

# Colliers International Group Inc.

Third Quarter 2017 Financial Results

October 31, 2017



# 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; 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, 2016 under the heading "Risk Factors" (which factors are adopted herein and a copy of which can be obtained 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.

## 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 2017 Results

- Quarterly revenues up 24% (22% in local currencies)
- Year to date revenues up 17% (17% in local currencies)
- Completed acquisition of Australian project management firm and Washington, D.C. tenant advisory practice, bringing the number of acquisitions completed year-to-date to seven
- Established company-owned operations in Japan

# Third Quarter 2017 Results Summary

## (US\$ millions, except per share amounts)

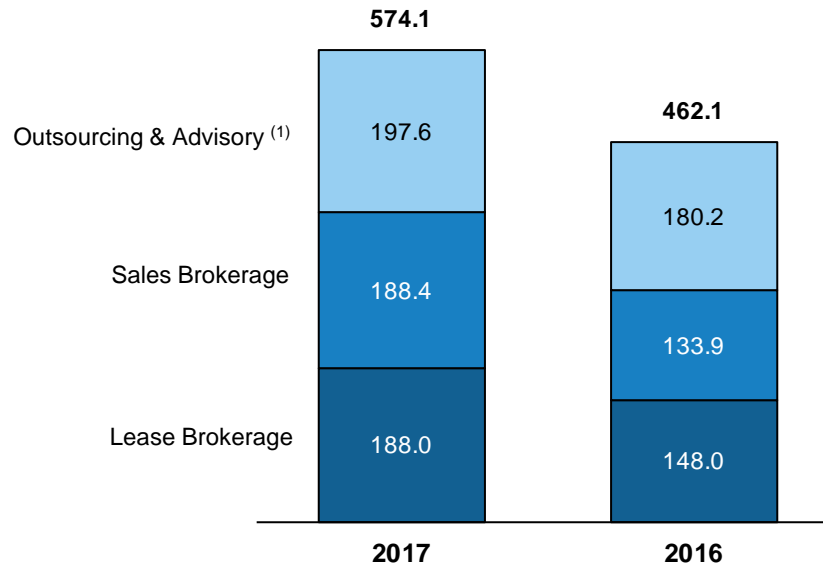
	Q3 2017	Q3 2016	% Change over Q3 2016	
			USD	LC <sup>(1)</sup>
Revenue	574.1	462.1	24%	22%
Adjusted EBITDA	52.2	37.6	39%	34%
Adjusted EBITDA Margin	9.1%	8.1%		
Adjusted EPS	0.61	0.40	53%	
GAAP Operating Earnings	31.4	23.6	33%	
GAAP Operating Earnings Margin	5.5%	5.1%		
GAAP EPS	0.11	0.24	-54%	

	YTD 2017	YTD 2016	% Change over YTD 2016	
			USD	LC <sup>(1)</sup>
Revenue	1,541.1	1,320.7	17%	17%
Adjusted EBITDA	141.1	112.6	25%	25%
Adjusted EBITDA Margin	9.2%	8.5%		
Adjusted EPS	1.70	1.22	39%	
GAAP Operating Earnings	82.9	70.1	18%	
GAAP Operating Earnings Margin	5.4%	5.3%		
GAAP EPS	0.39	0.61	-36%	

# Third Quarter 2017 Consolidated Revenues

(US\$ millions)

