



**BLACK DIAMOND**  
GROUP



**2015 Fourth Quarter Operational Highlights**  
Trevor Haynes (CEO) and Toby LaBrie (CFO)

# **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. The Company believes the expectations reflected in those forward-looking statements are reasonable but cannot give any assurance these expectations will prove to be correct.

# Positioned for Sustainability

**\$37M**

## **Reduction in Long-term debt**

19% reduction to \$159M as at Dec 2015 (Net Debt: \$153M) due to healthy collection activity and lowered financial outflows

**23%**

## **Reduction in Administrative Expenses**

Excluding non-cash share based compensation costs, Administrative expenses were below \$10 million for the Quarter

**97%**

## **Reduction in Capital Spending**

\$1.5 million spent in the fourth quarter of 2015 compared with \$46.3 million the year before

**22%**

## **Reduction in Days Sales Outstanding (DSO)**

to 70 days from 98 days since Sept 30, 2015

**1.73**

## **Net Debt: EBITDA**

Improved from 1.82 at Sept 30 2015

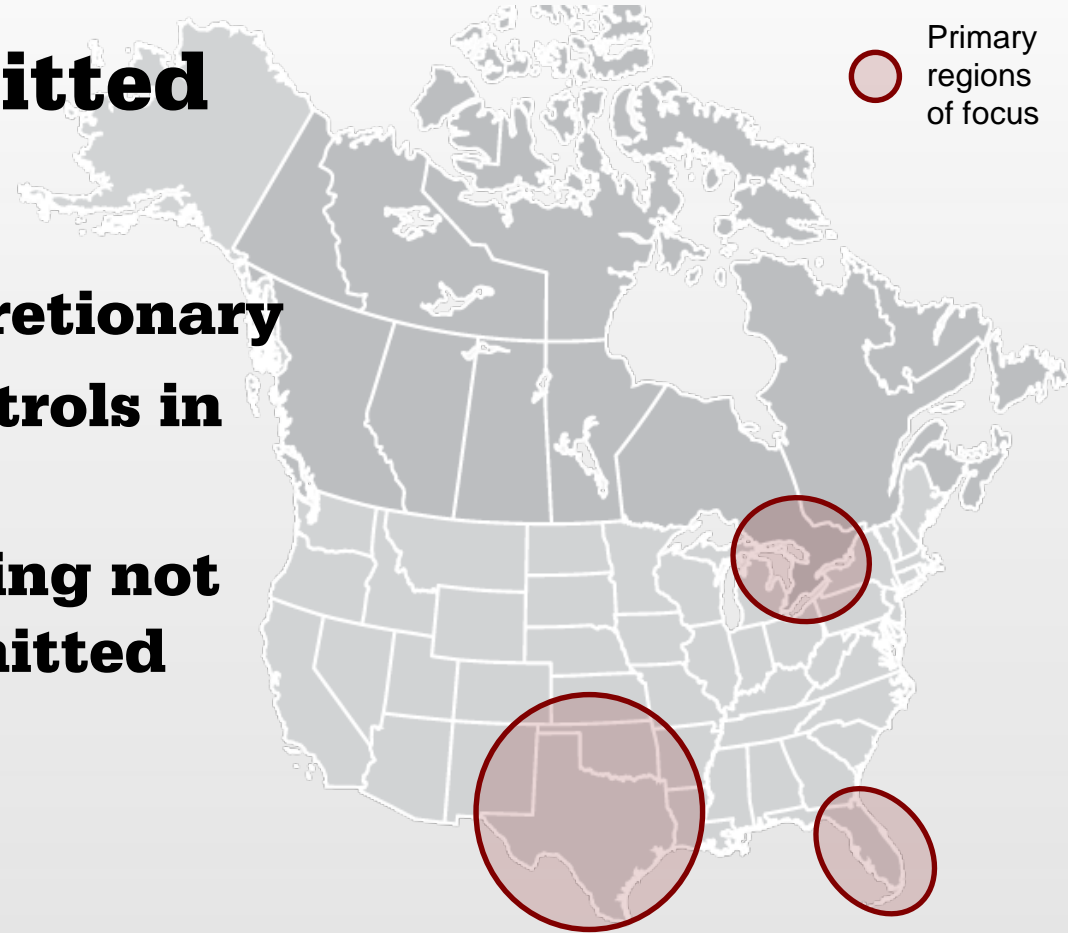
# 2016 Capital Plan Reduced to \$10 million

