



# Third Quarter 2022 Financial Results

November 1, 2022



This presentation includes or may include forward-looking statements. Forward-looking statements include the Company's financial performance outlook and statements regarding goals, beliefs, strategies, objectives, plans or current expectations. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different from any future results, performance or achievements contemplated in the forward-looking statements. Such factors include: economic conditions, especially as they relate to commercial and consumer credit conditions and business spending; commercial real estate property values, vacancy rates and general conditions of financial liquidity for real estate transactions; the effects of changes in foreign exchange rates in relation to the US dollar on Canadian dollar, Australian dollar, UK pound sterling and Euro denominated revenues and expenses; competition in markets served by the Company; labor shortages or increases in commission, wage and benefit costs; the impact of higher than expected inflation could impact profitability of certain contracts; impact of pandemics on client demand, ability to deliver services and ensure the health and productivity of employees; disruptions or security failures in information technology systems; cybersecurity risks; a change in/loss of our relationship with US government agencies could significantly impact our ability to originate mortgage loans; default on loans originated under the Fannie Mae Delegated Underwriting and Servicing program could materially affect our profitability; the effect of increases in interest rates on our cost of borrowing and political conditions or events, including elections, referenda, changes to international trade and immigration policies and any outbreak or escalation of terrorism or hostilities.

Additional factors and explanatory information are identified in the Company's Annual Information Form for the year ended December 31, 2021 under the heading "Risk Factors" (which factors are adopted herein, and which can be accessed at [www.sedar.com](http://www.sedar.com)) and other periodic filings with Canadian and US securities regulators. Forward looking statements contained in this presentation are made as of the date hereof and are subject to change. All forward-looking statements in this press release are qualified by these cautionary statements. Except as required by applicable law, Colliers undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

**This presentation does not constitute an offer to sell or a solicitation of an offer to purchase an interest in any fund.**

### **Non-GAAP measures**

This presentation makes reference to certain non-GAAP measures, including local currency ("LC") revenue growth rate, internal revenue growth rate, Adjusted EBITDA ("AEBITDA"), Adjusted EPS ("AEPS") and assets under management ("AUM"). Please refer to Appendix for reconciliations to GAAP measures.



# Highlights

(US\$ millions, except per share amounts)

Three months ended September 30	2022	2021	%Change	
			USD	LC <sup>(1)</sup>
Revenue	1,108.3	1,022.8	8%	12%
Adjusted EBITDA	145.1	123.6	17%	21%
Adjusted EBITDA Margin	13.1%	12.1%		
Adjusted EPS	1.41	1.27	11%	
GAAP Operating Earnings <sup>(2)</sup>	84.0	76.0	11%	
GAAP Operating Earnings Margin	7.6%	7.4%		
GAAP diluted EPS <sup>(2)</sup>	0.27	0.40	-33%	

Nine months ended September 30	2022	2021	% Change	
			USD	LC <sup>(1)</sup>
Revenue	3,237.1	2,743.7	18%	21%
Adjusted EBITDA	427.8	352.3	21%	24%
Adjusted EBITDA Margin	13.2%	12.8%		
Adjusted EPS	4.69	3.91	20%	
GAAP Operating Earnings <sup>(2)</sup>	228.7	-269.9	NM	
GAAP Operating Earnings Margin	7.1%	-9.8%		
GAAP diluted EPS <sup>(2)</sup>	0.54	-10.19	NM	

## Growing recurring revenues and broader diversification bring more resilience

## Outsourcing & Advisory, Investment Management and Leasing up strongly more than offsetting softness in Capital Markets

### Investment Management represents nearly 30% of pro forma consolidated Adjusted EBITDA

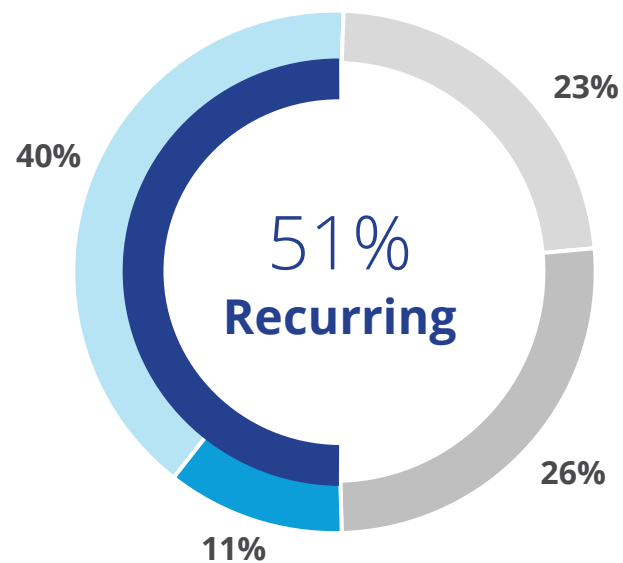
- Completed four acquisitions year to date
- Pro forma AUM now exceeds \$92 billion, with 85% in perpetual or long-dated investment strategies and 70% in highly defensive asset classes

