UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM TO

Commission File Number: 001-39558

PERELLA WEINBERG PARTNERS
(Exact Name of Registrant as Specified in its Charter)

Delaware	**84-1770732**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
767 Fifth Avenue New York, NY	**10153**
(Address of principal executive offices)	**(Zip Code)**

Registrant’s telephone number, including area code: (212) 287-3200

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.0001 per share	PWP	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	o	Accelerated filer	x
Non-accelerated filer	o	Smaller reporting company	x
		Emerging growth company	x

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

As of November 2, 2023, the registrant had 43,268,614 shares of Class A common stock, par value $0.0001 per share, and 42,880,015 shares of Class B common stock, par value $0.0001 per share, outstanding.

Perella Weinberg Partners
Table of Contents

On June 24, 2021 (the “Closing Date” or the “Closing”), Perella Weinberg Partners consummated a business combination pursuant to that certain Business Combination Agreement, dated as of December 29, 2020 (the “Business Combination Agreement”). As contemplated by the Business Combination Agreement, (i) Perella Weinberg Partners acquired certain partnership interests in PWP Holdings LP (“PWP OpCo”), (ii) PWP OpCo became jointly-owned by Perella Weinberg Partners, PWP Professional Partners LP (“Professional Partners”) and certain existing partners of PWP OpCo, and (iii) PWP OpCo serves as Perella Weinberg Partners’ operating partnership as part of an umbrella limited partnership C-corporation (Up-C) structure (collectively with the other transactions contemplated by the Business Combination Agreement, the “Business Combination”). Unless the context otherwise requires, all references to “PWP,” the “Company,” “we,” “us” or “our” refer to Perella Weinberg Partners and its consolidated subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made in this Quarterly Report on Form 10-Q are “forward-looking statements” within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Statements regarding the expectations regarding the combined business are “forward-looking statements.” In addition, words such as “estimates,” “projected,” “expects,” “estimated,” “anticipates,” “forecasts,” “plans,” “intends,” “believes,” “seeks,” “may,” “will,” “would,” “future,” “propose,” “target,” “goal,” “objective,” “outlook” and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the control of the parties, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements.

Important factors, among others, that may affect actual results or outcomes include (but are not limited to): global economic, business, and market conditions; the Company’s dependence on and ability to retain key employees; the Company’s ability to successfully identify, recruit and develop talent; conditions impacting the corporate advisory industry; the Company’s dependence on its fee-paying clients and fluctuating revenues from its non-exclusive, engagement-by-engagement business model; the high volatility of the Company’s revenue as a result of its reliance on advisory fees that are largely contingent on the completion of events which may be out of its control; the Company’s ability to appropriately manage conflicts of interest and tax and other regulatory factors relevant to the Company’s business, including actual, potential or perceived conflicts of interest and other factors that may damage its business and reputation; the Company’s successful formulation and execution of its business and growth strategies; substantial litigation risks in the financial services industry; cybersecurity and other operational risks; assumptions relating to the Company’s operations, financial results, financial condition, business prospects, growth strategy and liquidity; extensive regulation of the corporate advisory industry and U.S. and foreign regulatory developments relating to, among other things, financial institutions and markets, government oversight, fiscal and tax policy and laws (including the treatment of carried interest); other risks and uncertainties described under the section entitled “Risk Factors” included in our Annual Report on Form 10-K.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are based on current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that future developments affecting the Company will be those that the Company has anticipated. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Website Disclosure

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”). The SEC maintains an internet site where reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC are available. Our SEC filings are available to the public over the Internet at the SEC’s website at www.sec.gov and on our website at https://investors.pwpartners.com/ free of charge as soon as reasonably practicable after such reports are electronically filed with or furnished to the SEC. Our website is https://pwpartners.com/. Although we refer to our website in this report, the contents of our website are not included or incorporated by reference into this report. All references to our website in this report are intended to be inactive textual references only.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Perella Weinberg Partners
Condensed Consolidated Statements of Financial Condition
(Unaudited)
(Dollars in Thousands, Except Per Share Amounts)

	September 30, 2023	December 31, 2022
Assets		
Cash and cash equivalents	$ 126,573	$ 171,570
Restricted cash	2,628	2,596
Investments in short-term marketable debt securities	70,008	140,110
Accounts receivable, net of allowance	68,884	67,906
Due from related parties	3,524	3,362
Fixed assets, net of accumulated depreciation and amortization	82,433	48,390
Intangible assets, net of accumulated amortization	20,837	25,772
Goodwill	34,383	34,383
Prepaid expenses and other assets	39,505	36,190
Right-of-use lease assets	144,031	153,720
Deferred tax assets, net	41,365	33,094
Total assets	$ 634,171	$ 717,093
Liabilities and Equity		
Accrued compensation and benefits	$ 119,071	$ 217,011
Accounts payable, accrued expenses and other liabilities	44,762	46,336
Deferred revenue	1,419	5,014
Lease liabilities	175,301	165,601
Amount due pursuant to tax receivable agreement	28,806	22,991
Total liabilities	369,359	456,953
Commitments and Contingencies (Note 17)		
Class A common stock, par value $0.0001 per share (1,500,000,000 shares authorized, 55,980,547 issued and 43,257,849 outstanding at September 30, 2023; 1,500,000,000 shares authorized, 52,237,247 issued and 41,744,961 outstanding at December 31, 2022)	6	5
Class B common stock, par value $0.0001 per share (600,000,000 shares authorized, 42,880,015 issued and outstanding at September 30, 2023; 600,000,000 shares authorized, 44,563,877 issued and outstanding at December 31, 2022)	4	4
Preferred stock, par value $0.0001 per share (100,000,000 shares authorized, no shares issued and outstanding at September 30, 2023 and December 31, 2022)	—	—
Additional paid-in-capital	290,755	242,129
Retained earnings (accumulated deficit)	(39,508)	(18,071)
Accumulated other comprehensive income (loss)	(6,205)	(6,538)
Treasury stock, at cost (12,722,698 and 10,492,286 shares of Class A common stock at September 30, 2023 and December 31, 2022, respectively)	(100,800)	(80,067)
Total Perella Weinberg Partners equity	144,252	137,462
Non-controlling interests	120,560	122,678
Total equity	264,812	260,140
Total liabilities and equity	$ 634,171	$ 717,093

The accompanying notes are an integral part of these condensed consolidated financial statements (unaudited)

Perella Weinberg Partners
Condensed Consolidated Statements of Operations
(Unaudited)
(Dollars in Thousands, Except Per Share Amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Revenues	$ 139,003	$ 145,379	$ 435,974	$ 448,359
Expenses				
Compensation and benefits	84,872	86,260	261,051	264,092
Equity-based compensation	42,892	36,999	132,775	114,316
Total compensation and benefits	127,764	123,259	393,826	378,408
Professional fees	10,256	8,180	26,546	25,902
Technology and infrastructure	8,045	7,337	25,850	22,414
Rent and occupancy	6,766	6,404	20,858	17,511
Travel and related expenses	4,134	2,912	13,634	8,847
General, administrative and other expenses	5,036	3,648	16,226	15,414
Depreciation and amortization	3,694	2,457	10,168	8,053
Total expenses	165,695	154,197	507,108	476,549
Operating income (loss)	(26,692)	(8,818)	(71,134)	(28,190)
Non-operating income (expenses)				
Related party income	221	740	770	2,248
Other income (expense)	2,542	6,083	1,488	11,702
Change in fair value of warrant liabilities	—	(6,294)	—	15,806
Total non-operating income (expenses)	2,763	529	2,258	29,756
Income (loss) before income taxes	(23,929)	(8,289)	(68,876)	1,566
Income tax expense (benefit)	(191)	4,570	552	10,707
Net income (loss)	(23,738)	(12,859)	(69,428)	(9,141)
Less: Net income (loss) attributable to non-controlling interests	(21,689)	(13,999)	(62,615)	(28,440)
Net income (loss) attributable to Perella Weinberg Partners	$ (2,049)	$ 1,140	$ (6,813)	$ 19,299
Net income (loss) per share attributable to Class A common shareholders				
Basic	$ (0.05)	$ 0.03	$ (0.16)	$ 0.44
Diluted	$ (0.27)	$ (0.19)	$ (0.84)	$ (0.19)
Weighted-average shares of Class A common stock outstanding				
Basic	43,123,465	42,263,427	42,731,252	44,241,794
Diluted	86,647,697	87,745,776	86,593,581	90,535,232

The accompanying notes are an integral part of these condensed consolidated financial statements (unaudited)

Perella Weinberg Partners
Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)
(Dollars in Thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Net income (loss)	$ (23,738)	$ (12,859)	$ (69,428)	$ (9,141)
Foreign currency translation gain (loss), net of tax	(2,761)	(6,129)	722	(13,408)
Comprehensive income (loss)	(26,499)	(18,988)	(68,706)	(22,549)
Less: Comprehensive income (loss) attributable to non-controlling interests	(23,067)	(17,169)	(62,226)	(35,300)
Comprehensive income (loss) attributable to Perella Weinberg Partners	$ (3,432)	$ (1,819)	$ (6,480)	$ 12,751

The accompanying notes are an integral part of these condensed consolidated financial statements (unaudited)

Perella Weinberg Partners
Condensed Consolidated Statements of Changes in Equity
(Unaudited)
(Dollars in Thousands, Except Per Share Amounts)

	Shares										
	Class A Common Stock	Class B Common Stock	Treasury Stock	Class A Common Stock	Class B Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interests	Total Equity
Balance at December 31, 2022	52,237,247	44,563,877	(10,492,286)	$ 5	$ 4	$ (80,067)	$ 242,129	$ (18,071)	$ (6,538)	$ 122,678	$ 260,140
Net income (loss)	—	—	—	—	—	—	—	(5,123)	—	(22,297)	(27,420)
Equity-based awards	—	—	—	—	—	—	27,932	—	—	20,334	48,266
Distributions to partners	—	—	—	—	—	—	—	—	—	(3,119)	(3,119)
Issuance of Class A common stock for vested PWP Incentive Plan Awards	1,250,162	—	99,057	—	—	1,189	(1,189)	—	—	—	—
Withholding payments on vested PWP Incentive Plan Awards	—	—	—	—	—	—	(11,356)	—	—	—	(11,356)
Dividends declared ($0.07 per share of Class A common stock)	—	—	—	—	—	—	169	(4,925)	—	—	(4,756)
Foreign currency translation gain (loss)	—	—	—	—	—	—	—	—	786	799	1,585
Other	—	—	—	—	—	—	(14)	—	—	(17)	(31)
Exchange of PWP OpCo Units and corresponding Class B common stock for Class A common stock (Note 9—Stockholders' Equity)	786,644	(785,862)	—	—	—	—	457	—	—	—	457
Treasury stock purchase	—	—	(1,457,304)	—	—	(14,754)	—	—	—	—	(14,754)
Change in ownership interests	—	—	—	—	—	—	2,678	—	—	(2,678)	—
Balance at March 31, 2023	54,274,053	43,778,015	(11,850,533)	$ 5	$ 4	$ (93,632)	$ 260,806	$ (28,119)	$ (5,752)	$ 115,700	$ 249,012
Net income (loss)	—	—	—	—	—	—	—	359	—	(18,629)	(18,270)
Equity-based awards	—	—	—	—	—	—	24,173	—	—	18,407	42,580
Distributions to partners	—	—	—	—	—	—	—	—	—	(5,692)	(5,692)
Issuance of Class A common stock for vested PWP Incentive Plan Awards	97,163	—	24,386	—	—	293	(189)	(98)	—	—	6
Withholding payments on vested PWP Incentive Plan Awards	—	—	—	—	—	—	(453)	—	—	—	(453)
Dividends declared ($0.07 per share of Class A common stock)	—	—	—	—	—	—	156	(4,758)	—	—	(4,602)
Foreign currency translation gain (loss)	—	—	—	—	—	—	—	—	930	968	1,898
Other	—	—	—	—	—	—	747	—	—	777	1,524
Treasury stock purchase	—	—	(919,379)	—	—	(7,735)	—	—	—	—	(7,735)
Change in ownership interests	—	—	—	—	—	—	(5,923)	—	—	5,923	—
Balance at June 30, 2023	54,371,216	43,778,015	(12,745,526)	$ 5	$ 4	$ (101,074)	$ 279,317	$ (32,616)	$ (4,822)	$ 117,454	$ 258,268
Net income (loss)	—	—	—	—	—	—	—	(2,049)	—	(21,689)	(23,738)
Equity-based awards	—	—	—	—	—	—	25,622	—	—	17,820	43,442
Distributions to partners	—	—	—	—	—	—	—	—	—	(2,413)	(2,413)
Issuance of Class A common stock for vested PWP Incentive Plan Awards	710,433	—	22,828	1	—	274	(279)	—	—	—	(4)
Withholding payments on vested PWP Incentive Plan Awards	—	—	—	—	—	—	(3,900)	—	—	—	(3,900)
Dividends declared ($0.07 per share of Class A common stock)	—	—	—	—	—	—	125	(4,843)	—	—	(4,718)
Foreign currency translation gain (loss)	—	—	—	—	—	—	—	—	(1,383)	(1,378)	(2,761)
Other	—	—	—	—	—	—	(6)	—	—	(11)	(17)
Exchange of PWP OpCo Units and corresponding Class B common stock for Class A common stock (Note 9—Stockholders' Equity)	898,898	(898,000)	—	—	—	—	653	—	—	—	653
Change in ownership interests	—	—	—	—	—	—	(10,777)	—	—	10,777	—
Balance at September 30, 2023	55,980,547	42,880,015	(12,722,698)	$ 6	$ 4	$ (100,800)	$ 290,755	$ (39,508)	$ (6,205)	$ 120,560	$ 264,812

