# Greenhill

## November Update

Scott L. Bok – Chief Executive Officer

Investor Meetings
November 2016

# Forward-Looking Statements

- Statements contained in this Presentation that are not based on current or historical fact are forward-looking in nature. Such forward-looking statements are based on current plans, estimates and expectations and are made pursuant to the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on known and unknown risks, assumptions, uncertainties and other factors. For a further discussion of such factors, you should read the Company’s Forms 10-K, Forms 10-Q, subsequent Forms 8-K and other periodic reports filed with the Securities and Exchange Commission. The Company’s actual results, performance, or achievements may differ materially from any future results, performance, or achievements expressed or implied by such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements

# Agenda

- **Summary of Investment Opportunity**
- Review of Business and Strategy
- History of Key Metrics

# Why Invest in Greenhill Now?

1. Sector and Greenhill valuation multiples well below historic levels
2. *Strong 2016 revenue growth*
   - Versus decline in industrywide advisory revenue (our market share up)
   - Positive momentum entering 2017
3. *Strong 2016 profitability*
   - Cost ratios down
   - Returning to sector leadership in pre-tax margin
4. *Strong 2016 cash flow*
   - 6.4%* dividend remains secure
   - Have prepaid term loan payments relating to acquisition
   - Also significant share repurchases YTD
5. Transaction environment favorable in U.S.
   - Significant further upside when activity rebounds globally

* As of 11/28/16

# Strong 2016 Revenue Performance Comes Despite Weaker Deal Market

- U.S. annualized deal volume down 15% vs. last year
  - Number of $500mm+ transactions down *8%* (25% vs. 2007)
- European annualized deal volume down 21% vs. last year
  - Number of $500mm+ transactions down *22%* (59% vs. 2007)

***U.S. Deal Activity Healthy, but Rest of World Still Lags***

Note: 2016 data annualized as of 11/28. Includes all announced deals with acquiror or target in region. Excludes withdrawn / cancelled deals.
Source: Thomson One

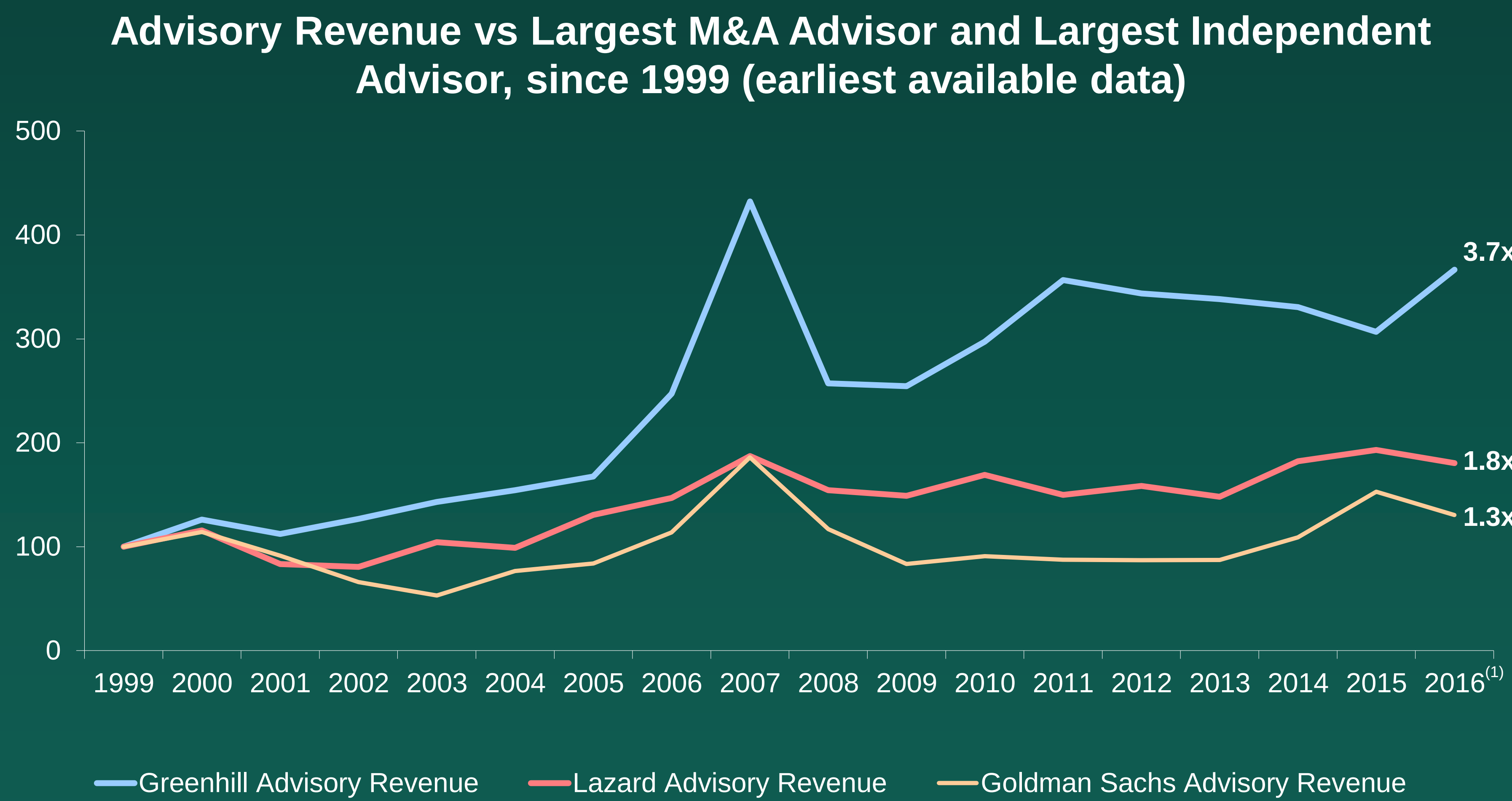
# Strong YTD Advisory Revenue Outperformance
## % Gain vs. Last Year

