



# Fourth Quarter 2022 Financial Results

February 9, 2023



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 December 31	2022	2021	%Change	
			USD	LC <sup>(1)</sup>
Revenue	1,222.4	1,345.5	-9%	-5%
Adjusted EBITDA	202.7	192.0	6%	9%
Adjusted EBITDA Margin	16.6%	14.3%		
Adjusted EPS	2.31	2.25	3%	
GAAP Operating Earnings	103.8	138.4	-25%	
GAAP Operating Earnings Margin	8.5%	10.3%		
GAAP diluted EPS	0.51	0.92	-45%	

Year ended December 31	2022	2021	% Change	
			USD	LC <sup>(1)</sup>
Revenue	4,459.5	4,089.1	9%	13%
Adjusted EBITDA	630.5	544.3	16%	19%
Adjusted EBITDA Margin	14.1%	13.3%		
Adjusted EPS	6.99	6.18	13%	
GAAP Operating Earnings (Loss) <sup>(2)</sup>	332.5	-131.5	NM	
GAAP Operating Earnings (Loss) Margin	7.5%	-3.2%		
GAAP diluted EPS <sup>(2)</sup>	1.05	-9.09	NM	

## Strong full year performance driven by high value recurring revenues

- Investment Management and Outsourcing & Advisory delivered strong revenue growth
- Interest rate volatility and challenging debt capital availability impacted Capital Markets during the third quarter and seasonally strong fourth quarter

## Completed investment in Versus in Investment Management

- \$98 billion in total AUM, with 85% in perpetual or long-dated investment strategies and about 70% in highly defensive asset classes

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

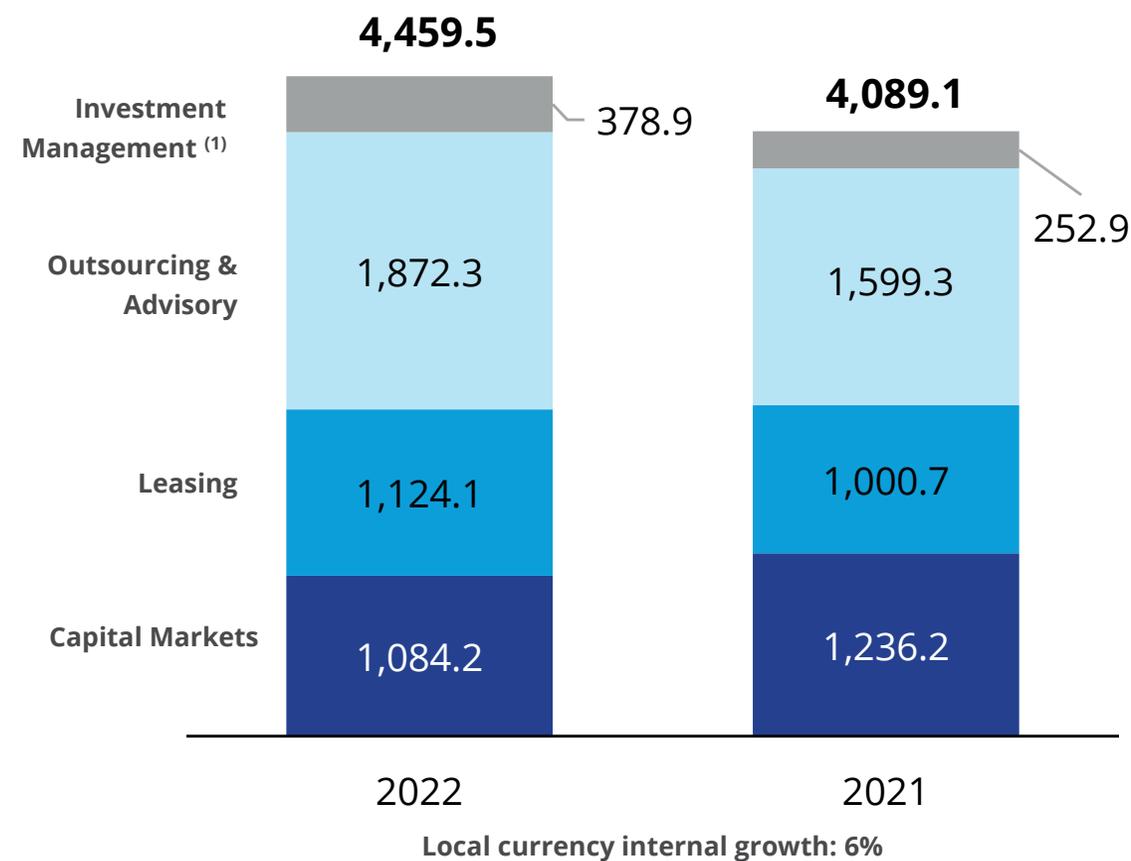
<sup>(2)</sup> For the year ended December 31, 2021, GAAP operating loss and GAAP diluted EPS include a \$471.9 million settlement of Long-Term Incentive Arrangement ("LTIA") with the Company's Chairman & CEO

% Change over 2021	USD	LC
Investment Management <sup>(1)</sup>	50%	50%
Outsourcing & Advisory	17%	22%
Leasing	12%	16%
Capital Markets	-12%	-9%
<b>Total</b>	<b>9%</b>	<b>13%</b>

Revenue Mix	2022	2021
Investment Management	9%	6%
Outsourcing & Advisory	42%	39%
Leasing	25%	25%
Capital Markets	24%	30%
<b>Total</b>	<b>100%</b>	<b>100%</b>

# Full Year Consolidated Revenues

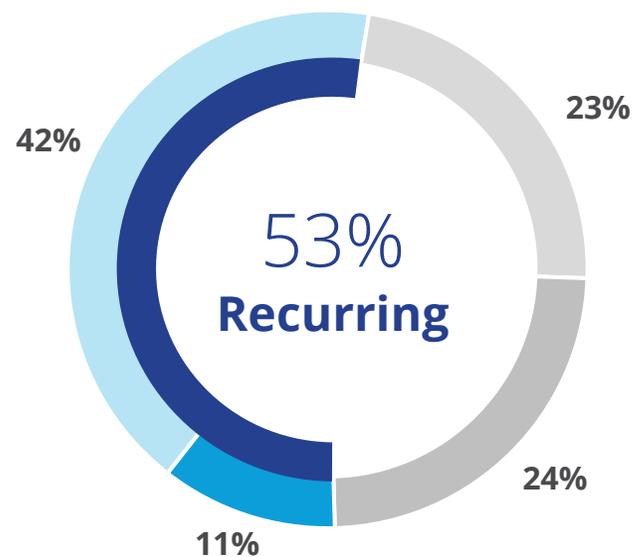
(US\$ millions)



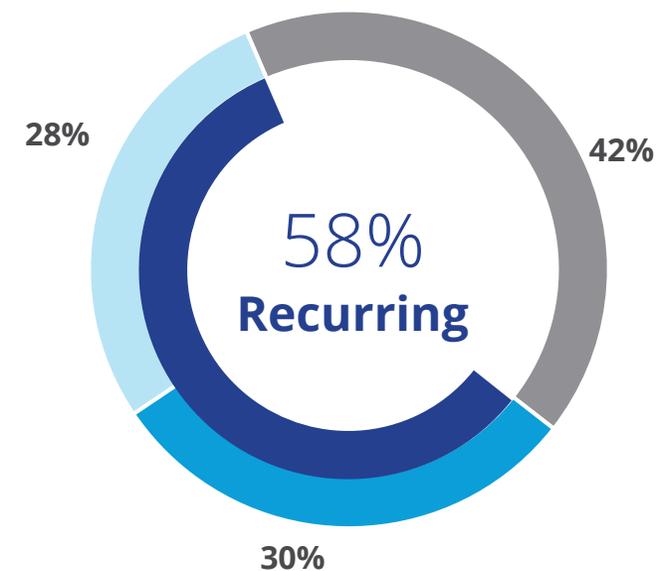
<sup>(1)</sup> Investment Management LC revenue growth, excluding pass-through carried interest, was 61%