The accompanying notes are an integral part of these condensed consolidated financial statements (unaudited)

Perella Weinberg Partners
Condensed Consolidated Statements of Changes in Equity
(Unaudited)
(Dollars in Thousands, Except Per Share Amounts)

	Shares										
	Class A Common Stock	Class B Common Stock	Treasury Stock	Class A Common Stock	Class B Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interests	Total Equity
Balance at December 31, 2021	43,649,319	50,154,199	(1,000,000)	$ 4	$ 5	$ (12,000)	$ 158,131	$ (18,075)	$ (1,746)	$ 145,033	$ 271,352
Net income (loss)	—	—	—	—	—	—	—	8,894	—	(7,842)	1,052
Equity-based awards	—	—	—				22,695		—	18,710	41,405
Distributions to partners	—	—	—	—	—	—	—	—	—	(15,823)	(15,823)
Issuance of Class A common stock for vested PWP Incentive Plan Awards	601,098	—	—	—	—	—	—	—	—	—	—
Withholding payments on vested PWP Incentive Plan Awards	—	—	—	—	—	—	(6,075)	—	—	—	(6,075)
Dividends declared ($0.07 per share of Class A common stock)	—	—	—	—	—	—	116	(4,229)	—	—	(4,113)
Foreign currency translation gain (loss)	—	—	—	—	—	—	—	—	(1,040)	(1,062)	(2,102)
Other	—	—	—	—	—	—	734	—	—	1,265	1,999
Issuance of Class A common stock and exchange of PWP OpCo Units with corresponding Class B common stock for cash using Offering proceeds (Note 9—Stockholders' Equity)	3,502,033	(3,498,534)	—	1	—	—	(538)	—	—	—	(537)
Exchange of PWP OpCo Units and corresponding Class B common stock for Class A common stock (Note 9—Stockholders' Equity)	337,048	(336,712)	—	—	—	—	17	—	—	—	17
Treasury stock purchase	—	—	(172,303)	—	—	(1,598)	—	—	—	—	(1,598)
Change in ownership interests	—	—	—	—	—	—	4,665	—	—	(4,665)	—
Balance at March 31, 2022	48,089,498	46,318,953	(1,172,303)	$ 5	$ 5	$ (13,598)	$ 179,745	$ (13,410)	$ (2,786)	$ 135,616	$ 285,577
Net income (loss)	—	—	—	—	—	—	—	9,265	—	(6,599)	2,666
Equity-based awards	—	—	—	—	—	—	18,432	—	—	18,525	36,957
Distributions to partners	—	—	—	—	—	—	—	—	—	(2,856)	(2,856)
Issuance of Class A common stock for vested PWP Incentive Plan Awards	66,116	—	—	—	—	—	—	—	—	—	—
Withholding payments on vested PWP Incentive Plan Awards	—	—	—	—	—	—	(359)	—	—	—	(359)
Dividends declared ($0.07 per share of Class A common stock)	—	—	—	—	—	—	134	(4,689)	—	—	(4,555)
Foreign currency translation gain (loss)	—	—	—	—	—	—	—	—	(2,548)	(2,629)	(5,177)
Other	—	—		—	—		(8)	—	—	(6)	(14)
Exchange of PWP OpCo Units and corresponding Class B common stock for Class A common stock (Note 9—Stockholders' Equity)	629,591	(628,965)	—	—	—	—	263	—	—	—	263
Treasury stock purchase	—	—	(6,267,904)	—	—	(43,689)	—	—	—	—	(43,689)
Change in ownership interests	—	—	—	—	—	—	5,654	—	—	(5,654)	—
Balance at June 30, 2022	48,785,205	45,689,988	(7,440,207)	$ 5	$ 5	$ (57,287)	$ 203,861	$ (8,834)	$ (5,334)	$ 136,397	$ 268,813
Net income (loss)	—	—	—	—	—	—	—	1,140	—	(13,999)	(12,859)
Equity-based awards	—	—	—	—	—	—	18,860	—	—	18,748	37,608
Foreign currency translation gain (loss)	—	—	—	—	—	—	—	—	(2,959)	(3,170)	(6,129)
Distributions to partners	—	—	—	—	—	—	—	—	—	(10,052)	(10,052)
Issuance of Class A common stock for vested PWP Incentive Plan Awards	694,128	—	28,111	—	—	337	(337)	—	—	—	—
Withholding payments on vested PWP Incentive Plan Awards	—	—	—	—	—	—	(2,704)	—	—	—	(2,704)
Dividends declared ($0.07 per share of Class A common stock)	—	—	—	—	—	—	137	(4,515)	—	—	(4,378)
Other	—	—	—	—	—	—	(11)	—	—	(13)	(24)
Exchange of PWP OpCo Units and corresponding Class B common stock for Class A common stock (Note 9—Stockholders' Equity)	764,873	(764,111)	—	—	(1)	—	447	—	—	—	446
Warrant exchange for Class A common stock	1,565,948	—	—	—	—	—	11,999	—	—	—	11,999
Treasury stock purchase	—	—	(1,289,459)	—	—	(8,538)	—	—	—	—	(8,538)
Change in ownership interests	—	—	—	—	—	—	(6,274)	—	—	6,274	—
Balance at September 30, 2022	51,810,154	44,925,877	(8,701,555)	$ 5	$ 4	$ (65,488)	$ 225,978	$ (12,209)	$ (8,293)	$ 134,185	$ 274,182

Perella Weinberg Partners
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(Dollars in Thousands)

	Nine Months Ended September 30,	
	2023	2022
Cash flows from operating activities		
Net income (loss)	$ (69,428)	$ (9,141)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Equity-based awards vesting expense	134,288	115,970
Depreciation and amortization	10,168	8,053
Change in fair value of warrant liabilities	—	(15,806)
Foreign currency revaluation	(365)	(9,287)
Non-cash operating lease expense	10,374	11,724
Deferred taxes	(868)	(1,395)
Other	1,738	1,237
Decrease (increase) in operating assets:		
Accounts receivable, net of allowance	(2,878)	(3,629)
Due from related parties	(162)	654
Prepaid expenses and other assets	(4,527)	(3,235)
Increase (decrease) in operating liabilities:		
Accrued compensation and benefits	(96,754)	(176,244)
Accounts payable, accrued expenses and other liabilities	542	(2,708)
Deferred revenue	(3,626)	(3,423)
Lease liabilities	9,016	(11,462)
Net cash provided by (used in) operating activities	(12,482)	(98,692)
Cash flows from investing activities		
Purchases of fixed assets	(45,504)	(8,226)
Purchases of investments in short-term marketable debt securities	(69,261)	(139,180)
Maturities of investments in short-term marketable debt securities	140,551	—
Other	488	—
Net cash provided by (used in) investing activities	26,274	(147,406)
Cash flows from financing activities		
Proceeds from the Offering, net of underwriting discount	—	36,526
Exchange of PWP OpCo Units and corresponding Class B common stock for cash using Offering proceeds	—	(36,526)
Payment of offering costs	—	(1,318)
Distributions to partners	(11,224)	(28,731)
Dividends paid on Class A and Class B common stock	(10,087)	(9,874)
Withholding payments for vested PWP Incentive Plan Awards	(15,709)	(9,138)
Treasury stock purchases	(22,489)	(53,580)
Payments pursuant to tax receivable agreement	(472)	—
Net cash provided by (used in) financing activities	(59,981)	(102,641)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,224	(10,523)
Net increase (decrease) in cash, cash equivalents and restricted cash	(44,965)	(359,262)
Cash, cash equivalents and restricted cash, beginning of period	174,166	504,775
Cash, cash equivalents and restricted cash, end of period	$ 129,201	$ 145,513
Supplemental disclosure of non-cash activities		
Lease liabilities arising from obtaining right-of-use lease assets	$ 918	$ 131,586
Accrued capital expenditures	$ 9,633	$ —
Accrued dividends and dividend equivalent units on unvested PWP Incentive Plan Awards	$ 5,520	$ 4,107
Non-cash paydown of Partner promissory notes	$ 1,547	$ 2,567
Deferred tax effect resulting from exchanges of PWP OpCo Units, net of amounts payable under tax receivable agreement	$ 1,110	$ 1,514
Accrued treasury stock purchases	$ —	$ 245
Supplemental disclosures of cash flow information		
Cash paid for income taxes	$ 4,435	$ 15,208

The accompanying notes are an integral part of these condensed consolidated financial statements (unaudited)

Note 1—Organization and Nature of Business

Perella Weinberg Partners and its consolidated subsidiaries, including PWP Holdings LP ("PWP OpCo") (collectively, "PWP" and the "Company"), is a global independent advisory firm that provides strategic and financial advice to a wide range of clients. The Company's activities as an investment banking advisory firm constitute a single business segment that provides a range of advisory services, including advice related to mission-critical strategic and financial decisions, mergers and acquisitions ("M&A") execution, shareholder and defense advisory, financing and capital solutions advice with resources focused on restructuring and liability management, capital markets advisory, private capital placement, as well as specialized underwriting and research services primarily for the energy and related industries.

Perella Weinberg Partners (formerly known as FinTech Acquisition Corp. IV ("FTIV")) was incorporated in Delaware on November 20, 2018 as a special purpose acquisition company for the purpose of acquiring businesses or assets through a business combination. On June 24, 2021, the Company consummated a business combination pursuant to a Business Combination Agreement among various parties, resulting in FTIV acquiring partnership interests in PWP OpCo, and PWP OpCo becoming jointly-owned by Perella Weinberg Partners, PWP Professional Partners LP ("Professional Partners") and existing partners, as part of an umbrella limited partnership C-corporation (Up-C) structure (the "Business Combination").

The operations of PWP OpCo are conducted through a wholly-owned subsidiary, Perella Weinberg Partners Group LP, and its subsidiaries which are consolidated in these financial statements. PWP GP LLC is the general partner that controls PWP OpCo. The limited partner interests of PWP OpCo are held by Investor Limited Partners (the "ILPs") and Professional Partners. The Company shareholders are entitled to receive a portion of PWP OpCo's economics through their direct ownership interests in shares of Class A common stock of PWP. The non-controlling interest owners of PWP OpCo receive economics through ownership of PWP OpCo Class A partnership units ("PWP OpCo Units"). See Note 9—Stockholders' Equity for additional information.

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

The unaudited condensed consolidated financial statements reflect the financial condition, results of operations and cash flows of the Company and have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). All intercompany balances and transactions between the consolidated subsidiaries comprising the Company have been eliminated in the accompanying condensed consolidated financial statements.

