
United States
Securities and Exchange Commission
Washington, D.C. 20549
Form 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended **September 30, 2021**
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 1-13145



Jones Lang LaSalle Incorporated

(Exact name of registrant as specified in its charter)

Maryland **36-4150422**
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)
200 East Randolph Drive **Chicago, IL** **60601**
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: **(312) 782-5800**
Former name, former address and former fiscal year, if changed since last report: **Not Applicable**

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01	JLL	The 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, a 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 ☒

The number of shares outstanding of the registrant's common stock (par value \$0.01) as of the close of business on November 1, 2021 was 50,468,409.

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Part I. Financial Information
Item 1. Financial Statements

JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions, except share and per share data)

	September 30, 2021	December 31, 2020
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 535.9	574.3
Trade receivables, net of allowance of \$73.6 and \$66.5	1,739.9	1,636.1
Notes and other receivables	374.5	469.9
Reimbursable receivables	1,515.6	1,461.3
Warehouse receivables	2,293.5	1,529.2
Short-term contract assets, net of allowance of \$2.1 and \$1.8	313.7	265.8
Prepaid & other	478.1	517.1
Total current assets	7,251.2	6,453.7
Property and equipment, net of accumulated depreciation of \$889.8 and \$806.2	693.4	663.9
Operating lease right-of-use assets	692.8	707.4
Goodwill	4,212.1	4,224.7
Identified intangibles, net of accumulated amortization of \$323.0 and \$295.3	680.6	679.8
Investments in real estate ventures, including \$537.7 and \$340.3 at fair value	646.6	430.8
Long-term receivables	278.8	231.1
Deferred tax assets, net	278.0	296.5
Deferred compensation plan	522.2	446.3
Other	191.7	182.3
Total assets	\$ 15,447.4	14,316.5
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,011.3	1,229.8
Reimbursable payables	1,172.8	1,154.5
Accrued compensation & benefits	1,494.2	1,433.2
Short-term borrowings	117.6	62.0
Short-term contract liabilities and deferred income	183.6	192.9
Short-term acquisition-related obligations	34.1	91.7
Warehouse facilities	2,266.3	1,498.4
Short-term operating lease liabilities	153.6	165.7
Other	237.4	299.6
Total current liabilities	6,670.9	6,127.8
Credit facility, net of debt issuance costs of \$12.8 and \$8.7	212.2	(8.7)
Long-term debt, net of debt issuance costs of \$2.0 and \$2.5	678.6	702.0
Deferred tax liabilities, net	105.2	120.0
Deferred compensation	511.0	450.0
Long-term acquisition-related obligations	33.5	26.2
Long-term operating lease liabilities	685.6	683.9
Other	590.8	597.5
Total liabilities	9,487.8	8,698.7
Redeemable noncontrolling interest	7.5	7.8
Company shareholders' equity:		
Common stock, \$0.01 par value per share, 100,000,000 shares authorized; 52,076,276 and 51,970,307 shares issued; 50,582,197 and 51,105,417 outstanding	0.5	0.5
Additional paid-in capital	2,033.7	2,023.3
Retained earnings	4,516.1	3,975.9
Treasury stock, at cost, 1,494,079 and 864,890 shares	(259.1)	(96.1)
Shares held in trust	(5.2)	(5.6)
Accumulated other comprehensive loss	(430.3)	(377.2)
Total Company shareholders' equity	5,855.7	5,520.8
Noncontrolling interest	96.4	89.2
Total equity	5,952.1	5,610.0
Total liabilities, redeemable noncontrolling interest and equity	\$ 15,447.4	14,316.5

See accompanying notes to Condensed Consolidated Financial Statements.

JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions, except share and per share data) (unaudited)	2021	2020	2021	2020
Revenue:				
Revenue before reimbursements	\$ 2,804.9	2,091.4	\$ 7,442.0	6,152.9
Reimbursements	2,084.3	1,886.7	5,979.3	5,591.6
Total revenue	\$ 4,889.2	3,978.1	\$ 13,421.3	11,744.5
Operating expenses:				
Compensation and benefits	\$ 1,741.7	1,198.7	\$ 4,627.4	3,698.5
Operating, administrative and other	701.9	649.4	2,005.5	1,981.5
Reimbursed expenses	2,084.3	1,886.7	5,979.3	5,591.6
Depreciation and amortization	52.8	54.9	160.3	166.8
Restructuring and acquisition charges	15.6	33.5	50.9	75.8
Total operating expenses	\$ 4,596.3	3,823.2	\$ 12,823.4	11,514.2
Operating income	\$ 292.9	154.9	\$ 597.9	230.3
Interest expense, net of interest income	9.6	12.3	30.6	41.8
Equity earnings	17.4	15.0	106.7	1.4
Other income	1.3	2.7	12.9	8.8
Income before income taxes and noncontrolling interest	302.0	160.3	686.9	198.7
Income tax provision	65.3	25.7	148.4	32.2
Net income	236.7	134.6	538.5	166.5
Net (loss) income attributable to noncontrolling interest	(0.5)	2.7	(1.7)	14.1
Net income attributable to common shareholders	\$ 237.2	131.9	\$ 540.2	152.4
Basic earnings per common share	\$ 4.67	2.55	\$ 10.57	2.95
Basic weighted average shares outstanding (in 000's)	50,851	51,761	51,101	51,670
Diluted earnings per common share	\$ 4.57	2.52	\$ 10.35	2.92
Diluted weighted average shares outstanding (in 000's)	51,944	52,247	52,178	52,224
Net income attributable to common shareholders	\$ 237.2	131.9	\$ 540.2	152.4
Change in pension liabilities, net of tax	—	0.7	0.5	0.7
Foreign currency translation adjustments	(47.2)	59.3	(53.6)	(50.3)
Comprehensive income attributable to common shareholders	\$ 190.0	191.9	\$ 487.1	102.8

See accompanying notes to Condensed Consolidated Financial Statements.

JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

(in millions, except share and per share data) (unaudited)	Company Shareholders' Equity								Total Equity
	Common Stock Outstanding		Additional Paid-In Capital	Retained Earnings	Shares Held in Trust	Treasury Stock	AOCI ⁽¹⁾	NCI ⁽²⁾	
	Shares	Amount							
December 31, 2020	51,105,417	\$ 0.5	2,023.3	3,975.9	(5.6)	(96.1)	(377.2)	89.2	\$ 5,610.0
Net income (loss)	—	—	—	103.0	—	—	—	(0.6)	102.4
Shares issued under stock-based compensation programs	290,563	—	(15.6)	—	—	15.9	—	—	0.3
Shares repurchased for payment of taxes on stock-based compensation	(89,780)	—	(9.7)	—	—	(5.5)	—	—	(15.2)
Amortization of stock-based compensation	—	—	17.5	—	—	—	—	—	17.5
Shares held in trust	—	—	—	—	0.2	—	—	—	0.2
Change in pension liabilities, net of tax	—	—	—	—	—	—	(0.2)	—	(0.2)
Foreign currency translation adjustments	—	—	—	—	—	—	(6.2)	—	(6.2)
Decrease in amounts attributable to noncontrolling interest	—	—	—	—	—	—	—	(1.9)	(1.9)
March 31, 2021	51,306,200	\$ 0.5	2,015.5	4,078.9	(5.4)	(85.7)	(383.6)	86.7	\$ 5,706.9
Net income (loss)	—	—	—	200.0	—	—	—	(0.6)	199.4
Shares issued under stock-based compensation programs	13,712	—	(1.0)	—	—	1.5	—	—	0.5
Shares repurchased for payment of taxes on stock-based compensation	(2,184)	—	(0.2)	—	—	(0.2)	—	—	(0.4)
Amortization of stock-based compensation	—	—	26.3	—	—	—	—	—	26.3
Shares held in trust	—	—	—	—	0.1	—	—	—	0.1
Change in pension liabilities, net of tax	—	—	—	—	—	—	0.7	—	0.7
Repurchase of common stock	(172,500)	—	—	—	—	(37.9)	—	—	(37.9)
Foreign currency translation adjustments	—	—	—	—	—	—	(0.2)	—	(0.2)
Increase in amounts attributable to noncontrolling interest	—	—	—	—	—	—	—	4.3	4.3
June 30, 2021	51,145,228	\$ 0.5	2,040.6	4,278.9	(5.3)	(122.3)	(383.1)	90.4	\$ 5,899.7
Net income (loss)	—	—	—	237.2	—	—	—	(0.5)	236.7
Shares issued under stock-based compensation programs	200,425	—	(14.8)	—	—	25.5	—	—	10.7
Shares repurchased for payment of taxes on stock-based compensation	(82,956)	—	(16.1)	—	—	(10.7)	—	—	(26.8)
Amortization of stock-based compensation	—	—	24.0	—	—	—	—	—	24.0
Shares held in trust	—	—	—	—	0.1	—	—	—	0.1
Repurchase of common stock	(680,500)	—	—	—	—	(151.6)	—	—	(151.6)
Foreign currency translation adjustments	—	—	—	—	—	—	(47.2)	—	(47.2)
Increase in amounts attributable to noncontrolling interest	—	—	—	—	—	—	—	6.5	6.5
September 30, 2021	50,582,197	\$ 0.5	2,033.7	4,516.1	(5.2)	(259.1)	(430.3)	96.4	\$ 5,952.1

(1) AOCI: Accumulated other comprehensive income (loss)

(2) NCI: Noncontrolling interest

JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

(in millions, except share and per share data) (unaudited)	Company Shareholder's Equity								Total Equity
	Common Stock Outstanding		Additional Paid-In Capital	Retained Earnings	Shares Held in Trust	Treasury Stock	AOCI ⁽¹⁾	NCI ⁽²⁾	
	Shares	Amount							
December 31, 2019	51,549,654	\$ 0.5	1,962.8	3,588.3	(5.7)	—	(427.8)	86.6	\$ 5,204.7
Net income	—	—	—	5.3	—	—	—	12.3	17.6
Shares issued under stock-based compensation programs	363,308	—	4.4	—	—	—	—	—	4.4
Shares repurchased for payment of taxes on stock-based compensation	(102,370)	—	(16.2)	—	—	—	—	—	(16.2)
Amortization of stock-based compensation	—	—	18.6	—	—	—	—	—	18.6
Shares held in trust	—	—	—	—	0.1	—	—	—	0.1
Cumulative effect from adoption of new accounting for credit losses	—	—	—	(14.9)	—	—	—	—	(14.9)
Repurchase of common stock	(187,753)	—	—	—	—	(25.0)	—	—	(25.0)
Foreign currency translation adjustments	—	—	—	—	—	—	(143.4)	—	(143.4)
Decrease in amounts attributable to noncontrolling interest	—	—	—	—	—	—	—	(17.0)	(17.0)
March 31, 2020	51,622,839	\$ 0.5	1,969.6	3,578.7	(5.6)	(25.0)	(571.2)	81.9	\$ 5,028.9
Net income (loss) ⁽³⁾	—	—	—	15.2	—	—	—	(1.0)	14.2
Shares issued under stock-based compensation programs	23,762	—	—	—	—	0.6	—	—	0.6
Shares repurchased for payment of taxes on stock-based compensation	(4,546)	—	(1.0)	—	—	—	—	—	(1.0)
Amortization of stock-based compensation	—	—	30.7	—	—	—	—	—	30.7
Shares held in trust	—	—	—	—	(0.1)	—	—	—	(0.1)
Foreign currency translation adjustments	—	—	—	—	—	—	33.8	—	33.8
Increase in amounts attributable to noncontrolling interest	—	—	—	—	—	—	—	2.3	2.3
Balances at June 30, 2020	51,642,055	\$ 0.5	1,999.3	3,593.9	(5.7)	(24.4)	(537.4)	83.2	\$ 5,109.4
Net income ⁽³⁾	—	—	—	131.9	—	—	—	2.9	134.8
Shares issued under stock-based compensation programs	221,527	—	(1.2)	0.1	—	1.6	—	—	0.5
Shares repurchased for payment of taxes on stock-based compensation	(66,315)	—	(6.3)	—	—	—	—	—	(6.3)
Amortization of stock-based compensation	—	—	16.3	—	—	—	—	—	16.3
Shares held in trust	—	—	—	—	0.1	—	—	—	0.1
Repurchase of common stock	(258,131)	—	—	—	—	(25.0)	—	—	(25.0)
Change in pension liabilities, net of tax	—	—	—	—	—	—	0.7	—	0.7
Foreign currency translation adjustments	—	—	—	—	—	—	59.3	—	59.3
Decrease in amounts attributable to noncontrolling interest	—	—	—	—	—	—	—	(3.6)	(3.6)
Balances at September 30, 2020	51,539,136	\$ 0.5	2,008.1	3,725.9	(5.6)	(47.8)	(477.4)	82.5	\$ 5,286.2

(1) AOCI: Accumulated other comprehensive income (loss)

(2) NCI: Noncontrolling interest

(3) Excludes net (loss) income attributable to redeemable noncontrolling interest of \$(0.2) million and \$0.1 million for the three months ended September 30, 2020 and June 30, 2020, respectively.

See accompanying notes to Condensed Consolidated Financial Statements.

JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions) (unaudited)	Nine Months Ended September 30,	2021	2020
Cash flows from operating activities:			
Net income	\$	538.5	166.5
Reconciliation of net income to net cash provided by operating activities:			
Depreciation and amortization		160.3	166.8
Equity earnings		(106.7)	(1.4)
Net (gain) loss on dispositions		(11.3)	1.2
Distributions of earnings from real estate ventures		14.6	10.4
Provision for loss on receivables and other assets		7.5	61.4
Amortization of stock-based compensation		67.8	65.6
Net non-cash mortgage servicing rights and mortgage banking derivative activity		(43.4)	(21.7)
Accretion of interest and amortization of debt issuance costs		3.2	3.9
Other, net		(17.0)	(37.0)
Change in:			
Receivables		(80.4)	574.3
Reimbursable receivables and reimbursable payables		(38.3)	96.9
Prepaid expenses and other assets		(151.3)	(49.6)
Deferred tax assets, net		3.8	(53.1)
Accounts payable and accrued liabilities		(271.7)	(60.0)
Accrued Compensation		134.7	(561.1)
Net cash provided by operating activities		210.3	363.1
Cash flows from investing activities:			
Net capital additions – property and equipment		(111.6)	(112.5)
Net investment asset activity (less than wholly-owned)		(53.8)	(10.2)
Business acquisitions, net of cash acquired		(22.2)	—
Capital contributions to real estate ventures		(132.3)	(63.2)
Distributions of capital from real estate ventures		39.1	30.5
Other, net		(35.2)	31.2
Net cash used in investing activities		(316.0)	(124.2)
Cash flows from financing activities:			
Proceeds from borrowings under credit facility		3,432.0	4,404.0
Repayments of borrowings under credit facility		(3,207.0)	(4,529.0)
Net proceeds from (repayments of) short-term borrowings		60.4	(17.1)
Payments of deferred business acquisition obligations and earn-outs		(58.3)	(28.9)
Repurchase of common stock		(189.5)	(50.0)
Other, net		1.7	(22.8)
Net cash provided by (used in) financing activities		39.3	(243.8)
Effect of currency exchange rate changes on cash, cash equivalents and restricted cash		(17.3)	(4.3)
Net change in cash, cash equivalents and restricted cash		(83.7)	(9.2)
Cash, cash equivalents and restricted cash, beginning of the period		839.8	652.1
Cash, cash equivalents and restricted cash, end of the period	\$	756.1	642.9
Supplemental disclosure of cash flow information:			
Restricted cash, beginning of period	\$	265.5	200.2
Restricted cash, end of period		220.2	202.9
Cash paid during the period for:			
Interest	\$	24.5	35.0
Income taxes, net of refunds		175.7	101.6
Operating leases		148.2	142.0
Non-cash activities:			
Business acquisitions (including contingent consideration)	\$	31.3	—
Non-cash consideration received for disposition		23.9	—

See accompanying notes to Condensed Consolidated Financial Statements.

