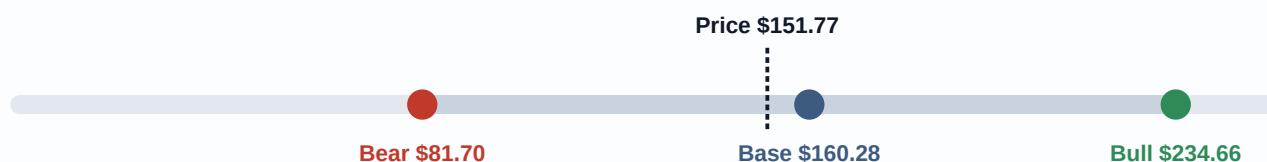


Initiated 2026-09-28 · Price \$151.77 (close 2026-09-25, stockanalysis.com) · Mkt cap \$6.84bn as-converted (45.08mm fully-diluted shares incl. partnership units; \$6.12bn on stockanalysis's 40.92mm) · Financials / investment banking & advisory · Model: verified

Rating: Hold — Conviction: Medium

PJT is the top-ranked restructuring adviser and is coming off a record first half: revenue +24%, adjusted pretax +39%, no funded debt. The problem is that the record sits on a peak in liability-management work, and the stock already pays the richest forward multiple in its peer group for it. The price sits just below the model's base case, with roughly equal room to the bull and bear cases. That is a Hold. The call breaks on whether strategic advisory can carry growth when restructuring stops rising.

MODEL VALUE RANGE VS PRICE



Business overview

PJT sells advice and capital raising, not balance sheet. FY2025 revenue was \$1,713.7mm:

- **Advisory fees: \$1,500.4mm (88%).** Strategic advisory (M&A) and Restructuring & Special Situations. The two are not split in the release, so the mix is n/a (unverified).
- **Placement fees: \$181.6mm (11%).** PJT Park Hill: primary fund placement and private capital solutions (secondaries).
- **Interest income and other: \$31.7mm (2%).**

Three variables drive earnings:

- **Restructuring and liability-management volume.** Management expects it to stay "elevated for the foreseeable future".
- **M&A completions.** Strategic advisory mandates are up more than 20% year on year, a record.
- **The comp ratio.** It is guided at 66.5% adjusted for 2026, the highest among the listed independents. Non-comp costs are guided up ~14%.

Competition

- **In restructuring,** the rivals that matter are Houlihan Lokey, Evercore, Lazard and Moelis. PJT says it ranked No. 1 in global and U.S. restructurings, both announced and completed, in 2026 year to date (company-cited on the Q2 call, July 2026). That measures deal count, not fees.

- **In secondaries**, Park Hill competes with the capital-advisory arms of Evercore, Jefferies and Lazard. Management says private capital solutions growth "more than offset" lower primary fundraising.
- **Where pressure shows first**. Pressure would show in strategic advisory fees and senior-banker hiring costs, not in restructuring share. The comp and non-comp guides already point there.
- **Valuation**. On forward P/E (stockanalysis, 2026-09-28), PJT trades at 18.2x, against 13.6x for Evercore, 16.6x for Moelis and 16.5x for Houlihan Lokey. The premium is for restructuring leadership. Houlihan Lokey is the closest listed comparable.

Bull case

1. **Strategic advisory carries growth**. Mandates are up more than 20% and management calls the franchise "early days". Q2 revenue beat consensus by ~16%. Plays out if sponsor exits and strategic M&A keep recovering through 2027 while restructuring holds up. *Model: rev_growth*
2. **Operating leverage**. Non-comp fell to 12.8% of revenue in H1 2026 from 14.3%, and the adjusted comp ratio fell a point to 66.5%. Revenue growing faster than the ~14% non-comp guide lifts margin toward the mid-20s. Plays out if revenue growth stays in double digits. *Model: ebitda_margin*
3. **The multiple is earned**. Restructuring and secondaries are structurally growing, and less cyclical, fee pools. Plays out if PJT holds its No. 1 restructuring ranking through a normalization. *Model: exit_ev_ebitda, terminal_growth*

