



# Fiscal Year 2024 Third Quarter Results

February 6, 2024

# Today's Speakers



**Erik Hirsch**  
Co-CEO



**Juan Delgado-Moreira**  
Co-CEO



**Jeff Armbrister**  
Chief Financial Officer



**John Oh**  
Head of Shareholder Relations

# Period Highlights

## Business Performance

- Assets under management and fee-earning assets under management were \$120 billion and \$63 billion, respectively, as of December 31, 2023, increases of 12% and 15%, respectively, compared to December 31, 2022
- Management and advisory fees increased 19% compared to the nine months ended December 31, 2022

## Financial Results

USD in millions except per share amounts

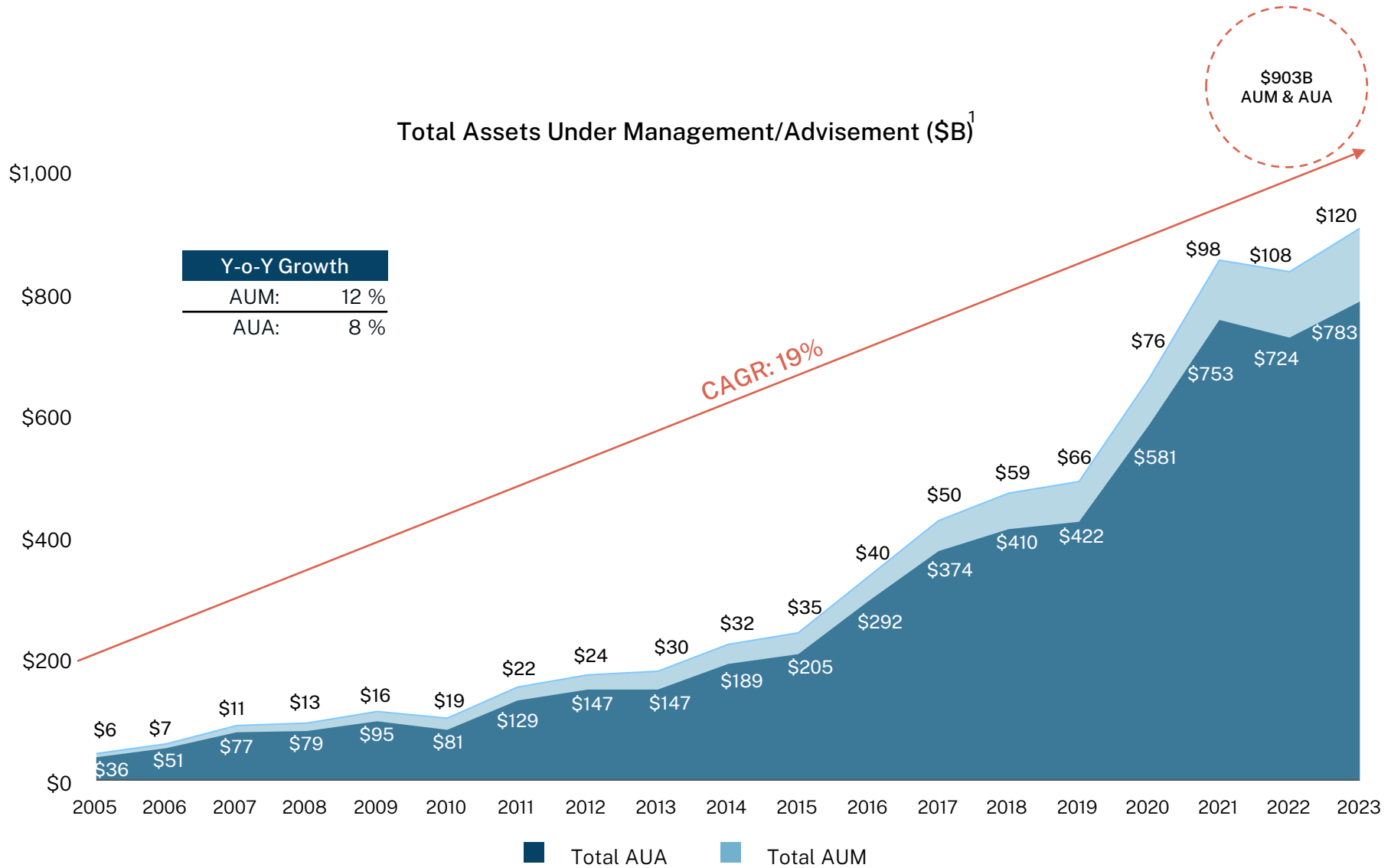
	Q3 FY24 QTD	Q3 FY24 YTD	vs. Q3 FY23 YTD
Management and advisory fees	\$113.6	\$328.2	19 %
GAAP net income	\$19.5	\$92.5	19 %
GAAP EPS	\$0.51	\$2.43	11 %
Adjusted net income <sup>1</sup>	\$38.4	\$137.0	7 %
Non-GAAP EPS <sup>1</sup>	\$0.71	\$2.54	7 %
Fee Related Earnings <sup>1</sup>	\$45.3	\$137.3	16 %
Adjusted EBITDA <sup>1</sup>	\$58.2	\$181.4	(11)%

## Dividend

- Declared a quarterly dividend of \$0.445 per share of Class A common stock to record holders at the close of business on March 15, 2024

<sup>1</sup>Adjusted net income, non-GAAP earnings per share, Fee Related Earnings and Adjusted EBITDA are non-GAAP financial measures. For the reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures and for the reasons we believe the non-GAAP measures provide useful information, see pages 20 and 21 of this presentation.

