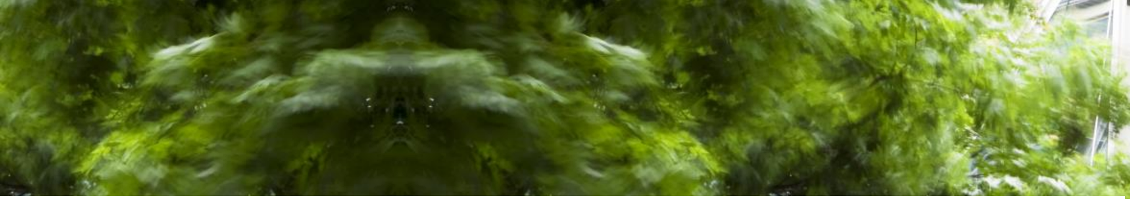

JLL SEE A BRIGHTER WAY

Earnings Presentation

Fourth Quarter 2023

February 27th, 2024

Cautionary note regarding forward-looking statements

Statements in this presentation regarding, among other things, future financial results and performance, achievements, plans, objectives and shares repurchases may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties, and other factors, the occurrence of which are outside JLL's control which may cause JLL's actual results, performance, achievements, plans, and objectives to be materially different from those expressed or implied by such forward looking statements. For additional information concerning risks, uncertainties, and other factors that could cause actual results to differ materially from those anticipated in forward-looking statements, and risks to JLL's business in general, please refer to those factors discussed under "Risk Factors,“ “Business,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Quantitative and Qualitative Disclosures about Market Risk,” and elsewhere in JLL’s soon to be filed Annual Report on Form 10-K for the year ended December 31, 2023, and other reports filed with the Securities and Exchange Commission. Any forward-looking statements speak only as of the date of this release, and except to the extent required by applicable securities laws, JLL expressly disclaims any obligation or undertaking to publicly update or revise any forward-looking statements contained herein to reflect any change in expectations or results, or any change in events.

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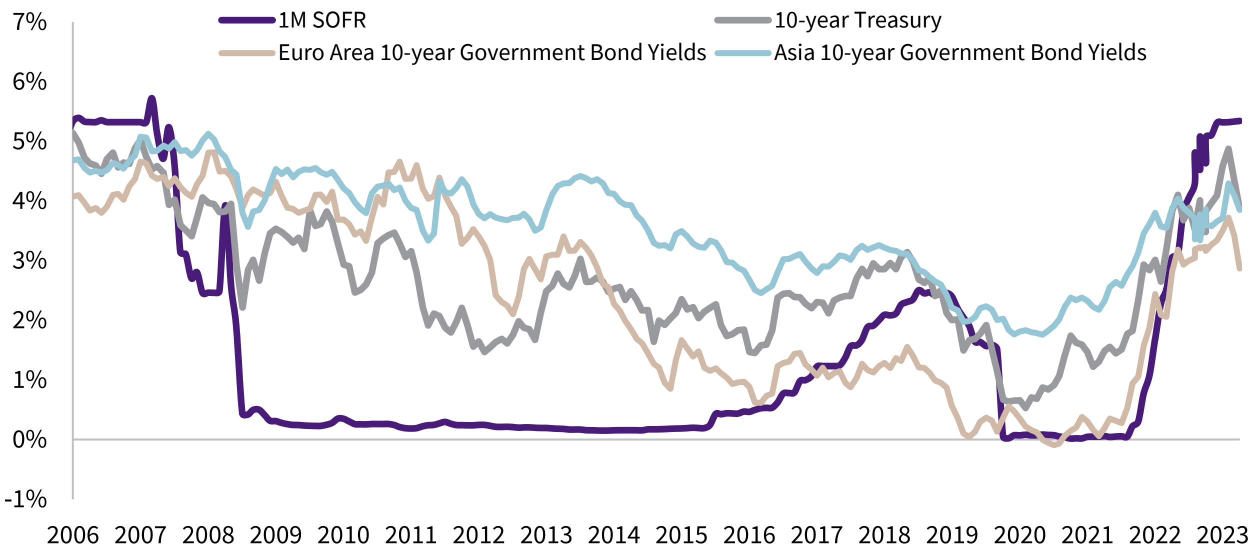
Fourth quarter 2023 industry highlights

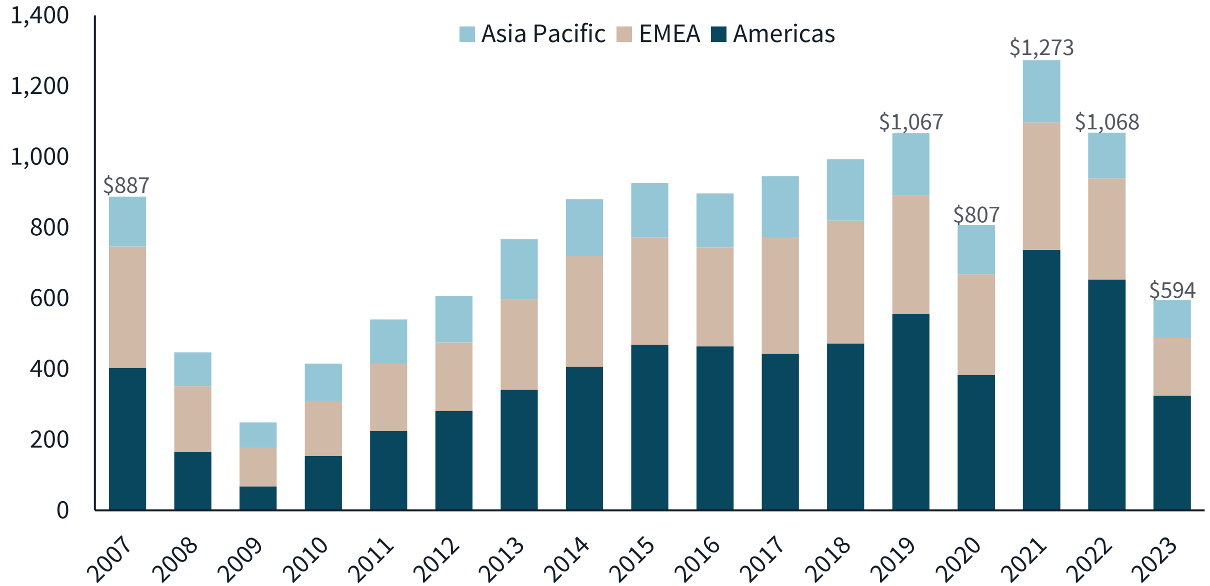
Capital markets industry highlights

Benchmark yields, 2006 – Dec 2023



Real estate investment volumes by region, 2007 – 2023

Direct investment volumes (US$ billion)



Fourth Quarter Highlights

- Interest rates and capital costs remained elevated in the quarter, contributing to the decline in transaction volumes through year-end 2023
- Global direct investment was down 24% local currency (down 23% USD) in the fourth quarter; with the Americas down 30% local currency (down 31% USD), EMEA down 25% local currency (down 21% USD), and Asia Pacific up 1% local currency (up 3% USD)
- All asset types saw reduced activity during the fourth quarter, with declines in average deal size underscoring the challenges of closing large deals

Notes:
- Source: JLL Research, January 2024; FRED Economic Data; Benchmark yields and fundraising data as of January 12th, 2024
- Real estate investment includes office, multifamily residential, retail, hotels, industrial, mixed use, healthcare and alternatives sectors. Excludes entity-level and development transactions.

