



Moelis & Company Reports First Quarter 2024 Financial Results; Declares Regular Quarterly Dividend of \$0.60 Per Share

- First quarter GAAP revenues of \$217.5 million; first quarter Adjusted revenues of \$217.5 million, up 17% from the prior year period
- GAAP and Adjusted net income of \$0.22 per share for the first quarter of 2024; GAAP and Adjusted net income includes a \$0.14 per share (diluted) tax benefit
- Continued to execute on our growth strategy:
 - Promoted seven advisory professionals to Managing Director
 - Hired four Managing Directors - three in the Energy sector and one to cover credit funds
- Strong balance sheet with cash and short-term investments of \$124.9 million and no debt or goodwill
 - Declared quarterly dividend of \$0.60 per share

NEW YORK, April 24, 2024 – Moelis & Company (NYSE:MC) today reported financial results for the quarter ended March 31, 2024. The Firm's first quarter GAAP revenues were \$217.5 million as compared with \$187.8 million in the prior year period. On an Adjusted basis, the Firm's first quarter revenues of \$217.5 million increased 17% from the prior year period. The Firm reported GAAP net income of \$17.5 million and \$0.22 per share (diluted) for the first quarter of 2024. On an Adjusted basis, the Firm reported net income of \$18.3 million and \$0.22 per share (diluted) for the first quarter of 2024, which compares with net income of \$3.8 million and \$0.05 per share (diluted) in the prior year period. GAAP and Adjusted net income for the first quarter of 2024 include net tax benefits of approximately \$0.14 per share (diluted) related to the settlement of share-based awards.

"Following our strategic investments in core areas of growth, our pipeline continues to strengthen and we are better positioned than ever to service our clients as the M&A market recovers," said Ken Moelis, Chairman and Chief Executive Officer.

The Firm's revenues and net income can fluctuate materially depending on the number, size and timing of completed transactions as well as other factors. Accordingly, financial results in any particular quarter may not be representative of future results over a longer period of time.

Currently 92% of the operating partnership (Moelis & Company Group LP) is owned by the corporate partner (Moelis & Company) and is subject to corporate U.S. federal and state income tax. The remaining 8% is owned by other partners of Moelis & Company Group LP and is primarily subject to U.S. federal tax at the partner level (certain state, local and foreign income taxes are incurred at the company level). The Adjusted results included herein apply certain adjustments from our GAAP results, including the assumption that 100% of the Firm's first quarter operating result was taxed at our corporate effective tax rate. We believe the Adjusted results, when presented together with comparable GAAP results, are useful to investors to compare our performance across periods and to better understand our operating results. A reconciliation between our GAAP results and our Adjusted results is presented in the Appendix to this press release.

GAAP and Adjusted (non-GAAP) Selected Financial Data (Unaudited)

(\$ in thousands except per share data)	GAAP			Adjusted (non-GAAP)*		
	Three Months Ended March 31,					
	2024	2023	Variance	2024	2023	Variance
Revenues	\$ 217,485	\$ 187,820	16%	\$ 217,485	\$ 185,299	17%
Income (loss) before income taxes	10,031	355	N/M	10,252	355	N/M
Provision (benefit) for income taxes	(7,454)	(3,208)	132%	(8,046)	(3,472)	132%
Net income (loss)	17,485	3,563	391%	18,298	3,827	378%
Net income (loss) attributable to noncontrolling interests	919	(103)	N/M	—	—	N/M
Net income (loss) attributable to Moelis & Company	\$ 16,566	\$ 3,666	352%	\$ 18,298	\$ 3,827	378%
Diluted earnings (loss) per share	\$ 0.22	\$ 0.05	340%	\$ 0.22	\$ 0.05	340%

N/M = not meaningful

* See Appendix for a reconciliation of GAAP to Adjusted (non-GAAP)

Revenues

We earned GAAP revenues of \$217.5 million in the first quarter of 2024, as compared with \$187.8 million in the prior year period. On an Adjusted basis, we earned revenues of \$217.5 million, as compared with \$185.3 million in the prior year period, representing an increase of 17%. The increase in first quarter revenues was driven by an increase in fees earned from our non-M&A businesses, as compared with the prior year period.

We continued to execute on our strategy of organic growth. During the first quarter, we hired three Managing Directors in the Energy sector and one Managing Director to cover credit funds.

Expenses

The following tables set forth information relating to the Firm's operating expenses.

