



BLACK DIAMOND
GROUP



VANGUARD
MODULAR BUILDING SYSTEMS

Acquisition of Vanguard Modular Building Systems



OUR WAY IS TO CREATE A BETTER WAY

November 2020

Disclaimers



Forward Looking Statements

Certain information in this presentation contains forward-looking statements including, but not limited to, the effects of the acquisition of Vanguard on Black Diamond's business and operations, the expected future size of the Modular Space Solutions division, anticipated revenues as a result of the acquisition of Vanguard, expected debt reduction in future years, expected free cash flow generation in future years and the expected excess capacity available to the Company pursuant to Black Diamond's recently expanded credit facility. Although Black Diamond believes that the expectations reflected in the forward-looking statements contained in this news release, and the assumptions on which such forward-looking statements are made are reasonable, there can be no assurances that such expectations or assumptions will prove to be correct. Readers are cautioned that assumptions used in the preparation of such statements may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of Black Diamond. These risks include, but are not limited to: the impact of general economic conditions, industry conditions, fluctuation of commodity prices, the impact of the COVID-19 pandemic, the Company's ability to attract new customers, failure of counterparties to perform on contracts, industry competition, availability of qualified personnel and management, timely and cost effective access to sufficient capital from internal and external sources, political conditions, dependence on suppliers and stock market volatility. The risks outlined above should not be construed as exhaustive. Additional information on these and other 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, 2019 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 news release are made as at the date of this news release 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.

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.

Transaction Summary



Vanguard Modular

- Fleet of 2,196 rental units
- 1.7 mm square feet of rentable space
- 59 employees

Purchase Price Summary

- US\$58.7 mm plus US\$ 3 mm of deferred receivables
- Funded via:
 - US\$50.0 mm cash
 - US\$8.7 mm preferred shares
 - US\$3.0 mm common shares

Value Creation

- Increased scale & diversity
- EPS accretion (annual) of C\$0.07 excl synergies
- Pro Forma incremental EBITDA of C\$9.0 mm through first nine months of 2020



