

Conference Title: Q1 2026 Walker & Dunlop Inc Earnings

Date: Thursday, 7th May 2026

Operator: Good day, and welcome to the First Quarter 2026 Walker & Dunlop Earnings Call. Today's conference is being recorded. At this time, I would like to turn the conference over to Kelsey Duffey. Please go ahead.

Kelsey Duffey: Thank you, Lisa. Good morning, everyone. Thank you for joining Walker & Dunlop's first quarter 2026 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.walkerdunlop.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: Thank you Kelsey, and good morning everyone. We started 2026 with active commercial real estate capital markets across the industry, and Walker & Dunlop closed \$13.7 billion of total

transaction volume, up 94% from Q1'25 as shown on slide 3. That strong transaction activity, coupled with continued growth in our servicing portfolio, drove total revenues of \$301 million, up 27% year over year, and diluted earnings per share of \$0.46, up 475% over Q1'25. Adjusted EBITDA grew to \$74 million, up 14% year over year. Our Q1 2026 financial performance reflects Walker & Dunlop's teamwork, brand, and continued standing as one of the best commercial real estate capital markets firms in the industry.

Debt originations totaled \$11.8 billion, more than doubling year-over-year, as activity accelerated across nearly every part of our financing business. Agency lending volume was up 109% to \$5.2 billion, led by \$3.1 billion with Freddie Mac. Our strong quarter with Freddie included a \$1.7 billion refinancing of workforce housing assets for Starwood Capital- a deal that demonstrates our team's ability to execute on scaled, complex transactions. \$4.7 billion of originations for the GSEs increased our market share from 11.2% at the end of 2025 to 12.3% at the end of Q1 - a nice step-up.

Brokered debt volume totaled \$6.5 billion, up 155% year over year, reflecting our fantastic team and ability to place capital across commercial real estate asset classes with a multitude of capital providers. The debt capital markets are flush with capital and allowing owners who don't like pricing in the sales market to refinance. As slide 5 on Zelman Research's quarterly buy/sell/build sentiment index shows, only 6% of multifamily owners are currently sellers, with 64% buyers and 30% builders. This phenomenon is tempering investment sales volume, which was solid but only up 4% on the quarter to \$1.9 billion. We expect investment sales volumes to increase over the course of the year due to increased capital flows as well as values.

One important indicator of our growth and productivity is transaction volume per banker/broker. As you can see on slide 6, on a trailing twelve-month basis through Q1'26, our average production per banker/broker was \$282 million, up from \$248 million at the end of 2025. This increase reflects the pick-up in industry activity as well as the large portfolio transaction I mentioned previously.

As we continue to use technology and focus on increasing our teams' productivity, we expect that this metric will continue to improve to hit our goal of \$300 million of transaction volume per banker/broker by the end of 2026.

Loan repurchases and indemnification agreements with the GSEs have required a tremendous amount of time and effort from our servicing and asset management teams over the past two quarters. During the first quarter our total GSE loan repurchase exposure was lowered from \$222 million to \$192 million, which is welcome progress. Both Fannie Mae and Freddie Mac will be performing their annual reviews of Walker & Dunlop, and we are hopeful that those reviews, in conjunction with the conclusion of any loan-specific investigations, will be resolved later this year and allow us to move past these repurchase issues. We have strengthened our underwriting processes, enhanced our teamwork and protocols, and reinforced our culture of accountability to make us an even better lender going forward.

I will now turn the call over to Greg to talk through our financial performance and financial outlook in more detail. Greg.

Greg Florkowski: Thank you, Willy, and good morning. We delivered a strong start to 2026, with a meaningful year-over-year improvement across all key financial metrics, driven by a significant rebound in transaction activity. Total transaction volume grew 94% to \$13.7 billion, reflecting improving market conditions and continued strength across our platform. This translated into diluted earnings per share of \$0.46, up 475% from the prior year period, alongside a 14% increase in adjusted EBITDA and a 20% increase in adjusted core EPS. Our Capital Markets business is benefiting from improving market wide activity that is fueling the expansion of our Servicing and Asset Management business, which continues to generate consistent and durable cash flows.

