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JLL.N - Q3 2021 Jones Lang LaSalle Inc Earnings Call

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OVERVIEW:

Co. reported 3Q21 consolidated revenue of $4.9b, adjusted net income of $237m and adjusted diluted EPS of $4.56.

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PRESENTATION

Operator

Good morning. And at this time, I would like to welcome everyone to the Jones Lang LaSalle, Inc. Third Quarter Earnings Conference Call. For your information, this conference call is being recorded. (Operator Instructions)

I would now like to turn the conference over to Chris Stent, Executive Managing Director of Investor Relations. Please go ahead.

Christopher D. Stent - *Jones Lang LaSalle Incorporated - Executive MD of IR & Corporate Finance*

Thank you, and good morning. Welcome to our third quarter 2021 conference call for Jones Lang LaSalle, Inc. Earlier this morning, we issued our earnings release, which is available on the Investor Relations section of our website, along with the slide presentation intended to supplement our prepared remarks. Please visit ir.jll.com.

During the call, we will reference certain non-GAAP financial measures, which we believe provide useful information for investors. We include reconciliations of non-GAAP financial measures to GAAP in our earnings release and presentation. As a reminder, today's call is being webcast live and recorded. A transcript of this conference call will also be posted on our website. Any statements made about future results and performance, plans, expectations and objectives are forward-looking statements.

Actual results and performance may differ from those forward-looking statements as a result of factors discussed in the annual report on Form 10-K of the fiscal year ended December 31, 2020, and in other reports filed with the SEC. The company disclaims any undertaking to publicly update or revise any forward-looking statements.

I will now turn the call over to Christian Ulbrich, our President and Chief Executive Officer, for opening remarks.

Christian Ulbrich - *Jones Lang LaSalle Incorporated - Chairman of Global Executive Board, President, CEO & Director*

Thank you, Chris. Hello, and thank you all for joining our third quarter earnings call. While the operating environment remains dynamic, I am pleased to report that the recovery we have seen over the past several quarters continues to accelerate and resulted in another quarter of strong performance. Our outstanding service orientation and the constant flow of product innovation are important drivers of the impressive results, and I must again extend my appreciation for our employees' dedication.

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Last month, we announced the agreement to acquire Building Engines, our U.S. market-leading building operations technology platform that transforms how properties are run. It provides exceptional experiences for operators and tenants and improves the net operating income across some of the most successful commercial real estate portfolios. This strategic acquisition enables JLL to leverage Building Engines' open platform to create a comprehensive ecosystem of building operations applications. I'm extremely excited about the growth opportunities. This acquisition will provide across our entire business as we expand buildings engines client space more widely. A number of Building Engines applications already integrate with JLL Technologies robust technology product portfolio giving our clients an industry-leading solution for all of their building operation needs.

As I mentioned last quarter, the hybrid workplace transformation as we emerge from the pandemic will drive technology demand across the entire real estate ecosystem. This acquisition, in addition to our announced acquisition of Skyline AI reaffirms our commitment to ensuring that we are at the forefront of providing our clients with the most relevant technology for their real estate needs.

Turning to the market environment. We continue to witness generally improving conditions although not uniformly as the lingering effects of the pandemic and recent surge of the delta variant has had different impacts to economies, especially across Asia Pacific, markets are still faced with wide-ranging travel restrictions and local regulations, which prevents people from working at their offices and meeting with clients in person.

JLL research reports that overall sentiment and activity has continued to improve upon the momentum recorded in the first half of this year, as quarterly global leasing volumes were 39% higher than a year ago. However, volumes are still 25% below Q3 2019, illustrating a continued significant road to recovery. Across all 3 regions, quarterly market leasing volumes are below where they were in 2019 and with the U.S. lagging the most for the 31% decline compared with the same period in 2019, while Europe and Asia Pacific recorded declines of 26% and 4%, respectively.

