

October 29, 2020

Q3 2020 EARNINGS CALL

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 the impact of the Covid-19 pandemic on our business operations and financial position, CBRE's future growth momentum, operations, market share, business outlook, capital deployment, financial performance expectations, including profitability and margins, and the effect of cost-saving initiatives. 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 third quarter earnings release, furnished on Form 8-K, our most recent annual report and quarterly reports filed on Form 10-K and Form 10-Q, respectively, 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 included in the appendix.



CONFERENCE CALL PARTICIPANTS



Bob Sulentic

President and Chief Executive Officer



Leah Stearns

Chief Financial Officer



Kristyn Farahmand

Vice President, Investor Relations & Corporate Finance

CONSOLIDATED RESULTS SUMMARY

\$ IN MILLIONS EXCEPT PER SHARE FIGURES

	3Q20	3Q19	USD	Local Currency ¹
Revenue	\$5,645	\$5,925	▼ (5%)	▼ (5%)
Fee Revenue	\$2,529	\$2,910	▼ (13%)	▼ (14%)
Adjusted EBITDA	\$442	\$455	▼ (3%)	▼ (3%)
Earnings Per Diluted Share ²	\$0.55	\$0.75	▼ (28%)	▼ (30%)
Adjusted Earnings Per Diluted Share ²	\$0.73	\$0.79	▼ (8%)	▼ (12%)

- Third quarter results continued to be negatively impacted by COVID-19, while focus on cost discipline helped insulate profitability
 - Incurred \$55m in expenses related to transformation initiatives
 - Reduced EPS by \$0.13, impact excluded from Adjusted EPS
- Strength in GWS and REI segments partially offset cyclical pressure in Advisory

1. Local currency percent changes versus prior year is calculated by comparing current year results at prior year exchange rates versus prior year results.

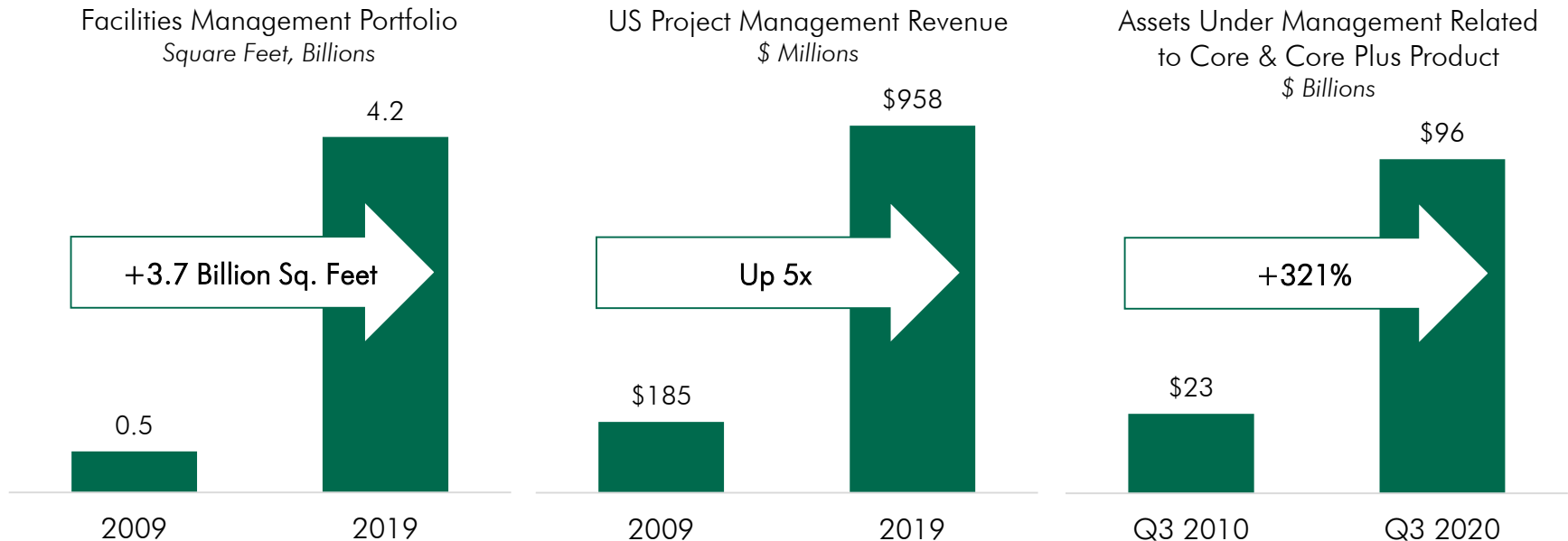
2. Current period results reflect \$55 million of transformation initiative costs that were not in the prior period. These costs have been excluded from adjusted net income and adjusted EPS.