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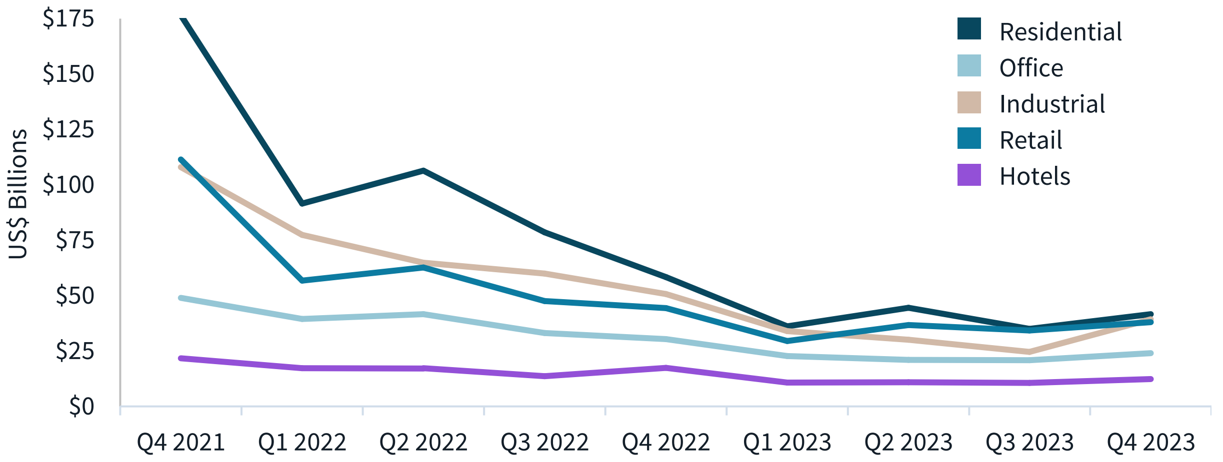
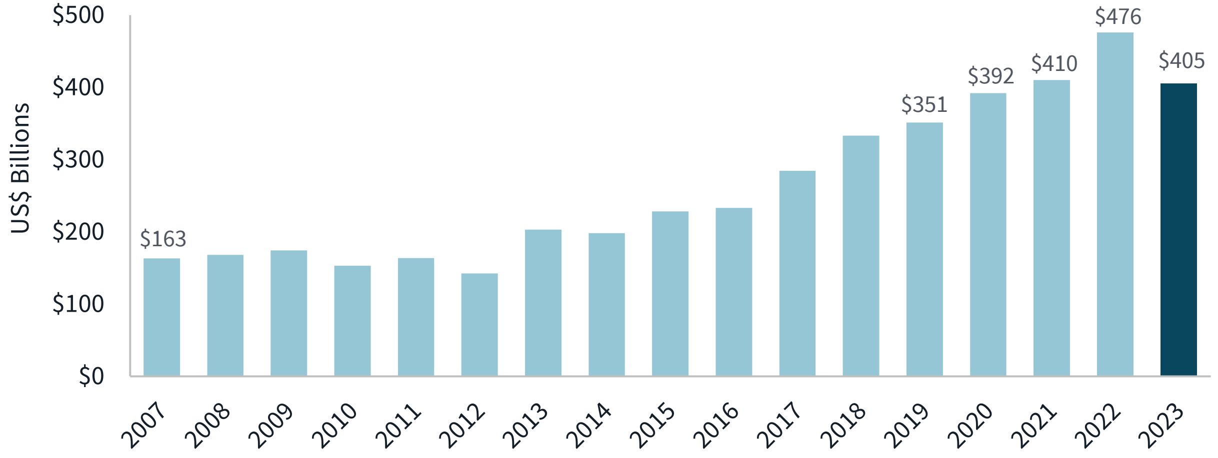
Capital markets industry trends

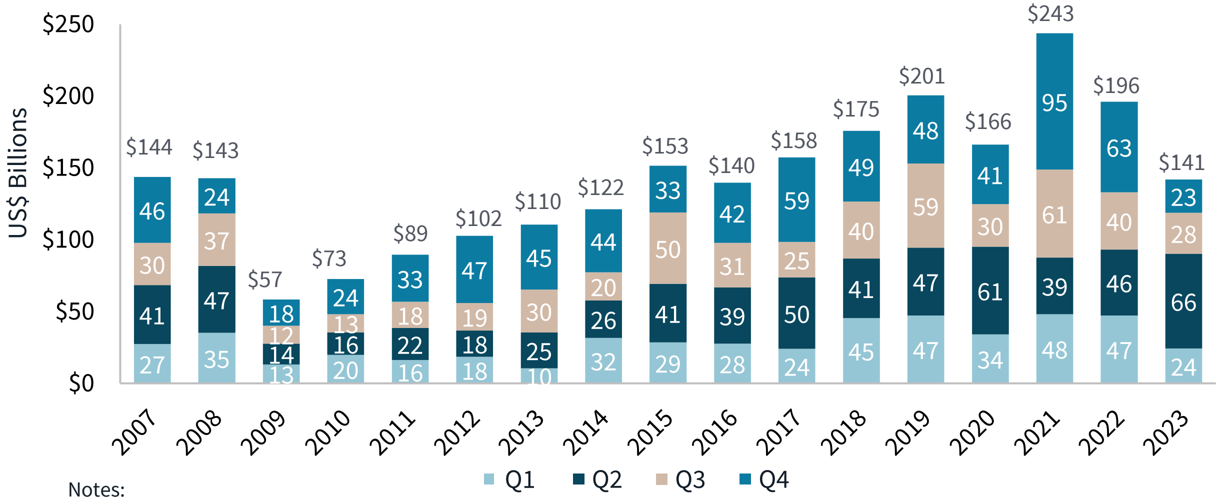
Quarterly investment volumes by sector, Q4 2021 – Q4 2023



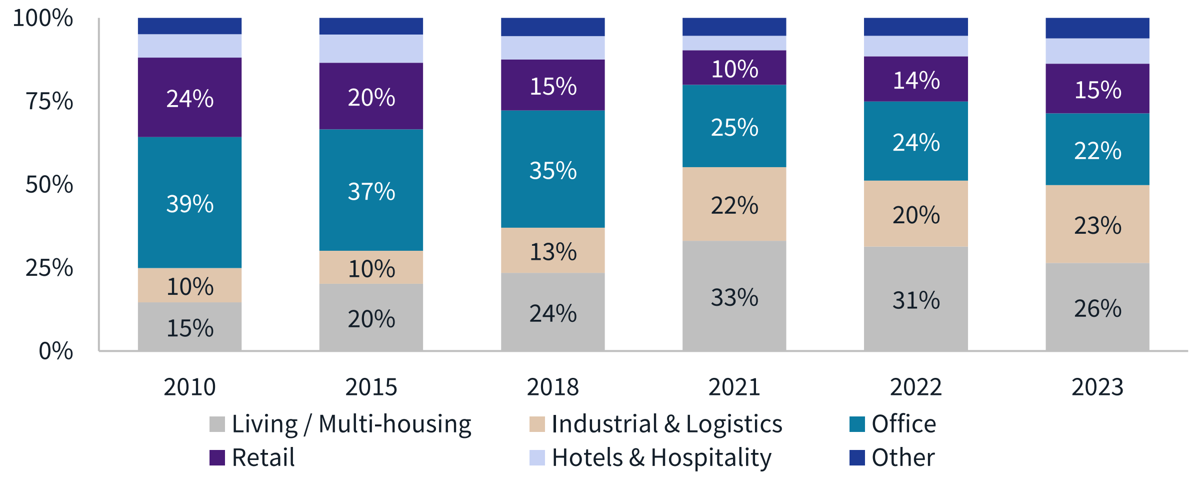
Dry powder in closed-end funds, 2007 – 2023



Global fundraising for closed-end funds



Share of investment volume by sector



Notes:

- Source: JLL Research, Preqin Ltd, January 2024

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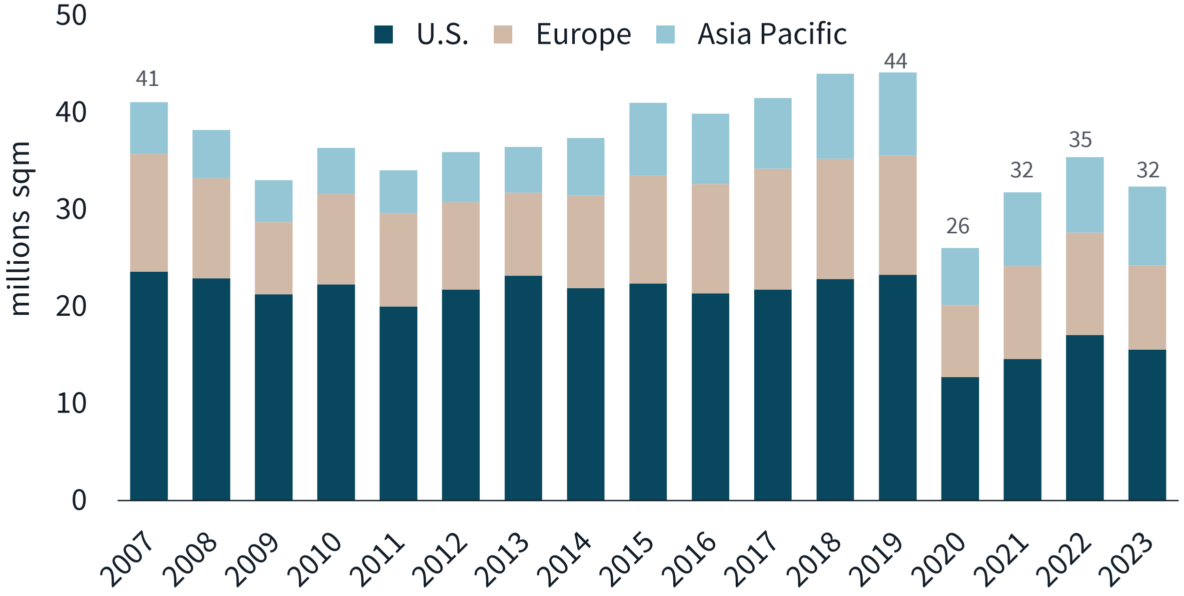
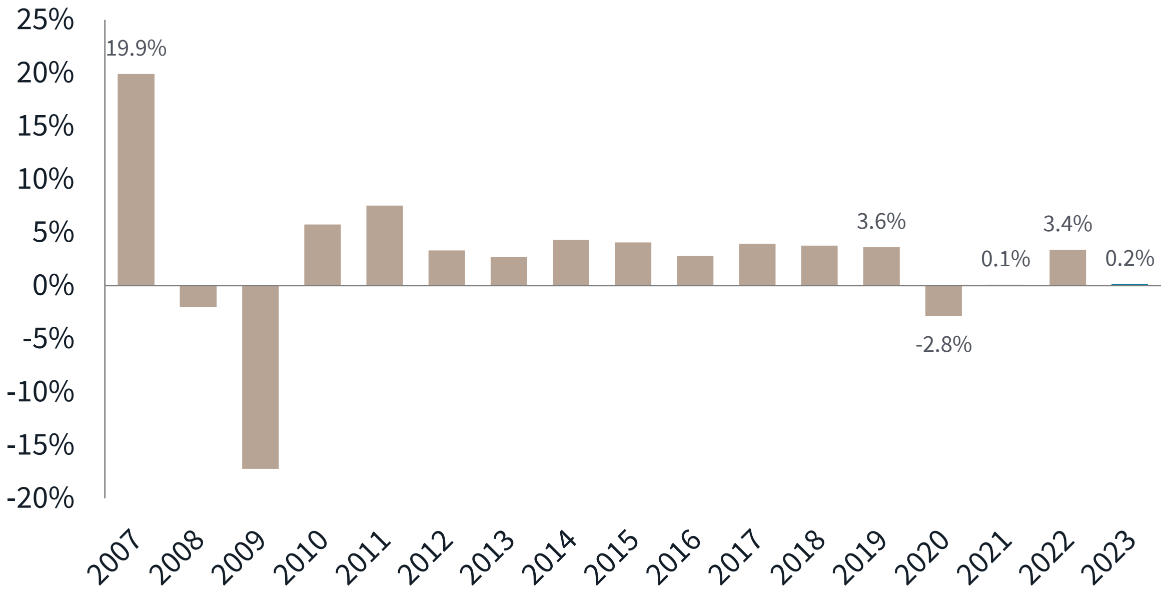
Office leasing industry highlights