Tenants frankly conditions persist in most markets, though the ongoing flight to quality trend has seen rents for premium or prime buildings etch up in some markets. The real estate capital markets continued their recovery in the third quarter with global transaction volumes marking a 77% increase from a year ago and an 8% increase from Q3 2019. Diminishing operational uncertainty and rising institutional allocations are bolstering liquidity in the commercial real estate markets. The 3 most liquid countries, the U.S., Germany and the U.K. accounted for 70% of global activity in the quarter. With that as a backdrop, I'm pleased to announce that JLL recorded exceptionally strong results in the third quarter, building upon the momentum generated throughout 2021.

Consolidated revenue rose 22% and to $4.9 billion, and fee revenue increased 45% to $2.1 billion in local currency. Adjusted EBITDA of $352 million represented an increase of 44% from the prior year, with adjusted EBITDA margin contracting to 17.1% from 17.2% in local currency. Adjusted net income totaled $237 million for the quarter, and adjusted diluted earnings per share totaled to $4.56. Our transaction-based service lines have shown particularly strong performance with Leasing and Capital Markets recording growth of 73% and 103%, respectively. Coinciding with the recovery of transaction-related activity and improving market sentiment, our valuation advisory service was a key growth engine for our advisory, consulting and other business, which was up 21% for the quarter.

Moving towards capital allocation. Alongside supporting both organic and inorganic strategic investments across our platform, we also continued with our share repurchase program. Consistent with the guidelines of our capital allocation framework as well as our continued commitment to the return of capital to shareholders over the long term. We purchased approximately $150 million of shares in the third quarter.

I will now turn the call over to Karen Brennan, who will provide further detail on the results for the quarter.

Karen G. Brennan - *Jones Lang LaSalle Incorporated - CFO & Member of the Global Executive Board*

Thank you, Christian. Our third quarter results reflect strong execution, continued business momentum and the benefit of investments in our global platform over the last several years.

Total quarterly fee revenue and profitability surpassed 2019 levels with considerable strength in the Americas region and transaction-based revenues across the globe. The improving overall activity within the commercial real estate operating environment, along with our building pipelines, investments in people and technology and the secular growth trends of our industry leave us optimistic the momentum will continue, though we

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are mindful of the dynamic factors at play within the global economy. Prior to providing a detailed review of our operating performance, I remind everyone that variances are against the prior year period in local currency, unless otherwise noted.

Our consolidated real estate services fee revenue increased 47% due in part to lapping COVID impacted results from the prior year. Compared to third quarter 2019, Real Estate Services fee revenue grew 12% on the relative strength in the Americas and transaction-based revenues. The Real Estate Services adjusted EBITDA margin of 16.6% compared with 16.2% a year earlier and 15.4% in the third quarter of 2019. The growth of our transaction-based revenues offset the expected reduction of certain 2020 nonpermanent savings as well as incremental investments in our people and technology platform that we believe enhances our strategic positioning and will drive future incremental revenues and operating efficiency. Our margin results do not yet reflect a fully normalized expense base for certain expense categories, such as T&E, as well as our continued hiring admits the current wage inflation to capitalize on growth opportunities that we see ahead.

Turning to the Americas. Capital Markets and Leasing led broad-based fee revenue growth. Compared with third quarter 2019, fee revenue was up approximately 25%, with growth across all service lines, except Project & Development Services. We are seeing clients continue to delay build-out projects as they seek more clarity regarding future workplace demand.

Within Americas Capital Markets, fee revenue from U.S. investment advisory sales nearly tripled and U.S. debt advisory more than doubled as optimism continues to broaden across sectors. Our multifamily debt origination and loan servicing businesses maintained strong momentum, highlighted by an acceleration in the growth rate of our loan servicing fee revenue to 35% from 26% in the prior quarter.

Americas leasing fee revenue was a record high as growth accelerated driven by good operating momentum, pent-up demand in certain asset classes and some pull forward transactions. Compared with the third quarter 2019, Americas leasing fee revenue increased 26%. Relative to last year, all asset classes exhibited growth led by the industrial sector, while Office, Retail and Life Sciences were also strong. Americas office leasing fee revenue was approximately 1% above 2019 levels.

