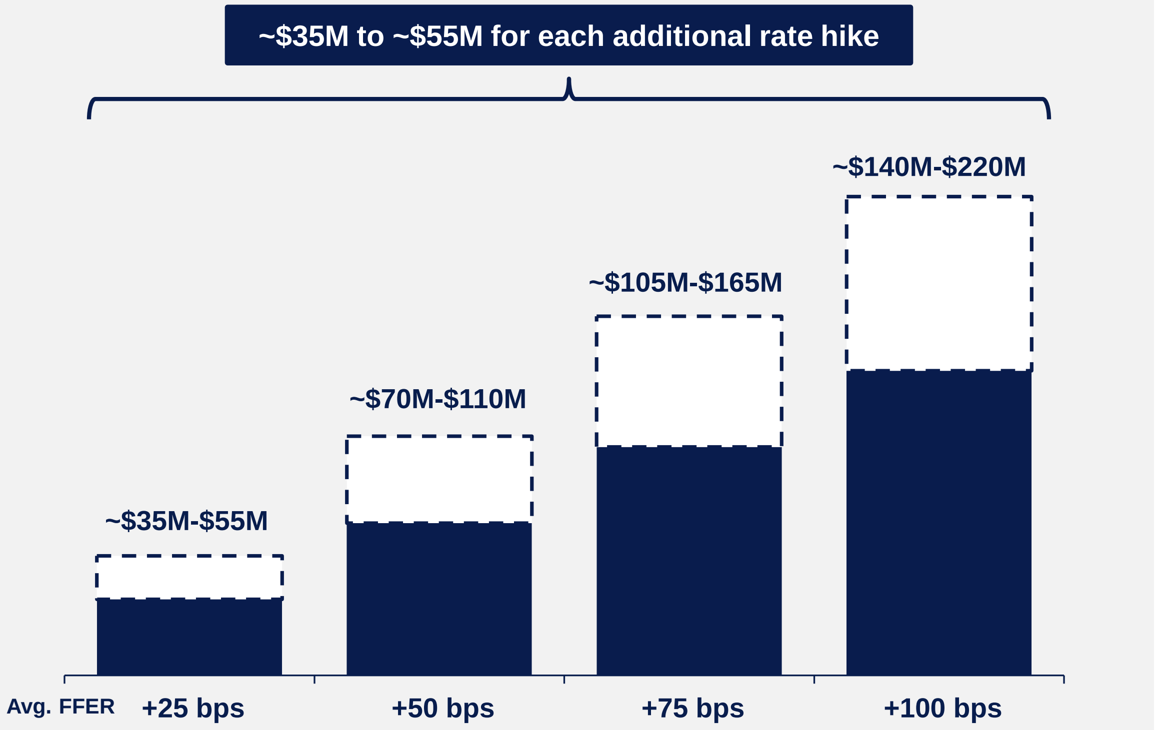


(In bps)

ICA Fee Yield	250	249	241	222	195	127	118	108	99
DCA Fee Yield	220	226	217	184	142	31	38	30	29
Purchased MM Fee Yield	n/a	n/a	29	29	29	27	20	13	9
MM Account Fee Yield	77	74	68	69	58	16	9	5	3
Average Fee Yield :	220	217	211	193	168	100	95	87	81
Client Cash % of Total Assets:	4.5%	4.3%	4.3%	4.4%	7.1%	5.9%	5.7%	5.4%	5.0%

Annual potential Gross Profit* benefit from rising interest rates

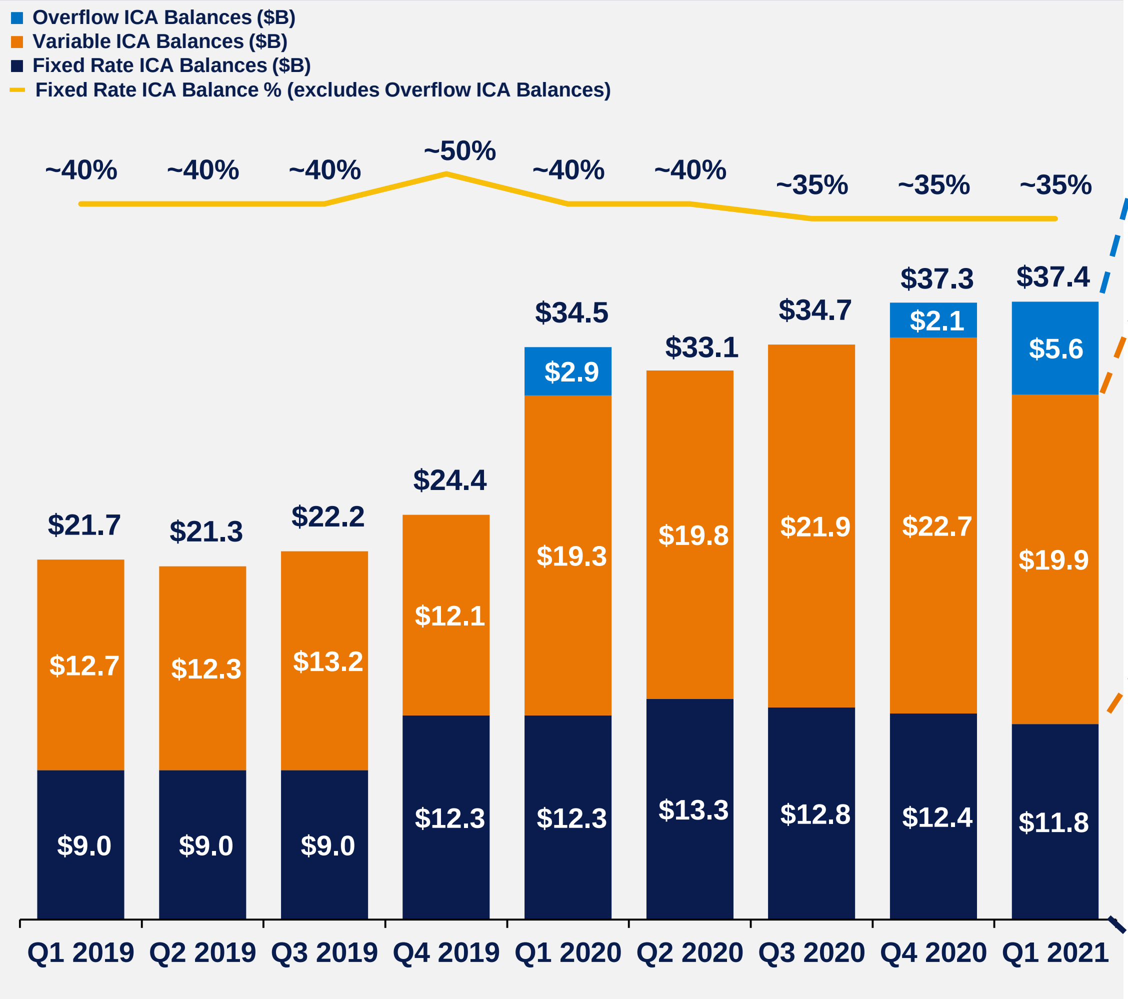
Estimated Interest Rate Sensitivity with ICA Balances of ~$37B (with ~$12B of fixed rate ICA balances)



Note: assumes change based on Q1 2021 end of period ICA balances of ~$37B (with ~$12B of fixed ICA balances), overflow balances shift into variable rate ICA contracts, deposit betas of 25-50%, ~$20M change in DCA revenue per 25 bps rate hike, and ~$3M change in interest expense on floating rate debt per 25 bps rate hike.

In Q1, ICA balances remained well above 2019 levels

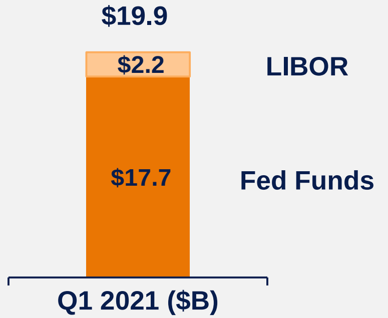
ICA balances remain elevated



Overflow balances provide capacity when balances spike

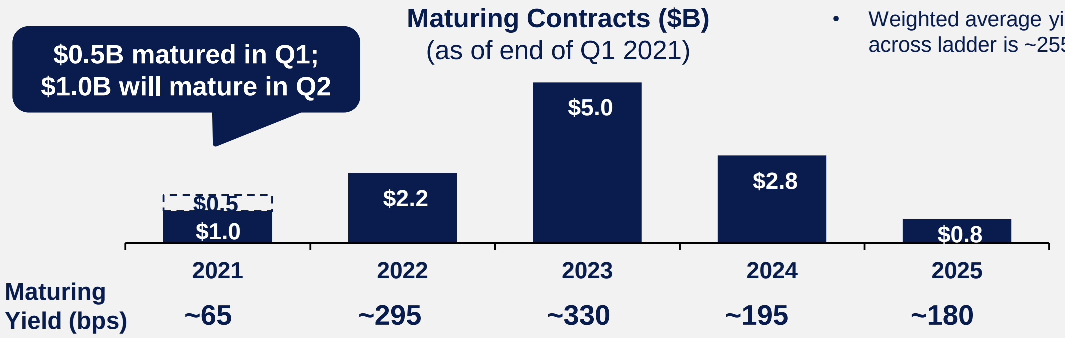
- When elevated market volatility leads ICA balances to temporarily exceed our variable contract capacity, we use overflow contracts
- In the current interest rate environment, the interest rate earned on overflow contracts averages 1 to 2 basis points

