



OUR WAY IS TO CREATE A BETTER WAY

January 2020 Investor Presentation

Investor Relations | investor@blackdiamondgroup.com

Forward Looking Statements



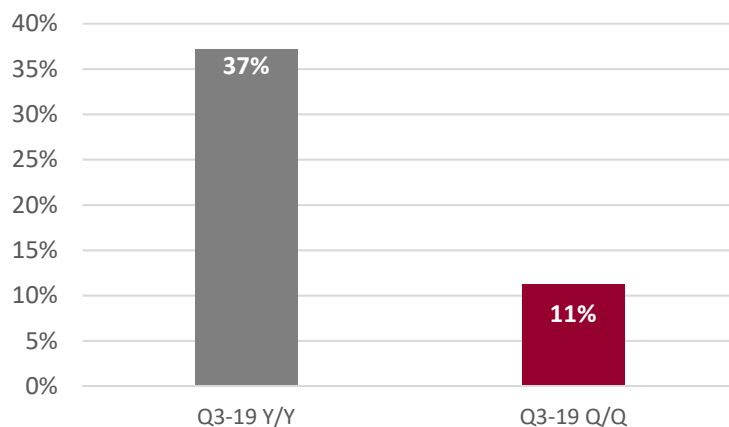
This presentation contains forward-looking statements. The use of the words “anticipate”, “continue”, “estimate”, “expect”, “will”, “project”, “should”, “believe”, “intend” and similar expressions identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Management believes the expectations reflected in those forward-looking statements are reasonable but cannot give any assurance these expectations will prove to be correct. Additional information on risk factors that could affect Black Diamond's operations and financial results are included in Black Diamond's annual information form for the year ended December 31, 2018 and other reports on file with the Canadian Securities Regulatory Authorities which can be accessed on SEDAR. Readers are cautioned not to place undue reliance on these forward-looking statements. Furthermore, the forward-looking statements contained in this presentation are made as at the date of this presentation and Black Diamond does not undertake any obligation to update or revise any of the forward-looking statements, except as may be required by applicable securities laws.

Q3/19 Results Show Increased Diversity

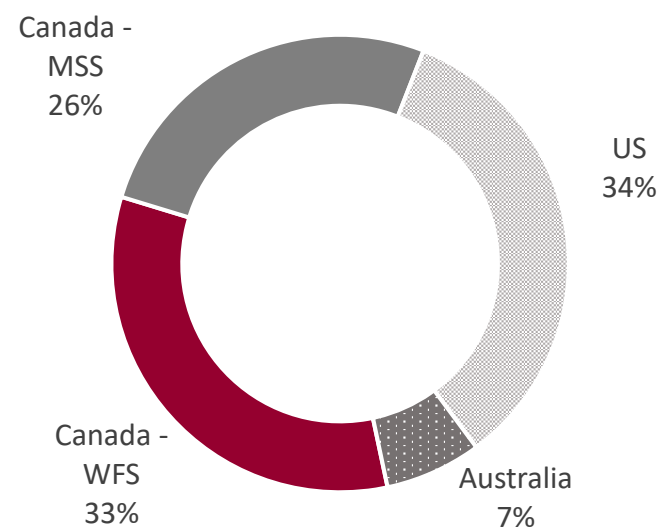


- ~65% of Q3 revenue generated outside of western Canadian energy sector
- Diversification geographically and by industry segment

Q3-19 Rental Revenue Growth



Q3 2019 Geographical Diversification
(% of Total Revenue)

