

# Greenhill

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# 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

# Introduction to Greenhill

- Independent advisory firm
  - 19+ years old
  - First to IPO
- Truly global business
  - Circa half of revenue ex-US
  - All global operations wholly owned
- Strong capabilities across industry sectors
- Advise on wide variety of assignments
  - M&A, restructuring, financing, capital raising
  - Newly expanded capability in capital advisory

## 2015 YTD Highlights

- Announced 26 publicly disclosed transactions YTD<sup>(1)</sup> (vs 19 last YTD)
  - Diversity across geography, industry and type of advice
- Acquired Cogent, the market leader in secondary capital advisory
  - 8 Managing Directors
  - ~\$46mm of 2014 Advisory Revenue
- Recruited 5 M&A Managing Directors
  - Australia, Japan, US Tech, 2 US Energy
- Stronger start to the year
  - Q1 revenue up 28% YoY

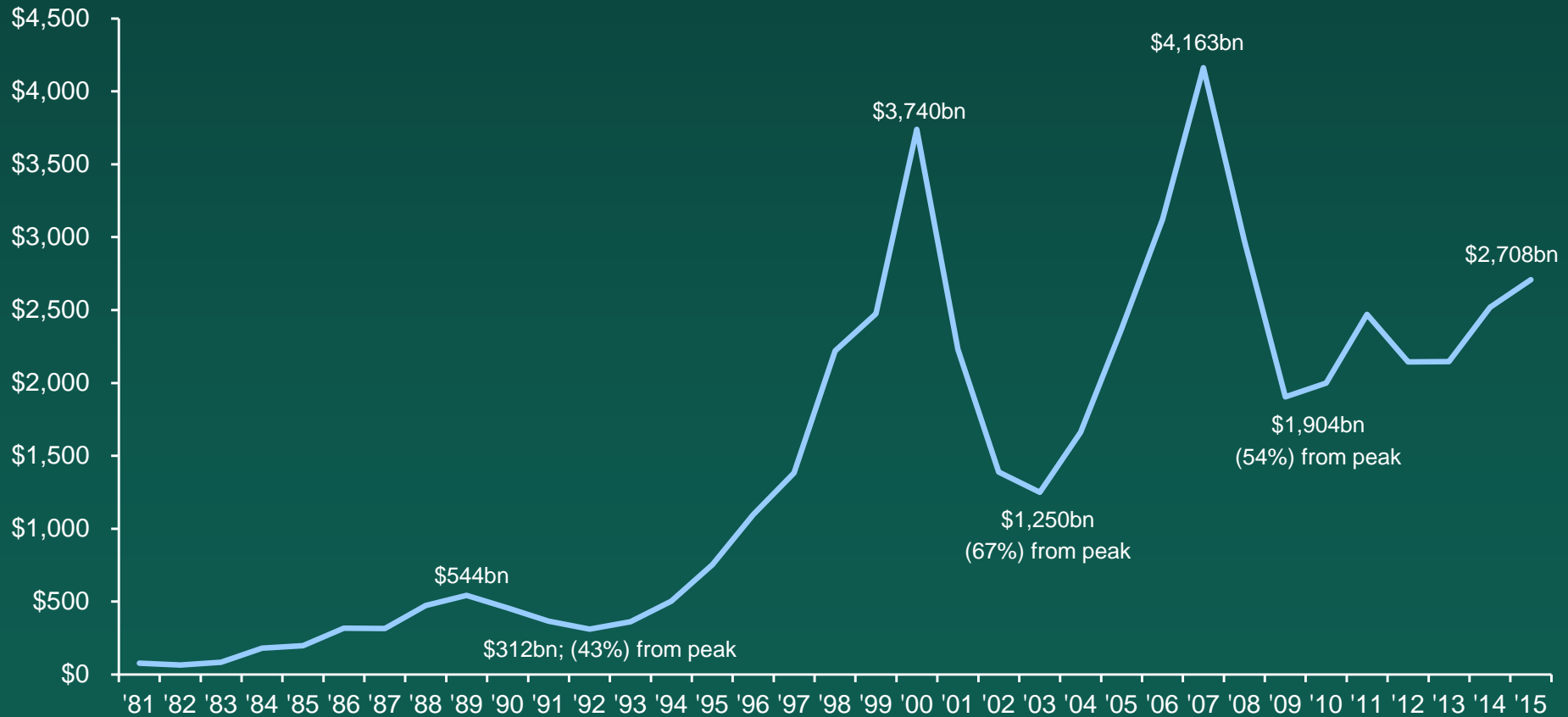
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# M&A is a Growth Business (Albeit Highly Cyclical)