Q3 Revenue

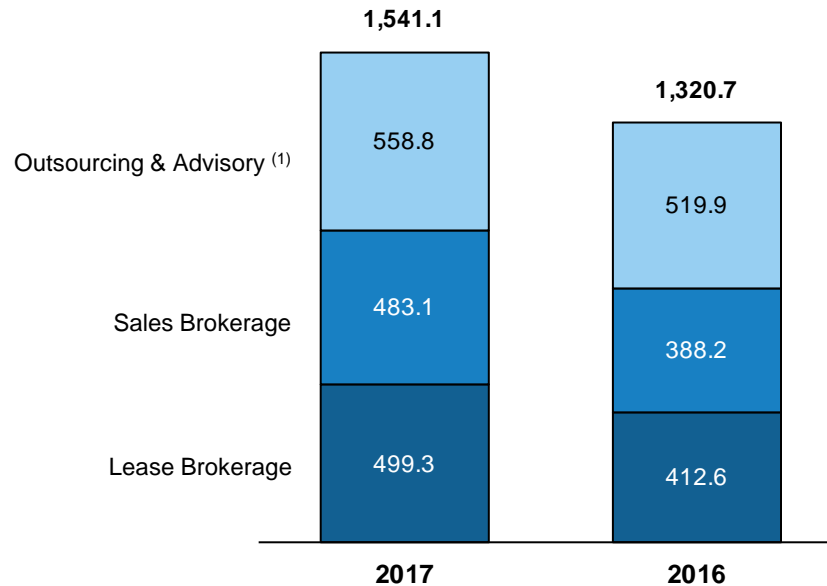


% Change over Q3 2016	USD	LC
Outsourcing & Advisory	10%	8%
Sales Brokerage	41%	38%
Lease Brokerage	27%	25%
<b>Total</b>	<b>24%</b>	<b>22%</b>

Revenue Mix	Q3 2017	Q3 2016
Outsourcing & Advisory	34%	39%
Sales Brokerage	33%	29%
Lease Brokerage	33%	32%
<b>Total</b>	<b>100%</b>	<b>100%</b>

# Year To Date 2017 Consolidated Revenues (US\$ millions)

YTD Revenue

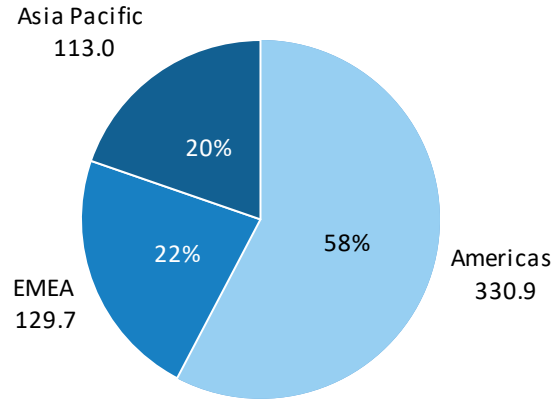


% Change over YTD 2016	USD	LC
Outsourcing & Advisory	7%	8%
Sales Brokerage	24%	24%
Lease Brokerage	21%	21%
<b>Total</b>	<b>17%</b>	<b>17%</b>

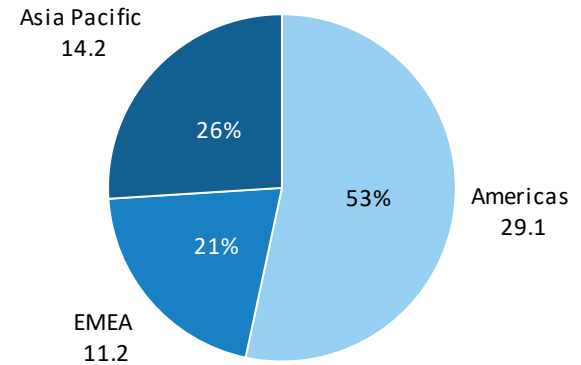
Revenue Mix	2017 YTD	2016 YTD
Outsourcing & Advisory	36%	39%
Sales Brokerage	31%	30%
Lease Brokerage	33%	31%
<b>Total</b>	<b>100%</b>	<b>100%</b>