Transaction velocity has increased meaningfully and is up 4% from 2019. Average deal size increased for the first time since the onset of the pandemic, but remains about 10% below 2019. Our full year 2021 U.S. leasing growth pipeline is up 44% from 2020 and 4% from 2019, supporting our optimism for continued strong growth through the end of the year, though timing and closing rates will be key determinants. From a profitability standpoint, the Americas adjusted EBITDA margin increased to 22.4% from 20.9% in 2020 and 19.3% in 2019, driven primarily by strong growth in transactional revenues that were partially offset by the expected reduction of certain 2020 nonpermanent savings and incremental investments in our people and technology platform. We continue to ramp up hiring to execute on growth opportunities.

In EMEA, fee revenue growth was led by our transaction-based service lines and was most notable in the U.K. and Germany. Fee revenue within each of the EMEA Capital Markets, Leasing and Valuation Advisory within the advisory, consulting and other service line was ahead of 2019 levels. as vaccinations have led to improving market sentiment, particularly in the industrial, office and residential sectors. EMEA's profitability declined due to several factors, including the expected reduction of certain 2020 nonpermanent savings, investments in our people and technology platform, ongoing softness and challenges within our U.K. mobile engineering business and overall wage inflation. We are taking a number of steps to address EMEA's profit contribution, and we'll be closely monitoring progress against our financial objectives for each of the service lines.

Asia Pacific fee revenue growth was driven by our transaction-based revenues. However, performance was mixed across the region due to varying pandemic recoveries. Asia Pacific Capital Markets was particularly strong in the office, retail and industrial sectors and largely concentrated in Australia and Japan. Asia Pacific leasing fee revenue was up 33% from a year ago and up 1% from 2019 with growth led by the office and industrial sectors and most notably in China and Australia.

In addition to incremental investments in our people and technology platform, the expected reduction of certain 2020 nonpermanent savings, wage inflation and geographic revenue mix drove a decline in Asia Pacific's profitability, partially offset by the growth in our higher-margin transaction-based revenue. Our Global Work Dynamics fee revenue was flat versus a year ago, but up 3% from 2019. The mid-single-digit underlying growth of our more annuity-like facility management business, driven primarily by new client wins and contract extensions in the Americas and EMEA was offset by the absence of COVID-related project work in 2020.

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Turning to LaSalle. Fee revenue increased 16% and driven by advisory fee growth within its core open-end funds as well as $22 million of incentive fees tied to strong investment performance on dispositions on behalf of clients in Asia Pacific and Europe. We anticipate full year 2021 incentive fees to be approximately $70 million, up from our prior estimate of $45 million. LaSalle raised a record $4 billion of capital in the quarter and had $12 billion of dry powder at quarter end, which speaks to the continued trend of increasing capital allocation to real estate and our strong track record. LaSalle's profitability was adversely impacted by deferred compensation expense associated with the runoff of a previous compensation program.

Shifting now to an update on our balance sheet and capital allocation. We are very pleased with how the business has performed and the resiliency of the cash flows over the past 18 months with reported net leverage of 0.4x and liquidity of $3.1 billion at the end of the third quarter, we have the capacity to both invest for long-term growth and return cash to shareholders. The investment opportunity set remains dynamic, and we intend to maintain flexibility to capitalize on M&A opportunities and organic investments to drive long-term shareholder value alongside continued share repurchases.

Through the end of the third quarter, we repurchased $191 million of stock this year. We are seeking M&A opportunities where we can generate strong top and bottom line growth across more than one service line or use our diversified platform to accelerate growth within the target company. We are focusing on specific strategic categories and screening potential opportunities against both the strategic fit and our target financial metrics, including margin accretion and minimum ROIC hurdles.

Our pending acquisition of Building Engines is a strong strategic fit that improves the technology solutions we can deliver across our client base. We also expect the acquisition to create significant long-term shareholder value. I'll elaborate briefly on our focus on and investment in technology initiatives, which comprised 3 buckets. First, investments in early-stage proptech companies that are transforming the real estate industry; second, investments in technology companies that accompany strategic partnerships to drive growth; and third, investments in our technology platform that further differentiate and enhance our service capabilities.

