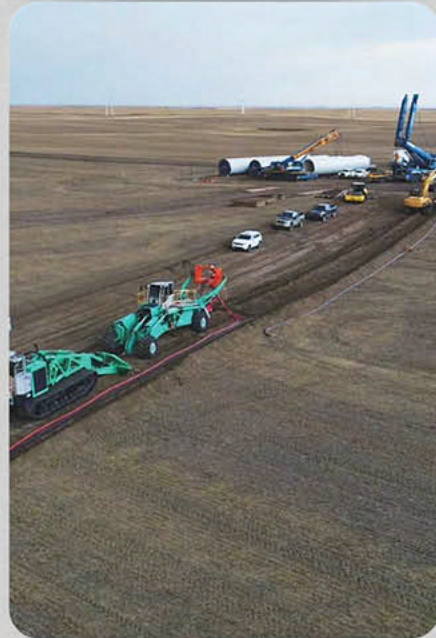


Bird Construction Inc.  
**TSX: BDT**

Q1-2021 EARNINGS  
MAY 12, 2021

**bird**





# DISCLAIMER

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This presentation contains forward-looking statements and information ("forward-looking statements") within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this presentation are based on the expectations, estimates and projections of management of Bird Construction Inc. ("Bird" or "The Company") and Stuart Olson Inc. ("Stuart Olson") as of the date of this presentation unless otherwise stated. The use of any of the words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "may", "will", "should" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this presentation contains forward-looking statements concerning: the anticipated benefits of the acquisition of Stuart Olson (the "Transaction") to Bird and its shareholders, including anticipated synergies; the plans and strategic priorities of the combined company

In respect of the forward-looking statements concerning the anticipated benefits of the Transaction; and expectations and assumptions concerning, among other things: customer demand for the combined company's services and anticipated synergies, capital efficiencies and cost-savings.

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks associated with the industries in which Bird and Stuart Olson operate in general such as: operational risks, industry and inherent project delivery risks; delays or changes in plans with respect to growth projects or capital expenditures; costs and expenses; health, safety and environmental risks; commodity price, interest rate and exchange rate fluctuations; compliance with environmental laws risks; competition, ethics and reputational risks; ability to access sufficient capital from internal and external sources; global pandemics; repayment of credit facility; collection of recognized revenue; performance bonds and contract security; potential for non-payment and credit risk and ongoing financing availability; regional concentration; regulations; dependence on the public sector; client concentration; labour matters; loss of key management; ability to hire and retain qualified and capable personnel; subcontractor performance; unanticipated shutdowns, work stoppages, strikes and lockouts; maintaining safe worksites; cyber security risks; litigation risk; corporate guarantees and letters of credit; volatility of market trading; failure of clients to obtain required permits and licenses; payment of dividends; economy and cyclicity; Public Private Partnerships project risk; design risks; completion and performance guarantees/design-build risks; ability to secure work; estimating costs and schedules/assessing contract risks; quality assurance and quality control; accuracy of cost to complete estimates; insurance risk; adjustments and cancellations of backlog; joint venture risk; internal and disclosure controls; Public Private Partnerships equity investments; failure to realize the anticipated benefits of the Transaction; and changes in legislation, including but not limited to tax laws and environmental regulations.

The forward-looking statements in this presentation should not be interpreted as providing a full assessment or reflection of the unprecedented impacts of the recent COVID-19 pandemic ("COVID-19") and the resulting indirect global and regional economic impacts.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the operations or financial results of the parties, and the combined company, including any risk factors related to COVID-19, are included in reports on file with applicable securities regulatory authorities, including but not limited to Bird's Annual Information Form for the year ended December 31, 2020, which may be accessed on Bird's SEDAR profile, respectively, at [www.sedar.com](http://www.sedar.com).

The forward-looking statements contained in this presentation are made as of the date hereof and the parties undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

## **TERMINOLOGY**

Throughout this presentation, management uses the following terms that may not be comparable with similar terms presented by other companies and require definition:

"Backlog" (also referred to in the construction industry as "work on hand") is the total value of all contracts awarded to the Company, less the total value of work completed on these contracts as of the date of the most recently completed quarter. This includes all contracts that have been awarded to the Company whether the work has commenced or will commence in the normal course. It includes all the Company's remaining performance obligations in its contracts with its clients, including work orders issued from MSAs related to MRO services. It does not include amounts for variable consideration that are constrained, agency relationship construction management projects, and estimated future work orders to be performed as part of master services agreements. The Company's Backlog equates to the Company's remaining performance obligations.

