HOULIHAN LOKEY

Investor Presentation

October 2019

Disclaimers

Forward Looking Information

This presentation contains forward-looking statements. All statements other than statements of historical facts contained in this presentation may be forward-looking statements. The words “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results to differ materially from expectations are disclosed under the “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” sections of our annual report on Form 10-K for the year ended March 31, 2019, as amended, and subsequent filings with the Securities and Exchange Commission (the “SEC”). All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. You should evaluate all forward-looking statements made in this presentation in the context of these risks and uncertainties. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. The forward-looking statements in this presentation are made only as of the date hereof. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Non-GAAP Financial Measures

Adjusted net income and adjusted operating expenses are presented and discussed in this investor presentation and are non-GAAP measures that management believes, when presented together with comparable GAAP measures, are useful to investors in understanding the Company’s operating results. Adjusted net income and adjusted operating expenses remove the significant accounting impact of one-time charges associated with the Company’s one-time/non-recurring matters, as set forth at the end of this presentation.

Adjusted net income as calculated by the Company is not necessarily comparable to similarly titled measures reported by other companies. Additionally, adjusted net income is not a measurement of financial performance or liquidity under GAAP and should not be considered as an alternative to the Company’s financial information determined under GAAP. For a description of the Company’s use of adjusted net income and a reconciliation with net income, as well as a reconciliation of the specific line items in adjusted operating expenses, see the end of this investor presentation. Please refer to our financial statements, prepared in accordance with GAAP, for purposes of evaluating our financial condition, results of operations, and cash flows.

Our Culture

Employee DNA

- Analytically Driven
- Client Service and Solution Driven
- Entrepreneurially Motivated
- Desirous of a Winning Culture
- Strong Loyalty to the Firm
- High Integrity

Firm’s DNA

- Broad-Based, Long-Term Employee Ownership
- Sophisticated Corporate Procedures and Financial Systems
- New York Stock Exchange Listed Company
- Blue Chip Institutional Ownership

Ownership and Controls

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

A Leading Independent Global Investment Bank

Expertise

- Mergers and Acquisitions
- Capital Markets Advisory
- Financial Restructuring
- Financial Advisory Services

Global Integrated Platform

- Seamlessly Combining Industry and Product Expertise Worldwide

Growth

Fiscal Years 2014–2019

- Revenues CAGR[1] of 13%
- Unadjusted[2] Net Income CAGR[1] of 21%
- Adjusted Net Income CAGR[1,3] of 25%

1972
ESTABLISHED

1,000+
CLIENTS SERVED ANNUALLY

22
LOCATIONS WORLDWIDE

196
MANAGING DIRECTORS[4]

1,042
TOTAL FINANCIAL PROFESSIONALS

1. CAGR based on the fiscal year ended March 31.
2. Unadjusted based on historical unaudited financials, not adjusted for any one time, nonrecurring items.
3. Adjusted Net Income is a non-GAAP financial measure. See page 20 for the most directly comparable GAAP measure for the period.
4. As of September 30, 2019; excludes Corporate MDs.

Principal Investment Highlights

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

Our Three Primary Business Segments

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

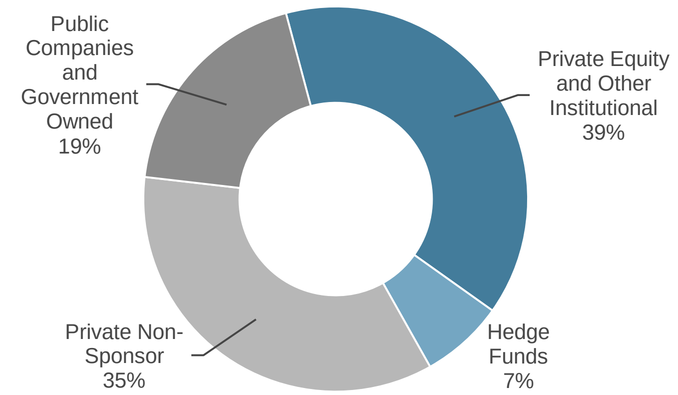
	Corporate Finance	Financial Restructuring	Financial Advisory Services
Core Services	M&A Capital Markets Advisory	Out-of-Court and Formal Bankruptcy/Insolvency Proceedings	Financial Opinions Valuation Services Transaction Advisory Services
Strengths	Superior Platform Drives Success in Attractive Mid Cap Market[1]	Global Market Leader with Strong Reputation	High-Margin Provider with Strong Reputation
Managing Directors[2]	119	45	32
LTM 09/30/19 Revenues / % of Total	$618 / 55%	$331 / 30%	$163 / 15%
LTM 09/30/19 Revenues per MD[3]	$5.5	$7.4	$4.9
LTM 09/30/19 Transactions Closed / Fee Events	283	90	1,405

Note: All dollar amounts in millions unless otherwise noted. Figures may not tie due to rounding.
1. Defined as transactions $1 billion or less in value.
2. As of September 30, 2019; excludes Corporate MDs.
3. Based on average of beginning of period and end of period MD count.

