Houlihan Lokey Reports Second Quarter Fiscal 2027 Financial Results

– Second Quarter Fiscal 2027 Revenues of $692 million –
– Second Quarter Fiscal 2027 Diluted EPS of $1.64 –
– Adjusted Second Quarter Fiscal 2027 Diluted EPS of $1.85 –
– Announces Dividend of $0.70 per Share for Third Quarter Fiscal 2027 –

LOS ANGELES - October 28, 2026 - Houlihan Lokey, Inc. (NYSE:HLI) ("Houlihan Lokey" or the "Company") today reported financial results for its second quarter ended September 30, 2026.

For the second quarter ended September 30, 2026, revenues were $692 million, compared with $660 million for the second quarter ended September 30, 2025.

Net income attributable to Houlihan Lokey, Inc. was $109 million, or $1.64 per diluted share, for the second quarter ended September 30, 2026, compared with $111 million, or $1.63 per diluted share, for the second quarter ended September 30, 2025. Adjusted net income attributable to Houlihan Lokey, Inc. was $124 million, or $1.85 per diluted share, for the second quarter ended September 30, 2026, compared with $127 million, or $1.84 per diluted share, for the second quarter ended September 30, 2025.

"Improving market conditions resulted in a stronger second quarter," stated Scott Adelson, Chief Executive Officer of Houlihan Lokey. "While we remain cautious due to the volatility of external factors, we expect to see solid performance across our businesses for the remainder of the year."

Selected Financial Data

	U.S. GAAP			
	Three Months Ended September 30,		Six Months Ended September 30,	
(In millions, except per share data)	**2026**	**2025**	**2026**	**2025**
Revenues by segment				
Corporate Finance	$ 481	$ 439	$ 784	$ 837
Financial Restructuring	118	134	237	262
Financial and Valuation Advisory	93	87	182	166
Revenues	692	660	1,203	1,265
Operating expenses:				
Compensation	441	423	769	816
Non-compensation	97	86	202	208
Operating income	154	151	232	241
Other (income) expense, net	(5)	(9)	(13)	(17)
Income before provision for income taxes	159	160	245	258
Provision for income taxes	49	49	57	49
Net income	110	111	188	209
Net (income) loss attributable to noncontrolling interest	(1)	—	(1)	—
Net income attributable to Houlihan Lokey, Inc.	$ 109	$ 111	$ 187	$ 209
Diluted earnings per share attributable to Houlihan Lokey, Inc.	$ 1.64	$ 1.63	$ 2.78	$ 3.04

Revenues

For the second quarter ended September 30, 2026, revenues were $692 million, compared with $660 million for the second quarter ended September 30, 2025. For the second quarter ended September 30, 2026, Corporate Finance ("CF") revenues increased 10%, Financial Restructuring ("FR") revenues decreased (12)%, and Financial and Valuation Advisory ("FVA") revenues increased 7%, in each case, when compared with the second quarter ended September 30, 2025.

Expenses

The Company’s compensation expenses, non-compensation expenses, and provision for income taxes during the periods presented and described below are on a GAAP and an adjusted basis.

	U.S. GAAP		Adjusted (Non-GAAP) [1]	
	Three Months Ended September 30,			
($ in millions)	**2026**	**2025**	**2026**	**2025**
Expenses:				
Compensation	$ 441	$ 423	$ 426	$ 406
% of Revenues [2]	*63.7 %*	*64.2 %*	*61.5 %*	*61.5 %*
Non-compensation	$ 97	$ 86	$ 91	$ 83
% of Revenues [2]	*14.0 %*	*12.9 %*	*13.3 %*	*12.5 %*
Provision for income taxes	$ 49	$ 49	$ 54	$ 53
% of Pre-tax income [2]	*30.6 %*	*30.2 %*	*30.0 %*	*29.7 %*

