
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 7, 2018

Ladenburg Thalmann Financial Services Inc.

(Exact name of registrant as specified in its charter)

<u>Florida</u> (State or other jurisdiction of incorporation)	<u>001-15799</u> (Commission File Number)	<u>650701248</u> (IRS Employer Identification No.)
<u>4400 Biscayne Boulevard, 12th Floor, Miami, Florida</u> (Address of principal executive offices)		<u>33137</u> (Zip Code)

Registrant's telephone number, including area code: (305) 572-4100

Not Applicable

(Former Name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

Ladenburg Thalmann Financial Services Inc. has prepared an updated investor presentation as of August 7, 2018. A copy of this presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K and Exhibit 99.1 attached hereto are being furnished pursuant to Item 7.01 of Form 8-K and will not, except to the extent required by applicable law or regulation, be deemed filed by Ladenburg Thalmann Financial Services Inc. for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor will any of such information or exhibits be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 [Ladenburg Thalmann Financial Services Inc. Investor Presentation.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Ladenburg Thalmann Financial Services Inc.

Date: August 7, 2018

By: /s/ Brett H. Kaufman

Name: *Brett H. Kaufman*

Title: *Senior Vice President and Chief Financial Officer*



LADENBURG
THALMANN

ESTABLISHED 1876

Ladenburg Thalmann Financial Services Inc.
(NYSE American: LTS; LTS PrA; LTSL; LTSF)

INVESTOR PRESENTATION | AUGUST 2018

Notice to Investors: Safe Harbor Statement



This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding future financial performance, future growth, growth of our independent brokerage and advisory business, growth of our investment banking business, growth of our insurance brokerage business, future levels of recurring revenue, FDIC cash sweep revenue and advisory assets, future synergies, changes in interest rates, recruitment of financial advisors, future margins and future investments, as well as any other statements that are not related to present facts or current conditions or that are not purely historical. These forward-looking statements are based on the Company's historical performance and its plans, estimates, and expectations as of August 6, 2018 and are subject to uncertainty and changes in circumstances. The words "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "thinks," "estimates," "seeks," "predicts," "could," "projects," "potential," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are not guarantees that the future results, plans, intentions, or expectations expressed or implied by the Company will be achieved. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive and/or regulatory factors, including the SEC's proposed rules and interpretations concerning the standards of conduct for broker dealers and investment advisers when dealing with retail investors, future cash flows, a change in the Company's dividend policy by the Company's Board of Directors (which has the ability in its sole discretion to increase, decrease or eliminate entirely the Company's dividend at any time) and other risks and uncertainties affecting the operation of the Company's business. These risks, uncertainties and contingencies include those set forth in Part I, "Item 1A. Risk Factors" in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2017 and subsequent quarterly reports on Form 10-Q and other factors detailed from time to time in its other filings with the Securities and Exchange Commission. The information set forth herein should be read in light of such risks. Further, investors should keep in mind that the Company's quarterly revenue and profits can fluctuate materially depending on many factors, including, but not limited to, the number, size and timing of completed offerings and other transactions. Accordingly, the Company's revenue and profits in any particular quarter may not be indicative of future results. The Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise, except as required by law, and you should not rely on statements contained herein as representing the Company's views as of any date subsequent to August 6, 2018.

THIS PRESENTATION PRESENTS FINANCIAL DATA (INCLUDING YTD 2018 DATA) AS OF JUNE 30, 2018, UNLESS OTHERWISE INDICATED.

Notice to Investors: Non-GAAP Financial Measures

Earnings before interest, taxes, depreciation and amortization, or EBITDA, as adjusted for acquisition-related expense, amortization of retention and forgivable loans, amortization of contract acquisition costs, change in fair value of contingent consideration related to acquisitions, loss on extinguishment of debt, non-cash compensation expense, financial advisor recruiting expense and other expense, which includes loss on write-off of receivable from subtenant, excise and franchise tax expense, severance costs and compensation expense that may be paid in stock, is a key metric the Company uses in evaluating its financial performance.

EBITDA, as adjusted, is considered a non-GAAP financial measure as defined by Regulation G promulgated by the SEC under the Securities Act of 1933, as amended. The Company considers EBITDA, as adjusted, important in evaluating its financial performance on a consistent basis across various periods. Due to the significance of non-cash and non-recurring items, EBITDA, as adjusted, enables the Company's Board of Directors and management to monitor and evaluate the business on a consistent basis.

The Company uses EBITDA, as adjusted, as a primary measure, among others, to analyze and evaluate financial and strategic planning decisions regarding future operating investments and potential acquisitions. The Company believes that EBITDA, as adjusted, eliminates items that are not indicative of its core operating performance, such as amortization of retention and forgivable loans, amortization of contract acquisition costs and financial advisor recruiting expenses, or do not involve a cash outlay, such as stock-related compensation, which is expected to remain a key element in our long-term incentive compensation program. EBITDA, as adjusted, should be considered in addition to, rather than as a substitute for, our GAAP results, such as income (loss) before income taxes, net income (loss) and cash flows provided by (used in) operating activities. See the Appendix to this presentation on pages 52-53 for a reconciliation of net income (loss) attributable to the Company to EBITDA, as adjusted.

THIS PRESENTATION PRESENTS FINANCIAL DATA (INCLUDING YTD 2018 DATA) AS OF JUNE 30, 2018, UNLESS OTHERWISE INDICATED.

Company Metrics

TICKERS	LTS / LTS.PrA
SHARES OUTSTANDING ⁽¹⁾	201.1 million
MARKET CAPITALIZATION ⁽²⁾	\$667.5 million
TOTAL REVENUE ⁽³⁾	\$1.4 billion
TOTAL CLIENT ASSETS ⁽³⁾	\$168.0 billion
TOTAL CLIENT ADVISORY ASSETS ⁽³⁾	\$75.2 billion
DIVIDEND YIELD ⁽⁴⁾	1.2%
CORPORATE HEADQUARTERS	Miami, FL

Leadership and Executive Management Team

CHAIRMAN ⁽⁵⁾	Dr. Phillip Frost
CEO & PRESIDENT	Richard Lampen
EVP	Mark Zeitchick
EVP & COO	Adam Malamed
SVP & CFO	Brett Kaufman
HEAD OF CORPORATE DEVELOPMENT	George Oka

Ladenburg Thalmann Financial Services Inc. is a member of the Russell 3000 Index and Ladenburg Thalmann & Co. Inc. is a NYSE member firm since 1879.

(1) Common shares outstanding as of August 3, 2018.

(2) Market capitalization based on common shares outstanding as of August 3, 2018 and the closing share price as of August 6, 2018.

(3) As of or for the last twelve months ended June 30, 2018.

(4) Declared quarterly cash dividend of \$0.01 per share of common stock, payable on June 28, 2018 to shareholders of record as of the close of business on June 15, 2018. Dividend yield based on closing share price as of August 6, 2018.

(5) Dr. Phillip Frost and affiliates beneficially owned approximately 37% of Ladenburg Thalmann Financial Services Inc.'s outstanding common stock as of August 3, 2018.

Executive Summary

Company Overview

- **Ladenburg Thalmann Financial Services Inc. (NYSE American: LTS) is a Diversified Financial Services Company**
 - Operating segments: (1) Independent advisory & brokerage services, (2) Investment banking, capital markets and asset management and (3) Insurance brokerage
 - Core independent advisory and brokerage services (“IAB”) business represents 86% of total revenues⁽¹⁾

Background

*Established
Scale & Invested
in Development*

- **Since 2011, Prioritized Aggressive Core Growth Strategy to Become a Leading IAB Acquirer With Significant Scale**
 - Significant recruiting and acquisition success in high-growth and attractive IAB industry
 - Top-ten 2017 IAB industry rankings in client assets, revenues and financial advisors⁽²⁾
 - Total client assets CAGR of 32.9% and total IAB revenues CAGR of 31.7%⁽³⁾
- **Invested Substantial Capital and Resources Developing Next Stage Initiatives to Generate Incremental Growth**

Opportunity

*Capitalize on
Scale & Execute
New Initiatives*

- + **Optimally Positioned to Benefit From Both Significant Short and Long-Term Upside**
 - + Continue IAB Core Growth Leveraging Significant Scale
 - + Capture Significant Cash Sweep Revenue Upside
 - + Capitalize on Consolidation Opportunities Driven by Industry Disruption
 - + Augment Multiple Revenue Streams Via Synergistic Growth Strategy
 - + Expand Operating Leverage Through Defined Margin Improvement Initiatives
 - + Enhance Productivity Through Practice Management Program and Unified Technology Platform

(1) For the last twelve months ended June 30, 2018.

(2) Please see page 17 of this presentation for detailed information.

(3) Compound annual growth rates calculated from June 30, 2011 to June 30, 2018.

Significant Growth Since Launching Core Growth Strategy

Core Growth Strategy Launched by Acquiring Securities America ("SAI") in 2011⁽¹⁾

	Pre-SAI Acquisition June 2011 ⁽¹⁾⁽²⁾	Current June 2018 ⁽²⁾	Compound Annual Growth Rate ⁽¹⁾⁽²⁾
Financial and Operating Metrics ⁽²⁾			
Total LTM Revenue (\$mm)	\$220	\$1,353	+ 30%
Total LTM EBITDA, as Adjusted (\$mm) ⁽³⁾	\$8	\$81	+ 39%
IAB LTM Revenue (\$mm)	\$170	\$1,169	+ 32%
IAB LTM EBITDA, as Adjusted (\$mm) ⁽³⁾	\$7	\$80	+ 42%
Recurring Revenue % of IAB Revenue	47%	79%	
Financial Advisors	~1,000	~4,300	+ 23%
Client Assets (\$bn)	\$23	\$168	+ 33%
Advisory Assets (\$bn)	\$4	\$75	+ 50%
FDIC Client Cash Balance (\$bn) ⁽⁴⁾	\$ -	\$4	
Stock and Market Performance ⁽⁵⁾			
Market Capitalization (\$mm)	\$251	\$667	+ 15%
S&P 500 Index	1,321	2,850	+ 11%
Dividend Yield	NA	1.2%	

**Significant Runway Remains Ahead with Continued Core Growth,
Rising Cash Sweep Revenue and New Initiatives**

(1) On August 17, 2011, Ladenburg Thalmann Financial Services Inc. announced its acquisition of Securities America Financial Corporation and its subsidiaries.

(2) Data as of June 30, 2011 and June 30, 2018. Compound annual growth rates calculated from June 30, 2011 to June 30, 2018.

(3) Please see the description of EBITDA, as adjusted, on page 2 and the Appendix of this presentation for a reconciliation of net income (loss) attributable to the Company to EBITDA, as adjusted.

(4) Ladenburg initiated FDIC cash sweep program in 2015.