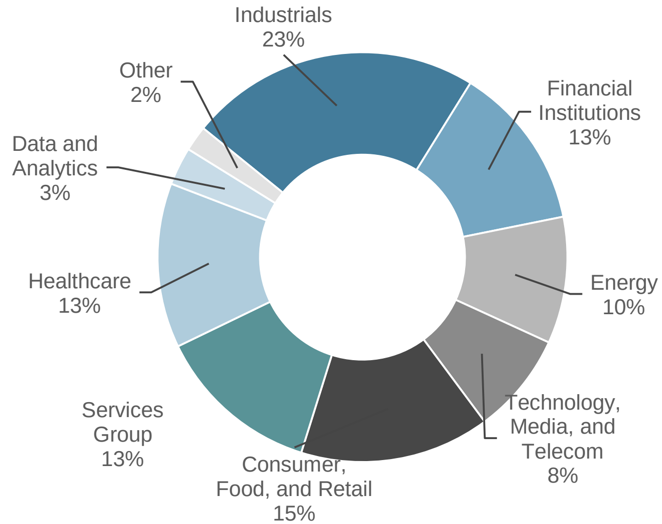
Diversified Revenues Base

- More than 1,000 clients served annually
- For FY 2019:
  - No single transaction fee represented more than 3% of our revenues
  - No individual banker was responsible for more than 2% of our revenues
  - No single employee shareholder owns more than 3% of shares outstanding
- Together, our Corporate Finance and Financial Restructuring businesses provide a natural hedge

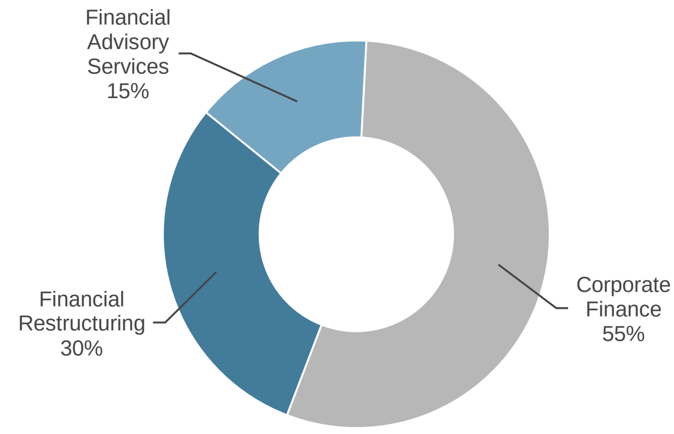
Balanced Client Mix[1]



Diversified Industry Mix[1]



Diversified Product Mix[1]

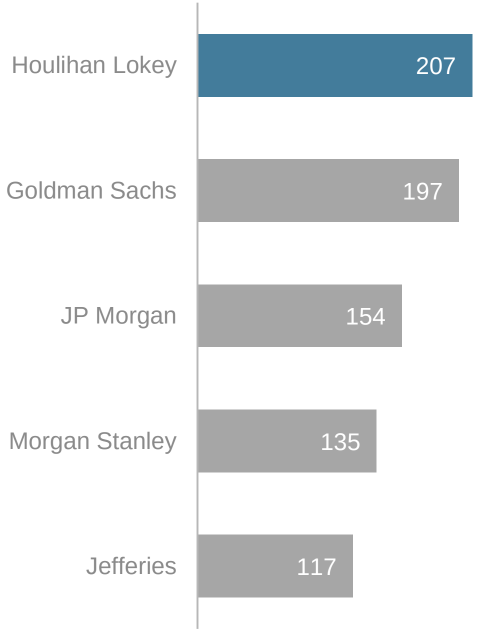


1. Based on revenues for the LTM ended September 30, 2019.

Market Leader in All Three Business Segments

Top U.S. M&A Advisor

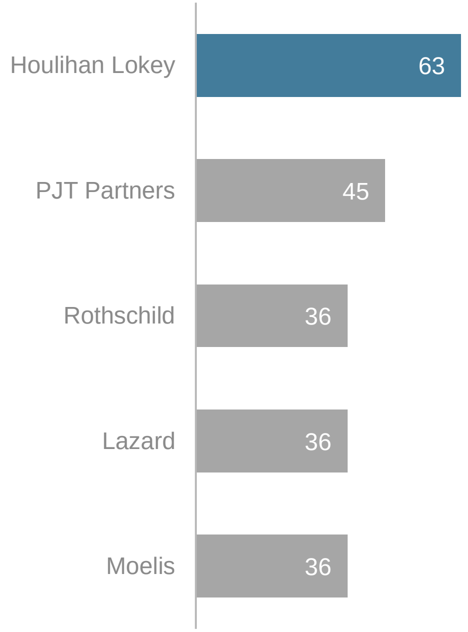
CY 2018 Financial Advisors by Number Of U.S. M&A Deals



