

Investor Presentation

MAY 2018

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 our annual report on Form 10-K for the year ended March 31, 2018, as amended, and subsequent filings 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
- Entrepreneurially Motivated
- Desirous of a Winning Culture
- Strong Loyalty to the Firm
- High Integrity

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
- NYSE Listed
- Blue Chip Institutional Ownership

A Leading Independent Global Investment Bank

Expertise

Mergers & Acquisitions
Capital Markets Advisory
Financial Restructuring
Financial Advisory Services
Strategic Consulting

Global Integrated Platform

Seamlessly Combining
Product and Industry Expertise
worldwide

Growth

2013–2018
Revenue CAGR¹ of 13%
Unadjusted² Net Income CAGR¹ of 24%
Adjusted Net Income CAGR¹ of 22%

1972

Established

1,000+

Clients Served Annually

22

Locations Worldwide³

169

Managing Directors⁴

884

Total Financial Professionals⁴

¹ CAGR based on the fiscal year ended March 31.

² Unadjusted based on historical unaudited financials, not adjusted for any one-time, non-recurring items.

³ As of March 31, 2018; locations include one joint venture office.

⁴ As of March 31, 2018; 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
- Market Fundamentals are Favorable 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	92	42	35
LTM 3/31/18 Revenue/ % of Total	\$529 / 55%	\$294 / 30%	\$141 / 15%
LTM 3/31/18 Revenue per MD³	\$5.9	\$6.9	\$4.0
LTM 3/31/18 Transactions Closed / Fee Events	226	77	1,339

Note: All dollar amounts in millions unless otherwise noted. Figures may not tie due to rounding.

1. Defined as transactions \$1 billion or less in value.

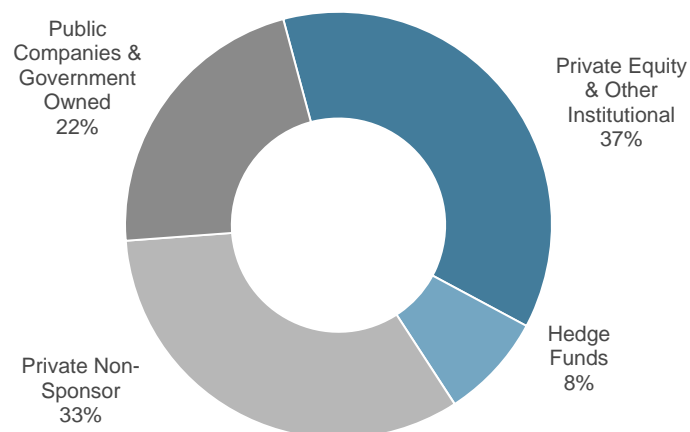
2. As of March 31, 2018; Managing Directors excludes Corporate Managing Directors, and MDs at joint ventures.

3. Based on average of beginning-of-period and end-of-period MD count.

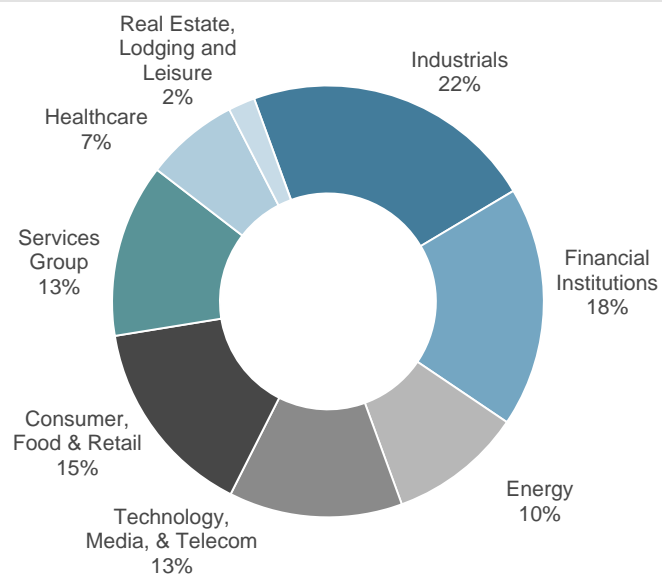
Diversified Revenue Base

- More than 1,000 clients served annually
- For FY 2018:
 - No single transaction fee represented more than 3% 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

