

Colliers International Group Inc.

Second Quarter 2020 Financial Results

August 6, 2020



Forward-Looking Statements

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; 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; 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, 2019 under the heading "Risk Factors" (which factors are adopted herein and a copy of which can be obtained at 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.

Non-GAAP measures

This presentation makes reference to the non-GAAP measures Adjusted EBITDA and Adjusted EPS. Please refer to Appendix for reconciliations to GAAP measures.

Second Quarter 2020 Results

(US\$ millions, except per share amounts)

Three months ended June 30, 2020	Q2 2020	Q2 2019	%Change	
			USD	LC ⁽¹⁾
Revenue	550.2	745.5	-26%	-25%
Adjusted EBITDA	60.0	87.3	-31%	-30%
Adjusted EBITDA Margin	10.9%	11.7%		
Adjusted EPS	0.70	1.10	-36%	
GAAP Operating Earnings	14.5	57.2	-75%	
GAAP Operating Earnings Margin	2.6%	7.7%		
GAAP EPS	-0.26	0.60	NM	

Six months ended June 30, 2020	YTD 2020	YTD 2019	% Change	
			USD	LC
Revenue	1,180.8	1,380.6	-14%	-13%
Adjusted EBITDA	114.4	130.9	-13%	-11%
Adjusted EBITDA Margin	9.7%	9.5%		
Adjusted EPS	1.25	1.61	-22%	
GAAP Operating Earnings	33.1	70.6	-53%	
GAAP Operating Earnings Margin	2.8%	5.1%		
GAAP EPS	-0.14	0.63	NM	

Highlights

Resilience during pandemic

- Majority of earnings now come from Investment Management and Outsourcing & Advisory segments – high value-add professional services that are recurring and contractual
- Pandemic uncertainty in Leasing and Capital Markets impacted quarterly results
- Diversified business model, strong balance sheet, entrepreneurial culture, and significant insider ownership

