

**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 June 30, 2023

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)

+44 20 3296 3000
(Registrant's telephone number, including area code)

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

EC2N 1AR
(Zip Code)

Not applicable
(Former name, former address and
former fiscal year, if changed since last report)

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

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	☒	Accelerated filer	☐
Non-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 July 26, 2023, 227,150,581 of the Registrant's ordinary shares, \$0.10 nominal value per share, were outstanding.

CUSHMAN & WAKEFIELD plc
QUARTERLY REPORT ON FORM 10-Q
June 30, 2023

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PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

Cushman & Wakefield plc
Condensed Consolidated Balance Sheets

(in millions, except per share data)	As of	
	June 30, 2023	December 31, 2022
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 502.3	\$ 644.5
Trade and other receivables, net of allowance of \$82.2 and \$88.2, as of June 30, 2023 and December 31, 2022, respectively	1,336.1	1,462.4
Income tax receivable	144.8	55.4
Short-term contract assets, net	374.6	358.2
Prepaid expenses and other current assets	266.8	246.3
Total current assets	2,624.6	2,766.8
Property and equipment, net	166.0	172.6
Goodwill	2,073.3	2,065.5
Intangible assets, net	841.0	874.5
Equity method investments	681.9	677.3
Deferred tax assets	57.1	58.6
Non-current operating lease assets	345.8	358.0
Other non-current assets	850.4	976.0
Total assets	\$ 7,640.1	\$ 7,949.3
Liabilities and Shareholders' Equity		
Current liabilities:		
Short-term borrowings and current portion of long-term debt	\$ 36.7	\$ 49.8
Accounts payable and accrued expenses	1,125.2	1,199.0
Accrued compensation	694.7	916.5
Income tax payable	55.4	33.1
Other current liabilities	211.3	192.0
Total current liabilities	2,123.3	2,390.4
Long-term debt, net	3,226.4	3,211.7
Deferred tax liabilities	56.3	57.2
Non-current operating lease liabilities	324.3	334.6
Other non-current liabilities	287.8	293.3
Total liabilities	6,018.1	6,287.2
Commitments and contingencies (see Note 10)		
Shareholders' equity:		
Ordinary shares, nominal value \$0.10 per share, 800,000,000 shares authorized; 227,130,455 and 225,780,535 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively	22.7	22.6
Additional paid-in capital	2,929.8	2,911.5
Accumulated deficit	(1,153.1)	(1,081.8)
Accumulated other comprehensive loss	(178.0)	(191.0)
Total equity attributable to the Company	1,621.4	1,661.3
Non-controlling interests	0.6	0.8
Total equity	1,622.0	1,662.1
Total liabilities and shareholders' equity	\$ 7,640.1	\$ 7,949.3

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 June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	\$ 2,406.0	\$ 2,612.6	\$ 4,655.3	\$ 4,943.6
Costs and expenses:				
Costs of services (exclusive of depreciation and amortization)	1,978.1	2,077.5	3,885.7	3,938.0
Operating, administrative and other	328.9	317.5	644.8	610.9
Depreciation and amortization	35.7	39.7	72.6	80.3
Restructuring, impairment and related charges	7.0	1.3	14.2	2.5
Total costs and expenses	2,349.7	2,436.0	4,617.3	4,631.7
Operating income	56.3	176.6	38.0	311.9
Interest expense, net of interest income	(57.9)	(46.1)	(134.7)	(89.3)
Earnings from equity method investments	12.8	17.5	24.7	34.4
Other expense, net	(4.8)	(25.0)	(10.8)	(57.9)
Earnings (loss) before income taxes	6.4	123.0	(82.8)	199.1
Provision for (benefit from) income taxes	1.3	25.8	(11.5)	56.4
Net income (loss)	\$ 5.1	\$ 97.2	\$ (71.3)	\$ 142.7
Basic earnings (loss) per share:				
Earnings (loss) per share attributable to common shareholders, basic	\$ 0.02	\$ 0.43	\$ (0.31)	\$ 0.63
Weighted average shares outstanding for basic earnings (loss) per share	227.1	225.6	226.7	225.1
Diluted earnings (loss) per share:				
Earnings (loss) per share attributable to common shareholders, diluted	\$ 0.02	\$ 0.43	\$ (0.31)	\$ 0.62
Weighted average shares outstanding for diluted earnings (loss) per share	227.1	228.0	226.7	228.6

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

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

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income (loss)	\$ 5.1	\$ 97.2	\$ (71.3)	\$ 142.7
Other comprehensive income (loss), net of tax:				
Designated hedge gains	25.8	21.9	11.6	91.5
Defined benefit plan actuarial losses	(0.8)	(1.0)	(1.2)	(2.7)
Foreign currency translation	(1.4)	(82.2)	2.6	(89.3)
Total other comprehensive income (loss)	23.6	(61.3)	13.0	(0.5)
Total comprehensive income (loss)	\$ 28.7	\$ 35.9	\$ (58.3)	\$ 142.2

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

Cushman & Wakefield plc
Condensed Consolidated Statements of Changes in Equity
For the three and six months ended June 30, 2023 and 2022
(unaudited)

(in millions)	Accumulated Other Comprehensive Income (Loss)										
	Ordinary Shares	Ordinary Shares (\$)	Additional Paid-in Capital	Accumulated Deficit	Unrealized Hedging Gains (Losses)	Foreign Currency Translation	Defined Benefit Plans	Total Accumulated Other Comprehensive Loss, net of tax	Total Equity Attributable to the Company	Non-Controlling Interests	Total Equity
Balance as of March 31, 2023	227.0	\$ 22.7	\$ 2,916.1	\$ (1,158.2)	\$ 34.5	\$ (196.6)	\$ (39.5)	\$ (201.6)	\$ 1,579.0	\$ 0.5	\$ 1,579.5
Net income	—	—	—	5.1	—	—	—	—	5.1	—	5.1
Stock-based compensation	—	—	13.9	—	—	—	—	—	13.9	—	13.9
Vesting of shares related to equity compensation plans, net of amounts withheld for payment of taxes	0.1	—	(0.2)	—	—	—	—	—	(0.2)	—	(0.2)
Unrealized gain on hedging instruments, net of tax	—	—	—	—	34.4	—	—	34.4	34.4	—	34.4
Amounts reclassified from AOCI to the statement of operations	—	—	—	—	(8.6)	—	—	(8.6)	(8.6)	—	(8.6)
Foreign currency translation	—	—	—	—	—	(1.4)	—	(1.4)	(1.4)	—	(1.4)
Defined benefit plans actuarial loss	—	—	—	—	—	—	(0.8)	(0.8)	(0.8)	—	(0.8)
Other activity	—	—	—	—	—	—	—	—	—	0.1	0.1
Balance as of June 30, 2023	227.1	\$ 22.7	\$ 2,929.8	\$ (1,153.1)	\$ 60.3	\$ (198.0)	\$ (40.3)	\$ (178.0)	\$ 1,621.4	\$ 0.6	\$ 1,622.0

(in millions)	Accumulated Other Comprehensive Income (Loss)										
	Ordinary Shares	Ordinary Shares (\$)	Additional Paid-in Capital	Accumulated Deficit	Unrealized Hedging Gains (Losses)	Foreign Currency Translation	Defined Benefit Plans	Total Accumulated Other Comprehensive Loss, net of tax	Total Equity Attributable to the Company	Non-Controlling Interests	Total Equity
Balance as of March 31, 2022	225.5	\$ 22.6	\$ 2,880.0	\$ (1,232.7)	\$ (14.0)	\$ (111.6)	\$ (6.6)	\$ (132.2)	\$ 1,537.7	\$ 0.8	\$ 1,538.5
Net income	—	—	—	97.2	—	—	—	—	97.2	—	97.2
Stock-based compensation	—	—	11.6	—	—	—	—	—	11.6	—	11.6
Vesting of shares related to equity compensation plans, net of amounts withheld for payment of taxes	0.2	—	0.4	—	—	—	—	—	0.4	—	0.4
Unrealized gain on hedging instruments	—	—	—	—	14.5	—	—	14.5	14.5	—	14.5
Amounts reclassified from AOCI to the statement of operations	—	—	—	—	7.4	—	—	7.4	7.4	—	7.4
Foreign currency translation	—	—	—	—	—	(82.2)	—	(82.2)	(82.2)	—	(82.2)
Defined benefit plans actuarial loss	—	—	—	—	—	—	(1.0)	(1.0)	(1.0)	—	(1.0)
Balance as of June 30, 2022	225.7	\$ 22.6	\$ 2,892.0	\$ (1,135.5)	\$ 7.9	\$ (193.8)	\$ (7.6)	\$ (193.5)	\$ 1,585.6	\$ 0.8	\$ 1,586.4

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

Cushman & Wakefield plc
Condensed Consolidated Statements of Changes in Equity
For the three and six months ended June 30, 2023 and 2022
(continued) (unaudited)

(in millions)	Accumulated Other Comprehensive Income (Loss)										
	Ordinary Shares	Ordinary Shares (\$)	Additional Paid-in Capital	Accumulated Deficit	Unrealized Hedging Gains (Losses)	Foreign Currency Translation	Defined Benefit Plans	Total Accumulated Other Comprehensive Loss, net of tax	Total Equity Attributable to the Company	Non-Controlling Interests	Total Equity
Balance as of December 31, 2022	225.8	\$ 22.6	\$ 2,911.5	\$ (1,081.8)	\$ 48.7	\$ (200.6)	\$ (39.1)	\$ (191.0)	\$ 1,661.3	\$ 0.8	\$ 1,662.1
Net loss	—	—	—	(71.3)	—	—	—	—	(71.3)	—	(71.3)
Stock-based compensation	—	—	25.2	—	—	—	—	—	25.2	—	25.2
Vesting of shares related to equity compensation plans, net of amounts withheld for payment of taxes	1.3	0.1	(6.9)	—	—	—	—	—	(6.8)	—	(6.8)
Unrealized gain on hedging instruments, net of tax	—	—	—	—	25.6	—	—	25.6	25.6	—	25.6
Amounts reclassified from AOCI to the statement of operations	—	—	—	—	(14.0)	—	—	(14.0)	(14.0)	—	(14.0)
Foreign currency translation	—	—	—	—	—	2.6	—	2.6	2.6	—	2.6
Defined benefit plans actuarial loss	—	—	—	—	—	—	(1.2)	(1.2)	(1.2)	—	(1.2)
Distribution from non-controlling interests	—	—	—	—	—	—	—	—	—	(0.2)	(0.2)
Balance as of June 30, 2023	227.1	\$ 22.7	\$ 2,929.8	\$ (1,153.1)	\$ 60.3	\$ (198.0)	\$ (40.3)	\$ (178.0)	\$ 1,621.4	\$ 0.6	\$ 1,622.0

(in millions)	Accumulated Other Comprehensive Income (Loss)										
	Ordinary Shares	Ordinary Shares (\$)	Additional Paid-in Capital	Accumulated Deficit	Unrealized Hedging Gains (Losses)	Foreign Currency Translation	Defined Benefit Plans	Total Accumulated Other Comprehensive Loss, net of tax	Total Equity Attributable to the Company	Non-Controlling Interests	Total Equity
Balance as of December 31, 2021	223.7	\$ 22.4	\$ 2,896.6	\$ (1,278.2)	\$ (83.6)	\$ (104.5)	\$ (4.9)	\$ (193.0)	\$ 1,447.8	\$ 0.8	\$ 1,448.6
Net income	—	—	—	142.7	—	—	—	—	142.7	—	142.7
Stock-based compensation	—	—	20.3	—	—	—	—	—	20.3	—	20.3
Vesting of shares related to equity compensation plans, net of amounts withheld for payment of taxes	2.0	0.2	(24.9)	—	—	—	—	—	(24.7)	—	(24.7)
Unrealized gain on hedging instruments	—	—	—	—	75.2	—	—	75.2	75.2	—	75.2
Amounts reclassified from AOCI to the statement of operations	—	—	—	—	16.9	—	—	16.9	16.9	—	16.9
Foreign currency translation	—	—	—	—	—	(89.3)	—	(89.3)	(89.3)	—	(89.3)
Defined benefit plans actuarial loss	—	—	—	—	—	—	(2.7)	(2.7)	(2.7)	—	(2.7)
Other activity	—	—	—	—	(0.6)	—	—	(0.6)	(0.6)	—	(0.6)
Balance as of June 30, 2022	225.7	\$ 22.6	\$ 2,892.0	\$ (1,135.5)	\$ 7.9	\$ (193.8)	\$ (7.6)	\$ (193.5)	\$ 1,585.6	\$ 0.8	\$ 1,586.4

