



Hamilton Lane Inc. (Nasdaq: HLNE)



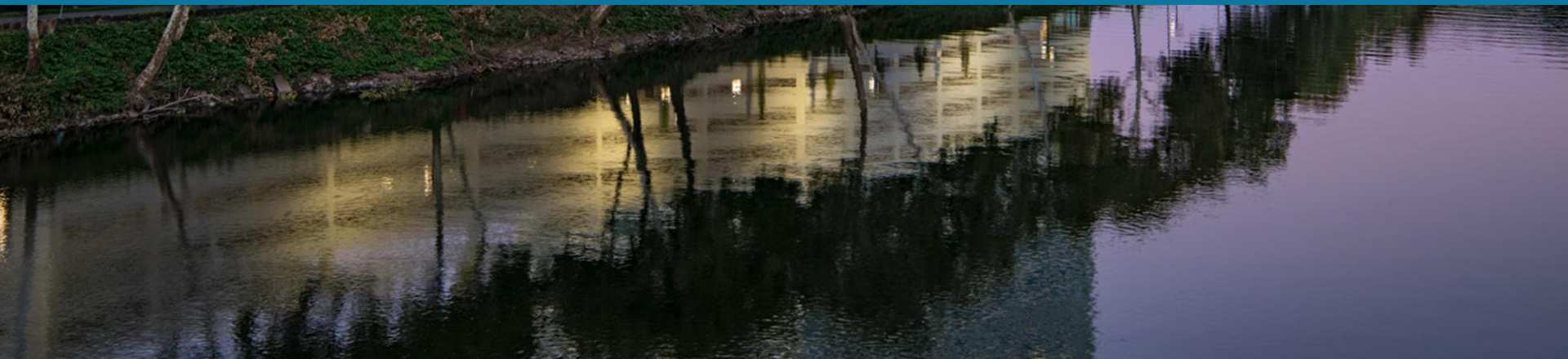
Bennett Schultz | Chris Mavridis | Arya Adimulam

