Cushman & Wakefield's 2025 Investor Day | December 4, 2025

Megan McGrath:

Good morning, and welcome to Cushman & Wakefield's 2025 Investor Day. We are thrilled to have you with us. I'm Megan McGrath, Head of Investor Relations for Cushman & Wakefield. It's great to see so many familiar faces in the audience, and if you're joining us virtually, thank you for giving us your time. As you walked in today and throughout the day, I hope that you feel the energy and the pride that we have in our people, and in our business, and in our purpose. Our theme today, Driving Profitable Growth, underscores our focus on building upon our foundation, operating with excellence and driving long-term shareholder value.

We have a great agenda for you today, a packed agenda. You're going to hear from our chief executives. You're going to hear from CEO Michelle MacKay. You're going to hear from our President and Chief Operating Officer, Andrew McDonald. You're going to hear from our CFO, Neil Johnston. And throughout the day, you're going to hear from other senior leaders at the firm through presentations and panel discussions all talking about the opportunities we have to continue to grow our business and our platform.

Now, a few housekeeping items for you today. In the unlikely event of an emergency, you have emergency exits here and to the back. And our presentation today contains forward-looking statements and non-GAAP financial measures. If you want more information on those, please see slides three through five in our presentation. Now, before we begin, I want to show you this great short video. Thank you.

Video:

The built world around us never stands still. Within it, there are those who work for the world as it is, and then there are those that shape the world that's becoming. Not because they have to, but because it's who they are. That's who we are: a next generation advisory redefining what advice can do. We think faster, solving complex client problems before they can arise. We expand farther, moving fluidly across global service lines into new frontiers and unrealized markets. We transform sooner to give our clients better value, merging our global expertise, technology, and AI into one powerful interconnected network built to execute. And that's why our ambition is so much bigger, to never settle for the world that's been built, but relentlessly drive it forward towards something better. Better advice for our clients, better opportunities for occupiers and investors, and better futures for our communities. At Cushman & Wakefield, we believe better never settles.

VOG:

Please welcome Global Chief Executive Officer, Michelle MacKay.

Michelle MacKay:

Good morning, everyone, and thank you for coming out today. We've got a full room here in New York City. I also want to thank those people who are live-streaming or listening on the phone today. And I want to make a special call out to our Wall Street analysts, our investors, and our creditors who've been supporters and analysts of this company for the last two and a half years.

As many of you know, two and a half years ago, I stepped into the role of CEO. It was a time to reevaluate the strategy of the company. We looked at all of our businesses, analyzing what we wanted to keep, what we wanted to help out and modify, what we wanted to walk away from. And in doing so, we hit the reset button on the organization. And what's compelling about that is that time allowed us to reset the foundations of the company and take a forward-looking point of view on where we wanted to go.

In our possession at the time were two irreplaceable assets. The brand of Cushman & Wakefield, well known across the globe, as well as we had a global platform at our disposal. And what were we going to do with that?

We outlined a strategy that I'll discuss with you this morning, and created success for us both financially and operationally.

But beyond that strategy, we were able to complete a deep organizational shift in the way that we work, which further underscored our ability to deliver for our shareholders. So let's take a minute and talk about that strategy.

In November of 2023, about four months after I took over, I put a new strategy in front of our board of directors. There were three pillars: strengthen the core, operate with rigor, and grow organically. Under each one of these pillars were multiple KPIs and targets to hit. And what you're going to hear today is that we've got a team of people who hit targets, track them. That is our goal.

In terms of strengthening the core, there were multiple KPIs under this pillar, but strengthening our legacy businesses, streamlining our operations and building the systems and structures to take us forward were critical in this process.

Let me pull up a couple of these KPIs for you. A half a billion dollars of debt de-levered in two years. In the fall, we repriced our term loan at the tightest credit spread in the history of Cushman & Wakefield. All in all, between repricings and deleveraging, we are saving $50 million a year in annual interest costs all achieved in two years. By any measuring stick, these are outstanding results and kudos to our team for accomplishing this.

In terms of operating with rigor, our second pillar, there was so much good work to do here.

We wanted to de-silo our organization. Many of you have heard me talk about this. These companies historically have worked in a very siloed capacity. We wanted to connect the dots, bring people together, create greater connectivity in the group, and increase the level of data that we use to make decisions, no gut feel stuff. We created a new way of looking at our own financials, data maps and data systems that roll up throughout the organization, and that allows our leaders to make decisions live. One of the struggles that we had is we were a cost off, cost on company, and we all know what that leads to, both financially and culturally.

Let's take a look at some of the KPIs here. A 90% increase in cash from '23 to '25. A 500 basis point reduction in voluntary turnover of employees because when you create the right culture, which is distributed authority and accountability, and you give people the tools to measure and be successful, they want to stay with you. When the path is clear, they know how to succeed. My favorite one on this chart, however, is the reduction in normalizations. I mentioned cost off and cost on again. $100 million of reduction in normalizations between that two-year window. Where we're going to spend today, where we get the most questions is how are you going to drive growth? We've taken on a builder's model, an organic model in how we are going to drive growth. We had to have stabilized the core and be able to operate with rigor in order for an organic model to be successful.

We are now a future-facing client and data-centric operating model and culture.

Let's talk about some of the KPIs here. Eight quarters of leasing growth, growth in capital markets, growth and services. This is what we've done. What we're going to talk to you about is accelerating this path now.

Scaling our momentum, stabilizing the core, operating with rigor, funding and fueling growth, the outcomes of all of this is a business that has the right to win across the globe. There are places that we need to build ourselves out more fully, and you will hear about that today. High growth areas for us. Multi-market leasing, global institutional capital markets, and I say global because that is what is important, not just institutional capital markets. You will hear about how the top real estate investors in the world today are across the world today, and we need to be there for them too. You're also going to hear about data centers. That is a hot topic. We're going to bring our experts to the table. You're going to see what we're all about. And we're going to talk about going up the value chain of higher technical services. These are higher margin businesses where we are a deep expert.

Specifically on the services side, we're going to talk about client retention. We're going to talk about the cross-sell. We're going to talk about what we've done organizationally to ensure that this is on the front of everyone's mind when they talk to or approach the client.

This is the thing about Cushman & Wakefield. The opportunity is undeniable and the path is clear. We are a client-centric model, but we align ourselves to their success. We do not show up in any capacity to dictate to the client. We come through as the consultant and as the advisor, bringing the entire platform to bear. And at the end of the day, we have a compelling organic growth story that it creates substantial value to our shareholders.

Now, to start our day off, I am going to bring out to you Andrew McDonald, my partner, Global President and COO, who is overseeing the reorganization of this company. He's going to talk to you about the foundation that we are building our organic growth model on. So without further ado, I give you Andrew McDonald.

Andrew McDonald:

Thank you very much, Michelle. Thank you. And good morning to you all. Michelle just outlined our three strategic pillars: strengthening the core, operating with rigor, and driving organic growth. And it is our operating model that connects those three pillars. I see it really is the structure that holds the firm together and enables us to drive performance. And soon after Michelle and I took on our roles two and a half years ago, as Michelle said, I began to have some conversations with Michelle about an opportunity. An opportunity, frankly, we both saw, but one that I had been thinking about for quite some time, and that was the opportunity to transform and modernize our operating model, how we went to market, how we went to market across all regions and in all sectors and all segments.

And one of the great advantages we have as a global company is that we clearly have clients all over the world. What that allows us to do is have conversations and listen, right? Listen and try to understand what drives our clients' performances, what keeps them up at night, what they seek in an advisor. And what we hear over and over, and what we have been hearing over and over is that all of our clients, whether they be on the investor side or the occupier side, are living in a more and more complex world, and Michelle made mention of that. And it's in that complex world where this organization model needs to change.

So why change our operating model?

One of the things that we constantly hear with our clients, both on the investor and occupier side, is this complex environment they operate in. So on the investor side, they're operating usually across dozens and dozens of markets all over the world, which carry with it individual market dynamics, complex market dynamics, macro volatility and regulatory complexity. And on the occupier side, it's quite usual for our global occupier clients to hold hundreds of leases with annual rent spend into the hundreds of millions of dollars, also navigating their own complexities of workforce and workplace needs and operational demands that literally did not exist a decade ago.

So it is within this context of this increased complexity, increasing demands of our services and being connected, driving closer to our clients that we came together two and a half years ago just after those conversations I had with Michelle and looked deep within ourselves and tried to define what the next generation real estate partner looked like. And so we came up with five principles, five principles that we believe now guide our Cushman way.

The first principle is that every client of Cushman & Wakefield, regardless of size and regardless of the complexity of the mandate that they hire us for, will receive frictionless and full access to our platform.

The second is that we remain agile. We'll remain agile and entrepreneurial. It's important for us to flex with our clients, grow within asset classes, grow within markets, help them scale, and if they need to rationalize, help them rationalize their portfolios.

The third principle is all about consistency. There will be one standard of excellence regardless of whether we're hired in Singapore or Berlin or here in New York. There is one Cushman way.

The fourth principle is that we will be simple to navigate because we'll be globally integrated. The world is too complex. We may need to make it easy for our clients to be able to navigate. We will be connectors.

And the fifth principle is all about data. You heard Michelle mention that we use data and analytics to make all of our own decisions, and so therefore all of our solutions will be carried through data and analytics for our clients.

And when you connect this platform, when it's fully globally connected, the benefits hit all stakeholders. Our clients receive greater, better, and more consistent service. Our talent has greater opportunities for growth internally because we have centralized, and we believe will bring long-term shareholder value to our investors. And that is because we'll have expanded client relationships, because we will have stronger retention and higher win rates will drive productivity and will increase our operating leverage, all KPIs that we measure. So a very natural question is, where are we on this journey? Well, we believe we're about 60% of the way there. If I go back to that early conversations with Michelle two and a half years ago, we are under that from column. The brand was performing. We weren't losing, but if we're honest, our teams were fragmented. Our data was held locally and in disconnected systems, and there was a high variability and client experience, sometimes even within the own city, if we're honest.

And today, we're in that middle column. We are more globally connected today than we've ever been. Our go to-market is embedded across regions. We have centralized resources, and we have built a foundation, not just in our tech stack, but in our operational capabilities where we believe we can grow efficiently and at scale. But that's where we are today, what's exciting is about where we're going. And where we're going is on the far end of this, and that is to be a globally integrated and connected and fully digitally enabled real estate services platform. And we're going to get there by the end of 2028.

