



# Investor Update



**OUR WAY IS TO CREATE A BETTER WAY**

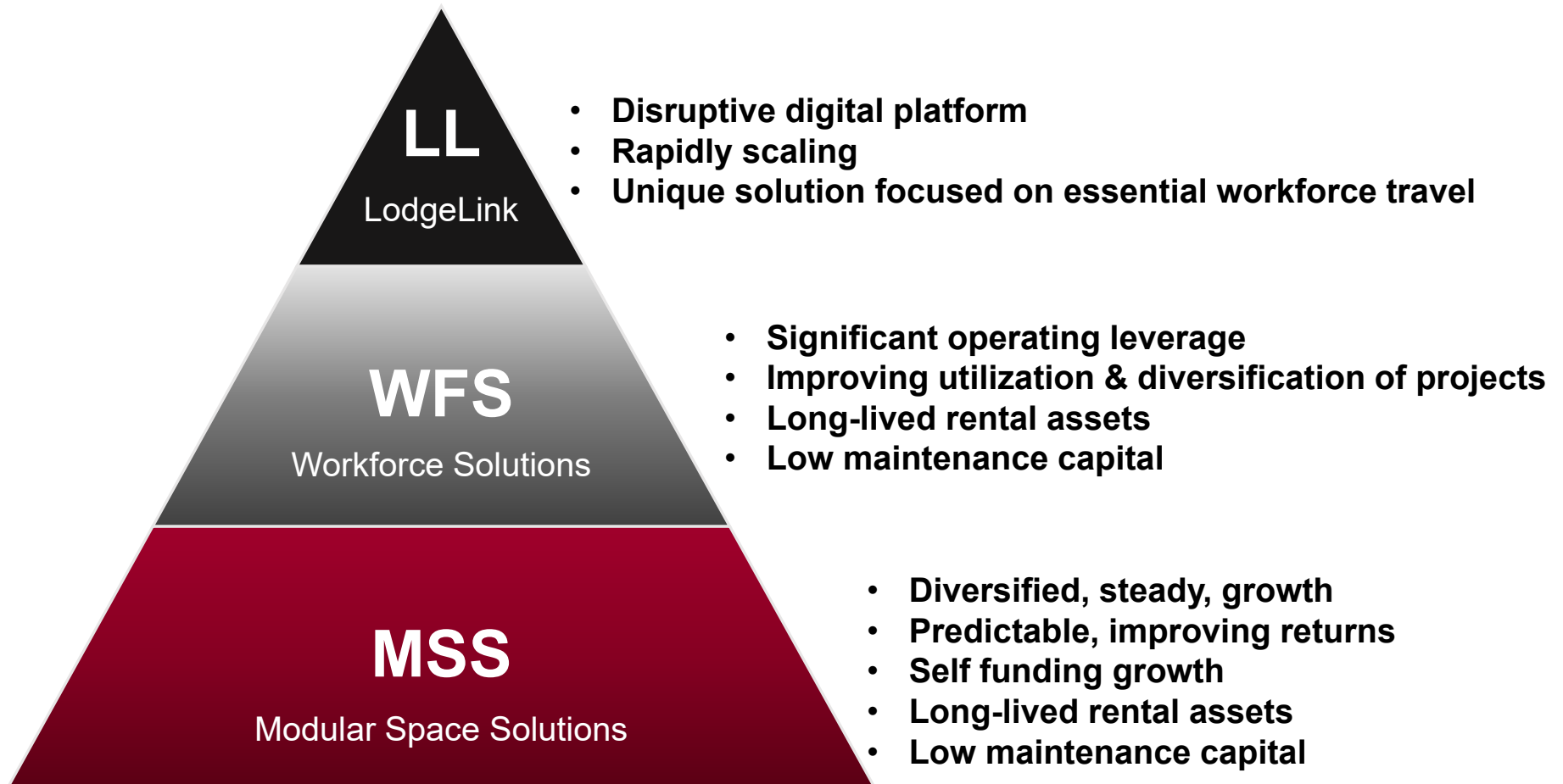
**March 2021**

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, 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 - Who We Are



Specialty rentals and industrial services provider organized into two business units

## MSS:

### Modular Space Solutions

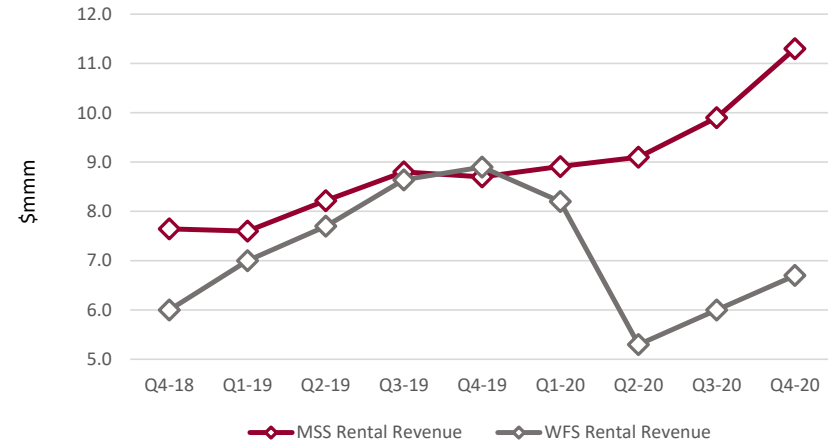
- Diversified Rental
- Custom, Major Project or Used Sales
- Ancillary, Value Added Products & Services (VAPS)

