LPL Financial

GOLDMAN SACHS FINANCIALS CONFERENCE

December 7, 2022

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, capabilities, and outlook, including forecasts and statements relating to the Company's future advisory and brokerage asset levels and mix, organic asset growth, market share, deposit betas, core G&A* expenses (including outlook for 2022 and 2023), service offerings, operating margin, Gross Profit* benefits, EBITDA* benefits, target leverage ratio, client cash balances and yields, service and fee revenue, investments, acquisitions (including liquidity and succession transactions), capital returns, planned share repurchases, and the amount and timing of the onboarding of acquired or recruited brokerage and advisory assets, 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 and objectives as of December 7, 2022 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: difficulties and delays in onboarding acquired or recruited assets; 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 enterprises; 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; the effect of the COVID-19 pandemic, including efforts to contain it; 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 December 7, 2022 and you should not rely on statements contained herein as representing the Company's view as of any date subsequent to December 7, 2022.

THIS PRESENTATION INCLUDES DATA AS OF SEPTEMBER 30, 2022, 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 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 in the appendix of this presentation.**

EPS prior to amortization of intangible assets and acquisition costs is defined as adjusted net income, a non-GAAP measure defined as net income plus the after-tax impact of amortization of other intangibles and acquisition costs, divided by the weighted average number of diluted shares outstanding for the applicable period. The Company presents adjusted net income and EPS prior to amortization of intangible assets and acquisition costs because management believes that these metrics 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. Adjusted net income and EPS prior to amortization of intangible assets and acquisition costs are not measures of the Company's financial performance under GAAP and should not be considered as alternatives to net income, earnings per diluted share or any other performance measure derived in accordance with GAAP. For a reconciliation of net income and earnings per diluted share to adjusted net income and EPS prior to amortization of intangible assets and acquisition costs, please see the appendix of this presentation.

Gross profit is calculated as total revenue less advisory and commission expense and brokerage, clearing and exchange expense ("BC&E"). All other expense categories, including depreciation and amortization of property and equipment and amortization of other intangibles, 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 gross profit to be a non-GAAP financial measure that may not be comparable to similar measures used by others in its industry. Management believes that gross profit 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 the appendix of this presentation.

Core G&A consists of total expense less the following expenses: advisory and commission; depreciation and amortization; amortization of other intangibles; BC&E; 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 the Company's total expense to core G&A, please see the appendix of this presentation. 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.

EBITDA is defined as net income plus interest expense on borrowings, provision for income taxes, depreciation and amortization, and amortization of other intangibles. 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. For a reconciliation of net income to EBITDA, please see the appendix of this presentation.

Credit Agreement EBITDA is defined in, and calculated by management in accordance with, the Company's amended and restated credit agreement ("Credit Agreement") as "Consolidated EBITDA," which is consolidated net income (as defined in the Credit Agreement) plus interest expense on borrowings, provision for income taxes, depreciation and amortization, and amortization of other intangibles, 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. For a reconciliation of net income to Credit Agreement EBITDA, please see the appendix of this presentation.

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LPL Overview

Mission

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

Vision

Become the leader across the advisor-centered marketplace

Purpose

Serve advisors so they can…

- Help their clients achieve life's goals and dreams
- Be great entrepreneurs and run thriving businesses

Strategy

To bring our vision to life, we will deliver…

- Capabilities and services that help advisors provide differentiated experiences for their clients
- Personalized solutions – from flexible and compelling affiliation models, to services to help run extraordinary practices

Key Markets and Services

$1.0T+ Client Assets:

- Advisory: $543B
- Brokerage: $496B

21,000+ Advisors:

- Independent Advisors: 11,800+
- Independent RIA: 5,700+ (~500 firms)
- Institutional Services: 3,500+ (~1,100 institutions)

Key Metrics

Q3 2022 Business Metrics

Client Assets:	$1.0T
Organic Net New Assets:	$19.9B
Organic Annualized Growth:	7%
Recruited Assets[(1)]:	$13B
Advisors:	21,044
Client Accounts:	7.8M

Q3 2022 LTM Financial Metrics

Average Client Assets:	$1.1T
Organic Net New Assets:	$101B
Organic Annualized Growth:	9%
Recruited Assets[(1)]:	$84B
Gross Profit*:	$2.9B
EBITDA*:	$1,217M
EPS Prior to Amort. of Intangible Assets and Acquisition Costs*:	$8.95

Q3 2022 Debt Metrics

Total Debt:	$2.7B
Leverage Ratio[(2)]:	1.72x
Cost of Debt:	4.27%

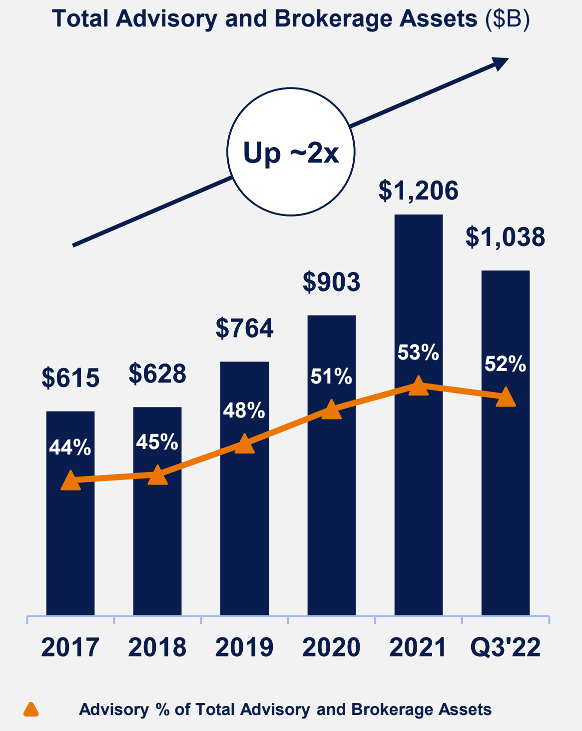
Debt Ratings[(3)] | Outlook

Moody's Rating:	Baa3 | Stable†
S&P Rating:	BB+ | Positive

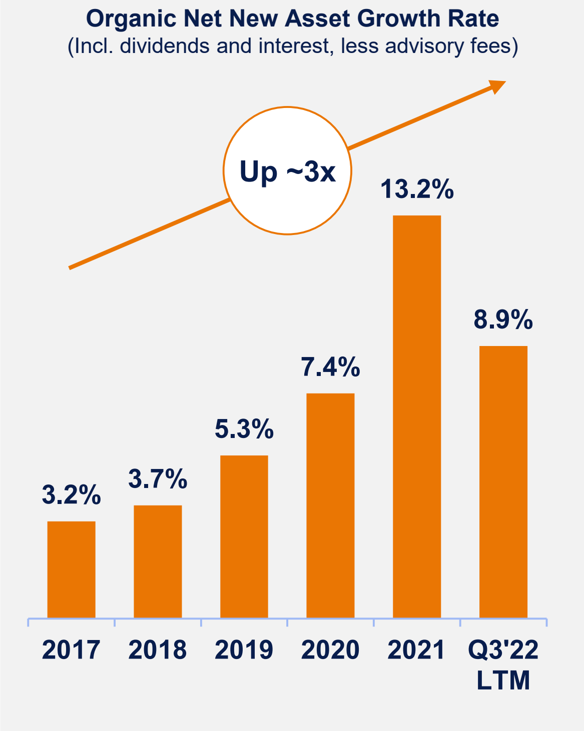
† Upgraded to investment grade (Baa3) on November 14, 2022

We continue to drive business and financial growth

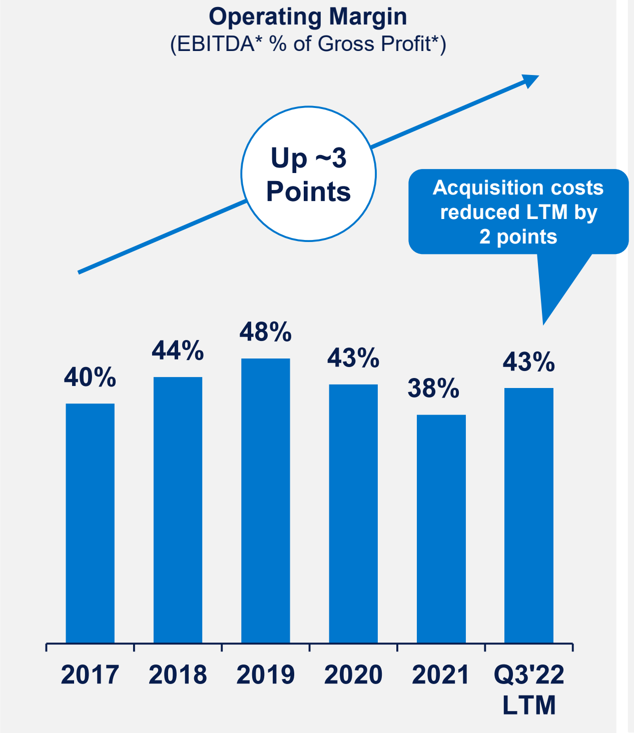
Total assets have nearly doubled



Organic asset growth has increased ~3x



Operating margin has increased ~3 points



EPS prior to amortization of intangible assets and acquisition costs* has increased ~3x

Our vision is to become the leader across the entire advisor-centered marketplace

PLAY 1

Meeting advisors where they are in the evolution of their practices

Deepen our participation across traditional independent and third-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 our Services Group

—

Deliver comprehensive financial advice and planning services

—

Unlock growth, succession and protection through innovative growth and capital solutions

A strategy to win in the marketplace

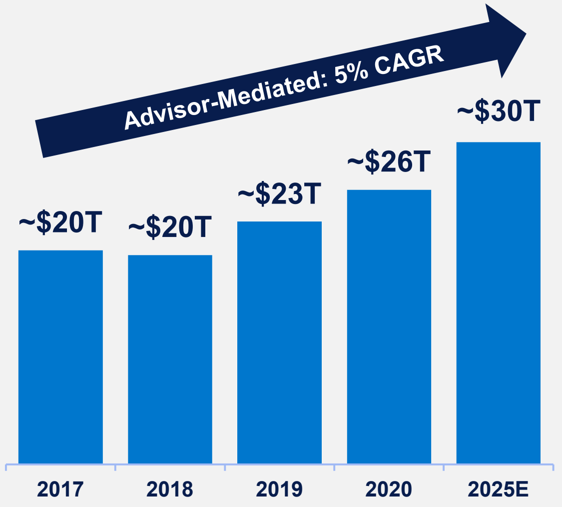
LPL investment highlights: significant opportunities to grow and create long-term shareholder value

1	Industry leader with scale, structural tailwinds, and expanded addressable markets
2	Investing to enhance the advisor value proposition and drive organic growth
3	Resilient business model with natural hedges to market volatility
4	Disciplined expense management, enabling operating leverage
5	Capital-light business model with flexible allocation framework