University of Delaware



Hoover Elementary School



Bob Hope School

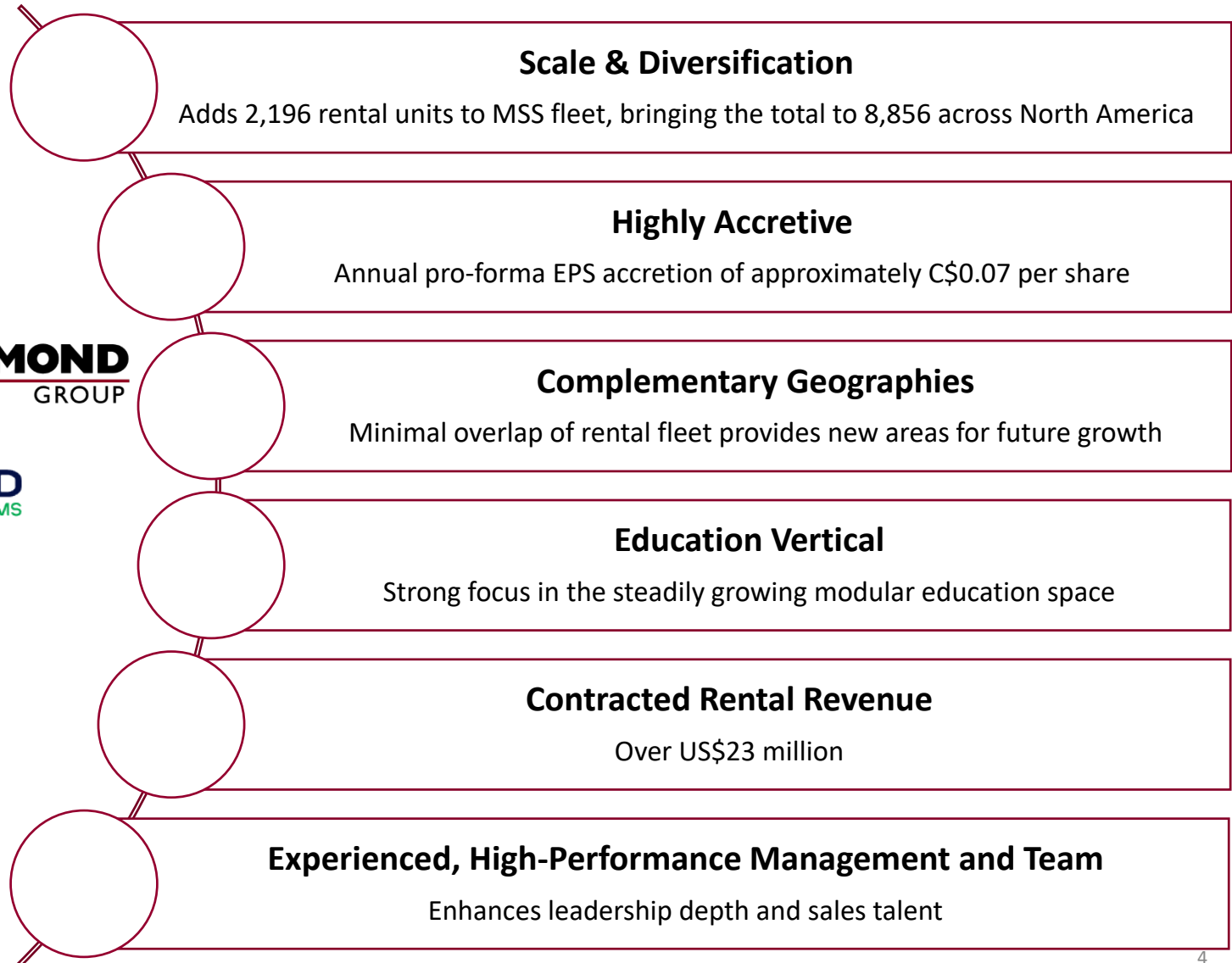
Strategic Rationale



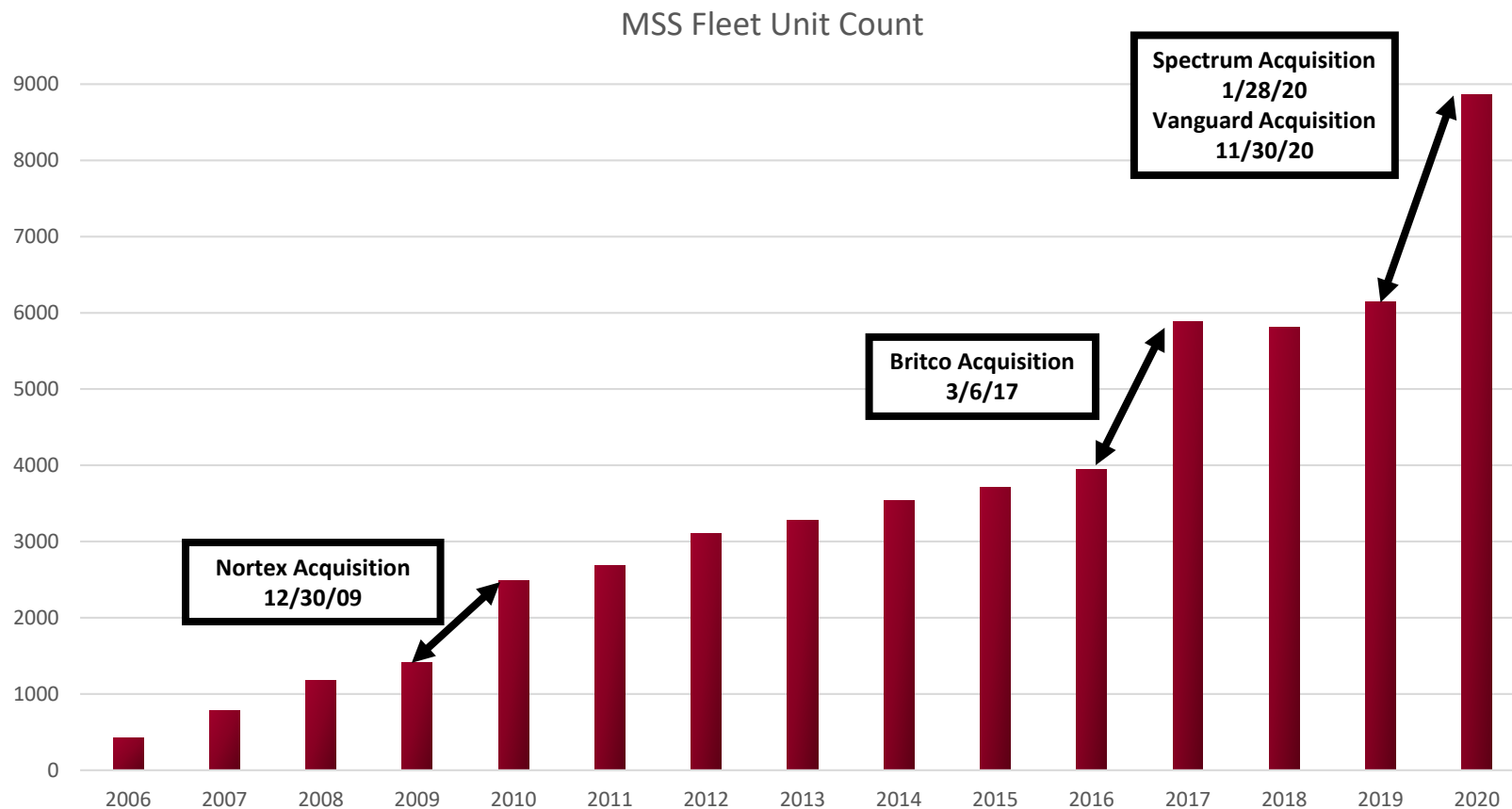
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VANGUARD
MODULAR BUILDING SYSTEMS



