

## DIAMOND HILL INVESTMENT GROUP, INC. REPORTS RESULTS FOR SECOND QUARTER 2025 AND DECLARES QUARTERLY DIVIDEND

2025-07-29

COLUMBUS, Ohio, July 29, 2025 /PRNewswire/ -- Diamond Hill Investment Group, Inc. (Nasdaq: DHIL) today reported unaudited financial results for the second quarter of 2025.

The following are selected highlights for the quarter ended June 30, 2025:

- Assets under management ("AUM") and assets under advisement ("AUA") combined were \$31.9 billion, compared to \$31.9 billion as of December 31, 2024, and \$31.1 billion as of June 30, 2024.
- Average AUM and AUA combined were \$31.0 billion, compared to \$31.1 billion for the second quarter of 2024.
- Net client outflows were \$644.0 million, compared to \$229.0 million of net inflows for the second quarter of 2024.
- Revenue was \$36.0 million, compared to \$36.7 million for the second quarter of 2024.
- Net operating profit margin was 22%, compared to 33% for the second quarter of 2024.
- Adjusted net operating profit margin<sup>1</sup> was 30% for the second quarter of 2025 and 31% for the second quarter of 2024.
- Investment income was \$14.6 million, compared to investment loss of \$0.7 million for the second quarter of 2024.
- Net income attributable to common shareholders was \$15.6 million, compared to \$8.1 million for the second quarter of 2024.
- Earnings per share attributable to common shareholders - diluted was \$5.73, compared to \$2.93 for the second quarter of 2024.
- Adjusted earnings per share attributable to common shareholders - diluted<sup>2</sup> was \$2.86, compared to \$2.88

for the second quarter of 2024.

- The Company returned approximately \$12.3 million to its shareholders - \$8.3 million through the repurchase of 59,763 common shares and \$4.0 million through a dividend of \$1.50 per common share.

"Steep market volatility at the start of the quarter created opportunities for investors with a long-term discipline like ours," said Heather Brilliant, CEO. "We remain focused on building lasting value through consistent execution, disciplined capital allocation, and continued investment in areas of competitive strength. As part of this commitment, we are excited to launch our new fixed income strategy, the Diamond Hill Securitized Total Return Fund, which launched on July 1, 2025."

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1 Adjusts the financial measure calculated in accordance with U.S. generally accepted accounting principles ("GAAP") for the impact of market movements on the deferred compensation liability and related economic hedges, and the impact of any consolidated funds. During the second quarter of 2025, the Diamond Hill Core Plus Bond Fund was consolidated. On June 30, 2025, the Company seeded the Diamond Hill Securitized Total Return Fund and consolidated it as of June 30, 2025. During the second quarter of 2024, no Proprietary Funds were consolidated. The "Proprietary Funds" consist of the Diamond Hill Funds, a series of open-end mutual funds, and the Diamond Hill Securitized Credit Fund, a closed-end registered investment company. The Proprietary Fund(s) consolidated during the applicable period are referred to as the "Consolidated Funds." See the reconciliation to the comparable GAAP financial measure at the end of this earnings release.

2 Adjusts the financial measure calculated in accordance with GAAP for the impact of the Consolidated Fund(s) and investment income related to certain other investments. See the reconciliation to the comparable GAAP financial measure at the end of this earnings release.

## Capital Allocation:

The Company's board of directors approved the payment of a regular quarterly cash dividend of \$1.50 per common share. The dividend will be paid on September 12, 2025, to the Company's shareholders of record as of the close of business on August 29, 2025.

## Selected Income Statement Data

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Three Months Ended June 30,		% Change
2025	2024	

Revenue	\$	36,025,931	\$	36,661,333	(2) %
Compensation and related costs, excluding deferred compensation expense (benefit)		17,685,228		18,330,666	(4) %
Deferred compensation expense (benefit)		3,041,906		(869,135)	NM
Other expenses		7,533,733		7,067,191	7 %
Total operating expenses		28,260,867		24,528,722	15 %
Net operating income		7,765,064		12,132,611	(36) %
Investment income (loss), net		14,554,685		(654,591)	NM
Net income before taxes		22,319,749		11,478,020	94 %
Income tax expense		(6,161,321)		(3,352,180)	84 %
Net income		16,158,428		8,125,840	99 %
Net income attributable to redeemable noncontrolling interest		(587,851)		—	NM
Net income attributable to common shareholders	\$	15,570,577	\$	8,125,840	92 %
Earnings per share attributable to common shareholders - diluted	\$	5.73	\$	2.93	96 %
Weighted average shares outstanding - diluted		2,719,610		2,769,427	(2) %