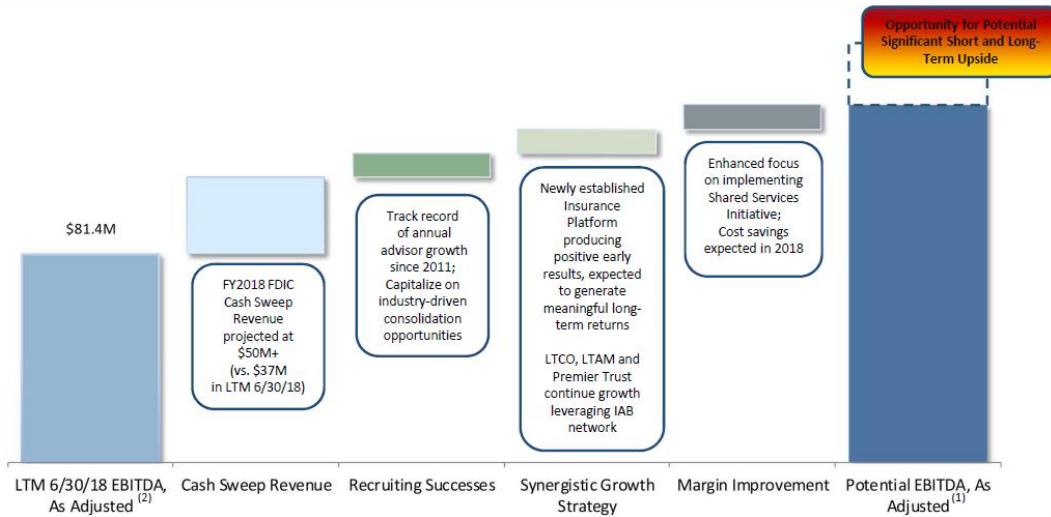
(5) Current market capitalization, S&P 500 Index, dividend yield as of Aug 6, 2018. Compound annual growth rates under stock and market performance calculated from June 30, 2011 to Aug 6, 2018.

Positioned for Transformational Growth Opportunity

➤ Ladenburg Is Entering its Next Stage of Evolutionary Growth

- Enterprise-wide focus on leveraging significant scale and executing newly-deployed synergistic initiatives
- FDIC cash sweep revenue is currently growing significantly and is projected to continue over the foreseeable future
- Key initiatives are in early stages and are expected to meaningfully increase pre-tax earnings in the middle- to long-term

Ladenburg's Diversified Model Positioned for Significant Opportunity to Drive Shareholder Value ⁽¹⁾

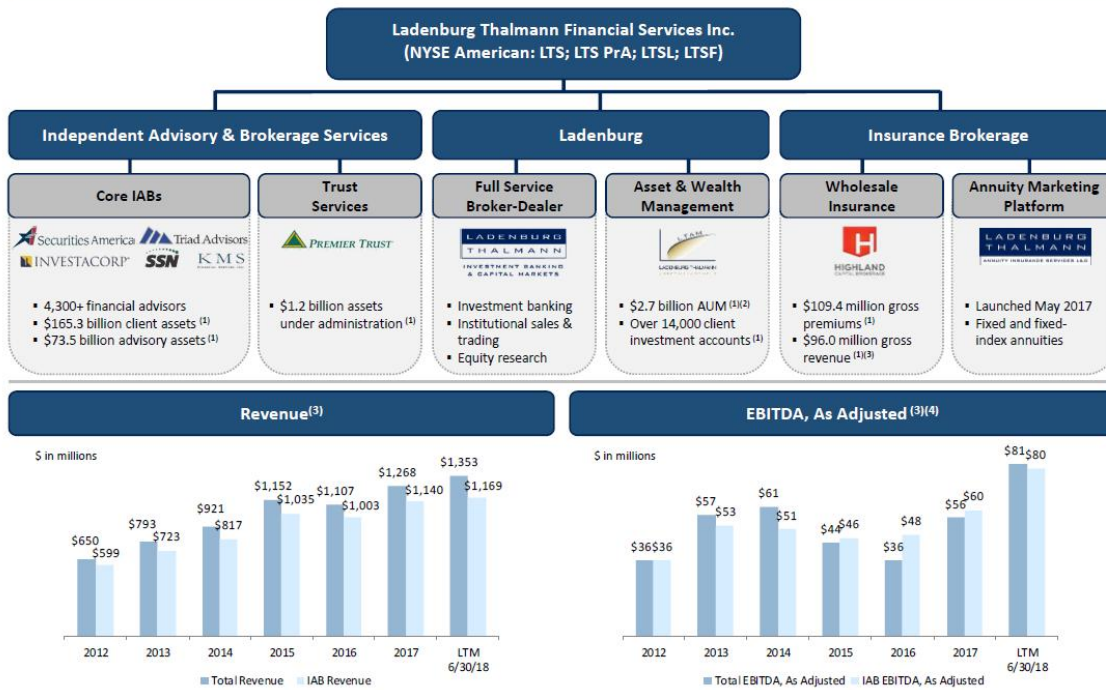


(1) Representation of potential EBITDA, as adjusted, for illustrative purposes only. Potential EBITDA, as adjusted, and various components not drawn to scale.

(2) Please see the description of EBITDA, as adjusted, on page 2 and the Appendix of this presentation for a reconciliation of net income (loss) attributable to the Company to EBITDA, as adjusted.

Business Overview

Diversified Platform Generating Multiple Revenue Streams



(1) Data as of or for the last twelve months ended June 30, 2018.

(2) Ladenburg Thalmann Asset Management's AUM includes advisory assets within the Core IABs.

(3) Please see the description of change in revenue recognition commencing on January 1, 2018 on page 51 in the Appendix of this presentation.

(4) Please see the description of EBITDA, as adjusted, on page 2 and the Appendix of this presentation for a reconciliation of net income (loss) attributable to the Company to EBITDA, as adjusted.

Leading National Platform of IAB Business Units



- Acquired 2007
- ~ 500 Financial Advisors
- ~ \$15B Client Assets
- Miami, FL



- Acquired 2008
- ~ 620 Financial Advisors
- ~ \$26B Client Assets
- Norcross, GA



- Acquired 2011
- ~ 2,550 Financial Advisors
- ~ \$90B Client Assets
- La Vista, NE

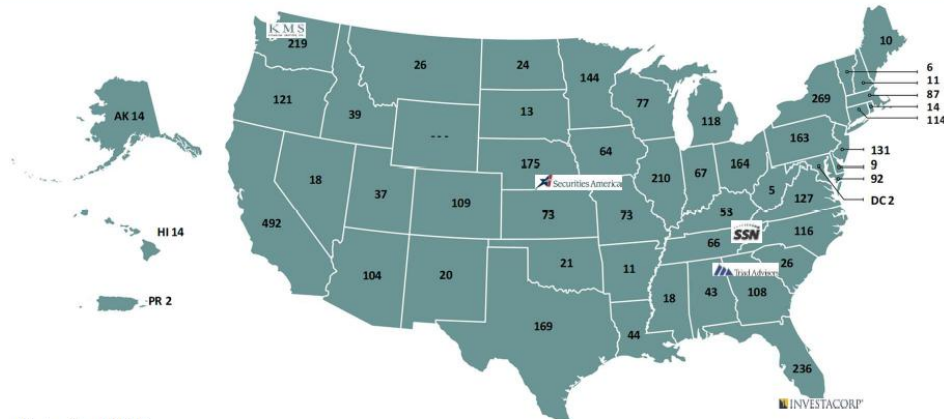


- Acquired 2014
- ~ 350 Financial Advisors
- ~ \$18B Client Assets
- Seattle, WA



- Acquired 2015
- ~ 350 Financial Advisors
- ~ \$16B Client Assets
- Knoxville, TN

National Network of 4,300+ Financial Advisors ⁽¹⁾



(1) As of June 30, 2018.

Independently-Operated, Complementary Business Units



- Asset and Wealth Management
- 6 Mutual Funds, 30 Model Portfolios and Robo-Advisor Offering
- Acquired 1995



- Full-Service Investment Bank
- Leading Middle Market-Focused Firm
- Founded 1876 / Acquired 1995



- Trust Services
- Advisor-Friendly Trust Administration
- Acquired 2010



- Fixed Income Investing
- Corporate, Municipal and Sovereign Debt and Structured Products
- Acquired 2013



- Wholesale Life Insurance Brokerage
- One of Nation's Largest Life Insurance Distribution Companies
- Acquired 2014



- Fixed and Fixed-Index Annuity Platform
- Leverages Highland Capital Brokerage
- Launched May 2017

Key Investment Highlights



Strong Growth and Favorable Dynamics Within IAB Industry



Strong Growth in Financial Assets and Retail IRA Market

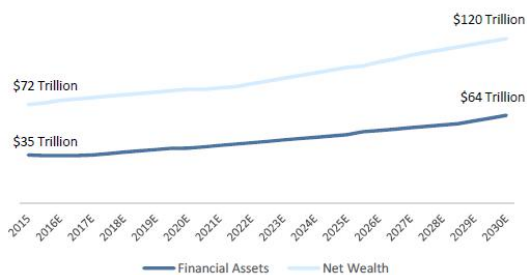
➤ Significant Projected Growth for Investable Financial Assets

- Domestic net wealth projected to rise to \$120 trillion by 2030 with investable financial assets accounting for \$64 trillion⁽¹⁾
 - Growth in financial assets (over 4% CAGR) are projected to outpace growth in domestic net wealth (over 3% CAGR)
 - Potential industry opportunity of \$150 billion to \$240 billion in wealth management fees in 2030⁽²⁾

➤ Baby Boomers Support Continued Growth in IRA Rollover Activity

- Baby Boomers project to be the wealthiest generation in the U.S. until at least 2030⁽¹⁾
 - Baby Boomers currently control 70% of disposable income and will have over \$35 trillion in wealth in 2030⁽¹⁾
 - As Baby Boomers enter retirement, many leave employer-sponsored retirement savings plans for the IRA market
- IRA rollover activity has consistently risen since 2009 and is projected to grow at a CAGR of over 5%⁽³⁾

Significant Projected Growth in Total Wealth⁽¹⁾



Continued Growth in IRA Rollover Contributions from DC Plans⁽³⁾



(1) Source: Deloitte University Press – *The Future of Wealth in the United States, Mapping Trends in Generational Wealth.*

(2) Source: Deloitte University Press – *The Future of Wealth in the United States, Mapping Trends in Generational Wealth.* Estimated assuming 50% penetration of wealth management services, and fees ranging from 50 bps to 75 bps.

(3) Source: *The Cerulli Report – U.S. Retirement Markets 2017*. Compound annual growth rate calculation reflected from 2016 to 2022.

