

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 March 31, 2019

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

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

EC2N 1AR
(Zip Code)

(Registrant's telephone number, including area 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 April 30, 2019, 216,773,793 of the Registrant's ordinary shares, \$0.10 nominal value per share, were outstanding.

Securities registered pursuant to section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Ordinary Shares, \$0.10 nominal value	CWK	New York Stock Exchange

FORM 10-Q

March 31, 2019

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Part I. Financial Information
Item 1. Financial Statements

Cushman & Wakefield plc
Condensed Consolidated Balance Sheets
(unaudited)

(in millions, except per share data)	As of	
	March 31, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 411.0	\$ 895.3
Trade and other receivables, net of allowance balance of \$51.2 million and \$49.5 million, as of March 31, 2019 and December 31, 2018, respectively	1,370.9	1,463.5
Income tax receivable	38.0	41.1
Prepaid expenses and other current assets	312.2	343.4
Total current assets	2,132.1	2,743.3
Property and equipment, net	306.9	313.8
Goodwill	1,946.9	1,778.5
Intangible assets, net	1,193.1	1,128.2
Equity method investments	9.3	8.7
Deferred tax assets	84.7	84.0
Non-current operating lease assets	531.6	—
Other non-current assets	502.9	489.5
Total assets	\$ 6,707.5	\$ 6,546.0
Liabilities and Shareholders' Equity		
Current liabilities:		
Short-term borrowings and current portion of long-term debt	\$ 38.7	\$ 39.9
Accounts payable and accrued expenses	982.2	1,047.7
Accrued compensation	580.0	817.9
Income tax payable	60.1	43.2
Other current liabilities	201.0	90.0
Total current liabilities	1,862.0	2,038.7
Long-term debt	2,639.1	2,644.2
Deferred tax liabilities	77.3	136.4
Non-current operating lease liabilities	492.9	—
Other non-current liabilities	305.8	366.6
Total liabilities	5,377.1	5,185.9
Commitments and contingencies (See Note 11)		
Shareholders' Equity:		
Ordinary shares, nominal value \$0.10 per share, 216.7 and 216.6 shares issued and outstanding at March 31, 2019 and at December 31, 2018, respectively	21.7	21.7
Additional paid-in capital	2,801.4	2,791.2
Accumulated deficit	(1,318.1)	(1,298.4)
Accumulated other comprehensive loss	(174.6)	(154.4)
Total equity	1,330.4	1,360.1
Total liabilities and shareholders' equity	\$ 6,707.5	\$ 6,546.0

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

Cushman & Wakefield plc
Condensed Consolidated Statements of Operations
(unaudited)

(in millions, except per share data)	Three Months Ended March 31,	
	2019	2018
Revenue	\$ 1,903.0	\$ 1,767.7
Costs and expenses:		
Cost of services (exclusive of depreciation and amortization)	1,564.8	1,473.8
Operating, administrative and other	286.8	295.6
Depreciation and amortization	73.5	69.8
Restructuring, impairment and related charges	3.9	10.4
Total costs and expenses	1,929.0	1,849.6
Operating loss	(26.0)	(81.9)
Interest expense, net of interest income	(37.2)	(44.4)
Earnings from equity method investments	0.8	0.4
Other income, net	0.6	1.0
Loss before income taxes	(61.8)	(124.9)
Benefit from income taxes	(40.9)	(32.0)
Net loss	\$ (20.9)	\$ (92.9)
Basic and diluted loss per share:		
Loss per share attributable to common shareholders	\$ (0.10)	\$ (0.64)
Weighted average shares outstanding for basic and diluted loss per share	216.6	145.3

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

Cushman & Wakefield plc
Condensed Consolidated Statements of Comprehensive Loss
(unaudited)

(in millions)	Three Months Ended March 31,	
	2019	2018
Net loss	\$ (20.9)	\$ (92.9)
Other comprehensive (loss) income, net of tax:		
Designated hedge (losses) gains	(27.4)	13.9
Defined benefit plan actuarial losses	(0.1)	(0.2)
Foreign currency translation	7.3	10.1
Total other comprehensive (loss) income	(20.2)	23.8
Total comprehensive loss	\$ (41.1)	\$ (69.1)

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

Cushman & Wakefield plc
Condensed Consolidated Statements of Equity for the three months ended March 31, 2019 and 2018
(unaudited)

(in millions)	Accumulated Other Comprehensive Income (Loss)										Total Equity						
	Ordinary Shares	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	\$	283.8	\$	(1,148.5)	\$	19.6	\$	(101.1)	\$	(5.7)	\$	(87.2)	\$	499.4
Capital reduction	—		(1,441.0)		1,441.0		—		—		—		—		—		—
Adoption of new revenue accounting standard	—		—		—		35.9		—		—		—		—		35.9
Share issuances	0.3		2.5		(0.1)		—		—		—		—		—		2.4
Net loss	—		—		—		(92.9)		—		—		—		—		(92.9)
Stock-based compensation	0.2		1.8		10.1		—		—		—		—		—		11.9
Foreign currency translation	—		—		—		—		10.1		—		—		10.1		10.1
Defined benefit plans actuarial gain	—		—		—		—		—		(0.2)		—		(0.2)		(0.2)
Unrealized gain on hedging instruments	—		—		—		—		14.1		—		—		14.1		14.1
Amounts reclassified from AOCI to the statement of operations	—		—		—		(0.2)		—		—		—		(0.2)		(0.2)
Balance as of March 31, 2018	145.6	\$	14.6	\$	1,734.8	\$	(1,205.5)	\$	33.5	\$	(91.0)	\$	(5.9)	\$	(63.4)	\$	480.5

(in millions)	Ordinary Shares	Ordinary Shares (\$)	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)				Total Accumulated Other Comprehensive Loss, net of tax	Total Equity							
					Unrealized Hedging (Losses) Gains	Foreign Currency Translation	Defined Benefit Plans										
Balance as of December 31, 2018	216.6	\$	21.7	\$	2,791.2	\$	(1,298.4)	\$	13.9	\$	(163.4)	\$	(4.9)	\$	(154.4)	\$	1,360.1
Adoption of new stock-based compensation accounting standard (see Note 2)	—		—		(1.2)		1.2		—		—		—		—		—
Net loss	—		—		—		(20.9)		—		—		—		—		(20.9)
Stock-based compensation	0.1		—		11.4		—		—		—		—		—		11.4
Foreign currency translation	—		—		—		—		7.3		—		—		7.3		7.3
Defined benefit plans actuarial gain	—		—		—		—		—		—		(0.1)		(0.1)		(0.1)
Unrealized loss on hedging instruments	—		—		—		—		(25.2)		—		—		(25.2)		(25.2)
Amounts reclassified from AOCI to the statement of operations	—		—		—		—		(2.2)		—		—		(2.2)		(2.2)
Balance as of March 31, 2019	216.7	\$	21.7	\$	2,801.4	\$	(1,318.1)	\$	(13.5)	\$	(156.1)	\$	(5.0)	\$	(174.6)	\$	1,330.4

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

Cushman & Wakefield plc
Condensed Consolidated Statements of Cash Flows
(unaudited)