Variable balances are mostly indexed to Fed Funds



- Most variable balances are indexed to Fed Funds + a spread (~20 to ~30 bps)
- However, some are indexed to short-term LIBOR (1ML and 3ML)

Fixed rate ICA contracts are laddered over ~5 years



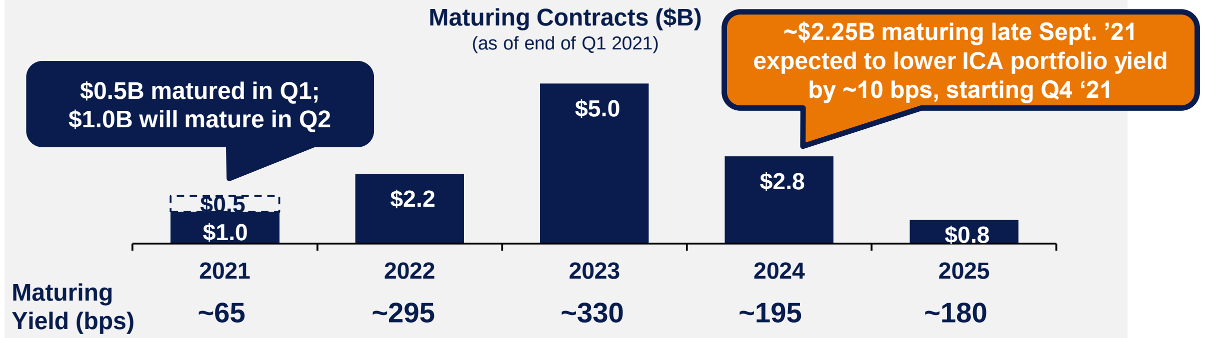
- Weighted average yield across ladder is ~255 bps

Note: Yields shown on this page are prior to client deposit rates (~1 bps) and administrator fees (~4 bps).

A third-party bank will be substantially reducing its participation in client cash sweep programs, including ours

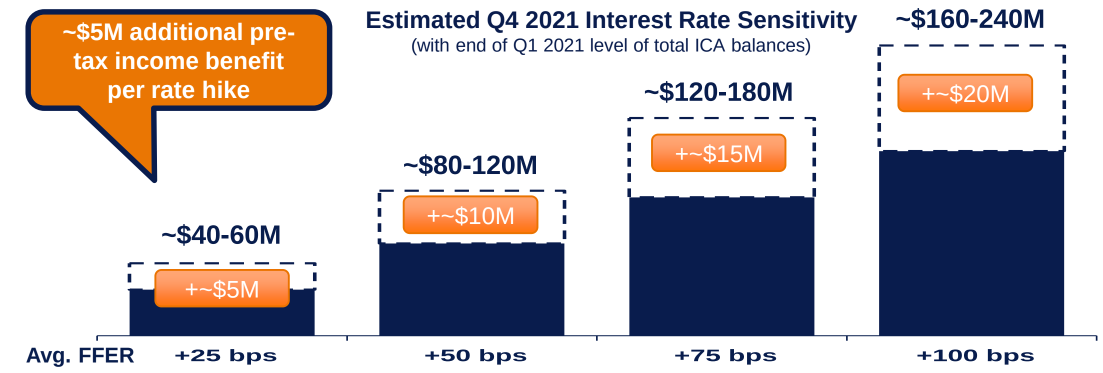
Background	• Our ICA contracts generally do not allow for third-party banks to exit contracts prior to their scheduled maturity dates • However, one third-party bank has a unique termination right across their cash sweep contracts, including ours, that allows them to proactively manage their balance sheet size • The other third-party banks in our fixed rate ICA portfolio do not have this type of early termination option*
Update	• This bank informed us that - as they manage their balance sheet size during historic levels of liquidity in the banking system - they are substantially reducing their third-party cash sweep program, including the balances from us • As a result, the $2.25B of 2024 fixed rate ICA balances with this bank yielding ~160 bps will now mature ~3 years earlier, in late Sept. 2021
Financial Implications	• Upon maturity – assuming these balances are reinvested in overflow contracts, we would expect our overall ICA portfolio yield to decrease by ~10 basis points starting in Q4 2021 (assuming current interest rates) • Looking ahead – these balances will become available for reinvestment in variable rate and/or fixed rate contracts once demand returns to these markets. Previously, these balances would not have been available to redeploy until Q3 2024

Decrease ICA portfolio yield by ~10 bps starting Q4 '21 (at current interest rates)



Weighted average yield across ladder is ~255 bps (as of end of Q1 2021)

Increase annual pre-tax income benefit of a 25 bps rate hike by ~$5M

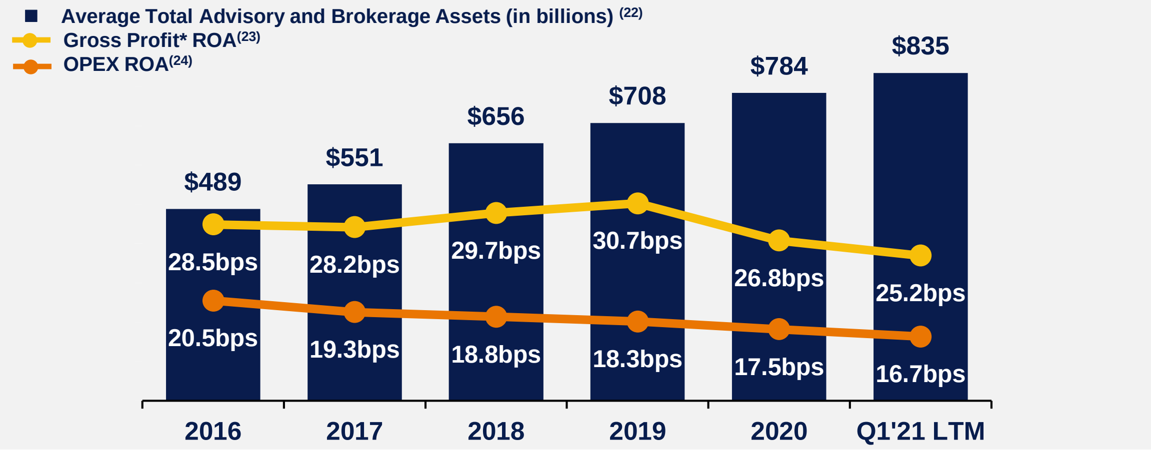


Note: assumes change based on Q1 2021 end of period ICA balances of ~$37B, an additional ~$2.25B of fixed rate balances shift to floating rate balances in Sept. '21, overflow balances shift into variable rate ICA contracts, deposit betas of 25-50%, ~$20M change in DCA revenue per 25 bps rate hike, and ~$3M change in interest expense on floating rate debt per 25 bps rate hike.

Note: Yields shown on this page are prior to client deposit rates (~1 bps) and administrator fees (~4 bps).
*One third-party bank, with ~$250M fixed rate ICA balances yielding ~170 basis points that are scheduled to mature in Q4 2022, has the right to terminate early upon 120 days' advance notice.

We have driven margin expansion

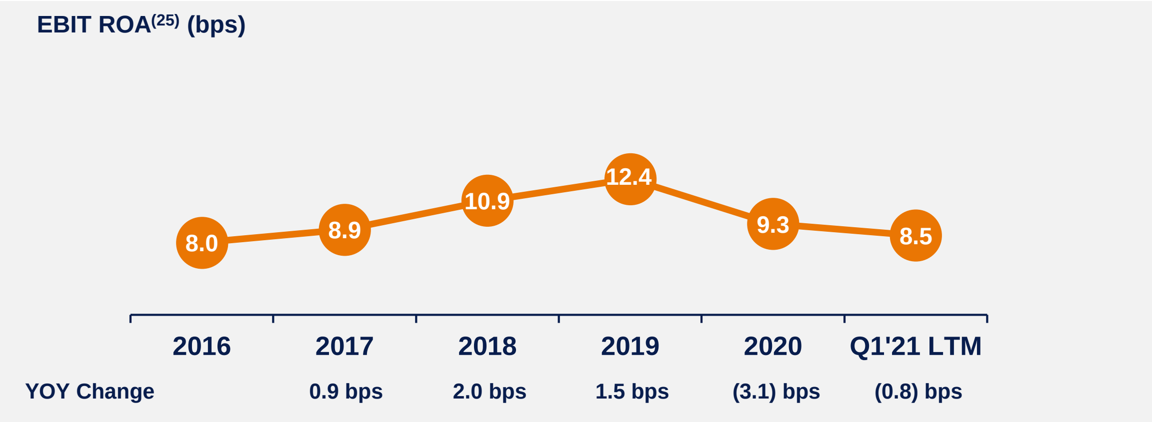
Gross Profit* ROA remains solid, and OPEX ROA continued to decline



