

**Kelsey Duffey:** Thank you, and good morning, everyone. Thank you for joining Walker & Dunlop's fourth quarter and full year 2025 earnings call. I have with me this morning, our Chairman and CEO, Willy Walker and our CFO, Greg Florkowski. This call is being webcast live on our website and a recording will be available later today. Both our earnings press release and website provide details on accessing the archived webcast. This morning, we posted our earnings release and presentation to the Investor Relations section of our website, [www.walkeranddunlop.com](http://www.walkeranddunlop.com). These slides serve as a reference point for some of what Willy and Greg will touch on during the call.

Please also note that we will reference the non-GAAP financial metrics, adjusted EBITDA and adjusted core EPS, during the course of this call. Please refer to the appendix of the earnings presentation for a reconciliation of these non-GAAP financial metrics. Investors are urged to carefully read the forward-looking statements language in our earnings release. Statements made on this call which are not historical facts may be deemed forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements describe our current expectations, and actual results may differ materially. Walker & Dunlop is under no obligation to update or alter our forward-looking statements whether as a result of new information, future events, or otherwise. We expressly disclaim any obligation to do so. More detailed information about risk factors can be found in our annual and quarterly reports filed with the SEC.

I will now turn the call over to Willy.

**Willy Walker:** Good morning and thank you for joining us. Walker & Dunlop's fourth quarter and full year results demonstrate continued success in our real estate capital markets business with significant and sustained growth in transaction volumes. Our people and brand are winning, demonstrated by transaction volumes, market share, and year-end league tables. At the same time, our Q4 and annual results were impacted by loan buybacks and valuation marks on our real estate owned portfolio.

Notwithstanding the charges, W&D's core business and market presence is extremely strong. We have an incredible team and brand that is meeting our clients' needs and winning.

W&D's capital markets transaction volumes grew throughout the year, from \$7 billion in Q1 to \$18 billion in Q4. That 161% growth in transaction volumes was due to a recovering market and the strength of W&D's team and brand. And we start 2026 with an extremely strong pipeline of both flow business as well as some very large portfolio financings. W&D is very well positioned to benefit from increased deal flow across the commercial real estate industry as the down-cycle of the great tightening wanes and the up-cycle of an expansionary macro economy sets in.

Walker & Dunlop's multifamily property sales volumes grew from \$1.8 billion in Q1 2025 to \$4.5 billion in Q4, up 146%. Our team increased their share of institutional multifamily sales from 8.7% in 2024 to 10.2% in 2025, ending the year as the fourth-largest multifamily broker according to Real Estate Alert. The breadth of W&D's service offering allowed us to finance 42% of our 2025 multifamily property sales for the buyer. This collaboration between our sales and financing teams was an important part of how we ended 2025 as the largest Fannie Mae DUS lender for the seventh consecutive year and moved up with Freddie Mac to be the third-largest Optigo lender by growing volumes 58% in 2025. We finish the year #1 with Fannie Mae, #3 with Freddie Mac, and as the second-largest GSE loan originator in the nation with 11.2% market share and \$17.8 billion of total lending volume. W&D's people, brand, and technology are winning in one of the most competitive markets in commercial real estate.

As we mentioned in our Q3 earnings call, we were asked by Freddie Mac to investigate a portfolio of loans totaling \$100 million where the borrower committed fraud by submitting false documents to Walker & Dunlop and Freddie Mac. We retained excellent outside counsel to conduct the investigation, and several conclusions were reached. First, not a single employee at Walker & Dunlop had knowledge of, or participated in, the borrower's fraudulent flip transactions. However, while investigating the loans it was determined that a Walker & Dunlop banking team had not adhered to our loan origination policies and procedures. This team is no longer at Walker & Dunlop. Due to the investigation findings, Walker & Dunlop, at our own initiative and expense, did further loan due diligence on the approximately 266 loans originated by that team. Through that review, we found one additional portfolio of loans, totaling \$34 million, where it appeared the borrower misrepresented financial information. We presented the results of our investigation to Freddie Mac in January 2026 and offered to indemnify them for losses arising out of the aggregate \$134 million of loans, which led to the \$29 million of loan

loss expenses we booked in the fourth quarter. Freddie Mac is performing an additional review of our work on that portfolio, and we expect them to finalize their diligence over the next 90 days.

