



BIRD CONSTRUCTION INC. **TSX: BDT**

**TD VIRTUAL ENGINEERING &
CONSTRUCTION CONFERENCE**

March 31, 2021



bird



DISCLAIMER



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") and Stuart Olson Inc. ("Stuart Olson") as of the date of this presentation 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 presentation contains forward-looking statements concerning: the anticipated benefits of the acquisition of Stuart Olson (the "Transaction") to Bird and its shareholders, including anticipated synergies; the plans and strategic priorities of the combined company

In respect of the forward-looking statements concerning the anticipated benefits of the Transaction; and expectations and assumptions concerning, among other things: customer demand for 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. 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 Bird and Stuart Olson operate 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 cyclicalities; 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 Transaction; and changes in legislation, including but not limited to tax laws and environmental regulations.

The forward-looking statements in this presentation 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: Stuart Olson's Annual Information Form for the year ended December 31, 2019 and Bird's Annual Information Form for the year ended December 31, 2019, each of which may be accessed on Stuart Olson's and Bird's SEDAR profile, respectively, at www.sedar.com.

The forward-looking statements contained in this presentation are made as of the date hereof and the parties undertake 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.

NON-GAAP MEASURES AND TERMINOLOGY

Throughout this presentation, management uses the following terms which have no standardized meaning prescribed by GAAP and are considered non-GAAP measures. Therefore, these terms may not be comparable with similar terms presented by other companies and require definition:

"Backlog" (also referred to in the construction industry as "work on hand") 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. This includes all contracts that have been awarded to the Company whether the work has commenced or will commence in the normal course. It includes all of the Company's remaining performance obligations in its contracts with its clients. It does not include amounts for variable consideration that are constrained, agency relationship construction management projects, and estimated future work orders to be performed as part of master services agreements.

"Pending Backlog" is 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 are 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 master services agreements. Management does not provide any assurance that a contract will be finalized, or revenue recognized in the future.

Management uses "Adjusted Earnings", "Adjusted Earnings Per Share", "Adjusted EBITDA", "Adjusted EBITDA Margin" and "Operating Cash Flow" to assess the operating performance of its business. Management believes that if investors and analysts use "Adjusted Earnings", Adjusted EBITDA and/or Operating Cash Flow, it may provide predictive value to assess the on-going operations of the business and it provides a more consistent comparison between financial reporting periods.

Management considers these to be important supplemental measures of the Company's performance and management believes these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with capital structures similar to that of the Company. These measures have been described and presented in order to provide potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Readers are encouraged to review the Company's annual and most recent MD&A filed on SEDAR for a full discussion of the use of each measure.

MARKET DATA

Market data and other statistical information used throughout this presentation are based on internal company research, independent industry publications, government publications, reports by market research firms or other published independent sources. Industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. Although the Company believes such information is accurate and reliable, the Company has not independently verified any of the data from third-party sources cited or used for management's industry estimates, nor has the Company ascertained the underlying economic assumptions relied upon therein. While the Company believes internal company estimates are reliable, such estimates have not been verified by any independent sources, and the Company does not make any representations as to the accuracy of such estimates. Statements as to our position relative to our competitors or as to market share refer to the most recent available data.

CURRENCY

Unless otherwise indicated, all currency in this presentation is presented in Canadian dollars.

EMPLOYEE HEALTH AND SAFETY

- Pandemic response plan and a **rigorous COVID-19 health and safety program** in place.
- Best practices in place for managers and site teams: self-assessment tools, enhanced cleaning protocols and hygiene measures, physical distancing practices, new COVID-19 measure audits, and additional personal protective equipment requirements.
- **Online COVID-19 information centres** and remote work practices facilitated by information technology.

