

Investor Presentation

MAY 2016

Disclaimer

Forward-Looking Information

This presentation contains forward-looking statements. All statements other than statements of historical facts contained in this presentation may be forward-looking statements. The words “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results to differ materially from expectations are disclosed under the “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” sections of the Registration Statement on Form S-1 filed with the Securities and Exchange Commission (the “SEC”). All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. You should evaluate all forward-looking statements made in this presentation in the context of these risks and uncertainties. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. The forward-looking statements in this presentation are made only as of the date hereof. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Our Culture

Employee DNA

- Analytically Driven
- Client Service and Solution Driven
- Entrepreneurial
- Desirous of a Winning Home

Firm's DNA

- Partnership Culture
- Not a “Star” Culture
- Consensual Decision Making
- Measured Risk Taking

Ownership and Controls

- Broad-Based, Long-Term Employee Ownership
- Sophisticated Corporate Procedures and Financial Systems

A Leading Independent Global Investment Bank

Expertise

Mergers & Acquisitions
Capital Markets Advisory
Financial Restructuring
Financial Advisory Services

Integrated Platform

Seamlessly Combining
Product and Industry Expertise

Growth

2000–2016
Revenue CAGR¹ of 10%
Adjusted Net Income CAGR¹ of 12%

1972

Established

~800

Clients Served Annually

24

Locations Worldwide²

165

Managing Directors³

837

Total Financial Professionals³

¹ CAGR based on the fiscal year ended March 31.

² As of March 31, 2016; locations include five joint venture offices.

³ As of March 31, 2016; Managing Directors excludes Corporate Managing Directors, and MDs at joint ventures.

Principal Investment Highlights

- Strong Track Record of Growth and Profitability
- Low Revenue and Earnings Volatility Through Economic Cycles
- High Quality Earnings
- Long-Tenured Management Team
- Differentiated, Cyclically Balanced Business Model
- Strong Sector Fundamentals for Independent Advisors

Our Three Primary Business Segments

Our business is diversified across clients, services, industries and geographies, as well as cyclically balanced, allowing us to succeed in both bull and bear markets.

	Corporate Finance	Financial Restructuring	Financial Advisory Services
Services	M&A Capital Markets Advisory Illiquid Financial Assets	Out-of-Court and Formal Bankruptcy / Insolvency Proceedings	Financial Opinions Valuation Services Financial Consulting Services
Strengths	Superior Platform Drives Success in Attractive Mid-Cap Market ¹	Global Market Leader with Strong Reputation	High-Margin Provider with Strong Reputation
Managing Directors²	89	42	34
FY 2016 Revenue / % of Total	\$372 / 54%	\$202 / 29%	\$120 / 17%
Revenue per MD³	\$4.8	\$4.9	\$3.6
FY 2016 Transactions Closed / Fee Events	162	58	1,179

Note: All dollar amounts in millions unless otherwise noted.

1. Defined as transactions under \$1 billion in value.

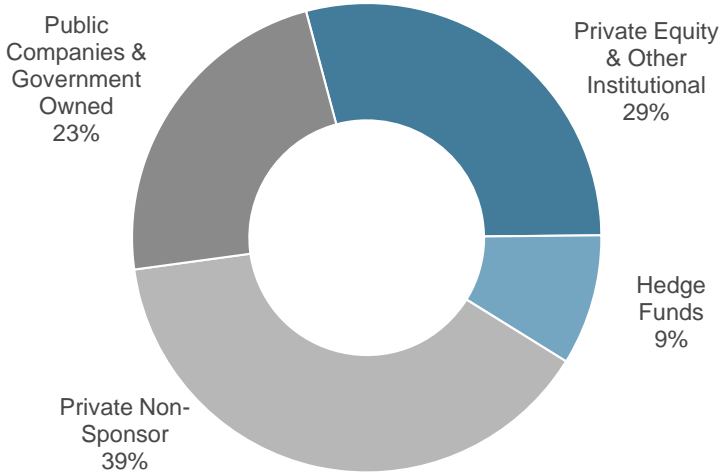
2. As of March 31, 2016. Managing Directors do not include Corporate Managing Directors.

3. Represents average of beginning-of-FY16 and end-of-FY16 MD count.

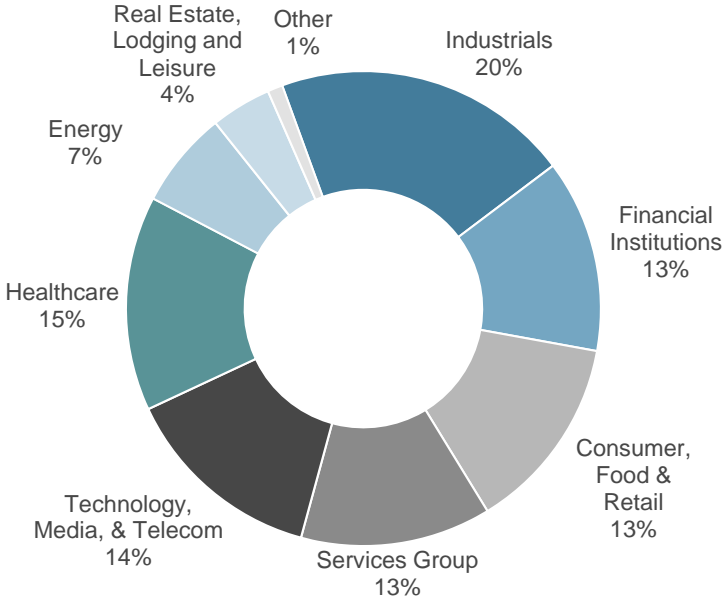
Diversified Revenue Base

- More than 800 clients served annually
- No single transaction fee represented more than 2% of our revenues
- No individual banker was responsible for more than 3% of our revenues
- No single employee shareholder owns more than 3% of shares outstanding
- Together, our CF and FR businesses provide a natural hedge