We have built Walker & Dunlop over the past 89 years as not only one of the best companies in our industry, but one with impeccable credit standards and ethics. Our track record speaks for itself. But what we found through this investigation did not hold to our high standards. Yet let me also be very clear about how we responded to these issues. We acted swiftly, hired skilled outside counsel, acted with full transparency, took accountability for what transpired, and improved our people, processes and systems as a result. While we can never say we will not have further loan losses or fraudulent borrowers, these improvements make us an even better company going forward.

As Greg will discuss in a moment, we completed our annual business strategy review and made two important decisions that also impacted our Q4 and full year financial results. First, we shifted our strategy for 2024 loan repurchases from long-term hold to near-term exit and marked down the carrying value of several assets in the fourth quarter. Last year was spent stabilizing these properties behind those loans, and we are now focused on selling them and recovering the capital we invested in the buybacks. Second, we took an impairment charge on affordable assets we hold in the Walker & Dunlop Affordable Equity platform. We evaluated the costs of operating these assets and their long-term returns and decided to sell the assets. The impairment charges we took this quarter reduce the carrying value of these assets to fair value.

While loan buybacks and additional provision expenses are never welcome, we are taking several charges this quarter to set W&D up for growth and success in 2026 and beyond. Excluding impairment and repurchase-related charges, Q4 generated \$1.04 in diluted earnings per share, reflecting the increasing strength of our Capital Markets business. We also ended the year with \$299 million of cash on our balance sheet, plenty to absorb these loan repurchases and continue investing in the growth of our company. I'm going to turn the call over to Greg now to discuss our financials in more detail, and I'll return to talk about what we are seeing to begin 2026 and our go-forward strategy which is both focused and exciting. Greg.

**Greg Florkowski:** Thank you, Willy. As you outlined, we took action to address repurchases and the affordable assets, and given the consistent strength of our core business over the last three quarters, those actions position the Company for stronger performance going forward. I'll begin by walking through the financial impact of those decisions, and then discuss the performance and outlook for our

core business. In total, we recognized \$66 million of impairments and credit losses this quarter related to loan repurchases and our strategic decision to exit the affordable assets, and we added two new line items to our income statement titled “Indemnified and repurchased loan expenses” and “Asset Impairments and other expenses” to capture these charges.

I’ll start with the indemnified and repurchased loan expenses. Since 2024, we have either indemnified or repurchased \$222 million of loans from the GSEs, including all the loans from the investigation. In the fourth quarter, we recognized charges totaling \$38 million related to these assets, including \$29 million of charges related to the loans subject to the investigation. We are now evaluating the most efficient path to disposition, and expect to execute over the next few quarters. Although there was underlying borrower fraud, many of the loans remain current, and we do not expect significant carry costs as we prepare to sell them. The remaining \$9 million of charges this quarter relate to our shift in strategy for previously repurchased loans. Since taking control of those assets in 2024, they have cost between \$2 million and \$3 million per quarter to operate. While we believe we could recover a portion of the lost value over time, doing so would take several years, and the ongoing cost of operating them dilutes near-term earnings and understates the performance of our core platforms. As a result, we will sell them in the coming quarters, in some cases likely at prices below our carrying values, which made the impairment charges this quarter necessary. Going forward, we will report future credit reserve adjustments and operating costs for these assets through the “Indemnified and repurchased loan expenses” line item.

To put these repurchases in context, we have \$115 billion of loans outstanding with the GSEs as of December 31, 2025, so the UPB of our repurchases represents just 19 basis points of that portfolio, and our cumulative losses total \$51 million, or 4 basis points. Nearly 90% of our repurchases to date were with four borrowers and were originated by the team that is no longer with Walker & Dunlop. The actions of a few had an outsized impact over the last two years. This is not meant to suggest we will not have future repurchases, but these figures demonstrate the overall quality of the remaining portfolio and that the recent losses are not reflective of our broader book. If we do have future repurchases, we are confident in our ability to absorb future losses and manage the capital needs, just as we have over the last two years.

