

10/28/2021

Q3 2021 CBRE Earnings Call

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 prospects, including 2021 qualitative outlook and multi-year growth framework, operations, market share, capital deployment strategy and share repurchases, M&A and investment activity, financial performance, including profitability, expenses, margins, adjusted EPS, and the effects of both cost-savings initiatives and the Covid-19 pandemic, and the integration and performance of acquisitions and other transactions, and any other statements regarding matters that are not historical fact. 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 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 &
Chief Executive Officer



Emma Giamartino

Chief Financial &
Investment Officer



Kristyn Farahmand

Senior Vice President,
Investor Relations &
Strategic Finance

Consolidated Results Summary

\$ in millions, except per share figures

	3Q21	3Q20	2021/2020 % Change	3Q19	2021/2019 % Change
Revenue	\$6,798	\$5,645	▲ 20%	\$5,925	▲ 15%
Net Revenue	\$4,173	\$3,249	▲ 28%	\$3,631	▲ 15%
Adjusted EBITDA	\$736	\$442	▲ 67%	\$455	▲ 62%
EPS	\$1.28	\$0.55	▲ 135%	\$0.75	▲ 71%
Adjusted EPS	\$1.39	\$0.73	▲ 92%	\$0.79	▲ 76%

- Post-COVID recovery and diversification strategy driving strong results
 - All Advisory business lines, including leasing, above 2019 levels
- Disciplined expense management and prior year cost structure improvements benefitting profitability



Bob Sulentic

Chief Executive
Officer

Investing in Future Growth and Resiliency

Recent Investments

Investment	\$B Committed	Growth Opportunity
Turner & Townsend	\$1.3	Project management
Incremental direct real estate investments ¹	\$0.3	Direct investment in funds and assets
Industrious	\$0.2	Agile workspace
Altus sponsorship ²	\$0.1	Renewable energy
Infill acquisitions	\$0.1	Various core businesses
Total	\$2.0	

- Significant opportunity to accelerate growth, resiliency and diversification through pursuit of external and internal investments
- Committed approximately \$2 billion of capital for investments in 2021 so far
- Expect to continue simultaneously returning some cash to shareholders while maintaining our strong balance sheet and creditworthiness

