
**U.S. GAAP Reconciliation to Adjusted Results
(Unaudited)**

EVERCORE

U.S. GAAP Reconciliation to Adjusted Results (Unaudited)

Information in the following financial reconciliations presents the historical results of the Company from continuing operations and is presented on an Adjusted basis, which is a non-generally accepted accounting principles (“non-GAAP”) measure. Adjusted results begin with information prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), adjusted to exclude certain items and reflect the conversion of vested and unvested Evercore LP Units, other IPO related restricted stock unit awards, as well as Acquisition Related Share Issuances and Unvested Restricted Stock Units granted to Lexicon and ISI employees, into Class A shares. Evercore believes that the disclosed Adjusted measures and any adjustments thereto, when presented in conjunction with comparable U.S. GAAP measures, are useful to investors to compare Evercore’s results across several periods and facilitate an understanding of Evercore’s operating results. The Company uses these measures to evaluate its operating performance, as well as the performance of individual employees. These measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with U.S. GAAP. These Adjusted amounts are allocated to the Company’s two business segments: Investment Banking and Investment Management. The differences between Adjusted and U.S. GAAP results are as follows:

Assumed Vesting of Evercore LP Units and Exchange into Class A Shares. The Company incurred expenses, primarily in Employee Compensation and Benefits, resulting from the modification of Evercore Class A LP Units, which primarily vested over a five-year period ending December 31, 2013, and the vesting of Class E LP Units issued in conjunction with the acquisition of ISI, as well as Class G and H LP Interests and Class J LP Units. The Adjusted results assume these LP Units and certain Class G and H LP Interests have vested and have been exchanged for Class A shares. Accordingly, any expense or reversal of expense associated with these units, and related awards, is excluded from Adjusted results, and the noncontrolling interest related to these units is converted to controlling interest. The Company’s Management believes that it is useful to provide the per-share effect associated with the assumed conversion of these previously granted equity interests, and thus the Adjusted results reflect the exchange of certain vested and unvested Evercore LP partnership units and interests and IPO related restricted stock unit awards into Class A shares.

Client Related Expenses. Client related expenses, expenses associated with revenue sharing engagements with third parties and provisions for uncollected receivables, have been classified as a reduction of revenue in the Adjusted presentation. The Company’s Management believes that this adjustment results in more meaningful key operating ratios, such as compensation to net revenues and operating margin.

Professional Fees. The expense associated with share-based awards resulting from increases in the share price, which is required upon change in employment status, is excluded from Adjusted results.

Special Charges. Expenses associated with impairments of Goodwill and Intangible Assets and other costs related to business changes associated with acquisitions and divestitures.

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Adjustments Associated with Business Combinations and Divestitures. The following charges resulting from business combinations have been excluded from the Adjusted results because the Company's Management believes that operating performance is more comparable across periods excluding the effects of these acquisition-related charges:

Amortization of Intangible Assets and Other Purchase Accounting-related Amortization. Amortization of intangible assets and other purchase accounting-related amortization from the acquisitions of ISI, Lexicon, SFS, Protego, Braveheart and certain other acquisitions.

Compensation Charges. Expenses for deferred consideration issued to the sellers of certain of the Company's acquisitions.

GP Investments. Write-off of General Partnership investment balances during the fourth quarter of 2013 associated with the acquisition of Protego.

Acquisition and Transition Costs. Primarily professional fees incurred, as well as costs related to transitioning acquisitions or divestitures.

Fair Value of Contingent Consideration. The expense associated with changes in the fair value of contingent consideration.

Gain on Transfer of Ownership of Mexican Private Equity Business. The gain resulting from the transfer of ownership of the Mexican Private Equity business in the third quarter of 2016 is excluded from the Adjusted results.

Gain on Sale of Institutional Trust and Independent Fiduciary business of ETC. The gain resulting from the sale of the Institutional Trust and Independent Fiduciary business of ETC in the fourth quarter of 2017 is excluded from the Adjusted Results.