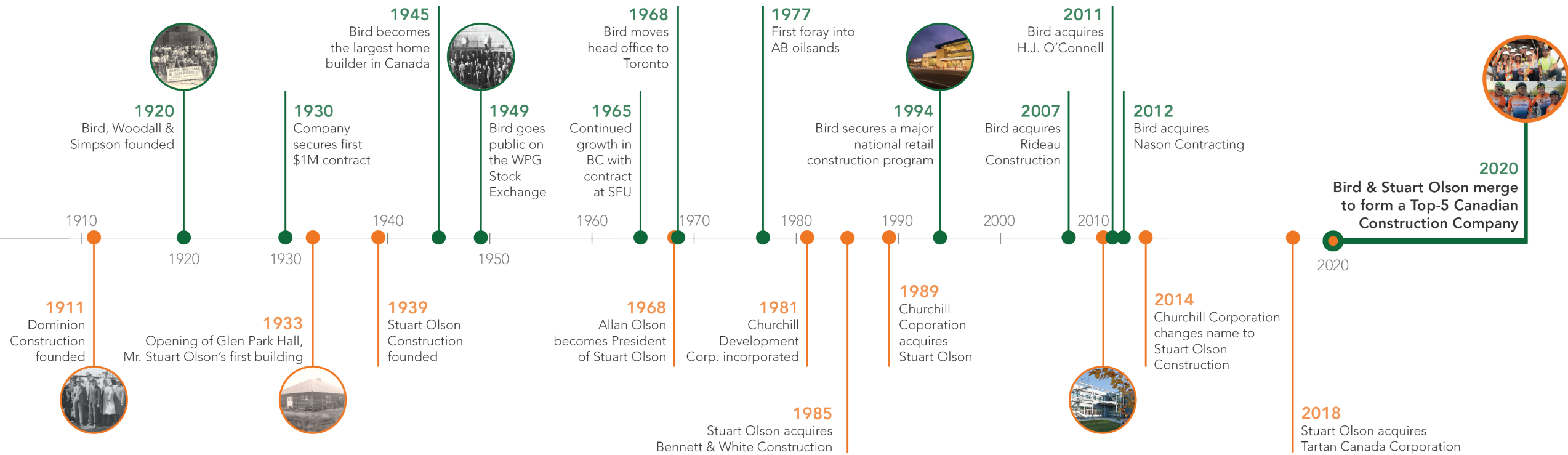
FINANCIAL IMPACT

- Bird experienced **delays in project conversions** from Pending Backlog to Backlog, as well as in project tenders and awards, which negatively impacted 2020 revenue by ~\$175M, with continuing impacts into 2021.
- The Company has experienced **temporary or partial shutdowns** in Q1 2021 in BC due to Public Health protocols. Projects in Atlantic Canada and Manitoba continued to be delayed.
- These delays will have a **negative impact on first half 2021 revenues and profitability** as active projects are impacted and customers defer decisions as the pandemic persists.
- Management does not anticipate to qualify for CEWS to the same level in 2021 as 2020, which will exert downward pressure on profitability margin year-over-year, as the Company expects to maintain its workforce.

FLEXIBLE COST STRUCTURE AND STRONG BALANCE SHEET

- Proactive management and measures to optimize and create a **flexible cost structure**.
- Maintained a **strong balance sheet and strong liquidity position** throughout the pandemic.
- Reduced discretionary spending and deferred capital expenditures.

OVER 100 YEARS BUILDING CANADA



DIVERSE EXPERTISE

**Delivering solutions
from coast-to-coast,
serving a broad scope
of end-markets.**

Comprehensive range of construction services from new construction for industrial, commercial, and institutional markets; to industrial maintenance, repair and operations services, heavy civil construction, and contract surface mining; as well as vertical infrastructure including, electrical, mechanical, and specialty trades.



BUILDINGS



LIGHT INDUSTRIAL



**NATURAL
RESOURCES**



MODULAR



POWER



TRANSPORTATION



ENVIRONMENTAL



UTILITIES



**INDUSTRIAL
MAINTENANCE**

FULL-SUITE SERVICE OFFERING

DIVERSIFIED REVENUE STREAMS



Reflecting its broad scope, Bird's clients include leading firms in the energy, mining, commercial, institutional, retail, multi-tenant residential, industrial, water and wastewater, renewables, nuclear, and civil sectors. **Bird generates consistent diversified revenue streams** through its enhanced service offerings across a multitude of markets and industries.