(in millions)	Three Months Ended	
	March 31, 2019	March 31, 2018
Cash flows from operating activities		
Net loss	\$ (20.9)	\$ (92.9)
Reconciliation of net loss to net cash used in operating activities:		
Depreciation and amortization	73.5	69.8
Impairment charges	3.9	—
Unrealized foreign exchange loss	—	1.4
Stock-based compensation	14.5	13.1
Lease Amortization	27.8	—
Amortization of debt issuance costs	1.0	3.4
Change in deferred taxes	(76.5)	(54.0)
Bad debt expense	6.0	5.5
Other non-cash operating activities	0.2	1.3
Changes in assets and liabilities:		
Trade and other receivables	128.5	31.6
Income taxes payable	21.8	10.2
Prepaid expenses and other current assets	7.8	(37.3)
Other non-current assets	(5.3)	21.2
Accounts payable and accrued expenses	(116.0)	(0.7)
Accrued compensation	(243.9)	(146.7)
Other current and non-current liabilities	(37.3)	3.5
Net cash used in operating activities	(214.9)	(170.6)
Cash flows from investing activities		
Payment for property and equipment	(13.7)	(20.6)
Proceeds from sale of property, plant and equipment	—	0.2
Acquisitions of businesses, net of cash acquired	(262.2)	—
Other investing activities, net	—	0.2
Net cash used in investing activities	(275.9)	(20.2)
Cash flows from financing activities		
Net proceeds from issuance of shares	—	6.4
Shares repurchased for payment of employee taxes on stock awards	(3.1)	(2.1)
Payment of contingent consideration	—	(2.5)
Proceeds from long-term borrowings	—	250.0
Repayment of borrowings	(6.8)	(26.6)
Debt issuance costs	—	(1.8)
Payment of finance lease liabilities	(2.8)	(0.9)
Other financing activities, net	0.7	(1.5)
Net cash (used in) provided by financing activities	(12.0)	221.0
Change in cash, cash equivalents and restricted cash	(502.8)	30.2
Cash, cash equivalents and restricted cash, beginning of the period	965.4	467.9
Effects of exchange rate fluctuations on cash, cash equivalents and restricted cash	0.7	5.2
Cash, cash equivalents and restricted cash, end of the period	\$ 463.3	\$ 503.3

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 March 31, 2019 and for the three months ended March 31, 2019 and 2018 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, 2018 included in our 2018 Annual Report on form 10-K, filed with the Securities and Exchange Commission (the "SEC") and also available on our website (www.cushmanwakefield.com). 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.

Refer to Note 2: Summary of Significant Accounting Policies of the Notes to Consolidated Financial Statements in the Company's 2018 Annual Report on form 10-K for further discussion of the Company's accounting policies and estimates.

Due to seasonality, the results of operations for the three months ended March 31, 2019 are not necessarily indicative of the results of operations to be expected for the year ended December 31, 2019 .

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.

Change in Accounting Principle - Stock-based Compensation

In the fourth quarter of 2018, the Company changed its policy for recognizing stock-based compensation expense for awards with service conditions only from the graded attribution method to the straight-line attribution method. The Company views these awards as single awards and believes that the straight-line method of accounting more accurately reflects the pattern of service provided by the employee. Additionally, based on research and analysis, the Company believes the straight-line attribution method for stock-based compensation expense for service condition-only awards is the predominant method used in its industry. For these reasons, the Company has concluded that the straight-line attribution method for stock-based compensation is a preferable accounting policy in accordance with ASC 250, *Accounting Changes and Error Corrections* . We have applied this change retrospectively adjusting all periods presented. For the three months ended March 31, 2018, the effect of this adjustment was an increase to net loss of \$0.9 million and basic and diluted loss per share of \$0.01 .

Note 2: New Accounting Standards

The Company has adopted the following new accounting standards:

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (together with all subsequent amendments, *Topic 842*), which replaced most existing lease guidance under U.S. GAAP when it became effective on January 1, 2019. 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 elected to use the optional transition method upon adoption effective January 1, 2019 and did not revise comparative financial statements or disclosures. Refer to Note 10: Leases of the Notes to unaudited condensed consolidated financial statements.

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. The Company adopted effective January 1, 2019, which did not have a material impact on its financial statements and related disclosures.

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 effect of this ASU on the financial statements was not material.

Derivatives and Hedging

In August 2017, the FASB issued ASU No. 2017-12, *Targeted Improvements to Accounting for Hedging Activities (Topic 815)*. The new guidance eliminates the requirement to separately measure and report hedge ineffectiveness and is intended to reduce the complexity of applying hedge accounting by simplifying the designation and measurement of hedging instruments. The ASU is required to be applied retrospectively to eliminate the separate measurement of ineffectiveness through a cumulative-effect adjustment to Accumulated other comprehensive income with a corresponding adjustment to the opening balance of retained earnings. The new guidance is required to be adopted using the retrospective approach. The Company adopted effective January 1, 2019 with an immaterial 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:

Financial Instruments

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The ASU provides financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The amendments in this ASU replace the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. 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.

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"), 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 March 31,	
	2019	2018
Total revenue	\$ 1,347.6	\$ 1,206.2
Less: Gross contract costs	(410.5)	(356.3)
Acquisition accounting adjustments	—	0.1
Total Fee revenue	\$ 937.1	\$ 850.0
Service lines:		
Property, facilities and project management	\$ 463.0	\$ 404.2
Leasing	297.3	246.0
Capital markets	140.4	163.1
Valuation and other	36.4	36.7
Total Fee revenue	\$ 937.1	\$ 850.0
Segment operating expenses	\$ 1,277.3	\$ 1,143.9
Less: Gross contract costs	(410.5)	(356.3)
Total Fee-based operating expenses	\$ 866.8	\$ 787.6
Adjusted EBITDA	\$ 70.3	\$ 62.5

EMEA

	Three Months Ended March 31,	
	2019	2018
Total revenue	\$ 202.6	\$ 209.2
Less: Gross contract costs	(18.8)	(45.9)
Total Fee revenue	\$ 183.8	\$ 163.3
Service lines:		
Property, facilities and project management	\$ 69.8	\$ 54.6
Leasing	48.8	47.9
Capital markets	26.4	23.9
Valuation and other	38.8	36.9
Total Fee revenue	\$ 183.8	\$ 163.3
Segment operating expenses	\$ 204.2	\$ 219.2
Less: Gross contract costs	(18.8)	(45.9)
Total Fee-based operating expenses	\$ 185.4	\$ 173.3
Adjusted EBITDA	\$ (0.2)	\$ (8.6)

APAC

	Three Months Ended March 31,	
	2019	2018
Total revenue	\$ 352.8	\$ 352.3
Less: Gross contract costs	(101.7)	(119.6)
Total Fee revenue	\$ 251.1	\$ 232.7
Service lines:		
Property, facilities and project management	\$ 174.0	\$ 156.2
Leasing	26.8	26.0
Capital markets	23.9	27.1
Valuation and other	26.4	23.4
Total Fee revenue	\$ 251.1	\$ 232.7
Segment operating expenses	\$ 334.5	\$ 331.3
Less: Gross contract costs	(101.7)	(119.6)
Total Fee-based operating expenses	\$ 232.8	\$ 211.7
Adjusted EBITDA	\$ 18.3	\$ 20.9

