



## Hamilton Lane Inc. (Nasdaq: HLNE)

**BUY**

**16.2% Upside**

Price Target: \$179.17

Last Close (4/30): \$154.51

Bennett Schultz | Chris Mavridis | Arya Adimulam



# Table of Contents

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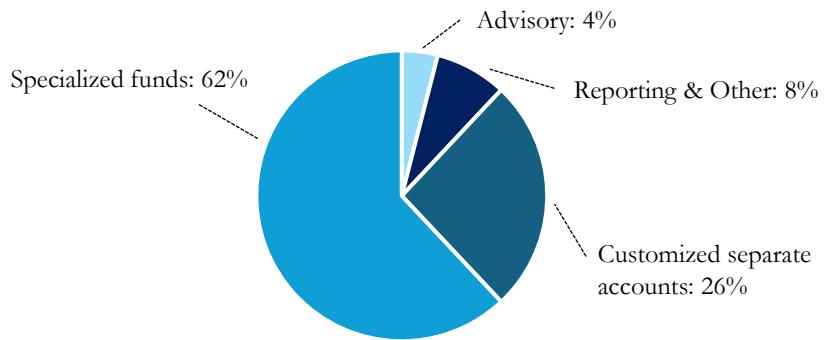
1. Investment Thesis	4
2. Company Overview	6
3. Industry Overview	8
4. Management Overview	9
5. Benchmarking	10
6. Risks & Mitigations	11
7. Valuation	12
8. Final Recommendation	13
9. Appendix	14

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# Investment Thesis



## Diverse Revenue Stream



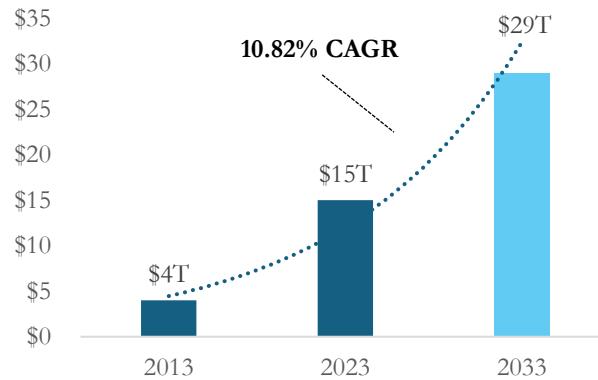
## Evergreen Retail Fund



## Defensive & Asset Light

- Recurring revenue from management and advisory fees on client capital, not from performance-based investments
- Minimal direct investing, earns most revenue from advising and allocating capital, not owning or operating companies
- Sticky client relationships, and long-term contracts with institutional and individual investors provide recurring fee income and predictable future cash flows
- Growing exposure to infrastructure projects like datacenters, supply chain networks, and power grids add stable, long-term investments, while maintaining an asset-light approach by utilizing client capital rather than its own