"Pending Backlog" is the total potential revenue of awarded but not contracted projects including where the Company has been named preferred proponent, where a contract has not been executed and where the letter of intent or agreement received is non-binding. It may also include amounts for agency relationship construction management projects, pre-construction activities and estimated future work orders to be performed as part of MSAs. Management does not provide any assurance that a contract will be finalized, or revenue recognized in the future. Management uses Pending Backlog to assess the future operating performance of its business. Management believes that investors and analysts use this measure, as it may provide predictive value to assess the ongoing operations of the business and a more consistent comparison between financial reporting periods. Pending Backlog cannot be reconciled to any IFRS measure.

## **NON-GAAP MEASURES**

Throughout this presentation, management uses the following terms which have no standardized meaning prescribed by GAAP and are considered non-GAAP measures. Therefore, these terms may not be comparable with similar terms presented by other companies and require definition:

Management uses "Adjusted Earnings", "Adjusted Earnings Per Share", "Adjusted EBITDA", and "Adjusted EBITDA Margin" to assess the operating performance of its business. Management believes that if investors and analysts use "Adjusted Earnings", and/or "Adjusted EBITDA", it may provide predictive value to assess the on-going operations of the business and it provides a more consistent comparison between financial reporting periods.

Management considers these to be important supplemental measures of the Company's performance and management believes these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with capital structures similar to that of the Company. These measures have been described and presented in order to provide potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Readers are encouraged to review the Company's annual and most recent MD&A filed on SEDAR for a full discussion of the use of each measure.

## **MARKET DATA**

Market data and other statistical information used throughout this presentation are based on internal company research, independent industry publications, government publications, reports by market research firms or other published independent sources. Industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. Although the Company believes such information is accurate and reliable, the Company has not independently verified any of the data from third-party sources cited or used for management's industry estimates, nor has the Company ascertained the underlying economic assumptions relied upon therein. While the Company believes internal company estimates are reliable, such estimates have not been verified by any independent sources, and the Company does not make any representations as to the accuracy of such estimates. Statements as to our position relative to our competitors or as to market share refer to the most recent available data.

## **CURRENCY**

Unless otherwise indicated, all currency in this presentation is presented in Canadian dollars.

# FINANCIAL HIGHLIGHTS

## Q1 2021 RESULTS<sup>(1)</sup>

<b>\$445M</b>	<b>38%</b>
REVENUE	
<b>\$39.9M</b>	<b>136%</b>
GROSS PROFIT	
<b>\$21.0M</b>	<b>178%</b>
ADJUSTED EBITDA	
<b>\$9.1M</b>	<b>714%</b>
ADJUSTED EARNINGS	
<b>\$389.3M</b>	<b>94%</b>
SECUREMENTS	



