



COMPANY: **BIRD CONSTRUCTION INC.**  
LISTING: TORONTO STOCK EXCHANGE  
CITY: MISSISSAUGA  
SYMBOL: **BDT**  
DATE: November 7, 2023  
SUBJECT: **BIRD CONSTRUCTION INC. ANNOUNCES STRONGER THAN EXPECTED 2023 THIRD QUARTER FINANCIAL RESULTS**

“Positive momentum continues to build with solid execution of our strategy as the Company delivered another quarter of double-digit revenue growth and margin accretion, setting the stage for a strong finish to 2023 and a foundation for even stronger performance in 2024. Almost \$800 million of work was put in place in the quarter while our combined backlog grew by \$40 million, up almost 20% year to date, and EBITDA margins rose above six percent,” stated Teri McKibbon, President and CEO of Bird Construction. “Bird is positioned as a leading collaborative construction and maintenance company focused on the industrial, institutional and infrastructure markets. We remain disciplined in our approach to project selection and in improving our margin profile so that we can continue to drive further improvement in the Company’s results through 2024.”

## **FINANCIAL HIGHLIGHTS**

Strong first-half business momentum continued into the third quarter with the Company delivering considerable organic revenue growth of approximately 16% in the quarter and year to date, coupled with sustained margin accretion. Bird’s improving gross profit and notable 35% increase in Adjusted EBITDA for the first nine months of 2023 is a result of strategic positioning over the past few years. The Company is experiencing significant growth across virtually all markets with both public and private clients, notably in our institutional buildings, our infrastructure platform catalyzed by the Dagmar acquisition in 2021, and our industrial construction and services highlighted by a decade-high mining backlog and growing presence in Canada’s nuclear sector. Visibility into future performance is provided by the Company’s risk-balanced, highly collaborative Backlog and Pending Backlog, characterized by enhanced margins and significant multi-year recurring revenue from Master Service Agreements (“MSA”).

### ***Third Quarter 2023 compared to Third Quarter 2022***

- Construction revenue of \$783.8 million compared to \$668.2 million, representing a 17.3% increase year-over-year.
- Net income and earnings per share were \$28.8 million and \$0.54, respectively, compared to \$14.5 million and \$0.27 in Q3 2022.
- Adjusted Earnings<sup>1</sup> and Adjusted Earnings Per Share<sup>1</sup> were \$29.0 million and \$0.54, respectively, compared to \$15.5 million and \$0.29 in Q3 2022.
- Adjusted EBITDA<sup>1</sup> of \$49.3 million, or 6.3% of revenues, compared to \$31.2 million, or 4.7% of revenues in Q3 2022.

### ***Year-to-date 2023 compared to Year-to-date 2022***

- Construction revenue of \$2,006.7 million was earned in the first nine months of 2023, compared to \$1,720.4 million in 2022, representing a 16.6% increase year-over-year.
- Net income and earnings per share for the first nine months of the year were \$47.7 million and \$0.89, respectively, compared to \$34.9 million and \$0.65 in 2022.
- Adjusted Earnings<sup>1</sup> and Adjusted Earnings Per Share were \$49.9 million and \$0.93 year-to-date in 2023, respectively, compared to \$30.5 million and \$0.57 in the prior year.
- Adjusted EBITDA<sup>1</sup> for the first nine months of 2023 was \$94.9 million, or 4.7% of revenues, compared to \$70.5 million, or 4.1% of revenues in 2022.

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<sup>1</sup> 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 September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Construction revenue	\$ 783,843	\$ 668,156	\$ 2,006,717	\$ 1,720,365
Net income	28,795	14,466	47,658	34,931
Basic and diluted earnings per share	0.54	0.27	0.89	0.65
Adjusted Earnings Per Share	0.54	0.29	0.93	0.57
Adjusted EBITDA <sup>1</sup>	49,342	31,203	94,881	70,546
Cash flows from operations before changes in non-cash working capital	\$ 50,395	\$ 32,444	\$ 96,854	\$ 80,905

<sup>(1)</sup> Adjusted EBITDA is a non-GAAP financial measure. See "Terminology and Non-GAAP & Other Financial Measures."

