



LAZARD | 175
YEARS

February 2023

Investor Presentation

Safe Harbor

This presentation contains certain statements, estimates and forecasts with respect to future performance and events. These statements, estimates and forecasts are “forward-looking statements.” In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as “may,” “might,” “will,” “would,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “target,” “goal” or “continue” or the negatives thereof or variations thereon or similar terminology. All statements other than statements of historical fact included in this presentation are forward-looking statements and are based on various underlying assumptions and expectations and are subject to known and unknown risks and uncertainties and may include projections of our future financial performance based on our growth strategies, business plans and anticipated trends in our business. These forward-looking statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance, targets, goals or achievements expressed or implied in the forward-looking statements. These factors include, but are not limited to, those discussed in our Annual Report on Form 10-K under Item 1A “Risk Factors,” and also discussed from time to time in our quarterly reports on Form 10-Q and current reports on Form 8-K, including the following: (a) a decline in general economic conditions or the global or regional financial markets, (b) a decline in our revenues, for example due to a decline in overall mergers and acquisitions (“M&A”) activity, our share of the M&A market or our assets under management (“AUM”), (c) losses caused by financial or other problems experienced by third parties, (d) losses due to unidentified or unanticipated risks, (e) a lack of liquidity, i.e., ready access to funds, for use in our businesses, and (f) competitive pressure on our businesses and on our ability to retain and attract employees at current compensation levels.

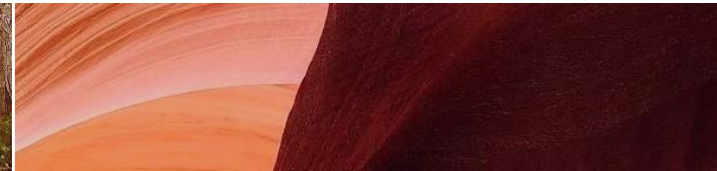
As a result, there can be no assurance that the forward-looking statements included in this presentation will prove to be accurate or correct. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We are under no duty to update any of these forward-looking statements to conform our prior statements to actual results or revised expectations and we do not intend to do so.

This presentation uses non-GAAP measures for (a) operating revenue, (b) compensation and benefits expense, as adjusted, (c) compensation and benefits expense, awarded basis, (d) non-compensation expense, as adjusted (e) earnings from operations, (f) pre-tax income, as adjusted, (g) pre-tax income per share, as adjusted, (h) earnings from operations, awarded basis (i) operating margin, as adjusted, (j) operating margin, awarded basis (k) net income, as adjusted, (l) net income per share, as adjusted, (m) awarded EPS and (n) free cash flow. Such non-GAAP measures are not meant to be considered in isolation or as a substitute for the corresponding U.S. GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with U.S. GAAP. We believe that certain non-GAAP measures provide a meaningful and useful basis for assessing our operating results and comparisons between present, historical and future periods. See the attached appendices and related notes for a detailed explanation of applicable adjustments to corresponding U.S. GAAP measures.

Unless otherwise indicated, all information in this presentation relates to Lazard Ltd and its direct and indirect subsidiaries on a consolidated basis as of December 31, 2022.

Investment Thesis

Lazard is a diversified, global independent financial advisory and investment management firm



1 Investment Highlights

Global perspective paired with local presence and expertise

Differentiated ideas with deep market and industry insights

Scaled platform with demonstrated long-term performance

Organic growth driven by investment in talent and augmented by technology

2 Balanced Business

Asset Management
Fundamental institutional investor across developed and emerging economies

Financial Advisory
Independent public, private, sovereign and capital markets advisory


3 Financial Strategy

Resilient business scaled for performance across cycles

Disciplined cost structure

High capital return allocation

Flexible capital structure



1

Investment Highlights

Our Firm

Lazard’s mission is to provide trusted financial advice and innovative solutions to our clients. We have built a global network of relationships with key decision makers in business, government and investing institutions.

We operate as a deeply rooted local firm and serve clients with our multinational resources and global perspective.



Our Business

Lazard has a simple and powerful model, focused on two intellectual capital businesses

Asset Management

\$216
billion AUM

~65%
AUM in non-USD securities

~34%
investment professionals

~17
years average MD tenure



Financial Advisory

210+
Managing Directors (MD)

304
FY22 clients with fees >\$1M

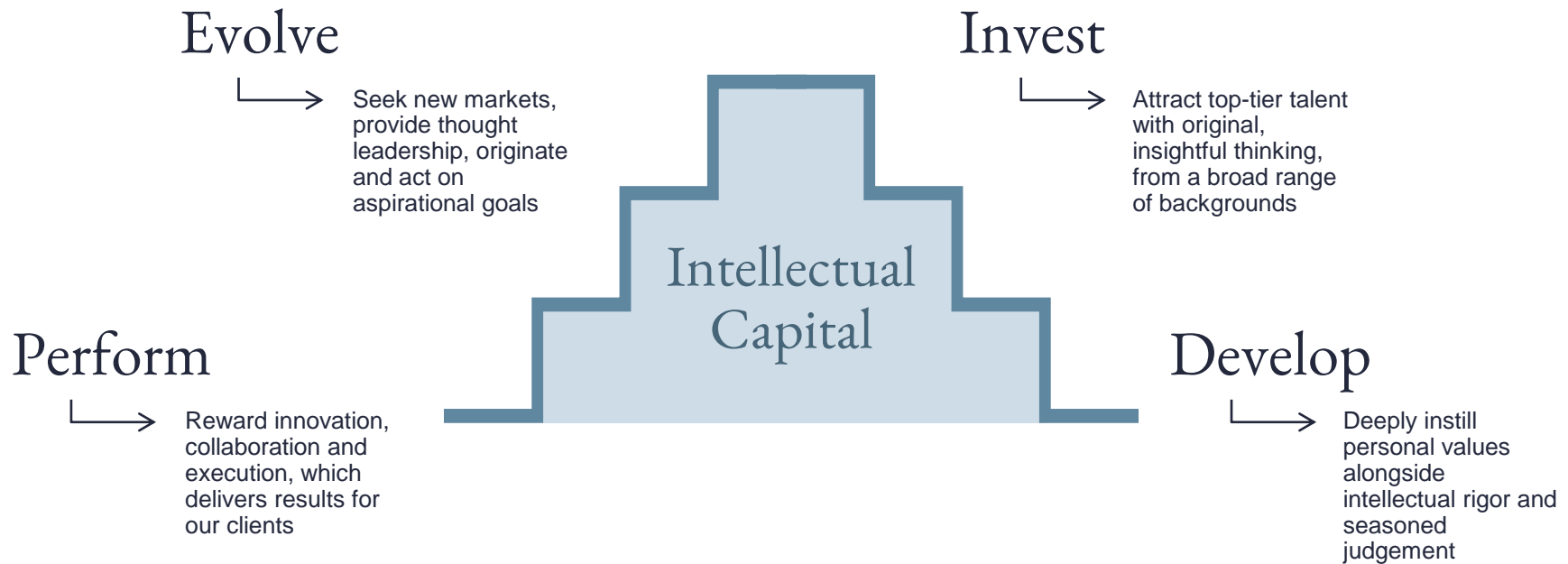
~11
years average MD tenure

175
years independent financial services

Equity | Fixed Income | Liquid Alternatives | Multi-Asset | Private Equity | Real Assets | Mergers & Acquisitions | Strategic Advisory | Capital Markets Advisory |
 Asia Pacific | Emerging Markets | Europe | Global | International | U.S. | Private Capital Advisory | Private Equity Fundraising | Continuation and Secondary Funds |
 Customized | Fundamental | Quantitative | Sustainable | Thematic | Restructuring | Liability Solutions | Sovereign Advisory | Venture & Growth Banking |
 Collective Trusts | Mutual Funds | Private Funds | Separately Managed | Sub-Advised | UCITS | LazardNext | Geopolitical Advisory | ESG | Shareholder Advisory

Our Culture

We thrive because of our reputation for excellence, integrity and delivering innovative results



BARRON'S

"Lazard's top-tier brand allows it to punch above its weight class"

BREAKINGVIEWS

"Showing bigger Wall Street rivals the power of simplicity"

The Economist

"Success built on its bankers' discretion and its long-term relationships with clients"

EUROMONEY

"Lazard can tackle the most seemingly insurmountable crises"

THE  TIMES of LONDON

"One of the most influential financial institutions in the world"

Our Technology

We invest in technology to drive our business forward

Collaboration



Optimizing workflow connectivity

- Real-time engagement through productivity platforms: DealCloud, SharePoint, Teams



Global information ecosystem

- Live, interactive town halls
- Lazard IQ knowledge center
- Tech academy training



Business resiliency

- Critical function capabilities
- Global mobility
- Secure remote-access

Infrastructure & Analytics



High-power processing

- Portfolio evaluation and execution, compliance and risk management



Cybersecurity

- 24/7/365 monitoring and testing
- Employee training
- Third-party risk management



Enterprise finance / risk

- Centralized global platform

Customer-centric Solutions



Data privacy

- Multi-factor authentication
- Secure and single-source



Transaction execution

- Data room due diligence
- Trade processing



Digitization and personalization

- 360 portfolio view
- Specialized solutions

Cloud-based Architecture

Built to support firm-wide data analytics capabilities
and growth initiatives in a global and scalable enterprise model

Our Value

Global platform built over decades serving as a trusted advisor to institutions and individuals



Established in the world's developed and emerging markets

↳ with a view to macroeconomic cycles, markets and industry evolution



Seasoned expertise and innovative insights

↳ attracts clients across the spectrum of industries and geographies



Complementary businesses

↳ provide diversified access to deep markets with independent demand dynamics

Significant scale provides strong financial performance across business cycles



Investment in talent and growth strategies,

↳ along with demonstrated cost discipline, to deliver long-term value creation



Technology-driven

↳ agile and adaptive resources, investments in infrastructure and innovative applications



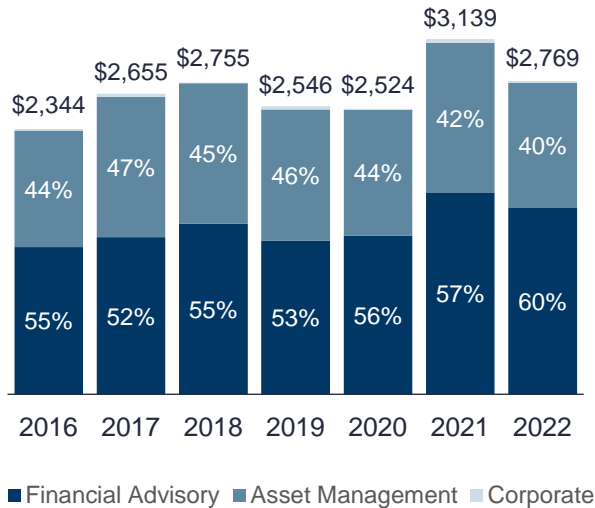
Strong capital structure and cash flow generation

