
CBRE GROUP, INC.

BARCLAYS GLOBAL FINANCIAL SERVICES CONFERENCE

September 2019

Leah Stearns – Chief Financial Officer



CBRE

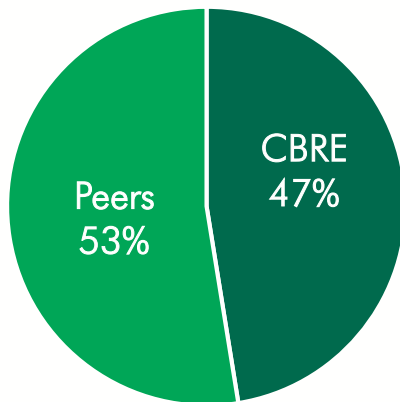
Forward-Looking Statements

This presentation contains statements that are forward looking within the meaning of the Private Securities Litigation Reform Act of 1995. These include statements regarding CBRE's future growth momentum, operations, market share, business outlook, and financial performance expectations. These statements are estimates only and actual results may ultimately differ from them. Except to the extent required by applicable securities laws, we undertake no obligation to update or publicly revise any of the forward-looking statements that you may hear today. Please refer to our second quarter earnings release, furnished on Form 8-K, our most recent annual report filed on Form 10-K, and our most recent quarterly report filed on Form 10-Q and in particular any discussion of risk factors or forward-looking statements therein, which are available on the SEC's website (www.sec.gov), for a full discussion of the risks and other factors that may impact any forward-looking statements that you may hear today. We may make certain statements during the course of this presentation, which include references to "non-GAAP financial measures," as defined by SEC regulations. Where required by these regulations, we have provided reconciliations of these measures to what we believe are the most directly comparable GAAP measures, which are attached hereto within the appendix.

The Global Leader in an Expanding Industry



CRE Services Market Capitalization¹



Global Market Leadership

- #1 Leasing
- #1 Property Sales
- #1 Outsourcing
- #1 Appraisal & Valuation
- #1 Property Management
- #1 US Commercial Developer

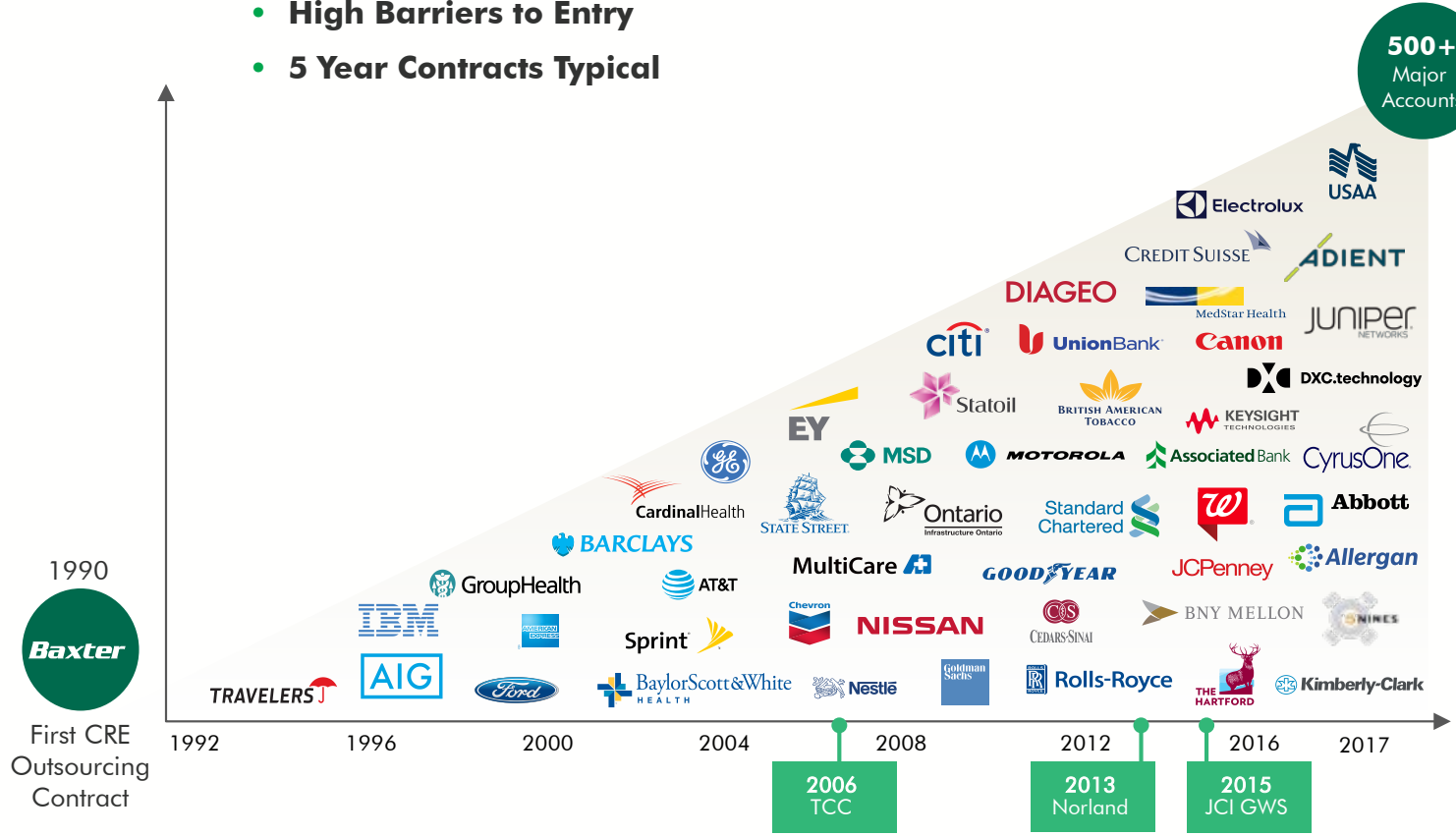
Three Structural Tailwinds for Commercial Real Estate Services

1. **Outsourcing** – Occupier Acceptance of Outsourced Commercial Real Estate Services
2. **Asset Allocation** – By Institutional Investors to the Commercial Real Estate Asset Class
3. **Consolidation** – Customers are Driving Consolidation to Global Industry Leaders