We are a market leader with scale advantages and industry tailwinds

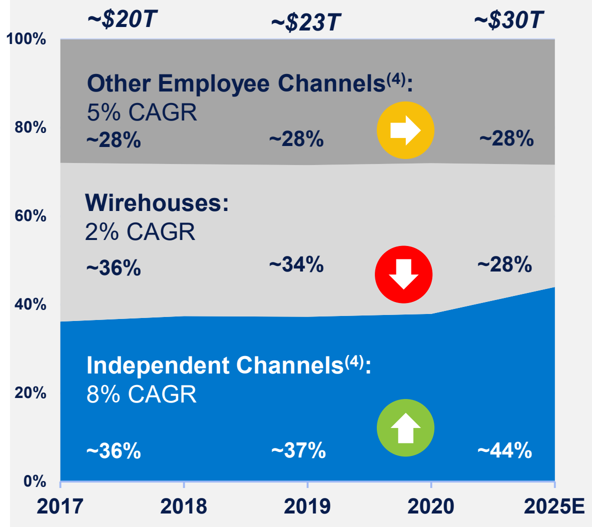
Growing Demand for Advice

Projected Growth in US Retail Advisor-Mediated Market†



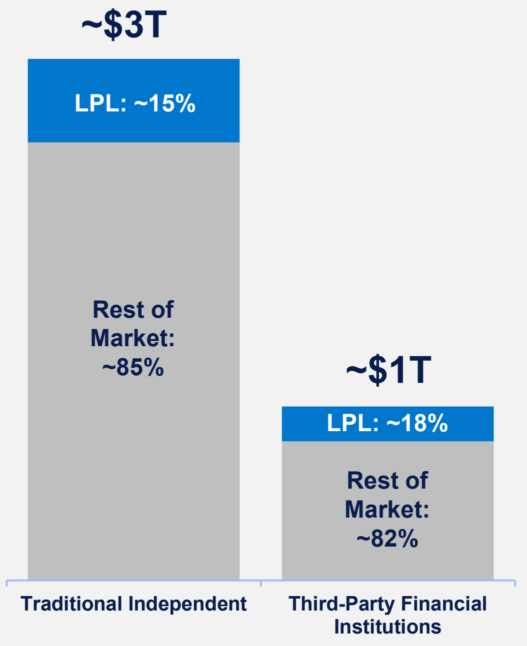
Independent Channel Gaining Share

Total U.S. Retail Advisor-Mediated Assets

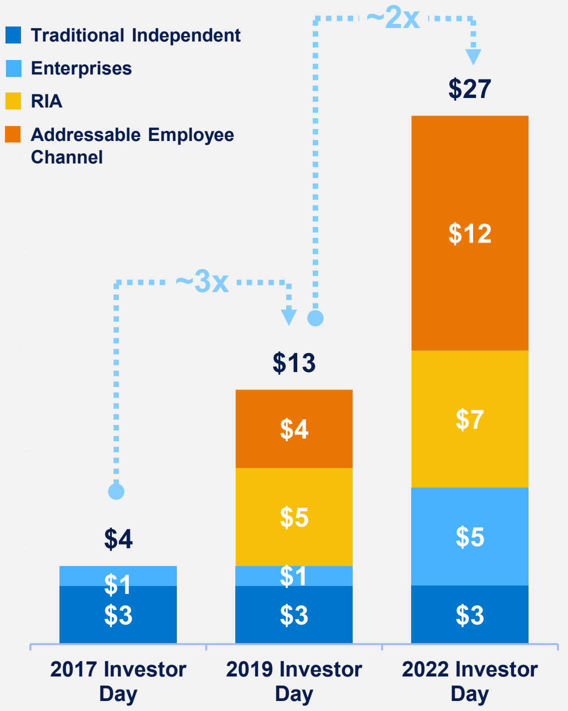


Leading Share in Traditional Markets

Traditional Markets‡



Expanding our Addressable Markets‡ ($T)



† 2021 Cerulli U.S. Retail and Institutional Asset Management Report and Cerulli Lodestar projections. Excludes self-directed market.
‡ Estimated market sizing based on 2021 Cerulli reports. Third-Party Financial Institutions market share is pro-forma for recent Enterprise wins. See endnote 5 for additional detail.

We are providing value-added capabilities that drive our market expansion

Horizontal expansion strategy

Meet advisors where they are in their practice by providing flexible solutions to help them design the perfect practice for their clients

Expand the addressable market through multiple affiliation models, positioning LPL to serve all 300,000 advisors in the advisor-mediated marketplace

Flexibility

Vertical integration strategy

Deliver advisors end-to-end solutions that are higher quality, better integrated, easier to use, and more cost-efficient

Provide value-added capabilities that empower advisors to:

- Give great advice to differentiate & win
- Operate and run high-performing businesses

Capabilities

Foundation: ***Infrastructure that supports scalability, flexibility, and resiliency is core to our value proposition***

Our horizontal expansion strategy enables us to meet all 300,000 advisors where they are

~300K advisors in the marketplace:

Independent
~55K advisors | $3T

Hybrid RIAs
~30K advisors | $3T

Independent RIAs
~40K advisors | $4T

Employees
~45K advisors | $3T

Wirehouse
~45K advisors | $9T

Enterprises
~80K advisors | $5T

2019 | 2020 | 2021 | 2022 | 2023+

Traditional independent markets

Smaller bank / credit unions

Strategic Wealth

- Provides comprehensive support for breakaway advisors to move to independence
- Recruited over **$9B** in assets since launch

Linsco

- Pairs the benefits of independence with the turnkey services of an employee model
- Recruited over **$5B** in assets since launch

Enhanced RIA

- Enables RIAs to leverage fully-integrated capabilities, technology, services, and clearing platform

Large financial institutions

Private wealth

Broader enterprises

Core markets | **New affiliation models** | **Future opportunity**

New affiliation models have expanded our addressable markets

	Strategic Wealth	Enhanced RIA	Independent Employee
Overview	• 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 (Independent 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 launched our Strategic Wealth model in April 2020 and have recruited over $9B in assets**	**We relaunched our model for RIA-only advisors in April 2021 and have welcomed a number of new advisors**	**We launched our Independent Employee model in August 2020 and have recruited over $5B in assets**

We provide a compelling value proposition for enterprises to outsource their wealth business

Our growing enterprise opportunity

- Initially, we focused on **financial institutions** as our primary opportunity for outsourced wealth management
- As we onboarded several financial institutions in recent years, we've built a number of **new capabilities** and continue to innovate based on learnings from those onboardings
- In doing so, we've exposed new opportunities to serve **broader enterprises, expanding our addressable market from $1T to $5T**
- To capitalize on this opportunity, there are **additional capabilities** we are building

Our value drivers

Help Drive Accelerated Growth

- Enhanced client experience
- Attract higher-quality advisors
- Improved capacity to invest in the business

Minimize Enterprise Cost and Risk

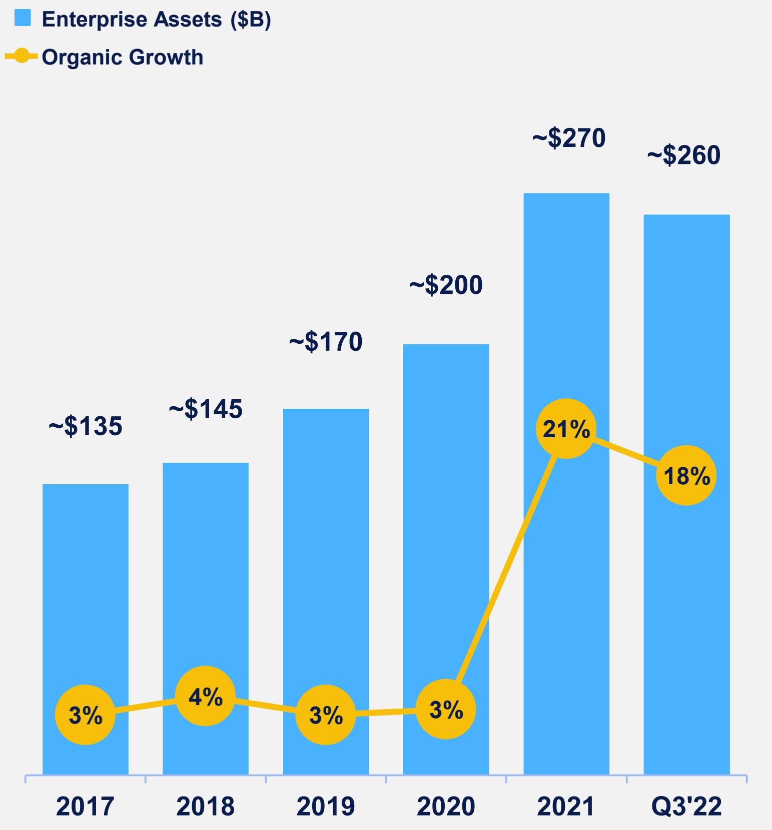
- **Operational efficiency and technology**: outsourced back and middle office support
  - Can lead to ~10 point improvement in operating margin†
- **Regulatory and risk reduction**: transferred regulatory and compliance risk

Enterprise economics

Attractive Margins

- Due to size and asset mix, Gross Profit ROA for Large Enterprises is typically ~15 bps+
- The lower ROA is factored into our TA underwriting process
- Given our scale, there is also a **lower cost to serve** Enterprises
- So, overall new Enterprise partnerships are **margin accretive**

Organic NNA has driven the majority of Enterprise asset growth



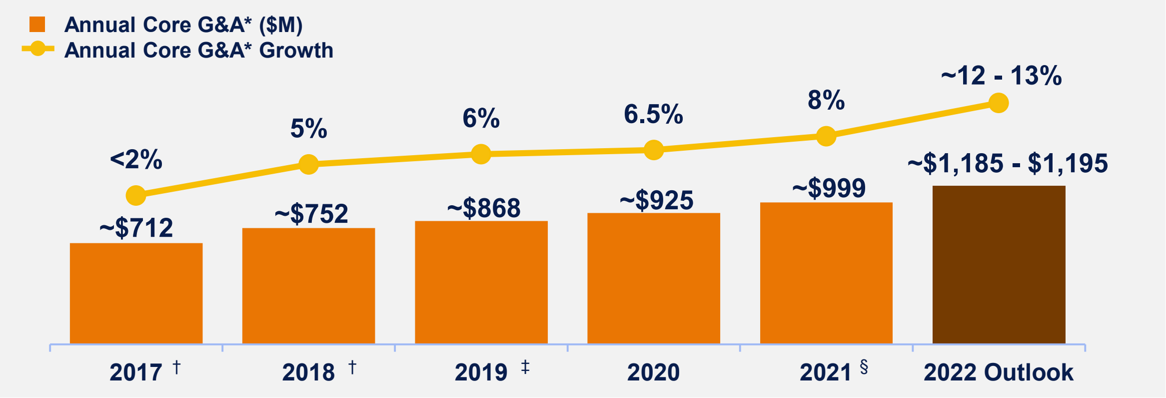
† 2021 Kehrer Bielan Research & Consulting Report

We are advancing our capabilities to enhance our advisor value proposition and drive growth

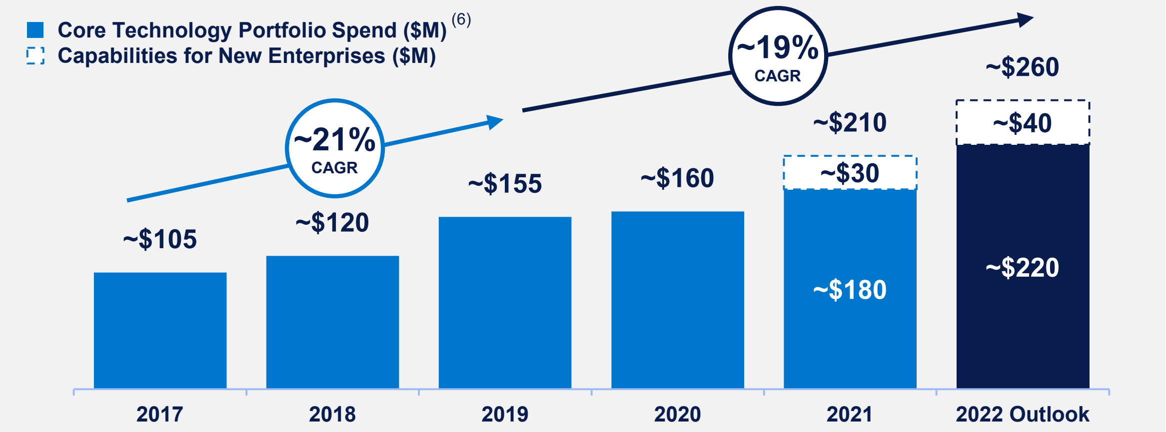
Investment areas of focus

Accelerate Growth Initiatives	Invest in key growth initiatives to drive **market expansion** and **market share**
Enhance Advisor Experience	Invest in **key moments** of the advisor experience to help them provide **great advice** and **run thriving businesses**
Expand Services Portfolio	Invest in **incubating, accelerating and launching** new services that address advisors' most pressing needs
Strengthen Foundational Infrastructure	Invest in **people, technology and data** to strengthen our foundation and support our growth
Reduce Cost to Serve	Invest in **automation**, **digitization** and workflow **optimization** to drive operational efficiencies

Increasing overall investment levels to drive organic growth…



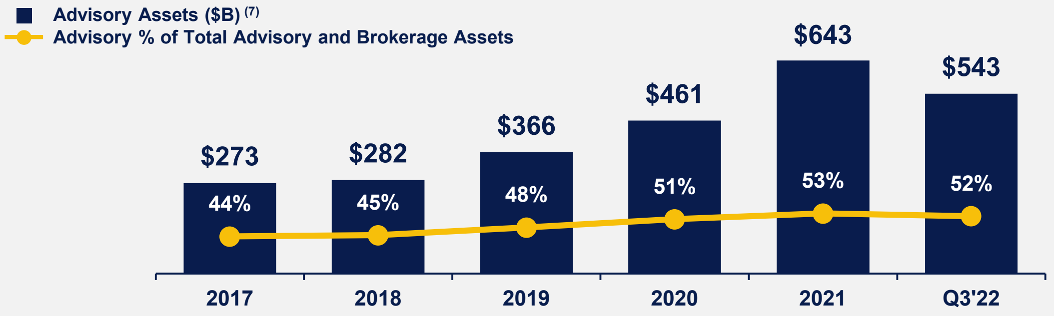
…with a focus on Technology



† Prior to NPH and AdvisoryWorld
‡ 2019 Core G&A* growth is based on the Company's total 2018 Core G&A*
§ Prior to Waddell & Reed