Six Months Ended June 30,					% Change
	2025		2024		
Revenue	\$	73,142,141	\$	72,956,263	— %
Compensation and related costs, excluding deferred compensation expense		35,891,876		36,478,131	(2) %
Deferred compensation expense		2,077,251		2,321,228	(11) %
Other expenses		14,344,051		13,721,467	5 %
Total operating expenses		52,313,178		52,520,826	— %
Net operating income		20,828,963		20,435,437	2 %
Investment income, net		15,674,654		8,711,087	80 %
Net income before taxes		36,503,617		29,146,524	25 %
Income tax expense		(9,972,339)		(8,004,751)	25 %
Net income		26,531,278		21,141,773	25 %
Net income attributable to redeemable noncontrolling interest		(598,438)		—	NM
Net income attributable to common shareholders	\$	25,932,840	\$	21,141,773	23 %
Earnings per share attributable to common shareholders - diluted	\$	9.49	\$	7.57	25 %
Weighted average shares outstanding - diluted		2,734,009		2,793,133	(2) %

## Selected Assets Under Management and Assets Under Advisement Data

Change in AUM and AUA For the Three Months Ended June 30,				
(in millions)	2025		2024	
AUM at beginning of period	\$	29,792	\$	29,979
Net cash inflows (outflows)				
Proprietary Funds		(146)		117
Separately managed accounts		(273)		(185)
Collective investment trusts		(256)		247
Other pooled vehicles		31		50
		(644)		229
Net market appreciation (depreciation) and income		923		(917)
Increase (decrease) during period		279		(688)
AUM at end of period		30,071		29,291
AUA at end of period		1,788		1,843
Total AUM and AUA at end of period	\$	31,859	\$	31,134
Average AUM during period	\$	29,216	\$	29,206
Average AUA during period		1,758		1,866
Total average AUM and AUA during period	\$	30,974	\$	31,072
Change in AUM and AUA For the Six Months Ended June 30,				
(in millions)	2025		2024	
AUM at beginning of period	\$	30,012	\$	27,418
Net cash inflows (outflows)				
Proprietary Funds		241		209
Separately managed accounts		(722)		(347)
Collective investment trusts		(560)		417
Other pooled vehicles		(131)		68
		(1,172)		347
Net market appreciation and income		1,231		1,526
Increase during period		59		1,873
AUM at end of period		30,071		29,291
AUA at end of period		1,788		1,843

Total AUM and AUA at end of period	\$	31,859	\$	31,134
Average AUM during period	\$	29,818	\$	28,652
Average AUA during period		1,841		1,833
Total average AUM and AUA during period	\$	31,659	\$	30,485

(in millions)	Net Cash Inflows (Outflows) Further Breakdown			
	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Net cash inflows (outflows)				
Equity	\$ (896)	\$ (345)	\$ (2,184)	\$ (722)
Fixed Income	252	574	1,012	1,069
	\$ (644)	\$ 229	\$ (1,172)	\$ 347

#### About Diamond Hill:

Diamond Hill invests on behalf of clients through a shared commitment to its valuation-driven investment principles, long-term perspective, capacity discipline and client alignment. An independent active asset manager with significant employee ownership, Diamond Hill's investment strategies include differentiated U.S. and international equity, alternative long-short equity and fixed income.

## Non-GAAP Financial Measures and Reconciliation

As supplemental information, the Company is providing certain financial measures that are based on methodologies other than GAAP ("non-GAAP"). Management believes the non-GAAP financial measures below are useful measures of the Company's core business activities, are important metrics in estimating the value of an asset management business, and help facilitate comparisons to Company operating performance across periods. These non-GAAP financial measures are presented for supplemental informational purposes only, should not be used as a substitute for financial measures calculated in accordance with GAAP and may be calculated differently from similarly titled non-GAAP measures used by other companies. The following schedules reconcile the differences between financial measures calculated in accordance with GAAP and non-GAAP financial measures for the three-month and six-month periods ended June 30, 2025 and 2024, respectively. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, as well as the Company's condensed consolidated financial statements and related notes in its quarterly report on Form 10-Q for the quarter ended June 30, 2025.