TRANSFORMATIONAL ACQUISITION

\$95.7M

TOTAL
CONSIDERATION

\$1B

BACKLOG

+\$600M

PENDING
BACKLOG

+\$900M

REVENUE



110+ YRS IN CANADA
3,000 EMPLOYEES



INDUSTRY SAFETY
LEADER



GREATER
DIVERSIFICATION



TOP EMPLOYER
IN ALBERTA

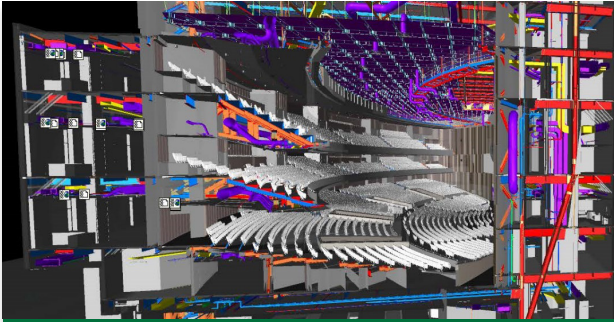


COMMUNITY
FOCUSED



ENHANCED SERVICE
OFFERINGS

LEVERAGING INNOVATION & TECHNOLOGY



BUILDING INFORMATION MODELLING AND VIRTUAL DESIGN & CONSTRUCTION

Utilizing integrated multi-disciplinary performance models such as BIM/VDC to mitigate risk, enhance processes, and support the bottom line of our business, and our clients.



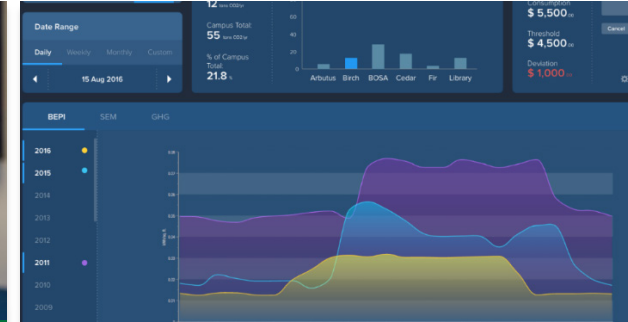
MAINTENANCE, REPAIR, AND OPERATION MANAGEMENT

Multi-year maintenance and turnaround contracts supporting major oil & gas clients through bundled service offerings, facility maintenance, and predictive technologies.



LEVERAGING INNOVATIVE SOLUTIONS

Leveraging a variety of tools from virtual reality, drones, infrared scanning, and automated project software to strengthen our service offerings and save our clients time and money.



SMART BUILDING PERFORMANCE TECHNOLOGY

Lifecycle building performance services through optimization, and integrated technologies from the planning stages, through to commissioning, and post-warranty.

STACK MODULAR

Turnkey solution bridging the gap between site and modular construction. Structural steel modular buildings up to 40-storeys for multi-family, hospitality, senior (long-term care) and student housing, and resource clients.

RAPID DELIVERY ACROSS CANADA & THE USA

OPPORTUNITIES MARKET POISED FOR GROWTH

SCHEDULE AND COST CERTAINTY & PREDICTABILITY

GREEN REDUCED WASTE AND HIGH ENERGY EFFICIENCY PRODUCT



MASS TIMBER

Bird is a North American leader in wood construction with unmatched expertise, experience, and supply chain knowledge.

>\$1.27B COMPLETED OR UNDER CONSTRUCTION

>\$234M PRECONSTRUCTION

>\$1.02B OPPORTUNITIES ACROSS CANADA



BRINGING VALUE TO COMMUNITIES



ENVIRONMENTAL STEWARDSHIP

- LEED certified projects and professionals
- First Zero Carbon Certification project in Canada
- Leader in Mass Timber – renewable and captures carbon
- Waste diversion programs
- Project specific mitigation plans for air emissions, water, soil, and waste

>200 LEED Certified Projects
26⁽¹⁾ Mass Timber projects completed or underway



SOCIAL RESPONSIBILITY

- Support for health care foundations, food and clothing banks, community events, and youth initiatives
- National scholarships program
- Strong national Indigenous relations
- Mandatory Indigenous Cultural Awareness Training Program
- Recent re-certification of Bronze-level PAR certified and an inaugural member of the Aboriginal Procurement Champions Group

Progressive Aboriginal
RELATIONS

Canadian Council for
Aboriginal Business 



CORPORATE GOVERNANCE

- A strong culture of ethical conduct
- Recognition of the benefits of promoting Board diversity
- Whistleblower Policy
- Regular in-camera meetings, without officers and management present
- Regular performance evaluations

90% Independent Board Members
20% of Bird's Directors are women
>82%⁽²⁾ of Employees are Shareholders

