

2/24/2022

# Q4 2021 CBRE Earnings Call

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## 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 2022 qualitative outlook and multi-year growth framework, operations, market share, capital deployment strategy and share repurchases, M&A and investment activity, the performance of existing investments, financial performance, including cash flow, profitability, expenses, margins, adjusted EPS, core adjusted EPS and the effects of the Covid-19 pandemic, 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 fourth 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](http://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

- All key financial metrics exceeded prior peaks
- Led by strong growth in high-margin sales and leasing
- Q4'21 GAAP and adjusted EPS include \$0.36 from SPAC related gain and \$0.03 from non-core investment gains
- Excluding the SPAC-related gain, which is comparable to prior period presentation, Q4'21 adjusted earnings per share totaled \$1.83.
- Q4'21 GAAP and adjusted earnings also include an approximate 7-cent negative impact from UK development reserve increase associated with a project challenged earlier in the pandemic

	4Q21	4Q20	2021 / 2020 Change	4Q19	2021 / 2019 Change
Revenue	\$8,550	\$6,911	▲ 23.7%	\$7,119	▲ 20.1%
Net Revenue	\$5,566	\$4,123	▲ 35.0%	\$4,439	▲ 25.4%
Adjusted EBITDA <sup>(1)</sup>	\$1,124	\$755	▲ 49.0%	\$692	▲ 62.4%
EPS	\$2.04	\$0.93	▲ 120.1%	\$1.87	▲ 8.8%
Adjusted EPS	\$2.19	\$1.45	▲ 50.9%	\$1.32	▲ 65.8%
Core Adjusted EPS	\$1.80	\$1.45	▲ 24.1%	\$1.32	▲ 36.1%

	2021	2020	2021 / 2020 Change	2019	2021 / 2019 Change
Revenue	\$27,746	\$23,826	▲ 16.5%	\$23,894	▲ 16.1%
Net Revenue	\$17,010	\$13,790	▲ 23.3%	\$14,680	▲ 15.9%
Adjusted EBITDA <sup>(1)</sup>	\$3,074	\$1,896	▲ 62.1%	\$2,073	▲ 48.3%
EPS	\$5.41	\$2.22	▲ 143.3%	\$3.77	▲ 43.6%
Adjusted EPS	\$5.80	\$3.27	▲ 77.3%	\$3.71	▲ 56.5%
Core Adjusted EPS	\$5.33	\$3.27	▲ 63.1%	\$3.70	▲ 43.9%

1. Prior year periods adjusted to include non-controlling interests totaling \$3.8m and \$9.0m in 2020 and 2019, respectively, and \$1.6m and \$1.5m in Q4 2020 and Q4 2019, respectively. Definitions and reconciliations are provided at the end of this presentation.

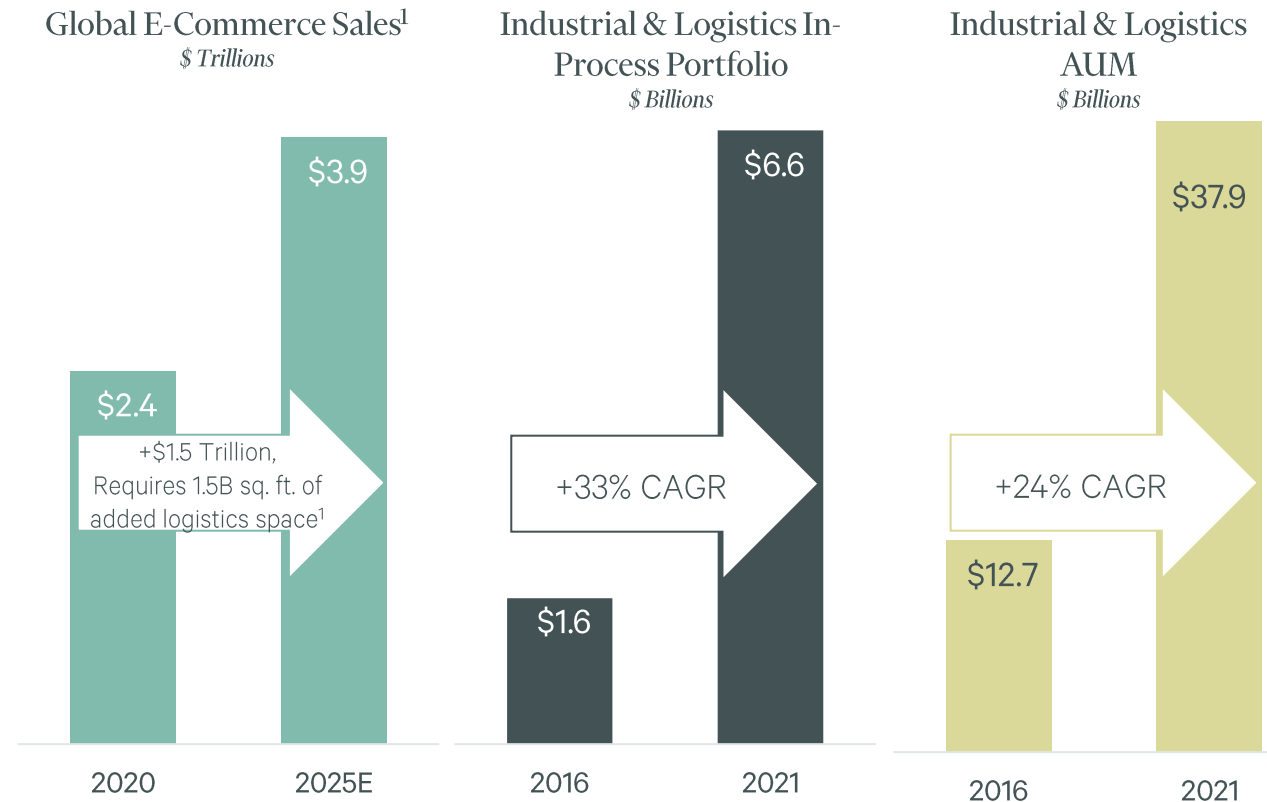


Bob Sulentic

Chief Executive  
Officer

## Combining Tailwinds With Competitive Advantages to Accelerate Growth

- Planning to extend this model to other secularly favored asset types, including multifamily and life sciences



- Industrial & logistics assets set to benefit from elevated demand driven by secular shift towards e-commerce
- Seeking to employ competitive advantages to help accelerate growth benefit from this transition
- Converting development assets into investment management (IM) AUM, while also utilizing parent company balance sheet to help secure strategic assets for IM
- Strategy facilitated by differentiated development capabilities and strong balance sheet

1. Source: CBRE Research and Euromonitor.  
Definitions and reconciliations are provided at the end of this presentation.