- No. 1 U.S. M&A Advisor
- Top 10 Global M&A Advisor
- Leading Capital Markets Advisor

Top Global Restructuring Advisor

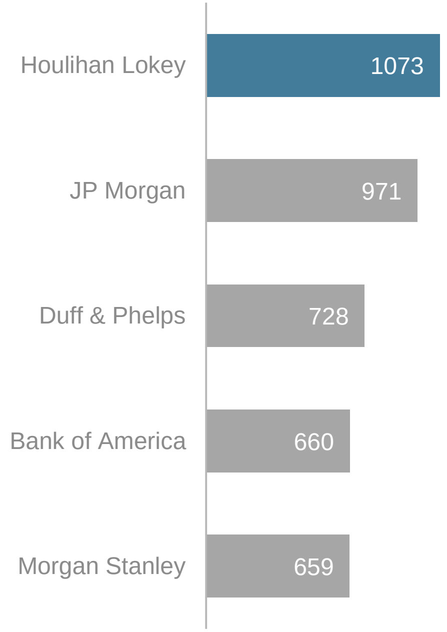
CY 2018 Global Distressed Debt and Bankruptcy Restructuring Deals



- No. 1 Global Restructuring Advisor
- Advised on 12 of the 15 Largest U.S. Bankruptcies Since 2000
- 1,000+ Transactions/Valued Over $2.5 Trillion

Top Global Fairness Opinion Advisor

Global M&A Fairness Advisors: Announced or Completed Deals (CY 1999 to CY 2018)

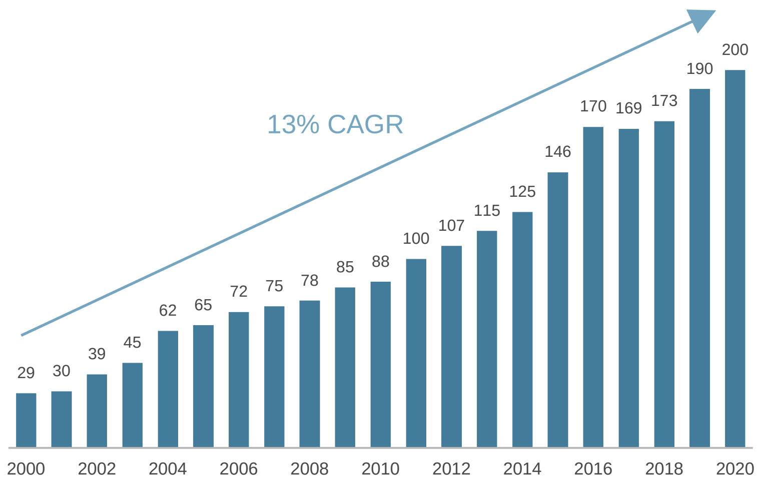


- No. 1 Global M&A Fairness Opinion Advisor Over the Past 20 Years
- No. 1 M&A Fairness Opinion Advisor in the U.S. Over the Past 20 Years
- 1,000+ Annual Engagements

Source: Thomson Reuters.

Organic Growth Strengthened by Strategic Acquisitions

Growth in Managing Director Headcount



Growth Through Expansion of Products

2000–2009

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

2010–Present

- Debt and Equity Capital Markets Advisory
- Hedge Fund Coverage
- Structured Product Valuation
- Activist Advisory
- Due Diligence Services
- Arranger of Leveraged Loans
- Illiquid Financial Assets Intermediation
- IP Valuation and Monetization Advisory
- Private fundraising for Institutional Clients
- HL Finance

Growth Through Acquisitions

AVISTA
Strategic Partnership Expanding Presence in India and Singapore
July 2010

RED PINE ADVISORS LLC
Adds Capabilities in Valuation of Complex, Illiquid Securities
August 2010

MILESTONE
Specialty Finance Focused Investment Bank
December 2012

ArchPoint Partners INVESTMENT BANKING
Technology-Focused Investment Bank
March 2014

BRIDGE STRATEGY GROUP LLC
AN AFFILIATE OF HOULIHAN LOKEY
Adds Strategic Consulting Capabilities to C-Suite Relationships
January 2015

HOULIHAN LOKEY
Joint Venture Expanding Presence in Australia
May 2015

MESA
Media-Focused Investment Banking Firm
June 2015

McQueen
Consumer, Food, and Retail-Focused Investment Banking Firm
September 2015

LEONARDO & CO.
Continental European Investment Banking Firm
November 2015

BLACK STONE IP
Technology and IP Financial Advisory Firm
January 2017

QUAYLE MUNRO
Data and Analytics, Content, Software, and Services Advisory Firm
April 2018

BEARTOOTH ADVISORS
Private Equity Fundraising Advisory Firm
May 2018

Comprehensive Coverage and Global Scale

1,453 Global Employees in 22 Locations

North America

Atlanta
Chicago
Dallas
Houston
Los Angeles
Miami
Minneapolis
New York
San Francisco
Washington, D.C.

