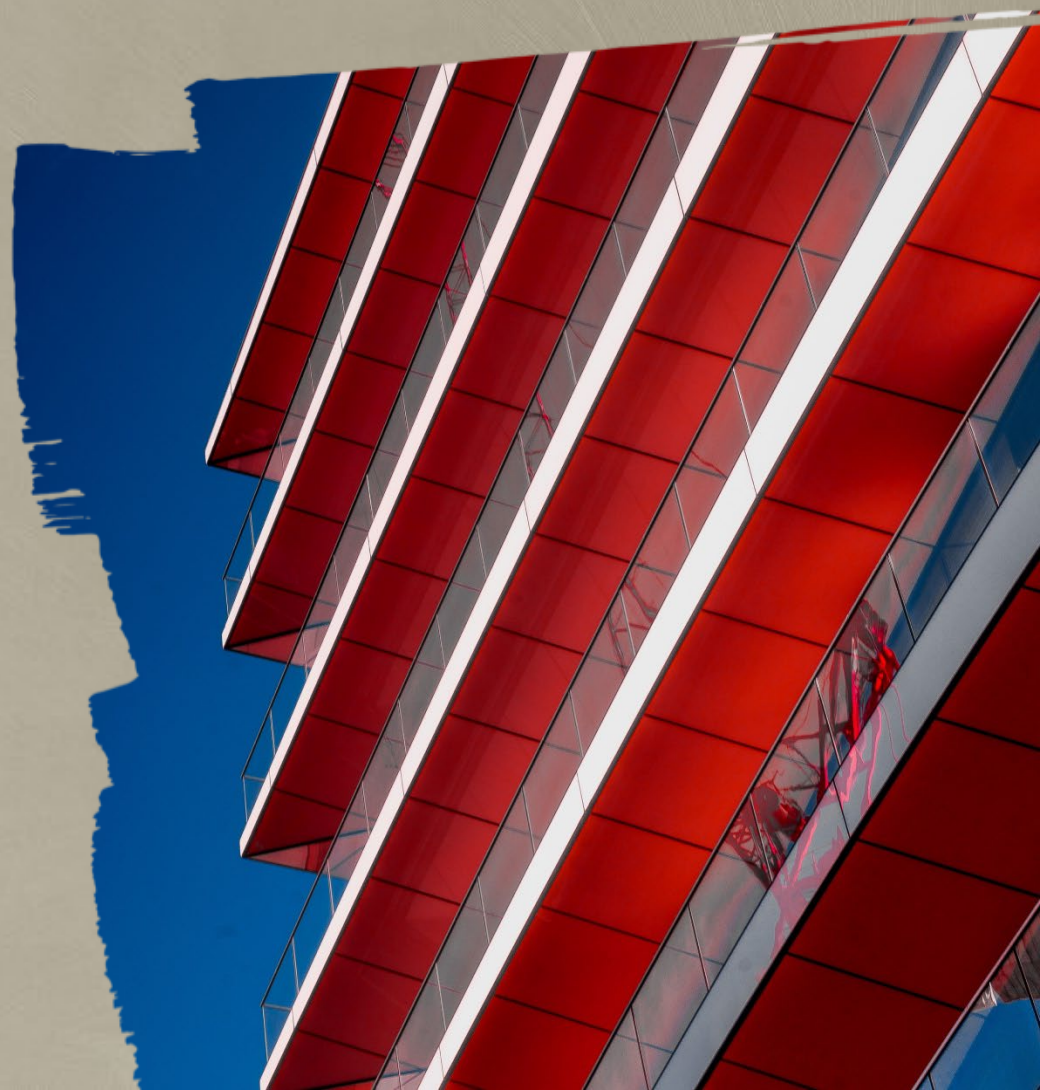




Earnings Presentation

Fourth Quarter 2020

02/09/2021



Cautionary Note Regarding Forward-looking Statements



Statements in this news release regarding, among other things, future financial results and performance, achievements, plans, objectives and dividend payments may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties, and other factors, including, but not limited to, the impacts of the COVID-19 pandemic, which may cause our actual results, performance, achievements, plans, objectives, and dividend payments to be materially different from those expressed or implied by such forward-looking statements. For additional information concerning risks, uncertainties, and other factors that could cause actual results to differ materially from those anticipated in forward-looking statements, and risks to our business in general, please refer to those factors discussed under “Business,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Quantitative and Qualitative Disclosures about Market Risk,” and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2019, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, June 30, 2020, and September 30, 2020 and other reports filed with the Securities and Exchange Commission (the “SEC”). Any forward-looking statements speak only as of the date of this release, and except to the extent required by applicable securities laws, we expressly disclaim any obligation or undertaking to publicly update or revise any forward-looking statements contained herein to reflect any change in our expectations or results, or any change in events.