<sup>(1)</sup> Local Currency

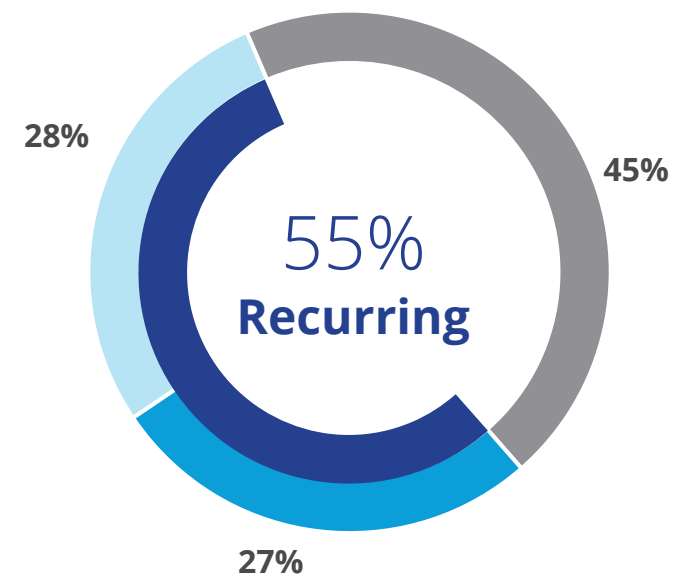
<sup>(2)</sup> For the nine months ended September 30, 2021, GAAP operating earnings and GAAP diluted EPS include a \$471.9 million settlement of Long-Term Incentive Arrangement ("LTIA") with the Company's Chairman & CEO

# Trailing Twelve Months Ended September 30, 2022 Broad Diversification

TTM Q3 2022 Revenue By Service



TTM Q3 2022 AEBITDA By Service



■ Outsourcing & Advisory   
 ■ Investment Management   
 ■ Leasing   
 ■ Capital Markets   
 ■ Leasing & Capital Markets

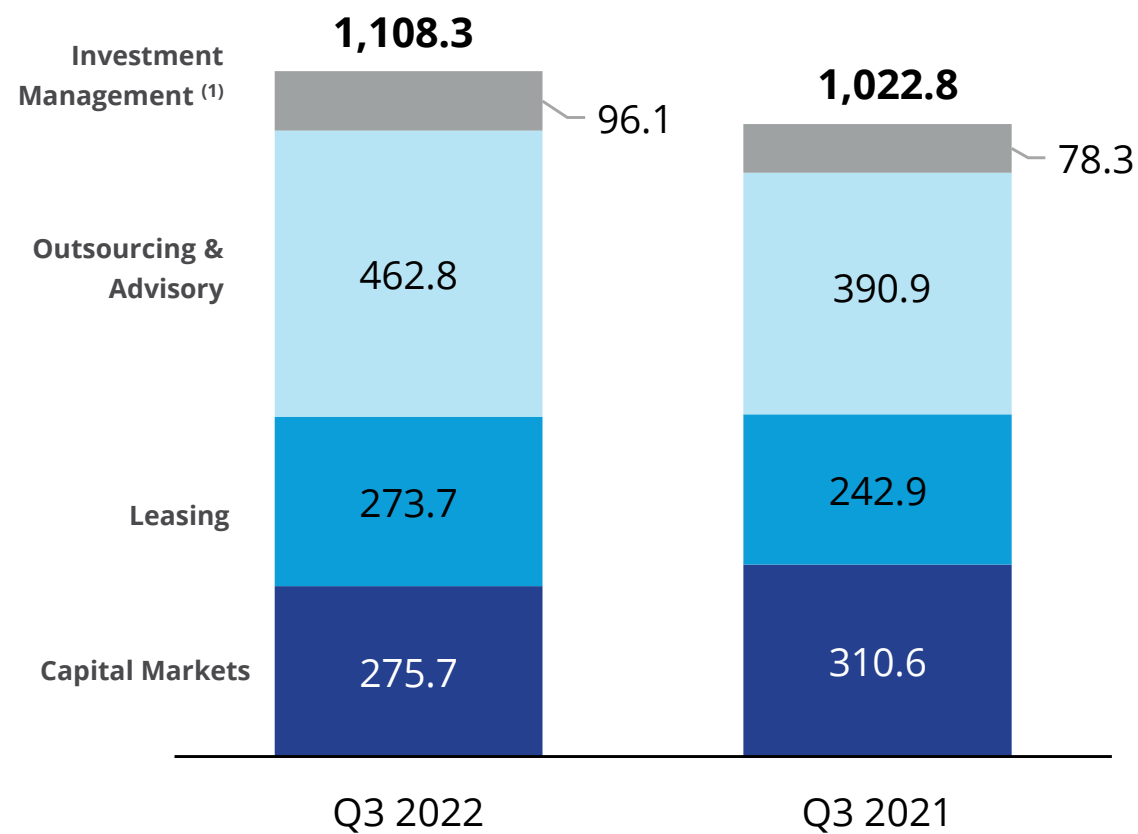
*Shown on a proforma basis including announced acquisitions*

% Change over Q3 2021	USD	LC
Investment Management <sup>(1)</sup>	23%	23%
Outsourcing & Advisory	18%	24%
Leasing	13%	16%
Capital Markets	-11%	-8%
<b>Total</b>	<b>8%</b>	<b>12%</b>

Revenue Mix	Q3 2022	Q3 2021
Investment Management	8%	8%
Outsourcing & Advisory	42%	38%
Leasing	25%	24%
Capital Markets	25%	30%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Third Quarter Consolidated Revenues

(US\$ millions)



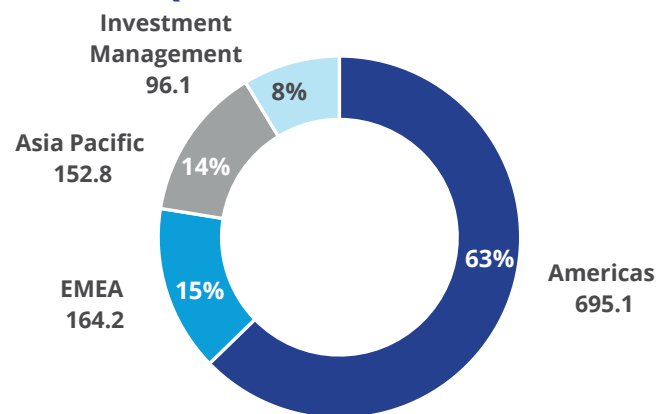
Local currency internal growth: 4%

<sup>(1)</sup> Investment Management LC revenue growth, excluding pass-through carried interest, was 62%

