

JLL - Capital Allocation Under Accelerate 2030

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Decision scope: Pacing discretionary share repurchases relative to investment and balance-sheet flexibility

Case convention: This is an author-created decision exercise. No private board deliberations or undisclosed management plans are represented. Use only information available by the cutoff.

The decision

Jones Lang LaSalle Incorporated (JLL) had \$2.592 billion of share-repurchase authorization remaining at 30 June 2026. In March, the company announced that its board had authorized an additional \$2.2 billion in February, bringing total authority to roughly \$3 billion. JLL also announced a planned \$200 million accelerated share repurchase, completed by the second quarter. H1 repurchases totaled \$410 million. The remaining amount is authorization-not cash held for repurchases or a commitment to spend it. [P2], Note/MD&A “Share Repurchase and Dividend Programs,” pp.47-48; [P4], 12 March release.

At the same time, JLL had launched Accelerate 2030, with management targets for through-cycle growth and a strategy emphasizing data, platforms, and AI capability. H1 net capital additions were \$115 million, primarily for leaseholds, software, and technology hardware. JLL reported \$873.6 million in investment assets and up to \$311.3 million of potential unfunded commitments across Investment Management and PropTech. None is a disclosed AI-only budget or project return. [P2], Note 6, p.17; MD&A, pp.46-47; [P4], slides 53-65 and 70-84.

Assignment: Recommend how JLL should pace and govern its remaining repurchase authority relative to platform and technology investment, acquisitions, and balance-sheet flexibility. Choose one of the hypothetical policies below or design a defensible variant. State the decision criteria, explain the strongest counterargument, and identify what evidence would cause you to change course. Do not treat the full authorization as a cash outflow or assume that JLL has disclosed a buyback schedule.

The company and its strategic setting

JLL provides commercial real-estate services through businesses that include Leasing Advisory, Capital Markets, and Real Estate Management Services. The company describes its competitive environment as including traditional real-estate services firms as well as technology companies entering the sector. Its strategy emphasizes data, platform capabilities, and technology-enabled client service. [P1], Item 1, pp.7-14; Item 1, technology discussion, pp.12-13.

JLL's March 2026 Investor Briefing presented Accelerate 2030 and average through-cycle targets of 8% annual revenue growth, 12% adjusted EBITDA growth, 16% adjusted EPS growth, and free-cash-flow conversion above 80%. It also presented a target net-leverage range of 0.0-2.0x. These are management's long-term targets, not forecasts for 2026 or realized results. The company does not disclose a specific technology investment budget, project-level return forecast, or buyback pace tied to these targets. [P4], slide 99 and strategy slides 53-65, 70-84.

The operating picture is not one-directional. JLL's Q2 2026 release reported \$6.9 billion in quarterly revenue, up 11% in U.S. dollars. Advisory revenue grew 21% in local currency, while Resilient revenue grew 8% in local currency. Q2 operating cash flow was positive \$488.1 million. [P3], lines 11-24, 131-153. The first half, however, used \$266.9 million of operating cash. Management's year-over-year discussion cites earnings and higher trade receivables; the filing separately reports annual incentive accruals and a \$632.2 million accrued-compensation cash-flow adjustment. Those facts do not explain the entire H1 cash result. [P2], cash-flow statement, p.7; MD&A, p.45; seasonality discussion, p.30.

On 16 September, JLL announced Paul Morgan's appointment to a newly created COO role. A 30 September filing, with a 28 September report date, disclosed that JLL Technologies CEO Mihir Shah would leave on 1 April 2027. These are relevant governance events, but the filings do not link them to a change in technology performance or capital allocation. [P5], 16 September and 30 September 8-Ks.

Exhibit 1. Capital return and balance-sheet snapshot

USD millions, except shares and ratios. Issuer reported unless noted.

Measure	Reported amount	Period / definition
Added repurchase authorization	\$2,200	Board authorized in February 2026; March materials announced it [P2], pp.47-48; [P4]
Planned accelerated share repurchase	\$200	Announced March; completed by Q2 [P4]; [P2]
H1 shares repurchased	1.3041 million	Six months ended 30 June 2026 [P2], pp.47-48
H1 repurchase program payments	\$410.0	Program table; cash-flow statement separately reports \$409.0 [P2], pp.7, 47-48
Remaining authorization	\$2,591.6	At 30 June 2026; discretionary authority [P2], pp.47-48
Cash and cash equivalents	\$458.2	GAAP balance-sheet cash at 30 June [P2], p.3
GAAP debt carrying amount, net of issuance costs	\$1,637.7	At 30 June [P2], Note 8, p.22
Gross debt used in JLL net-debt reconciliation	\$1,648.5	Issuer-defined amount including issuance costs [P3], lines 655-663
Net debt	\$1,190.3	Company-defined non-GAAP measure [P3], lines 131-153, 655-669

Measure	Reported amount	Period / definition
Corporate liquidity	\$3,413.2	Company-defined: cash plus unused credit facility [P3], lines 131-153, 655-669
Net leverage	0.7x	Company-defined net debt / trailing-twelve-month adjusted EBITDA [P3], lines 131-153, 655-669

Do not add authorization to liquidity or treat either as cash earmarked for a specific use. Keep GAAP cash and debt carrying amount separate from issuer-defined gross debt in the net-debt reconciliation and company-defined net debt, corporate liquidity, and net leverage.

Exhibit 2. Cash flow and investment context

USD millions. H1 means six months ended 30 June 2026.