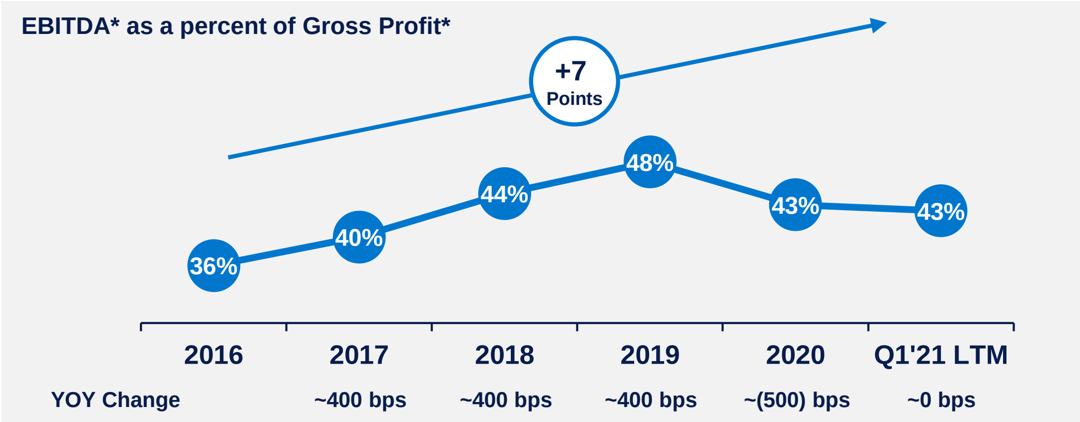
Long-term expense and investment strategy

- Deliver operating leverage in core business
- Prioritize investments that drive additional growth
- Drive productivity and efficiency
- Adapt cost trajectory as environment evolves

As a result, EBIT ROA has grown



EBITDA* margin expanded over time



We remain focused on investing to drive organic growth while delivering long-term operating leverage in our core business

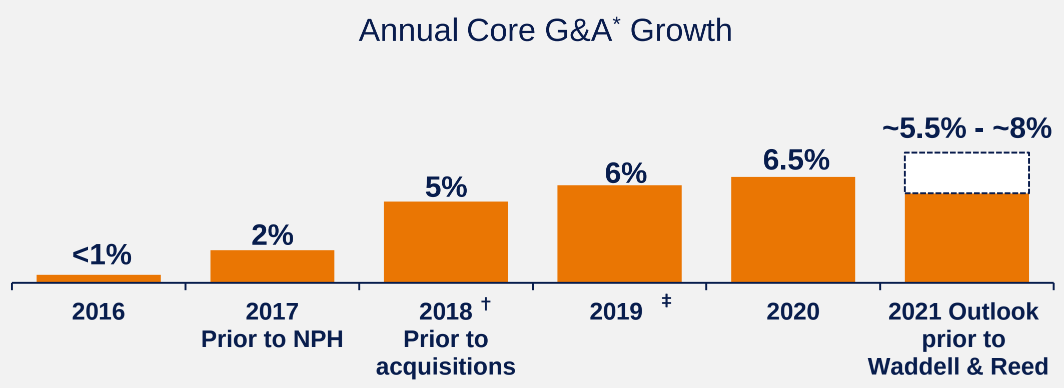
Long-term cost strategy

- Deliver operating leverage in core business
- Prioritize investments that drive additional growth
- Drive productivity and efficiency
- Adapt cost trajectory as environment evolves

2021 Core G&A* context (As of March 31st, 2021)

- Our 2021 Core G&A* plans are for a range of $975M to $1,000M prior to Waddell & Reed (~5.5% to ~ 8% growth) to drive growth across existing and new markets
- In Q1, Core G&A* was $236M, or an annualized rate of $945M, below the lower end of our 2021 outlook range
- We expect to be within our 2021 Core G&A* range of $975M to $1,000M. This includes costs to support BMO and M&T, but is prior to expenses associated with Waddell & Reed

Recent expense trajectory, prior to acquisitions



Core G&A* outlook (As of March 31st, 2021)

Q1 2021 Actual	**$236M**
Q1 2021 Annualized	**$945M**
2021 Outlook Prior to Waddell & Reed	**$975M - $1,000M**

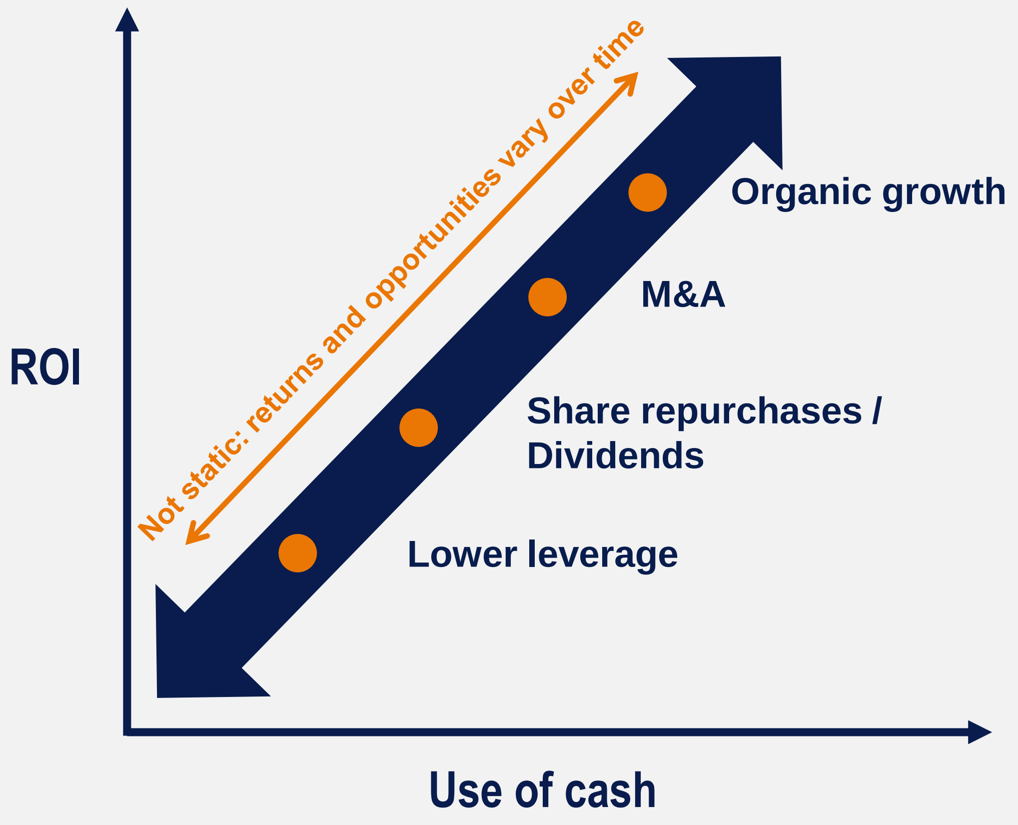
† Based on the Company's 2018 Core G&A* prior to NPH and AdvisoryWorld related expenses compared to the Company's 2017 Core G&A* prior to NPH-related expenses. ‡ Based on the Company's total 2018 Core G&A*.

Our capital management strategy is focused on driving growth and maximizing shareholder value

Our capital management principles

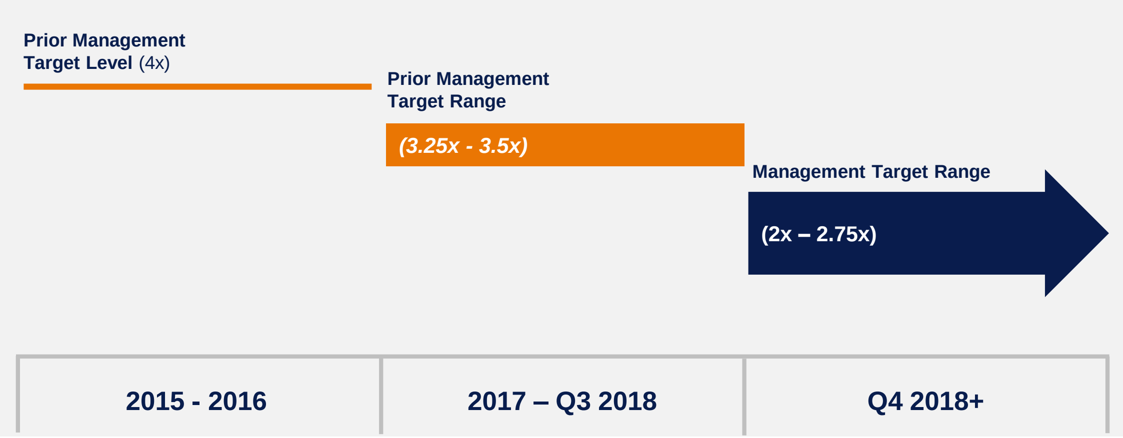
- **Disciplined capital management to drive long-term shareholder value**
- **Maintain a strong and flexible balance sheet**
  - Management target net leverage ratio range of 2x to 2.75x
  - Debt structure was refinanced to be more flexible and support growth
- **Prioritize investments that drive organic growth**
  - Recruiting to drive net new assets
  - Capital to support advisor growth and advisor M&A
  - Capability investments to add net new assets and drive ROA
- **Position ourselves to take advantage of M&A**
  - Potential to consolidate fragmented core market
  - Stay prepared for attractive opportunities
- **Return excess capital to shareholders**
  - Share repurchases
  - Dividends