Consolidated Fourth Quarter & Full Year 2020 Financial Results

Growth rates and margins in local currency; growth rates represent % change over three and twelve months ended Q4 2019

Revenue

Q4 2020	FY 2020
\$4.8B	\$16.6B
↓ (12)%	↓ (8)%

Fee Revenue

Q4 2020	FY 2020
\$2.0B	\$6.1B
↓ (19)%	↓ (14)%

Adjusted EBITDA

Q4 2020	FY 2020
\$417M	\$860M
↓ (18)%	↓ (24)%

Adjusted EBITDA Margin

Q4 2020	FY 2020
21.1%	13.9%
↑ +30 bps	↓ (170 bps)

Adjusted Diluted EPS

Q4 2020	FY 2020
\$5.29	\$9.46
↓ (19)%	↓ (34)%

Notes:

- Non-GAAP items listed above include Fee Revenue, Adjusted EBITDA, Adjusted EBITDA margin and Adjusted Diluted EPS
- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures

2020 Strategic Review and Key Highlights



Realizing benefits from tech investments

- Leveraged tech investments to drive capital efficiency improvements and strong cash generation
- Integration of the ERP and CRM systems enabled further optimization of the business, strengthening core processes and digital capabilities



Judicious capital allocation strategy

- Clarified capital allocation strategy focused on long-term growth and maximizing shareholder value
- Balanced between reinvesting to drive future growth, debt repayment and cash return to shareholders



Prudent cost management

- Ongoing alignment of cost structure with current market conditions
- Significant net debt reduction in the fourth quarter and focus on maintaining ample liquidity



Leadership in sustainability

- Dedicating resources to strengthen world-leading capabilities in sustainability
- Continued development of sustainable products and solutions to assist clients with navigating a path to net zero carbon emissions



Organizational redesign

- Appointment of new global and regional leadership roles
- Transformation focused on enhancing the seamless global integration of JLL's services and expertise

Q4 2020 Macroeconomic and Real Estate Operating Environment



Global Macroeconomy

- COVID-19 pandemic triggered an unprecedented human and economic crisis, snapping 10 years of uninterrupted growth for the global macroeconomy
- COVID-19 pandemic unique in its economic devastation due to:
 - Widespread reach across the global economy
 - Simultaneous supply-side and demand-side impacts
- Accommodative monetary policy stances likely to continue, while continued severity of the pandemic may result in added fiscal stimulus
- **Uncertainty to continue to linger in the near-term**, as the path and timeframe to widespread immunization remains unpredictable

Operating Environment



- Direct commercial real estate investment totaled \$267 billion in the quarter, **down 21% from Q4 2019**
- **Global office leasing activity declined 43%** relative to Q4 2019, a resurgence of new outbreaks and corresponding restrictions slowing recovery
- **Industrial sector remains strong** with some markets seeing record level demand, highlighting the sector's resilience
- **Multifamily housing resiliency** continued throughout the quarter, with continued ongoing investor interest
- Vacancy rates **increased across all regions in the fourth quarter**, with the global vacancy rate now recorded at 12.9% - highest level since 2014
- Debt markets remain liquid and benefit from favorable interest rate environment

Commercial Real Estate

Reimagined Framework for Hybrid Workplace Environment



Digital Transformation & Technology Enablement

Workplaces become centers for:



- ***Collaboration***
- ***Communication***
- ***Creation***
- ***Culture***

Disciplined Approach to Capital Allocation



Invest To Drive Future Growth		
Category	Objective	Measurement
Investments	Generate organic growth through technology innovation, new products & services, and LaSalle co-investment	• Target consolidated 12%+ ROIC¹
M&A	Pursue value accretive acquisitions	
Maintain Strong Investment Grade Balance Sheet		
Debt	Utilize relatively low cost capital to execute strategic objectives	• Target Net Debt to Adjusted EBITDA ratio of 0.5x to 1.25x
Return Cash to Shareholders: ~ 20% of Free Cash Flow over the long term		
Category	Objective	Measurement / Authorization Details
Share Repurchase	Return capital to shareholders	• Evaluate forecast return relative to other opportunities • \$100 million remaining on existing authorization • \$500 million new authorization²

Notes:

- (1) Target return on invested capital of 12%+ represents a positive spread over the firm's weighted average cost of capital
- (2) New \$500 million authorization approved 1Q 2021