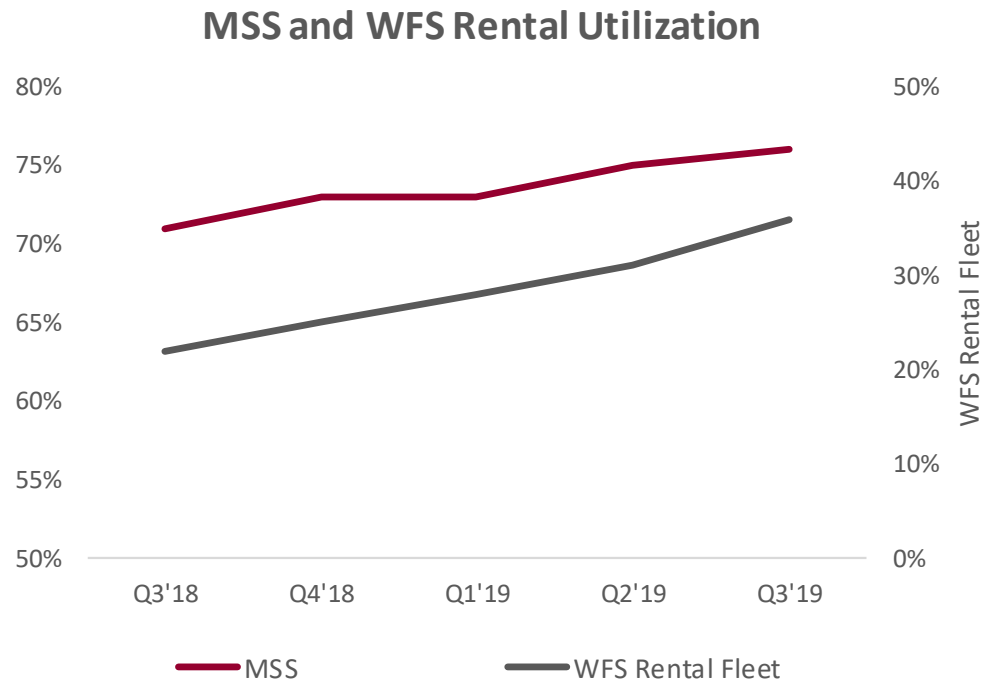


- Continued growth in consolidated rental revenues, both quarter-over-quarter and year-over-year

Q3/19 Result: Rental Utilization Improving



- Utilization in MSS is steadily improving. Alberta branch showing meaningful utilization recovery while other markets continue to be strong
- WFS rental utilization increasing with diversification of assets outside of western Canada
- WFS utilization should continue to be supported by previously announced \$45 mm full turnkey project, with over half the assets mobilized.



Shifting the Business to Growth Mode



Improve Profitability

- Increase economies of scale through fleet expansion in growing markets
- Expansion of VAPS¹ through branch network
- Custom sales and ancillary operational services

Disciplined CAPEX

- Targeting 10% MSS fleet growth per year, over the next several years
- WFS opportunities for organic CAPEX in Australia and the US

Capitalize on Operating Leverage

- Focus on putting idle assets to work



**Drive
Shareholder
Returns**

MSS Overview



Modular Space Solutions

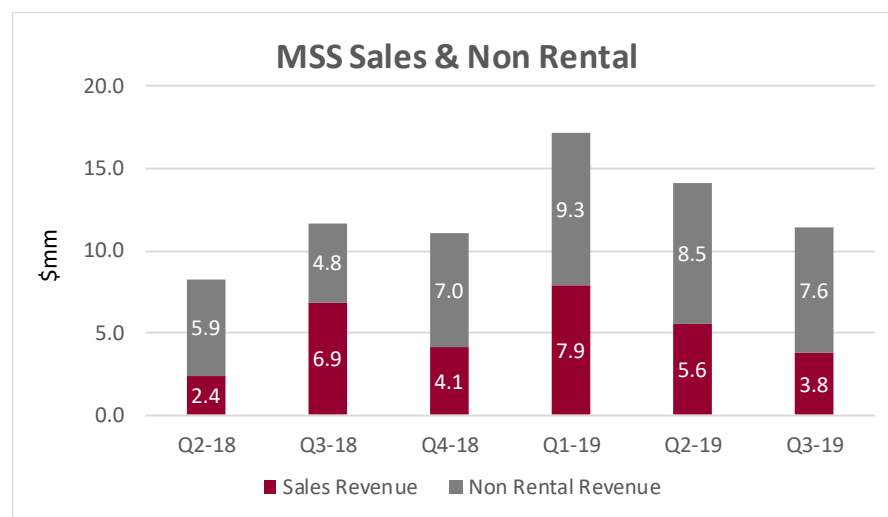
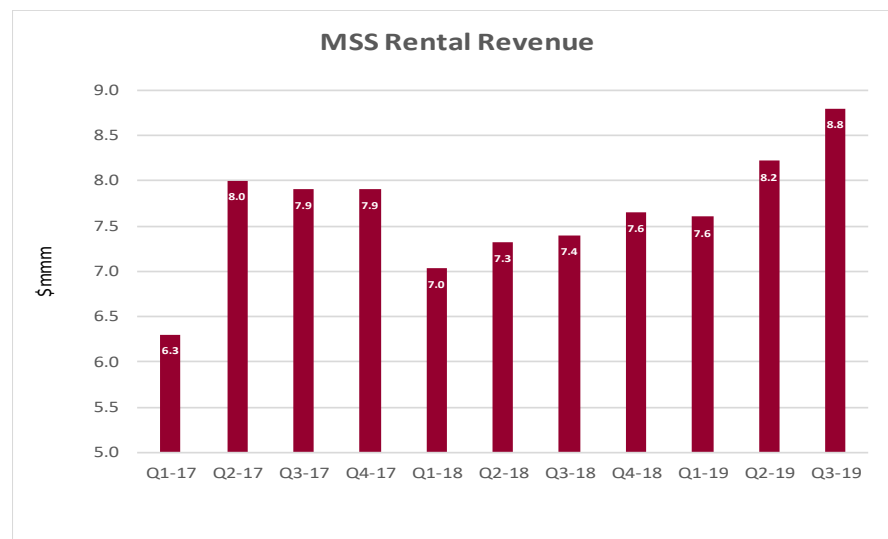
- ~6,100 units across 13 branches in North America with attractive returns on long-lived assets
- Targeting net fleet growth of 10% per year. With added scale and additional product offering, return metrics expected to improve
- Longer term vision to double MSS fleet in 5 years