The second charge we recognized this quarter relates to the impairment of affordable assets held since the acquisition of Alliant. This part of the Alliant business was focused on raising capital from institutional investors to acquire and operate affordable assets. The hold periods are long-term, and since the business is not at scale, operating these assets has cost approximately \$2 million per quarter. These assets do not align with our long-term strategy, so we made the decision to sell them, and recorded impairment charges of \$26 million in the fourth quarter. These charges are reported within the “Asset impairments and other expenses” line item. As assets are sold, we will report any net gains or losses through this line item. The operating costs for personnel, interest and depreciation are recognized in those respective line items, and those financial impacts should be reduced to zero by the end of 2026. As we position the Company to execute the Journey to '30, the long-term growth strategy Willy will begin outlining in a moment, we believe that focusing on our core businesses is the most effective use of our capital and internal resources. Selling the repurchased and affordable assets is expected to return \$25 million to \$35 million of capital to the balance sheet over the coming quarters, and eliminate the approximately \$4 million to \$5 million of quarterly operating costs I mentioned previously. The capital will be redeployed into our core businesses, where we believe it can generate stronger long-term growth and shareholder returns.

If you'll turn to slide 6, you will see a crosswalk from each of our reported core metrics to what they would have been absent the impairment and repurchase-related charges recognized in the fourth quarter. For the quarter, we reported a diluted loss per share of \$0.41, adjusted EBITDA of \$39 million and adjusted core EPS of \$0.28. All of the charges were reflected in diluted loss per share, while only the credit loss portion of those charges is added back to adjusted EBITDA and adjusted core EPS, consistent with how we define and report those metrics. If the remaining impacts of these charges were added back to our reported results for illustrative purposes, diluted earnings per share would have been \$1.04, adjusted EBITDA would have been \$85 million, and adjusted core EPS would have been \$1.31, demonstrating the underlying earnings power of our core platform. Loan repurchases and credit events are an inherent part of our business model, and we will manage them conservatively and transparently. While individual quarters may reflect that volatility, the underlying strength of our Capital Markets and Servicing and Asset Management platforms remains intact, and we are optimistic about the outlook for both businesses.

Turning now to segment results. Our Capital Markets business continues to build momentum amidst the commercial real estate recovery. We delivered \$18 billion of total transaction volumes, up 36% over the year ago quarter, generating \$191 million of revenue, up 5% year over year. Revenues did not grow in line with volumes for two reasons--first, the volume growth year on year was driven primarily by debt brokerage and property sales activity, which earn lower fee margins and revenues than our Agency originations, and second, MSR margins on new GSE originations remain tight, and lower than Q4 last year. We expect MSR margins to remain near 2025 levels again in 2026. Nonetheless, the Capital Markets business had another strong quarter of net income, delivering \$26 million. The outperformance in the fourth quarter triggered performance incentives for some of our salespeople, and those accruals caused EBITDA to fall just below break-even. That's a timing impact, as overall for the full year, the Capital Markets segment delivered \$90 million of net income, up 35% from \$67 million in 2024, and more than double the \$41 million reported for 2023. Adjusted EBITDA for the segment also improved to a loss of \$17 million, up 40% from a \$28 million loss in 2024, and about one-third of the \$46 million loss reported in 2023. The momentum building in the transaction markets over the last four quarters has continued into early 2026. We are starting the year with a very strong pipeline, and we are bullish on our team and its ability to deliver another year of sequential growth that will drive our performance in 2026.

The servicing and asset management, or SAM, segment had another solid quarter absent the aforementioned loan repurchase and asset impairment charges. Our servicing portfolio grew to \$144 billion at the end of 2025, fueled by our success with the GSEs this year, and grew 6% compared to the end of 2024. With a very strong Capital Markets team delivering top-end market share, we expect continued growth in the portfolio in 2026. Revenues from the SAM segment were \$143 million, down 9% from the year ago quarter. We sold an affordable asset last Q4 that generated \$29 million of revenue, so the decline was expected, and not due to any particular headwind facing the segment. As mentioned, repurchase and impairment charges impacted our SAM segment, and were \$66 million this quarter, which drove the \$9 million net loss for the segment, compared to \$37 million of net income in Q4 last year. Adjusted EBITDA was also negatively affected by the charges, coming in at \$80 million this quarter, compared to \$124 million last year. Our outlook for the SAM segment is positive for 2026. We expect growth in the servicing portfolio, which will drive earnings and cash flow, and we also see opportunities for growth in syndication revenues and investment management fees. As we sell the

affordable and repurchased assets, we will eliminate those operating costs from our ongoing results, improving the long-term financial performance for this segment.

