



We bring life to vision  
*Creating great things with you*

# Q2 2023 Earnings Presentation

August 10, 2023

Bird Construction Inc. (TSX:BDT)

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”) as of the date of this presentation unless otherwise stated. The use of any of the words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “outlook”, “potential”, “estimated”, “intend”, “consensus”, “future”, “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: anticipated financial performance; 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 Company’s ability to grow profitably; sufficiency of working capital; and with respect to Bird’s ability to convert Pending Backlog to Backlog.

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 anticipated synergies; and changes in legislation, including but not limited to tax laws and environmental regulations.

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](http://www.sedar.com) and on the Company’s website at [www.bird.ca](http://www.bird.ca).

The forward-looking statements contained in this presentation 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, unless so required by applicable securities laws.

## TERMINOLOGY AND NON-GAAP & OTHER FINANCIAL MEASURES

Throughout this presentation, management uses certain terminology and financial measures 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, 2023, prepared as of August 9, 2023. This document is available on Bird’s SEDAR profile, at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.bird.ca](http://www.bird.ca).

- “Backlog” is a term representing 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 disclosed in the Company’s most recent notes to the financial statements filed on SEDAR. Additions to remaining performance obligations are also referred to by the Company as “Securements”.
- “Pending Backlog” is a supplementary financial measure representing 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 multi-year MSA, maintenance, task order, and similar contractual arrangements”.
- “Gross Profit Percentage” is a supplementary financial measure representing the percentage derived by dividing gross profit by construction revenue.
- “Adjusted Earnings” is a non-GAAP financial measure defined as IFRS net income excluding asset impairments, acquisition, integration and restructuring (as defined in accordance with IFRS) costs and the income tax effect of these costs.
- “Adjusted Earnings Per Share” is a non-GAAP financial ratio calculated by dividing Adjusted Earnings by the basic weighted average number of shares.
- “Adjusted EBITDA” is a non-GAAP financial measure representing earnings before taxes, interest, depreciation and amortization, finance and other costs, finance income, asset impairment charges, gain or loss on sale of property and equipment, restructuring and severance costs outside of normal course, and acquisition, integration and restructuring (as defined in accordance with IFRS) costs.
- “Adjusted EBITDA Margin” or “Adjusted EBITDA Percentage” is a non-GAAP financial ratio representing the percentage derived by dividing Adjusted EBITDA by construction revenue.

## TERMINOLOGY AND NON-GAAP & OTHER FINANCIAL MEASURES (continued)

- “Current Ratio” is a supplementary financial measure representing the percentage derived by dividing total current assets by total current liabilities.
- “General and Administrative expenses as a percentage of revenue” is a supplementary financial measure representing the percentage derived by dividing general and administrative expenses by construction revenue.
- “Adjusted Net Debt” is a non-GAAP financial measure defined as current and long-term loans and borrowings as disclosed in the Company’s statement of financial position, less accessible cash, as disclosed in the Company’s notes to the financial statements. Management uses this as a measure of financial leverage and is part of its assessment of the Company’s capital structure. At June 30, 2023, Adjusted Net Debt of \$17,463 is calculated as: Loans and borrowings (non-current) \$65,867 plus Current portion of loans and borrowings \$6,656 minus Accessible cash \$55,060.
- “Adjusted Net Debt to TTM Adjusted EBITDA” is a non-GAAP financial ratio calculated by dividing Adjusted Net Debt by the Company’s trailing twelve-month Adjusted EBITDA. Management uses this as a measure of financial leverage and is part of its assessment of the Company’s capital structure.
- “LT Loans & Borrowings to Equity” is a supplementary financial measure calculated as non-current loans and borrowings divided by total shareholders’ equity, as disclosed in the Company’s consolidated statement of financial position



# Positioned For Growth on Strong Business Foundation



## Bird Construction | TSX: BDT

Bird is a leading Canadian construction service and maintenance company, providing integrated solutions and delivering best-in-class execution through a collaborative, safety-first approach. Our comprehensive services encompass end-to-end, full-project lifecycle solutions for a diverse range of clients in the industrial, infrastructure, and institutional markets. Our dynamic workforce, of over 5,000 individuals, is united by our shared values, and together we have built a reputation for world-class quality and relationships founded on respect, humility, and honesty.

