Hamilton Lane Incorporated (HLNE)

Updated August 6th, 2025, by Kody Kester

Key Metrics

Current Price:	$159	**5 Year CAGR Estimate:**	9.2%	**Market Cap:**	$8.7B
Fair Value Price:	$126	**5 Year Growth Estimate:**	13.0%	**Ex-Dividend Date:**	09/19/25
% Fair Value:	126%	**5 Year Valuation Multiple Estimate:**	-4.5%	**Dividend Payment Date:**	10/06/25
Dividend Yield:	1.4%	**5 Year Price Target**	$233	**Years Of Dividend Growth:**	8
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Founded in 1991, Hamilton Lane Incorporated is a global private markets investment solutions provider that primarily serves institutional investors. Secondarily, HLNE also has a private wealth channel for non-institutional investors (e.g., family offices and high-net-worth individuals). Globally, the company operates across nearly two dozen offices in the United States, Canada, Europe, Asia, the Middle East, Latin America, and Australia. HLNE provides clients with a variety of services, including private equity and private credit, real estate, venture capital, and infrastructure. The company's investment solutions are comprised of funds managed by third-party managers, direct investments alongside funds, and acquisitions of secondary stakes in funds.

As of June 30th, 2025, HLNE had $986.2 billion in assets under management/advisement. Of that amount, $845.3 billion was in non-discretionary assets, with the remaining $140.9 billion in discretionary assets. In the fiscal year 2025, which ended March 31st, 2025, no single client made up more than 2% of the company's management and advisory fee revenue. Furthermore, the top 10 clients only generated roughly 12% of management and advisory fee revenue in FY 2025.

On August 5th, HLNE shared its fiscal first quarter results for the period ending June 30th, 2025. The company's total revenue decreased by 10.6% year-over-year to $176 million during the quarter. HLNE's combined assets under management and assets under advisement grew by 4.9% over the year-ago period to $986.2 billion in the quarter. The reason for the topline decline had to do with retroactive management and advisory fees revenue from the latest direct equity fund being skewed higher in last year's comparable quarter. This was partially offset by a jump in revenue from evergreen funds during the quarter, which added $4.5 billion in fee-earning AUM. A decline in incentive fees stemming from a drop in tax-related carried interest distributions and the proceeds on the sale of one of its specialized funds in Q1 2024 also played a role in the quarter. That more than canceled out the recognition of fee-related performance revenues from one of its evergreen funds for the quarter. HLNE's non-GAAP EPS decreased by 13.2% over the year-ago period to $1.31 during the quarter. This beat the analyst consensus in the quarter by $0.32.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	-	$0.89	$1.64	$1.91	$2.01	$2.73	$4.39	$3.34	$3.92	$5.04	***$5.05***	***$9.30***
DPS	-	-	$0.70	$0.85	$1.10	$1.25	$1.40	$1.60	$1.78	$1.96	***$2.16***	***$3.48***
Shares[1]	-	52.8	53.1	53.3	53.5	53.6	53.7	53.7	54.0	54.4	***54.5***	***55.3***

Since its IPO in 2017, HLNE has compounded its non-GAAP EPS by around 24% annually through FY 2025. The company's non-GAAP earnings base is several times larger now, however. As a result, we expect growth to materially decelerate from that rate to about 13% each year through FY 2031 off an anticipated FY 2026 base of $5.05. To be clear, HLNE's growth prospects remain encouraging with organic growth via new clients and greater existing client account balances. Bolt-on acquisitions are still another growth avenue for HLNE. Such a level of non-GAAP EPS growth should also enable annual dividend growth of around 10% to continue over the next five years.

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[1] Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	-	20.5	25.7	22.9	24.4	33.3	17.8	23.1	28.8	29.5	***31.5***	***25.0***
Avg. Yld.	-	-	1.9%	2.0%	2.2%	1.4%	1.8%	2.2%	1.6%	1.3%	***1.4%***	***1.5%***

HLNE's P/E ratio has ranged from as low as the high teens to as high as the upper-30s in its corporate history thus far. Over that time, the average P/E ratio was approximately 25. We still believe this is a reasonable fair value multiple going forward because of HLNE's double-digit growth potential. At today's current-year P/E ratio of 31.5, HLNE's shares appear to still be priced at a meaningful premium to fair value.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	-	-	43%	45%	55%	46%	32%	48%	45%	39%	***43%***	***37%***

