NEWMARK

EARNINGS PRESENTATION

First Quarter 2019

DISCLAIMER

Discussion of Forward-Looking Statements about Newmark

Statements in this document regarding Newmark that are not historical facts are “forward-looking statements” that involve risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements. Except as required by law, Newmark undertakes no obligation to update any forward-looking statements. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see Newmark’s Securities and Exchange Commission filings, including, but not limited to, the risk factors and Special Note on Forward-Looking Statements set forth in these filings and any updates to such risk factors and Special Note on Forward-Looking Statements contained in subsequent Forms 10-K, Forms 10-Q or Forms 8-K.

Notes Regarding Financial Tables and Metrics

Excel files with the Company’s most recent quarterly financial results and metrics from the current period are accessible in the financial results press release at the “Investor Relations” section of http://www.ngkf.com. They are also available directly at http://ir.ngkf.com/investors/news-releases/financial-and-corporate-releases/default.aspx.

Other Items

Newmark Group, Inc. (NASDAQ: NMRK) (“Newmark” or “the Company”) generally operates as “Newmark Knight Frank”, “Newmark”, “NKF”, or derivations of these names. The discussion of financial results reflects only those businesses owned by the Company and does not include the results for Knight Frank or for the independently-owned offices that use some variation of the Newmark name in their branding or marketing. For the purposes of this document, the terms “producer” and “front office employee” are synonymous. The average revenue per producer figures are based only on “leasing and other commissions”, “capital markets”, and “Gains from mortgage banking activities/origination, net” revenues and corresponding producers. The productivity figures exclude both revenues and staff in “management services, servicing fees and other.” Headcount numbers used in this calculation are based on a period average. Throughout this document, certain percentage changes are described as “NMF” or “not meaningful figure”.

The Company calculates volumes based on when loans are rate locked, which is consistent with how revenues are recorded for “Gains from mortgage banking activities/origination, net”. The GSE multifamily agency volume statistics for the industry are based on when loans are sold and/or securitized, and typically lag those reported by Newmark by 30 to 45 days.

Unless otherwise stated, all results discussed in this document compare first quarter 2019 with the relevant year-earlier periods. Certain reclassifications may have been made to previously reported amounts to conform to the current presentation and to show results on a consistent basis across periods. Any such changes would have had no impact on consolidated revenues or earnings under GAAP or for Adjusted Earnings, all else being equal. Certain numbers in the tables throughout this document may not sum due to rounding. Rounding may have also impacted the presentation of certain year-on-year percentage changes. On November 30, 2018, BGC Partners, Inc. (NASDAQ: BGCP) ("BGC Partners" or "BGC") completed the distribution of all of the shares of Newmark held by BGC to stockholders of BGC. BGC distributed these Newmark shares through a special pro rata stock dividend (the "Spin-Off" or the "Distribution"). For all periods prior to the Spin-Off, BGC was the largest and controlling shareholder of Newmark. As a result, BGC consolidated the results of Newmark and reported them as its Real Estate Services segment. These segment results may differ from those of Newmark as a stand-alone company.

DISCLAIMER (CONTINUED)

On September 8, 2017, BGC acquired Berkeley Point Financial LLC, including its wholly owned subsidiary Berkeley Point Capital LLC. These LLCs are now a direct and indirect subsidiary, respectively, of Newmark. Newmark's financial results have been recast to include the results of Berkeley Point for all periods from April 10, 2014 onward, because this transaction involved a combination of entities under common control. Unless otherwise noted, all year-on-year comparisons in this document reflect the recast results. As of October 15, 2018, the businesses formerly operating as ARA, Berkeley Point, NKF Capital Markets, and Newmark Cornish & Carey all operate under the name "Newmark Knight Frank" or "NKF".

Newmark, Grubb & Ellis, ARA, Computerized Facility Integration, Excess Space Retail Services, Inc., and Berkeley Point are trademarks/service marks, and/or registered trademarks/service marks and/or service marks of Newmark Group, Inc. and/or its affiliates. Knight Frank is a service mark of Knight Frank (Nominees) Limited.

Adjusted Earnings and Adjusted EBITDA

This presentation should be read in conjunction with Newmark's most recent financial results press releases. Unless otherwise stated, throughout this document Newmark refers to its income statement results only on an Adjusted Earnings basis. Newmark may also refer to "Adjusted EBITDA". U.S. Generally Accepted Accounting Principles is referred to as "GAAP". "GAAP income before income taxes and noncontrolling interests" and "Adjusted Earnings before noncontrolling interests and taxes" may be used interchangeably with "GAAP pre-tax earnings" and "pre-tax Adjusted Earnings", respectively. See the sections of this document including "Non-GAAP Financial Measures", "Adjusted Earnings Defined", "Reconciliation of GAAP Income (Loss) To Adjusted Earnings and GAAP Fully Diluted EPS to Post-Tax Adjusted EPS", "Fully Diluted Weighted-Average Share Count for GAAP and Adjusted Earnings", "Adjusted EBITDA Defined", and "Reconciliation of GAAP Income (Loss) to Adjusted EBITDA", including any footnotes to these sections, for the complete and updated definitions of these non-GAAP terms and how, when and why management uses them, as well as for the differences between results under GAAP and non-GAAP for the periods discussed herein.

Highlights of Consolidated Results (USD millions)	1Q19	1Q18	Change
Revenues	$447.7	$430.5	4.0%
GAAP income before income taxes and noncontrolling interests	30.1	39.4	(23.7)%
GAAP net income (loss) for fully diluted shares	22.0	30.3	(27.5)%
Adjusted Earnings before noncontrolling interests and taxes	64.8	55.2	17.4%
Post-tax Adjusted Earnings to fully diluted shareholders	55.6	47.1	18.2%
Adjusted EBITDA	79.3	73.1	8.6%

Per Share Results	1Q19	1Q18	Change
GAAP net income (loss) per fully diluted share	$0.08	$0.12	(33.3)%
Post-tax Adjusted Earnings per share	0.21	0.19	10.5%

Newmark's first quarter results under GAAP included an unrealized non-cash loss of $13.3 million on the Company's Nasdaq Forwards, which hedge the Company against any potential downside risk from a decline in the share price of Nasdaq's common stock, while retaining all the potential upside from share price appreciation. Newmark's GAAP Income before income taxes and noncontrolling interests would have increased by approximately 10 percent year-over-year for the quarter but for the decrease in non-cash "other income" related to unrealized mark-to-market movements with respect to the Nasdaq Forwards. This resulted from an increase in the share price for Nasdaq common stock during the quarter. In 2018, we recorded a non-cash gain of $19 million as the value of the Nasdaq Forwards moves inversely with the price of Nasdaq common stock. This item is not included in the calculations for Adjusted Earnings or Adjusted EBITDA.

A discussion of GAAP, Adjusted Earnings and Adjusted EBITDA and reconciliations of these items, as well as liquidity, to GAAP results are found later in this document, incorporated by reference, and also in our most recent financial results press release and/or are available at http://ir.ngkf.com/

SELECT CONSOLIDATED ADJUSTED EARNINGS FINANCIAL RESULTS

Highlights of Consolidated Adjusted Earnings Results (USD millions, except per share data)	1Q 2019	1Q 2018	Change (%)
Revenues	**$447.7**	**$430.5**	**4.0%**
Adjusted Earnings before noncontrolling interests and taxes	**64.8**	**55.2**	**17.4%**
Post-tax Adjusted Earnings	**55.6**	**47.1**	**18.2%**
Post-tax Adjusted Earnings per share	**0.21**	**0.19**	**10.5%**
Adjusted EBITDA	**79.3**	**73.1**	**8.6%**
Pre-tax Adjusted Earnings margin	**14.5%**	**12.8%**	
Post-tax Adjusted Earnings margin	**12.4%**	**10.9%**	

› On May 7, 2019, Newmark's Board of Directors declared and raised its quarterly qualified cash dividend by $0.01 to $0.10 per share payable on June 12, 2019 to Class A and Class B common stockholders of record as of May 28, 2019. The ex-dividend date will be May 24, 2019.[1]

1. This dividend is consistent with the Company's previously stated intention of paying out up to 25 percent of its expected full year Adjusted Earnings per share to common stockholders.

1Q 2019 REVENUE PERFORMANCE

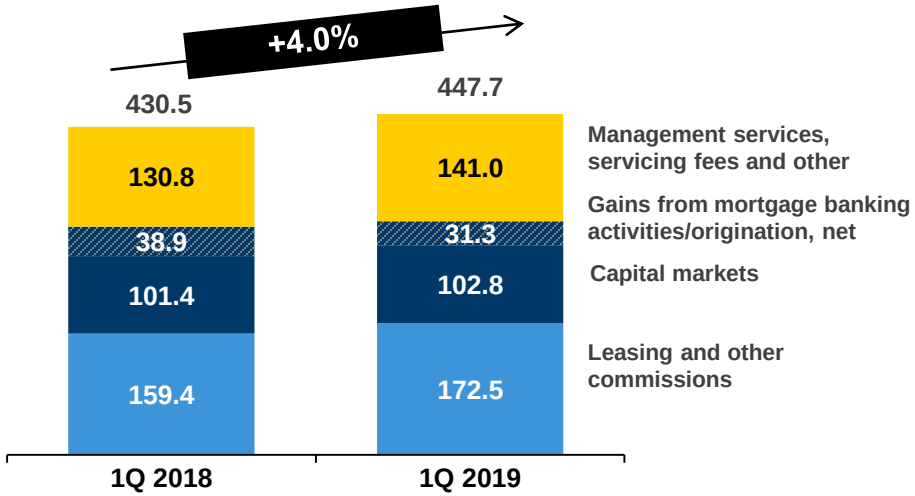
Highlights

- 1Q 2019 Management services, servicing fees and other increased 7.8% YoY
- 1Q 2019 Leasing and other commissions revenue increased 8.2% YoY[1]
- 1Q 2019 Capital markets revenue increased 1.4% YoY

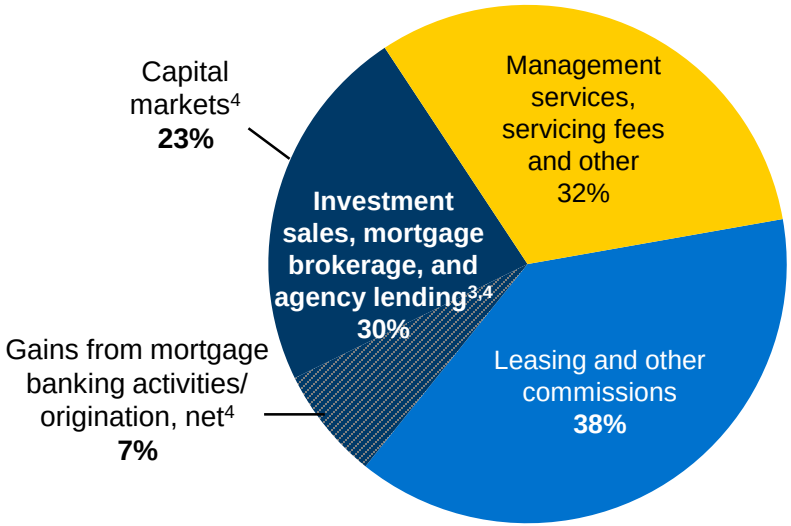
Drivers

- Capital markets volumes increased by 22% year-on-year, which significantly outpaced overall volumes in the U.S.[2]
- Brokerage revenues benefited from the acquisitions of RKF and Jackson Cooksey in September and July of 2018, respectively
- Combined volumes from multifamily originations, investment sales, and non-originated mortgage brokerage increased by ~20% year-on-year to $7 billion, compared to an estimated increase of 7% for the industry
- Commercial real estate fundamentals remain strong

