

EVERCORE

NYSE: EVR

Price: \$183.89

Market Capitalization: 6.64B

P/E Ratio: 27.55

Recommendation: Buy

Target Price: \$221.12

Upside: 20.69%

Double-Edged Sword

1. Increased advisory fees on increased M&A Deal Flow as interest rates fall

'23/'24 Senior banker hiring spree in expectation of increases deal flow

2. Increased Restructuring fees as corporations struggle to survive during a higher for longer environment

~\$4.8T of corporate debt coming due by 2028, higher rates could put pressure on companies with debt walls

- Evercore scale and brand strength is set to capitalize organically

Investment Banking Industry Overview

- Middleman between those who have capital and those who need capital

Services: Underwriting, IPO, M&A, RX, ECM, DCM, etc.

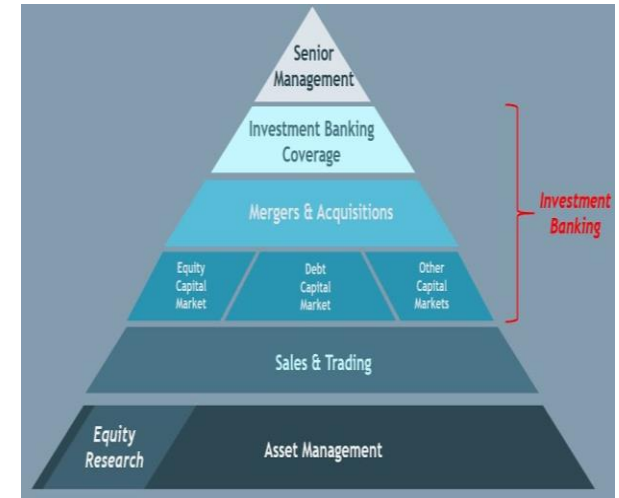
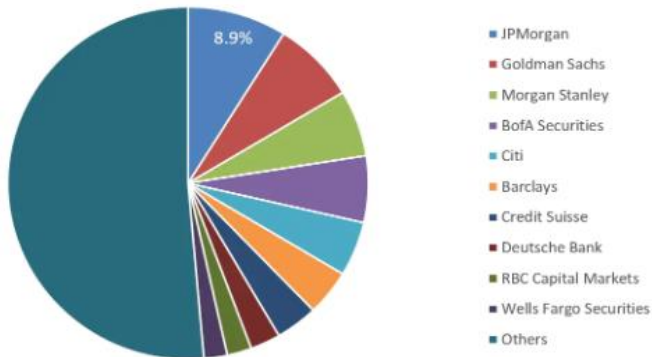
Sell Side

- Categorizations by size

Bulge bracket: Morgan Stanley, Bank of America, Goldman Sachs, JPMorgan

Boutique: Rothschild, Perella Weinberg, Lazard, PJT Partners, Evercore

Top Investment Banks Worldwide, as of December 2019, by Revenue Share



Evercore Company Overview

- Leading independent investment bank with \$5 trillion in announced transactions
- **Investment Banking & Equities:**
 - 90% of Evercore's IB revenue is generated through advisory and underwriting fees
 - Leading independent advisory firm by dollar volume of announced M&A transactions which they advised in the past five years
- **Investment Management:**
 - 10.5B AUM in 2022 (2% of total revenue)