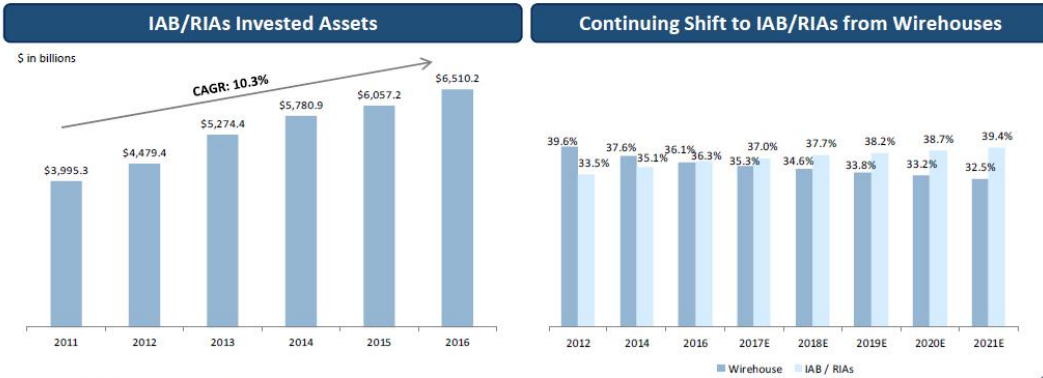
Significant Market Opportunity Favoring IAB Model

➤ Continuing Growth of Invested Assets at IAB/RIAs

- Independent model serves as the growth engine within the retail investment market
 - Over the last five years, IAB/RIA channel asset growth (10.3%) has outpaced the total retail market (7.9%) and wirehouse channel (5.4%)

➤ Market Share Trending Towards Independent Away from Wirehouse

- Financial advisors are embracing the attractive economic advantages
- Conflict free platform preserves entrepreneurial culture
- IAB/RIAs projected to capture market share away from Wirehouses through 2021



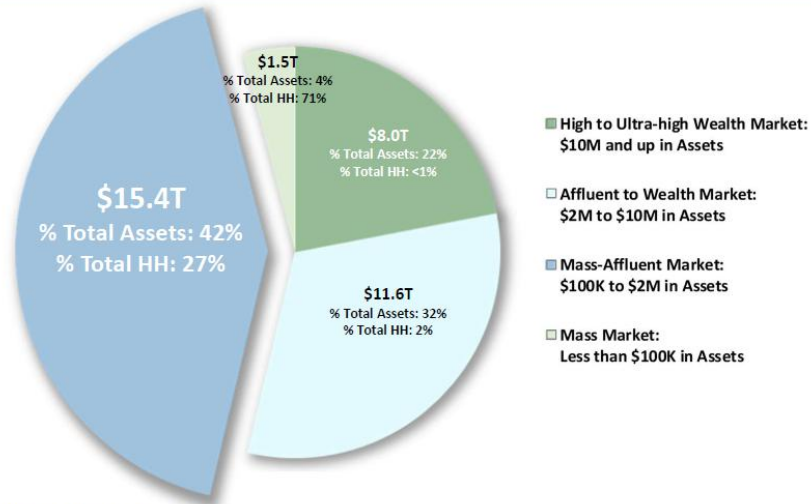
Source: The Cerulli Report – U.S. Advisor Metrics 2017.

Appealing Client Base with Significant Investable Assets

➤ Mass-Affluent Investor Represents Ladenburg's Sweet Spot

- Profile: households with \$100,000 to \$2 million of investable assets
- While only representing 27% of American households, possesses 42% of retail wealth
- Wirehouses and regional firms typically focus on more upmarket clients

\$36 Trillion Investable Assets Distribution



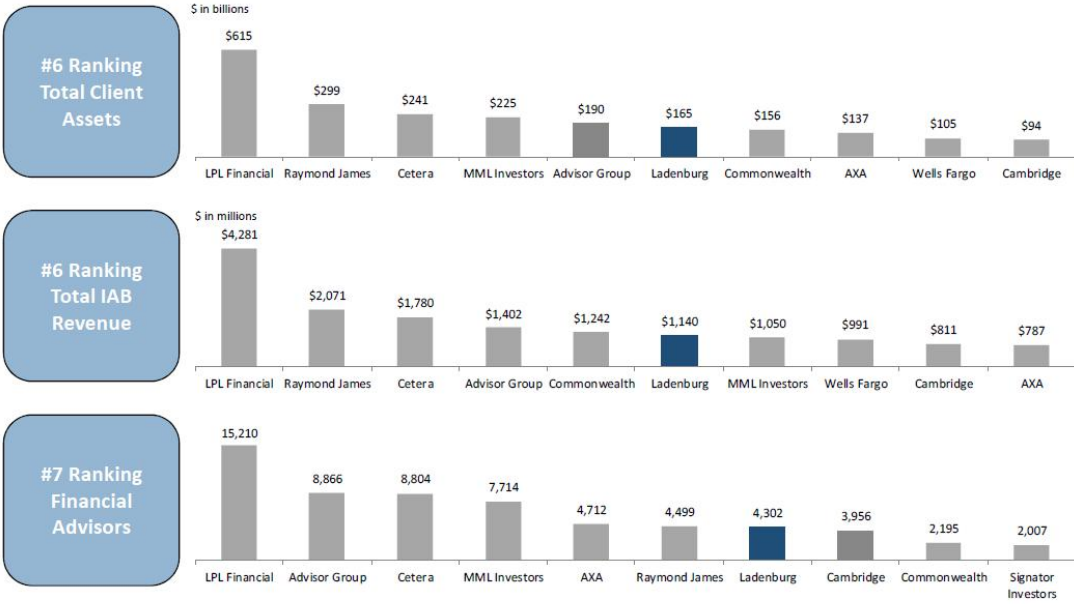
Source: The Cerulli Report – U.S. Advisor Metrics 2017.

Leading IAB Player with Significant Scale



Leading Organization Within the IAB Industry

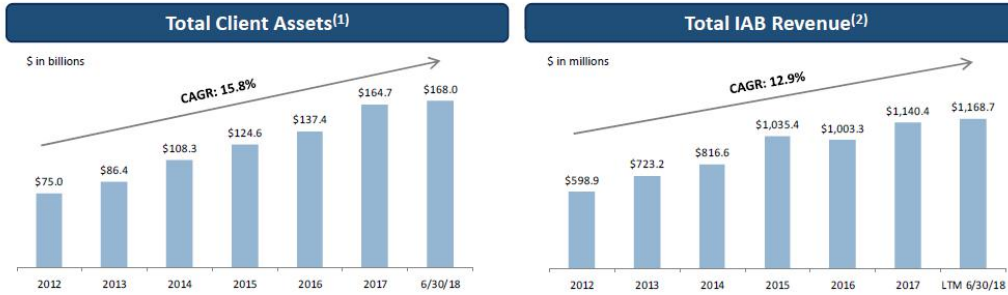
Top 2017 IAB Industry Rankings Across Key Business Metrics⁽¹⁾



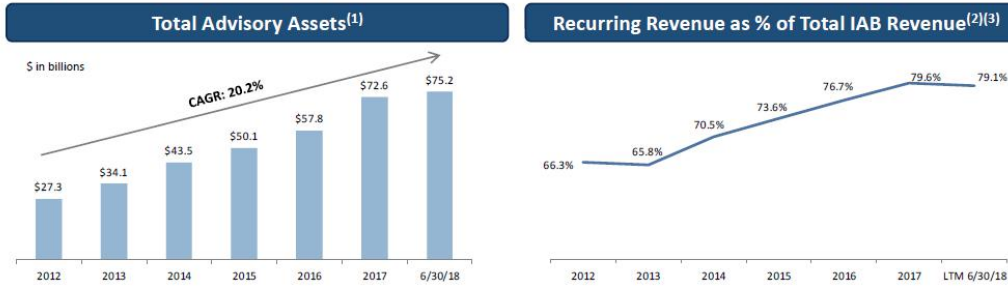
(1) As adjusted by the Company. Based on management's assessment, the rankings exclude firms such as certain insurance companies and brokerage firms that management believes do not fit under the traditional independent advisory and brokerage model, including Ameriprise Financial Services, Lincoln Financial Network, Northwestern Mutual and MetLife Securities. Ladenburg data for YE2017 obtained from publicly filed SEC data, and the remainder based on YE2017 data from Investment News and SEC filings.

High-Powered Client Asset Gathering Platform

➤ Amassed a Sizable Asset Base Through Aggressive Organic Growth, Recruiting and Acquisitions



➤ Enterprise-wide Focus on Advisory Assets Has Generated Rise in Recurring Revenue⁽¹⁾



(1) Includes client assets and advisory assets in Ladenburg Thalmann & Co., Ladenburg Thalmann Asset Management and Premier Trust.

(2) Please see the description of change in revenue recognition commencing on January 1, 2018 on page 51 in the Appendix of this presentation.

(3) Recurring revenues includes advisory fees earned on advisory assets under management, trailing commissions, cash sweep revenues and certain other fees.

Favorably Positioned to Capitalize on Industry Dynamics

➤ Prepared for Industry Shifts Driven by Department of Labor (“DOL”) and Securities Exchange Commission (“SEC”)

- Formed a task force in 2015 to initiate transition to a fiduciary model in response to the DOL
 - Comprised of over 150 employees and led by eight enterprise executives
 - Investment of approximately \$12.5 million⁽¹⁾ and over 85,000 hours addressing compliance with new standards
- Task force transitioning focus to SEC’s “best interest” standard

➤ Active Measures Taken Since Formation of Task Force

Product Sponsors

- Eliminated or mitigated conflicts of interest as needed
- Restructured advisory mutual fund products to reduce costs to investors
- Engagement to restructure commission products as needed

Financial Advisors

- Extensive training capability (provided over 12,000 hours across ~4,300 advisors for DOL Fiduciary Rule)
- Focused “Next Level” coaching program to better articulate value proposition
- Roadshows and study groups to support peer collaboration among advisors

Technology

- Continued investment and evaluation of vendors providing technology solutions that address SEC’s best interest standard
- Launched new innovation capability maximizing growth in evolving regulatory environment

➤ Leverage Scale and Prepared Platform to Capitalize on Additional Consolidation Opportunities

- Smaller broker-dealers expected to be disproportionately impacted by increasing compliance costs and maintaining competitive level of services and resources to their advisors

***Ladenburg’s Scale and Adaptability in Evolving Regulatory Climate
Are Appealing to Smaller Broker-Dealers Seeking an Exit Strategy***

(1) Primarily consists of estimated time spent by salaried employees.

