



# RAYMOND JAMES 41<sup>ST</sup> ANNUAL INSTITUTIONAL INVESTORS CONFERENCE

March 2, 2020

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RAYMOND JAMES

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# FORWARD LOOKING STATEMENTS

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Certain statements made in this presentation and the associated conference call may constitute “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. Forward-looking statements include information concerning future strategic objectives, business prospects, anticipated savings, financial results (including expenses, earnings, liquidity, cash flow and capital expenditures), industry or market conditions, demand for and pricing of our products, acquisitions and divestitures, anticipated results of litigation and regulatory developments or general economic conditions. In addition, words such as “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates,” “projects,” “forecasts,” and future or conditional verbs such as “will,” “may,” “could,” “should,” and “would,” as well as any other statement that necessarily depends on future events, are intended to identify forward-looking statements. Forward-looking statements are not guarantees, and they involve risks, uncertainties and assumptions. Although we make such statements based on assumptions that we believe to be reasonable, there can be no assurance that actual results will not differ materially from those expressed in the forward-looking statements. We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks described in our filings with the Securities and Exchange Commission (the “SEC”) from time to time, including our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, which are available at [www.raymondjames.com](http://www.raymondjames.com) and the SEC’s website at [www.sec.gov](http://www.sec.gov). We expressly disclaim any obligation to update any forward-looking statement in the event it later turns out to be inaccurate, whether as a result of new information, future events, or otherwise.

# STRATEGIC OVERVIEW

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Paul Reilly  
Chairman & CEO, Raymond James Financial

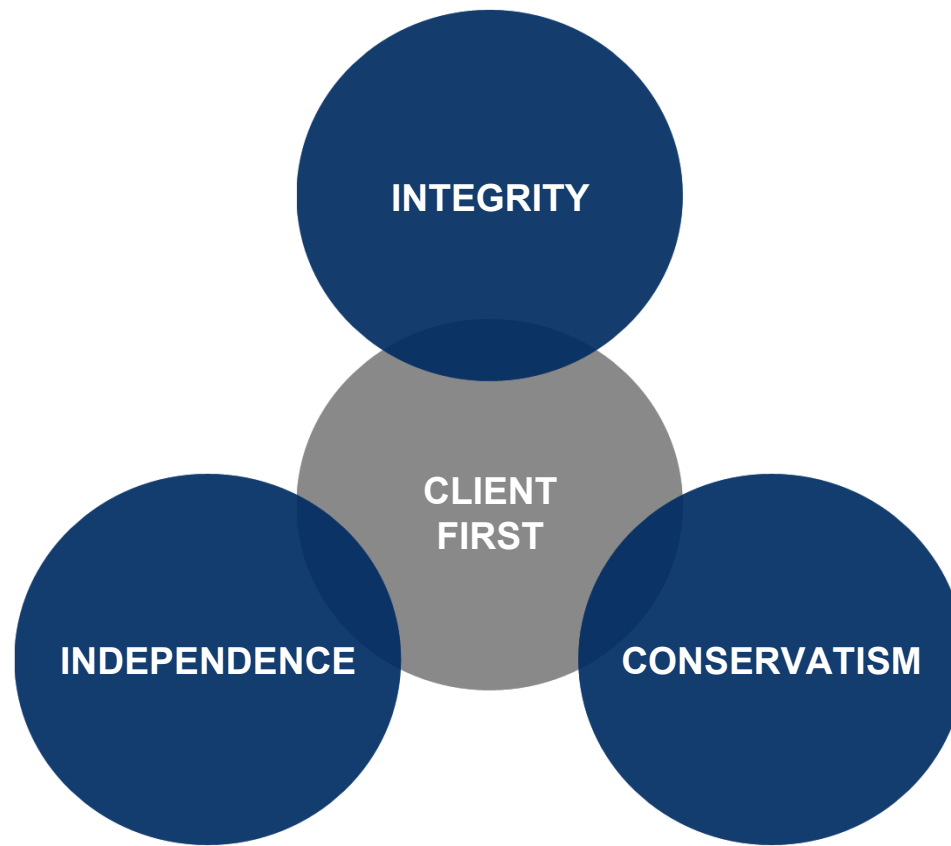
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## BUILDING ON A STRONG FOUNDATION

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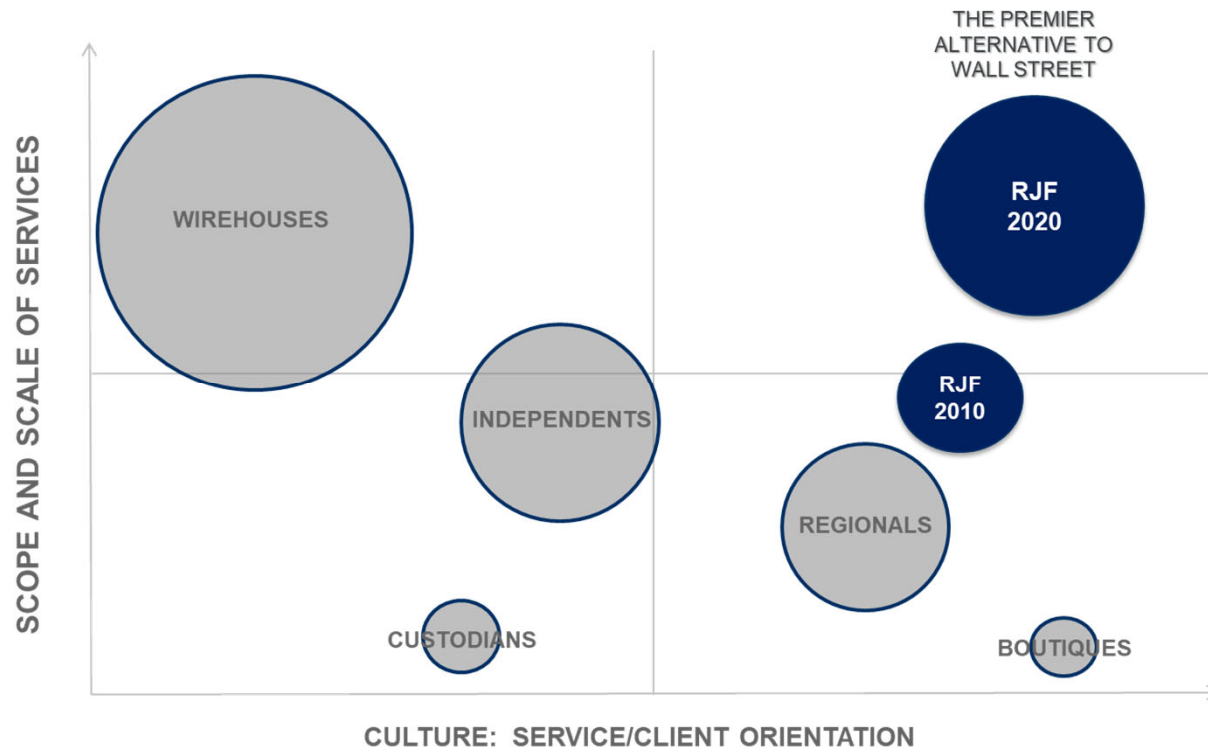
Our business is  
**PEOPLE**  
and their  
**financial well-being**



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# PREMIER ALTERNATIVE TO WALL STREET

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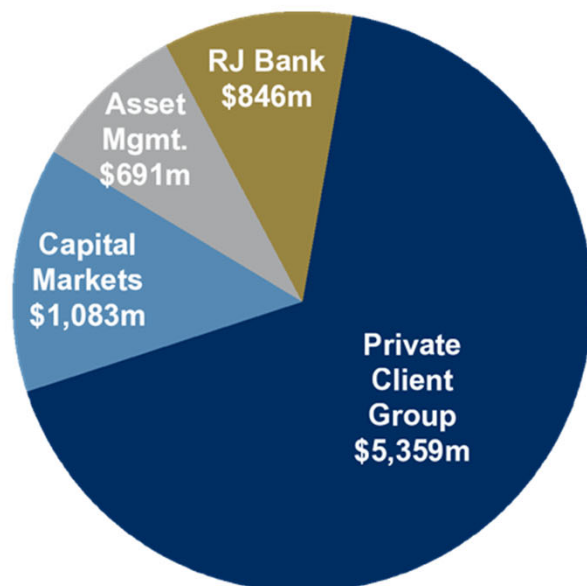


