

November 5, 2024

Third Quarter 2024 Financial Results



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 ability to attract new capital commitments to our Investment Management funds and retain existing capital under management; 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, 2023 under the heading "Risk Factors" (which factors are adopted herein, and which can be accessed at www.sedarplus.ca) 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.

Revised Operating Segments

Starting in Q3 2024, Colliers re-aligned its operating segments to better reflect the value and growth potential of its three complementary engines – Real Estate Services, Engineering, and Investment Management. The Real Estate Services segment encompasses the former Americas, EMEA, and Asia Pacific regions, excluding engineering and project management, which are now reported within the new Engineering segment. The Investment Management segment remains unchanged. Comparative periods have been recast to reflect this revised segmentation.

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"), free cash flow, assets under management ("AUM"), fee paying assets under management ("FPAUM"). Please refer to Appendix for reconciliations to GAAP measures.

Highlights

(US \$ millions, except per share amounts)

- Solid growth across all service lines and segments
- Re-aligned operating segments better reflect value and growth
- Capital Markets revenue growth exceeded expectations
- Fundraising in Investment Management remained below expectations
- Completed the acquisition of Englobe on July 29, 2024
- Post quarter, completed the acquisitions of Pritchard Francis and TTM in Australia and GWAL in Canada

Three months ended September 30	2024	2023	%Change	
			USD	LC ⁽¹⁾
Revenue	1,179.1	1,056.0	12%	11%
Adjusted EBITDA	154.6	144.9	7%	6%
Adjusted EBITDA Margin	13.1%	13.7%		
Adjusted EPS	1.32	1.19	11%	
GAAP Operating Earnings	109.7	70.9	55%	
GAAP Operating Earnings Margin	9.3%	6.7%		
GAAP diluted EPS	0.73	0.53	38%	

Nine months ended September 30	2024	2023	% Change	
			USD	LC ⁽¹⁾
Revenue	3,320.4	3,100.0	7%	7%
Adjusted EBITDA	419.0	396.6	6%	6%
Adjusted EBITDA Margin	12.6%	12.8%		
Adjusted EPS	3.46	3.36	3%	
GAAP Operating Earnings	267.8	168.3	59%	
GAAP Operating Earnings Margin	8.1%	5.4%		
GAAP diluted EPS	1.73	(0.04)	NM	

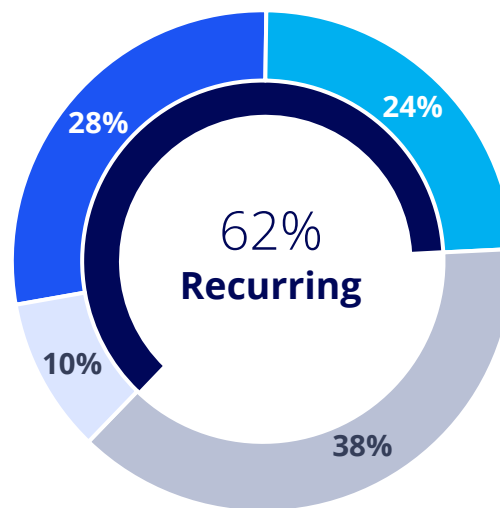
⁽¹⁾ Local Currency

Broad Diversification

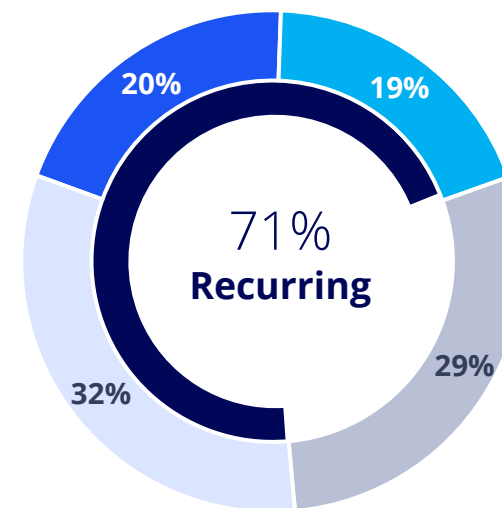
Trailing twelve months ended September 30, 2024