| | |
|---|---|
| Evercore | 35% |
| **Greenhill** | **26%** |
| Credit Suisse | 19% |
| Houlihan Lokey | 12% |
| Morgan Stanley | 10% |
| *Aggregate of Independent Advisors Ex-Greenhill* | *9%* |
| PJT | 8% |
| Moelis | 8% |
| JP Morgan | 5% |
| *Aggregate of Eight Large Banks* | *(4%)* |
| Lazard | (6%) |
| BofAML | (8%) |
| UBS | (10%) |
| Citigroup | (11%) |
| Goldman Sachs | (14%) |
| Deutsche Bank | (22%) |

***Greenhill's Q4 Should Be its Strongest, Leading to Very Strong Full Year Outperformance***

Note: Foreign revenues converted to USD using period average exchange rate

# 2016 Performance Continues Long History of Market Share Gains




(1) 2016 performance based on annualized figures as of 9/30/16
Source: Company Filings and Releases

# Greenhill Revenue From Diverse Sources

- M&A, restructuring, financing and capital advisory
- Broad diversity by region and industry sector
- Retainer, announcement, completion and placement fees
- Dozens of important revenue clients per year
- New names added regularly (top 10 by revenue always changing)
- Very rare for any client to contribute 10% of annual revenue

***Standard Data Bases Not a Reliable Indicator of Greenhill Revenue Performance***

# Many *Repeat* Transaction Clients in 2015 and YTD 2016

AA
LONMIN
ALCOA
Ball
Australian Government
CYPRESS
Embedded in Tomorrow
SCHOLASTIC
AO Smith
LION
Shanks
Making more from waste
gsk
GlaxoSmithKline
SUPERVALU
TEGNA
EMERSON
ANIXTER
MWV
TD
TESCO
TEVA
GANNETT

Note: Not a comprehensive list

# Many *New* Transaction Clients in 2015 and YTD 2016

Boehringer Ingelheim
rofin
greencore group
Patties FOODS
BLOUNT INTERNATIONAL
FAIRWAY LIKE NO OTHER MARKET ®
MOLINA HEALTHCARE
DERMASCIENCES
Heartland
etrion
REACTION ENGINES
Aralez Pharmaceuticals
Omnicell ®
IMG INTERNATIONAL MEDICAL GROUP
IFF
TEVA
usbancorp
LANE
WHISTLER BLACKCOMB
STEMCOR
DEXUS PROPERTY GROUP
AAM

Note: Not a comprehensive list

# Strong 2016 Profitability

- Compensation ratio for year lower (yet more $ for team)
- Non-compensation expense lower in absolute $
  - Much improved cost ratio
- Tax rate lower
  - 2015's rate was an aberration

***The "Pro Forma Adjusted" EPS of Peers is Not Comparable to Greenhill's Reported GAAP Figures***

# Strong YTD Performance in Profitability
## GAAP Pre-Tax Margin

| | |
|---|---|
| Moelis | 25% |
| **Greenhill** | **24%** |
| Lazard | 21% |
| Houlihan Lokey | 18% |
| Evercore | 17% |
| PJT | N.M.[(1)] |