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## FIRM OVERVIEW

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**Fiscal 2019  
Net Revenues\***  
**\$7,740 million**



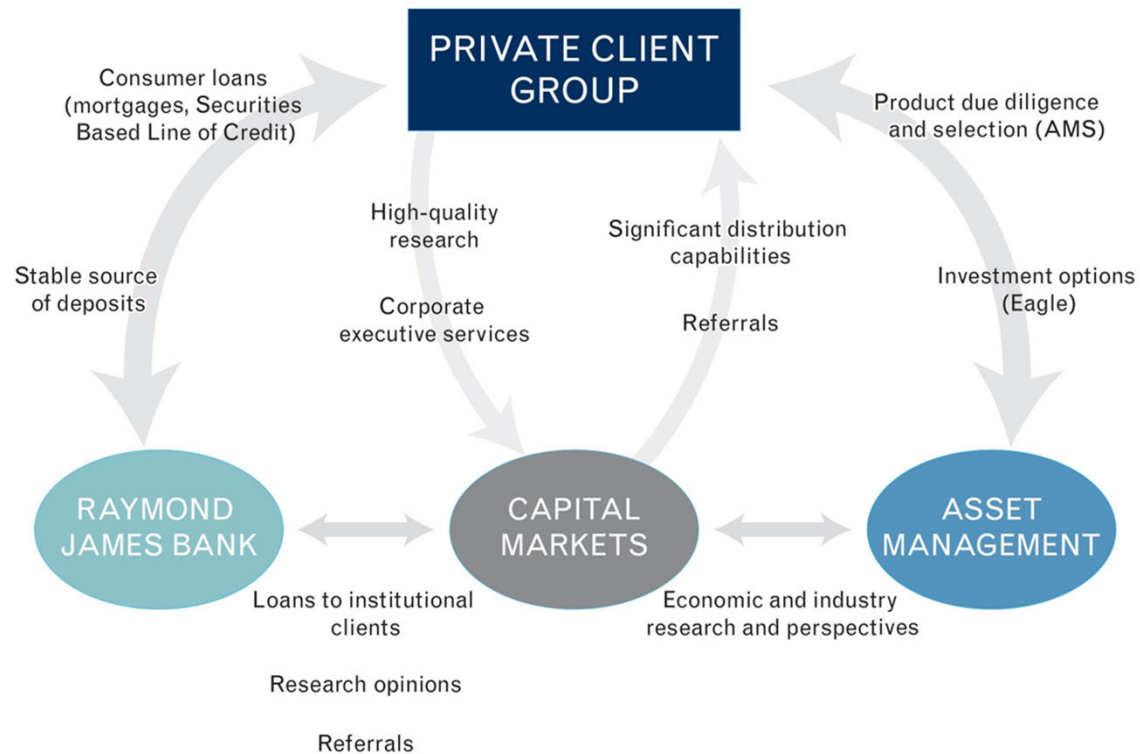
### **KEY FACTS** *(as of September 30, 2019)*

- Headquartered in St. Petersburg, FL
- Founded in 1962; public in 1983
- Approximately **8,000** financial advisors
- **\$838 billion** of AUA
- RJF shareholders' equity of **\$6.6 billion**
- Market capitalization of approximately **\$11.4 billion**

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# DIVERSE AND COMPLEMENTARY BUSINESSES

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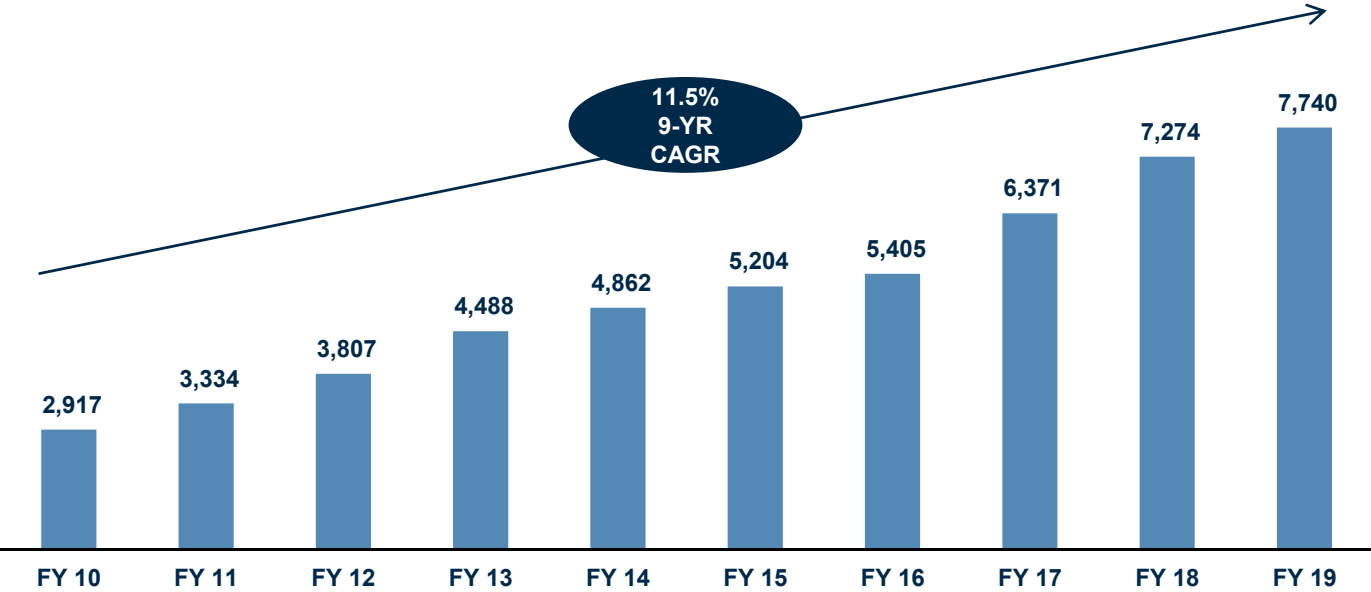