1. Represents incremental direct real estate investments made since year end 2020.

2. Reflects the company's \$70 million PIPE commitment. Actual investment could be higher.



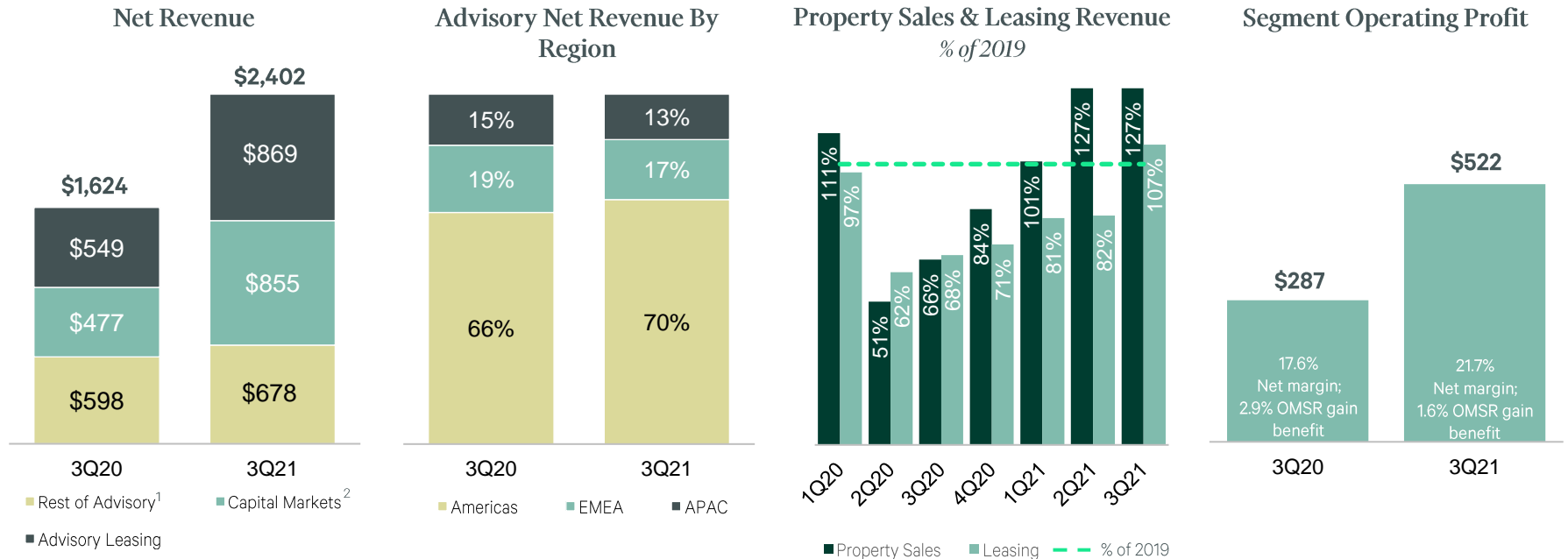
Emma
Giamartino

Chief Financial
& Investment
Officer

Advisory Services

\$ in millions, totals may not sum due to rounding

- Leasing revenue grew 58% globally and 67% in the US vs. prior year
- Property sales revenue surged 93% globally and 116% in the US vs. prior year
- Originations revenue climbed nearly 41%, led by private lending volume
- Loan servicing, valuation and property management revenue grew 35%, 27% and 6% vs. Q3'20, respectively
- Profitability benefitted from transformation initiatives completed last year and the resurgence of high-margin revenue

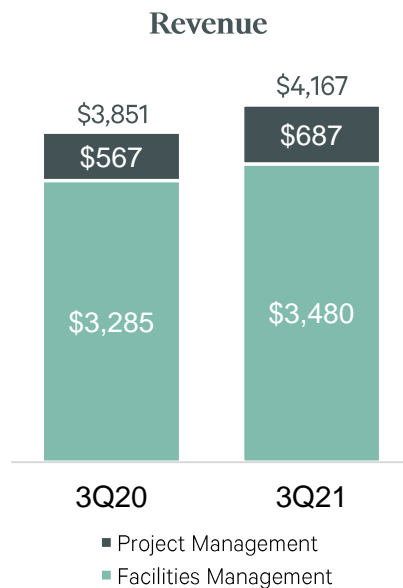


1. Includes Property Management, Valuation and Loan Servicing net revenue.
2. Includes Property Sales and Commercial Mortgage Origination net revenue.
Definitions and reconciliations are provided at the end of this presentation.

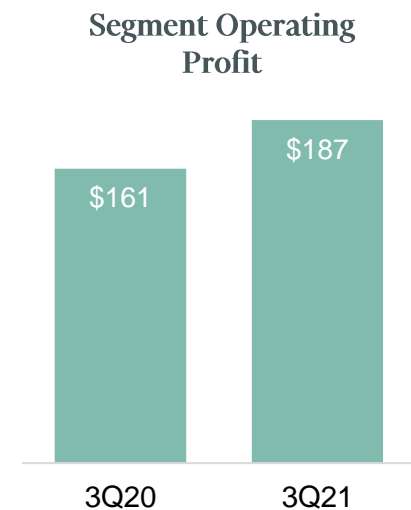
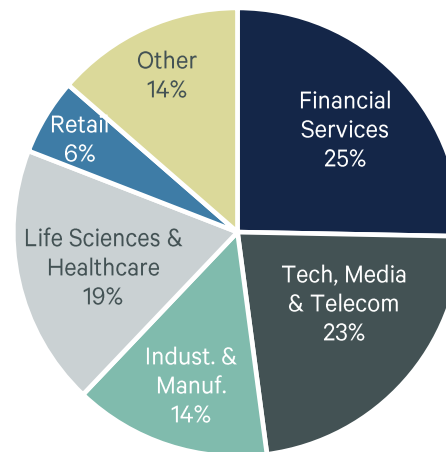
Global Workplace Solutions (GWS)

\$ in millions, totals may not sum due to rounding

- Revenue grew 8%, led by work for local solutions clients
 - Americas led across global regions posting about 10% growth
 - Facilities management revenue grew nearly 6%
 - Project management revenue climbed 21%
- Segment operating profit grew over 16% to \$187 million
 - Driven by solid topline growth and disciplined cost management
- New business pipeline up vs. Q2'21 and Q3'20