Foreign Exchange Gains / (Losses). Release of cumulative foreign exchange losses resulting from the restructuring of our equity method investment in G5 in the fourth quarter of 2017 are excluded from the Adjusted presentation.

Income Taxes. Evercore is organized as a series of Limited Liability Companies, Partnerships, C-Corporations and a Public Corporation. As a result, adjustments have been made to the Adjusted earnings to assume that the Company is subject to the statutory tax rates of a C-Corporation under a conventional corporate tax structure in the U.S. at the prevailing corporate rates and that all deferred tax assets relating to foreign operations are fully realizable within the structure on a consolidated basis. Excluded from the Company's 2017 Adjusted results are adjustments related to the impact of the enactment of the Tax Cuts and Jobs Act that was signed into law on December 22, 2017, which resulted in a reduction in income tax rates in the U.S. in future years. The enactment of this tax reform resulted in a charge to the Provision for Income Taxes for the fourth quarter of 2017 of \$143.3 million primarily resulting from the estimated re-measurement of net deferred tax assets, which relates principally to temporary differences from the step-up in basis associated with the exchange of partnership units, deferred compensation, accumulated other comprehensive income and depreciation of fixed assets and leasehold improvements. The tax reform also resulted in an estimated adjustment to Other Revenue of \$77.5 million related to the re-measurement of amounts due pursuant to our tax receivable agreement, which was reduced due to the lower enacted income tax rates in the U.S. in future years.

Presentation of Interest Expense. The Adjusted results present interest expense on short-term repurchase agreements in Other Revenues, net, as the Company's Management believes it is more meaningful to present the spread on net interest resulting from the matched financial assets and liabilities. In addition, Adjusted Operating Income is presented before interest expense on debt, which is included in interest expense on a U.S. GAAP basis.

Presentation of Income (Loss) from Equity Method Investments. The Adjusted results present Income (Loss) from Equity Method Investments within Revenue as the Company's Management believes it is a more meaningful presentation.

Presentation of Income (Loss) from Equity Method Investments in Pan. The Adjusted results from continuing operations exclude the income (loss) from our equity method investments in Pan. The Company's Management believes this to be a more meaningful presentation.

U.S. GAAP Reconciliation to Adjusted Results (Unaudited)

Advisory Revenue & Net Revenue

(dollars in thousands)

	LTM	Twelve Months Ended December 31,				
	Q3 2018	2017	2016	2015	2014	2013
Advisory Revenue - U.S. GAAP	\$ 1,431,830	\$ 1,324,412	\$ 1,096,829	\$ 865,494	\$ 727,678	\$ 602,256
Client Related Expenses (1)	(33,159)	(27,001)	(24,492)	(22,551)	(17,702)	(15,227)
Income from Equity Method Investments (2)	685	277	1,370	978	495	2,906
Advisory Revenue - Adjusted	<u>\$ 1,399,356</u>	<u>\$ 1,297,688</u>	<u>\$ 1,073,707</u>	<u>\$ 843,921</u>	<u>\$ 710,471</u>	<u>\$ 589,935</u>
Net Revenues - U.S. GAAP	\$ 1,833,330	\$ 1,704,349	\$ 1,440,052	\$ 1,223,273	\$ 915,858	\$ 765,428
Client Related Expenses (1)	(38,231)	(28,318)	(25,398)	(22,625)	(17,753)	(15,299)
Income from Equity Method Investments (2)	10,173	8,838	6,641	6,050	5,180	8,326
Interest Expense on Debt (3)	9,327	9,960	10,248	9,617	8,430	8,088
Gain on Sale of Institutional Trust and Independent Fiduciary business of ETC (4)	(7,808)	(7,808)	-	-	-	-
Foreign Exchange Losses from G5 Transaction (5)	16,266	16,266	-	-	-	-
Gain on Transfer of Ownership of Mexican Private Equity Business (6)	-	-	(406)	-	-	-
Other Purchase Accounting-related Amortization (7)	-	-	-	106	211	-
Adjustment to Tax Receivable Agreement Liability (8)	(77,535)	(77,535)	-	-	-	(6,905)
Equity Method Investment in Pan (15)	-	-	-	-	-	55
General Partnership Investments (16)	-	-	-	-	-	385
Net Revenues - Adjusted	<u>\$ 1,745,522</u>	<u>\$ 1,625,752</u>	<u>\$ 1,431,137</u>	<u>\$ 1,216,421</u>	<u>\$ 911,926</u>	<u>\$ 760,078</u>