Before I discuss our segment results, I'll briefly update you on our loan repurchase exposure. During the quarter, we repurchased one additional loan for approximately \$5 million, and also negotiated an indemnification agreement for a \$34 million portfolio of loans, without the requirement to repurchase the portfolio. As a result, our total repurchase exposure declined to \$192 million at quarter end. We recorded approximately \$10 million in expenses related to these assets in the quarter, split almost equally between credit reserves and operating costs. We have begun executing on our disposition plan and expect to have two assets under contract in the second quarter, with a goal of reducing our repurchase exposure to between \$100 million and \$125 million by the end of the year. Overall, we are making steady progress reducing this exposure and expect the portfolio to become less of a factor in our results in the coming quarters.

Turning to our segments and slide 7. Our Capital Markets segment delivered a strong start to the year, and was the primary driver of our financial performance this quarter. Transaction volumes increased 94%, and were led by growth in Freddie Mac, HUD and Brokered transactions, driving segment revenues up 58%, to \$162 million. Earnings growth for the segment was also strong, with net income of \$28 million, up \$26 million from the prior year, and adjusted EBITDA of \$3.9 million, up from a loss of \$13.3 million last year. As expected, personnel expense increased with transaction activity, however, the majority of that increase was driven by variable compensation and directly tied to production growth. Importantly, personnel expense declined to 68% of segment revenue, from 84% of revenue last year, demonstrating the operating leverage and economies of scale of the platform as volumes recover. As financing and acquisition activity continue to improve, we expect the Capital Markets segment to be a key driver of growth in 2026.

As shown on Slide 8, our Servicing and Asset Management, or SAM, segment continues to generate stable earnings and cash flow. The servicing portfolio grew to \$146 billion, and generated \$85 million of servicing fees, up 4% year over year, contributing to total segment revenues of \$138 million, up 5%. Despite the \$10 million of incremental provision and repurchase-related expenses this quarter, net income for the segment increased 12%, and adjusted EBITDA rose 3%, to \$112 million. The performance of this segment will be driven by two primary factors. First, as we execute our plan to sell repurchased loans, we expect to reduce the operating drag caused by this portfolio and further improve earnings and cash flow. Second, continued growth in our Capital Markets business will drive expansion of the servicing portfolio, increasing the long-term profitability of the segment. Taken together, this positions SAM to deliver consistent performance today, with a clear path to incremental earnings growth over time.

Turning to credit and slide 9, which highlights key metrics for our Fannie Mae at-risk portfolio. There are over 3,200 loans in the \$69 billion at-risk portfolio, and just 14 are in default at the end of the first quarter, unchanged from the end of 2025, and representing only 24 basis points of the portfolio. We will be collecting and analyzing full-year 2025 results for every property in the portfolio through the end of the month. Based on the financial data collected to date—which is nearly 80% of the portfolio—the weighted average debt service coverage ratio remains strong at over 2.0x, and only 1% of loans collected to date are below 1.0x. Credit fundamentals also remain sound, with an average underwritten LTV of 61% for the entire portfolio, and just 4% of loans above 75% LTV. We continue to actively monitor

the portfolio, and remain confident in the strength and stability of the underlying credit performance at this point in the cycle.

Our business continues to generate strong, steady cash flow, and we ended the quarter with \$193 million of cash on the balance sheet. During the quarter, we deployed \$13 million of capital to repurchase 283 thousand shares of stock, at a weighted-average price of \$47.13, leaving us with \$62 million of remaining capacity under our 2026 authorization. We see a healthy pipeline of strategic opportunities, and will balance investing in the growth of the business with returning capital through opportunistic repurchases. Our dividend remains a key component of shareholder returns, and yesterday, our Board approved a quarterly dividend of \$0.68 per share, consistent with last quarter, and payable to shareholders of record as of May 21st.

Turning to our annual guidance on slide 10. We established our outlook assuming a gradual stabilization in interest rates and a corresponding increase in Capital Markets activity over the course of the year. While geopolitical dynamics have introduced some uncertainty around inflation and the near-term path of interest rates, we have seen limited disruption to transaction activity, and the broader environment for commercial real estate remains constructive. We are entering the second quarter with a healthy pipeline, consistent with this time last year. Given our strong start to the year and visibility into our near-term pipeline, we remain confident in our ability to achieve our guidance and deliver on our expectations.