# Growing Asset Footprint & Influence

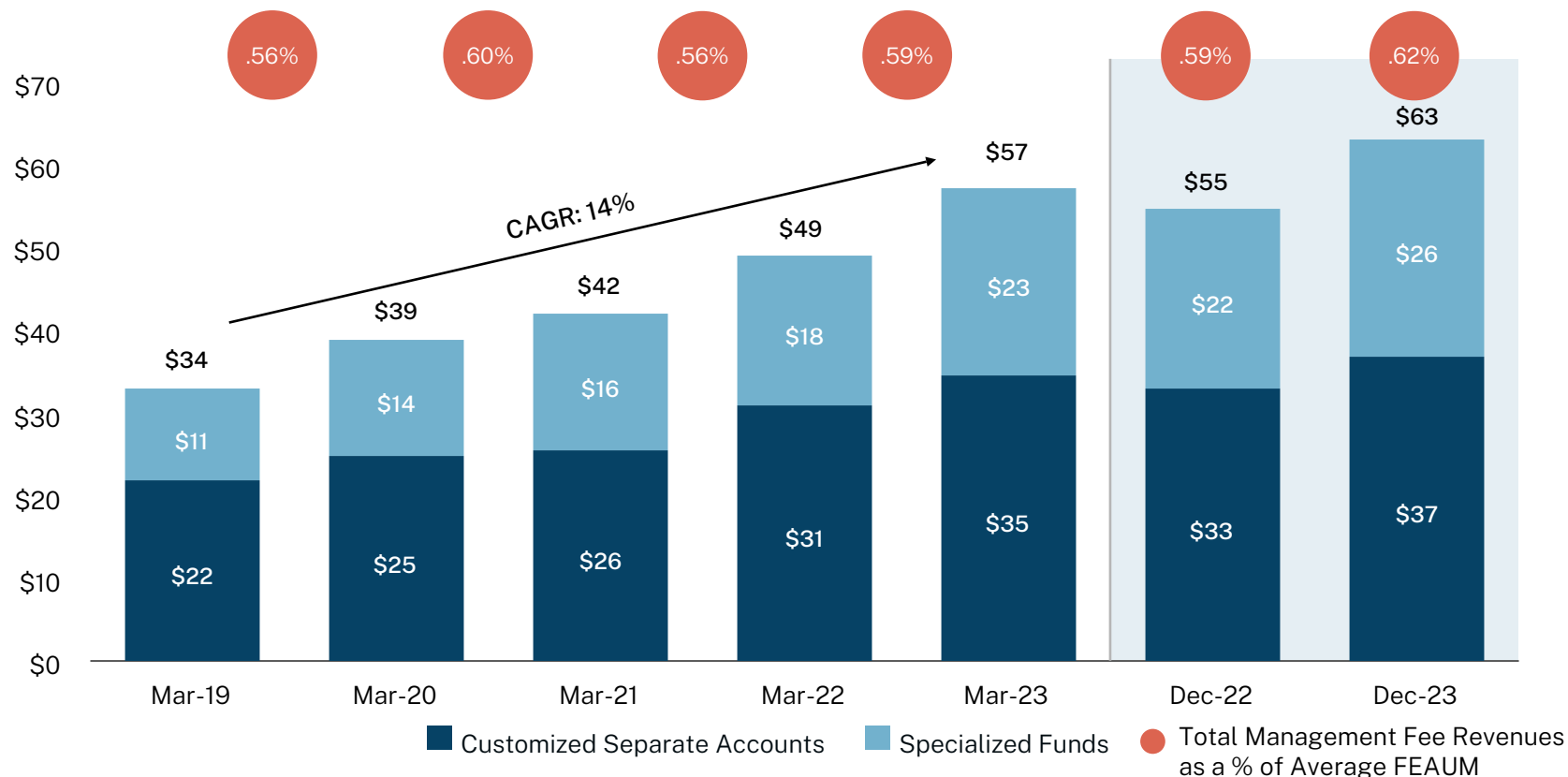


<sup>1</sup>Data as of calendar year end 12/31 unless otherwise noted. Numbers may not tie due to rounding.

# Fee-Earning AUM Driving Revenues

Fee-Earning AUM growth continues and annual fee rates are stable

Total Fee-Earning Assets Under Management (\$B)



\*Numbers may not tie due to rounding

## Y-o-Y Drivers of Growth

### Customized Separate Accounts:

- New client wins
- Client re-ups

### Specialized Funds:

- Closed 2nd impact fund and 5th direct equity fund
- Fundraising 6th secondary fund, 8th credit-oriented fund, 2nd infrastructure fund, and evergreen funds

# AUM & AUA Drivers

## AUM

## AUA

### Customized Separate Accounts

Diverse mix of existing and prospective clients seeking to further or establish relationships with Hamilton Lane

- \$3.8B year-over-year increase in FEAUM
- +80% of our gross contributions during the last 12 months came from existing clients

### Specialized Funds

Select funds in market:

- Secondary fund
  - Credit-oriented fund
  - Infrastructure fund
  - Evergreen funds
- 
- \$4.4B year-over-year increase in FEAUM
  - Closings during Q3 FY24:
    - Secondary fund: \$486M

### Advisory Services

Typically larger clients with wide-ranging mandates which include technology-driven reporting, monitoring and analytics services and consulting services; opportunity set continues to be robust

