



COMPANY: BIRD CONSTRUCTION INC.
LISTING: TORONTO STOCK EXCHANGE
SYMBOL: BDT
LOCATION: MISSISSAUGA, ON
DATE: May 7, 2019
SUBJECT: BIRD CONSTRUCTION INC. ANNOUNCES 2019 FIRST QUARTER FINANCIAL RESULTS

HIGHLIGHTS:

- During the first quarter of 2019, the Company recorded a net loss of \$6.5 million on construction revenue of \$261.8 million, compared with net loss of \$6.4 million on \$294.4 million of construction revenue respectively in 2018. Volume and gross profit were negatively impacted in first quarter year-over-year in part due to harsher than expected winter conditions experienced in central Canada that impacted productivity and resulted in some of the work program commencing later than initially planned.
- The first quarter results were also impacted by a Public Private Partnership (“PPP”) project that incurred additional cost due to design related scope growth and acceleration expense to meet the scheduled substantial completion date. There were substantial changes to the scope of the project requested by the client that are currently under commercial negotiation. The project is being executed by an office that was previously disclosed as having performance issues that has now been restructured.
- Adjusted EBITDA, which excludes \$1.9 million of severance costs partially attributable to the restructuring of an underperforming office, was a \$3.1 million loss in the first quarter of 2019 compared to a \$5.2 million loss in 2018.
- In 2019, the Company secured \$248.9 million of new contract awards and change orders and executed \$261.8 million of construction revenues. The new contract awards in the first quarter contributed to a Backlog of \$1,283.1 million for the Company at March 31, 2019, essentially stable from Backlog recorded at December 31, 2018.
- In the first quarter of 2019, cash and cash equivalents decreased \$51.8 million net of the effects of foreign exchange to \$107.1 million, from \$158.9 million at the end of 2018. The majority of the decrease in cash and equivalents during the year relate to changes in the non-cash net current asset/liability position which can fluctuate significantly in the normal course of business.
- The Board has declared monthly eligible dividends of \$0.0325 per common share for May, June and July 2019.
- Subsequent to quarter end, the East West Connectors consortium achieved financial close and entered into a project agreement to design, build and finance the Confederation Line Extension (CLE) project in Ottawa, Ontario. The Company, as a lead partner of a joint venture, will enter into a contract with the design-builder to lead the construction of sixteen light rail transit stations and one light maintenance and storage facility as part of the CLE project. Due to the nature of the preferred subcontractor arrangement between Bird and the design-builder, the contract is not expected to be finalized and executed until 2020, following further advancement of the design, although Bird will begin working on the project immediately.

"The first quarter was more challenging than initially anticipated due to harsher than expected winter conditions and the resulting impact on some projects in addition to further execution issues on a PPP project in an office that has now been restructured to address systemic performance issues. I am satisfied that our restructuring of this office is complete with a proven management team now in place", said Ian Boyd, President & CEO. "Looking ahead, our earnings will improve through the remainder of 2019 as the Cedar Valley Lodge and OPP Phase 2 Modernization projects come into full production by July and as our significant list of projects in pre-construction phases become contracted and construction begins. However, the setbacks experienced in the first quarter means that the ramp up to our historical normal earnings in the range of \$25 million will be delayed into 2020."

Financial Results

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

	Three months ended March 31,	
	2019	2018
Construction revenue	\$ 261,777	\$ 294,422
Net income (loss)	\$ (6,466)	\$ (6,408)
Basic and diluted earnings (loss) per share	\$ (0.15)	\$ (0.15)
Adjusted EBITDA ⁽¹⁾	\$ (3,132)	(5,230)
Cash flows from (used in) operations before changes in non-cash working capital	\$ (5,687)	\$ (4,244)

⁽¹⁾ See "Non-GAAP measures" at the end of this press release

- The year-over-year decrease in cash flows from operations before changes in non-cash working capital from 2018 is primarily the result of a \$2.0 million change in deferred compensation expense, partially offset by \$0.8 million change in unrealized loss on investments.

Bird Construction Inc. also announced that its Board of Directors has approved monthly eligible dividends for the months of May 2019, June 2019 and July 2019 in the amount of \$0.0325 per common share to be paid as follows:

- The May dividend of \$0.0325 per share will be paid on June 20, 2019 to the Shareholders of record as of the close of business on May 31, 2019.
- The June dividend of \$0.0325 per share will be paid on July 19, 2019 to the Shareholders of record as of the close of business on June 28, 2019.
- The July dividend of \$0.0325 per share will be paid on August 20, 2019 to the Shareholders of record as of the close of business on July 31, 2019.

A conference call for analysts and investors will be held at 10:00 a.m. EDT on Wednesday, May 8, 2019, 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.

Non-GAAP Measures

Adjusted EBITDA has 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 EBITDA to assess the operating performance of its business. Management believes that investors and analysts use Adjusted EBITDA and it may provide predictive value to assess the ongoing operations of the business and provides a more consistent comparison between financial reporting periods.

Adjusted EBITDA (Non-GAAP information):

(in thousands of Canadian dollars)

	For the three months ended March 31,	
	2019	2018
Net income (loss)	\$ (6,466)	\$ (6,408)
Add: Income tax expense (recovery)	(2,395)	(2,409)
Add: Depreciation and amortization	3,219	3,194
Add: Finance and other costs	1,452	945
Less: Finance income	(578)	(326)
Add: Loss/(gain) on sale of property and equipment	(235)	(226)
Add: Restructuring and severance costs ⁽¹⁾	1,871	-
Adjusted EBITDA	\$ (3,132)	\$ (5,230)

Notes:

⁽¹⁾ Restructuring and severance costs did not meet the criteria to be classified under restructuring costs as defined in accordance with IFRS.

Forward Looking Information

Certain statements included in this news release express management's expectations or estimates of future performance may constitute "forward-looking information". The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", and similar expressions identify forward-looking information.

Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. In particular, this news release includes such forward-looking information and the Company cautions the reader that such forward-looking information involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Company to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking information and the forward-looking information is not a guarantee of future performance. Risks that may impact the Company's future results, performance or achievements include those described under "Risks Relating to the Business" in the Company's Annual Information Form dated March 12, 2019 filed and the Company's MD&A for the period ending March 31, 2019 available on SEDAR. The Company expressly disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, events or otherwise.

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

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