These condensed consolidated financial statements and notes thereto are unaudited, and as permitted by the interim reporting rules and regulations set forth by the Securities and Exchange Commission (the "SEC"), exclude certain financial information and note disclosures normally included in annual audited financial statements prepared in accordance with U.S. GAAP. Accordingly, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022 included in the Company's Annual Report on Form 10-K. The condensed consolidated financial statements reflect all material adjustments of a normal recurring nature that, in the opinion of management, are necessary for a fair presentation of the results for the interim periods.

Consolidation

The Company's policy is to consolidate entities in which the Company has a controlling financial interest and variable interest entities where the Company is deemed to be the primary beneficiary. The Company is deemed to be the primary beneficiary of a variable interest entity ("VIE") when it has both (i) the power to make the decisions that most significantly affect the economic performance of the VIE and (ii) the obligation to absorb significant losses or the right to receive benefits that could potentially be significant to the VIE. PWP is the primary beneficiary of and consolidates PWP OpCo, a VIE. As of September 30, 2023 and December 31, 2022, the net assets of PWP OpCo were $245.8 million and $237.9 million, respectively. As of September 30, 2023 and December 31, 2022, the Company did not consolidate any VIEs other than PWP OpCo.

Use of Estimates

The preparation of the condensed consolidated financial statements and related disclosures in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and the assumptions underlying these estimates are reviewed periodically, and the effects of revisions are reflected in the period in which they are determined to be necessary.

(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)

In preparing the condensed consolidated financial statements, management makes estimates regarding the measurement of the amount due pursuant to the tax receivable agreement, measurement and timing of revenue recognition, assumptions used in the provision for income taxes, measurement of equity-based compensation, evaluation of goodwill and intangible assets, fair value measurement of financial instruments, and other matters that affect the reported amounts and disclosures of contingencies in the condensed consolidated financial statements.

Cash, Cash Equivalents and Restricted Cash

Cash includes both cash and interest-bearing money market accounts and cash equivalents are defined as highly liquid investments with original maturities of three months or less from the date of purchase. As of September 30, 2023 and December 31, 2022, the Company had no cash equivalents. The Company maintains cash with banks and brokerage firms, which from time to time may exceed federally insured limits.

Restricted cash represents cash that is not readily available for general purpose cash needs. As of September 30, 2023 and December 31, 2022, the Company had restricted cash of $2.6 million maintained as collateral for letters of credit related to certain office leases.

A reconciliation of the Company's cash, cash equivalents and restricted cash as of September 30, 2023 and September 30, 2022 is presented below:

	September 30,	
	2023	2022
Cash	$ 126,573	$ 142,854
Cash equivalents	—	—
Restricted cash	2,628	2,659
Cash, cash equivalents and restricted cash as shown on statements of cash flows	$ 129,201	$ 145,513

Foreign Currencies

In the normal course of business, the Company and its subsidiaries may enter into transactions denominated in a non-functional currency. The Company recognized net foreign exchange gains (losses) arising from such transactions of $1.9 million and $(0.3) million during the three and nine months ended September 30, 2023, respectively, and $5.6 million and $10.8 million for the three and nine months ended September 30, 2022, respectively, which are included in Other income (expense) in the Condensed Consolidated Statements of Operations. In addition, the Company consolidates its foreign subsidiaries that have non-U.S. dollar functional currencies. Non-U.S. dollar denominated assets and liabilities are translated to U.S. dollars at the exchange rate prevailing at the reporting date and income, expenses, gains and losses are generally translated using the average exchange rate throughout the period. Cumulative translation adjustments arising from the translation of non-U.S. dollar denominated operations are included as a component of Accumulated other comprehensive income (loss) in the Condensed Consolidated Statements of Changes in Equity.

Recently Adopted Accounting Pronouncements

There were no recently adopted accounting pronouncements that had a material effect on the Company's condensed consolidated financial statements.

Future Adoption of Accounting Pronouncements

No changes to U.S. GAAP that are not yet effective are expected to have a material effect on the Company's condensed consolidated financial statements.

(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)

Note 3—Revenue and Receivables from Contracts with Customers

The following table disaggregates the Company's revenue between over time and point in time recognition:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Over time	$ 128,448	$ 144,440	$ 410,246	$ 440,325
Point in time	10,555	939	25,728	8,034
Total revenues	$ 139,003	$ 145,379	$ 435,974	$ 448,359

Reimbursable expenses billed to clients were $1.3 million and $3.7 million for the three and nine months ended September 30, 2023, respectively, and $0.4 million and $1.7 million for the three and nine months ended September 30, 2022, respectively.

Remaining Performance Obligations and Revenue Recognized from Past Performance

As of September 30, 2023, the aggregate amount of the transaction price, as defined in the Accounting Standards Codification ("ASC"), allocated to performance obligations yet to be satisfied was $1.0 million, and the Company generally expects to recognize this revenue within the next 12 months. Such amounts primarily relate to the Company's performance obligations of providing transaction-related advisory services.

The Company recognized revenue of $30.0 million and $211.0 million during the three and nine months ended September 30, 2023, respectively, and $40.0 million and $263.6 million during the three and nine months ended September 30, 2022, respectively, related to performance obligations that were satisfied or partially satisfied in prior periods. These amounts were recognized upon the resolution of revenue constraints and uncertainties in the respective periods and were generally related to transaction-related advisory services.

Contract Balances

As of September 30, 2023 and December 31, 2022, the Company recorded $1.4 million and $5.0 million, respectively, for contract liabilities which are presented as Deferred revenue on the Condensed Consolidated Statements of Financial Condition. The Company recognized previously deferred revenue of $1.0 million and $4.0 million for the three and nine months ended September 30, 2023, respectively, and $1.7 million and $5.8 million for the three and nine months ended September 30, 2022, respectively, which was primarily related to transaction-related advisory services that are recognized over time.

Accounts Receivable and Allowance for Credit Losses

As of September 30, 2023 and December 31, 2022, $6.5 million and $5.1 million, respectively, of accrued revenue was included in Accounts receivable, net of allowance on the Condensed Consolidated Statements of Financial Condition. These amounts represent amounts due from clients and are recognized as revenue in accordance with the Company's revenue recognition policies but unbilled at the end of the period.

As of September 30, 2023, certain accounts receivable in the aggregate amount of $34.1 million were individually greater than 10% of the Company's gross accounts receivable and were concentrated with one client. Of that amount, all was subsequently received after September 30, 2023. As of December 31, 2022, certain accounts receivable in the aggregate amount of $28.4 million, were greater than 10% of the Company's gross accounts receivable and were concentrated with two clients. Of that amount, all was subsequently received after year end.

(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)

The allowance for credit losses activity for the three and nine months ended September 30, 2023 and 2022 was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Beginning balance	$ 2,021	$ 2,725	$ 1,143	$ 1,851
Bad debt expense	1,053	(19)	2,118	1,653
Write-offs	(853)	—	(1,134)	(760)
Recoveries	—	—	82	—
Foreign currency translation and other adjustments	(21)	(113)	(9)	(151)
Ending balance	$ 2,200	$ 2,593	$ 2,200	$ 2,593

Note 4—Leases

The Company leases office space and equipment under operating lease agreements. See the summary below of significant new leases and lease modifications.

During the first half of 2022, the Company entered into amendments to its New York and Los Angeles office leases, as well as a new 12-year lease agreement related to the relocation of the Company's United Kingdom ("U.K.") office in London. The New York lease amendment extended the term of the lease by approximately 16 years with an expiration of December 31, 2039. The amended term of the Los Angeles lease is scheduled to expire on December 31, 2032. In the second quarter of 2022, the Company's amended Los Angeles lease commenced, and the amended New York lease partially commenced resulting in an increase to Lease liabilities and a corresponding increase to Right-of-use lease assets of $66.3 million. In the third quarter of 2022, the New York lease became fully commenced and the London lease also commenced, which resulted in an additional $62.3 million increase to Lease liabilities and a corresponding increase to Right-of-use lease assets.

Other information as it relates to the Company's operating leases was as follows:

	September 30, 2023	**December 31, 2022**
Weighted-average discount rate - operating leases	4.7%	4.6%
Weighted-average remaining lease term - operating leases	14.5 years	14.9 years

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Operating lease cost	$ 5,363	$ 5,311	$ 16,135	$ 14,172
Variable lease cost	812	751	2,756	1,758
Sublease income - operating leases	(106)	(159)	(425)	(522)
Total net lease cost	$ 6,069	$ 5,903	$ 18,466	$ 15,408
Net cash outflows (inflows) on operating leases[(1)]	$ (1,222)	$ 4,767	$ (1,688)	$ 14,730

(1) Presented net of lease incentives received, including landlord contributions to tenant improvements.

(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)

As of September 30, 2023, the maturities of undiscounted operating lease liabilities of the Company are as follows:

Years Ending:	Operating Leases	Sublease Income	Net Payments
Remainder of 2023	$ (482)	$ 38	$ (520)
2024	7,382	—	7,382
2025	18,345	—	18,345
2026	19,375	—	19,375
2027	18,540	—	18,540
Thereafter	188,632	—	188,632
Total lease payments[1]	251,792	$ 38	$ 251,754
Less: Imputed Interest	(76,491)		
Total lease liabilities	$ 175,301		

(1) Future lease payments are presented net of expected lease incentives, including landlord contributions to tenant improvements.

Refer to Note 16—Related Party Transactions for information regarding the Company's subleasing arrangements.

Note 5—Intangible Assets

The following table provides the detail of the intangible assets:

	September 30, 2023		
	Gross Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 47,400	$ (32,390)	$ 15,010
Trade names and trademarks	18,400	(12,573)	5,827
Total	$ 65,800	$ (44,963)	$ 20,837

	December 31, 2022		
	Gross Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 47,400	$ (28,835)	$ 18,565
Trade names and trademarks	18,400	(11,193)	7,207
Total	$ 65,800	$ (40,028)	$ 25,772

The intangible assets, amortized over an average useful life of ten years, resulted in amortization expense of $1.6 million for the three months ended September 30, 2023 and 2022 and $4.9 million for the nine months ended September 30, 2023 and 2022, all of which is included in Depreciation and amortization in the Condensed Consolidated Statements of Operations. Amortization of intangible assets held at September 30, 2023 is expected to be $6.6 million for each of the years ending December 31, 2023, 2024, and 2025, and $6.0 million for the year ending December 31, 2026. These intangible assets will be fully amortized by November 30, 2026.

(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)

Note 6—Regulatory Requirements

The Company has a number of consolidated subsidiaries registered as broker-dealers with regulatory agencies in their respective countries, including the SEC, the Financial Industry Regulatory Authority ("FINRA"), the Canadian Investment Regulatory Organization ("CIRO," formerly the Investment Industry Regulatory Organization of Canada or "IIROC"), the Financial Conduct Authority ("FCA") of the U.K. and the Autorité de contrôle prudentiel et de resolution ("ACPR") of France. None of the SEC regulated subsidiaries hold funds or securities for, or owe money or securities to clients or carry accounts of or for clients, and as such are all exempt from the SEC Customer Protection Rule (Rule 15c3-3). As of September 30, 2023 and December 31, 2022, all regulated subsidiaries were in excess of their applicable minimum capital requirements. As a result of the minimum capital requirements and various regulations on these broker dealers, a portion of the capital of each subsidiary of the Company is restricted and may be unavailable to pay its creditors.

Note 7—Fixed Assets

Fixed assets are recorded at cost less accumulated depreciation and amortization and consist of the following as of September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
Leasehold improvements	$ 77,625	$ 76,389
Furniture and fixtures	11,939	15,313
Equipment	21,860	21,382
Software	5,920	6,945
Total	117,344	120,029
Less: Accumulated depreciation and amortization	(34,911)	(71,639)
Fixed assets, net	$ 82,433	$ 48,390

Depreciation expense related to fixed assets was $2.0 million and $5.0 million for the three and nine months ended September 30, 2023, respectively, and $0.6 million and $2.4 million for the three and nine months ended September 30, 2022, respectively. Amortization expense related to software costs was $0.1 million and $0.3 million for the three and nine months ended September 30, 2023, respectively, and $0.3 million and $0.8 million for the three and nine months ended September 30, 2022, respectively.

