



COMPANY: **BIRD CONSTRUCTION INC.**
LISTING: TORONTO STOCK EXCHANGE
CITY: MISSISSAUGA
SYMBOL: **BDT**
DATE: March 5, 2024
SUBJECT: **BIRD CONSTRUCTION INC. ANNOUNCES 2023 FOURTH QUARTER AND ANNUAL FINANCIAL RESULTS**

“The robust growth and profitability of Bird’s fourth quarter and full year reflect the power of executing our strategy, the trust and level of collaboration we have achieved with our clients, and the quality of delivery from our dedicated ‘One Bird’ team. Our capabilities to deliver sophisticated work and our position as a leading collaborative construction and maintenance company remain competitive advantages, which we intend to leverage in 2024 and beyond as we continue to focus on growth and margin expansion,” stated Teri McKibbin, President and CEO of Bird Construction. “Supported by a strong balance sheet and ability to generate positive cash flow that allows the Company to invest in profitable organic growth and pursue accretive acquisitions, the Company is well positioned for the future.”

FINANCIAL HIGHLIGHTS

With the completion of the second year of Bird's 2022-2024 strategic plan, the Company has made great progress in safely advancing our strategic priorities. Building on a solid 2022, Bird's 2023 fiscal year delivered significant organic revenue growth, continued accretion of Adjusted EBITDA margins, and strong operational cash flow. The Company also expanded its infrastructure presence in Canada as evidenced by the recently announced Alliance Development Agreement to work collaboratively with Metrolinx to deliver the East Harbour Transit Hub. Bird continued to pursue accretive tuck-in acquisitions with high growth potential, notably with the acquisitions of Trinity in February 2023 and NorCan announced subsequent to year-end, and continued to experience robust performance from earlier acquisitions. The Company's highly valued team grew in 2023 to meet the needs of Bird's expanding work programs, with Bird being successful in attracting, retaining and developing talent throughout the year.

Full-Year 2023 compared to Full-Year 2022

- Construction revenue of \$2,798.8 million was earned in 2023, compared to \$2,369.3 million in 2022, representing a 18.1% increase year-over-year.
- Net income and earnings per share for the year were \$71.5 million and \$1.33, compared to \$49.9 million and \$0.93 in 2022, representing increases of 43%.
- Adjusted Earnings¹ and Adjusted Earnings Per Share were \$74.2 million and \$1.38 in 2023, compared to \$46.0 million and \$0.86 in the prior year, representing increases of 61%.
- Adjusted EBITDA¹ for 2023 was \$138.7 million, or 5.0% of revenues, compared to \$101.2 million, or 4.3% of revenues in 2022, representing an increase of 37.1%.

Fourth Quarter 2023 compared to Fourth Quarter 2022

- Construction revenue of \$792.1 million earned in the quarter compared to \$649.0 million earned in the prior year quarter, representing a 22.1% increase year-over-year.
- Net income and earnings per share were \$23.9 million and \$0.44 in Q4 2023, compared to \$14.9 million and \$0.28 in Q4 2022, representing increases of 60%.
- Adjusted Earnings¹ and Adjusted Earnings Per Share were \$24.3 million and \$0.45 in Q4 2023, compared to \$15.5 million and \$0.29 in Q4 2022, representing increases of 57%.
- Adjusted EBITDA¹ of \$43.9 million, or 5.5% of revenues, compared to \$30.6 million, or 4.7% of revenues in Q4 2022, representing an increase of 43.2%.

¹ This News Release contains terminology and financial measures that do not have standard meanings under IFRS and may not be comparable with similar measures presented by other companies. Further information regarding these measures can be found in the “Terminology and Non-GAAP & Other Financial Measures” section of this News Release.

Financial Results

(in thousands of Canadian dollars, except per share amounts)

	Three months ended December 31,		Twelve months ended December 31,	
	2023	2022	2023	2022
Construction revenue	\$ 792,068	\$ 648,967	\$ 2,798,785	\$ 2,369,332
Net income	23,881	14,932	71,539	49,863
Basic and diluted earnings per share	0.44	0.28	1.33	0.93
Adjusted Earnings Per Share	0.45	0.29	1.38	0.86
Adjusted EBITDA ¹	43,868	30,639	138,749	101,185
Cash flows from operations before changes in non-cash working capital	\$ 47,553	\$ 33,465	\$ 144,407	\$ 114,370

⁽¹⁾ Adjusted EBITDA is a non-GAAP financial measure. See "Terminology and Non-GAAP & Other Financial Measures."