JONES LANG LASALLE INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. INTERIM INFORMATION

Readers of this quarterly report should refer to the audited financial statements of Jones Lang LaSalle Incorporated ("JLL," which may also be referred to as "the Company" or as "we," "us" or "our") for the year ended December 31, 2020, which are included in our 2020 Annual Report on Form 10-K, filed with the United States Securities and Exchange Commission ("SEC") and also available on our website (www.jll.com), since we have omitted from this quarterly report certain footnote disclosures which would substantially duplicate those contained in such audited financial statements. You should also refer to the "Summary of Critical Accounting Policies and Estimates" section within Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and to Note 2, Summary of Significant Accounting Policies, in the Notes to Consolidated Financial Statements in our 2020 Annual Report on Form 10-K for further discussion of our significant accounting policies and estimates.

Our Condensed Consolidated Financial Statements as of September 30, 2021, and for the periods ended September 30, 2021 and 2020, are unaudited. In the opinion of management, we have included all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the Condensed Consolidated Financial Statements for these interim periods.

Historically, our quarterly revenue and profits have tended to increase from quarter to quarter as the year progresses. This is the result of a general focus in the real estate industry on completing transactions by calendar year end, while certain expenses are recognized evenly throughout the year. Our LaSalle Investment Management ("LaSalle") segment generally earns investment-generated performance fees on clients' real estate investment returns when assets are sold, the timing of which is geared toward the benefit of our clients, as well as co-investment equity gains and losses, primarily dependent on underlying valuations. Within our Real Estate Services ("RES") segments, revenue from transaction-based activities (e.g. leasing and capital markets) is driven by the size and timing of our clients' transactions and can fluctuate significantly from period to period. In 2020 and during the nine months ended September 30, 2021, macroeconomic conditions influenced by the COVID-19 pandemic impacted the historical seasonality of our revenue and profits and may continue to do so during the remainder of 2021.

A significant portion of our compensation and benefits expense is from incentive compensation plans, which we generally accrue throughout the year based on progress toward annual performance targets. This process can result in significant fluctuations in quarterly compensation and benefits expense from period to period. Non-variable operating expenses, which we recognize when incurred during the year, are relatively constant on a quarterly basis.

We provide for the effects of income taxes on interim financial statements based on our estimate of the effective tax rate for the full year, which we base on forecasted income by country and expected enacted tax rates. As required, we adjust for the impact of discrete items in the quarters in which they occur. Changes in the geographic mix of income can impact our estimated effective tax rate.

As a result of the items mentioned above, the results for the periods ended September 30 are not fully indicative of what our results will be for the full fiscal year.

2. NEW ACCOUNTING STANDARDS

Recently adopted accounting guidance

In January 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-01, *Investments-Equity Securities (Topic 321), Investments-Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)*, which, among other things, clarifies that a company should consider observable transactions that require a company to either apply or discontinue the equity method of accounting under Topic 323 and clarifies that, when determining the accounting for certain forward contracts and purchased options a company should not consider, whether upon settlement or exercise, if the underlying securities would be accounted for under the equity method or fair value option. This ASU is effective for annual and interim periods beginning after December 15, 2020, with early adoption permitted. We adopted this guidance effective January 1, 2021, and the adoption did not impact our financial statements and related disclosures.

3. REVENUE RECOGNITION

Revenue excluded from the scope of ASC Topic 606 - Our mortgage banking and servicing operations - such as Mortgage Servicing Rights ("MSR")-related activity, loan origination fees, and servicing income - are excluded from the scope of ASC Topic 606. Such revenue was included entirely within Americas Capital Markets and is presented below.

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue excluded from scope of ASC Topic 606	\$ 102.3	72.0	\$ 235.9	174.7

Contract assets and liabilities - Our contract assets, net of allowance, are included in Short-term contract assets and Other assets and our contract liabilities are included in Short-term contract liabilities and deferred income on our Condensed Consolidated Balance Sheets. The majority of contract liabilities are recognized as revenue within 90 days. Such contract assets and liabilities are presented below.

(in millions)	September 30, 2021	December 31, 2020
Contract assets, gross	\$ 402.8	347.8
Contract asset allowance	(2.5)	(2.1)
Contract assets, net	\$ 400.3	345.7
Contract liabilities	\$ 105.0	111.0

Remaining performance obligations - Remaining performance obligations represent the aggregate transaction price for contracts where our performance obligations have not yet been satisfied. As of September 30, 2021, the aggregate amount of transaction price allocated to remaining performance obligations represented less than 5% of our total revenue. In accordance with ASC Topic 606, excluded from the aforementioned remaining performance obligations are (i) amounts attributable to contracts expected to be completed within 12 months and (ii) variable consideration for services performed as a series of daily performance obligations, such as facilities management, property management, and LaSalle contracts. Contracts within these businesses represent a significant portion of our contracts with customers not expected to be completed within 12 months.

4. BUSINESS SEGMENTS

We manage and report our operations as four business segments:

The three geographic regions of RES including:

- (1) Americas,
- (2) Europe, Middle East and Africa ("EMEA"), and
- (3) Asia Pacific;

and

- (4) LaSalle.

Each geographic region offers our full range of real estate services, including agency leasing and tenant representation, capital markets, property and facility management, project and development management, energy management and sustainability, construction management, and advisory, consulting and valuation services. LaSalle provides investment management services on a global basis to institutional investors and high-net-worth individuals.

We allocate all indirect expenses to our segments, other than interest and income taxes, as nearly all expenses incurred benefit one or more of the segments. Allocated expenses primarily consist of corporate global overhead, which we allocate to the business segments based on the budgeted operating expenses of each segment.

Segment income does not include (i) restructuring and acquisition charges, (ii) interest expense, net of interest income, (iii) other income, and (iv) provision for income tax, which are otherwise included in Net income on the Consolidated Statements of Comprehensive Income.

The Chief Operating Decision Maker of JLL measures and evaluates the segment results based on Segment income for purposes of making decisions about allocating resources and assessing performance.

Summarized financial information by business segment is as follows.

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Americas				
Leasing	\$ 594.6	325.2	\$ 1,442.5	1,022.2
Capital Markets	421.2	190.8	934.1	579.0
Property & Facility Management	1,564.8	1,433.3	4,576.8	4,331.6
Project & Development Services	389.2	336.2	962.0	917.9
Advisory, Consulting and Other	113.4	95.3	313.2	282.2
Revenue	\$ 3,083.2	2,380.8	\$ 8,228.6	7,132.9
Depreciation and amortization	\$ 33.2	36.4	\$ 100.6	112.9
Equity earnings	\$ 7.6	4.8	\$ 58.6	20.4
Segment income	\$ 285.6	140.0	\$ 637.2	277.1
EMEA				
Leasing	\$ 80.6	58.5	\$ 209.0	153.3
Capital Markets	110.4	73.3	284.0	196.5
Property & Facility Management	368.5	348.7	1,074.5	1,044.2
Project & Development Services	207.2	190.8	595.7	558.3
Advisory, Consulting and Other	63.3	72.5	192.8	173.6
Revenue	\$ 830.0	743.8	\$ 2,356.0	2,125.9
Depreciation and amortization	\$ 10.3	9.8	\$ 32.2	28.0
Equity earnings	\$ —	0.8	\$ —	0.8
Segment loss	\$ (10.3)	(1.9)	\$ (45.8)	(55.8)
Asia Pacific				
Leasing	\$ 63.6	46.6	\$ 147.7	105.8
Capital Markets	43.4	20.4	125.7	66.1
Property & Facility Management	567.3	521.3	1,729.9	1,568.5
Project & Development Services	111.5	104.5	319.7	296.5
Advisory, Consulting and Other	60.4	50.4	176.9	133.7
Revenue	\$ 846.2	743.2	\$ 2,499.9	2,170.6
Depreciation and amortization	\$ 7.5	6.9	\$ 22.4	20.5
Equity earnings	\$ 1.4	0.9	\$ 3.4	0.7
Segment income	\$ 20.9	35.8	\$ 75.2	57.4
LaSalle				
Advisory fees	\$ 97.3	84.6	\$ 270.4	251.1
Transaction fees & other	10.2	17.7	28.9	36.1
Incentive fees	22.3	8.0	37.5	27.9
Revenue	\$ 129.8	110.3	\$ 336.8	315.1
Depreciation and amortization	\$ 1.8	1.8	\$ 5.1	5.4
Equity earnings (losses)	\$ 8.4	8.5	\$ 44.7	(20.5)
Segment income	\$ 29.7	29.5	\$ 88.9	28.8

The following table is a reconciliation of Segment income to consolidated Operating income.

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Segment income - Americas	\$ 285.6	140.0	\$ 637.2	277.1
Segment loss - EMEA	(10.3)	(1.9)	(45.8)	(55.8)
Segment income - APAC	20.9	35.8	75.2	57.4
Segment income - LaSalle	29.7	29.5	88.9	28.8
Less: Equity earnings	(17.4)	(15.0)	(106.7)	(1.4)
Add: Restructuring and acquisition charges	(15.6)	(33.5)	(50.9)	(75.8)
Operating income	\$ 292.9	154.9	\$ 597.9	230.3

5. BUSINESS COMBINATIONS, GOODWILL AND OTHER INTANGIBLE ASSETS

2021 Business Combinations Activity

During the nine months ended September 30, 2021, we completed one strategic acquisition, expanding our capabilities and increasing our presence in key regional markets. This strategic acquisition is presented below.

Acquired Company	Quarter of Acquisition	Country	Primary Service Line
Skyline AI (Skyline)	Q3	Israel	Capital Markets

Aggregate terms of our acquisitions included: (1) cash paid at closing of \$22.2 million (net of \$6.7 million in cash acquired) and (2) contingent earn-out consideration of \$31.3 million which we will pay upon satisfaction of certain performance conditions and which we have initially recorded at their respective acquisition date fair value.

A preliminary allocation of purchase consideration resulted in goodwill of \$35.3 million, identifiable intangibles of \$19.5 million and other net liabilities (assumed liabilities less acquired assets) of \$1.3 million. As of September 30, 2021, we have not completed our analysis to assign fair values to all of the identifiable intangible and tangible assets acquired and, therefore, we may further refine the purchase price allocations for our 2021 acquisitions during their open measurement periods.

During the nine months ended September 30, 2021, we paid \$82.5 million for deferred business acquisition and earn-out obligations for acquisitions completed in prior years.

2020 Business Combinations Activity

During the year ended December 31, 2020 we completed no new acquisitions.

Earn-Out Payments

(\$ in millions)	September 30, 2021		December 31, 2020	
Number of acquisitions with earn-out payments subject to the achievement of certain performance criteria	21		35	
Maximum earn-out payments (undiscounted)	\$	119.1	\$	199.2
Short-term earn-out liabilities (fair value) ⁽¹⁾	25.2		77.2	
Long-term earn-out liabilities (fair value) ⁽¹⁾	20.2		8.5	

(1) Included in Short-term and Long-term acquisition-related obligations on the Condensed Consolidated Balance Sheets.

Assuming the achievement of the applicable performance criteria, we anticipate making these earn-out payments over the next five years. Refer to Note 8, Fair Value Measurements, and Note 11, Restructuring and Acquisition Charges, for additional discussion of our earn-out liabilities.

Goodwill and Other Intangible Assets

Goodwill and unamortized intangibles as of September 30, 2021 consisted of: (1) goodwill of \$4,212.1 million, (2) identifiable intangibles of \$629.1 million amortized over their remaining finite useful lives, and (3) \$51.5 million of identifiable intangibles with indefinite useful lives that are not amortized. Notable portions of our goodwill and unamortized intangibles are denominated in currencies other than the U.S. dollar, which means a portion of the movements in the reported book value of these balances is attributable to movements in foreign currency exchange rates.

The following tables detail, by reporting segment, movements in goodwill.

(in millions)	Real Estate Services				Consolidated
	Americas	EMEA	Asia Pacific	LaSalle	
Balance as of December 31, 2020	\$ 2,878.0	959.7	329.2	57.8	\$ 4,224.7
Additions, net of adjustments	35.3	—	—	—	35.3
Dispositions	(11.0)	(0.7)	—	—	(11.7)
Impact of exchange rate movements	0.1	(26.8)	(9.1)	(0.4)	(36.2)
Balance as of September 30, 2021	\$ 2,902.4	932.2	320.1	57.4	\$ 4,212.1

(in millions)	Real Estate Services				Consolidated
	Americas	EMEA	Asia Pacific	LaSalle	
Balance as of December 31, 2019	\$ 2,877.6	915.9	317.6	57.1	\$ 4,168.2
Dispositions	—	(0.7)	—	—	(0.7)
Impact of exchange rate movements	(1.1)	(4.7)	2.6	(0.3)	(3.5)
Balance as of September 30, 2020	\$ 2,876.5	910.5	320.2	56.8	\$ 4,164.0

The following tables detail, by reporting segment, movements in the gross carrying amount and accumulated amortization of our identifiable intangibles.

