HOULIHAN LOKEY

Investor Presentation

OCTOBER 2017

Disclaimer

Forward-Looking Information

This presentation contains forward-looking statements. All statements other than statements of historical facts contained in this presentation may be forward-looking statements. The words "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results to differ materially from expectations are disclosed under the "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" sections of our annual report on Form 10-K for the year ended March 31, 2017, as amended, and subsequent filings with the Securities and Exchange Commission (the "SEC"). All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. You should evaluate all forward-looking statements made in this presentation in the context of these risks and uncertainties. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. The forward-looking statements in this presentation are made only as of the date hereof. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Our Culture

Employee DNA	▪ Analytically Driven ▪ Client Service and Solution Driven ▪ Entrepreneurial ▪ Desirous of a Winning Home
Firm's DNA	▪ Partnership Culture ▪ Not a "Star" Culture ▪ Consensual Decision Making ▪ Measured Risk Taking
Ownership and Controls	▪ Broad-Based, Long-Term Employee Ownership ▪ Sophisticated Corporate Procedures and Financial Systems

A Leading Independent Global Investment Bank

Expertise

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

Global Integrated Platform

Seamlessly Combining
Product and Industry Expertise
worldwide

Growth

2013–2017
Revenue CAGR[1] of 14%
Unadjusted[2] Net Income CAGR[1] of 16%
Adjusted Net Income CAGR[1] of 21%

1972

Established

1,000+

Clients Served Annually

24

Locations Worldwide[3]

174

Managing Directors[4]

884

Total Financial Professionals[4]

1 CAGR based on the fiscal year ended March 31.
2. Unadjusted based on historical unaudited financials, not adjusted for any one-time, non-recurring items.
3 As of September 30, 2017; locations include three joint venture offices.
4. As of September 30, 2017; Managing Directors excludes Corporate Managing Directors, and MDs at joint ventures.

Principal Investment Highlights

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

Our Three Primary Business Segments

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

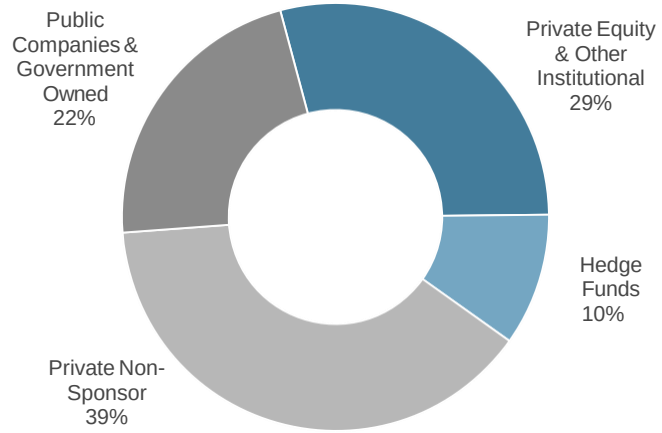
	Corporate Finance	Financial Restructuring	Financial Advisory Services
Services	M&A Capital Markets Advisory Illiquid Financial Assets	Out-of-Court and Formal Bankruptcy / Insolvency Proceedings	Financial Opinions Valuation Services Financial Consulting Services
Strengths	Superior Platform Drives Success in Attractive Mid-Cap Market[1]	Global Market Leader with Strong Reputation	High-Margin Provider with Strong Reputation
Managing Directors[2]	94	40	40
LTM 09/30/17 Revenue/ % of Total	$508 / 53%	$317 / 33%	$140 / 14%
LTM 09/30/17 Revenue per MD[3]	$5.5	$7.6	$3.8
LTM 09/30/17 Transactions Closed / Fee Events	228	85	1,323

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, 2017; Managing Directors excludes Corporate Managing Directors, and MDs at joint ventures.
3. Based on average of beginning-of-period and end-of-period MD count.

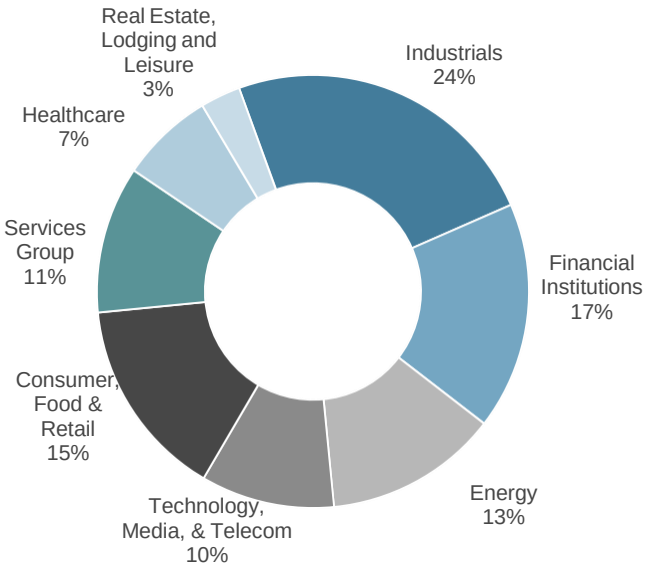
Diversified Revenue Base

- More than 1,000 clients served annually
- For FY 2017:
  - No single transaction fee represented more than 2% of our revenues
  - No individual banker was responsible for more than 3% of our revenues
  - No single employee shareholder owns more than 3% of shares outstanding
- Together, our CF and FR businesses provide a natural hedge