Continuing to Execute on MSS Growth Objective



Vanguard Overview



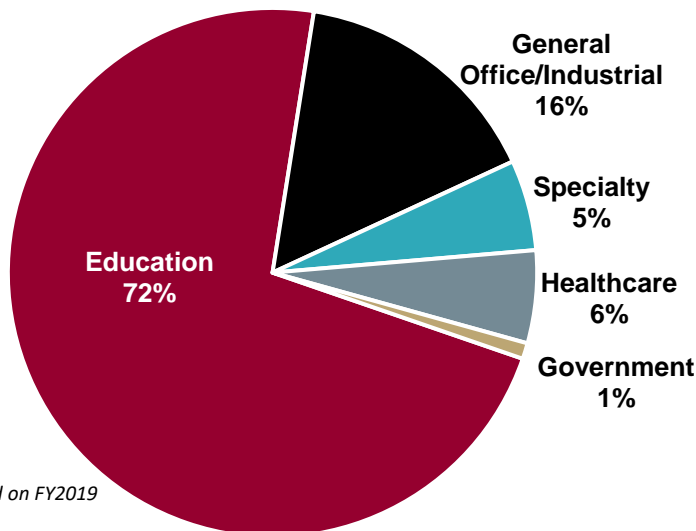
VANGUARD
MODULAR BUILDING SYSTEMS



- Headquartered in Exton, PA, Vanguard provides relocatable modular classrooms and commercial complexes to nearly 30 states in the eastern and southern US
- Primary focus on leasing complemented by new, custom project sales to deliver complete customer solutions
- High quality fleet of 2,196 units representing 1.7 million square feet of rentable space

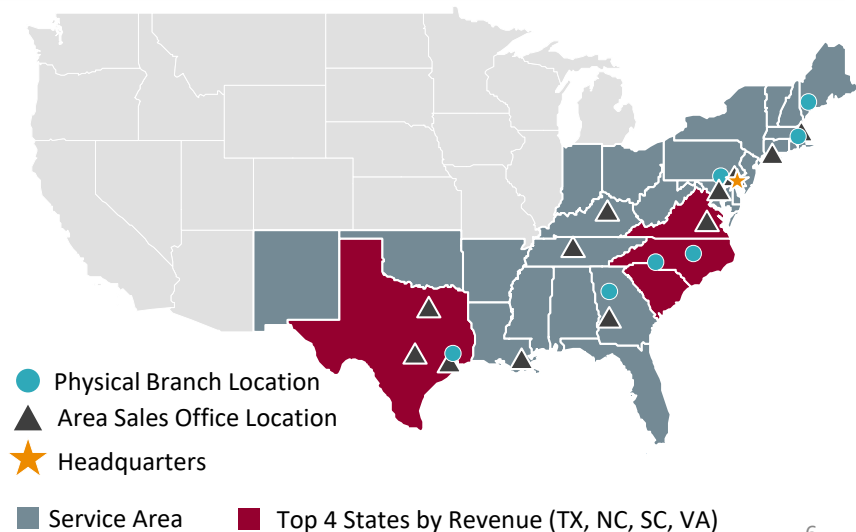
- Portfolio of long-term leases provides stable recurring revenue
- Expertise serving the classroom sector
- Led by an experienced team of industry veterans championing growth and profitability
- Substantial growth opportunities in key operating sectors and geographies