Global office leasing volumes by region, 2007 – 2023



Rental growth for prime office assets, 2007 – 2023



Fourth Quarter Highlights

- Global office leasing volumes in the fourth quarter were up 4% versus the prior-year quarter (down 8% for full year), with Asia Pacific up 12%, the U.S. up 9%, while EMEA was down 8%
- Signs of stabilization in demand emerged in the fourth quarter, after a year of declines, as companies made progress on their return to office initiatives
- Demand continues to be focused on premium-quality space, sublease vacancy while elevated has begun to decline
- The global office vacancy rate ticked up 25bps to 16.2% in the fourth quarter 2023, compared with 15.9% in the third quarter 2023 and 14.9% in the fourth quarter 2022

Notes:
- Source: JLL Research, January 2024
- Prime Office Rental Growth: unweighted average of 30 major markets

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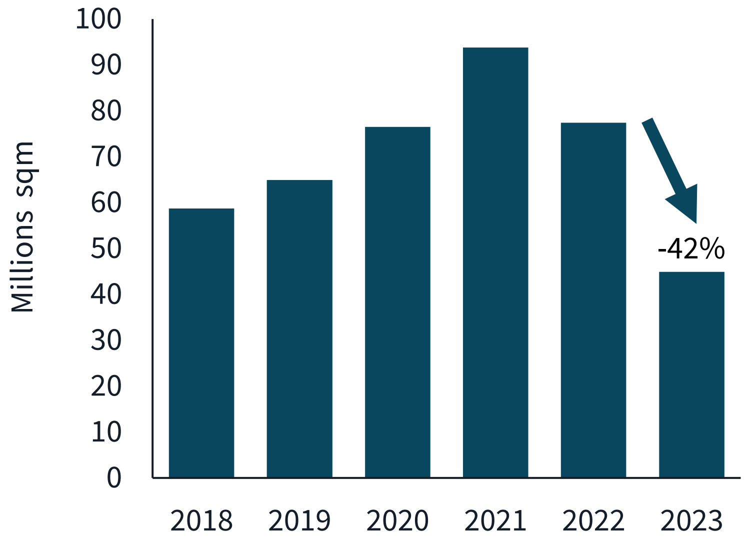
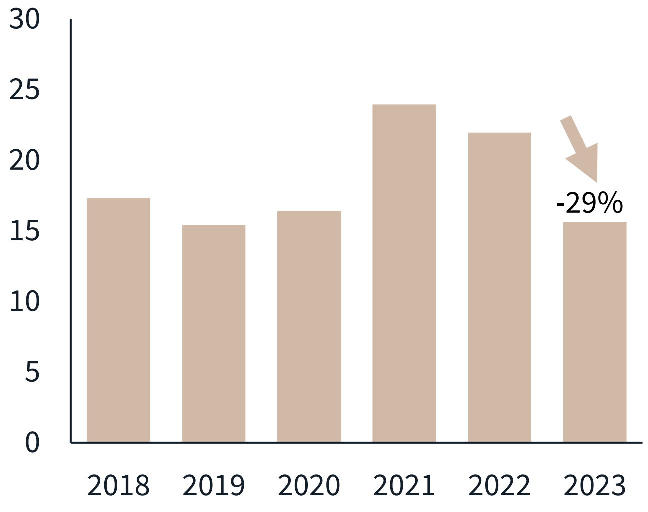
Industrial leasing industry highlights

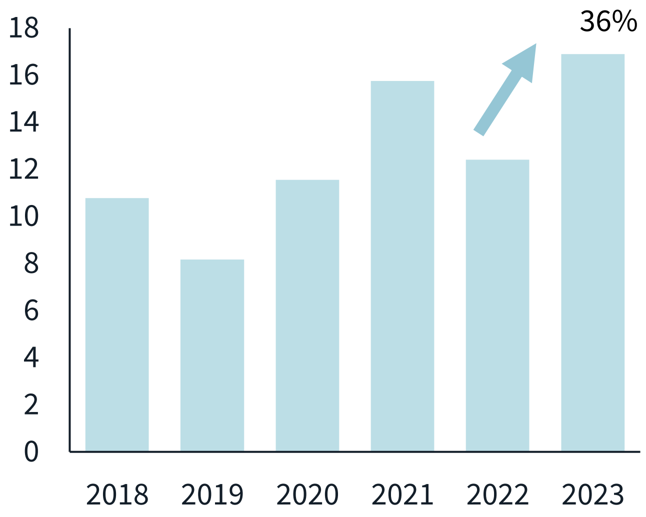
North America Gross Leasing



Europe Gross Leasing



Asia Pacific Net Absorption



Fourth Quarter Highlights

- Activity in the industrial sector remained subdued globally during the fourth quarter of 2023, with Asia Pacific showing positive net absorption during the quarter while gross leasing volumes in North America and Europe declined
- North America and EMEA gross leasing below 5-year historical average as deals took longer to finalize and available space remained limited in some markets
- Asia Pacific net absorption above 5-year historical average supported by a wave of new supply and ongoing demand from e-commerce

Notes:
- Source: JLL Research, January 2024
- North America Gross Leasing: 60 city markets; EMEA Gross Leasing: 5 country markets; Asia Pacific Net Absorption: 35 city markets

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Consolidated financials

Consolidated fourth quarter 2023 financial results

Margins in local currency; growth rates represent % change over Q4 2022

	Q4 2023	Q4 2022	'23/'22 % Chg. USD	'23/'22 % Chg. Local Currency
Revenue	$5,881M	$5,605M	↑ 5%	↑ 4%
Fee Revenue	$2,180M	$2,214M	↓ (2)%	↓ (2)%
Operating Income	$290M	$255M	↑ 14%	↑ 15%
Operating Income Margin	13.6%	11.5%	↑ 180 bps	↑ 210 bps
Equity (Losses) Earnings	$(77)M	$(22)M	↓ (256)%	↓ (256)%
Net Income Attributable to Common Shareholders	$172M	$175M	↓ (1)%	↑ 1%
Adjusted Net Income	$205M	$211M	↓ (3)%	↓ (1)%
Adjusted Diluted EPS	$4.23	$4.36	↓ (3)%	↓ (2)%
Adjusted EBITDA	$306M	$339M	↓ (9)%	↓ (9)%
Adjusted EBITDA Margin	14.3%	15.3%	↓ 120 bps	↓ 100 bps

Fourth Quarter Highlights

- Collectively our resilient fee revenue businesses grew 9% local currency in the fourth quarter, driven by our Workplace Management and Property Management business lines
- Fee revenue declined 2% local currency / USD as economic uncertainty and interest rate volatility adversely impacted transaction-based business lines within Markets Advisory and Capital Markets
- Adjusted EBITDA margin was impacted by higher equity losses, lower transaction-based revenue and timing of incentive compensation accruals, partially offset by growth in resilient revenue businesses, recent cost reduction actions and an actuarial benefit associated with U.S. medical self-insurance