During the nine months ended September 30, 2023, the Company disposed of certain assets, substantially all of which were fully depreciated and related to the renovations and relocation of the New York and London office space. Leasehold improvement assets capitalized during the nine months ended September 30, 2023 were largely related to build-out projects associated with new or amended office leases in New York and London. Refer to Note 4—Leases for further information.

Note 8—Income Taxes

The following table summarizes the Company's tax position for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Income (loss) before income taxes	$ (23,929)	$ (8,289)	$ (68,876)	$ 1,566
Income tax expense (benefit)	$ (191)	$ 4,570	$ 552	$ 10,707
Effective income tax rate	0.8 %	(55.1)%	(0.8)%	683.7 %

The Company's overall effective tax rate in each of the periods presented above varies from the U.S. federal statutory rate primarily because (i) a portion of the Company's income is allocated to non-controlling interests held in PWP OpCo in which the majority of any tax liability on such income is borne by the holders of such non-controlling interests and reported outside of the condensed consolidated financial statements, (ii) a portion of the Company's compensation expense is non-deductible for tax purposes, and (iii) during the nine months ended September 30, 2023, the Company recognized a previously unrecognized tax benefit at one of its foreign subsidiaries, as referenced below.

As of September 30, 2023 and December 31, 2022, the Company recorded a liability for unrecognized tax benefits of $3.6 million and $5.6 million, respectively, related to potential double taxation at certain of its foreign subsidiaries. During the nine months ended September 30, 2023, the Company favorably resolved an inquiry from a taxing authority, which caused the Company to change its assessment of the technical merits of this tax position at one of its foreign subsidiaries. The Company does not expect there to be any material changes to uncertain tax positions within 12 months of the reporting date.

Note 9—Stockholders' Equity

Share Repurchase Program

The Company's Board of Directors approved a stock repurchase program on February 16, 2022 under which the Company is authorized to repurchase up to $100.0 million of the Company's Class A common stock, and on February 8, 2023, the Board approved an incremental $100.0 million, in each case with no requirement to purchase any minimum number of shares. The manner, timing, pricing and amount of any transactions will be subject to the Company's discretion. During the nine months ended September 30, 2023, the Company purchased 2,376,683 shares resulting in an increase of $22.5 million, at cost, to Treasury stock on the Company's Condensed Consolidated Statement of Financial Condition. No shares were purchased during the three months ended September 30, 2023. During the three and nine months ended September 30, 2022, the Company purchased 1,289,459 and 7,729,666 shares, respectively, resulting in an increase of $8.5 million and $53.8 million, respectively, at cost, to Treasury stock on the Company's Condensed Consolidated Statement of Financial Condition. The 11,920,699 shares purchased since inception of the share repurchase program through September 30, 2023 were purchased at an average price per share of $7.65.

Non-Controlling Interests

Perella Weinberg Partners owns less than 100% of the economic interests in PWP OpCo with the remaining interests held by non-controlling interests. As of September 30, 2023, PWP held a 50.2% ownership interest in PWP OpCo. Professional Partners and the ILPs owned 42,880,015 PWP OpCo Units as of September 30, 2023, which represented a 49.8% non-controlling ownership interest in PWP OpCo. These PWP OpCo Units are exchangeable into PWP Class A common stock on a one-for-one basis. Class B-1 and Class B-2 common stock have de minimis economic rights.

PWP OpCo Limited Partnership Agreement

Exchange Rights

In accordance with the Amended and Restated Agreement of Limited Partnership of PWP OpCo, dated as of June 24, 2021 (as amended, restated, modified or supplemented from time to time, the "PWP OpCo LPA"), holders of PWP OpCo Units ("PWP OpCo Unitholders") (other than the Company) may exchange these units for (i) shares of Class A common stock on a one-for-one basis or (ii) cash from an offering of shares of Class A common stock with the form of consideration determined by the Company. Concurrently with an exchange of PWP OpCo Units for shares of Class A common stock or cash by a PWP OpCo Unitholder who also holds shares of Class B common stock, such PWP OpCo Unitholder will be required to surrender to the Company a number of shares of Class B common stock equal to the number of PWP OpCo Units exchanged, and such shares will be converted into shares of Class A common stock or cash (at the Company's option) which will be delivered to such PWP OpCo Unitholder at a conversion rate of 0.001.

On January 21, 2022, the Company closed a follow-on public offering of 3,502,033 shares of Class A common stock (the "Offering") at a public offering price of $10.75 per share for total gross proceeds of $37.6 million, before deducting underwriting discounts and commissions. All proceeds from the Offering, net of the underwriting discounts and commissions of $0.32 per share or an aggregate of $1.1 million, were used by the Company to settle an exchange of certain PWP OpCo Units and certain shares of Class B common stock. Under the terms of the underwriting agreement, directors, officers and certain significant shareholders signed customary lockup agreements with respect to their ownership of Class A common stock. Total deferred offering costs of $1.3 million for the Offering were netted against the proceeds of the offering in Additional paid-in-capital on the Condensed Consolidated Statements of Financial Condition.

The Company settled exchanges of certain PWP OpCo Units and certain shares of Class B common stock for 898,898 and 1,685,542 shares, respectively, during the three and nine months ended September 30, 2023, and 764,873 and 1,731,512 shares, respectively, during the three and nine months ended September 30, 2022, of Class A common stock. The exchanges created a step-up in tax basis for which the Company recorded on the Condensed Consolidated Statements of Financial Condition an increase in Deferred tax assets, net, as well as a related increase in Amounts due pursuant to the tax receivable agreement resulting in a net increase to Additional paid-in-capital.

Note 10—Debt

As of September 30, 2023, and December 31, 2022, the Company had no outstanding debt. The Company has a revolving credit facility (the "Revolving Credit Facility") through a credit agreement with Cadence Bank, N.A. ("Cadence Bank"), dated November 30, 2016 (as amended, the "Credit Agreement"), with an available line of credit of $50 million with up to $20 million of available incremental revolving commitments. The Company incurred $1.8 million in issuance costs related to the Credit Agreement, which were amortized as interest expense using the effective interest method over the life of the Revolving Credit Facility. Interest expense related to the Revolving Credit Facility was immaterial during the three and nine months ended September 30, 2023 and September 30, 2022 and is included within Other income (expense) on the Condensed Consolidated Statements of Operations. Unamortized debt issuance costs of $0.3 million and $0.4 million, as of September 30, 2023 and December 31, 2022, respectively are reported within Prepaid expenses and other assets on the Condensed Consolidated Statements of Financial Position. On June 30, 2023, the Credit Agreement was amended to provide for Term SOFR as the replacement benchmark rate for LIBOR, such that future SOFR-based loans will accrue interest at Term SOFR plus (i) a 0.10%-0.25% per annum spread based on interest payment frequency (with an adjusted Term SOFR floor of 0.25%) and (ii) a fixed rate of 2.00% per annum.

Note 11—Warrants

Warrant Exchange

As of September 30, 2023 and December 31, 2022, the Company had no warrants outstanding. On August 23, 2022, the Company concluded an offer to holders of its outstanding warrants which provided such holders the opportunity to receive 0.20 shares of the Company's Class A common stock in exchange for each warrant tendered by such holders. This offer coincided with a solicitation of consents from holders of the public warrants to amend the warrant agreement (together, the "Warrant Exchange Offer"). Further information regarding the Company's warrants is described in Note 12—Warrants in the Notes to Consolidated Financial Statements in "Part II. Item 8. Financial Statements and Supplementary Data" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Prior to Warrant Exchange

Prior to the Warrant Exchange Offer, each warrant entitled the registered holder to purchase one share of Class A common stock at an exercise price of $11.50 per share. The warrants met the definition of a derivative under ASC Topic 815, Derivatives and Hedging, and as such, the Company recorded these warrants as liabilities at fair value upon the closing of the Business Combination in accordance with ASC Topic 820, Fair Value Measurement, with subsequent changes in their respective fair values recorded in Change in fair value of warrant liabilities on the Condensed Consolidated Statements of Operations.

Note 12—Equity-Based Compensation

Further information regarding the Company's equity-based compensation awards is described in Note 13—Equity-Based Compensation in the Notes to Consolidated Financial Statements in "Part II. Item 8. Financial Statements and Supplementary Data" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Concurrent with the Business Combination, the Company adopted the Perella Weinberg Partners 2021 Omnibus Incentive Plan (the "PWP Incentive Plan"), which establishes a plan for the granting of incentive compensation awards measured by reference to PWP Class A common stock ("PWP Incentive Plan Awards"). Under the PWP Incentive Plan, the Company may grant options, stock appreciation rights, restricted stock, restricted stock units ("RSUs"), performance restricted stock units ("PSUs"), stock bonuses, other stock-based awards, cash awards or any combination of the foregoing. The PWP Incentive Plan established a reserve for a one-time grant of awards that occurred in connection with the Business Combination (the "Transaction Pool Reserve") as well as a reserve for general purpose grants (the "General Share Reserve").

During the third quarter of 2021, in connection with the Business Combination, the Company granted awards (the "Business Combination Awards") in the form of (i) restricted stock units out of the Transaction Pool Reserve consisting of (a) PSUs that only vest upon the achievement of both service and market conditions and (b) RSUs that vest upon the achievement of service conditions as well as (ii) PSUs out of the General Share Reserve to certain executives and a small number of other partners that vest upon the achievement of both service and market conditions.

(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)

The Company grants RSU awards out of the General Share Reserve from time to time, which vest upon the achievement of service conditions. Additionally, during the nine months ended September 30, 2023, the Company granted PSUs from the General Share Reserve that vest upon the achievement of both service and market conditions. During the nine months ended September 30, 2023 and 2022, the Company granted 8,971,251 and 6,724,820 awards, respectively, from the General Share Reserve at a weighted average grant date fair value of $9.75 and $9.83 per award, respectively.

Prior to the Business Combination, Professional Partners granted certain equity-based awards to partners providing services to PWP OpCo (the "Legacy Awards"). In connection with the Business Combination, existing Legacy Awards were canceled and replaced by converting each limited partner's capital interests in Professional Partners attributable to PWP OpCo into various capital units ("Professional Partners Awards").

During the three months ended September 30, 2023, the Company amended the vesting conditions of certain equity-based awards. The amendment resulted in a modification of the awards under ASC Topic 718, Compensation—Stock Compensation, which will result in net incremental compensation cost of $10.2 million to be recognized over the remaining requisite service period.

As of September 30, 2023, total unrecognized compensation expense related to all unvested equity-based awards was $322.2 million, which is expected to be recognized over a weighted average period of 2.3 years.

The following table presents the expense related to awards that were recorded in Professional fees and components of Equity-based compensation included on the Condensed Consolidated Statements of Operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Professional fees				
PWP Incentive Plan Awards	$ 550	$ 609	$ 1,513	$ 1,654
Total Professional fees	$ 550	$ 609	$ 1,513	$ 1,654
Equity-based compensation				
PWP Incentive Plan Awards	$ 25,072	$ 18,251	$ 76,214	$ 58,333
Legacy Awards(1)	3,225	3,339	9,674	10,016
Professional Partners Awards(1)	14,595	15,409	46,887	45,967
Total Equity-based compensation	$ 42,892	$ 36,999	$ 132,775	$ 114,316
Income tax benefit of equity-based awards	$ 4,092	$ 2,297	$ 10,716	$ 7,864

(1) The vesting of these awards does not dilute Perella Weinberg Partners shareholders relative to Professional Partners. As such the related equity-based compensation expense is fully attributed to non-controlling interests.

Note 13—Other Compensation and Benefits

Compensation and benefits includes, but is not limited to, salaries, bonuses (discretionary awards and guaranteed amounts), severance, deferred compensation, benefits and payroll taxes. In all instances, compensation expense is accrued over the requisite service period.