JLL Uniquely Positioned to Lead Commercial Real Estate Evolution



JLL Capabilities

- Global and integrated platform with a talented workforce
- Dedication to providing world-class results for our clients and communities
- Market leading position and on-the-ground global presence enable strategic insights
- Proven ability to manage effectively in an environment filled with uncertainty
- Sufficient liquidity and operational flexibility

Long-term macro trends supporting continued commercial real estate growth



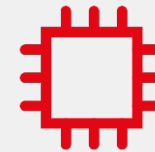
Growth in
CRE outsourcing



Rising capital
allocations in real estate



Increased
urbanization



Tech-driven Fourth
Industrial Revolution



Sustainability

Financial Overview

Q4 and Full Year 2020 Financial Results – Segment Revenue



(\$ in millions; % change in local currency over three and twelve months ended Q4 2019)

	Q4 2020 Revenue	Q4 2020 Fee Revenue	FY 2020 Revenue	FY 2020 Fee Revenue
Americas	\$2,872 ↓(9)%	\$1,077 ↓(16)%	\$10,005 ↓(5)%	\$3,453 ↓(11)%
EMEA	\$967 ↓(13)%	\$476 ↓(19)%	\$3,093 ↓(12)%	\$1,380 ↓(18)%
APAC	\$900 ↓(10)%	\$308 ↓(16)%	\$3,070 ↓(10)%	\$898 ↓(17)%
LaSalle	\$107 ↓(44)%	\$101 ↓(45)%	\$422 ↓(20)%	\$401 ↓(21)%

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures

Q4 and Full Year 2020 Financial Results – Segment Profitability

(\$ in millions; % change, Adjusted EBITDA Margin and corresponding change in bps in local currency over three and twelve months ended Q4 2019)

	Q4 2020 Adjusted EBITDA	Q4 2020 Adjusted EBITDA Margin	FY 2020 Adjusted EBITDA	FY 2020 Adjusted EBITDA Margin
Americas	\$269 ↓(6)%	25.0% ↑+250 bps	\$627 ↓(13)%	18.1% ↓(30) bps
EMEA	\$54 ↓(40)%	9.9% ↓(360) bps	\$27 ↓(79)%	1.4% ↓(410) bps
APAC	\$67 ↓(17)%	21.7% —0 bps	\$145 ↓(9)%	15.9% ↑+150 bps
LaSalle	\$27 ↓(49)%	27.6% ↓(240) bps	\$61 ↓(60)%	15.1% ↓(1480) bps

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures

Q4 2020 Adjusted EBITDA Margin Performance



RES:

Positive margin contribution driven by cost mitigation efforts and benefit from government relief programs

LaSalle:

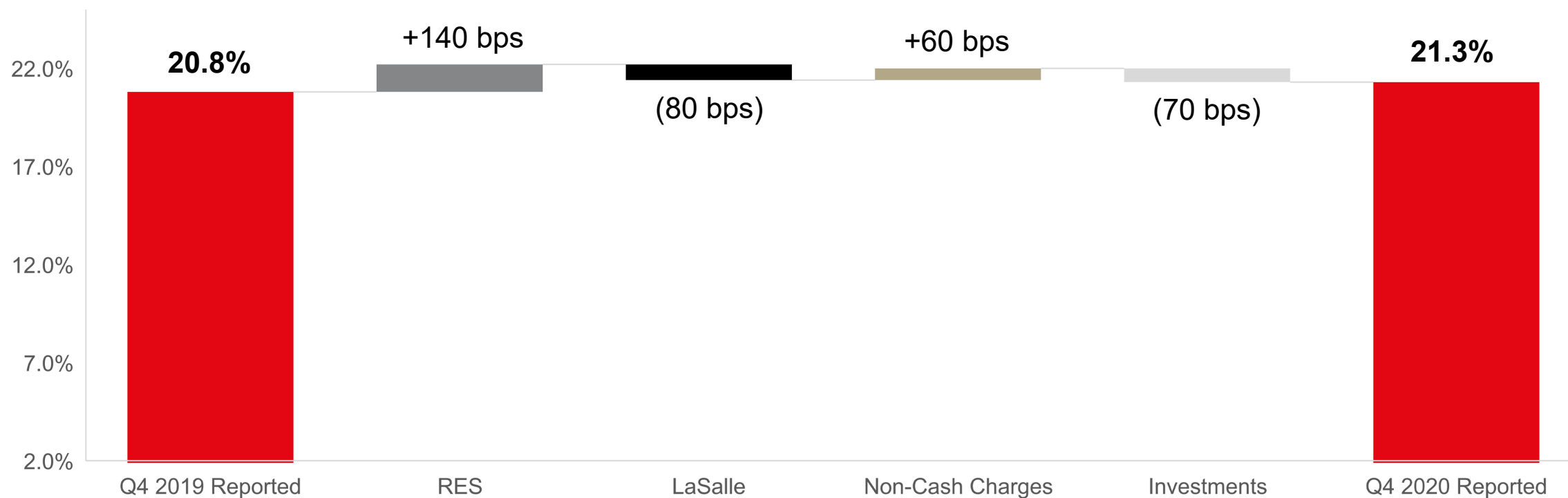
Reflects substantially lower incentive fees, following an exceptional 2019

