

Reconciliations and Disclosures

Distributable Earnings and Fee Related Earnings

Distributable Earnings, or "DE," is a key performance benchmark used in our industry and is evaluated regularly by the chief operating decision maker ("CODM"), which is our Chief Executive Officer, in making resource deployment and compensation decisions and in assessing performance of our three reportable segments. The CODM also uses DE and its components in budgeting, forecasting, and the overall management of our segments. The CODM believes that reporting DE is helpful to understanding our business and that investors should review the same supplemental financial measure that the CODM uses to analyze our segment performance. DE is intended to show the amount of net realized earnings without the effects of the consolidation of the Consolidated Funds. DE is derived from our segment reported results and is used to assess performance. Fee Related Earnings, or "FRE," is a component of DE and is used to assess the ability of the business to cover base compensation and operating expenses from total fee revenues.

The following tables reconcile the Total Segments to our Income (Loss) Before Provision for Income Taxes for the years ended December 31, 2025, 2024 and 2023:

(in millions)	Year Ended December 31, 2025				
	Total Reportable Segments	Consolidated Funds	Reconciling Items		Carlyle Consolidated
Revenues	\$ 3,901.5	\$ 635.3	\$ 243.0	(a)	\$ 4,779.8
Expenses	\$ 2,210.3	\$ 678.4	\$ 849.8	(b)	\$ 3,738.5
Other income (loss)	\$ —	\$ 117.9	\$ —	(c)	\$ 117.9
Distributable earnings	\$ 1,691.2	\$ 74.8	\$ (606.8)	(d)	\$ 1,159.2

(in millions)	Year Ended December 31, 2024				
	Total Reportable Segments	Consolidated Funds	Reconciling Items		Carlyle Consolidated
Revenues	\$ 3,655.4	\$ 631.6	\$ 1,138.8	(a)	\$ 5,425.8
Expenses	\$ 2,129.9	\$ 610.3	\$ 1,315.9	(b)	\$ 4,056.1
Other income (loss)	\$ —	\$ 24.0	\$ —	(c)	\$ 24.0
Distributable earnings	\$ 1,525.5	\$ 45.3	\$ (177.1)	(d)	\$ 1,393.7

(in millions)	Year Ended December 31, 2023				
	Total Reportable Segments	Consolidated Funds	Reconciling Items		Carlyle Consolidated
Revenues	\$ 3,405.1	\$ 570.1	\$ (1,011.3)	(a)	\$ 2,963.9
Expenses	\$ 1,974.6	\$ 460.3	\$ 1,136.8	(b)	\$ 3,571.7
Other income (loss)	\$ —	\$ 6.9	\$ —	(c)	\$ 6.9
Distributable earnings	\$ 1,430.5	\$ 116.7	\$ (2,148.1)	(d)	\$ (600.9)

(a) The Revenues adjustment principally represents unrealized performance revenues, unrealized principal investment income (loss) (including Fortitude), revenues earned from the Consolidated Funds which were eliminated in consolidation to arrive at the Company's total revenues, adjustments for amounts attributable to non-controlling interests in consolidated entities, adjustments related to expenses associated with the investments in NGP Management and its affiliates that are included in operating captions or are excluded from the segment results, and adjustments to reflect the reimbursement of certain costs incurred on behalf of Carlyle funds on a net basis, as detailed below:

(in millions)	Year Ended December 31,		
	2025	2024	2023
Unrealized performance and fee related performance revenues	\$ 121.5	\$ 1,031.9	\$ (1,046.6)
Unrealized principal investment income (loss)	(19.4)	34.1	36.1
Principal investment loss from dilution of indirect investment in Fortitude	—	—	(104.0)
Adjustments related to expenses associated with investments in NGP Management and its affiliates	(130.3)	(13.1)	(13.8)
Non-controlling interests and other adjustments to present certain costs on a net basis	290.4	167.9	191.6
Elimination of revenues of Consolidated Funds	(19.2)	(82.0)	(74.6)
Total	\$ 243.0	\$ 1,138.8	\$ (1,011.3)