Leading Independent Firm With A Global Presence

50+

Countries Where
Clients are Served

~2,230

Employees Worldwide¹

17

Advisory Offices
Globally

~1,365

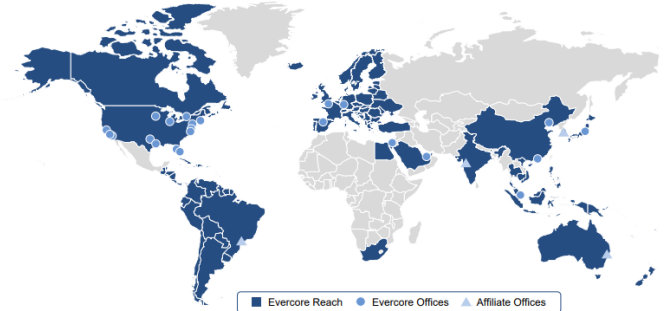
Advisory Bankers¹

11

Countries with
Evercore Offices

137

Advisory SMDs
Globally²



Americas

Boston
Chicago
Dallas
Houston
Los Angeles
Menlo Park
Minneapolis
New York

San Francisco
São Paulo*
Tampa
Toronto
Washington DC
West Palm Beach
Wilmington

Europe / Middle East

Dubai
Frankfurt
London
Madrid
Tel Aviv

Asia / Australia

Beijing
Hong Kong
Mumbai*
Seoul*
Singapore
Sydney*
Tokyo

Business Segments: Investment Banking & Equities

Grown Investment Banking & Equities Business 8x Since 2010

Capabilities

Evercore in 2010

\$0.3 Billion¹

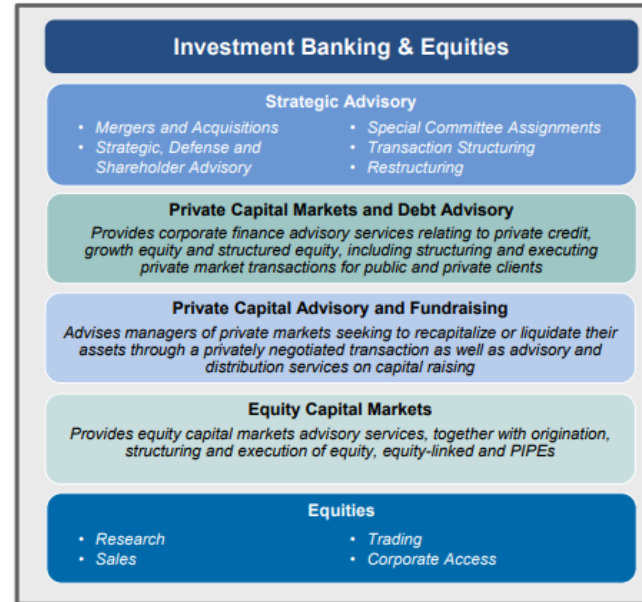
FY 2010 Adjusted Investment Banking Revenue



Evercore Today

\$2.3 Billion¹

LTM Q3 2023 Adjusted Investment Banking & Equities Revenue



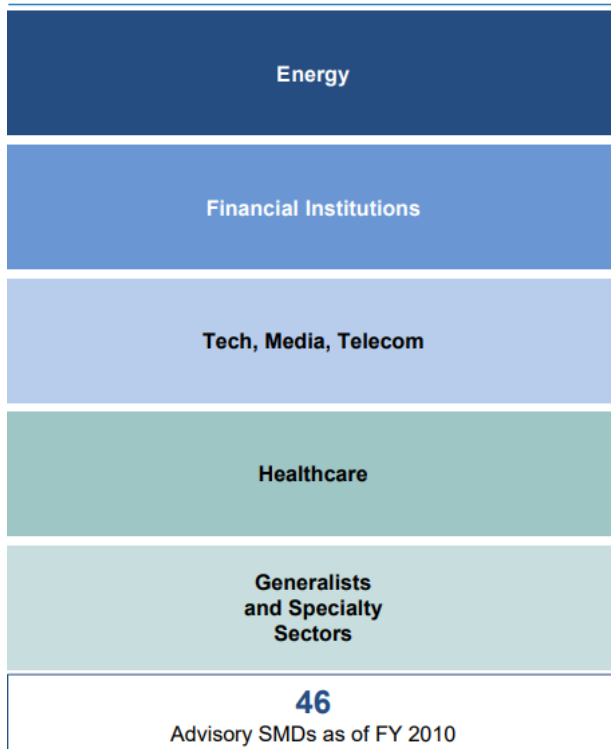
*In each of the past four years, our **non-M&A businesses** accounted for at least 1/3 of our total revenue²*

Evercore Coverage Expansion

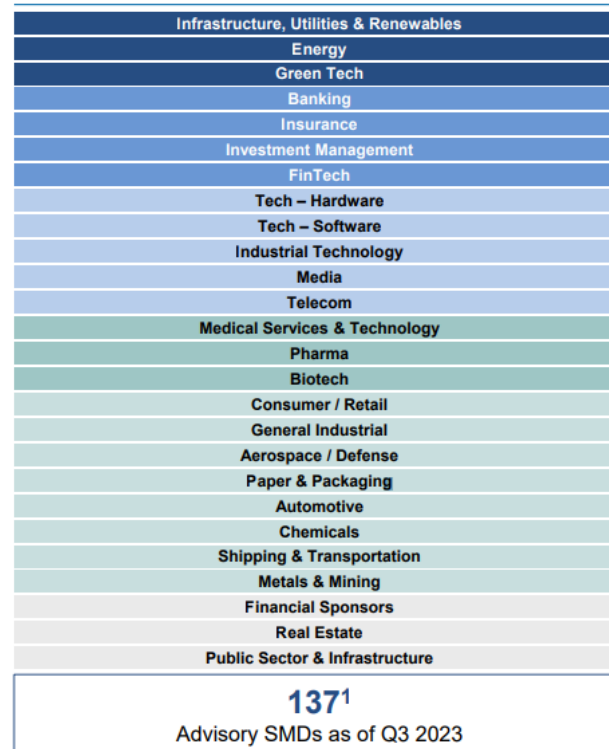
Evercore Has Broadened And Deepened Sector Coverage