# Third Quarter Geographic Split (US\$ millions)

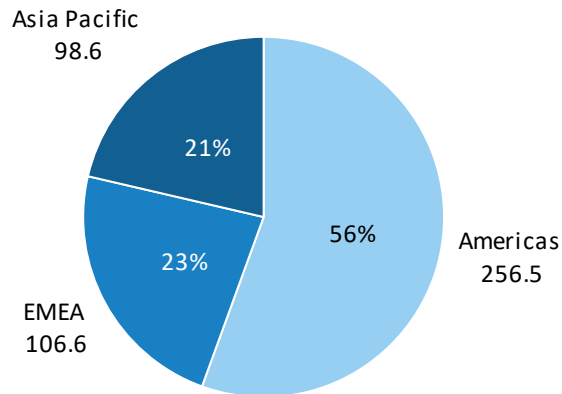
**Q3 2017 Revenue**



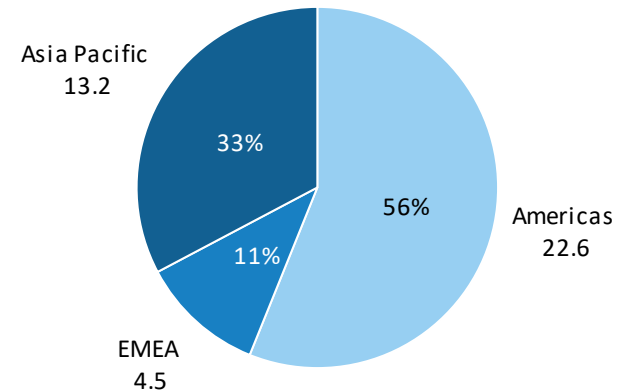
**Q3 2017 Adjusted EBITDA<sup>(1)</sup>**



**Q3 2016 Revenue**



**Q3 2016 Adjusted EBITDA<sup>(2)</sup>**

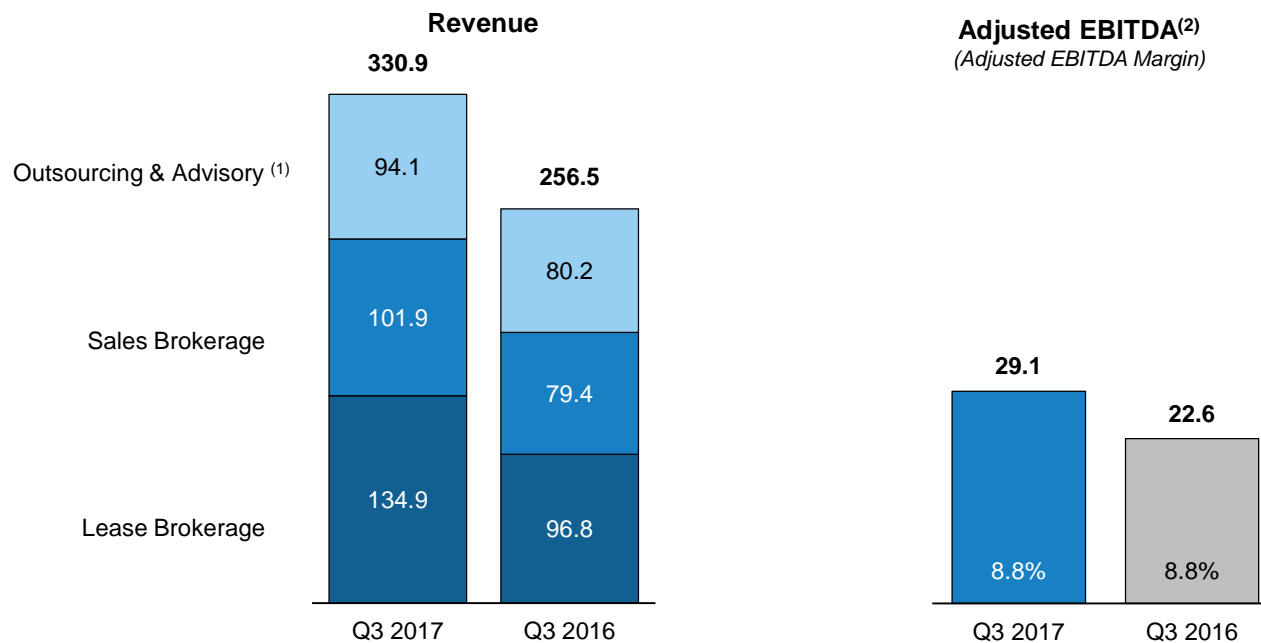


(1) Q3 2017 GAAP Operating Earnings (Loss): \$19.4M Americas, \$6.3M EMEA, \$12.7M Asia Pacific  
 (2) Q3 2016 GAAP Operating Earnings (Loss): \$16.3M Americas, (\$0.4M) EMEA, \$11.6M Asia Pacific