We're encouraged by the strong start to the year and the momentum we're seeing across both sides of the business. Capital Markets activity continues to improve, and our servicing platform remains a source of stable, growing cash flow. We're entering the second quarter with a healthy pipeline and good visibility into an active transactions market, and we remain confident in our ability to deliver on our full-year 2026 guidance.

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

Willy Walker: Thank you, Greg. As Greg just outlined, our business is delivering solid financial results as Walker & Dunlop's people, brand, and technology continue to differentiate us across the industry. I want to discuss today's market through the lens of signal versus noise - and, importantly, what that means for Walker & Dunlop as we look ahead.

If you start on slide 11, the market came into the year with a very constructive set of expectations: lower energy prices, deregulation, tax reform, and a pickup in M&A activity. That backdrop, if realized, would have supported a strong commercial real estate transaction market. But as slide 12 depicts, the markets have been volatile due to policy shifts, tariffs, and the Iran conflict. Unlike during many past conflicts, investors did not seek safety in Treasury bonds, and as a result, equity markets fell as bond yields increased.

Yet even with this volatility in the equity and debt markets, overall transaction volume in commercial real estate is normalizing. Multifamily sales volume today is only modestly below pre-COVID levels, as you can see on Slide 13. And as you can see on Slide 14, due to more capital being called than returned over the past decade -- the black line on this chart shows the five-year rolling average at negative \$240 billion -- investors are seeking capital return, which is forcing owners to sell. We expect this phenomenon will push transaction volume up, which drives both sales and financing activity at Walker & Dunlop.

As shown on Slide 15, commercial real estate lending volumes are projected to increase meaningfully over the next several years as the next investment cycle gains takes hold. We have confidence in this forward look for two primary reasons. First, industry volumes over the past three years have been significantly under trend, meaning there is a lot of pent-up financing and sales demand. Second, look at 2019 and 2020 financing volumes on this chart -- \$602 billion and \$614 billion, respectively. That volume of lending was predominantly ten-year loans, set to mature in 2029 and 2030. If you then look at 2024 and 2025, a ton of that lending was done with five-year terms. For Walker & Dunlop, 54% of our 2025 GSE lending was five-year term. As a result, 2029 and 2030 are setting up to be enormous financing years. At the same time, the near-term opportunity for Walker & Dunlop remains very attractive, as our clients are choosing shorter term loans to buy optionality to sell or refinance assets more quickly. This will likely accelerate the financing and sales cycle and increase transaction volume over the next one to three years.

Multifamily fundamentals are very strong if you look at affordability versus single family and the forward supply curve. As slide 16 shows, if you purchased a single-family home in 2019 when the median home in America cost \$275,000, you paid \$1,400 -- shown by the black line -- in principal and interest versus \$1,600 to rent the average apartment in America. If you could afford the down payment, owning was

cheaper than renting. But as you can see from the bar chart, the average home price skyrocketed, driving the black line through the blue line, representing home ownership becoming wildly more expensive than renting. That is a structural advantage to multifamily over single family today, and it will remain so until either home prices fall, interest rates fall, or multifamily rents rise significantly. Many Americans are also opting for single family rental as an attractive alternative to owning. From a monthly payment perspective, it is currently 20% more expensive to live in an owned single-family home than a single-family rental, making SFR an extremely important piece of the solution to the affordable housing crisis in the U.S. Our team is very focused on growing SFR financing volumes, and while we are in support of the ROAD to Housing Act, we have been working with other industry leaders to remove the 7-Year Provision sale that would severely diminish institutional investment in BFR assets. On the forward supply curve, as you can see, multifamily starts peaked in 2023, deliveries peaked in 2025, and we are headed towards significantly less supply over the coming years. This dynamic will drive improved fundamentals, increased transaction volumes, and deal flow for Walker & Dunlop.