Sector Coverage

Evercore in 2010



Evercore Today



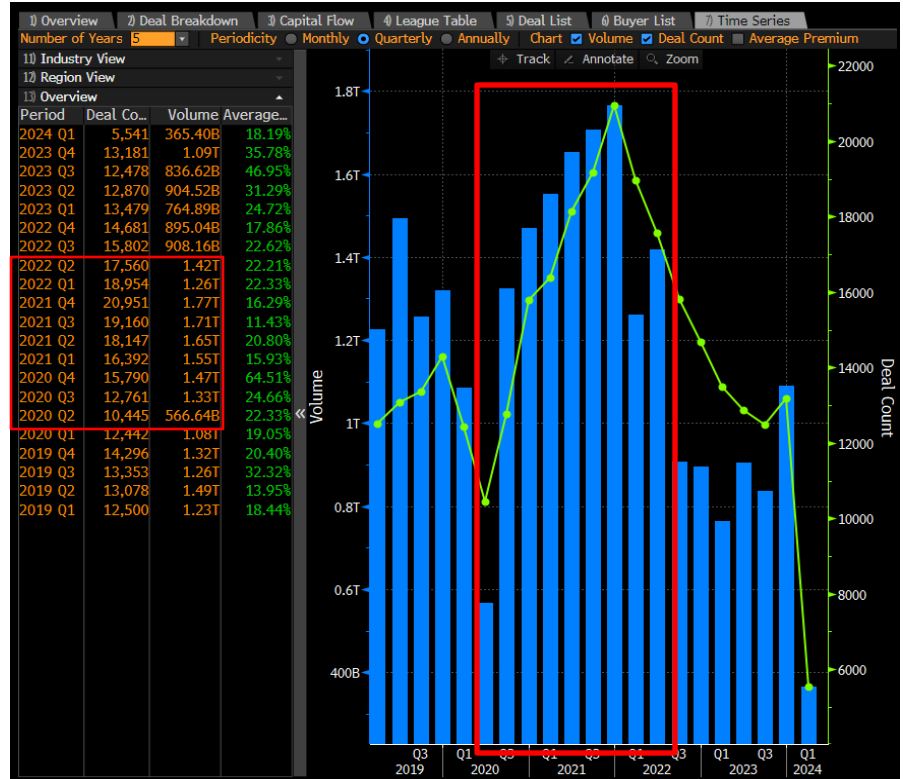
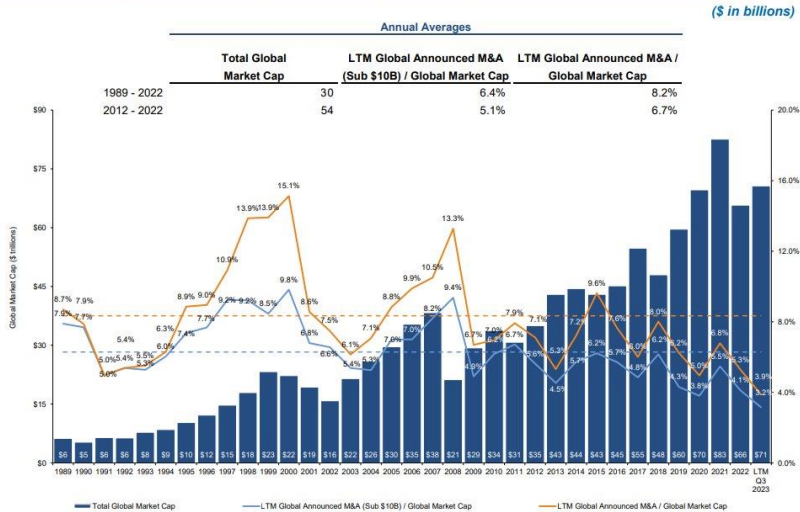
1. SMD count is as of September 30, 2023, and includes committed new hires, known departures/transitions. Includes sector focused M&A SMDs and other Advisory SMDs

- “In 2023, we were involved in **4 of the 10 largest global deals**, all of which were announced in the second half of the year. In the fourth quarter, we advised **Chevron on its \$60 billion acquisition of Hess, U.S. Steel on its sale to Nippon Steel for \$14.9 billion and NFP on its sale to Aon for \$13.4 billion**”
- “In the early weeks of 2024, we continue to see strong momentum as we have advised on some of the largest strategic transactions, including **Synopsys on its \$35 billion acquisition of Ansys, Global Infrastructure Partners on its sale to BlackRock for \$12.5 billion and Chesapeake Energy on its merger with Southwestern Energy for \$7.4 billion**”
- “[Evercore] has continued to expand its senior ranks, even as fees from M&A have slumped. The bank said in its third quarter results it was **'building for the long-term'** by **hiring senior managing directors.**”

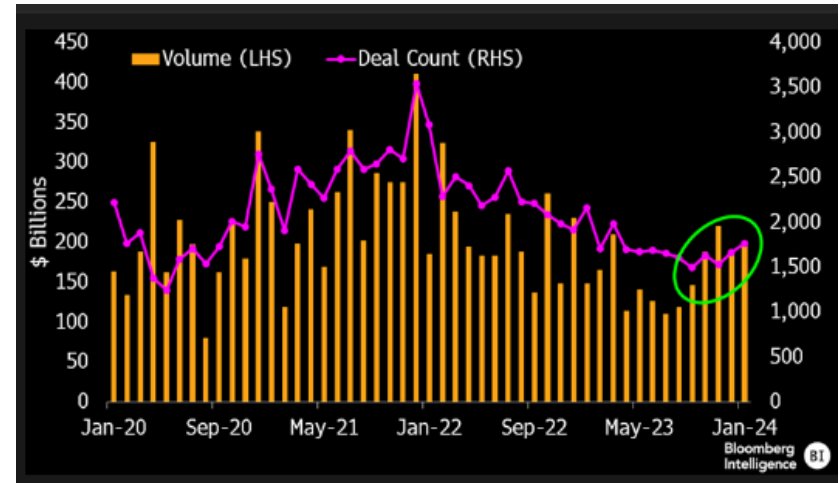
MA Deal Flow

- MA Deal Flow tends to be substantially higher during times of low interest rates
- As Fed cuts, Deal Flow and RX fees expected to increase