(in millions)	MSRs	Other Intangibles				Consolidated
	Americas	Americas	EMEA	Asia Pacific	LaSalle	
Gross Carrying Amount						
Balance as of December 31, 2020	\$ 572.1	265.8	55.7	23.6	57.9	\$ 975.1
Additions, net of adjustments ⁽¹⁾	95.5	15.7	3.8	—	—	115.0
Adjustment for fully amortized intangibles	(36.2)	(11.4)	(29.9)	(4.7)	—	(82.2)
Impact of exchange rate movements	—	—	(0.7)	(1.1)	(2.5)	(4.3)
Balance as of September 30, 2021	\$ 631.4	270.1	28.9	17.8	55.4	\$ 1,003.6
Accumulated Amortization						
Balance as of December 31, 2020	\$ (147.8)	(94.1)	(39.5)	(8.6)	(5.3)	\$ (295.3)
Amortization, net ⁽²⁾	(71.9)	(31.1)	(5.3)	(1.0)	(1.3)	(110.6)
Adjustment for fully amortized intangibles	36.2	11.4	29.9	4.7	—	82.2
Impact of exchange rate movements	—	—	0.4	0.3	—	0.7
Balance as of September 30, 2021	\$ (183.5)	(113.8)	(14.5)	(4.6)	(6.6)	\$ (323.0)
Net book value as of September 30, 2021	\$ 447.9	156.3	14.4	13.2	48.8	\$ 680.6

(1) Included in this amount for MSRs was \$15.4 million relating to prepayments/write-offs due to prepayments of the underlying obligation for which we assumed, acquired or retained the servicing rights.

(2) Amortization of MSRs is included in Revenue before reimbursements within the Condensed Consolidated Statements of Comprehensive Income.

(in millions)	MSRs	Other Intangibles				Consolidated
	Americas	Americas	EMEA	Asia Pacific	LaSalle	
Gross Carrying Amount						
Balance as of December 31, 2019	\$ 480.4	285.7	55.9	21.4	54.0	\$ 897.4
Additions, net of adjustments ⁽¹⁾	77.9	—	—	0.5	—	78.4
Adjustment for fully amortized intangibles	(30.9)	(14.1)	(0.4)	—	—	(45.4)
Impact of exchange rate movements	—	(0.2)	(1.5)	0.3	1.9	0.5
Balance as of September 30, 2020	\$ 527.4	271.4	54.0	22.2	55.9	\$ 930.9
Accumulated Amortization						
Balance as of December 31, 2019	\$ (104.0)	(68.3)	(33.1)	(6.7)	(2.7)	\$ (214.8)
Amortization, net ⁽²⁾	(65.5)	(35.0)	(5.2)	(1.1)	(2.0)	(108.8)
Adjustment for fully amortized intangibles	30.9	14.1	0.4	—	—	45.4
Impact of exchange rate movements	—	0.4	0.9	(0.1)	—	1.2
Balance as of September 30, 2020	\$ (138.6)	(88.8)	(37.0)	(7.9)	(4.7)	\$ (277.0)
Net book value as of September 30, 2020	\$ 388.8	182.6	17.0	14.3	51.2	\$ 653.9

(1) Included in this amount for MSRs was (i) \$15.3 million relating to prepayments/write-offs due to prepayments of the underlying obligation for which we assumed, acquired or retained the servicing rights and (ii) \$1.9 million relating to an impairment valuation allowance.

(2) Amortization of MSRs is included in Revenue before reimbursements within the Condensed Consolidated Statements of Comprehensive Income.

6. INVESTMENTS IN REAL ESTATE VENTURES

As of September 30, 2021 and December 31, 2020, we had Investments in real estate ventures of \$646.6 million and \$430.8 million, respectively.

Approximately 90% of our investments, as of September 30, 2021, are primarily (i) direct investments in 50 separate property or commingled funds, where we co-invest alongside our clients and for which we also have an advisory agreement and (ii) investments by JLL Technologies in early-stage proptech companies. The remaining 10% of our Investments in real estate ventures, as of September 30, 2021, were attributable to investment vehicles that use our capital and outside capital primarily provided by institutional investors to invest, generally, in certain real estate ventures that own and operate real estate. Of our investments attributable to investment vehicles, the majority was invested in LaSalle Investment Company II ("LIC II"), in which we held an effective ownership interest of 48.78%.

We have maximum potential unfunded commitments to direct investments or investment vehicles of \$315.9 million as of September 30, 2021. Of this amount, while we remain contractually obligated, we do not expect a call on the \$60.3 million relating to our investment in LIC II as its fund life terminated in January 2020.

We evaluate our less-than-wholly-owned investments to determine whether the underlying entities are classified as variable interest entities ("VIEs"); we assess each identified VIE to determine whether we are the primary beneficiary. We have determined that we are the primary beneficiary of certain VIEs and accordingly, we have consolidated such entities. The assets of the consolidated VIEs are available only for the settlement of the obligations of the respective entities and the mortgage loans of the consolidated VIEs are non-recourse to JLL.

Summarized financial information for our consolidated VIEs is presented in the following tables.

(in millions)	September 30, 2021	December 31, 2020
Property and equipment, net	\$ 168.5	117.4
Investments in real estate ventures	9.8	9.0
Other assets	12.3	21.0
Total assets	\$ 190.6	147.4
Other current liabilities	\$ 1.9	1.9
Mortgage indebtedness (included in Other liabilities)	96.2	60.3
Total liabilities	98.1	62.2
Members' equity (included in Noncontrolling interest)	92.5	85.2
Total liabilities and members' equity	\$ 190.6	147.4

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue	\$ 3.4	3.6	\$ 8.9	10.8
Operating and other expenses	(4.3)	(3.7)	(11.0)	(11.9)
Net gains on sale of investments⁽¹⁾	—	3.1	—	15.3
Net (loss) income	\$ (0.9)	3.0	\$ (2.1)	14.2

(1) \$12.2 million of the 2020 year-to-date gain was included in Equity earnings; the remaining \$3.1 million was included in Other income.

We allocate the members' equity and net income of the consolidated VIEs to the noncontrolling interest holders as Noncontrolling interest on our Condensed Consolidated Balance Sheets and as Net income attributable to noncontrolling interest in our Condensed Consolidated Statements of Comprehensive Income, respectively.

Impairment

There were no significant other-than-temporary impairment charges on Investments in real estate ventures for the nine months ended September 30, 2021 and 2020.

Fair Value

We report a majority of our investments in real estate ventures at fair value. For such investments, we increase or decrease our investment each reporting period by the change in the fair value and we report these fair value adjustments in our Condensed Consolidated Statements of Comprehensive Income within Equity earnings. The table below shows the movement in our investments in real estate ventures reported at fair value.

(in millions)	2021	2020
Fair value investments as of January 1,	\$ 340.3	328.6
Investments	148.9	36.8
Distributions	(46.6)	(58.8)
Change in fair value, net	100.8	(9.1)
Foreign currency translation adjustments, net	(5.7)	1.5
Fair value investments as of September 30,	\$ 537.7	299.0

See Note 8, Fair Value Measurements, for additional discussion of our investments in real estate ventures reported at fair value.

7. STOCK-BASED COMPENSATION

Stock Unit Awards

Restricted stock unit ("RSU") and performance stock unit ("PSU") awards activity is presented in the following tables.

	RSU Shares (in 000's)	PSU Shares (in 000's)	Total Shares (in 000's)	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Life (in years)
Unvested as of June 30, 2021	1,118.1	545.2	1,663.3	\$ 144.01	1.92
Granted	23.7	58.8	82.5	205.50	
Vested	(199.6)	—	(199.6)	141.21	
Forfeited	(6.9)	(9.4)	(16.3)	145.07	
Unvested as of September 30, 2021	935.3	594.6	1,529.9	\$ 147.75	1.96
Unvested as of June 30, 2020	1,343.2	558.8	1,902.0	\$ 137.93	2.01
Granted	11.2	4.4	15.6	107.51	
Vested	(213.5)	—	(213.5)	140.38	
Forfeited	(13.0)	(4.5)	(17.5)	134.03	
Unvested as of September 30, 2020	1,127.9	558.7	1,686.6	\$ 137.49	1.85
	RSU Shares (in 000's)	PSU Shares (in 000's)	Total Shares (in 000's)	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Life (in years)
Unvested as of December 31, 2020	1,096.2	531.5	1,627.7	\$ 137.42	1.69
Granted	280.8	166.0	446.8	184.71	
Vested	(417.8)	(79.0)	(496.8)	146.76	
Forfeited	(23.9)	(23.9)	(47.8)	140.66	
Unvested as of September 30, 2021	935.3	594.6	1,529.9	\$ 147.75	1.96
Unvested as of December 31, 2019	1,532.3	286.8	1,819.1	\$ 141.51	2.39
Granted	173.1	276.4	449.5	114.19	
Vested	(548.4)	—	(548.4)	137.92	
Forfeited	(29.1)	(4.5)	(33.6)	136.96	
Unvested as of September 30, 2020	1,127.9	558.7	1,686.6	\$ 137.49	1.85

As of September 30, 2021, we had \$105.1 million of unamortized deferred compensation related to unvested RSUs and PSUs, which we anticipate recognizing over varying periods into 2026; \$12.9 million relates to the awards issued in conjunction with the HFF acquisition.

8. FAIR VALUE MEASUREMENTS

We measure certain assets and liabilities in accordance with ASC 820, *Fair Value Measurements and Disclosures*, which defines fair value as the price that would be received for an asset, or paid to transfer a liability, in an orderly transaction between market participants on the measurement date. In addition, it establishes a framework for measuring fair value according to the following three-tier fair value hierarchy:

- Level 1 - Quoted prices for identical assets or liabilities in active markets accessible as of the measurement date;
- Level 2 - Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 - Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Financial Instruments

Our financial instruments include Cash and cash equivalents, Trade receivables, Notes and other receivables, Reimbursable receivables, Warehouse receivables, restricted cash, contract assets, Accounts payable, Reimbursable payables, Short-term borrowings, contract liabilities, Warehouse facilities, Credit facility, Long-term debt, and foreign currency forward contracts. The carrying amounts of Cash and cash equivalents, Trade receivables, Notes and other receivables, Reimbursable receivables, restricted cash, contract assets, Accounts payable, Reimbursable payables, contract liabilities, and the Warehouse facilities approximate their estimated fair values due to the short-term nature of these instruments. The carrying values of our Credit facility and Short-term borrowings approximate their estimated fair values given the variable interest rate terms and market spreads.

We estimated the fair value of our Long-term debt as \$692.9 million and \$723.7 million as of September 30, 2021 and December 31, 2020, respectively, using dealer quotes that are Level 2 inputs in the fair value hierarchy. The carrying value of our Long-term debt was \$678.6 million and \$702.0 million as of September 30, 2021 and December 31, 2020, respectively, and included debt issuance costs of \$2.0 million and \$2.5 million, respectively.

Investments in Real Estate Ventures at Fair Value - Net Asset Value ("NAV")

We report a significant portion of our investments in real estate ventures at fair value. For such investments, we increase or decrease our investment each reporting period by the change in the fair value and we report these fair value adjustments in our Condensed Consolidated Statements of Comprehensive Income within Equity earnings.

For the majority of our investments reported at fair value, we estimate the fair value using the NAV per share (or its equivalent) our investees provide. Critical inputs to NAV estimates included 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. In instances where the reported NAV per share did not fully incorporate the COVID-19 pandemic's impact on the fair value of underlying investments, we recognized an adjustment to decrease the reported NAV. As of September 30, 2021, there were no such adjustments compared with adjustments of \$22.8 million as of December 31, 2020. We did not consider any adjustments to NAV estimates provided by investees, including adjustments for any restrictions to the transferability of ownership interests embedded within investment agreements to which we are a party, to be necessary based upon (i) our understanding of the methodology utilized and inputs incorporated to estimate NAV at the investee level, (ii) consideration of market demand for the specific types of real estate assets held by each venture and (iii) contemplation of real estate and capital markets conditions in the localities in which these ventures operate. As of September 30, 2021 and December 31, 2020, investments in real estate ventures at fair value using NAV were \$245.3 million and \$203.8 million, respectively. As these investments are not required to be classified in the fair value hierarchy, they have been excluded from the following table.

Recurring Fair Value Measurements

The following table categorizes by level in the fair value hierarchy the estimated fair value of our assets and liabilities measured at fair value on a recurring basis.

(in millions)	September 30, 2021			December 31, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in real estate ventures - fair value	\$ 84.7	—	207.7	77.2	—	59.3
Foreign currency forward contracts receivable	—	7.3	—	—	13.1	—
Warehouse receivables	—	2,293.5	—	—	1,529.2	—
Deferred compensation plan assets	—	522.2	—	—	446.3	—
Mortgage banking derivative assets	—	—	71.7	—	—	87.1
Total assets at fair value	\$ 84.7	2,823.0	279.4	77.2	1,988.6	146.4
Liabilities						
Foreign currency forward contracts payable	\$ —	17.2	—	—	3.4	—
Deferred compensation plan liabilities	—	499.9	—	—	427.6	—
Earn-out liabilities	—	—	45.4	—	—	85.7
Mortgage banking derivative liabilities	—	—	38.0	—	—	73.4
Total liabilities at fair value	\$ —	517.1	83.4	—	431.0	159.1

Investments in Real Estate Ventures

We classify two investments as Level 1 in the fair value hierarchy as quoted prices are readily available. We increase or decrease our investment each reporting period by the change in the fair value of the investment. We report these fair value adjustments in our Condensed Consolidated Statements of Comprehensive Income within Equity earnings.

Investments classified as Level 3 in the fair value hierarchy represent investments in early-stage non-public entities where we elected the fair value option. The carrying value was deemed to approximate fair value for the majority of these investments due to the proximity of the investment date or date of most recent financing raise to the balance sheet date as well as consideration of investee-level performance updates. To the extent there are changes in fair value, a result of pricing in subsequent funding rounds or changes in business strategy, for example, we recognize such changes through Equity earnings.

Foreign Currency Forward Contracts

We regularly use foreign currency forward contracts to manage our currency exchange rate risk related to intercompany lending and cash management practices. We determine the fair values of these contracts based on current market rates. The inputs for these valuations are Level 2 inputs in the fair value hierarchy. As of September 30, 2021 and December 31, 2020, these contracts had a gross notional value of \$2.10 billion (\$1.25 billion on a net basis) and \$2.34 billion (\$1.42 billion on a net basis), respectively.

We record the asset and liability positions for our foreign currency forward contracts based on the net payable or net receivable position with the financial institutions from which we purchase these contracts. The \$7.3 million asset as of September 30, 2021, was composed of gross contracts with receivable positions of \$8.7 million and payable positions of \$1.4 million. The \$17.2 million liability as of September 30, 2021, was composed of gross contracts with receivable positions of \$0.8 million and payable positions of \$18.0 million. As of December 31, 2020, the \$13.1 million asset was composed of gross contracts with receivable positions of \$13.5 million and payable positions of \$0.4 million. The \$3.4 million liability as of December 31, 2020, was composed of gross contracts with receivable positions of \$2.7 million and payable positions of \$6.1 million.