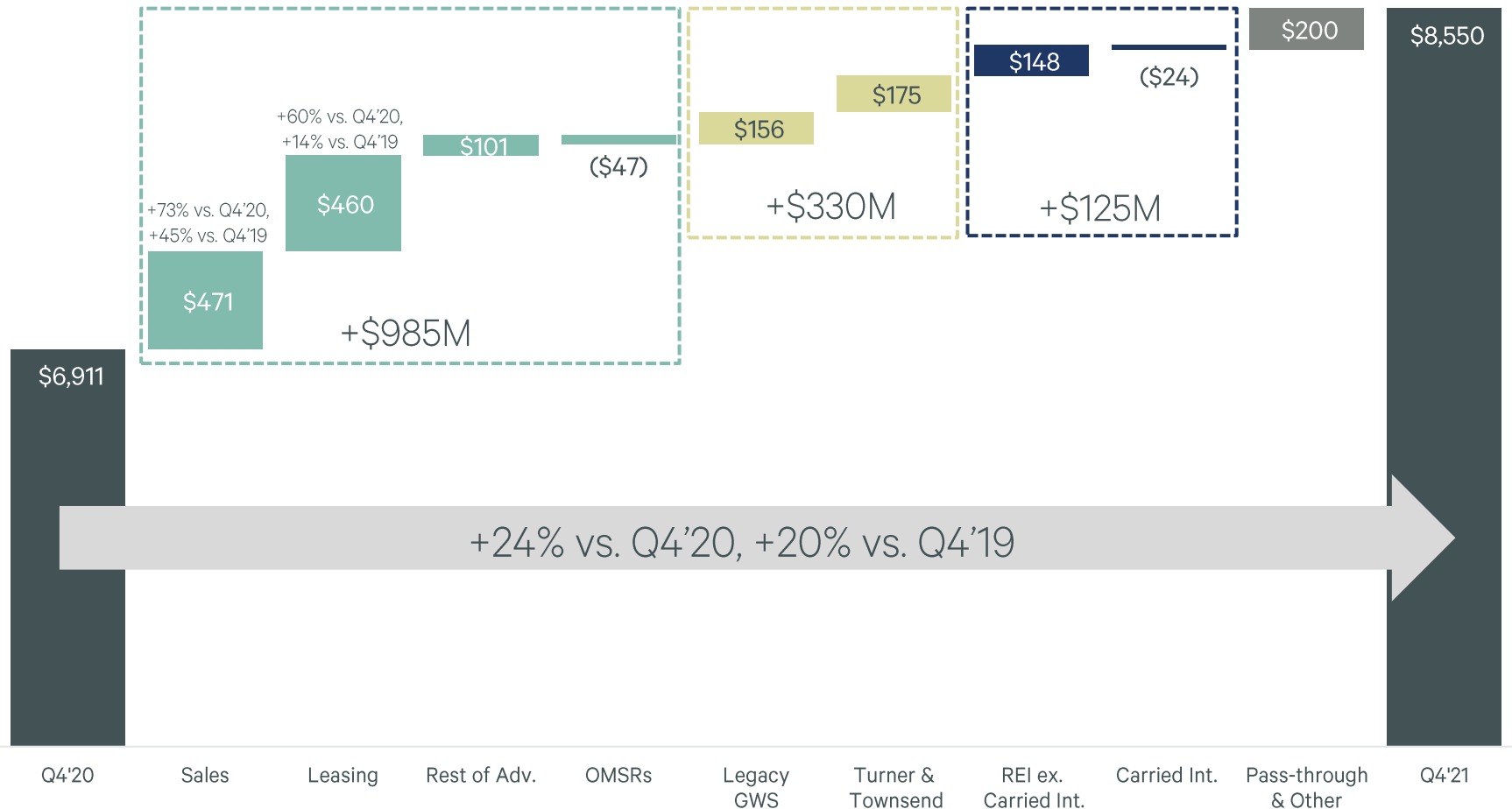
Emma  
Giamartino

Chief Financial  
& Investment  
Officer

# Revenue

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

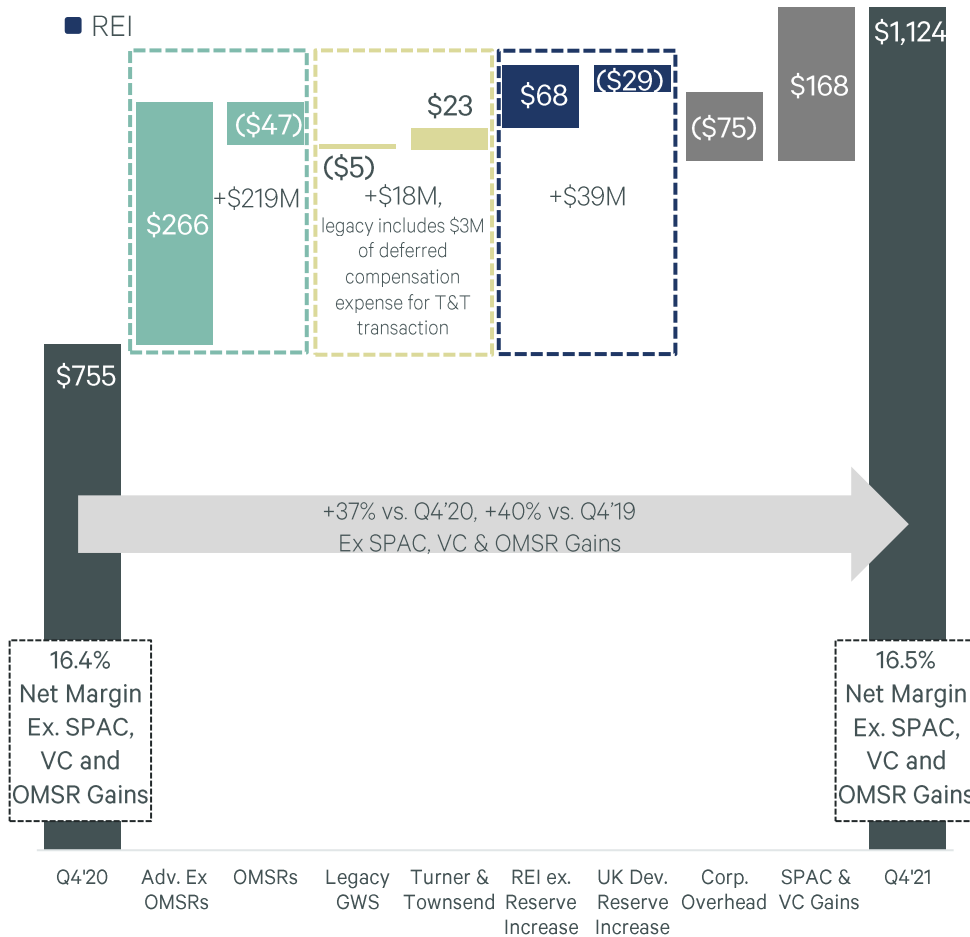
- Advisory
- Global Workplace Solutions (GWS)
- Real Estate Investments (REI)



