



COMPANY: BIRD CONSTRUCTION INC.
LISTING: TORONTO STOCK EXCHANGE
SYMBOL: BDT
DATE: November 5, 2019
SUBJECT: BIRD CONSTRUCTION INC. ANNOUNCES 2019 THIRD QUARTER FINANCIAL RESULTS

HIGHLIGHTS:

- During the third quarter of 2019, the Company recorded net income of \$6.8 million on construction revenue of \$378.6 million, compared with net income of \$4.4 million on \$381.4 million of construction revenue in 2018. Volume was slightly lower year-over-year, however net income improved across all sectors in which the company operates, through improved gross profit percentage.
- Adjusted EBITDA in the third quarter of 2019 was \$14.0 million compared to \$9.0 million in the comparable period in 2018.
- During the nine months of 2019, the Company recorded net income of \$1.3 million on construction revenue of \$955.8 million, compared with a net loss of \$7.4 million on construction revenue of \$995.9 million in 2018. Although volume declined 4.0% year-over-year, the mix of revenue was more diversified as the Company's higher-margin industrial work program has increased. The year-over-year income improvement was primarily driven by the increase in gross profit from the shift in mix of revenue in 2019. During the same period in 2018, 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.
- Adjusted EBITDA year-to-date at September 30, 2019 was \$16.3 million compared to a \$0.9 million loss in the comparable period in 2018.
- The Company, through its joint venture with ATCO Structures, continues to progress on site construction work for the LNG Canada Cedar Valley Lodge. Construction commenced in the first quarter of 2019 and is planned to continue through spring 2021. Throughout the third quarter modules were delivered and installed on site and core buildings continued to be erected and enclosed. The facility is being built to house workers involved in the construction of LNG Canada's natural gas liquefaction and export facility. The project is one of the largest accommodation facilities ever built in Canada.
- In 2019, the Company secured \$1,100.4 million of new contract awards and change orders and executed \$955.8 million of construction revenues. The new contract awards and change orders in the nine months contributed to a Backlog of \$1,440.5 million for the Company at September 30, 2019, which is 11.2% growth in Backlog compared to the \$1,295.9 million recorded at December 31, 2018.
- In the third quarter of 2019, the Company 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 have commenced and will continue into 2022.
- In the third quarter of 2019, the Company signed a construction management contract with Westwood Construction to build a mixed-use development located in north Halifax. The contract will be constructed over a three-year period and will include two high rise towers and two levels of underground parking. The full project value is approximately \$140 million but, due to the agency nature of the contract with Bird, only the construction management services portion of the project was added to Backlog.

- In the nine months of 2019, cash and cash equivalents decreased \$62.0 million net of the effects of foreign exchange to \$96.9 million, from \$158.9 million at the end of 2018. The majority of the decrease in cash and cash 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 November 2019, December 2019, January 2020 and February 2020.

“Our results in the third quarter improved significantly quarter over quarter and versus prior year as a result of diversification and growth in our industrial work program coupled with improved performance in our commercial-institutional work program,” said Teri McKibbin, President & CEO. “Backlog continues to grow, embedded margins are increasing as new work is added with a larger self-perform component and most importantly, our dilutive projects are nearing completion. We see a healthy pipeline of projects in our core markets and are taking a very disciplined approach in project selection to meet the Company’s targeted risk profile.”

Financial Results

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

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Construction revenue	\$ 378,591	\$ 381,382	\$ 955,796	\$ 995,930
Net income (loss)	\$ 6,782	\$ 4,360	\$ 1,317	\$ (7,392)
Basic and diluted earnings (loss) per share	\$ 0.16	\$ 0.10	\$ 0.03	\$ (0.17)
Adjusted EBITDA ⁽¹⁾	\$ 13,966	\$ 8,950	\$ 16,280	(879)
Cash flows from operations before changes in non-cash working capital ⁽²⁾	\$ 13,851	\$ 9,850	\$ 14,676	\$ 1,275

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

⁽²⁾ Refer to the consolidated statements of cash flows

- The \$13.4 million year-over-year increase in cash flows from operations before changes in non-cash working capital from the nine months ended September 30, 2018 is primarily the result of the \$8.7 million improvement in net income and the change in income taxes year-over-year of \$3.5 million.

Bird Construction Inc. also announced that its Board of Directors has approved monthly eligible dividends for the months of November 2019, December 2019, January 2020 and February 2020 in the amount of \$0.0325 per common share to be paid as follows:

- The November dividend of \$0.0325 per share will be paid on December 20, 2019 to the Shareholders of record as of the close of business on November 29, 2019.
- The December dividend of \$0.0325 per share will be paid on January 20, 2020 to the Shareholders of record as of the close of business on December 31, 2019.
- The January dividend of \$0.0325 per share will be paid on February 20, 2020 to the Shareholders of record as of the close of business on January 31, 2020.
- The February dividend of \$0.0325 per share will be paid on March 20, 2020 to the Shareholders of record as of the close of business on February 28, 2020.

A conference call for analysts and investors will be held at 10:00 a.m. EDT on Wednesday, November 6, 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 filed and available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

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 September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Net income (loss)	\$ 6,782	\$ 4,360	\$ 1,317	\$ (7,392)
Add: Income tax expense (recovery)	2,520	1,688	605	(2,851)
Add: Depreciation and amortization	4,568	2,709	11,346	8,428
Add: Finance and other costs	1,237	651	4,005	2,633
Less: Finance income	(698)	(281)	(1,827)	(888)
Add: Loss/(gain) on sale of property and equipment	(443)	(177)	(1,091)	(809)
Add: Restructuring and severance costs ⁽¹⁾	-	-	1,925	-
Adjusted EBITDA	\$ 13,966	\$ 8,950	\$ 16,280	\$ (879)

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 September 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.

For further information contact:

T.L. McKibbin, President & C.E.O or

W.R. Gingrich, C.F.O

Bird Construction Inc.

5700 Explorer Drive, Suite 400

Mississauga, ON L4W 0C6

Phone: (905) 602-4122 Fax: (905) 602-1516