Turning to credit, and slide 10, which provides key credit metrics that are specific to our at-risk portfolio. The at-risk loan portfolio with Fannie Mae now stands at \$69 billion at December 31, 2025. We have 14 defaulted loans at December 31, 2025, totaling \$159 million, just 23 basis points of the at risk portfolio. As the macroeconomic environment continues to recover, our at-risk portfolio continues to demonstrate strong underlying credit performance, with low defaults and low loss severity upon default. As this slide also shows, the cash flows of the portfolio remain strong, with a weighted average debt service coverage ratio over two times, and only 3% of our loans performing below a 1 times debt service coverage ratio. The underwritten LTV of the portfolio is also sound, at just 61%, with only 4% of loans underwritten at an LTV above 75%. With strong cash flows, and a healthy amount of equity in front of our senior debt, our at-risk portfolio is extremely well positioned in the current environment.

We ended the quarter with \$299 million of cash on our balance sheet, reflecting the cash generation from our Servicing and Asset Management business, and the strength of the transaction markets. Although we reported impairment charges this quarter, we will recover capital as we sell the assets, reduce operating costs, and further improve our cash generation. Our business remains foundationally strong, and when coupled with the continued momentum building in our Capital Markets business, our strong cash position provides us with flexibility to support organic growth, invest strategically across the platform and continue returning capital to shareholders. Since initiating our dividend in 2018, we have returned more than half a billion dollars to shareholders over the last seven years. Our dividend is an important driver of our shareholder returns, and as such, our Board of Directors increased the quarterly dividend for the seventh consecutive year to \$0.68 per share, a 1.5% increase over 2025.

Before discussing our guidance for 2026, it is important to put our 2025 performance in context. 2025 reported results were meaningfully impacted by a very slow start to transaction activity in the first quarter, when we generated \$0.08 of diluted earnings per share, and again in the fourth quarter as a result of the loan repurchase and impairment losses. As we look ahead to 2026, a significant reduction in those charges, combined with a first-quarter pipeline that is over twice the level of the year-ago first quarter, creates a clear opportunity to step-up our earnings. We expect the market to grow again in 2026, at a similar rate to 2025, and for our Capital Markets platform to continue gaining share. We also

anticipate the interest rate environment to stabilize, with only minor reductions to short-term rates, which will support increased transaction volumes, and slow the declines in escrow related earnings. Importantly, our core business has demonstrated a solid and consistent run-rate over the last three quarters, and we expect that performance to continue into 2026. As a result, as shown on slide 11, our full year 2026 guidance is for diluted earnings per share of \$3.50 to \$4.00, adjusted EBITDA of \$300 million to \$325 million, and adjusted core earnings per share of \$4.50 to \$5.00.

We enter 2026 with momentum. Our outlook is supported by a strong balance sheet, improving transaction markets, and the durability of our recurring revenue streams. We feel extremely good about our positioning, capital flexibility, and ability to generate long-term value for shareholders.

Thank you for your time this morning. I will now turn the call back over to Willy.

**Willy Walker:** Thank you, Greg. I know it has been an extremely busy and challenging year-end close, and I'm extremely appreciative of all the time and effort you and your team have invested in making sure our results are transparent and exact.

As I said earlier, we begin 2026 with a very healthy pipeline and an improving macro-economic environment. And given W&D's significant volume growth in 2025, we have confidence that 2026 will generate both top and bottom-line results for our investors.

During my tenure as CEO of Walker & Dunlop, we have been fortunate to develop and execute on several bold, highly ambitious five-year business plans. We did not achieve The Drive to '25 due in large part to interest rate spikes and challenging market conditions from 2022 to 2025. Yet we begin 2026 with the Journey to '30, another bold plan that has everyone at Walker & Dunlop excited about where we are going and how we get there. As you can see on Slide 12, Walker & Dunlop competes with some of the world's largest and most successful real estate finance and services firms. We have plotted on this graph where we believe Walker & Dunlop and its competitive set sit with regard to real estate capital markets capabilities on the Y axis, and real estate services capabilities on the X axis. The Journey to '30 will drive W&D up the y axis, deeper into commercial real estate capital markets. We will add talent, diversify our service offerings, and invest in businesses to become the very best commercial real estate capital markets company in the world.

