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

EVERCORE

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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 and Interests, 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 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.

Special Charges, Including Business Realignment Costs. Expenses associated with impairments of Goodwill and Intangible Assets and other costs related to business changes, including those associated with acquisitions and divestitures, are excluded from the Adjusted results.

Presentation of Interest Expense. The Adjusted results present interest expense on short-term repurchase agreements in Other Revenue, 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.

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Adjustments Associated with Business Combinations and Divestitures. The following charges resulting from business combinations and divestitures 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, SFS and certain other acquisitions.

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

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

Fair Value of Contingent Consideration. The expense, or reversal of expense, associated with changes in fair value of contingent consideration issued to the sellers of certain of the Company's acquisitions.

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.

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.

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

Gain on Sale of ECB Trust Business. The gain resulting from the sale of the ECB Trust business in the third quarter of 2020.

Income Taxes. 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. This assumption is consistent with the assumption that certain Evercore LP Units and Interests are vested and exchanged into Class A shares, as the assumed exchange would change the tax structure of the Company. Excluded from the Company's 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 2018 and 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 for the fourth quarter of 2017 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 2018 and in future years.

During 2018, the Company's Adjusted presentation for current and prior periods was revised to eliminate the netting of client related expenses, expenses associated with revenue sharing engagements with third parties and provisions for uncollected receivables with their related revenue. The revised presentation reflects the expense and related revenue gross. The Company revised its presentation for these expenses in order to align with the treatment under U.S. GAAP. There was no impact on Adjusted Operating Income, Net Income or Earnings Per Share.

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

Advisory Revenue & Net Revenues

(dollars in thousands)

	LTM	Twelve Months Ended December 31,				
	Q3 2020	2019	2018	2017	2016	2015
Advisory Revenue - U.S. GAAP	$ 1,528,938	$ 1,653,585	$ 1,743,473	$ 1,324,412	$ 1,096,829	$ 865,494
Income from Equity Method Investments (1)	1,331	916	518	277	1,370	978
Advisory Revenue - Adjusted	$ 1,530,269	$ 1,654,501	$ 1,743,991	$ 1,324,689	$ 1,098,199	$ 866,472
Net Revenues - U.S. GAAP	$ 1,996,724	$ 2,008,698	$ 2,064,705	$ 1,704,349	$ 1,440,052	$ 1,223,273
Income from Equity Method Investments (1)	12,322	10,996	9,294	8,838	6,641	6,050
Interest Expense on Debt (2)	18,157	12,917	9,201	9,960	10,248	9,617
Gain on Sale of ECB Trust Business (3)	(1,355)	-	-	-	-	-
Gain on Sale of Institutional Trust and Independent Fiduciary Business of ETC (4)	-	-	-	(7,808)	-	-
Foreign Exchange Losses from G5 Transaction (5)	-	-	-	16,266	-	-
Gain on Transfer of Ownership of Mexican Private Equity Business (6)	-	-	-	-	(406)	-
Other Purchase Accounting-related Amortization (7)	-	-	-	-	-	106
Adjustment to Tax Receivable Agreement Liability (8)	-	-	-	(77,535)	-	-
Net Revenues - Adjusted	$ 2,025,848	$ 2,032,611	$ 2,083,200	$ 1,654,070	$ 1,456,535	$ 1,239,046

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

Operating Income & Net Income

(dollars in thousands)