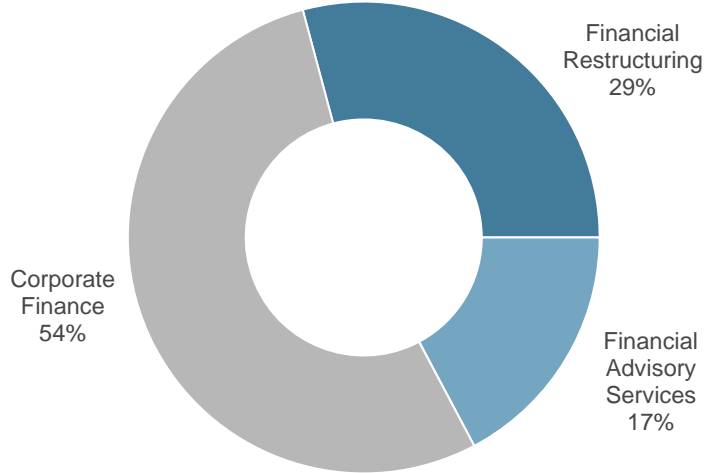
Balanced Client Mix¹



Diversified Industry Mix¹



Diversified Product Mix¹

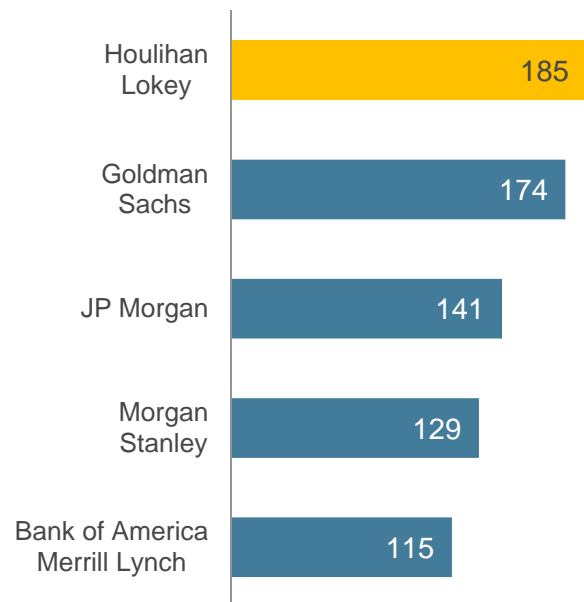


¹ Based on revenues for the FY ended March 31, 2016.

Market Leader in All Three Business Segments

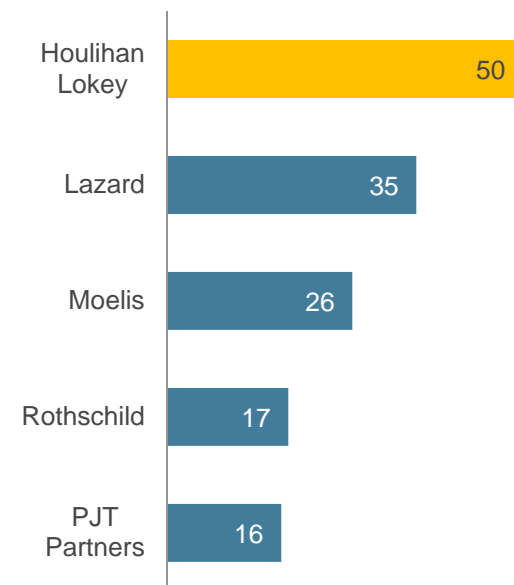
Top U.S. M&A Advisor

CY 2015 Financial Advisors by Number of U.S. M&A Deals



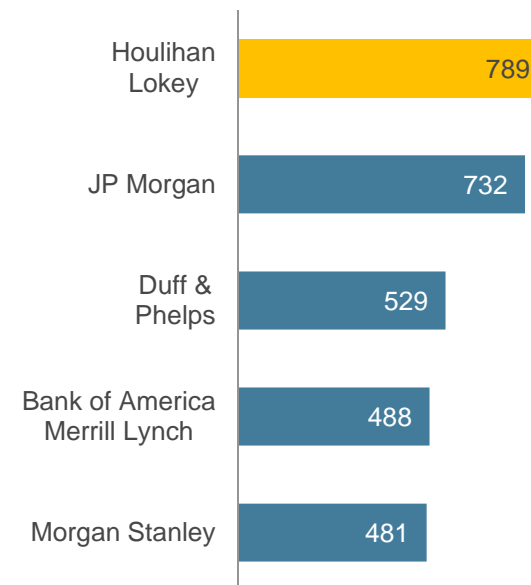
Top Global Restructuring Advisor

CY 2015 Global Distressed Debt & Bankruptcy Restructuring Deals



Top Global Fairness Opinion Advisor

U.S. M&A Fairness Advisors: Announced or Completed Deals (CY 2001 to CY 2015)