# Year Ended December 31, 2022 Broad Diversification

2022 Revenue By Service



2022 AEBITDA By Service



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

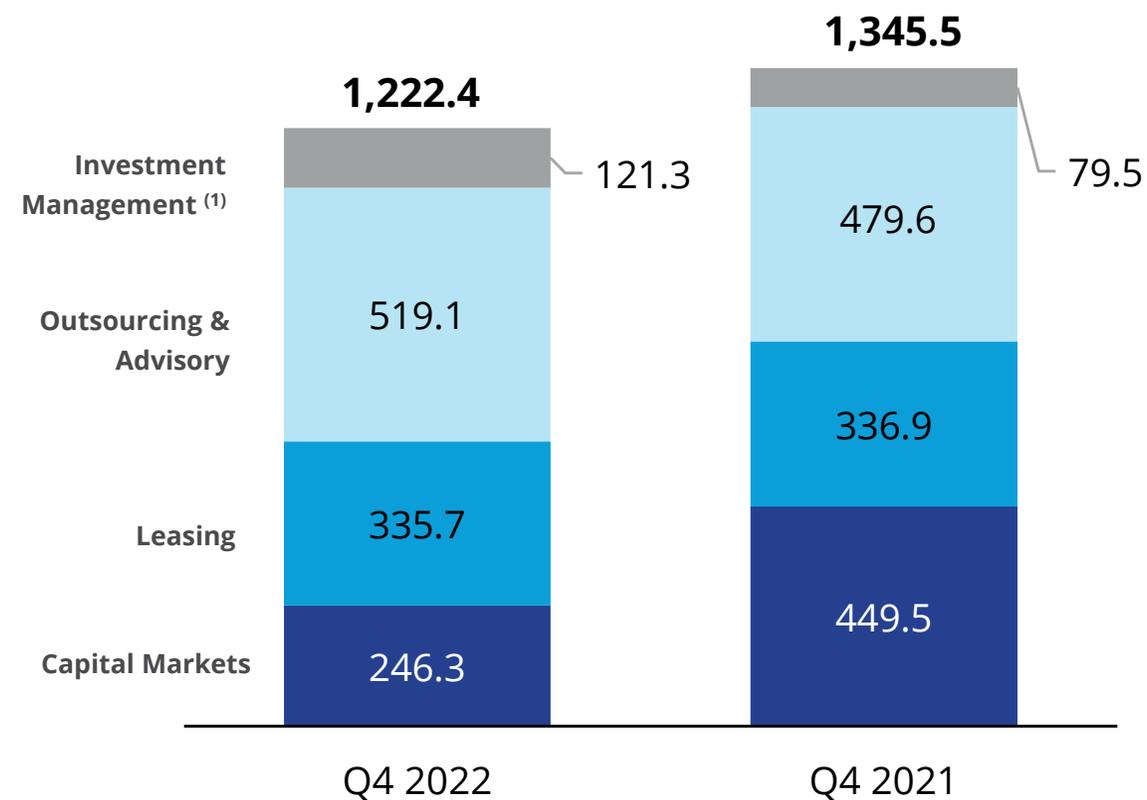
Please refer to Slide 19

% Change over Q4 2021	USD	LC
Investment Management <sup>(1)</sup>	53%	53%
Outsourcing & Advisory	8%	14%
Leasing	0%	3%
Capital Markets	-45%	-43%
<b>Total</b>	<b>-9%</b>	<b>-5%</b>

Revenue Mix	Q4 2022	Q4 2021
Investment Management	10%	6%
Outsourcing & Advisory	42%	36%
Leasing	28%	25%
Capital Markets	20%	33%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Fourth Quarter Consolidated Revenues

(US\$ millions)



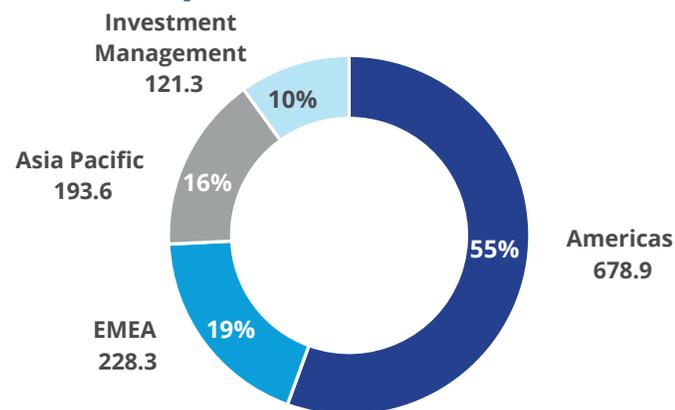
Local currency internal decline: -11%

<sup>(1)</sup> Investment Management LC revenue growth, excluding pass-through carried interest, was 87%

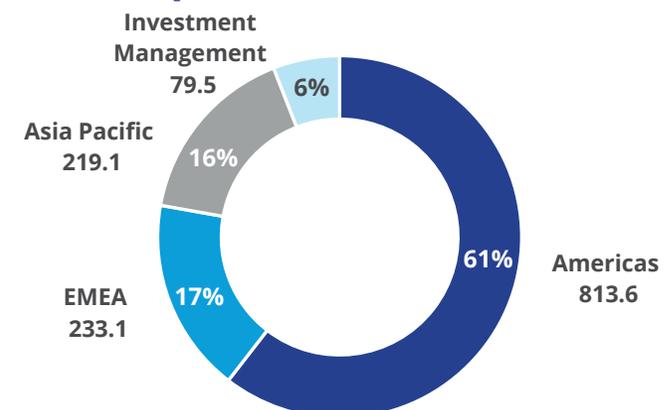
# Fourth Quarter Geographic Mix

(US\$ millions)

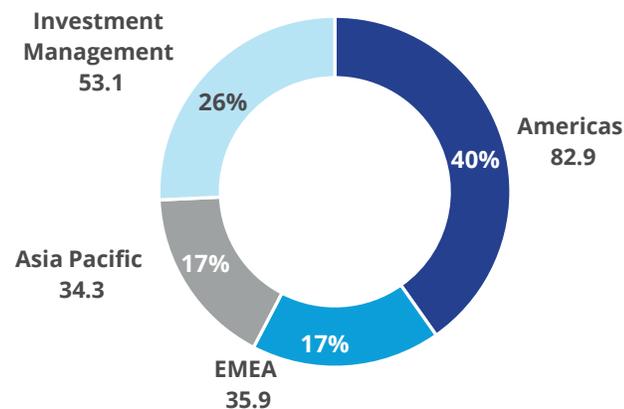
**Q4 2022 Revenues**



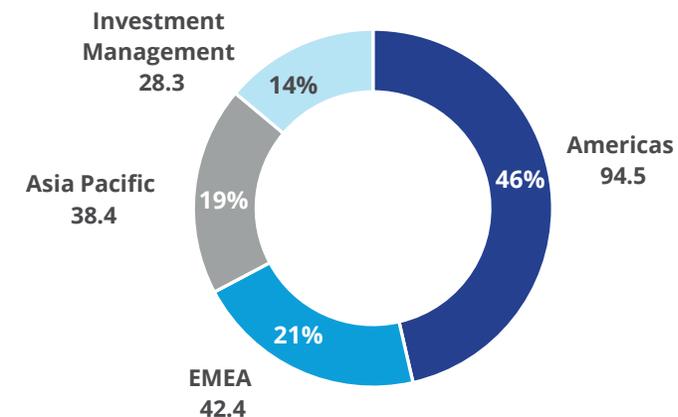
**Q4 2021 Revenues**



**Q4 2022 AEBITDA**



**Q4 2021 AEBITDA**



(1) Q4 2022 GAAP Operating Earnings: \$52.0M Americas, \$30.4M EMEA, \$29.0M Asia Pacific, (\$18.8M) Investment Management