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)	Six Months Ended June 30,	
	2023	2022
Cash flows from operating activities		
Net (loss) income	\$ (71.3)	\$ 142.7
Reconciliation of net (loss) income to net cash used in operating activities:		
Depreciation and amortization	72.6	80.3
Impairment charges	2.1	0.1
Unrealized foreign exchange gain	(3.5)	(9.7)
Stock-based compensation	25.3	20.5
Lease amortization	48.5	49.8
Loss on debt extinguishment	8.7	—
Amortization of debt issuance costs	3.9	3.5
Earnings from equity method investments, net of dividends received	(10.4)	(21.9)
Change in deferred taxes	(4.1)	(38.7)
Provision for loss on receivables and other assets	1.8	9.9
Loss on disposal of business	1.4	14.0
Unrealized loss on equity securities, net	18.9	48.8
Other operating activities, net	9.4	(6.8)
Changes in assets and liabilities:		
Trade and other receivables	114.4	(159.6)
Income taxes payable	(67.4)	(54.1)
Short-term contract assets and Prepaid expenses and other current assets	(19.2)	(146.9)
Other non-current assets	(38.7)	(94.9)
Accounts payable and accrued expenses	(72.2)	13.1
Accrued compensation	(227.7)	(85.0)
Other current and non-current liabilities	(30.8)	(11.4)
Net cash used in operating activities	(238.3)	(246.3)
Cash flows from investing activities		
Payment for property and equipment	(20.6)	(30.5)
Acquisitions of businesses, net of cash acquired	—	(19.2)
Investments in equity securities and equity method joint ventures	(5.5)	(18.3)
Return of beneficial interest in a securitization	(40.0)	—
Collection on beneficial interest in a securitization	210.0	80.0
Other investing activities, net	1.5	(9.4)
Net cash provided by investing activities	145.4	2.6
Cash flows from financing activities		
Shares repurchased for payment of employee taxes on stock awards	(7.4)	(26.6)
Payment of deferred and contingent consideration	(12.6)	(0.1)
Proceeds from borrowings	1,000.0	—
Repayment of borrowings	(1,000.0)	(13.3)
Debt issuance costs	(23.5)	—
Payment of finance lease liabilities	(13.6)	(7.7)
Other financing activities, net	2.1	2.4
Net cash used in financing activities	(55.0)	(45.3)
Change in cash, cash equivalents and restricted cash	(147.9)	(289.0)
Cash, cash equivalents and restricted cash, beginning of the period	719.0	890.3
Effects of exchange rate fluctuations on cash, cash equivalents and restricted cash	1.7	(18.6)
Cash, cash equivalents and restricted cash, end of the period	\$ 572.8	\$ 582.7

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

Cushman & Wakefield plc
Notes to the 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 reports on Form 10-Q. The Condensed Consolidated Financial Statements as of June 30, 2023 and for the three and six months ended June 30, 2023 and 2022 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 condensed consolidated quarterly financial information should refer to the audited Consolidated Financial Statements and notes thereto of Cushman & Wakefield plc and its subsidiaries ("Cushman & Wakefield," the "Company," "we," "our" and "us") for the year ended December 31, 2022 included in our 2022 Annual Report on Form 10-K filed with the U.S. 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 statement presentation have been condensed or omitted.

Refer to Note 2: Summary of Significant Accounting Policies in the Notes to the Consolidated Financial Statements in the Company's 2022 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 and six months ended June 30, 2023 are not necessarily indicative of the results of operations to be expected for the year ending December 31, 2023.

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.

Note 2: New Accounting Pronouncements

The Company has adopted the following new accounting pronouncements:

Reference Rate Reform

In March 2020, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"). In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope* ("ASU 2021-01"). In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848* ("ASU 2022-06"). ASU 2020-04 provides temporary optional practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts, and ASU 2021-01 and ASU 2022-06 amended the scope and deferred the sunset date of ASU 2020-04, respectively. During the second quarter of 2023, the Company elected the optional expedient for modifications of debt contracts, which did not have a significant impact on our financial statements and related disclosures. Refer to Note 9: Long-Term Debt and Other Borrowings for additional information.

SEC Staff Bulletins

In July 2023, the FASB issued ASU 2023-03 to amend various SEC paragraphs in the Accounting Standards Codification to primarily reflect the issuance of SEC Staff Accounting Bulletin No. 120. The ASU does not provide any new guidance so there is no transition or effective date associated with it and therefore, the Company adopted the ASU with no impact to our financial statements and related disclosures.

Note 3: Segment Data

The Company reports its operations through the following segments: (1) Americas, (2) Europe, 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 U.K., 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.

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. The Company believes that investors find this measure useful in comparing our operating performance to that of other companies in our industry because this measure generally illustrates the underlying performance of the business before integration and other costs related to merger, pre-IPO stock-based compensation, unrealized (gains) / losses on investments, acquisition related costs and efficiency initiatives, cost savings initiatives, CEO transition costs and other non-recurring items. Adjusted EBITDA also excludes the effects of financings, income tax and the non-cash accounting effects of depreciation and intangible asset amortization.

As segment assets are not reported to or used by the CODM to measure business performance or allocate resources, total segment assets and capital expenditures are not presented below.

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
Total revenue						
Americas	\$ 1,836.5	\$ 2,011.4	(9)%	\$ 3,556.7	\$ 3,796.8	(6)%
EMEA	239.9	271.9	(12)%	445.2	509.5	(13)%
APAC	329.6	329.3	0 %	653.4	637.3	3 %
Total revenue	\$ 2,406.0	\$ 2,612.6	(8)%	\$ 4,655.3	\$ 4,943.6	(6)%
Adjusted EBITDA						
Americas	\$ 116.4	\$ 210.5	(45)%	\$ 173.1	\$ 386.5	(55)%
EMEA	16.9	35.3	(52)%	14.8	52.0	(72)%
APAC	12.8	17.0	(25)%	19.1	38.6	(51)%

Adjusted EBITDA is calculated as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Adjusted EBITDA - Americas	\$ 116.4	\$ 210.5	\$ 173.1	\$ 386.5
Adjusted EBITDA - EMEA	16.9	35.3	14.8	52.0
Adjusted EBITDA - APAC	12.8	17.0	19.1	38.6
Add/(less):				
Depreciation and amortization	(35.7)	(39.7)	(72.6)	(80.3)
Interest expense, net of interest income	(57.9)	(46.1)	(134.7)	(89.3)
(Provision for) benefit from income taxes	(1.3)	(25.8)	11.5	(56.4)
Unrealized loss on investments, net	(8.2)	(27.3)	(18.9)	(48.8)
Integration and other costs related to merger	(2.0)	(4.3)	(4.4)	(7.9)
Pre-IPO stock-based compensation	—	(1.0)	—	(1.7)
Acquisition related costs and efficiency initiatives	(5.1)	(17.8)	(11.7)	(35.0)
Cost savings initiatives	(12.2)	—	(27.2)	—
CEO transition costs	(2.3)	—	(2.3)	—
Other	(16.3)	(3.6)	(18.0)	(15.0)
Net income (loss)	\$ 5.1	\$ 97.2	\$ (71.3)	\$ 142.7

Note 4: Earnings Per Share

Earnings (loss) per share ("EPS") is calculated by dividing Net income or loss by the weighted average shares outstanding.

As the Company was in a Net loss position for the six months ended June 30, 2023, the Company has determined all potentially dilutive shares would be anti-dilutive in this period and therefore these shares were excluded from the calculation of diluted weighted average shares outstanding. This resulted in the calculation of weighted average shares outstanding to be the same for both basic and diluted EPS for the six months ended June 30, 2023. Approximately 0.5 million of potentially dilutive shares for the six months ended June 30, 2023 were excluded from 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 June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Basic EPS				
Net income (loss)	\$ 5.1	\$ 97.2	\$ (71.3)	\$ 142.7
Weighted average shares outstanding for basic earnings (loss) per share	227.1	225.6	226.7	225.1
Basic earnings (loss) per share attributable to common shareholders	\$ 0.02	\$ 0.43	\$ (0.31)	\$ 0.63
Diluted EPS				
Net income (loss)	\$ 5.1	\$ 97.2	\$ (71.3)	\$ 142.7
Weighted average shares outstanding for basic earnings (loss) per share	227.1	225.6	226.7	225.1
Dilutive effect of restricted stock units	—	1.7	—	2.5
Dilutive effective of stock options	—	0.7	—	1.0
Weighted average shares outstanding for diluted earnings (loss) per share	227.1	228.0	226.7	228.6
Diluted earnings (loss) per share attributable to common shareholders	\$ 0.02	\$ 0.43	\$ (0.31)	\$ 0.62

Note 5: Revenue

Disaggregation of Revenue

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

		Three Months Ended June 30, 2023			
	Revenue recognition timing	Americas	EMEA	APAC	Total
Property, facilities and project management	Over time	\$ 1,281.4	\$ 124.8	\$ 246.7	\$ 1,652.9
Leasing	At a point in time	351.5	54.1	42.3	447.9
Capital markets	At a point in time	164.1	18.0	10.4	192.5
Valuation and other	At a point in time or over time	39.5	43.0	30.2	112.7
Total revenue		\$ 1,836.5	\$ 239.9	\$ 329.6	\$ 2,406.0

		Three Months Ended June 30, 2022			
	Revenue recognition timing	Americas	EMEA	APAC	Total
Property, facilities and project management	Over time	\$ 1,196.2	\$ 117.9	\$ 242.9	\$ 1,557.0
Leasing	At a point in time	451.7	64.4	42.5	558.6
Capital markets	At a point in time	309.9	45.5	12.9	368.3
Valuation and other	At a point in time or over time	53.6	44.1	31.0	128.7
Total revenue		\$ 2,011.4	\$ 271.9	\$ 329.3	\$ 2,612.6

		Six Months Ended June 30, 2023			
	Revenue recognition timing	Americas	EMEA	APAC	Total
Property, facilities and project management	Over time	\$ 2,546.4	\$ 233.4	\$ 506.5	\$ 3,286.3
Leasing	At a point in time	653.5	94.7	68.9	817.1
Capital markets	At a point in time	283.1	31.6	20.8	335.5
Valuation and other	At a point in time or over time	73.7	85.5	57.2	216.4
Total revenue		\$ 3,556.7	\$ 445.2	\$ 653.4	\$ 4,655.3

		Six Months Ended June 30, 2022			
	Revenue recognition timing	Americas	EMEA	APAC	Total
Property, facilities and project management	Over time	\$ 2,318.9	\$ 232.6	\$ 465.6	\$ 3,017.1
Leasing	At a point in time	824.6	114.0	79.7	1,018.3
Capital markets	At a point in time	551.8	74.3	31.7	657.8
Valuation and other	At a point in time or over time	101.5	88.6	60.3	250.4
Total revenue		\$ 3,796.8	\$ 509.5	\$ 637.3	\$ 4,943.6

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 obligations 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 following table provides information on contract assets and contract liabilities from contracts with customers included in the Condensed Consolidated Balance Sheets (in millions):

	As of	
	June 30, 2023	December 31, 2022
Short-term contract assets	\$ 416.2	\$ 397.3
Contract asset allowances	(41.6)	(39.1)
Short-term contract assets, net	374.6	358.2
Non-current contract assets	72.0	89.7
Contract asset allowances	(1.8)	(2.2)
Non-current contract assets, net, included in Other non-current assets	70.2	87.5
Total contract assets, net	\$ 444.8	\$ 445.7
Contract liabilities included in Accounts payable and accrued expenses	\$ 66.8	\$ 68.7

The amount of revenue recognized during the six months ended June 30, 2023 that was included in the contract liabilities balance at the beginning of the period was \$41.4 million. The Company had no material asset impairment charges related to contract assets in the periods presented.

Exemptions

The Company incurs incremental costs to obtain new contracts across certain of its service lines. As the amortization period of those expenses is 12 months or less, the Company expenses those incremental costs of obtaining the contracts in accordance with Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("Topic 606").

Remaining performance obligations represent the aggregate transaction prices for contracts where the performance obligations have not yet been satisfied. In accordance with Topic 606, the Company does not disclose unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) variable consideration for services performed as a series of daily performance obligations, such as those performed within the Property, facilities and project management service line. 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 by segment (in millions):

	Americas	EMEA	APAC	Total
Balance as of December 31, 2022	\$ 1,516.8	\$ 305.9	\$ 242.8	\$ 2,065.5
Dispositions	—	(0.7)	(1.6)	(2.3)
Effect of movements in exchange rates and other	1.3	13.4	(4.6)	10.1
Balance as of June 30, 2023	\$ 1,518.1	\$ 318.6	\$ 236.6	\$ 2,073.3

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

The Company identified immaterial measurement period adjustments during the six months ended June 30, 2023 and adjusted the provisional goodwill amounts recognized.

For the six months ended June 30, 2023 and 2022, no impairments of goodwill were recognized as the estimated fair value of each of the identified reporting units was in excess of its carrying value. It is possible that our current determination that goodwill for a reporting unit is not impaired could change in the future if current economic conditions or other conditions deteriorate or the operating performance or future prospects for a particular reporting unit declines.

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

As of June 30, 2023				
	Useful Life (in years)	Gross Value	Accumulated Amortization	Net Value
C&W trade name	Indefinite	\$ 546.0	\$ —	\$ 546.0
Customer relationships	1 - 15	1,379.5	(1,085.7)	293.8
Other intangible assets	5 - 7	15.3	(14.1)	1.2
Total intangible assets		\$ 1,940.8	\$ (1,099.8)	\$ 841.0

As of December 31, 2022				
	Useful Life (in years)	Gross Value	Accumulated Amortization	Net Value
C&W trade name	Indefinite	\$ 546.0	\$ —	\$ 546.0
Customer relationships	1 - 15	1,372.0	(1,045.7)	326.3
Other intangible assets	5 - 7	16.8	(14.6)	2.2
Total intangible assets		\$ 1,934.8	\$ (1,060.3)	\$ 874.5

Amortization expense was \$16.3 million and \$16.1 million for the three months ended June 30, 2023 and 2022, respectively, and \$33.1 million and \$31.9 million for the six months ended June 30, 2023 and 2022, respectively.

