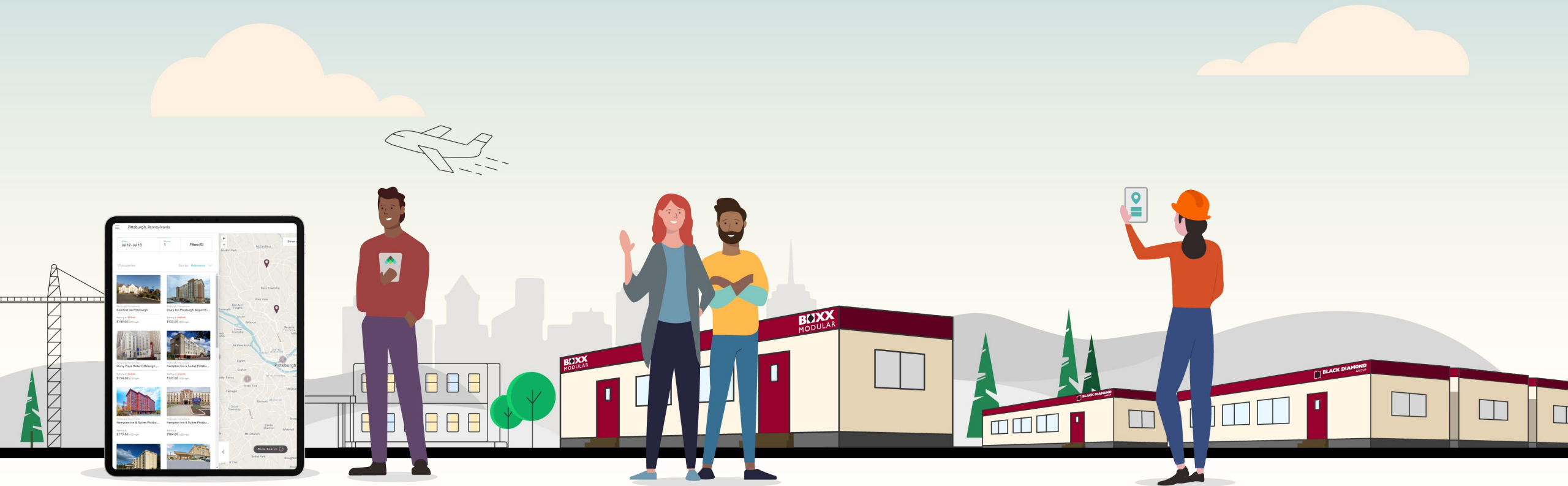




# BLACK DIAMOND GROUP

## OUR WAY IS TO CREATE A BETTER WAY



## INVESTOR UPDATE

November 2022

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INVESTOR RELATIONS  
[investor@blackdiamondgroup.com](mailto: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, 2021 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.

<b>Ticker</b>	TSX:BDI	<b>Insider Ownership</b>	24%
<b>Shares Outstanding</b>	60.4 mm	<b>52 Wk Range</b>	\$3.10 - \$5.65
<b>Market Cap</b> (11/04/2022)	\$305 mm	<b>Enterprise Value</b> <sup>1</sup>	\$453 mm

<sup>1</sup> – Enterprise Value is a non-GAAP financial measure. Refer to the Non-GAAP & Supplementary Financial Measures section for more information. Enterprise Value does not include increase of net debt related to the Company's most recently announced acquisition of an Ontario modular rental company for \$54.5 million on November 1, 2022.



**LL**

**LodgeLink**

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

**MSS**

**Modular Space Solutions**

- Diversified, steady growth
- Predictable and 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

**\$272 mm** NBV <sup>1</sup> **9,192** Units <sup>1</sup>

## Workforce Solutions (WFS) Fleet

**\$138 mm** NBV <sup>1</sup> **6,702** Units <sup>1</sup>

## Consolidated Rentable Square Feet

**~6.8 mm**

**309,622** TTM Total room nights booked<sup>1,2</sup>

**\$27.7 mm** TTM Net Income or Profit

**\$79.6 mm** TTM Adjusted EBITDA <sup>1,2,3</sup>

**\$424 mm** PP&E Book Value <sup>1</sup>



  **HEAD OFFICE**  
Calgary, AB Canada

### **WORKFORCE HOUSING**

**CANADA**  
Calgary, AB  
Fort St. John, BC  
Grande Prairie, AB

**USA**  
Dallas, TX  
Pecos, TX

**AUSTRALIA**  
Brisbane  
Perth  
Sydney

### **BOXX MODULAR**

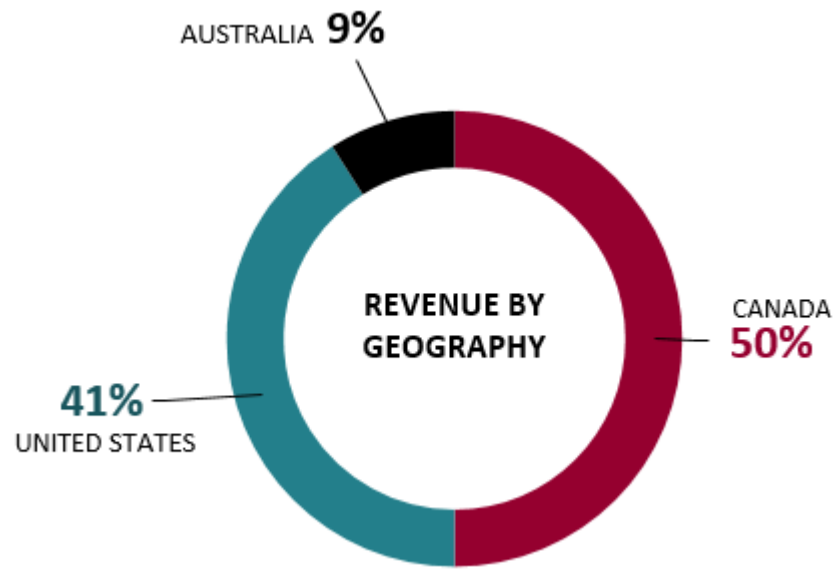
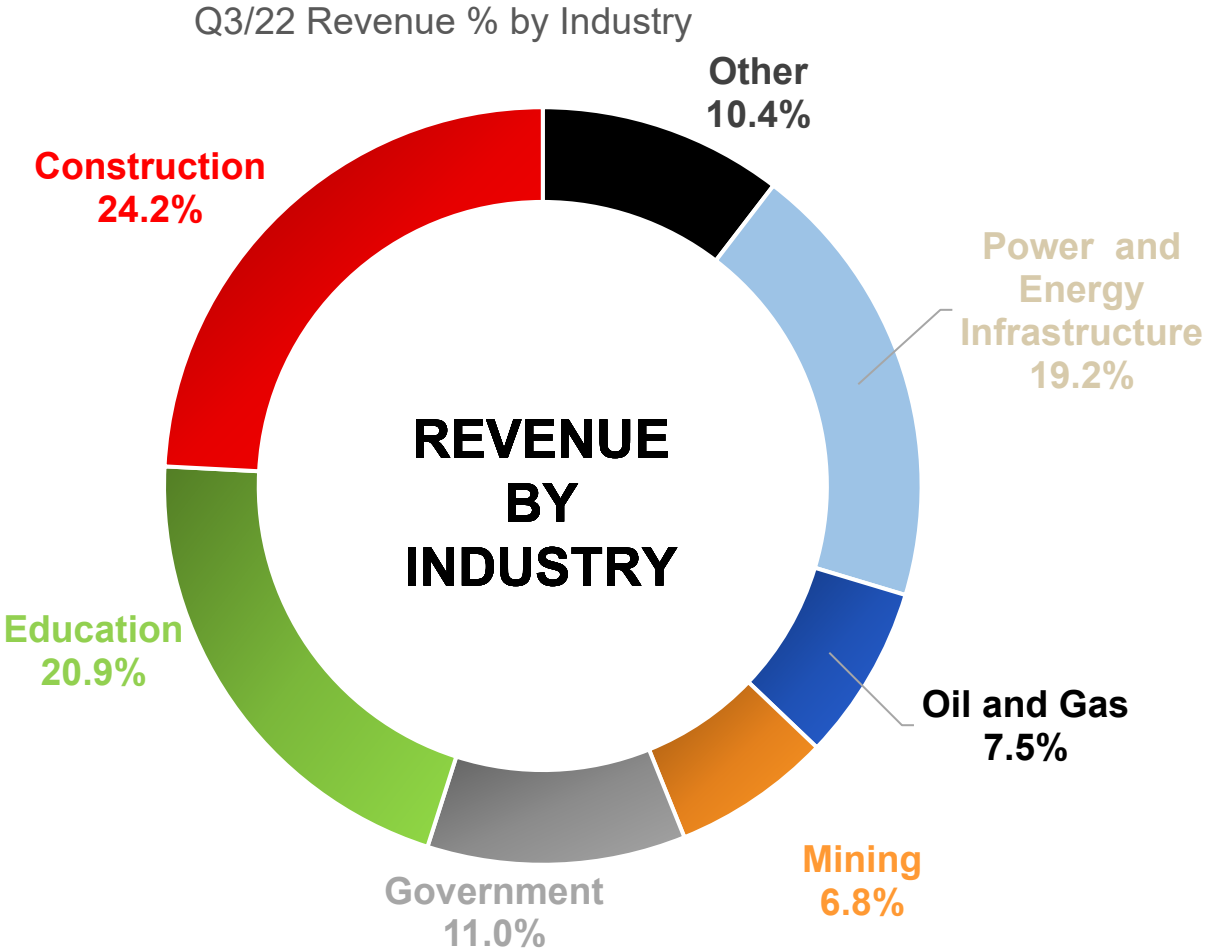
**CANADA**  
Calgary, AB  
Edmonton, AB  
Kelowna, BC  
Montreal, QC  
Nanaimo, BC  
Ottawa, ON  
Prince George, BC  
Regina, SK  
Toronto, ON  
Vancouver, BC  
Waterloo, ON

**USA**  
Atlanta, GA  
Charlotte, NC  
Dallas, TX  
Houston, TX  
Lancaster, PA  
Los Angeles, CA  
Portland, ME  
Philadelphia, PA  
Raleigh, NC

1. Source data: Q3 2022 Financial Statements, Management, Discussion and Analysis  
2. As at September 30, 2022

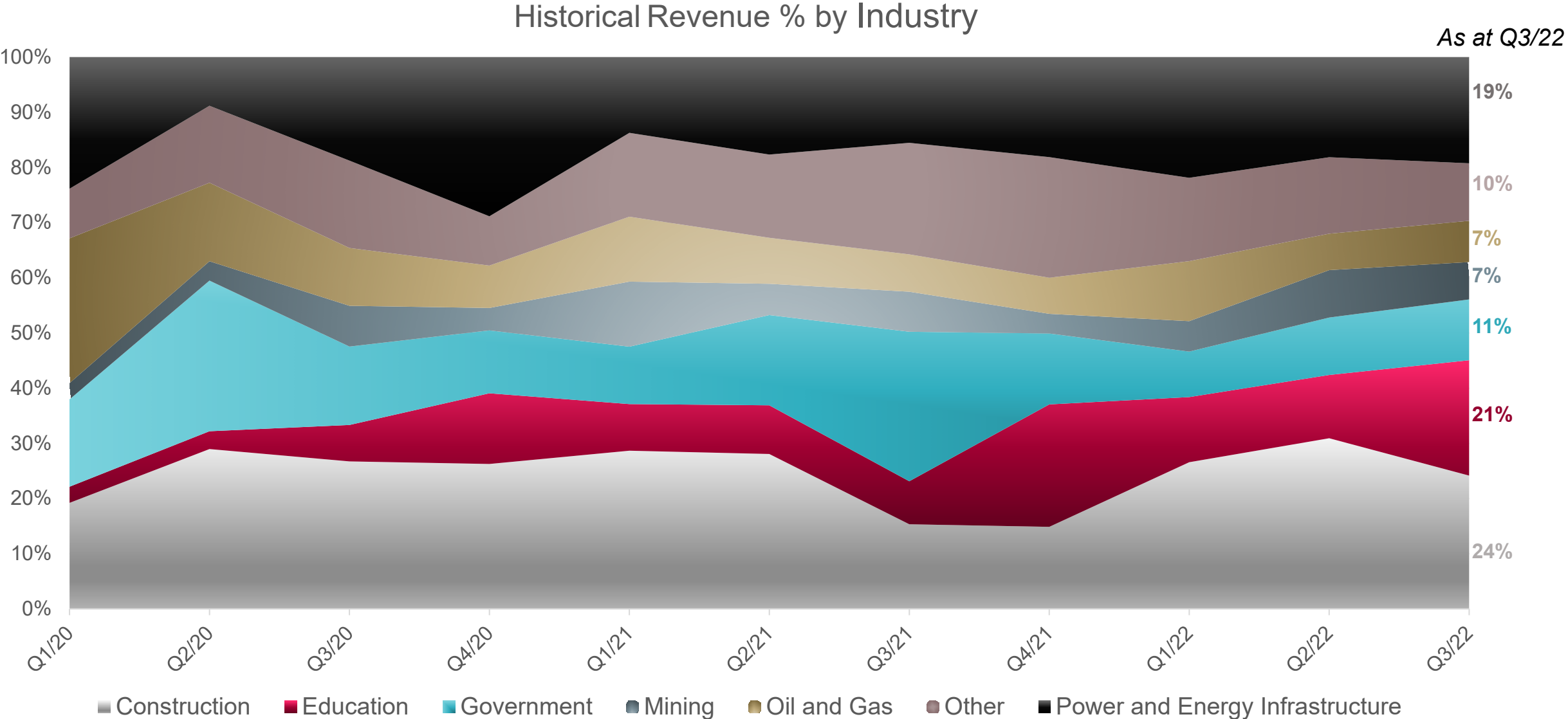
3. Trailing Twelve Months ("TTM") Adjusted Leveraged EBITDA is a non-GAAP financial measure. Refer to the Non-GAAP & Supplementary Financial Measures section for more information

