

# Piper Sandler to acquire Cornerstone Macro, a best-in-class macro research firm

**For more information, please contact Tim Carter, chief financial officer at 612 303-5607 or [timothy.carter@psc.com](mailto:timothy.carter@psc.com)**

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# Cautionary notice regarding forward-looking statements

This presentation contains forward-looking statements. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements. These forward-looking statements cover, among other things, the future prospects and growth of the Company.

Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated, including the following:

- (1) the transaction described in this announcement is subject to regulatory approval and other closing conditions and may not close on the expected timing or at all;
- (2) the costs or difficulties relating to the combination of the businesses may be greater than expected and may adversely affect our results of operations and financial condition and our ability to realize anticipated synergies from the transaction;
- (3) the expected benefits of the transaction may take longer than anticipated to achieve and may not be achieved in their entirety or at all, and will in part depend on the ability of the Company to retain and hire key personnel and maintain relationships with its clients;
- (4) developments in market and economic conditions have in the past adversely affected, and may in the future adversely affect, the business and profitability of the Company generally and of its investment banking business specifically; and,
- (5) other factors identified under “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2020, and updated in our subsequent reports filed with the SEC.

These reports are available at [www.pipersandler.com](http://www.pipersandler.com) or [www.sec.gov](http://www.sec.gov).

Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update them in light of new information or future events.

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**BEST-IN-CLASS MACRO RESEARCH**

# Cornerstone Macro

Industry-leading institutional research firm focused on economics, US and global policy, portfolio strategy, energy research, and derivatives strategy.

- Thought-leading independent research with a global view
- Collaborative efforts to offer insights with unique actionable conclusions
- Research teams ranked top three annually in the Institutional Investor All-America Research Survey
- Capital-light, advisory centric agency model without conflicts of interest

## INDEPENDENT THOUGHT LEADER IN MACRO RESEARCH

Cornerstone Macro was founded in 2013 in New York and Washington, D.C. by partners Nancy Lazar, Andy Laperriere & Roberto Perli, all previously at ISI.

Cornerstone Macro consists of ~50 professionals, with roughly half providing research expertise and the other half including client focused, specialized sales and trading teams.

**CORNERSTONE MACRO**

Economics, Policy, Strategy & Technicals

## TRACK RECORD & SCALE

**Top 3**

Regularly ranked in  
Institutional Investor  
All-American  
Survey

**21**

Research  
Analysts

**24**

Sales and  
Trading  
Professionals

# Acquisition Details

## TRANSACTION STRUCTURE

- Piper Sandler to acquire 100% of the equity in Cornerstone Macro
- Total consideration consists of upfront cash and restricted stock; transaction value not disclosed
- Retentive incentives in place through restricted consideration and earn-out potential; producers need to be employed to realize majority of these incentives
- Founders and key employees have signed employment agreements
- Transaction structure with earn-out component aligns interests, incentivizes employees, manages retention, and limits downside exposure

## FINANCIAL IMPACT

- The addition of Cornerstone Macro is a significant step toward our goal of building a durable \$200MM+ Non-Deal Equities business with opportunity to grow over the long term
- No material change to share count
- Modestly accretive to non-GAAP EPS on a full-year basis

## MANAGEMENT OF CORNERSTONE MACRO

- Business to be integrated into the broader Piper Sandler platform
- All key employees retained and will join appropriate teams within Piper Sandler
  - Team includes co-founders Nancy Lazar, Andy Laperriere, and Roberto Perli
  - Along with co-founders, other key employees joining include Michael Kantrowitz, Stephen Gregory, Danny Kirsh, George Lam and Jan Stuart

## TIMING

- Subject to customary closing conditions and regulatory approval
- Expected to close in the first quarter of 2022

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# Co-Founders & Key Employees



**NANCY LAZAR**

Founding Partner and Chief Global Economist

- She has been an II top ranked economist for many years, with top-2 finishes the past 9 years
- She was previously Co-Founder and Vice Chair of ISI group