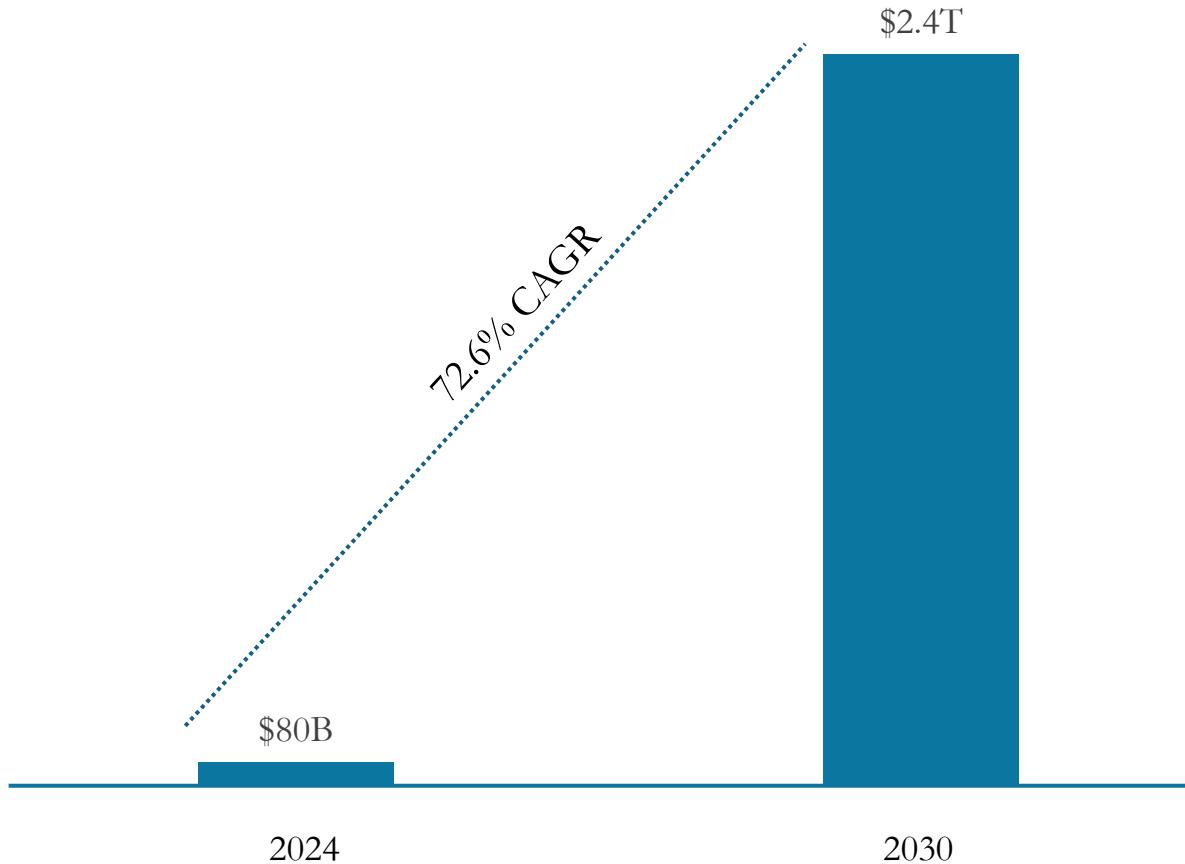
## Private Markets Growth



## Recommendation

We recommend a **buy** with a price target of **\$179.17**, a **16.2%** premium on the current price

# Projected US Retail Private Market Allocations



Hamilton Lane  
Private  
Infrastructure Fund

\$500 Minimum Investment

Quarterly Redemption  
Window

Annual Distribution  
Target of 2-5%

33.78% Annualized  
Returns since inception  
on Feb. 24

Evergreen Fund  
Structure

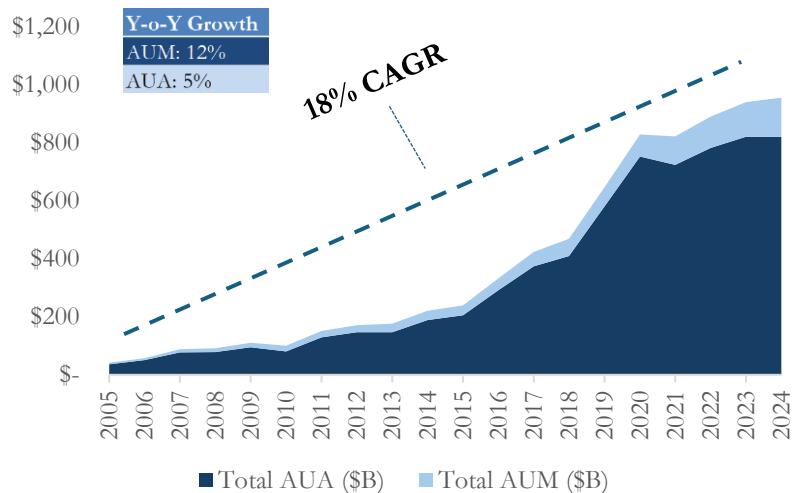
Open to Retail Investors  
through Republic Platform

