

OCCUPIER OUTSOURCING OVERVIEW

JUNE 2018

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CBRE

Agenda

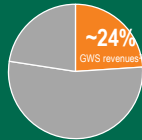
- What is GWS and the GWS business model?
- Why is there growing demand for GWS services?
- What is the competitive landscape for GWS?

WHAT IS GWS AND THE GWS BUSINESS MODEL?

GWS Revenue is Balanced and Diversified

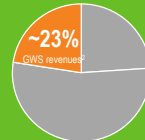
GWS ACCOUNT MANAGEMENT

ADVISORY & TRANSACTIONS | OCCUPIER¹



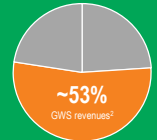
- **Commissions** split with local market broker
- Portfolio-based contracts
- Business includes new transactions (buying, selling, leasing) and recurring lease renewals

PROJECT MANAGEMENT



- Fees generally based on a percentage of capital project costs and/or mark-up on labor
- Short- and long-term contracts

FACILITIES MANAGEMENT



- Typical 3-5 year contract terms
- 90%+ renewal rate on expiring contracts
- Many 20+ year clients in portfolio
- Growth in each phase of economic cycle
- Exploring software as a service

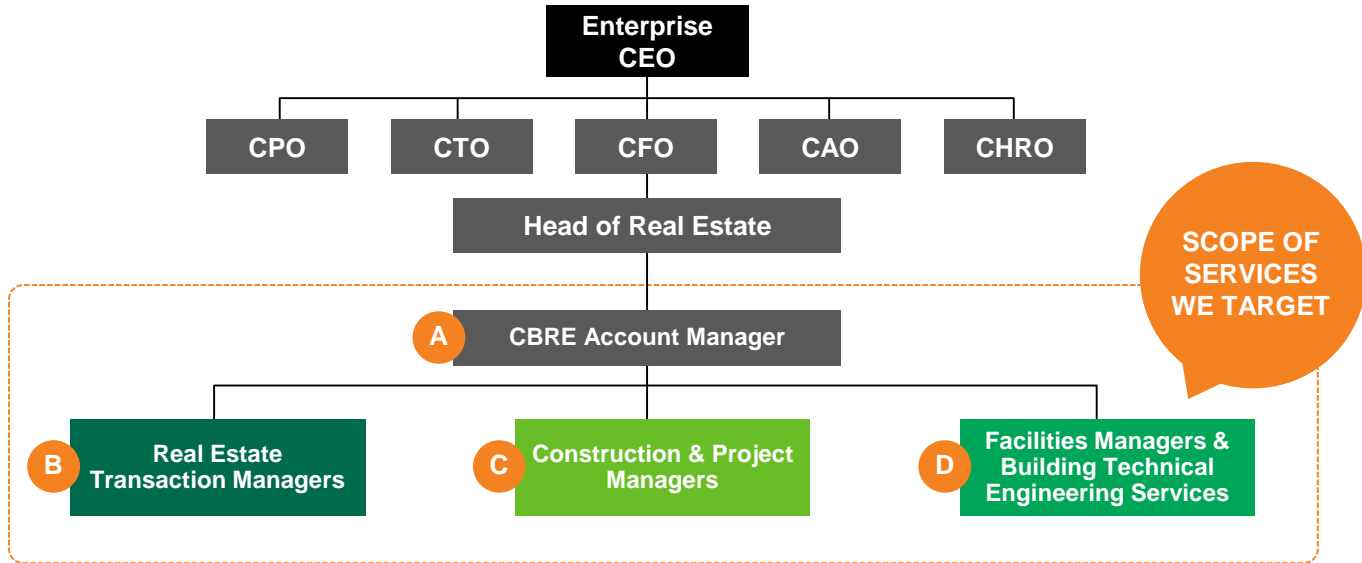
CONSULTING AND ANALYTICS

Variable fee revenue | Short- and long-term contracts

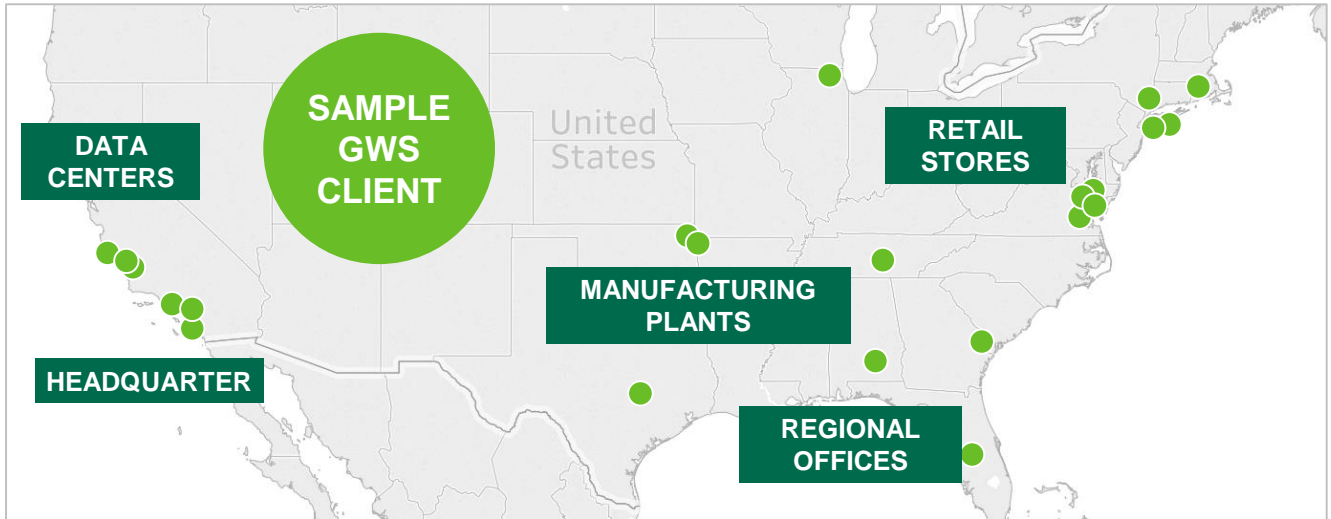
Recommendations often generate outsourcing decisions, service placement, workplace strategy, technology deployment, process automation, advanced analytics

1. *Advisory and Transactions revenue represents all contractual brokerage business, delivered through dedicated, on-account teams as well as through local brokers.*
2. *Gross revenues*

Understanding the GWS Scope of Work



GWS Manages Client Portfolios



GWS Clients Have Global Portfolios



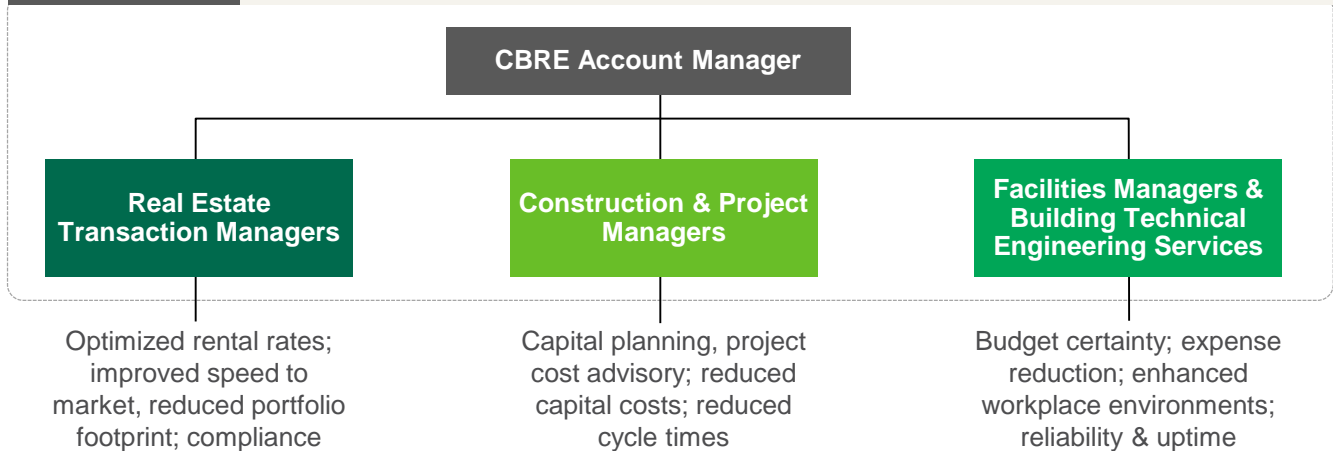
Breadth of the GWS Managed Portfolio



WHY IS THERE GROWING DEMAND FOR GWS SERVICES?