Dynamic capital allocation across options

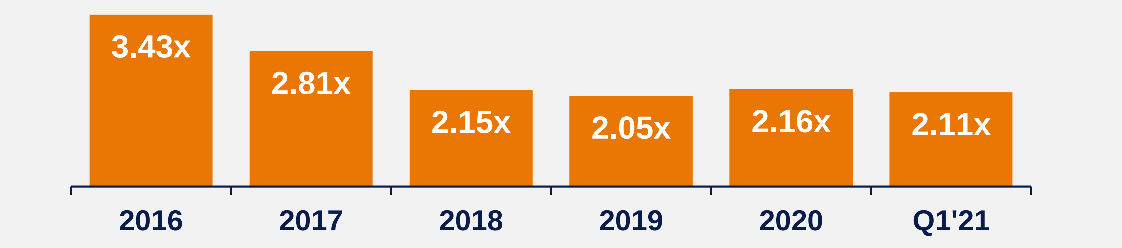


Our balance sheet strength is a key driver of our organic growth

Management Target Credit Agreement Net Leverage Ratio[26]



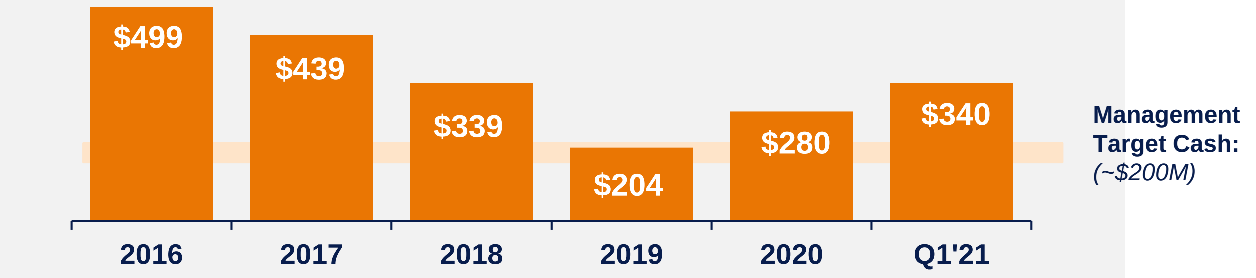
Credit Agreement Net Leverage Ratio[26]



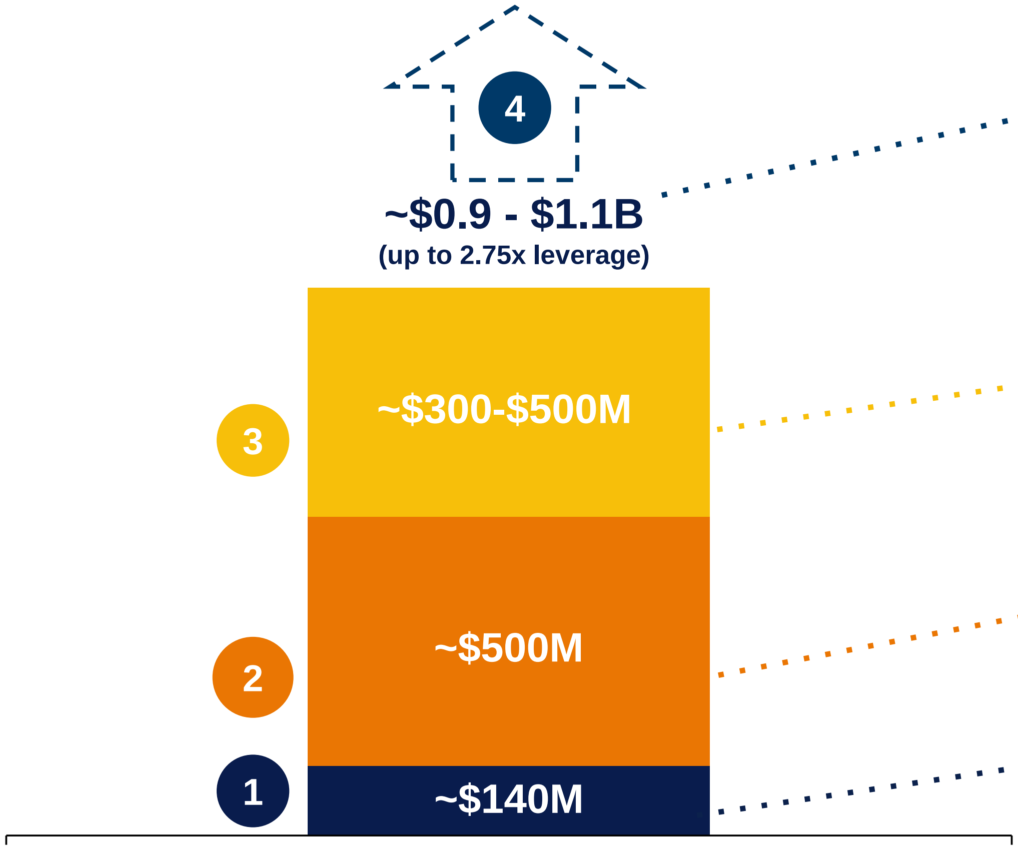
Balance Sheet Principles

- We want to maintain a strong balance sheet that can absorb market volatility while having the capacity to invest for growth
- As a result, our target leverage range is 2x to 2.75x, which we believe positions our balance sheet well
- At the same time, we are comfortable operating above or below this range temporarily if attractive M&A opportunities arise and as we continue to grow earnings

Corporate Cash[27]



We have a significant amount of capital deployment capacity…



Capital Deployment Capacity

(Estimate as of Q1 2021, without giving effect to the Waddell & Reed acquisition)

Potential M&A Capacity above our target range
Willing to temporarily go above our target leverage range for attractive M&A opportunities

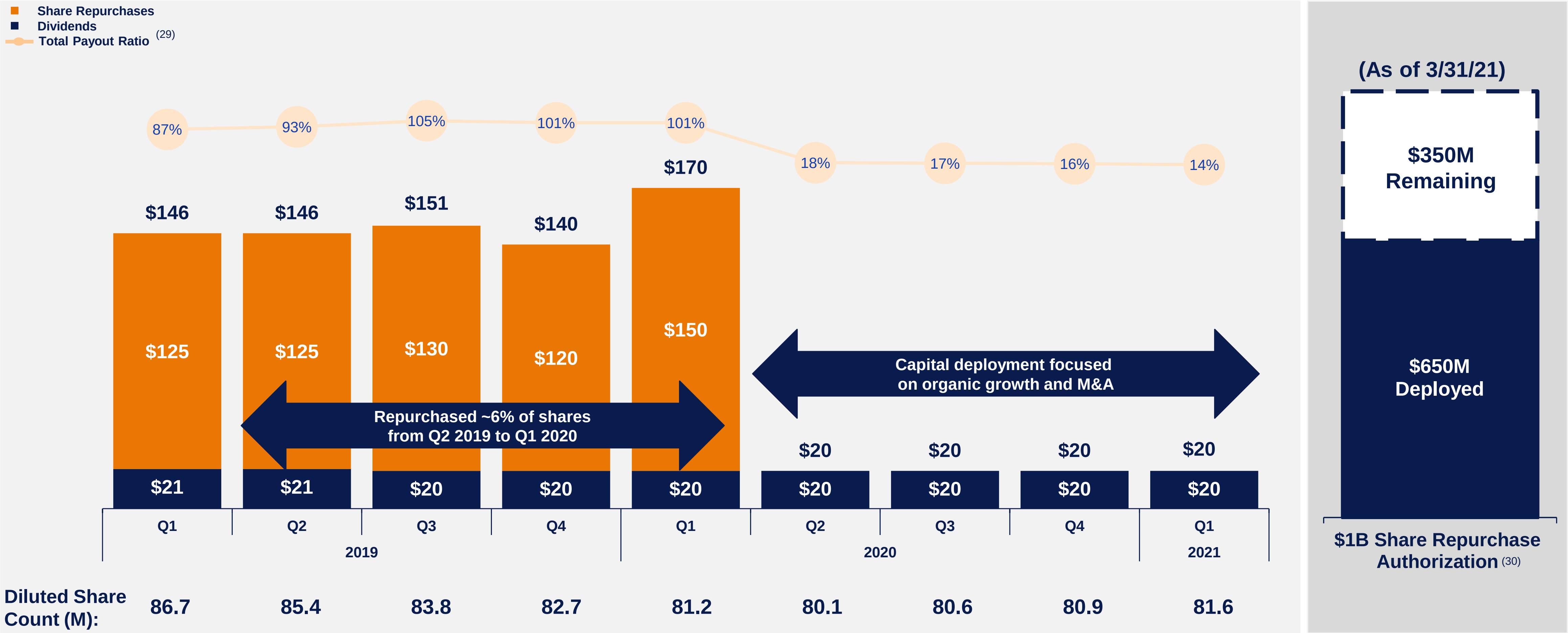
Incremental M&A Leverage Capacity within our target range
Incremental capital accessible if all other capacity were deployed for M&A at a 6-8x purchase multiple[28]