Three Months Ended June 30, 2025							
(in thousands, except percentages and per share data)	Total operating expenses	Net operating income	Total non-operating income (loss)	Income tax expense(4)	Net income attributable to common shareholders	Earnings per share attributable to common shareholders - diluted	Net operating profit margin
GAAP Basis	\$ 28,261	\$ 7,765	\$ 14,555	\$ 6,161	\$ 15,571	\$ 5.73	22 %
Non-GAAP Adjustments:							
Deferred compensation liability(1)	(3,042)	3,042	(3,042)	—	—	—	8 %
Consolidated Funds(2)	—	66	(1,168)	(146)	(368)	(0.13)	—
Other investment income(3)	—	—	(10,345)	(2,933)	(7,412)	(2.74)	—
Adjusted Non-GAAP basis	\$ 25,219	\$ 10,873	\$ —	\$ 3,082	\$ 7,791	\$ 2.86	30 %
Three Months Ended June 30, 2024							
(in thousands, except percentages and per share data)	Total operating expenses	Net operating income	Total non-operating income (loss)	Income tax expense(4)	Net income attributable to common shareholders	Earnings per share attributable to common shareholders - diluted	Net operating profit margin
GAAP Basis	\$ 24,529	\$ 12,133	\$ (655)	\$ 3,352	\$ 8,126	\$ 2.93	33 %
Non-GAAP Adjustments:							
Deferred compensation liability(1)	869	(869)	869	—	—	—	(2) %
Other investment income(3)	—	—	(214)	(62)	(152)	(0.05)	—
Adjusted Non-GAAP basis	\$ 25,398	\$ 11,264	\$ —	\$ 3,290	\$ 7,974	\$ 2.88	31 %
Six Months Ended June 30, 2025							
(in thousands, except percentages and per share data)	Total operating expenses	Net operating income	Total non-operating income (loss)	Income tax expense(4)	Net income attributable to common shareholders	Earnings per share attributable to common shareholders - diluted	Net operating profit margin
GAAP Basis	\$ 52,313	\$ 20,829	\$ 15,675	\$ 9,972	\$ 25,933	\$ 9.49	28 %
Non-GAAP Adjustments:							
Deferred compensation liability(1)	(2,077)	2,077	(2,077)	—	—	—	3 %
Consolidated Funds(2)	—	106	(2,287)	(440)	(1,143)	(0.42)	— %
Other investment income(3)	—	—	(11,311)	(3,141)	(8,170)	(2.99)	—
Adjusted Non-GAAP basis	\$ 50,236	\$ 23,012	\$ —	\$ 6,391	\$ 16,620	\$ 6.08	31 %
Six Months Ended June 30, 2024							
(in thousands, except percentages and per share data)	Total operating expenses	Net operating income	Total non-operating income (loss)	Income tax expense(4)	Net income attributable to common shareholders	Earnings per share attributable to common shareholders - diluted	Net operating profit margin
GAAP Basis	\$ 52,521	\$ 20,435	\$ 8,711	\$ 8,005	\$ 21,142	\$ 7.57	28 %
Non-GAAP Adjustments:							
Deferred compensation liability (1)	(2,321)	2,321	(2,321)	—	—	—	3 %
Other investment income(3)	—	—	(6,390)	(1,757)	(4,633)	(1.66)	—
Adjusted Non-GAAP basis	\$ 50,200	\$ 22,756	\$ —	\$ 6,248	\$ 16,509	\$ 5.91	31 %

(1) This non-GAAP adjustment removes the compensation expense resulting from market valuation changes in the Company's deferred compensation plans' liability and the related net gains/losses on investments designated as an economic hedge against the related liability. Amounts deferred under the deferred compensation plans are adjusted for appreciation/depreciation of investments chosen by participants. The Company believes it is useful to offset the non-operating investment income or loss realized on the hedges against the related compensation expense and remove the net impact to help readers understand the Company's core operating results and to

improve comparability from period to period.

(2) This non-GAAP adjustment removes the impact that the Consolidated Fund(s) had on the Company's GAAP consolidated statements of income. Specifically, the Company adds back the operating expenses and subtracts the investment income of the Consolidated Fund(s). The adjustment to net operating income represents the operating expenses of the Consolidated Fund(s), net of the elimination of related management and administrative fees. The adjustment to net income attributable to common shareholders represents the net income of the Consolidated Fund(s), net of redeemable non-controlling interests. The Company believes removing the impact of the Consolidated Fund(s) helps readers understand its core operating results and improves comparability from period to period.

