



LAZARD

February 2024

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 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 and (g) in the event of a change or adverse interpretation of relevant income tax law, regulation or treaty, or a failure to qualify for treaty benefits, or in the event tax

authorities challenge our tax computations or classifications.

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 statements reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance, achievements or events. 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) non-compensation expense, as adjusted (d) earnings from operations, (e) pre-tax income, as adjusted, (f) pre-tax income per share, as adjusted, (g) earnings from operations (h) operating margin, as adjusted, (i) operating margin (j) net income, as adjusted, (k) net income per share, as adjusted (l) 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, Inc. and its direct and indirect subsidiaries on a consolidated basis as of December 31, 2023.

Investment Thesis

Lazard is one of the world's preeminent, independent financial advisory and asset management firms.



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

Highly cash generative businesses

Flexible capital structure



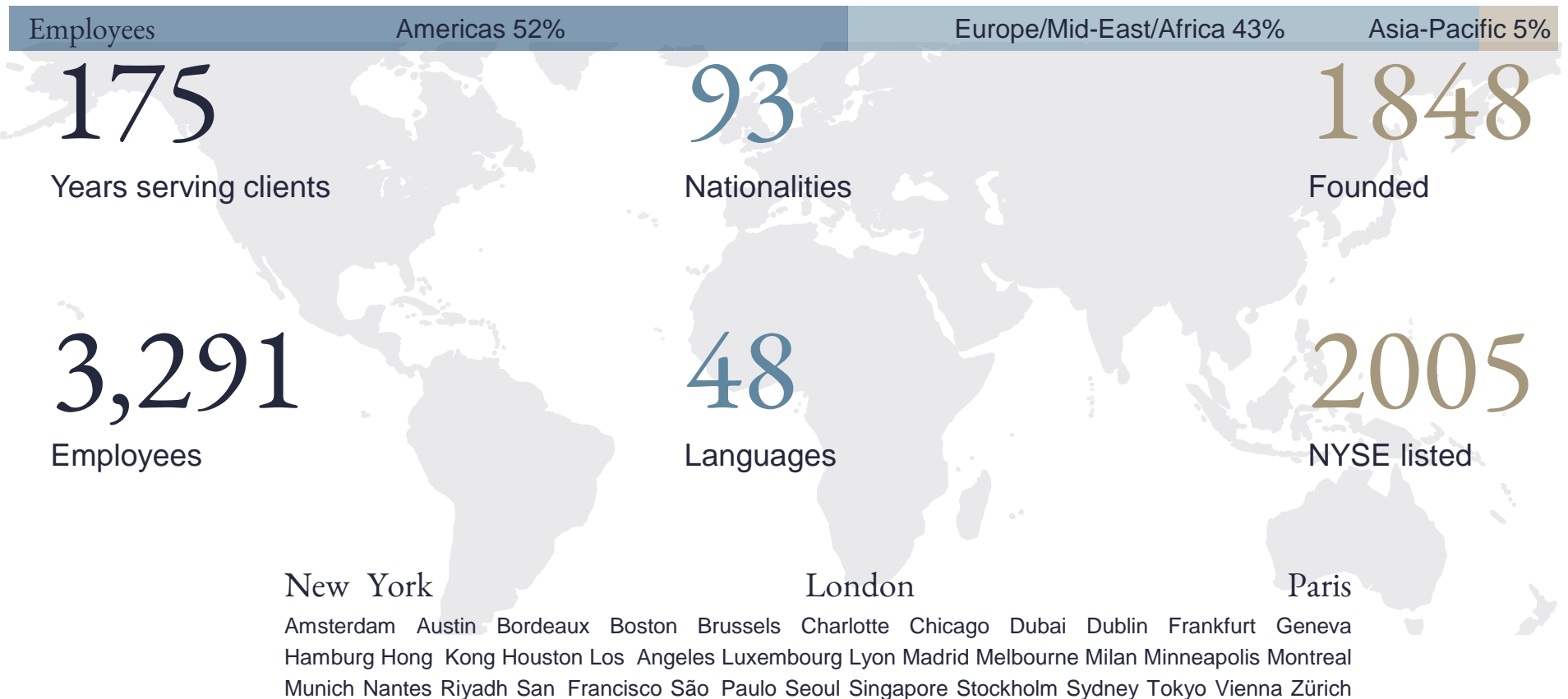


Investment Highlights

Our Firm

Lazard’s mission is to provide sophisticated and differentiated advice and investment solutions, custom-tailored for our clients.

We serve clients by leveraging our multinational resources and global perspectives, through a worldwide network of key decision makers across business, government, and investing institutions, a heritage of operating as a deeply rooted local firm, and a business that has evolved for over 175 years.



Our Business

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

Asset Management

\$247b
AUM 4Q23

64%
AUM in non-USD securities

34%
investment professionals

16
years average MD tenure



Financial Advisory

200+
Managing Directors (MD)

299
FY23 clients with fees >\$1M

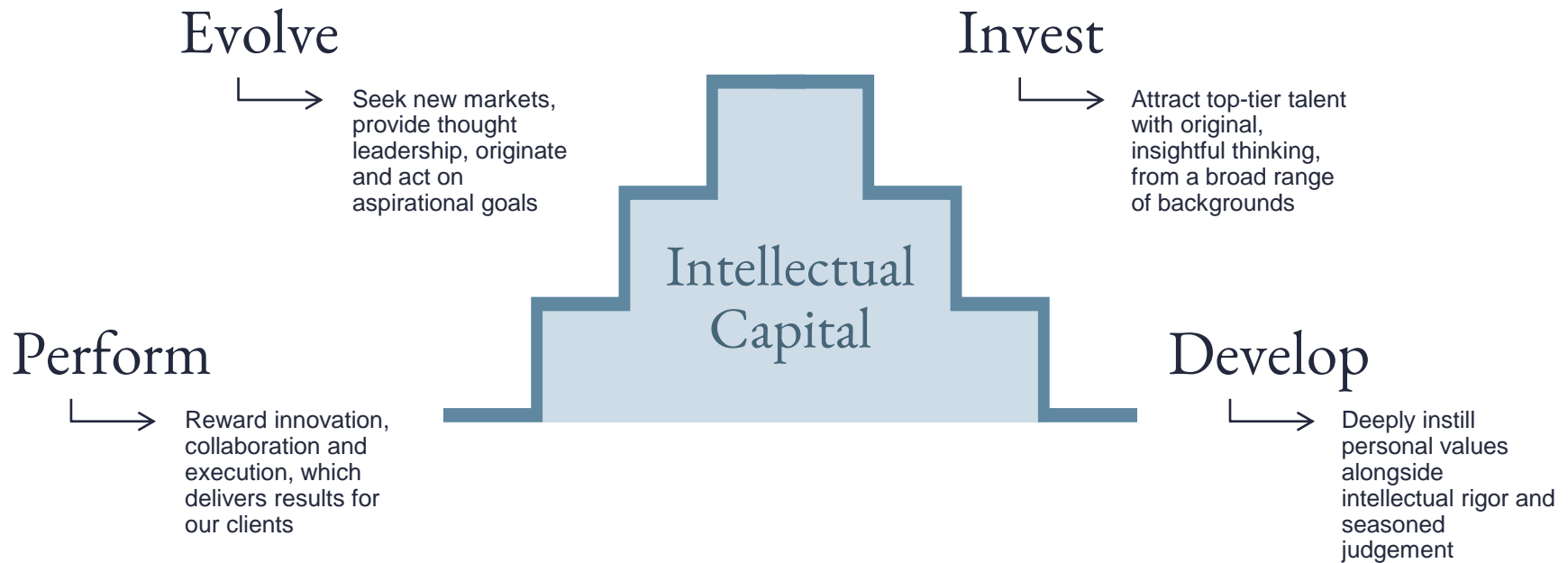
12
years average MD tenure

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 Management | Sovereign Advisory | Capital Solutions |
 Collective Trusts | Mutual Funds | Private Funds | Separately Managed | Sub-Advised | UCITS | LazardNext | Geopolitical Advisory | Shareholder Advisory | Venture & Growth Banking |

Our Culture

Lazard’s reputation for excellence, integrity, and delivering innovative results is driven by our commercial and collegial culture, comprised of talented colleagues working together to provide exceptional advice and investment solutions for clients.



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 leverage technology and innovative data intelligence to drive scale, efficiencies, and deliver insights for our clients.

Collaboration



Optimizing workflow connectivity

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



Dynamic processing analytics

- Portfolio evaluation and execution
- Statistical modeling, natural language processing, machine learning and artificial intelligence



Cybersecurity

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



Enterprise finance / risk

- Centralized global platform
- Compliance and risk management

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

Our complementary businesses and intellectual capital result in a global platform built over centuries that provides unparalleled service 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

↳ attract clients across the spectrum of industries and geographies



Complementary businesses

↳ provide 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

↳ enable annual capital returns through dividends and share repurchases

Lazard 2030 Strategy

Strategic goals and actions in place to drive long-term growth and profitability

+100%

Revenue

↳ Our goal is for revenue to double by 2030.

10-15%

Returns

↳ Our goal is for our total shareholder return (TSR) to average 10 to 15 percent per year through 2030.

+++

Relevance

↳ Our goal is for our relevance to grow stronger by 2030, to further drive substantial, positive impact on outcomes for our clients.

