



Q1 2021 HISTORICAL INFORMATION

LPL Financial Holdings Inc.
April 29, 2021

LPL Financial Holdings Inc. - Historical Management's Statements of Operations

For the quarter ending March 31, 2021

(\$ in thousands, unless noted)	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Gross Profit*									
Advisory	\$ 722,046	\$ 638,181	\$ 586,941	\$ 523,370	\$ 579,027	\$ 533,259	\$ 514,363	\$ 481,309	\$ 453,938
Sales-based commissions	236,273	202,504	180,357	159,512	228,391	193,980	194,342	203,531	190,999
Trailing commissions	320,956	300,516	292,286	267,941	275,053	282,940	280,651	275,604	270,360
Advisory fees and commissions	1,279,275	1,141,201	1,059,584	950,823	1,082,471	1,010,179	989,356	960,444	915,297
Production based payout	(1,095,377)	(987,882)	(917,831)	(819,953)	(920,835)	(876,654)	(857,384)	(831,178)	(777,889)
Advisory fees and commissions, net of payout	183,898	153,319	141,753	130,870	161,636	133,525	131,972	129,266	137,408
Client cash	97,104	105,019	108,705	116,266	151,398	155,322	162,517	161,815	173,139
Other asset-based	167,602	153,374	144,846	130,801	134,108	133,603	129,623	126,736	123,224
Transaction and fee	140,944	129,750	119,747	119,478	137,096	118,291	121,222	118,335	122,480
Interest income and other, net	9,170	10,082	8,484	9,397	8,364	13,323	13,556	15,583	15,730
Total net advisory fees and commissions and attachment revenue	598,718	551,544	523,535	506,812	592,602	554,064	558,890	551,735	571,981
Brokerage, clearing, and exchange expense	(19,364)	(17,762)	(17,834)	(18,565)	(17,024)	(15,927)	(16,380)	(15,994)	(16,144)
Gross Profit*	579,354	533,782	505,701	488,246	575,578	538,137	542,510	535,741	555,837
G&A Expense									
Core G&A*	236,263	252,391	227,099	222,406	223,211	230,182	215,198	210,514	212,520
Regulatory charges	7,595	8,775	8,326	6,115	6,157	7,893	7,905	8,632	7,873
Promotional	54,181	48,342	57,970	44,540	57,398	51,050	61,715	41,423	51,349
Acquisition Costs	2,429	-	-	-	-	-	-	-	-
Employee share-based comp.	11,356	7,542	7,420	8,040	8,648	7,179	7,414	7,306	7,967
Total G&A	311,823	317,050	300,815	281,101	295,414	296,304	292,232	267,875	279,709
EBITDA*	267,531	216,732	204,886	207,146	280,164	241,833	250,278	267,866	276,128
Depreciation and amortization	35,499	28,650	27,548	26,890	26,644	25,663	24,062	22,584	23,470
Amortization of intangible assets	17,431	17,270	16,829	16,689	16,570	16,631	16,286	16,249	16,168
Non-operating interest expense	25,059	24,979	25,179	26,289	29,318	31,384	31,944	33,957	32,716
Loss on extinguishment of debt and other	24,400	-	-	-	-	3,156	-	-	-
INCOME BEFORE PROVISION FOR INCOME TAXES	165,142	145,833	135,330	137,278	207,632	164,999	177,986	195,076	203,774
PROVISION FOR INCOME TAXES	35,522	34,285	31,541	35,616	51,991	38,323	46,272	48,984	48,376
NET INCOME	\$ 129,620	\$ 111,548	\$ 103,789	\$ 101,662	\$ 155,641	\$ 126,676	\$ 131,714	\$ 146,092	\$ 155,398
Earnings per share, diluted	\$ 1.59	\$ 1.38	\$ 1.29	\$ 1.27	\$ 1.92	\$ 1.53	\$ 1.57	\$ 1.71	\$ 1.79
Weighted-average shares outstanding, diluted	81,622	80,904	80,550	80,127	81,166	82,695	83,844	85,350	86,742
EPS Prior to Amortization of Intangible Assets and Acquisition Costs	\$ 1.77	\$ 1.53	\$ 1.44	\$ 1.42	\$ 2.06	\$ 1.68	\$ 1.71	\$ 1.85	\$ 1.93

*Notice to Investors: Non-GAAP Financial Measures

Gross profit, Core G&A and EBITDA are 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.

