

Colliers International Group Inc.

Third Quarter 2020 Financial Results

October 27, 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; a change in or loss of our relationship with GSEs, such as Fannie Mae or Ginnie Mae could significantly impact our ability to originate mortgage loans; a default on loans originated under the Fannie Mae Delegated Underwriting and ServicingTM DUS Program could materially affect our profitability as we are subject to sharing up to one-third of incurred losses; 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, 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.

Third Quarter 2020 Results

(US\$ millions, except per share amounts)

Three months ended September 30, 2020	Q3 2020	Q3 2019	%Change	
			USD	LC ⁽¹⁾
Revenue	692.3	736.9	-6%	-7%
Adjusted EBITDA	92.1	84.3	9%	8%
Adjusted EBITDA Margin	13.3%	11.4%		
Adjusted EPS	1.08	1.04	4%	
GAAP Operating Earnings	52.1	48.2	8%	
GAAP Operating Earnings Margin	7.5%	6.5%		
GAAP EPS	0.52	0.74	-30%	

Nine months ended September 30, 2020	YTD 2020	YTD 2019	% Change	
			USD	LC
Revenue	1,873.1	2,117.5	-12%	-11%
Adjusted EBITDA	206.5	215.2	-4%	-3%
Adjusted EBITDA Margin	11.0%	10.2%		
Adjusted EPS	2.35	2.65	-11%	
GAAP Operating Earnings	85.1	118.8	-28%	
GAAP Operating Earnings Margin	4.5%	5.6%		
GAAP EPS	0.38	1.37	-72%	

¹ LC refers to Local Currency

Highlights

Resilience during the pandemic

- Better than expected results despite the continuing impact of the pandemic
- Continued growth from recurring services
- Proven track record, highly diversified and balanced business, strong balance sheet, unique corporate culture and significant inside ownership

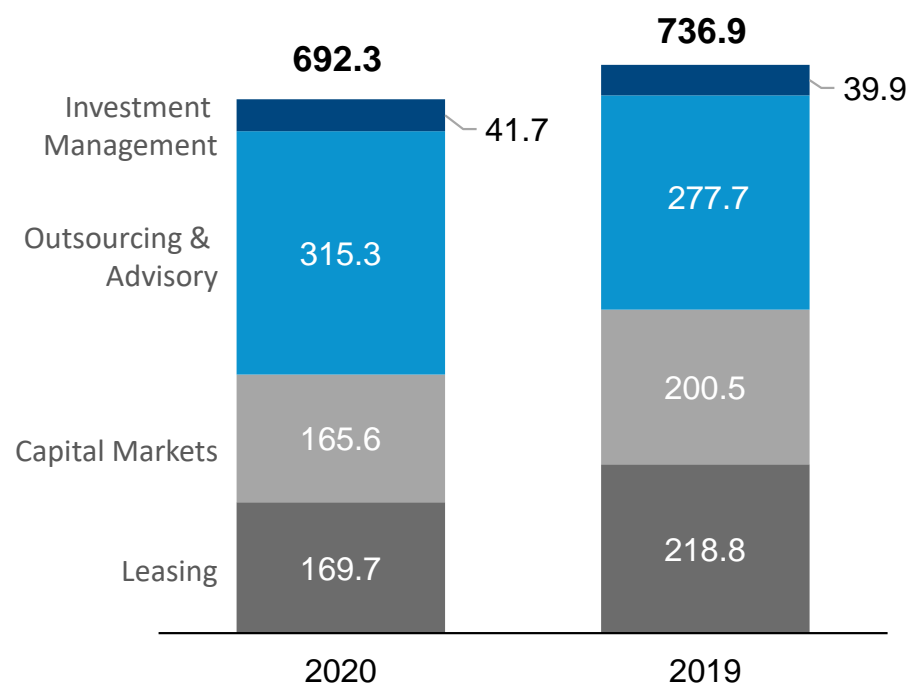
Other highlights

- Completed acquisitions of Maser Consulting and Colliers Nashville

Third Quarter Consolidated Revenues

(US\$ millions)