Setting goals, assessing market opportunities and identifying building blocks

Organization and Structure

- ↳ Recalibrating the team for growth, productivity drivers, and disciplined investment
- Aligning teams across geographies and creating a leaner operating model
- Adjusting compensation to align with commercial and collegial behavior, and driving shareholder value

Market Opportunities

- ↳ Financial Advisory Sectors: Technology, Industrial, Healthcare, Energy
- Financial Advisory Specialized Expertise: geopolitical advisory, restructuring, private and public capital solutions
- Asset Management Strategies: investment performance, product solutions, global distribution, alternative strategies

Building Blocks

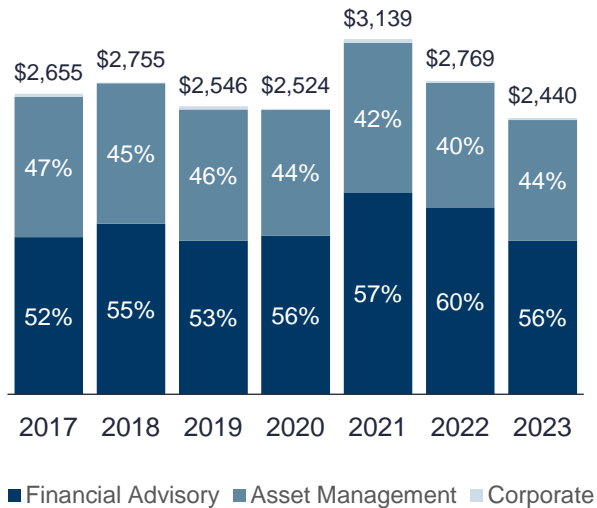
- ↳ Targeting increase in annual revenue per MD to \$8.5 million in 2025 and \$10 million in 2028
- Targeting net growth of 10 MDs each year through lateral hires and internal promotions
- Targeting ~30% of asset management revenues from alternative/private investments and/or wealth management

Annual Performance

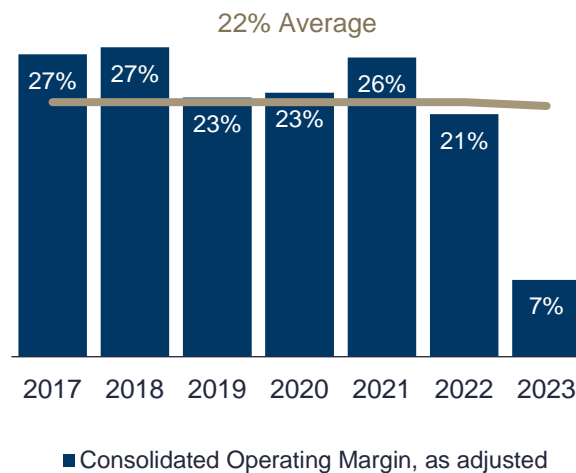
Lazard's 2030 Strategy is designed to drive revenue growth and higher operating margins

Revenue Growth

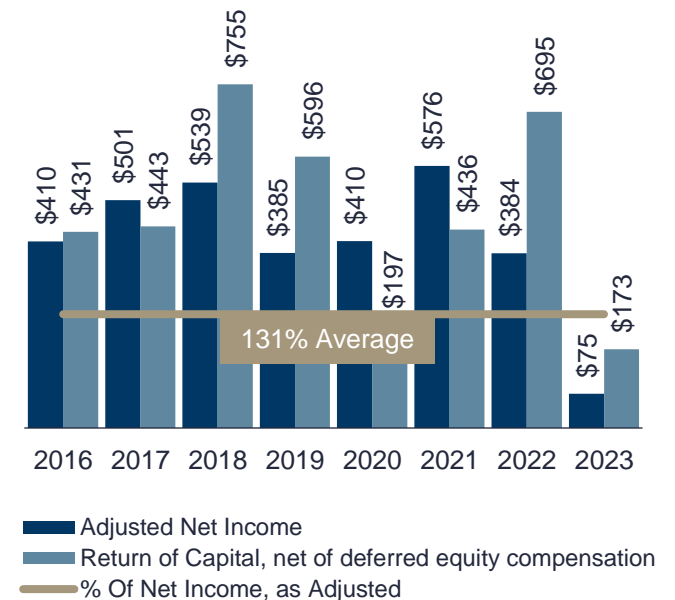
Total Operating Revenue (\$M)



Operating Margin



Return of Capital



Our global platform provides resiliency, growth and profitability

Balanced contribution from Asset Management and Financial Advisory

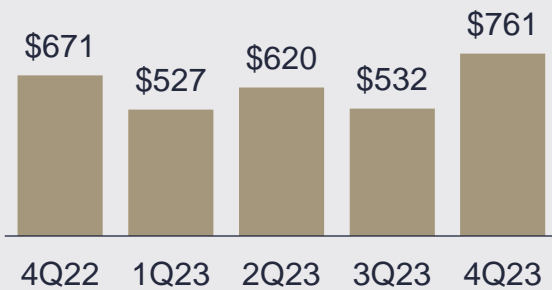
Focused on cost discipline alongside continued investment in growth over the cycle

Demonstrated consistent, opportunistic return of capital

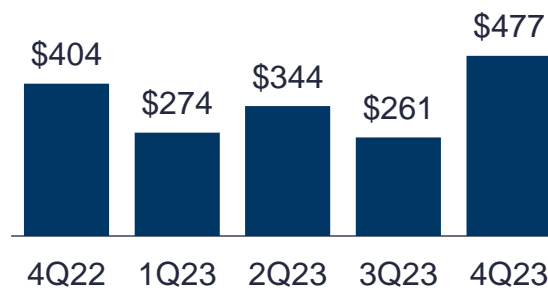
Quarterly Performance

Our complementary businesses delivered resilient performance

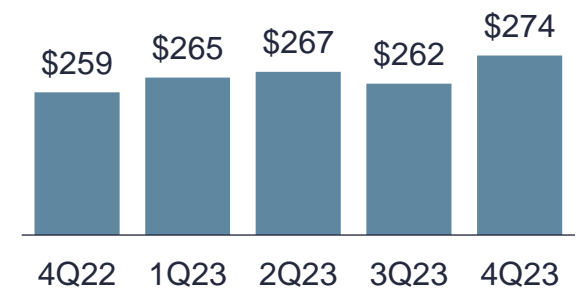
Total Operating Revenue



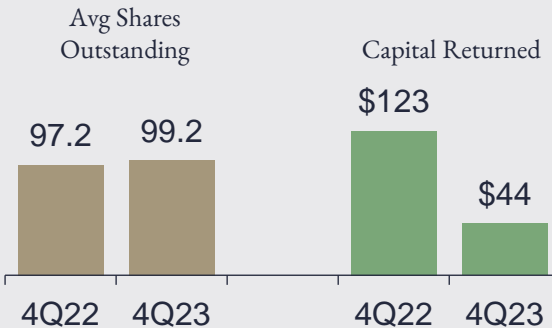
Financial Advisory Revenue



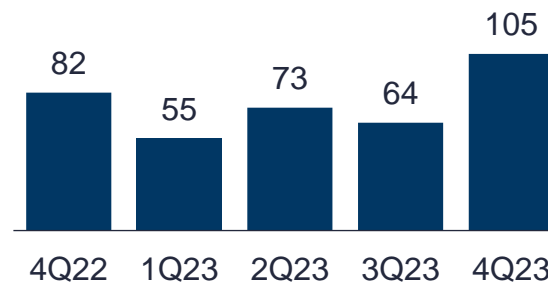
Asset Management Revenue



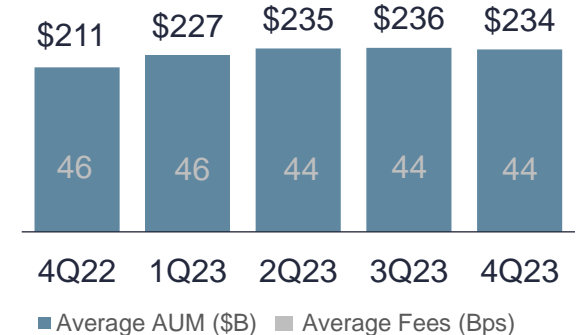
Return of Capital



Financial Advisory Clients with Fees >\$1M



Average Assets Under Management & Fees





Balanced Business

Asset Management at a Glance

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

\$247b

Assets under management
4Q23

64%

AUM in non-USD securities
4Q23

40+

Investment strategies
>\$1b in AUM

85%

Institutional clients
4Q23

\$1.1b

Operating revenue
FY23

100%

Active management

1,200+

Employees
FY23

20

Countries of operation
FY23

>90%

Revenues from management fees and other

44 bps

Average management fee
4Q23

400+

Investment professionals
FY23

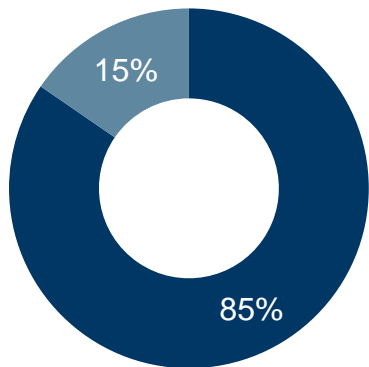
58

Countries of client domicile
FY23

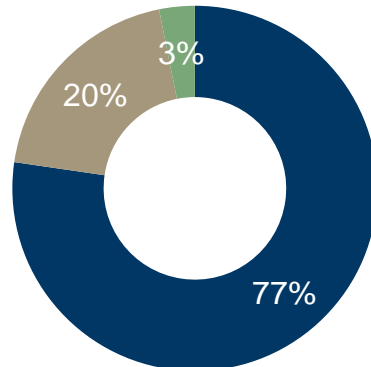
Diversified Assets Under Management

Significant diversification, scale and performance through the cycle

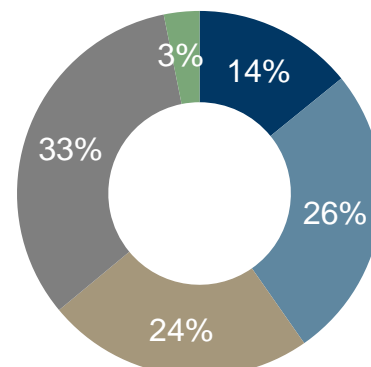
By Client Type



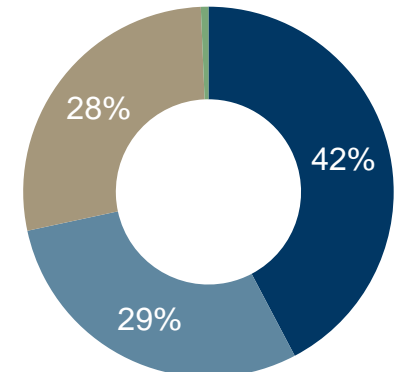
By Asset Class



By Investment Strategy



By Vehicle



- Institutional
- Other

- Equity
- Fixed Income
- Alternative, PE & Other

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

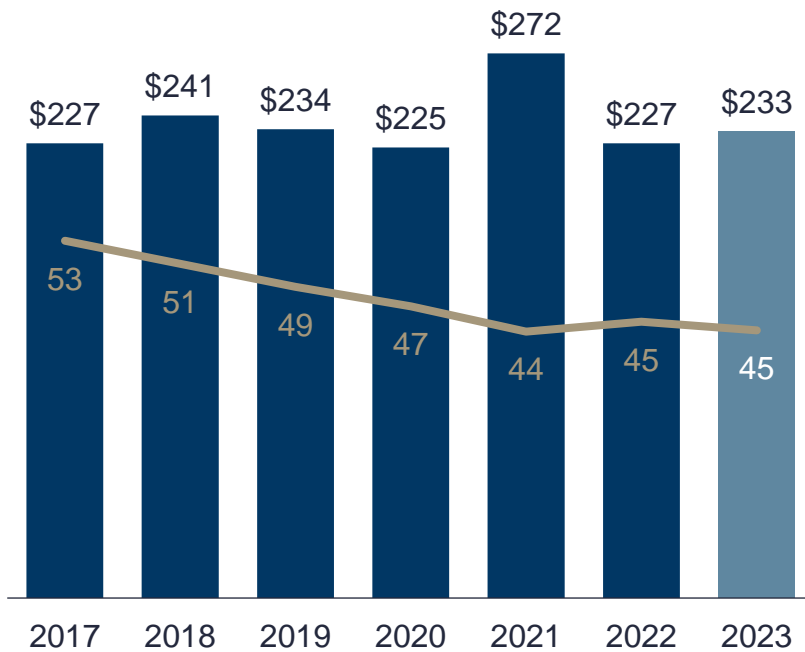
- Separately Managed
- Funds
- Sub-advised Funds
- Private Equity