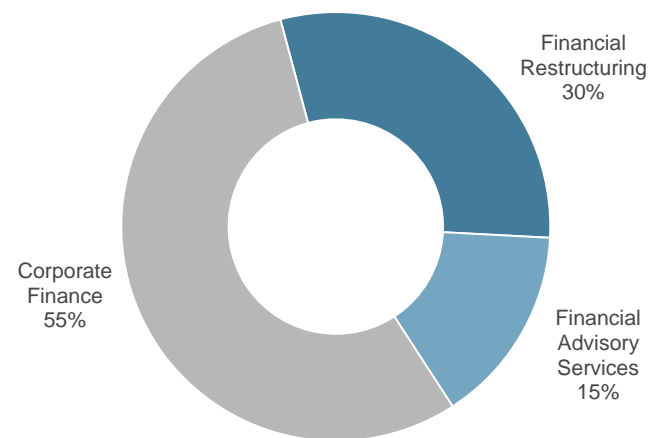


Diversified Industry Mix¹



¹ Based on revenues for the LTM ended March 31, 2018.

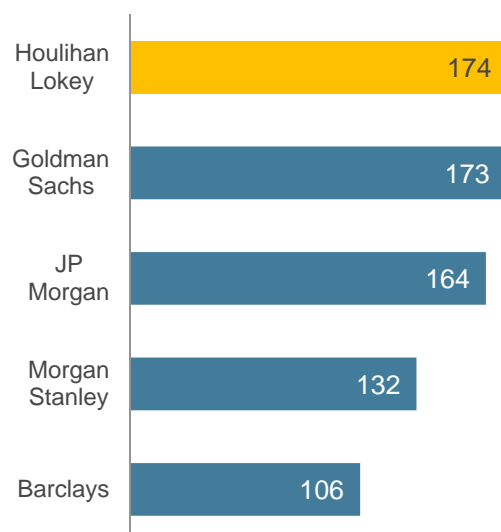
Diversified Product Mix¹



Market Leader in All Three Business Segments

Top U.S. M&A Advisor

CY 2017 Financial Advisors by Number of U.S. M&A Deals



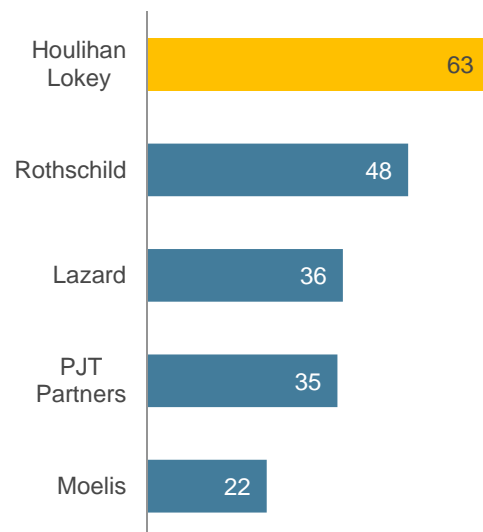
#1 U.S. M&A Advisor

Top 10 Global M&A Advisor

Leading Capital Markets Advisor

Top Global Restructuring Advisor

CY 2017 Global Distressed Debt & Bankruptcy Restructuring Deals



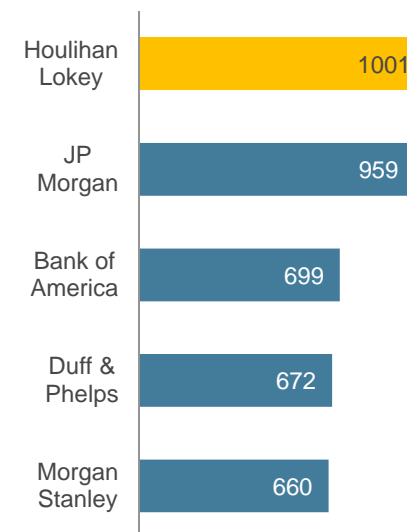
#1 Global Restructuring Advisor

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

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

Top Global Fairness Opinion Advisor

U.S. M&A Fairness Advisors: Announced or Completed Deals (CY 1997 to CY 2017)



