

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2018

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from _____ to _____

Commission File Number 001- 38611

Cushman & Wakefield plc

(Exact name of Registrant as specified in its charter)

England and Wales
**(State or other jurisdiction of
incorporation or organization)**

**125 Old Broad Street
London, United Kingdom**
(Address of principal executive offices)

+20 13296 3000

(Registrant's telephone number, including area code)

98-1193584
**(I.R.S. Employer
Identification Number)**

EC2N 1AR
(Zip Code)

**(Former name, former address and
former fiscal year, if changed since last report)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Non-accelerated filer ☒

Accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒.

As of October 31, 2018, 216,047,102 of the Registrant's ordinary shares, \$0.10 nominal value per share, were outstanding.

FORM 10-Q

September 30, 2018

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Part I. Financial Information
Item 1. Financial Statements

Cushman & Wakefield plc
Condensed Consolidated Balance Sheets

(in millions, except per share data) (unaudited)	As of	
	September 30, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 939.0	\$ 405.6
Trade and other receivables, net of allowance balance of \$42.4 million and \$35.3 million, as of September 30, 2018 and December 31, 2017, respectively	1,299.9	1,314.0
Income tax receivable	11.0	14.6
Prepaid expenses and other current assets	373.9	176.3
Total current assets	2,623.8	1,910.5
Property and equipment, net	295.6	304.3
Goodwill	1,771.0	1,765.3
Intangible assets, net	1,166.5	1,306.0
Equity method investments	8.1	7.9
Deferred tax assets	67.4	71.1
Other non-current assets	500.0	432.8
Total assets	\$ 6,432.4	\$ 5,797.9
Liabilities and Shareholders' Equity		
Current liabilities:		
Short-term borrowings and current portion of long-term debt	\$ 40.6	\$ 59.5
Accounts payable and accrued expenses	748.4	771.2
Accrued compensation	874.9	864.8
Income tax payable	8.9	35.7
Other current liabilities	228.1	234.4
Total current liabilities	1,900.9	1,965.6
Long-term debt	2,646.5	2,784.0
Deferred tax liabilities	107.9	157.5
Other non-current liabilities	368.0	386.9
Total liabilities	5,023.3	5,294.0
Commitments and contingencies (See Note 11)		
Shareholders' Equity:		
Ordinary shares, nominal value \$0.10 per share, 208.7 issued and outstanding at September 30, 2018 and ordinary shares nominal value \$10.00 per share, 145.1 shares issued and outstanding at December 31, 2017	20.9	1,451.3
Additional paid-in capital	2,789.2	305.0
Accumulated deficit	(1,302.2)	(1,165.2)
Accumulated other comprehensive loss	(98.8)	(87.2)
Total equity	1,409.1	503.9
Total liabilities and shareholders' equity	\$ 6,432.4	\$ 5,797.9

The accompanying notes form an integral part of these Condensed Consolidated Financial Statements.

Cushman & Wakefield plc
Condensed Consolidated Statements of Operations

(in millions, except per share data) (unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenue	\$ 2,076.0	\$ 1,709.3	\$ 5,818.0	\$ 4,871.2
Costs and expenses:				
Cost of services (exclusive of depreciation and amortization)	1,687.2	1,421.3	4,725.2	4,037.6
Operating, administrative and other	307.4	276.0	914.2	838.8
Depreciation and amortization	71.6	64.1	213.0	193.0
Restructuring, impairment and related charges	(1.2)	2.5	2.8	12.7
Total costs and expenses	2,065.0	1,763.9	5,855.2	5,082.1
Operating income (loss)	11.0	(54.6)	(37.2)	(210.9)
Interest expense, net of interest income	(92.7)	(49.2)	(189.1)	(134.9)
Earnings from equity method investments	0.4	0.5	1.2	1.0
Other (expense) income, net	(0.3)	0.9	2.7	1.2
Loss before income taxes	(81.6)	(102.4)	(222.4)	(343.6)
Benefit from income taxes	(32.9)	(23.8)	(49.5)	(98.0)
Net loss	\$ (48.7)	\$ (78.6)	\$ (172.9)	\$ (245.6)
Basic and diluted loss per share:				
Loss per share attributable to common shareholders	\$ (0.26)	\$ (0.55)	\$ (1.09)	\$ (1.71)
Weighted average shares outstanding for basic and diluted loss per share	184.0	144.1	158.5	143.6

The accompanying notes form an integral part of these Condensed Consolidated Financial Statements.

Cushman & Wakefield plc
Condensed Consolidated Statements of Comprehensive Loss

(in millions) (unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net loss	\$ (48.7)	\$ (78.6)	\$ (172.9)	\$ (245.6)
Other comprehensive income (loss), net of tax:				
Designated hedge gains (losses)	4.6	1.8	26.2	(12.3)
Defined benefit plan actuarial gains	0.1	0.1	0.2	0.3
Foreign currency translation	(12.4)	13.2	(38.0)	53.6
Total other comprehensive (loss) income	(7.7)	15.1	(11.6)	41.6
Total comprehensive loss	<u>\$ (56.4)</u>	<u>\$ (63.5)</u>	<u>\$ (184.5)</u>	<u>\$ (204.0)</u>

The accompanying notes form an integral part of these Condensed Consolidated Financial Statements.

Cushman & Wakefield plc
Condensed Consolidated Statements of Equity for the nine months ended September 30, 2018 and 2017

(in millions) (unaudited)	Ordinary Shares	Accumulated Other Comprehensive Income (Loss)								Total Equity
		Ordinary Shares (\$)	Additional Paid In Capital	Accumulated Deficit	Unrealized Hedging (Losses) Gains	Foreign Currency Translation	Defined Benefit Plans	Total Accumulated Other Comprehensive Loss, net of tax		
Balance as of December 31, 2016	143.1	\$ 1,430.8	\$ 252.4	\$ (944.7)	\$ 17.4	\$ (155.5)	\$ (10.4)	\$ (148.5)	590.0	
Share issuances	1.3	12.9	(1.5)	—	—	—	—	—	11.4	
Net loss	—	—	—	(245.6)	—	—	—	—	(245.6)	
Stock-based compensation	—	—	33.5	—	—	—	—	—	33.5	
Foreign currency translation	—	—	—	—	—	53.6	—	53.6	53.6	
Defined benefit plans actuarial gain	—	—	—	—	—	—	0.3	0.3	0.3	
Unrealized loss on hedging instruments	—	—	—	—	(23.7)	—	—	(23.7)	(23.7)	
Amounts reclassified from AOCI to the statement of operations	—	—	—	—	11.4	—	—	11.4	11.4	
Balance as of September 30, 2017	144.4	\$ 1,443.7	\$ 284.4	\$ (1,190.3)	\$ 5.1	\$ (101.9)	\$ (10.1)	\$ (106.9)	430.9	

(in millions) (unaudited)	Ordinary Shares	Accumulated Other Comprehensive Income (Loss)								Total Equity
		Ordinary Shares (\$)	Additional Paid In Capital	Accumulated Deficit	Unrealized Hedging (Losses) Gains	Foreign Currency Translation	Defined Benefit Plans	Total Accumulated Other Comprehensive Loss, net of tax		
Balance as of December 31, 2017	145.1	\$ 1,451.3	\$ 305.0	\$ (1,165.2)	\$ 19.6	\$ (101.1)	\$ (5.7)	\$ (87.2)	503.9	
Capital reduction (see Note 1)	—	(1,436.7)	1,436.7	—	—	—	—	—	—	
Adoption of new revenue accounting standard (see Note 5)	—	—	—	35.9	—	—	—	—	35.9	
Share issuances	1.3	0.1	8.8	—	—	—	—	—	8.9	
Net loss	—	—	—	(172.9)	—	—	—	—	(172.9)	
Stock-based compensation	—	—	54.4	—	—	—	—	—	54.4	
Foreign currency translation	—	—	—	—	—	(38.0)	—	(38.0)	(38.0)	
Defined benefit plans actuarial gain	—	—	—	—	—	—	0.2	0.2	0.2	
Unrealized gain on hedging instruments	—	—	—	—	38.6	—	—	38.6	38.6	
Amounts reclassified from AOCI to the statement of operations	—	—	—	—	(12.4)	—	—	(12.4)	(12.4)	
Proceeds from IPO and Concurrent Private Placement, net of underwriting and other expenses	62.3	6.2	987.7	—	—	—	—	—	993.9	
Other activity	—	—	(3.4)	—	—	—	—	—	(3.4)	
Balance as of September 30, 2018	208.7	\$ 20.9	\$ 2,789.2	\$ (1,302.2)	\$ 45.8	\$ (139.1)	\$ (5.5)	\$ (98.8)	1,409.1	

The accompanying notes form an integral part of these Condensed Consolidated Financial Statements.

Cushman & Wakefield plc
Condensed Consolidated Statements of Cash Flows

(in millions) (unaudited)	Nine Months Ended	
	September 30, 2018	September 30, 2017
Cash flows from operating activities		
Net loss	\$ (172.9)	\$ (245.6)
Reconciliation of net loss to net cash used in operating activities:		
Depreciation and amortization	213.0	193.0
Unrealized foreign exchange loss (gain)	7.8	(12.2)
Stock-based compensation	49.7	37.4
Loss on debt extinguishment	50.4	—
Amortization of debt issuance costs	10.4	11.2
Change in deferred taxes	(62.2)	(139.6)
Bad debt expense	12.4	6.0
Other non-cash operating activities	(3.5)	4.0
Changes in assets and liabilities:		
Trade and other receivables	(3.3)	(162.4)
Income taxes payable	(24.2)	8.7
Prepaid expenses and other current assets	(69.5)	(23.8)
Other non-current assets	68.8	26.9
Accounts payable and accrued expenses	(10.6)	67.7
Accrued compensation	(67.1)	(47.7)
Other current and non-current liabilities	(39.3)	33.9
Net cash used in operating activities	(40.1)	(242.5)
Cash flows from investing activities		
Payment for property and equipment	(61.5)	(95.4)
Proceeds from sale of property, plant and equipment	0.5	0.3
Acquisitions of businesses, net of cash acquired	(22.2)	(82.7)
Investments in equity securities	(7.2)	—
Return of beneficial interest in a securitization	(85.0)	—
Collection on beneficial interest in a securitization	—	84.8
Other investing activities, net	0.1	—
Net cash used in investing activities	(175.3)	(93.0)
Cash flows from financing activities		
Net proceeds from issuance of shares	9.0	10.5
Shares repurchased for payment of employee taxes on stock awards	(6.7)	(3.9)
Payment of contingent consideration	(22.3)	(7.1)
Proceeds from long-term borrowings	2,936.5	310.7
Repayment of borrowings	(3,126.1)	(132.6)
Debt issuance costs	(24.4)	(4.4)
Proceeds from initial public offering, net of underwriting	831.4	—
Proceeds from private placement	179.5	—
Payments of initial offering and private placement costs	(17.0)	—
Payment of finance lease liabilities	(8.8)	(5.2)
Other financing activities, net	(6.9)	—
Net cash provided by financing activities	744.2	168.0
Change in cash, cash equivalents and restricted cash	528.8	(167.5)
Cash, cash equivalents and restricted cash, beginning of the period	467.9	424.8
Effects of exchange rate fluctuations on cash, cash equivalents and restricted cash	0.5	14.5
Cash, cash equivalents and restricted cash, end of the period	\$ 997.2	\$ 271.8

The accompanying notes form an integral part of these Condensed Consolidated Financial Statements.

Cushman & Wakefield plc
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1: Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared under accounting principles generally accepted in the United States ("U.S. GAAP" or "GAAP") and in conformity with rules applicable to quarterly financial information. The Condensed Consolidated Financial Statements as of September 30, 2018 and for the three and nine months ended September 30, 2018 and 2017 are unaudited. All adjustments, consisting of normal recurring adjustments, except as otherwise noted, considered necessary for a fair presentation of the unaudited interim Condensed Consolidated Financial Statements for these interim periods have been included.

Readers of this unaudited consolidated quarterly financial information should refer to the audited Consolidated Financial Statements and notes to the Consolidated Financial Statements of Cushman & Wakefield plc and its subsidiaries ("Cushman & Wakefield," the "Company," "we," "our" and "us") for the year ended December 31, 2017 included in our final prospectus (the "Prospectus") as filed with the Securities and Exchange Commission (the "SEC") on August 3, 2018, pursuant to Rule 424(b) under the Securities Act of 1933, as amended (the "Securities Act"). Certain footnote disclosures that would substantially duplicate those contained in such audited financial statements or which are not required by the rules and regulations of the SEC for interim financial reporting have been condensed or omitted.

The Prospectus was filed in connection with our initial public offering ("IPO") of ordinary shares that took place in the third quarter of 2018. Public trading in the Company's ordinary shares began on August 2, 2018.

Refer to Note 2: Summary of Significant Accounting Policies of the Notes to Consolidated Financial Statements in the Company's audited Consolidated Financial Statements for the year ended December 31, 2017 for further discussion of the Company's accounting policies and estimates.

Due to seasonality, the results of operations for the three and nine months ended September 30, 2018 are not necessarily indicative of the results of operations to be expected for the year ended December 31, 2018 .

The Company provides for the effects of income taxes on interim financial statements based on estimates of the effective tax rate for the full year, which is based on forecasted income by country and enacted tax rates.

On July 6, 2018, the shareholders of DTZ Jersey Holdings Limited exchanged their shares in DTZ Jersey Holdings Limited for interests in newly issued shares of Cushman & Wakefield Limited, a private limited company incorporated in England and Wales (the "Share Exchange"). On July 12, 2018, Cushman & Wakefield Limited reduced the nominal value of each ordinary share issued to \$0.01 (the "Capital Reduction"). On July 19, 2018, Cushman & Wakefield Limited re-registered as a public limited company organized under the laws of England and Wales (the "Re-registration") named Cushman & Wakefield plc. Following the Re-registration, the Company undertook a share consolidation of its outstanding ordinary shares (the "Share Consolidation"), which resulted in a proportional decrease in the number of ordinary shares outstanding as well as corresponding adjustments to outstanding options and restricted share units on a 10 for 1 basis. The transactions described above are collectively referred to herein as the "Corporate Reorganization". As a result of the Capital Reduction, the Company's ordinary shares have a nominal value of \$0.10 .

On August 6, 2018, the Company completed an IPO of its ordinary shares in which it issued and sold 51.8 million ordinary shares at a price of \$17.00 per share. On August 6 and 7, 2018, the Company completed a concurrent private placement (the "Concurrent Private Placement") of its ordinary shares in which it sold 10.6 million shares to Vanke Service (Hong Kong) Co., Limited ("Vanke Service") at a price of \$17.00 per share. The IPO and Concurrent Private Placement resulted in net proceeds of approximately \$1.0 billion after deducting offering fees and other direct incremental costs.

Tax Act Update

On December 22, 2017, H.R. 1, the Tax Cuts and Jobs Act ("the Tax Act") was enacted. The Tax Act significantly revised the U.S. corporate income tax regime by, among other things, (i) lowering the U.S. corporate rate from 35% to 21% effective January 1, 2018, (ii) implementing a new tax system on non-U.S. earnings and imposing a one-time repatriation tax ("transition tax") on earnings of foreign subsidiaries not previously taxed in the U.S. payable over an eight-year period, (iii) limitations on the deductibility of interest expense and executive compensation, (iv)

creation of a new minimum tax otherwise known as the Base Erosion Anti-Abuse Tax ("BEAT") and (v) a requirement that certain income such as Global Intangible Low-Taxed Income ("GILTI") earned by foreign subsidiaries be included in U.S. taxable income. U.S. GAAP requires the impact of tax legislation to be recognized in the period in which the law was enacted. As a result of additional information and analysis during the period, the net benefit as of September 30, 2018 is approximately \$93.1 million, an increase of \$32.2 million from December 31, 2017 and an increase of \$10.0 million from June 30, 2018. This increase from amounts calculated as of December 31, 2017 resulted from a \$0.7 million increase in the tax benefit to \$124.9 million from \$124.2 million and a \$31.5 million decrease in tax expense due to increased foreign tax credit utilization from \$63.3 million to \$31.8 million. Amounts were recorded in Benefit from income taxes in the unaudited condensed consolidated statement of operations.

In December 2017, the SEC staff issued Staff Accounting Bulletin No. 118 ("SAB 118"), *Income Tax Accounting Implications of the Tax Cuts and Jobs Act*, which allows the Company to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. The remeasurement of the net deferred tax liabilities as well as the transition tax represent provisional amounts and the Company's current best estimate. The provisional amounts incorporate assumptions that have been made based upon the Company's current interpretation of the Tax Act and may change as a result of the Company completing further analysis, changes in the Company's interpretations and assumptions, additional regulatory guidance that may be issued and actions the Company may take as a result of the Tax Act. Any adjustments recorded to the provisional amounts through the SAB 118 measurement period ending December 31, 2018 will be included in the statement of operations as an adjustment to the tax provision.