## HIGHLIGHTS

- Bird achieved significant revenue growth of 17.3% in the third quarter of 2023, delivering revenues of \$783.8 million driven predominantly by organic growth, with additional contributions from Trinity, acquired on February 1, 2023.
- The Company's margin profiles in the third quarter of 2023 continued to improve, with Gross Profit Percentage increasing to 9.3% compared to 8.8% in the prior year, and Adjusted EBITDA Margin increasing to 6.3% from 4.7%.
- Bird maintained a strong Backlog and Pending Backlog at September 30, 2023, adding \$612.1 million in securements to Backlog (\$2.2 billion year-to-date) and \$211.8 million to Pending Backlog (\$825.2 million year-to-date) during the quarter. Pending Backlog continues to include approximately \$1.1 billion of MSA and other recurring revenue to be earned over the next seven years.
- Bird maintains a strong liquidity position at September 30, 2023, recording positive operating cashflows for the quarter while continuing to fund the working capital required to support the significant growth in the Company's work program. At the end of the third quarter, Bird had \$104.1 million of cash and cash equivalents and an additional \$157.0 million available under the Company's Syndicated Credit Facility.
- During the third quarter of 2023, the Company announced that it was awarded the following projects and contracts:
  - Bird was awarded multiple contracts for industrial and civil work in the energy and mining sectors valued at approximately \$180 million, including a contract for civil and concrete scopes to support processing infrastructure development at the Blackwater Mine project in central British Columbia, two contracts for rehabilitation work on hydroelectric power-related structures in northeastern Ontario, and a contract for final site earthworks, grading and asphalt paving at an existing project site in northwestern British Columbia.
  - Bird was selected as the preferred proponent for the Southern Alberta Institute of Technology's (SAIT) Campus Centre Redevelopment Project, the Victor Philip Dahdaleh Hall project at St. Francis Xavier University, and two long-term care facilities in Nova Scotia. The combined value of the contracts is over \$350 million.
  - Bird was awarded two new contracts at the ArcelorMittal Mont-Wright Mine in Quebec, and an award for the 2Nations Bird joint venture for Fine Tailings works on BHP's Jansen Stage 1 Potash Project in Saskatchewan. The combined value of the awards was over \$110 million.
  - Bird was selected as construction manager for the Vancouver Community College Centre for Clean Energy and Automotive Innovation and the University of Victoria Engineering Expansion Project. The combined value of the contracts was approximately \$280 million.
  - Bird was awarded an additional task order under the previously announced Port Hope Area Initiative Master Construction Contract by Canadian Nuclear Laboratories, and awarded a multi-year contract for civil works on sites in the Heartland Region of Alberta by an undisclosed client. The combined value of the awards is approximately \$100 million, to be executed over the next three years.

- Subsequent to the quarter end, the Company announced that it was awarded the following projects and contracts:
  - Bird, as part of a 50/50 general partnership, entered into an agreement for early works at a new LNG project in Western Canada. Bird's portion of the limited notice to proceed contracts exceeds \$150 million.
- The Board has declared eligible dividends of \$0.0358 per common share for each of November 2023, December 2023, January 2024 and February 2024.

## CONFERENCE CALL AND WEBCAST

Bird will host an investor webcast to discuss the quarterly results on Wednesday, November 8, 2023 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/bird2023Q3.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.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.bird.ca](http://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 September 30, 2023, prepared as of November 7, 2023. This document is available on Bird's SEDAR+ profile, at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.bird.ca](http://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 September 30, 2023 and December 31, 2022.*

*"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:

<i>(in thousands of Canadian dollars, except per share amounts)</i>	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net income	\$ 28,795	\$ 14,466	\$ 47,658	\$ 34,931
Add: Acquisition and integration costs	248	1,362	1,571	1,759
Add: Impairment of assets	—	—	1,430	—
Deduct: Gain on settlement of trade receivable	—	—	—	(7,596)
Income tax effect of the above costs	(60)	(326)	(724)	1,445
<b>Adjusted Earnings</b>	<b>\$ 28,983</b>	<b>\$ 15,502</b>	<b>\$ 49,935</b>	<b>\$ 30,539</b>
<b>Adjusted Earnings Per Share <sup>(1)</sup></b>	<b>\$ 0.54</b>	<b>\$ 0.29</b>	<b>\$ 0.93</b>	<b>\$ 0.57</b>

<sup>(1)</sup> Calculated as Adjusted Earnings divided by basic weighted average shares outstanding.

## Adjusted EBITDA:

<i>(in thousands of Canadian dollars, except percentage amounts)</i>	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net income	\$ 28,795	\$ 14,466	\$ 47,658	\$ 34,931
Add: Income tax expense	8,636	4,748	14,307	11,863
Add: Depreciation and amortization	9,786	9,593	25,733	27,641
Add: Finance and other costs	2,932	2,793	8,911	6,885
Less: Finance and other income	(1,323)	(182)	(4,010)	(9,437)
Add: (Gain)/loss on sale of property and equipment	268	(1,577)	(719)	(3,096)
Add: Acquisition and integration costs	248	1,362	1,571	1,759
Add: Impairment of assets	—	—	1,430	—
<b>Adjusted EBITDA</b>	<b>\$ 49,342</b>	<b>\$ 31,203</b>	<b>\$ 94,881</b>	<b>\$ 70,546</b>
<b>Adjusted EBITDA Margin <sup>(1)</sup></b>	<b>6.3 %</b>	<b>4.7 %</b>	<b>4.7 %</b>	<b>4.1 %</b>

<sup>(1)</sup> 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 future performance of acquired entities; the outlook for 2023; expectations with respect to anticipated revenue growth, growth in earnings per share and adjusted EBITDA in 2023 and beyond, and margin improvements; the Company's ability to capitalize on opportunities and grow profitably; the demand for the Company's modular business; the sufficiency of working capital; 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, global pandemics, performance of subcontractors, accuracy of cost to complete estimates, estimating costs and schedules/assessing contract risks, adjustments and cancellations of Backlog, work stoppages, strikes and lockouts, acquisition and integration risk, potential for non-payment, litigation/potential litigation, design risks, information systems and cyber-security risk, competitive factors, completion and performance guarantees, access to capital, quality assurance and quality control, access to surety support and other contract security, insurance risk, climate change risk, joint venture risk, ethics and reputational risk, compliance with environmental laws, internal and disclosure controls, and payment of dividends.*

*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, 2022, each of which may be accessed on Bird's SEDAR+ profile, at [www.sedarplus.ca](http://www.sedarplus.ca) 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, infrastructure and institutional 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)**