	U.S. GAAP		Adjusted (Non-GAAP) [1]	
	Six Months Ended September 30,			
($ in millions)	**2026**	**2025**	**2026**	**2025**
Expenses:				
Compensation	$ 769	$ 816	$ 740	$ 778
% of Revenues [2]	*63.9 %*	*64.5 %*	*61.5 %*	*61.5 %*
Non-compensation	$ 202	$ 208	$ 191	$ 177
% of Revenues [2]	*16.8 %*	*16.4 %*	*15.9 %*	*14.0 %*
Provision for income taxes	$ 57	$ 49	$ 67	$ 52
% of Pre-tax income [2]	*23.3 %*	*18.9 %*	*23.6 %*	*16.0 %*

(1) Adjusted figures represent non-GAAP information. See “Non-GAAP Financial Measures” and the tables at the end of this release for an explanation of the adjustments and reconciliations to the comparable GAAP numbers.
(2) The percentages are presented as calculated; therefore, they may not recalculate precisely due to rounding.

Compensation expenses were $441 million for the second quarter ended September 30, 2026, compared with $423 million for the second quarter ended September 30, 2025. This resulted in a compensation ratio of 63.7% for the second quarter ended September 30, 2026, compared with 64.2% for the second quarter ended September 30, 2025. Adjusted compensation expenses were $426 million for the second quarter ended September 30, 2026, compared with $406 million for the second quarter ended September 30, 2025. This resulted in an adjusted compensation ratio of 61.5% for both the second quarter ended September 30, 2026 and the second quarter ended September 30, 2025. The increase in GAAP and adjusted compensation expenses was primarily a result of an increase in revenues for the quarter when compared with the same quarter last year.

Non-compensation expenses were $97 million for the second quarter ended September 30, 2026, compared with $86 million for the second quarter ended September 30, 2025. Adjusted non-compensation expenses were $91 million for the second quarter ended September 30, 2026, compared with $83 million for the second quarter ended September 30, 2025. The increase in GAAP and adjusted non-compensation expenses was primarily a result of an increase in rent expense and other operating expenses when compared with the same quarter last year.

The effective tax rate was 30.6% for the second quarter ended September 30, 2026, compared with 30.2% for the second quarter ended September 30, 2025. The adjusted effective tax rate was 30.0% for the second quarter ended September 30, 2026, compared with 29.7% for the second quarter ended September 30, 2025.

Segment Reporting for the Second Fiscal Quarter

Corporate Finance

CF revenues were $481 million for the second quarter ended September 30, 2026, compared with $439 million for the second quarter ended September 30, 2025. Revenues increased due to an increase in the average transaction fee on closed transactions, which was driven by transaction mix and improved market conditions for M&A and capital markets transactions. This increase was partially offset by a decline in the number of closed transactions, which we believe does not represent a trend.

	Three Months Ended September 30,		Six Months Ended September 30,	
($ in millions)	**2026**	**2025**	**2026**	**2025**
Corporate Finance				
Revenues	$ 481	$ 439	$ 784	$ 837
# of Managing Directors [1]	267	242	267	242
# of Closed transactions [2]	142	171	269	296

Financial Restructuring

FR revenues were $118 million for the second quarter ended September 30, 2026, compared with $134 million for the second quarter ended September 30, 2025. Revenues decreased primarily due to a decrease in the number of closed transactions, driven by timing of transaction closings. This was partially offset by an increase in the average transaction fee on closed transactions, driven by transaction mix, which we believe does not represent a trend.

	Three Months Ended September 30,		Six Months Ended September 30,	
($ in millions)	**2026**	**2025**	**2026**	**2025**
Financial Restructuring				
Revenues	$ 118	$ 134	$ 237	$ 262
# of Managing Directors [1]	57	58	57	58
# of Closed transactions [2]	27	37	50	72

Financial and Valuation Advisory

FVA revenues were $93 million for the second quarter ended September 30, 2026, compared with $87 million for the second quarter ended September 30, 2025. Revenues increased due to growth in our non-cyclical businesses.