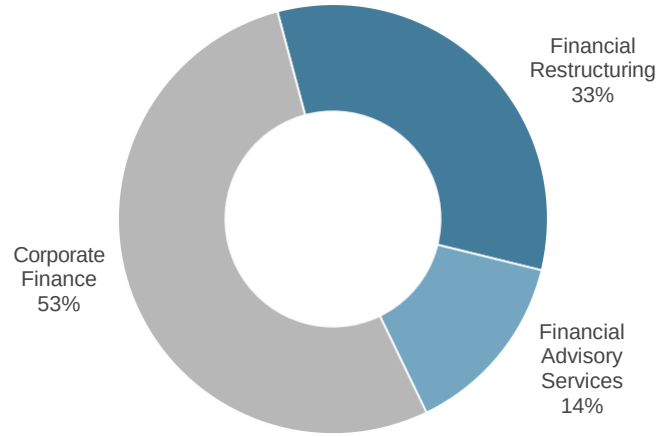
Balanced Client Mix[1]



Diversified Industry Mix[1]



Diversified Product Mix[1]

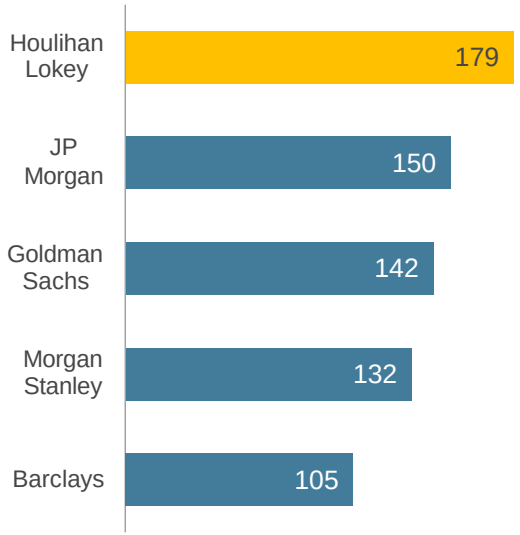


1 Based on revenues for the LTM ended September 30, 2017.

Market Leader in All Three Business Segments

Top U.S. M&A Advisor

CY 2016 Financial Advisors by Number of U.S. M&A Deals



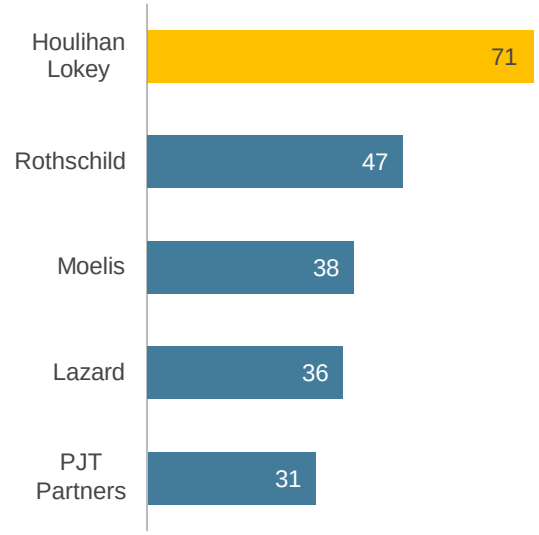
#1 U.S. M&A Advisor

Top 10 Global M&A Advisor

Leading Capital Markets Advisor

Top Global Restructuring Advisor

CY 2016 Global Distressed Debt & Bankruptcy Restructuring Deals



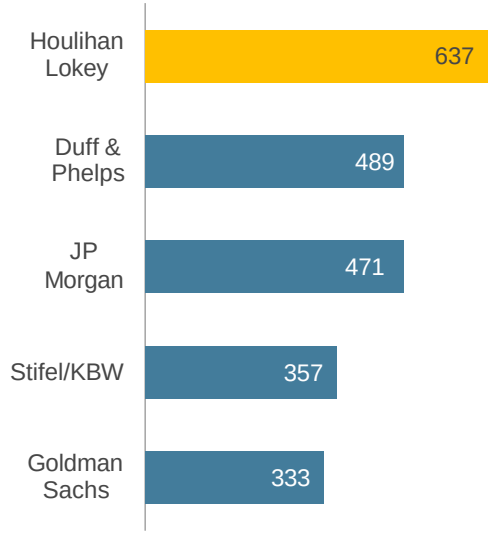
#1 Global Restructuring Advisor

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

1,000+ Transactions / Valued Over $1.5 Trillion

Top Global Fairness Opinion Advisor

U.S. M&A Fairness Advisors: Announced or Completed Deals (CY 2002 to CY 2016)



#1 Global M&A Fairness Opinion Advisor

#1 M&A Fairness Opinion Advisor in the U.S. Over the Past 12 Years

1,000+ Annual Valuation Engagements

We invest in areas where we believe we can excel

Source: Thomson Reuters.