Warehouse Receivables

As of September 30, 2021 and December 31, 2020, all of our Warehouse receivables were under commitment to be purchased by government-sponsored enterprises ("GSEs") or by a qualifying investor as part of a U.S. government or GSE mortgage-backed security program.

Deferred Compensation Plan

We maintain a deferred compensation plan for certain of our U.S. employees that allows them to defer portions of their compensation. We recorded this plan on our Condensed Consolidated Balance Sheet as of September 30, 2021, as Deferred compensation plan assets of \$522.2 million, long-term deferred compensation plan liabilities of \$499.9 million, included in Deferred compensation, and as a reduction of equity, Shares held in trust, of \$5.2 million. We recorded this plan on our Condensed Consolidated Balance Sheet as of December 31, 2020, as Deferred compensation plan assets of \$446.3 million, long-term deferred compensation plan liabilities of \$427.6 million, included in Deferred compensation, and as a reduction of equity, Shares held in trust, of \$5.6 million.

Earn-Out Liabilities

We classify our earn-out liabilities within Level 3 in the fair value hierarchy because the inputs we use to develop the estimated fair value include unobservable inputs. See Note 5, Business Combinations, Goodwill and Other Intangible Assets, for additional discussion of our earn-out liabilities.

Mortgage Banking Derivatives

Both our interest rate lock commitments to prospective borrowers and forward sale contracts with prospective investors are undesignated derivatives and considered Level 3 valuations due to significant unobservable inputs related to counterparty credit risk. An increase in counterparty credit risk assumptions would result in a lower fair value measurement.

The tables below present a reconciliation for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

	Balance as of June 30, 2021	Net change in fair value	Foreign CTA ⁽¹⁾	Purchases / Additions	Settlements	Balance as of September 30, 2021
Investments in real estate ventures	\$ 181.6	6.1	0.3	19.7	—	\$ 207.7
Mortgage banking derivative assets and liabilities, net	12.6	7.3	—	57.8	(44.0)	33.7
Earn-out liabilities	18.0	—	0.3	27.5	(0.4)	45.4

	Balance as of June 30, 2020	Net change in fair value	Foreign CTA ⁽¹⁾	Purchases / Additions	Settlements	Balance as of September 30, 2020
Investments in real estate ventures	\$ 44.3	4.3	—	1.6	—	\$ 50.2
Mortgage banking derivative assets and liabilities, net	(5.5)	(2.6)	—	48.2	(33.9)	6.2
Earn-out liabilities	97.8	(0.6)	0.7	—	(2.9)	95.0

(in millions)	Balance as of December 31, 2020	Net change in fair value	Foreign CTA ⁽¹⁾	Purchases / Additions	Settlements	Level transfer out ⁽²⁾	Balance as of September 30, 2021
Investments in real estate ventures	\$ 59.3	44.2	0.3	105.9	(0.1)	(1.9)	\$ 207.7
Mortgage banking derivative assets and liabilities, net	13.7	18.6	—	128.5	(127.1)	—	33.7
Earn-out liabilities	85.7	1.0	—	31.3	(72.6)	—	45.4

(in millions)	Balance as of December 31, 2019	Net change in fair value	Foreign CTA ⁽¹⁾	Purchases / Additions	Settlements	Balance as of September 30, 2020
Investments in real estate ventures	\$ 34.4	6.8	—	9.0	—	\$ 50.2
Mortgage banking derivative assets and liabilities, net	10.2	(93.2)	—	112.9	(23.7)	6.2
Earn-out liabilities	148.5	(8.2)	(0.2)	—	(45.1)	95.0

(1) CTA: Currency translation adjustments

(2) In May 2021, an investment previously treated as a Level 3 investment became publicly traded on the NYSE and was considered a Level 1 investment immediately.

Net change in fair value, included in the tables above, is reported in Net income as follows.

Category of Assets/Liabilities using Unobservable Inputs	Condensed Consolidated Statements of Comprehensive Income Account Caption
Earn-out liabilities (Short-term and Long-term)	Restructuring and acquisition charges
Investments in real estate ventures	Equity earnings
Other current assets - Mortgage banking derivative assets	Revenue before reimbursements
Other current liabilities - Mortgage banking derivative liabilities	Revenue before reimbursements

Non-Recurring Fair Value Measurements

We review our investments in real estate ventures, except those investments otherwise reported at fair value, on a quarterly basis, or as otherwise deemed necessary, for indications of whether we may be unable to recover the carrying value of our investments and whether such investments are other-than-temporarily impaired. When the carrying amount of the investment is in excess of the estimated future undiscounted cash flows, we use a discounted cash flow approach or other acceptable method to determine the fair value of the investment in computing the amount of the impairment. Our determination of fair value primarily relies on Level 3 inputs. We did not recognize any significant investment-level impairment losses during either of the nine months ended September 30, 2021 or 2020. See Note 6, Investments in Real Estate Ventures, for additional information, including information related to impairment charges recorded at the investee level.

9. DEBT

Short-term borrowings and long-term debt obligations are composed of the following.

(\$ in millions)	September 30, 2021	December 31, 2020
Short-term borrowings:		
Local overdraft facilities	\$ 13.0	12.0
Other short-term borrowings	104.6	50.0
Total short-term borrowings	\$ 117.6	62.0
Credit facility, net of debt issuance costs of \$12.8 and \$8.7	212.2	(8.7)
Long-term senior notes, 4.4%, face amount of \$275.0, due November 2022, net of debt issuance costs of \$0.3 and \$0.8	274.7	274.2
Long-term senior notes, 1.96%, face amount of €175.0, due June 2027, net of debt issuance costs of \$0.8 and \$0.8	202.0	213.9
Long-term senior notes, 2.21%, face amount of €175.0, due June 2029, net of debt issuance costs of \$0.9 and \$0.9	201.9	213.9
Total debt	\$ 1,008.4	755.3

Credit Facility

We have a \$2.75 billion unsecured revolving credit facility (the "Facility") that matures on to April 14, 2026. Pricing on the Facility ranges from LIBOR plus 0.875% to 1.35%, with pricing as of September 30, 2021, at LIBOR plus 0.95%. In addition to outstanding borrowings under the Facility presented in the above table, we had outstanding letters of credit under the Facility of \$0.7 million as of both September 30, 2021 and December 31, 2020.

The following tables provides additional information on our Facility.

(\$ in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Average outstanding borrowings under the Facility	\$ 497.1	758.9	\$ 432.5	1,014.3
Effective interest rate on the Facility	1.0 %	1.1 %	1.0 %	1.6 %

We will continue to use the Facility for, but not limited to, business acquisitions, working capital needs (including payment of accrued incentive compensation), co-investment activities, share repurchases and capital expenditures.

Short-Term Borrowings and Long-Term Debt

In addition to our Facility, we have the capacity to borrow up to an additional \$57.0 million under local overdraft facilities. Amounts outstanding are presented in the debt table above.

As of September 30, 2021, our issuer and senior unsecured ratings are investment grade: Baa1 from Moody's Investors Service, Inc. and BBB+ from Standard & Poor's Ratings Services.

Covenants

Our Facility and senior notes are subject to customary financial and other covenants, including cash interest coverage ratios and leverage ratios, as well as event of default conditions. We remained in compliance with all covenants as of September 30, 2021.

Warehouse Facilities

(\$ in millions)	September 30, 2021		December 31, 2020	
	Outstanding Balance	Maximum Capacity	Outstanding Balance	Maximum Capacity
Warehouse Facilities:				
LIBOR plus 1.30%, expires November 15, 2021 ⁽¹⁾	\$ 414.4	700.0	144.4	400.0
LIBOR plus 1.30%, expires September 16, 2022 ⁽²⁾	1,658.3	2,000.0	768.9	1,600.0
LIBOR plus 1.30%, expires August 27, 2022 ⁽³⁾	194.8	300.0	195.9	900.0
LIBOR plus 1.60%, expires July 30, 2022 ⁽⁴⁾	—	400.0	—	—
Fannie Mae ASAP ⁽⁵⁾ program, SOFR plus 1.25% ⁽⁶⁾	—	n/a	128.8	n/a
LIBOR plus 1.50%	—	—	261.6	300.0
Gross warehouse facilities	2,267.5	3,400.0	1,499.6	3,200.0
Debt issuance costs	(1.2)	n/a	(1.2)	n/a
Total warehouse facilities	\$ 2,266.3	3,400.0	1,498.4	3,200.0

(1) In the third quarter of 2021, JLL extended the Warehouse facility; previously, the facility had a maturity date of September 20, 2021. In the second quarter of 2021, JLL increased the maximum capacity of the Warehouse facility with a decrease to the interest rate; previously, the facility had an interest rate of LIBOR plus 1.40% and a maximum capacity of \$400.0 million.

(2) In the third quarter of 2021, JLL extended the Warehouse facility with a temporary increase to the maximum capacity; previously the facility had a maturity date of September 18, 2021 and a temporary maximum capacity of \$1,600.0 million which expired on January 31, 2021 and thereafter reverted to its original contractual amount. In the second quarter of 2021, JLL amended the Warehouse facility with a decrease to the interest rate; previously the facility had an interest rate of LIBOR plus 1.40%.

(3) In the third quarter of 2021, JLL extended the Warehouse facility with an increase to the maximum capacity; previously, the facility had a maturity date of August 27, 2021 and a temporary maximum capacity of \$900.0 million which expired on January 6, 2021 and thereafter reverted to its original contractual amount. In the second quarter of 2021, JLL amended the Warehouse facility with a decrease to the interest rate; previously the facility had an interest rate of LIBOR plus 1.40%.

(4) In the third quarter of 2021, JLL added a new secured borrowing for \$400.0 million under a master repurchase agreement that is scheduled to expire on July 30, 2022. Advances are made at 100% of the loan balance and borrowings are secured by the related warehouse receivables and bear interest at LIBOR plus 1.60%.

(5) As Soon As Pooled ("ASAP") funding program.

(6) JLL amended the Fannie Mae ASAP program interest rate to Secured Overnight Financing Rate ("SOFR") plus 1.25%; previously, the facility had an interest rate of LIBOR plus 1.15%.

We have lines of credit established for the sole purpose of funding our Warehouse receivables. These lines of credit exist with financial institutions and are secured by the related warehouse receivables. Pursuant to these facilities, we are required to comply with certain financial covenants regarding (i) minimum net worth, (ii) minimum servicing-related loans and (iii) minimum adjusted leverage ratios. We remained in compliance with all covenants under our facilities as of September 30, 2021.

10. COMMITMENTS AND CONTINGENCIES

We are a defendant in various litigation matters arising in the ordinary course of business, some of which involve claims for damages that are substantial in amount.

Professional Indemnity Insurance

When a potential loss event occurs, we estimate the ultimate cost of the claim and accrue the amount in Other current and long-term liabilities on our Condensed Consolidated Balance Sheets when probable and estimable. In addition, we have established receivables from third-party insurance providers for claim amounts in excess of the risk retained by our captive insurance company. In total, these receivables were \$22.5 million and \$44.0 million as of September 30, 2021 and December 31, 2020, respectively, and are included in Notes and other receivables and Long-term receivables on our Condensed Consolidated Balance Sheets.

The following table shows the professional indemnity accrual activity and related payments.

(in millions)		
December 31, 2020	\$	48.2
New claims		1.5
Prior year claims adjustments (including foreign currency changes)		(10.8)
Claims paid		(13.1)
September 30, 2021	\$	25.8
December 31, 2019	\$	38.1
New claims		5.8
Prior year claims adjustments (including foreign currency changes)		0.8
Claims paid		—
September 30, 2020	\$	44.7

Delegated Underwriting and Servicing ("DUS") Program Loan Loss-Sharing

As a participant in the DUS program, we retain a portion of the risk of loss for loans that are originated and sold under the DUS program. Net losses on defaulted loans are shared with Fannie Mae based upon established loss-sharing ratios. Generally, we share approximately one-third of incurred losses, subject to a cap of 20% of the principal balance of the mortgage at origination. As of September 30, 2021 and December 31, 2020, we had loans subject to such loss-sharing arrangements with an aggregate unpaid principal balance of \$14.7 billion and \$12.2 billion, respectively.

For all DUS program loans with loss-sharing obligations, we record a non-contingent liability equal to the estimated fair value of the guarantee obligations undertaken upon sale of the loan, which reduces our gain on sale of the loan. Subsequently, this liability is amortized over the estimated life of the loan and recognized as Revenue on the Condensed Consolidated Statements of Comprehensive Income. As of September 30, 2021 and December 31, 2020, the loss-sharing guarantee obligations were \$24.1 million and \$22.1 million, respectively, and are included in Other liabilities on our Condensed Consolidated Balance Sheets. There were no loan losses incurred for the three and nine months ended September 30, 2021 and 2020.

The loss-sharing aspect of the program represents an off-balance sheet credit exposure. We record a separate contingent reserve for this risk calculated on an individual loan level. As of September 30, 2021 and December 31, 2020, the loan loss guarantee reserve was \$22.9 million and \$36.7 million, respectively, and are included within Other liabilities on our Condensed Consolidated Balance Sheets.

11. RESTRUCTURING AND ACQUISITION CHARGES

Restructuring and acquisition charges include cash and non-cash expenses. Cash-based charges primarily consist of (1) 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, (2) acquisition, transaction and integration-related charges, and (3) other restructuring including lease exit charges. Non-cash charges include (1) stock-based compensation expense for retention awards issued in conjunction with the HFF acquisition and (2) fair value adjustments to earn-out liabilities relating to prior-period acquisition activity. Restructuring and acquisition charges are presented in table below.

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Severance and other employment-related charges	\$ 1.2	19.3	\$ 2.1	27.6
Restructuring, pre-acquisition and post-acquisition charges	11.2	8.6	32.6	25.9
Stock-based compensation expense for HFF retention awards	3.2	6.2	15.2	30.5
Fair value adjustments to earn-out liabilities	—	(0.6)	1.0	(8.2)
Restructuring and acquisition charges	\$ 15.6	33.5	\$ 50.9	75.8

The following tables show the accrual activity and payments relating to cash-based Restructuring and acquisition charges.

(in millions)	Severance & Employment-Related	Lease Exit	Restructuring, Acquisition and Integration Costs	Total
December 31, 2020	\$ 41.3	2.5	1.2	\$ 45.0
Accruals	2.1	7.7	24.9	34.7
Payments made	(29.0)	(9.4)	(19.9)	(58.3)
September 30, 2021	\$ 14.4	0.8	6.2	\$ 21.4

(in millions)	Severance & Employment-Related	Lease Exit	Other Restructuring, Acquisition and Integration Costs	Total
December 31, 2019	\$ 24.3	8.4	3.8	\$ 36.5
Accruals	27.6	9.3	16.6	53.5
Payments made	(22.1)	(16.0)	(20.4)	(58.5)
September 30, 2020	\$ 29.8	1.7	—	\$ 31.5

We expect the majority of accrued severance and other accrued acquisition costs as of September 30, 2021 will be paid during the next twelve months. Lease exit payments depend on the terms of various leases, which extend as far out as 2026.