# Revenue Diversity – Q3/2022



Source data: Q3 2022 Financial Statements, Management, Discussion and Analysis

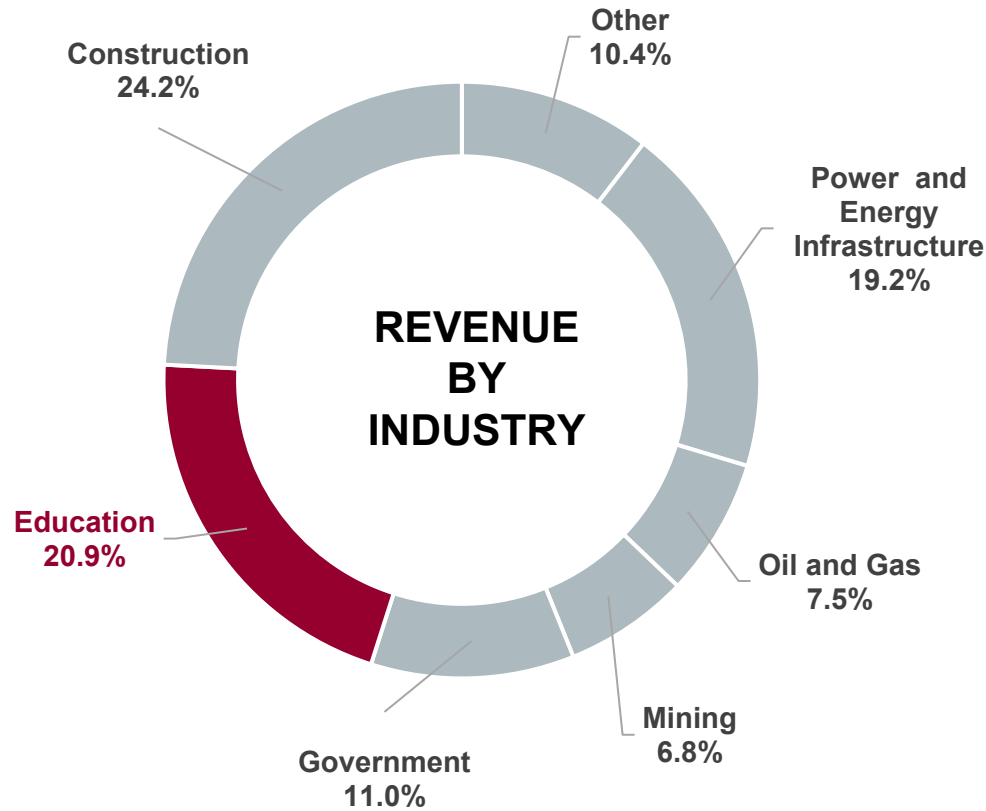
# Revenue by Industry



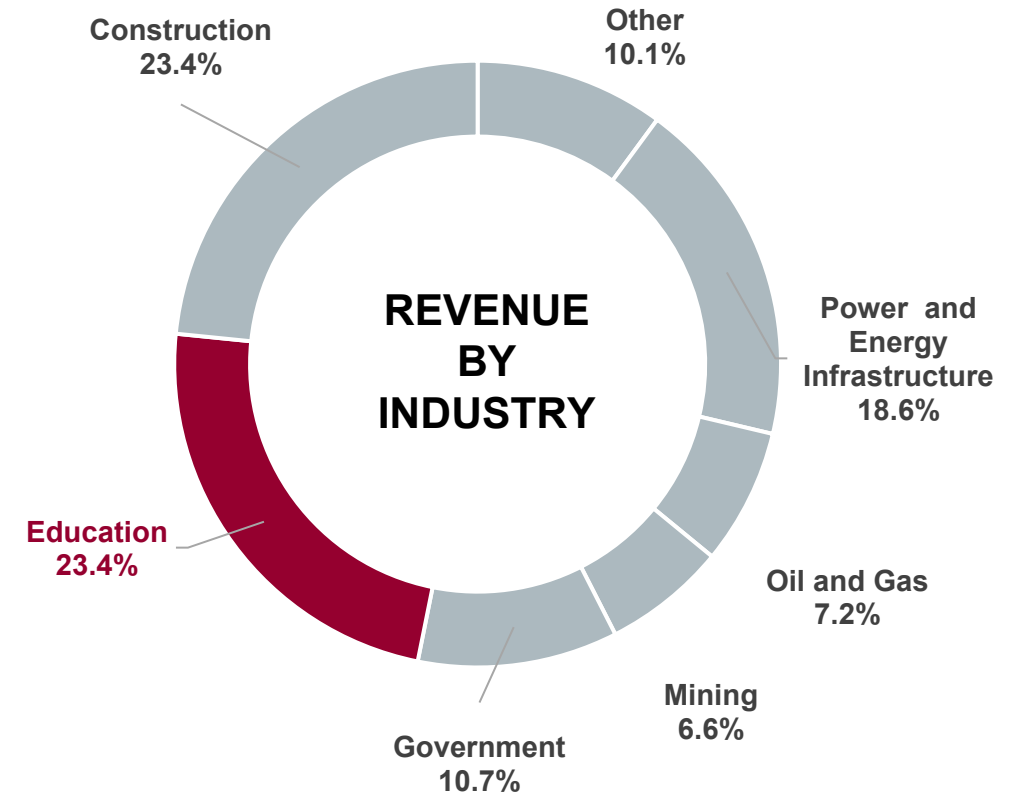
# Revenue Diversification – Pro Forma Acquisition



Q3/22 Revenue % by Industry



Q3/22 Acquisition Pro-Forma Revenue by Industry



- Acquisition increases total revenue from the Education vertical by 2.5 percentage points
- Adjusted EBITDA impact expected to be more pronounced given sales mix of Acquisition being primarily made up of high-margin rental revenue



# Ontario Modular Rental Acquisition - Deal Rationale



## Regional and End-Market Diversification

- Continued diversification of MSS platform by geography/end market

## Brand Strength & Market share leader Ontario

- Strong brand and positioning in Ontario education rental market

## Operational Excellence

- Standardized assets, strong operational focus around customer service and efficiency

## Contract Coverage

- Long term contract coverage of ~\$33 million, with over 40 months of average contract term outstanding. Typical first rental term is 60 to 84 months

## Pro Forma Unit Count

- Brings MSS unit count to over 11,000 units and MSS rentable square feet to ~6 million sq ft

## Acquisition Financials

- Approximate TTM Adjusted Leveraged EBITDA<sup>1</sup> of \$7.8 million with ongoing growth expected into 2023 driven by newly contracted assets and capex of \$4 million. Pro forma Net Debt to TTM Adjusted Leveraged EBITDA<sup>2</sup> will be in the mid-range of Company's long term stated range of 2.0x to 3.0x.

1. TTM Adjusted Leveraged EBITDA is a non-GAAP financial measure. Refer to the Non-GAAP & Supplementary Financial Measures section for more information

2. Net Debt to TTM Adjusted Leveraged EBITDA is a non-GAAP financial ratio. Refer to the Non-GAAP & Supplementary Financial Measures section for more information

# Black Diamond Group - Who We Are



Specialty rentals and industrial services provider organized into two business units

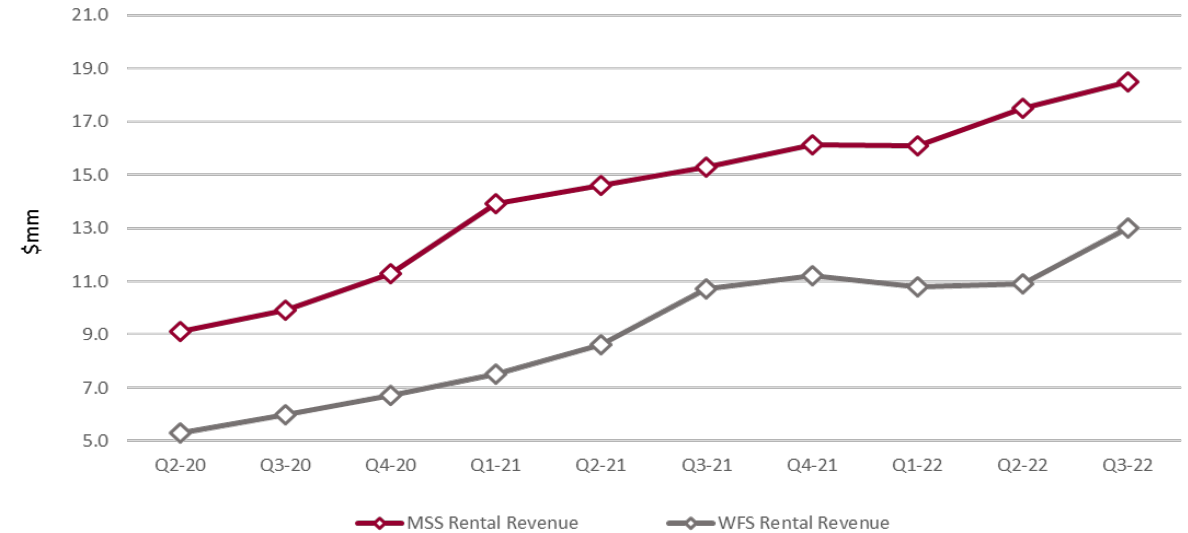
## MSS: Modular Space Solutions

- Diversified rental stream through rental of modular buildings in Canada and U.S.
- Ancillary, Value Added Products & Services (VAPS) - furniture rentals
- Custom sales of modular buildings (manufactured by third party partners)

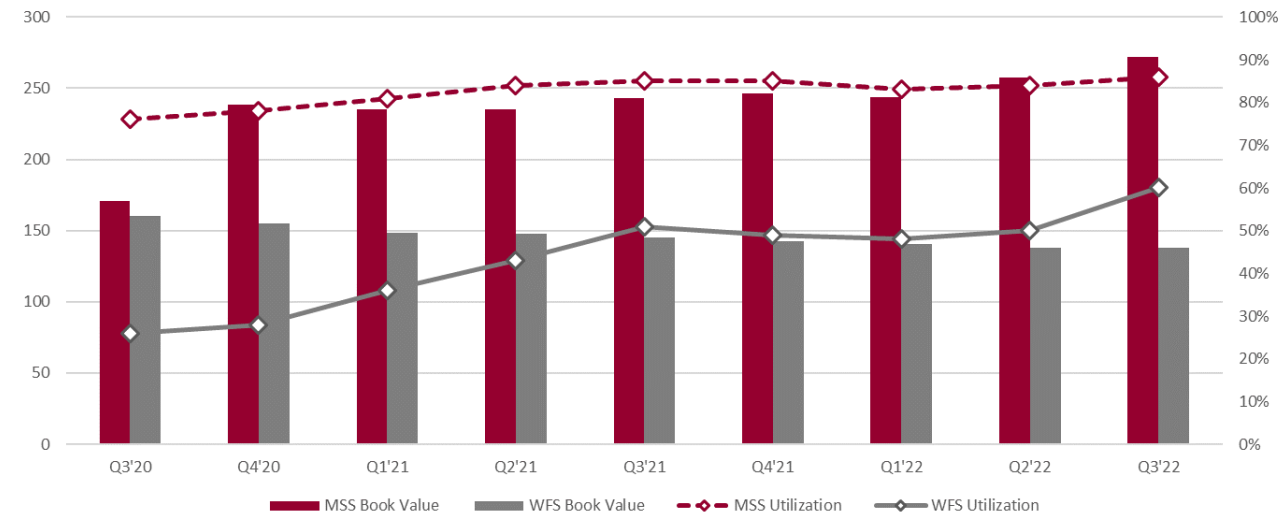
## WFS: Workforce Solutions

- Rental of small and large format accommodations in Canada, Australia, U.S. with ancillary services
- Turnkey lodge services
- LodgeLink – digital platform servicing crew travel