U.S. GAAP Reconciliation to Adjusted Results (Unaudited)

Operating Income & Net Income

(dollars in thousands)

	LTM	Twelve Months Ended December 31,				
	Q3 2018	2017	2016	2015	2014	2013
Operating Income - U.S. GAAP	\$ 476,017	\$ 428,811	\$ 261,174	\$ 128,670	\$ 170,947	\$ 130,175
Income from Equity Method Investments (2)	10,173	8,838	6,641	6,050	5,180	8,326
Interest Expense on Debt (3)	9,327	9,960	10,248	9,617	8,430	8,088
Gain on Sale of Institutional Trust and Independent Fiduciary business of ETC (4)	(7,808)	(7,808)	-	-	-	-
Foreign Exchange Losses from G5 Transaction (5)	16,266	16,266	-	-	-	-
Gain on Transfer of Ownership of Mexican Private Equity Business (6)	-	-	(406)	-	-	-
Intangible Asset Amortization / Other Purchase Accounting-related Amortization (7)	8,706	9,411	11,020	14,229	3,033	328
Adjustment to Tax Receivable Agreement Liability (8)	(77,535)	(77,535)	-	-	-	(6,905)
Amortization of LP Units / Interests and Certain Other Awards (9)	17,934	11,444	80,846	83,673	3,399	20,026
Other Acquisition Related Compensation Charges (10)	-	-	-	1,537	7,939	15,923
Special Charges (11)	7,794	25,437	8,100	41,144	4,893	170
Professional Fees (12)	-	-	-	-	1,672	-
Acquisition and Transition Costs (13)	718	1,673	99	4,890	4,712	-
Fair Value of Contingent Consideration (14)	-	-	1,107	2,704	-	-
Equity Method Investment in Pan (15)	-	-	-	-	-	55
General Partnership Investments (16)	-	-	-	-	-	385
Operating Income - Adjusted	<u>\$ 461,592</u>	<u>\$ 426,497</u>	<u>\$ 378,829</u>	<u>\$ 292,514</u>	<u>\$ 210,205</u>	<u>\$ 176,571</u>
Net Income from Continuing Operations - U.S. GAAP	\$ 249,296	\$ 179,207	\$ 148,512	\$ 57,690	\$ 107,371	\$ 74,812
Net Income Attributable to Noncontrolling Interest	(54,773)	(53,753)	(40,984)	(14,827)	(20,497)	(19,945)
Gain on Sale of Institutional Trust and Independent Fiduciary business of ETC (4)	(7,808)	(7,808)	-	-	-	-
Foreign Exchange Losses from G5 Transaction (5)	16,266	16,266	-	-	-	-
Gain on Transfer of Ownership of Mexican Private Equity Business (6)	-	-	(406)	-	-	-
Intangible Asset Amortization / Other Purchase Accounting-related Amortization (7)	8,706	9,411	11,020	14,229	3,033	328
Adjustment to Tax Receivable Agreement Liability and Income Taxes, Net (8)	54,218	50,529	(20,837)	(28,604)	(7,593)	(6,839)
Amortization of LP Units / Interests and Certain Other Awards (9)	17,934	11,444	80,846	83,673	3,399	20,026
Other Acquisition Related Compensation Charges (10)	-	-	-	1,537	7,939	15,923
Special Charges (11)	7,794	25,437	8,100	41,144	4,893	170
Professional Fees (12)	-	-	-	-	1,672	-
Acquisition and Transition Costs (13)	718	1,673	99	4,890	4,712	-
Fair Value of Contingent Consideration (14)	-	-	1,107	2,704	-	-
Equity Method Investment in Pan (15)	-	-	-	-	-	55
General Partnership Investments (16)	-	-	-	-	-	385
Noncontrolling Interest (17)	45,396	43,965	35,561	8,871	19,350	18,735
Net Income Attributable to Evercore Inc. - Adjusted	<u>\$ 337,747</u>	<u>\$ 276,371</u>	<u>\$ 223,018</u>	<u>\$ 171,307</u>	<u>\$ 124,279</u>	<u>\$ 103,650</u>