Lease Revenue by End-Market



Note: Based on FY2019

Efficient Operating Model Serving High Growth States



Strong Management Team In Place



Peter Eberle

Chief Executive Officer

Age 58

- Mr. Eberle joined Vanguard in March of 2017, was promoted to president in August 2017 and became CEO in the March of 2018
- Over 20 years of experience spanning all facets of the modular building industry and 25 years experience in both domestic and international C-level positions
- Prior to joining Vanguard, Mr. Eberle was EVP for Reliant Asset Management (RAM) from 2011-2016, and COO for Resun Leasing (predecessor company to ModSpace) for over 10 years

Ed Haggerty

Chief Financial Officer

Age 64

- Mr. Haggerty joined Vanguard in 2004 after 20 years of experience in the construction and equipment rental industries
- Has held a variety of executive management positions including Chief Financial Officer, VP of Finance, Director of Operations and Controller
- Previously served as CFO of project management and distribution companies for over 20 years

Jody Werner

SVP – Sales

Age 50

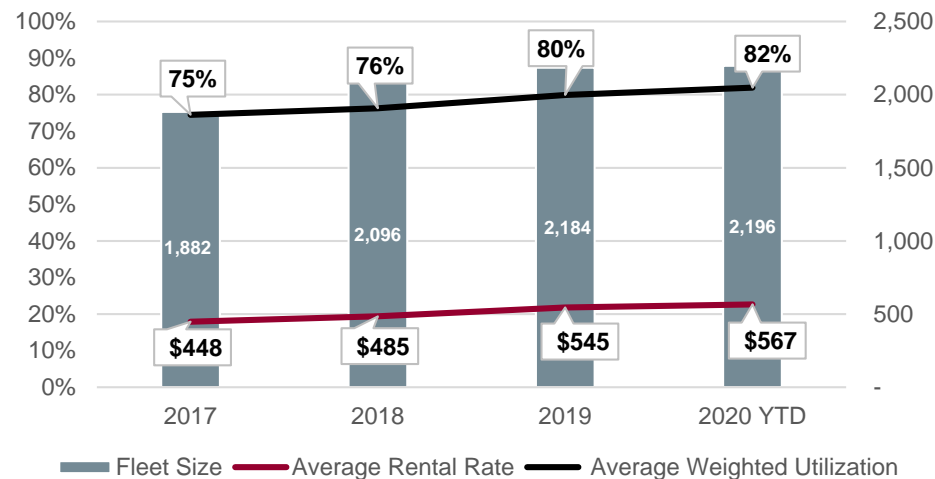
- Mr. Werner joined Vanguard in November 2000, opening an office in Raleigh, NC, as an Area Sales Manager
- Modular Space industry veteran with over 25 years of sales experience in the industry through sales roles at Williams Scotsman and Space Master Building Systems prior to joining Vanguard
- Longest tenured full-time employee at Vanguard and has led the Company in its evolution to a fully integrated leader in the complexes sector