Because of the complexity of the new GILTI tax rules, the Company continues to evaluate this provision of the Tax Act and the application of Accounting Standards Codification ("ASC") 740, Income Taxes. Under U.S. GAAP, the Company is allowed to make an accounting policy choice of either (1) treating taxes due on future U.S. inclusions in taxable income related to GILTI as a current-period expense when incurred (the "period cost method") or (2) factoring such amounts into the Company's measurement of its deferred taxes (the "deferred method"). The Company has analyzed its structure and, as a result, has estimated the effect of this provision of the Tax Act to be \$8.1 million of expense in 2018, a decrease of \$3.4 million in the estimate recorded for the six months ended June 30, 2018. The Company has elected to treat taxes due on future U.S. inclusions in taxable income related to GILTI under the period cost method and has included the estimate of \$8.1 million in 2018 as a current-period expense. Additionally, the Company is estimating a Subpart F inclusion tax liability of \$6.0 million in 2018 as a current-period expense.

Note 2: New Accounting Standards

The Company has adopted the following new accounting standards:

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") and the International Accounting Standards Board issued a converged standard on recognition of revenue from contracts with customers, Accounting Standard Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (together with all subsequent amendments, "*Topic 606*"), which replaced most existing revenue recognition guidance under U.S. GAAP. The core principle of Topic 606 requires companies to reevaluate when revenue is recorded on a transaction based upon newly defined criteria, either at a point in time or over time as goods or services are delivered. Topic 606 requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and estimates, and changes in those estimates.

The Company adopted Topic 606 effective January 1, 2018 using the modified retrospective transition approach. Refer to Note 5: Revenue for the impact the adoption of these standards had on the Company's financial statements and related disclosures.

Stock Compensation

In May 2017, the FASB issued ASU No. 2017-09, *Scope of Modification Accounting (Topic 718)*. The ASU amends the scope of modification accounting for stock-based payment awards. Under the new guidance, modification accounting is required only if the fair value, vesting conditions or classification of the award (as equity or liability) changes as a result of the change in terms. The Company adopted this standard effective January 1, 2018 on a prospective basis, with no material impact on its financial statements or related disclosures.

Pension Cost

In March 2017, the FASB issued ASU No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (Topic 715)*. The new guidance is intended to classify costs according to their nature and better align the effect of defined benefit plans on operating income with International Financial Reporting Standards. The ASU also provides additional direction on the components eligible for capitalization. The new guidance is required to be applied retrospectively for the change in statement of operations presentation, while the change in capitalized benefit cost is to be applied prospectively. The Company adopted this standard effective January 1, 2018 on a retrospective basis, reclassifying net periodic pension costs other than service cost to Other income, net. This standard had an immaterial impact on the unaudited condensed consolidated statements of operations for the three and nine months ended September 30, 2018 and 2017.

Business Combinations

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations: Clarifying the Definition of a Business (Topic 805)*. The new guidance provides that when substantially all the fair value of the assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the asset is not a business. The Company adopted this standard effective January 1, 2018 on a prospective basis, with no material impact on the Company's financial statements and related disclosures.

Cash Flows

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The new guidance is intended to reduce the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The ASU requires the classification of eight specific cash flow issues identified under ASC 230 to be presented as either financing, investing or operating, or some combination thereof, depending upon the nature of the issue. The new guidance is required to be adopted retrospectively for all of the issues identified to each period presented. The Company adopted this standard effective January 1, 2018 on a retrospective basis.

As a result of adoption, for the nine months ended September 30, 2017, the Company classified a cash inflow of \$85.0 million as investing activities within the unaudited condensed consolidated statement of cash flows, and classified \$43.2 million as Non-cash investing activities as disclosed in Note 15: Supplemental Cash Flow Information related to the Company's Accounts Receivable Securitization program (the "A/R Securitization"). Refer to Note 14: Accounts Receivable Securitization for additional information. The other cash flow issues included in ASU No. 2016-15 had an immaterial impact on the statement of cash flows.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The new guidance requires restricted cash to be presented with cash and cash equivalents in the statement of cash flows. The Company's restricted cash balances are presented in the statement of financial position within Prepaid expenses and other current assets. Under the new guidance, changes in the Company's restricted cash will be classified as either operating activities or investing activities in the statement of cash flows, depending on the nature of the activities that gave rise to the restriction. The Company adopted this standard effective January 1, 2018 using the retrospective transition method.

Intangibles - Internal-Use Software

In August 2018, the FASB issued ASU 2018-15, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40)*. The ASU clarifies and aligns the accounting for implementation costs for hosting arrangements with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. This ASU is effective for public companies for annual reporting periods and interim periods within those annual periods beginning after December 15, 2019. The Company has early adopted this standard effective July 1, 2018 on a prospective basis, with no material impact on its financial statements and related disclosures.

The following recently issued accounting standards are not yet required to be reflected in the unaudited condensed consolidated financial statements of the Company:

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (together with all subsequent amendments, *Topic 842*), which will replace most existing lease guidance under U.S. GAAP when it becomes effective. The new guidance requires a lessee to record a right of use ("ROU") asset and a corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. Companies will recognize expenses for real estate related

leases on the statements of operations in a manner similar to current accounting guidance and, for lessors, the guidance remains substantially similar to current U.S. GAAP.

In July 2018, the FASB issued two additional amendments that affect the guidance issued in ASU 2016-02 as described in the following updates ASU 2018-10, *Codification Improvements to Topic 842, Leases* and ASU 2018-11, *Leases (Topic 842): Targeted Improvements*. The amendments in ASU 2018-10 affect narrow aspects of the guidance issued in ASU 2016-02. The amendments in ASU 2018-11 provide an alternative (and optional) transition method that allows entities to apply the transition provisions in ASU 2016-02 at the adoption date instead of at the earliest comparative period presented in the financial statements. The Company is electing to use the optional transition method. The new guidance is effective for public companies for annual reporting periods and interim periods within those annual periods beginning after December 15, 2018, with early adoption permitted. Upon adoption, the Company will not revise comparative financial statements or disclosures.

The Company's current operating lease portfolio is primarily comprised of real estate, motor vehicle and IT equipment leases. Upon adoption, the Company expects to recognize operating lease ROU assets and operating lease liabilities related to operating lease arrangements. The Company is currently evaluating and quantifying the expected adoption impact and expects it to have a significant impact on the condensed consolidated balance sheets due to the recognition of ROU assets and operating lease liabilities. In addition, the Company has made accounting policy elections for certain practical expedients offered by the new guidance, such as the practical expedients to not reassess lease classification, lease term or initial direct costs for the existing lease portfolio, as well as to not separate lease and non-lease components. Furthermore, the Company will utilize the portfolio approach in selecting the discount rate used to discount future minimum lease payments for the calculation of the ROU assets and operating lease liabilities for certain equipment leases.

Income Taxes

In February 2018, the FASB issued ASU No. 2018-02, *Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. The new guidance allows a reclassification from accumulated other comprehensive income to retained earnings for any stranded tax effects resulting from the H.R. 1, Tax Cuts and Jobs Act that was enacted on December 22, 2017. The new guidance is effective for public companies for annual reporting periods and interim periods within those annual periods beginning after December 15, 2018. The Company has evaluated the effect of this ASU on its financial statements noting no material impact on its financial statements and related disclosures.

Stock Compensation

In June 2018, the FASB issued ASU No. 2018-07, *Compensation - Stock Compensation: Improvements to Nonemployee Share-Based Payment Accounting (Topic 718)*. The ASU supersedes ASC 505-50, *Equity-Based Payments to Non-Employees* and expands the scope of Topic 718 to include stock-based payments granted to non-employees. Under the new guidance, the measurement date and performance and vesting conditions for stock-based payments to non-employees are aligned with those of employees, most notably aligning the award measurement date with the grant date of an award. The new guidance is required to be adopted using the modified retrospective transition approach and is effective for public companies for annual reporting periods and interim periods within those annual periods beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the effect, if any, that the ASU will have on its financial statements and related disclosures.

Additional Accounting Standard Changes

In July 2018, the FASB issued ASU 2018-09, *Codification Improvements*. The amendments in ASU 2018-09 represent changes to clarify, correct errors in or make minor improvements to the Codification, eliminating inconsistencies and providing clarifications in current guidance. This ASU is effective for public companies for annual reporting periods and interim periods within those annual periods beginning after December 15, 2018. The Company is currently evaluating the effect, if any, that the ASU will have on its financial statements and related disclosures.

Fair Value

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU modifies the disclosure requirements in Topic 820 by removing certain disclosure requirements related to the fair value hierarchy, modifying existing disclosure requirements related to measurement uncertainty and adding new disclosure requirements, such as disclosing the changes in unrealized gains and losses for the period included in other comprehensive income for

recurring Level 3 fair value measurements held at the end of the reporting period and disclosing the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. This ASU is effective for public companies for annual reporting periods and interim periods within those annual periods beginning after December 15, 2019. The Company is currently evaluating the effect, if any, that the ASU will have on its financial statements and related disclosures.

Retirement Benefit Plans

In August 2018, the FASB issued ASU 2018-14, *Compensation - Retirement Benefits - Defined Benefit Plans - General (Topic 715-20): Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans*. The ASU modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. This ASU is effective for public companies for annual reporting periods and interim periods within those annual periods beginning after December 15, 2020. The Company is currently evaluating the effect, if any, that the ASU will have on its financial statements and related disclosures.

Consolidation

In October 2018, the FASB issued ASU 2018-17, *Targeted Improvements to Related Party Guidance for Variable Interest Entities Consolidation (Topic 810)*. This ASU amends the guidance surrounding the assessment and consolidation of variable interest entities. This ASU is effective for public companies for annual reporting periods and interim periods within those annual periods beginning after December 15, 2019. The Company is currently evaluating the effect, if any, that the ASU will have on its financial statements and related disclosures.

Note 3: Segment Data

The Company reports its operations through the following segments: (1) Americas, (2) Europe, the Middle East and Africa ("EMEA") and (3) Asia Pacific ("APAC"). The Americas consists of operations located in the United States, Canada and key markets in Latin America. EMEA includes operations in the UK, France, Netherlands and other markets in Europe and the Middle East. APAC includes operations in Australia, Singapore, China and other markets in the Asia Pacific region. For segment reporting, gross contract costs are excluded from revenue in determining "Fee revenue". Additionally, pursuant to business combination accounting rules, certain Fee revenue that was deferred by the acquiree may be recorded as a receivable on the acquisition date by the Company. Such contingent Fee revenue is recorded for segment reporting as an acquisition accounting adjustment to reflect the revenue recognition of the Company absent the application of acquisition accounting.

Corporate expenses are allocated to the segments based upon Fee revenue of each segment. Gross contract costs are excluded from operating expenses in determining "Fee-based operating expenses".

Adjusted EBITDA is the profitability metric reported to the chief operating decision maker ("CODM") for purposes of making decisions about allocation of resources to each segment and assessing performance of each segment. Adjusted EBITDA excludes depreciation and amortization, interest expense, net of interest income, income taxes, as well as integration and other costs related to acquisitions, expenses related to the Cassidy Turley deferred payment obligation (the "DPO"; refer to Note 10: Stock-based Payments for further discussion), stock-based compensation for plans enacted before the Company's IPO ("pre-IPO stock-based compensation") and other charges.

Summarized financial information by segment is as follows (in millions):

Americas

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Total revenue	\$ 1,475.6	\$ 1,137.4	\$ 4,053.9	\$ 3,253.3
Less: Gross contract costs	(424.9)	(255.4)	(1,164.2)	(726.8)
Acquisition accounting adjustments	—	0.4	2.5	13.0
Total Fee revenue	\$ 1,050.7	\$ 882.4	\$ 2,892.2	\$ 2,539.5
Service lines:				
Property, facilities and project management	\$ 427.4	\$ 408.9	\$ 1,257.8	\$ 1,206.6
Leasing	410.7	307.9	1,031.0	828.0
Capital markets	177.3	125.0	491.3	366.3
Valuation and other	35.3	40.6	112.1	138.6
Total Fee revenue	\$ 1,050.7	\$ 882.4	\$ 2,892.2	\$ 2,539.5
Segment operating expenses	\$ 1,346.6	\$ 1,061.4	\$ 3,742.1	\$ 3,064.7
Less: Gross contract costs	(424.9)	(255.4)	(1,164.2)	(726.8)
Total Fee-based operating expenses	\$ 921.7	\$ 806.0	\$ 2,577.9	\$ 2,337.9
Adjusted EBITDA	\$ 128.8	\$ 76.3	\$ 314.2	\$ 201.3

EMEA

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Total revenue	\$ 226.9	\$ 199.6	\$ 650.9	\$ 546.4
Less: Gross contract costs	(15.4)	(21.6)	(76.4)	(59.4)
Acquisition accounting adjustments	—	(0.1)	—	(0.1)
Total Fee revenue	\$ 211.5	\$ 177.9	\$ 574.5	\$ 486.9
Service lines:				
Property, facilities and project management	\$ 60.0	\$ 45.7	\$ 178.1	\$ 132.3
Leasing	67.2	54.8	173.9	154.0
Capital markets	40.0	37.0	98.5	91.0
Valuation and other	44.3	40.4	124.0	109.6
Total Fee revenue	\$ 211.5	\$ 177.9	\$ 574.5	\$ 486.9
Segment operating expenses				
Segment operating expenses	\$ 198.3	\$ 187.4	\$ 613.5	\$ 525.4
Less: Gross contract costs	(15.4)	(21.6)	(76.4)	(59.4)
Total Fee-based operating expenses	\$ 182.9	\$ 165.8	\$ 537.1	\$ 466.0
Adjusted EBITDA				
Adjusted EBITDA	\$ 29.0	\$ 13.0	\$ 40.5	\$ 22.6

APAC

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Total revenue	\$ 373.5	\$ 372.3	\$ 1,113.2	\$ 1,071.5
Less: Gross contract costs	(127.2)	(140.9)	(381.0)	(401.0)
Acquisition accounting adjustments	—	—	—	0.1
Total Fee revenue	\$ 246.3	\$ 231.4	\$ 732.2	\$ 670.6
Service lines:				
Property, facilities and project management	\$ 165.0	\$ 160.0	\$ 488.6	\$ 480.9
Leasing	41.4	35.7	110.4	92.2
Capital markets	16.5	12.8	59.1	35.2
Valuation and other	23.4	22.9	74.1	62.3
Total Fee revenue	\$ 246.3	\$ 231.4	\$ 732.2	\$ 670.6
Segment operating expenses				
Segment operating expenses	\$ 352.2	\$ 360.0	\$ 1,045.2	\$ 1,034.4
Less: Gross contract costs	(127.2)	(140.9)	(381.0)	(401.0)
Total Fee-based operating expenses	\$ 225.0	\$ 219.1	\$ 664.2	\$ 633.4
Adjusted EBITDA				
Adjusted EBITDA	\$ 21.2	\$ 12.9	\$ 68.9	\$ 38.0

Adjusted EBITDA is calculated as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net loss	\$ (48.7)	\$ (78.6)	\$ (172.9)	\$ (245.6)
Add/(less):				
Depreciation and amortization	71.6	64.1	213.0	193.0
Interest expense, net of interest income	92.7	49.2	189.1	134.9
Benefit from income taxes	(32.9)	(23.8)	(49.5)	(98.0)
Integration and other costs related to acquisitions	71.5	71.5	178.3	213.3
Pre-IPO stock-based compensation	10.8	6.2	25.7	20.5
Cassidy Turley deferred payment obligation	11.0	10.2	32.3	32.3
Other	3.0	3.4	7.6	11.5
Adjusted EBITDA	\$ 179.0	\$ 102.2	\$ 423.6	\$ 261.9

Below is the reconciliation of total costs and expenses to Fee-based operating expenses (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Total operating expenses	\$ 2,065.0	\$ 1,763.9	\$ 5,855.2	\$ 5,082.1
Less: Gross contract costs	(567.5)	(417.9)	(1,621.6)	(1,187.2)
Fee-based operating expenses	\$ 1,497.5	\$ 1,346.0	\$ 4,233.6	\$ 3,894.9

Below is the reconciliation of total costs of Fee-based operating expenses by segment to Consolidated Fee-based operating expenses (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Americas Fee-based operating expenses	\$ 921.7	\$ 806.0	\$ 2,577.9	\$ 2,337.9
EMEA Fee-based operating expenses	182.9	165.8	537.1	466.0
APAC Fee-based operating expenses	225.0	219.1	664.2	633.4
Segment Fee-based operating expenses	1,329.6	1,190.9	3,779.2	3,437.3
Depreciation and amortization	71.6	64.1	213.0	193.0
Integration and other costs related to acquisitions ⁽¹⁾	71.5	71.2	175.8	200.3
Pre-IPO stock-based compensation	10.8	6.2	25.7	20.5
Cassidy Turley deferred payment obligation	11.0	10.2	32.3	32.3
Other	3.0	3.4	7.6	11.5
Fee-based operating expenses	\$ 1,497.5	\$ 1,346.0	\$ 4,233.6	\$ 3,894.9

(1) Represents integration and other costs related to acquisitions, comprised of certain direct and incremental costs resulting from acquisitions and related integration efforts, as well as costs related to restructuring programs. Excludes the impact of acquisition accounting revenue adjustments as these amounts do not impact operating expenses.

Note 4: Earnings Per Share

Earnings (Loss) per Share ("EPS") is calculated by dividing the Net earnings or loss attributable to shareholders by the Weighted average shares outstanding. As the Company was in a loss position for all reported periods, the Company has determined all potentially dilutive shares would be anti-dilutive and therefore are excluded from the calculation of diluted weighted average shares outstanding. This results in the calculation of weighted average shares outstanding to be the same for basic and diluted EPS.