#1 Global M&A Fairness Opinion Advisor

#1 M&A Fairness Opinion Advisor in the U.S. Over the Past 20 Years

1,000+ Annual Valuation Engagements

We invest in areas where we believe we can excel

Organic Growth Strengthened by Strategic Acquisitions



Data and Analytics,
Content, Software and
Services Advisory Firm

April 2018



BLACK STONE IP

Technology and IP
Financial Advisory Firm

January 2017



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

1972-1979

- Business Valuations
- Tax Valuations
- ESOP Valuations

1980-1989

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

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
- Illiquid Financial Assets Intermediation
- Activist Advisory
- Due Diligence Services
- Strategic Consulting
- IP Valuation and Monetization Advisory

Comprehensive Coverage and Global Scale

1,228 Global Employees¹

22 Global Locations¹

404 Corporate Finance

206 Financial Restructuring

274 Financial Advisory Services

344 Corporate & Administrative

21 Houlihan Lokey Offices

1 Joint Venture Office



¹ As of March 31, 2018.
Houlihan Lokey holds an indirect minority stake in Leonardo & Co. S.p.A., an investment bank with an office in Milan.

Strong Partnership Culture with Experienced Leadership

Deep and Experienced Management Team



Scott L. Beiser

CEO

34 years with Houlihan Lokey



Irwin N. Gold

Executive Chairman

30 years with Houlihan Lokey



Scott J. Adelson

Co-President

31 years with Houlihan Lokey



David A. Preiser

Co-President

27 years with Houlihan Lokey



J. Lindsey Alley

CFO

23 years with Houlihan Lokey

Long Tenure Results in Collaborative Culture

Tenured Management Team

29-year average tenure of Management Team

High Banker Retention

12-year average tenure of Managing Directors across all business 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, 2018.

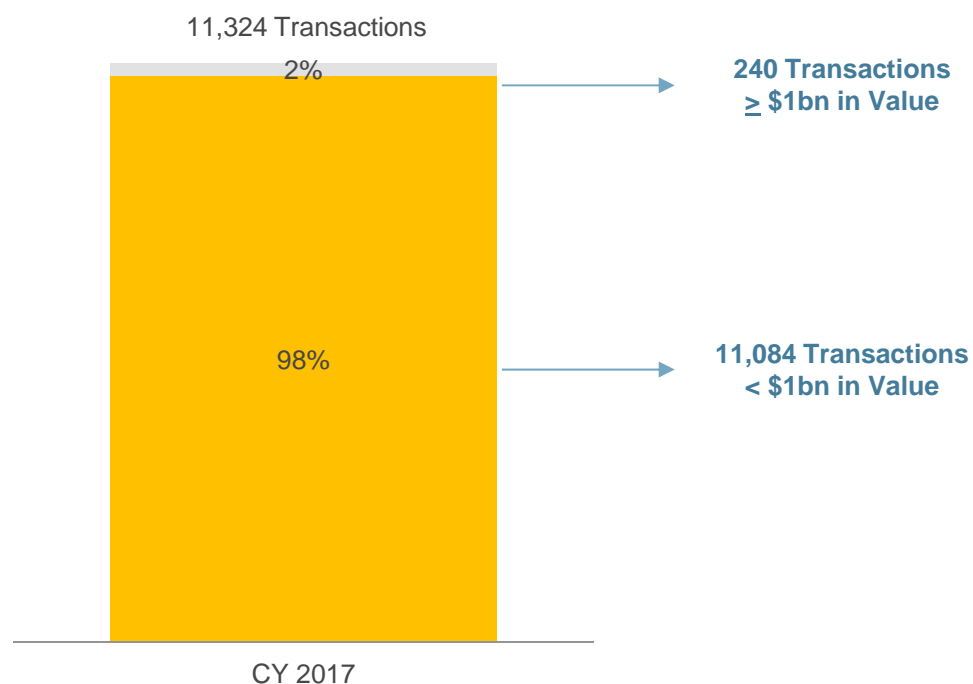
² For the FY ended March 31, 2018.