How do we get there? Let's first focus on our top line and where we see strength in 2026. Our Q1 2026 pipeline currently sits at \$15 billion, over two times our Q1 2025 production total and includes several

large portfolio transactions. There are several things happening in Q1 2026 that are quite distinct from last year. First, we are seeing owners refinance or transact on portfolios of scale. Second, in 2025, Fannie Mae and Freddie Mac were in the process of transitioning to a new Administration and had a slow start to the year. This year, they are both out of the gate quickly with a combined lending cap that was increased by over 20% to \$176 billion. which will make them the dominant provider of capital to the multifamily market in 2026. Finally, there is an abundance of capital looking to be lent and invested into commercial real estate from commercial banks, life insurance companies, and debt funds. Our Q1 pipeline includes a number of large transactions by our Institutional Advisory Practice led by Aaron Appel. This team completed the largest single building office-to-multifamily conversion loan ever done, ever, in Q4 of last year – an \$867 million financing for 111 Wall Street – and also just funded the largest land acquisition loan -- \$464 million – ever done in Miami. This team has the people, brand, and capital to continue growing W&D’s debt brokerage business across all commercial real estate asset classes in 2026 and beyond. The Journey to ’30 includes continued growth in brokered loan originations and Agency lending, adding talented bankers and brokers in the US and Europe, expanding our client base, and adding investment sales capabilities across commercial real estate asset classes to broaden our service offering to existing and new clients.

I mentioned earlier the growth and market presence of our multifamily investment sales team. They had a phenomenal 2025, and as you can see on Slide 13, by originating \$13.3 billion in property sales, they moved up in the league tables to #4 jumping over competitor firms Eastdil Secured, Berkadia, Marcus & Millichap, and Cushman. This type of growth and market presence is exciting and will drive top-line growth in both investment sales and financing. We are currently working on financing a large credit facility for one of our largest clients. When they called me to award us that financing, the first thing they said was, “We love your debt team, but we are awarding you this financing due to the incredible work done for us by your multifamily investment sales teams in Houston, Miami, and Boston.” We constantly talk at Walker & Dunlop about the “power of the platform” – the breadth of our offerings and making sure we are selling our entire suite of services – and as this client call demonstrates, it is generating deal flow and value to W&D. It is this collaboration across our capital markets team that we are focused on increasing globally as we expand our Capital Markets team and product offerings over the next five years.

W&D’s market insights, data analytics, and research differentiate us with clients every day. Zelman, our housing research business, continues to expand its reach and client base while providing W&D bankers

and brokers with extremely valuable market insights. Apprise, Walker & Dunlop's appraisal company, performed almost 4,000 appraisals in 2025, up 20% from the previous year. All Zelman research and Apprise valuations get pulled together by Walker & Dunlop's Market Intelligence team to make our bankers and brokers more informed and insightful to their customers. As AI makes data analysis and compilation faster and more insightful, we feel extremely well positioned to use our data and insights to add value to our clients and win more business. Our average financing transaction in 2025 was \$29 million, and our average sales transaction in 2025 was \$46 million. These are large, complex transactions that require human interaction and trust. Our data, insights, and people give our clients just that. Finally, with regard to market insights and research, the Walker Webcast continues to be the #1 commercial real estate webcast by a wide margin, being watched by an average 267,000 viewers each week so far in 2026. What started as simply a way to communicate directly with our customers at the advent of the pandemic has turned into an exceedingly valuable marketing channel. It is unique to W&D, and we will continue to invest in the Walker Webcast to inform our clients and drive our brand.