HFF Acquisition

Included in Restructuring and acquisition charges were \$6.6 million and \$30.5 million, respectively, for the three and nine months ended September 30, 2021 compared to \$13.8 million and \$55.2 million, respectively, for the three and nine months ended September 30, 2020 of charges relating to the acquisition and integration of HFF (including retention and severance expense, early lease termination costs, and other integration expenses).

12. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) BY COMPONENT

The tables below present the changes in Accumulated other comprehensive income (loss) ("AOCI") by component.

(in millions)	Pension and postretirement benefit	Cumulative foreign currency translation adjustment	Total
Balance as of June 30, 2021	\$ (80.7)	(302.4)	\$ (383.1)
Other comprehensive loss before reclassification	—	(47.2)	(47.2)
Amounts reclassified from AOCI after tax expense of \$ -, \$ - and \$ -	—	—	—
Other comprehensive loss after tax expense of \$ -, \$ - and \$ -	—	(47.2)	(47.2)
Balance as of September 30, 2021	\$ (80.7)	(349.6)	\$ (430.3)

(in millions)	Pension and postretirement benefit	Cumulative foreign currency translation adjustment	Total
Balance as of June 30, 2020	\$ (72.0)	(465.4)	\$ (537.4)
Other comprehensive income before reclassification	—	59.3	59.3
Amounts reclassified from AOCI after tax expense of \$ -, \$ - and \$ -	0.7	—	0.7
Other comprehensive income after tax expense of \$ -, \$ - and \$ -	0.7	59.3	60.0
Balance as of September 30, 2020	\$ (71.3)	(406.1)	\$ (477.4)

(in millions)	Pension and postretirement benefit	Cumulative foreign currency translation adjustment	Total
Balance as of December 31, 2020	\$ (81.2)	(296.0)	\$ (377.2)
Other comprehensive loss before reclassification	—	(53.6)	(53.6)
Amounts reclassified from AOCI after tax expense of \$ -, \$ - and \$ -	0.5	—	0.5
Other comprehensive income (loss) after tax expense of \$ -, \$ - and \$ -	0.5	(53.6)	(53.1)
Balance as of September 30, 2021	\$ (80.7)	(349.6)	\$ (430.3)

(in millions)	Pension and postretirement benefit	Cumulative foreign currency translation adjustment	Total
Balance as of December 31, 2019	\$ (72.0)	(355.8)	\$ (427.8)
Other comprehensive loss before reclassification	—	(50.3)	(50.3)
Amounts reclassified from AOCI after tax expense of \$ -, \$ - and \$ -	0.7	—	0.7
Other comprehensive income (loss) after tax expense of \$ -, \$ - and \$ -	0.7	(50.3)	(49.6)
Balance as of September 30, 2020	\$ (71.3)	(406.1)	\$ (477.4)

For pension and postretirement benefits, we report amounts reclassified from AOCI relating to employer service cost in Compensation and benefits within the Condensed Consolidated Statements of Comprehensive Income. All other reclassifications relating to pension and postretirement benefits are reported within Other income.

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

The following discussion and analysis should be read in conjunction with the Condensed Consolidated Financial Statements, including the notes thereto, for the three and nine months ended September 30, 2021, and our audited Consolidated Financial Statements, including the notes thereto, for the fiscal year ended December 31, 2020, which are included in our 2020 Annual Report on Form 10-K, filed with the SEC and also available on our website (www.jll.com). You should also refer to Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our 2020 Annual Report on Form 10-K.

The following discussion and analysis contains certain forward-looking statements generally identified by the words anticipates, believes, estimates, expects, forecasts, plans, intends and other similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause JLL's actual results, performance, achievements, plans and objectives to be materially different from any future results, performance, achievements, plans and objectives expressed or implied by such forward-looking statements. See the Cautionary Note Regarding Forward-Looking Statements included within this section for further information.

We present our quarterly Management's Discussion and Analysis in the following sections:

- (1) A summary of our critical accounting policies and estimates;
- (2) Certain items affecting the comparability of results and certain market and other risks we face;
- (3) The results of our operations, first on a consolidated basis and then for each of our business segments; and
- (4) Liquidity and capital resources.

SUMMARY OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

An understanding of our accounting policies is necessary for a complete analysis of our results, financial position, liquidity and trends. See Note 2, Summary of Significant Accounting Policies, of the Notes to Consolidated Financial Statements in our 2020 Annual Report on Form 10-K for a complete summary of our significant accounting policies.

The preparation of our financial statements requires management to make certain critical accounting estimates and judgments that impact (1) the stated amount of assets and liabilities, (2) disclosure of contingent assets and liabilities at the date of the financial statements, and (3) the reported amount of revenue and expenses during the reporting periods. These accounting estimates are based on management's judgment. We consider them to be critical because of their significance to the financial statements and the possibility that future events may differ from current judgments or that the use of different assumptions could result in materially different estimates. We review these estimates on a periodic basis to ensure reasonableness. Although actual amounts likely differ from such estimated amounts, we believe such differences are not likely to be material.

A discussion of our critical accounting policies and estimates used in the preparation of our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q can be found in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K for the year ended December 31, 2020. There have been no material changes to these critical accounting policies and estimates during the nine months ended September 30, 2021.

ITEMS AFFECTING COMPARABILITY

Macroeconomic Conditions

Our results of operations and the variability of these results are significantly influenced by (1) macroeconomic trends, (2) the geopolitical environment, (3) the global and regional real estate markets, and (4) the financial and credit markets. These macroeconomic and other conditions have had, and we expect will continue to have, a significant impact on the variability of our results of operations. In 2020 and during the nine months ended September 30, 2021, macroeconomic conditions influenced by the COVID-19 pandemic impacted the historical seasonality of our revenue and profits and may continue to do so during the remainder of 2021.

Acquisitions and Dispositions

The timing of acquisitions and dispositions may impact the comparability of our results on a year-over-year basis. Our results include incremental revenues and expenses following the completion date of an acquisition. Relating to dispositions, comparable results will include the revenues and expenses of recent dispositions and results may also include gains (losses) on the disposition. In addition, there is generally an initial adverse impact on net income from an acquisition as a result of pre-acquisition due diligence expenditures, transaction/deal costs and post-acquisition integration costs, such as fees from third-party advisors engaged to assist with onboarding and process alignment, retention and severance expense, early lease termination costs, and other integration expenses. For dispositions, we may also incur such incremental costs during the disposition process and these costs could have an adverse impact on net income.

Investment Performance

Equity earnings may vary substantially from period to period for a variety of reasons, including as a result of: (1) gains (losses) on investments reported at fair value, (2) gains (losses) on asset dispositions, and (3) impairment charges. The timing of recognition of these items may impact comparability between quarters, in any one year, or compared to a prior year.

The comparability of these items can be seen in Note 4, Business Segments, of the Notes to Condensed Consolidated Financial Statements and is discussed further in Segment Operating Results included herein.

Foreign Currency

We conduct business using a variety of currencies, but we report our results in U.S. dollars. As a result, the volatility of currencies against the U.S. dollar may positively or negatively impact our results. This volatility can make it more difficult to perform period-to-period comparisons of the reported U.S. dollar results of operations, because such results may indicate a growth or decline rate that might not have been consistent with the real underlying growth or decline rates in the local operations. Consequently, we provide information about the impact of foreign currencies in the period-to-period comparisons of the reported results of operations in our discussion and analysis of financial condition in the Results of Operations section below.

Transaction-Based Revenue

Transaction-based fees, which are impacted by the size and timing of our clients' transactions, from real estate investment banking, capital markets activities and other services within our RES businesses, and LaSalle, increase the variability of the revenue we earn. Specifically for LaSalle, we are compensated through incentive fees where performance of underlying funds' investments exceeds agreed-to benchmark levels. Depending upon performance, disposition activity, and the contractual timing of measurement periods with clients, these fees can be significant and vary substantially from period to period. The timing and the magnitude of these fees can vary significantly from year to year and quarter to quarter, and from region to region.

Seasonality

Historically, our quarterly revenue and profits have tended to increase from quarter to quarter as the year progresses. This is a result of a general focus in the real estate industry on completing or documenting transactions by calendar year end and the fact that certain expenses are constant through the year. In addition, this seasonality excludes the recognition of investment-generated performance fees as well as realized and unrealized co-investment equity earnings and losses (the timing of each of these can fluctuate based on a variety of factors). Generally, we recognize incentives fees when assets are sold, the timing of which is geared toward the benefit of our clients. In addition, co-investment equity gains and losses are primarily dependent on valuations of underlying investments, the direction and magnitude of changes to such valuations fluctuate based on a variety of factors. Non-variable operating expenses, which we treat as expenses when incurred during the year, are relatively constant on a quarterly basis. In 2020 and during the nine months ended September 30, 2021, macroeconomic conditions influenced by the COVID-19 pandemic impacted the historical seasonality of our revenue and profits and may continue to do so during the remainder of 2021.

A significant portion of our Compensation and benefits expense is from incentive compensation plans, which we generally accrue throughout the year based on progress toward annual performance targets. This quarterly estimation can result in significant fluctuations in quarterly Compensation and benefits expense from period to period. Consequently, the results for the periods ended September 30, 2021 and 2020, are not fully indicative of the results we expect to realize for the full fiscal year.

RESULTS OF OPERATIONS

Definitions

- We define market volumes for Leasing as gross absorption of office real estate space in square feet for the U.S., Europe and selected markets in Asia Pacific. We define market volumes for Capital Markets as investment sales transactions globally.
- Assets under management data for LaSalle is reported on a one-quarter lag.
- MENA: Middle East and North Africa. Greater China: China, Hong Kong, Macau and Taiwan.
- n.m.: not meaningful, represented by a percentage change of greater than 1,000% favorable or unfavorable.
- We renamed our Corporate Solutions business to "JLL Work Dynamics" effective June 2021.

Consolidated Operating Results

(\$ in millions)	Three Months Ended September 30,		Change in		% Change in Local Currency
	2021	2020	U.S. dollars		
Leasing	\$ 738.8	430.3	308.5	72 %	71 %
Capital Markets	575.0	284.5	290.5	102	100
Property & Facility Management	2,500.6	2,303.3	197.3	9	7
Project & Development Services	707.9	631.5	76.4	12	11
Advisory, Consulting and Other	237.1	218.2	18.9	9	7
Real Estate Services ("RES") revenue	\$ 4,759.4	3,867.8	891.6	23 %	22 %
LaSalle	129.8	110.3	19.5	18	17
Revenue	\$ 4,889.2	3,978.1	911.1	23 %	22 %
Reimbursements	(2,084.3)	(1,886.7)	197.6	10	9
Revenue before reimbursements	\$ 2,804.9	2,091.4	713.5	34 %	32 %
Gross contract costs	(703.9)	(659.1)	(44.8)	7	5
Net non-cash MSR and mortgage banking derivative activity	(28.1)	(14.7)	(13.4)	91	91
Fee revenue	\$ 2,072.9	1,417.6	655.3	46 %	45 %
Leasing	717.3	412.9	304.4	74	73
Capital Markets	537.9	262.8	275.1	105	103
Property & Facility Management	313.7	302.4	11.3	4	2
Project & Development Services	201.0	188.0	13.0	7	6
Advisory, Consulting and Other	179.6	145.7	33.9	23	21
RES fee revenue	\$ 1,949.5	1,311.8	637.7	49 %	47 %
LaSalle	123.4	105.8	17.6	17	16
Compensation and benefits excluding gross contract costs	\$ 1,467.0	970.3	496.7	51 %	50 %
Operating, administrative and other expenses excluding gross contract costs	272.7	218.7	54.0	25	23
Depreciation and amortization	52.8	54.9	(2.1)	(4)	(5)
Restructuring and acquisition charges	15.6	33.5	(17.9)	(53)	(56)
Total fee-based operating expenses	1,808.1	1,277.4	530.7	42	40
Gross contract costs	703.9	659.1	44.8	7	5
Total operating expenses, excluding reimbursed expenses	\$ 2,512.0	1,936.5	575.5	30 %	28 %
Operating income	\$ 292.9	154.9	138.0	89 %	89 %
Equity earnings	\$ 17.4	15.0	2.4	16 %	15 %
Adjusted EBITDA	\$ 352.0	243.6	108.4	44 %	44 %

Consolidated Operating Results (continued)

(\$ in millions)	Nine Months Ended September 30,		Change in U.S. dollars	% Change in Local Currency	
	2021	2020			
Leasing	\$ 1,799.2	1,281.3	517.9	40 %	39 %
Capital Markets	1,343.8	841.6	502.2	60	56
Property & Facility Management	7,381.2	6,944.3	436.9	6	4
Project & Development Services	1,877.4	1,772.7	104.7	6	3
Advisory, Consulting and Other	682.9	589.5	93.4	16	12
Real Estate Services ("RES") revenue	\$ 13,084.5	11,429.4	1,655.1	14 %	12 %
LaSalle	336.8	315.1	21.7	7	4
Revenue	\$ 13,421.3	11,744.5	1,676.8	14 %	11 %
Reimbursements	(5,979.3)	(5,591.6)	387.7	7	5
Revenue before reimbursements	\$ 7,442.0	6,152.9	1,289.1	21 %	18 %
Gross contract costs	(2,066.0)	(1,963.5)	(102.5)	5	1
Net non-cash MSR and mortgage banking derivative activity	(43.5)	(21.7)	(21.8)	100	100
Fee revenue	\$ 5,332.5	4,167.7	1,164.8	28 %	25 %
Leasing	1,738.8	1,231.9	506.9	41	39
Capital Markets	1,275.7	796.3	479.4	60	57
Property & Facility Management	936.2	870.2	66.0	8	4
Project & Development Services	562.2	554.9	7.3	1	(2)
Advisory, Consulting and Other	502.4	415.0	87.4	21	16
RES fee revenue	\$ 5,015.3	3,868.3	1,147.0	30 %	27 %
LaSalle	317.2	299.4	17.8	6	3
Compensation and benefits excluding gross contract costs	\$ 3,820.3	2,963.3	857.0	29 %	26 %
Operating, administrative and other expenses excluding gross contract costs	746.6	753.2	(6.6)	(1)	(4)
Depreciation and amortization	160.3	166.8	(6.5)	(4)	(6)
Restructuring and acquisition charges	50.9	75.8	(24.9)	(33)	(33)
Total fee-based operating expenses	4,778.1	3,959.1	819.0	21	18
Gross contract costs	2,066.0	1,963.5	102.5	5	1
Total operating expenses, excluding reimbursed expenses	\$ 6,844.1	5,922.6	921.5	16 %	12 %
Operating income	\$ 597.9	230.3	367.6	160 %	157 %
Equity earnings	\$ 106.7	1.4	105.3	n.m.	n.m.
Adjusted EBITDA	\$ 874.5	442.5	432.0	98 %	95 %

Non-GAAP Financial 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:

- a. Fee revenue and Fee-based operating expenses;
- b. Adjusted EBITDA attributable to common shareholders ("Adjusted EBITDA") and Adjusted EBITDA margin; and
- c. 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 investment, 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 our 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 our treatment of directly reimbursed expenses, excluding gross contract costs from both Fee revenue and Fee-based operating expenses more accurately reflects how we manage our 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 net 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 we manage and evaluate 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, transaction and integration-related charges, including fair value adjustments, which are generally non-cash in the periods such adjustments are made, to assets and liabilities recorded in purchase accounting such as earn-out liabilities and intangible assets; and (iii) other restructuring, including 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.