(2) Q4 2021 GAAP Operating Earnings: \$78.8M Americas, \$34.9M EMEA, \$35.3M Asia Pacific, \$19.8M Investment Management



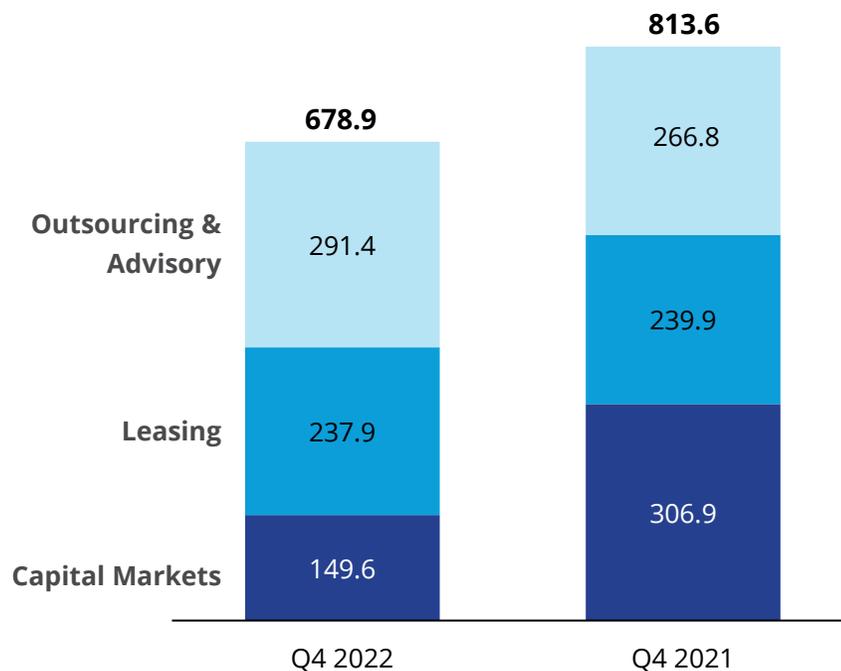
# Americas

Interest rate driven slowdown in Capital Markets activity versus record volumes in the prior year's seasonally strongest quarter

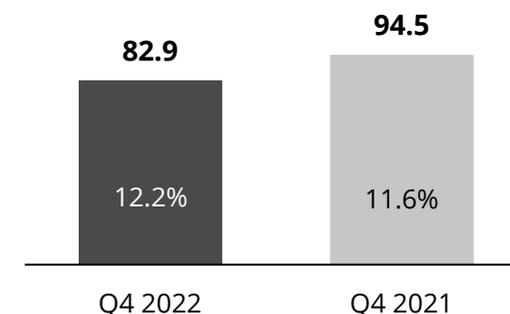
Outsourcing & Advisory growth led by engineering and project management

Margin improved on lower average commission levels, lower incentive compensation and a reduction in discretionary costs

**Revenue**  
(US\$ millions)



**AEBITDA and Margin**  
(US\$ millions)



**Revenue Growth**

USD	LC
-17%	-16%

GAAP Operating Earnings: Q4 2022 \$52.0M at 7.7% margin; Q4 2021 \$78.8M at 9.7% margin



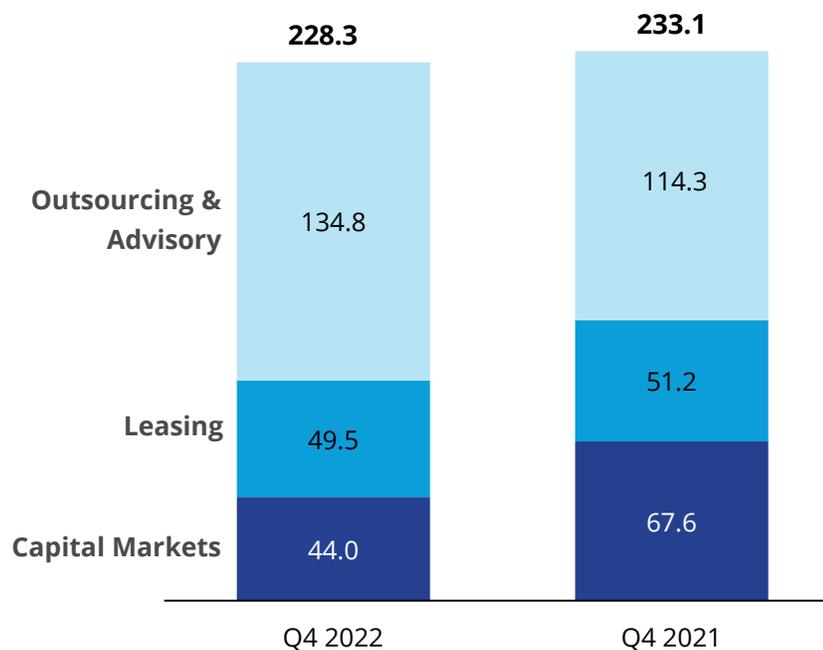
# EMEA

Significant foreign exchange headwinds impacted revenues 10%

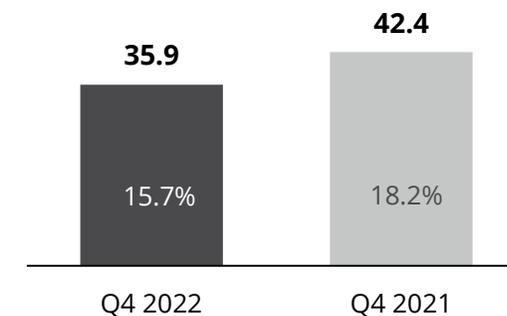
Robust activity in Outsourcing & Advisory (including recent acquisitions)

Capital Markets activity impacted by interest rate volatility and geopolitical uncertainty

