



BLACK DIAMOND GROUP

OUR WAY IS TO CREATE A BETTER WAY



INVESTOR UPDATE

November 2021

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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, 2020 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.



Black Diamond Group rents and sells modular space and workforce accommodation solutions to customers in Canada, the United States and Australia. We serve diverse sectors including construction, education, engineering, resources, financial institutions, military, and government.

Ticker	TSX:BDI	Insider Ownership	24%
Shares Outstanding	57.8 mm	52 Wk Range	1.68 – 5.65
Market Cap (11/01/2021)	\$304 mm	Enterprise Value	\$464 mm



LL

LodgeLink

- Disruptive digital platform
- Rapidly scaling
- Unique solution focused on essential workforce travel

MSS

Modular Space Solutions

- Diversified, steady, growth
- Predictable, improving returns
- Strong free cash flow characteristics
- Long-lived rental assets
- Low maintenance capital

WFS

**Workforce
Solutions**

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

Operating Overview



Modular Space Solutions (MSS) Fleet

8,801 Units ¹

WFS Rental Fleet

3,925 Units¹

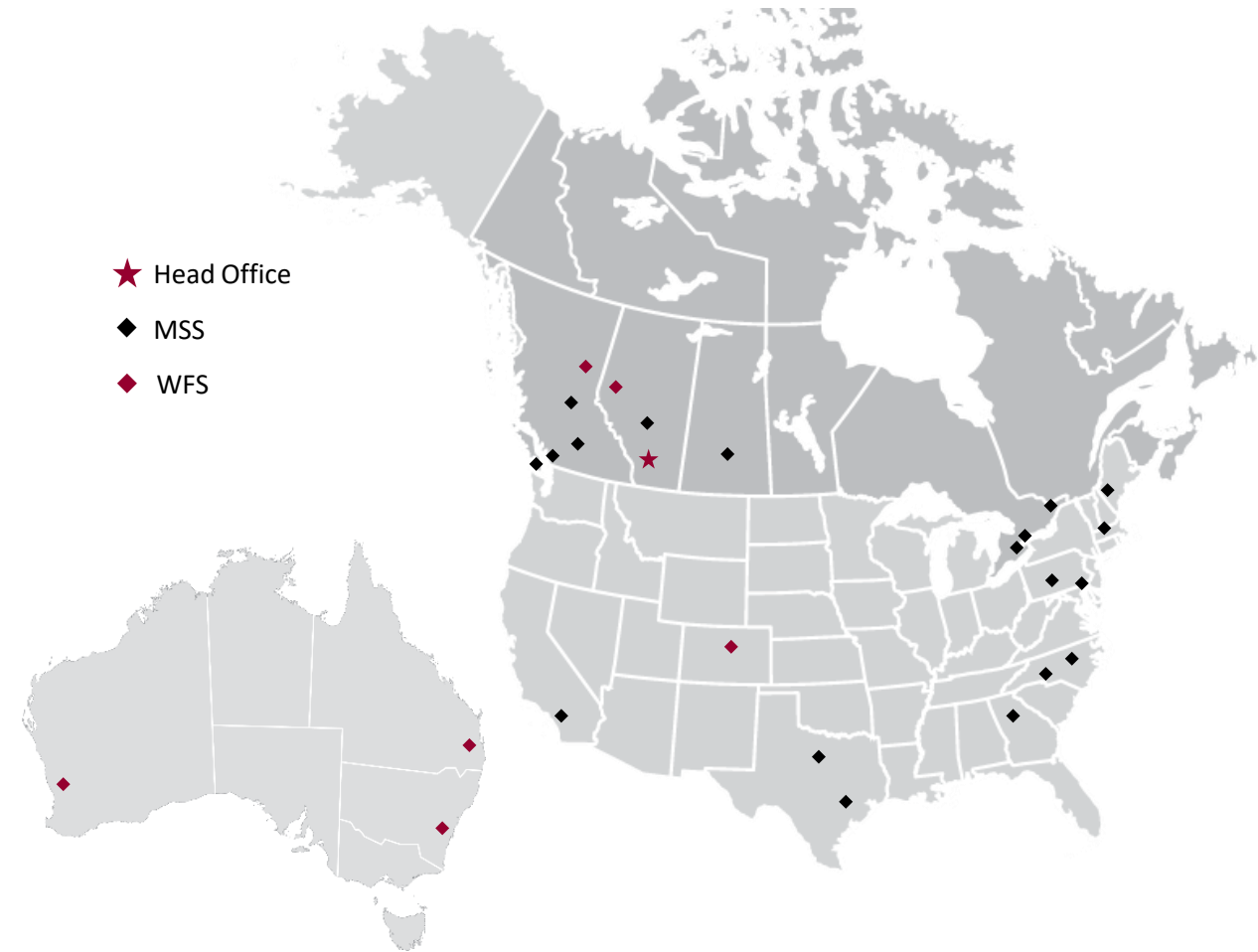
Consolidated Rentable Square Feet

~6.8 mm

188,429 TTM LodgeLink Bookings ²

\$57.6 mm TTM Adjusted EBITDA ^{1,2,3}

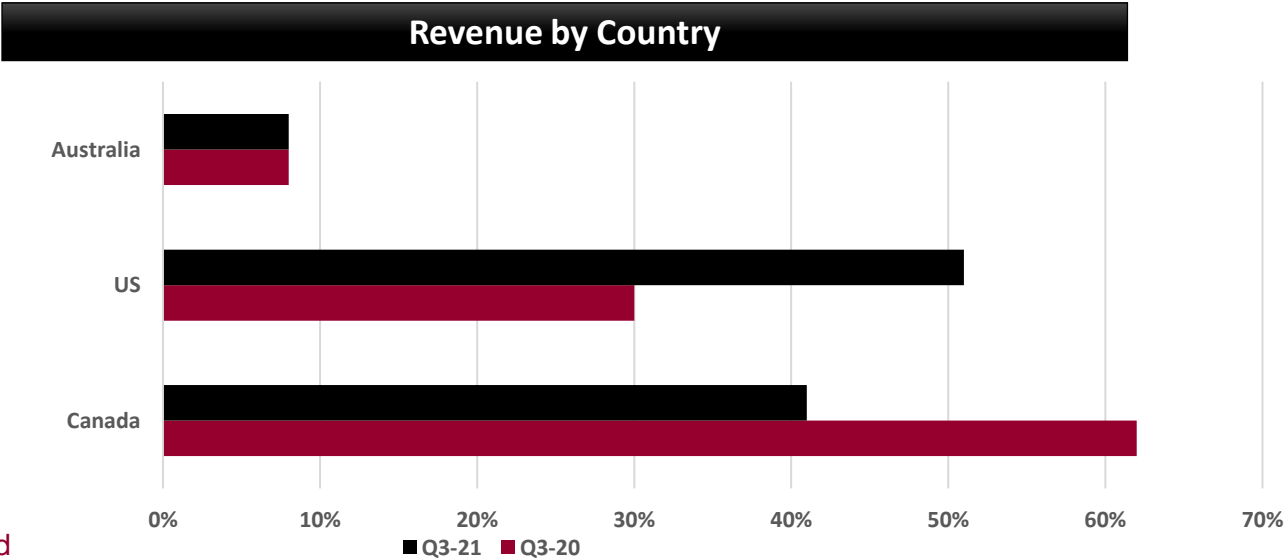
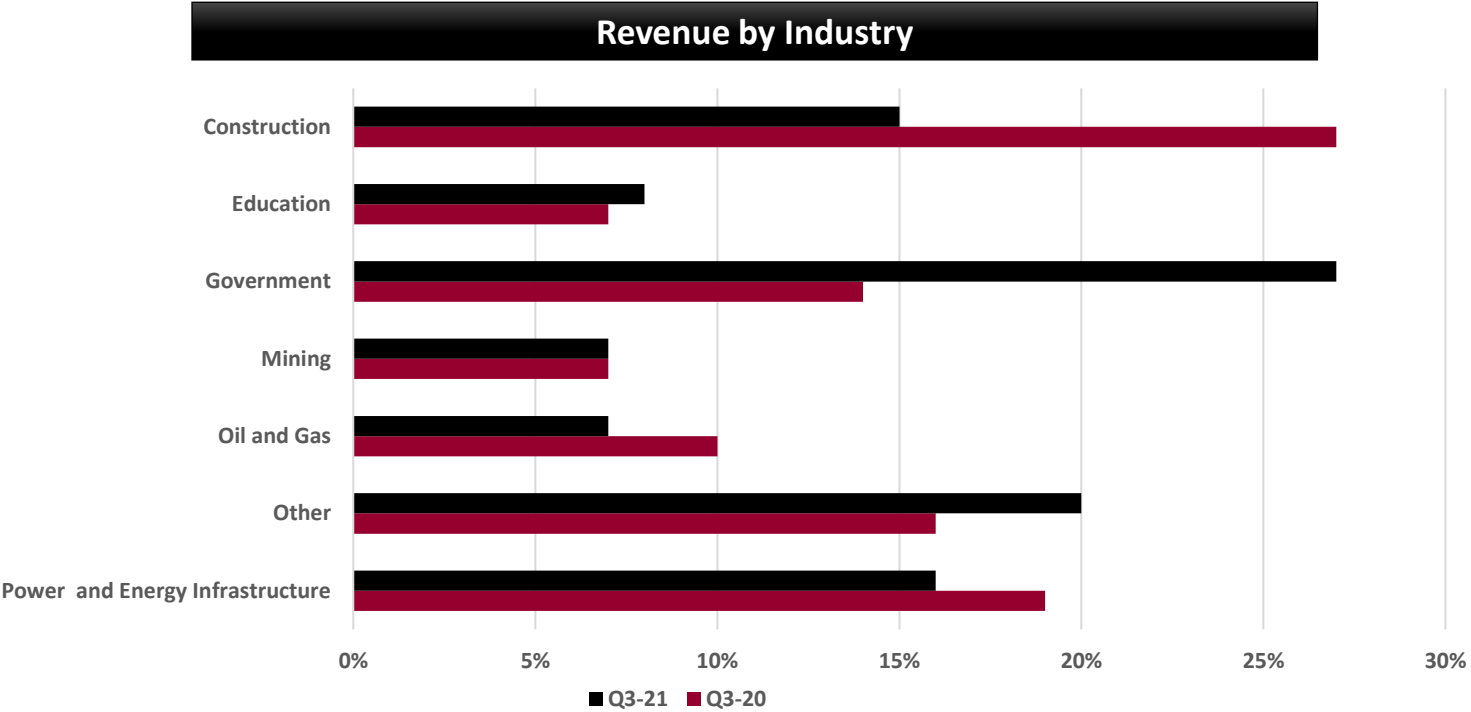
\$405 mm PP&E Book Value ¹