# 2010 – 2019 NET REVENUES

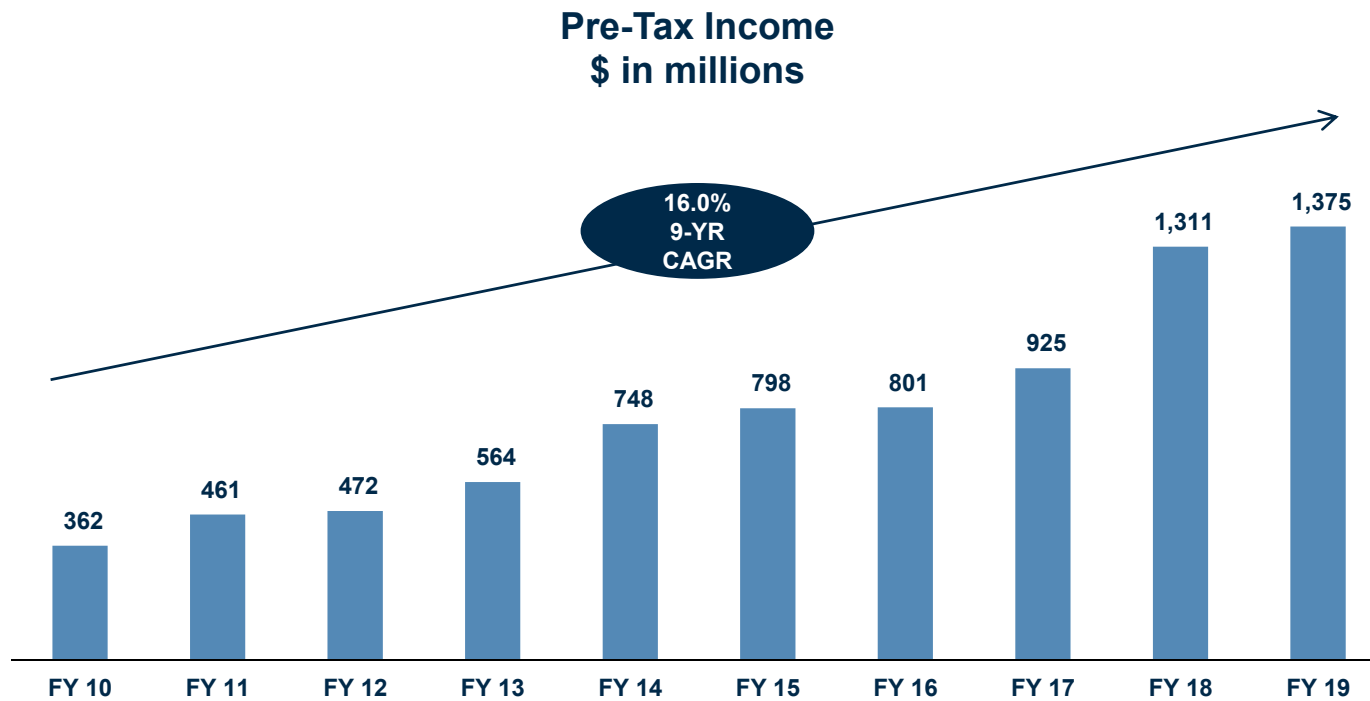
Net Revenues  
\$ in millions



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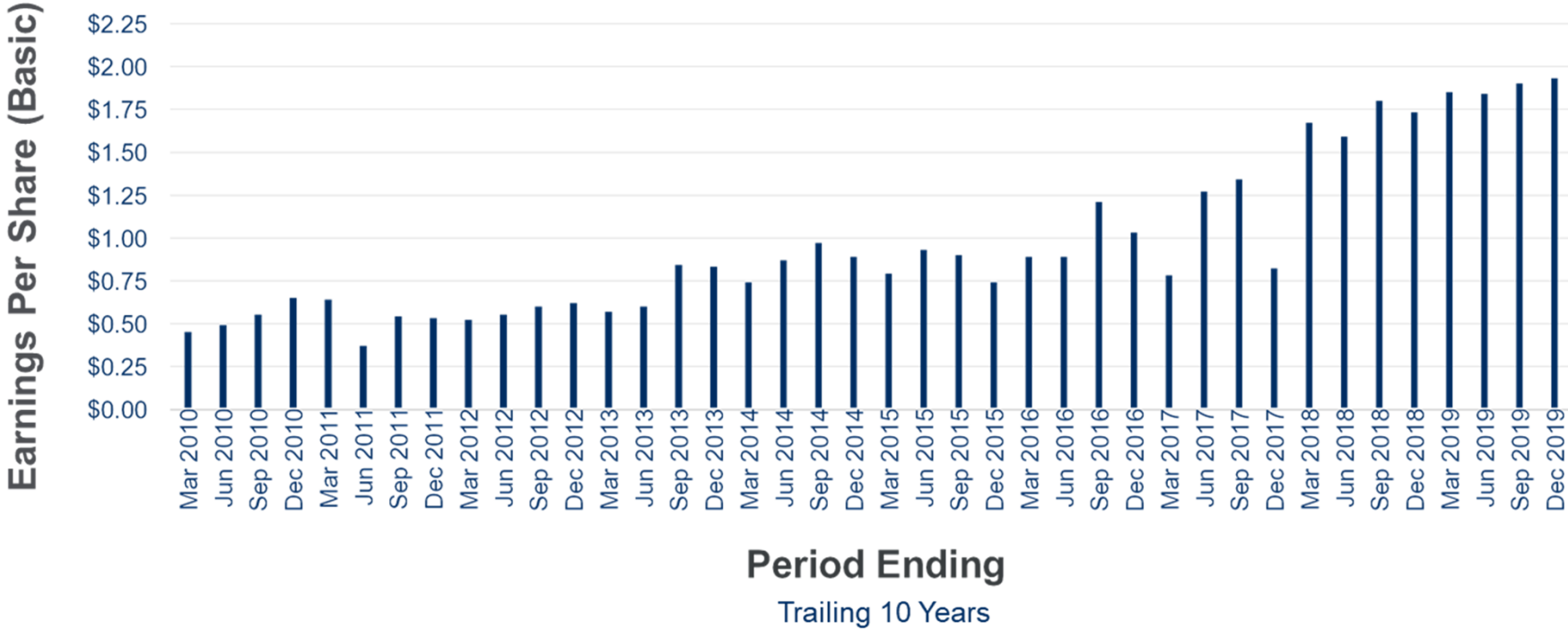
## 2010 – 2019 PRE-TAX INCOME

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# CONTINUED PROFITABILITY

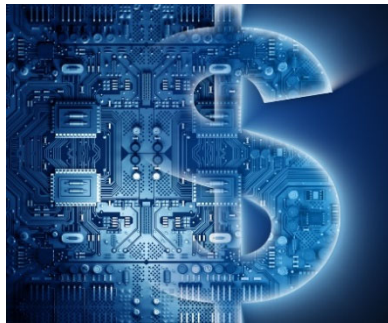
## 128 Consecutive Profitable Quarters



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# INVESTING IN OUR BUSINESS

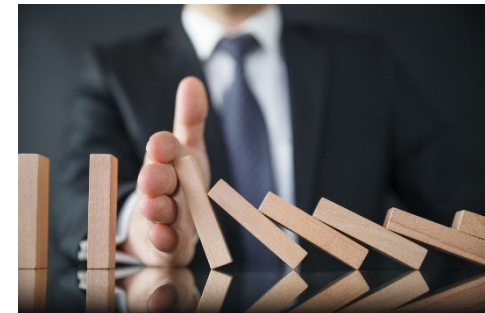
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**Technology /  
Operations**



**Infrastructure**



**Risk Management**

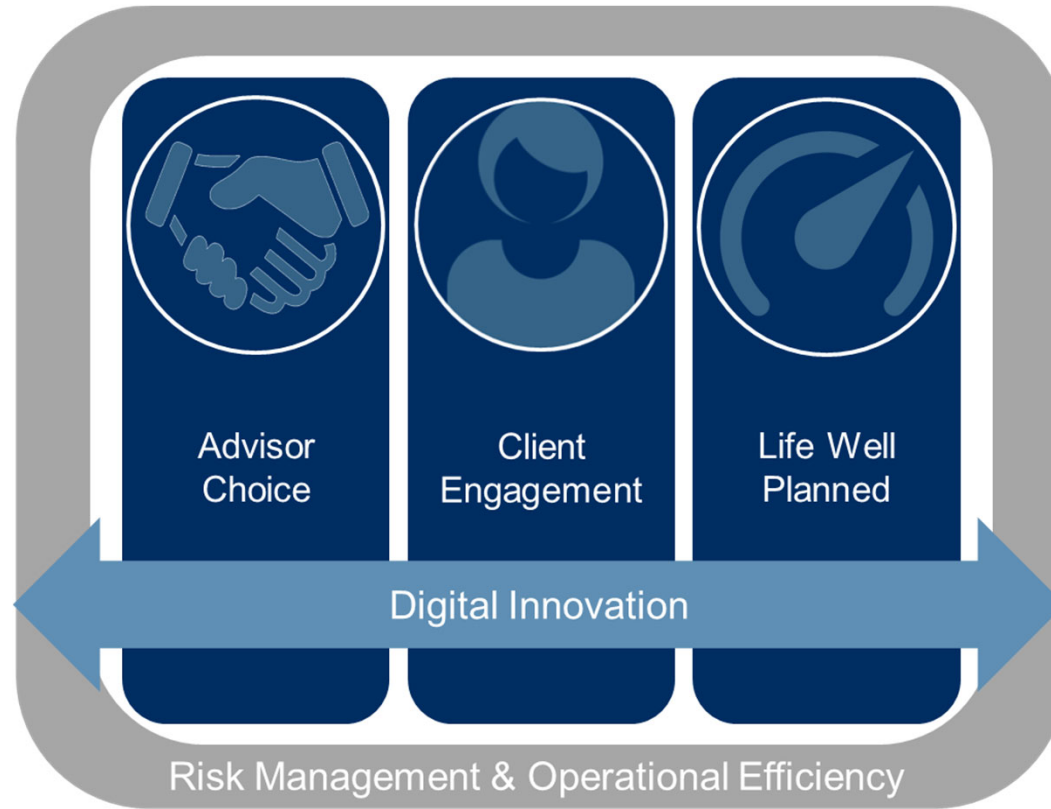
As unique  
as the  
**people**  
we serve



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## PCG VISION FOR THE FUTURE

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## LONG-TERM CONSERVATIVE FOCUS