Why is There Growing Demand?

	CEO	CFO	Procurement	CRE	HR/IT
OVERALL VALUE PROPOSITION	<ul style="list-style-type: none"> Real estate is often the 2nd or 3rd largest company expense Non-core to most large corporates 	<ul style="list-style-type: none"> Proven solutions that reduce total occupancy cost 12 to 15% Risk and controls 	<ul style="list-style-type: none"> Consolidation of providers, contracts, and spend information 	<ul style="list-style-type: none"> Increased organizational capacity & agility Great career paths for transfers 	<ul style="list-style-type: none"> Enhanced workplace experience Investments in technology and analytics



Multiple Levers to Sustain Growth



TERM

Renew and
extend term



SERVICES

Win/expand
into new
service lines



GEOGRAPHY

Win/expand
into broader
geography



INDUSTRY

Penetrate new
and emerging
markets



ASSET TYPE

Win/expand
into new
asset types

Baxter

ExxonMobil

IBM

Abbott

Walmart ✱

Strong Growth Opportunities via Contract Expansions

GWS's Top 10 Clients, Randomly Sorted

	% Wallet Share	ADVISORY & TRANSACTIONS			PROJECT MANAGEMENT			FACILITIES MANAGEMENT		
		AMS	EMEA	APAC	AMS	EMEA	APAC	AMS	EMEA	APAC
CLIENT A	<50%		✓	✓		✓	✓		✓	✓
CLIENT B	<50%				✓	✓	✓	✓	✓	✓
CLIENT C	<75%	✓	✓	✓	✓			✓		
CLIENT D	<75%		✓	✓		✓	✓		✓	✓
CLIENT E	<100%	✓	✓	✓	✓	✓	✓	✓	✓	✓
CLIENT F	<50%	✓	✓	✓	✓	✓	✓	✓	✓	✓
CLIENT G	<25%	✓			✓			✓		
CLIENT H	<50%						✓	✓	✓	✓
CLIENT I	<75%				✓	✓	✓	✓	✓	✓
CLIENT J	<75%	✓	✓	✓	✓	✓	✓	✓	✓	✓

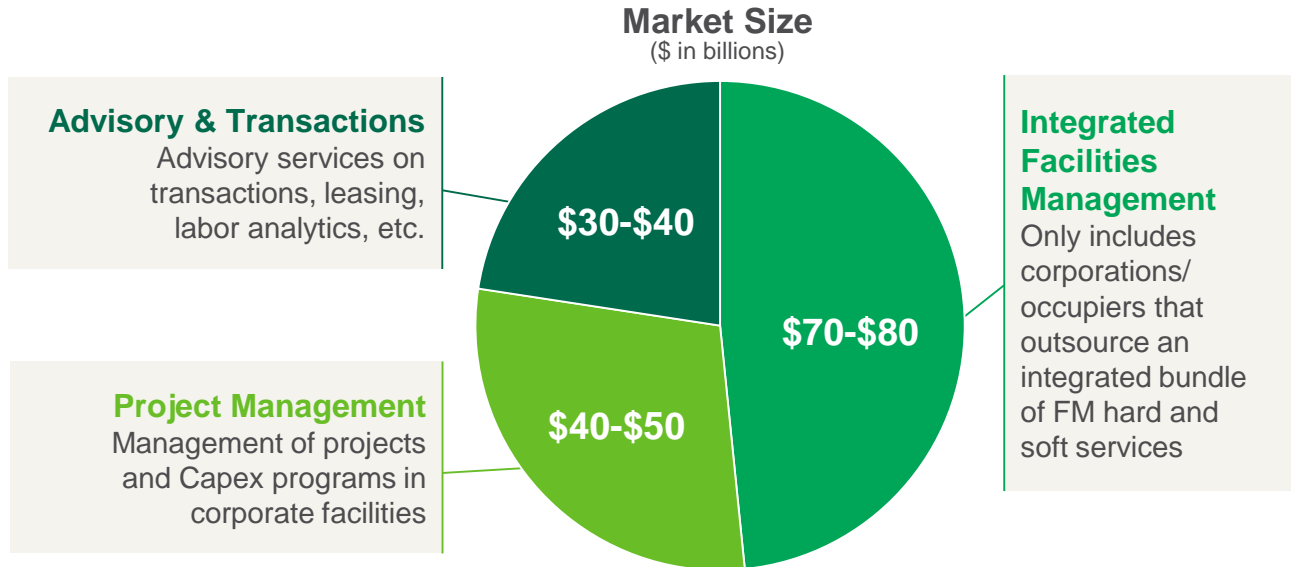
Estimated 30% share of wallet across all GWS clients