Adjusted EBITDA is calculated as follows (in millions):

	Three Months Ended March 31,	
	2019	2018
Net loss	\$ (20.9)	\$ (92.9)
Add/(less):		
Depreciation and amortization	73.5	69.8
Interest expense, net of interest income	37.2	44.4
Benefit from income taxes	(40.9)	(32.0)
Integration and other costs related to acquisitions	21.4	66.2
Pre-IPO stock-based compensation	11.6	6.8
Cassidy Turley deferred payment obligation	—	10.4
Other	6.5	2.1
Adjusted EBITDA	\$ 88.4	\$ 74.8

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

	Three Months Ended March 31,	
	2019	2018
Total operating expenses	\$ 1,929.0	\$ 1,849.6
Less: Gross contract costs	(531.0)	(521.8)
Fee-based operating expenses	\$ 1,398.0	\$ 1,327.8

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 March 31,	
	2019	2018
Americas Fee-based operating expenses	\$ 866.8	\$ 787.6
EMEA Fee-based operating expenses	185.4	173.3
APAC Fee-based operating expenses	232.8	211.7
Segment Fee-based operating expenses	1,285.0	1,172.6
Depreciation and amortization	73.5	69.8
Integration and other costs related to acquisitions ⁽¹⁾	21.4	66.1
Pre-IPO stock-based compensation	11.6	6.8
Cassidy Turley deferred payment obligation	—	10.4
Other	6.5	2.1
Fee-based operating expenses	\$ 1,398.0	\$ 1,327.8

⁽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 7.4 million and 10.9 million for the three months ended March 31, 2019 and 2018, 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 March 31,	
	2019	2018
Basic and Diluted EPS		
Net loss attributable to shareholders	\$ (20.9)	\$ (92.9)
Weighted average shares outstanding for basic and diluted loss per share	216.6	145.3
Basic and diluted loss per common share attributable to shareholders	\$ (0.10)	\$ (0.64)

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.

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. 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.

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 majority of contract liabilities are recognized as revenue within 90 days. The Company had no material asset impairment charges related to contract assets in the periods presented.

As of March 31, 2019 and December 31, 2018, we had contract assets of \$135.5 million and \$160.6 million and \$18.0 million and \$25.8 million, which were recorded in Prepaid expenses and other current assets and Other non-current assets, respectively in the unaudited condensed consolidated balance sheets.

As of March 31, 2019 and December 31, 2018, we had contract liabilities of \$50.6 million and \$66.8 million of which 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 March 31, 2019					
	Revenue recognition timing	Americas	EMEA	APAC	Total
Property, facilities and project management	Over time	\$ 869.3	\$ 87.9	\$ 275.7	\$ 1,232.9
Leasing	At a point in time	300.1	48.9	26.8	375.8
Capital markets	At a point in time	141.1	26.4	23.9	191.4
Valuation and other	At a point in time or over time	37.1	39.4	26.4	102.9
Total revenue		\$ 1,347.6	\$ 202.6	\$ 352.8	\$ 1,903.0

Three Months Ended March 31, 2018					
	Revenue recognition timing	Americas	EMEA	APAC	Total
Property, facilities and project management	Over time	\$ 758.2	\$ 99.9	\$ 275.8	\$ 1,133.9
Leasing	At a point in time	247.3	48.0	26.0	321.3
Capital markets	At a point in time	163.6	23.9	27.1	214.6
Valuation and other	At a point in time or over time	37.1	37.4	23.4	97.9
Total revenue		\$ 1,206.2	\$ 209.2	\$ 352.3	\$ 1,767.7

Exemptions

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 three months ended March 31, 2019 (in millions):

	Americas		EMEA		APAC		Total
Balance as of December 31, 2018	\$	1,254.4	\$	266.1	\$	258.0	\$ 1,778.5
Acquisitions		150.7		—		12.7	163.4
Effect of movements in exchange rates and other		1.4		1.6		2.0	5.0
Balance as of March 31, 2019	\$	1,406.5	\$	267.7	\$	272.7	\$ 1,946.9

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.

There were no impairment charges of goodwill and other intangible assets for the three months ended March 31, 2019 and 2018 , respectively.

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

	Useful Life (in years)	As of March 31, 2019			
		Gross Value		Accumulated Amortization	Net Value
C&W trade name	Indefinite	\$	546.0	\$ —	\$ 546.0
Customer relationships	1 – 15		1,323.9	(687.3)	636.6
Other intangible assets	2 – 13		14.8	(4.3)	10.5
Total intangible assets		\$	1,884.7	\$ (691.6)	\$ 1,193.1

	Useful Life (in years)	As of December 31, 2018			
		Gross Value		Accumulated Amortization	Net Value
C&W trade name	Indefinite	\$	546.0	\$ —	\$ 546.0
Customer relationships	1 – 15		1,199.7	(637.1)	562.6
Other intangible assets	2 – 13		32.8	(13.2)	19.6
Total intangible assets		\$	1,778.5	\$ (650.3)	\$ 1,128.2

Amortization expense was \$47.3 million and \$46.5 million for the three months ended March 31, 2019 and 2018 , 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, 2018 .

Effective January 1, 2019, the Company adopted ASU 2017-12, *Targeted Improvements to Accounting for Hedging Activities (Topic 815)*. The new guidance eliminates the requirement to separately measure and report hedge ineffectiveness and has had an immaterial impact on its financial statements and related disclosures. See Note 2: New Accounting Standards for additional information on the adoption.

Interest Rate Derivative Instruments

In January 2019, the Company entered into an interest rate swap agreement that became effective in the month of trade, expiring August 2025. The Company immediately designated this instrument as cash flow hedge.

As of March 31, 2019, the Company's active interest rate hedging instruments consist of five interest rate swap agreements designated as cash flow hedges. The Company's hedge asset balances as March 31, 2019 relate solely to these interest rate swaps. The hedge instruments expire in August of 2025 and are further described below.

The Company records changes in the fair value of derivatives designated and qualifying as cash flow hedges in Accumulated other comprehensive loss in the unaudited condensed consolidated balance sheets and subsequently reclassifies the change into earnings in the period that the hedged forecasted transaction affects earnings. As of March 31, 2019 and December 31, 2018, there is \$16.4 million in pre-tax losses and \$16.5 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. During the next twelve months, the Company estimates that pre-tax gains of \$9.0 million will be reclassified to Interest expense on the consolidated statements of operations.

Foreign Exchange Derivative Instruments

The Company did not have any foreign currency cash flow hedges as of March 31, 2019, as the Company terminated its cross-currency interest rate swap agreements as of December 31, 2018. 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 months ended March 31, 2018. 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 March 31, 2019 and December 31, 2018, there is \$0.6 million, including \$0.3 million in pre-tax gains, included in Accumulated other comprehensive loss in the unaudited condensed consolidated balance sheets related to these agreements. Amounts remaining as of March 31, 2019 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.