Organic Growth Strengthened by Strategic Acquisitions

Technology and IP Financial Advisory Firm

January 2017

Continental European Investment Banking Firm

November 2015

Consumer, Food & Retail Focused Investment Banking Firm

September 2015

Media-Focused Investment Banking Firm

June 2015

Joint Venture Expanding Presence in Australia

May 2015

Adds Strategic Consulting Capabilities to C-Suite Relationships

January 2015

Technology-Focused Investment Bank

March 2014

Specialty Finance Focused Investment Bank

December 2012

Adds Capabilities in Valuation of Complex, Illiquid Securities

August 2010

Strategic Partnership Expanding Presence in India and Singapore

July 2010

1972-1979

- Business Valuations
- Tax Valuations
- ESOP Valuations

1980-1989

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

1990-1999

- Industry Specialization
- Derivative Security Valuations
- Sovereign Debt Restructuring

2000-2009

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

2010-Present

- Debt & Equity Capital Markets Advisory
- Hedge Fund Coverage
- Structured Product Valuation
- Private Growth Equity Capital
- Illiquid Financial Assets Intermediation
- Activist Advisory
- Due Diligence Services
- Strategic Consulting
- IP Valuation and Monetization Advisory

Comprehensive Coverage and Global Scale

1,223 Global Employees[1]

