



BLACK DIAMOND
GROUP



May 2019 Annual and Special Shareholders Meeting

OUR WAY IS TO CREATE A BETTER WAY

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Forward Looking Statements



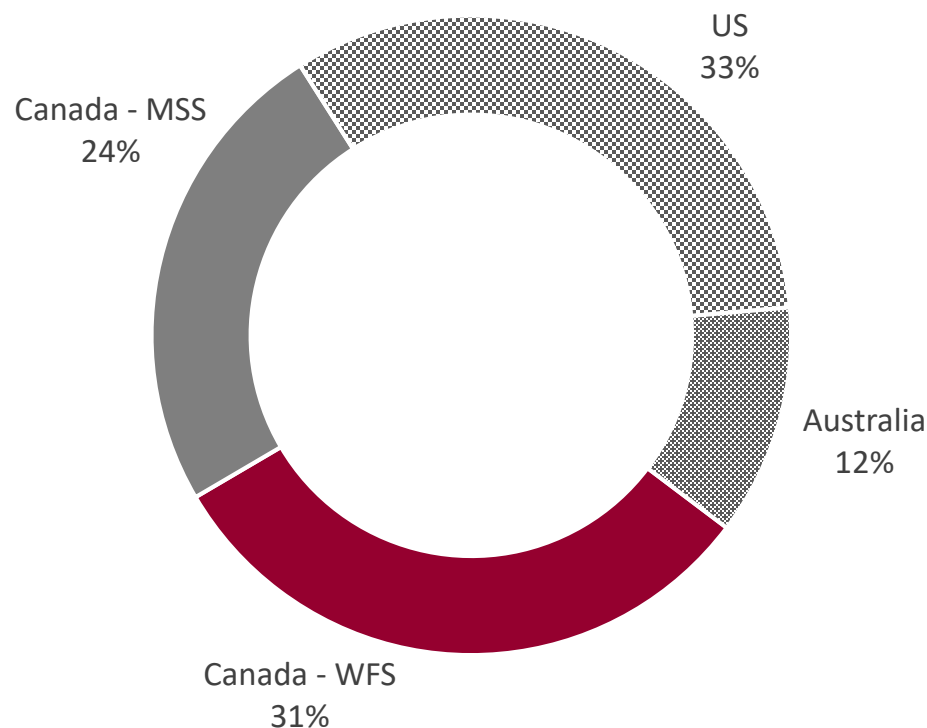
This presentation contains forward-looking statements. The use of the words “anticipate”, “continue”, “estimate”, “expect”, “will”, “project”, “should”, “believe”, “intend” and similar expressions identify forward-looking statements. These statements involve known and unknown risks, uncertainties and 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.

Progress in 2018



- ~70% of Q4 revenue generated outside of western Canadian energy sector
- Increased Adjusted EBITDA by 3% year-over-year
- Continued diversification geographically and by industry segment

**Q4 2018 Geographical Diversification
(% of Total Revenue)**



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 over the next several years
- WFS opportunities for organic CAPEX in Australia and the US

Capitalize on Operating Leverage

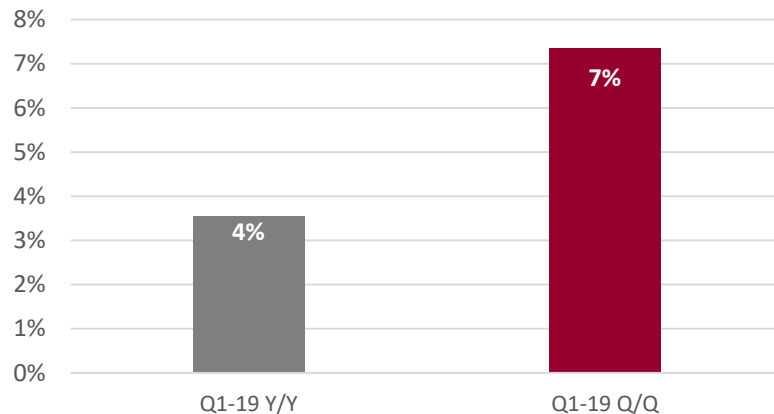
- Focus on putting idle assets to work and unlocking value through used fleet sales