Advisory makes up the majority of our total assets

Our business is shifting from brokerage to advisory

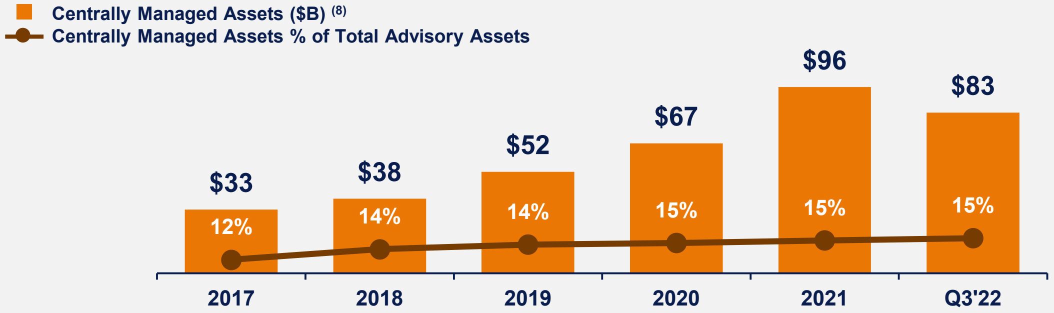


	2017	2018	2019	2020	2021	Q3'22
LTM Organic Growth Rate:	13%	9%	12%	14%	19%	11%

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
- Prior to large financial institutions, 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 ~$13M in annual Gross Profit* benefit

Centrally managed platforms are growing within advisory



	2017	2018	2019	2020	2021	Q3'22
LTM Organic Growth Rate:	22%	20%	17%	15%	30%	15%

Centrally managed platforms can create additional value within 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 ~$6M in annual Gross Profit* benefit

Our Services Group has grown to ~4,200 subscriptions with annualized revenue of ~$34M in Q3

Planning & Advice Services

Planning and Advice

- **Digital and employee-powered solutions** that help advisors expand the breadth and depth of their advice
- Helps advisors increase marketplace differentiation while limiting additional complexity and risk
- Plans can average **~$1,000 per month**
- **Current Portfolio:** Paraplanning
- **In Development:** Tax Planning and High Net Worth Services

Business Services

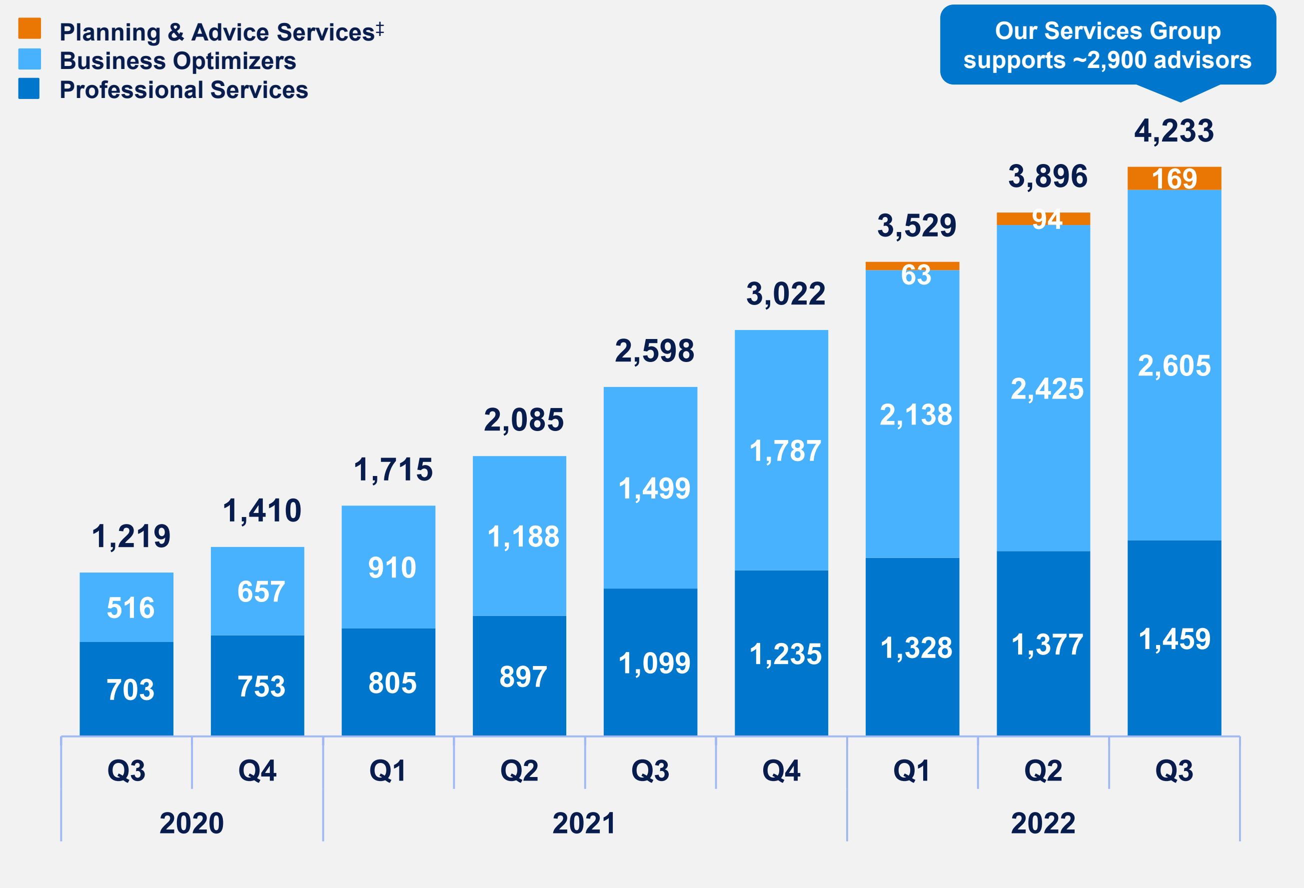
Business Optimizers

- **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**
- **Current Portfolio:** M&A Solutions, Digital Office†, Resilience Plan and Assurance Plan
- **In Development:** Client Engage

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 an LPL team**
- Subscriptions average **$1,500+ per month**
- **Current Portfolio**: CFO Solutions, Marketing Solutions and Admin Solutions
- **Recently Launched:** Bookkeeping and Partial Book Sales

Services Group Subscriptions



† Based on feedback from advisors, Remote Office was rebranded as Digital Office to better align with the breadth of the offering to advisors

‡ Subscriptions are the number of advisors using the service

Our operating platform delivers industry-leading flexibility and integrated workflows

Lead with choice and flexibility

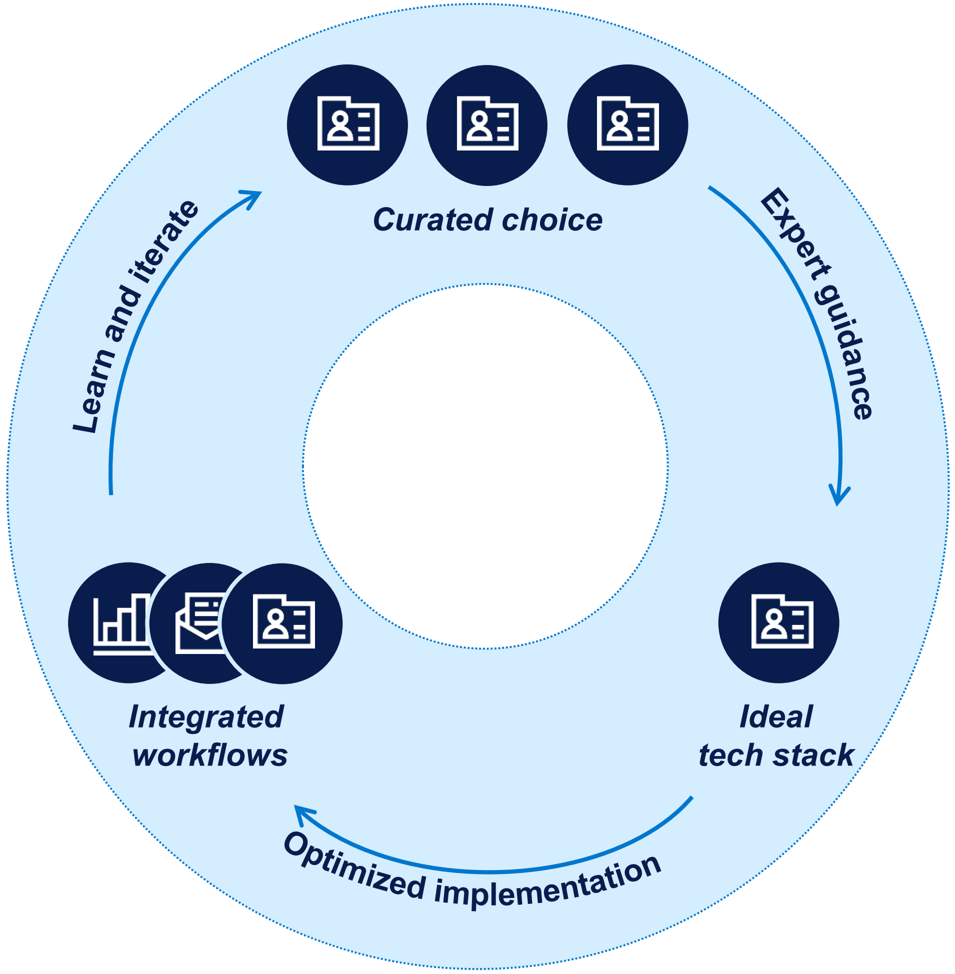
- Promote optionality by integrating a broad array of third-party tools
- Design and deliver proprietary capabilities as needed

Guide advisors to best-fit solutions

- Leverage unique expertise to match advisors to the right capabilities
- Guide advisors and enterprises to solutions optimized for cost

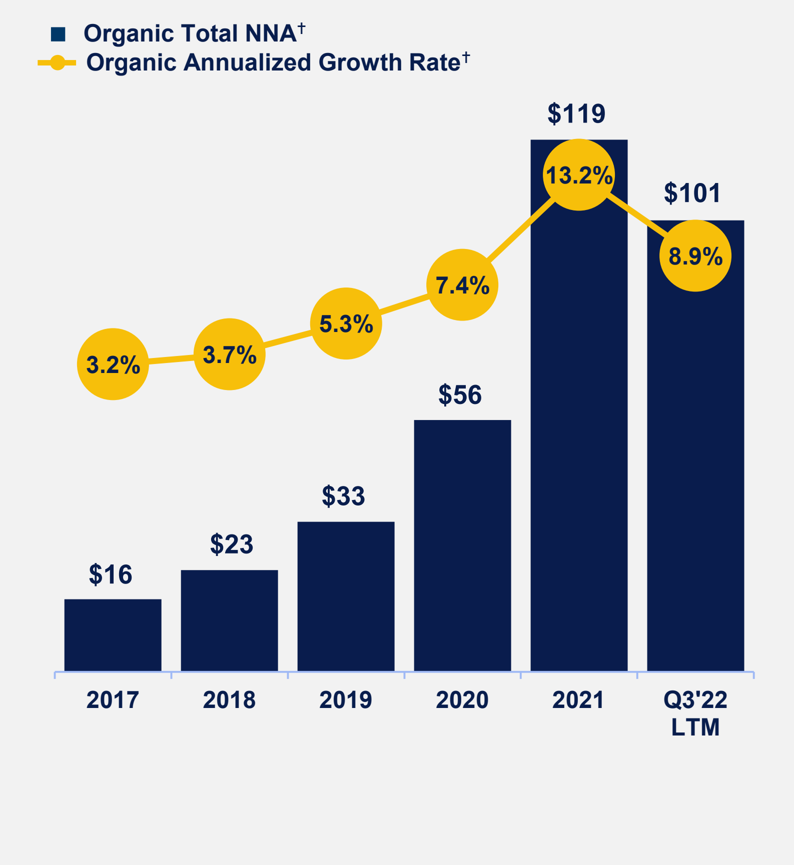
Streamline integrated workflows

- Make it easy for advisors to execute seamlessly across our ecosystem
- Provide access to practice management insights to drive advisor growth

