



SOURCE: Black Diamond Group Limited



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## Black Diamond Provides Segmented Historical Financial and Operational Data to Reflect New Organizational Structure

### Black Diamond's New Organizational Structure Took Effect January 2016

CALGARY, AB--(Marketwired - April 21, 2016) - Black Diamond Group Limited ("Black Diamond" or the "Company") (TSX: [BDI](#)), a leading provider of workforce accommodation and modular workspace solutions, today provided re-segmented financial and operational data for 2015 that reflects the Company's new organizational structure. This information is being provided to assist investors and analysts in preparing for Black Diamond's new reporting format in 2016. All financial figures are expressed in Canadian dollars.

Effective January 2016, Black Diamond re-organized its North American business units to streamline its operations, gain efficiencies and provide better service to its customer's needs. The new Camps & Lodging business unit combines the workforce accommodation business from the previous Structures business unit and the lodging services business from the previous Logistics business unit. The BOXX Modular business unit is now operating separately from the previous Structures business unit and includes the Canadian and US space rentals businesses. The Energy Services business unit now encompasses both the existing Canadian well site and surface rental businesses and the US well site business which was previously part of the Structures business unit. The International business unit remains unchanged. For more information about the re-organization, please refer to the "Who We Are" section of the Company's Management's Discussion and Analysis for the three and twelve months ended December 31, 2015.

While the results presented herein are segmented according to Black Diamond's new operational structure, the detailed discussions about operational performance presented in the Company's 2015 Interim and Annual Financial Statements and Management's Discussion and Analysis are still generally applicable. The reader is directed to these previous reporting documents available at [www.sedar.com](http://www.sedar.com) and [www.blackdiamondgroup.com](http://www.blackdiamondgroup.com) for this information.

Black Diamond evaluates the activity and performance of its assets and business units using utilization and Return On Assets ("ROA"). Utilization is measured on the basis of the net book value of the business unit's assets on rent, divided by the net book value of the business unit's total assets available to rent. ROA is the percentage of earnings on the amount of invested capital for each business unit, and is calculated using an annualized adjusted EBITDA divided by average gross asset costs.

#### Camps & Lodging

The Camps & Lodging business unit provides workforce accommodation solutions ranging from basic accommodation unit rental to full turnkey lodging. Accommodation units are modular structures that can be assembled into camps with a variety of dormitory configurations, kitchen/diner complexes and recreation facilities to house workforces in remote locations where local accommodation infrastructure is either insufficient or non-existent. These assets are often necessary for operations relating to oil and gas, mining, infrastructure and construction projects, and other industries.

Lodging services provide the camps with proven onsite management of all catering and housekeeping personnel and front desk services, as well as, the provision of consumables such as fuel, fresh water and waste water management, electricity, television, telephone, and internet.

Camps & Lodging has three revenue streams:

- **Lodging Revenue:** Revenue generated from the provision of lodging services or turnkey accommodation.
- **Rental Revenue:** Revenue generated from the direct rental of accommodation units without the associated lodging services. Essentially pure asset rentals, these arrangements are often longer term in nature and have the lowest risk profile.
- **Non-rental Revenue:** Revenue related to the sale of both new and used workforce accommodations units ("Sales"), or delivery, installation, project management and ancillary products and services ("Operations").

Because of the operating costs associated with Lodging and Non-Rental Revenue, the realized margins on these revenue streams are lower than for Rental Revenue.

The beds managed by Black Diamond generally fall within two categories for which the Company measures performance using both revenue per available room ("RevPAR") and ROA. The two categories are:

- **Lodging beds** - Full service beds that include lodging services under a man-day or cost-plus model. Man-day beds have variable margins and generally earn the highest RevPAR to reflect their higher risk profile. Cost-plus beds earn a fixed margin in a lower risk arrangement and a corresponding lower RevPAR than for Man-day beds.
- **Rental beds** - are beds where no lodging services are provided and the arrangement is a pure asset rental which generally results in the

lowest RevPAR.

RevPAR will fluctuate based on market conditions, occupancy, length of customer commitment, break fees recognized in the period, the standard of accommodations being provided, the location of the camps being occupied (with remote locations costing more to serve) and the mix between the type of beds being managed.

#### Camps & Lodging Financial and Operational Data

	Q1 2015	Q2 2015	Q3 2015	Q4 2015
<b>Assets and Utilization</b>				
Accommodation units	3,255	3,391	3,391	3,389
Average asset utilization*	77%	67%	55%	51%
<b>*Calculated as the net book value of fleet assets on rent, divided by the net book value of total fleet assets</b>				
Average accommodation bed count	12,513	12,523	12,542	12,548
<b>Average Beds Utilized*</b>				
Lodging beds	4,294	3,516	2,676	3,126
Rental beds	5,207	4,726	3,744	2,910
<b>Total Beds Utilized</b>	<b>9,501</b>	<b>8,242</b>	<b>6,420</b>	<b>6,036</b>

\*Average beds utilized are the average beds that have been deployed and are available for occupancy during the period. Please note that this differs from average asset utilization as defined above.