## \$2.7 million committed

as at December 31, 2015

- **The remainder is discretionary**
- **Stringent Capital Controls in Place**
- **Q1 2016 capital spending not likely to exceed committed capital**

(Does not contemplate LNG)



**Roughly \$3 million of capital plan is dedicated to maintenance capital**

# Fourth Quarter 2015 Financial Review

<b>Revenue</b>	<b>\$52.0 million</b>	Down 41% or \$36.8 million from Q4 2014
<b>Administrative Expenses</b>	<b>\$11.1 million</b>	Down 23% or \$3.3 million from the year before due to reductions in personnel costs and ongoing cost management
<b>Adjusted EBITDA</b>	<b>\$15.9 million</b>	Down 43% or \$12.2 million
<b>Net loss</b>	<b>\$7.8 million</b>	Compared with a net loss of \$3.6 million the year before
<b>Contracted Future Revenue</b>	<b>\$81.8 million</b>	Down 37% or \$48.5 million from year before on fewer contracts and customers moving to shorter term arrangements

# Q4 2015 Adjusted EBITDA \$15.9 Million

## Business Unit Performance

### Structures

- EBITDA down \$6.9 million due to a decrease in utilization and rental rates in Western Canada

### Logistics

- EBITDA down \$6.8 million due to a 13% reduction in average beds under management, and a 31% decline in effective rates related to concessions tied to contract extensions and a decrease in break fees from 2014

### Energy Services

- EBITDA down \$1.8 million due to decreases in utilization and rental rates driven by lower drilling activity

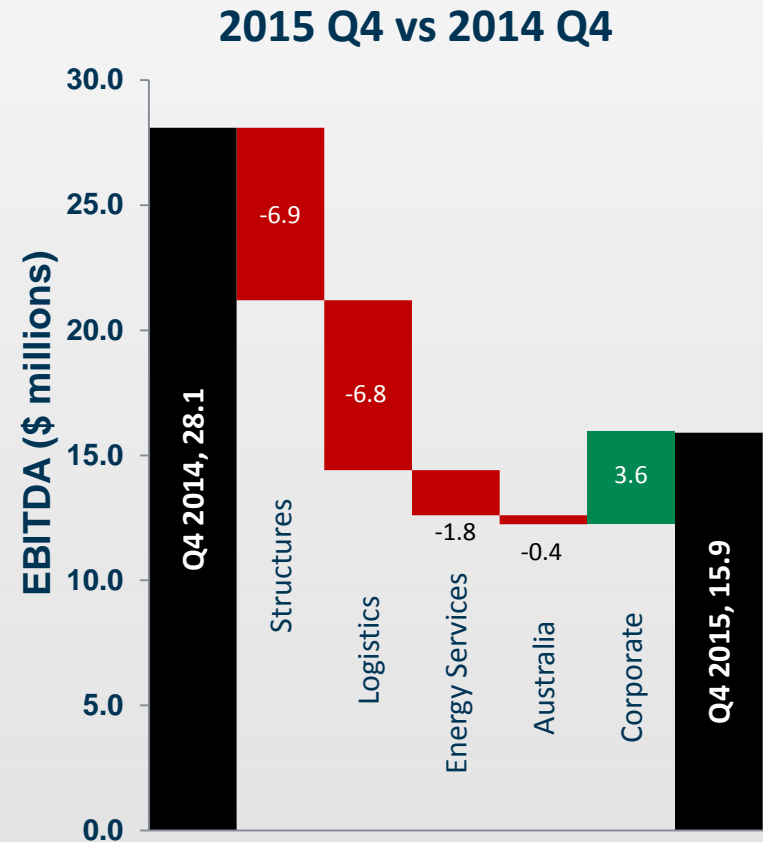
### International (Australia)

- EBITDA down \$0.4 million due to prolonged weakness in the Australian mining and oil and gas sectors which continues to put pressure on asset utilization and pricing

### Corporate

- Corporate costs declined by \$3.6 million due to a 25% decrease in personnel costs and a 46% decrease in other administrative expenses