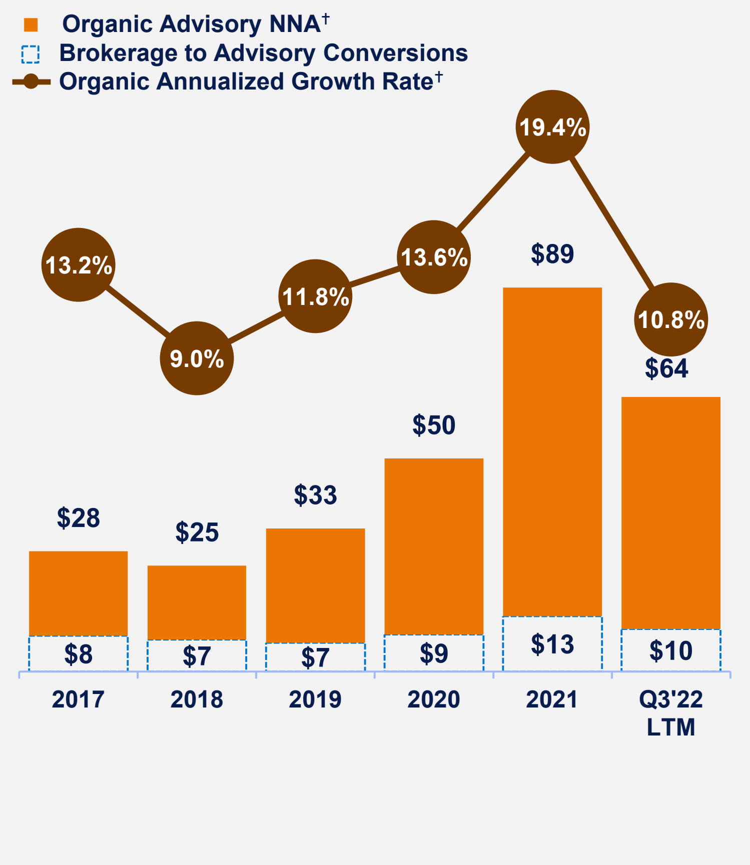


We continued to drive solid organic growth with a net new asset growth rate of ~9% for the past year

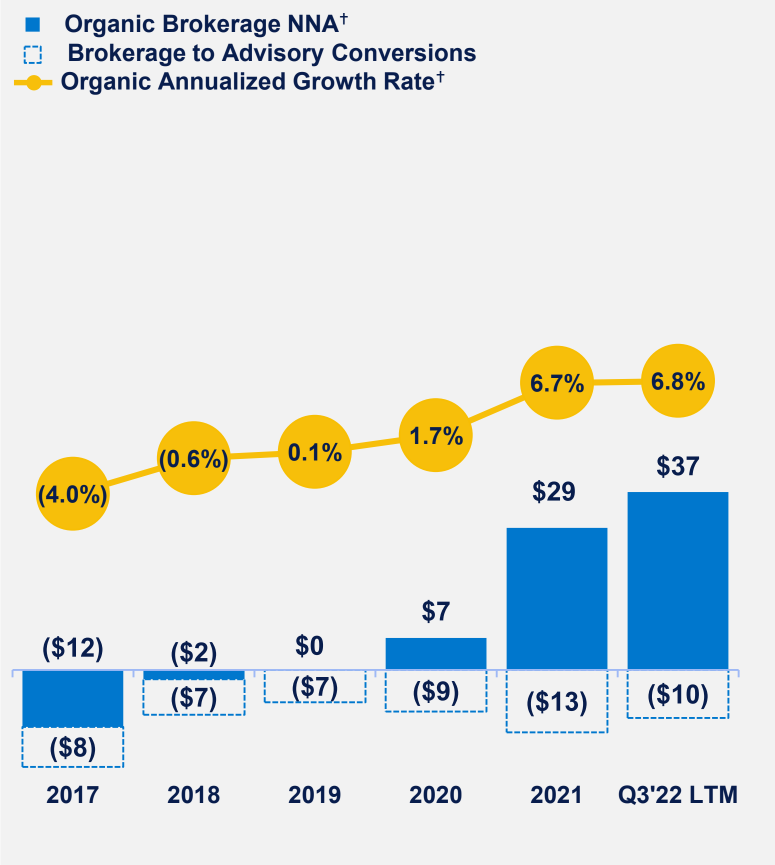
Total Organic Net New Assets[9] ($B)



Organic Net New Advisory Assets[10] ($B)



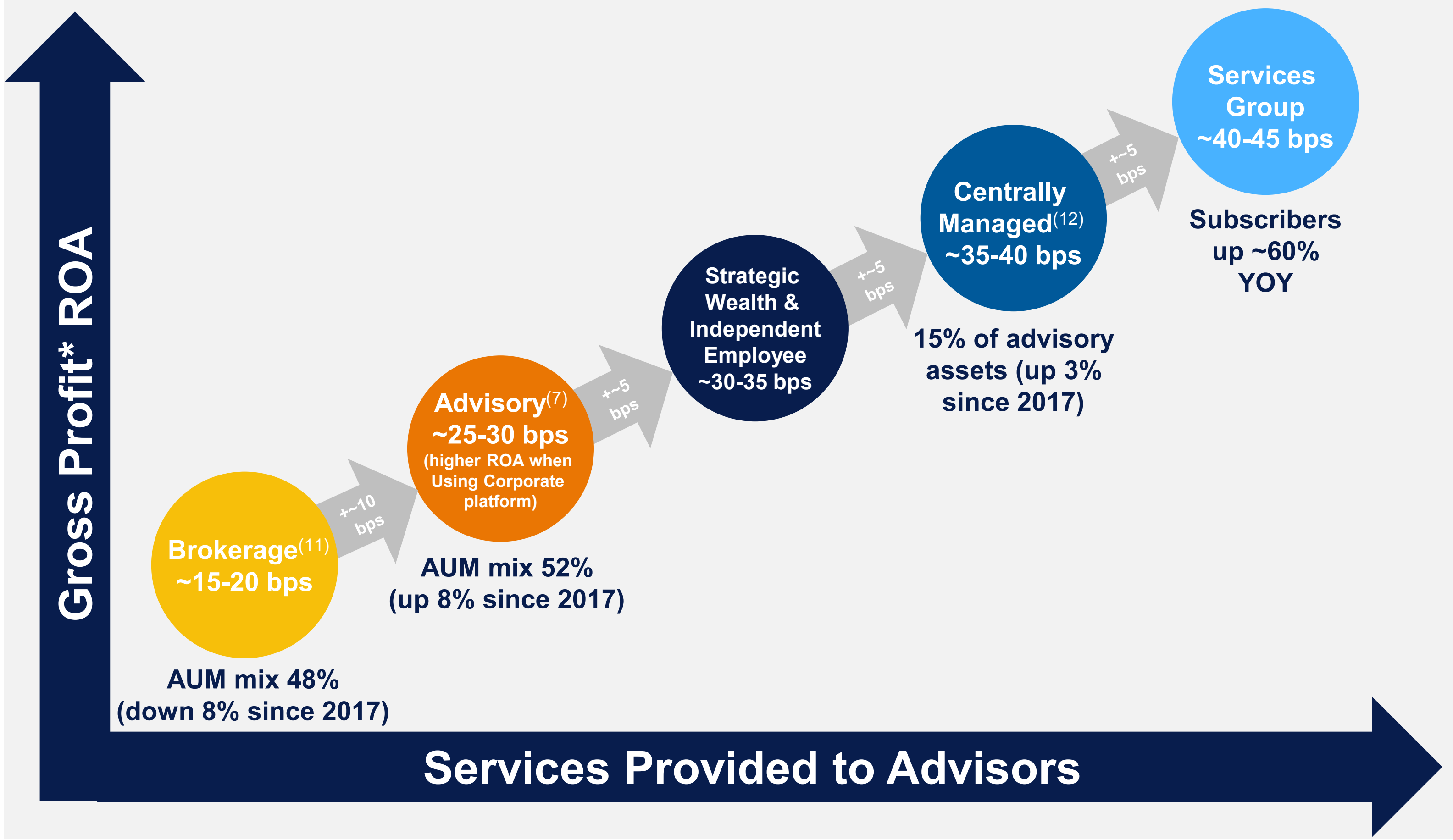
Organic Net New Brokerage Assets[10] ($B)



† Prior to Q4 2021, net new assets and net new assets growth rates exclude the assets of Waddell & Reed

We provide a range of services to advisors, strengthening their business while enhancing our returns

We have seen a favorable mix shift in our platforms



Key points

- **Brokerage:** Asset growth is driven by Enterprises, where asset mix is primarily brokerage
- **Advisory:** Assets are shifting from brokerage to advisory, as end-clients seek greater levels of support from advisors
  - Prior to enterprises, we are shifting towards advisory at ~2%+ per year
  - ~70% of new client flows are in advisory
- **New Models:** Strategic Wealth & Independent Employee models increase support for advisors and expand our addressable market
- **Centrally Managed:** Platforms can create additional value within advisory
  - Outsourcing portfolio design and management can free up advisors' time to serve clients and grow their practices
- **Services Group:** Support advisors through an expanded set of offerings and a subscription model

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

~$10M
Per 1% increase in market levels

Interest Rates

Rising interest rates benefit our client cash yields

~$1,175M [13]
Over first +375 bps of rate hikes

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 1H 2022, cash balances increased by ~$13B, which translates to a **~$485M benefit annually**[14]

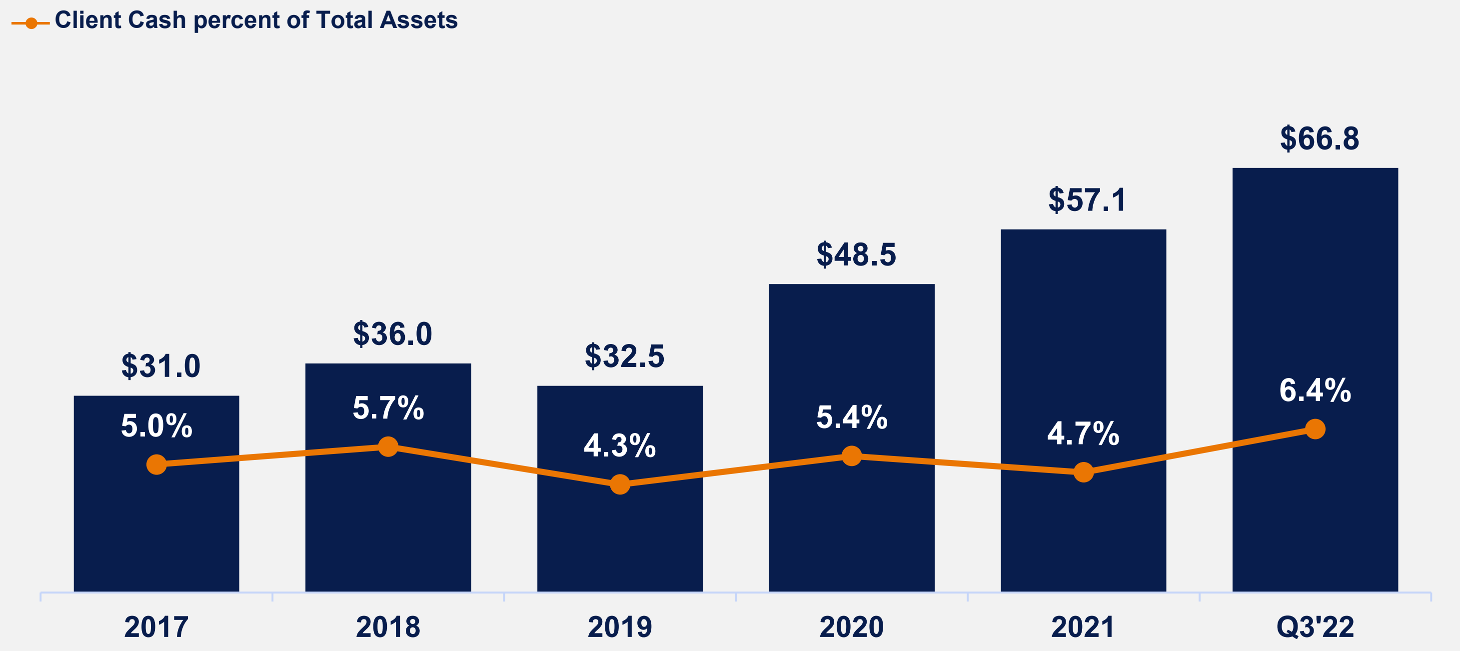
Transaction Volume

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

Transaction revenue increased **~$7M** sequentially in Q1 2022

Our client cash balances are largely operational and as a percent of client assets, have been stable across rate cycles

Client Cash Balances[15] ($B)



Fed Funds target (bps)