Ladenburg Advantage Powers Both Core and Synergistic Growth Strategies



Ladenburg Advantage Captures Benefit of Full Capabilities

➤ The Ladenburg Advantage is LTS' Key Distinguishing Feature in the IAB Industry

➤ Combines Core Competencies
– LTS Senior Management



➤ The Ladenburg Advantage Provides LTS Financial Advisors with Additional Tools and Resources to Enhance Practices



"We Want Our Advisors to Have the Ability to Coordinate a Team of Experts So They Can Help Every Single Client Relationship"

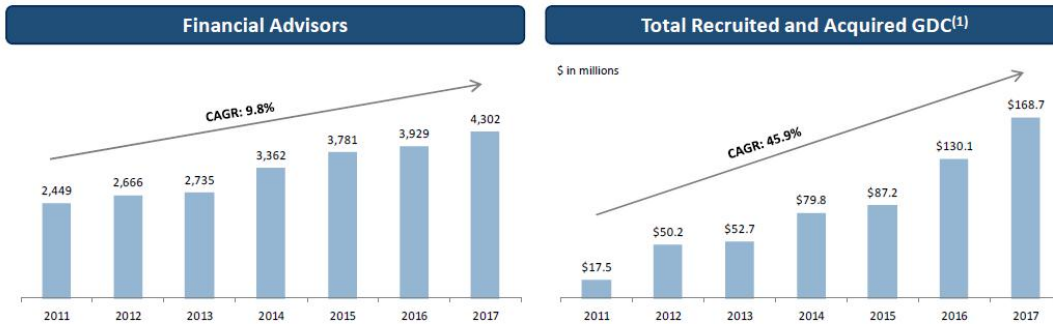
Core Growth Strategy Focused on Recruiting & Acquisitions

➤ Financial Advisors are Attracted to Ladenburg's Unique Benefits

- Network model flexibility preserving each firm's unique culture and strengths
- Sharing of intellectual capital promoting best practices
- Expansion of product offering via the Ladenburg Advantage

➤ Results in Superior Recruiting and Acquisition Track Record


- LTS successfully executes its recruiting strategy while certain competitors contend with recent recruiting challenges
- Prospects attracted to Ladenburg's long-term strategic commitment to the IAB model and industry
 - Executive management team has strong financial services expertise and history in the retail model
 - Long-term operator preferred by prospects over private equity firms looking for a quick return



(1) Represented as trailing 12 months of gross dealer concessions ("GDC") as reported by financial advisors to Ladenburg upon acquisition.

Successful Integration of Strategic Acquisitions

➤ Key Independent Broker-Dealer Acquisitions Have Led to Transformational Growth

Acquisition Target	Year	Financial Advisors ⁽¹⁾	Client Assets ⁽¹⁾
 Securities America	2011	~1,700	\$50B
 KMS	2014	~300	\$14B
 SSN	2015	~400	\$14B
	TOTAL	~2,400	\$78B

➤ Successful Tuck-In Strategy Operated From Proven Securities America Platform

- Securities America has developed strong expertise in transitioning large groups of financial advisors
- Cross departmental team of 25 people focused on effective group transitions

Broker-Dealer	Type ⁽²⁾	Year	Financial Advisors ⁽¹⁾	Client Assets ⁽¹⁾
Brecek & Young ⁽³⁾	Acquisition	2008	257	\$4.8B
ePlanning ⁽³⁾	Recruiting	2009	40	\$320M
Equitas America ⁽³⁾	Recruiting	2010	14	\$200M
Investors Security	Acquisition	2012	123	\$1.1B
Eagle One Investments	Recruiting	2012	32	\$370M
Dalton Strategic	Acquisition	2014	58	\$920M
Sunset Financial	Acquisition	2014	211	\$2.5B
Fintegra	Recruiting	2015	56	\$900M
Wall Street Financial	Acquisition	2016	67	\$2.3B
Foothill Securities	Acquisition	2016	130	\$5.2B
		TOTAL	988	\$18.5B

(1) Data as reported by target / financial advisors to Ladenburg upon acquisition.

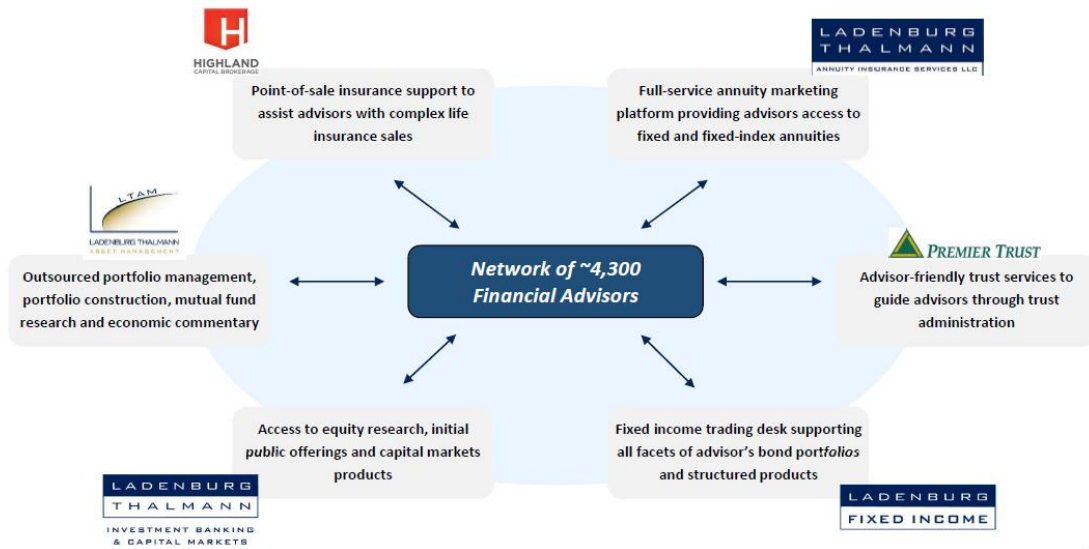
(2) Acquisitions include equity acquisitions and asset purchases.

(3) Transaction completed prior to Ladenburg's acquisition of Securities America.

Synergistic Growth Strategy Augments Multiple Revenue Lines

- Newly Implemented Initiatives with Complementary Business Units Tailored to Capitalize on Ladenburg's Vast IAB Network of Financial Advisors

Generates Incremental Revenue Opportunities For Both the Complementary Business Units and the IABs



Leading Middle-Market Focused Investment Bank



➤ Acquired Ladenburg Thalmann & Co. ("LTCO") in 1995

- Founded 1876 and NYSE Member Firm Since 1879

➤ Full-Service Investment Banking and Capital Markets

- Extensive capabilities across equity, debt, M&A and restructuring
- Since 2015, participated in approximately 310 public and private offerings, representing gross proceeds of \$28.0 billion⁽¹⁾

Investment Banking

- 16 investment bankers, including nine Managing Directors who average over 20 years of investment banking experience
- Deep sector expertise across four core industry verticals
 - Yield-oriented equities (BDCs, REITs, MLPs)
 - Healthcare and life sciences
 - Energy, power and infrastructure
 - Telecom, media and technology

Capital Raising

- IPOs
- Follow-Ons
- Registered Directs
- At-the-Market
- PIPEs
- Private Placements
- Fixed Income
- SPACs

Advisory

- M&A
- LBOs and MBOs
- Going-Private
- Divestitures
- Restructuring
- Fairness Opinions
- Solvency Opinions
- Valuations

Value-Added Services

- Strategic Advice (Sales Strategy & Business Development)
- Proxy Defense
- Non-deal Roadshows
- Market Penetration & Pricing Analyses
- Financial Modeling

Equity Research

- In-depth research on companies and industries to retail and institutional clients globally
- 11 senior equity research analysts
- Research coverage of 170+ companies across four core industries

Institutional Sales and Trading

- 35 institutional equity sales & trading professionals
- Relationships with over 1,000 institutional accounts both in the U.S. and internationally
- Active market-maker in select securities on NASDAQ

(1) Transaction data from January 1, 2015 through June 30, 2018.

Offer Attractive Transactions to Robust Distribution Platform



➤ **Multi-Channel Distribution Platform Including IAB's 4,300+ Retail Financial Advisors**

- Only Ladenburg and Raymond James capable of offering its own Investment Banking and Research Products to its IAB networks
- Ladenburg Investment Banking's expertise in yield-oriented companies provides attractive investment opportunities for the retail investment community

Yield-Oriented Financing Transactions

<p>Priority Income Fund \$14,000,000 Term Preferred June 2018 Ladenburg Thalmann Investment Banking</p>	<p>COWEN GROUP \$50,000,000 Bdly Bond June 2018 Ladenburg Thalmann Investment Banking</p>	<p>LORNER & HENRIKSEN \$45,000,000 Initial Public Offering June 2018 Ladenburg Thalmann Investment Banking</p>	<p>COWEN GROUP \$90,000,000 Bdly Bond June 2018 Ladenburg Thalmann Investment Banking</p>	<p>COWEN GROUP \$41,412,375 Bdly Bond May 2018 Ladenburg Thalmann Investment Banking</p>	<p>GREAT ELM CAPITAL \$50,000,000 Bdly Bond April 2018 Ladenburg Thalmann Investment Banking</p>	<p>EAGLE POINT \$69,000,000 Bdly Bond April 2018 Ladenburg Thalmann Investment Banking</p>	<p>TPG \$65,437,500 Follow-On Offering March 2018 Ladenburg Thalmann Investment Banking</p>	<p>MORGAN ACCREDITED CORP III \$300,000,000 Initial Public Offering February 2018 Ladenburg Thalmann Investment Banking</p>	<p>Newtek \$50,000,000 Bdly Bond February 2018 Ladenburg Thalmann Investment Banking</p>
<p>FIDUS \$45,000,000 Bdly Bond January 2018 Ladenburg Thalmann Investment Banking</p>	<p>EAGLE POINT \$35,000,000 Follow-On Offering January 2018 Ladenburg Thalmann Investment Banking</p>	<p>INNOVATIVE \$72,000,000 Follow-On Offering January 2018 Ladenburg Thalmann Investment Banking</p>	<p>GREAT ELM CAPITAL \$42,000,000 Bdly Bond January 2018 Ladenburg Thalmann Investment Banking</p>	<p>WHEELER \$25,000,000 Preferred Offering January 2018 Ladenburg Thalmann Investment Banking</p>	<p>CSWC \$17,500,000 Bdly Bond December 2017 Ladenburg Thalmann Investment Banking</p>	<p>RILEY \$70,000,000 Bdly Bond December 2017 Ladenburg Thalmann Investment Banking</p>	<p>COWEN GROUP \$28,000,000 Bdly Bond December 2017 Ladenburg Thalmann Investment Banking</p>	<p>EPR Properties \$1,500,000,000 Preferred Offering November 2017 Ladenburg Thalmann Investment Banking</p>	<p>COWEN GROUP \$72,000,000 Bdly Bond November 2017 Ladenburg Thalmann Investment Banking</p>
<p>MVC CAPITAL \$100,000,000 Bdly Bond November 2017 Ladenburg Thalmann Investment Banking</p>	<p>Penntank \$4,000,000 Follow-On Offering October 2017 Ladenburg Thalmann Investment Banking</p>	<p>PLYMOUTH REIT \$4,000,000 Preferred Offering October 2017 Ladenburg Thalmann Investment Banking</p>	<p>RIVERNORTH \$4,000,000 Term Preferred October 2017 Ladenburg Thalmann Investment Banking</p>	<p>INNOVATIVE \$15,000,000 Preferred Offering October 2017 Ladenburg Thalmann Investment Banking</p>	<p>GLADSTONE CAPITAL \$4,000,000 Term Preferred September 2017 Ladenburg Thalmann Investment Banking</p>	<p>KCAP \$7,500,000 Bdly Bond Top September 2017 Ladenburg Thalmann Investment Banking</p>	<p>GREAT ELM CAPITAL \$28,400,000 Bdly Bond September 2017 Ladenburg Thalmann Investment Banking</p>	<p>GLADSTONE LAND \$12,500,000 Follow-On Offering September 2017 Ladenburg Thalmann Investment Banking</p>	<p>Independence \$115,000,000 Follow-On Offering September 2017 Ladenburg Thalmann Investment Banking</p>
<p>MCM GROWTH \$55,000,000 Follow-On Offering September 2017 Ladenburg Thalmann Investment Banking</p>	<p>KCAP \$9,000,000 Bdly Bond August 2017 Ladenburg Thalmann Investment Banking</p>	<p>STELLUS \$42,500,000 Bdly Bond August 2017 Ladenburg Thalmann Investment Banking</p>	<p>EAGLE POINT \$7,500,000 Notes Offering August 2017 Ladenburg Thalmann Investment Banking</p>	<p>Getty Realty \$94,000,000 Follow-On Offering July 2017 Ladenburg Thalmann Investment Banking</p>	<p>Monroe Capital \$45,000,000 Follow-On Offering June 2017 Ladenburg Thalmann Investment Banking</p>	<p>A \$11,750,000 Follow-On Offering June 2017 Ladenburg Thalmann Investment Banking</p>	<p>Coca-Cola \$38,000,000 Follow-On Offering June 2017 Ladenburg Thalmann Investment Banking</p>	<p>Debt Free Capital Corp \$62,500,000 Term Preferred June 2017 Ladenburg Thalmann Investment Banking</p>	<p>RLX Merger Corp. IV \$100,000,000 Initial Public Offering June 2017 Ladenburg Thalmann Investment Banking</p>