Global Announced M&A as a Percent of Global Market Capitalization Is At An All-Time Low, Presenting Opportunity for Evercore



- January off to strong start
 - \$198B of completed volume, +32% YoY
 - \$403B of notional volume vs \$307B YoY
 - 4 transactions > \$10B vs. 1 in 2023



Evercore Market Share and Deal Volume

YTD League Table - #1

1 Overview 2 Deal Breakdown 3 Capital Flow 4 League Table 5 Deal List 6 Buyer List 7 Time Series # of Deals 5,542

Filter by Adviser <Enter an adviser name> Adviser Type Financial Legal

Adviser	Rank (Market Share)	Market Share (%)	Total Deal Value (M)	Average Deal Value (M)	Deal Count
101 Evercore	1	21.8975	80,013.07	4,706.65	17
102 JP Morgan	2	20.5721	75,170.40	2,784.09	27
103 Morgan Stanley	3	16.9668	61,996.68	1,937.40	32
104 Qatalyst Partners LP	4	13.1120	47,911.27	15,970.42	3
105 Goldman Sachs	5	12.1135	44,262.55	2,459.03	18
106 Citi	6	10.6173	38,795.65	3,232.97	12

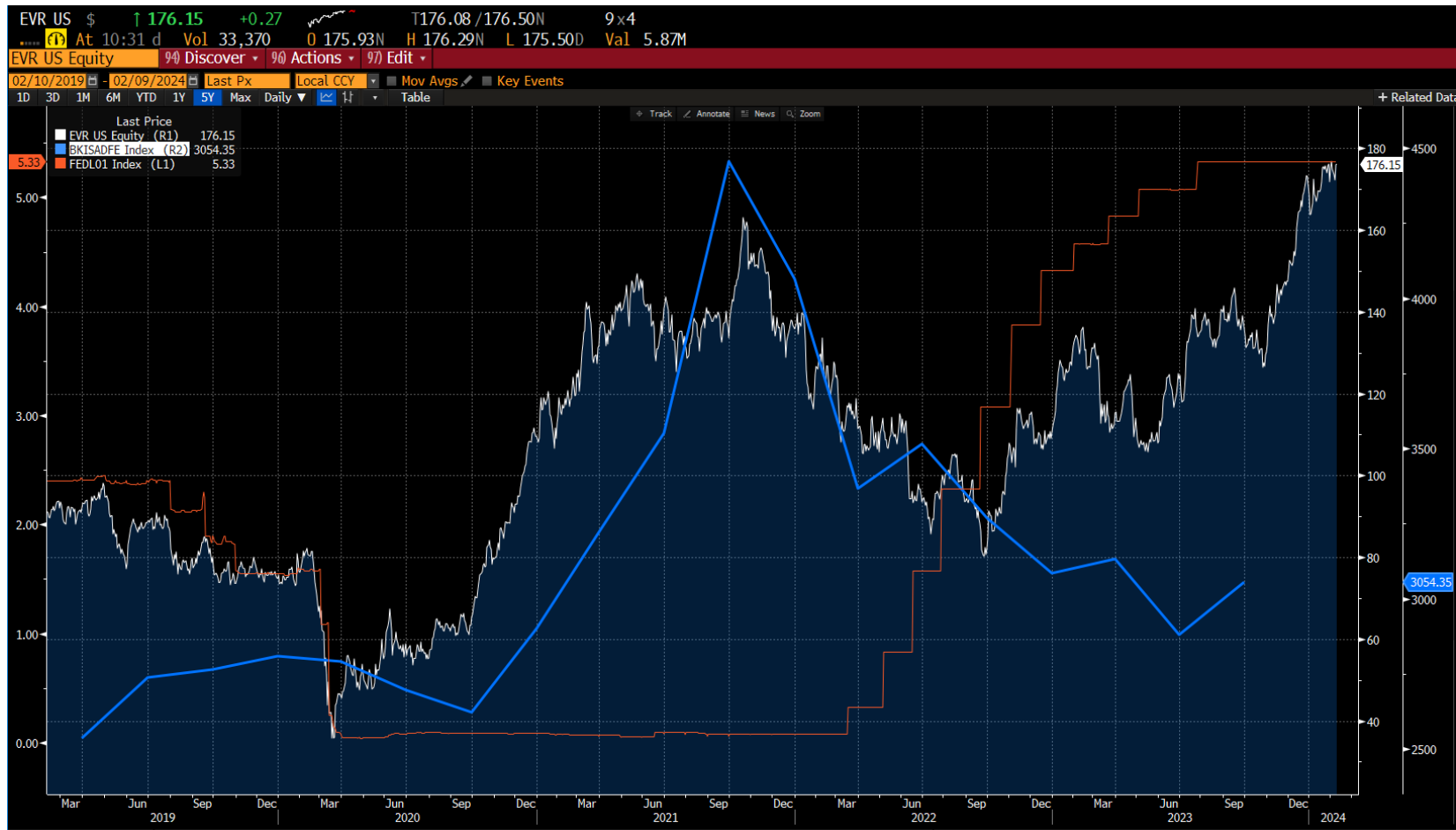
Low Rates League Table - #9, #2 excluding BB's