Notes:
- Q4 2023 Organic Fee Revenue decline of 3% local currency
- Non-GAAP items listed above include Fee Revenue, Adjusted Net Income, Adjusted Diluted EPS, Adjusted EBITDA, and Adjusted EBITDA margin
- Refer to pages 27 - 31 for definitions and reconciliations of non-GAAP financial measures

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Business segments results

Fourth quarter 2023 financial results – Business segments

$M. Growth rates in local currency; growth rates represent % change over Q4 2022

	Revenue	Fee Revenue	Adjusted EBITDA	Adjusted EBITDA Margin (USD)	Adjusted EBITDA Margin (Local Currency)
Markets Advisory	$1,197 ↔ %	$896 ↓ (3)%	$161 ↑ 6%	17.9% ↑ 150 bps	18.0% ↑ 160 bps
Capital Markets	$537 ↓ (13)%	$532 ↓ (12)%	$76 ↓ (34)%	14.3% ↓ 510 bps	14.5% ↓ 490 bps
Work Dynamics	$3,966 ↑ 8%	$582 ↑ 8%	$121 ↑ 44%	20.7% ↑ 500 bps	21.0% ↑ 530 bps
JLL Technologies	$66 ↑ 14%	$62 ↑ 14%	$(69) ↓ (90)%	(111.1)% ↓ 4,430 bps	(111.3)% ↓ 4,450 bps
LaSalle	$115 ↓ (4)%	$108 ↓ (4)%	$18 ↓ (23)%	16.8% ↓ 540 bps	17.7% ↓ 450 bps
Consolidated	$5,881 ↑ 4%	$2,180 ↓ (2)%	$306 ↓ (9)%	14.1% ↓ 120 bps	14.3% ↓ 100 bps

Notes:
- Refer to pages 27 - 31 for definitions and reconciliations of non-GAAP financial measures

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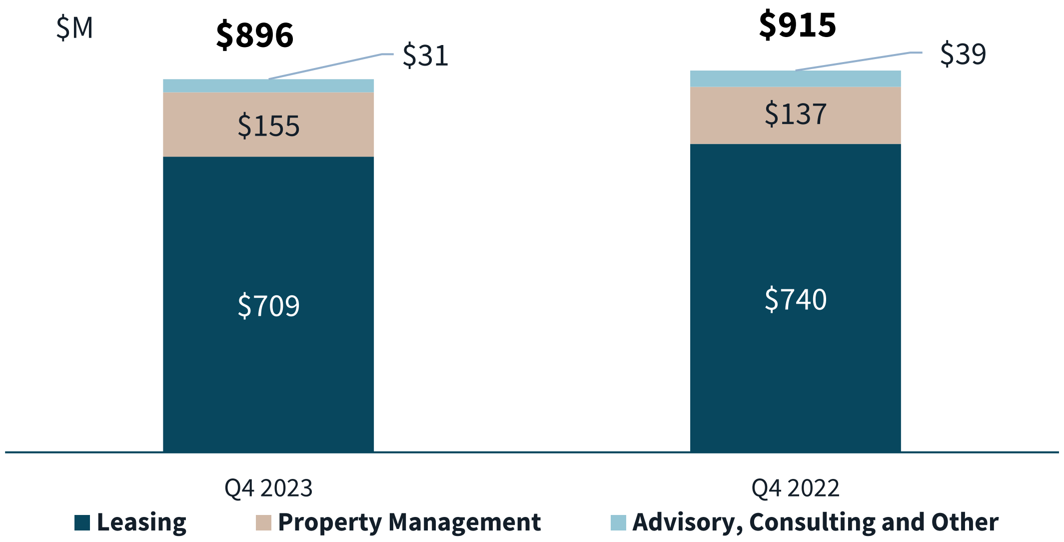
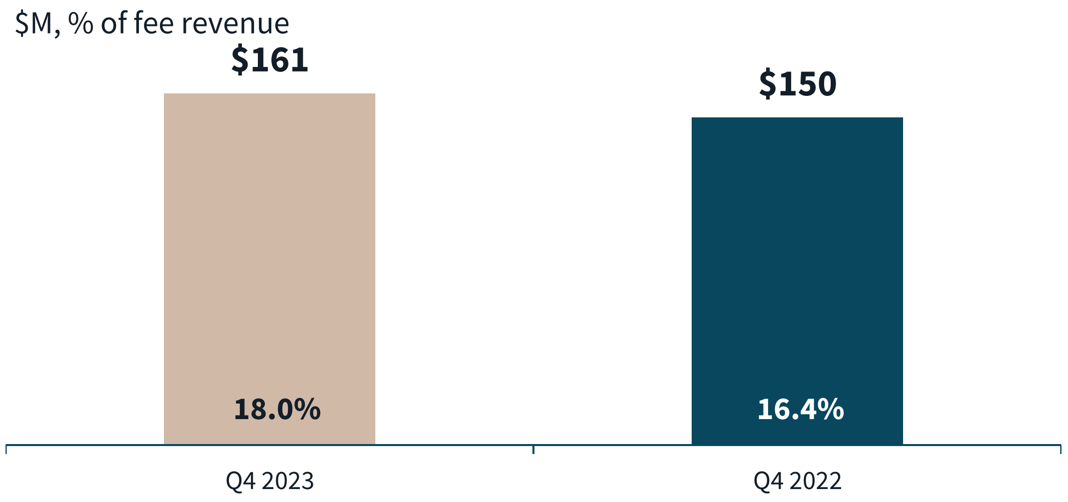
Markets Advisory

Margins in local currency; growth rates represent % change over Q4 2022

Fee Revenue



Adjusted EBITDA



Fourth Quarter Highlights

- Leasing fee revenue decline of 5% local currency (4% USD) was driven by decreased average deal size and volume across nearly all asset types, with the exception of the industrial sector where volumes increased
- Property Management fee revenue growth of 12% local currency (14% USD) was driven by portfolio expansion globally and incremental fees from interest-rate sensitive contract terms in the U.K.
- Advisory, Consulting and Other fee revenue decline of 20% local currency / USD driven by the absence of a business exited at the end of Q4 2022
- Adjusted EBITDA margin expansion was driven by lower operating expenses associated with cost management actions over the last year as well as incentive compensation accrual phasing

Notes:
- Refer to pages 27 - 31 for definitions and reconciliations of non-GAAP financial measures

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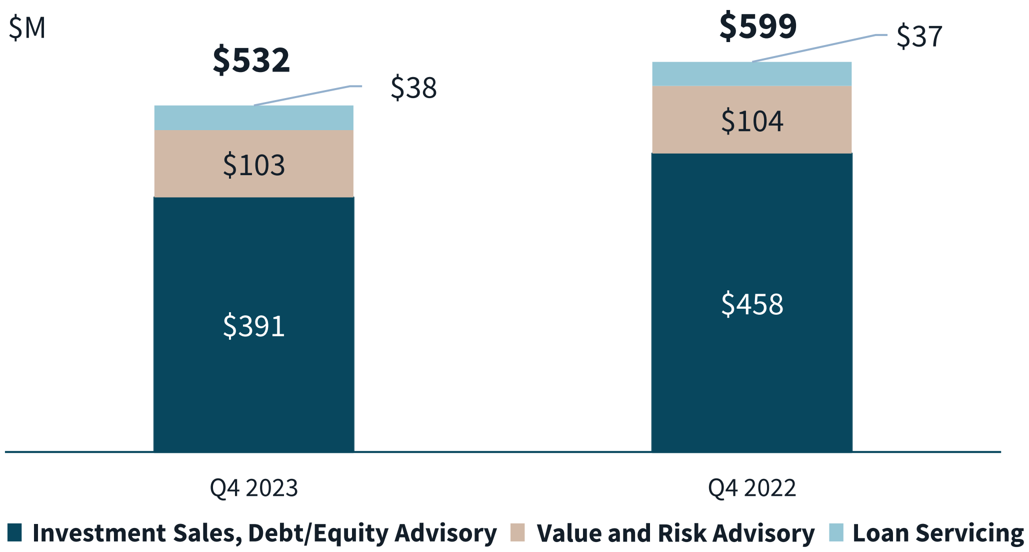
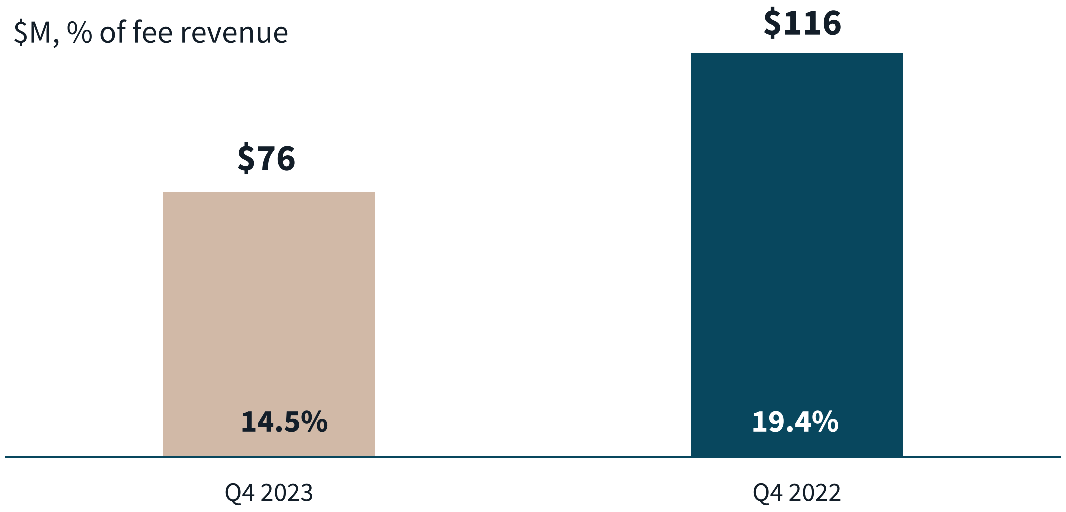
Capital Markets