Rooted in our purpose of bringing life to vision and creating greatness together, we prioritize safety as non-negotiable, foster an inclusive workplace that unlocks our collective potential, and embrace growth with solution-focused thinking to navigate an evolving world. Through our commitments to a more sustainable future, we focus on reducing environmental impact, promoting social responsibility, and enhancing the communities we serve. Our passion for excellence extends from our work to our relationships, nurturing a culture where greatness grows.



A healthy and safe work environment is non-negotiable



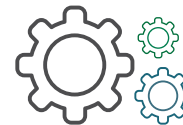
Team of 5000+ experienced management team



Growing revenue, solid profitability



Strong operational cash flows



Approximately 90% of projects are low to medium-risk projects



> 70% of combined backlog and pending backlog has a collaborative delivery model



Well-capitalized balance sheet



Organic and acquisitive growth, driving diverse services and larger self-perform scopes



# Sustained Momentum, Revenue Growth, Record Combined Backlog

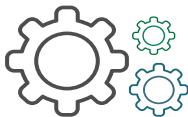
Confidence in 2023 margin improvements



Significant y/y revenue growth and positive outlook for improved earnings



Growing combined Backlog and Pending Backlog, strengthening margin profile with collaborative, lower-risk projects, and significant self-perform work



Healthy liquidity position with strong operational cash flows funding growth and supporting strategic investments in productivity and capex

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(2) Adjusted Earnings and Adjusted EBITDA are non-GAAP financial measures. Refer to the Disclaimer slides for more information on Terminology and Non-GAAP & Other Financial Measures.

## Q2 2023 Highlights

**\$686.4M**

Q2 2023 Revenue

**19.0%**

Year-over-year growth

**\$13.7M**

Net Income

**\$0.26**

EPS

**\$29.5M**

Adjusted EBITDA<sup>(2)</sup>

**4.3%**

Adjusted EBITDA Margin<sup>(1)</sup>

**\$15.7M**

Adjusted Earnings<sup>(2)</sup>

**\$0.29**

Adj. EPS <sup>(1)</sup>

**\$3.0B**

Backlog<sup>(1)</sup>

**\$3.1B**

Pending Backlog<sup>(1)</sup>

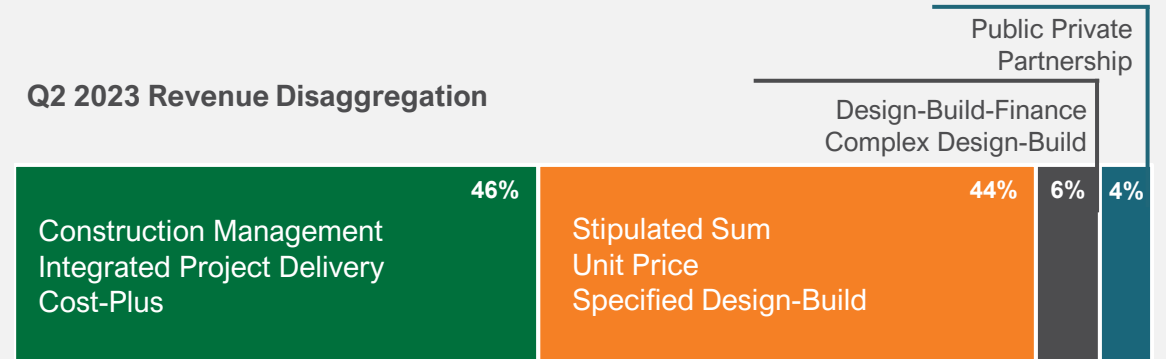
**~\$1.0B**

Securements

**\$80M**

Y/y increase in cash flows from op. activities

### Q2 2023 Revenue Disaggregation



Lower risk

Higher risk

# What Sets Us Apart



**Q2 2023 Revenue  
+19.0% Y/Y**

## Disciplined and strategic revenue growth

- Strong organic revenue growth within a wide range of sectors.
- Diverse revenue streams in high-demand, higher-margin sectors, with a balanced public/private client mix.