Potentially dilutive securities of approximately 14.0 million and 13.9 million for the three months ended September 30, 2018 and 2017, respectively, and 13.7 million and 13.7 million for the nine months ended September 30, 2018 and 2017, respectively, were not included in the computation of diluted EPS because their effect would have been anti-dilutive.

The following is a calculation of EPS (in millions, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Basic and Diluted EPS				
Net loss attributable to shareholders	\$ (48.7)	\$ (78.6)	\$ (172.9)	\$ (245.6)
Weighted average shares outstanding for basic and diluted loss per share	184.0	144.1	158.5	143.6
Basic and diluted loss per common share attributable to shareholders	\$ (0.26)	\$ (0.55)	\$ (1.09)	\$ (1.71)

Note 5: Revenue

On January 1, 2018, the Company adopted and applied Topic 606 and all the related amendments to all contracts using the modified retrospective method. The Company recognized the cumulative effect on the unaudited condensed consolidated balance sheet of applying the new revenue standard as an adjustment to the opening balance of Accumulated deficit of \$35.9 million as of January 1, 2018. Comparative information continues to be reported under the accounting standards in effect for periods prior to 2018. The impact to revenue for the three and nine months ended September 30, 2018 was an increase of \$123.0 million and \$351.4 million, respectively, which included increases of \$98.5 million and \$302.0 million, respectively, related to reimbursed expenses due to implementation of the updated principal versus agent considerations in Topic 606 and the acceleration in the timing of revenue recognition related to variable consideration primarily for leasing services of \$24.5 million and \$49.4 million, respectively.

Revenue is recognized upon transfer of control of promised services to clients in an amount that reflects the consideration the Company expects to receive in exchange for those services. The Company enters into contracts and earns revenue from its Property, facilities and project management, Leasing, Capital markets and Valuation and other service lines. Revenue is recognized net of any taxes collected from customers.

A performance obligation is a promise in a contract to transfer a distinct service to the client and is the unit of account in Topic 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Company allocates the contract's transaction price to each performance obligation using the best estimate of the standalone selling price of each distinct service in the contract.

Nature of Services

Property, facilities and project management

Fees earned from the delivery of the Company's Property, facilities and project management services are recognized over time when earned under the provisions of the related agreements and are generally based on a fixed recurring fee or a variable fee, which may be based on hours incurred, a percentage mark-up on actual costs incurred or a percentage of monthly gross receipts. The Company also may earn additional revenue based on certain qualitative and quantitative performance measures, which can be based on certain key performance indicators. This additional revenue is recognized over time when earned as the performance obligation is satisfied and the fees are not deemed probable of significant reversal in future periods.

When accounting for reimbursements of third-party expenses incurred on a client's behalf, the Company determines whether it is acting as a principal or an agent in the arrangement. When the Company is acting as a principal, the Company's revenue is reported on a gross basis and comprises the entire amount billed to the client and reported cost of services includes all expenses associated with the client. When the Company is acting as an agent, the Company's fee is reported on a net basis as revenue for reimbursed amounts is netted against the related expenses. Within Topic 606, control of the service before transfer to the customer is the focal point of the principal versus agent assessments. The Company is a principal if it controls the services before they are transferred to the client. The presentation of revenues and expenses pursuant to these arrangements under either a gross or net basis has no impact on Fee revenue, Net loss or cash flows.

Leasing and Capital markets

The Company records commission revenue on real estate leases and sales at the point in time when the performance obligation is satisfied, which is generally upon lease signing or transaction closing. Terms and conditions of a commission agreement may include, but are not limited to, execution of a signed lease agreement and future contingencies, including tenant's occupancy, payment of a deposit or payment of first month's rent (or a combination thereof). The adoption of Topic 606 resulted in an acceleration of some revenues that are based, in part, on future contingent events. For the revenues related to leasing services, the Company's performance obligation will typically be satisfied upon execution of a lease and the portion of the commission that is contingent on a future event will likely be recognized earlier if deemed not subject to significant reversal, based on the Company's estimates and judgments. The acceleration of the timing of revenue recognition will also result in the acceleration of expense relating to the Company's commission expense.

Valuation and other services

Valuation and advisory fees are earned upon completion of the service, which is generally upon delivery of a preliminary or final appraisal report. Consulting fees are recognized when earned under the provisions of the client contracts, which is generally upon completion of services.

If the Company has multiple contracts with the same customer, the Company assesses whether the contracts are linked or are separate arrangements. The Company considers several factors in this assessment, including the timing of negotiation, interdependence with other contracts or elements and pricing and payment terms. The Company and its customers typically view each contract as a separate arrangement, as each service has standalone value, selling prices of the separate services exist and are negotiated independently and performance of the services is distinct.

Contract Balances

The Company receives payments from customers based upon contractual billing schedules; accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets include amounts related to the contractual right to consideration for completed performance not yet invoiced or able to be invoiced. Contract liabilities are recorded when cash payments are received in advance of performance, including amounts which are refundable. The Company had no asset impairment charges related to contract assets in the periods presented.

Significant changes in the contract assets and contract liabilities during the period are as follows (in millions):

	Contract Assets
Balance as of December 31, 2017	\$ —
Contract assets recognized upon adoption	144.1
Contract assets from revenues earned, not yet invoiced	180.0
Contract assets transferred to accounts receivable	(113.4)
Balance as of September 30, 2018	<u>\$ 210.7</u>

	Contract Liabilities
Balance as of December 31, 2017	\$ 46.4
Contract liabilities recognized upon adoption	—
Contract liabilities recognized for cash received in advance	425.9
Contract liabilities reduced due to revenue recognition criteria being satisfied	(413.5)
Balance as of September 30, 2018	<u>\$ 58.8</u>

Before the adoption of Topic 606, the Company had no contract assets recorded. The Company's accounting for contract liabilities (deferred revenue) recorded as of December 31, 2017 was not affected by the adoption of Topic 606.

Of the total ending balances as of September 30, 2018, contract assets of \$184.9 million and \$25.8 million were recorded as Prepaid expenses and other current assets and Other non-current assets, respectively, in the unaudited condensed consolidated balance sheets. As of September 30, 2018 and December 31, 2017, the above contract liabilities were recorded in Accounts payable and accrued expenses in the unaudited condensed consolidated balance sheets.

Disaggregation of Revenue

The following tables disaggregate revenue by reportable segment and service line (in millions):

		Three Months Ended September 30, 2018			
	Revenue recognition timing	Americas	EMEA	APAC	Total
Property, facilities and project management	Over time	\$ 849.3	\$ 75.0	\$ 292.2	\$ 1,216.5
Leasing	At a point in time	413.1	67.5	41.4	522.0
Capital markets	At a point in time	177.8	40.0	16.5	234.3
Valuation and other	At a point in time or over time	35.4	44.4	23.4	103.2
Total revenue		\$ 1,475.6	\$ 226.9	\$ 373.5	\$ 2,076.0

		Nine Months Ended September 30, 2018			
	Revenue recognition timing	Americas	EMEA	APAC	Total
Property, facilities and project management	Over time	\$ 2,412.0	\$ 252.6	\$ 869.6	\$ 3,534.2
Leasing	At a point in time	1,034.6	174.5	110.4	1,319.5
Capital markets	At a point in time	492.8	98.5	59.1	650.4
Valuation and other	At a point in time or over time	114.5	125.3	74.1	313.9
Total revenue		\$ 4,053.9	\$ 650.9	\$ 1,113.2	\$ 5,818.0

Impact of New Revenue Guidance and Financial Statement Line Items

The following table compares the reported unaudited condensed consolidated balance sheet as of September 30, 2018 and the unaudited condensed consolidated statements of operations for the three and nine months ended September 30, 2018, as a result of the adoption of Topic 606 on January 1, 2018 compared to the pro forma presentation of each respective statement, which assumes the previous guidance remained in effect as of September 30, 2018 (in millions):

Balance Sheet	Balance as of September 30, 2018		
	Balance Without Adoption of Topic 606	Adoption Impact	As Reported
Trade and other receivables	\$ 1,246.7	\$ 53.2	\$ 1,299.9
Prepaid expenses and other current assets	189.0	184.9	373.9
Total current assets	2,385.7	238.1	2,623.8
Other non-current assets	474.2	25.8	500.0
Total assets	6,168.5	263.9	6,432.4
Accounts payable and accrued expenses	697.7	50.7	748.4
Accrued compensation	748.2	126.7	874.9
Total current liabilities	1,723.5	177.4	1,900.9
Deferred tax liabilities	92.0	15.9	107.9
Other non-current liabilities	349.0	19.0	368.0
Total liabilities	4,811.0	212.3	5,023.3
Accumulated deficit	(1,354.0)	51.8	(1,302.2)
Accumulated other comprehensive loss	(98.6)	(0.2)	(98.8)
Total equity	1,357.5	51.6	1,409.1
Total liabilities and shareholders' equity	6,168.5	263.9	6,432.4

Total reported assets increased by \$263.9 million due to a \$184.9 million increase in Prepaid expenses and other assets and a \$25.8 million increase in Other non-current assets in the unaudited condensed consolidated balance sheets resulting from new contract assets recognized from acceleration of timing of revenue recognition, but

contractually not able to be invoiced and \$53.2 million due to an increase in client reimbursed receivables included in Trade and other receivables from contracts accounted for on a gross basis.

Total reported liabilities increased by \$212.3 million primarily due to a \$126.7 million increase related to accrued commissions and other employee related benefit payables related to the associated direct commissions resulting from the acceleration of the timing of revenues recognized, \$53.2 million primarily related to the increase in client reimbursed payables related to contracts accounted for on a gross basis and \$15.9 million for the net deferred tax liabilities as well as \$19.0 million for Other non-current liabilities related to long-term accrued commissions.

Statement of Operations	Three Months Ended September 30, 2018		
	Balance Without Adoption of Topic 606	Adoption Impact	As Reported
Revenue	\$ 1,953.0	\$ 123.0	\$ 2,076.0
Cost of services	1,572.9	114.3	1,687.2
Total costs and expenses	1,950.7	114.3	2,065.0
Operating income	2.3	8.7	11.0
Loss before income taxes	(90.3)	8.7	(81.6)
(Benefit) provision for income taxes	(34.2)	1.3	(32.9)
Net loss	\$ (56.1)	\$ 7.4	\$ (48.7)

Statement of Operations	Nine Months Ended September 30, 2018		
	Balance Without Adoption of Topic 606	Adoption Impact	As Reported
Revenue	\$ 5,466.6	\$ 351.4	\$ 5,818.0
Cost of services	4,393.2	332.0	4,725.2
Total costs and expenses	5,523.2	332.0	5,855.2
Operating (loss) income	(56.6)	19.4	(37.2)
Loss before income taxes	(241.8)	19.4	(222.4)
(Benefit) provision for income taxes	(53.0)	3.5	(49.5)
Net loss	\$ (188.8)	\$ 15.9	\$ (172.9)

Total reported Net loss was \$7.4 million and \$15.9 million lower than the pro forma statement of operations for the three and nine months ended September 30, 2018 , respectively. The decrease in Net loss was due to the acceleration of the timing of revenue recognition in the Leasing service line.

The adoption of Topic 606 had offsetting impacts within the cash flows from operating activities of the unaudited condensed consolidated statement of cash flows with no net impact on the Company's cash flows from operations.

Practical Expedients and Exemptions

The Company incurs incremental costs to obtain new contracts across the majority of its service lines. As the amortization period of those expenses is 12 months or less, the Company expenses those incremental costs of obtaining the contracts in accordance with Topic 606.

Remaining performance obligations represent the aggregate transaction prices for contracts where the performance obligations have not yet been satisfied. In accordance with Topic 606, the Company does not disclose unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) variable consideration for services performed as a series of daily performance obligations, such as those performed within the Property, facilities and project management services lines. Performance obligations within these businesses represent a significant portion of the Company's contracts with customers not expected to be completed within 12 months.

Note 6: Goodwill and Other Intangible Assets

The following table summarizes the changes in the carrying amount of goodwill for the nine months ended September 30, 2018 (in millions):

	Americas	EMEA	APAC	Total
Balance as of December 31, 2017	\$ 1,249.7	\$ 249.0	\$ 266.6	\$ 1,765.3
Acquisitions	—	15.2	11.7	26.9
Measurement period adjustments	12.7	—	—	12.7
Effect of movements in exchange rates and other	(4.9)	(8.5)	(20.5)	(33.9)
Balance as of September 30, 2018	\$ 1,257.5	\$ 255.7	\$ 257.8	\$ 1,771.0

Portions of goodwill are denominated in currencies other than the U.S. dollar, therefore a portion of the movements in the reported book value of these balances is attributable to movements in foreign currency exchange rates.

The Company identified measurement period adjustments during the current period and adjusted the provisional goodwill amounts recognized.

There were no impairment charges of goodwill and other intangible assets for the three and nine months ended September 30, 2018 and 2017, respectively.

The following tables summarize the carrying amounts and accumulated amortization of intangible assets (in millions):

	As of September 30, 2018			
	Useful Life (in years)	Gross Value	Accumulated Amortization	Net Value
C&W trade name	Indefinite	\$ 546.0	\$ —	\$ 546.0
Customer relationships	1 – 15	1,203.0	(596.3)	606.7
Other intangible assets	2 – 13	26.9	(13.1)	13.8
Total intangible assets		\$ 1,775.9	\$ (609.4)	\$ 1,166.5

	As of December 31, 2017			
	Useful Life (in years)	Gross Value	Accumulated Amortization	Net Value
C&W trade name	Indefinite	\$ 546.0	\$ —	\$ 546.0
Customer relationships	1 – 15	1,211.5	(468.0)	743.5
Other intangible assets	2 – 13	26.9	(10.4)	16.5
Total intangible assets		\$ 1,784.4	\$ (478.4)	\$ 1,306.0

Amortization expense was \$46.2 million and \$45.3 million for the three months ended September 30, 2018 and 2017, respectively, and \$139.3 million and \$134.0 million for the nine months ended September 30, 2018 and 2017, respectively.

Note 7: Derivative Financial Instruments and Hedging Activities

The Company is exposed to certain risks arising from both business operations and economic conditions, including interest rate risk and foreign exchange risk. To mitigate the impact of interest rate and foreign exchange risk, the Company enters into derivative financial instruments. The Company maintains the majority of its overall interest rate exposure on floating rate borrowings to a fixed-rate basis, primarily with interest rate swap agreements. The Company manages exposure to foreign exchange fluctuations primarily through short-term forward contracts.

There have been no significant changes to the interest rate and foreign exchange risk management objectives from those disclosed in the Company's audited Consolidated Financial Statements for the year ended December 31, 2017.

Interest Rate Derivative Instruments

As of September 30, 2018, the Company's active interest rate hedging instruments consist of four interest rate swap agreements designated as cash flow hedges, expiring in August 2025, further described below. The Company's hedge asset balances as September 30, 2018 relate solely to these interest rate swaps.

During the first nine months of 2018, the Company made the below changes to its historical hedging program, which included terminating and monetizing all of its previous designated interest rate cash flow hedging instruments.

In February 2018, the Company elected to terminate and monetize eight interest rate cap agreements and received a \$34.5 million cash settlement in exchange for its net hedge asset. Amounts relating to these terminated derivatives recorded in Accumulated other comprehensive income in the unaudited condensed consolidated balance sheets will be amortized into earnings over the remaining life of the original contracts, which were scheduled to expire between October 2019 and August 2021. Subsequently, the Company entered into eight interest rate cap agreements with identical terms, one expiring October 2019, three expiring May 2021, one expiring July 2021 and three expiring August 2021.

In August 2018, the Company extinguished the 2014 Credit Agreement and as a result the Company de-designated hedge accounting on its eight interest rate cap and five interest rate swap agreements. Subsequently, in September 2018, the Company elected to terminate its eight interest rate cap and five interest rate swap agreements, receiving a \$9.6 million cash settlement in exchange for its net hedge asset. For the three months ended September 30, 2018, the Company recognized a \$0.7 million gain directly in earnings as a result of the changes in the fair value of the interest rate caps and interest rate swaps from the date of de-designation to the date of termination. Amounts relating to these terminated derivatives recorded in Accumulated other comprehensive income in the unaudited condensed consolidated balance sheets will be amortized into earnings over the remaining life of the original contracts, which were scheduled to expire between October 2019 and August 2021. As discussed above, subsequently, the Company entered into four interest rate swap agreements designated as cash flow hedges, expiring in August 2025.

The Company did not recognize any significant income or loss due to hedge ineffectiveness related to interest rate swap and cap agreements for the three and nine months ended September 30, 2018 and 2017. The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is recorded in Accumulated other comprehensive loss in the unaudited condensed consolidated balance sheets and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. As of September 30, 2018 and December 31, 2017, there were \$55.0 million and \$26.9 million in pre-tax gains, respectively, included in Accumulated other comprehensive loss related to these agreements, which will be reclassified to Interest expense as interest payments are made in accordance with the Credit Agreements; refer to Note 8: Long-term Debt and Other Borrowings for discussion of these agreements.

Foreign Exchange Derivative Instruments

In August and September 2018, the Company elected to terminate its cross-currency interest rate swap agreements and received a \$13.9 million cash settlement in exchange for its net hedge asset. As a result of terminating the cross-currency interest rate swap agreements, a loss of \$0.9 million was immediately recognized in earnings.