# Adjusted EBITDA & Segment Operating Profit

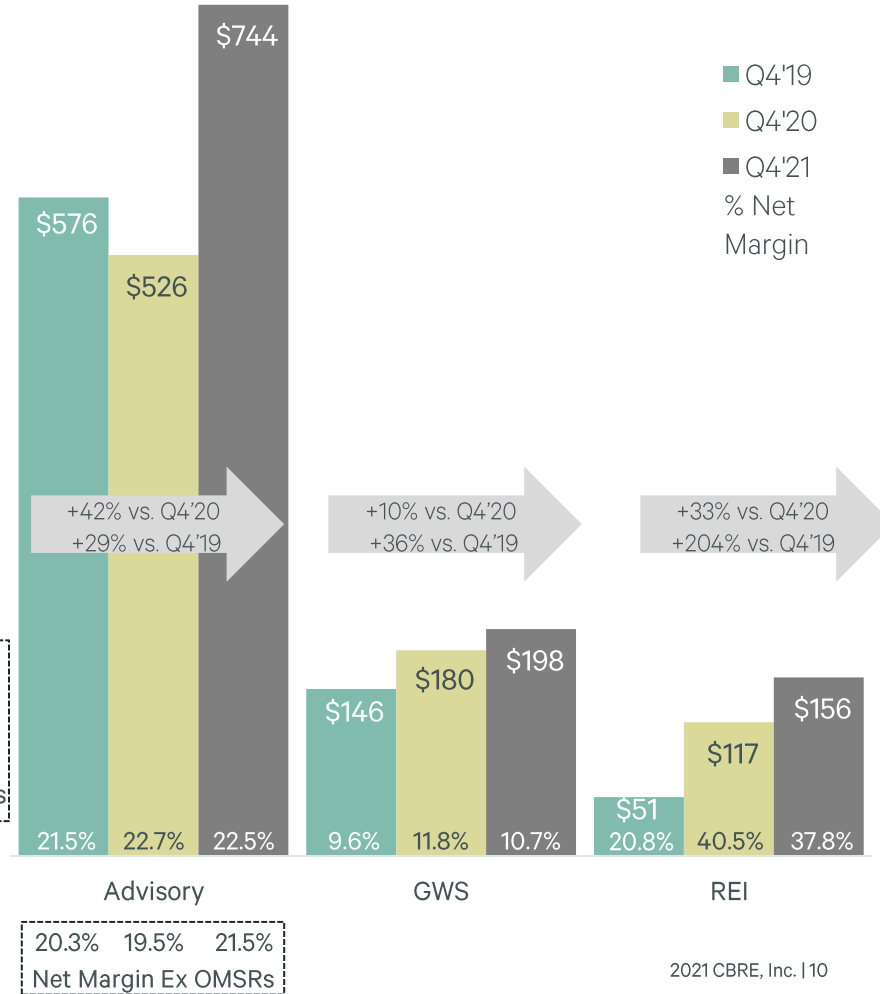
## Adj. EBITDA Walk \$ Millions

- Advisory
- GWS
- REI

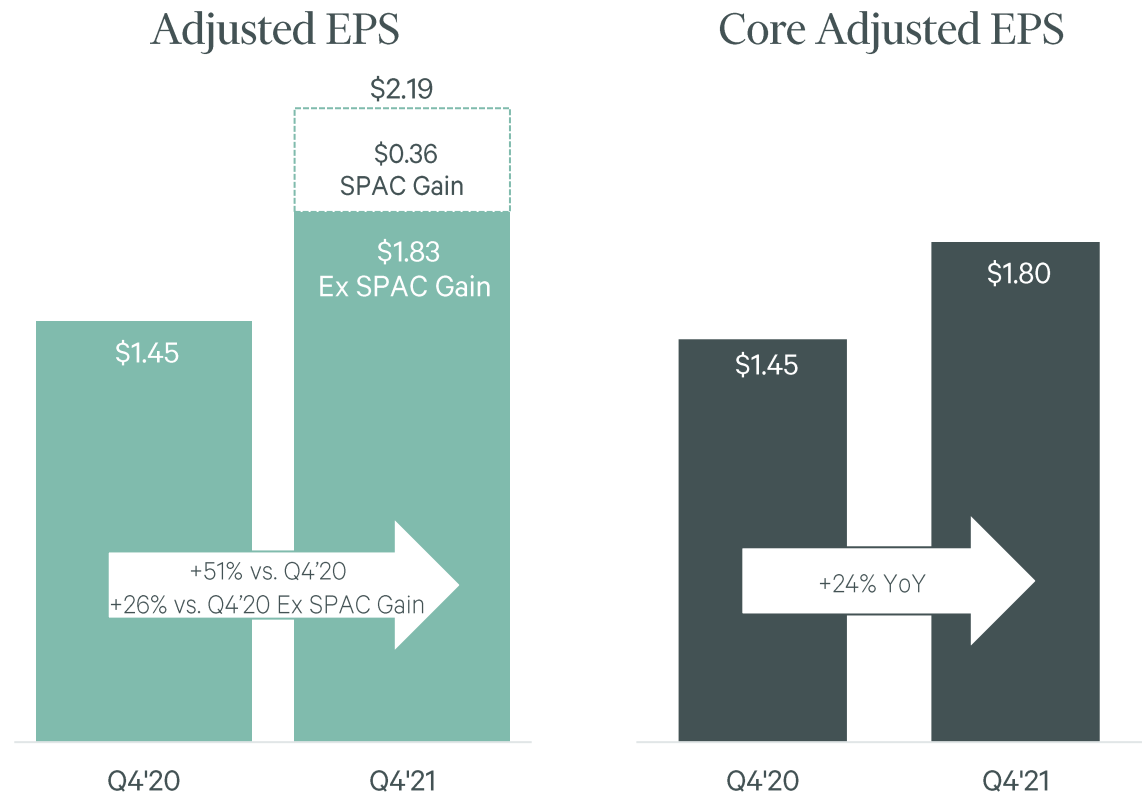


## Segment Operating Profit By Segment \$ Millions

- Q4'19
- Q4'20
- Q4'21 % Net Margin



## Earnings Performance

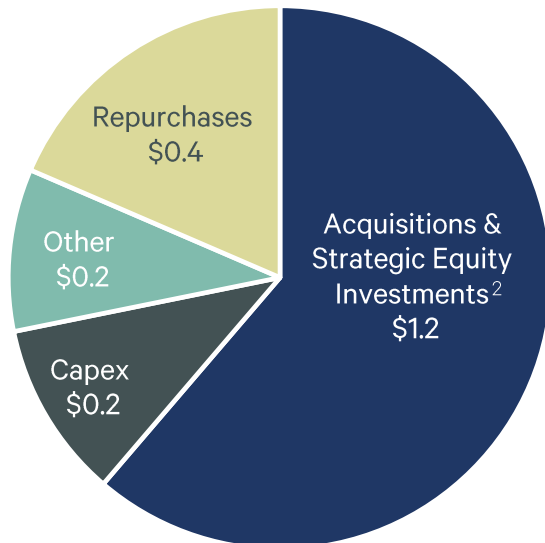


- Strong profitability translated into robust earnings growth
- Results reflect lower net interest expense, higher depreciation & amortization related to elevated government agency-related loan repayments, deferred purchase consideration expense for Turner & Townsend, and a higher effective tax rate
- Earnings negatively impacted by approximately \$0.07 due to increased reserve for UK development project

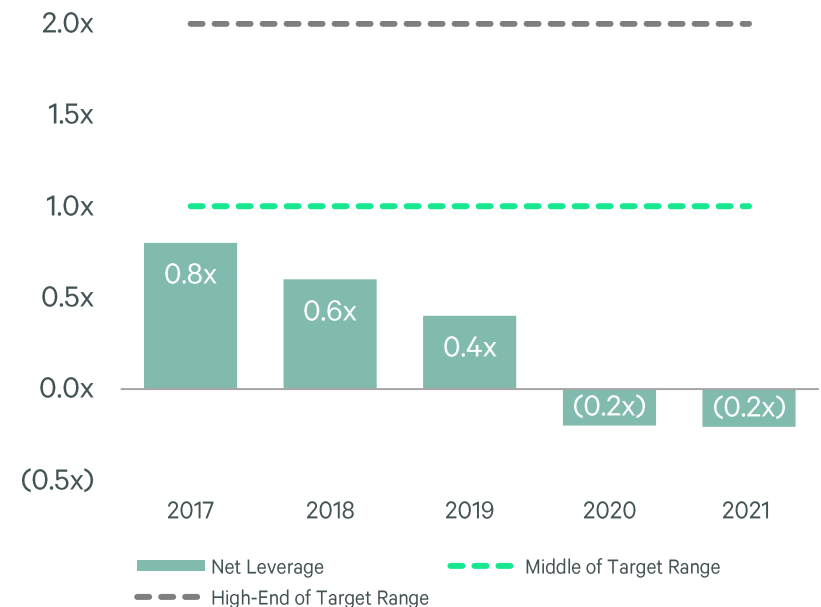
# Ample Capital Deployment Flexibility

- Deployed nearly \$1.8 billion of capital during 2021, net of debt proceeds, primarily for strategic investments expected to enhance our long-run growth and resiliency
- Significant investment capacity remains to increase benefit from secular tailwinds and to continue programmatic shareholder returns
- Repurchased over \$370 million of shares, equates to repurchase yield of over 1%

2021 Capital Deployment<sup>1</sup>  
\$ Billions



Net Leverage (Net Cash)



1. Excludes net debt proceeds of \$219 million.

2. Includes acquisitions, 2021 equity investments in Industrious and in Altus Power.  
Definitions and reconciliations are provided at the end of this presentation.

## 2022 Outlook: Introducing Qualitative Annual Guidance

### Advisory

- Expect lease revenue to grow at a high-teen to low-twenty percent rate and sales revenue expected to rise at a low-to-mid teens rate
- Rest of Advisory business revenue expected to rise at a high-single digit to low-double digit clip
- Anticipate roughly flat net segment operating profit margin

### Global Workplace Solutions

- Low-to-mid double-digit organic revenue growth and mid-to-high single-digit organic segment operating profit growth expected
- Turner & Townsend projected to grow net revenue at a mid-teens rate, in-line with historical average; net operating margin projected to tick up around 0.5% from 13.4% generated in Q4'21

### Real Estate Investments

- Segment operating profit expected to roughly match 2021's elevated level, excluding the \$24M accounting change-driven equity earnings gain recorded in Q1'21
- Reflects anticipated key hiring for investment management product development and conversion of development in-process portfolio below 2%

- Expect corporate overhead expenses to decline about 5% from 2021
- Full year adjusted effective tax rate expected to be in-line with 23.9% rate in Q4 2021
- Ample capital allocation agility remains for business investment and shareholder returns

2022 core adj. EPS growth expected to meaningfully exceed low double-digit average annual core adj. EPS growth rate projected for remaining multi-year growth framework period

# Raising Multi-Year Growth & Return Framework

- Expect average annual core adj. EPS growth rate from '20 to '25 to exceed 20%
- Significant increase vs. prior expectation for average annual growth of at least low double-digits
- Reflects average annual core adj. EPS growth of at least low-double digits before meaningful capital allocation for remaining 4 years in period

## Organic Growth

- Average annual organic segment operating profit (SOP) growth of at least low-double digits expected across all 3 reportable segments from 2020-2025
- GWS expected to generate segment leading average annual organic SOP growth from 2021-2025, followed by Advisory and then REI

## Margin Performance

- Expect total company adjusted EBITDA margin to very gradually improve despite significant GWS growth projected
- GWS margin to benefit from continued mix shift to higher margin services, such as project management