2017	2018	2019	2020	2021	Q3'22
125	225	150	0	0	300

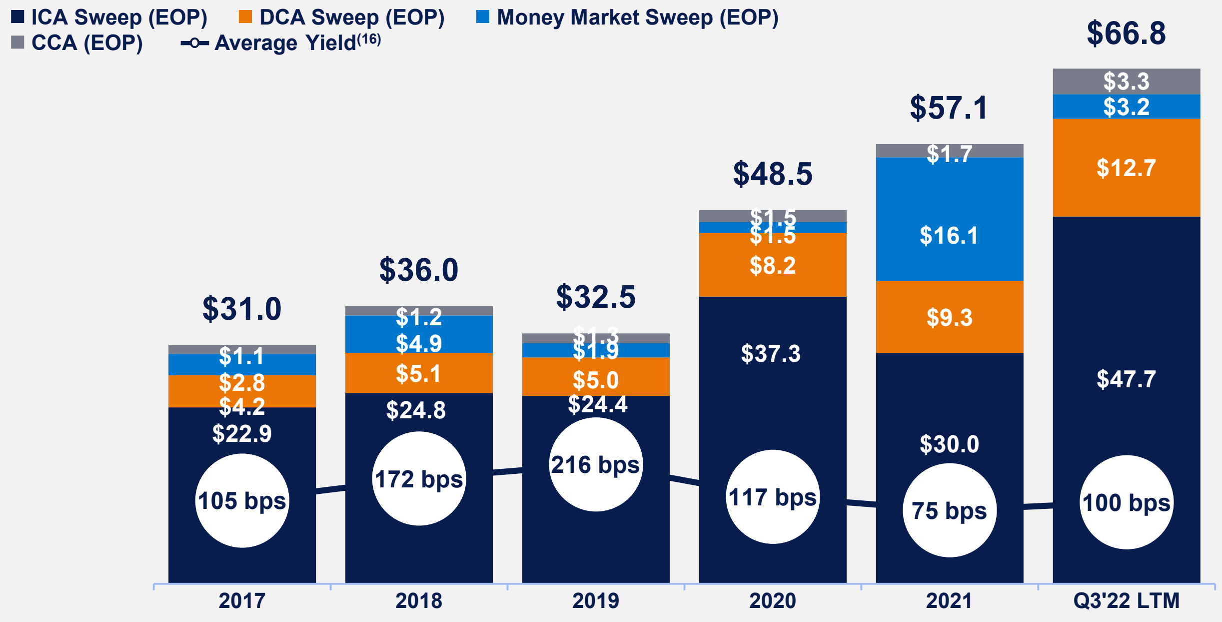
Client cash as a % of assets has averaged ~5%†

- Our client cash balances are largely operational
  - Typically small balances used for rebalancing, paying advisory fees, and customer withdrawals
  - This is reflected in the low client cash balances, which average ~5% or ~$8K per account
- The primary factor that moves that % of client cash up or down is market sentiment rather than rate seeking behavior
  - When clients are fully deployed in the market, the ratio has gone as low as ~4%, like we saw in 2019
- In Q3 2022, cash was 6.4% of client assets, above the long-term average

† Since the start of the last interest rate cycle in Q4'16

We are well positioned to benefit from rising interest rates

Client Cash Balances[15] ($B)



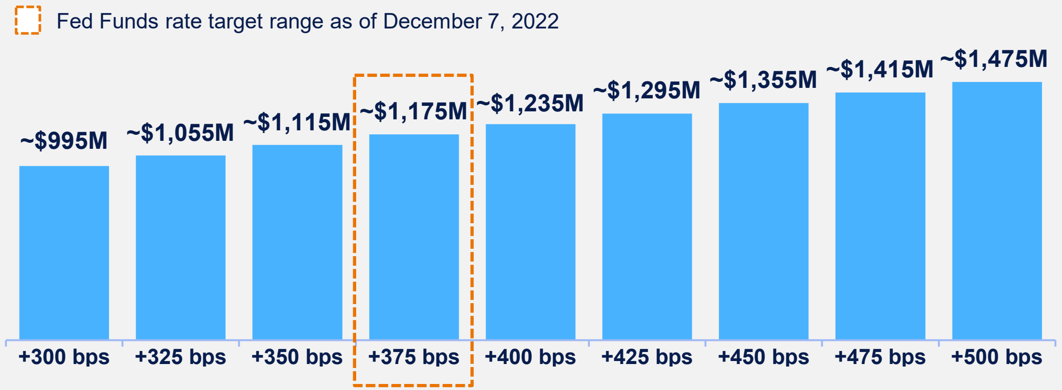
Average Yields (in bps)

	2017	2018	2019	2020	2021	Q3'22 LTM
ICA Sweep	113	184	240	133	100	137
DCA Sweep	90	183	211	53	24	66
MM Sweep	64	73	73	22	3	23
CCA[17]	84	188	208	56	15	71
Average	105	172	216	117	75	100
Client Cash % of Total Assets	5.0%	5.7%	4.3%	5.4%	4.7%	6.4%

Annual potential Gross Profit* benefit from rising interest rates

- Over the last interest rate cycle, our deposit beta averaged ~15%
  - Deposit betas averaged ~2.5% over the first 4 hikes, after that betas averaged ~25%
- This cycle, deposit betas were consistent on the first 100 bps, and favorable on subsequent hikes
  - This cycle to-date, our deposit betas have averaged ~10%
- Applying historical deposit betas to our current cash balances would yield:
  - ~$60M of Annual Gross Profit* per subsequent rate hike, at a ~25% deposit beta

Estimated Interest Rate Sensitivity based on current balances †



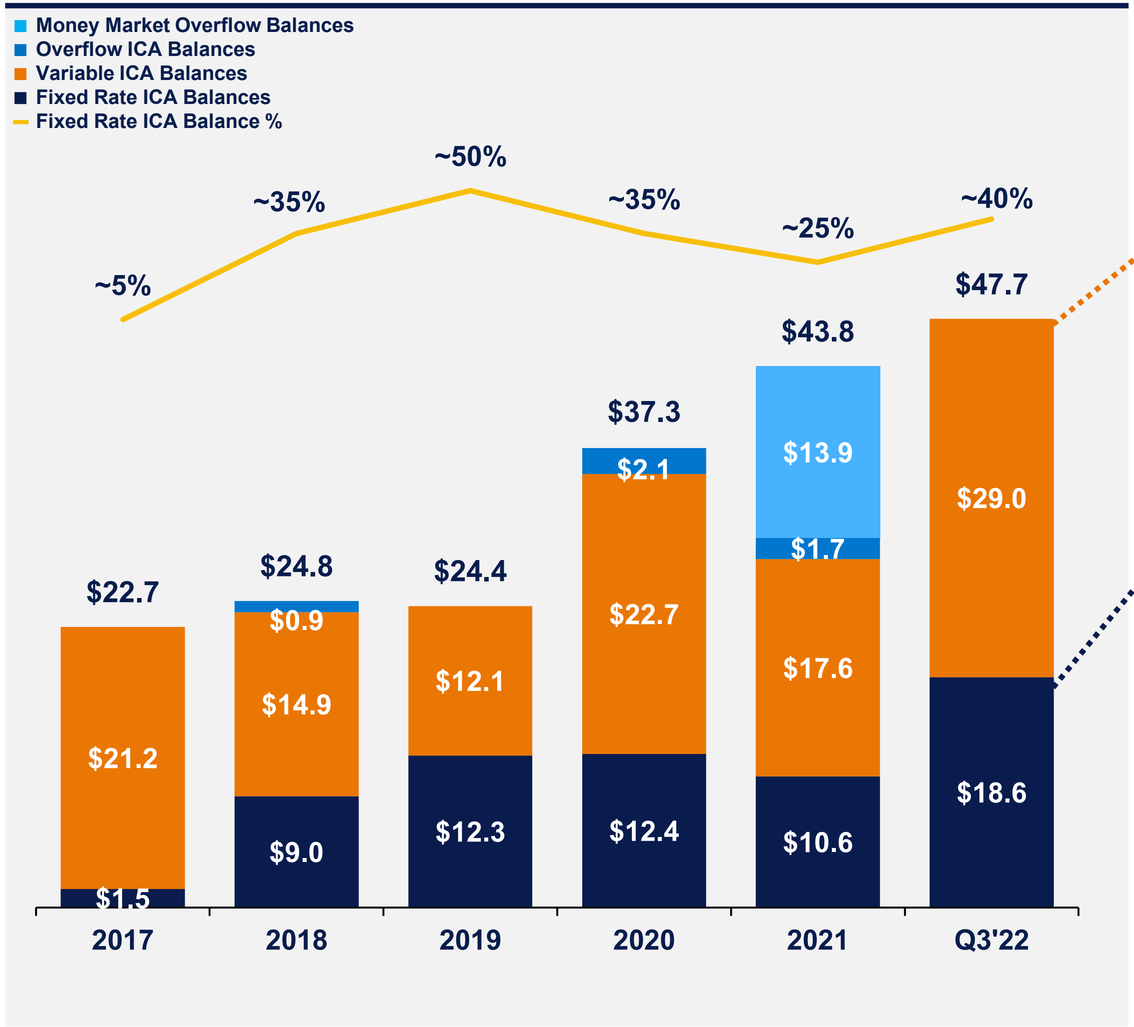
Fed Funds rate target range (bps)	300 – 325	325 – 350	350 – 375	375 – 400	400 – 425	425 – 450	450 – 475	475 – 500	500 – 525
Deposit Beta	20%	20%	20%	20%	25%	25%	25%	25%	25%
	Actual				Prior Cycle Average				

Note: Totals may not foot due to rounding

† Assumes change based on Q3 2022 end of period cash balances. Gross Profit* benefit is measured relative to a Fed Funds target range of 0 to 25 bps.

ICA balances continued to grow, as demand increased for both fixed and variable contracts

ICA Balances, including Money Market Overflow ($B)



Overflow balances provide capacity when balances spike

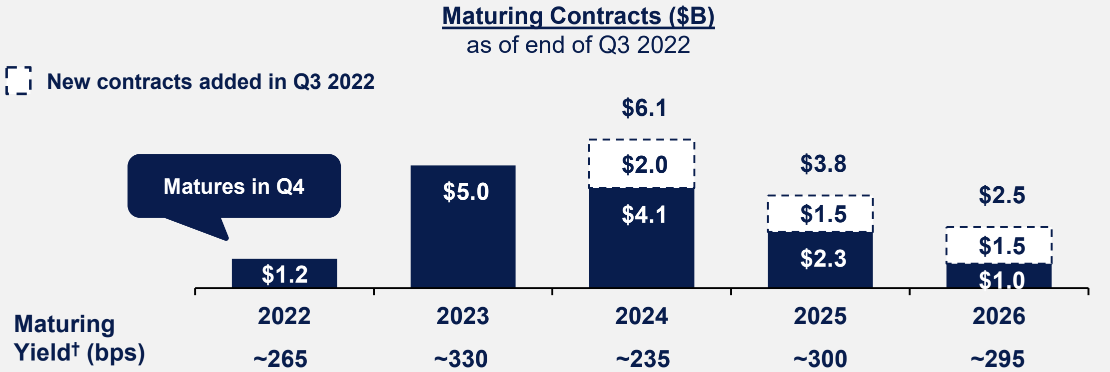
- Historically, when ICA balances exceeded our fixed and variable contract capacity, we utilized money market overflow contracts
- Given improved bank deposit demand and the launch of CCA, we no longer have any money market overflow balances

Variable balances are primarily indexed to Fed Funds

- Our variable ICA balances grew in the quarter, as demand increased from third-party banks
- Most variable balances are indexed to Fed Funds + a spread (~5 to ~15 bps)
- In the current environment, new variable contracts are averaging Fed Funds plus 5 to 10 bps

Fixed rate ICA contracts are laddered over ~4 years

- **New contracts:** In Q3, we added ~$5B of fixed rate balances maturing in 2024-26, with a ~390 bps yield consistent with the 2-4 year points on the curve when contracted



† *Weighted average yield across ladder is ~285 bps*

Note: Yields shown on this page are prior to client deposit rates (~17 bps) and administrator fees (~4 bps). Money market sweep balances are not subject to these costs.