1Q 2019 Revenue Growth (US$ millions)



1Q 2019 Revenue Composition



1. NKF Research expects overall U.S. leasing activity to be flat YOY in 2019.
2. Newmark's capital markets revenues and volumes consist of investment sales, including all equity advisory transactions, and non-originated mortgage brokerage. Newmark's capital markets revenues and volumes may change by different percentages based on the mix of commissions by notional size and transaction type.
3. The Company's investment sales volumes increased by 15% YOY in 1Q2019, while its mortgage brokerage volumes were up by 47%. Overall U.S. investment sales volumes declined by 11 percent YOY during 1Q2019 per preliminary estimates from Real Capital Analytics (RCA). According to the most recent estimate from Mortgage Bankers Association (MBA), overall commercial originations will increase by 1 percent YOY in 2019. Newmark's capital markets revenues and volumes may change by different percentages based on the mix of commissions by notional size and transaction type.
4. Investment sales, mortgage brokerage, and agency lending revenues represents two separate line items: 1) Capital markets (which consists of investment sales and non-originated mortgage brokerage), and 2) Gains from mortgage banking activities/origination, net (referred to here as "agency lending")

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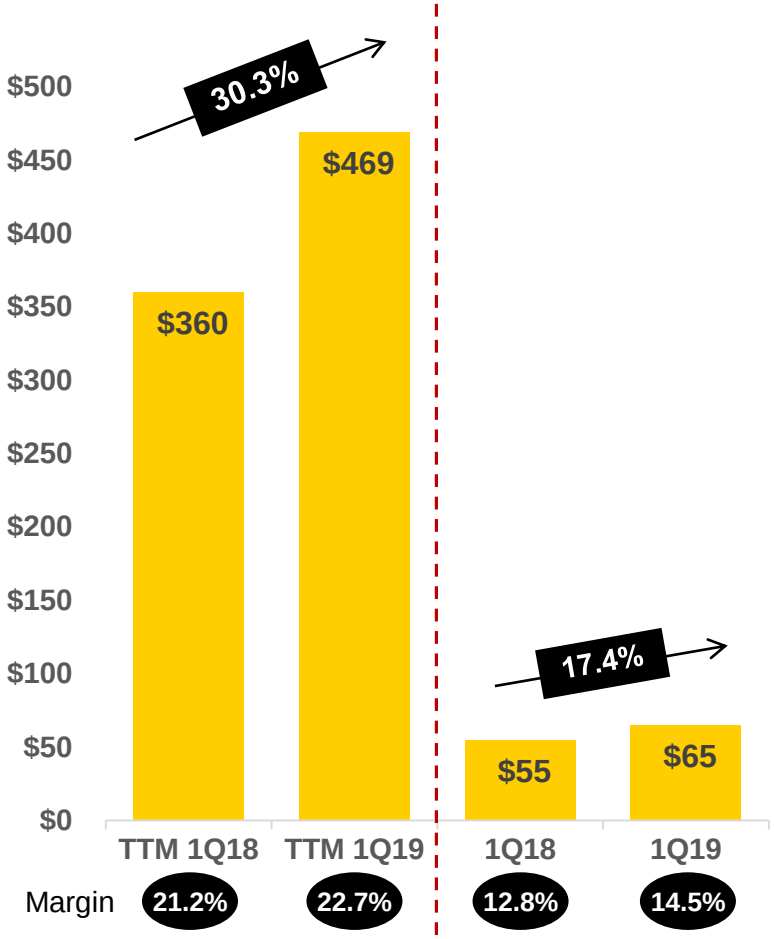
ADJUSTED EARNINGS & ADJUSTED EBITDA PERFORMANCE

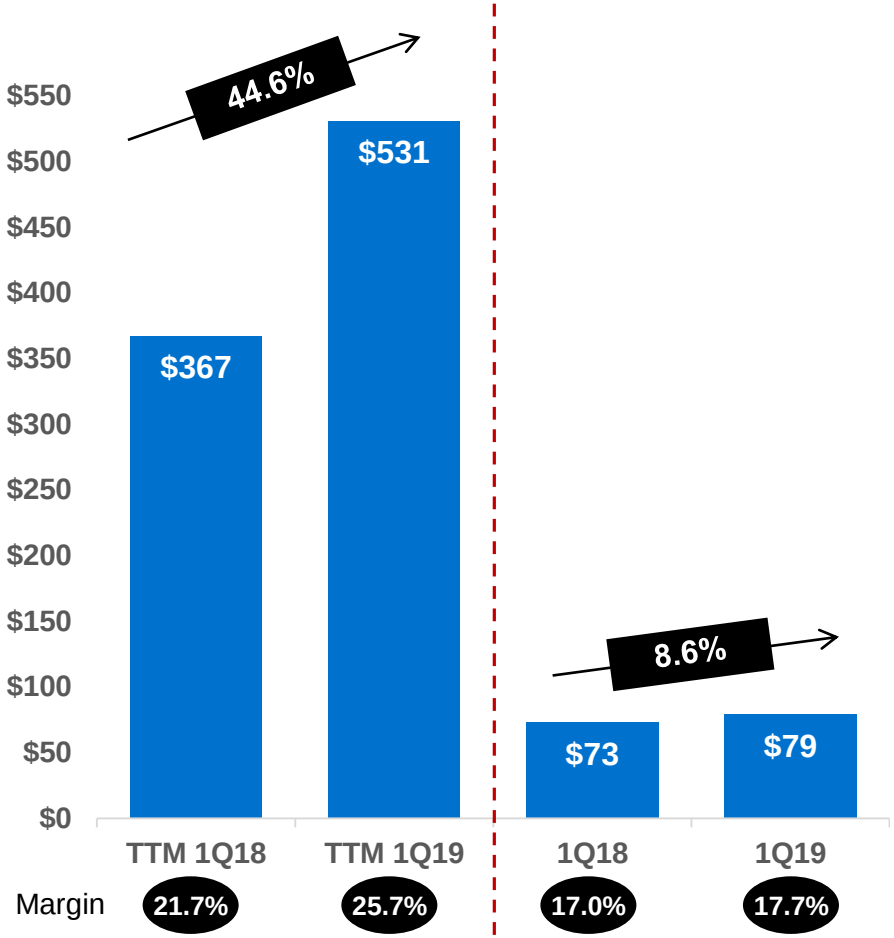
Adjusted Earnings before noncontrolling interests and taxes[1]

(US$ millions)



Adjusted EBITDA[1]

(US$ millions)



1. TTM 1Q19 and TTM 1Q18 include other income related to the Nasdaq shares of $88.9 million and $78.8 million, respectively

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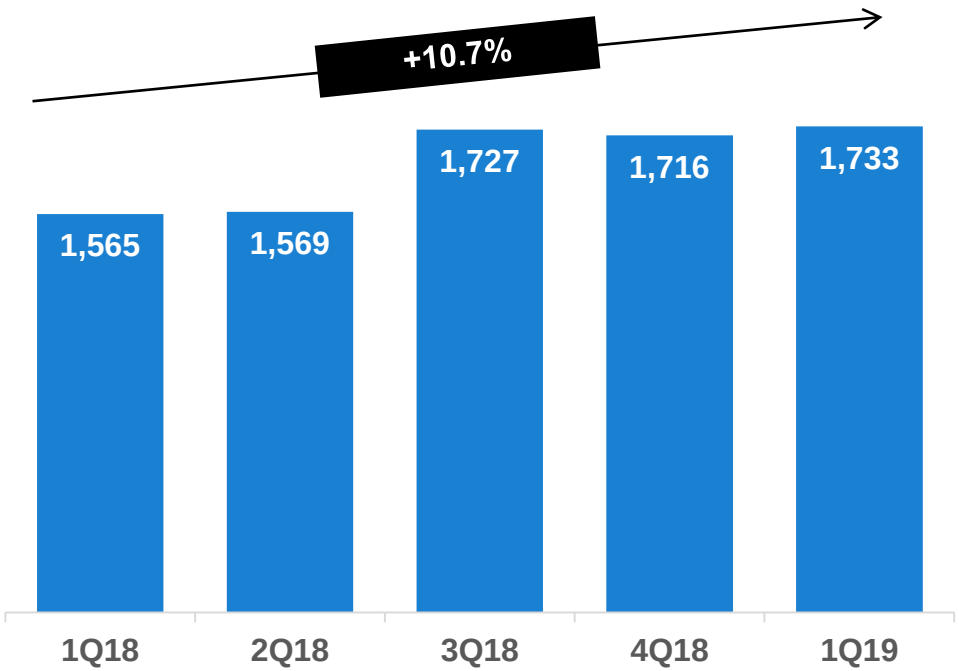
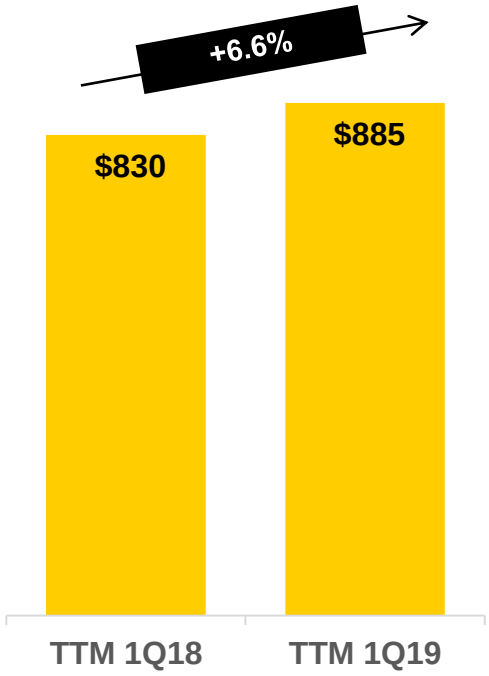
FRONT OFFICE HEADCOUNT & PRODUCTIVITY

Front Office Headcount[1]
(as of period-end)



Front Office Productivity[1]
(US$ thousands)



- Average revenue per front office employee was $178,000 in 1Q2019, as compared with $192,000 in 1Q2018
- NMRK's revenue per front office employee has generally fallen after meaningful increases in headcount acquisitions and broker hires
- As the integration of recent acquisitions continues and recently hired brokers ramp up production, the Company expects broker productivity to grow

1. Productivity and headcount figures exclude both revenues and corresponding staff in "management services, servicing fees and other" so does not include Valuation & Advisory professionals. Productivity figures are based on average headcount for the corresponding period