MSS Overview – Revenue Detail



- Rental revenue continuing to grow. Up 37% Y/Y and 11% Q/Q
- Strengthening rental revenue driven by continued capital investment, higher rates, improving utilization in Canada, and VAPS penetration
- YTD sales revenue up 14% Y/Y
- Non Rental driven by higher install and dismantle activity YTD



MSS Overview



Modular Space Solutions

- Strong economic tailwinds in BC, Ontario, and the US
- Recovery in Alberta utilization with Y/Y improvement
- As of Sept 30, on track for MSS FY 2019 gross investment of ~\$25 mm into fleet additions



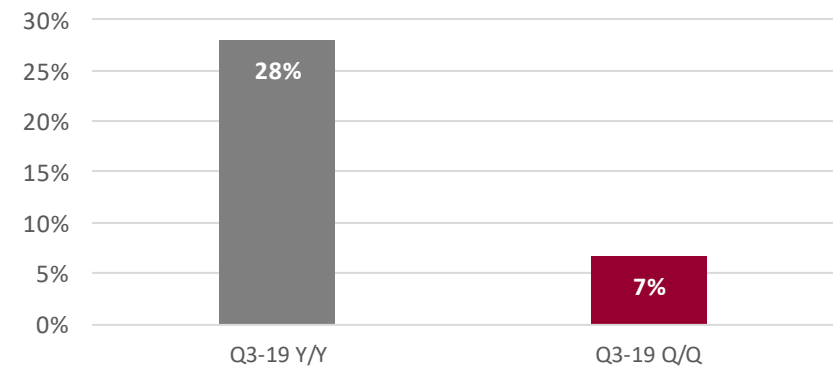
MSS Overview – VAPS Penetration



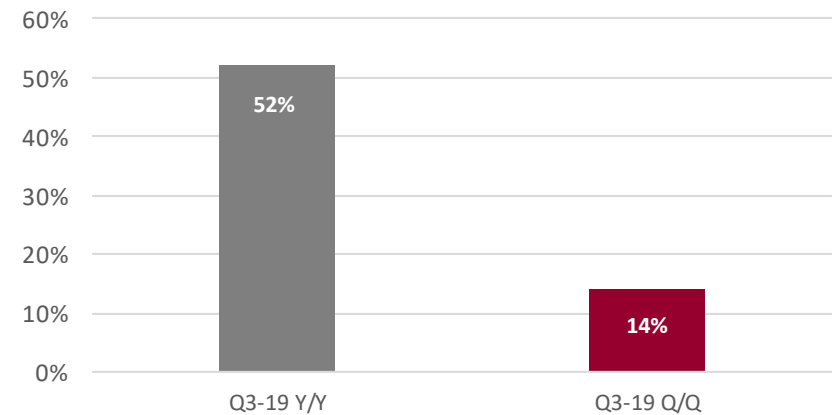
- Value Added Products & Services (VAPS) penetration and revenue growth continues to trend positively