Europe and Middle East

Amsterdam
Dubai
Frankfurt
London
Madrid
Milan
Paris

Asia-Pacific

Beijing
Hong Kong
Singapore
Sydney
Tokyo

Strong Partnership Culture With Experienced Leadership

Deep and Experienced Management Team

Scott L. Beiser
CEO
35 years with Houlihan Lokey

Irwin N. Gold
Executive Chairman
31 years with Houlihan Lokey

Scott J. Adelson
Co-President
32 years with Houlihan Lokey

David A. Preiser
Co-President
28 years with Houlihan Lokey

J. Lindsey Alley
CFO
24 years with Houlihan Lokey

Long Tenure Results in Collaborative Culture

Tenured Management Team 30-year average tenure of Management Team	**High Banker Retention** 13-year average tenure of Managing Directors across all business segments[1]
Strong Loyalty More than 64% of Managing Directors reached their respective positions through internal promotions[1]	**No "Star" Culture** No single individual generated more than 2% of revenues[2]

1. As of September 30, 2019. Excludes Managing Directors from acquisitions.
2. For the FY ended March 31, 2019.

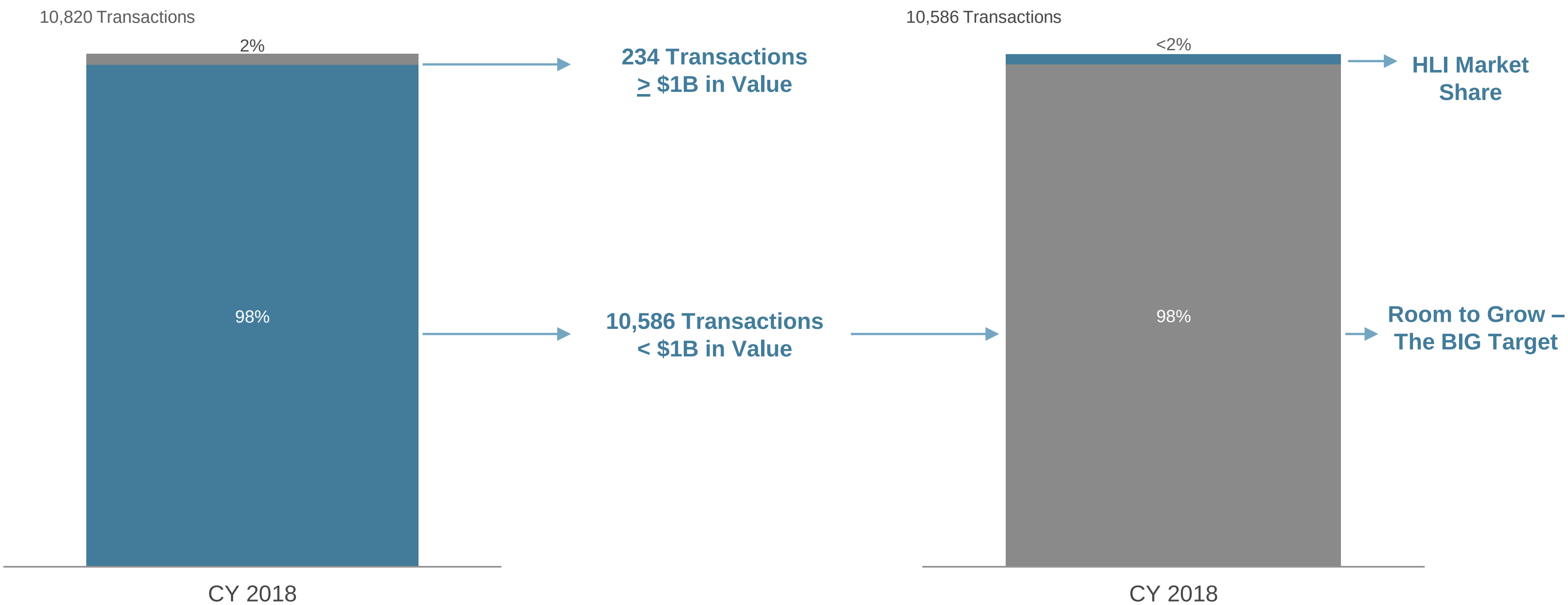
Overview of Business Segments

Corporate Finance Business – M&A

- Corporate Finance business is a leader in the U.S. mid-cap space, which represented approximately 98% of M&A volume in CY 2018
- Our market share in the U.S. mid-cap space is less than 2%, based on the number of closed M&A transactions we completed in CY 2018
- The mid-cap space is meaningfully less volatile than the large-cap space, which when combined with HLI's ongoing opportunities to increase its relatively low market share, generally results in less revenue "downside" in weaker M&A markets