Q1/19 Results Show Operational Improvement



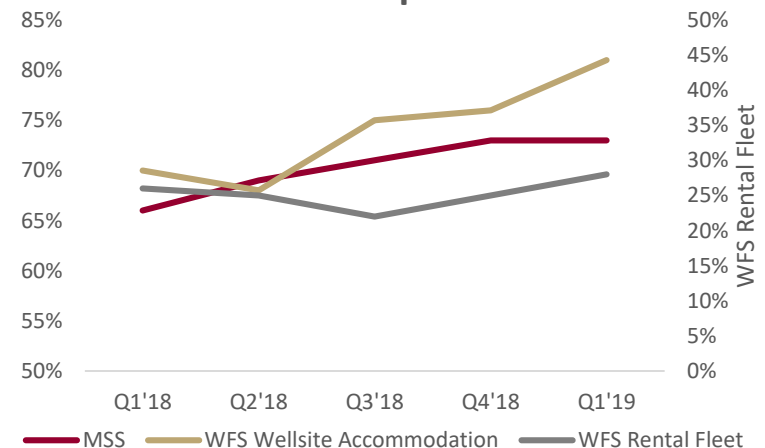
Q1-19 Rental Revenue Growth



- Growth in consolidated rental revenues, both quarter-over-quarter and year-over-year

- Utilization in MSS is improving, driven by higher Alberta activity levels
- WFS Wellsite Accommodation active, particularly in the US
- WFS utilization soft in Q1, but will improve in 2H/19 due to announced contracts

Utilization Improvement



MSS Overview



Modular Space Solutions

- ~6,000 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



Modular Space Solutions

- Strong economic tailwinds in BC, Ontario, and the US
- Inflection point in Alberta – utilization has improved markedly since Q1/2018
- MSS 2019 gross investment of ~\$25 mm into fleet additions

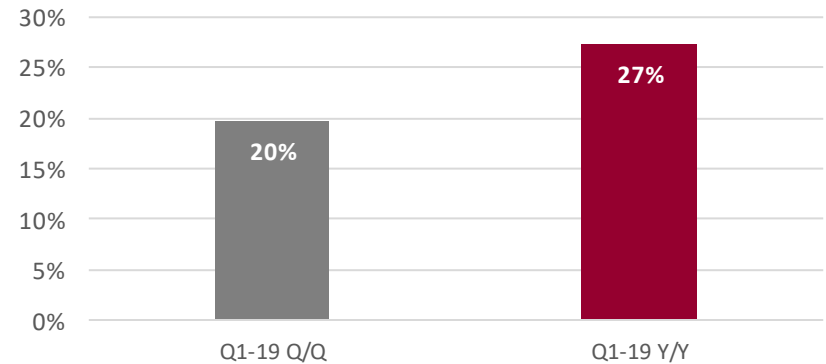


MSS Overview – VAPS Penetration



- VAPS revenue has significantly improved quarter-over-quarter and year-over-year

Growth in VAPS as a % of Rental Revenue



MSS - Custom Sales Projects



Custom Buildings

- Award winning custom sales for various industries including government, schools, and commercial



Fraser Surrey Docks Custom Office Complex

Hill Air Force Base

- Utah: expected to be complete mid-2019
- ~\$5.5 mm contract for design and construction of a multi-unit facility



Whistler Custom Classroom

MSS – Rental Projects



BC Hydro - Site C Dam

- Fort St. John, BC: four-to-six year project that began in May 2018
- ~\$4 mm contract for ~50,000 sq ft in office complexes, lunch rooms, first aid buildings and washroom facilities

Upcoming Rental Projects

- Expect additional work for LNG Canada
- New contracts for multi-unit projects in Alberta, driven primarily by non-energy development



Site C Clean Energy Project Office Complexes

WFS Overview



Workforce Solutions

- LNG Canada is a significant catalyst. A handful of other large energy infrastructure projects in Canada would quickly change supply/demand fundamentals
- Continuing to diversify and capitalize on operating leverage with recently announced \$20 mm rental contract in California
- US and Australia markets remain robust



