

# Greenhill

*A global investment bank focused exclusively on advising clients  
on M&A, restructuring, financing and capital raising*

**Q1 2023 Results**

---

**May 3, 2023**

# 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.

# Greenhill from a Client Perspective

- 27 years old
- Highly respected global brand
- Focused solely on advisory work
  - M&A, Restructuring, Financing, Capital Raising
- Capabilities in all industry sectors
- 5 offices in each of North America, Europe and Asia Pacific
  - Typically 40% of revenue from clients outside North America
- 78 Managing Directors
  - Strong retention, with 1/3 having 10+ year tenure
  - Many of the best home grown (strong pipeline as well)
- Small scale relative to brand, capabilities and global reach
  - Focused on culture and quality rather than scale
- Strong culture of teamwork, collegiality and excellence

# Greenhill as a Business

Solely focused on client advisory

- High margin business
- Low capital requirements
- No balance sheet risks
- Far more stable than most capital markets businesses

Revenue averaging around \$300mm, generally in narrow range

- Four consecutive years at \$300mm+ until 2022
  - 2022 at low end of 10 year range, but 2023 should see a rebound
- Annual revenue volatility low, but quarterly volatility high
  - Assignment flow steady, but completion timing random

Highly diverse revenue sources provide annual stability

- Top 10 fee clients largely different group each year
- Geographic and sector contributions vary widely depending on environment
- M&A vs restructuring contributions vary widely likewise
  - Counterbalance through economic cycles

Consistent strong generator of annual cash flow

- 10-year average of \$60mm+ of debt repayment/dividends/share repurchases
  - After all costs, interest, tax and capex
- Comp and non-comp costs well managed
- Capital requirements very modest

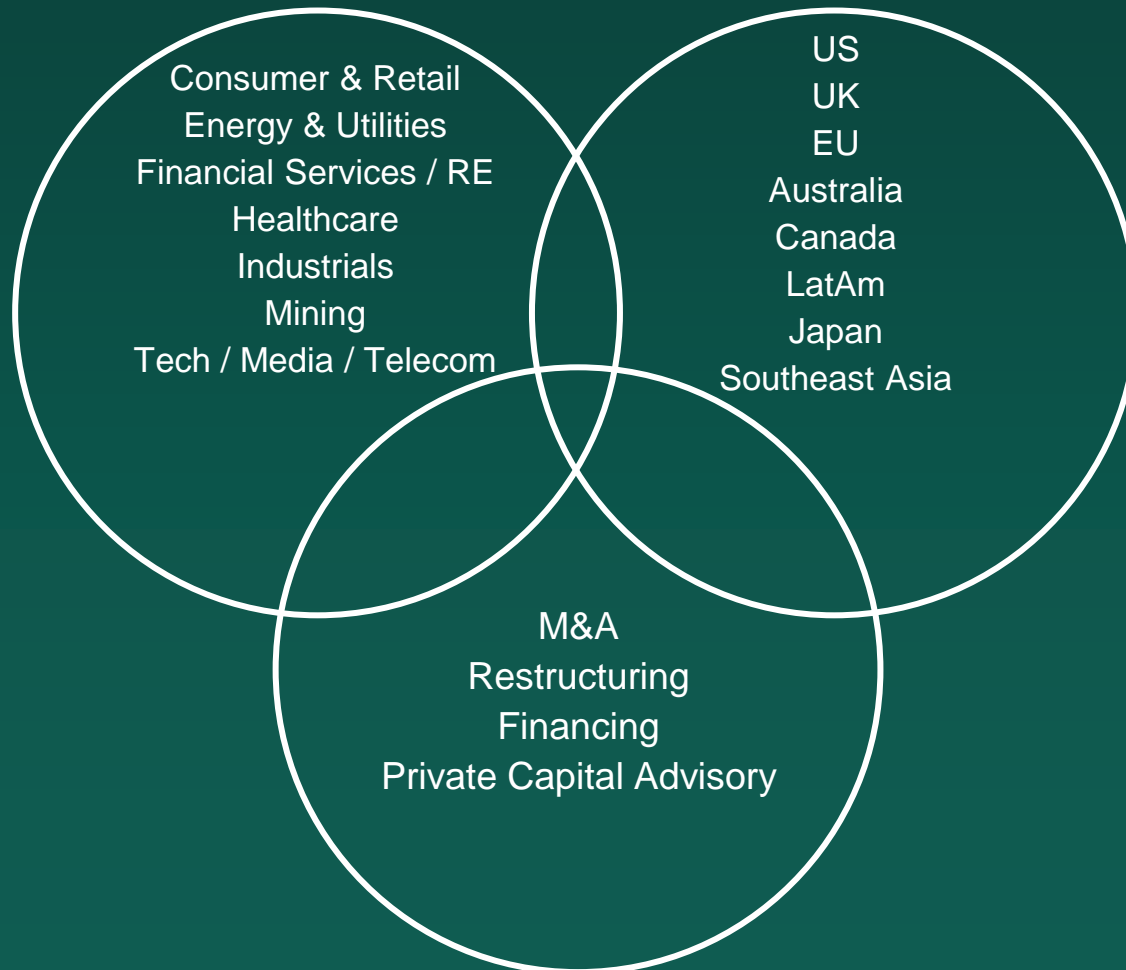
Employees fully aligned with shareholders