415 Corporate Finance

205 Financial Restructuring

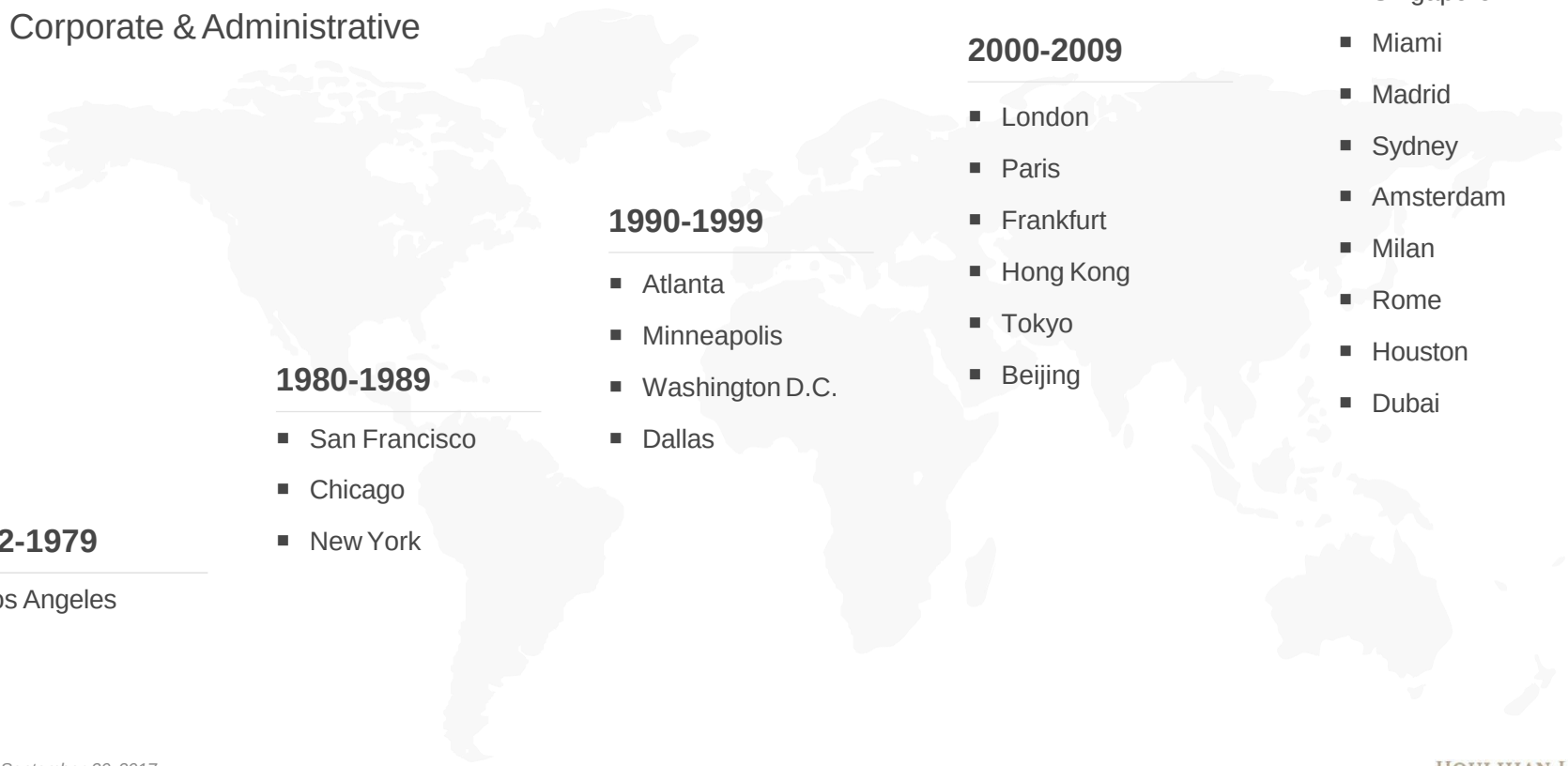
263 Financial Advisory Services

340 Corporate & Administrative

24 Global Locations[1]

21 Houlihan Lokey Offices

3 Joint Venture Offices



1972-1979

- Los Angeles

1980-1989

- San Francisco
- Chicago
- New York

1990-1999

- Atlanta
- Minneapolis
- Washington D.C.
- Dallas

2000-2009

- London
- Paris
- Frankfurt
- Hong Kong
- Tokyo
- Beijing

2010-Present

- Mumbai
- Singapore
- Miami
- Madrid
- Sydney
- Amsterdam
- Milan
- Rome
- Houston
- Dubai

1 As of September 30, 2017.

Strong Partnership Culture with Experienced Leadership

Deep and Experienced Management Team



Scott L. Beiser
CEO
33 years with Houlihan Lokey



Irwin N. Gold
Executive Chairman
29 years with Houlihan Lokey



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



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



J. Lindsey Alley
CFO
22 years with Houlihan Lokey

Long Tenure Results in Collaborative Culture

Tenured Management Team

28-year average tenure of Management Team

High Banker Retention

12-year average tenure of Managing Directors across all segments[1]

Strong Loyalty

More than 50% of MDs reached their respective positions through internal promotions[1]

No "Star" Culture

No single individual generated more than 3% of revenues[2]

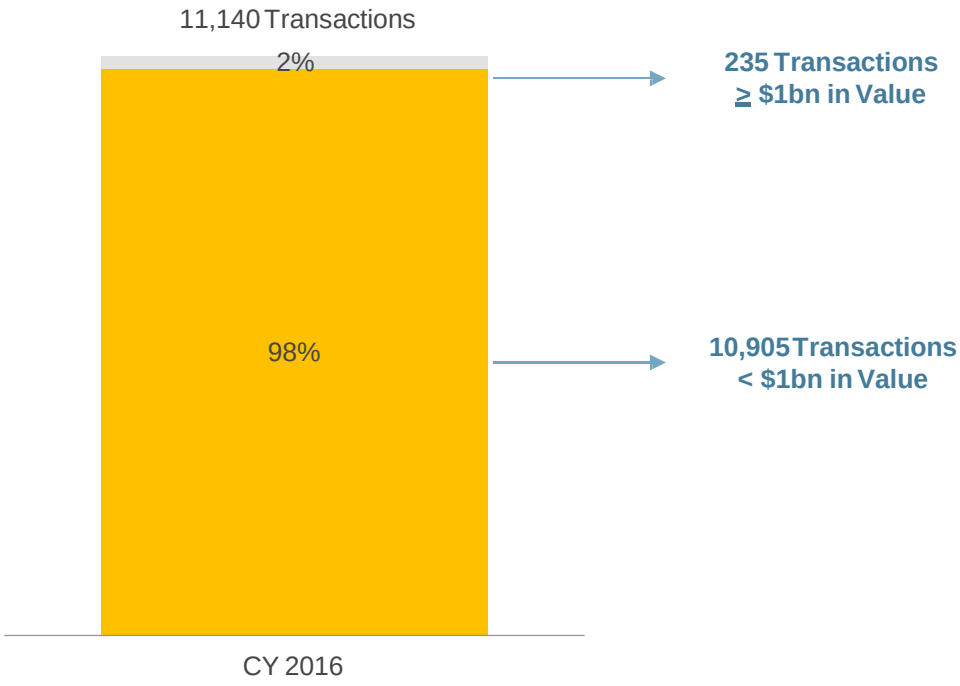
1 As of September 30, 2017.
2 For the FY ended March 31, 2017.