Overview of Business Segments

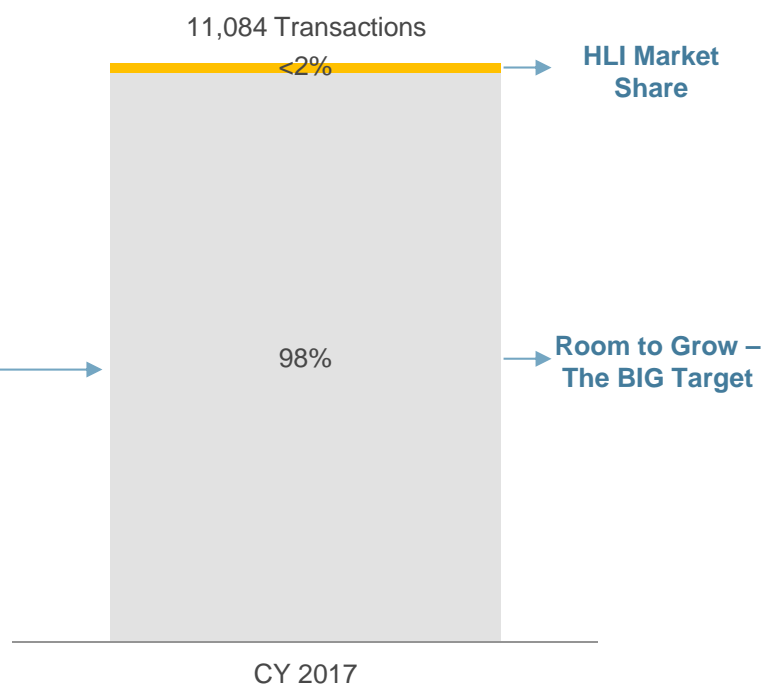
Corporate Finance Business

- Corporate Finance is a leader in the U.S. mid-cap space, which represented approximately 98% of M&A volume in CY 2017
- Our market share in the U.S. mid-cap space is less than 2%, based on the number of closed M&A transactions we completed in CY 2017
- 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. Closed M&A Transactions CY 2017



Mid-Cap Transactions

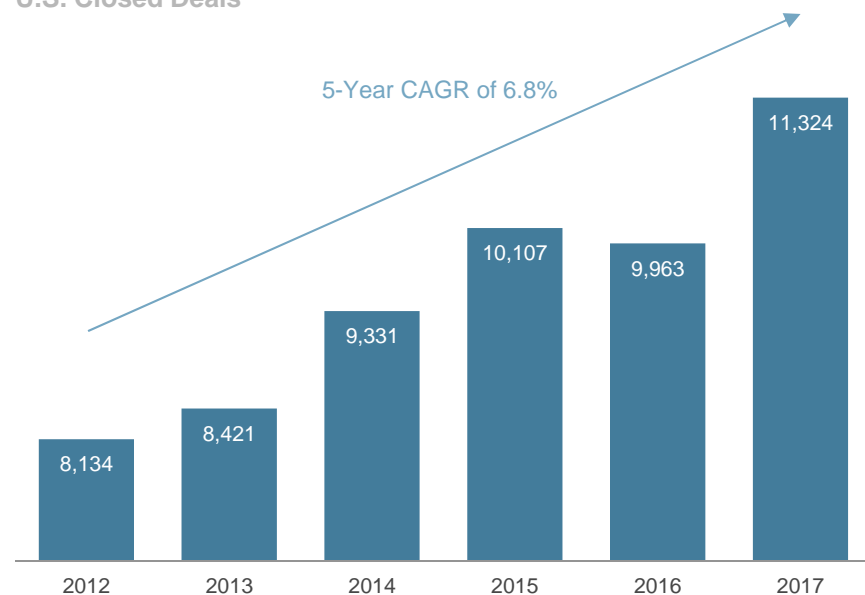


Corporate Finance Business

- Announced U.S. M&A volume has a 5-year (2012-2017) CAGR of 6.8%
- U.S. M&A revenues in our corporate finance business have a 5-year (2012-2017) CAGR in excess of 18%, 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