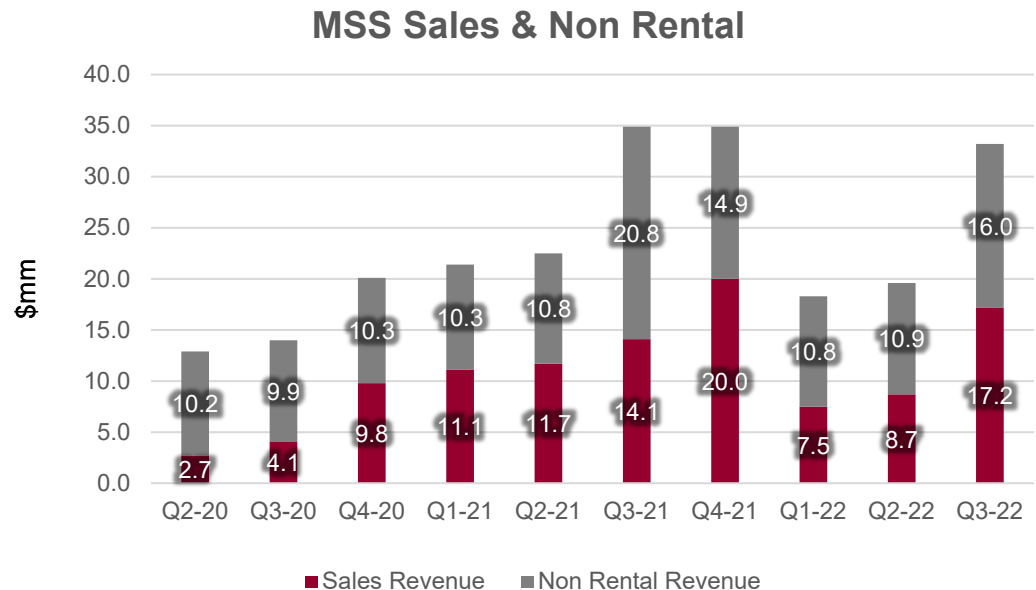
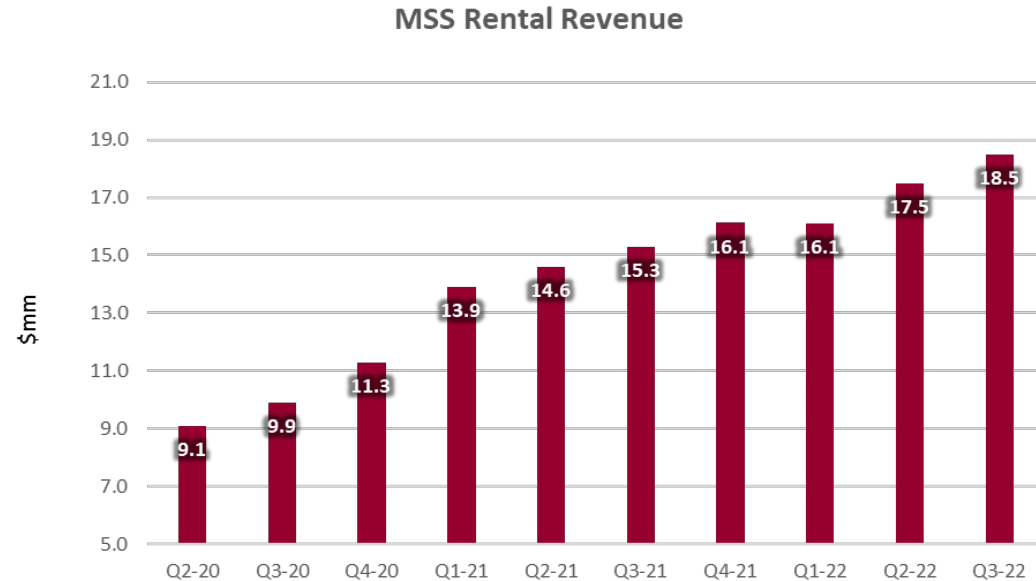
Consolidated Rental Revenue



Rental Fleet NBV and Utilization



# MSS Overview



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- 9,192 units across 19 branches in North America with attractive returns on long-lived assets
- With added scale and additional product offering, return metrics are improving. Rental revenue growth expected to outpace fleet growth
- Y/Y, average monthly rental rate per unit has increased by an average of 8% across the fleet (on a constant currency basis)
- Q3/22 Rental revenue up 21% Y/Y
- Strengthening rental revenue driven by continued capital investment, higher rates, improving utilization, and VAPS penetration. Expect continued strength in rental revenue
- Sales revenue was up in Q3 was partially due to an increase in custom sales driven by abating supply chain issues among manufacturing partners



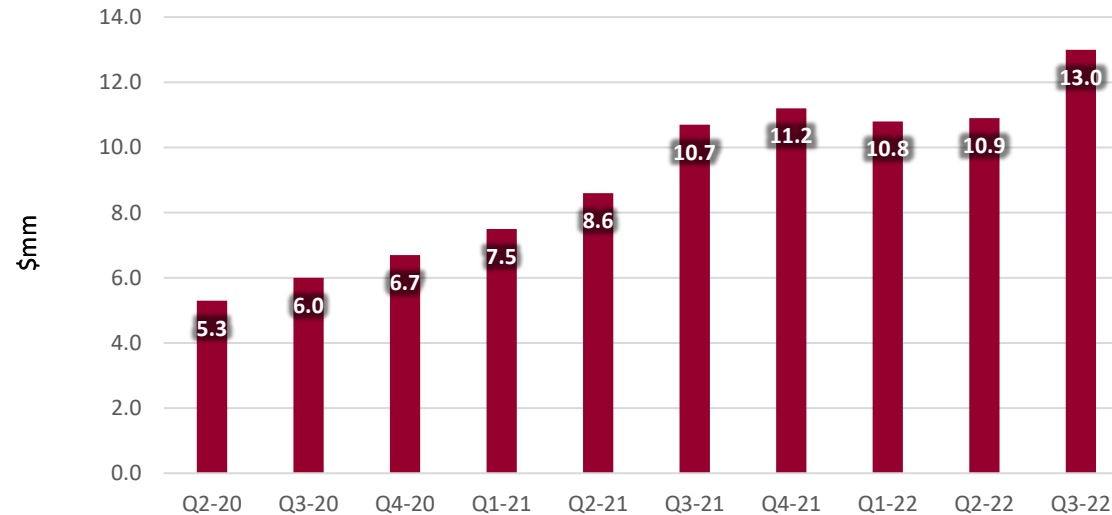


# WFS Overview

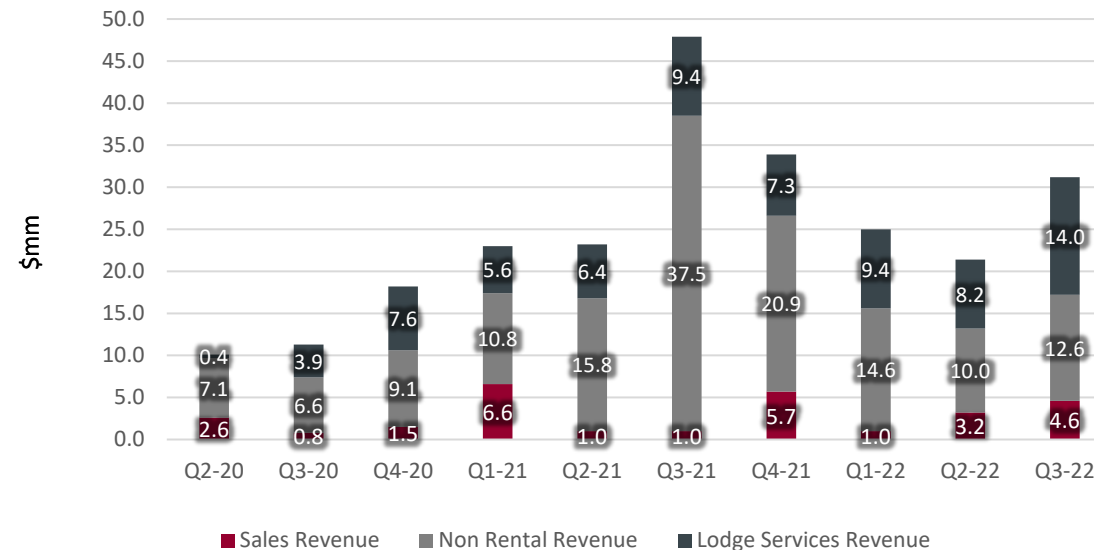


Our WFS business provides remote accommodation and related services for diverse clientele throughout Canada, the United States and Australia.

## WFS Rental Revenue



## WFS Lodging, Sales & Non Rental



- Includes large and small format accommodation rentals, ancillary surface rentals and services across Canada, U.S. and Australia.
- LodgeLink, the Company's digital travel platform is also within the WFS segment

- **Geographic Diversification**
  - U.S.
  - Eastern Canada
  - Continued growth in Australia
- **Industry Diversification**
  - Disaster Relief
  - Homeless Initiatives
  - Mining
  - Green Energy

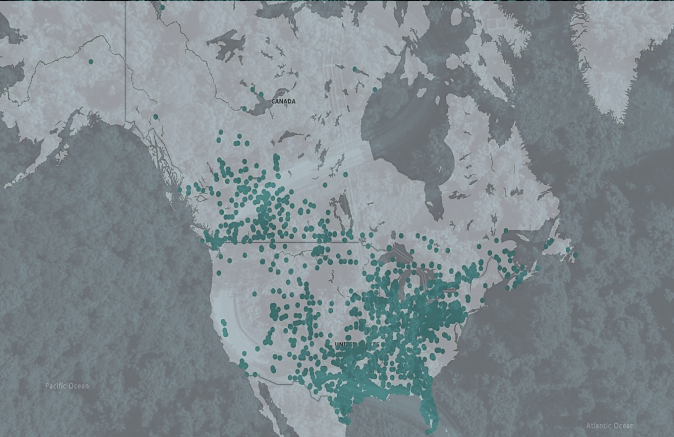
- Constructive outlook for remainder of 2022 based on contracted rental revenue in place, recent growth in eastern Canada, and improving field-level activity from energy customers.

- Expecting normalized levels of non-rental revenue throughout 2022 and relative strength in Lodge Services Revenue due to increased occupancy

# LodgeLink Gaining Market Traction



LodgeLink leverages Black Diamond’s extensive knowledge of remote workforce travel and logistics to support businesses with their end-to-end crew travel management.



Over 9,500 properties listed and almost 900,000 rooms available for booking across North America

## 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

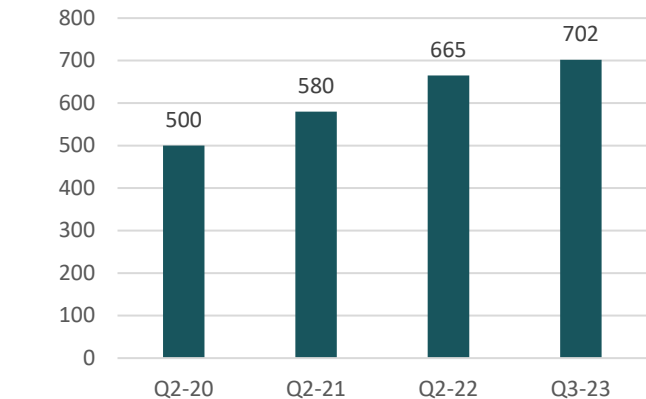
## Over 750,000 room nights sold to date (Sept 30, 2022)

- LodgeLink rooms sold grew 57% to 94,640 from Q3 2021
- Continued customer and geographic expansion with a growing presence in the U.S.