The following table reconciles the total segments fund level fee revenue to the most directly comparable U.S. GAAP measure, the Company's consolidated fund management fees, for the years ended December 31, 2025, 2024 and 2023:

(in millions)	Year Ended December 31,		
	2025	2024	2023
Total Reportable Segments - Fund level fee revenues	\$ 2,642.7	\$ 2,403.8	\$ 2,305.8
Adjustments ⁽¹⁾	(246.1)	(215.7)	(262.6)
Carlyle Consolidated - Fund management fees	\$ 2,396.6	\$ 2,188.1	\$ 2,043.2

(1) Adjustments represent the reclassification of NGP management fees from principal investment income, the reclassification of fee related performance revenues from certain products, management fees earned from Consolidated Funds which were eliminated in consolidation to arrive at the Company's fund management fees, and the reclassification of certain amounts included in portfolio advisory fees, net and other in the segment results that are included in interest and other income in the U.S. GAAP results.

Reconciliations and Disclosures (cont'd)

(b) The Expenses adjustment represents the elimination of intercompany expenses of the Consolidated Funds payable to the Company, the inclusion of equity-based compensation, certain tax expenses associated with realized performance revenues related compensation, unrealized performance revenues related compensation, adjustments related to expenses associated with the investment in NGP Management that are included in operating captions, adjustments to reflect the reimbursement of certain costs incurred on behalf of Carlyle funds on a net basis, changes in the tax receivable agreement liability, and charges and credits associated with Carlyle corporate actions and non-recurring items, as detailed below:

(in millions)	Year Ended December 31,		
	2025	2024	2023
Unrealized performance and fee related performance revenue compensation expense	\$ 99.0	\$ 635.2	\$ 612.6
Equity-based compensation	376.6	476.5	260.1
Acquisition or disposition-related charges and amortization of intangibles and impairment	262.4	136.6	145.3
Tax (expense) benefit associated with certain foreign performance revenues related compensation	(0.5)	(1.0)	(1.0)
Non-controlling interests and other adjustments to present certain costs on a net basis	133.9	92.8	148.7
Other adjustments	32.6	21.2	11.6
Elimination of expenses of Consolidated Funds	(54.2)	(45.4)	(40.5)
Total	\$ 849.8	\$ 1,315.9	\$ 1,136.8

(c) The Other Income (Loss) adjustment results from the Consolidated Funds that were eliminated in consolidation to arrive at the Company's total Other Income (Loss).

(d) The following table is a reconciliation of Income (Loss) Before Provision for Income Taxes to Distributable Earnings and to Fee Related Earnings:

(in millions, except per share amounts)	Year Ended December 31,		
	2025	2024	2023
Income (loss) before provision for income taxes	\$ 1,159.2	\$ 1,393.7	\$ (600.9)
Adjustments:			
Net unrealized performance and fee related performance revenues	(22.5)	(396.7)	1,659.2
Unrealized principal investment (income) loss	19.4	(34.1)	(36.1)
Principal investment loss from dilution of indirect investment in Fortitude	—	—	104.0
Equity-based compensation ⁽¹⁾	376.6	476.5	260.1
Acquisition or disposition-related charges, including amortization of intangibles and impairment	262.4	136.6	145.3
Net income attributable to non-controlling interests in consolidated entities	(136.0)	(70.7)	(111.7)
Tax (expense) benefit associated with certain foreign performance revenues	(0.5)	(1.0)	(1.0)
Other adjustments ⁽²⁾	32.6	21.2	11.6
Distributable Earnings	\$ 1,691.2	\$ 1,525.5	\$ 1,430.5
Realized performance revenues, net of related compensation ⁽³⁾	357.3	366.1	531.0
Realized principal investment income ⁽³⁾	151.8	101.0	88.8
Net interest	54.1	46.2	48.7
Fee Related Earnings	\$ 1,236.2	\$ 1,104.6	\$ 859.4
Distributable Earnings	\$ 1,691.2	\$ 1,525.5	\$ 1,430.5
Less: Estimated current corporate, foreign, state and local taxes ⁽⁴⁾	235.7	210.3	255.4
Distributable Earnings, net	\$ 1,455.5	\$ 1,315.2	\$ 1,175.1
Distributable Earnings, net per common share outstanding ⁽⁵⁾	\$ 4.02	\$ 3.66	\$ 3.24
FRE margin ⁽⁶⁾	47%	46%	37%
Margin on income before provision for income taxes ⁽⁷⁾	24%	26%	(20)%

