



COMPANY: **BIRD CONSTRUCTION INC.**
LISTING: TORONTO STOCK EXCHANGE
CITY: MISSISSAUGA
SYMBOL: **BDT**
DATE: May 9, 2023
SUBJECT: **BIRD CONSTRUCTION INC. ANNOUNCES 2023 FIRST QUARTER FINANCIAL RESULTS**

“Bird's first quarter results reflect a return to normal seasonal patterns and were consistent with Management's expectations, setting the stage for significant growth in earnings per share and adjusted EBITDA for full year 2023. Combined backlog reached a new record with favourable embedded margins, and the Company added new specialized self-perform capabilities through the acquisition of Trinity Communications Ltd. in February, expanding Bird's capabilities in the utilities market,” stated Teri McKibbon, President and CEO of Bird Construction. “Our One Bird team remains committed to delivering innovative and sustainable solutions to our clients across the country and multiple industries while maintaining the highest standards for safety and client satisfaction.”

FINANCIAL HIGHLIGHTS

Continuing the Company's momentum from the end of 2022, Bird achieved a significant increase in construction revenue for the first quarter of 2023, with healthy seasonal margins reflecting strong execution across work programs. At the same time, Bird grew its Backlog and Pending Backlog to record combined levels, including recurring revenue awards now exceeding \$1.1 billion. The Company's growth continues to be driven by a diversified and risk-balanced business model with expanding cross-selling opportunities across its diversified service offerings, and robust, accretive performance from recent acquisitions. Bird generates the vast majority of revenues from lower risk contract types, and has limited exposure to lump sum turnkey projects and minimal work in residential construction markets.

During the quarter, Bird acquired Trinity Communications Ltd. ("Trinity"), an Ontario-based diversified telecommunication and utility infrastructure contractor with specialized self-perform capabilities that can be leveraged and expanded across the Company's sizeable national client base. The acquisition exemplifies Bird's approach to accretive tuck-in acquisitions, and the benefits of the Company's strong financial position and disciplined capital allocation strategy.

First Quarter 2023 compared to First Quarter 2022

- Construction revenue of \$536.5 million compared to \$475.5 million, representing a 12.8% increase year-over-year.
- Net income and earnings per share were \$5.1 million and \$0.10, respectively, compared to \$6.4 million and \$0.12 in Q1 2022.
- Adjusted Earnings¹ and Adjusted Earnings Per Share¹ were \$5.3 million and \$0.10, respectively, compared to \$6.5 million and \$0.12 in Q1 2022.
- Adjusted EBITDA¹ of \$16.1 million, or 3.0% of revenues, compared to \$17.8 million, or 3.8% of revenues in Q1 2022.

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	
	March 31,	
	2023	2022
Construction revenue	\$ 536,459	\$ 475,521
Net income	5,149	6,361
Basic and diluted earnings per share	0.10	0.12
Adjusted Earnings Per Share	0.10	0.12
Adjusted EBITDA ¹	16,082	17,835
Cash flows from operations before changes in non-cash working capital	\$ 17,628	\$ 19,268

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

HIGHLIGHTS

- Bird reported record first quarter revenues of \$536.5 million in 2023, representing over 12% organic growth in addition to contributions from Trinity, acquired on February 1, 2023.
- Bird continued to set new records for its combined Backlog and Pending Backlog at March 31, 2023, consisting of \$2.7 billion Backlog and \$3.0 billion Pending Backlog. The Company added \$594.5 million in securements to Backlog during the quarter, exceeding executed work by over 10%, while adding over \$859.6 million of new awards to Pending Backlog.
- The Company further expanded its Master Service Agreement ("MSA") and recurring revenue base, with several new multi-year awards driving the amount of recurring work included in Pending Backlog to over \$1.1 billion, with the work to be performed over the next seven years.
- Bird exits the first quarter of 2023 with a strong liquidity position, including \$110.7 million of cash and cash equivalents, and an additional \$172.0 million available under the Company's Syndicated Credit Facility, to support ongoing investments in growth-related working capital, project-driven capital expenditures, and potential tuck-in acquisitions to further diversify service offerings and self-perform capabilities.
- The Company welcomed Trinity to the One Bird team on February 1, 2023. The acquisition of this specialized telecommunication and utility infrastructure contractor further expands Bird's self-perform capabilities and provides new opportunities for cross-selling across Bird's sizeable national client base.
- During the first quarter of 2023, the Company announced that it was awarded the following projects and contracts:
 - Bird was awarded a progressive design-build contract for a processing facility in Ontario, with a total project value exceeding \$200 million. The project delivery is divided into phases, with the owner, consultants and contractors working collaboratively in initial phases to ensure the cost estimate, schedule forecast, and project planning are sufficiently advanced before commencing the construction phase. The majority of the project value remains in Pending Backlog at March 31, 2023, but is expected to convert to Backlog before year-end.
 - Bird, as part of 2Nations Bird joint venture was awarded two contracts by BHP for development works and site services on the Jansen Stage 1 Potash Project in Saskatchewan. 2Nations Bird is a partnership between Bird, Beardy's and Okemasis' Cree Nation's Willow Cree Developments General Partner Inc. and Fishing Lake First Nation's Development Corporation, FLFN Ventures. The total value of the contracts is over \$172 million.
- Subsequent to the quarter end, the Company announced that it was awarded the following projects and contracts:
 - Bird was awarded \$300 million in additional recurring MSA work, including a new seven-year MSA for multi-discipline bundled services across a client's maintenance, turnarounds and sustaining capital programs, and contract extensions with additional services and scope on existing MSAs ranging from three to five years. Similar to other MSA awards, the value will reside in Pending Backlog and be converted to Backlog over time as purchase orders are received against the MSAs.