The Company did not recognize any significant income or loss due to hedge ineffectiveness related to cross-currency interest rate swap agreements for the three and nine months ended September 30, 2018 and 2017. The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow or net investment hedges is recorded in Accumulated other comprehensive loss in the unaudited condensed consolidated balance sheets and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. As of September 30, 2018 and December 31, 2017, there were \$0.3 million and \$3.4 million in pre-tax gains and losses, respectively, included in Accumulated other comprehensive loss in the unaudited condensed consolidated balance sheets related to these agreements. Amounts remaining as of September 30, 2018 relate to net investments, which will remain in Accumulated other comprehensive loss in the unaudited condensed consolidated balance sheets indefinitely until the Company disposes of the underlying investment.

The following table presents the fair value of derivatives as of September 30, 2018 and December 31, 2017 (in millions):

Derivative Instrument	Notional	September 30, 2018		December 31, 2017	
		Assets	Liabilities	Assets	Liabilities
		Fair Value	Fair Value	Fair Value	Fair Value
Designated:					
Cash flow hedges:					
Cross-currency interest rate swaps	\$ —	\$ —	\$ —	\$ 7.1	\$ 0.4
Interest rate swaps	1,800.0	9.9	—	0.5	—
Interest rate caps	—	—	—	8.9	—
Net investment hedges:					
Foreign currency net investment hedges	—	—	—	—	0.7
Non-designated:					
Foreign currency forward contracts	89.4	0.8	0.9	0.8	2.2

The fair value of derivative assets is included within Other non-current assets and the fair value of derivative liabilities is included within Other non-current liabilities in the unaudited condensed consolidated balance sheets. The Company does not net derivatives in the unaudited condensed consolidated balance sheets.

The following tables presents the effect of derivatives designated as hedges, net of applicable income taxes, in the unaudited condensed consolidated statements of operations for the three and nine months ended September 30, 2018 and 2017 (in millions):

	Beginning Accumulated Other Comprehensive Loss (Gain)	Amount of Loss (Gain) Recognized in Other Comprehensive Loss on Derivatives (Effective Portion) ⁽¹⁾	Amount of (Loss) Gain Reclassified from Accumulated Other Comprehensive Loss into Statement of Operations (Effective Portion) ⁽²⁾	Ending Accumulated Other Comprehensive Loss (Gain)
Three Months Ended September 30, 2018				
Foreign currency cash flow hedges	\$ 1.5	\$ (2.5)	\$ 1.0	\$ —
Foreign currency net investment hedges	(0.4)	0.1	—	(0.3)
Interest rate cash flow hedges	(42.3)	(5.2)	2.0	(45.5)
	\$ (41.2)	\$ (7.6) ¹	\$ 3.0 ²	\$ (45.8)
Three Months Ended September 30, 2017				
Foreign currency cash flow hedges	\$ 1.4	\$ 3.7	\$ (3.6)	\$ 1.5
Foreign currency net investment hedges	(0.3)	0.4	—	0.1
Interest rate cash flow hedges	(4.4)	(0.2)	(2.1)	(6.7)
	\$ (3.3)	\$ 3.9 ¹	\$ (5.7) ²	\$ (5.1)

⁽¹⁾ Amount is net of related income tax expense of \$1.4 million and \$0.3 million for the three months ended September 30, 2018 and September 30, 2017, respectively.

⁽²⁾ Amount is net of related income tax expense of \$(0.4) million and \$(0.4) million for the three months ended September 30, 2018 and September 30, 2017, respectively.

Gains of \$2.5 million and losses of \$2.0 million were reclassified into earnings during the three months ended September 30, 2018 and 2017, respectively, related to interest rate hedges and were recognized in Interest expense in the unaudited condensed consolidated statements of operations.

Losses of \$0.1 million and gains of \$1.0 million were reclassified during the three months ended September 30, 2018 relating to foreign currency cash flow hedges and were recognized in Interest expense and Operating, administrative and other, respectively, in the unaudited condensed consolidated statements of operations.

Losses of \$3.3 million were reclassified during the three months ended September 30, 2017 relating to foreign currency cash flow hedges and were recognized in Operating, administrative and other in the unaudited condensed consolidated statements of operations.

	Beginning Accumulated Other Comprehensive Loss (Gain)	Amount of Loss (Gain) Recognized in Other Comprehensive Loss on Derivatives (Effective Portion) ⁽¹⁾	Amount of (Loss) Gain Reclassified from Accumulated Other Comprehensive Loss into Statement of Operations (Effective Portion) ⁽²⁾	Ending Accumulated Other Comprehensive Loss (Gain)
Nine Months Ended September 30, 2018				
Foreign currency cash flow hedges	\$ 2.2	\$ (7.3)	\$ 5.1	\$ —
Foreign currency net investment hedges	0.7	(1.0)	—	(0.3)
Interest rate cash flow hedges	(22.5)	(30.3)	7.3	(45.5)
	<u>\$ (19.6)</u>	<u>\$ (38.6)</u>	<u>\$ 12.4</u>	<u>\$ (45.8)</u>
Nine Months Ended September 30, 2017				
Foreign currency cash flow hedges	\$ 0.9	\$ 10.4	\$ (9.8)	\$ 1.5
Foreign currency net investment hedges	(1.9)	2.0	—	0.1
Interest rate cash flow hedges	(16.4)	11.3	(1.6)	(6.7)
	<u>\$ (17.4)</u>	<u>\$ 23.7</u>	<u>\$ (11.4)</u>	<u>\$ (5.1)</u>

⁽¹⁾ Amount is net of related income tax expense (benefit) of \$7.1 million and \$(4.3) million for the nine months ended September 30, 2018 and September 30, 2017 , respectively.

⁽²⁾ Amount is net of related income tax (expense) benefit of \$(1.8) million and \$5.5 million for the nine months ended September 30, 2018 and September 30, 2017 , respectively.

Gains of \$8.9 million and losses of \$5.9 million were reclassified into earnings during the nine months ended September 30, 2018 and 2017 related to interest rate hedges and were recognized in Interest expense, respectively, in the unaudited condensed consolidated statements of operations.

Gains of \$5.3 million were reclassified during the nine months ended September 30, 2018 relating to foreign currency cash flow hedges and were recognized in Operating, administrative and other in the unaudited condensed consolidated statements of operations.

Losses of \$11.0 million were reclassified during the nine months ended September 30, 2017 relating to foreign currency cash flow hedges and were recognized in Operating, administrative and other in the unaudited condensed consolidated statements of operations.

As of September 30, 2018 and December 31, 2017 , the Company has not posted and does not hold any collateral related to these agreements. Additionally, the Company enters into short-term forward contracts to mitigate the risk of fluctuations in foreign currency exchange rates that would adversely impact some of the Company's foreign currency denominated transactions. Hedge accounting was not elected for any of these contracts. As such, changes in the fair values of these contracts are recorded directly in earnings. There were losses of \$0.0 million and gains of \$3.9 million for the three months ended September 30, 2018 and 2017 , respectively. There were gains of \$1.1 million and losses of \$0.5 million for the nine months ended September 30, 2018 and 2017 , respectively. This activity was included in the unaudited condensed consolidated statements of operations. As of September 30, 2018 and December 31, 2017 , the Company had 27 and 24 foreign currency exchange forward contracts outstanding covering a notional amount of \$89.4 million and \$277.5 million , respectively. As of September 30, 2018 and December 31, 2017 , the fair value of forward contracts disclosed above were included in Other current assets and Other current liabilities in the unaudited condensed consolidated balance sheets. The Company does not net these derivatives in the unaudited condensed consolidated balance sheets.

Note 8: Long-term Debt and Other Borrowings

Long-term debt consisted of the following (in millions):

	As of September 30, 2018	As of December 31, 2017
Collateralized:		
2018 First Lien Loan, net of unamortized discount and issuance costs of \$34.1 million and \$0.0 million	\$ 2,665.9	\$ —
First Lien Loan, as amended, net of unamortized discount and issuance costs of \$0.0 million and \$44.6 million	—	2,341.1
Second Lien Loan, as amended, net of unamortized discount and issuance costs of \$0.0 million and \$10.0 million	—	460.0
Capital lease liability	15.9	15.3
Notes payable to former stockholders	0.8	21.2
Total long-term debt	2,682.6	2,837.6
Less current portion	(36.1)	(53.6)
Total non-current long-term debt	\$ 2,646.5	\$ 2,784.0

2018 Credit Agreement

On August 21, 2018, the Company entered into a \$3.5 billion credit agreement (the "2018 Credit Agreement"), comprised of a \$2.7 billion term loan (the "2018 First Lien Loan") and an \$810.0 million revolving facility (the "Revolver"). Net proceeds from the 2018 First Lien Loan were \$2.7 billion (\$2.7 billion aggregate principal amount less \$13.5 million stated discount and \$21.0 million in debt transaction costs).

The 2018 Credit Agreement bears interest at a variable interest rate that the Company may select per the terms of the 2018 Credit Agreement. As of the period ending September 30, 2018 , the rate is equal to 1-month LIBOR plus 3.25% . The 2018 First Lien Loan matures on August 21, 2025 . The effective interest rate of the 2018 First Lien Loan is 5.5% .

The 2018 Credit Agreement requires quarterly principal payments equal to 0.25% of the aggregate principal amount of the 2018 First Lien Loan, including incremental borrowings.

2014 Credit Agreement

On August 8, 2018, the Company paid off the outstanding principal of \$450.0 million of its Second Lien Loan under its previous credit agreement, as amended and originating in 2014 (the "2014 Credit Agreement"). This resulted in a loss on extinguishment related to the write-off of unamortized deferred financing fees of \$8.3 million and a prepayment penalty of \$2.0 million , which was recorded in Interest expense during the three months ended September 30, 2018 .

With the proceeds from the 2018 First Lien Loan, the Company subsequently paid off all outstanding principal and accrued interest under the First Lien under the 2014 Credit Agreement of \$2.6 billion and \$25.9 million , respectively, which also resulted in a loss on extinguishment related to the write-off of unamortized deferred financing fees of \$39.2 million which was recorded in Interest expense during the three months ended September 30, 2018 .

Revolver

As of September 30, 2018 , the Company had no outstanding funds drawn under the Revolver, which matures on August 21, 2023.

Financial Covenants and Terms

The 2018 Credit Agreement has a springing financial covenant, tested on the last day of each fiscal quarter if the outstanding loans under the Revolver exceed an applicable threshold. If the financial covenant is triggered, the First Lien Net Leverage Ratio is tested for compliance not to exceed 5.80 to 1.00.

The Company was in compliance with all of its loan provisions under the 2018 Credit Agreement as of September 30, 2018 .

Note 9: Restructuring

As a result of integration activities surrounding the merger with Cushman & Wakefield ("C&W Group"), the Company recognized restructuring credits of \$1.2 million and restructuring charges of \$2.6 million during the three months ended September 30, 2018 and 2017, respectively. During the nine months ended September 30, 2018 and 2017, the Company recorded charges of \$2.7 million and \$12.7 million, respectively. Charges primarily consisted of severance and employment-related costs due to reductions in headcount, along with lease exit costs and contract termination. Credits related to changes in estimates to previously reported accruals.

Charges for these restructuring actions were recorded in accordance with FASB guidance on employers' accounting for post-employment benefits and guidance on accounting for costs associated with exit or disposal activities, as appropriate. All charges were classified as Restructuring, impairment and related charges in the unaudited condensed consolidated statements of operations.

The following table details the Company's severance and other restructuring accrual activity (in millions):

	Severance Pay and Benefits		Contract Termination and Other Costs		Total
Balance as of December 31, 2017	\$	26.3	\$	11.1	\$ 37.4
Restructuring (credits) charges		(4.1)		6.8	2.7
Payments and other ⁽¹⁾		(18.0)		(6.1)	(24.1)
Balance as of September 30, 2018	\$	4.2	\$	11.8	\$ 16.0

⁽¹⁾ Other consists of changes in the liability balance due to foreign currency translation.

Of the total ending balance as of September 30, 2018 and December 31, 2017, \$8.8 million and \$7.2 million, and \$30.1 million and \$7.3 million were recorded as Other current liabilities and Other non-current liabilities, respectively, within the unaudited condensed consolidated balance sheets.

Note 10: Stock-based Payments

The tables below summarize the Company's outstanding time-based stock options (in millions, except for per share amounts):

	Time-Based Options		
	Number of Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)
Outstanding as of December 31, 2017	3.5	\$ 10.88	8.5
Granted	0.2	17.00	
Exercised	(0.3)	10.15	
Forfeited	(0.1)	11.97	
Outstanding as of September 30, 2018	3.3	\$ 11.25	7.0
Exercisable as of September 30, 2018	1.0	\$ 10.57	6.8

Total recognized compensation cost related to these stock option awards was \$4.5 million and \$0.5 million for the three months ended September 30, 2018 and 2017, respectively, and \$6.8 million and \$1.7 million for the nine months ended September 30, 2018 and 2017, respectively. At September 30, 2018, the total unrecognized compensation cost related to non-vested time-based option awards was \$4.1 million.

Performance-Based Options

The tables below summarize the Company's outstanding performance-based stock options (in millions, except for per share amounts):

Performance-Based Options				
	Number of Options		Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)
Outstanding as of December 31, 2017	1.6	\$	11.23	7.8
Granted	0.1		17.00	
Exercised	—		—	
Forfeited	(0.2)		11.93	
Outstanding as of September 30, 2018	1.5	\$	11.50	7.1
Exercisable as of September 30, 2018	—		—	—

At September 30, 2018, the total unrecognized compensation cost related to non-vested performance-based option awards was \$2.2 million, which will be recognized once the performance condition is met.

Restricted Stock Units

The following table summarizes the Company's outstanding RSUs (in millions, except for per share amounts):

	Co-Investment RSUs		Time-Based RSUs		Performance-Based RSUs	
	Number of RSUs	Weighted Average Fair Value Per Share	Number of RSUs	Weighted Average Fair Value Per Share	Number of RSUs	Weighted Average Fair Value Per Share
Unvested as of December 31, 2017	0.7	\$ 11.28	7.0	\$ 13.48	2.5	\$ 1.50
Granted	0.0	17.00	0.6	17.00	0.2	3.18
Granted through modification (modified)	—	—	0.5	17.55	(0.5)	4.30
Vested	(0.1)	10.32	(0.9)	11.77	—	—
Forfeited	(0.1)	11.41	(0.2)	13.46	—	—
Unvested as of September 30, 2018	0.5	\$ 11.56	7.0	\$ 14.30	2.2	\$ 1.09

The following table summarizes the Company's compensation expense related to RSUs (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,		Unrecognized at September 30, 2018
	2018	2017	2018	2017	
Time-Based RSUs	\$ 14.5	\$ 5.4	\$ 27.3	\$ 17.8	\$ 41.6
Co-Investment RSUs	0.1	0.3	(0.1)	1.0	0.2
Performance-Based RSUs	—	—	—	—	2.4
Equity classified compensation cost	14.6	5.7	27.2	18.8	44.2
Liability classified compensation cost ⁽¹⁾	0.6	1.6	3.6	4.6	—
Total RSU stock-based compensation cost	\$ 15.2	\$ 7.3	\$ 30.8	\$ 23.4	\$ 44.2

(1) In the third quarter of 2018, all liability classified awards were reclassified to equity, due to certain contingencies being lifted.

On August 6, 2018, the Company adopted the 2018 Omnibus Management Share and Cash Incentive Plan (the "Management Plan") and the 2018 Omnibus Non-Employee Director Share and Cash Incentive Plan (the "Director Plan," and together with the Management Plan, the "2018 Omnibus Plans").

Cassidy Turley - Deferred Purchase Obligation

The following table summarizes the Company's expense related to the DPO for those who elected to receive their consideration in shares (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Employees	\$ 2.7	\$ 2.8	\$ 7.5	\$ 8.7
Non-employees	2.5	2.7	8.4	8.2
Total DPO expense	\$ 5.2	\$ 5.5	\$ 15.9	\$ 16.9

In conjunction with the acquisition of Cassidy Turley, Inc. on December 31, 2014, an additional payment of \$179.8 million will be made on the fourth anniversary of the closing and is tied to continuing employment. This will be recognized as compensation expense over the four years until it is paid. Selling shareholders were given the option to receive the additional payment in the form of the Company's shares or cash. The accrued value of the cash-settled portion was \$122.6 million and \$105.6 million as of September 30, 2018 and December 31, 2017, respectively and included in Other current liabilities in the unaudited condensed consolidated balance sheets.

Note 11: Commitments and Contingencies

Lease commitments and purchase obligations

The Company has entered into commercial operating leases on certain office premises and motor vehicles. There are no financial restrictions placed upon the Company by entering into these leases. Additionally, the Company has entered into capital leases as a means of funding the acquisition of furniture and equipment and acquiring access to property and vehicles. Rental payments are generally fixed, with no special terms or conditions. Deferred lease incentive liabilities were \$8.9 million and \$6.0 million included in Other current liabilities in the unaudited condensed consolidated balance sheets and \$42.8 million and \$49.2 million included in Other non-current liabilities in the unaudited condensed consolidated balance sheets as of September 30, 2018 and December 31, 2017, respectively.

Guarantees

The Company's guarantees primarily relate to requirements under certain client service contracts and have arisen through the normal course of business. These guarantees, with certain financial institutions, have both open and closed-ended terms; with remaining closed-ended terms up to 9 years and maximum potential future payments of approximately \$37.5 million in the aggregate, with none of these guarantees being individually material to the Company's operating results, financial position or liquidity. The Company's current expectation is that future payment or performance related to non-performance under these guarantees is considered remote.

