

CBRE to Acquire Majority Interest in and Form Strategic Partnership with Turner & Townsend

July 27, 2021

CBRE Group, Inc. (NYSE:CBRE) and Turner & Townsend Holdings Limited today announced a definitive agreement whereby CBRE will acquire a 60% ownership interest in, and enter into a strategic partnership with Turner & Townsend, a United Kingdom-based global leader in program, project and cost management.

CBRE will acquire a 60% stake for approximately £960 million (\$1.3 billion) in cash, with 55% to be paid upon closing. The transaction preserves Turner & Townsend's existing leadership team, heritage, operational independence and partnership structure, which will hold the remaining 40% ownership interest. The transaction values Turner & Townsend at approximately £1.6 billion (\$2.2 billion) and is expected to be immediately accretive to CBRE's earnings.

Turner & Townsend provides program management, cost consultancy, project management and advisory consulting services for clients in 46 countries. It operates across three business segments: Real Estate (62% of net revenue) – serving investors and occupiers across all property types, including data centers and life-science properties; Infrastructure (31% of net revenue) – notably, transportation, environmental and power generation projects, and Natural Resources (7% of net revenue) – renewable energy, alternative fuels, liquified natural gas and other projects.

For the 12 months ended April 30, 2021, Turner & Townsend's net revenue totaled approximately £665 million (\$923 million) and adjusted EBITDA totaled approximately £124 million (\$172 million).

"This is a transformational transaction for our project management business in terms of both breadth and scale of capabilities," said Bob Sulentic, CBRE's president and chief executive officer. "We see sizable secular growth opportunities in project management, which are being propelled by rising public and private infrastructure investment and the drive to a low-carbon global economy. Turner & Townsend is by far the best firm to help us realize our ambitions for this business. It is an exceptionally well-run company with a first-rate brand, enviable client base and expertise that complements our capabilities."

Among the key benefits to Turner & Townsend from the strategic partnership is the opportunity to materially expand its business in the Americas, where CBRE has deep occupier and investor relationships and a leading market presence.

Vincent Clancy, chairman and chief executive officer of Turner & Townsend, said: "The combined partnership of CBRE and Turner & Townsend will create the premier global provider of program, project and cost management from day one. Turner & Townsend will continue to offer independent advice, solutions and program level thinking across the Real Estate, Infrastructure and Natural Resources sectors. Our global network means this applies everywhere in the world – we operate where our clients operate. The combination of unrivalled global footprint, sector expertise, commitment to investment



and an incredible team of people will make CBRE and Turner & Townsend the go-to firms in our industry.”

Upon closing the transaction, Mr. Clancy and the existing Turner & Townsend management team will continue to run the company on a day-to-day basis, and all its services will continue to be delivered under the Turner & Townsend brand. Turner & Townsend’s financial results will be consolidated and reported within CBRE’s Global Workplace Solutions (GWS) business segment.

Turner & Townsend will be governed by a new Board of Directors, consisting of three CBRE executives – Mr. Sulentic, Jack Durburg, Global CEO, GWS, and Chandra Dhandapani, Chief Transformation Officer and COO, GWS, and three Turner & Townsend executives – Mr. Clancy, Jeremy Lathom-Sharp, Finance Director, and James Dand, Chief Operating Officer.

The transaction is subject to regulatory approvals and other customary closing conditions. Closing is expected in the fourth quarter of this year.

Morgan Stanley & Co. LLC is acting as financial advisor and Simpson Thacher & Bartlett LLP and Dentons are acting as legal advisors to CBRE. Rothschild & Co is acting as financial advisor and Pinsent Masons LLP as legal advisor to Turner & Townsend.

Link to original press release:

<https://www.cbre.us/about/media-center/cbre-to-acquire-majority-interest-in-and-form-strategic-partnership-with-turner-and-townsend>