Robust Core Rental Platform

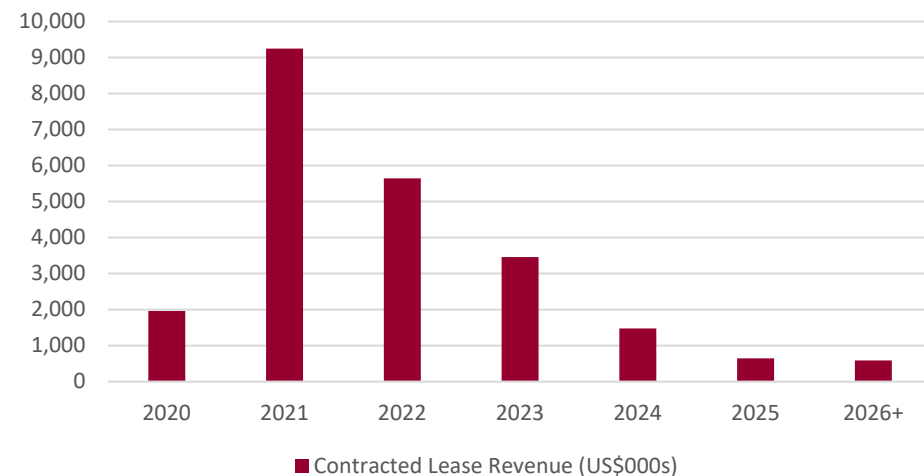


- Stable rental revenue growth supported by steady utilization and rates
- Platform has responded well to fleet growth and has efficiently put capital investment to work at attractive rates
- Payback periods from 3-4 years on new assets, lifetime returns of 4-5x acquisition cost
- ~US\$23 million of contracted rental revenue outstanding
- Long lived contract terms of 36-60 months with a renewal rate of ~80%
- Assets are rented on average for approximately 7 years; many new build assets stay on rent their entire useful lives

Rental Revenue Drivers 2017-2020



Forward Contracted Rental Revenue



Custom Sales Offering Complements Rental



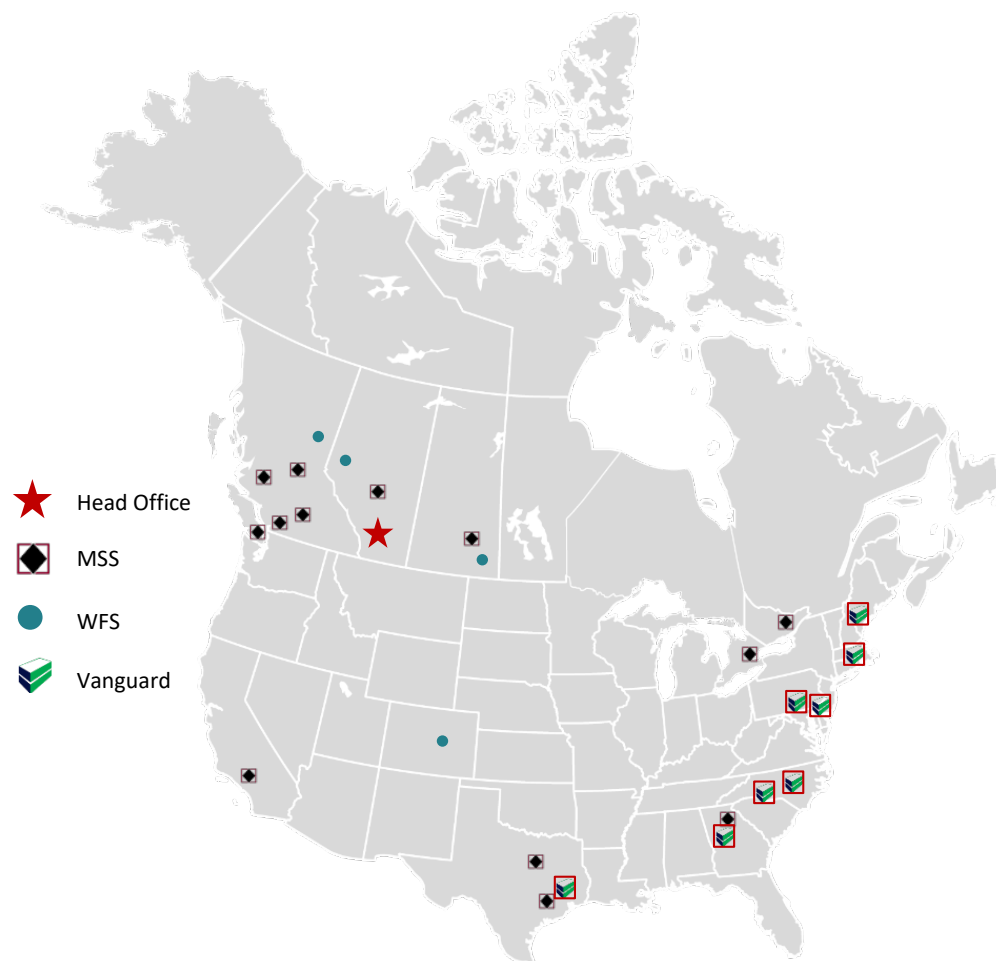
- Vanguard has extensive experience providing complete custom sales project solutions
- Focus is primarily rental business, but sales are offered to align with customer preferences
- Strategy to de-risk new sales by pursuing higher quantity of smaller projects with standardized configurations and stronger margins
- Limiting project size ensures profitability
- Well diversified among customers and end markets, similar to rental business
- Successful projects often lead to follow up sales or rental opportunities with those customers