Q3 Revenues



Internal Growth **LC**
-19%

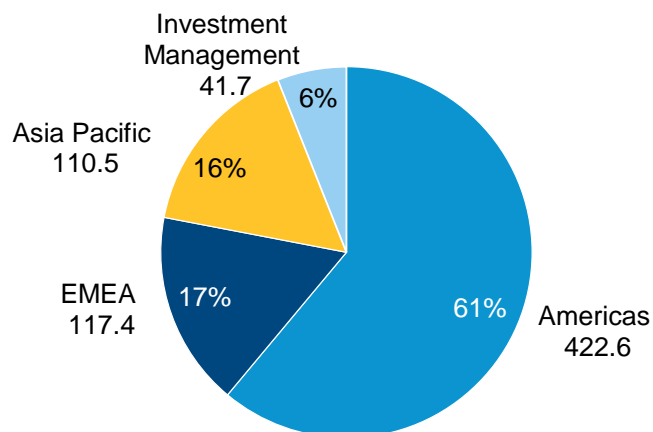
% Change over Q3 2019	USD	LC
Investment Management	5%	4%
Outsourcing & Advisory	14%	11%
Capital Markets	-17%	-18%
Leasing	-22%	-23%
Total	-6%	-7%

Revenue Mix	Q3 2020	Q3 2019
Investment Management	6%	5%
Outsourcing & Advisory	46%	38%
Capital Markets	24%	27%
Leasing	24%	30%
Total	100%	100%

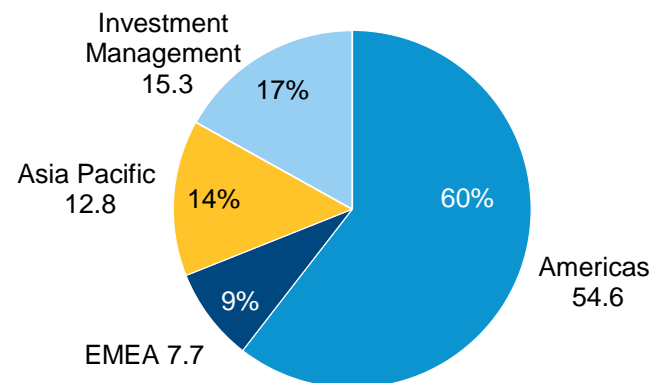
Third Quarter Geographic Split

(US\$ millions)

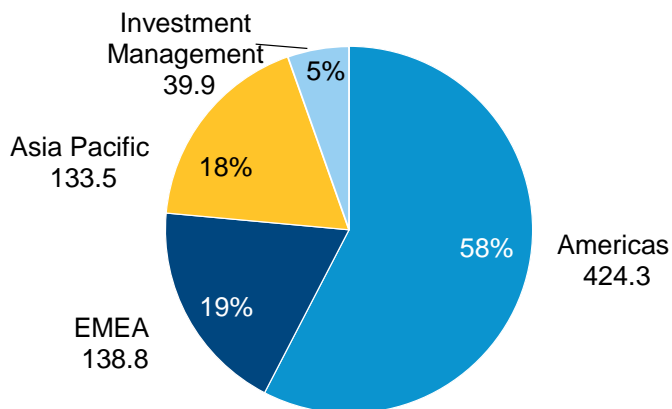
Q3 2020 Revenues



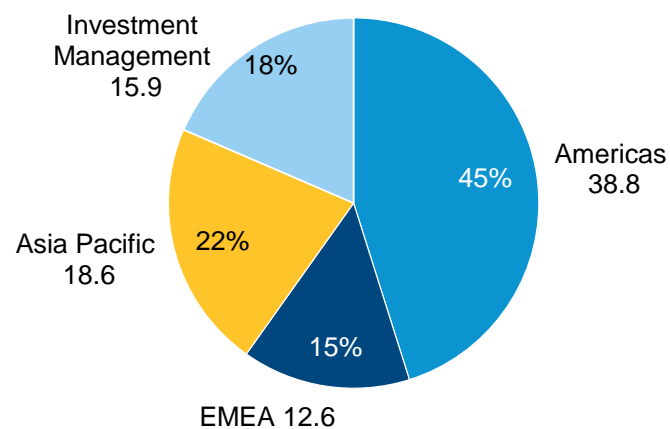
Q3 2020 Adjusted EBITDA¹



Q3 2019 Revenues



Q3 2019 Adjusted EBITDA²



¹ Q3 2020 GAAP Operating Earnings: \$40.4M Americas, \$(1.4)M EMEA, \$8.5M Asia Pacific, \$7.9M Investment Management