#### RevPAR (\$)\*

Lodging beds	106	89	81	74
Rental beds	27	23	24	25

\* RevPAR is calculated as revenue divided by beds utilized divided by days in period.

#### Revenue (000's \$)

Lodging revenue	40,798	28,427	19,925	21,199
Rental revenue	12,761	10,095	8,207	6,644
Non-rental revenue	18,039	8,123	4,746	1,026
<b>Total revenue</b>	<b>71,598</b>	<b>46,645</b>	<b>32,878</b>	<b>28,869</b>
<b>Adjusted EBITDA (000's \$)</b>	<b>27,690</b>	<b>20,301</b>	<b>15,633</b>	<b>12,788</b>
<b>Adjusted EBITDA as a % of revenue</b>	<b>39%</b>	<b>44%</b>	<b>48%</b>	<b>44%</b>
<b>ROA</b>	<b>28.4%</b>	<b>20.1%</b>	<b>15.4%</b>	<b>12.6%</b>
<b>Property and Equipment (000's \$)</b>	<b>258,512</b>	<b>267,873</b>	<b>259,909</b>	<b>252,393</b>

#### BOXX Modular

The BOXX Modular business unit provides high quality, cost effective, modular space rentals to customers throughout North America. These customers operate in the construction, real estate development, manufacturing, education and resource industries, and also include government agencies. Products include office units, lavatories, storage units, large multi-unit office complexes, classroom facilities, custom manufactured modular facilities and blast resistant structures.

BOXX Modular also sells both new and used space rental units and provides delivery, installation, project management and ancillary products and services which appear as "Non-Rental Revenue". Revenue generated from the rental of space rental units appear as "Rental Revenue".

Because of the operating costs associated with Non-Rental Revenues, the realized margins on Non-Rental Revenues are lower than for Rental Revenues. While Rental Revenue in BOXX Modular maintains fairly consistent margins, changes in the mix between Rental and Non-Rental Revenue, and the general variability in Non-Rental Revenue margins, can lead to significant fluctuations in EBITDA margin between periods.

#### BOXX Modular Financial and Operational Data

	Q1 2015	Q2 2015	Q3 2015	Q4 2015
<b>Assets and Utilization</b>				
Space rental assets	3,636	3,695	3,727	3,712
Average asset utilization*	70%	67%	67%	66%
<b>*Calculated as the net book value of fleet assets on rent, divided by the net book value of total fleet assets</b>				
<b>Revenue (000's \$)</b>				
Rental revenue	7,619	6,932	6,674	6,305
Non-rental revenue	7,693	9,009	9,433	8,558
<b>Total revenue</b>	<b>15,312</b>	<b>15,941</b>	<b>16,107</b>	<b>14,863</b>
<b>Adjusted EBITDA (000's \$)</b>	<b>5,197</b>	<b>5,798</b>	<b>4,690</b>	<b>4,035</b>
<b>Adjusted EBITDA as a % of revenue</b>	<b>34%</b>	<b>36%</b>	<b>29%</b>	<b>27%</b>
<b>ROA</b>	<b>11.4%</b>	<b>12.6%</b>	<b>9.3%</b>	<b>7.6%</b>
<b>Property and Equipment (000's \$)</b>	<b>117,174</b>	<b>117,907</b>	<b>121,079</b>	<b>120,959</b>

In the third and fourth quarters of 2015, adjusted EBITDA margins were lower due to an increase in fleet sales and revenue earned on installation and project management activities. These transactions typically have lower margins and represented a relatively higher proportion of total revenue in those quarters.

### Energy Services

The Energy Services business unit provides high quality, cost effective equipment rentals and accommodations to customers in the oil and gas industry throughout Western Canada and the Western United States. The rentals are separated into two oilfield rental streams ("Rental Revenue"):

- Accommodations, which consist of single unit (well sites) and multi-unit complexes (drill camps) which are highly mobile and durable.
- Surface rentals, which consist of various types of equipment that support drilling, completion and production activities

The business unit also provides complete installation, maintenance and catering services (operations) and defines this as Non-Rental Revenue.