**Revenue**  
(US\$ millions)



**AEBITDA and Margin**  
(US\$ millions)



**Revenue Growth**

<b>USD</b>	<b>LC</b>
-2%	8%

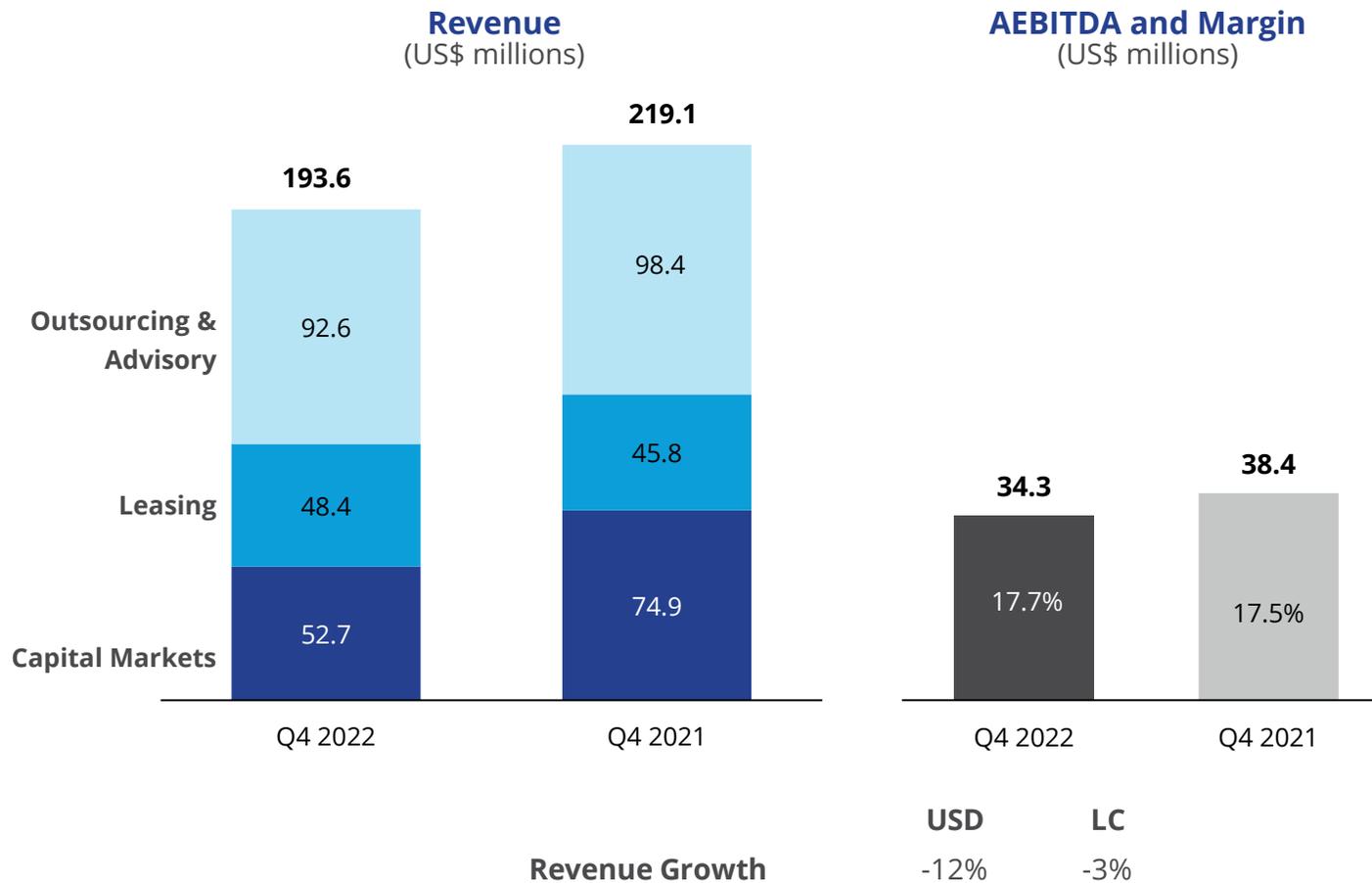
GAAP Operating Earnings: Q4 2022 \$30.4M at 13.3% margin; Q4 2021 \$34.9M at 15.0% margin



# APAC

Foreign exchange headwinds impacted revenues 9%

Revenue impacted by rate volatility and COVID-19 restrictions in several Asian markets, especially China

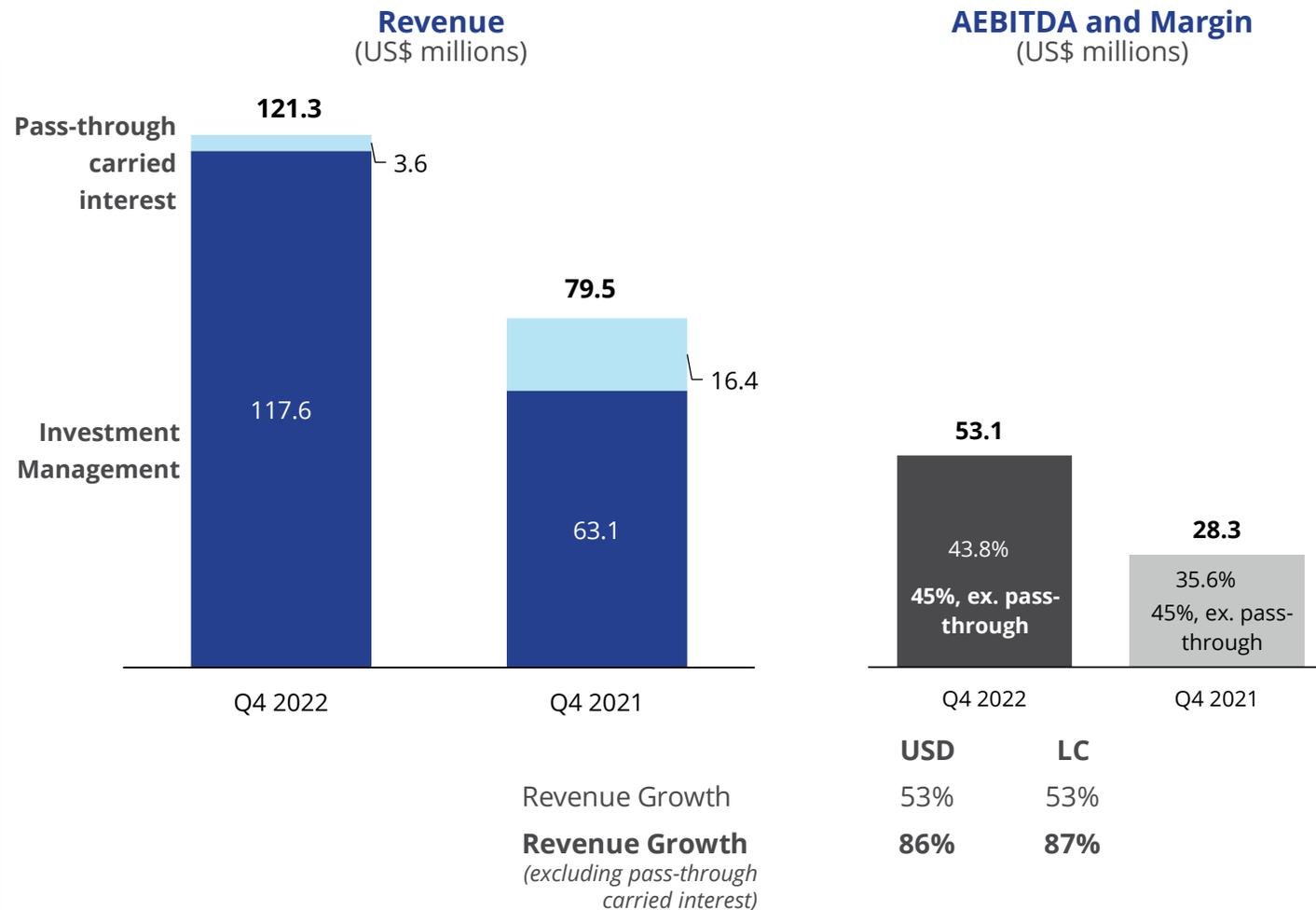


GAAP Operating Earnings: Q4 2022 \$29.0M at 15.0% margin; Q4 2021 \$35.3M at 16.1% margin

# Investment Management

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

AUM of \$97.7 billion as of December 31, 2022, up significantly from \$51.0 billion in the prior year