#1 U.S. M&A Advisor

Top 10 Global M&A Advisor

Leading Capital Markets Advisor

#1 Global Restructuring Advisor

Advised on 12 of the 15 Largest U.S. Bankruptcies Since 2000

1,000+ Transactions / Valued Over \$1.5 Trillion

#1 Global M&A Fairness Opinion Advisor

#1 M&A Fairness Opinion Advisor in the U.S. Over the Past 11 Years

1,000+ Annual Valuation Engagements

We invest in areas where we believe we can excel

Organic Growth Strengthened by Strategic Acquisitions



LEONARDO & CO.
Continental European
Investment Banking Firm

November 2015



McQueen
Consumer, Food & Retail
Focused Investment
Banking Firm

September 2015



MESA
Media-Focused
Investment Banking Firm

June 2015



HOULIHAN LOKEY
Joint Venture Expanding
Presence in Australia

May 2015



BRIDGE STRATEGY GROUP LLC
AN AFFILIATE OF HOULIHAN LOKEY
Adds Strategic
Consulting Capabilities to
C-Suite Relationships

January 2015




ArchPoint Partners
INVESTMENT BANKING
Technology-Focused
Investment Bank

March 2014



MILESTONE
Specialty Finance
Focused Investment
Bank

December 2012



RED PINE
ADVISORS LLC
Adds Capabilities in
Valuation of Complex,
Illiquid Securities

August 2010



AVISTA
Strategic Partnership
Expanding Presence in
India and Singapore

July 2010

1980-1989

- Corporate Finance
- Financial Restructuring
- Fairness & Capital Adequacy Opinions

1972-1979

- Business Valuations
- Tax Valuations
- ESOP Valuations

1990-1999

- Industry Specialization
- Derivative Security Valuations
- Sovereign Debt Restructuring

2000-2009

- Private Equity Coverage
- Distressed M&A
- Industry Build-Out & Expansion
- Secondary Advisory Services
- Tax & Financial Reporting Valuations
- Portfolio Valuations

2010-Present

- Debt & Equity Capital Markets Advisory
- Hedge Fund Coverage
- Structured Product Valuation
- Private Growth Equity Capital
- Illiquid Financial Assets Intermediation
- Activist Advisory
- Due Diligence Services
- Strategic Consulting

Comprehensive Coverage and Global Scale

1,171 Global Employees¹

- 425 Corporate Finance
- 206 Financial Restructuring
- 206 Financial Advisory Services
- 334 Corporate & Administrative

24 Global Locations¹

- 19 Houlihan Lokey Offices
- 5 Joint Venture Offices

1972-1979

- Los Angeles

- San Francisco
- Chicago
- New York

1980-1989

- Atlanta
- Minneapolis
- Washington D.C.
- Dallas

1990-1999

- London
- Paris
- Frankfurt
- Hong Kong
- Tokyo
- Beijing

2000-2009

- Mumbai
- Singapore
- Miami
- Newport Beach
- Madrid
- Sydney
- Amsterdam
- Milan
- Rome
- Houston

¹ As of March 31, 2016.

Strong Partnership Culture with Experienced Leadership

Deep and Experienced Management Team



Scott L. Beiser

CEO

32+ years with Houlihan Lokey



Irwin N. Gold

Executive Chairman

27+ years with Houlihan Lokey



Scott J. Adelson

Co-President

28+ years with Houlihan Lokey



David A. Preiser

Co-President

25+ years with Houlihan Lokey



J. Lindsey Alley

CFO

20+ years with Houlihan Lokey

Long Tenure Results in Collaborative Culture

Tenured Management Team

26-year average tenure of Management Team

High Banker Retention

11-year average tenure of Managing Directors across all segments¹

Strong Loyalty

More than 50% of MDs reached their respective positions through internal promotions¹

No “Star” Culture

No single individual generated more than 3% of revenues²

¹ As of March 31, 2016.

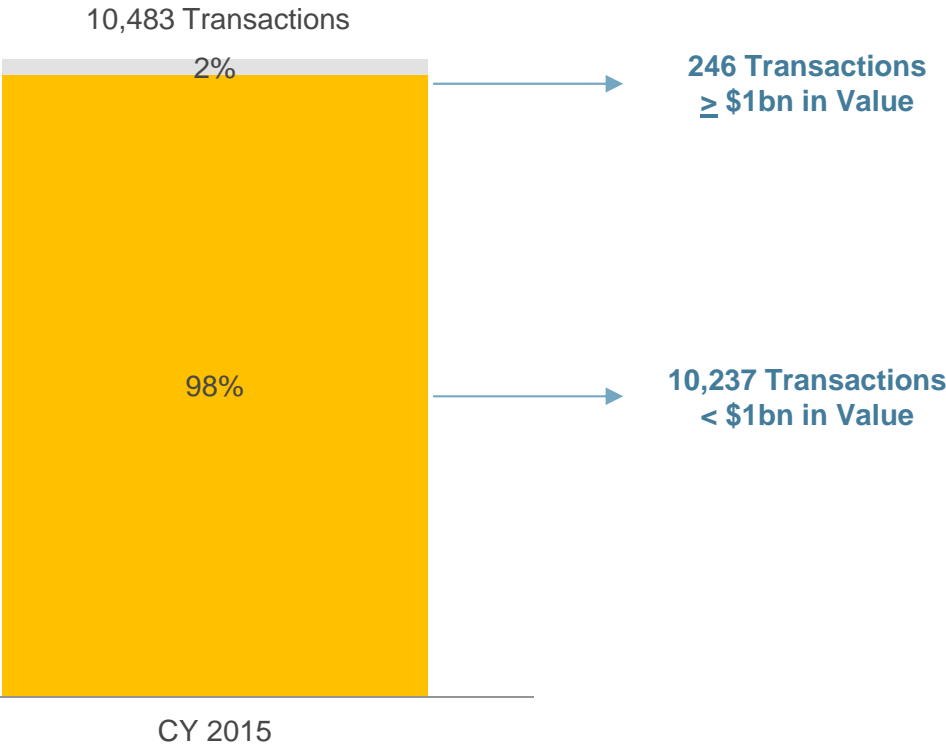
² For the FY ended March 31, 2016.