↳ enables annual capital returns through dividends and share repurchases

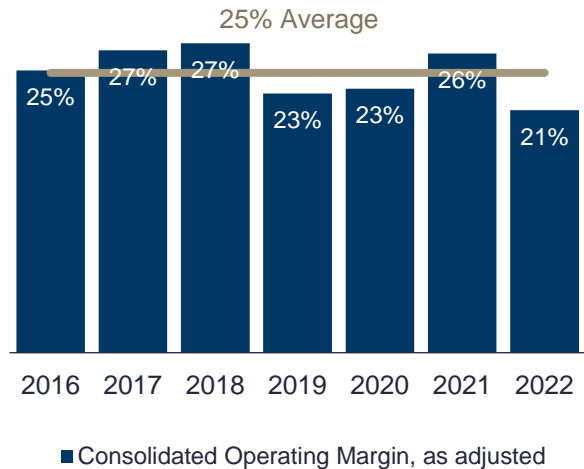
Our Performance

Diversified Revenue Growth

Total Operating Revenue (\$M)

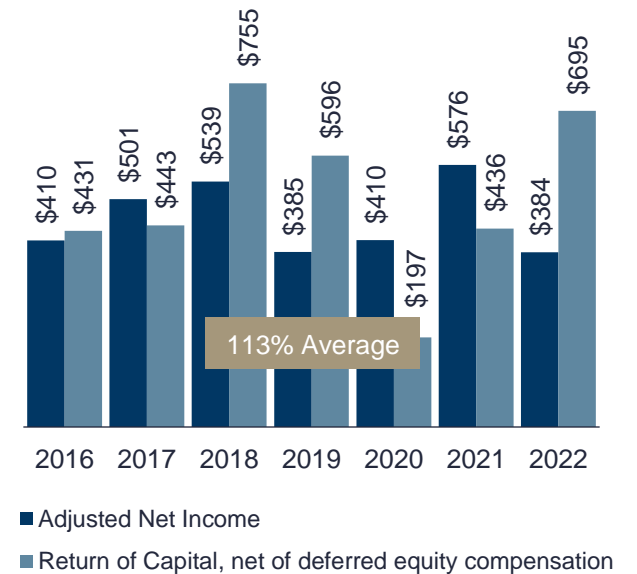


Disciplined Operating Margin, as Adjusted



Profitable Return of Capital

% Of Net Income, as Adjusted



Our diversified platform provides resiliency, growth and profitability

Balanced contribution from Asset Management and Financial Advisory with further diversification of revenues within each business

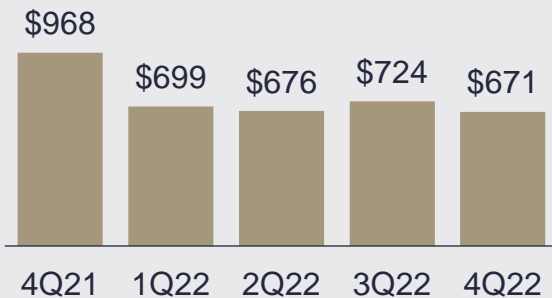
Consistent adjusted operating margins demonstrate cost discipline alongside continued investment in growth

Focus on shareholder returns with consistent, opportunistic return of capital

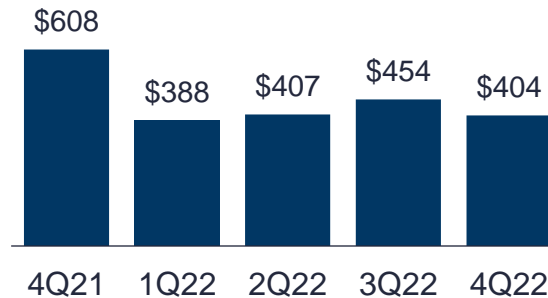
Quarterly Performance

Results reflect strong performance across the business

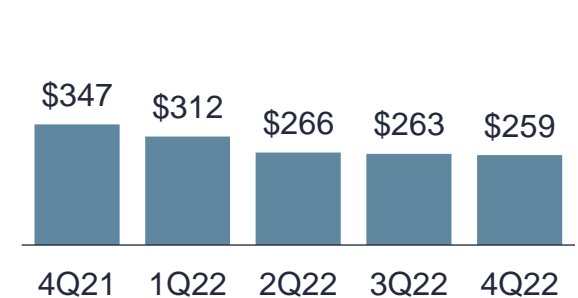
Total Operating Revenue



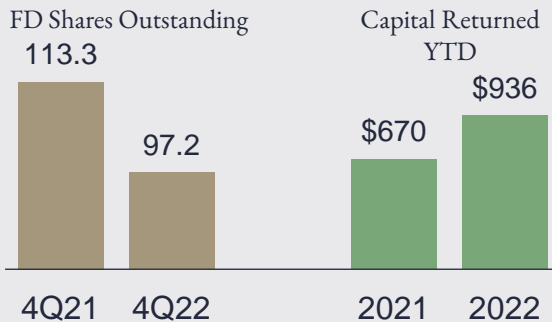
Financial Advisory Revenue



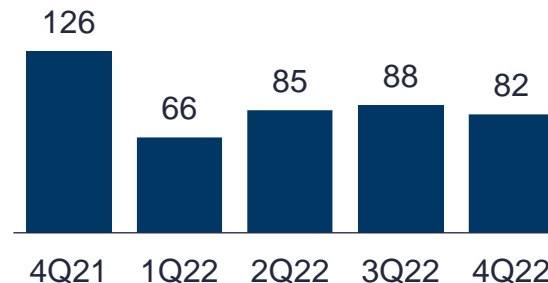
Asset Management Revenue



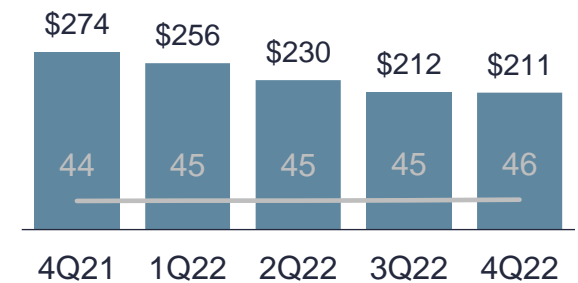
Return of Capital



Financial Advisory Clients with Fees >\$1M



Assets Under Management & Average Fees



— Average AUM (\$B) — Average Fees (Bps)



2

Diversified Business

Asset Management at a Glance

Premier active manager with significant diversification of investment strategies and global market reach

\$216b

Assets under management
4Q22

~65%

AUM in non-USD
securities

40+

Investment
strategies
>\$1b in AUM

~85%

Institutional
investors

\$1.1b

Operating
revenue FY22

100%

Active
management

1,200+

Employees

19

Countries of
operation

>90%

Revenues from
management fees
and other

45 bps

Average
management fee
FY22

400+

Investment
professionals

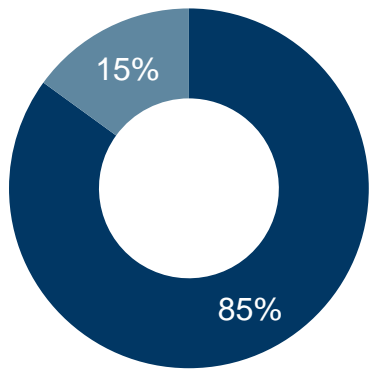
~55

Countries of
client domicile

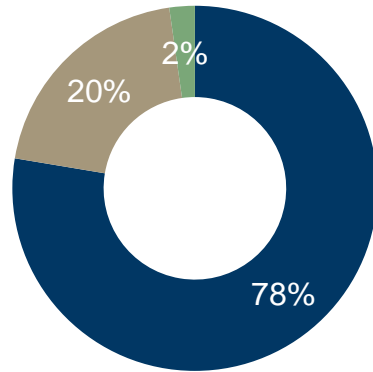
Diversified Assets Under Management

Significant diversification, scale and performance through the cycle

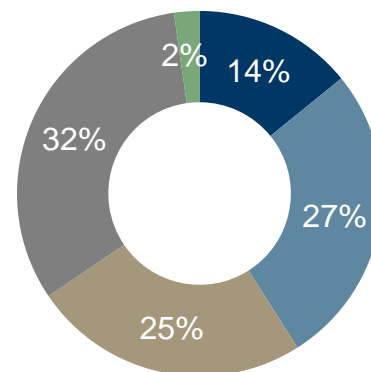
By Client Type



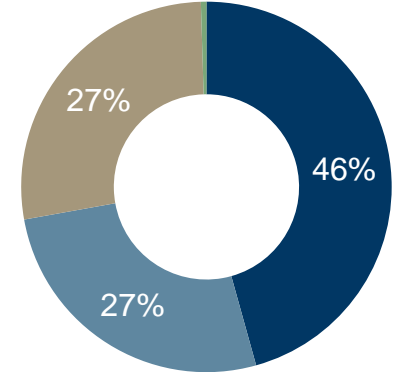
By Asset Class



By Investment Strategy



By Vehicle



- Institutional
- Other

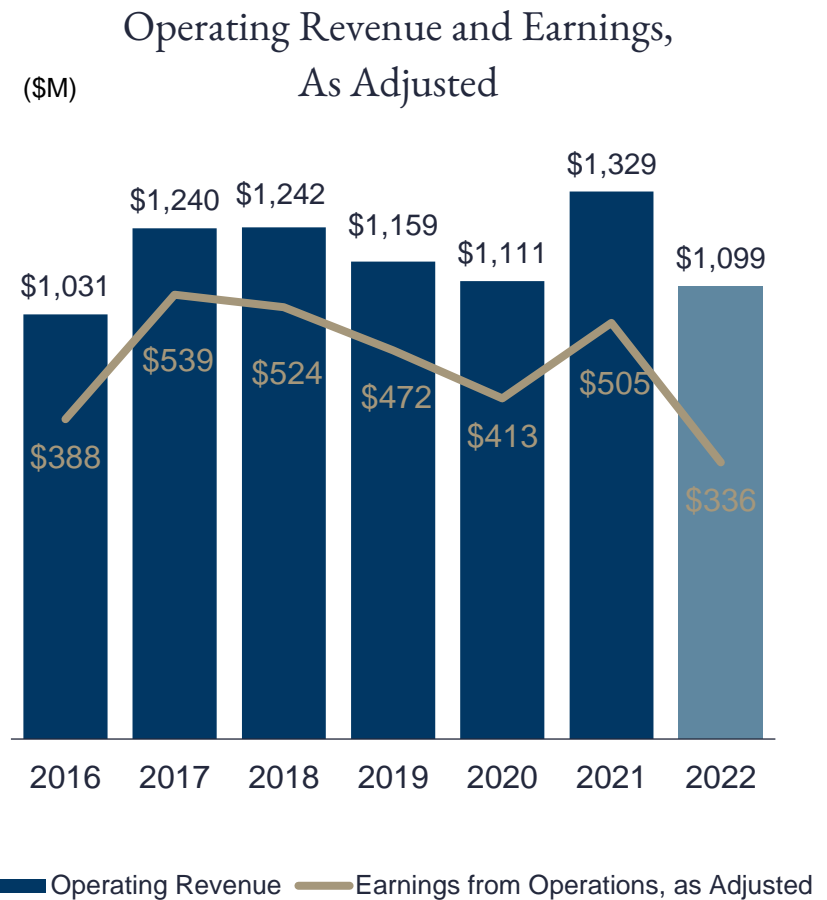
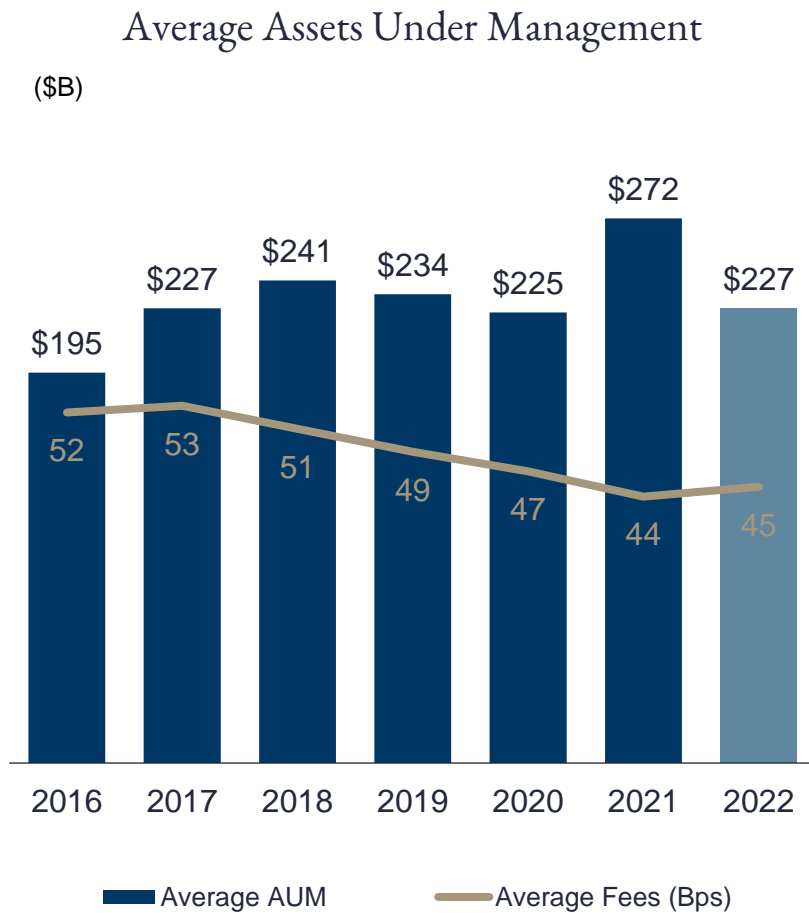
- Equity
- Fixed Income
- Alternative & PE

