



COMPANY: **BIRD CONSTRUCTION INC.**
LISTING: TORONTO STOCK EXCHANGE
CITY: MISSISSAUGA
SYMBOL: **BDT**
DATE: August 09, 2022
SUBJECT: BIRD CONSTRUCTION INC. ANNOUNCES 2022 SECOND QUARTER FINANCIAL RESULTS

“Bird is operationally aligned to capitalize on new and emerging opportunities in the market given the breadth and depth of our service offerings and nationwide presence. Notwithstanding the current economic uncertainty, our bid pipeline remains healthy and we were able to secure new awards of \$421 million in the second quarter”, stated Teri McKibbon, President and CEO of Bird Construction. “The risk profile and collaborative nature of our project portfolio is well diversified, and will help the Company manage through the current economic conditions. Coupled with a strong balance sheet and growing recurring revenue streams, the Company is well positioned to build long-term shareholder value despite near term headwinds experienced in the second quarter due to ongoing pandemic impacts.”

FINANCIAL HIGHLIGHTS

Second Quarter 2022 compared to Second Quarter 2021

- Construction revenue of \$576.7 million compared to \$556.4 million, representing a 3.7% increase year-over-year.
- Net income and earnings per share were \$14.1 million and \$0.26, respectively, compared to \$13.6 million and \$0.26 in Q2 2021.
- Adjusted Earnings¹ and Adjusted Earnings Per Share¹ were \$8.5 million and \$0.16, respectively, compared to \$15.0 million and \$0.28 in Q2 2021.
- No recoveries were recorded under the Canada Emergency Wage Subsidy (“CEWS”) program in Q2 2022, compared to \$8.9 million of recoveries recorded in Q2 2021.
- Adjusted EBITDA¹ of \$21.5 million, or 3.7% of revenues, compared to \$30.1 million, or 5.4% of revenues in Q2 2021.

Year-to-date 2022 compared to Year-to-date 2021

- Construction revenue of \$1,052.2 million compared to \$1,001.0 million, representing a 5.1% increase year-over-year.
- Net income and earnings per share were \$20.5 million and \$0.38, respectively, compared to \$20.7 million and \$0.39 in 2021.
- Year-to-date Adjusted Earnings¹ and Adjusted Earnings Per Share were \$15.0 million and \$0.28, respectively, compared to \$24.1 million and \$0.45 in 2021.
- No recoveries were recorded under the CEWS program in 2022, compared to \$20.1 million of recoveries recorded year-to-date in 2021.
- Year-to-date Adjusted EBITDA¹ of \$39.3 million, or 3.7% of revenues, compared to \$51.2 million, or 5.1% of revenues in 2021.

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 June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Construction revenue	\$ 576,688	\$ 556,362	\$ 1,052,209	\$ 1,000,999
Net income	14,104	13,630	20,465	20,749
Basic and diluted earnings per share	0.26	0.26	0.38	0.39
Adjusted Earnings Per Share	0.16	0.28	0.28	0.45
Adjusted EBITDA ¹	21,508	30,112	39,343	51,152
Cash flows from operations before changes in non-cash working capital	\$ 29,193	\$ 28,431	\$ 48,461	\$ 49,223