TTM Q3 2024 Revenue by Service



TTM Q3 2024 AEBITDA by Service



- Outsourcing
- Engineering
- Investment Management
- Leasing and Capital Markets

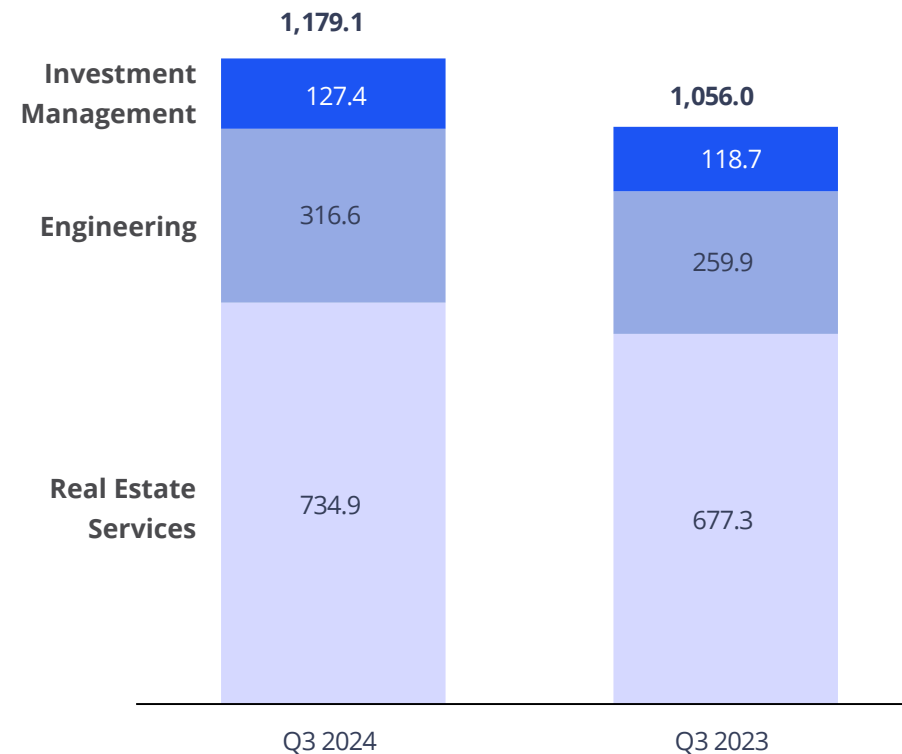
Consolidated Revenues

Third Quarter
(US\$ millions)

% Change over Q3 2023	USD	LC
Investment Management ⁽¹⁾	7%	7%
Engineering	22%	21%
Real Estate Services	9%	8%
Total	12%	11%



Revenue Mix	Q3 2024	Q3 2023
Investment Management	11%	11%
Engineering	27%	25%
Real Estate Services	62%	64%
Total	100%	100%



Local currency internal growth: 5%

⁽¹⁾ Investment Management LC revenue growth, excluding pass-through carried interest, was 1%



Real Estate Services

Third Quarter
(US\$ millions)

