



**BLACK DIAMOND**  
GROUP



**2017 Second Quarter Operational Highlights**  
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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.

# Space Rentals Growth



## Space Rentals strength in Q2

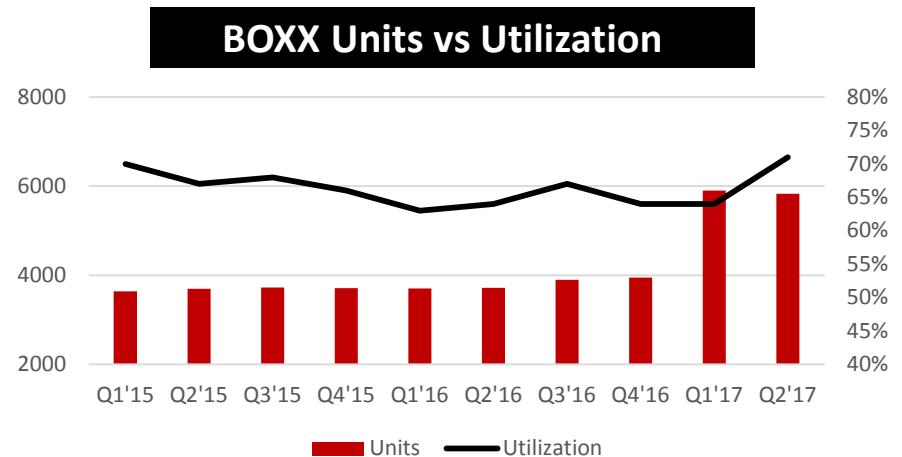
- Revenue increased by 82%
- EBITDA increased by 68%
- Fleet size increased by 57%

## Non-resource end markets

- General construction
- Infrastructure
- Military
- Healthcare

## Stable diversified cash flow

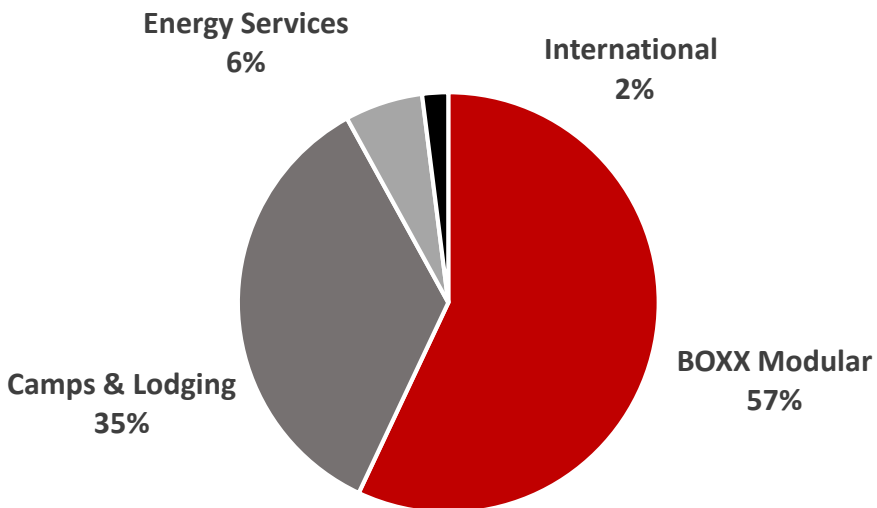
## Acquisition and growth opportunities



# Continued Diversification



## Q2 '17 EBITDA Composition



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- BOXX Modular greater than half of Q2 2017 EBITDA
  - Delays in the resource recovery
  - Restructuring of our Workforce businesses
  - EBITDA guidance reduced to \$25M - \$35M
  - Dividend suspended to increase reinvestment in the business
  - Net Capex guidance increased to \$13M based on increasing growth demand
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# Business Results Overview



## Business Unit Performance

### BOXX Modular

- Full impact of Britco acquisition, higher utilization, larger fleet, strong markets outside of Alberta.

### Camps & Lodging

- Decrease in average beds utilized and occupancy in open camps.

