

2025 Annual Letter to Shareholders



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Peter R. Orszag
Chief Executive Officer and Chairman

April 7, 2026

Dear Shareholders,

2025 marked the second full year executing our Lazard 2030 long-term growth strategy. While we are still in early stages, results to date have fueled our ongoing momentum, and we enter 2026 with conviction in our strategy and our vision for the future of Lazard. I am grateful to our clients and shareholders for their support, and to our colleagues for their unwavering commitment to our firm.

2025 also reflected the continued transformation of our firm, with Lazard today a structurally and culturally different organization — focused on helping clients navigate an increasingly complex landscape, globally connected across public and private market solutions, and better positioned to deliver long-term growth and shareholder value beyond traditional cycles.

For well over a century, Lazard has been defined by our ability to deliver independent, differentiated advice and investment solutions grounded in what I call “contextual alpha” — the broad insight and judgment needed to navigate macroeconomic, geopolitical, and other factors that help leaders see beyond what the world sees today.

While our momentum persists, ongoing conflict in the Middle East is a reminder of the types of geopolitical developments that can reverberate across the global economy. The potential impact extends well beyond oil markets to include natural gas, aluminum, fertilizer, helium, and other critical inputs, underscoring how interconnected today’s economic system has become — and how uncertain the path forward can be. The need for strategic advice and investment solutions that consider the broader landscape is more apparent today than ever.

Two years ago, we set forth an ambitious vision: to aim higher together, enhance our relevance, and advance Lazard's legacy as the preeminent independent financial firm. As client needs evolve amid shifting global dynamics and market conditions, our strategy is designed to meet rising demand for independent judgment and customized solutions. *What* we do remains consistent: contextual alpha is the foundation for the valuable insights we provide for our clients. *How* we do it has required a transformational approach: reshaping our culture, accelerating our adoption of AI, and redefining our strategy around a broader set of growth opportunities.

Reshaping Our Culture

Performance is driven by culture, and the transformation underway across Lazard is palpable with results that underscore the commercial impact of our progress. We are reshaping our culture to reflect the ambition of Lazard 2030 — to be a firm that is intensely commercial, deeply collegial, and consistently aligned around excellence and accountability. We have raised performance expectations, including through enhancements to our compensation programs; strengthened our apprenticeship model to develop the next generation of exceptional bankers and investors; and redesigned our organizational structure and systems to enable greater collaboration across sectors, geographies, and products.

In Financial Advisory, we have transformed our Managing Director group by promoting from within and hiring exceptional bankers who are increasingly attracted to our platform and the momentum behind our strategy, while at the same time retaining top talent. We exceeded our goal of expanding our Financial Advisory MD group by 10 to 15 net additions from the first quarter of each year, with 11 net additions for 2024 and 22 for 2025. With an MD group that embodies our revitalized culture and a commercial and collegial mindset, productivity per Managing Director has risen by more than \$2.5 million since 2023 to reach \$8.9 million in 2025 — outperforming our 2025 goal even as a larger proportion of MDs have been ramping on our platform.

In Asset Management, we have reinforced a culture of collaboration, focus, and accountability. In 2025, we reoriented our platform toward the areas where active management is most differentiated, which includes providing customized solutions and investing where information is imperfect and technology provides an advantage. Our investment teams are operating with improved research collaboration, and our sales and distribution groups have clear alignment on shared goals. This cultural shift has contributed directly to results, with record gross inflows for the full year 2025, a level of won-but-not-funded mandates at the start of 2026 that was even higher than the elevated level the prior year, and positive net flows of over \$7 billion for the first two months of this year.

Leadership across the firm reinforces our commercial and collegial culture, our emphasis on delivering with excellence for our clients, and our ambitions for the future of Lazard. At the end of 2025, we expanded responsibilities across our Financial Advisory leadership group and welcomed our new CEO of Lazard Asset Management, Chris Hogbin. At the start of 2026, we promoted Tracy Farr to CFO of Lazard, and Chris announced his management team. These changes enhance our global leadership's focus on executing our long-term strategy in collaboration across geographies and businesses.