(\$ in thousands)	GAAP			Adjusted (non-GAAP)*		
	Three Months Ended March 31,					
	2024	2023	Variance	2024	2023	Variance
Expenses:						
Compensation and benefits	\$ 164,475	\$ 148,239	11%	\$ 163,331	\$ 148,239	10%
% of revenues	75.6%	78.9%		75.1%	80.0%	
Non-compensation expenses	\$ 47,208	\$ 40,972	15%	\$ 47,208	\$ 40,972	15%
% of revenues	21.7%	21.8%		21.7%	22.1%	
Total operating expenses	\$ 211,683	\$ 189,211	12%	\$ 210,539	\$ 189,211	11%
% of revenues	97.3%	100.7%		96.8%	102.1%	

* See Appendix for a reconciliation of GAAP to Adjusted (non-GAAP)

Total operating expenses on a GAAP basis were \$211.7 million for the first quarter of 2024. On an Adjusted basis, operating expenses were \$210.5 million for the first quarter of 2024, as compared with \$189.2 million in the prior year period. The increase in Adjusted operating expenses is attributable to increased compensation and benefits and non-compensation expenses as compared with the prior year period.

Compensation and benefits expenses on a GAAP basis were \$164.5 million for the first quarter of 2024. Adjusted compensation and benefits expenses were \$163.3 million for the first quarter of 2024, as compared with \$148.2 million in the prior year period. The increase in Adjusted compensation and benefits expenses in the current year period is attributable to increased headcount.

Non-compensation expenses on both a GAAP and Adjusted basis were \$47.2 million for the first quarter of 2024, as compared with \$41.0 million in the prior year period. The increase in Adjusted non-compensation expenses in

the current year period is primarily attributable to increased communications and technology and occupancy expenses, as a result of increased headcount, and increased professional fees.

Other Income (Expenses)

(\$ in thousands)	GAAP			Adjusted (non-GAAP)*		
	2024	2023	Three Months Ended March 31, Variance	2024	2023	Variance
Other income (expenses)	\$ 4,229	\$ 1,746	142%	\$ 3,306	\$ 4,267	-23 %

* See Appendix for a reconciliation of GAAP to Adjusted (non-GAAP)

Other income (expenses) on a GAAP basis was \$4.2 million for the first quarter of 2024, as compared with \$1.7 million in the prior year period. On an Adjusted basis, other income for the first quarter of 2024 was \$3.3 million, as compared with \$4.3 million in the prior year period.

Provision for Income Taxes

The corporate partner (Moelis & Company) currently owns 92% of the operating partnership (Moelis & Company Group LP) and is subject to corporate U.S. federal and state income tax on its allocable share of earnings. The remaining 8% of activity is subject to certain state, local and foreign income taxes (including New York City Unincorporated Business Tax), which is accounted for at the partner level through the noncontrolling interests. For Adjusted purposes, we have assumed that 100% of the Firm's first quarter 2024 operating results were taxed at our corporate effective tax rate and together with the excess tax benefit of approximately \$11.5 million related to the delivery of equity-based compensation, we have a net tax benefit of approximately \$8.0 million.

Capital Management and Balance Sheet

Moelis & Company continues to maintain a strong financial position, and as of March 31, 2024, we held cash and liquid investments of \$124.9 million and had no debt or goodwill on our balance sheet.

The Board of Directors of Moelis & Company declared a regular quarterly dividend of \$0.60 per share. The \$0.60 per share will be paid on June 20, 2024, to common stockholders of record on May 6, 2024.

Earnings Call

We will host a conference call beginning at 5:00pm ET on Wednesday, April 24, 2024, accessible via telephone and the internet. Ken Moelis, Chairman and Chief Executive Officer, and Joe Simon, Chief Financial Officer, will review our first quarter 2024 financial results. Following the review, there will be a question and answer session.

Investors and analysts may participate in the live conference call by dialing 1-888-300-4150 (domestic) or 1-646-970-1530 (international) and using access code 8014191. Please dial in 15 minutes before the conference call begins. The conference call will also be accessible as a listen-only audio webcast through the Investor Relations section of the Moelis & Company website at www.moelis.com.

For those unable to listen to the live broadcast, a replay of the call will be available for one month via telephone starting approximately one hour after the live call ends. The replay can be accessed at 1-800-770-2030 (domestic) or 1-609-800-9909 (international); the conference number is 8014191.