No impairments of intangible assets were recorded during the six months ended June 30, 2023 and 2022.

Note 7: Equity Method Investments

Certain investments in which the Company has significant influence over the entity's financial and operating policies, but does not control, are accounted for under the equity method. The Company's material equity method investments include Cushman Wakefield Greystone LLC ("Greystone JV"), in which the Company owns a 40% interest, and CWVS Holding Limited ("Vanke JV"), in which the Company owns a 35% interest. In addition, the Company licenses certain of its trademarks to the Vanke JV and recognized royalty fee income of \$2.1 million and \$1.2 million for the three months ended June 30, 2023 and 2022, respectively, and \$4.1 million and \$3.5 million for the six months ended June 30, 2023 and 2022, respectively.

The Company had investments in certain strategic joint ventures classified under the equity method of accounting as follows (in millions):

	As of	
	June 30, 2023	December 31, 2022
Greystone JV	\$ 557.9	\$ 550.8
Vanke JV	116.1	116.3
Other investments	7.9	10.2
Total Equity method investments	\$ 681.9	\$ 677.3

The Company recognized earnings from equity method investments during the period as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Greystone JV	\$ 8.4	\$ 15.0	\$ 16.8	\$ 28.2
Vanke JV	3.5	0.5	5.7	2.4
Other investments	0.9	2.0	2.2	3.8
Total Earnings from equity method investments	\$ 12.8	\$ 17.5	\$ 24.7	\$ 34.4

Note 8: 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, 2022.

Interest Rate Derivative Instruments

In November 2022, the Company elected to terminate and monetize its five interest rate swap agreements designated as cash flow hedges with a notional value of \$1.4 billion. Upon termination, the Company received a cash settlement of \$62.9 million in exchange for its derivative asset. Amounts relating to these terminated derivative instruments recorded in Accumulated other comprehensive loss will be amortized into earnings over the remaining life of the original agreements, which were scheduled to expire on August 21, 2025.

Additionally, in November 2022, the Company entered into three new interest rate swap agreements for a notional amount of \$1.4 billion with an effective date of October 31, 2022, expiring on August 21, 2025. The underlying hedged transaction related to these interest rate swaps referenced a LIBOR rate. The Company concurrently designated these derivative instruments as cash flow hedges. As part of the Company's transition from a LIBOR benchmark to a Secured Overnight Financing Rate ("SOFR") benchmark, these three interest rate swaps were terminated, effective June 30, 2023. Amounts relating to these terminated derivative instruments recorded in Accumulated other comprehensive loss will be amortized into earnings over the remaining life of the original agreements. Concurrently, the Company entered into three new interest rate swap agreements for a notional amount of \$1.4 billion with an effective date of June 30, 2023, expiring on August 21, 2025. The underlying hedged transaction related to these interest rate swaps references a SOFR rate. The Company concurrently designated these derivative instruments as cash flow hedges.

In May 2023, the Company entered into six new interest rate swap agreements for a notional amount of \$550.0 million with an effective date of May 31, 2023, expiring on May 31, 2028. The underlying hedged transaction related to these interest rate swaps references a SOFR rate. The Company concurrently designated these derivative instruments as cash flow hedges.

As of June 30, 2023, the Company's active interest rate hedging instruments consisted of nine interest rate swap agreements designated as cash flow hedges. The Company's hedge instrument balances as of June 30, 2023 related solely to these interest rate swaps 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 Condensed Consolidated Balance Sheets and subsequently reclassifies the changes into earnings in the period that the hedged forecasted transaction affects earnings. As of June 30, 2023 and December 31, 2022, there were \$64.0 million and \$48.7 million in pre-tax gains, respectively, included in Accumulated other comprehensive loss related to these agreements, which will be reclassified to Interest expense, net of interest income as interest payments are made in accordance with the 2018 Credit Agreement; refer to Note 9: Long-Term Debt and Other Borrowings for discussion of the 2018 Credit Agreement (which is defined therein). During the next twelve months, the Company estimates that pre-tax gains of \$42.9 million will be reclassified to Interest expense, net of interest income in the Condensed Consolidated Statements of Operations.

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. The Company recognized realized losses of \$7.1 million and \$9.8 million, offset by unrealized gains of \$1.3 million and \$0.4 million during the three and six months ended June 30, 2023, respectively. The Company recognized realized losses of \$5.3 million and \$9.8 million, offset by unrealized gains of \$0.1 million and \$0.8 million, during the three and six months ended June 30, 2022, respectively.

As of June 30, 2023 and December 31, 2022, the Company had 25 foreign currency exchange forward contracts outstanding covering a notional amount of \$995.3 million and \$886.6 million, respectively. As of June 30, 2023 and December 31, 2022, the Company had not posted, and did not hold, any collateral related to these agreements.

The following table presents the fair value of derivatives as of June 30, 2023 and December 31, 2022 (in millions):

Derivative Instrument	June 30, 2023 Notional	June 30, 2023		December 31, 2022	
		Assets	Liabilities	Assets	Liabilities
		Fair Value	Fair Value	Fair Value	Fair Value
Designated:					
Cash flow hedges:					
Interest rate swaps	\$ 1,973.6	\$ 15.8	\$ —	\$ —	\$ 10.7
Non-designated:					
Foreign currency forward contracts	\$ 995.3	\$ 1.0	\$ 1.0	\$ 2.8	\$ 3.0

The fair value of interest rate swaps is included within Other non-current assets and Other non-current liabilities as of June 30, 2023 and December 31, 2022, respectively, in the Condensed Consolidated Balance Sheets. The fair value of foreign currency forward contracts is included in Prepaid expenses and other current assets and Other current liabilities in the Condensed Consolidated Balance Sheets, respectively. The Company does not net derivatives in the Condensed Consolidated Balance Sheets.

The following table presents the effect of derivatives designated as cash flow hedges in the Condensed Consolidated Statements of Operations for the three months ended June 30, 2023 and 2022 (in millions):

	Beginning Accumulated Other Comprehensive Loss (Gain)	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	Ending Accumulated Other Comprehensive Loss (Gain)
Three Months Ended June 30, 2023				
Interest rate cash flow hedges	\$ (34.5)	\$ (34.4)	\$ 8.6	\$ (60.3)
Three Months Ended June 30, 2022				
Interest rate cash flow hedges	\$ 14.0	\$ (14.5)	\$ (7.4)	\$ (7.9)

⁽¹⁾ Amount is net of deferred tax expense of \$3.7 million and \$0.0 million for the three months ended June 30, 2023 and 2022, respectively.

Gains of \$8.6 million and losses of \$7.4 million were reclassified into earnings during the three months ended June 30, 2023 and 2022, respectively, related to interest rate hedges and were recognized in Interest expense, net of interest income in the Condensed Consolidated Statements of Operations.

The following table presents the effect of derivatives designated as hedges in the Condensed Consolidated Statements of Operations for the six months ended June 30, 2023 and 2022 (in millions):

	Beginning Accumulated Other Comprehensive Loss (Gain)	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	Ending Accumulated Other Comprehensive Loss (Gain)
Six Months Ended June 30, 2023				
Interest rate cash flow hedges	\$ (48.7)	\$ (25.6)	\$ 14.0	\$ (60.3)
Six Months Ended June 30, 2022				
Interest rate cash flow hedges	\$ 84.2	\$ (75.2)	\$ (16.9)	\$ (7.9)

⁽¹⁾ Amount is net of deferred tax expense of \$3.7 million and \$0.0 million for the six months ended June 30, 2023 and 2022, respectively.

Gains of \$14.0 million and losses of \$16.9 million were reclassified into earnings during the six months ended June 30, 2023 and 2022, respectively, related to interest rate hedges and were recognized in Interest expense, net of interest income in the Condensed Consolidated Statements of Operations.

Note 9: Long-Term Debt and Other Borrowings

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

	As of	
	June 30, 2023	December 31, 2022
Collateralized:		
2018 First Lien Loan, due August 2025, net of unamortized discount and financing costs of \$8.4 million and \$19.1 million, respectively	\$ 1,584.6	\$ 2,573.9
2018 First Lien Loan, due January 2030, net of unamortized discount and financing costs of \$14.7 million and \$0.0 million, respectively	985.3	—
2020 Senior Secured Notes, net of unamortized financing costs of \$7.0 million and \$7.8 million, respectively	643.0	642.2
Finance lease liabilities	44.0	39.6
Notes payable to former stockholders	0.2	0.2
Total	3,257.1	3,255.9
Less: current portion of long-term debt	(30.7)	(44.2)
Total Long-term debt, net	\$ 3,226.4	\$ 3,211.7

2018 Credit Agreement

On August 21, 2018, the Company entered into an initial \$3.5 billion credit agreement (as amended, the "2018 Credit Agreement"), comprised of an initial \$2.7 billion senior secured term loan (the "2018 First Lien Loan") and an initial \$810.0 million revolving credit facility (the "Revolver").

2018 First Lien Loan

Net proceeds from the 2018 First Lien Loan were \$2.7 billion (\$2.7 billion initial aggregate principal amount less \$13.5 million stated discount and \$20.6 million in debt transaction costs).

On January 20, 2020, the Company refinanced the 2018 First Lien Loan under materially the same terms, incurring an additional \$11.1 million in debt transaction costs.

On January 31, 2023, the Company amended the 2018 Credit Agreement to extend the maturity date of \$1.0 billion of the \$2.6 billion aggregate principal amount outstanding under the 2018 First Lien Loan to January 31, 2030 ("2030 Tranche"), incurring an additional \$15.3 million in debt transaction costs which will be capitalized and amortized over the remaining term of the loan. In addition, the Company recognized a loss on debt extinguishment of \$16.9 million within Interest expense, net of interest income, consisting of \$8.7 million in unamortized deferred financing costs and \$8.2 million in certain new transaction costs paid to creditors. The Company also recognized \$4.7 million of new transaction costs directly in Interest expense in the first quarter of 2023. The August 21, 2025 maturity date of the remaining \$1.6 billion 2018 First Lien Loan ("2025 Tranche") remains unchanged.

On June 21, 2023, the Company amended the 2018 Credit Agreement, effective June 28, 2023, to replace the LIBOR rate applicable to borrowings under the 2025 Tranche with Term SOFR plus an applicable credit spread adjustment. As there were no other material changes to the terms and conditions of the 2018 Credit Agreement, the Company leveraged certain optional expedients for contract modifications related to reference rate reform provided in ASU 2020-04, ASU 2021-01 and ASU 2022-06.

The 2018 First Lien Loan bears interest at a variable rate that the Company may select per the terms of the 2018 Credit Agreement. As of June 30, 2023, the Company elected to use an annual rate equal to 1-month Term SOFR, plus 0.11% (which sum is subject to a minimum floor of 0.0%), plus 2.75% for the 2025 Tranche and elected to use an annual rate equal to 1-month Term SOFR, plus 0.10% (which sum is subject to a minimum floor of 0.50%), plus 3.25% for the 2030 Tranche. As of June 30, 2023, the effective interest rate was 8.23% and 8.75% for the 2025 Tranche and 2030 Tranche of the 2018 First Lien Loan, respectively.

Commencing in September 2023, the 2018 Credit Agreement will require quarterly principal payments equal to 0.25% of the aggregate principal amount of outstanding borrowings under the 2030 Tranche of the 2018 First Lien Loan, including any incremental borrowings. All principal payments under the 2025 Tranche have been satisfied until maturity.

Revolver

On December 20, 2019, the Company amended the 2018 Credit Agreement to increase the aggregate commitments under the Revolver by \$210.0 million, incurring an additional \$0.5 million in debt transaction costs.

On April 28, 2022, the Company amended the 2018 Credit Agreement to (i) increase the aggregate commitments under the Revolver by \$80.0 million, extending its borrowing capacity from \$1.0 billion to \$1.1 billion, (ii) extend the maturity date of borrowings under the Revolver from August 21, 2023 to April 28, 2027, (iii) replace the LIBOR rate applicable to borrowings under the Revolver with Term SOFR plus an applicable rate, and (iv) add pricing terms linked to achievement of certain greenhouse gas emission targets. The Company incurred an additional \$3.7 million in debt transaction costs in connection with this amendment.

Borrowings under the Revolver, if any, bear interest at our option, at 1-month Term SOFR, plus 0.10%, plus an applicable rate varying from 1.75% to 2.75% based on achievement of certain Net Leverage Ratios (as defined in the 2018 Credit Agreement). The Company's Revolver was undrawn as of June 30, 2023 and December 31, 2022.