Non-designated Foreign Exchange Derivative Instruments

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 are gains of \$0.6 million and of \$2.6 million for the three months ended March 31, 2019 and 2018, respectively. This activity was included in the unaudited condensed consolidated statements of operations. As of March 31, 2019 and December 31, 2018, the Company had 23 foreign currency exchange forward contracts outstanding covering a notional amount of \$425.6 million and \$406.6 million, respectively. As of March 31, 2019 and December 31, 2018, 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. As of March 31, 2019 and December 31, 2018, the Company has not posted and does not hold any collateral related to these agreements.

The following table presents the fair value of derivatives as of March 31, 2019 and December 31, 2018 (in millions):

Derivative Instrument	Notional	March 31, 2019		December 31, 2018	
		Assets	Liabilities	Assets	Liabilities
		Fair Value	Fair Value	Fair Value	Fair Value
Designated:					
Cash flow hedges:					
Interest rate swaps	\$ 2,050.0	\$ —	\$ 53.9	\$ —	\$ 25.1
Non-designated:					
Foreign currency forward contracts	425.6	1.0	0.7	0.5	0.8

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 months ended March 31, 2019 and 2018 (in millions):

	Beginning Accumulated Other Comprehensive (Gain) Loss	Amount of Loss (Gain) Recognized in Other Comprehensive Loss on Derivatives ⁽¹⁾	Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Statement of Operations ⁽²⁾	Ending Accumulated Other Comprehensive (Gain) Loss
Three Months Ended March 31, 2019				
Foreign currency cash flow hedges	\$ —	\$ —	\$ —	\$ —
Foreign currency net investment hedges	(0.6)	—	—	(0.6)
Interest rate cash flow hedges	(13.3)	25.2	2.2	14.1
	\$ (13.9)	\$ 25.2 ¹	\$ 2.2 ²	\$ 13.5
Three Months Ended March 31, 2018				
Foreign currency cash flow hedges	\$ 2.2	\$ 3.2	\$ (3.1)	\$ 2.3
Foreign currency net investment hedges	0.7	—	—	0.7
Interest rate cash flow hedges	(22.5)	(17.3)	3.3	(36.5)
	\$ (19.6)	\$ (14.1) ¹	\$ 0.2 ²	\$ (33.5)

⁽¹⁾ Amount is net of related income tax (benefit) expense of \$(5.1) million and \$3.9 million for the three months ended March 31, 2019 and 2018, respectively.

⁽²⁾ Amount is net of related income tax expense of \$(0.4) million and \$(0.8) million for the three months ended March 31, 2019 and 2018, respectively.

Gains of \$2.6 million and \$3.3 million were reclassified into earnings during the three months ended March 31, 2019 and 2018, 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 \$3.0 million were reclassified during the three months ended March 31, 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.

Note 8: Long-term Debt and Other Borrowings

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

	As of	
	March 31, 2019	December 31, 2018
<u>Collateralized:</u>		
2018 First Lien Loan, net of unamortized discount and issuance costs of \$31.2 million and \$31.9 million, respectively	\$ 2,655.3	\$ 2,661.3
Capital lease liability	18.5	19.5
Notes payable to former stockholders	0.4	0.4
Total long-term debt	2,674.2	2,681.2
Less current portion	(35.1)	(37.0)
Total non-current long-term debt	\$ 2,639.1	\$ 2,644.2

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 \$20.6 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 three months ending March 31, 2019, the rate is equal to 1-month LIBOR plus 3.25%. The 2018 First Lien Loan matures on August 21, 2025. As of March 31, 2019, the effective interest rate of the 2018 First Lien Loan is 6.0%.

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 March 31, 2019, 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 March 31, 2019 and December 31, 2018.

Note 9: 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, 2018	3.3	\$ 11.23	6.8
Exercised	(0.3)	10.00	
Forfeited	—	14.08	
Outstanding as of March 31, 2019	3.0	\$ 11.32	6.6
Exercisable as of March 31, 2019	1.9	\$ 10.58	6.5

Total recognized compensation cost related to these stock option awards was \$1.4 million and \$1.5 million for the three months ended March 31, 2019 and 2018, respectively. At March 31, 2019, the total unrecognized compensation cost related to non-vested time-based option awards was \$5.0 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, 2018	1.5	\$ 11.48	6.9
Forfeited	—	13.85	
Outstanding as of March 31, 2019	1.5	\$ 11.47	6.6
Exercisable as of March 31, 2019	—	—	—

Total recognized compensation cost related to these stock option awards was \$3.1 million and \$0.0 million for the three months ended March 31, 2019 and 2018, respectively. At March 31, 2019, the total unrecognized compensation cost related to non-vested performance-based option awards was \$9.3 million, which will be recognized over the course of the year.

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, 2018	0.6	\$ 11.50	7.8	\$ 14.63	0.7	\$ 15.94
Granted	—	—	1.8	17.85	0.4	19.64
Vested	(0.0)	17.00	(0.2)	13.21	—	—
Forfeited	—	—	(0.1)	12.51	—	—
Unvested as of March 31, 2019	0.6	\$ 11.38	9.3	\$ 15.32	1.1	\$ 17.08

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

	Three Months Ended March 31,		
	2019	2018	Unrecognized at March 31, 2019
Time-Based RSUs	\$ 9.7	\$ 5.1	\$ 87.5
Co-Investment RSUs	0.1	0.3	0.4
Performance-Based RSUs	0.2	—	6.6
Equity classified compensation cost	10.0	5.4	94.5
Liability classified compensation cost ⁽¹⁾	—	2.0	—
Total RSU stock-based compensation cost	\$ 10.0	\$ 7.4	\$ 94.5

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

Note 10: Leases

As stated in Note 2: New Accounting Standards, the Company adopted Topic 842 effective January 1, 2019 using the optional transition method and did not revise prior comparative periods. Consequently, the Company's reporting for the comparative periods will continue to be in accordance with previously existing GAAP (Topic 840, Leases). Adoption of Topic 842 did not have an impact on the opening balance of Accumulated deficit as of January 1, 2019.

For the Three Months Ended March 31, 2019 Reported in Accordance with Topic 842

The Company determines if a contract is or contains a lease at inception by assessing whether a contract conveys the right of the Company to control the use of an identified asset for a period in exchange for consideration. Operating leases are included in operating lease ROU assets, current operating lease liabilities, and non-current operating lease liabilities in the unaudited condensed consolidated balance sheets. Finance leases are included in property and equipment, other current liabilities, and non-current liabilities in the unaudited condensed consolidated balance sheets.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. Operating lease ROU assets and operating lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Generally, the Company's leases do not provide an implicit rate and, therefore, we use our incremental borrowing rate based on information available at commencement date in determining the present value of lease payments. The Company uses the implicit rate when it is readily determinable. The operating lease ROU asset also includes any lease payments made prior to the commencement date and is recorded net of any lease incentives. The Company's lease terms include options to extend or terminate the lease only when it is reasonably certain that the option will be exercised. Lease cost for operating lease payments are recognized as a single lease cost on a straight-line basis over the lease term, while lease cost for finance leases is composed of amortization of the ROU asset, which is recognized on a straight-line basis in Depreciation and amortization in the unaudited condensed consolidated statements of operations, and interest expense, which is recorded based on the effective interest rate method and recognized over the lease term as Interest expense, net of interest income in the unaudited condensed consolidated statements of operations.