Additional Leverage Capacity
Capital available to deploy up to 2.75x net leverage

Discretionary Cash
Corporate Cash use above ~$200M management target as of Q1 2021

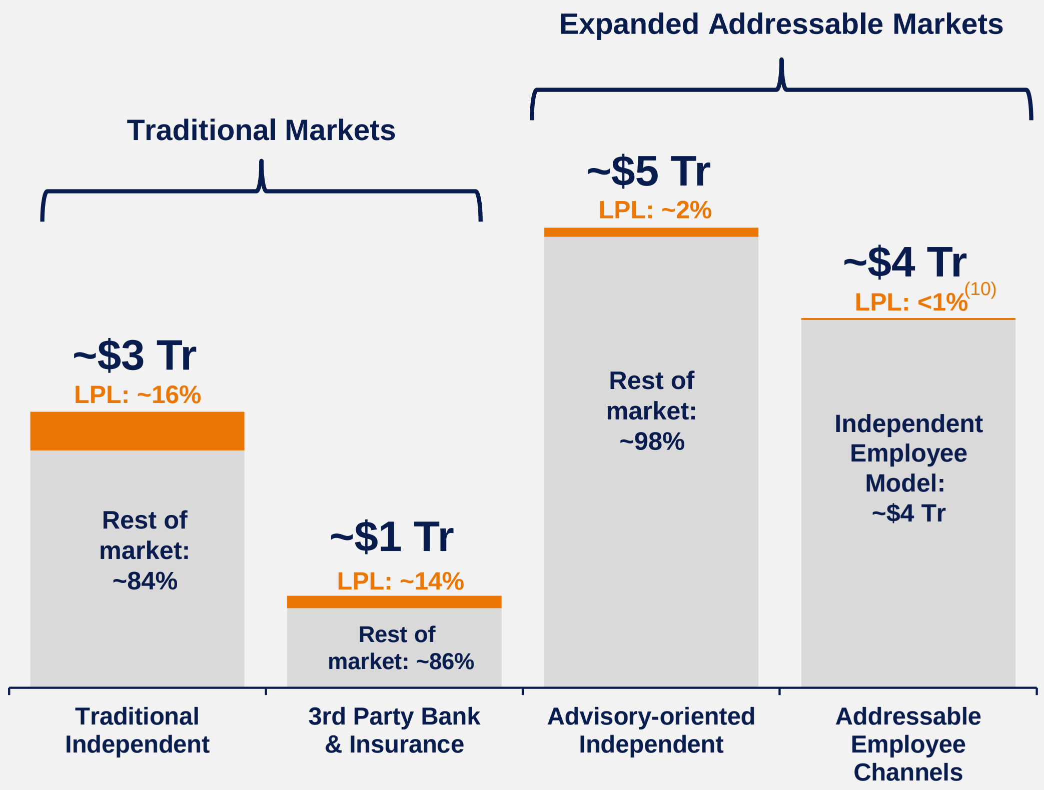
...And we are currently prioritizing capital deployment to organic growth and M&A

Shareholder Capital Returns ($ millions)



Our addressable markets are fragmented, with potential for consolidation

Addressable markets[9]



Growth potential from consolidation

- Our scale, capabilities, and economics give us **competitive advantages in M&A**
- The **traditional and advisory-oriented markets are fragmented** with consolidation opportunities
- **Rising cost and complexity** is making it **harder for smaller players** to compete
- Therefore, **we believe consolidation can drive value** by adding scale, increasing our capacity to invest in capabilities, and creating shareholder value

Recent Acquisitions

Traditional Markets

Waddell & Reed Financial, Inc.

2021
~$67B Assets as of April 2021*

- Transaction closed on April 30, 2021 for a purchase price of $300M
- Estimated annualized run-rate EBITDA* of ~$80M+ by the end of Q2 2022
- Increases LPL's scale and capacity to invest in capabilities, technology, and service to help existing advisors serve their clients and differentiate in the marketplace

National Planning Holdings, Inc.

2017
~$70B Assets transferred

- Large independent broker-dealer network
- Added to our scale and leadership position
- Increased our capacity to invest in the advisor value proposition and return capital to shareholders

Lucia Securities

2020
~$1.5B Assets

- Leading San Diego practice with approximately 20 advisors

E.K. Riley Investments, LLC

2020
~$2B Assets

- Leading Seattle practice with approximately 35 advisors

New Markets

Allen & Company (Est. 1932)

2019
~$3B Assets transferred

- Leading Florida practice with client base and culture that are good fits for LPL
- Affiliated under our employee model
- Transaction closed in August 2019 and assets onboarded onto LPL's platform in November 2019

Capabilities

BlazePortfolio

2020
~Industry-leading capabilities
~$12M purchase price (31)

- Innovative trading and rebalancing capabilities to drive efficiency and scale in advisors' practices

AdvisoryWorld Financial Technology

2018
~Industry-leading capabilities
~$28M purchase price

- Leading provider of digital tools for advisors that serves more than 30,000 U.S. financial advisors and institutions

* Assumes ~95% asset retention of Waddell & Reed total assets at the end of April 2021 and ~5% of total assets will not convert. LPL does not include retirement plan assets as part of total advisory and brokerage assets, so April 2021 results do not include ~$2.4 billion of retirement plan assets from Waddell & Reed.

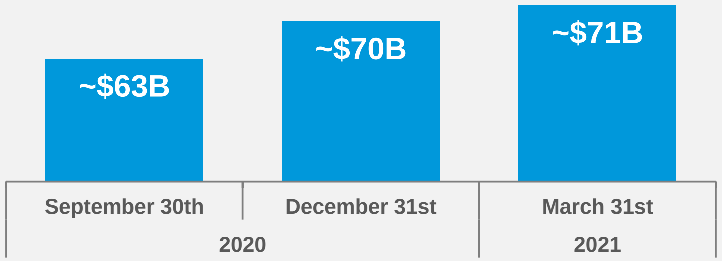
Q1 2021 Waddell & Reed update: Our estimated retention improved to 95% and our expected run-rate EBITDA increased to $80M+

Transaction Details at Signing

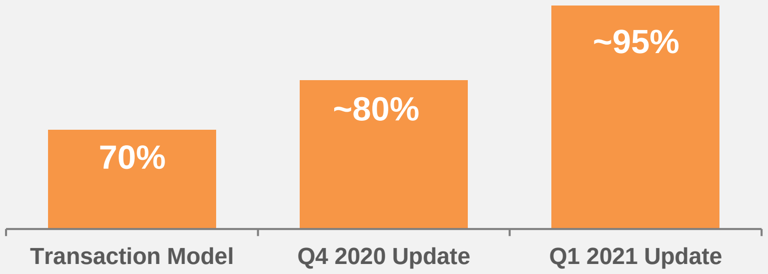
- On December 2nd, we signed an agreement to acquire Waddell & Reed's wealth management business
- Transaction structured primarily as an equity purchase with a price of $300M
- Waddell & Reed's wealth management client assets were ~$63B with asset mix of ~45% advisory and ~55% brokerage (as of September 30, 2020)
- Waddell & Reed's wealth management business has over 900 advisors, serving ~$70M of client assets per advisor (as of September 30, 2020)

Retention Update

Waddell & Reed's wealth management client assets[†] increased to ~$71B in Q1, up ~$1B from Q4 and ~$8B from Q3

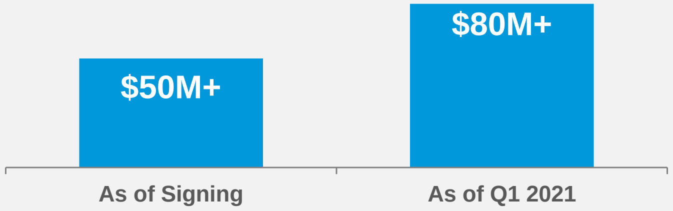


Estimated asset retention rate from Waddell & Reed increased to ~95% in Q1, up from ~80% in Q4 and well ahead of our modeling assumption of 70%