BUY

16.2% Upside

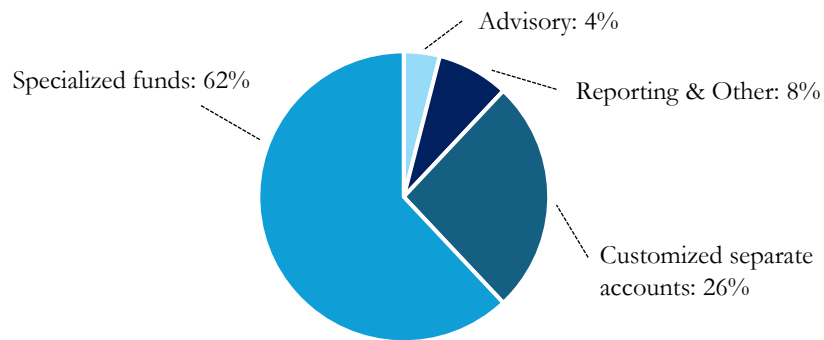
Price Target: \$179.17

Last Close (4/30): \$154.51



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Diverse Revenue Stream

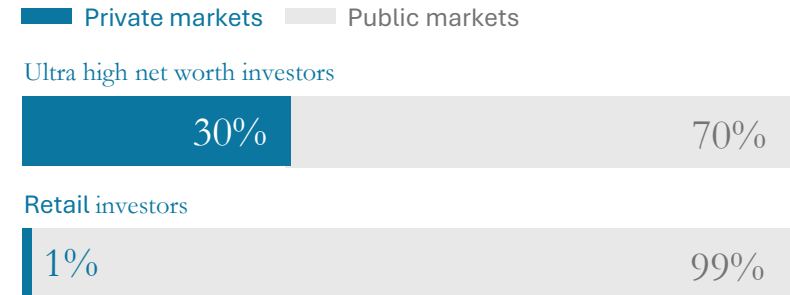


Defensive & Asset Light

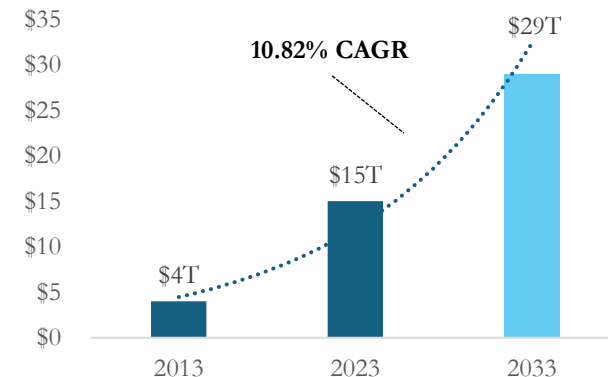
- Recurring revenue from management and advisory fees on client capital, not from performance-based investments
- Minimal direct investing, earns most revenue from advising and allocating capital, not owning or operating companies
- Sticky client relationships, and long-term contracts with institutional 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