The Company has lease agreements with lease and non-lease components, but as the Company has elected the practical expedient to not separate lease and non-lease components for all asset classes, they are not accounted

for separately. Instead, consideration for the lease is allocated to a single lease component. Further, the Company has elected the practical expedient for the short-term lease exemption for all asset classes and therefore does not recognize ROU assets or lease liabilities for leases with a term of 12 months or less. The impact of off-balance sheet accounting for short-term leases is immaterial. The Company enters into leases through its subsidiary entities that do not have incremental borrowing rates, as such, the Company's incremental borrowing rate is used. For certain equipment leases, the Company applies a portfolio approach to account for the operating lease ROU assets and liabilities.

The Company has entered into operating leases for real estate and other equipment such as, motor vehicles and IT equipment. Additionally, the Company has entered into finance leases for the use of furniture, motor vehicles and IT equipment. Generally, both operating and finance leases have limited restrictions or covenants on the Company for incurring additional financial obligations. Rental payments are generally fixed, with no special terms or conditions, however, certain operating leases are subject to annual changes in the consumer price index ("CPI"). Additionally, the Company's office leases may have options to extend or terminate the lease, the terms of which vary by lease. Generally, these options are not reasonably certain of being exercised; accordingly, the option periods are not considered in the calculation of the ROU asset or the operating lease liability. The Company generally only enters into subleases for its real estate leases, with the terms of the subleases consistent with those of the underlying lease.

The components of lease cost were as follows (in millions):

	Three Months Ended March 31, 2019	
Operating lease cost	\$	34.8
Finance lease cost:		
Amortization of ROU assets		0.7
Interest on lease liabilities		—
Total finance lease cost	\$	0.7
Variable lease cost	\$	6.4
Sublease income	\$	2.2

Supplemental balance sheet information related to leases was as follows (in millions):

	Three Months Ended March 31, 2019	
Operating Leases		
Operating lease ROU assets	\$	531.6
Current operating lease liabilities	\$	113.9
Non-current operating lease liabilities		492.9
Total operating lease liabilities	\$	606.8
Finance Leases		
Property and equipment, gross	\$	47.8
Accumulated depreciation		(26.5)
Property and equipment, net	\$	21.3
Other current liabilities	\$	8.0
Other non-current liabilities		10.5
Total finance lease liabilities	\$	18.5
Weighted Average Remaining Lease Term		
Operating leases		6.5 years
Finance leases		4.9 years
Weighted Average Discount Rate		
Operating leases		5.9%
Finance leases		2.2%

Supplemental cash flow information related to leases was as follows (in millions):

	Three Months Ended March 31, 2019	
Cash paid for amounts used in the measurement of lease liabilities:		
Operating cash flows used in operating leases	\$	36.2
Operating cash flows used in finance leases		0.1
Financing cash flows used in finance leases		2.8
ROU assets obtained in exchange for lease obligations:		
Operating leases		9.3
Finance leases		1.8

Maturities of lease liabilities were as follows (in millions):

	Operating Leases		Finance Leases	
2019	\$	110.6	\$	8.3
2020		131.7		6.5
2021		108.2		3.8
2022		92.8		0.7
2023		78.1		—
Thereafter		213.4		—
Total lease payments		734.8		19.3
Less imputed interest		128.0		0.8
Total	\$	606.8	\$	18.5

As of March 31, 2019, we have no material additional operating and finance leases that have yet to commence.

For the Three Months Ended March 31, 2018 Reported in Accordance with Topic 840

The Company has entered into operating leases for real estate and other equipment such as, motor vehicles and IT equipment. Additionally, the Company has entered into capital leases for the use of furniture, motor vehicles and IT equipment. Generally, both operating and capital leases have limited restrictions or covenants on the Company for incurring additional financial obligations. Total net rent expense was \$37.1 million, net of sublease income of \$7.3 million, for the three months ended March 31, 2018.

Additionally, the Company has entered into capital leases as a means of funding the acquisition of furniture and equipment and acquiring access to real estate and vehicles. Rental payments are generally fixed, with no special terms or conditions.

As of December 31, 2018 Reported in Accordance with Topic 840

As of December 31, 2018, the obligations described above are as summarized below (in millions):

	Operating Leases		Capital Leases	
2019	\$	152.9	\$	9.3
2020		139.3		6.4
2021		112.8		2.3
2022		96.3		0.4
2023		80.4		—
Thereafter		210.2		—
Total lease payments	\$	791.9	\$	18.4

Future minimum lease payments are net of total sub-lease rental income of \$58.9 million. Capital lease obligations are shown net of \$1.1 million of interest charges.

Note 11: Commitments and Contingencies

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 \$39.4 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 March 31, 2019 and December 31, 2018, contingent liabilities recorded within Other current liabilities were \$85.9 million and \$69.5 million, respectively and contingent liabilities recorded within Other non-current liabilities were \$19.8 million and \$23.4 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 March 31, 2019 and December 31, 2018, E&O and other claims were \$35.1 million and \$32.8 million, respectively, and workers' compensation liabilities were \$70.6 million and \$60.1 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.

The Company had insurance recoverable balances as of March 31, 2019 and December 31, 2018 totaling \$5.0 million and \$3.9 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. Under the management agreement with TPG and PAG, the Company paid an annual fee of \$4.3 million, payable quarterly, for management advisory services. In conjunction with the Company's IPO during 2018, the management services agreement governing these payments was terminated and resulted in a termination fee of \$11.9 million.

Transactions with equity accounted investees

For the three months ended March 31, 2019 and 2018, the Company had no material sales or purchases with equity accounted investees.

As of March 31, 2019 and December 31, 2018, the Company had no material receivables or payables with equity accounted investees.

Receivables from affiliates

As of March 31, 2019 and December 31, 2018, the Company had receivables from affiliates of \$37.9 million and \$31.7 million and \$231.3 million and \$214.3 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 months ended March 31, 2019 and 2018. 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, 2018.

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 \$2.6 billion as of March 31, 2019 and December 31, 2018, 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 as of March 31, 2019 and December 31, 2018, respectively, which excludes debt issuance costs. See Note 8: Long-term Debt and Other Borrowings of the Notes to unaudited interim Condensed Consolidated Financial Statements 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 March 31, 2019 and December 31, 2018 (in millions):

	As of March 31, 2019			
	Total	Level 1	Level 2	Level 3
Assets				
Cash equivalents - money market funds	\$ 94.3	\$ 94.3	\$ —	\$ —
Deferred compensation plan assets	51.9	51.9	—	—
Foreign currency forward contracts	1.0	—	1.0	—
Deferred purchase price receivable	147.6	—	—	147.6
Total	\$ 294.8	\$ 146.2	\$ 1.0	\$ 147.6
Liabilities				
Deferred compensation plan liabilities	\$ 48.1	\$ 48.1	\$ —	\$ —
Foreign currency forward contracts	0.7	—	0.7	—
Interest rate swap agreements	53.9	—	53.9	—
Earn-out liabilities	38.5	—	—	38.5
Total	\$ 141.2	\$ 48.1	\$ 54.6	\$ 38.5