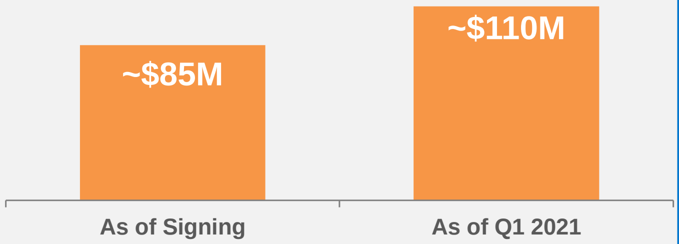
Financial Update

Estimated Run-Rate EBITDA* expectations increased to $80M+ by mid 2022



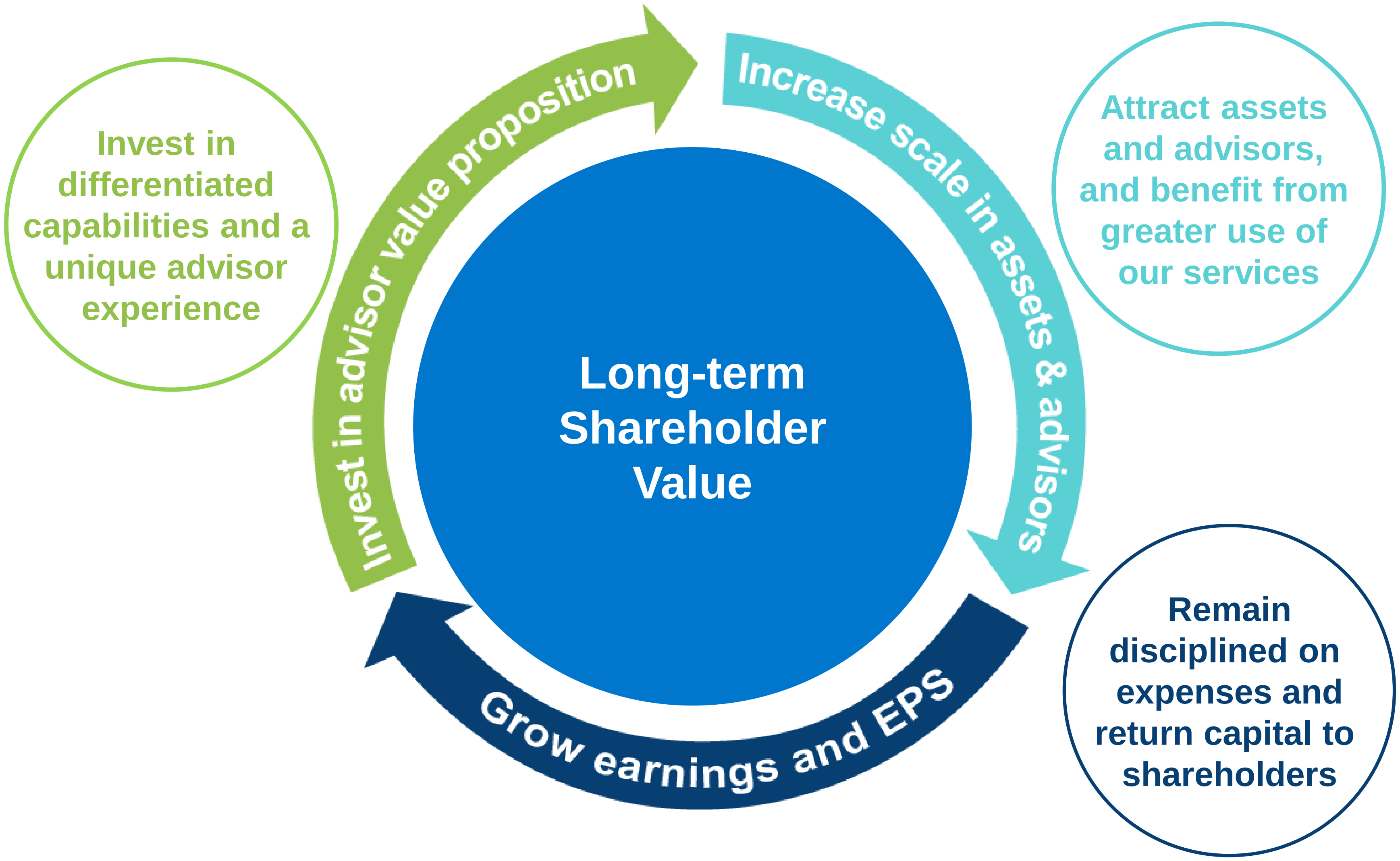
	As of Signing	As of Q1 2021
Estimated Transaction Multiple	~6.5x	~5.0x

Estimated Acquisition Costs increased to ~$110M by mid 2022 driven by increased asset retention



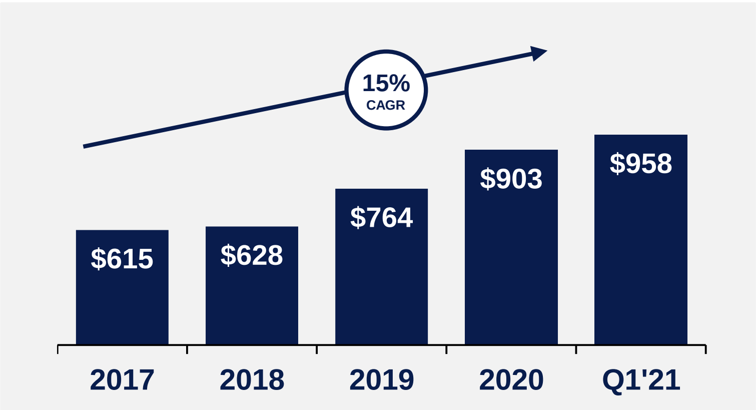
† Q3 and Q4 2020 as reported by Waddell & Reed in it's February 2, 2021 earnings release and Q1 2021 as reported by Waddell & Reed in the Company's April 13, 2021 press release.

As we continue to invest and increase our scale, we enhance our ability to drive further growth

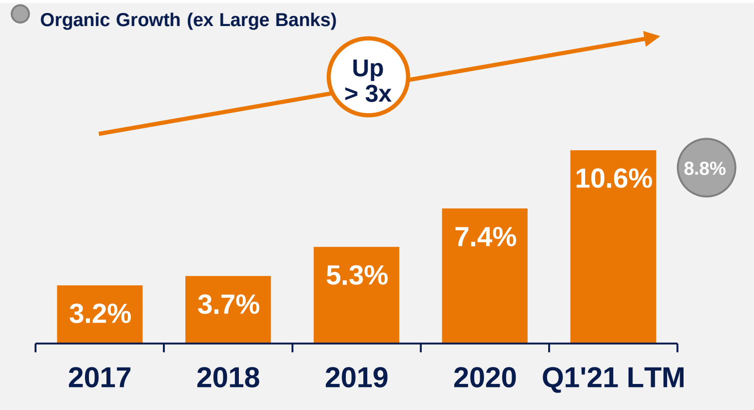


We are focused on executing our strategy and delivering results

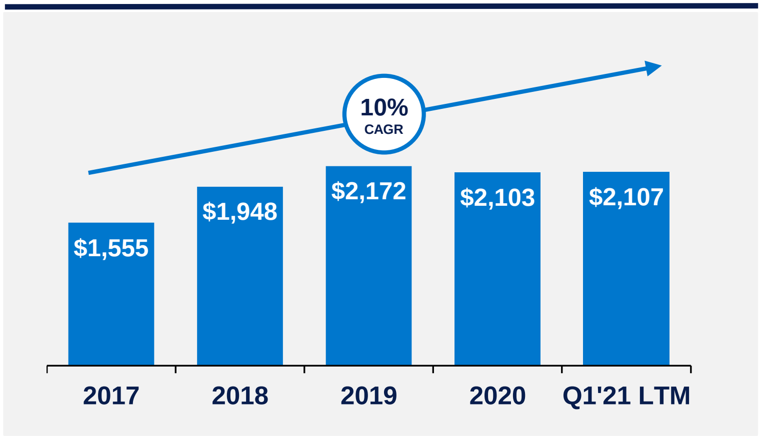
Total Advisory and Brokerage Assets[32] ($B)



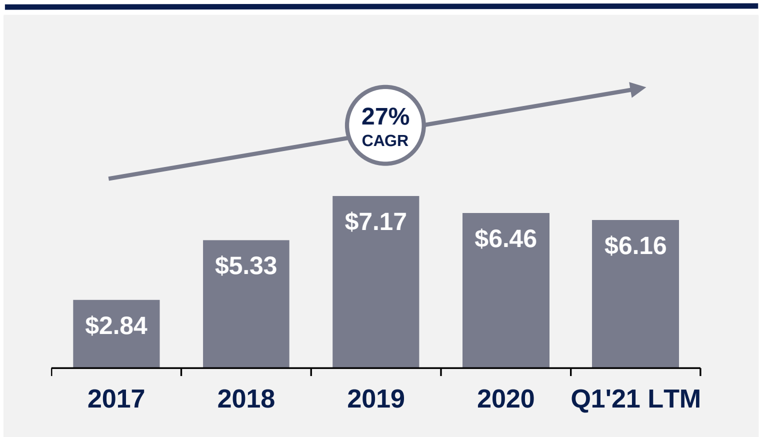
Organic Net New Asset Growth



Gross Profit* ($M)