Margins in local currency; growth rates represent % change over Q4 2022

Fee Revenue



Adjusted EBITDA



Fourth Quarter Highlights

- Fee revenue decline of 12% local currency (11% USD), continued to reflect muted transaction volumes, particularly in Investment Sales and Debt/Equity Advisory which experienced declines across nearly all asset classes and select geographies compared with the prior-year quarter
- Loan Servicing fee revenue growth of 3% local currency / USD reflected continued growth in the portfolio originated under the Fannie Mae DUS program with core servicing fees up 6%, partially offset by lower prepayment fees as refinancing activity remained muted
- Adjusted EBITDA margin contraction for the quarter driven by the decline in fee revenue, net of lower commissions expense, and incentive compensation accruals, partially offset by lower loan loss reserves

Notes:
- Refer to pages 27 - 31 for definitions and reconciliations of non-GAAP financial measures

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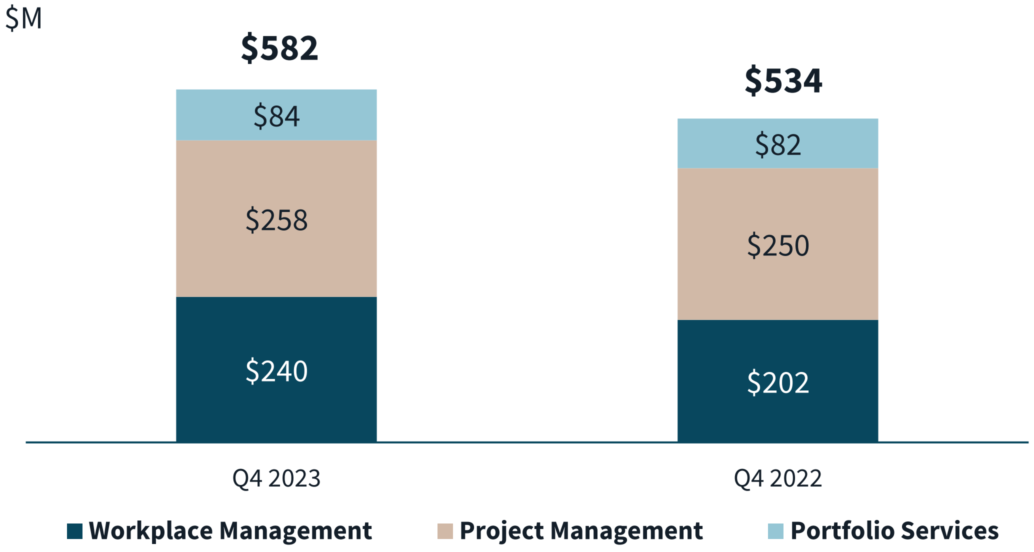
Work Dynamics

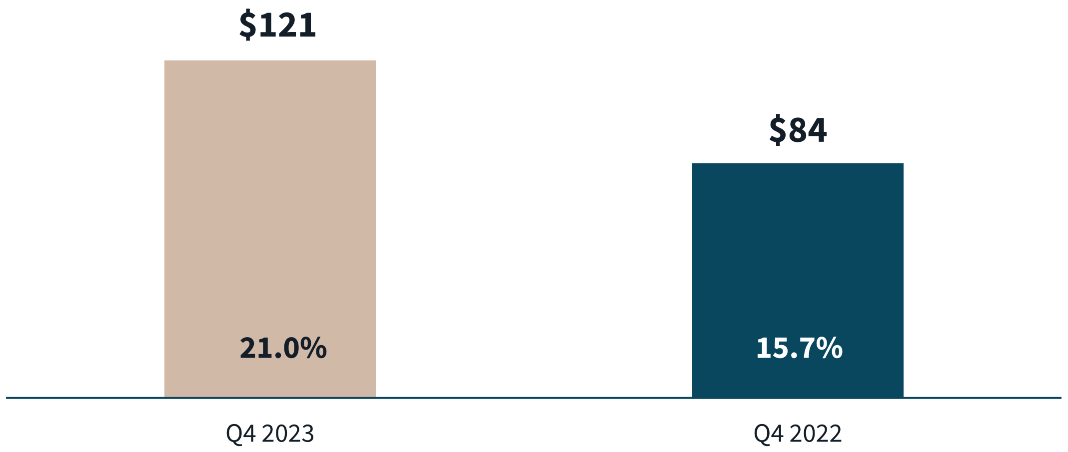
Margins in local currency; growth rates represent % change over Q4 2022

Fee Revenue



Adjusted EBITDA

$M, % of fee revenue



Fourth Quarter Highlights

- Work Dynamics fee revenue growth of 8% local currency (9% USD) was broad-based across service lines and geographies, led by strong performance in Workplace Management
- Workplace Management fee revenue growth of 17% local currency (19% USD) was driven by new client wins and contract expansions
- Project Management fee revenue grew 2% local currency (3% USD); pipelines are beginning to reflect a softer leasing environment
- Adjusted EBITDA margin expansion was primarily attributable to the revenue growth described above and continued cost management actions

Notes:
- Refer to pages 27 - 31 for definitions and reconciliations of non-GAAP financial measures

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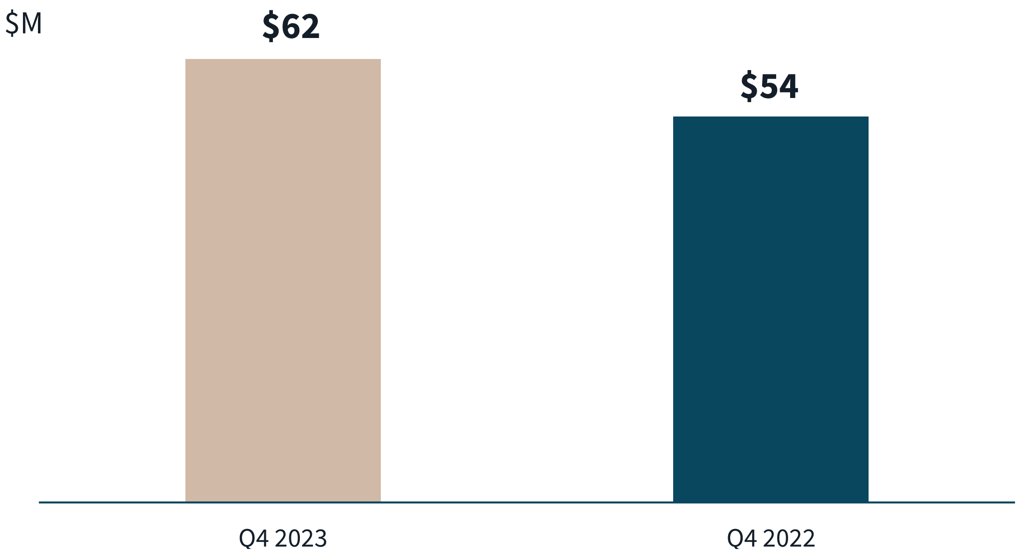
JLL Technologies