And I have great confidence in that timeline in 2028 because of the incredible strides that we've made in the last two and a half years. The strides we've made in how we deliver our services, how we've literally structured the firm, and how we've improved and matured our talent model, our talent management model. If I take a look at just the delivery, 70% of our global revenue is already under digital transformation, full digital transformation. We have proven that we can drive productivity to our frontline advisors, to our brokerage population. In two years, we've seen a 30% production gain in our average for American brokers because we've instituted digital workflows.

We've trained on new processes. We're sector driven. We've become specialized. And if I take a look at our structure, this is all the work we've done to de-silo and to make sure that we have consistency, that our brand shows up in a similar fashion across jurisdictions. We've re-orged every one of our three regions, Americas, APAC, and America, to do just that, to de-silo. And in doing so, we've been able to centralize 100% of our global functions.

And if I take a look at what we've done with our talent, I'm particularly proud of this. 60% of our global leadership and P&L leads are new to their roles in the last two and a half years, and that is by design. We are purposely putting leaders in who promote collaboration, who embody and promote enterprise thinking, and we're incredibly proud of the fact that our employee engagement scores continue to grow.

So as I think about this transformation, this last two and a half years, and I think about the opportunity ahead of us, I'm reminded that moderate improvement in our core KPIs has the ability to drive significant, significant impact. 5% and 10% gains in the KPIs we currently measure of client expansion, win rate, productivity, retaining more of the business that we already have could drive an upwards of a billion dollars of revenue.

So none of this is possible without the incredible work in data and technology and AI, and Sal Companieh is going to come up and talk to us about how the use of technology, data, analytics, NI is accelerating this transformation. Thank you.

Sal Companieh:

Good morning, everybody. I have the distinct honor of serving as the Chief Digital and Information Officer here at Cushman & Wakefield. I'd like to spend the morning giving you a little bit of a glimpse into our methodology, our technology stack, and our core integration with the business.

Let's start with our information transformation methodology. Core to what we're doing is driving deep proximity between data, digital, and our business advisors. Our client outcomes are at the center of every hour and every dollar that we spend in transforming our technology stack. It's critical to us to build transformative technology to enable client outcomes. We're not in it to just build tech for tech. We do this with a framework of co-creation with our business partners, agile development, underpinned by the best in class data strategy, overcome with upskilling of our talent. Technology for the sake of technology will not make the impact, bringing our colleagues along in a totally new way of working, connected, enterprise first, and digitally guided is what we're aiming for.

Co-creation at Cushman & Wakefield is quite literally us breaking down every silo of every department, every data source, every technology outcome, and putting the client outcome at the center. We bring together diversified, multi-experiential resources to the table, and we put their end-to-end workflows, and we've unpacked them. We've reimagined them in a moment when AI is at our fingertips, and we've deployed out technologies that bring together our thought leadership, our data assets, a digital workflow that actually extends to every single one of our clients and colleagues. But we've honored the fact that there's not one way of working Cushman & Wakefield across the board. There is a capital markets way of working. There's a property manager way of working. There's a facility manager, and we need to honor their diversity of the data, their workflow, their guidance that they need, and we do so by creating this deep proximity.

We've changed our technology operating model to match the business operating model. We've embedded technologists deep into the business because that proximity, us listening to our clients, being advisors to our advisors is what allows us to put forward the best forward-looking technology in the market with master data to solve the most complex problems our clients are dealing with.

Let's look at one of these co-creation examples in practice. Our capital markets organization, not too long ago, was acting in 30 different technologies, data sources, ways of working, completely siloed and bespoked across the organization. Today, I am extremely proud to tell you that we have deployed out our own proprietary application that takes global capital markets insights, brings it to the fingertips of our entire accountability team across the world, and allows them to have digitally guided, AI infused experiences to solve our investor correlations problems.

How do we do this in our technology stack? We have a modern technology infrastructure built for the future, honoring our history. We start with physically de-siloing every data asset in the organization, connecting it with modern data technologies, integrating it across the organization so such that the technology and data that we

have in Singapore, in the US, in Australia, the data and insights available to our colleagues is bar none the best in the industry. We create this technology along with the capabilities that we have within our AI stack, and we create re-imagined workflows across the world. We put together the best of technologies in the market, between SaaS platforms and innovators in the market, and we bring forward the Cushman way to life in a digitally guided environment.

Behind me, you'll see a series of logos as a small glimpse of the technologies in our ecosystem. The leading thinking here is it's going to take long-lasting enterprise-grade secure platforms integrated with innovative up and coming technologies fueled by the power of our data, guided by critical thinking of institutions like Stanford, and we're putting forward that collective outcome in a guided experiential manner to every one of our colleagues around the world. We understand this is a total transformation. This is not a technology project.

So when you look at an environment where our clients are dealing with the most complex environments they've dealt with, Cushman & Wakefield has proudly integrated our operating model that Andrew referred to, our leadership ecosystem that has grounded in enterprise thinking and client outcomes to enable our growth. We're more than 60% of the way there, and we have embedded an undeniably tethered digital and AI strategy to our business outcomes.

Now, I would love to welcome to the stage one of my partners in crime in this transformation, Mr. Brad Kreiger.

Brad Kreiger:

All right. Thank you, Sal, and thank you all for being here. I'm excited to be here with you today. I'm going to start just summarizing what I heard, and I think I can help bring this to life through one of our most important service lines, which is our leasing business. I'm Brad Kreiger. I have the privilege of leading a management team in our Americas business, looking after our markets, our leasing. What I heard Michelle say is there were two things that really stood out when she took the role. One was our global platform, the other was the undeniable Cushman & Wakefield brand. I heard Andrew talk about the operating model. It's not okay to do business the way we did business in the past. That won't meet the needs of what our clients need for us today. And there's no doubt that there is an opportunity in time right now to underpin that entire transformation with technology, with data, with AI, and that's how we'll serve our clients.

I can't think of a better place to bring that to life than our leasing business. And as we were thinking about titling this presentation and how do you talk about growth from a place of strength? That really is where the leasing business is. This is not an evergreen or new opportunity that we're putting our toe into. We helped define the industry and how leasing came together over the last 100 years as a brand.

If you don't believe me on that, let's talk a little bit about it. I'll size this business for you. It's a $2 billion business globally today. That's a geographically diverse business. Basically anywhere in the world that you see a concentration of commercial property, there are Cushman & Wakefield agents and leasing advisors who are the best in the business doing work on behalf of their clients.

We like it for its diversity as well. The top 10 clients in this business make up a very small percentage of the overall revenue. And I'll show you in just a minute the sheer scale of the transactions that we do on behalf of our clients every year.

But maybe for this crowd, what we really like about this business is it has momentum and it has growth. We've seen eight quarters now of year-over-year steady growth. And there's no reason to think that that won't continue. We have demand fueling the business from tailwinds. The office sector continues to recover. We're seeing more companies move into the office than talk about moving out of the office, and that's a trend that's been picking up steam and momentum for quite some time today.

In markets like industrial, where we saw a record explosion of growth throughout the pandemic just five years ago, we saw a construction boom that followed that and supply and demand got a little off kilter. We're now

seeing that slow down. So construction is down just a bit and take up, positive absorption has now been two quarters in a row. So demand for industrial space is coming back. And retail might be the darling of the industry in a post-pandemic environment, as more of us, more of all of humanity, I think looks to have a human experience and they want to go back into spaces and have an experience.

On the tenant side though, it's not all as rosy. It's a super complex world. Andrew talked about it, he hit it really, really well. If you're managing real estate on behalf of an organization big or small, there's no such thing as an easy commitment or an easy decision anymore. You don't just need someone to execute or negotiate a contract on your behalf. You need a partner and you need an advisor, and that pace of change only continues to pick up.

Let's take a look at the scale of the Cushman & Wakefield platform. And I thought of a lot of different ways of how we could show this and the simplest might just be we'll start with the US. And if we took a map and put a pin in every place that Cushman & Wakefield represented either a landlord or a tenant over the last 12 months, you basically cover the entirety of the country, except for maybe some of those Great Plain states where there aren't buildings or people.

When I look at this, I see scale, but what I really see is opportunity. Okay? So 20,000 times a year, we have a client relationship, we have a landlord or a tenant relationship. We have a whole ecosystem supporting that transaction, which gives us the ability to take the kind of resource and platform that it takes to do some of the most complicated transactions in this industry. And if you think about the island that we're sitting on right now, you see Cushman & Wakefield grabbing headlines with our clients when they take on those very complex assignments with some of the best real estate advisors in the world behind them.

But we also do a lot of small work. We do a lot of work across multiple asset classes. We're the largest and most ... We have the top market share in the industrial business. So if I look at that, how do we build and scale from that place of strength?

Well, this is the strategy, and I love a good Venn diagram, if you can use a word like love when it comes to a Venn diagram. But I try to think all of the complex things that Cushman & Wakefield can do. If you could just boil them into two things, it's really pretty simple. We either advise or we execute. And the fact that we can do both in synchronicity, that overlapping space, that is the differentiator. That's the value proposition of the company.

So if I look at 20,000 times where we executed on behalf of our clients for transactions small, medium, and large, if we can bring the advisory part to the business, to each of those individual relationships, that's how you grow a business as mature as Cushman & Wakefield leasing.

How do you size that opportunity? Well, this is one way. This is a graph that shows in the last year, in 2024, all of the number of transactions that took place, leasing deals over 100,000 square feet. And while the Fortune 500 clearly gets a lion's share of the opportunity in this industry, and we spend a lot of time helping serve those very complicated and large clients, there are just so many more organizations that fall just below the Fortune 500. These are still big companies. They may have dozens, they may have hundreds of locations in their portfolio, but they may not have the same level of consultative advisory around their entire business practice, and that's the opportunity for us.

When we looked at those 20,000 transactions and we studied how many of those were clients that had us doing work for them in multiple markets at one time, we found a little over half of that revenue was driven from multi-market accounts, which means the other half, the lion's share of that business is one single advisor to one single client. That's the opportunity. How do we bring that advisory capability to each of those clients and become their true business partner rather than just a transactional expert?

Well, Andrew already gave you the punchline for how we do it. We need to operate differently than we already are today. On the left side of this slide shows the way the industry has sort of grown up doing business. It was a very local business with local agents, with local resources and support. You did work for local clients. Sometimes the left and the right hand wouldn't even really communicate with a really large client. Today, that's totally

changed. We're centralizing more and more every day, for the sake of putting those resources in one common spot so that we can deploy the right resource to the right client assignment at the right time.