Asset Management Performance

AUM provides resilient revenue generation and profitability

Average Assets Under Management

(\$B)

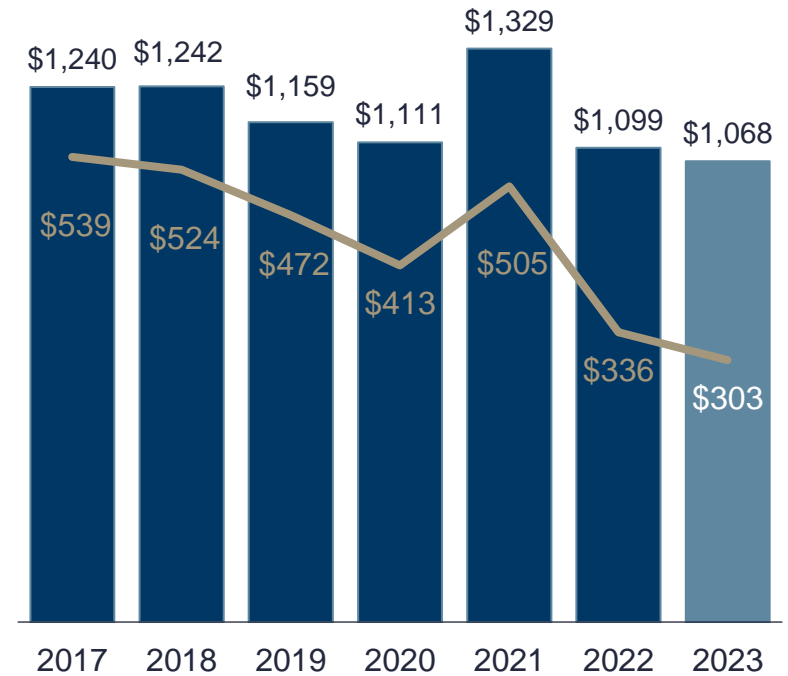


■ Average AUM

— Average Fees (Bps)

Operating Revenue and Earnings, As Adjusted

(\$M)



■ Operating Revenue

— Earnings from Operations, as Adjusted

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 Innovative Investment Solutions

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

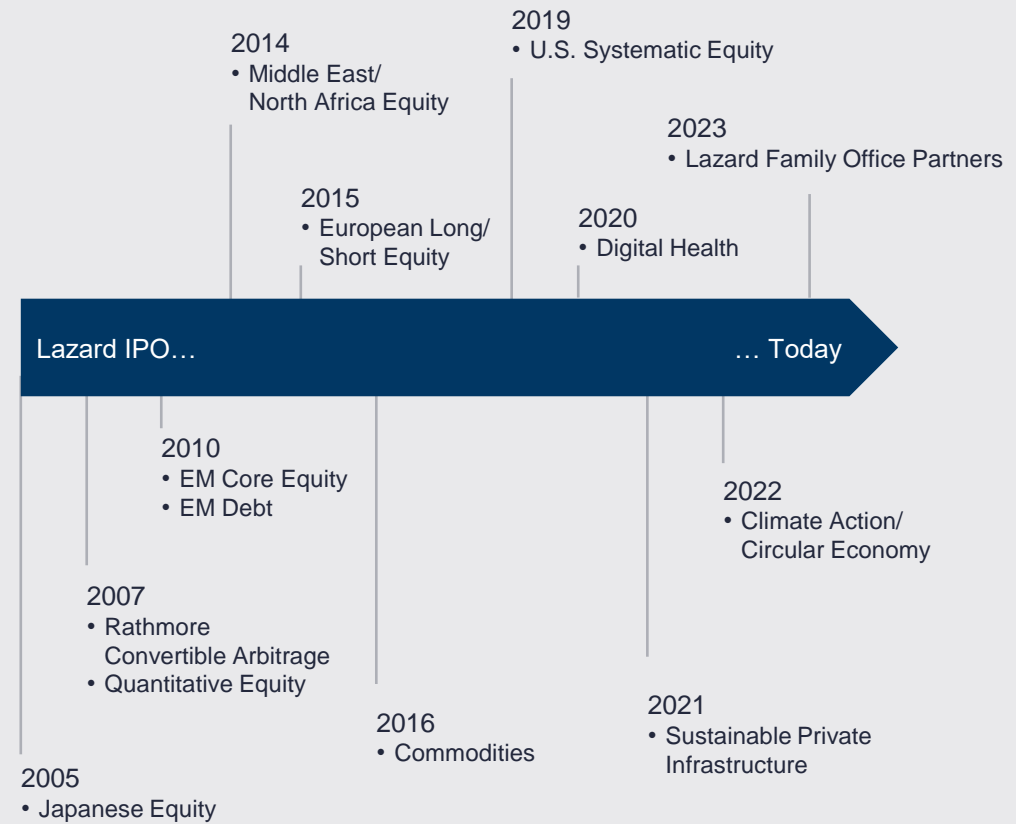
Large, Organically Scaled Platforms

↳ demonstrated ability to seed portfolios and scale AUM

Asset Class	Platform	AUM (\$B)	
		Platform	Total
Equity	International	\$54	\$190
	U.S.	46	
	Global	27	
	Quantitative	21	
	Emerging Markets	19	
	Other	24	
Fixed Income	European	\$22	\$48
	Global	11	
	Emerging Markets	10	
	U.S.	6	
Alternatives	Convertible Arbitrage	\$3	\$8
	Private Equity	2	
	Other Alternatives	3	

Team Additions

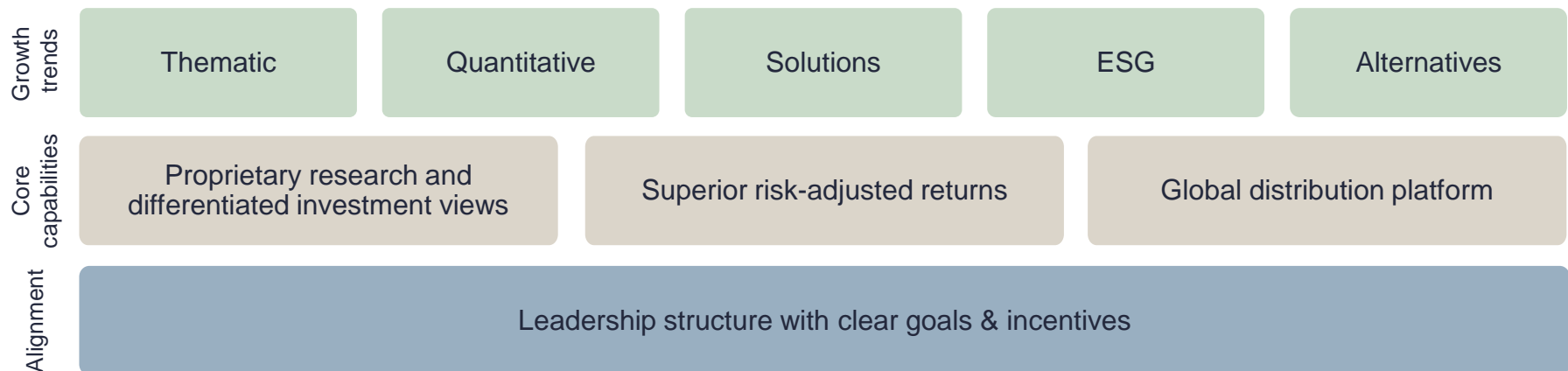
↳ an integral part of our successful strategy



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

\$1.4b

Operating revenue FY23

299

Clients with fees >\$1m FY23

210

Managing Directors FY23

55%

Revenues generated from Americas

47

M&A completions >\$500m value FY23

1,600+

Employees FY23

45%

Revenues generated from EMEA and Asia-Pacific

12

Years average MD tenure FY23

71

Nationalities FY23

Lazard Insights

Link to public report



Top Geopolitical Trends in 2024



Annual Review of Shareholder Activism



Global Automotive Supplier Study



Domestic Debt Restructuring



Secondaries Market Report



Levelized Cost of Energy+



Financial Advisory Revenue

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 & Liability Management 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
- 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

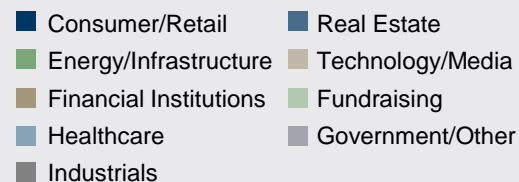
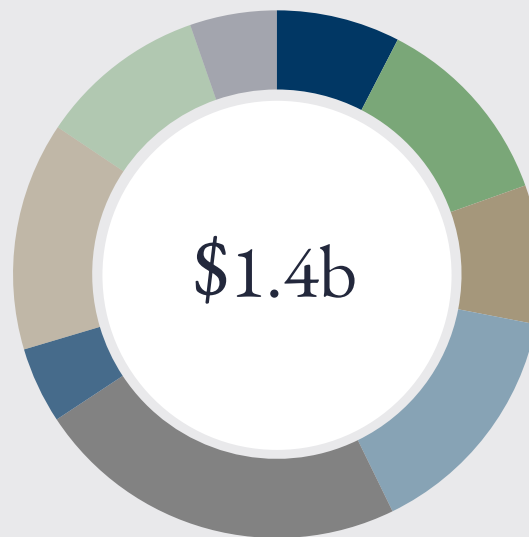
Strategic Advisory Catalysts