- Bird was awarded a construction management services contract valued at approximately \$50 million for BC Housing's Permanent Supportive Housing Initiative, located in Vancouver, BC. The project, supported by Bird's pre-construction design services and with a final design delivered in conjunction with Bird's Stack Modular business, will be the first modular project of this height in Canada, delivering a volumetric steel modular tower with 14 floors of quality units on a rapid, repeatable scale. The project will follow the Passive House green building design standard, and the modular approach, with off-site design and construction of the units, substantially reduces construction time and reduces the impact on the local community during construction.
- The Board has declared eligible dividends of \$0.0358 per common share for each of May, June and July 2023.
- Bird released its third annual Sustainability Overview on May 9, 2023. The publication provides an overview of Bird's ESG initiatives underway across the country, and illustrates core initiatives that are reflective of the Company's broader ESG Program. The full report can be accessed on Bird's website at: www.bird.ca/sustainability.

CONFERENCE CALL AND WEBCAST

Bird will host an investor webcast to discuss the quarterly results on Wednesday, May 10, 2023 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/bird2023Q1.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.sedar.com 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 March 31, 2023, prepared as of May 9, 2023. This document is available on Bird's SEDAR profile, at www.sedar.com 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 March 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:

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

	Three months ended March 31,	
	2023	2022
Net income	\$ 5,149	\$ 6,361
Add: Acquisition and integration costs	162	246
Income tax effect of the above costs	(39)	(61)
Adjusted Earnings	\$ 5,272	\$ 6,546
Adjusted Earnings Per Share ⁽¹⁾	\$ 0.10	\$ 0.12

Notes:

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

Adjusted EBITDA:

(in thousands of Canadian dollars, except percentage amounts)

	Three months ended March 31,	
	2023	2022
Net income	\$ 5,149	\$ 6,361
Add: Income tax expense	1,584	1,981
Add: Depreciation and amortization	7,835	8,420
Add: Finance and other costs	2,792	1,773
Less: Finance and other income	(1,171)	(266)
Add: (Gain)/loss on sale of property and equipment	(269)	(680)
Add: Acquisition and integration costs	162	246
Adjusted EBITDA	\$ 16,082	\$ 17,835
Adjusted EBITDA Margin ⁽¹⁾	3.0 %	3.8 %

Notes:

⁽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 future performance of acquired entities; the outlook for 2023; expectations with respect to anticipated revenue growth, growth in earnings per share and adjusted EBITDA in 2023 and margin improvements; the ability to capitalize on new and emerging opportunities; the ability to realize on the Company's bid pipeline; 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, global pandemics, performance of subcontractors, accuracy of cost to complete estimates, estimating costs and schedules/assessing contract risks, adjustments and cancellations of Backlog, work stoppages, strikes and lockouts, acquisition and integration risk, potential for non-payment, litigation/potential litigation, design risks, information systems and cyber-security risk, competitive factors, completion and performance guarantees, access to capital, quality assurance and quality control, access to surety support and other contract security, insurance risk, climate change risk, joint venture risk,

ethics and reputational risk, compliance with environmental laws, internal and disclosure controls, and payment of dividends.

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, 2022, each of which may be accessed on Bird's SEDAR profile, at www.sedar.com 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, commercial, and institutional and civil infrastructure 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