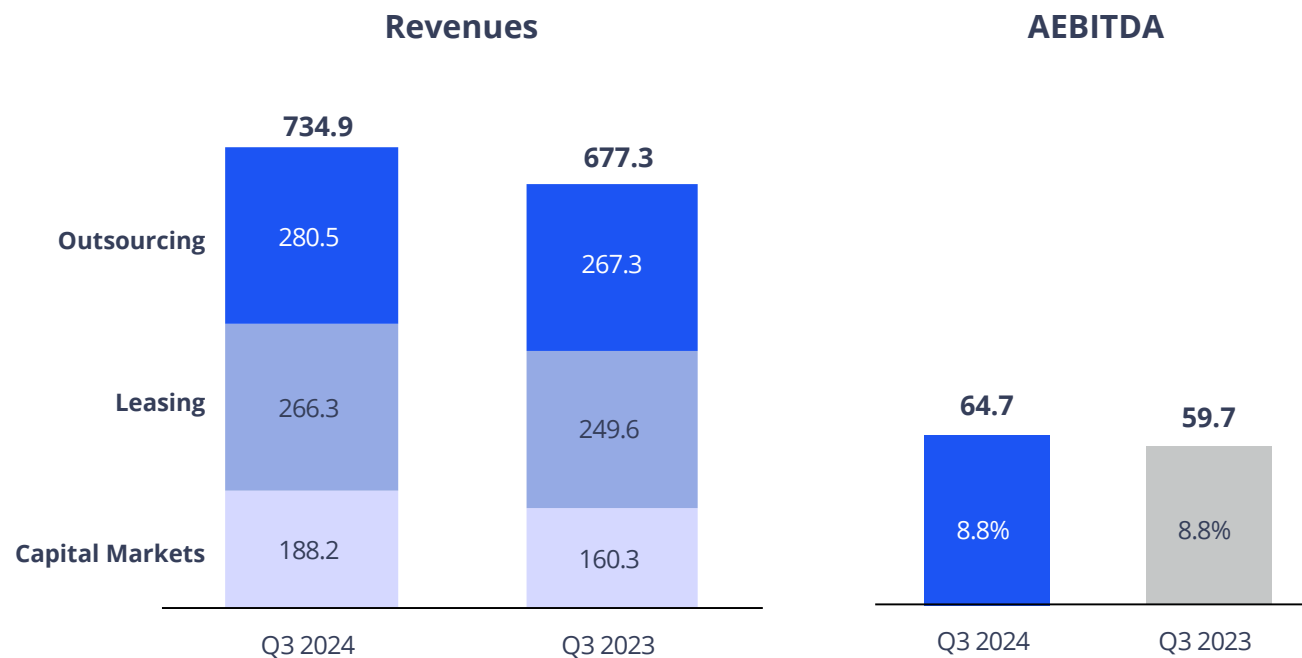
Growth across all service lines

Capital Markets transaction volumes up meaningfully against a low base in the prior year, particularly in the Americas and Asia Pacific

Leasing continued to build on last quarter’s momentum, notably in EMEA and the US with several large office leasing transactions during the quarter

Margin growth constrained due to continued aggressive investment in recruiting in strategic markets

	USD	LC
Revenue Growth	9%	8%
AEBITDA Growth	8%	7%



GAAP Operating Earnings: Q3 2024 \$42.4M at 5.8% margin; Q3 2023 \$40.8M at 6.0% margin