WFS - Project Pipeline



California Workforce Accommodation

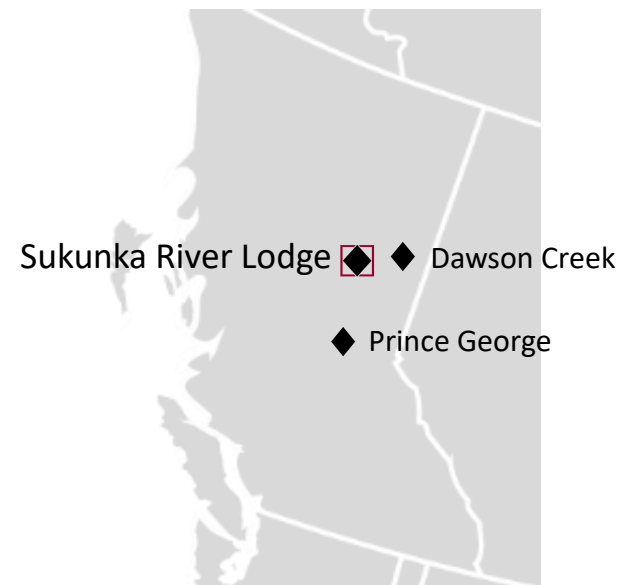
- Contract awarded for \$20 mm, including transportation costs
- Initial nine month contract for 1,584 beds to support reconstruction of Paradise, California with option to extend
- 312 truck- loads with transportation expected to be delivered over a six week period



California Workforce Accommodations

Sukunka River Lodge

- Contract awarded for \$42.5 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



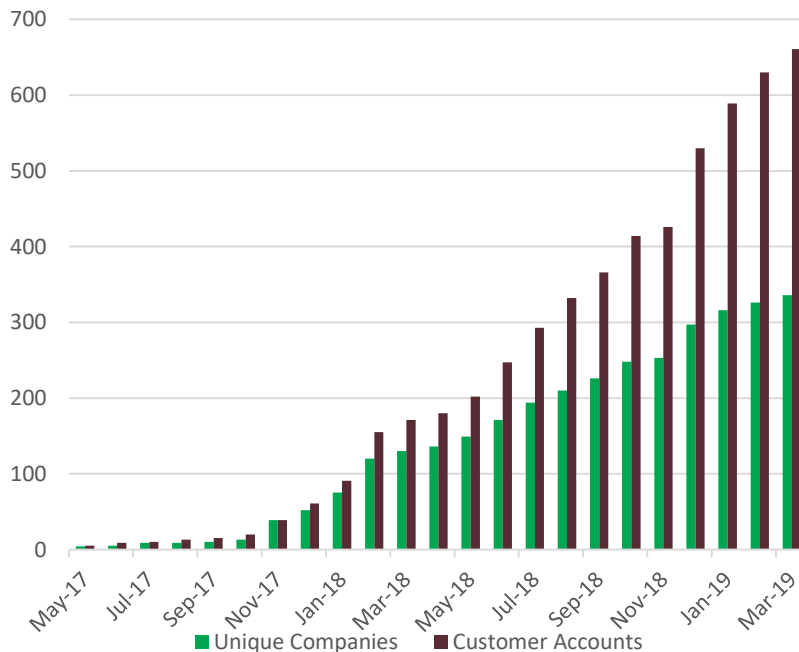
LodgeLink Gaining Market Traction



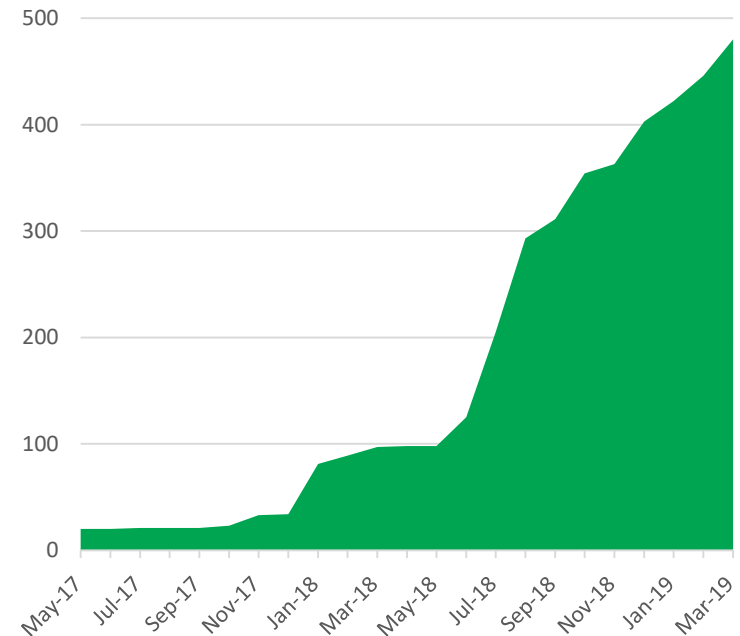
- Online digital marketplace with over 520 properties listed and ~61,000 rooms available in workforce lodges and hotels
- Offered throughout Canada, with US expansion underway
- In 2018, 250 unique corporate customers who booked over 83,000 room nights



