

# Fiscal Year 2021 Third Quarter Results

Earnings Presentation - February 2, 2021



**Erik Hirsch**  
Vice Chairman

**Andrea Kramer**  
Hamilton Lane Alliance CEO

**Atul Varma**  
Chief Financial Officer

**John Oh**  
Investor Relations Manager

## Business Performance

- Assets under management and fee-earning assets under management were approximately \$76 billion and \$40 billion, respectively, as of December 31, 2020, increases of 14% and 9%, respectively, compared to December 31, 2019
- Management and advisory fees increased 16% compared to the nine months ended December 31, 2019

## Financial Results

*USD in millions except per share amounts*

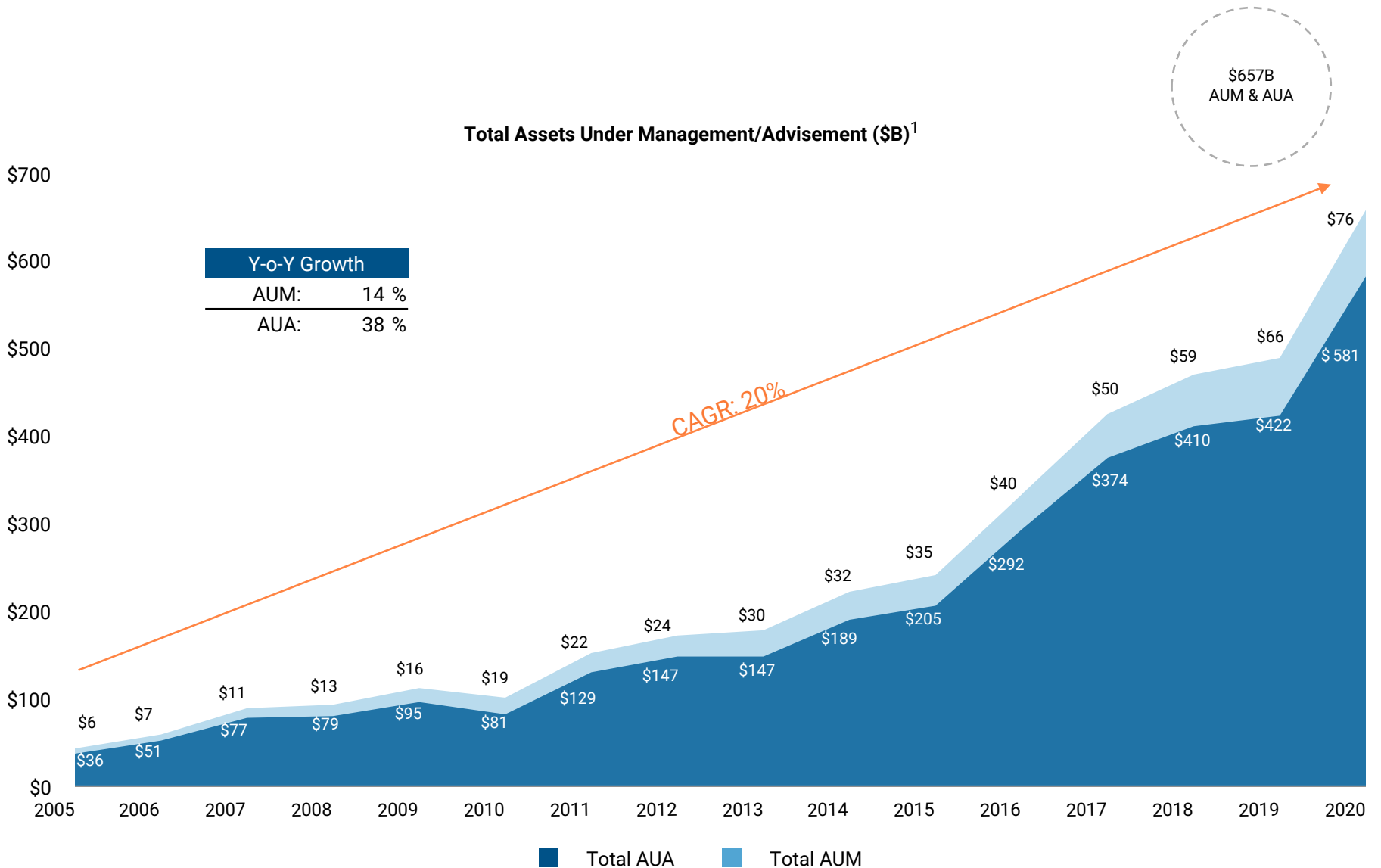
	Q3 FY21 QTD	Q3 FY21 YTD	vs. Q3 FY20 YTD
Management and advisory fees	\$75.3	\$208.9	16 %
GAAP net income	\$33.2	\$58.3	45 %
GAAP EPS	\$0.96	\$1.78	24 %
Non-GAAP EPS <sup>1</sup>	\$0.87	\$1.78	26 %
Fee Related Earnings <sup>1</sup>	\$37.8	\$93.8	28 %
Adjusted EBITDA <sup>1</sup>	\$46.1	\$118.2	30 %

## Dividend

- Declared a quarterly dividend of \$0.3125 per share of Class A common stock to record holders at the close of business on March 15, 2021

<sup>1</sup>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 21 and 22 of this presentation.