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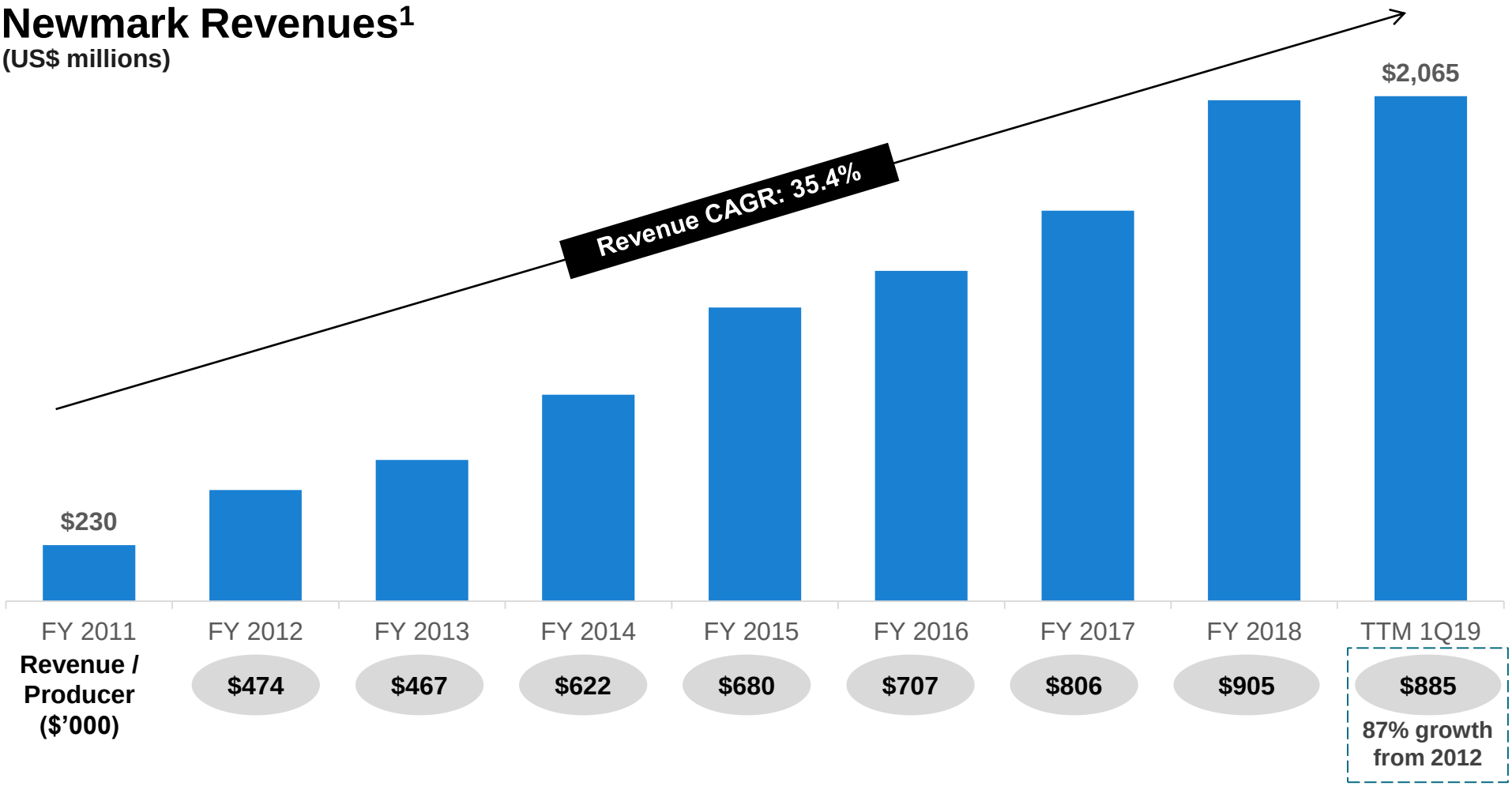
LONG-TERM REVENUE AND PRODUCTIVITY GROWTH

Newmark Revenues[1]
(US$ millions)



- Revenue has increased at a CAGR of 35% since FY 2011
- Revenue per producer increased at a CAGR of 11% from FY 2012 to TTM 1Q19
- The Company's revenue per producer statistic often declines during periods of strong headcount growth. As newer producers ramp up productivity, the Company expects this figure to increase over time

1. FY 2012 based on revenues reported for BGC's Real Estate Services segment. FY 2011 revenues are based on unaudited full year 2011 revenues for Newmark & Co. Includes Berkeley Point revenues for FY 2014 onwards

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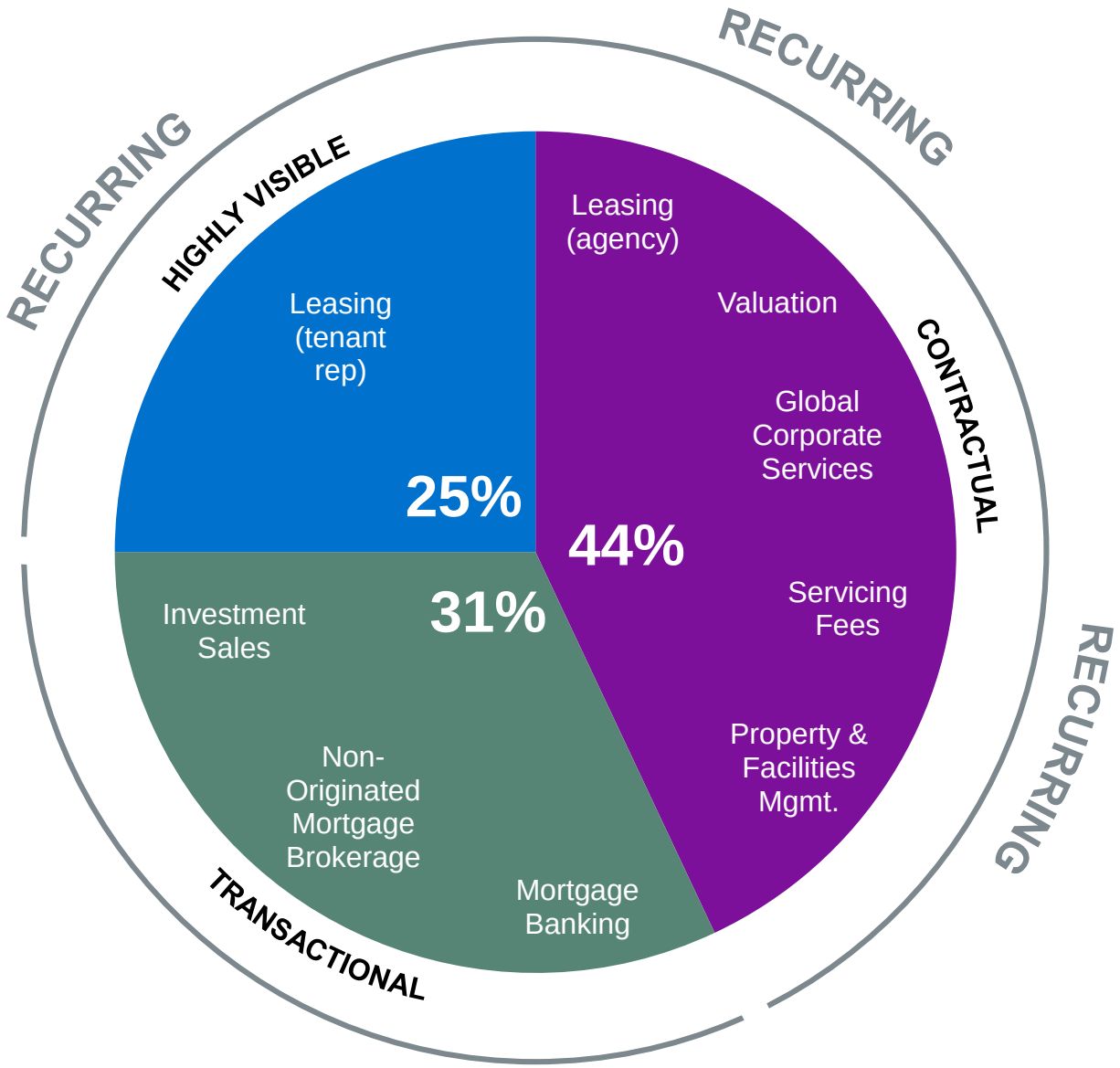
DIVERSE AND RECURRING REVENUE STREAMS



Balanced mix of revenue with approximately 69% derived from recurring & highly visible sources in TTM 1Q19, compared with 68% in TTM 1Q18

Note: Chart based on revenue for the TTM ended March 31, 2019

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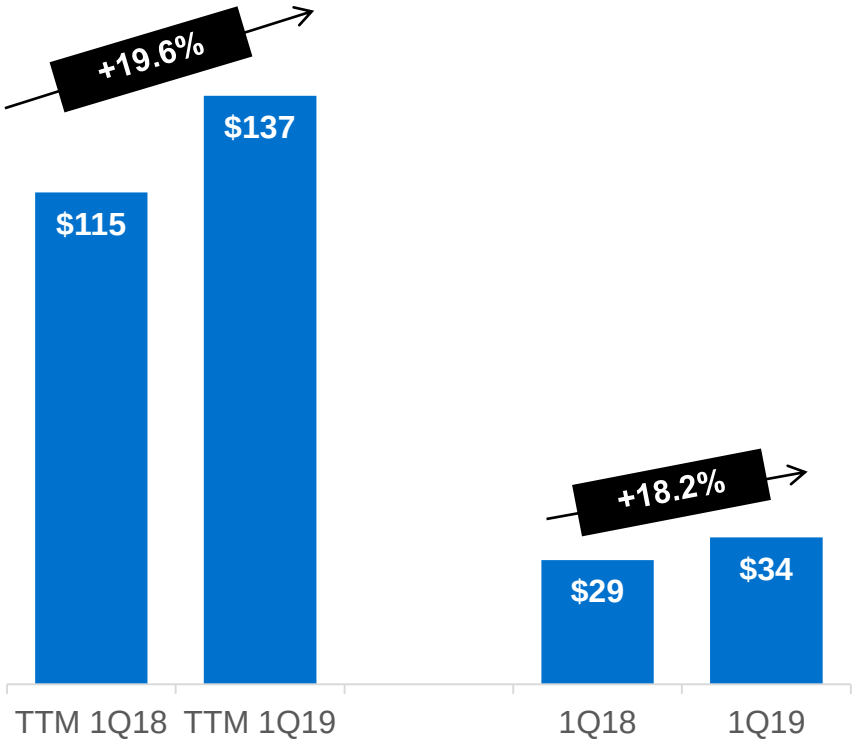
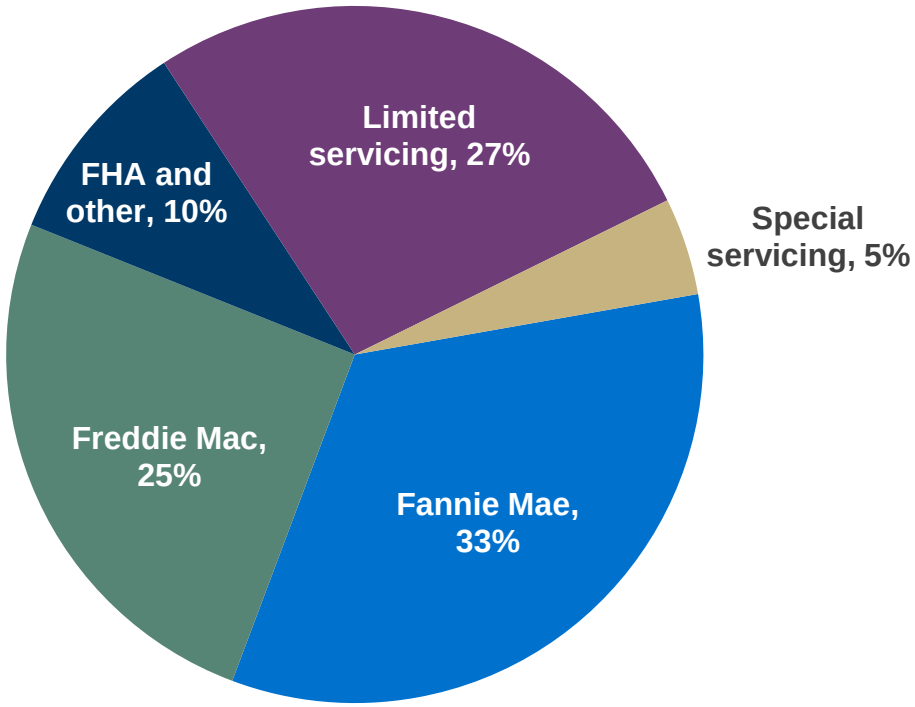
MORTGAGE SERVICING: PREDICTABLE AND RECURRING