**Q3 2021 Facilities Management
Revenue By Industry**



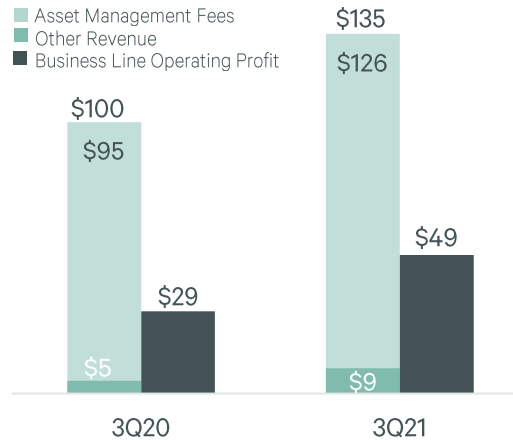
Real Estate Investments

- Segment revenue and operating profit grew 32% and 105%, respectively
- Partially driven by record level of asset management fees in Investment Management Business
- Ended the quarter with record AUM and in-process inventory

Investment Management

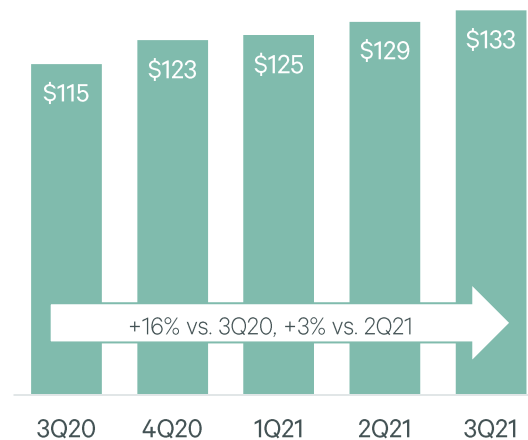
Revenue & Business Line Operating Profit

\$ Millions



Assets Under Management

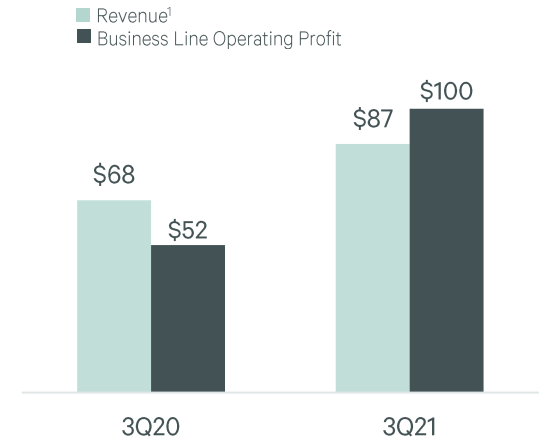
\$ Billions



Development

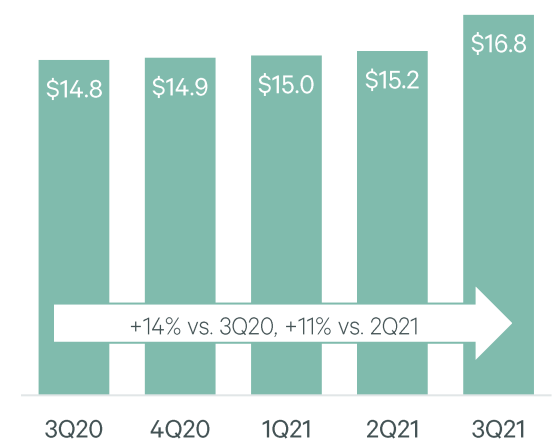
Revenue & Business Line Operating Profit

\$ Millions



In-Process Inventory

\$ Billions



1. Excludes revenue associated with Hana.
Definitions and reconciliations are provided at the end of this presentation.

2021 Outlook: Updating Qualitative Guidance for the Year

Advisory

- Expect sales revenue to exceed 2019 peak by around 15%, project leasing deficit of 5% or so relative to prior peak
- Rest of Advisory business revenue still expected to rise in the low double-digit range on a combined basis

Global Workplace Solutions

- Mid-to-high-single digit net revenue growth in GWS projected
- Anticipate segment operating profit growth of 20% or more
- Margin benefitting from mix shift to higher margin services