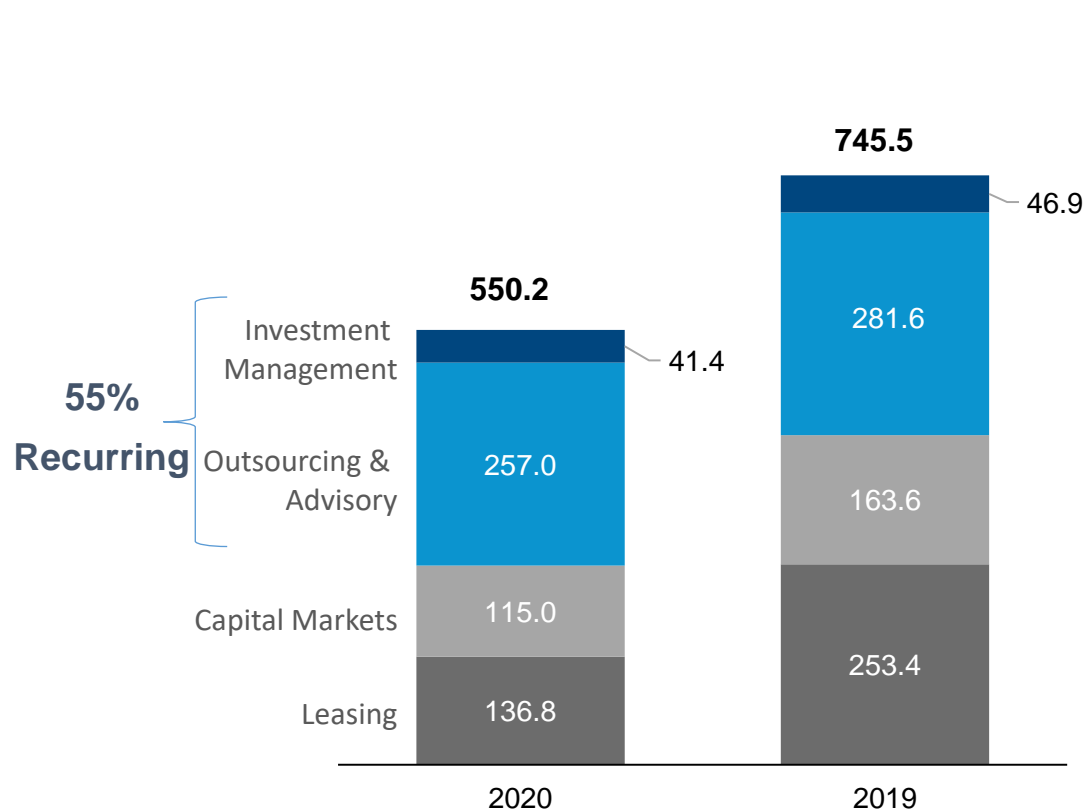
Other highlights

- Completed a \$230 million offering of convertible notes
- Completed acquisition of Dougherty (Colliers Mortgage)
- Subsequent to quarter end, completed the acquisition of Maser Consulting

Second Quarter Consolidated Revenues

(US\$ millions)

Q2 Revenues



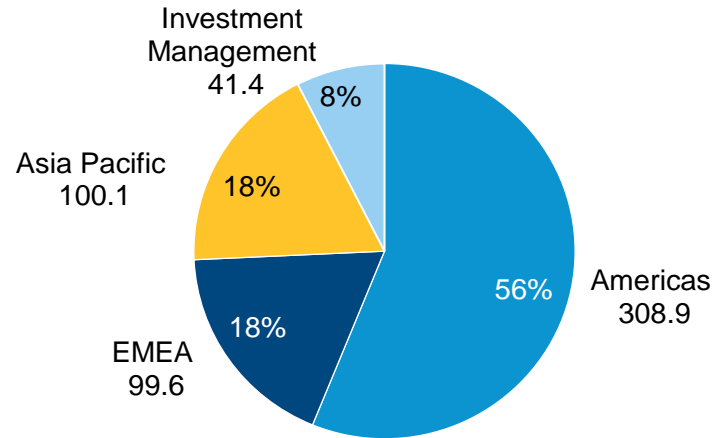
% Change over Q2 2019	USD	LC
Investment Management	-12%	-12%
Outsourcing & Advisory	-9%	-6%
Capital Markets	-30%	-28%
Leasing	-46%	-45%
Total	-26%	-25%

Revenue Mix	Q2 2020	Q2 2019
Investment Management	8%	6%
Outsourcing & Advisory	47%	38%
Capital Markets	21%	22%
Leasing	24%	34%
Total	100%	100%

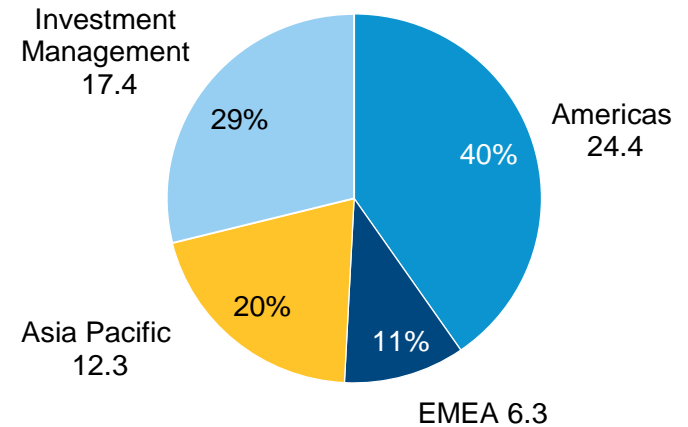
Second Quarter Geographic Split

(US\$ millions)