U.S. GAAP Reconciliation to Adjusted Results (Unaudited)

Diluted shares outstanding & key metrics

(share amounts in thousands)

	LTM Q3 2018	Twelve Months Ended December 31,				
		2017	2016	2015	2014	2013
Diluted Shares Outstanding - U.S. GAAP		44,826	44,193	43,699	41,843	38,481
LP Units (18a)		5,885	7,479	9,261	5,929	6,926
Unvested Restricted Stock Units - Event Based (18a)		12	12	12	12	12
Acquisition Related Share Issuance (18b)		-	-	51	233	533
Diluted Shares Outstanding - Adjusted		<u>50,723</u>	<u>51,684</u>	<u>53,023</u>	<u>48,017</u>	<u>45,952</u>
Key Metrics: (a)						
Diluted Earnings Per Share - U.S. GAAP (b)(c)	\$ 4.20	\$ 2.80	\$ 2.43	\$ 0.98	\$ 2.08	\$ 1.42
Diluted Earnings Per Share - Adjusted (b)(c)	\$ 6.67	\$ 5.45	\$ 4.32	\$ 3.23	\$ 2.59	\$ 2.25
Operating Margin - U.S. GAAP	26.0%	25.2%	18.1%	10.5%	18.7%	17.0%
Operating Margin - Adjusted	26.4%	26.2%	26.5%	24.0%	23.1%	23.2%

(a) Reconciliations of the key metrics from U.S. GAAP to Adjusted results are a derivative of the reconciliations of their components on the prior pages.

(b) For Earnings Per Share purposes, Net Income Attributable to Evercore Inc. is reduced by \$68 of accretion for the twelve months ended December 31, 2013, related to the Company's noncontrolling interest in Trilantic Capital Partners.

(c) Diluted Earnings Per Share on an LTM basis reflects the sum of Diluted Earnings Per Share for the four consecutive quarters then ended. See the following page for a reconciliation of those results.

U.S. GAAP Reconciliation to Adjusted Results (Unaudited)

Net Income, Diluted shares outstanding & key metrics

(dollars and share amounts in thousands, except per share data)