Overview of Product Lines

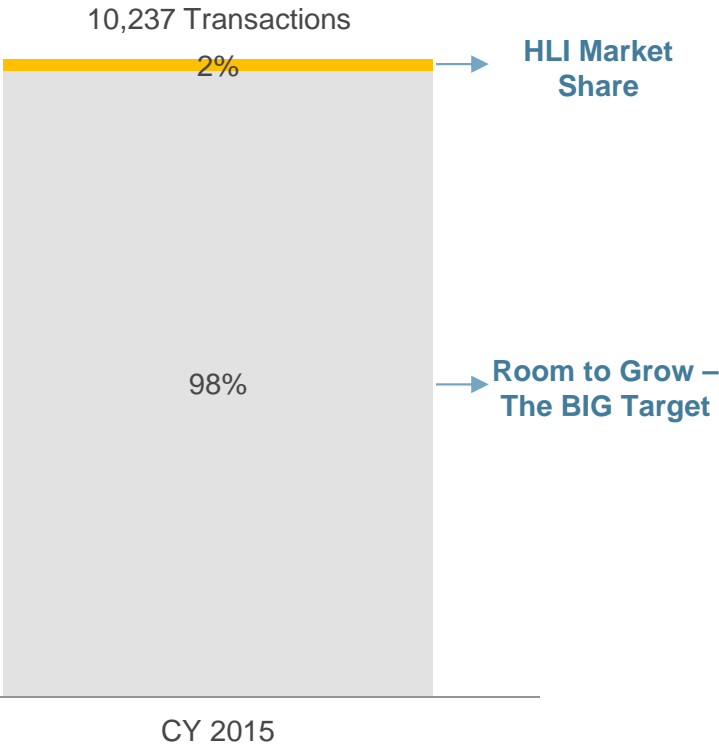
Corporate Finance Business

- Corporate Finance is a leader in the U.S. mid-cap space, which represented approximately 98% of M&A volume in CY 2015
- Our market share in the U.S. mid-cap space is less than 2%, based on the number of M&A transactions we completed in CY 2015
- The mid-cap space is meaningfully less volatile than the large-cap space, which, when combined with HLI's ongoing opportunities to increase its relatively low market share, generally results in less revenue "downside" in weaker M&A markets

U.S. Announced M&A Transactions CY 2015



Mid-Cap Transactions



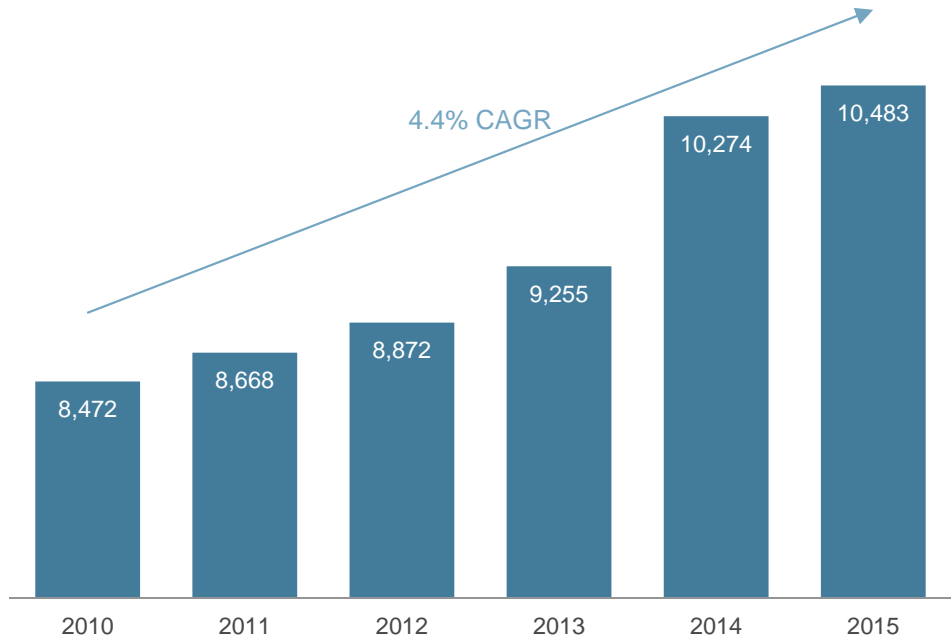
Source: Thomson Reuters.