Gray = Growth Opportunity. Nearly half of new GWS organic revenue is derived from expansion activity annually

WHAT IS THE COMPETITIVE LANDSCAPE FOR GWS?

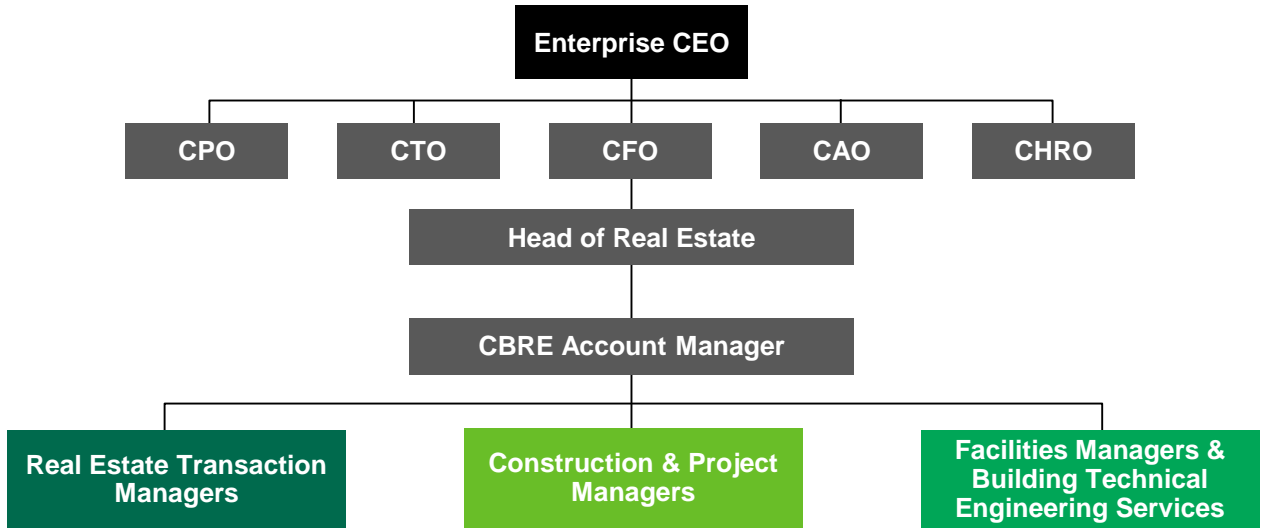
Significant Total Addressable Opportunity for Real Estate Outsourcing Services