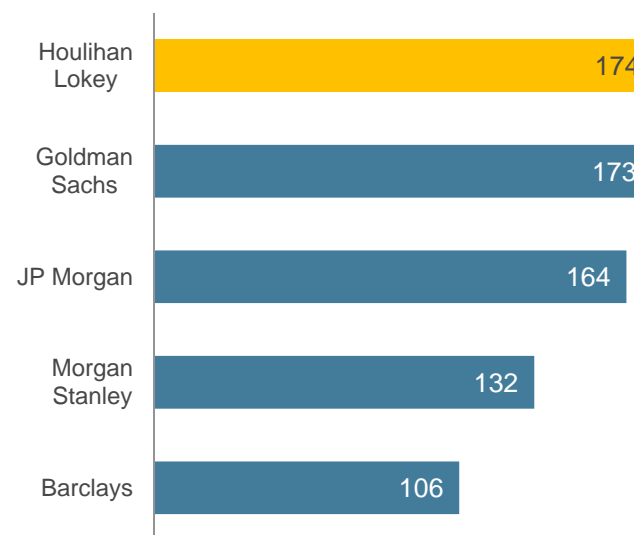
M&A Volume Continues to Increase

U.S. Closed Deals



Top 2017 Financial Advisors

By Number of U.S. M&A Deals



Financial Restructuring Business

- Deepest bench in the industry, with 42 MDs and 206 total finance professionals as of March 31, 2018
- 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

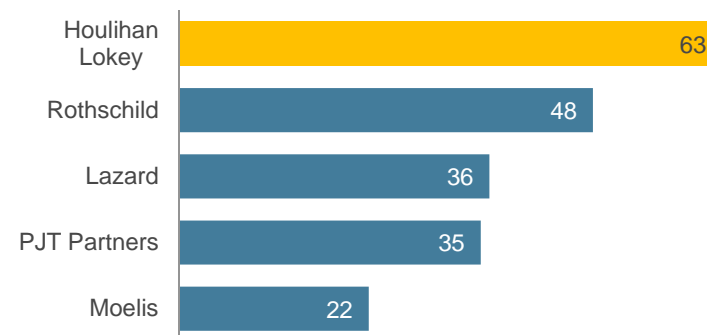
Advisor in 12 of the 15 Largest Bankruptcies 2000-2017

	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

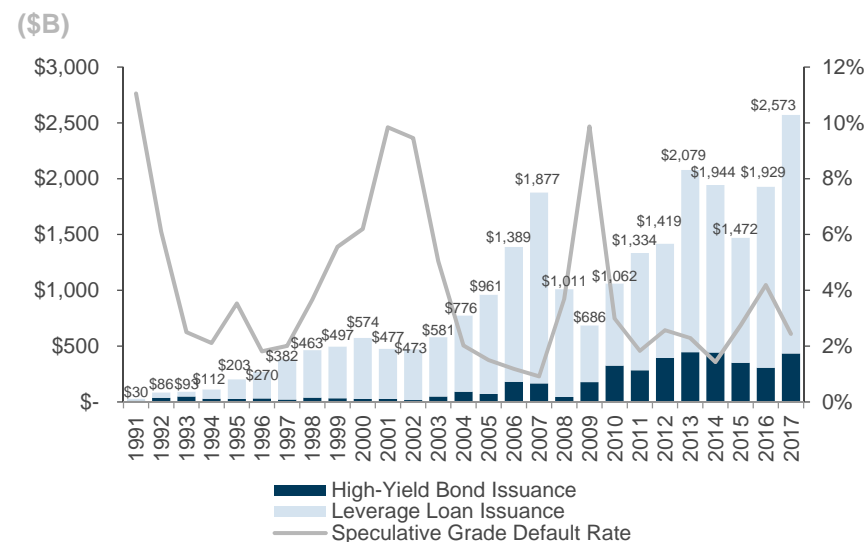
Source: BankruptcyData.com, January 2018.

Top Global Restructuring Advisor

2017 Global Distressed Debt & Bankruptcy Restructuring Deals



Global Leveraged Loan and High Yield Issuance



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
- Portfolio Valuations
- Dispute Resolution
- Strategic and Financial Consulting
- IP Valuation and Monetization Advisory

Diversified Revenue Stream

- More than 1,300 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

Broadest Dedicated Private Equity & Hedge Fund Coverage

Our senior officers dedicated to private equity and hedge fund coverage give us unique access to key partners and providers of private capital around the world.