**Solid start to 2021** despite 2020 being a year of unprecedented uncertainty



**Healthy Backlog** of **\$2.6B** and Pending Backlog<sup>(2)</sup> of **\$1.7B**



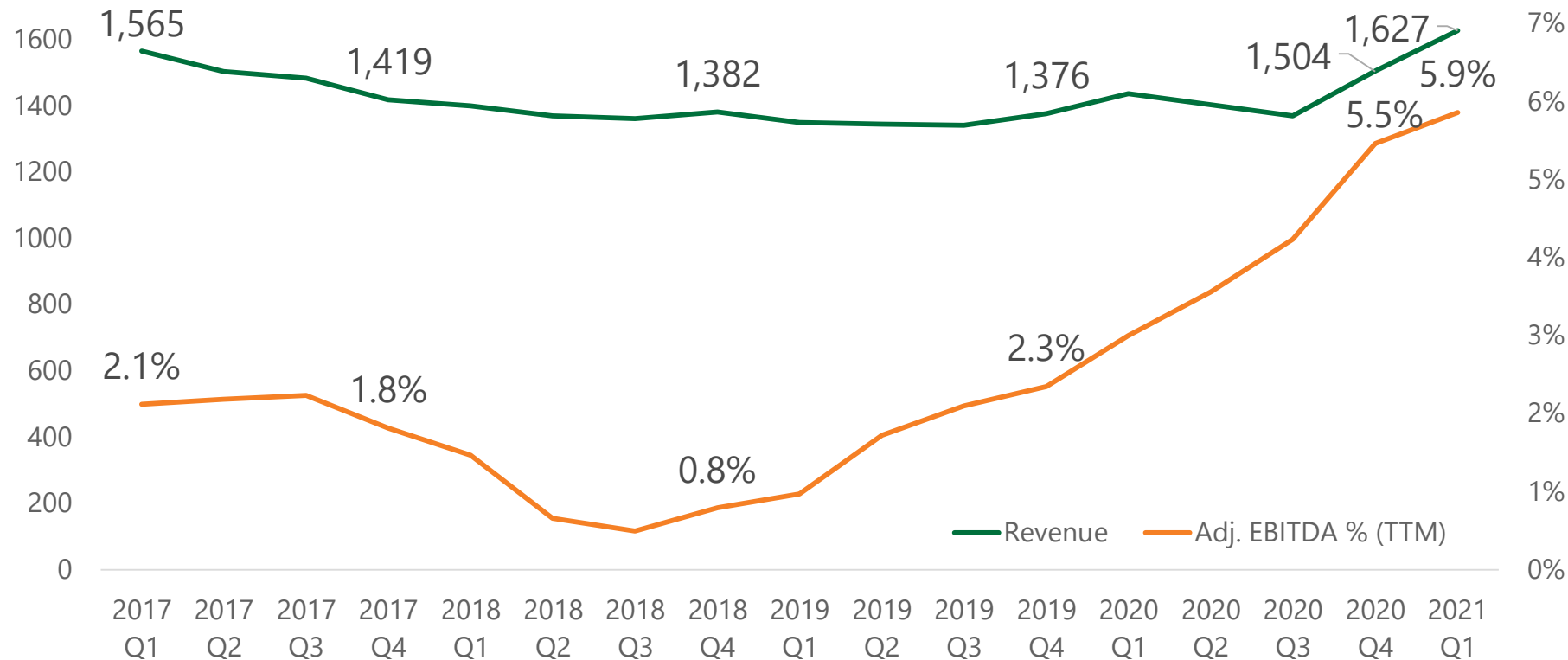
**Strong Balance Sheet** and healthy **pipeline of opportunities** in 2021

<sup>(1)</sup> Increase percentages and values represent year-over-year.  
<sup>(2)</sup> Please see Terminology slide for description of Pending Backlog

# INCREASING ADJUSTED EBITDA MARGIN

in millions of Canadian dollars

## TRAILING TWELVE MONTH (TTM) ADJUSTED EBITDA



Q1 2021

**5.9%**

TTM ADJUSTED EBITDA Q1 2021

**10**

SEQUENTIAL QUARTERS OF IMPROVING TTM ADJUSTED EBITDA %



ADJUSTED EBITDA INCREASING

Adjusted EBITDA and Adjusted EBITDA % are non-GAAP measures

"Adjusted EBITDA" represents earnings (loss) before taxes, interest, depreciation and amortization, finance and other costs, finance income, impairment of property and equipment, impairment of goodwill and intangible assets, loss or gain on sale of property and equipment, restructuring costs outside of normal course, and acquisition-related costs and integration costs.