Contingencies

In the normal course of business, the Company is subject to various claims and litigation. Many of these claims are covered under the Company's current insurance programs, subject to self-insurance levels and deductibles. The Company is also subject to threatened or pending legal actions arising from activities of contractors. Such liabilities include the potential costs to settle litigation. A liability is recorded for the potential costs of carrying out further works based on known claims and previous claims history, and for losses from litigation that are probable and estimable. A liability is also recorded for the Company's incurred but not reported ("IBNR") claims, based on assessment using prior claims history.

Claims liabilities are presented as Other current liabilities and Other non-current liabilities in the unaudited condensed consolidated balance sheets. As of September 30, 2018 and December 31, 2017, contingent liabilities recorded within Other current liabilities were \$80.4 million and \$88.5 million, respectively and contingent liabilities recorded within Other non-current liabilities were \$33.7 million and \$29.4 million, respectively. These contingent liabilities are made up of errors and omissions ("E&O") claims, workers' compensation insurance liabilities and other claims and contingent liabilities. At September 30, 2018 and December 31, 2017, E&O and other claims were \$42.9 million and \$54.1 million, respectively, and workers' compensation liabilities were \$71.1 million and \$63.8 million, respectively, included within Other current liabilities and Other non-current liabilities in the unaudited condensed consolidated balance sheets. The ultimate settlement of these matters may result in payments materially in excess of the amounts recorded due to their contingent nature and inherent uncertainties of settlement proceedings.

For a portion of these liabilities, the Company had indemnification assets as of September 30, 2018 and December 31, 2017, totaling \$5.4 million and \$18.2 million, respectively. The indemnification periods for all related agreements ended before December 31, 2017 and were settled during the third quarter of 2018, which resulted in a cash payout of \$5.4 million in the fourth quarter of 2018.

The Company had insurance recoverable balances as of September 30, 2018 and December 31, 2017 totaling \$17.8 million and \$17.6 million.

Note 12: Related Party Transactions

TPG Capital, L.P. ("TPG") and PAG Asia Capital Limited ("PAG") previously provided management and transaction advisory services to the Company pursuant to a management services agreement. Transaction advisory fees related to integration and financing activities were \$0.6 million and \$0.6 million for the three months ended September 30, 2018 and 2017, respectively and \$1.0 million and \$0.6 million for the nine months ended September 30, 2018 and 2017, respectively. Additionally, prior to its IPO the Company paid an annual fee of \$4.3 million, payable quarterly, for management advisory services. In conjunction with the Company's IPO, the management services agreement governing these payments was terminated and resulted in a termination fee of \$11.9 million recorded in Operating, administrative and other for the three months ended September 30, 2018.

Transactions with equity accounted investees

For the three and nine months ended September 30, 2018 and 2017, the Company had no material sales or purchases with equity accounted investees.

As of September 30, 2018 and December 31, 2017, the Company had no material receivables or payables with equity accounted investees.

Receivables from affiliates

As of September 30, 2018 and December 31, 2017, the Company had receivables from affiliates of \$31.0 million and \$34.1 million and \$215.9 million and \$232.8 million that are included in Prepaid expenses and other current assets and Other non-current assets, respectively, in the unaudited condensed consolidated balance sheets. These amounts primarily represent prepaid commissions, retention and sign-on bonuses to brokers and other items such as travel and other advances to employees.

Note 13: Fair Value Measurements

The Company measures certain assets and liabilities in accordance with ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), which defines fair value as the price that would be received for an asset, or paid to transfer a liability, in an orderly transaction between market participants on the measurement date. In addition, ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are based on unobservable inputs in which there is little or no market data.

There were no significant transfers in or out of Level 1 and Level 2 during the three and nine months ended September 30, 2018 and 2017. There have been no significant changes to the valuation techniques and inputs used to develop the recurring fair value measurements from those disclosed in the Company's audited Consolidated Financial Statements for the year ended December 31, 2017.

Financial Instruments

The Company's financial instruments include cash and cash equivalents, trade and other receivables, deferred purchase price receivable ("DPP"), restricted cash, accounts payable and accrued expenses, short-term borrowings, long-term debt, interest rate swaps and foreign exchange contracts. The carrying amount of cash and cash equivalents approximates the fair value of these instruments. Certain money market funds in which the Company has invested are highly liquid and considered cash equivalents. These funds are valued at the per unit rate published as the basis for current transactions.

The estimated fair value of external debt was \$2.7 billion and \$2.8 billion as of September 30, 2018 and December 31, 2017, respectively. These instruments were valued using dealer quotes that are classified as Level 2 inputs in the fair value hierarchy. The gross carrying value of the debt was \$2.7 billion and \$2.9 billion as of September 30, 2018 and December 31, 2017, respectively, which excludes debt issuance costs. See Note 8: Long-term Debt and Other Borrowings for additional information.

The estimated fair values of interest rate swaps and foreign currency forward contracts and net investment hedges are determined based on the expected cash flows of each derivative. The valuation method reflects the contractual period and uses observable market-based inputs, including interest rate and foreign currency forward curves.

Recurring Fair Value Measurements

The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2018 and December 31, 2017 (in millions):

	As of September 30, 2018			
	Total	Level 1	Level 2	Level 3
Assets				
Cash equivalents - money market funds	\$ 271.9	\$ 271.9	\$ —	\$ —
Deferred compensation plan assets	55.6	55.6	—	—
Foreign currency forward contracts	0.8	—	0.8	—
Interest rate swap agreements	9.9	—	9.9	—
Deferred purchase price receivable	132.0	—	—	132.0
Total	\$ 470.2	\$ 327.5	\$ 10.7	\$ 132.0
Liabilities				
Deferred compensation plan liabilities	\$ 54.4	\$ 54.4	\$ —	\$ —
Foreign currency forward contracts	0.9	—	0.9	—
Earn-out liabilities	33.9	—	—	33.9
Total	\$ 89.2	\$ 54.4	\$ 0.9	\$ 33.9
As of December 31, 2017				
	Total	Level 1	Level 2	Level 3
Assets				
Deferred compensation plan assets	\$ 59.7	\$ 59.7	\$ —	\$ —
Foreign currency forward contracts	0.8	—	0.8	—
Cross-currency interest rate swaps	7.1	—	7.1	—
Interest rate cap agreements	8.9	—	8.9	—
Interest rate swap agreements	0.5	—	0.5	—
Deferred purchase price receivable	41.9	—	—	41.9
Total	\$ 118.9	\$ 59.7	\$ 17.3	\$ 41.9
Liabilities				
Deferred compensation plan liabilities	\$ 59.6	\$ 59.6	\$ —	\$ —
Foreign currency forward contracts	2.2	—	2.2	—
Cross-currency interest rate swaps	0.4	—	0.4	—
Foreign currency net investment hedges	0.7	—	0.7	—
Earn-out liabilities	51.3	—	—	51.3
Total	\$ 114.2	\$ 59.6	\$ 3.3	\$ 51.3

Deferred Compensation Plans

The Company provides a deferred compensation plan to certain U.S. employees whereby a portion of employee compensation is held in trust, enabling the employees to defer tax on compensation until payment is made to them from the trust. The employee is at risk for any investment fluctuations of the funds held in trust. The fair value of assets and liabilities are based on the value of the underlying investments using quoted prices in active markets at period end. In the event of insolvency of the entity, the trust's assets are available to all general creditors of the entity.

Deferred compensation plan assets are presented within Prepaid expenses and other current assets and Other non-current assets in the unaudited condensed consolidated balance sheets. Deferred compensation liabilities are presented within Accrued compensation and Other non-current liabilities in the unaudited condensed consolidated balance sheets.

Foreign Currency Forward Contracts and Net Investment Hedges, and Interest Rate Swaps and Cap Agreements

Refer to Note 7: Derivative Financial Instruments and Hedging Activities for discussion of the fair value associated with these derivative assets and liabilities.

Deferred Purchase Price Receivable

The Company recorded a DPP under its A/R Securitization upon the initial sale of trade receivables. The DPP represents the difference between the fair value of the trade receivables sold and the cash purchase price and is recognized at fair value as part of the sale transaction. The DPP is subsequently remeasured each reporting period in order to account for activity during the period, such as the Seller's interest in any newly transferred receivables, collections on previously transferred receivables attributable to the DPP and changes in estimates for credit losses. Changes in the DPP attributed to changes in estimates for credit losses are expected to be immaterial, as the underlying receivables are short-term and of high credit quality. The DPP is included in Other non-current assets in the unaudited condensed consolidated balance sheets and is valued using unobservable inputs (i.e., Level 3 inputs), primarily discounted cash flows. Refer to Note 14: Accounts Receivable Securitization for more information.

Earn-out Liabilities

Earn-out liabilities are classified within Level 3 in the fair value hierarchy because the methodology used to develop the estimated fair value includes significant unobservable inputs reflecting management's own assumptions. The fair value of earn-out liabilities is based on the present value of probability-weighted expected return method related to the earn-out performance criteria on each reporting date. The probabilities of achievement assigned to the performance criteria are determined based on due diligence performed at the time of acquisition as well as actual performance achieved subsequent to acquisition. Adjustments to the earn-out liabilities in periods subsequent to the completion of acquisitions are reflected within Operating, administrative and other in the unaudited condensed consolidated statements of operations.

The table below presents a reconciliation of liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) (in millions):

	Earn-out Liabilities	
	2018	2017
Balance as of January 1,	\$ 51.3	\$ 30.5
Purchases/additions	2.0	31.7
Net change in fair value and other adjustments	2.9	7.5
Payments	(22.3)	(11.9)
Balance as of September 30,	\$ 33.9	\$ 57.8
Balance as of July 1,	\$ 43.5	\$ 20.6
Purchases/additions	2.0	31.7
Net change in fair value and other adjustments	2.7	5.5
Payments	(14.3)	—
Balance as of September 30,	\$ 33.9	\$ 57.8

Note 14: Accounts Receivable Securitization

On August 20, 2018, the Company amended the A/R Securitization that was initially entered into on March 8, 2017 to increase the investment limit from \$100.0 million to \$125.0 million and extended the termination date to August 20, 2021, unless extended or an earlier termination event occurs. Under the A/R Securitization, certain of the Company's wholly owned subsidiaries continuously sell trade receivables to an unaffiliated financial institution. The Company's wholly owned subsidiaries sell (or contribute) the receivables to wholly owned special purpose entities at fair market value. The special purpose entities then sell 100% of the receivables to an unaffiliated financial institution ("the Purchaser"). Although the special purpose entities are wholly owned subsidiaries of the Company, they are separate legal entities with their own separate creditors who will be entitled, upon their liquidation, to be satisfied out of their assets prior to any assets or value in such special purpose entities becoming available to their equity holders and their assets are not available to pay other creditors of the Company. As of September 30, 2018 and December 31, 2017, respectively, the Company had \$0.0 million and \$85.0 million drawn on the investment limit.

All transactions under the A/R Securitization are accounted for as a true sale in accordance with ASC 860, *Transfers and Servicing* ("Topic 860"). Following the sale and transfer of the receivables to the Purchaser, the receivables are legally isolated from the Company and its subsidiaries, and the Company sells, conveys, transfers and assigns to the Purchaser all its rights, title and interest in the receivables. Receivables sold are derecognized from the statement of financial position. The Company continues to service, administer and collect the receivables on behalf of the Purchaser, and recognizes a servicing liability in accordance with Topic 860. Any financial statement impact associated with the servicing liability was immaterial for all periods presented.

This program allows the Company to receive a cash payment and a DPP for sold receivables. The DPP is paid to the Company in cash on behalf of the Purchaser as the receivables are collected; however, due to the revolving nature of the A/R Securitization, cash collected from the Company's customers is reinvested by the Purchaser daily in new receivable purchases under the A/R Securitization. For the nine months ended September 30, 2018 and 2017, receivables sold under the A/R securitization were \$827.9 million and \$719.7 million, respectively, and cash collections from customers on receivables sold were \$803.4 million and \$579.3 million, respectively, all of which were reinvested in new receivables purchases and are included in cash flows from operating activities in the unaudited condensed consolidated statement of cash flows. As of September 30, 2018 and December 31, 2017, the outstanding principal on receivables sold under the A/R Securitization were \$157.3 million and \$132.8 million, respectively. Refer to Note 13: Fair Value Measurements for additional discussion on the fair value of the DPP as of September 30, 2018 and December 31, 2017.

The Company did not recognize any material income or loss related to receivables sold for the three and nine months ended September 30, 2018. For the three and nine months ended September 30, 2017, the Company recognized a loss related to the receivables sold of \$0.0 million and \$1.2 million, respectively, that was recorded in Operating, administrative and other expense in the unaudited condensed consolidated statements of operations. Based on the Company's collection history, the fair value of the receivables sold subsequent to the initial sale approximates carrying value. The Company incurred program costs of \$1.9 million and \$0.7 million, for the three months ended September 30, 2018 and 2017, respectively, and \$4.3 million and \$2.9 million for the nine months ended September 30, 2018 and 2017, respectively, which were included in Operating, administrative and other expenses in the unaudited condensed consolidated statements of operations.

Note 15: Supplemental Cash Flow Information

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated unaudited condensed consolidated balance sheets to the sum of such amounts presented in the unaudited condensed consolidated statements of cash flows (in millions):

	Nine Months Ended September 30	
	2018	2017
Cash and cash equivalents, beginning of period	\$ 405.6	\$ 382.3
Restricted cash recorded in Prepaid expenses and other current assets, beginning of period	62.3	42.5
Total cash, cash equivalents and restricted cash shown in the statements of cash flows, beginning of period	\$ 467.9	\$ 424.8
Cash and cash equivalents, end of period	\$ 939.0	\$ 207.2
Restricted cash recorded in Prepaid expenses and other current assets, end of period	58.2	64.6
Total cash, cash equivalents and restricted cash shown in the statements of cash flows, end of period	\$ 997.2	\$ 271.8

Supplemental cash flows and non-cash investing and financing activities are as follows (in millions):

	Nine Months Ended September 30	
	2018	2017
Cash paid for:		
Interest	\$ 144.9	\$ 102.5
Income taxes	41.2	25.0
Non-cash investing/financing activities:		
Property and equipment acquired through capital leases	4.1	6.4
Deferred and contingent payment obligation incurred through acquisitions	8.6	43.9
Equity issued in conjunction with acquisitions	—	1.0
Increase in beneficial interest in a securitization	5.1	43.2

Note 16: Subsequent Events

The Company has evaluated subsequent events through November 13, 2018 , the date on which these financial statements were issued, and has determined there are no material subsequent events to disclose.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited interim Condensed Consolidated Financial Statements and related notes included elsewhere in this Quarterly Report on Form 10-Q ("Quarterly Report") and with our audited Consolidated Financial Statements included in our Prospectus as filed with the Securities and Exchange Commission pursuant to Rule 424(b) under the Securities Act.

As discussed in "Cautionary Note Regarding Forward-Looking Statements," the following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may materially differ from those discussed in such forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those identified below and those discussed in "Risk Factors" under Part II, Item 1A in this Quarterly Report. Our fiscal year ends December 31.

Overview

Cushman & Wakefield is a top three global commercial real estate services firm, built on a trusted brand and backed by approximately 48,000 employees and serving the world's real estate owners and occupiers through a scalable platform. We operate across approximately 400 offices in 70 countries, managing over 3.5 billion square feet of commercial real estate space on behalf of institutional, corporate and private clients. Our business is focused on meeting the increasing demands of our clients across multiple service lines including Property, facilities and project management, Leasing, Capital markets and Valuation and other services.

Critical Accounting Policies

Our unaudited interim Condensed Consolidated Financial Statements have been prepared in accordance with U.S. GAAP, which require us to make estimates and assumptions that affect reported amounts. The estimates and assumptions are based on historical experience and on other factors that we believe to be reasonable. Actual results may differ from those estimates. We review these estimates on a periodic basis to ensure reasonableness. Although actual amounts may differ from such estimated amounts, we believe such differences are not likely to be material. For additional detail regarding our critical accounting policies including business combinations, goodwill and indefinite-lived intangible assets and income taxes, see our discussion for the year ended December 31, 2017 included in the Prospectus. There have been no material changes to these policies as of September 30, 2018 .

Recently Issued Accounting Pronouncements

See recently issued accounting pronouncements within Note 2: New Accounting Standards of the Notes to unaudited interim Condensed Consolidated Financial Statements.

Revenue Recognition

The Company adopted ASU No. 2014-09, Topic 606, which replaced most existing revenue recognition guidance under U.S. GAAP. The core principle of Topic 606 requires companies to reevaluate when revenue is recorded on a transaction based upon newly defined criteria, either at a point in time or over time as goods or services are delivered. Topic 606 requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and estimates, and changes in those estimates. Refer to Note 5: Revenue of the Notes to unaudited interim Condensed Consolidated Financial Statements for the impact the adoption of these standards had on the Company's financial statements and related disclosures, as well as significant judgments performed by the Company when applying Topic 606.

Items Affecting Comparability

When reading our financial statements and the information included in this Quarterly Report, it should be considered that we have experienced, and continue to experience, several material trends and uncertainties that have affected our financial condition and results of operations that could affect future performance. We believe that the following material trends and uncertainties are important to an understanding of the variability in our historical earnings and cash flows and the potential for continued variability in the future.