Corporate Finance Business

- Announced U.S. M&A volume has a 5-year CAGR of 4.4%
- U.S. M&A revenues in our corporate finance business have a 5-year CAGR in excess of 15%, reflecting continued market share gains during the measurement period
- We continue to increase market share as a result of companies choosing to use an advisor, as well as taking market share from firms that don't have the same depth and breadth as the HLI platform

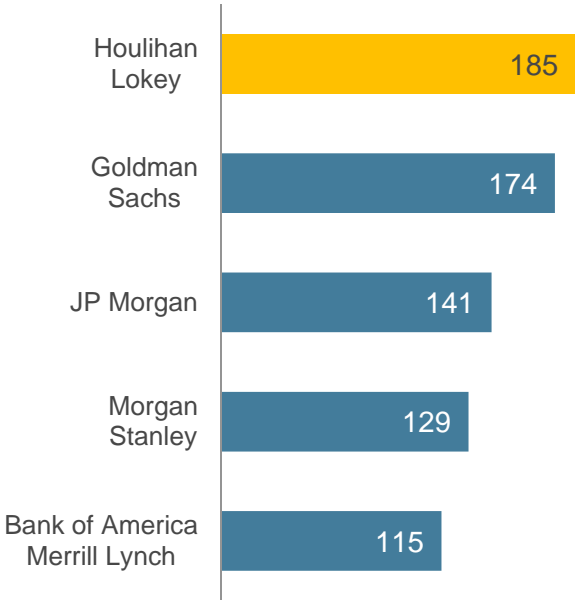
M&A Volume Continues to Increase

U.S. Announced Deals



Top 2015 Financial Advisors

By Number of U.S. M&A Deals



Source: Thomson Reuters, based on calendar year.

Financial Restructuring Business

- Deepest bench in the industry, with 42 MDs and 206 total finance professionals as of March 31, 2016
- A true global player, having closed transactions in more than 60 countries around the world since 2000
- Flexibility to work on large global restructurings as well as mid-cap restructurings
- With strong performance in a historically low interest rate and default rate environment and consolidating market share, we are poised to take advantage when interest rates and/or default rates begin to rise

15 Largest Bankruptcies

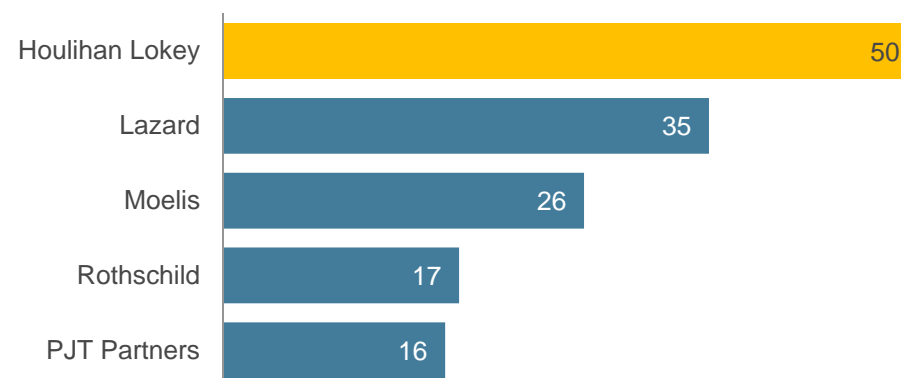
Advisor in 12 of the 15 Largest Bankruptcies 2000-2015

	ASSETS (\$B)
Lehman Brothers Holdings Inc.	691.1
Washington Mutual Inc.	327.9
WorldCom Inc.	103.9
General Motors Corporation	91.0
CIT Group Inc.	80.4
Enron Corp.	65.5
Conseco Inc.	61.4
Energy Future Holdings Corp.	41.0
MF Global Holdings Ltd.	40.5
Chrysler LLC	39.3
Thornburg Mortgage Inc.	36.5
Pacific Gas & Electric	36.2
Refco Inc.	33.3
IndyMac Bancorp	32.7
Global Crossing Ltd.	30.2

Source: BankruptcyData.com, January 2016.