Overview of Product Lines

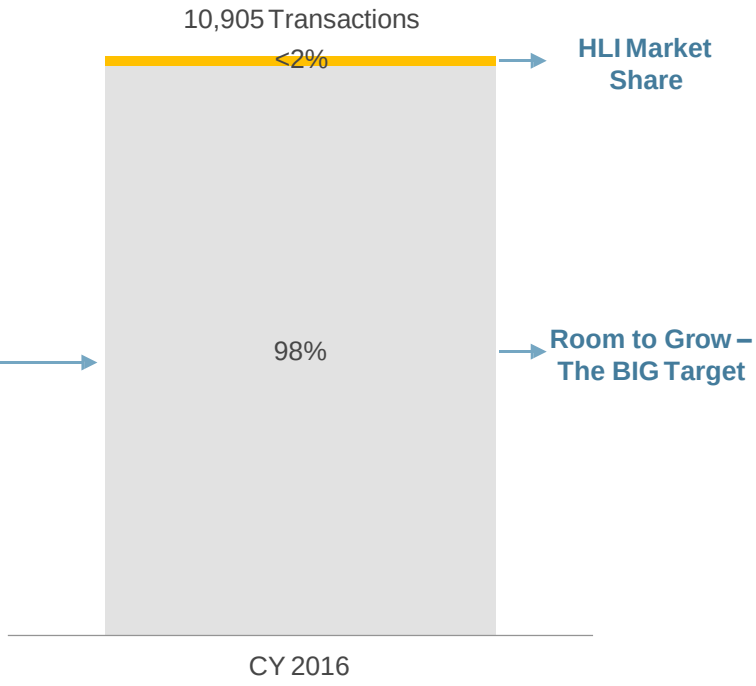
Corporate Finance Business

- Corporate Finance is a leader in the U.S. mid-cap space, which represented approximately 98% of M&A volume in CY 2016
- Our market share in the U.S. mid-cap space is less than 2%, based on the number of M&A transactions we completed in CY 2016
- 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. Announced M&A Transactions CY 2016



Mid-Cap Transactions



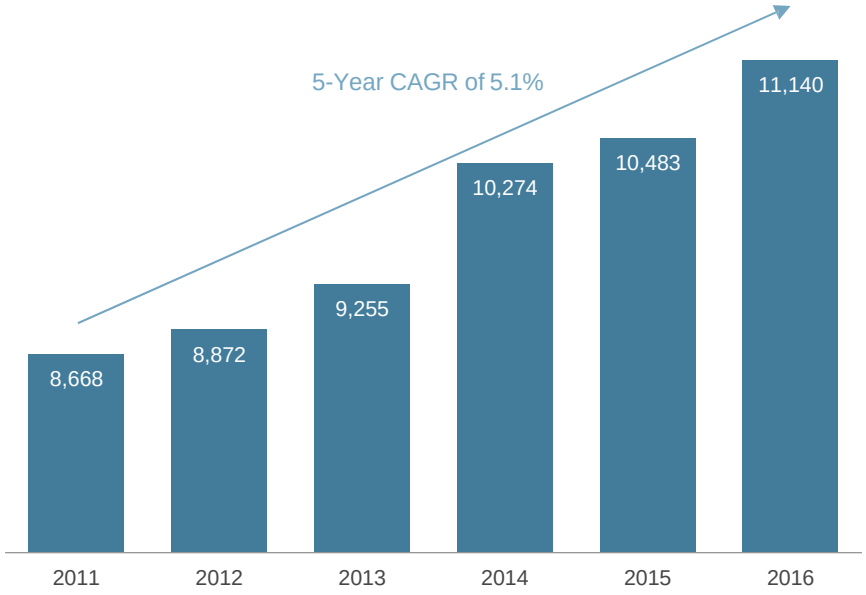
Source: Thomson Reuters.

Corporate Finance Business

- Announced U.S. M&A volume has a 5-year (2011-2016) CAGR of 5.1%
- U.S. M&A revenues in our corporate finance business have a 5-year (2011-2016) CAGR in excess of 15%, reflecting continued market share gains during the measurement period
- We continue to increase market share as a result of companies choosing to use an advisor, as well as taking market share from firms that don't have the same depth and breadth as the HLI platform

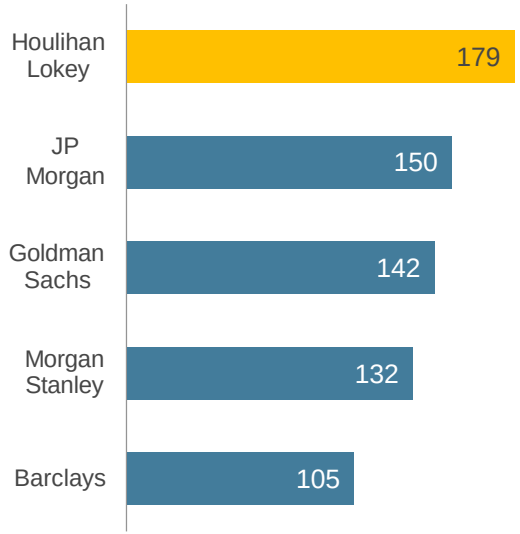
M&A Volume Continues to Increase

U.S. Announced Deals



Top 2016 Financial Advisors

By Number of U.S. M&A Deals



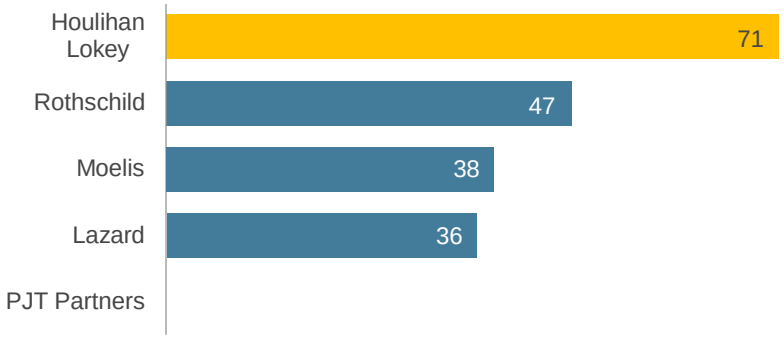
Source: Thomson Reuters, based on calendar year.