## WFS:

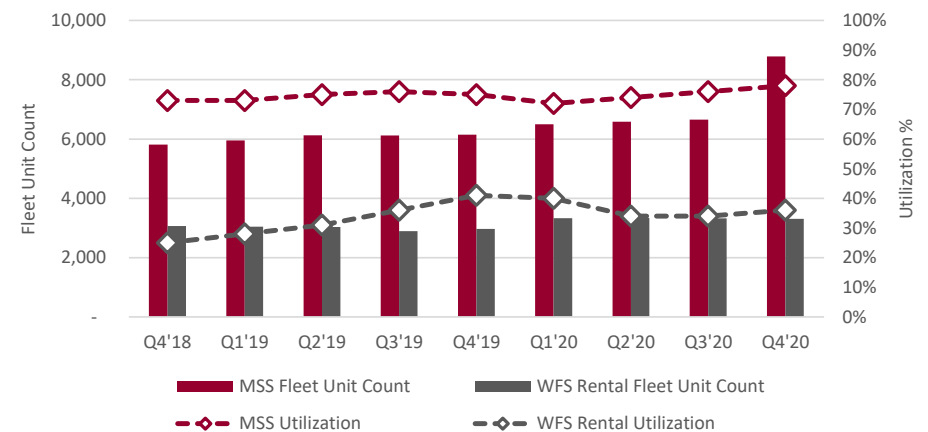
### Workforce Solutions

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

Rental Revenue



Rental Fleet Count and Utilization



# Operating Overview



## Modular Space Solutions (MSS)

**8,784** Units <sup>1</sup>

## Camps Rental (WFS)

**3,311** Units<sup>1</sup>

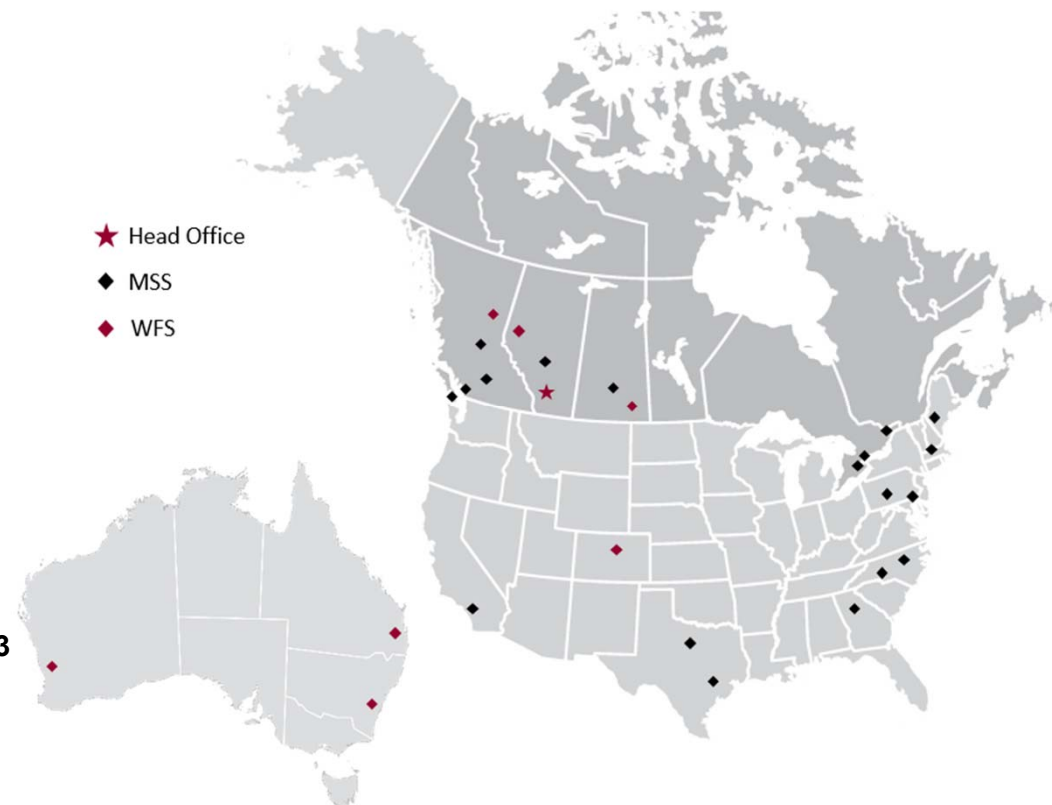
## Consolidated Rentable Square Feet

**~6.8 mm**

**100,267** TTM LodgeLink Bookings <sup>2</sup>

**\$40.6 mm** FY2020 Adjusted EBITDA <sup>1,2,3</sup>

**\$410 mm** PP&E Book Value <sup>1</sup>

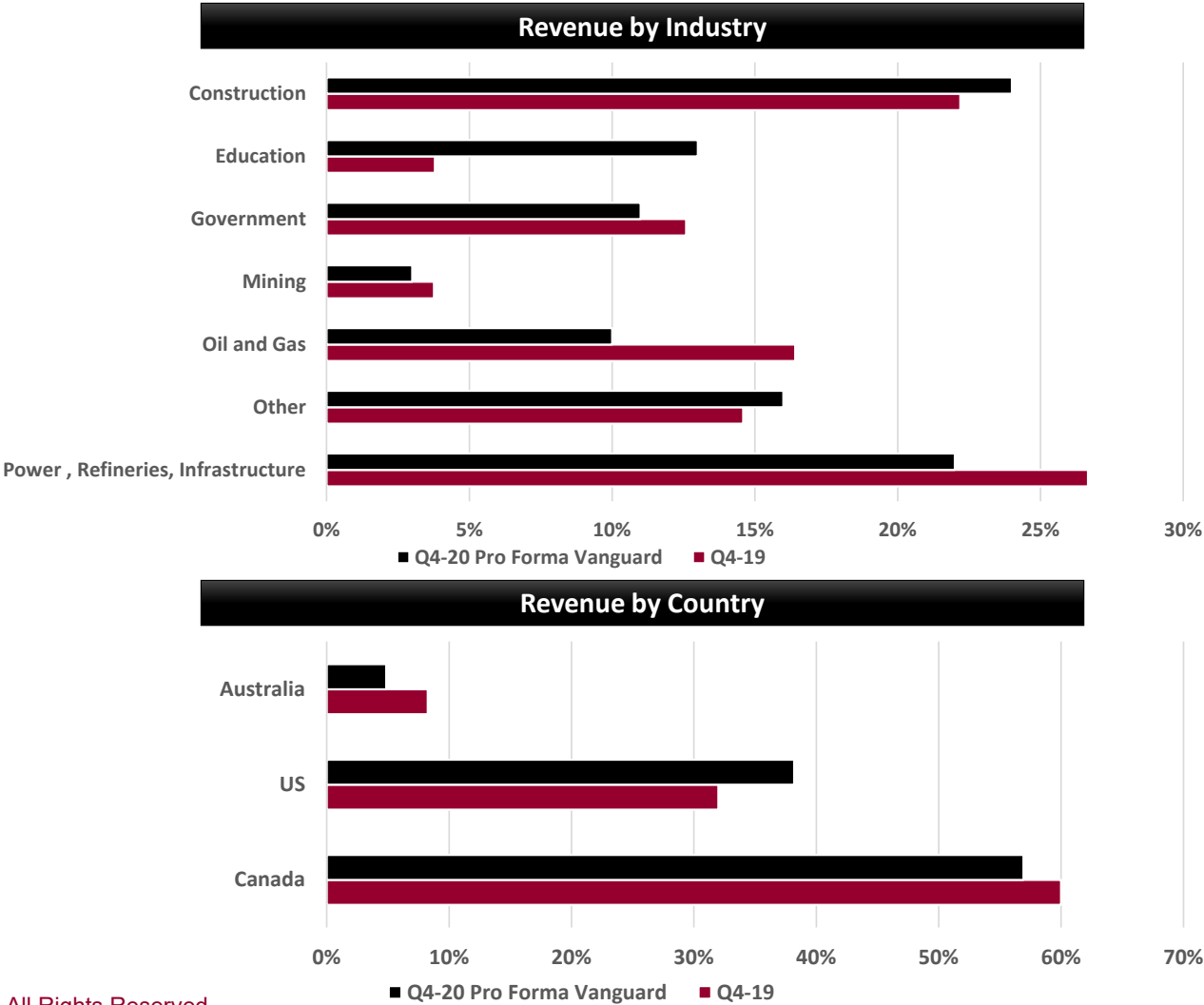


1. Source data: Q4 2020 Financial Statements, Management, Discussion and Analysis

2. As at December 31, 2020

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

# Enhancing Diversification



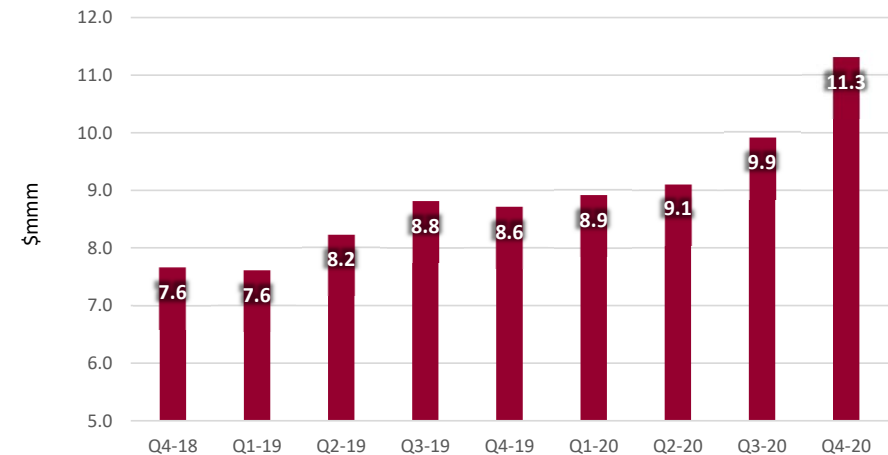