2020 Senior Secured Notes

On May 22, 2020, the Company issued \$650.0 million of senior secured notes due May 15, 2028 (the "2020 Notes"). Net proceeds from the 2020 Notes were \$638.5 million, consisting of a \$650.0 million aggregate principal amount less \$11.5 million from issuance costs. The 2020 Notes were offered in a private placement exempt from registration under the Securities Act. The 2020 Notes bear interest at a fixed rate of 6.75% and yielded an effective interest rate of 6.97% as of June 30, 2023.

Financial Covenant and Related 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 Net Leverage Ratio may not exceed 5.00 to 1.00. The 2018 Credit Agreement and the indenture governing the 2020 Notes impose certain operating and financial restrictions on the Company, and in the event of certain defaults, all of the Company's borrowings would become immediately due and payable.

The Company was in compliance with all of the covenants under the 2018 Credit Agreement and the indenture governing the 2020 Notes as of June 30, 2023 and December 31, 2022.

Note 10: Commitments and Contingencies

Contingencies

In the normal course of business, the Company is subject to various claims and litigation. The Company is also subject to threatened or pending legal actions arising from activities of contractors. A liability is recorded for the potential costs of carrying out further actions based on known claims and previous claims history, and for losses from litigation that are probable and estimable, including the potential costs to settle litigation. Many of these claims may be covered under the Company's current insurance programs, subject to self-insurance levels and deductibles. The timing and ultimate settlement of these matters is inherently uncertain, however, based upon information currently available, we believe the resolution of such claims and litigation will not have a material adverse effect on our financial position, results of operations or liquidity.

The Company is also subject to various workers' compensation and medical claims, primarily as it relates to claims by employees in the U.S. for medical benefits and lost wages associated with injuries incurred in the course of their employment. A liability is also recorded for the Company's incurred but not reported ("IBNR") claims, based on assessment using prior claims history.

These various contingent claims liabilities are presented as Other current liabilities and Other non-current liabilities in the Condensed Consolidated Balance Sheets. As of June 30, 2023 and December 31, 2022, contingent liabilities recorded within Other current liabilities were \$102.8 million and \$76.9 million, respectively, and contingent liabilities recorded within Other non-current liabilities were \$43.2 million and \$39.7 million, respectively. These contingent liabilities are made up of errors and omissions ("E&O") claims, litigation matters, workers' compensation and other medical claims. As of June 30, 2023 and December 31, 2022, E&O and other litigation claims were \$47.5 million and \$36.6 million, respectively, and workers' compensation and medical claims liabilities were \$98.5 million and \$80.0 million, respectively.

The Company had insurance recoverable balances for E&O claims as of June 30, 2023 and December 31, 2022 totaling \$5.1 million and \$7.4 million, respectively.

Guarantees

The Company's guarantees primarily relate to requirements under certain client service contracts and arise through the normal course of business. These guarantees, with certain financial institutions, have both open and closed-ended terms, with remaining closed-ended terms up to 9 years and maximum potential future payments of approximately \$45.3 million in the aggregate. None of these guarantees are individually material to the Company's operating results, financial position or liquidity. The Company considers the future payment or performance related to non-performance under these guarantees to be remote.

Note 11: Related Party Transactions

Broker and Employee Receivables

As of June 30, 2023 and December 31, 2022, the Company had receivables from brokers and other employees of \$50.3 million and \$50.8 million, respectively, that are included in Prepaid expenses and other current assets, and \$336.6 million and \$271.7 million, respectively, that are included in Other non-current assets in the 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 12: Fair Value Measurements

The Company measures certain assets and liabilities in accordance with ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"), which defines fair value as the price that would be received to sell 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.

Financial Instruments

The Company's financial instruments include cash and cash equivalents, trade and other receivables, a deferred purchase price ("DPP") receivable, 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 and restricted cash 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. Due to the short-term nature of trade and other receivables, accounts payable and accrued expenses, and short-term borrowings, their carrying amount is considered to be the same as their fair value.

The estimated fair value of external debt was \$3.2 billion and \$3.2 billion as of June 30, 2023 and December 31, 2022, 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 \$3.2 billion and \$3.2 billion as of June 30, 2023 and December 31, 2022, respectively, which excludes debt issuance costs. Refer to Note 9: Long-Term Debt and Other Borrowings for additional information.

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 June 30, 2023 and December 31, 2022 (in millions):

	As of June 30, 2023			
	Total	Level 1	Level 2	Level 3
Assets				
Cash equivalents - money market funds	\$ 1.0	\$ 1.0	\$ —	\$ —
Deferred compensation plan assets	30.5	30.5	—	—
Foreign currency forward contracts	1.0	—	1.0	—
Interest rate swap agreements	15.8	—	15.8	—
Equity securities	3.8	3.8	—	—
Total	\$ 52.1	\$ 35.3	\$ 16.8	\$ —
Liabilities				
Deferred compensation plan liabilities	\$ 32.5	\$ 32.5	\$ —	\$ —
Foreign currency forward contracts	1.0	—	1.0	—
Earn-out liabilities	25.9	—	—	25.9
Total	\$ 59.4	\$ 32.5	\$ 1.0	\$ 25.9

	As of December 31, 2022			
	Total	Level 1	Level 2	Level 3
Assets				
Cash equivalents - money market funds	\$ 0.9	\$ 0.9	\$ —	—
Deferred compensation plan assets	31.9	31.9	—	—
Foreign currency forward contracts	2.8	—	2.8	—
Deferred purchase price receivable	387.8	—	—	387.8
Equity securities	21.5	21.5	—	—
Total	\$ 444.9	\$ 54.3	\$ 2.8	\$ 387.8
Liabilities				
Deferred compensation plan liabilities	\$ 33.2	\$ 33.2	\$ —	—
Foreign currency forward contracts	3.0	—	3.0	—
Interest rate swap agreements	10.7	—	10.7	—
Earn-out liabilities	29.3	—	—	29.3
Total	\$ 76.2	\$ 33.2	\$ 13.7	\$ 29.3

During the six months ended June 30, 2023, the only transfer between the three levels of the fair value hierarchy was a transfer out of Level 3 related to the DPP receivable. There were no transfers between the three levels of the fair value hierarchy during the year ended December 31, 2022. There have been no significant changes to the valuation techniques and inputs used to develop the fair value measurements from those disclosed in the Company's audited Consolidated Financial Statements for the year ended December 31, 2022, except as it relates to the DPP receivable which is discussed further below.

Deferred Compensation Plans

Prior to 2017, the Company sponsored non-qualified deferred compensation plans for certain U.S. employees whereby the employee could defer a portion of employee compensation, which the Company would hold in trust, enabling the employees to defer tax on compensation until payment is made to them from the trust. These plans are frozen. Employee balances held in trust are at risk for any investment losses of the funds held in trust.

The Company adopted a new non-qualified deferred compensation plan on January 1, 2019. The plan allows certain highly-compensated employees to defer a portion of their compensation, enabling the employees to defer tax on compensation until payment is made. The Company has established a Rabbi Trust under which investments are held to fund payment of the liability of the deferred compensation plan. The investments of the Rabbi Trust consist of life insurance policies for which investment gains or losses are recognized based upon changes in cash surrender value that are driven by market performance.

The fair value of assets and liabilities of these plans is based on the value of the underlying investments using quoted prices in active markets at period end. Deferred compensation plan assets are presented within Prepaid expenses and other current assets and Other non-current assets in the Condensed Consolidated Balance Sheets. Deferred compensation liabilities are presented within Accrued compensation and Other non-current liabilities in the Condensed Consolidated Balance Sheets.

Foreign Currency Forward Contracts and Interest Rate Swaps

The estimated fair value of interest rate swaps and foreign currency forward contracts are determined based on the expected cash flows of each derivative instrument. The valuation method reflects the contractual period and uses observable market-based inputs, including interest rate and foreign currency forward curves (Level 2 inputs). Refer to Note 8: 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 has a revolving trade accounts receivables securitization program, which it amends periodically (the “A/R Securitization”). In June 2023, the Company amended the A/R Securitization to extend the maturity date and the program was transitioned to a new provider. Under the A/R Securitization, the Company recorded a DPP receivable upon the initial sale of trade receivables. The DPP receivable 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 receivable 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 and collections on previously transferred receivables. The carrying amount of the DPP receivable, which approximates its fair value, is primarily based on the face amount of receivables, adjusted for estimated credit losses. Changes in the DPP receivable attributed to changes in estimates for credit losses have been and are expected to be immaterial, as the underlying receivables are short-term and of high credit quality. As of June 30, 2023 and December 31, 2022, the DPP receivable of \$235.2 million and \$387.8 million, respectively, is included in Other non-current assets in the Condensed Consolidated Balance Sheets. Refer to Note 13: Accounts Receivable Securitization for more information.

The table below presents a reconciliation of the deferred purchase price receivable, previously measured at fair value using significant unobservable inputs (Level 3) (in millions):

	DPP Receivable
Balance as of December 31, 2022	\$ 387.8
Sales of receivables	1,420.3
Settlements	(1,393.2)
Draw on credit investment limit, net	(170.0)
Net change in fair value and other adjustments	(9.7)
Transfer out of Level 3	(235.2)
Balance as of June 30, 2023	\$ —

As of June 30, 2023, the carrying amount of the DPP receivable approximates its fair value. As the DPP receivable is not fair valued on a recurring basis, it has been and will be excluded from the fair value hierarchy table above and is presented as a transfer out of Level 3. Transfers into and out of Level 3 are assumed to occur at the beginning of the quarterly reporting period in which they occur.

Earn-out Liabilities

The Company has various contractual obligations associated with the acquisition of several real estate service companies in the United States, Australia, Canada and Europe, including contingent consideration, comprised of earn-out payments to the sellers subject to achievement of certain performance criteria in accordance with the terms and conditions set forth in the respective purchase agreements. An increase to a probability of achievement would result in a higher fair value measurement of the earn-out liability.

The amounts disclosed in the fair value hierarchy table above are included in Other current liabilities and Other non-current liabilities in the Condensed Consolidated Balance Sheets. As of June 30, 2023, the Company had the potential to make a maximum of \$29.1 million and a minimum of \$0.0 million (undiscounted) in earn-out payments. Assuming the achievement of the applicable performance criteria, these earn-out payments will be made over the next 6 years.

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 Condensed Consolidated Statements of Operations.

The table below presents a reconciliation of earn-out liabilities measured at fair value using significant unobservable inputs (Level 3) (in millions):

	Earn-out Liabilities	
	2023	2022
Balance as of January 1,	\$ 29.3	\$ 21.4
Purchases/additions	—	3.4
Net change in fair value and other adjustments	0.7	(0.6)
Payments	(4.1)	(0.1)
Balance as of June 30,	\$ 25.9	\$ 24.1

Investments in Real Estate Ventures

The Company directly invests in early stage property technology (“proptech”) companies, real estate investment funds and other real estate companies across various sectors. The Company typically reports these investments at cost, less impairment charges, and adjusts these investments to fair value if the Company identifies observable price changes in orderly transactions for identical or similar instruments of the same issuer.

In October 2021, the Company made a strategic investment of \$150.0 million in WeWork. As quoted market prices for identical assets are available, this investment is classified as a Level 1 investment, and mark to market gains and losses are recognized on a recurring basis. As of June 30, 2023 and December 31, 2022, the fair value of WeWork of \$3.8 million and \$21.5 million, respectively, is included in Other non-current assets in the Consolidated Balance Sheets.

Investments in early stage proptech companies or other real estate companies are typically fair valued as a result of pricing observed in initial or subsequent funding rounds. These investments are not fair valued on a recurring basis and as such have been excluded from the fair value hierarchy table. As of June 30, 2023 and December 31, 2022, investments in early stage proptech companies had a fair value of approximately \$47.0 million and \$42.4 million, respectively, included in Other non-current assets in the Condensed Consolidated Balance Sheets.

Investments in real estate venture capital funds are fair valued using the net asset value (“NAV”) per share (or its equivalent) provided by investees. Critical inputs to NAV estimates include valuations of the underlying real estate assets and borrowings, which incorporate investment-specific assumptions such as discount rates, capitalization rates, rental and expense growth rates, and asset-specific market borrowing rates. As these investments are not required to be classified in the fair value hierarchy, they have been excluded from the fair value hierarchy table. As of June 30, 2023 and December 31, 2022, investments in real estate venture capital funds had a fair value of approximately \$78.8 million and \$82.8 million, respectively, included in Other non-current assets in the Condensed Consolidated Balance Sheets.

The Company adjusts these various real estate investments to their fair values each reporting period, and the changes in fair values are reflected in Other expense, net, in the Condensed Consolidated Statements of Operations. During the three and six months ended June 30, 2023, the Company recognized unrealized losses of \$7.8 million and \$17.7 million, respectively, related to our investment in WeWork and unrealized losses of \$0.4 million and \$1.2 million, respectively, from other real estate investments. During the three and six months ended June 30, 2022, the Company recognized unrealized losses of \$27.0 million and \$53.7 million, respectively, related to our investment in WeWork, and an unrealized loss of \$0.3 million and an unrealized gain of \$4.9 million, respectively, from other real estate investments.

Note 13: Accounts Receivable Securitization

Under the A/R Securitization, certain of the Company’s wholly-owned subsidiaries continuously sell (or contribute) receivables to certain 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 have liabilities 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.

