



COMPANY: **BIRD CONSTRUCTION INC.**
LISTING: TORONTO STOCK EXCHANGE
CITY: MISSISSAUGA
SYMBOL: **BDT**
DATE: May 14, 2024
SUBJECT: **BIRD CONSTRUCTION INC. ANNOUNCES 2024 FIRST QUARTER FINANCIAL RESULTS**

“Bird continues to deliver strong results, with 28% year over year revenue growth and margin accretion setting the stage for significant further improvements in earnings and cash flow for full-year 2024 over 2023. The Company’s combined backlog of contracted and awarded work continues to grow with favourable embedded margins, and the accretive acquisition of NorCan Electric in January added new specialized self-perform capabilities and recurring revenue to Bird’s already extensive resume,” stated Teri McKibbon, President and CEO of Bird Construction. “The Company’s strategic focus on being a leading collaborative construction company continues to drive growth and better outcomes for all parties, and the strength of our balance sheet positions us to invest in profitable organic growth and pursue attractive acquisitions in today’s active market.”

FINANCIAL HIGHLIGHTS

Building on strong momentum from 2023, Bird achieved impressive year over year growth in earnings and revenue in the first quarter. With record volumes of contracted and awarded work available to execute in the Company’s Backlog and Pending Backlog, full year expectations for revenue growth were bolstered by favourable weather in the quarter that reduced seasonal down time and allowed work to commence earlier than estimated on certain projects. Bird’s highly valued team continues to deliver on clients’ expectations safely, reinforcing the Company’s reputation for collaborative delivery of sophisticated, complex projects. The Company’s balance sheet remains healthy and structured for flexibility to strategically pursue attractive acquisitions in the current active M&A environment. Bird is well positioned to continue to capitalize on significant demand across market sectors, supported by macro trends in critical areas that are aligned to longer-term development and investment cycles such as infrastructure requirements driven by urbanization and population growth, growing power and electrification demands, and the energy transition, together upholding the positive outlook through 2024 and beyond.

First Quarter 2024 compared to First Quarter 2023

- Construction revenue of \$688.2 million earned in the quarter compared to \$536.5 million earned in the prior year quarter, representing a 28.3% increase year-over-year.
- Net income and earnings per share were \$10.0 million and \$0.19 in Q1 2024, compared to \$5.1 million and \$0.10 in Q1 2023, representing increases of 94%.
- Adjusted Earnings¹ and Adjusted Earnings Per Share were \$10.6 million and \$0.20 in Q1 2024, compared to \$5.3 million and \$0.10 in Q1 2023, representing increases of 101%.
- Adjusted EBITDA¹ of \$24.2 million, or 3.5% of revenues, compared to \$16.1 million, or 3.0% of revenues in Q1 2023, representing an increase of 50.4%. Adjusted EBITDA Margin for Q1 2024 was impacted by \$3.9 million additional share-based compensation costs driven by significant appreciation of Bird’s common share price and total shareholder return during the quarter.

¹ This News Release contains terminology and financial measures that do not have standard meanings under IFRS and may not be comparable with similar measures presented by other companies. Further information regarding these measures can be found in the “Terminology and Non-GAAP & Other Financial Measures” section of this News Release.

Financial Results

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

	Three months ended March 31,	
	2024	2023
Construction revenue	\$ 688,200	\$ 536,459
Net income	9,984	5,149
Basic and diluted earnings per share	0.19	0.10
Adjusted Earnings Per Share	0.20	0.10
Adjusted EBITDA ¹	24,184	16,082
Cash flows from operations before changes in non-cash working capital	\$ 31,188	\$ 17,628

⁽¹⁾ Adjusted EBITDA is a non-GAAP financial measure. See “Terminology and Non-GAAP & Other Financial Measures.”

HIGHLIGHTS

- Bird continued to deliver significant revenue growth in the first quarter of 2024, with over 90% of the 28.3% growth from organic sources. Year over year revenue growth also benefited from NorCan, acquired on January 18, 2024, and a full quarter of contributions from Trinity, acquired in February 2023.
- The Company's margin profiles in the first quarter of 2024 continued to improve compared to the prior year, with Gross Profit Percentage increasing to 8.0% compared to 7.4%, and Adjusted EBITDA Margin increasing to 3.5% from 3.0%.
- Bird added \$697.7 million in securements to its Backlog in the first quarter, maintaining record Backlog levels of \$3.5 billion at March 31, 2024. Pending Backlog of work awarded but not yet contracted remains at a healthy \$3.4 billion at quarter end, and continues to include almost \$1.0 billion of MSA and other recurring revenue to be earned over the next six years.
- The Company's liquidity position remains strong at March 31, 2024, with \$133.6 million of cash and cash equivalents, and an additional \$205.5 million available under the Company's Syndicated Credit Facility, to support ongoing investments in growth-related working capital, project-driven capital expenditures, and potential tuck-in acquisitions to further diversify service offerings and self-perform capabilities.
- During the first quarter of 2024, the Company announced that it had, as part of a 50/50 joint venture, entered into an Alliance Development Agreement to work collaboratively with Metrolinx to deliver the East Harbour Transit Hub, one of the first major projects in Canada to be procured using an ‘alliance’ model.
- In January 2024, the Company announced that it had acquired the assets of NorCan Electric Inc. (“NorCan”) for total consideration of \$11 million. NorCan is a leading electrical and instrumentation contractor providing maintenance turnaround and sustaining capital services in the Regional Municipality of Wood Buffalo in Alberta. During their 25 years of service in the region, they have developed deep, long-term relationships based on their strong service delivery and safety program. Since 2018, NorCan has operated through an Indigenous partnership, the NorCan/Infinity Limited Partnership, with Infinity Métis Corporation.
- The Board has declared eligible dividends of \$0.0467 per common share for each of May 2024, June 2024 and July 2024.