Tailwind 1 – Occupiers of Real Estate Increasingly Turn to Outsourcing

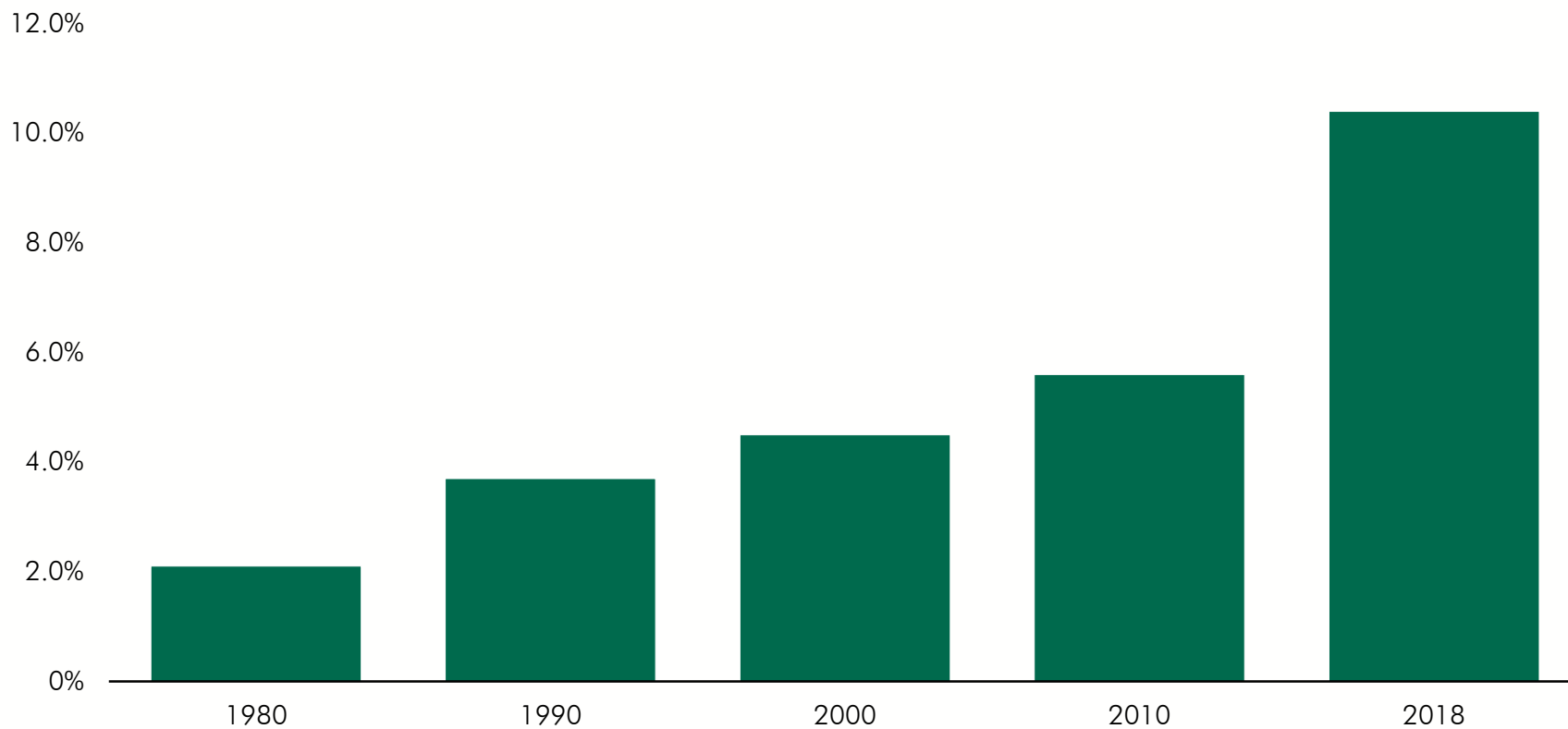
- High Barriers to Entry
- 5 Year Contracts Typical

500+ Major Accounts



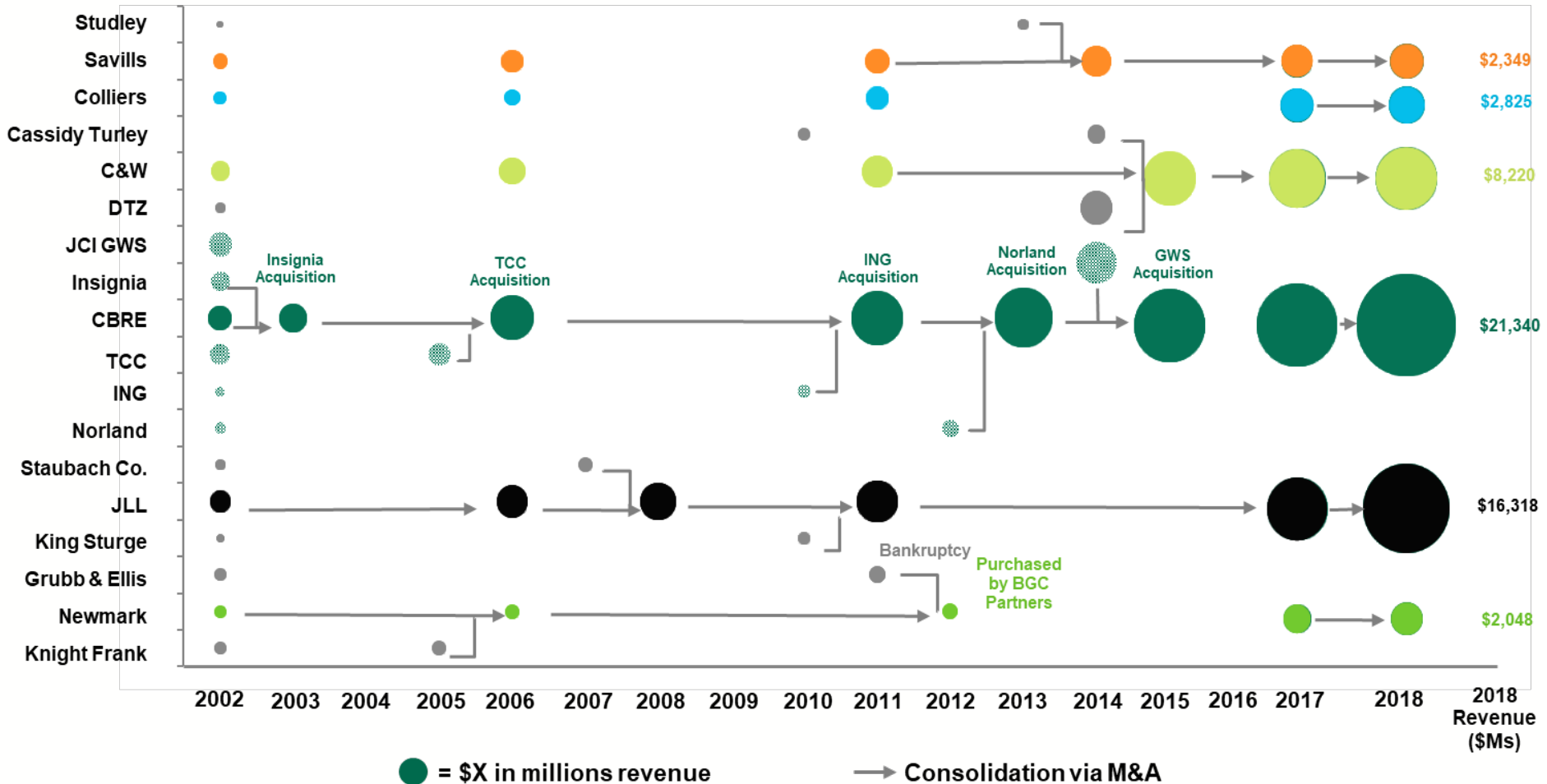
Tailwind 2 – Increasing Institutional Ownership of CRE Drives Demand for Services