- 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

FY23 Revenue by Industry Verticals



Geographic Opportunity

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

Lazard

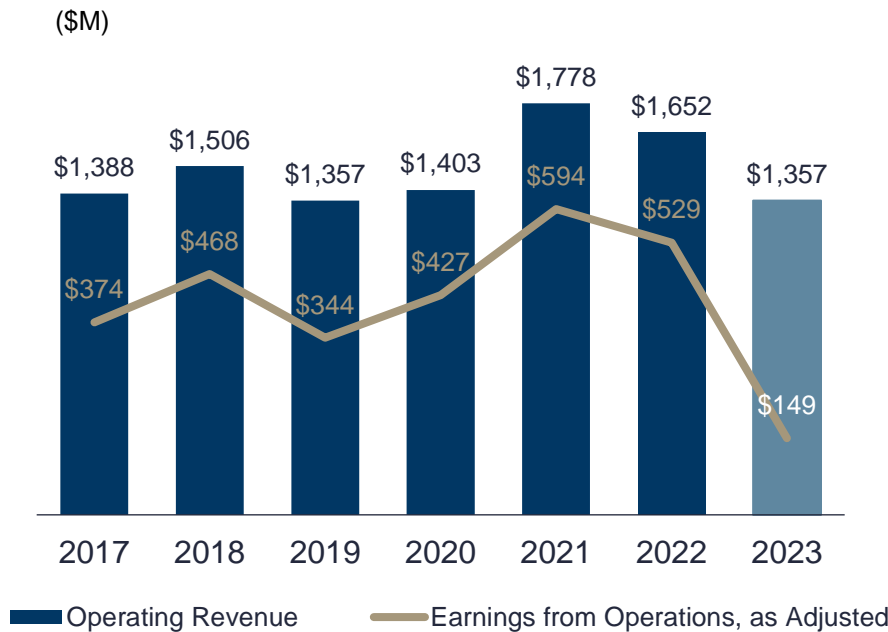
Differentiation

- 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

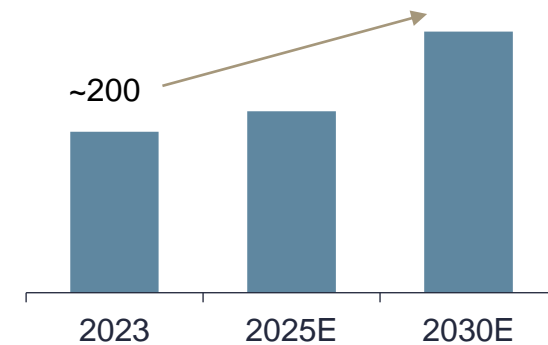
Operating Revenue and Earnings, as Adjusted



Expanding Our Market Breadth with Innovative Transactions and Seasoned Expertise

Managing Directors

Target ~10 net MD growth per year



<p>Lincoln / Fortitude Re \$28 billion Reinsurance transaction</p>	<p>Reinsurance transaction optimizes Lincoln's capital position and cash flow</p>	<p>ImmunoGen / AbbVie \$10.1 billion</p>	<p>Proposed acquisition strengthens oncology franchise</p>	<p>Newmont / Newcrest \$19 billion</p>	<p>Creates a world-class portfolio of assets with the highest concentration of Tier 1 operations</p>	<p>Abcam / Danaher \$5.7 billion</p>	<p>Combination furthers innovation within global life science community</p>	<p>WestRock / Smurfit Kappa \$33.5 billion</p>	<p>Combination to create a global leader in sustainable packaging</p>
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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

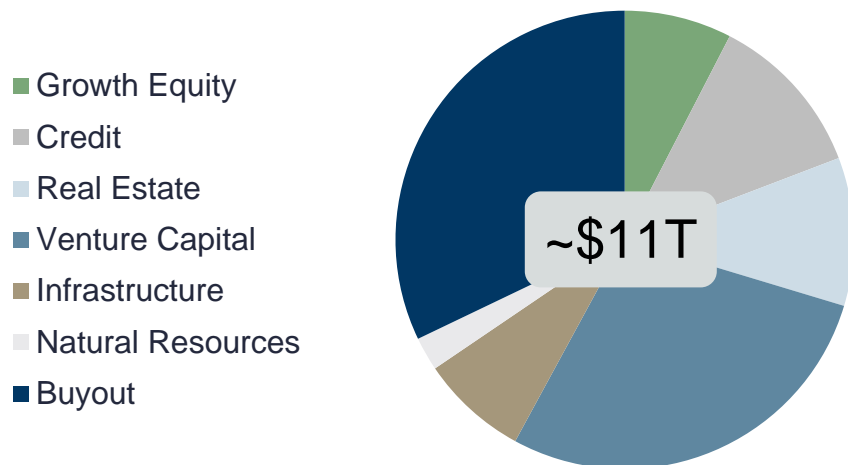
Innovation is increasingly being funded by the private markets which have developed significantly in scale and industry expertise ...

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



We have continued to deliver strong outcomes for clients through 2023, raising ~\$15 billion¹ for GP-led secondary clients with an estimated GP-led transaction market share of 33%² in 2023

<p>☆ \$1.3 Billion</p> <p>Multi-Asset Continuation Fund</p> <p>INSIGHT PARTNERS</p> <p>Sector: Technology</p>	<p>☆ \$2.7 Billion</p> <p>Spin-Out and Multi-Asset Secondary</p> <p>WELLS FARGO NEP NMP</p> <p>Sector: Diversified</p>
<p>☆ €1.4 Billion</p> <p>Single-Asset Continuation Fund</p> <p>Oakley Capital</p> <p>Sector: Education</p>	<p>☆ £900 Million</p> <p>Multi-Asset Continuation Fund</p> <p>POLLEN STREET</p> <p>Sector: Insurance & Software</p>

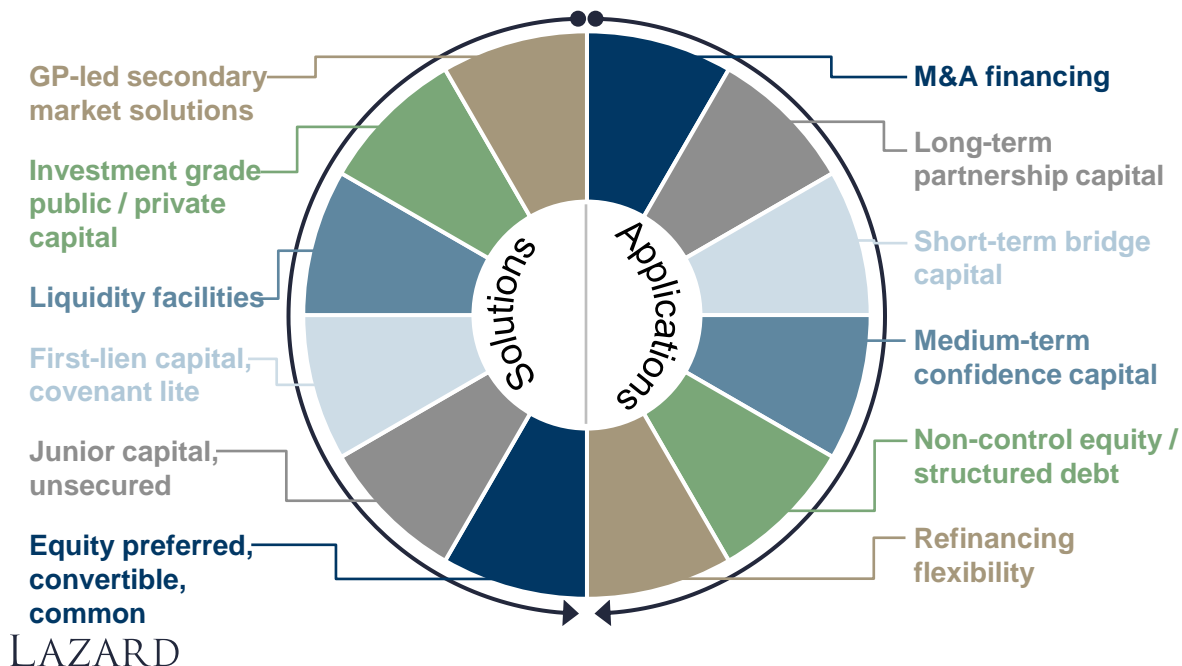
PEI Nominated Secondaries Deal of the Year in the Americas

PEI Nominated Secondaries Deal of the Year in Europe

Global Capital Solutions

- Rapid convergence of public and private capital markets allows Lazard to provide unbiased advice across all financing options
- Scale and flexibility of the private capital markets facilitate creative financing solutions across capital structure risk spectrum
- Lazard is creating bespoke financing solutions for our clients from across our platform