Private Equity

- 400+ covered private equity firms
- Proactively manage private equity firm's relationship and interaction with all Houlihan Lokey resources
- Provide relevant, high-quality deal flow, access to industry bankers who can impart proprietary ideas and product specialists to offer corporate finance, restructuring, and financial advisory services

Hedge Funds

- 200+ covered hedge funds
- Provide creative, innovative advice and deliver consistent, high-quality deal flow and actionable ideas designed to help our clients maximize returns
- Provide advice on restructurings and special situations across the entire capital structure; assist hedge funds to value and monetize private and illiquid assets

Capital Alliances

- Formal alliance agreements in place with six bulge bracket investment banks through their wealth management and middle market lending practices
- Manage inbound referral network of thousands of financial advisors and registered representatives
- Provide value-added, industry specific advice to owners of privately held businesses pursuing liquidity alternatives

Robust Growth Opportunities

We will continue to grow our talent pool through:

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

Growth will be driven by:

Corporate Finance

- Continued market share gains
- Increasing deal size and deal fees
- Continued expansion into Europe and Asia-Pacific
- Building out our Capital Markets platform
- Developing complementary products and services

Financial Restructuring

- Growing availability and use of leverage
- Increasingly complex balance sheets
- Continued globalization of Financial Restructuring
- Increasing restructuring of different asset classes

Financial Advisory Services / Strategic Consulting

- Increasingly complex regulatory and tax environments
- Increasingly litigious environment
- Greater transparency requirements
- Expansion of financial and strategic consulting
- Utilization of industry expertise

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**

- 5-year (FY 2013 to FY 2018) Revenue CAGR of 13%
- Resilient business mix consisting of cyclical and countercyclical elements
- Leader in each of our three business segments, with ample growth opportunities

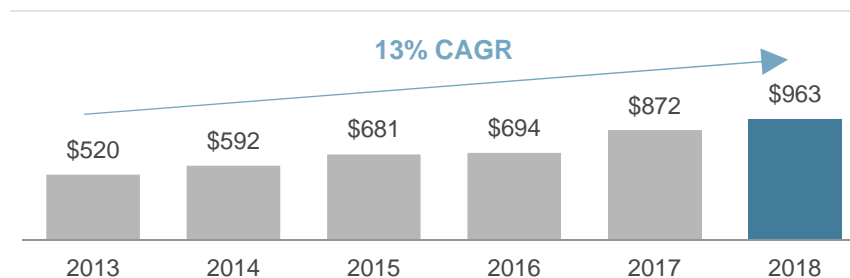
- **Consistent track record of profitability through market cycles**

- Maintained double-digit margins through the recession
- Each business segment is profitable

