

## Black Diamond Reports Third Quarter 2016 Results & Announces 2017 Capital Plan

Calgary, Alberta, November 8, 2016 - Black Diamond Group Limited ("Black Diamond", the "Company" or "we"), (TSX:BDI), a leading provider of workforce accommodation and space rental solutions, today announced its operating and financial results for the three months ended September 30, 2016 (the "Quarter") and the nine months ended September 30, 2016. All financial figures are expressed in Canadian dollars.

The weak commodity price environment that persisted through the first half of 2016 resulted in lower activity in the Quarter.

“Despite the challenging operating environment, Black Diamond continues to generate positive operating cash flow and reduce debt,” said Trevor Haynes, Chairman, President and CEO of Black Diamond. “Looking forward, we are constructive about the markets we serve and are confident that our customer relationships and business model position us to succeed in a recovery scenario. We remain focused on diversifying the Black Diamond platform, and we will continue to execute on market opportunities to support this strategy.”

### 2017 Capital Plan

The Board has approved the 2017 capital spending plan of \$20.0 million. This plan will primarily support growth capital requirements for the BOXX Modular space rentals business outside of Alberta, which benefits from broad exposure to multiple industry segments. The 2017 capital plan will be generally non-speculative and support our overarching strategy to diversify our platform.

### Third Quarter 2016 Financial Highlights

(in thousands, except where noted)	Three months ended September 30,			Nine months ended September 30,		
	2016 \$	2015 \$	Change %	2016 \$	2015 \$	Change %
<b>Revenue</b>						
Camps & Lodging	11,421	32,878	(65)%	63,293	151,121	(58)%
BOXX Modular	10,620	16,107	(34)%	34,218	47,360	(28)%
Energy Services	3,657	7,456	(51)%	11,873	24,017	(51)%
International	1,308	2,342	(44)%	3,965	5,897	(33)%
Corporate and Other	434	581	(25)%	1,365	1,804	(24)%
<b>Total Revenue</b>	<b>27,440</b>	<b>59,364</b>	<b>(54)%</b>	<b>114,714</b>	<b>230,199</b>	<b>(50)%</b>
<b>Total Adjusted EBITDA</b>	5,692	19,230	(70)%	30,517	73,113	(58)%
<b>Profit (loss)</b>	(7,884)	7,966	(199)%	(18,907)	16,152	(217)%
<b>Earnings (Loss) Per share - Basic</b>	(0.18)	0.19	(195)%	(0.45)	0.39	(215)%
<b>- Diluted</b>	(0.18)	0.19	(195)%	(0.45)	0.39	(215)%
<b>Capital expenditures</b>	4,674	11,979	(61)%	9,388	48,101	(80)%
<b>Business acquisitions</b>	1,321	—	n/a	1,321	—	n/a
<b>Dividends declared</b>	3,487	9,865	(65)%	11,707	29,587	(60)%
<b>Per share (\$)</b>	0.08	0.24	(67)%	0.28	0.72	(61)%
<b>Payout Ratio</b>	48%	52%		36%	43%	

## HIGHLIGHTS FOR THE QUARTER

- Subsequent to the Quarter, BOXX Modular announced the acquisition of all shares of MPA Systems LLC (“MPA”), a company specializing in leasing and selling high-security modular buildings and providing disaster recovery facility programs across the continental United States, for a cash purchase price of USD \$3.1 million.
- BOXX Modular announced the acquisition of all of the existing space rental fleet assets from Shelter Modular Inc. ("Shelter") for \$1.3 million, and also signed a commitment to purchase \$1.4 million of new manufactured assets from Shelter over the next three years.
- Black Diamond completed a bought deal equity financing for aggregate gross proceeds of \$27.2 million, including the full over-allotment option granted to underwriters of \$2.5 million and the participation by certain directors, officers and employees of Black Diamond of \$2.2 million.
- Long-term debt as at September 30, 2016 was \$117.7 million, down 37% or \$67.8 million from \$185.5 million as at September 30, 2015 and down 19%, or \$27.6 million from June 30, 2016 primarily due to the net proceeds of \$25.6 million from the bought deal equity financing completed in the Quarter.
- Administrative expenses for the Quarter were \$9.0 million, down 21% or \$2.4 million from the three months ended September 30, 2015 ("Comparative Quarter") primarily due to reductions in compensation costs and personnel as management continues to optimize its cost structure.