	Three Months Ended			
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Net Income from Continuing Operations - U.S. GAAP	\$ 59,299	\$ 81,660	\$ 109,736	\$ (1,399)
Net Income Attributable to Noncontrolling Interest	(9,838)	(12,729)	(14,193)	(18,013)
Gain on Sale of Institutional Trust and Independent Fiduciary business of ETC (4)	-	-	-	(7,808)
Foreign Exchange Losses from G5 Transaction (5)	-	-	-	16,266
Intangible Asset Amortization / Other Purchase Accounting-related Amortization (7)	2,157	2,157	2,157	2,235
Adjustment to Tax Receivable Agreement Liability and Income Taxes, Net (8)	(2,989)	(2,728)	(2,733)	62,668
Amortization of LP Units / Interests and Certain Other Awards (9)	3,764	3,723	3,983	6,464
Special Charges (11)	1,967	-	1,897	3,930
Acquisition and Transition Costs (13)	-	-	21	697
Noncontrolling Interest (17)	8,408	11,114	12,916	12,958
Net Income Attributable to Evercore Inc. - Adjusted	\$ 62,768	\$ 83,197	\$ 113,784	\$ 77,998
Diluted Shares Outstanding - U.S. GAAP	45,858	45,299	45,463	38,985
LP Units (18a)	5,017	5,133	5,226	8,006
Unvested Restricted Stock Units - Event Based (18a)	12	12	12	12
Unvested Restricted Stock - Service Based (18a)	-	-	-	3,347
Diluted Shares Outstanding - Adjusted	50,887	50,444	50,701	50,350
Key Metrics: (a)				
Diluted Earnings Per Share - U.S. GAAP	\$ 1.08	\$ 1.52	\$ 2.10	\$ (0.50)
Diluted Earnings Per Share - Adjusted	\$ 1.23	\$ 1.65	\$ 2.24	\$ 1.55
LTM Diluted Earnings Per Share - U.S. GAAP	\$ 4.20			
LTM Diluted Earnings Per Share - Adjusted	\$ 6.67			

(a) Reconciliations of the key metrics from U.S. GAAP to Adjusted results are a derivative of the reconciliations of their components on the prior pages.

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Footnotes

1. Client related expenses, expenses associated with revenue sharing engagements with third parties and provisions for uncollected receivables, have been reclassified as a reduction of revenue in the Adjusted presentation.
2. Income (Loss) from Equity Method Investments has been reclassified to Revenue in the Adjusted presentation.
3. Interest Expense on Debt is excluded from the Adjusted Investment Banking and Investment Management segment results and is included in Interest Expense in the segment results on a U.S. GAAP Basis.
4. The gain resulting from the sale of the Institutional Trust and Independent Fiduciary business of ETC in the fourth quarter of 2017 is excluded from the Adjusted presentation.
5. Release of cumulative foreign exchange losses resulting from the restructuring of our equity method investment in G5 in the fourth quarter of 2017 are excluded from the Adjusted presentation.
6. The gain resulting from the transfer of ownership of the Mexican Private Equity business in the third quarter of 2016 is excluded from the Adjusted presentation.
7. The exclusion from the Adjusted presentation of expenses associated with amortization of intangible assets and other purchase accounting-related amortization from the acquisitions of ISI, SFS, Lexicon, Protego, Braveheart and certain other acquisitions.
8. Evercore is organized as a series of Limited Liability Companies, Partnerships, C-Corporations and a Public Corporation and therefore, not all of the Company's income is subject to corporate level taxes. As a result, adjustments have been made to the Adjusted earnings to assume that the Company is subject to the statutory tax rates of a C-Corporation under a conventional corporate tax structure in the U.S. at the prevailing corporate rates and that all deferred tax assets relating to foreign operations are fully realizable within the structure on a consolidated basis. Excluded from the Company's 2017 Adjusted results are adjustments related to the impact of the enactment of the Tax Cuts and Jobs Act that was signed into law on December 22, 2017, which resulted in a reduction in income tax rates in the U.S. in future years. The enactment of this tax reform resulted in a charge to the Provision for Income Taxes for the fourth quarter of 2017 of \$143.3 million primarily resulting from the estimated re-measurement of net deferred tax assets, which relates principally to temporary differences from the step-up in basis associated with the exchange of partnership units, deferred compensation, accumulated other comprehensive income and depreciation of fixed assets and leasehold improvements. The tax reform also resulted in an estimated adjustment to Other Revenue of \$77.5 million related to the re-measurement of amounts due pursuant to our tax receivable agreement, which was reduced due to the lower enacted income tax rates in the U.S. in future years.
9. Expenses or reversal of expenses incurred from the modification of Evercore Class A LP Units and related awards, which primarily vested over a five-year period ending December 31, 2013, and the assumed vesting of Class E LP Units, Class G and H LP Interests and Class J LP Units issued in conjunction with the acquisition of ISI are excluded from the Adjusted presentation.
10. Expenses for deferred consideration issued to the sellers of certain of the Company's acquisitions are excluded from the Adjusted presentation.