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

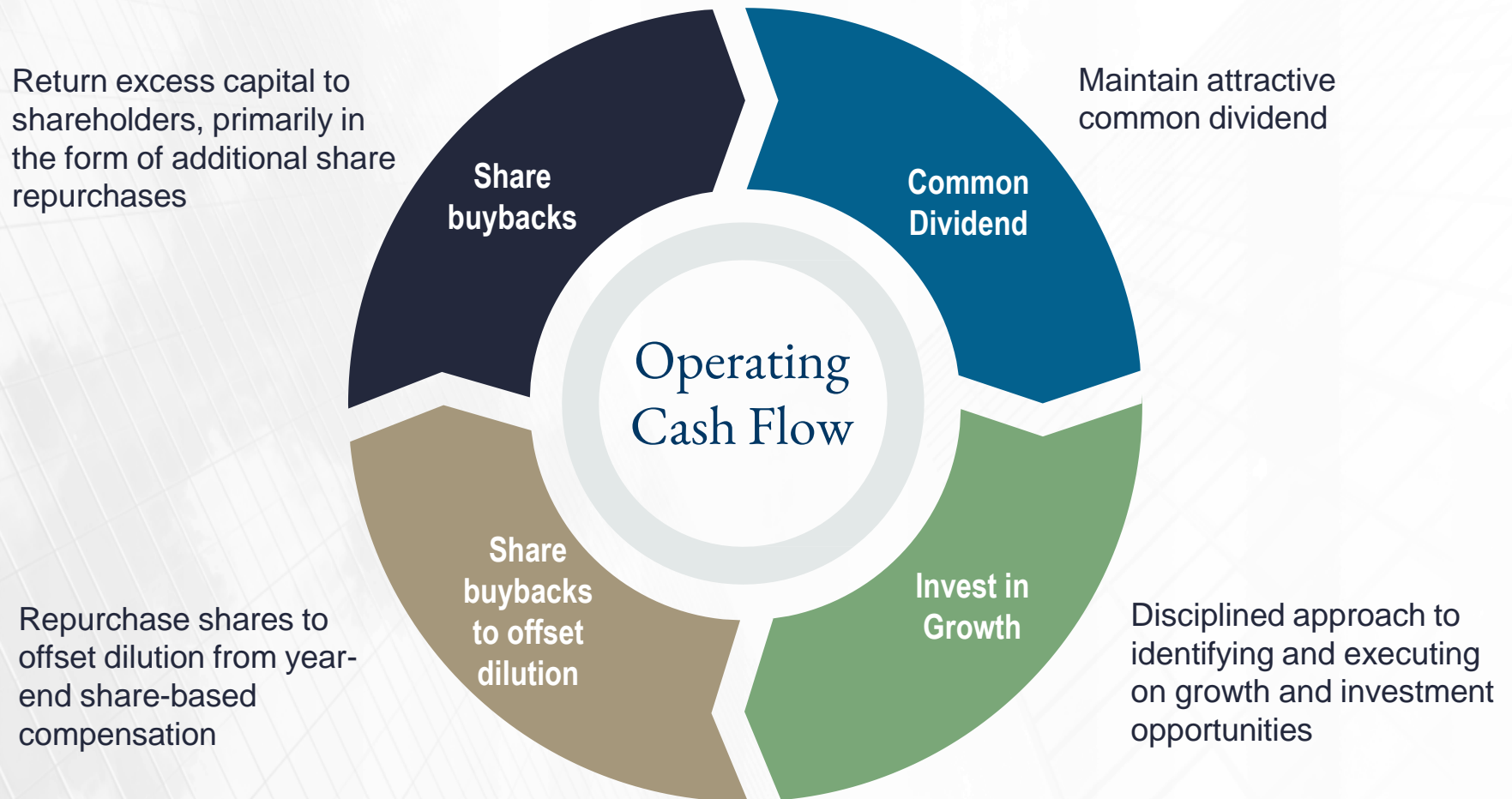


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Financial Strategy

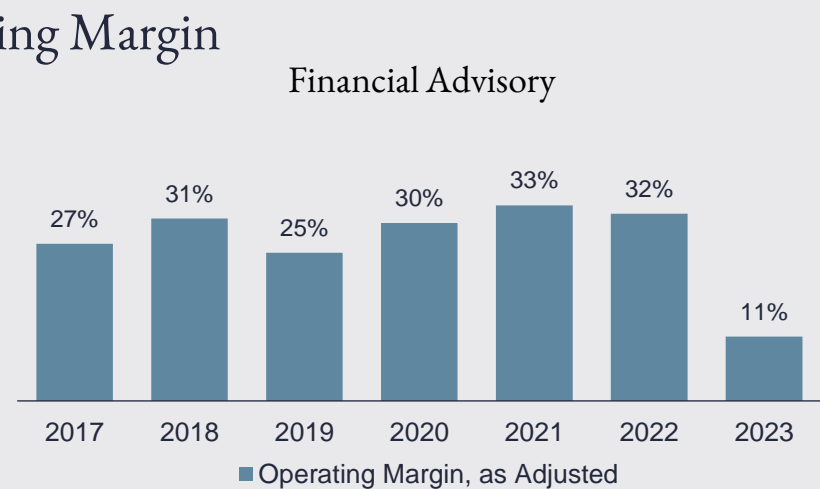
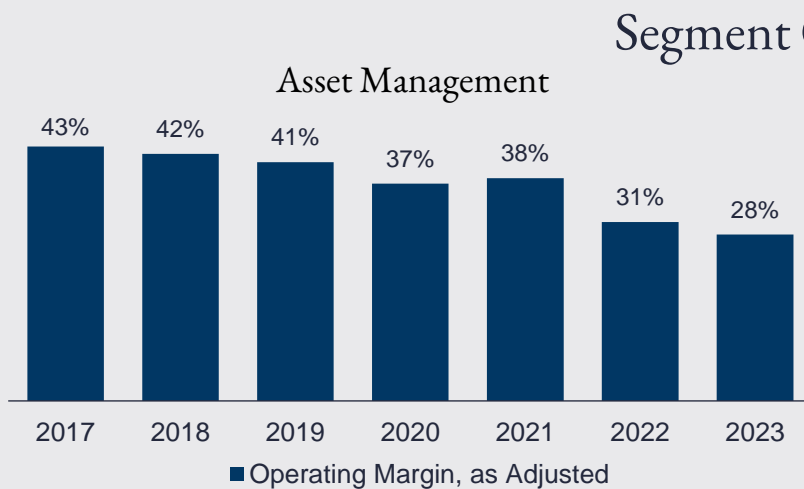
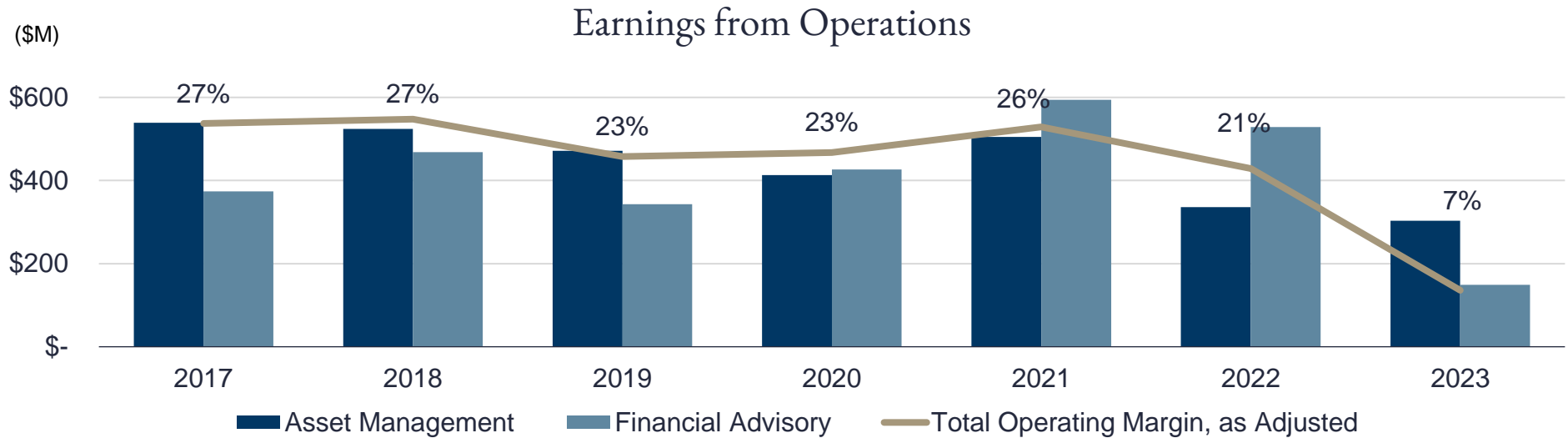
Capital Management Strategy

Our commitment to shareholder value creation includes disciplined investment in growth and returning excess capital to shareholders



Balanced Profitability

Cash-generative businesses demonstrate resiliency through the cycle



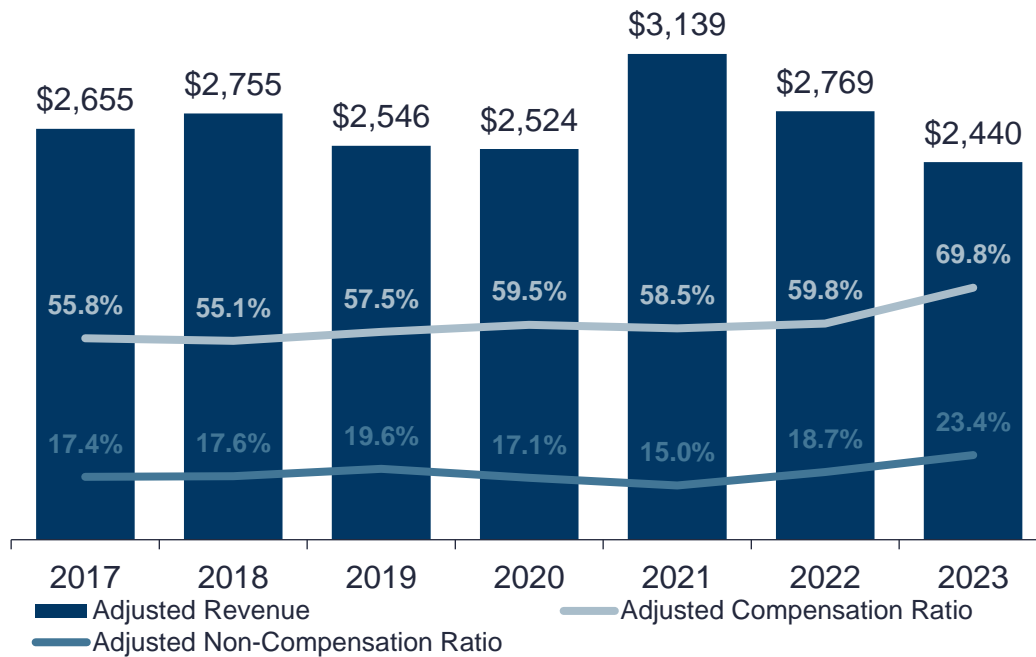
Commitment to Expense Discipline

Focus on disciplined compensation and non-compensation expenses while investing in the business

Target Ranges Over The Cycle

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

\$M



Global Talent

Lazard 2030 Strategy is focused on driving enhanced productivity across our business



Strong Balance Sheet and Liquidity

Optimal capital structure with flexibility to navigate varying market environments

Investment Grade Capital Structure

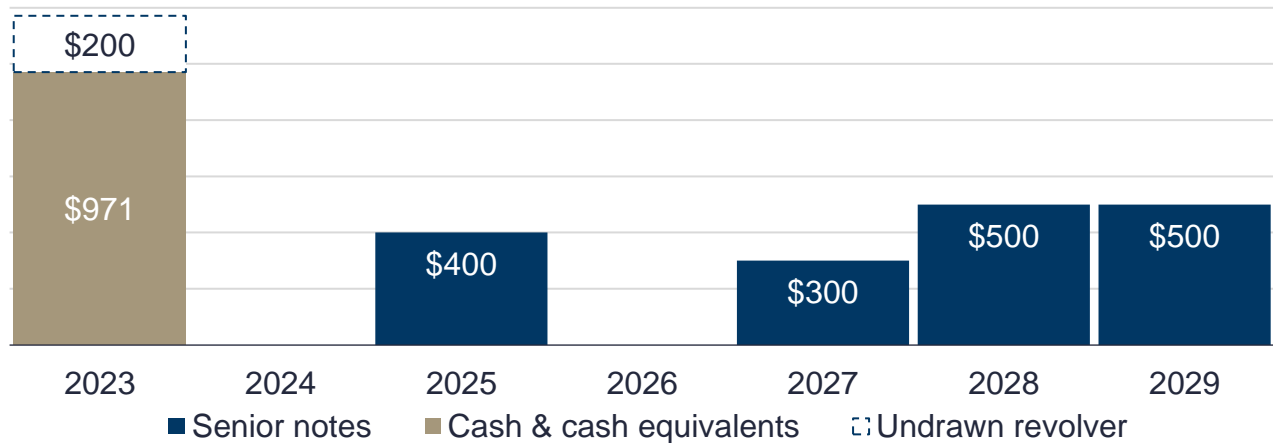
- Senior notes – \$1.7 billion
- Nearest maturity 2025
- No traditional financial covenants
- Weighted average coupon ~4.13%