**Total Customers and
Unique Company Accounts**



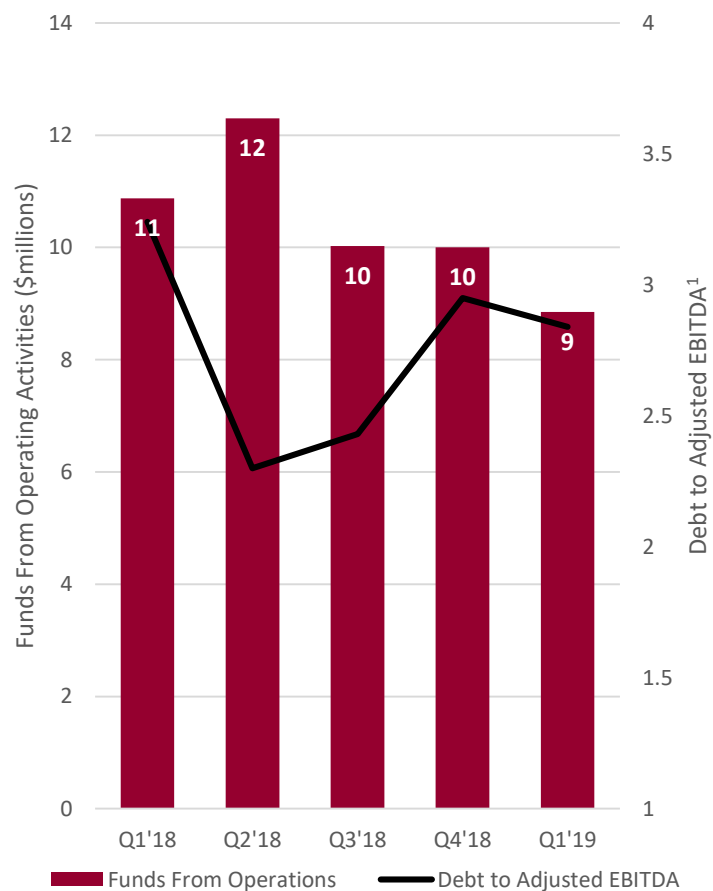
Properties Listed on LodgeLink



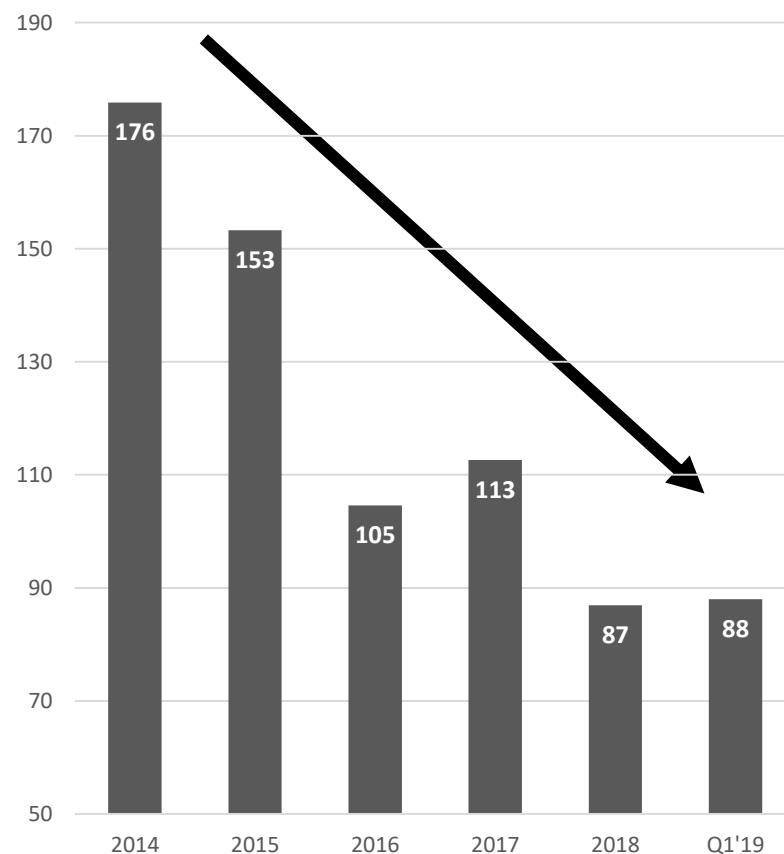
Creating Financial Flexibility



FFO¹ and Leverage Ratio



Net Debt¹