# Americas

## (US\$ millions)

- Revenues up 28% in local currencies, with 20% growth from recent acquisitions and 8% from internal growth
- Internal growth was driven by Lease Brokerage, with several significant office leasing transactions completed in major markets and strong growth across all service lines in Canada
- Adjusted EBITDA up 29%



	USD	LC	Internal Growth (LC)
Revenue Growth	29%	28%	8%

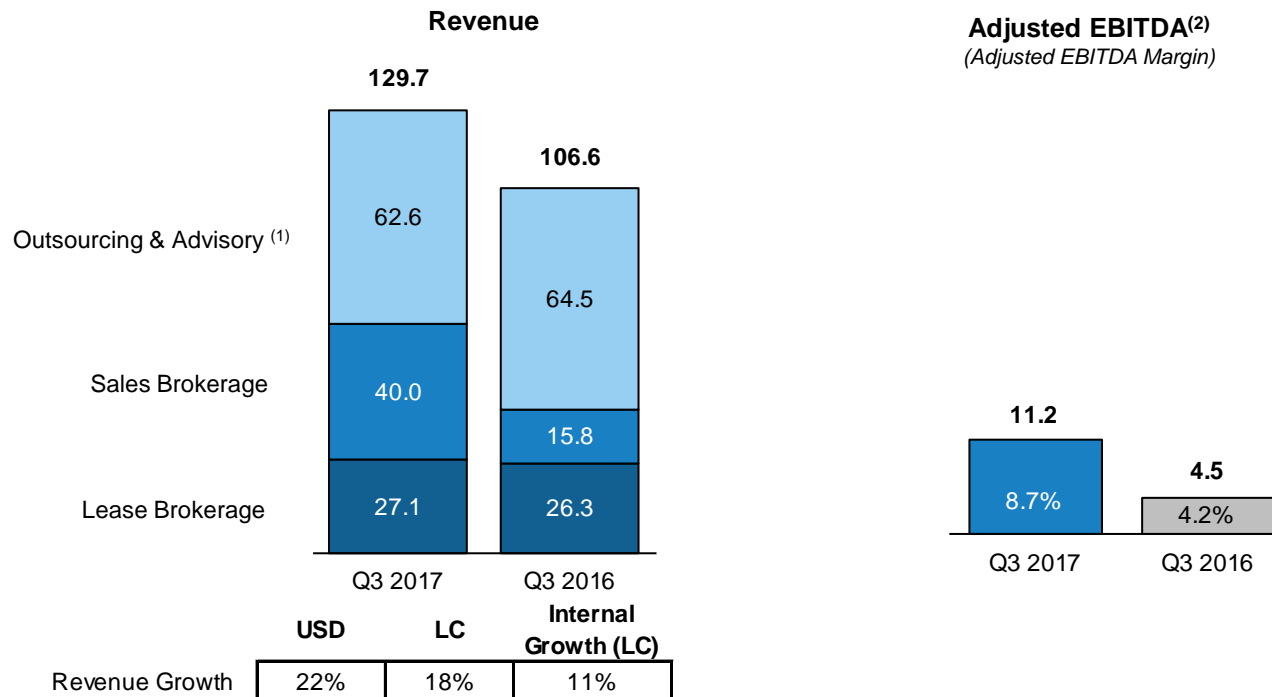
(1) Outsourcing & Advisory services include: Corporate Solutions, Valuation & Advisory Services, Property and Asset Management Services, Project Management, Workplace Solutions, Property Marketing and Research Services.  
 (2) GAAP Operating Earnings: Q3 2017 \$19.4M at 5.9% margin ; Q3 2016 \$16.3M at 6.4% margin



# EMEA

(US\$ millions)