# MSS Overview – Revenue Detail



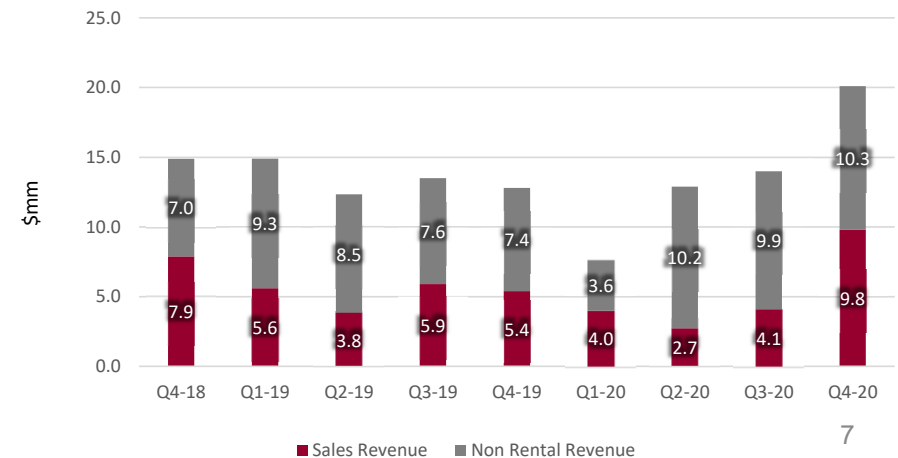
## Modular Space Solutions

- Rental revenue up 31% Y/Y
- Strengthening rental revenue driven by continued capital investment, higher rates, improving utilization, and VAPS penetration
- Inclusion of Vanguard custom sales contributed to increased sales revenue

MSS Rental Revenue



MSS Sales & Non Rental



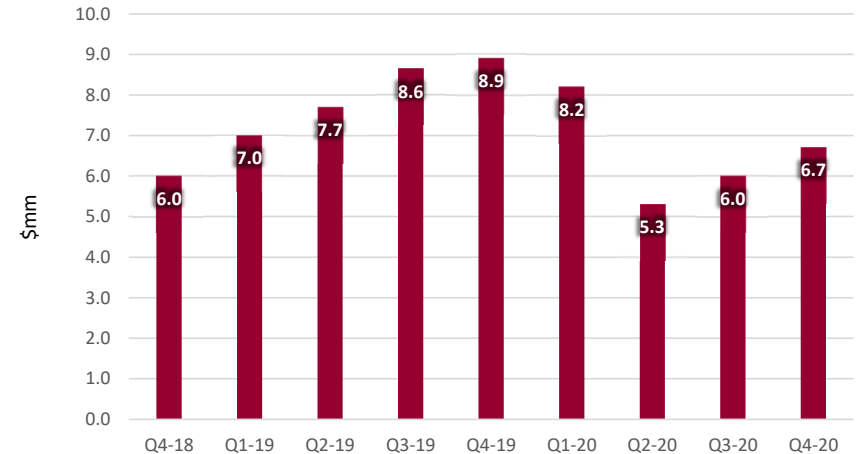
# WFS Overview – Revenue Detail



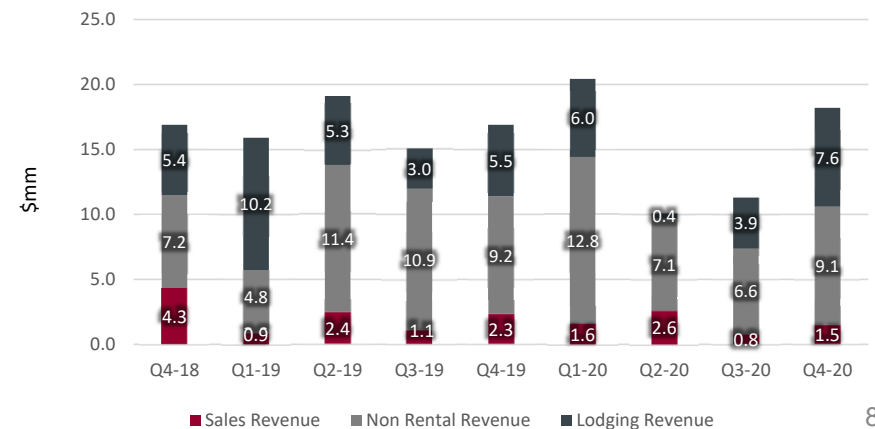
## Workforce Solutions

- Added over \$36 million of contracted revenue (rental, sales and non rental) since the start of 2021.
- Continuing growth in eastern Canada, providing customer and geographical diversification
- Expecting improvement in 2021 as a result of recent contract wins and as deferred projects come back online
- Lodging and wellsite businesses have troughed

