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BIRD CONSTRUCTION INC. ANNOUNCES 2018 SECOND QUARTER FINANCIAL RESULTS

HIGHLIGHTS:

- During the second quarter of 2018, the Company recorded a net loss of \$5.3 million on construction revenue of \$320.1 million, compared with a net income of \$3.2 million on \$350.3 million of construction revenue respectively in 2017. The year-over-year decline in second quarter net income is reflective of lower volumes recognized in the Company's higher margin self-perform operations in both the industrial operations in western Canada and mining operations in eastern Canada, a result of project delays and a labour strike at one of the Company's primary mining clients. In addition, late in the second quarter, it became apparent one of the Company's offices was experiencing difficulty in the execution of several projects primarily due to design related issues. The Company has recorded provisions to account for the expected increase in construction costs on these projects, has taken steps to mitigate further impacts on results, and is seeking recovery accordingly.
- During the first half of 2018, the Company recorded a net loss of \$11.8 million on construction revenue of \$614.5 million compared with net income of \$1.0 million on \$664.2 million of construction revenue in 2017. In addition to the key drivers in the second quarter noted above, the first quarter of 2018 was negatively impacted by the adoption of IFRS 15, Revenue from Contracts with Customers, that changes the timing of recognition of revenue from change orders and claims, which are variable consideration under IFRS 15. As a result, a significant amount of change orders and claims related to a PPP project that achieved substantial completion during the first quarter of 2018 was constrained to zero. When and if resolved, revenue from the change orders and claims will be recognized at that time.
- In the first half 2018, the Company secured \$668.6 million of new contract awards and change orders and executed \$614.5 million of construction revenues. The net new contract awards through the first half of the year contributed to a Backlog of \$1,240.1 million for the Company at June 30, 2018, an increase of \$54.1 million, or 4.6% from the \$1,186.0 million of Backlog recorded at December 31, 2017.
- Throughout the first half of 2018, the Company was awarded multiple work packages totaling \$72.0 million for seven pump stations on the Enbridge Line 3 project. Work commenced late in the second quarter and is expected to contribute positively to financial results in the second half of 2018 and 2019.
- The Company announced that it has a 50% interest in a construction joint venture that is part of the Hartland Resource Management Group consortium that will design and build the residuals treatment facility for the Capital Regional District ("CRD") in Victoria, BC. The Company also has taken a minority equity interest in the concession responsible for the design, construction, financing, operations and maintenance of the project through Bird Capital, a wholly owned subsidiary.
- In the second quarter, the Company was contracted to build a hotel and conference centre in Iqaluit, Nunavut for the Qikiqtaaluk Corporation. The project will use Stack Modular to supply modular units as part of the hotel.
- Subsequent to the close of the second quarter, the Company announced that it was selected as:

o Preferred proponent for the Ontario Provincial Police (OPP) Modernization Phase 2 project to design, build and finance OPP detachments in nine Ontario communities. Bird will undertake the design and build and will also own the concession responsible for the financing of the project through Bird Capital. In 2012, the Company successfully completed Phase 1 of the modernization program.

o First negotiations proponent as part the CBS JV Corp to execute, under an Integrated Project Delivery (“IPD”) contract model, the construction of the Advanced Nuclear Materials Research Centre (“ANMRC”) for Canadian Nuclear Laboratories (“CNL”) located in Chalk River, Ontario. Bird is part of the joint venture that will lead the construction of the project.

- The Company achieved substantial completion on two Public Private Partnership and alternative finance (“PPP”) projects in the six months ended June 30, 2018:

o East Rail Maintenance Facility - Built on 76 acres, the new facility will provide maintenance, repair and additional storage for the local rail transit system's (GO Transit) planned service expansion. Bird's scope of work included 500,000 sq. ft. of new construction consisting of progressive maintenance bays, coach maintenance shops, locomotive maintenance shops, paint booth, wheel shop, wash bays, fuel storage, a track maintenance building and over 60,000 feet of track, and 54 track switches.

o Moncton Downtown Events Centre - The 8,800 seat, 250,000 sq. ft. facility is the largest project the City of Moncton has procured and completed. The centre will serve as a catalyst for downtown development in the City, will be the host for major sports and entertainment events and the home of the Moncton Wildcats of the QMJHL. The facility also includes an exterior plaza featuring a sunken refrigerated oval skating rink, a stage, seating areas and enhanced landscape features.