1. Source data: Q3 2021 Financial Statements, Management, Discussion and Analysis

2. As at September 30, 2021

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



Black Diamond Group - Who We Are



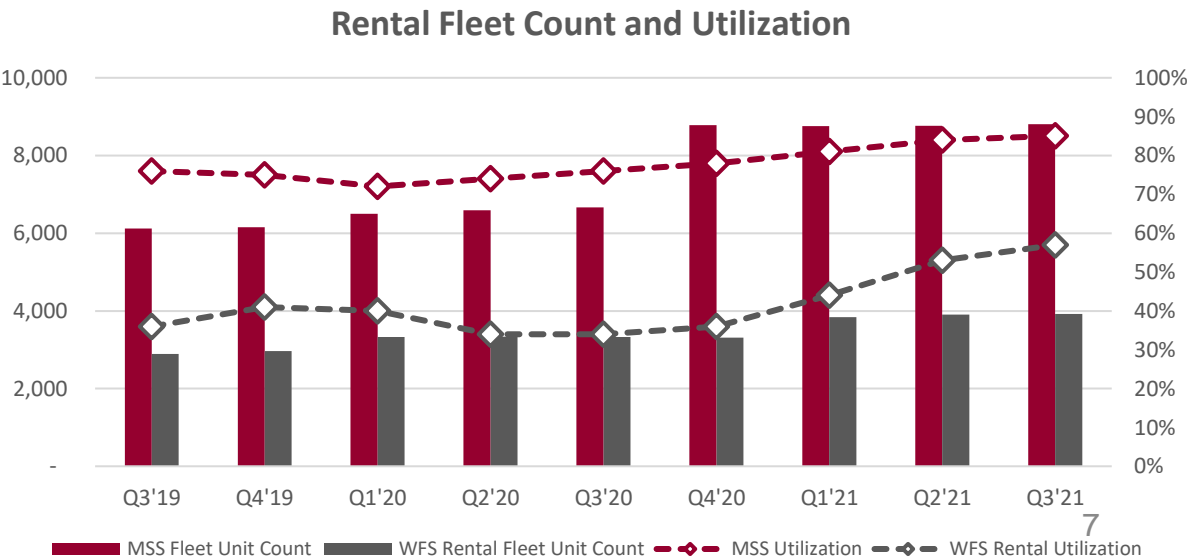
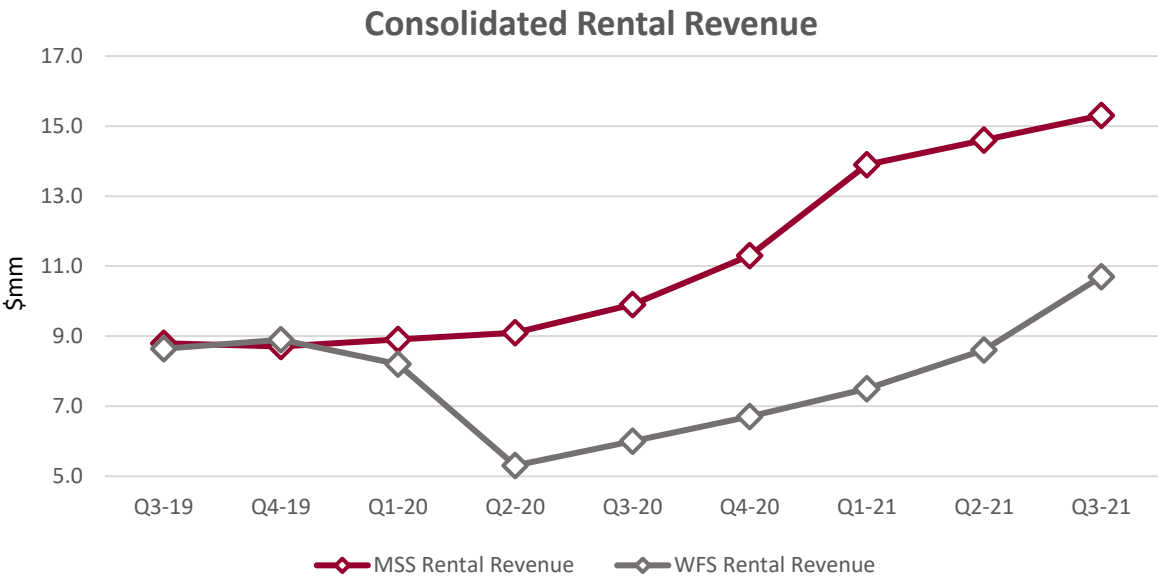
Specialty rentals and industrial services provider organized into two business units

MSS: Modular Space Solutions

- Diversified Rental
- Custom, Major Project or Used Sales
- Ancillary, Value Added Products & Services (VAPS)

WFS: Workforce Solutions

- Camps Rental
- Lodging
- Energy Services
- Australia
- LodgeLink





Modular Space Solutions

- 8,801 units across 19 branches in North America with attractive returns on long-lived assets
- Targeting average annual net fleet growth of 10%. With added scale and additional product offering, return metrics are improving. Rental revenue growth expected to outpace fleet growth
- Vision to double MSS fleet from 2019 to 2023 while keeping return metrics intact
- 2021 MSS gross capital investment of ~\$25 mm, excluding acquisitions

BOXX
MODULAR



 **britco**



 **mpa**
SYSTEMS, LLC



 **VANGUARD**
A **BOXX** Modular Company



SCHIAVI
LEASING CORPORATION

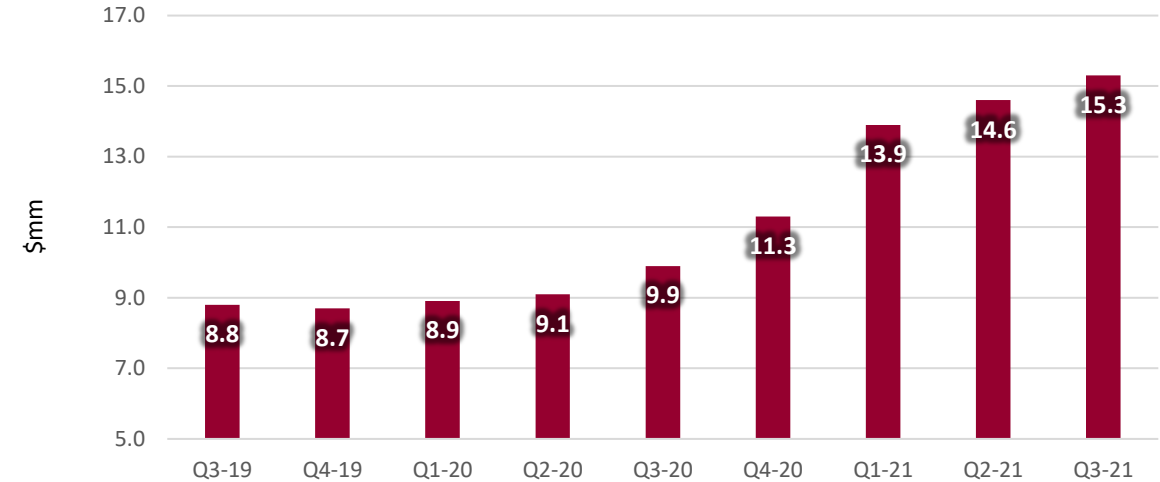




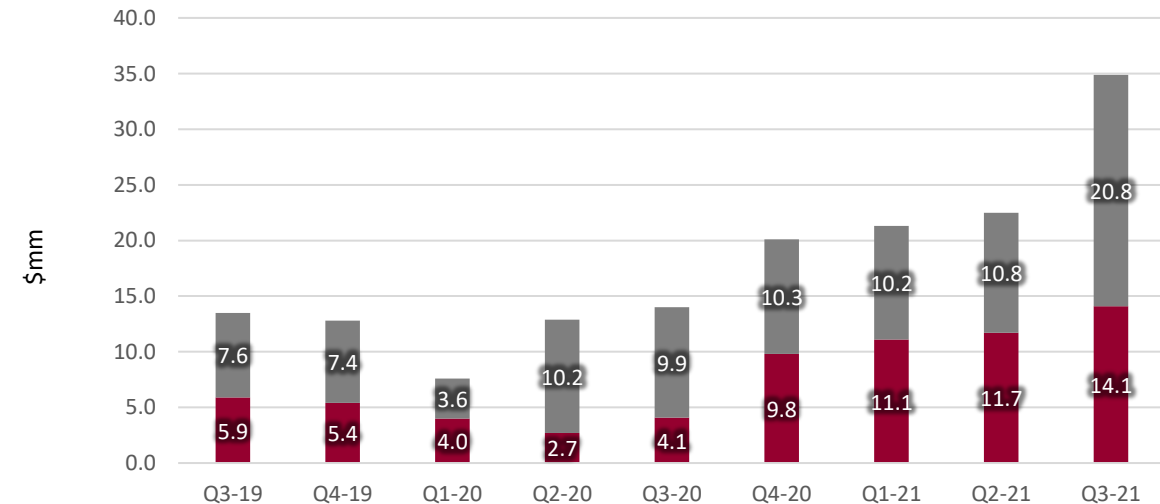
Modular Space Solutions

- Rental revenue up 55% Y/Y
- Strengthening rental revenue driven by continued capital investment, higher rates, improving utilization, and VAPS penetration
- Sales and non rental revenue also continuing to grow in conjunction with fleet growth and additional custom sales being driven through Vanguard

MSS Rental Revenue



MSS Sales & Non Rental



■ Sales Revenue ■ Non Rental Revenue



Workforce Solutions

- Includes Camps, Lodging, Energy & Industrial Services, Australia and LodgeLink
- **Geographic Diversification**
 - U.S.
 - Eastern Canada
 - Continued growth in Australia
- **Industry Diversification**
 - Disaster Relief
 - Homeless Initiatives
 - Mining
 - Green Energy
- 2021 WFS capital investment focused primarily on growth in Australia and selective asset optimization for contracts. Net spend of \$2 mm - \$4.5 mm