Full - Service Project Management Emphasizing Quality and Timeliness



Photos depict a firing range building assembled by Vanguard for the City of Boston Police Department

Building Scale : Geography & Unit Data



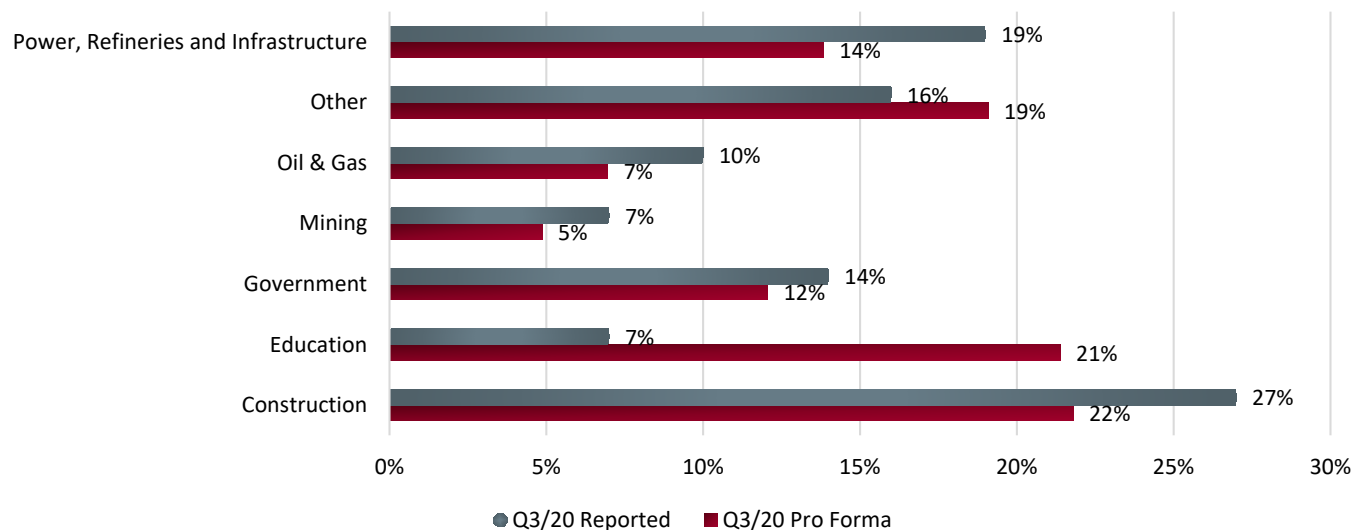
	Black Diamond before transaction	Pro Forma w/ Vanguard	% Change
MSS Fleet Count	6,660	8,856	33%
MSS US Fleet Count	2,024	4,220	108%
2020 Sep 30 YTD MSS Revenue (CAD mm)	\$62.3	\$104.0	67%
2020 Sept 30 YTD MSS Adjusted EBITDA (CAD mm)	\$19.4	\$28.4	46%
Rentable Square Footage (MSS)	3.4 million	5.1 million	50%
Rentable Square Footage (BD Total Company)	5.0 million	6.7 million	34%