## Completed M&A Data

(Global M&A Completed Volume, \$ in billions)



# Independents Like Greenhill Increasingly Accepted by Major Companies

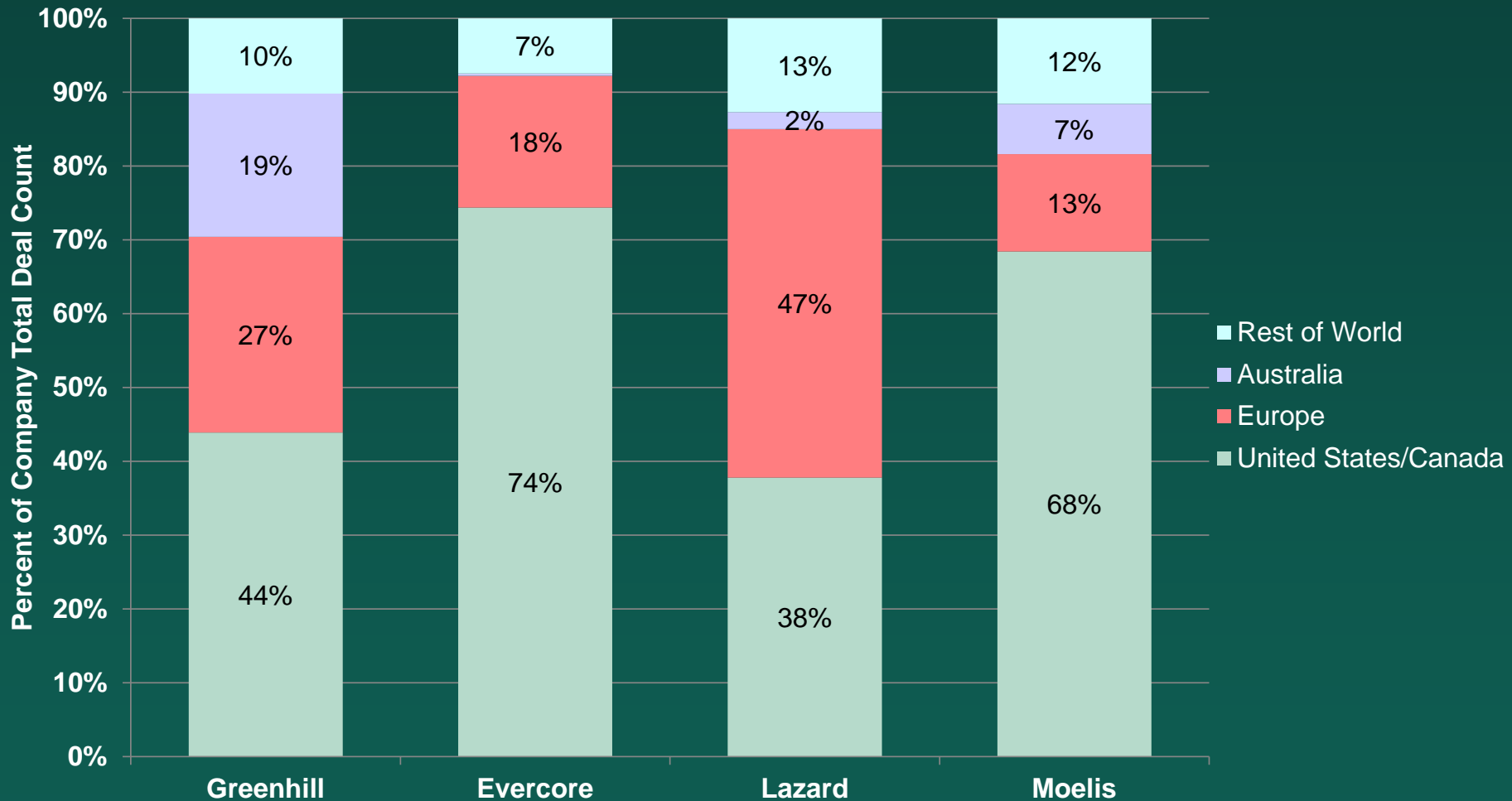
- Independents ...
  - Have attracted senior talent
  - Are increasingly global
  - Have increasing sector expertise
  - Have increasingly strong brands
  - Have a growing track record of high profile roles
- Big banks ...
  - Have lost senior talent
  - Are seen as having conflicts
  - Focus on “cross-selling” products
  - Have damaged brands