(3) This non-GAAP adjustment represents the net gains or losses earned on the Company's non-consolidated investment portfolio that are not designated as economic hedges of the Deferred Compensation Plans' liability, non-consolidated seed investments, and other investments. The Company believes adjusting for these non-operating income or loss items helps readers understand the Company's core operating results and improves comparability from period to period.

(4) The income tax expense impacts were calculated and resulted in the overall non-GAAP effective tax rates of 28.4% for the three months ended June 30, 2025, 29.2% for the three months ended June 30, 2024, 27.8% for the six months ended June 30, 2025 and 27.5% for the six months ended June 30, 2024.

The Company does not recommend that investors consider non-GAAP financial measures alone, or as a substitute for, financial information prepared in accordance with GAAP.

## Cautionary Note Regarding Forward-Looking Statements

Throughout this press release, the Company may make "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, as amended (the "PSLR Act"), Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are provided under the "safe harbor" protection of the PSLR Act of 1995. Forward-looking statements include, but are not limited to, statements regarding anticipated operating results, prospects and levels of AUM or AUA, technological developments, economic trends (including interest rates and market volatility), expected transactions and similar matters. The words "may," "believe," "expect," "anticipate," "target," "goal," "project," "estimate," "guidance," "forecast," "outlook," "would," "will," "continue," "likely," "should," "hope," "seek," "plan," "intend," and variations of such words and similar expressions identify forward-looking statements. Similarly, descriptions of the Company's objectives, strategies, plans, goals, or targets are also forward-looking statements. Forward-looking statements are based on the Company's expectations at the time such statements are made, speak only as of the

dates they are made and are susceptible to a number of risks, uncertainties and other factors. While the Company believes that the assumptions underlying its forward-looking statements are reasonable, investors are cautioned that any of the assumptions could prove to be inaccurate and, accordingly, the Company's actual results and experiences may differ materially from the anticipated results or other expectations expressed in its forward-looking statements.

Factors that may cause the Company's actual results or experiences to differ materially from results discussed in forward-looking statements are discussed under Part I, Item 1A (Risk Factors) and elsewhere in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, as well as in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025. These factors include, but are not limited to: (i) any reduction in the Company's AUM or AUA; (ii) withdrawal, renegotiation, or termination of investment advisory agreements; (iii) damage to the Company's reputation; (iv) failure to comply with investment guidelines or other contractual requirements; (v) challenges from the competition the Company faces in its business; (vi) challenges from industry trends towards lower fee strategies and model portfolio arrangements; (vii) adverse regulatory and legal developments; (viii) unfavorable changes in tax laws or limitations; (ix) interruptions in or failure to provide critical technological service by the Company or third parties; (x) adverse civil litigation and government investigations or proceedings; (xi) failure to adapt to or successfully incorporate technological changes, such as artificial intelligence ("AI"), into the Company's business; (xii) risk of loss on the Company's investments; (xiii) lack of sufficient capital on satisfactory terms; (xiv) losses or costs not covered by insurance; (xv) a decline in the performance of the Company's products; (xvi) changes in interest rates and inflation; (xvii) changes in national and local economic and political conditions; (xviii) the continuing economic uncertainty in various parts of the world; (xix) the effects of pandemics and the actions taken in connection therewith; (xx) political uncertainty caused by, among other things, political parties, economic nationalist sentiments, tensions surrounding the current socioeconomic landscape; (xxi) changes in trade policy, including new tariffs and retaliatory measures, by the U.S. and other countries; and (xxii), other risks identified from time-to-time in the Company's public documents on file with the SEC.

In light of the significant uncertainties in forward-looking statements, the inclusion of such information should not be regarded as a representation by the Company or any other person that its expectations, objectives and plans will be achieved. All forward-looking statements made in this press release are based on information presently available to the management of the Company and speak only as of the date hereof. Readers are cautioned not to place undue reliance on forward-looking statements. New risks and uncertainties arise from time to time, and factors that the Company currently deems immaterial may become material, and it is impossible for the Company to predict these events or how they may affect it. The Company assumes no obligation to update any forward-looking statements after the date they are made, whether as a result of new information, future events or developments or otherwise, except as required by law, although it may do so from time to time. The Company

does not endorse any projections regarding future performance that may be made by third parties.

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