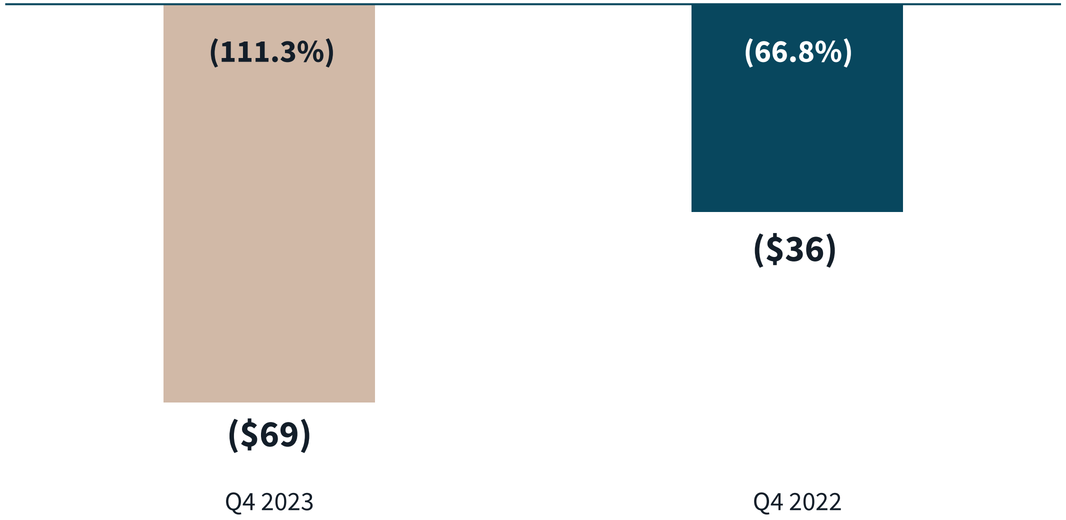
Margins in local currency; growth rates represent % change over Q4 2022

Fee Revenue



Adjusted EBITDA

$M, % of fee revenue



Fourth Quarter Highlights

- Fee revenue growth of 14% local currency / USD driven by growth in both solutions and service offerings, largely from existing enterprise clients, as well as growth in subscriptions
- The fourth quarter equity losses of $75.0 million reflect valuation declines in JLL Technologies' proptech investment portfolio reflecting a challenging environment for venture capital companies
- Adjusted EBITDA margin decline was driven by the equity losses described above, partially offset by (i) fee revenue growth, (ii) the reduction in carried interest (associated with equity earnings losses), (iii) cost management actions and improved operating efficiency over the last year and (iv) the timing of certain operating expenses

Notes:

- Refer to pages 27 - 31 for definitions and reconciliations of non-GAAP financial measures
- Included in Segment operating income (loss) for JLL Technologies is a reduction in carried interest expense of $4.4 million and $13.8 million for the three and twelve months ended December 31, 2023, respectively
- As of December 31, 2023, JLL Technologies' proptech investments total ~$410M, with the portfolio currently valued at ~$430M, including notes receivables

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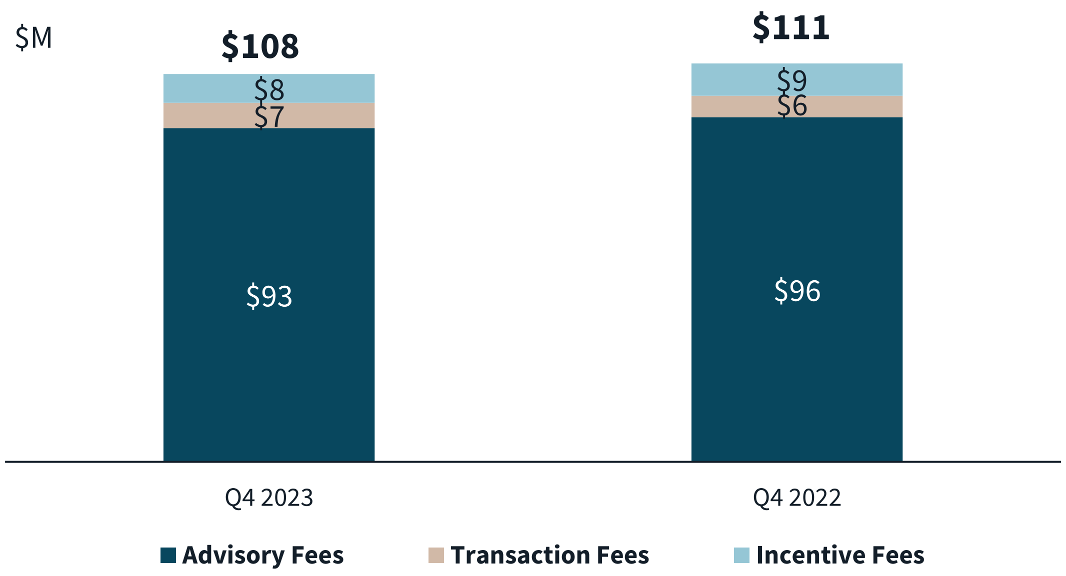
LaSalle

Margins in local currency; growth rates represent % change over Q4 2022

Fee Revenue



Adjusted EBITDA

$M, % of fee revenue

Fourth Quarter Highlights

- Fee revenue decline of 4% local currency (3% USD) due a modest decline in advisory fees, reflecting the impact of declining asset valuations over the past twelve months
- Equity losses of $1.7 million were primarily attributable to valuation declines in the co-investment portfolio; largely offset by share price appreciation related to the co-investment in LaSalle's LOGIPORT REIT in Japan; this compares to equity losses of $3.6 million in the fourth quarter of 2022
- Adjusted EBITDA margin contraction driven by lower revenue as well as the timing of personnel costs and annual incentive compensation accruals

Notes:

- Refer to pages 27 - 31 for definitions and reconciliations of non-GAAP financial measures
- The market value of JLL's investment in LaSalle LOGIPORT REIT (ticker 3466-TKS) was approximately $51.7 million as of December 31, 2023

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Capital allocation and balance sheet

Debt and leverage

Highlights:
- Strong balance sheet with ample liquidity provides operational flexibility
- Sequential quarter decline in net debt primarily attributable to positive cash flow from operating activities
- Leverage ratio increase year-over-year was entirely driven by a decline in the trailing twelve month Adjusted EBITDA, which includes the impact of equity losses in 2023
- In Q4 2023, we further diversified our credit base and enhanced our liquidity profile by issuing $400M of Senior Notes, due 2028, using the proceeds to pay down our Credit Facility, which was also extended to 2028

Debt and leverage ($M)	Q4 2023	Q3 2023	Q4 2022
Cash and cash equivalents	410	390	519
Total debt	1,560	2,088	1,763
Short-term borrowings	148	118	164
Credit facility	625	1,600	1,225
Long term senior notes	787	371	374
Total Net Debt	**$1,150**	**$1,699**	**$1,244**
Adjusted TTM EBITDA	**$737**	**$769**	**$1,247**
Net Debt /Adjusted TTM EBITDA	**1.6x**	**2.2x**	**1.0x**
Corporate Liquidity	**$3,085**	**$2,140**	**$2,644**

Notes:
- Refer to pages 27 - 31 for definitions and reconciliations of non-GAAP financial measures
- Credit Facility and Long-Term Senior Notes amounts shown are gross of debt issuance costs
- Credit Facility figures shown in table represent amount drawn

Investment Grade Credit Ratings
Moody's: Baa1
S&P: BBB+

$3.30B
Credit Facility
Maturing in November 2028

$400M
LT Senior Note
(Public Offering)
5-yr debt 6.875% fixed (due 2028)

€ 350M
LT Senior Euro Notes
(Private Placement)
10-yr debt 1.96% fixed (due 2027)
12-yr debt 2.21% fixed (due 2029)

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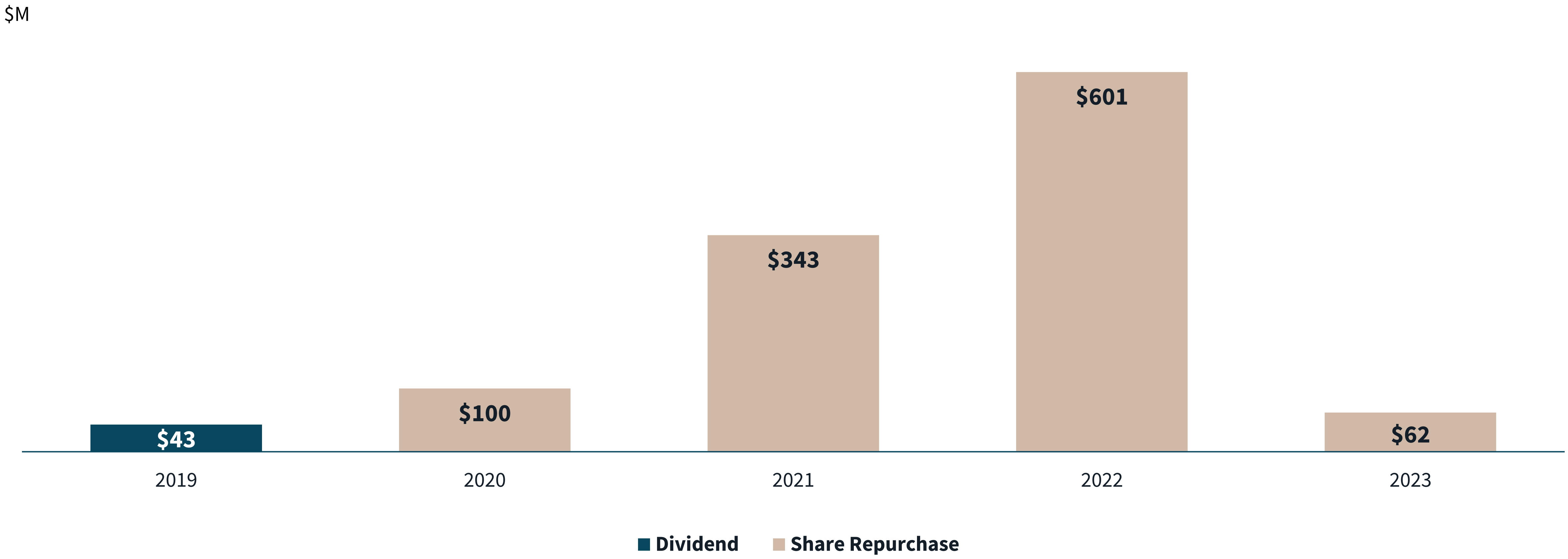
Return of capital to shareholders