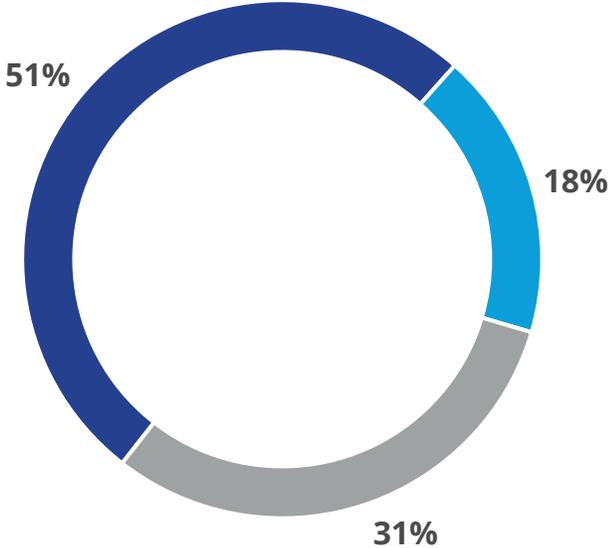
GAAP Operating Earnings: Q4 2022 (\$18.8M) at (15.5%) margin; Q4 2021 \$19.8M at 24.8% margin

# Investment Management

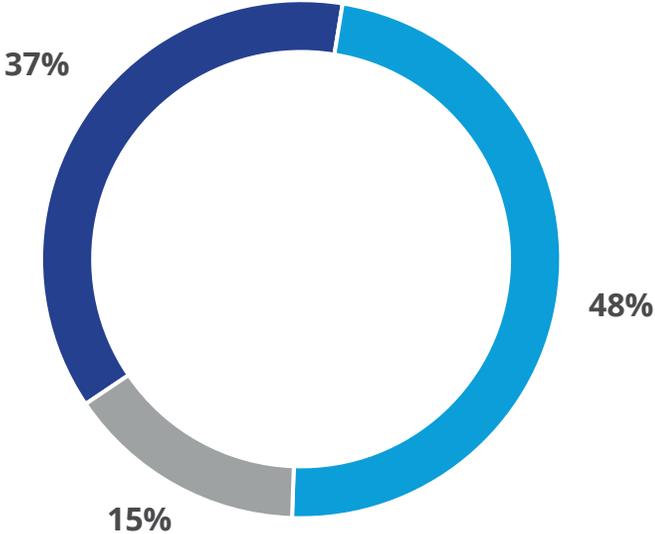
Focus on long-duration, highly differentiated AUM

AUM: \$97.7B    FPAUM: \$52.7B

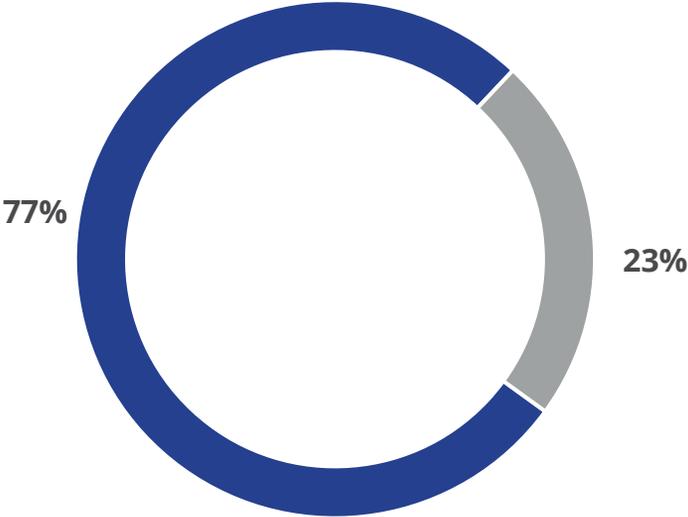
AUM by Asset Class



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

	December 31, 2022	December 31, 2021
Cash	\$ 173.7	\$ 396.7
Total Debt	1,439.1	531.1
Net Debt	\$ 1,265.4	\$ 134.3
Convertible Notes	226.5	225.2
Redeemable non-controlling interests	1,079.3	536.9
Shareholders' equity	493.4	585.3
Total capitalization	\$ 3,064.6	\$ 1,481.7
Net debt / pro forma adjusted EBITDA - Leverage Ratio <sup>(1)</sup>	1.8x	0.3x

	Twelve months ended	
	December 31, 2022	December 31, 2021
Capital Expenditures	\$ 67.7	\$ 58.0
Acquisition Spend <sup>(2)</sup>	\$ 1,167.5	\$ 107.4

## Highlights

- Leverage ratio of 1.8x
- 67% of debt at fixed rates as of December 31, 2022
- Ample liquidity to fund acquisitions and internal growth
- Anticipating capital expenditures of \$90-\$100 million in 2023

(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) 2023 Outlook

- Robust growth (including the impact of recent acquisitions) in high value recurring service lines
- Leasing revenues expected to remain steady
- Capital Markets activity expected to remain impacted, particularly during the first half of 2023

Measure	2022	2023 Outlook
Revenue	\$4.5 billion	\$4.6 billion - \$4.8 billion
Adjusted EBITDA	\$630.5 million	\$710 million - \$750 million
Adjusted EPS	\$6.99	\$7.50 - \$8.00

*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		Twelve months ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net earnings (loss)	\$ 61,972	\$ 99,741	\$ 194,544	\$ (237,557)
Income tax	24,976	37,020	95,010	85,510
Other income, including equity earnings from non-consolidated investments	(2,329)	(5,726)	(5,645)	(11,273)
Interest expense, net	19,163	7,319	48,587	31,819
Operating earnings (loss)	103,782	138,354	332,496	(131,501)
Settlement of long-term incentive arrangement ("LTIA")	-	-	-	471,928
Loss on disposal of business operations	(524)	-	26,834	-
Depreciation and amortization	51,542	38,155	177,421	145,094
Gains attributable to MSRs	6,829	(8,486)	(17,385)	(29,214)
Equity income from non-consolidated entites	1,856	1,565	6,677	6,190
Acquisition-related items	26,406	11,235	77,144	61,008
Restructuring costs	5,023	5,018	5,485	6,484
Stock-based compensation expense	7,772	6,169	21,853	14,349
<b>Adjusted EBITDA</b>	<b>\$ 202,686</b>	<b>\$ 192,010</b>	<b>\$ 630,525</b>	<b>\$ 544,338</b>

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

(US\$ thousands)	Three months ended		Twelve months ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net earnings (loss)	\$ 61,972	\$ 99,741	\$ 194,544	\$ (237,557)
Non-controlling interest share of earnings	(16,222)	(20,317)	(53,919)	(53,465)
Interest on Convertible Notes	2,300	2,300	9,200	9,200
Settlement of LTIA	-	-	-	471,928
Loss on disposal of Russian operations	(524)	-	26,834	-
Amortization of intangible assets	39,111	25,202	128,741	99,221
Gains attributable to MSRs	6,829	(8,486)	(17,385)	(29,214)
Acquisition-related items	26,406	11,235	77,144	61,008
Restructuring costs	5,023	5,018	5,485	6,484
Stock-based compensation expense	7,772	6,169	21,853	14,349
Income tax on adjustments	(19,835)	(8,099)	(42,486)	(35,216)
Non-controlling interest on adjustments	(3,804)	(2,871)	(15,262)	(12,791)
<b>Adjusted net earnings</b>	<b>\$ 109,028</b>	<b>\$ 109,892</b>	<b>\$ 334,749</b>	<b>\$ 293,947</b>