Macroeconomic Conditions

Our results of operations are significantly impacted by economic trends, government policies and the global and regional real estate markets. These include the following: overall economic activity; changes in interest rates; the impact of tax and regulatory policies; changes in employment rates; level of commercial construction spending; the cost and availability of credit; and the geopolitical environment.

Compensation is a significant expense and many of our Leasing and Capital markets professionals are paid on a commission and/or bonus basis that is linked to their revenue production or the profitability of their activity. As a result, the negative effect of difficult market conditions on our Fee revenue is partially mitigated by a reduction in our compensation expense. Nevertheless, adverse economic trends could pose significant risks to our operating performance and financial condition.

Acquisitions

Our results include the incremental impact of completed acquisitions from the date of acquisition, which may impact the comparability of our results on a year-over-year basis. Additionally, there is generally an adverse impact on net income for a period of time after the completion of an acquisition driven by transaction-related and integration expenses. We have historically used strategic and in-fill acquisitions to add new service capabilities, to increase our scale within existing capabilities and to expand our presence in new or existing geographic regions globally. We believe that strategic acquisitions will increase revenue, provide cost synergies and generate incremental income in the long term.

Seasonality

A significant portion of our revenue is seasonal, especially for service lines such as Leasing and Capital markets, which impacts the comparison of our financial condition and results of operations on a quarter-by-quarter basis. There is a general focus on completing transactions by calendar year-end with a significant concentration in the last quarter of the calendar year while certain expenses are recognized more evenly throughout the calendar year. Historically, our Fee revenue and operating profit tend to be lowest in the first quarter, and highest in the fourth quarter of each year. The Property, facilities and project management service line partially mitigates this intra-year seasonality, owing to the recurring nature of this service line, which generates more stable revenues throughout the year.

Inflation

Our commission and other operating costs tied to revenue are primarily impacted by factors in the commercial real estate market. These factors have the potential to be affected by inflation. Other costs such as wages and costs of goods and services provided by third parties also have the potential to be impacted by inflation. However, we do not believe that inflation has materially impacted our operations.

International Operations

Our business consists of service lines operating in multiple regions inside and outside of the U.S. Our international operations expose us to global economic trends as well as foreign government tax, regulatory and policy measures.

Additionally, outside of the U.S., we generate earnings in other currencies and are subject to fluctuations relative to the U.S. dollar ("USD"). As we continue to grow our international operations through acquisitions and organic growth, these currency fluctuations have the potential to positively or adversely affect our operating results measured in USD. It can be difficult to compare period-over-period financial statements when the movement in currencies against the USD does not reflect trends in the local underlying business as reported in its local currency.

In order to assist our investors and improve comparability of results, we present the year-over-year changes in certain of our non-GAAP financial measures, such as Fee revenue and Adjusted EBITDA, in "local" currency. The local currency change represents the year-over-year change assuming no movement in foreign exchange rates from the prior year. We believe that this provides our management and investors with a better view of comparability and trends in the underlying operating business.

Adoption of New Accounting Standards

On January 1, 2018, the Company adopted Topic 606 using the modified retrospective method. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606. Comparative information continues to be reported under the accounting standards in effect for those periods.

The most significant effects of the new guidance on the comparability of our results of operations for the three and nine months ended September 30, 2018 and 2017 include the following:

- i. Certain revenues in our Leasing service line are recognized earlier. This resulted in additional Revenue and Fee revenue of \$24.5 million and \$49.4 million for the three and nine months ended September 30, 2018, respectively, partially offset by related commissions and tax impacts.
- ii. The proportion of facility and property management contracts accounted for on a gross basis increased, resulting in higher Revenue and Cost of services of \$98.5 million and \$302.0 million for the three and nine months ended September 30, 2018, respectively, with no impact on Fee revenue, Operating loss, Net loss or the statement of cash flows.

See Note 5: Revenue of the Notes to unaudited interim Condensed Consolidated Financial Statements for additional information.

Use of Non-GAAP Financial Measures

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

- i. Fee revenue and Fee-based operating expenses;
- ii. Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and Adjusted EBITDA margin; and
- iii. Local currency.

Our management principally uses these non-GAAP financial measures to evaluate operating performance, develop budgets and forecasts, improve comparability of results and assist our investors in analyzing the underlying performance of our business. These measures are not recognized measurements under GAAP. When analyzing our operating results, investors should use them in addition to, but not as an alternative for, the most directly comparable financial results calculated and presented in accordance with GAAP. Because the Company's calculation of these non-GAAP financial measures may differ from other companies, our presentation of these measures may not be comparable to similarly titled measures of other companies.

The Company believes that these measures provide a more complete understanding of ongoing operations, enhance comparability of current results to prior periods and may be useful for investors to analyze our financial performance. The measures eliminate the impact of certain items that may obscure trends in the underlying performance of our business. The Company believes that they are useful to investors, for the additional purposes described below.

Fee revenue: The Company believes that investors may find this measure useful to analyze the financial performance of our Property, facilities and project management service line and our business generally. Fee revenue is GAAP revenue excluding costs reimbursable by clients which have substantially no margin, and as such provides greater visibility into the underlying performance of our business.

Additionally, pursuant to business combination accounting rules, certain fees that may have been deferred by the acquiree may be recorded as a receivable on the acquisition date by the Company. Such fees are included in Fee revenue as acquisition accounting adjustments based on when the acquiree would have recognized revenue in the absence of being acquired by the Company.

Fee-based operating expenses: Consistent with GAAP, reimbursed costs for certain customer contracts are presented on a gross basis ("gross contract costs") in both revenue and operating expenses. As described above, gross contract costs are excluded from revenue in determining "Fee revenue." Gross contract costs are similarly excluded from operating expenses in determining "Fee-based operating expenses." Excluding gross contract costs from Fee-based operating expenses more accurately reflects how we manage our expense base and operating margins and, accordingly, is useful to investors and other external stakeholders for evaluating performance.

Adjusted EBITDA and Adjusted EBITDA margin: We have determined Adjusted EBITDA to be our primary measure of segment profitability. We believe that investors find this measure useful in comparing our operating performance to that of other companies in our industry because these calculations generally eliminate integration and other costs related to acquisitions, pre-IPO stock-based compensation, the deferred payment obligation related to the acquisition of Cassidy Turley and other items. Adjusted EBITDA also excludes the effects of financings, income tax and the non-cash accounting effects of depreciation and intangible asset amortization. Adjusted EBITDA margin, a

non-GAAP measure of profitability as a percent of revenue, is calculated by dividing Adjusted EBITDA by Fee revenue.

Local currency: In discussing our results, we refer to percentage changes in local currency. These metrics are calculated by holding foreign currency exchange rates constant in year-over-year comparisons. Management believes that this methodology provides investors with greater visibility into the performance of our business excluding the effect of foreign currency rate fluctuations.

Results of Operations

The following table sets forth items derived from our unaudited condensed consolidated statements of operations for the three and nine months ended September 30, 2018 and 2017 (in millions):

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	% Change in USD	% Change in Local Currency	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017	% Change in USD	% Change in Local Currency
Revenue:								
Total revenue	\$ 2,076.0	\$ 1,709.3	21 %	23 %	\$ 5,818.0	\$ 4,871.2	19 %	19 %
Less: Gross contract costs	(567.5)	(417.9)	36 %	39 %	(1,621.6)	(1,187.2)	37 %	36 %
Acquisition accounting adjustments	—	0.3	n/m	n/m	2.5	13.0	n/m	n/m
Total Fee revenue	\$ 1,508.5	\$ 1,291.7	17 %	18 %	\$ 4,198.9	\$ 3,697.0	14 %	13 %
Service Lines:								
Property, facilities and project management	\$ 652.4	\$ 614.6	6 %	8 %	\$ 1,924.5	\$ 1,819.8	6 %	5 %
Leasing	519.3	398.4	30 %	32 %	1,315.3	1,074.2	22 %	21 %
Capital markets	233.8	174.8	34 %	34 %	648.9	492.5	32 %	30 %
Valuation and other	103.0	103.9	(1)%	1 %	310.2	310.5	0 %	(2)%
Total Fee revenue	\$ 1,508.5	\$ 1,291.7	17 %	18 %	\$ 4,198.9	\$ 3,697.0	14 %	13 %
Costs and expenses:								
Cost of services, operating and administrative expenses excluding gross contract costs	\$ 1,427.1	\$ 1,279.4	12 %	13 %	\$ 4,017.8	\$ 3,689.2	9 %	8 %
Gross contract costs	567.5	417.9	36 %	39 %	1,621.6	1,187.2	37 %	36 %
Depreciation and amortization	71.6	64.1	12 %	12 %	213.0	193.0	10 %	9 %
Restructuring, impairment and related charges	(1.2)	2.5	(148)%	(151)%	2.8	12.7	(78)%	(79)%
Total costs and expenses	2,065.0	1,763.9	17 %	19 %	5,855.2	5,082.1	15 %	15 %
Operating income/(loss)	\$ 11.0	\$ (54.6)	(120)%	(123)%	\$ (37.2)	\$ (210.9)	(82)%	(84)%
Adjusted EBITDA								
Adjusted EBITDA	\$ 179.0	\$ 102.2	75 %	77 %	\$ 423.6	\$ 261.9	62 %	61 %
Adjusted EBITDA margin	11.9%	7.9%			10.1%	7.1%		

Adjusted EBITDA is calculated as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net loss attributable to the Company	\$ (48.7)	\$ (78.6)	\$ (172.9)	\$ (245.6)
Add/(less):				
Depreciation and amortization ⁽¹⁾	71.6	64.1	213.0	193.0
Interest expense, net of interest income ⁽²⁾	92.7	49.2	189.1	134.9
Benefit from income taxes	(32.9)	(23.8)	(49.5)	(98.0)
Integration and other costs related to acquisitions ⁽³⁾	71.5	71.5	178.3	213.3
Pre-IPO stock-based compensation ⁽⁴⁾	10.8	6.2	25.7	20.5
Cassidy Turley deferred payment obligation ⁽⁵⁾	11.0	10.2	32.3	32.3
Other ⁽⁶⁾	3.0	3.4	7.6	11.5
Adjusted EBITDA	\$ 179.0	\$ 102.2	\$ 423.6	\$ 261.9

⁽¹⁾ Depreciation and amortization includes merger and acquisition-related depreciation and amortization of \$51.3 million and \$48.2 million for the three months ended September 30, 2018 and 2017, respectively, and \$155.0 million and \$141.1 million for the nine months ended September 30, 2018 and 2017, respectively.

⁽²⁾ Interest expense, net of interest income includes one-time write-off of financing fees and other fees incurred in relation to debt extinguishments and modifications of \$50.4 million and \$53.8 million for the three and nine months ended September 30, 2018.

⁽³⁾ Integration and other costs related to acquisitions represents certain direct and incremental costs resulting from acquisitions and certain related integration efforts as a result of those acquisitions, as well as costs related to our restructuring efforts and initial public offering/private placement.

⁽⁴⁾ Pre-IPO stock-based compensation represents non-cash compensation expense associated with our pre-IPO equity compensation plans. Refer to Note 10: Stock-based Payments of the Notes to unaudited interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2018 for additional information.

⁽⁵⁾ Cassidy Turley deferred payment obligation represents expense associated with a deferred payment obligation related to the acquisition of Cassidy Turley on December 31, 2014, which will be paid out before the end of 2018. Refer to Note 10: Stock-based Payments of the Notes to unaudited interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2018 for additional information.

⁽⁶⁾ Other includes sponsor monitoring fees of approximately \$1.1 million and \$1.1 million for the three months ended September 30, 2018 and 2017, respectively, and \$3.4 million and \$3.4 million for the nine months ended September 30, 2018 and 2017, respectively; accounts receivable securitization costs of approximately \$1.9 million and \$0.7 million for the three months ended September 30, 2018 and 2017, respectively, and \$4.3 million and \$5.1 million for the nine months ended September 30, 2018 and 2017, respectively; and other items.

Below is the reconciliation of Total costs and expenses to Fee-based operating expenses (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Total costs and expenses	\$ 2,065.0	\$ 1,763.9	\$ 5,855.2	\$ 5,082.1
Less: Gross contract costs	(567.5)	(417.9)	(1,621.6)	(1,187.2)
Fee-based operating expenses	\$ 1,497.5	\$ 1,346.0	\$ 4,233.6	\$ 3,894.9

Below is the reconciliation of total costs of Fee-based operating expenses by segment to Consolidated Fee-based operating expenses (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Americas Fee-based operating expenses	\$ 921.7	\$ 806.0	\$ 2,577.9	\$ 2,337.9
EMEA Fee-based operating expenses	182.9	165.8	537.1	466.0
APAC Fee-based operating expenses	225.0	219.1	664.2	633.4
Segment Fee-based operating expenses	1,329.6	1,190.9	3,779.2	3,437.3
Depreciation and amortization	71.6	64.1	213.0	193.0
Integration and other costs related to acquisitions ⁽¹⁾	71.5	71.2	175.8	200.3
Pre-IPO stock-based compensation	10.8	6.2	25.7	20.5
Cassidy Turley deferred payment obligation	11.0	10.2	32.3	32.3
Other	3.0	3.4	7.6	11.5
Fee-based operating expenses	\$ 1,497.5	\$ 1,346.0	\$ 4,233.6	\$ 3,894.9

⁽¹⁾ Represents integration and other costs related to acquisitions, comprised of certain direct and incremental costs resulting from acquisitions and related integration efforts, as well as costs related to our restructuring programs, excluding the impact of acquisition accounting revenue adjustments as these amounts do not impact operating expenses.

Three months ended September 30, 2018 compared to three months ended September 30, 2017

Revenue

Revenue was \$2.1 billion , an increase of \$366.7 million or 21% . Gross contract costs, primarily in the Property, facilities and project management service line, increased \$149.6 million driven by the \$98.5 million impact of the adoption of Topic 606. Foreign currency had a \$34.0 million , or 3% , unfavorable impact on Revenue.

Fee revenue was \$1.5 billion , an increase of \$239.2 million or 18% on a local currency basis, reflecting increases primarily in Leasing, Capital Markets and Property, facilities and project management. Leasing Fee revenue increased \$126.6 million or 32% on a local currency basis, driven by an Americas increase of \$105.2 million or 34% on a local currency basis, with the remainder of the Fee revenue growth primarily in EMEA. Capital markets Fee revenue increased by \$60.3 million or 34% on a local currency basis, driven by an Americas increase of \$52.5 million or 42% on a local currency basis. Property, facilities and project management Fee revenue increased \$51.7 million or 8% on a local currency basis, driven by an Americas increase of \$23.2 million or 6% on a local currency basis, with the remainder of the Fee revenue growth primarily in EMEA.

Operating expenses

Operating expenses were \$2.1 billion , an increase of \$301.1 million or 17% . The increase in operating expenses reflected increased costs associated with revenue growth and the \$98.5 million increase to gross contract costs resulting from the adoption of Topic 606 discussed above.

Fee-based operating expenses, excluding Depreciation and amortization, integration and other costs related to acquisitions and stock-based compensation, were \$1.3 billion , a 13% increase on a local currency basis. The growth in Fee-based operating expenses reflected higher cost of services associated with Fee revenue growth.

Interest expense

Interest expense, net of interest income was \$92.7 million , an increase of \$43.5 million , driven by charges related to 2018 debt refinancing and extinguishment activities, partially offset by lower average borrowings during the quarter.

Benefit from income taxes

The benefit for income taxes was \$32.9 million , an increase of \$9.1 million . The change was driven by discrete tax benefits recorded in the third quarter of 2018, a change in estimate for the tax liability related to the Tax Act and release of valuation allowances partially offset by the effect of the decrease in U.S. corporate tax rate from 35% in 2017 to 21% in 2018.

Net loss and Adjusted EBITDA

Net loss was \$48.7 million , a decrease of \$29.9 million , primarily driven by the increase in Fee revenue exceeding the increase in Fee-based operating expenses and a higher benefit from income taxes, partially offset by higher interest expense.

Adjusted EBITDA was \$179.0 million , an increase of \$76.8 million or 77% , on a local currency basis, driven by the increase in Fee revenue exceeding the increase in Fee-based operating expenses and the \$8.8 million local currency impact of the adoption of Topic 606. Adjusted EBITDA margin, calculated on a Fee revenue basis, was 11.9% , compared to 7.9% in the prior year, driven by Fee revenue mix and operating leverage.

Nine months ended September 30, 2018 compared to nine months ended September 30, 2017

Revenue

Revenue was \$5.8 billion , an increase of \$946.8 million or 19% . Gross contract costs, primarily in the Property, facilities and project management service line, increased \$434.4 million driven by the \$302.0 million impact of the adoption of Topic 606. Foreign currency had a \$22.4 million favorable impact on Revenue, driving approximately 1% growth.

Fee revenue was \$4.2 billion , an increase of \$478.1 million or 13% on a local currency basis, reflecting increases in Leasing, Capital markets and Property, facilities and project management. Leasing Fee revenue increased by \$233.8 million or 21% on a local currency basis driven primarily by the Americas. Capital markets Fee revenue increased by \$152.2 million or 30% on a local currency basis, driven by an Americas increase of \$124.8 million or 34% on a local currency basis, with the remainder of Fee revenue growth primarily in APAC. Property, facilities and project management increased by \$99.3 million or 5% on a local currency basis, driven primarily by an Americas increase of \$57.6 million or 5% on a local currency basis, with the remainder of the Fee revenue growth primarily in EMEA.