BOB SULENTIC

CHIEF EXECUTIVE OFFICER

MARKEDLY MORE RESILIENT COMPANY THAN A DECADE AGO



- Facilities management business continues to expand portfolio and capability set
- Project management business has expanded rapidly and is poised to benefit from elevated demand catalyzed by COVID-19
- Investment management business growing through the crisis, partially driven by attractive core and core plus product offering

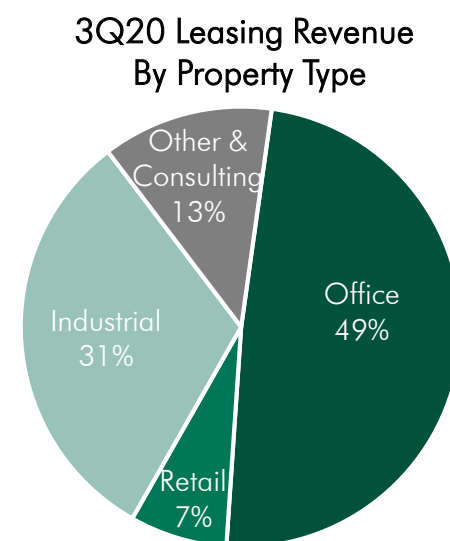
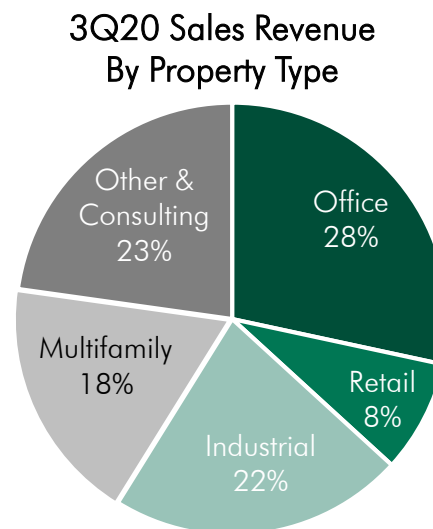
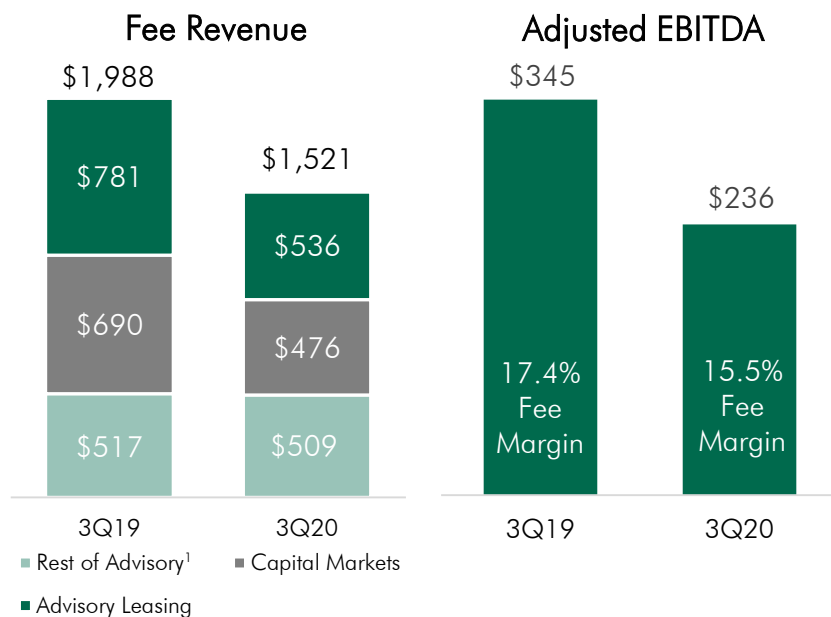