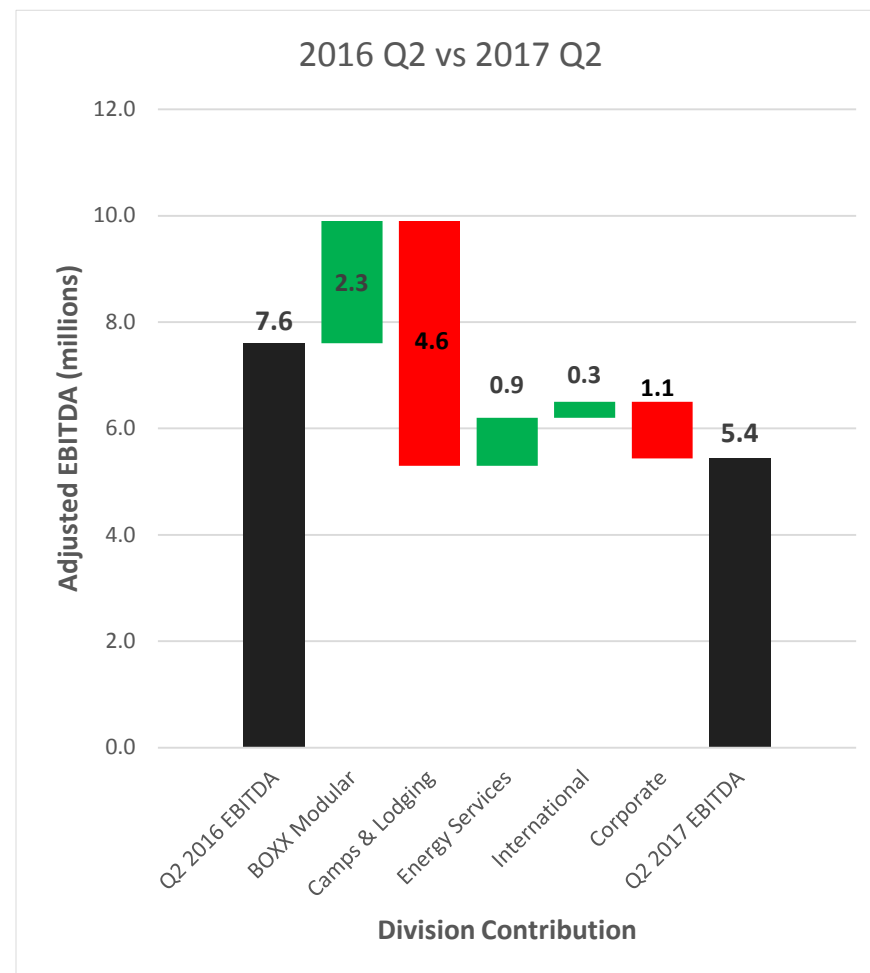
### Energy Services

- Significant increase in accommodations utilization driven by improved activity in all basins in which we operate

### International

- Strong growth in education sector drove increased utilization and sales. Starting to see recovery in resource activity.

## Adjusted EBITDA Waterfall



# Quarterly Financial Metrics



Financial Highlights (in millions of dollars except per share amounts and ratios)	For the three months ended:		
	June 30, 2017	June 30, 2016	% Change
Revenue	37.1	34.4	8%
Adjusted EBITDA	5.4	7.6	(29)%
Profit (loss)	(7.8)	(8.6)	(9)%
Earnings (loss) per share – basic	(0.14)	(0.21)	(33)%
Funds from Operations	6.9	11.3	(39)%
Payout Ratio	88%	37%	
Funded Debt: Bank EBITDA Covenant (Limit of 4.50:1.00)	3.47	2.50	

# Outlook



## Guidance

- 2017 EBITDA guidance revised to \$25-\$35 million
- Slower than anticipated recovery in resource industry

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## Capital Spending

- Revised guidance to \$23 million gross & \$13 million net of asset sales
- Increased opportunities to deploy capital at attractive rates identified primarily in Space Rentals

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## Dividend

- Dividend suspended
- Reinvest cash in the business
- Accelerate diversification strategy

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## Restructuring

- Streamline organization to increase operational competitiveness
- Reduce costs by \$3 million and improve efficiency





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**THANK YOU**