Measure	Amount	Basis
H1 cash used in operating activities	\$(266.9)	GAAP cash-flow statement [P2], p.7
Q2 cash provided by operating activities	\$488.1	GAAP; three months ended 30 June [P3], lines 131-153
H1 cash used in investing activities	\$(125.5)	GAAP cash-flow statement [P2], p.7
H1 free cash flow	\$(381.9)	Company-defined non-GAAP: CFO less net capital additions; [P3], lines 131-135, 669-676
H1 net capital additions	\$115.0	Mainly leaseholds, purchased/developed software and technology hardware; leaseholds largest [P2], p.46
Investment assets	\$873.6	Co-investments \$490.3; PropTech \$350.0; other \$33.3 at 30 June [P2], Note 6, p.17
Maximum potential unfunded commitments	\$305.5 + \$5.8	Investment Management and PropTech, respectively; not necessarily current-period cash needs [P2], Note 6, p.17
H1 acquisition cash/deferred payments	\$36.9	\$20.5 cash plus \$16.4 deferred/earnout payments [P2], p.47
Potential earn-outs on completed acquisitions	Up to \$66.8	Disclosed maximum, not a forecast payment [P2], p.47

JLL reported that H1 additions were primarily leasehold improvements, purchased/developed software, and technology hardware, but did not disaggregate platform or AI spending.

“Investment assets,” capital additions, and potential unfunded commitments are different categories; none is a project-level technology budget. The H1 cash-flow profile should not be annualized mechanically. [P2], p.7, p.17, pp.45-47; [P3], lines 131-153.

Exhibit 3. Management targets and capital-allocation framework

Measure	Long-term target	Status
Average annual revenue growth	8%	Through the cycle; management target
Average annual adjusted EBITDA growth	12%	Through the cycle; management target
Average annual adjusted EPS growth	16%	Through the cycle; management target
Free-cash-flow conversion	More than 80%	Through the cycle; company-defined metric
Net leverage	0.0-2.0x	Company-defined range

Source: [P4], Investor Briefing slide 99 / SEC lines 696-697. JLL defines FCF conversion and leverage in the investor materials; these measures are not GAAP. The company has not publicly specified how much of the remaining repurchase authorization it intends to execute or how the authorization relates to specific technology projects.

Exhibit 4. One peer's disclosed practice

CBRE reported \$945 million in H1 2026 repurchases and \$3.9 billion of authorization remaining at 30 June. It also reported \$195 million of H1 capital expenditures and expected approximately \$500 million for FY2026. CBRE says its authorization creates no obligation to purchase shares and describes repurchases as an opportunistic use among other discretionary uses. [P6], Q2 2026 Form 10-Q, pp.50-51; Q2 release.

CBRE is a bounded example, not a benchmark. Its scale, business mix, real-estate investment/development activities, and cash-conversion profile differ from JLL's; its spending amounts and policy do not establish what JLL should do. [P6].

Hypothetical policy alternatives

These are classroom-designed alternatives, not announced JLL plans:

- 1. Maintain active repurchases.** Continue discretionary repurchases as opportunities arise while funding approved operating and technology investments. This gives weight to the authorization and management's through-cycle capital-return framework. It requires a defensible view of liquidity, valuation, and the projects that remain fundable.
- 2. Gate repurchases against investment and liquidity.** First assess committed cash needs, downside liquidity, and projects that meet JLL's own strategic and return criteria; then use remaining capacity for opportunistic repurchases. This emphasizes flexibility and funding quality investments, but may reduce or delay repurchases without guaranteeing that an incremental technology dollar earns an adequate return.
- 3. Temporarily preserve more optionality.** Pause or sharply limit repurchases while management clarifies technology/platform project economics, capital commitments, and transition oversight, then revisit at a stated date or milestone. This can protect flexibility during uncertainty, but it risks leaving attractive repurchase opportunities unused and lacks support if no decision-relevant investment projects emerge.

No option can be evaluated from public evidence alone as a mechanical “correct” answer. Any cash floor, hurdle rate, amount to allocate, pause/restart trigger, or required return is a student assumption, not a JLL disclosure.

Sources and conventions

[P1] JLL, FY2025 Form 10-K, filed 19 Feb 2026, year ended 31 Dec 2025. [SEC filing](#). Relevant locators: Item 1 business/technology/competition, pp.7-14; Item 1A seasonality, lines 759-762.

[P2] JLL, Q2 2026 Form 10-Q, filed 30 Jul 2026, quarter ended 30 Jun. [SEC filing](#). Relevant locators: balance sheet p.3; cash flows p.7; investment Note 6 p.17; seasonality p.30; liquidity/capital returns and capital additions pp.45-48.

[P3] JLL, Q2 2026 earnings release, 30 Jul 2026, Form 8-K Exhibit 99.1. [SEC exhibit](#). Revenue lines 11-24; cash flow and liquidity lines 131-153; definitions/reconciliations lines 655-676.

[P4] JLL, Investor Briefing 2026, 12 Mar 2026, Form 8-K Exhibits 99.1-99.2. [Slide deck · announcement](#). Targets, platform strategy, data and AI discussion, and repurchase announcement.

[P5] JLL, 16 Sep 2026 COO appointment 8-K, [SEC filing](#); and 30 Sep filing with 28 Sep report date on JLL Technologies CEO departure, [SEC filing](#). JLL Q3 call notice, 24 Sep 2026, [IR notice](#).

[P6] CBRE, Q2 2026 Form 10-Q, filed 29 Jul 2026. [SEC filing](#); Q2 release, [CBRE IR](#).

All amounts are company-reported except where a measure is expressly identified as company-defined or a classroom alternative. No post-cutoff results are included.