Non-Cash Charges:

Represents a partial reversal to loan loss reserves and increases to net fair value estimates in LaSalle

Investments:

Incremental investment in JLL Technologies



Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures
- All margin percentage references are on a Fee Revenue basis and in USD; basis points are rounded

FY 2020 Adjusted EBITDA Margin Performance



RES:

Positive margin contribution driven by cost mitigation efforts and benefit from government relief programs

LaSalle:

Reflects substantially lower incentive fees, following an exceptional 2019

Non-Cash Charges:

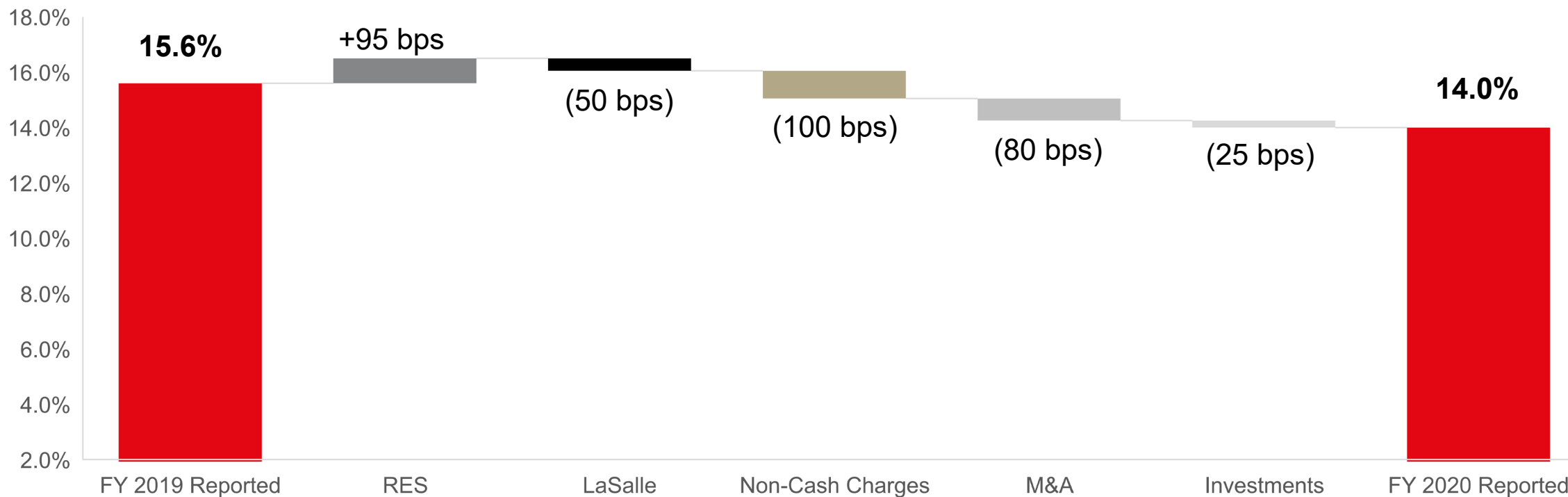
Changes in co-investment values and loan loss reserves influenced by COVID-19

M&A:

Reflects the slowdown in HFF's business during 1H 20 due to the pandemic partially offset by benefit from disposition of EMEA Property Asset Management business

Investments:

Incremental investment in JLL Technologies



Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures
- All margin percentage references are on a Fee Revenue basis and in USD; basis points are rounded

Q4 2020 Real Estate Services Fee Revenue by Service Line



(\$ in millions; % change over Q4 2019)

	Americas			EMEA			APAC			Total RES		
	(\$M)	% Change		(\$M)	% Change		(\$M)	% Change		(\$M)	% Change	
		USD	LC		USD	LC		USD	LC		USD	LC
Leasing	\$418	(30)%	(30)%	\$90	(18)%	(23)%	\$78	(18)%	(21)%	\$586	(27)%	(28)%
Capital Markets	\$328	(8)%	(8)%	\$130	(17)%	(22)%	\$56	(31)%	(34)%	\$513	(13)%	(15)%
Property & Facility Management	\$167	23%	24%	\$82	(19)%	(22)%	\$81	—%	(3)%	\$329	4%	2%
Project & Development Services	\$103	(20)%	(19)%	\$83	(10)%	(14)%	\$35	(15)%	(18)%	\$221	(15)%	(17)%
Advisory, Consulting & Other	\$62	(8)%	(8)%	\$92	(8)%	(12)%	\$58	4%	(1)%	\$212	(5)%	(8)%
Total	\$1,077	(16)%	(16)%	\$476	(15)%	(19)%	\$308	(13)%	(16)%	\$1,861	(15)%	(17)%