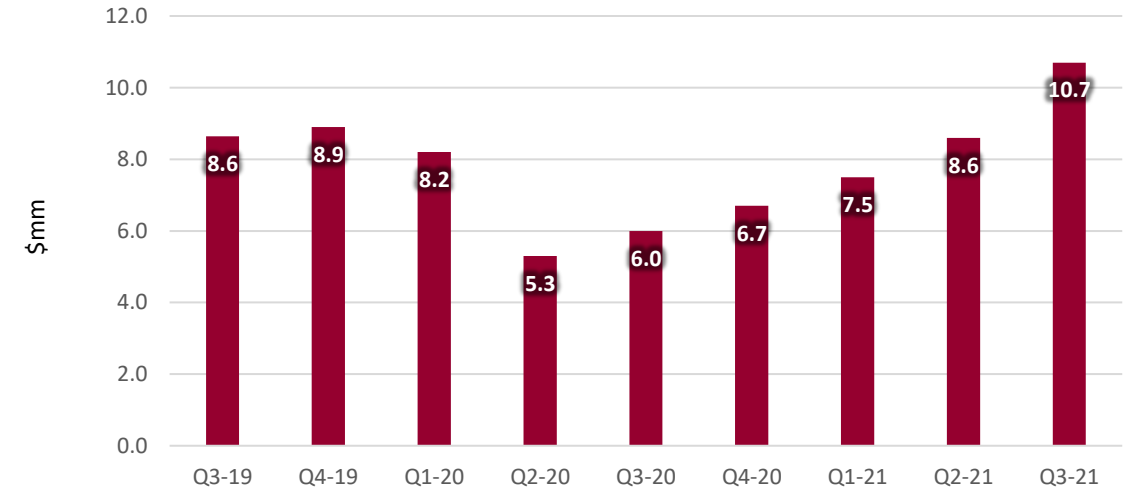




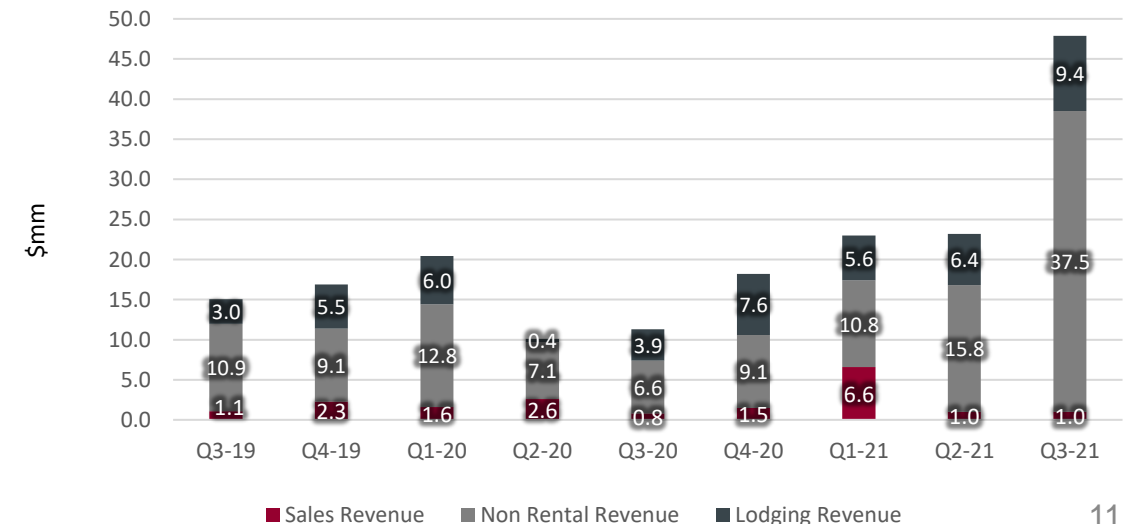
Workforce Solutions

- Contracted rental revenue of \$26.3 mm at the end of Q3 21, up 72% from the comparative quarter
- Continuing growth in eastern Canada, providing customer and geographical diversification
- Large increase in non-rental revenue in Q3 21 from non-recurring work on several projects. Expecting a more normalized cadence for the remainder of the year
- Expecting steady utilization into 2022 from previously announced recent contract wins

WFS Rental Revenue



WFS Lodging, Sales & Non Rental

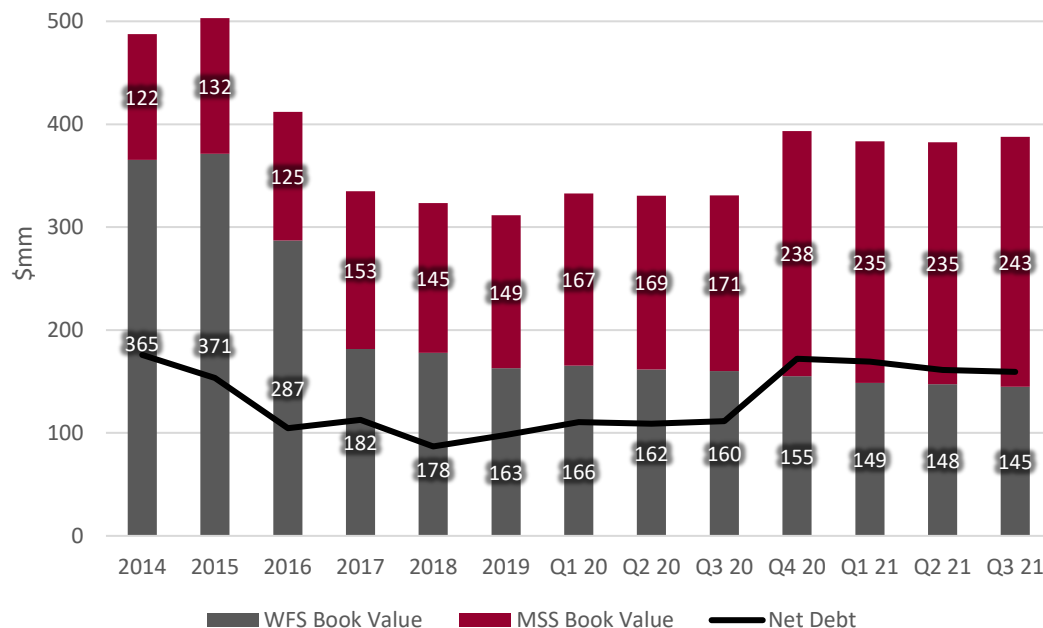


Significant Asset Coverage Against Debt

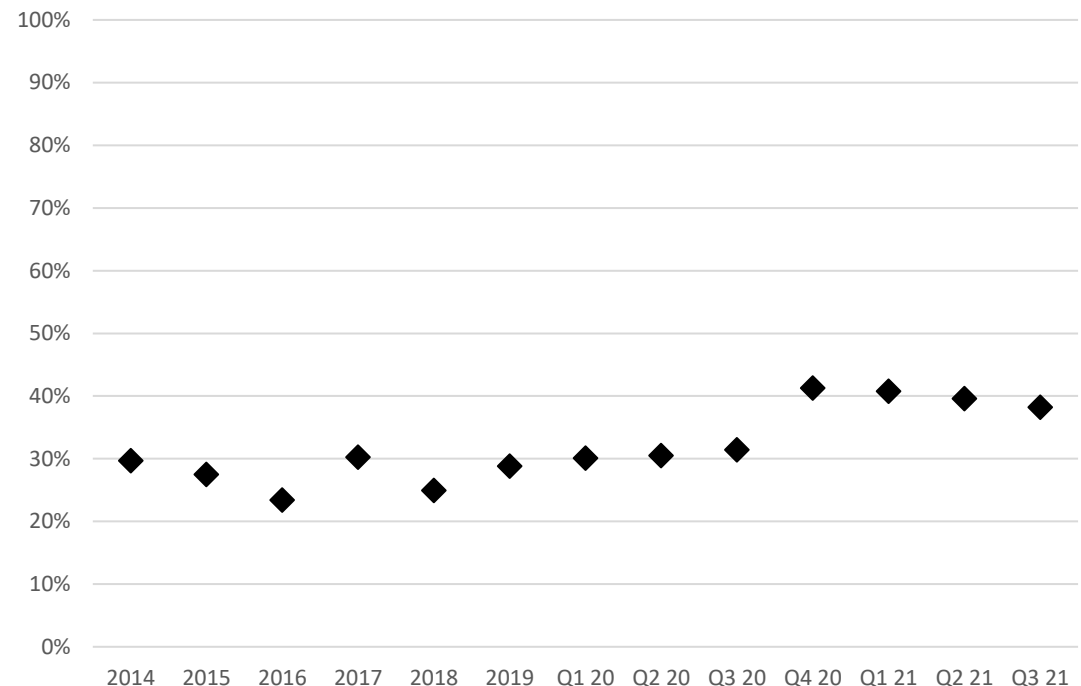


- Q3/2021 net debt¹ of \$160 mm remains well below hard asset coverage on a net book value and third-party appraisal basis
- In conjunction with Vanguard deal, expanded existing credit facility to \$300 million
- Orderly liquidation value of eligible rental fleet (for borrowing base calculation) is ~\$295 million as at end of Q3/2021
- Over \$115 million of available liquidity under expanded facility