WFS Rental Revenue

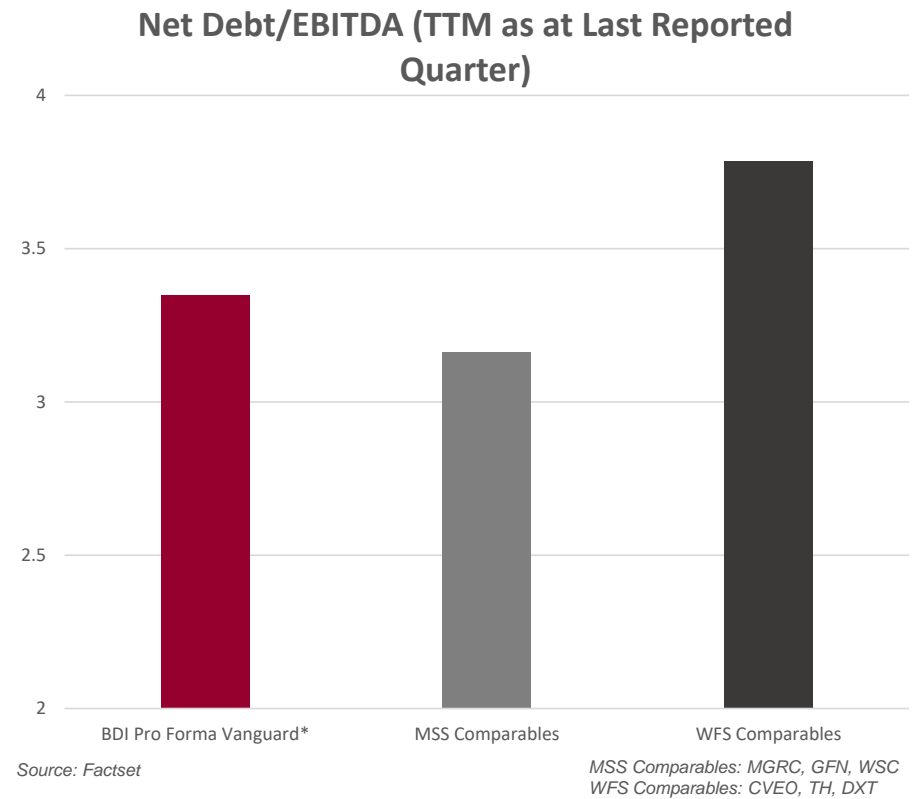
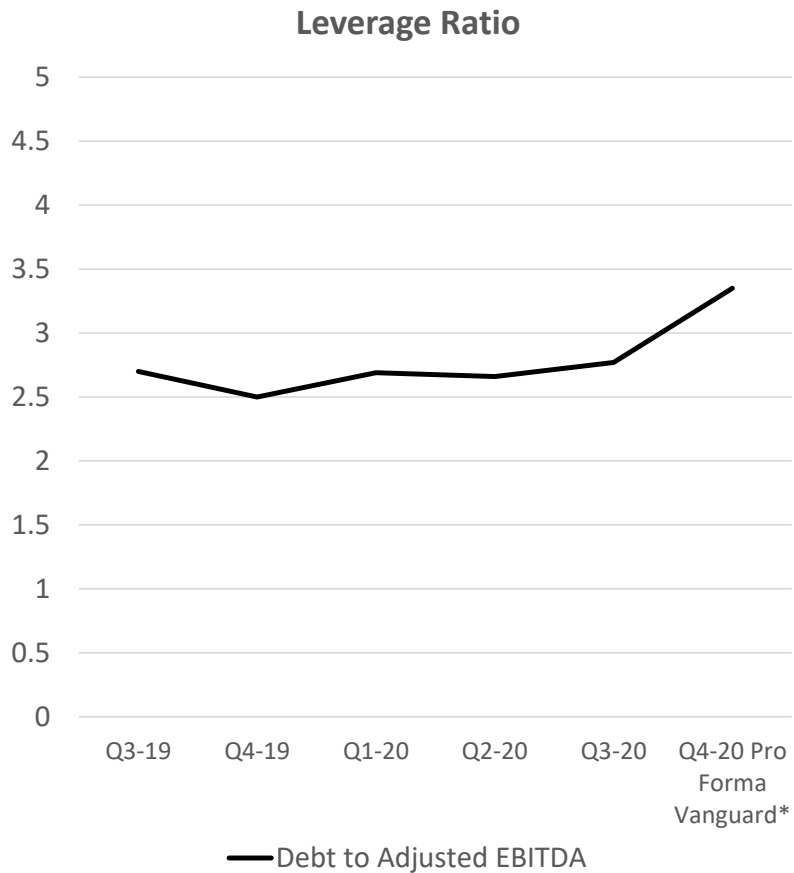


WFS Lodging, Sales & Non Rental





# Financial Flexibility



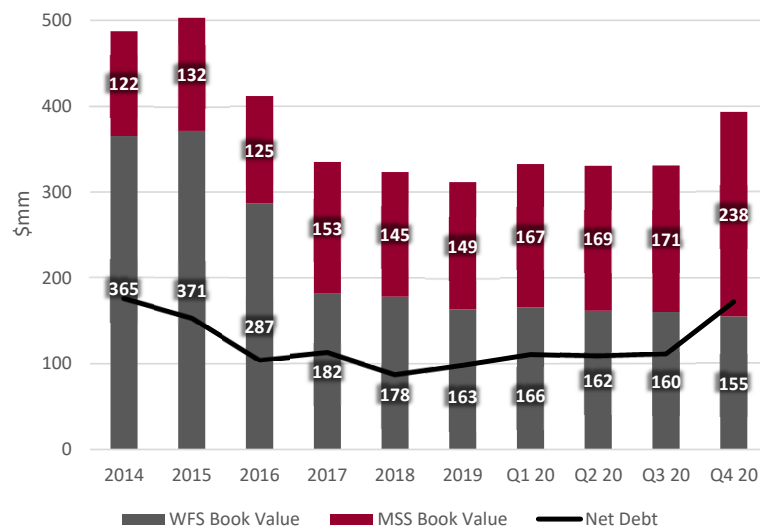
\*BDI Pro Forma Vanguard includes trailing 12 months of EBITDA from Vanguard

# Significant Asset Coverage Against Debt

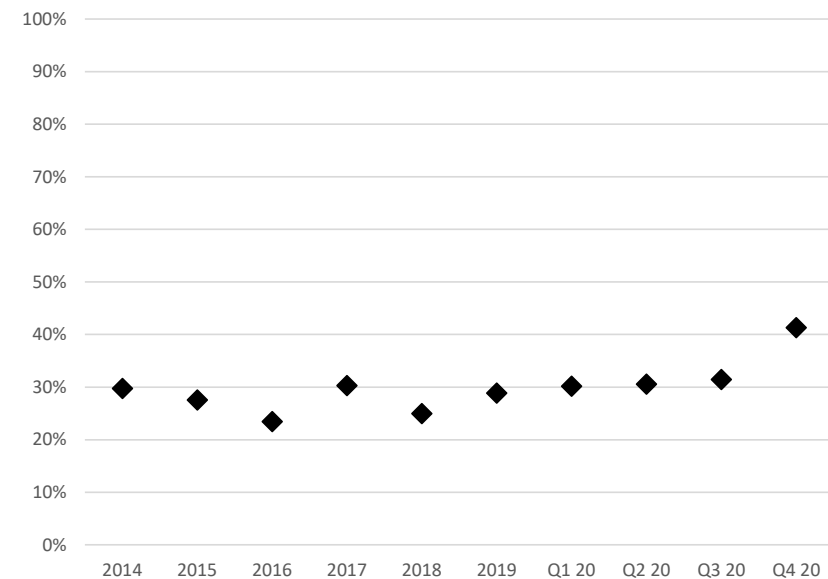


- Net debt<sup>1</sup> remains well below hard asset coverage on a net book value and third-party appraisal basis
- In conjunction with Vanguard deal, expanded existing credit facility to \$300 million
- Value of eligible rental fleet (for borrowing base calculation) is \$292 million as at end of Q4/2020
- Over \$84 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