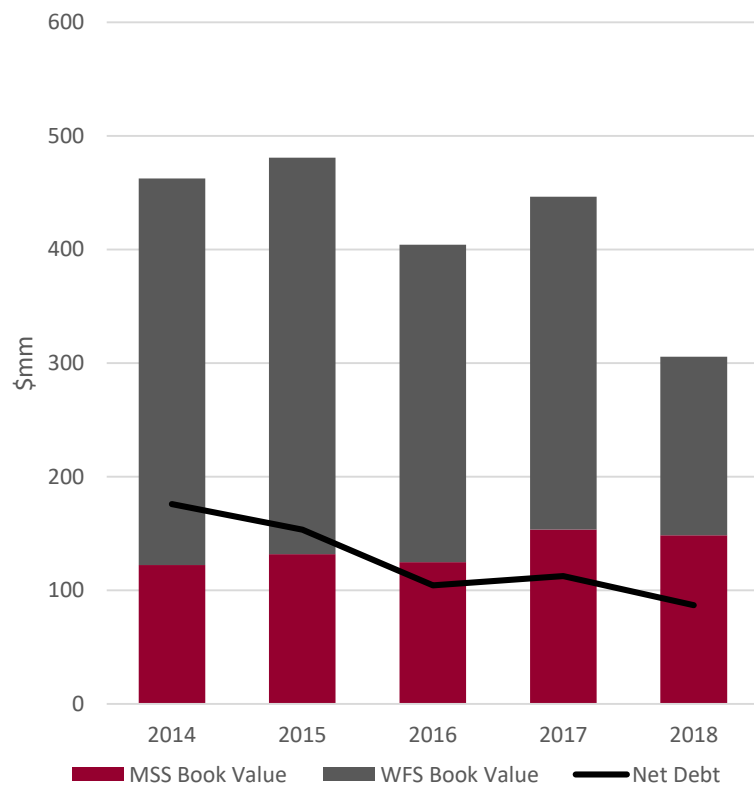
1. See "Non-GAAP Measures" at the end of this document.

Significant Asset Coverage Against Debt

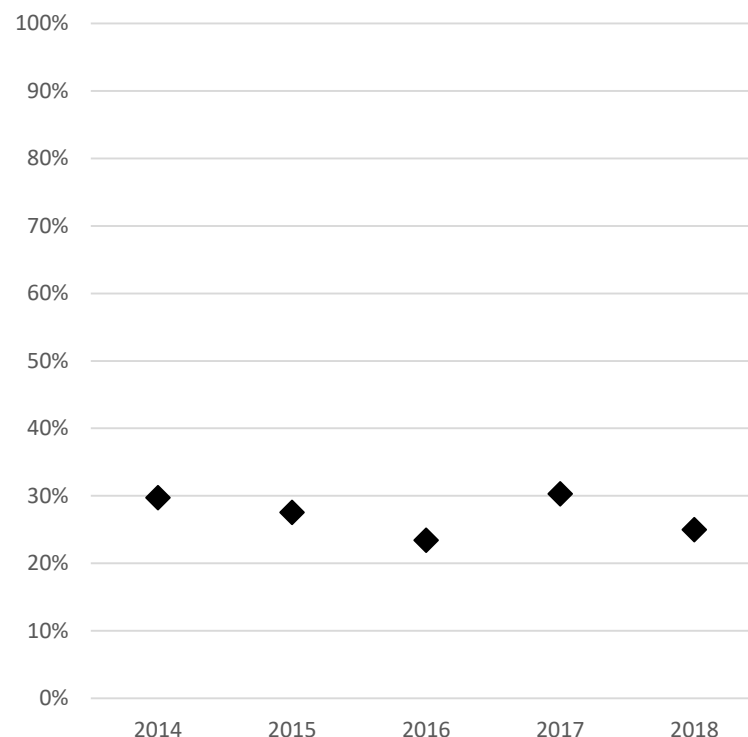


- Net debt¹ remains well below hard asset coverage on a net book value basis.