Evergreen Retail Fund

% allocation to private markets



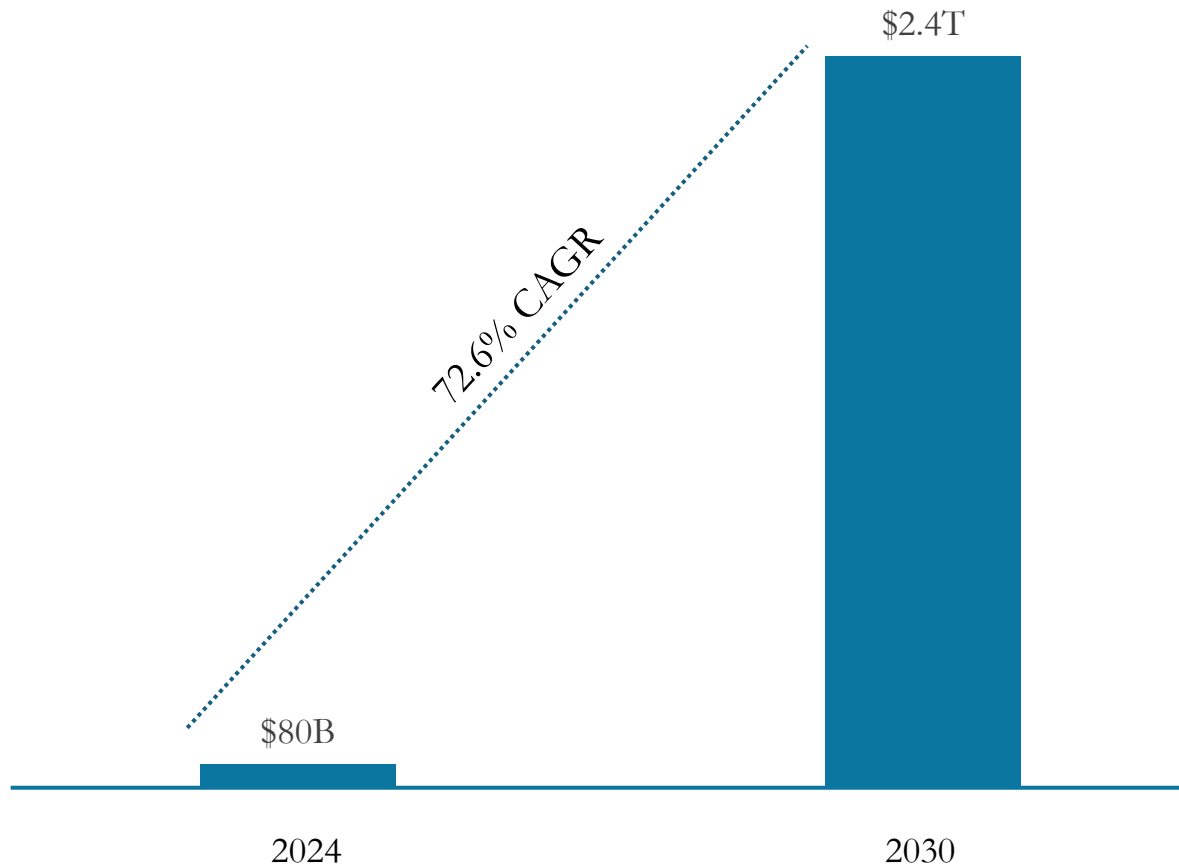
Private Markets Growth



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%

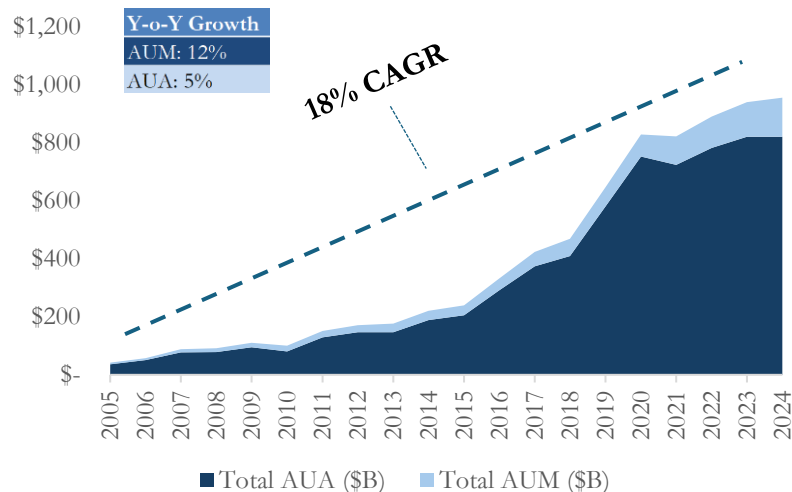
33.78% Annualized
Returns since inception
on Feb. 24