There are other benefits too as you start to centralize this work. Sal hit on most of them, which is once you embed the technology around that core operating model, now you have the data and you have the insight. If I think about 20,000 transactions a year in this leasing business, there's 10 places that a client chose not to go, a tenant chose not to go in terms of a location. Think of the data in aggregate that that demand creates and our ability now to look across that data, to use tools like AI, to ask questions of that so as we serve clients, we have the absolute best intel in real time to deliver at scale.

And then the final thing in centralizing, it allows us to bring the best of the enterprise, our team to come together to serve whatever the client needs. So you'll hear from our services leaders in just a minute, our corporate outsourcing business already has a centralized hub, more than 1,700 professionals in a place that we call the portfolio service center where we deal with individual clients' needs as they come up as they need it.

If you flip that operating model on its head just a bit and you put the client in the middle, this is really what the client cares about and needs. They need specialized expertise. They don't just need a generic consultant to come in and talk about real estate or leasing or price per square foot. They need someone who has deep experience in sectors like the law firm sector, technology, the automotive industry, manufacturing. This list goes on and on and on. But for us to be efficient and scale that expertise, we put it in the middle of the organization, we wrap it in technology, then we're able to deliver that expertise at the local level.

All of that's sort of theoretical, I suppose, until you actually put some real kind of client service to this. We only live to serve our clients every day. So what does one of the world's largest beverage companies, a great investment bank, and one of the leading auto manufacturers have in common? It's not their industry. It's the fact that they look at real estate differently than how you might think of it in a transactional nature. They look at real estate, not in one deal at a time, but in how does it empower and help them grow their businesses, deal with the competing demands that they have every day? The other thing that this slide has in common, and these are all just examples of organizations who looked at Cushman & Wakefield and who chose Cushman & Wakefield to be that advisor to help them drive business advisory. So to kind of summarize all of that up, there's really kind of three simple things we're going to do. We're going to scale all of that work that we've been building for over 100 years, all of that equity, all of that brand data and intelligence, and we're going to bring that to bear, not only on the largest organizations in the world, but to those companies who desperately need that resource today.

We're going to transform this operating model and it does two great things for us. First and foremost, always comes the client. We will deliver insight to the client in ways that we've never been able to before because of the technology. But we'll also raise our advisory productivity to the highest in the industry, attracting and retaining the best talent in the industry.

And then finally, all of that helps us to evolve this huge scaled business from one that is transactional into one that's truly an advisory-led, account-managed organization that can help serve those clients market to market.

So that's the leasing business. There's also a great story in capital markets, and to do that, let's bring up some of my colleagues. Thanks for coming out today. Appreciate it.

VOG:

Please welcome back to the stage Michelle MacKay, joined by President of Americas Capital Markets, Miles Treaster, and Head of Investor Insights, Abby Corbett.

Michelle MacKay:

Today, we're going to talk capital markets. We probably get more questions around capital markets than any other business line in the company. I think it catches the headlines more often. I think people can really connect with it because you own a home, you finance a home. So the questions that I deal with in terms of Cushman & Wakefield are largely focused around our institutional capital markets business. Okay?

Before we start, I want to make sure I give these two a moment to introduce themselves and give you a little more of their background. So let's start with that, Miles.

Miles Treaster:

Sure. Miles Treaster. I've been in institutional capital markets my entire career, which is close to 30 years. I was a client of Cushman & Wakefield before coming here a year ago, so I have a very good lens on what's going on in institutional capital markets.

Abby Corbett:

Abby Corbett. I am head of research here for capital markets at Cushman & Wakefield and part of our global think tank, which means I do a fair amount of global thinking with Miles and the team. And my background is also in institutional real estate. I have a background in private equity. I'm formerly trained as an economist and spent most of my career building research and analytics platforms for private equity firms and several technology companies.

Michelle MacKay:

Great, thank you. So Miles, you joined us about a year ago.

Miles Treaster:

Yes.

Michelle MacKay:

Yeah. High impact player for us. Yeah, coming from the investor side, it's unusual obviously for someone coming from the investor side to come over to the advisory side. Can you tell us a little bit about the why for you?

Miles Treaster:

Yeah. For me, it was fairly obvious. Cushman & Wakefield has a wonderful team globally of talented capital markets professionals. And the business has evolved a lot over the last 20 years. Started off as a very regional business and now the opportunity is to connect it globally. We have a tremendous footprint around the world with very skilled people. So it was kind of bringing this all together and I saw the talent here and I said, "This is our opportunity to really grow the business."

Michelle MacKay:

And when you think about our current market position, which we're displaying up here for everyone to see, and you think about that opportunity, talk to us a little bit about the way that you've decided to go about hiring and bringing in talent and some of the systems and processes that we're using. ONECAP, which I believe Sal brought out in her conversation today, how this is all tying together for you.

Miles Treaster:

Yeah, it ties together perfectly with what we're doing. So we're changing the business from a transactional led business to an advisory business. And that really, having been on the client side, you know what that looks like when you see it. So I think that gives me a very good purview of making those changes internally. So the people that we're recruiting here come with an advisory mindset and they really focus on the client. The client demands global solutions that are complex, and that's what advisors do.

Michelle MacKay:

Yeah, absolutely. So let's talk a little bit, Abby, about the health of the market. It's another place where I get a lot of questions. What do we see for the next three years in global capital markets? What do we think about in terms of, say, interest rates? Can you give us a bit of your thinking around the markets in this moment in time?

Abby Corbett:

Yeah. Well, I think we're at a fascinating time within our industry and within the trajectory of the industry. We've gone through such a really remarkable and powerful recalibration process over the better part of the last, call it two years or so, where society in general, the markets, the financial markets, investors, the institutional ecosystem has really had to come to accept and adapt to normalized interest rates. And that's a wonderful place to be in where that adaptation and recalibration process has really come to fruition.

And alongside that, we've had a repricing cycle take shape. And with that repricing cycle brings renewed conviction for a new chapter, be it may, of capital deployment. So I think where we stand today as we look ahead, there's renewed conviction. We're seeing that clear signals within fundraising traction. Fundraising is up about 53% year to date.

And to Miles's point, just on the global enterprise, the global platform that we're building here, 40% of that year-to-date fundraising activity is targeting more than one continent. So it's a clear signal that we'll have global deployment ahead and that's very important as we think about how we strategize both the platform, how we advise our clients, and what we do from a data and analytics standpoint.

Michelle MacKay:

Yeah, and let's talk about that dynamic with your recent hires and talk about how we have been speaking about capital markets now for a couple of years, not a hockey stick, but progressive growth over the next couple of years. You've obviously just hired more than 45 people into the organization. How do you see this all playing out now and coming together? People are always asking me about our growth model as it relates to capital markets. When's it going to kick in?

Miles Treaster:

Sure.

Michelle MacKay:

And by how much?

Miles Treaster:

Yeah, I think that what we're doing is we're harnessing the data through ONECAP to really provide a global solution for clients. So the people that I'm bringing into the organization are really focused on delivering solutions to our client base, and that's going to be done through this technology and the leveraging of data. So I like to tell all of my capital markets recruits that data is the new gold.

Michelle MacKay:

Yeah. Yeah, and I know that out there in the competitive landscape, not everyone holds the same level of data and not everyone holds the same degree of research and commitment that we've made to thought leadership, right? Abby, when you're using and building your research, how is it getting deployed throughout the organization so that people really have access to it?

Abby Corbett:

Yeah. Well, and I would say having been around for a couple decades, not quite as long as Miles, but-

Miles Treaster:

Thank you.

Abby Corbett:

It's so profound. You can, as a researcher, as an economist, you can build something that you're really excited about, but if it's not part of the ethos of the organization in terms of the desire to draw from that, I think it's very cultural here. So the way that we build it, the team, Kevin and I, as we update our forecast, we update our models, we're in the data every single day. We're using our proprietary data. We're overlaying that with our third-party source data.

And then really, we kind of funnel it into structures. We have our thought leadership. We have daily and weekly calls. There's not a week that goes by that I'm not connected with our product council leadership, with our capital markets leadership, connectivity with the clients. So it's a multi-layered process, but the foundation of it, of course, comes down to our key outputs, our thought leadership pieces and so on. So it's a great place to continue to grow, and I think that's one of the exciting things about just where the platform is now and where we're headed.

Miles Treaster:

And Abby's being very modest because the clients, I've been here a year and they asked for her research because it's so cutting edge, with the think tank and everything you produce. Having ONECAP being able to distribute it to our clients and having those discussions, very powerful.

Michelle MacKay:

Yeah, I think that's a great sign, especially given that you're from the investor side, that you really value the research. One of the things I think we actually don't talk about very often is much like our Wall Street analysts here, we're not looking to give advice for the purpose of supporting a particular transaction. We're looking to give advice, right? And get in the door by being an advisor to our client first. And what you'll hear over the course of the day is that in many cases, we go in to advise on a particular situation with a client. That's not actually the transaction that happens because we bring some broader thinking to the table in that moment.

Miles Treaster:

That's right. Actually, a great example of that was a global pharmaceutical company that we started out coming in the door. We like to say capital markets is the tip of the spear because once we get into the transaction, we can actually sell through other services.

Michelle MacKay:

Yep.

Miles Treaster:

That's huge.

Michelle MacKay:

Yeah, and use ... This again reinforces this use of the enterprise, right?

Miles Treaster:

Right.

Michelle MacKay:

On whole and how we're really looking to have the conversation, provide as many services as possible, ultimately with the cross-sell, and something that is really a new focus for the company going forward.

We only have a minute left. I have this giant clock here sitting staring at me. I'm going to ask you quickly, if you were to advise somebody today, what asset class would you choose? One asset class, if you only get one asset class, where you think the most long-term value exists from an investment point of view?

Abby Corbett:

Well, I would say two things. I would say office, number one, just from a runway perspective, we've had such a remarkable and powerful reset in values there. So I think it offers new investors with a lot of runway for opportunistic returns. I will say this next cycle will be ... Returns will be characterized moreso by precise asset selection as opposed to sector level sweeping themes. So the complexity and nuance there requires the advisory relationship. And the second one would be retail, which I think Brad mentioned earlier, just given the really profound tight supply side conditions, the insulation there on fundamentals and stable cash flows.