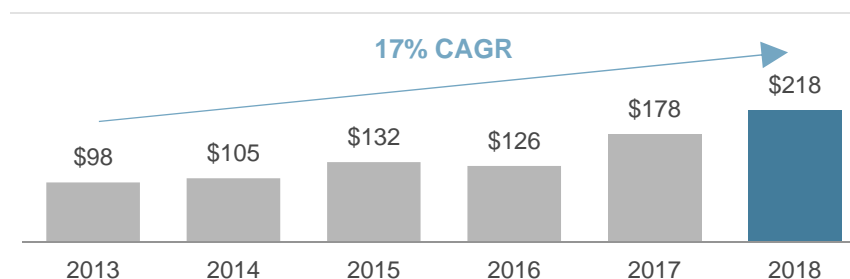
- **Scalable, capital-light model**

- 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

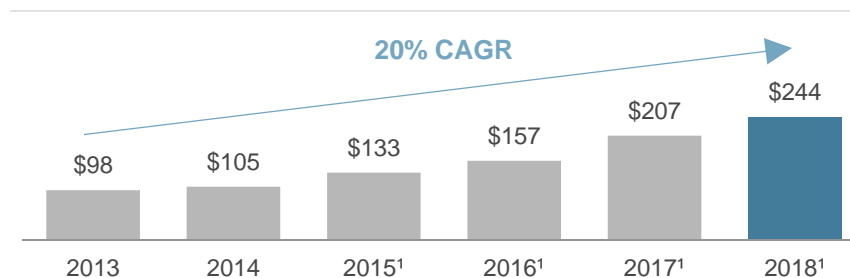
Revenue



GAAP Pre-Tax Income



Adjusted Pre-Tax Income

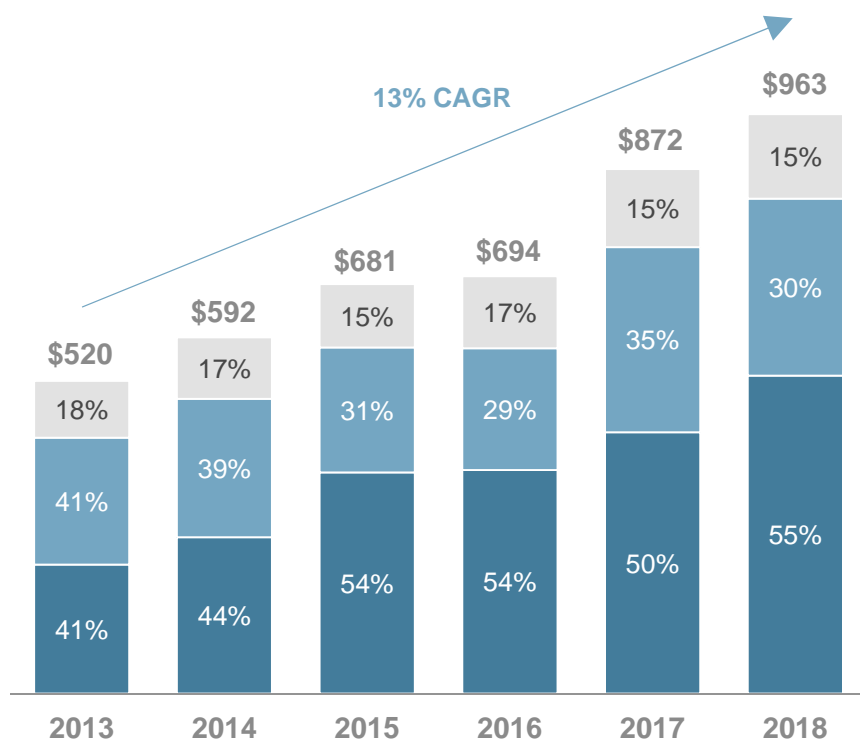


Note: Fiscal year ended March 31. All dollar amounts in millions unless otherwise noted.

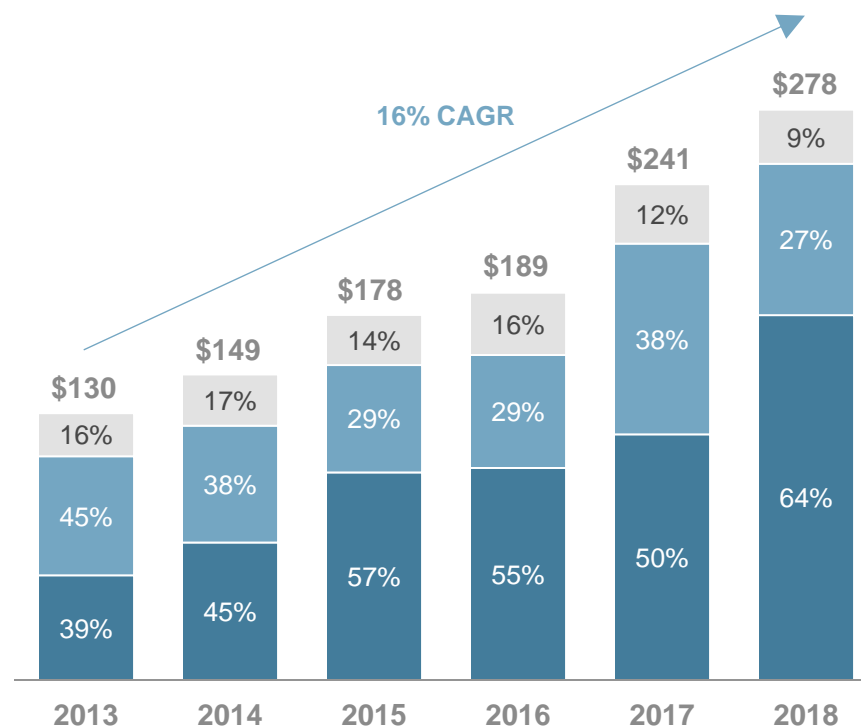
1. Adjustments include Pre-IPO Stock Grant Vesting, reduction of an earnout liability, secondary offering expenses, and acquisition costs.

Business Segment Financials

Total Revenue by Business Segment



Business 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. Business segment-level percentages and CAGRs exclude corporate revenues and expenses. We adjust the compensation expense for a business segment in situations where an employee residing in one business segment is performing work in another business segment where the revenues are accrued. We account for the compensation expense in the business segment where the employee resides.