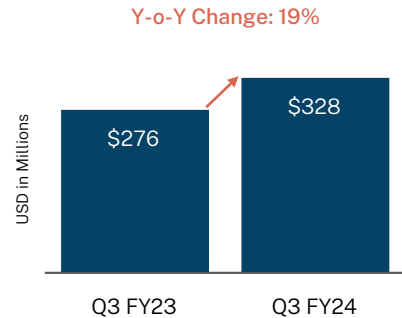
- \$59B year-over-year increase in AUA

# Financial Highlights

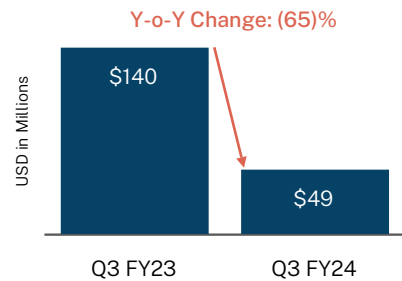
# Consolidated Revenue

## Strong growth across management and advisory fees

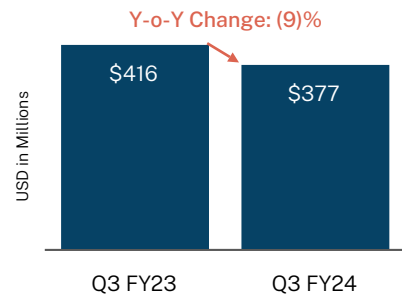
### Management and Advisory Fees YTD



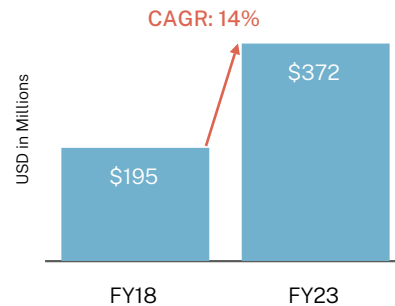
### Incentive Fees YTD



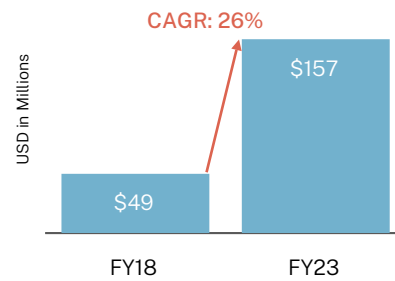
### Total Revenues YTD



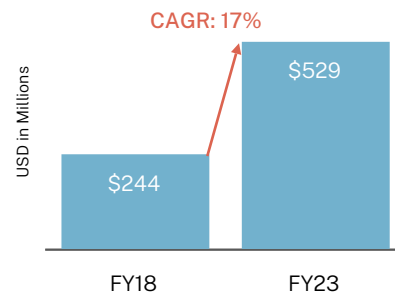
### Long-Term Growth



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### Long-Term Growth



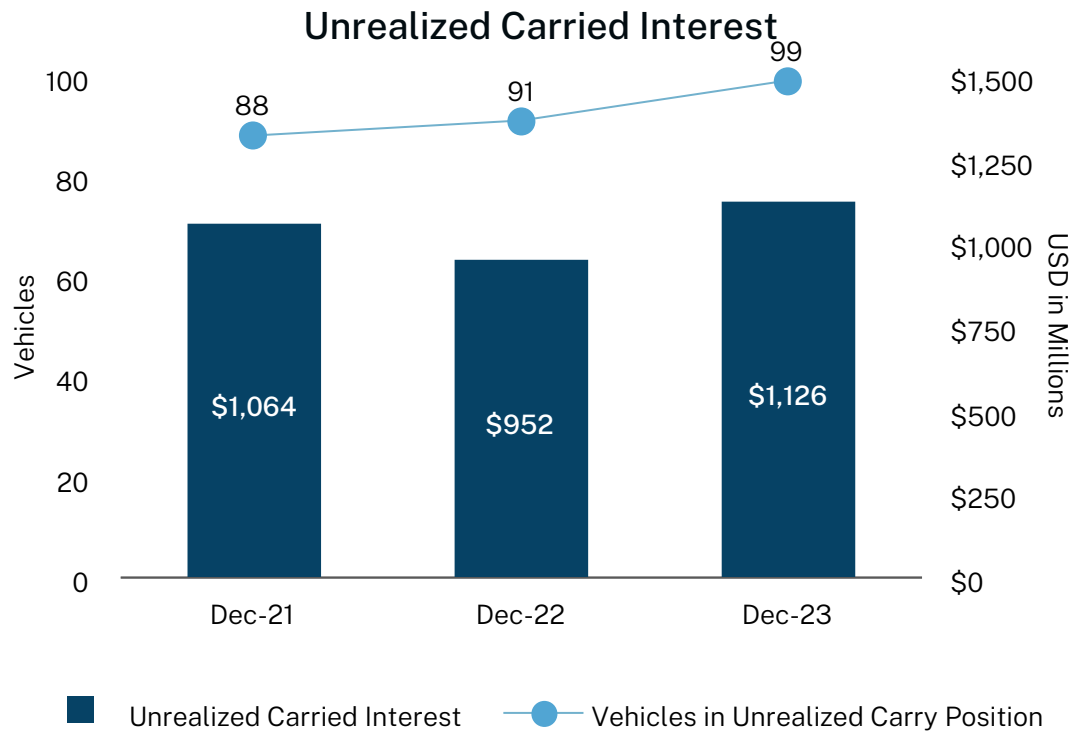
- Recurring management and advisory fees represented an average of 85% of total revenues over the past five fiscal years
- Y-o-Y increase of 19%
- \$6.1 million in retroactive fees from our latest secondary fund in the quarter

- Incentive fees derived from a highly diversified pool of assets and funds
- Unrealized carried interest of \$1.1 billion as of 12/31/23 diversified across 3,000+ assets and over 90 funds
- Timing of realizations unpredictable

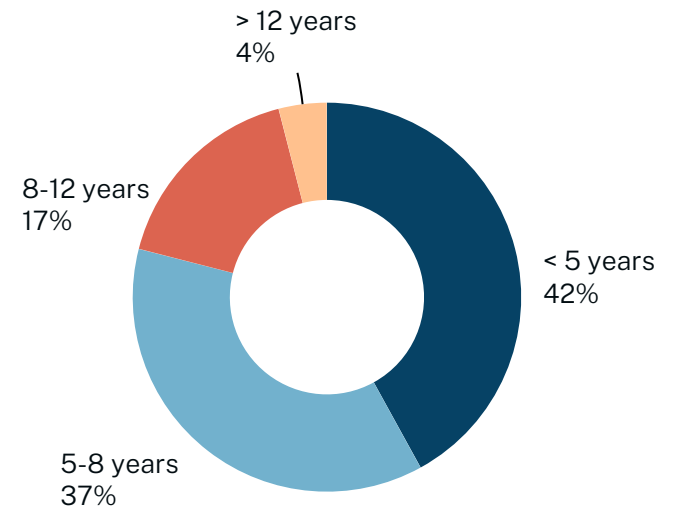
- Total revenues decreased by 9%, driven by incentive fees, while management and advisory fees increased 19%