- Emerging Markets
- Global
- Local
- Multi-regional
- Alternative & PE

- Separately Managed
- Funds
- Sub-advised Funds
- Private Equity

Asset Management Performance

AUM provides resilient revenue generation and profitability



Lazard Asset Management

A differentiated framework with a demonstrated ability to scale organically



Active

Investment-driven, fundamental research with global insights and deep sector knowledge



Experienced

Significant growth track record in diversified strategies with style-driven performance proven over decades



Tailored

High-quality, customizable investment solutions with multi-asset capabilities



Sustainable

Integrated assessment of ESG and corporate engagement



Responsible

Disciplined investment process with risk-adjusted return focus

Growth Platform Built on Established Investment Priorities

Delivering Growth Through Investment Strategies

Demonstrated ability to innovate and scale new strategies organically and through team additions to the platform

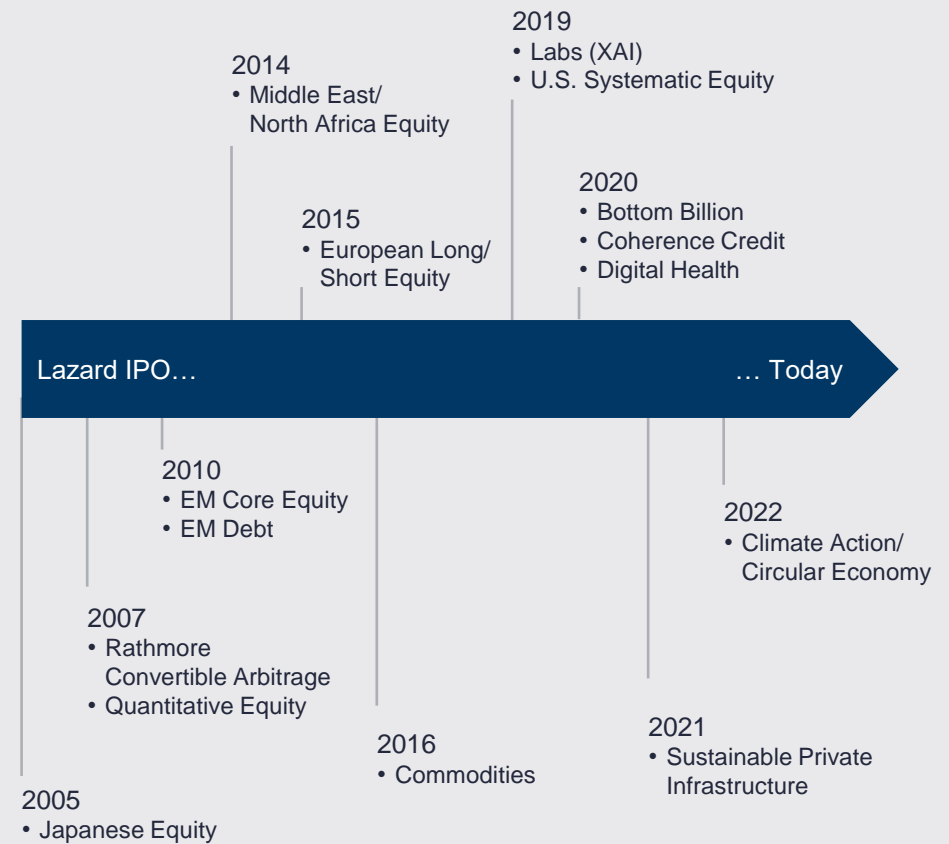
Large, Organically Scaled Platforms

↳ demonstrated ability to seed portfolios and scale AUM

Asset Class	Platform	AUM (\$B)	
		Platform	Total
Equity	International	\$48	\$167
	U.S.	41	
	Global	23	
	Emerging Markets	17	
	Quantitative	15	
	Other	23	
Fixed Income	European	\$18	\$43
	Global	11	
	Emerging Markets	9	
	U.S.	5	
Alternatives	Convertible Arbitrage	\$3	\$5
	Private Equity	1	
	Other	1	

Team Additions

↳ an integral part of our successful growth strategy



Asset Management Long-term Value Proposition

Significant opportunity to drive performance and leverage scale

- Integrated institutional investment platform
- Robust platform supports expanded investment and distribution capabilities
- Regional presence optimizes local insight with global perspective
- Fundamental and data-driven investment decisions
- Customized solutions to meet investor objectives, providing flexibility to evolve with market environment
- Global distribution offers superior service and ability to grow diverse client base
- Proprietary investment technology, including wireframe solutions and Dragonfly
- Macroeconomic backdrop supportive of active investing
- Ability to onboard new teams and inorganic investments



Financial Advisory at a Glance

Sophisticated, local financial expertise, paired with global execution capabilities

\$1.7b

Operating revenue
FY2022

304

Clients with fees >\$1m
FY2022

210+

Managing Directors
4Q22

~60%

Revenues generated from Americas

90

M&A completions >\$500m value
FY2022

1,600+

Employees

~40%

Revenues generated from EMEA and Asia-Pacific

~11

Years average MD tenure

75

Nationalities

Lazard Insights

Link to public report



An Inflection Point for Corporate Infrastructure



Consumer Subscription Economics Report



Financial Sponsor Secondary Market Review



Financing Fusion Energy



Global Biopharmaceutical Leaders Study



GHG Emission Offsets Role in Combating Climate Change



Levelized Cost of Energy, Storage and Hydrogen



Policy Brief on Sovereign Debt Restructuring



Shareholder Activism Review



Financial Advisory Revenue Diversity

Independent, innovative insights to support clients' strategic initiatives

Strategic and M&A Advisory

- Public / private valuation
- Industry specialization
- Mega, large, mid, small capitalization
- Cross-border transactions
- Board advisory / special committee

Restructuring & Capital Solutions Advisory

- Chapter 11 advisory
- Out-of-court restructurings
- Recapitalization
- Asset divestitures
- Liability / liquidity management



Capital Markets Advisory

- Public capital raising advisory – debt and equity
- Private capital advisory and placement
- Structured products
- Activism defense
- Shareholder advisory
- Liability / liquidity management and capital solutions

Sovereign Advisory

- Liability / liquidity management
- Bond negotiation
- Capital adequacy

Organic growth through industry depth, product expertise
and market innovations

Global Insights, Local Presence

Seasoned, independent financial advisory expertise paired with deep industry knowledge

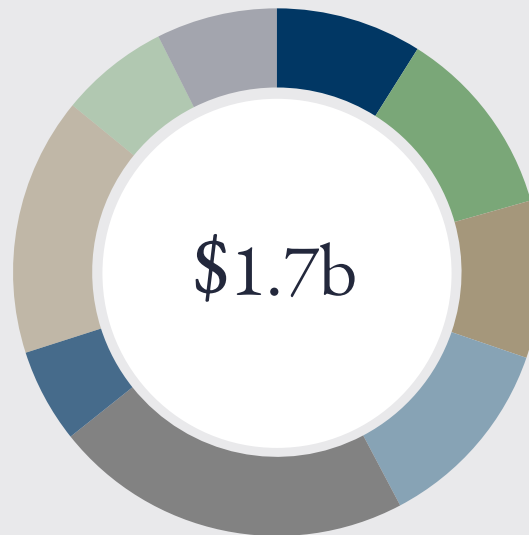
Strategic Advisory Catalysts

- Energy transition
- Technology disruption
- Global market / local supply
- Infrastructure investment
- Biopharmaceutical leadership

Market Expansion

- \$1-\$10b transaction values span public / private market activity
- Financial sponsor fundraising / secondary market
- Venture & Growth / LazardNext

FY22 Revenue by Industry Verticals



- Consumer/Retail
- Energy/Infrastructure
- Financial Institutions
- Healthcare
- Industrials
- Real Estate
- Technology/Media
- Fundraising
- Government/Other

Geographic Opportunity

- U.S. largest, most active
- Europe above-trend growth
- Cross-border, sovereign expertise
- Expansion: U.S., Continental Europe, Saudi Arabia

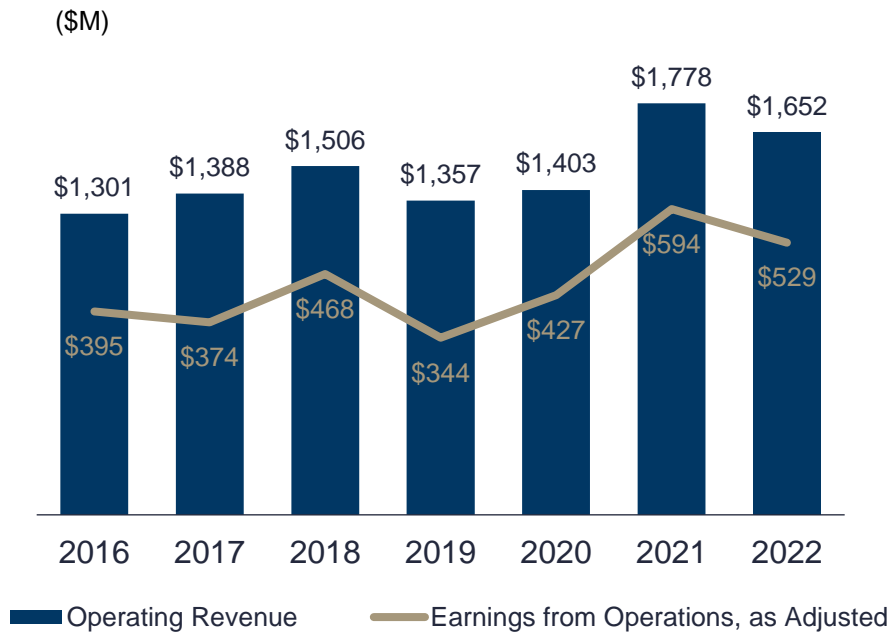
Lazard Differentiation

- Climate Center
- Geopolitical Advisory
- Healthcare Leaders Summit
- Levelized Cost of Energy, Storage and Hydrogen
- Sponsor Secondary Market Survey