1. Datacenters
2. Power Grids
3. Supply Chain  
Networks

# Company Overview

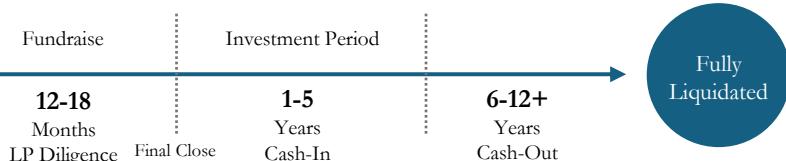


## Total Assets Under Management / Advisement

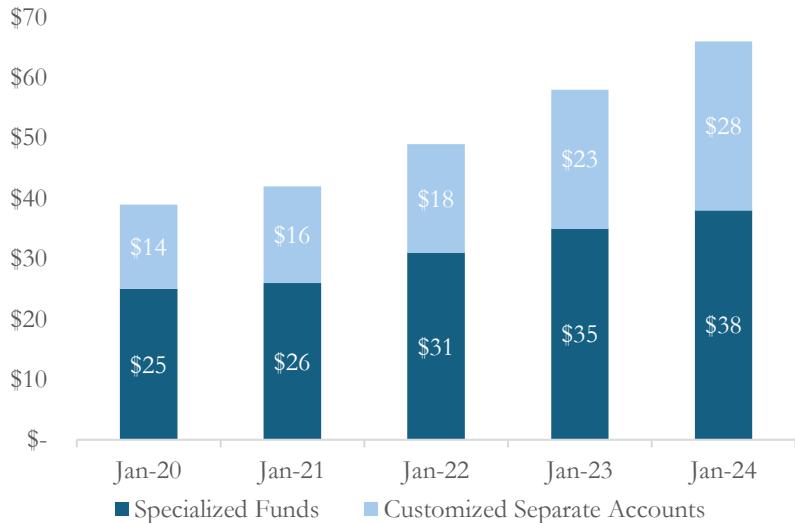


## Business Model

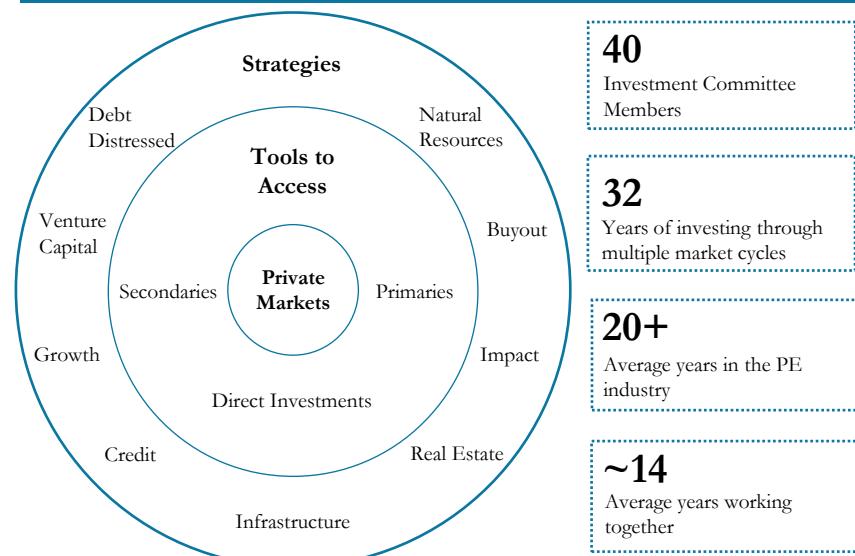
- Global private markets investment management firm, providing services to 1800+ clients across 50 countries
- Manages and supervises nearly \$1 in Trillion assets across private equity, private credit, essential services, long-term assets, and other alternative assets
- Revenue is generated from management fees, performance fees, advisory fees, and data analytics
- Recently created the first US Infrastructure Evergreen Fund, available to retail investors with a \$500 minimum investment



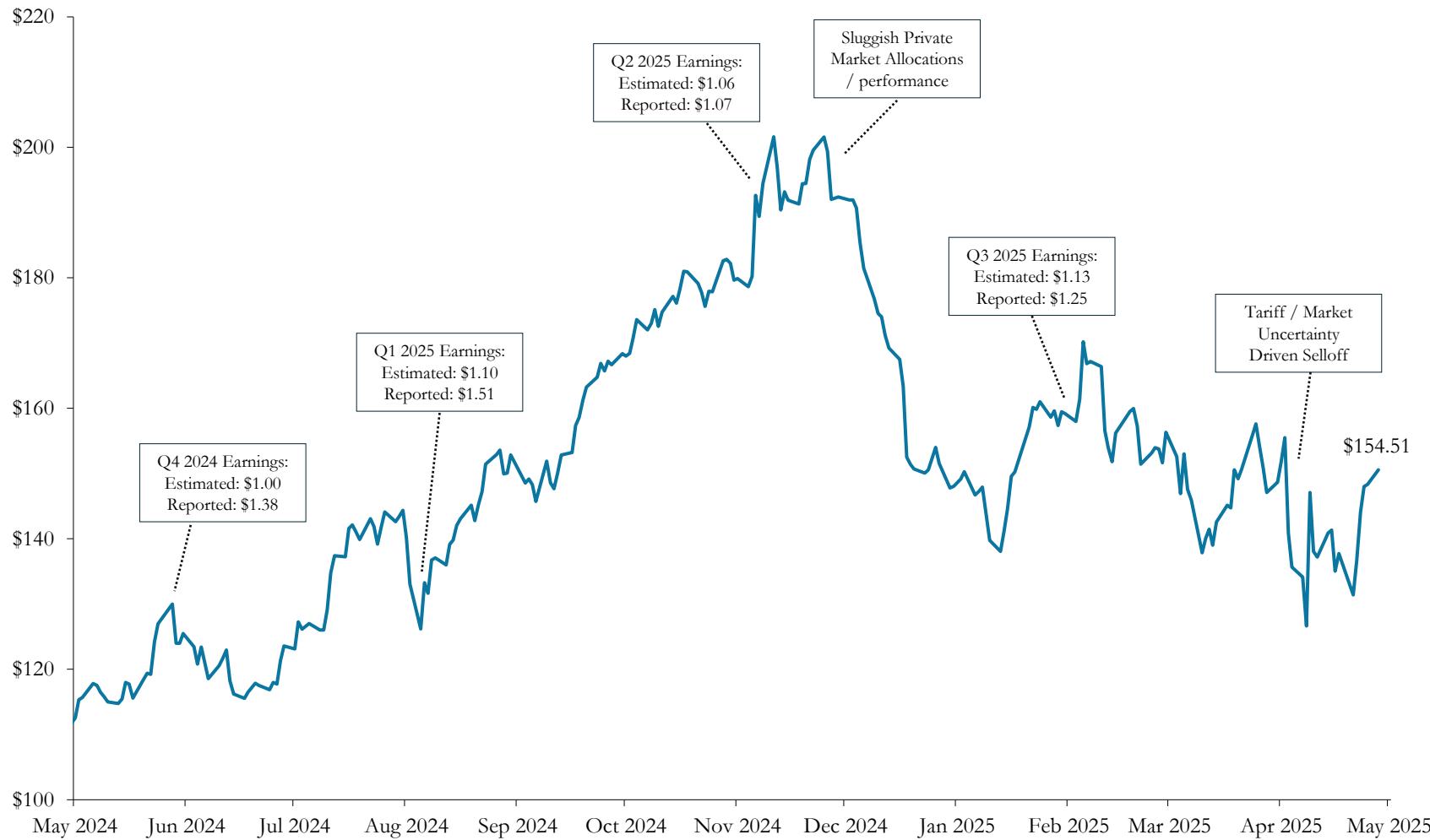
## Total Fee- Earnings Assets Under Management