Growth in VAPS as a % of Rental Revenue



VAPS Revenue Growth



WFS Overview



Workforce Solutions

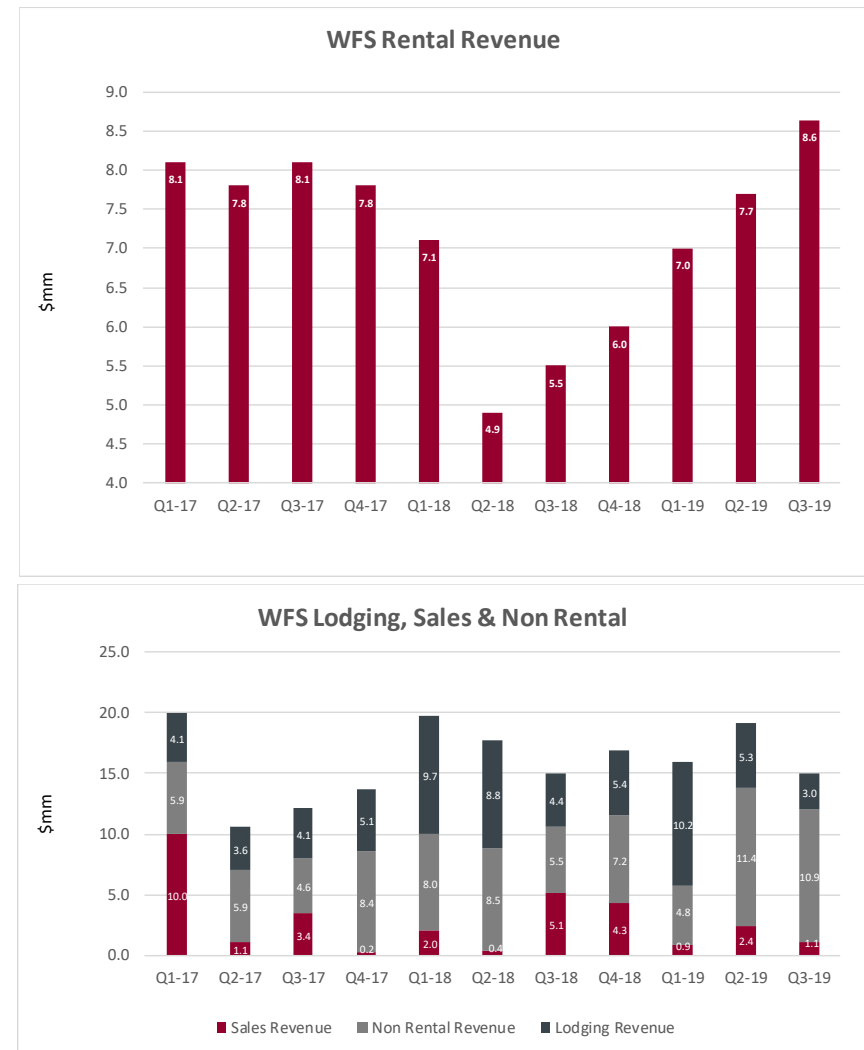
- Continuing to diversify and capitalize on operating leverage
- US and Australia markets remain robust
- LNG Canada is a significant catalyst. A handful of other large energy infrastructure projects in Canada would quickly change supply/demand fundamentals



WFS Overview – Revenue Detail



- Rental revenue recovering off of bottom as utilization improves
- Variety of projects provided customer and geographical diversification, expected to continue into Q4/19
- Lodging challenged in Q3/19 and expected to be muted in Q4/19



WFS – Recently Awarded Major Projects



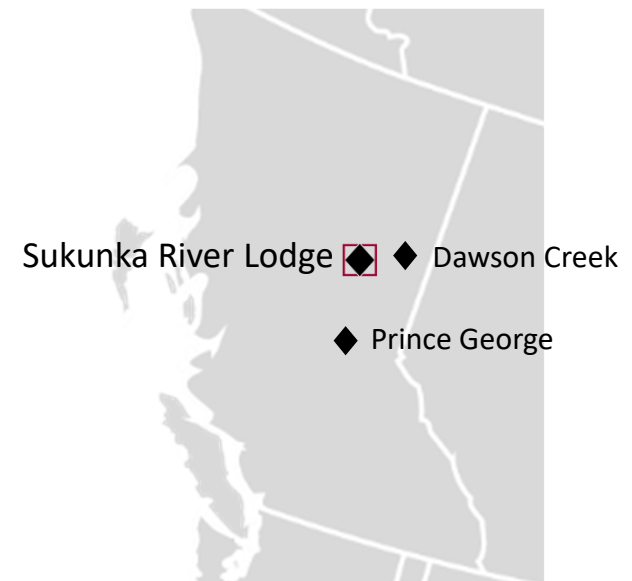
California Workforce Accommodation

- Contract awarded for \$20 mm, including transportation costs
- Initial nine month contract for 1,584 beds to support reconstruction of Paradise, California with option to extend
- 312 truck-loads with transportation delivered over a six week period