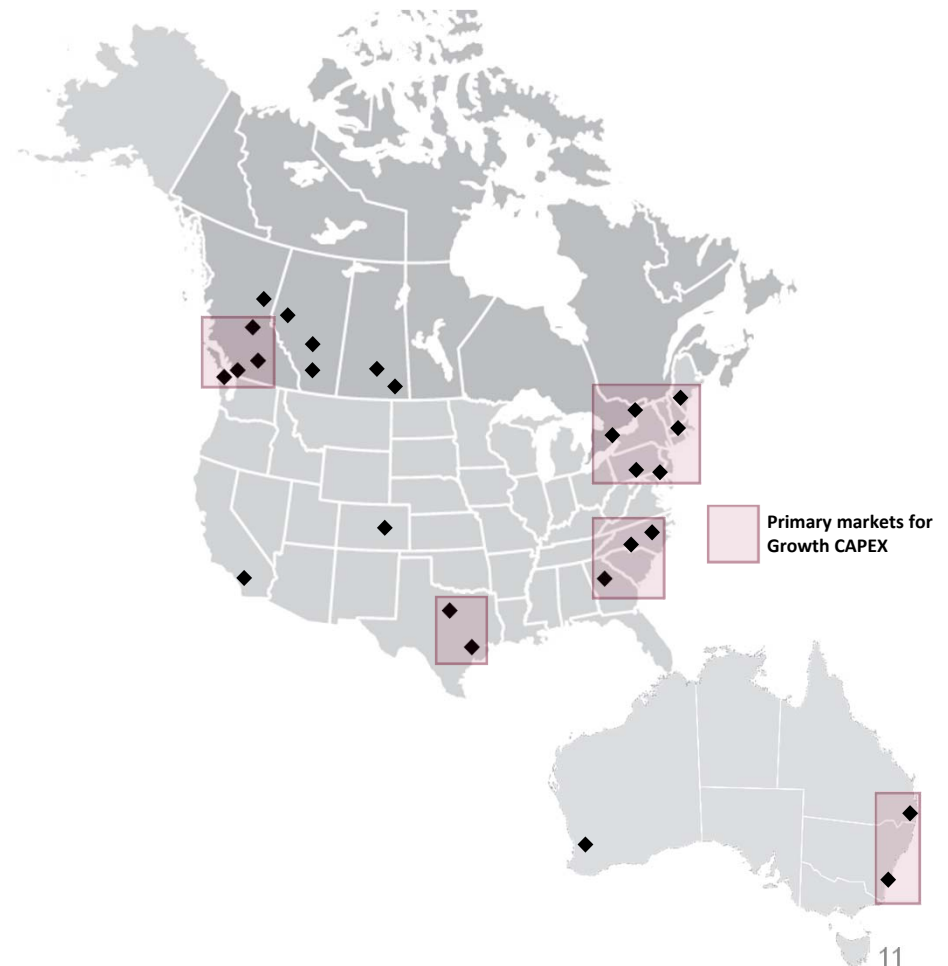
1. See "Non-GAAP Measures" at the end of this document.

# Growth Through Disciplined Capex



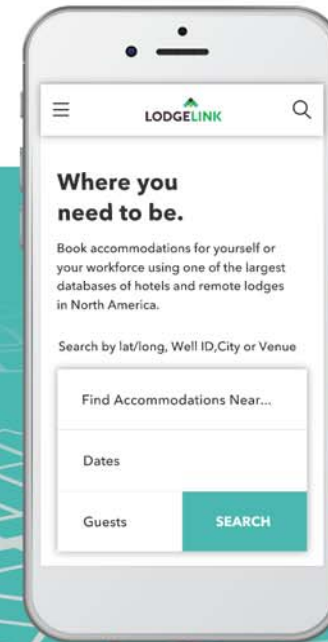
## 2021 Capital Program

- Capex budget of ~\$35 mm (gross). 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
- \$1.5mm 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

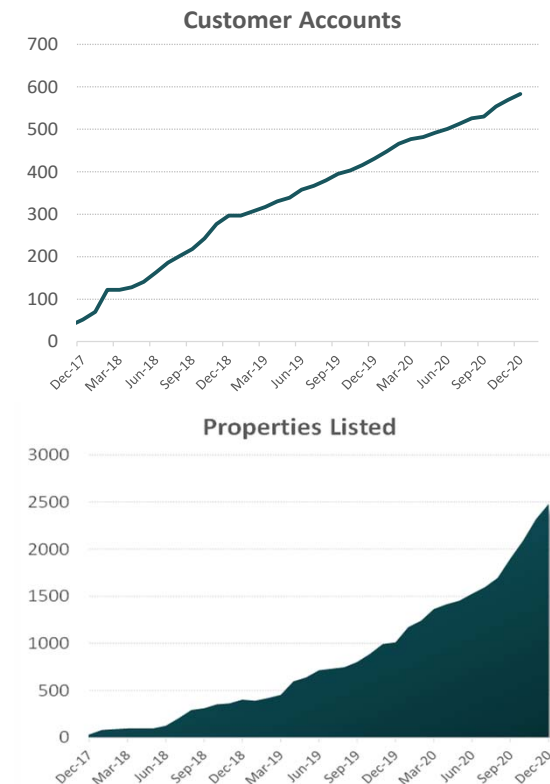
- Customers exist in diverse industries and geographies and share the same challenges
- No global leader in the space
- Fragmented market with low-tech tools used by customers and competitors

## Over 290,000 room nights booked to date (Dec 31, 2020)

- LodgeLink room bookings set a quarterly record in Q4/2020 and grew 11% to ~36,000 room nights
- Continued customer and geographic expansion with a growing presence in the U.S.