- Employees own ~57% of equity value \*

# Complementary Advisory Businesses

- M&A
  - Buyside, sellside, takeover defense
  - Serving public companies and financial sponsors
  - Strong capabilities in all developed markets
  - Coverage of all major industry sectors
- Financing Advisory & Restructuring
  - Bankruptcy-related work for debtors and creditors
  - Debt financing advisory, focused on growing direct lending market
  - Equity financing advisory (private placements, rights issues, etc.)
- Private Capital Advisory
  - Primary fund raising for investment funds of all types globally
  - Secondary sales of limited partner interests
  - Continuation funds and other general partner-led restructurings

# Diversified Sources of Revenue



# Revenue by Geography and Industry

Diverse business with varying geographic and sector contributions each year

Advisory Revenue by Geography*												
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	Average
North America	60%	52%	59%	58%	57%	73%	56%	71%	61%	64%	50%	60%
Europe	22%	33%	30%	23%	30%	17%	32%	15%	35%	19%	37%	27%
Australia, Asia, LatAm, Other	18%	15%	11%	19%	13%	10%	12%	14%	4%	17%	13%	13%

Advisory Revenue by Industry												
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	Average
General Industrial & Other	31%	20%	25%	39%	24%	24%	25%	20%	14%	22%	48%	27%
Consumer Goods & Retail	8%	14%	16%	4%	10%	9%	26%	18%	41%	16%	7%	15%
Technology, Comms & Media	20%	15%	13%	9%	16%	13%	11%	18%	13%	16%	16%	15%
Capital Advisory	9%	11%	11%	21%	15%	30%	19%	18%	7%	6%	6%	14%
Financial Services and Real Estate	12%	17%	13%	10%	13%	5%	8%	17%	11%	17%	4%	12%
Healthcare	9%	16%	15%	12%	16%	9%	8%	5%	8%	15%	8%	11%
Energy & Utilities	11%	7%	7%	5%	6%	10%	3%	4%	6%	7%	11%	7%

# Client Revenue Profile

We Have a Highly Diversified Client Base, With Generally 60-80 Clients a Year Generating \$1mm+ in Revenue

<i>(\$ in millions)</i>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Fee Paying Clients *	160	143	138	136	130	115	146	128	131	173	138
\$1mm+ Clients *	66	58	66	61	64	48	63	58	65	82	55
% Revenue from Top 10 Clients	36%	43%	43%	32%	40%	39%	34%	35%	43%	28%	38%
Clients in Top 10 for First Time **	10	7	8	9	9	8	7	6	7	8	9
Total Revenue	\$285	\$287	\$275	\$262	\$336	\$239	\$352	\$301	\$312	\$318	\$258

\* Excludes capital advisory clients

\*\* Client in Top 10 for the first time since 2011






























# Growth Initiatives

- Expanded focus on financial sponsor client base for all products
  - Historic focus was primarily on public companies
- Recent focus on financing advisory services
  - Natural complement to our restructuring business
- Recently developed global capital raising capability for private funds
  - Strong pipeline of funds in market
- Continual focus on deepening sector coverage
  - A source for M&A, restructuring and financing projects
  - Major focus on 2023 recruiting effort

# Diverse 2021/2022 Transaction Clients

## Selected Names

North American Publics	ROW Publics	Financial Sponsors
 *  <p>The Safety Company</p>	 *  *	  *
 	 * 	 *  *
 	 * 	 
 *  *	 	
 	 * 	
 *  *	 *	 
 * 	  *	 *

# Q1 Results

- Revenue of \$49.7mm for quarter, up 9% over prior year
  - On track for strong second quarter and best H1 revenue in recent years
- Compensation costs of \$60.6mm for quarter
  - Elevated by timing of accounting charge for incentive compensation
  - Absolute cost will return to typical level in Q2
  - Key objective to bring ratio back to target range in 2023
- Non-compensation costs of \$14.9mm for quarter
  - Within target range, but slightly higher than last year due to increased travel and London relocation expenses
- Loss of \$1.27 per share