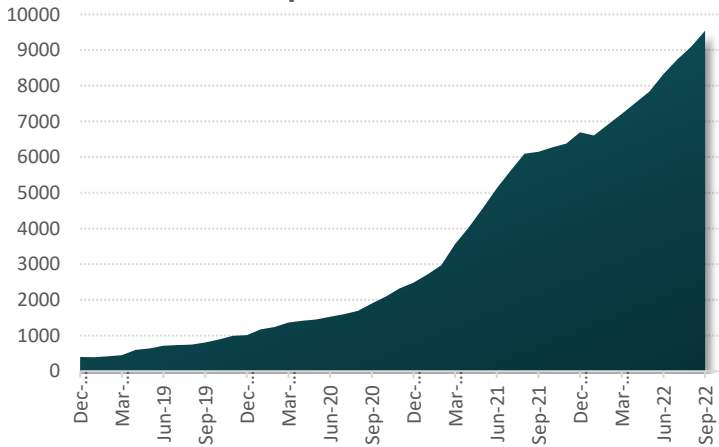
## Customers & Suppliers validating all aspects of long-term vision

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

Total Unique Customer Accounts



Properties Listed



### As of September 30, 2022

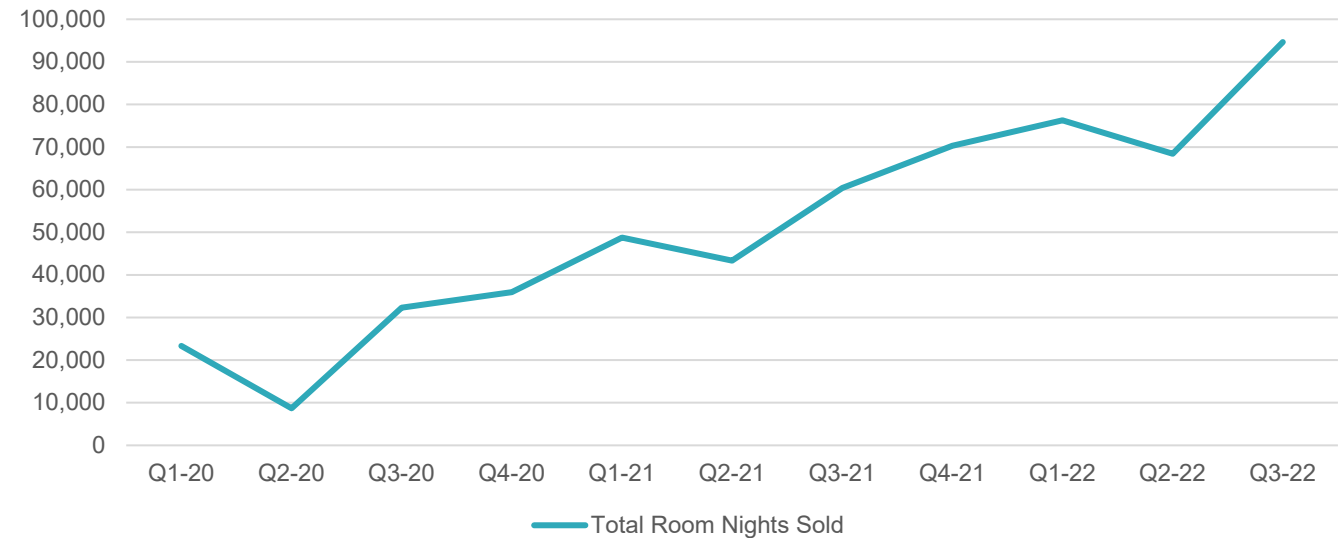
Total Properties Listed	9,540
Total Rooms Listed	920,218
Total Unique Customers	702
Employees (Permanent full time)	68



# LodgeLink - Room Nights Sold & Net Revenue

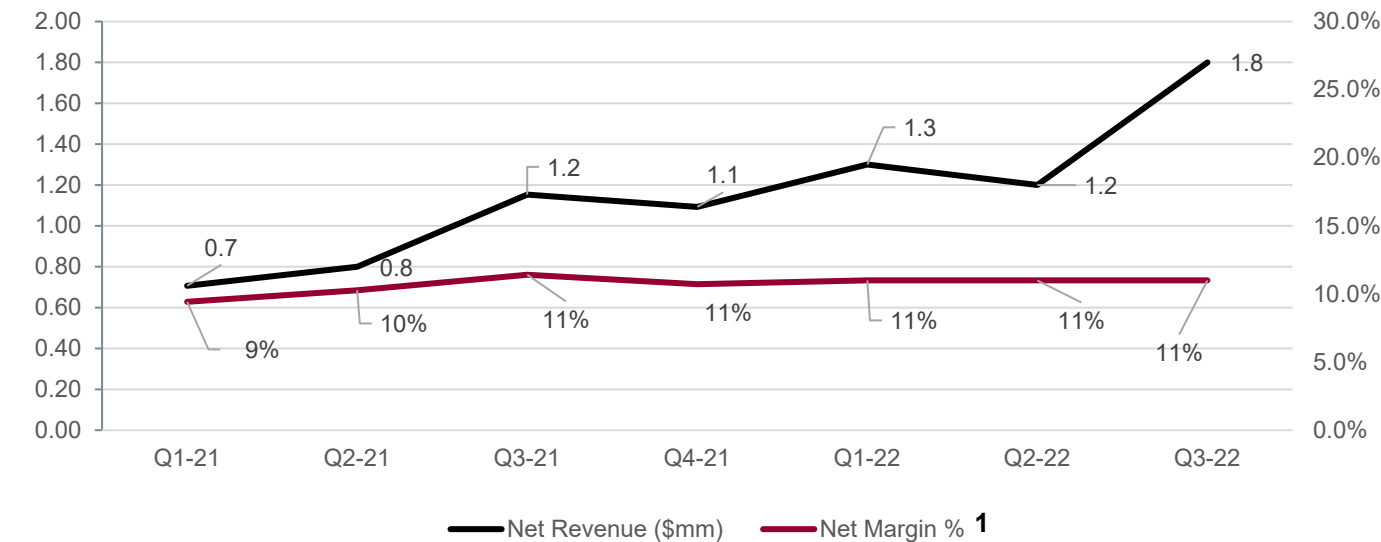


Total Room Nights Sold



- Continued growth in unique customer accounts
- Growing share of travel wallet within existing customer base
- Strong momentum into 2022 with strong booking volumes experienced over first two months of the year.

Net Revenue (\$mm)

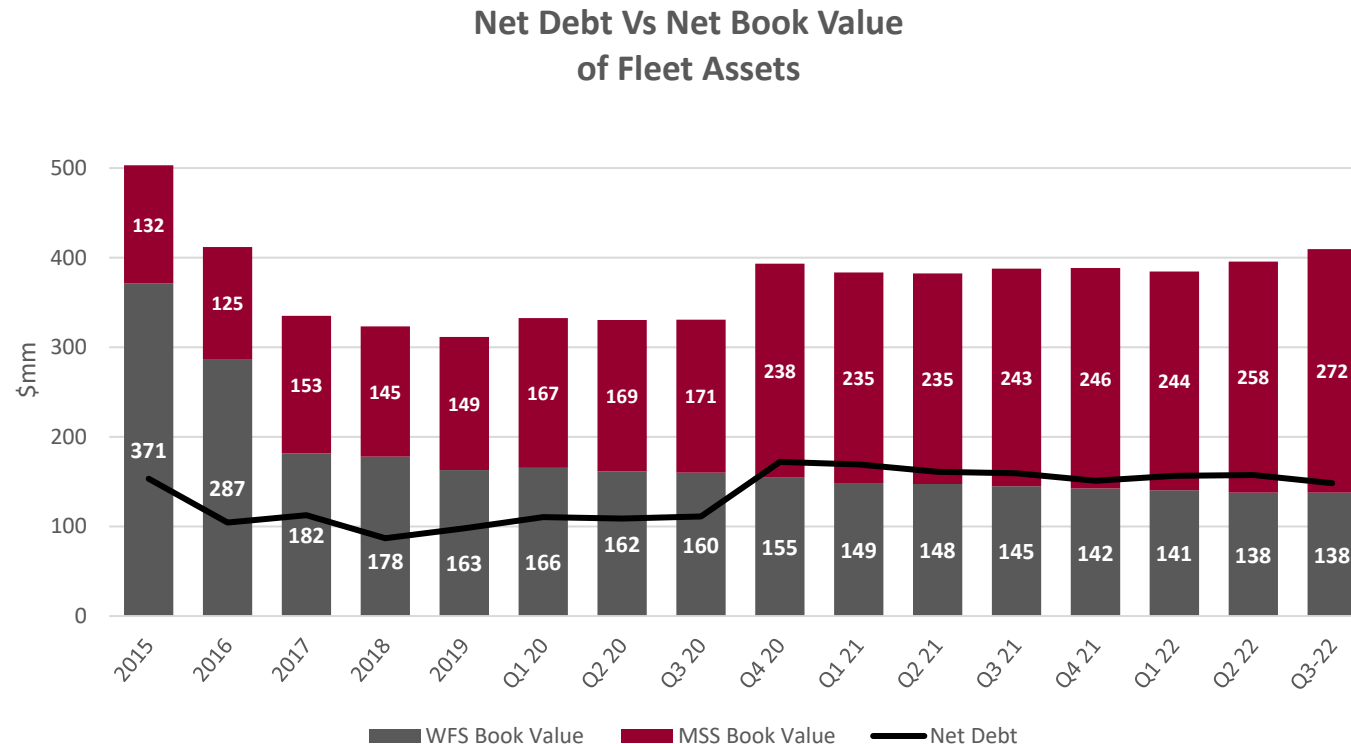


1. Net Revenue Margin is a non-GAAP financial ratio. Refer to the Non-GAAP & Supplementary Measures section for more information

# Significant Asset Coverage Against Debt



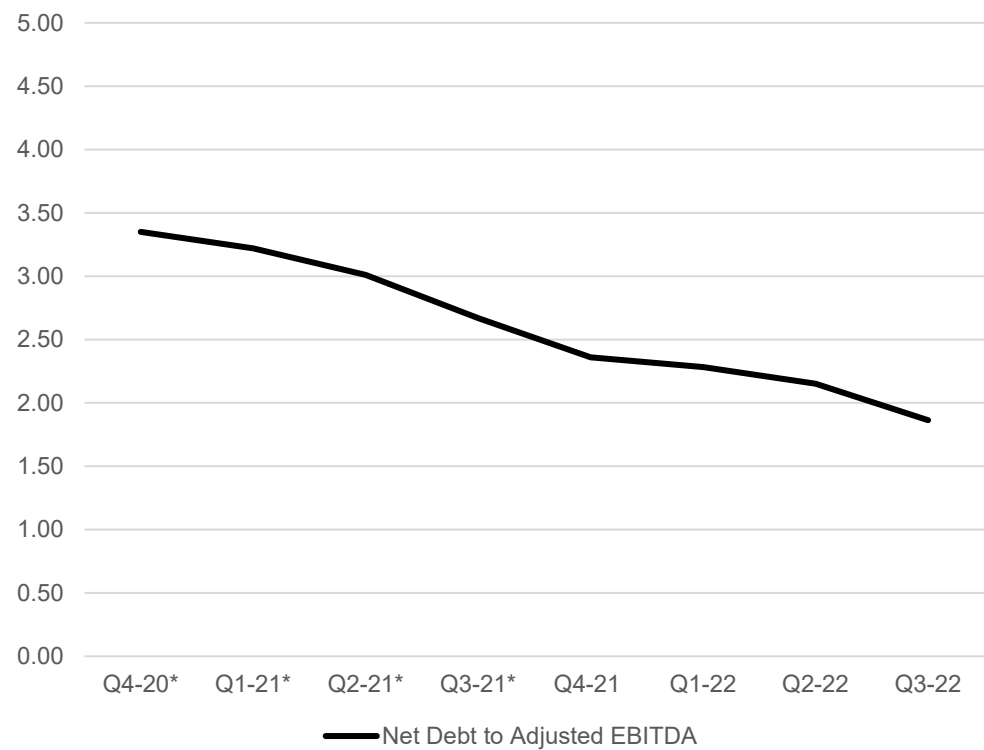
- Q3/2022 Long-Term Debt of \$160.6 and Net Debt<sup>1</sup> of \$148.3 mm and remains well below hard asset coverage on a net book value and third-party appraisal basis
- Asset Based Lending (“ABL”) facility extended out to fall of 2026. Average cost of debt in Q3/22 was 3.8%.
- Post acquisition, ABL facility size will be increased from \$300m to \$325m to provide liquidity for further organic growth or acquisitions
- Roughly \$124.7 million of available liquidity