Evergreen Fund
Structure

Open to Retail Investors
through Republic Platform

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

Total Assets Under Management /Advisement

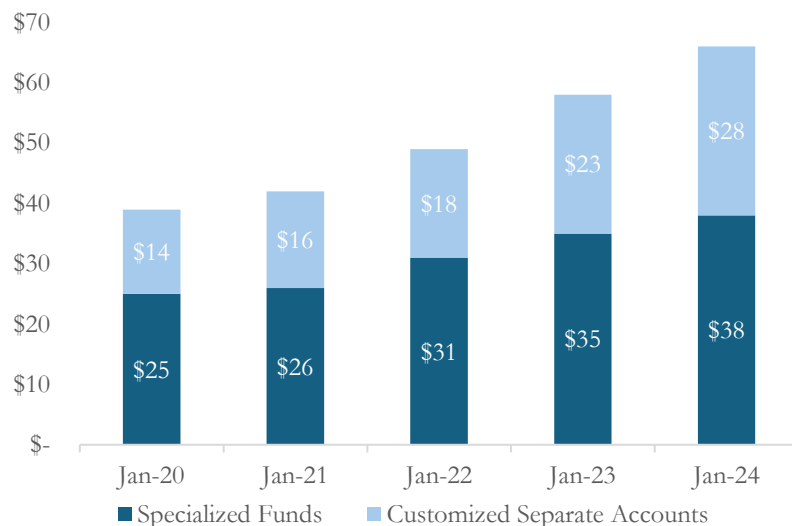


Business Model

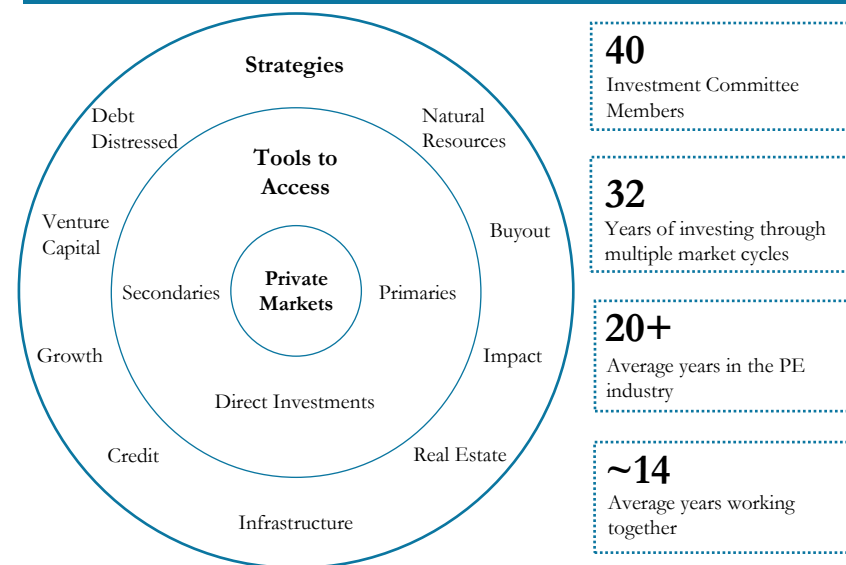
- Global private markets investment management firm, providing services to 1800+ clients across 50 countries
- Manages and supervises nearly \$1 in Trillion assets across private equity, private credit, essential services, long-term assets, and other alternative assets
- Revenue is generated from management 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