LEAH STEARNS

CHIEF FINANCIAL OFFICER

ADVISORY SERVICES

\$ IN MILLIONS, TOTALS MAY NOT SUM DUE TO ROUNDING

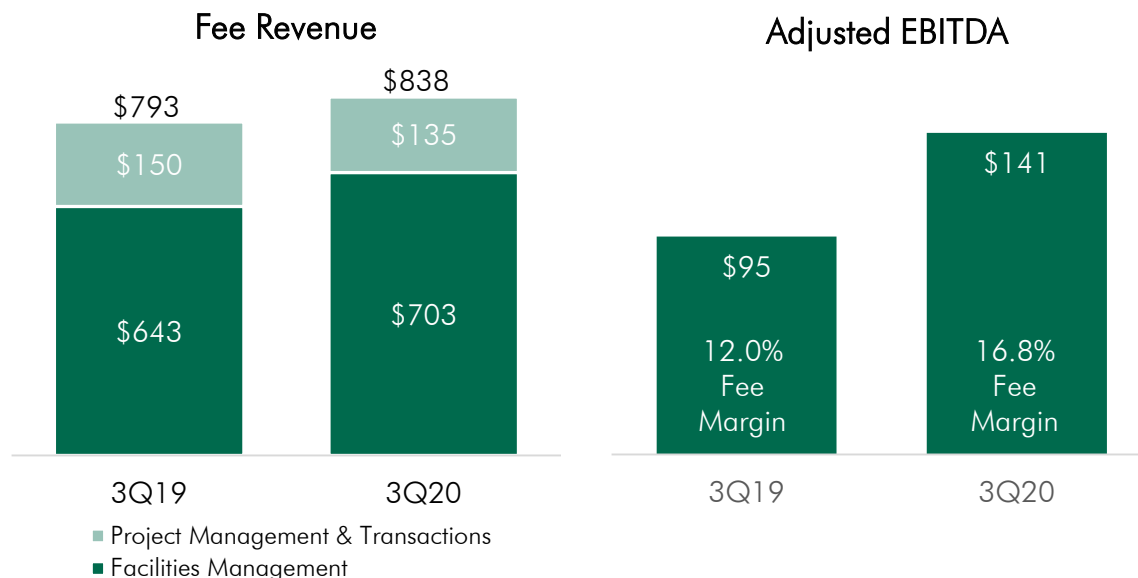


- Leasing contracted 31% globally and 36% in the US
- Property sales fell 34% globally and 39% in the US
- Loan servicing and Advisory Property & Project Management fee revenue both grew over 2% partially offsetting more cyclical business lines
- Adjusted EBITDA margin benefitted from disciplined expense management

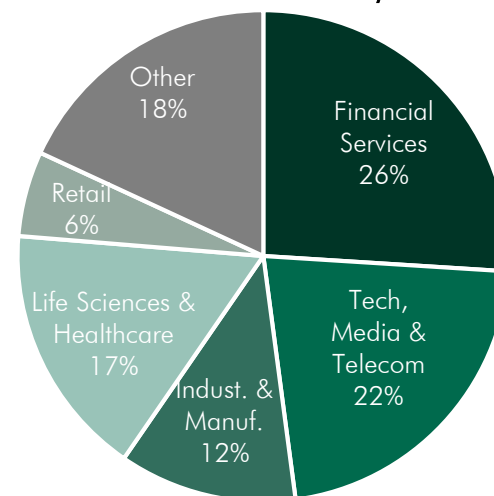
1. Includes Property & Advisory Project Management, Valuation and Loan Servicing fee revenue.

GLOBAL WORKPLACE SOLUTIONS (GWS)

\$ IN MILLIONS, TOTALS MAY NOT SUM DUE TO ROUNDING



YTD Q3 2020 Revenue By Industry



- Facilities management (FM) grew gross and fee revenue 6% and 9%, respectively
- Approximately 1/3 of margin expansion driven by structural improvements
- Business well diversified across client types
- Pipeline weighted towards logistics, financial services and technology



REAL ESTATE INVESTMENTS

\$ IN MILLIONS, TOTALS MAY NOT SUM DUE TO ROUNDING



Investment Management

- Adjusted EBITDA grew 12% over the prior year driven primarily by higher recurring fees, partially offset by lower carried interest
- Assets under management grew to new record evidencing enduring real estate demand by institutional investors

Development

- Strong demand remains for high-quality assets, which drove higher transaction volume in the quarter
- Focus on resilient property types, including industrial and multifamily, continues to benefit the business

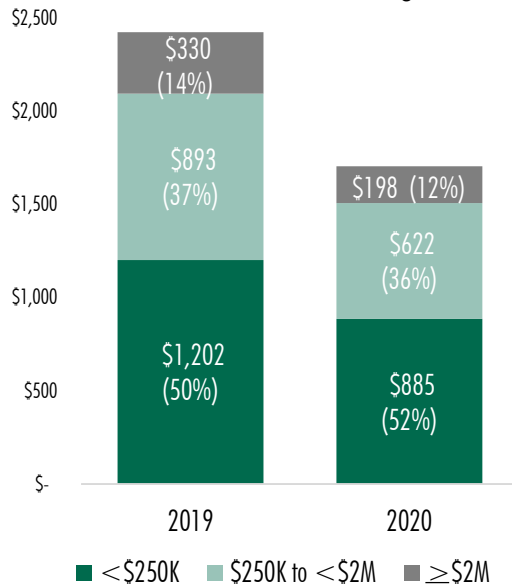
Enterprise Focused Flexible Space Solutions (Hana)

- Expect to have 10 units operational by end of year
- Evaluating asset-light expansion opportunities for future expansion

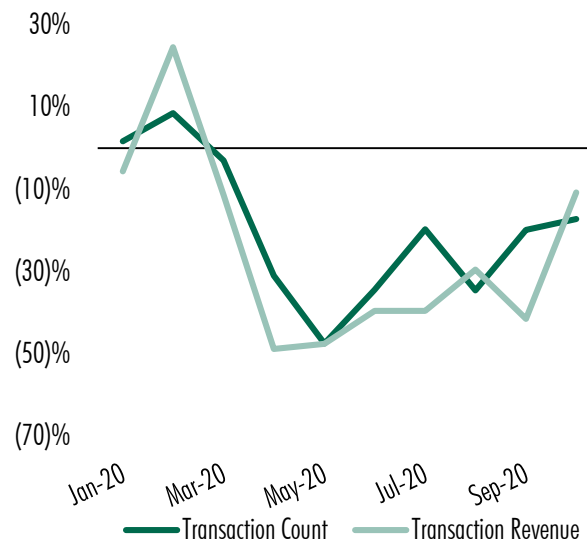
1. Adjusted Revenue for Development is shown net of cost of sales.