Benefit Plans

Certain employees participate in employee benefit plans, which consists of defined contribution plans including (i) profit-sharing plans qualified under Section 401(k) of the Internal Revenue Code and (ii) a U.K. pension scheme for U.K. employees and (iii) a Germany pension plan for employees in Germany. Expenses related to the Company's employee benefit plans were $1.7 million and $5.1 million for the three and nine months ended September 30, 2023, respectively, and $1.5 million and $4.4 million for the three and nine months ended September 30, 2022, respectively, and are included in Compensation and benefits in the Condensed Consolidated Statements of Operations.

(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)

Business Realignment

During the second quarter of 2023, the Company began a review of the business, which is resulting in employee reductions in order to improve compensation alignment and to provide greater flexibility to advance strategic opportunities (the "Business Realignment").

In conjunction with the Business Realignment and for the three and nine months ended September 30, 2023, the Company incurred expenses related to separation and transition benefits of $3.6 million and $7.5 million, respectively, and the acceleration of equity-based compensation amortization (net of forfeitures) of $2.8 million and $4.0 million, respectively. Such amounts are presented in Compensation and benefits and Equity-based compensation on the Condensed Consolidated Statements of Operations. Approximately $18 million of additional expense is expected to be incurred during the remainder of 2023. This estimate is based on certain assumptions, and actual results may differ materially if unanticipated costs are incurred related to the Business Realignment.

As of September 30, 2023, Accrued compensation and benefits on the Condensed Consolidated Statements of Financial Condition included $4.0 million related to the Business Realignment. Payments of $3.0 million were made during the nine months ended September 30, 2023 related to the Business Realignment.

Note 14—Net Income (Loss) Per Share Attributable to Class A Common Shareholders

The calculations of basic and diluted net income (loss) per share attributable to Class A common shareholders are presented below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Numerator:				
Net income (loss) attributable to Perella Weinberg Partners – basic	$ (2,049)	$ 1,140	$ (6,813)	$ 19,299
Dilutive effect from assumed exchange of PWP OpCo Units, net of tax	(21,721)	(17,924)	(65,579)	(36,570)
Net income (loss) attributable to Perella Weinberg Partners – diluted	$ (23,770)	$ (16,784)	$ (72,392)	$ (17,271)
Denominator:				
Weighted average shares of Class A common stock outstanding – basic	43,123,465	42,263,427	42,731,252	44,241,794
Weighted average number of incremental shares from assumed exchange of PWP OpCo Units	43,524,232	45,482,349	43,862,329	46,293,438
Weighted average shares of Class A common stock outstanding – diluted	86,647,697	87,745,776	86,593,581	90,535,232
Net income (loss) per share attributable to Class A common shareholders				
Basic	$ (0.05)	$ 0.03	$ (0.16)	$ 0.44
Diluted	$ (0.27)	$ (0.19)	$ (0.84)	$ (0.19)

Basic and diluted net income (loss) per share attributable to Class B common shareholders has not been presented as these shares are entitled to an insignificant amount of economic participation.

The Company uses the treasury stock method to determine the potential dilutive effect of unvested PWP Incentive Plan Awards and outstanding warrants (prior to the Warrant Exchange Offer) and the if-converted method to determine the potential dilutive effect of exchanges of PWP OpCo Units into Class A common stock. The Company adjusts net income (loss) attributable to Class A common shareholders under both the treasury stock method and if-converted method for the reallocation of net income (loss) between Class A common shareholders and non-controlling interests that result upon the assumed issuance of dilutive shares of Class A common stock as if the issuance occurred as of the beginning of the applicable period.

(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)

The following table presents the weighted average potentially dilutive shares that were excluded from the calculation of diluted net income (loss) per share under the treasury stock method or if-converted method, as applicable, because the effect of including such potentially dilutive shares was antidilutive for the period presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Warrants[(1)]	n/a	—	n/a	—
PWP Incentive Plan Awards	2,682,303	129,712	1,561,627	155,527
Total	2,682,303	129,712	1,561,627	155,527

(1) Prior to the Warrant Exchange Offer on August 23, 2022, the warrants were out-of-the-money which resulted in no potentially dilutive shares under the treasury stock method. For the three and nine months ended September 30, 2023, the warrants were not outstanding, and thus, they are not applicable. Refer to Note 11—Warrants for further information regarding the Warrant Exchange Offer.

Note 15—Fair Value Measurements and Investments

Fair value is generally based on quoted prices, however if quoted market prices are not available, fair value is determined based on other relevant factors, including dealer price quotations, price activity for equivalent instruments and valuation pricing models. The Company established a fair value hierarchy which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of instrument, the characteristics specific to the instrument and the state of the marketplace (including the existence and transparency of transactions between market participants). Financial instruments with readily available, actively quoted prices or for which fair value can be measured from actively quoted prices in an orderly market will generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories (from highest to lowest) based on inputs:

Level 1 – Unadjusted quoted prices are available in active markets for identical financial instruments as of the reporting date.

Level 2 – Pricing inputs are observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.

Level 3 – Pricing inputs are unobservable for the financial instruments and include situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the instrument.

As of September 30, 2023 and December 31, 2022, the fair values of cash, restricted cash, accounts receivable, due from related parties, accounts payable and certain accrued liabilities approximate their carrying amounts due to the short-term nature of these items.

(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)

Fair Value of Financial Instruments

The following table summarizes the categorization and fair value estimate of the Company's financial instruments that are measured on a recurring basis pursuant to the above fair value hierarchy levels as of September 30, 2023 and December 31, 2022:

	September 30, 2023			
	Level 1	Level 2	Level 3	Total
Financial asset				
U.S. Treasury securities[(1)]	$ 70,008	$ —	$ —	$ 70,008

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
U.S. Treasury securities[(2)]	$ —	$ 140,110	$ —	$ 140,110
Cash surrender value of company-owned life insurance	—	488	—	488
Total financial assets	$ —	$ 140,598	$ —	$ 140,598

(1) Consists of U.S. Treasury bills and notes that mature on various dates in January 2024.
(2) Consists of U.S. Treasury notes that matured on January 31, 2023.

The Company had no transfers between fair value levels during the three and nine months ended September 30, 2023 and 2022.

The Company's investment in U.S. Treasury securities is presented within Investments in short-term marketable debt securities on the Condensed Consolidated Statements of Financial Condition, and the aggregate cost basis of the investment was $69.1 million and $139.2 million as of September 30, 2023 and December 31, 2022, respectively. The Company had net realized and unrealized gains (losses) on these investments of $0.8 million and $1.5 million for the three and nine months ended September 30, 2023, respectively, and $0.3 million and $0.1 million for the three and nine months ended September 30, 2022.

The cash surrender value of company-owned life insurance was included in Prepaid expenses and other assets on the Condensed Consolidated Statements of Financial Condition at the amount that could be realized under the contract as of December 31, 2022, which approximated fair value.

Equity Method Investments

The Company applied the equity method of accounting to its investment in PFAC Holdings I LLC ("PFAC Holdings"), an indirect parent of PWP Forward Acquisition Corp. I ("PFAC"), a special purpose acquisition company. On December 13, 2022, PFAC was dissolved and as a result the Company wrote off its investment in PFAC Holdings. Prior to dissolution, the Company recorded its share of earnings of PFAC Holdings in Other income (expense) on the Condensed Consolidated Statements of Operations.

(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)

Note 16—Related Party Transactions

PWP Capital Holdings LP

On February 28, 2019, a reorganization of the existing investment banking advisory and asset management businesses of PWP Holdings LP was effected which resulted in the spin-off of its asset management business (the “Separation”). PWP Holdings LP was divided into (i) PWP OpCo, which holds the former advisory business and (ii) PWP Capital Holdings LP, which holds the former asset management business.

TSA Agreement – In connection with the Separation, the Company entered into a transition services agreement (the “TSA”) with PWP Capital Holdings LP under which the Company agreed to provide certain administrative services to PWP Capital Holdings LP.

Sublease Income – In connection with the Separation, the Company subleases a portion of its office space at its New York location to PWP Capital Holdings LP. Sublease rent payments are due monthly and are based on PWP Capital Holdings LP’s pro-rata portion of the underlying lease agreements including base rent as well as other lease related charges. See additional information regarding the subleases in Note 4—Leases.

Compensation Arrangements – In addition, PWP Capital Holdings LP has entered into an arrangement with certain employees of the Company, including members of management, related to services provided directly to PWP Capital Holdings LP. With respect to services provided to PWP Capital Holdings LP, the amounts paid and payable to such employees now and in the future are recognized by PWP Capital Holdings LP. All compensation related to services these employees provide to the Company are included in Compensation and benefits in the Condensed Consolidated Statements of Operations.

Amounts due from PWP Capital Holdings LP are reflected as Due from related parties on the Condensed Consolidated Statements of Financial Condition.

The following table shows the components of income from PWP Capital Holdings LP reported within Related party income in the Condensed Consolidated Statements of Operations for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
TSA income – Compensation related	$ 93	$ 223	$ 279	$ 641
TSA income – Non-compensation related	22	328	66	995
Sublease income	106	159	425	522
Total income from PWP Capital Holdings LP	$ 221	$ 710	$ 770	$ 2,158

(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)

Tax Receivable Agreement

In connection with the Business Combination, the Company entered into a tax receivable agreement with PWP OpCo, Professional Partners and ILPs that provides for payment of 85% of the amount of cash savings, if any, in U.S. federal, state and local and foreign income taxes that the Company is deemed to realize as a result of (a) each exchange of interests in PWP OpCo for cash or stock of the Company and certain other transactions and (b) payments made under the tax receivable agreement. As of September 30, 2023, the Company had an amount due of $28.8 million pursuant to the tax receivable agreement, which represents management's best estimate of the amounts currently expected to be owed in connection with the tax receivable agreement for the Business Combination and subsequent exchanges made to date and is reported within Amount due pursuant to tax receivable agreement on the Condensed Consolidated Statement of Financial Condition. The Company expects to make the following payments with respect to the tax receivable agreement, which are exclusive of potential payments in respect of future exchanges and may differ significantly from actual payments made:

Years Ending:	**Estimated Payments Under Tax Receivable Agreement**
Remainder of 2023	$ —
2024	1,106
2025	1,416
2026	1,585
2027	1,623
Thereafter	23,076
Total payments	$ 28,806

Partner Promissory Notes

The Company loaned money pursuant to promissory note agreements (the "Partner Promissory Notes") to certain partners. The Partner Promissory Notes bear interest at an annual rate equal to the Federal Mid-Term Rate on an annual basis. The Partner Promissory Notes are due on various dates or in the event a partner is terminated or leaves at will. Repayment of the Partner Promissory Notes may be accelerated based on certain conditions as defined in the promissory note agreements and are primarily secured by the partner's equity interests in PWP OpCo or one of its affiliates. As the Partner Promissory Notes and associated interest receivable relate to equity transactions, they have been recognized as a reduction of equity on the Condensed Consolidated Statements of Financial Condition in the amount of $2.1 million and $3.5 million as of September 30, 2023 and December 31, 2022, respectively. During the nine months ended September 30, 2023 and 2022, certain partners effectively repaid $1.5 million and $2.6 million respectively, of principal and interest related to Partner Promissory Notes by foregoing the amount due from their respective deferred compensation agreements.

Other Partner Loans

In November 2021, PWP OpCo agreed to provide loans to certain partners. As of September 30, 2023 and December 31, 2022, $3.5 million and $3.4 million, respectively, of outstanding loans to certain partners and related interest receivable are recognized in Due from related parties on the Condensed Consolidated Statements of Financial Condition.

Other Related Party Transactions

In February 2022, the Company paid $0.5 million to an entity controlled by a member of the Board of Directors to reimburse a portion of expenses incurred by that entity in connection with the joint pursuit of a potential investment opportunity.

The Company's U.K. subsidiary, Perella Weinberg UK Limited, Professional Partners and certain partners (including one partner who serves as a Company director and president) are party to a reimbursement agreement, pursuant to which such partners directed Professional Partners to pay distributions related to certain of their Professional Partners Awards first to a subsidiary of the Company, so that the subsidiary can make employment income tax payments on such distributions to the appropriate non-U.S. authorities.