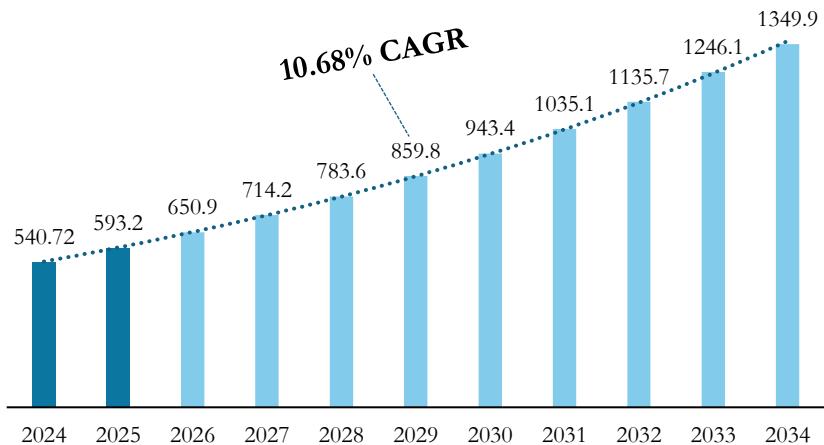
## Full-Service Solutions Provider



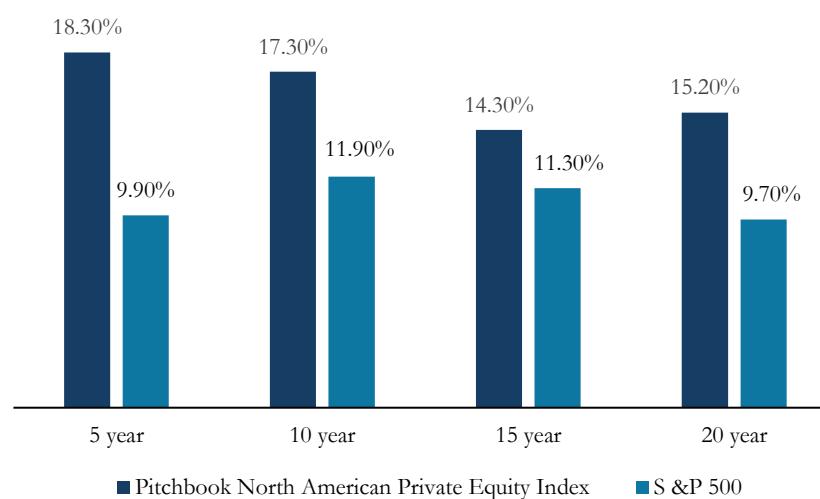
# Stock Performance



## Private Equity Market Size Growth



## Private vs Public Market Returns



### Why Private Markets?

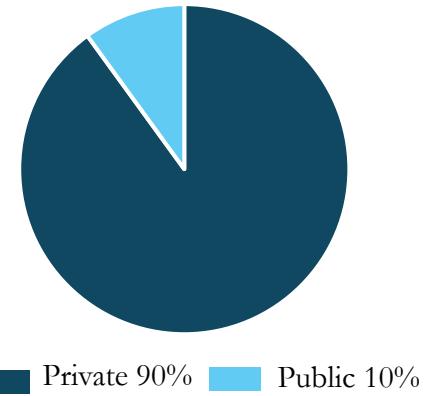
- Private market investments have historically outperformed public investments, especially over shorter time horizons
- Recently, there has been higher potential for retail investment in the private sector, so significant amounts of retail wealth will flow into private markets
- Private investments allow for long-term strategic growth without the pressures of public earnings reports

### Outlook for Private Markets

- Private market assets under management are expected to nearly double from \$15T to \$29T by 2030, driven by strong investor demand for higher returns
- Companies are staying private longer, creating more opportunities for private investors to capture value before exit opportunities
- Increased retail and institutional access is accelerating capital inflows into private equity, private credit, and infrastructure deals

### Demographic

% of \$100M+ companies worldwide that are private



# Management Overview



Juan Moreira PhD, CFA



Co-CEO

David Helgerson



Head of Impact Investments

Peter Larsen



Managing Director

Kenneth Binick



Co-Head of Direct Equity

- Former investment manager for Baring Private Equity Partners
- PhD in Statistics from Universidad Complutense de Madrid

- Former investment banker for Morgan Stanley financial institutions
- M.B.A from Duke School of Business
- Former Navy Lieutenant