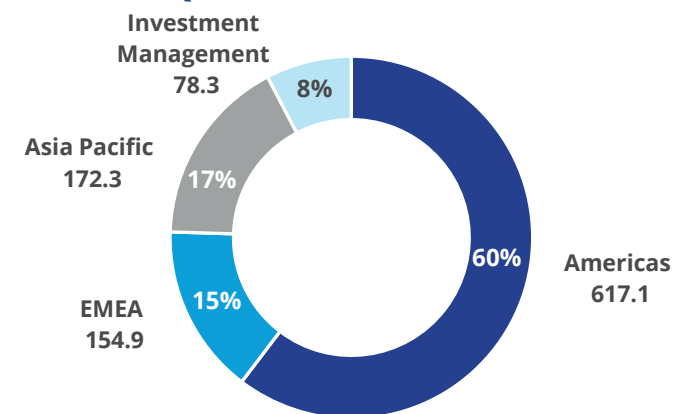
# Third Quarter Geographic Mix

(US\$ millions)

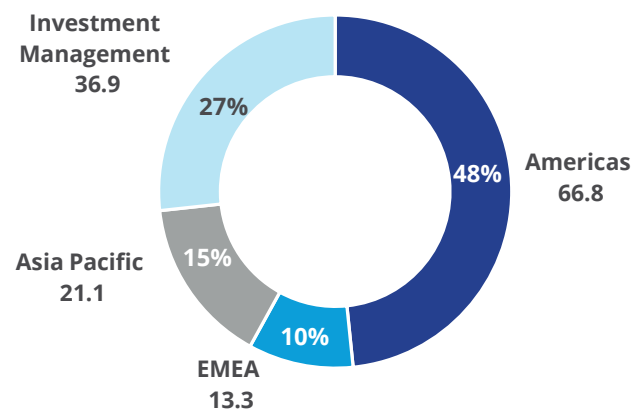
**Q3 2022 Revenues**



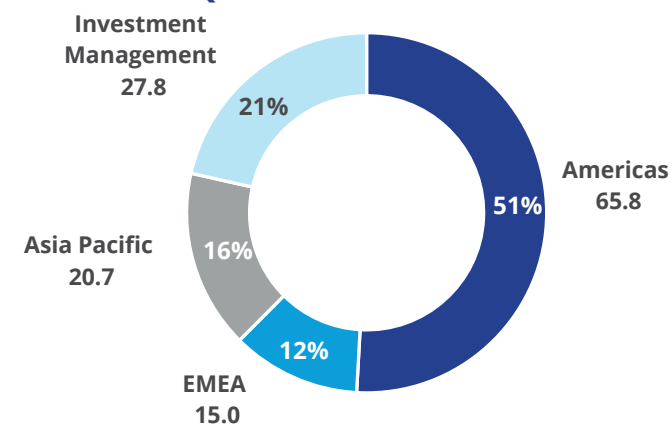
**Q3 2021 Revenues**



**Q3 2022 AEBITDA**



**Q3 2021 AEBITDA**



(1) Q3 2022 GAAP Operating Earnings: \$59.9M Americas, \$6.1M EMEA, \$17.5M Asia Pacific, \$19.5M Investment Management

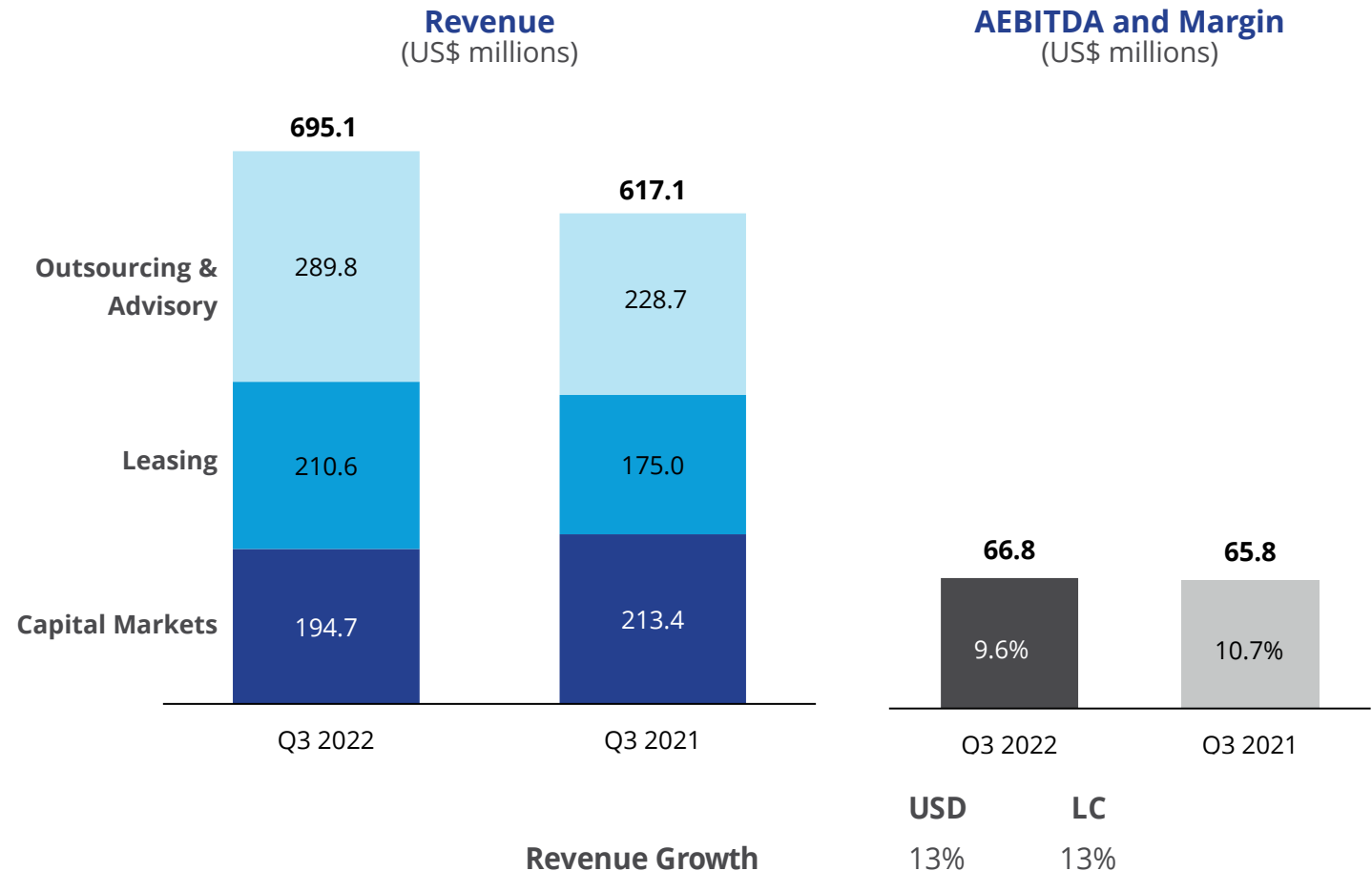
(2) Q3 2021 GAAP Operating Earnings: \$48.9M Americas, \$11.4M EMEA, \$18.3M Asia Pacific, \$19.8M Investment Management