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

Reconciliation of GAAP to Adjusted Financial Information

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

	For the Three-Months Ended		For the Twelve-Months Ended	
	03/31/18	03/31/17	03/31/18	03/31/17
Fee revenue	\$244,753	\$257,100	\$963,364	\$872,091
Employee Compensation and Benefits				
Employee Compensation and Benefits (GAAP)	\$155,519	\$170,567	\$636,631	\$582,244
Less/Plus: Adjustments ¹	(2,421)	(6,742)	(24,917)	(26,203)
Employee Compensation and Benefits (Adjusted)	153,098	163,825	611,714	556,041
Less/Plus: Adjustments ²	4,080	4,575	14,858	14,259
Employee Compensation and Benefits (Adjusted Awarded)	157,178	168,400	626,572	570,300
Non-Compensation Expenses				
Non-Compensation Expenses (GAAP)	\$29,472	\$29,199	\$112,287	\$107,852
Less/Plus: Adjustments ³	(1,554)	(2,233)	(2,829)	(2,233)
Non-Compensation Expenses (Adjusted)	27,918	26,966	109,458	105,619
Operating Income				
Operating Income (GAAP)	\$59,762	\$57,334	\$214,446	\$181,995
Less/Plus: Adjustments ⁴	3,974	8,975	27,746	28,436
Operating Income (Adjusted)	63,736	66,309	242,192	210,431
Other (Income) and Expenses				
Other (Income) and Expenses (GAAP)	(\$1,052)	\$767	(\$3,390)	\$3,508
Less/Plus: Adjustments ⁵	0	0	1,552	0
Other (Income) and Expenses (Adjusted)	(1,052)	767	(1,838)	3,508
Provision for Income Taxes				
Provision for Income Taxes (GAAP)	\$22,715	\$22,491	\$45,553	\$70,144
Add: Tax Adjustment ⁶	(955)	3,568	39,812	11,177
Provision for Income Taxes (Adjusted)	21,760	26,059	85,365	81,321
Net Income				
Net Income (GAAP)	\$38,099	\$34,076	\$172,283	\$108,343
Less/Plus: Adjustments ⁷	4,929	5,407	(13,618)	17,259
Net Income (Adjusted)	43,028	39,483	158,665	125,602
Diluted adjusted net income per share of common stock	\$0.65	\$0.59	\$2.39	\$1.89

Note: Figures may not sum due to rounding.

- Consists of pre-IPO grant vesting, including grants re-awarded following forfeiture, if any.
- Reflects (i) the expected vesting of grants that were made in prior year periods that were expensed during the period plus any unvested grants that were forfeited during the period ((\$1,798) in Q4 FY18; (\$9,209) in Q4 FY17; (\$32,301) in FY18; (\$27,794) in FY17), and (ii) estimated normal year-end grants of deferred stock during the period (\$5,878 in Q4 FY18; \$13,784 in Q4 FY17; \$47,159 in FY18; \$42,053 in FY17).
- Includes costs associated with Houlihan Lokey's secondary offering of stock (\$809 in Q4 FY18; (\$1,633) in Q4 FY17; (\$2,084) in FY18; (\$1,633) in FY17) and completed acquisitions ((\$744) in Q4 FY18 and FY18; (\$600) in Q4 FY17 and FY17).
- Includes pre-IPO grant vesting, including grants re-awarded following forfeiture, if any, plus costs associated with Houlihan Lokey's secondary offering of stock and completed acquisitions.
- Includes (i) the net gain from the acquisition of the remaining outstanding equity stake of the Australia joint venture (\$166 in FY18), and (ii) the reduction of an earnout liability (\$1,386 in FY18).
- Includes adjustments relating to the following: (i) the tax impact of the Tax Act and other discrete items ((\$2,559) in Q4 FY18 and \$11,671 in FY18); (ii) the tax impact as a result of the adoption of ASU No. 2016-09, Compensation - Stock Compensation due to the acceleration of vesting of share awards in October 2017 and March 2018 (\$269 Q4 FY18 and \$19,122 in FY18), and (iii) the tax impact, using the adjusted effective tax rate, of the adjustments described in footnotes 1, 3, and 5 (\$1,335 for Q4 FY18 and \$3,568 in Q4 FY17; \$9,018 in FY18 and \$11,177 in FY17).
- Consists of the adjustments described above net of the tax impact of described adjustments.

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.