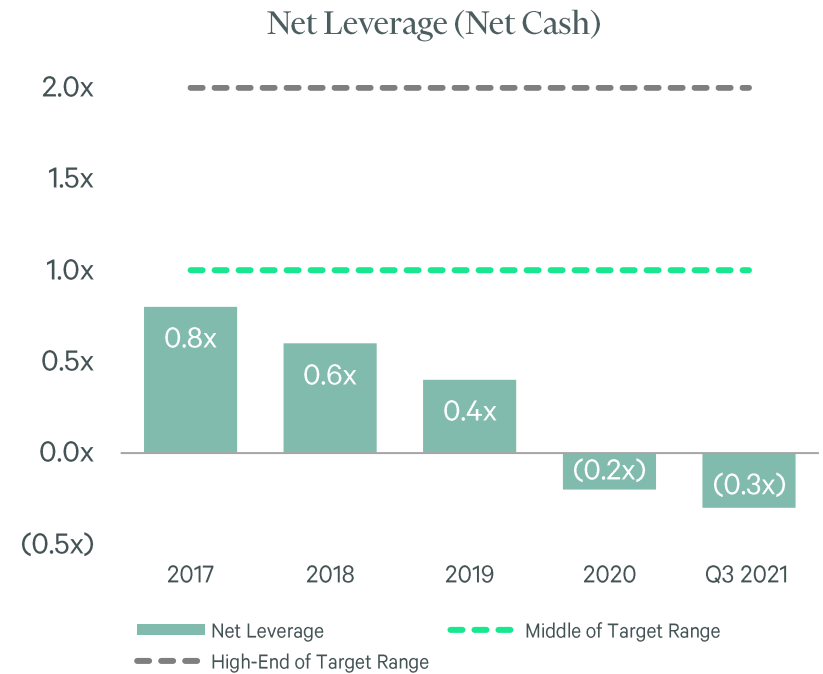
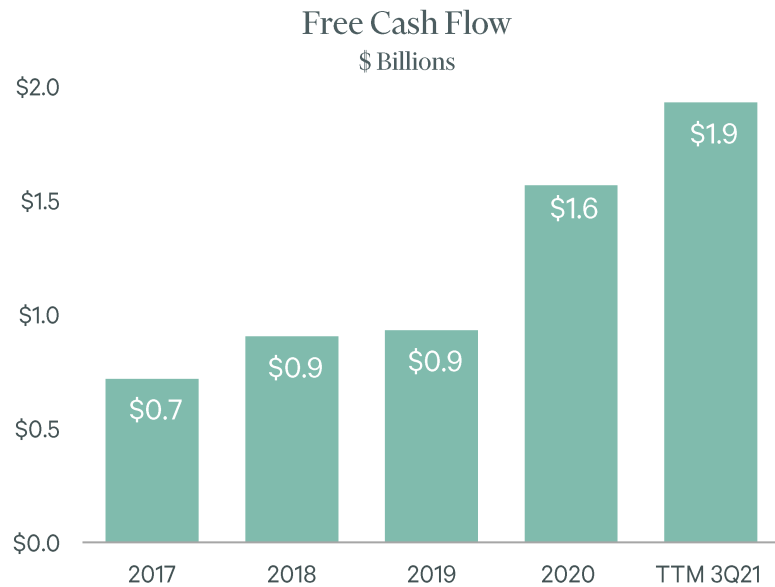
Real Estate Investments

- Raising expectations for investment management; expect revenue to rise in the low-to-mid teens range and operating profit to increase by at least 30%
- Continue to expect global development operating profit to roughly triple the \$122 million generated in 2019

- Corporate segment expenses likely to be just over 2% of total net revenue
- On track to significantly surpass prior peak key financial metrics by substantial margin
- Ample capital allocation agility remains, even net of Turner & Townsend transaction, which is expected to close in early November

Retain Significant Financial Capacity

- Committed approximately \$2 billion of capital, primarily for strategic investments expected to enhance our long-run growth trajectory and diversification
- Strengthened balance sheet further while re-accelerating investment and repurchasing stock
- Significant investment capacity remains to accelerate access to secular tailwinds





Non-GAAP Measures And Definitions

Non-GAAP Financial Measures

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

- i. net revenue
- ii. adjusted revenue for the Real Estate Investments segment
- iii. adjusted net income
- iv. adjusted EPS
- v. adjusted EBITDA
- vi. net debt (net cash)
- vii. free cash flow
- viii. business line operating profit
- ix. segment operating profit on revenue and net revenue margins

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 net revenue: net revenue is gross revenue less costs largely associated with subcontracted vendor work performed for clients. We believe that investors may find this measure useful to analyze the company’s overall financial performance because it excludes costs reimbursable by clients that generally have no margin, and as such provides greater visibility into the underlying performance of our business. Prior to 2021, the company utilized fee revenue to analyze the overall financial performance. This metric excluded additional reimbursed costs, primarily related to employees dedicated to clients, some of which included minimal margin.