Employee engagement remains high, and internal feedback reflects a sharper sense of purpose and a clearer understanding of our strategy and future opportunities across the firm. We view our cultural transformation as a defining advantage, and while we still have more to do, we entered 2026 with increasing momentum and an even higher bar for excellence.

Accelerating Our AI Adoption

Seizing new opportunities is equally a function of culture. Over our 178-year history, Lazard has helped clients successfully navigate many periods of profound technological change. We are committed to relying on our cultural strength to become the leading AI-enabled independent financial firm. We also benefit from a structural advantage: we are large enough to invest and experiment at scale, yet small enough to move quickly, adopt new tools, and translate innovation into client impact.

A common view is that as AI advances, an enduring advantage will rest solely in human judgment, with technology simply processing numbers and patterns in the background. But we believe the best decisions emerge from combining human insight and experience with machine-scale evidence drawn from millions of data points and patterns invisible to the human eye. If used appropriately, AI can already help make judgment itself more rigorous, more consistent, and more widely accessible across an organization.

In 2025, we significantly accelerated AI adoption across the firm, deploying tools and workflows that enhance and scale the intellectual capital of our exceptional people. Our bankers now use AI-enabled tools to prepare for client meetings, analyze complex information, and test scenarios in ways that improve both insight and speed. Our investment professionals use AI to enhance research quality, portfolio construction, and risk oversight. As clients seek faster insights and deeper analytics, we are focused on harnessing the collective intelligence of the firm so that our people can focus on what matters most: trusted client engagement and strategic dialogue.

Over time, AI will enable smaller and more agile deal and investment teams, productivity gains, and upward mobility for talent across the firm. We are advancing this work responsibly, with rigorous safeguards and governance alongside continual training for our people. With AI leadership at the board level and expanding internal AI capabilities, we are positioning Lazard not simply to adapt to technological change, but to define how contextual alpha is delivered in an AI-enabled world.

Redefining Our Strategy

Lazard 2030 is a multi-year plan to build a more productive and resilient growth-oriented firm.

In Financial Advisory, this has meant supplementing our strength in M&A by building leading platforms in restructuring and liability management, capital solutions, and private capital advisory. These investments have expanded the solutions we provide for clients and diversified our revenue mix. Revenue related to private capital connectivity has increased from approximately 25 percent of total advisory revenue in 2019 to more than 40 percent today, with a clear path toward 50 percent over time. Consistent with our historical strengths, we are also focused on deepening our position across large-cap public companies in the United States and expanding our global footprint in areas of future opportunity. In 2025, we reinforced our European presence with a new office in Copenhagen and expanded in the Middle East, opening an office in Abu Dhabi. We achieved record revenues in 2025 in private capital advisory and EMEA, further underscoring the success of these investments. We also see early momentum and success in our large-cap coverage and Middle East expansion.

In Asset Management, we have sharpened our focus on areas of the market where active management is most differentiated and where client demand is strongest. This includes quantitatively driven strategies, emerging markets, global and international equities, and listed infrastructure—segments where imperfect information and technology-enabled insights provide opportunities for excess return. We also expanded the ways in which clients access our strategies. Our global ETF platform gained meaningful traction, with seven active ETFs launched in the U.S. in 2025 bringing in more than

\$1 billion in AUM in less than one year, demonstrating the appeal of bringing proven strategies to investors through more efficient vehicles. We continued to broaden our private markets capabilities, including through private investment solutions with Lazard Elaia Capital in Europe. We see ongoing opportunity to build on client demand as asset owners increasingly diversify beyond U.S. markets and seek differentiated global insights — an area where our scale, research depth, and international reach uniquely position us.

Across both businesses, we are redefining what it means to be a leading independent financial firm: a preeminent advisor and investor in both public and private capital markets, grounded in analytical rigor, conviction, and long-term partnerships with clients.