# Growing Asset Footprint & Influence

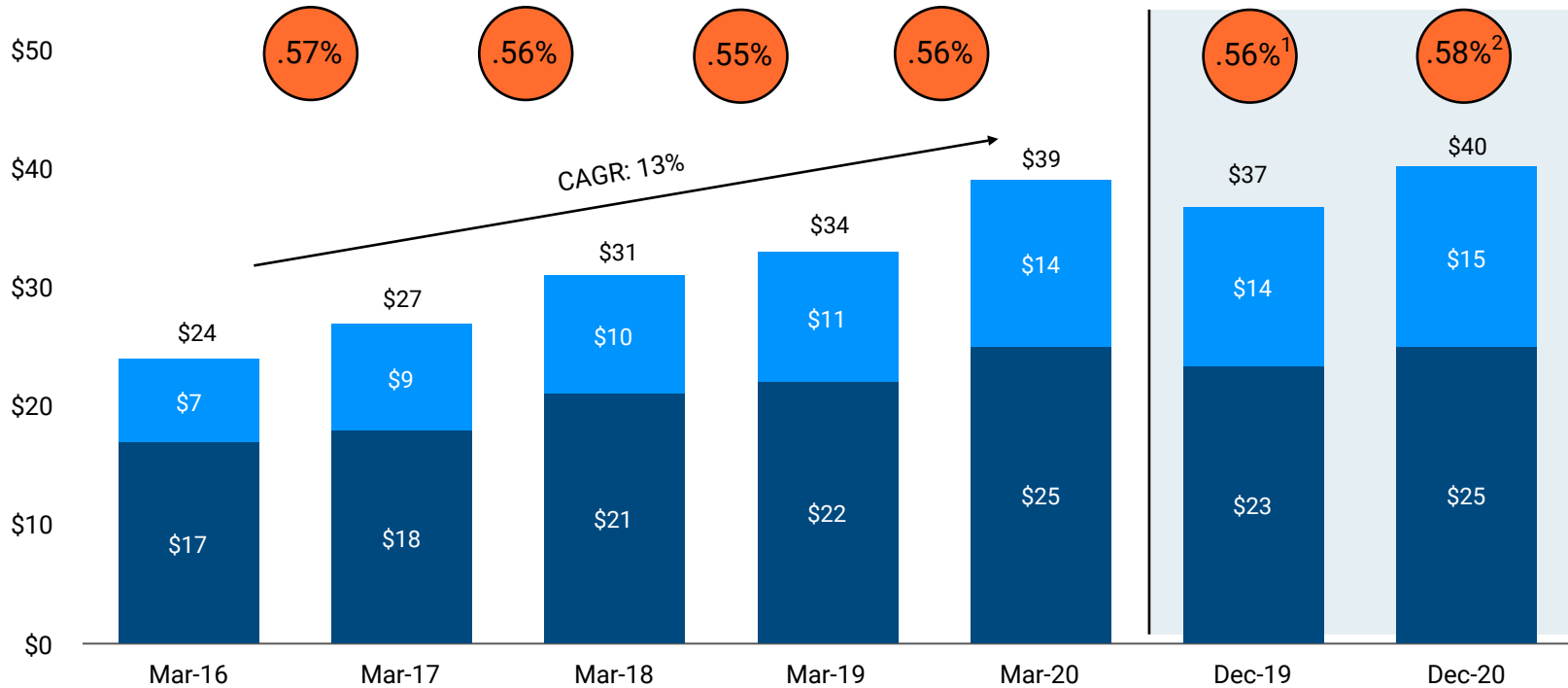


<sup>1</sup>Data as of calendar year end 12/31 unless otherwise noted. Numbers may not tie due to rounding.

# 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  
<sup>1</sup>Reflects retroactive fees of \$2.8M from a co-investment fund  
<sup>2</sup>Reflects retroactive fees of \$10.8M from latest secondary fund

- Customized Separate Accounts
- Specialized Funds
- Total Management Fee Revenues as a % of Average FEAUM

### Y-o-Y Drivers of Growth

#### Customized Separate Accounts:

- New client wins
- Client re-ups

#### Specialized Funds:

- Closed impact fund
- Fundraising 5th secondary fund, 5th direct equity fund, credit-oriented (2020 series) fund and evergreen fund

## AUM

### Customized Separate Accounts



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

- \$1.7B 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
  - Evergreen fund
  - Direct equity fund
- \$1.6B year-over-year increase in FEAUM
  - Closings during Q3 FY21:
    - Secondary fund: \$575M
    - Direct equity fund: \$318M
    - Credit-oriented fund: \$182M

## AUA

### Advisory Services



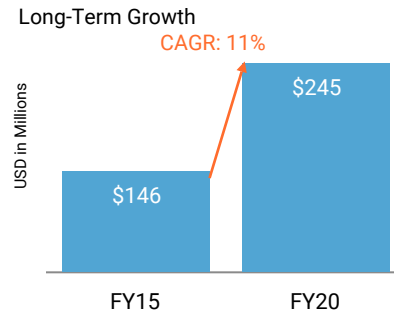
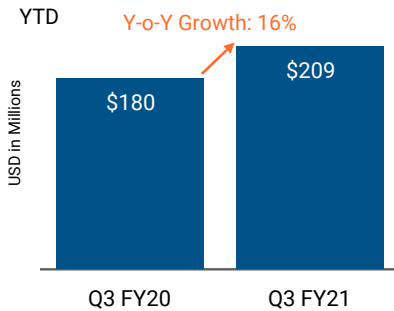
Typically larger clients with wide-ranging mandates which include technology-driven reporting, monitoring and analytics services and consulting services; opportunity set continues to be robust