EPS Prior to Amortization of Intangible Assets and Acquisition Costs* ($)



Key earnings growth drivers

Enhanced Advisor Value Proposition
(Capabilities, Technology, Service)

Increased Organic NNA
(Opportunities in Traditional Markets and Financial Institutions)

New Affiliation Models
(Strategic Wealth Services, Independent Employee, RIA-Only)

Greater Use of our Services
(Advisory, Corporate, Centrally Managed, Business Solutions, Advisor Capital Solutions)

Drive Operating Leverage in Core Business while Investing for Additional Growth

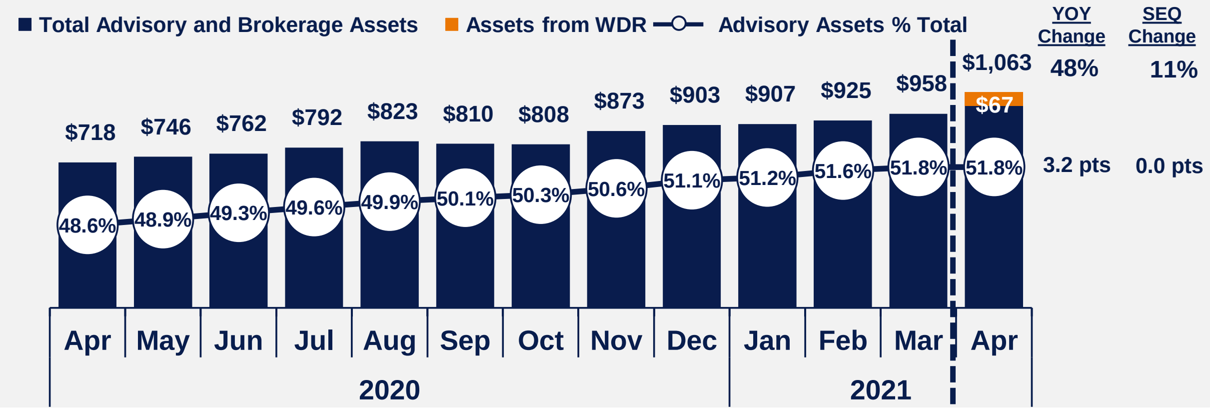
Increased Scale and Capabilities through M&A

Excess Capital Deployment
(Technology, Advisor Capital, returning capital to shareholders)

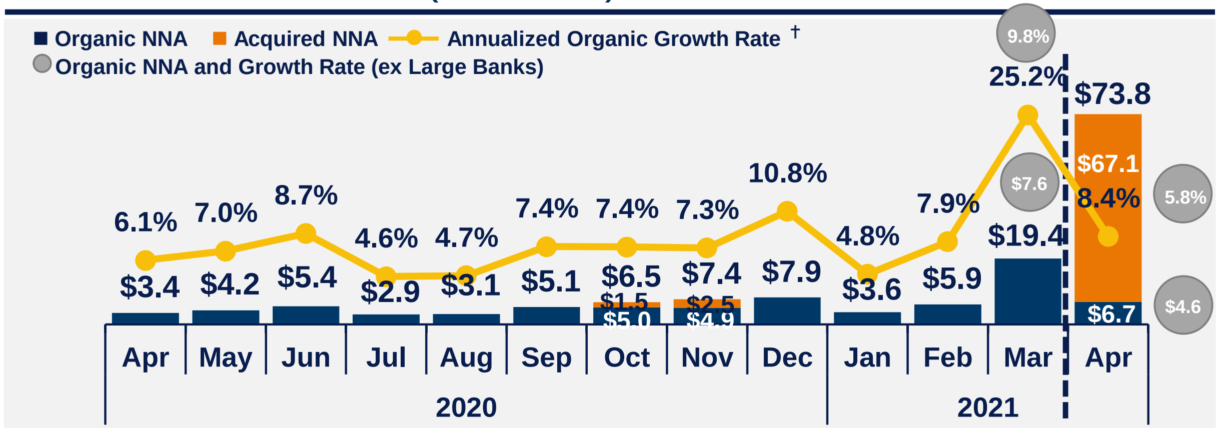
APPENDIX

LPLA April 2021 Monthly Metrics Dashboard

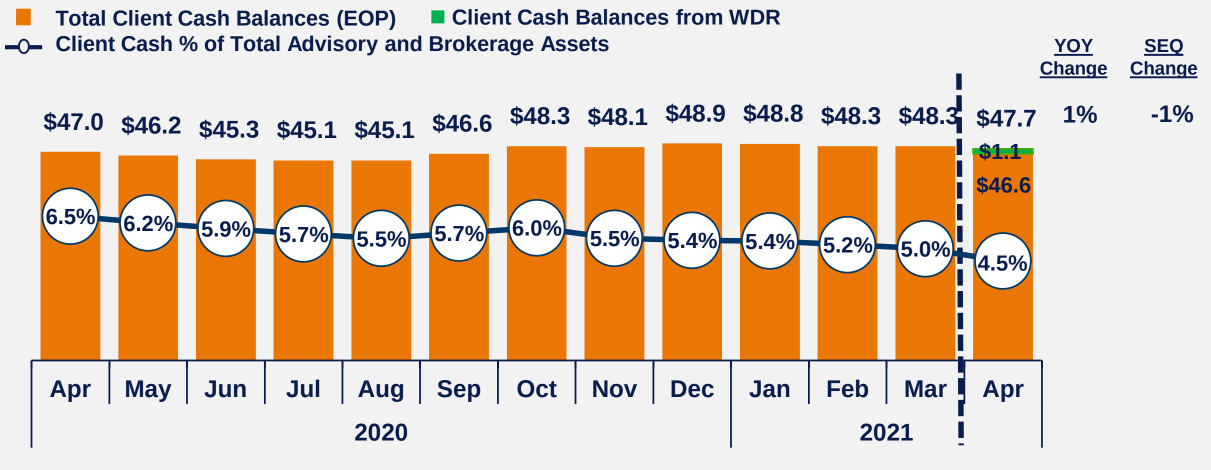
Total Advisory and Brokerage Assets ($ billions)



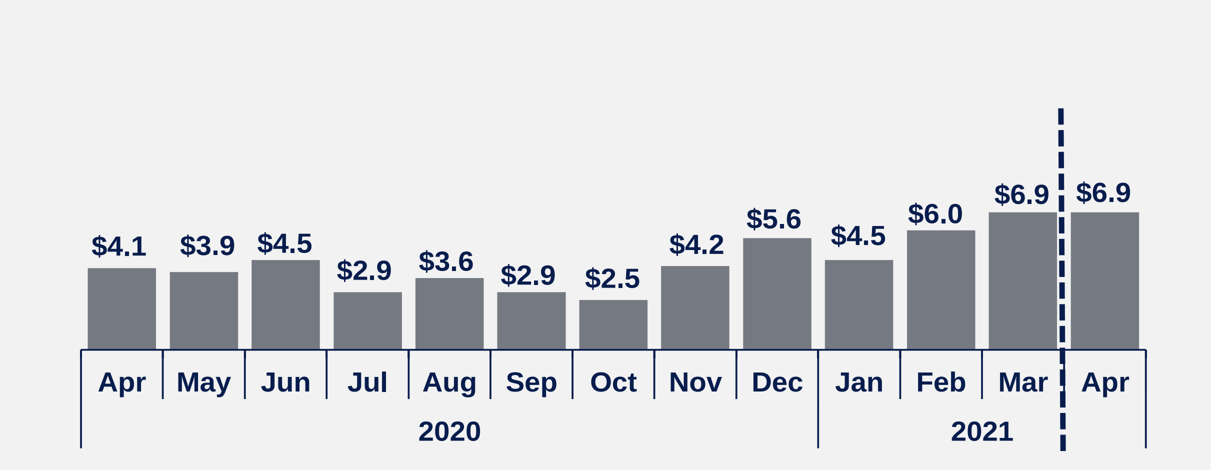
Total Net New Assets ($ billions)



Client Cash Balances ($ billions)



Net Buy (Sell) Activity ($ billions)



† Calculated as current period total organic net new assets multiplied by twelve, divided by preceding period Total Advisory and Brokerage Assets.

Calculation of Gross Profit and Reconciliation of Net Income to EBITDA and Credit Agreement EBITDA

Gross Profit, EBITDA and Credit Agreement EBITDA are non-GAAP financial measures. Please see descriptions of Gross Profit, EBITDA and Credit Agreement EBITDA under “Non-GAAP Financial Measures” on page 3 of this presentation for additional information.

Set forth below are calculation of Gross Profit for the periods presented on pages 4 and 33:

$ in millions	Q1'21 LTM	2020	2019	2018	2017
Total Revenue	**$6,116**	**$5,872**	**$5,625**	**$5,188**	**$4,281**
Commission & Advisory Expense	3,935	3,697	3,388	3,178	2,670
Brokerage, Clearing and Exchange	74	71	64	63	57
Gross Profit	**$2,107**	**$2,103**	**$2,172**	**$1,948**	**$1,555**

Below are reconciliations of the Company’s net income to EBITDA and Credit Agreement EBITDA for the periods presented on page 4.