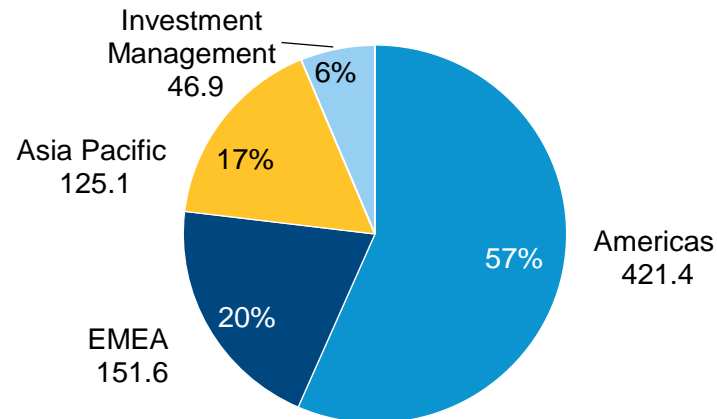
Q2 2020 Revenues



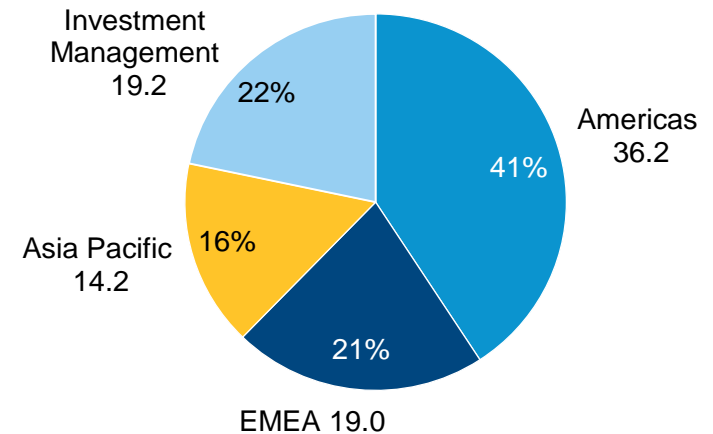
Q2 2020 Adjusted EBITDA¹



Q2 2019 Revenues



Q2 2019 Adjusted EBITDA²



¹ Q2 2020 GAAP Operating Earnings: \$3.4M Americas, \$(3.3)M EMEA, \$5.1M Asia Pacific, \$10.6M Investment Management

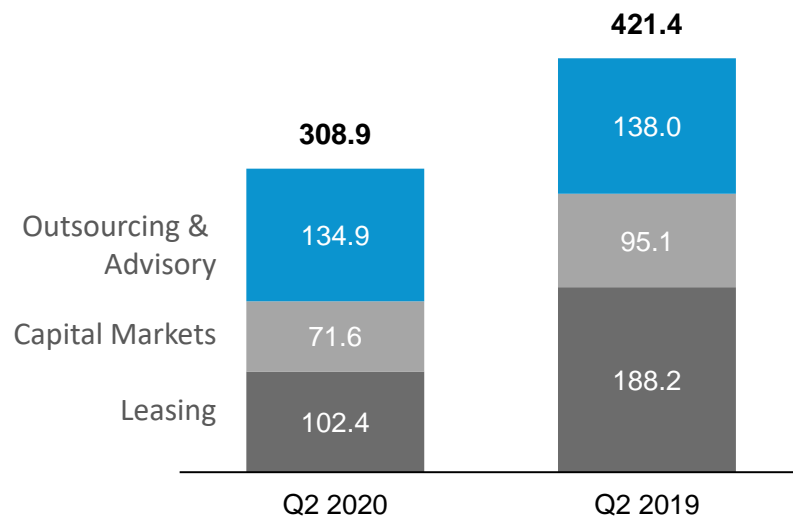
² Q2 2019 GAAP Operating Earnings: \$25.6M Americas, \$10.8M EMEA, \$12.5M Asia Pacific, \$12.2M Investment Management

Americas

(US\$ millions)

