



Hamilton Lane®

# Fiscal Year 2020 Third Quarter Results

Earnings Presentation - February 4, 2020



## Business Performance

- Assets under management and fee-earning assets under management were approximately \$66 billion and \$37 billion, respectively, as of December 31, 2019, increases of 13% and 14%, respectively, compared to December 31, 2018
- Management and advisory fees increased 12% compared to the nine months ended December 31, 2018

## Financial Results

*USD in millions except per share amounts*

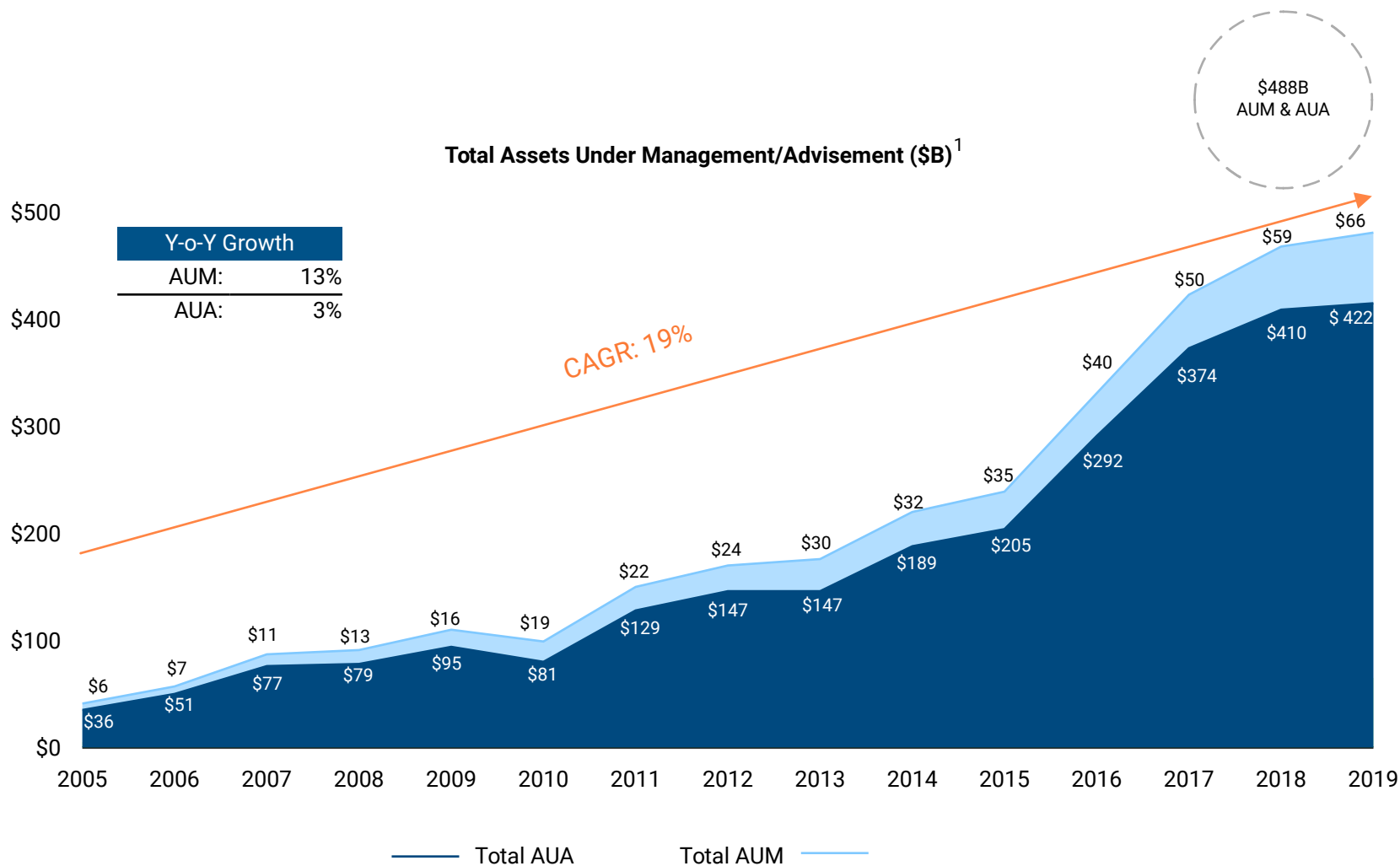
	Q3 FY20 QTD	Q3 FY20 YTD	vs. Q3 FY19 YTD
Management and advisory fees	\$59.8	\$179.6	12 %
GAAP net income	\$13.5	\$40.2	57 %
GAAP EPS	\$0.46	\$1.44	33 %
Non-GAAP EPS <sup>1</sup>	\$0.47	\$1.41	(9)%
Fee Related Earnings <sup>1</sup>	\$24.5	\$73.5	12 %
Adjusted EBITDA <sup>1</sup>	\$31.5	\$90.8	5 %

## Dividend

- Declared a quarterly dividend of \$0.275 per share of Class A common stock to record holders at the close of business on March 16, 2020