Institutional Asset Allocation to Real Estate has Increased Strongly Over Time



Source: NAIOP, Federal Reserve Board of Governors, The Conference Board, Pension & Investments, Hodes Weill & Associates

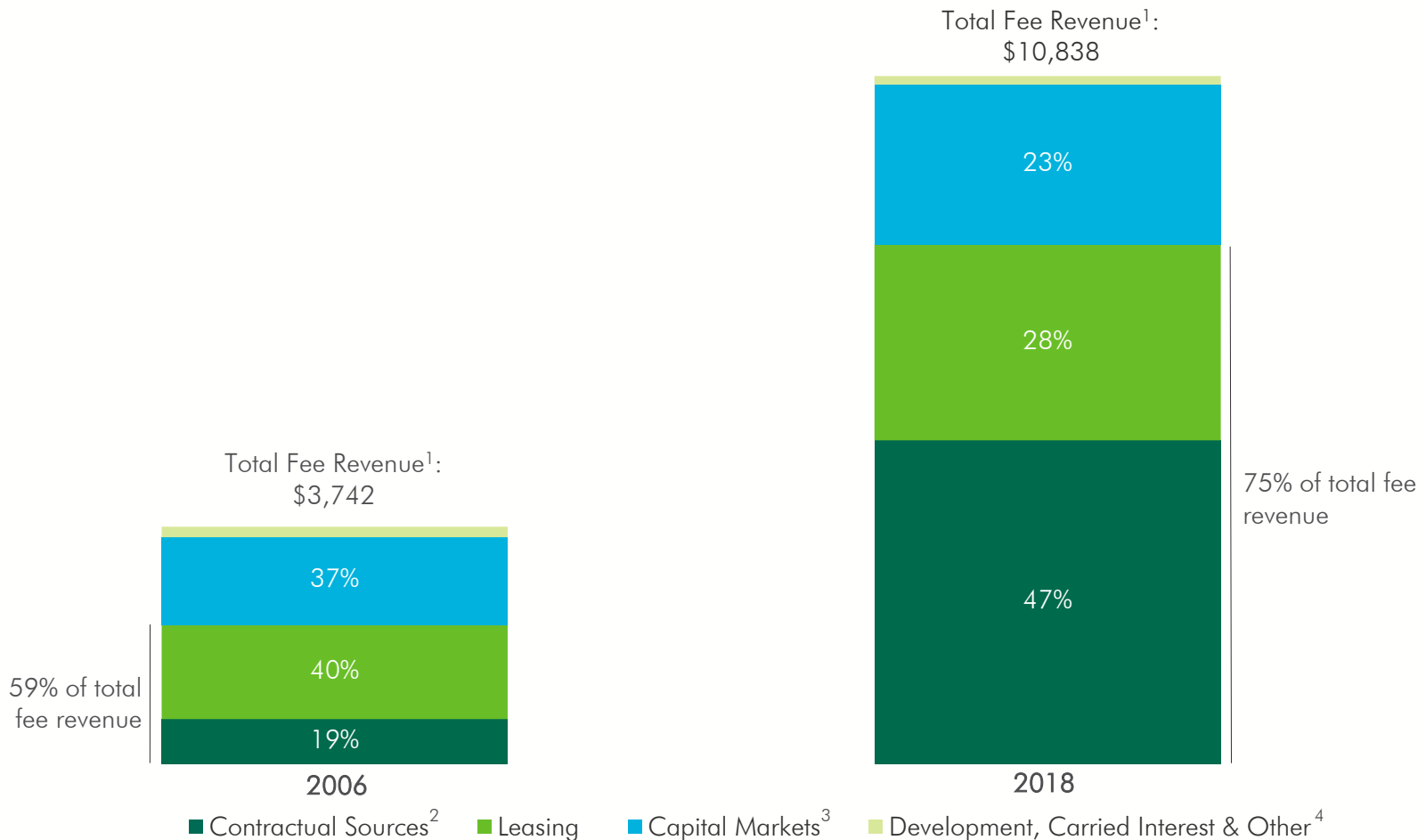
Tailwind 3 – CBRE Holds the Market Leading Position in a Consolidating Industry



Notes: Revenues of private companies are estimated; CBRE 2015 gross revenue includes four months of actual gross revenue from the acquired GWS business while under our ownership, annualized for illustrative purposes; other public companies are as reported, with Savills revenue translated to US Dollars. C&W's 2015 revenue is a pro forma figure to adjust for the acquisitions of Cassidy Turley and DTZ. 2017 and prior figures have not been adjusted for ASC 606. 2018 figures reflect ASC 606 and are not directly comparable to prior year figures.