Highlights

- Strong balance sheet provides flexibility to invest in the business while also returning cash to shareholders
- Shares repurchases totaled $62 million in 2023 which offset stock compensation dilution; approximately $1.1 billion remains on our share repurchase authorization
- The level of return of capital to shareholders in 2023 reflects increased focus on reducing outstanding debt balances

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Financial targets

2024 and Mid-Term Financial Targets

2024 Consolidated Financial Targets

Adj. EBITDA Margin	**12.5%-14.5%**

*Beginning in 1Q 2024 reported Adj. EBITDA dollars and margin will exclude JLL Technologies and LaSalle equity gains and losses.

Mid-Term Consolidated Financial Targets

Fee Revenue	**$10-11B**
Adj. EBITDA Margin	**16-19%**
Net Debt / Adj. EBITDA	**< 2x**

*Expect to achieve Adj. EBITDA Margin target prior to Fee Revenue target.

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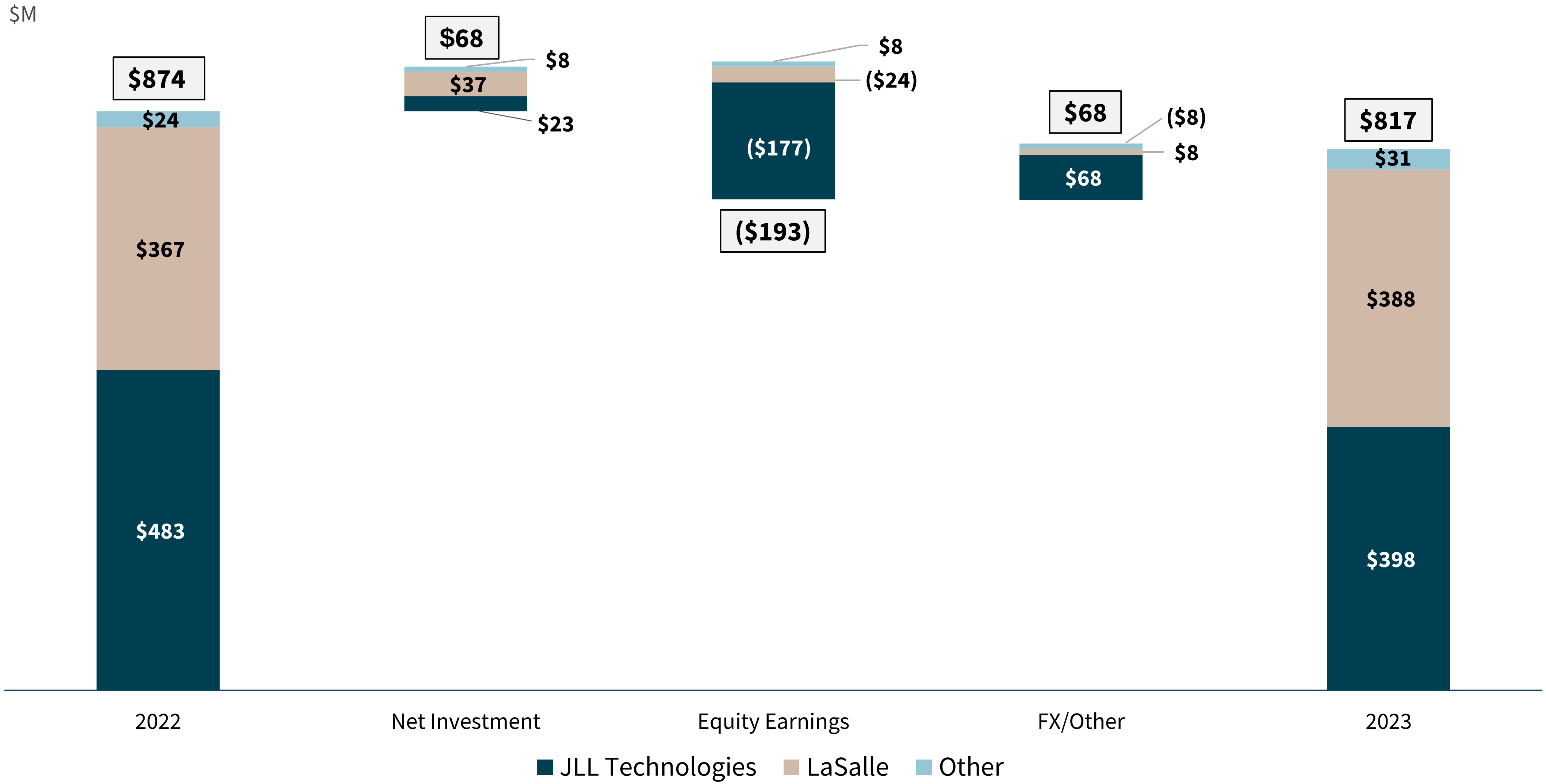
Supplemental materials & non-GAAP reconciliations

Investments Rollforward



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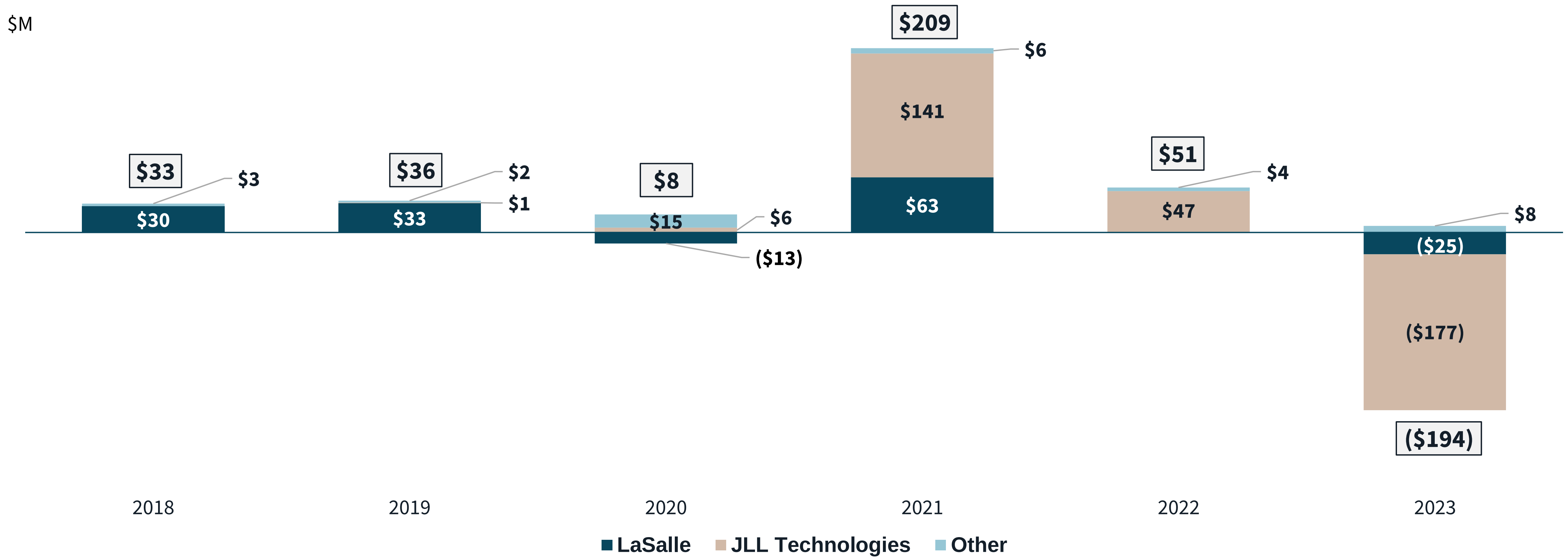
Historical Equity Earnings



Highlights

- JLL Technologies' 2021 and 2022 equity earnings of $141 million and $47 million, respectively, are attributable to valuation increases in proptech investments; 2023 equity losses of $177 million are attributed to valuation declines reflecting the challenging environment for venture capital companies
- LaSalle 2023 equity earnings declined $25 million vs 2022 driven by valuation declines across the co-investment portfolio