<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

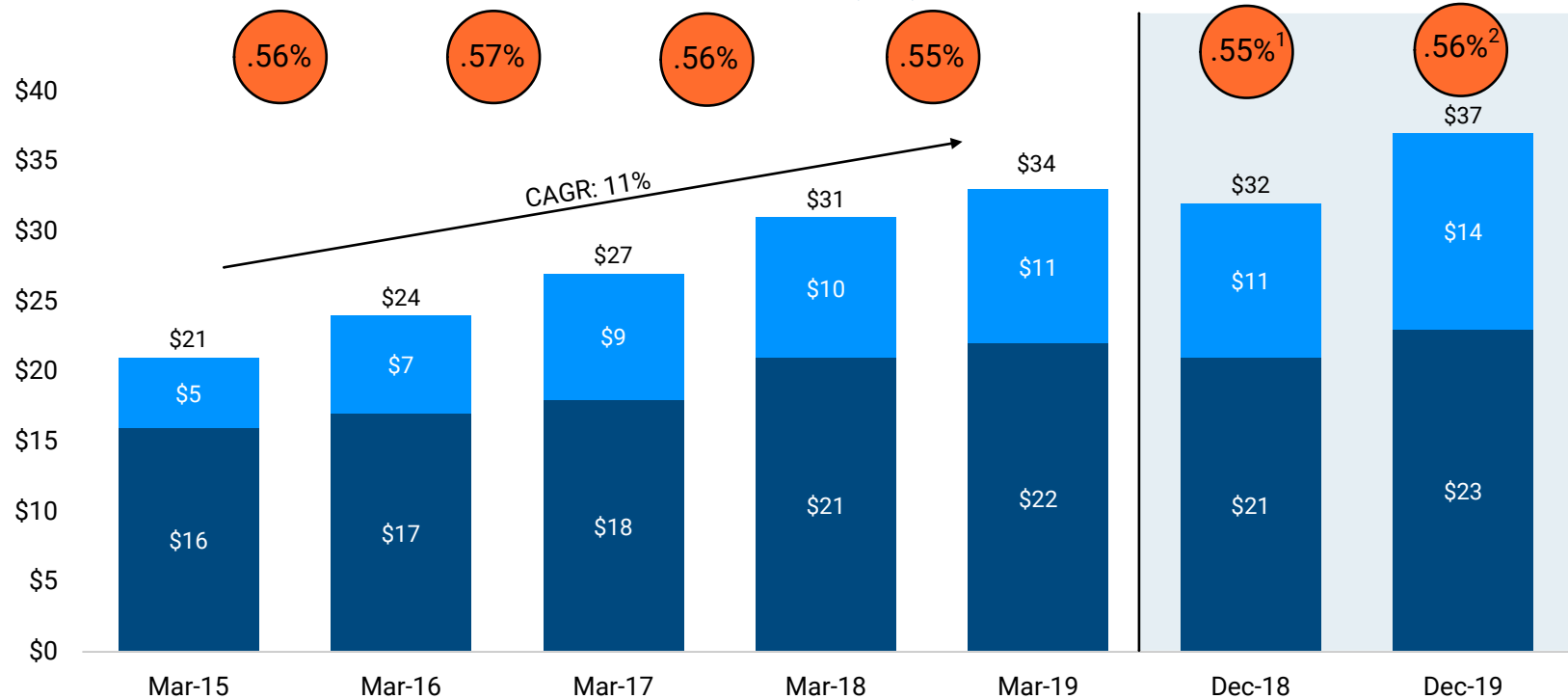


<sup>1</sup>Data as of calendar year end 12/31 unless otherwise noted. Numbers may not tie due to rounding.

# 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 \$1.1M from latest co-investment fund  
<sup>2</sup>Reflects retroactive fees of \$2.8M from latest co-investment 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 4th co-investment fund, credit-oriented (2019 series) fund and fund-of-funds
- Fundraising 5th secondary 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

- \$2.1B year-over-year increase in FEAUM
- +70% 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
- \$2.5B year-over-year increase in FEAUM
  - FEAUM closed during Q3 FY20:
    - Secondary fund: \$265M

AUA

## Advisory Services



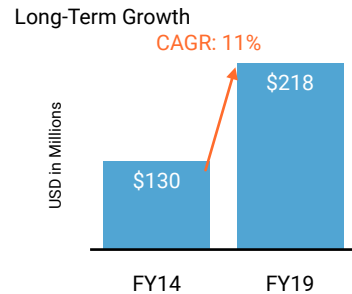
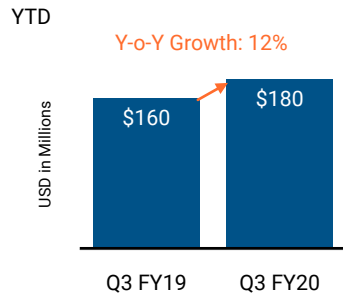
Typically larger clients with wide-ranging mandates which include technology-driven reporting, monitoring and analytics services and consulting services; opportunity set continues to be robust

- \$12B year-over-year increase in AUA

# Financial Highlights

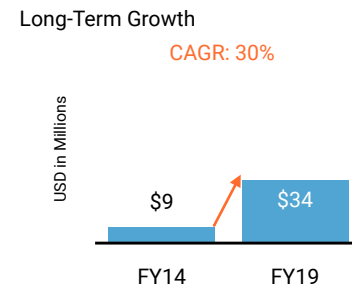
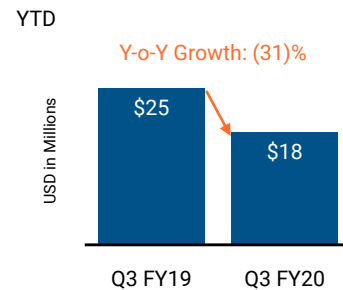
## Strong revenue growth across management and advisory fees