1. Net Debt is a non-GAAP financial measure. Refer to the Non-GAAP & Supplementary Measures section for more information



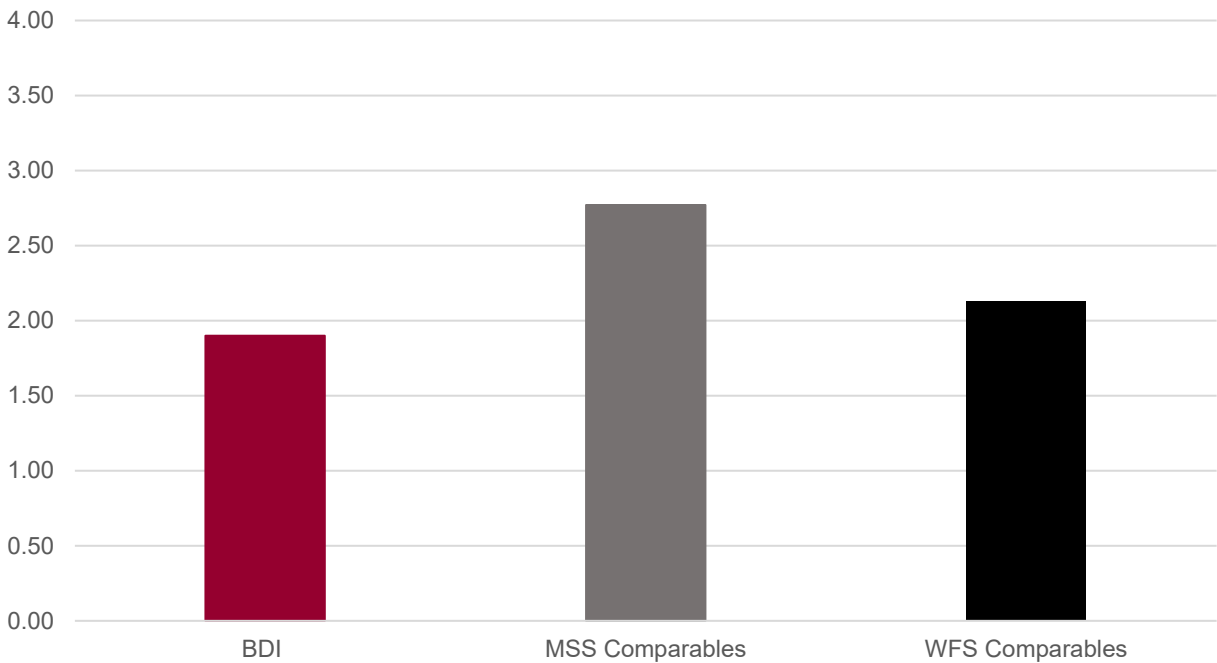
Leverage Ratio



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

1

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



Source: Factset

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

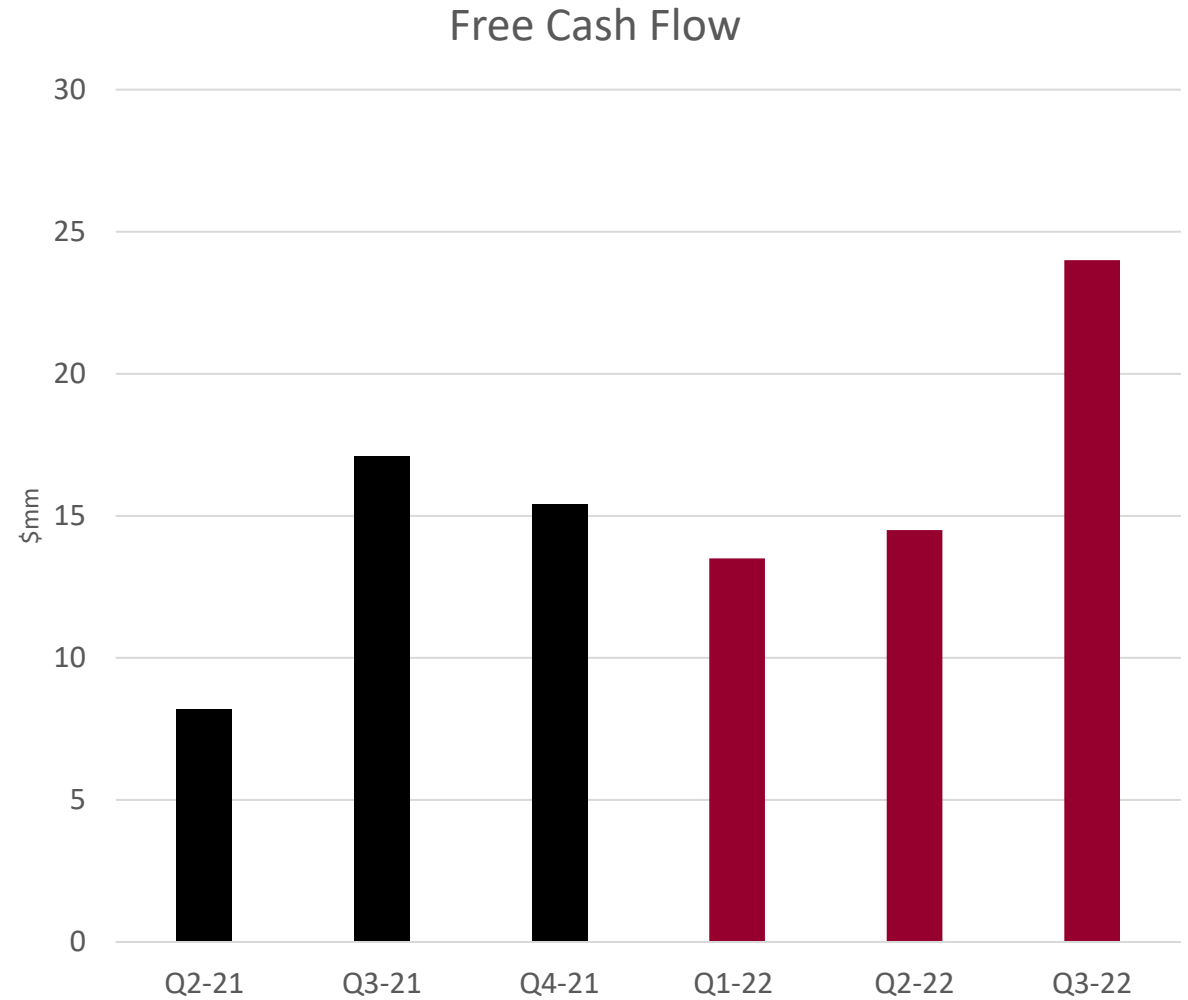
1. Net Debt/EBITDA is defined as Net Debt to TTM Adjusted Leverage EBITDA and is a non-GAAP financial ratio. Refer to the Non-GAAP & Supplementary Measures section for more information



# Strong Free Cash Flow Generation



- Asset rental model has continued to provide a strong base of Free Cashflow<sup>1</sup>, generating over \$23.9 million in Q3/2022 and Cashflow from operating Activities of \$27.3 million
- The Company recently increased the quarterly dividend by 33% to \$0.02 per share, or \$0.08 per share on an annualized basis
- Base of diversified asset rentals represents an attractive hedge in the current inflationary environment

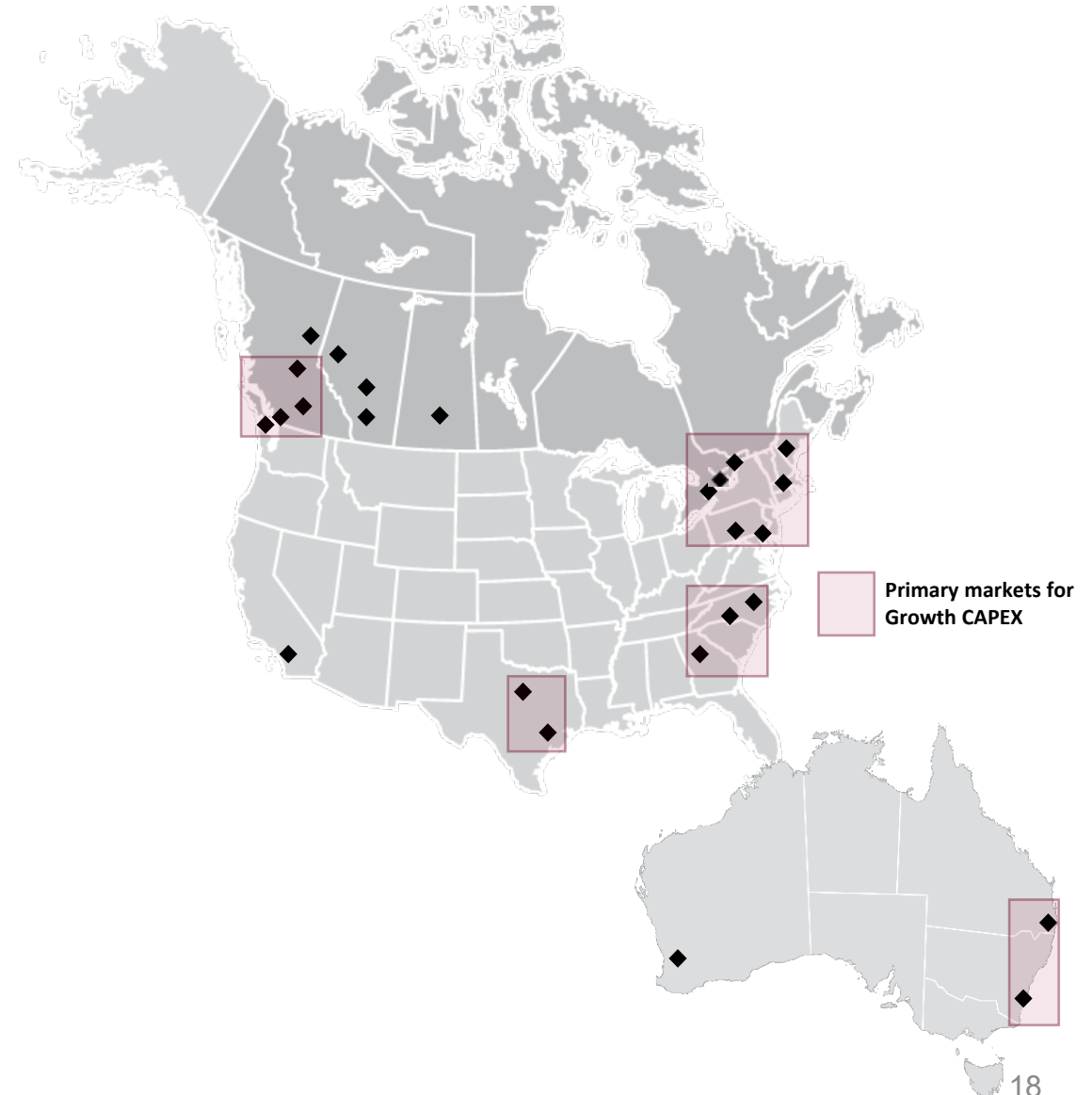


1. Free Cashflow is a non-GAAP financial measure. Refer to the Non-GAAP & Supplementary Measures section for more information

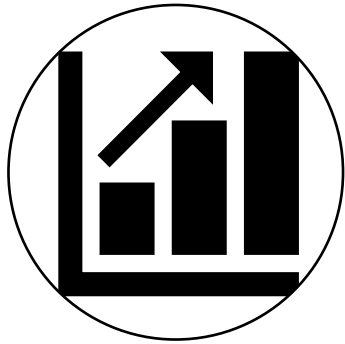


## Organic Growth Capex

- Annual organic growth capex of ~\$35 to \$45 mm
- Realizing strong returns for new capital investment. Reported consolidated ROA<sup>1</sup> of 24% in Q3/2022
- Vast majority of capex targeted for organic growth in MSS with opportunities in WFS Australia and select refurb opportunities across WFS North America

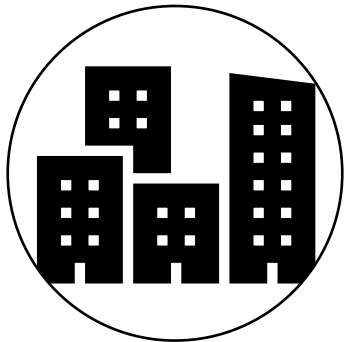


1. ROA is a non-GAAP financial ratio. Refer to the Non-GAAP & Supplementary Measures section for more information



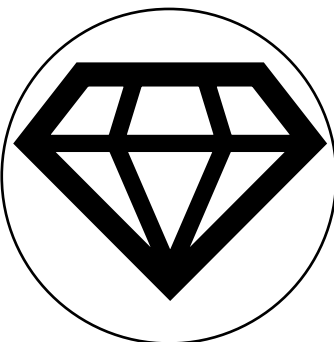
## Growth

- MSS fleet growth driven by ongoing organic expansion and acquisitions
- MSS Adjusted EBITDA growth to outpace fleet growth driven by increasing rental revenue as a result of rising rates, strong utilization, economies of scale, VAPS and other service offerings
- LodgeLink platform is scaling quickly and is tracking in-line with the “rule of 40”



## Diversification

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



## Value

- Continuing to capitalize on significant operating leverage in underutilized Western Canadian WFS asset base as utilization improves
- Asset Based Lending facility provides flexible, low-cost debt to fund growth with considerable available liquidity
- Approximately \$420 mm of high quality, long-lived assets on the balance sheet