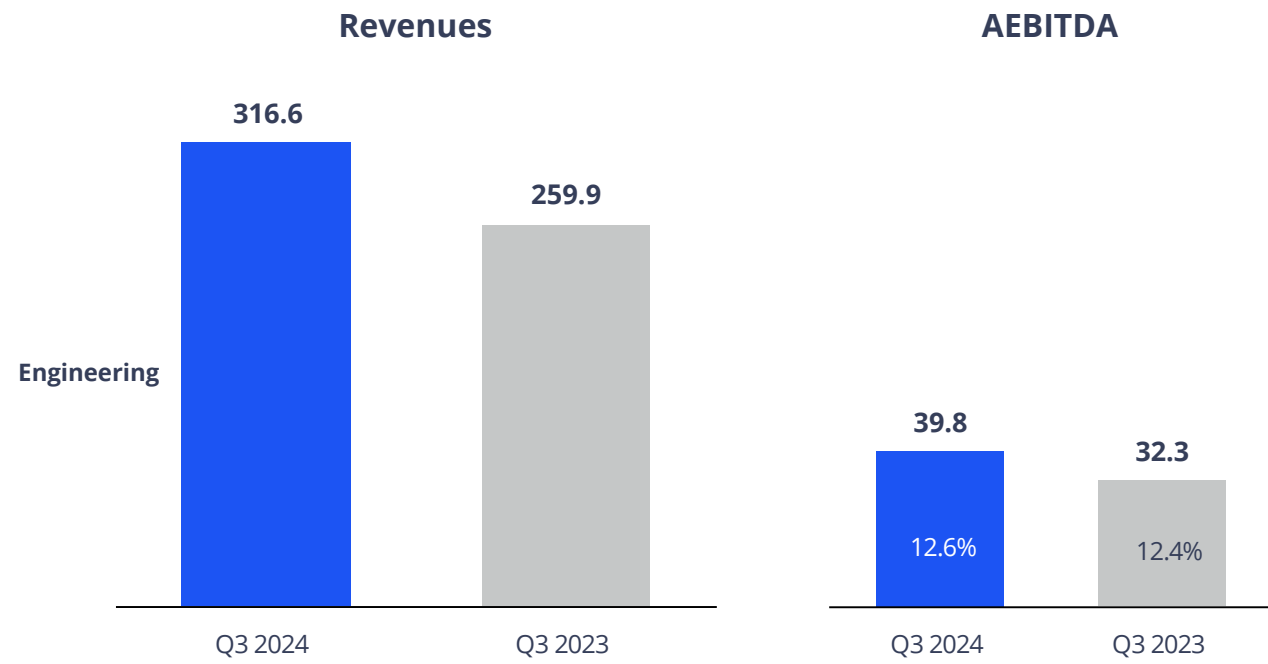
Engineering

Third Quarter
(US\$ millions)

Revenue growth was primarily driven by the recent acquisition of Englobe

Adjusted EBITDA margin improved on the favourable impact of acquisitions

	USD	LC
Revenue Growth	22%	21%
AEBITDA Growth	23%	24%



GAAP Operating Earnings: Q3 2024 \$19.7M at 6.2% margin; Q3 2023 \$20.0M at 7.7% margin



Investment Management

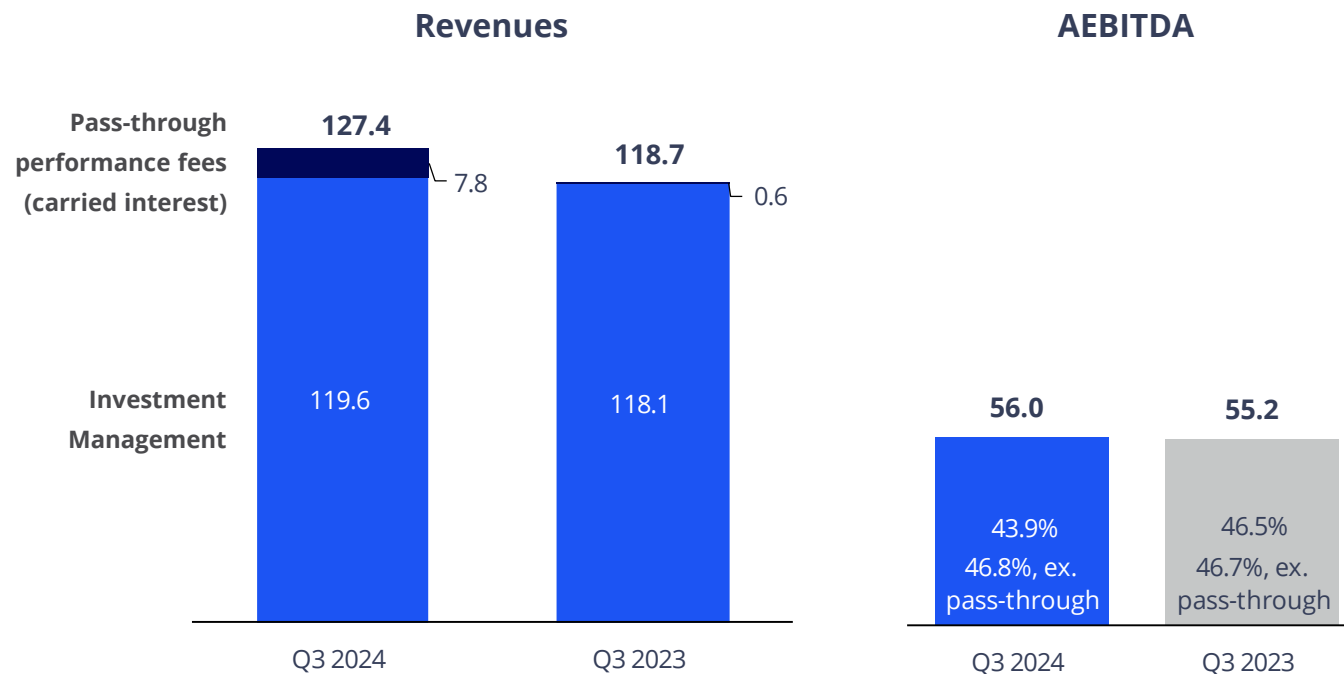
Third Quarter
(US\$ millions)