# Greenhill is Unique Among Independents

1. Pure advisory business
2. Most globally diverse client base
3. Most diverse client base by sector
4. Most focused on larger transactions
5. Highest profit margin relative to peers
6. Simple, transparent accounting (no non-GAAP adjustments)
7. Strongest dividend
8. Zero share count dilution for 10+ years

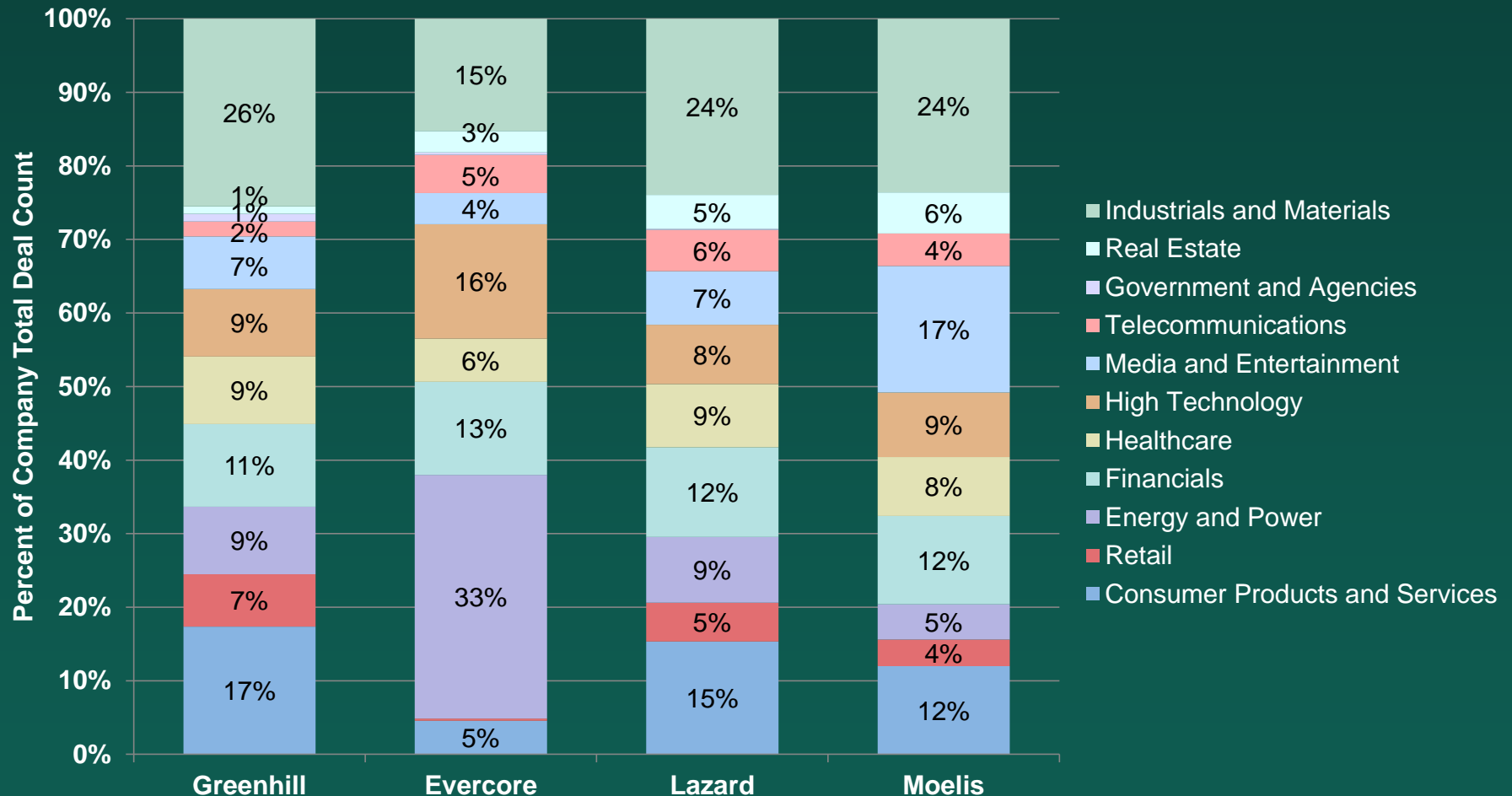


# Announcement Data Confirms Greenhill's Broader Geographic Diversity



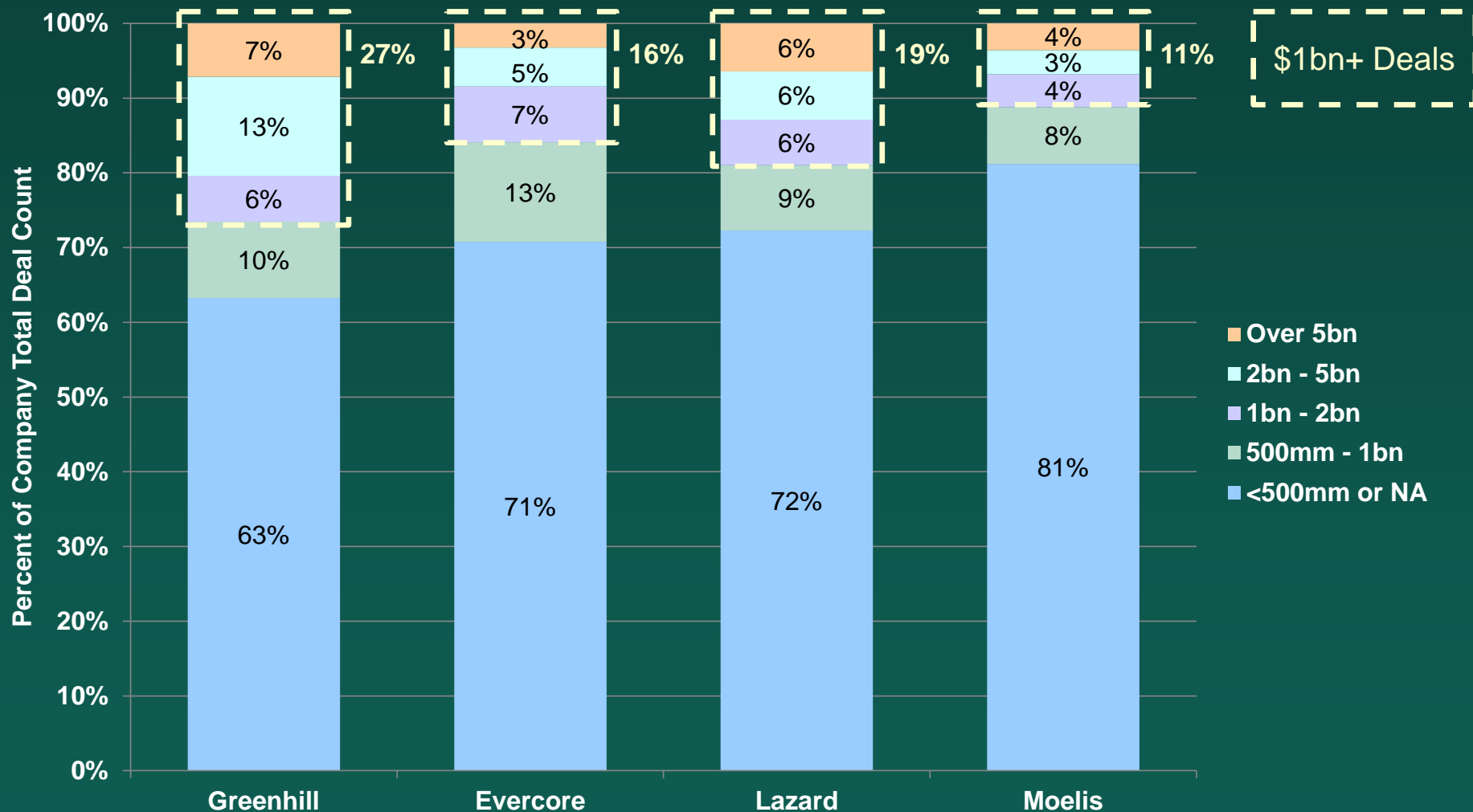
Note: Based on number of 2013 to YTD 2015 announcements. Deal count and geographic allocations based on client's nationality, both per ThomsonOne data as of 6/1/2015