***A Strong Q4 Should Lead to a Better Greenhill Result for the Full Year***

Note: HLI figures calendarized to 12/31
(1) Negative pretax income
Source: Public filings

# Strong Cash Flow

- 6.4%* dividend (best yield among independent advisors)
- 0.9 million shares repurchased through Q3
- Payments on term loan for acquisition made early
  - Only $16mm balance remaining

***Expect to End Year With Strong Balance Sheet Despite Debt Repayment, Dividends and Buyback Activity***

* As of 11/28/16

# Comparison of "Bear Case" to Reality
## (Growth Issues)

| **Bear Case** | **Reality** |
|---|---|
| **Can't grow revenue?** | *26% Q3 YTD growth, Q4 should be strongest, early 2017 outlook favorable* |
| **Can't grow market share?** | *Strong 2016 compares to industrywide decline in advisory revenue; long history of market share gains* |
| **Can't retain / attract talent?** | *Revenue performance proves producers remain in place, and six new MDs recruited YTD* |

***Reality is Fully In Line With Management Guidance All Year***

# Comparison of "Bear Case" to Reality
## (Cash Flow and Balance Sheet)

| Bear Case | Reality |
|---|---|
| **Dividend sustainable?** | *Maintained throughout financial crisis, and cash flow much stronger now* |
| **Risk of dilution?** | *Share count barely changed since 2004 IPO, and made significant repurchases this year* |
| **Balance sheet risks?** | *Minimal net debt, revolver capacity expanded, term payments made early* |

***Reality is Fully In Line With Management Guidance All Year***

# Impact of Presidential Election

- We do not expect deal activity to be materially impacted
  – A pro-business U.S. government could lead to *increased* M&A
  – Higher interest rates could boost restructuring
- We do not expect the regulatory environment for deals to materially change
  – Blockbuster deals have been and will continue to be at risk
  – But vast majority of deals should be unaffected
- Corporate tax reform could be a material positive for Greenhill
  – Potentially significant EPS benefits
  – Would directly impact ability to increase return of capital to shareholders

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# Greenhill's Business

- Greenhill & Co., Inc. is a leading global independent investment bank with over $1 trillion in announced M&A over its 20 year history
- Solely focused on client advisory
  - No sales & trading, research, underwriting or investing
  - Emphasis on larger transactions (more profitable)
- Wide variety of advice in all industry sectors
  - M&A
  - Restructuring & financing advisory
  - Capital advisory
- Truly global
  - 15 offices / 5 continents
  - Circa half of revenue outside U.S.

***We Target Prudent Expansion, High Profitability and High Return of Capital to Investors***

# Our Unique Business Model Best for Clients, Employees and Shareholders

- Clients
  - Prefer unconflicted, pure advisory model
  - See benefits of a culture that facilitates cross-border projects
- Employees
  - Unified senior MD group, reflecting strong continuity of team
  - Supporting professionals drawn from huge applicant pool
  - Strong, cohesive culture built over 20+ years
- Shareholders
  - Simple, focused business model
  - High profitability and return of capital
  - Minimal capital needs or regulatory / balance sheet risks
  - Transparent disclosure and focus on GAAP figures

# Firm History
## Timeline of Major Events

- 1996 – Founded as a M&A firm in New York
- 1998 – Establishes London office to serve European clients and facilitate cross-border work
- 2000 – Extends European presence with opening of Frankfurt office
- 2001 – Establishes Financial Restructuring practice
- 2004 – Completes initial public offering
- 2005 – Establishes office in Dallas
- 2006 – Establishes office in Toronto
- 2008 – Establishes offices in San Francisco and Chicago<br>Enters Capital Advisory business<br>Establishes Tokyo office
- 2009 – Establishes office in Houston
- 2010 – Launches Real Estate Capital Advisory practice<br>Expands to Australia with acquisition of Caliburn
- 2011 – Establishes office in Hong Kong
- 2012 – Extends European presence with opening of Stockholm office
- 2013 – Expands to Brazil with opening of São Paulo office
- 2015 – Expands Capital Advisory capabilities through acquisition of Cogent Partners
- 2016 – 20th anniversary of the Firm

Note: In addition to the above history of its advisory business, Greenhill was in the private equity business from 2000-2009

# Greenhill's Business Today

## Multiple Engines to Drive Earnings

**M&A Advisory**

- Advise Clients on Significant Transactions
- Broad Industry Expertise
- All Developed Markets Globally, Plus Latin America

**Financing & Restructuring Advisory**

- Advise in Distressed Situations, Including Bankruptcies
- Advise on Debt Financing, IPOs and Equity Raises, Spin-Offs, etc.