Sukunka River Lodge

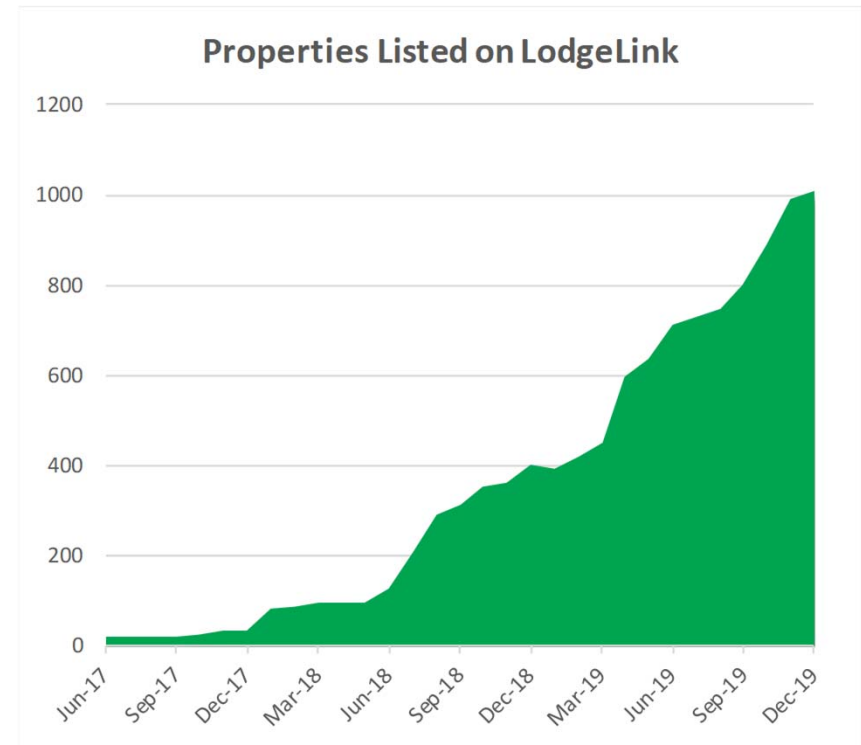
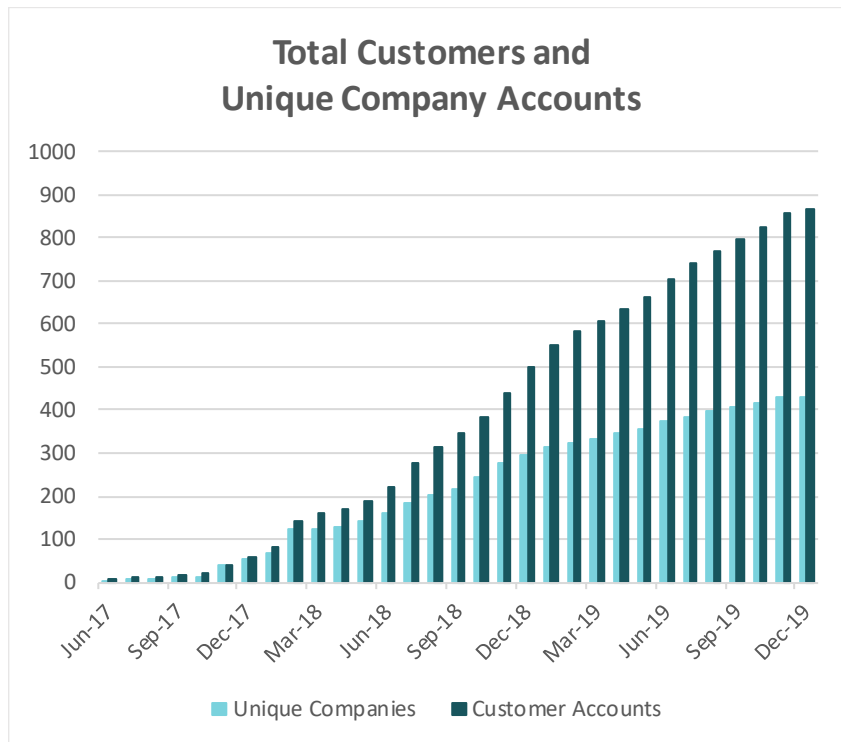
- Contract awarded for ~\$45 mm with a term of 27 months, through partnership with the Moberly First Nations
- Camp contract for 908-bed turnkey project for Coastal Gas Link project