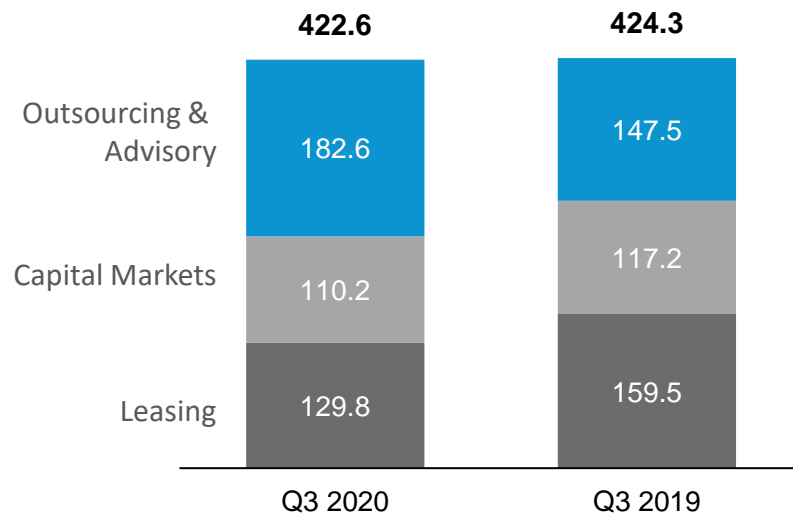
² Q3 2019 GAAP Operating Earnings: \$26.5M Americas, \$5.1M EMEA, \$17.2M Asia Pacific, \$9.3M Investment Management

Americas

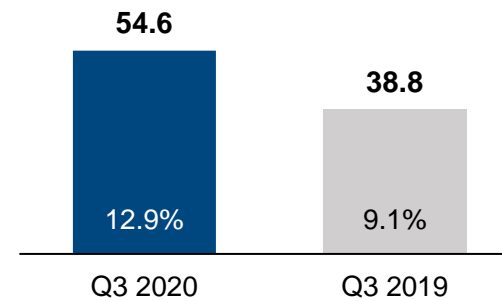
(US\$ millions)

- Revenue was flat in the quarter
- Lower Leasing and Capital Markets revenues offset by strong Outsourcing & Advisory activity
- Outsourcing & Advisory and Capital Markets included incremental revenues from Colliers Mortgage and Maser Consulting acquisitions
- Margin increase from acquisitions and cost savings implemented in the early stages of the pandemic

Revenue



Adjusted EBITDA and Margin



	USD	LC
Revenue Growth	0%	0%

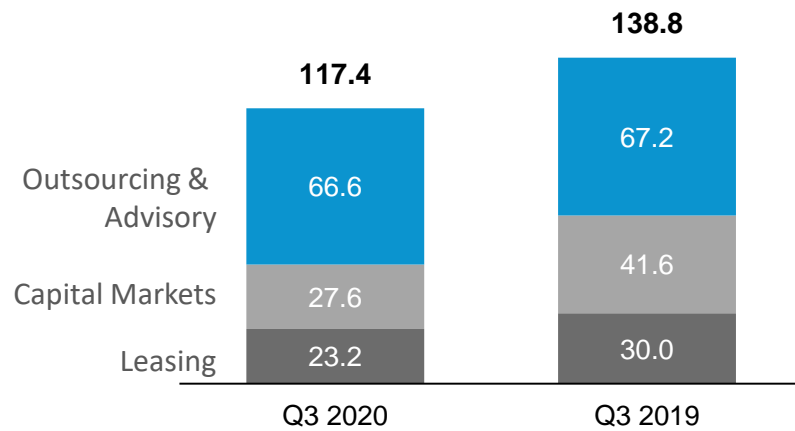
GAAP Operating Earnings: Q3 2020 \$40.4M at 9.6% margin; Q3 2019 \$26.5M at 6.2% margin

EMEA

(US\$ millions)