Leverage Internal Asset Manager's HNW Service Model

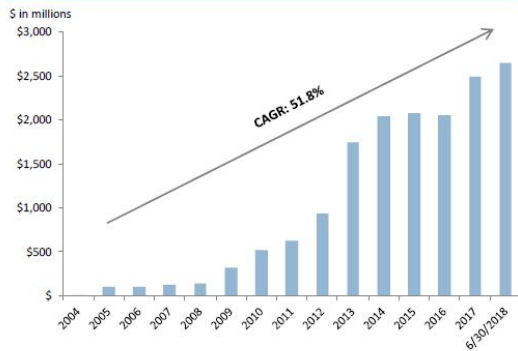


- Acquired Ladenburg Thalmann Asset Management ("LTAM") in 1995
 - SEC Registered Investment Advisor (www.ltam.com)

➤ Internal Asset Manager Servicing the Ladenburg IAB Network

- Approximately \$2.7 billion in AUM with accounts ranging from \$10,000 to \$60 million
- Expertise in market analysis, due diligence, fund selection, asset allocation and diversification strategies
- Created six mutual funds and 30 model portfolios
- Unlike with other third-party asset managers, LTS financial advisors have a direct relationship with LTAM's portfolio management team
- Delivers high-net worth service model for LTS IAB network's mass affluent customer
 - LTS financial advisors able to move upstream and capture larger accounts by leveraging LTAM's track record

Significant LTAM AUM Growth



LTAM Brand Recognition

- Philip Blancato (President and CEO of LTAM) has over 27 years of experience in the financial services industry
 - Frequently engages in media appearances, quoted in publications and speaks at industry conferences



www.ltam.com



www.ladenburgfunds.com
www.ltafx.com
www.symbil.com

LTAM Generates Management Fee Income From Innovative Investment Products

6 Ladenburg Mutual Funds

- 5 asset allocation funds & 1 alternative strategies fund

- One of the few IAB asset managers that construct and offer mutual funds

30 Model Portfolios

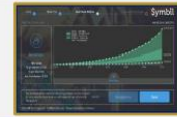
- 5 ETF models
- 5 mutual fund models
- 5 tax sensitive and 5 specialty models
- 5 "Ladenburg / American Fund" models
- 5 "Ladenburg / Franklin Templeton" models

- Seasoned portfolio manager with strong performance on most popular ETF model⁽¹⁾
- Strong relationships with American Funds and Franklin Templeton (top-3 mutual fund families)
- Opportunity to create portfolios with other premier asset managers

Symbit® – Digital Robo-Advisor
Investment Platform Launched in 2016

- Created for advisors to transition management of smaller accounts

- Opportunity to expand offering to millennials
- Simpler asset rollover process for end investor compared to processes of popular robo-advisors



Trusted Resource for Free, Unbiased Investment Guidance

Ladenburg Investment Research ("LIR")

- LTAM investment guidance resulting from proprietary selection methodology

- Top-rated mutual funds list (159 funds and 44 ETFs across 39 categories)
- Asset allocation portfolios for conservative, moderate and aggressive clients
- Research and commentaries from LTAM and strategic mutual fund partners

(1) LTAM's ETF Growth and Income Model's aggregate 10-year performance from July 1, 2008 through June 30, 2018 ranks within the top 28% of the 74 asset managers in its risk category offered on Envestnet, an industry leading provider of portfolio management solutions.

Leverage Well-Positioned Trust Company for Trust Services

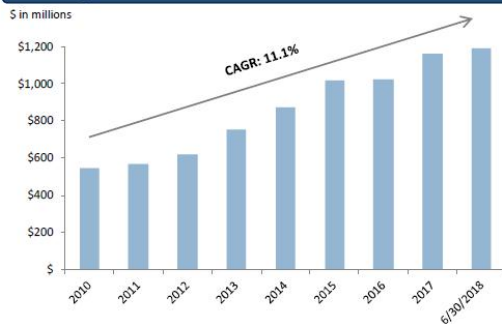


➤ Acquired Premier Trust in 2010

➤ Premier Trust is a Leading Nevada-Chartered Trust Company

- Formed in 2001 to provide “advisor-friendly” trust administration services
 - Cooperative relationship with financial advisors as services do not include investment management, tax or legal advice
 - Provides trust administration services to support all aspects of financial and estate planning, including asset protection
- As a trustee, Premier Trust provides access to Nevada’s trust-friendly laws for clients nationwide
 - Over 65% of trusts administered by Premier Trust include beneficiaries that reside outside of Nevada
- Average trust size of \$750,000 - \$1.0 million
- Approximately \$1.2 billion of assets under administration

Significant Growth in Assets Under Administration



Nevada’s Trust-Friendly Benefits

- Nevada Top-Rated Asset Protection Laws
- Nevada Trust Can Last 365 Years
- No Nevada Income Tax on Trust Income When Trustee is Located in Nevada
- Favorable “Decanting” Statute (Ability to Modify an Irrevocable Trust)
- Nevada Reciprocity Bill
 - Ability to solicit business in certain other states, including states with strong LTS IAB representation



Ladenburg's Trust Services Initiative

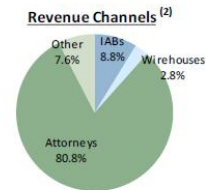
- Ladenburg acquired Premier Trust to enable its advisors to expand their product offering and preserve AUM

Preservation of AUM

- 80-95% of accounts leave the incumbent advisor upon death if there is a friend, family member, or bank listed as successor trustee⁽¹⁾
- Address risk of transfer of assets upon death by instilling Premier Trust as successor trustee resulting in LTS financial advisors managing assets into the next generation

Growth Opportunity

- Revenue from LTS IAB network has increased from 2011 – 2017 at a CAGR of 115%
- Significant runway for growth with only 6% of Premier Trust revenue derived from LTS IAB network



Path to Production

- Provide incentivized pricing for LTS IAB clients
- Launched trust review program in 2016 within LTS IAB network seeking conversion as trustee (current business) or establishing role as successor trustee (future business)



(1) Sources: Investment Management Consultants Association, "Engaging and Retaining Families" by Diane Doolin, Vic Preisser and Roy Williams. Trusts and Estates, "The Future of Estate Planning" by Vic Preisser and Roy Williams.

(2) Based on number of new trust accounts for which Premier Trust became trustee in 2017.

Expand Insurance Offering Via Highland's Nationwide Practice



➤ Acquired Highland Capital Brokerage ("Highland") in 2014

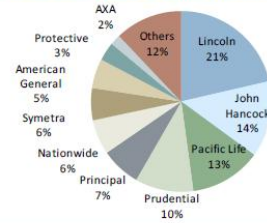
➤ Highland is One of the Nation's Largest Life Insurance Distribution Companies

- Partners with financial advisors by leveraging core competencies of life insurance, annuities and long-term care
- Generated \$109.4 million of premiums and \$96.0 million of gross revenue⁽¹⁾⁽²⁾
- Over 90 point-of-sale specialists

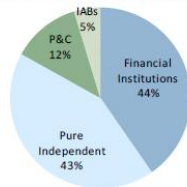
National Presence, Local Connections



Tier 1 Carriers (Over 40 Total Carrier Relationships)⁽³⁾



Client Distribution with Strong Financial Institutions Presence⁽³⁾



Significant Financial Institutions Relationships⁽³⁾

CLIENT NAME	HIGHLAND RANK AT INSTITUTION	ADVISORS
Wells Fargo	1	370
Sun Trust	1	170
UBS	3	140
Citi	1	100

(1) For the last twelve months ended June 30, 2018.

(2) Please see the description of change in revenue recognition commencing on January 1, 2018 on page 51 in the Appendix of this presentation.

(3) Based on premiums sold in the fiscal year ended December 31, 2017.