Operating expenses

Operating expenses were \$5.9 billion , an increase of \$773.1 million or 15% . The increase in operating expenses reflected increased cost associated with revenue growth and the \$302.0 million increase to gross contract costs resulting from the adoption of Topic 606 discussed above.

Fee-based operating expenses, excluding Depreciation and amortization, integration and other costs related to acquisitions and stock-based compensation, were \$3.8 billion , a 9% increase on a local currency basis. The growth in Fee-based operating expenses reflected higher cost of services associated with Fee revenue growth.

Interest expense

Interest expense, net of interest income was \$189.1 million , an increase of \$54.2 million , driven by charges related to 2018 debt refinancing and extinguishment activities.

Benefit from income taxes

The benefit from income taxes was \$49.5 million , a decrease of \$48.5 million . The change was driven by the effect of the decrease in the U.S. corporate tax rate, from 35% in 2017 to 21% in 2018, and a lower net loss before taxes, partially offset by discrete tax benefits recorded in 2018, a change in estimate for the income tax liability related to the Tax Act and release of valuation allowances.

Net loss and Adjusted EBITDA

Net loss was \$172.9 million , a decrease of \$72.7 million , primarily driven by the increase in Fee revenue exceeding the increase in Fee-based operating expenses, partially offset by higher interest expense and a lower benefit from income taxes.

Adjusted EBITDA was \$423.6 million , an increase of \$161.7 million or 61% , on a local currency basis, driven by the increase in Fee revenue exceeding the increase in Fee-based operating expenses and the \$19.5 million local currency impact of the adoption of Topic 606. Adjusted EBITDA margin, calculated on a Fee revenue basis, was 10.1% , compared to 7.1% in the prior year, driven by Fee revenue mix and operating leverage.

Segment Operations

We report our operations through the following segments: (1) Americas, (2) Europe, the Middle East and Africa (“EMEA”) and (3) Asia Pacific (“APAC”). The Americas consists of operations located in the United States, Canada and key markets in Latin America. EMEA includes operations in the UK, France, Netherlands and other markets in Europe and the Middle East. APAC includes operations in Australia, Singapore, China and other markets in the Asia Pacific region.

For segment reporting, gross contract costs are excluded from revenue in determining Fee revenue. Gross contract costs are excluded from operating expenses in determining Fee-based operating expenses. Additionally, our measure of segment results, Adjusted EBITDA, excludes depreciation and amortization, as well as integration and other costs related to acquisitions, pre-IPO stock-based compensation, expense related to the Cassidy Turley deferred payment obligation and other items.

Americas Results

The following table summarizes our results of operations by our Americas operating segment for the three and nine months ended September 30, 2018 and 2017 (in millions):

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	% Change in USD	% Change in Local Currency	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017	% Change in USD	% Change in Local Currency
Total revenue	\$ 1,475.6	\$ 1,137.4	30 %	31 %	\$ 4,053.9	\$ 3,253.3	25 %	25 %
Less: Gross contract costs	(424.9)	(255.4)	66 %	67 %	(1,164.2)	(726.8)	60 %	60 %
Acquisition accounting adjustments	—	0.4	n/m	n/m	2.5	13.0	n/m	n/m
Total Fee revenue	\$ 1,050.7	\$ 882.4	19 %	20 %	\$ 2,892.2	\$ 2,539.5	14 %	14 %
Service lines:								
Property, facilities and project management	\$ 427.4	\$ 408.9	5 %	6 %	\$ 1,257.8	\$ 1,206.6	4 %	5 %
Leasing	410.7	307.9	33 %	34 %	1,031.0	828.0	25 %	25 %
Capital markets	177.3	125.0	42 %	42 %	491.3	366.3	34 %	34 %
Valuation and other	35.3	40.6	(13)%	(12)%	112.1	138.6	(19)%	(19)%
Total Fee revenue	\$ 1,050.7	\$ 882.4	19 %	20 %	\$ 2,892.2	\$ 2,539.5	14 %	14 %
Segment operating expenses	\$ 1,346.6	\$ 1,061.4	27 %	28 %	\$ 3,742.1	\$ 3,064.7	22 %	22 %
Less: Gross contract costs	(424.9)	(255.4)	66 %	67 %	(1,164.2)	(726.8)	60 %	60 %
Total Fee-based operating expenses	\$ 921.7	\$ 806.0	14 %	15 %	\$ 2,577.9	\$ 2,337.9	10 %	11 %
Adjusted EBITDA	\$ 128.8	\$ 76.3	69 %	69 %	\$ 314.2	\$ 201.3	56 %	56 %
Adjusted EBITDA Margin	12.3%	8.6%			10.9%	7.9%		

Three months ended September 30, 2018 compared to three months ended September 30, 2017

Americas revenue was \$1.5 billion , an increase of \$338.2 million or 30% . The change in revenue includes higher gross contract costs of \$93.1 million as a result of the adoption of Topic 606.

Fee revenue was \$1.1 billion , an increase of \$176.1 million or 20% on a local currency basis. The increase in Fee revenue was driven primarily by growth in Leasing and Capital markets. The adoption of Topic 606 positively impacted Fee revenue in the Leasing service line by \$22.1 million on a local currency basis.

Fee-based operating expenses were \$921.7 million , an increase of 15% on a local currency basis. The growth in Fee-based operating expenses was driven primarily by higher cost of services associated with Fee revenue growth.

Adjusted EBITDA was \$128.8 million , an increase of \$53.0 million or 69% on a local currency basis, driven by increases in Fee revenue exceeding the increases in Fee-based operating expenses and the \$8.0 million local currency impact of the adoption of Topic 606. Adjusted EBITDA margin, calculated on a Fee revenue basis, was 12.3% , compared to 8.6% in the prior year.

Nine months ended September 30, 2018 compared to nine months ended September 30, 2017

Americas revenue was \$4.1 billion , an increase of \$800.6 million or 25% . The change in revenue includes higher gross contract costs of \$259.6 million as a result of the adoption of Topic 606.

Fee revenue was \$2.9 billion , an increase of \$360.8 million or 14% on a local currency basis. The increase in Fee revenue was driven primarily by growth in Leasing and Capital markets. The adoption of Topic 606 positively impacted Fee revenue in the Leasing service line by \$43.9 million on a local currency basis.

Fee-based operating expenses were \$2.6 billion , an increase of 11% on a local currency basis. The growth in Fee-based operating expenses was driven primarily by higher cost of services associated with Fee revenue growth.

Adjusted EBITDA was \$314.2 million , an increase of \$112.9 million or 56% on a local currency basis, driven by increases in Fee revenue exceeding the increases in Fee-based operating expenses and the \$17.1 million local currency impact of the adoption of Topic 606. Adjusted EBITDA margin, calculated on a Fee revenue basis, was 10.9% , compared to 7.9% in the prior year.

EMEA Results

The following table summarizes our results of operations by our EMEA operating segment for the three and nine months ended September 30, 2018 and 2017 (in millions):

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	% Change in USD	% Change in Local Currency	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017	% Change in USD	% Change in Local Currency
Total revenue	\$ 226.9	\$ 199.6	14 %	15 %	\$ 650.9	\$ 546.4	19%	13%
Less: Gross contract costs	(15.4)	(21.6)	(29)%	(27)%	(76.4)	(59.4)	29%	20%
Acquisition accounting adjustments	—	(0.1)	n/m	n/m	—	(0.1)	n/m	n/m
Total Fee revenue	\$ 211.5	\$ 177.9	19 %	21 %	\$ 574.5	\$ 486.9	18%	12%
Service lines:								
Property, facilities and project management	\$ 60.0	\$ 45.7	31 %	33 %	\$ 178.1	\$ 132.3	35%	27%
Leasing	67.2	54.8	23 %	25 %	173.9	154.0	13%	7%
Capital markets	40.0	37.0	8 %	10 %	98.5	91.0	8%	3%
Valuation and other	44.3	40.4	10 %	11 %	124.0	109.6	13%	7%
Total Fee revenue	\$ 211.5	\$ 177.9	19 %	21 %	\$ 574.5	\$ 486.9	18%	12%
Segment operating expenses								
Segment operating expenses	\$ 198.3	\$ 187.4	6 %	7 %	\$ 613.5	\$ 525.4	17%	10%
Less: Gross contract costs	(15.4)	(21.6)	(29)%	(27)%	(76.4)	(59.4)	29%	20%
Total Fee-based operating expenses	\$ 182.9	\$ 165.8	10 %	12 %	\$ 537.1	\$ 466.0	15%	9%
Adjusted EBITDA								
Adjusted EBITDA	\$ 29.0	\$ 13.0	123 %	126 %	\$ 40.5	\$ 22.6	79%	76%
Adjusted EBITDA Margin	13.7%	7.3%			7.0%	4.6%		

Three months ended September 30, 2018 compared to three months ended September 30, 2017

EMEA revenue was \$226.9 million , an increase of \$27.3 million or 14% . Foreign currency had a \$4.1 million or 2% unfavorable impact on Revenue.

Fee revenue was \$211.5 million , an increase of \$37.5 million or 21% on a local currency basis, driven primarily by growth in Property, facilities and project management and Leasing. The adoption of Topic 606 positively impacted Fee revenue in the Leasing service line by \$2.0 million on a local currency basis.

Fee-based operating expenses were \$182.9 million , an increase of 12% on a local currency basis. The growth in Fee-based operating expenses was driven primarily by higher cost of services associated with Fee revenue growth.

Adjusted EBITDA was \$29.0 million , an increase of \$16.8 million or 126% on a local currency basis, driven by increases in Fee revenue exceeding the increases in Fee-based operating expenses. Adjusted EBITDA margin, calculated on a Fee revenue basis, was 13.7% , compared to 7.3% in the prior year.

Nine months ended September 30, 2018 compared to nine months ended September 30, 2017

EMEA revenue was \$650.9 million , an increase of \$104.5 million or 19% . The change in revenue includes higher contract costs of \$12.1 million as a result of the adoption of Topic 606. Foreign currency had a \$30.6 million favorable impact on Revenue, driving approximately 6% growth.

Fee revenue was \$574.5 million , an increase of \$61.6 million or 12% on a local currency basis, driven primarily by growth in the Property, facilities and project management and Valuation and other. The adoption of Topic 606 positively impacted Fee revenue in the Leasing service line by \$5.8 million on a local currency basis.

Fee-based operating expenses were \$537.1 million , an increase of 9% on a local currency basis. The growth in Fee-based operating expenses was driven primarily by higher cost of services associated with Fee revenue growth.

Adjusted EBITDA was \$40.5 million , an increase of \$18.3 million , or 76% on a local currency basis driven by increases in Fee revenue exceeding the increases in Fee-based operating expenses and the \$2.6 million local currency impact of the adoption of Topic 606. Adjusted EBITDA margin, calculated on a Fee revenue basis, was 7.0% compared to 4.6% in the prior year.

APAC Results

The following table summarizes our results of operations by our APAC operating segment for the three and nine months ended September 30, 2018 and 2017 (in millions):

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	% Change in USD	% Change in Local Currency	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017	% Change in USD	% Change in Local Currency
Total revenue	\$ 373.5	\$ 372.3	0 %	6 %	\$ 1,113.2	\$ 1,071.5	4 %	4 %
Less: Gross contract costs	(127.2)	(140.9)	(10)%	(3)%	(381.0)	(401.0)	(5)%	(4)%
Acquisition accounting adjustments	—	—	n/m	n/m	—	0.1	n/m	n/m
Total Fee revenue	\$ 246.3	\$ 231.4	6 %	11 %	\$ 732.2	\$ 670.6	9 %	8 %
Service lines:								
Property, facilities and project management	\$ 165.0	\$ 160.0	3 %	8 %	\$ 488.6	\$ 480.9	2 %	1 %
Leasing	41.4	35.7	16 %	20 %	110.4	92.2	20 %	18 %
Capital markets	16.5	12.8	29 %	33 %	59.1	35.2	68 %	69 %
Valuation and other	23.4	22.9	2 %	5 %	74.1	62.3	19 %	16 %
Total Fee revenue	\$ 246.3	\$ 231.4	6 %	11 %	\$ 732.2	\$ 670.6	9 %	8 %
Segment operating expenses	\$ 352.2	\$ 360.0	(2)%	3 %	\$ 1,045.2	\$ 1,034.4	1 %	1 %
Less: Gross contract costs	(127.2)	(140.9)	(10)%	(3)%	(381.0)	(401.0)	(5)%	(4)%
Total Fee-based operating expenses	\$ 225.0	\$ 219.1	3 %	7 %	\$ 664.2	\$ 633.4	5 %	4 %
Adjusted EBITDA	\$ 21.2	\$ 12.9	64 %	69 %	\$ 68.9	\$ 38.0	81 %	77 %
Adjusted EBITDA Margin	8.6%	5.6%			9.4%	5.7%		

Three months ended September 30, 2018 compared to three months ended September 30, 2017

APAC revenue was \$373.5 million and remained relatively consistent compared with the prior year. The change in revenue includes higher gross contract costs of \$10.3 million as a result of the adoption of Topic 606. Foreign currency had a \$20.8 million or 6% unfavorable impact on Revenue.

Fee revenue was \$246.3 million , an increase of \$25.6 million or 11% on a local currency basis. The increase in Fee revenue was driven primarily by growth in Property, facilities and project management and Leasing.

Fee-based operating expenses were \$225.0 million , an increase of 7% on a local currency basis. The growth in Fee-based operating expenses was driven primarily by higher cost of services associated with Fee revenue growth.

Adjusted EBITDA was \$21.2 million , an increase of \$9.1 million or 69% on a local currency basis, driven by the increase in Fee revenue exceeding the increase in Fee-based operating expenses. Adjusted EBITDA margin, calculated on a Fee revenue basis, was 8.6% compared to 5.6% in the prior year.

Nine months ended September 30, 2018 compared to nine months ended September 30, 2017

APAC revenue was \$1.1 billion , an increase of \$41.7 million . The change in revenue includes higher gross contract costs of \$30.3 million as a result of the adoption of Topic 606.

Fee revenue was \$732.2 million , an increase of \$55.7 million or 8% on a local currency basis. The increase in Fee revenue was driven primarily by growth in Capital markets, Leasing and Valuation and other.

Fee-based operating expenses were \$664.2 million , an increase of \$25.2 million or 4% on a local currency basis. The growth in Fee-based operating expenses was driven primarily by higher cost of services associated with Fee revenue growth.

Adjusted EBITDA was \$68.9 million , an increase of \$30.6 million or 77% on a local currency basis, driven by the increase in Fee revenue exceeding the increase in Fee-based operating expenses. Adjusted EBITDA margin, calculated on a Fee revenue basis, was 9.4% compared to 5.7% in the prior year.

Liquidity and Capital Resources

We believe that we have adequate funds and liquidity to satisfy our working capital and other funding requirements with internally generated cash flow and, as necessary, cash on hand, borrowings under our revolving credit facility and our ability to access additional indebtedness through the capital markets.

As of September 30, 2018 , the Company had ample liquidity in excess of \$1.7 billion , which consisted of cash on hand of \$939.0 million and our undrawn revolving credit facility of \$810.0 million . In August 2018, the \$450.0 million Second Lien Loan was repaid with IPO proceeds of approximately \$1.0 billion; a new Credit Agreement was raised to increase liquidity, extend maturity and lower the borrowing rate; the First Lien loan was repaid; and a new revolving credit facility was entered into which expanded borrowing capacity from \$486.0 million to \$810.0 million. As a result, the Company's available liquidity increased significantly from June 30, 2018.

The Company's outstanding 2018 First Lien debt was \$2.7 billion as of September 30, 2018 , which net of cash on hand, provided for a net debt position of approximately \$1.7 billion. The decrease in net debt of approximately \$913.6 million from June 30, 2018 was driven by proceeds from the IPO and repayment of the second lien loan.

Additionally, in August 2018, Standard & Poor's raised the Company's rating to BB-.

Historical Cash Flows

Cash Flow Summary

	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Net cash used in operating activities	\$ (40.1)	\$ (242.5)
Net cash used in investing activities	(175.3)	(93.0)
Net cash provided by financing activities	744.2	168.0
Effects of exchange rate fluctuations on cash, cash equivalents and restricted cash	0.5	14.5
Total change in cash, cash equivalents and restricted cash	\$ 529.3	\$ (153.0)

Operating Activities

The Company used \$40.1 million of cash for operating activities for the nine months ended September 30, 2018 , a decrease of \$202.4 million from the prior year. The change was driven by a decrease in Net loss of \$72.7 million and higher non-cash charges including for debt extinguishment, partially offset by higher working capital requirements.

Investing Activities

The Company used \$175.3 million in cash for investing activities for the nine months ended September 30, 2018 , an increase of \$82.3 million from the prior year. The change was driven by a return of beneficial interest in the A/R Securitization of \$85.0 million .

Financing Activities

Financing activities provided \$744.2 million in cash for the nine months ended September 30, 2018 , an increase of \$576.2 million from the prior year, driven by proceeds of \$1.0 billion from the IPO and concurrent Private Placement, partially offset by the \$450.0 million repayment of the Second Lien loan.