- Revenues up 18% in local currencies, with 11% from internal growth and 7% growth from recent acquisitions
- Internal revenues benefited from a rebound in Sales Brokerage activity in the UK and the rest of Western Europe, relative to unusually low activity levels in the prior year period in the aftermath of the “Brexit” vote
- Adjusted EBITDA more than doubled, reflecting operating leverage from higher revenues and revenue mix



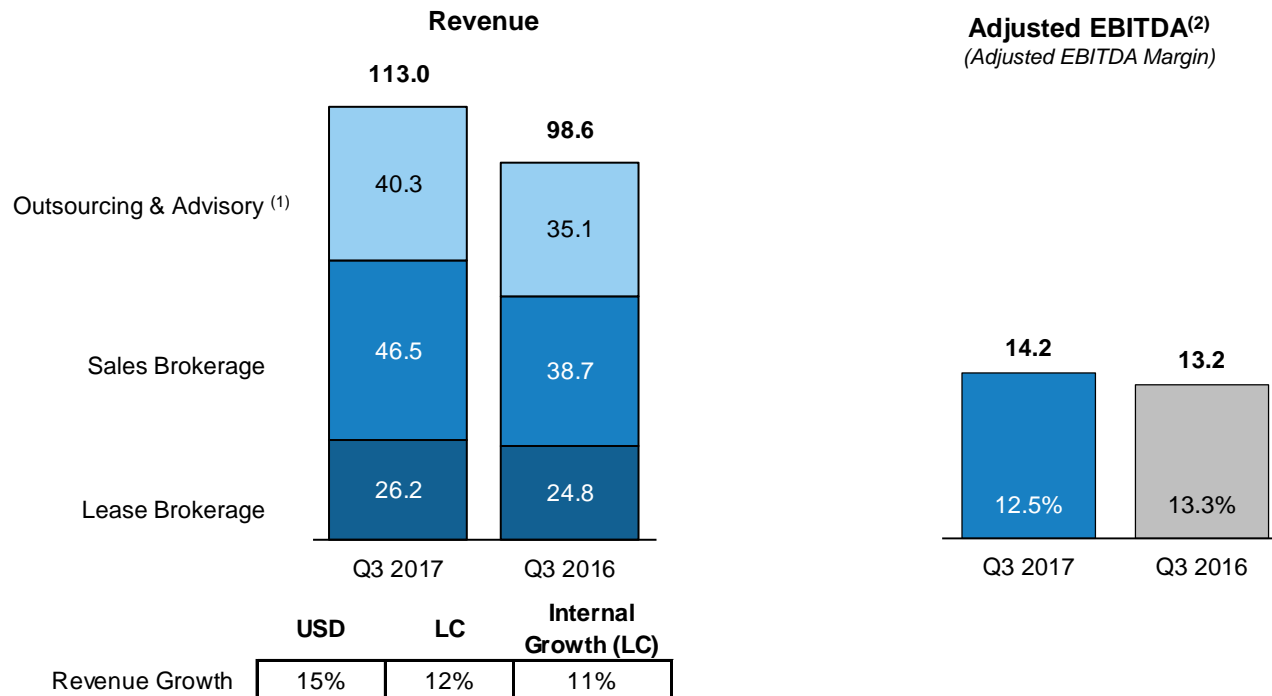
(1) Outsourcing & Advisory services include: Corporate Solutions, Valuation & Advisory Services, Property and Asset Management Services, Project Management, Workplace Solutions, Property Marketing and Research Services.

(2) GAAP Operating Earnings (Loss): Q3 2017 \$6.3M at 4.8% margin ; Q3 2016 (\$0.4M) at -0.3% margin

# Asia Pacific

## (US\$ millions)

- Revenues up 12% in local currencies, with 11% from internal growth and 1% growth from recent acquisitions
- Internal growth was driven by notable increases in Sales Brokerage activity in Hong Kong and China as well as strong Outsourcing & Advisory throughout the region
- Adjusted EBITDA reflects revenue growth with margin impacted by startup costs of new Japan operation