Financial Restructuring Business

- Deepest bench in the industry, with 40 MDs and 205 total finance professionals as of September 30, 2017
- 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

2016 Global Distressed Debt & Bankruptcy Restructuring Deals



15 Largest Bankruptcies

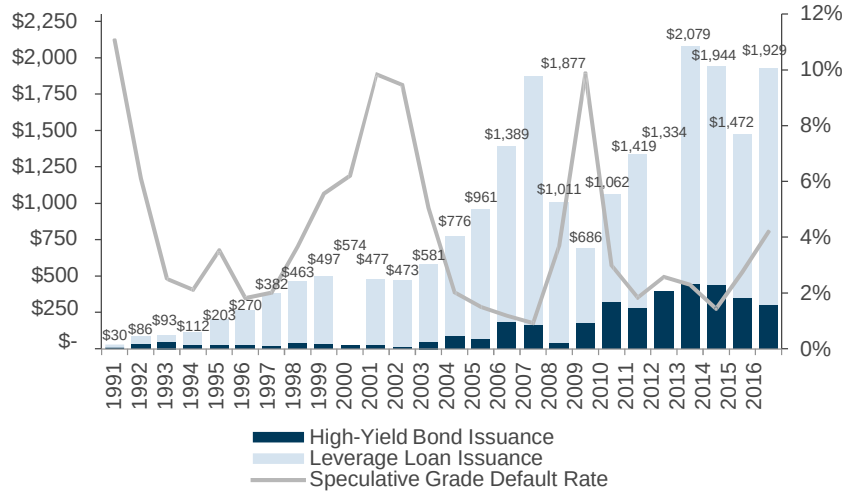
Advisor in 12 of the 15 Largest Bankruptcies 2000-2016

	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 2017.

Global Leveraged Loan and High Yield Issuance

($B)



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 ▪ Dispute Resolution ▪ Portfolio Valuations ▪ Strategic and Financial Consulting ▪ IP Valuation and Monetization Advisory
Diversified Revenue Stream	▪ More than 1,300 fee events each year ▪ Approximately one-third of our FAS business is recurring in nature ▪ Diverse client base made up of corporate clients, sponsors, hedge funds, government agencies and entrepreneurially held companies
Operating Philosophy	▪ Have chosen to focus on high value-added advice as opposed to commodity services ▪ Business model developed to mitigate volatility in M&A markets ▪ Margin targets result in strong profitability for our FAS business

Robust Growth Opportunities

We will continue to grow our talent pool through:

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

In order to effectuate our growth drivers:

Corporate Finance

- Continued market share gains
- Increasing deal size and deal fees
- Expansion into Europe and Asia-Pacific (replicating the U.S. model)
- Complementary products and services

Financial Restructuring

- Increasing availability and use of leverage
- Increasing complexity of balance sheets
- Globalization of Financial Restructuring

Financial Advisory Services

- Increasing regulatory environment and tax complexity
- Increasingly litigious environment
- Transparency requirements
- Financial and strategic consulting

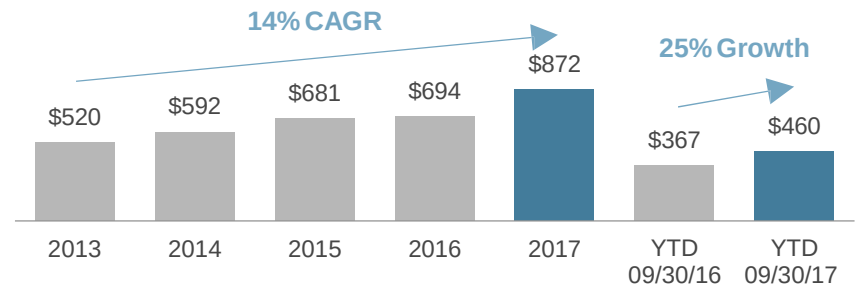
While maintaining the integrity of our culture

Financial Overview

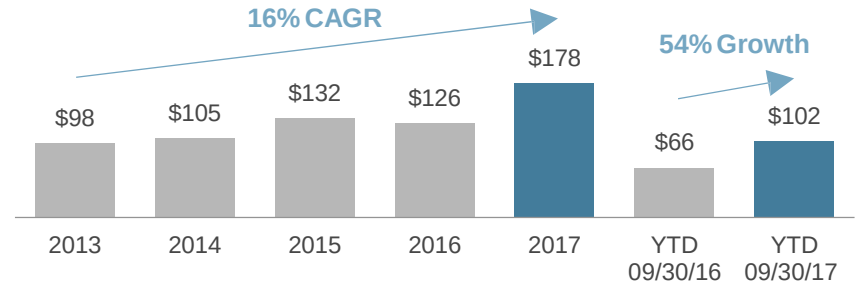
Strong Top-Line Growth and Disciplined Expense Management