- \$159B year-over-year increase in AUA

# Financial Highlights

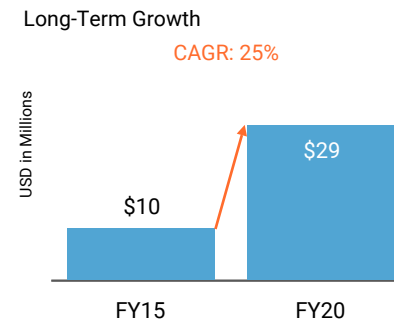
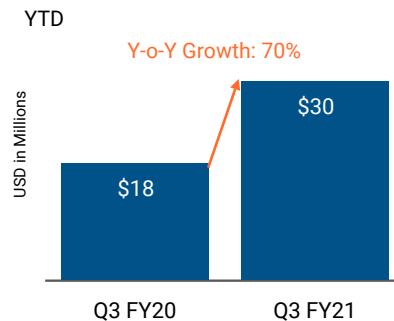
## Strong revenue growth across management and advisory fees

### Management and Advisory Fees



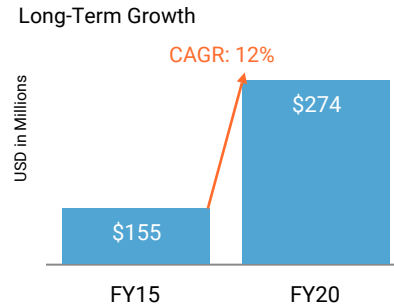
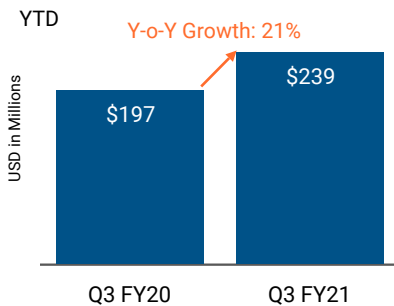
- Recurring management and advisory fees represented an average of just under 90% of total revenues over the past five fiscal years
- Y-o-Y increase of 16%
- \$7.2M in retroactive fees from our latest secondary fund in the quarter

### Incentive Fees



- Incentive fees derived from a highly diversified pool of assets and funds
- Unrealized carried interest of \$497M as of 12/31/20 diversified across 3,000+ assets and 70 funds
- Timing of realizations unpredictable

### Total Revenues

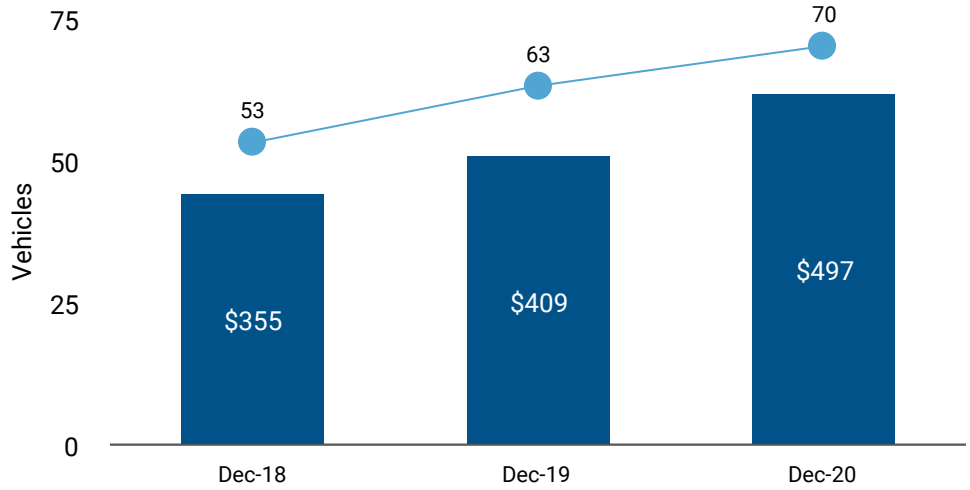


- Total revenues increased by 21%, driven by recurring management and advisory fee growth across core offerings

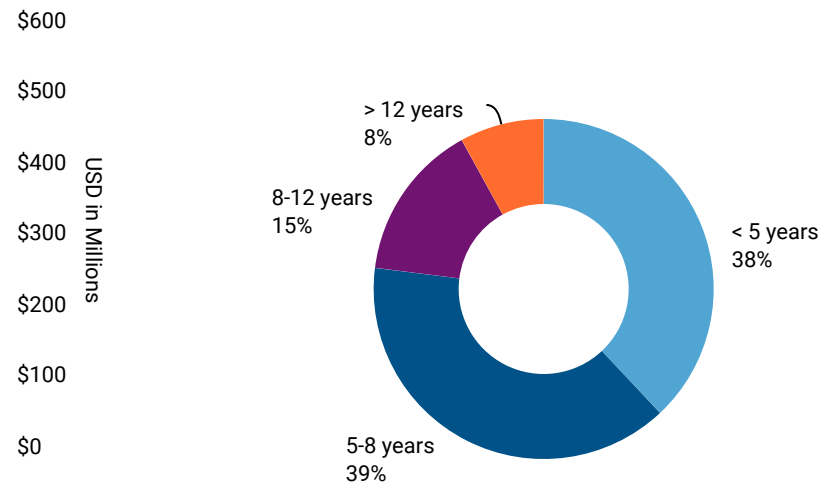


# Unrealized Carried Interest

### Unrealized Carried Interest



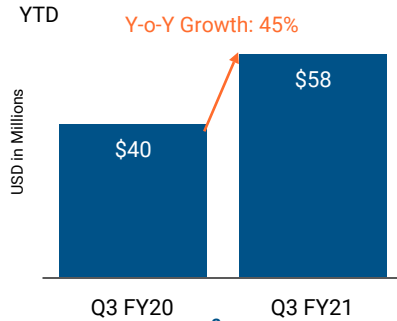
### Unrealized Carry by Age



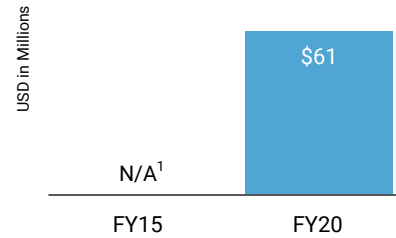
■ Unrealized Carried Interest    ● Vehicles in Unrealized Carry Position