Off-Balance Sheet Arrangements

The Company's guarantees primarily relate to requirements under certain client service contracts and have arisen through the normal course of business. Our current expectation is that future payment or performance related to non-performance under these guarantees is considered remote. See Note 11: Commitments and Contingencies of the Notes to unaudited interim Condensed Consolidated Financial Statements for further information.

The Company is party to an A/R Securitization arrangement whereby it continuously sells trade receivables to an unaffiliated financial institution, which has an investment limit of \$125.0 million . Receivables are derecognized from our balance sheet upon sale, for which we receive cash payment and record a deferred purchase price receivable. As of September 30, 2018, the Company is not drawn on the investment limit. The A/R Securitization terminates on August 20, 2021, unless extended or an earlier termination event occurs. See Note 14: Accounts Receivable Securitization of the Notes to unaudited interim Condensed Consolidated Financial Statements for further information.

Indebtedness

We have incurred debt to finance the acquisitions of DTZ, Cassidy Turley and C&W Group, Inc., as discussed in our previously filed Prospectus. In addition, we may incur additional debt from time to time to finance strategic acquisitions, investments, joint ventures or for other purposes, subject to the restrictions contained in the documents governing our indebtedness.

2018 Credit Agreement

On August 21, 2018, the Company entered into a \$3.5 billion credit agreement , comprised of a \$2.7 billion term loan and an \$810.0 million revolving facility. Net proceeds from the 2018 First Lien Loan were \$2.7 billion (\$2.7 billion aggregate principal amount less \$13.5 million stated discount and \$21.0 million in debt transaction costs). With the proceeds from the 2018 First Lien Loan, the Company subsequently paid off all outstanding principal and accrued interest under the 2014 Credit Agreement of \$2.6 billion and \$25.9 million, respectively, which also resulted in write-off of unamortized deferred financing fees of \$39.2 million.

The 2018 Credit Agreement bears interest at a variable interest rate that the Company may select pursuant to the terms of the 2018 Credit Agreement. As of the period ended September 30, 2018 , the rate is equal to 1-month LIBOR plus 3.25%. The 2018 First Lien Loan matures on August 21, 2025. The effective interest rate of the 2018 First Lien Loan is 5.5% as of September 30, 2018 .

The 2018 Credit Agreement requires quarterly principal payments equal to 0.25% of the aggregate principal amount of the 2018 First Lien Loan, including incremental borrowings.

Revolver

As of September 30, 2018 , the Company had no outstanding funds drawn under the Revolver, which matures on August 21, 2023.

Financial Covenants and Terms

The 2018 Credit Agreement has a springing financial covenant, tested on the last day of each fiscal quarter if the outstanding loans under the Revolver exceed an applicable threshold. If the financial covenant is triggered, the First Lien Net Leverage Ratio is tested for compliance not to exceed 5.80 to 1.00. The financial covenant has not been triggered since we entered into the 2018 Credit Agreement. Similarly, the financial covenant under our original First Lien Credit Agreement was not triggered in any period since its inception in 2014.

The Company was in compliance with all of its loan provisions under the Credit Agreements as of September 30, 2018 .

Derivatives

We are exposed to certain risks arising from both business operations and economic conditions, including interest rate risk and foreign currency risk. We manage interest rate risk primarily by managing the amount, sources and duration of debt funding and by using derivative financial instruments. Derivative financial instruments are used to manage differences in the amount, timing and duration of known or expected cash payments principally related to borrowings under the Credit Agreements as well as certain foreign currency exposures.

See Note 7: Derivative Financial Instruments and Hedging Activities of the Notes to unaudited interim Condensed Consolidated Financial Statements as well as "Quantitative and Qualitative Disclosures About Market Risk" for additional information about risks managed through derivative activities.

Cautionary Note Regarding Forward-Looking Statements

Some of the statements under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "and elsewhere in this Quarterly Report may contain forward-looking statements that reflect our current views with respect to, among other things, future events and financial performance.

These statements can be identified by the fact that they do not relate strictly to historical or current facts, and you can often identify these forward-looking statements by the use of forward-looking words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates," "target," "projects," "forecasts," "shall," "contemplates" or the negative version of those words or other comparable words. Any forward-looking statements contained in this Quarterly Report are based upon our historical performance and on our current plans, estimates and expectations in light of information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us, that the future plans, estimates or expectations contemplated by us will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy and liquidity. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements. You should not place undue reliance on any forward-looking statements and should consider the following factors, as well as the factors discussed under "Risk Factors" beginning on page 47. We believe that these factors include, but are not limited to:

- disruptions in general economic, social and business conditions, particularly in geographies or industry sectors that we or our clients serve;
- adverse developments in the credit markets;
- our ability to compete globally, or in local geographic markets or service lines that are material to us, and the extent to which further industry consolidation, fragmentation or innovation could lead to significant future competition;
- social, political and economic risks in different countries as well as foreign currency volatility;
- our ability to retain our senior management and attract and retain qualified and experienced employees;
- our reliance on our Principal Shareholders;
- the inability of our acquisitions to perform as expected and the unavailability of similar future opportunities;
- perceptions of our brand and reputation in the marketplace and our ability to appropriately address actual or perceived conflicts of interest;

- the operating and financial restrictions that our credit agreements impose on us and the possibility that in an event of default all of our borrowings may become immediately due and payable;
- the substantial amount of our indebtedness, our ability and the ability of our subsidiaries to incur substantially more debt and our ability to generate cash to service our indebtedness;
- the possibility we may face financial liabilities and/or damage to our reputation as a result of litigation;
- our dependence on long-term client relationships and on revenue received for services under various service agreements;
- the concentration of business with corporate clients;
- the seasonality of significant portions of our revenue and cash flow;
- our ability to execute information technology strategies, maintain the security of our information and technology networks and avoid or minimize the effect of an interruption or failure of our information technology, communications systems or data services;
- the possibility that infrastructure disruptions may disrupt our ability to manage real estate for clients;
- the possibility that our goodwill and other intangible assets could become impaired;
- our ability to comply with new laws or regulations and changes in existing laws or regulations and to make correct determinations in complex tax regimes;
- our ability to execute on our strategy for operational efficiency successfully;
- the possibility we may be subject to environmental liability as a result of our role as a property or facility manager or developer of real estate;
- our expectation to be a “controlled company” within the meaning of the applicable stock exchange corporate governance standards, which would allow us to qualify for exemptions from certain corporate governance requirements;
- the fact that the Principal Shareholders have significant influence over us and key decisions about our business that could limit other shareholders’ ability to influence the outcome of matters submitted to shareholders for a vote;
- the fact that certain of our shareholders have the right to engage or invest in the same or similar businesses as us; the possibility that the rights of our shareholders may differ from the rights typically offered to shareholders of a U.S. corporation organized in Delaware;
- the possibility that U.S. investors may have difficulty enforcing civil liabilities against our company, our directors or members of senior management;
- the possibility that English law and provisions in our articles of association may have anti-takeover effects that could discourage an acquisition of us by others and may prevent attempts by our shareholders to replace or remove our current management;
- the possibility that provisions in the U.K. City Code on Takeovers and Mergers may have anti-takeover effects that could discourage an acquisition of us by others;
- the possibility that given our status as a public limited company incorporated in England and Wales, certain capital structure decisions will require shareholder approval, which may limit our flexibility to manage our capital structure;
- the fact that, prior to our IPO, there was no prior public market for our ordinary shares and an active, liquid trading market for our ordinary shares may not develop;
- the fluctuation of the market price of our ordinary shares, and the impact on the market price of our ordinary shares of the possibility that we or our existing investors may sell additional ordinary shares or that we may attempt future offerings of debt or equity securities;

- the fact that we do not currently anticipate paying any dividends in the foreseeable future;
- the fact that we are a holding company with nominal net worth and will depend on dividends and distributions from our subsidiaries to pay any dividends;
- the fact that our internal controls over financial reporting may not be effective and our independent registered public accounting firm may not be able to certify as to their effectiveness, and the possibility that the requirements of being a public company may strain our resources and distract our management; and
- the possibility that securities or industry analysts may not publish research or may publish inaccurate or unfavorable research about our business.

The factors identified above should not be construed as exhaustive list of factors that could affect our future results, and should be read in conjunction with the other cautionary statements that are included in this Quarterly Report. The forward-looking statements made in this Quarterly Report are made only as of the date of this Quarterly Report. We do not undertake any obligation to publicly update or review any forward-looking statement except as required by law, whether as a result of new information, future developments or otherwise.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we may have expressed or implied by these forward-looking statements. You should specifically consider the factors identified in this Quarterly Report that could cause actual results to differ before making an investment decision to purchase our ordinary shares. Furthermore, new risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market and Other Risk Factors

Market Risk

The principal market risks we are exposed to are:

- Interest rates on debt obligations; and
- Foreign exchange risk.

We manage these risks primarily by managing the amount, sources, and duration of our debt funding and by using various derivative financial instruments such as interest rate hedges or foreign currency contracts. We enter into derivative instruments with trusted counterparties and diversify across counterparties to reduce credit risk. These derivative instruments are strictly used for risk management purposes and, accordingly, are not used for trading or speculative purposes.

Interest Rates

We are exposed to interest rate volatility with regard to our existing debt issuances. Our interest rate exposure relates to our 2018 First Lien Loan and Revolver. We manage this interest rate risk by entering into interest rate derivative agreements to attempt to hedge the variability of future interest payments driven by fluctuations in interest rates.

Our \$2.7 billion 2018 First Lien Loan due in August 2025 bears interest at an annual rate of 1-month LIBOR plus 3.25% .

We continually assess interest rate sensitivity to estimate the impact of rising short-term interest rates on our variable rate debt. Our interest rate risk management strategy is focused on limiting the impact of interest rate changes on earnings and cash flows to lower our overall borrowing cost. Historically, we have maintained the majority of our overall interest rate exposure on a fixed-rate basis. In order to achieve this, we have entered into derivative financial instruments such as interest rate swap agreements when appropriate and will continue to do so as appropriate. See Note 7: Derivative Financial Instruments and Hedging Activities of the Notes to unaudited interim Condensed Consolidated Financial Statements for additional information about interest rate risks managed through derivative activities and notional amounts of underlying hedged items.

Foreign Exchange

Our foreign operations expose us to fluctuations in foreign exchange rates. These fluctuations may impact the value of our cash receipts and payments in terms of USD, our reporting currency. Refer to the discussion of international

operations, included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further detail.

Our foreign exchange risk management strategy is achieved by establishing local operations in the markets that we serve, invoicing customers in the same currency that costs are incurred and the use of derivative financial instruments such as foreign currency forwards. Translating expenses incurred in foreign currencies into USD offsets the impact of translating revenue earned in foreign currencies into USD. We enter into forward foreign currency exchange contracts to manage currency risks associated with intercompany transactions and cash management. See Note 7: Derivative Financial Instruments and Hedging Activities of the Notes to unaudited interim Condensed Consolidated Financial Statements for additional information about foreign currency risks managed through derivative activities and notional amounts of underlying hedged items.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Rule 13a-15 of the Securities and Exchange Act of 1934, as amended, requires that we conduct an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report, and we have a disclosure policy in furtherance of the same. This evaluation is designed to ensure that all corporate disclosure is complete and accurate in all material respects. The evaluation is further designed to ensure that all information required to be disclosed in our SEC reports is accumulated and communicated to management to allow timely decisions regarding required disclosures and recorded, processed, summarized and reported within the time periods and in the manner specified in the SEC's rules and forms. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our Chief Executive Officer and Chief Financial Officer supervise and participate in this evaluation, and they are assisted by other members of our Disclosure Committee. Our Disclosure Committee consists of our General Counsel, our Global Head of Investor Relations, our Global Treasurer, our Global Head of Financial Planning & Analysis, our Global Controller, our senior officers of significant business lines and other select employees.

We conducted the required evaluation, and our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined by Securities Exchange Act Rule 13a-15(e)) were effective as of September 30, 2018 to accomplish their objectives at the reasonable assurance level.

Part II. Other Information

Item 1. Legal Proceedings

From time to time, we are party to a number of pending or threatened lawsuits arising out of, or incident to, the ordinary course of our business. See Note 11: Commitments and Contingencies of our Notes to unaudited interim Condensed Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report for information regarding legal proceedings, which is incorporated herein by reference in response to this item.

Item 1A. Risk Factors

There have been no material changes to our risk factors as previously disclosed in our Quarterly Report on Form 10-Q for the three months ended June 30, 2018.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Use of Proceeds from Initial Public Offering of Ordinary Shares

On August 6, 2018, the Company completed an IPO of its ordinary shares in which it issued and sold 51,750,000 ordinary shares, including 6,750,000 ordinary shares pursuant to the exercise in full of the underwriters' option to purchase additional ordinary shares. The shares sold in the offering were registered under the Securities Act pursuant to the Company's Registration Statement on Form S-1 (Registration No. 333-225742), which was declared effective by the SEC on August 1, 2018. All securities registered in the Company's Registration Statement on Form S-1 were sold pursuant to an underwriting agreement dated as of August 1, 2018. The ordinary shares are listed on the New York Stock Exchange under the symbol "CWK." The Company's ordinary shares were sold to the public at an initial offering price of \$17.00 per share. The aggregate offering price for the ordinary shares issued and sold by the Company was \$879.8 million, and the aggregate underwriting discount for these ordinary shares was \$48.4 million. We incurred approximately \$8.0 million of expenses in connection with the IPO. The proceeds to us, net of total expense, were approximately \$823.4 million.

We used or intend to use the net proceeds received in the offering as follows: approximately \$450.0 million to reduce outstanding indebtedness, in particular to repay our Second Lien Loan, which matured on November 4, 2022 and had a weighted average effective interest rate of 8.87% as of December 31, 2017 (repayment occurred during August 2018); approximately \$130.0 million to repay the outstanding amount of the Cassidy Turley deferred payment obligation; approximately \$11.9 million to terminate our management services agreement (termination occurred during August 2018); and the remainder for general corporate purposes. There has been no material change in the planned use of proceeds from our IPO as described in our final Prospectus filed with the SEC on August 3, 2018 pursuant to Rule 424(b) under the Securities Act.

None of the use of proceeds in connection with the IPO will be a direct or indirect payment to directors, officers, persons owning 10% or more of any class of our equity securities or to their associates, or to our affiliates.

Certain affiliates of TPG Capital BD, LLC, one of the underwriters in the IPO, own more than 10% of our outstanding ordinary shares, and Jonathan Coslet and Timothy Dattels, members of our board of directors, serve as Senior Partner of TPG and Co-Managing Partner of TPG Capital Asia, respectively.

Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC, Goldman Sachs & Co. LLC and UBS Securities LLC acted as representatives of the underwriters in the offering. Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, TPG Capital BD, LLC, William Blair & Company, L.L.C., HSBC Securities (USA) Inc., Credit Agricole Securities (USA) Inc., JMP Securities LLC, China Renaissance Securities (US) Inc., Fifth Third Securities, Inc., Academy Securities, Inc., Loop Capital Markets LLC, Samuel A. Ramirez & Company, Inc., Siebert Cisneros Shank & Co., L.L.C. and The Williams Capital Group, L.P. served as underwriters in the offering.

Item 5. Other Information

On September 6, 2018, the compensation committee determined that, solely for purposes of determining how many ordinary shares a management stockholder may (but is not required to) sell pursuant to Section 3(a)(iii) of the Management Stockholders' Agreement, the Company will take into account all ordinary shares underlying vested options and vested restricted stock units held by the management stockholder for so long as the management stockholder remains employed with the Company.

Disclosure Channels to Disseminate Information

Cushman & Wakefield investors and others should note that we announce material information to the public about the Company through a variety of means, including the Company's website, press releases, SEC filings, blogs and social media, in order to achieve broad, non-exclusionary distribution of information to the public. We encourage investors and others to review the information we make public in the locations below as such information could be deemed to be material information.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Description of Exhibits
10.1	Limited waiver relating to Section 3(a)(iii) of the Management Stockholders' Agreement (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on September 6, 2018)
10.2	Form of Restricted Stock Unit Grant Agreement pursuant to the Cushman & Wakefield plc 2018 Omnibus Management Share and Cash Incentive Plan (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on September 6, 2018)
10.3	Credit Agreement dated August 21, 2018 (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the SEC on September 6, 2018)
31.1	Certification by Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 and Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification by Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 and Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CUSHMAN & WAKEFIELD plc

Date: November 13, 2018

/s/ Duncan Palmer

Duncan Palmer

Chief Financial Officer (Principal Financial and Accounting Officer)

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brett White, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cushman & Wakefield plc for the quarter ended September 30, 2018;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2018

/s/ Brett White

Brett White

Chairman and Chief Executive Officer

**CERTIFICATION BY THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Duncan Palmer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cushman & Wakefield plc for the quarter ended September 30, 2018;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2018

/s/ Duncan Palmer

Duncan Palmer

Chief Financial Officer

**Certification of Chief Executive Officer Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Cushman & Wakefield plc (the "Company") on Form 10-Q for the period ending September 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brett White, as Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 13, 2018

/s/ Brett White

Brett White

Chairman and Chief Executive Officer

**Certification of Chief Financial Officer Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Cushman & Wakefield plc (the "Company") on Form 10-Q for the period ending September 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Duncan Palmer, as Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 13, 2018

/s/ Duncan Palmer

Duncan Palmer

Chief Financial Officer