HIGHLIGHTS

- Bird continued to deliver significant revenue growth in the fourth quarter of 2023 driven predominantly by organic growth, with additional contributions from Trinity, acquired on February 1, 2023.
- The Company's margin profiles in the fourth quarter of 2023 continued to improve compared to the prior year, with Gross Profit Percentage increasing to 9.2% compared to 8.9%, and Adjusted EBITDA Margin increasing to 5.5% from 4.7%.
- Bird added over \$1.4 billion in securements to its Backlog in the fourth quarter (\$3.6 billion year-to-date), resulting in a record Backlog of over \$3.4 billion at year-end. Pending Backlog of awarded but not yet contracted work remains at a healthy \$3.0 billion at year-end, and continues to include almost \$1.1 billion of MSA and other recurring revenue to be earned over the next seven years.
- During the quarter, the Company renewed and amended its Syndicated Credit Facility, extending the maturity to December 15, 2026, expanding the size of the revolving facility to \$250 million, and adding the availability for an additional term loan facility which was subsequently used to complete the acquisition of assets of NorCan Electric Inc. in January 2024.
- In December, based on the strength of Bird's outlook for significant further improvements in earnings and cash flow in 2024 compared to 2023, the Company approved a 30.2% increase in its annualized dividend to \$0.56 per share. The increased monthly dividend of \$0.0467 per share will commence with the March 2024 dividend, to be paid in April 2024.
- Bird generated \$104.8 million in operating cash flow for the fourth quarter while continuing to fund a modest investment in non-cash working capital required to support significant growth in the Company's work program. The Company's liquidity position remains strong, with \$177.5 million of cash and cash equivalents at year-end, and an additional \$215.5 million available under the Company's Syndicated Credit Facility.
- During the fourth quarter of 2023, the Company announced that it was awarded the following projects and contracts:
 - Bird, as part of a 50/50 general partnership, entered into an agreement for early works at a new LNG project in Western Canada. Bird's portion of the limited notice to proceed contracts exceeds \$150 million.
 - Bird announced that it had been awarded a construction management contract for the Seneca Polytechnic Health & Wellness Centre Project, as well as a new multi-year task order under the previously announced Port Hope Area Initiative Master Construction Contract by Canadian Nuclear Laboratories. The combined value of the awards exceeds \$130 million.
 - Bird announced that it had been awarded five new contracts in multiple sectors including energy, power generation, manufacturing and multi-storey modular. The combined value of the contracts exceeded \$530 million.

- Subsequent to the year end, the Company announced in January 2024 that it had acquired the assets of NorCan Electric Inc. (“NorCan”) for total consideration of \$11 million. NorCan is a leading electrical and instrumentation contractor providing maintenance turnaround and sustaining capital services in the Regional Municipality of Wood Buffalo in Alberta. During their 25 years of service in the region, they have developed deep, long-term relationships based on their strong service delivery and safety program. Since 2018, NorCan has operated through an Indigenous partnership, the NorCan/Infinity Limited Partnership, with Infinity Métis Corporation.
- Subsequent to the quarter end, the Company announced that it was awarded the following projects and contracts:
 - Bird, as part of a 50/50 joint venture, entered into an Alliance Development Agreement to work collaboratively with Metrolinx to deliver the East Harbour Transit Hub, one of the first major projects in Canada to be procured using an ‘alliance’ model.
- The Board has declared eligible dividends of \$0.0467 per common share for each of March 2024 and April 2024, representing the 30% higher monthly dividend announced in December 2023.

CONFERENCE CALL AND WEBCAST

Bird will host an investor webcast to discuss the quarterly results on Wednesday, March 6, 2024 at 10:00 a.m. ET, to discuss the Company’s results. Analysts and investors may connect to the webcast at <https://services.choruscall.ca/links/bird2023Q4.html>. They may also dial **1-855-328-1925** for audio only or to enter the question queue; attendees are asked to be on the line 10 minutes prior to the start of the call. The presentation can also be found on our website at <https://www.bird.ca/investors>.

The Company’s financial statements and Management’s Discussion & Analysis (“MD&A”) will be filed and available on the System for Electronic Document Analysis and Retrieval (“SEDAR+”) at www.sedarplus.ca and on the Company’s website at www.bird.ca.

TERMINOLOGY AND NON-GAAP & OTHER FINANCIAL MEASURES

Throughout this News Release, certain terminology and financial measures are used that do not have standard meanings under IFRS and are considered specified financial measures. These include non-GAAP financial measures, non-GAAP financial ratios, and supplementary financial measures. These measures may not be comparable with similar measures presented by other companies. Further information on these financial measures can be found in the “Terminology and Non-GAAP & Other Financial Measures” section in Bird’s most recently filed Management’s Discussion & Analysis for the period ended December 31, 2023, prepared as of March 5, 2024. This document is available on Bird’s SEDAR+ profile, at www.sedarplus.ca and on the Company’s website at www.bird.ca.

“Backlog” 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. The Company’s Backlog equates to the Company’s remaining performance obligations as at December 31, 2023 and December 31, 2022.

“Adjusted Earnings” and “Adjusted EBITDA” are non-GAAP financial measures. “Adjusted Earnings Per Share” and “Adjusted EBITDA margin” are non-GAAP financial ratios. “Pending Backlog” is a supplementary financial measure.