LodgeLink Gaining Market Traction



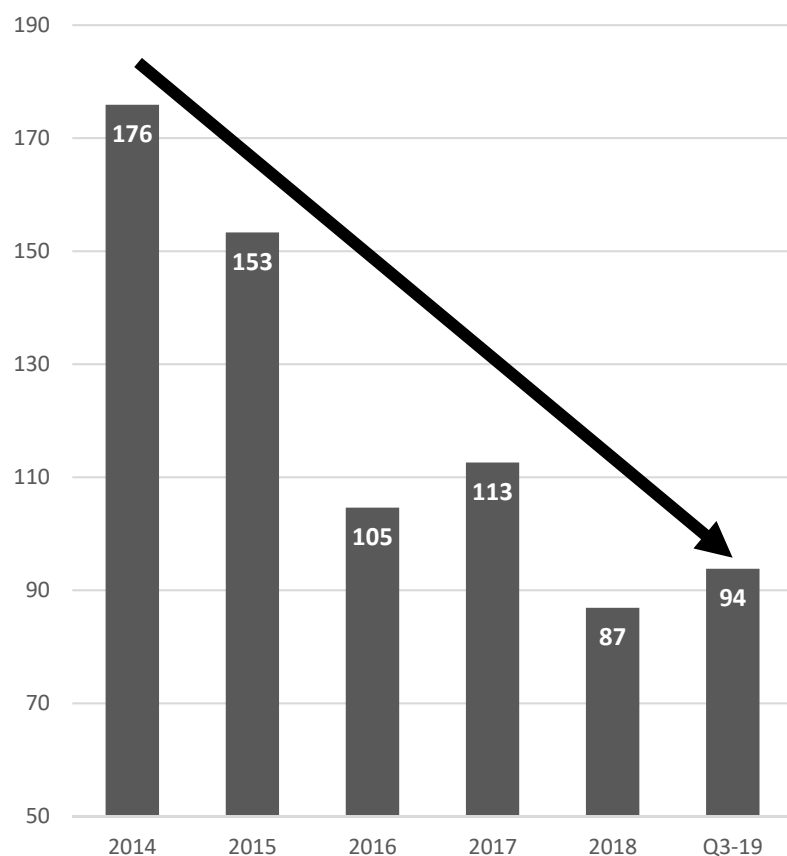
- Online digital marketplace with over 800 properties listed and ~100,000 rooms available in workforce lodges and hotels
- Offered throughout Canada and US
- In 2018, 250 unique corporate customers who booked over 83,000 room nights