2020 OUTLOOK: UPDATING QUALITATIVE GUIDANCE FOR THE YEAR

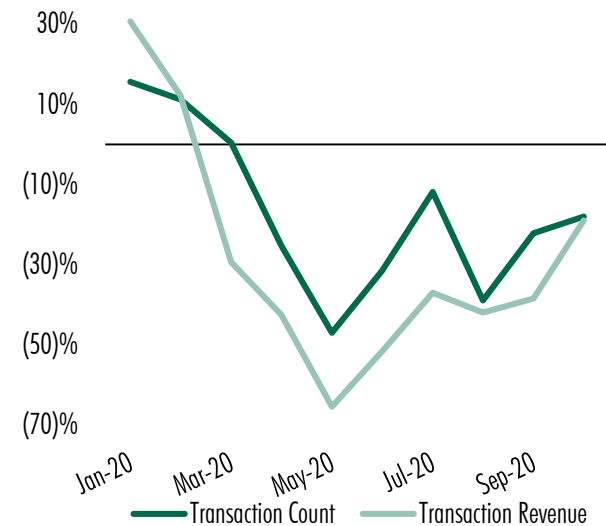
YTD US Transactional Revenue By Deal Size
Sales and Leasing



Y-o-Y % Change in US Leasing
Count & Revenue

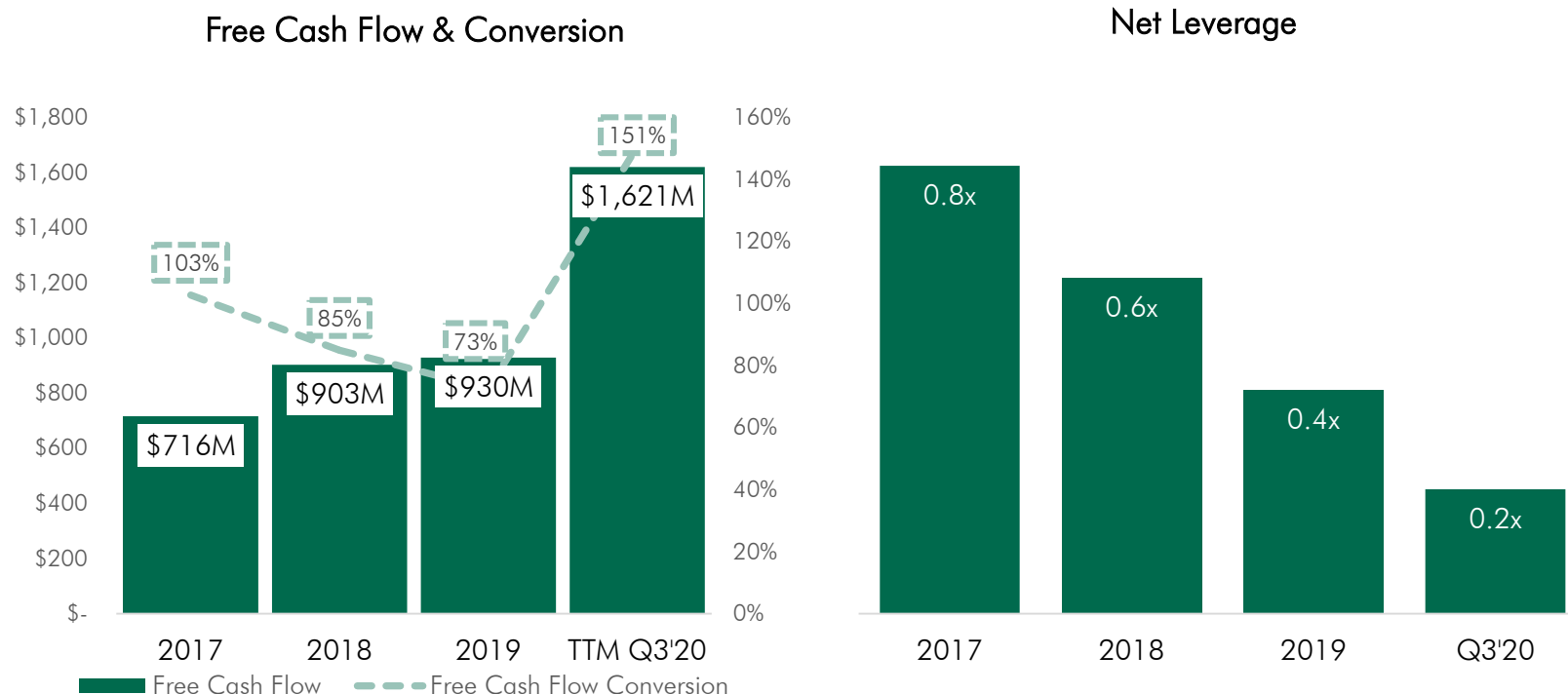


Y-o-Y % Change in US Property Sales
Count & Revenue



- Transactional businesses have improved modestly from trough levels realized last quarter
 - Ample real estate dedicated capital and attractive rate environment driving continued demand for high-quality assets
 - Transaction size, client and geographic diversification bolstering results
 - US transaction revenue from deals <\$250,000 decreased about 26% YTD vs. 40% for deals ≥\$2 million