**2023 Outlook: Low double-digit organic growth for 2023**

**Q2 2023 TTM Adj. EBITDA 4.2%**

## Positive momentum on margin growth

- Minimal exposure to high-risk lump sum turn-key projects and interest rate sensitive sectors.
- Increased specialized, self-perform capabilities, focus on higher-margin potential sectors and collaborative contracts.

**Further opportunity to improve margins through 2023 & 2024**

**+19% YTD Growth in Combined Backlog**

## Significant recurring revenue contracts

- 2023 second quarter-end Backlog \$3.0B, Pending Backlog \$3.1B.
- Risk-balanced contracts across sectors and geographies.
- ~\$1.1B recurring revenue contracts at end of second quarter 2023.

**Strong future revenue visibility with over 70% of combined backlog in a collaborative model**

**Q2 2023 Working Capital +10% Y/Y**

## Strong balance sheet & financial flexibility

- Well-positioned for capital allocation priorities.
- Very positive return and capital efficiency metrics: Current Ratio, ROE, ROIC, ROCE<sup>(1)</sup>

**Positioned for growth and positive FCF generation**

**Track Record for Strong Integration and Retention**

## Track record of accretive M&A

- Successful integrations, growing volume of cross-selling.
- 2023 – Trinity Communications, key growth market.
- 2021 – Dagmar, delivered strong post-acquisition growth.
- 2020 – Transformational Stuart Olson Acquisition.

**Accretive, tuck-ins in key sectors; remain open to large opportunities and will be opportunistic**

**+ Growing Energy Transition Portfolio**

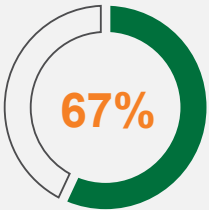
## Elevated sustainability profile

- Delivering energy transition projects and sustainable new build and retrofit services.
- Implemented ESG strategy, positioning for future reporting.
- 2022 ESG Overview released May 9, 2023.

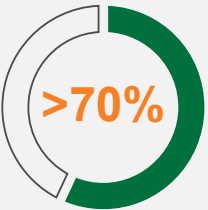
**Significant portfolio of sustainability projects**

# Highly Collaborative, Diverse Backlog Mix

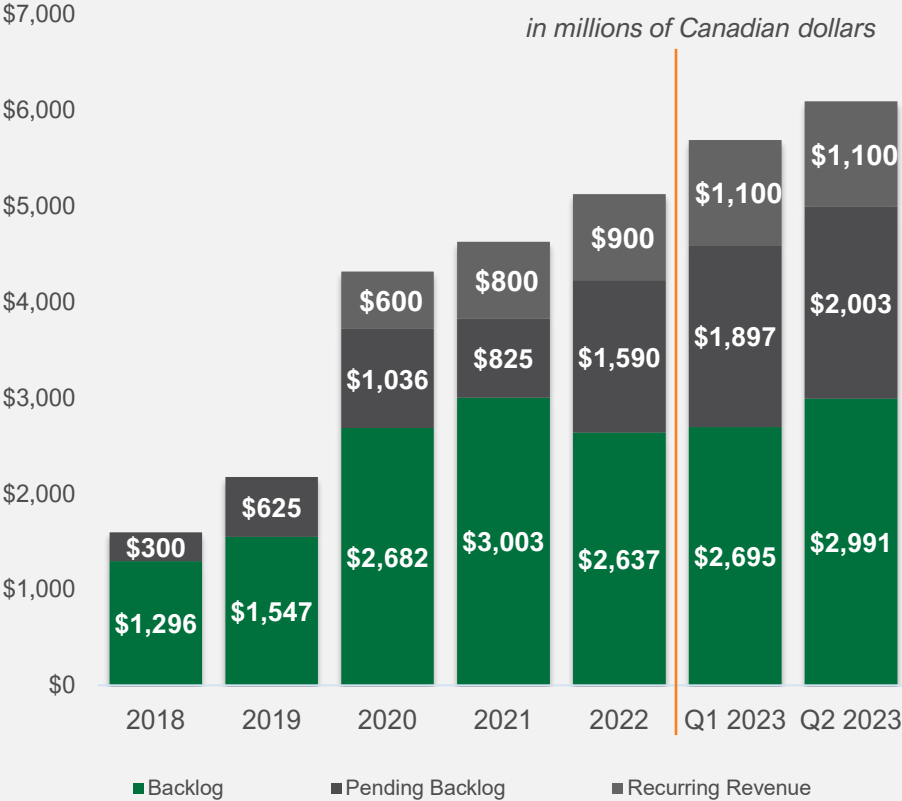
Strong visibility to continued revenue and margin growth