### Energy Services Financial and Operational Data

	Q1 2015	Q2 2015	Q3 2015	Q4 2015
<b>Assets and Utilization</b>				
Accommodation units	626	642	699	700
Average asset utilization*	56%	41%	48%	43%
<b>*Calculated as the net book value of assets on rent, divided by the net book value of total assets</b>				
Average bed count	1,619	1,657	1,739	1,777
Surface rental assets	2,362	2,387	2,387	2,373
Average asset utilization*	29%	22%	27%	22%
<b>*Calculated as the net book value of assets on rent, divided by the net book value of total assets</b>				
<b>Revenue (000's \$)</b>				
Rental revenue				
Accommodation revenue	4,438	3,122	3,851	3,434
Surface rental revenue	2,095	1,103	1,318	1,029
Total rental revenue	6,533	4,225	5,169	4,463
Non-rental revenue	4,132	1,671	2,287	1,849
<b>Total revenue</b>	<b>10,665</b>	<b>5,896</b>	<b>7,456</b>	<b>6,312</b>
<b>Adjusted EBITDA (000's \$)</b>	<b>3,434</b>	<b>1,918</b>	<b>3,291</b>	<b>2,113</b>
<b>Adjusted EBITDA as a % of revenue</b>	<b>32%</b>	<b>33%</b>	<b>44%</b>	<b>33%</b>
<b>ROA</b>	<b>10.6%</b>	<b>5.7%</b>	<b>9.2%</b>	<b>5.5%</b>
<b>Property and Equipment (000's \$)</b>	<b>103,841</b>	<b>101,727</b>	<b>110,854</b>	<b>109,101</b>

### International

The International business unit rents and sells remote workforce housing and modular space rental solutions outside of North America. The primary geography for this business unit is Australia. Rental fleet assets are similar to assets which the Company operates in North America and are well-positioned in the resource-rich states of Queensland and Western Australia as well as New South Wales. The business unit services the resources, oil and gas, construction, general industry, government and education sectors.

Revenue generated from the rental of accommodation and space rental units appear as "Rental Revenue". Revenue related to the sale of both new and used workforce accommodations and space rental units, or delivery, installation, project management and ancillary products and services appear as "Non Rental Revenue".

### International Financial and Operational Data

	Q1 2015	Q2 2015	Q3 2015	Q4 2015
<b>Assets and Utilization</b>				
Accommodation and space rental assets	1,230	1,225	1,221	1,214
Average asset utilization*	28%	25%	27%	27%
<b>*Calculated as the net book value of assets on rent, divided by the net book value of total assets</b>				
Average bed count	1,776	1,782	1,782	1,776
<b>Revenue (000's \$)</b>				
Rental revenue	1,300	1,241	1,206	961
Non-rental revenue	229	785	1,136	445
<b>Total revenue</b>	<b>1,529</b>	<b>2,026</b>	<b>2,342</b>	<b>1,406</b>

Adjusted EBITDA (000's \$)	257	279	349	36
Adjusted EBITDA as a % of revenue	17%	14%	15%	3%
ROA	2.3%	2.5%	3.1%	nil
Property and Equipment (000's \$)	38,974	37,558	35,822	37,716

#### Corporate and Other

The Corporate and Other business unit includes costs related to administrative activities that support all business units. The administrative support functions include activities of the executive office, finance, human resources, health and safety, legal and information technology. Included in Corporate and other are non-material revenues that are not significant enough to report on their own.

#### Corporate and Other Financial and Operational Data

	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Adjusted EBITDA (000's \$)	(5,950)	(5,042)	(4,733)	(3,079)
Property and Equipment (000's \$)	32,570	26,611	27,320	26,402

#### Reader Advisory

##### Forward-Looking Statements

Certain information in this news release contains forward-looking statements including assumptions around margins and various revenue drivers, as well as management's assessment of Black Diamond's future operations, and its business prospects and opportunities. With respect to the forward-looking statements contained in this news release, Black Diamond has made assumptions, regarding among other things: that Black Diamond will continue to conduct its operations in a manner consistent with past operations; that counterparties to contracts will perform the contracts as written and that there will be no unforeseen material delays in contracted projects. Although Black Diamond believes that the expectations reflected in the forward-looking statements contained in this news release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations or assumptions will prove to be correct. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Black Diamond's control including, without limitation, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of exchange rates, environmental risks, industry competition, availability of qualified personnel and management, stock market volatility and timely and cost effective access to sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the forgoing list of factors is not exhaustive. Additional information on these and other factors that could affect Black Diamond's operations and financial results are included in Black Diamond's annual information form and other reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) and at Black Diamond's website ([www.blackdiamondgroup.com](http://www.blackdiamondgroup.com)). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Black Diamond does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

The unaudited financial and operational information presented in this document was prepared in accordance with International Financial Reporting Standards ("IFRS"). This information should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Company for the three months ended March 31, June 30, and September 30, 2015 and the audited consolidated financial statements of the Company for the year ended December 31, 2015.

#### About Black Diamond

Black Diamond rents and sells modular workforce accommodation and space rental solutions to business customers in Canada, the United States and Australia. In addition to providing turnkey lodging and other support services related to remote workforce accommodation and space rentals, we also provide specialized field rentals to the oil and gas industries of Canada and the United States. From twenty locations, we serve multiple sectors including oil and gas, mining, power, construction, engineering, military, government and education.

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