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, business line operating profit and segment operating profit on revenue and net revenue margins: 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, business line operating profit, segment operating profit on revenue and net revenue margins—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 it does not consider cash requirements such as tax and debt service payments. The adjusted EBITDA, measure 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 (net cash), the company believes that investors use this measure when calculating the company’s net leverage (net cash) 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.

Definitions

Adjusted EBITDA: Adjusted EBITDA represents earnings before net interest expense, write-off of financing costs on extinguished debt, income taxes, depreciation and amortization, asset impairments, adjustments related to 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, costs incurred related to legal entity restructuring, costs associated with workforce optimization, transformation initiatives, and integration and other costs related to acquisitions.

Adjusted Net Income: Adjusted net income and adjusted earnings per diluted share (or adjusted EPS) 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 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, costs associated with workforce optimization, transformation initiatives and asset impairments.

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.

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

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

Net Revenue: gross revenue less costs largely associated with subcontracted vendor work performed for clients. These costs are reimbursable by clients and generally have no margin.

Segment operating profit: Segment operating profit is the measure reported to the chief operating decision maker (CODM) for purposes of making decisions about allocating resources to each segment and assessing performance of each segment. Segment operating profit represents earnings before net interest expense, write-off of financing costs on extinguished debt, income taxes, depreciation and amortization and asset impairments, as well as adjustments related to the following: certain carried interest incentive compensation expense (reversal) to align with the timing of associated revenue, fair value adjustments to real estate acquired in the Telford Acquisition (purchase accounting) that were sold in the period, costs incurred related to legal entity restructuring, costs associated with workforce optimization, transformation initiatives and integration and other costs related to acquisitions. Prior period results have been recast to conform to this definition.

Segment operating profit revenue margin: represents segment operating profit divided by net revenue.

Segment operating profit revenue net margin: represents segment operating profit divided by net revenue.

Business line operating profit: contribution from each line of business to the respective reportable segment's operating profit.



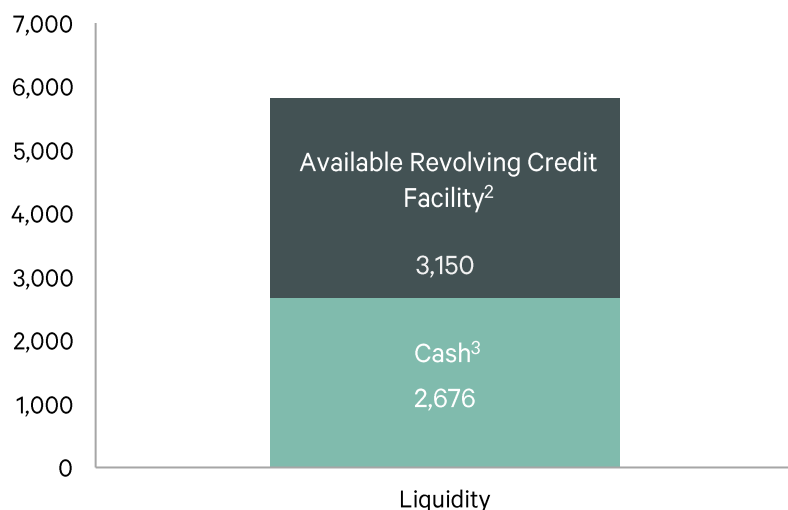
Supplemental
Slides, GAAP
Reconciliation
Tables