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures

FY 2020 Real Estate Services Fee Revenue by Service Line



(\$ in millions; % change over FY 2019)

	Americas			EMEA			APAC			Total RES		
	(\$M)	% Change		(\$M)	% Change		(\$M)	% Change		(\$M)	% Change	
		USD	LC		USD	LC		USD	LC		USD	LC
Leasing	\$1,404	(27)%	(26)%	\$239	(19)%	(21)%	\$175	(29)%	(30)%	\$1,818	(26)%	(26)%
Capital Markets	\$881	(1)%	(1)%	\$314	(20)%	(22)%	\$114	(42)%	(43)%	\$1,309	(11)%	(12)%
Property & Facility Management	\$593	22%	23%	\$303	(23)%	(23)%	\$304	—%	—%	\$1,200	1%	2%
Project & Development Services	\$376	(9)%	(8)%	\$276	(7)%	(8)%	\$124	(19)%	(18)%	\$776	(10)%	(10)%
Advisory, Consulting & Other	\$199	(2)%	(1)%	\$248	(11)%	(12)%	\$181	1%	1%	\$627	(5)%	(5)%
Total	\$3,453	(11)%	(11)%	\$1,380	(17)%	(18)%	\$898	(17)%	(17)%	\$5,730	(14)%	(14)%

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures

FY 2020 Fee Revenue Performance Drivers



(% change over FY 2019)

	YoY Change USD	Organic Change LC	M&A Contribution LC	Currency Impact
Americas	(11)%	(17)%	5%	—%
EMEA	(17)%	(17)%	(1)%	1%
APAC	(17)%	(17)%	—%	—%
Total RES	(14)%	(17)%	3%	—%
LaSalle	(20)%	(21)%	—%	1%
Consolidated	(14)%	(17)%	3%	—%

Notes:

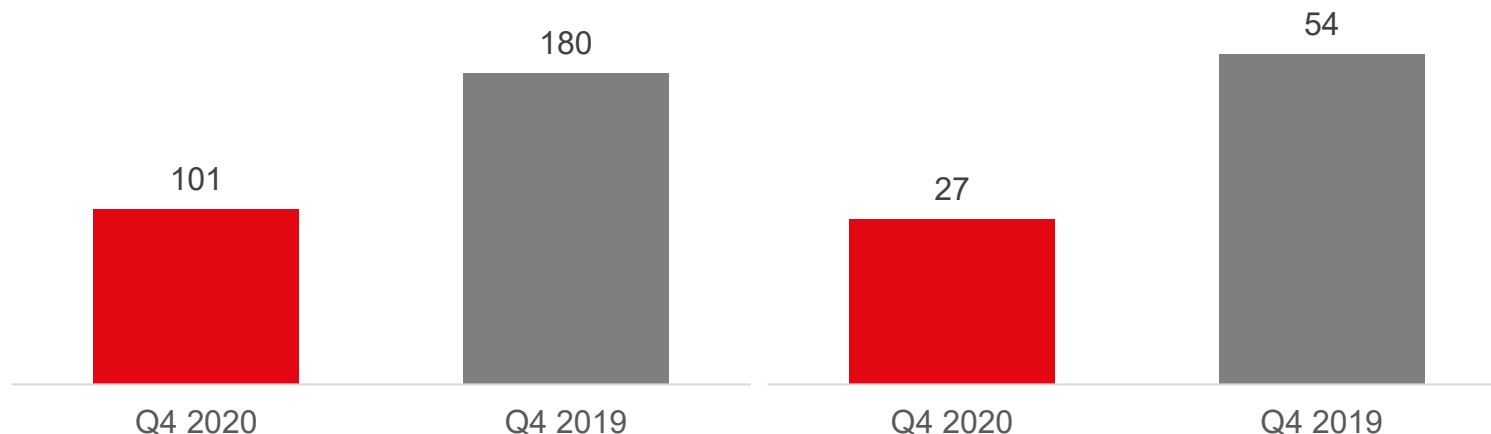
- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures
- Organic growth includes acquisitions and dispositions completed in last twelve months