FOCUS ON EFFICIENCY IMPROVING RESILIENCY DURING CRISIS



- Focus on improving efficiency and cash flow conversion has delivered material benefits
- Project nearly \$200 million of run-rate savings from year-to-date workforce and transformation initiatives; includes actions contemplated prior to onset of COVID-19
- M&A pipeline is building and actively evaluating opportunities for strategic deployment to further strengthen long-term trajectory



CBRE EMPLOYEES ARE RISING TO THE CHALLENGE

- Hard work and client focus distinguishing our company
- Focused on helping each other through the crisis
- CBRE Employee Resiliency Fund has enabled 9,000 colleague hardship grants

NON-GAAP MEASURES AND DEFINITIONS



NON-GAAP FINANCIAL MEASURES

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

- i. fee revenue
- ii. contractual fee revenue
- iii. adjusted revenue for the Real Estate Investments segment
- iv. net income attributable to CBRE Group, Inc., as adjusted (which we also refer to as “adjusted net income”)
- v. 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”)
- vi. adjusted EBITDA and adjusted EBITDA on fee revenue margin
- vii. net debt
- viii. free cash flow and free cash flow conversion

These measures are not recognized measurements under United States generally accepted accounting principles, or “GAAP.” When analyzing our operating performance, investors 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 these measures 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 revenue: the company believes that investors may find this measure useful to analyze the financial performance of our Real Estate Investments segment because it is more reflective of this segment’s total operations.

With respect to adjusted net income, adjusted EPS, adjusted EBITDA and adjusted EBITDA on fee revenue margin: 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 their calculations generally eliminate the accounting effects of acquisitions, which would include impairment charges of goodwill and intangibles created from acquisitions—and in the case of adjusted EBITDA and adjusted EBITDA on revenue and fee revenue margin—the effects of financings and income tax and the accounting effects of capital spending. All of these measures and adjusted revenue may vary for different companies for reasons unrelated to overall operating performance. In the case of adjusted EBITDA, this measure is not intended to be a measure of free cash flow for our management’s discretionary use because they do not consider cash requirements such as tax and debt service payments. The adjusted EBITDA measures calculated herein may also differ from the amounts calculated under similarly titled definitions in our credit facilities and debt instruments, which amounts are further adjusted to reflect certain other cash and non-cash charges and are used by us to determine compliance with financial covenants therein and our ability to engage in certain activities, such as incurring additional debt. The company also uses adjusted EBITDA and adjusted EPS as significant components when measuring our operating performance under our employee incentive compensation programs.

With respect to net debt the company believes that investors use this measure when calculating the company’s net leverage ratio.

With respect to free cash flow: the company believes that investors may find this measure useful to analyze the cash flow generated from operations after accounting for cash flow outflows to support operations and capital expenditures.

With respect to free cash flow conversion: the company believes that investors may find this measure useful to analyze how the company’s profitability relates for free cash flow generation of the business.



DEFINITIONS

Adjusted EBITDA: EBITDA represents earnings before net interest expense, write-off of financing costs on extinguished debt, income taxes, depreciation, amortization and asset impairments. Amounts shown for adjusted EBITDA further remove (from EBITDA) the impact of costs associated with transformation initiatives, costs incurred related to legal entity restructuring, certain carried interest incentive compensation expense (reversal) to align with the timing of associated revenue, fair value adjustments to real estate assets acquired in the Telford Acquisition (purchase accounting) that were sold in the period, integration and other costs related to acquisitions, costs primarily associated with workforce optimization efforts and costs associated with our segment reorganization, including cost-savings initiatives.

Adjusted EBITDA Margin: the percentage that results from dividing Adjusted EBITDA by Revenue or Fee Revenue.

Adjusted Net Income: exclude the effect of select items from GAAP net income and GAAP earnings per diluted share as well as adjust the provision for income taxes for such charges. Adjustments during the periods presented included costs associated with transformation initiatives, non-cash depreciation and amortization expense related to certain assets attributable to acquisitions, certain carried interest incentive compensation expense (reversal) to align with the timing of associated revenue, the impact of fair value adjustments to real estate assets acquired in the Telford Acquisition (purchase accounting) that were sold in the period, costs incurred related to legal entity restructuring, integration and other costs related to acquisitions, asset impairments, costs primarily associated with workforce optimization efforts in response to the Covid-19 pandemic, costs associated with our segment reorganization, including cost-savings initiatives, and write-off of financing costs on extinguished debt.

Adjusted Earnings Per Diluted Share: adjusted net income divided by the weighted average diluted shares outstanding.