**Primary & Secondary Capital Advisory**

- Leading Advisor on the Sale of Secondary Interests (LP Interests) in Private Equity and Real Estate Funds
- Raise Pools of Capital Primarily for Real Estate Funds (GPs)

***We Are Seeking to Grow All Three Businesses***

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# Update on Compensation Ratio

**Compensation Ratio ($MM)**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 YTD |
|---|---|---|---|---|---|---|---|---|---|
| GHL | 46% | 46% | 57% | 53% [(1)] | 53% | 54% | 54% | 56% | 55% |
| LAZ | 72% | 76% [(1)] | 63% | 64% | 71% | 64% | 57% | 56% | 57% |
| EVR | 75% | 66% | 66% | 68% | 67% | 63% | 60% | 64% | 64% |
| MC | n.a. | n.a. | n.a. | 75% | 71% | 64% | 73% | 56% | 59% |
| HLI | n.a. | n.a. | n.a. | n.a. | n.a. | 69% | 70% | 67% | 67% |

**High Productivity Results in Sector-Leading Ratio**

Note: HLI figures calendarized to 12/31
(1) Excludes expense from acceleration of stock grants upon deaths of executives
Source: Public filings

# Update on Non-Compensation Ratio

**Non-Compensation Ratio ($MM)**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016(1) |
|---|---|---|---|---|---|---|---|---|---|
| Expense | $42 | $46 | $60 | $63 | $63 | $60 | $60 | $71 | $65 |
| % of Revenue | 19% | 16% | 21% | 21% | 22% | 21% | 22% | 27% | 21% |

**Non-compensation Costs Largely Fixed, Other Than Post Major Expansions**

(1) 2016 performance based on annualized figures as of 9/30/16
Source: Public filings

# Update on Pre-Tax Margin
## Longtime Leader Among Peers

**Pre-Tax Margin (Including All GAAP Compensation Costs)**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015(1) | 2016 YTD |
|---|---|---|---|---|---|---|---|---|---|
| GHL | 35% | 38% | 21% | 23% | 25% | 25% | 25% | 17% | 24% |
| LAZ | 2% | (12%) | 8% | 13% | 6% | 11% | 23% | 23% | 21% |
| EVR | (5%) | 7% | 9% | 7% | 11% | 18% | 19% | 11% | 17% |
| MC | n.a. | 12% | 16% | (2%) | 10% | 18% | 9% | 26% | 25% |
| HLI | n.a. | n.a. | n.a. | n.a. | n.a. | 18% | 19% | 18% | 18% |

***25%+ GAAP Pre-Tax Margins in 5 of Last 8 Years, Targeted Again in 2016***

Note: HLI figures calendarized to 12/31
(1) LAZ adjusted for tax receivable agreement in 2015
Source: Public filings

# Update on Tax Rate
## 2016 Rate Materially Below Unusually High 2015 Rate

| Effective Tax Rate | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016 YTD** |
| GHL | 38% | 38% | 36% | 35% | 40% | 34% | 36% | 41% | 33% |

***A U.S. Corporate Tax Cut Could Result in a Materially Lower Effective Tax Rate***

Source: Public filings

# Update on Return of Capital
## Robust Dividend / Flat Share Count for 12+ Years

- Efficiency of model allows unusually high percentage conversion of revenue into dividends
- Large dividend maintained throughout financial crisis and aftermath
- $250mm+ in dividends paid since sustainability first questioned
  - Without taking on leverage
  - Without share dilution
- Share count up only 3% since 2004 IPO
  - Despite significant issuance for acquisitions and compensation

***Current Dividend Yield of 6.4%****

* As of 11/28/16

# Significant Shareholder Dilution at Nearly All Peers

| | % Change in Share Count Since Q2 2004 |
|---|---|
| ***Advisory Focused Firms*** | |
| **Greenhill** | ***3%*** |
| Lazard [(1)] | *32%* |
| Evercore [(1)] | *72%* |
| Moelis [(1)] | *59%* |
| | |
| ***Diversified Large Banks*** | |
| BofAML | *166%* |
| Barclays | *164%* |
| Citigroup | *475%* |
| Credit Suisse | *71%* |
| Deutsche Bank | *157%* |
| Goldman Sachs | *(16%)* |
| JPMorgan | *78%* |
| Morgan Stanley | *69%* |
| UBS | *247%* |
| **Large Bank Average** | ***157%*** |

Note: Share count growth based on latest reported average fully diluted shares outstanding in Q2 2004 to Q3 2016
(1) Share count growth based on shares outstanding since IPO
Source: Company Filings and Releases

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