Mandatory Amortization and Maturity Schedule

\$ in millions, totals may not sum due to rounding | As of September 30, 2021

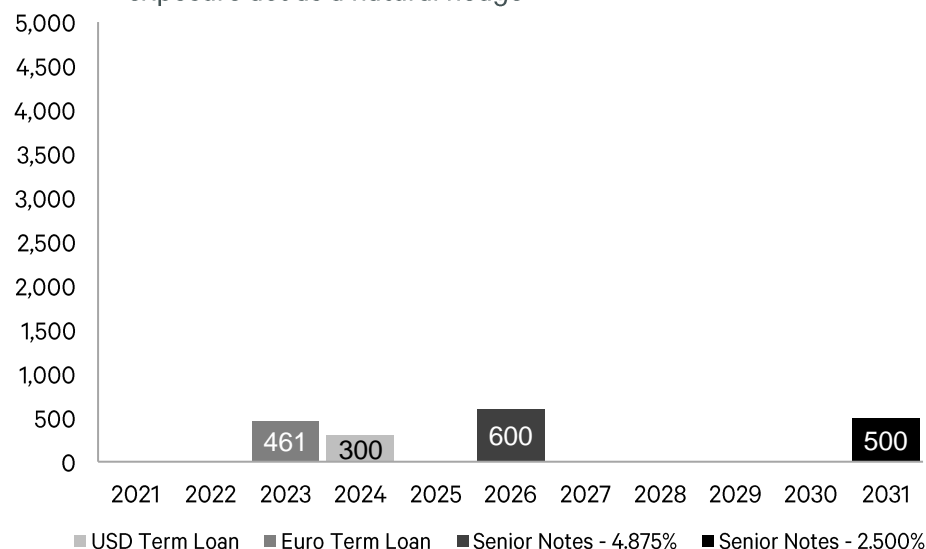
Liquidity¹

- Robust liquidity at \$5.8 billion, enabling TTM Q3 2021 net leverage of (0.3x)



Maturity Schedule

- No near-term maturities until 2023
- Pre-payable debt allows for further flexibility
- Mix of EUR and USD denominated debt that matches business exposure act as a natural hedge



1. The company's credit revolver was expanded by \$350 million as of July 9, 2021.

2. The company's revolving credit facility matures in March 2024.

3. Excludes \$92.2 million of cash in consolidated funds and other entities not available for company use.

Debt and Leverage

\$ in millions, totals may not sum due to rounding

	September 30, 2021	2020	December 31, 2019	2018	2017
Cash ¹	\$2,676	\$1,793	\$901	\$622	\$628
Revolving Credit Facility	-	-	-	-	-
Senior term loans ²	761	786	745	751	193
Senior notes ²	1,083	595	1,017	1,015	1,806
Other debt ^{3,4}	5	7	6	4	-
Total Debt	\$1,849	\$1,388	\$1,768	\$1,770	\$1,999
Less: Cash ¹	\$2,676	\$1,793	\$901	\$622	\$628
Net debt (net cash)	(\$827)	(\$405)	\$867	\$1,148	\$1,371
TTM Adjusted EBITDA	\$2,699	\$1,892	\$2,064	\$1,905	\$1,710
Net debt (Net cash) to TTM Adjusted EBITDA	(0.31x)	(0.21x)	0.42x	0.60x	0.80x

1. Excludes \$92.2 million, \$102.9 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, 2021, December 31, 2020, December 31, 2019, December 31, 2018 and December 31, 2017, respectively.

2. Outstanding amounts for 2021, 2020, 2019, 2018 and 2017 reflected net of unamortized debt issuance costs.

3. Excludes \$1,383.7 million, \$1,383.9 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, 2021, December 31, 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 \$73.6 million, \$80.0 million, \$12.5 million, \$6.3 million and \$17.9 million at September 30, 2021, December 31, 2020, December 31, 2019, December 31, 2018 and December 31, 2017, respectively.

Liquidity

\$ in millions, totals may not sum due to rounding

	September 30, 2021
Cash ¹	\$2,676
Revolving Credit Facility Available ²	3,150
Total Liquidity	\$5,826

1. Excludes \$92.2 million of cash in consolidated funds and other entities not available for company use at September 30, 2021.

2. The company's credit revolver was expanded by \$350 million as of July 9, 2021.

Summarized Cash Flow Activity

\$ in millions, totals may not sum due to rounding

	Nine Months Ended September 30,	
	2021	2020
Net cash provided by operating activities	\$1,200	\$890
Net cash used in investing activities	(555)	(206)
Net cash provided by (used in) financing activities	275	(141)
Effect of FX rate changes on cash equivalents and restricted cash	(83)	10
Net increase in cash, cash equivalents and restricted cash	\$837	\$553

Reconciliation of Cash Flows

\$ in millions, totals may not sum due to rounding

	September 30, 2021	2020	Twelve Months Ended December 31,		2017
			2019	2018	
Net cash provided by operating activities	\$2,141	\$1,831	\$1,223	\$1,131	\$894
Less:					
Capital Expenditures	\$197	\$267	\$294	\$228	\$178
Free Cash Flow	\$1,943	\$1,564	\$930	\$903	\$716