I just talked about top line growth and how 2026 is setting up to be a fantastic year for W&D. Now let me focus on margins. The following graph shows W&D's GSE loan origination volumes for the past five years. As this graph shows, while volumes came down dramatically as interest rates rose, we maintained or grew market share throughout that period. Now look at what happened to our capitalized mortgage servicing rights during that period of time. As you can see, MSRs fell dramatically more than loan origination volumes for two reasons – borrowers shifted from borrowing for ten years to borrowing for five years, and the average servicing fee fell dramatically due to higher rates and spread compression. And while Greg said earlier that our expectation is that MSR margins will remain flat between 2025 and 2026, we are beginning to see an opportunity to sell longer duration loans as spreads between five- and ten-year paper tighten, and increase servicing fees as rates and spreads stabilize. Longer duration loans and increased servicing fees will have a dramatic impact on our non-cash revenues and earnings when they materialize, and we are focused on achieving both over the coming quarters and years.

We are also focused on increasing the average transaction volume per banker/broker from \$248 million at the end of 2025 to \$300 million at the end of 2026. We achieve this several ways: First, we simply cover our existing and prospective clients better using technology, research, and bringing the weight of the Walker & Dunlop platform to every client engagement. That sounds obvious, but it is not easy. Second, I mentioned previously that 42% of the multifamily properties we sold in 2025 had Walker &

Dunlop finance the acquisition for the buyer – we can do better than that in 2026. Third, we are segmenting our sales teams by customer size to better cover existing and prospective clients. We now have teams focused on institutional, middle market, and private client customers and supplying them with research, technology and go-to-market support to meet the distinct needs of these three market segments. Penetrating each of these client segments better will drive increased sales productivity, economies of scale, and margin.

To enhance our service offering to W&D clients, we launched WD Suite in 2025, which allows our clients to manage every aspect of their relationship with Walker & Dunlop – from making loan payments to accessing loan documents to running loan analytics to valuing properties to researching investment opportunities --to not only get information and do analytics on their loans but also provide them with direct access to our financing, appraisal, research, and investment sales teams. WD Suite integrates the full weight of our commercial real estate services platform into one digital experience. And while our data and technology remove a ton of the friction around finding, acquiring, and financing an asset, we firmly believe that the people of Walker & Dunlop are what provide our clients with the ability to invest and transact, and we will continue investing our people, technology, and brand going forward.

Our \$144 billion servicing portfolio is a powerful cash generating engine and the second largest GSE servicing portfolio in the nation, generating fantastic returns today and significant embedded refinancing opportunity ahead. Importantly, over 50% of our Agency loan portfolio matures over the next five years. In 2025, we recaptured 34%, or \$3.4 billion of the \$10 billion of loans that either matured or paid off early. Holding that recapture rate steady at 34% will generate \$23 billion of loan origination volume over the next five years. But increasing that recapture rate to 50% - through enhanced engagement with WDSuite, delivering more of the platform to each client, and expanding the capital markets solutions tailored to each customer segment – will drive an incremental \$10 billion of financing activity on top of the \$23 billion. The strategy is straightforward: stay closer to our clients, better understand their evolving needs, and engage earlier in the decision process. If a client elects to refinance, we should win that deal as it sits in our portfolio today. If they choose to sell, we need to be ahead of that decision, valuing the asset and demonstrating our sales capabilities. And if they select us to sell the property, we are well positioned to provide financing for the new buyer. By integrating technology with the breadth of our capital markets platform, we should increase portfolio recapture, expand client relationships, and grow revenues over the coming years as our portfolio matures.

Greg spoke previously about our 2026 guidance and what we are focused on achieving this year. In two weeks, we will hold an investor day in New York to walk through the Journey to '30 in detail. We will show investors where we plan to invest and how we plan to grow earnings per share from \$3.50 to \$4 a share in 2026 to \$9 per share in 2030. We have the people, brand and technology to continue growing and generate these earnings. When I look at how the commercial real estate capital markets and WD have rebounded following past downturns, I get really excited. I get excited about the team we have built at W&D. I get excited about the brand we have built. I get excited about the technology we have created. And most importantly, I get overjoyed about the amazing clients who have put their trust and confidence in the people and platform of Walker & Dunlop.

We are entering the next cycle at W&D. And I am exceedingly excited about what it has in store for our clients, our team, and our investors. It is an honor to lead this great company, and I'm thankful for the trust and confidence our shareholders have placed in the W&D team.

Thank you for joining us this morning. I'd like to ask the operator to open the call for any questions.

Thank you.