Backlog expected to convert into Revenue over the next 12 months



Collaborative delivery models in Backlog and Pending Backlog



## Growing Portfolio of Recurring Revenue Contracts in Pending Backlog

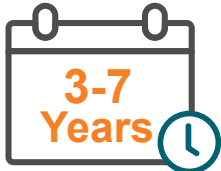
MSA and other multi-year recurring contracts representing a recurring revenue stream over the next three to seven years

~\$1.1 Billion

Combined MSA and other multi-year recurring contracts



Tier one MRO contractor



Average contract term



Growing nuclear recurring revenue portfolio



Growing recurring revenue supporting visibility and outlook



Commodities related MSAs



## Executing Well on Strategic Pillars



### TEAM

- World class safety program
- Highly engaged, high-performance team with industry leading people programs that promote a culture of hungry, humble, and smart
- Strategic internal and external partnerships and collaborative contracting methods



### PERFORM

- Culture of operational excellence
- Innovative client solutions
- Common and scalable technology platform that builds efficiencies
- Robust financial and risk management
- Consistent profitability and balanced backlog



### DIVERSIFY

- Diverse service offerings, market reach and geography with new and current clients
- Leverage integrated services nationally
- Increase self-perform capabilities
- Promote positive relationships with Indigenous partners and communities
- Strong brand with balanced ESG strategy

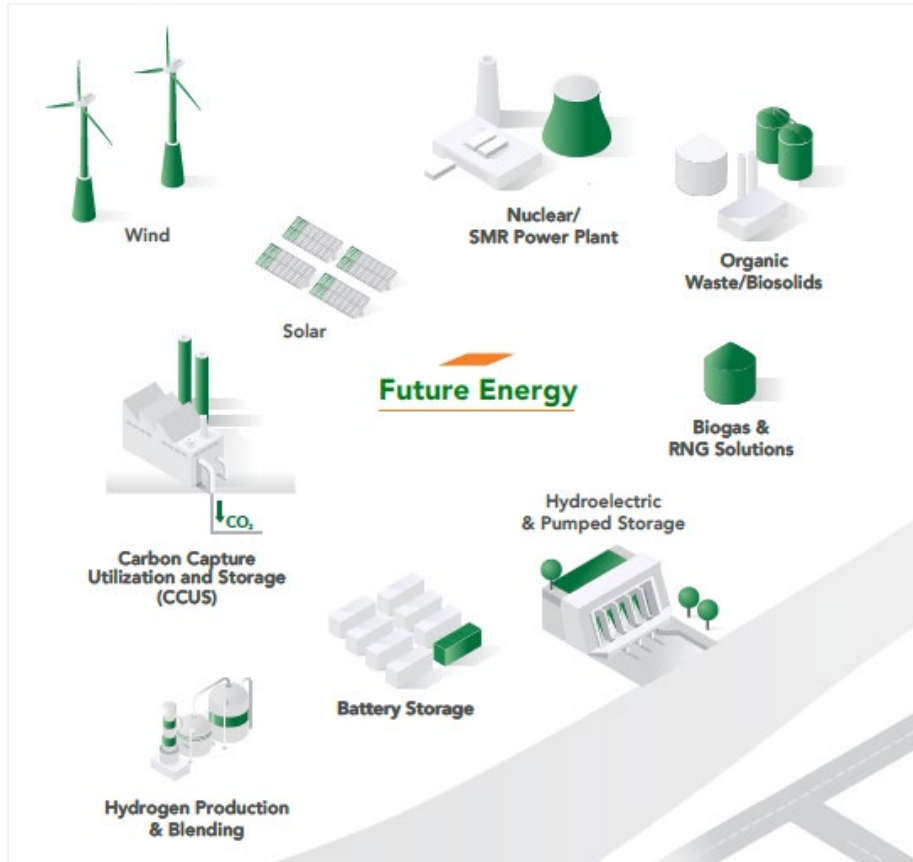
Positioned for growth with a significant pipeline of projects and a robust bidding environment for disciplined pursuit of new work.