	Three Months Ended September 30,		Six Months Ended September 30,	
($ in millions)	**2026**	**2025**	**2026**	**2025**
Financial and Valuation Advisory				
Revenues	$ 93	$ 87	$ 182	$ 166
# of Managing Directors [1]	46	45	46	45
# of Fee Events [2]	1,071	1,075	1,554	1,517

(1) As of the end of the respective reporting period.

(2) A Fee Event includes any engagement that involves revenue activity during the measurement period based on a revenue minimum of one thousand dollars. References in this press release to closed transactions should be understood to be the same as transactions that are “effectively closed” as described in our annual report on Form 10-K.

Other Announcements

The Board of Directors of the Company declared a regular quarterly cash dividend of $0.70 per share of Class A and Class B common stock. The dividend will be payable on December 15, 2026 to stockholders of record as of the close of business on December 1, 2026. Also, during the second quarter ended September 30, 2026, the Company repurchased 397 thousand shares as part of its share repurchase program. As of September 30, 2026, the Company had $888 million of cash and cash equivalents and investment securities.

Investor Conference Call and Webcast

The Company will host a conference call and live webcast at 5:00 p.m. Eastern Time on Wednesday, October 28, 2026, to discuss its second quarter fiscal 2027 results. The number to call is 1-844-501-1995 (domestic) or 1-412-317-5180 (international). A live webcast will be available in the Investor Relations section of the Company's website. A replay of the conference call will be available from October 28, 2026 through November 4, 2026, by dialing 1-844-512-2921 (domestic) or 1-412-317-6671 (international) and entering the passcode 10212286. A replay of the webcast will be archived and available on the Company's website.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. You can identify these statements by our use of the words "assumes," "believes," "estimates," "expects," "guidance," "intends," "plans," "projects," "indicates," "suggests," "sees," "will," and similar expressions that do not relate to historical matters. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties, and other factors which are, in some cases, beyond the Company's control and could materially affect actual results, performance, or achievements. For a further description of such factors, you should read the Company's filings with the Securities and Exchange Commission. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. The Company does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Non-GAAP Financial Measures

As a supplement to our financial measures presented in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), the Company presents certain adjusted (non-GAAP) measures of financial performance. These non-GAAP financial measures are not intended to be considered in isolation from, as a substitute for, or as more important than, the financial information prepared and presented in accordance with GAAP. In addition, these non-GAAP measures have limitations in that they do not reflect all of the items associated with the Company's results of operations as determined in accordance with GAAP.

Adjusted net income, total and on a per share basis, and certain adjusted items used to determine adjusted net income, are presented and discussed in this earnings press release and are non-GAAP measures that management believes, when presented together with comparable GAAP measures, are useful to investors in understanding the Company's financial and operating performance. The non-GAAP financial measures exclude the following items, as applicable in any given reporting period:

- certain acquisition related costs, including (1) acquisition related deferred retention payments, which may be settled in cash or common stock of the Company; (2) amortization of intangible assets recognized in purchase accounting; (3) fair value remeasurements of acquisition-related contingent consideration; and (4) other integration and acquisition related costs, including asset write offs or impairments;
- legal and other professional fees associated with the simplification of our legal entity structure that has resulted from acquisitions;
- the income tax adjustments associated with the non-tax adjustments above, determined by applying the tax rates in effect in the jurisdictions for which the non-tax adjustment relates; and
- significant discrete tax related items, including (1) acquisition-related costs which are non-deductible for income tax purposes and (2) other unusual or unique tax-related items and activities.

In the future, the Company may also consider whether other items should also be excluded in calculating the non-GAAP financial measures used by the Company.

These non-GAAP measures facilitate comparison of operating performance between periods and help investors to understand our underlying operating results by excluding certain items that may not be indicative of the Company's core business, operating results, or future outlook. We consider quantitative and qualitative factors in assessing whether to adjust for the impact of items that could affect an understanding of our ongoing financial and business performance or trends. Internally, management uses these non-GAAP financial measures, along with GAAP financial measures, in assessing the Company's operating results.