Net Debt Vs Net Book Value
of Fleet Assets



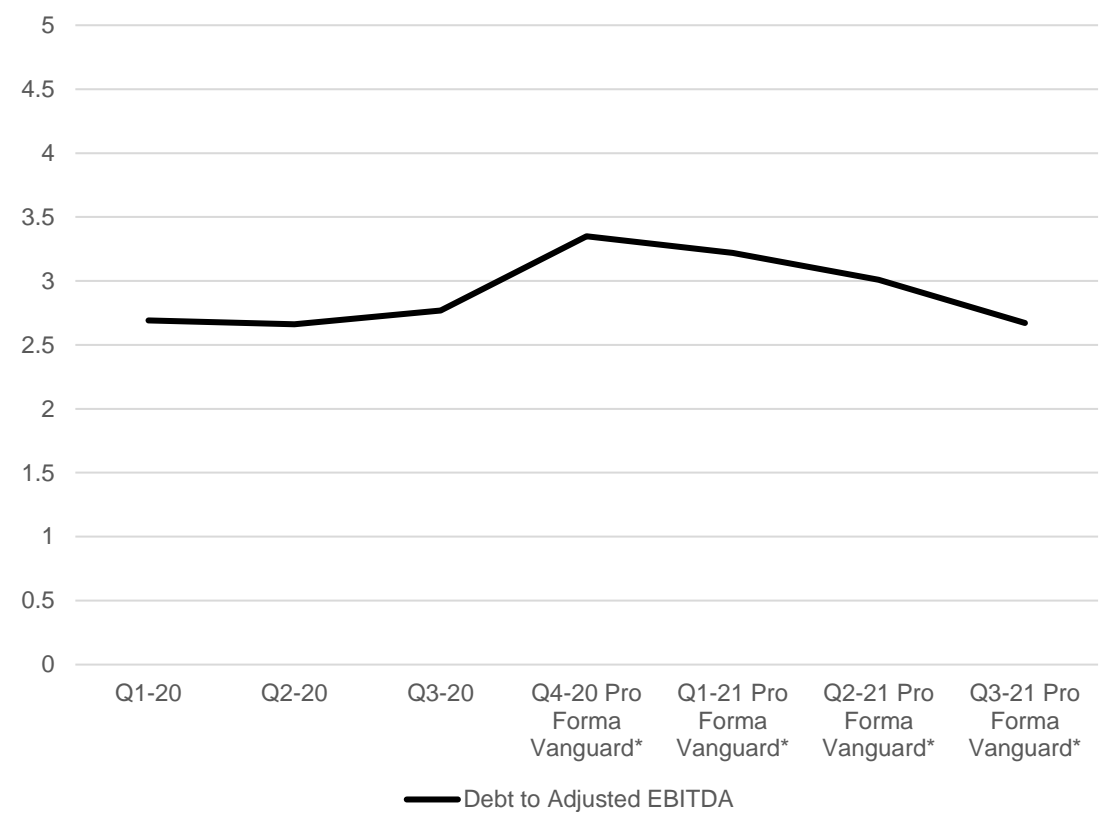
Net Debt as a % of
NBV of Fleet and WC



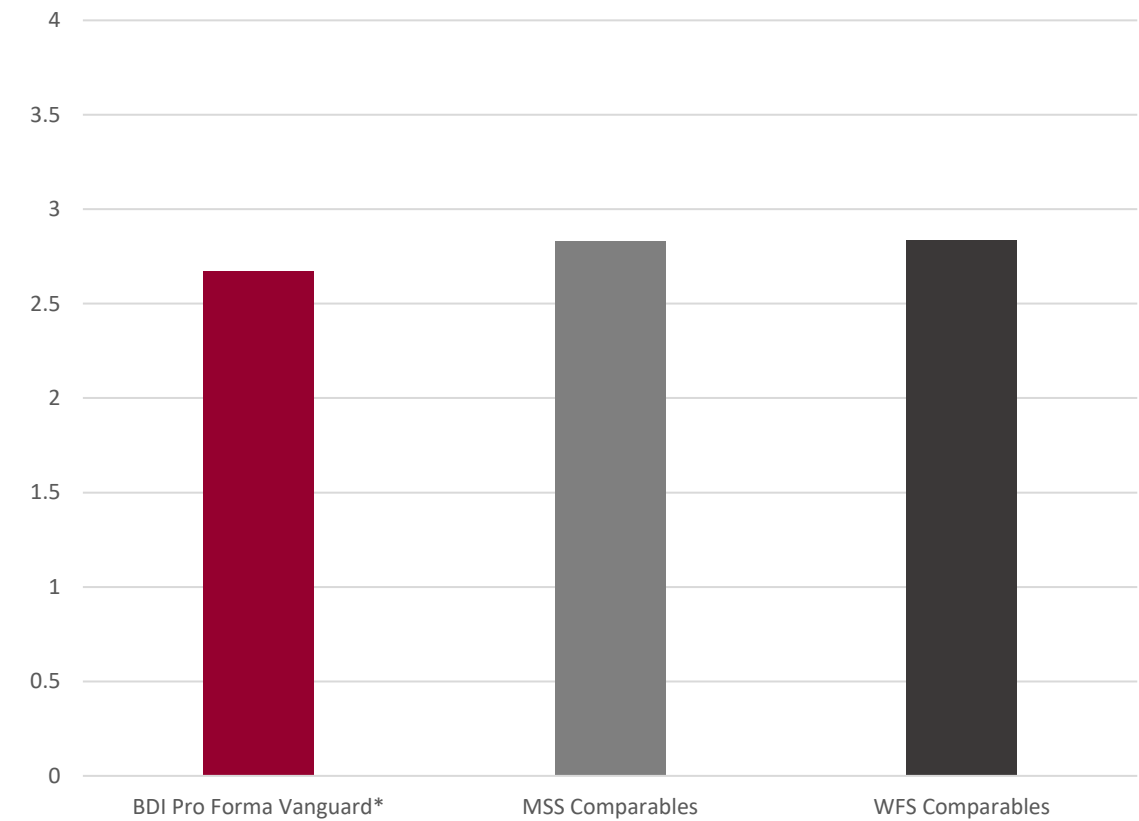
1. See "Non-GAAP Measures" at the end of this document.



Leverage Ratio



Net Debt/EBITDA (TTM as at last reported Quarter)



Source: Factset

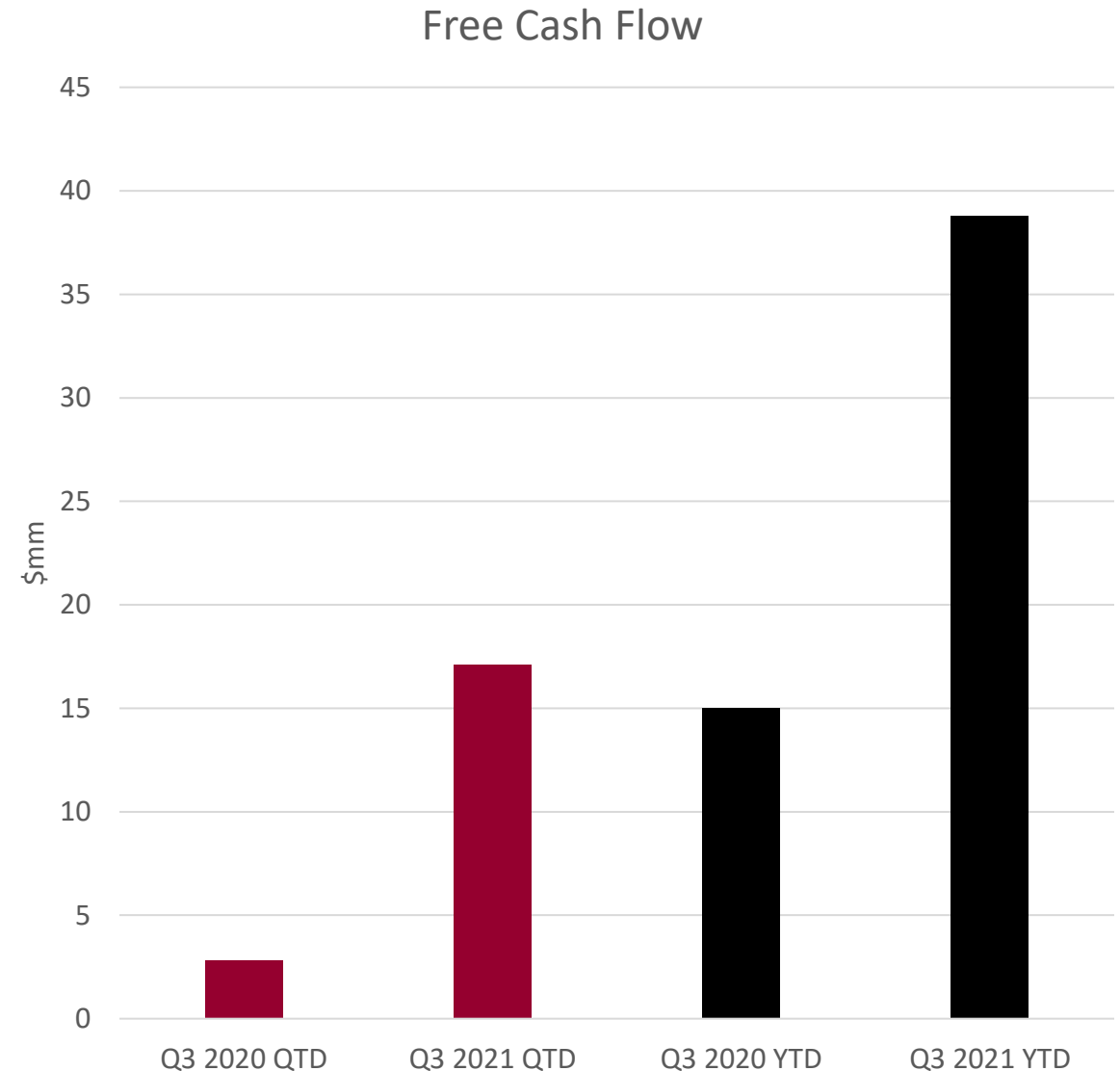
MSS Comparables: MGRC, WSC
WFS Comparables: CVEO, TH, DXT

*BDI Pro Forma Vanguard includes trailing 12 months of EBITDA from Vanguard

Strong Free Cash Flow Generation



- Asset rental model has continued to provide a strong base of Free Cash Flow, generating over \$17 million in Q3/2021
- The company has reinstated a quarterly dividend of \$0.0125 per share, or \$0.05 per share on an annualized basis
- Base of diversified asset rentals represents an attractive hedge in the current inflationary environment

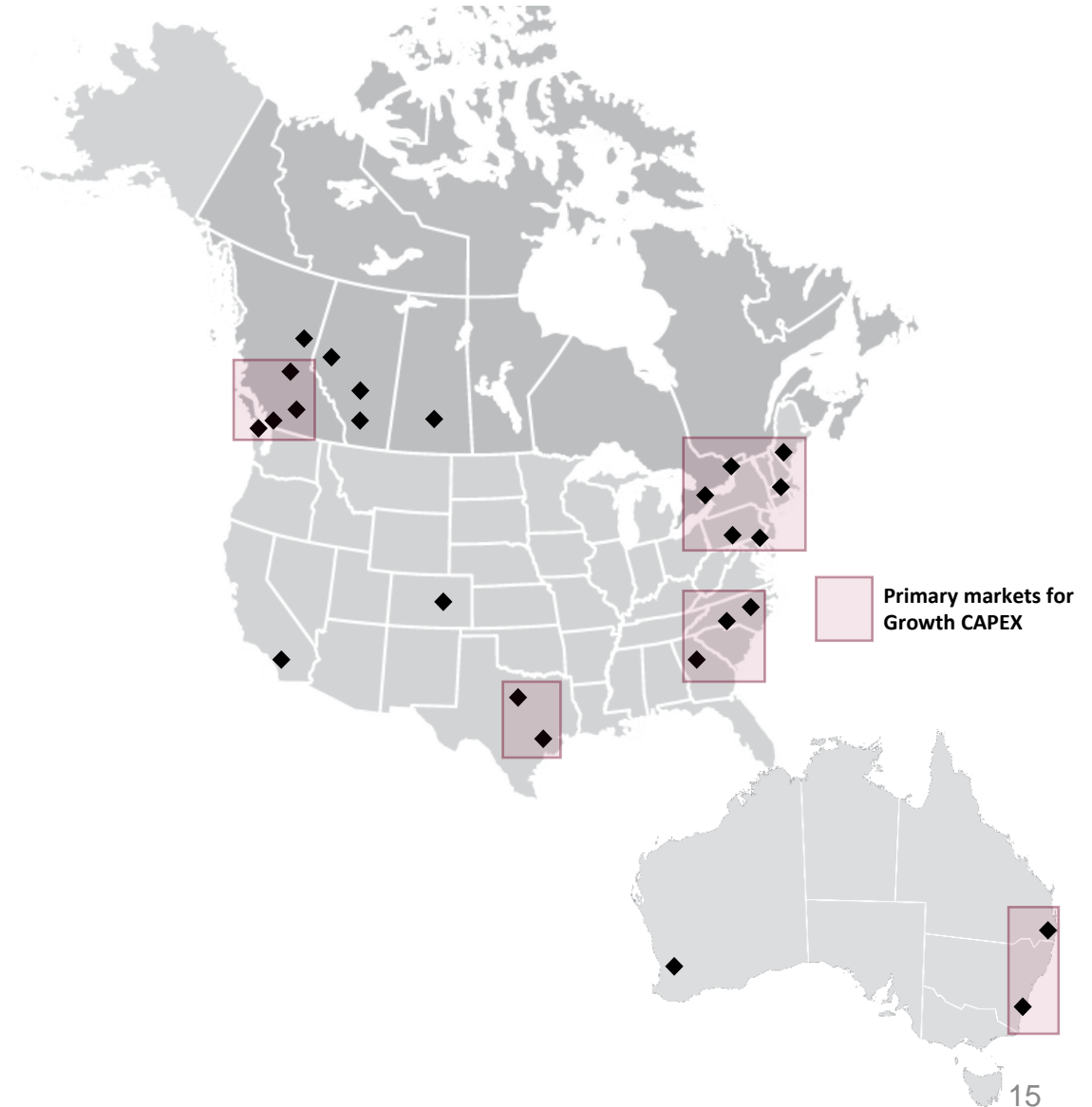


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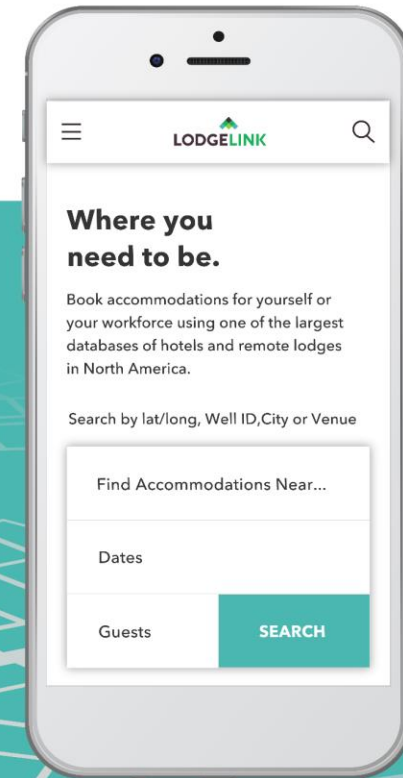
2021 Capital Program

- Net capex of \$25 to \$30 mm after used asset sales
- Realizing return on assets for new capital (defined as annualized rental revenue divided into the cost of a new asset) of 18% or higher
- MSS: ~\$25 mm (gross) growth capital to be allocated across North American footprint
- WFS: \$4.5 mm growth capital, \$2.5 of which is for continued Australian growth
- \$1.5 mm for LodgeLink software development





Helping you find, book and
manage crew accommodations.