Bear case

1. **Restructuring peaks**. 2026 is a record year for liability-management work. If defaults stay low and the refinancing wall is handled, that line normalizes while M&A stays slow under a 5%+ 10Y. Plays out if H2 2026 revenue is flat on H2 2025 (\$981.6mm) and 2027 declines. *Model: rev_growth*
2. **Cost creep**. Non-comp growth was raised to ~14% on office expansion in New York and London, travel, senior advisers and AI infrastructure. The 66.5% comp ratio leaves little room if revenue slows. Plays out if the adjusted pretax margin falls back toward FY2023's level (EBITDA margin 18.8%). *Model: ebitda_margin*
3. **The premium closes**. PJT trades at 18.2x forward against a peer average of 15.6x. A normalizing restructuring cycle removes the reason for the gap. Plays out if 2027 revenue lands below the \$2.17bn consensus. *Model: exit_ev_ebitda, terminal_growth*

Valuation & balance sheet

Metric (definition)	Current	Own history (range or 5y avg)	Peers	Source, as-of
Forward P/E (consensus adjusted EPS)	18.2x	n/a (unverified)	Evercore 13.6x · Moelis 16.6x · Houlihan Lokey 16.5x	stockanalysis.com, 2026-09-28
EV/EBITDA, model basis (EV \$6,307mm = as-converted market cap – \$535mm cash and short-term investments; no funded debt; leases excluded)	16.9x FY2025 · 14.7x TTM	EBITDA margin FY2021–FY2025 18.8–25.8%	n/a (peers show no EBITDA on this source)	model-inputs.json ; Q2 2026 release
EV/Sales (TTM, aggregator EV)	3.39x	n/a (unverified)	Evercore 2.26x · Moelis 3.06x · Houlihan Lokey 3.47x	stockanalysis.com, 2026-09-28
P/FCF (TTM, aggregator Class A market cap)	9.4x	FCF \$118mm (FY2021) to \$528mm (FY2024)	Evercore 6.6x · Moelis 11.0x · Houlihan Lokey 18.6x (bonus-timing sensitive)	stockanalysis.com, 2026-09-28

Model-implied value range (from `model-summary.json` ; generic module, Gordon-growth DCF and exit-EV/EBITDA DCF, midpoints): Bear \$81.70 · Base \$160.28 · Bull \$234.66 per share, i.e. implied returns of –46.2% / +5.6% / +54.6% vs \$151.77. *These ranges show how the bull and bear drivers translate into value; they are not price targets.*

- **What the price implies.** It sits just below the base case and slightly nearer the bull case in dollars. The market is paying for the record year to continue at a slower pace, not for a normalization.
- **Re-rating.** None. The base exit multiple is 14.0x, a ~17% de-rating from 16.9x FY2025 EBITDA on the same basis (~5% from 14.7x TTM). The two methods agree within 6% (Gordon \$155.84, exit \$164.71), and the exit method is the higher one.
- **No tail sensitivity was run.** No client is concentrated, and the bear case is a cyclical break, not a plateau.
- **Buyback price.** H1 2026 repurchases averaged \$153.81, above today's price. That is not evidence of value.

Balance sheet:

- Leverage: not meaningful. There is no funded debt, so net leverage is -1.4x on the model basis.
- Cash and short-term investments: \$535mm at June 30, 2026, seasonally low after bonuses.
- Leases: \$419mm of lease liabilities, excluded from EV.
- Nearest maturity: none. Ratings: n/a (unverified).

Model note: tier `full`, status `built`, verification `verified` (3,206 formula cells matched in LibreOffice). No assumptions without basis. Scenario consistency is `OK` on all 14 rows.