1 Overview 2 Deal Breakdown 3 Capital Flow 4 League Table 5 Deal List 6 Buyer List 7 Time Series # of Deals 145,721

Filter by Adviser <Enter an adviser name> Adviser Type Financial Legal

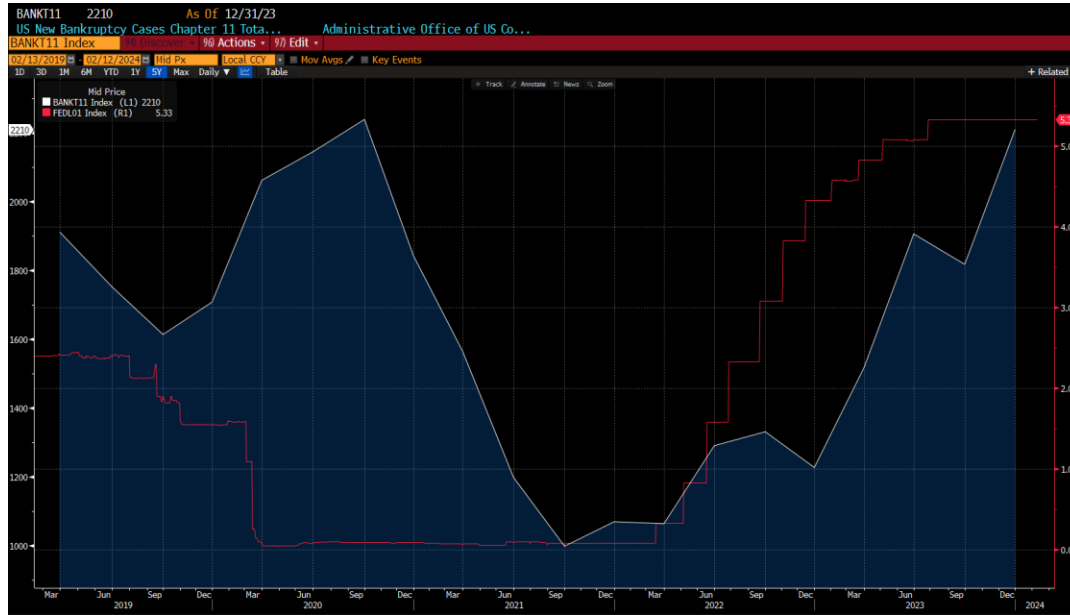
Adviser	Rank (Market Share)	Market Share (%)	Total Deal Value (M)	Average Deal Value (M)	Deal Count
101 Goldman Sachs	1	19.5931	2,446,144.34	2,254.51	1,085
102 JP Morgan	2	17.0492	2,128,550.42	2,046.68	1,040
103 Morgan Stanley	3	15.7389	1,964,961.51	2,235.45	879
104 BofA Securities	4	10.8212	1,351,002.64	2,022.46	668
105 UBS	5	9.8714	1,232,416.86	1,683.63	732
106 Citi	6	8.7810	1,096,288.88	1,978.86	554
107 Barclays	7	6.5649	819,606.85	1,711.08	479
108 Lazard	8	5.1968	648,807.06	1,110.97	584
109 Evercore	9	4.3751	546,225.67	1,355.40	403
110 Rothschild & Co	10	4.3543	543,620.21	605.37	898
111 BNP Paribas	11	3.5480	442,964.24	1,527.46	290
112 Centerview Partners LLC	12	3.2672	407,904.32	2,330.88	175
113 Jefferies	13	2.9939	373,783.19	652.33	573
114 Nomura	14	2.7347	341,425.77	995.41	343
115 Moelis & Co	15	2.6066	325,421.53	860.90	378

Evercore Price Action



Restructuring Busy

- Higher for longer will put stress on companies' ability to survive
- \$4.8T of non-financial corporate debt coming due in the next 4 years => capital structure changes, bankruptcies, liquidations, distressed sales, debtor and creditor stress, etc.
- Evercore can capitalize on RX fees in a HFL environment



Catalysts, Risks, and Considerations

Catalysts

- Fed rate cuts Q2-Q3 (MA)
- Hiring Spree
- Industry Market Share

Risks

- Fed rate cuts Q2-Q3 (RX)
- Anti-Trust
- Business model is highly dependent on advisory fees and lack diversification
- Hiring spree can lead to compensation pressure