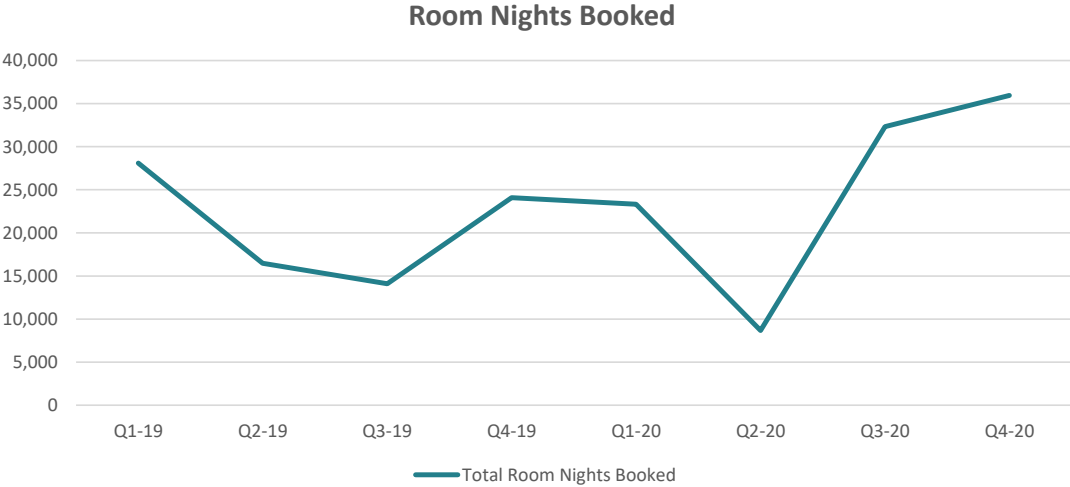
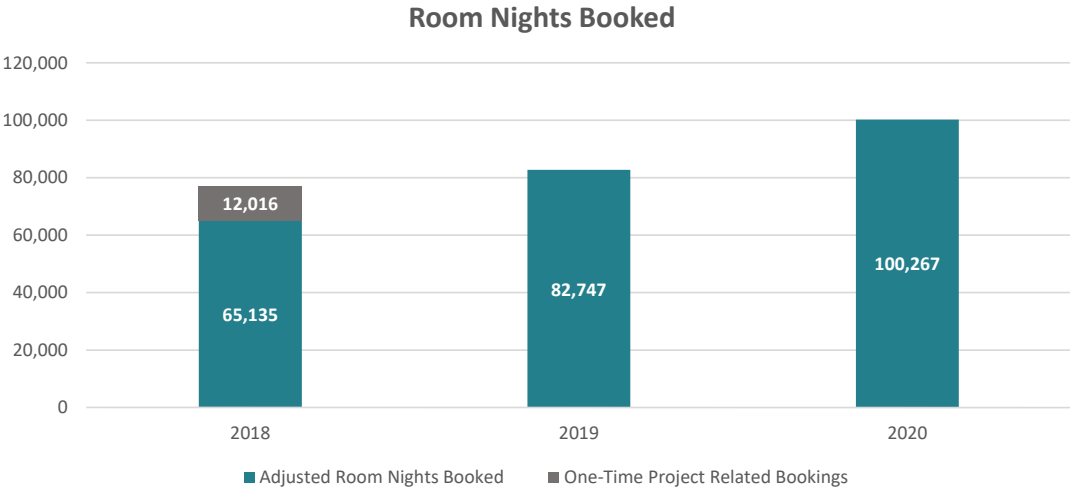
## Customers & Suppliers validating all aspects of long-term vision

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

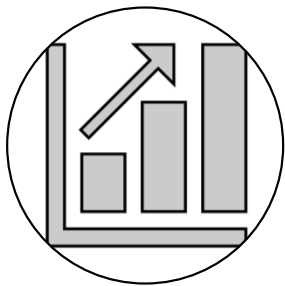


### As of Dec 31, 2020

Total Properties Listed	2,482
Total Rooms Listed	241,559
Total Unique Customers	582
Employees (full time)	45

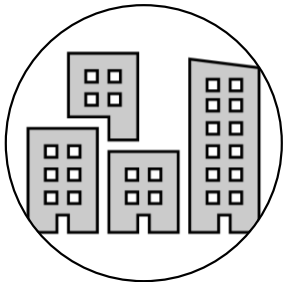


# Black Diamond Investment Attributes



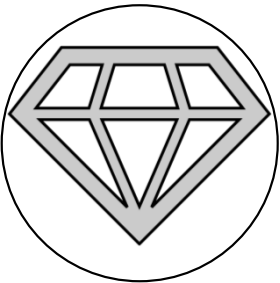
## Growth

- 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, economies of scale, VAPS and other service offerings
- LodgeLink platform is scaling quickly with a view towards accelerating growth in 2021



## 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

- 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

# Appendix



LODGE LINK



CAMPS RENTAL



ENERGY SERVICES



AUSTRALIA



MODULAR SPACE



VAPS





## MSS Business Unit

- Rental Revenue
- Sales Revenue
- Non-rental Revenue



## WFS Business Unit

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

# MSS Overview

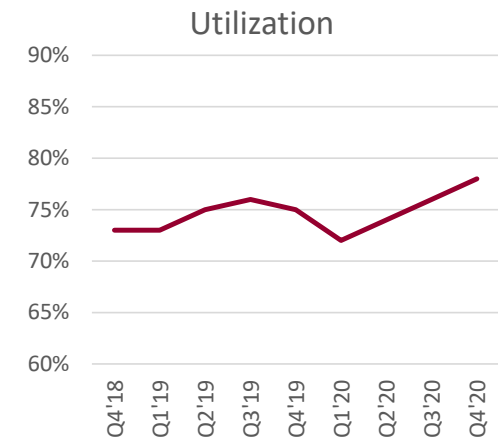
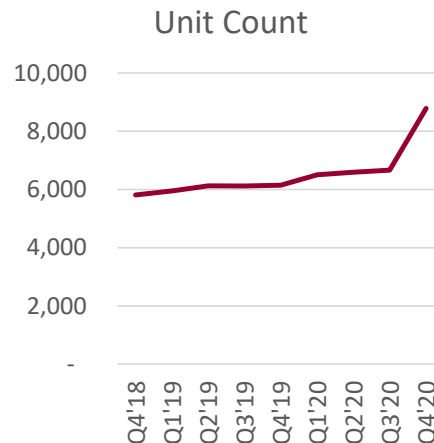
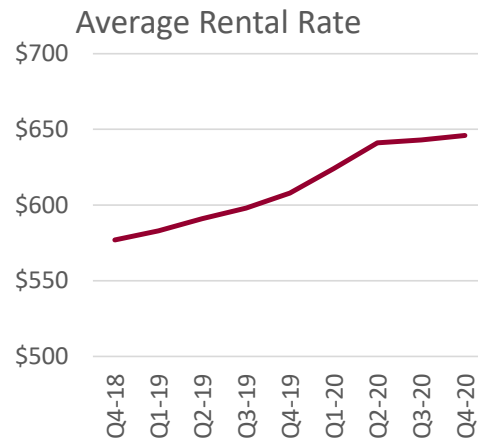
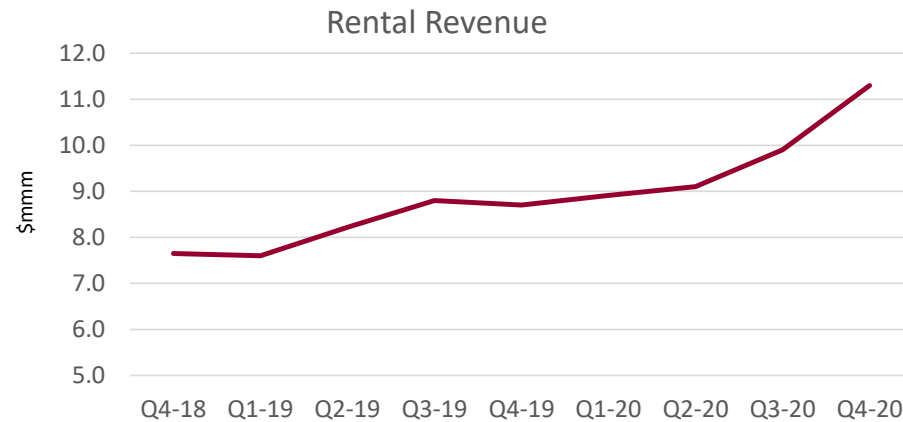


## Modular Space Solutions

- 8,784 units across 19 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 are improving. Rental revenue growth expected to outpace fleet growth
- Longer term vision to double MSS fleet from 2019 to 2023
- 2021 MSS gross capital investment of ~\$25 mm, excluding acquisitions