Financial Advisory Performance

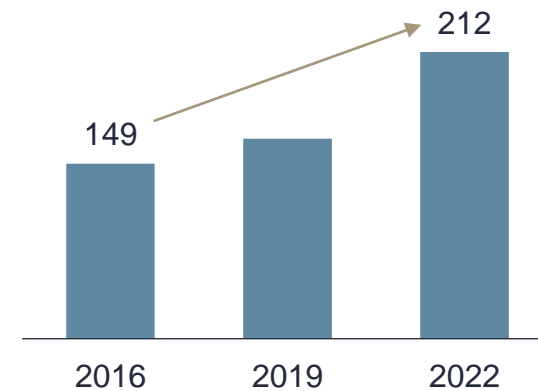
Significant investment in talent to drive growth and increase productivity

Operating Revenue and Earnings, as Adjusted



Expanding Our Market Breadth with Innovative Transactions and Seasoned Expertise

Managing Directors
~Target 10-15 net MD growth per year



Intel / Brookfield \$30 billion	Landmark Semiconductor Co-Investment Program infrastructure funding	FNZ Holdings £1.4 billion	Largest European financial technology growth capital raised	Orange / Masmovil \$19 billion	Leading European telecoms create joint venture with financial scale to accelerate investment	Sierra / GSK \$1.9 billion	Expanding oncology growth portfolio with innovative therapies	Xylem / Evoqua \$7.5 billion	Transformative acquisition creates platform to address global water challenges
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Selected Strategic Advisory Catalysts

Energy transition

Investment in technologies to decarbonize

Secular trends impacting every aspect of the economy

Infrastructure-style investing

Scale and capital efficiency

Bespoke partnerships with structured risk/return objectives

Healthcare evolution

Advances across the sector

Innovation, access to capital and navigating regulation



Solar and Wind Energy

- Proliferation of renewables implementation and transactions



Short- and Long-Duration Storage

- Driven by reliability, grid stabilization, cheaper battery costs and government incentives



Energy Transition Fuels

- Hydrogen and biofuels will play a significant role in transportation, aviation and broader industry applications



Sustainable Building Materials

- Energy efficiency improvements from retrofitting and usage of greener steel, cement and mass timber



Software

- Heightened role in optimizing operations of power grids, buttressing energy efficiency and determining decarbonization pathways



New Technology

- Increased financing for ventures in Carbon Capture and Storage (CCS), Advanced Small Modular Reactors (SMRs), carbon offsets and nuclear fusion, among others



\$1T Infrastructure Capital

- Scaled financing solution with attractive relative returns and ability to control enterprises



Opportunity Set

- Acquire an enterprise, monetize an existing asset, fund a new project, development partnership, expedite onshoring



Real/Essential Assets

- Long lived, meaningful scale, stable cash flows, strong barriers to entry



Industry Transition

- Renewable energy and digital infrastructure fast-growing sectors with similar attributes to traditional assets



Corporate Benefit

- Optimize capital structure, retain operational control, expand long-term capital sources



Institutional Investor

- Diversify deployed capital while optimizing duration, principal protection and risk curve



Revolutionary Advances in Biology

- Innovation has driven unprecedented rate of company formation



Large Pharma Growth Challenges

- Patent expiries heighten focus on building domain leadership and sustainable revenue



Shift to Value-based Care

- Emphasis on delivering measurable patient value and associated infrastructure requirements



Disruption from New Entrants

- Emerging innovators and expansion of big tech and big-box retail into healthcare space



Impact of Legislation

- Pressure on drug pricing and reimbursement adds to growth challenges



Non-cyclical Industry

- Demand and growth within healthcare less impacted by broader recession concerns

Private Capital Advisory

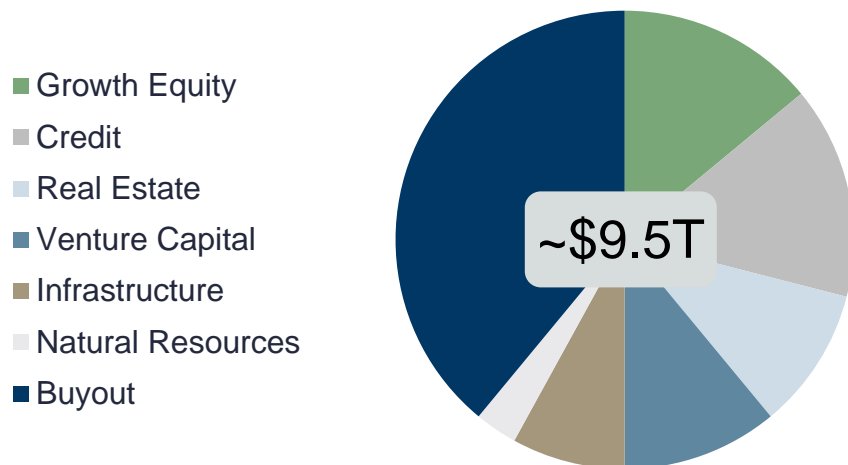
Innovation is increasingly being funded by the private markets which have developed significantly in scale and industry expertise ...

Financial Sponsors source capital from a variety of investors with differing risk profiles to invest in portfolio companies across all stages of growth



... creating opportunity for capital raising advisory that harnesses knowledge of developing investment stages and investor universe

Private Capital AUM
Spectrum of Private Market Investment Strategies



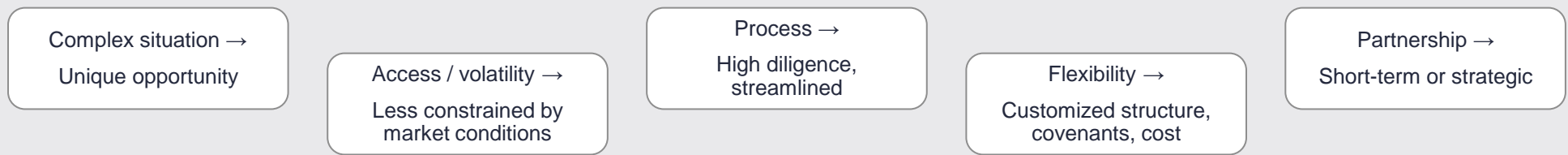
Growth catalysts:

- Private capital ~8% total global AUM
- Dry powder ~\$3.3T, including \$1.3T PE
- Democratization of private markets for retail
- Penetration of traditional banking markets
- Infrastructure investing in digitalization, decarbonization, and deglobalization
- Liquidity solutions
 - NAV lending
 - GP stakes
 - LP / GP-led secondaries

Convergence of Public and Private Capital Markets

Scale and market evolution enable creative financing solutions across capital markets spectrum

Lazard is creating bespoke financing solutions for our clients



Capital Markets as a Solution



Key considerations:

- Differentiated approach to traditional capital markets, engaging private and public markets to improve execution
- Auction process optimizes investors and terms
- Enables outcome-oriented decision-making with a focus on scale, speed, and certainty
- Potential for strategic relationship with capital providers
- Cross-capital options, including straight debt, mezzanine, convertible, preferred and equity
- Customization of capital: price, structure, covenants and redemption flexibility

3

Financial Strategy

Capital Management Strategy

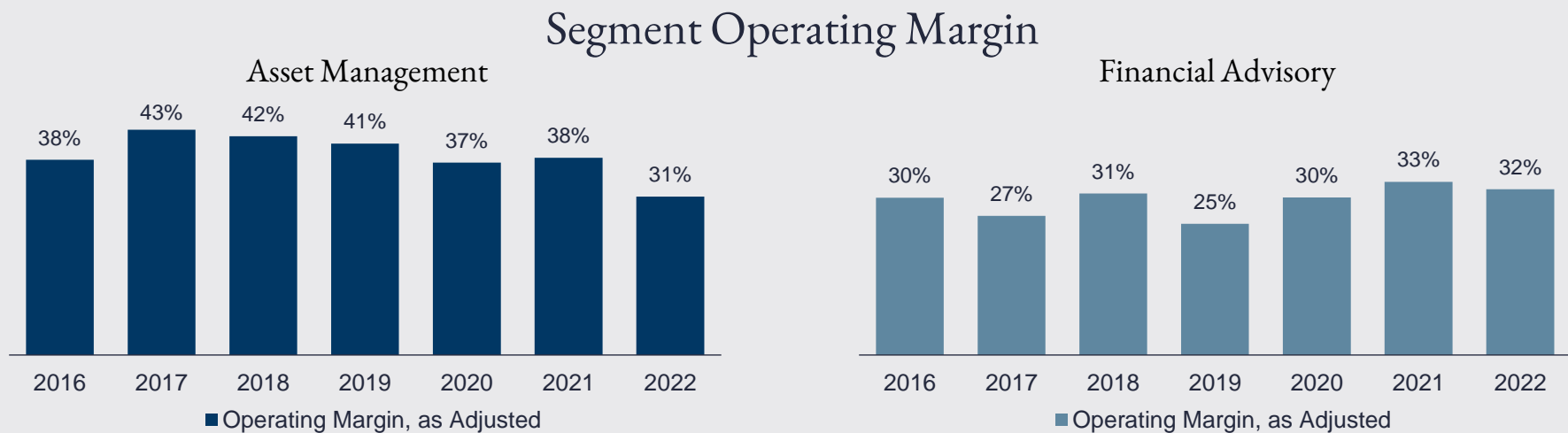
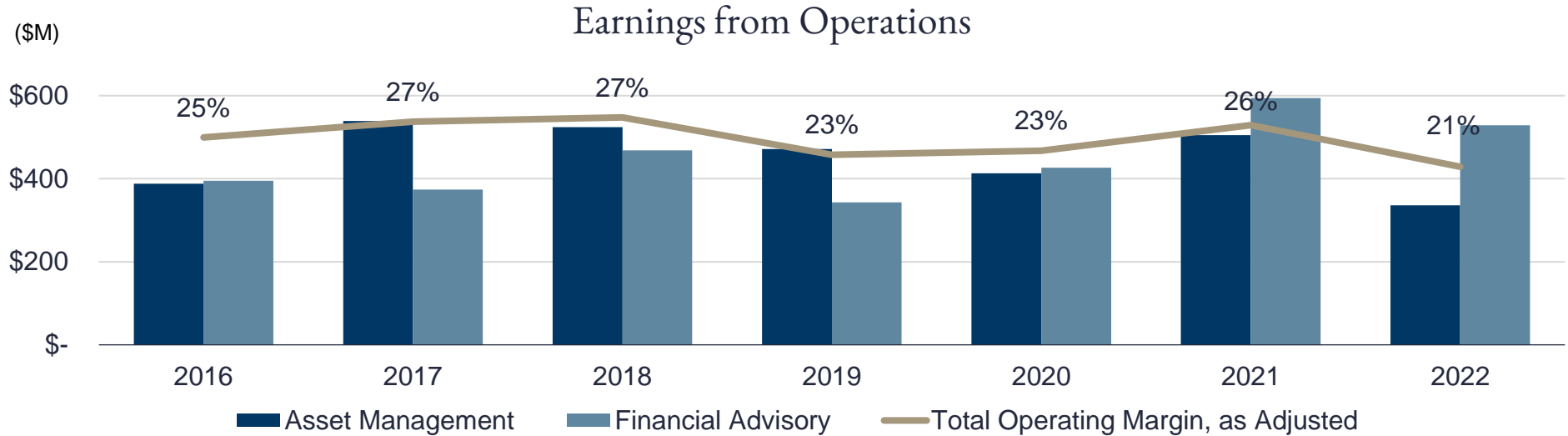
Commitment to shareholder value creation