	LTM	Twelve Months Ended December 31,				
	Q3 2020	2019	2018	2017	2016	2015
Operating Income - U.S. GAAP	$ 356,441	$ 437,711	$ 542,077	$ 428,811	$ 261,174	$ 128,670
Income from Equity Method Investments (1)	12,322	10,996	9,294	8,838	6,641	6,050
Interest Expense on Debt (2)	18,157	12,917	9,201	9,960	10,248	9,617
Gain on Sale of ECB Trust Business (3)	(1,355)	-	-	-	-	-
Gain on Sale of Institutional Trust and Independent Fiduciary Business of ETC (4)	-	-	-	(7,808)	-	-
Foreign Exchange Losses from G5 Transaction (5)	-	-	-	16,266	-	-
Gain on Transfer of Ownership of Mexican Private Equity Business (6)	-	-	-	-	(406)	-
Intangible Asset Amortization / Other Purchase Accounting-related Amortization (7)	2,240	7,528	8,628	9,411	11,020	14,229
Adjustment to Tax Receivable Agreement Liability (8)	-	-	-	(77,535)	-	-
Amortization of LP Units / Interests and Certain Other Awards (9)	6,904	18,183	15,241	11,444	80,846	83,673
Other Acquisition Related Compensation Charges (10)	-	-	-	-	-	1,537
Special Charges, Including Business Realignment Costs (11)	46,668	10,141	5,012	25,437	8,100	41,144
Acquisition and Transition Costs (12)	1,085	1,013	21	1,673	99	4,890
Fair Value of Contingent Consideration (13)	-	-	1,485	-	1,107	2,704
Operating Income - Adjusted	$ 442,462	$ 498,489	$ 590,959	$ 426,497	$ 378,829	$ 292,514
Net Income from Continuing Operations - U.S. GAAP	$ 282,928	$ 353,661	$ 442,851	$ 179,207	$ 148,512	$ 57,690
Net Income Attributable to Noncontrolling Interest	(47,547)	(56,225)	(65,611)	(53,753)	(40,984)	(14,827)
Gain on Sale of ECB Trust Business (3)	(1,355)	-	-	-	-	-
Gain on Sale of Institutional Trust and Independent Fiduciary Business of ETC (4)	-	-	-	(7,808)	-	-
Foreign Exchange Losses from G5 Transaction (5)	-	-	-	16,266	-	-
Gain on Transfer of Ownership of Mexican Private Equity Business (6)	-	-	-	-	(406)	-
Intangible Asset Amortization / Other Purchase Accounting-related Amortization (7)	2,240	7,528	8,628	9,411	11,020	14,229
Adjustment to Tax Receivable Agreement Liability and Income Taxes, Net (8)	(23,174)	(13,727)	(12,368)	50,529	(20,837)	(28,604)
Amortization of LP Units / Interests and Certain Other Awards (9)	6,904	18,183	15,241	11,444	80,846	83,673
Other Acquisition Related Compensation Charges (10)	-	-	-	-	-	1,537
Special Charges, Including Business Realignment Costs (11)	46,668	10,141	5,012	25,437	8,100	41,144
Acquisition and Transition Costs (12)	1,085	1,013	21	1,673	99	4,890
Fair Value of Contingent Consideration (13)	-	-	1,485	-	1,107	2,704
Noncontrolling Interest (14)	44,595	52,726	58,698	43,965	35,561	8,871
Net Income Attributable to Evercore Inc. - Adjusted	$ 312,344	$ 373,300	$ 453,957	$ 276,371	$ 223,018	$ 171,307

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

Diluted shares outstanding & key metrics

(share amounts in thousands)

	LTM	Twelve Months Ended December 31,				
	Q3 2020	2019	2018	2017	2016	2015
Diluted Shares Outstanding - U.S. GAAP		43,194	45,279	44,826	44,193	43,699
LP Units (15a)		5,254	5,075	5,885	7,479	9,261
Unvested Restricted Stock Units - Event Based (15a)		12	12	12	12	12
Acquisition Related Share Issuance (15b)		-	-	-	-	51
Diluted Shares Outstanding - Adjusted		48,460	50,366	50,723	51,684	53,023
Key Metrics: (a)						
Diluted Earnings Per Share - U.S. GAAP (b)	$ 5.58	$ 6.89	$ 8.33	$ 2.80	$ 2.43	$ 0.98
Diluted Earnings Per Share - Adjusted (b)	$ 6.57	$ 7.70	$ 9.01	$ 5.45	$ 4.32	$ 3.23
Operating Margin - U.S. GAAP	17.9%	21.8%	26.3%	25.2%	18.1%	10.5%
Operating Margin - Adjusted	21.8%	24.5%	28.4%	25.8%	26.0%	23.6%