Gain on Disposition reflects the gain recognized on the sale of businesses. 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. In 2021, \$12.0 million of the activity related to a business disposition within Americas and \$0.4 million related to a sold business within EMEA, while activity in 2020 related to the sale of property management businesses in continental Europe.

Reconciliation of Non-GAAP Financial Measures

Below are reconciliations of (i) Revenue to fee revenue and (ii) Operating expenses to fee-based operating expenses.

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue	\$ 4,889.2	3,978.1	\$ 13,421.3	11,744.5
Less: Reimbursements	(2,084.3)	(1,886.7)	(5,979.3)	(5,591.6)
Revenue before reimbursements	2,804.9	2,091.4	7,442.0	6,152.9
Adjustments:				
Gross contract costs	(703.9)	(659.1)	(2,066.0)	(1,963.5)
Net non-cash MSR and mortgage banking derivative activity	(28.1)	(14.7)	(43.5)	(21.7)
Fee revenue	\$ 2,072.9	1,417.6	\$ 5,332.5	4,167.7
Operating expenses	\$ 4,596.3	3,823.2	\$ 12,823.4	11,514.2
Less: Reimbursed expenses	(2,084.3)	(1,886.7)	(5,979.3)	(5,591.6)
Operating expenses, excluding reimbursed expenses	2,512.0	1,936.5	6,844.1	5,922.6
Less: Gross contract costs	(703.9)	(659.1)	(2,066.0)	(1,963.5)
Fee-based operating expenses	\$ 1,808.1	1,277.4	\$ 4,778.1	3,959.1
Operating income	\$ 292.9	154.9	\$ 597.9	230.3

Below is (i) a reconciliation of Net income attributable to common shareholders to EBITDA and Adjusted EBITDA, (ii) the Net income margin attributable to common shareholders (measured on Revenue before reimbursements), and (iii) the Adjusted EBITDA margin (measured on fee-revenue and presented on a local currency basis).

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income attributable to common shareholders	\$ 237.2	131.9	\$ 540.2	152.4
Add:				
Interest expense, net of interest income	9.6	12.3	30.6	41.8
Provision for income taxes	65.3	25.7	148.4	32.2
Depreciation and amortization	52.8	54.9	160.3	166.8
EBITDA	\$ 364.9	224.8	\$ 879.5	393.2
Adjustments:				
Restructuring and acquisition charges	15.6	33.5	50.9	75.8
Gain on disposition	(0.4)	—	(12.4)	(4.8)
Net non-cash MSR and mortgage banking derivative activity	(28.1)	(14.7)	(43.5)	(21.7)
Adjusted EBITDA	\$ 352.0	243.6	\$ 874.5	442.5
Net income margin attributable to common shareholders	8.5 %	6.3 %	7.3 %	2.5 %
Adjusted EBITDA margin	17.1 %	17.2 %	16.6 %	10.6 %

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.

The following table reflects the reconciliation to local currency amounts for consolidated (i) Revenue, (ii) Fee revenue, (iii) Operating income, and (iv) Adjusted EBITDA.

(\$ in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	% Change	2021	% Change
Revenue:				
At current period exchange rates	\$ 4,889.2	23 %	\$ 13,421.3	14 %
Impact of change in exchange rates	(54.8)	n/a	(328.5)	n/a
At comparative period exchange rates	\$ 4,834.4	22 %	\$ 13,092.8	11 %
Fee revenue:				
At current period exchange rates	\$ 2,072.9	46 %	\$ 5,332.5	28 %
Impact of change in exchange rates	(21.0)	n/a	(125.6)	n/a
At comparative period exchange rates	\$ 2,051.9	45 %	\$ 5,206.9	25 %
Operating income:				
At current period exchange rates	\$ 292.9	89 %	\$ 597.9	160 %
Impact of change in exchange rates	0.2	n/a	(7.2)	n/a
At comparative period exchange rates	\$ 293.1	89 %	\$ 590.7	157 %
Adjusted EBITDA:				
At current period exchange rates	\$ 352.0	44 %	\$ 874.5	98 %
Impact of change in exchange rates	(1.3)	n/a	(11.5)	n/a
At comparative period exchange rates	\$ 350.7	44 %	\$ 863.0	95 %

Revenue

We achieved significant third-quarter increases in consolidated RES revenue, up 22% from 2020 to \$4.8 billion, and fee revenue, up 47% from last year to \$1.9 billion. Third-quarter RES fee revenue exceeded same-quarter 2019, reflecting the continued recovery of transaction-based revenue. Growth was broad-based across all service lines and was led by Leasing (49% of RES fee revenue growth on a local currency basis) and Capital Markets (44% of RES fee revenue growth on a local currency basis), while also reflecting stability in annuity-based revenues, particularly in Americas. In addition, all geographic segments experienced growth, ranging from 15% to 68%.

Geographically across service lines, Americas contributed 86% of the RES fee revenue growth for the third quarter, on a local currency basis, with EMEA and Asia Pacific each representing approximately 7% of the growth. The following highlights the proportion of RES service line consolidated fee revenue growth, on a local currency basis, compared with the prior-year quarter, by notable segment. Refer to segment operating results for further detail.

- Leasing — Americas (89%), EMEA (6%) and Asia Pacific (5%)
- Capital Markets — Americas (80%), EMEA (12%) and Asia Pacific (8%)
- Property & Facility Management — Americas drove entire growth, partially offset by EMEA and Asia Pacific
- Project & Development Services — Americas (109%) and Asia Pacific (23%), partially offset by EMEA
- Advisory, Consulting and Other — Americas (62%), Asia Pacific (24%), and EMEA (15%)

LaSalle revenue increased 17% compared with the prior-year quarter, driven by incentive fees and growth in advisory fees, partially offset by lower transaction fees. Refer to the LaSalle segment discussion for further detail.

For the first nine months of 2021, consolidated RES revenue and fee revenue increased 12% and 27%, respectively, compared with the prior year. Leasing and Capital Markets also led the year-to-date growth contributing 48% and 44%, respectively, of the RES fee revenue growth on a local currency basis. Americas contributed 80% of the RES fee revenue growth for the first nine months, on a local currency basis. LaSalle revenue increased 4% as higher advisory and incentive fees more than offset the decline in transaction fees.

Our consolidated fee revenue increased 46% in U.S. dollars (“USD”) and 45% in local currency for the third quarter of 2021, compared with 2020. Year-to-date, consolidated fee revenue increased 28% in U.S. dollars (“USD”) and 25% in local currency compared with last year. The spreads for the third quarter and year-to-date were driven by the weakening of the U.S. dollar against several major currencies, especially the British pound sterling, euro, Australian dollar and Chinese yuan.

Operating Expenses

Consolidated operating expenses, excluding reimbursed expenses, were \$2.5 billion for the third quarter, up 28% from 2020, and \$6.8 billion for the first nine months of 2021, up 12% from 2020, while consolidated fee-based operating expenses were \$1.8 billion for the third quarter, up 39% from the prior-year quarter, and \$4.8 billion for the first nine months, up 18% from last year. For the third quarter, the increase in fee-based operating expenses was primarily attributable to the Americas, which drove 80% of the increase on a local currency basis (also 80% of the year-to-date increase). Asia Pacific and EMEA represented 12% and 11%, respectively, of the third-quarter increase (16% and 13% year to date, respectively).

Americas year-to-date results reflected a \$13.8 million non-cash reduction to loan loss credit reserves, compared with a \$30.6 million increase in reserves during the prior year.

For the third quarter and first nine months of 2021, Restructuring and acquisition charges decreased compared with the prior-year periods; refer to following table for further detail. Charges associated with the acquisition and integration of HFF included retention and severance expense, early lease termination costs, and other integration expenses; since June 30, 2021, such charges have predominantly related to the amortization of retention awards issued in conjunction with the 2019 acquisition.

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Severance and other employment-related charges	\$ 1.2	19.3	\$ 2.1	27.6
Restructuring, pre-acquisition and post-acquisition charges	14.4	14.8	47.8	56.4
Fair value adjustments that resulted in a net increase (decrease) to earn-out liabilities from prior-period acquisition activity	—	(0.6)	1.0	(8.2)
Total restructuring & acquisition charges	\$ 15.6	33.5	\$ 50.9	75.8
Portion of total restructuring & acquisition charges related to the acquisition and integration of HFF	\$ 6.6	13.8	\$ 30.5	55.2

Equity Earnings

For the third quarter of 2021, we recognized equity earnings of \$17.4 million, compared with \$15.0 million in the prior-year quarter. For the first nine months of 2021, we recognized equity earnings of \$106.7 million, compared with \$1.4 million in 2020.

Valuation increases of JLL Technologies' investments contributed \$7.3 million this quarter and \$58.2 million year to date, reflecting continued progress in the strategy to invest in early-stage proptech companies, compared with \$4.3 million and \$6.8 million in the respective prior-year periods; refer to the Americas segment discussion for additional detail. In addition, substantially all of the \$12.7 million of first-quarter 2020 equity earnings in the Americas segment were attributable to gains by consolidated variable interest entities in which we held no equity interest; these gains are also reflected in net income attributable to noncontrolling interest and, therefore, have no impact to net income attributable to common shareholders.

LaSalle recognized \$8.4 million of equity earnings in third-quarter 2021 (\$44.7 million of year-to-date equity earnings), compared with \$8.5 million in the prior-year quarter (\$20.5 million of equity losses in the first nine months of 2020). Refer to the LaSalle segment discussion for additional detail.

Income Taxes

The provision for income taxes was \$65.3 million and \$148.4 million for the three and nine months ended September 30, 2021, respectively, representing an effective tax rate of 21.6% for both periods. For the three and nine months ended September 30, 2020, the provision was \$25.7 million and \$32.2 million, respectively, representing effective tax rates of 16.0% and 16.2%, respectively. The lower effective tax rates in 2020 reflected comparatively lower pretax earnings as a result of the impact of the pandemic as well as the geographic distribution of the earnings.

Net Income and Adjusted EBITDA

Net income attributable to common shareholders for the three and nine months ended September 30, 2021 was \$237.2 million and \$540.2 million, respectively, compared with \$131.9 million and \$152.4 million in the respective prior-year periods. Adjusted EBITDA was \$352.0 million and \$874.5 million for the third quarter and first nine months of 2021, respectively. Net income attributable to common shareholders for the nine months ended September 30, 2021 included a \$12.0 million gain recognized on the sale of a business as part of a broader investment made in Roofstock, a marketplace for investing in the single-family rental sector. This gain on sale is excluded from adjusted measures.

Net income margin attributable to common shareholders for the third quarter (against Revenue before reimbursements) was 8.5%, compared with 6.3% in the prior-year quarter. Adjusted EBITDA margin for the third quarter, calculated on a fee-revenue basis, was 17.0% in USD (17.1% in local currency), compared with 17.2% in 2020. The 20 basis point net reduction in margin was primarily due to (i) the expected reduction of certain non-permanent cost savings from 2020 (including government relief programs) and (ii) incremental investments in people and technology, substantially offset by the significant increase in revenue, particularly from higher margin transaction-based service lines.

Segment Operating Results

We manage and report our operations as four business segments. Our three geographic RES segments include Americas, EMEA and Asia Pacific. Our fourth segment is LaSalle, our investment management business.

Each geographic region offers our full range of real estate services, including tenant representation and agency leasing, capital markets, property management, facility management, project and development services, and advisory, consulting and valuation services. We consider "property management" to be services provided to non-occupying property investors and "facility management" to be services provided to owner-occupiers. LaSalle provides investment management services to institutional investors and high-net-worth individuals.

For segment reporting, (i) gross contract costs and (ii) net non-cash MSR and mortgage banking derivative activity are both excluded from revenue in determining "fee revenue". Gross contract costs are excluded from operating expenses in determining "fee-based operating expenses." In addition, our measure of segment results also excludes Restructuring and acquisition charges.