Enhancing Diversification



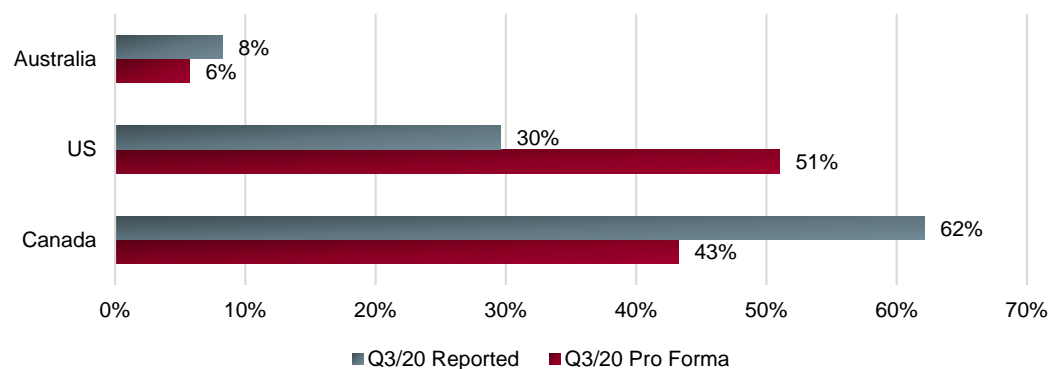
Industry Diversification

Percentage of Company Revenue by Industry – Q3 2020



Geographic Diversification

Percentage of Company Revenue by Country – Q3 2020



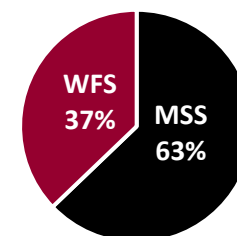
Building Scale: Selected Financials



Income Statement

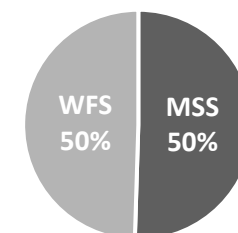
2020 Sept 30 YTD Pro Forma (\$mm CAD)	Rental	Sales	Other	Total Revenue	Adjusted EBITDA
MSS Current	27.9	10.7	23.7	62.3	19.4
Vanguard	12.5	22.5	6.7	41.7	9.0
MSS	40.4	33.2	30.4	104.0	28.4
%Δ Pro Forma vs Reported	45%	210%	28%	67%	46%
WFS	19.5	5.0	36.7	61.2	17.9
Corporate					-7.8
Total	59.9	38.2	67.1	165.2	38.5

Pro Forma 2020 Sept 30 YTD Revenue by Business Unit



2020 Sept 30 YTD Reported (\$mm CAD)	Rental	Sales	Other	Total Revenue	Adjusted EBITDA
MSS	27.9	10.7	23.7	62.3	19.4
WFS	19.5	5.0	36.7	61.2	17.9
Corporate					-7.8
Total	47.4	15.7	60.4	123.5	29.5

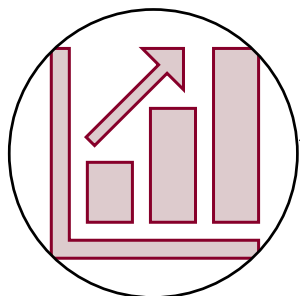
Reported 2020 Sept 30 YTD Revenue by Business Unit



Balance Sheet

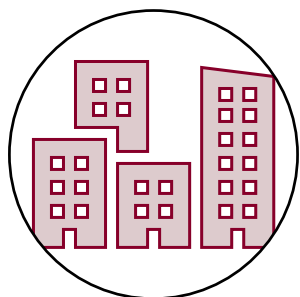
	2020 Sept 30	Pro Forma
Net Debt/EBITDA (TTM)	2.8	3.6
Borrowing Base	C\$190 mm	C\$255 mm