# Greenhill Client Base Also Most Diverse by Sector (6 Sectors @ 9%+)



Note: Based on number of 2013 to YTD 2015 announcements. Deal count and industry allocations based on target industry, both per ThomsonOne data as of 6/1/2015

# Greenhill Most Focused on Larger Transactions



Note: Based on number of 2013 to YTD 2015 announcements. Deal count and target size, both per ThomsonOne data as of 6/1/2015

# High Profit Margin Relative to Peers

	Pre-Tax Margin (Including All GAAP Compensation Costs)								
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
GHL <sup>(1)</sup>	41%	44%	35%	38%	21%	26%	25%	25%	25%
LAZ <sup>(1)</sup>	22%	22%	2%	(2%)	8%	13%	6%	11%	23%
EVR	33%	27%	(5%)	7%	9%	7%	11%	18%	19%
MC	n.a.	n.a.	n.a.	12%	16%	(2%)	10%	18%	9%

(1) Excludes expense from acceleration of amortization of stock grants upon death of Lazard CEO in 2009 and two Greenhill executives in 2011

Source: Public filings

# Strongest Dividend History

	Aggregate Dividends Paid (\$MM)									Current Dividend Yield <sup>(1)</sup>
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	
GHL	\$21.2	\$36.9	\$50.0	\$53.6	\$56.9	\$57.7	\$57.1	\$56.2	\$56.3	4.7%
LAZ	14.4	20.9	30.3	38.4	61.2	82.7	160.3 <sup>(2)</sup>	138.8 <sup>(2)</sup>	147.0	2.5%
EVR	n.a.	4.7	6.2	8.6	13.7	22.2	29.3	36.1	42.5	2.2%
MC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	76.2 <sup>(3)</sup>	2.8%

Note: Includes dividends and dividend equivalents

(1) Calculated based on currently quarterly dividend and 6/1/2015 closing share price

(2) Includes special dividend of \$0.20 per share (\$23mm) in 2012 and \$0.25 per share (\$30mm) in 2013; announced \$1.00 per share in 2015

(3) Moelis special dividend of \$1.00 per share (~\$54mm) in 2014; dividend figure reflects dividends since IPO in April 2014

Source: Public filings

# Zero Share Count Dilution For Over 10 Years

**% Change in Share  
Count Since Q2 2004**

## *Advisory Focused Firms*

<b>Greenhill</b>	<b>(2%)</b>
Lazard <sup>(1)</sup>	34%
Evercore <sup>(1)</sup>	79%

## *Diversified Large Banks*

BofAML	173%
Barclays <sup>(2)</sup>	158%
Citigroup	484%
Credit Suisse	35%
Deutsche Bank	162%
Goldman Sachs	(10%)
JPMorgan	84%
Morgan Stanley	77%
UBS	239%
<b>Large Bank Average</b>	<b>156%</b>