# CONTRACT AWARDS



**CONCRETE FOUNDATIONS AND PAVING AT LNG FACILITY**



**'THE BURKE' TOWER<sup>1</sup> \$172M**



**INDUSTRIAL SITE OVERPASS<sup>1</sup>**



**NANAIMO CORRECTIONAL \$154M**



**STORM AND EFFLUENT PONDS<sup>1</sup>**



**CORRECTIONAL EXPANSIONS**



**MRO CONTRACT \$550M+**

*(1) Awards subsequent to quarter-end*

# STRONG GOVERNMENT SPENDING OUTLOOK

## \$350B+ IN GOVERNMENT SPENDING OPPORTUNITIES

### FEDERAL 2021-2022 BUDGET HIGHLIGHTS

Infrastructure-related spending of **\$26B** over 6 years

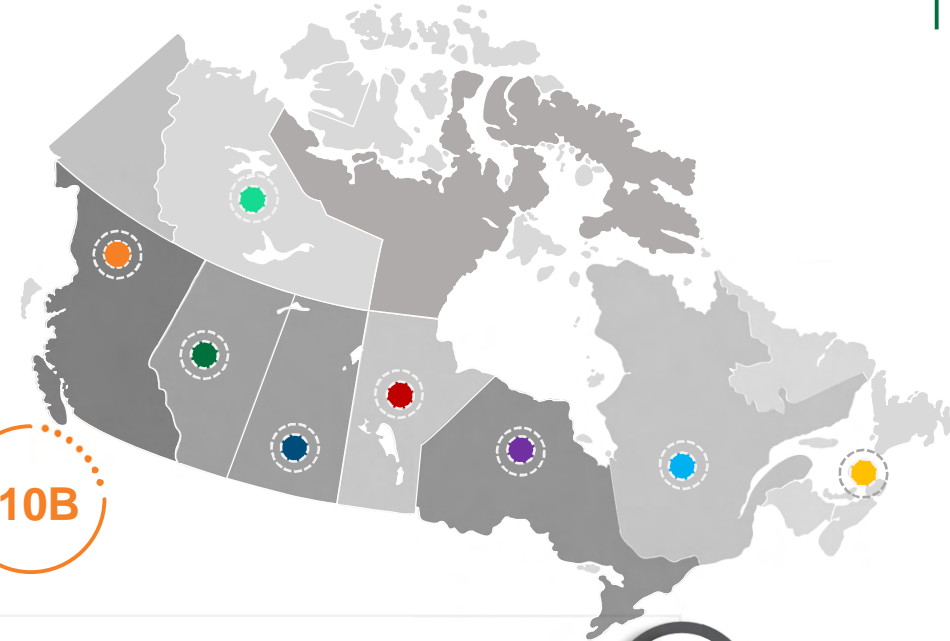
**\$14.9B** | Public Transit Over 8 Years

**\$3.0B** | Long-term Care and Affordable Housing\* Over 5 Years (\*\$2.5B Over 7 Years)

**\$6.0B** | Infrastructure In Indigenous Communities Over 5 Years

### OTHER FEDERAL ANNOUNCEMENTS






Climate Plan related spending of **\$15B** Canada Infrastructure Bank **\$10B**



### PROVINCIAL 2021-2022 BUDGET HIGHLIGHTS

BC	<b>\$3.6B</b> for Affordable Housing, <b>\$7.8B</b> for Health Care, <b>\$7.6B</b> for Transportation, and <b>\$3.5B</b> for Education over 3 Years.	<b>\$22.5B</b>	ON	<b>\$21B</b> for Highway Planning or Construction. The following over 10 Years - <b>\$30.2B</b> for Healthcare, <b>\$2.6B</b> for Long-Term Care, and <b>\$62.6B</b> for Transportation.	<b>\$116.4B</b>
AB	<b>\$20.7B</b> over 3 Years for Roads, Hospitals, and Schools. <b>\$2.2B</b> for Health Facilities, <b>\$3B</b> for Capital Maintenance and Public Infrastructure Renewal, and <b>\$2.4B</b> for Roads and Bridges.	<b>\$20.7B</b>	QC	<b>\$135B</b> Expected Spending from Quebec Infrastructure Plan to 2021-2031, including <b>\$408M</b> for Affordable Housing.	<b>\$135.4B</b>
SK	<b>\$3.1B</b> Infrastructure Investment for Capital Investment in Schools, Hospitals, Highways, for Crown Corporations, and Other Needed Infrastructure.	<b>\$3.1B</b>	ATLANTIC CANADA	<b>\$467M</b> for roads, and bridges, <b>\$95.5M</b> for healthcare construction, and repair, <b>\$178.2</b> healthcare redevelopment, <b>\$217.2M</b> for schools, in NS. <b>\$10M</b> for Long-term care in NB.	<b>\$1.0B</b>
MB	<b>\$630M</b> for Highways, Road Construction, and Maintenance. <b>Over \$292M</b> for Health Facilities Infrastructure, and <b>\$415M</b> for K-12 and Post Secondary Infrastructure.	<b>\$1.3B</b>	THE TERRITORIES	<b>\$30M</b> for lot development, <b>\$12M</b> for Affordable Community Housing, <b>\$10.5M</b> for K12, <b>\$54.3M</b> for Bridges and Highways.	<b>\$0.1B</b>