### Management and Advisory Fees



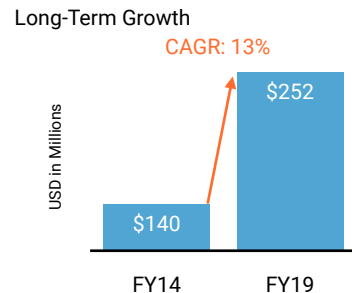
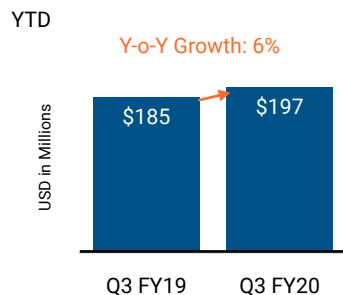
- Recurring management and advisory fees represented an average of just under 90% of total revenues over the past five fiscal years
- \$2.8M in retroactive fees from our latest co-investment fund for the year compared to \$1.1M in the prior year period
- \$1.1M in retroactive fees from our latest secondary fund in the quarter

### Incentive Fees



- Incentive fees derived from a highly diversified pool of assets and funds
- Allocated carried interest of \$409M as of 12/31/19 diversified across 3,000+ assets and over 60 funds
- Timing of realizations unpredictable

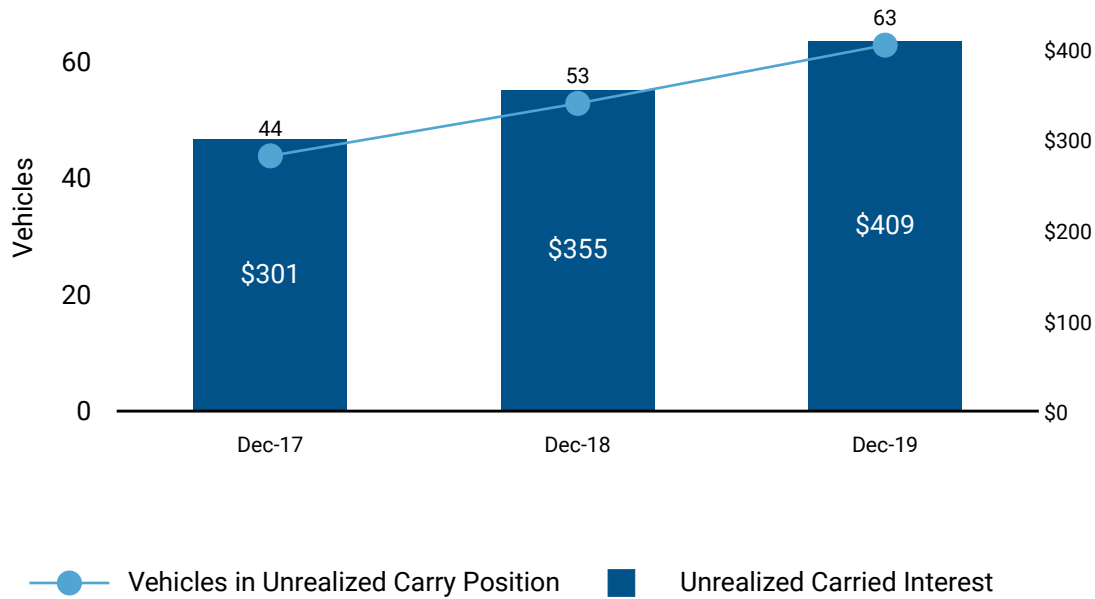
### Total Revenues



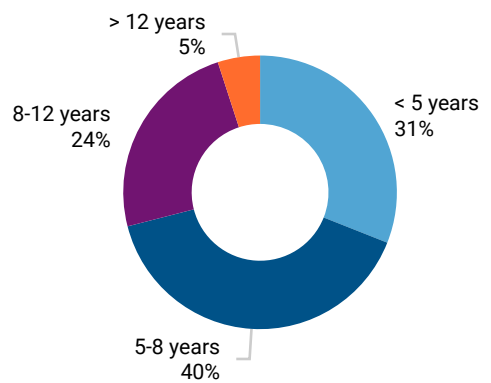
- Total revenues increased by 6%, driven by recurring management and advisory fee growth across core offerings



## Unrealized Carried Interest

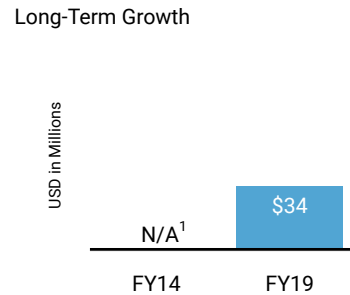
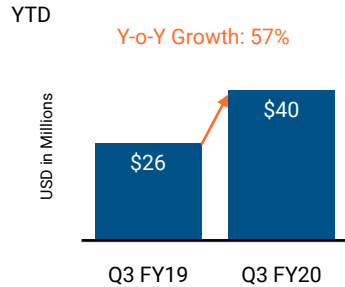