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Consolidated YTD 2023 financial results

Margins in local currency; growth rates represent % change over FY 2022

	Q4 2023 YTD	Q4 2022 YTD	’23/’22 % Chg. USD	’23/’22 % Chg. Local Currency
Revenue	$20,761M	$20,862M	↔ %	↔ %
Fee Revenue	$7,403M	$8,302M	↓ (11)%	↓ (11)%
Operating Income	$577M	$868M	↓ (34)%	↓ (33)%
Operating Income Margin	7.8%	10.5%	↓ 270 bps	↓ 270 bps
Equity (Losses) Earnings	$(194)M	$51M	↓ (481)%	↓ (480)%
Net Income Attributable to Common Shareholders	$225M	$655M	↓ (66)%	↓ (64)%
Adjusted Net Income	$358M	$775M	↓ (54)%	↓ (53)%
Adjusted Diluted EPS	$7.40	$15.71	↓ (53)%	↓ (52)%
Adjusted EBITDA	$737M	$1,247M	↓ (41)%	↓ (40)%
Adjusted EBITDA Margin	10.0%	15.0%	↓ 500 bps	↓ 500 bps

Notes:
- YTD Q4 2023 Organic Fee Revenue decline of 11% local currency
- Non-GAAP items listed above include Fee Revenue, Adjusted Net Income, Adjusted Diluted EPS, Adjusted EBITDA, and Adjusted EBITDA margin
- Refer to pages 27 - 31 for definitions and reconciliations of non-GAAP financial measures

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YTD 2023 financial results – Business segments

$M. Growth rates in local currency; growth rates represent % change over FY 2022

	Revenue	Fee Revenue	Adjusted EBITDA	Adjusted EBITDA Margin (USD)	Adjusted EBITDA Margin (Local Currency)
Markets Advisory	$4,122 ↓ (6)%	$2,968 ↓ (11)%	$417 ↓ (21)%	14.0% ↓ 170 bps	14.1% ↓ 160 bps
Capital Markets	$1,778 ↓ (29)%	$1,749 ↓ (28)%	$173 ↓ (61)%	9.9% ↓ 840 bps	9.9% ↓ 840 bps
Work Dynamics	$14,131 ↑ 7%	$2,000 ↑ 7%	$264 ↑ 14%	13.2% ↑ 90 bps	13.1% ↑ 80 bps
JLL Technologies	$246 ↑ 15%	$232 ↑ 16%	$(196) ↓ (286)%	(84.6)% ↓ 5,920 bps	(84.9)% ↓ 5,950 bps
LaSalle	$484 ↑ 2%	$455 ↑ 2%	$79 ↓ (17)%	17.4% ↓ 420 bps	17.5% ↓ 410 bps
Consolidated	$20,761 ↔ %	$7,403 ↓ (11)%	$737 ↓ (40)%	10.0% ↓ 500 bps	10.0% ↓ 500 bps

Notes:
- Refer to pages 27 - 31 for definitions and reconciliations of non-GAAP financial measures

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Fee revenue / fee-based operating expenses reconciliation

($M)	Three Months Ended Dec 31		Twelve Months Ended Dec 31	
	2023	2022	2023	2022
Revenue	**$5,881.4**	**$5,604.8**	**$20,760.8**	**$20,862.1**
Gross contract costs	(3,709.7)	(3,392.5)	(13,375.9)	(12,549.1)
Net non-cash MSR and mortgage banking derivative activity	8.7	1.8	18.2	(11.0)
Fee revenue	**$2,180.4**	**$2,214.1**	**$7,403.1**	**$8,302.0**
Operating expenses	**$5,591.0**	**$5,350.1**	**$20,184.3**	**$19,994.0**
Gross contract costs	(3,709.7)	(3,392.5)	(13,375.9)	(12,549.1)
Fee-based operating expenses	**$1,881.3**	**$1,957.6**	**$6,808.4**	**$7,444.9**

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Reconciliation of net income attributable to common shareholders to adjusted EBITDA

($M)	Three Months Ended Dec 31		Twelve Months Ended Dec 31	
	2023	**2022**	**2023**	**2022**
Net income attributable to common shareholders	$172.4	$174.8	$225.4	$654.5
Interest expense, net of interest income	31.5	26.1	135.4	75.2
Income tax provision	12.7	45.4	25.7	200.8
Depreciation and amortization(1)	60.8	61.7	234.4	225.2
EBITDA	**$277.4**	**$308.0**	**$620.9**	**$1,155.7**
Restructuring and acquisition charges	21.6	38.4	100.7	104.8
Net (gain) loss on disposition	--	--	0.5	7.5
Net non-cash MSR and mortgage banking derivative activity	8.7	1.8	18.2	(11.0)
Interest on employee loans, net of forgiveness	(1.3)	(9.7)	(3.6)	(9.7)
Adjusted EBITDA	**$306.4**	**$338.5**	**$736.7**	**$1,247.3**

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

(1) This adjustment excludes the noncontrolling interest portion of amortization of acquisition-related intangibles which is not attributable to common shareholders.

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Reconciliation of net income to adjusted net income and adjusted diluted earnings per share

($M except per share data)	Three Months Ended Dec 31		Twelve Months Ended Dec 31	
	2023	**2022**	**2023**	**2022**
Net income attributable to common shareholders	$172.4	$174.8	$225.4	$654.5
Shares (in 000s)	48,394	48,263	48,288	49,341
Diluted earnings per share	**$3.57**	**$3.62**	**$4.67**	**$13.27**
Net income attributable to common shareholders	$172.4	$174.8	$225.4	$654.5
Restructuring and acquisition charges	21.6	38.4	100.7	104.8
Net non-cash MSR and mortgage banking derivative activity	8.7	1.8	18.2	(11.0)
Amortization of acquisition-related intangibles(1)	16.1	17.9	66.0	67.4
Net (gain) loss on disposition	--	--	0.5	7.5
Interest on employee loans, net of forgiveness	(1.3)	(9.7)	(3.6)	(9.7)
Tax impact of adjusted items	(13.0)	(12.6)	(49.7)	(38.4)
Adjusted net income	**$204.5**	**$210.6**	**$357.5**	**$775.1**
Shares (in 000s)	48,324	48,263	48,288	49,341
Adjusted diluted earnings per share(2)	**$4.23**	**$4.36**	**$7.40**	**$15.71**

(1) This adjustment excludes the noncontrolling interest portion of amortization of acquisition-related intangibles which is not attributable to common shareholders.
(2) Calculated on a local currency basis, the results for the three and twelve months ended December 31, 2023, include $0.07 and $0.20, respectively, unfavorable impact due to foreign exchange rate fluctuations.

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Non-GAAP measures

On February 15, 2024, management received a letter from the SEC Staff informing the Company of the Staff's objection to the Company's "Fee revenue" and "Fee-based operating expenses" non-GAAP measures, citing questions 100.04 and 100.01 of the SEC Staff's non-GAAP Compliance & Disclosure Interpretations as it relates to the historical non-GAAP adjustment of Gross contract costs. As such, effective with the first-quarter 2024 reporting cycle, the Company will remove all references to both measures. Management is currently reviewing options for revised presentation of non-GAAP disclosures.

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:
(i) Fee revenue and Fee-based operating expenses,
(ii) Adjusted EBITDA attributable to common shareholders ("Adjusted EBITDA") and Adjusted EBITDA margin,
(iii) Adjusted net income attributable to common shareholders and Adjusted diluted earnings per share,
(iv) Percentage changes against prior periods, presented on a local currency basis, and
(v) Free Cash Flow.

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

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

Gross Contract Costs represent certain costs associated with client-dedicated employees and third-party vendors and subcontractors and are directly or 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. Excluding gross contract costs from both Fee revenue and Fee-based operating expenses more accurately reflects how the company manages its expense base and operating margins and also enables a more consistent performance assessment across a portfolio of contracts with varying payment terms and structures.

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Non-GAAP measures (cont.)

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

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

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

Gain or Loss on Disposition reflects the gain or loss recognized on the sale of businesses. Given the low frequency of business disposals by the company historically, the gain or loss directly associated with such activity is excluded as it is not considered indicative of core operating performance. In 2023, we recorded a $0.5 million net loss, versus a $7.5 million net loss in 2022.

Interest on Employee Loans, Net of Forgiveness reflects interest accrued on employee loans less the amount of accrued interest forgiven. Certain employees (predominantly in our Leasing and Capital Markets businesses) receive cash payments structured as loans, with interest. Employees earn forgiveness of the loan based on performance, generally calculated as a percentage of revenue production. Such forgiven amounts are reflected in Compensation and benefits expense. Given the interest accrued on these employee loans and subsequent forgiveness are non-cash and the amounts perfectly offset over the life of the loan, the activity is not indicative of core operating performance and is excluded from non-GAAP measures.

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