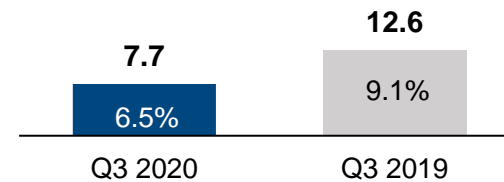
- Revenue declined 19% in local currency
- Capital Markets and Leasing most impacted, particularly in the UK and Germany

Revenue



	USD	LC
Revenue Growth	-15%	-19%

Adjusted EBITDA and Margin



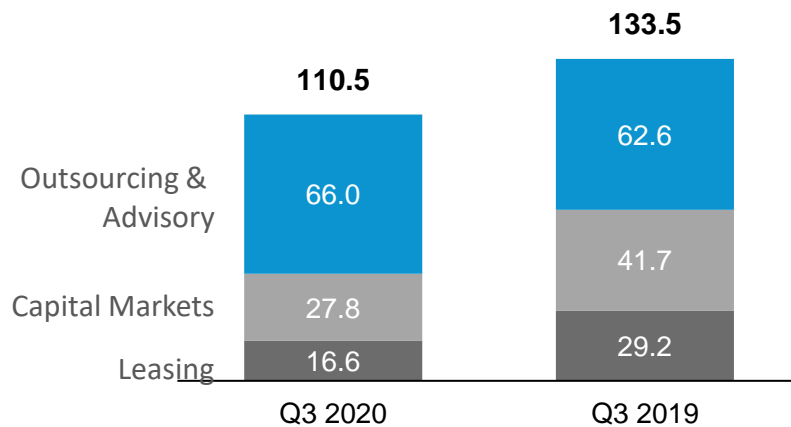
GAAP Operating Earnings: Q3 2020 (\$1.4M) at (1.2%) margin; Q3 2019 \$5.1M at 3.7% margin

Asia Pacific

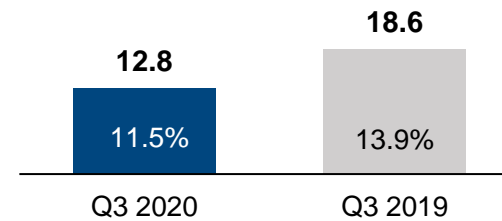
(US\$ millions)

- Revenue declined by 23% in local currency on lower Leasing and Capital Markets activity
- Outsourcing & Advisory revenues were up slightly in the quarter

Revenue



Adjusted EBITDA and Margin



	USD	LC
Revenue Growth	-17%	-23%

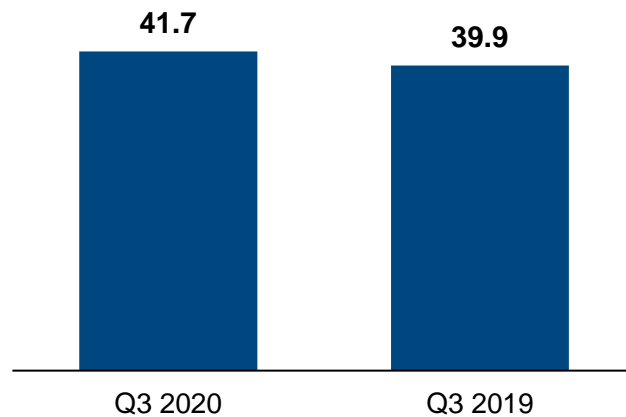
GAAP Operating Earnings: Q3 2020 \$8.5M at 7.7% margin; Q3 2019 \$17.2M at 12.9% margin

Investment Management

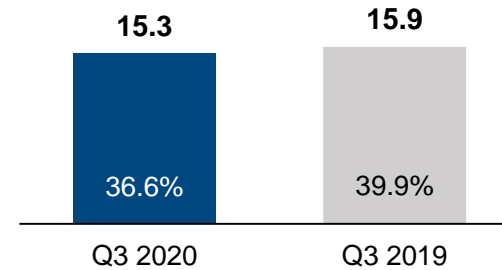
(US\$ millions)

- Revenue up 4% in LC
- Pass-through revenue from historical carried interest represented \$1.9 million for the third quarter versus \$0.5 million in the prior year quarter
- \$36.2 billion of AUM (up 1% from \$35.7 billion at June 30, 2020 and up 18% from \$30.6 billion at September 30, 2019)