Black Diamond Investment Attributes



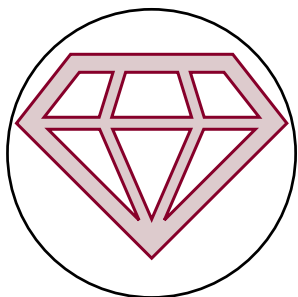
Growth

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



Diversification

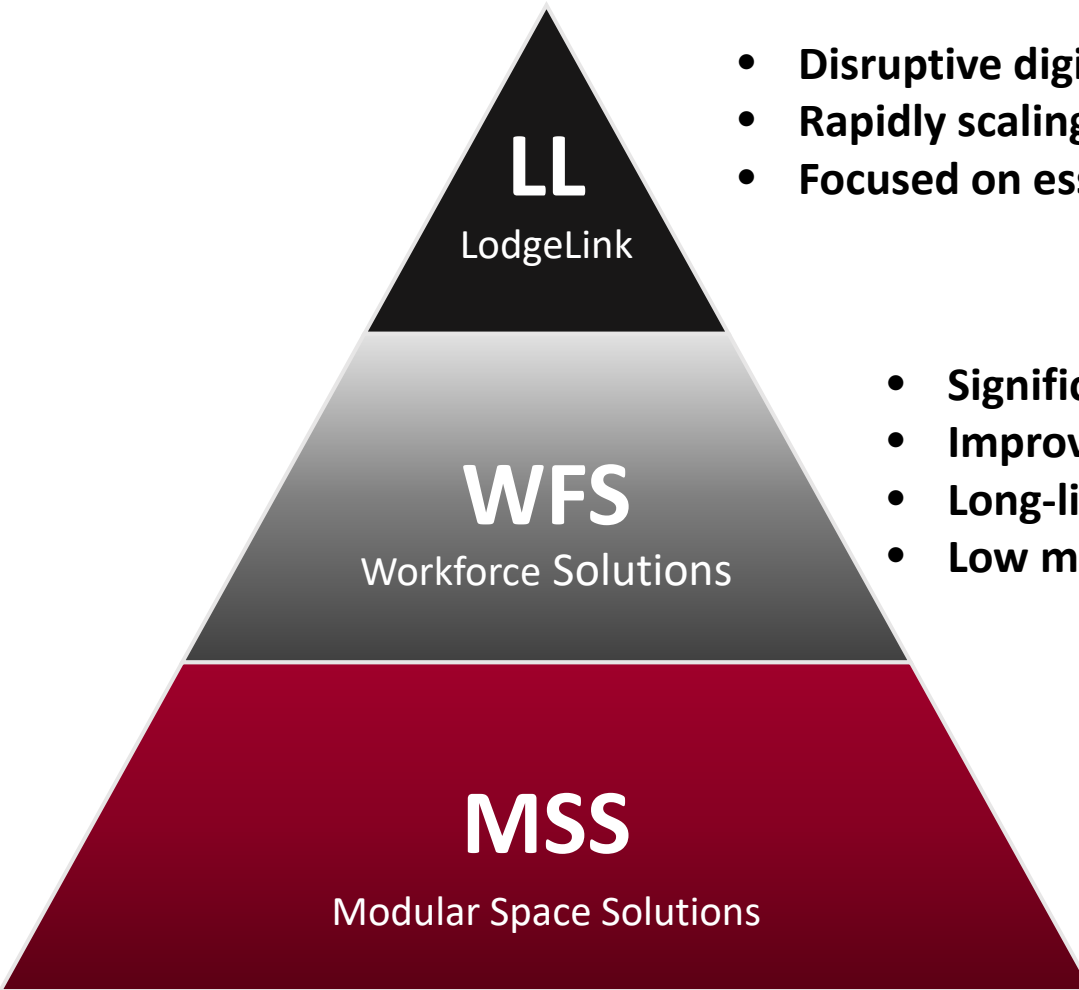
- Growing revenue base from U.S., Eastern Canada, and Australian markets in both MSS and WFS product offerings
- LodgeLink digital marketplace expanded, with strong initial uptake into the U.S.



Value

- Capitalize on significant operating leverage in underutilized Western Canadian WFS asset base
- Recently expanded Asset Based Lending facility provides flexible, low-cost debt to fund growth with considerable available liquidity
- Approximately \$425 mm of high quality, long-lived assets on the balance sheet

Creating a Better Way



- Disruptive digital booking platform
- Rapidly scaling
- Focused on essential workforce travel

- Significant operating leverage
- Improving utilization & diversification of projects
- Long-lived rental assets
- Low maintenance capital

- Diversified, steady, growth
- Predictable, improving returns
- Self funding growth
- Long-lived rental assets
- Low maintenance capital



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BOXX
MODULAR

THANK YOU

11/20/20

15

12x60 BOXX Modular unit in Houston, TX

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