Considerations

- Deal Flow accelerating slower than expected

Switches

Revenue

COGS Margin

Sal & Emp. Ben

D&A + Other

Discounted Cash Flow Analysis: Evercore



EVERCORE

Ticker **EVR**
Date **2/11/2024**
Year-End **12/31/2024**

Imlied Share Price **\$ 145.60**
Current Share Price **\$ 183.21**
Implied Upside / (Downside) **-20.53%**

Switches

Revenue

COGS Margin

Sal & Emp. Ben

D&A + Other



EVERCORE

Ticker **EVR**
Date **2/11/2024**
Year-End **12/31/2024**

Imlied Share Price **\$ 221.12**
Current Share Price **\$ 183.21**
Implied Upside / (Downside) **20.69%**

Switches

Revenue

COGS Margin

Sal & Emp. Ben

D&A + Other

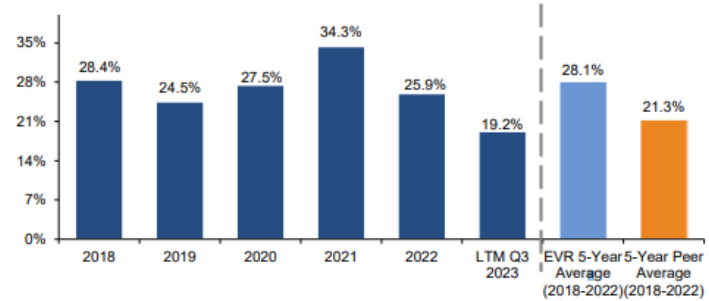
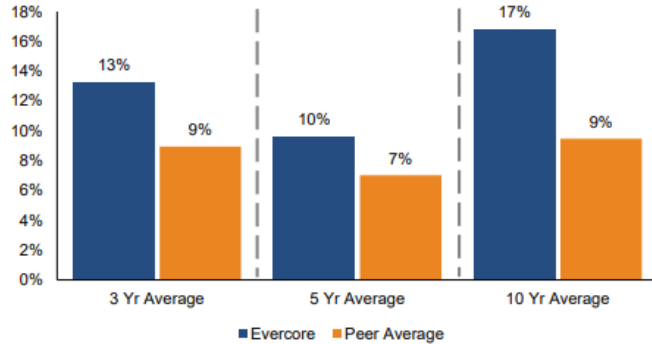


EVERCORE

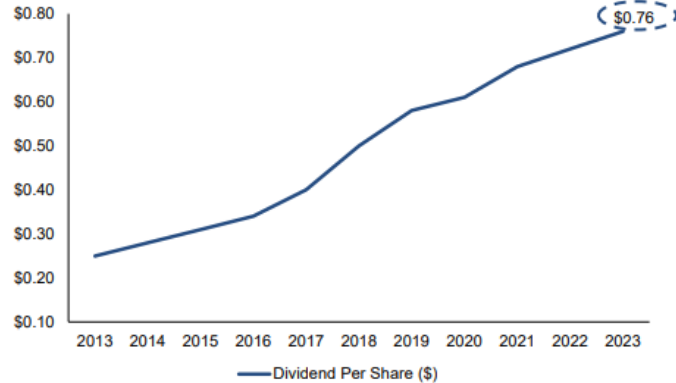
Ticker **EVR**
Date **2/11/2024**
Year-End **12/31/2024**

Imlied Share Price **\$ 368.19**
Current Share Price **\$ 183.21**
Implied Upside / (Downside) **100.97%**

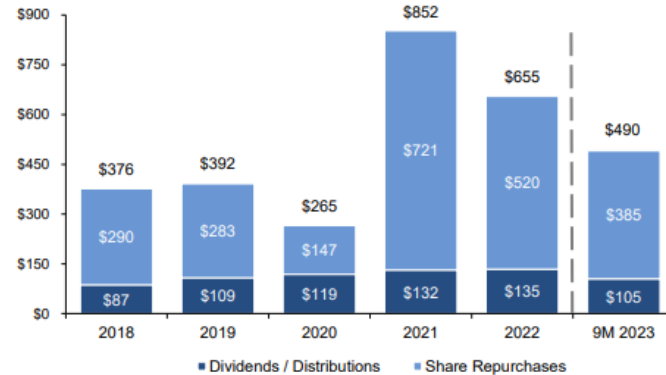
Strong Revenue Growth and Operating Margins^{1,2}