About Moelis & Company

Moelis & Company is a leading global independent investment bank that provides innovative strategic advice and solutions to a diverse client base, including corporations, governments and financial sponsors. The Firm assists its clients in achieving their strategic goals by offering comprehensive integrated financial advisory services across all major industry sectors. Moelis & Company's experienced professionals advise clients on their most critical decisions, including mergers and acquisitions, recapitalizations and restructurings, capital markets transactions, private fund raisings and secondary transactions and other corporate finance matters. The Firm serves its clients from 23 locations in North and South America, Europe, the Middle East, Asia and Australia. For further information, please visit: www.moelis.com.

Forward-Looking Statements

This press release contains forward-looking statements, which reflect the Firm's current views with respect to, among other things, its operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "target," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are based on certain assumptions and estimates and subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include, but are not limited to, those described under "Risk Factors" discussed in our Annual Report on Form 10-K for the year ended December 31, 2023, subsequent reports filed on Form 10-Q and our other filings with the SEC. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release. In addition, new risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Accordingly, you should not rely upon forward-looking statements as a prediction of actual results. The Firm undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Non-GAAP Financial Measures

The Company prepares its consolidated financial statements using accounting principles generally accepted in the United States (GAAP). From time to time, the Company may disclose certain "non-GAAP financial measures" in the course of its earnings releases, earnings conference calls, financial presentations and otherwise. The Securities and Exchange Commission defines a "non-GAAP financial measure" as a numerical measure of historical or future financial performance, financial position, or cash flows that is subject to adjustments that effectively exclude, or include amounts from the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP financial measures disclosed by the Company are provided as additional information to analysts, investors and other stakeholders in order to provide them with greater transparency about, or an alternative method for assessing our financial condition, operating results, or capital adequacy. Adjusted results are a non-GAAP financial measure which provide additional information on management's view of operating results. These measures are not in accordance with, or a substitute for GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. Whenever we refer to a non-GAAP financial measure, we will also generally define it or present the most directly comparable financial measure calculated and presented in accordance with GAAP, along with a reconciliation of the differences between the non-GAAP financial measure we reference and such comparable GAAP financial measure.

The Company's Adjusted revenues includes amounts reflected within other income (expenses) which are considered the equivalent of revenues for compensation. Such adjustments may include gains on founder

investments where our employees and the Moelis advisory platform contributed meaningfully to the value creation; or the mark-to-market impact of equity instruments held by the Company that were originally received as payment for our banking services and included in revenues. We believe these adjustments are useful to allow comparability of period-to-period operating performance and compensation levels.

The Company's Adjusted compensation and benefits expenses may include adjustments reflected within other income (expenses) associated with compensation awards forfeited due to the enforcement of non-compete provisions. Management views the credits associated with such forfeitures as an offset to compensation and benefits expenses since the Firm will utilize the forfeited economics to recruit and or retain talent. We believe the netted presentation of forfeiture credits and compensation expenses is useful to allow comparability of period-to-period operating performance.

The Company's Adjusted non-compensation expenses and other income (expenses) may exclude certain one-time items that reduce the comparability of our operating performance as well as the amounts related to revenues and compensation and benefits expenses discussed above and adjustments to our provision for income taxes discussed below. Such adjustments increase the comparability of our financial performance across reporting periods and versus our peers.

The Company's Adjusted provision (benefit) for income taxes is adjusted to illustrate the result as if 100% of the Firm's income is being taxed at our corporate effective tax rates for the periods presented. Adjusted provision (benefit) for income taxes periodically includes the tax impact related to the settlement of share-based awards, the reclassification of TRA liability adjustments, or adjustments to our deferred tax assets and liabilities that occur in connection with new tax legislation. Such adjustments increase the comparability of our financial performance across reporting periods and versus our peers.

The Company's Adjusted basic and diluted shares of Class A common stock outstanding is presented for each period as if all outstanding Class A partnership units have been exchanged into Class A common stock. The Adjusted presentation helps analysts, investors, and other stakeholders understand the effect of the Firm's ownership structure on its results, including the impact of all the Firm's income becoming subject to corporate-level tax.