Strong Liquidity Profile

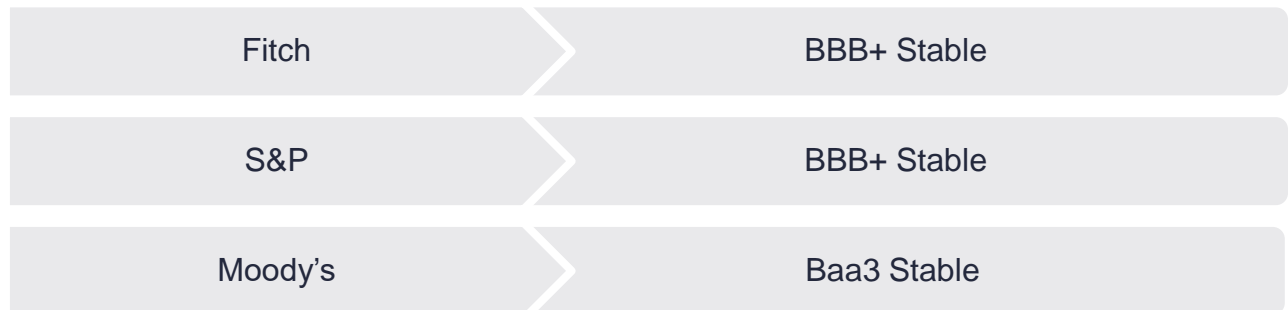
- Current cash and cash equivalents – \$971 million
- Undrawn credit facility – \$200 million

Balanced Debt Profile with Long-term Maturities

(\$ in millions)

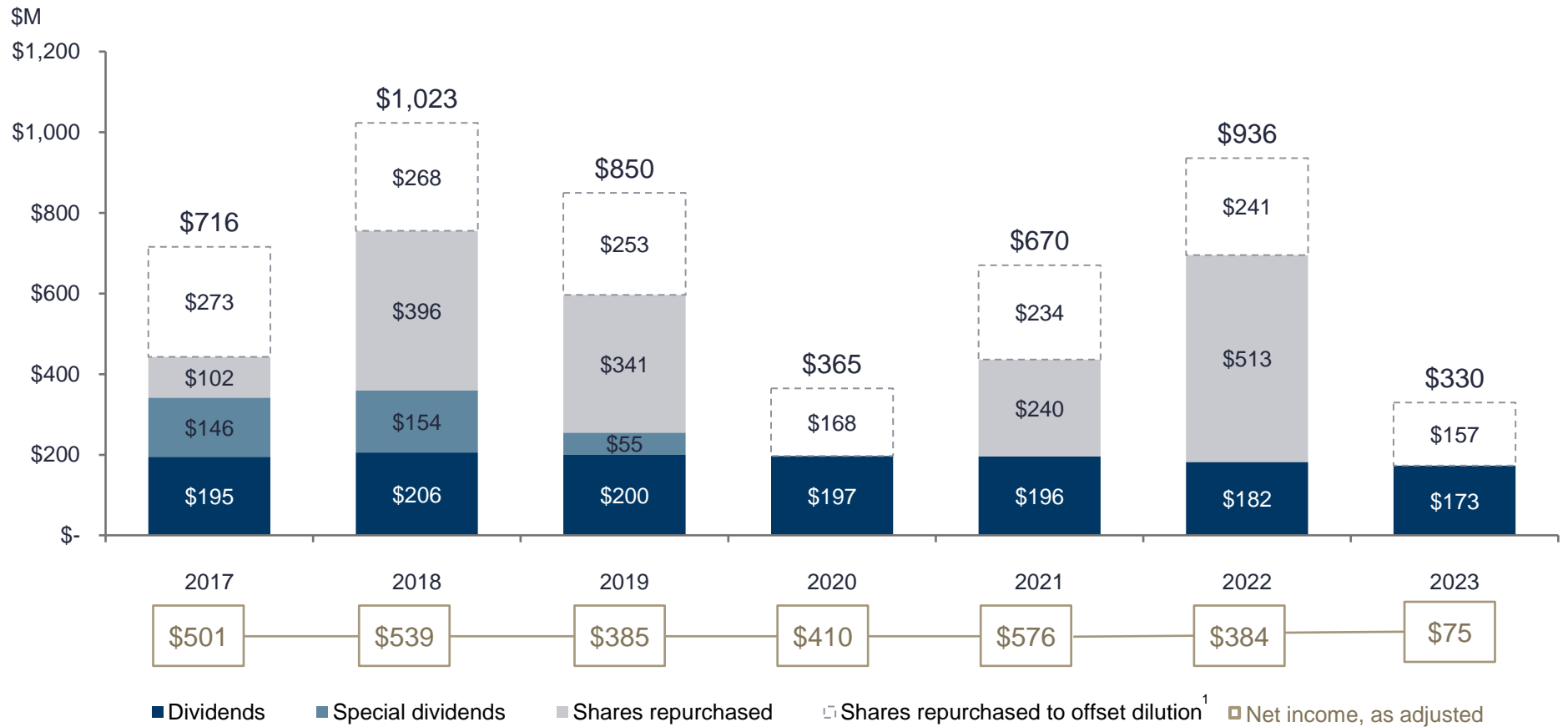


Investment Grade Credit Ratings



Significant Cash Generation

Capital return to shareholders in addition to offsetting dilution from equity compensation



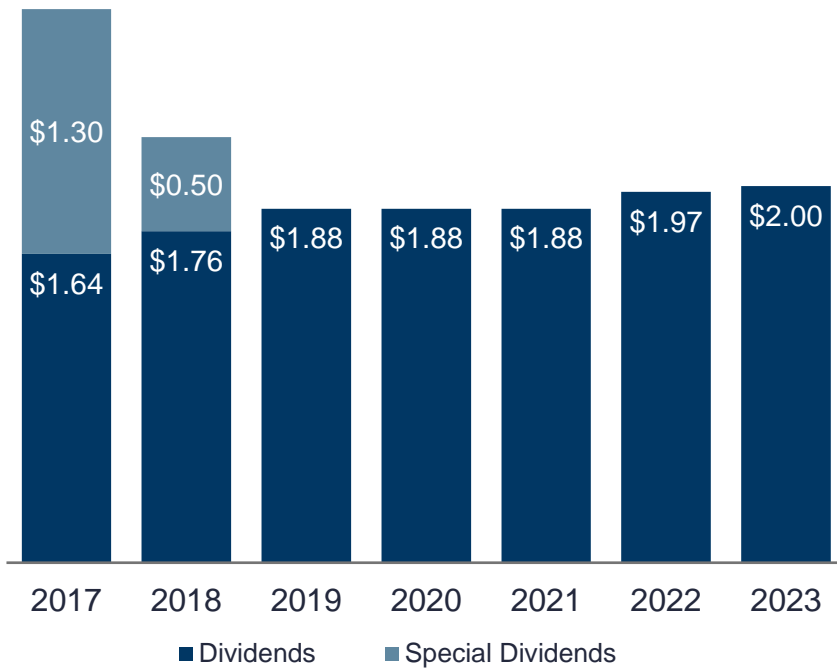
As of December 31, for each year

1. Estimated based on annual amortization expense for share-based incentive plans within the Company's annual consolidated statements of operations

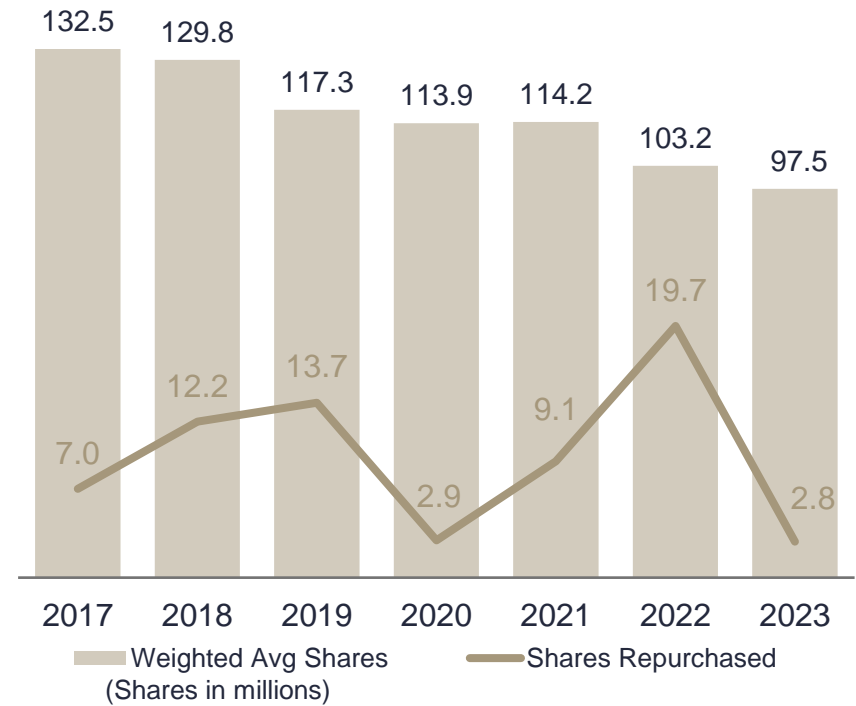
Strong Capital Returns

Balancing dividend growth and share repurchase through the cycle

Annual Dividends ¹



Weighted Average Shares Outstanding





ppendix

Corporate Structure

Lazard Converted to a U.S. C-Corporation January 1, 2024

TIMING

- Lazard became a U.S. C-Corporation in 2024
 - Lazard name changed from Lazard Ltd to Lazard, Inc.