As we look ahead to 2023, the environment is creating an opportunity to accelerate investments to advance our strategic priorities

Our long-term cost strategy is unchanged

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

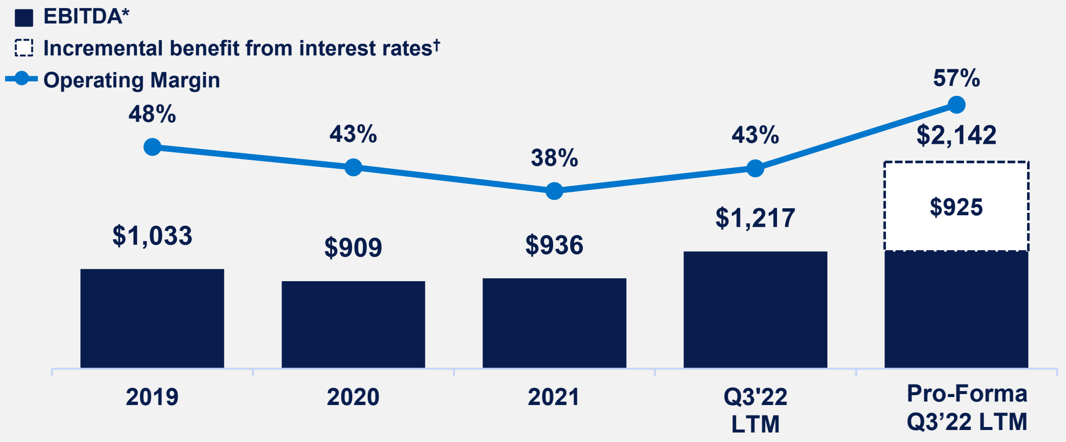
Initial 2023 Core G&A* considerations

- Our 2022 Core G&A* plans are for a range of $1,185M to $1,195M, or growth of 12% to 13% year-over-year
    - This translates to a Q4 2022 Core G&A* range of $320M to $330M
- As we look ahead to 2023, we see further opportunity to invest in our business as operating margins continue to grow
- This could result in potential Core G&A* growth of ~15% for 2023, slightly above our growth in 2022
- We will finalize our plans through year-end and share an update on our Q4 earnings call

2023 Core G&A* Context

- Rising interest rates are expected to result in >$1B of incremental Gross Profit*
- This creates an opportunity to accelerate investments that advance our strategy, while improving operating margins
- Investment examples:
    - Investing in people, technology & data
    - Expansion of our new models
    - Enhanced advisor experience
    - Incubating and launching new services

EBITDA* and Operating Margin ($M)



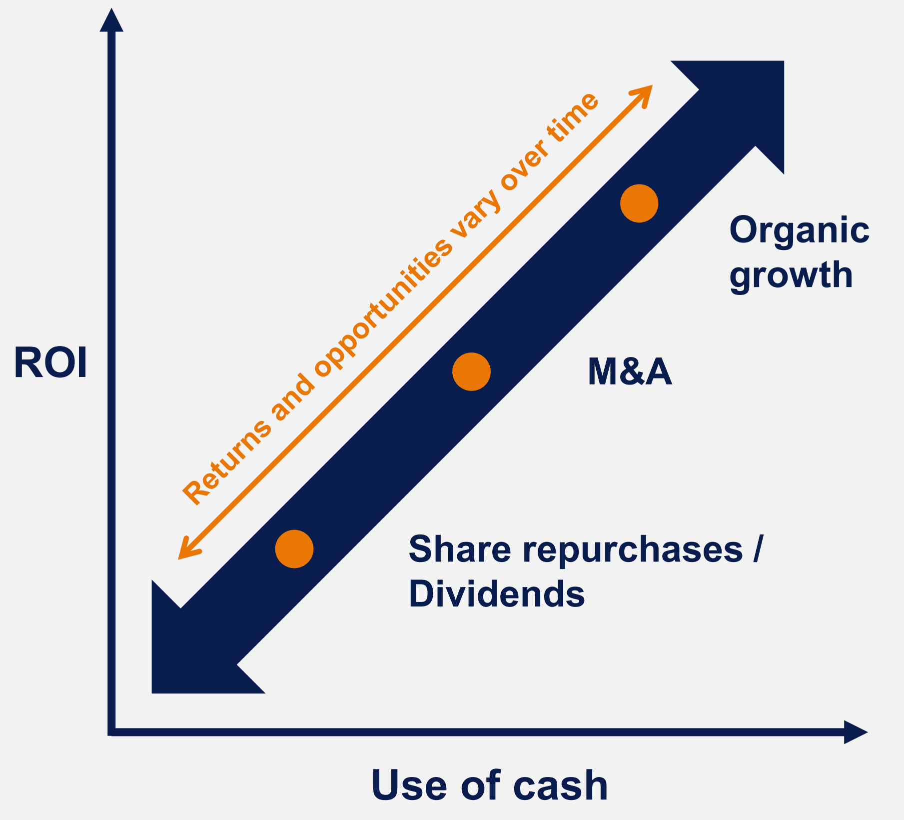
† Incremental benefit of $925M is prior to reinvestment and is calculated by taking ~$1,175M of expected annual Gross Profit* benefit from a Fed Funds target range of 375 – 400 bps, less ~$250M of Gross Profit* benefit already captured in Q3'22 LTM results

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**
  - Flexible debt structure to support capital allocation
- **Prioritize investments to support and drive organic growth**
  - Recruiting to drive net new assets
  - Capital to support advisor growth and advisor M&A
  - Investments in capabilities to attract new advisors and assets
- **Capitalize on opportunistic M&A**
  - Remain prepared for attractive opportunities
  - Facilitate advisor monetization and transitions through liquidity and succession solutions
- **Return excess capital to shareholders**
  - Share repurchases
  - Dividends

Dynamic capital allocation framework



We're delivering new liquidity and succession capabilities for advisors seeking to transition

Background: Solving a need in the marketplace

- **~1/3** of advisors are expected to retire or leave the industry over the next decade – representing **$8.5T** of AUM†
- Historically, advisors' options were limited:
  - Sell to a larger aggregator that may pay an enhanced price, but take control from the advisor
  - Transact with a local advisor, but often at a below-market price

Our response: New Liquidity & Succession solutions

New LPL capability to buy practices from advisors seeking a pathway to retirement, looking to free themselves from entrepreneurial burdens, and / or looking for monetization

✓ **Economics** – Allows advisor to monetize their business through a market-competitive transaction

✓ **Support** – Empowers advisors through a fully dedicated support model, allowing advisors to rededicate their time and energy to client service

✓ **Transition** – Transitions ownership of the business to successor advisors over time

Direct acquisition lifecycle example

Advisor looking to sunset over 2-5 years
- Practice in slower-growth mode; risk of sale away from LPL

LPL buys advisor's practice
- Advisor onboarded to Linsco channel

LPL oversees the practice
- LPL supports advisor with industry-leading capabilities and a transition glidepath to succeeding advisor
- Practice positioned for improved growth within LPL

LPL supports the transition to a succeeding advisor
- LPL trains and fosters the succeeding advisor – positioning them to run a great practice, leveraging the best of LPL
- Succeeding advisor(s) assume(s) oversight of practice, with ~10-year path to full control of asset

Succeeding advisor completes purchase of practice
- LPL support of practice extended for ~20 years

Cycle continues

Building foothold in marketplace with strong initial returns

- Enhancing strategic value – by training successor advisors, **deepening the connection with LPL** – and reorienting the practice towards growth
- To date, we have completed **2 deals** as part of our pilot, with **4** additional expected to close by early 2023
- Good use of capital — purchase multiples consistent with our M&A framework **~6-8x EBITDA**
- Based on closed transactions and our pipeline, **average deal size of ~$10-20M**

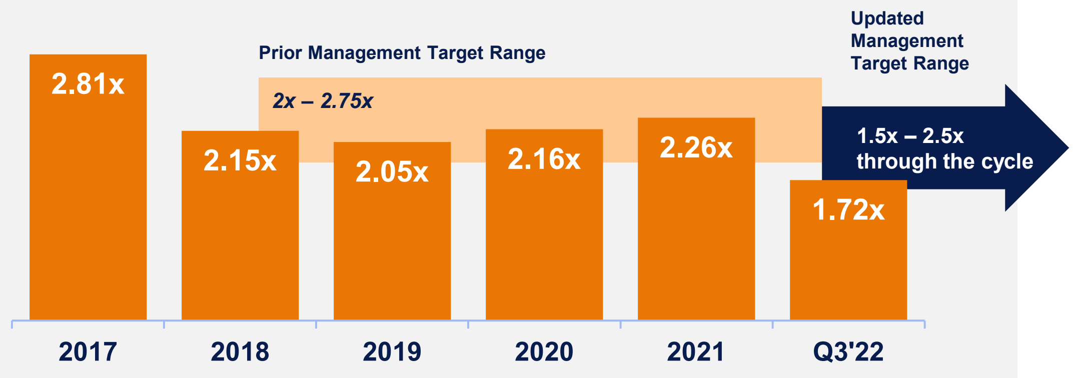
† 2020 Cerulli Report U.S. Advisor Metrics

Due to our improved earnings profile, we lowered our target leverage range

Repositioning due to improved earnings profile

- Continued growth, combined with an improved interest rate environment, meaningfully improved our earnings power – driving down our leverage ratio
- Accordingly, we lowered our target leverage ratio to a range of 1.5 to 2.5 times
- This new range positions us well to operate over a range of economic cycles and **strikes the right balance between preserving balance sheet strength and investing for growth**

Leverage Ratio[2]

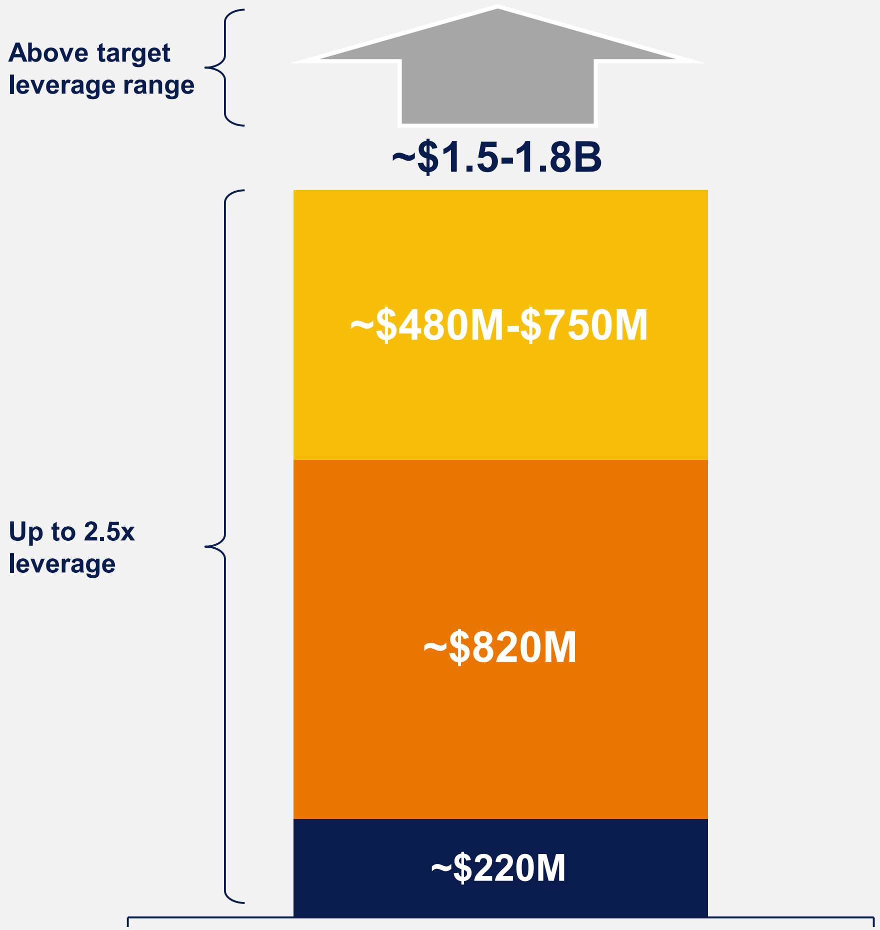


Balance Sheet Principles

- **Balance sheet strategy is unchanged** – maintain a strong balance sheet that can absorb market volatility while having the capacity to invest for growth
- A **long-term target leverage range of 1.5x to 2.5x** positions our balance sheet well over a range of cycles
- We are willing to operate temporarily above our target range if attractive M&A opportunities arise
- At the top end of our target leverage range, we have the capacity to deploy up to ~$1.8B[18] of additional capital
- We maintain a management target of at least $200 million in Corporate Cash[19][20]