~\$1.0 billion in securements added in the second quarter

- ✓ **July – Institutional:** Post-Secondary and healthcare projects with a Combined Value of over \$350M
- ✓ **July – Industrial:** Energy and Mining Sector Contracts with a Combined Value of over \$180M
- ✓ **May – Transportation:** BC Ferries' Maintenance Facility Redevelopment Contract
- ✓ **May – Mining:** Heavy Civil Works at One of Canada's Largest Iron Ore Mines for New Client, Quebec Iron Ore
- ✓ **May – Modular:** Bird awarded Canada's tallest modular construction building under BC Housing's Permanent Supportive Housing Initiative - \$50M
- ✓ **April – Energy and Mining:** MRO team awarded \$300M in new agreements and additional scope to be executed under MSAs

# Energy Transition Partner

## Delivering critical energy solutions



The evolving energy landscape demands significant investment in electrical infrastructure to achieve decarbonization goals. Bird has been a key long-term partner for many clients constructing and maintaining the energy systems that power the country.

Bird's electrical capabilities and diverse self-perform scopes position the company to deliver this critical infrastructure.

### Energy

- Globally over the next 3 decades greater than \$125T is required in clean energy investment<sup>(1)</sup>
- Nuclear \$50B, Renewables \$550B<sup>(2)</sup>

**2,000+**  
Electrical personnel<sup>(3)</sup>

Currently working with all of Ontario's active nuclear operators

### Buildings

Net Zero buildings opportunities  
(Deep energy retrofit of non-residential)

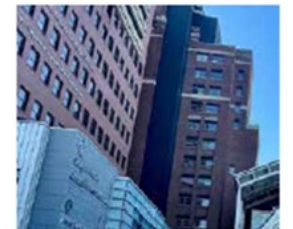


Multi-disciplinary expertise for deep energy retrofit solutions.



MacKimmie Tower Redevelopment

**80% reduction**  
in energy consumption and zero carbon building



Toronto Western Hospital

**90% of annual**  
heating and cooling needs supplied by thermal energy from wastewater

(1) International Energy Agency, Net Zero by 2050: A Roadmap for the Global Energy Sector (2021).  
 (2) International Energy Agency, Net Zero by 2050: A Roadmap for the Global Energy Sector (2021): 'Sustainable Development Scenario 2015 – 2030'.  
 (3) The company through its affiliated subsidiaries has an average of over 2000 electricians, linemen, technologists and technicians and access to other personnel through a variety of labour platforms.

# Q2 2023 Financial Highlights



	Three Months Ended June 30, 2023	Y/Y Change	Six Months Ended June 30, 2023	Y/Y Change
\$ Millions (except per share amounts)				
Revenue	\$686.4	19.0%	\$1,222.9	16.8%
Gross Profit	\$54.5 7.9% of Revenue <sup>(1)</sup>	25.5%	\$94.4 7.7% of Revenue <sup>(1)</sup>	11.0%
General and Administrative	\$36.2 5.3% of Revenue <sup>(1)</sup>	16.7%	\$67.8 5.5% of Revenue <sup>(1)</sup>	8.7%
Adjusted EBITDA <sup>(2)</sup>	\$29.5 4.3% of Revenue <sup>(1)</sup>	37.0%	\$45.5 3.7% of Revenue <sup>(1)</sup>	15.8%
Net Income	\$13.7 \$0.26 EPS	(2.8%)	\$18.9 \$0.35 EPS	(7.8%)
Adjusted Earnings <sup>(2)</sup>	\$15.7 \$0.29 Adj. EPS <sup>(1)</sup>	84.7%	\$21.0 \$0.39 Adj. EPS <sup>(1)</sup>	39.3%