Adjusted Earnings and Adjusted EBITDA are reconciled as follows:

Adjusted Earnings:

	Three months ended December 31,		Twelve months ended December 31,	
	2023	2022	2023	2022
<i>(in thousands of Canadian dollars, except per share amounts)</i>				
Net income	\$ 23,881	\$ 14,932	\$ 71,539	\$ 49,863
Add: Acquisition and integration costs	561	728	2,132	2,487
Add: Impairment of assets	—	—	1,430	—
Deduct: Gain on settlement of trade receivable	—	—	—	(7,596)
Income tax effect of the above costs	(147)	(175)	(871)	1,270
Adjusted Earnings	\$ 24,295	\$ 15,485	\$ 74,230	\$ 46,024
Adjusted Earnings Per Share ⁽¹⁾	\$ 0.45	\$ 0.29	\$ 1.38	\$ 0.86

⁽¹⁾ Calculated as Adjusted Earnings divided by basic weighted average shares outstanding.

Adjusted EBITDA:

	Three months ended December 31,		Twelve months ended December 31,	
	2023	2022	2023	2022
<i>(in thousands of Canadian dollars, except percentage amounts)</i>				
Net income	\$ 23,881	\$ 14,932	\$ 71,539	\$ 49,863
Add: Income tax expense	7,385	5,459	21,692	17,322
Add: Depreciation and amortization	10,404	8,798	36,137	36,439
Add: Finance and other costs	4,247	2,933	13,158	9,818
Less: Finance and other income	(1,206)	(904)	(5,216)	(10,341)
Add: (Gain)/loss on sale of property and equipment	(1,404)	(1,307)	(2,123)	(4,403)
Add: Acquisition and integration costs	561	728	2,132	2,487
Add: Impairment of assets	—	—	1,430	—
Adjusted EBITDA	\$ 43,868	\$ 30,639	\$ 138,749	\$ 101,185
Adjusted EBITDA Margin ⁽¹⁾	5.5 %	4.7 %	5.0 %	4.3 %

⁽¹⁾ Calculated as Adjusted EBITDA divided by revenue.

FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements and information ("forward-looking statements") within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this news release are based on the expectations, estimates and projections of management of Bird as of the date of this news release unless otherwise stated. The use of any of the words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intend", "continue", "may", "will", "should" and similar expressions are intended to identify forward-looking statements and information. More particularly and without limitation, this news release contains forward-looking statements concerning: anticipated financial performance; the outlook for 2024; expectations for Adjusted EBITDA Margins in 2024 and beyond; dividend rates, their sustainability, and expected dividend payout ratios; expectations with respect to anticipated revenue growth and seasonality, growth in earnings, cash flow, earnings per share and adjusted EBITDA in 2024 and beyond, and margin improvements; the ability of the Company to further leverage its cost structure; the Company's ability to capitalize on opportunities and grow profitably; the robustness of near to medium term demand in core markets; the sufficiency of working capital and liquidity to support growth and finance future capital expenditures; and with respect to Bird's ability to convert Pending Backlog to Backlog and the timing of conversions.

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Investors are cautioned that forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and 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 the Company operates in general such as: the ability to hire and retain qualified and capable personnel, maintaining safe work

sites, economy and cyclical, ability to secure work, performance of subcontractors, accuracy of cost to complete estimates, estimating costs and schedules/assessing contract risks, adjustments and cancellations of Backlog, global pandemics, joint venture risk, information systems and cyber-security risk, litigation/potential litigation, work stoppages, strikes and lockouts, acquisition and integration risk, competitive factors, potential for non-payment, climate change risks and opportunities, access to capital, quality assurance and quality control, design risks, insurance risk, access to surety support and other contract security, completion and performance guarantees, ethics and reputational risk, compliance with environmental laws, and internal and disclosure controls.

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 are included in reports on file with applicable securities regulatory authorities, including but not limited to; Bird's Annual Information Form and Management's Discussion and Analysis for the year ended December 31, 2023, each of which may be accessed on Bird's SEDAR+ profile, at www.sedarplus.ca and on the Company's website at www.bird.ca.

The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as, and to the extent required by applicable securities laws.

The Toronto Stock Exchange does not accept responsibility for the adequacy or accuracy of this release.

For further information, please contact:

T.L. McKibbin, President & CEO or
W.R. Gingrich, CFO
Bird Construction Inc.
5700 Explorer Drive, Suite 400
Mississauga, ON L4W 0C6
Phone: (905) 602-4122

ABOUT BIRD CONSTRUCTION

Bird (TSX: BDT) is a leading Canadian construction company operating from coast-to-coast and servicing all of Canada's major markets. Bird provides a comprehensive range of construction services from new construction for industrial, infrastructure and buildings markets to industrial maintenance, repair and operations services, heavy civil construction, and mine support services, as well as vertical infrastructure, including electrical, mechanical, and specialty trades. For over 100 years, Bird has been a people-focused company with an unwavering commitment to safety and a high level of service that provides long-term value for all stakeholders.

www.bird.ca