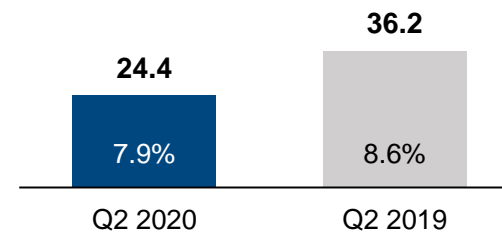
- Revenues down 26% in local currency on reduced Leasing and Capital Markets across the region
- Outsourcing & Advisory revenues were flat in local currency
- Adjusted EBITDA margin down on lower revenues

Revenue



	USD	LC
Revenue Growth	-27%	-26%

Adjusted EBITDA and Margin



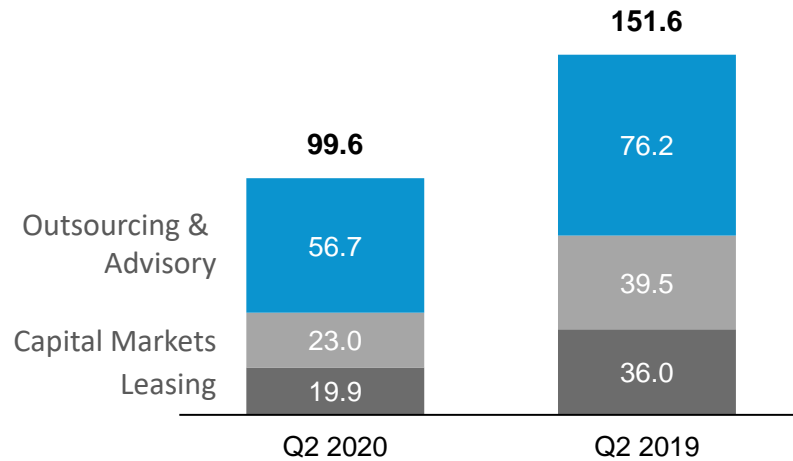
GAAP Operating Earnings: Q2 2020 \$3.4M at 1.1% margin ; Q2 2019 \$25.6M at 6.1% margin

EMEA

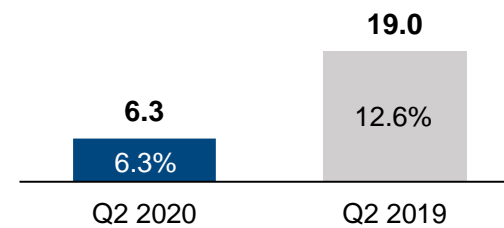
(US\$ millions)

- Revenue declined in local currency on lower activity in each service line
- Outsourcing & Advisory revenue impacted by delays in executing turnkey project management assignments due to the pandemic

Revenue



Adjusted EBITDA and Margin



	USD	LC
Revenue Growth	-34%	-32%

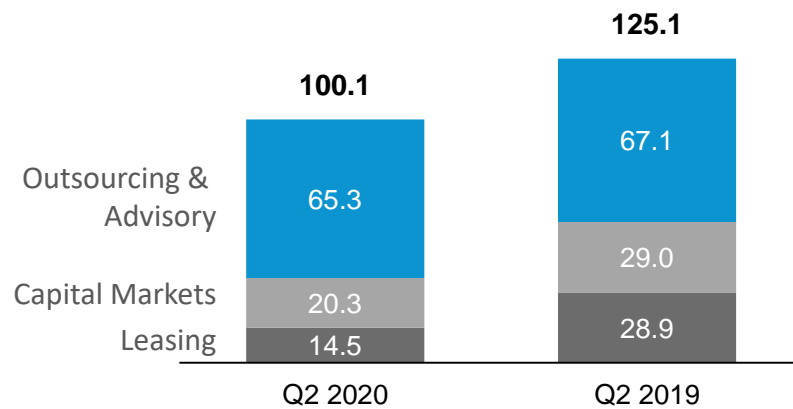
GAAP Operating Earnings: Q2 2020 (\$3.3M) at (3.3%) margin; Q2 2019 \$10.8M at 7.2% margin

Asia Pacific

(US\$ millions)