		As of December 31, 2018							
		Total		Level 1		Level 2		Level 3	
Assets									
Cash equivalents - money market funds		\$	173.5	\$	173.5	\$	—	\$	—
Deferred compensation plan assets			48.8		48.8		—		—
Foreign currency forward contracts			0.5		—		0.5		—
Deferred purchase price receivable			140.1		—		—		140.1
Total		\$	362.9	\$	222.3	\$	0.5	\$	140.1
Liabilities									
Deferred compensation plan liabilities		\$	47.7	\$	47.7	\$	—	\$	—
Foreign currency forward contracts			0.8		—		0.8		—
Interest rate swap agreements			25.1		—		25.1		—
Earn-out liabilities			38.3		—		—		38.3
Total		\$	111.9	\$	47.7	\$	25.9	\$	38.3

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	
	2019	2018
Balance as of January 1,	\$ 38.3	\$ 51.3
Net change in fair value and other adjustments	0.2	0.8
Payments	—	(2.7)
Balance as of March 31,	\$ 38.5	\$ 49.4

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 March 31, 2019 and December 31, 2018, the Company had \$0.0 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 three months ended March 31, 2019 and 2018, receivables sold under the A/R securitization were \$302.5 million and \$276.7 million, respectively, and cash collections from customers on receivables sold were \$302.9 million and \$259.3 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 March 31, 2019 and December 31, 2018, the outstanding principal on receivables sold under the A/R Securitization were \$173.3 million and \$173.7 million, respectively. Refer to Note 13: Fair Value Measurements for additional discussion on the fair value of the DPP as of March 31, 2019 and December 31, 2018.

The Company did not recognize any material income or loss related to receivables sold for the three months ended March 31, 2019 and 2018. 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 \$0.3 million and \$0.8 million, for the three months ended March 31, 2019 and 2018, respectively, which were included in Operating, administrative and other expenses in the unaudited condensed consolidated statement of operations.

Note 15: Supplemental Cash Flow Information

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

	Three Months Ended March 31			
	2019		2018	
Cash and cash equivalents, beginning of period	\$	895.3	\$	405.6
Restricted cash recorded in Prepaid expenses and other current assets, beginning of period		70.1		62.3
Total cash, cash equivalents and restricted cash shown in the statements of cash flows, beginning of period	\$	965.4	\$	467.9
Cash and cash equivalents, end of period	\$	411.0	\$	438.7
Restricted cash recorded in Prepaid expenses and other current assets, end of period		52.3		64.6
Total cash, cash equivalents and restricted cash shown in the statements of cash flows, end of period	\$	463.3	\$	503.3

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

	Three Months Ended March 31			
	2019		2018	
Cash paid for:				
Interest	\$	37.9	\$	39.4
Income taxes		11.3		10.6
Non-cash investing/financing activities:				
Property and equipment acquired through capital leases		1.8		0.7
Deferred and contingent acquisition payment obligations		8.6		—
Increase (decrease) in beneficial interest in a securitization		7.5		(3.9)

Note 16: Subsequent Events

The Company has evaluated subsequent events through May 7, 2019 , 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 Annual Report on Form 10-K for the year ended December 31, 2018 as filed with the Securities and Exchange Commission.

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 leading global commercial real estate services firm, built on a trusted brand and backed by approximately 51,000 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 3.6 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 requires 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, 2018 included in the Company's 2018 Annual Report on form 10-K. There have been no material changes to these policies as of March 31, 2019 .

Recently Issued Accounting Pronouncements

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

Leases

The Company adopted ASU No. 2018-11, Topic 842, effective January 1, 2019, which improves clarity and comparability by disclosing the recognition of lease assets and lease liabilities on the balance sheet as well as key leasing arrangements. Refer to Note 10: Leases of the Notes to the unaudited interim Condensed Consolidated Financial Statements for the impact the adoption of these standards had on the Company's financial statements and related disclosures.

Revenue Recognition

In 2018, 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. Under current revenue recognition, 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 or a series of distinct services to the client and is the unit of account in Topic 606. A contract's transaction price is allocated to each 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.

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

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 understand the variability of our historical earnings and cash flows and any potential future variability.

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.

Our operating model helps to partially mitigate the negative effect of difficult market conditions on our margins as a substantial portion of our costs are variable compensation expenses, specifically commissions and bonuses paid to our professionals in our Leasing and Capital market service lines. Nevertheless, adverse economic trends could pose significant risks to our operating performance and financial condition.

Acquisitions

Our results include the incremental impact of completed transactions 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. Generally, our industry is focused 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 revenue and operating income 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, due 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, most notably the Australian dollar, euro and British pound sterling 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.

Key Performance Measures

We regularly review a number of metrics to evaluate our business, measure our progress and make strategic decisions. The measures of Fee revenue, Fee-based operating expenses, Adjusted EBITDA, Adjusted EBITDA margin and local currency, which are non-GAAP measures are currently utilized by management to assess performance, and we disclose these measures to investors to assist them in providing a meaningful understanding of our performance. One of our current objectives is to identify the most relevant key performance indicators to stakeholders to allow them to analyze our business. See "Use of Non-GAAP Financial Measures" and "Results of Operations" below.

Use of Non-GAAP Financial Measures

We have used the following measures, which 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 months ended March 31, 2019 and 2018 (in millions):

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	% Change in USD	% Change in Local Currency
Revenue:				
Total revenue	\$ 1,903.0	\$ 1,767.7	8 %	10 %
Less: Gross contract costs	(531.0)	(521.8)	2 %	5 %
Acquisition accounting adjustments	—	0.1	n/m	n/m
Total Fee revenue	\$ 1,372.0	\$ 1,246.0	10 %	13 %
Service Lines:				
Property, facilities and project management	\$ 706.8	\$ 615.0	15 %	18 %
Leasing	372.9	319.9	17 %	19 %
Capital markets	190.7	214.1	(11)%	(10)%
Valuation and other	101.6	97.0	5 %	9 %
Total Fee revenue	\$ 1,372.0	\$ 1,246.0	10 %	13 %
Costs and expenses:				
Cost of services, operating and administrative expenses excluding gross contract costs	\$ 1,320.6	\$ 1,247.6	6 %	9 %
Gross contract costs	531.0	521.8	2 %	5 %
Depreciation and amortization	73.5	69.8	5 %	7 %
Restructuring, impairment and related charges	3.9	10.4	(63)%	(62)%
Total costs and expenses	1,929.0	1,849.6	4 %	7 %
Operating loss	\$ (26.0)	\$ (81.9)	(68)%	(68)%
Adjusted EBITDA				
Adjusted EBITDA	\$ 88.4	\$ 74.8	18 %	19 %
Adjusted EBITDA margin	6.4%	6.0%		

Adjusted EBITDA is calculated as follows (in millions):

	Three Months Ended March 31,	
	2019	2018
Net loss attributable to the Company	\$ (20.9)	\$ (92.9)
Add/(less):		
Depreciation and amortization ⁽¹⁾	73.5	69.8
Interest expense, net of interest income ⁽²⁾	37.2	44.4
Benefit from income taxes	(40.9)	(32.0)
Integration and other costs related to acquisitions ⁽³⁾	21.4	66.2
Pre-IPO stock-based compensation ⁽⁴⁾	11.6	6.8
Cassidy Turley deferred payment obligation ⁽⁵⁾	—	10.4
Other ⁽⁶⁾	6.5	2.1
Adjusted EBITDA	\$ 88.4	\$ 74.8

⁽¹⁾ Depreciation and amortization includes merger and acquisition-related depreciation and amortization of \$52.8 million and \$51.6 million for the three months ended March 31, 2019 and 2018 .