WHERE YOU NEED TO BE™



LODGE LINK.COM

Digital B2B Platform for Workforce Travel

LodgeLink is a multi-sided marketplace for the \$320 billion of crew travel and related goods and services consumed by crews each year.

LodgeLink Gaining Market Traction

Multi-sided B2B Platform focused on crew travel

- Efficiently connect the supply/demand of room and accommodation bookings for companies employing field crews
- Custom-built platform to remove inefficiency at every stage of the crew travel process

\$320 billion market opportunity

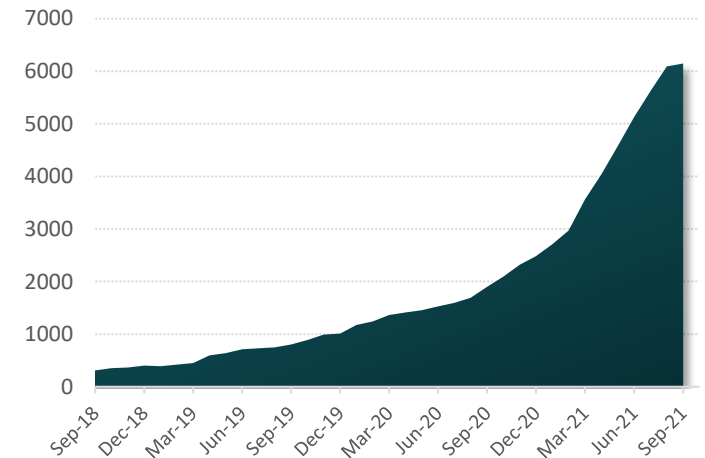
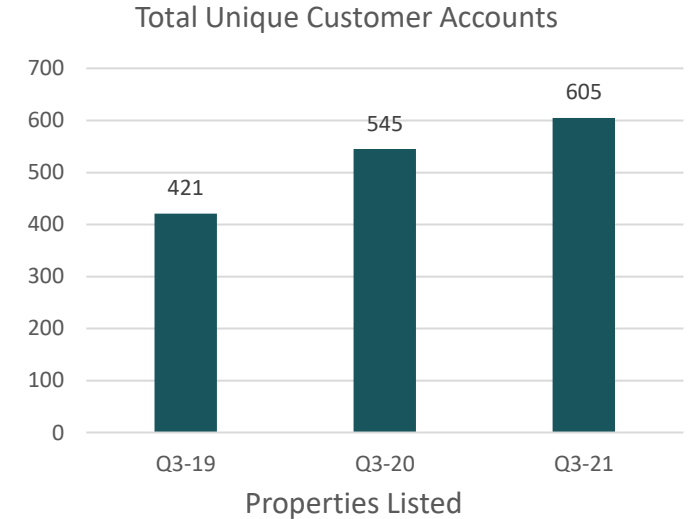
- Customers exist in diverse industries and geographies and share the same challenges
- No global leader in the space
- Fragmented market with low-tech tools used by customers and competitors

Over 444,000 room nights booked to date (Sep 30, 2021)

- LodgeLink room bookings grew 87% to 60,398 from Q3 2020
- Continued customer and geographic expansion with a growing presence in the U.S.

Customers & Suppliers validating all aspects of long-term vision

- Meaningful customer growth
- Both sides of the platform showing a desire to integrate their operations with LodgeLink to remove inefficiencies and enhance the experience



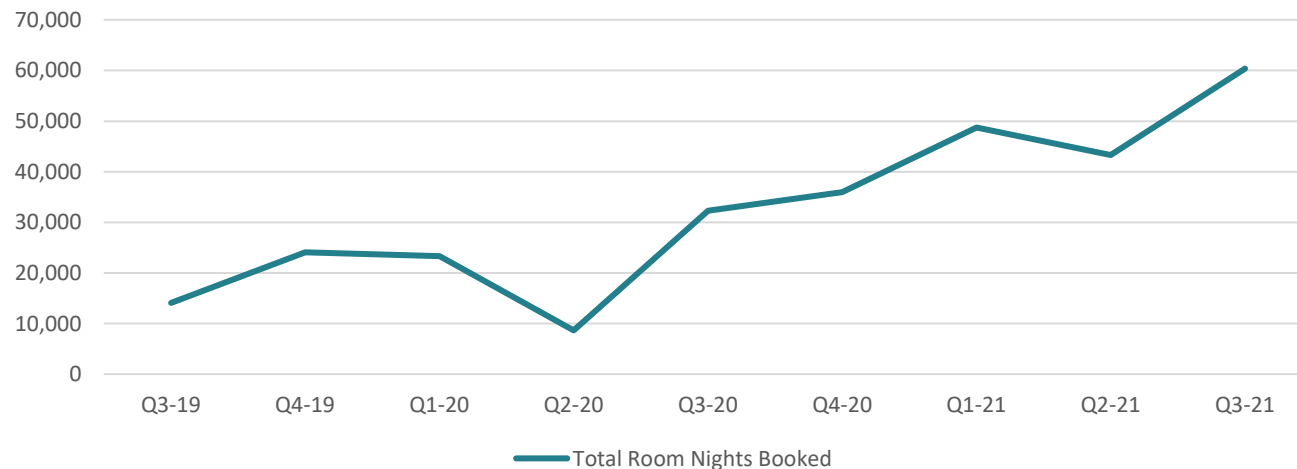
As of Sep 30, 2021

Total Properties Listed	6,186
Total Rooms Listed	599,445
Total Unique Customers	605
Employees (full time)	57

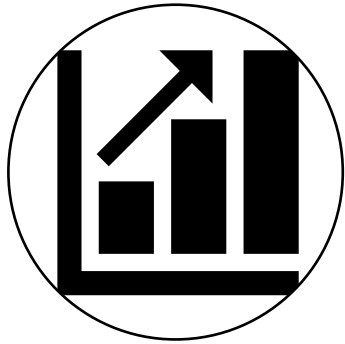
Gross Bookings (\$mm)



Room Nights Booked

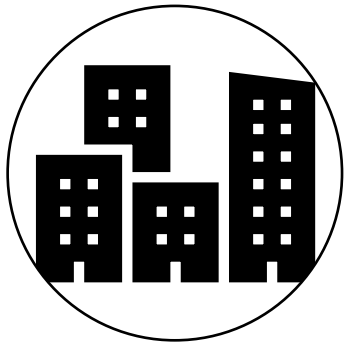


- Continued growth in unique customer accounts
- Growing share of travel wallet within existing customer base
- Record booking volumes and gross revenue achieved in 2020 despite a ~90% decline in North American travel volumes due to pandemic restrictions starting in March 2020.
- 2021 continuing to set gross revenue and booking records, driven by ongoing growth in the US which increased gross bookings by 407% over the prior YTD



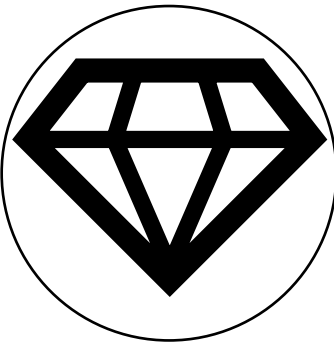
Growth

- MSS fleet growth ahead of plan as a result of Spectrum and Vanguard acquisitions in 2020
- MSS EBITDA growth to outpace fleet growth driven by stronger rental revenue as a result of rising rates and utilization, economies of scale, VAPS and other service offerings
- LodgeLink platform is scaling quickly with a view towards accelerating growth in 2022 and beyond



Diversification

- Growing revenue base from U.S., Eastern Canada, and Australian markets in both MSS and WFS product offerings
- Growing presence in U.S. education rentals sector
- LodgeLink digital marketplace continuing to expand in the U.S.



Value

- Capitalize on significant operating leverage in underutilized Western Canadian WFS asset base
- Asset Based Lending facility provides flexible, low-cost debt to fund growth with considerable available liquidity
- Approximately \$400 mm of high quality, long-lived assets on the balance sheet