Note: Share count growth based on reported average fully diluted shares outstanding in Q2 2004 to Q1 2015

(1) Share count growth based on shares outstanding since IPO

(2) Barclays as of YE 2014

Source: Company Filings and Releases

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# Overview of Cogent Partners

- Advises endowments, pensions and other institutional investors on sales of alternative assets
- Global leader in *secondary* fund transactions
  - Current Greenhill team focused on *primary* fund raising for real estate funds
- Founded in 2002
  - Transactions involving thousands of LP interests
- 8 Managing Directors
- ~\$46mm<sup>(1)</sup> 2014 revenue
- \$10.4mm<sup>(1)</sup> Q1 2015 revenue



# Complementary to Greenhill

- Pure advisory
  - Greenhill advises on M&A, restructuring, financing and capital raising
  - Cogent significantly expands capital advisory
- Global
  - US, Europe, Asia
- Client relationship focused
  - Major institutional investors
- High revenue per employee
- History of high profit margins
- Minimal capital requirements
- Minimal regulatory risks

# Economics of the Transaction

- \$98mm<sup>(1)</sup> maximum potential purchase price
  - Initially \$44mm cash plus ~779k Greenhill shares
  - Cash funded by bank debt
- Valued at large discount to Greenhill multiples
- ~30% of value subject to earnout
  - Based on revenue target
- Key employees aligned with Greenhill shareholders
  - Owners of stock and/or restricted stock
- Using cash to pay non-employee shareholders and to minimize equity issuance

(1) Calculated as gross purchase price, assuming full achievement of the earnout using Greenhill share price of \$35.65 on 2/9/2015, less \$5mm cash on balance sheet

# Potential Areas of Collaboration and Synergy

- Enhanced relationships with leading institutional investors globally
- Greenhill Capital Advisory team sourcing real estate secondary opportunities
- Complex fund restructuring transactions
- Greenhill presence in Australia
- Greenhill bank / financial institution relationships
- Combining 3 offices as well as administrative functions

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# Deal Announcement Data Flat, Except Huge Increase in \$10bn+ Deals

Announced M&A Data			
<i>(M&amp;A Volume in \$ Billions)</i>	2015 Annualized	2014	% Change
<b>Total Number of Deals</b>	<b>15,900</b>	<b>17,844</b>	<b>(11%)</b>
Transactions > \$1bn	554	546	2%
Transactions > \$10bn	60	31	94%
<b>Global M&amp;A Volume</b>	<b>\$4,008</b>	<b>\$3,293</b>	<b>22%</b>

Note: 2015 Data Annualized as of 6/1; M&A Volume and number of transactions exclude withdrawn and cancelled deals