# Americas

Growth led by Outsourcing & Advisory, particularly Engineering & Design (including recent acquisitions)

Leasing benefitted from increased office and industrial activity

Margin impacted by higher discretionary and variable costs and reduction in high-margin Capital Markets revenues



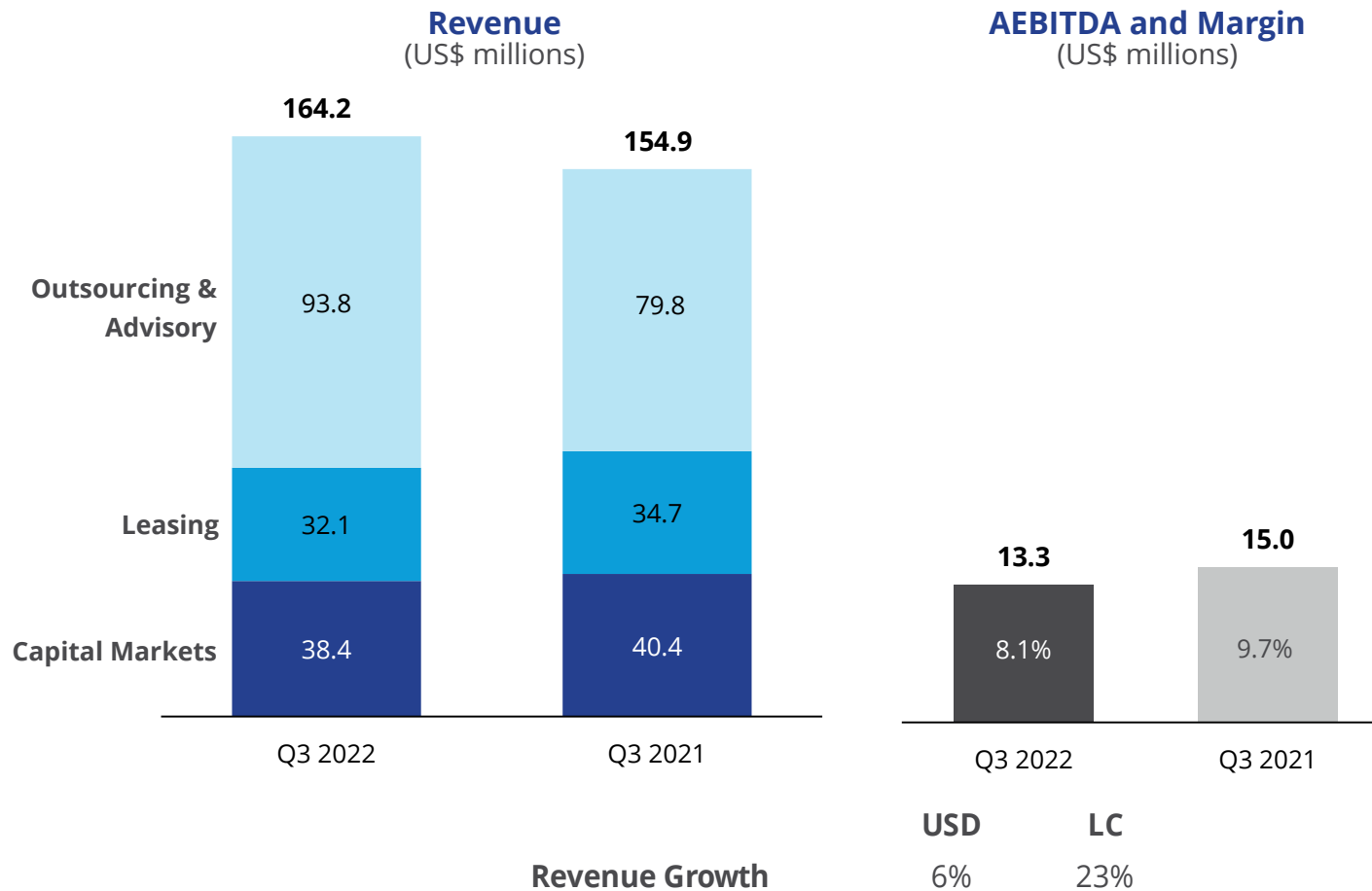
GAAP Operating Earnings: Q3 2022 \$59.9M at 8.6% margin; Q3 2021 \$48.9M at 7.9% margin