Highly Recurring High Margin Business

Servicing Fees[1]
(US$ millions)



Servicing Portfolio Composition



- Newmark's servicing portfolio was $60.0 billion as of March 31, 2019
- The weighted average life of the loans in Newmark's primary servicing portfolio was 8 years as of March 31, 2019

1. Recorded as part of management services, servicing fees and other

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CAPITAL MARKETS TRANSACTIONAL VOLUMES

Newmark Group, Inc. Quarterly and TTM Volumes
(in $ millions)

	1Q19	1Q18	Change %	TTM 1Q19	TTM 1Q18	Change %
Investment Sales [1]	9,710	8,472	15%	43,507	36,601	19%
Mortgage Brokerage [2]	3,543	2,407	47%	14,745	9,913	49%
Total Capital Markets	**13,253**	**10,879**	**22%**	**58,252**	**46,514**	**25%**
Fannie Mae	493	629	-22%	4,431	3,225	37%
Freddie Mac	1,426	899	59%	4,510	5,065	-11%
FHA/Other	74	191	-61%	465	493	-6%
Total Origination Volume	**1,993**	**1,719**	**16%**	**9,406**	**8,783**	**7%**
Total Debt and Equity Volume	**15,246**	**12,598**	**21%**	**67,658**	**55,297**	**22%**

(1) Includes all equity advisory transactions

(2) Includes all non-origination debt placement transactions

- Newmark's combined volumes from originations, investment sales, and mortgage brokerage increased ≈ 22% YOY to $15 billion in 1Q2019. NKF Research's estimates overall industry investment sales and loan originations increased ≈ 11% YOY in 1Q2019.
- Newmark's combined volumes from **multifamily** originations, investment sales, and mortgage brokerage increased ≈ 20% YOY to $7 billion in 1Q2019. NKF Research's estimates overall industry **multifamily** investment sales and loan originations increases of 7% YOY in 1Q2019.

Note: Certain reclassifications may have been made to previously reported amounts to conform to the current presentation and to show results on a consistent basis across periods

INITIAL OUTLOOK FOR 2019

- Newmark expects to produce 2019 revenues of between approximately $2,200 million and $2,300 million, compared with $2,048 million.
- The Company anticipates generating Adjusted EBITDA of between approximately $550 million and $585 million versus $524 million.
- Newmark anticipates its 2019 tax rate for Adjusted Earnings to be in the range of approximately 14 percent and 16 percent compared with 14.8 percent.
- The Company expects its fully diluted share count will increase by between 0 percent and 1 percent versus 268 million at the end of 2018[1].
- Newmark has increased the midpoint of its 2019 post-tax Adjusted Earnings per share guidance by 5 cents to a range of approximately $1.60 and $1.70, compared with $1.50 in 2018.
- The Company's outlook excludes the potential impact of any material acquisitions or meaningful changes to the Company's stock price[2].

1. The Company currently anticipates an increase in the fully diluted weighted average share count of between 3 and 4 percent in 2019. The Company's previous outlook was for its fully diluted weighted average share count to increase by 5 to 7 percent in 2019 versus 259.0 million in 2018.
2. Newmark's closing price was $8.48 on April 30, 2019. Its year-to-date volume-weighted average price ("VWAP") was $9.23 from January 1, 2019 through April 30, 2019. Its VWAP was $11.46 in 2018. These approximate VWAPs are based on Bloomberg's calculation.

GAAP FINANCIAL RESULTS

NEWMARK GROUP, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED) (UNDER GAAP)

	Three Months Ended March 31,	
	2019	2018
Revenues:		
Commissions	$ 275,268	$ 260,735
Gains from mortgage banking activities/origination, net	31,346	38,914
Management services, servicing fees and other	141,042	130,811
Total revenues	447,656	430,460
Expenses:		
Compensation and employee benefits	263,353	261,088
Equity-based compensation and allocations of net income to limited partnership units and FPUs	13,871	17,416
Total compensation and employee benefits	277,224	278,504
Operating, administrative and other	87,893	75,427
Fees to related parties	6,725	6,894
Depreciation and amortization	28,304	22,513
Total non-compensation expenses	122,922	104,834
Total operating expenses	400,146	383,338
Other income (losses), net:		
Other income (loss)	(9,718)	5,707
Total other income (losses), net	(9,718)	5,707
Income (loss) from operations	37,792	52,829
Interest (expense) income, net	(7,699)	(13,409)
Income before income taxes and noncontrolling interests	30,093	39,420
Provision (benefit) for income taxes	6,687	6,933
Consolidated net income (loss)	23,406	32,487
Less: Net income (loss) attributable to noncontrolling interests	6,502	12,490
Net income (loss) available to common stockholders	$ 16,904	$ 19,997
Per share data:		
Basic earnings per share		
Net income (loss) available to common stockholders (1)	$ 13,680	$ 19,997
Basic earnings per share	$ 0.08	$ 0.13
Basic weighted-average shares of common stock outstanding	178,611	155,694
Fully diluted earnings per share		
Net income (loss) for fully diluted shares (1)	$ 21,968	$ 30,286
Fully diluted earnings per share	$ 0.08	$ 0.12
Fully diluted weighted-average shares of common stock outstanding	269,057	246,834
Dividends declared per share of common stock	$ 0.10	$ 0.09
Dividends paid per share of common stock	$ 0.09	$ 0.00

(1) In accordance with ASC 260, includes a reduction for dividends on preferred stock or units of $3.2 million for the three months ended March 31, 2019.

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NEWMARK GROUP, INC. CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (IN THOUSANDS) (UNAUDITED) (UNDER GAAP)

	March 31, 2019	December 31, 2018
Assets		
Current Assets:		
Cash and cash equivalents	$72,527	$122,475
Restricted cash	65,306	64,931
Marketable securities	43,745	48,942
Loans held for sale, at fair value	873,021	990,864
Receivables, net	445,941	451,605
Receivables from related parties	-	20,498
Other current assets	51,527	57,739
Total current assets	1,552,067	1,757,054
Goodwill	515,326	515,321
Mortgage servicing rights, net	406,960	411,809
Loans, forgivable loans and other receivables from employees and partners	312,985	285,532
Fixed assets, net	81,845	78,805
Other intangible assets, net	34,485	35,769
Other assets	549,530	369,867
Total assets	$3,453,198	$3,454,157
Liabilities, Redeemable Partnership Interest, and Equity:		
Current Liabilities:		
Warehouse facilities collateralized by U.S. Government Sponsored Enterprises	$859,746	$972,387
Accrued compensation	288,804	366,506
Current portion of accounts payable, accrued expenses and other liabilities	302,191	312,239
Secured loans	43,745	-
Current portion of payables to related parties	29,273	13,507
Total current liabilities	1,523,759	1,664,639
Long-term debt	538,626	537,926
Other long term liabilities	343,431	168,623
Total liabilities	2,405,816	2,371,188
Equity:		
Total equity (1)	1,047,382	1,082,969
Total liabilities and equity	$3,453,198	$3,454,157

(1) Includes "redeemable partnership interests," "noncontrolling interests" and "total stockholders' equity".

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NEWMARK GROUP, INC. SUMMARIZED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (IN THOUSANDS) (UNAUDITED) (UNDER GAAP)

	Three Months Ended March 31,	
	2019	**2018**
Net cash provided by (used in) operating activities	$39,433	$(590,394)
Net cash provided by (used in) investing activities	2,872	42,473
Net cash provided by (used in) financing activities	(91,878)	666,560
Net increase (decrease) in cash and cash equivalents	(49,573)	118,639
Cash and cash equivalents and restricted cash at beginning of period	187,406	173,374
Cash and cash equivalents and restricted cash at end of period	$137,833	$292,013
Net cash provided by (used in) operating activities excluding activity from loan originations and sales	$(78,409)	$12,611

The condensed consolidated statement of cash flows is presented in summarized form. For complete condensed consolidated statement of cash flows, please refer to the Company's quarterly report on Form 10-Q for the three months ended March 31, 2019, to the filed with the Securities and Exchange Commission in the near future.

APPENDIX

NEWMARK'S FULLY DILUTED SHARE COUNT SUMMARY AS OF MARCH 31, 2019

Newmark Group, Inc. Fully Diluted Share Count Summary As of March 31, 2019	Fully-diluted Shares (millions)	Ownership (%)
Class A owned by Public	147.7	55%
Limited partnership units owned by employees[1]	65.2	24%
Class A owned by employees	9.7	4%
Other owned by employees[2]	1.2	0%
Partnership units owned by Cantor	23.2	9%
Class B owned by Cantor	21.3	8%
Total	268.3	100%

1. In conjunction with the spin-off of Newmark, the limited partnership units are owned by employees of both Newmark and BGC. Over time, virtually all of the partners of Newmark are expected to only own units and/or shares of Newmark and virtually all of the partners of BGC are expected to only own units and/or shares of BGC. Going forward, partners of Newmark will be compensated with Newmark partnership units and partners of BGC will be compensated with BGC partnership units
2. These primarily represent contingent shares and/or units for which all necessary conditions have been satisfied except for the passage of time

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RECONCILIATION OF OPERATING CASH FLOW (EXCLUDING ACTIVITY FROM LOAN ORIGINATIONS AND SALES) TO ADJUSTED EBITDA

($ in millions)	Three Months Ended March 31,	
	2019	2018
ADJUSTED EBITDA	**$ 79.3**	**$ 73.1**
Interest expense	(9.6)	(14.8)
Employee loans	(40.0)	(24.6)
Working capital (1)	(104.2)	(18.1)
Other	(3.9)	(3.0)
Net cash provided by (used in) operations excluding activity from loan originations and sales	**$ (78.4)**	**$ 12.6**

1. Included in working capital are payments for corporate taxes in the amount of $59 million for the three months ended March 31, 2019.

Note: Year-over-year comparisons in net cash provided by (used in) operations excluding activity from loan originations and sales may not be comparable with respect to taxes paid between periods prior to and after IPO and separation of Newmark due the change in corporate structure.

