# Q1 2023 Outlook Summary

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| **Gross Profit** | ▪ Payout rate decrease to ~87%<br>▪ Based on current interest rates, ICA yield[1] increase to ~315 bps<br>▪ Service and fee revenue roughly flat sequentially<br>▪ Transaction revenue roughly flat sequentially |
| **Expenses** | ▪ 2023 Core G&A[2] of $1,335M to $1,370M<br>– Q1 2023 Core G&A of $320M to $325M<br>▪ Promotional expense increase of ~$25M sequentially<br>▪ Share-based compensation expense increase of ~$5M sequentially |
| **Capital Return** | ▪ Share repurchases of ~$250M<br>▪ Cash dividend increase of 20% to $0.30 per share |

# Notice to Investors: Safe Harbor Statement and Endnotes

## 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 gross profit, payout rate, client cash yields, service and fee revenue, transaction revenue, core G&A expenses, promotional, share-based compensation and depreciation and amortization expenses, capital returns and planned share repurchases, 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. They reflect the Company's expectations as of February 2, 2023 and are not guarantees that the expectations or objectives expressed or implied will be achieved. The achievement of such expectations and objectives involves risks and uncertainties that may cause actual results, levels of activity or the timing of events to differ materially from the expressed or implied expectations of the forward-looking statements. Important factors that could cause or contribute to such differences include: changes in general economic and financial market conditions, including retail investor sentiment; changes in interest rates and fees payable by banks participating in the Company's client cash programs, including the Company's strategy and success in managing client cash program fees; changes in the growth and profitability of the Company's fee-based offerings; fluctuations in the levels of advisory and brokerage assets, including net new assets, and the related impact on revenues; effects of competition in the financial services industry and the success of the Company in attracting and retaining financial advisors and institutions; whether the retail investors served by newly-recruited advisors choose to move their respective assets to new accounts at the Company; 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 our 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; the execution of the Company's plans and its success in realizing the synergies, expense savings, service improvements and efficiencies expected to results from its initiatives, acquisitions and programs; and the other factors set forth in the Company's most recent 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 Securities and Exchange Commission. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of developments occurring after February 2, 2023 and you should not rely on statements contained herein as representing the Company's view as of any date subsequent to February 2, 2023.

## Endnotes

(1) Calculated by dividing revenue for the period by the average balance during the period. Incorporates 25 bps Fed hike on February 1, at a 25% deposit beta.

(2) Core G&A is a non-GAAP financial measure. Core G&A consists of total expense less the following expenses: advisory and commission; depreciation and amortization; amortization of other intangibles; brokerage, clearing and exchange; interest expense on borrowings; loss on extinguishment of debt; promotional; acquisition costs; employee share-based compensation; and regulatory charges. Management presents core G&A because it believes core G&A reflects the corporate 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, 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 expense as calculated in accordance with GAAP. For a reconciliation of core G&A to the Company's total expense, please see the Company's Q4 2022 Earnings Release. The Company does not provide an outlook for its total expense because it contains expense components, such as advisory and commission, 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 expense cannot be made available without unreasonable effort.