# EMEA

Significant foreign exchange headwinds impacted revenues 17%

LC Growth across all services lines but unevenly distributed across countries



GAAP Operating Earnings: Q3 2022 \$6.1M at 3.7% margin; Q3 2021 \$11.4M at 7.4% margin

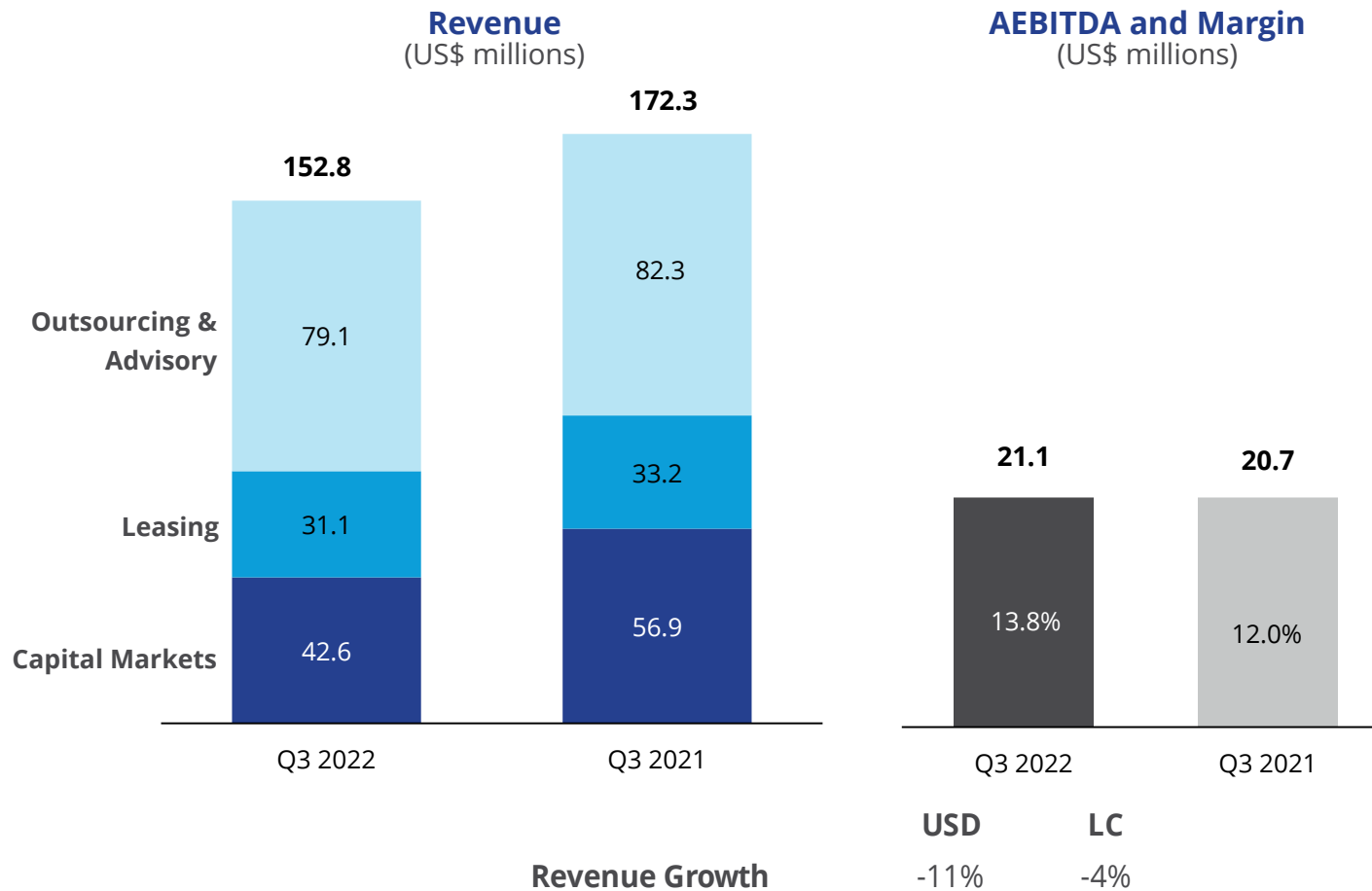




# APAC

Foreign exchange headwinds impacted revenues 7%

Revenue impacted by COVID-19 restrictions in several Asian markets and delays in certain transactions