Miles Treaster:

You took all my time.

Abby Corbett:

I did.

Michelle MacKay:

That's okay.

Miles Treaster:

All right.

Michelle MacKay:

We can take as much time as we want.

Abby Corbett:

We have 30 seconds.

Miles Treaster:

So I'm going to go industrial, and I think it's been chronically undersupplied for many, many years. Obviously, it started to pick up in the early 2020s through the pandemic. But really, data centers. If you're investing in the future of our country and the globe, like a lot of investors are, it's hard to argue that data centers and digital infrastructure is not going to be a place for dollars to go.

Michelle MacKay:

Yeah, and that's a great setup, thank you, for our next panel. Thank you for coming out and sharing some of your expertise. For those of you that have further questions, there will be a half an hour period at the end of today where you can directly approach both of these two and ask them anything you like.

With that, I'm going to bring out Ali Greenwood to talk to you about data centers.

VOG:

Please welcome Vice Chair, Global Data Center Advisory, Ali Greenwood.

Ali Greenwood:

Hi, so I'm Ali Greenwood, Vice Chair of Cushman & Wakefield's Global Data Center Advisory Group. I'm so excited and honored to be here today to talk to you about the fastest growing asset class in real estate, data centers. I've been doing nothing but data centers for a little over 15 years, and yes, data centers have existed for more than 15 years. I know there's been a lot of buzz in the media lately about data centers. What's the future of data centers? Are we in a boom? Are we in a bust? What does that look like?

I'm here to tell you that I firmly believe that we're in the very early innings of this data center asset class and the tremendous amount of growth. And Cushman & Wakefield's data center platform is poised to continue to capture market share and generate an additional amount of revenue associated with that.

Why is that? Well, data centers run everything we do today, personally and professionally, enabling things like the work from home movement, streaming videos on Netflix or Hulu, stock trading at your fingertips. It's amazing the amount of things that we can do on our phones today. Streaming the video of my son's fourth down catch at his football game last weekend that got them to the Super Bowl, very excited. Everything we do happens on a server in a data center somewhere across the globe.

This growth and demand is unprecedented. As we're seeing here on this slide, in the Americas alone, we're poised to grow over four times in capacity growth from the years past, twice in both EMEA and APAC. There's $6.7 trillion of expected spend from a CapEx perspective between now and 2030. That's an incredible amount. When we're sitting at sub-2.5% vacancy rates across the globe in primary markets and 70 plus percent pre-leasing rates in an asset class for facilities that are not even coming online for potentially three to five years from now, this growth is here to stay and this opportunity for Cushman & Wakefield to continue to capture market share and generate revenue, it is unsurmountable. So what are we doing? What is Cushman & Wakefield doing in this space today? Well, data centers are not new to real estate and data centers are not new to Cushman & Wakefield. We are so excited to continue to build our platform out across multiple service lines, to continue to service our clients in a very, very large growing list of clients, as more and more capital gets raised and deployed into this space, so that we can meet them at every stage of the life cycle of a data center.

We do everything from helping them find the perfect site to buy for data centers and make sure that they get their best return on capital and the investment in this asset class and space. We build them, we operate them and run them, very mission-critical facilities. We help lease them, we capitalize them, and we even monetize them. We continue to build out capacity across all these service lines, everything from brokerage to incentives, valuation and advisory teams, critical facility management, project development services, capital markets.

Several service lines touch the data centers and the requirements of our clients across the entire life cycle of a data center.

So what are our future growth priorities as it relates to this high-growing fast asset class? Well, a key difference for us is our people. We continue to hire key resources so that we can put the best people on the field for every single one of our clients and every single one of our data center requirements. We focus on quality over quantity, making sure, again, that we have the right people and the right subject matter experts to continue to service the data center growth.

We're meeting our clients where they need to be in the market, staying ahead of market trends like AI and machine learning. Again, making sure that we're in front of these trends so that we're going and skating where the puck is going and not trying to catch up. Data centers are very fast evolving, changing data center asset class, just like technology continues to change every single day.

And then our data, our access, our technology, we're listening to what our clients want, the tools they need, and we're collaborating with them on projects like Athena, for example, to continue to make sure that they're getting the data and the resources they need to make the best decisions around their data center portfolio and their strategy.

So I'm going to invite Michelle back on stage, as well as my colleagues John McWilliams and Michael Koeller for a further deep dive and fireside chat around data centers, the market, and what Cushman & Wakefield's platform is doing to capitalize on that. Thank you.

Michelle MacKay:

Hi, everyone. I'd like to start off this panel the same way we started off the last one that I did, with each one of you giving a bit of a description about your history and expertise in the data

Michelle MacKay:

... data center field. So we'll start with you, Allie.

Ali Greenwood:

Sure. So, I've been doing data centers for a little over 15 years, like I mentioned. And I really got my start from a data center perspective from one of the largest REIT operators in this space, which was a great way to learn the business. I really learned it from the numbers side up, finance background. So it was fun to understand what it means to build these things, what it costs to build them, what you need to lease them for, what does that ultimately glean for earnings per share, for those stockholders? So it was a fascinating way to learn it, and having the understanding of what the levers are when you're going through a real estate transaction from a data center perspective, has been really, really valuable for our clients.

Michelle MacKay:

I'm sure. I'm sure. John.

John McWilliams:

Yeah. John McWilliams, Head of Data Center Insights here at Cushman Wakefield. I've been in the industry for a while now. I've kind of grown in my responsibilities over time, so I started out working in local market research, left that after a while and went into a regional research role. Did that for a few years, went into consulting, and then joined Cushman about three and a half years ago.

Michelle MacKay:

Great. Michael.

Michael Koeller:

Michael Koeller. I lead our Americas Data Center Advisory practice for Global Occupier Services. I also have a data center background, coming from one of the larger operator REITs in a sales and business development capacity.

Michelle MacKay:

Yeah. We have a consistent theme between this panel and the last panel, where we have people who are previously clients joining the organization, and really upping the sophistication of the kind of services that we can be providing with that deep knowledge of what the client wants.

Let's start off with Allie, you and I, two weeks ago now, we went out to see a data center together in New Jersey. And, I love real estate. I love technical real estate. You obviously share that love with me. But it was even fascinating for me to understand how many levels of energy, redundancy, power, and water. We see these things in the headlines. And then also, this not-in-my-backyard phenomenon, around expanding data centers and how that's all playing out. Can you just talk a bit about this dynamic and the way that it impacts your job, and how you're guiding our clients?

Ali Greenwood:

Sure. So I'll use an example of maybe more a typical site selection project. So we've had to become very, very, very educated as it relates to all the critical due diligence checklist signs, if you will, on what makes a data center site suitable for data center development. If you told me five years ago, I would have spent six plus hours on the phone with utility companies all across the country on behalf of our clients, to ensure that they're going to get the power, when are they going to get the power, and how much it's going to cost? It adds a tremendous amount to the overall development cost, and it's really, really key, important criteria.

So we really have to understand the nuances of utility companies, and how that's changing, and what the generation and the transmission looks like across the country, which is where tools like Athena are very, very helpful. We have to understand the fiber infrastructure coming in, to your point, the water infrastructure and the impact. And then, as an industry, we help our clients educate the community on really what the impact is of a data center within their community. I think it's a very misunderstood industry. And so we've continued, as it's become bigger and it's become more streamlined in the media and in the news, we're having to be an advocate on behalf and beside our clients so that they can get their data center development out of the ground, monetize it the way they intended to, and meet the demand that the market has for it.

And again, like we talked about, it runs everything we do. All day, every day. So it's a critical part of our backbone.

Michelle MacKay:

Yeah. And one of the things that was interesting to me, one of the many things, by the way, it is so technical, fascinating to walk one of these centers. Was the pipeline for future development that was not necessarily reliant on the AI boom. Just to be really clear, you're making that point about checking your son's football game, or various apps that we're using. But we're all using more and more data and tech. And so therefore, naturally, there's a need for more and more storage. In the case of this particular operator, they had a three year forward pipeline that was not reliant on any kind of AI boom. Talk about that a little bit.

Ali Greenwood:

Yeah. I mean, that is certainly a very, very high and fast-growing part of the data center industry. But there is an entire industry, underlying industry, from cloud technology, financial services, healthcare, insurance, what we call kind of enterprise wholesale, which has seen tremendous growth year over year since we've ever started tracking it, and well before I even entered the industry. And that has continued to grow. And part of that is even those companies, the Fortune 1000 companies, figuring out the most effective way to use technology within their businesses.

So if you look at different cycles and say somebody's going through potentially a cost-cutting exercise as a corporation, it's one of the last things that gets cut. Because technology enables them to run their business, potentially more effective, generating revenue, and smarter. And so the growth as it relates to non-AI data center growth absolutely is tremendous. And to your point, that particular operator is not alone. Every single one of these data center operators, we showed 70 plus percent pre-leasing, two and a half percent vacancy rates-

Michelle MacKay:

That's so good.

Ali Greenwood:

... for facilities that are not going to deliver for three to five years from now. And those are incredible statistics, that shows you that growth is there for the foreseeable future, in the space.

Michelle MacKay:

Yeah. And the fundamentals are really driving something compelling here. Let's talk a bit about, John, our tool, Athena. We speak about it as if everyone knows what it is, but maybe a bit about the building of it, and some of the components or information that our clients get to garner by using that tool.

John McWilliams:

Yeah. So Athena is a really powerful tool, it's our proprietary data center development site selection tool. Developing that tool was really putting together a large team of people that are familiar with this industry, that work with our clients, right? Both at the enterprise level, and even in single, individual transactions. Putting them all together and figuring out what our clients care about the most when we're looking at sites all over the world, and we found that power is paramount to that. Of course, you've got fiber, you have the ability to look at natural disaster risks in that tool.

And then on top of that, we have our proprietary research data layered in there. So if you're looking at a site, and there's transactions that have occurred around it, we have the ability to look at those, whether those are land sales or facility sales. All of that's baked into that tool. And so you can quickly get an idea of the viability of a site, both from the standpoint of history in the market, and then from those individual criterias that those developers care about.

Michelle MacKay:

Yeah. And one of the things that you mentioned in our conversation the other day was weather, and I found that really compelling. It was something I hadn't thought about, but of course, if you've got areas in the country that are prone to tornado, or power outage, that's going to be something that any builder or occupier is going to need to know about. And the tool considers something like that as well.

John McWilliams:

Absolutely. Yeah.