Delivering Profitable Growth

The ongoing transformation of our culture and businesses has occurred while remaining on track to deliver our Lazard 2030 long-term growth goals: to double firmwide revenue by 2030 from its 2023 level and deliver average annual shareholder returns of 10 to 15 percent.

Firmwide, adjusted net revenue increased 24 percent from 2023 to 2025. In 2025, revenue totaled \$3 billion, which included record Financial Advisory revenue of \$1.8 billion, and Asset Management AUM growth of 12 percent year-over-year. Furthermore, Lazard delivered total shareholder return of 74 percent from October 1, 2023 through December 31, 2025. While progress is not linear from quarter to quarter, these strong early results reflect the cultural, strategic, and operational evolution underway across Lazard.

Strengthening Our Firm

We continue to strengthen our firm and governance. We welcomed Peter Harrison, former CEO of Schroders, and Dmitry Shevelenko, Chief Business Officer of Perplexity, to our Board of Directors in 2025. Bringing extensive experience across investment management, public company leadership, and frontier technologies including AI, Peter and Dmitry have already contributed to reshaping our culture and refining our strategy.

We remain focused on prudent expense and capital management as we invest for future growth. For the full year 2025, we achieved a non-compensation expense ratio of approximately 20 percent, consistent with the prior year. Our compensation ratio continued to trend toward our medium-term objectives, reducing to 65.5 percent in 2025 from 65.9 percent in 2024. Operational efficiency and margin improvement are key priorities for our newly promoted CFO, and we see ongoing opportunity to integrate support functions and better leverage technology to achieve cost savings. We returned \$393 million to shareholders through dividends and share repurchases during 2025. With a disciplined approach, we continue to evaluate inorganic growth opportunities through acquisitions and partnerships, balanced with cultural fit and long-term shareholder value.

Looking Ahead

At the start of 2026, I discussed two ways in which the general prevailing sentiment may not have captured the reality of current circumstance: A belief that we were past peak uncertainty, and that the Fed had largely won its inflation battle. As this year has progressed, we have faced a landscape once again defined by geopolitical conflict and uncertainty, and data underscoring that optimism around the battle against inflation may have been premature.

Geopolitical and macroeconomic uncertainty makes business and investment decisions more complex. But it is precisely when decisions are most complex that clients look to Lazard to provide advice and investment solutions underpinned by the contextual alpha required to navigate the risks and opportunities ahead.

For Financial Advisory, we expect 2026 to be a strong year for M&A though we note ongoing uncertainty as broader impacts related to the Middle East remain to be seen. At the same time, companies continue to look to achieve scale and focus, and we see this occurring alongside elevated restructuring and liability management activity, as the result of an ongoing dispersion in corporate performance. We anticipate continued strength in fundraising and increased private equity activity as sponsors look to return capital to their LPs. These dynamics align with the repositioning of our Financial Advisory business, providing multiple levers for revenue growth.

For Asset Management, we expect to deliver positive net flows in 2026, with results in the first few months of this year reinforcing our confidence. While geopolitical uncertainty and market volatility persist, we continue to believe 2026 will be a year in which investors increasingly re-allocate toward international markets, which is where Lazard's presence and performance are particularly strong. With a more diversified platform, best in class research and investment processes, enhanced global distribution strategy, and new leadership, our Asset Management business is well equipped to capture opportunities aligned with our strengthened platform and client demand.

Our progress in 2025 and over the past two years since launching our Lazard 2030 long-term growth strategy demonstrates our ongoing focus on execution and reflects the expertise and dedication of our colleagues around the world. While we recognize that significant work remains, we enter 2026 with momentum and conviction. We are proud of what we have accomplished, and we are even more ambitious about what lies ahead.

We thank you for your partnership, trust, and support.

Regards,



Peter R. Orszag

Chief Executive Officer and Chairman