We began investing in early-stage proptech companies in 2018. Today, our investments across the early-stage prop tech companies and strategic partnerships are collectively valued materially higher than our cost basis as evidenced by the markups within the portfolio over the past several quarters. Beyond the direct investment return, these investments inform our strategic direction, allow us to provide cutting-edge technology solutions to our clients and generate incremental revenue.

Looking ahead to the balance of 2021, our improving underlying business fundamentals and growing pipelines give us confidence that the momentum is likely to continue, though we expect it to progress at different speeds across geographies and sectors. Accordingly, we will continue to invest strategically to drive future growth, while seeking to effectively manage expenses that are expected to gradually return such as T&E and in an environment of wage inflation, which we expect to persist in the near term. We continue to expect to operate within our 16% to 19% adjusted EBITDA margin target for the full year 2021 and 2022.

In closing, I would like to thank my JLL colleagues for their continued dedication to delivering best-in-class client service and thought leadership, which are paramount to JLL's long-term value creation for all stakeholders.

Christian, back to you.

Christian Ulbrich - *Jones Lang LaSalle Incorporated - Chairman of Global Executive Board, President, CEO & Director*

Thank you, Karen. As we are currently in the midst of the 2021 United Nations Climate Change Conference, known as COP26, I would like to reiterate the key role the real estate industry has on the road to net 0. JLL is committed to being a partner on this journey, and we continue to enhance our product offerings and solutions dedicated to help our clients realize their contribution to a more sustainable environment.

Additionally, we recently collaborated with World Economic Forum in developing 10 green building principles to guide the industry's transition. Our guiding principle is to shape the future of real estate for better world. Looking ahead to the end of the year and 2022, we continue to see promising opportunities across the commercial real estate industry and are fully committed to capitalizing on that. We believe that 2022 will be a

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year in which growth rates start to normalize. While uncertainty in near-term headwinds persist, we believe that these challenges will soon give rise to a more bullish confidence.

As we evaluate our execution against our long-term strategy, we remain encouraged by the multipronged growth strategy we previously outlined and are committed to enhancing our capabilities to support our growth objectives, both organically and inorganically.

M&A will remain an important component of our growth strategy, which we will utilize for the right opportunity. As Karen mentioned, we remain committed to adhering to our stringent underwriting criteria as we thoroughly evaluate opportunities in the key areas of focus, which are aligned with our strategic priorities. Our global platform, thought leadership, commitment to excellence and continued operational and strategic execution makes JLL a preferred partner across our end markets and business segments. We remain well positioned to capitalize on the continued macroeconomic recovery and favorable underlying trends, bolstering the commercial real estate industry to achieve sustainable growth and create meaningful long-term shareholder value.

Operator, please explain the Q&A process.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question today comes from Anthony Paolone of JPMorgan.

Anthony Paolone - *JPMorgan Chase & Co, Research Division - Senior Analyst*

My first question relates to thinking about the rest of this year in margins. You gave a bridge for the margin puts and takes in the third quarter. And I'm just wondering if you could help put into context some of this incremental tech spending and costs coming back to kind of bridge margins into 4Q? I think last year, you were over 21%.

Karen G. Brennan - *Jones Lang LaSalle Incorporated - CFO & Member of the Global Executive Board*

Yes. So in thinking about the fourth quarter, we first start with the top line and thinking about the pipelines. And we mentioned earlier, we're encouraged with the respective pipelines in both our Leasing and Capital Markets business for the quarter. But we are watching that closely because right, closing conversion rates are always impacted by decision-making by occupiers and investors. So really, what the sentiment -- how the sentiment plays out in the fourth quarter will certainly impact our conversion there.

And also I want to highlight that our typical seasonality has already been impacted year-to-date by the various speeds of COVID recoveries across different geographies, across different sectors. And right now, we expect that to continue into the fourth quarter. So we'll -- this kind of differential and seasonality, we expect to continue.

