



COMPANY: **BIRD CONSTRUCTION INC.**
LISTING: TORONTO STOCK EXCHANGE
SYMBOL: **BDT**
DATE: March 10, 2020
PLACE: MISSISSAUGA
SUBJECT: BIRD CONSTRUCTION INC. ANNOUNCES 2019 FOURTH QUARTER AND ANNUAL FINANCIAL RESULTS

HIGHLIGHTS:

- In the fourth quarter of 2019, the Company recorded net income of \$8.2 million on construction revenue of \$420.6 million compared with net income of \$6.4 million on \$385.9 million of construction revenue respectively in 2018. The year-over-year increase of revenue in the fourth quarter of 9.0% was driven by growth in the industrial work programs more than offsetting a decline in the institutional work programs. The year-over-year increase in fourth quarter net income is reflective of the improvement in earnings attributable to the mix of higher margin self-perform industrial work programs in the fourth quarter of 2019.
- Adjusted EBITDA and Adjusted EBITDA Margin in the fourth quarter of 2019 were \$16.0 million and 3.81%, respectively. Adjusted EBITDA increased \$4.2 million or 36% from \$11.8 million in the fourth quarter of 2018. Adjusted EBITDA Margin increased 75 basis points from the 3.06% recorded in fourth quarter of 2018.
- In 2019, the Company recorded net income of \$9.5 million on construction revenue of \$1,376.4 million compared with a net loss of \$1.0 million on \$1,381.8 million of construction revenue in 2018. Although volume was stable year-over-year, the mix of revenue was more diversified as the Company's higher margin industrial work program ramped up throughout the year. The year-over-year income improvement was primarily driven by the increase in gross profit from the shift in the mix of revenue in 2019.
- Adjusted EBITDA and Adjusted EBITDA Margin for fiscal 2019 was \$32.3 million and 2.35%, respectively. Adjusted EBITDA increased \$21.4 million or 196% compared to \$10.9 million in fiscal 2018. Adjusted EBITDA Margin increased 156 basis points from the 0.79% recorded in fiscal 2018.
- The Company, through its joint venture with ATCO Structures, continues to progress on site construction work for the LNG Canada Cedar Valley Lodge. Construction commenced in the first quarter of 2019 and is planned to continue through spring 2021. Throughout the year modules were delivered and installed on site and core buildings continued to be erected and enclosed. The facility is being built to house workers involved in the construction of LNG Canada's natural gas liquefaction and export facility. The project is one of the largest accommodation facilities ever built in Canada.
- In 2019, the Company secured \$1,627.9 million of new contract awards and change orders and executed \$1,376.4 million of construction revenues. The new contract awards through the year contributed to a Backlog of \$1,547.4 million for the Company at December 31, 2019, an increase of \$251.5 million, or 19.4% from the \$1,295.9 million of Backlog recorded at December 31, 2018. Key new contract awards in 2019 that demonstrate the Company's success in diversifying its work program include:
 - In the fourth quarter of 2019, the Company executed a subcontract with East-West Connectors, the consortium contracted by the City of Ottawa to design, build and finance the Stage 2 Confederation Line Extension ("CLE") project in Ottawa, Ontario. Bird will construct seven Confederation Line Stage 2 light rail transit stations and one light maintenance and storage facility. Substantial completion of the East Extension is expected in 2024 with the West Extension to achieve substantial completion in 2025.

- In the third quarter of 2019, the Company signed multiple contracts for services for an undisclosed amount at an LNG Liquefaction Export Terminal Facility in Kitimat, British Columbia. The contracts include a site civil works program and the engineering, procurement, and construction (“EPC”) of sixteen administrative and service buildings. The EPC buildings program will consist of a combination of pre-engineered and modular buildings. The contracts have commenced and will continue into 2022.
- In the third quarter of 2019, the Company signed a construction management contract with Westwood Construction to build a mixed-use development located in north Halifax. The contract will be constructed over a three-year period and will include two high rise towers and two levels of underground parking. The full project value is approximately \$140 million but, due to the agency nature of the contract with Bird, only the construction management services portion of the project was added to Backlog.
- In 2019, cash and cash equivalents increased \$21.8 million, net of the effects of foreign exchange, to \$180.3 million from \$158.9 million at the end of 2018. Most of changes in cash and equivalents during the year relate to changes in the non-cash net current asset/liability position which can fluctuate significantly in the normal course of business.
- The Board has declared monthly eligible dividends of \$0.0325 per common share for March 2020 and April 2020.
- Subsequent to year end, the Company achieved substantial performance on a PPP project as defined in the provincial lien legislation.