⁽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 \$0.0 million and \$3.4 million for the three months ended March 31, 2019 and 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 9: Stock-based Payments of the Notes to unaudited interim Condensed Consolidated Financial Statements for the three months ended March 31, 2019 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.

⁽⁶⁾ Other includes sponsor monitoring fees of approximately \$0.0 million and \$1.1 million for the three months ended March 31, 2019 and 2018 , respectively; accounts receivable securitization costs of approximately \$0.3 million and \$0.9 million for the three months ended March 31, 2019 and 2018 , respectively; merger and acquisition related costs of \$3.7 million for the three months ended March 31, 2019 ; and other items.

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

	Three Months Ended March 31,	
	2019	2018
Total costs and expenses	\$ 1,929.0	\$ 1,849.6
Less: Gross contract costs	(531.0)	(521.8)
Fee-based operating expenses	\$ 1,398.0	\$ 1,327.8

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 March 31,	
	2019	2018
Americas Fee-based operating expenses	\$ 866.8	\$ 787.6
EMEA Fee-based operating expenses	185.4	173.3
APAC Fee-based operating expenses	232.8	211.7
Segment Fee-based operating expenses	1,285.0	1,172.6
Depreciation and amortization	73.5	69.8
Integration and other costs related to acquisitions ⁽¹⁾	21.4	66.1
Pre-IPO stock-based compensation	11.6	6.8
Cassidy Turley deferred payment obligation	—	10.4
Other	6.5	2.1
Fee-based operating expenses	\$ 1,398.0	\$ 1,327.8

⁽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 March 31, 2019 compared to three months ended March 31, 2018

Revenue

Revenue was \$1.9 billion , an increase of \$135.3 million or 8% over first quarter of 2018. Gross contract costs, primarily in the Property, facilities and project management service line, increased \$9.2 million . Foreign currency had a \$43.9 million , or 2% , unfavorable impact on Revenue.

Fee revenue was \$1.4 billion , an increase of \$155.9 million or 13% , on a local currency basis over first quarter of 2018, reflecting increases primarily in Property, facilities and project management and Leasing. Property, facilities and project management Fee revenue increased \$108.9 million or 18% on a local currency basis, driven by an Americas increase of \$62.5 million or 16% on a local currency basis, with the remainder of the Fee revenue growth primarily in APAC. Leasing Fee revenue increased \$59.4 million or 19% on a local currency basis, driven by an Americas increase of \$52.5 million or 21% on a local currency basis, with the remainder of the Fee revenue growth primarily in EMEA.

Operating expenses

Operating expenses were \$1.9 billion , an increase of \$79.4 million or 4% . The increase in operating expenses reflected increased costs associated with revenue growth.

Fee-based operating expenses, excluding Depreciation and amortization, integration and other costs related to acquisitions and stock-based compensation, were \$1.3 billion , a 12% increase on a local currency basis. The increase in Fee-based operating expenses reflected higher cost of services associated with Fee revenue growth.

Interest expense, net

Net interest expense was \$37.2 million , a decrease of \$7.2 million , driven by lower average borrowings during the quarter.

Benefit from income taxes

The net benefit from income taxes was \$40.9 million , an increase of \$8.9 million . The increase is driven primarily by a change in the mix of geographical earnings from the prior period and release of valuation allowances.

Net loss and Adjusted EBITDA

Net loss was \$20.9 million , an improvement of \$72.0 million , primarily driven by stronger operating results, lower integration costs and a higher benefit from income taxes.

Adjusted EBITDA was \$88.4 million , an increase of \$13.6 million or 19% , 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 6.4% , compared to 6.0% in the first quarter of 2018, 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 months ended March 31, 2019 and 2018 (in millions):

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	% Change in USD	% Change in Local Currency
Total revenue	\$ 1,347.6	\$ 1,206.2	12 %	12 %
Less: Gross contract costs	(410.5)	(356.3)	15 %	15 %
Acquisition accounting adjustments	—	0.1	n/m	n/m
Total Fee revenue	\$ 937.1	\$ 850.0	10 %	11 %
Service lines:				
Property, facilities and project management	\$ 463.0	\$ 404.2	15 %	16 %
Leasing	297.3	246.0	21 %	21 %
Capital markets	140.4	163.1	(14)%	(14)%
Valuation and other	36.4	36.7	(1)%	— %
Total Fee revenue	\$ 937.1	\$ 850.0	10 %	11 %
Segment operating expenses	\$ 1,277.3	\$ 1,143.9	12 %	12 %
Less: Gross contract costs	(410.5)	(356.3)	15 %	15 %
Total Fee-based operating expenses	\$ 866.8	\$ 787.6	10 %	11 %
Adjusted EBITDA	\$ 70.3	\$ 62.5	12 %	13 %
Adjusted EBITDA Margin	7.5%	7.4%		

Three months ended March 31, 2019 compared to three months ended March 31, 2018

Americas revenue was \$1.3 billion , an increase of \$141.4 million or 12% . The change in revenue includes higher gross contract costs of \$54.2 million attributed to the growth in Property, facilities and project management.

Fee revenue was \$937.1 million , an increase of \$92.5 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 \$866.8 million , an increase of 11% on a local currency basis. The increase in Fee-based operating expenses was driven primarily by higher cost of services associated with Fee revenue growth.

Adjusted EBITDA was \$70.3 million , an increase of \$7.9 million or 13% 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 7.5% , compared to 7.4% in the prior year.

EMEA Results

The following table summarizes our results of operations by our EMEA operating segment for the three months ended March 31, 2019 and 2018 (in millions):

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	% Change in USD	% Change in Local Currency
Total revenue	\$ 202.6	\$ 209.2	(3)%	5 %
Less: Gross contract costs	(18.8)	(45.9)	(59)%	(56)%
Total Fee revenue	\$ 183.8	\$ 163.3	13 %	22 %
Service lines:				
Property, facilities and project management	\$ 69.8	\$ 54.6	28 %	38 %
Leasing	48.8	47.9	2 %	11 %
Capital markets	26.4	23.9	10 %	19 %
Valuation and other	38.8	36.9	5 %	14 %
Total Fee revenue	\$ 183.8	\$ 163.3	13 %	22 %
Segment operating expenses	\$ 204.2	\$ 219.2	(7)%	1 %
Less: Gross contract costs	(18.8)	(45.9)	(59)%	(56)%
Total Fee-based operating expenses	\$ 185.4	\$ 173.3	7 %	15 %
Adjusted EBITDA	\$ (0.2)	\$ (8.6)	n/m	n/m
Adjusted EBITDA Margin	(0.1)%	(5.3)%		

Three months ended March 31, 2019 compared to three months ended March 31, 2018

EMEA revenue was \$202.6 million , a decrease of \$6.6 million or 3% . Foreign currency had a \$16.0 million or 8% unfavorable impact on Revenue.