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

OVERVIEW

- The Company recorded year-over-year revenue growth of \$20.3 million for the quarter, including contributions from Dagmar Construction Inc. which was acquired in September 2021. The revenue growth was achieved despite the impacts of ongoing supply chain delays, as well as permitting delays in multiple regions and trade labour disruptions in both Ontario and British Columbia during the quarter.
- The Company maintains a strong Backlog and Pending Backlog of future work at June 30, 2022, amounting to \$2.9 billion and \$1.8 billion, respectively. The Company secured \$420.7 million of new contract awards and change orders and executed \$576.7 million of construction revenues in the quarter.
- During the second quarter of 2022, the Company announced that it was awarded the following projects and contracts:
 - The Company was awarded two five-year master service agreement ("MSA") contracts for industrial maintenance services, and two industrial facilities turnaround contracts. The total value of the awarded contracts is an estimated \$90 million.
 - The Company was awarded a multi-year mining services contract valued at approximately \$70 million over the term of the contract.
 - The Company was awarded a contract valued at approximately \$62 million for railway track, signal and station works by Metrolinx for the Kitchener GO Corridor Expansion project.
 - The Company was selected as a proponent for the Port Hope Area Initiative ("PHAI") Master Construction Contract ("MCC") by Canadian Nuclear Laboratories. Under the MCC, Bird has the opportunity to bid on work packages covering close to \$1 billion of remediation work over the life of the initiative.
 - The Company was selected to lead the design and construction of a state-of-the-art, net-zero plant protein processing facility in Alberta. The value of the progressive design-build contract is approximately \$125 million.
- The Board has declared an eligible dividend of \$0.0325 per common share for each of August, September, and October 2022.

CONFERENCE CALL AND WEBCAST

Bird will host an investor webcast to discuss the quarterly results on Wednesday, August 10, 2022 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/bird2022Q2.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 June 30, 2022, prepared as of August 9, 2022. 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 June 30, 2022 and December 31, 2021.

"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:

<i>(in thousands of Canadian dollars, except per share amounts)</i>	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net income	\$ 14,104	\$ 13,630	\$ 20,465	\$ 20,749
Add: Acquisition and integration costs	151	1,754	397	4,409
Add: IFRS restructuring costs ⁽¹⁾	—	—	—	—
Deduct: Gain on settlement of trade receivable	(7,596)	—	(7,596)	—
Income tax effect of the above costs	1,832	(434)	1,771	(1,071)
Adjusted Earnings	\$ 8,491	\$ 14,950	\$ 15,037	\$ 24,087
Adjusted Earnings Per Share ⁽²⁾	\$ 0.16	\$ 0.28	\$ 0.28	\$ 0.45

Notes:

⁽¹⁾ Restructuring costs as defined in accordance with IFRS.

⁽²⁾ Calculated as Adjusted Earnings divided by basic weighted average shares outstanding.

Adjusted EBITDA:

(in thousands of Canadian dollars, except percentage amounts)	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net income	\$ 14,104	\$ 13,630	\$ 20,465	\$ 20,749
Add: Income tax expense	5,134	4,753	7,115	6,998
Add: Depreciation and amortization	9,628	7,898	18,048	15,858
Add: Finance and other costs	2,319	2,201	4,092	3,940
Less: Finance and other income	(8,989)	(290)	(9,255)	(592)
Add: (Gain)/loss on sale of property and equipment	(839)	(110)	(1,519)	(513)
Add: IFRS restructuring costs ⁽¹⁾	—	—	—	—
Add: Other restructuring and severance costs ⁽²⁾	—	276	—	303
Add: Acquisition and integration costs	151	1,754	397	4,409
Adjusted EBITDA	\$ 21,508	\$ 30,112	\$ 39,343	\$ 51,152
Adjusted EBITDA Margin ⁽³⁾	3.7 %	5.4 %	3.7 %	5.1 %

Notes:

⁽¹⁾ Restructuring costs as defined in accordance with IFRS.

⁽²⁾ Restructuring and severance costs that did not meet the criteria to be classified as restructuring costs in accordance with IFRS.

⁽³⁾ 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 ability to capitalize on new and emerging opportunities; and the ability to realize on the Company's bid pipeline.

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: operational risks, industry and inherent project delivery risks; ability to hire and retain qualified and capable personnel; global pandemics; 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; 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; 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 Transactions; and changes in legislation, including but not limited to tax laws and environmental regulations.

The forward-looking statements in this news release should not be interpreted as providing a full assessment or reflection of the unprecedented impacts of the 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 and Management's Discussion and Analysis for the year ended December 31, 2021, 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.

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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**