Continue Significant Growth in Insurance Product Sales



➤ Ladenburg's Insurance Brokerage Initiative

- Ladenburg acquired Highland in August 2014 to support its advisors with a proven insurance distribution affiliate
 - Most IABs rely on external brokerage general agencies, resulting in limited flow of information and production lags
 - Ladenburg IABs and Highland work collaboratively resulting in better support for advisors

Growth Opportunity

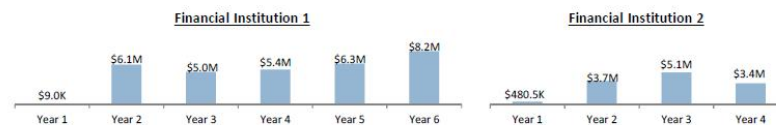
- **Step 1:** Enhance focus on Highland penetration with LTS advisors that have existing insurance business
- **Step 2:** Generate new sales opportunities with financial advisors that never sold insurance products

Path to Production

- Position as preferred insurance provider for LTS IABs
- Provide incentive credits to financial advisors
- Primary presence at LTS IAB conferences as insurance broker

Leverage Ramp-Up Track Record

- Highland demonstrated strong growth in premiums within short period with LTS financial advisors
 - 2015: \$0, 2016: \$1.2 million, 2017: \$1.7 million, LTM 6/30/18: \$2.1 million
- Recent premium ramp-up examples (with current #1 ranking) resulting from targeted approach



Capitalize on Strength of Fixed and Fixed-Index Annuities



- **Launched Ladenburg Thalmann Annuity Insurance Services LLC (LTAIS) in May 2017**
 - Full-service annuity platform focused on fixed and fixed-index annuities

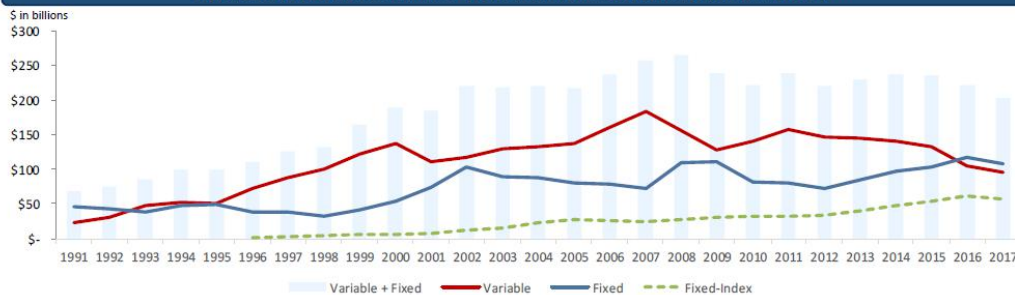
➤ Industry Sales Strength of Fixed and Fixed-Index Annuity Products

- Variable annuity sales decreased for the sixth consecutive year in 2017⁽¹⁾
- Fixed annuity sales consistently increased from 2012 – 2016 and exceeded \$100 billion annually from 2015 – 2017⁽¹⁾
- Fixed-index annuity sales achieved record sales for nine consecutive years from 2008 – 2016⁽¹⁾

➤ Annuities Remain a Vital Source of Retirement Security

- Other than pensions, annuities are the only products that create a guaranteed lifetime income
 - Annuities with life-payouts provide a flow of income to protect against longevity risk
 - 29% of middle and upper-income retirees receive income from annuities, of which 67% receive income guaranteed for life⁽²⁾
- Unique investment product providing principal protection similar to a CD, with higher guaranteed interest rates

Significant Industry Annuity Sales With Fixed and Fixed-Index Trending Favorably⁽¹⁾



(1) Source: LIMRA U.S. Individual Annuity Yearbook and First Quarter 2018 Industry Briefing. Fixed annuity sales includes Fixed-Index annuity sales as represented in chart.

(2) Source: 2016 Consumer Survey, LIMRA Secure Retirement Institute, 2016. Based on individuals who have been retired for at least a year, aged 55 to 75, and with \$35,000 or more in household income.

Enhance Profitability on Fixed and Fixed-Index Annuities



➤ Formation of LTAIS Capitalizes on Evolving Regulatory Landscape

- Potential regulations raising investment advice standards for annuities favors channels with robust compliance platforms
- IABs provide platform for financial advisors to participate in fixed annuity sales growth while mitigating risk



➤ Compelling Economic Opportunity

Increased Profitability

▪ Formation of In-House FMO Increases Scale and Improves Profitability

- In-house product support team provides exclusive advisor servicing and enhances productivity
- Increased scale allows LTS to grow revenue via direct contracts with fixed annuity carriers

Annuity Sales Growth Opportunity

▪ Baseline Growth

- LTS financial advisors generated over \$600 million of annuity sales in 2017 with third-parties
- Projecting 5%+ sales growth on LTAIS annuity product mix through 2018 based on industry estimates⁽²⁾

▪ Incremental Growth

- Other FMOs may fail to qualify as a Financial Institution under contemplated regulatory requirements, potentially eliminating significant competition for qualified fixed-index business
- Opportunity for growth with only ~30% of LTS financial advisors selling fixed annuities in 2017

(1) Source: LIMRA U.S. Individual Annuity Yearbook.
(2) Projections based on LIMRA estimates.

Summary: Goals of Synergistic Growth Strategy

Executable Strategic Initiatives Augmenting Revenue and Profitability at Both IABs and Complementary Business Units



- Grow AUM to Over \$5.0 Billion From \$2.7 Billion



- Grow Yield-Oriented Companies' Financings Leveraging IAB Distribution



PREMIER TRUST

- Target Increase in IAB Penetration to 15-20% from 6%



- Target Majority of Structured Products and Fixed Income Trades Toward LFIX⁽¹⁾



- Grow Annual Organic Brokerage Premiums 3-5%
- Target Significant IAB Penetration



- Grow Overall LTS Annual Premiums ~5%
- Target Majority of Fixed and Fixed-Index Annuity Activity Towards LTAIS

Combined Benefits of Synergistic Growth Strategy Drive Short- and Long-Term Upside

(1) Ladenburg Fixed Income ("LFIX").

Rising Cash Sweep Revenue Powers Significant Potential Earnings Upside

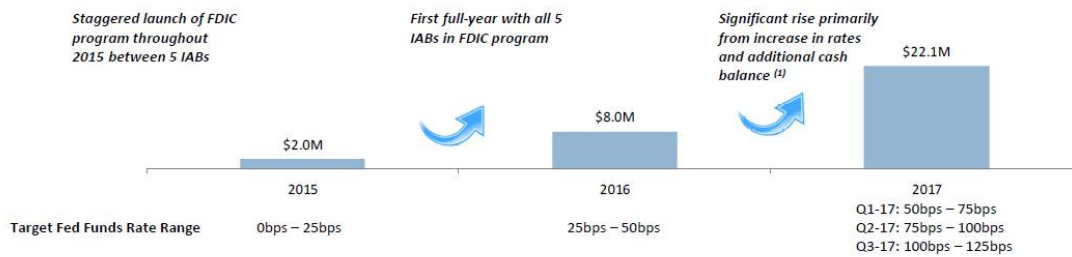


Optimized Cash Sweep Program Drives Profitability

Initiated Enterprise-Wide FDIC Cash Sweep Program in Middle of 2015

- **Recently Launched Program Greatly Enhances Incremental Revenue Stream**
 - Generates net interest margin (“NIM”) from large pool of customer deposits
- **Optimized Program Designed to Stabilize NIM Over Wide Range of Interest Rates**
 - Hedge profile utilizing mix of floating and fixed rate investments
 - Floating indexed to overnight funding source, typically fed funds effective (“FFE”) rate
 - Fixed indexed to term funding source, typically U.S. dollar interest rate swap rates (“Swaps”)
 - Seeks to capture immediate upside in rising interest environment via floating, and to limit downside risk via fixed term deposits
- **100% of NIM on FDIC Cash Sweep Program Reflected in Pre-tax Earnings and EBITDA, as Adjusted**
- **Launch of Program Captures Start of Rising Interest Rate Environment**

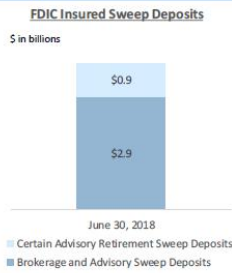
Significant Pre-Tax Earnings From Full-Year Effect of FDIC Cash Sweep Program



(1) Includes incremental cash sweep revenue beginning in mid-May 2017 from additional revenue-generating FDIC insured sweep deposits via completion of additional cash sweep agreement.

Rising Interest Rates and Cash Balances Fuel Earnings

Expansion of Revenue-Generating FDIC Insured Sweep Deposits

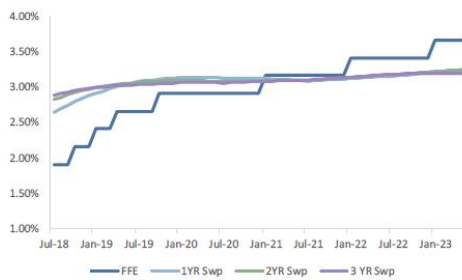


- 2018: Full year benefit of incremental cash balances in mid-2017 and early-2018
 - May 2017: Completed additional cash sweep agreement with second partner clearing firm
 - January 2018: Began earning cash sweep revenue on certain advisory retirement accounts' FDIC insured sweep deposits⁽²⁾
 - As of June 30, 2018, LTS FDIC insured sweep deposits in certain advisory retirement accounts represented \$0.9 billion
 - June 30, 2018: \$3.8 billion of revenue-generating FDIC insured sweep deposits

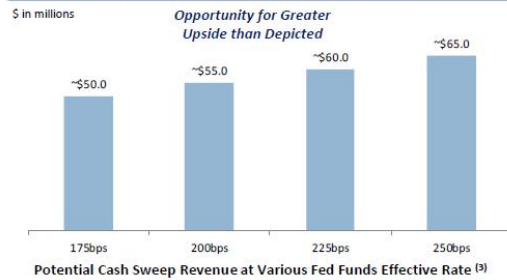
Projecting 2018 FDIC Cash Sweep Revenue of \$50+ Million⁽¹⁾

Rising Interest Rates Power Significant Earnings Upside

Rising FFE and Swap Rates



Significant Potential Earnings Benefit⁽³⁾



(1) Future levels of FDIC cash sweep revenue are dependent upon changes in prevailing interest rates and asset levels.
 (2) Cash sweep revenue for certain advisory retirement accounts structured as fee per account indexed to Fed Funds Target Range.
 (3) For illustrative purposes only. Based on June 30, 2018 cash balance of \$3.8 billion in revenue-generating FDIC insured sweep deposits.