Growing into a Better Balanced and More Resilient Business

Contractual revenues today are larger than the entire company in 2006

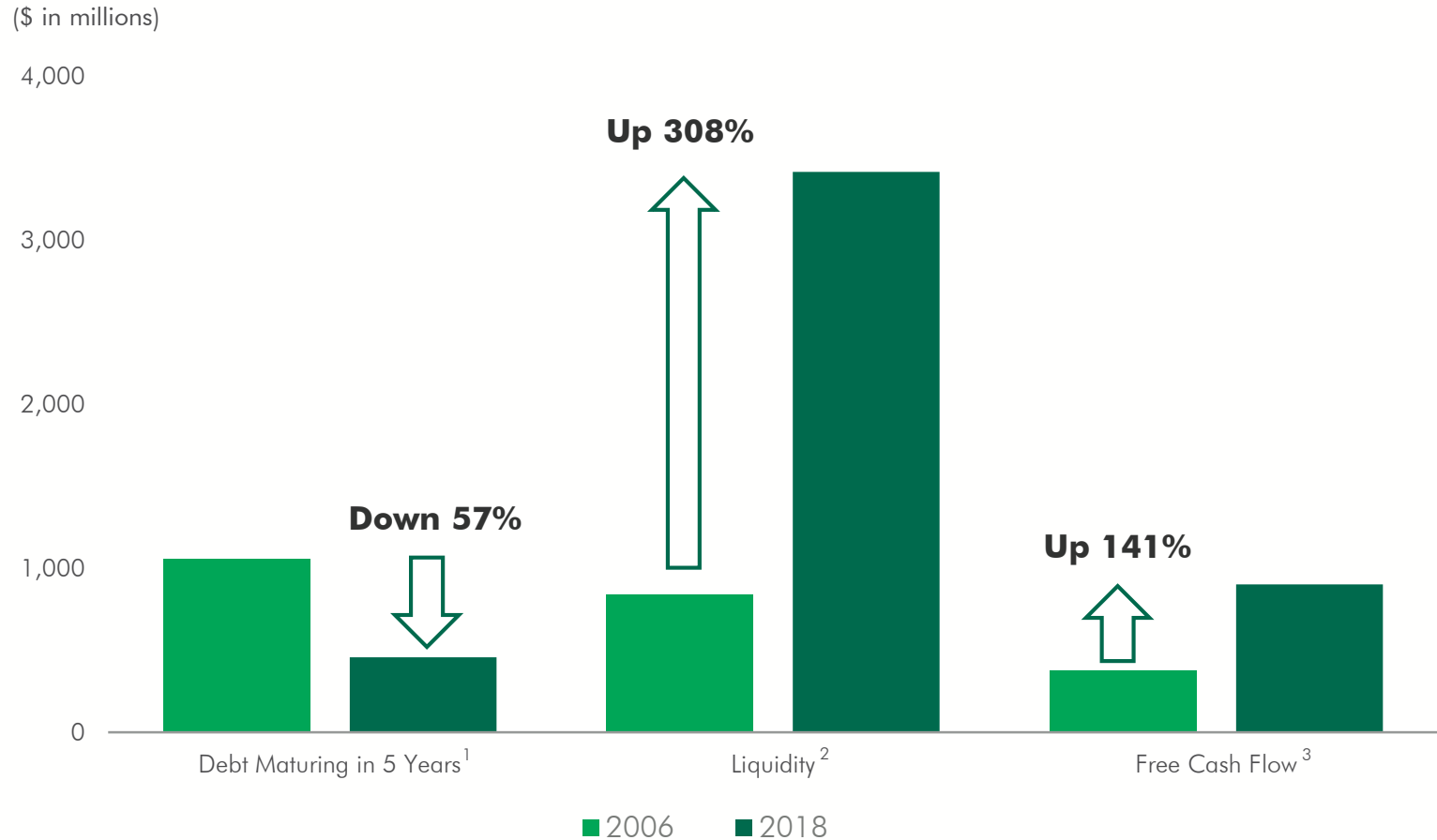


\$ in millions
 (%) – share of total fee revenue

Note: 2018 fee revenue reflects ASC 606. We have not restated 2006 figures, and fee revenue for 2006 continues to be reported under the accounting standards in effect for that period.

See slide 18 for footnotes

CBRE's Financial Flexibility Has Improved Dramatically



Note: As of December 31, 2006 and 2018, respectively.