Michelle MacKay:

Yeah. Michael, let's come to you next. You are our most recent, in terms of joining the company. You came from an operator, you've been here about nine months. Why did you come?

Michael Koeller:

I would have to say it's the platform, the ability to support clients from end to end, in terms of the data center life cycle. As well as the growth story, wanted to be part of that.

Michelle MacKay:

Yeah? And tell me a little bit about our enterprise and where we exist across the globe in terms of data centers, and how you find the integration of the firm, as somebody newer to the company?

Michael Koeller:

Being relatively new, I'm constantly interfacing with my global colleagues. We have close to a thousand data center experts around the world, working with hyperscale clients, neoclouds, colo operators, as well as enterprises.

Michelle MacKay:

Wow. And you spoke about this, but Al, if you can take us back through the life cycle of a data center transaction, and just check off which areas we're involved in.

Ali Greenwood:

Sure. So initially, from a site selection perspective, not only are we using our technology platform, our tools, our data, and our research, which is all custom and client based, based on that site selection project. That's where brokerage comes in, right? We're going in there, we're buying land sites on behalf of our clients. Oftentimes, we're also negotiating incentives as part of that, upfront. So they get involved, as well.

Then we build them, right? So project development services team, we have a business line that specifically works on data centers. So our project development services team can come in, help everybody stay on time, on budget. Supply constraints are definitely real in our world, as well as labor constraints, like everybody has talked about.

And then, we run the facilities. So we have a critical facility management team that goes in, runs these mission-critical facilities, takes that risk profile away, and helps everybody make sure that those run is the way that they intend to be. As you talked about, some of the redundancy.

And then we have debt and equity teams, capital markets teams, that are able to develop capital around those, and fund those facilities, interact with lenders, interact with banks. Our valuation and advisory team is also involved in that aspect of it, right? Doing appraisal work on behalf of the data center clients that we have.

And then at the end of the day, if somebody's building up a portfolio, or has a one-off corporate sale lease-back, something like that, we're able to take those to the market with our capital markets teams.

Michelle MacKay:

Yeah, that's obviously pretty robust, right? You have all the tools and the talent at your disposal. Obviously, over the past year and a half, we've been putting in incremental funding because this is a big area of organic growth for us. We see the future. We don't think we have to rely on the AI boom for that market to continue to grow.

I'm going to do a little speed session with you all now. This one's kind of fun, because we all have our thoughts around data, technology, what it means. A lot of questions around the space. But what do you think is misunderstood? If each one of you can think of a concept, or an idea that's misunderstood about data centers.

Ali Greenwood:

Yeah. I think the first one would be that there's this understanding that the data centers live in a cloud, and the cloud is just floating out in the air, right? Or all this demand is up in the cloud. Well, the cloud lives in a data center, it has to be in four walls. And so everything like we've talked about-

Michelle MacKay:

So it's a cloud box.

Ali Greenwood:

It is a cloud box, that's got very specialized cooling and infrastructure, and all the things that we talked about. So I think that's one of the biggest misunderstandings is, all of this demand and growth from us is, again, consumers individually as well as professionally, that's living on a physical server that sits in a data center somewhere in the world. So even if you think that your company is starting to outsource things to the public cloud, that doesn't mean it's just all of a sudden floating data in the air, right?

Michelle MacKay:

Right.

Ali Greenwood:

It is living in a data center.

Michelle MacKay:

Okay. Great one.

John McWilliams:

Yeah. So Allie mentioned this earlier so I won't spend too much time on it, but one of the things that I think is really misunderstood in this sector is that, like you said, AI is not the sole driver of demand here. So we have what we consider to be foundational, or legacy demand, consisting of cloud computing and data storage, data processing, things like that. And then you have AI as well. Both are growing, and continue to grow, just AI is growing at a much faster pace.

Just a little tidbit of support behind that. So if we look at the amount of data that's created, captured, consumed, in the world, we've seen an exponential growth curve there. So we're at 181 zettabytes in 2025, 2016 when the cloud computing boom took off, we were at about 18. So 10X increase over time. And going out to 2030, we're projecting reaching the yottabyte era. So to put that in perspective, one zettabyte is about the equivalent of 250 billion copies of Die Hard.

Michelle MacKay:

Interesting choice. Yeah.

John McWilliams:

Yeah. About four gigs. So 250 billion copies of that movie.

Michelle MacKay:

All right. Wow. All right, Michael, I don't know how you're going to follow that one up.

Michael Koeller:

I don't know either. It is a Christmas movie, by the way.

John McWilliams:

Thank you.

Michael Koeller:

But I think one thing that is misunderstood is that data centers are, they run themselves. That it's a set-it-and-forget-it type of facility, when resiliency and redundancy are so important, and need to be looked at. I think we've seen in the news recently how much an outage can affect not only a company, but also the consumer.

Michelle MacKay:

Great. Okay. Well, thank you all for your time today. I'm sure you're going to get numerous questions from the group out here, once we take a break. We're going to take a break, I think, for about 10 minutes. And then come back for a conversation around services. Thank you.

VOG:

Please welcome back to the stage, Andrew McDonald, joined by Mia Mends, Chief Executive Officer C&W Services. Marla Maloney, Co-Chief Executive Officer, Americas. Aubrey Waddell, Chief Executive Officer, Global Occupier Services.

Andrew McDonald:

All right. Well, hello, and welcome back from the break. We've had the opportunity to hear from our leasing plans, and our growth plans, and our strategy. We've heard about our capital markets plans. We've certainly heard about our data center. Now is the opportunity to dive a little deeper into our services business.

And just to provide a little bit of context to our services business, it employs three quarters of our workforce, about half of our total revenue. We manage about six billion square feet around the globe and we break up our services business into four segments, represented by the three leaders we have in front of you today, and they'll get an opportunity to tell you which ones they represent.

But think of it this way, property management, that is the day-to-day operations of the real estate across all asset classes. Sorry, facility services, which is our self-performed business, which includes janitorial, mechanical and engineering, facilities management, which is our bundled services for global occupiers, and project management, so think of that primarily as us managing capital construction projects. So while each one of these service lines is unique, there are unifying drivers for shareholder value.

And that what I'd look at it was a high proportion of recurring revenue, certainly a long duration contract with high retention, and a wonderful driver of free cash flow. And just a little bit of the journey that we've been on. In 2023, when our management team came in, we had an assessment of our services business. In 2024, we exited some non-performing contracts and had a divestiture of a non-core asset.

And then in 2025, you see that we have put together our transformation plan of being able to accelerate organic growth to 6%. And that's what I want this conversation to be about. What's next? And you'll hear this concept about moving up the value chain quite a bit. And so I want to start right there. I'm going to ask the question to each one of our panelists, and I'm going to start with you, Mia.

As you hear about integrating the platform and what you've done to integrate the platform and moving up the value chain, can you give something that's on the ground, hard example of where you've done that in your business?

Mia Mends:

Yes. Thank you, Andrew. First, I'm delighted to be on the stage with my colleagues, Marla and Aubrey. I do think we are operating as a connected team and creating the kind of client experience that is absolutely moving us up the value chain. So I am Mia Mends. I lead C&W Services, which is the self-perform engine or platform for the enterprise. So what do we mean about self-reform?

So instead of using subcontractors, we deliver facility services by employing directly our teams, our workforce on the ground. And what is great about that model is that we are more tightly controlling scheduling, cost, and quality, creating better outcomes for our clients, and quite frankly, resulting in faster response times. So as we think about the history of C&W Services, we're a company that was founded 15 years ago as a cleaning company.

So janitorial is our legacy. It's what built the company, but today it is technical services that is driving our growth. We are decisively moving up the value chain in engineering and maintenance, and we are very deeply embedded in what we call production maintenance and critical environments. So if you think about industries like logistics and manufacturing, our teams are managing or maintaining production equipment and delivering corrective, predictive, and preventative maintenance programs that are improving asset conditions.

And what that does is result in near perfect production levels, high throughput, and maximizing uptime. I love to talk about how all of this comes to life. When I think about our client, Amazon, we love to talk about Amazon, one of our largest clients. We have been over the last 10 years moving up the automation curve with them. We started doing basic mechanical and electrical.

Today, we maintain 80,000 robots. We manage over 200 miles of advanced conveyance. We perform maintenance at 135 million square feet across 250 sites. So that is scale, that is technical expertise, and that is definitely operating rigor.

Andrew McDonald:

Yeah, and certainly moving up the value chain.

Mia Mends:

Yeah.

Andrew McDonald:

Thank you. It's a great one. So Marla, I'd like to come to you, same question, integrating platform and moving up the value chain.

Marla Maloney:

Thank you, Andrew. So I'll start by just describing investor services. So I run the investor services business. And as I think about what that is, let's just lay a foundation. As Brad mentioned earlier, the client is at the center of everything that we do. So I'll paint a picture for you. Our north star is client investor returns, right? So we're thinking about maximizing returns and all of the things that enable that.

It starts with capital markets. Miles mentioned the tip of the spear. There's financing involved. As we think about where that moves, it's leasing, it's retaining tenants, it's growing or increasing the opportunity for tenants to move in and just connecting the dots. Then tenants need specialized services. They need construction management. Every space is different.

Capital is deployed differently. Sometimes owners are investing in lobby renovations, amenitization and hospitality. You're hearing a lot about that lately. From there, property management steps in and they manage the day-to-day services of the business, of the tenants, all of their needs, contracting. There's client accounting in the mix, sustainability consulting, engineering.

And V&A is also in the investor platform, so valuation and advisory, the mark to market, the underwriting of the asset, due diligence, helping investors with that. So we're surrounding the investor with enterprise resources. We're working as a team across that I call it the deal wheel, right? If you think about the life cycle. When we think about moving up the value chain, it oftentimes starts with a single transaction, and there's increased complexity as we move through the life cycle of the asset.

I'll give you a specific example. A simple one. In 2022, we began working with a client called Real Capital Solutions. Real Capital Solutions came into the fold as a client needing V&A expertise. From there, our team members introduced the opportunity to leasing professionals, agency leasing in particular, as we thought about what they needed and we continued to listen from execution to advice. They wanted to invest in sustainability.

That was an important goal of theirs. And so our sustainability group looked at 16 assets across eight markets. As we thought about what they needed, they also needed to understand operating costs. So they asked us to do engineering audits across all of their portfolio and property management then began to work with them, not only in the engineering audit process, but also just managing the day-to-day assets.