## Profitability stable and growing

### Net Income Attributable to HLI

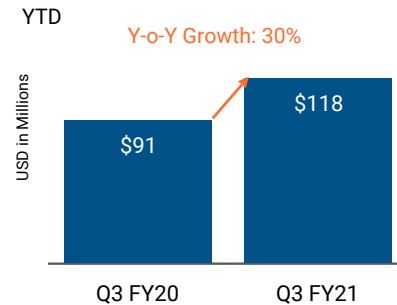


### Long-Term Growth

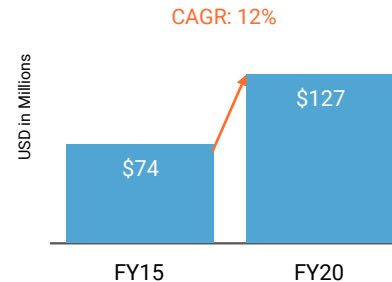


- \$33M in net income attributable to HLI for the quarter

### Adjusted EBITDA<sup>2</sup>

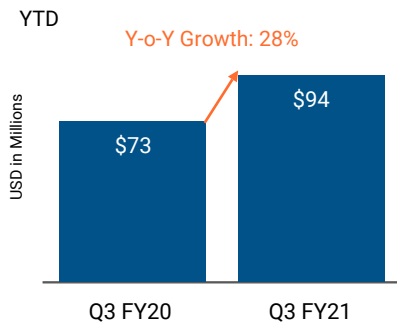


### Long-Term Growth

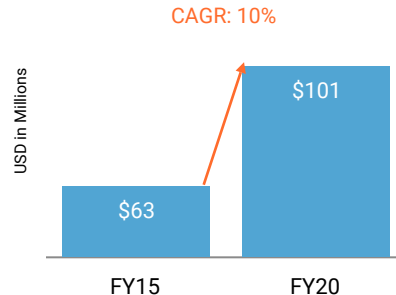


- Y-o-Y increase of 30% driven by growth in both management and advisory fees and incentive fees

### Fee Related Earnings<sup>2</sup>



### Long-Term Growth



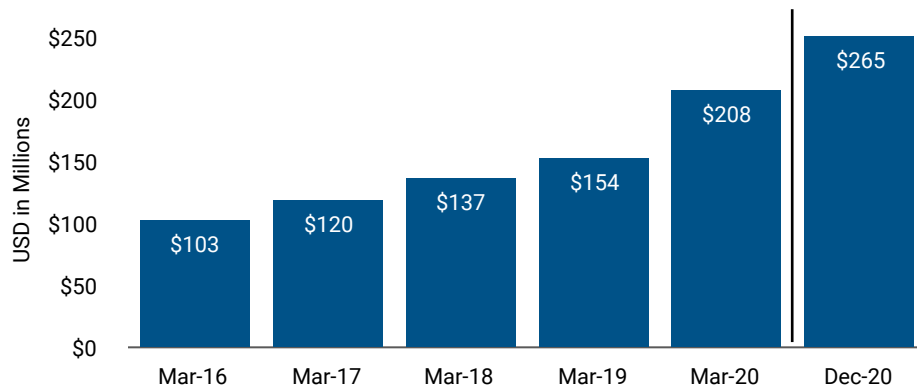
- Y-o-Y growth of 28%
- Long-term double digit growth in Fee Related Earnings

<sup>1</sup>Prior to our IPO, HLI was a wholly-owned subsidiary of HLA with no operations or assets.

<sup>2</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 21 and 22 of this presentation.

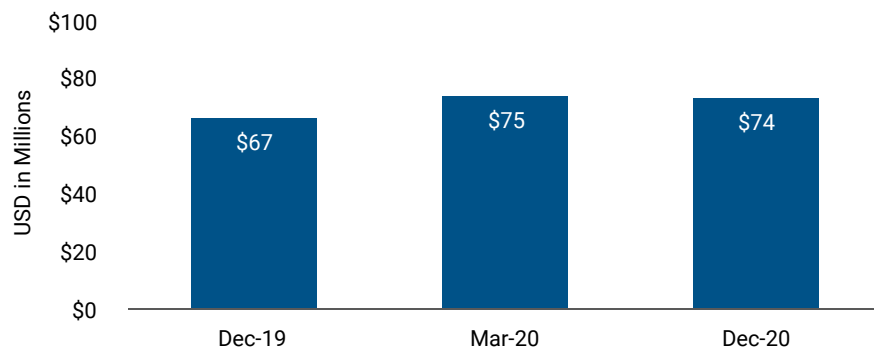
Strong balance sheet with investments in our own products and a modest amount of leverage...