Other Financial Metrics

Totals may not sum due to rounding

	Three Months Ended				
(\$ in millions)	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
OMSR Gains	\$48.6	\$41.8	\$50.3	\$91.3	\$54.5
Amortization	(\$42.3)	(\$39.7)	(\$35.7)	(\$37.9)	(\$34.0)

(\$ in millions)	Q3 2021 over Q3 2020	Q2 2021 over Q2 2020	Q1 2021 over Q1 2020	Q4 2020 over Q4 2019	Q3 2020 over Q3 2019
OMSR Gains	(\$5.9)	\$4.1	\$14.7	\$51.0	(\$5.1)
Amortization	(\$8.3)	(\$7.8)	(\$5.3)	(\$4.6)	(\$1.3)

(\$ in billions)	September 30, 2021	June 30, 2021	As of March 31, 2021	December 31, 2020	September 30, 2020
Loan Servicing Balance	\$299.8	\$294.1	\$284.6	\$268.6	\$252.5

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

\$ in thousands, except for share and per share data, totals may not sum due to rounding

	Three Months Ended September 30,		
	2021	2020	2019
Net Income attributable to CBRE Group, Inc	\$435,743	\$184,132	\$256,599
Plus / Minus:			
Costs associated with transformation initiatives ¹	-	55,374	-
Non-Cash depreciation and amortization expense related to certain assets attributable to acquisitions	17,323	18,774	19,330
Integration and other costs related to acquisitions	16,211	525	4,517
Carried interest incentive compensation expense (reversal) to align with the timing of associated revenue	16,959	3,767	(3,360)
Impact of fair value adjustments to real estate assets acquired in the Telford Acquisition (purchase accounting) that were sold in period	47	2,289	-
Costs incurred related to legal entity restructuring	-	1,061	-
Asset impairments	-	-	-
Costs associated with workforce optimization efforts ²	-	-	-
Tax impact of adjusted items	(12,386)	(20,869)	(7,244)
Net Income attributable to CBRE Group, Inc, as adjusted	\$473,897	\$245,053	\$269,842
Diluted income per share attributable to CBRE Group, Inc, as adjusted	\$1.39	\$0.73	\$0.79
Weighted average shares outstanding for diluted income per share	340,337,159	337,665,848	341,100,182

- 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.

Note: We have not reconciled the (non-GAAP) adjusted earnings per share forward-looking guidance included in this presentation to the most directly comparable GAAP measure because this cannot be done without unreasonable effort due to the variability and low visibility with respect to costs related to acquisitions, carried interest incentive compensation and financing costs, which are potential adjustments to future earnings. We expect the variability of these items to have a potentially unpredictable, and a potentially significant, impact on our future GAAP financial results.

Reconciliation of Net Income to Adjusted EBITDA

\$ in millions, totals may not sum due to rounding

	Three Months Ended September 30,			Twelve Months Ended				
	2021	2020	2019	Sept 30, 2021	2020	2019	December 31, 2018	2017
Net Income attributable to CBRE Group, Inc	\$435.7	\$184.1	\$256.6	\$1,458.3	\$752.0	\$1,282.4	\$1,063.2	\$697.1
Plus / Minus:								
Depreciation and amortization	122.6	127.7	111.6	507.6	501.7	439.2	452.0	406.1
Interest expense, net of interest income	11.0	17.8	21.8	50.9	67.8	85.7	98.7	127.0
Write-off of financing costs on extinguished debt	-	-	-	75.6	75.6	2.6	28.0	-
Provision for income taxes	133.5	49.1	63.5	438.3	214.1	69.9	313.0	467.8
Asset impairments	-	-	-	13.5	88.7	89.8	-	-
Costs associated with transformation initiatives ¹	-	55.4	-	99.8	155.1	-	-	-
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	0.1	2.3	-	3.1	11.6	9.3	-	-
Costs incurred related to legal entity restructuring	-	1.1	-	4.4	9.4	6.9	-	-
Integration and other costs related to acquisitions	16.2	0.5	4.6	24.6	1.8	15.3	9.1	27.3
Carried interest incentive compensation expense (reversal) to align with the timing of associated revenue	17.0	3.8	(3.4)	22.6	(22.9)	13.1	(5.2)	(8.5)
Costs associated with our reorganization, including cost-savings initiatives ³	-	-	-	-	-	49.6	38.0	-
Costs incurred in connection with litigation settlement	-	-	-	-	-	-	8.9	-
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	\$736.1	\$441.8	\$454.7	\$2,698.6	\$1,892.4	\$2,063.8	\$1,905.3	\$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 the 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.
 - 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.
- Note: 2017 figures were restated for our adoption of new revenue guidance in 2018 (ASC 606). We have not made a similar restatement for 2009-2015, and such periods continue to be reported under the accounting standards in effect for such periods.