## Adjusted EBITDA Waterfall

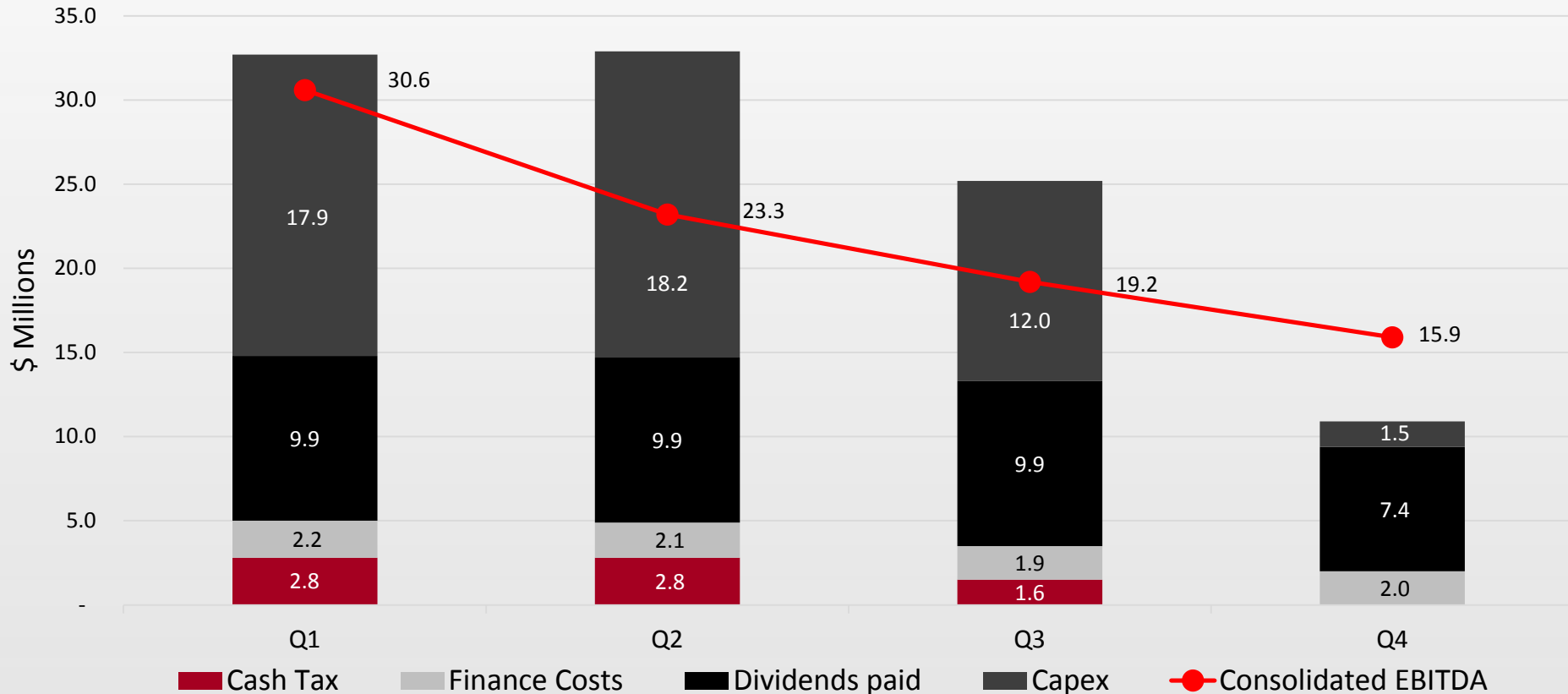


# Quarterly Review

Financial Highlights (in millions of dollars except per share amounts and ratios)	For the three months ended			For the twelve months ended		
	Dec 31, 2015	Dec 31, 2014	% Change	Dec 31, 2015	Dec 31, 2014	% Change
Profit (loss)	(7.8)	(3.6)	(114%)	8.4	35.0	(76%)
Earnings per share (basic)	(0.19)	(0.09)	(111%)	0.20	0.82	(75%)
Funds available for dividends	17.0	24.1	(29%)	85.7	127.8	(33%)
Dividends Declared	7.4	10.0	(26%)	37.0	39.3	(6%)
Payout ratio	43%	42%		43%	31%	
Net Debt : EBITDA	1.73	1.26				

# 2015 Cash Flow Management

## 2015 EBITDA vs. Cash Outflows



**Managing cash flow prudently**  
**Maintaining a sustainable leverage position**





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**THANK YOU!**