Goals

- Gradually increase common dividend over time
- Repurchase shares to offset dilution from year-end share-based compensation
- Retain appropriate cash balance to support operations, accruals consistent with our business and regulatory requirements
- Disciplined approach to identifying and executing on growth and investment opportunities
- Return excess capital to shareholders, primarily in the form of additional share repurchases

Balanced Profitability

Highly cash-generative businesses demonstrate resiliency through the cycle

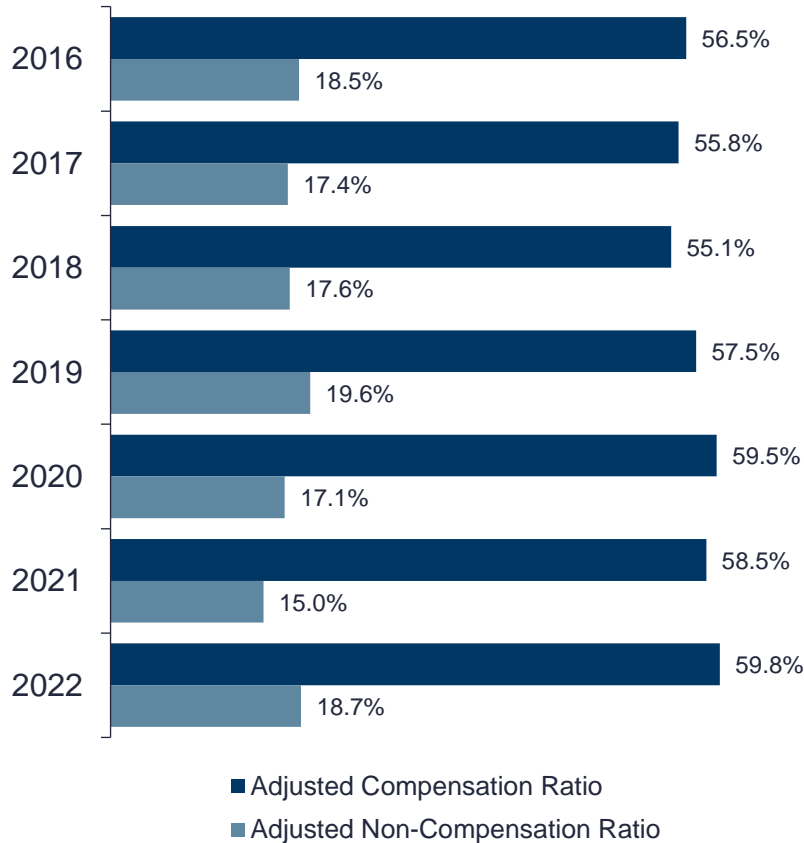


Discipline on Costs and Growth Focus

Consistency in compensation and non-compensation expenses while increasing investment

Expense Ranges Over The Cycle

Compensation Ratio ~ Mid to high-50%
 Non-Compensation Ratio ~ 16% to 20%



Disciplined Investment for Growth

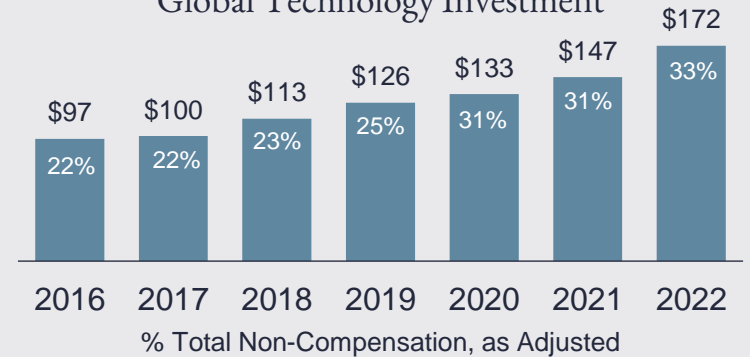
Compensation
 Global Employees

Global Talent Growth



Non-Compensation
 \$M

Global Technology Investment



Strong Balance Sheet and Liquidity

Optimal capital structure with flexibility to navigate varying market environments

Investment Grade Capital Structure

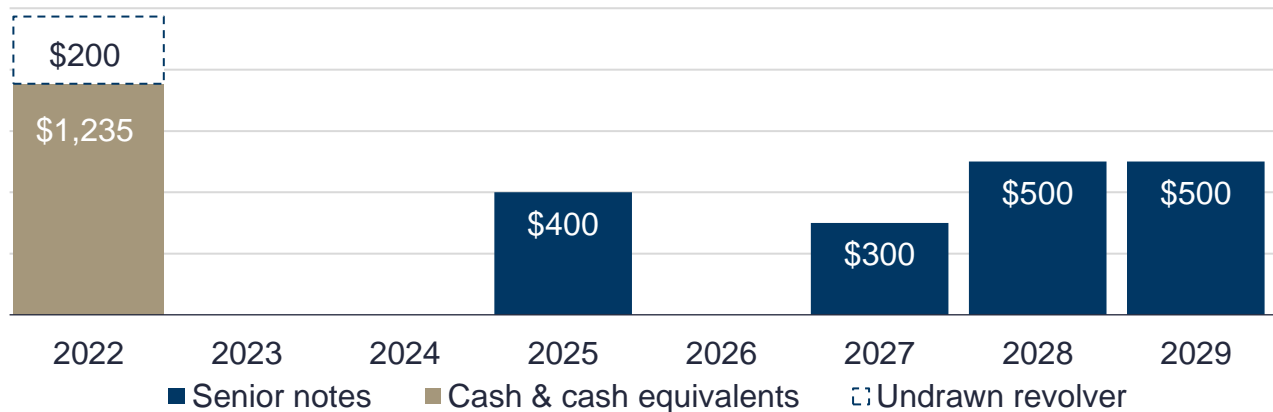
- Senior notes – \$1.7 billion
- Nearest maturity 2025
- No traditional financial covenants
- Weighted average coupon ~4.13%

Strong Liquidity Profile

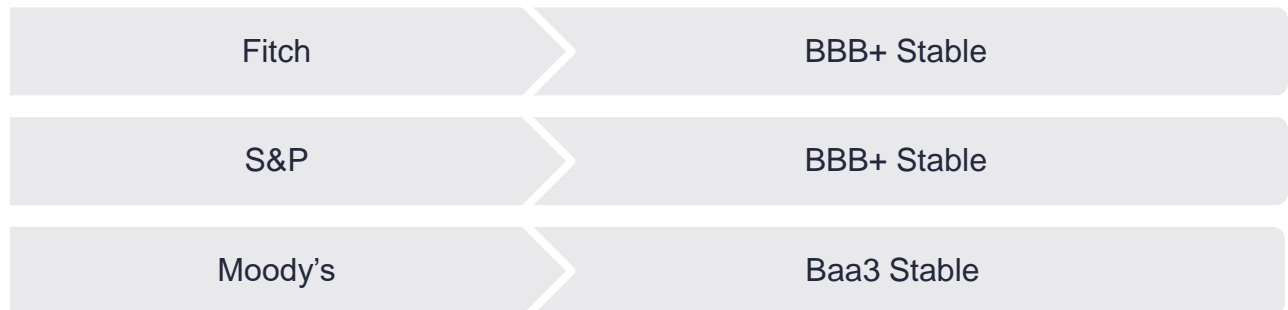
- Current cash and cash equivalents – \$1.2 billion
- Undrawn credit facility – \$200 million

Balanced Debt Profile with Long-term Maturities

(\$ in millions)