Reconciliation of Revenue to Net Revenue

\$ in millions, totals may not sum due to rounding

	Three Months Ended September 30,		
	2021	2020	2019
Consolidated Revenue	\$6,798	\$5,645	\$5,925
Less:			
Pass through costs also recognized as revenue	\$2,625	\$2,397	\$2,294
Consolidated Net Revenue	\$4,173	\$3,249	\$3,632

Reconciliation of Revenue to Net Revenue

\$ in millions, totals may not sum due to rounding

	Three Months Ended September 30,		
	2021	2020	2019
Advisory Revenue	\$2,412	\$1,630	\$2,134
Less:			
Pass through costs also recognized as revenue	\$10	\$6	\$16
Advisory Net Revenue	\$2,402	\$1,624	\$2,117

	Three Months Ended September 30,		
	2021	2020	2019
Advisory Revenue without Leasing and Sales	\$870	\$733	\$791
Less:			
Pass through costs also recognized as revenue	\$10	\$6	\$16
Advisory Net Revenue without Leasing and Sales	\$860	\$727	\$774

	Three Months Ended September 30,		
	2021	2020	2019
Advisory Property Management Revenue	\$433	\$407	\$415
Less:			
Pass through costs also recognized as revenue	\$10	\$6	\$16
Advisory Property Management Net Revenue	\$423	\$401	\$399

Reconciliation of Revenue to Net Revenue¹

\$ in millions, totals may not sum due to rounding

	Three Months Ended September 30,		TTM Ended
	2021	2020	Sept 30, 2021
Global Workplace Solutions revenue	\$4,167	\$3,851	\$16,578
Less:			
Pass through costs also recognized as revenue	\$2,615	\$2,391	\$10,498
Global Workplace Solutions net revenue	\$1,552	\$1,460	\$6,079

	Three Months Ended September 30,		TTM Ended
	2021	2020	Sept 30, 2021
Global Workplace Solutions Facilities Management revenue	\$3,480	\$3,285	\$13,963
Less:			
Pass through costs also recognized as revenue	\$2,249	\$2,162	\$9,209
Global Workplace Solutions Facilities Management net revenue	\$1,231	\$1,122	\$4,753

	Three Months Ended September 30,		TTM Ended
	2021	2020	Sept 30, 2021
Global Workplace Solutions Project Management revenue	\$687	\$567	\$2,615
Less:			
Pass through costs also recognized as revenue	\$366	\$228	\$1,289
Global Workplace Solutions Project Management net revenue	\$321	\$338	\$1,326

1. Third-quarter 2021 GWS net revenue growth was negatively impacted by approximately 3% due to a reclassification of pass-through revenue in project management. There was no impact to GWS revenue in the period.

Reconciliation of Real Estate Investments Revenue to Adjusted Revenue and Real Estate Investments Business Line Operating Profit to Segment Operating Profit

\$ in millions, totals may not sum due to rounding

	Three Months Ended September 30,	
	2021	2020
Real Estate Investments Revenue	\$223.8	\$169.6
Adjustments:		
Less: Cost of Revenue	40.2	40.4
Add: Gain on disposition of real estate	18.5	52.8
Add: Equity income from unconsolidated subsidiaries	156.5	30.9
Less: Net income attributable to non-controlling interests	0.7	0.6
Add: Impact of fair value adjustments to real estate assets acquired in the Telford Acquisition (purchase accounting) that were sold in period	0.0	2.3
Net Adjustments	134.1	45.1
Adjusted Revenue	\$357.9	\$214.7

	Three Months Ended September 30,	
	2021	2020
Investment Management Operating Profit	\$48.7	\$29.0
Development Operating Profit	99.7	51.8
Hana and Segment Overhead Operating Loss	(2.4)	(9.3)
Segment Operating Profit	\$146.0	\$71.4