Americas - Real Estate Services

(\$ in millions)	Three Months Ended September 30,		Change in		% Change
	2021	2020	U.S. dollars		in Local Currency
Revenue	\$ 3,083.2	2,380.8	702.4	30 %	29 %
Reimbursements	(1,525.9)	(1,389.6)	(136.3)	10	9
Revenue before reimbursements	\$ 1,557.3	991.2	566.1	57 %	57 %
Gross contract costs	(227.0)	(202.8)	(24.2)	12	11
Net non-cash MSR and mortgage banking derivative activity	(28.1)	(14.7)	(13.4)	91	91
Fee Revenue	\$ 1,302.2	773.7	528.5	68 %	68 %
Leasing	582.6	313.6	269.0	86	85
Capital Markets	392.6	175.5	217.1	124	123
Property & Facility Management	160.9	149.6	11.3	8	7
Project & Development Services	101.0	88.7	12.3	14	14
Advisory, Consulting and Other	65.1	46.3	18.8	41	40
Compensation, operating and administrative expenses excluding gross contract costs	\$ 1,019.1	616.8	402.3	65 %	65 %
Depreciation and amortization	33.2	36.4	(3.2)	(9)	(9)
Segment fee-based operating expenses (excluding restructuring and acquisition charges)	1,052.3	653.2	399.1	61	61
Gross contract costs	227.0	202.8	24.2	12	11
Segment operating expenses (excluding reimbursed expenses)	\$ 1,279.3	856.0	423.3	49 %	49 %
Equity earnings	\$ 7.6	4.8	2.8	58 %	60 %
Segment income	\$ 285.6	140.0	145.6	104 %	104 %
Adjusted EBITDA	\$ 291.7	161.9	129.8	80 %	80 %

Americas - Real Estate Services (continued)

(\$ in millions)	Nine Months Ended September 30,		Change in		% Change
	2021	2020	U.S. dollars		in Local Currency
Revenue	\$ 8,228.6	7,132.9	1,095.7	15 %	15 %
Reimbursements	(4,323.9)	(4,128.1)	(195.8)	5	4
Revenue before reimbursements	\$ 3,904.7	3,004.8	899.9	30 %	30 %
Gross contract costs	(663.1)	(607.9)	(55.2)	9	8
Net non-cash MSR and mortgage banking derivative activity	(43.5)	(21.7)	(21.8)	100	100
Fee revenue	\$ 3,198.1	2,375.2	822.9	35 %	34 %
Leasing	1,407.1	986.2	420.9	43	42
Capital Markets	888.3	553.6	334.7	60	60
Property & Facility Management	461.6	425.6	36.0	8	8
Project & Development Services	274.8	273.2	1.6	1	—
Advisory, Consulting and Other	166.3	136.6	29.7	22	21
Compensation, operating and administrative expenses excluding gross contract costs	\$ 2,562.4	2,027.3	535.1	26 %	26 %
Depreciation and amortization	100.6	112.9	(12.3)	(11)	(11)
Segment fee-based operating expenses (excluding restructuring and acquisition charges)	2,663.0	2,140.2	522.8	24	24
Gross contract costs	663.1	607.9	55.2	9	8
Segment operating expenses (excluding reimbursed expenses)	\$ 3,326.1	2,748.1	578.0	21 %	21 %
Equity earnings	\$ 58.6	20.4	38.2	187 %	188 %
Segment income	\$ 637.2	277.1	360.1	130 %	129 %
Adjusted EBITDA	\$ 696.6	357.2	339.4	95 %	94 %

Year-to-date and quarter-to-date revenue and fee revenue expansion in the Americas was driven by transaction-based revenues, with third-quarter fee revenue outpacing the same period in 2019. The growth in Leasing was driven by both higher transaction volumes and an increase in deal size in the U.S., with strong momentum in office, industrial and retail sectors in certain markets. Capital Markets more than doubled the prior-year quarter's fee revenue for the second consecutive quarter, reflecting increased deal activity across investment sales, debt advisory and equity advisory, as well as a 35% increase in third-quarter servicing revenue from the multifamily business (25% year to date). Valuation Advisory and JLL Technologies Solutions led the increase in Advisory, Consulting and Other. Solid growth in Property & Facility Management was driven by new client wins and was particularly notable given the prior-year quarter grew 24% over 2019.

Equity earnings for the third quarter and first nine months of 2021 were attributable to valuation increases of JLL Technologies' investments in early-stage proptech entities. In the prior year, substantially all of the \$12.7 million first-quarter equity earnings were attributable to gains by consolidated variable interest entities in which the company held no equity interest; therefore, these gains had no net impact to Adjusted EBITDA.

The increases in segment operating expenses and segment fee-based operating expenses for the third quarter and first nine months of 2021, compared with the prior-year periods, were driven by revenue-related expense growth and the expected reduction of certain non-permanent cost savings from prior year (including the benefit related to government relief programs recognized in 2020).

Adjusted EBITDA margin for the quarter, calculated on a fee-revenue basis, was 22.4% in USD and local currency, compared with 20.9% in 2020. The margin expansion was primarily driven by transaction-based revenue growth, mostly offset by the above-noted expected reduction of certain prior-year cost savings, and incremental investments in people and technology.

EMEA - Real Estate Services

(\$ in millions)	Three Months Ended September 30,		Change in		% Change
	2021	2020	U.S. dollars		in Local Currency
Revenue	\$ 830.0	743.8	86.2	12 %	8 %
Reimbursements	(185.5)	(149.1)	(36.4)	24	20
Revenue before reimbursements	\$ 644.5	594.7	49.8	8 %	5 %
Gross contract costs	(259.3)	(270.1)	10.8	(4)	(8)
Fee revenue	\$ 385.2	324.6	60.6	19 %	15 %
Leasing	76.3	56.6	19.7	35	32
Capital Markets	105.0	69.1	35.9	52	47
Property & Facility Management	77.5	76.9	0.6	1	(4)
Project & Development Services	65.8	68.1	(2.3)	(3)	(5)
Advisory, Consulting and Other	60.6	53.9	6.7	12	8
Compensation, operating and administrative expenses excluding gross contract costs	\$ 385.2	317.5	67.7	21 %	17 %
Depreciation and amortization	10.3	9.8	0.5	5	1
Segment fee-based operating expenses (excluding restructuring and acquisition charges)	395.5	327.3	68.2	21	17
Gross contract costs	259.3	270.1	(10.8)	(4)	(8)
Segment operating expenses (excluding reimbursed expenses)	\$ 654.8	597.4	57.4	10 %	6 %
Equity earnings	\$ —	0.8	(0.8)	(100)%	(100) %
Segment loss	\$ (10.3)	(1.9)	(8.4)	(442)%	(411) %
Adjusted EBITDA	\$ 1.0	7.7	(6.7)	(87)%	(88) %

EMEA - Real Estate Services (continued)

(\$ in millions)	Nine Months Ended September 30,		Change in		% Change
	2021	2020	U.S. dollars		in Local Currency
Revenue	\$ 2,356.0	2,125.9	230.1	11 %	3 %
Reimbursements	(516.4)	(500.7)	(15.7)	3	(4)
Revenue before reimbursements	\$ 1,839.6	1,625.2	214.4	13 %	6 %
Gross contract costs	(769.3)	(722.1)	(47.2)	7	(1)
Fee revenue	\$ 1,070.3	903.1	167.2	19 %	11 %
Leasing	196.9	149.1	47.8	32	24
Capital Markets	267.9	184.2	83.7	45	36
Property & Facility Management	238.4	221.0	17.4	8	—
Project & Development Services	189.2	193.0	(3.8)	(2)	(7)
Advisory, Consulting and Other	177.9	155.8	22.1	14	7
Compensation, operating and administrative expenses excluding gross contract costs	\$ 1,083.9	931.7	152.2	16 %	9 %
Depreciation and amortization	32.2	28.0	4.2	15	7
Segment fee-based operating expenses (excluding restructuring and acquisition charges)	1,116.1	959.7	156.4	16	9
Gross contract costs	769.3	722.1	47.2	7	(1)
Segment operating expenses (excluding reimbursed expenses)	\$ 1,885.4	1,681.8	203.6	12 %	5 %
Equity earnings	\$ —	0.8	(0.8)	(100)%	(100) %
Segment loss	\$ (45.8)	(55.8)	10.0	18 %	20 %
Adjusted EBITDA	\$ (12.6)	(26.6)	14.0	53 %	43 %

EMEA's revenue and fee revenue growth for the third quarter was led by transaction-based revenue, reflecting the continued recovery in several geographies, particularly those with higher COVID-19 vaccination rates. Notably, Capital Markets and Leasing together exceeded same-quarter 2019 fee revenue performance for the second consecutive quarter. The continued growth in Capital Markets reflected higher deal volumes, particularly in industrial, residential and office sectors, compared with the prior-year quarter. The increase in Leasing revenue was driven by transaction volume increases primarily in office and industrial as average deal size for office remains below pre-pandemic levels. In addition, Valuation Advisory again led the growth in Advisory, Consulting and Other. Geographically across service lines, EMEA fee revenue growth for the quarter was led by the UK and Germany. Year-to-date revenue and fee revenue growth for EMEA was also driven by transaction-based revenues and the service lines had drivers consistent with the quarterly commentary above. Geographically across service lines, EMEA year-to-date fee revenue growth was led by the UK, France, Switzerland and Spain.

The increases in segment operating expenses and segment fee-based operating expenses, compared with the prior-year quarter, were primarily due to revenue-related expense growth and the expected reduction of certain non-permanent cost savings from prior year (including the benefit related to government relief programs recognized in 2020).

Adjusted EBITDA margin for the quarter, calculated on a fee-revenue basis, was 0.3% in USD (0.2% in local currency), compared with 2.4% in the prior-year quarter. The decline in margin was driven by the above-noted impact of prior-year cost savings as well as incremental investments in people and technology, partially offset by the increase in higher margin transaction-based revenue.

Asia Pacific - Real Estate Services

(\$ in millions)	Three Months Ended September 30,		Change in		% Change
	2021	2020	U.S. dollars		in Local Currency
Revenue	\$ 846.2	743.2	103.0	14 %	12 %
Reimbursements	(371.2)	(347.2)	(24.0)	7	5
Revenue before reimbursements	\$ 475.0	396.0	79.0	20 %	18 %
Gross contract costs	(212.9)	(182.5)	(30.4)	17	15
Fee revenue	\$ 262.1	213.5	48.6	23 %	20 %
Leasing	58.4	42.7	15.7	37	33
Capital Markets	40.3	18.2	22.1	121	119
Property & Facility Management	75.3	75.9	(0.6)	(1)	(2)
Project & Development Services	34.2	31.2	3.0	10	8
Advisory, Consulting and Other	53.9	45.5	8.4	18	16
Compensation, operating and administrative expenses excluding gross contract costs	\$ 235.1	171.7	63.4	37 %	35 %
Depreciation and amortization	7.5	6.9	0.6	9	8
Segment fee-based operating expenses (excluding restructuring and acquisition charges)	242.6	178.6	64.0	36	34
Gross contract costs	212.9	182.5	30.4	17	15
Segment operating expenses (excluding reimbursed expenses) \$	455.5	361.1	94.4	26 %	24 %
Equity earnings	\$ 1.4	0.9	0.5	56 %	40 %
Segment income	\$ 20.9	35.8	(14.9)	(42)%	(44) %
Adjusted EBITDA	\$ 28.3	42.7	(14.4)	(34)%	(36) %

Asia Pacific - Real Estate Services (continued)

(\$ in millions)	Nine Months Ended September 30,		Change in		% Change
	2021	2020	U.S. dollars		in Local Currency
Revenue	\$ 2,499.9	2,170.6	329.3	15 %	9 %
Reimbursements	(1,133.4)	(959.1)	(174.3)	18	11
Revenue before reimbursements	\$ 1,366.5	1,211.5	155.0	13 %	7 %
Gross contract costs	(619.6)	(621.5)	1.9	—	(4)
Fee revenue	\$ 746.9	590.0	156.9	27 %	20 %
Leasing	134.8	96.6	38.2	40	33
Capital Markets	119.5	58.5	61.0	104	92
Property & Facility Management	236.2	223.6	12.6	6	—
Project & Development Services	98.2	88.7	9.5	11	5
Advisory, Consulting and Other	158.2	122.6	35.6	29	21
Compensation, operating and administrative expenses excluding gross contract costs	\$ 652.7	512.8	139.9	27 %	21 %
Depreciation and amortization	22.4	20.5	1.9	9	5
Segment fee-based operating expenses (excluding restructuring and acquisition charges)	675.1	533.3	141.8	27	20
Gross contract costs	619.6	621.5	(1.9)	—	(4)
Segment operating expenses (excluding reimbursed expenses)	\$ 1,294.7	1,154.8	139.9	12 %	7 %
Equity earnings	\$ 3.4	0.7	2.7	386 %	334 %
Segment income	\$ 75.2	57.4	17.8	31 %	20 %
Adjusted EBITDA	\$ 97.5	78.2	19.3	25 %	15 %

Asia Pacific's double-digit fee revenue increase for the third quarter and first nine months of 2021 reflected the ongoing rebound in transaction-based revenue. A continued increase in large-deal transactions across nearly all asset classes, most notably in Australia (for the quarter and year to date), Japan (for the quarter) and Singapore (for the first nine months), drove revenue expansion in Capital Markets. Growth in Leasing for the quarter and first nine months was led by Greater China and Australia, extending the momentum in office and industrial. Significant business growth continued in Valuation Advisory, predominantly in Australia, which led to the fee revenue increase in Advisory, Consulting and Other for both the third quarter and year to date.

Higher segment operating expenses for the third quarter and first nine months of 2021 and fee-based operating expenses for the third quarter and first nine months of 2021, compared with respective prior-year periods, were primarily attributable to revenue-related expense increases and the expected reduction of certain non-permanent cost savings from prior year (including the benefit related to government relief programs recognized in 2020).

Adjusted EBITDA margin for the third quarter, calculated on a fee-revenue basis, was 10.8% in USD (10.7% in local currency), compared with 20.0% last year. The margin decline was attributable to the above-noted impact of prior-year cost savings as well as incremental investments in people and technology, partially offset by the increase in higher-margin transaction-based revenue.

LaSalle

(\$ in millions)	Three Months Ended September 30,		Change in		% Change
	2021	2020	U.S. dollars		in Local Currency
Revenue	\$ 129.8	110.3	19.5	18 %	17 %
Reimbursements	(1.7)	(0.8)	(0.9)	113	113
Revenue before reimbursements	\$ 128.1	109.5	18.6	17 %	16 %
Gross contract costs	(4.7)	(3.7)	(1.0)	27	27
Fee Revenue	\$ 123.4	105.8	17.6	17 %	16 %
Advisory fees	92.8	81.0	11.8	15	13
Transaction fees & other	8.3	16.8	(8.5)	(51)	(51)
Incentive fees	22.3	8.0	14.3	179	184
Compensation, operating and administrative expenses excluding gross contract costs	\$ 100.3	83.0	17.3	21 %	20 %
Depreciation and amortization	1.8	1.8	—	—	(3)
Segment fee-based operating expenses (excluding restructuring and acquisition charges)	102.1	84.8	17.3	20	19
Gross contract costs	4.7	3.7	1.0	27	27
Segment operating expenses (excluding reimbursed expenses)	\$ 106.8	88.5	18.3	21 %	19 %
Equity earnings	\$ 8.4	8.5	(0.1)	(1)%	(2) %
Segment income	\$ 29.7	29.5	0.2	1 %	1 %
Adjusted EBITDA	\$ 31.0	31.3	(0.3)	(1)%	— %

LaSalle (continued)

(\$ in millions)	Nine Months Ended September 30,		Change in		% Change
	2021	2020	U.S. dollars		in Local Currency
Revenue	\$	336.8	315.1	21.7	7 %
Reimbursements		(5.6)	(3.7)	(1.9)	51
Revenue before reimbursements	\$	331.2	311.4	19.8	6 %
Gross contract costs		(14.0)	(12.0)	(2.0)	17
Fee revenue	\$	317.2	299.4	17.8	6 %
Advisory fees		257.0	239.5	17.5	7
Transaction fees & other		22.7	32.0	(9.3)	(29)
Incentive fees		37.5	27.9	9.6	34
Compensation, operating and administrative expenses excluding gross contract costs	\$	267.9	244.7	23.2	9 %
Depreciation and amortization		5.1	5.4	(0.3)	(6)
Segment fee-based operating expenses (excluding restructuring and acquisition charges)		273.0	250.1	22.9	9
Gross contract costs		14.0	12.0	2.0	17
Segment operating expenses (excluding reimbursed expenses)	\$	287.0	262.1	24.9	10 %
Equity earnings (losses)	\$	44.7	(20.5)	65.2	318 %
Segment income	\$	88.9	28.8	60.1	209 %
Adjusted EBITDA	\$	93.0	33.7	59.3	176 %

LaSalle advisory fee growth for the third quarter and first nine months of 2021 was led by core open-end funds, a result of recent capital raising and valuation increases in assets under management ("AUM"), as well as a recently launched fund in Asia Pacific. Fees related to a secondary offering for a LaSalle-managed publicly traded REIT in Japan in the third quarter of 2020, which did not recur this year, primarily drove the decline in transaction fees. The increase in incentive fees was due to real estate dispositions on behalf of clients in Asia Pacific and continental Europe.