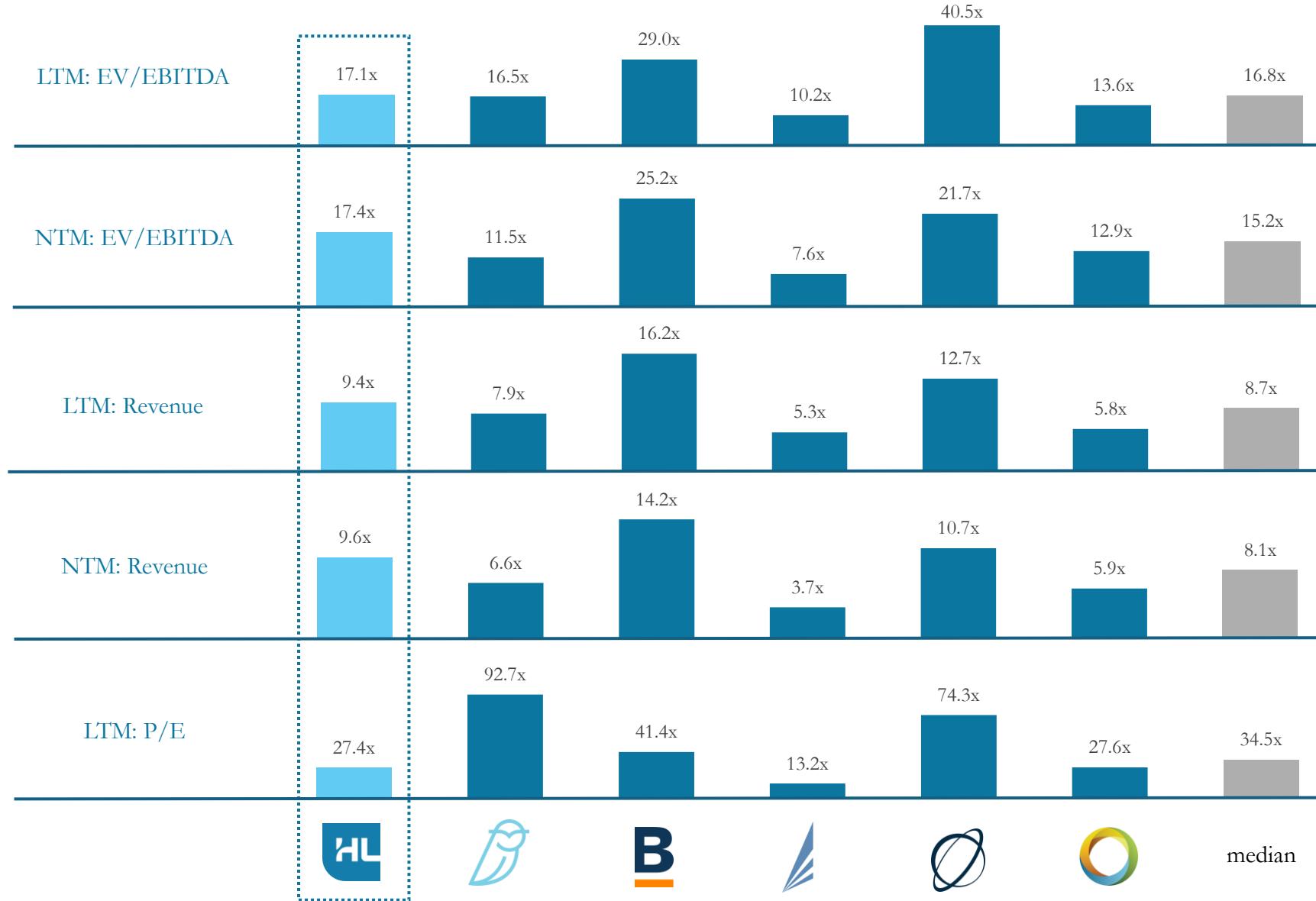
- Former trader at Schwab Capital Markets
- M.B.A from Columbia Business School
- Head of infrastructure investments at HLNE

- Former managing director for Portfolio Advisors LLC and investment banker for Morgan Stanley
- M.B.A from Vanderbilt University

Together, these leaders represent a blend of operational excellence, investment acumen, and global perspective — giving investors confidence in Hamilton Lane's ability to deliver long-term, sustainable growth. Their collective experience across direct investing, fund selection, secondaries, and global market expansion provides a strong foundation for value creation in private markets.

Management emphasizes their great work culture, proven through being recognized as a best place to work in money management by Pension & Investment for 13 years in a row. Only 5 other firms received this distinction, and Hamilton Lane is the only firm in all of private markets to receive it. Given the human-capital nature of Hamilton Lane, this recognition allows them to attract top talent.

# Benchmarking



# Risk & Mitigations

	Risk	Mitigation	Relative Risk
Market Downturn	<ul style="list-style-type: none"><li>▪ Private markets are prone to recessionary pressure: reducing fundraising and fee-generation</li><li>▪ A drop-in asset valuations would delay new investments and lower performance-based earnings</li></ul>	<ul style="list-style-type: none"><li>▪ Long-term investment horizons, and recurring advisory fees gives them resilience to short-term volatility</li><li>▪ Global footprint and diverse clients from pension funds, sovereign wealth funds, HNW individuals, and institutions</li></ul>	
Growing Competition	<ul style="list-style-type: none"><li>▪ Competition in the private market is continuing to grow as clients want to further their allocations towards them</li><li>▪ This can drive fee compression, force Hamilton Lane to lower margin, and overall hurt client acquisition / retention</li></ul>	<ul style="list-style-type: none"><li>▪ Decades long relationships with clients formed over managers entire careers</li><li>▪ Strong brand reputation, data analytics platform, and diverse offerings in all areas of private markets allow Hamilton Lane to cater to the needs of all their clients</li></ul>	
Client Retention	<ul style="list-style-type: none"><li>▪ Being a human capital business, Hamilton Lane relies on large, institutional clients from tightly formed relationships over managers careers</li><li>▪ Management retirement or transition to another firm can hurt client relationship</li></ul>	<ul style="list-style-type: none"><li>▪ High switching costs, long-term advisory roles, personalized funds, and long-term relationships create company loyalty</li><li>▪ Broad service across the entire private markets space gives clients a reason to stay and for cross-selling services</li></ul>	
High Valuation	<ul style="list-style-type: none"><li>▪ Hamilton Lane's stock currently trades at a premium due to its consistent growth and stable, diverse streams of revenue</li><li>▪ Any slow in growth, earnings miss, or low guidance can quickly lower ratings</li></ul>	<ul style="list-style-type: none"><li>▪ A focus on global expansion and in demand strategies like private credit and Evergreen funds will help sustain continual scalability of revenue</li><li>▪ Predictable earnings, asset-light model, high margins, and low-capital scalability</li></ul>	