Estimated \$140B+ Outsourcing Spend Available

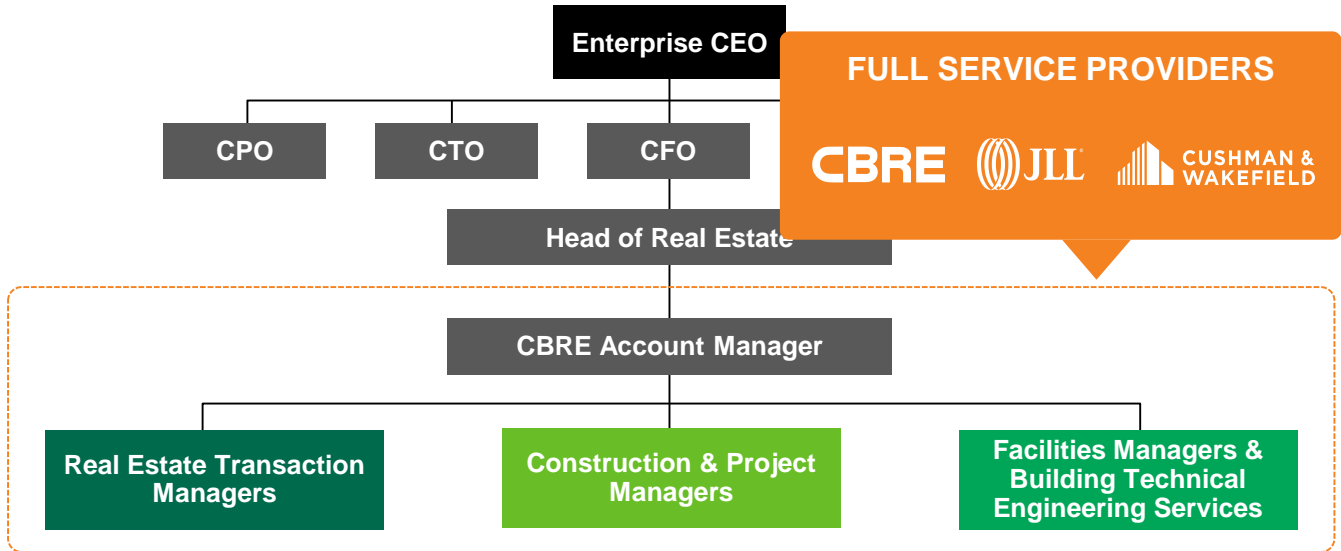


Sources: CBRE and McKinsey analysis; Frost & Sullivan (Global IFM Market, March 2015); KPMG REFM Pulse Report (2015), Engineering News Record's Program Management Report (2015), Morningstar's CRE services report (2014), Emerson Power, the Uptime Institute, CoStar, IBIS World Project Management Report (2015)