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# Sustained, Strong Financial Position

Q2 2023

**23.4%**

Long-term Loans & Borrowings to Equity<sup>(1)</sup>

**1.22**

Current Ratio<sup>(1)</sup>

**0.08x**

Adjusted Net Debt/ TTM Adjusted EBITDA<sup>(1)</sup>

## Syndicated Credit Facility



**\$220M**

Committed Revolving Credit Facility



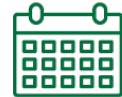
**\$47.5M**

Committed Non-revolving Term Debt Facility



UP TO  
**\$50M**

Non-committed Accordion Feature



Syndicated Credit Facility  
**Maturity** December 15, 2025

June 30, 2023

*in millions of Canadian dollars*

Accessible cash	\$ 55
Restricted cash	\$ 31
Held in joint operations accounts	\$ 22
Cash and cash equivalents	\$ 107
Loans and borrowings (current and long-term)	\$ 73
Adjusted Net Debt <sup>(2)</sup>	\$ 17
Working Capital	\$ 177
Shareholders' equity	\$ 281

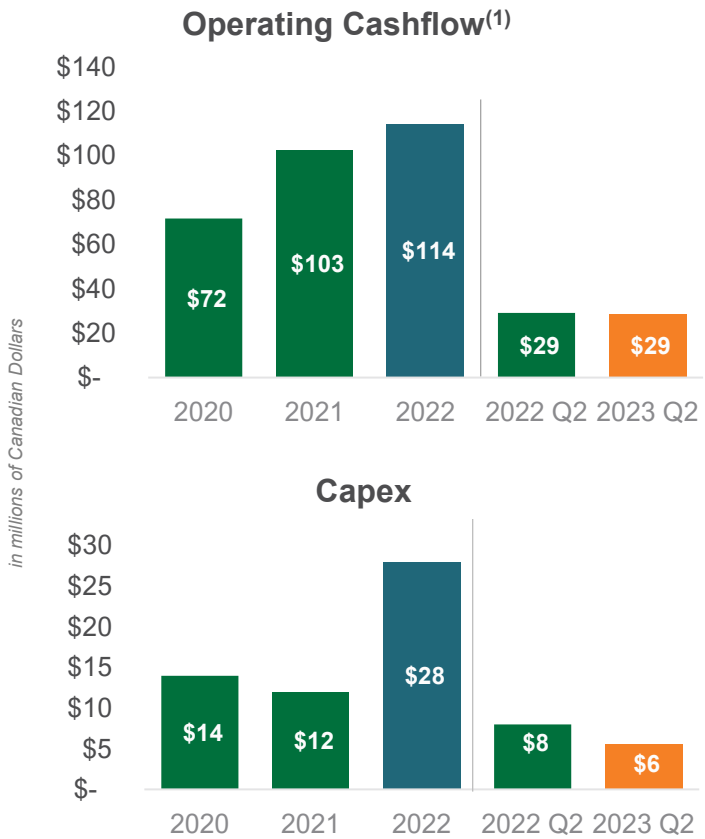
<sup>(1)</sup> Refer to the Disclaimer slides for more information on Terminology and Non-GAAP & Other Financial Measures.

<sup>(2)</sup> Adjusted Net Debt is a non-GAAP financial measure. Refer to the Disclaimer slides for more information on Terminology and Non-GAAP & Other Financial Measures.

# Capital Allocation Highlights

Balancing profitable growth, significant financial strength, investments in the business and M&A

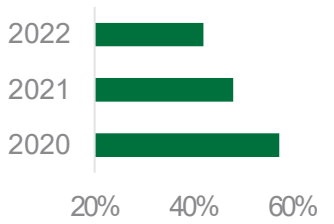
## Cash Generation



## Dividends

- 10% dividend increase – on positive outlook in December 2022
- Increased monthly dividend commenced in March 2023
- Expected dividend payout ratio below 40% of net income for the year

### Historical Dividend Payout Ratio of Net Income



**\$0.0358**  
per month, per share

## M&A

Positioned to execute on the right M&A opportunities

- Three strategic acquisitions in past 3 years
- Track record as a strong integrator and for retention of skilled teams
- Continue to seek out accretive opportunities, that add capabilities and generate cash flows



<sup>(1)</sup> Operating cash flow - Refer to the consolidated statement of cash flows – “Cash flows from operations before changes in non-cash working capital”.  
<sup>(2)</sup> Capital expenditures (“Capex”) – Refer to the consolidated statement of cash flows – “Additions to property and equipment and intangible assets”.