- **Long history of revenue growth through various market cycles**
  - 4-year (FY 2013 to FY 2017) Revenue CAGR of 14%
  - 15-year (FY 2002 to FY 2017) Revenue CAGR of 8%
  - Resilient business mix consisting of cyclical and countercyclical elements
  - Leader in each of our three segments, with ample growth opportunities
- **Consistent track record of profitability through market cycles**
  - Maintained double-digit margins through the recession
  - Each business segment is profitable
- **Scalable, capital-light model**
  - Minimal capital balance sheet requirements
  - Low leverage levels
  - Scalable model that can be further leveraged to support top-line growth
  - Broad-based employee shareholder ownership

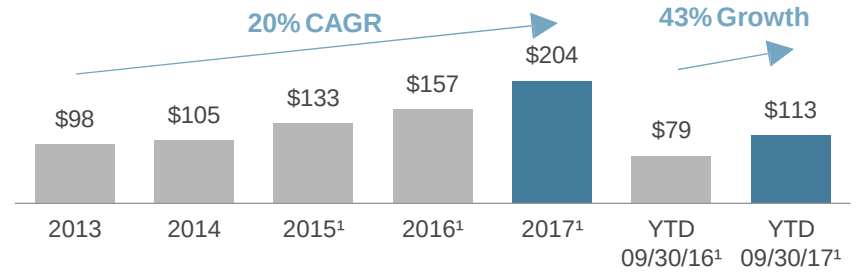
Revenue



GAAP Pre-Tax Income



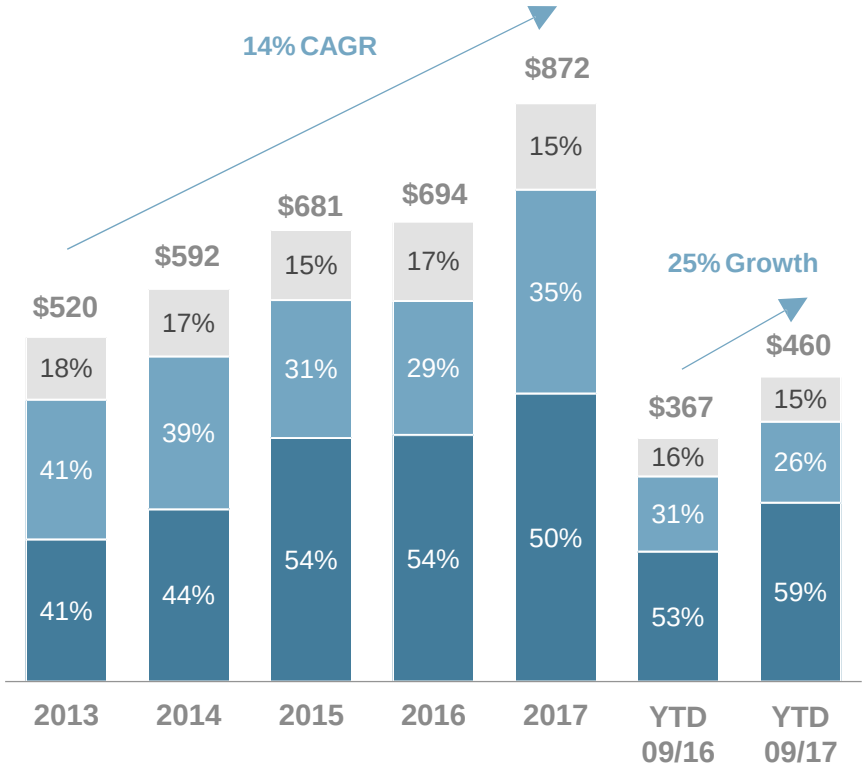
Adjusted Pre-Tax Income



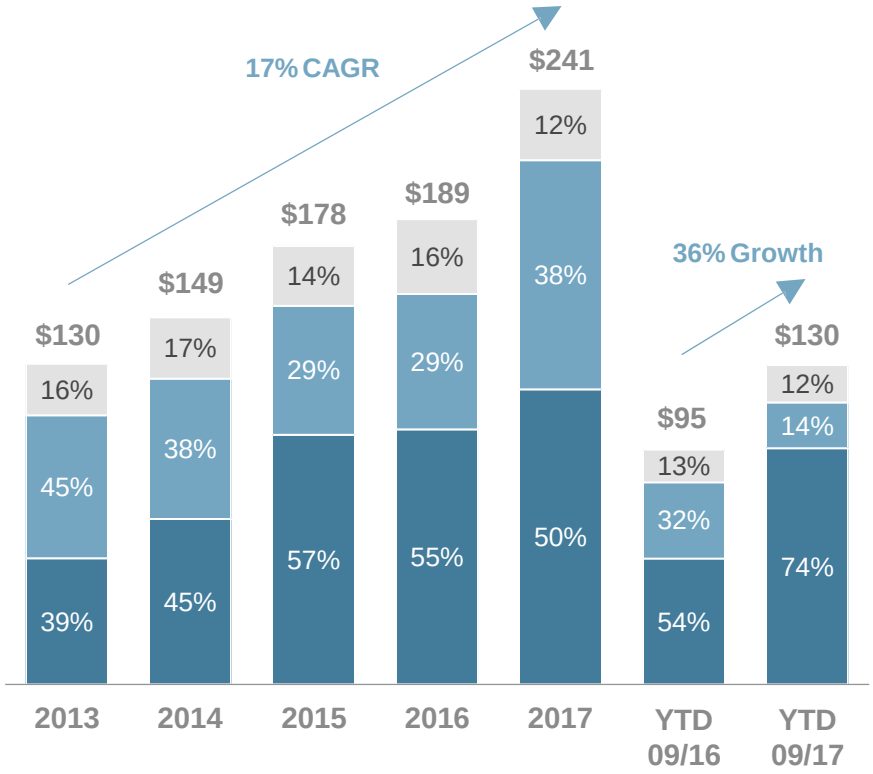
Note: Fiscal year ended March 31. All dollar amounts in millions unless otherwise noted.
1. Adjustments include Pre-IPO Stock Grant Vesting and reduction of an earnout liability.