# Unrealized Carried Interest



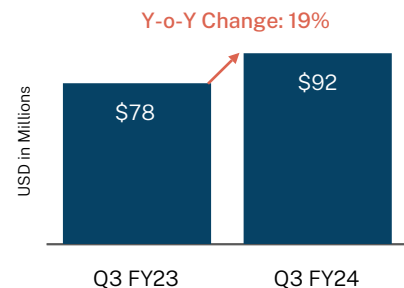
## Unrealized Carry by Age



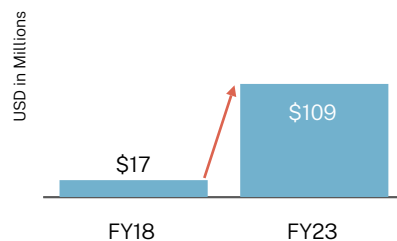
# Consolidated Earnings

## Stable long-term growth

### Net Income Attributable to HLI YTD

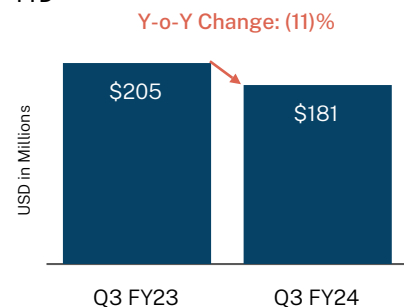


### Long-Term Growth

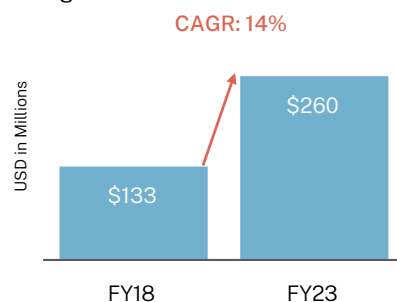


- \$20M in net income attributable to HLI for the quarter

### Adjusted EBITDA<sup>1</sup> YTD

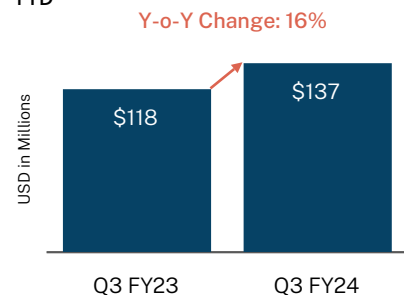


### Long-Term Growth

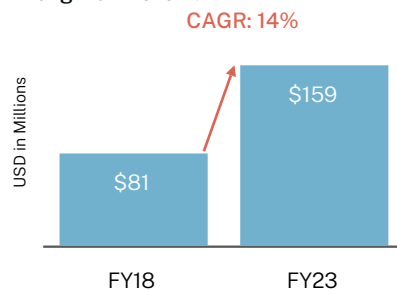


- Y-o-Y decrease of 11% driven by lower incentive fees

### Fee Related Earnings<sup>1</sup> YTD



### Long-Term Growth

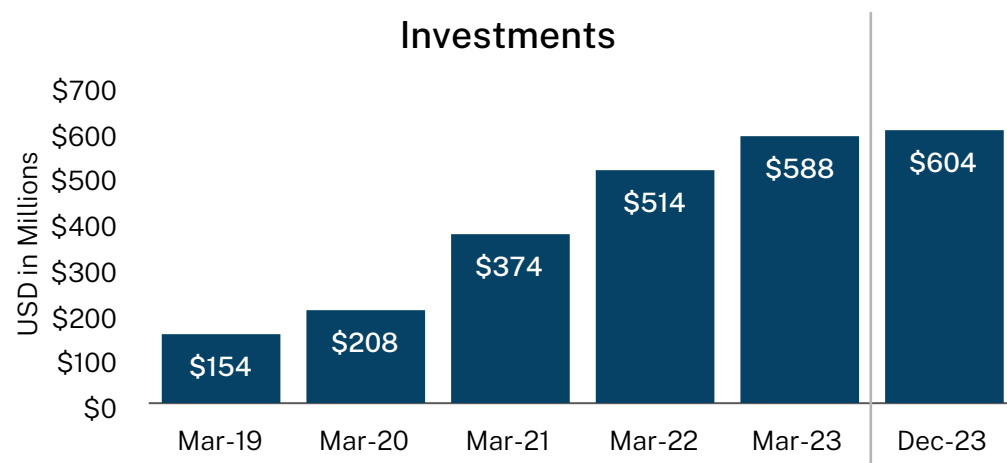


- Y-o-Y growth of 16%
- Long-term double digit growth in Fee Related Earnings

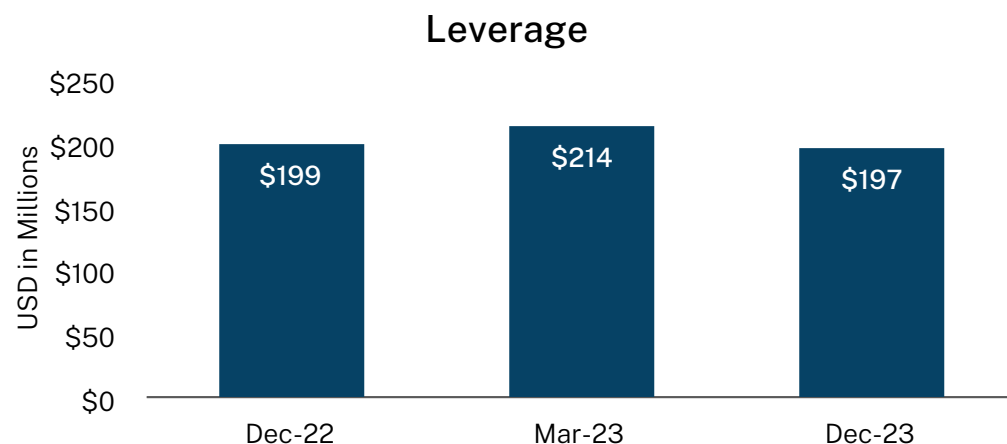
<sup>1</sup>Adjusted EBITDA and Fee Related Earnings are non-GAAP financial measures. For the reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures and for the reasons we believe the non-GAAP measures provide useful information, see pages 20 and 21 of this presentation.

# Other Key Items

Strong balance sheet with investments in our own products and a modest amount of leverage...



- For 12/31/23, the total investment balance consisted primarily of:
  - ~\$392M in investments in our funds
  - ~\$212M in technology related and other investments



- Modest leverage
- \$197M of debt as of 12/31/23

# Appendix

# Condensed Consolidated Statements of Income (Unaudited)

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2022	2023	% Change	2022	2023	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
Management and advisory fees	\$97,355	\$113,641	17 %	\$276,182	\$328,232	19 %
Incentive fees	24,075	11,623	(52) %	132,835	48,945	(63) %
Consolidated variable interest entities related:						
Incentive fees	5,644	—	(100) %	6,948	—	(100) %
<b>Total revenues</b>	<b>127,074</b>	<b>125,264</b>	<b>(1) %</b>	<b>415,965</b>	<b>377,177</b>	<b>(9) %</b>
Compensation and benefits	45,676	49,706	9 %	158,235	139,738	(12) %
General, administrative and other	22,717	24,152	6 %	66,066	74,908	13 %
Consolidated variable interest entities related:						
General, administrative and other	309	12	(96) %	941	600	(36) %
<b>Total expenses</b>	<b>68,702</b>	<b>73,870</b>	<b>8 %</b>	<b>225,242</b>	<b>215,246</b>	<b>(4) %</b>
Equity in income (loss) of investees	650	(46)	(107) %	(7,493)	20,071	N/A
Interest expense	(2,419)	(2,748)	14 %	(6,027)	(8,381)	39 %
Interest income	442	1,500	239 %	839	3,536	321 %
Non-operating loss	(27,960)	(8)	(100) %	(11,878)	(989)	(92) %
Consolidated variable interest entities related:						
Equity in income of investees	389	240	(38) %	1,030	660	(36) %
Unrealized gain	2,087	—	(100) %	4,333	3,034	(30) %
Interest expense	—	—	N/A	—	(6)	N/A
Interest income	2,111	—	(100) %	2,989	4,581	53 %
<b>Total other income (expense)</b>	<b>(24,700)</b>	<b>(1,062)</b>	<b>(96) %</b>	<b>(16,207)</b>	<b>22,506</b>	<b>(239) %</b>
<b>Income before income taxes</b>	<b>33,672</b>	<b>50,332</b>	<b>49 %</b>	<b>174,516</b>	<b>184,437</b>	<b>6 %</b>
Income tax expense	11,788	15,800	34 %	38,766	34,055	(12) %
<b>Net income</b>	<b>21,884</b>	<b>34,532</b>	<b>58 %</b>	<b>135,750</b>	<b>150,382</b>	<b>11 %</b>
Less: Income attributable to non-controlling interests in general partnerships	422	82	(81) %	773	171	(78) %
Less: Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	9,146	14,944	63 %	51,326	52,733	3 %
Less: Income attributable to redeemable non-controlling interests in Hamilton Lane Alliance Holdings I, Inc.	2,647	—	(100) %	5,617	—	(100) %
Less: Income attributable to non-controlling interests in consolidated funds	—	—	N/A	—	4,980	N/A
<b>Net income attributable to Hamilton Lane Incorporated</b>	<b>\$9,669</b>	<b>\$19,506</b>	<b>102 %</b>	<b>\$78,034</b>	<b>\$92,498</b>	<b>19 %</b>
Basic earnings per share of Class A common stock	\$0.32	\$0.52	63 %	\$2.21	\$2.45	11 %
Diluted earnings per share of Class A Common stock	\$0.31	\$0.51	65 %	\$2.19	\$2.43	11 %
Weighted-average shares of Class A common stock outstanding - basic	37,025,416	37,736,012		37,004,657	37,720,724	
Weighted-average shares of Class A common stock outstanding - diluted	53,769,379	53,987,555		53,733,521	53,932,804	