## Unrealized Carry by Age



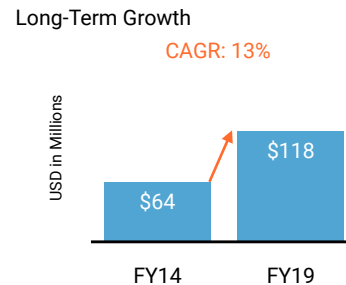
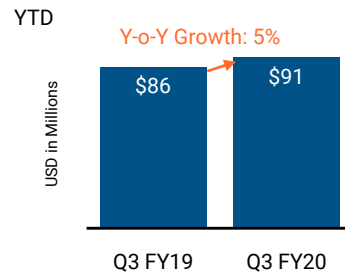
## Profitability stable and growing

### Net Income Attributable to HLI



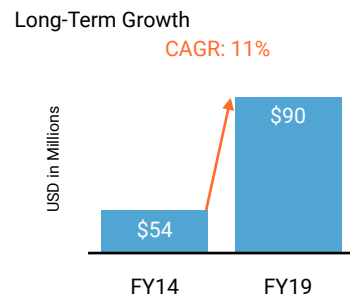
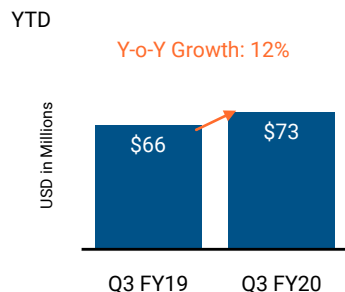
- \$40M in net income attributable to HLI for YTD FY20
- \$13M in net income attributable to HLI for the quarter

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



- Y-o-Y increase of 5% driven by 12% growth in management and advisory fees, partially offset by decline in realized incentive fees
- \$4-5M run rate increase to G&A expense expected from new headquarters lease starting in 2H FY21

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



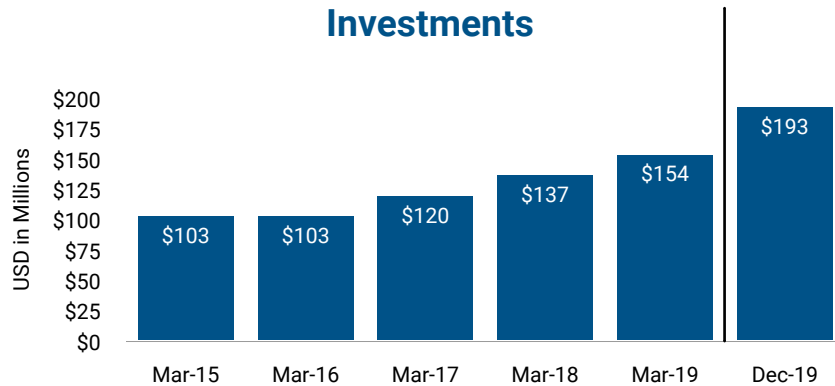
- Y-o-Y growth of 12%
- Long-term double digit growth in Fee Related Earnings

<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.

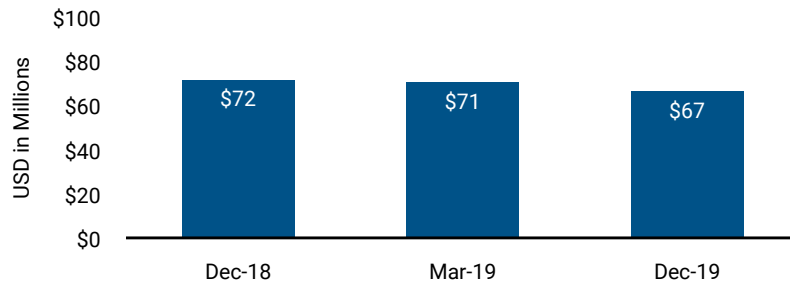
Strong balance sheet with investments in our own products and a modest amount of leverage...

## Investments



- For 12/31/19, the total investment balance consisted of:
  - ~\$171M in equity method investments in our funds
  - ~\$22M in technology related and other investments

## Leverage



- Modest leverage
- \$67M of debt as of 12/31/19



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# Appendix

# Condensed Consolidated Statements of Income (Unaudited)

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2018	2019	% Change	2018	2019	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
<b>Revenues</b>						
Management and advisory fees	\$55,617	\$59,837	8%	\$159,844	\$179,584	12%
Incentive fees	10,379	8,301	(20)%	25,347	17,532	(31)%
<b>Total revenues</b>	<b>65,996</b>	<b>68,138</b>	<b>3%</b>	<b>185,191</b>	<b>197,116</b>	<b>6%</b>
<b>Expenses</b>						
Compensation and benefits	23,843	23,369	(2)%	73,236	70,368	(4)%
General, administrative and other	13,916	15,877	14%	36,659	43,938	20%
<b>Total expenses</b>	<b>37,759</b>	<b>39,246</b>	<b>4%</b>	<b>109,895</b>	<b>114,306</b>	<b>4%</b>
<b>Other income (expense)</b>						
Equity in income of investees	4,934	4,454	(10)%	10,096	14,331	42%
Interest expense	(767)	(651)	(15)%	(2,260)	(2,213)	(2)%
Interest income	82	196	139%	167	624	274%
Non-operating income	8,892	97	(99)%	20,951	4,175	(80)%
<b>Total other income (expense)</b>	<b>13,141</b>	<b>4,096</b>	<b>(69)%</b>	<b>28,954</b>	<b>16,917</b>	<b>(42)%</b>
<b>Income before income taxes</b>	<b>41,378</b>	<b>32,988</b>	<b>(20)%</b>	<b>104,250</b>	<b>99,727</b>	<b>(4)%</b>
Income tax expense	18,463	4,551	(75)%	25,660	11,564	(55)%
<b>Net income</b>	<b>22,915</b>	<b>28,437</b>	<b>24%</b>	<b>78,590</b>	<b>88,163</b>	<b>12%</b>
Less: Income attributable to non-controlling interests in general partnerships	681	44	(94)%	1,075	593	(45)%
Less: Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	16,776	14,896	(11)%	51,990	47,393	(9)%
<b>Net income attributable to Hamilton Lane Incorporated</b>	<b>\$5,458</b>	<b>\$13,497</b>	<b>147%</b>	<b>\$25,525</b>	<b>\$40,177</b>	<b>57%</b>
Basic earnings per share of Class A common stock	\$0.22	\$0.46		\$1.09	\$1.45	
Diluted earnings per share of Class A Common stock	\$0.22	\$0.46		\$1.08	\$1.44	
Weighted-average shares of Class A common stock outstanding - basic	25,051,094	29,185,039		23,329,134	27,710,607	
Weighted-average shares of Class A common stock outstanding - diluted	25,574,818	29,608,206		23,870,617	28,097,595	