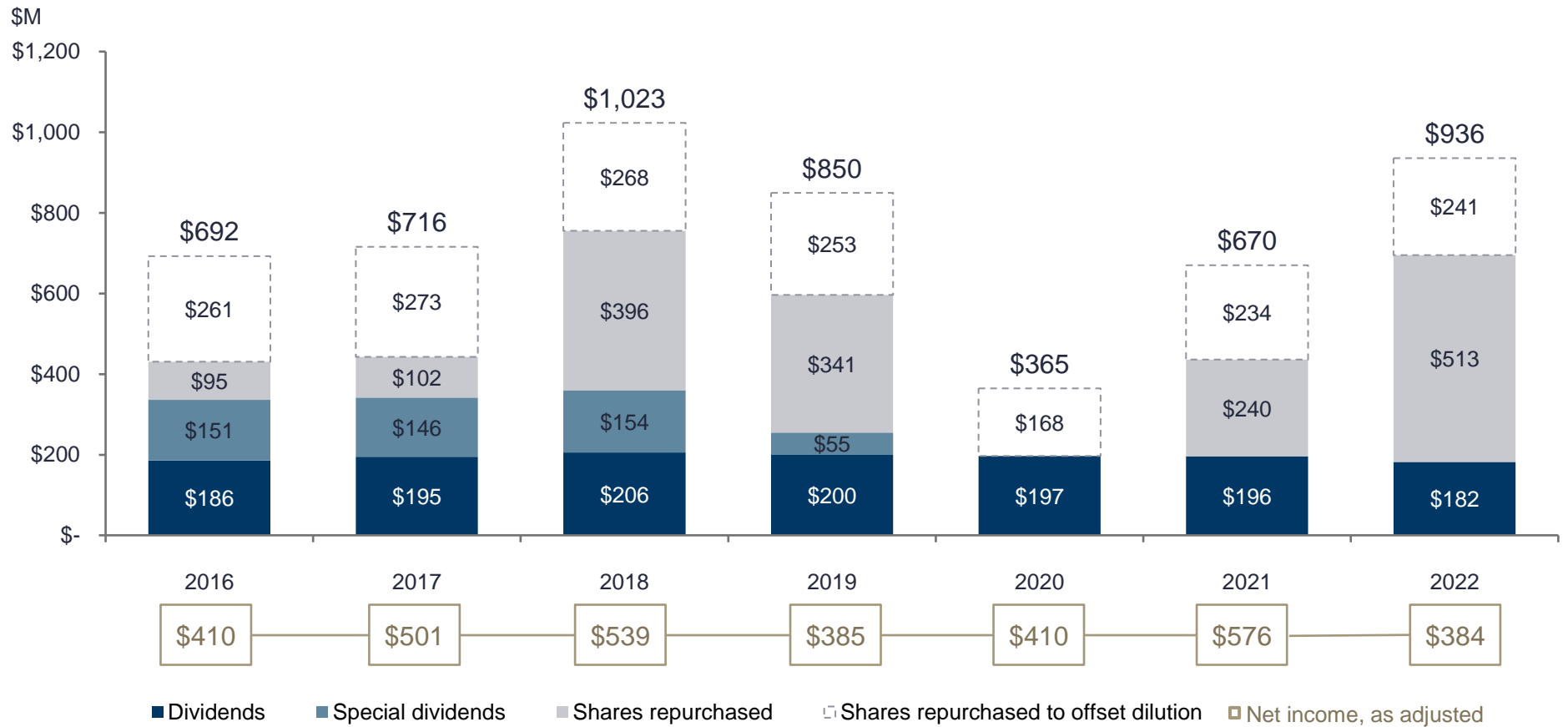


Investment Grade Credit Ratings



Significant Cash Generation

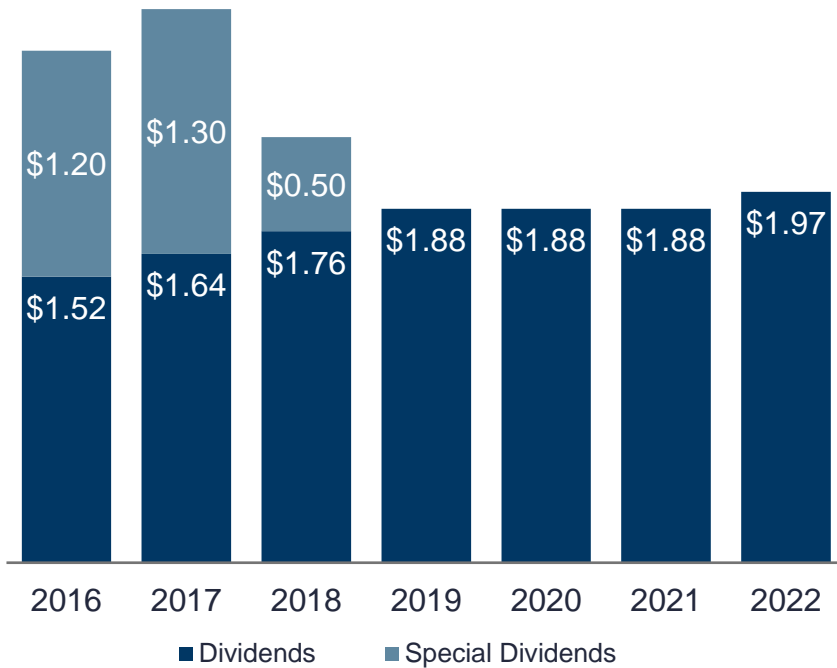
Consistent capital return to shareholders in addition to offsetting dilution from equity compensation



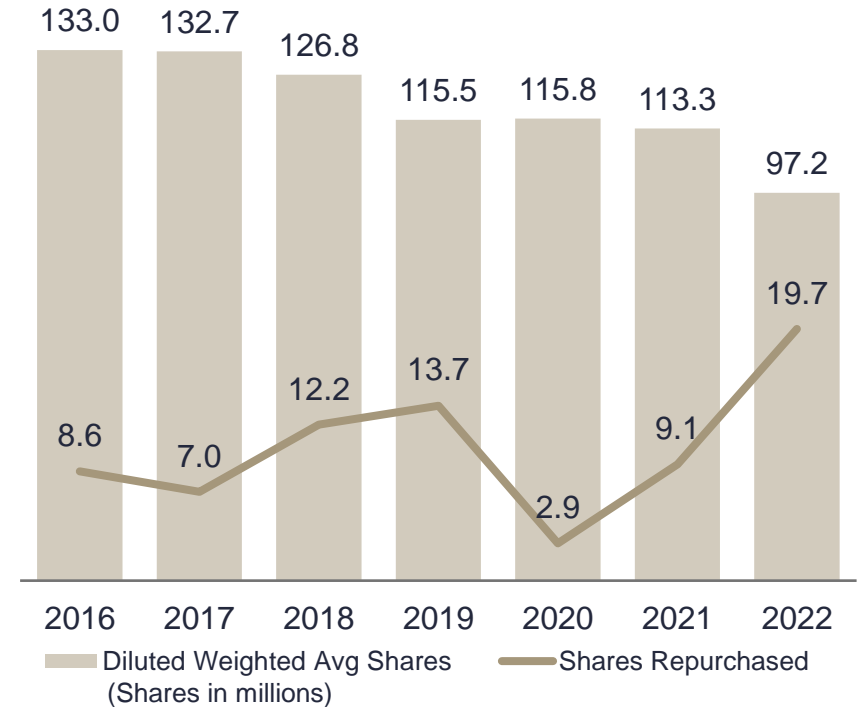
Strong Capital Returns

Balancing dividend growth and share repurchase through the cycle

Annual Dividends ¹



Diluted Weighted Average Shares Outstanding ²



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A

ppendix

Corporate Structure

NYSE: LAZ common stock

Corporate Structure

- Lazard Ltd – Bermuda exempt company, shares of Class A common stock trade on New York Stock Exchange NYSE: LAZ
 - Lazard Group LLC – Delaware limited liability company, subsidiary of Lazard Ltd and the holding company for Lazard's global operating business
- Global operations – Approximately 35% of revenues generated outside of the U.S. and approximately 65% assets under management held in non-U.S. dollar-denominated securities
- Lazard files annual and quarterly SEC filings, consistent with U.S. listed common equities
- Broadly diversified investor base includes key indexes, mutual funds and ETFs, as well as global institutional and retail ownership
 - Approximately 96% of common shares traded (float)
 - Inclusion in Russell and CRSP market capitalization weighted indexes, Dow Jones U.S. Select Dividend Index

Tax Considerations

- Partnership for U.S. tax purposes
 - K-1 and K-3 issued annually
 - Quarterly qualified notices provided
 - Exempt from 1.1446-4 withholding
 - No Unrelated Business Taxable Income (UBTI) or Effectively Connected Income (ECI)
 - No separate state filing requirements and Lazard's common stock is appropriate for tax-exempt investors
- Sample Schedule K-1/K-3 available on Lazard's investor relations website
- U.S. resident shareholders not subject to withholding tax on quarterly dividends
- Non-U.S. investors only subject to withholding tax on U.S. portion of quarterly dividends

Corporate Sustainability

We manage our business to the highest standards of integrity and demonstrate commitment to diversity, inclusion, equity, responsible business and environmental initiatives



- Board-level oversight of sustainability reporting
- Offices located in energy efficient buildings
- Voluntary carbon footprint disclosures (S1, S2, S3) independently verified
- Conducted climate scenario analysis of physical and transitional climate risks (TCFD)
- Global paper reduction initiative
- Sustainable mobility and procurement initiatives in local offices

- 2026 aspirational targets for workforce diversity
- Board-level Workplace & Culture Committee
- CEO Action for Diversity & Inclusion
- UN Global Compact Signatory
- Global wellness programs ~70 events
- Employee affinity groups 100+ engagements
- Learn@Lazard formal learning platform

- Board commitment to diversity, independence and refreshment
- Business integrity reporting program
- Code of conduct training and education
- Data protection and cybersecurity protocols
- Risk management framework
- Active stakeholder engagement

Business ESG Integration

Corporate

- Board-level oversight
- Head of Corporate Sustainability
- Annual CSR, SASB, TCFD
- Lazard Foundation Impact Report
 - \$4.4M donated since 2019

Asset Management

- Co-Heads of Sustainable Investment
- NZAMI, UN-supported PRI signatories
- TCFD & SASB supporters
- ESG integration across asset classes
 - Research and engagements led by fundamental research analysts
 - Evidence of ESG analysis impacting security risk/reward assessment
 - ESG integration as part of analyst performance

Financial Advisory

- Assessment of ESG criteria and risks
- Energy transition assignments ~70 since 2019
- Market-based analysis of ESG valuation factors
- Lazard Climate Center Research
 - Effect of GHG Emissions on Corporate Valuations
 - Levelized Cost of Energy, Storage and Hydrogen
 - Financing Fusion Energy

Unaudited

U.S. GAAP Selected Financial Information

(\$ in millions)

	2016	2017	2018	2019	2020	2021	2022
Net revenue	\$2,333	\$2,644	\$2,826	\$2,587	\$2,566	\$3,193	\$2,774
% <i>Growth</i>	(1%)	13%	7%	(8%)	(1%)	24%	(13%)
Operating Expenses:							
Compensation and benefits	1,341	1,513	1,515	1,563	1,551	1,896	1,656
Non-Compensation ¹	475	306	631	631	513	573	600
Operating Income	\$517	\$825	\$681	\$393	\$502	\$724	\$517
% <i>Net revenue</i>	22%	31%	24%	15%	20%	23%	19%

1. Includes provision (benefit) pursuant to tax receivable agreement.
For additional detail, see "U.S. GAAP Non-Compensation to Adjusted Reconciliation" on page 39.

Unaudited

U.S. GAAP Net Revenue to Operating Revenue Reconciliation

(\$ in millions, except per share data)

	2016	2017	2018	2019	2020	2021	2022
Net revenue - U.S. GAAP Basis	\$2,333	\$2,644	\$2,826	\$2,587	\$2,566	\$3,193	\$2,774
Adjustments:							
Revenue related to noncontrolling interests ¹	(21)	(16)	(19)	(23)	(11)	(32)	(49)
(Gains) losses related to Lazard Fund Interests ("LFI") and other similar arrangements ²	(3)	(24)	14	(32)	(41)	(35)	44
Interest Expense ³	48	50	54	75	75	74	77
MBA Lazard acquisition ⁴	(13)	-	-	-	-	-	-
Distribution fees, reimbursable deal costs, bad debt expense and other ⁵	-	-	(121)	(76)	(65)	(85)	(76)
Private Equity investment adjustment ⁶	-	-	-	12	-	-	-
Expenses associated with the business realignment ⁷	-	-	-	4	-	-	-
Losses associated with restructuring and closing of certain offices ⁸	-	-	-	-	-	24	-
Operating revenue	\$2,344	\$2,655	\$2,755	\$2,546	\$2,524	\$3,139	\$2,769

Operating Revenue is a non-GAAP measure which excludes:

- 1 Noncontrolling interests principally related to Edgewater, ESC Funds and a Special Purpose Acquisition Company, and is a non-GAAP measure.
- 2 Changes in the fair value of investments held in connection with LFI and other similar deferred compensation arrangements for which a corresponding equal amount is excluded from compensation and benefits expense.
- 3 Interest expense related to corporate financing activities because such expense is not considered to be a cost directly related to the revenue of our business. For year ended 2016, includes excess interest of \$0.6 million due to the delay between the issuance of the 2027 notes and the settlement of the 2017 notes. For the year ended 2018, excess interest expense of \$0.3 million due to the period of time between the issuance of 2028 notes and the settlement of 2020 notes. For the first quarter 2019, excess interest expense of \$0.3 million due to the period of time between the issuance of the 2029 notes and the settlements of 2020 notes.
- 4 For the year ended December 31, 2016, represents a gain relating to the Company's acquisition of MBA Lazard resulting from the increase in fair value of the Company's investment in the business.
- 5 Represents certain distribution, introducer and management fees paid to third parties and reimbursable deal costs for which an equal amount is excluded from both non-GAAP operating revenue and non-compensation expense, respectively, and excludes bad debt expense, which represents fees that are deemed uncollectible.
- 6 Represents write-down of private equity investment to potential transaction value.
- 7 Represents losses and expenses associated with the business realignment which includes employee reductions and closing of subscale office and investment strategies.
- 8 Represents losses related to the reclassification of currency translation adjustments to earnings from accumulated other comprehensive loss associated with restructuring and closing of certain of our offices.