Fast-forward to today, just recently, our team members across the enterprise worked with them as they're thinking about how to deploy capital and continue to grow their business.

Andrew McDonald:

Yeah. It's a wonderful example. Thank you. Aubrey, we'll end it with you on this question. So take us home on this question.

Aubrey Waddell:

Thank you. Yeah. So I'm Aubrey Waddell. I lead our Global Occupier Services business, which serves clients that use real estate to enable their business, but real estate in itself is not their core business. Their core business could be retail. It could be software development. It could be manufacturing, financial services in particular. We have really been experiencing this trend in financial services in particular, also life sciences, where clients that had been using Cushman & Wakefield potentially for just a single transaction.

For example, a big financial services client headquartered here in New York had used Cushman & Wakefield for years for Individual transactions, an office lease, maybe one particular project to build out new office space. That same client earlier this year decided to come to market for a full suite of outsourced real estate services, and they invited us to bid on that opportunity. And that is not something that probably would've happened three or four years ago for us.

We were awarded global lease administration for that client across a 65 million square foot portfolio and global project management across a $3 billion annual capital plan for 2,200 locations. It's a tremendous example of bringing the power of the enterprise together for the benefit of that client. So they're buying facility management, transaction management, project management, lease administration all from Cushman & Wakefield now.

Andrew McDonald:

It's a great example. It's clearly a theme that we keep on hitting on, which is how do you make one into two and two into three? And so how would you describe that just around a dinner table to someone, how do you make sure that we latch onto an incredible client of ours for a long period of time, and now all of a sudden, where we're doing one thing, we're doing nine?

Aubrey Waddell:

Yes.

Andrew McDonald:

So what is it?

Aubrey Waddell:

It's an evolution, I will say. Now, my children still don't know what I do, but it's having the client get to know us and really understand that we do have scale. I think there was a misunderstanding for a lot of years that we didn't have the scale that we would need to serve a client of that size and complexity.

Andrew McDonald:

Because we weren't organized in the right way.

Aubrey Waddell:

We weren't organized. We've got 40,000 people in our services business. We serve clients in 80 countries, and we are now, to your point, interconnected in a way that we never were before.

Andrew McDonald:

Thank you. Appreciate it. So Marla, the question's not necessarily only about margin, but we just talked about being more efficient in how we operate, integrating the systems, moving up the value chain. So maybe if I could ask you to talk a little bit about the use of technology and the transformation you've put into the businesses that you run, and maybe touch on how that impacts margin a little bit. Give an example.

Marla Maloney:

I will, Andrew. Thank you. First of all, this team manages six billion square feet. There's so much interconnectedness, and technology is at the center of what we're trying to do to solve complex problems, to create a flow through. So as I think about what we deliver every day to investor clients, the unsung heroes many times are our client accountants. Think about it. Every building has a unique set of financials, a unique set of reporting metrics.

We have almost 750 accountants that work in our client accounting organization. So when I think about margin, that's a cost center, but it's a really important deliverable that we deliver every month to clients. Would it

surprise you that we deliver almost 6,500 financials every month to clients? So a multiplier effect as you think about the amount of labor that requires the efficiency, the quality, the standards, SOC compliance.

So we're very calculated in how we think about the organization, and transformation is drastically impacting how we work in that organization. Michelle mentioned earlier operating with rigor. I think this is a really great example. As we think about those 6,500 financials, what we've done over the last 18 months is we've looked at those tasks that are repetitive, that were manual, that those 750 accountants are doing month after month after month that aren't high value work.

And we're thinking about things like client efficiency. Can we deliver financials earlier? And so using AI and thinking about those repetitive tasks, also centralizing a workforce. We used to talk about employees. Now talent includes a digital workforce. So 50 digital employees now work within the client accounting organization. It's the to and from That Brad was talking to earlier. That's just happened in the last 18 months. We're on a journey. We're really excited about the output. C&W benefits and clients win as well.

Andrew McDonald:

Excellent. Thank you. I want to get to two more questions before we end up here. So Mia, can I ask you to answer something in a similar way, similar question?

Mia Mends:

Absolutely. I actually really appreciate the question because we are leveraging technology as a differentiator, so automation, standardization, internet of things. I'd love to give you a couple of examples. One, we today are managing what we call an integrated connected self-perform platform. This is an engine, if you will, that is anchored by several key centers of excellence.

So think operational innovation, asset performance, client success, safety, talent acquisition, skills development, compliance, labor relations, sustainability, data and analytics. We are leveraging technology in an integrated way that allows us to ensure that we are optimizing the client experience at every step of the journey. So there are three important examples that I'd love to share.

So I mentioned internet of things, IoT. We are using temperature and motion sensors to move away from rigid preventative maintenance schedules. So by targeting our teams and effort where it's needed most, we're saving our clients 15%, up to 15% in preventative maintenance costs. The other thing I love to talk about is our safety platform. So we are absolutely outperforming the industry.

If you think about one of the most important measures of safety, we call it total recordable incident rate, TRIR, we are 55% lower than industry average. So that accrues to the bottom line. Most important, we're making sure our people go home safely every day. Speaking of people, the thing that gives me the most pride in our business is our culture of team uplift. The work our people do, our team members do, it's hard, it's not glamorous.

But at Cushman & Wakefield, we believe this work is noble. We want our people to feel respected and valued and inspired to grow in their work. And so we also leverage this platform, this engine, to train, think digital upskilling, certification programs, career pathways. This drives engagement. So today we have a turnover rate that is 25% versus an industry average of 75%. What that tells us is that a human-centered commitment to progress in our business drives retention, increases stability, leads to better performance, and ensures that we're keeping our clients longer through retention.

Andrew McDonald:

Thank you very much.

Mia Mends:

It's a win-win.

Andrew McDonald:

Okay. Appreciate that. Aubrey, maybe last question, unless we have one more minute. We've talked a lot about the increased complexity in which our clients are operating and increased demands to solve challenging problems. What's something that you've been dealing with or something that you've been able to solve for a client of recent?

Aubrey Waddell:

Yeah, so I think an example's probably the best way to address that, and it's one that we're really, really proud of. We work with an incredibly successful fast casual restaurant chain and support them in their development plans. And a few years ago, they really embarked on a massive, very ambitious expansion plan. One that was so ambitious and so massive that they just couldn't do it in house with the team that they had.

So they came to us and they said, "We need your help with everything in the development cycle." Site selection, due diligence, entitlement, design, construction, commissioning, and opening of these restaurants. And over the past several years, we've delivered 600 freestanding restaurants for that client. We'll do another 100 in 2026.

During that whole period, if you think about the complexities in the market, labor shortages that many of us have talked about, supply chain disruption, a pandemic, the fact that we were able to help them navigate through that complexity to eliminate friction and get to market is really exciting. The most exciting thing is how we took time out of their development cycle, 15% shorter development cycle from picking a site to opening it.

And that equates to about 12 weeks. So if you think about a successful fast casual restaurant, how much money they make in one week, multiply that by 12, and then multiply that by 100, which is the number of stores we're going to deliver for them next year, the value is immense. The services that we provide more than pay for themselves. And I think it's a great example of what Michelle said in her opening, which is our success is really our client's success.

Andrew McDonald:

Yeah. And it's a wonderful way to end this panel. And I think what I think about when you tell that story and the stories that you just told, and Marley, your examples, is that so much of this is beyond the execution of real estate. Much of what you all described is leveraging the real estate to solve corporate goals.

And that's what real consulting, real risk management, and real advice looks like. And I think that is the evolution of our services business. It's probably similar to the evolution that you heard about capital markets, the evolution in our leasing business that this industry is moving towards, and that's where Cushman & Wakefield is moving itself towards. So thank you very much for the time and appreciate it.

Aubrey Waddell:

Thank you.

VOG:

Please welcome Global Chief Financial Officer Neil Johnston.

Neil Johnston:

Good morning, everyone. Great to see so many familiar faces in the audience. Thanks for being here. What you've heard about this morning is you've heard about the strong progress we've made over the last two years. We've highlighted our key operating strategies. What I'm excited to show you today is how all of this translates into a compelling financial model. Our financial strategy is underpinned by three key tenants.

The first is a unique and diversified platform in an attractive market. The second is a compelling three-year plan, and the third is a business that is positioned for growth. So let's begin with the platform. Over the last two years, we've made tremendous progress. We've grown our earnings per share at a compound annual growth rate of 20%. We've focused on free cash, and we've improved our free cashflow margin from 50% to 70%.

And finally, we've paid off half a billion dollars of debt. Why is that important? Because we've brought down our leverage by a turn down to 3.2 times, and we've reduced our interest cost by more than $50 million. As we look at the platform, we have a differentiated platform of full global capabilities. Why is that important? It's important because we can bring all the capabilities to our clients and scale that platform.

So as the business grows, our margins grow. We also have a balanced set of businesses. Half of our revenue comes from our services businesses. That business is resilient, recurring, and drives strong free cash flow. The other half of our revenue comes from our advisory businesses, capital markets, leasing, valuations. Why do we like that business? Because that business grows with high margin.

So we have a very, very strong platform that underlies our overall financial framework. Let's take a look at each of these service lines. The first one is our services business. As we've spoken about a number of times on our calls, we have completely retooled that business, focusing on profitability and driving growth. We are retaining more business, we are winning more clients, and we are moving up the value chain.

We're creating a sticky business that grows margins. We have a world-class leading global leasing platform. We're gaining market share in all of the key asset classes. We're leveraging the platform with unmatched advice to our clients, and we're focusing on enterprise mandates, which drives our ability to grow the business across the platform.

We are unlocking new growth in our capital markets business. That business has rebounded this year. We expect it to grow in the 14 to 18% range. We're capturing global institutional clients. We investing and growing our key talent. And finally, we're rolling out a one of a kind technology platform that supports our advisors. Our fourth service line is what we used to call our appraisal business.

We're moving it from appraisals, which is a great business, into financial and advisory. And why is that important? It's important because we grow the business. We provide better advice to our clients, which makes the business much more sticky. The business becomes recurring and we grow the margin. This business has huge potential, especially in a data-driven and AI world.

So that's the platform. Let's now talk about our financial model. This is the first time we are rolling out a three-year plan, and that three-year plan has three-year targets. The plan is anchored on growing earnings per share. Our target over the next three years is to grow earnings per share at a compound annual growth rate of 15 to 20%. The plan is elegant in its simplicity.