LODGELINK



CAMPS RENTAL



ENERGY SERVICES



AUSTRALIA



MODULAR SPACE



VAPS

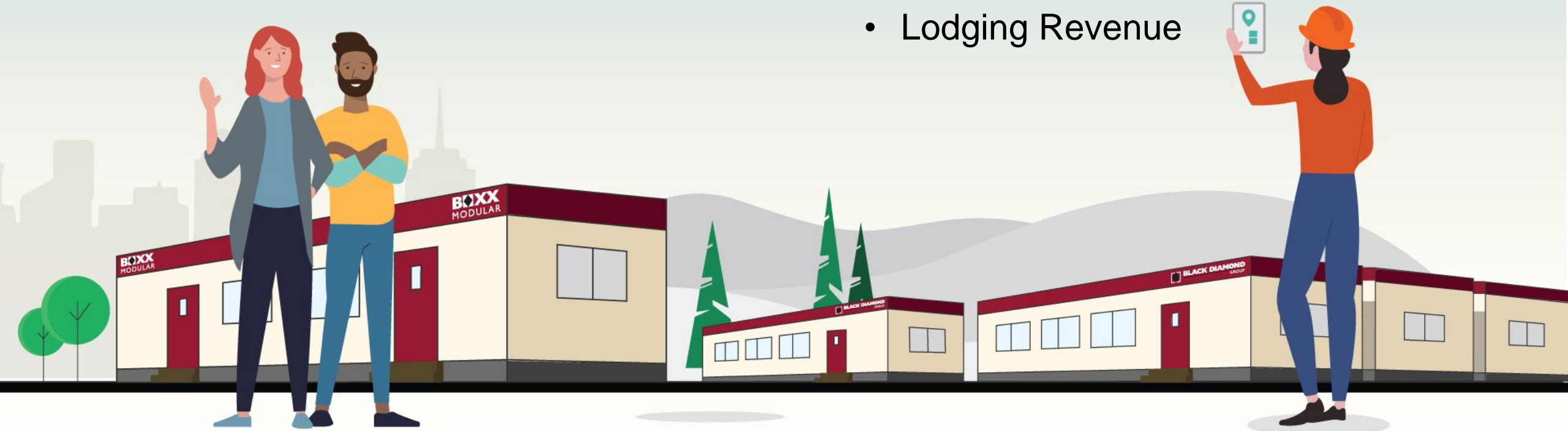


MSS Business Unit

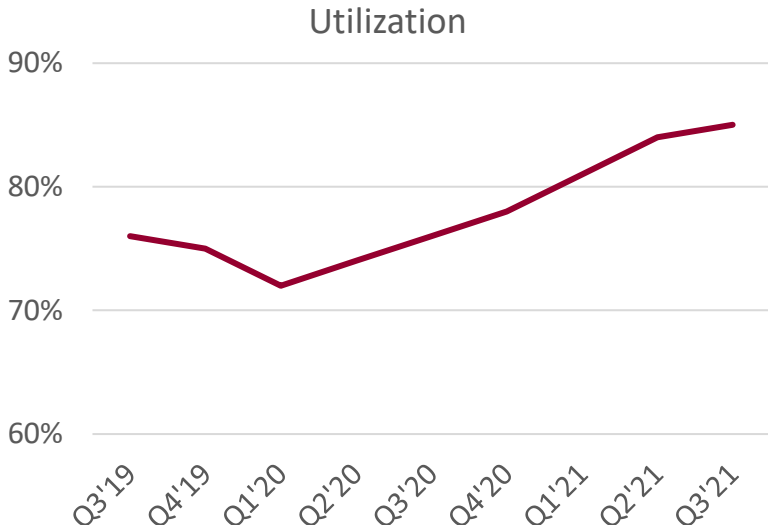
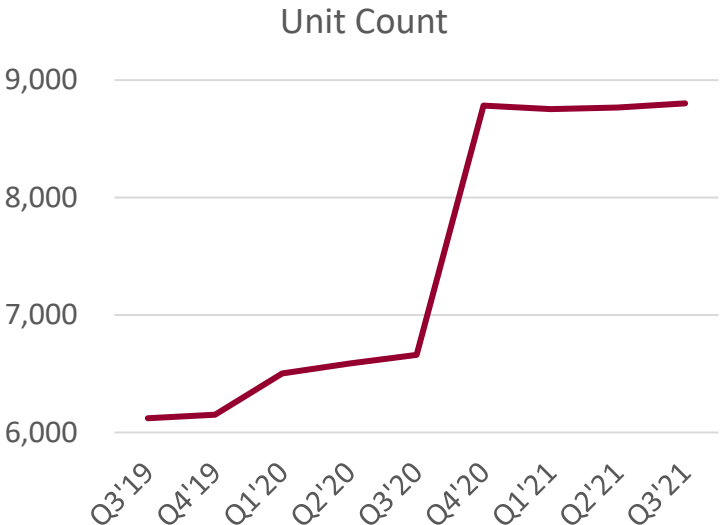
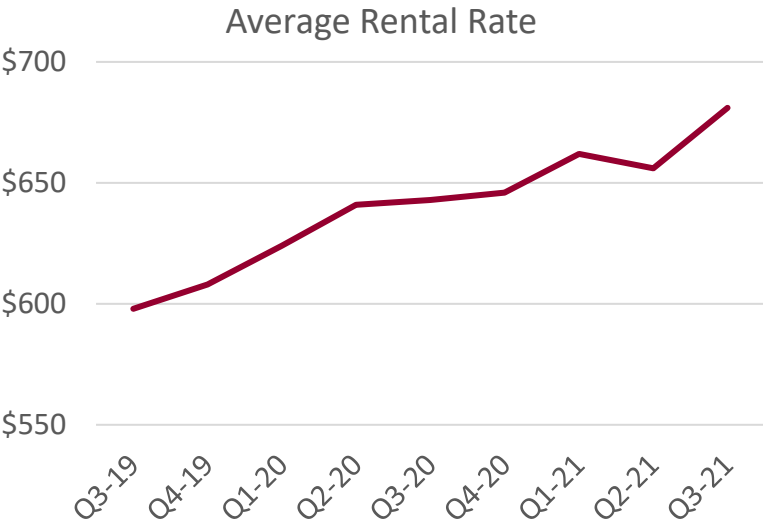
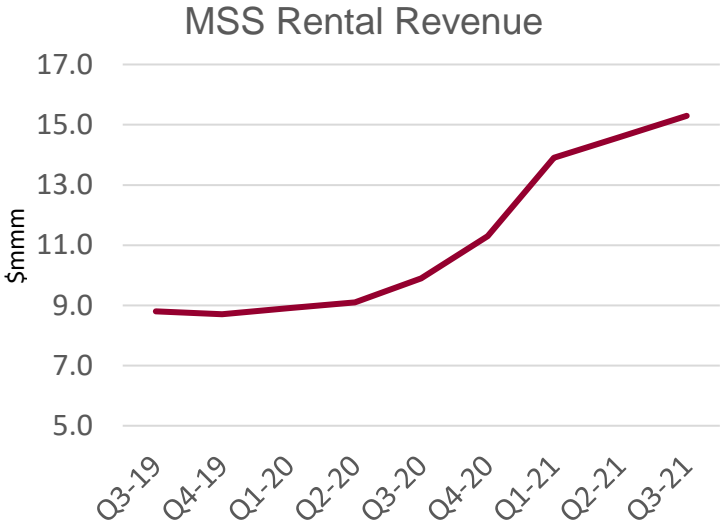
- Rental Revenue
- Sales Revenue
- Non-Rental Revenue

WFS Business Unit

- Rental Revenue
- Sales Revenue
- Non-Rental Revenue
- Lodging Revenue



MSS – Drivers Behind Rental Revenue Growth

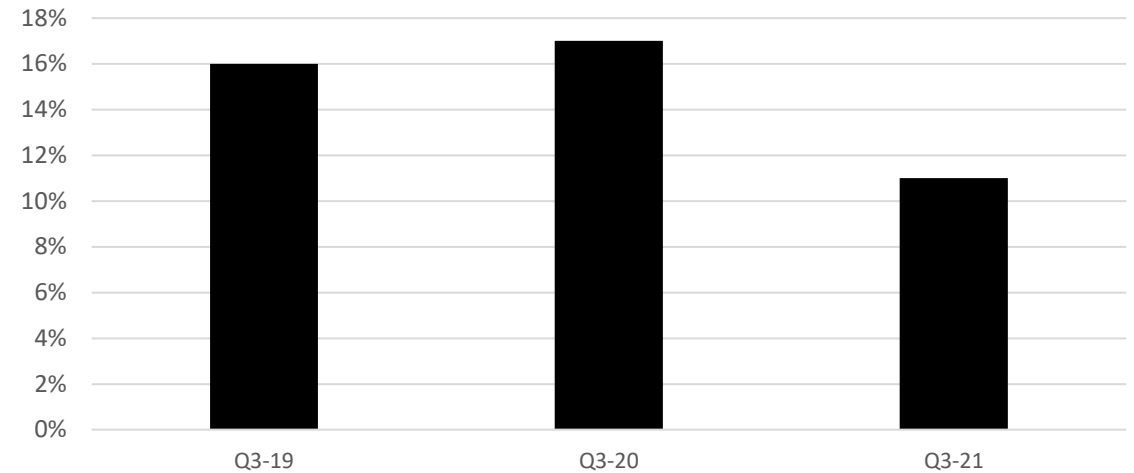




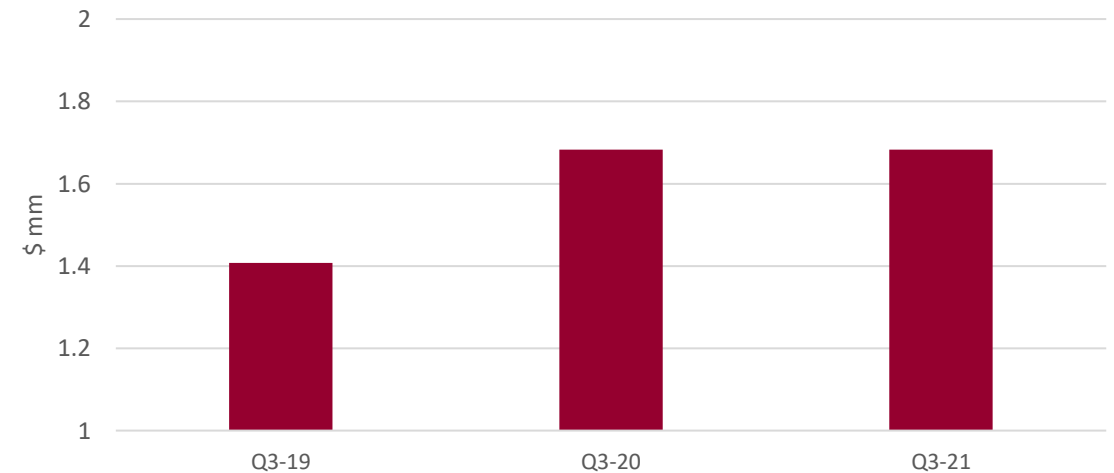
- Value Added Products & Services (VAPS) revenue continuing to grow
- VAPS as a % of revenue down in Q3/21 due to addition of Vanguard rental revenue which currently has comparatively lower penetration