# Non-GAAP Financial Measures

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2022	2023	% Change	2022	2023	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
<b>Adjusted EBITDA<sup>1</sup></b>						
Management and advisory fees	\$97,355	\$113,641	17 %	\$276,182	\$328,232	19 %
Revenue related to consolidated funds	—	—	N/A	—	394	N/A
Total expenses	68,702	73,870	8 %	225,242	215,246	(4) %
Less:						
Incentive fee related compensation <sup>2</sup>	(14,001)	(5,521)	(61) %	(66,254)	(23,249)	(65) %
Consolidated VIE related general, administrative and other expenses	(278)	—	N/A	(846)	(566)	(33) %
Non-operating income related compensation	1,413	—	(100) %	(54)	(59)	9 %
Management fee related expenses	55,836	68,349	22 %	158,088	191,372	21 %
<b>Fee Related Earnings</b>	<b>\$41,519</b>	<b>\$45,292</b>	<b>9 %</b>	<b>\$118,094</b>	<b>\$137,254</b>	<b>16 %</b>
<b>Fee Related Earnings Margin</b>	<b>43 %</b>	<b>40 %</b>		<b>43 %</b>	<b>42 %</b>	
Incentive fees	29,719	11,623	(61) %	139,783	48,945	(65) %
Incentive fees attributable to non-controlling interests	(243)	—	N/A	(302)	—	N/A
Incentive fee related compensation <sup>2</sup>	(14,001)	(5,521)	(61) %	(66,254)	(23,249)	(65) %
Non-operating income related compensation	1,413	—	(100) %	(54)	(59)	9 %
Interest income	442	1,500	239 %	839	3,536	321 %
Equity-based compensation	2,834	3,264	15 %	6,816	9,227	35 %
Depreciation and amortization	2,022	2,037	1 %	5,600	5,774	3 %
<b>Adjusted EBITDA</b>	<b>\$63,705</b>	<b>\$58,195</b>	<b>(9) %</b>	<b>\$204,522</b>	<b>\$181,428</b>	<b>(11) %</b>
<b>Adjusted EBITDA Margin</b>	<b>50 %</b>	<b>46 %</b>		<b>49 %</b>	<b>48 %</b>	
<b>Non-GAAP earnings per share<sup>1</sup></b>						
<b>Net income attributable to Hamilton Lane Incorporated</b>	<b>\$9,669</b>	<b>\$19,506</b>	<b>102 %</b>	<b>\$78,034</b>	<b>\$92,498</b>	<b>19 %</b>
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	9,146	14,944	63 %	51,326	52,733	3 %
Income tax expense	11,788	15,800	34 %	38,766	34,055	(12) %
<b>Adjusted pre-tax net income</b>	<b>30,603</b>	<b>50,250</b>	<b>64 %</b>	<b>168,126</b>	<b>179,286</b>	<b>7 %</b>
Adjusted income taxes <sup>3</sup>	(7,314)	(11,859)	62 %	(40,182)	(42,312)	5 %
<b>Adjusted net income</b>	<b>\$23,289</b>	<b>\$38,391</b>	<b>65 %</b>	<b>\$127,944</b>	<b>\$136,974</b>	<b>7 %</b>
<b>Adjusted shares outstanding</b>	<b>53,769,379</b>	<b>53,987,555</b>		<b>53,733,521</b>	<b>53,932,804</b>	
<b>Non-GAAP earnings per share</b>	<b>\$0.43</b>	<b>\$0.71</b>	<b>65 %</b>	<b>\$2.38</b>	<b>\$2.54</b>	<b>7 %</b>

<sup>1</sup> Adjusted EBITDA and Non-GAAP earnings per share are non-GAAP financial measures. For the reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures, see page 20.

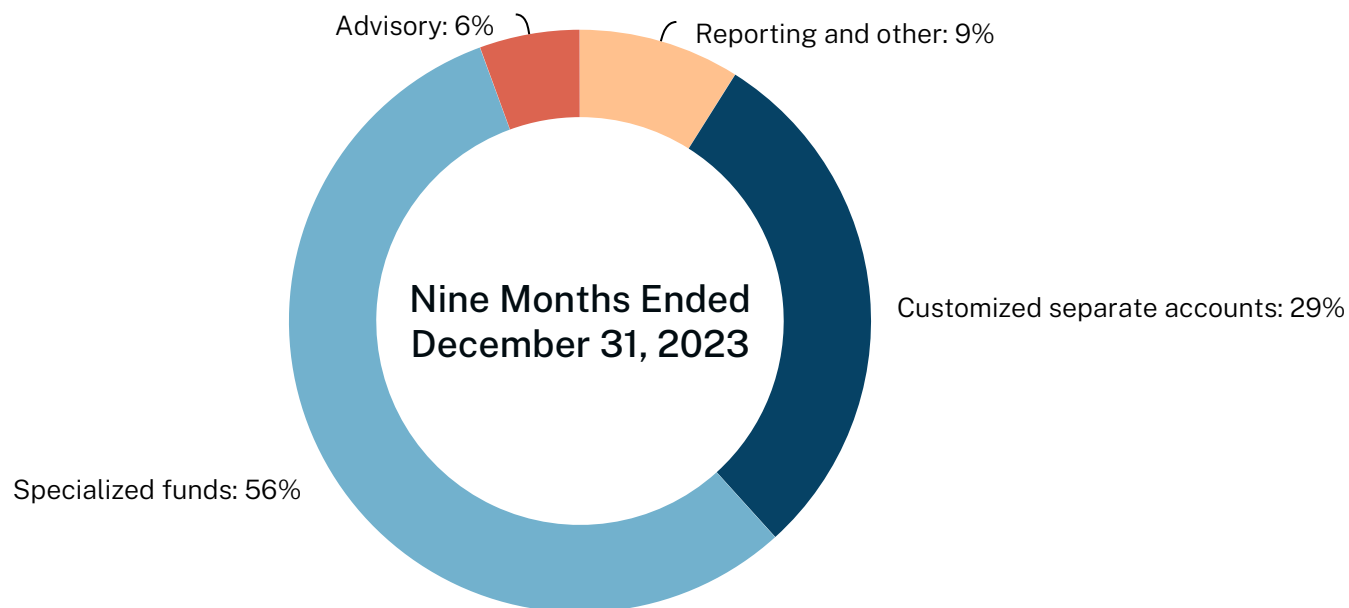
<sup>2</sup> Incentive fee related compensation includes incentive fee compensation expense and bonus related to carried interest that is classified as base compensation.