We have a deep foundation and brand recognition in the multifamily market- a sector with significant tailwinds that I just described- but we have also diversified our capabilities to meet the expanding needs of our client base. The 155% increase in debt brokerage volume in Q1 is due to these investments and the strength of our team. And while W&D is known for multifamily, nearly 45% of our Q1 debt brokerage volume was on non-multifamily assets. Similarly, while we have tremendous partnerships and scale with the GSEs, in 2025, we worked with over 250 capital providers in originating \$22 billion of non-Agency debt financing. We will continue to invest in capital markets bankers, brokers, appraisers, researchers, and technology in both the US and Europe over the coming months and years to become the very best real estate capital markets firm in the world.

This is the mission of our newly announced 5-year strategic growth plan, the Journey to '30. From a financial perspective, the plan involves significantly growing total transaction volumes to generate \$2 billion of revenues by 2030. As we embark on this journey, we will continue to add the very best talent across geographies and across asset classes, expand our client base, invest in technology, and meet our clients' needs every single day while growing our top and bottom line for our shareholders.

We have a strong Q2 pipeline of deal flow and confidence in achieving our 2026 guidance. We are focused on delivering growth in 2026 and making progress towards our ambitious Journey to '30 goals, knowing that we have made the investments in people, brand, and technology to do so. Thank you for your time this morning. I will now ask the operator to open the line for questions.

Operator: Thank you. If you are dialed in via the telephone and would like to ask a question, please signal by pressing Star One on your telephone keypad. If you are using a speakerphone, please make sure your mute function is turned off to allow your signal to reach our equipment. And again, that is Star One to ask a question. We'll take our first question from Jade Rahmani with KBW.

Jade Rahmani: Thank you very much. Looks like a very strong quarter. I was wondering if you could give some color on the mix shift between ten-year and five-year deals. If you're seeing continued mix toward the five-year, and when you expect that potentially to inflect the other way, or maybe it already has begun to do so.

Willy Walker: Jade, good morning, and thanks for joining us. We and I personally watch that number quite closely. I will say this, we were actually, I think, seeing a trend back towards more ten-year money. And then we had the rates go up by about 50 basis points and the steepening of the yield curve. And I will say, since that movement, while as Greg and I both said, aggregate volumes have actually held in nicely, many borrowers have moved from longer-term to shorter-term just because of the pricing differential between five-year paper and ten-year paper.

It's my hope that when and if rates settle down, we get the reversion back to longer-term duration. But for right now, given that 50 basis point increase in the long bond, many people, just from an overall proceeds and rate standpoint, have opted for shorter maturity.

Jade Rahmani: Thank you for that. Secondly, can you just talk about the drivers of the strength in transaction volumes that you're seeing right now? How much of it is refinancing volume versus new acquisitions? And what would you say is driving the strength, as W&D posted leading industry growth?

Willy Walker: So, as we mentioned, Jade, investment sales activity Q1 to Q1 was pretty much flat, only
up

about 4% Whereas you saw debt volumes go up by over 100% in both GSE as well as non-GSE volumes. So it's very heavily on refinancing right now versus acquisitions. While I will say that at the same time, the investment sales pipeline is very strong. We have a very significant pipeline there as it relates to properties that we've done broker opinions of value on and have a lot of sellers waiting to go to market.

But I think that what we have seen, particularly in the last six to eight weeks since the Iran conflict began, is that the sales market has somewhat gone sideways, whereas people still need to transact because they've got a debt maturity coming up. And so, as you can imagine, we're giving them pricing on a sale versus a refinancing. And what we've seen is many people sit there and say, I don't like what the price is I'm seeing in the market today. I'm going to go a short-term refinancing to bridge through to a future sale, and therefore, they're going and putting the financing on.

And as I said in my prepared remarks, what that is going to do is give us, if you will, an increased volume in the shorter term. People aren't taking the asset, putting ten-year financing on it, and we won't see that for another nine years. It's going shorter term, which would say that they're trying to buy optionality to either put it back in the market to sell it, or they're going to be required to refinance it sometime in the next four to five years if they've gone with a five-year instrument? So we view that as a huge opportunity for us as well as our competitor firms, as it relates to increased cycle time in the industry.

Jade Rahmani: Thank you very much.

Operator: And once again, if you would like to ask a question, please signal by pressing Star One on your telephone keypad. We'll take our next question from Chris Muller, Citizens Capital Markets.