## Investments



- For 12/31/20, the total investment balance consisted of:
  - ~\$222M in equity method investments in our funds
  - ~\$42M in technology related and other investments

## Leverage



- Modest leverage
- \$74M of debt as of 12/31/20



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# Appendix

# Condensed Consolidated Statements of Income (Unaudited)

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2019	2020	% Change	2019	2020	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
Management and advisory fees	\$59,837	\$75,279	26 %	\$179,584	\$208,913	16 %
Incentive fees	8,301	9,304	12 %	17,532	29,845	70 %
<b>Total revenues</b>	<b>68,138</b>	<b>84,583</b>	<b>24 %</b>	<b>197,116</b>	<b>238,758</b>	<b>21 %</b>
Compensation and benefits	23,773	28,536	20 %	71,570	93,914	31 %
General, administrative and other	15,473	13,328	(14)%	42,736	34,978	(18)%
<b>Total expenses</b>	<b>39,246</b>	<b>41,864</b>	<b>7 %</b>	<b>114,306</b>	<b>128,892</b>	<b>13 %</b>
Equity in income of investees	4,454	11,923	168 %	14,331	8,699	(39)%
Interest expense	(651)	(468)	(28)%	(2,213)	(1,448)	(35)%
Interest income	196	658	236 %	624	775	24 %
Non-operating income	97	6,229	6322 %	4,175	6,830	64 %
<b>Total other income (expense)</b>	<b>4,096</b>	<b>18,342</b>	<b>348 %</b>	<b>16,917</b>	<b>14,856</b>	<b>(12)%</b>
<b>Income before income taxes</b>	<b>32,988</b>	<b>61,061</b>	<b>85 %</b>	<b>99,727</b>	<b>124,722</b>	<b>25 %</b>
Income tax expense	4,551	6,429	41 %	11,564	20,522	77 %
<b>Net income</b>	<b>28,437</b>	<b>54,632</b>	<b>92 %</b>	<b>88,163</b>	<b>104,200</b>	<b>18 %</b>
Less: Income (loss) attributable to non-controlling interests in general partnerships	44	(68)	(255)%	593	(346)	(158)%
Less: Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	14,896	21,497	44 %	47,393	46,283	(2)%
<b>Net income attributable to Hamilton Lane Incorporated</b>	<b>\$13,497</b>	<b>\$33,203</b>	<b>146 %</b>	<b>\$40,177</b>	<b>\$58,263</b>	<b>45 %</b>
Basic earnings per share of Class A common stock	\$0.46	\$0.96	109 %	\$1.45	\$1.79	23 %
Diluted earnings per share of Class A Common stock	\$0.46	\$0.96	109 %	\$1.44	\$1.78	24 %
Weighted-average shares of Class A common stock outstanding - basic	29,185,039	34,478,437		27,710,607	32,567,754	
Weighted-average shares of Class A common stock outstanding - diluted	29,608,206	34,751,392		28,097,595	32,807,948	

# Non-GAAP Financial Measures

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2019	2020	% Change	2019	2020	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
<b>Adjusted EBITDA<sup>1</sup></b>						
Management and advisory fees	\$59,837	\$75,279	26 %	\$179,584	\$208,913	16 %
Total expenses	39,246	41,864	7 %	114,306	128,892	13 %
Less:						
Incentive fee related compensation <sup>2</sup>	(3,895)	(4,408)	13 %	(8,204)	(13,828)	69 %
Management fee related expenses	35,351	37,456	6 %	106,102	115,064	8 %
<b>Fee Related Earnings</b>	<b>\$24,486</b>	<b>\$37,823</b>	<b>54 %</b>	<b>\$73,482</b>	<b>\$93,849</b>	<b>28 %</b>
<b>Fee Related Earnings Margin</b>	<b>41 %</b>	<b>50 %</b>		<b>41 %</b>	<b>45 %</b>	
Incentive fees	8,301	9,304	12 %	17,532	29,845	70 %
Incentive fees attributable to non-controlling interests	(102)	(25)	(75)%	(262)	(735)	181 %
Incentive fee related compensation <sup>2</sup>	(3,895)	(4,408)	13 %	(8,204)	(13,828)	69 %
Interest income	196	658	236 %	624	775	24 %
Equity-based compensation	1,761	1,759	0 %	5,244	5,310	1 %
Depreciation and amortization	771	1,005	30 %	2,379	2,982	25 %
<b>Adjusted EBITDA</b>	<b>\$31,518</b>	<b>\$46,116</b>	<b>46 %</b>	<b>\$90,795</b>	<b>\$118,198</b>	<b>30 %</b>
<b>Adjusted EBITDA Margin</b>	<b>46 %</b>	<b>55 %</b>		<b>46 %</b>	<b>50 %</b>	
<b>Non-GAAP earnings per share<sup>1</sup></b>						
<b>Net income attributable to Hamilton Lane Incorporated</b>	<b>\$13,497</b>	<b>\$33,203</b>	<b>146 %</b>	<b>\$40,177</b>	<b>\$58,263</b>	<b>45 %</b>
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	14,896	21,497	44 %	47,393	46,283	(2)%
Income tax expense	4,551	6,429	41 %	11,564	20,522	77 %
<b>Adjusted pre-tax net income</b>	<b>32,944</b>	<b>61,129</b>	<b>86 %</b>	<b>99,134</b>	<b>125,068</b>	<b>26 %</b>
Adjusted income taxes <sup>3</sup>	(7,841)	(14,488)	85 %	(23,594)	(29,641)	26 %
<b>Adjusted net income</b>	<b>\$25,103</b>	<b>\$46,641</b>	<b>86 %</b>	<b>\$75,540</b>	<b>\$95,427</b>	<b>26 %</b>
<b>Adjusted shares outstanding<sup>4</sup></b>	<b>53,577,200</b>	<b>53,663,491</b>		<b>53,528,654</b>	<b>53,620,937</b>	
<b>Non-GAAP earnings per share</b>	<b>\$0.47</b>	<b>\$0.87</b>	<b>85 %</b>	<b>\$1.41</b>	<b>\$1.78</b>	<b>26 %</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 21.