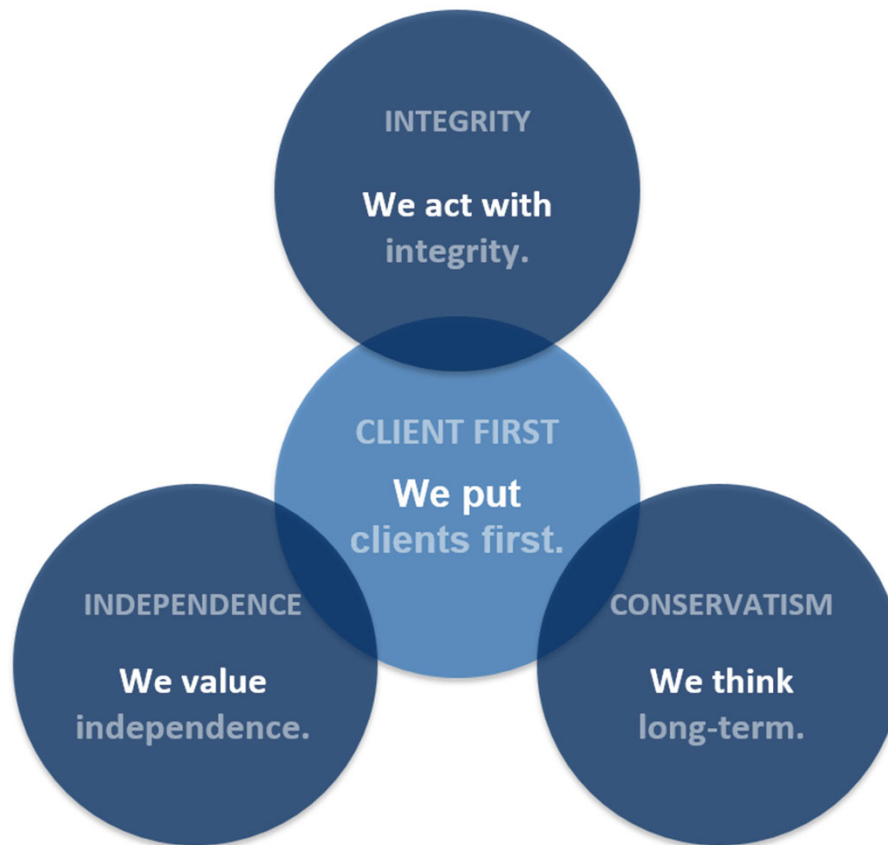
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**>20%**  
Total  
Capital

**>2X**  
Regulatory Requirement

**>\$1 Billion**  
Cash



# FINANCIAL REVIEW

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Paul Shoukry  
Chief Financial Officer, Raymond James Financial

## FISCAL 1Q20 HIGHLIGHTS

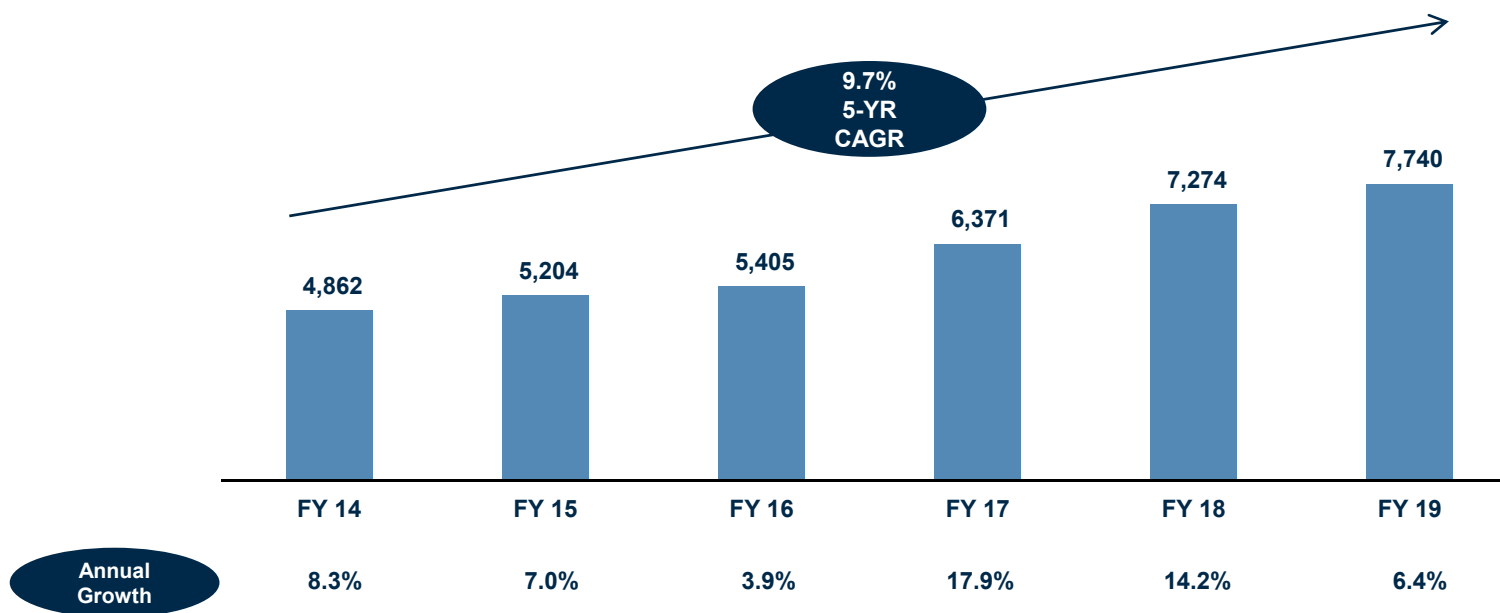
| \$ in millions, except per share amounts | 1Q20           | Compared to GAAP Results |          | Compared to Adjusted* Results |          |
|--|----------------|--------------------------|----------|-------------------------------|----------|
|  |                | vs. 1Q19                 | vs. 4Q19 | vs. 1Q19                      | vs. 4Q19 |
| Net revenues                             | \$ 2,009       | 4%                       | (1)%     | NA                            | NA       |
| Net income                               | RECORD \$ 268  | 8%                       | 1%       | 2%                            | (6)%     |
| Earnings per common share - diluted      | RECORD \$ 1.89 | 12%                      | 2%       | 6%                            | (6)%     |
|  |                | 1Q19                     | 4Q19     | 1Q19                          | 4Q19     |
| Return on equity                         | 16.0%          | 15.9%                    | 16.2%    | 16.9%                         | 17.3%    |
| Return on tangible common equity*        | 17.5%          | 17.6%                    | 17.8%    | 18.7%                         | 19.1%    |

## FISCAL 1Q20 KEY METRICS

| <i>\$ in billions</i>                                  |        | 1Q20     | vs.<br>1Q19 | vs.<br>4Q19 |
|--|--------|----------|-------------|-------------|
| Client assets under administration                     | RECORD | \$ 896.0 | 24%         | 7%          |
| Private Client Group (PCG) assets under administration | RECORD | \$ 855.2 | 24%         | 7%          |
| PCG assets in fee-based accounts                       | RECORD | \$ 444.2 | 31%         | 9%          |
| Financial assets under management                      | RECORD | \$ 151.7 | 20%         | 6%          |
| Total clients' domestic cash sweep balances            |        | \$ 39.5  | (16)%       | 5%          |
| PCG financial advisors                                 | RECORD | 8,060    | 3%          | 1%          |
| Bank loans, net  | RECORD | \$ 21.3  | 7%          | 2%          |