# Discounted Cash Flow Analysis



AUM (\$millions)	2023	2024	2025	2026	2027	2028	2029	2030
Fee-Earning AUM	\$58,000.0	\$69,600.0	\$83,520.0	\$98,553.6	\$114,322.2	\$131,470.5	\$147,247.0	\$164,916.6
Fee Earnings Growth	18%	20%	20%	18%	16%	15%	12%	12%
Management Fee Rate	0.77%	0.68%	0.68%	0.68%	0.68%	0.68%	0.68%	0.68%
Total Revenue	\$444.2	\$470.7	\$564.9	\$666.6	\$773.2	\$889.2	\$995.9	\$1,115.4
Revenue Growth YoY	50.92%	5.97%	20.00%	18.00%	16.00%	15.00%	12.00%	12.00%
<b>AUA + Other</b>	2023	2024	2025	2026	2027	2028	2029	2030
Total Revenue	\$84.6	\$83.1	\$88.9	\$95.1	\$98.9	\$102.9	\$107.0	\$111.3
Growth YoY	15.0%	(1.8%)	7.0%	7.0%	4.0%	4.0%	4.0%	4.0%
Total Revenue	\$528.8	\$553.8	\$653.8	\$761.7	\$872.1	\$992.1	\$1,102.9	\$1,226.7
Revenue Growth	43.7%	4.7%	18.1%	16.5%	14.5%	13.8%	11.2%	11.2%
<b>Base Case</b>								
Revenue Growth	18.1%	16.5%	15.0%	15.0%	13.0%	12.0%	11.0%	11.0%
Gross Margin	62.8%	62.8%	62.8%	62.8%	62.8%	62.8%	62.8%	62.8%
SG&A as % of revenue	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
EBT Margin	48%	48%	48%	48%	48%	48%	48%	48%
D&A as % of revenue	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%

Perpetuity Growth Method	
2030 Unlevered FCF	\$617.1
<b>Perpetuity Growth Rate</b>	3.0%
Terminal Value	11,486.2
Years	5.0
Present Value of Terminal Value	\$7,683.9
Enterprise Value	\$9,753.5
Implied Equity Value	\$9,443.6
FDSO	56.0
<b>Implied Share Price</b>	\$168.6
Implied Premium	13.9%

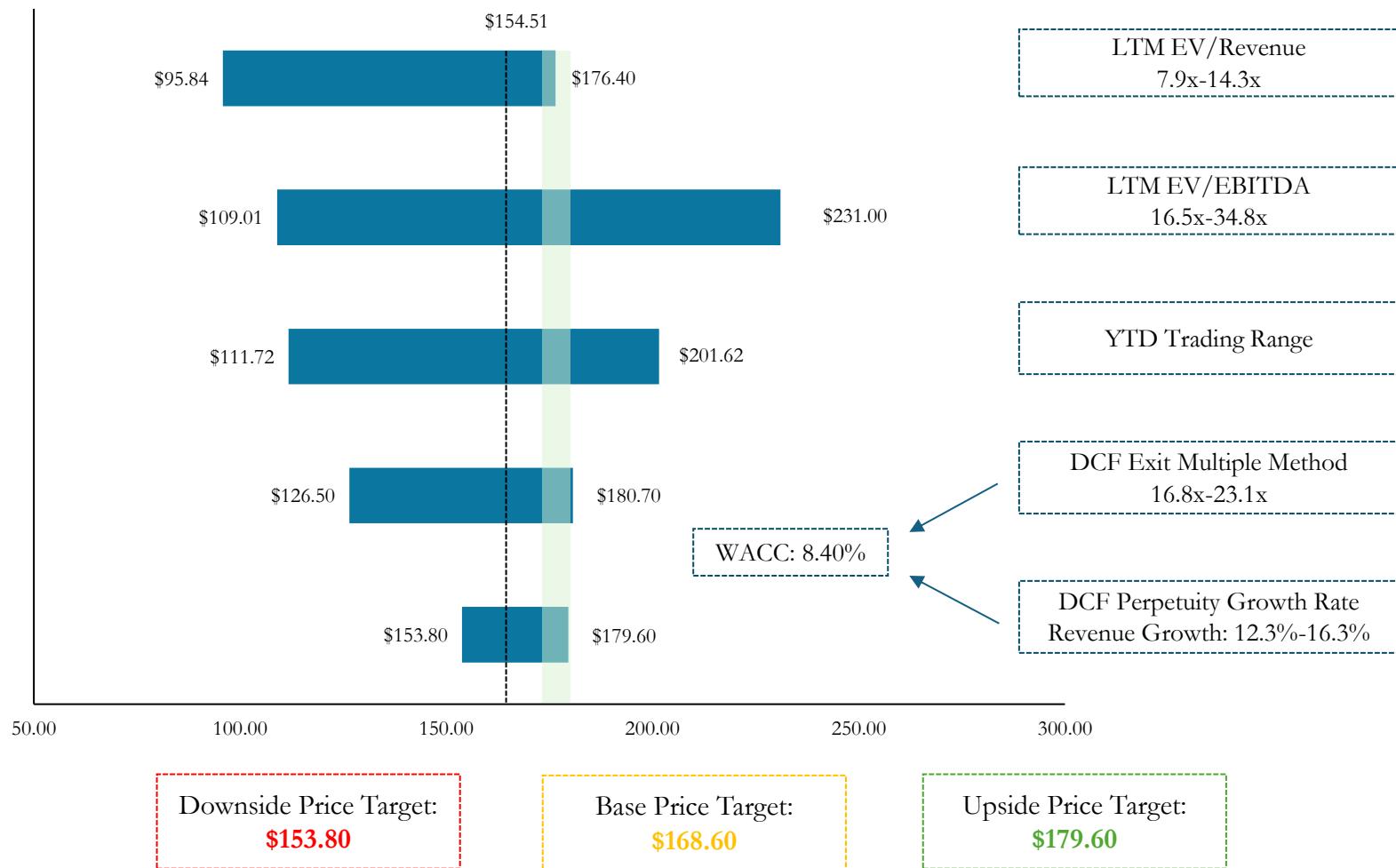
Exit Multiple Method	
2030 EBITDA	\$628.7
<b>EV/EBITDA Multiple</b>	23.0x
Terminal Value	\$14,406.3
Years	5.0
Present Value of Terminal Value	\$9,673.5
Enterprise Value	\$9,676.5
Implied Equity Value	\$9,366.6
FDSO	56.0
<b>Implied Share Price</b>	\$167.3
Implied Premium	12.8%