<sup>3</sup> Represents corporate income taxes at our estimated statutory tax rate of 23.6% and 23.9% for the three and nine month periods ended December 31, 2023 and 2022, respectively, applied to adjusted pre-tax net income. The 23.6% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.6%. The 23.9% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.9%.

# Management and Advisory Fees

*(Dollars in thousands)*

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2022	2023	% Change	2022	2023	% Change
<b>Management and advisory fees</b>						
Specialized funds	\$53,299	\$64,871	22 %	\$144,099	\$184,972	28 %
Customized separate accounts	29,571	32,943	11 %	87,329	96,702	11 %
Advisory	6,613	6,085	(8) %	19,073	18,392	(4) %
Reporting and other	6,720	6,479	(4) %	19,170	18,298	(5) %
Distribution management	596	1,512	154 %	1,863	3,979	114 %
Fund reimbursement revenue	556	1,751	215 %	4,648	5,889	27 %
<b>Total management and advisory fees</b>	<b>\$97,355</b>	<b>\$113,641</b>	<b>17 %</b>	<b>\$276,182</b>	<b>\$328,232</b>	<b>19 %</b>



# Incentive Fees

(Dollars in thousands)	Three Months Ended December 31,			Nine Months Ended December 31,		
	2022	2023	% Change	2022	2023	% Change
<b>Incentive fees</b>						
Direct equity funds	\$5,644	\$—	(100)%	\$58,104	\$3,444	(94)%
Secondary funds	447	—	(100)%	27,393	12,046	(56)%
Direct credit funds	6	—	(100)%	7,638	4,725	(38)%
Evergreen funds	3,072	6,869	124 %	4,069	9,874	143 %
Other specialized funds	5,154	3,673	(29)%	12,559	13,115	4 %
Customized separate accounts	15,396	1,081	(93)%	30,020	5,741	(81)%
<b>Incentive fees</b>	<b>\$29,719</b>	<b>\$11,623</b>	<b>(61)%</b>	<b>\$139,783</b>	<b>\$48,945</b>	<b>(65)%</b>

	As of				
	December 31, 2022	September 30, 2023	December 31, 2023	YoY % Change	QoQ % Change
<b>Allocated carried interest</b>					
Secondary Fund II	\$385	\$199	\$130	(66)%	(35)%
Secondary Fund III	31,285	28,369	28,370	(9)%	0 %
Secondary Fund IV	126,943	121,113	117,690	(7)%	(3)%
Secondary Fund V	142,538	153,399	147,372	3 %	(4)%
Secondary Fund VI	1,730	14,855	27,436	1,486 %	85 %
Co-investment Fund II	15,436	16,679	17,143	11 %	3 %
Co-investment Fund III	54,964	49,930	40,241	(27)%	(19)%
Co-investment Fund IV	103,252	131,502	132,875	29 %	1 %
Equity Opportunities Fund V	4,678	28,270	24,779	430 %	(12)%
Evergreen funds	66,030	128,946	120,290	82 %	(7)%
Other specialized funds	109,042	117,390	117,504	8 %	0 %
Customized separate accounts	295,905	360,099	351,848	19 %	(2)%
<b>Total allocated carried interest</b>	<b>\$952,188</b>	<b>\$1,150,751</b>	<b>\$1,125,678</b>	<b>18 %</b>	<b>(2)%</b>



# Assets Under Management

<i>(Dollars in millions)</i>	December 31, 2022	September 30, 2023	December 31, 2023	YoY % Change	QoQ % Change
<b>Assets under management / advisement</b>					
Assets under management	\$107,530	\$119,182	\$119,953	12 %	1 %
Assets under advisement	724,364	734,804	782,892	8 %	7 %
<b>Total assets under management /advisement</b>	<b>\$831,894</b>	<b>\$853,986</b>	<b>\$902,845</b>	<b>9 %</b>	<b>6 %</b>
<b>Fee-earning assets under management</b>					
<b>Customized separate accounts</b>					
<b>Balance, beginning of period</b>	\$32,333	\$35,850	\$36,234	12 %	1 %
Contributions	1,432	1,258	1,743	22 %	39 %
Distributions	(576)	(921)	(1,000)	74 %	9 %
Foreign exchange, market value and other	(100)	47	(53)	(47)%	(213)%
<b>Balance, end of period</b>	<b>\$33,089</b>	<b>\$36,234</b>	<b>\$36,924</b>	<b>12 %</b>	<b>2 %</b>
<b>Specialized funds</b>					
<b>Balance, beginning of period</b>	\$20,354	\$23,815	\$25,187	24 %	6 %
Contributions	1,472	1,614	1,273	(14)%	(21)%
Distributions	(213)	(297)	(370)	74 %	25 %
Foreign exchange, market value and other	163	55	85	(48)%	55 %
<b>Balance, end of period</b>	<b>\$21,776</b>	<b>\$25,187</b>	<b>\$26,175</b>	<b>20 %</b>	<b>4 %</b>
<b>Total</b>					
<b>Balance, beginning of period</b>	\$52,687	\$59,665	\$61,421	17 %	3 %
Contributions	2,904	2,872	3,016	4 %	5 %
Distributions	(789)	(1,218)	(1,370)	74 %	12 %
Foreign exchange, market value and other	63	102	32	(49)%	(69)%
<b>Balance, end of period</b>	<b>\$54,865</b>	<b>\$61,421</b>	<b>\$63,099</b>	<b>15 %</b>	<b>3 %</b>

# Condensed Consolidated Balance Sheets (Unaudited)

(Dollars in thousands)

	March 31, 2023	December 31, 2023
<b>Assets</b>		
Cash and cash equivalents	\$99,686	\$164,450
Restricted cash	4,804	4,985
Fees receivable	47,140	67,751
Prepaid expenses	9,817	9,418
Due from related parties	7,186	9,969
Furniture, fixtures and equipment, net	28,425	33,389
Lease right-of-use assets, net	62,327	63,432
Investments	530,921	587,771
Deferred income taxes	233,912	225,922
Other assets	46,784	25,830
Assets of consolidated variable interest entities:		
Cash and cash equivalents	12,062	—
Investments	57,044	15,855
Other assets	435	52
<b>Total assets</b>	<b>\$1,140,543</b>	<b>\$1,208,824</b>
<b>Liabilities and equity</b>		
Accounts payable	\$4,559	\$3,313
Accrued compensation and benefits	24,190	58,048
Accrued members' distributions	15,723	21,216
Accrued dividend	15,049	16,793
Debt	213,533	196,752
Payable to related parties pursuant to tax receivable agreement	174,702	173,818
Lease liabilities	78,817	80,373
Other liabilities (includes \$14,228 and \$13,123 at fair value)	32,856	34,403
Liabilities of consolidated variable interest entities:		
Other liabilities	6,922	2
<b>Total liabilities</b>	<b>566,351</b>	<b>584,718</b>
Total equity	574,192	624,106
<b>Total liabilities and equity</b>	<b>\$1,140,543</b>	<b>\$1,208,824</b>