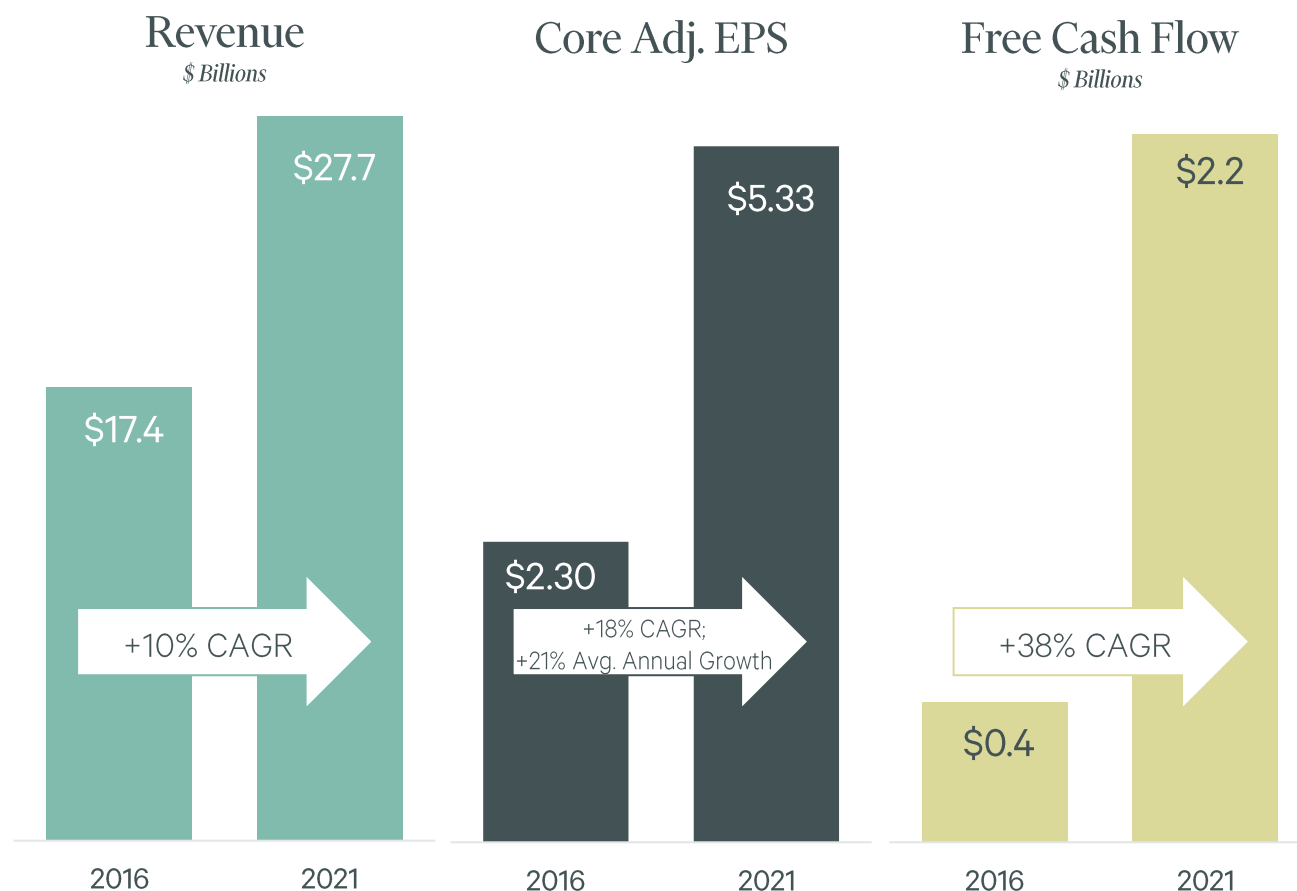
## Capital Investments

- Baseline framework includes minimal incremental M&A
- Continue to target accretive M&A, partnership investments and REI co-investments

## Shareholder Return

- Capital investment to be complemented by shareholder returns
- Commenced 5<sup>th</sup> consecutive quarter of repurchases in Q1 2022
- Could increase shareholder return pace should there be insufficient attractive, material acquisition opportunities

## Well Positioned To Extend Long-Term Growth Trajectory





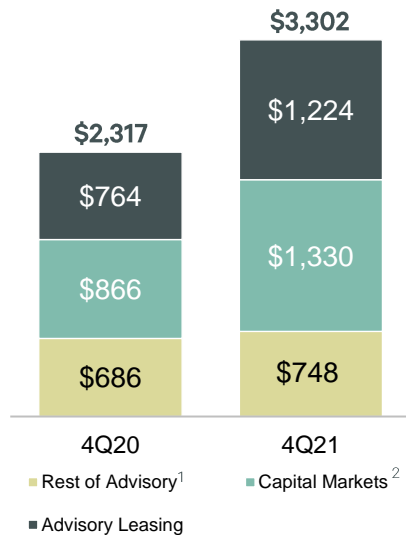
## Financial Appendix

# Advisory Services

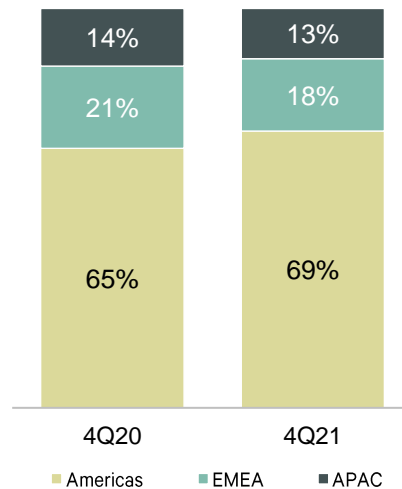
\$ in millions, totals may not sum due to rounding

- Leasing revenue grew 60% globally and 77% in the US vs. prior year
- Property sales revenue surged 73% globally and 89% in the US vs. prior year
- Originations fell slightly driven by a \$47 million decline in OMSR gains due to tough compare; GSEs extremely active in Q4 2020 providing liquidity to a pandemic strained market
- Loan servicing, valuation and property management revenue grew 36%, 10% and 5% vs. Q4'20, respectively
- Profitability benefitted from transformation initiatives completed last year and the resurgence of high-margin revenue

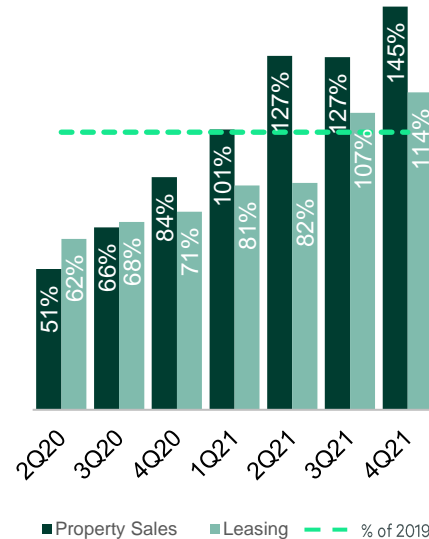
Net Revenue



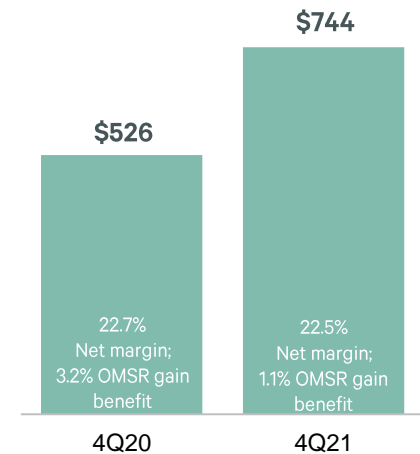
Advisory Net Revenue By Region



Property Sales & Leasing Revenue  
% of 2019



Segment Operating Profit



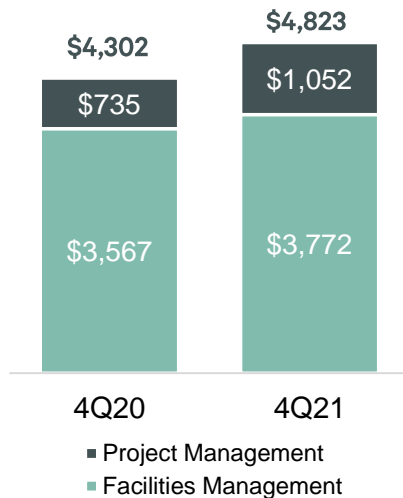
1. Includes Property Management, Valuation and Loan Servicing net revenue.  
 2. Includes Property Sales and Commercial Mortgage Origination net revenue.  
 Definitions and reconciliations are provided at the end of this presentation.