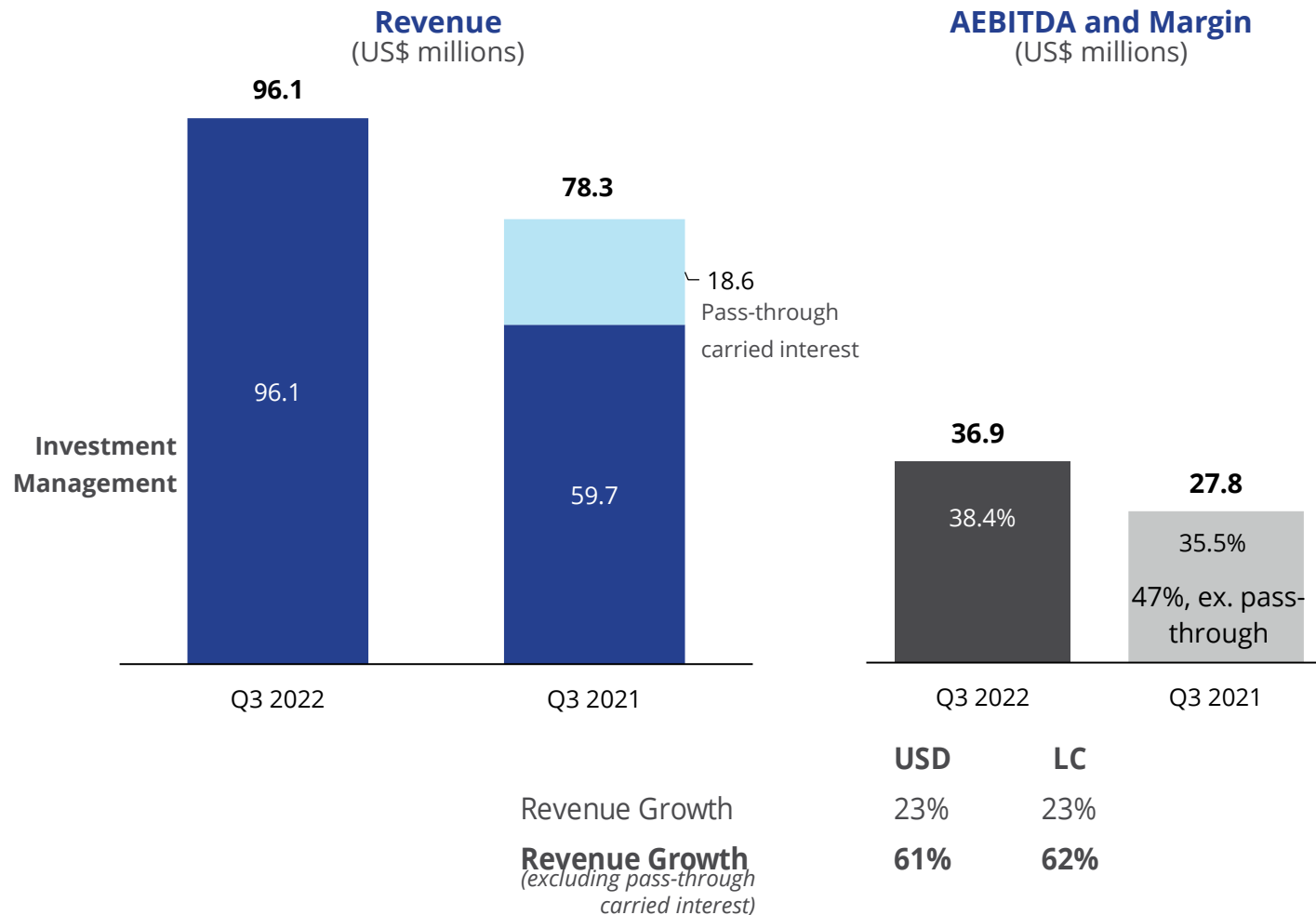


GAAP Operating Earnings: Q3 2022 \$17.5M at 11.4% margin; Q3 2021 \$18.3M at 10.6% margin

# Investment Management

Revenue growth driven by acquisitions and management fee growth from increased AUM

AUM of \$86.2 billion as of September 30, 2022 (\$92.2 billion including Versus Capital, closed on October 12, 2022), up significantly from \$46.1 billion in the prior year



GAAP Operating Earnings: Q3 2022 \$19.5M at 20.3% margin; Q3 2021 \$19.8M at 25.3% margin