Inaugural Sustainability Report Released in 2020 Annual Report on Tuesday, March 30, 2021

(1) Mass Timber Includes 15 completed and 5 underway by Bird, 6 completed by Stuart Olson

(2) Percentage of employee shareholders figure is pre-Stuart Olson acquisition



NEW CONTRACT AWARDS



CONCRETE FOUNDATIONS AND PAVING AT LNG FACILITY



ERIC HAMBER SCHOOL \$92M



YORK UNIVERSITY



NANAIMO CORRECTIONAL \$154M



MARKDALE HOSPITAL¹



CORRECTIONAL EXPANSIONS¹



185 ENFIELD PLACE \$107M



MRO CONTRACT \$550M+

(1) Awards subsequent to year-end

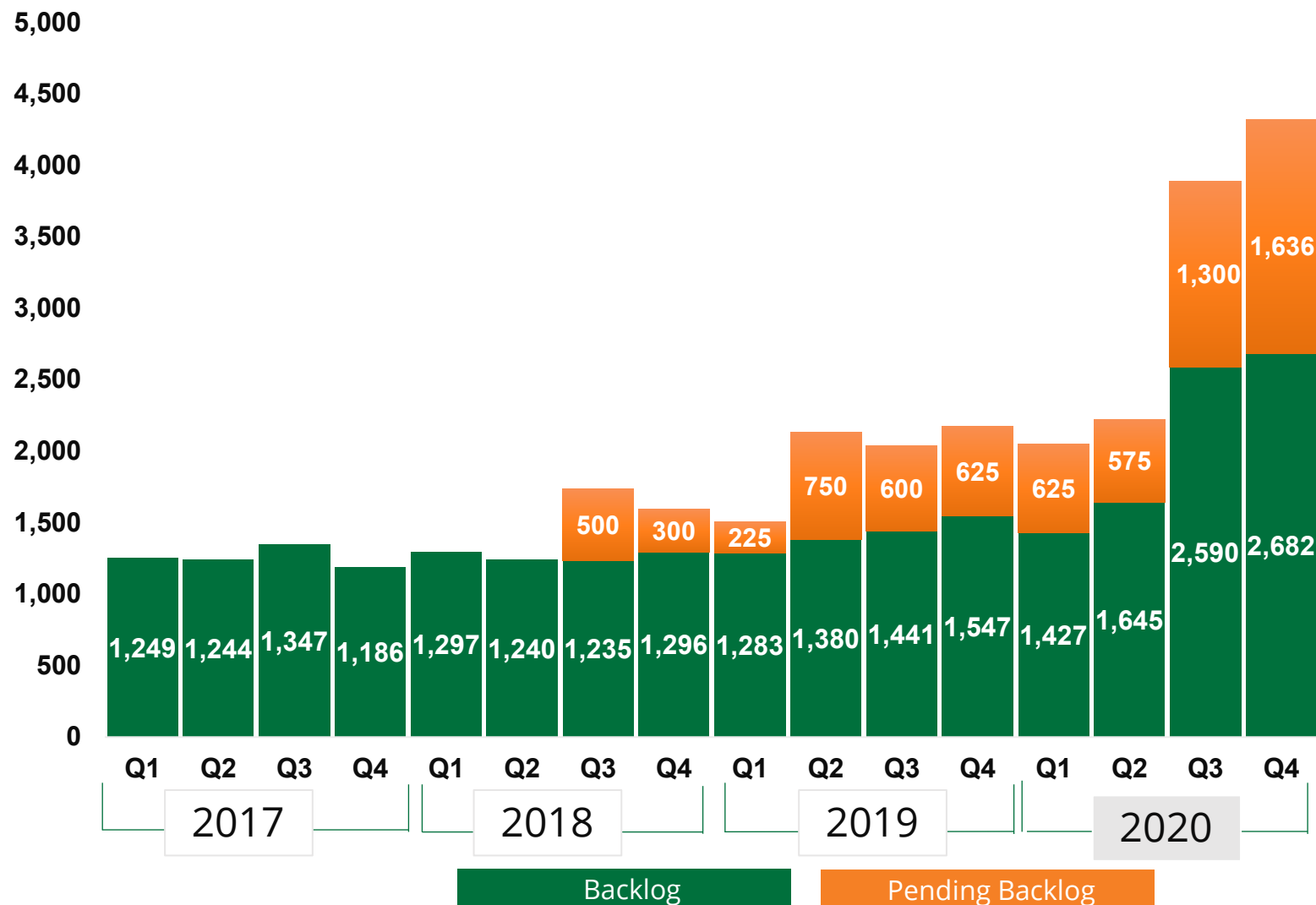
STRONG BACKLOG & PENDING BACKLOG¹

in millions of Canadian dollars

59% of Backlog expected to convert into Revenue over the next 12 months

DECEMBER 31, 2020

- Year-end Backlog was approx. **\$2.7B**
- Year-end Pending Backlog was **\$1.6B**
- Backlog **increase of 73.4%** year-over-year
- Increase primarily due to the acquisition of Stuart Olson which **added \$996 million** to Backlog at acquisition date
- Pending Backlog now includes a greater proportion MSA contracts. These contracts represent a **recurring revenue stream over the next one to six years**