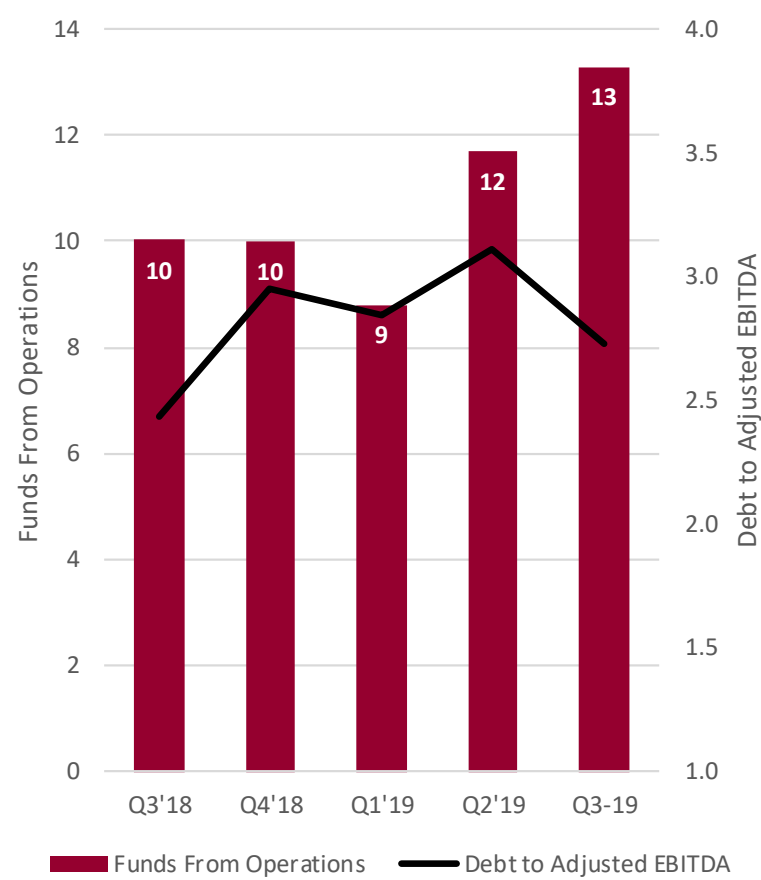
Creating Financial Flexibility



Net Debt¹



FFO and Leverage Ratio

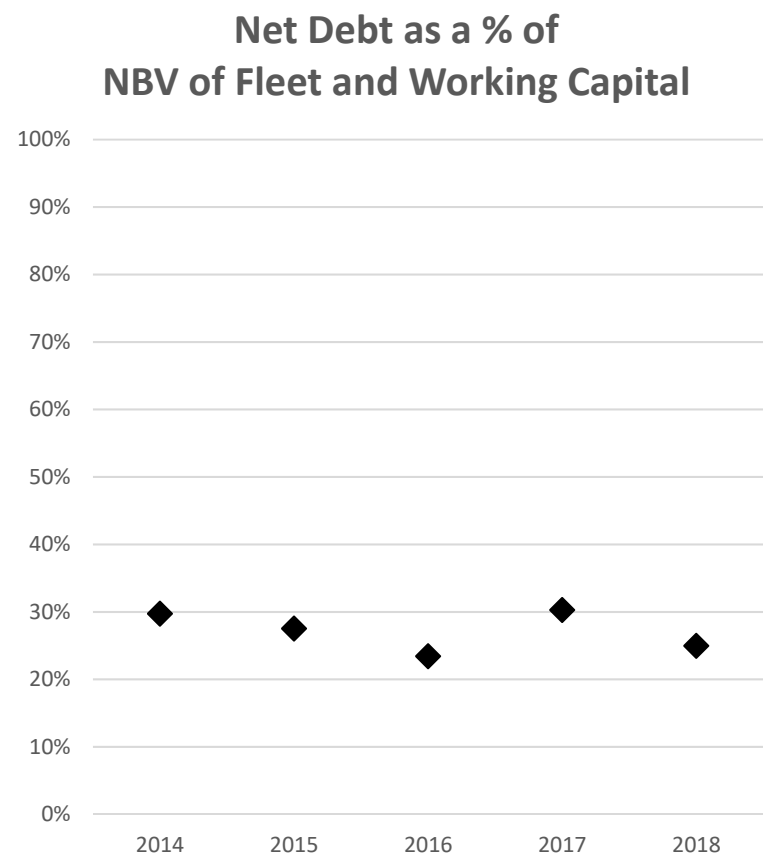
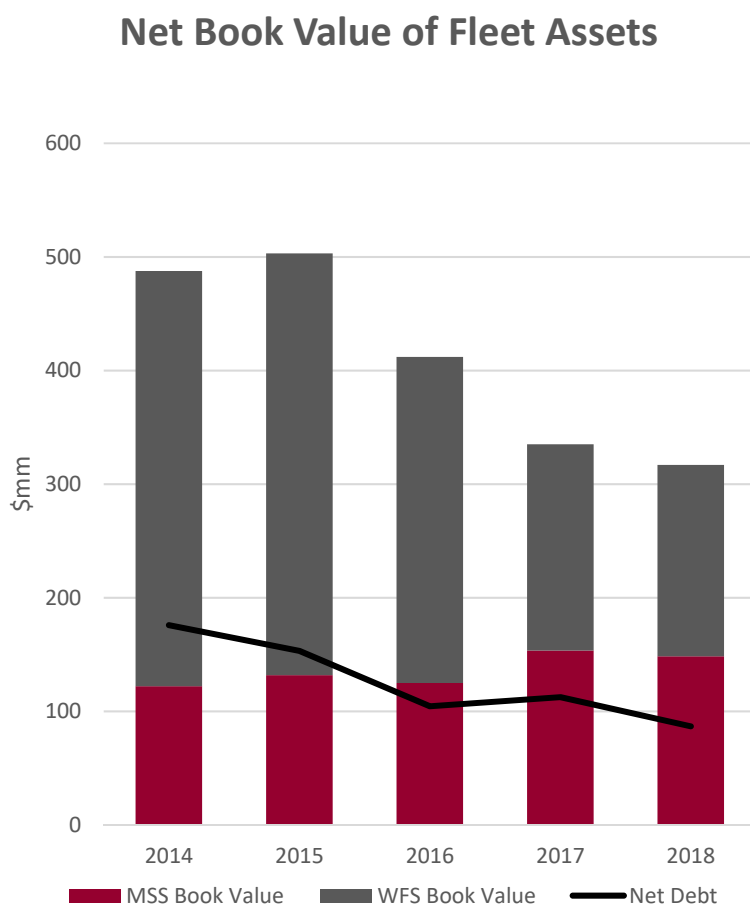