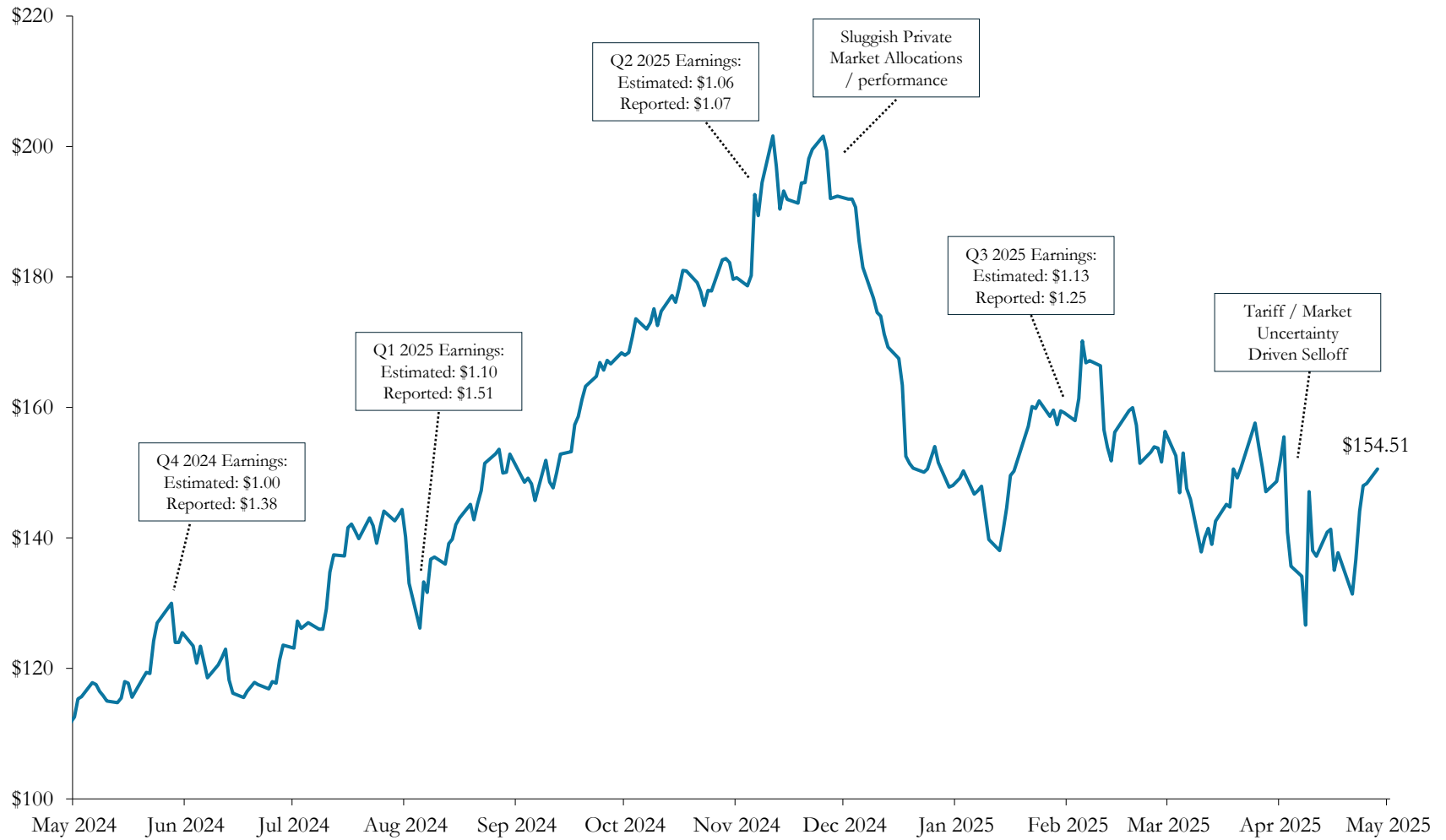


Total Fee- Earnings Assets Under Management

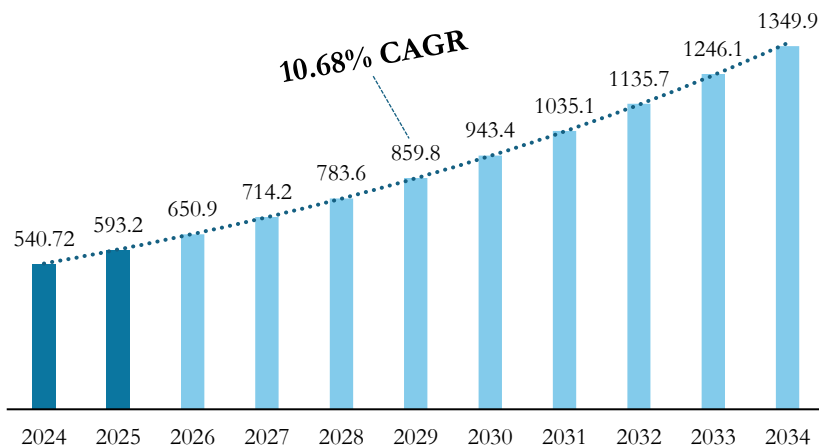


Full-Service Solutions Provider

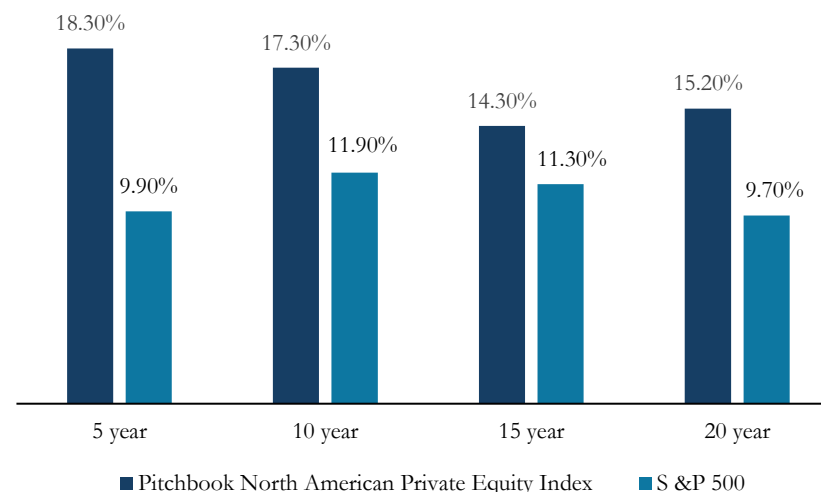




Private Equity Market Size Growth



Private vs Public Market Returns



Why Private Markets?