(US\$)	Three months ended		Twelve months ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Diluted net (loss) earnings per common share	\$ 0.48	\$ 0.89	\$ 0.97	\$ (8.21)
Interest on Convertible Notes, net of tax	0.04	0.03	0.14	0.14
Non-controlling interest redemption increment	0.49	0.74	1.97	2.09
Settlement of LTIA	-	-	-	9.92
Loss on disposal of operations	-	-	0.56	-
Amortization expense, net of tax	0.50	0.31	1.63	1.25
Gains attributable to MSRs, net of tax	0.08	(0.10)	(0.20)	(0.34)
Acquisition-related items	0.51	0.18	1.45	0.93
Restructuring costs, net of tax	0.08	0.07	0.08	0.10
Stock-based compensation expense, net of tax	0.13	0.13	0.39	0.30
<b>Adjusted EPS</b>	<b>\$ 2.31</b>	<b>\$ 2.25</b>	<b>\$ 6.99</b>	<b>\$ 6.18</b>

Diluted weighted average shares for Adjusted EPS (thousands)	47,215	48,868	47,897	47,559
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## Reconciliation of net cash flow from operations to free cash flow

*(US\$ thousands)*

	Three months ended		Twelve months ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net cash provided by operating activities	\$ 238,501	\$ 77,908	\$ 67,031	\$ 288,980
Contingent acquisition consideration paid	285	7,545	69,224	18,017
Settlement of LTIA (cash portion)	-	-	-	96,186
Purchase of fixed assets	(25,874)	(13,501)	(67,681)	(57,951)
Cash collections on AR Facility deferred purchase price	(57,052)	116,907	288,004	151,202
<b>Free cash flow</b>	<b>\$ 155,860</b>	<b>\$ 188,859</b>	<b>\$ 356,578</b>	<b>\$ 496,434</b>

# Other Non-GAAP Measures

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

Percentage revenue and AEBITDA 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.

## **Recurring revenue percentage**

Recurring revenue percentage is computed on a trailing twelve-month basis and represents the proportion 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. Revenue for this purpose incorporates the expected full year impact of acquisitions and dispositions.

## **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 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. Adjusted EBITDA for this purpose is calculated in the same manner as calculated for our debt agreement covenant calculation purposes, incorporating the expected full year impact of business acquisitions and dispositions.

# Appendix

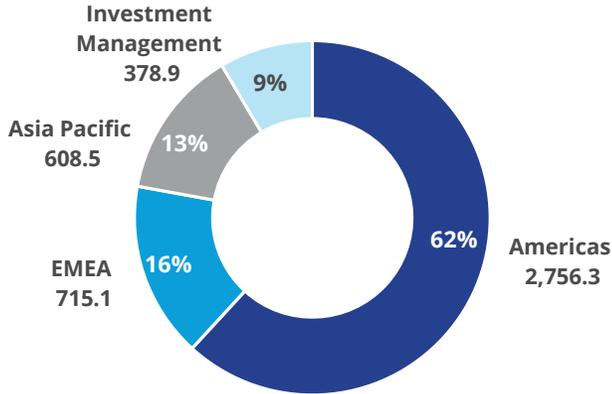
Full year  
regional details



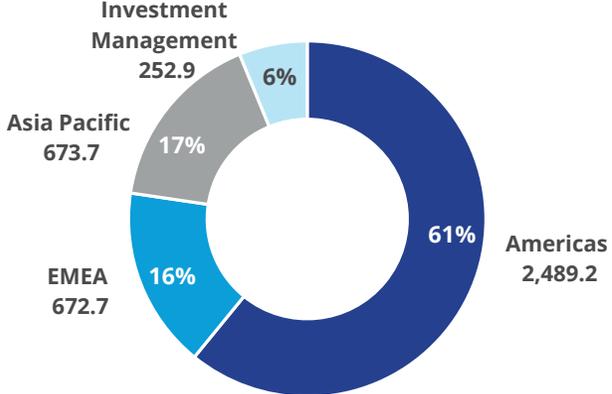
# Full Year Geographic Mix

(US\$ millions)

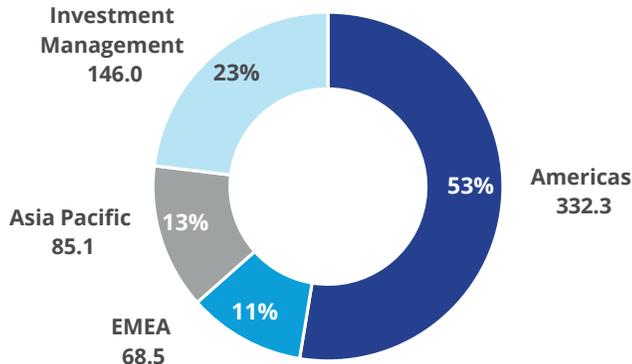
**2022 Revenues**



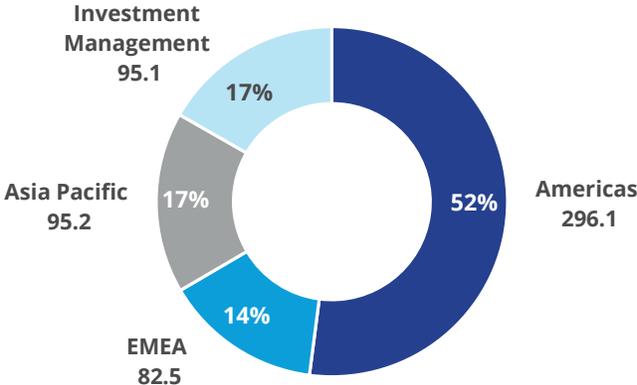
**2021 Revenues**



**2022 AEBITDA**



**2021 AEBITDA**



(1) 2022 GAAP Operating Earnings: \$254.4M Americas, \$9.9M EMEA, \$72.3M Asia Pacific, \$37.1M Investment Management

(2) 2021 GAAP Operating Earnings: \$233.8M Americas, \$59.6M EMEA, \$82.0M Asia Pacific, \$63.7M Investment Management