# Global Workplace Solutions (GWS)

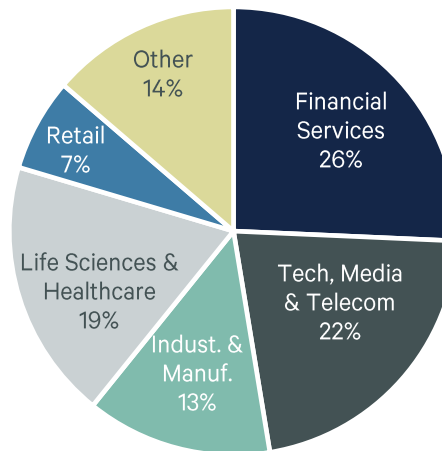
\$ in millions, totals may not sum due to rounding

- Revenue grew 12%, includes 4.5% benefit from partial quarter of Turner & Townsend contribution
  - Facilities management revenue grew 6% and over 10% on a net basis
  - Legacy project management revenue climbed 17%
- Segment operating profit grew 10% due to Turner & Townsend benefit
  - Legacy business operating profit fell about \$5m vs. Q4'20, includes \$3m impact from deferred purchase consideration expense, which will cease following completion of remaining payments in 2025
  - Legacy performance also reflects uptick in medical insurance claims as pandemic constraints subsided
- Pipeline remains solid and well diversified

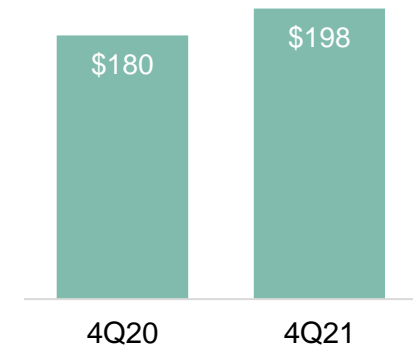
Revenue



Q4 2021 Facilities Management Revenue By Industry



Segment Operating Profit



# Real Estate Investments

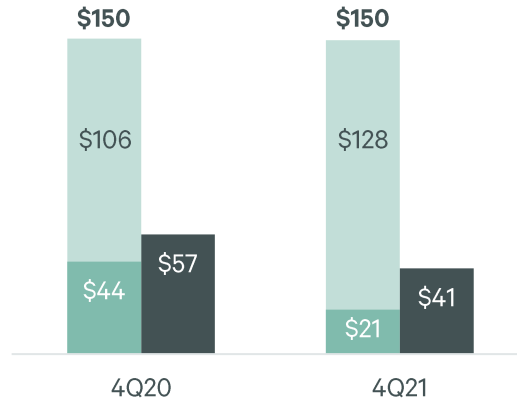
- Segment revenue and operating profit grew 43% and 33%, respectively
- Strong asset management fee growth and incentive fees nearly fully offset lower carried interest in investment management
- Ended the quarter with record AUM and in-process development portfolio
- Development operating profit grew 74% vs. 4Q'20 due to strong pace of industrial sales

## Investment Management

### Revenue & Business Line Operating Profit

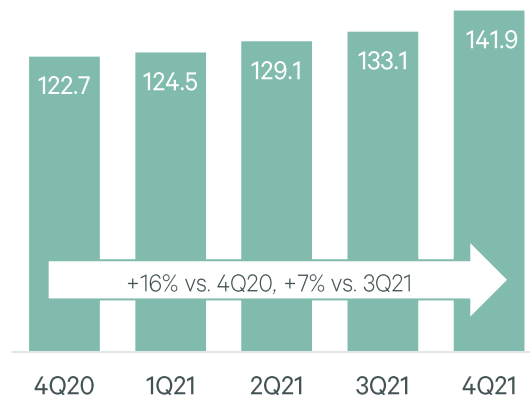
\$ Millions

Asset Management Fees  
Other Revenue<sup>1</sup>  
Business Line Operating Profit



### Assets Under Management

\$ Billions

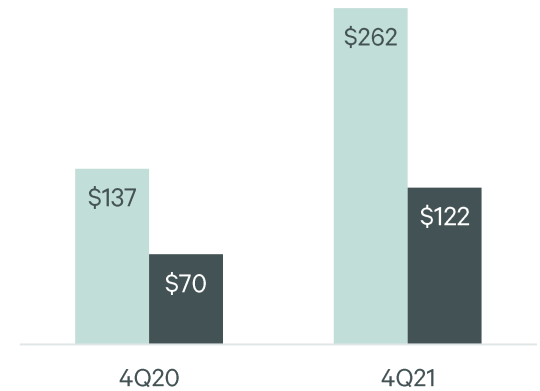


## Development

### Revenue & Business Line Operating Profit

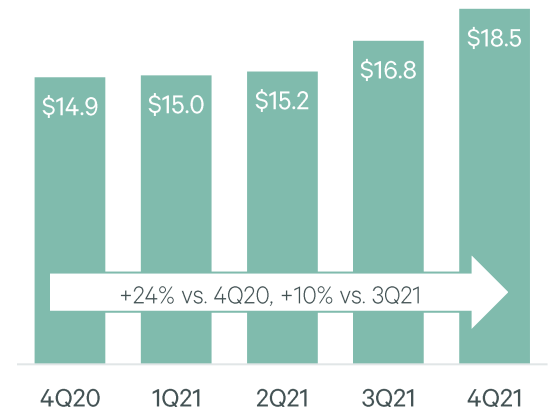
\$ Millions

Revenue<sup>2</sup>  
Business Line Operating Profit



### In-Process Inventory

\$ Billions



1. 'Other Revenue' includes Incentive/Acquisition/Disposition and other fees as well as Carried Interest.

2. Excludes revenue associated with Hana.

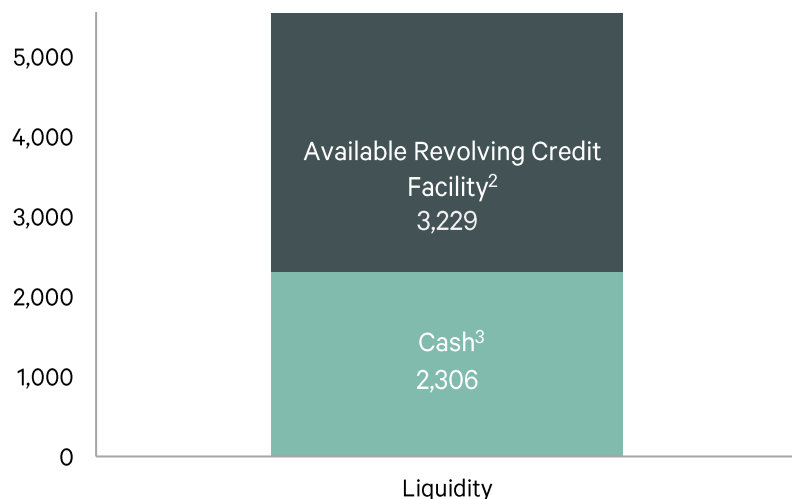
Definitions and reconciliations are provided at the end of this presentation.

# Mandatory Amortization and Maturity Schedule

\$ in millions, totals may not sum due to rounding | As of December 31, 2021

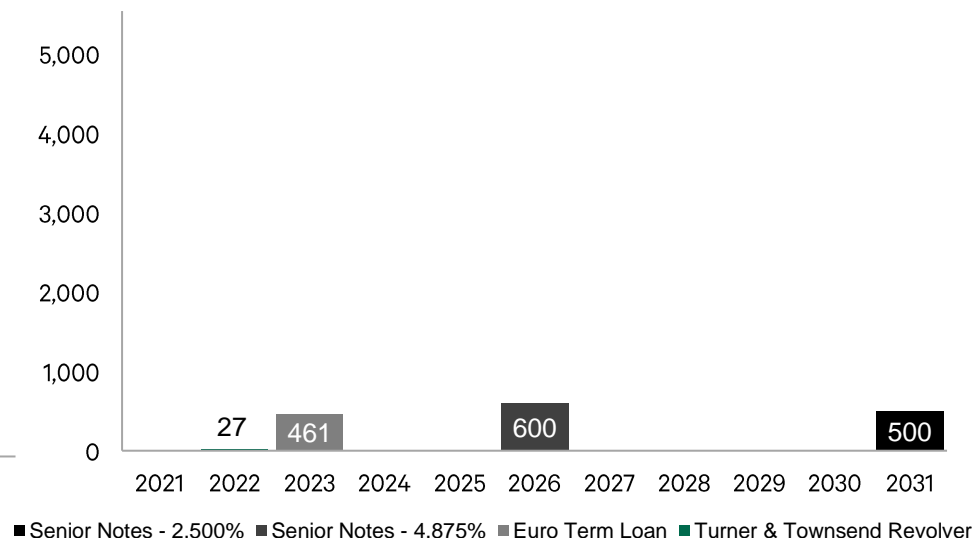
## Liquidity<sup>1</sup>

- Robust liquidity at over \$5.5 billion, enabling TTM Q4 2021 net leverage of (0.2x)



## Maturity Schedule

- No significant 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. Includes outstanding capacity on 80M GBP Turner & Townsend revolver which matures in 2022.