Consistent Dividend Growth



Substantial Capital Return (\$ in millions)³



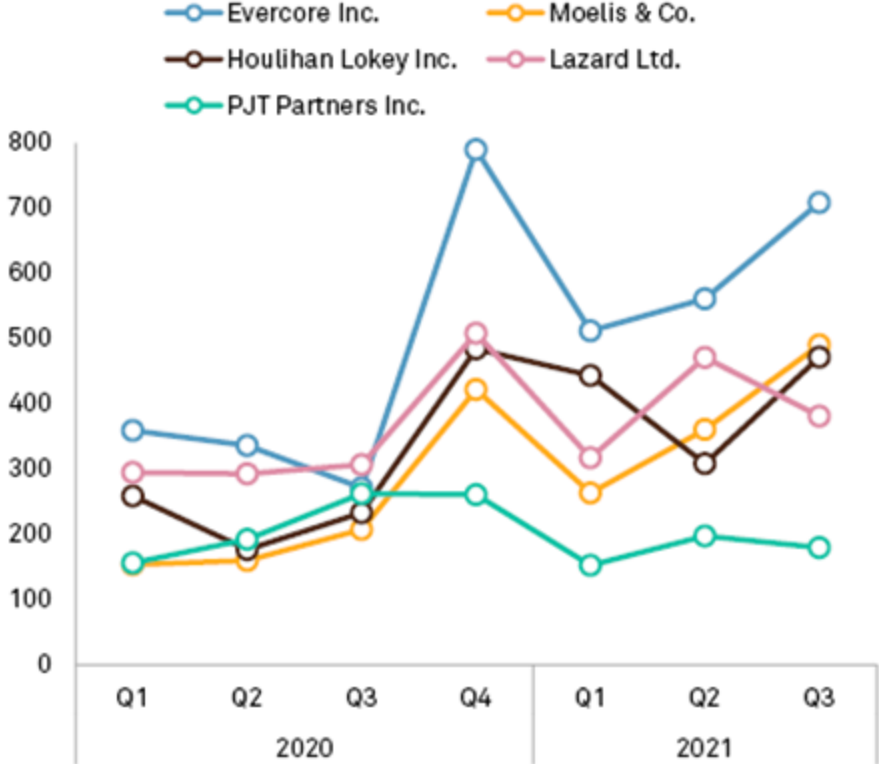
Comparable Analysis

Ticker	Company Name	Current Price	Share Count	Enterprise Value	Market Cap	Revenue			EBITDA		Net Income	
						'21	'22	'23	'22	'23	'22	'23
EV	Evercore Inc.	173.61	38	7,386	6,540	3,285	2,762	2,426	794	537	477	256
LAZ	Lazard, Inc.	39.36	87	4,791	3,441	3,194	2,773	2,516	714	42	358	76
HLI	Houlihan Lokey, Inc.	124.18	69	8,451	8,586	2,299	1,836	1,839	437	430	438	254
PJT	PJT Partners Inc.	96.14	24	2,449	2,331	994	1,025	1,153	244	192	91	82
SF	Stifel Financial Corp.	74.35	101	10,781	7,514	4,749	4,358	4,349	1,260	1,598	662	523
RJF	Raymond James Financial I	111.35	210	17,738	23,373	10,372	10,836	11,742	2,590	3,951	1,509	1,739
MC	Moelis & Company	54.73	67	3,866	3,649	1,541	985	855	246	-32	150	25
PWP	Perella Weinberg Partners	11.69	45	697	521	794	631	649	-18	56	18	17
PIPR	Piper Sandler Companies	180.93	15	2,973	2,750	2,031	1,426	1,348	198	127	111	86
Mean		86.59	77	6,468	6,521	3,247	2,984	3,056	709	795	417	350
Median		85.25	68	4,328	3,545	2,165	1,631	1,593	342	159	254	84

Ticker	Company Name	Trading Multiples											
		Revenue Growth		EBITDA Margin		Profit Margin		EV / Revenue		EV / EBITDA		P / E	
		'21-'22	'22-'23	'22	'23	'22	'23	'22	'23	'22	'23	'22	'23
EV	Evercore Inc.	(16%)	(12%)	29%	22%	17%	11%	2.7x	3.0x	9.3x	13.7x	13.7x	25.6x
LAZ	Lazard, Inc.	(13%)	(9%)	26%	2%	13%	3%	1.7x	1.9x	6.7x	115.4x	9.6x	45.3x
HLI	Houlihan Lokey, Inc.	(20%)	0%	24%	23%	24%	14%	4.6x	4.6x	19.3x	19.6x	19.6x	33.8x
PJT	PJT Partners Inc.	3%	13%	24%	17%	9%	7%	2.4x	2.1x	10.0x	12.8x	25.8x	28.5x
SF	Stifel Financial Corp.	(8%)	(0%)	29%	37%	15%	12%	2.5x	2.5x	8.6x	6.7x	11.3x	14.4x
RJF	Raymond James Financial Inc.	4%	8%	24%	34%	14%	15%	1.6x	1.5x	6.8x	4.5x	15.5x	13.4x
MC	Moelis & Company	(36%)	(13%)	25%	(4%)	15%	3%	3.9x	4.5x	15.7x	-120.8x	24.3x	145.9x
PWP	Perella Weinberg Partners	(21%)	3%	(3%)	9%	3%	3%	1.1x	1.1x	-39.6x	12.4x	29.1x	30.7x
PIPR	Piper Sandler Companies	(30%)	(5%)	14%	9%	8%	6%	2.1x	2.2x	15.0x	23.4x	24.8x	32.2x
Mean		(15%)	(1%)	20%	16%	13%	8%	2.5x	2.6x	5.3x	9.3x	20.0x	43.0x
Median		(17%)	(0%)	24%	13%	13%	7%	2.2x	2.2x	9.3x	12.6x	21.9x	31.4x