As it relates to the expense side, we mentioned a couple of factors at play there. We're certainly hiring today for growth we see right now and growth we anticipate in the future. And we wanted to call out some of the continued movements in wage inflation that we're feeling as we continue hiring and then also continued return of some of those nonpermanent cost savings. So all those factors will come into play in the fourth quarter.

Anthony Paolone - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Do you think, though, the -- you had a small bit of diminution year-over-year from some of those items coming back. Do you think that's the order of magnitude we should be thinking about in the fourth quarter? Or is there something materially different we should keep in mind?

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Karen G. Brennan - *Jones Lang LaSalle Incorporated - CFO & Member of the Global Executive Board*

Yes. We're not going to give specifics on the target margin for the fourth quarter, but I just wanted to highlight those few points to consider as you think about your forecast.

Anthony Paolone - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. And then is there any update you can provide on the potential sale of your China property management business and/or what type of proceeds that could produce?

Karen G. Brennan - *Jones Lang LaSalle Incorporated - CFO & Member of the Global Executive Board*

Yes. We're not going to comment on market speculation.

Anthony Paolone - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. And then just last question on the Skyline AI and Building Engines deals, should we think about from a just P&L point of view, as you put that money to work in those deals, is that kind of like CapEx to enhance the overall business? Or do those come with immediate EBITDA?

Karen G. Brennan - *Jones Lang LaSalle Incorporated - CFO & Member of the Global Executive Board*

Yes. So just taking a big step back, I'll give some more framework on overall financials for Building Engines. So one of the key financial objectives we have is to increase our higher-margin annuity revenues. And so Building Engines is a strong fit with that. This is a company that's expected to be cash flow positive for this year, but it's not anticipated to have a material impact on our revenue or profitability for the first few years. And then I'd say that beyond that, we'd expect Building Engines to be accretive to both the top and bottom line consolidated performance at a growth rate that significantly exceeds the core business. Hopefully, that provides some helpful context there.

Operator

Your next question comes from the line of Stephen Sheldon from William Blair.

Stephen Hardy Sheldon - *William Blair & Company L.L.C., Research Division - Analyst*

Really, really strong quarter overall. I think one thing the profitability in EMEA and APAC took a step back. I think you gave some detail on it. But Karen, I think you mentioned that you'll be taking a number of steps in EMEA with profitability in mind. So can you just give some more detail on what those steps may include?

Christian Ulbrich - *Jones Lang LaSalle Incorporated - Chairman of Global Executive Board, President, CEO & Director*

Stephen, I'm taking that question, it's Christian. Listen, we have in EMEA, a business, which is compound by a very strong transactional business, which has shown a very significant recovery, and we are very pleased with that. But then we also have a very large business around our mobile engineering and also around our fill out business. And the mobile engineering and the fill out business are still significantly influenced by the pandemic, the return to office is still relatively weak. And therefore, there is lower demand for our mobile engineering business than we would have hoped at the beginning of the year, and that finds its way into the P&L, and the same is true for our fill out business. We have taken very

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significant steps to work on the cost base of our EMEA business. And we are pretty optimistic that will be visible in 2022. And obviously, the seasonality in EMEA is always slightly stronger than in the other 2 geographies. So we are also quite positive about the fourth quarter for EMEA.

Stephen Hardy Sheldon - *William Blair & Company L.L.C., Research Division - Analyst*

Great. That's helpful. And then just would love an update on broader capital allocation thoughts going forward. Great to see some of the recent acquisitions. Do you see a lot more attractive opportunities out there to ramp investing in M&A? And if you thought about this year, I guess, how the priorities on the capital allocation side changed at all during the year, if there have been any incremental changes there?

Karen G. Brennan - *Jones Lang LaSalle Incorporated - CFO & Member of the Global Executive Board*

Yes, I'll take that one. So we have -- just taking a step back as you look at our balance sheet situation today, we have significant capacity and flexibility to maintain investments in our organic business in M&A and in share repurchases. And so we're constantly monitoring our pipeline of M&A activity, which is dynamic as well as the different opportunities that we're targeting and that present themselves from an organic perspective. So we continue to monitor and we'll continue to invest in those. You'll note that in the first half of this year, we didn't have any M&A activity now we've announced a couple of transactions. At the same time, we also continue to repurchase our stock.