# Non-GAAP Financial Measures

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2018	2019	% Change	2018	2019	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
<b>Adjusted EBITDA<sup>1</sup></b>						
Management and advisory fees	\$55,617	\$59,837	8%	\$159,844	\$179,584	12 %
Total expenses	37,759	39,246	4%	109,895	114,306	4 %
Less:						
Incentive fee related compensation <sup>2</sup>	(4,746)	(3,895)	(18%)	(10,716)	(8,204)	(23)%
Contingent compensation related to acquisition	—	—	N/A	(5,100)	—	(100)%
Management fee related expenses	33,013	35,351	7%	94,079	106,102	13 %
<b>Fee Related Earnings</b>	<b>\$22,604</b>	<b>\$24,486</b>	<b>8%</b>	<b>\$65,765</b>	<b>\$73,482</b>	<b>12 %</b>
Incentive fees <sup>3</sup>	10,379	8,301	(20%)	25,347	17,532	(31)%
Incentive fees attributable to non-controlling interests <sup>3</sup>	(387)	(102)	(74%)	(651)	(262)	(60)%
Incentive fee related compensation <sup>2</sup>	(4,746)	(3,895)	(18%)	(10,716)	(8,204)	(23)%
Interest income	82	196	139%	167	624	274 %
Equity-based compensation	1,594	1,761	10%	4,778	5,244	10 %
Depreciation and amortization	619	771	25%	1,759	2,379	35 %
<b>Adjusted EBITDA</b>	<b>\$30,145</b>	<b>\$31,518</b>	<b>5%</b>	<b>\$86,449</b>	<b>\$90,795</b>	<b>5 %</b>
<b>Adjusted EBITDA margin</b>	<b>46%</b>	<b>46%</b>		<b>47%</b>	<b>46%</b>	
<b>Non-GAAP earnings per share<sup>1</sup></b>						
<b>Net income attributable to Hamilton Lane Incorporated</b>	<b>\$5,458</b>	<b>\$13,497</b>	<b>147 %</b>	<b>\$25,525</b>	<b>\$40,177</b>	<b>57 %</b>
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	16,776	14,896	(11%)	51,990	47,393	(9)%
Income tax expense	18,463	4,551	(75%)	25,660	11,564	(55)%
Contingent compensation related to acquisition	—	—	N/A	5,100	—	(100)%
<b>Adjusted pre-tax net income</b>	<b>\$40,697</b>	<b>\$32,944</b>	<b>(19%)</b>	<b>\$108,275</b>	<b>\$99,134</b>	<b>(8)%</b>
Adjusted income taxes <sup>4</sup>	(7,408)	(7,841)	6%	(25,661)	(23,594)	(8)%
<b>Adjusted net income</b>	<b>\$33,289</b>	<b>\$25,103</b>	<b>(25%)</b>	<b>\$82,614</b>	<b>\$75,540</b>	<b>(9)%</b>
<b>Adjusted shares outstanding<sup>5</sup></b>	<b>53,394,748</b>	<b>53,577,200</b>		<b>53,401,775</b>	<b>53,528,654</b>	
<b>Non-GAAP earnings per share</b>	<b>\$0.62</b>	<b>\$0.47</b>	<b>(24)%</b>	<b>\$1.55</b>	<b>\$1.41</b>	<b>(9)%</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, bonus and other revenue sharing related to carried interest that is classified as base compensation. Incentive fee related compensation for the nine months ended December 31, 2018 excludes compensation expense related to the recognition of incentive fees included in net income from one of our co-investment funds of \$2.5 million as the related incentive fee compensation was recognized in fiscal 2016.