1. See "Non-GAAP Measures" at the end of this document.

Significant Asset Coverage Against Debt



- Net debt¹ remains well below hard asset coverage on a net book value basis



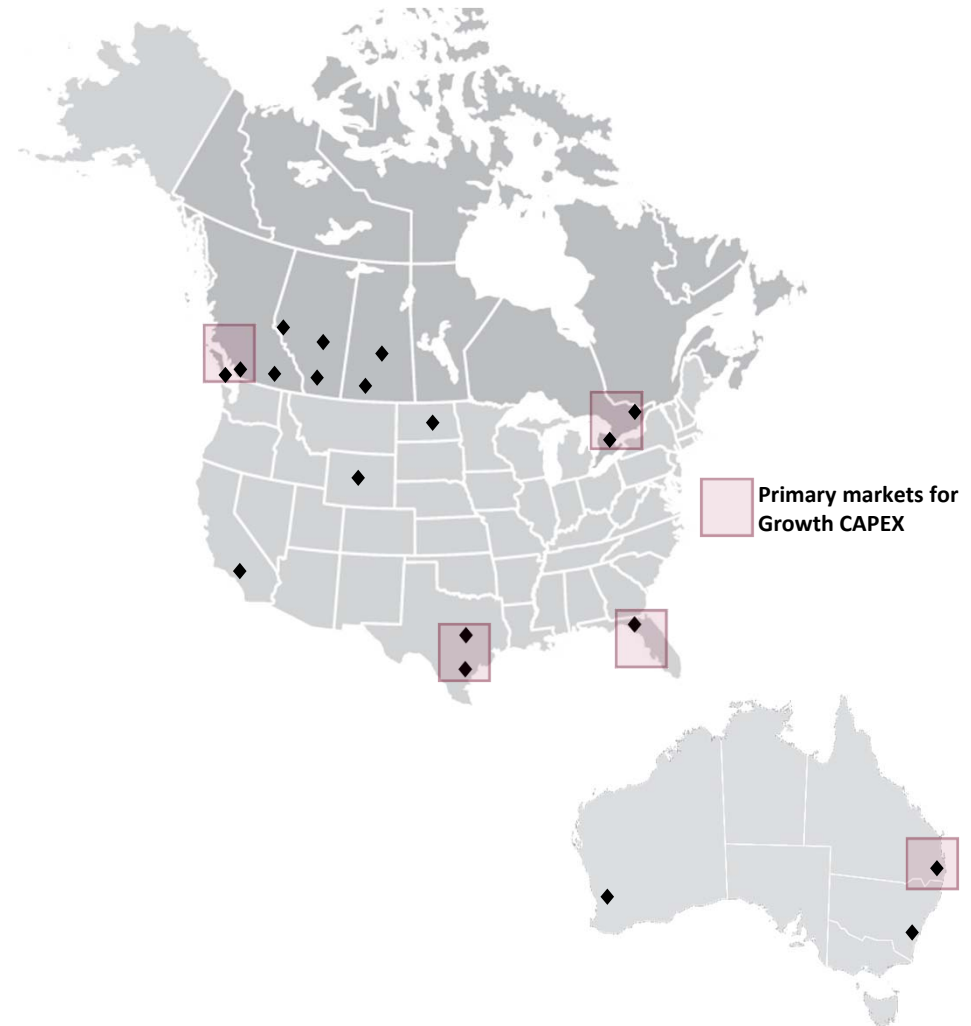
1. See "Non-GAAP Measures" at the end of this document.

Growth Through Disciplined Capex



2020 Capital Program

- Capex budget of ~\$35 mm (gross).
Net capex of \$25 to \$30 mm after
used asset sales.
- MSS: ~\$25 mm (gross) growth capital
to be allocated across North American
footprint
- WFS: \$8 mm growth capital
 - Continued Australian growth
 - US Energy Services initiatives
 - Modest capital for LodgeLink
platform development



Black Diamond Investment Attributes



Grow

- MSS targeting 10% annual fleet growth
- MSS EBITDA growth to outpace fleet growth driven by economies of scale, VAPS and other service offerings
- LodgeLink platform continues to expand

Diversify

- Growing revenue base from US and Australian markets in both MSS and WFS product offerings
- LodgeLink digital marketplace expanded into US, as customers and listed properties continues to grow

Improve Returns

- Addition of capital light products and services to improve rates of return on new and existing capital assets
- Capitalize on significant operating leverage in underutilized Canadian WFS asset base
- Recently closed Asset Based Lending facility provides flexible, low-cost debt to grow MSS business

Non-GAAP Measures



- **Adjusted EBITDA** is not a measure recognized under IFRS and does not have standardized meanings prescribed by IFRS. Adjusted EBITDA refers to consolidated earnings before finance costs, tax expense, depreciation, amortization, accretion, foreign exchange, stock-based compensation, acquisition costs, non-controlling interests, share of gains or losses of an associate, write-down of property and equipment, impairment, restructuring costs, and gains or losses on the sale of non-fleet assets in the normal course of business.
- **Funds from Operations** is calculated as the cash flow from operating activities excluding the changes in non-cash working capital. Management believes that Funds from Operations is a useful measure as it provides an indication of the funds generated by the operations before working capital adjustments. Changes in non-cash working capital items have been excluded as such changes are financed using the operating line of Black Diamond's credit facilities.
- **Net Debt** is calculated as long-term debt excluding deferred financing costs minus cash.



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THANK YOU

1/13/2020

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