U.S. Closed M&A Transactions CY 2018

Mid-Cap Transactions



Source: Thomson Reuters

Corporate Finance Business – M&A

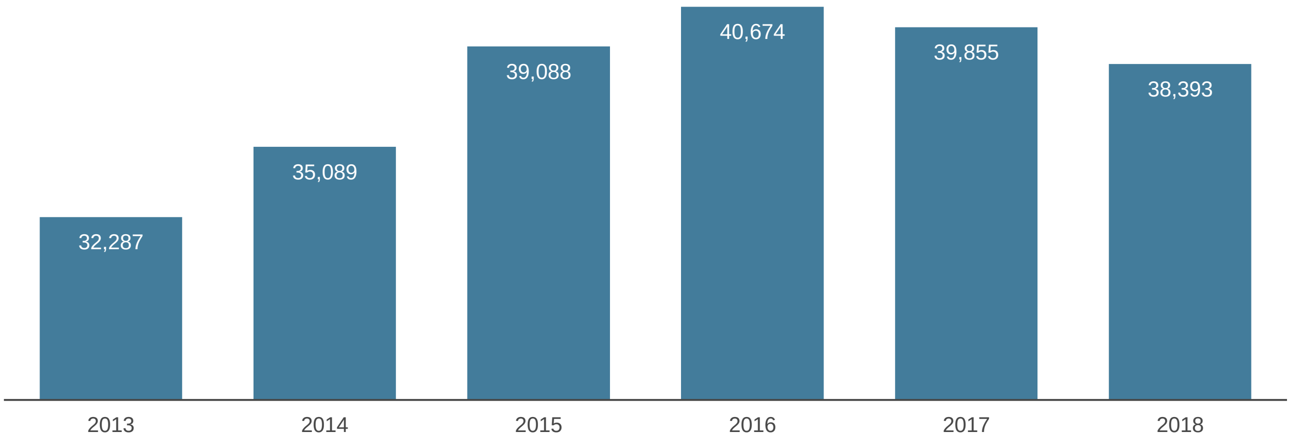
- Closed global mid-cap[1] M&A volume has a 5-year (2013–2018) CAGR of 3.5%, however there has been a 2.8% decline in the last 2-year (2016–2018) period

- Global M&A revenues in our corporate finance business have a 5-year (2013–2018) CAGR of 17.5% and a 2-year (2016–2018) CAGR of 17.3%, reflecting continued market share gains and higher average transaction fees during the measurement periods

- We continue to increase market share as a result of companies choosing to use an advisor as well as taking market share from firms that don't have the same depth and breadth as the HLI platform

Mid-Cap[1] M&A Volume

Global Closed Deals



Source: Thomson Reuters, based on calendar year.
1. Defined as transactions $1 billion or less in value.

Corporate Finance Business – Capital Markets

We believe we are one of the largest capital markets groups at non-balance sheet banks, raising capital for both sponsors and corporate clients.

- Over 40 dedicated professionals across seven offices in five countries
- Raised ~$10 billion across ~50 transactions in 2018

Distinct Capabilities

Private Capital Solutions

- Dry-powder in the private markets reached $2.1 trillion in 2018
- Houlihan Lokey is a market leader in placing bespoke capital, from senior debt to equity, in the private markets for companies at various stages of the corporate lifecycle
- High-touch, confidential, targeted process designed to achieve outlier outcomes
  - Differentiated investor relationships and access to decision-makers
  - Thoughtful, creative positioning supported by deep diligence

Syndicated Leveraged Finance Platform (LBO Finance)

- The U.S. leveraged loan and high-yield markets grew to $1.2 trillion and $1.5 trillion, respectively in 2018
- Houlihan Lokey entered the syndicated finance market in September 2018 through HL Finance, LLC, a newly formed, wholly-owned subsidiary of Houlihan Lokey to capitalize on the growth of the leverage loan and high-yield markets
- Funding through financing agreements with institutional investors to provide capital to support underwriting commitments and participate in syndications
- A dedicated team of seasoned professionals were hired to establish and grow the platform

Capital Markets Advisory

- Independent advisor on bank commitments and securities offerings
- Drive competition to optimize positioning, structure/terms and syndication
- Evaluate public vs. private market solutions
- Ability to act as bookrunner/ co-manager

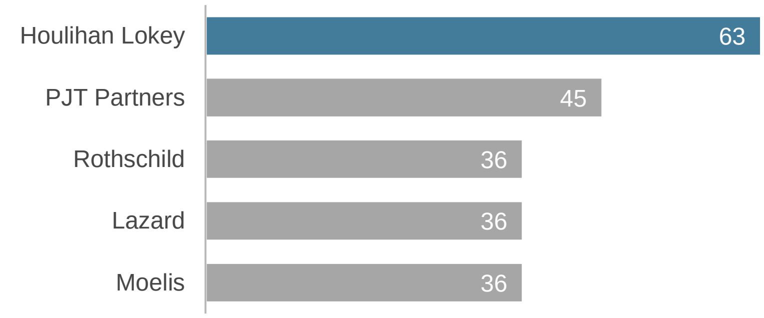
Source: S&P/LSTA, Preqin

Financial Restructuring Business

- Deepest bench in the industry, with 45 Managing Directors and 246 total finance professionals as of September 30, 2019
- A true global player, having closed transactions in more than 60 countries around the world since 2000
- Flexibility to work on large global restructurings as well as mid-cap restructurings
- With strong performance in a historically low interest rate and default rate environment and consolidating market share, we are poised to take advantage when interest rates and/or default rates begin to rise

Top Global Restructuring Advisor

2018 Global Distressed Debt and Bankruptcy Restructuring Deals



Source: Thomson Reuters.