Chris Muller: Hey, guys. Thanks for taking the questions, and congrats to Kelsey. She's been great to work with over the years. So nice to see the repurchase loan exposure going down a little bit in the quarter. And if I'm reading correctly, it looks like you guys have reached indemnification agreements on all three portfolios now. So, I guess first off, is that correct? Am I reading that correctly? And then I guess on the broader situation, should we assume that no news is good news in regard to Freddie doing their own investigation? I think you guys said on your 4Q call that you expected them to be wrapped up with that in 90 days. So just any updates there would be very helpful.

Greg Florkowski: Chris, great to hear your voice on the call. Good to have you. So yes, you're all reading that correctly. The \$134 million of loans that we were working through on our last call, we've now reached either a repurchase and indemnification or just an indemnification agreement on. So that's behind us.

And then with respect to the review with Freddie, as Willy said in his remarks, we're working with them closely on that. We're sending them what they need from us in order to complete that review. And as much as we hope, it'll be done in the near-term, maybe in the next couple quarters. We don't control that timing, but we certainly think it will be wrapped up here in the near future.

Chris Muller: Got it. Very helpful. And then I guess it's nice to see the pickup in HUD originations in the quarter. And it looks like that was the highest origination volume since 4Q '21 for that business. Is there anything driving that strength from a government policy standpoint? And should we expect that business to continue above 2025 levels?

Willy Walker: So Chris, first of all, good catch because we didn't mention that. And you just went and did your own homework on that. The HUD pipeline is strong. And I think it is reflective of Secretary Turner and the team at HUD and what they've done to increase processing times and streamline that business and making that business more competitive. So, I think you're spot on it that that's a very attractive financing option today for many of our customers. And we have a very solid HUD pipeline for 2026. So feeling quite good about that.

And as you well know, those loans carry very long maturities and very healthy mortgage servicing rights. And so, as we see an uptick in volumes there on HUD, while not a large part of our business from a volume standpoint, those MSRs are long-term and therefore quite significant from financial standpoint.

Chris Muller: Got it. It's great to hear, and thanks again for taking the questions.

Willy Walker: Thank you. And thank you for your comment about Kelsey.

Operator: And we'll move to our next question from Kyle Joseph with Stephens.

Kyle Joseph: Hey. Good morning, guys. Congrats on a strong start to the year. Thanks for taking my questions. And yeah, Kelsey, we'll miss you. Just wanted to touch base, first on, Greg, you overlaid your plan for improving the profitability of the SAM segment. Can you walk us through a few more details there, and more specifically, how you're envisioning the timeline for that?

Greg Florkowski: Sure. Great to have you back, Kyle. It's an early morning for you. I appreciate you joining. So look, I think first what we've talked about now for the last couple quarters is just our focus on reducing the portfolio of repurchase loans that has been a \$3 to \$5 million quarterly operating drag for us. And we have a couple of deals in the market right now. Hoping to get those either sold or right around the end of Q2 or shortly thereafter. And we're still evaluating the remaining part of the portfolio and think that by the end of the year, we should get the overall portfolio reduced by about half to \$100 million to \$125million, which would be really nice progress.

And then look, most importantly, we've got the capital markets business that is delivering top-end market share right now. And that just feeds the servicing portfolio. The portfolio is going to continue to grow. We don't have a lot of near-term maturity risk or maturity pressure over the next two years. And as long as our team is delivering on the capital markets side, that's going to feed that portfolio and feed the growth of our servicing revenues and related fees. So I think that has a real clear near-term growth path, and that segment overall is just going to continue to generate the cash we need to grow this business.

Kyle Joseph: That's really helpful. That's it for me. As always, appreciate your perspective on macro. Thanks, Willy. Thanks, Greg.

Willy Walker: Thanks, Kyle.

Operator: It appears there are no further questions at this time. I'd like to turn the conference back to Willy Walker for any additional or closing remarks.

Willy Walker: I want to thank everyone for joining us today. One final thanks to Kelsey for all she's done at W&D. Enjoy the time with the kids. And thanks everyone for joining us. I hope you have a great day.

Operator: And this concludes today's call. Thank you for your participation. You may now disconnect.