## Perpetuity Growth Sensitivity Analysis

\$168.6	2.5%	2.8%	3.0%	3.3%	3.6%
8.0%	\$168.2	\$176.1	\$182.9	\$191.5	\$202.3
8.2%	\$162.0	\$169.2	\$175.5	\$183.3	\$193.2
8.4%	\$156.2	\$162.9	\$168.6	\$175.7	\$184.8
8.6%	\$150.7	\$156.9	\$162.2	\$168.8	\$177.0
8.8%	\$145.6	\$151.4	\$156.3	\$162.3	\$169.9

## Exit Multiple Sensitivity Analysis

\$167.3	17.0x	20.0x	23.0x	26.0x	29.0x
8.0%	\$124.4	\$147.3	\$170.5	\$193.2	\$216.1
8.2%	\$123.2	\$145.9	\$168.9	\$191.4	\$214.1
8.4%	\$122.0	\$144.5	\$167.3	\$189.5	\$212.0
8.6%	\$120.9	\$143.2	\$165.7	\$187.8	\$210.1
8.8%	\$119.7	\$141.8	\$164.1	\$186.0	\$208.1



Based on our estimates, we believe Hamilton Lane to have an upside price target of **\$179.60** with an implied premium of **16.2%**, reiterating our **BUY** at **HLNE's** current share price of **\$154.51**

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# Appendix

# Assumptions



AUM (\$millions)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Fee-Earning AUM	\$ 42,000.0	\$49,000.0	\$58,000.0	\$69,600.0	\$83,520.0	\$98,553.6	\$114,322.2	\$131,470.5	\$147,247.0	\$164,916.6
Fee Earnings Growth %		17%	18%	20%	20%	18%	16%	15%	12%	12%
Management Fee Rate	0.63%	0.60%	0.77%	0.68%	0.68%	0.68%	0.68%	0.68%	0.68%	0.68%
Total Revenue	\$ 266.0	\$ 294.3	\$ 444.2	\$ 470.7	564.9	666.6	773.2	889.2	995.9	1115.4
Revenue Growth YoY		10.65%	50.92%	5.97%	20.00%	18.00%	16.00%	15.00%	12.00%	12.00%
AUA + Other	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Revenue	\$ 75.6	\$ 73.6	\$ 84.6	\$ 83.1	\$ 88.88	\$ 95.11	\$ 98.91	\$ 102.87	\$ 106.98	\$ 111.26
Growth YoY		-2.7%	15.0%	-1.8%	7%	7%	4%	4%	4%	4%
Total	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Revenue	\$ 341.60	\$ 367.90	\$ 528.80	\$ 553.80	\$ 653.76	\$ 761.66	\$ 872.11	\$ 992.05	\$ 1,102.87	\$ 1,226.65
Revenue Growth		7.7%	43.7%	4.7%	18.1%	16.5%	15.0%	13.0%	12.0%	11.0%

Base Case	2025	2026	2027	2028	2029	2030
Revenue Growth	18.1%	16.5%	15.0%	13.0%	12.0%	11.0%
Gross Margin	62.8%	62.8%	62.8%	62.8%	62.8%	62.8%
SG&A as % of revenue	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
EBT Margin	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%
D&A as % of revenue	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%

Upside Case	2025	2026	2027	2028	2029	2030
Revenue Growth	20.1%	18.5%	17.0%	15.0%	14.0%	13.0%
Gross Margin	64.8%	64.8%	64.8%	64.8%	64.8%	64.8%
SG&A as % of revenue	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
EBT Margin	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
D&A as % of revenue	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%

Downside Case	2025	2026	2027	2028	2029	2030
Revenue Growth	16.1%	14.5%	13.0%	11.0%	10.0%	9.0%
Gross Margin	60.8%	60.8%	60.8%	60.8%	60.8%	60.8%
SG&A as % of revenue	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
EBT Margin	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%
D&A as % of revenue	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%