Unaudited

U.S. GAAP Compensation to Awarded / Adjusted Reconciliation

(\$ in millions)

	2016	2017	2018	2019	2020	2021	2022
Compensation and benefits expense - U.S. GAAP basis	\$1,341	\$1,513	\$1,515	\$1,563	\$1,551	\$1,896	\$1,656
Adjustments:							
Compensation related to noncontrolling interests ¹	(12)	(8)	(11)	(11)	(8)	(9)	(11)
(Charges)/Credits pertaining to LFI and other similar arrangements ²	(3)	(24)	14	(32)	(41)	(35)	44
Expenses associated with the business realignment ²⁰	-	-	-	(57)	-	-	-
Expenses associated with ERP system implementation ¹⁶	-	-	(1)	-	-	-	-
Expenses associated with restructuring and closing of certain offices ²²	-	-	-	-	-	(15)	-
Expenses associated with senior management transition ²³	-	-	-	-	-	-	(33)
Compensation and benefits expense, as adjusted	1,325	1,481	1,517	1,464	1,502	1,836	1,657
Amortization of deferred incentive awards	(352)	(367)	(376)	(368)	(384)	(400)	(371)
Total cash compensation and benefits ³	973	1,114	1,141	1,096	1,118	1,436	1,286
Deferred year-end incentive awards ⁴	342	351	378	361	364	390	436
Sign-on and other special deferred incentive awards ⁵	30	36	46	38	55	49	79
Adjustment for actual/estimated forfeitures ⁶	(28)	(25)	(28)	(26)	(27)	(29)	(34)
Compensation and benefits expense - Awarded basis	\$1,317	\$1,476	\$1,537	\$1,469	\$1,510	\$1,846	\$1,768
Operating Revenue	\$2,344	\$2,655	\$2,755	\$2,546	\$2,524	\$3,139	\$2,769
% of Operating revenue - as Adjusted	56.5%	55.8%	55.1%	57.5%	59.5%	58.5%	59.8%
% of Operating revenue - Awarded basis	56.2%	55.6%	55.8%	57.7%	59.8%	58.8%	63.8%

Unaudited

U.S. GAAP Non-Compensation to Adjusted Reconciliation

(\$ in millions)

	2016	2017	2018	2019	2020	2021	2022
Non-Compensation expense - U.S. GAAP basis	\$475	\$306	\$631	\$631	\$513	\$573	\$600
Adjustments:							
(Provision) benefit pursuant to the tax receivable agreement obligation ("TRA") ¹⁰	-	203	6	1	0	(2)	1
Amortization and other acquisition-related costs (benefits) ⁹	(37)	(10)	16	(19)	(2)	(0)	(0)
Non-compensation related to noncontrolling interests ¹	(2)	(2)	(2)	(2)	(2)	(8)	(3)
Expenses associated with the business realignment ²⁰	-	-	-	(7)	-	-	-
Charges pertaining to Senior Debt refinancing ⁸	(3)	-	(7)	(7)	-	-	-
Expenses associated with ERP system implementation ¹⁶	-	(25)	(27)	(17)	-	-	-
Expenses related to office space reorganization ⁷	-	(11)	(2)	(5)	(13)	(5)	(4)
Expenses associated with Lazard Foundation ¹⁸	-	-	(10)	-	-	-	-
Expenses associated with restructuring and closing of certain offices ²¹	-	-	-	-	-	(2)	-
Distribution fees, reimbursable deal costs, bad debt expense and other ¹⁷	-	-	(121)	(76)	(65)	(85)	(76)
Non-compensation expense, as adjusted	\$434	\$461	\$484	\$499	\$432	\$472	\$518
Operating Revenue	\$2,344	\$2,655	\$2,755	\$2,546	\$2,524	\$3,139	\$2,769
% of Operating revenue	18.5%	17.4%	17.6%	19.6%	17.1%	15.0%	18.7%

Unaudited

U.S. GAAP Net Income to Adjusted Reconciliation

(\$ in millions, except per share values)

	2016	2017	2018	2019	2020	2021	2022
Net income attributable to Lazard Ltd - U.S. GAAP Basis	\$388	\$254	\$527	\$287	\$402	\$528	\$358
Adjustments:							
Expenses associated with the business realignment ²⁰	-	-	-	68	-	-	-
Tax expense (benefit) allocated to adjustments ¹¹	(16)	(13)	(10)	(27)	(4)	1	(9)
Charges pertaining to Senior Debt refinancing ⁸	4	-	7	7	-	-	-
MBA Lazard acquisition ¹²	(13)	-	-	-	-	-	-
Valuation Allowance for changed tax laws ¹⁵	12	-	-	-	-	-	-
Acquisition-related (benefits)/costs ¹⁴	34	7	(19)	17	-	-	-
Reduction of deferred tax assets (net of TRA reduction) ¹⁰	-	217	-	-	-	-	-
Provision (benefit) pursuant to tax receivable agreement obligation ("TRA") ¹⁰	-	-	(6)	(1)	(0)	2	(1)
Expenses associated with ERP system implementation ¹⁶	-	25	29	17	-	-	-
Expenses related to office space reorganization ⁷	-	11	2	5	13	5	4
Expenses associated with Lazard Foundation ¹⁸	-	-	10	-	-	-	-
Private Equity investment adjustment ¹⁹	-	-	-	12	-	-	-
Losses associated with restructuring and closing of certain offices ²¹	-	-	-	-	-	24	-
Expenses associated with restructuring and closing of certain offices ²²	-	-	-	-	-	16	-
Expenses associated with senior management transition ²³	-	-	-	-	-	-	33
Net Income, as adjusted	\$410	\$501	\$539	\$385	\$410	\$576	\$384
Weighted average shares outstanding:							
U.S. GAAP, diluted	132,634	132,480	129,768	116,080	113,483	113,675	100,998
As adjusted, diluted	132,634	132,480	129,768	117,348	113,904	114,248	103,193
Diluted Net Income per share:							
U.S. GAAP Basis	\$2.92	\$1.91	\$4.06	\$2.44	\$3.54	\$4.63	\$3.51
As adjusted	\$3.09	\$3.78	\$4.16	\$3.28	\$3.60	\$5.04	\$3.73

Unaudited

Earnings from Operations – As Adjusted / Awarded

(\$ in millions, except per share values)

	2016	2017	2018	2019	2020	2021	2022
As Adjusted							
Operating Revenue	\$2,344	\$2,655	\$2,755	\$2,546	\$2,524	\$3,139	\$2,769
Compensation and benefits	1,325	1,481	1,517	1,464	1,502	1,836	1,657
Non-Compensation expense	434	461	484	499	432	472	518
Earnings from Operations	\$585	\$713	\$754	\$583	\$590	\$831	\$594
<i>Operating Margin, As Adjusted</i>	<i>25.0%</i>	<i>26.9%</i>	<i>27.4%</i>	<i>22.9%</i>	<i>23.4%</i>	<i>26.5%</i>	<i>21.5%</i>
Adjusted EPS	\$3.09	\$3.78	\$4.16	\$3.28	\$3.60	\$5.04	\$3.73

	2016	2017	2018	2019	2020	2021	2022
Awarded							
Operating Revenue	\$2,344	\$2,655	\$2,755	\$2,546	\$2,524	\$3,139	\$2,769
Compensation and benefits	1,317	1,476	1,537	1,469	1,510	1,846	1,768
Non-Compensation expense	434	461	484	499	432	472	518
Earnings from Operations	\$593	\$718	\$734	\$578	\$582	\$821	\$483
<i>Operating Margin, Awarded Basis</i>	<i>25.3%</i>	<i>27.1%</i>	<i>26.6%</i>	<i>22.7%</i>	<i>23.0%</i>	<i>26.2%</i>	<i>17.4%</i>

Unaudited

Supplemental Segment Information

(\$ in millions)

	Financial Advisory ¹							Asset Management ¹							Corporate ²						
	2016	2017	2018	2019	2020	2021	2022	2016	2017	2018	2019	2020	2021	2022	2016	2017	2018	2019	2020	2021	2022
Operating Revenue	\$1,301	\$1,388	\$1,506	\$1,357	\$1,403	\$1,778	\$1,652	\$1,031	\$1,240	\$1,242	\$1,159	\$1,111	\$1,329	\$1,099	\$2,344	\$2,655	\$2,755	\$2,546	\$2,524	\$3,139	\$2,769
% Growth	2%	7%	9%	(10%)	3%	27%	(7%)	(5%)	20%	0%	(7%)	(4%)	20%	(17%)	(2%)	13%	4%	(8%)	(1%)	24%	(12%)
Compensation and benefits, as Adjusted	\$740	\$834	\$858	\$826	\$832	\$1,024	\$939	\$473	\$520	\$530	\$501	\$524	\$628	\$558	\$113	\$127	\$128	\$137	\$146	\$184	\$160
% of Operating Revenue	57%	60%	57%	61%	59%	58%	57%	46%	42%	43%	43%	47%	47%	51%	5%	5%	5%	5%	6%	6%	6%
Compensation and benefits, Awarded basis	\$755	\$830	\$881	\$837	\$856	\$1,056	\$1,042	\$454	\$521	\$524	\$498	\$514	\$617	\$565	\$108	\$124	\$132	\$134	\$140	\$173	\$161
% of Operating Revenue	58%	60%	59%	62%	61%	59%	63%	44%	42%	42%	43%	46%	46%	51%	5%	5%	5%	5%	6%	6%	6%
Non-Compensation expense, as Adjusted	\$166	\$180	\$180	\$188	\$144	\$160	\$184	\$170	\$181	\$188	\$186	\$175	\$195	\$205	\$98	\$101	\$117	\$125	\$113	\$117	\$129
% of Operating Revenue	13%	13%	12%	14%	10%	9%	11%	16%	15%	15%	16%	16%	15%	19%	4%	4%	4%	5%	4%	4%	5%
Earnings from Operations, as Adjusted	\$395	\$374	\$468	\$344	\$427	\$594	\$529	\$388	\$539	\$524	\$472	\$413	\$505	\$336	\$585	\$713	\$754	\$583	\$589	\$831	\$594
Operating Margin, as Adjusted	30%	27%	31%	25%	30%	33%	32%	38%	43%	42%	41%	37%	38%	31%	25%	27%	27%	23%	23%	26%	21%
Earnings from Operations, Awarded basis	\$380	\$378	\$445	\$333	\$403	\$563	\$426	\$407	\$538	\$530	\$475	\$423	\$517	\$328	\$593	\$718	\$734	\$578	\$582	\$821	\$483
Operating Margin, Awarded basis	29%	27%	30%	25%	29%	32%	26%	39%	43%	43%	41%	38%	39%	30%	25%	27%	27%	23%	23%	26%	17%

¹ Segment results exclude expenses not directly associated with the businesses. See "U.S. GAAP Operating Income to Earnings from Operations" for additional information regarding overhead allocations on page 43.

² Awarded compensation and non-compensation amounts recorded in the Corporate segment are measured as a percentage of total Lazard operating revenue.