# Q1 2021 FINANCIAL RESULTS

<b>REVENUE</b> 	<b>\$445M</b>	<b>38%</b> <small>YEAR-OVER-YEAR INCREASE</small>	<p>The year-over-year increase can be attributed to the inclusion of Stuart Olson. Pandemic had an estimated negative impact of \$90.0 million.</p>
<b>GROSS PROFIT</b> 	<b>\$39.9M</b> <small>9.0% OF REVENUE</small>	<b>136%</b> <small>YEAR-OVER-YEAR INCREASE</small>	<p>The year-over-year improvement due to a combination of additional gross profit from the inclusion of Stuart Olson and diversification of the work program, as well as improving margins in operations. The pandemic had a negative impact on gross profit due to lower productivity and project delays and was partially offset by the CEWS program.</p>
<b>GENERAL and ADMINISTRATIVE</b> 	<b>\$29.4M</b> <small>6.6% OF REVENUE</small>	<b>99%</b> <small>YEAR-OVER-YEAR INCREASE</small>	<p>The year-over-year increase is a result of higher compensation costs related to the inclusion of Stuart Olson and higher variable compensation expenses. Includes \$2.7 million of acquisition integration expenses.</p>
<b>ADJUSTED EBITDA</b> 	<b>\$21.0M</b> <small>4.7% OF REVENUE</small>	<b>178%</b> <small>YEAR-OVER-YEAR INCREASE</small>	<p>This compares to Adjusted EBITDA of \$7.6 million and an associated margin of 2.4%. This represents a \$13.5 million increase and a 230 basis-point improvement year-over-year.</p>
<b>ADJUSTED NET EARNINGS</b> 	<b>\$9.1M</b> <small>\$0.17 ADJUSTED EPS</small>	<b>714%</b> <small>YEAR-OVER-YEAR INCREASE</small>	<p>This compares to \$1.1 million, or \$0.03 per share in the first quarter of 2020. The increase in our profitability measures relate to the inclusion of Stuart Olson and cost recoveries associated with the CEWS program.</p>

*Adjusted EBITDA and Adjusted EBITDA % are non-GAAP measures*

*"Adjusted EBITDA" represents earnings (loss) before taxes, interest, depreciation and amortization, finance and other costs, finance income, impairment of property and equipment, impairment of goodwill and intangible assets, loss or gain on sale of property and equipment, restructuring costs outside of normal course, and acquisition-related costs and integration costs.*



# INTEGRATION SYNERGIES UPDATE

BIRD CLOSED ITS ACQUISITION OF STUART OLSON IN THE THIRD QUARTER OF 2020

## REALIZATION OF SYNERGIES



\$8 million of the stated \$10 million in cost synergies have been set in motion.

## COST SAVINGS



Fully realized the remaining \$15 million in depreciation and amortization and interest cost savings.

## CAPTURING CROSS-SELLING OPPORTUNITIES



Strategic wins and enhanced service offerings, including an overpass project for a longstanding Industrial client, a \$550 million+ MSA contract, increased self perform capabilities, and technology solutions.