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, 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 financial measures that may not be comparable to those of 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 prior page.

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: commission and advisory, regulatory charges, promotional, employee share-based compensation, depreciation and amortization, amortization of intangible assets, and brokerage, clearing and exchange. 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 commission and advisory 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 below.

EBITDA is defined as net income plus interest and other expense, income tax expense, depreciation and amortization, amortization of intangible assets and loss on extinguishment of debt. 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. 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. For a reconciliation of EBITDA to net income, please see the prior page.

\$ in millions	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Core G&A	\$236	\$252	\$227	\$222	\$223	\$230	\$215	\$211	\$213
Regulatory charges	8	9	8	6	6	8	8	9	8
Promotional	54	48	58	45	57	51	62	41	51
Acquisition Costs	2	-	-	-	-	-	-	-	-
Employee share-based compensation	11	8	7	8	9	7	7	7	8
Total G&A	312	317	301	281	295	296	292	268	280
Advisory and commissions	1,109	1,030	937	860	871	894	857	838	800
Depreciation & amortization	35	29	28	27	27	26	24	23	23
Amortization of intangible assets	17	17	17	17	17	17	16	16	16
Brokerage, clearing and exchange	19	18	18	19	17	16	16	16	16
Total operating expense	\$1,493	\$1,410	\$1,300	\$1,203	\$1,226	\$1,248	\$1,205	\$1,161	\$1,135

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Production based payout	\$1,095	\$988	\$918	\$820	\$921	\$877	\$857	\$831	\$778
Advisor deferred compensaton expense	14	42	19	40	(50)	17	(1)	7	22
Advisory and commission expense	\$1,109	\$1,030	\$937	\$860	\$871	\$894	\$857	\$838	\$800

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Interest income	\$7	\$7	\$7	\$7	\$10	\$11	\$12	\$12	\$12
Plus: Other Revenue	16	45	21	43	(51)	20	1	11	25
Less: Advisor deferred compensation expense	(14)	(42)	(19)	(40)	50	(17)	1	(7)	(22)
Interest income and other, net	\$9	\$10	\$8	\$9	\$8	\$13	\$14	\$16	\$16

Note: Totals may not foot due to rounding.

LPL Financial Holdings Inc. - Historical Quarterly Activity

As of March 31, 2021

(End of Period \$ in billions, unless noted)	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Assets									
Advisory Assets ⁽¹⁾	496.7	461.2	405.9	375.3	322.3	365.8	338.0	327.3	311.9
Brokerage Assets ⁽²⁾	461.6	441.9	404.4	386.4	347.6	398.6	381.3	378.7	372.1
Total Advisory and Brokerage Assets	958.3	903.1	810.4	761.7	669.9	764.4	719.3	706.0	684.0
Centrally Managed Assets ⁽³⁾	77.0	67.1	59.0	54.4	46.9	52.4	47.8	45.7	42.9
Total Net New Assets									
Net New Advisory Assets ⁽⁴⁾	22.7	18.4	10.4	10.2	13.2	11.5	10.1	7.5	5.3
Net New Brokerage Assets ⁽⁵⁾	6.2	3.4	0.7	2.8	1.2	1.0	1.8	(1.3)	0.5
Total Net New Assets	28.9	21.8	11.1	13.0	14.3	12.5	11.9	6.2	5.8
Total Organic Net New Assets⁽⁶⁾									
Organic Net New Advisory Assets	22.7	15.9	10.4	10.2	13.2	11.5	9.0	7.5	5.3
Organic Net New Brokerage Assets	6.2	1.9	0.7	2.8	1.2	1.0	0.0	(1.3)	0.5
Total Organic Net New Assets	28.9	17.8	11.1	13.0	14.3	12.5	9.0	6.2	5.8
Net Brokerage to Advisory Conversions ⁽⁷⁾	3.3	2.6	2.0	1.6	2.4	1.9	1.7	1.8	1.4
Corporate Platform Net New Advisory Assets	17.1	15.0	7.8	6.2	7.8	8.7	7.1	5.7	4.6
Hybrid Platform Net New Advisory Assets	5.6	3.3	2.6	4.0	5.4	2.9	2.9	1.8	0.6
Total Net New Advisory Assets	22.7	18.4	10.4	10.2	13.2	11.5	10.1	7.5	5.3
Centrally Managed Net New Advisory Assets ⁽⁸⁾	7.8	2.5	1.9	1.3	2.2	2.3	2.0	1.3	1.1
Client Cash Balances									
Insured Cash Account Balances	37.4	37.3	34.7	33.1	34.5	24.4	22.2	21.3	21.7
Deposit Cash Account Balances	7.9	8.2	8.0	7.7	8.7	5.0	4.6	4.3	4.3
Total Bank Sweep Balances	45.3	45.5	42.7	40.8	43.2	29.4	26.8	25.6	25.9
Money Market Account Cash Balances	1.3	1.5	1.5	1.6	1.8	1.9	2.6	3.5	4.8
Purchased Money Market Funds	1.6	1.9	2.3	2.8	2.8	2.4	1.8	1.0	n/a
Total Money Market Balances	3.0	3.3	3.9	4.5	4.6	4.3	4.4	4.5	4.8
Total Client Cash Balances	48.3	48.9	46.6	45.3	47.8	33.7	31.2	30.1	30.7
Net Buy (Sell) Activity ⁽⁹⁾	17.4	12.2	9.3	12.5	0.2	9.8	9.0	9.7	12.9
Market Indices									
S&P 500 (end of period)	3,973	3,756	3,363	3,100	2,585	3,231	2,977	2,942	2,834
Fed Funds Effective Rate (average bps)	8	9	9	6	123	165	220	240	240