Operator

(Operator Instructions) We'll now move over to Jade Rahmani of KBW.

Jade Joseph Rahmani - *Keefe, Bruyette, & Woods, Inc., Research Division - Director*

Can you give any color as to which areas you're ramping up hiring the most?

Christian Ulbrich - *Jones Lang LaSalle Incorporated - Chairman of Global Executive Board, President, CEO & Director*

Jade, it's Christian. Well, I mean, in absolute numbers, it's clearly within our Work Dynamics business, where we have a very strong pipeline, and we have a very strong influx of new colleagues. But we also do a lot of investment in new talent into our transactional businesses. I mean the outlook for the transactional business going into 2022 is very bright. And so we are doing all the effort to secure additional talent.

Jade Joseph Rahmani - *Keefe, Bruyette, & Woods, Inc., Research Division - Director*

And considering that Capital Markets volumes this year look to be in excess of the prior peak. Do you anticipate further growth in Capital Markets in 2022?

Christian Ulbrich - *Jones Lang LaSalle Incorporated - Chairman of Global Executive Board, President, CEO & Director*

Yes, absolutely. I mean the environment for the Capital Markets business is very strong. The capital inflow coming investors seeking new investors seeking money being deployed within the real estate sector is an ongoing trend. And therefore, within that stable environment, we believe that we are incredibly well positioned. Especially, when you consider that one of our superior strength is to bring capital from one region of the world to another region, which has been very slow over the last 2 years because of the restrictions around travel. Once those travel restrictions are being released, we will see much more capital again coming from Asia to the U.S. or from the U.S. to Europe or Asia. We have already seen that over the last couple of weeks and with the opening of the U.S. from November 8 onwards, we will see even more of that.

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Jade Joseph Rahmani - *Keefe, Bruyette, & Woods, Inc., Research Division - Director*

Are you seeing any supply chain bottlenecks in your property management businesses, your Project & Development Services or any other business lines?

Christian Ulbrich - *Jones Lang LaSalle Incorporated - Chairman of Global Executive Board, President, CEO & Director*

Not, but it would be meaningfully impacting our business performance. There are a couple of challenges, which we have to deal with. But so far, we have it nicely under control.

Jade Joseph Rahmani - *Keefe, Bruyette, & Woods, Inc., Research Division - Director*

And lastly, would you be able to quantify your cost basis in the proptech investments you made?

Karen G. Brennan - *Jones Lang LaSalle Incorporated - CFO & Member of the Global Executive Board*

Yes, we're not going to go into detail on that right now. Sort of there's different stages and buckets that we referenced earlier. And so what are you looking to understand there?

Jade Joseph Rahmani - *Keefe, Bruyette, & Woods, Inc., Research Division - Director*

Just the magnitude of potential future gains. I know you've taken fair value gains. And this year, there has been some earnings that may not be considered recurring. So thinking about the earnings growth profile for next year, where you said you expect meaningful bottom line growth, should we make any adjustments for some of those valuation gains? Or are you still expecting meaningful bottom line growth on top of the reported adjusted earnings for this year?

Karen G. Brennan - *Jones Lang LaSalle Incorporated - CFO & Member of the Global Executive Board*

Well, part of our JLLT business is investing into proptech companies with minority stakes. And we are -- we have built a platform where we are helping those companies to meaningful increase the revenue CAGR with the support of our growth teams. That is something which is obviously increasing our cost base, but at the same time, we'll increase our equity earnings over the future. And so you will see going forward as part of our business model that we will have more equity earnings coming into our P&L. We have had that in the past predominantly only coming from LaSalle Investment Management, but going forward, it will also come from JLLT. The overall environment for proptech is incredibly favorable. And so we feel very well positioned to take advantage of that also in 2022 and beyond.

Operator

(Operator Instructions) We now take our question from Patrick O'Shaughnessy.