CONFERENCE CALL AND WEBCAST

Bird will host an investor webcast to discuss the quarterly results on Wednesday, May 15, 2024 at 10:00 a.m. ET, to discuss the Company's results. Analysts and investors may connect to the webcast at <https://services.choruscall.ca/links/bird2024Q1.html>. They may also dial **1-844-763-8274** 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.sedarplus.ca and on the Company's website at www.bird.ca.

TERMINOLOGY AND NON-GAAP & OTHER FINANCIAL MEASURES

Throughout this News Release, certain terminology and financial measures are used 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 March 31, 2024, prepared as of May 14, 2024. This document is available on Bird's SEDAR+ profile, at www.sedarplus.ca and on the Company's website at www.bird.ca.

"Backlog" 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. The Company's Backlog equates to the Company's remaining performance obligations as at March 31, 2024 and December 31, 2023.

"Adjusted Earnings" and "Adjusted EBITDA" are non-GAAP financial measures. "Adjusted Earnings Per Share" and "Adjusted EBITDA margin" are non-GAAP financial ratios. "Pending Backlog" is a supplementary financial measure.

Adjusted Earnings and Adjusted EBITDA are reconciled as follows:

Adjusted Earnings:

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

	Three months ended March 31,	
	2024	2023
Net income	\$ 9,984	\$ 5,149
Add: Acquisition and integration costs	784	162
Add: Impairment of assets	—	—
Deduct: Gain on settlement of trade receivable	—	—
Income tax effect of the above costs	(192)	(39)
Adjusted Earnings	\$ 10,576	\$ 5,272
Adjusted Earnings Per Share ⁽¹⁾	\$ 0.20	\$ 0.10

⁽¹⁾ Calculated as Adjusted Earnings divided by basic weighted average shares outstanding.

Adjusted EBITDA:

(in thousands of Canadian dollars, except percentage amounts)

	Three months ended March 31,	
	2024	2023
Net income	\$ 9,984	\$ 5,149
Add: Income tax expense	3,354	1,584
Add: Depreciation and amortization	9,334	7,835
Add: Finance and other costs	3,388	2,792
Less: Finance and other income	(1,679)	(1,171)
Add: (Gain)/loss on sale of property and equipment	(981)	(269)
Add: Acquisition and integration costs	784	162
Add: Impairment of assets	—	—
Adjusted EBITDA	\$ 24,184	\$ 16,082
Adjusted EBITDA Margin ⁽¹⁾	3.5 %	3.0 %

⁽¹⁾ Calculated as Adjusted EBITDA divided by revenue.

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", "intend", "continue", "may", "will", "should" and similar expressions are intended to identify forward-looking statements and information. More particularly and without limitation, this news release contains forward-looking statements concerning: anticipated financial performance; the outlook for 2024; expectations for Adjusted EBITDA Margins in 2024 and beyond; dividend rates, their sustainability, and expected dividend payout ratios; expectations with respect to anticipated revenue growth and seasonality, growth in earnings, cash flow, earnings per share and adjusted EBITDA in 2024 and beyond, and margin improvements; the ability of the Company to further leverage its cost structure; the Company's ability to capitalize on opportunities and grow profitably; the robustness of near to medium term demand in core markets; the sufficiency of working capital and liquidity to support growth and finance future capital expenditures; and with respect to Bird's ability to convert Pending Backlog to Backlog and the timing of conversions.

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: the ability to hire and retain qualified and capable personnel, maintaining safe work sites, economy and cyclicalities, ability to secure work, performance of subcontractors, accuracy of cost to complete estimates, estimating costs and schedules/assessing contract risks, adjustments and cancellations of Backlog, global pandemics, joint venture risk, information systems and cyber-security risk, litigation/potential litigation, work stoppages, strikes and lockouts, acquisition and integration risk, competitive factors, potential for non-payment, climate change risks and opportunities, access to capital, quality assurance and quality control, design risks, insurance risk, access to surety support and other contract security, completion and performance guarantees, ethics and reputational risk, compliance with environmental laws, and internal and disclosure controls.

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, 2023, each of which may be accessed on Bird's SEDAR+ profile, at www.sedarplus.ca and on the Company's website at 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 and maintenance company operating from coast-to-coast-to-coast. Servicing all of Canada's major markets through a collaborative, safety-first approach, Bird provides a comprehensive range of construction services, self-perform capabilities, and innovative solutions to the industrial, buildings, and infrastructure markets. 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