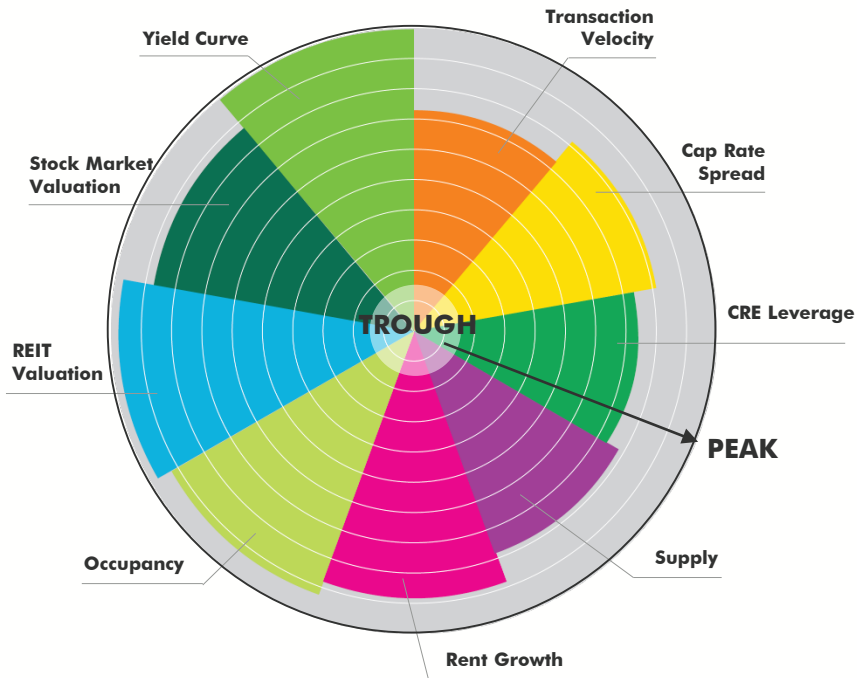


See slide 48 for footnotes

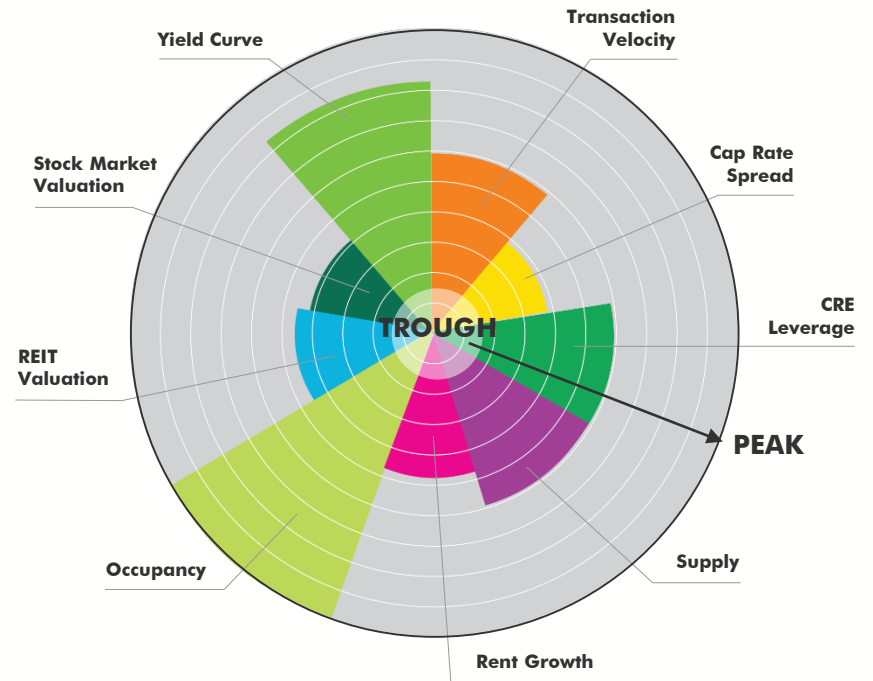
CBRE Cycle Radar – Markets in Balance

Q4 2006

(One Year Prior to Start of Downturn)



Q2 2019

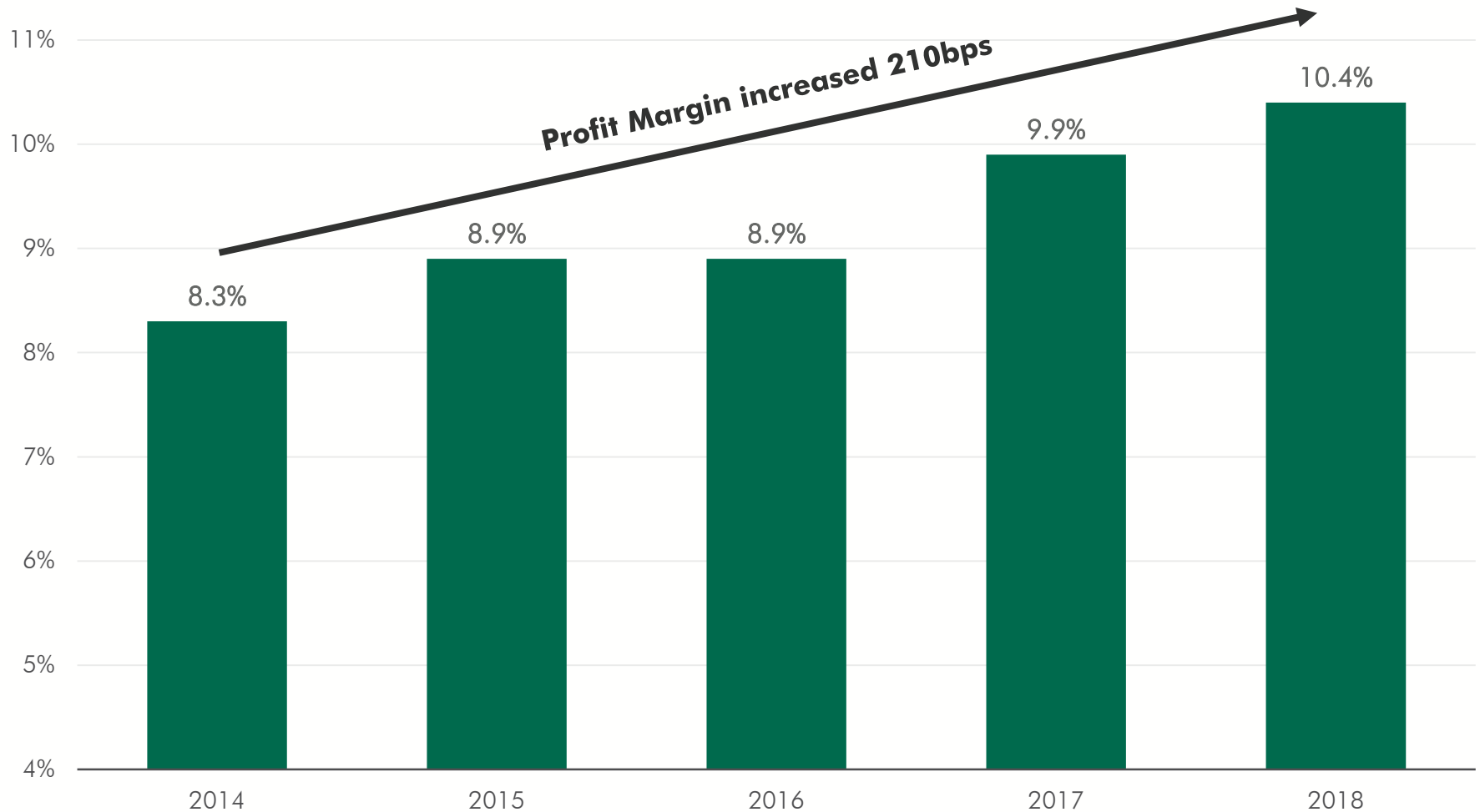


CBRE proprietary Cycle Radar for Commercial Real Estate charts measure relative percentile for each metric at a point in time against the trailing 16 year history. The outside line represents the highest observed value for each metric over the last 16 years and the middle of the chart represents the lowest observed value.

