



“2024 was the first year executing our Lazard 2030 strategy, and we got off to a strong start. As we build on our storied history, aim higher together, and enhance our relevance for clients across the world, we are creating momentum that is producing results ahead of schedule. In 2025, we remain focused on helping our clients successfully navigate complex business and investment decisions, while delivering long-term value for our shareholders.”

**Peter R. Orszag**  
Chief Executive Officer and Chairman

## 2024 Annual Letter to Shareholders

### **Dear Fellow Shareholders,**

2024 was the first year executing our long-term growth strategy, and progress is ahead of schedule. We thank our clients and shareholders for their support, and our colleagues for their unwavering focus on our mission: To provide the most sophisticated and differentiated financial advisory and investment solutions, advancing our 176-year-old legacy as *la haute banque d'affaires vis-à-vis the world*.

Our vision for Lazard 2030 is to build on our storied history, aim higher together, and enhance our relevance for clients across the world. We seek to double firmwide revenue by 2030 from its 2023 level, and deliver an average annual shareholder return of between 10 and 15 percent per year.

We are off to a strong start. Firmwide adjusted net revenue was \$2.9 billion for the year, up 18 percent from 2023, and total shareholder return was 55 percent. In last year's shareholder letter, I noted that our inflection toward growth was building momentum. In 2024, that momentum was palpable.

The year ahead will be dynamic, with generative artificial intelligence tools improving rapidly. We are determined to stay at the forefront of this new technology, which is becoming increasingly central to our business. Heightened uncertainty associated with geopolitics will also loom large in 2025.

## Growing Financial Advisory

Improving market conditions and increasing M&A activity, along with the excellence we delivered for our clients and the execution of our long-term growth strategy, resulted in adjusted net revenue of \$1.7 billion in 2024 for Financial Advisory, up 28 percent from the prior year.

Delivering exceptional advice to our clients to help them successfully navigate a complex business, macroeconomic, and geopolitical landscape is our priority. When our clients are successful, our business thrives and we are able to deliver value for our shareholders.

We achieved key objectives in our Financial Advisory business in 2024. Revenue per Managing Director reached \$8.6 million, one year ahead of our \$8.5 million revenue target, reflecting our efforts to increase productivity across the firm. Furthermore, we are successfully expanding our Managing Director headcount within the planned range of 10 to 15 net additions annually. Our ability to develop talent internally is a core strength of Lazard. At the same time, senior recruits are increasingly attracted to our firm's commercial and collegial culture, our commitment to our clients, and the momentum behind our growth.

In response to evolving client needs, we have made key investments in our Financial Advisory business that continue to produce strong outcomes. Over the past few years, we have substantially increased our connectivity to private capital to provide holistic and innovative solutions for our clients. Revenue associated with private capital outpaced our overall Financial Advisory revenue growth in 2024 and now represents close to 40 percent of the total, compared to about one-third in 2023 and approximately one-quarter historically. Our objective is to increase this share to approximately 50 percent of Financial Advisory revenue as our connectivity continues to expand.

Elevated levels of policy uncertainty can undermine the confidence to undertake M&A. Assuming more stability is provided in the policy framework, we continue to see underlying favorable conditions for M&A activity. Technology and generative AI, the biotech revolution, ongoing growth in energy demand, and efforts to derisk supply chains and address a dynamic tariff landscape create opportunities for clients and demand for our Financial Advisory business. Our integrated approach to restructuring and liability management continues to provide a full set of solutions for our clients and contribute to overall revenue growth.

In Europe, a core question for government and businesses is how to revitalize economic growth, with calls for decisive action but lingering questions about implementation. Even in the context of a challenging macroeconomic environment, performance among European corporates has been encouraging, with an increased focus on delivering shareholder value through improved capital allocation and free cash flow generation.

In the U.S., anticipated shifts in the regulatory environment are generally expected to be constructive for transactions, especially vertical ones. While a decline in interest rates would be beneficial, we consider that to be a secondary factor, with greater certainty in the operating environment a higher priority, based on our conversations with clients.

Our ability to help clients navigate the challenges and opportunities of a complex global environment in which business decisions and geopolitical factors are inextricably linked remains a competitive advantage for Lazard. Lazard Geopolitical Advisory is a leader in providing strategic insights into geopolitical risks and opportunities that impact business

outcomes. Created in 2022, this group further strengthens our relationships with clients worldwide. We expect our ability to provide geopolitical advice that informs business decisions to increasingly deliver value to our clients.

## Evolving Asset Management

Last year was a more challenging year for asset management more broadly amid market and structural changes and significant outflows from active equity strategies across the industry. Additionally, our business skews towards equities and largely comprises global, international, and emerging market offerings, with an emphasis on relative value and quality investment styles. Therefore, we were not immune to the significant level of outflows, and we entered 2025 with \$226 billion in assets under management, compared to \$247 billion the year prior. Amid the challenging backdrop, our adjusted net revenue in Asset Management was \$1.1 billion for 2024, up 3 percent compared to 2023.

We are intensely focused on making 2025 a turning point in this part of our business and are aiming for more balanced flows this year. We entered 2025 with a \$10 billion pipeline of won but not yet funded mandates, substantially higher than in recent years. This reflects investments made to strengthen our distribution, research, and investment platforms and positions us to target a significantly improved flow result in the year ahead.