3. Excludes \$125.2 million of cash in consolidated funds and other entities not available for company use.



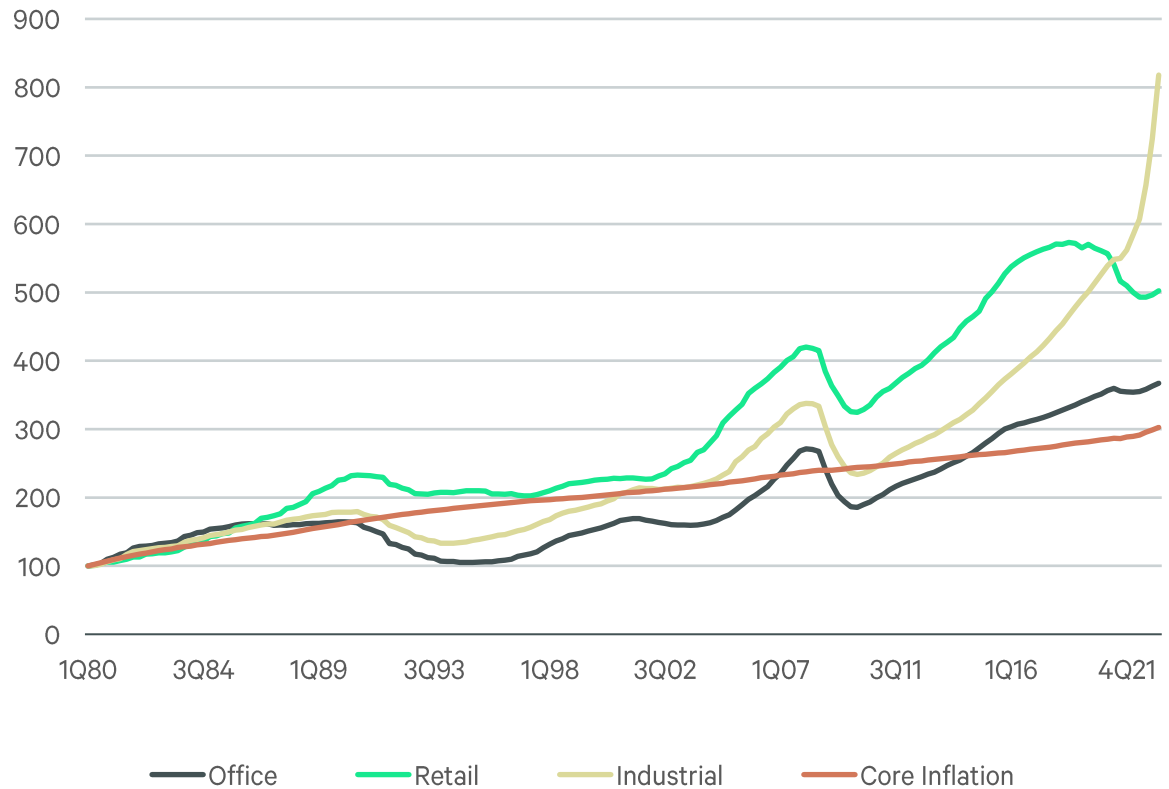
# Inflation and Real Estate Appendix

# Capital Values Have Risen More Than Inflation in The Long-Run

- In the long-run, capital value appreciation across property types has exceeded inflation

## US Capital Values vs. Core Personal Consumption Expenditures<sup>1</sup>

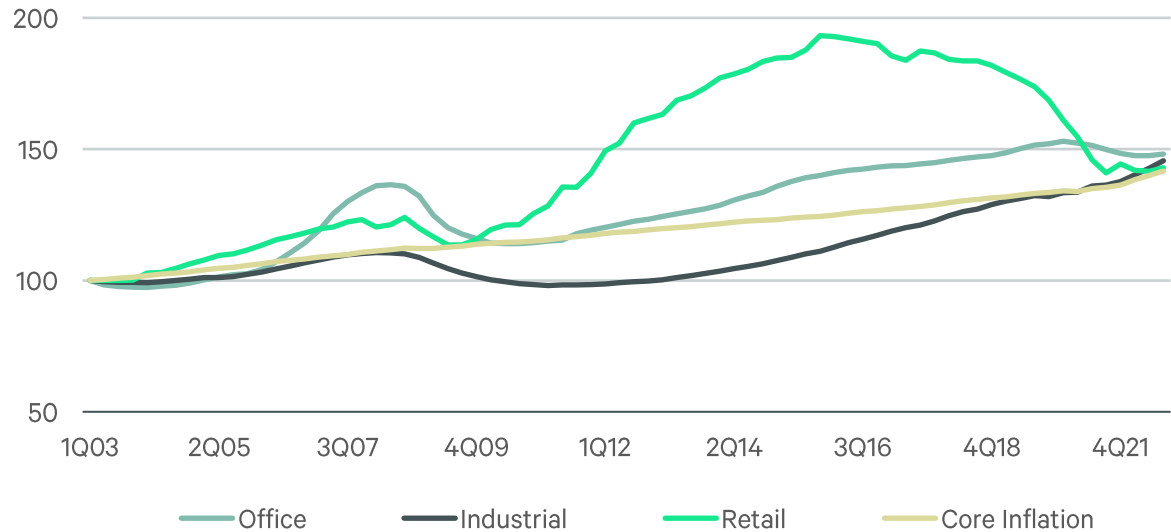
Index Q1 1980 = 100



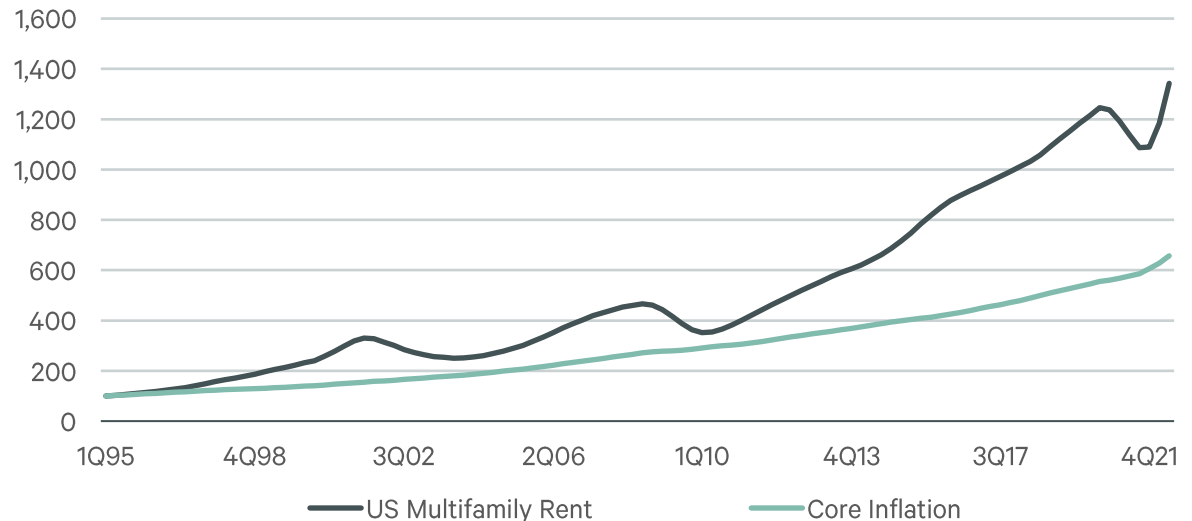
## In the Long-Run, Rents Have Also Kept Up With or Exceeded Inflation

- Office, retail and industrial rents have all kept up with or marginally exceeded inflation
- Multifamily rents have significantly outpaced inflation due to a host of structural factors

US Rent By Property Type vs Core Personal Consumption Expenditures<sup>1</sup>  
Index Q1 2003 = 100



US Multifamily Rent vs. Core Personal Consumption Expenditures<sup>1</sup>  
Index Q1 1995 = 100



1. Source: CBRE Research.



## 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 net income
- iii. adjusted EPS
- iv. consolidated adjusted EBITDA
- v. core adjusted EPS
- vi. core adjusted net income
- vii. net debt (net cash)
- viii. free cash flow
- ix. business line operating profit
- x. 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 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 core adjusted EPS and core adjusted net income, the company believes that investors may find this measure useful to analyze the underlying performance of operations without the impact of non-controlling equity investments (VC investments), Altus Power and net gain recognized upon deconsolidation of the SPAC that are not directly related to our business segments. These can be volatile and are often non-cash in nature.

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

**Consolidated Adjusted EBITDA:** Adjusted EBITDA represents earnings, inclusive of non-controlling interests, 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.

**Core adjusted Earnings Per Diluted Share:** adjusted earnings per diluted share less the fair value changes and related tax impact of certain strategic non-core non-controlling equity investments that are not directly related to our business segments (including venture capital “VC” related investments).

**Core adjusted Net Income:** net income attributable to CBRE as adjusted less the fair value changes and related tax impact of certain strategic non-core non-controlling equity investments that are not directly related to our business segments (including venture capital “VC” related investments).