Reconciliations and Disclosures (cont'd)

- (1) Equity-based compensation includes amounts that are presented in principal investment income and general, administrative and other expenses in our consolidated statements of operations.
- (2) Includes charges (credits) related to Carlyle corporate actions and non-recurring items that affect period-to-period comparability and are not reflective of the Company's operating performance.
- (3) Refer to "Realized Net Performance Revenues and Realized Principal Investment Income" below for the reconciliations to the most directly comparable U.S. GAAP measures.
- (4) Estimated current corporate, foreign, state and local taxes represents the total U.S. GAAP Provision (benefit) for income taxes adjusted to include only the current tax provision (benefit) applied to Net income (loss) attributable to The Carlyle Group Inc. This adjustment, used to calculate Distributable Earnings, Net attributable to common stockholders, reflects the benefit of deductions available to the Company on certain expense items that are excluded from the underlying calculation of Distributable Earnings, such as equity-based compensation expense, amortization of acquired intangible assets, and charges (credits) related to corporate actions and non-recurring items. Management believes that using the estimated current tax provision (benefit) in this manner more accurately reflects earnings that are available to be distributed to common stockholders.
- (5) Distributable Earnings, net per common share outstanding is calculated by dividing Distributable Earnings, net for each quarter by the number of common shares outstanding at each quarter end. For the purposes of this calculation, common shares that were issued in the following quarter in connection with the vesting of restricted stock units as well as shares issued pursuant to a program under which, at our discretion, up to 20% of realized performance allocation related compensation over a threshold amount may be distributed in fully vested, newly issued shares, were added to the common shares outstanding, as they participate in the dividend paid on common shares in the following quarter.
- (6) FRE margin is calculated as Fee Related Earnings divided by Total Segment Fee Revenues.
- (7) Margin on income (loss) before provision for income taxes is the most directly comparable U.S. GAAP measure to FRE margin, and is equal to Income (loss) before provision for taxes divided by Total revenues.

Realized Net Performance Revenues and Realized Principal Investment Income

Below is a reconciliation to the most directly comparable U.S. GAAP measures:

(in millions)	Year Ended December 31, 2025		
	Carlyle Consolidated	Adjustments ⁽¹⁾	Total Reportable Segments
Performance revenues	\$ 1,222.5	\$ (185.1)	\$ 1,037.4
Performance revenues related compensation expense	936.3	(256.2)	680.1
Net performance revenues	\$ 286.2	\$ 71.1	\$ 357.3
Principal investment income (loss)	\$ 119.2	\$ 32.6	\$ 151.8

(in millions)	Year Ended December 31, 2024		
	Carlyle Consolidated	Adjustments ⁽¹⁾	Total Reportable Segments
Performance revenues	\$ 2,015.7	\$ (939.8)	\$ 1,075.9
Performance revenues related compensation expense	1,361.5	(651.7)	709.8
Net performance revenues	\$ 654.2	\$ (288.1)	\$ 366.1
Principal investment income (loss)	\$ 238.7	\$ (137.7)	\$ 101.0

(in millions)	Year Ended December 31, 2023		
	Carlyle Consolidated	Adjustments ⁽¹⁾	Total Reportable Segments
Performance revenues	\$ (88.6)	\$ 1,026.9	\$ 938.3
Performance revenues related compensation expense	1,103.7	(696.4)	407.3
Net performance revenues	\$ (1,192.3)	\$ 1,723.3	\$ 531.0
Principal investment income (loss)	\$ 133.4	\$ (44.6)	\$ 88.8