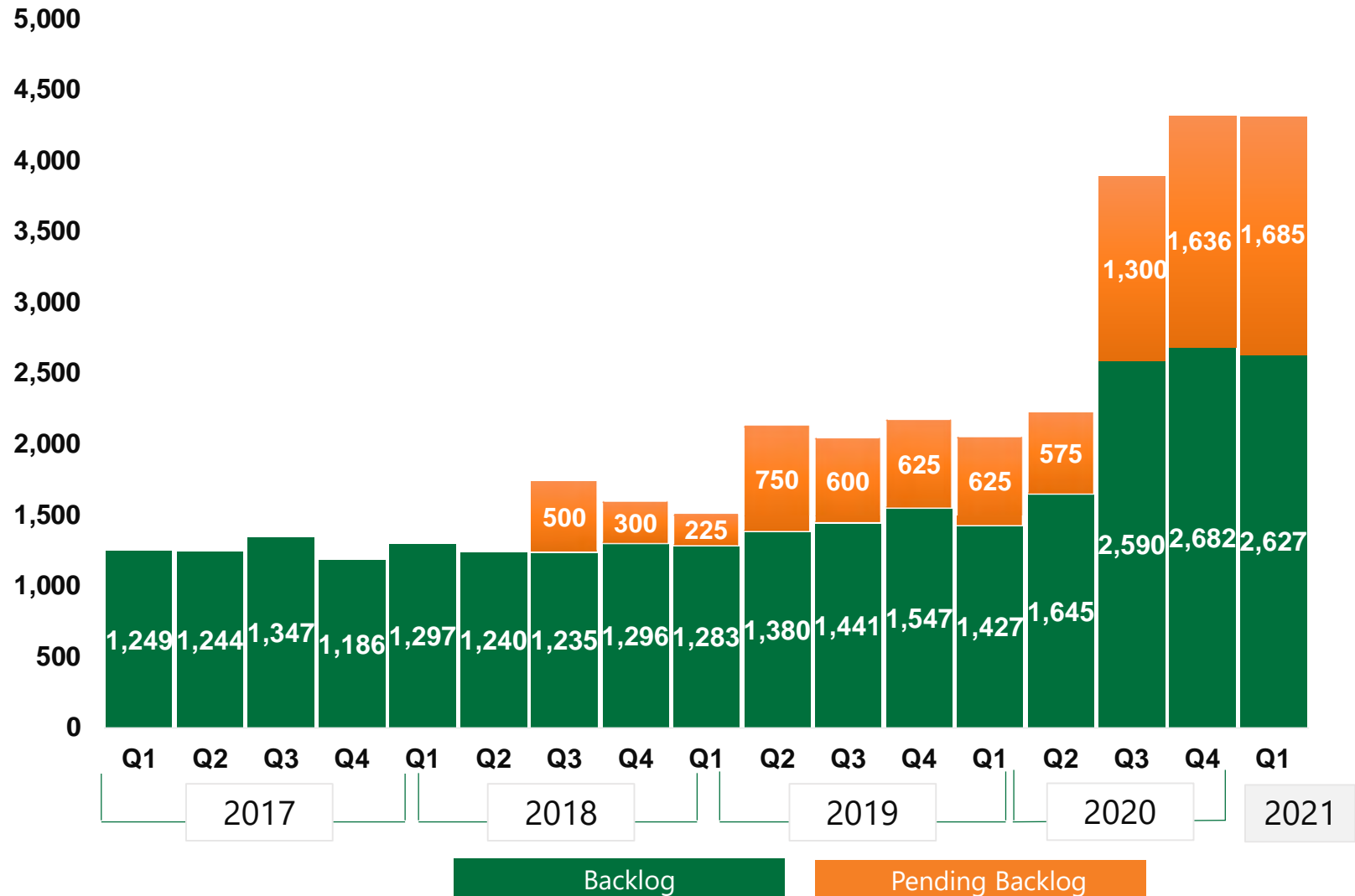
# STRONG BACKLOG & PENDING BACKLOG<sup>1</sup>

*in millions of Canadian dollars*

**64%** of Backlog expected to convert into Revenue over the next 12 months

## MARCH 31, 2021

- Quarter-end Backlog was ~**\$2.6B**
- Year-end Pending Backlog was ~**\$1.7B**
- Backlog **increased 84%** year-over-year
- Increase primarily due to the acquisition of Stuart Olson which **added \$996 million** to Backlog at acquisition date
- Pending Backlog now includes a greater proportion MSA contracts. These contracts represent a **recurring revenue stream over the next one to six years**



(1) Please see Terminology slide for description of Pending Backlog

# STRONG FINANCIAL POSITION

Q1 2021

**26.4%**

LT DEBT  
TO EQUITY

**1.22**

CURRENT  
RATIO

**0.36x**

ADJUSTED NET DEBT/  
TTM ADJUSTED  
EBITDA<sup>(1)</sup>

- Q4 2020 announced new syndicated credit facilities \$165M revolving credit facility and a \$35M committed, non-revolving term debt facility
  - Accordion feature for up to additional \$50M
- Leverage remains one of the industry's lowest, providing flexibility to successfully grow the business organically and through accretive M&A

**MARCH 31, 2021**

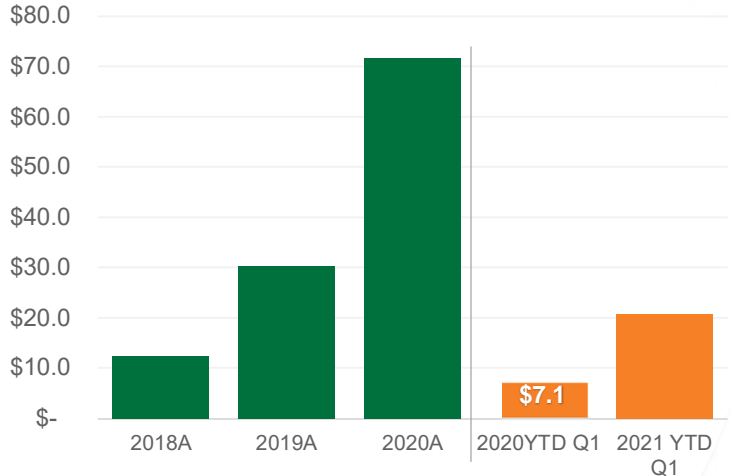
*in millions of Canadian dollars*

Accessible cash	<b>\$ 31.1</b>
Restricted cash	<b>\$ 45.1</b>
Held in joint operations accounts	<b><u>\$ 48.8</u></b>
Cash and cash equivalents	<b>\$ 125.0</b>
Adjusted net debt	<b>\$ 34.2</b>
Shareholders' equity	<b>\$ 217.0</b>