15 Largest Bankruptcies

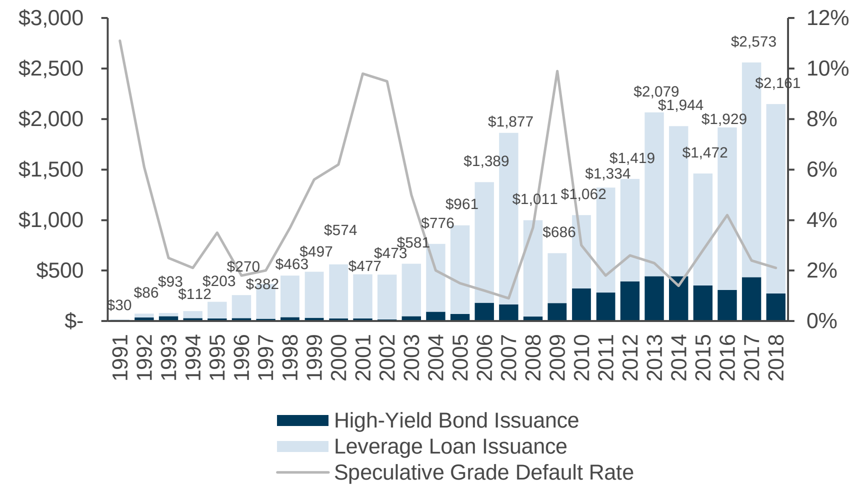
Advisor in 12 of the 15 Largest Bankruptcies 2000–2018

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

Source: BankruptcyData.com, January 2019.

Global Leveraged Loan and High-Yield Issuance

($ in Billions)



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

Financial Advisory Services Business

Services Offered

- Transaction Opinions
- Financial Reporting Opinions
- Portfolio Valuations
- Dispute Resolution
- Transaction Advisory Services
- IP Valuation and Monetization Advisory

Diversified Revenues Stream

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

Operating Philosophy

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

Financial Sponsors Group

One of the broadest and deepest financial sponsors groups on Wall Street with 18 senior officers dedicated to the sponsor community. Our financial sponsors group works across all three of the firm's business segments.

Private Equity

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

Hedge Funds

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

Family Offices

- 100+ covered family offices in North America and Europe
- Provide access to industry bankers with M&A and cash flow yielding ideas designed to preserve and grow assets under management
- Offer access to advice on strategies of focus, direct private equity investments, and debt

Robust Growth Opportunities

We will continue to grow our talent pool through:

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

Growth will be driven by:

Corporate Finance

- Continued expansion into Europe and the Asia-Pacific region
- Building out our Capital Markets and Fund Placement platforms
- Adding incremental domain industry expertise
- Increasing deal size and deal fees

Financial Restructuring

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

Financial Advisory Services

- Increasing client relationship focus
- Utilization of industry expertise
- Increasingly complex regulatory and tax environments
- Greater transparency requirements

Financial Overview

Strong Top-Line Growth and Disciplined Expense

Long history of revenues growth through various market cycles

- 5-year (FY 2014 to FY 2019) revenues CAGR of 13%
- Resilient business mix consisting of cyclical and countercyclical elements
- Leader in each of our three business segments with ample growth opportunities

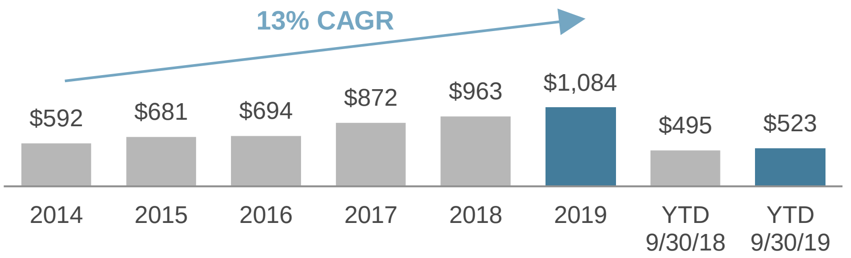
Consistent track record of profitability through market cycles