We have significant capital deployment capacity…

Capital Deployment Capacity



Capital Deployment Capacity Estimate as of Q3 2022

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

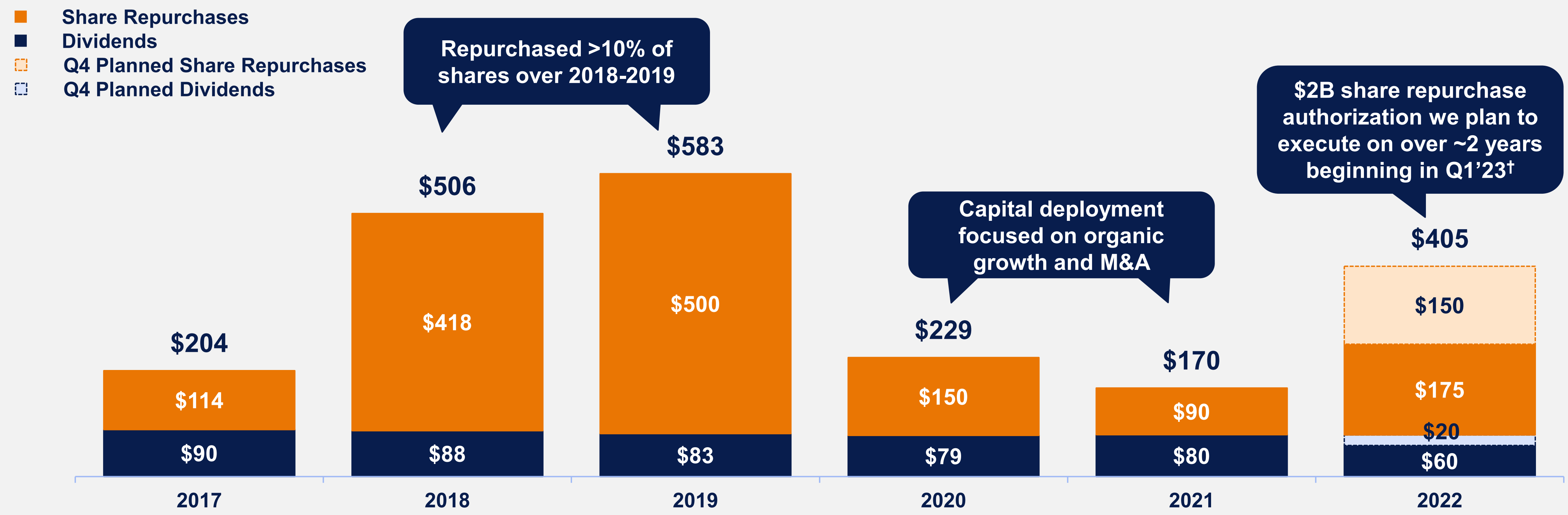
3 Incremental M&A leverage capacity within our target range
Incremental capital accessible if all other capacity were deployed for M&A at a 6-8x purchase multiple[21]

2 Additional leverage capacity
Capital available to deploy up to 2.5x leverage

1 Discretionary cash
Corporate cash available to use above ~$200M management target as of Q3 2022

…And we have continued to return capital to shareholders

Share Repurchases and Dividends ($M)

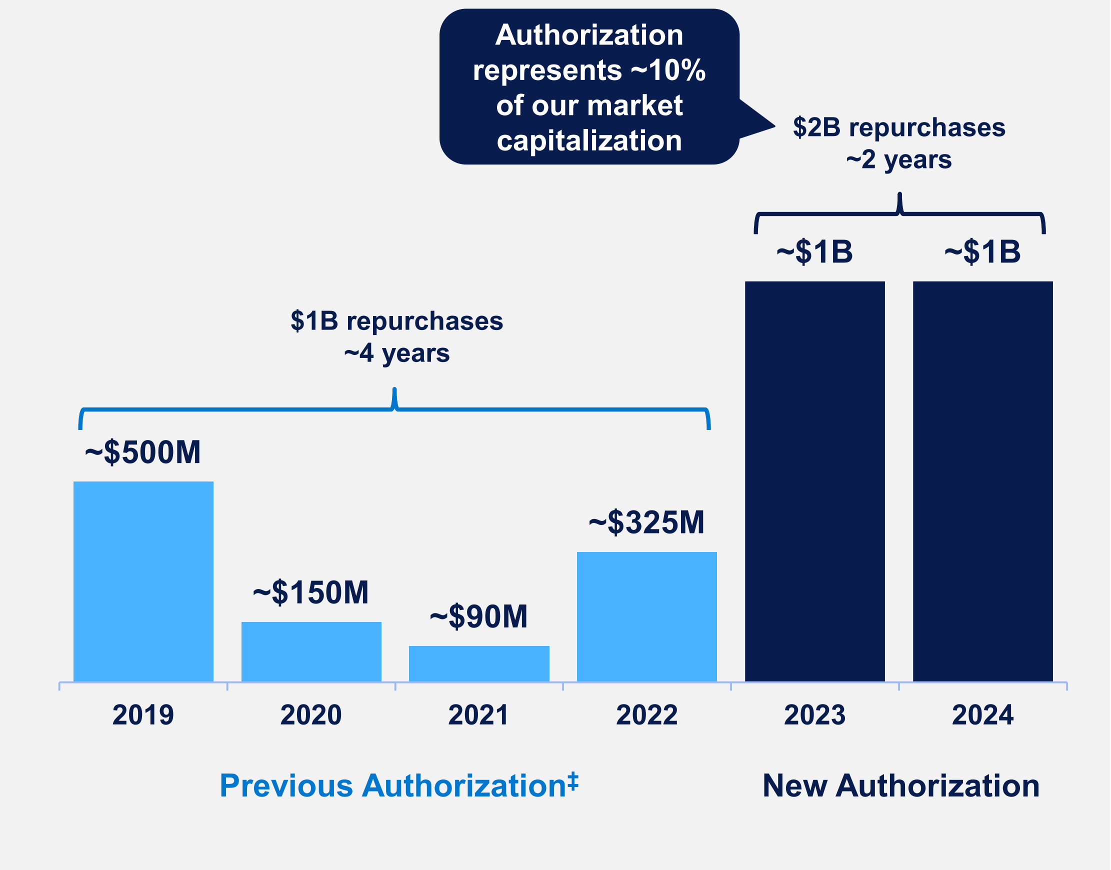


Diluted Share Count (M):	92.1	90.6	84.6	80.7	81.7	81.4 ‡

† Increased share repurchase authorization by $2B as of 09/21/2022, which we plan to begin to utilize in 2023, following $150M of planned share repurchases in Q4'22.
‡ Reflects diluted share count as of 09/30/2022

We recently announced a new $2 billion share repurchase authorization to be completed over ~2 years

Share Repurchases



Key commentary

Repurchase Authorization

- We recently announced a new share repurchase authorization for a total of **$2 billion**†
- We plan to complete the repurchases over **roughly two years**
- The pace **could vary from quarter to quarter** depending on significant changes in the marketplace and other capital allocation opportunities

Factors that could cause us to accelerate

- If **interest rates are elevated** for an extended period, leading to greater cash generation; or
- If there are **fewer opportunities** for capital deployment towards organic growth or M&A, leading to excess cash available for share repurchases

Factors that could cause us to decelerate

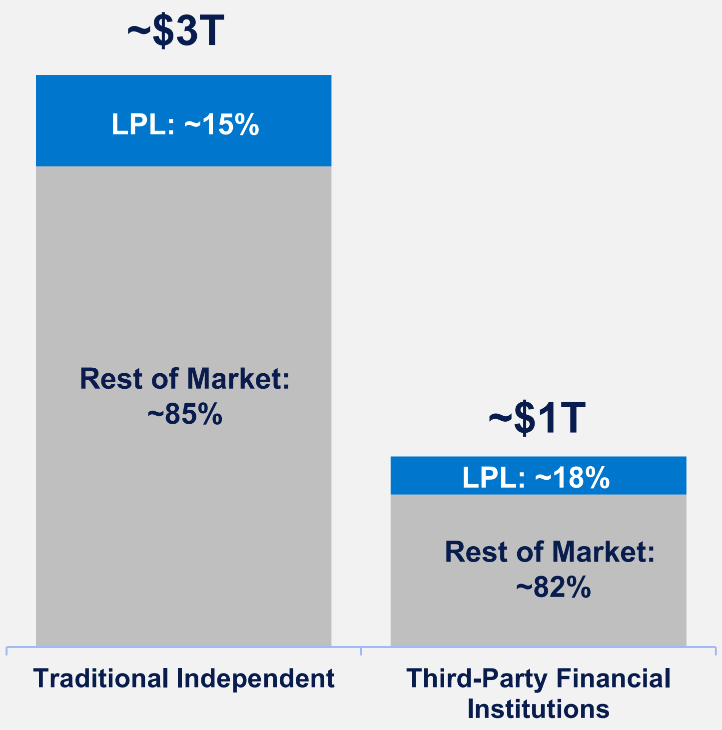
- If **interest rates decrease**, leading to less cash generation; or
- If there are **more opportunities** for capital deployment towards organic growth or M&A, leading to less cash available for share repurchases

† Increased share repurchase authorization by $2B as of 09/21/2022, which will begin following $150M of planned share repurchases in Q4'22
‡ Announced $1B repurchase authorization on 12/4/2018

We see potential for consolidation given fragmented markets

Addressable markets

Traditional Markets†



Growth potential from consolidation

- Our scale, capabilities, and economics give us **competitive advantages in M&A** in independent markets and employee channels
- The **independent markets are fragmented** with consolidation opportunities
- Rising cost and complexity is making it **harder for smaller players** to compete
- **We believe consolidation can drive value** by adding scale, increasing our capacity to invest in capabilities, and creating shareholder value
- Our **value proposition is driving momentum in recruiting** wins in the enterprise channel

† Estimated market sizing based on 2021 Cerulli reports. Third-Party Financial Institutions market share is pro-forma for recent Enterprise wins. See endnote 5 for additional detail.

Recent acquisitions† have added scale in our traditional markets, accelerated our expansion into new markets, and added new capabilities

Traditional Markets

Waddell & Reed Financial, Inc.

2021

~$74B of assets transferred

- Transaction closed on April 30, 2021 for a purchase price of $300M
- Large independent broker-dealer network
- Added to our scale and leadership position
- Increases our scale and capacity to invest in capabilities, technology, and service to help existing advisors serve their clients and differentiate in the marketplace

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

National Planning Holdings, Inc.

2017

~$70B assets transferred

- Large independent broker-dealer network
- Added to our scale and leadership position

Financial Resources Group Investment Services

2022

~$40B assets

- Existing LPL branch office with approximately 800 advisors and 85 financial institutions
- Leading provider of managed programs for financial institutions, a strategic complement to our existing institutional offering

New Markets

Allen & Company, Est. 1932

2019

~$3B assets transferred

- Leading Florida practice
- Affiliated under our employee model

Boenning & Scattergood, Established 1914

2022

~$5B of assets as of June 2022

- Leading Pennsylvania practice with approximately 40 advisors
- Affiliated under our employee model
- Expected to close in early 2023

Capabilities

BlazePortfolio

2020

Industry-leading capabilities
~$12M purchase price

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

AdvisoryWorld Financial Technology

2018

Industry-leading capabilities
~$28M purchase price

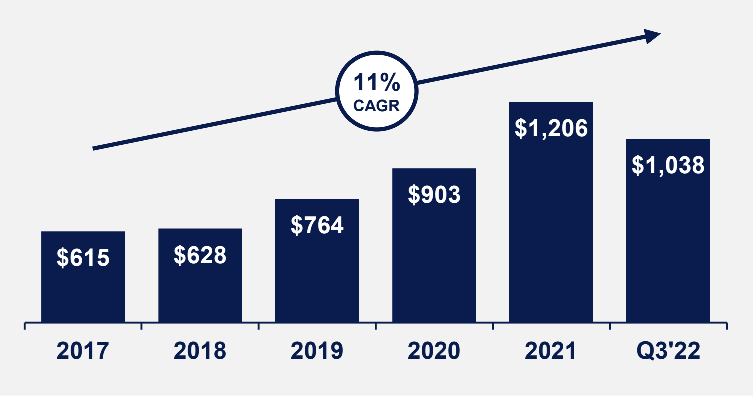
- Leading provider of digital tools for advisors that serves more than 30,000 U.S. financial advisors and institutions

† Includes both closed and pending acquisitions

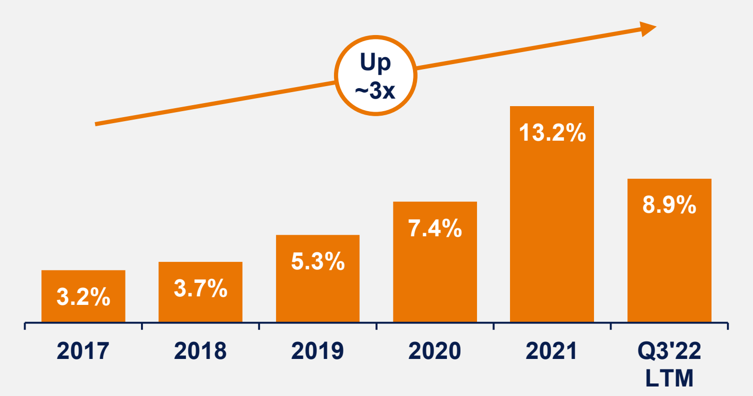
As we continue to invest and increase our scale, we enhance our ability to drive further growth