# Condensed Consolidated Statements of Cash Flows (Unaudited)

<i>(Dollars in thousands)</i>	Nine Months Ended December 31,	
	2022	2023
<b>Operating activities</b>		
Net income	\$135,750	\$150,382
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,600	5,774
Change in deferred income taxes	14,892	7,990
Change in payable to related parties pursuant to tax receivable agreement	(1,105)	(884)
Equity-based compensation	6,816	9,227
Equity in loss (income) of investees	7,493	(20,071)
Net realized (gain) loss on sale of investments	(9,783)	288
Fair value adjustment of other investments	(18,578)	45
Proceeds received from partnerships	11,877	22,160
Non-cash lease expense	5,370	6,796
Gain on sale of intangible asset	2,771	—
Impairment of other investment	43,289	—
Other	(2,864)	511
Changes in operating assets and liabilities	16,088	21,142
Consolidated variable interest entities related	(4,245)	(104,220)
<b>Net cash provided by operating activities</b>	<b>\$213,371</b>	<b>\$99,140</b>
<b>Investing activities</b>		
Purchase of furniture, fixtures and equipment	\$(3,261)	\$(9,463)
Cash paid for acquisition of business	(1,500)	—
Loans to investees	(2,535)	—
Purchase of investments	(34,125)	(6,352)
Proceeds from sale of investments	10,000	1,343
Distributions from investments	1,406	—
Proceeds from sale of intangible assets	—	2,562
Distributions received from Partnerships	15,990	10,730
Contributions to Partnerships	(63,364)	(34,985)
Consolidated variable interest entities related	278,954	(57,832)
<b>Net cash provided by (used in) investing activities</b>	<b>\$201,565</b>	<b>\$(93,997)</b>
<b>Financing activities</b>		
Borrowings of debt	\$31,682	\$—
Repayments of debt	(3,873)	(1,875)
Draw-down on revolver	25,000	10,000
Repayment of revolver	(25,000)	(25,000)
Repurchase of Class A shares for employee tax withholding	(162)	(269)
Proceeds received from issuance of shares under Employee Share Purchase Plan	1,441	1,666
Dividends paid	(42,550)	(48,613)
Members' distributions paid	(45,828)	(31,817)
Consolidated variable interest entities related	(278,748)	143,648
<b>Net cash (used in) provided by financing activities</b>	<b>\$(338,038)</b>	<b>\$47,740</b>
<b>Increase in cash and cash equivalents, restricted cash, and cash and cash equivalents held at consolidated variable interest entities</b>	<b>76,898</b>	<b>52,883</b>
Cash and cash equivalents, restricted cash, and cash and cash equivalents held at consolidated variable interest entities at beginning of the period	76,197	116,552
<b>Cash and cash equivalents, restricted cash, and cash and cash equivalents held at consolidated variable interest entities at end of the period</b>	<b>\$153,095</b>	<b>\$169,435</b>

# Non-GAAP Reconciliation

## Reconciliation from Net Income

(Dollars in thousands except share and per share amounts)

	Year Ended March 31,		Three Months Ended December 31,		Nine Months Ended December 31,	
	2018	2023	2022	2023	2022	2023
<b>Net income attributable to Hamilton Lane Incorporated</b>	<b>\$17,341</b>	<b>\$109,120</b>	<b>\$9,669</b>	<b>\$19,506</b>	<b>\$78,034</b>	<b>\$92,498</b>
Income attributable to non-controlling interests in general partnerships	2,448	986	422	82	773	171
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	86,508	71,027	9,146	14,944	51,326	52,733
Income attributable to non-controlling interests in Hamilton Lane Alliance Holdings I, Inc.	—	5,617	2,647	—	5,617	—
Income attributable to non-controlling interests in consolidated funds	—	435	—	—	—	4,980
Incentive fees	(49,003)	(156,879)	(29,719)	(11,623)	(139,783)	(48,945)
Incentive fee related compensation <sup>1</sup>	3,874	74,374	14,001	5,521	66,254	23,249
Consolidated VIE related general, administrative and other expenses	—	846	278	—	846	566
Revenue related to consolidated funds	—	61	—	—	—	394
Non-operating income related compensation	—	367	(1,413)	—	54	59
Interest income	(528)	(5,114)	(2,553)	(1,500)	(3,829)	(8,117)
Interest expense	5,989	8,617	2,419	2,748	6,027	8,387
Income tax expense	33,333	55,425	11,788	15,800	38,766	34,055
Equity in (income) loss of investees	(17,102)	(6,543)	(1,039)	(194)	6,463	(20,731)
Contingent compensation related to acquisition	3,399	—	—	—	—	—
Non-operating (income) loss	(5,036)	470	25,873	8	7,546	(2,045)
<b>Fee Related Earnings</b>	<b>\$81,223</b>	<b>\$158,809</b>	<b>\$41,519</b>	<b>\$45,292</b>	<b>\$118,094</b>	<b>\$137,254</b>
Depreciation and amortization	1,891	7,442	2,022	2,037	5,600	5,774
Equity-based compensation	5,544	9,950	2,834	3,264	6,816	9,227
Incentive fees	49,003	156,879	29,719	11,623	139,783	48,945
Incentive fees attributable to non-controlling interests	(1,729)	(302)	(243)	—	(302)	—
Incentive fee related compensation <sup>1</sup>	(3,874)	(74,374)	(14,001)	(5,521)	(66,254)	(23,249)
Non-operating income related compensation	—	(367)	1,413	—	(54)	(59)
Interest income	528	1,789	442	1,500	839	3,536
<b>Adjusted EBITDA</b>	<b>\$132,586</b>	<b>\$259,826</b>	<b>\$63,705</b>	<b>\$58,195</b>	<b>\$204,522</b>	<b>\$181,428</b>
<b>Non-GAAP earnings per share reconciliation</b>						
<b>Net income attributable to Hamilton Lane Incorporated</b>			<b>\$9,669</b>	<b>\$19,506</b>	<b>\$78,034</b>	<b>\$92,498</b>
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.			9,146	14,944	51,326	52,733
Income tax expense			11,788	15,800	38,766	34,055
<b>Adjusted pre-tax net income</b>			<b>30,603</b>	<b>50,250</b>	<b>168,126</b>	<b>179,286</b>
Adjusted income taxes <sup>2</sup>			(7,314)	(11,859)	(40,182)	(42,312)
<b>Adjusted net income</b>			<b>\$23,289</b>	<b>\$38,391</b>	<b>\$127,944</b>	<b>\$136,974</b>
<b>Adjusted shares outstanding</b>			<b>53,769,379</b>	<b>53,987,555</b>	<b>53,733,521</b>	<b>53,932,804</b>
<b>Non-GAAP earnings per share</b>			<b>\$0.43</b>	<b>\$0.71</b>	<b>\$2.38</b>	<b>\$2.54</b>

<sup>1</sup> Incentive fee related compensation includes incentive fee compensation expense and bonus related to carried interest that is classified as base compensation.