Note 17—Commitments and Contingencies

Loan Guarantees

As of September 30, 2023, the Company had no outstanding guarantees. Prior to September 30, 2023, the Company unconditionally guaranteed certain of its partners' loans with First Republic Bank ("Lender") whereby it promised to pay the Lender upon the occurrence of a default event. These guarantees were secured by the partners' interests in Professional Partners. The total guaranteed amount related to partners was $1.6 million as of December 31, 2022 and no loans were in default.

Indemnifications

The Company enters into certain contracts that contain a variety of indemnification provisions. The Company's maximum exposure under these arrangements is unknown. As of September 30, 2023 and December 31, 2022, the Company expects no claims or losses pursuant to these contracts; therefore, no liability has been recorded related to these indemnification provisions.

Legal Contingencies

From time to time, the Company is named as a defendant in legal actions relating to transactions conducted in the ordinary course of business. Some of these matters may involve claims of substantial amounts. Although there can be no assurance of the outcome of such legal actions, in the opinion of management and after consultation with external counsel, the Company believes it is neither probable nor reasonably possible that any current legal proceedings or claims would individually or in the aggregate have a material adverse effect on the condensed consolidated financial statements of the Company as of September 30, 2023 and December 31, 2022 and for the three and nine months ended September 30, 2023 and 2022.

On October 20, 2015, Professionals GP, PWP MC LP, PWP Equity I LP and Perella Weinberg Partners Group LP (collectively, the "PWP Plaintiffs"), filed a complaint against Michael A. Kramer, Derron S. Slonecker, Joshua S. Scherer, Adam W. Verost (collectively, the "Individual Defendants") and Ducera Partners LLC (together with the Individual Defendants, "Defendants") in New York Supreme Court, Commercial Division (the "Court"). The complaint alleges that the Individual Defendants, three former partners and one former employee of the PWP Plaintiffs, entered into a scheme while at PWP to lift out the PWP Plaintiffs' restructuring group to form a new competing firm that they were secretly forming in breach of their contractual and fiduciary duties to the PWP Plaintiffs. The complaint contains 14 causes of action, and seeks declaratory relief as well as damages resulting from the Individual Defendants' contractual and fiduciary breaches, and from Defendants' unfair competition and tortious interference with the PWP Plaintiffs' contracts and client relationships.

On November 9, 2015, Defendants filed an Answer, Counterclaims, Cross-claims and a Third-Party Complaint, which contained 14 causes of action. On July 17, 2016, the Court issued a decision, dismissing half of Defendants' claims with prejudice. On August 18, 2016, Defendants filed an Amended Answer, Counterclaims, Cross-claims and Third-Party Complaint, with seven counterclaims and cross-claims. On December 12, 2016, Defendants appealed the dismissal of three of their counterclaims and cross-claims to the New York Appellate Division, First Department (the "First Department"). On August 29, 2017, the First Department issued a decision denying Defendants' appeal other than allowing one Defendant to proceed with his breach of fiduciary duty counterclaim. On October 27, 2017, Defendants moved the First Department for leave to appeal its decision to the New York Court of Appeals. On December 28, 2017, the First Department denied Defendants' motion for leave. On April 24, 2018, Defendants filed a Second Amended Answer, Counterclaims, Cross-claims and Third-Party Complaint, with eight counterclaims and cross-claims. Defendants are seeking declaratory relief and damages of no less than $60.0 million, as well as statutory interest. In addition, on January 19, 2022, Defendants filed a motion for leave to renew their New York Labor Law counterclaim that the Court dismissed in 2016. On June 30, 2023, the Court issued a decision denying Defendants' motion for leave.

Discovery is complete. Both the PWP Plaintiffs and Defendants subsequently moved for summary judgment. On March 20, 2020, the parties completed briefing of their respective motions. The Court held oral argument on the motions on May 27, 2021. On May 24, 2023, the Court issued a decision and order on both motions for summary judgment (the "Summary Judgment Decision"). The Court granted the PWP Plaintiffs' motion with respect to the restrictive covenants in the PWP Plaintiffs' agreements, finding that they are valid and enforceable, and otherwise denied the motion. The Court denied Defendants' motion in its entirety. On July 25, 2023, Defendants filed a notice of appeal of the Summary Judgment Decision.

(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)

We believe that our 14 causes of action are meritorious. Further, we believe that we have meritorious defenses to Defendants' remaining counterclaims and cross-claims and plan to vigorously contest them. Litigation, however, can be uncertain and there can be no assurance that any judgment for one or more of Defendants or other outcome of the case would not have a material adverse effect on us. Additionally, even if we prevail in the litigation and are awarded damages, we do not know if we will be able to fully collect on any judgment against any or all Defendants.

Legal and professional fees incurred related to this litigation are presented net of expected insurance reimbursement within Professional fees in the Condensed Consolidated Statements of Operations.

Note 18—Business Information

The Company's activities of providing advisory services for M&A, private placements and financial advisory, as well as services for underwriting of securities offered for sale in public markets, commissions for the brokerage of publicly traded securities and equity research constitute a single business segment. The Company is organized as one operating segment in order to maximize the value of advice to clients by drawing upon the diversified expertise and broad relationships of its senior professionals across the Company. The Company has a single operating segment and therefore a single reportable segment.

For the three months ended September 30, 2023, revenues of $34.1 million related to one individual client accounted for more than 10% of aggregate revenue, while no individual client accounted for more than 10% of aggregate revenue for the nine months ended September 30, 2023. For the three months ended September 30, 2022, revenues of $50.0 million related to two individual clients accounted for more than 10% of aggregate revenue, while no individual client accounted for more than 10% of aggregate revenue for the nine months ended September 30, 2022. Since the financial markets are global in nature, the Company generally manages its business based on the operating results of the Company taken as a whole, not by geographic region. The following tables set forth the geographical distribution of revenues and assets based on the location of the office that generates the revenues or holds the assets and therefore may not be indicative of the geography in which the Company's clients are located:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Revenues				
United States	$ 123,863	$ 128,409	$ 354,183	$ 350,226
International	15,140	16,970	81,791	98,133
Total	$ 139,003	$ 145,379	$ 435,974	$ 448,359

	September 30, 2023	**December 31, 2022**
Assets		
United States	$ 481,208	$ 531,590
International	152,963	185,503
Total	$ 634,171	$ 717,093

Note 19—Subsequent Events

The Company has evaluated subsequent events through the issuance date of these condensed consolidated financial statements.

On November 1, 2023, the Board of Directors of PWP declared a cash dividend of $0.07 per share of Class A common stock. This dividend will be paid on December 8, 2023 to Class A common stockholders of record on November 24, 2023. Holders of Class B common stock will also receive dividends equal to the amount of dividends made on 0.001 shares of Class A common stock.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included elsewhere in this Form 10-Q. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from the forward-looking statements below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section entitled "Risk Factors" and elsewhere in this Form 10-Q.

Executive Overview

We are a leading global independent advisory firm that provides strategic and financial advice to clients across a range of the most active industry sectors and international markets. Our wide range of global clients include large public multinational corporations, mid-sized public and private companies, individual entrepreneurs, private and institutional investors, creditor committees and government institutions.

PWP OpCo serves as the Company's operating partnership as part of an umbrella limited partnership C-corporation (Up-C) structure and is jointly owned by Perella Weinberg Partners, Professional Partners and certain other partners of PWP OpCo. The Company shareholders are entitled to receive a portion of PWP OpCo's economics through their ownership interests in shares of Class A common stock of Perella Weinberg Partners, which holds PWP OpCo Units. The non-controlling interest owners of PWP OpCo receive a portion of its economics through their ownership of PWP OpCo Units.

For further information regarding our business, refer to "Part I. Item 1. Business" and "Part I. Item1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 as filed with the SEC on February 28, 2023.

Business Environment

Economic and global financial market conditions impact our financial performance. Today's market environment for an advisory business remains challenging, even though client dialogues are increasingly active.

Our core advisory services benefit from macroeconomic changes that impact our client base and lead them to consider business combinations, acquisitions and divestitures, capital raises and restructurings, and we continue to invest in our platform to achieve scale, accelerate growth, and deliver value in anticipation of a rebound in activity levels.

See "Risk Factors" included in our Annual Report on Form 10-K for a discussion of some of the factors that can affect our performance.

Key Financial Measures

Revenues

We operate in a highly competitive environment, and each revenue-generating engagement is separately solicited and negotiated. Our fee-paying client engagements are not predictable, and we may experience fluctuations in revenues from quarter to quarter. To develop new business, we maintain an active business dialogue with existing and potential clients, and we expect to add new clients each year through expanding our relationships, hiring senior advisory professionals, and receiving introductions from our relationship network. However, we also lose clients each year due to various factors, such as sales or mergers, changes in clients' senior management, and competition from other financial services firms.

Our revenue recognition is often tied to the completion of a transaction, which can be delayed or terminated due to various reasons, including failure to obtain regulatory or board approval, failure to secure financing, or adverse market conditions. Larger transactions may take longer to close, adding unpredictability to the timing of revenues. Despite our efforts, we may receive lower advisory fees or no fee at all if a transaction is not completed. Other barriers to the completion of restructuring transactions include a lack of anticipated bidders, failure to obtain court approval, or a failure to reach an agreement with creditors. In such cases, our advisory fees may be limited to monthly retainer fees plus the reimbursement of expenses.

We do not present our revenue by the type of advice we provide because of the complexity of the transactions on which we may earn revenue and our holistic approach to client service. For instance, a traditional M&A engagement may require additional advisory services, such as capital markets or capital solutions advice or a private capital raise, which may call for cross-functional expertise from our professionals. We focus on dedicating the necessary resources and expertise to each engagement, regardless of product lines, to achieve the desired outcome for our clients. Consequently, tracking the type of advisory service offered in each instance is not practical.

Operating Expenses

Our operating expenses are classified as (i) total compensation and benefits expenses including equity-based compensation and (ii) non-compensation expenses.

Compensation and Benefits Expenses

Our compensation and benefits expenses account for a majority of our operating expenses and are primarily driven by headcount. These expenses consist of base salary, benefits, payroll taxes, cash bonus awards, deferred compensation awards, and amortization of equity-based compensation awards. Compensation is determined by management based on revenues earned, labor market competitiveness, recruitment of new partners, amortization of equity-based awards, and other factors, leading to potential fluctuations in a particular period.

Equity-based awards are subject to a service vesting condition, and in some cases, a market-based performance vesting condition. The expense amortization of Legacy Awards and Professional Partners Awards is allocated to non-controlling interests as these awards have no economic impact on, and do not dilute, PWP shareholders relative to Professional Partners.

Non-Compensation Expenses

Our non-compensation expenses include the costs of professional fees, technology and infrastructure, rent and occupancy, travel and related expenses, depreciation and amortization and general, administrative and other expenses. Our non-compensation expenses also include certain co-advisory fees and expenses reimbursed by our clients. Revenues related to co-advisory fees and expenses reimbursed by clients are presented within revenues on our Condensed Consolidated Statements of Operations. Overall, our non-compensation expenses are subject to variability due to multiple factors, including headcount, business needs, and inflation.

Non-Operating Income (Expenses)

Non-operating income (expenses) includes the impact of income and expense items that we consider to be non-operational in nature, which typically includes related party income, interest income and expense, and other non-operating gains (losses), including the impact of foreign exchange rate fluctuations. Prior to the completion of the Warrant Exchange Offer on August 23, 2022, non-operating income (expenses) also included the change in fair value of warrant liabilities.