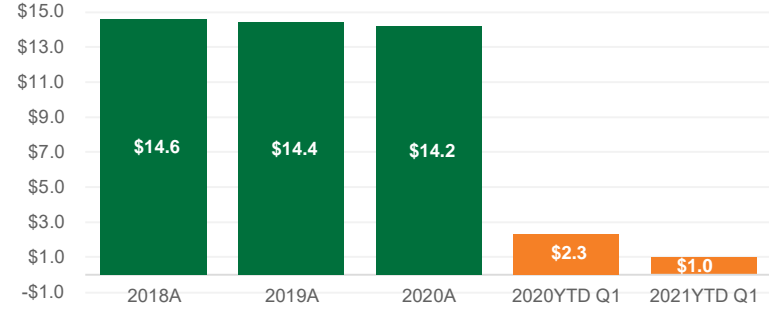
(1) Adjusted net debt reflects accessible cash and current and long-term loans and borrowings

# BALANCED CAPITAL ALLOCATION PRIORITIES

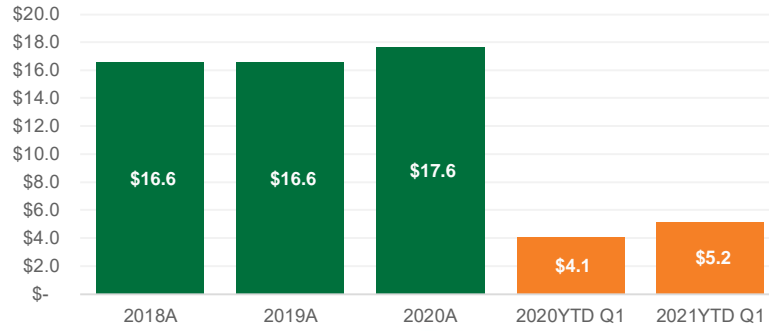
## OPERATING CASHFLOW (1)



CAPEX (2)



MERGER AND ACQUISITION OPPORTUNITIES



LONG TERM DEBT REPAYMENT



- Repaid \$5M of LTD during Q1 2021
- Potentially repay all or a portion of remaining drawn on revolving committed syndicated facility

(1) Operating cash flow - Refer to the consolidated statement of cash flows – “Cash flows from operations before changes in non-cash working capital”  
 (2) Includes additions of computer software purchases classified as intangible assets. Excludes ROU Asset additions

# SUSTAINABILITY OVERVIEW

## BUILD GREEN

Pursuing opportunities to utilize sustainable building materials and minimize resource waste.

## WORK GREEN

Delivering innovative solutions for sustainable construction.

## LIVE GREEN

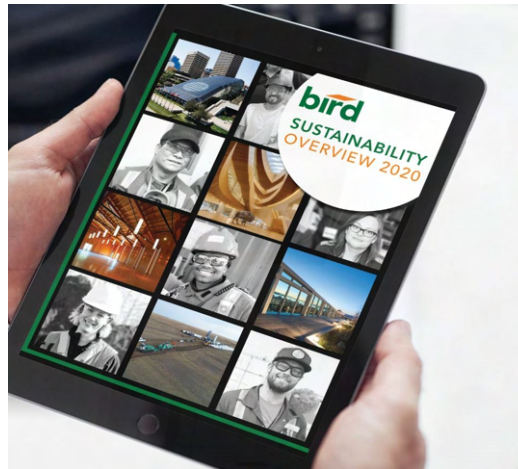
Safe, inclusive workplace that supports physical and mental wellbeing, promotes professional development, and encourages positive community engagement.