- **Unverified input:** `market.other_claims`, set to zero (est.). The tax receivable agreement liability and any deferred consideration were not checked.
- **Up-C structure.** The model values the whole enterprise before noncontrolling interests and divides by the 45.08mm fully-diluted count, which converts all partnership units and unvested RSUs. Noncontrolling interests are therefore not deducted separately.
- **EBITDA** is GAAP pretax income plus D&A. It includes interest income on cash (inside \$31.7mm "interest income and other") and is after ~\$234mm of equity-based compensation.
- **EPS.** Base Y1 EPS of \$7.46 sits 6.6% below the \$7.99 FY2026 consensus. Consensus is adjusted EPS (Q2: \$1.97 adjusted vs \$1.66 GAAP), and the model taxes all income at 21% as if fully converted.

Scenario stress test

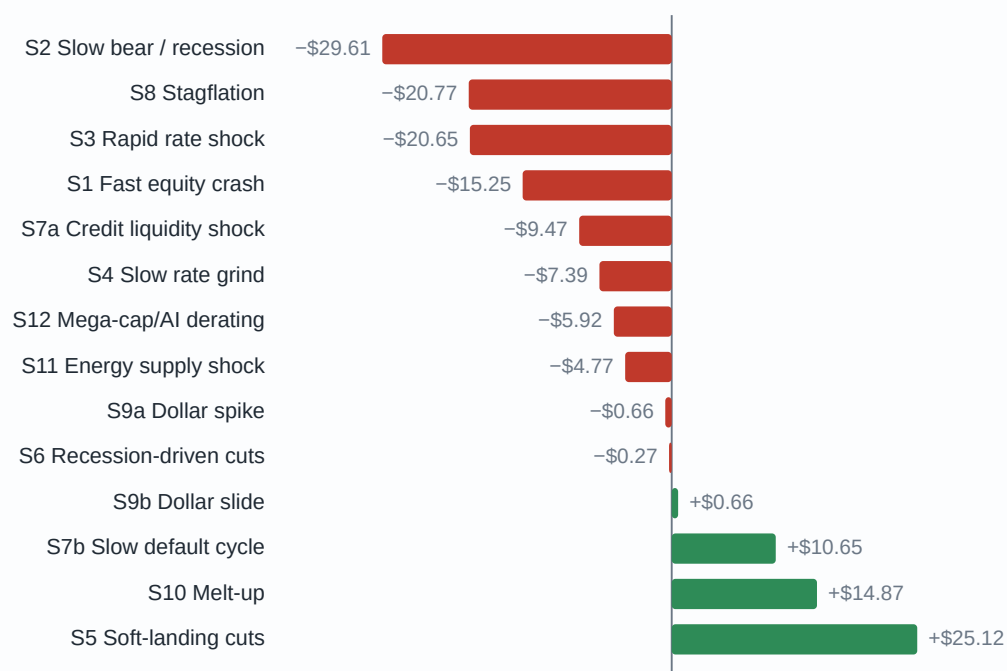
Reasoned from the bull/bear drivers above. The model column comes from the scenario overlays (Base case + shock).

Scenario	Effect	Mechanism	Magnitude	Model Δ value vs Base (\$/sh)
S1 Fast equity crash	-	M&A signings pause while valuations reset; restructuring untouched without a recession; financials de-rate	Med	-\$15.25
S2 Slow bear / recession	-	M&A and placement fees fall; restructuring rises but bills late. Much milder than Base – Bear (\$78.57) because it lasts two years and restructuring cushions it, while the bear case is restructuring normalizing with M&A stuck	High	-\$29.61
S3 Rapid rate shock	-	Costlier financing slows sponsor M&A; higher discount rate; liability-management demand offsets part	Med	-\$20.65
S4 Slow rate grind	-	Higher discount rate; slower M&A roughly offset by liability-management work	Low	-\$7.39
S5 Soft-landing cuts	+	Cheaper financing converts the M&A backlog and helps fundraising; restructuring cools	High	+\$25.12
S6 Recession-driven cuts	-	M&A falls; restructuring cushions most of it; lower discount rate nearly offsets	Low	-\$0.27
S7a Credit liquidity shock	-	Financing markets shut and closings slip; restructuring bills later	Low	-\$9.47
S7b Slow default cycle	+	No. 1 restructuring franchise adds fees without an M&A collapse	Med	+\$10.65
S8 Stagflation	-	Uncertainty delays M&A and fundraising over three years; higher discount rate	Med	-\$20.77