Incremental revenues from new investor capital commitments, which were lower than expectations

Adjusted EBITDA margin up slightly, with continued investments in new products and strategies as well as additional investments to scale fundraising efforts

AUM up \$2.4 billion to \$98.8 billion relative to June 30, 2024

	USD	LC
Revenue Growth	7%	7%
Revenue Growth*	1%	1%
*excluding pass-through performance fees		
AEBITDA Growth	1%	1%



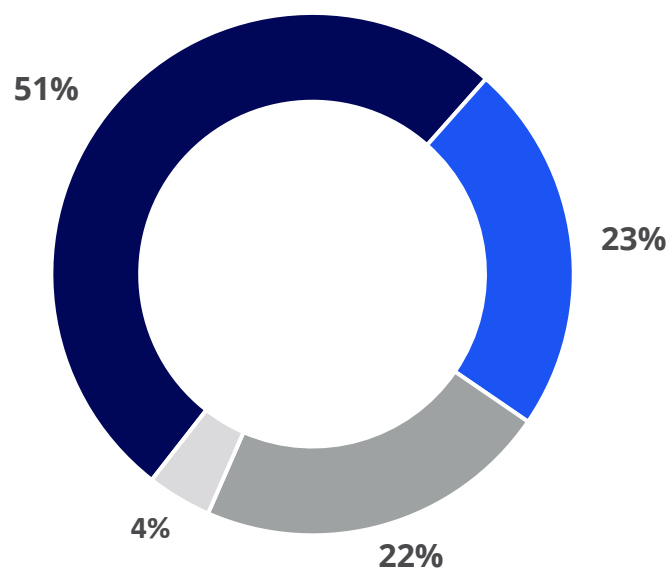
GAAP Operating Earnings: Q3 2024 \$67.2M at 52.8% margin; Q3 2023 \$20.4M at 17.2% margin

Investment Management

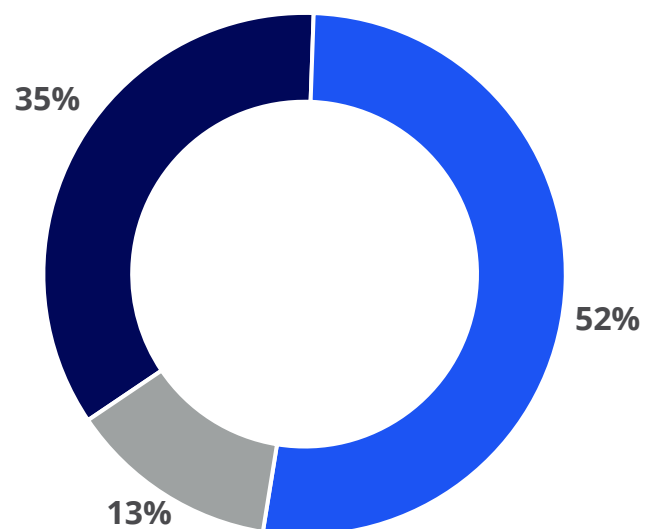
Focus on long-duration, highly differentiated AUM