Unaudited

U.S. GAAP Operating Income to Earnings from Operations

(\$ in millions)

	Financial Advisory						Asset Management						Corporate						Total												
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021	2022
Net Revenue - U.S. GAAP Basis	\$1,301	\$1,388	\$1,556	\$1,374	\$1,421	\$1,765	\$1,666	\$1,052	\$1,256	\$1,332	\$1,237	\$1,167	\$1,425	\$1,205	(\$20)	\$1	(\$61)	(\$25)	(\$22)	\$4	(\$98)	\$2,333	\$2,644	\$2,826	\$2,587	\$2,566	\$3,193	\$2,774			
Adjustments^(a):																															
Revenue related to noncontrolling interests ¹	-	-	-	-	-	-	(21)	(16)	(19)	(23)	(8)	(22)	(44)	-	-	(0)	-	(3)	(10)	(5)	(21)	(16)	(19)	(23)	(11)	(32)	(49)				
(Gain) loss related to LFI and other similar arrangements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)	(23)	14	(32)	(41)	(35)	44	(3)	(23)	14	(32)	(41)	(35)				
Interest expense	-	-	-	-	-	0	-	-	1	-	-	-	-	-	48	50	54	75	74	74	76	48	50	54	75	74	74				
MBA Lazard acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	(13)	-	-	-	-	-	-	(13)	-	-	-	-	-	-				
Losses associated with the business realignment ²⁰	-	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-	-				
Private Equity investment adjustment ¹⁹	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	-	-	-	-	-	-	-	-	-	-				
Distribution fees, reimbursable deal costs, bad debt expense and other ¹⁷	-	-	(49)	(20)	(17)	(10)	(14)	-	(72)	(56)	(48)	(75)	(62)	-	-	(0)	-	-	(0)	-	-	-	(121)	(76)	(65)	(85)	(76)				
Losses associated with restructuring and closing of certain offices ²¹	-	-	-	-	-	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24				
Operating revenue	\$1,301	\$1,388	\$1,506	\$1,357	\$1,403	\$1,778	\$1,652	\$1,031	\$1,240	\$1,242	\$1,159	\$1,111	\$1,329	\$1,099	\$12	\$27	\$7	\$30	\$9	\$33	\$18	\$2,344	\$2,655	\$2,755	\$2,546	\$2,524	\$3,139	\$2,769			
Operating Income (loss) - U.S. GAAP Basis	\$284	\$244	\$357	\$148	\$290	\$408	\$361	\$281	\$445	\$420	\$350	\$306	\$392	\$241	(\$48)	\$136	(\$96)	(\$105)	(\$94)	(\$76)	(\$86)	\$517	\$825	\$681	\$393	\$502	\$724	\$517			
Adjustments:																															
Sum of Adjustments - Revenue - U.S. GAAP vs. Operating revenue (from above)	-	-	(49)	(16)	(17)	13	(14)	(21)	(16)	(89)	(79)	(56)	(96)	(106)	32	27	68	55	31	29	115	11	11	(72)	(40)	(42)	(54)				
Sum of Adjustments - Compensation and benefits expense, as adjusted to awarded basis ^(b,c)	(15)	4	(23)	(11)	(24)	(31)	(103)	19	(1)	7	3	10	12	(8)	4	3	(4)	3	6	10	(1)	8	5	(20)	(5)	(8)	(9)				
Charges (credits) pertaining to LFI and other similar arrangements ²	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	23	(14)	32	41	35	(44)	4	23	(14)	32	41	35				
Operating expenses related to noncontrolling interests ¹	-	-	-	-	-	-	14	10	13	13	10	11	13	-	-	-	-	0	6	1	14	10	13	13	10	17	14				
Charges pertaining to Senior Debt refinancing ³	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	7	6	-	-	-	3	-	7	6	-	-				
Amortization and other acquisition-related costs (benefits) ⁹	4	9	(19)	17	-	-	32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36	9	(19)	17	-	-				
Provision (benefit) pursuant to the tax receivable agreement ¹⁰	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(203)	-	-	-	-	-	-	(203)	(6)	-	-	-	-				
Loss (gain) on partial extinguishment of TRA obligation ¹³	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6)	1	0	2	(1)	-	-	-	1	0	2	(1)				
Expenses related to office space reorganization ⁷	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11	2	4	13	5	4	-	11	2	4	13	5	4				
Expenses associated with the business realignment ²²	-	-	-	40	-	-	-	-	-	17	-	-	-	-	-	-	-	-	-	-	-	-	-	65	-	-	-				
Distribution fees, reimbursable deal costs, bad debt expense and other ¹⁷	-	-	50	20	17	10	14	-	-	72	56	48	75	62	-	-	-	-	-	-	-	-	-	122	76	65	85				
Expenses associated with Lazard Foundation ¹⁴	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	-	-	-	-	-	-	10	-	-	-				
Expenses associated with ERP system implementation ¹⁶	-	12	16	9	-	-	-	-	12	13	8	-	-	-	-	1	2	-	-	-	-	-	25	29	17	-	-				
Expenses associated with restructuring and closing of certain offices ²²	-	-	-	-	-	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16				
Expenses associated with senior management transition ²³	-	-	-	-	-	13	-	-	-	-	-	-	-	12	-	-	-	-	-	-	8	-	-	-	-	-	33				
Corporate support group allocations to business segments ^(c)	107	108	114	125	137	146	154	82	88	96	106	105	123	114	(189)	(194)	(210)	(231)	(241)	(269)	(268)	-	2	-	-	-					
Total adjustments	96	134	88	185	113	155	65	126	93	111	125	117	124	87	(146)	(332)	(146)	(124)	(150)	(182)	(185)	76	(106)	53	185	80					
Earnings from Operations, Awarded basis	\$380	\$378	\$445	\$333	\$403	\$563	\$426	\$407	\$538	\$530	\$475	\$423	\$517	\$328	(\$194)	(\$196)	(\$242)	(\$229)	(\$244)	(\$258)	(\$271)	\$593	\$718	\$734	\$578	\$582	\$821	\$483			
Operating Margin, Awarded basis	29%	27%	30%	25%	29%	32%	26%	39%	43%	43%	41%	38%	39%	30%	nm	nm	nm	nm	nm	nm	nm	25%	27%	27%	23%	23%	26%	17%			

(a) See "U.S. GAAP Net Revenue to Operating Revenue Reconciliation" on page 37.
 (b) See "U.S. GAAP Compensation to Awarded/Adjusted Reconciliation" on page 38.
 (c) Operating margins for Financial Advisory and Asset Management reflect a reallocation of expenses from Corporate to the business segments. For all numerical footnotes, see endnotes for information regarding non-GAAP adjustments.

Endnotes related to Non-GAAP Adjustments

1. Amounts related to the consolidation of noncontrolling interests which are excluded because the Company has no economic interest in such amounts.
2. Represents changes in the fair value of the compensation liability recorded in connection with Lazard Fund Interests (“LFI”) and other similar deferred incentive compensation arrangements for which a corresponding equal amount is excluded from operating revenue.
3. Includes base salaries and benefits of \$828 million, \$774 million, \$683 million, \$705 million, \$696 million, \$648 million and \$575 million, for 2022, 2021, 2020, 2019, 2018, 2017 and 2016, respectively, and cash incentive compensation of \$458 million, \$662 million, \$435 million, \$391 million, \$446 million, \$466 million and \$398 million, for the respective years.
4. Grant date fair value of deferred incentive compensation awards granted applicable to the relevant year-end compensation process (i.e. grant date fair value of deferred incentive awards granted in 2022, 2021, 2020, 2019, 2018 and 2017 related to the 2021, 2020, 2019, 2018, 2017 and 2016 year-end compensation processes, respectively).
5. Represents special deferred incentive awards that are granted outside the year-end compensation process, and includes grants to new hires, retention awards and performance units earned under PRSU grants.
6. Under U.S. GAAP, an estimate is made for future forfeitures of the deferred portion of such awards. This estimate is based on both historical experience and future expectations. The result reflects the cost associated with awards that are expected to vest. This calculation is undertaken in order to present awarded compensation on a similar basis to GAAP compensation. Amounts for all periods represent estimated forfeitures.
7. Represents incremental rent expense, building depreciation, impairment losses, legal fees and lease abandonment costs related to office space reorganization and an onerous lease provision.
8. For the year ended December 31, 2016, represents charges related to the extinguishment of \$98 million of the Company’s 6.85% Senior Notes maturing in June 2017 and the issuance of \$300 million of 3.625% notes maturing in March 2027. The charges include a pre-tax loss on the extinguishment of \$3.1 million and excess interest expense of \$0.6 million (due to the delay between the issuance of the 2027 notes and the settlement of 2017 notes). For the period ended December 31, 2018, represents charges related to the extinguishment of \$250 million of the Company’s 4.25% Senior Notes maturing in November 2020 and the issuance of \$500 million of 4.50% notes maturing in September 2028. The charges include a pre-tax loss on the extinguishment of \$6.5 million and excess interest expense of \$0.3 million (due to the period of time between the issuance of the 2028 notes and the settlement of 2020 notes). For the period ended March 31, 2019, represents charges related to the extinguishment of \$168 million of the Company’s 4.25% Senior Notes maturing in November 2020 and the issuance of \$500 million of 4.375% notes maturing in March 2029. The charges include a pre-tax loss on the extinguishment of \$6.5 million and excess interest expense of \$0.3 million (due to the period of time between the issuance of the 2029 notes and the settlement of 2020 notes).
9. Represents amortization of intangibles, and for 2016, 2017, 2018 and 2019, primarily relates to the change in fair value of the contingent consideration associated with certain business acquisitions.

Endnotes related to Non-GAAP Adjustments

10. Represents amounts the Company may be required to pay LTBP Trust under the Tax Receivable Agreement based on the expected utilization of deferred tax assets that are subject to the TRA. For the year ended December 31, 2017, as a result of the 2017 US Tax Cuts and Jobs Act, the Company incurred a charge of approximately \$420 million primarily relating to the reduction in certain deferred tax assets, with an offsetting benefit of approximately \$203 million relating to the reduction in our Tax Receivable Agreement obligation. For the year ended December 31, 2018, represents tax rate adjustment associated with the 2017 US Tax Cuts and Jobs Act.
11. Represents the tax benefit applicable to adjustments described above and for the years ended December 31, 2012 and 2013, the portion of adjustments described above attributable to LAZ-MD Holdings.
12. For the year ended December 31, 2016 represents a gain relating to the Company's acquisition of MBA Lazard resulting from the increase in fair value of the Company's investment in the business.
13. In July of 2015 the Company extinguished approximately 47% of the outstanding TRA obligation. Accordingly, for the three-month period ended December 31, 2015 and the twelve-month period ended December 31, 2015, the Company recorded a pre-tax gain of \$420 million and a related tax expense of \$161 million.
14. Primarily relates to the change in fair value of the contingent consideration associated with certain business acquisitions.
15. Represents valuation allowance associated with a change in NYC UBT tax laws.
16. Represents expenses associated with Enterprise Resource Planning (ERP) system implementation.
17. Represents certain distribution, introducer and management fees paid to third parties and reimbursable deal costs for which an equal amount is excluded from both non-GAAP operating revenue and non-compensation expense, respectively, and excludes bad debt expense, which represents fees that are deemed uncollectible.
18. Represents expenses associated with the Lazard Foundation unconditional commitment.
19. Represents write-down of private equity investment to potential transaction value.
20. Represents losses and expenses associated with the business realignment which includes employee reductions and closing of subscale office and investment strategies.
21. Represents losses related to the reclassification of currency translation adjustments to earnings from accumulated other comprehensive loss associated with restructuring and closing of certain of our offices.
22. Expenses associated with restructuring and closing of certain offices.
23. Represents expenses associated with senior management transition reflecting the departure of certain executive officers.