**MICHAEL KANTROWITZ**

Head of Portfolio Strategy

- He has been part of the top ranked strategy team for 10 years, ranking #1 for 8 of those years
- He was previously the Director of Portfolio Strategy at Wolfe Trahan & Co. and a Managing Director at ISI Group



**ROBERTO PERLI**

Founding Partner and Head of Global Policy Research

- He has been part of the top ranked policy team for 10 years
- He was previously at ISI and prior to that an Officer and Senior Staff Member at the Federal Reserve Board under Chairmen Greenspan and Bernanke



**STEPHEN GREGORY**

Head of Quantitative Portfolio Insights Team

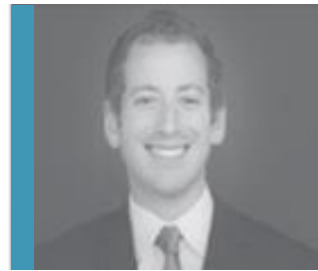
- He was a Director at Wolfe Trahan & Co. on the Portfolio Strategy and Quantitative Research team
- His work looks to wed macro trends with fundamental stock attributes



**ANDY LAPERRIERE**

Founding Partner and Head of U.S. Policy Research

- Andy has been on the II top ranked Policy team for the past 18 years, ranking #1 for 13 years
- He was previously head of ISI's Policy Team and prior to that spent 8 years on Capitol Hill working for Dick Armev



**DANNY KIRSCH**

Head of the Options Strategy Team

- He previously was a senior trader at Macro Risk Advisors
- He led the firm's derivatives strategy effort and executed listed option, equity, and ETF's



**JAN STUART**

Head of the Energy Economics Team

- Jan previously built leading energy-macro franchises at Credit Suisse, Macquarie, and UBS
- His work takes a micro-fundamentals approach to energy analysis and forecasting



**GEORGE LAM**

Options Strategist

- He provides insights into volatility markets and identifying actionable trade ideas
- George was previously an option strategist at Point72
- Before that, he was head of risk strategy at Macro Risk Advisors

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ADDS THE PREEMINENT MACRO RESEARCH FIRM TO A GROWING PIPER SANDLER PLATFORM

# Strategic Rationale



**HIGHLY RANKED MACRO RESEARCH**

Global leader that fills white space at Piper Sandler



**DERIVATIVES STRATEGY AND TRADING EXPERTISE**

Adds a much more robust derivatives product to the Piper Sandler trading platform



**ADDS ADDITIONAL SCALE**

Ability to leverage our fixed equities infrastructure, grows revenue by 30%



**ABILITY TO MONETIZE**

Our stronger and more robust trading platform allows us to monetize Cornerstone Macro's leading research



**ENHANCES BRAND**

Enhanced brand recognition with II ranked analysts and key relationships at the biggest buy-side firms on Wall Street

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COMBINATION CREATES ADDITIONAL GROWTH POSSIBILITIES

# Growth Opportunities

## **DERIVATIVES**

Ability to cross-sell Cornerstone Macro derivatives product to existing Piper Sandler clients

## **OFFERING ADDITIONAL EXPERTISE TO EXISTING CLIENTS OF BOTH FIRMS**

Many accounts of the two firms do not overlap: Large opportunity to cross-sell existing clients

## **CONTINUE TO ESTABLISH PIPER SANDLER AS A TRUSTED EQUITIES PROVIDER TO OUR CLIENTS**

Our clients are looking for full-service partners, and Cornerstone Macro further solidifies our market-leading position with our clients

## **CONVERTING RESEARCH CHECKS TO TRADING COMMISSIONS**

Cornerstone receives a large % of revenue in research checks; joining Piper Sandler will give clients a robust trading product and will allow us to cross trades with others

## **CORNERSTONE MACRO'S EXPERTISE PROVIDES THE OPPORTUNITY TO EXPAND OUR PRODUCT CAPABILITIES**

Cornerstone Macro's distinguished analysts and tech-enabled product capabilities provides Piper Sandler with new revenue opportunities with an expanded client base