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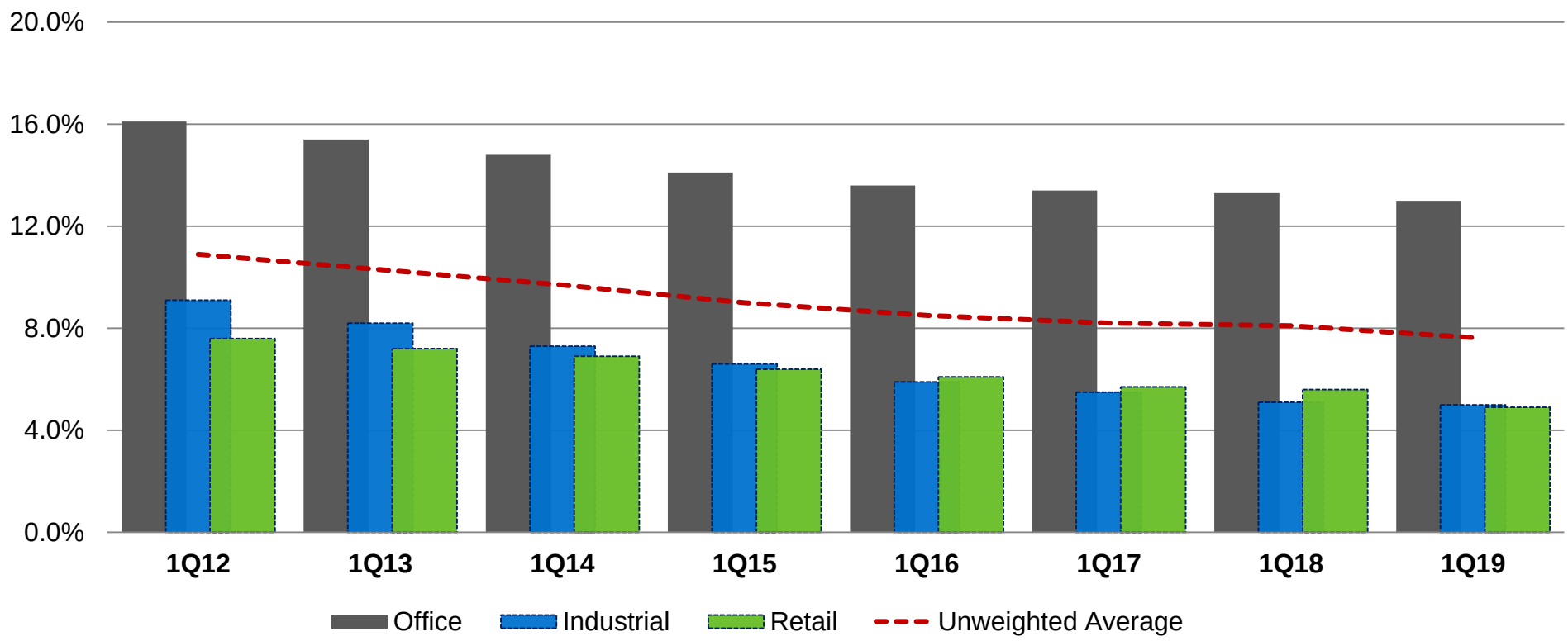
VACANCY RATES REMAIN FLAT AS NEW INVENTORY DELIVERIES ARE OFFSET BY SUSTAINED DEMAND FOR COMMERCIAL REAL ESTATE

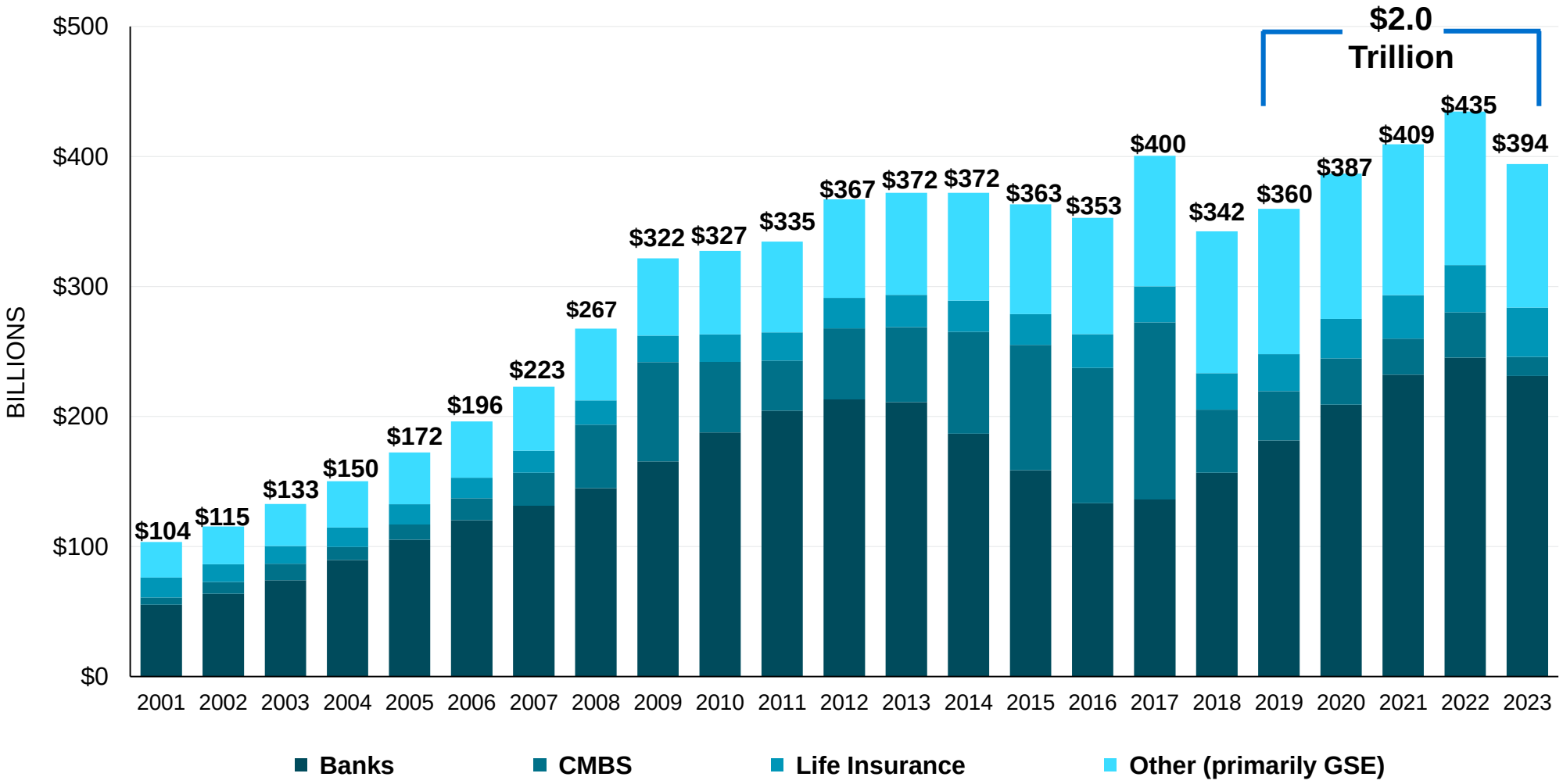
U.S. Vacancy Rates by Asset Class



› Vacancy rates remain flat in the office and industrial sectors, reflecting sustained demand that continues to outpace construction activity across major commercial real estate property types. The retail sector experienced a 70 basis point compression year-over-year.

Source: CoStar, Newmark Research

PROJECTED COMMERCIAL MORTGAGE MATURITIES



› Nearly $2.0 trillion in commercial mortgage maturities from 2019 – 2023 should support strong levels of refinancing activity

Source: Newmark Knight Frank Research, Trepp

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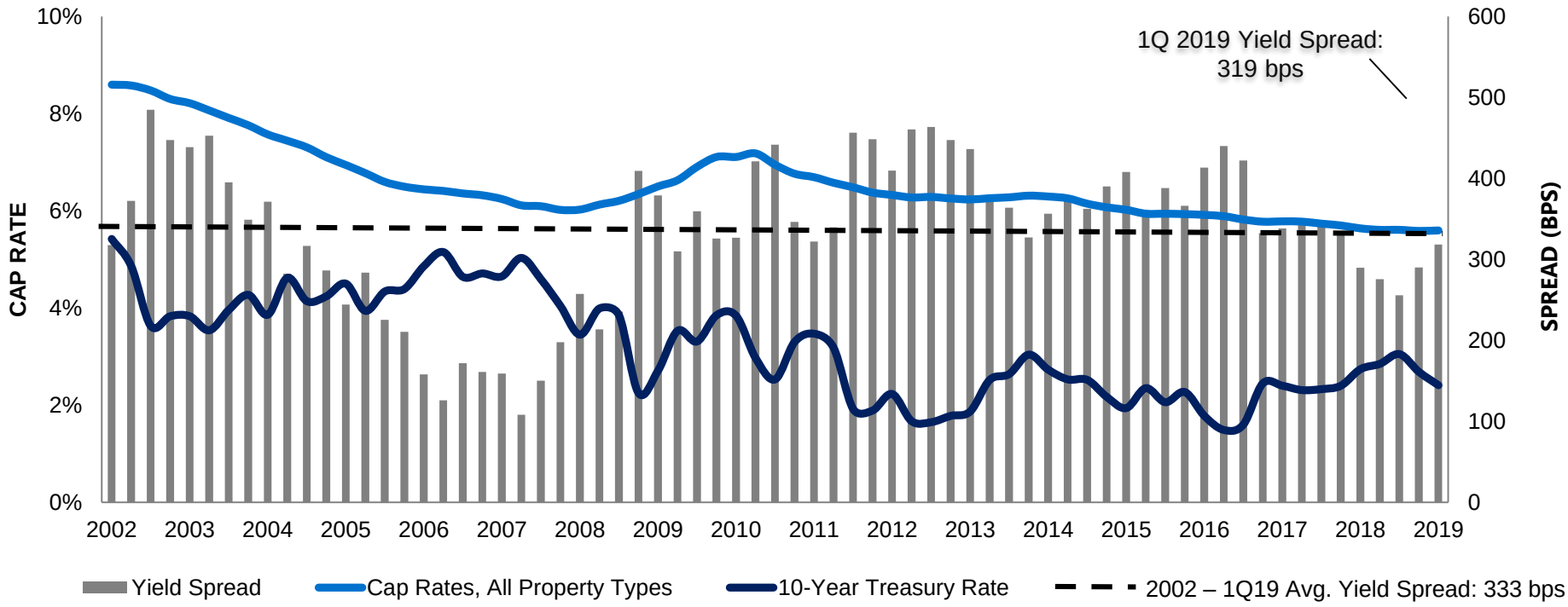
CAP RATES REMAIN ATTRACTIVE SPREAD OVER UST

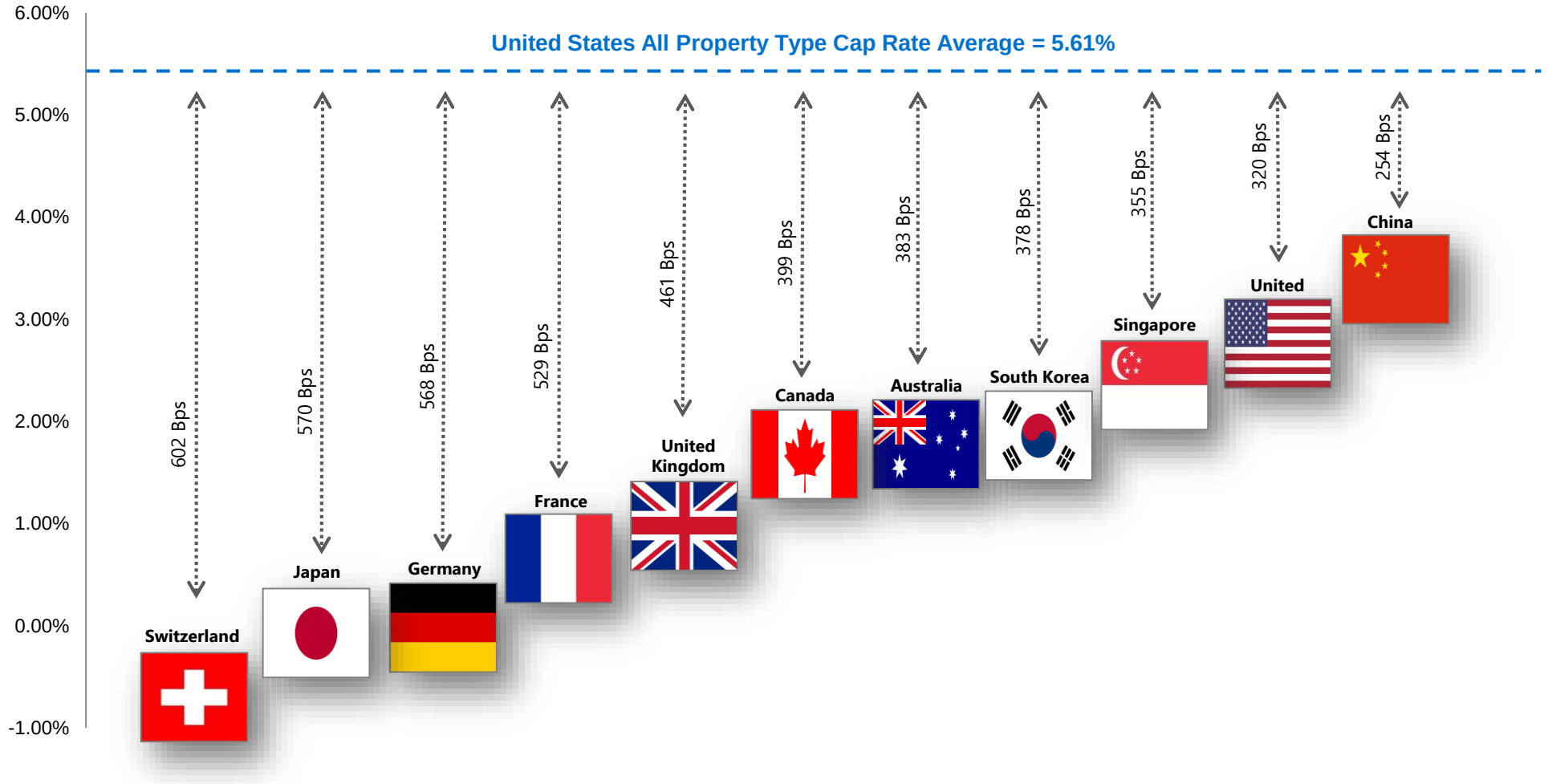
Historical U.S. Cap Rate Yield Spread Over 10-Year U.S. Treasuries