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

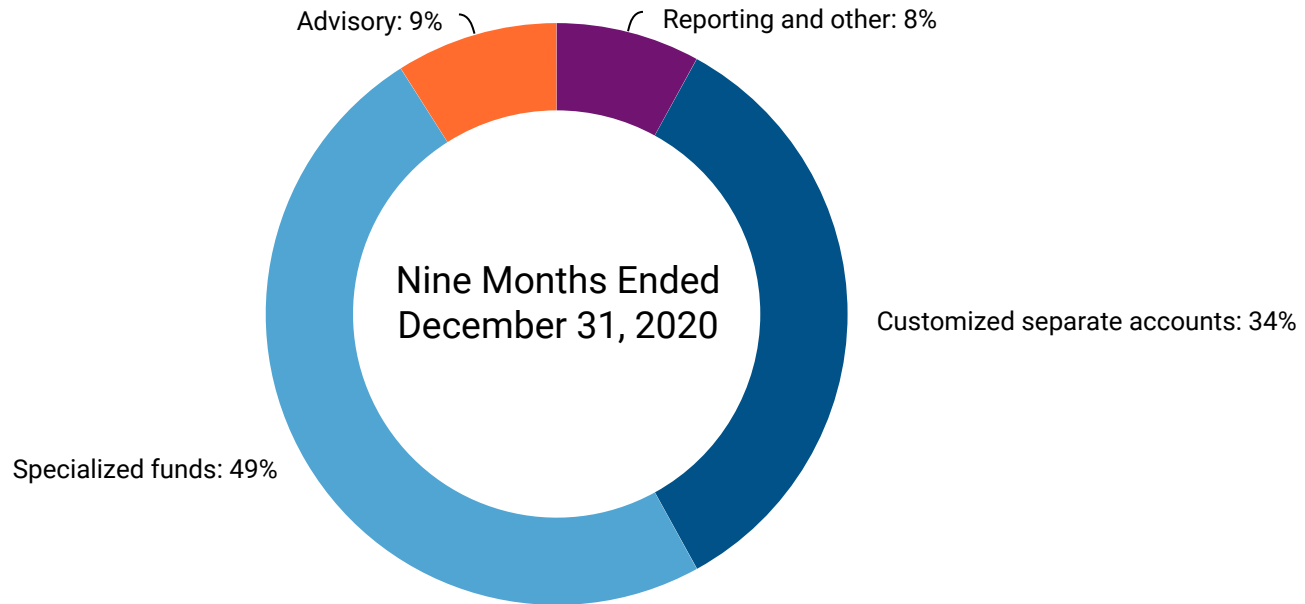
<sup>3</sup> Represents corporate income taxes at our estimated statutory tax rate of 23.7% and 23.8% for the three and nine month periods ended December 31, 2020 and 2019, respectively, applied to adjusted pre-tax net income. The 23.7% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.7%. The 23.8% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.8%.

<sup>4</sup> Assumes the full exchange of Class B and Class C units in HLA for Class A common stock of HLI pursuant to the exchange agreement.

# Management and Advisory Fees

(Dollars in thousands)

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2019	2020	% Change	2019	2020	% Change
<b>Management and advisory fees</b>						
Specialized funds	\$27,789	\$38,155	37 %	\$81,733	\$102,103	25 %
Customized separate accounts	22,618	23,285	3 %	67,047	70,600	5 %
Advisory	5,878	6,618	13 %	18,091	19,928	10 %
Reporting and other	2,237	2,673	19 %	6,492	8,093	25 %
Distribution management	1,108	2,827	155 %	3,169	5,291	67 %
Fund reimbursement revenue	207	1,721	731 %	3,052	2,898	(5)%
<b>Total management and advisory fees</b>	<b>\$59,837</b>	<b>\$75,279</b>	<b>26 %</b>	<b>\$179,584</b>	<b>\$208,913</b>	<b>16 %</b>





# Incentive Fees

(Dollars in thousands)	Three Months Ended December 31,			Nine Months Ended December 31,		
	2019	2020	% Change	2019	2020	% Change
<b>Incentive fees</b>						
Secondary Fund II	\$159	\$638	301 %	\$711	\$919	29 %
Co-investment Fund II	2,500	625	(75)%	6,254	17,334	177 %
Other specialized funds	979	5,539	466 %	4,292	8,487	98 %
Customized separate accounts	4,663	2,502	(46)%	6,275	3,105	(51)%
<b>Incentive fees</b>	<b>\$8,301</b>	<b>\$9,304</b>	<b>12 %</b>	<b>\$17,532</b>	<b>\$29,845</b>	<b>70 %</b>

	As of				
	December 31, 2019	September 30, 2020	December 31, 2020	YoY Change %	QoQ Change %
<b>Allocated carried interest</b>					
Secondary Fund II	\$3,446	\$2,742	\$1,907	(45)%	(30)%
Secondary Fund III	36,723	28,035	30,204	(18)%	8 %
Secondary Fund IV	43,784	55,739	69,908	60 %	25 %
Secondary Fund V	235	2,866	15,961	6,692 %	457 %
Co-investment Fund II	54,558	22,526	21,064	(61)%	(6)%
Co-investment Fund III	48,490	58,869	68,839	42 %	17 %
Co-investment Fund IV	10,438	14,425	25,437	144 %	76 %
Other specialized funds	72,022	85,347	98,933	37 %	16 %
Customized separate accounts	139,232	139,133	165,130	19 %	19 %
<b>Total allocated carried interest</b>	<b>\$408,928</b>	<b>\$409,682</b>	<b>\$497,383</b>	<b>22 %</b>	<b>21 %</b>