Net Book Value of Fleet Assets



Net Debt as a % of NBV of Fleet and Working Capital



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

Growth Through Disciplined Capex

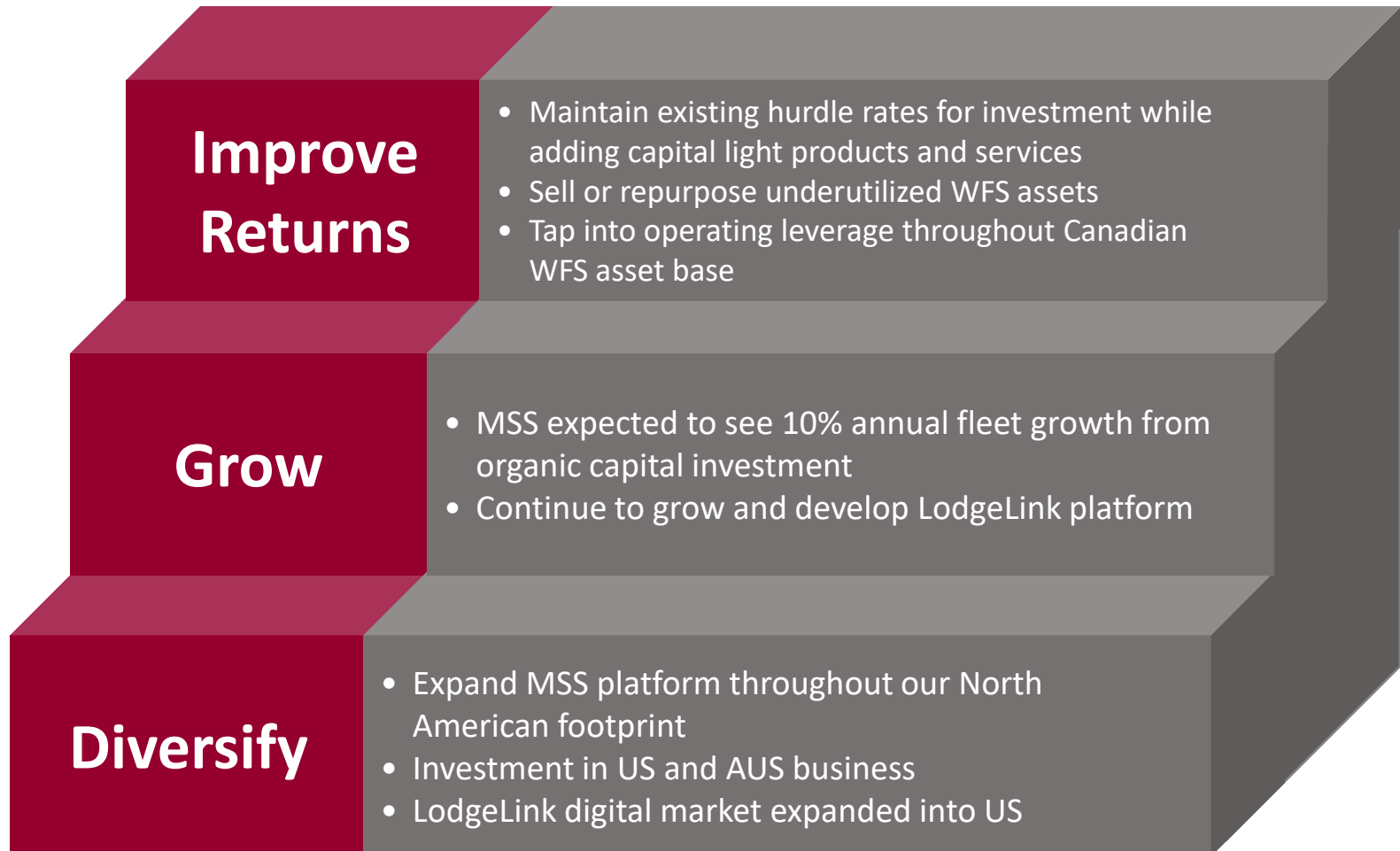


2019 Fleet Growth

- 2019 capex budget of ~\$35 mm (gross) funded through operating cash flow. Net capex of \$20 to \$25 mm after used asset sales
- MSS: ~\$25 mm growth capital
- WFS: \$5 to \$10 mm growth capital
 - US small format accommodations
 - Australian space rentals, schools
 - Introducing new products to complement US accommodations
 - Modest capital for incremental LodgeLink software development



Steps to Creating Value and a Better Way



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

5/21/2019

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