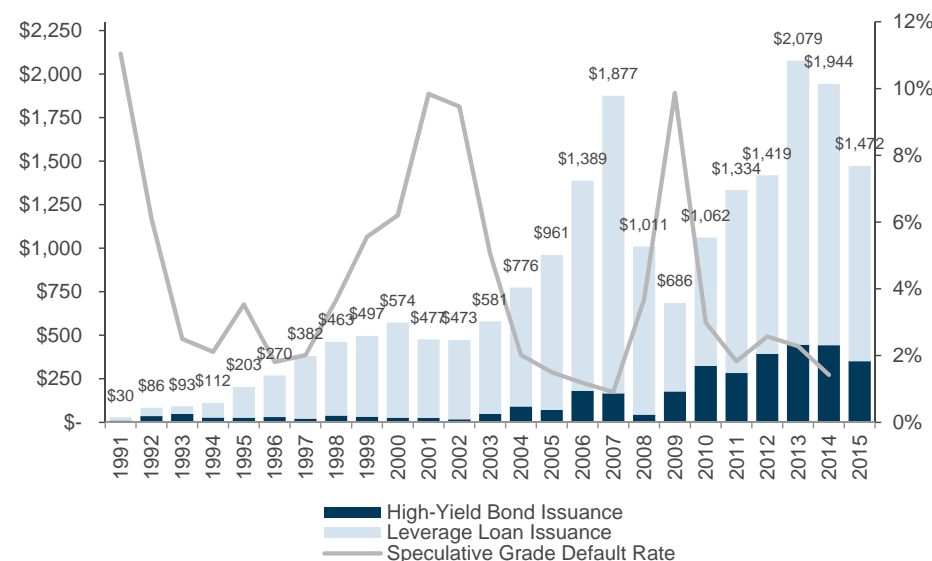
Top Global Restructuring Advisor

2015 Global Distressed Debt & Bankruptcy Restructuring Deals



Global Leveraged Loan and High Yield Issuance

(\$ in bb)



Source: Thomson Reuters, based on calendar year.
Note: All dollar amounts in billions unless otherwise noted.

Financial Advisory Services Business

Services Offered

- Transaction Opinions
- Financial Reporting Opinions
- Dispute Resolution
- Portfolio Valuations
- Strategic and Financial Consulting

Diversified Revenue Stream

- More than 1,000 fee events each year
- Approximately one-third of our FAS business is recurring in nature
- Diverse client base made up of corporate clients, sponsors, hedge funds, government agencies and entrepreneurially held companies

Operating Philosophy

- Have chosen to focus on high value-added advice as opposed to commodity services
- Business model developed to mitigate volatility in M&A markets
- Margin targets result in strong profitability for our FAS business

Robust Growth Opportunities

We will continue to grow our talent pool through:

- The development and maturation of bankers
- Opportunistic hires
- Acquisitions and joint ventures



In order to effectuate our growth drivers:

Corporate Finance

- Continued market share gains
- Increasing deal size and deal fees
- Expansion into Europe and Asia-Pacific (replicating the U.S. model)
- Complementary products and services

Financial Restructuring

- Increasing availability and use of leverage
- Increasing complexity of balance sheets
- Globalization of Financial Restructuring

Financial Advisory Services

- Increasing regulatory environment and tax complexity
- Increasingly litigious environment
- Transparency requirements
- Financial and strategic consulting

While maintaining the integrity of our culture

Financial Overview

Strong Top-Line Growth and Disciplined Expense Management

■ Long history of revenue growth through various market cycles

- Revenue CAGR of 10% from FY 2000 to FY 2016 and 10% from FY 2013 to FY 2016
- Resilient business mix consisting of cyclical and countercyclical elements
- Leader in each of our three segments, with favorable macro trends and ample growth opportunities

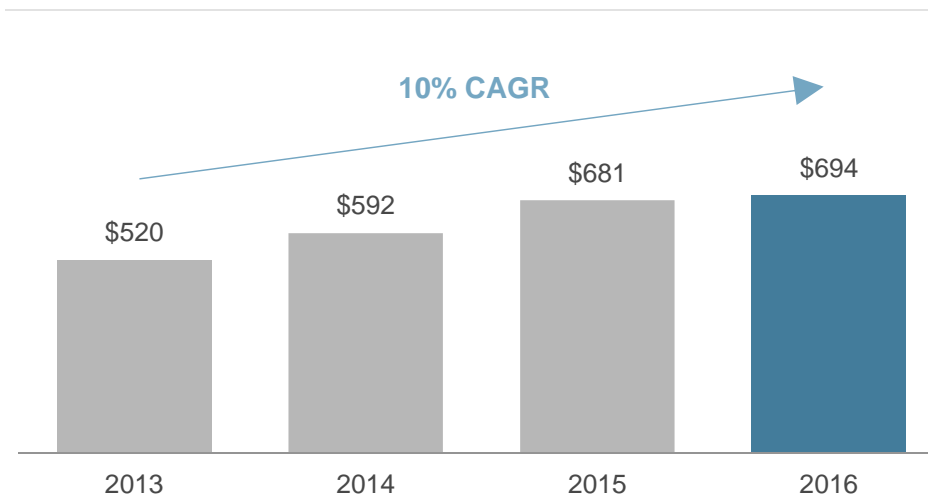
■ Consistent track record of profitability through market cycles

- Maintained double-digit margins through the recession
- Each business segment is profitable
- As a result of higher revenues and corresponding economies of scale, we have improved our adjusted non-compensation expense ratio, from 14% in FY 2013 to 13% in FY 2016