## CORPORATE GOVERNANCE

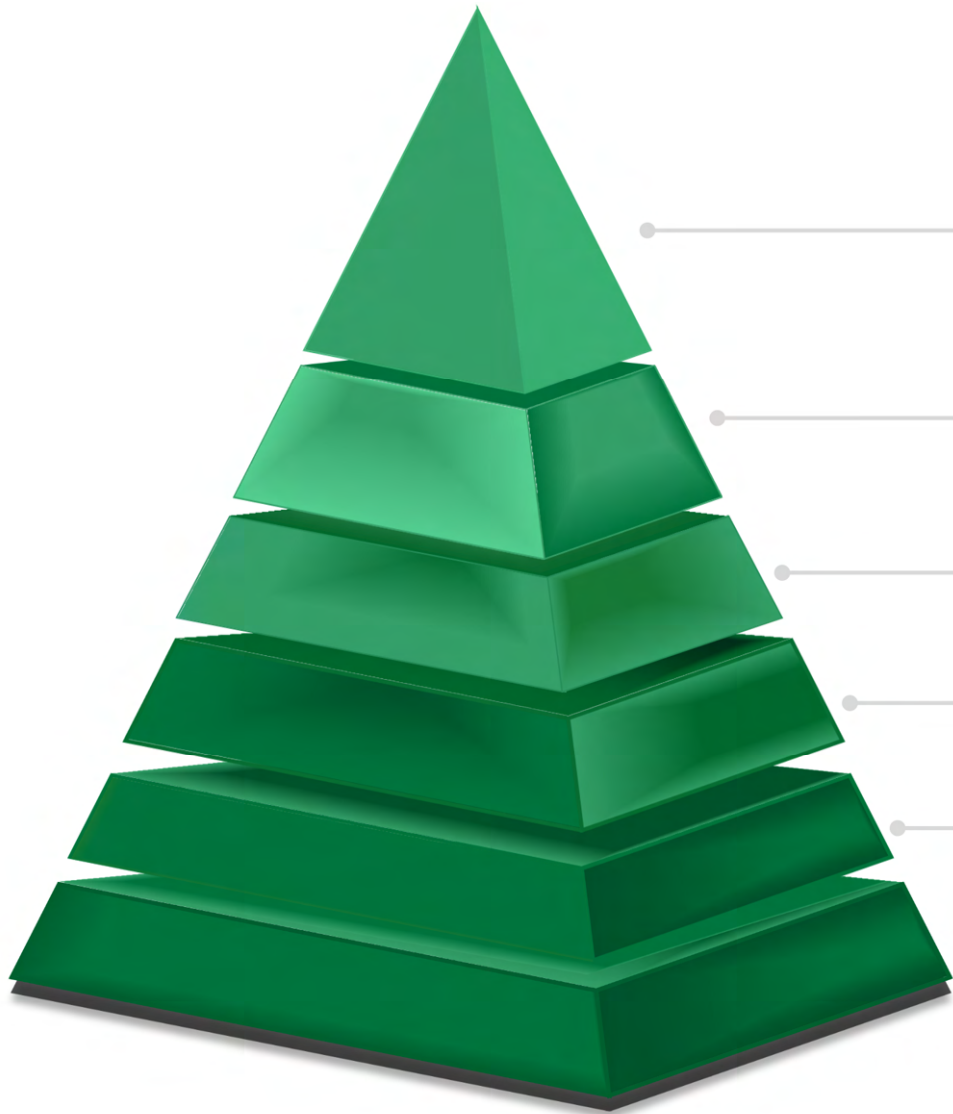
Cultivating a culture of honesty and accountability.

*Bird's long-term strategic vision is rooted in our belief that the construction industry plays an important role in providing sustainable, innovative, and lasting solutions for not only our clients, partners, and employees, but for the communities in which we live and work.*

-Teri McKibbin, President and CEO



# CONSTRUCTING A STRONG FOUNDATION



## DRIVING SUPERIOR SHAREHOLDER VALUE CREATION

- Balanced and disciplined approach to capital allocation

## TARGETING SUSTAINABLE PROFITABLE GROWTH

- Managing risk profile through diversification
- Recurring revenue focus
- Consistent margin improvement

## ENVIRONMENTAL, SOCIAL, GOVERNANCE

- Building value for communities through responsible and sustainable operations and building relationships with a client-first focus

## INNOVATION AND TECHNOLOGY VALUE

- Technology solutions that drive efficiency, performance and safe, proactive worksites

## MERGERS AND ACQUISITIONS

- Focus on Stuart Olson integration, maximizing value, and realizing synergies

## FOUNDATIONAL SUCCESS

- Building our diverse team of experienced professionals, creating a high-performance, inclusive, and engaging culture
- Strong balance sheet provides the Company the ability to build up

QUESTIONS

bird