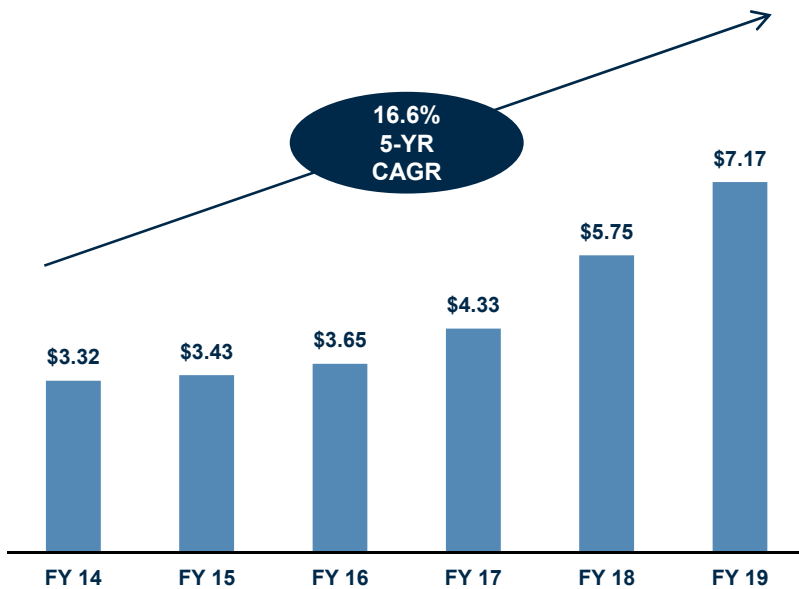
# CONSOLIDATED NET REVENUES

Net Revenue Growth  
\$ in millions

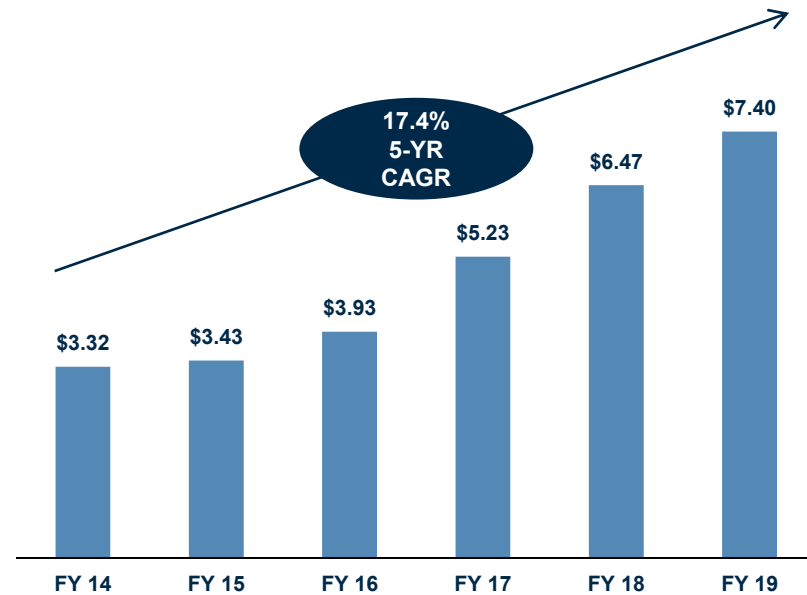


# CONSOLIDATED EARNINGS

### Earnings Per Diluted Share



### Adjusted Earnings Per Diluted Share\*

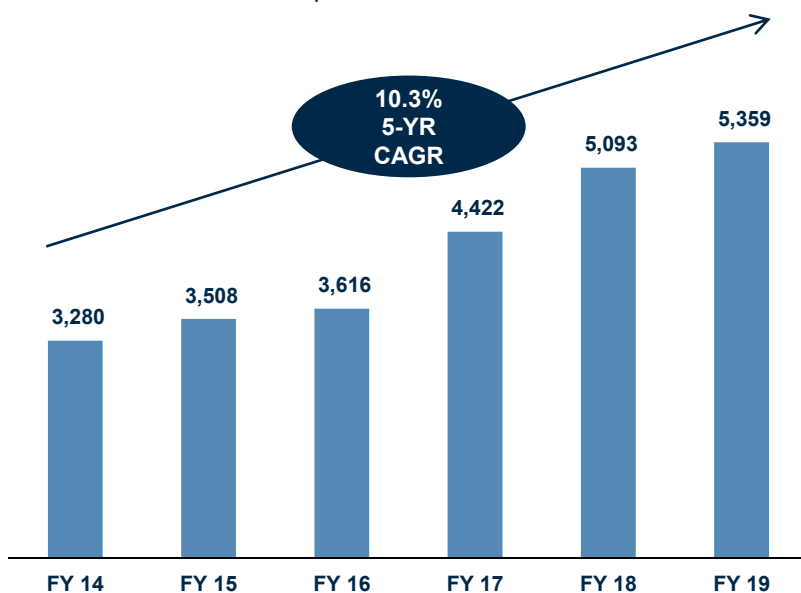


5-Year CAGR for period FY 2014 – 2019; Charts not to scale.

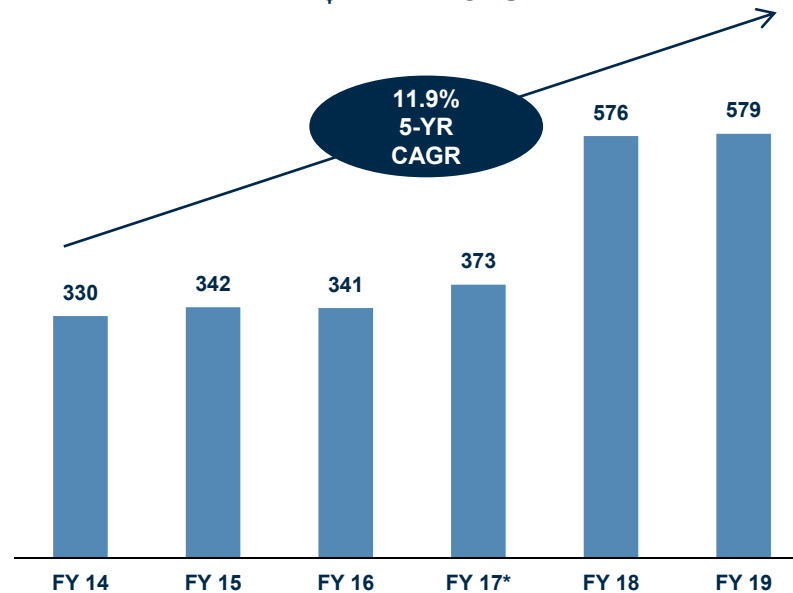
\*Adjusted Earnings Per Diluted Share is a non-GAAP financial measure. See the schedule in the Appendix of this presentation for a reconciliation of our non-GAAP measures to the most directly comparable GAAP measures and for more information on these measures. There were no non-GAAP adjustments in FY 2014 and FY 2015.