**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

# Debt and Leverage

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

	December 31,				
	2021	2020	2019	2018	2017
Cash <sup>1</sup>	\$2,306	\$1,793	\$901	\$622	\$628
Revolving Credit Facility	-	-	-	-	-
Senior term loans <sup>2</sup>	455	786	745	751	193
Senior notes <sup>2</sup>	1,084	595	1,017	1,015	1,806
Other debt <sup>3,4</sup>	33	7	6	4	-
<b>Total Debt</b>	<b>\$1,571</b>	<b>\$1,388</b>	<b>\$1,768</b>	<b>\$1,770</b>	<b>\$1,999</b>
Less: Cash <sup>1</sup>	\$2,306	\$1,793	\$901	\$622	\$628
<b>Net debt (net cash)</b>	<b>(\$735)</b>	<b>(\$405)</b>	<b>\$867</b>	<b>\$1,148</b>	<b>\$1,371</b>
TTM Adjusted EBITDA <sup>5</sup>	\$3,074	\$1,896	\$2,073	\$1,905	\$1,710
<b>Net debt (Net cash) to TTM Adjusted EBITDA</b>	<b>(0.24x)</b>	<b>(0.21x)</b>	<b>0.42x</b>	<b>0.60x</b>	<b>0.80x</b>

1. Excludes \$125.2 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 December 31, 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 \$1,277.5 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 December 31, 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 \$48.2 million, \$80.0 million, \$125 million, \$6.3 million and \$17.9 million at December 31, 2021, December 31, 2020, December 31, 2019, December 31, 2018 and December 31, 2017, respectively.

5. Prior year periods adjusted to include non-controlling interests totaling \$3.8m and \$9.0m in 2020 and 2019, respectively. For periods prior, impact was immaterial.

Definitions and reconciliations are provided at the end of this presentation.

# Liquidity

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

	December 31, 2021
Cash <sup>1</sup>	\$2,306
Revolving Credit Facility Available <sup>2</sup>	3,229
<b>Total Liquidity</b>	<b>\$5,535</b>

1. Excludes \$125.2 million of cash in consolidated funds and other entities not available for company use at December 31, 2021.

2. The company's credit revolver was expanded by \$350 million as of July 9, 2021. Includes outstanding capacity on 80M GBP Turner & Townsend revolver.

## Summarized Cash Flow Activity

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

	Year Ended December 31,	
	2021	2020
Net cash provided by operating activities	\$2,364	\$1,831
Net cash used in investing activities	(1,281)	(744)
Net cash (used) by financing activities	(491)	(223)
Effect of FX rate changes on cash equivalents and restricted cash	(92)	82
<b>Net increase in cash, cash equivalents and restricted cash</b>	<b>\$501</b>	<b>\$946</b>

# Reconciliation of Cash Flows

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

	Twelve Months Ended December 31,					
	2021	2020	2019	2018	2017	2016
Net cash provided by operating activities	\$2,364	\$1,831	\$1,223	\$1,131	\$894	\$617
Less:						
Capital Expenditures	\$210	\$267	\$294	\$228	\$178	\$191
Free Cash Flow	\$2,154	\$1,564	\$930	\$903	\$716	\$426

## Other Financial Metrics

Totals may not sum due to rounding

	Three Months Ended				
(\$ in millions)	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
OMSR Gains	\$44.5	\$48.6	\$41.8	\$50.3	\$91.3
Amortization	(\$54.4)	(\$42.3)	(\$39.7)	(\$35.8)	(\$38.0)

	Q4 2021 over Q4 2020	Q3 2021 over Q3 2020	Q2 2021 over Q2 2020	Q1 2021 over Q1 2020	Q4 2020 over Q4 2019
(\$ in millions)					
OMSR Gains	(\$46.8)	(\$5.9)	\$4.1	\$14.7	\$51.0
Amortization	(\$16.4)	(\$8.1)	(\$7.7)	(\$5.1)	(\$4.6)

	December 31, 2021	September 30, 2021	As of June 30, 2021	March 31, 2021	December 31, 2020
(\$ in billions)					
Loan Servicing Balance	\$329.7	\$299.8	\$294.1	\$284.6	\$268.6

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

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

	Three Months Ended December 31,			Year Ended December 31,			
	2021	2020	2019	2021	2020	2019	2016
Net Income attributable to CBRE Group, Inc	\$692.0	\$313.8	\$637.6	\$1,836.6	\$752.0	\$1,282.4	\$573.1
Plus / Minus:							
Costs associated with transformation initiatives <sup>1</sup>	-	99.8	-	-	155.1	-	-
Costs associated with workplace optimization efforts <sup>2</sup>	-	-	-	-	37.6	-	-
Depreciation expense related to transformation initiatives	-	20.7	-	-	20.7	-	-
Non-cash depreciation and amortization expense related to certain assets attributable to acquisitions	33.8	18.7	19.9	86.8	76.0	81.0	111.1
Integration and other costs related to acquisitions	20.2	0.2	1.7	44.6	1.8	15.3	125.7
Carried interest incentive compensation expense (reversal) to align with the timing of associated revenue	16.0	(11.4)	0.8	49.9	(22.9)	13.1	(15.6)
Impact of fair value adjustments to real estate assets acquired in the Telford Acquisition (purchase accounting) that were sold in period	(6.5)	2.3	9.3	(5.7)	11.6	9.3	-
Costs incurred related to legal entity restructuring	-	4.4	6.9	-	9.4	6.9	-
Asset impairments	-	13.5	0.8	-	88.7	89.8	-
Write-off of financing costs on extinguished debt	-	75.6	-	-	75.6	2.6	-
Impact of adjustments on non-controlling interest	(3.7)	-	-	(3.7)	-	-	-
Costs associated with our reorganization, including cost-savings initiatives <sup>3</sup>	-	-	-	-	-	49.6	-
Cost-elimination expenses	-	-	-	-	-	-	78.5
Tax impact of adjusted items	(9.8)	(46.8)	(228.4)	(37.1)	(97.9)	(287.0)	(93.2)
<b>Net Income attributable to CBRE Group, Inc, as adjusted</b>	<b>\$742.0</b>	<b>\$490.7</b>	<b>\$448.6</b>	<b>\$1,971.4</b>	<b>\$1,107.6</b>	<b>\$1,263.0</b>	<b>\$779.6</b>
<b>Diluted income per share attributable to CBRE Group, Inc, as adjusted</b>	<b>\$2.19</b>	<b>\$1.45</b>	<b>\$1.32</b>	<b>\$5.80</b>	<b>\$3.27</b>	<b>\$3.71</b>	<b>\$2.30</b>
<b>Weighted average shares outstanding for diluted income per share</b>	<b>339.5</b>	<b>338.8</b>	<b>340.3</b>	<b>339.7</b>	<b>338.4</b>	<b>340.5</b>	<b>338.4</b>

- During 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. 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 twelve months ended December 31, 2020.
- Primarily represents severance costs related to headcount reductions in connection with our reorganization announced in the third quarter of 2018 that became effective in January 1, 2019.

Note: We have not reconciled the (non-GAAP) core 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 Consolidated Adjusted EBITDA

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

	Three Months Ended December 31,			Twelve Months Ended December 31,				
	2021	2020	2019	2021	2020	2019	2018	2017
Net income attributable to CBRE Group, Inc.	\$692.0	\$313.8	\$637.6	\$1,836.6	\$752.0	\$1,282.4	\$1,063.2	\$697.1
Net income attributable to non-controlling interests <sup>(1)</sup>	0.9	1.6	1.5	5.3	3.9	9.1	2.7	6.5
Net income	692.9	315.4	639.1	1,841.9	755.9	1,291.5	1,065.9	703.6
Plus / Minus:								
Depreciation and amortization	162.1	143.8	115.4	525.9	501.7	439.2	452.0	406.1
Asset impairments	-	13.5	0.8	-	88.7	89.8	-	-
Interest expense, net of interest income	15.4	16.0	18.1	50.4	67.8	85.8	98.7	127.0
Write-off of financing costs on extinguished debt	-	75.6	-	-	75.6	2.6	28.0	-
Provision for income taxes	224.2	95.1	(100.0)	567.5	214.1	69.9	313.0	467.8
Costs associated with transformation initiatives <sup>(2)</sup>	-	99.8	-	-	155.1	-	-	-
Carried interest incentive compensation expense (reversal) to align with the timing of associated revenue	16.0	(11.4)	0.8	49.9	(22.9)	13.1	(5.2)	(8.5)
Impact of fair value adjustments to real estate assets acquired in the Telford Acquisition (purchase accounting) that were sold in period	(6.5)	2.3	9.3	(5.7)	11.6	9.3	-	-
Costs incurred related to legal entity restructuring	-	4.4	6.9	-	9.4	6.9	-	-
Integration and other costs related to acquisitions	20.2	0.2	1.7	44.6	1.8	15.3	9.1	27.3
Costs associated with workforce optimization efforts <sup>(3)</sup>	-	-	-	-	37.6	-	-	-
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)	-
Costs incurred in connection with litigation settlement	-	-	-	-	-	-	8.9	-
Costs associated with our reorganization, including cost-savings initiatives <sup>(4)</sup>	-	-	-	-	-	49.6	38.0	-
<b>Adjusted EBITDA</b>	<b>\$1,124.4</b>	<b>\$754.6</b>	<b>\$692.1</b>	<b>\$3,074.4</b>	<b>\$1,896.3</b>	<b>\$2,072.9</b>	<b>\$1,907.9</b>	<b>\$1,723.2</b>