- National cap rates have remained flat quarter-over-quarter, while the 12 month spread is up nearly 30 basis points, benefitting from strong investor demand for commercial real estate and the lowest 10-year rate since 4Q 2017.
- Commercial real estate yields currently offer a 319 basis point premium to the 10-year treasury, which is still well above the pre-recession low of 165 basis points

Source: Newmark Knight Frank Research, Real Capital Analytics ($25M+ Transactions), Federal Reserve Bank of St. Louis, and Bloomberg

LOW GLOBAL INTEREST RATES MAKE U.S. CRE RELATIVELY ATTRACTIVE INVESTMENT



- We believe that limited available product domestically, coupled with a favorable cap rate spread between global benchmark government bond yields and U.S. cap rates, will drive future international investment in U.S. CRE assets
- Compressing domestic cap rates (particularly in countries such as Canada and Singapore, whose cap rates were 3.1% and 3.5% in 1Q19, respectively), also contribute to international demand for US CRE product

Note: All yields are generic 10-year treasury yields (as of 3/29/2019)
Source: NKF Research, Real Capital Analytics, Bloomberg

NEWMARK

STRONG CREDIT PROFILE

($ in '000s)

Newmark Group, Inc.	3/31/2019
Cash and Cash Equivalents	$72,527

Newmark Group, Inc.	Interest Rate	Maturity	3/31/2019
Senior Notes	6.125%	11/15/2023	$538,626
Total Long-term Debt[1]			**$538,626**
Net Debt[2]			**$466,099**

Newmark Group, Inc. (TTM)		3/31/2019
Adjusted EBITDA	**$**	**530,643**
Leverage Ratio: Total Long-term Debt / Adjusted EBITDA		**1.0x**
Net Leverage Ratio: Net Long-term Debt / Adjusted EBITDA		**0.9x**
Interest expense TTM[3]		**53,554**
Total equity[4]		**1,047,382**

- Newmark's balance sheet does not include the approximately $451 million of Nasdaq shares (at May 8, 2019 closing price) expected to be received in the future

1. On November 6, 2018, Newmark closed its offering of $550.0 million aggregate principal amount of 6.125% Senior Notes due 2023. The 6.125% Senior Notes were priced at 98.937% to yield 6.375%. The 6.125% Senior Notes, which were priced on November 1, 2018, were offered and sold by Newmark in a private offering exempt from the registration requirements under the Securities Act of 1933, as amended. The 6.125% Senior Notes were subsequently exchanged for notes with substantially similar terms that were registered under the Securities Act. The 6.125% Senior Notes bear an interest rate of 6.125% per annum, payable on each May 15 and November 15, beginning on May 15, 2019, and will mature on November 15, 2023.
2. Net debt is the sum of "Long-term debt" and "Long-term debt payable to related parties" less total liquidity.
3. Includes a $7.0 million prepayment fee on long term debt related to the spin off transaction in the three and twelve months ended December 31, 2018.
4. Includes "redeemable partnership interests", "noncontrolling interests" and "total stockholders' equity".

NEWMARK

DIFFERENCES BETWEEN NON-GAAP AND GAAP CONSOLIDATED RESULTS

As was previously disclosed, the Company has simplified and clarified its presentation of Adjusted Earnings and Adjusted EBITDA. Newmark now excludes GAAP charges related to equity-based compensation for Adjusted Earnings rather than expenses with respect to grants of exchangeability and issuance of common stock. In addition, the Company no longer excludes GAAP charges with respect to employee loan amortization and reserves on employee loans when calculating Adjusted EBITDA. Newmark has recast its historical non-GAAP financial results for 2018 and 2017 consistent with this new presentation on its investor relations website at http://ir.ngkf.com. Furthermore, in order to be more consistent with how other companies present non-GAAP results, the Company has moved the narrative describing the differences between results under Adjusted Earnings and GAAP to the footnotes following the table found later in this document and titled “Reconciliation of GAAP Income (Loss) To Adjusted Earnings and GAAP Fully Diluted EPS to Post-Tax Adjusted EPS”.

Non-GAAP Financial Measures

This document contains non-GAAP financial measures that differ from the most directly comparable measures calculated and presented in accordance with Generally Accepted Accounting Principles in the United States (“GAAP”). Non-GAAP financial measures used by the Company include “Adjusted Earnings before noncontrolling interests and taxes”, which is used interchangeably with “pre-tax Adjusted Earnings”; “Post-tax Adjusted Earnings to fully diluted shareholders”, which is used interchangeably with “post-tax Adjusted Earnings”; “Adjusted EBITDA”; and “Liquidity”. These terms are defined later in this document.

Equity-based Compensation and Allocations of Net Income to Limited Partnership Units and FPUs

Newmark has changed the GAAP line item formerly known as “Allocations of net income and grant of exchangeability to limited partnership units and FPUs and issuance of common stock” to “Equity-based compensation and allocations of net income to limited partnership units and FPUs” in the Company’s condensed consolidated statements of operations. The change resulted in the reclassification of amortization charges related to equity-based awards such as REUs and RSUs from GAAP “Compensation and employee benefits” to “Equity-based compensation and allocations of net income to limited partnership units and FPUs”. This change in presentation had no impact on the Company’s GAAP “Total compensation and employee benefits” nor GAAP “Total expenses”. Certain reclassifications have been made to previously reported amounts to conform to the current presentation. These GAAP equity-based compensation charges reflect the following items:

- Charges with respect to grants of exchangeability, which reflect the right of holders of limited partnership units with no capital accounts, such as LPUs and PSUs, to exchange these units into shares of common stock, or into partnership units with capital accounts, such as HDUs, as well as cash paid with respect to taxes withheld or expected to be owed by the unit holder upon such exchange. The withholding taxes related to the exchange of certain non-exchangeable units without a capital account into either common shares or units with a capital account may be funded by the redemption of preferred units such as PPSUs.
- Charges with respect to preferred units. Any preferred units would not be included in the Company’s fully diluted share count because they cannot be made exchangeable into shares of common stock and are entitled only to a fixed distribution. Preferred units are granted in connection with the grant of certain limited partnership units that may be granted exchangeability at ratios designed to cover any withholding taxes expected to be paid by the unit holder upon exchange. This is an alternative to the common practice among public companies of issuing the gross amount of shares to employees, subject to cashless withholding of shares, to pay applicable withholding taxes.
- GAAP equity-based compensation charges with respect to the grant of an offsetting amount of common stock or partnership units with capital accounts in connection with the redemption of non-exchangeable units, including PSUs and LPUs.
- Charges related to amortization of RSUs and limited partnership units.
- Charges related to grants of equity awards, including common stock or partnership units with capital accounts.
- Allocations of net income to limited partnership units and FPUs. Such allocations represent the pro-rata portion of post-tax GAAP earnings available to such unit holders.

DIFFERENCES BETWEEN NON-GAAP AND GAAP CONSOLIDATED RESULTS (CONTINUED)

The Company's Adjusted Earnings and Adjusted EBITDA measures exclude all GAAP charges included in the line item "Equity-based compensation and allocations of net income to limited partnership units and FPUs" (or "equity-based compensation" for purposes of defining the Company's non-GAAP results) as recorded on the Company's GAAP Consolidated Statements of Operations and GAAP Consolidated Statements of Cash Flows. Newmark had formerly excluded all charges related to the previous line item "Allocations of net income and grant of exchangeability to limited partnership units and FPUs and issuance of common stock.

Virtually all of Newmark's key executives and producers have equity or partnership stakes in the Company and its subsidiaries and generally receive deferred equity or limited partnership units as part of their compensation. A significant percentage of Newmark's fully diluted shares are owned by its executives, partners and employees. The Company issues limited partnership units as well as other forms of equity-based compensation, including grants of exchangeability into shares of common stock, to provide liquidity to its employees, to align the interests of its employees and management with those of common stockholders, to help motivate and retain key employees, and to encourage a collaborative culture that drives cross-selling and revenue growth.

All share equivalents that are part of the Company's equity-based compensation program, including REUs, PSUs, LPUs, HDUs, and other units that may be made exchangeable into common stock, as well as RSUs (which are recorded using the treasury stock method), are included in the fully diluted share count when issued or at the beginning of the subsequent quarter after the date of grant. Generally, limited partnership units other than preferred units are expected to be paid a pro-rata distribution based on Newmark's calculation of Adjusted Earnings per fully diluted share.

Other Items with Respect to Non-GAAP Results

Adjusted Earnings and Adjusted EBITDA calculations also exclude non-cash GAAP gains attributable to originated mortgage servicing rights (which Newmark refer to as "OMSRs") and non-cash GAAP amortization of mortgage servicing rights (which the Company refers to as "MSRs"). Under GAAP, the Company recognizes OMSRs gains equal to the fair value of servicing rights retained on mortgage loans originated and sold. Subsequent to the initial recognition at fair value, MSRs are carried at the lower of amortized cost or fair value and amortized in proportion to the net servicing revenue expected to be earned. However, it is expected that any cash received with respect to these servicing rights, net of associated expenses, will increase Adjusted Earnings and Adjusted EBITDA in future periods.

In addition, Adjusted Earnings calculations exclude certain unusual, one-time, non-ordinary or non-recurring items, if any, as well as certain gains and charges with respect to acquisitions, dispositions, or resolutions of litigation. The Company views excluding such items as a better reflection of the ongoing operations of the Company.

ADJUSTED EARNINGS DEFINED

Newmark uses non-GAAP financial measures including, but not limited to, “pre-tax Adjusted Earnings” and “post-tax Adjusted Earnings”, which are supplemental measures of operating results that are used by management to evaluate the financial performance of the Company and its consolidated subsidiaries. Newmark believes that Adjusted Earnings best reflect the operating earnings generated by the Company on a consolidated basis and are the earnings which management considers when managing its business.

