



COMPANY: **BIRD CONSTRUCTION INC.**
LISTING: TORONTO STOCK EXCHANGE
CITY: MISSISSAUGA
SYMBOL: **BDT**
DATE: March 8, 2022
SUBJECT: BIRD CONSTRUCTION INC. ANNOUNCES 2021 FOURTH QUARTER AND ANNUAL FINANCIAL RESULTS

“The Company has delivered strong fourth quarter and full-year 2021 results against the backdrop of ongoing challenges related to the pandemic,” said Mr. Teri McKibbin, President and CEO of Bird Construction. “We could not have delivered these results without our exceptional combined team of experienced and dedicated employees. In addition to delivering record revenue in 2021, the team’s unwavering focus on collaboration, cross-selling and diversification of both capabilities and geographical reach has grown Bird’s Backlog to over \$3.0 billion at year end. With our record Backlog, complemented by a healthy pipeline of work in Pending Backlog and a strong balance sheet, the Company is well positioned to capitalize on top-line growth opportunities and deliver an improved margin profile going forward.”

FINANCIAL HIGHLIGHTS

Full-Year 2021 compared to Full-Year 2020

- Construction revenue of \$2,220.0 million compared to \$1,504.4 million, representing a 47.6% increase year-over-year.
- Net income and earnings per share were \$42.8 million and \$0.80, respectively, compared to \$36.1 million and \$0.80 in 2020.
- Backlog¹ of \$3,002.5 million, an increase of \$320 million or 11.9% from the \$2,682.5 million reported at the end of 2020.
- Adjusted Earnings¹ and Adjusted Earnings Per Share¹ were \$51.0 million and \$0.96, respectively, compared to \$41.6 million and \$0.92 in 2020.
- Adjusted EBITDA¹ of \$108.1 million, or 4.9% of revenues, reflects a 32.0% increase in Adjusted EBITDA.

Fourth Quarter 2021 compared to Fourth Quarter 2020

- Construction revenue of \$597.8 million compared to \$555.0 million, representing an 7.7% increase year-over-year.
- No recoveries were recorded under the Canada Emergency Wage Subsidy (“CEWS”) program in Q4 2021, compared to the \$21.7 million 9-month cumulative recoveries recorded in Q4 2020.
- Net income and earnings per share were \$9.9 million and \$0.18, respectively, compared to \$20.5 million and \$0.39 in Q4 2020.
- Adjusted Earnings¹ and Adjusted Earnings Per Share were \$13.0 million and \$0.24, respectively, compared to \$21.5 million and \$0.41 in Q4 2020.
- Adjusted EBITDA¹ of \$28.4 million, or 4.8% of revenues, compared to \$40.0 million, or 7.2% of revenues in Q4 2020.

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 December 31,		Year ended December 31,	
	2021	2020	2021	2020
Construction revenue	\$ 597,803	\$ 554,960	\$ 2,220,026	\$ 1,504,432
Net income	9,917	20,534	42,783	36,103
Basic and diluted earnings per share	0.18	0.39	0.80	0.80
Adjusted Earnings Per Share	0.24	0.41	0.96	0.92
Adjusted EBITDA ¹	28,399	40,011	108,136	81,937
Cash flows from operations before changes in non-cash working capital	25,791	39,806	102,623	71,696

OVERVIEW

- In September 2021, the Company completed its acquisition of Dagmar, an Ontario-based construction company with extensive experience across key civil infrastructure sub-sectors including road, bridge, rail, sewer and water, and commercial-institutional sites. Dagmar's capabilities and service offerings for both private and public owners across Ontario, integrated with Bird's existing civil business, will act as a catalyst in this attractive end market. In selected national markets where Bird has civil activity, Dagmar will add specialized capabilities to broaden client service offerings and increase diversification.
- Fiscal 2021 represents the first full year consolidating the results of Stuart Olson following the Company's transformational acquisition of the business on September 25, 2020. Since the acquisition, Bird has worked to successfully combine the two strong, experienced workforces and integrate and harmonize their policies, processes and people. Annualized cost synergies resulting from the integration of Stuart Olson exceeded \$25.0 million, and were achieved as expected in 2021. The Company has also benefitted, and is expected to continue to benefit, from revenue synergies and cross-selling opportunities of the combined operations.
- The Company further improved its record-setting Backlog at December 31, 2021 to \$3,002.5 million, growing 11.9% year-over-year, while maintaining a strong Pending Backlog¹ of \$1,624.7 million. During 2021, the Company secured \$2,540.0 million of new contract awards and change orders and executed \$2,220.0 million of construction revenues. Compared to Backlog and Pending Backlog of \$2,682.5 million and \$1,635.9 million, respectively, at December 31, 2020, the net growth in combined Backlog and Pending Backlog was achieved despite timing delays in project tenders and awards from clients related to COVID-19.
- During 2021, Bird extended the maturity date of its Syndicated Credit Facility (the "Credit Facility") by an additional year and expanded the committed Credit Facility to \$235.0 million, consisting of a \$185.0 million revolving credit facility, and a \$50.0 million non-revolving term debt facility. At December 31, 2021, amounts available under this revolving facility of \$140.3 million, in addition to the Company's accessible cash balance of \$103.0 million, provide the Company with substantial liquidity to support the execution of its strategic initiatives.
- During the fourth quarter of 2021, the Company announced that it was awarded the following projects and contracts:
 - The first phase of a progressive Design-Build contract with early collaborative contractor involvement for the Ontario Power Generation Clarington Corporate Campus Project. Construction is expected to begin in 2022, with completion in 2024.
 - The Company will participate in three Integrated Project Delivery ("IPD") contracts in Western Canada with a combined value in excess of \$150 million. The contracts include a substantial food and beverage facility expansion project, the Okanagan Indian Band water system upgrade and the North Okanagan Wastewater Recovery Project.
 - Through its Alliance Agreement with the renewable energy company Noventa Energy Partners, the Company announced the successful financial close of the recently announced Toronto Western Hospital wastewater energy transfer ("WET") project valued at approximately \$42.9 million. The alliance was

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formed to jointly pursue opportunities for WET projects across Canada, with Bird acting as the exclusive constructor.