# MSS – Drivers Behind Rental Revenue Growth



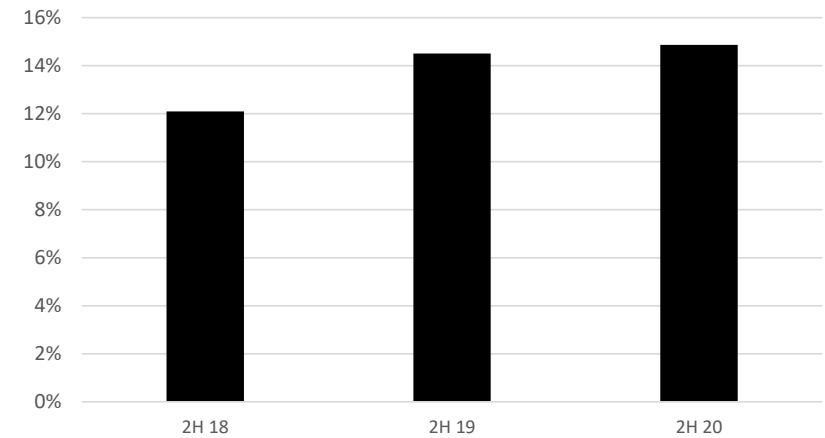
# MSS – VAPS Penetration



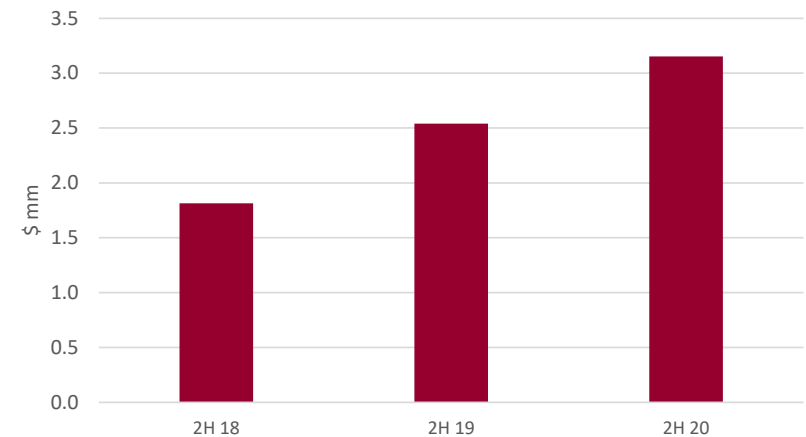
- Value Added Products & Services (VAPS) penetration and revenue growth continues to trend positively



VAPS as a % of Rental Revenue



VAPS Revenue



# WFS Overview



## Workforce Solutions

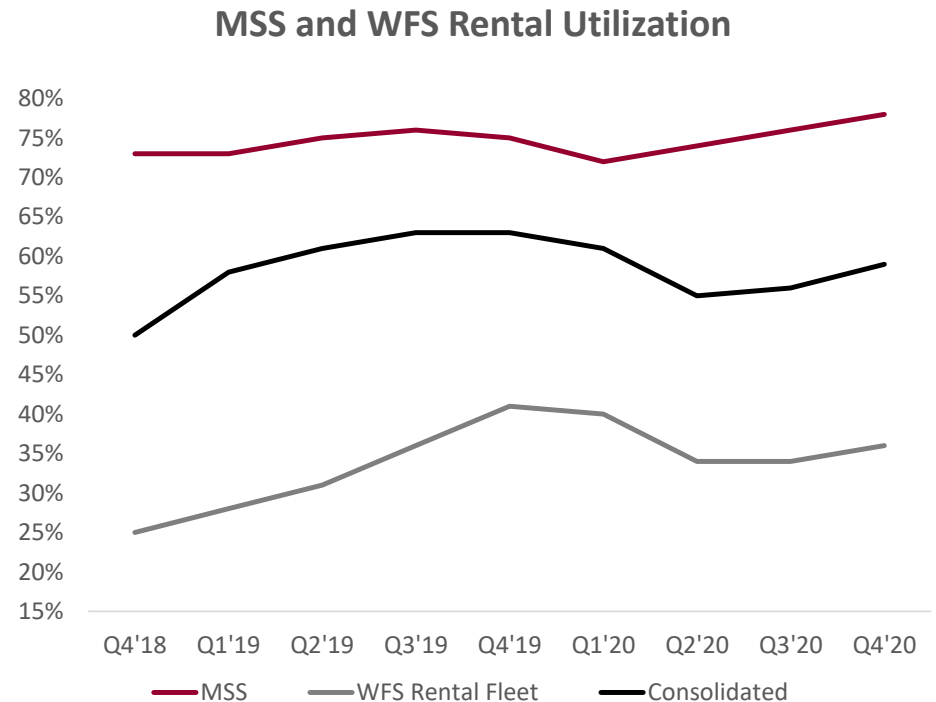
- Includes Camps, Lodging, Energy Services, Australia and LodgeLink
- **Geographic Diversification**
  - U.S., Eastern Canada
  - Continued growth in Australia
- **Industry Diversification**
  - Disaster Relief
  - Homeless Initiatives
  - Mining
  - Green Energy
- Increased contracted revenue by \$36 million since start of 2021. Outlook improving
- Energy Services and Lodging has troughed
- 2021 WFS gross capital investment of \$4.5 mm



# Rental Utilization



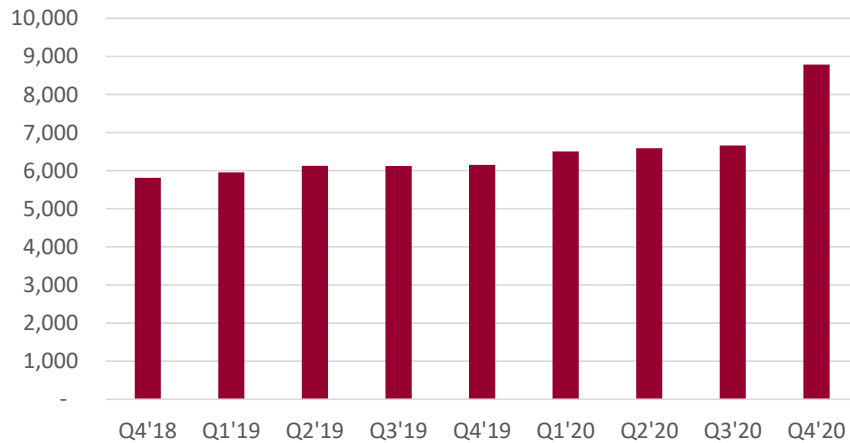
- Utilization showing further improvement after pandemic low in Q2 2020
- MSS rental fleet maintaining utilization above 70%
- WFS improvement in rental utilization supported by diversification of assets outside of western Canada



