



COMPANY: BIRD CONSTRUCTION INC.
LISTING: TORONTO STOCK EXCHANGE
SYMBOL: BDT
DATE: August 13, 2019
SUBJECT: BIRD CONSTRUCTION INC. ANNOUNCES 2019 SECOND QUARTER FINANCIAL RESULTS

HIGHLIGHTS:

- During the second quarter of 2019, the Company recorded net income of \$1.0 million on construction revenue of \$315.4 million, compared with a net loss of \$5.3 million on \$320.1 million on construction revenue in 2018. Volume was slightly lower, however gross profit improved year-over-year as a result of higher industrial project revenue in 2019.
- Adjusted EBITDA in the second quarter of 2019 was \$5.4 million compared to a \$4.6 million loss in the comparable period in 2018.
- During the first half of 2019, the Company recorded a net loss of \$5.5 million on construction revenue of \$577.2 million, compared with a net loss of \$11.8 million on construction revenue of \$614.5. Although volume declined 6.1% year-over-year, the mix of revenue has changed as the Company's higher-margin industrial work program has increased. The first half 2019 results were 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.
- Adjusted EBITDA year-to-date at June 30, 2019 was \$2.3 million compared to a \$9.8 million loss in the comparable period in 2018.
- In 2019, the Company secured \$661.0 million of new contract awards and change orders and executed \$577.2 million of construction revenues. The new contract awards and change orders in the first half contributed to a Backlog of \$1,379.7 million for the Company at June 30, 2019, which is 6.5% growth in Backlog compared to the \$1,295.9 million recorded at December 31, 2018.
- In the first six months of 2019, cash and cash equivalents decreased \$56.9 million net of the effects of foreign exchange to \$102.0 million, from \$158.9 million at the end of 2018. The majority of the decrease in cash and equivalents during the year relates 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 July, August, September and October 2019.
- Subsequent to quarter end, the Company has signed multiple contracts for services for an undisclosed amount at an LNG Liquefaction Export Terminal Facility in northwestern British Columbia. The contracts include a site civil works program and the engineering, procurement, and construction ("EPC") of sixteen administrative and service buildings. The EPC buildings program will consist of a combination of pre-engineered and modular buildings. The contracts will start immediately and continue into 2022.

“Second quarter results were much improved from a year ago, however there are projects still in Backlog with dilutive margin impacts that are scheduled for completion this year.”, said Teri McKibbin, President & CEO. “Our Backlog continues to grow and become more diversified as does our list of awarded but not yet contracted projects, both of which include a significant portion of higher-margin self-perform industrial work and overall have a lower risk profile than a year ago. As these new projects evolve and further diversification takes hold, we expect to see an improvement in our gross profit margins.”

Financial Results

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

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Construction revenue	\$ 315,428	\$ 320,126	\$ 577,205	\$ 614,548
Net income (loss)	\$ 1,001	\$ (5,344)	\$ (5,465)	\$ (11,752)
Basic and diluted earnings (loss) per share	\$ 0.02	\$ (0.13)	\$ (0.13)	\$ (0.28)
Adjusted EBITDA ⁽¹⁾	\$ 5,447	\$ (4,599)	\$ 2,314	(9,829)
Cash flows from (used in) operations before changes in non-cash working capital ⁽²⁾	\$ 6,512	\$ (4,331)	\$ 825	\$ (8,575)

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

⁽²⁾ Refer to the consolidated statements of cash flows

- The \$9.4 million year-over-year increase in cash flows from operations before changes in non-cash working capital from the six months ended June 30, 2018 is primarily the result of the \$6.3 million improvement in net income and the change in income tax recovery year-over-year of \$2.6 million.

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

- The August dividend of \$0.0325 per share will be paid on September 20, 2019 to the Shareholders of record as of the close of business on August 30, 2019.
- The September dividend of \$0.0325 per share will be paid on October 18, 2019 to the Shareholders of record as of the close of business on September 30, 2019.
- The October dividend of \$0.0325 per share will be paid on November 20, 2019 to the Shareholders of record as of the close of business on October 31, 2019.

A conference call for analysts and investors will be held at 10:00 a.m. EDT on Wednesday, August 14, 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, it may provide predictive value to assess the ongoing operations of the business and it provides a more consistent comparison between financial reporting periods.

Adjusted EBITDA (Non-GAAP information):
(in thousands of Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Net income (loss)	\$ 1,001	\$ (5,344)	\$ (5,465)	\$ (11,752)
Add: Income tax expense (recovery)	480	(2,130)	(1,915)	(4,539)
Add: Depreciation and amortization	3,559	2,525	6,778	5,719
Add: Finance and other costs	1,316	1,037	2,768	1,982
Less: Finance income	(551)	(281)	(1,129)	(607)
Add: Loss/(gain) on sale of property and equipment	(413)	(406)	(648)	(632)
Add: Restructuring and severance costs ⁽¹⁾	55	-	1,925	-
Adjusted EBITDA	\$ 5,447	\$ (4,599)	\$ 2,314	\$ (9,829)

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 June 30, 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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