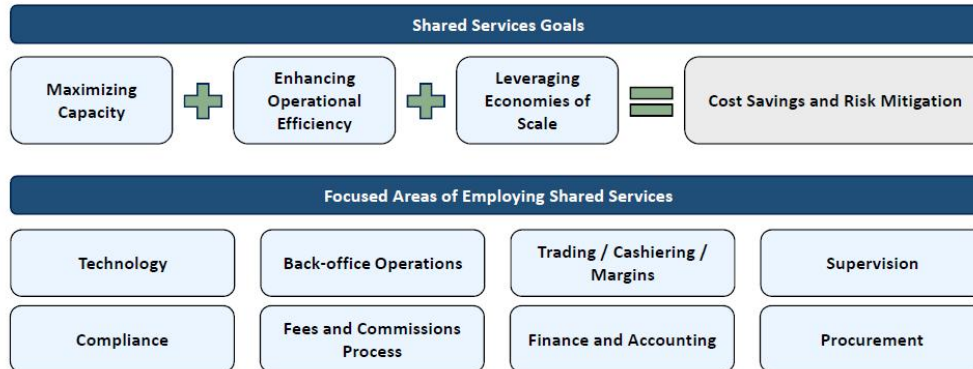
Operating Leverage Focus to Create Significant Cost Savings



Diligent Process Identifying Cost Saving Opportunities

➤ Enterprise-wide Focus on Shared Services

- Established a Margin Improvement Taskforce to review structure, processing statistics, capacity and costs
- Consistent operational reviews across all five IABs capable through the unified technology platform



➤ Formal Review Process Has Generated Defined Margin Improvement Plan

- Margin Improvement Taskforce focused on enhanced cost savings in 2018
- Continued cost discipline and greater adoption of shared services expected to further drive operating leverage

“Best of Breed” Practice Management



Industry Recognized Practice Management Program

Ladenburg Leverages Securities America's Multi-Faceted Practice Management Offering

Individual Coaching & Consulting

Diagnostic Engagement Offering			
Advisor Seeks:	▪ Holistic, In-Depth Assessment	▪ Improve Workflow, Optimize Tech	▪ Analyze Value & Future Revenue
Program Delivers:	▪ Business Diagnostic	▪ Technology & Efficiency Diagnostic	▪ Revenue & Opportunity Diagnostic

Group Coaching

- "Next-Level" Coaching Program**
- Two live workshops and nine months of bi-weekly 1-on-1 coaching
 - 30+ Proven "Must-Do" Tactics Supported by Immersive Coaching
 - Peer Learning and Networking Opportunities



Multi-Media Coaching

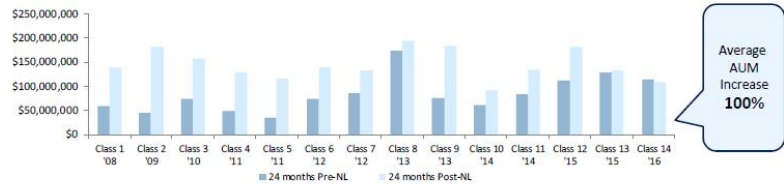
- Brand Development**
- Online video series
 - Online tools, checklists, branding resources to help implement essential branding tactics
 - One-on-one coaching to help advisors put into action the presented branding best practices

- Associate Advisor Coaching Program (for Advisors hiring and training Associate Advisors)**
- Strategy, structure and roles
 - Sourcing and hiring
 - Model incentive plans and compensation data
 - Associate Advisor training and coaching program
 - Turnkey marketing, referral and book-building tools

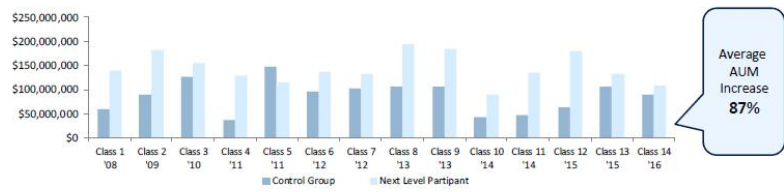
Significant Yields from Next Level Coaching Program

Financial Advisors Demonstrate Improvement Post Next Level Coaching Program

AUM
24 Months of Assets Gathered Before and After Next Level



AUM
24 Months of Assets Gathered by Control Group Versus Next Level Advisors



GDC
Trailing 12 Months of GDC Before and After Next Level



Industry Leading Technology Platform

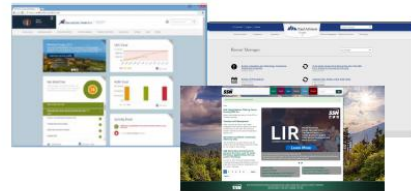


- **Ladenburg Leverages Securities America's Innovative Technology Solutions for its Financial Advisors**
 - Invests approximately \$15 million annually in information technology⁽¹⁾
 - Technology group comprised of 95 professionals
- **Unified Technology Platform Enhances Productivity and Strengthens Supervision**
 - All five IABs expected to be on new, unified technology platform by Q4-2018 (currently 4 out of 5 on platform)
 - Standardized for risk mitigation and increased collaboration among IABs

Proprietary Technology Solutions

➤ User-Friendly Advisor Website

- Provides practice management content focused on supporting growth of advisor's business
- Capitalize on Internet economies pushing down network costs while enabling rapid system enhancements
- Committed to open architecture to leverage new technology expediently to support scalability and security



➤ Enterprise Platform Workstation

- Fully-integrated online workstation for day-to-day business activity (manage accounts, place trades, create proposals, etc.)
 - **Paperless System via The Vault** – cost-effective, regulatory compliant image storage
 - **Mobile Access** – full flexibility to conduct business from iPad, Android tablet or other mobile devices
 - **Customization** – rich dashboard with over 30 widgets fully customizable to advisor's preferences

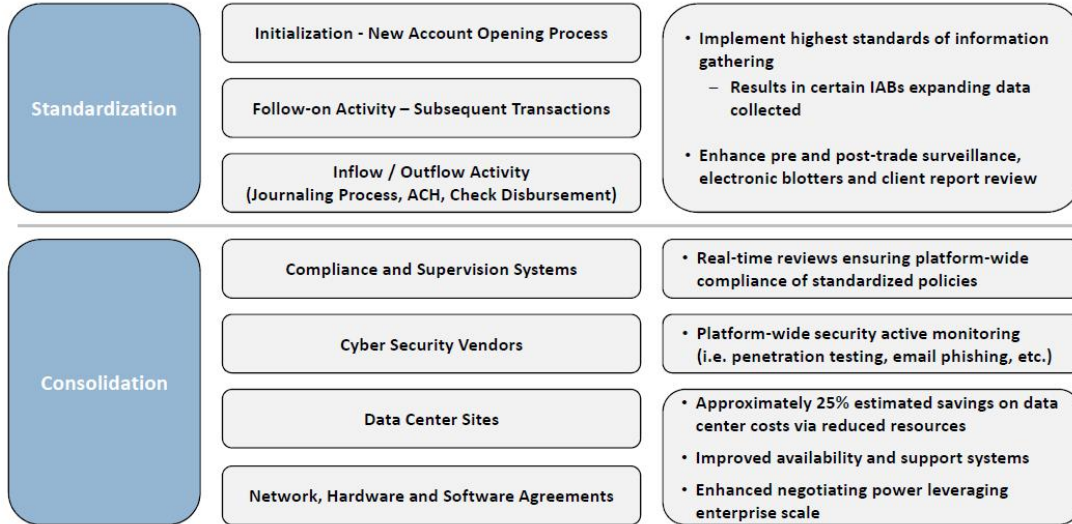


(1) Average information technology spending for years ended December 31, 2013 through 2017.

➤ **Implementing Consistent Technology Practices Across the Enterprise**

- Cyber security and risk policies standardized throughout all entities

Stronger Risk Mitigation Through Standardization and Consolidation



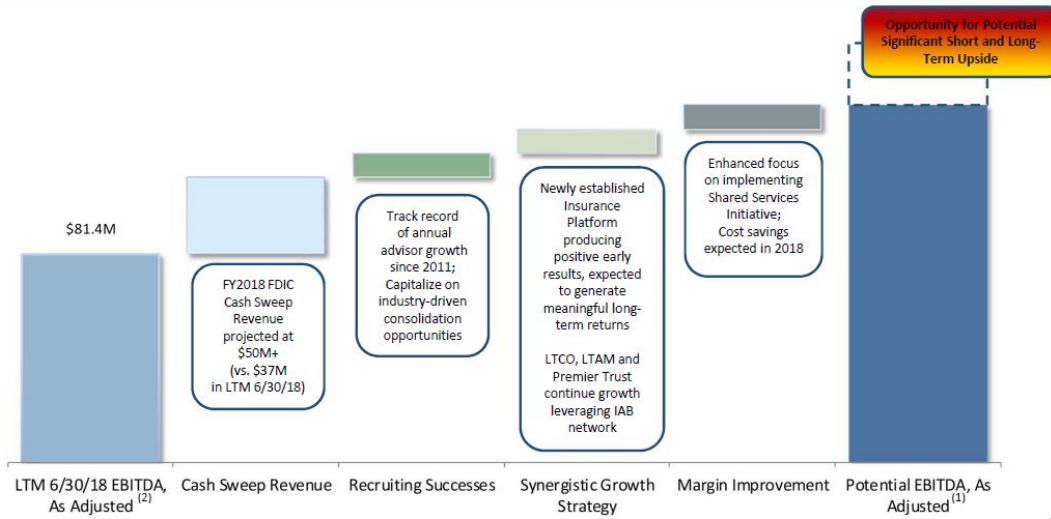
Conclusion

Positioned for Transformational Growth Opportunity

➤ Ladenburg Is Entering its Next Stage of Evolutionary Growth

- Enterprise-wide focus on leveraging significant scale and executing newly-deployed synergistic initiatives
- FDIC cash sweep revenue is currently growing significantly and is projected to continue over the foreseeable future
- Key initiatives are in early stages and are expected to meaningfully increase pre-tax earnings in the middle- to long-term

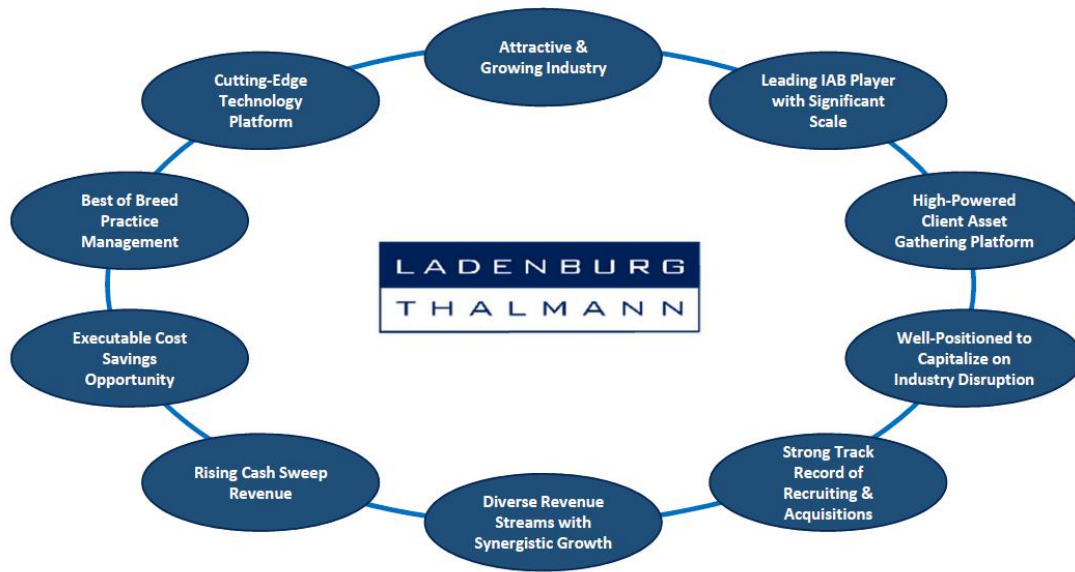
Ladenburg's Diversified Model Positioned for Significant Opportunity to Drive Shareholder Value ⁽¹⁾



(1) Representation of potential EBITDA, as adjusted, for illustrative purposes only. Potential EBITDA, as adjusted, and various components not drawn to scale.