# Capitalization & Capital Allocation Overview

## (US\$ millions)

	September 30, 2017	December 31, 2016	September 30, 2016
Cash	\$ 109.8	\$ 113.1	\$ 108.9
Total Debt	371.9	262.5	335.8
Net Debt	\$ 262.1	\$ 149.4	\$ 226.9
Redeemable non-controlling interests	140.2	134.8	132.7
Shareholders' equity	250.3	212.5	184.9
Total capitalization	\$ 652.6	\$ 496.7	\$ 544.5
Net debt / pro forma adjusted EBITDA	1.1	0.7	1.1

### Highlights

- Net debt / pro forma adjusted EBITDA leverage reflects seasonal working capital utilization
- Anticipated capital expenditures of \$40-45 million for full year 2017 driven by investments in office space and software

### 3 Months Ended

	September 30, 2017	September 30, 2016
Capital Expenditures	\$ 8.4	\$ 5.6
Acquisition Spend <sup>(1)</sup>	\$ 12.5	\$ 36.3

### 9 Months Ended

	September 30, 2017	September 30, 2016
Capital Expenditures	\$ 28.9	\$ 16.2
Acquisition Spend <sup>(1)</sup>	\$ 97.8	\$ 87.0

# Looking Ahead

- 2017 Outlook
  - Expect solid fourth quarter and finish to the year, given continuing stable market conditions
  - Mid teen percentage revenue growth in local currency, based on acquisitions completed year to date, as well as low single-digit percentage internal revenue growth on full year basis
  - Adjusted EBITDA margin consistent with 2016
  - Mid to upper teen percentage adjusted EPS growth on full year basis
  
- Areas of Focus
  - Integration of recently acquired businesses
  - Pursue prudent acquisitions
  - Strengthen operations with select recruits in key markets and in key specialties
  - Strategically invest in global platform

# Appendix

# Reconciliation of GAAP earnings to adjusted EBITDA

<i>(US\$ thousands)</i>	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Net earnings	\$ 18,316	\$ 13,461	\$ 49,344	\$ 41,250
Income tax	9,952	8,207	26,194	24,138
Other income, net	(332)	(362)	(2,368)	(2,183)
Interest expense, net	3,487	2,321	9,708	6,913
Operating earnings	31,423	23,627	82,878	70,118
Depreciation and amortization	12,976	11,390	39,384	33,038
Acquisition-related items	6,149	352	13,666	2,397
Restructuring costs	760	1,804	1,803	4,580
Stock-based compensation expense	938	471	3,411	2,489
Adjusted EBITDA	\$ 52,246	\$ 37,645	\$ 141,142	\$ 112,622

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

<i>(US\$ thousands)</i>	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Net earnings	\$ 18,316	\$ 13,461	\$ 49,344	\$ 41,250
Non-controlling interest share of earnings	(5,348)	(3,286)	(12,464)	(11,259)
Amortization of intangible assets	6,183	5,192	20,148	15,619
Acquisition-related items	6,149	352	13,666	2,397
Restructuring costs	760	1,804	1,803	4,580
Stock-based compensation expense	938	471	3,411	2,489
Income tax on adjustments	(2,057)	(2,117)	(6,523)	(6,356)
Non-controlling interest on adjustments	(1,048)	(399)	(2,777)	(1,332)
Adjusted net earnings	<b>\$ 23,893</b>	<b>\$ 15,478</b>	<b>\$ 66,608</b>	<b>\$ 47,388</b>

<i>(US\$)</i>	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Diluted net earnings	\$ 0.11	\$ 0.24	\$ 0.39	\$ 0.61
Non-controlling interest redemption increment	0.22	0.02	0.55	0.16
Amortization of intangible assets, net of tax	0.10	0.09	0.32	0.25
Acquisition-related items	0.14	0.01	0.31	0.06
Restructuring costs	0.01	0.03	0.03	0.08
Stock-based compensation expense, net of tax	0.02	0.01	0.09	0.06
Adjusted earnings per share	<b>\$ 0.61</b>	<b>\$ 0.40</b>	<b>\$ 1.70</b>	<b>\$ 1.22</b>