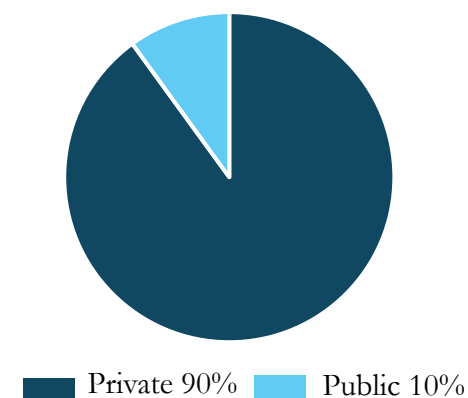
- Private market investments have historically outperformed public investments, especially over shorter time horizons
- Recently, there has been higher potential for retail investment in the private sector, so significant amounts of retail wealth will flow into private markets
- Private investments allow 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



Juan Moreira PhD, CFA



Co-CEO

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

David Helgerson



Head of Impact Investments

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

Peter Larsen



Managing Director

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

Kenneth Binick

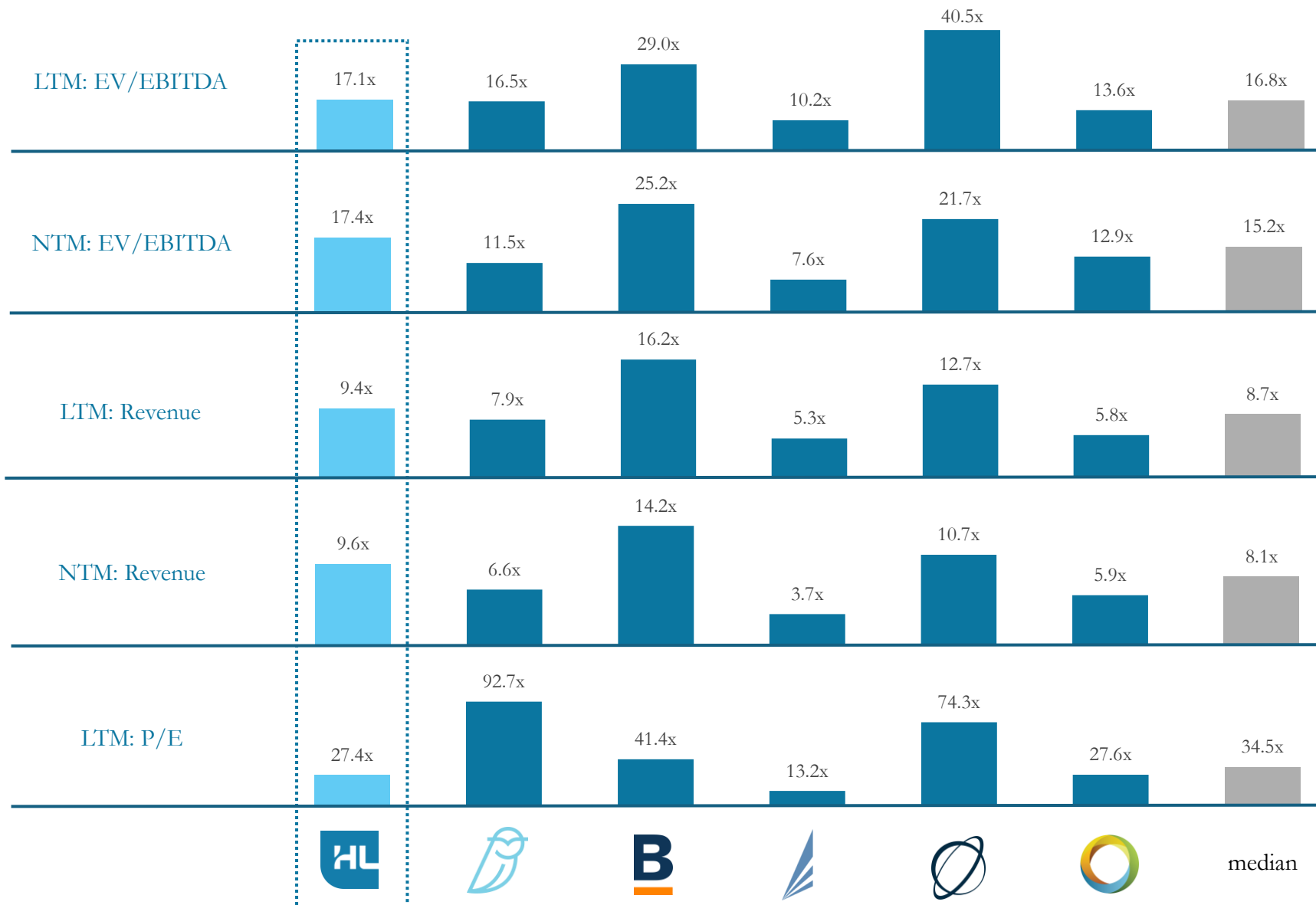


Co-Head of Direct Equity





- 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.