Revenue



Adjusted EBITDA and Margin



	USD	LC
Revenue Growth	5%	4%

GAAP Operating Earnings: Q3 2020 \$7.9M at 19.0% margin; Q3 2019 \$9.3M at 23.3% margin

Balance Sheet & Liquidity

(US\$ millions)

	September 30, 2020	December 31, 2019	September 30, 2019
Cash	\$ 129.2	\$ 115.0	\$ 101.7
Total Debt	643.9	611.4	610.9
Net Debt	\$ 514.7	\$ 496.4	\$ 509.2
Convertible Notes	223.7	0.0	0.0
Redeemable non-controlling interests	431.2	359.2	323.4
Shareholders' equity	532.4	517.3	457.1
Total capitalization	\$ 1,702.0	\$ 1,372.9	\$ 1,289.7
Net debt / pro forma adjusted EBITDA - Leverage Ratio ⁽¹⁾	1.5x	1.4x	1.5x

Nine months ended

	September 30, 2020	September 30, 2019
Capital Expenditures	\$ 29.5	\$ 31.3
Acquisition Spend ⁽²⁾	\$ 240.2	\$ 44.6

Highlights

- Conservative financial profile with leverage ratio of 1.5x at September 30, 2020
 - Debt agreements permit maximum leverage ratio of 3.5x
- \$606 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 Net debt for financial leverage ratio excludes restricted cash, warehouse lines of credit and convertible notes, in accordance with debt agreements.

² 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 stronger than expected operating results for the third quarter

	Previous	Updated
Revenue	-10% to -20%	-10% to -15%
Adjusted EBITDA	-15% to -25%	-10% to -15%

- This working assumption is based on the best available information and is subject to change based on numerous macroeconomic, health, social, geo-political and related factors.
- 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		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Net earnings	\$ 31,979	\$ 28,673	\$ 44,921	\$ 69,711
Income tax	11,740	12,868	19,066	27,270
Other income, net	(509)	(663)	(1,479)	(985)
Interest expense, net	8,864	7,298	22,627	22,775
Operating earnings	52,074	48,176	85,135	118,771
Depreciation and amortization	36,281	22,835	87,111	69,281
Gains attributable to MSRs	(6,888)	-	(7,397)	-
Equity income from non-consolidated entities	482	-	1,451	-
Acquisition-related items	4,965	8,867	11,499	18,765
Restructuring costs	3,374	2,826	22,681	3,141
Stock-based compensation expense	1,832	1,558	6,056	5,199
Adjusted EBITDA	\$ 92,120	\$ 84,262	\$ 206,536	\$ 215,157

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		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Net earnings	\$ 31,979	\$ 28,673	\$ 44,921	\$ 69,711
Non-controlling interest share of earnings	(6,264)	(6,069)	(13,906)	(13,900)
Interest on Convertible Notes	2,314	-	3,373	-
Amortization of intangible assets	25,912	14,878	59,013	44,835
Gains attributable to MSR's	(6,888)	-	(7,397)	-
Acquisition-related items	4,965	8,867	11,499	18,765
Restructuring costs	3,374	2,826	22,681	3,141
Stock-based compensation expense	1,832	1,558	6,056	5,199
Income tax on adjustments	(6,988)	(6,524)	(20,235)	(14,740)
Non-controlling interest on adjustments	(2,625)	(2,507)	(7,222)	(7,099)
Adjusted net earnings	\$ 47,611	\$ 41,702	\$ 98,783	\$ 105,912

<i>(US\$)</i>	Three months ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Diluted net (loss) earnings per common share	\$ 0.52	\$ 0.74	\$ 0.43	\$ 1.37
Non-controlling interest redemption increment	0.10	(0.18)	0.37	0.02
Amortization expense, net of tax	0.38	0.23	0.88	0.69
Gains attributable to MSR's, net of tax	(0.12)	-	(0.14)	-
Acquisition-related items	0.10	0.16	0.27	0.38
Restructuring costs, net of tax	0.06	0.05	0.40	0.06
Stock-based compensation expense, net of tax	0.04	0.04	0.14	0.13
Adjusted EPS	\$ 1.08	\$ 1.04	\$ 2.35	\$ 2.65
Diluted weighted average shares for Adjusted EPS (thousands)	44,181	40,029	42,075	39,938

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.