$ in millions	Q1'21 LTM	2020	2019	2018	2017
Net Income	**$447**	**$473**	**$560**	**$439**	**$239**
Non-operating interest expense and other	102	106	130	125	107
Provision for Income Taxes	137	153	182	153	126
Depreciation and amortization	119	110	96	88	84
Amortization of intangible assets	68	67	65	60	38
Loss on Extinguishment of debt	24	-	3	-	22
EBITDA	**$896**	**$909**	**$1,036**	**$866**	**$616**
Credit Agreement Adjustments	58	52	45	103	129
Credit Agreement EBITDA	**$955**	**$961**	**$1,081**	**$969**	**$745**

Reconciliation of EPS Prior to Amortization of Intangible Assets and Acquisition Costs to GAAP EPS

EPS Prior to Amortization of Intangible Assets and Acquisition Costs is a non-GAAP financial measure. Please see a description of EPS Prior to Amortization of Intangible Assets and Acquisition Costs under “Non-GAAP Financial Measures” on page 3 of this presentation for additional information.

Below are the following reconciliations of EPS Prior to Amortization of Intangibles Assets and Acquisition Costs to GAAP EPS for the periods presented on pages 4 and 33 of this presentation.

	Q1'21 LTM	2020	2019	2018	2017
GAAP EPS	**$5.53**	**$5.86**	**$6.62**	**$4.85**	**$2.59**
Amortization of Intangible Assets ($ millions)	68	67	65	60	38
Acquisition Costs ($ millions)	2	-	-	-	-
Tax Expense ($ millions)	(20)	(19)	(18)	(17)	(15)
Amortization of Intangible Assets And Acquisition Costs, Net of Tax ($ millions)	51	48	47	43	23
Diluted Share Count (millions)	82	81	85	91	92
EPS Impact	0.63	0.60	0.56	0.48	0.25
EPS Prior to Amortization of Intangible Assets and Acquisition Costs	**$6.16**	**$6.46**	**$7.17**	**$5.33**	**$2.84**

Reconciliation of Core G&A to Total Operating Expense

Core G&A is a non-GAAP financial measure. Please see a description of Core G&A under “Non-GAAP Financial Measures” on page 3 of this presentation for additional information.

Below are reconciliations of Core G&A to the Company’s total operating expenses for the periods presented on page 24, and of Core G&A, prior to the impact of the acquisitions of NPH and AdvisoryWorld, against the Company’s total operating expense for the same periods:

$ in millions	Q1 2021	2020	2019	2018	2017	2016	2015
Core G&A	$236	$925	$868	$819	$727	$700	$695
Regulatory charges	8	29	32	32	21	17	34
Promotional	54	208	206	209	172	149	139
Acquisition Costs	2	-	-	-	-	-	-
Employee share-based compensation	11	32	30	23	19	20	23
Other historical adjustments	-	-	-	-	-	-	13
Total G&A	**312**	**1,194**	**1,136**	**1,082**	**938**	**886**	**904**
Advisory and commissions	1,109	3,697	3,388	3,178	2,670	2,601	2,865
Depreciation and amortization	35	110	96	88	84	76	73
Amortization of intangible assets	17	67	65	60	38	38	38
Brokerage, clearing and exchange	19	71	64	63	57	55	53
Total operating expense	**$1,493**	**$5,140**	**$4,750**	**$4,471**	**$3,787**	**$3,655**	**$3,933**

$ in millions	2018	2017
Core G&A	$819	$727
NPH related Core G&A	65	15
AdvisoryWorld related Core G&A	2	-
Total Core G&A prior to NPH and AdvisoryWorld	**$757**	**$712**

Endnotes

(1) Based on total revenues, Financial Planning magazine, June 1996-2020.
(2) Represents the estimated total advisory and brokerage assets expected to transition to the Company's broker-dealer subsidiary, LPL Financial LLC ("LPL Financial"), associated with advisors who transferred their licenses to LPL Financial during the period. The estimate is based on prior business reported by the advisors, which has not been independently and fully verified by LPL Financial. The actual transition of assets to LPL Financial generally occurs over several quarters. The actual amount transitioned may vary from the estimate.
(3) The Company calculates its Net Leverage Ratio in accordance with the terms of its Credit Agreement.
(4) Represents Moody's Corporate Family Rating and S&P Issuer Credit Rating.
(5) 2015 and 2016 Net New Assets results shown assumed ~1.5% of benefit from the combination of dividends and interest less advisory fees. 2017 to current results include actual calculation of the benefit, which has averaged ~1.5% per year.
(6) LPL estimates based on 2019 Cerulli channel size and advisory share estimates and include market adjustment for 2019.
(7) Consists of approximately $3 billion of advisory and brokerage assets serviced by Allen & Company of Florida LLC ("Allen & Company").
(8) 2021 outlook is prior to M&A and large bank related onboarding spend in technology.
(9) Consists of total assets on LPL Financial's corporate advisory platform serviced by investment advisor representatives of LPL Financial or Allen & Company and total assets on LPL Financial's independent advisory platform serviced by investment advisor representatives of separate investment advisor firms ("Hybrid RIAs"), rather than of LPL Financial.
(10) Represents those advisory assets in LPL Financial's Model Wealth Portfolios, Optimum Market Portfolios, Personal Wealth Portfolios, and Guided Wealth Portfolios platforms.
(11) In April 2020, the Company updated its definition of net new assets to include dividends plus interest, minus advisory fees. Net new assets figures for periods prior to Q2 2020 appearing in this presentation have been recast using the updated definition.
(12) Consists of total client deposits into advisory accounts (including advisory assets serviced by Allen & Company) less total client withdrawals from advisory accounts, plus dividends, plus interest, minus advisory fees (see FN 13). The Company considers conversions to and from advisory accounts as deposits and withdrawals, respectively. Annualized growth is calculated as the current period Net New Advisory Assets divided by preceding period total Advisory Assets, multiplied by four.
(13) Consists of total client deposits into brokerage accounts (including brokerage assets serviced by Allen & Company) less total client withdrawals from brokerage accounts, plus dividends, plus interest (see FN 13). The Company considers conversions to and from brokerage accounts as deposits and withdrawals, respectively. Annualized growth is calculated as the current period Net New Brokerage Assets divided by preceding period total Brokerage Assets, multiplied by four.
(14) Consists of existing custodied assets that converted from brokerage to advisory, less existing custodied assets that converted from advisory to brokerage.
(15) LPL Institution Services AUM from banks and credit unions as of 12/31/2019.
(16) LPL market share estimates based on 2019 Cerulli channel size estimates.
(17) Year-over-year comparisons are based on the change from Q1 2020 to Q1 2021.
(18) Consists of brokerage assets serviced by advisors licensed with LPL Financial or Allen & Company.
(19) Assumes change based on ~$37B (with ~$12B of fixed rate ICA balances), deposit betas of 25-50%, ~$20M change in DCA revenue per 25 bps rate hike, and ~$3M change in interest expense on floating rate debt per 25 bps rate hike.
(20) Based on variable ICA balances indexed to Fed Funds + a spread (~20 to ~30 bps).
(21) Calculated by dividing client cash program revenue for the period by the average client cash program balances during the period.
(22) Represents the average month-end Total Advisory and Brokerage Assets for the period.
(23) Represents trailing twelve-month Gross Profit* for the period, divided by average month-end Total Advisory and Brokerage Assets for the period.
(24) Represents trailing twelve-month operating expenses for the period, excluding production-related expense ("OPEX"), divided by average month-end Total Advisory and Brokerage Assets for the period. Production-related expense includes commissions and advisory expense and brokerage, clearing and exchange expense. For purposes of this metric, operating expenses includes Core G&A*, Regulatory, Promotional, Employee Share Based Compensation, Depreciation & Amortization, and Amortization of Intangible Assets.
(25) Calculated as Gross Profit* ROA less OPEX ROA.
(26) Credit Agreement Net Leverage Ratio only applies to the Company's revolving credit facility.
(27) We define corporate cash as the sum of (1) cash held at the Parent and its non-regulated subsidiaries, (2) cash held at The Private Trust Company in excess of Credit Agreement capital requirements and (3) cash held at LPL Financial in excess of 10 percent of its aggregate debits, which represents five times the net capital LPL Financial is required to maintain under the terms of our Credit Agreement.
(28) Additional leverage capacity is assumed to be generated by acquired EBITDA* from an M&A opportunity at a 6-8x purchase multiple for which capital was deployed up to 2.75x net leverage.
(29) Total Payout Ratio is defined as (Dividends + Share Repurchases) / (Net Income + Amortization of Intangible Assets, net of Tax).
(30) Increased share repurchase authorization to $1B as of December 31, 2018.
(31) The up-front purchase price for Blaze Portfolio was ~$12M, with up to $5M in earn-out payments.
(32) Consists of total advisory and brokerage assets under custody at LPL Financial or serviced by Allen & Company advisors.