The adjusted items included in this earnings press release as calculated by the Company are not necessarily comparable to similarly titled measures reported by other companies. Additionally, these adjusted amounts are not a measurement of financial performance or liquidity under GAAP and should not be considered as an alternative to the Company's financial information determined under GAAP. For additional descriptions of the Company's use of these adjusted items and a reconciliation with comparable GAAP items, see the section of this press release titled "Reconciliation of GAAP to Adjusted Financial Information."

We encourage investors to review our GAAP financial statements and other regulatory filings for a comprehensive understanding of our financial condition, results of operations, and cash flows.

About Houlihan Lokey

Houlihan Lokey, Inc. (NYSE:HLI) is a leading global investment bank recognized for delivering independent strategic and financial advice to corporations, financial sponsors, and governments. With uniquely deep industry expertise, broad international reach, and a partnership approach rooted in trust, the firm provides innovative, integrated solutions across mergers and acquisitions, capital solutions, financial restructuring, and financial and valuation advisory. Our unmatched transaction volumes provide differentiated, data-driven perspectives that help our clients achieve their most critical goals. To learn more about Houlihan Lokey, please visit HL.com.

HOULIHAN LOKEY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(In millions, except par value)	**September 30, 2026**	**March 31, 2026**
Assets:		
Cash and cash equivalents	$ 837	$ 1,189
Investment securities	51	170
Accounts receivable, net of allowance for credit losses	285	228
Unbilled work in progress, net of allowance for credit losses	267	271
Property and equipment, net	148	143
Operating lease right-of-use assets	410	407
Goodwill	1,471	1,396
Other intangible assets, net	212	204
Other assets	294	301
Total assets	$ 3,975	$ 4,309
Liabilities, temporary equity and stockholders' equity		
Liabilities:		
Accrued salaries and bonuses	$ 775	$ 1,077
Accounts payable and accrued expenses	102	136
Operating lease liabilities	494	492
Other liabilities	186	151
Total liabilities	1,557	1,856
Redeemable noncontrolling interest	111	111
Stockholders' equity:		
Class A common stock, $0.001 par value. Authorized 1,000 shares; issued and outstanding 54.0 and 54.2 shares, respectively	—	—
Class B common stock, $0.001 par value. Authorized 1,000 shares; issued and outstanding 15.4 and 15.3 shares, respectively	—	—
Additional paid-in capital	631	746
Retained earnings	1,726	1,645
Accumulated other comprehensive loss	(50)	(49)
Total stockholders’ equity	2,307	2,342
Total liabilities, temporary equity and stockholders’ equity	$ 3,975	$ 4,309

HOULIHAN LOKEY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(In millions, except per share amounts)	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Revenues	$ 692	$ 660	$ 1,203	$ 1,265
Operating expenses:				
Employee compensation and benefits	426	406	740	778
Acquisition related compensation and benefits	15	17	29	38
Travel, meals, and entertainment	17	15	36	35
Rent	22	18	43	36
Depreciation and amortization	10	10	18	26
Information technology and communications	19	17	38	35
Professional fees	10	10	27	22
Other operating expenses	19	16	40	36
Revaluation of acquisition contingent consideration	—	—	—	18
Total operating expenses	538	509	971	1,024
Operating income	154	151	232	241
Other (income) expense, net	(5)	(9)	(13)	(17)
Income before provision for income taxes	159	160	245	258
Provision for income taxes	49	49	57	49
Net income	110	111	188	209
Net (income) loss attributable to noncontrolling interest	(1)	—	(1)	—
Net income attributable to Houlihan Lokey, Inc.	$ 109	$ 111	$ 187	$ 209
Weighted average shares of common stock outstanding:				
Basic	66.6	67.0	66.6	66.6
Fully diluted	67.0	68.6	67.3	68.8
Earnings per share				
Basic	$ 1.64	$ 1.67	$ 2.81	$ 3.14
Fully diluted	$ 1.64	$ 1.63	$ 2.78	$ 3.04