Source: Thomson One

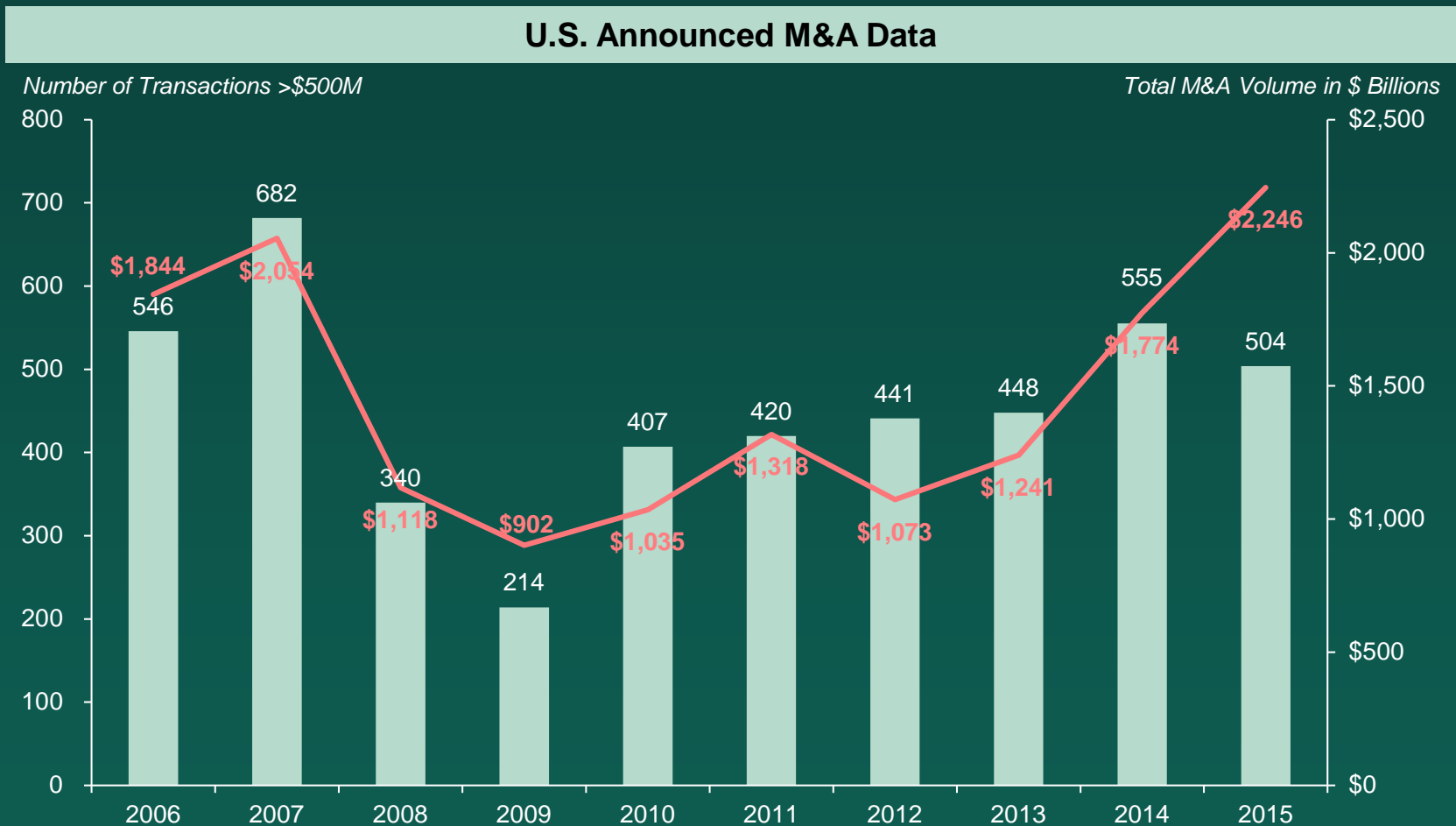
# Transaction Completion Improvement Likewise Skewed to \$10bn+ Deals

Completed M&A Data			
<i>(M&amp;A Volume in \$ Billions)</i>	2015 Annualized	2014	% Change
<b>Total Number of Deals</b>	<b>10,173</b>	<b>12,088</b>	<b>(16%)</b>
Transactions > \$1bn	487	453	7%
Transactions > \$10bn	31	19	65%
<b>Global M&amp;A Volume</b>	<b>\$2,700</b>	<b>\$2,520</b>	<b>7%</b>

Note: 2015 Data Annualized as of 6/1; M&A Volume and number of transactions exclude withdrawn and cancelled deals