LODGELINK



CAMPS RENTAL



ENERGY SERVICES



AUSTRALIA



MODULAR SPACE



VAPS



## MSS Business Unit

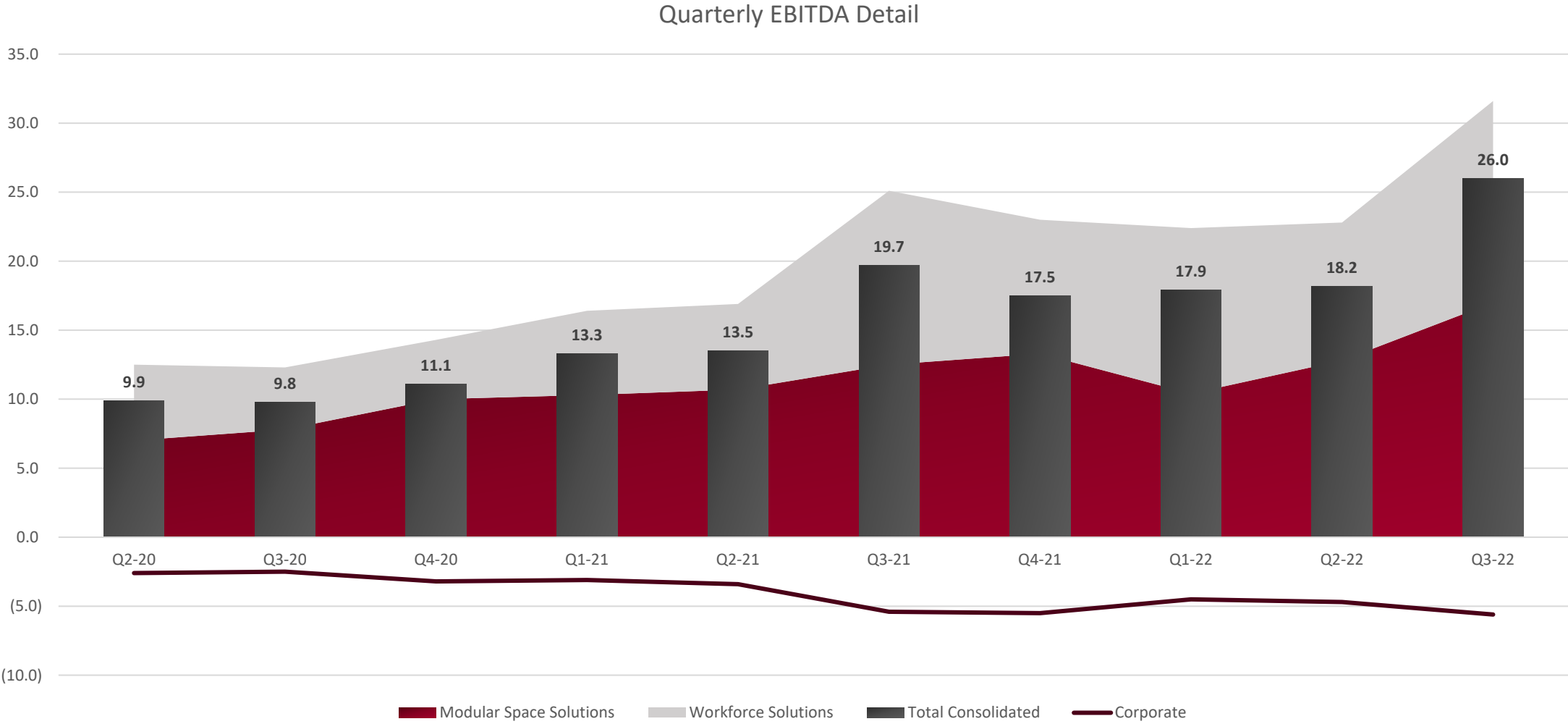
- Rental Revenue
- Sales Revenue
- Non-Rental Revenue

## WFS Business Unit

- Rental Revenue
- Sales Revenue
- Non-Rental Revenue
- Lodge Services Revenue

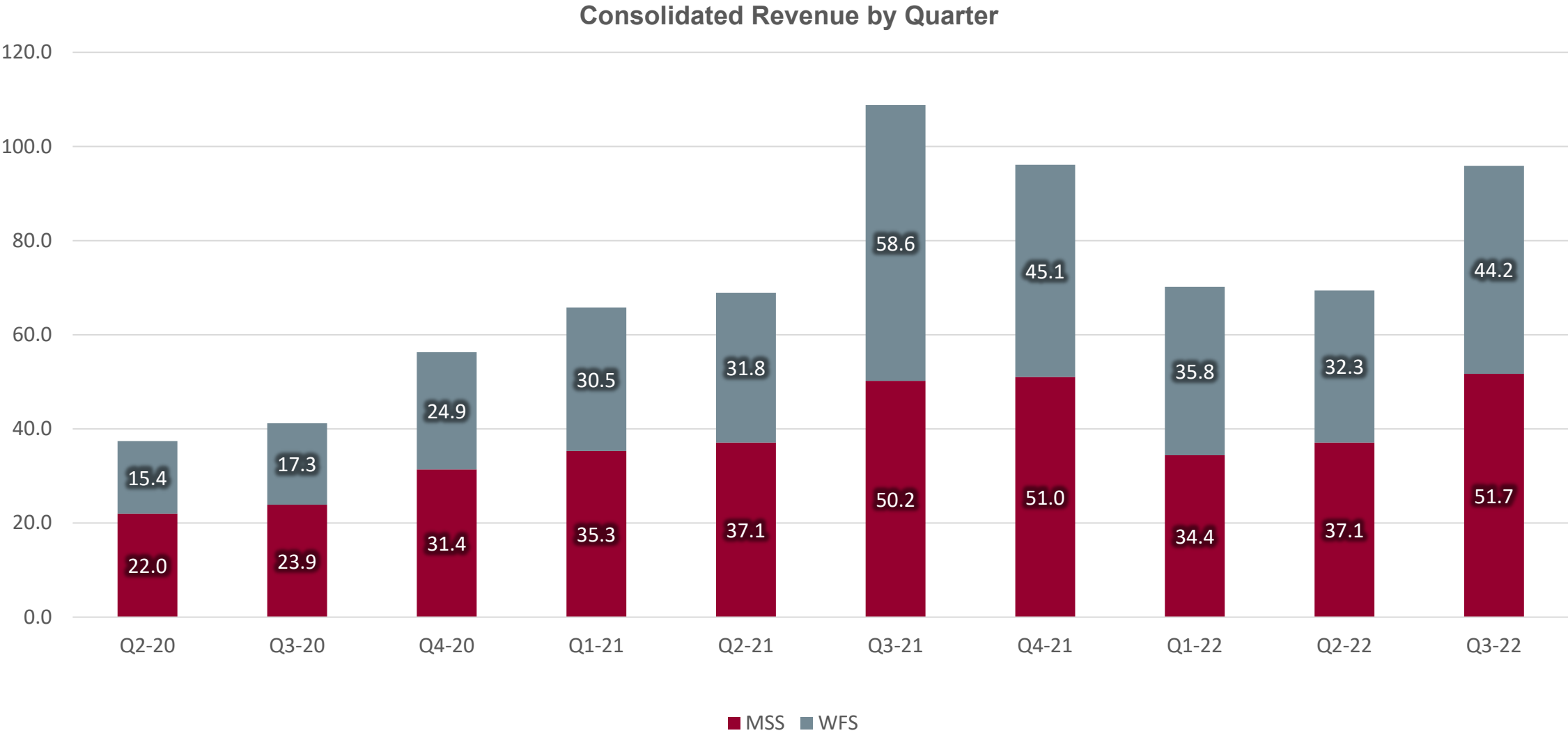


# Adjusted EBITDA<sup>1</sup> Detail By Quarter



1. Adjusted EBITDA is a non-GAAP financial measure. Refer to the Non-GAAP & Supplementary Measures section for more information

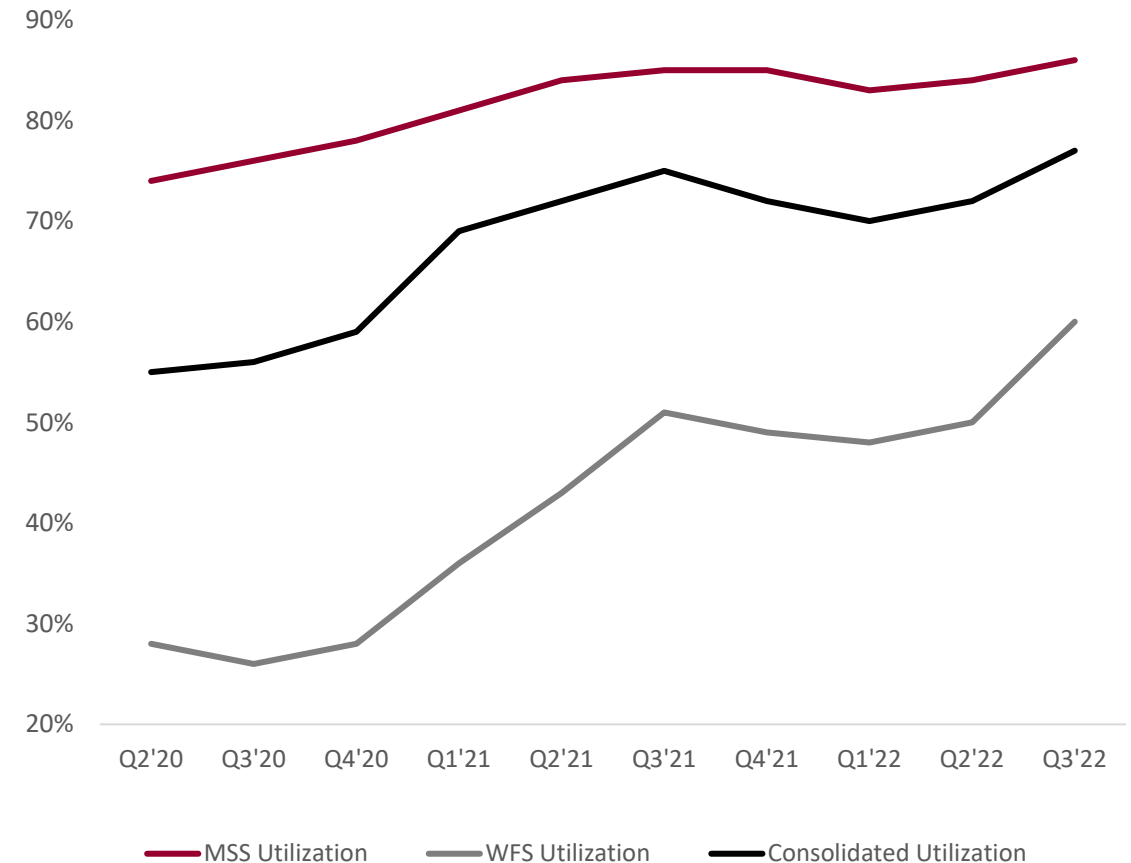
# Revenue Detail by Quarter





- MSS rental fleet maintaining utilization above 80%
- WFS improvement in utilization supported by diversification of assets outside of western Canada