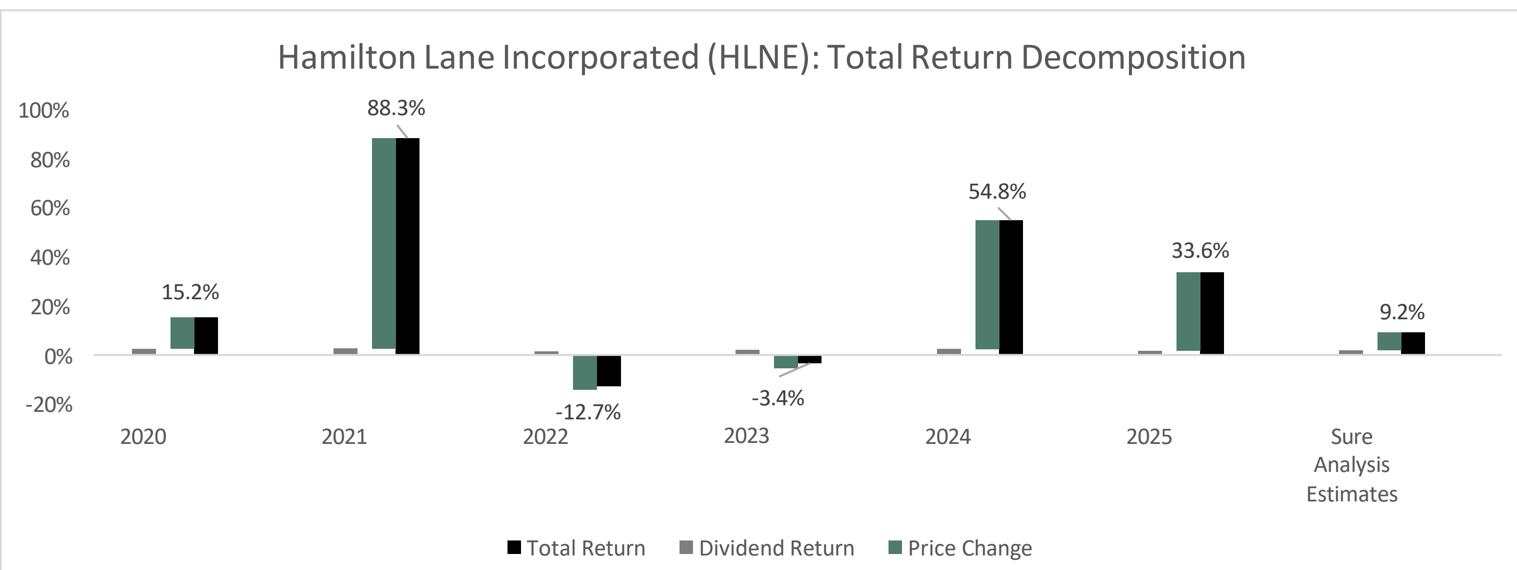
Throughout its corporate history, HLNE has done right by its clients, generating excellent returns. This has earned the company a trusted reputation as a leader within its industry, which helps it to keep existing clients and attract new ones. That also explains how HLNE has consistently grown its non-GAAP EPS over the years.

As of June 30th, 2025, the company's net cash/investment balance was $34.6 million. This suggests HLNE is financially sound. Additionally, the dividend payout ratio is positioned to be in the low- to mid-40% range for FY 2026. That should help HLNE to build on its eight-year dividend growth streak for the foreseeable future.

Final Thoughts & Recommendation

HLNE's 1.4% dividend yield, 13.0% annual non-GAAP EPS growth prospects, and 4.5% annual valuation multiple contraction potential could deliver 9.2% annual total returns through FY 2031. The stock's P/E ratio remains well above our fair value estimate, which is why we're reiterating our hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	155	181	180	244	252	274	342	368	529	554
Gross Profit	95	89	108	161	153	188	225	260	379	387
Gross Margin	61.3%	49.1%	59.9%	66.0%	60.7%	68.7%	65.9%	70.5%	71.8%	70.0%
SG&A Exp.	27	27	32	38	49	72	70	90	139	142
D&A Exp.	2	2	2	2	3	3	4	5	7	8
Operating Profi	68	62	76	123	104	116	156	170	240	246
Operating Margi n	44.0%	34.2%	42.3%	50.4%	41.3%	42.5%	45.6%	46.1%	45.4%	44.4%
Net Profit	-	-	1	17	34	61	98	146	109	141
Net Margin	0.0%	0.0%	0.3%	7.1%	13.3%	22.2%	28.7%	39.7%	20.6%	25.4%
Free Cash Flow	73	108	80	94	106	110	169	161	222	110
Income Tax	0	1	0	33	31	14	24	66	55	54

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	202	197	241	294	361	474	1,137	1,295	1,141	1,271
Cash & Equivalents	67	69	32	48	49	50	87	72	112	115
Accounts Receivable	16	12	12	15	20	30	29	52	47	108
Total Liabilities	128	309	154	158	191	236	546	557	566	595
Accounts Payabl	2	1	1	2	3	2	2	3	5	5
Long-Term Debt	108	243	84	84	71	75	163	171	214	196
Shareholder's Equity	56	(123)	60	78	110	155	238	347	415	525
LTD/E Ratio	1.92	(1.97)	1.40	1.07	0.64	0.48	0.69	0.49	0.51	0.37

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets		0.0%	0.3%	6.5%	10.3%	14.6%	12.2%	12.0%	9.0%	11.7%
Return on Equity				15.6%	22.0%	29.9%	23.7%	22.0%	16.6%	22.5%
ROIC		0.0%	0.4%	8.9%	14.6%	22.0%	18.4%	17.6%	12.9%	17.0%
Shares Out.	-	-	52.8	53.1	53.3	53.5	53.6	53.7	53.7	53.9
Revenue/Share	9.10	10.59	9.80	12.85	10.38	9.64	10.24	6.85	9.85	10.27
FCF/Share	4.28	6.34	4.38	4.97	4.37	3.88	5.05	3.00	4.13	2.04

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.