All transactions under the A/R Securitization are accounted for as a true sale in accordance with ASC Topic 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 consolidated balance sheet. 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 A/R Securitization program allows the Company to receive a cash payment and a DPP receivable for sold receivables. The DPP receivable 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 six months ended June 30, 2023 and 2022, receivables sold under the A/R Securitization were \$1.4 billion and \$0.7 billion, respectively, and cash collections from customers on receivables sold were \$1.4 billion and \$0.7 billion, respectively, all of which were reinvested in new receivables purchases and are included in cash flows from operating activities in the Condensed Consolidated Statements of Cash Flows. As of June 30, 2023 and December 31, 2022, the outstanding principal on receivables sold under the A/R Securitization was \$435.0 million and \$407.9 million, respectively.

This A/R Securitization program also gives the Company access to up to a \$200.0 million credit investment limit. As of June 30, 2023 and December 31, 2022 the Company had \$170.0 million and \$0.0 million, respectively, drawn on the investment limit. On June 20, 2023, the Company amended the A/R Securitization to extend the maturity date to June 19, 2026 and incurred a servicing liability fee of \$11.3 million in connection with the amendment.

Refer to Note 12: Fair Value Measurements for additional discussion related to the DPP receivable.

Note 14: Restructuring

As a result of the current macroeconomic challenges and operating environment, the Company actioned certain cost savings initiatives in the first half of 2023, including reductions in headcount across select roles to help optimize our workforce which will be substantially complete by the end of the year. The Company expects to incur \$20.0 million to \$30.0 million of restructuring charges in 2023 related to these cost savings initiatives. The restructuring charges recorded in Restructuring, impairment and related charges in the Condensed Consolidated Statements of Operations primarily reflect severance costs.

The Company recognized restructuring charges of approximately \$6.8 million and \$12.1 million during the three and six months ended June 30, 2023, respectively.

The following table details the Company's restructuring activity for the six months ended June 30, 2023 (in millions):

	Total
Balance as of December 31, 2022	\$ 5.7
Restructuring Charges:	
Americas	10.2
EMEA	0.7
APAC	1.2
Total Restructuring Charges	12.1
Payments and Other:	
Americas	(6.1)
EMEA	(2.6)
APAC	(1.5)
Total Payments and Other	(10.2)
Balance as of June 30, 2023	\$ 7.6

The restructuring accruals of \$7.6 million and \$5.7 million were recorded within Other current liabilities in the Condensed Consolidated Balance Sheets as of June 30, 2023 and December 31, 2022, respectively.

Note 15: Supplemental Cash Flow Information

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported in the Condensed Consolidated Balance Sheets to the sum of such amounts presented in the Condensed Consolidated Statements of Cash Flows (in millions):

	As of	
	June 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 502.3	\$ 644.5
Restricted cash recorded in Prepaid expenses and other current assets	70.5	74.5
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	<u>\$ 572.8</u>	<u>\$ 719.0</u>

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

	Six Months Ended June 30,	
	2023	2022
Cash paid for:		
Interest	\$ 120.7	\$ 52.5
Income taxes	59.1	147.0
Operating leases	58.1	58.7
Non-cash investing/financing activities:		
Property and equipment additions through finance leases	16.3	10.9
Deferred and contingent payment obligation incurred through acquisitions	—	12.3
Increase in beneficial interest in a securitization	17.4	26.7
Right of use assets obtained through operating leases	34.0	27.1

Note 16: Subsequent Events

The Company has evaluated subsequent events through July 31, 2023, the date on which these financial statements were issued, and has determined there were 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, 2022.

As discussed in "Cautionary Note Regarding Forward-Looking Statements" elsewhere in this Quarterly Report, 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" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022 and Part II, Item 1A in this Quarterly Report. Our fiscal year ends December 31.

Cautionary Note Regarding Forward-Looking Statements

Some of the statements under "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, 2022 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," "strives," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates," "target," "goal," "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" in this Quarterly Report and in our Annual Report on Form 10-K for the year ended December 31, 2022 in Part I, Item 1A. We believe that these factors include, but are not limited to:

- disruptions in general macroeconomic conditions and global and regional demand for commercial real estate;
- our ability to attract and retain members of our senior management and qualified revenue producing employees;
- disruptions to our business and to our clients' businesses caused by COVID-19;
- the inability of our acquisitions and joint ventures to perform as expected and the unavailability of similar future opportunities;
- our ability to preserve, grow and leverage the value of our brand;
- the concentration of business with corporate clients;
- our ability to appropriately address actual or perceived conflicts of interest;
- our ability to maintain and execute information technology strategies, maintain the security of our information and adapt to changes in technology;
- interruption or failure of our information technology, communications systems or data services;
- our vulnerability to material breaches related to our information technology;
- our ability to comply with current and future data privacy regulations and other confidentiality obligations;
- the extent to which natural disasters, global health crises, building defects, terrorist attacks and mass shootings may disrupt our ability to manage client properties;
- the potential impairment of our goodwill and other intangible assets;

- our ability to comply with new laws or regulations or changes in existing laws or regulations and to make correct determinations in complex tax regimes;
- our ability to execute on our strategy for operational efficiency;
- the seasonality of significant portions of our revenue and cash flow;
- the failure of third parties to comply with contract, regulatory or legal requirements;
- risks associated with the effects of climate change and ability to achieve our sustainability goals;
- the possibility that we may be subject to environmental liability as a result of our role as a real estate services provider;
- our ability to compete globally, regionally and locally;
- social, political and economic risks in different countries as well as foreign currency volatility;
- the ability of our principal shareholders to exert significant influence over us;
- the effects from either us or our existing shareholders selling a large number of ordinary shares in the market;
- our intention or ability to pay cash dividends on our ordinary shares;
- uncertainties related to the timing and amount of any potential share repurchases;
- the operating and financial restrictions that our 2018 Credit Agreement and the indenture governing the 2020 Notes impose on us and the possibility that in an event of default all of our borrowings may become immediately payable;
- our substantial indebtedness;
- the potential that we may incur more debt;
- our ability to generate sufficient cash flow from operations to satisfy our debt service obligations;
- risks related to litigation;
- the fact that the rights of our shareholders differ in certain respects from the rights typically offered to shareholders of a Delaware corporation;
- the fact that U.S. investors may have difficulty enforcing liabilities against us or be limited in their ability to bring a claim in a judicial forum they find favorable in the event of a dispute;
- 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 or require shareholder approval for certain capital structure decisions; and
- the other risk factors set forth elsewhere in this Quarterly Report and under Item 1A of Part I of our 2022 Annual Report on Form 10-K.

The factors identified above should not be construed as an 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.

Overview

Cushman & Wakefield is a leading global commercial real estate services firm that makes a meaningful impact for our people, clients, communities and world. Led by an experienced executive team and driven by approximately 52,000 employees in over 400 offices and approximately 60 countries, we deliver exceptional value for real estate occupiers and owners, managing over 5.1 billion square feet of commercial real estate space globally and offering a broad suite of services through our integrated and scalable platform. Our business is focused on meeting the increasing demands of our clients through a comprehensive offering of services including (i) Property, facilities and project management, (ii) Leasing, (iii) Capital markets and (iv) Valuation and other services.

Recent Developments and Outlook

Highlights from the period ended June 30, 2023:

Year-to-Date Results:

- Revenue of \$4.7 billion and service line fee revenue of \$3.1 billion for the first half of 2023 decreased 6% and 13%, respectively, from the first half of 2022.
 - Property, facilities and project management grew 4%, driven by the Americas and APAC.
 - Leasing, Capital markets and Valuation and other declined 20%, 49% and 14%, respectively.
- Net loss and diluted loss per share for the first half of 2023 were \$71.3 million and \$0.31, respectively.
 - Adjusted EBITDA of \$207.0 million was down 57% from the first half of 2022.
- Liquidity as of June 30, 2023 was \$1.6 billion, consisting of availability on the Company's undrawn revolving credit facility of \$1.1 billion and cash and cash equivalents of \$0.5 billion.

Second Quarter Results:

- Revenue of \$2.4 billion and service line fee revenue of \$1.6 billion for the second quarter of 2023 decreased 8% and 15%, respectively, from the second quarter of 2022.
 - Property, facilities and project management grew 2%.
 - Leasing, Capital markets and Valuation and other declined 20%, 48% and 13%, respectively.
- Net income and diluted earnings per share for the second quarter of 2023 were \$5.1 million and \$0.02, respectively.
 - Adjusted EBITDA of \$146.1 million was down 44% from the second quarter of 2022.

Macroeconomic Trends and Uncertainties

Demand for our services is largely dependent on the relative strength of the global and regional commercial real estate markets, which are highly sensitive to general macroeconomic conditions and the ability of market participants to access credit. The current macroeconomic environment remains complex, with elevated inflation and interest rates as well as a stressed banking system all contributing to recessionary conditions in commercial real estate. These macroeconomic challenges have led to ongoing volatility within global capital and credit markets and have negatively impacted demand for our services during the first half of 2023.

In particular, many of our clients have been unable to procure credit or financing on favorable terms as lending conditions and terms have tightened and borrowers face higher capital costs, resulting in lower transaction volumes and declines in our Capital markets, Leasing and Valuation and other service lines. Occupiers of office space have grown increasingly cautious in their leasing decisions and are looking for cost-cutting opportunities in response to a potential recession and as hybrid work strategies continue to evolve. Clients may continue to delay real estate transaction decisions until property values and economic conditions settle, which could continue to reduce the commissions and fees we earn for brokering those transactions. While transactional markets remained under pressure during the first half of the year, our Property, facilities and project management service line continued to demonstrate resiliency and grew 4% over the prior year.

A protracted continuation or further deterioration of these macroeconomic conditions, as well as future uncertainty or weakness in the credit markets, could further affect commercial real estate transaction volumes and pricing. While we expect the near-term outlook to remain challenging, we believe our clients have the appetite to deploy capital when market conditions stabilize.

As a result of the current macroeconomic challenges and operating environment, the Company actioned certain cost savings initiatives in the first half of 2023, including reductions in headcount across select roles and property lease rationalizations which will be substantially complete by the end of the year.

Recent Regulatory Developments

The Organization for Economic Co-Operation and Development (“OECD”) has asked countries around the globe to act to prevent what it refers to as base erosion and profit shifting (“BEPS”). The OECD considers BEPS to refer to tax planning strategies that shift, perhaps artificially, profits across borders to take advantage of differing tax laws and rates among countries. Most recently, the OECD announced a consensus around further changes in traditional international tax principles (“BEPS 2.0”) to address, among other things, the perceived need for a minimum global effective tax rate of 15% (“Pillar 2”). On July 20, 2022, following the Pillar 2 directive, the UK formally proposed legislation to transpose the Pillar 2 directive into domestic law for years beginning after December 31, 2023. That law remains in proposed form and is expected to become law by December 31, 2023. The EU and other countries are taking similar actions. As a company organized in England and Wales, we are evaluating developments to determine whether Pillar 2 will materially impact our financial position in the future. Any material change in tax laws or policies, or their interpretation, resulting from BEPS, BEPS 2.0, or other legislative proposals or inquiries could result in a higher effective tax rate on our earnings and have an adverse effect on our financial condition, results of operations and cash flows.

Critical Accounting Policies and Estimates

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, current facts and circumstances, 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 and estimates, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2022. There have been no material changes to these policies or estimates as of June 30, 2023.

As noted in our Annual Report on Form 10-K for the year ended December 31, 2022, the Company performs goodwill impairment reviews at the reporting unit level. U.S. GAAP defines a reporting unit as a component of an operating segment if the component constitutes a business, for which discrete financial information is available, and segment management regularly reviews the operating results of that component. In 2022, we performed our goodwill impairment evaluation over five reporting units, resulting in no impairment charges as the estimated fair value of each reporting unit exceeded its carrying value.

Effective July 1, 2023, the Company has revised the identification of our reporting units used to evaluate goodwill for impairment from five reporting units to four reporting units. Previously (including the second quarter of 2023), the Americas and C&W Services reporting units comprised the Americas segment, the EMEA reporting unit comprised the EMEA segment, and the APAC and Greater China reporting units comprised the APAC segment. The Company no longer identifies Greater China as a separate reporting unit for purposes of assessing goodwill for impairment, as a result of changes in management and reporting structures, including a change in our Chief Executive Officer, and due to similarities in economic characteristics. Effective July 1, 2023, the Company's reporting units consist of Americas, C&W Services, EMEA and APAC (including Greater China). We have not made any other changes to our policies related to evaluating goodwill for impairment.

Recently Issued Accounting Pronouncements

Refer to recently issued accounting pronouncements within Note 2: New Accounting Pronouncements of the Notes to the Condensed Consolidated Financial Statements.

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 and 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, volatility of the financial markets, changes in interest rates, inflation, pressure on the global banking system, the impact of tax and regulatory policies, the cost and availability of credit, changes in employment rates, demand for commercial real estate, and the geopolitical environment including the Russia-Ukraine conflict.

Our diversified 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 markets service lines. Nevertheless, ongoing 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, as well as joint ventures, 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 and partnerships 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. This 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 of activity 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 typically 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.