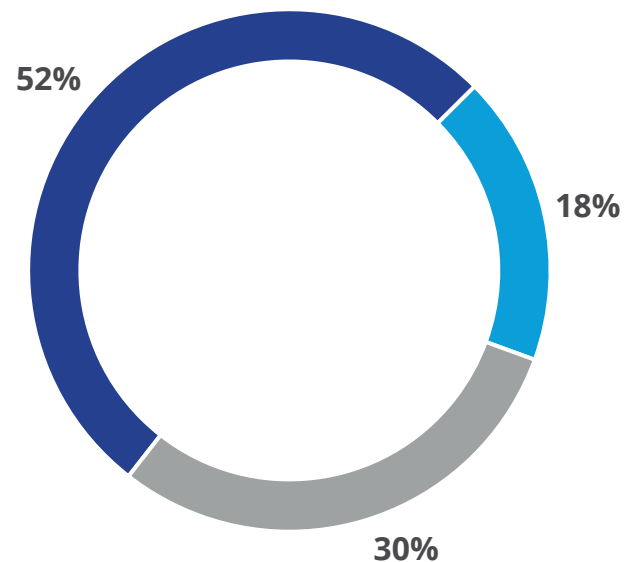
# Investment Management

Focus on long-duration, highly differentiated AUM

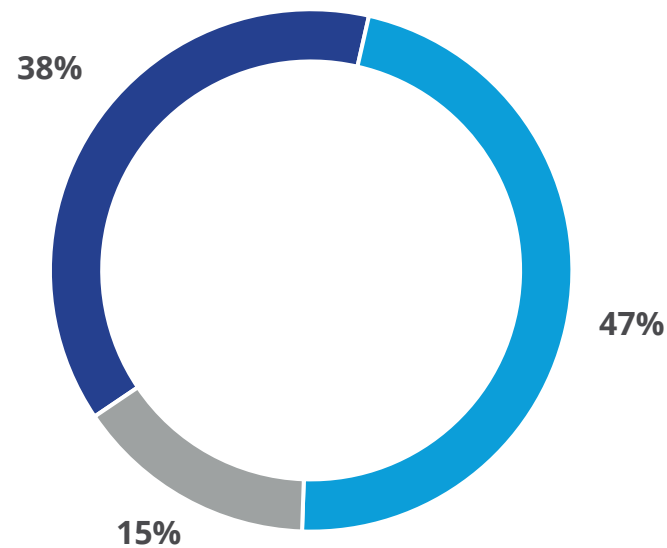
AUM: \$92.2B

FPAUM: \$51.2B

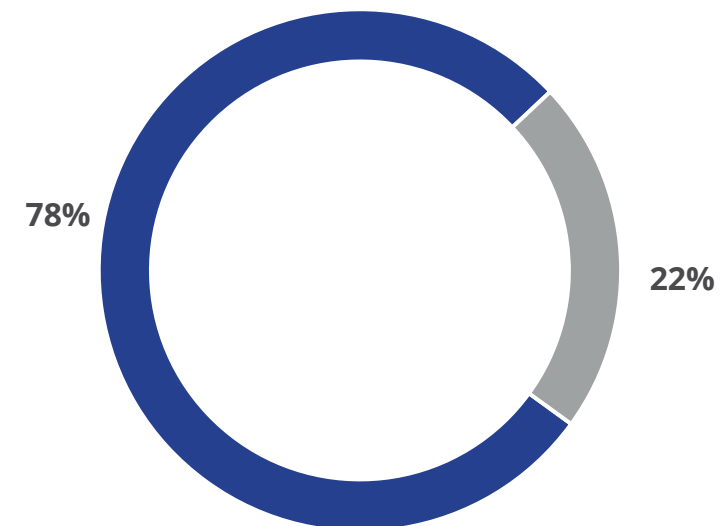
AUM by Asset Class



AUM by Strategy



AUM by Geography



■ Alternatives ■ Infrastructure ■ Traditional Real Estate

■ Perpetual Capital ■ Long-dated Funds ■ Managed Accounts

■ North America ■ EMEA

(US\$ millions)

# Capitalization & Capital Allocation

	September 30, 2022	December 31, 2021	September 30, 2021
Cash	\$ 190.5	\$ 396.7	\$ 134.1
Total Debt	1,152.3	531.1	378.7
Net Debt	\$ 961.7	\$ 134.3	\$ 244.6
Convertible Notes	226.2	225.2	224.9
Redeemable non-controlling interests	869.4	536.9	474.6
Shareholders' equity	481.3	585.3	542.6
Total capitalization	\$ 2,538.6	\$ 1,481.7	\$ 1,486.7
Net debt / pro forma adjusted EBITDA - Leverage Ratio <sup>(1)</sup>	1.5x	0.3x	0.5x

	Nine months ended	
	September 30, 2022	September 30, 2021
Capital Expenditures	\$ 41.8	\$ 44.5
Acquisition Spend <sup>(2)</sup>	\$ 753.2	\$ 41.6

## Highlights

- Leverage ratio of 1.5x
- Pro forma leverage ratio, including all announced acquisitions, of 2.0x
- Ample liquidity to fund acquisition and internal growth
- Versus, Pangea (expected) and Arcadia acquisitions in Q4
- Repurchased 372,888 CIGI shares in September and October at cost of \$34.6 million
- Anticipating capital expenditures of \$75-\$80 million in 2022

(1) Net debt for financial leverage ratio excludes restricted cash, warehouse credit facilities and convertible notes, in accordance with debt agreements

(2) Includes business acquisitions, contingent acquisition consideration and purchases of non-controlling interests in subsidiaries

# (US\$ millions) 2022 Outlook

Adjusted to reflect year to date operating results, contributions from recent acquisitions, the operating impact of rising global interest rates and geopolitical uncertainties as well as adverse foreign exchange impacts on AEPS

Measure	Updated	Previous
<b>Revenue growth</b>	Low double digit revenue growth: <ul style="list-style-type: none"> <li>• High-single digit internal growth</li> <li>• Balance from acquisitions</li> </ul>	Low double digit revenue growth: <ul style="list-style-type: none"> <li>• High single digit internal growth</li> <li>• Balance from acquisitions</li> </ul>
<b>AEBITDA Margin</b>	Up 60 bps – 80 bps	Up 60 bps – 100 bps
<b>Consolidated income tax rate<sup>(1)</sup></b>	29%-31%	27%-29%
<b>NCI share of earnings<sup>(1)</sup></b>	22%-24%	20%-22%
<b>AEPS growth</b>	Mid-teens	Low-twenties

<sup>(1)</sup> Excluding loss on disposal of operations

*The financial outlook is based on the Company's best available information as of the date of this presentation, and remains subject to change based on, but not limited to, numerous macroeconomic, health, social, geopolitical (including escalation of hostilities, outbreak of war, elections, disruption of supply chains) and related factors.*

# Appendix

Reconciliation of  
non-GAAP measures



## Reconciliation of GAAP earnings to adjusted EBITDA

<i>(US\$ thousands)</i>	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Net earnings (loss)	\$ 44,524	\$ 50,496	\$ 132,572	\$ (337,298)
Income tax	25,097	18,771	70,034	48,490
Other income, including equity earnings from non-consolidated investments	874	(1,601)	(3,316)	(5,547)
Interest expense, net	13,535	8,300	29,424	24,500
Operating earnings (loss)	84,030	75,966	228,714	(269,855)
Settlement of long-term incentive arrangement ("LTIA")	-	-	-	471,928
Loss on disposal of business operations	318	-	27,358	-
Depreciation and amortization	45,142	34,588	125,879	106,939
Gains attributable to MSRs	(16,391)	(5,812)	(24,214)	(20,728)
Equity income from non-consolidated entites	755	1,487	4,821	4,625
Acquisition-related items	26,290	14,231	50,738	49,773
Restructuring costs	191	523	462	1,466
Stock-based compensation expense	4,730	2,658	14,081	8,180
<b>Adjusted EBITDA</b>	<b>\$ 145,065</b>	<b>\$ 123,641</b>	<b>\$ 427,839</b>	<b>\$ 352,328</b>