AUM: \$98.8B | FPAUM: \$50.0B

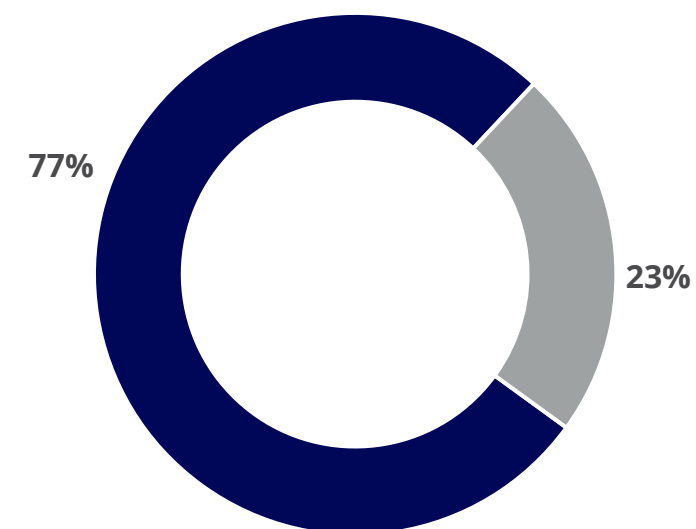
AUM by Asset Class



AUM by Strategy



AUM by Geography



■ Alternatives ■ Infrastructure ■ Traditional Real Estate ■ Credit

■ Perpetual Capital ■ Long-dated Funds ■ Managed Accounts

■ North America ■ EMEA

Capitalization & Capital Allocation

(US\$ millions)

	September 30, 2024	December 31, 2023	September 30, 2023
Cash	\$ 157.0	\$ 181.1	\$ 168.6
Total Debt	1,804.4	1,502.6	1,642.6
Net Debt	\$ 1,647.4	\$ 1,321.5	\$ 1,474.0
Redeemable non-controlling interests	1,122.1	1,072.1	1,073.4
Shareholders' equity	1,255.6	850.5	753.6
Total capitalization	\$ 4,025.1	\$ 3,244.1	\$ 3,301.0
Net debt / pro forma adjusted EBITDA - Leverage Ratio ⁽¹⁾	2.5x	2.2x	2.4x

- Leverage ratio of 2.5x
- Expect leverage ratio to decline to 2.0x – 2.2x by the end of 2024
- Anticipating capital expenditures of \$75-\$80 million in 2024

	Nine months ended	
	September 30, 2024	September 30, 2023
Capital Expenditures	\$ 45.5	\$ 60.4
Acquisition Spend ⁽²⁾	\$ 495.5	\$ 140.9

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

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

Outlook for 2024

Revised 2024 outlook to reflect year-to-date results and updated fundraising expectations in the high-margin Investment Management segment for the remainder of the year

Measure	Actual 2023	2024 Outlook	
		Prior	Revised
Revenue growth	-3%	+8% to +13%	+8% to +13%
Adjusted EBITDA growth	-6%	+8% to +18%	+8% to +12%
Adjusted EPS growth	-23%	+11% to +21%	+6% to +12%

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 numerous macroeconomic, geopolitical, health, social and related factors. Continued interest rate volatility and/or lack of credit availability for commercial real estate transactions could materially impact the outlook.