U.S. GAAP Reconciliation to Adjusted Results (Unaudited)

Footnotes

11. Expenses during 2018 relate to separation benefits and costs of terminating certain contracts associated with closing the agency trading platform in the UK and separation benefits and related charges associated with the Company's businesses in Mexico, as well as the acceleration of depreciation expense for leasehold improvements in conjunction with the previously announced expansion of our headquarters in New York. Expenses during 2017 related to a charge for the impairment of goodwill in the Institutional Asset Management reporting unit and a charge for the impairment of our investment in G5 in the second quarter and the sale of the Institutional Trust and Independent Fiduciary business of ETC during the fourth quarter. Expenses during 2016 related to a charge for the impairment of our investment in Atalanta Sosnoff during the fourth quarter. Expenses during 2015 primarily related to a charge for the impairment of goodwill in the Institutional Asset Management reporting unit and charges related to the restructuring of our investment in Atalanta Sosnoff during the fourth quarter, primarily related to the conversion of certain of Atalanta Sosnoff's profits interests held by management to equity interests. Expenses during 2015 also include charges related to separation benefits and costs associated with the termination of certain contracts within the Company's Evercore ISI business, as well as the finalization of a matter associated with the wind-down of the Company's U.S. Private Equity business. Expenses during 2014 primarily related to separation benefits and certain exit costs related to combining the equities business upon the ISI acquisition and a provision recorded in 2014 against contingent consideration due on the 2013 disposition of Pan. Expenses during 2013 primarily related to the write-off of intangible assets from the Company's acquisition of Morse, Williams and Company, Inc. The expense associated with share-based awards resulting from increases in the share price, which is required upon change in employment status, is excluded from the Adjusted results.
12. The expense associated with share-based awards resulting from increases in the share price, which is required upon change in employment status, is excluded from the Adjusted results.
13. Primarily professional fees incurred, as well as the reversal of a provision for certain settlements in 2016 and costs related to transitioning acquisitions or divestitures.
14. The expense associated with changes in the fair value of contingent consideration issued to the sellers of certain of the Company's acquisitions is excluded from the Adjusted results.
15. The Adjusted results from continuing operations exclude the Income (Loss) from our equity method investment in Pan.
16. The write-off of General Partnership investment balances during the fourth quarter of 2013 associated with the acquisition of Protego.
17. Reflects an adjustment to eliminate noncontrolling interest related to all Evercore LP partnership units which are assumed to be converted to Class A common stock in the Adjusted presentation.
18. (a) Assumes the vesting, and exchange into Class A shares, of certain Evercore LP partnership units and interests and IPO related restricted stock unit awards and reflects on a weighted average basis, the dilution of unvested service-based awards in the Adjusted presentation. In the computation of outstanding common stock equivalents for U.S. GAAP net income per share, the Evercore LP partnership units are anti-dilutive and the IPO related restricted stock unit awards are excluded from the calculation prior to the June 2011 offering. Further, as a result of the Company incurring a loss on a U.S. GAAP basis for the three months ended December 31, 2017, the additional shares of the Company's common stock assumed to be issued per the computation of diluted shares outstanding were antidilutive and consequently the additional shares have been excluded from the calculation of Diluted Shares Outstanding - U.S. GAAP. These shares have been included in the reconciliation to Diluted Shares Outstanding - Adjusted.
18. (b) Assumes the vesting of all Acquisition Related Share Issuances and Unvested Restricted Stock Units granted to Lexicon employees in the Adjusted presentation. In the computation of outstanding common stock equivalents for U.S. GAAP, these Shares and Restricted Stock Units are reflected using the Treasury Stock Method.