MSS and WFS Rental Utilization

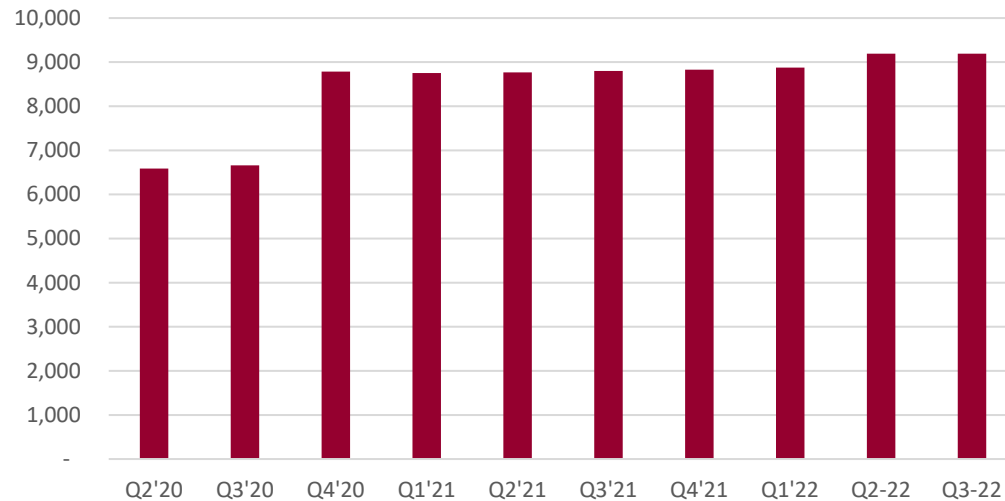




# MSS & WFS Fleet Overview

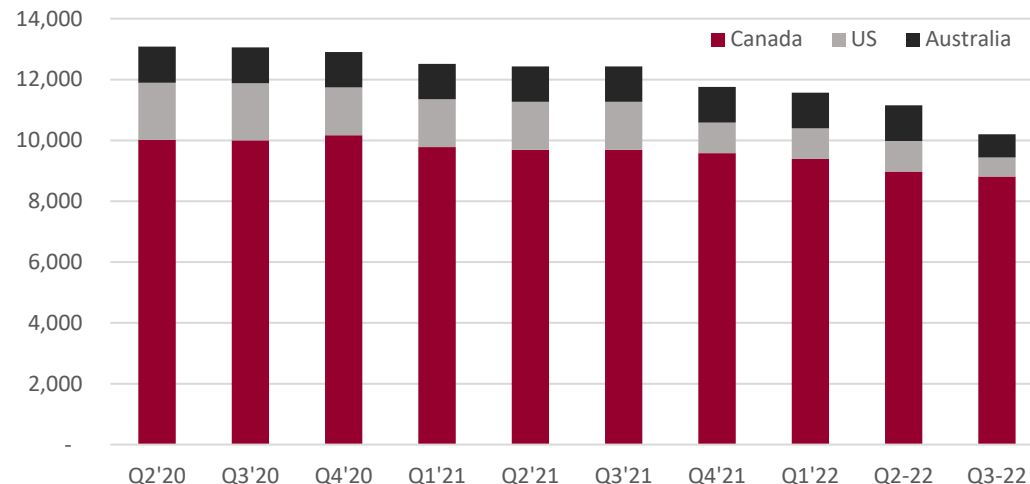


## MSS Fleet Unit Count



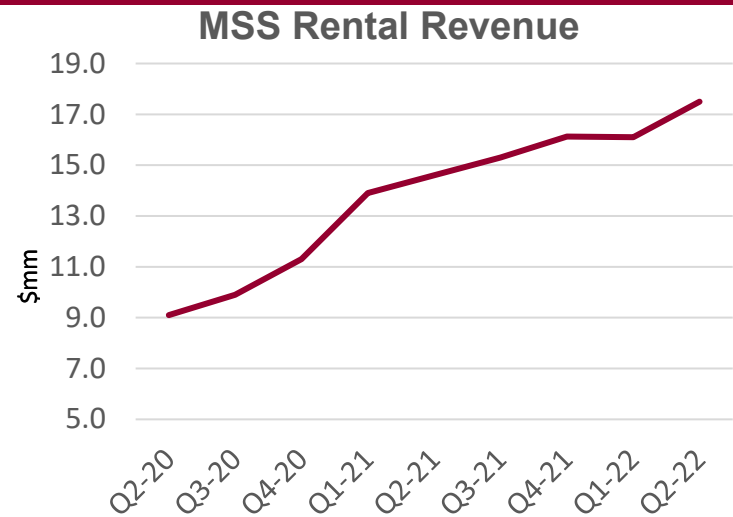
- Continued growth in MSS rental fleet, supported by organic investment and acquisitions

## WFS Room Count

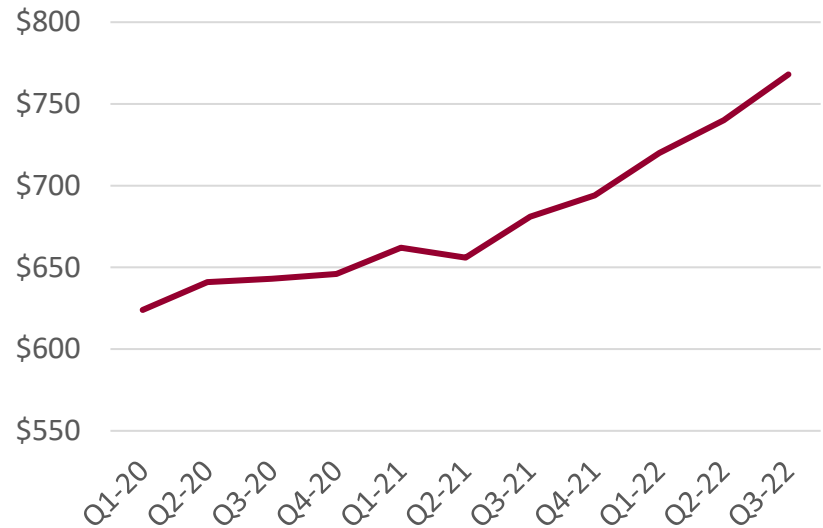


- WFS camps rental fleet has seen some assets move to the U.S for contracted work. Moderate decline in rooms as older assets have been sold

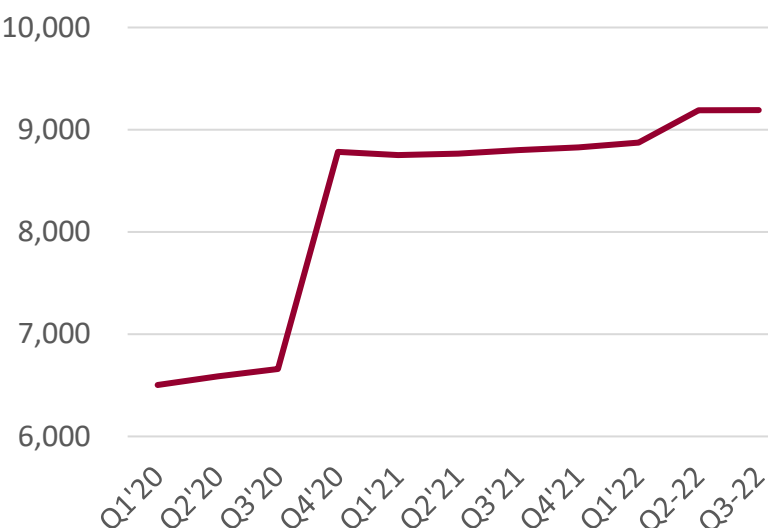
# MSS – Drivers Behind Rental Revenue Growth



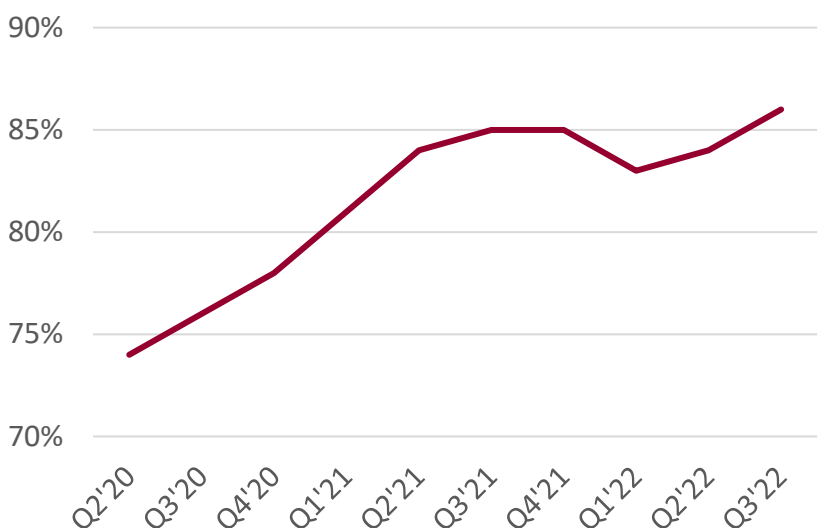
Average Rental Rate



MSS Unit Count



MSS Utilization



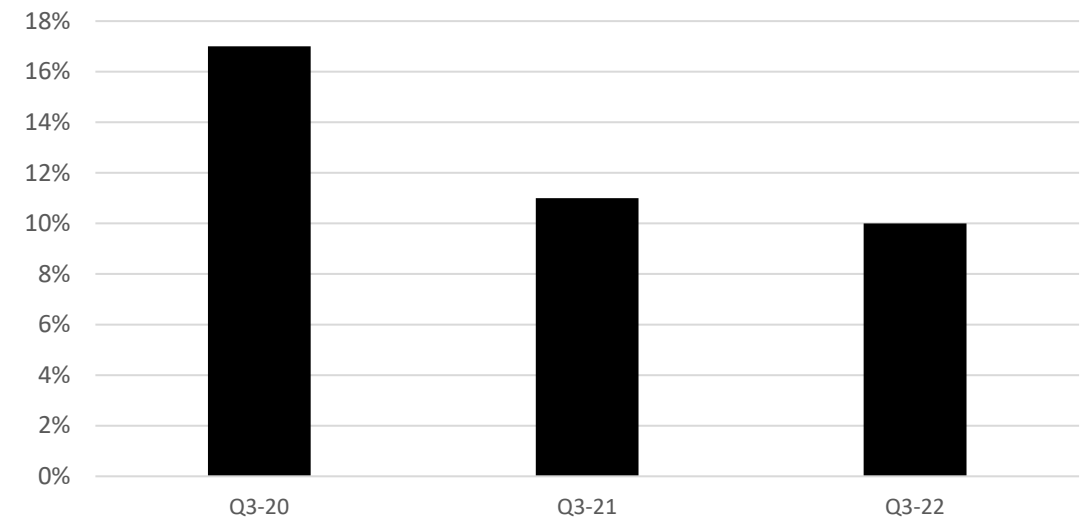
# MSS – VAPS Penetration



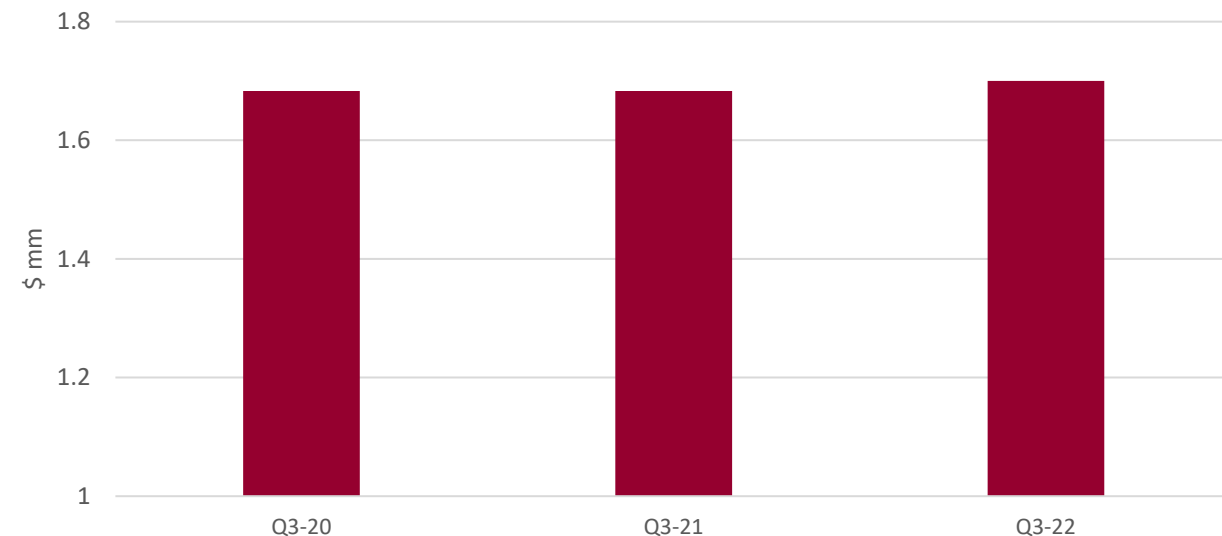
- Value Added Products & Services (VAPS) revenue continuing to grow in line with rental revenues
- VAPS as a % of rental is down from 2020 due to an acquisition of units with little or no VAPS contribution



VAPS as a % of Rental Revenue Excluding VAPS



VAPS Revenue



*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

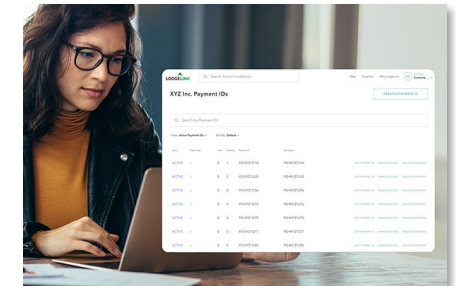
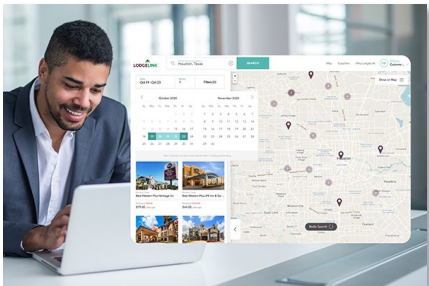
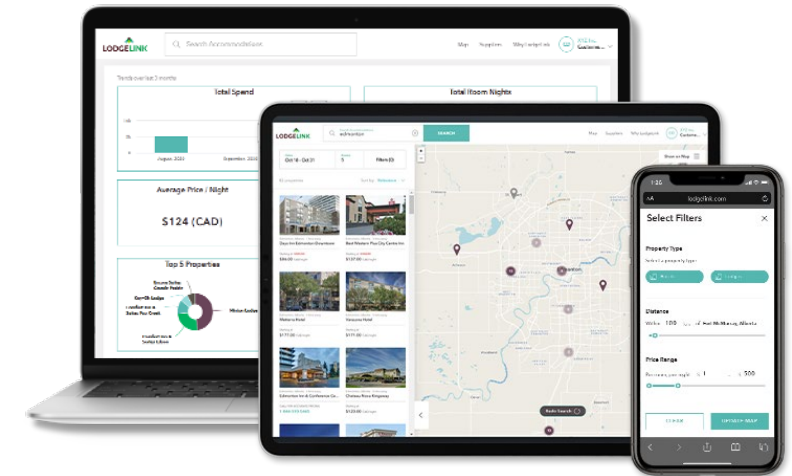
### Property Owner Perspective

- 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	✓			

*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*



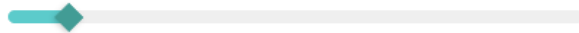
## Data & Other Services

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

## Cost Savings Calculator

Gain insight into how much you can save by partnering with LodgeLink using the calculator below.