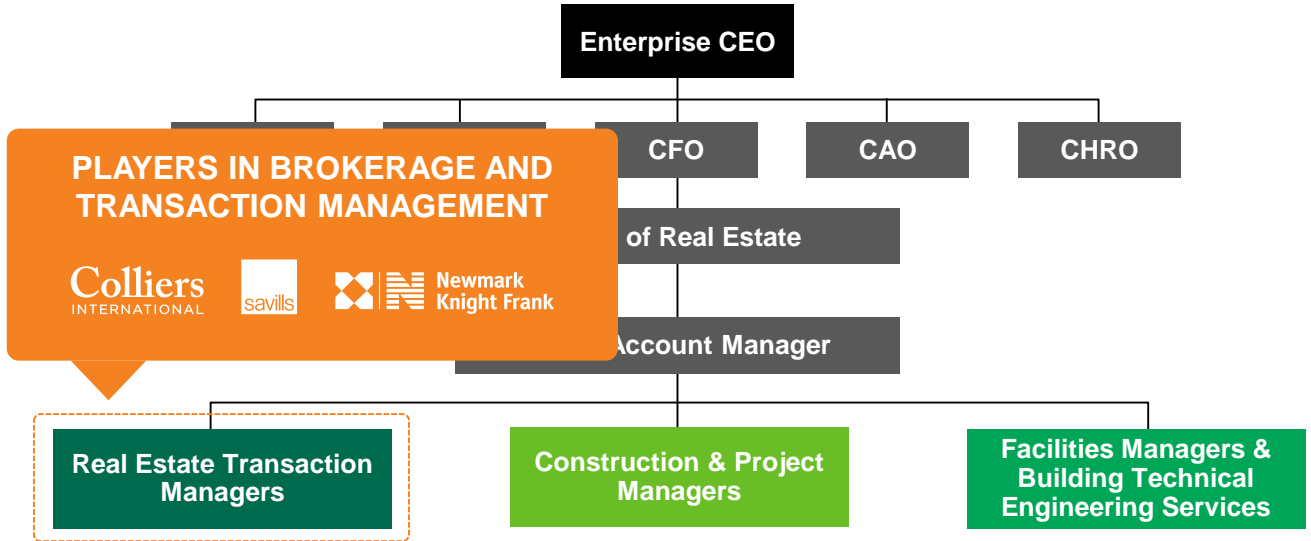
CRE Competitive Landscape



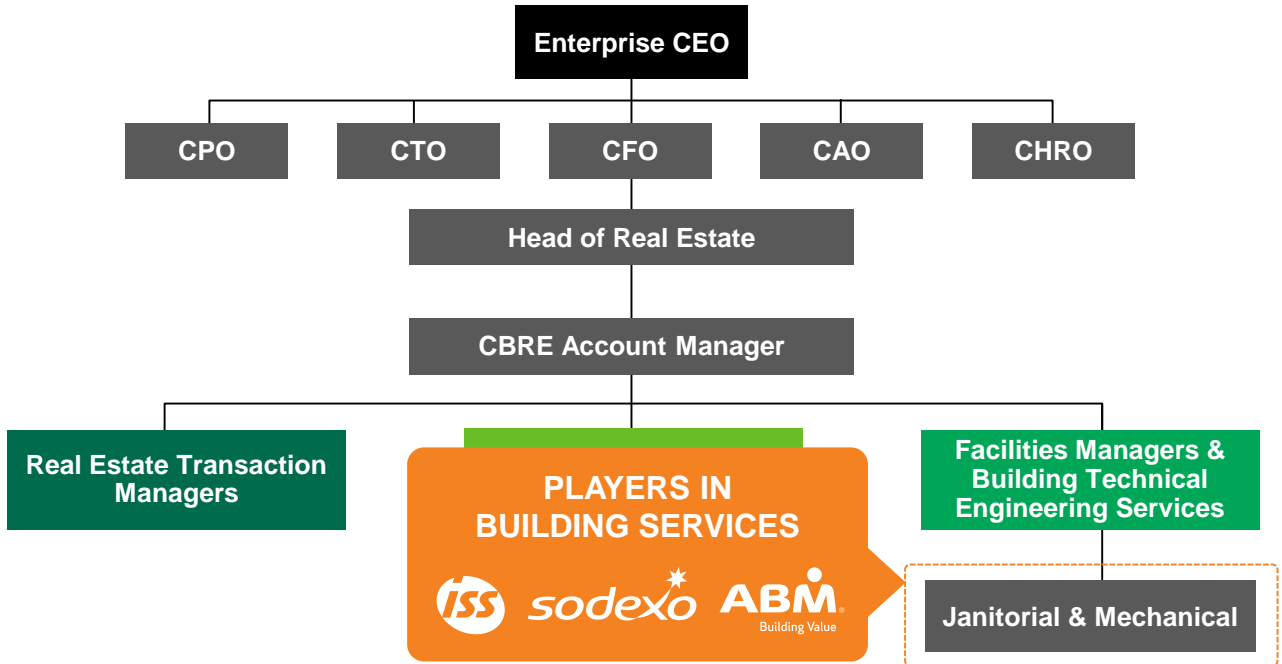
CRE Competitive Landscape



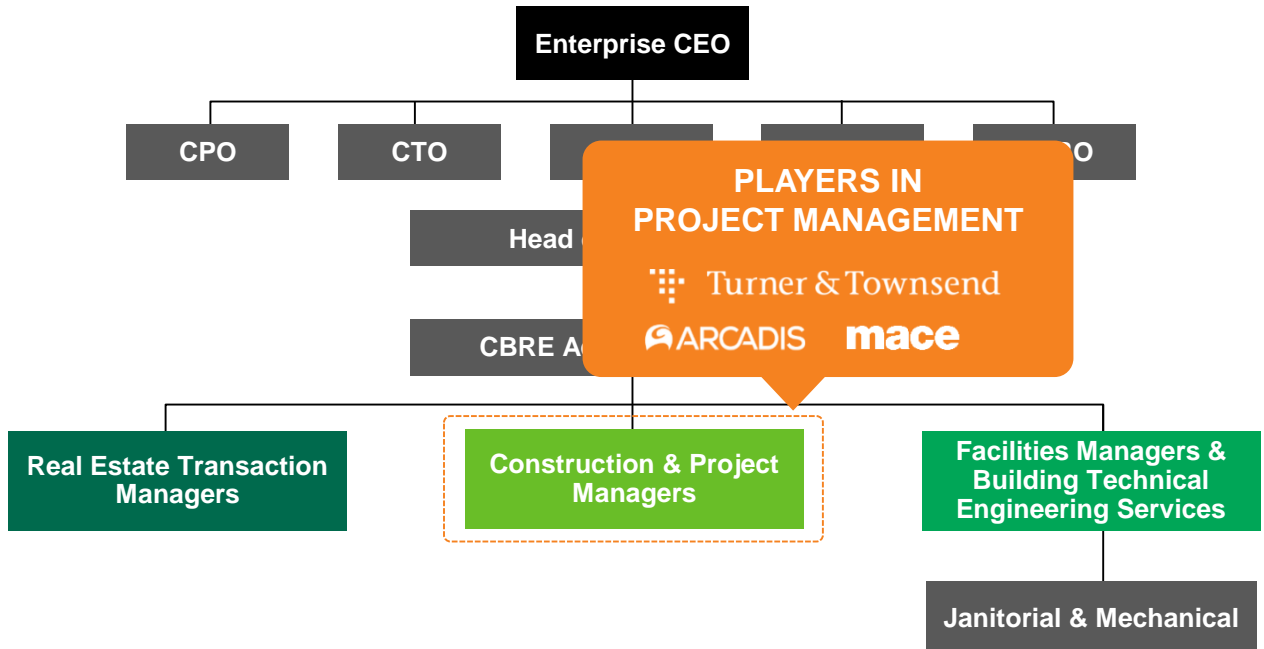
CRE Competitive Landscape



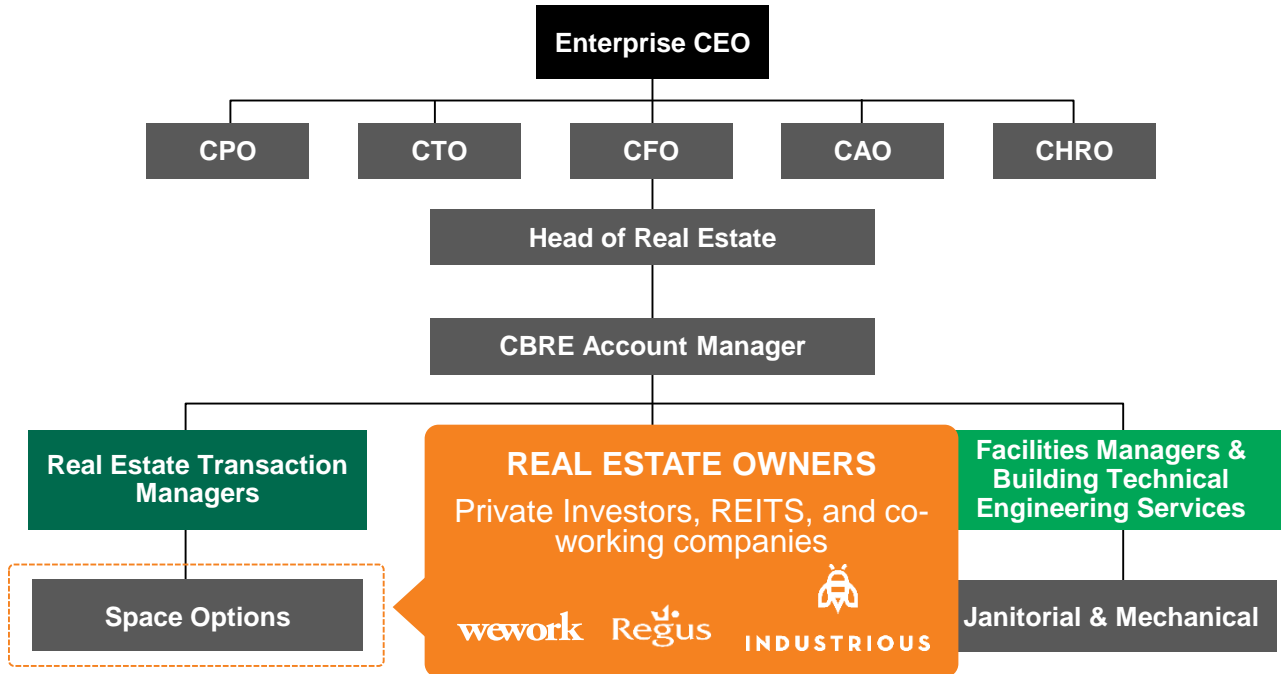
CRE Competitive Landscape



CRE Competitive Landscape



CRE Competitive Landscape



How is GWS Different from the Competition?

- Full Service, Integrated Solutions
- Global Platform Provides Scale and Leverage
- Deep Experience and Track Record
- Investments in Technology and Innovation