Segment Financials

Total Revenue by Segment



Segment Profit[1,2]



Corporate Finance Financial Restructuring Financial Advisory Services

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

1. *Segment-level percentages and CAGRs exclude corporate revenues and expenses. We adjust the compensation expense for a business segment in situations where an employee residing in one business segment is performing work in another business segment where the revenues are accrued. We account for the compensation expense in the business segment where the employee resides.*
2. *Excludes corporate expenses that are not allocated to the product lines and excludes other income and expenses.*

HOULIHAN LOKEY

Our Mission

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

Our Vision

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

Appendix

Reconciliation of GAAP to Adjusted Financial Information

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

	For the Three-Months Ended		For the Six-Months Ended	
	09/30/17	09/30/16	09/30/17	09/30/16
Fee revenue	$242,183	$186,537	$459,674	$367,311
Employee Compensation and Benefits				
Employee Compensation and Benefits (GAAP)	$161,295	$124,902	$306,804	$246,706
Less/Plus: Adjustments [1]	(6,298)	(6,476)	(12,611)	(13,006)
Employee Compensation and Benefits (Adjusted)	154,997	118,426	294,193	233,700
Less/Plus: Adjustments [2]	3,633	2,834	6,894	5,968
Employee Compensation and Benefits (Adjusted Awarded)	158,630	121,260	301,087	239,668
Non-Compensation Expenses				
Non-Compensation Expenses (GAAP)	$27,562	$26,658	$52,671	$52,767
Less/Plus: Adjustments	0	0	0	0
Non-Compensation Expenses (Adjusted)	27,562	26,658	52,671	52,767
Operating Income				
Operating Income (GAAP)	$53,326	$34,977	$100,199	$67,838
Less/Plus: Adjustments [3]	6,298	6,476	12,611	13,006
Operating Income (Adjusted)	59,624	41,453	112,810	80,844
Other (Income) and Expenses				
Other (Income) and Expenses (GAAP)	($200)	$749	($1,706)	$1,657
Less/Plus: Adjustments [4]	166	0	1,552	0
Other (Income) and Expenses (Adjusted)	(34)	749	(154)	1,657
Provision for Income Taxes				
Provision for Income Taxes (GAAP)	$20,169	$13,352	$29,304	$25,894
Add: Tax Adjustment [5]	2,310	2,548	13,604	5,111
Provision for Income Taxes (Adjusted)	22,479	15,900	42,908	31,005
Net Income				
Net Income (GAAP)	$33,357	$20,876	$72,601	$40,287
Less/Plus: Adjustments [6]	3,822	3,928	(2,545)	7,895
Net Income (Adjusted)	37,179	24,804	70,056	48,182
Diluted adjusted net income per share of common stock	$0.56	$0.37	$1.05	$0.72

Note: Figures may not sum due to rounding.

1. *Consists of pre-IPO grant vesting, including grants re-awarded following forfeiture, if any (($6,298) in Q2 FY18; ($6,476) in Q2 FY17); ($12,611) in YTD FY18; ($13,006) in YTD FY17)).*
2. *Reflects (i) the expected vesting of grants that were made in prior year periods that were expensed during the period plus any unvested grants that were forfeited during the period (($8,676) in Q2 FY18; ($6,213) in Q2 FY17; ($16,063) in YTD FY18; ($12,494) in YTD FY17), and (ii) estimated normal year-end grants of deferred stock during the period ($12,309 in Q2 FY18; $9,047 in Q2 FY17; $22,957 in YTD FY18; $18,462 in YTD FY17).*
3. *Includes pre-IPO grant vesting, including grants re-awarded following forfeiture, if any.*
4. *Includes (i) the net gain from the acquisition of the remaining outstanding equity stake of the Australia joint venture ($166 in both Q2 FY18 and YTD FY18), and (ii) the reduction of an earnout liability in YTD FY18 of ($1,386).*
5. *Includes (i) the tax impact as a result of the adoption of ASU No. 2016-09, Compensation - Stock Compensation which resulted in a decrease to the provision for income taxes due to the acceleration of vesting of share awards on February 14, 2017 in YTD FY18, and (ii) the tax impact of described adjustments.*
6. *Consists of the adjustments described above net of the tax impact of described adjustments.*



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