



COMPANY: **BIRD CONSTRUCTION INC.**  
LISTING: TORONTO STOCK EXCHANGE  
CITY: MISSISSAUGA  
SYMBOL: **BDT**  
DATE: November 9, 2021  
SUBJECT: BIRD CONSTRUCTION INC. ANNOUNCES 2021 THIRD QUARTER FINANCIAL RESULTS

"The Company has been focused on advancing collaboration, both internally and externally, and we are truly seeing the benefit of that reflected in the increase in collaborative contract awards. These collaborative projects have been primary drivers for our record Backlog, record Pending Backlog and record revenue in the third quarter," said Mr. Teri McKibbin, President and CEO of Bird Construction. "Our employees have embraced the changes in our company over the past several years and have done a tremendous job managing through the pandemic while building a resilient business. Bird's bid pipeline is robust, and we continue to see more cross selling opportunities emerge as we continue our successful integration with Stuart Olson. While it is early days with Dagmar Construction, we are excited about the growth prospects this acquisition opens up to us in the civil infrastructure market. Both acquisitions are acting as catalysts for Bird to grow and diversify, all while maintaining a balanced risk profile in our work program."

## **FINANCIAL HIGHLIGHTS**

### ***Third Quarter 2021 compared to Third Quarter 2020***

- Construction revenue of \$621.2 million, representing an 80.0% increase year-over-year.
- Net income and earnings per share were \$12.1 million and \$0.23, respectively, compared to \$8.8 million and \$0.20 in Q3 2020.
- Adjusted Earnings<sup>(1)</sup> and Adjusted Earnings Per Share<sup>(1)</sup> were \$13.8 million and \$0.26, respectively, compared to \$12.4 million and \$0.29 in Q3 2020.
- Adjusted EBITDA<sup>(1)</sup> of \$28.6 million, or 4.6% of revenues, reflects a 29.7% increase in Adjusted EBITDA.
- Record Backlog of \$2,828.0 million and record Pending Backlog of \$1,787.7 million at September 30, 2021.
- Strong balance sheet with \$154.9 million of working capital at September 30, 2021, compared to \$130.3 million at December 31, 2020.

### ***Year-to-date 2021 compared to Year-to-date 2020***

- Construction revenue of \$1,622.2 million, representing a 70.9% increase year-over-year.
- Net income and earnings per share were \$32.9 million and \$0.62, respectively, compared to \$15.6 million and \$0.36 in 2020.
- Adjusted Earnings and Adjusted Earnings Per Share were \$37.9 million and \$0.71 respectively, compared to \$20.1 million and \$0.47 in 2020.
- Adjusted EBITDA of \$79.7 million, or 4.9% of revenues, reflects a 90.2% increase in Adjusted EBITDA.

<sup>(1)</sup> Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP Measures" at the end of this news release.

## Financial Results

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

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Construction revenue	\$ 621,224	\$ 345,060	\$ 1,622,223	\$ 949,472
Net income	12,117	8,822	32,866	15,569
Basic and diluted earnings per share	0.23	0.20	0.62	0.36
Adjusted Earnings Per Share <sup>(1)</sup>	0.26	0.29	0.71	0.47
Adjusted EBITDA <sup>(1)</sup>	28,585	22,036	79,737	41,926
Cash flows from operations before changes in non-cash working capital <sup>(2)</sup>	27,609	15,841	76,832	31,890

<sup>(1)</sup> Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP Measures" at the end of this news release.

<sup>(2)</sup> Refer to the sections entitled Quarterly and Year-to-date Cash Flow Data in the MD&A for the period ended September 30, 2021.