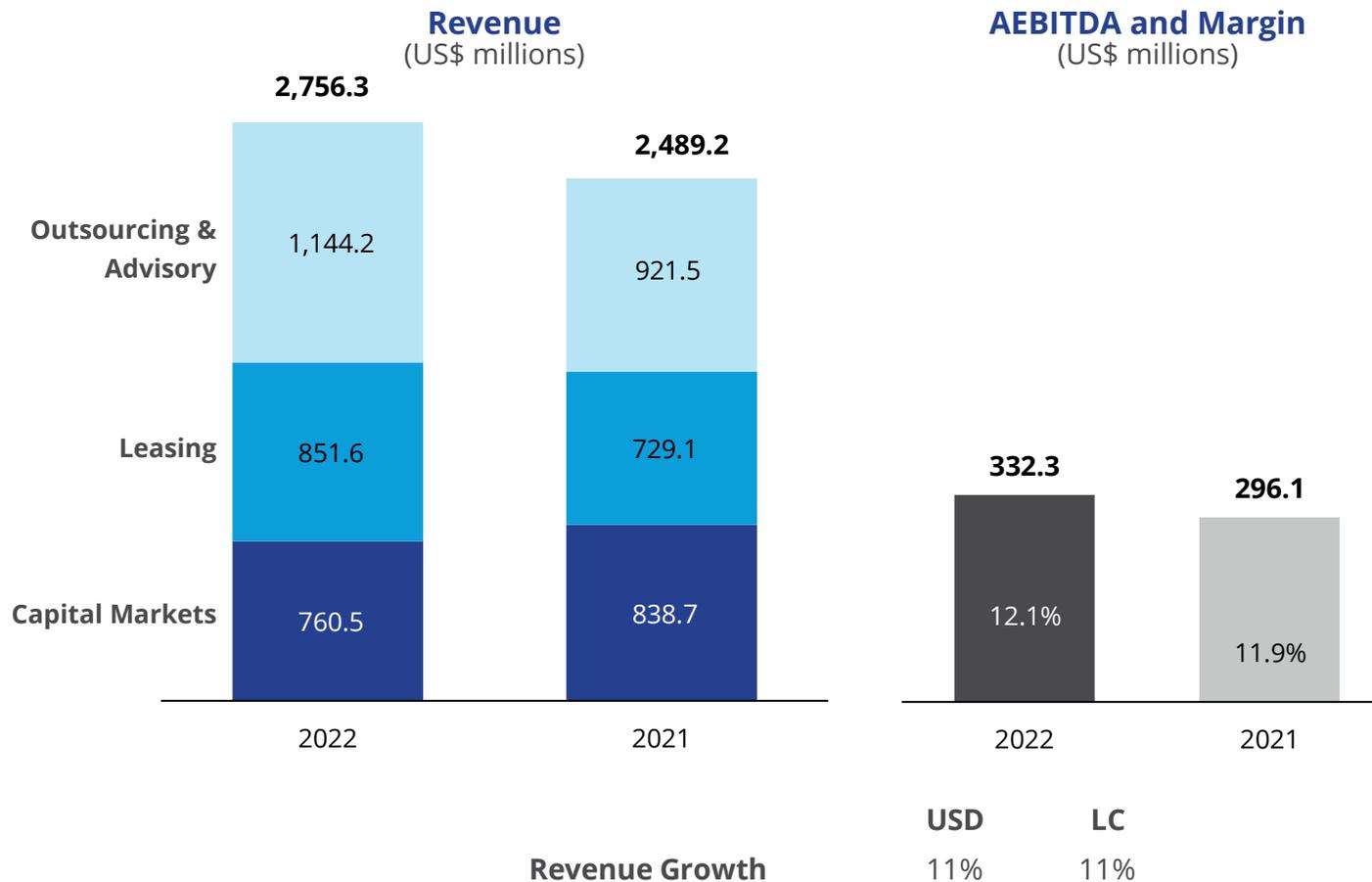


# Americas

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

Leasing benefitted from increased office and industrial activity

Capital Markets impacted by interest rate volatility and market uncertainty in the second half of the year



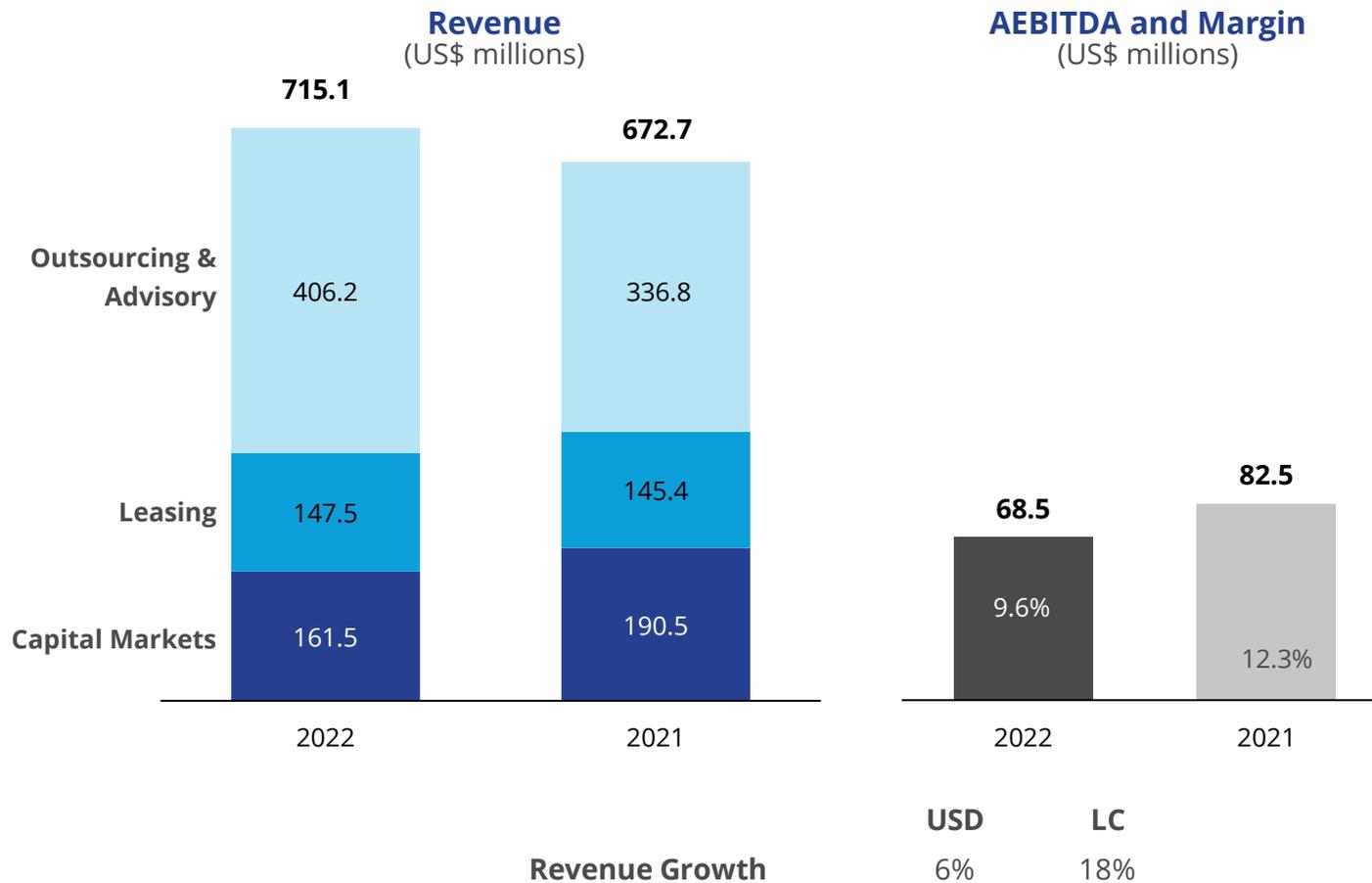
GAAP Operating Earnings: 2022 \$254.4M at 9.2% margin; 2021 \$233.8M at 9.4% margin

# EMEA

Significant foreign exchange headwinds impacted revenues 12%

Robust Outsourcing & Advisory and Leasing activity

Capital Markets activity impacted due to interest rate volatility and geopolitical uncertainty