Risk & Mitigations

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

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%
AUA + Other	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%

Base Case	
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% 48% 48% 48% 48% 48%
D&A as % of revenue	1.4% 1.4% 1.4% 1.4% 1.4% 1.4%

Perpetuity Growth Method	
2030 Unlevered FCF	\$617.1
Perpetuity Growth Rate	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
Implied Share Price	\$168.6
Implied Premium	13.9%

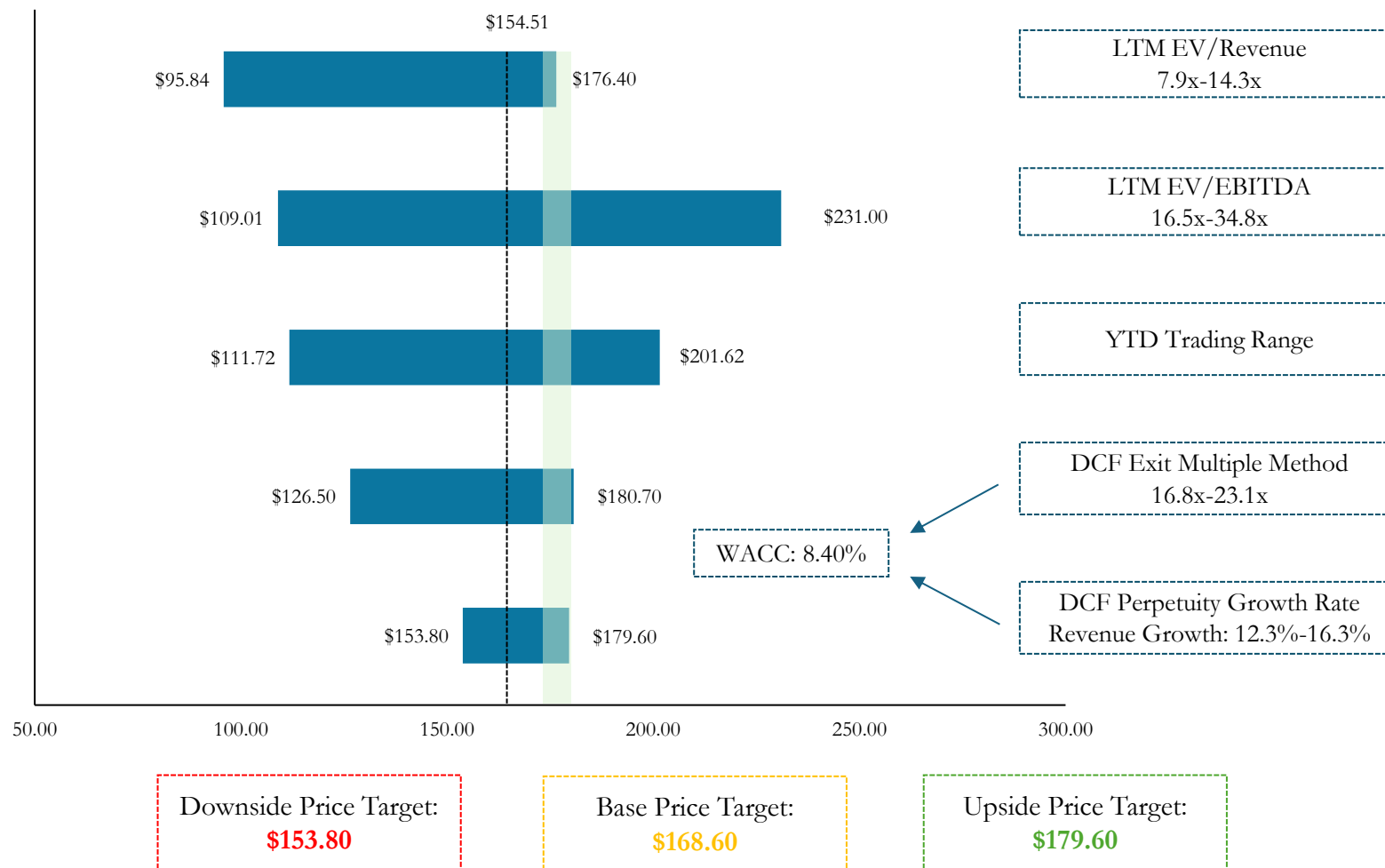
Exit Multiple Method	
2030 EBITDA	\$628.7
EV/EBITDA Multiple	23.0x
Terminal Value	\$14,406.3
Years	5.0
Present Value of Terminal Value	\$9,673.5
Enterprise Value	\$9,676.5
Implied Equity Value	\$9,366.6
FDSO	56.0
Implied Share Price	\$167.3
Implied Premium	12.8%