VAPS as a % of Rental Revenue

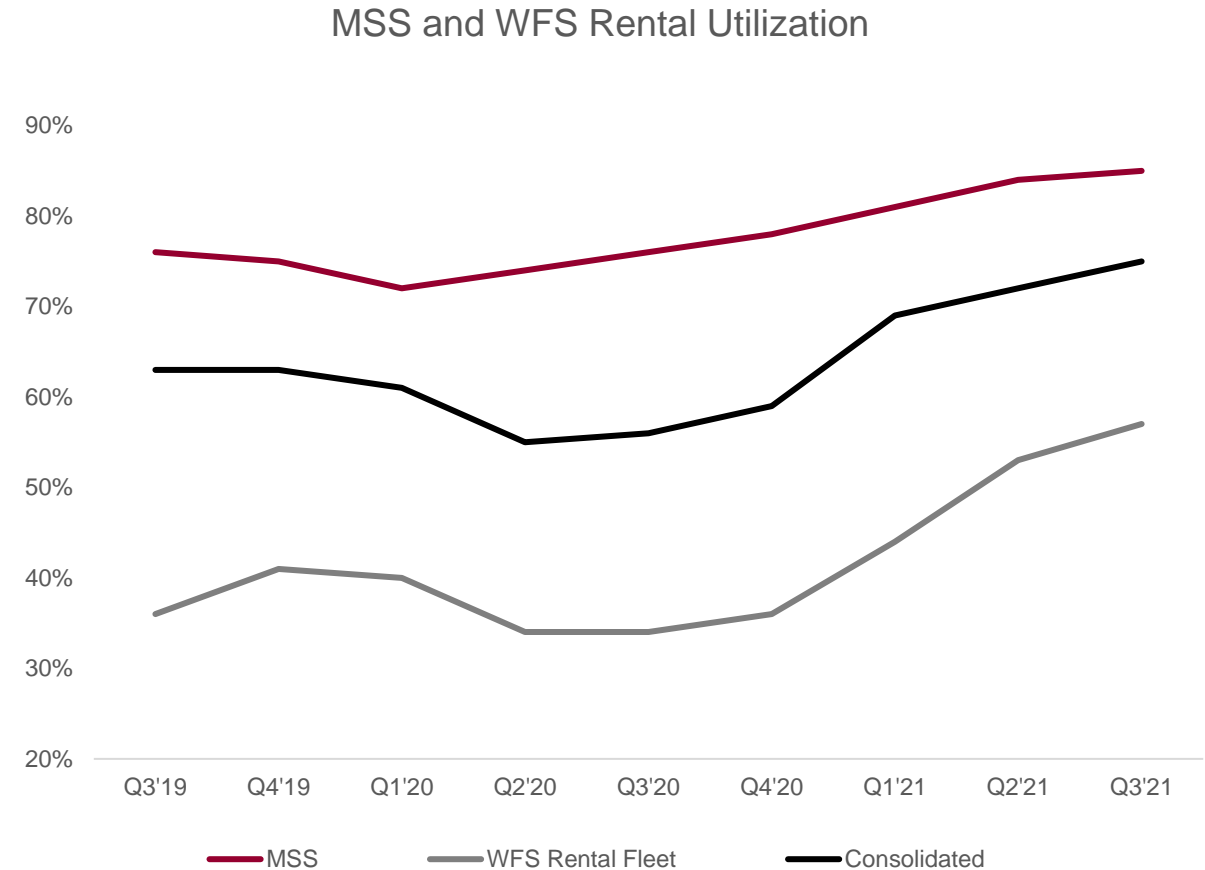


VAPS Revenue





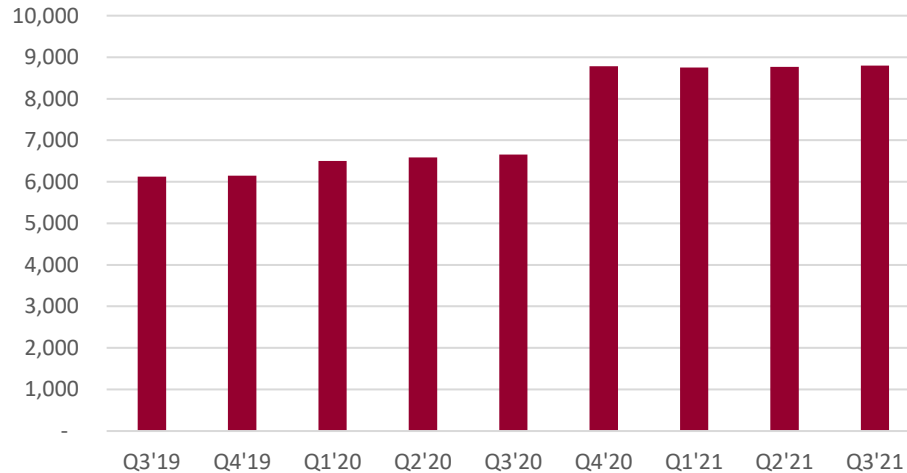
- Utilization showing further improvement after pandemic low in Q2 2020
- MSS rental fleet maintaining utilization above 70%
- WFS improvement in rental utilization supported by diversification of assets outside of western Canada



MSS & WFS Fleet Overview

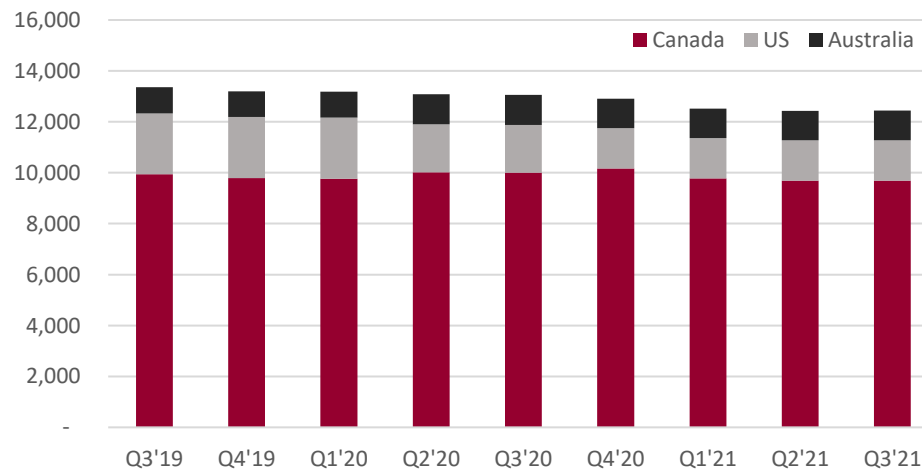


MSS Fleet Unit Count



- Continued growth in MSS rental fleet, supported by organic investment and recent acquisition of Vanguard

WFS Room Count

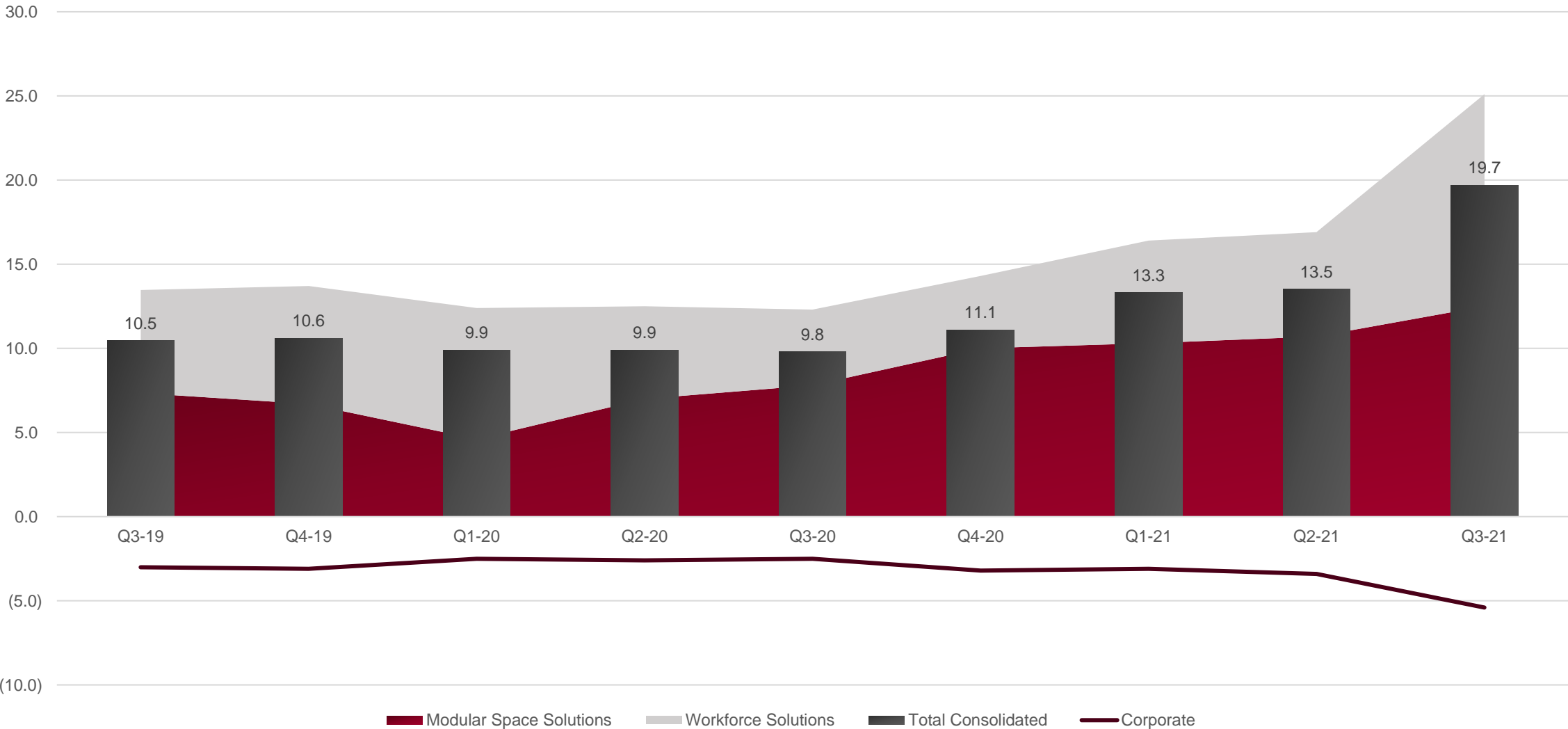


- WFS camps rental fleet has seen some assets move to the U.S for contracted work. Moderate decline in rooms as older assets have been sold