LaSalle – Fourth Quarter 2020 Performance



Fee Revenue in \$M

Adjusted EBITDA in \$M



Assets Under Management (“AUM”) in \$B



Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures

Fourth Quarter Overview

Fee Revenue Decreased by 45% (in LC)

- Decline substantially attributable to expected lower incentive fees, following an exceptional 2019

Adjusted EBITDA impacted largely by decline in incentive fees

- Decline was attributable primarily to a reduce of incentive fees relative to the outsized amount recognized in prior year, partially offset by the impact of cost mitigation actions

Balance Sheet

Highlights:

- Strong balance sheet with sufficient liquidity provides operational flexibility
- Prioritized debt repayment in the fourth quarter: reduced net debt by ~\$560M
- Prudent working capital management resulted in strong cash generation for the quarter

Balance Sheet (\$M)	Q4 2020	Q4 2019
Cash and Cash Equivalents	574	452
Total Assets	\$14,317	\$13,673
Credit Facility	0	525
Long Term Senior Notes	705	668
Total Liabilities	\$8,699	\$8,459
Total Net Debt	\$192	\$861
Net Debt /Adjusted TTM EBITDA	0.2x	0.8x

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures
- Credit Facility and Long-Term Senior Notes amounts shown are gross of debt issuance costs



Investment Grade Credit Ratings

Moody's: Baa1

S&P: BBB+

\$275M, 4.4% fixed

LT Senior Notes

Due 2022

\$2.75B

Credit Facility

Maturing in 2023

€ 350M

LT Senior Notes

10-yr debt 1.96% fixed (*due 2027*)

12-yr debt 2.21% fixed (*due 2029*)

Appendix and Supplemental Material

Q4 2020 JLL Research Market Performance Summary



Americas

EMEA

APAC

Global

Gross Leasing Volumes (square footage – volumes relate to the office sector)

**Q4 2020
(vs Q4 2019)**

(53)%

(39)%

(25)%

(43)%

FY 2020 (vs FY 2019)

(47)%

(42)%

(25)%

(42)%

Direct Commercial Real Estate Investment Sales Volumes (\$ - represents deals over \$5 million)

**Q4 2020
(vs Q4 2019)**

(30)%

(17)%

0%

(21)%

FY 2020 (vs FY 2019)

(38)%

(17)%

(20)%

(28)%

Notes:

- Source: JLL Research, January 2021
- Direct commercial real estate investment includes office, multifamily residential, retail, hotels, industrial, mixed use, healthcare and alternatives sectors. Excludes entity-level and development transactions

Q4 2020 Real Estate Services Revenue by Service Line



(\$ in millions; % change over Q4 2019)

	Americas			EMEA			APAC			Total RES		
	(\$M)	% Change		(\$M)	% Change		(\$M)	% Change		(\$M)	% Change	
		USD	LC		USD	LC		USD	LC		USD	LC
Leasing	\$429	(29)%	(29)%	\$92	(18)%	(22)%	\$82	(18)%	(20)%	\$603	(26)%	(27)%
Capital Markets	\$373	3%	3%	\$134	(18)%	(22)%	\$59	(33)%	(36)%	\$566	(8)%	(9)%
Property & Facility Management	\$1,547	4%	4%	\$412	(1)%	(4)%	\$582	1%	(2)%	\$2,541	3%	1%
Project & Development Services	\$416	(31)%	(30)%	\$227	(16)%	(21)%	\$115	(14)%	(17)%	\$757	(24)%	(26)%
Advisory, Consulting & Other	\$108	(12)%	(12)%	\$101	(5)%	(9)%	\$63	(16)%	(20)%	\$271	(11)%	(13)%
Total	\$2,872	(10)%	(9)%	\$967	(9)%	(13)%	\$900	(7)%	(10)%	\$4,739	(9)%	(10)%

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures

FY 2020 Real Estate Services Revenue by Service Line



(\$ in millions; % change over FY 2019)

	Americas			EMEA			APAC			Total RES		
	(\$M)	% Change		(\$M)	% Change		(\$M)	% Change		(\$M)	% Change	
		USD	LC		USD	LC		USD	LC		USD	LC
Leasing	\$1,451	(26)%	(26)%	\$246	(19)%	(20)%	\$187	(28)%	(28)%	\$1,884	(25)%	(25)%
Capital Markets	\$952	4%	4%	\$331	(20)%	(21)%	\$125	(42)%	(43)%	\$1,407	(9)%	(9)%
Property & Facility Management	\$5,878	5%	5%	\$1,457	(6)%	(7)%	\$2,151	(2)%	(2)%	\$9,485	1%	2%
Project & Development Services	\$1,334	(21)%	(21)%	\$786	(13)%	(14)%	\$411	(22)%	(22)%	\$2,530	(19)%	(19)%
Advisory, Consulting & Other	\$390	(4)%	(4)%	\$274	(9)%	(10)%	\$196	(1)%	(1)%	\$861	(5)%	(5)%
Total	\$10,005	(5)%	(5)%	\$3,093	(11)%	(12)%	\$3,070	(10)%	(10)%	\$16,168	(7)%	(7)%