(1) Adjustments to performance revenues and principal investment income (loss) relate to (i) unrealized performance allocations net of related compensation expense and unrealized principal investment income, which are excluded from the segment results, (ii) amounts earned from the Consolidated Funds, which are eliminated in the U.S. GAAP consolidation but are included in the segment results, (iii) amounts attributable to non-controlling interests in consolidated entities, which are excluded from the segment results, (iv) the reclassification of NGP performance revenues, which are included in principal investment income in the U.S. GAAP financial statements, (v) the reclassification of fee related performance revenues, which are included in fund level fee revenues in the segment results, and (vi) the reclassification of tax expenses associated with certain foreign performance revenues. Adjustments to principal investment income (loss) also include the reclassification of earnings for the investments in NGP Management and its affiliates to the appropriate operating captions for the segment results, the exclusion of charges associated with the investment in NGP Management and its affiliates from the segment results, and the exclusion of the principal investment loss from dilution of the indirect investment in Fortitude.

Reconciliations and Disclosures (cont'd)

Net Accrued Performance Revenues

Accrued performance allocations, net of accrued giveback obligations is the U.S. GAAP measure most comparable to Net accrued performance revenues. The following is a reconciliation:

(in millions)	As of December 31,		
	2025	2024	2023
Accrued performance allocations, net of accrued giveback obligations ⁽¹⁾	\$ 7,547.5	\$ 7,009.5	\$ 6,125.9
Plus: Accrued performance allocations from NGP Carry Funds ⁽²⁾	326.2	489.4	484.4
Less: Net accrued performance allocations presented as fee related performance revenues	—	—	(5.2)
Less: Accrued performance allocation-related compensation	(5,064.7)	(4,788.5)	(4,235.5)
Plus: Receivable for giveback obligations from current and former employees	24.2	11.5	11.5
Less: Deferred taxes on certain foreign accrued performance allocations	(16.0)	(19.0)	(27.1)
Less/Plus: Net accrued performance allocations/giveback obligations attributable to non-controlling interests in consolidated entities	(0.6)	0.2	7.4
Plus: Net accrued performance allocations attributable to Consolidated Funds, eliminated in consolidation	19.6	10.1	9.1
Net accrued performance revenues before timing differences	2,836.2	2,713.2	2,370.5
Less/Plus: Timing differences between the period when accrued performance allocations/giveback obligations are realized and the period they are collected/distributed	23.1	24.7	8.3
Net accrued performance revenues attributable to The Carlyle Group Inc.	\$ 2,859.3	\$ 2,737.9	\$ 2,378.8

(1) Accrued incentive fees are excluded from net accrued performance revenues.

(2) Accrued performance allocations from NGP funds are presented as principal equity method investments in the consolidated balance sheets.

Total Investments Attributable to The Carlyle Group Inc.

Investments, excluding performance allocations, is the U.S. GAAP measure most comparable to Total investments attributable to The Carlyle Group Inc., net of CLO loans and other borrowings. The following is a reconciliation:

(in millions)	As of December 31,		
	2025	2024	2023
Investments, excluding performance allocations	\$ 3,532.4	\$ 3,883.2	\$ 3,785.4
Less: Amounts attributable to non-controlling interests in consolidated entities	(388.3)	(309.6)	(173.9)
Plus: Investments in Consolidated Funds, eliminated in consolidation	1,047.3	377.3	140.1
Less: Strategic equity method investments in NGP Management ⁽¹⁾	(247.4)	(369.2)	(370.3)
Less: Investment in NGP general partners-accrued performance allocations	(326.2)	(489.4)	(484.4)
Total investments attribution to The Carlyle Group Inc.	3,617.8	3,092.3	2,896.9
Less: CLO loans and other borrowings collateralized by investments attributable to The Carlyle Group Inc.	(330.7)	(271.6)	(408.8)
Total investments attributable to The Carlyle Group Inc., net of CLO loans and other borrowings	\$ 3,287.1	\$ 2,820.7	\$ 2,488.1

(1) We have equity interests in NGP Management Company, L.L.C. ("NGP Management"), the general partners of certain carry funds advised by NGP, and principal investments in certain NGP funds. These equity interests are accounted for as investments under equity method accounting. Total investments attributable to The Carlyle Group Inc. excludes the strategic equity method investments in NGP Management and investments in the general partners of certain NGP carry funds.