We are focused on executing our strategy and delivering results

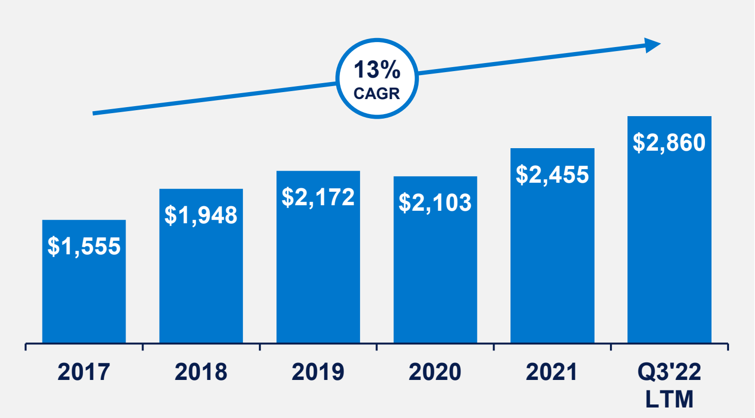
Total Advisory and Brokerage Assets[22] ($B)



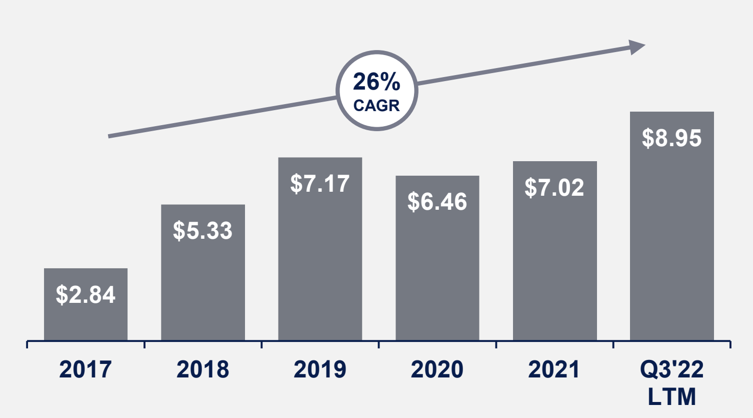
Organic Net New Asset Growth



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)

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

Greater Use of our Services
(Advisory, Corporate, Centrally Managed, Business, Planning & Advice Services, 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

Reconciliation

Gross Profit*
Gross profit* is a non-GAAP financial measure. Please see a description of gross profit under “Non-GAAP Financial Measures” on page 3 of this presentation for additional information.

Below is a calculation of gross profit* for the periods presented herein:

$ in millions	Q3'22 LTM	2021	2020	2019	2018	2017
Total revenue	**$8,362**	**$7,721**	**$5,872**	**$5,625**	**$5,188**	**$4,281**
Advisory and commission expense	5,414	5,180	3,697	3,388	3,178	2,670
Brokerage, clearing and exchange expense	87	86	71	64	63	57
Gross Profit	**$2,860**	**$2,455**	**$2,103**	**$2,172**	**$1,948**	**$1,555**

Net Income to EBITDA* and Credit Agreement EBITDA*
EBITDA* and Credit Agreement EBITDA* are non-GAAP financial measures. Please see a description of EBITDA* and Credit Agreement EBITDA* under “Non-GAAP Financial Measures” on page 3 of this presentation for additional information.

Below are reconciliations of the Company’s net income to EBITDA* and Credit Agreement EBITDA* for the periods presented herein:

$ in millions	Q3'22 LTM	2021	2020	2019	2018	2017
Net income	**$635**	**$460**	**$473**	**$560**	**$439**	**$239**
Interest expense on borrowings	116	104	106	130	125	107
Provision for income taxes	194	141	153	182	153	126
Depreciation and amortization	186	151	110	96	88	84
Amortization of other intangibles	85	79	67	65	60	38
EBITDA	**$1,217**	**$936**	**$909**	**$1,033**	**$866**	**$594**
Credit Agreement adjustments	127	214	52	48	103	151
Credit Agreement EBITDA	**$1,345**	**$1,151**	**$961**	**$1,081**	**$969**	**$745**
Total debt	2,741	2,839	2,359	2,415	2,381	2,396
Total corporate cash	424	237	280	204	300	300
Credit Agreement Net Debt	**$2,316**	**$2,602**	**$2,079**	**$2,211**	**$2,081**	**$2,096**
Leverage Ratio	**1.72x**	**2.26x**	**2.16x**	**2.05x**	**2.15x**	**2.81x**

Note: During the third quarter of 2021, the Company changed its definition of EBITDA to include the loss on extinguishment of debt and has updated prior period disclosures to reflect this change as applicable.

Note: Totals may not foot due to rounding

Reconciliation

EPS prior to amortization of intangible assets and acquisition costs* and Adjusted Net Income*

EPS prior to amortization of intangible assets and acquisition costs* and adjusted net income* are non-GAAP financial measures. Please see a description of EPS prior to amortization of intangible assets and acquisition costs* and adjusted net income* under "Non-GAAP Financial Measures" on page 3 of this presentation for additional information.

Below are the following reconciliations of net income and earnings per diluted share to adjusted net income and EPS prior to amortization of intangible assets and acquisition costs for the periods presented herein:

	Q3'22 LTM		2021		2020		2019		2018		2017	
$ in millions, except per share data	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net income / earnings per diluted share	**$635**	**$7.79**	**$460**	**$5.63**	**$473**	**$5.86**	**$560**	**$6.62**	**$439**	**$4.85**	**$239**	**$2.59**
Amortization of other intangibles	85	1.05	79	0.97	67	0.83	65	0.76	60	0.66	38	0.41
Acquisition costs	44	0.53	76	0.93	-	0.00	-	0.00	-	0.00	-	0.00
Tax benefit	(34)	(0.42)	(41)	(0.51)	(19)	(0.23)	(18)	(0.21)	(17)	(0.19)	(15)	(0.16)
Adjusted net income / EPS prior to amortization of intangible assets and acquisition costs	**$730**	**$8.95**	**$574**	**$7.02**	**$521**	**$6.46**	**$607**	**$7.17**	**$482**	**$5.33**	**$262**	**$2.84**
Diluted share count	81.5		81.7		80.9		85.0		91.0		92.0	

Note: Totals may not foot due to rounding

Reconciliation

Core G&A* to Total 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 is a reconciliation of total expense to Core G&A* and of Core G&A, prior to the impact of the acquisitions of Waddell & Reed, NPH, and AdvisoryWorld for the periods presented herein:

$ in millions	Q3'22 LTM	2021	2020	2019	2018	2017
Total expense	**$7,533**	**$7,120**	**$5,246**	**$4,882**	**$4,597**	**$3,893**
Advisory and commission	5,414	5,180	3,697	3,388	3,178	2,670
Depreciation and amortization	186	151	110	96	88	84
Interest expense on borrowings	116	104	106	130	126	106
Brokerage, clearing and exchange	87	86	71	64	63	57
Amortization of other intangibles	85	79	67	65	60	38
Loss on extinguishment of debt	-	24	-	3	-	-
Total G&A	**$1,643**	**$1,494**	**$1,194**	**$1,136**	**$1,082**	**$938**
Promotional (ongoing)	356	288	208	206	209	172
Acquisition costs	44	76	-	-	-	-
Employee share-based compensation	47	42	32	30	23	19
Regulatory charges	32	29	29	32	32	21
Core G&A	**$1,164**	**$1,058**	**$925**	**$868**	**$819**	**$727**

$ in millions	2021	2018	2017
Core G&A	**$1,058**	**$819**	**$727**
NPH-related Core G&A	-	65	15
AdvisoryWorld-related Core G&A	-	2	-
Waddell & Reed-related Core G&A	59	-	-
Total Core G&A prior to acquisitions	**$999**	**$752**	**$712**

Note: Totals may not foot due to rounding

Endnotes

(1) 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 and the actual amount transitioned may vary from the estimate.
(2) The Company calculates its leverage ratio as total debt less total corporate cash, divided by Credit Agreement EBITDA for the trailing twelve months.
(3) Represents Moody's senior secured and senior unsecured debt ratings and S&P Issuer Credit Rating.
(4) Independent channels include independent B/D, Hybrid RIA, and Independent RIA channels. Other employee channels include National & Regional B/D, Insurance B/D, and Retail bank B/D channels.
(5) Estimated market sizing based on 2021 Cerulli reports, unless otherwise noted. Below are reconciliations of each market:

Traditional Market	RIA Market	Employee Channel	Enterprise Channel
Independent B/D	Hybrid RIA	National & Regional B/D	Insurance B/D
	Independent RIA	Wirehouse	Bank Trust
		(-) Adj. to avoid double-counting Boutique B/D	Product Manufacturers*
			Boutique B/D*
			Retail bank B/D
			(-) Adj. to Retail bank B/D: Chase & Wells Fargo

* Estimated market sizing based on LPL estimates. Product Manufacturers defined as fund companies with an adjacent traditional wealth management business serving individuals. Boutique B/D defined as National & Regional B/Ds with less than $50B AUM, which we view as an Enterprise market opportunity

(6) 2022 outlook is prior to M&A- and large bank-related onboarding spend in technology.
(7) Consists of total assets on LPL Financial's corporate advisory platform serviced by investment advisor representatives of LPL Financial or Allen & Company of Florida, LLC ("Allen & Company") and total assets on LPL Financial's independent advisory platform serviced by investment advisor representatives of separate investment advisor firms ("Independent RIAs"), rather than of LPL Financial.
(8) Consists of advisory assets in LPL Financial's Model Wealth Portfolios, Optimum Market Portfolios, Personal Wealth Portfolios, and Guided Wealth Portfolios platforms.
(9) In April 2020, the Company updated its definition of net new assets to include dividends plus interest, minus advisory fees. Unless otherwise noted, net new assets figures for periods prior to Q2 2020 appearing in this presentation have been recast using the updated definition.
(10) Consists of total client deposits into advisory or brokerage accounts (including advisory or brokerage accounts serviced by Allen & Company advisors) less total client withdrawals from advisory or brokerage accounts, plus dividends, plus interest, minus advisory fees. The Company considers conversions from and to brokerage or advisory accounts as deposits and withdrawals, respectively. Annualized growth is calculated as the current period organic net new advisory or brokerage assets divided by preceding period total advisory or brokerage assets, multiplied by four.
(11) Consists of brokerage assets serviced by advisors licensed with LPL Financial.
(12) Consists of advisory assets in LPL Financial's Model Wealth Portfolios, Optimum Market Portfolios, Personal Wealth Portfolios, and Guided Wealth Portfolios platforms.
(13) Assumes change based on Q3 2022 end of period ICA balances, presented on page 21. Additionally, as money market overflow balances shift back into ICA, there would be an additional upside of ~$20M per rate hike at a ~10% deposit beta.
(14) Based on variable client cash balances indexed to Fed Funds.
(15) During the second quarter of 2022, the Company updated its definition of client cash balances to include client cash accounts and exclude purchased money market funds. Client cash accounts include cash that clients have deposited with LPL Financial that is included in Client payables in the condensed consolidated balance sheets. Prior period disclosures have been updated to reflect this change as applicable.
(16) Calculated by dividing revenue for the period by the average balance during the period.
(17) Calculated by dividing interest income earned on cash held in the CCA for the period by the average CCA balance, excluding cash held in CCA that has been used to fund margin lending, during the period. The remaining cash is primarily held in cash segregated under federal or other regulations in the condensed consolidated balance sheets.
(18) Calculated using the summation of the following components: corporate cash available to use above $200M management target range, the additional leverage capacity above current leverage times trailing twelve month Credit Agreement EBITDA, and the additional leverage capacity from a M&A opportunity at a 6x purchase multiple for which capital was deployed up to 2.5x leverage.
(19) Management's corporate cash target covers approximately 18 months of principal and interest due on corporate debt.
(20) Corporate cash, a component of cash and equivalents, is the sum of cash and equivalents from the following: (1) cash and equivalents held at LPL Holdings, Inc., (2) cash and equivalents held at regulated subsidiaries, as defined by the Company's Credit Agreement, which include LPL Financial and The Private Trust Company, N.A., in excess of the capital requirements of the Company's Credit Agreement (which, in the case of LPL Financial, is net capital in excess of 10% of its aggregate debits, or five times the net capital required in accordance with Exchange Act Rule 15c3-1), and (3) cash and equivalents held at non-regulated subsidiaries.
(21) Additional leverage capacity is assumed to be generated by acquired EBITDA* from a M&A opportunity at a 6-8x purchase multiple for which capital was deployed up to 2.5x leverage.
(22) Consists of total advisory and brokerage assets under custody at LPL Financial and Waddell & Reed, LLC.