1. In conjunction with the acquisition of 60% interest in Turner and Townsend in the fourth quarter of 2021, we modified our definition of Adjusted EBITDA to be inclusive of net income attributable to non-controlling interests and have recast prior periods to conform to this definition.
2. During 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.
3. 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.
4. 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 and Net Margin

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

	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020	2019	2021	2020	2019
Consolidated Revenue	\$8,550	\$6,911	\$7,119	\$27,746	\$23,826	\$23,894
Less:						
Pass through costs also recognized as revenue	\$2,984	\$2,788	\$2,680	\$10,737	\$10,036	\$9,214
<b>Consolidated Net Revenue</b>	<b>\$5,566</b>	<b>\$4,123</b>	<b>\$4,439</b>	<b>\$17,010</b>	<b>\$13,790</b>	<b>\$14,680</b>
<b>Consolidated adjusted EBITDA</b>	<b>\$1,124</b>	<b>\$755</b>	<b>\$692</b>	<b>\$3,074</b>	<b>\$1,896</b>	<b>\$2,073</b>
<b>Consolidated adjusted EBITDA net margin</b>	<b>20.2%</b>	<b>18.3%</b>	<b>15.6%</b>	<b>18.1%</b>	<b>13.8%</b>	<b>14.1%</b>

# Reconciliation of Revenue to Net Revenue and Net Margin

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

	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020	2019	2021	2020	2019
Advisory Revenue	\$3,319	\$2,328	\$2,693	\$9,576	\$7,215	\$8,655
Less:						
Pass through costs also recognized as revenue	\$17	\$11	\$17	\$47	\$40	\$64
<b>Advisory Net Revenue</b>	<b>\$3,302</b>	<b>\$2,317</b>	<b>\$2,676</b>	<b>\$9,529</b>	<b>\$7,175</b>	<b>\$8,591</b>
OMSR gains	\$45	\$91	\$40	\$185	\$219	\$182
<b>Advisory segment operating profit</b>	<b>\$744</b>	<b>\$526</b>	<b>\$576</b>	<b>\$2,063</b>	<b>\$1,348</b>	<b>\$1,691</b>
OMSR gains	\$45	\$91	\$40	\$185	\$219	\$182
Advisory net margin ex OMSRs	21.5%	19.5%	20.3%	20.1%	16.2%	17.9%

# Reconciliation of Revenue to Net Revenue<sup>1</sup> and Net Margin

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

	Three Months Ended December 31,			Full Year 2021
	2021	2020	2019	
Global Workplace Solutions revenue	\$4,823	\$4,302	\$4,189	\$17,099
Less:				
Pass through costs also recognized as revenue	\$2,968	\$2,777	\$2,663	\$10,689
<b>Global Workplace Solutions net revenue</b>	<b>\$1,855</b>	<b>\$1,525</b>	<b>\$1,526</b>	<b>\$6,409</b>
<b>Global Workplace Solutions segment operating profit</b>	<b>\$198</b>	<b>\$180</b>	<b>\$146</b>	<b>\$708</b>
<b>Global Workplace Solutions net margin</b>	<b>10.7%</b>	<b>11.8%</b>	<b>9.6%</b>	<b>11.0%</b>

1. Fourth-quarter 2021 GWS net revenue growth was negatively impacted by approximately 4% due to a reclassification of pass-through revenue in project management. There was no impact to GWS revenue in the period.

# Reconciliation of Net Margin

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

	Three Months Ended December 31,			Full Year 2021
	2021	2020	2019	
Real Estate Investments net revenue	\$413	\$289	\$247	\$1,092
Real Estate Investments segment operating profit	\$156	\$117	\$51	\$520
Real Estate Investments net margin	37.8%	40.5%	20.8%	47.6%

# Reconciliation of Turner & Townsend Revenue to Net Revenue

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

	Three Months Ended December 31, 2021
Turner & Townsend revenue	\$194
Less:	
Pass through costs also recognized as revenue	\$19
<b>Turner &amp; Townsend net revenue</b>	<b>\$175</b>
<b>Turner &amp; Townsend segment operating profit</b>	<b>\$23</b>
<b>Turner &amp; Townsend net margin</b>	<b>13.4%</b>

## Reconciliation of Real Estate Investments Business Line Operating Profit to Segment Operating Profit

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

	Three Months Ended December 31,	
	2021	2020
Investment Management Operating Profit	\$40.8	\$56.9
Development Operating Profit	122.2	70.2
Hana and Segment Overhead Operating Loss	(6.9)	(10.2)
<b>REI Segment Operating Profit</b>	<b>\$156.1</b>	<b>\$117.0</b>

## Reconciliation of Adjusted EPS to Adjusted Core EPS

	Three Months Ended December 31, <sup>(1)</sup>					
	2021	2020	2019	2018	2017	2016
Adjusted EPS	\$2.19	\$1.45	\$1.32	\$1.21	\$0.96	\$0.93
SPAC deconsolidation gain	\$0.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Adjusted EPS ex SPAC deconsolidation gain</b>	<b>\$1.83</b>	<b>\$1.45</b>	<b>\$1.32</b>	<b>\$1.21</b>	<b>\$0.96</b>	<b>\$0.93</b>
Non-core investment fair value changes	\$0.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Core Adjusted EPS</b>	<b>\$1.80</b>	<b>\$1.45</b>	<b>\$1.32</b>	<b>\$1.21</b>	<b>\$0.96</b>	<b>\$0.93</b>

	Twelve Months Ended December 31, <sup>(1)</sup>					
	2021	2020	2019	2018	2017	2016
Adjusted EPS	\$5.80	\$3.27	\$3.71	\$3.28	\$2.73	\$2.30
SPAC deconsolidation gain	\$0.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Adjusted EPS ex SPAC deconsolidation gain</b>	<b>\$5.45</b>	<b>\$3.27</b>	<b>\$3.71</b>	<b>\$3.28</b>	<b>\$2.73</b>	<b>\$2.30</b>
Non-core investment fair value changes	\$0.13	(\$0.00)	\$0.01	\$0.00	\$0.00	\$0.00
<b>Core Adjusted EPS</b>	<b>\$5.33</b>	<b>\$3.27</b>	<b>\$3.70</b>	<b>\$3.28</b>	<b>\$2.73</b>	<b>\$2.30</b>
<b>YoY Gain (%)</b>	<b>63%</b>	<b>(12%)</b>	<b>13%</b>	<b>20%</b>	<b>19%</b>	
<b>Avg. Annual 5-Year Growth (%)</b>	<b>21%</b>					

1. There was no material contribution from non-core investments prior to 2019.

# Reconciliation of Net Margins on Consolidated Adjusted EBITDA

	Three Months Ended December	
	2021	2020
Consolidated Net Revenue	\$5,566	\$4,123
<b>Consolidated adjusted EBITDA</b>	<b>\$1,124</b>	<b>\$754</b>
Consolidated net margin	20.2%	18.3%
Less:		
OMSR gains	\$45	\$91
<b>Consolidated adjusted EBITDA ex OMSR gains</b>	<b>\$1,080</b>	<b>\$663</b>
Consolidated net margin ex OMSR gains	19.6%	16.4%
Less:		
Non-core investment fair value changes	\$14	(\$0)
<b>Consolidated adjusted EBITDA ex OMSR and non-core investment fair value changes</b>	<b>\$1,066</b>	<b>\$663</b>
Consolidated net margin ex OMSR and non-core investment fair value changes	19.3%	16.4%
Less:		
SPAC deconsolidation gain	\$155	\$0
<b>Consolidated adjusted EBITDA ex OMSR, non-core investment fair value changes, and SPAC deconsolidation gain</b>	<b>\$911</b>	<b>\$663</b>
Consolidated net margin ex OMSR, non-core investment fair value changes, and SPAC deconsolidation gain	16.5%	16.4%

# Reconciliation of Repurchase Yield

\$ and shares in millions, except per share data

	Twelve Months Ended 2021
Share Repurchases	\$372.9
Weighted average shares outstanding for diluted income per share	339.7
Stock Price as of 12/31/21	\$108.51
<b>Repurchase Yield</b>	<b>1.01%</b>