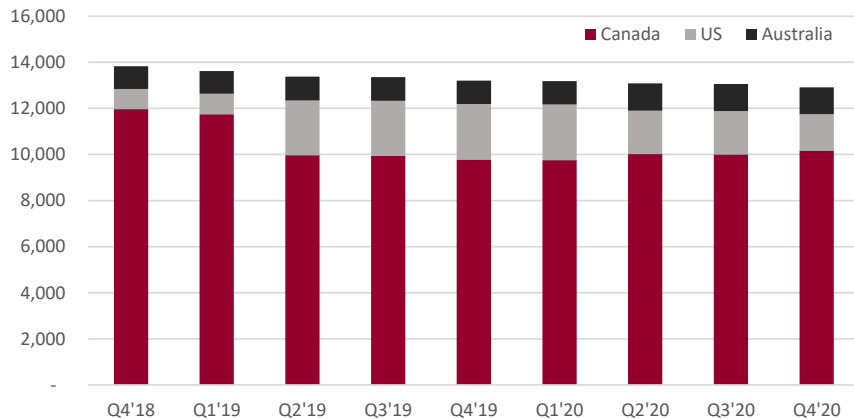
# MSS & WFS Fleet Overview



MSS Fleet Unit Count

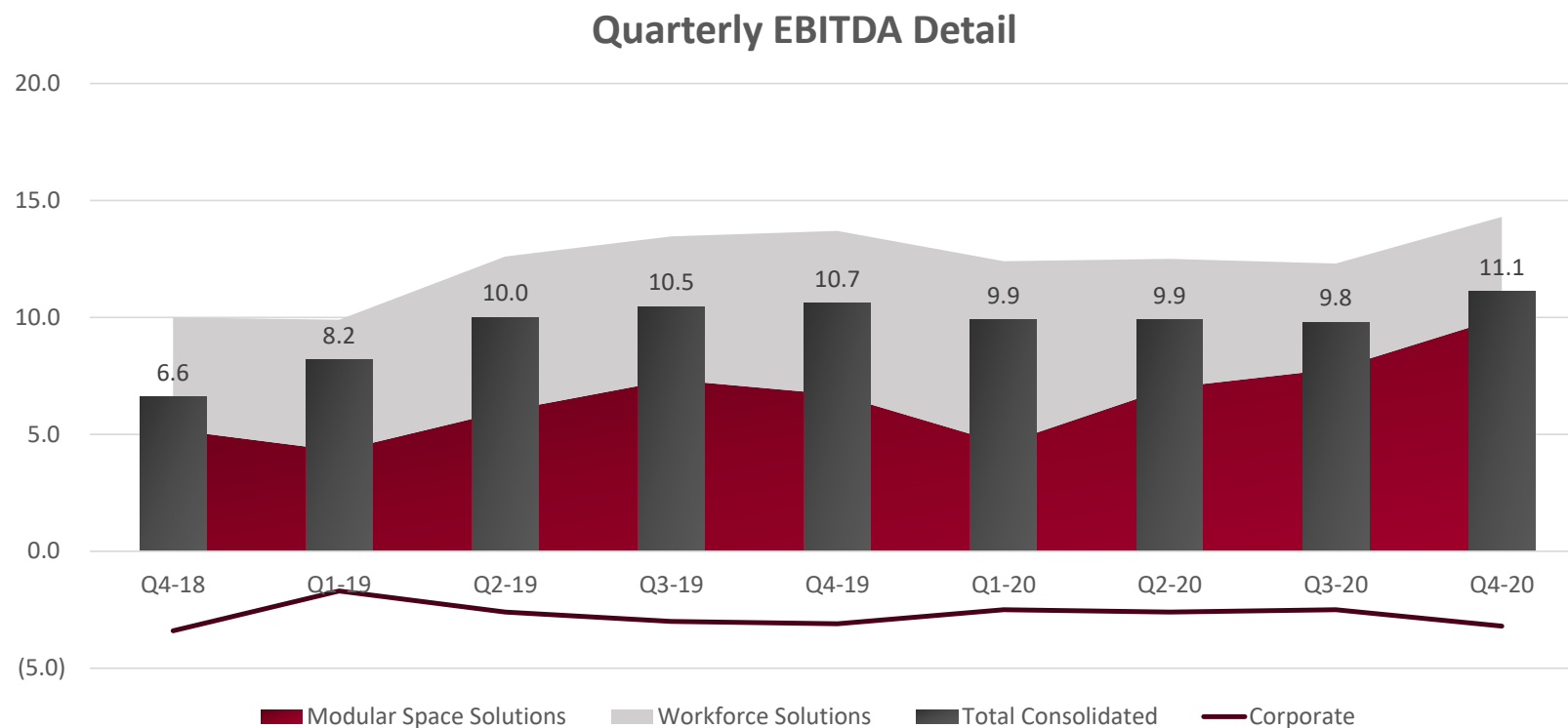


WFS Room Count



- Continued growth in MSS rental fleet, supported by organic investment and recent acquisition of Vanguard
- 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 EBITDA<sup>1</sup> Detail By Quarter



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



# LodgeLink - The Problem

*At LodgeLink, we understand that crew travel is a complex and critical task that is inherently difficult. Crew Travel has been untouched by recent technology transformation, and demands a modern platform to remove frustration and inefficiency from the process.*

*We are on a mission to improve every aspect of crew travel, leading to travelers who delight in a seamless experience and travel program owners who have the visibility and control they've always wanted.*



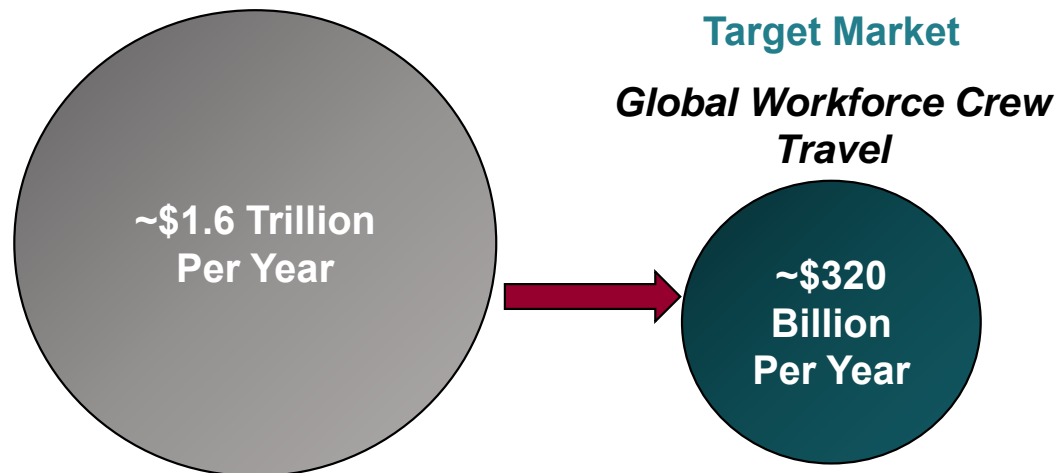
## Search & Book

- Managing reservations for crews with unpredictable schedules, constantly changing shifts and rotations
- Finding remote lodges
- Booking > 9 people at a time

## Pay & Report

- Costs are tracked dynamically using codes that can change daily
- Costs for crews generally need to be routed to a field supervisor before they are invoiced to head office

## 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.*

# 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.
- **Net Debt** is calculated as long-term debt excluding deferred financing costs minus cash.



**BLACK DIAMOND**  
GROUP

**THANK YOU**

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