- In the first six months of 2018, cash and cash equivalents decreased \$66.7 million net of the effects of foreign exchange to \$66.3 million, from the \$133.1 million balance at the end of 2017. The majority of the decrease in cash and equivalents during the six months ended June 30, 2018 relate to changes in the non-cash net current asset/liability position which can fluctuate significantly in the normal course of business. Cash balances absorb these fluctuations with no net impact to the Company’s net working capital position. In the first half of the year, cash was used for property and equipment additions to support growth in the heavy civil work program. In addition, cash was negatively impacted on a PPP project that achieved substantial completion late in March as commercial issues delayed the flow of funds related to change orders and claims.
- The Board has declared monthly eligible dividends of \$0.0325 per common share for August, September and October 2018.

“Results in the second quarter and for the first half of the year are disappointing, largely driven by project delays across several of our markets and by a strike at a major mining client. Compounding these more market driven challenges are commercial issues on a major project in the first quarter and execution challenges experienced at one of our office locations, primarily due to design issues, which we are addressing”, said Ian Boyd, President & CEO. “With the first half behind us, we have better visibility to stronger financial results ahead as new contract awards expected earlier in the year are now materializing. This coupled with recent industrial awards and a healthy list of larger scale industrial projects in various stages of procurement and approval, provide a clearer line of site to our future work program, one with more balance as our diversification efforts begin to take hold. Overall, we expect to see our earnings ramp up in the second half of 2018 and grow to more satisfactory levels as these new awards get contracted in the coming quarters.”

Financial Results

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

	Three months ended June 30 2018	Three months ended June 30 2017 restated (1)	Six months ended June 30 2018	Six months ended June 30 2017 restated (1)
Construction revenue	\$320,126	\$350,339	\$614,548	\$664,197
Net income (loss)	\$(5,344)	\$3,168	\$(11,752)	\$952
Basic and diluted earnings (loss) per share	\$(0.13)	\$0.07	\$(0.28)	\$0.02
Cash flows from (used in) operations before changes in non-cash working capital	\$(4,397)	\$6,300	\$(8,849)	\$7,196

⁽¹⁾ 2017 reported figures have been restated applying IFRS 15. See note 4 of the notes to the unaudited interim condensed consolidated financial statements.

- During the first half of 2018, the Company recorded a net loss of \$11.8 million on construction revenue of \$614.5 million compared with a net income of \$1.0 million on \$664.2 million of construction revenue in 2017. Construction revenue of \$614.5 million was \$49.6 million or 7.5% lower than the \$664.2 million recorded in first half of 2017. Volume in the second quarter was negatively impacted by several factors in the markets which the Company serves, including a labour strike at one of the Company's primary mining clients in eastern Canada that put active projects on hold until the strike ended late in the second quarter. In addition, delays in mining and industrial projects in both eastern Canada and western Canada, largely impacting self-perform operations, combined with extension of the procurement timelines of several PPP projects, primarily in the Ontario region, has resulted in lower volumes executed in the current quarter. These factors coupled with an industrial work program that had lower backlog entering the year from a historical perspective contributed to a softer first half.
- The year-over-year decrease in cash flows from operations before changes in non-cash working capital from 2017 is primarily the result of the \$11.8 million net loss in 2018 compared to \$1.0 million net income in 2017 and the change in income tax recovery year-over-year of \$4.5 million in 2018 from an income tax expense of \$0.3 million in 2017.

Bird Construction Inc. also announced that its Board of Directors has approved monthly eligible dividends for the months of August 2018, September 2018 and October 2018 in the amount of \$0.0325 per common share to be paid as follows:

- i) The August dividend of \$0.0325 per share will be paid on September 20, 2018, to the shareholders of record as of the close of business on August 31, 2018.
- ii) The September dividend of \$0.0325 per share will be paid on October 19, 2018, to the shareholders of record as of the close of business on September 28, 2018.
- iii) The October dividend of \$0.0325 per share will be paid on November 20, 2018, to the shareholders of record as of the close of business on October 31, 2018.

A conference call for analysts and investors will be held at 10:00 a.m. EDT on Thursday, August 9, 2018, 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 posted at www.bird.ca/Investors/publications.

This press release contains forward-looking statements that involve a number of risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Many factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

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

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