(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) 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, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Net Income from Continuing Operations - U.S. GAAP	$ 51,120	$ 67,228	$ 38,880	$ 125,700
Net Income Attributable to Noncontrolling Interest	(8,510)	(10,816)	(7,705)	(20,516)
Gain on Sale of ECB Trust Business (3)	(1,355)	-	-	-
Intangible Asset Amortization / Other Purchase Accounting-related Amortization (7)	169	507	507	1,057
Income Taxes (8)	(4,292)	(3,955)	(5,755)	(9,172)
Amortization of LP Units and Certain Other Awards (9)	-	-	1,067	5,837
Special Charges, Including Business Realignment Costs (11)	7,380	8,558	23,676	7,054
Acquisition and Transition Costs (12)	454	98	8	525
Noncontrolling Interest (14)	7,662	10,147	7,140	19,646
Net Income Attributable to Evercore Inc. - Adjusted	$ 52,628	$ 71,767	$ 57,818	$ 130,131
Diluted Shares Outstanding - U.S. GAAP	42,343	41,894	42,317	42,472
LP Units (15a)	5,071	5,077	5,338	5,302
Unvested Restricted Stock Units - Event Based (15a)	12	12	12	12
Diluted Shares Outstanding - Adjusted	47,426	46,983	47,786	47,786
<u>Key Metrics: (a)</u>				
Diluted Earnings Per Share - U.S. GAAP	$ 1.01	$ 1.35	$ 0.74	$ 2.48
Diluted Earnings Per Share - Adjusted	$ 1.11	$ 1.53	$ 1.21	$ 2.72
LTM Q3 2020 Diluted Earnings Per Share - U.S. GAAP	$ 5.58			
LTM Q3 2020 Diluted Earnings Per Share - Adjusted	$ 6.57			

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

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

Footnotes

1. Income (Loss) from Equity Method Investments has been reclassified to Revenue in the Adjusted presentation.
2. Interest Expense on Debt is excluded from Net Revenues and presented below Operating Income in the Adjusted results and is included in Interest Expense on a U.S. GAAP Basis.
3. The gain resulting from the sale of the ECB Trust business in the third quarter of 2020 is excluded from the Adjusted presentation.
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 former 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 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. This assumption is consistent with the assumption that certain Evercore LP Units and Interests are vested and exchanged into Class A shares, as the assumed exchange would change the tax structure of the Company. Excluded from the Company's Adjusted results are adjustments, described below, 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 2018 and 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 for the fourth quarter of 2017 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 2018 and in future years.
9. Expenses, or reversal of expenses, incurred from 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.

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Footnotes

11. Expenses during 2020 that are excluded from the Adjusted presentation relate to separation and transition benefits and related costs as a result of the Company's review of its operations and the acceleration of depreciation expense for leasehold improvements and certain other fixed assets in conjunction with the expansion of our headquarters in New York and our business realignment initiatives. Expenses during 2019 related to the acceleration of depreciation expense for leasehold improvements in conjunction with the expansion of our headquarters in New York, the impairment of goodwill in the Institutional Asset Management reporting unit and separation and transition benefits for certain employees terminated as a result of the Company's review of its operations. Expenses during 2018 related to separation benefits and costs of terminating certain contracts associated with closing the agency trading platform in the U.K. 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 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.

12. 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.

13. The expense, or the reversal of expense, associated with the changes in fair value of contingent consideration issued to the sellers of certain of the Company's acquisitions is excluded from the Adjusted results.

14. 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.

15. (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.

15. (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.