# PRIVATE CLIENT GROUP

Net Revenues  
\$ in millions



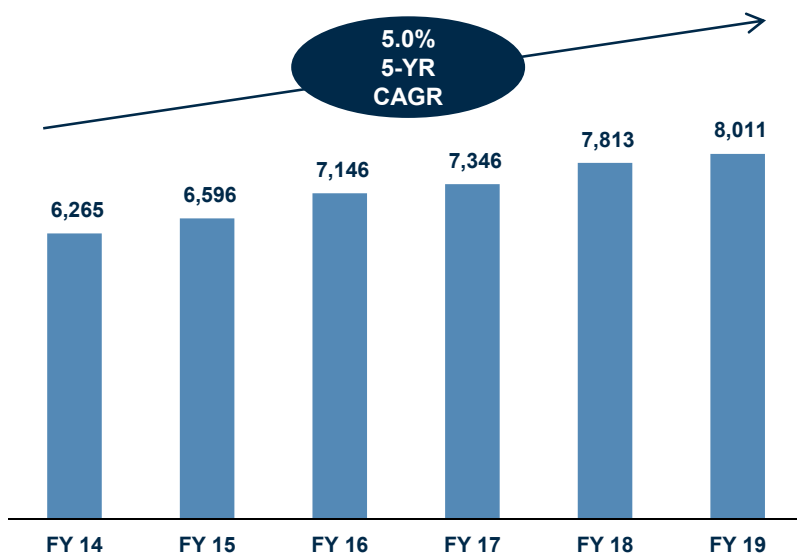
Pre-Tax Income  
\$ in millions



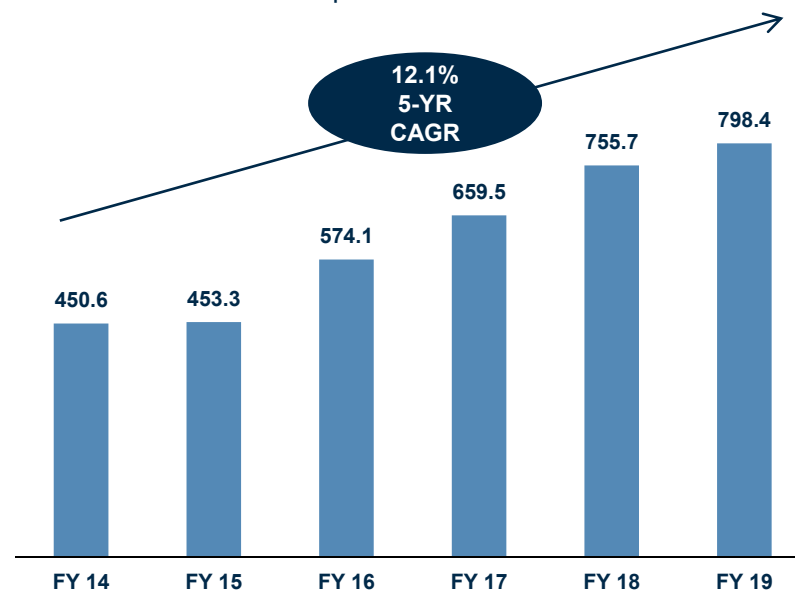


# PRIVATE CLIENT GROUP

### Number of Financial Advisors

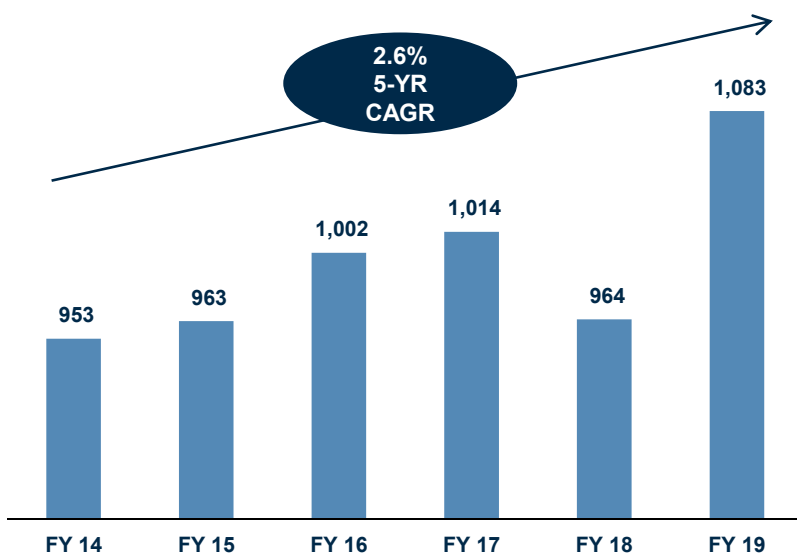


### PCG Assets Under Administration \$ in billions

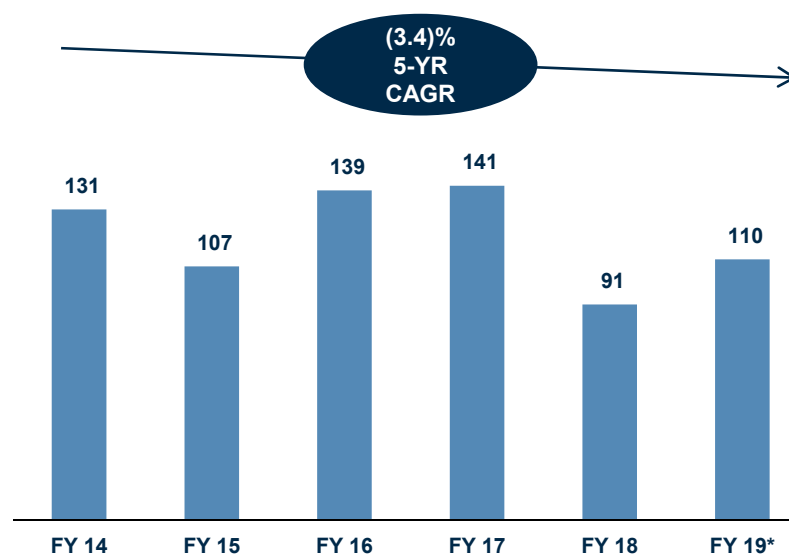


# CAPITAL MARKETS

**Net Revenues**  
\$ in millions



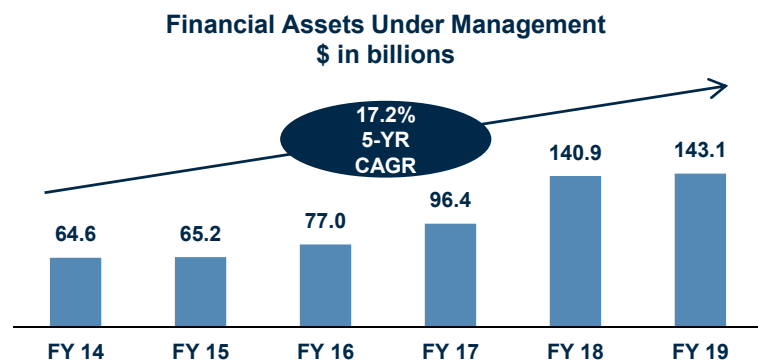
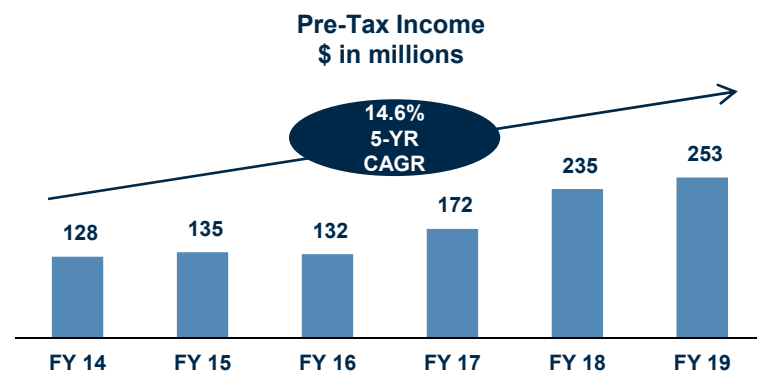
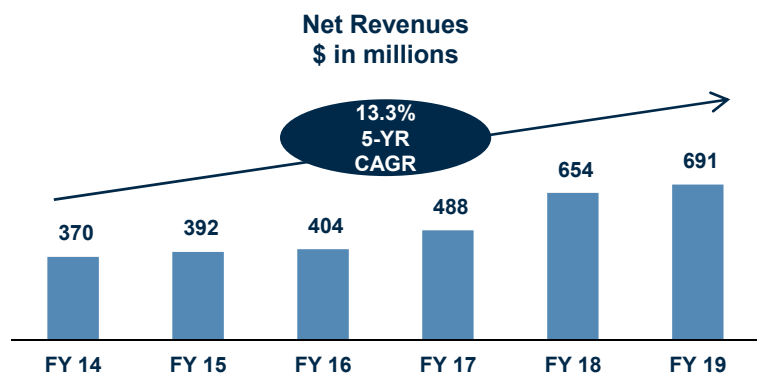
**Pre-Tax Income**  
\$ in millions



5-Year CAGR for period FY 2014 – 2019; Charts not to scale.

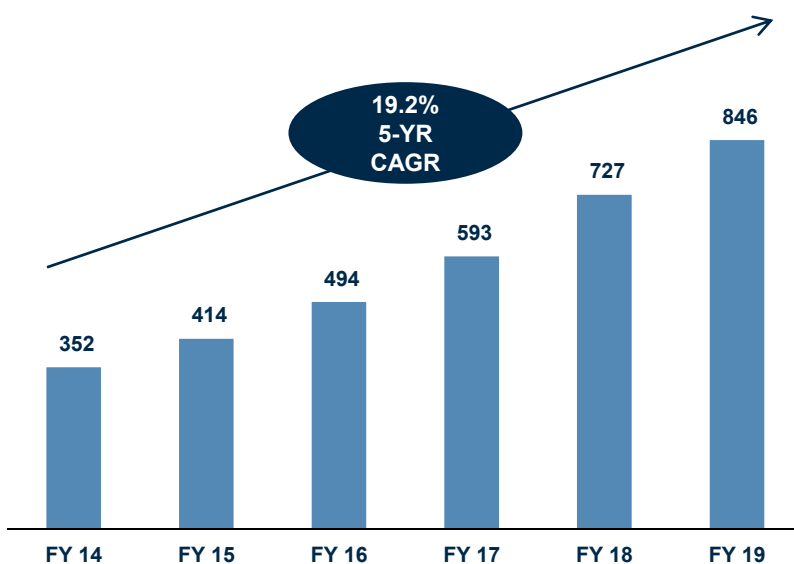
\*FY 2019 included a \$15 million loss in our Capital Markets segment on the sale of our operations related to research, sales and trading of European equities and a \$19 million goodwill impairment charge associated with our Canadian Capital Markets business.