Note: The company's Q1 2021 results include \$11.8 billion of total brokerage and advisory assets from BMO Harris Financial Advisors, of which \$5.0 billion was advisory assets and \$6.8 billion was brokerage assets.

(1) Consists of total advisory assets under custody at the Company's broker-dealer subsidiary, LPL Financial LLC ("LPL Financial"). Results for Q4 2020 also included advisory assets related to the onboarding of E.K. Riley Investments and Lucia Securities, LLC.

(2) Consists of brokerage assets serviced by advisors licensed with LPL Financial. Results for Q4 2020 also included brokerage assets related to the onboarding of E.K. Riley Investments, LLC and Lucia Securities, LLC.

(3) Represents those advisory assets in LPL Financial's Model Wealth Portfolios, Optimum Market Portfolios, Personal Wealth Portfolios and Guided Wealth Portfolios platforms.

(4) Consists of Advisory Asset Inflows minus Outflows, plus Advisory Dividends, plus Interest, minus Advisory Fees.

(5) Consists of Brokerage Asset Inflows minus Outflows, plus Brokerage Dividends, plus Interest.

(6) Consists of net new assets excluding the acquisitions of Lucia Securities, LLC and E.K. Riley Investments, LLC. Acquired assets include \$2.5 billion of net new assets related to E.K. Riley Investments, LLC and \$1.5 billion of net new assets from Lucia Securities, LLC in Q4 2020. Acquired assets include \$2.9 billion of net new assets related to Allen & Company in Q3 2019.

(7) Consists of existing custodied accounts that converted from brokerage to advisory, less existing custodied assets that converted from advisory to brokerage.

(8) Consists of total client deposits into Centrally Managed Assets accounts (FN 3) less total client withdrawals from Centrally Managed Assets accounts.

(9) Represents the amount of securities purchased less the amount of securities sold in client accounts custodied with LPL Financial. Reported activity does not include any other cash activity, such as deposits, withdrawals, dividends received or fees paid.