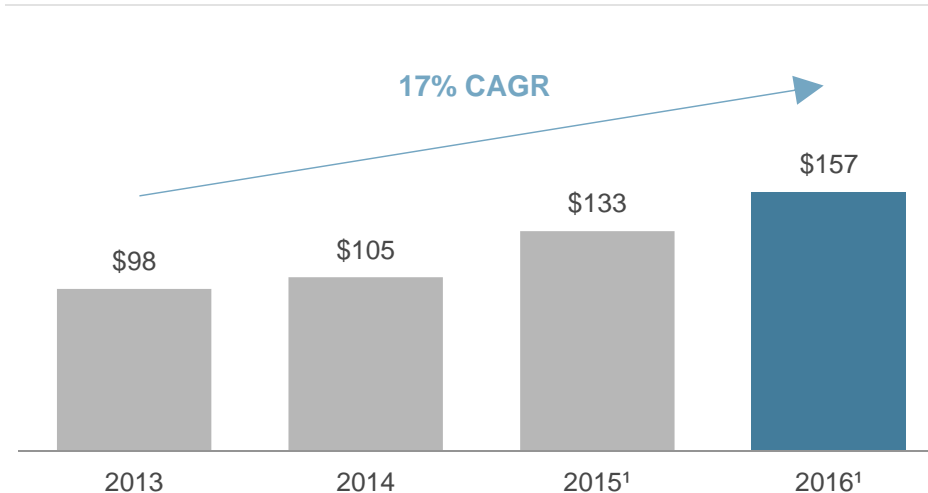
■ Scalable, capital-light model

- Minimal capital balance sheet requirements
- Low leverage levels
- Scalable model that can be further leveraged to support top-line growth
- Broad-based employee shareholder ownership

Revenue



Adjusted Pre-Tax Income

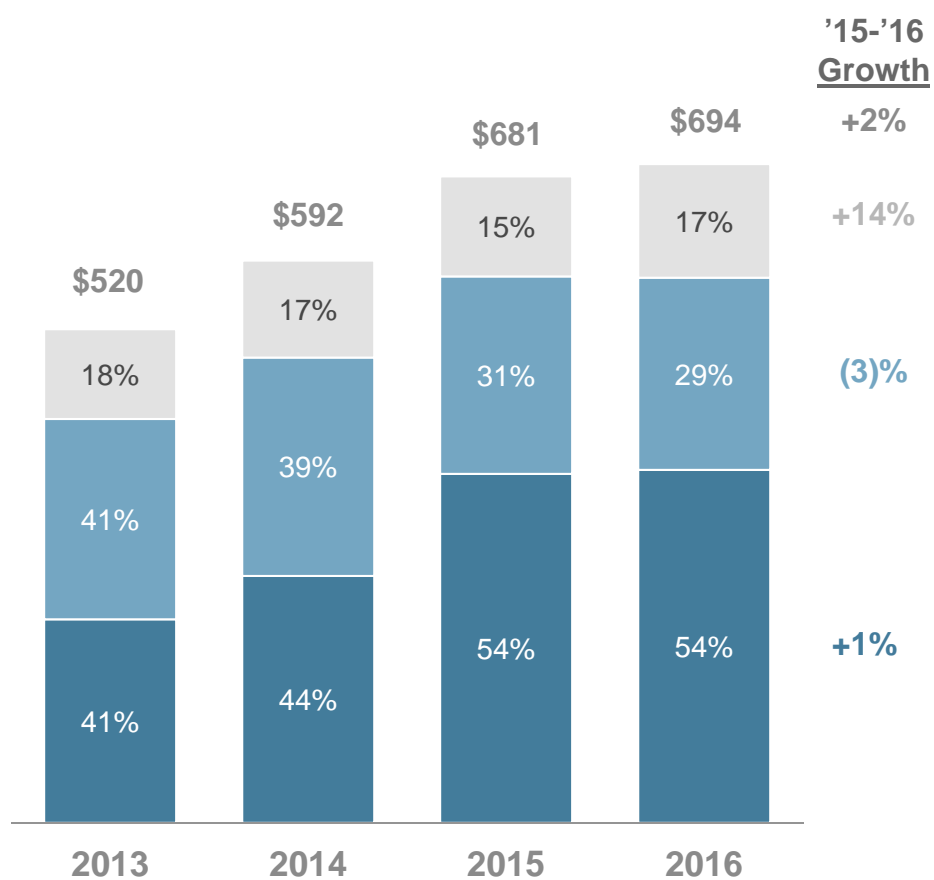


Note: Fiscal year ended March 31. All dollar amounts in millions unless otherwise noted.