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, 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-based operating expenses 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 include Segment operating expenses, Fee-based operating expenses, Adjusted EBITDA, Adjusted EBITDA margin and local currency. Certain of these metrics are non-GAAP measures 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. 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. Segment operating expenses 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.

Segment operating expenses and Fee-based operating expenses: Consistent with GAAP, reimbursed costs for certain customer contracts are presented on a gross basis in both revenue and operating expenses for which the Company recognizes substantially no margin. Total costs and expenses include segment operating expenses as well as other expenses such as depreciation and amortization, integration and other costs related to merger, pre-IPO stock-based compensation, acquisition related costs and efficiency initiatives, cost savings initiatives, CEO transition costs and other non-recurring items. Segment operating expenses includes Fee-based operating expenses and Cost of gross contract reimbursables.

We believe Fee-based operating expenses more accurately reflects the costs we incur during the course of delivering services to our clients and is more consistent with how we manage our expense base and operating margins.

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 merger, pre-IPO stock-based compensation, unrealized (gains) / losses on investments, acquisition related costs and efficiency initiatives, cost savings initiatives, CEO transition costs and other non-recurring 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 measured against service line 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 Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2023 and 2022 (in millions):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	% Change in USD	% Change in Local Currency	2023	2022	% Change in USD	% Change in Local Currency
Revenue:								
Property, facilities and project management	\$ 888.9	\$ 868.8	2 %	3 %	\$ 1,785.7	\$ 1,709.8	4 %	5 %
Leasing	441.8	552.8	(20)%	(20)%	804.4	1,007.5	(20)%	(19)%
Capital markets	191.9	367.3	(48)%	(48)%	334.8	656.3	(49)%	(49)%
Valuation and other	110.3	127.5	(13)%	(13)%	212.0	247.6	(14)%	(12)%
Total service line fee revenue ⁽¹⁾	1,632.9	1,916.4	(15)%	(14)%	3,136.9	3,621.2	(13)%	(13)%
Gross contract reimbursables ⁽²⁾	773.1	696.2	11 %	12 %	1,518.4	1,322.4	15 %	16 %
Total revenue	\$ 2,406.0	\$ 2,612.6	(8)%	(7)%	\$ 4,655.3	\$ 4,943.6	(6)%	(5)%
Costs and expenses:								
Cost of services provided to clients	\$ 1,205.0	\$ 1,381.3	(13)%	(12)%	\$ 2,367.3	\$ 2,615.6	(9)%	(9)%
Cost of gross contract reimbursables	773.1	696.2	11 %	12 %	1,518.4	1,322.4	15 %	16 %
Total costs of services	1,978.1	2,077.5	(5)%	(4)%	3,885.7	3,938.0	(1)%	0 %
Operating, administrative and other	328.9	317.5	4 %	4 %	644.8	610.9	6 %	7 %
Depreciation and amortization	35.7	39.7	(10)%	(10)%	72.6	80.3	(10)%	(9)%
Restructuring, impairment and related charges	7.0	1.3	n.m.	n.m.	14.2	2.5	n.m.	n.m.
Total costs and expenses	2,349.7	2,436.0	(4)%	(3)%	4,617.3	4,631.7	0 %	1 %
Operating income	56.3	176.6	(68)%	(68)%	38.0	311.9	(88)%	(88)%
Interest expense, net of interest income	(57.9)	(46.1)	26 %	25 %	(134.7)	(89.3)	51 %	52 %
Earnings from equity method investments	12.8	17.5	(27)%	(26)%	24.7	34.4	(28)%	(28)%
Other expense, net	(4.8)	(25.0)	(81)%	(81)%	(10.8)	(57.9)	(81)%	(83)%
Earnings (loss) before income taxes	6.4	123.0	(95)%	(95)%	(82.8)	199.1	n.m.	n.m.
Provision for (benefit from) income taxes	1.3	25.8	(95)%	(95)%	(11.5)	56.4	n.m.	n.m.
Net income (loss)	\$ 5.1	\$ 97.2	(95)%	(95)%	\$ (71.3)	\$ 142.7	n.m.	n.m.
Net income (loss) margin	0.2%	3.7%			(1.5)%	2.9%		
Adjusted EBITDA	\$ 146.1	\$ 262.8	(44)%	(44)%	\$ 207.0	\$ 477.1	(57)%	(56)%
Adjusted EBITDA margin ⁽³⁾	8.9 %	13.7 %			6.6 %	13.2 %		

n.m. not meaningful

⁽¹⁾ Service line fee revenue represents revenue for fees generated from each of our service lines.

⁽²⁾ Gross contract reimbursables reflects revenue from clients which have substantially no margin.

⁽³⁾ Adjusted EBITDA margin is measured against Total service line fee revenue.

Adjusted EBITDA is calculated as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income (loss)	\$ 5.1	\$ 97.2	\$ (71.3)	\$ 142.7
Add/(less):				
Depreciation and amortization	35.7	39.7	72.6	80.3
Interest expense, net of interest income	57.9	46.1	134.7	89.3
Provision for (benefit from) income taxes	1.3	25.8	(11.5)	56.4
Unrealized loss on investments, net ⁽¹⁾	8.2	27.3	18.9	48.8
Integration and other costs related to merger ⁽²⁾	2.0	4.3	4.4	7.9
Pre-IPO stock-based compensation	—	1.0	—	1.7
Acquisition related costs and efficiency initiatives ⁽³⁾	5.1	17.8	11.7	35.0
Cost savings initiatives ⁽⁴⁾	12.2	—	27.2	—
CEO transition costs ⁽⁵⁾	2.3	—	2.3	—
Other ⁽⁶⁾	16.3	3.6	18.0	15.0
Adjusted EBITDA	\$ 146.1	\$ 262.8	\$ 207.0	\$ 477.1

⁽¹⁾ Represents net unrealized losses on fair value investments during the three and six months ended June 30, 2023 and 2022, primarily related to our investment in WeWork.

⁽²⁾ Integration and other costs related to merger reflects the non-cash amortization expense of certain merger related retention awards that will be amortized through 2026, and the non-cash amortization expense of merger related deferred rent and tenant incentives which will be amortized through 2028.

⁽³⁾ Includes internal and external consulting costs incurred to implement certain distinct operating efficiency initiatives which include significant company-wide changes to realign our organization to allow the Company to be a more agile partner to its clients, and vary in frequency, amount and occurrence based on factors specific to each initiative. In addition, this includes certain direct costs incurred in connection with acquiring businesses.

⁽⁴⁾ Cost savings initiatives primarily reflects severance and other one-time employment-related separation costs related to 2023 actions to reduce headcount across select roles to help optimize our workforce given the current macroeconomic conditions and operating environment, as well as property lease rationalizations.

⁽⁵⁾ CEO transition costs reflect accelerated stock-based compensation expense associated with stock awards granted to John Forrester, the Company's former Chief Executive Officer who stepped down from that position as of June 30, 2023, but remains employed by the Company as a Strategic Advisor. The requisite service period under the applicable award agreements will be satisfied upon Mr. Forrester's planned retirement from the Company on December 31, 2023. We believe the accelerated expense for these stock awards is similar in nature to one-time severance benefits and is not a normal, recurring operating expense necessary to operate the business.

⁽⁶⁾ For the three and six months ended June 30, 2023, Other primarily reflects the additional non-cash servicing liability fee of \$11.3 million accrued in connection with the A/R Securitization amendment, which will be amortized through June 2026. Other also includes non-cash stock-based compensation expense associated with certain one-time retention awards. For the six months ended June 30, 2022, Other includes a loss of \$13.8 million related to the disposal of operations in Russia.

Below is a summary of Total costs and expenses (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Americas Fee-based operating expenses	\$ 1,067.0	\$ 1,219.7	\$ 2,093.2	\$ 2,306.4
EMEA Fee-based operating expenses	191.4	213.9	377.0	414.4
APAC Fee-based operating expenses	240.7	239.0	486.9	461.8
Cost of gross contract reimbursables	773.1	696.2	1,518.4	1,322.4
Segment operating expenses	2,272.2	2,368.8	4,475.5	4,505.0
Depreciation and amortization	35.7	39.7	72.6	80.3
Integration and other costs related to merger ⁽¹⁾	2.0	4.3	4.4	7.9
Pre-IPO stock-based compensation	—	1.0	—	1.7
Acquisition related costs and efficiency initiatives ⁽²⁾	5.1	17.8	11.7	35.0
Cost savings initiatives ⁽³⁾	12.2	—	27.2	—
CEO transition costs ⁽⁴⁾	2.3	—	2.3	—
Other, including foreign currency movements ⁽⁵⁾	20.2	4.4	23.6	1.8
Total costs and expenses	\$ 2,349.7	\$ 2,436.0	\$ 4,617.3	\$ 4,631.7

⁽¹⁾ Integration and other costs related to merger reflects the non-cash amortization expense of certain merger related broker retention awards that will be amortized through 2026, and the non-cash amortization expense of merger related deferred rent and tenant incentives which will be amortized through 2028.

⁽²⁾ Includes internal and external consulting costs incurred to implement certain distinct operating efficiency initiatives which include significant company-wide changes to realign our organization to allow the Company to be a more agile partner to its clients, and vary in frequency, amount and occurrence based on factors specific to each initiative. In addition, this includes certain direct costs incurred in connection with acquiring businesses.

⁽³⁾ Cost savings initiatives primarily reflects severance and other one-time employment-related separation costs actioned in 2023 to reduce headcount across select roles to help optimize our workforce given the current macroeconomic conditions and operating environment, as well as property lease rationalizations.

⁽⁴⁾ CEO transition costs reflect accelerated stock-based compensation expense associated with stock awards granted to John Forrester, the Company's former Chief Executive Officer who stepped down from that position as of June 30, 2023, but remains employed by the Company as a Strategic Advisor. The requisite service period under the applicable award agreements will be satisfied upon Mr. Forrester's planned retirement from the Company on December 31, 2023. We believe the accelerated expense for these stock awards is similar in nature to one-time severance benefits and is not a normal, recurring operating expense necessary to operate the business.

⁽⁵⁾ For the three and six months ended June 30, 2023, Other primarily reflects the additional non-cash servicing liability fee of \$11.3 million accrued in connection with the A/R Securitization amendment, which will be amortized through June 2026, non-cash stock-based compensation expense associated with certain one-time retention awards, and the effects of movements in foreign currency. For the six months ended June 30, 2022, Other includes a loss of \$13.8 million related to the disposal of operations in Russia.

Three months ended June 30, 2023 compared to the three months ended June 30, 2022

Revenue

Revenue of \$2.4 billion decreased \$206.6 million or 8% compared to the three months ended June 30, 2022, primarily driven by the Americas, which decreased 9%. This decline was principally driven by a 31% reduction in brokerage revenue, as a challenging macroeconomic environment continues to adversely affect commercial real estate transaction volumes and delay occupier decision making. Valuation and other declined 13% as a result of lower activity in our valuation business, stemming from the slowdown in transactions. In addition, we experienced unfavorable movements in foreign currency of \$13.9 million or 1% compared to the second quarter of 2022 as a result of a stronger USD. Partially offsetting these trends was the continued growth of our Property, facilities and project management service line, namely our property management and facilities services businesses, and Gross contract reimbursables revenue, which were up 2% and 11%, respectively.

Costs of services

Costs of services of \$2.0 billion decreased \$99.4 million or 5% compared to the three months ended June 30, 2022. Cost of services provided to clients decreased 13% principally due to lower commissions as a result of lower brokerage revenue. Cost of gross contract reimbursables increased 11% driven by the continued growth of our Property, facilities and project management service line and cost inflation.

Operating, administrative and other

Operating, administrative and other expenses of \$328.9 million increased \$11.4 million or 4% compared to the three months ended June 30, 2022, primarily driven by higher employment costs. In addition, during the three months ended June 30, 2023, the Company incurred an \$11.3 million servicing liability fee in connection with the amendment and extension of the A/R Securitization.

Restructuring, impairment and related charges

Restructuring, impairment and related charges of \$7.0 million increased \$5.7 million compared to the three months ended June 30, 2022. This increase principally reflects the increase in severance and employment-related costs as a result of cost savings initiatives actioned in 2023, including a reduction in headcount across select roles to help optimize our workforce given the current macroeconomic conditions and operating environment.

Interest expense, net of interest income

Interest expense, net of interest income of \$57.9 million increased \$11.8 million or 26% compared to the three months ended June 30, 2022, primarily driven by higher variable interest rates on our debt compared to the prior period.

Earnings from equity method investments

Earnings from equity method investments of \$12.8 million decreased \$4.7 million compared to the three months ended June 30, 2022, primarily due to a decline in earnings recognized from our equity method investment with Greystone due to lower transaction volumes as a result of tighter lending conditions.

Other expense, net

Other expense of \$4.8 million decreased \$20.2 million or 81% compared to the three months ended June 30, 2022, principally driven by lower net unrealized losses on our fair value investments, primarily related to our investment in WeWork.

Provision for income taxes

Provision for income taxes for the second quarter of 2023 was \$1.3 million on earnings before income taxes of \$6.4 million. For the second quarter of 2022, the provision for income taxes was \$25.8 million on earnings before income taxes of \$123.0 million. The decrease in income tax expense was primarily driven by lower earnings in 2023 resulting in an effective tax rate of 20.3% for the three months ended June 30, 2023 compared to 21.0% for the three months ended June 30, 2022.