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Appendix

GAAP Consolidated Statement of Operations (Unaudited)

Reconciliation of GAAP to Adjusted (non-GAAP) Financial Information (Unaudited)

Moelis & Company
GAAP Consolidated Statement of Operations
Unaudited
(dollars in thousands, except for share and per share data)

	Three Months Ended March 31,	
	2024	2023
Revenues	\$ 217,485	\$ 187,820
Expenses		
Compensation and benefits	164,475	148,239
Occupancy	7,089	5,834
Professional fees	6,165	4,946
Communication, technology and information services	12,244	10,834
Travel and related expenses	11,963	10,968
Depreciation and amortization	2,375	2,073
Other expenses	7,372	6,317
Total Expenses	211,683	189,211
Operating income (loss)	5,802	(1,391)
Other income (expenses)	4,229	1,746
Income (loss) before income taxes	10,031	355
Provision (benefit) for income taxes	(7,454)	(3,208)
Net income (loss)	17,485	3,563
Net income (loss) attributable to noncontrolling interests	919	(103)
Net income (loss) attributable to Moelis & Company	\$ 16,566	\$ 3,666
Weighted-average shares of Class A common stock outstanding		
Basic	70,228,589	67,008,526
Diluted	75,102,099	71,462,547
Net income (loss) attributable to holders of shares of Class A common stock per share		
Basic	\$ 0.24	\$ 0.05
Diluted	\$ 0.22	\$ 0.05

Moelis & Company
Reconciliation of GAAP to Adjusted (non-GAAP) Financial Information
Unaudited
(dollars in thousands, except share and per share data)

Adjusted items	Three Months Ended March 31, 2024		
	GAAP	Adjustments	Adjusted (non-GAAP)
Compensation and benefits	164,475	(1,144) (a)	163,331
Other income (expenses)	4,229	(923) (a)(b)	3,306
Income (loss) before income taxes	10,031	221	10,252
Provision (benefit) for income taxes	(7,454)	(592) (b)(c)	(8,046)
Net income (loss)	17,485	813	18,298
Net income (loss) attributable to noncontrolling interests	919	(919) (d)	—
Net income (loss) attributable to Moelis & Company	<u>\$ 16,566</u>	<u>\$ 1,732</u>	<u>\$ 18,298</u>
Weighted-average shares of Class A common stock outstanding			
Basic	<u>70,228,589</u>	<u>6,327,095</u> (d)	<u>76,555,684</u>
Diluted	<u>75,102,099</u>	<u>6,327,095</u> (d)	<u>81,429,194</u>
Net income (loss) attributable to holders of shares of Class A common stock per share			
Basic	<u>\$ 0.24</u>		<u>\$ 0.24</u>
Diluted	<u>\$ 0.22</u>		<u>\$ 0.22</u>

- (a) Reflects a reclassification of \$1.1 million of other income to compensation and benefits expense associated with the enforcement of non-compete provisions.
- (b) Tax Receivable Agreement liability related adjustments are made to other income (expenses) for GAAP purposes. The adjustment of \$0.2 million is reclassified to the provision for income taxes line.
- (c) An adjustment has been made to illustrate the result as if 100% of the Firm's income is being taxed at our corporate effective tax rate for the period stated. Together with the tax benefit related to the settlement of share-based awards of \$11.5 million, we have a net tax benefit of \$8.0 million.
- (d) Assumes all outstanding Class A partnership units have been exchanged into Class A common stock.

Moelis & Company
Reconciliation of GAAP to Adjusted (non-GAAP) Financial Information
Unaudited
(dollars in thousands, except share and per share data)

Adjusted items	Three Months Ended March 31, 2023			Adjusted (non-GAAP)
	GAAP	Adjustments		
Revenues	\$ 187,820	\$ (2,521) (a)		\$ 185,299
Other income (expenses)	1,746	2,521 (a)		4,267
Income (loss) before income taxes	355	—		355
Provision (benefit) for income taxes	(3,208)	(264) (b)		(3,472)
Net income (loss)	3,563	264		3,827
Net income (loss) attributable to noncontrolling interests	(103)	103 (c)		—
Net income (loss) attributable to Moelis & Company	<u>\$ 3,666</u>	<u>\$ 161</u>		<u>\$ 3,827</u>
Weighted-average shares of Class A common stock outstanding				
Basic	67,008,526	6,095,051 (c)		73,103,577
Diluted	<u>71,462,547</u>	<u>6,095,051 (c)</u>		<u>77,557,598</u>
Net income (loss) attributable to holders of shares of Class A common stock per share				
Basic	\$ 0.05			\$ 0.05
Diluted	<u>\$ 0.05</u>			<u>\$ 0.05</u>

- (a) Reflects a reclassification of \$2.5 million of other income to revenues related to losses from the mark-to-market impact on shares received as partial payment for advisory services provided on certain transactions.
- (b) An adjustment has been made to illustrate the result as if 100% of the Firm's income is being taxed at our corporate effective tax rate for the period stated; together with the tax benefit related to the settlement of share-based awards of \$3.6 million, we have a net tax benefit of \$3.5 million.
- (c) Assumes all outstanding Class A partnership units have been exchanged into Class A common stock.