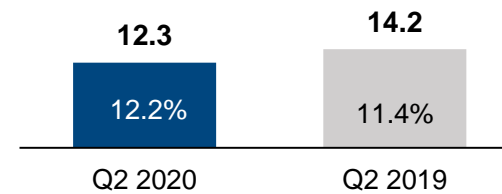
- Revenues down 16% in local currency on lower Leasing and Capital Markets
- Outsourcing & Advisory revenues were up slightly in local currency, including incremental revenues from the recent Synergy acquisition

Revenue



	USD	LC
Revenue Growth	-20%	-16%

Adjusted EBITDA and Margin



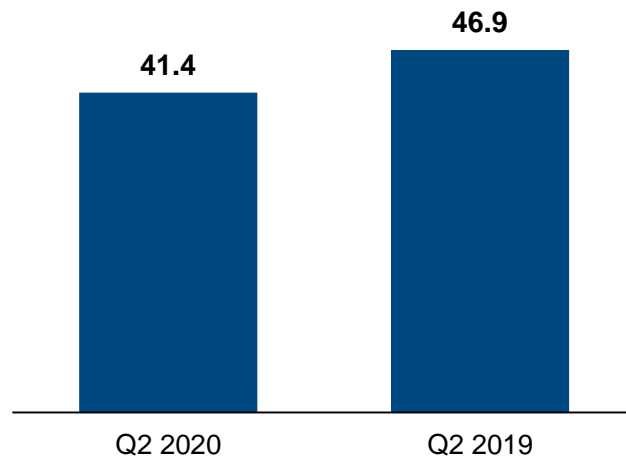
GAAP Operating Earnings: Q2 2020 \$5.1M at 5.1% margin; Q2 2019 \$12.5M at 10.0% margin

Investment Management

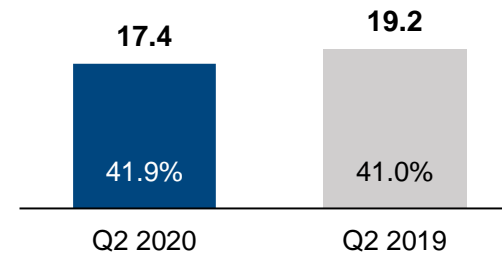
(US\$ millions)

- Revenue decline attributable to a \$4.3 million reduction in passthrough revenue from legacy carried interest
- Lower adjusted EBITDA attributable to changes in the timing of certain European transaction fees
- \$35.7 billion of AUM (up 2% from \$35.1 billion at March 31, 2020; up 18% from \$30.3 billion at June 30, 2019)

Revenue



Adjusted EBITDA and Margin



	USD	LC
Revenue Growth	-12%	-12%

GAAP Operating Earnings: Q2 2020 \$10.6M at 25.7% margin; Q2 2019 \$12.2M at 26.1% margin

Balance Sheet & Liquidity

(US\$ millions)

	June 30, 2020	December 31, 2019	June 30, 2019
Cash	\$ 147.2	\$ 115.0	\$ 102.1
Total Debt	627.2	611.4	692.4
Net Debt	\$ 480.0	\$ 496.4	\$ 590.3
Convertible Notes	223.5	0.0	0.0
Redeemable non-controlling interests	375.1	359.2	338.4
Shareholders' equity	499.0	517.3	428.8
Total capitalization	\$ 1,577.6	\$ 1,372.9	\$ 1,357.5
Net debt / pro forma adjusted EBITDA	1.5x	1.4x	1.7x

	Six months ended	
	June 30, 2020	June 30, 2019
Capital Expenditures	\$ 19.0	\$ 24.1
Acquisition Spend ⁽¹⁾	\$ 172.1	\$ 40.2

Highlights

- Conservative financial profile with net debt / pro forma adjusted EBITDA leverage ratio of 1.5x at June 30, 2020
 - Debt agreements permit maximum leverage ratio of 3.5x
- \$608 million of unused credit under revolving credit facility maturing in April 2024
- May 2020 issuance of Convertible Notes further strengthens balance sheet (considered equity for leverage ratio)
- Capital expenditures expected at \$40-\$50 million for 2020

¹ Includes business acquisitions, contingent acquisition consideration and purchase of non-controlling interests in subsidiaries.