# Reconciliation of GAAP earnings to adjusted net earnings and adjusted earnings per share

(US\$ thousands)	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Net earnings (loss)	\$ 44,524	\$ 50,496	\$ 132,572	\$ (337,298)
Non-controlling interest share of earnings	(17,375)	(13,623)	(37,697)	(33,148)
Interest on Convertible Notes	2,300	2,300	6,900	6,900
Settlement of LTIA	-	-	-	471,928
Loss on disposal of Russian operations	318	-	27,358	-
Amortization of intangible assets	32,760	23,148	89,630	74,019
Gains attributable to MSRs	(16,391)	(5,812)	(24,214)	(20,728)
Acquisition-related items	26,290	14,231	50,738	49,773
Restructuring costs	191	523	462	1,466
Stock-based compensation expense	4,730	2,658	14,081	8,180
Income tax on adjustments	(6,341)	(8,934)	(22,651)	(27,117)
Non-controlling interest on adjustments	(3,519)	(3,125)	(11,458)	(9,920)
<b>Adjusted net earnings</b>	<b>\$ 67,487</b>	<b>\$ 61,862</b>	<b>\$ 225,721</b>	<b>\$ 184,055</b>

(US\$)	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Diluted net (loss) earnings per common share	\$ 0.25	\$ 0.37	\$ 0.49	\$ (9.20)
Interest on Convertible Notes, net of tax	0.04	0.04	0.11	0.11
Non-controlling interest redemption increment	0.32	0.39	1.48	1.34
Settlement of LTIA	-	-	-	10.02
Loss on disposal of operations	-	-	0.56	-
Amortization expense, net of tax	0.42	0.28	1.13	0.94
Gains attributable to MSRs, net of tax	(0.19)	(0.07)	(0.28)	(0.25)
Acquisition-related items	0.49	0.20	0.94	0.75
Restructuring costs, net of tax	-	0.01	-	0.02
Stock-based compensation expense, net of tax	0.08	0.05	0.26	0.18
<b>Adjusted EPS</b>	<b>\$ 1.41</b>	<b>\$ 1.27</b>	<b>\$ 4.69</b>	<b>\$ 3.91</b>

Diluted weighted average shares for Adjusted EPS (thousands)	47,743	48,722	48,121	47,111
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Adjusted EPS is calculated using the "if-converted" method of calculating earnings per share in relation to the Convertible Notes, which were issued on May 19, 2020



## Reconciliation of net cash flow from operations to free cash flow

*(US\$ thousands)*

Net cash provided by (used in) operating activities  
 Contingent acquisition consideration paid  
 Settlement of LTIA (cash portion)  
 Purchase of fixed assets  
 Cash collections on AR Facility deferred purchase price  
**Free cash flow**

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Net cash provided by (used in) operating activities	\$ 76,840	\$ 192,524	\$ (171,470)	\$ 211,072
Contingent acquisition consideration paid	8,129	-	68,939	10,472
Settlement of LTIA (cash portion)	-	-	-	96,186
Purchase of fixed assets	(18,391)	(11,847)	(41,807)	(44,450)
Cash collections on AR Facility deferred purchase price	88,627	11,563	345,056	34,295
<b>Free cash flow</b>	<b>\$ 155,205</b>	<b>\$ 192,240</b>	<b>\$ 200,718</b>	<b>\$ 307,575</b>

## Other Non-GAAP Measures

### **Local currency revenue growth rate and internal revenue growth rate measures**

Percentage revenue variances presented on a local currency basis are calculated by translating the current period results of our non-US dollar denominated operations to US dollars using the foreign currency exchange rates from the periods against which the current period results are being compared. Percentage revenue variances presented on an internal growth basis are calculated assuming no impact from acquired entities in the current and prior periods. Revenue from acquired entities, including any foreign exchange impacts, are treated as acquisition growth until the respective anniversaries of the acquisitions. We believe that these revenue growth rate methodologies provide a framework for assessing the Company's performance and operations excluding the effects of foreign currency exchange rate fluctuations and acquisitions. Since these revenue growth rate measures are not calculated under GAAP, they may not be comparable to similar measures used by other issuers.

### **Assets under management**

We use the term assets under management ("AUM") as a measure of the scale of our Investment Management operations. AUM is defined as the gross market value of operating assets and the projected gross cost of development assets of the funds, partnerships and accounts to which we provide management and advisory services, including capital that such funds, partnerships and accounts have the right to call from investors pursuant to capital commitments. Our definition of AUM may differ from those used by other issuers and as such may not be directly comparable to similar measures used by other issuers.

### **Fee paying assets under management**

We use the term fee paying assets under management ("FPAUM") to represent only the AUM on which the Company is entitled to receive management fees. We believe this measure is useful in providing additional insight into the capital base upon which the Company earns management fees. Our definition of FPAUM may differ from those used by other issuers and as such may not be directly comparable to similar measures used by other issuers.

### **Adjusted EBITDA from recurring revenue percentage**

Adjusted EBITDA from recurring revenue percentage is computed on a trailing twelve-month basis and represents the proportion of adjusted EBITDA (slide 14) that is derived from Outsourcing & Advisory and Investment Management service lines. Both these service lines represent medium to long-term duration revenue streams that are either contractual or repeatable in nature. We report this metric on a pro forma basis, incorporating the expected full year impact of business acquisitions and dispositions.