## OVERVIEW

- On September 1, 2021, the Company completed its acquisition of Dagmar Construction Inc. ("Dagmar"), an Ontario-based construction company with extensive experience across key civil infrastructure sub-sectors including road, bridge, rail, sewer and water, and commercial-institutional sites. Dagmar's capabilities and service offerings for both private and public owners across Ontario, integrated with Bird's existing civil business, will act as a catalyst in this attractive end market. In selected national markets where Bird has civil activity, Dagmar will add specialized capabilities to broaden client service offerings and increase diversification.
- The third quarter of 2021 also represents the first anniversary of the Company's transformational acquisition of Stuart Olson Inc. ("Stuart Olson") which was completed on September 25, 2020. Since the acquisition, Bird has worked to successfully combine two strong, experienced workforces and integrate and harmonize its policies, processes and people. The previously stated \$25.0 million in annualized cost synergies will be achieved as expected by the end of 2021 resulting from the integration of Stuart Olson. The Company is also benefitting from revenue synergies as cross-selling opportunities yield results.
- The Company set records for both its Backlog and Pending Backlog at September 30, 2021. During 2021, the Company secured \$1,767.7 million of new contract awards and change orders and executed \$1,622.2 million of construction revenues. The Company's Backlog of \$2,828.0 million at September 30, 2021 increased from Backlog of \$2,682.5 million at December 31, 2020. The Company's Pending Backlog at September 30, 2021 was \$1,787.7 million compared to \$1,635.9 million at December 31, 2020. Growth in both Backlog and Pending Backlog has resumed after remaining relatively flat due to COVID-19 related timing delays in project tenders and awards from clients.
- During the third quarter, Bird extended its Syndicated Credit Facility (the "Credit Facility") by an additional year and expanded the committed Credit Facility to \$235.0 million, consisting of a \$185.0 million committed, revolving credit facility, and a \$50.0 million committed, non-revolving term debt facility. There is also an additional uncommitted accordion for up to \$50.0 million. This Credit Facility replaces the Company's \$165.0 million committed, revolving credit facility and \$35.0 million committed, term debt facility. The Credit Facility matures on September 1, 2024. In addition, Bird changed its agreement with Export Development Canada ("EDC") to provide for an increase in performance security guarantees by \$25.0 million to \$100.0 million for letters of credit issued by financial institutions on behalf of the Company.
- During the third quarter, the Company hosted its inaugural investor day and released details of its new three-year strategic plan which will guide the Company through 2024. Details from the investor day can be found under the "Investors" section on the Company's website. As discussed in the "2022-2024 Strategic Plan" section of Bird's Q3 2021 MD&A, key facets of the new strategic plan include a focus on the further development of Bird's team, strong project execution and the geographic diversification of service offerings.

- In the third quarter of 2021, the Company, through its joint venture with ATCO Structures, reached final completion on the LNG Canada Cedar Valley Lodge design-build project in Kitimat, British Columbia. The facility was built to house workers involved in the construction of LNG Canada's natural gas liquefaction and export facility and is one of the largest accommodation facilities ever built in Canada.
- During the third quarter of 2021, the Company announced that it was awarded the following projects and contracts:
  - The Company has negotiated a construction services contract with the international real estate firm Hines for a mixed-use project in the heart of Toronto, Ontario. The project is a 17-storey mixed-use building that will be constructed by leveraging green building practices with sustainable solutions.
  - Under the Public Private Partnership ("PPP") model, the consortium, Concert-Bird Partners, was awarded a Design, Build, Finance, and Maintain ("DBFM") contract for five Alberta high schools with the Alberta government. The project has a total combined contract value in excess of \$300.0 million and is a part of Alberta's Recovery Plan to create jobs and diversify the economy.
- The Board has declared an eligible dividend of \$0.0325 per common share for each of October 2021, November 2021, December 2021, January 2022 and February 2022.
- Subsequent to quarter end, the Company announced that it was awarded the following projects:
  - The Company has been awarded the first phase of a progressive Design-Build contract with early collaborative contractor involvement for the Ontario Power Generation ("OPG") Clarington Corporate Campus Project. The project is divided into three phases to reflect the design's progressive nature, and ensure the cost estimate, schedule forecast, and project planning are sufficiently advanced before construction. Construction is expected to begin in 2022, with completion in 2024.
  - The Company will participate in three Integrated Project Delivery ("IPD") contracts in Western Canada with a combined value in excess of \$150 million. The contracts include a substantial food and beverage facility expansion project, the Okanagan Indian Band water system upgrade and the North Okanagan Wastewater Recovery Project. These projects will be recorded in pending backlog until purchase orders are issued by the clients for the full value.
  - The Company entered into an Alliance Agreement with the renewable energy company, Noventa Energy Partners, to jointly pursue opportunities for wastewater energy transfer ("WET") projects across Canada, with Bird acting as the exclusive constructor. Currently developing opportunities represent over \$500 million. The Alliance relationship commences with the successful financial close of the recently announced Toronto Western Hospital WET project that is valued at approximately \$42.9 million.