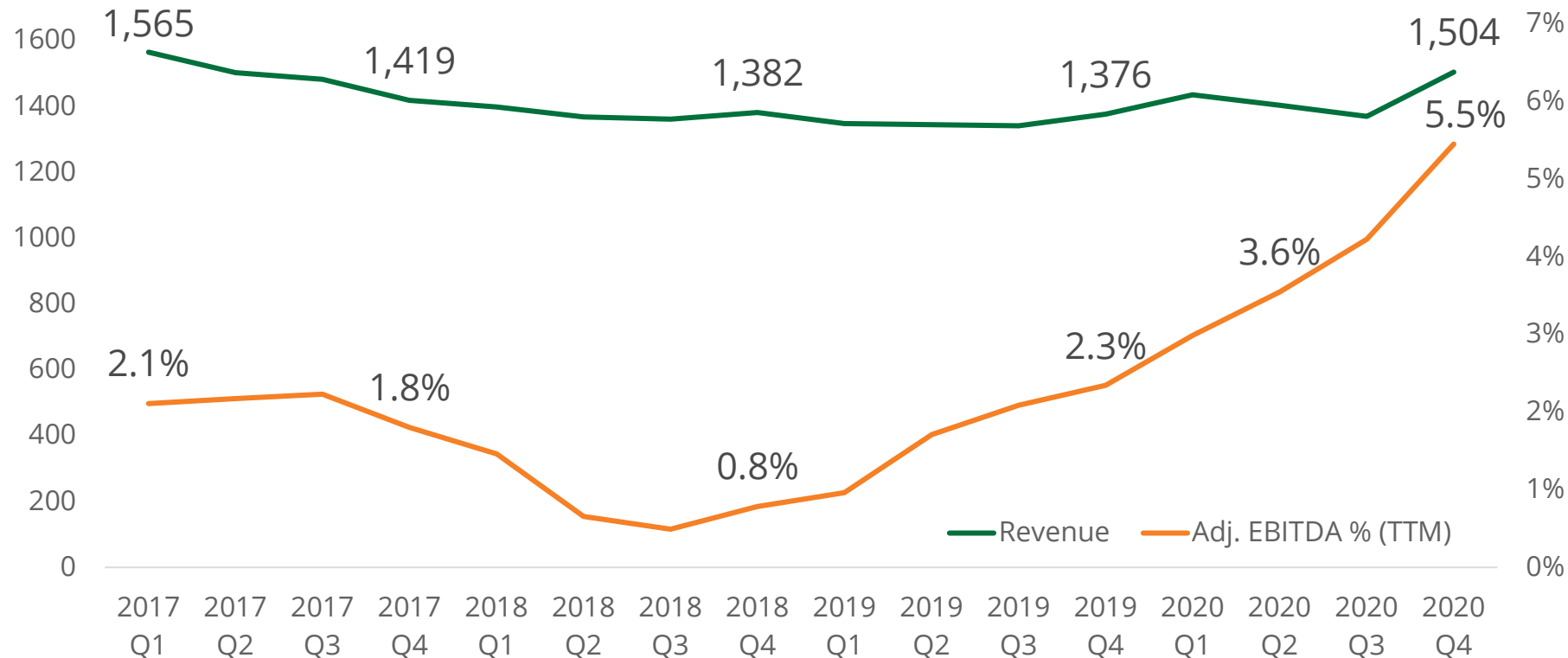


(1) Please see Terminology slide for description of Pending Backlog

INCREASING ADJUSTED EBITDA MARGIN

in millions of Canadian dollars

TRAILING TWELVE MONTH (TTM) ADJUSTED EBITDA



2020 Q4

4.2%

TTM ADJUSTED
EBITDA Q4 2020

9

SEQUENTIAL QUARTERS
OF IMPROVING TTM
ADJUSTED EBITDA %

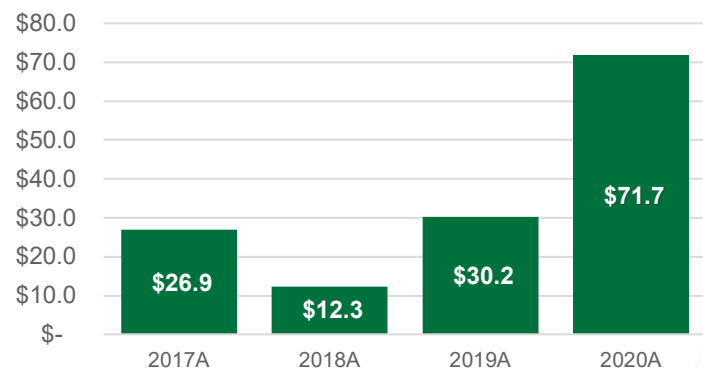


ADJUSTED EBITDA
INCREASING

Adjusted EBITDA and Adjusted EBITDA % are non-GAAP measures.
"Adjusted EBITDA" represents earnings (loss) before taxes, interest, depreciation and amortization, finance and other costs, finance income, impairment of property and equipment, impairment of goodwill and intangible assets, loss or gain on sale of property and equipment, restructuring costs outside of normal course, and acquisition-related costs and integration costs.

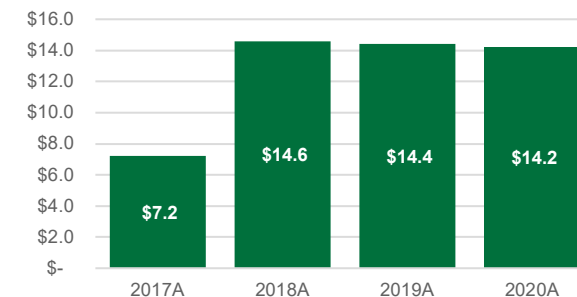
BALANCED CAPITAL ALLOCATION PRIORITIES

OPERATING CASHFLOW ⁽¹⁾

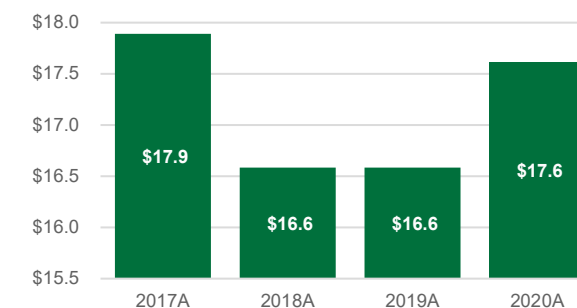


CAPEX ⁽²⁾

in millions of Canadian dollars



DIVIDENDS



MERGER & ACQUISITION OPPORTUNITIES

stuartolson



LONG-TERM DEBT REPAYMENT

Repay all or a portion of the \$25M drawn on the revolving committed syndicated facility

(1) Operating cash flow - Refer to the consolidated statement of cash flows – “Cash flows from operations before changes in non-cash working capital”. (2) Includes additions of computer software purchases classified as intangible assets

WHY INVEST IN BIRD

Maintaining A Strong Balance Sheet With Significant Financial Flexibility

A Leading Canadian Construction Company

Delivering Long-term Shareholder Value

Diversified National Presence

Diversifying Book Of Business And Increasing Recurring Revenue Streams

Maintaining Backlog Risk Profile Within Acceptable Parameters

Proven Track Record Of Growth Through Accretive M&A

Key Focus On Overall Pro Forma Margin Improvement Upon Full Integration Of Stuart Olson

The BIRD logo is centered in the middle of the slide. It consists of the word "bird" in a white, lowercase, sans-serif font, with a stylized white bird icon above the letter 'i'. The logo is set against a dark green square background.



QUESTIONS



bird