As compared with “Income (loss) from operations before income taxes” and “Net income (loss) from operations per fully diluted share”, all prepared in accordance with GAAP, Adjusted Earnings calculations primarily exclude certain non-cash items and other expenses that generally do not involve the receipt or outlay of cash by the Company and/or which do not dilute existing stockholders, as described below. In addition, Adjusted Earnings calculations exclude certain gains and charges that management believes do not best reflect the ordinary results of Newmark..

Adjustments Made to Calculate Pre-Tax Adjusted Earnings
Newmark defines pre-tax Adjusted Earnings as GAAP income (loss) from operations excluding items such as:

- Net non-cash GAAP gains or losses related to OMSRs and MSRs;
- The impact of any unrealized non-cash mark-to-market gains or losses on “Other income (loss)” related to the variable share forward agreements with respect to Newmark’s expected receipt of the Nasdaq payments in 2019, 2020, 2021, and 2022 (the “Nasdaq Forwards”);
- Mark-to-market adjustments for cost basis investments under ASU 2016-01;
- Non-cash GAAP asset impairment charges, if any;
- Non-cash GAAP charges related to the amortization of intangibles with respect to acquisitions;
- Unusual, one-time, non-ordinary, or non-recurring items; and
- Equity-based compensation.

The amount of charges relating to equity-based compensation the Company uses to calculate pre-tax Adjusted Earnings on a quarterly basis is based upon the Company’s estimate of such expected charges during the annual period, as described further below under “Adjustments Made to Calculate Post-Tax Adjusted Earnings”.

Adjustments Made to Calculate Post-Tax Adjusted Earnings
Although Adjusted Earnings are calculated on a pre-tax basis, Newmark also reports post-tax Adjusted Earnings to fully diluted shareholders. The Company defines post-tax Adjusted Earnings to fully diluted shareholders as pre-tax Adjusted Earnings reduced by the non-GAAP tax provision described below and net income (loss) attributable to noncontrolling interest for Adjusted Earnings.

The Company calculates its tax provision for post-tax Adjusted Earnings using an annual estimate similar to how it accounts for its income tax provision under GAAP. To calculate the quarterly tax provision under GAAP, Newmark estimates its full fiscal year GAAP income (loss) from operations before income taxes and noncontrolling interests in subsidiaries and the expected inclusions and deductions for income tax purposes, including expected equity-based compensation during the annual period. The resulting annualized tax rate is applied to Newmark’s quarterly GAAP income (loss) from operations before income taxes and noncontrolling interests in subsidiaries. At the end of the annual period, the Company updates its estimate to reflect the actual tax amounts owed for the period.

ADJUSTED EARNINGS DEFINED (CONTINUED)

To determine the non-GAAP tax provision, Newmark first adjusts pre-tax Adjusted Earnings by recognizing any, and only, amounts for which a tax deduction applies under applicable law. The amounts include charges with respect to equity-based compensation; certain charges related to employee loan forgiveness; certain net operating loss carryforwards when taken for statutory purposes; and certain charges related to tax goodwill amortization. These adjustments may also reflect timing and measurement differences, including treatment of employee loans; changes in the value of units between the dates of grants of exchangeability and the date of actual unit exchange; variations in the value of certain deferred tax assets; and liabilities and the different timing of permitted deductions for tax under GAAP and statutory tax requirements.

After application of these adjustments, the result is the Company's taxable income for its pre-tax Adjusted Earnings, to which Newmark then applies the statutory tax rates to determine its non-GAAP tax provision. Newmark views the effective tax rate on pre-tax Adjusted Earnings as equal to the amount of its non-GAAP tax provision divided by the amount of pre-tax Adjusted Earnings.

Generally, the most significant factor affecting this non-GAAP tax provision is the amount of charges relating to equity-based compensation. Because the charges relating to equity-based compensation are deductible in accordance with applicable tax laws, increases in such charges have the effect of lowering the Company's non-GAAP effective tax rate and thereby increasing its post-tax Adjusted Earnings.

Management uses Adjusted Earnings in part to help it evaluate, among other things, the overall performance of the Company's business, to make decisions with respect to the Company's operations, and to determine the amount of dividends payable to common stockholders and distributions payable to holders of limited partnership units.

Newmark incurs income tax expenses based on the location, legal structure and jurisdictional taxing authorities of each of its subsidiaries. Certain of the Company's entities are taxed as U.S. partnerships and are subject to the Unincorporated Business Tax ("UBT") in New York City. Any U.S. federal and state income tax liability or benefit related to the partnership income or loss, with the exception of UBT, rests with the unit holders rather than with the partnership entity. The Company's consolidated financial statements include U.S. federal, state and local income taxes on the Company's allocable share of the U.S. results of operations. Outside of the U.S., Newmark is expected to operate principally through subsidiary corporations subject to local income taxes. For these reasons, taxes for Adjusted Earnings are expected to be presented to show the tax provision the consolidated Company would expect to pay if 100 percent of earnings were taxed at global corporate rates.

Calculations of Post-Tax Adjusted Earnings per Share
Newmark's Post-tax Adjusted Earnings per share calculations assume either that:

- The fully diluted share count includes the shares related to any dilutive instruments, but excludes the associated expense, net of tax, when the impact would be dilutive; or
- The fully diluted share count excludes the shares related to these instruments, but includes the associated expense, net of tax.

The share count for Adjusted Earnings excludes certain shares and share equivalents expected to be issued in future periods but not yet eligible to receive dividends and/or distributions. Each quarter, the dividend payable to Newmark's stockholders, if any, is expected to be determined by the Company's Board of Directors with reference to a number of factors, including post-tax Adjusted Earnings per share. Newmark may also pay a pro-rata distribution of net income to limited partnership units, as well as to Cantor for its noncontrolling interest. The amount of this net income, and therefore of these payments per unit, would be determined using the above definition of Adjusted Earnings per share on a pre-tax basis.

The declaration, payment, timing and amount of any future dividends payable by the Company will be at the discretion of its Board of Directors using the fully diluted share count. In addition, the non-cash preferred dividends are excluded from Adjusted Earnings per share as Newmark expects to redeem the related EPUs with Nasdaq shares.

ADJUSTED EARNINGS DEFINED (CONTINUED)

Other Matters with Respect to Adjusted Earnings

The term “Adjusted Earnings” should not be considered in isolation or as an alternative to GAAP net income (loss). The Company views Adjusted Earnings as a metric that is not indicative of liquidity, or the cash available to fund its operations, but rather as a performance measure. Pre- and post-tax Adjusted Earnings, as well as related measures, are not intended to replace the Company’s presentation of its GAAP financial results. However, management believes that these measures help provide investors with a clearer understanding of Newmark’s financial performance and offer useful information to both management and investors regarding certain financial and business trends related to the Company’s financial condition and results of operations. Management believes that the GAAP and Adjusted Earnings measures of financial performance should be considered together.

For more information regarding Adjusted Earnings, see the certain sections and tables of this document and/or the Company’s most recent financial results press release in which Newmark’s non-GAAP results are reconciled to those under GAAP.

ADJUSTED EBITDA DEFINED

Adjusted EBITDA Defined

Newmark also provides an additional non-GAAP financial performance measure, “Adjusted EBITDA”, which it defines as GAAP “Net income (loss) available to common stockholders”, adjusted to add back the following items:

- Interest expense;
- Provision (benefit) for income taxes;
- Fixed asset depreciation and intangible asset amortization;
- Impairment charges;
- Net income (loss) attributable to noncontrolling interest;
- Equity-based compensation;
- Net non-cash GAAP gains or losses related to OMSRs and MSRs;
- The impact of any unrealized non-cash mark-to-market gains or losses on “other income (loss)” related to the variable share forward agreements with respect to Newmark’s expected receipt of the Nasdaq payments in 2019, 2020, 2021, and 2022 (the “Nasdaq Forwards”); and
- Mark-to-market adjustments for cost basis investments under ASU 2016-01.

The Company’s management believes that its Adjusted EBITDA measure is useful in evaluating Newmark’s operating performance, because the calculation of this measure generally eliminates the effects of financing and income taxes and the accounting effects of capital spending and acquisitions, which would include impairment charges of goodwill and intangibles created from acquisitions. Such items may vary for different companies for reasons unrelated to overall operating performance. As a result, the Company’s management uses this measure to evaluate operating performance and for other discretionary purposes. Newmark believes that Adjusted EBITDA is useful to investors to assist them in getting a more complete picture of the Company’s financial results and operations.

Since Newmark’s Adjusted EBITDA is not a recognized measurement under GAAP, investors should use this measure in addition to GAAP measures of net income when analyzing Newmark’s operating performance. Because not all companies use identical EBITDA calculations, the Company’s presentation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Furthermore, Adjusted EBITDA is not intended to be a measure of free cash flow or GAAP cash flow from operations because the Company’s Adjusted EBITDA does not consider certain cash requirements, such as tax and debt service payments.

For more information regarding Adjusted EBITDA, see the certain sections and tables of this document and/or the Company’s most recent financial results press release in which Newmark’s non-GAAP results are reconciled to those under GAAP.

OUTLOOK FOR NON-GAAP ITEMS

Newmark anticipates providing forward-looking guidance for GAAP revenues and for certain non-GAAP measures from time to time. However, the Company does not anticipate providing an outlook for other GAAP results. This is because certain GAAP items, which are excluded from Adjusted Earnings and/or Adjusted EBITDA, are difficult to forecast with precision before the end of each period. The Company therefore believes that it is not possible for it to have the required information necessary to forecast GAAP results or to quantitatively reconcile GAAP forecasts to non-GAAP forecasts with sufficient precision without unreasonable efforts. For the same reasons, the Company is unable to address the probable significance of the unavailable information. The relevant items that are difficult to predict on a quarterly and/or annual basis with precision and may materially impact the Company's GAAP results include, but are not limited, to the following:

- Certain equity-based compensation charges that may be determined at the discretion of management throughout and up to the period-end;
- Unusual, one-time, non-ordinary, or non-recurring items;
- The impact of gains or losses on certain marketable securities, as well as any gains or losses related to associated mark-to- market movements and/or hedging including with respect to the Nasdaq Forwards. These items are calculated using period-end closing prices;
- Non-cash asset impairment charges, which are calculated and analyzed based on the period-end values of the underlying assets. These amounts may not be known until after period-end;
- Acquisitions, dispositions and/or resolutions of litigation, which are fluid and unpredictable in nature.

OTHER ITEMS OF NOTE

Liquidity Defined

Newmark may also use a non-GAAP measure called “liquidity”. The Company considers liquidity to be comprised of the sum of cash and cash equivalents plus marketable securities that have not been financed, reverse repurchase agreements, and securities owned, less securities loaned and repurchase agreements. The Company considers this an important metric for determining the amount of cash that is available or that could be readily available to the Company on short notice.

Recognition and Monetization of Nasdaq Payments

On June 28, 2013, BGC sold its eSpeed business to Nasdaq, Inc. (“Nasdaq”). The purchase consideration consisted of $750 million in cash paid upon closing, plus an expected payment of up to 14.9 million shares of Nasdaq common stock to be paid ratably over 15 years beginning in 2013, assuming that Nasdaq, as a whole, generates at least $25 million in gross revenues each of these years. “Payments” may be used interchangeably with the Nasdaq share “earn-out”. The value of the Nasdaq shares discussed in this document are based on the closing price as of May 8, 2019 and assumes no change in that company’s stock price.