Fee revenue was \$183.8 million , an increase of \$32.9 million or 22% on a local currency basis, driven primarily by growth in Property, facilities and project management, Valuation and other and Leasing.

Fee-based operating expenses were \$185.4 million , an increase of 15% on a local currency basis. The increase in Fee-based operating expenses was driven primarily by higher cost of services associated with Fee revenue growth.

Adjusted EBITDA was \$(0.2) million , an improvement of \$8.3 million 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 (0.1)% , compared to (5.3)% in the prior year.

APAC Results

The following table summarizes our results of operations by our APAC operating segment for the three months ended March 31, 2019 and 2018 (in millions):

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	% Change in USD	% Change in Local Currency
Total revenue	\$ 352.8	\$ 352.3	0 %	7 %
Less: Gross contract costs	(101.7)	(119.6)	(15)%	(7)%
Total Fee revenue	\$ 251.1	\$ 232.7	8 %	14 %
Service lines:				
Property, facilities and project management	\$ 174.0	\$ 156.2	11 %	19 %
Leasing	26.8	26.0	3 %	10 %
Capital markets	23.9	27.1	(12)%	(11)%
Valuation and other	26.4	23.4	13 %	18 %
Total Fee revenue	\$ 251.1	\$ 232.7	8 %	14 %
Segment operating expenses				
Less: Gross contract costs	(101.7)	(119.6)	(15)%	(7)%
Total Fee-based operating expenses	\$ 232.8	\$ 211.7	10 %	16 %
Adjusted EBITDA				
Adjusted EBITDA Margin	7.3%	9.0%	(12)%	(9)%

Three months ended March 31, 2019 compared to three months ended March 31, 2018

APAC revenue was \$352.8 million and remained relatively consistent compared with the prior year. The change in revenue includes lower gross contract costs of \$17.9 million . Foreign currency had a \$22.4 million or 6% unfavorable impact on Revenue.

Fee revenue was \$251.1 million , an increase of \$30.5 million or 14% on a local currency basis. The increase in Fee revenue was driven primarily by growth in Property, facilities and project management.

Fee-based operating expenses were \$232.8 million , an increase of 16% on a local currency basis. The increase in Fee-based operating expenses was driven primarily by higher cost of services associated with Fee revenue growth.

Adjusted EBITDA was \$18.3 million , a decrease of \$1.9 million or 9% on a local currency basis, driven by the increase in fee-based operating expenses exceeding the increase in Fee-revenue. Adjusted EBITDA margin, calculated on a Fee revenue basis, was 7.3% compared to 9.0% 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 and borrowings under our revolving credit facility.

As of March 31, 2019 , the Company had of \$1.2 billion liquidity, consisting of cash on hand of \$411.0 million and our undrawn revolving credit facility of \$810.0 million . During the three months ended March 31, 2019 , we did not draw on our Revolver.

The Company's outstanding 2018 First Lien debt was \$2.7 billion as of March 31, 2019 , which net of cash on hand, provided for a net debt position of approximately \$2.2 billion . The increase in net debt of approximately \$478.2 million from December 31, 2018 was primarily driven by the approximately \$250 million acquisition of Quality Solutions, Inc. ("QSI") and annual bonus payments.

Historical Cash Flows

Cash Flow Summary

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Net cash used in operating activities	\$ (214.9)	\$ (170.6)
Net cash used in investing activities	(275.9)	(20.2)
Net cash (used in) provided by financing activities	(12.0)	221.0
Effects of exchange rate fluctuations on cash, cash equivalents and restricted cash	0.7	5.2
Total change in cash, cash equivalents and restricted cash	\$ (502.1)	\$ 35.4

Operating Activities

The Company used \$214.9 million of cash for operating activities for the three months ended March 31, 2019 , an increase of \$44.3 million from the prior year. The change was principally driven by higher working capital requirements, including higher bonus and commission payments.

Investing Activities

The Company used \$275.9 million in cash for investing activities for the three months ended March 31, 2019 , an increase of \$255.7 million from the prior year. The change was driven primarily by the acquisition of QSI.

Financing Activities

Financing activities used \$12.0 million in cash for the three months ended March 31, 2019 , a change of \$233.0 million from the prior year, driven by long-term debt borrowings in the first quarter of 2018.

Off-Balance Sheet Arrangements

The Company's guarantees primarily relate to requirements under certain client service contracts 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 March 31, 2019 , the Company has not reached 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 the 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. 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, we 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 \$20.6 million in debt transaction costs). With the proceeds from the 2018 First Lien Loan, we subsequently paid off all outstanding principal and accrued interest of \$2.6 billion and \$25.9 million, respectively, under the credit agreement dated as of November 4, 2014, which also resulted in the write-off of unamortized deferred financing fees of \$39.2 million.

The 2018 Credit Agreement bears interest at a variable interest rate that we may select pursuant to the terms of the 2018 Credit Agreement. As of the period ended March 31, 2019 , 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 6.0% as of March 31, 2019 .

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 March 31, 2019, we 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 that is 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 2018 First Lien Credit Agreement as of March 31, 2019 and December 31, 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 our 2018 First Lien 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, results and financial performance, which are intended to be covered by the safe harbor provisions for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. We also discuss those risks, uncertainties and other factors in our Annual Report on Form 10-K for the year ended December 31, 2018 in Part I, Item 1A.

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;
- logistical and other challenges inherent in operating in numerous different countries;
- the operating and financial restrictions that our 2018 First Lien Credit Agreement imposes on us and the possibility that in an event of default all of our borrowings may become immediately 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;
- 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 actions and initiatives of current and potential competitors;
- 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 fluctuation of the market price of our ordinary shares;
- the volatility level of real estate prices, interest rates, and currency values; 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 and diverse 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 2018 First Lien Loan and revolving credit facility. 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 2018 First Lien Loan 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.

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 the unaudited interim Condensed Consolidated Financial Statements for additional information about interest rate risks and 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 Exchange Act 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.

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 Exchange Act Rule 13a-15(e)) were effective as of March 31, 2019 to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended March 31, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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 Annual Report on Form 10-K for the year ended December 31, 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 an aggregate of approximately \$590.6 million of 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); \$128.7 million to repay the outstanding amount of the Cassidy Turley deferred payment obligation; and \$11.9 million to terminate our management services agreement (termination occurred during August 2018). We used the remainder for general corporate purposes.

None of the use of proceeds in connection with the IPO were 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

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, as such information could be deemed to be material information.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Description of Exhibits
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, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CUSHMAN & WAKEFIELD plc

Date: May 7, 2019

/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 March 31, 2019 ;
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: May 7, 2019

/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 March 31, 2019 ;
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: May 7, 2019

/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 quarter ended March 31, 2019 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: May 7, 2019

/s/ Brett White

Brett White

Chairman and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U S C § 1350 and is not being filed as part of the Report or as a separate disclosure document.

**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 quarter ended March 31, 2019 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: May 7, 2019

/s/ Duncan Palmer

Duncan Palmer

Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U S C § 1350 and is not being filed as part of the Report or as a separate disclosure document.