Results of Operations

The following is a discussion of our results of operations for the respective periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(Dollars in thousands)	**2023**	**2022**	**2023 vs. 2022**	**2023**	**2022**	**2023 vs. 2022**
Revenues	$ 139,003	$ 145,379	(4)%	$ 435,974	$ 448,359	(3)%
Expenses						
Compensation and benefits	84,872	86,260	(2)%	261,051	264,092	(1)%
Equity-based compensation	42,892	36,999	16%	132,775	114,316	16%
Total compensation and benefits	127,764	123,259	4%	393,826	378,408	4%
Non-compensation expenses	37,931	30,938	23%	113,282	98,141	15%
Total operating expenses	165,695	154,197	7%	507,108	476,549	6%
Operating income (loss)	(26,692)	(8,818)	(203)%	(71,134)	(28,190)	(152)%
Non-operating income (expenses)						
Related party income	221	740	(70)%	770	2,248	(66)%
Other income (expense)	2,542	6,083	(58)%	1,488	11,702	(87)%
Change in fair value of warrant liabilities	—	(6,294)	NM	—	15,806	NM
Total non-operating income (expenses)	2,763	529	422%	2,258	29,756	(92)%
Income (loss) before income taxes	(23,929)	(8,289)	(189)%	(68,876)	1,566	NM
Income tax expense (benefit)	(191)	4,570	NM	552	10,707	(95)%
Net income (loss)	(23,738)	(12,859)	(85)%	(69,428)	(9,141)	(660)%
Less: Net income (loss) attributable to non-controlling interests	(21,689)	(13,999)	(55)%	(62,615)	(28,440)	(120)%
Net income (loss) attributable to Perella Weinberg Partners	$ (2,049)	$ 1,140	NM	$ (6,813)	$ 19,299	NM

NM = Not meaningful

Revenues

The following table provides revenue statistics for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	**2022**	**2023 vs. 2022**	**2023**	**2022**	**2023 vs. 2022**
Total Advisory Clients	81	78	3	159	151	8
Total Clients with Fees Greater than $1.0 million	29	24	5	90	86	4

For the three months ended September 30, 2023 as compared with the same period in 2022, revenues decreased by 4%. Revenues attributed to mergers and acquisitions were slightly higher in the third quarter of 2023 compared to the same period in 2022, but financing and capital solutions activity decreased as compared to the third quarter of 2022, which contained a particularly large financing fee.

For the nine months ended September 30, 2023 revenues decreased by 3% from the nine months ended September 30, 2022. There was a slight increase in mergers and acquisition activity period-over-period while financing and capital solutions revenues were lower due to a large financing fee and restructuring fee in the prior year period.

Operating Expenses

The following table sets forth information relating to our operating expenses:

(Dollars in thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	2023 vs. 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	2023 vs. 2022
Expenses						
Compensation and benefits	$ 84,872	$ 86,260	(2)%	$ 261,051	$ 264,092	(1)%
% of Revenues	61 %	59 %		60 %	59 %	
Equity-based compensation	$ 42,892	$ 36,999	16 %	$ 132,775	$ 114,316	16 %
% of Revenues	31 %	25 %		30 %	25 %	
Total compensation and benefits	$ 127,764	$ 123,259	4 %	$ 393,826	$ 378,408	4 %
% of Revenues	92 %	85 %		90 %	84 %	
Non-compensation expenses	$ 37,931	$ 30,938	23 %	$ 113,282	$ 98,141	15 %
% of Revenues	27 %	21 %		26 %	22 %	
Total operating expenses	$ 165,695	$ 154,197	7 %	$ 507,108	$ 476,549	6 %
% of Revenues	119 %	106 %		116 %	106 %	

Compensation and Benefits Expenses

The increase in total compensation and benefits expenses for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 was primarily due to a higher year-to-date compensation margin. The increase was also driven by additional equity-based awards granted during the first quarter of 2023, as well as Business Realignment costs of $6.4 million incurred during the current period. These costs included separation and transition benefits and the acceleration of equity-based compensation amortization (net of forfeitures) for terminated employees.

The increase in total compensation and benefits expenses for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily due to a higher year-to-date compensation margin. Also, Business Realignment costs of $11.5 million were incurred for the nine months ended September 30, 2023 and higher equity-based compensation was a result of awards granted during the first quarter of 2023, both contributing to the overall increase. Approximately $18 million of additional Business Realignment costs are expected to be incurred during the remainder of 2023, which is based on our current assumptions, and actual results may differ materially if unanticipated costs are incurred related to the Business Realignment.

Non-Compensation Expenses

The increase in non-compensation expenses for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 included a $2.1 million increase in professional fees primarily related to increased legal spend partially offset by decreased recruiting and consulting fees, a $1.4 million increase in general, administrative, and other expenses primarily due to bad debt expense offset by lower D&O insurance, a $1.2 million increase in travel-related expenses due to increased costs of airfare and lodging and increased headcount, and a $0.7 million increase in technology and infrastructure primarily related to certain investments. As a result of the New York and London office renovations and relocation, rent and occupancy slightly increased due to certain overlapping rent costs as well as increased lease operating costs and depreciation and amortization expense increased $1.2 million as leasehold improvements and other related assets were placed into service.

The increase in non-compensation expenses for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 included a $4.8 million increase in travel-related expenses due to increased costs of airfare and lodging and increased headcount and a $3.4 million increase in technology and infrastructure primarily related to certain investments. The $3.3 million increase in rent and occupancy and $2.1 million increase in depreciation and amortization expense was due to overlapping rent and increased lease operating costs and new assets being placed into service, respectively, from the office renovations and relocation. Professional fees increased slightly due to increased legal spend offset by decreased consulting and recruiting fees. General, administrative and other expenses also increased marginally driven by increased VAT and bad debt expense offset by lower D&O insurance.

Non-Operating Income (Expenses)

For the three months ended September 30, 2023, non-operating income of $2.8 million included $1.9 million of interest income and $1.9 million of gains from foreign exchange rate fluctuations, both reported within other income (expense). This other income was partially offset by a charge related to a settlement reached with the staff of the SEC in connection with the self-reporting of our practices relating to recordkeeping of business communications on “off-channel” messaging applications (the “Settlement”). Pursuant to the Settlement, Perella Weinberg Partners LP, Tudor, Pickering, Holt & Co. Securities LLC, and Perella Weinberg Partners Capital Management LP, collectively, agreed to pay $2.5 million in the aggregate to the SEC on a joint and several liability basis. The Company recognized a charge of $1.25 million related to the Settlement, with the remainder recognized by Perella Weinberg Partners Capital Management LP. For the prior year period, non-operating income of $0.5 million included $6.1 million of other income, largely comprised of gains from foreign exchange rate fluctuations, plus related party income, partially offset by a $6.3 million loss from the change in fair value of warrant liabilities prior to the Warrant Exchange Offer.

For the nine months ended September 30, 2023, non-operating income of $2.3 million included related party income and other income, largely comprised of $4.6 million of interest income earned primarily on cash and U.S. Treasury securities, partially offset by the $1.25 million charge recognized by the Company related to the Settlement and a $1.4 million non-operating loss on investment. In the prior year period, non-operating income of $29.8 million included a $15.8 million gain from the change in fair value of warrant liabilities, related party income, and other income, the largest component of which was a $10.8 million gain from foreign exchange rate fluctuations primarily related to U.S. dollar-denominated cash and intercompany receivables held by our foreign subsidiaries.

Income Tax Expense (Benefit)

The Company’s income tax benefit and effective tax rate were $0.2 million and 0.8%, respectively, for the three months ended September 30, 2023 compared to income tax expense and an effective tax rate of $4.6 million and (55.1)%, respectively, for the three months ended September 30, 2022.

The Company’s income tax expense and effective tax rate were $0.6 million and (0.8)%, respectively, for the nine months ended September 30, 2023 compared to income tax expense and an effective tax rate of $10.7 million and 683.7%, respectively, for the nine months ended September 30, 2022.

The Company’s overall effective tax rate in each of the periods described above varies from the U.S. federal statutory rate primarily because (i) a portion of the Company’s income is allocated to non-controlling interests held in PWP OpCo in which the majority of any tax liability on such income is borne by the holders of such non-controlling interests and reported outside of the condensed consolidated financial statements, (ii) a portion of the Company’s compensation expense is non-deductible for tax purposes and (iii) during the nine months ended September 30, 2023, the Company recognized a previously unrecognized tax benefit at one of its foreign subsidiaries as a result of the favorable resolution of an inquiry from a taxing authority, which caused the Company to change its assessment of the technical merits of this tax position

The significant changes in the effective tax rate between the third quarter of 2023 and the third quarter of 2022, and also between the nine months ended September 30, 2023 and the nine months ended September 30, 2022, were due to the relative size of our permanent differences in relation to pre-tax income (loss) in the respective periods, as well as the recognition of a previously unrecognized tax benefit at one of the Company’s foreign subsidiaries during the nine months ended September 30, 2023.

Cash Flows

Our operating cash flows are primarily influenced by the amount and timing of receipt of advisory fees, which generally have net terms of 30 days, and the payment of operating expenses, including payments of incentive compensation to our employees. We pay a significant portion of incentive compensation during the first quarter of each calendar year with respect to the prior year’s results. Generally, our investing and financing cash flows are primarily influenced by the payment of dividends, distributions to partners, investments in U.S. Treasury securities, purchases of fixed assets, share repurchases, and withholding payments for vesting of PWP Incentive Plan Awards.

A summary of our operating, investing and financing cash flows is as follows:

(Dollars in thousands)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Cash Provided By (Used In) Operating Activities		
Net income (loss)	$ (69,428)	$ (9,141)
Non-cash charges and other operating activity adjustments	155,335	110,496
Other operating activities	(98,389)	(200,047)
Total operating activities	(12,482)	(98,692)
Investing Activities	26,274	(147,406)
Financing Activities	(59,981)	(102,641)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,224	(10,523)
Net increase (decrease) in cash, cash equivalents and restricted cash	(44,965)	(359,262)
Cash, cash equivalents and restricted cash, beginning of period	174,166	504,775
Cash, cash equivalents and restricted cash, end of period	$ 129,201	$ 145,513

Nine Months Ended September 30, 2023

The Company's cash and restricted cash were $129.2 million as of September 30, 2023, which was a decrease of $45.0 million from December 31, 2022. Cash, restricted cash and short-term marketable debt securities (U.S. Treasuries) were $199.2 million as of September 30, 2023, a decrease of $115.1 million from December 31, 2022. The Company's net loss for the nine months ended September 30, 2023 included non-cash charges and other adjustments, largely comprised of equity-based awards vesting expense, depreciation and amortization, and non-cash operating lease expense. The Company's net operating cash outflow was predominantly due to the payment of the prior year's annual bonus compensation. Investing activities resulted in a net inflow as a result of the maturities of investments of certain U.S. Treasury securities. This inflow was partially offset by additional investments of excess cash in U.S. Treasury securities and the purchase of fixed assets largely related to the New York and London office renovations and relocation. Financing activities resulted in a net outflow primarily related to the repurchase of shares pursuant to the stock repurchase program, withholding payments for vesting of PWP Incentive Plan Awards, distributions to partners, and the payment of dividends.

Nine Months Ended September 30, 2022

Cash and restricted cash were $145.5 million as of September 30, 2022, which was a decrease of $359.3 million from $504.8 million as of December 31, 2021. The Company reported a net loss of $9.1 million for the nine months ended September 30, 2022 which includes $110.5 million of non-cash charges and other adjustments, largely comprised of equity-based awards vesting expense, depreciation and amortization, the change in fair value of warrant liabilities, foreign currency revaluation and non-cash operating lease expense. This operating cash inflow was offset by working capital needs predominantly due to the payment of the annual bonus compensation in the first quarter of the year as well as payments for lease liabilities, resulting in a net operating outflow of cash of $98.7 million during the nine months ended September 30, 2022. Investing activities resulted in a net outflow of $147.4 million largely attributable to investments of cash in treasury securities as well as the purchases of fixed assets. Financing activities resulted in a net outflow of $102.6 million primarily related to the repurchase of shares pursuant to the stock repurchase program, distributions to partners, withholding payments for vesting of PWP Incentive Plan Awards and the payment of dividends.

Liquidity and Capital Resources

General

We regularly monitor our liquidity position, including cash and cash equivalents, working capital assets and liabilities, commitments and other liquidity requirements. Our primary sources of liquidity are our cash balances, our investments in short-term marketable debt securities, the net cash generated from operations and the available borrowing capacity under our Revolving Credit Facility.