On June 20, 2018, the Company announced that it had entered into transactions related to the monetization of the expected 2019 and 2020 Nasdaq payments (the “First Monetization” or “June Transaction”). On September 26, 2018, the Company announced that Newmark entered into similar transactions related to the monetization of the expected 2021 and 2022 Nasdaq payments (the “Second Monetization” or the “September Transaction” and, together, the "Transactions"). As part of the Transactions, Newmark's principal operating subsidiary issued approximately $325 million of exchangeable preferred limited partnership units ("EPUs") in private transactions to The Royal Bank of Canada ("RBC"). Contemporaneously with the issuance of these EPUs, a special purpose vehicle (the "SPV") entered into four variable postpaid forward transactions (together, the "Forwards") with RBC. The SPV is a wholly owned subsidiary of Newmark formed in connection with the June Transaction and its sole asset is the right to receive the Nasdaq share earn-outs for 2019 through 2022.

As a result of the Transactions, Newmark’s balance sheet total equity increased by approximately $325 million, including the receipt of $266 million of cash and the value of the Forwards, which provide downside protection at $94.21 on the 2019 and 2020 earn-outs and at $87.68 on the 2021 and 2022 earn-outs. If Nasdaq's stock is higher than $94.21 and $87.68 for the First and Second Monetization, respectively, the total amount of additional cash Newmark could retain with respect to each payment would be equal to 992,247 times the amount by which the price of Nasdaq shares exceed the applicable strike prices from 2019 through 2022. Therefore, the Transactions provided downside protection, and were not commensurate with a sale. The Company retains any of the potential upside related to appreciation of the 992,247 Nasdaq shares recognized in 2018 and still held on its balance sheet, as well as the 8.9 million Nasdaq shares it expects to receive from 2019 through 2027.

Newmark will record any income and tax obligation related to the Nasdaq earn-out in the third quarters of each year through 2027 for GAAP, Adjusted Earnings, and Adjusted EBITDA. For additional information on the Transactions, see the Company’s June 20, 2018 press release titled “Newmark And BGC Partners Announce Monetization of Approximately Two Million Nasdaq Shares and Update Their Outlooks”, the Company’s September 26, 2018 press release titled “Newmark and BGC Partners Announce Monetization of an Additional Approximately Two Million Nasdaq Shares and Update Their Outlooks”, and the related filings made on the same respective dates on Form 8-K.

Impact of Adopting Lease Guidance

On January 1, 2019, Newmark adopted ASC 842 Leases (“ASC 842”), which provides guidance on the accounting and disclosure for accounting for leases. Newmark has elected the optional transition method, and pursuant to this transition method, financial information will not be updated and the disclosures required under the new standard will not be provided for dates and periods prior to January 1, 2019. Newmark has elected the package of ‘practical expedients,’ which permits Newmark not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. Newmark has elected the short-term lease recognition exemption for all leases that qualify, and has elected the practical expedient to not separate lease and non-lease components for all leases other than real estate leases. The adoption of ASC 842 on January 1, 2019 resulted in the recognition of Right of Use (“ROU”) assets of approximately $178.8 million and ROU liabilities of approximately $226.7 million, with no effect on beginning retained earnings. The adoption of the new guidance did not have a significant impact on Newmark’s unaudited condensed consolidated statements of operations, unaudited condensed consolidated statements of changes in equity and unaudited condensed consolidated statements of cash flows.

RECONCILIATION OF GAAP INCOME (LOSS) TO ADJUSTED EBITDA[1] (IN THOUSANDS)(UNAUDITED)

	Three Months Ended March 31,	
	2019	2018
GAAP Net income (loss) available to common stockholders	**$16,904**	**$19,997**
Add back[(1)]:		
Net income (loss) attributable to noncontrolling interests[(2)]	6,502	12,490
Provision (benefit) for income taxes	6,687	6,933
OMSR Revenue[(3)]	(16,378)	(21,097)
MSR Amortization[(4)]	22,126	17,824
Other Depreciation and Amortization[(5)]	6,178	4,688
Equity-based compensation and allocations of net income to limited partnership units and FPUs [(6)]	13,871	17,417
Other non-cash, non-dilutive, non-economic items[(7)]	13,861	(2)
Interest expense	9,567	14,820
Adjusted EBITDA	**$79,318**	**$73,070**

(1) Non-recurring (gains) / losses, which was previously a separate line item, have now been reclassified to Other non-cash, non-dilutive, non-economic items. For the three months ended March 31, 2019 and 2018, these non-recurring expenses included contingent consideration and payments of $0.5 million and $0.2 million, respectively.
(2) Primarily represents Cantor and/or BGC's pro-rata portion of Newmark's net income and the noncontrolling portion of Newmark's net income in subsidiaries which are not wholly owned.
(3) Non-cash gains attributable to originated mortgage servicing rights.
(4) Non-cash amortization of mortgage servicing rights in proportion to the net servicing revenue expected to be earned.
(5) Includes fixed asset depreciation of $4.9 million and $3.2 million for the three months ended March 31, 2019 and 2018, respectively. Also includes intangible asset amortization and impairments related to acquisitions of $1.3 million and $1.5 million for the three months ended March 31, 2019 and 2018, respectively.
(6) For the three months ended March 31, 2019 and 2018, GAAP expenses included $7.6 million and $13.4 million, respectively, in equity-based compensation and $6.3 million and $4.0 million, respectively, in allocation of net income to limited partnership units and FPUs. For additional information, see section on Non-GAAP Financial Measures in this document. Allocations of net income to limited partnership units and FPUs represents Newmark employees' pro-rata portion of net income.
(7) Includes $13.3 million for the three months ended March 31, 2019 related to the impact of any unrealized non-cash mark-to-market gains or losses on "other income (loss)" related to the variable share forward agreements with respect to Newmark's expected receipt of the Nasdaq payments in 2019, 2020, 2021 and 2022.

RECONCILIATION OF GAAP INCOME (LOSS) TO ADJUSTED EARNINGS AND GAAP FULLY DILUTED EPS TO POST-TAX ADJUSTED EPS[1] (IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED)

	Three Months Ended March 31,	
	2019	2018
Net income (loss) available to common stockholders	**$16,904**	**$19,997**
Pre-tax adjustments:		
Compensation adjustments;		
Equity-based compensation and allocations of net income to limited partnership units and FPUs (2)	13,871	17,416
Total Compensation adjustments	**13,871**	**17,416**
Non-Compensation adjustments;		
Amortization of intangibles (3)	1,276	1,513
MSR amortization (4)	22,126	17,824
OMSR Revenue (4)	(16,378)	(21,097)
Total Non-Compensation adjustments	**7,024**	**(1,760)**
Other (income) / losses, net		
Other non-cash, non-dilutive, and/or non-economic items (5)	13,861	168
Total Other (income) losses:	**13,861**	**168**
Total pre-tax adjustments	**34,756**	**15,824**
Net income (loss) attributable to noncontrolling interests (6)	6,502	12,490
Provision for income taxes (7)	6,687	6,933
Pre-tax Adjusted Earnings	**$64,849**	**$55,244**
GAAP Net income (loss) available to common stockholders	**$16,904**	**$19,997**
Allocations of net income (loss) to noncontrolling interests (8)	6,639	11,687
Total pre-tax adjustments (from above)	34,756	15,824
Income tax adjustment to reflect adjusted earnings taxes (7)	(2,652)	(414)
Post-tax Adjusted Earnings	**$55,647**	**$47,094**
Per Share Data		
GAAP fully diluted earnings per share	**$0.08**	**$0.12**
Allocation of net income (loss) to noncontrolling interests	0.00	0.01
Exchangeable preferred limited partnership units non-cash preferred dividends	0.01	0.00
Total pre-tax adjustments (from above)	0.13	0.07
Income tax adjustment to reflect adjusted earnings taxes	(0.01)	(0.01)
Post-tax adjusted earnings per share (9)	**$0.21**	**$0.19**
Pre-tax adjusted earnings per share (9)	**$0.24**	**$0.23**
Fully diluted weighted-average shares of common stock outstanding	269,057	246,834

See the following page for notes to the above table.

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RECONCILIATION OF GAAP INCOME (LOSS) TO ADJUSTED EARNINGS AND GAAP FULLY DILUTED EPS TO POST-TAX ADJUSTED EPS (IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED) (CONTINUED)

(1) Non-recurring (gains) / losses, which was previously a separate line item, have now been reclassified to Other non-cash, non-dilutive, non-economic items. For the three months ended March 31, 2019 and 2018, these non-recurring expenses included contingent consideration and payments of $0.5 million and $0.2 million, respectively.

(2) For the three months ended March 31, 2019 and 2018, GAAP expenses included $7.6 million and $13.4 million, respectively, in equity-based compensation and $6.3 million and $4.0 million, respectively, in allocation of net income to limited partnership units and FPUs. For additional information, see section on Non-GAAP Financial Measures in this document. Allocations of net income to limited partnership units and FPUs represents Newmark employees' pro-rata portion of net income.

(3) Includes non-cash GAAP charges related to the amortization of intangibles with respect to acquisitions.

(4) Adjusted Earnings calculations exclude non-cash GAAP gains attributable to originated mortgage servicing rights (which the Company refer to as "OMSRs") and non-cash GAAP amortization of mortgage servicing rights (which the Company refers to as "MSRs"). Under GAAP, the Company recognizes OMSRs gains equal to the fair value of servicing rights retained on mortgage loans originated and sold. Subsequent to the initial recognition at fair value, MSRs are carried at the lower of amortized cost or fair value and amortized in proportion to the net servicing revenue expected to be earned. However, it is expected that any cash received with respect to these servicing rights, net of associated expenses, will increase Adjusted Earnings in future periods.

(5) Includes $13.3 million for the three months ended March 31, 2019 related to the impact of any unrealized non-cash mark-to-market gains or losses in "other income (loss)" related to the variable share forward agreements with respect to Newmark's expected receipt of the Nasdaq payments in 2019, 2020, 2021 and 2022.

(6) Primarily represents Cantor and/or BGC's pro-rata portion of Newmark's net income and the noncontrolling portion of Newmark's net income in subsidiaries which are not wholly owned.

(7) The Company's GAAP provision for income taxes is calculated based on an annualized methodology. The Company's GAAP provision for income taxes was $6.7 million for the first quarter of 2019. The Company includes additional tax-deductible items when calculating the provision for taxes with respect to Adjusted Earnings using an annualized methodology. These include tax-deductions related to equity-based compensation, and certain net-operating loss carryforwards. The provision for income taxes with respect to Adjusted Earnings was modified by $2.7 million for first quarter of 2019. As a result, the provision for income taxes for Adjusted Earnings was $9.3 million for the first quarter of 2019. The Company's GAAP provision for income taxes was $6.9 million for the first quarter of 2018. The provision for income taxes with respect to Adjusted Earnings was modified by $0.4 million for first quarter of 2018. As a result, the provision for income taxes for Adjusted Earnings was $7.3 million for the first quarter of 2018.

(8) Excludes the noncontrolling portion of Newmark's net income in subsidiaries which are not wholly owned.

(9) For the first quarter of 2019, earnings per share calculations under GAAP included reductions for EPUs of $3.2 million. For Adjusted Earnings, these non-cash preferred dividends are excluded as the Company expects to redeem these EPUs with Nasdaq shares.

FULLY DILUTED WEIGHTED-AVERAGE SHARE COUNT FOR GAAP AND ADJUSTED EARNINGS (IN THOUSANDS) (UNAUDITED)

	Three Months Ended March 31,	
	2019	**2018**
Common stock outstanding	178,611	155,694
Limited partnership units	60,688	60,688
Cantor units	23,553	23,801
Founding partner units	5,750	5,733
RSUs	-	275
Other	455	643
Fully diluted weighted-average share count for GAAP and Adjusted Earnings	**269,057**	**246,834**

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