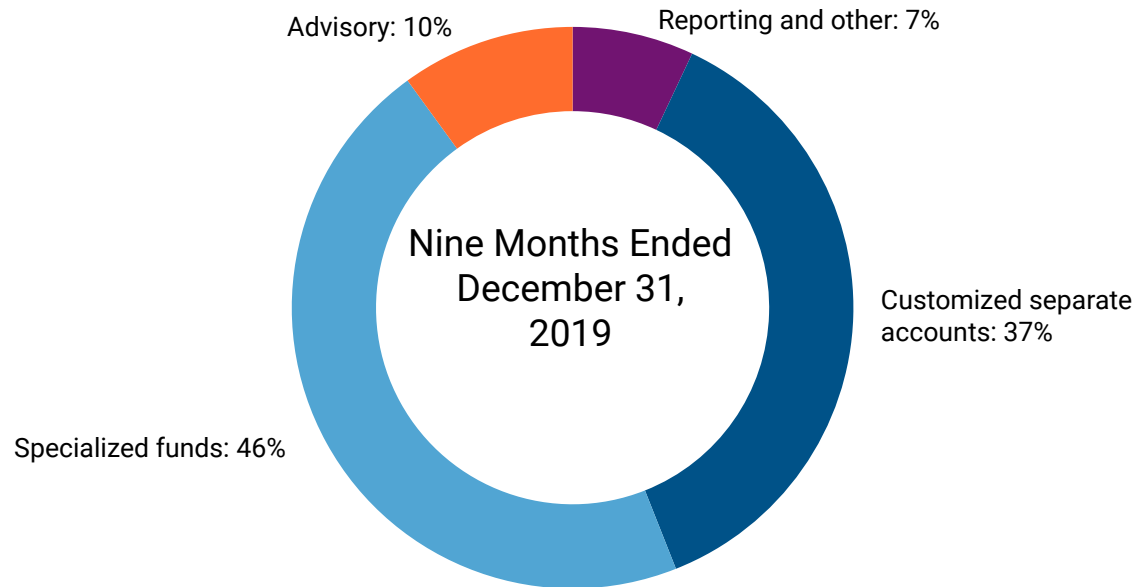
<sup>3</sup> Incentive fees for the nine months ended December 31, 2018 includes \$3.2 million of non-cash carried interest. Of the \$3.2 million, \$2.5 million is included in net income and \$0.7 million is attributable to non-controlling interests.

<sup>4</sup> Represents corporate income taxes at our estimated statutory tax rate of 23.8% for the nine month period ended December 31, 2019 and 23.7% for the nine month period ended December 31, 2018 applied to adjusted pre-tax net income. 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%. 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%.

<sup>5</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,		
	2018	2019	% Change	2018	2019	% Change
<b>Management and advisory fees</b>						
Specialized funds	\$23,413	\$27,789	19 %	\$67,164	\$81,733	22 %
Customized separate accounts	21,594	22,618	5 %	63,087	67,047	6 %
Advisory	5,926	5,878	(1)%	18,287	18,091	(1)%
Reporting and other	2,260	2,237	(1)%	6,373	6,492	2 %
Distribution management	1,975	1,108	(44)%	3,773	3,169	(16)%
Fund reimbursement revenue	449	207	(54)%	1,160	3,052	163 %
<b>Total management and advisory fees</b>	<b>\$55,617</b>	<b>\$59,837</b>	<b>8 %</b>	<b>\$159,844</b>	<b>\$179,584</b>	<b>12 %</b>





# Incentive Fees

(Dollars in thousands)	Three Months Ended December 31,			Nine Months Ended December 31,		
	2018	2019	% Change	2018	2019	% Change
<b>Incentive fees</b>						
Secondary Fund II	\$741	\$159	(79)%	\$1,324	\$711	(46)%
Co-investment Fund II	8,618	2,500	(71)%	14,959	6,254	(58)%
Other specialized funds	867	979	13 %	1,753	4,292	145 %
Customized separate accounts	152	4,663	2,968 %	7,311	6,275	(14)%
<b>Incentive fees</b>	<b>\$10,379</b>	<b>\$8,301</b>	<b>(20)%</b>	<b>\$25,347</b>	<b>\$17,532</b>	<b>(31)%</b>

	As of				
	December 31, 2018	September 30, 2019	December 31, 2019	YoY % Change	QoQ % Change
<b>Allocated carried interest</b>					
Secondary Fund II	\$4,838	\$4,318	\$3,446	(29)%	(20)%
Secondary Fund III	39,066	35,950	36,723	(6)%	2 %
Secondary Fund IV	31,033	38,316	43,784	41 %	14 %
Secondary Fund V	–	–	235	N/A	N/A
Co-investment Fund II	62,361	56,327	54,558	(13)%	(3)%
Co-investment Fund III	49,520	49,570	48,490	(2)%	(2)%
Co-investment Fund IV	–	4,064	10,438	N/A	157 %
Other specialized funds	47,375	56,668	72,022	53 %	28 %
Customized separate accounts	121,275	136,803	139,232	15 %	2 %
<b>Total allocated carried interest</b>	<b>\$ 355,468</b>	<b>\$ 382,016</b>	<b>\$ 408,928</b>	<b>15 %</b>	<b>7 %</b>