LPL Financial Holdings Inc. - Historical Monthly Activity Through March 2021

As of March 31, 2021

(End of Period \$ in billions, unless noted)	Mar 2021	Feb 2021	Jan 2021	Dec 2020	Nov 2020	Oct 2020	Sep 2020	Aug 2020	Jul 2020	Jun 2020	May 2020	Apr 2020	Mar 2020
Assets													
Advisory Assets ⁽¹⁾	496.7	477.4	464.6	461.2	442.0	406.0	405.9	410.4	392.7	375.3	364.9	348.9	322.3
Brokerage Assets ⁽²⁾	461.6	447.7	442.3	441.9	431.3	401.6	404.4	412.2	399.2	386.4	381.0	369.1	347.6
Total Advisory and Brokerage Assets	958.3	925.1	907.0	903.1	873.3	807.6	810.4	822.7	791.9	761.7	745.9	718.0	669.9
Total Net New Assets													
Net New Advisory Assets ⁽³⁾	12.5	6.0	4.2	6.8	5.8	5.7	4.4	3.1	2.9	4.3	3.1	2.8	4.8
Net New Brokerage Assets ⁽⁴⁾	6.9	(0.0)	(0.6)	1.1	1.6	0.8	0.7	0.0	0.0	1.0	1.1	0.7	0.8
Total Net New Assets	19.4	5.9	3.6	7.9	7.4	6.5	5.1	3.1	2.9	5.4	4.2	3.4	5.6
Total Organic Net New Assets⁽⁵⁾													
Net New Organic Advisory Assets	12.5	6.0	4.2	6.8	4.2	4.8	4.4	3.1	2.9	4.3	3.1	2.8	4.8
Net New Organic Brokerage Assets	6.9	(0.0)	(0.6)	1.1	0.7	0.2	0.7	0.0	0.0	1.0	1.1	0.7	0.8
Total Organic Net New Assets	19.4	5.9	3.6	7.9	4.9	5.0	5.1	3.1	2.9	5.4	4.2	3.4	5.6
Net Brokerage to Advisory Conversions ⁽⁶⁾	1.2	1.1	1.0	1.0	0.7	0.9	0.7	0.6	0.7	0.7	0.4	0.5	0.6
Client Cash Balances													
Insured Cash Account Balances	37.4	37.3	37.5	37.3	36.1	36.0	34.7	33.4	33.2	33.1	33.5	33.9	34.5
Deposit Cash Account Balances	7.9	7.9	8.0	8.2	8.3	8.6	8.0	7.6	7.6	7.7	8.0	8.5	8.7
Total Insured Sweep Balances	45.3	45.2	45.5	45.5	44.5	44.6	42.7	41.0	40.8	40.8	41.5	42.4	43.2
Money Market Sweep Balances	1.3	1.4	1.4	1.5	1.5	1.6	1.5	1.5	1.6	1.6	1.7	1.7	1.8
Purchased Money Market Funds	1.6	1.7	1.8	1.9	2.1	2.2	2.3	2.6	2.8	2.8	2.9	2.9	2.8
Total Money Market Balances	3.0	3.1	3.2	3.3	3.6	3.8	3.9	4.1	4.4	4.5	4.6	4.6	4.6
Total Client Cash Balances	48.3	48.3	48.8	48.9	48.1	48.3	46.6	45.1	45.1	45.3	46.2	47.0	47.8
Net Buy (Sell) Activity ⁽⁷⁾	6.9	6.0	4.5	5.6	4.2	2.5	2.9	3.6	2.9	4.5	3.9	4.1	(8.2)
Market Indices													
S&P 500 (end of period)	3,973	3,811	3,714	3,756	3,622	3,270	3,363	3,500	3,271	3,100	3,044	2,912	2,585
Fed Funds Effective Rate (average bps)	7	8	9	9	9	9	9	9	9	8	5	5	63

Note: The company's March 2021 results include \$11.8 billion of total brokerage and advisory assets from BMO Harris Financial Advisors, of which \$5.0 billion was advisory assets and \$6.8 billion was brokerage assets.

(1) Consists of total advisory assets under custody at the Company's broker-dealer subsidiary, LPL Financial LLC ("LPL Financial"). Results for November 2020 also included advisory assets related to the onboarding of E.K. Riley Investments, LLC. Results for October 2020 also included advisory assets related to the onboarding of Lucia Securities, LLC.

(2) Consists of brokerage assets serviced by advisors licensed with LPL Financial. Results for November 2020 also included brokerage assets related to the onboarding of E.K. Riley Investments, LLC. Results for October 2020 also included brokerage assets related to the onboarding of Lucia Securities, LLC.

(3) Consists of Advisory Asset Inflows minus Outflows plus Advisory Dividends plus Interest minus Advisory Fees.

(4) Consists of Brokerage Asset Inflows minus Outflows plus Brokerage Dividends plus Interest.

(5) Consists of net new assets excluding the acquisitions of Lucia Securities, LLC and E.K. Riley Investments, LLC. Acquired assets include \$2.5 billion of net new assets related to E.K. Riley Investments, LLC in November 2020, and \$1.5 billion of net new assets from Lucia Securities, LLC in October 2020.

(6) Consists of existing custodied assets that converted from brokerage to advisory, less existing custodied assets that converted from advisory to brokerage.

(7) Represents the amount of securities purchased less the amount of securities sold in client accounts custodied with LPL Financial. Reported activity does not include any other cash activity, such as deposits, withdrawals, dividends received or fees paid.