Source: Thomson One

# U.S. Announced Deal Volume at 2007 Peak Levels, but Number of \$500mm+ Deals Continues to Lag

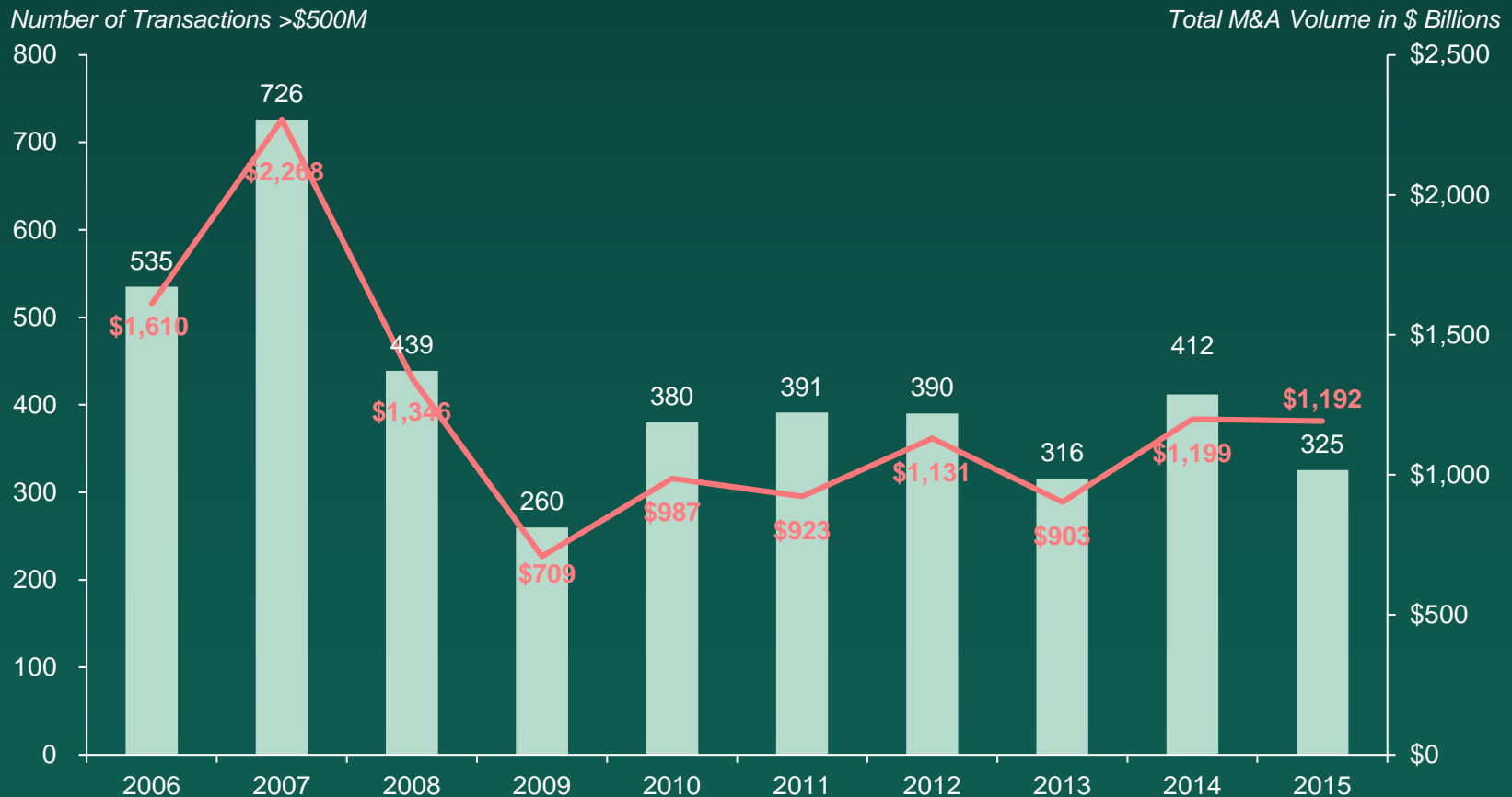


Note: U.S. acquiror or target; 2015 data annualized as of 6/1; M&A volume and number of transactions exclude withdrawn and cancelled deals

Source: Thomson One

# European Deal Count and Volume Remain Far Below Peak Levels

## European Announced M&A Data



Note: European acquirer or target; 2015 data annualized as of 6/1; M&A volume and number of transactions exclude withdrawn and cancelled deals  
Source: Thomson One



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## Greenhill in 2015

- Brand stronger than ever in corporate boardrooms
- Unified global team of highly motivated bankers
- Poised to benefit from an increase in global deal activity
  - Much upside remains in deals sub \$10bn, European M&A, restructuring and various regions and sectors
- Committed to high productivity, high profitability and high return of capital to shareholders
  - Focus on large transactions is key to achieving all three
- Attracting, integrating and developing senior talent

***Consistent Story for Nearly 20 Years***