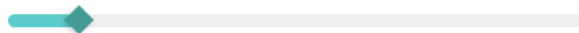
Annual accommodation spend **\$510,000**



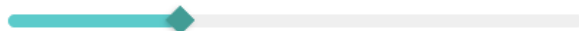
How many hours does your team spend per week creating and managing travel bookings? **10**



How many properties do you utilize in a week? **7**



Number of hotel invoices reconciled each week **30**



Use negotiated rates?

☒ Yes ☐ No

Mode of payment

☒ Credit Card ☐ Direct Billing

### Total Costs

Annual accommodation administrative costs  
**\$249,500.00**

Annual accommodation spend  
**+ \$510,000.00**

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**= \$759,500.00**

### Estimated Savings

Administrative savings  
**\$216,080.00**

Negotiated rate savings  
**+ \$25,500.00**

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Savings with LodgeLink  
**= \$241,580.00 (31.81%)**

- Assumptions:

- Approximately 4,700 room nights @ \$108/night
- 3 rooms per transaction
- results in 1,560 transactions per year (or 30 per week)
- Assumes no additional savings on negotiated rates or direct billing



# Non-GAAP & Supplementary Financial Measures



- **Adjusted EBITDA** is a non-GAAP financial measure, 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. Black Diamond uses Adjusted EBITDA primarily as a measure of operating performance. Management believes that operating performance, as determined by Adjusted EBITDA, is meaningful because it presents the performance of the Company's operations on a basis which excludes the impact of certain non-cash items as well as how the operations have been financed. In addition, management presents Adjusted EBITDA because it considers it to be an important supplemental measure of the Company's performance and believes this measure is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures. Adjusted EBITDA has limitations as an analytical tool, and readers should not consider this item in isolation, or as a substitute for an analysis of the Company's results as reported under IFRS. Some of the limitations of Adjusted EBITDA are:
  - Adjusted EBITDA excludes certain income tax payments and recoveries that may represent a reduction or increase in cash available to the Company;
  - Adjusted EBITDA does not reflect the Company's cash expenditures, or future requirements, for capital expenditures or contractual commitments;
  - Adjusted EBITDA does not reflect changes in, or cash requirements for, the Company's working capital needs;
  - Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest payments on the Company's debt;
  - depreciation and amortization are non-cash charges, thus the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements;
  - and other companies in the industry may calculate Adjusted EBITDA differently than the Company does, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of the Company's business. The Company compensates for these limitations by relying primarily on the Company's IFRS results and using Adjusted EBITDA only on a supplementary basis. A reconciliation to profit (loss), the most comparable GAAP measure, is provided in the following pages.

- **Adjusted EBITDA as a % of Revenue** is calculated by dividing Adjusted EBITDA by total revenue for the period.
- **Adjusted EBIT** is Adjusted EBITDA less depreciation and amortization.
- **Free Cashflow ("FCF")** is calculated as Funds from Operations minus maintenance capital, net interest paid (including lease interest), payment of lease liabilities, net current income tax expense (recovery), distributions declared to noncontrolling interest and dividends paid on common shares and on preferred shares, plus net current income taxes received (paid). Management believes that FCF is a useful measure as it provides an indication of the funds generated by the operations before working capital adjustments and other items noted above. Management believes this metric is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures.
- **Funds from Operations** is calculated as the cash flow from operating activities, the most comparable GAAP measure, 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 long-term accounts receivables and non-cash working capital items have been excluded as such changes are financed using the operating line of Black Diamond's credit facilities. A reconciliation to cash flow from operating activities, the most comparable GAAP measure, is provided below.
- **Net Debt to TTM Adjusted Leverage EBITDA** is a non-GAAP financial ratio which is calculated as Net Debt divided by trailing twelve months Adjusted EBITDA. **Net Debt**, a non-GAAP financial measure, is calculated as long-term debt minus cash and cash equivalents. A reconciliation to long-term debt, the most comparable GAAP measure, is provided below. Net Debt and Net Debt to TTM Adjusted Leverage EBITDA removes cash and cash equivalents from the Company's debt balance. Black Diamond uses these ratios primarily as a measure of operating performance. Management believes these ratios are important supplemental measures of the Company's performance and believes these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures.
- **Return on Assets ("ROA")** is calculated as annualized Adjusted EBITDA divided by average net book value of Property and Equipment. Annualized Adjusted EBITDA is calculated by multiplying Adjusted EBITDA for the Quarter and Comparative Quarter by an annualized multiplier. Management believes that ROA is a useful financial measure for investors in evaluating operating performance for the periods presented. When read in conjunction with our profit (loss) and property and equipment, two GAAP measures, it provides investors with a useful tool to evaluate Black Diamonds ongoing operations and management of assets from period-to-period.

# Non-GAAP & Supplementary Financial Measures



- **Net Revenue Margin** is calculated by dividing net revenue by Gross Bookings for the period. Management believes this ratio is an important supplemental measure of LodgeLink's performance and profitability and believes this ratio is frequently used by interested parties in the evaluation of companies in industries with similar forms revenue generation where companies act as agents in transactions.
- **Enterprise Value ("FCF")** is calculated as *Market Capitalization plus Net Debt which is a supplementary financial measure and is calculated as long-term debt minus cash and cash equivalents. A reconciliation to long-term debt, the most comparable GAAP measure, is provided in the Company's MD&A.*
- **Gross Bookings** is total revenue billed to the customer which includes all fees and charges. Net revenue, a GAAP measure, is Gross Bookings less costs paid to suppliers.
- **Working Capital** is a supplementary financial measure and is calculated as current assets minus current liabilities.

For further information and discussion on Non-GAAP financial measures, as well as a reconciliation to the most comparable GAAP measure, please refer to the Company's Management Discussion and Analysis for the year ended December 31, 2021 which is available on the Company's website at [www.blackdiamondgroup.com](http://www.blackdiamondgroup.com), or on the SEDAR website at [www.sedar.com](http://www.sedar.com).

# Adjusted EBITDA, Return on Assets



(\$ millions, except as noted)	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	Change %	2022	2021	Change %
Profit	9.0	5.7	58%	17.0	9.7	75%
Add:						
Depreciation and amortization	9.2	9.4	(2)%	26.6	26.2	2%
Finance costs	2.1	1.5	40%	5.3	4.4	20%
Share-based compensation	1.2	1.0	20%	3.5	2.4	46%
Non-controlling interest	0.5	0.4	25%	1.5	1.0	50%
Current income taxes	—	—	—%	0.4	—	—%
Deferred income taxes	3.9	1.7	129%	7.7	2.8	175%
Adjusted EBITDA	26.0	19.7	32%	62.1	46.5	34%
Less:						
Depreciation and amortization	9.2	9.4	(2)%	26.6	26.2	2%
Adjusted EBIT	16.8	10.3	63%	35.5	20.3	75%
Total revenue	95.9	108.8	(12)%	235.5	243.4	(3)%
Adjusted EBITDA as a % of Revenue	27%	18%	9	26%	19%	7
Annualized multiplier	4	4		1.3	1.3	
Annualized adjusted EBITDA	104.0	78.8	32%	80.7	60.5	34%
Average net book value of property and equipment	431.3	421.4	2%	426.3	422.6	1%
Return on Assets	24%	19%	5	19%	15%	5

# Net Debt, Net Debt to TTM Adjusted Leverage EBITDA



(\$ millions, except as noted)	2022	2022	2022	2021	2021	2021	2021	2020	Change
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
Profit (loss)	9.0	4.0	4.0	10.7	5.7	1.3	2.7	(2.2)	
Add:									
Depreciation and amortization	9.2	8.8	8.6	8.9	9.4	8.8	8.1	9.0	
Acquisition costs	—	—	—	—	—	—	—	1.9	
Finance costs	2.1	1.7	1.5	1.7	1.5	1.6	1.3	1.6	
Share-based compensation	1.3	1.1	1.2	1.0	1.0	0.8	0.6	0.8	
Non-controlling interest	0.5	0.5	0.5	0.4	0.4	0.4	0.2	0.3	
Current income taxes	—	0.4	—	0.1	—	—	—	0.4	
Gain on sale of real estate assets	—	—	—	(0.7)	—	—	—	—	
Deferred income taxes	3.9	1.7	2.1	(4.6)	1.7	0.6	0.4	(0.7)	
Adjusted EBITDA	26.0	18.2	17.9	17.5	19.7	13.5	13.3	11.1	
Acquisition pro-forma adjustments <sup>(1)</sup>	—	—	—	—	—	—	—	2.1	
Adjusted Leveraged EBITDA	26.0	18.2	17.9	17.5	19.7	13.5	13.3	13.2	
TTM Adjusted Leverage EBITDA	79.6				59.7				33%
Long-term debt	160.6				164.6				(2)%
Cash and cash equivalents	12.3				5.1				141%
Net Debt	148.3				159.5				(7)%
Net Debt to TTM Adjusted Leverage EBITDA	1.9				2.7				(30)%

(1) Includes pro-forma pre-acquisition EBITDA estimates as if the acquisitions during the YTD and Prior YTD occurred on July 1, 2021.

# Free Cashflow



(\$ millions, except as noted)	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	Change	2022	2021	Change
Cash Flow from Operating Activities	27.3	17.5	56%	64.4	50.7	27%
Add/(Deduct):						
Change in long-term accounts receivable	(2.5)	0.1	(2,600)%	(0.7)	(0.5)	(40)%
Changes in non-cash operating working capital	5.9	5.8	2%	6.3	4.8	31%
Funds from Operations	30.7	23.4	31%	70.0	55.0	27%
Add/(deduct):						
Maintenance capital	(1.9)	(3.1)	39%	(5.0)	(6.9)	28%
Payment for lease liabilities	(1.7)	(1.6)	(6)%	(4.9)	(4.7)	(4)%
Interest paid (including lease interest)	(2.1)	(1.4)	(50)%	(5.1)	(4.2)	(21)%
Net current income tax expense (recovery)	—	—	—%	0.4	—	100%
Dividends paid on common shares	(0.9)	—	(100)%	(2.5)	—	(100)%
Distributions declared to non-controlling interest	(0.1)	—	(100)%	(0.5)	—	(100)%
Dividends paid on preferred shares	(0.1)	(0.2)	50%	(0.4)	(0.4)	—%
Free Cashflow	23.9	17.1	40%	52.0	38.8	34%

# Net Revenue, Gross Bookings and Net Revenue Margin



(\$ millions, except as noted)	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	Change	2022	2021	Change
Net revenue <sup>(1)</sup>	1.8	1.2	50%	4.3	2.7	59%
Costs paid to suppliers <sup>(1)</sup>	14.6	8.9	64%	34.9	22.6	54%
Gross Bookings <sup>(1)</sup>	16.4	10.1	62%	39.2	25.3	55%
Net Revenue Margin	11%	12%	(1)	11%	11%	—

(1) Includes intercompany transactions.

# Working Capital, Enterprise Value



The following table presents summarized working capital information:

(\$ millions, except as noted)	September 30, 2022	December 31, 2021	Change \$	Change %
Current assets	94.5	76.0	18.5	24%
Current liabilities	73.6	66.3	7.3	11%
Working capital <sup>(1)</sup>	20.9	9.7	11.2	115%

(1) Working capital, a supplementary financial measure, is calculated as current assets minus current liabilities.

## Enterprise Value Calculation

Shares Outstanding (mm)	60.4
Share Price (Nov 4, 2022)	5.05
Market Capitalization (\$mm)	305.0
Net Debt (\$mm) - Q3/2022	148.3
Enterprise Value (\$mm)	453





# BLACK DIAMOND GROUP

## OUR WAY IS TO CREATE A BETTER WAY



## THANK YOU

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