See slide 17 for footnotes and methodology

Source: Real Capital Analytics, CBRE-Econometric Advisors, Federal Reserve, BoA Merrill Lynch, FactSet

CBRE Has Increased Profit Margin While Improving Business Mix

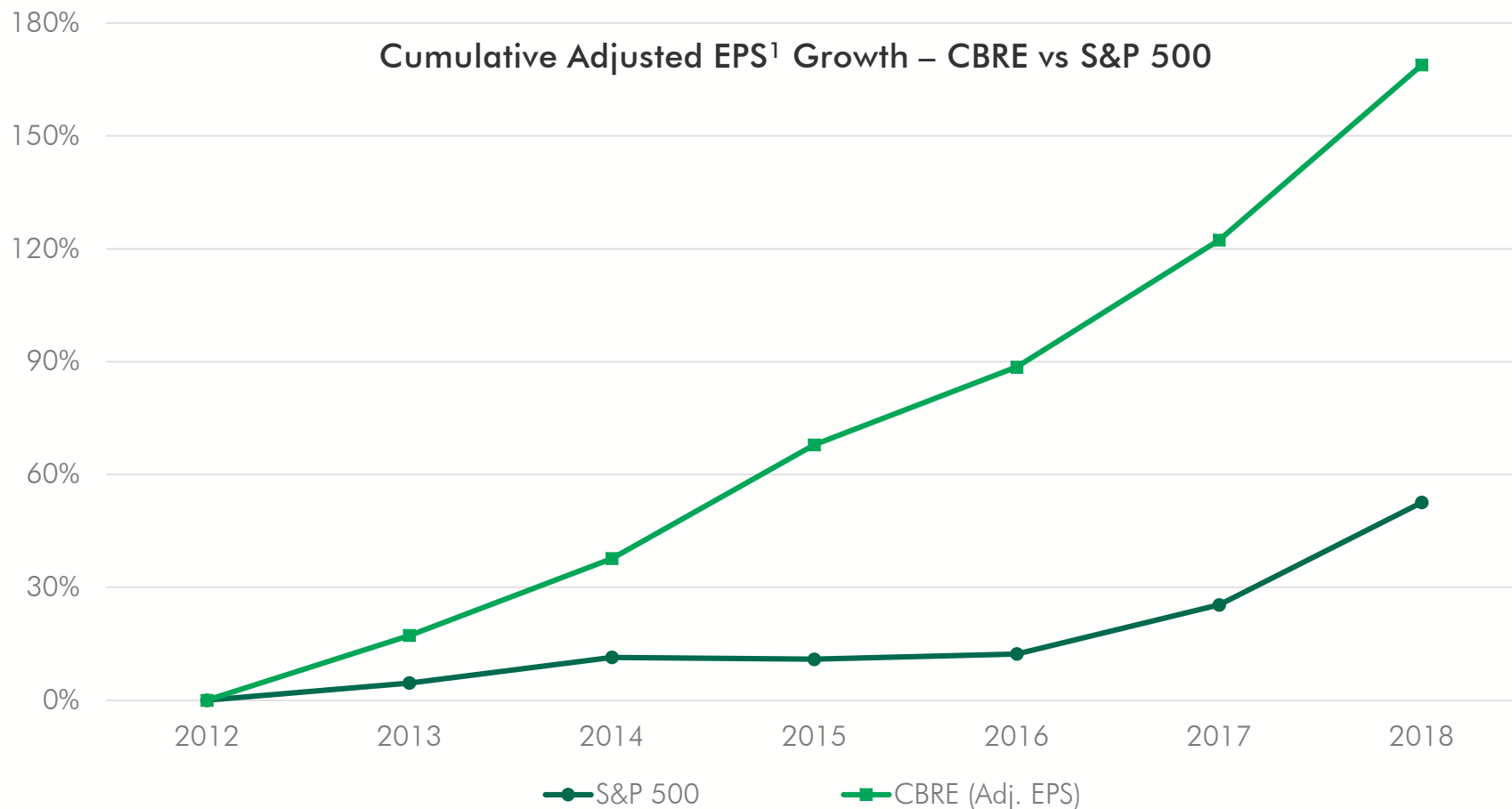


Note: Profit margin defined as adjusted net income¹/fee revenue².

Note: 2016 and 2017 adjusted net income margin figures were restated for ASC 606. We have not made a similar restatement for 2014 and 2015, and adjusted net income margin figures for such periods continue to be reported under the accounting standards in effect during those periods. 2018 adjusted net income margin figures reflect ASC 606.

See slide 18 for footnotes

Track Record – High-Quality Earnings Growth Materially Outpaced the Market



Source: FactSet, Company filings

Note: 2016 and 2017 adjusted EPS were restated for ASC 606. 2016 adjusted EPS did not change, and 2017 was restated by \$0.02 per share or less than 1% of adjusted EPS. We have not made a similar restatement for 2012-2015, and adjusted EPS for such periods continues to be reported under the accounting standards in effect for those periods. 2018 reflects ASC 606.

See slide 18 for footnotes

APPENDIX

Non-GAAP Financial Measures

The following measures are considered “non-GAAP financial measures” under SEC guidelines:

- I. fee revenue
- II. contractual fee revenue
- III. net income attributable to CBRE Group, Inc., as adjusted (which we also refer to as “adjusted net income”)
- IV. diluted income per share attributable to CBRE Group, Inc. shareholders, as adjusted (which we also refer to as “adjusted earnings per share” or “adjusted EPS”)

These measures are not recognized measurements under United States generally accepted accounting principles, or “GAAP.” When analyzing our operating performance, readers should use them in addition to, and not as an alternative for, their most directly comparable financial measure calculated and presented in accordance with GAAP. Because not all companies use identical calculations, our presentation of these measures may not be comparable to similarly titled measures of other companies.

Our management generally uses these non-GAAP financial measures to evaluate operating performance and for other discretionary purposes. The company believes that these measures provide a more complete understanding of ongoing operations, enhance comparability of current results to prior periods and may be useful for investors to analyze our financial performance because they eliminate the impact of selected charges that may obscure trends in the underlying performance of our business. The company further uses certain of these measures, and believes that they are useful to investors, for purposes described below.