# Assets Under Management

<i>(Dollars in millions)</i>	December 31, 2018	September 30, 2019	December 31, 2019	YoY % Change	QoQ % Change
<b>Assets under management / advisement</b>					
Assets under management	\$58,840	\$65,680	\$66,271	13%	1 %
Assets under advisement	409,924	415,675	421,799	3%	1 %
<b>Total assets under management / advisement</b>	<b>\$468,764</b>	<b>\$481,355</b>	<b>\$488,070</b>	<b>4%</b>	<b>1 %</b>
<b>Fee-earning assets under management</b>					
<b>Customized separate accounts</b>					
<b>Balance, beginning of period</b>	\$20,832	\$22,511	\$22,877	10%	2 %
Contributions	933	695	1,030	10%	48 %
Distributions	(536)	(343)	(547)	2%	59 %
Foreign exchange, market value and other	(18)	14	(73)	306%	(621)%
<b>Balance, end of period</b>	<b>\$21,211</b>	<b>\$22,877</b>	<b>\$23,287</b>	<b>10%</b>	<b>2 %</b>
<b>Specialized funds</b>					
<b>Balance, beginning of period</b>	\$10,773	\$12,285	\$13,134	22%	7 %
Contributions	359	1,100	639	78%	(42)%
Distributions	(110)	(251)	(256)	133%	2 %
Foreign exchange, market value and other	1	—	1	0%	N/A
<b>Balance, end of period</b>	<b>\$11,023</b>	<b>\$13,134</b>	<b>\$13,518</b>	<b>23%</b>	<b>3 %</b>
<b>Total</b>					
<b>Balance, beginning of period</b>	\$31,605	\$34,796	\$36,011	14%	3 %
Contributions	1,292	1,795	1,669	29%	(7)%
Distributions	(646)	(594)	(803)	24%	35 %
Foreign exchange, market value and other	(17)	14	(72)	324%	(614)%
<b>Balance, end of period</b>	<b>\$32,234</b>	<b>\$36,011</b>	<b>\$36,805</b>	<b>14%</b>	<b>2 %</b>

# Condensed Consolidated Balance Sheets (Unaudited)

(Dollars in thousands except share and per share amounts)

	March 31, 2019	December 31, 2019
<b>Assets</b>		
Cash and cash equivalents	\$49,357	\$81,599
Restricted cash	2,233	3,095
Fees receivable	20,320	19,456
Prepaid expenses	4,714	4,587
Due from related parties	2,628	2,667
Furniture, fixtures and equipment, net	8,108	7,280
Lease right-of-use assets, net	—	8,596
Investments	154,491	193,168
Deferred income taxes	107,726	138,378
Other assets	11,014	10,553
<b>Total assets</b>	<b>\$360,591</b>	<b>\$469,379</b>
<b>Liabilities and Equity</b>		
Accounts payable	\$2,619	\$2,511
Accrued compensation and benefits	12,216	26,301
Deferred incentive fee revenue	3,704	3,704
Debt	70,954	67,245
Accrued members' distributions	17,081	10,505
Payable to related parties pursuant to tax receivable agreement	69,636	101,404
Dividends payable	5,673	8,026
Lease liabilities	—	9,397
Other liabilities (includes \$0 and \$16,359 at fair value)	8,986	23,936
<b>Total liabilities</b>	<b>190,869</b>	<b>253,029</b>
Class A common stock, \$0.001 par value, 300,000,000 authorized; 27,367,477 and 29,835,713 issued and outstanding as of March 31, 2019 and December 31, 2019, respectively	27	30
Class B common stock, \$0.001 par value, 50,000,000 authorized; 23,516,439 and 22,049,727 issued and outstanding as of March 31, 2019 and December 31, 2019, respectively	24	22
Additional paid-in-capital	92,482	109,050
Retained earnings	17,686	34,469
Accumulated other comprehensive income	7	2
<b>Total Hamilton Lane Incorporated stockholders' equity</b>	<b>110,226</b>	<b>143,573</b>
Non-controlling interests in general partnerships	5,716	5,441
Non-controlling interests in Hamilton Lane Advisors, L.L.C.	53,780	67,336
<b>Total equity</b>	<b>169,722</b>	<b>216,350</b>
<b>Total liabilities and equity</b>	<b>\$360,591</b>	<b>\$469,379</b>

# Condensed Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended December 31,	
	2018	2019
<i>(Dollars in thousands)</i>		
<b>Operating activities</b>		
Net income	\$78,590	\$88,163
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,759	2,379
Change in deferred income taxes	18,945	7,197
Change in payable to related parties pursuant to tax receivable agreement	(9,134)	150
Equity-based compensation	4,777	5,244
Equity in income of investees	(10,096)	(14,331)
Gain on sale of investments valued under the measurement alternative	(11,133)	(4,973)
Proceeds received from investments	11,652	8,475
Other	(482)	598
Changes in operating assets and liabilities	22,031	15,153
<b>Net cash provided by operating activities</b>	<b>106,909</b>	<b>108,055</b>
<b>Investing activities</b>		
Purchase of furniture, fixtures and equipment	(4,758)	(1,207)
Purchase of other investments	—	(3,967)
Proceeds from sales of investments valued under the measurement alternative	22,531	6,419
Loan to investee	(944)	(157)
Distributions received from investments	8,166	6,878
Contributions to investments	(30,642)	(37,196)
<b>Net cash used in investing activities</b>	<b>(5,647)</b>	<b>(29,230)</b>
<b>Financing activities</b>		
Proceeds from offering	129,626	147,122
Purchase of membership interests	(129,626)	(147,122)
Repayments of debt	(1,875)	(3,750)
Draw-down on revolver	—	15,000
Repayment of revolver	(10,450)	(15,000)
Secured financing	—	15,750
Contributions from non-controlling interest in general partnerships	30	30
Distributions to non-controlling interest in general partnerships	(1,817)	(898)
Repurchase of Class B common stock	(2)	(2)
Repurchase of Class A shares for employee tax withholding	(174)	(45)
Proceeds received from issuance of shares under Employee Share Purchase Plan	—	885
Dividends paid	(13,351)	(21,041)
Members' distributions paid	(41,878)	(36,613)
<b>Net cash used in financing activities</b>	<b>(69,517)</b>	<b>(45,684)</b>
Effect of exchange rate changes on cash and cash equivalents	13	(37)
<b>Increase in cash, cash equivalents, and restricted cash</b>	<b>31,758</b>	<b>33,104</b>
Cash, cash equivalents, and restricted cash at beginning of the period	49,383	51,590
<b>Cash, cash equivalents, and restricted cash at end of the period</b>	<b>\$81,141</b>	<b>\$84,694</b>