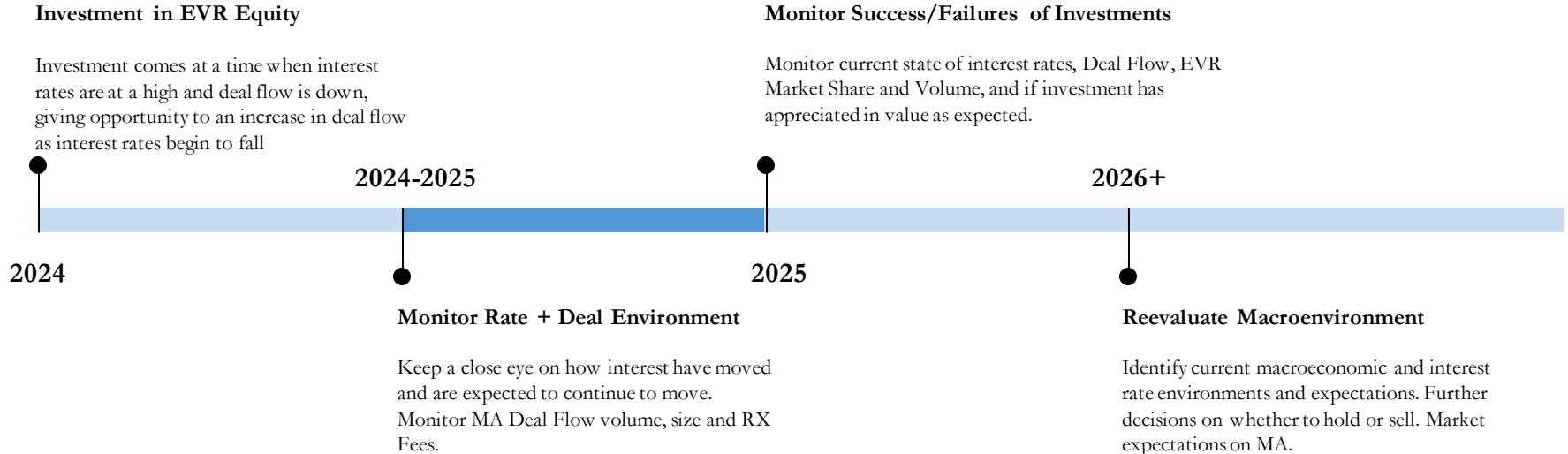
Comparable Advisory Fees

Evercore tops peers in advisory revenue (\$M)



Mid to Long-Term Investment Timeline:

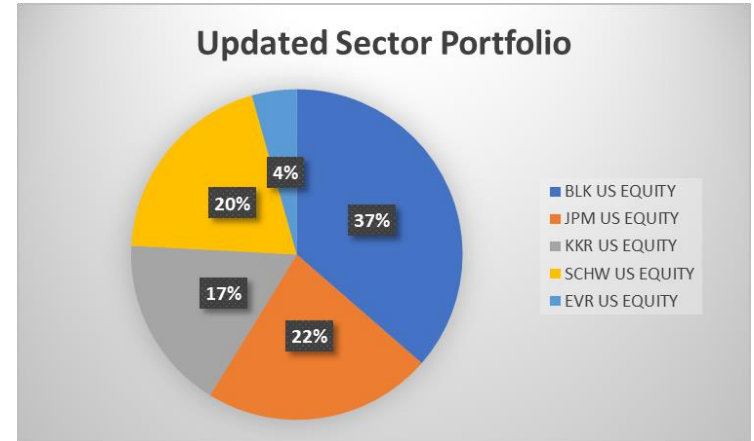
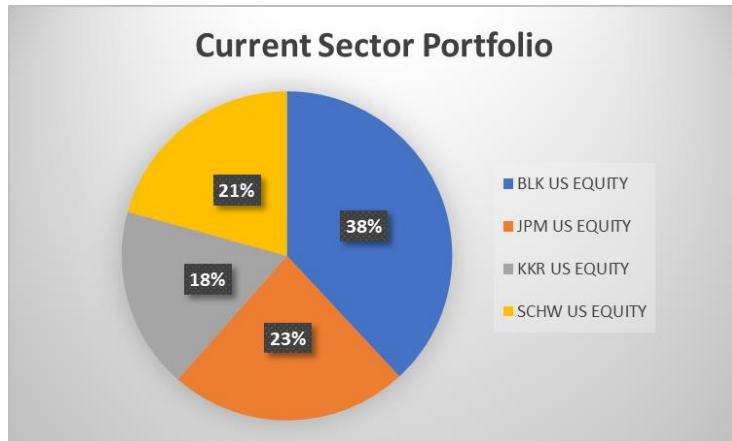
- **Goal:** Capitalize on falling interest rates stimulating MA Deal Flow and RX Fees



Role in Portfolio

- Use funds from DFS sale

Would like to add more cash if possible



Recommendation: **Buy**

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Upside: 20.69%

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2. Increased RX fees as corporations struggle to survive during a higher for longer environment

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Questions