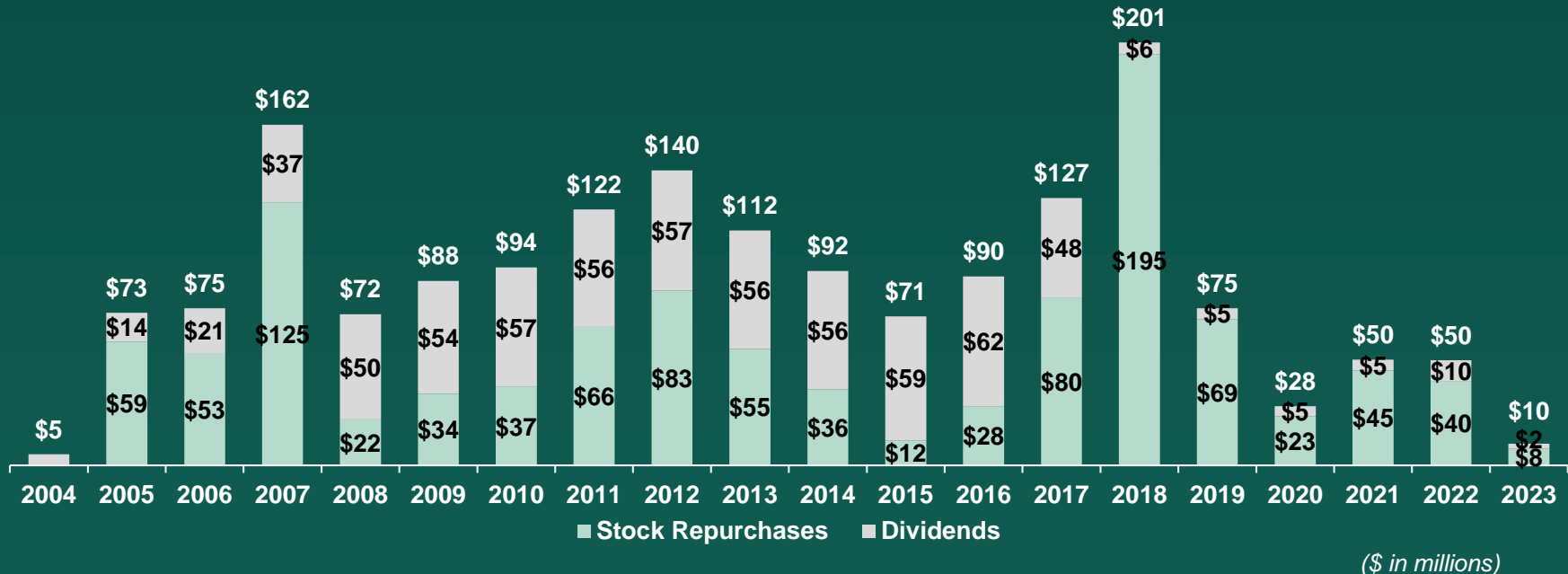
# Expense Targets

Compensation Expense:	Percentage of revenue, targeted at 55-60% on annual basis
Non-compensation Operating Expenses:	Largely fixed \$ amount, targeted at \$55-60mm annually
<i>Operating Margin:</i>	<i>Targeting 25% of revenue on annual basis</i>
Interest Expense:	Q1 expense: \$5.8mm
Taxes:	Expected rate in mid 20% <sup>s*</sup> , with some variation based on geographic income distribution

\* Taxes are also impacted by the difference between the grant price for RSUs and their market value upon vesting

# Strong History of Generating/Returning Capital

- Repurchased \$7.9mm of stock in Q1 (\$23mm authority remains)
- \$1.7bn\* in dividends / share repurchases since 2004 IPO



\*As of March 31, 2023. Includes purchases of share equivalents via tax withholding on vesting RSUs

# Balance Sheet Deleveraging Since 2017 Recapitalization

- Cash of \$59mm
- Debt of \$270mm (net debt of \$211mm)
  - Down from \$375mm debt at peak
- No debt repayment obligations until 2024 maturity
  - Intending to pursue refinancing in relatively near term, when market conditions optimal
- Objective to continue to reduce leverage

# Strategic Plan

- Maintain historic client-focused business model and strong culture
- Increase scale of team
- Substantially increase scale and diversity of revenue sources
  - 27-year old global M&A franchise
  - Substantially enlarged Restructuring business
  - Increasing breadth of Financing advisory roles
  - Private Capital Advisory for fund sponsors / institutional investors
- Maintain expense discipline
- Deleverage while maintaining dividend and continuing share repurchases to offset employee grants

***Goal is to generate long term sustainable value  
for clients, employees and shareholders***