Adjusted Revenue for the Real Estate Investments segment: reflects revenue for this segment, less the direct cost of revenue, along with equity income from unconsolidated subsidiaries and gain on disposition of real estate, net of non-controlling interests. Adjusted revenue also removes the impact of fair value adjustments to real estate assets acquired in the Telford acquisition (purchase accounting) that were sold in the period.

Fee Revenue: gross revenue less both client reimbursed costs largely associated with employees that are dedicated to client facilities and subcontracted vendor work performed for clients.

Free Cash Flow: cash flow from operating activities, less capital expenditures (reflected in the investing section of the consolidated statement of cash flows).

Free Cash Flow Conversion: cash flow from operating activities, less capital expenditures (reflected in the investing section of the consolidated statement of cash flows) divided by GAAP net income.

Liquidity: includes cash available for company use, which is cash and cash equivalents excluding restricted cash and cash in consolidated affiliates not available for company use, as well as availability under the Company's revolving credit facilities.

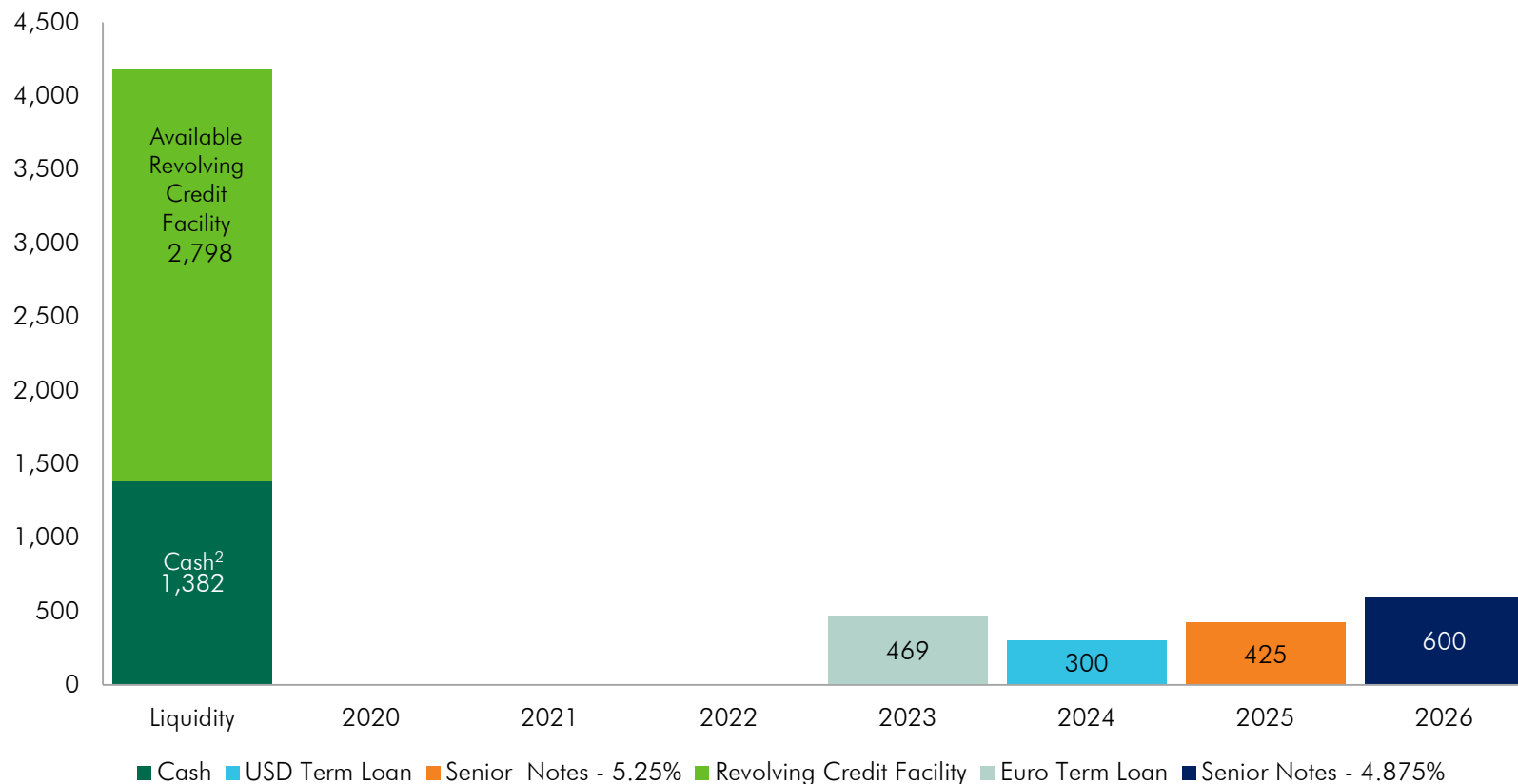
Net Debt: calculated as total debt (excluding non-recourse debt) less cash available for company use.

SUPPLEMENTAL SLIDES, GAAP RECONCILIATION TABLES

MANDATORY AMORTIZATION AND MATURITY SCHEDULE

AS OF SEPTEMBER 30, 2020¹

(\$ in millions)



1. \$2,800 million revolving credit facility matures in March 2024. As of September 30, 2020, there was a \$2 million letter of credit outstanding on the revolving credit facility.