It relies on three key levers. The first is accelerating the top line. The second is driving margin, and the third is lowering our cost of capital, cost of debt, and interest cost. As we look at our revenue, we've instilled a growth mindset in the company. We're driving growth through winning more business, through expanding our enterprise relationships, and through capturing high growth asset classes, a number of which you heard about today.

On the margin side, the good news here is we've already done the hard work. Over the last four years, we've taken more than $400 million out of the platform. We've integrated the business globally, and we continue to

drive efficiency as the business scales. Our target here is to grow our margins by 150 basis points over the next three years. The final piece is the balance sheet.

We've taken what was a liability and turned it into an asset. Over the last two years, we've saved $50 million of interest, and the credit markets have noticed it. We've been able to reprice our debt six times, and we've moved our tranche of term loan from SOFR plus 400 down to SOFR plus 250. We're not done, and this provides the third leg of our financial growth framework.

So as we put it all together, as I started with, pretty simple, but the results are pretty compelling. Revenue growth, six to 8%, margin growth, 150 basis points, reduction of interest, earnings per share growth at a compound annual growth rate, 15 to 20%. We've shown you the platform which supports the business. I've shown you the model. Why do we feel good about where we are?

Because the business is exceptionally well positioned for profitable growth. Over the last two years, we have focused heavily on free cashflow conversion. If you asked someone in the business three years ago about free cash flow, they'd look at you with bewilderment. Now, I was in Singapore, and in the Q&A session, someone raised their hand and asked me about free cash flow.

So we've permeated that throughout the organization, driving working capital, driving cash. We'll end the year with a free cashflow conversion rate of roughly 70%. That's up significantly from 50%. And we intend to hold that free cash flow conversion of somewhere between 60 and 80% over the full term of our financial plan. Why is that important? We'll generate over $800 million of free cash flow over the next three years, and that is what powers our growth as we look out over the plan.

We've introduced a much more disciplined and much more deliberate capital allocation process, and it's really focused in two key areas. The first is continuing to de-lever through paying down debt, and the second is driving organic growth through essentially three types of investments. The one is continuing to recruit and retain the best talent in the business. It's improving, enhancing, and growing our services capabilities across the globe, and it's really leveraging the incredible data we have to be able to provide our clients with unmatched advice.

Of course, we'll continue to look at M&A opportunities. If we can see tuck-in acquisitions, opportunities to improve our capabilities, things that we'll add to the platform, and we can find them at the right price, and now accretive, we'll absolutely do accretive M&A, but that will be the accelerator to the plan. So in conclusion, let me finish with where Michelle began. Our results demonstrate consistent financial performance. We've met our financial obligations, primarily reducing leverage and reducing debt,

And we've built an organization that is profit focused, growth focused, and ready to deliver on our financial framework. The final phase is really just scaling the momentum that we are currently seeing in the business to further accelerate revenue, to enhance our earnings, and to create a more financially resilient company. I personally am exceptionally excited about the opportunities for Cushman & Wakefield as we look out over the next three years. And I hope that spending time with us this morning creates the same level of confidence and excitement in each of you. Thanks very much. So we are now going to open up to Q&A. We're going to reset the stage and then Michelle and Andrew will join me on stage with Megan. Thanks very much.

Megan McGrath:

Okay. Thanks everybody. We are happy to take your questions. This is your time now, so please put your hand in the air. I will ask you two things before we get started. First of all, we'd love to stay focused on the long-term fundamentals of the business. So we're not planning to update '25 guidance today. So if we could stay away from the fourth quarter and focus on the long-term, given who you've got access to today, that will be much appreciated. Secondly, please state your name and your firm when you raise your hand and get the mic. Thank you.

Tony Polon:

Thanks. Tony Polon, JP Morgan. I have a question on data centers since it's so topical. I was wondering if maybe you can give an example of a couple of the key services that you provide there and just how the dollars and cents works. Like what do you charge? What is the fee structure? What do you make margin wise? No customer names, but just a little bit more context around just how it all flows and works.

Michelle MacKay:

Okay. Obviously we're not going to comment on fee structures. Tony gave me a little smile when he asked that question because he knows we're not going to go there. I think Ali did a pretty good job. I mean, we touch every aspect of it. We didn't talk about the history of Cushman in the space too, so I just want to hit on that. We've been in the data center space for about 15 years. So fees are made in land and site selection. They're made in overseeing construction of the asset. They're made in overseeing the management of those assets, and then on the financing side or acquisition side or appraisal side for the organization. They can also be made in a broad consulting assignment where we go in and help to identify for a particular operator where they should be locating or where there might be opportunity for them to purchase.

Brendan Lynch:

Good morning. Brendan Lynch from Barclays here. Thanks for taking my question. And thanks for the presentations this morning. This has been really helpful. Neil, in terms of the 150 basis points of margin expansion, to what extent does that reflect operating leverage or efficiency initiatives and perhaps any change in the mix?

Neil Johnston:

Sure. I think you summed it up very well. Those are the key drivers of margin as we look out over the next three years. It really is about continuing to drive efficiency. It is also just about leveraging the platform. The great news is we have, as I said, all the capabilities. So as the services business grows, we will see margin expand. There is also, as we think out over the plan, mix will clearly play a role in that. So depending on how we see the businesses grow over the next three years, that could affect margin slightly, but we feel pretty convicted in that 150 basis points as we look out over the next three years.

Michelle MacKay:

Yeah. And welcome. I know you're new to us actually. I understood you put your first research piece out on us yesterday. So we've been rebuilding and retooling this platform so that we can really create momentum and leverage off the platform itself. Building a global platform is rare. There are only a couple of us in the industry that have it, and now we're ready to size off of it. And to Neil's point, we're going to see margin accretion from that.

Ron Kamdem:

Ron Kamdem from Morgan Stanley. Thanks so much for the presentation.

Michelle MacKay:

Ron, is your mic on? Make sure.

Ron Kamdem:

Thanks so much. This is better. Ron Kamdem from Morgan Stanley. Thanks so much for the presentation. You've done a lot of hiring from the slide on the capital market side. Just wondering if you could talk a little bit more about sort of over that three-year horizon, what the hiring plan is and sort of the key areas that you're trying to fill through this time period. Thanks.

Michelle MacKay:

Okay. Do you want to take that one, Andrew?

Andrew McDonald:

Sure. Thank you for the question. So we see the capital markets build as a multi-year build, just like the transformation that you've seen in the operating model. This first year has been incredibly successful, I think, by anyone's standards and recruiting over 45 individuals. And it's important to know that these are individuals who have disparate skillsets from one another. These are people who are coming to us with a skillset that we want, that we want to grow within. And so your example of the question around data centers is a perfect application to that. But they're getting going. It takes a little bit of time to get into the system. But these are, I think, as Miles said, enterprise thinking individuals, real leaders in their space who are used to and desire to work across a large organization with data and capabilities across jurisdictions and not just within their own markets. So we're building this global capital markets business, and that requires us to do so, not just here in the United States, but as Miles has said, and Michelle has said, in Western Europe and in Asia as well. So think of it as a multi-year process. And these individuals that joined us within this year, give that a little bit of time for them to hit their stride.

Michelle MacKay:

They're definitely fueling though future growth for us starting next year. It's really important to hit the capital markets cycle with the right timing. And I've also indicated that we're getting a lot more reverse inquiry than we used to get, frankly, based on the work that we've done on the platform and the open market opportunity that some of those very talented individuals have in our organization in particular.

Andrew McDonald:

Yeah.

Steven Sheldon:

Hey, thanks. Steven Sheldon from William Blair. So really appreciate the three-year targets through 2028. So I wanted to ask a little bit about the potential cadence there. Are you expecting that type of performance each year, including 2026, or could some of the growth potentially be more front end loaded given we're in the early stages of a capital markets recovery? And then also wanted to ask, you've talked about potential monetization improvement from things like client expansion, retention. You gave some revenue uplift metrics. How were those factored into that three-year target as well?

Neil Johnston:

Sure. I can take that, Steven. So as we look at the cadence over the next three years, we see it as pretty consistent. Remember, the guide is all around earnings per share. That's the focus, and that's what's really driving the three-year framework. So as we look at 15 to 20%, expect that each and every year. We do continue to invest, and so that clearly also weighs in to how the profits will move over the three years. In terms of the

opportunity that Andrew laid out, that is not specifically built into the plan. That was more sensitivity analysis to help you and really understand the potential of the platform. And as we see benefits in each of those areas, that can certainly help us as we grow.

Razan:

Hey, sorry, here. Razan from JP Morgan. On the margin side, I have a question on what is the process like in terms of going through the contracts that's less profitable? I know you guys have been doing a great job on that front. How much has been through at this point? And then looking out, I think you guys mentioned moving to mid-size enterprise. Does that give you actually a higher margin apples to apples or is it lower? How does that play into the margin story of the 150 bips?

Michelle MacKay:

Do you want to take that one?

Neil Johnston:

Yeah, sure. So essentially we've completed all of the work that we did to retool and restructure our services business. And so with that behind us, we certainly will continue to see margin growth. It really depends on each of the individual service lines that drives the services margin, but we feel very good about that 150 basis points and how much of the services contributes to it versus how much of the advisory.

Michelle MacKay:

But just for a little more clarity on that, in terms of clients or customers with contracts that were not accretive to us, we're done with that work.

Neil Johnston:

Yeah. Right.

Mitch Germain:

Thanks. Mitch Germain, Citizens. Andrew, you referenced 60% strategic plan completion. Maybe A, what goes into measuring what that 60% is? And then B, do you ever get to a hundred given the evolving landscape, client needs are constantly changing?

Michelle MacKay:

That's a good question.

Mitch Germain:

Maybe just talk about kind of progress from here.

Andrew McDonald:

Yeah, that's a great question. So to answer the second part first, I don't know. I think the reality is that's an evergreen concept about transforming, making sure that you're staying ahead of where the puck is, making sure you're staying ahead of the problems that your clients are facing. I think that is going to be a forever exercise. As it relates to why we believe we're at the midpoint, I've been here a long time and I have some institutional knowledge of how we operated. And so I think that I use an element of that. I use where we were and I mentioned the fact that our data and tech stack was fragmented at best. Our data collection was held locally.