TAX REPORTING

- Simplifies shareholder tax reporting, dividends expected to continue to be qualified for U.S. tax purposes
 - Shareholders will receive 1099-DIVs, eliminates filing K-1 and K-3s, beginning in 2024
 - Shareholders of record in 2023 receive a final K-1 in March 2024

VALUE ENHANCING

- Broadens eligible investor universe and enhances trading liquidity
 - Unlocks opportunity for equity value appreciation by removing ownership restrictions
- Non-taxable transaction for Lazard and its shareholders
- Potentially more attractive M&A and compensation currency, and enhanced access to capital

FINANCIAL IMPACT

- Reflects evolution in global tax laws
 - Conversion expected to result in a low single-digit increase to our effective tax rate, subject to a normalized level of earnings



SIMPLIFIED
TAX
REPORTING



BROADENS
OWNERSHIP
ELIGIBILITY



ENHANCES
TRADING
LIQUIDITY



MORE ATTRACTIVE
SHARE-BASED
CURRENCY



STRONG
SHAREHOLDER
GOVERNANCE

Corporate Sustainability

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



Business ESG Integration

Corporate

- Board-level oversight
- Head of Corporate Sustainability
- Annual CSR, SASB, TCFD
- Lazard Foundation Impact Report
 - \$5.9M donated since 2019

Asset Management

- Sustainability-focused strategies
- ESG integration across asset classes
 - Research and engagements led by fundamental research analysts
 - Evidence of ESG analysis impacting security risk/reward assessment

Financial Advisory

- Assessment of ESG criteria and risks
- Energy transition assignments ~137 since 2014
- Market-based analysis of ESG valuation factors
- Lazard Climate Center Research
 - Effect of GHG Emissions on Corporate Valuations
 - Levelized Cost of Energy+
 - Financing Fusion Energy

Unaudited

U.S. GAAP Selected Financial Information

(\$ in millions)

	2017	2018	2019	2020	2021	2022	2023
Net revenue	\$2,644	\$2,826	\$2,587	\$2,566	\$3,193	\$2,774	\$2,515
<i>% Growth</i>	13%	7%	(8%)	(1%)	24%	(13%)	(9%)
Operating Expenses:							
Compensation and benefits	1,513	1,515	1,563	1,551	1,896	1,656	1,946
Non-Compensation ¹	306	631	631	513	573	600	649
Operating Income	\$825	\$681	\$393	\$502	\$724	\$517	(\$80)
<i>% Net revenue</i>	31%	24%	15%	20%	23%	19%	(3%)

1. Includes provision (benefit) pursuant to tax receivable agreement.
For additional detail, see "U.S. GAAP Non-Compensation to Adjusted Reconciliation" on page 40.

Unaudited

U.S. GAAP Net Revenue to Operating Revenue Reconciliation

(\$ in millions, except per share data)

	2017	2018	2019	2020	2021	2022	2023
Net revenue - U.S. GAAP Basis	\$2,644	\$2,826	\$2,587	\$2,566	\$3,193	\$2,774	\$2,515
Adjustments:							
Revenue related to noncontrolling interests ¹	(16)	(19)	(23)	(11)	(32)	(49)	(30)
(Gains) losses related to Lazard Fund Interests ("LFI") and other similar arrangements ²	(24)	14	(32)	(41)	(35)	44	(41)
Interest Expense ³	50	54	75	75	74	77	77
Distribution fees, reimbursable deal costs, bad debt expense and other ⁴	-	(121)	(76)	(65)	(85)	(76)	(106)
Private Equity investment adjustment ⁵	-	-	12	-	-	-	-
Expenses associated with the business realignment ⁶	-	-	4	-	-	-	-
Losses associated with restructuring and closing of certain offices ⁷	-	-	-	-	24	-	-
Asset impairment charges ⁸	-	-	-	-	-	-	19
Losses associated with cost-saving initiatives ⁹	-	-	-	-	-	-	5
Operating revenue	\$2,655	\$2,755	\$2,546	\$2,524	\$3,139	\$2,769	\$2,440

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 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 and other receivables that are deemed uncollectible.
- 5 Represents write-down of private equity investment to potential transaction value.
- 6 Represents losses and expenses associated with the business realignment which includes employee reductions and closing of subscale office and investment strategies.
- 7 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.
- 8 Represents certain asset impairment charges.
- 9 Represents losses associated with the closing of certain offices as part of the cost-saving initiatives including the reclassification of currency translation adjustments to earnings from accumulated other comprehensive loss and transactions related to foreign currency exchange.

Unaudited

U.S. GAAP Compensation to Adjusted Reconciliation

(\$ in millions)

	2017	2018	2019	2020	2021	2022	2023
Compensation and benefits expense - U.S. GAAP basis	\$1,513	\$1,515	\$1,563	\$1,551	\$1,896	\$1,656	\$1,946
Adjustments:							
Compensation related to noncontrolling interests ¹	(8)	(11)	(11)	(8)	(9)	(11)	(9)
(Charges)/Credits pertaining to LFI and other similar arrangements ²	(24)	14	(32)	(41)	(35)	44	(41)
Expenses associated with the business realignment ³	-	-	(57)	-	-	-	-
Expenses associated with ERP system implementation ⁴	-	(1)	-	-	-	-	-
Expenses associated with restructuring and closing of certain offices ⁵	-	-	-	-	(15)	-	-
Expenses associated with cost-saving initiatives ⁶	-	-	-	-	-	-	(182)
Expenses associated with senior management transition ⁷	-	-	-	-	-	(33)	(11)
Compensation and benefits expense, as adjusted	1,481	1,517	1,464	1,502	1,836	1,657	1,703
Operating Revenue	\$2,655	\$2,755	\$2,546	\$2,524	\$3,139	\$2,769	\$2,440
% of Operating revenue - as Adjusted	55.8%	55.1%	57.5%	59.5%	58.5%	59.8%	69.8%

Unaudited

U.S. GAAP Non-Compensation to Adjusted Reconciliation

(\$ in millions)

	2017	2018	2019	2020	2021	2022	2023
Non-Compensation expense - U.S. GAAP basis	\$306	\$631	\$631	\$513	\$573	\$600	\$649
Adjustments:							
(Provision) benefit pursuant to the tax receivable agreement obligation ("TRA") ⁸	203	6	1	0	(2)	1	44
Amortization and other acquisition-related (costs) benefits ⁹	(10)	16	(19)	(2)	(0)	(0)	(0)
Non-compensation related to noncontrolling interests ¹	(2)	(2)	(2)	(2)	(8)	(3)	(3)
Expenses associated with the business realignment ³	-	-	(7)	-	-	-	-
Charges pertaining to Senior Debt refinancing ¹⁰	-	(7)	(7)	-	-	-	-
Expenses associated with ERP system implementation ⁴	(25)	(27)	(17)	-	-	-	-
Expenses related to office space reorganization ¹¹	(11)	(2)	(5)	(13)	(5)	(4)	-
Expenses associated with Lazard Foundation ¹²	-	(10)	-	-	-	-	-
Expenses associated with restructuring and closing of certain offices ⁵	-	-	-	-	(2)	-	-
Expenses associated with cost-saving initiatives ⁶	-	-	-	-	-	-	(13)
Distribution fees, reimbursable deal costs, bad debt expense and other ¹³	-	(121)	(76)	(65)	(85)	(76)	(106)
Non-compensation expense, as adjusted	\$461	\$484	\$499	\$432	\$472	\$518	\$572
Operating Revenue	\$2,655	\$2,755	\$2,546	\$2,524	\$3,139	\$2,769	\$2,440
% of Operating revenue	17.4%	17.6%	19.6%	17.1%	15.0%	18.7%	23.4%

Unaudited

U.S. GAAP Net Income to Adjusted Reconciliation

(\$ in millions, except per share values)

	2017	2018	2019	2020	2021	2022	2023
Net income (loss) attributable to Lazard Ltd - U.S. GAAP Basis	\$254	\$527	\$287	\$402	\$528	\$358	(\$75)
Adjustments:							
Expenses associated with the business realignment ³	-	-	68	-	-	-	-
Tax expense (benefit) allocated to adjustments ¹⁴	(13)	(10)	(27)	(4)	1	(9)	(35)
Charges pertaining to Senior Debt refinancing ¹⁰	-	7	7	-	-	-	-
Acquisition-related (benefits)/costs ⁹	7	(19)	17	-	-	-	-
Reduction of deferred tax assets (net of TRA reduction) ⁸	217	-	-	-	-	-	-
Provision (benefit) pursuant to tax receivable agreement obligation ("TRA") ⁸	-	(6)	(1)	(0)	2	(1)	(44)
Expenses associated with ERP system implementation ⁴	25	29	17	-	-	-	-
Expenses related to office space reorganization ¹¹	11	2	5	13	5	4	-
Expenses associated with Lazard Foundation ¹²	-	10	-	-	-	-	-
Private Equity investment adjustment ¹⁵	-	-	12	-	-	-	-
Losses associated with restructuring and closing of certain offices ¹⁶	-	-	-	-	24	-	-
Expenses associated with restructuring and closing of certain offices ⁵	-	-	-	-	16	-	-
Losses associated with cost-saving initiatives ¹⁷	-	-	-	-	-	-	5
Expenses associated with cost-saving initiatives ⁶	-	-	-	-	-	-	195
Expenses associated with senior management transition ⁷	-	-	-	-	-	33	11
Asset impairment charges ¹⁸	-	-	-	-	-	-	19
Net Income, as adjusted	\$501	\$539	\$385	\$410	\$576	\$384	\$75
Weighted average shares outstanding:							
U.S. GAAP, diluted	132,480	129,768	116,080	113,483	113,675	100,998	88,994
As adjusted, diluted	132,480	129,768	117,348	113,904	114,248	103,193	97,450
Diluted Net Income per share:							
U.S. GAAP Basis	\$1.91	\$4.06	\$2.44	\$3.54	\$4.63	\$3.51	(\$0.90)
As adjusted	\$3.78	\$4.16	\$3.28	\$3.60	\$5.04	\$3.73	\$0.77

Unaudited

Earnings from Operations – As Adjusted

(\$ in millions, except per share values)

	2017	2018	2019	2020	2021	2022	2023
As Adjusted							
Operating Revenue	\$2,655	\$2,755	\$2,546	\$2,524	\$3,139	\$2,769	\$2,440
Compensation and benefits	1,481	1,517	1,464	1,502	1,836	1,657	1,703
Non-Compensation expense	461	484	499	432	472	518	572
Earnings from Operations	\$713	\$754	\$583	\$590	\$831	\$594	\$166
<i>Operating Margin, As Adjusted</i>	26.9%	27.4%	22.9%	23.4%	26.5%	21.5%	6.8%
Adjusted EPS	\$3.78	\$4.16	\$3.28	\$3.60	\$5.04	\$3.73	\$0.77