# Non-GAAP Reconciliation

## Reconciliation from Net Income

(Dollars in thousands)

	Year Ended March 31,		Three Months Ended December 31,		Nine Months Ended December 31,	
	2014	2019	2018	2019	2018	2019
<b>Net income attributable to Hamilton Lane Incorporated</b>	<b>\$0</b>	<b>\$33,573</b>	<b>\$5,458</b>	<b>\$13,497</b>	<b>\$25,525</b>	<b>\$40,177</b>
Income attributable to non-controlling interests in general partnerships	4,565	564	681	44	1,075	593
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	62,462	64,860	16,776	14,896	51,990	47,393
Incentive fees <sup>1</sup>	(9,309)	(34,406)	(10,379)	(8,301)	(25,347)	(17,532)
Incentive fee related compensation <sup>2</sup>	4,511	14,983	4,746	3,895	10,716	8,204
Interest income	(142)	(255)	(82)	(196)	(167)	(624)
Interest expense	8,503	3,039	767	651	2,260	2,213
Income tax (benefit) expense	(128)	30,560	18,463	4,551	25,660	11,564
Equity in income of investees	(16,905)	(7,202)	(4,934)	(4,454)	(10,096)	(14,331)
Contingent compensation related to acquisition	–	5,100	–	–	5,100	–
Non-operating loss (income)	699	(20,915)	(8,892)	(97)	(20,951)	(4,175)
<b>Fee Related Earnings</b>	<b>\$54,256</b>	<b>\$89,901</b>	<b>\$22,604</b>	<b>\$24,486</b>	<b>\$65,765</b>	<b>\$73,482</b>
Depreciation and amortization	1,853	2,500	619	771	1,759	2,379
Equity-based compensation	3,070	6,382	1,594	1,761	4,778	5,244
Incentive fees <sup>1</sup>	9,309	34,406	10,379	8,301	25,347	17,532
Incentive fees attributable to non-controlling interests <sup>1</sup>	–	(725)	(387)	(102)	(651)	(262)
Incentive fee related compensation <sup>2</sup>	(4,511)	(14,983)	(4,746)	(3,895)	(10,716)	(8,204)
Interest income	142	255	82	196	167	624
<b>Adjusted EBITDA</b>	<b>\$64,119</b>	<b>\$117,736</b>	<b>\$30,145</b>	<b>\$31,518</b>	<b>\$86,449</b>	<b>\$90,795</b>
<b>Non-GAAP earnings per share reconciliation</b>						
<b>Net income attributable to Hamilton Lane Incorporated</b>			<b>\$5,458</b>	<b>\$13,497</b>	<b>\$25,525</b>	<b>\$40,177</b>
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.			16,776	14,896	51,990	47,393
Income tax expense			18,463	4,551	25,660	11,564
Contingent compensation related to acquisition			–	–	5,100	–
<b>Adjusted pre-tax net income</b>			<b>40,697</b>	<b>32,944</b>	<b>108,275</b>	<b>99,134</b>
Adjusted income taxes <sup>3</sup>			(7,408)	(7,841)	(25,661)	(23,594)
<b>Adjusted net income</b>			<b>\$33,289</b>	<b>\$25,103</b>	<b>\$82,614</b>	<b>\$75,540</b>
<b>Weighted-average shares of Class A common stock outstanding - diluted</b>			25,574,818	29,608,206	23,870,617	28,097,595
Exchange of Class B and Class C units in HLA <sup>4</sup>			27,819,930	23,968,994	29,531,158	25,431,059
<b>Adjusted shares outstanding</b>			<b>53,394,748</b>	<b>53,577,200</b>	<b>53,401,775</b>	<b>53,528,654</b>
<b>Non-GAAP earnings per share</b>			<b>\$0.62</b>	<b>\$0.47</b>	<b>\$1.55</b>	<b>\$1.41</b>

<sup>1</sup> Incentive fees for the nine months ended December 31, 2018 includes \$3.2 million of non-cash carried interest. Of the \$3.2 million, \$2.5 million is included in net income and \$0.7 million is attributable to non-controlling interests.

<sup>2</sup> Incentive fee related compensation includes incentive fee compensation expense, bonus and other revenue sharing related to carried interest that is classified as base compensation. Incentive fee related compensation for the nine months ended December 31, 2018 excludes compensation expense related to the recognition of incentive fees included in net income from one of our co-investment funds of \$2.5 million as the related incentive fee compensation was recognized in fiscal 2016.

<sup>3</sup> Represents corporate income taxes at our estimated statutory tax rate of 23.8% for the nine month period ended December 31, 2019 and 23.7% for the nine month period ended December 31, 2018 applied to adjusted pre-tax net income. 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%. 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%.

<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.

**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 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")** comprise primarily the assets associated with our customized separate accounts and specialized funds. 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 ("**Reorganization**") 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 us; our ability to comply with investment guidelines set by our clients; 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, 2019, 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 4, 2020**