Net income and Adjusted EBITDA

Net income of \$5.1 million decreased \$92.1 million compared to the three months ended June 30, 2022 principally driven by the decline in Leasing and Capital markets revenue of 20% and 48%, respectively, as well as lower earnings from our Greystone equity method investment. Additionally, a servicing liability fee associated with the amendment and extension of the A/R Securitization also contributed to the year over year decline.

Adjusted EBITDA of \$146.1 million decreased by \$116.7 million or 44%, driven by the same factors impacting Net income discussed above, with the exception of the A/R Securitization servicing liability fee.

Six months ended June 30, 2023 compared to the six months ended June 30, 2022

Revenue

Revenue of \$4.7 billion decreased \$288.3 million or 6% compared to the six months ended June 30, 2022, primarily driven by the Americas, which decreased 6%. This decline was principally driven by a 32% reduction in brokerage revenue, as a challenging macroeconomic environment, elevated interest rates and a stressed banking system continue to adversely affect commercial real estate transaction volumes and delay occupier decision making. Valuation and other also declined 14% as a result of lower activity in our valuation business stemming from the slowdown in transactions. In addition, we experienced unfavorable movements in foreign currency of \$46.3 million or 1% compared to the first half of 2022 as a result of a stronger USD. Partially offsetting these trends was the continued growth of our Property, facilities and project management service line, namely our property management and facilities management businesses, and Gross contract reimbursables revenue, which were up 4% and 15%, respectively.

Costs of services

Costs of services of \$3.9 billion decreased \$52.3 million or 1% compared to the six months ended June 30, 2022. Cost of services provided to clients decreased 9% principally due to lower commissions as a result of lower brokerage revenue. Cost of gross contract reimbursables increased 15% driven by the continued growth in our Property, facilities and project management service line and cost inflation. Total costs of services as a percentage of total revenue were 83% for the six months ended June 30, 2023 compared to 80% for the six months ended June 30, 2022 due to business mix and cost inflation.

Operating, administrative and other

Operating, administrative and other expenses of \$644.8 million increased \$33.9 million or 6% compared to the six months ended June 30, 2022, primarily driven by higher employment costs, as well as higher technology and communication expenses due to cost inflation. In addition, in June 2023, the Company incurred an \$11.3 million servicing liability fee in connection with the amendment and extension of the A/R Securitization. Operating, administrative and other costs as a percentage of total revenue were 14% for the six months ended June 30, 2023 compared to 12% for the six months ended June 30, 2022.

Restructuring, impairment and related charges

Restructuring, impairment and related charges of \$14.2 million increased \$11.7 million compared to the six months ended June 30, 2022. This increase principally reflects the increase in severance and employment-related costs and impairment charges as a result of cost savings initiatives actioned in 2023, including a reduction in headcount across select roles to help optimize our workforce given the current macroeconomic conditions and operating environment.

Interest expense, net of interest income

Interest expense, net of interest income of \$134.7 million increased \$45.4 million or 51% compared to the six months ended June 30, 2022, primarily related to the refinancing of a portion of the borrowings under our 2018 Credit Agreement in January 2023 (see Note 9: Long-Term Debt and Other Borrowings in the Notes to the Condensed Consolidated Financial Statements for further information). In connection with this refinancing transaction, the Company recognized a loss on debt extinguishment of \$16.9 million, consisting of unamortized deferred financing costs and certain new transaction costs paid to creditors, as well as \$4.7 million of new transaction costs expensed directly in the first quarter of 2023. The increase in interest expense was also partially driven by higher variable interest rates on our debt compared to the first half of 2022.

Earnings from equity method investments

Earnings from equity method investments of \$24.7 million decreased \$9.7 million compared to the six months ended June 30, 2022, primarily due to a decline in earnings recognized from our equity method investment with Greystone due to lower transaction volumes as a result of tighter lending conditions.

Other expense, net

Other expense of \$10.8 million decreased \$47.1 million or 81% compared to the six months ended June 30, 2022, principally driven by lower net unrealized losses on our fair value investments, primarily related to our investment in WeWork. In addition, the Company recognized a loss of \$13.8 million in the first quarter of 2022 related to the disposal of our operations in Russia.

Provision for (benefit from) income taxes

Benefit from income taxes for the six months ended June 30, 2023 was \$11.5 million on a loss before income taxes of \$82.8 million. For the six months ended June 30, 2022, the provision for income taxes was \$56.4 million on earnings before income taxes of \$199.1 million. The decrease in income tax expense was primarily driven by lower earnings, the utilization of net operating losses and foreign tax credits in 2023 and changes in the jurisdictional mix of earnings, resulting in an effective tax rate of 13.9% for the six months ended June 30, 2023.

Net (loss) income and Adjusted EBITDA

Net loss of \$71.3 million during the six months ended June 30, 2023 principally reflects the decline in Leasing and Capital markets revenue of 20% and 49%, respectively, as well as lower earnings from our Greystone equity method investment. Additionally, higher operating expenses as a result of prior year investments and cost inflation, a loss on debt extinguishment and a servicing liability fee associated with the amendment and extension of the A/R Securitization also contributed to the year over year decline.

Adjusted EBITDA of \$207.0 million decreased \$270.1 million or 57%, driven by the same factors impacting Net loss above, with the exception of the loss on debt extinguishment and A/R Securitization servicing liability fee. Adjusted EBITDA margin, measured against service line fee revenue, of 6.6% for the six months ended June 30, 2023 decreased from 13.2% in the six months ended June 30, 2022.

Segment Operations

We report our operations through the following segments: (1) Americas, (2) EMEA and (3) APAC. The Americas consists of operations located in the United States, Canada and key markets in Latin America. EMEA includes operations in the United Kingdom, 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, Service line fee revenue represents revenue for fees generated from each of our service lines. Gross contract reimbursables reflect revenue paid by clients which have substantially no margin. Our measure of segment results, Adjusted EBITDA, excludes depreciation and amortization, as well as integration and other costs related to merger, pre-IPO stock-based compensation, unrealized (gains) / losses on investments, acquisition related costs and efficiency initiatives, cost savings initiatives, CEO transition costs and other non-recurring items.

Americas Results

The following table summarizes our results of operations by our Americas operating segment for the three and six months ended June 30, 2023 and 2022 (in millions):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	% Change in USD	% Change in Local Currency	2023	2022	% Change in USD	% Change in Local Currency
Revenue:								
Property, facilities and project management	\$ 628.7	\$ 605.3	4 %	4 %	\$ 1,257.0	\$ 1,196.5	5 %	5 %
Leasing	345.5	446.0	(23)%	(22)%	640.9	814.2	(21)%	(21)%
Capital markets	163.5	308.9	(47)%	(47)%	282.4	550.3	(49)%	(49)%
Valuation and other	38.4	53.1	(28)%	(26)%	71.8	100.3	(28)%	(27)%
Total service line fee revenue ⁽¹⁾	1,176.1	1,413.3	(17)%	(17)%	2,252.1	2,661.3	(15)%	(15)%
Gross contract reimbursables ⁽²⁾	660.4	598.1	10 %	10 %	1,304.6	1,135.5	15 %	15 %
Total revenue	\$ 1,836.5	\$ 2,011.4	(9)%	(9)%	\$ 3,556.7	\$ 3,796.8	(6)%	(6)%
Costs and expenses:								
Americas Fee-based operating expenses	\$ 1,067.0	\$ 1,219.7	(13)%	(12)%	\$ 2,093.2	\$ 2,306.4	(9)%	(9)%
Cost of gross contract reimbursables	660.4	598.1	10 %	10 %	1,304.6	1,135.5	15 %	15 %
Segment operating expenses	\$ 1,727.4	\$ 1,817.8	(5)%	(5)%	\$ 3,397.8	\$ 3,441.9	(1)%	(1)%
Net income (loss)	\$ 9.6	\$ 75.2	(87)%	(87)%	\$ (30.9)	\$ 132.4	n.m.	n.m.
Adjusted EBITDA	\$ 116.4	\$ 210.5	(45)%	(44)%	\$ 173.1	\$ 386.5	(55)%	(55)%

n.m. not meaningful

⁽¹⁾ Service line fee revenue represents revenue for fees generated from each of our service lines.

⁽²⁾ Gross contract reimbursables reflects revenue from clients which have substantially no margin.

Americas: Three months ended June 30, 2023 compared to the three months ended June 30, 2022

Americas revenue in the second quarter of 2023 was \$1.8 billion, a decrease of \$174.9 million or 9% from the second quarter of 2022. This decline was principally driven by lower Leasing and Capital markets revenue which were down 23% and 47%, respectively, due to a less constructive macroeconomic environment which resulted in lower transaction volumes. Valuation and other also declined 28% as a result of lower activity in our valuation business, stemming from the slowdown in transactions. Partially offsetting these declines was growth in Property, facilities and project management revenue and Gross contract reimbursables of 4% and 10%, respectively.

Fee-based operating expenses of \$1.1 billion decreased 13% principally due to lower commissions expense associated with lower brokerage revenue.

Adjusted EBITDA of \$116.4 million decreased \$94.1 million or 45%, primarily driven by declines in Leasing and Capital markets revenue and a decline in earnings from our equity method investment with Greystone due to lower transaction volumes.

Americas: Six months ended June 30, 2023 compared to the six months ended June 30, 2022

Americas revenue for the six months ended June 30, 2023 was \$3.6 billion, a decrease of \$240.1 million or 6% from the six months ended June 30, 2022. This decline was principally driven by lower Leasing and Capital markets revenue which were down 21% and 49%, respectively, due to a less constructive macroeconomic environment which resulted in lower transaction volumes. Valuation and other also declined 28% as a result of lower activity in our valuation business, stemming from the slowdown in transactions. Partially offsetting these declines was growth in Property, facilities and project management revenue and Gross contract reimbursables of 5% and 15%, respectively.

Fee-based operating expenses of \$2.1 billion decreased 9% principally due to lower commissions expense associated with lower brokerage revenue. Fee-based operating expenses as a percentage of Total service line fee revenue was 93% in the six months ended June 30, 2023, compared to 87% in the six months ended June 30, 2022.

Adjusted EBITDA of \$173.1 million decreased \$213.4 million or 55%, primarily driven by declines in Leasing and Capital markets revenue, a decline in earnings from our equity method investment with Greystone due to lower transaction volumes, and higher operating expenses as a result of prior year investments and cost inflation.

EMEA Results

The following table summarizes our results of operations by our EMEA operating segment for the three and six months ended June 30, 2023 and 2022 (in millions):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	% Change in USD	% Change in Local Currency	2023	2022	% Change in USD	% Change in Local Currency
Revenue:								
Property, facilities and project management	\$ 94.3	\$ 95.3	(1) %	(3)%	\$ 181.2	\$ 188.9	(4) %	(2)%
Leasing	54.0	64.3	(16) %	(17)%	94.4	113.6	(17) %	(16)%
Capital markets	18.0	45.5	(60) %	(61)%	31.6	74.3	(57) %	(57)%
Valuation and other	41.8	43.5	(4) %	(4)%	83.8	87.1	(4) %	0 %
Total service line fee revenue ⁽¹⁾	208.1	248.6	(16) %	(17)%	391.0	463.9	(16) %	(14)%
Gross contract reimbursables ⁽²⁾	31.8	23.3	36 %	34 %	54.2	45.6	19 %	21 %
Total revenue	\$ 239.9	\$ 271.9	(12) %	(13)%	\$ 445.2	\$ 509.5	(13) %	(11)%
Costs and expenses:								
EMEA Fee-based operating expenses	\$ 191.4	\$ 213.9	(11) %	(12)%	\$ 377.0	\$ 414.4	(9) %	(7)%
Cost of gross contract reimbursables	31.8	23.3	36 %	34 %	54.2	45.6	19 %	21 %
Segment operating expenses	\$ 223.2	\$ 237.2	(6) %	(7)%	\$ 431.2	\$ 460.0	(6) %	(4)%
Net (loss) income	\$ (5.2)	\$ 20.4	n.m.	n.m.	\$ (29.5)	\$ 0.1	n.m.	n.m.
Adjusted EBITDA	\$ 16.9	\$ 35.3	(52) %	(54)%	\$ 14.8	\$ 52.0	(72) %	(72)%

n.m. not meaningful

⁽¹⁾ Service line fee revenue represents revenue for fees generated from each of our service lines.

⁽²⁾ Gross contract reimbursables reflects revenue from clients which have substantially no margin.

EMEA: Three months ended June 30, 2023 compared to the three months ended June 30, 2022

EMEA revenue in the second quarter of 2023 was \$239.9 million, a decrease of \$32.0 million or 12% from the second quarter of 2022. The decline was principally driven by lower Leasing and Capital markets revenue which were down 17% and 61%, respectively, on a local currency basis, due to a less constructive macroeconomic environment which resulted in lower transaction volumes.

Fee-based operating expenses of \$191.4 million decreased 12% on a local currency basis principally due to lower employment costs associated with lower brokerage revenue.