“I am pleased with both the continued improvement in our financial performance as a result of success in diversifying our work program and in achieving substantial performance on a challenging project subsequent to 2019 fiscal year end,” said Teri McKibbon, President & CEO. “The Company is well-positioned going forward to deliver more consistent earnings with almost \$2.2 billion in Backlog and Pending Backlog at the end of the fourth quarter of 2019. The risk profile of this work aligns with the Company’s overall targeted risk profile range, and the margin profile is higher than recent years due to our disciplined approach to project selection. The Company will continue to benefit from this disciplined approach and diversification efforts as we head into our 100th year of operations.”

Financial Results

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

	Three months ended December 31,		Year ended December 31,	
	2019	2018	2019	2018
Construction revenue	\$ 420,612	\$ 385,854	\$ 1,376,408	\$ 1,381,784
Net income (loss)	\$ 8,167	\$ 6,379	\$ 9,484	\$ (1,013)
Basic and diluted earnings (loss) per share	\$ 0.19	\$ 0.15	\$ 0.22	\$ (0.02)
Adjusted EBITDA ⁽¹⁾	\$ 16,012	\$ 11,793	\$ 32,292	10,914
Cash flows from operations before changes in non-cash working capital ⁽²⁾	\$ 15,525	\$ 11,045	\$ 30,201	\$ 12,320

⁽¹⁾ See "Non-GAAP measures" at the end of this news release

⁽²⁾ Refer to the consolidated statement of cash flows

- Cash flows from operations before changes in non-cash working capital increased \$17.9 million year-over-year from the \$12.3 million cash generated in fiscal 2018 primarily due to the \$10.5 million improvement in net income, a higher non-cash addback for amortization and depreciation of \$4.5 million compared to 2018 and a higher non-cash addback for income tax expense year-over-year of \$4.1 million from 2018. These increases were partially offset by other non-cash changes of \$1.2 million.

Bird Construction Inc. also announced that its Board of Directors has approved monthly eligible dividends for the months of March 2020 and April 2020 in the amount of \$0.0325 per common share to be paid as follows:

- i) The March dividend of \$0.0325 per share will be paid on April 20, 2020 to the Shareholders of record as of the close of business on March 31, 2020.
- ii) The April dividend of \$0.0325 per share will be paid on May 20, 2020 to the Shareholders of record as of the close of business on April 30, 2020.

A conference call for analysts and investors will be held at 10:00 a.m. EDT on Wednesday, March 11, 2020, to discuss the quarterly results. The dial in number is 1-855-328-1925. Attendees are asked to be on the line 10 minutes prior to the start of the call.

Related financial documents will be filed and available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Non-GAAP Measures

Adjusted EBITDA and Adjusted EBITDA Margin have no standardized meaning under IFRS and are considered non-GAAP measures. Therefore, these measures may not be comparable with similar measures presented by other companies. Management uses Adjusted EBITDA to assess the operating performance of its business. Management believes that investors and analysts use Adjusted EBITDA, it may provide predictive value to assess the ongoing operations of the business and it provides a more consistent comparison between financial reporting periods.

*Adjusted EBITDA (Non-GAAP information):
(in thousands of Canadian dollars)*

	Three months ended December 31,		Year ended December 31,	
	2019	2018	2019	2018
Net income (loss)	\$ 8,167	\$ 6,379	\$ 9,484	\$ (1,013)
Add: Income tax expense (recovery)	1,870	1,190	2,475	(1,661)
Add: Depreciation and amortization	4,468	2,808	15,814	11,236
Add: Finance and other costs	1,553	1,978	5,558	4,611
Less: Finance income	(769)	(498)	(2,596)	(1,386)
Add: Loss/(gain) on sale of property and equipment	(255)	(64)	(1,346)	(873)
Add: Restructuring and severance costs ⁽¹⁾	978	-	2,903	-
Adjusted EBITDA	\$ 16,012	\$ 11,793	\$ 32,292	\$ 10,914
Adjusted EBITDA Margin ⁽²⁾	3.81%	3.06%	2.35%	0.79%

Notes:

⁽¹⁾ Restructuring and severance costs did not meet the criteria to be classified under restructuring costs as defined in accordance with IFRS.

⁽²⁾ Calculated as Adjusted EBITDA divided by revenue

Forward Looking Information

Certain statements included in this news release express management's expectations or estimates of future performance may constitute "forward-looking information". The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", and similar expressions identify forward-looking information.

Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. In particular, this news release includes such forward-looking information and the Company cautions the reader that such forward-looking information involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Company to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking information and the forward-looking information is not a guarantee of future performance. Risks that may impact the Company's future results, performance or achievements include those described under "Risks Relating to the Business" in the Company's Annual Information Form dated March 10, 2020 filed and the Company's MD&A for the year ended December 31, 2019 available on SEDAR. The Company expressly disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, events or otherwise.

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

For further information contact:

T.L. McKibbon, President & C.E.O or

W.R. Gingrich, C.F.O

Bird Construction Inc.

5700 Explorer Drive, Suite 400

Mississauga, ON L4W 0C6

Phone: (905) 602-4122 Fax: (905) 602-1516