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures

Fee Revenue / Fee-based Operating Expenses Reconciliation



	Three Months Ended December 31,		Year Ended December 31,	
(\$ in millions)	2020	2019	2020	2019
Revenue	\$4,845.4	\$5,400.5	\$16,589.9	\$17,983.2
Reimbursements	(2,098.2)	(2,225.5)	(7,689.8)	(7,952.6)
Revenue before reimbursements	2,747.2	3,175.0	8,900.1	10,030.6
Gross contract costs	(739.7)	(796.5)	(2,703.2)	(2,870.2)
Net non-cash MSR and mortgage banking derivative activity	(44.9)	(3.8)	(66.6)	(21.2)
Fee revenue	\$1,962.6	\$2,374.7	\$6,130.3	\$7,139.2
Operating expenses	\$4,516.6	\$5,032.2	\$16,030.8	\$17,267.8
Reimbursed expenses	(2,098.2)	(2,225.5)	(7,689.8)	(7,952.6)
Gross contract costs	(739.7)	(796.5)	(2,703.2)	(2,870.2)
Fee-based operating expenses	\$1,678.7	\$2,010.2	\$5,637.8	\$6,445.0

Reconciliation of Net Income to Adjusted Net Income and Adjusted Diluted Earnings Per Share



	Three Months Ended December 31,		Year Ended December 31,	
(\$ in millions except per share data)	2020	2019	2020	2019
Net income attributable to common shareholders	\$250.1	\$273.7	\$402.5	\$534.4
Shares (in 000s)	52,075	52,368	52,282	49,154
Diluted earnings per share	\$4.80	\$5.23	\$7.70	\$10.87
Net income attributable to common shareholders	\$250.1	\$273.7	\$402.5	\$534.4
Restructuring and acquisition charges	66.6	70.1	142.4	184.4
Net non-cash MSR and mortgage banking derivative activity	(44.9)	(3.8)	(66.6)	(21.2)
Amortization of acquisition-related intangibles	13.8	14.8	57.1	44.8
Gain on disposition	—	—	(4.8)	—
Change in estimated liability associated with Tax Cuts and Jobs Act	—	(4.3)	—	(4.3)
Tax impact of adjusted items	(9.9)	(18.1)	(35.9)	(45.6)
Adjusted net income	\$275.7	\$332.4	\$494.7	\$692.5
Shares (in 000s)	52,075	52,368	52,282	49,154
Adjusted diluted earnings per share⁽¹⁾	\$5.29	\$6.35	\$9.46	\$14.09

(1) Calculated on a local currency basis, the results for the three months and twelve months ended December 2020 include \$0.14 and \$0.15 favorable impact, respectively, due to foreign exchange rate fluctuations.

Reconciliation of Net Income Attributable To Common Shareholders To Adjusted EBITDA



	Three Months Ended December 31,		Year Ended December 31,	
(\$ in millions)	2020	2019	2020	2019
Net income attributable to common shareholders	\$250.1	\$273.7	\$402.5	\$534.4
Interest expense, net of interest income	11.0	15.2	52.8	56.4
Provision for income taxes	74.7	82.1	106.9	159.7
Depreciation and amortization	59.6	56.8	226.4	202.4
EBITDA	\$395.4	\$427.8	\$788.6	\$952.9
Restructuring and acquisition charges	66.6	70.1	142.4	184.4
Gain on disposition	—	—	(4.8)	—
Net non-cash MSR and mortgage banking derivative activity	(44.9)	(3.8)	(66.6)	(21.2)
Adjusted EBITDA	\$417.1	\$494.1	\$859.6	\$1,116.1
Net income margin attributable to common shareholders ⁽¹⁾	9.1%	8.6%	4.5%	5.3%
Adjusted EBITDA margin (presented on a fee revenue and LC basis)	21.1%	20.8%	13.9%	15.6%

Adjusted EBITDA attributable to common shareholders ("Adjusted EBITDA") represents EBITDA attributable to common shareholders ("EBITDA") further adjusted for certain items we do not consider directly indicative of our ongoing performance in the context of certain performance measurements

(1) Calculated as % of Revenue before Reimbursements

Non-GAAP Measures



Management uses certain non-GAAP financial measures to develop budgets and forecasts, measure and reward performance against those budgets and forecasts, and enhance comparability to prior periods. These measures are believed to be useful to investors and other external stakeholders as supplemental measures of core operating performance and include the following:

- Fee revenue and Fee-based operating expenses,
- Adjusted EBITDA and Adjusted EBITDA margin,
- Adjusted net income attributable to common shareholders and Adjusted diluted earnings per share, and
- Percentage changes against prior periods, presented on a local currency basis.