## Growth and Margin Trends Support 2023 Outlook



- High demand for Bird’s services and disciplined project selection driving growth: significant government funding for infrastructure and institutional projects; active commodities market with a significant pipeline of major projects; solid opportunities for sustainability and energy transition-related projects
- Primarily collaborative and diversified mix of complex projects in growing combined Backlog and Pending Backlog with improving embedded margins
- Raised expectations for full-year revenue growth from high-single digit to low-double digit organic revenue growth for 2023
- Growth expectations for EPS sufficient to achieve an expected dividend payout ratio below 40% of net income for the year
- Gross profit margin improvement and further leverage on cost structure helping to drive higher EBITDA margins
- Earnings per share and adjusted EBITDA growth are expected to outpace revenue growth for the full year
- Healthy balance sheet, strong operational cash flows, significant credit capacity
- Tuck-in M&A strategy to seek out high-growth potential businesses with strong margin and cash flow profiles





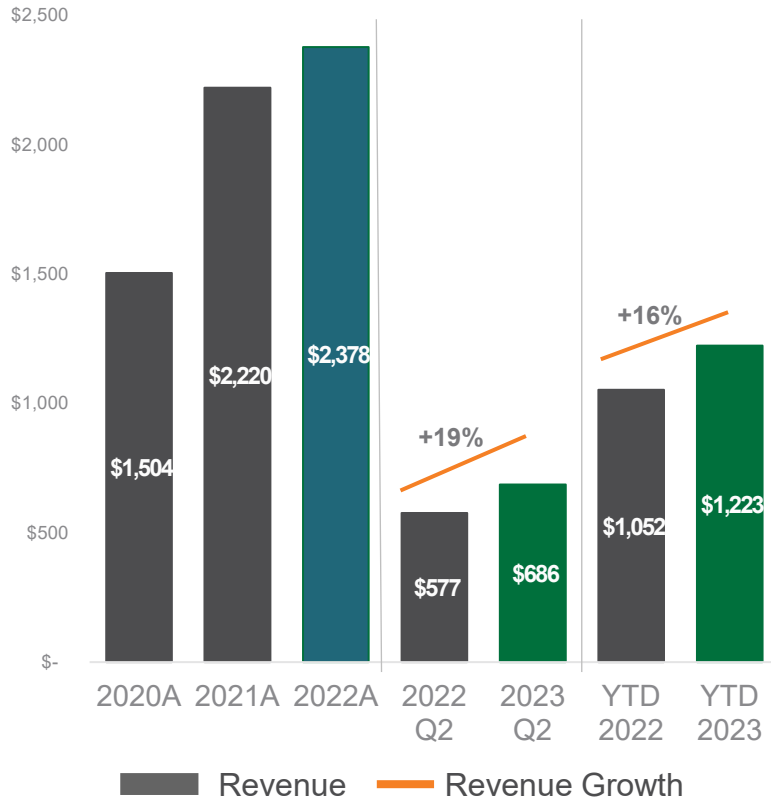
# Appendix



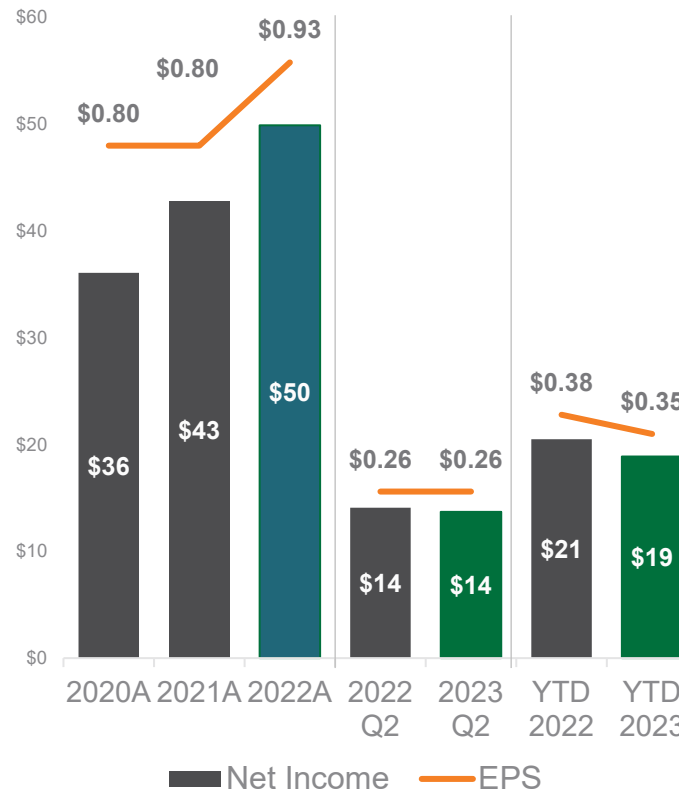
# Revenue, Net Income, and Adjusted Earnings



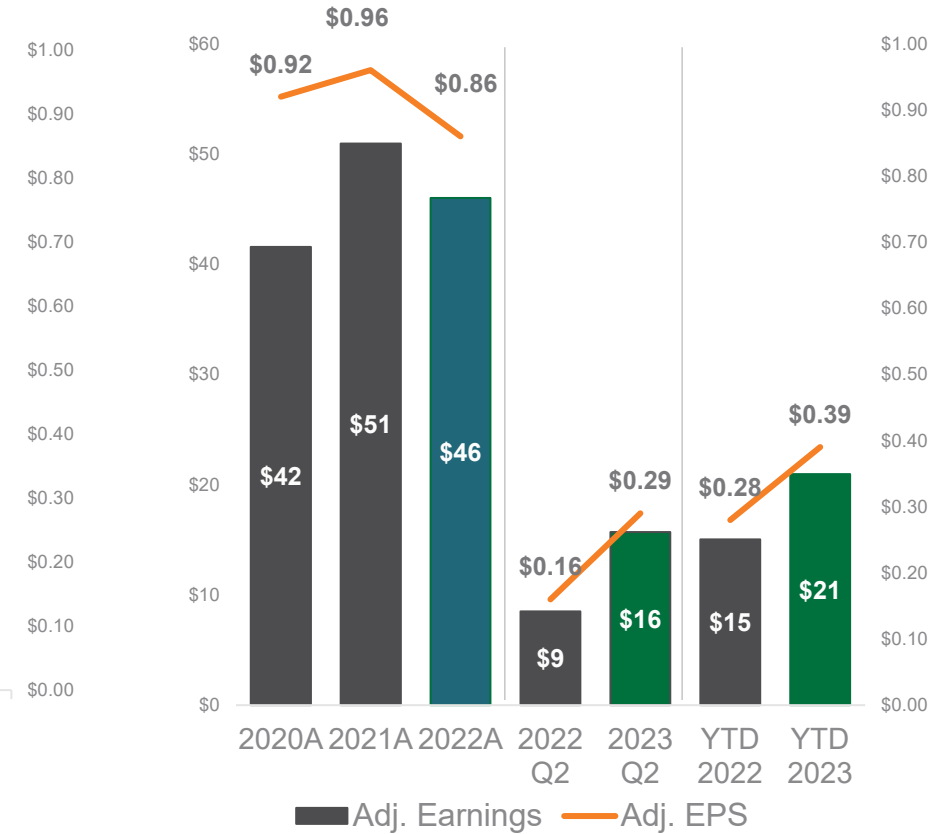
## REVENUE



## NET INCOME



## ADJUSTED EARNINGS<sup>(1)</sup>



(1) Adjusted Earnings is a non-GAAP financial measure and Adjusted EPS is a non-GAAP financial ratio. Refer to the Disclaimer slides for more information on Terminology and Non-GAAP & Other Financial Measures.





## Q2 2023 Results Presentation

Bird Construction Inc. (TSX:BDT)