# Assets Under Management

(Dollars in millions)

	December 31, 2019	September 30, 2020	December 31, 2020	YoY Change %	QoQ Change %
<b>Assets under management / advisement</b>					
Assets under management	\$66,271	\$72,855	\$75,777	14 %	4 %
Assets under advisement	421,799	474,131	580,984	38 %	23 %
<b>Total assets under management / advisement</b>	<b>\$488,070</b>	<b>\$546,986</b>	<b>\$656,761</b>	<b>35 %</b>	<b>20 %</b>
<b>Fee-earning assets under management</b>					
<b>Customized separate accounts</b>					
<b>Balance, beginning of period</b>	\$22,877	\$24,286	\$24,588	7 %	1 %
Contributions	1,030	1,368	1,054	2 %	(23)%
Distributions	(547)	(1,099)	(759)	39 %	(31)%
Foreign exchange, market value and other	(73)	33	143	N/A	333 %
<b>Balance, end of period</b>	<b>\$23,287</b>	<b>\$24,588</b>	<b>\$25,026</b>	<b>7 %</b>	<b>2 %</b>
<b>Specialized funds</b>					
<b>Balance, beginning of period</b>	\$13,134	\$14,720	\$14,639	11 %	(1)%
Contributions	639	368	916	43 %	149 %
Distributions	(256)	(462)	(438)	71 %	(5)%
Foreign exchange, market value and other	1	13	50	4,900 %	285 %
<b>Balance, end of period</b>	<b>\$13,518</b>	<b>\$14,639</b>	<b>\$15,167</b>	<b>12 %</b>	<b>4 %</b>
<b>Total</b>					
<b>Balance, beginning of period</b>	\$36,011	\$39,006	\$39,227	9 %	1 %
Contributions	1,669	1,736	1,970	18 %	13 %
Distributions	(803)	(1,561)	(1,197)	49 %	(23)%
Foreign exchange, market value and other	(72)	46	193	N/A	320 %
<b>Balance, end of period</b>	<b>\$36,805</b>	<b>\$39,227</b>	<b>\$40,193</b>	<b>9 %</b>	<b>2 %</b>

# Condensed Consolidated Balance Sheets (Unaudited)

(Dollars in thousands except share and per share amounts)

	March 31, 2020	December 31, 2020
<b>Assets</b>		
Cash and cash equivalents	\$50,124	\$92,895
Restricted cash	3,086	3,042
Fees receivable	30,384	26,624
Prepaid expenses	6,988	4,920
Due from related parties	2,605	3,987
Furniture, fixtures and equipment, net	7,402	14,010
Lease right-of-use assets, net	9,577	66,170
Investments	207,747	264,613
Deferred income taxes	137,941	216,139
Other assets	17,675	23,429
<b>Total assets</b>	<b>\$473,529</b>	<b>\$715,829</b>
<b>Liabilities and Equity</b>		
Accounts payable	\$1,968	\$2,069
Accrued compensation and benefits	10,804	40,786
Deferred incentive fee revenue	3,704	3,704
Debt	74,524	73,630
Accrued members' distributions	5,829	7,906
Payable to related parties pursuant to tax receivable agreement	98,956	176,046
Dividends payable	8,027	10,775
Lease liabilities	10,184	73,967
Other liabilities (includes \$13,394 and \$18,162 at fair value)	22,132	27,094
<b>Total liabilities</b>	<b>236,128</b>	<b>415,977</b>
Class A common stock, \$0.001 par value, 300,000,000 authorized; 29,842,784 and 34,918,578 issued and outstanding as of March 31, 2020 and December 31, 2020 respectively	30	35
Class B common stock, \$0.001 par value, 50,000,000 authorized; 22,049,727 and 17,841,211 issued and outstanding as of March 31, 2020 and December 31, 2020, respectively	22	18
Additional paid-in-capital	107,727	142,564
Accumulated other comprehensive loss	(78)	—
Retained earnings	47,090	73,703
<b>Total Hamilton Lane Incorporated stockholders' equity</b>	<b>154,791</b>	<b>216,320</b>
Non-controlling interests in general partnerships	4,853	2,086
Non-controlling interests in Hamilton Lane Advisors, L.L.C.	77,757	81,446
<b>Total equity</b>	<b>237,401</b>	<b>299,852</b>
<b>Total liabilities and equity</b>	<b>\$473,529</b>	<b>\$715,829</b>

# Condensed Consolidated Statements of Cash Flows (Unaudited)

(Dollars in thousands)