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, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net earnings	\$ 69,377	\$ 29,376	\$ 155,440	\$ 63,470
Income tax	21,131	18,096	55,478	38,112
Other income, including equity earnings from non-consolidated investments	(4,121)	(801)	(5,704)	(5,007)
Interest expense, net	23,350	24,228	62,598	71,730
Operating earnings	<u>109,737</u>	<u>70,899</u>	<u>267,812</u>	<u>168,305</u>
Loss on disposal of business operations	-	-	-	2,282
Depreciation and amortization	56,073	51,163	156,426	151,449
Gains attributable to MSRs	(6,151)	(3,199)	(11,178)	(12,286)
Equity earnings from non-consolidated entities	4,008	685	5,240	4,371
Acquisition-related items	(20,931)	15,366	(34,212)	53,502
Restructuring costs	5,087	4,485	13,920	12,266
Stock-based compensation expense	6,813	5,513	20,947	16,726
Adjusted EBITDA	<u>\$ 154,636</u>	<u>\$ 144,912</u>	<u>\$ 418,955</u>	<u>\$ 396,615</u>

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, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net earnings	\$ 69,377	\$ 29,376	\$ 155,440	\$ 63,470
Non-controlling interest share of earnings	(14,929)	(14,210)	(35,074)	(38,967)
Interest on Convertible Notes	-	-	-	2,861
Loss on disposal of operations	-	-	-	2,282
Amortization of intangible assets	38,226	37,486	107,697	111,659
Gains attributable to MSRs	(6,151)	(3,199)	(11,178)	(12,286)
Acquisition-related items	(20,931)	15,366	(34,212)	53,502
Restructuring costs	5,087	4,485	13,920	12,266
Stock-based compensation expense	6,813	5,513	20,947	16,726
Income tax on adjustments	(5,383)	(11,853)	(26,116)	(35,046)
Non-controlling interest on adjustments	(5,060)	(6,207)	(18,331)	(17,133)
Adjusted net earnings	\$ 67,049	\$ 56,757	\$ 173,093	\$ 159,334

<i>(US\$)</i>	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Diluted net earnings (loss) per common share	\$ 0.73	\$ 0.53	\$ 1.73	\$ (0.04)
Interest on Convertible Notes, net of tax	-	-	-	0.04
Non-controlling interest redemption increment	0.34	(0.21)	0.68	0.56
Loss on disposal of operations	-	-	-	0.05
Amortization expense, net of tax	0.59	0.49	1.48	1.45
Gains attributable to MSRs, net of tax	(0.07)	(0.04)	(0.13)	(0.15)
Acquisition-related items	(0.45)	0.26	(0.84)	0.97
Restructuring costs, net of tax	0.08	0.07	0.21	0.19
Stock-based compensation expense, net of tax	0.10	0.09	0.33	0.29
Adjusted EPS	\$ 1.32	\$ 1.19	\$ 3.46	\$ 3.36

Diluted weighted average shares for Adjusted EPS (thousands)	50,797	47,549	50,054	47,480
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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 and fully converted or redeemed by June 1, 2023

Reconciliation of net cash flow from operations to free cash flow

(US\$ thousands)

Net cash provided by operating activities

Contingent acquisition consideration paid

Purchase of fixed assets

Cash collections on AR Facility deferred purchase price

Distributions paid to non-controlling interests

Free cash flow

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$ 107,128	\$ 42,153	\$ 110,702	\$ 8,558
	69	35,655	3,107	38,646
	(16,158)	(19,349)	(45,511)	(60,411)
	32,957	31,896	101,805	91,207
	(17,475)	(16,702)	(66,302)	(67,822)
	<u>\$ 106,521</u>	<u>\$ 73,653</u>	<u>\$ 103,801</u>	<u>\$ 10,178</u>

Other Non-GAAP Measures

Local currency revenue and adjusted EBITDA growth rate and internal revenue growth rate measures

Percentage revenue and adjusted EBITDA 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 Engineering, Outsourcing and Investment Management service lines. All 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 Engineering, Outsourcing and Investment Management service lines. All 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.