Adjusted EBITDA of \$16.9 million decreased \$18.4 million or 52% compared to the second quarter of 2022, primarily driven by lower brokerage activity.

EMEA: Six months ended June 30, 2023 compared to the six months ended June 30, 2022

EMEA revenue for the six months ended June 30, 2023 was \$445.2 million, a decrease of \$64.3 million or 13% from the six months ended June 30, 2022. Excluding the unfavorable impact of foreign currency of \$11.0 million, EMEA revenue declined by 11% on a local currency basis. The decline was principally driven by lower Leasing and Capital markets revenue which were down 16% and 57%, respectively, on a local currency basis, due to a less constructive macroeconomic environment which resulted in lower transaction volumes.

Fee-based operating expenses of \$377.0 million decreased 7% on a local currency basis principally due to lower variable costs associated with revenue decreases in our Property, facilities and project management service line, and lower employment costs associated with lower brokerage revenue. Fee-based operating expenses as a percentage of Total service line fee revenue was 96% in the six months ended June 30, 2023 compared to 89% in the six months ended June 30, 2022.

Adjusted EBITDA of \$14.8 million decreased \$37.2 million or 72% compared to the six months ended June 30, 2022, primarily driven by lower brokerage activity.

APAC Results

The following table summarizes our results of operations by our APAC operating segment for the three and six months ended June 30, 2023 and 2022 (in millions):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	% Change in USD	% Change in Local Currency	2023	2022	% Change in USD	% Change in Local Currency
Revenue:								
Property, facilities and project management	\$ 165.9	\$ 168.2	(1)%	1 %	\$ 347.5	\$ 324.4	7 %	10 %
Leasing	42.3	42.5	0 %	5 %	69.1	79.7	(13)%	(8)%
Capital markets	10.4	12.9	(19)%	(15)%	20.8	31.7	(34)%	(31)%
Valuation and other	30.1	30.9	(3)%	2 %	56.4	60.2	(6)%	(1)%
Total service line fee revenue ⁽¹⁾	248.7	254.5	(2)%	1 %	493.8	496.0	0 %	3 %
Gross contract reimbursables ⁽²⁾	80.9	74.8	8 %	14 %	159.6	141.3	13 %	20 %
Total revenue	\$ 329.6	\$ 329.3	0 %	4 %	\$ 653.4	\$ 637.3	3 %	7 %
Costs and expenses:								
APAC Fee-based operating expenses	\$ 240.7	\$ 239.0	1 %	4 %	\$ 486.9	\$ 461.8	5 %	9 %
Cost of gross contract reimbursables	80.9	74.8	8 %	14 %	159.6	141.3	13 %	20 %
Segment operating expenses	\$ 321.6	\$ 313.8	2 %	7 %	\$ 646.5	\$ 603.1	7 %	12 %
Net income (loss)	\$ 0.7	\$ 1.6	(56)%	(25)%	\$ (10.9)	\$ 10.2	n.m.	n.m.
Adjusted EBITDA	\$ 12.8	\$ 17.0	(25)%	(22)%	\$ 19.1	\$ 38.6	(51)%	(48)%

n.m. not meaningful

⁽¹⁾ Service line fee revenue represents revenue for fees generated from each of our service lines.

⁽²⁾ Gross contract reimbursables reflects revenue from clients which have substantially no margin.

APAC: Three months ended June 30, 2023 compared to the three months ended June 30, 2022

APAC revenue in the second quarter of 2023 was \$329.6 million, an increase of \$0.3 million from the second quarter of 2022. Excluding the unfavorable impact of foreign currency of \$12.7 million, APAC revenue increased 4% on a local currency basis. Revenue growth in Leasing, Property, facilities and project management, and Valuation and other of 5%, 1%, and 2%, respectively, on a local currency basis, was partially offset by declines in Capital markets revenue of 15%, on a local currency basis, primarily due to a less constructive macroeconomic environment which resulted in lower transaction volumes.

Fee-based operating expenses of \$240.7 million increased 4% on a local currency basis principally due to higher employment costs.

Adjusted EBITDA of \$12.8 million decreased \$4.2 million or 25% compared to the second quarter of 2022, primarily driven by declines in Capital markets revenue, higher employment costs and government subsidies in the prior year.

APAC: Six months ended June 30, 2023 compared to the six months ended June 30, 2022

APAC revenue for the six months ended June 30, 2023 was \$653.4 million, an increase of \$16.1 million or 3% from the six months ended June 30, 2022. Excluding the unfavorable impact of foreign currency of \$26.9 million, APAC revenue increased 7% on a local currency basis. Revenue growth in Property, facilities and project management and Gross contract reimbursables of 10% and 20%, respectively, on a local currency basis, was partially offset by declines in Leasing and Capital markets revenue of 8% and 31%, respectively, on a local currency basis, primarily due to a less constructive macroeconomic environment which resulted in lower transaction volumes.

Fee-based operating expenses of \$486.9 million increased 9% on a local currency basis principally due to higher variable costs associated with revenue growth in our Property, facilities and project management service line and higher employment costs. Fee-based operating expenses as a percentage of Total service line fee revenue was 99% in the six months ended June 30, 2023 compared to 93% in the six months ended June 30, 2022.

Adjusted EBITDA of \$19.1 million decreased \$19.5 million or 51% compared to the six months ended June 30, 2022, primarily driven by declines in Leasing and Capital markets revenue, higher variable costs and employment costs, and government subsidies in the prior year.

Liquidity and Capital Resources

Our primary sources of liquidity are cash flows from operations, available cash reserves and debt capacity under our available credit facilities. Our primary uses of liquidity are operating expenses, acquisitions, investments and debt payments.

While macroeconomic challenges and uncertainty continue to be present, we believe that we have maintained sufficient liquidity to satisfy our working capital and other funding requirements, including capital expenditures, and expenditures for human capital and contractual obligations, with operating cash flow and, as necessary, cash on hand and borrowings under our revolving credit facility. We continually evaluate opportunities to obtain, retire or restructure our debt, credit facilities or financing arrangements for strategic reasons or to obtain additional financing to fund investments, operations and obligations to further strengthen our financial position.

We have historically relied on our operating cash flow to fund our working capital needs and ongoing capital expenditures on an annual basis. Our operating cash flow is seasonal—typically lowest in the first quarter of the year, when revenue is lowest, and greatest in the fourth quarter of the year, when revenue is highest. The seasonal nature of our operating cash flow can result in a mismatch with funding needs, which we manage using available cash on hand and, as necessary, borrowings under our revolving credit facility or A/R Securitization program.

In the absence of a large strategic acquisition or other extraordinary events, we believe our cash on hand, cash flow from operations and availability under our revolving credit facility will be sufficient to meet our anticipated cash requirements for the foreseeable future, and at a minimum for the next 12 months. We may seek to take advantage of opportunities to refinance existing debt instruments, as we have done in the past, with new debt instruments at interest rates, maturities and terms we consider attractive.

As of June 30, 2023, the Company had \$1.6 billion of liquidity, consisting of cash and cash equivalents of \$0.5 billion and availability on our undrawn revolving credit facility of \$1.1 billion.

As a professional services firm, funding our operating activities is not capital intensive. Total capital expenditures for the six months ended June 30, 2023 was \$20.6 million.

Off-Balance Sheet Arrangements

The Company is party to an off-balance sheet A/R Securitization arrangement whereby it continuously sells trade receivables to an unaffiliated financial institution. Receivables are derecognized from our balance sheet upon sale, for which we receive cash payment and record a deferred purchase price receivable. This program also gives the Company access to a \$200.0 million credit investment limit. As of June 30, 2023, the Company had \$170.0 million drawn on the investment limit. The A/R Securitization expires on June 19, 2026, unless extended or an earlier termination event occurs. Refer to Note 13: Accounts Receivable Securitization of the Notes to the Condensed Consolidated Financial Statements for further information.

Historical Cash Flows

Cash Flow Summary	Six Months Ended June 30,	
	2023	2022
Net cash used in operating activities	\$ (238.3)	\$ (246.3)
Net cash provided by investing activities	145.4	2.6
Net cash used in financing activities	(55.0)	(45.3)
Effects of exchange rate fluctuations on cash, cash equivalents and restricted cash	1.7	(18.6)
Total change in cash, cash equivalents and restricted cash	\$ (146.2)	\$ (307.6)

Operating Activities

We used \$238.3 million of cash for operating activities during the six months ended June 30, 2023, a decrease of \$8.0 million compared to the six months ended June 30, 2022. For the six months ended June 30, 2023, we used net working capital for operations of \$341.6 million, a decrease of \$197.2 million compared to the six months ended June 30, 2022. The reduction in our use of net working capital was principally driven by decreases in trade receivables as a result of brokerage revenue declines and lower commission and bonus payments. In addition, the lower use of cash flows from operating activities was driven by a decline in net income (loss) of \$214.0 million.

Investing Activities

We generated \$145.4 million of cash from investing activities during the six months ended June 30, 2023, which primarily reflects a \$170.0 million net draw on the investment limit under our A/R Securitization program, offset by capital expenditures of \$20.6 million and investments in equity securities of \$5.5 million.

Financing Activities

We used \$55.0 million of cash for financing activities during the six months ended June 30, 2023, an increase of \$9.7 million from the prior year period, primarily driven by debt issuance costs associated with the refinancing of a portion of the borrowings under our 2018 Credit Agreement in January 2023, partially offset by lower net settlement of equity awards for payment of employee related taxes.

Indebtedness

Refer to Note 9: Long-Term Debt and Other Borrowings and Note 8: Derivative Financial Instruments and Hedging Activities of the Notes to the Condensed Consolidated Financial Statements for further discussion.

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:

- i. interest rates on debt obligations; and
- ii. 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 Rate Risk

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 derivative financial instruments such as interest rate swap 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 a variable rate that the Company may select per the terms of the 2018 Credit Agreement. As of June 30, 2023, we elected to use an annual rate equal to 1-month Term SOFR, plus 0.11% (which sum is subject to a minimum floor of 0.0%), plus 2.75% for the 2025 Tranche and elected to use an annual rate equal to 1-month Term SOFR, plus 0.10% (which sum is subject to a minimum floor of 0.50%), plus 3.25% for the 2030 Tranche. Our 2020 Notes bear interest at an annual fixed rate of 6.75%.

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.

Foreign Exchange Risk

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 in which costs are incurred and the use of derivative financial instruments such as foreign currency forward contracts. 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.

Refer to Note 8: Derivative Financial Instruments and Hedging Activities of the Notes to the Condensed Consolidated Financial Statements for additional information about interest rate and foreign currency risks managed through derivative activities and notional amounts of underlying hedged items.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Rules 13a-15 and 15d-15 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") require 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. This evaluation is designed to ensure that all corporate disclosures are 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 to be 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 Rules 13a-15(e) and 15d-15(e)) were effective as of June 30, 2023 to accomplish their objectives with reasonable assurance.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, that occurred during the quarter ended June 30, 2023 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. There have been no material changes to our legal proceedings as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022. Refer to Note 10: Commitments and Contingencies of the Notes to the Condensed Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report for information regarding legal proceedings.

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, 2022.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

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 and SEC filings, 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.

Insider Trading Arrangements

During the most recent fiscal quarter, none of our directors or officers subject to Section 16 of the Exchange Act adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities intended to satisfy Rule 10b5-1(c) under the Exchange Act or any "non-Rule 10b5-1 trading arrangement" (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Description of Exhibit	Method of Filing
10.1	Letter Agreement, dated May 4, 2023, between Cushman & Wakefield plc and John Forrester*	Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 4, 2023
10.2	Offer Letter, dated May 4, 2023, from Cushman & Wakefield plc to Michelle MacKay*	Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on May 4, 2023
10.3	Offer Letter, dated May 4, 2023, from Cushman & Wakefield plc to Andrew McDonald*	Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on May 4, 2023
10.4	Amendment No. 5 to the Credit Agreement, effective as of June 28, 2023, among Cushman & Wakefield U.S. Borrower, LLC, DTZ UK Guarantor Limited and JPMorgan Chase Bank, N.A. as administrative agent	Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on June 30, 2023
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	Filed herewith
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	Filed herewith
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	Furnished herewith
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	Furnished herewith
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	
104	XBRL Cover Page Interactive Data File	

* Indicates management contract or compensatory plan or arrangement.

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: July 31, 2023

/s/ Neil Johnston

Neil Johnston

Chief Financial Officer (Authorized Signatory and Principal
Financial and Accounting Officer)

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

I, Michelle MacKay, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cushman & Wakefield plc for the quarter ended June 30, 2023;
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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. 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
 - d. 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: July 31, 2023

/s/ Michelle MacKay

Michelle MacKay
Chief Executive Officer

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

I, Neil Johnston, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cushman & Wakefield plc for the quarter ended June 30, 2023;
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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. 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
 - d. 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: July 31, 2023

/s/ Neil Johnston

Neil Johnston

Chief Financial Officer

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

In connection with the Quarterly Report of Cushman & Wakefield plc (the "Company") on Form 10-Q for the period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michelle MacKay, 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: July 31, 2023

/s/ Michelle MacKay

Michelle MacKay
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 period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Neil Johnston, 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: July 31, 2023

/s/ Neil Johnston

Neil Johnston

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.