# ASSET MANAGEMENT

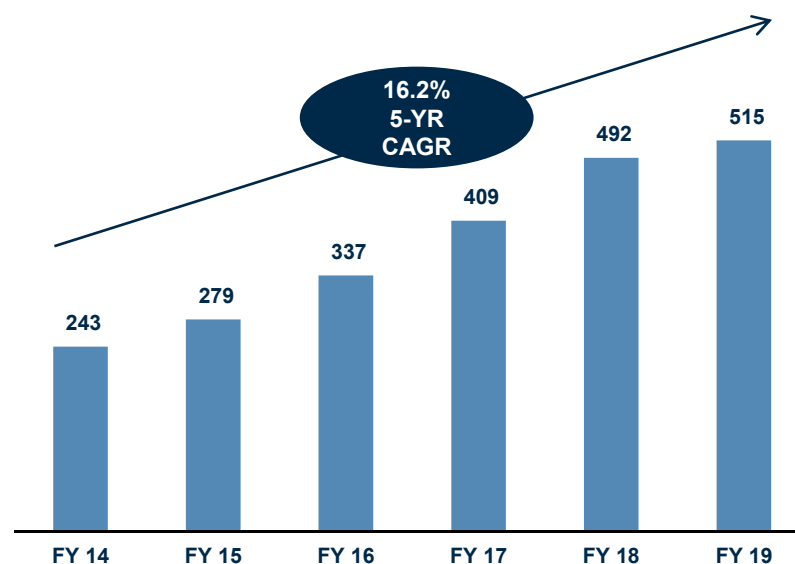


# RAYMOND JAMES BANK

**Net Revenues**  
\$ in millions

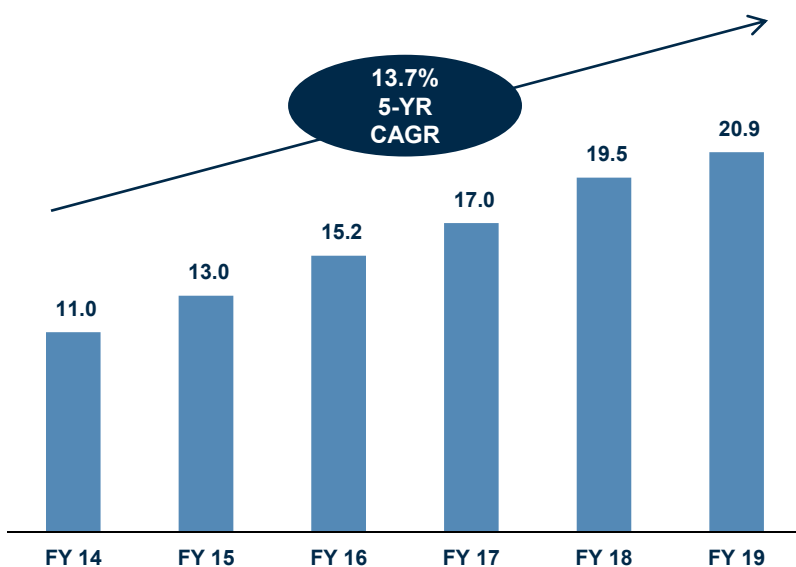


**Pre-Tax Income**  
\$ in millions

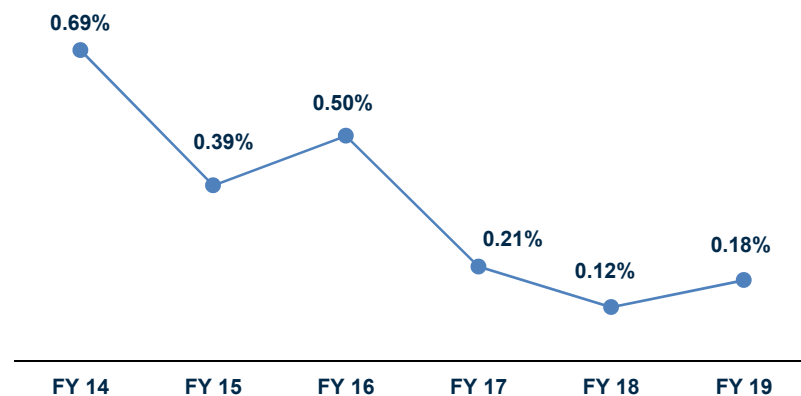


# RAYMOND JAMES BANK

Bank Loans, Net  
\$ in billions



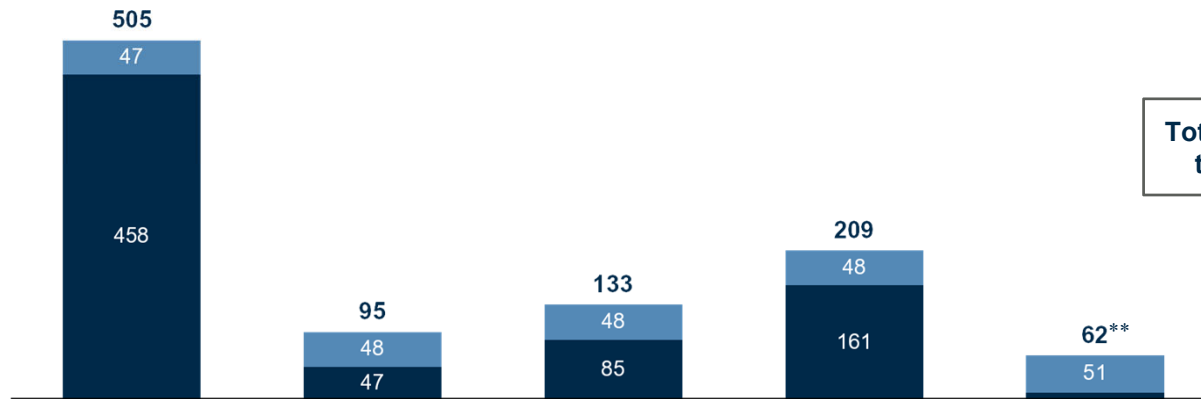
Nonperforming Assets  
as % of Total Assets



# CAPITAL MANAGEMENT

Dividends Paid and Share Repurchases\*  
\$ in millions

■ Share Repurchases\*   ■ Dividends Paid



Total of ~\$1 billion over the past 5 quarters

|   | 1Q19    | 2Q19    | 3Q19    | 4Q19    | 1Q20    |
|---|---------|---------|---------|---------|---------|
| Number of Shares Repurchased* (thousands) | 6,053   | 603     | 1,044   | 2,127   | 126     |
| Average Share Price of Shares Repurchased | \$75.76 | \$78.19 | \$81.68 | \$75.75 | \$89.30 |

**\$739 million remains under current share repurchase authorization\*\*\***

\*Under the Board of Directors' share repurchase authorization.  
\*\*Share repurchases in 1Q20 totaled \$11 million.  
\*\*\*As of December 31, 2019.

## Q&A

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# APPENDIX

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## RECONCILIATION OF GAAP MEASURES TO NON-GAAP FINANCIAL MEASURES (UNAUDITED)

We utilize certain non-GAAP financial measures as additional measures to aid in, and enhance, the understanding of our financial results and related measures. These non-GAAP financial measures have been separately identified in this document. We believe certain of these non-GAAP financial measures provides useful information to management and investors by excluding certain material items that may not be indicative of our core operating results. We utilize these non-GAAP financial measures in assessing the financial performance of the business, as they facilitate a more meaningful comparison of current- and prior-period results. We believe that return on tangible common equity is meaningful to investors as it facilitates comparisons of our results to the results of other companies. In the following table, the tax effect of non-GAAP adjustments reflects the statutory rate associated with each non-GAAP item. These non-GAAP financial measures should be considered in addition to, and not as a substitute for, measures of financial performance prepared in accordance with GAAP. In addition, our non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures of other companies. The following table provides a reconciliation of GAAP measures to non-GAAP financial measures for those periods which include non-GAAP adjustments.