## CONFERENCE CALL AND WEBCAST

Bird will host an investor webcast to discuss the quarterly results on Wednesday, November 10, 2021 at 10:00 a.m. ET, to discuss the Company's results. Analysts and investors may connect to the webcast via URL at <http://services.choruscall.ca/links/bird20211110.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](http://www.sedar.com) and on the Company's website at [www.bird.ca](http://www.bird.ca).

## NON-GAAP MEASURES

*Adjusted Earnings, Adjusted Earnings Per Share, 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 Earnings and Adjusted EBITDA to assess the operating performance of its business. Management believes that investors and analysts use these measures, as they may provide predictive value to assess the ongoing operations of the business and a more consistent comparison between financial reporting periods.*

*Adjusted Earnings and Adjusted EBITDA are reconciled as follows:*

### Adjusted Earnings

(in thousands of Canadian dollars, except per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net income	\$ 12,117	\$ 8,822	\$ 32,866	\$ 15,569
Add: Acquisition and Integration costs	2,260	3,835	6,669	5,111
Add: Restructuring costs <sup>(1)</sup>	-	-	-	-
Income tax effect of the above costs	(556)	(293)	(1,627)	(627)
<b>Adjusted Earnings</b>	<b>\$ 13,821</b>	<b>\$ 12,364</b>	<b>\$ 37,908</b>	<b>\$ 20,053</b>
<b>Adjusted Earnings Per Share <sup>(2)</sup></b>	<b>\$ 0.26</b>	<b>\$ 0.29</b>	<b>\$ 0.71</b>	<b>\$ 0.47</b>

Notes

<sup>(1)</sup> Restructuring costs as defined in accordance with IFRS.

<sup>(2)</sup> Calculated as Adjusted Earnings divided by basic weighted average shares.

### Adjusted EBITDA

(in thousands of Canadian dollars, except percentage amounts)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net income	\$ 12,117	\$ 8,822	\$ 32,866	\$ 15,569
Add: Income tax expense	4,150	4,102	11,148	6,781
Add: Depreciation and amortization	8,965	4,588	24,823	11,743
Add: Finance and other costs	1,720	1,132	5,660	5,775
Less: Finance income	(304)	(242)	(896)	(1,333)
Add: (Gain)/loss on sale of property and equipment	(455)	(201)	(968)	(1,720)
Add: Restructuring costs	132	-	435	-
Add: Restructuring and severance costs	-	-	-	-
Add: Acquisition and integration costs	2,260	3,835	6,669	5,111
<b>Adjusted EBITDA</b>	<b>\$ 28,585</b>	<b>\$ 22,036</b>	<b>\$ 79,737</b>	<b>\$ 41,926</b>
<b>Adjusted EBITDA Margin <sup>(3)</sup></b>	<b>4.6%</b>	<b>6.4%</b>	<b>4.9%</b>	<b>4.4%</b>

Notes:

<sup>(1)</sup> Restructuring costs as defined in accordance with IFRS.

<sup>(2)</sup> Restructuring and severance costs that did not meet the criteria to be classified under restructuring costs as defined in accordance with IFRS.

<sup>(3)</sup> Calculated as Adjusted EBITDA divided by revenue.

*Additional information on these non-GAAP measures is provided in the section "Terminology & Non-GAAP Measures" in Bird's most recently filed Management's Discussion & Analysis for the period ended September 30, 2021, prepared as of November 9, 2021. 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).*

## **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", "intends", "continue", "may", "will", "should" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this news release contains forward-looking statements concerning: the anticipated benefits of the acquisition to Bird, its shareholders, and all other stakeholders, including anticipated synergies; and the plans and strategic priorities of the combined company.*

*In respect of the forward-looking statements concerning the anticipated benefits of the Stuart Olson and Dagmar acquisitions (the "Transactions"), Bird has provided such in reliance on certain assumptions that it believes are reasonable at this time, including in respect of the combined company's services and anticipated synergies, capital efficiencies and cost-savings.*

*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; 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; global pandemics; 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; ability to hire and retain qualified and capable personnel; 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 recent 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, 2020 and most recently filed Management's Discussion and Analysis, 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 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](http://www.bird.ca)**