Adjusted EBITDA¹ Detail By Quarter

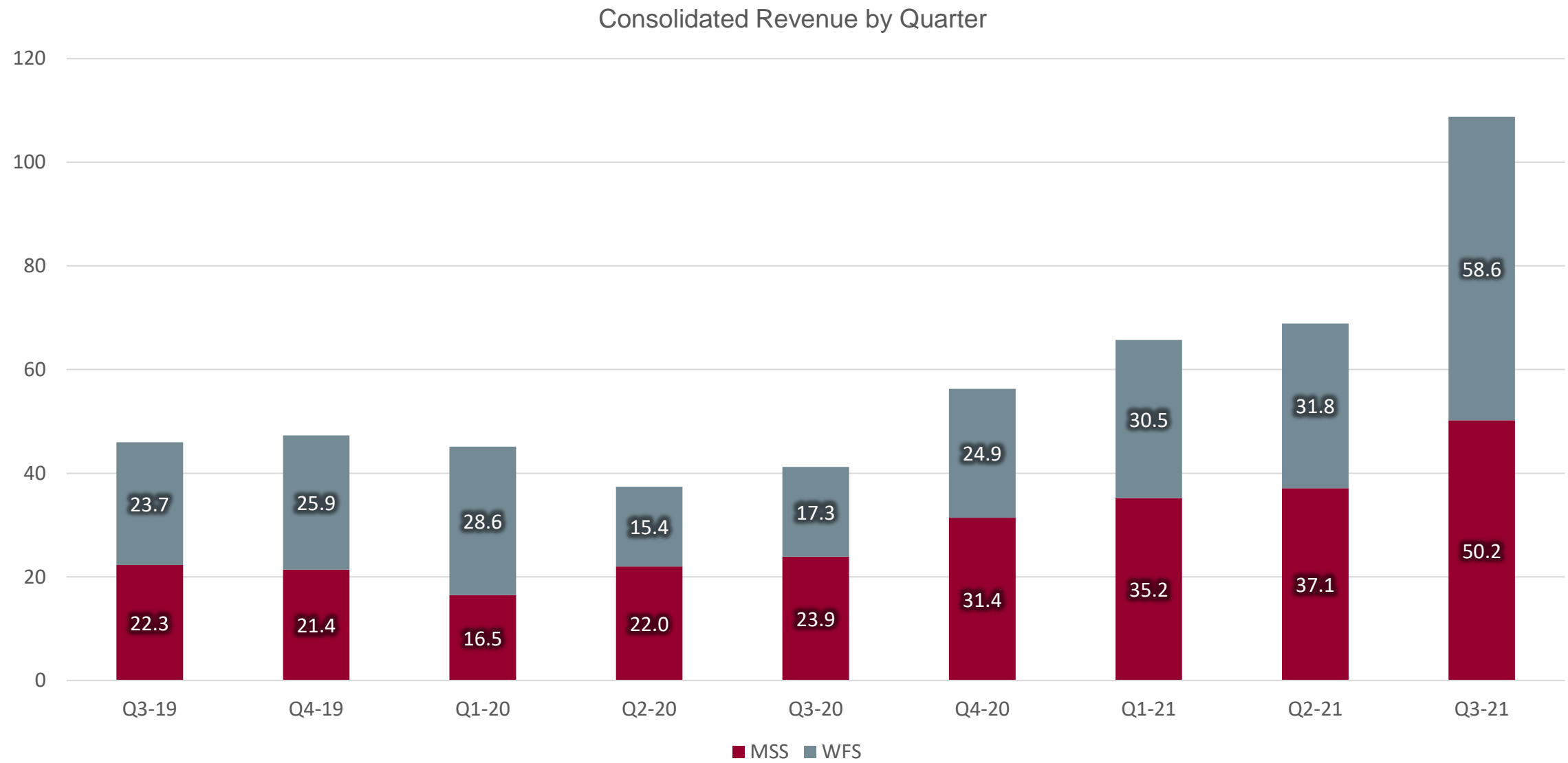


Quarterly EBITDA Detail



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

Revenue Detail by Quarter



Crew (workforce) travel is a complex task that adds costs to running a business

- When groups or crews are required to travel for work, finding, booking and managing travel and accommodations is challenging
- Solutions for consumer travel exist, however, they ignore the added complexity for group travel



Search, Book & Manage

- Search for accommodations close to a worksite by searching the location, coordinates, city name and more
- LodgeLink can facilitate booking accommodations for 1-100+ people in a few clicks
- Manage reservations for crews including changing schedules, project delays, extensions, etc. from the LodgeLink dashboard

Pay & Report

- All accommodations will be secured and paid by LodgeLink with a consolidated invoice sent regularly
- LodgeLink allows for cost tracking by crew, project or as required by our customers
- Additional cost and personnel tracking available to our clients

LodgeLink addresses many of the problems faced by companies needing to book crew travel accommodations and the crew members themselves

Company Perspective

- Booking and managing travel and accommodations adds unnecessary cost / administrative burden
- Lack of single-point interface often results in over- or under-booking rooms, paying for scheduling mix-ups
- Lack of corporate buying power when travel accommodation booked ad-hoc

Crew Member Perspective

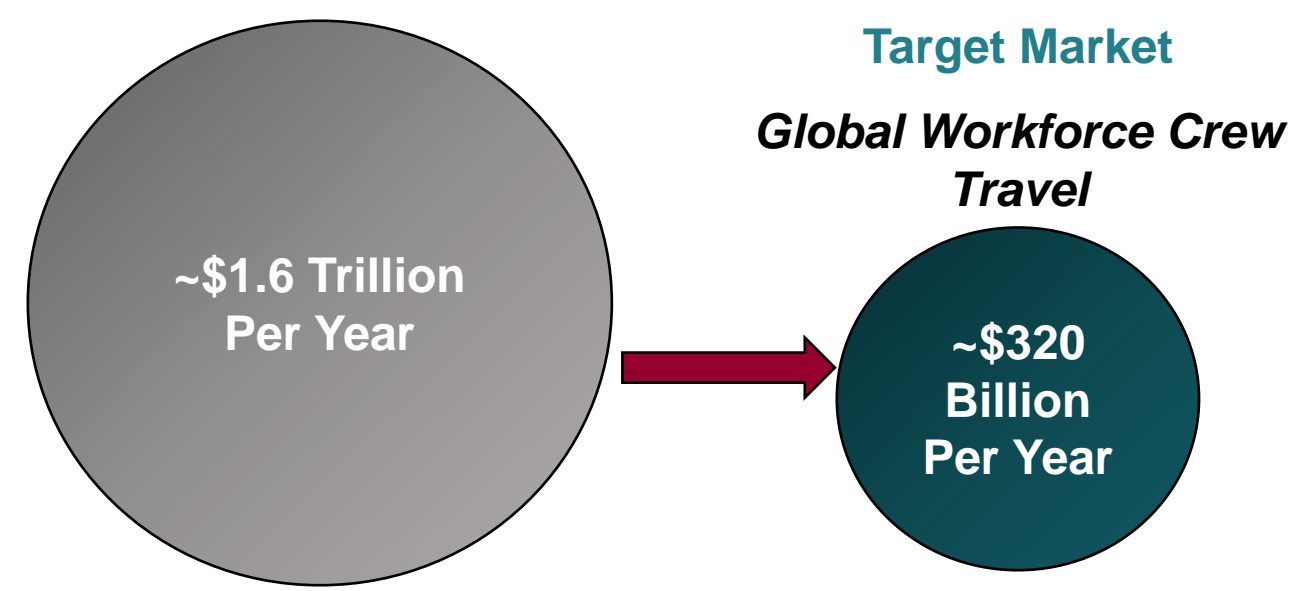
- Managing bookings and payment by crew members in addition to regular duties and 10-14 hour workdays
- Burden of paying and expensing travel and accommodations

Property Owner Perspective

- Crews are a highly desirable customer base for property owners given steady volume, longer-term length of stay and diversification from corporate and leisure customers

	LODGE LINK	TRAVEL MANAGEMENT COMPANY	EMPLOYEE SELF BOOKING	DIRECT HOTEL GROUP BOOKING
Self-serve online	✓	✓	✓	
Customer service and support	✓	✓	✓	✓
Access to hotels	✓	✓	✓	✓
Access to lodges	✓			
Accommodations across North America	✓	✓	✓	✓
Crew list	✓			
Custom scheduling	✓			
Flexible cost tracking codes	✓			
Interactive on-demand reporting	✓	✓		
Simple, consolidated administration	✓			

Global Business Travel Market



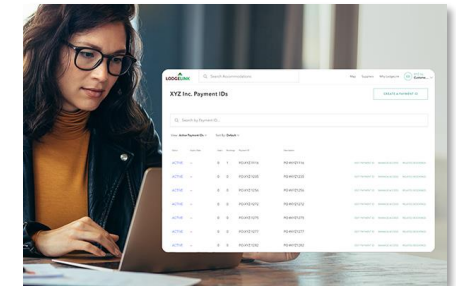
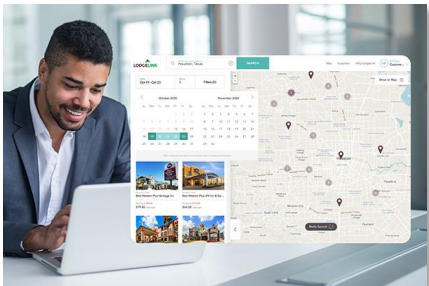
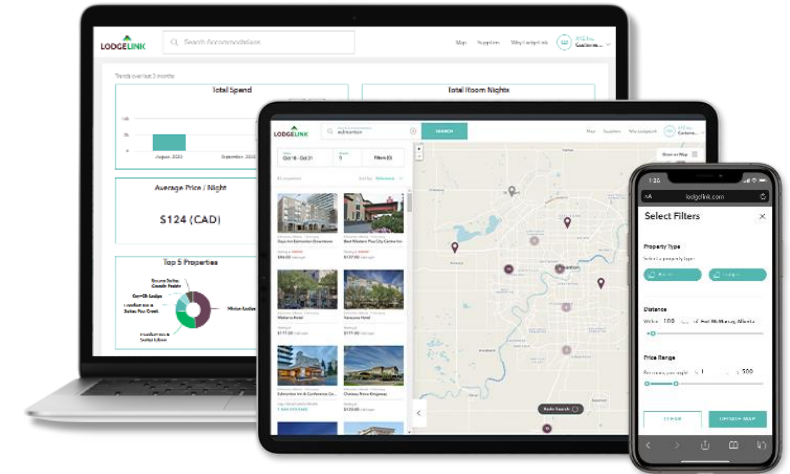
Annual Spend (\$billions)	2019
U.S.	65
Canada	6
Australia	6
South America	13
Rest of World	230

Countries listed above are areas where LL Management team has extensive knowledge and experience with crew travel

Estimates of market size are based on Energy Resource Marine sub-sector of Global Business Travel Association. Addressable market is larger than estimated above to the extent that general construction, transportation, and sports teams are considered crews.

Save time. Control costs.

- **A web-based solution for workforce travel management**
 - *LodgeLink is an end-to-end solution focused on the needs of crews*
 - *The platform applies web-based technology that simplifies the crew travel process*
- **Delivering efficiency and cost control for complex workforce travel**
 - *Through LodgeLink, administrative costs for customers are reduced*
 - *Time consuming activities are replaced with efficient web-based technology*



Current



Margin On Transactions

- LodgeLink profits on the spread between buy and sell price for rooms/flights
- LodgeLink does not take any inventory or speculation risk
- Leverage economies of scale to drive buying discounts and increase margins

Future



Advertising

- Advertise travel support services (dining and entertainment, remote refueling stations, equipment rental, etc.)
- Preferred placement in search results, similar and feature properties
- Last-minute deals to crews working in the area

Future




Data & Other Services

- SAAS Application - Potential for enhanced features, data & reporting through a licensing fee model

Example of an existing corporate customer:

Room Nights: 5,000
Avg Number of Rooms Per Transaction: 3
Total Transactions: 1,667
Room Rate: \$100/night

Administrative Assumptions:
Cost to issue one invoice: \$15
Cost to issue one purchase order: \$150

			Traditional Use	
Average 3 rooms per transacton		1,667		1,667
Invoicing cost of \$15	\$	360	\$	25,000
PO Cost of \$150	\$	-	\$	250,000
Commission	\$	60,000	\$	-
Overall Room Spend	\$	500,000	\$	500,000
Total Costs of transactions	\$	560,360	\$	775,000

Savings

\$

214,640

No cost. All savings.

(1) Assumes 2 administrators at \$37,500 per year



- **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.
- **Net Debt** is calculated as long-term debt excluding deferred financing costs minus cash.
- **Free Cashflow ("FCF")** is calculated as Funds from Operations minus maintenance capital, net interest paid (including lease interest), payment of lease liabilities, current taxes, distributions declared to noncontrolling interest and dividends paid.



BLACK DIAMOND GROUP

OUR WAY IS TO CREATE A BETTER WAY



THANK YOU

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INVESTOR RELATIONS
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