# Discounted Cash Flows



**Hamilton Lane**

**Hamilton Lane Inc.**  
**Discounted Cash Flow Analysis**  
 (\$ in millions, except per share)

	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
<b>Revenue</b>	\$ 528.80	\$ 553.80	\$ 653.76	\$ 761.66	\$ 872.11	\$ 992.05	\$ 1,102.87	\$ 1,226.65
Revenue Growth YoY	4.7%	16.1%	14.5%	13.0%	11.0%	10.0%	10.0%	9.0%
<b>Cost of Goods Sold</b>	198.4	204.0	256.3	298.6	341.9	388.9	432.3	480.8
<b>Gross Profit</b>	330.4	349.8	397.5	463.1	530.2	603.2	670.5	745.8
Gross Margin %	62.5%	63.2%	60.8%	60.8%	60.8%	60.8%	60.8%	60.8%
Selling, General & Administrative SG&A as % of Revenue	90.3 17%	104.0 19%	98.1 15%	114.2 15%	130.8 15%	148.8 15%	165.4 15%	184.0 15%
<b>Operating Income</b>	240.1	245.8	299.4	348.8	399.4	454.4	505.1	561.8
Operating Margin %	45.4%	44.4%	45.8%	45.8%	45.8%	45.8%	45.8%	45.8%
Other Expenses/Income	2.50	35.90	1.31	1.52	1.74	1.98	2.21	2.45
Pretax Income	242.6	281.7	300.7	350.4	401.2	456.3	507.3	564.3
EBT Margin	45.9%	50.9%	46%	46%	46%	46%	46%	46%
Income Taxes	55.4	54.5	63.4	73.90	84.61	96.25	107.00	119.01
Tax Rate	22.8%	19.3%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%
<b>Net Income to Company</b>	\$ 187.20	\$ 227.20	\$ 237.30	\$ 276.47	\$ 316.56	\$ 360.09	\$ 400.32	\$ 445.25
Net Margin %	35.4%	41.0%	36.3%	36.3%	36.3%	36.3%	36.3%	36.3%
Minority Interest in Earnings	78.10	86.30	82.20	82.20	82.20	82.20	82.20	82.20
Net Income	109.10	140.90	155.10	194.27	234.36	277.89	318.12	363.05
Net Margin to Common	20.6%	25.4%	23.7%	25.5%	26.9%	28.0%	28.8%	29.6%
NOPAT	\$185.27	\$198.25	\$236.27	\$275.27	\$315.18	\$358.53	\$398.58	\$443.31
Depreciation & Amortization	7.40	8.20	9.41	11.12	12.65	14.44	16.02	17.84
D&A as % of Revenue	1.40%	1.48%	1.44%	1.46%	1.45%	1.46%	1.45%	1.45%
Total Stock Based Compensation	10.00	12.10	19.61	30.47	43.61	49.60	55.14	61.33
Total Stock Based Compensation as % of Revenue	1.9%	2.2%	3.0%	4.0%	5.0%	5.0%	5.0%	5.0%
Change in WC	\$10.7	\$41.1	\$39.2	\$45.7	\$52.3	\$59.5	\$66.2	\$73.6
Change in WC as % of Revenue	2.0%	7.4%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Capex	-4.70	-11.10	-9.46	-11.02	-12.62	-14.35	-15.95	-17.74
Capex as % of Revenue	0.9%	2.0%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
<b>Unlevered Free Cash Flow</b>	\$208.7	\$248.5	\$295.1	\$351.5	\$411.1	\$467.7	\$520.0	\$578.3
Present Value Factor	0.9	0.85	0.79	0.72	0.67	0.62	0.62	0.62
PV Free Cash Flow			\$272.27	\$299.32	\$323.03	\$339.10	\$347.84	\$357.00
EBITDA	\$247.50	\$254.00	\$308.84	\$359.96	\$412.08	\$468.80	\$521.13	\$579.64

Revenue - COGS

Gross Margin - Total Operating Expense

PV Factor =  $1/(1+WACC)^{\text{Periods}}$

FCF\*PV Factor

# Income Statement



Hamilton Lane Inc. Income Statement (\$ in millions, except per share)					
	2020	2021	2022	2023	2024
<b>Revenue</b> y/y growth	274	342	368	529	554
Cost of Goods Sold	100	136	129	198	204
<b>Gross Profit</b> % margin	174	205	239	330	350
Selling, General & Administrative % of revenue	58 21.0%	50 18.1%	69 25.3%	90 33.0%	104 38.0%
Research & Development % of revenue	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%
Depreciation & Amortization % of revenue	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%
Other Operating Expense (Income)	-	-	-	-	-
<b>Operating Income (EBIT)</b> % margin	116 42.5%	156 56.8%	170 61.9%	240 87.6%	246 89.7%
Other Non-Operating Income					
Interest Expense	(3)	(3)	(5)	(9)	(11)
Interest Income	1	2	1	5	10
Income/(Loss) from Affiliates	20	30	79	7	37
Other Non-Operating Inc. (Exp.)	0	1	56	(24)	1
Gain (Loss) On Sale of Invest.	6	7	13	23	(0)
Pre-tax Income (EBT)	141	193	314	243	282
Income Tax Expense Tax rate	14 10.0%	24 12.6%	66 21.2%	55 22.8%	55 19.3%
Minority Int. in Earnings	-66	-70.8	-101.3	(78.1)	(86.3)
<b>Net Income</b> % margin	61 22.2%	98 28.7%	146 39.7%	109 20.6%	141 25.4%
EPS	\$ 2.14	\$ 2.93	\$ 2.72	\$ 2.03	\$ 2.61
Avg. Diluted Shares Outstanding	28.400	33.400	53.700	53.700	53.900
<b>EBITDA</b>	116	156	170	240	246