Impact of COVID-19 Pandemic

Working assumption for full year 2020 (relative to 2019)

- Working assumption previously provided updated to reflect: (i) better than anticipated results for the second quarter across all service lines and regions; and (ii) the recently completed acquisitions of Colliers Mortgage and Maser Consulting

	Previous	Updated	Add acquisitions	Updated with acquisitions
Revenue	-15% to -25%	-15% to -25%	+5%	-10% to -20%
Adjusted EBITDA	-25% to -35%	-20% to -30%	+5%	-15% to -25%

- Transactional Leasing and Capital Markets revenues are expected to remain below 2019 levels, although the scale of decline should moderate in the third and fourth quarters.
- Outsourcing & Advisory and Investment Management are expected to remain relatively stable for the balance of the year with some variability depending on market conditions.
- Significant steps taken to adjust costs to expected revenues across all service lines, including reductions to support, administrative and leadership and related costs; May take further cost reduction measures in future quarters.

Appendix

Reconciliation of non-GAAP measures



Appendix

Reconciliation of net earnings to adjusted EBITDA

<i>(US\$ thousands)</i>	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net earnings	\$ 6,483	\$ 35,575	\$ 12,942	\$ 41,039
Income tax	2,127	13,187	7,326	14,402
Other income, net	(266)	179	(970)	(322)
Interest expense, net	6,179	8,257	13,763	15,476
Operating earnings	14,523	57,198	33,061	70,595
Depreciation and amortization	25,940	23,778	50,830	46,447
Gains attributable to MSRs	(509)	-	(509)	-
Equity income from non-consolidated entities	414	-	969	-
Acquisition-related items	3,784	5,263	6,534	9,898
Restructuring costs	13,839	275	19,307	314
Stock-based compensation expense	1,971	809	4,224	3,640
Adjusted EBITDA	\$ 59,962	\$ 87,323	\$ 114,416	\$ 130,894

Appendix

Reconciliation of net earnings and diluted net earnings per common share to adjusted net earnings and adjusted EPS

<i>(US\$ thousands)</i>	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net earnings	\$ 6,483	\$ 35,575	\$ 12,942	\$ 41,039
Non-controlling interest share of earnings	(4,265)	(6,586)	(7,642)	(7,831)
Interest on Convertible Notes	1,059	-	1,059	-
Amortization of intangible assets	17,089	15,238	33,101	29,958
Gains attributable to MSR's	(509)	-	(509)	-
Acquisition-related items	3,784	5,263	6,534	9,898
Restructuring costs	13,839	275	19,307	314
Stock-based compensation expense	1,971	809	4,224	3,640
Income tax on adjustments	(7,442)	(4,212)	(13,247)	(8,216)
Non-controlling interest on adjustments	(2,447)	(2,346)	(4,597)	(4,592)
Adjusted net earnings	\$ 29,562	\$ 44,016	\$ 51,172	\$ 64,210

<i>(US\$)</i>	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Diluted net (loss) earnings per common share	\$ (0.25)	\$ 0.60	\$ (0.14)	\$ 0.63
Interest on Convertible Notes, net of tax	0.02	-	0.02	-
Non-controlling interest redemption increment	0.30	0.13	0.27	0.20
Amortization expense, net of tax	0.25	0.23	0.49	0.46
Gains attributable to MSR's, net of tax	(0.01)	-	(0.01)	-
Acquisition-related items	0.10	0.12	0.17	0.22
Restructuring costs, net of tax	0.24	-	0.35	0.01
Stock-based compensation expense, net of tax	0.05	0.02	0.10	0.09
Adjusted EPS	\$ 0.70	\$ 1.10	\$ 1.25	\$ 1.61

Diluted weighted average shares for Adjusted EPS (thousands)	41,901	39,954	41,021	39,887
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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.