- The Company, as part of a joint venture has successfully completed the validation phase of the IPD contract for the Advanced Nuclear Materials Research Centre for Canadian Nuclear Laboratories. The approximate project value is over \$500 million, and the completion of the validation phase means that the project will now proceed. Bird's share of the project value is expected to exceed \$220 million.
 - The Company has been awarded a contract for construction of Lake City Studios, in Burnaby, British Columbia. The project has a contract value in excess of \$200 million.
- The Board has declared an eligible dividend of \$0.0325 per common share for each of March and April 2022.

CONFERENCE CALL AND WEBCAST

Bird will host an investor webcast to discuss the quarterly results on Wednesday, March 9, 2022 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/bird20220309.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.sedar.com 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 December 31, 2021, prepared as of March 8, 2022. This document is available on Bird’s SEDAR profile, at www.sedar.com 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 December 31, 2021 and December 31, 2020.

“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 December 31,		Year ended December 31,	
	2021	2020	2021	2020
Net income	\$ 9,917	\$ 20,534	\$ 42,783	\$ 36,103
Add: Acquisition and integration costs	4,111	2,125	10,780	7,236
Add: IFRS restructuring costs ⁽¹⁾	-	-	-	-
Income tax effect of the above costs	(982)	(1,133)	(2,609)	(1,760)
Adjusted Earnings	\$ 13,046	\$ 21,526	\$ 50,954	\$ 41,579
Adjusted Earnings Per Share ⁽²⁾	\$ 0.24	\$ 0.41	\$ 0.96	\$ 0.92

Notes

⁽¹⁾ Restructuring costs as defined in accordance with IFRS.

⁽²⁾ Calculated as Adjusted Earnings divided by basic weighted average shares outstanding.

Adjusted EBITDA

(in thousands of Canadian dollars, except percentage amounts)	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Net income	\$ 9,917	\$ 20,534	\$ 42,783	\$ 36,103
Add: Income tax expense	3,699	6,436	14,847	13,217
Add: Depreciation and amortization	9,714	9,959	34,537	21,702
Add: Finance and other costs	1,890	1,731	7,550	7,506
Less: Finance income	(426)	(178)	(1,322)	(1,511)
Add: (Gain)/loss on sale of property and equipment	(608)	(639)	(1,576)	(2,359)
Add: IFRS restructuring costs ⁽¹⁾	-	-	-	-
Add: Other restructuring and severance costs ⁽²⁾	102	43	537	43
Add: Acquisition and integration costs	4,111	2,125	10,780	7,236
Adjusted EBITDA	\$ 28,399	\$ 40,011	\$ 108,136	\$ 81,937
Adjusted EBITDA Margin ⁽³⁾	4.8%	7.2%	4.9%	5.5%

Notes:

⁽¹⁾ Restructuring costs as defined in accordance with IFRS.

⁽²⁾ Restructuring and severance costs that did not meet the criteria to be classified under restructuring costs

⁽³⁾ 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", "intends", "continue", "may", "will", "should" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this news release contains forward-looking statements concerning: the anticipated benefits of the Stuart Olson and Dagmar acquisitions to Bird, its shareholders, and all other stakeholders, including anticipated synergies; the plans and strategic priorities of the combined company; and with respect to Bird's share of the project value for certain joint venture projects.

In respect of the forward-looking statements concerning the anticipated benefits of the Stuart Olson and Dagmar acquisitions (the "Transactions"), Bird has provided such in reliance on certain assumptions that it believes are reasonable at this time, including in respect of the combined company's services and anticipated synergies, capital efficiencies and cost savings.

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: operational risks, industry and inherent project delivery risks; ability to hire and retain qualified and capable personnel; global pandemics; delays or changes in plans with respect to growth projects or capital expenditures; costs and expenses; health, safety and environmental risks; commodity price, interest rate and exchange rate fluctuations; compliance with environmental laws risks; competition, ethics and reputational risks; ability to access sufficient capital from internal and external sources; repayment of credit facility; collection of recognized revenue; performance bonds and contract security; potential for non-payment and credit risk and ongoing financing availability; regional concentration; regulations; dependence on the public sector; client concentration; labour matters; loss of key management; subcontractor performance; unanticipated shutdowns, work stoppages, strikes and lockouts; maintaining safe worksites; cyber security risks; litigation risk; corporate guarantees and letters of credit; volatility of market trading; failure of clients to obtain required permits and licenses; payment of dividends; economy and cyclicity; Public Private Partnerships project risk; design risks; completion and performance guarantees/design-build risks; ability to secure work; estimating costs and schedules/assessing contract risks; quality assurance and quality control; accuracy of cost to complete estimates; insurance risk; adjustments and cancellations of backlog; joint venture risk; internal and disclosure controls; Public Private Partnerships equity investments; failure to realize the anticipated benefits of the Transactions; and changes in legislation, including but not limited to tax laws and environmental regulations.

The forward-looking statements in this news release should not be interpreted as providing a full assessment or reflection of the unprecedented impacts of the COVID-19 pandemic ("COVID-19") and the resulting indirect global and regional economic impacts.

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, including any risk factors related to COVID-19, 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, 2021, each of which may be accessed on Bird's SEDAR profile, at www.sedar.com 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 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, commercial, and institutional and civil infrastructure 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