However, non-GAAP financial measures should not be considered alternatives to measures determined in accordance with U.S. generally accepted accounting principles ("GAAP"). Any measure that eliminates components of a company's capital structure, cost of operations or investments, or other results has limitations as a performance measure. In light of these limitations, management also considers GAAP financial measures and does not rely solely on non-GAAP financial measures. Because the company's non-GAAP financial measures are not calculated in accordance with GAAP, they may not be comparable to similarly titled measures used by other companies.

Adjustments to GAAP Financial Measures Used to Calculate non-GAAP Financial Measures

Gross Contract Costs represent certain costs associated with client-dedicated employees and third-party vendors and subcontractors and are indirectly reimbursed through the fees we receive. These costs are presented on a gross basis in Operating expenses with the equal amount of corresponding fees in Revenue before reimbursements. Consistent with the treatment of directly reimbursed expenses, excluding gross contract costs from both Fee revenue and Fee-based operating expenses more accurately reflects how the company manages its expense base and operating margins and also enables a more consistent performance assessment across a portfolio of contracts with varying payment terms and structures, including those with direct versus indirect reimbursement of such costs.

Net Non-Cash Mortgage Servicing Rights ("MSR") and Mortgage Banking Derivative Activity consists of the balances presented within Revenue composed of (i) derivative gains/losses resulting from mortgage banking loan commitment and warehousing activity and (ii) gains recognized from the retention of MSR upon origination and sale of mortgage loans, offset by (iii) amortization of MSR intangible assets over the period that net servicing income is projected to be received. Non-cash derivative gains/losses resulting from mortgage banking loan commitment and warehousing activity are calculated as the estimated fair value of loan commitments and subsequent changes thereof, primarily represented by the estimated net cash flows associated with future servicing rights. MSR gains and corresponding MSR intangible assets are calculated as the present value of estimated cash flows over the estimated mortgage servicing periods. The above activity is reported entirely within Revenue of the Capital Markets service line of the Americas segment. Excluding net non-cash MSR and mortgage banking derivative activity reflects how the company manages and evaluates performance because the excluded activity is non-cash in nature.

Restructuring and Acquisition Charges primarily consist of: (i) severance and employment-related charges, including those related to external service providers, incurred in conjunction with a structural business shift, which can be represented by a notable change in headcount, change in leadership or transformation of business processes; (ii) acquisition and integration-related charges, including non-cash fair value adjustments to assets and liabilities recorded in purchase accounting such as earn-out liabilities and intangible assets; and (iii) lease exit charges. Such activity is excluded as the amounts are generally either non-cash in nature or the anticipated benefits from the expenditures would not likely be fully realized until future periods. Restructuring and acquisition charges are excluded from segment operating results and therefore not a line item in the segments' reconciliation to Adjusted EBITDA.

Amortization of Acquisition-Related Intangibles, primarily composed of the estimated fair value ascribed at closing of an acquisition to assets such as acquired management contracts, customer backlog and trade name, is more notable following the company's increase in acquisition activity in recent years. Such activity is excluded as the change in period-over-period activity is generally the result of longer-term strategic decisions and therefore not necessarily indicative of core operating results.

Gain on Disposition reflects the net gain recognized on the sale of property management businesses in continental Europe. Given the low frequency of business disposals by the company historically, the gain directly associated with such activity is excluded as it is not considered indicative of core operating performance.

Change in estimated liability associated with Tax Cuts and Jobs Act reflects the changes to the to the provisional amounts recorded in 2017 for the transition tax on the deemed repatriated earnings of foreign subsidiaries and the remeasurement of U.S. deferred tax assets. Such activity is excluded as the amount relates predominantly to accumulated foreign earnings, net of tax credits, realized over many years with cash obligations to be paid over an eight-year period. Therefore, these amounts are not considered indicative of core operating results.

Percentage Variances—Local Currency

In discussing our operating results, we report Adjusted EBITDA margins and refer to percentage changes in local currency, unless otherwise noted. Amounts presented on a local currency basis are calculated by translating the current period results of our foreign operations to U.S. dollars using the foreign currency exchange rates from the comparative period. We believe this methodology provides a framework for assessing performance and operations excluding the effect of foreign currency fluctuations.

Thank you