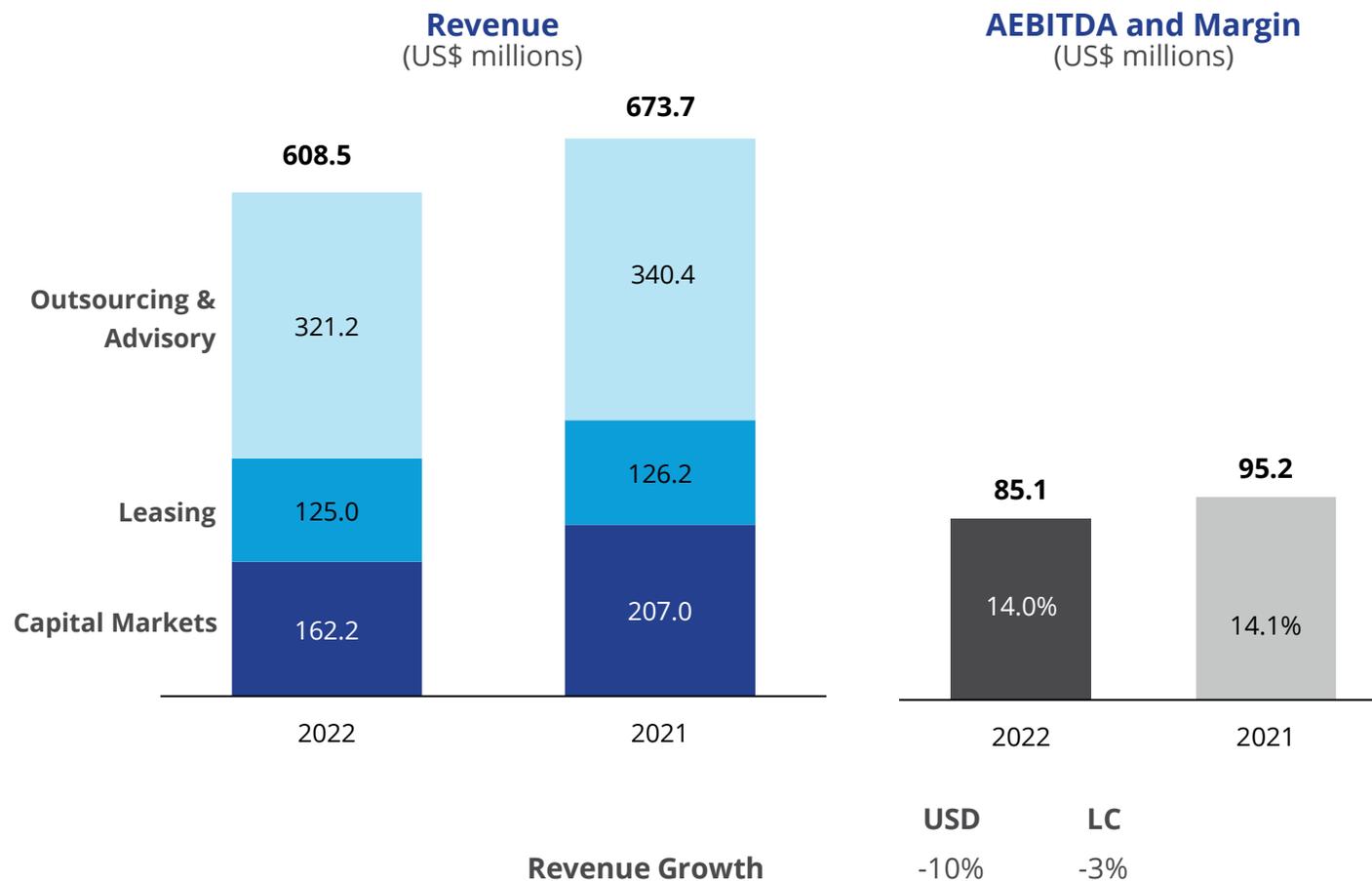


GAAP Operating Earnings: 2022 \$9.9M at 1.4% margin; 2021 \$59.6M at 8.9% margin

# APAC

Foreign exchange headwinds impacted revenues 7%

Revenues primarily impacted by COVID-19 restrictions in several Asian markets which extended through most of the year



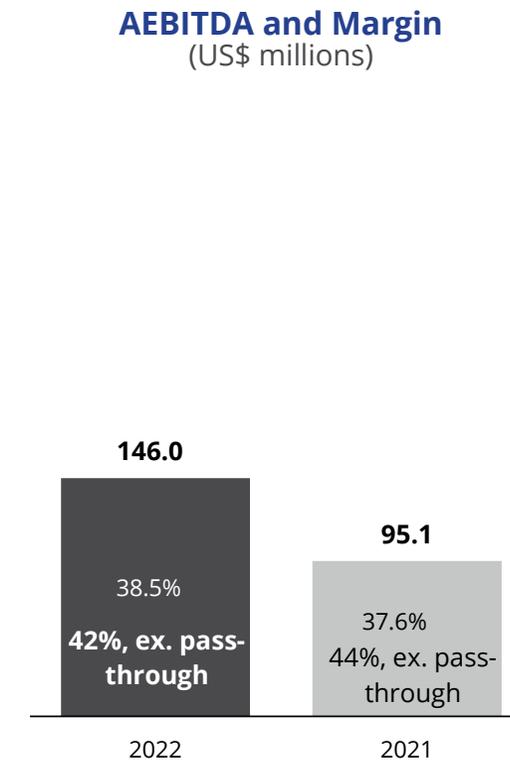
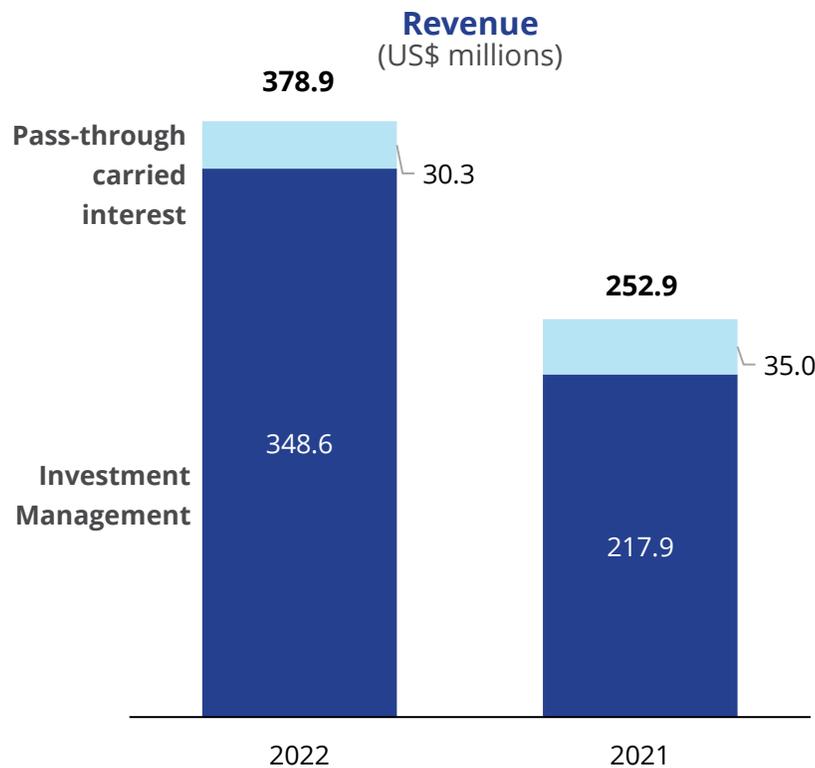
GAAP Operating Earnings: 2022 \$72.3M at 11.9% margin; 2021 \$82.0M at 12.2% margin



# Investment Management

Revenue growth driven by acquisitions and fundraising across all investment strategies

Added capabilities in infrastructure, US and European traditional real estate and credit



Revenue Growth  
**Revenue Growth**  
 (excluding pass-through carried interest)

	USD	LC
Revenue Growth	50%	50%
<b>Revenue Growth</b>	<b>60%</b>	<b>61%</b>

GAAP Operating Earnings: 2022 \$37.1M at 9.8% margin; 2021 \$63.7M at 25.2% margin