With respect to fee revenue: the company believes that investors may find this measure useful to analyze the financial performance of our Global Workplace Solutions segment and Property & Advisory Project Management business line and our business generally. Fee revenue excludes costs reimbursable by clients, and as such provides greater visibility into the underlying performance of our business.

With respect to contractual fee revenue: the company believes that investors may find this measure useful to analyze our overall financial performance because it identifies revenue streams that are typically more stable over time.

With respect to adjusted net income and adjusted EPS: the company believes that investors may find these measures useful in evaluating our operating performance compared to that of other companies in our industry because these calculations generally eliminate the accounting effects of acquisitions, which would include impairment charges of goodwill and intangibles created from acquisitions. All of these measures may vary for different companies for reasons unrelated to overall operating performance. The company also uses adjusted EPS as a significant component when measuring our operating performance under our employee incentive compensation programs.

Reconciliation of Revenue to Fee Revenue and Contractual Fee Revenue

(\$ in millions)	Twelve Months Ended December 31,					
	2018	2017	2016	2015	2014	2006
Consolidated revenue	\$ 21,340.1	\$ 18,628.8	\$ 17,369.1	\$ 10,855.8	\$ 9,049.9	\$ 4,032.0
Less:						
Client reimbursed costs largely associated with employees dedicated to client facilities and subcontracted vendor work performed for clients	10,502.5	9,219.8	8,644.8	3,125.5	2,258.6	289.7
Consolidated fee revenue	\$ 10,837.6	\$ 9,409.0	\$ 8,724.3	\$ 7,730.3	\$ 6,791.3	\$ 3,742.3
Less:						
Non-contractual fee revenue	5,735.9					3,026.0
Contractual fee revenue	\$ 5,101.7					\$ 716.3
Consolidated fee revenue	\$ 10,837.6	\$ 9,409.0	\$ 8,724.3	\$ 7,730.3	\$ 6,791.3	
Adjusted net income	\$ 1,123.7	\$ 930.1	\$ 779.6	\$ 689.2	\$ 561.1	
Adjusted profit margin	10.4%	9.9%	8.9%	8.9%	8.3%	
Net cash flow provided by operating activities	\$ 1,131.2					\$ 430.0
Less: Capital expenditures	(227.8)					(55.3)
Free cash flow	\$ 903.4					\$ 374.7



Note: 2016 and 2017 figures were restated for ASC 606. We have not made a similar restatement for 2006, 2014 and 2015, and such periods continue to be reported under the accounting standards in effect for such periods. 2018 figures reflect ASC 606.

Reconciliation of Net Income to Adjusted Net Income and Adjusted Earnings Per Share

(\$ in millions, except per share amounts)	Twelve Months Ended December 31,						
	2018	2017	2016	2015	2014	2013 ²	2012 ²
Net income attributable to CBRE Group, Inc.	\$ 1,063.2	\$ 697.1	\$ 573.1	\$ 547.1	\$ 484.5	\$ 316.5	\$ 315.6
One-time gain associated with remeasuring an investment in an unconsolidated subsidiary to fair value as of the date the remaining controlling interest was acquired	(100.4)	-	-	-	-	-	-
Non-cash depreciation and amortization expense related to certain assets attributable to acquisitions	113.1	112.9	111.1	86.6	66.1	29.4	37.2
Write-off of financing costs on extinguished debt	28.0	-	-	2.7	23.1	56.3	-
Costs associated with our reorganization, including cost-savings initiatives	38.0	-	-	-	-	-	-
Costs incurred in connection with litigation settlement	8.8	-	-	-	-	-	-
Carried-interest incentive compensation (reversal) expense to align with the timing of associated revenue ¹	(5.2)	(8.5)	(15.6)	26.1	23.8	9.2	-
Integration and other costs related to acquisitions	9.1	27.3	125.7	48.9	-	12.6	39.2
Cost-elimination expenses	-	-	78.5	40.4	-	17.6	17.6
Goodwill and other non-amortizable intangible asset impairment	-	-	-	-	-	98.1	19.8
Tax impact of adjusted items	(44.2)	(42.1)	(93.2)	(62.6)	(36.4)	(65.4)	(30.0)
Impact of U.S. tax reform	13.3	143.4	-	-	-	-	-
Adjusted net income	\$ 1,123.7	\$ 930.1	\$ 779.6	\$ 689.2	\$ 561.1	\$ 474.3	\$ 399.4
Adjusted diluted earnings per share	\$ 3.28	\$ 2.73	\$ 2.30	\$ 2.05	\$ 1.68	\$ 1.43	\$ 1.22
Weighted average shares outstanding for diluted income per share	343,122,741	340,783,556	338,424,563	336,414,856	334,171,509	331,762,854	327,044,154

1. Carried-interest incentive compensation expense is related to funds that began recording carried interest expense in Q2 2013 and beyond.

2. Includes discontinued operations.



Note: 2016 and 2017 figures were restated for ASC 606. We have not made a similar restatement for 2012-2015, and such periods continue to be reported under the accounting standards in effect for such periods. 2018 figures reflect ASC 606.

Footnotes

	Q2 2019	Q4 2006	15-Year	
			Peak	Trough
Transaction Velocity¹ % of Peak	73%	77%	100%	18%
US Office Cap Rates	6.7%	6.9%	7.1%	7.3%
BBB Corp. Bond Yield	3.6%	6.0%	9.4%	3.3%
Cap Rate Spread²	3.1%	0.9%	-2.3%	4.0%
Commercial Mortgages Outstanding (\$B)	2,936	2,171	2,549	1,073
US Nominal GDP (\$B)	21,099	14,037	14,395	10,003
CRE Leverage³ (CRE Mortgages as % of U.S. GDP)	13.9%	15.5%	17.7%	10.7%
Total US Office Completions (sf in M)	49.7	54.8	74.8	6.8
Total US Office Stock (sf in M)	3,894.3	3,410.7	3,238.4	3,637.3
Supply⁴ (Completions as % of Total Stock)	1.3%	1.6%	2.3%	0.2%
US REIT Index Dividend Yield	3.7%	3.7%	5.4%	6.6%
BBB Corp. Bond Yield	3.6%	6.0%	7.8%	4.8%
REIT Valuation⁵ (Dividend Yield - Bond Yield)	0.1%	-2.3%	-2.4%	1.8%
US Office Occupancy Rate⁶	87.8%	87.4%	87.8%	83.0%
US Office Net Asking Rent Growth⁷ TTM	1.8%	6.6%	8.8%	-8.8%
S&P 500 Forward Earnings Yield	6.0%	6.7%	4.8%	9.7%
10 Yr. US Treasury	2.0%	4.7%	5.4%	1.9%
Stock Market Valuation⁸ (S&P Yield - 10 Yr.)	4.0%	2.0%	-0.6%	7.8%
2 Yr. US Treasury	1.7%	4.8%	4.8%	1.0%
10 Yr. US Treasury	2.0%	4.7%	4.7%	3.8%
Yield Curve⁹ (10 Yr. - 2 Yr.)	0.3%	-0.1%	-0.1%	2.8%