Equity earnings in the first nine months of 2021 were driven by increases to the estimated fair value of underlying real estate investments within LaSalle's co-investment portfolio across asset classes and geographies. For the first nine months of 2020, equity losses were largely driven by the pandemic's impact on real estate prices which drove lower estimated fair values within the portfolio.

The increases in segment operating expenses and segment fee-based operating expenses for the current quarter, compared with the prior-year quarter, were primarily driven by compensation expense related to the higher incentive fees and deferred variable compensation expenses associated with the run-off of a previous compensation program.

Adjusted EBITDA margin for the third quarter was 25.1% in USD (25.4% local currency), compared with 29.5% last year. The decline in margin was primarily attributable to incremental investments in people and technology as well as the deferred compensation impact noted above, partially offset by higher incentive fees.

AUM reached a record \$74.7 billion as of September 30, 2021, an increase of 2% in both USD and local currency from \$73.4 billion as of June 30, 2021. The AUM increase resulted from (i) \$1.7 billion of net valuation increases, (ii) \$1.5 billion of acquisitions and (iii) \$0.2 billion of foreign currency increases, partially offset by (iv) \$2.1 billion of dispositions and withdrawals.

LIQUIDITY AND CAPITAL RESOURCES

We finance our operations, co-investment activity, share repurchases, capital expenditures and business acquisitions with internally generated funds, borrowings on our Facility, and through issuance of Long-term debt.

Cash Flows from Operating Activities

Operating activities provided \$210.3 million of cash in the first nine months of 2021, compared with \$363.1 million of cash provided by operating activities during the same period in 2020. The decrease in cash provided was primarily due to a significant increase in trade receivables, reflecting higher year-over-year third-quarter revenue this year, as well as the timing of payments related to taxes and other government obligations. This was partially offset by (i) less incentive compensation paid in 2021 compared with 2020, reflecting our performance in 2020 compared with 2019, and (ii) higher cash provided by earnings in 2021, driven by a substantial increase in net income.

Cash Flows from Investing Activities

We used \$316.0 million of cash for investing activities during the first nine months of 2021, as compared to \$124.2 million used during the same period in 2020. The increase in cash used was driven by (i) incremental JLL Technologies investments in early-stage proptech companies, (ii) an increase in net capital contributions to real estate ventures, (iii) acquisitions in investment properties (less than wholly-owned), and (iv) business acquisitions. We discuss these key drivers individually below in further detail.

Cash Flows from Financing Activities

Financing activities provided \$39.3 million of cash during the first nine months of 2021, as compared to \$243.8 million used by financing activities during the same period in 2020. The net increase of \$283.1 million in cash inflows from financing activities is substantially driven by an increase in borrowings on our Facility. This increase resulted from lower cash inflows for operating activities and higher cash outflows from investing activities as discussed above, as well as incremental share repurchases and higher payments of deferred acquisition-related obligations.

Debt

Our \$2.75 billion Facility matures on April 14, 2026. As of September 30, 2021, we had outstanding borrowings under the Facility of \$225.0 million and outstanding letters of credit of \$0.7 million. As of December 31, 2020, we had no outstanding borrowings under the Facility and outstanding letters of credit of \$0.7 million. The average outstanding borrowings under the Facility were \$497.1 million and \$758.9 million during the three months ended September 30, 2021 and 2020, respectively, and \$432.5 million and \$1,014.3 million during the nine months ended September 30, 2021 and 2020.

In addition to our Facility, we had the capacity to borrow up to \$57.0 million under local overdraft facilities as of September 30, 2021. We had Short-term borrowings (including financing lease obligations, overdrawn bank accounts and local overdraft facilities) of \$117.6 million and \$62.0 million as of September 30, 2021 and December 31, 2020, respectively, of which \$13.0 million and \$12.0 million, respectively, were attributable to local overdraft facilities.

We will continue to use the Facility for working capital needs (including payment of accrued incentive compensation), co-investment activities, share repurchases, capital expenditures and acquisitions. See Note 9, Debt, in the Notes to Condensed Consolidated Financial Statements for additional information on our Facility, Long-term debt and Short-term borrowings.

Investment Activity

As of September 30, 2021, we had a carrying value of \$646.6 million in investments, primarily related to LaSalle co-investments in real estate ventures and investments by JLL Technologies in early-stage proptech companies. For the nine months ended September 30, 2021, and 2020, funding of investments exceeded return of capital by \$93.2 million and \$32.7 million, respectively. We expect continued investments by JLL Technologies as well as strategic co-investment opportunities with our investment management clients globally as co-investment remains an important foundation to the continued growth of LaSalle's business.

See Note 6, Investments in Real Estate Ventures, in the Notes to Condensed Consolidated Financial Statements for additional information on our investment activity. In addition, JLL Technologies funded a \$45.0 million convertible note to Turntide Technologies in the second quarter of 2021. This activity is included within "Other" in the cash flows from investing activities and primarily included in Long-term receivables on the Condensed Consolidated Balance Sheet.

Share Repurchase and Dividend Programs

On February 21, 2021, our Board of Directors authorized an additional \$500.0 million for the repurchase of our common stock in the open market and privately negotiated transactions in addition to the \$100.0 million remaining from the initial authorization. The number of shares repurchased and cash paid for repurchases is noted in the following table.

(\$'s in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Total number of shares repurchased (in 000's)	658.9	258.0	858.9	446.0
Total paid for shares repurchased	\$ 149.9	25.0	\$ 191.0	50.0

As of September 30, 2021, \$409.0 million remained authorized for repurchases under our share repurchase program.

Capital Expenditures

Net capital additions for the nine months ended September 30, 2021 and 2020, were \$111.6 million and \$112.5 million, respectively. Our capital expenditures in 2021 were primarily for leased office space improvements, purchased/developed software and hardware.

Investment Asset Activity of Consolidated Less Than Wholly-Owned Entities

Net capital additions made by consolidated VIEs in which we held no equity interest for the nine months ended September 30, 2021 and 2020, were \$53.8 million and \$10.2 million, respectively, primarily to acquire real estate (net of real estate sales). The funding for these investments (largely from employee-investors and related third-party debt) is included within financing activities.

Business Acquisitions

During the nine months ended September 30, 2021, we paid \$104.7 million for business acquisitions. This included \$22.2 million of payments relating to acquisitions in 2021 and \$82.5 million for deferred business acquisition and earn-out obligations related to acquisitions completed in prior years, which are primarily reflected in cash flows from financing activities.

Terms for many of our past acquisitions have typically included cash paid at closing with provisions for additional deferred consideration and earn-out payments subject to certain contract requirements, including the passage of time and performance, respectively. Deferred business acquisition obligations totaled \$22.1 million as of September 30, 2021. These obligations represent the current discounted values of payments due to sellers of businesses for which our acquisition had been completed as of the balance sheet date and for which the only remaining condition on those payments is the passage of time. As of September 30, 2021, we had the potential to make earn-out payments for a maximum of \$119.1 million on 21 completed acquisitions subject to the achievement of certain performance conditions. Refer to Note 5, Business Combinations, Goodwill and Other Intangible Assets, in the Notes to the Condensed Consolidated Financial Statements for further information on Business Acquisitions.

We will continue to consider acquisitions that we believe will strengthen our market position, increase our profitability, and supplement our organic growth.

Repatriation of Foreign Earnings

Based on our historical experience and future business plans, we do not expect to repatriate our foreign-sourced earnings to the United States. We believe our policy of permanently investing earnings of foreign subsidiaries does not significantly impact our liquidity. As of September 30, 2021 and December 31, 2020, we had total cash and cash equivalents of \$535.9 million and \$574.3 million, respectively, of which approximately \$422.3 million and \$445.2 million, respectively, was held by foreign subsidiaries.

Restricted Net Assets

We face regulatory restrictions in certain countries that limit or prevent the transfer of funds to other countries or the exchange of the local currency to other currencies. However, we generally face no such restrictions with regard to the use or application of funds for ordinary course business activities within such countries. The assets of these countries aggregated to approximately 4% of our total assets as of both September 30, 2021 and December 31, 2020.

Off-Balance Sheet Arrangements

We have unfunded capital commitments to investment vehicles and direct investments for future co-investments, totaling a maximum of \$315.9 million as of September 30, 2021. See our discussion of unfunded commitments in Note 6, Investments in Real Estate Ventures, in the Notes to Condensed Consolidated Financial Statements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, contains "forward-looking statements" within the meaning of the federal securities laws. All such statements are qualified by this cautionary note, which is provided pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may also be included in our other public filings, press releases, our website, and oral and written presentations by management.

Statements in the future tense, and all statements accompanied by terms such as "believe," "project," "expect," "estimate," "assume," "intend," "anticipate," "target," "plan" and variations thereof and similar terms, are intended to be forward-looking statements. Such statements do not relate strictly to historical or current facts as they relate to our intent, belief and current expectations about our strategic direction, prospects and future results, and give our current expectations or forecasts of future events. This includes, but is not limited to, our expectations regarding the potential impact of the COVID-19 pandemic and the efficacy of vaccines and therapeutics on reducing the spread of the virus, as well as any further impacts to us, the economy as a whole, and/or related government and regulatory restrictions issued to combat the global pandemic, including any adverse changes in such restrictions that may impact us. Management believes that these forward-looking statements are reasonable as and when made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made.

Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or anticipated results. These risks and uncertainties are described in our Annual Report on Form 10-K for the year ended December 31, 2020 in Part I, Item 1A. Risk Factors and in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, and may also be described from time to time in our subsequent filings with the Securities and Exchange Commission. You should consider the limitations on, and risks associated with, forward-looking statements and not unduly rely on the accuracy of predictions contained in such forward-looking statements. We do not undertake any obligation to update forward-looking statements to reflect events, circumstances, changes in expectations or the occurrence of unanticipated events after the date of those statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk**MARKET AND OTHER RISK FACTORS****Interest Rates**

We assess interest rate sensitivity to estimate the potential effect of rising short-term interest rates on our variable-rate debt. If short-term interest rates were 50 basis points higher during 2021 on our variable-rate debt, our results would reflect an increase of \$1.6 million to Interest expense, net of interest income, for the nine months ended September 30, 2021.

Foreign Exchange

The following outlines the significant functional currencies of our revenue, highlighting where exposure to movements in foreign exchange impact our operations in international markets.

	Nine Months Ended September 30,	
	2021	2020
British Pound	9 %	8 %
Euro	7	8
Australian dollar	6	5
Other ⁽¹⁾	20	21
Revenue exposed to foreign exchange rates	42 %	42 %
United States dollar	58	58
Total Revenue	100 %	100 %

(1) No other functional currency exceeds 5% of total revenues.

To show the impact foreign currencies have on our results of operations, we present the change in local currency for revenue and operating expenses on a consolidated basis and by operating segment in Management's Discussion and Analysis of Financial Condition and Results of Operations included herein. For additional detail of the impact of foreign exchange rates on our results of operations, see Management's Discussion and Analysis of Financial Condition and Results of Operations included herein.

We enter into forward foreign currency exchange contracts to manage currency risks associated with intercompany lending and cash management practices. See Note 8, Fair Value Measurements, in the Notes to the Condensed Consolidated Financial Statements for further discussion of our forward contracts.

Item 4. Controls and Procedures

The Company has established disclosure controls and procedures to ensure material information relating to the Company, including its consolidated subsidiaries, is made known to the officers who certify the Company's financial reports and to the other members of senior management and the Board of Directors.

Under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded our disclosure controls and procedures were effective as of the end of the period covered by this report. There were no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2021, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. Other Information**Item 1. Legal Proceedings**

We are a defendant or plaintiff in various litigation matters arising in the ordinary course of business, some of which involve claims for damages that are substantial in amount. Many of these litigation matters are covered by insurance (including insurance provided through a captive insurance company), although they may nevertheless be subject to large deductibles and the amounts being claimed may exceed the available insurance. Although we cannot determine the ultimate liability for these matters based upon information currently available, we believe the ultimate resolution of such claims and litigation will not have a material adverse effect on our financial position, results of operations or liquidity.

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, 2020.

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

The following table provides information about our purchases of equity securities that are registered by us pursuant to Section 12 of the Exchange Act during the quarter ended September 30, 2021:

Period	Total number of shares purchased	Weighted average price paid per share	Total number of shares purchased as part of publicly announced plan	Approximate dollar value of shares that may yet be purchased under the plan (in millions)
July 1, 2021 - July 31, 2021	284,100	\$ 208.32	284,100	\$ 499.7
August 1, 2021 - August 31, 2021	313,000	\$ 242.02	313,000	\$ 424.0
September 1, 2021 - September 30, 2021	61,800	\$ 242.57	61,800	\$ 409.0
Total	658,900		658,900	

Item 6. Exhibits

Exhibit Number	Description
31.1 *	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2 *	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 *	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Filed herewith

Signature

Pursuant to the requirements of Section 13 or 15(d) 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, on the 3rd day of November, 2021.

JONES LANG LASALLE INCORPORATED

By: /s/ Karen Brennan
Karen Brennan
Chief Financial Officer
(Authorized Officer and Principal Financial Officer)

CERTIFICATION

I, Christian Ulbrich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Jones Lang LaSalle Incorporated;
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 (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 functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2021

/s/ Christian Ulbrich

Christian Ulbrich
Chief Executive Officer and President

CERTIFICATION

I, Karen Brennan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Jones Lang LaSalle Incorporated;
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 (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 functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2021

/s/ Karen Brennan

Karen Brennan
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 Jones Lang LaSalle Incorporated (the "Company") on Form 10-Q for the period ending September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christian Ulbrich, 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 result of operations of the Company.

Date: November 3, 2021

/s/ Christian Ulbrich

Christian Ulbrich
Chief Executive Officer and President

**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 Jones Lang LaSalle Incorporated (the "Company") on Form 10-Q for the period ending September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Karen Brennan, 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 result of operations of the Company.

Date: November 3, 2021

/s/ Karen Brennan

Karen Brennan
Chief Financial Officer