Patrick Joseph O'Shaughnessy - *Raymond James & Associates, Inc., Research Division - Research Analyst*

What's your latest thinking of how JLL can engage with the flexible workspace sector, particularly in light of your largest competitors, all making significant investments in that space of late?

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Christian Ulbrich - *Jones Lang LaSalle Incorporated - Chairman of Global Executive Board, President, CEO & Director*

Listen, we stated that before on calls that we believe that the flex space center will become a meaningful proportion of the overall office leasing market, and we are very active in that area to service our clients. And so we are helping them to identify the right flex space providers we are helping as an occupier, we are helping the owners of real estate to find the right flex space providers as a tenant and we are also operating flex space white labeled for our clients. What we are not doing is we are not competing against our clients in the sense that we are creating our own brand or supporting a specific brand in competition to the others. And so that's a slight difference in strategy, but we are very comfortable with the development of that business. We have seen great progress. And so that will be our strategy for the near future.

Patrick Joseph O'Shaughnessy - *Raymond James & Associates, Inc., Research Division - Research Analyst*

Great. And then it looks to me like you've been outperforming your peers of late in brokerage revenues, and I guess, of late, I mean, but third quarter specifically, but both in leasing and capital markets, you showed better year-over-year growth in the third quarter than your comps have already reported. What would you point towards as reasons for your market share gains of late?

Christian Ulbrich - *Jones Lang LaSalle Incorporated - Chairman of Global Executive Board, President, CEO & Director*

Well, you will understand that I will not comment on our competitors. I can only say that we are very pleased with our own performance. And we believe that our very significant investment into technology is increasingly differentiating our offer to our clients and brings our brokers in a superior position to win more business and to be more productive. And so when you see on our margin walk, the amount of money we are investing into JLLT, that is just one kind of way of looking at it. The other way of looking at it is that, that investment is being done to make our core service lines more productive and to create that competitive advantage. And so far, we believe that strategy is working really well.

Operator

Your next question comes from the line of Anthony Paolone.

Anthony Paolone - *JPMorgan Chase & Co, Research Division - Senior Analyst*

In your press release, you called out JLL Technology Solutions is helping drive some of the revenue in advisory, consulting and other. And I was just wondering, is that a mark-to-market? Or was that an actual like service line that just did well on the revenue side?

Karen G. Brennan - *Jones Lang LaSalle Incorporated - CFO & Member of the Global Executive Board*

Yes, that's a service line that did well on the revenue side.

Anthony Paolone - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. And what exactly is that JLL Technology Solutions?

Christian Ulbrich - *Jones Lang LaSalle Incorporated - Chairman of Global Executive Board, President, CEO & Director*

Well, what we are doing around JLL Technology Solutions, we are a reseller of technology products, which are helping people occupying space to operate their space, manage their space. This is a business which we have built, but also added through M&A, especially in the years between '15 and '18, and that is developing it then very nicely. But it's not a proprietary product of JLL, we are a reseller here of third-party products.

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Anthony Paolone - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. Got it. And then just carrying on the buyback, can you just elaborate a bit more on just kind of what was the magic of the $150 million in the third quarter versus thinking about, say, a pace on a go-forward basis? And what are the brackets you put around just the buyback and how you're thinking about it?

Karen G. Brennan - *Jones Lang LaSalle Incorporated - CFO & Member of the Global Executive Board*

Yes, I'm not going to put any specific brackets around that. We are, as I said earlier, really looking at our opportunities for M&A, organic investment and share repurchases and our use of cash more broadly. And we'll continue to pursue all 3, but I'm not going to put a specific number out there for next quarter.

Operator

There are no further questions at this time. I will now hand the call back to management for closing remarks.

Christian Ulbrich - *Jones Lang LaSalle Incorporated - Chairman of Global Executive Board, President, CEO & Director*

Thank you, operator. Well, with no further questions, we will close today's call. On behalf of the entire JLL team, we thank you all for participating on the call this morning. Karen and I look forward to speaking with you again following the fourth quarter.

Operator

This concludes today's conference call. You may now disconnect.

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