Scenario	Effect	Mechanism	Magnitude	Model Δ value vs Base (\$/sh)
S9a Dollar spike	-	London and European fees translate lower	Low	-\$0.66
S9b Dollar slide	+	Mirror of S9a	Low	+\$0.66
S10 Melt-up	+	Rising valuations and tight spreads drive M&A and secondaries; financials re-rate	Med	+\$14.87
S11 Energy supply shock	-	Buyers delay signing; stressed energy users add some restructuring work	Low	-\$4.77
S12 Mega-cap/AI derating	-	Tech M&A slows; software pressure creates strategic-alternatives and secondaries work that offsets part	Low	-\$5.92

Currently active/on watch per the playbook: S3 is partially active per `state.md`, and the 2026-09-25 macro log shows all three legs met (10Y 5.17%). S3 costs PJT \$20.65 in the model. S8, S10 and S11 are on watch.

MODEL VALUE CHANGE VS BASE, BY SCENARIO



What would change the call

Upgrades if:

- Q3 or Q4 2026 revenue grows year on year with management citing strategic advisory, not restructuring, as the driver; or
- The adjusted pretax margin holds above 21% through 2026 despite the non-comp guide; or
- The price falls toward the bear case with the mandate backlog intact.

Downgrades if:

- Management describes restructuring or liability-management activity as slowing; or
- H2 2026 revenue is flat or down on H2 2025 (\$981.6mm); or
- The adjusted comp ratio moves above 67.5%.

Watch items

- **W1:** Whether FY2026 revenue tracks the \$1.95bn consensus, which needs H2 2026 revenue of ~\$1,045mm (+6.5% on H2 2025's \$981.6mm). Source: Q3 2026 release (late October 2026). *Model: rev_growth*
- **W2:** Adjusted comp ratio and non-comp growth, against 66.5% and ~14% guides. Source: Q3 and Q4 2026 releases. *Model: ebitda_margin*
- **W3:** Management's restructuring and liability-management commentary, and the year-end restructuring league-table rank. Source: Q4 2026 release and call (early February 2027). *Model: rev_growth*
- **W4:** FY2027 revenue run-rate against the \$2.17bn consensus. Source: Q1 2027 release (late April 2027). *Model: exit_ev_ebitda*

Sources

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- PJT Partners statistics, price history, forecasts and financial statements — <https://stockanalysis.com/stocks/pjt/statistics/> · <https://stockanalysis.com/stocks/pjt/history/> · <https://stockanalysis.com/stocks/pjt/forecast/> · <https://stockanalysis.com/stocks/pjt/financials/> · <https://stockanalysis.com/stocks/pjt/financials/cash-flow-statement/> · <https://stockanalysis.com/stocks/pjt/financials/balance-sheet/> — accessed 2026-09-28
- Peer statistics: Evercore <https://stockanalysis.com/stocks/evr/statistics/> · Moelis <https://stockanalysis.com/stocks/mc/statistics/> · Houlihan Lokey <https://stockanalysis.com/stocks/hli/statistics/> — accessed 2026-09-28
- Daily macro log, 2026-09-25 (10Y 5.17%, fed funds 3.75–4.00%, S3 legs) — [logs/macro-2026-09.md](#)

Independent single-name research. Directional characterization, not a price target, execution instruction, or portfolio recommendation.