## 2016 Capital Plan

As previously announced, the 2016 capital spending plan was increased to \$15.0 million. Including the impact of the Shelter acquisition, capital spending was \$10.7 million as of September 30, 2016 and capital commitments were \$3.5 million as at September 30, 2016. Given the current economic environment, stringent controls have been placed on capital spending and consistent with Black Diamond's long-term strategy, the utilization of existing assets within our fleet continues to be aggressively promoted. The capital spending to date and capital commitments are primarily for growth capital related to expanding the BOXX Modular fleet in the United States and Canada as well as maintenance capital related to the previously announced five year contract in Australia.

## Financial Review

- Revenue for the Quarter was \$27.4 million, down 54% or \$32.0 million from the Comparative Quarter primarily due to the impact of low commodity prices on utilization and pricing in Camps & Lodging, Energy Services, International and to a lesser extent BOXX Modular, particularly in Northern Alberta.
- Adjusted EBITDA (see "Non-GAAP Measures") for the Quarter was \$5.7 million, down 70% or \$13.5 million from the Comparative Quarter primarily due to the impact of low commodity prices on business activity in Western Canada.
- Net loss for the Quarter was \$7.9 million, compared with net income of \$8.0 million in the Comparative Quarter. The loss in the Quarter was due to lower operating income described in the sections above and a provision for an onerous contract. Net income in the Comparative Quarter included a gain on sale of the construction services operations.
- Consolidated contracted future revenue at the end of the Quarter was \$51.9 million, down 45% or \$42.0 million from \$93.9 million in the Comparative Quarter due to lower market activity resulting from lower commodity prices.
- Days Sales Outstanding (see "Non-GAAP Measures") improved significantly, declining by 30% to 69 days at the end of the Quarter compared with 98 days for the Comparative Quarter.

## Dividend and Payout Ratio

The Payout Ratio (see "Non-GAAP Measures") for the Quarter decreased to 48% compared with 52% in the Comparative Quarter due to a reduction in dividends declared partially offset by lower funds available for dividends and an increase in the numbers of shares outstanding (see "Non-GAAP Measures").

## Additional Information

A copy of the Company's unaudited interim condensed consolidated financial statements for the three and nine month periods ended September 30, 2016 and 2015 and related management's discussion and analysis have been filed with the Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) and [www.blackdiamondgroup.com](http://www.blackdiamondgroup.com).

## Conference Call

Black Diamond will hold a conference call and webcast tomorrow, November 9, 2016, at 9:00 a.m. MT (11:00 a.m. ET).

Chairman, President and CEO Trevor Haynes and Executive Vice President and CFO Toby LaBrie will discuss Black Diamond's financial results for the Quarter and then take questions from investors and analysts.

To access the conference call by telephone dial toll free 1-866-696-5910. Callers from the Toronto area should use (416) 340-2217 (Conference ID: 5093547). Please connect approximately 10 minutes prior to the beginning of the call.

Please log into the webcast 10 minutes before the start time at: <http://www.gowebercasting.com/7135>.

Slides to accompany the conference call can be accessed through <https://join.me/BDI-Investors>.

Following the conference call, an audio archive will be available in the Investor Events section of the Company's website at [www.blackdiamondgroup.com](http://www.blackdiamondgroup.com).

## Reader Advisory

### *Forward-Looking Statements*

Certain information in this news release contains forward-looking statements including the amount of funds that will be expended on the 2017 capital plan, management's assessment of Black Diamond's future operations, business prospects and opportunities and management's future expectations regarding the financial performance of the Company and its business units. With respect to the forward-looking statements contained in this news release, Black Diamond has made assumptions, regarding among other things: future commodity prices, 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.

### *Non-GAAP Measures*

In this news release, the following terms have been referenced: Adjusted EBITDA, Days Sales Outstanding and Payout Ratio. Readers are cautioned that these measures are not defined under International Financial Reporting Standards ("IFRS"). Readers are cautioned that these non-GAAP measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of the Company's performance or cash flows, a measure of liquidity or as a measure of actual return on the common shares of the Company. These non-GAAP measures should only be used in conjunction with the consolidated financial statements of the Company. A reconciliation between these measures and measures defined under IFRS is included in management's discussion and analysis for the three and nine month periods ended September 30, 2016 filed on SEDAR.

### **About Black Diamond**

Black Diamond Group provides workforce accommodation, modular buildings, energy services, and full turnkey lodging and major project solutions including planning and management, logistics, and catering to customers in Canada, the United States and Australia. We serve diverse sectors including oil and gas, mining, power, construction, engineering, military, government, and education.

Black Diamond has four core business units: Black Diamond Camps & Lodging, BOXX Modular, Black Diamond Energy Services, and Black Diamond International. Learn more at: [www.blackdiamondgroup.com](http://www.blackdiamondgroup.com).

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