Slide 10 – The metrics included in the CBRE Cycle Radar are derived as follows:

1. Transaction Velocity – Total dollar value of US commercial real estate transactions per Real Capital Analytics divided by the Moody's/RCA US National All-Property Composite Price Index per Real Capital Analytics.
2. Cap Rate Spread – The capitalization rate on completed US office transactions per Real Capital Analytics less the Effective Yield on BBB Corporate Bonds per FactSet.
3. CRE Leverage – Total US outstanding commercial mortgages per the Board of Governors of the Federal Reserve System divided by nominal Gross Domestic Product for the US per the Bureau of Economic Analysis.
4. Supply – Trailing 12-month US office real estate completions (in square feet) divided by the total stock of US office real estate square footage; per CBRE – Econometric Advisors.
5. REIT Valuation – Dividend yield on MSCI US REIT Index per FactSet less BofA Merrill Lynch US Corporate Bond BBB Effective Yield per FactSet.
6. Occupancy – Total US office occupancy per CBRE – Econometric Advisors.
7. Rent Growth – Trailing 12-month US office rent growth per CBRE – Econometric Advisors.
8. Stock Market Valuation – Earnings Yield on S&P 500 per FactSet less the yield on 10-year US Treasury Notes per FactSet.
9. Yield Curve – Yield on 10-year US Treasury Notes per FactSet less the yield on 2-year US Treasury Notes per FactSet.

Source: Real Capital Analytics, CBRE-Econometric Advisors, Federal Reserve, BoA Merrill Lynch, FactSet

Footnotes

In the first quarter of 2018, the company adopted new revenue recognition guidance. Restatements have been made to 2017 and 2016 financial data included in this presentation on slides 11, 12, 15 and 16 to conform with the 2018 presentation. Financial data for periods prior to 2016 have not been restated and continue to be reported under the accounting standards in effect for the relevant period. Accordingly, such prior period amounts should not be compared with the restated financial data for 2016, 2017 and 2018. Although we believe that any prior period amounts would not be significantly different if we had restated such periods to conform with the 2018 presentation, there can be no assurance that there would not be a difference, and any such difference may be material.

Slide 3

1. Source: FactSet. Peers include Colliers, Cushman & Wakefield, HFF, JLL, Marcus & Millichap, Newmark, Savills and Walker & Dunlop.

Slide 8

1. Fee Revenue is gross revenue less both client reimbursed costs largely associated with our employees that are dedicated to client facilities and subcontracted vendor work performed for clients.
2. 2006 Contractual Sources include Occupier Outsourcing and Property Management revenue (7%; excludes associated sales and lease revenues, most of which are contractual), Global Investment Management revenue ex. Carried Interest (3%), Valuation revenue (8%) and Loan Servicing (0.5%). 2018 Contractual Sources includes Global Workplace Solutions (25%), Advisory Property & Project Management (11%), Valuation revenue (5%), contractual REI revenue (4%) and Loan Servicing (2%).
3. Capital Markets includes Advisory Sales revenue (33% in 2006 and 18% in 2018) and Commercial Mortgage Origination (excludes Loan Servicing) revenue (4% in 2006 and 5% in 2018).
4. 2006 Development, Carried Interest & Other includes Carried Interest revenue (3%), Development Services revenue (0.2%) and Other revenue (1%). 2018 Development and Carried Interest includes Development Services revenue (0.9%) and Carried Interest revenue (0.3%). Other is no longer a reported category of revenue in 2018.

Slide 9

1. 2018 reflects March 4, 2019 refinancing of \$300 million USD term loan. New maturity date is March 4, 2024.
2. Liquidity is defined as cash and cash equivalents plus unused amounts under the revolving credit facility.
3. Free cash flow is defined as net cash provided by operating activities on the consolidated statement of cash flows minus capital expenditures on the consolidated statement of cash flows.

Slide 11

1. Adjusted net income excludes a one-time non-cash gain associated with remeasuring CBRE's investment in an unconsolidated subsidiary in New England to fair value as of the date it acquired the remaining controlling interest, depreciation and amortization related to certain assets attributable to acquisitions, integration and other costs related to acquisitions, costs associated with our reorganization, including cost-savings initiatives, costs incurred in connection with a litigation settlement, write-off of financing costs on extinguished debt, cost-elimination expenses, and certain carried interest incentive compensation (reversal) expense to align with timing of associated revenue as well as adjusts the provision for income taxes for such items. Adjusted net income also excludes the tax impact of U.S. tax reform initially recorded in the fourth quarter of 2017 and finalized during 2018.
2. Fee Revenue is gross revenue less both client reimbursed costs largely associated with our employees that are dedicated to client facilities and subcontracted vendor work performed for clients.

Slide 12

1. Adjusted EPS excludes a one-time non-cash gain associated with remeasuring CBRE's investment in an unconsolidated subsidiary in New England to fair value as of the date it acquired the remaining controlling interest, depreciation and amortization expense related to certain assets attributable to acquisitions, integration and other costs related to acquisitions, costs associated with our reorganization, including cost-savings initiatives, costs incurred in connection with a litigation settlement, write-off of financing costs on extinguished debt, cost-elimination expenses, goodwill and other non-amortizable intangible asset impairment and certain carried interest incentive compensation (reversal) expense to align with the timing of associated revenue as well as adjusts the provision for income taxes for such items. Adjusted EPS also excludes the tax impact of U.S. tax reform initially recorded in the fourth quarter of 2017 and finalized during 2018. All EPS information is based on diluted shares.