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

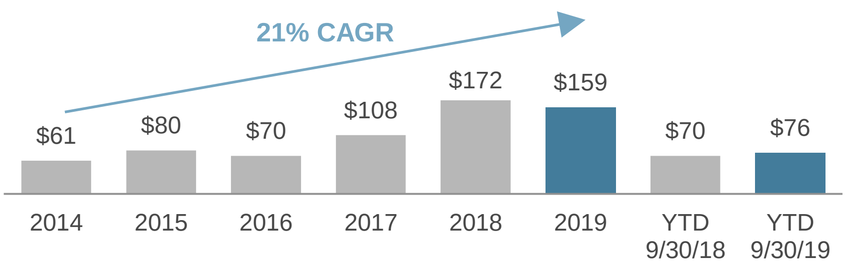
Scalable, capital-light model

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

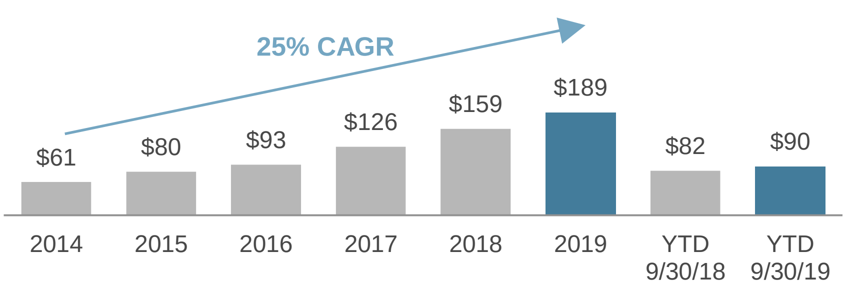
Revenues



GAAP Net Income



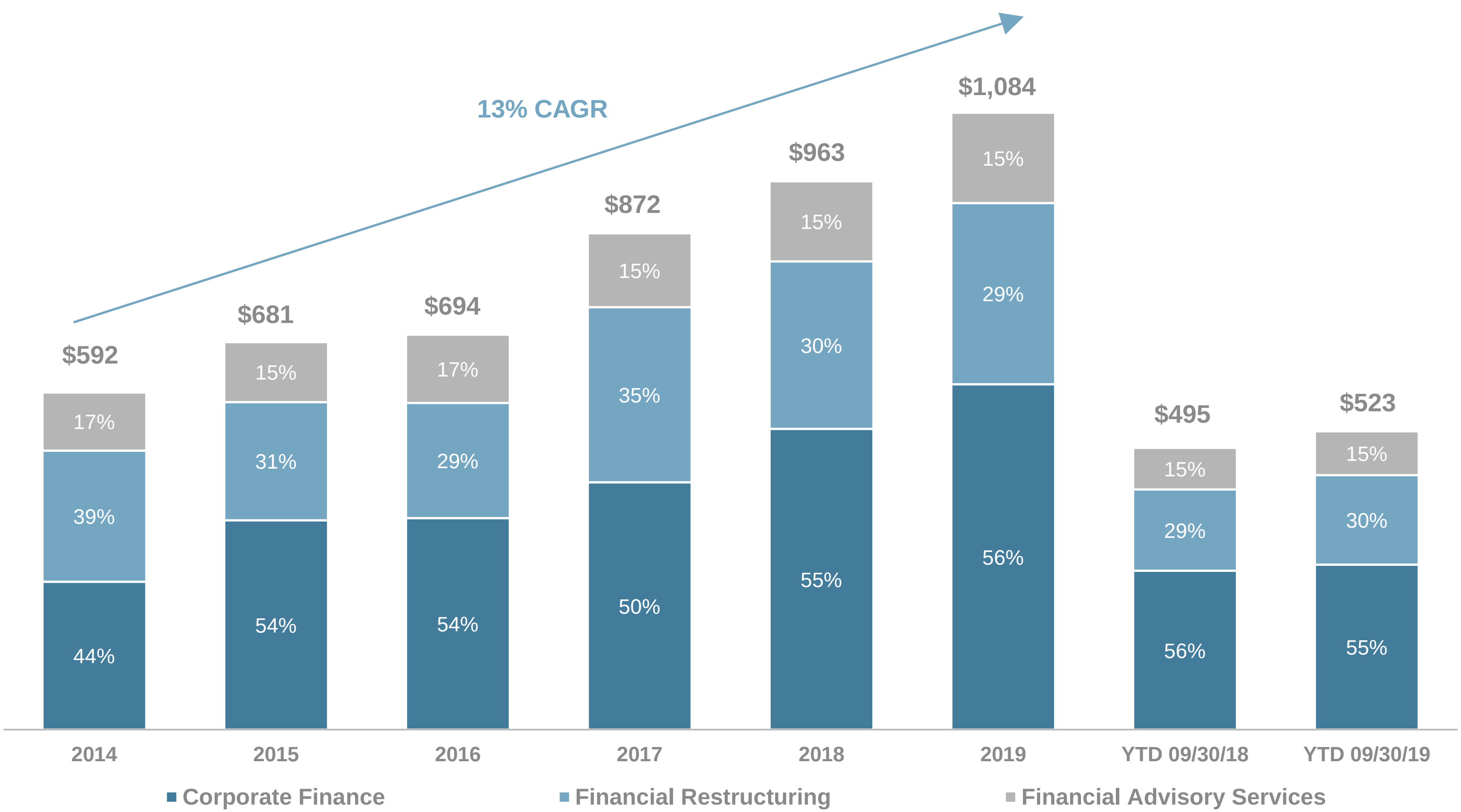
Adjusted Net Income[1]



Note: Fiscal year ended March 31. All dollar amounts in millions unless otherwise noted.
1. Adjusted Net Income is a non-GAAP financial measure. See page 22 for a description and reconciliation to the most directly comparable GAAP measure for the YTD periods. Please refer to previously filed earnings releases for historical adjustments.