<sup>2</sup> Represents corporate income taxes at our estimated statutory tax rate of 23.6% and 23.9% for the three and nine month periods ended December 31, 2023 and 2022, respectively, applied to adjusted pre-tax net income. The 23.6% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.6%. The 23.9% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.9%.

# Terms

Adjusted EBITDA is an internal measure of profitability. We believe Adjusted EBITDA is useful to investors because it enables them to better evaluate the performance of our core business across reporting periods. Adjusted EBITDA represents net income excluding (a) interest expense on our outstanding debt, (b) income tax expense, (c) depreciation and amortization expense, (d) equity-based compensation expense, (e) other non-operating income and (f) certain other significant items that we believe are not indicative of our core performance.

Fee Related Earnings ("FRE") is used to highlight earnings from recurring management fees. FRE represents net income excluding (a) incentive fees and related compensation, (b) interest income and expense, (c) income tax expense, (d) equity in income of investees, (e) other non-operating income and (f) certain other significant items that we believe are not indicative of our core performance. We believe FRE is useful to investors because it provides additional insight into the operating profitability of our business. FRE is presented before income taxes.

Non-GAAP earnings per share measures our per-share earnings excluding certain significant items that we believe are not indicative of our core performance and assuming all Class B and Class C units in HLA were exchanged for Class A common stock in HLI. Non-GAAP earnings per share is calculated as adjusted net income divided by adjusted shares outstanding. Adjusted net income is income before taxes fully taxed at our estimated statutory tax rate and excludes any impact of changes in carrying amount of our redeemable non-controlling interest. Adjusted shares outstanding for the three and nine months ended December 31, 2022 and 2023 and March 31, 2023 are equal to weighted-average shares of Class A common stock outstanding - diluted. We believe adjusted net income and non-GAAP earnings per share are useful to investors because they enable them to better evaluate total and per-share operating performance across reporting periods.

Our assets under management ("AUM"), as presented in these materials, comprise the assets associated with our customized separate accounts and specialized funds. AUM does not include the assets associated with our distribution management services. We classify assets as AUM if we have full discretion over the investment decisions in an account. We calculate our AUM as the sum of:

- (1) the net asset value of our clients' and funds' underlying investments;
- (2) the unfunded commitments to our clients' and funds' underlying investments; and
- (3) the amounts authorized for us to invest on behalf of our clients and fund investors but not committed to an underlying investment.

Management fee revenue is based on a variety of factors and is not linearly correlated with AUM. However, we believe AUM is a useful metric for assessing the relative size and scope of our asset management business.

Our assets under advisement ("AUA") comprise assets from clients for which we do not have full discretion to make investments in their account. We generally earn revenue on a fixed fee basis on our AUA client accounts for services including asset allocation, strategic planning, development of investment policies and guidelines, screening and recommending investments, monitoring and reporting on investments and investment manager review and due diligence. Advisory fees vary by client based on the amount of annual commitments, services provided and other factors. Since we earn annual fixed fees from the majority of our AUA clients, the growth in AUA from existing accounts does not have a material impact on our revenues. However, we view AUA growth as a meaningful benefit in terms of the amount of data we are able to collect and the degree of influence we have with fund managers.

Fee-earning assets under management (Fee-earning "AUM" or "FEAUM") is a metric we use to measure the assets from which we earn management fees. Our fee-earning AUM comprise assets in our customized separate accounts and specialized funds from which we derive management fees that are generally derived from applying a certain percentage to the appropriate fee base. We classify customized separate account revenue as management fees if the client is charged an asset-based fee, which includes the majority of our discretionary AUM accounts but also includes certain non-discretionary AUA accounts. Our fee-earning AUM is equal to the amount of capital commitments, net invested capital and net asset value of our customized separate accounts and specialized funds depending on the fee terms. The vast majority of our customized separate accounts and specialized funds earn fees based on commitments or net invested capital, which are not affected by market appreciation or depreciation. Therefore, revenues and fee-earning AUM are not significantly affected by changes in market value. Our calculations of fee-earning AUM may differ from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers. Our definition of fee-earning AUM is not based on any definition that is set forth in the agreements governing the customized separate accounts or specialized funds that we manage.

Hamilton Lane Incorporated (or "HLI"), a Delaware corporation, was formed for the purpose of completing an initial public offering ("IPO") and related transactions in order to carry on the business of Hamilton Lane Advisors, L.L.C. ("HLA") as a publicly-traded entity. As of the closing of our IPO on March 6, 2017, HLI became the sole managing member of HLA.

# Disclosures

Some of the statements in this presentation may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Words such as "will", "expect", "believe", "estimate", "continue", "anticipate", "intend", "plan", and similar expressions are intended to identify these forward-looking statements. Forward-looking statements discuss management's current expectations and projections relating to our financial position, results of operations, plans, objectives, future performance and business. All forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause actual results to be materially different, including risks relating to: our ability to manage growth, fund performance, competition in our industry, changes in our regulatory environment and tax status; market conditions generally; our ability to access suitable investment opportunities for our clients; our ability to maintain our fee structure; our ability to attract and retain key employees; our ability to manage our obligations under our debt agreements; defaults by clients and third-party investors on their obligations to fund commitments; our exposure and that of our clients and investors to the credit risks of financial institutions at which we and they hold accounts; our ability to comply with investment guidelines set by our clients; our ability to successfully integrate acquired businesses with ours; our ability to manage risks associated with introducing new types of investment structures, products or services or entering into strategic partnerships; our ability to manage redemption or repurchase rights in certain of our funds; our ability to manage, identify and anticipate risks we face; our ability to manage the effects of events outside of our control; and our ability to receive distributions from Hamilton Lane Advisors, L.L.C. to fund our payment of dividends, taxes and other expenses.

The foregoing list of factors is not exhaustive. For more information regarding these risks and uncertainties as well as additional risks we face, you should refer to the "Risk Factors" detailed in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended March 31, 2023 and in our subsequent reports filed from time to time with the Securities and Exchange Commission. The forward-looking statements included in this presentation are made only as of the date presented. We undertake no obligation to update or revise any forward-looking statement as a result of new information or future events, except as otherwise required by law.

Values appearing in this presentation that are whole numbers are rounded approximations.

As of February 6, 2024