One factor we believe will help our business is the macroeconomic environment. At the start of 2024, we anticipated that interest rates would stay higher for longer, which we saw materialize during the first half of the year. Higher rates increased the appeal of short-term investments and reduced new allocations in active equity strategies, and cash accumulated on the sidelines. As the interest rate environment declined and investors became opportunistic about returning to risk markets, we saw the beginning of a shift toward more money being put to work at the end of 2024.

As we target higher investment mandates to achieve our goal of a more balanced flow picture in 2025, several macroeconomic factors and strategic initiatives support our confidence.

While central banks may reconsider the expected path of interest rates, due to uncertainty around inflationary factors such as tariffs and fiscal policy changes, a broadening of the equity market rally could benefit core areas of strength for our firm. During 2024, we assessed this opportunity to focus on areas that represent client opportunity and deliver strong performance. This includes our Quantitative and Emerging Market equity platforms, and specialized products such as Japanese Equity and Global Listed Infrastructure.

In addition, efforts to expand our distribution through wealth management and active ETFs present new vectors for growth. We are investing in private wealth management in the U.S., and identifying increasing synergies with our advisory clients in new business development.

During 2024 we also established Lazard Elaia Capital, a strategic partnership that launched a growth capital fund to provide clients with the opportunity to invest in private technology companies.

We launched our first active ETF in Australia in 2024, along with an expanded set of strategies in the U.S. to be launched in 2025. This marks a notable step to offer more investors access to our premier investment products and most compelling strategies through a more efficient vehicle, meeting an evolution in client demand and opportunities for growth.

Our clients look to us to deliver world-class investment solutions, customized to meet their financial objectives. In a global environment with market volatility, our focus on long-term value and service for our clients remains paramount and a competitive advantage.

While we continue to explore inorganic opportunities, our disciplined approach to acquisitions and partnerships balances opportunity with cultural fit, driving shareholder value over time.

## Investing in Our People

Lazard is an intellectual capital business, and our people and culture are our greatest assets.

Over the past year, we have continued to invest significantly in attracting, retaining, and developing top talent across the globe. These investments are fortified by our commitment to our employees, which includes fostering an inclusive workplace where a wide range of perspectives enables productive debate and generates ideas that deliver the best outcomes for our clients.

During 2024, we took a number of steps to further promote our culture of excellence. Aligning our organizational structure, performance management, and compensation programs with a commercial and collegial culture has helped to create an environment where colleagues can practice at the top of their license. This alignment has also contributed to delivering strong financial results throughout the year.

We view the advances in generative AI as a transformative opportunity to more effectively leverage our collective thought leadership in service of our clients. In 2024, we adopted several AI tools to accelerate our apprentice-based talent development model, and to reduce the time spent on repetitive and administrative tasks. At the same time, we remain focused on building client relationships. Trust is at the core of what we do, and as technology evolves, trust and relationships will grow even more valuable.

## Strengthening Our Firm

We continue to make investments that strengthen our firm and deliver value to our shareholders, balanced with a constructive operating environment and ongoing cost containment. For the full year 2024, we achieved a non-compensation ratio of 19.9 percent, back within our target expense range. We also achieved an improvement of 390 basis points in our compensation ratio, reducing it to 65.9 percent.

In addition, we continue to streamline our operations and reinforce our corporate governance. We began 2024 with our conversion to a U.S. C-Corporation, which simplified tax reporting and provided us with opportunity to attract new shareholders. We strengthened our Board of Directors by appointing Dan Schulman and Stephen R. Howe Jr., and elevating Dan to Lead Independent Director. In early 2025, we added Peter Harrison to our board. Ken Jacobs, Lazard's former CEO and Executive Chairman of the Board, now serves as Senior Chairman of the Firm and Senior Advisor to the Board, and we are grateful for his ongoing engagement with our most important global client relationships.

Finally, continually strengthening our firm includes an ongoing commitment to effective risk management. We promote responsible business practices internally, with a proactive

approach to training that safeguards client interests through employee accountability. Our senior leadership and Board-level committees actively engage in management and oversight of our most critical programs, including those that address global regulatory and cybersecurity considerations. We were pleased to be recognized by MSCI ESG Ratings with an AA rating in 2024.

Before closing, I would like to honor the legacy of Richard D. Parsons, longtime Lazard board member and an iconic American business leader whose passing we mourned at the end of 2024. Dick's wisdom and guidance helped shape our firm for over a decade, and we are grateful to have been part of his storied career.

Our colleagues' commitment to our clients and to our vision for Lazard's future propelled our successful execution in 2024. In 2025, the energy, enthusiasm, and momentum behind our long-term growth strategy continues to grow.

It is a privilege to begin 2025 in my expanded role as CEO and Chairman, and I thank our Board of Directors for their ongoing support and for their dedication to our firm.

As a steward of Lazard's extraordinary legacy, it is my honor to serve our clients, colleagues, and shareholders.

A handwritten signature in black ink, appearing to read 'P. Orszag', with a stylized, cursive script.

**Peter R. Orszag**

Chief Executive Officer and Chairman, Lazard