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CBRE Group, Inc. Expands Public Sector Capabilities with Agreement to Acquire J&J Worldwide Services

DALLAS--(BUSINESS WIRE)-- CBRE Group, Inc. (NYSE:CBRE) today announced a definitive agreement to acquire J&J Worldwide Services, a leading provider of engineering services, base support operations and facilities maintenance for the U.S. federal government, from Arlington Capital Partners, a Washington, D.C.-area private investment firm specializing in government regulated industries.

The initial purchase price is \$800 million in cash, plus a potential earn-out of up to \$250 million, payable in 2027, subject to the acquired business meeting certain performance thresholds. In 2024, J&J is projected to produce more than \$525 million of revenue and approximately \$65 million of EBITDA¹, continuing its recent track record of low double-digit annual growth. Additionally, CBRE expects to benefit from tax attributes and synergies arising from the transaction. The acquisition is expected to be accretive to CBRE's earnings in 2024.

J&J primarily serves the U.S. Department of Defense through long-term, fixed-price contracts. The company employs more than 3,300 people worldwide, serving more than 250 hospitals, clinics and military installations primarily in the United States as well as in Europe, Asia, the Caribbean, and the Middle East.

"The acquisition is consistent with key elements of our M&A strategy that focus on enhancing our technical services capabilities, increasing revenue resilience and secular growth and expanding our government client base within Global Workplace Solutions," said Bob Sulentic, chair & chief executive officer of CBRE. "We are adding a company with deep government contracting experience, long-term customer relationships and a 50-year record of outstanding technical service delivery."

J&J serves as a trusted partner to U.S. federal civilian and defense agencies delivering mission-critical services across three business lines:

- Healthcare and Medical Solutions, serving such institutions as Brooke Army Medical Center and Walter Reed National Military Medical Center
- Mission Support Solutions, serving the United States Naval Academy and such military bases as the U.S. Naval Station, Rota, Spain
- Engineering Solutions, which provides services ranging from architectural, mechanical, electrical, plumbing and fire protection for Naval Medical Center Portsmouth and the Naval Support Facility Diego Garcia and others.

Steve Kelley, chief executive officer of J&J Worldwide Services, said: "Becoming part of CBRE provides J&J a great opportunity to continue building upon and expanding the

solutions we provide our military customers at mission-critical facilities around the world. Arlington Capital Partners provided the industry expertise and guidance needed to scale our solutions at an unrivaled pace and prepare us for continued growth. We are excited about combining our capabilities and track record with CBRE's to enhance our commitment to serving those that serve our nation."

Closing of the acquisition is subject to obtaining applicable regulatory clearances and other customary closing conditions. Closing is expected in the coming months.

Citi is acting as financial advisor and Simpson Thacher & Bartlett LLP and ArentFox Schiff LLP are acting as legal advisors to CBRE. J.P. Morgan Securities LLC is acting as financial advisor to J&J and Sheppard Mullin Richter & Hampton LLP as legal advisor to J&J and Arlington Capital Partners.

About CBRE Group, Inc.

CBRE Group, Inc. (NYSE:CBRE), a Fortune 500 and S&P 500 company headquartered in Dallas, is the world's largest commercial real estate services and investment firm (based on 2022 revenue). The company has approximately 115,000 employees (excluding Turner & Townsend employees) serving clients in more than 100 countries. CBRE serves a diverse range of clients with an integrated suite of services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services. Please visit our website at www.cbre.com. We routinely post important information on our website, including corporate and investor presentations and financial information. We intend to use our website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Such disclosures will be included in the Investor Relations section of our website at <https://ir.cbre.com>. Accordingly, investors should monitor such portion of our website, in addition to following our press releases, Securities and Exchange Commission filings and public conference calls and webcasts.

About J&J Worldwide Services

J&J Worldwide Services (J&J) provides World-Class facility services to the United States Federal Government and civilian customers through its Healthcare & Medical Solutions, Mission Support Solutions, and Engineering Solutions business segments. Since 1970, J&J has developed a comprehensive portfolio of aseptic cleaning and maintenance services for military hospitals and clinics as well as a wide array of facility management, operational support, and integrated asset management services for Department of Defense (DoD) military bases. J&J has built a 50-year legacy supported by a more than 3,300-employee global workforce in locations throughout the Contiguous United States (CONUS), Alaska, Hawaii, U.S. Territories and Outside of the Contiguous United States (OCONUS) (Diego Garcia, Thailand, Germany, Italy, Belgium, Spain, Philippines, United Kingdom, Guam, and South Korea). To learn more about J&J Worldwide Services, visit: <https://www.jjwws.com/>

About Arlington Capital Partners

Arlington Capital Partners is a Washington, D.C. area private investment firm specializing in government regulated industries. The firm partners with founders and management teams to

build strategically important businesses in the aerospace and defense, government services and technology, and healthcare sectors. Since its inception in 1999, Arlington has invested in over 150 companies and is currently investing out of its \$3.8 billion Fund VI. For more information, visit Arlington's website at www.arlingtoncap.com and follow Arlington on [LinkedIn](#).

Forward-Looking Statements

Certain of the statements in this release regarding CBRE's definitive agreement to acquire J&J Worldwide Services that do not concern purely historical data are forward-looking statements within the meaning of the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are made based on our management's expectations and beliefs concerning future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Accordingly, actual performance, results and events may vary materially from those indicated in forward-looking statements, and you should not rely on forward-looking statements as predictions of future performance, results or events. Numerous factors could cause actual future performance, results and events to differ materially from those indicated in forward-looking statements, including, but not limited to, CBRE's ability to gain the necessary regulatory approvals and satisfy other closing conditions in order to complete the acquisition of J&J Maintenance and upon completion, to successfully integrate and operate the business within CBRE's Global Workplace Solutions segment, as well as other risks and uncertainties discussed in our filings with the U.S. Securities and Exchange Commission (SEC). Any forward-looking statements speak only as of the date of this release. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. For additional information concerning factors that may cause actual results to differ from those anticipated in the forward-looking statements and other risks and uncertainties to our business in general, please refer to our SEC filings, including our Form 10-K for the fiscal year ended December 31, 2022, and our Form 10-Q for the period ended September 30, 2023. Such filings are available publicly and may be obtained from our website at www.cbre.com or upon request from the CBRE Investor Relations Department at investorrelations@cbre.com.

¹ This press release includes reference to EBITDA, which is a non-GAAP measure. EBITDA represents earnings before the portion attributable to non-controlling interests, net interest expense, write-off of financing costs on extinguished debt, income taxes, depreciation and amortization, and asset impairments.

We have not provided the most comparable GAAP financial measures nor reconciliations of forward-looking EBITDA included in this release to GAAP financial measures because it cannot be done without unreasonable effort because certain items required for such reconciliations are outside of our control and/or cannot be reasonably predicted, such as the provision for income taxes, forward-looking balance sheet, statement of income and statement of cash flow. This non-GAAP measure should not be considered in isolation from, or as an alternative to, financial measures determined in accordance with GAAP. Other

companies may calculate EBITDA differently, and therefore the company's non-GAAP financial measure may not be directly comparable to similarly titled measures of other companies.

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