2. Excludes \$99.4 million of cash in consolidated funds and other entities not available for company use.

DEBT AND LEVERAGE

TOTALS MAY NOT ADD DUE TO ROUNDING

(\$ in millions)

	September 30,		December 31,	
	2020	2019	2018	2017
Cash ¹	\$1,382	\$901	\$622	\$628
Revolving credit facility	-	-	-	-
Senior term loans ²	766	745	751	193
Senior notes ²	1,018	1,017	1,015	1,806
Other debt ^{3,4}	7	6	4	-
Total debt	\$1,790	\$1,768	\$1,770	\$1,999
Less: Cash ¹	\$1,382	\$901	\$622	\$628
Total net debt	\$407	\$867	\$1,148	\$1,371
TTM Adjusted EBITDA	\$1,830	\$2,064	\$1,905	\$1,710
Net debt to TTM Adjusted EBITDA	0.22x	0.42x	0.60x	0.80x

1. Excludes \$99.4 million, \$70.5 million, \$155.2 million and \$123.8 million of cash in consolidated funds and other entities not available for company use at September 30, 2020, December 31, 2019, December 31, 2018 and December 31, 2017, respectively.
2. Outstanding amounts for 2020 reflected net of unamortized debt issuance costs.
3. Excludes \$1,197 million, \$977.2 million, \$1,328.8 million and \$910.8 million of warehouse facilities for loans originated on behalf of the FHA and other government sponsored enterprises outstanding at September 30, 2020, December 31, 2019, December 31, 2018 and December 31, 2017, respectively, which are non-recourse to CBRE Group, Inc.
4. Excludes non-recourse notes payable on real estate, net of unamortized debt issuance costs, of \$28.7 million, \$12.5 million, \$6.3 million and \$17.9 million at September 30, 2020, December 31, 2019, December 31, 2018 and December 31, 2017, respectively.



SUMMARIZED CASH FLOW ACTIVITY

TOTALS MAY NOT ADD DUE TO ROUNDING

(\$ in millions)

Net cash provided by operating activities

Net cash used in investing activities

Net cash used in financing activities

Effect of FX rate changes on cash and cash equivalents and restricted cash

Net increase (decrease) in cash and cash equivalents and restricted cash

Nine Months Ended September 30,	
2020	2019
\$861	\$175
(206)	(272)
(111)	(52)
10	(13)
\$553	(\$162)



OTHER FINANCIAL METRICS

	Three Months Ended					
(\$ in thousands)	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
OMSR Gains	\$54,486	\$37,729	\$35,596	\$40,301	\$59,562	\$44,309
Amortization	(\$34,052)	(\$31,903)	(\$30,503)	(\$33,244)	(\$32,784)	(\$29,282)
	Q3 2020 over Q3 2019	Q2 2020 over Q2 2019	Q1 2020 over Q1 2019	Q4 2019 over Q4 2018	Q3 2019 over Q3 2018	Q2 2019 over Q2 2018
OMSR Gains	(\$5,076)	(\$6,580)	(\$2,674)	(\$16,459)	\$13,939	\$5,072
Amortization	(\$1,268)	(\$2,621)	(\$2,805)	(\$1,295)	(\$2,504)	(\$2,658)
	As of					
(\$ in billions)	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Loan Servicing Balance	\$252.5	\$245.3	\$240.0	\$230.1	\$223.0	\$210.3

RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

TOTALS MAY NOT ADD DUE TO ROUNDING

(\$ in millions, except per share amounts)

Net income attributable to CBRE Group, Inc.

Costs associated with transformation initiatives ¹

Non-cash depreciation and amortization expense related to certain assets attributable to acquisitions

Carried-interest incentive compensation expense (reversal) to align with the timing of associated revenue

Impact of fair value adjustments to real estate assets acquired in the Telford Acquisition (purchase accounting) that were sold in period

Costs incurred related to legal entity restructuring

Integration and other costs related to acquisitions

Tax impact of adjusted items

Adjusted net income

Adjusted diluted earnings per share

Three Months Ended September 30,	
2020	2019
\$184.1	\$256.6
55.4	
18.8	19.3
3.8	(3.4)
2.3	
1.1	-
0.5	4.5
(20.9)	(7.2)
\$245.1	\$269.8
\$0.73	\$0.79

1. Commencing during the quarter ended September 30, 2020, management began the implementation of certain transformation initiatives to enable the company to reduce costs, streamline operations and support future growth. The majority of expenses incurred were cash in nature and primarily related to employee separation benefits, lease termination costs and professional fees.