Unaudited

Supplemental Segment Information

(\$ in millions)

	Financial Advisory ¹							Asset Management ¹							Corporate ²						
	2017	2018	2019	2020	2021	2022	2023	2017	2018	2019	2020	2021	2022	2023	2017	2018	2019	2020	2021	2022	2023
Operating Revenue	\$1,388	\$1,506	\$1,357	\$1,403	\$1,778	\$1,652	\$1,357	\$1,240	\$1,242	\$1,159	\$1,111	\$1,329	\$1,099	\$1,068	\$2,655	\$2,755	\$2,546	\$2,524	\$3,139	\$2,769	\$2,440
% Growth	7%	9%	(10%)	3%	27%	(7%)	(18%)	20%	0%	(7%)	(4%)	20%	(17%)	(3%)	13%	4%	(8%)	(1%)	24%	(12%)	(12%)
Compensation and benefits, as Adjusted	\$834	\$858	\$826	\$832	\$1,024	\$939	\$1,014	\$520	\$530	\$501	\$524	\$628	\$558	\$545	\$127	\$128	\$137	\$146	\$184	\$160	\$143
% of Operating Revenue	60%	57%	61%	59%	58%	57%	75%	42%	43%	43%	47%	47%	51%	51%	5%	5%	5%	6%	6%	6%	6%
Non-Compensation expense, as Adjusted	\$180	\$180	\$188	\$144	\$160	\$184	\$194	\$181	\$188	\$186	\$175	\$195	\$205	\$219	\$101	\$117	\$125	\$113	\$117	\$129	\$159
% of Operating Revenue	13%	12%	14%	10%	9%	11%	14%	15%	15%	16%	16%	15%	19%	21%	4%	4%	5%	4%	4%	5%	7%
Earnings from Operations, as Adjusted	\$374	\$468	\$344	\$427	\$594	\$529	\$149	\$539	\$524	\$472	\$413	\$505	\$336	\$303	\$713	\$754	\$583	\$589	\$831	\$594	\$166
Operating Margin, as Adjusted	27%	31%	25%	30%	33%	32%	11%	43%	42%	41%	37%	38%	31%	28%	27%	27%	23%	23%	26%	21%	7%

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 44.

2 Corporate segment shows total firm operating revenue and earnings from operations. Compensation and non-compensation expenses are shown only for the Corporate segment but are consolidated with Financial Advisory and Asset Management segments in earnings from operations and operating margins.

Unaudited

U.S. GAAP Operating Income to Earnings from Operations

(\$ in millions)

	Financial Advisory							Asset Management							Corporate							Total						
	2017	2018	2019	2020	2021	2022	2023	2017	2018	2019	2020	2021	2022	2023	2017	2018	2019	2020	2021	2022	2023	2017	2018	2019	2020	2021	2022	2023
Net Revenue - U.S. GAAP Basis	\$1,388	\$1,556	\$1,374	\$1,421	\$1,765	\$1,666	\$1,385	\$1,256	\$1,332	\$1,237	\$1,167	\$1,425	\$1,205	\$1,151	\$1	(\$61)	(\$25)	(\$22)	\$4	(\$98)	(\$21)	\$2,644	\$2,826	\$2,587	\$2,566	\$3,193	\$2,774	\$2,515
Adjustments ^(a) :																												
Revenue related to noncontrolling interests ¹	-	-	-	-	-	-	-	(16)	(19)	(23)	(8)	(22)	(44)	(16)	-	(0)	-	(3)	(10)	(5)	(14)	(16)	(19)	(23)	(11)	(32)	(49)	(30)
(Gain) loss related to LFI and other similar arrangements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(23)	14	(32)	(41)	(35)	44	(41)	(23)	14	(32)	(41)	(35)	44	(41)
Interest expense	-	-	-	-	-	0	0	-	1	-	-	-	-	0	50	54	75	74	74	76	77	50	54	75	74	74	77	77
Losses associated with the business realignment ³	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-	-	-
Private Equity investment adjustment ¹⁵	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	-	-	-	-	-	-	12	-	-	-	-
Losses associated with cost-saving initiatives ¹⁷	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	-	5
Asset impairment charges ¹⁸	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19	-	-	-	-	-	-	19
Distribution fees, reimbursable deal costs, bad debt expense and other ¹³	-	(49)	(20)	(17)	(10)	(14)	(31)	-	(72)	(56)	(48)	(75)	(62)	(68)	-	(0)	-	-	-	(0)	(8)	-	(121)	(76)	(65)	(85)	(76)	(106)
Losses associated with restructuring and closing of certain offices ¹⁶	-	-	-	-	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24	-	-
Operating revenue	\$1,388	\$1,506	\$1,357	\$1,403	\$1,778	\$1,652	\$1,357	\$1,240	\$1,242	\$1,159	\$1,111	\$1,329	\$1,099	\$1,068	\$27	\$7	\$30	\$9	\$33	\$18	\$15	\$2,655	\$2,755	\$2,546	\$2,524	\$3,139	\$2,769	\$2,440
Operating Income (loss) - U.S. GAAP Basis	\$244	\$357	\$148	\$290	\$408	\$361	(\$105)	\$445	\$420	\$350	\$306	\$392	\$241	\$140	\$136	(\$96)	(\$105)	(\$94)	(\$76)	(\$86)	(\$115)	\$825	\$681	\$393	\$502	\$724	\$517	(\$80)
Adjustments:																												
Sum of Adjustments - Revenue - U.S. GAAP vs. Operating revenue (from above)	-	(49)	(16)	(17)	13	(14)	(29)	(16)	(89)	(79)	(56)	(96)	(106)	(84)	27	68	55	31	29	115	37	11	(72)	(40)	(42)	(54)	(5)	(76)
Charges (credits) pertaining to LFI and other similar arrangements ²	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23	(14)	32	41	35	(44)	41	23	(14)	32	41	35	(44)	41
Operating expenses related to noncontrolling interests ¹	-	-	-	-	-	-	-	10	13	13	10	11	13	11	-	-	-	0	6	1	1	10	13	13	10	17	14	12
Charges pertaining to Senior Debt refinancing ¹⁰	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	6	-	-	-	-	-	7	6	-	-	-	-
Amortization and other acquisition-related costs (benefits) ⁹	9	(19)	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9	(19)	17	-	-	-	-
Provision (benefit) pursuant to the tax receivable agreement ⁸	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(203)	-	-	-	-	-	-	(203)	-	-	-	-	-	-
Loss (gain) on partial extinguishment of TRA obligation ⁵	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6)	1	0	2	(1)	(44)	-	(6)	1	0	2	(1)	(44)	
Expenses related to office space reorganization ¹¹	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11	2	4	13	5	4	-	11	2	4	13	5	4	-
Expenses associated with the business realignment ³	-	-	40	-	-	-	-	-	-	17	-	-	-	-	-	-	8	-	-	-	-	-	-	65	-	-	-	-
Distribution fees, reimbursable deal costs, bad debt expense and other ¹³	-	50	20	17	10	14	31	-	72	56	48	75	62	68	-	-	-	-	-	-	8	-	122	76	65	85	76	106
Expenses associated with Lazard Foundation ¹²	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	-	-	-	-	-	-	10	-	-	-	-	-
Expenses associated with ERP system implementation ⁴	12	16	9	-	-	-	-	12	13	8	-	-	-	-	1	2	-	-	-	-	-	25	29	17	-	-	-	-
Expenses associated with restructuring and closing of certain offices ⁵	-	-	-	-	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16	-	-
Expenses associated with cost-saving initiatives ⁶	-	-	-	-	-	101	-	-	-	-	-	-	-	58	-	-	-	-	-	-	37	-	-	-	-	-	-	195
Expenses associated with senior management transition ⁷	-	-	-	-	-	13	-	-	-	-	-	-	12	2	-	-	-	-	-	8	9	-	-	-	-	-	33	11
Corporate support group allocations to business segments ^(c)	108	114	125	137	146	154	151	88	96	106	105	123	114	109	(194)	(210)	(231)	(241)	(269)	(268)	(260)	2	-	-	-	-	-	-
Total adjustments	130	111	195	137	186	167	253	94	104	122	107	113	94	163	(335)	(141)	(127)	(156)	(192)	(185)	(171)	(111)	73	190	88	107	77	245
Earnings from Operations, Adjusted basis	\$374	\$468	\$344	\$427	\$594	\$529	\$149	\$539	\$524	\$472	\$413	\$505	\$336	\$303	(\$199)	(\$237)	(\$232)	(\$250)	(\$268)	(\$270)	(\$287)	\$713	\$754	\$583	\$589	\$831	\$594	\$166
Operating Margin, Adjusted basis	27%	31%	25%	30%	33%	32%	11%	43%	42%	41%	37%	38%	31%	28%	nm	nm	nm	nm	nm	nm	nm	27%	27%	23%	23%	26%	21%	7%

(a) See "U.S. GAAP Net Revenue to Operating Revenue Reconciliation" on page 38.

(b) See "U.S. GAAP Compensation to Adjusted Reconciliation" on page 39.

(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. Represents losses and expenses associated with the business realignment which includes employee reductions and closing of subscale office and investment strategies.
4. Represents expenses associated with Enterprise Resource Planning (ERP) system implementation.
5. Expenses associated with restructuring and closing of certain offices.
6. Represents expenses associated with cost-saving initiatives including closing certain offices over the course of 2023.
7. Represents expenses associated with senior management transition reflecting the departure of certain executive officers.
8. 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. Pursuant to the periodic revaluation of the TRA liability and the assumptions reflected in the estimate, the revaluation had the effect of reducing the estimated liability under the TRA. As a result, the Company recorded a “benefit pursuant to tax receivable agreement” of \$43,894 for the year ended December 31, 2023.
9. Represents amortization of intangibles, and for 2016, 2017, 2018, 2019 and 2023, primarily relates to the change in fair value of the contingent consideration associated with certain business acquisitions.
10. 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).
11. Represents incremental rent expense, building depreciation, impairment losses, legal fees and lease abandonment costs related to office space reorganization and an onerous lease provision.
12. Represents expenses associated with the Lazard Foundation unconditional commitment.
13. 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 and other receivables that are deemed uncollectible.

Endnotes related to Non-GAAP Adjustments

14. Represents the tax benefit applicable to adjustments described above.
15. Represents write-down of private equity investment to potential transaction value.
16. 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.
17. Represents losses associated with the closing of certain offices as part of the cost-saving initiatives including the reclassification of currency translation adjustments to earnings from accumulated other comprehensive loss and transactions related to foreign currency exchange.
18. Represents certain asset impairment charges.