Our current assets are primarily composed of cash, investments in short-term marketable securities, receivables related to fees earned from providing advisory services, certain prepaid expenses and certain amounts due from related parties. Our current liabilities are primarily composed of accrued employee compensation, accounts payable and other accrued expenses. We generally pay a significant portion of our annual incentive compensation, in the form of cash bonuses, during the first quarter of each calendar year with respect to the prior year's results. Therefore, levels of cash and/or investments in short-term marketable securities generally decline during the first quarter of each year after our annual incentive compensation has been paid to our employees and typically builds over the remainder of the year. The Company makes quarterly partner tax distributions as required under the PWP OpCo LPA. Additionally, we intend to pay dividends throughout each year and intend to continue our share repurchases under the share repurchase program described below. The Company has utilized its option to net settle shares upon the vesting of PWP Incentive Plan Awards in order to remit required employee withholding taxes by using cash on hand as well as purchasing shares of Class A common stock pursuant to the stock repurchase program described below.

We evaluate our cash needs on a regular basis in light of current market and business conditions and regulatory requirements. Cash includes both cash and interest-bearing money market accounts and cash equivalents are defined as short-term highly liquid investments that have original maturities of three months or less from the date of purchase. As of September 30, 2023 and December 31, 2022, the Company had cash balances of $126.6 million and $171.6 million, respectively, maintained in U.S. and non-U.S. bank accounts, of which most bank account balances exceeded the U.S. Federal Deposit Insurance Corporation ("FDIC") and U.K. Financial Services Compensation Scheme ("FSCS") coverage limits. Additionally, as of September 30, 2023 and December 31, 2022, the Company held investments in short-term marketable debt securities, consisting entirely of U.S. Treasury securities, of $70.0 million and $140.1 million.

Our liquidity is highly dependent upon cash receipts from clients, which generally require the successful completion of transactions. Accounts receivable generally have net terms of 30 days. Accounts receivable were $68.9 million, net of a $2.2 million allowance for credit losses balance as of September 30, 2023. Accounts receivable were $67.9 million, net of a $1.1 million allowance for credit losses balance as of December 31, 2022.

Line of Credit

The Company has a Revolving Credit Facility with Cadence Bank with an available line of credit of $50.0 million. Additionally, up to $20.0 million of incremental revolving commitments above the $50.0 million commitment amount may be incurred under the Credit Agreement. On June 30, 2023, the Company amended the Credit Agreement in order to provide for Term SOFR as the replacement benchmark rate for LIBOR, and to make certain other technical changes to the Credit Agreement related thereto. As of September 30, 2023, the Company had no outstanding balance related to the Revolving Credit Facility and no incremental revolving commitments were incurred. For further information on the Revolving Credit Facility, refer to Note 10—Debt in the notes to condensed consolidated financial statements included elsewhere in this Form 10-Q.

Based on current market conditions, we believe that our cash on hand, the investments in short-term marketable debt securities, the net cash generated from operations and the available borrowing capacity under our Revolving Credit Facility will be sufficient to meet our operating needs and commitments for the next twelve months; however, if these sources of liquidity are not sufficient, we may seek additional debt or equity financing.

Share Repurchase Program

The Company's board of directors approved a stock repurchase program under which the Company is authorized to repurchase up to $200.0 million of the Company's Class A common stock with no requirement to purchase any minimum number of shares. During the nine months ended September 30, 2023, the Company purchased 2,376,683 shares, at a cost of $22.5 million. No shares were repurchased during the three months ended September 30, 2023. As of September 30, 2023, $108.8 million remains of the $200 million share repurchase authorization.

Other Commitments and Contractual Obligations

Regulatory Capital

We actively monitor our regulatory capital base. Our principal subsidiaries are subject to regulatory requirements in their respective jurisdictions to ensure general financial soundness and liquidity. This requires, among other things, that we comply with certain minimum capital requirements, record-keeping, reporting procedures, experience and training requirements for employees and certain other requirements and procedures. These regulatory requirements may restrict the flow of funds to and from affiliates. Refer to Note 6—Regulatory Requirements in the notes to condensed consolidated financial statements included elsewhere in this Form 10-Q for further information. These regulations differ in the United States, United Kingdom, Canada, France and other countries in which we operate a registered broker-dealer or regionally similar construct. The license or regulatory framework under which we operate in each such country is meant to comply with applicable laws and regulations to conduct an advisory business. We believe that we provide each of our subsidiaries with sufficient capital and liquidity, consistent with their business and regulatory requirements to effectively operate in each jurisdiction.

Exchange Rights

In accordance with the PWP OpCo LPA, PWP OpCo Unitholders (other than the Company) may exchange these units for (i) shares of Class A common stock on a one-for-one basis or (ii) cash from an offering of shares of Class A common stock with the form of consideration determined by the Company. See Note 9—Stockholders' Equity in the notes to the condensed consolidated financial statements included elsewhere in the Form 10-Q for further information.

Sponsor Share Surrender and Share Restriction Agreement

Concurrent with the Business Combination Agreement, FTIV, PWP OpCo and certain other parties entered into the Sponsor Share Surrender and Share Restriction Agreement with the Sponsor, which was amended on May 4, 2021. See Note 11—Stockholders' Equity in the notes to the audited consolidated financial statements for the year ended December 31, 2022 included in the Company's Annual Report on Form 10-K for further information.

Tax Receivable Agreement

In connection with the Business Combination, the Company entered into a tax receivable agreement with PWP OpCo, Professional Partners and ILPs that provides for payment of 85% of the amount of cash savings, if any, in U.S. federal, state and local and foreign income taxes that the Company is deemed to realize as a result of (a) each exchange of interests in PWP OpCo for cash or stock of the Company and certain other transactions and (b) payments made under the tax receivable agreement. See Note 16—Related Party Transactions in the notes to the condensed consolidated financial statements included elsewhere in the Form 10-Q for further information as well as the expected timing of payments.

Leases and Capital Expenditures

We have various non-cancelable operating leases in connection with the leases of our office spaces and equipment. See Note 4—Leases in the notes to condensed consolidated financial statements included elsewhere in this Form 10-Q for further information as well as the expected timing of payments. The Company signed new lease agreements for the London office and the New York office spaces, which expand our square footage meaningfully in both locations in order to accommodate our anticipated growth. This expansion increased our contractual obligations as well as required capital contributions towards construction of these spaces (mitigated in part by free rent periods and tenant improvement allowances). Construction of the London space was completed in February 2023 and completion of the New York space is expected by the end of 2023. As of September 30, 2023, the Company estimates spending approximately $12 million to complete the construction of the New York space, net of tenant improvement allowances.

Business Realignment

We currently estimate that approximately $16 million of cash payments remain related to the Business Realignment, which are expected to be paid within the next 12 months.

Market Risk and Credit Risk

Our business is not capital-intensive and we do not invest in derivative instruments. We are not subject to significant market risk (including interest rate risk and commodity price risk) or significant credit risk.

Risks Related to Cash and Cash Equivalents

Our cash and cash equivalents include any short-term highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less from the date of purchase. Cash is maintained in U.S. and non-U.S. bank accounts. Most U.S. and U.K. account balances exceed the FDIC and FSCS coverage limits. We believe our cash and cash equivalents are not subject to any material interest rate risk, equity price risk, credit risk or other market risk.

Credit Risk

We regularly review our accounts receivable and allowance for credit losses by considering factors such as historical experience, credit quality, age of the accounts receivable, and the current economic conditions that may affect a client's ability to pay such amounts owed to the Company. We maintain an allowance for credit losses that, in our opinion, provides for an adequate reserve to cover current expected credit losses. Refer to Note 3—Revenue and Receivables from Contracts with Customers in the notes to condensed consolidated financial statements included elsewhere in this Form 10-Q for further information.

With respect to investments, we manage our credit risk exposure by holding investments primarily with investment grade credit quality. As of September 30, 2023, the Company held investments of $70.0 million in U.S. Treasury securities with maturities of less than 12 months.

Exchange Rate Risk

The Company is exposed to exchange rate risk as a result of having foreign subsidiaries with non-U.S. dollar functional currencies as well as from entering into transactions and holding monetary assets and liabilities that are not denominated in the functional currency of its operating subsidiaries. Specifically, the reported amounts in our consolidated financial statements may be affected by movements in the rate of exchange between the pound sterling, Euro, and Canadian dollar and our reporting currency, the U.S. dollar. For the nine months ended September 30, 2023 and 2022, the net impact of non-functional currency related transaction gains and losses recorded in Other income (expense) on our Condensed Consolidated Statements of Operations was a $0.3 million loss and $10.8 million gain, respectively, primarily related to U.S. dollar-denominated intercompany receivables held by our foreign subsidiaries as the U.S. dollar value fluctuated period over period. For the nine months ended September 30, 2023 and 2022, the net impact of the fluctuation of foreign currencies recorded in Foreign currency translation gain (loss) within our Condensed Consolidated Statements of Comprehensive Income (Loss) was a $0.7 million gain and $13.4 million loss, respectively. We have not entered into any transactions to hedge our exposure to these foreign currency fluctuations using derivative instruments or other methods but may do so if we deem appropriate in the future.

As of September 30, 2023, we held balances of $32.1 million of non-U.S. dollar denominated currencies, composed of pound sterling, the Euro, and Canadian dollars.

Critical Accounting Estimates

This Quarterly Report on Form 10-Q should be read together with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the Company's Annual Report on Form 10-K filed on February 28, 2023 regarding these critical accounting estimates. For changes to our critical accounting estimates during the nine months ended September 30, 2023, refer to Note 2—Summary of Significant Accounting Policies in the notes to condensed consolidated financial statements included elsewhere in this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Quantitative and qualitative disclosures about market risk are set forth above in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Market Risk and Credit Risk".

Item 4. Controls and Procedures

This Item 4 includes information concerning the controls and controls evaluation referred to in the certifications of our Chief Executive Officer and Chief Financial Officer required by Rule 13a-14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") included in this Quarterly Report on Form 10-Q as Exhibits 31.1 and 31.2.

Management's Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to management to allow timely decisions regarding required disclosures.

In connection with the preparation of this Quarterly Report on Form 10-Q, our management, under the supervision and with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2023. Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed in reports that we file or submit under the Exchange Act is accumulated and communicated to management, and made known to our principal executive officer and principle financial officer, on a timely basis to ensure that it is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the nine months ended September 30, 2023 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are now, and from time to time may in the future be, named as a defendant in legal actions relating to transactions conducted in the ordinary course of business. We may also become involved in other judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of our businesses. Some of these matters may involve claims of substantial amounts.

For details on the current legal proceedings, refer to Note 17—Commitments and Contingencies in the notes to condensed consolidated financial statements included elsewhere in this Form 10-Q.

Item 1A. Risk Factors

There have been no material changes or updates to our risk factors that were previously disclosed in "Part I. Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 as filed with the SEC on February 28, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Repurchases of Equity Securities

The following table summarizes our repurchase of equity securities during the three months ended September 30, 2023:

Period	Total Number of Shares Repurchased	Average Price Paid Per Unit	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares yet to be Purchased Under the Publicly Announced Plans or Programs
July 1, 2023 - July 31, 2023	—	$ —	—	$ 108,823,525
August 1, 2023 - August 31, 2023	—	—	—	$ 108,823,525
September 1, 2023 - September 30, 2023	—	—	—	$ 108,823,525
Total	—	$ —	—	

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended September 30, 2023, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

Exhibit Number	Description
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.
** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PERELLA WEINBERG PARTNERS

Date: November 7, 2023	By:	/s/ ANDREW BEDNAR
		Andrew Bednar
		Chief Executive Officer
		(Principal Executive Officer)
Date: November 7, 2023	By:	/s/ GARY S. BARANCIK
		Gary S. Barancik
		Chief Financial Officer
		(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew Bednar, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Perella Weinberg Partners;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2023

By: /s/ ANDREW BEDNAR
Andrew Bednar
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gary S. Barancik, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Perella Weinberg Partners;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2023

By: /s/ GARY S. BARANCIK
Gary S. Barancik
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the period ended September 30, 2023, as filed by Perella Weinberg Partners (the “Company”) with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2023

By: /s/ ANDREW BEDNAR
Andrew Bednar
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the period ended September 30, 2023, as filed by Perella Weinberg Partners (the “Company”) with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2023

By: /s/ GARY S. BARANCIK
Gary S. Barancik
Chief Financial Officer
(Principal Financial Officer)