| <i>\$ in millions, except per share amounts</i>             | <b>Three months ended</b> |                    |
|---|---------------------------|--------------------|
|   | December 31, 2018         | September 30, 2019 |
| <b>Net income</b>   | \$ 249                    | \$ 265             |
| <b>Non-GAAP adjustments:</b>                                |                           |                    |
| Acquisition and disposition-related expenses <sup>(1)</sup> | 15                        | —                  |
| Goodwill impairment <sup>(2)</sup>                          | —                         | 19                 |
| Pre-tax impact of non-GAAP adjustments                      | 15                        | 19                 |
| Tax effect of non-GAAP adjustments                          | —                         | —                  |
| Total non-GAAP adjustments, net of tax                      | 15                        | 19                 |
| <b>Adjusted net income</b>                                  | <b>\$ 264</b>             | <b>\$ 284</b>      |
| <br>  |                           |                    |
| <b>Earnings per common share <sup>(3)</sup></b>             |                           |                    |
| Basic   | \$ 1.73                   | \$ 1.90            |
| Adjusted basic  | \$ 1.83                   | \$ 2.04            |
| Diluted   | \$ 1.69                   | \$ 1.86            |
| Adjusted diluted  | \$ 1.79                   | \$ 2.00            |

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## RECONCILIATION OF GAAP MEASURES TO NON-GAAP FINANCIAL MEASURES (UNAUDITED)

| Return on equity<br>\$ in millions                            | Three months ended |                    |                   |
|---|--------------------|--------------------|-------------------|
|   | December 31, 2018  | September 30, 2019 | December 31, 2019 |
| <b>Average equity</b> <sup>(4)</sup>                          | \$ 6,256           | \$ 6,542           | \$ 6,712          |
| <u>Impact on average equity of non-GAAP adjustments:</u>      |                    |                    |                   |
| Acquisition and disposition-related expenses <sup>(1)</sup>   | 7                  | —                  | NA                |
| Goodwill impairment <sup>(2)</sup>                            | —                  | 9                  | NA                |
| <b>Adjusted average equity</b> <sup>(4)</sup>                 | \$ 6,263           | \$ 6,551           | NA                |
| <br><b>Average equity</b> <sup>(4)</sup>                      | <br>\$ 6,256       | <br>\$ 6,542       | <br>\$ 6,712      |
| <u>Less:</u>  |                    |                    |                   |
| Average goodwill and identifiable intangible assets, net      | 636                | 623                | 610               |
| Average deferred tax liabilities, net                         | (33)               | (27)               | (30)              |
| <b>Average tangible common equity</b> <sup>(4)</sup>          | \$ 5,653           | \$ 5,946           | \$ 6,132          |
| <u>Impact on average equity of non-GAAP adjustments:</u>      |                    |                    |                   |
| Acquisition and disposition-related expenses <sup>(1)</sup>   | 7                  | —                  | NA                |
| Goodwill impairment <sup>(2)</sup>                            | —                  | 9                  | NA                |
| <b>Adjusted average tangible common equity</b> <sup>(4)</sup> | \$ 5,660           | \$ 5,955           | NA                |
| <br>Return on equity <sup>(5)</sup>                           | <br>15.9%          | <br>16.2%          | <br>16.0%         |
| Adjusted return on equity <sup>(5)</sup>                      | 16.9%              | 17.3%              | NA                |
| Return on tangible common equity <sup>(5)</sup>               | 17.6%              | 17.8%              | 17.5%             |
| Adjusted return on tangible common equity <sup>(5)</sup>      | 18.7%              | 19.1%              | NA                |

*continued on next slide*

## RECONCILIATION OF GAAP MEASURES TO NON-GAAP FINANCIAL MEASURES (UNAUDITED)

| <i>\$ in millions, except per share amounts</i>             | Year ended         |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | September 30, 2016 | September 30, 2017 | September 30, 2018 | September 30, 2019 |
| <b>Net income</b>   | \$ 529             | \$ 636             | \$ 857             | \$ 1,034           |
| <b>Non-GAAP adjustments:</b>                                |                    |                    |                    |                    |
| Acquisition and disposition-related expenses <sup>(6)</sup> | 41                 | 18                 | 4                  | 15                 |
| Goodwill impairment <sup>(2)</sup>                          | —                  | —                  | —                  | 19                 |
| Losses on extinguishment of debt <sup>(7)</sup>             | —                  | 46                 | —                  | —                  |
| Jay Peak matter <sup>(8)</sup>                              | 20                 | 130                | —                  | —                  |
| Tax effect of non-GAAP adjustments                          | (21)               | (62)               | (1)                | —                  |
| Impact of the Tax Act <sup>(9)</sup>                        | —                  | —                  | 105                | —                  |
| Total non-GAAP adjustments, net of tax                      | 40                 | 132                | 108                | 34                 |
| <b>Adjusted net income</b>                                  | <b>\$ 569</b>      | <b>\$ 768</b>      | <b>\$ 965</b>      | <b>\$ 1,068</b>    |
| <br>  |                    |                    |                    |                    |
| <b>Earnings per diluted share <sup>(3)</sup></b>            | \$ 3.65            | \$ 4.33            | \$ 5.75            | \$ 7.17            |
| <b>Non-GAAP adjustments:</b>                                |                    |                    |                    |                    |
| Acquisition and disposition-related expenses <sup>(6)</sup> | 0.29               | 0.12               | 0.03               | 0.10               |
| Goodwill impairment <sup>(2)</sup>                          | —                  | —                  | —                  | 0.13               |
| Losses on extinguishment of debt <sup>(7)</sup>             | —                  | 0.31               | —                  | —                  |
| Jay Peak matter <sup>(8)</sup>                              | 0.14               | 0.89               | —                  | —                  |
| Tax effect of non-GAAP adjustments                          | (0.15)             | (0.42)             | (0.01)             | —                  |
| Impact of the Tax Act <sup>(9)</sup>                        | —                  | —                  | 0.70               | —                  |
| Total non-GAAP adjustments, net of tax                      | 0.28               | 0.90               | 0.72               | 0.23               |
| <b>Adjusted earnings per diluted share <sup>(3)</sup></b>   | <b>\$ 3.93</b>     | <b>\$ 5.23</b>     | <b>\$ 6.47</b>     | <b>\$ 7.40</b>     |

*continued on next slide*

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# FOOTNOTES

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1. The three months ended December 31, 2018 included a \$15 million loss in our Capital Markets segment on the sale of our operations related to research, sales and trading of European equities.
2. The three months ended September 30, 2019 included a \$19 million goodwill impairment charge associated with our Canadian Capital Markets business.
3. Computed by dividing net income (less allocation of earnings and dividends to participating securities) by weighted-average common shares outstanding (basic or diluted as applicable) for each respective period or, in the case of adjusted earnings per share, computed by dividing adjusted net income (less allocation of earnings and dividends to participating securities) by weighted-average common shares outstanding (basic or diluted as applicable) for each respective period.
4. Computed by adding the total equity attributable to Raymond James Financial, Inc. as of the date indicated to the prior quarter-end total, and dividing by two, or in the case of average tangible common equity, computed by adding tangible common equity as of the date indicated to the prior quarter-end total, and dividing by two. Adjusted average equity is computed by adjusting for the impact on average equity of the non-GAAP adjustments, as applicable for each respective period. Adjusted average tangible common equity is computed by adjusting for the impact on average tangible common equity of the non-GAAP adjustments, as applicable for each respective period.
5. Computed by dividing annualized net income by average equity for each respective period or, in the case of return on tangible common equity, computed by dividing annualized net income by average tangible common equity for each respective period. Adjusted return on equity is computed by dividing annualized adjusted net income by adjusted average equity for each respective period, or in the case of adjusted return on tangible common equity, computed by dividing annualized adjusted net income by adjusted average tangible common equity for each respective period.
6. Acquisition and disposition-related expenses are associated with the December 2018 loss in our Capital Markets segment on the sale of our operations related to research, sales and trading of European Equities (fiscal year 2019) as well as our acquisition activities including Scout Investments and Reams Asset Management (fiscal years 2017 and 2018) as well as the U.S. Private Client Services unit of Deutsche Bank Wealth Management, MacDougall, MacDougall & MacTier, Inc., and Mummert & Company Corporate Finance GmbH (fiscal years 2016 and 2017).
7. Losses on extinguishment of debt include a make-whole premium and the acceleration of unamortized debt issuance costs associated with the early extinguishment of our 8.60% Senior Notes due 2019 (September 2017) and 6.90% Senior Notes due 2042 (March 2017), respectively.
8. Other expenses included legal expenses associated with the Jay Peak settlement. For further information see our Annual Report on Form 10-K for the year ended September 30, 2017 (available at [www.sec.gov](http://www.sec.gov)).
9. The impact of the Tax Act includes the remeasurement of U.S. deferred tax assets at the lower enacted corporate tax rate and, to a lesser extent, a one-time transition tax on deemed repatriated earnings of foreign subsidiaries.