HOULIHAN LOKEY, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO ADJUSTED FINANCIAL INFORMATION
(UNAUDITED)

(In millions, except per share data)	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Revenues	$ 692	$ 660	$ 1,203	$ 1,265
Compensation expenses				
Compensation expenses (GAAP)	$ 441	$ 423	$ 769	$ 816
Less: Acquisition related compensation and benefits [1]	(15)	(17)	(29)	(38)
Compensation expenses (adjusted)	426	406	740	778
Non-compensation expenses				
Non-compensation expenses (GAAP)	$ 97	$ 86	$ 202	$ 208
Less: Acquisition related legal structure reorganization [2]	—	—	—	(1)
Less: Integration and acquisition related costs [3]	(3)	—	(6)	—
Less: Acquisition amortization [4]	(3)	(3)	(5)	(12)
Less: Revaluation of acquisition contingent consideration [5]	—	—	—	(18)
Non-compensation expenses (adjusted)	91	83	191	177
Operating income				
Operating income (GAAP)	$ 154	$ 151	$ 232	$ 241
Plus: Adjustments [6]	21	20	40	69
Operating income (adjusted)	175	171	272	310
Other (income) expense, net				
Other (income) expense, net (GAAP)	$ (5)	$ (9)	$ (13)	$ (17)
Other (income) expense, net (adjusted)	(5)	(9)	(13)	(17)
Provision for income taxes				
Provision for income taxes (GAAP)	$ 49	$ 49	$ 57	$ 49
Less: Non-deductible acquisition related costs [7]	—	(1)	—	(2)
Adjusted provision for income taxes	49	48	57	47
Plus: Resulting tax impact [8]	5	5	10	5
Provision for income taxes (adjusted)	54	53	67	52
Net (income) loss attributable to noncontrolling interest				
Net (income) loss attributable to noncontrolling interest (GAAP)	$ (1)	$ —	$ (1)	$ —
Less: Impact of adjustments on noncontrolling interest, net of tax [9]	(1)	—	(2)	—
Net (income) loss attributable to noncontrolling interest (adjusted)	(2)	—	(3)	—
Net income attributable to Houlihan Lokey, Inc.				
Net income attributable to Houlihan Lokey, Inc. (GAAP)	$ 109	$ 111	$ 187	$ 209
Plus: Adjustments [10]	15	16	28	66
Net income attributable to Houlihan Lokey, Inc. (adjusted)	$ 124	$ 127	$ 215	$ 275
Fully diluted shares outstanding				
Fully diluted shares outstanding (GAAP)	67.0	68.6	67.3	68.8
Plus: Impact of unvested GCA retention and deferred share awards	—	0.3	—	0.3
Fully diluted shares outstanding (adjusted)	67.0	68.9	67.3	69.1
Fully diluted EPS (GAAP)	$ 1.64	$ 1.63	$ 2.78	$ 3.04
Fully diluted EPS (adjusted)	$ 1.85	$ 1.84	$ 3.20	$ 3.98

Notes to Reconciliation of GAAP to Adjusted Financial Information

(1) Reflects acquisition related deferred retention payments.
(2) Reflects legal and other professional fees associated with the simplification of our legal entity structure that has resulted from acquisitions.
(3) Reflects integration and acquisition related costs, including asset write offs or impairments.
(4) Reflects amortization of intangible assets recognized in purchase accounting from our acquisitions.
(5) Reflects the fair value remeasurement of acquisition-related contingent consideration.
(6) The aggregate of adjustments from compensation and non-compensation expenses.
(7) Reflects acquisition-related costs which are non-deductible for income tax purposes.
(8) Reflects the tax impact of the non-tax adjustments identified above.
(9) Reflects the impact of adjustments attributable to the noncontrolling interest, net of tax.
(10) Consists of all adjustments identified above, net of the associated tax impact.