	Nine Months Ended	
	December 31, 2019	December 31, 2020
<b>Operating activities</b>		
Net income	\$88,163	\$104,200
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,379	2,982
Change in deferred income taxes	7,197	13,382
Change in payable to related parties pursuant to tax receivable agreement	150	(73)
Equity-based compensation	5,244	5,310
Equity in income of investees	(14,331)	(8,699)
Gain on investments valued under the measurement alternative	(4,973)	(6,229)
Proceeds received from investments	8,475	704
Non-cash lease expense	3,645	4,352
Other	688	(105)
Changes in operating assets and liabilities	11,418	31,967
<b>Net cash provided by operating activities</b>	<b>108,055</b>	<b>147,791</b>
<b>Investing activities</b>		
Purchase of furniture, fixtures and equipment	(1,207)	(8,558)
Purchase of other investments	(3,967)	(500)
Proceeds from sales of investments valued under the measurement alternative	6,419	–
Purchase of intangible assets	–	(1,000)
Loan to investee	(157)	–
Distributions received from investments	6,878	19,764
Contributions to investments	(37,196)	(57,119)
<b>Net cash used in investing activities</b>	<b>(29,230)</b>	<b>(47,413)</b>
<b>Financing activities</b>		
Proceeds from offerings	147,122	354,629
Purchase of membership interests	(147,122)	(354,629)
Repayments of debt	(3,750)	(937)
Draw-down on revolver	15,000	–
Repayment of revolver	(15,000)	–
Secured financing	15,750	–
Contributions from non-controlling interest in general partnerships	30	70
Distributions to non-controlling interest in general partnerships	(898)	(2,491)
Repurchase of Class B common stock	(2)	(4)
Repurchase of Class A shares for employee tax withholding	(45)	(36)
Proceeds received from issuance of shares under Employee Share Purchase Plan	885	1,077
Payments to related parties, pursuant to tax receivable agreement	–	(36)
Dividends paid	(21,041)	(28,902)
Members' distributions paid	(36,613)	(26,522)
<b>Net cash used in financing activities</b>	<b>(45,684)</b>	<b>(57,781)</b>
Effect of exchange rate changes on cash and cash equivalents	(37)	130
<b>Increase in cash, cash equivalents, and restricted cash</b>	<b>33,104</b>	<b>42,727</b>
Cash, cash equivalents, and restricted cash at beginning of the period	51,590	53,210
<b>Cash, cash equivalents, and restricted cash at end of the period</b>	<b>\$84,694</b>	<b>\$95,937</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,	
	2015	2020	2019	2020	2019	2020
<b>Net income attributable to Hamilton Lane Incorporated</b>	<b>\$0</b>	<b>\$60,825</b>	<b>\$13,497</b>	<b>\$33,203</b>	<b>\$40,177</b>	<b>\$58,263</b>
Income (loss) attributable to non-controlling interests in general partnerships	2,242	85	44	(68)	593	(346)
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	69,260	65,866	14,896	21,497	47,393	46,283
Incentive fees	(9,509)	(29,128)	(8,301)	(9,304)	(17,532)	(29,845)
Incentive fee related compensation <sup>1</sup>	4,542	13,677	3,895	4,408	8,204	13,828
Interest income	(87)	(709)	(196)	(658)	(624)	(775)
Interest expense	5,883	2,816	651	468	2,213	1,448
Income tax expense	483	13,968	4,551	6,429	11,564	20,522
Equity in income of investees	(10,474)	(20,250)	(4,454)	(11,923)	(14,331)	(8,699)
Non-operating loss (income)	1,056	(6,172)	(97)	(6,229)	(4,175)	(6,830)
<b>Fee Related Earnings</b>	<b>\$63,396</b>	<b>\$100,978</b>	<b>\$24,486</b>	<b>\$37,823</b>	<b>\$73,482</b>	<b>\$93,849</b>
Depreciation and amortization	1,867	3,291	771	1,005	2,379	2,982
Equity-based compensation	3,390	7,183	1,761	1,759	5,244	5,310
Incentive fees	9,509	29,128	8,301	9,304	17,532	29,845
Incentive fees attributable to non-controlling interests	—	(320)	(102)	(25)	(262)	(735)
Incentive fee related compensation <sup>1</sup>	(4,542)	(13,677)	(3,895)	(4,408)	(8,204)	(13,828)
Interest income	87	709	196	658	624	775
<b>Adjusted EBITDA</b>	<b>\$73,707</b>	<b>\$127,292</b>	<b>\$31,518</b>	<b>\$46,116</b>	<b>\$90,795</b>	<b>\$118,198</b>
<b>Non-GAAP earnings per share reconciliation</b>						
<b>Net income attributable to Hamilton Lane Incorporated</b>			<b>\$13,497</b>	<b>\$33,203</b>	<b>\$40,177</b>	<b>\$58,263</b>
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.			14,896	21,497	47,393	46,283
Income tax expense			4,551	6,429	11,564	20,522
<b>Adjusted pre-tax net income</b>			<b>32,944</b>	<b>61,129</b>	<b>99,134</b>	<b>125,068</b>
Adjusted income taxes <sup>2</sup>			(7,841)	(14,488)	(23,594)	(29,641)
<b>Adjusted net income</b>			<b>\$25,103</b>	<b>\$46,641</b>	<b>\$75,540</b>	<b>\$95,427</b>
<b>Weighted-average shares of Class A common stock outstanding - diluted</b>			29,608,206	34,751,392	28,097,595	32,807,948
Exchange of Class B and Class C units in HLA <sup>3</sup>			23,968,994	18,912,099	25,431,059	20,812,989
<b>Adjusted shares outstanding</b>			<b>53,577,200</b>	<b>53,663,491</b>	<b>53,528,654</b>	<b>53,620,937</b>
<b>Non-GAAP earnings per share</b>			<b>\$0.47</b>	<b>\$0.87</b>	<b>\$1.41</b>	<b>\$1.78</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 23.7% and 23.8% for the three and nine month periods ended December 31, 2020 and 2019, respectively, applied to adjusted pre-tax net income. The 23.7% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.7%. The 23.8% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.8%.

<sup>3</sup> Assumes the full exchange of Class B and Class C units in HLA for Class A common stock of HLI pursuant to the exchange agreement.

**Adjusted EBITDA** is our primary 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. We believe Non-GAAP earnings per share is useful to investors because it enables them to better evaluate 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, legal negotiations, 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. 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. Substantially all 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.

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, 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 ability to comply with investment guidelines set by our clients; our ability to consummate planned acquisitions and successfully integrate the acquired businesses with ours; our ability to manage risks associated with pursuing new lines of business; 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, 2020, 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 2, 2021**