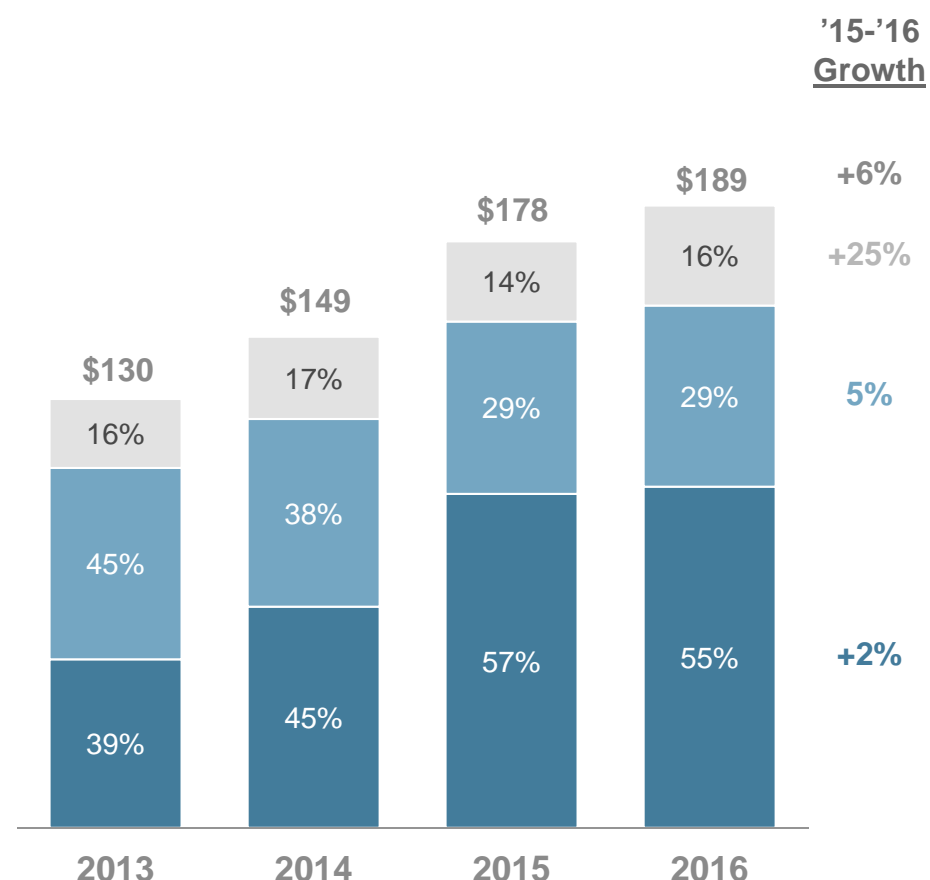
1. Adjustments include IPO-Related Costs, Acquisition-Related Costs, Pre-IPO Stock Grant Vesting, and Adjustments Relating to Previous Ownership Agreements.

Segment Financials

Total Revenue by Segment



Segment Profit^{1,2}



■ Corporate Finance
 ■ Financial Restructuring
 ■ Financial Advisory Services

Note: Fiscal year ended March 31. All dollar amounts in millions unless otherwise noted.

1. Segment-level percentages and CAGRs exclude corporate revenues and expenses. We adjust the compensation expense for a business segment in situations where an employee assigned to one business segment is performing work in another business segment and we want to adequately reflect the compensation expense in the business segment where the revenue is being booked.

2. Excludes corporate expenses that are not allocated to the product lines and excludes other income and expenses.

HOULIHAN LOKEY

Our Mission

We help our clients achieve superior outcomes by providing thoughtful, caring advice while acting with honor and integrity. We are strategic in our approach to growth and are committed to creating lasting value for our shareholders. We maintain an intellectually stimulating, fair, and fun place to work. We seek to improve our local and global communities through the responsible and direct actions of our firm and its people.

Our Vision

We will be recognized globally for providing the finest financial advice and service to our clients and the best place to work for our colleagues.

Appendix

Reconciliation of GAAP to Adjusted Financial Information

(Unaudited and in thousands, except share and per share data)

	Fiscal Year Ended March 31, 2016			Fiscal Year Ended March 31, 2015		
	GAAP	Adj.	Adjusted	GAAP	Adj.	Adjusted
Fee revenue	\$693,765	-	\$693,765	\$680,872	-	\$680,872
Operating expenses:						
Employee compensation and benefits	461,609	(14,500) ^(a)	447,109	475,100	(756) ^(a)	474,344
Non-compensation expenses	105,756	(16,426) ^(b)	89,330	77,118	(506) ^(b)	76,612
Total operating expenses	567,365	(30,926)	536,439	552,218	(1,262)	550,956
Operating income	126,400	30,926	157,326	128,654	1,262	129,916
Other income (expense), net	(770)	282 ^(c)	(488)	3,481	(139) ^(c)	3,342
Income before provision for income taxes	125,630	31,208	156,838	132,135	1,123	133,258
Provision for income taxes	55,863	8,149	64,012	52,196	97	52,293
Net income	69,767	23,059	92,826	79,939	1,026	80,965
Net income (loss) attributable to noncontrolling interest	(26)	26 ^(d)	0	(58)	58 ^(d)	0
Net income attributable to Houlihan Lokey, Inc.	69,741	23,085	92,826	79,881	1,084	80,965
Attributable to Houlihan Lokey, Inc. common stockholders:						
Weighted average shares of common stock outstanding:						
Basic	59,044,981		59,044,981	57,134,305		57,134,305
Fully Diluted	63,475,903		63,475,903	60,135,375		60,135,375
Net income per share of common stock						
Basic	\$1.18		\$1.57	\$1.40		\$1.42
Fully Diluted	\$1.10		\$1.46	\$1.33		\$1.35

a) Consists of pre-IPO Grant Vesting, including grants re-awarded following forfeiture (\$15,275 in FY2016), and adjustments relating to previous ownership agreements ((\$775) in FY2016 and \$756 in FY2015).

b) Includes IPO-related costs (\$12,783 in FY2016), other acquisition-related costs (\$2,637 in FY2016 and \$453 in FY2015), and adjustments relating to previous ownership agreements (\$1,006 in FY2016 and \$53 in FY2015).

c) Includes adjustments relating to previous ownership agreements ((\$282) in FY2016 and \$139 in FY2015).

d) Includes adjustments relating to previous ownership agreements ((\$26) in FY2016 and (\$58) in FY2015).

CORPORATE FINANCE
FINANCIAL ADVISORY SERVICES
FINANCIAL RESTRUCTURING
STRATEGIC CONSULTING

[HL.com](https://www.hl.com)