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

TOTALS MAY NOT ADD DUE TO ROUNDING

(\$ in millions)	Three Months Ended September 30,		Trailing Twelve Months Ended September 30, 2020	Trailing Twelve Months Ended December 31,		
	2020	2019		2019	2018	2017
Net income attributable to CBRE Group, Inc.	\$184.1	\$256.6	\$1,075.8	\$1,282.4	\$1,063.2	\$697.1
Add:						
Depreciation and amortization	127.7	111.6	473.3	439.2	452.0	406.1
Interest expense, net of interest income	17.8	21.8	69.9	85.7	98.7	127.0
Write-off of financing costs on extinguished debt	-	-	-	2.6	28.0	-
Provision for income taxes	49.1	63.5	19.1	69.9	313.0	467.8
Asset impairments	-	-	75.9	89.8	-	-
EBITDA	\$378.7	\$453.5	\$1,714.0	\$1,969.6	\$1,954.9	\$1,698.0
Adjustments:						
Costs associated with transformation initiatives ¹	55.4	-	55.4	-	-	-
Costs associated with workforce optimization efforts ²	-	-	37.6	-	-	-
Impact of fair value adjustments to real estate assets acquired in the Telford Acquisition (purchase accounting) that were sold in period	2.3	-	18.6	9.3	-	-
Costs incurred related to legal entity restructuring	1.1	-	11.9	6.9	-	-
Integration and other costs related to acquisitions	0.5	4.5	3.3	15.3	9.1	27.3
Carried interest incentive compensation (reversal) expense to align with the timing of associated revenue	3.8	(3.4)	(10.7)	13.1	(5.2)	(8.5)
Costs associated with our reorganization, including cost-savings initiatives ³	-	-	-	49.8	38.0	-
Costs incurred in connection with litigation settlement	-	-	-	-	8.8	-
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)	-
Adjusted EBITDA	\$441.8	\$454.6	\$1,830.0	\$2,064.0	\$1,905.2	\$1,716.8

- Commencing during the quarter ended September 30, 2020, management began the implementation of certain transformation initiatives to enable the company to reduce costs, streamline operations and support future growth. The majority of expenses incurred were cash in nature and primarily related to employee separation benefits, lease termination costs and professional fees.
- Primarily represents costs incurred related to workforce optimization initiated and executed in second quarter of 2020 as part of management's cost containment efforts in response to the Covid-19 pandemic. The charges are cash expenditures primarily for severance costs incurred related to this effort. Of the total costs, \$7.4 million was included within the "Cost of revenue" line item and \$30.2 million was included in the "Operating, administrative, and other" line item in the accompanying consolidated statements of operations for the nine months ended September 30, 2020.
- Primarily represents severance costs related to headcount reductions in connection with our reorganization announced in the third quarter of 2018 that became effective January 1, 2019.

RECONCILIATION OF REVENUE TO FEE REVENUE

TOTALS MAY NOT ADD DUE TO ROUNDING
(\$ IN MILLIONS)

	Three Months Ended September 30,	
	2020	2019
Global Workplace Solutions revenue	\$3,721.4	\$3,555.2
Less:		
Client reimbursed costs largely associated with employees dedicated to client facilities and subcontracted vendor work performed for clients	2,883.7	2,762.0
Global Workplace Solutions fee revenue	\$837.7	\$793.2
	Three Months Ended September 30,	
	2020	2019
Property & Advisory Project Management revenue	\$545.3	\$558.0
Less:		
Client reimbursed costs largely associated with employees dedicated to client facilities and subcontracted vendor work performed for clients	\$232.9	\$252.7
Property & Advisory Project Management fee revenue	\$312.4	\$305.4
	Three Months Ended September 30,	
	2020	2019
Consolidated revenue	\$5,645.1	\$5,925.1
Less:		
Client reimbursed costs largely associated with employees dedicated to client facilities and subcontracted vendor work performed for clients	3,116.6	3,014.6
Consolidated fee revenue	\$2,528.5	\$2,910.5

RECONCILIATION OF REAL ESTATE INVESTMENTS REVENUE TO ADJUSTED REVENUE

	Three Months Ended September 30,	
	2020	2019
(\$ in millions), totals may not sum due to rounding		
Real Estate Investments Revenue	\$169.6	\$129.2
Adjustments		
Less: Cost of revenue	40.4	-
Add: Gain on disposition of real estate	52.8	0.0
Add: Equity income from unconsolidated subsidiaries	30.9	21.9
Less: Net income attributable to non-controlling interests	0.6	1.0
Add: Impact of fair value adjustments to real estate assets acquired in the Telford Acquisition (purchase accounting) that were sold in period	2.3	-
Net adjustments	45.0	20.9
Real Estate Investments Adjusted Revenue	\$214.6	\$150.1



FREE CASH FLOW AND FREE CASH FLOW CONVERSION RECONCILIATION

TOTALS MAY NOT ADD DUE TO ROUNDING

Cash flow from operations

Less: Capital Expenditures

Free Cash Flow

GAAP Net Income

Free Cash Flow Conversion (Free Cash Flow/GAAP Net Income)

Twelve Months Ended			
December 31,		September 30,	
2017	2018	2019	2020
\$894	\$1,131	\$1,223	\$1,909
(178)	(228)	(294)	(288)
\$716	\$903	\$930	\$1,621
\$697	\$1,063	\$1,282	\$1,076
103%	85%	73%	151%