(2) Please see the description of EBITDA, as adjusted, on page 2 and the Appendix of this presentation for a reconciliation of net income (loss) attributable to the Company to EBITDA, as adjusted.

Key Investment Highlights



Appendix

Impact of New Accounting Standards

➤ **Critical Accounting Policies: Revenue from Contracts with Customers** ⁽¹⁾

- On January 1, 2018, we adopted Accounting Standards Update 2014-09 and all related amendments ("ASC 606") issued by the Financial Accounting Standards Board
 - Amounts in prior year periods have not been restated
- During the three and six months ended June 30, 2018, the Company's revenue and net income were impacted by the adoption of ASC 606 due to the following:
 - 1) Advisory fees recognized on a net basis (after deducting the advisor's compensation) on clients' assets held at a Hybrid RIA, which has primary client fiduciary duty under the Investment Advisors Act; previously these advisory fees were recognized on a gross basis
 - 2) Insurance commission revenue recognized on a gross basis regardless of payment of method by the carrier
 - 3) Timing of revenue recognized for commissions on future renewals of insurance policies sold is accelerated, as these future commissions represent variable consideration and are required to be estimated
 - 4) Certain costs to obtain a contract with a customer are now capitalized and have historically been recorded as a period expense
 - 5) Forgivable loans to independent financial advisors are now amortized over the expected useful lives of their relationship period with the Company's subsidiaries; previously these loans were amortized based on their legal terms

Consolidated Statement of Operations (<i>\$ in thousands, except per share data</i>)	Six Months Ended June 30, 2018		
	As Reported	Without Adoption of ASC 606	Impact
Revenues:			
Commissions	\$ 343,667	\$ 303,614	\$ 40,053
Advisory fees	237,021	337,815	(100,794)
Investment banking	28,219	25,625	2,594
Principal transactions	400	483	(83)
Interest and dividends	1,867	1,860	7
Service fees	52,487	52,487	-
Other income	23,479	23,573	(94)
Total revenues	687,140	745,457	(58,317)
Expenses:			
Commissions and fees	485,716	547,736	(62,020)
Compensation and benefits	95,822	96,387	(565)
Non-cash compensation	3,062	3,062	-
Brokerage, communication and clearance fees	8,260	7,889	371
Rent and occupancy, net of sublease revenue	4,880	4,880	-
Professional services	10,329	9,296	1,033
Interest	4,020	4,007	13
Depreciation and amortization	11,571	14,198	(2,627)
Acquisition-related expenses	913	913	-
Amortization of retention and forgivable loans	183	6,600	(6,417)
Amortization of contract acquisition costs	4,571	-	4,571
Other	36,182	36,316	(134)
Total expenses	665,509	731,284	(65,775)
Income before item shown below	21,631	14,173	7,458
Change in fair value of contingent consideration	(111)	(111)	-
Income before income taxes	21,520	14,062	7,458
Income tax expense	6,746	4,960	1,786
Net income	14,774	9,102	5,672
Net income attributable to noncontrolling interest	9	9	-
Net income attributable to the Company	\$ 14,765	\$ 9,093	\$ 5,672
Dividends declared on preferred stock	(17,016)	(17,016)	-
Net loss available to common shareholders	\$ (2,251)	\$ (7,923)	\$ 5,672
Net loss per common share available to common shareholders (basic)	\$ (0.01)	\$ (0.04)	\$ 0.03
Net loss per common share available to common shareholders (diluted)	\$ (0.01)	\$ (0.04)	\$ 0.03
Weighted average common shares used in computation of per share data:			
Basic	196,230,136	196,230,136	-
Diluted	196,230,136	196,230,136	-

(1) For additional information and disclosure please see "Note 2. Revenue from Contracts with Customers" in the Company's Form 10-Q for the six months ended June 30, 2018.

Company Reconciliation of Net Income (Loss) to EBITDA, As Adjusted



- EBITDA, as adjusted, is a non-GAAP measure. Please see a description of EBITDA, as adjusted, on page 2 of this presentation for additional information
- Set forth below is a reconciliation from Ladenburg's net income (loss) to EBITDA, as adjusted, for the periods presented

Ladenburg Thalmann Financial Services Inc. Reconciliation (\$ in millions)	Last Twelve Months Ended		Fiscal Year Ended December 31,						
	June 30, 2018	June 30, 2011	2017	2016	2015	2014	2013	2012	2011
Net Income (Loss) Attributable to the Company	\$ 24.8	\$ (3.7)	\$ 7.7	\$ (22.3)	\$ (11.2)	\$ 33.4	\$ (0.5)	\$ (16.4)	\$ 3.9
Interest Income	(1.2)	(0.0)	(0.5)	(0.7)	(0.3)	(0.2)	(0.2)	(0.2)	(0.1)
Change in Fair Value of Contingent Consideration	0.2	-	(0.0)	0.2	(0.1)	(0.0)	0.1	(7.1)	-
Loss on Extinguishment of Debt	-	-	-	-	0.3	0.5	4.5	-	-
Interest Expense	5.7	3.0	2.7	4.3	5.2	7.0	15.4	24.5	6.5
Income Tax Expense (Benefit)	1.2	1.1	(6.5)	10.0	(0.5)	(23.3)	2.9	1.5	(16.2)
Depreciation And Amortization	25.7	3.7	28.8	28.3	27.1	18.4	15.3	16.1	5.6
Non-Cash Compensation Expense	5.8	4.2	5.5	5.3	8.8	10.5	6.8	4.7	4.0
Amortization Of Retention And Forgivable Loans	4.3	-	7.4	5.5	9.2	11.0	11.5	11.7	1.6
Amortization of Contract Acquisition Costs	4.6	-	-	-	-	-	-	-	-
Financial Advisor Recruiting Expense	4.5	-	5.7	1.9	2.4	1.5	1.2	1.0	-
Acquisition Related Expenses	4.1	(0.2)	3.5	1.4	0.9	2.3	-	-	3.0
Other	1.7 ⁽¹⁾	-	1.7 ⁽²⁾	1.9 ⁽³⁾	2.2 ⁽⁴⁾	-	-	-	-
EBITDA, As Adjusted	\$ 81.4	\$ 8.1	\$ 56.0	\$ 35.8	\$ 44.0	\$ 61.2	\$ 57.2	\$ 35.8	\$ 8.4

(1) Includes severance of \$0.5 million, compensation expense that may be paid in stock of \$0.5 million and excise and franchise tax expense of \$0.6 million for the last twelve months ended June 30, 2018.

(2) Includes severance of \$0.5 million, compensation expense that may be paid in stock of \$0.6 million and excise and franchise tax expense of \$0.6 million for the fiscal year ended December 31, 2017.

(3) Includes severance of \$0.8 million, excise and franchise tax expense of \$0.5 million and compensation expense that may be paid in stock of \$0.6 million for the fiscal year ended December 31, 2016.

(4) Includes loss on write-off of receivable from subtenant of \$0.9 million, compensation expense that may be paid in stock of \$0.5 million, rent expense due to default by subtenant of \$0.5 million and excise and franchise tax expense of \$0.3 million for the fiscal year ended December 31, 2015.

IAB Segment Reconciliation of Net Income (Loss) to EBITDA, As Adjusted



- EBITDA, as adjusted, is a non-GAAP measure. Please see a description of EBITDA, as adjusted, on page 2 of this presentation for additional information
- Set forth below is a reconciliation from Ladenburg's IAB segment net income (loss) to EBITDA, as adjusted, for the periods presented

IAB Segment Reconciliation (\$ in millions)	Last Twelve Months Ended		Fiscal Year Ended December 31,						
	June 30, 2018	June 30, 2011	2017	2016	2015	2014	2013	2012	2011
Net Income (Loss) Attributable to the IAB Segment	\$ 19.5	\$ 1.6	\$ 1.3	\$ 1.0	\$ (1.9)	\$ 2.3	\$ (6.9)	\$ (11.0)	\$ (0.5)
Interest Income	(0.6)	0.0	(0.4)	(0.6)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)
Change in Fair Value of Contingent Consideration	0.0	-	(0.2)	0.0	(0.1)	(0.0)	0.1	(7.1)	-
Loss on Extinguishment of Debt	-	-	-	-	0.2	0.5	4.3	-	-
Interest Expense	1.2	0.0	1.2	2.8	3.5	5.5	12.5	19.8	3.2
Income Tax Expense (Benefit)	18.8	2.1	18.6	14.1	9.7	8.3	11.8	5.0	2.3
Depreciation And Amortization	21.5	2.4	21.5	20.4	19.4	15.0	14.5	15.2	4.6
Non-Cash Compensation Expense	1.1	0.9	1.0	1.0	3.8	6.8	3.7	1.6	1.1
Amortization Of Retention And Forgivable Loans	4.3	-	7.4	5.5	9.2	11.0	11.5	11.7	1.6
Amortization of Contract Acquisition Costs	4.6	-	-	-	-	-	-	-	-
Financial Advisor Recruiting Expense	4.5	-	5.4	1.9	2.1	1.5	1.2	1.0	-
Acquisition Related Expenses	4.1	(0.2)	3.5	1.4	0.4	-	-	-	-
Other	0.6 ⁽¹⁾	-	0.6 ⁽²⁾	0.5 ⁽³⁾	0.2 ⁽⁴⁾	-	-	-	-
EBITDA, As Adjusted	\$ 79.5	\$ 6.9	\$ 59.8	\$ 48.0	\$ 46.5	\$ 50.6	\$ 52.5	\$ 35.9	\$ 12.2

(1) Includes excise and franchise tax expense of \$0.6 million for the last twelve months ended June 30, 2018.

(2) Includes excise and franchise tax expense of \$0.6 million for the fiscal year ended December 31, 2017.

(3) Includes excise and franchise tax expense of \$0.4 million for the fiscal year ended December 31, 2016.

(4) Includes excise and franchise tax expense of \$0.2 million for the fiscal year ended December 31, 2015.