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

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 Size		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%	14.5%	13.8%	11.2%	11.2%

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 Inc. Discounted Cash Flow Analysis (\$ in millions, except per share)									
	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	
Revenue	\$ 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%	9.0%	
Cost of Goods Sold	198.4	204.0	256.3	298.6	341.9	388.9	432.3	480.8	
Gross Profit	330.4	349.8	397.5	463.1	530.2	603.2	670.5	745.8	Revenue - COGS
Gross Margin %	62.5%	63.2%	60.8%	60.8%	60.8%	60.8%	60.8%	60.8%	
Selling, General & Administrative	90.3	104.0	98.1	114.2	130.8	148.8	165.4	184.0	
SG&A as % of Revenue	17%	19%	15%	15%	15%	15%	15%	15%	
Operating Income	240.1	245.8	299.4	348.8	399.4	454.4	505.1	561.8	Gross Margin - Total Operating Expense
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%	
Net Income to Company	\$ 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%	
Unlevered Free Cash Flow	\$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	PV Factor = 1/(1+WACC)^Periods
PV Free Cash Flow			\$272.27	\$299.32	\$323.03	\$339.10	\$347.84	\$357.00	FCF*PV Factor
EBITDA	\$247.50	\$254.00	\$308.84	\$359.96	\$412.08	\$468.80	\$521.13	\$579.64	

Income Statement



Hamilton Lane Inc. Income Statement (\$ in millions, except per share)						
		2020	2021	2022	2023	2024
Revenue		274	342	368	529	554
y/y growth			24.7%	7.7%	43.7%	4.7%
Cost of Goods Sold		100	136	129	198	204
Gross Profit		174	205	239	330	350
% margin		63.5%	74.9%	87.1%	120.6%	127.7%
Selling, General & Administrative		58	50	69	90	104
% of revenue		21.0%	18.1%	25.3%	33.0%	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)		-	-	-	-	-
Operating Income (EBIT)		116	156	170	240	246
% margin		42.5%	56.8%	61.9%	87.6%	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-Operatng 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		14	24	66	55	55
Tax rate		10.0%	12.6%	21.2%	22.8%	19.3%
Minority Int. in Earnings		-66	-70.8	-101.3	(78.1)	(86.3)
Net Income		61	98	146	109	141
% margin		22.2%	28.7%	39.7%	20.6%	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
EBITDA		116	156	170	240	246