Business Segment Financials

Revenues by Business Segment



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

Reconciliation of GAAP to Adjusted Financial

(Unaudited)

	For the Three-Months Ended		For the Six-Months Ended	
	09/30/19	09/30/18	09/30/19	09/30/18
Revenues	$272,810	$274,992	$523,159	$494,994
Employee Compensation and Benefits				
Employee Compensation and Benefits (GAAP)	$174,638	$175,321	$337,949	$314,501
Less/Plus: Adjustments [1]	(9,179)	(6,202)	(19,775)	(12,278)
Employee Compensation and Benefits (Adjusted)	165,459	169,119	318,174	302,224
Non-Compensation Expenses				
Non-Compensation Expenses (GAAP)	$53,019	$43,496	$92,280	$84,188
Less/Plus: Adjustments [2]	(8,793)	(2,209)	(10,761)	(5,955)
Non-Compensation Expenses (Adjusted)	44,226	41,286	81,519	78,232
Operating Income				
Operating Income (GAAP)	$45,153	$56,175	$92,930	$96,305
Less/Plus: Adjustments [3]	17,972	8,411	30,536	18,233
Operating Income (Adjusted)	63,125	64,586	123,466	114,538
Other (Income) and Expenses				
Other (Income) and Expenses (GAAP)	($1,101)	($1,007)	($2,748)	($2,613)
Less/Plus: Adjustments [4]	0	0	0	719
Other (Income) and Expenses (Adjusted)	(1,101)	(1,007)	(2,748)	(1,894)
Provision for Income Taxes				
Provision for Income Taxes (GAAP)	$13,144	$17,063	$19,793	$29,115
Add: Tax Adjustment [5]	5,108	2,510	16,336	5,139
Provision for Income Taxes (Adjusted)	18,252	19,573	36,129	34,254
Net Income				
Net Income (GAAP)	$33,110	$40,119	$75,885	$69,803
Less/Plus: Adjustments [6]	12,864	5,902	14,200	12,375
Net Income (Adjusted)	45,974	46,020	90,085	82,178
Diluted adjusted net income per share of common stock	$0.70	$0.70	$1.37	$1.24

Note: Figures may not sum due to rounding.

1. Consists of pre-IPO grant vesting, including grants re-awarded following forfeiture, if any ($(5,964) in Q2 FY20 and $(6,202) in Q2 FY19; $(12,076) in YTD Q2 FY20 and $(12,278) in YTD Q2 FY19), and acquisition-related retention pools ($(3,215) in Q2 FY20 and $0 in Q2 FY19; $(7,699) in YTD Q2 FY20 and $0 in YTD Q2 FY19).
2. Includes costs associated with Houlihan Lokey, Inc.'s secondary offering of stock ($(251) in Q2 FY20 and $0 in Q2 FY19; $(665) in YTD Q2 FY20 and $(498) in YTD Q2 FY19), acquisition related costs ($0 in Q2 FY20 and $0 Q2 FY19; $0 YTD Q2 FY20 and $(1,929) in YTD Q2 FY19), acquisition-related amortization ($(1,712) in Q2 FY20 and $(1,589) in Q2 FY19; $(3,265) YTD Q2 FY20 and $(2,910) YTD Q2 FY19), HL Finance setup costs ($0 in Q2 FY20 and $(619) in Q2 FY19; $0 in YTD Q2 FY20 and $(619) in YTD Q2 FY19), and costs associated with our London office consolidation and move ($(6,831) in Q2 FY20 and $0 in Q2 FY19; $(6,831) YTD Q2 FY20 and $0 YTD Q2 FY19).
3. Includes adjustments from (1) and (2) above.
4. Includes the reduction of an earnout liability ($0 in Q2 FY20 and $0 in Q2 FY19; $0 YTD Q2 FY20 and $719 YTD Q2 FY19).
5. Includes adjustments relating to the tax impact, using the adjusted effective tax rate, of the adjustments described in footnotes 1, 2, and 4 above ($5,108 in Q2 FY20 and $2,510 in Q2 FY19; $8,731 YTD Q2 FY20 and $5,139 YTD Q2 FY19). Additionally, YTD Q2 FY20 includes an adjustment of $7,605 relating to shares vested during the first quarter of the applicable fiscal year.
6. Consists of the adjustments described above net of the tax impact of described adjustments.

Our Mission

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

Our Vision

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

HOULIHAN LOKEY

CORPORATE FINANCE

FINANCIAL RESTRUCTURING

FINANCIAL ADVISORY SERVICES

HL.com