And I take a look at where we are today and it's a world of difference. So I think I take a look at our functions. I take a look at where we are in our technology. I take a look at where our advisors, how they're using technology, how we're feeding warm and hot leads to our advisors. I take a look at the productivity gains that we showed. And so there's a bit of a subjective element to that midpoint comment I made, but it certainly feels about right. And as it relates to are we going to be done at 100%, no, I mean, I hope we're not. I think that would be apathetic probably.

Michelle MacKay:

Yeah. And we've spent a lot of time making sure that culturally we have a group of individuals who accept change and look for it where it's necessary, especially in advance. Because if we're going to be guiding and aiding our clients in the best services and best solutions and bringing our whole enterprise, we have to be really agile. And any of us who've spent our careers in commercial real estate know that there's a bit of an embedded thought that this is the way things are done. We don't work that way anymore.

Julien Blouin:

Thank you. Julien Blouin with Goldman Sachs. There's a lot of talk about moving up the value chain on the services front, and I thought that was really interesting. And maybe relating that to the M&A point, the tuck-in M&A point, as you think about, maybe this would be for Andrew, as you think about what capabilities you would still like to add to the platform, if Neil and Michelle were to give you a blank check, what would you like to add that maybe is still a bit of, not a weakness, but maybe a hole in your services offering?

Andrew McDonald:

Sure. Why don't I hit a little bit of where we're maturing there, and then Michelle and I have had discussions around this, and why don't you hit on what your blank check would be, because you have a mature opinion about this, as do I. But listen, I think what we were trying to show just in that short 20 minutes up here was this concept of moving up the value chain is all about solving corporate goals for clients and where we've moved. You heard Aubrey talk about working with one of the world's fastest growing fast casual restaurant chains. And then you heard Mia talk about repairing robots and keeping conveyance going for Amazon. These are highly, highly technical skills that are required. And the people that we're hiring into that space have engineering backgrounds. And we're moving up from kind of cleaning in the janitorial aspects of that business of 10 years ago, 15 years ago into stuff that is far stickier. And as it relates to where we'd like to grow, I'd like to continue to grow in that space. We have a very, very strong reputation that we've earned in that space. And I see a tremendous amount of, not to use the word space again, but tremendous amount of white space to grow into, even with those exact clients that we just mentioned.

Michelle MacKay:

Yeah. And we're taking a builders first approach. We've spoken a bit about the reestablishment of the investment and risk committee, which we didn't talk about a lot here today. But to put down a more rigorous way to evaluate these opportunities, I come from a very strong and long investment background. So being a builder means that we're going to build our own technical expertise generally. There are areas out there, heating and cooling, that I might consider just as a broad category if that were something that we felt was smarter to acquire. One of the things you have to keep in balance when you become highly acquisitive, as you all know, is that it is more difficult to have a fully integrated platform. So if we were to go about buying, in this case, a heating and cooling expert, we would want to be sure there was not just financial alignment, but culture alignment with the organization.

Megan McGrath:

This might be a good time to hit a question from the webcast that's a little bit of a follow-up to that. I'm going to paraphrase this one, but can you talk a little bit about capital allocation priorities as we think about that $800 million in cash that we talked about generating over the next couple of years?

Michelle MacKay:

Yeah. Were you directing that to any of us or is that-

Megan McGrath:

Any of you, whoever you want.

Michelle MacKay:

Do you want-

Neil Johnston:

You want to go? I'm happy to go.

Michelle MacKay:

Yeah. Why don't you go?

Neil Johnston:

As I said during the presentation, two key areas are around continuing to deliver and then really driving our organic growth. So we'll continue with acquiring and training and growing our talent and driving our technical capabilities within the services group.

Seth Bergey:

Hi, Seth Bergey with Citi. Just kind of as we think about you highlighted the data centers business and then in the capital market segment, Abby and Miles touched on kind of excitement around office and retail. Just in the context of some of your peers who may be more exposed to one type of asset class, where do you see yourselves as you grow these businesses kind of being more exposed to within the commercial real estate space?

Michelle MacKay:

I mean, in terms of exposure issue, it's an interesting way to phrase it because we don't own any real estate. Some of our peers do. So we don't have direct exposure to these asset classes in the same way. We want to make sure that we're always building out, say, our leasing or capital markets business or talent across the board to be able to handle all the asset classes. Historically, we've been very strong in office and that's paid us very well over the last couple of years. But as you see, we're also building really substantial platforms in alternate asset classes. We highlighted data centers, but we're also looking at areas like life science as well.

Patrick O'Shaughnessy:

Patrick O'Shaughnessy from Raymond James. So you spent a lot of time today talking about becoming more global in nature and trying to go upmarket. Some of your larger peers have spoken about similar themes in

recent years as well. How do you see yourselves as differentiated versus some of those larger firms against which you compete?

Michelle MacKay:

Yeah. It's interesting. People ask me this question a lot. It's a great question. One of the reasons we put so many people in front of you today is because if I tell you we differentiate ourselves on talent, it doesn't ground you in what I'm talking about. What you saw today is differentiated talent, expertise across the board, people who are really activated and motivated and will drive this company to a new place. That is a big differentiator of ours. Second is that we want to bring the whole platform. We talk about it out loud, we're de-siloed. That is a competitive advantage as far as we're concerned in the way that we've organized ourselves.

Megan McGrath:

I'll read you one more from the webcast, which is, can you talk a little bit about your macro assumptions over the next couple of years and how they underline your forecast?

Neil Johnston:

Absolutely. So as we look out over that plan, we sort of expect the economy to keep going at a similar pace to what we've seen over the last year. So there's no hockey stick or anything built into that plan. We're seeing good momentum in the business, as I spoke about, and so that really is sort of coloring how we see things going forward.

Michelle MacKay:

Yeah. And as those of you who have worked with us know, we're very transparent individuals. And we are taking a point of view that is we want to create a model and put out the numbers that we put out today that are highly attainable. We've talked a bit about the icing on the cake, whether that's through some of the conversations Andrew's had or your comments around M&A or some of the questions we've had around that. This is the kind of guidance we give because we believe it is very attainable for the company.

Megan McGrath:

Tony.

Neil Johnston:

Tony.

Tony Polon:

Thanks. Tony Polon, JP Morgan again. I think Brad talked about just the recovery in office and leasing there and the growth prospects. Do you have a view on what the impact might be of AI on office where you have a recovery on one hand, but on the other, the potential of losing jobs because of efficiency and where that all goes?

Michelle MacKay:

Yeah. I mean, we haven't obviously seen that translate yet. What we've actually seen so far with regard to AI is we're tracking and executing more and more deals as it relates to companies that are being built around AI. We also believe as a company that what we've seen past COVID is that corporations value their real estate. You might be talking about something that's back office, which we do, but a lot of the focus of what we do is in

major markets in the US, and we don't believe you're going to see substantial implications in leasing in those major markets.

Steven Sheldon:

Thanks. Steven Sheldon with William Blair again. I wanted to ask about the voluntary turnover. I think you guys noted that's down, I think it was 520 basis points. So can you dig into that, I guess, a little bit more? What's driving it? Where are you seeing that improvement by service line, by region, by level of seniority? And then is there anything to call, I guess you could call it maybe a couple, two or three factors that are kind of the biggest reasons that you think that voluntary turnover may be trending more favorably?

Michelle MacKay:

Sure. And I'll let you know that Holly Tyson, who's our global head of HR, is here today. And you can get some more of the specifics with her after we break from questions, but I'll give you some broad swipes at this one. We've lost less of our high potential talent. That's what that number represents. So we have a ranking schedule when we evaluate, one through five, five being our highest. So where that number has become really compelling is we're talking about losing less of our fours and fives. The reason why I think they're staying is because we've gone through a clear articulation of a strategy and a plan. We distribute that information across the globe. Neil mentioned on our trip to Singapore that people are talking to him about free cash flow. This is what we're talking about. But we also give them ownership with accountability and that kind of responsibility. Historically, in a lot of large companies, power and decision making is held at the center. We believe in our people because we're hiring the right people and we say it out loud the way I'm saying it to you today, and that helps create a culture of stickiness.

Ron Kamdem:

Ron Kamdem, Morgan Stanley again. Just wanted to double click on the margin target for the next sort of three years, 150 basis points. Maybe can you just detail how's that going to be executed through their organization? Does every business unit have a target that they're trying to hit, is number one? And number two, how did you think about the investments that you're making in hiring, which may take a little bit of time before you sort of get a payback? How was that factored in?

Neil Johnston:

Great questions. I'll answer the second part first. The investments that we're making in organic investments are factored into that margin as we go forward. In terms of each of the individual businesses, yes, When we put together our annual plan and when we put together our three-year plan, the businesses, we basically give each of the businesses a target. And I think the biggest change is we've introduced a cost discipline within the company. So it's a growth mindset with cost discipline. And so each of the businesses are driving not only that top line, but figuring out how to do it in the most cost-effective way, and that then rolls up to the overall margin growth.

Michelle MacKay:

Yeah. And I want to underscore something that I said when I opened up today. We've created a new way for our own team to get at financial information in these data dashboard systems. So every four weeks we come together and we've got the long-term plan in there. In this case, three to five years out. We've got the short-term, the six month, the one month. And so we're able to step into it together. I will also say culturally, what we're not doing is blaming someone for missing a target. We're working together as a team and a unit to find the solve. Because you can't be perfect. And if you end up missing margin by 25 basis points, but you did

everything that we thought you should be doing, we're going to work as a team to find it somewhere else in the organization.

Megan McGrath:

I think we have time for one more question.

Ardevan Yaghoubi:

Hi there. Ardevan Yaghoubi with Millennium. Just on that 150 basis points, I was hoping to get, and I know you guys report geographically, not by segment, but is it fair to think that the bulk of that 150 is going to come out of PMFM just given that cap markets leasing and valuation are unlikely to change dramatically? So is that a fair takeaway or is the 150 distributed due to scale and some geographic changes?

Neil Johnston:

Ardevan, I think you're right. I think it is primarily in our services business. Although mix in our advisory as our advisory business grows slightly faster than our services business, you will see some of that mix playing in as well.

Megan McGrath:

Great. Well, this is going to conclude our Q&A session. If you're here in the room with us, please feel free to come out into the anteroom and talk with our senior leaders and learn more. We also have a table out there if you didn't see it with a lot of our macro research there and some members of our think tank who would also love to answer your question. Thank you so much for being with us today.

Michelle MacKay:

Thank you.

Andrew McDonald:

Thank you.

Neil Johnston:

Thanks, everyone.