

## Black Diamond Reports Third Quarter 2015 Adjusted EBITDA of \$19.2 million, Announces 2016 Capital Plan, and Reduces Dividend

*The Monthly Dividend will be set at \$0.05/share  
 \$25 Million in Preliminary Capital Expenditure for 2016*

**Calgary, Alberta, November 6, 2015** - 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 and nine month periods ended September 30, 2015. All financial figures are expressed in Canadian dollars.

"Workforce accommodation and lodging has borne the brunt of weak pricing across almost all commodity classes, which continues to negatively impact asset utilization and revenue. The energy market in western Canada remains extremely weak with very little forward visibility. We therefore have a pessimistic view of utilization rates in the near term," said Trevor Haynes, Chairman and Chief Executive Officer of Black Diamond. "On the other hand, Black Diamond's space rental platform continues to benefit from its industrial and geographic diversification, and continues to see strong demand in the United States ("US") and eastern Canada."

"Despite the challenging environment in western Canada and Australia, Black Diamond's business platform continues to generate positive cash flow from a diverse array of assets serving multiple industries and geographies. Ongoing activity, while limited, continues to provide cash flow across our platform. We have streamlined our operations and reduced our dividend to be proactive and ensure our business is ready for 2016. The dividend reduction will reduce annual distributions by approximately \$15.0 million, will allow us to pay down debt and position us for future opportunities."

### Third Quarter 2015 Financial Highlights:

(in thousands, except where noted)	Three months ended September 30,			Nine months ended September 30,		
	2015 \$	2014 \$	Change %	2015 \$	2014 \$	Change %
<b>Revenue</b>						
Structures	37,546	49,104	(24)%	138,732	167,939	(17)%
Logistics	15,542	23,935	(35)%	70,850	92,390	(23)%
Energy Services	3,934	6,688	(41)%	14,720	25,232	(42)%
International	2,342	5,057	(54)%	5,897	12,192	(52)%
<b>Total Revenue</b>	<b>59,364</b>	<b>84,784</b>	<b>(30)%</b>	<b>230,199</b>	<b>297,753</b>	<b>(23)%</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>19,230</b>	<b>34,241</b>	<b>(44)%</b>	<b>73,112</b>	<b>111,525</b>	<b>(34)%</b>
<b>Profit</b>	7,966	11,190	(29)%	16,152	38,653	(58)%
<b>Earnings Per share - Basic</b>	0.19	0.26	(27)%	0.39	0.91	(57)%
<b>- Diluted</b>	0.19	0.26	(27)%	0.39	0.89	(56)%
<b>Capital expenditures</b>	11,979	34,917	(66)%	48,101	73,495	(35)%
<b>Dividends declared</b>	9,865	10,079	(2)%	29,588	29,226	1 %
<b>Per share (\$)</b>	0.24	0.24	— %	0.48	0.69	(30)%
<b>Payout Ratio <sup>(1)</sup></b>	43%	32%		42%	28%	

1. Adjusted EBITDA and Payout Ratio are supplemental non-IFRS measurements and do not have a standardized meaning prescribed by IFRS. Therefore, Adjusted EBITDA and Payout Ratio may not be comparable to similar measures presented by other issuers. See "Non-GAAP Measures" for further details.

## Business Reorganization

As of January 2016, Black Diamond will re-organize its North American business units to streamline its operations and gain efficiencies. A new Camps & Lodging business unit will combine the existing workforce accommodation business from the current Structures business unit and the lodging services business from the current Logistics business unit. A new BOXX Modular business unit, a diversified business currently benefiting from economic growth outside of the energy industry, will be broken out separately from the current Structures business unit and include the Canadian and US space rentals businesses. The Energy Services business unit will incorporate the US well site business which was previously included in the Structures business unit. The International business unit will remain the same. For more information please see the "Who We Are" section of this quarter's MD&A.

## Dividend and Payout Ratio

The Payout Ratio (see "Non-GAAP Measures") for the Quarter increased to 43% compared with 32% during the same period last year as the result of lower distributable cash flow. To maintain financial flexibility and adjust our Payout Ratio to a sustainable level, Black Diamond will set its monthly dividend to 5 cents per share compared with 8 cents per share previously, for an annual reduction in outgoing cash flow of approximately \$15.0 million. This will take effect for the November dividend paid on December 15, 2015 to shareholders of record on November 30, 2015. This will allow us to continue to run a conservative balance sheet which positions us for market opportunities as they arise.

## 2016 Capital Plan

The 2016 capital spending plan of \$25.0 million will primarily support growth capital requirements for the space rentals business in the US and eastern Canada which benefits from broad exposure to multiple industrial segments. Consistent with prior years, the majority of this will be spent on growth capital, with approximately \$3.0 million spent on refurbishment and capital maintenance. The 2016 capital plan will be generally non-speculative and support our overarching strategy to diversify our platform.

## Operational Highlights:

- Revenue for the Quarter was \$59.4 million, down 30% or \$25.4 million from a year ago primarily due to the impact of low commodity prices on utilization and pricing in the Structures, Energy Services and International business units.
- Administrative expenses for the Quarter were \$12.3 million, down 9% or \$1.2 million primarily due to a decrease in personnel costs.
- Adjusted EBITDA (see "Non-GAAP Measures") for the Quarter was \$19.2 million, down 44% or \$15.0 million from a year ago due to the impact of low commodity prices on business activity in western Canada and Australia.
- Net income for the Quarter was \$8.0 million, down 29% or \$3.2 million from a year ago due to the reasons noted above offset by the gain from the sale of the construction services operation.
- At September 30, 2015, the Net Debt to Adjusted EBITDA ratio rose to 1.82 compared with 1.26 at December 31, 2014. This increase reflects the impact of weak commodity pricing on Adjusted EBITDA and growth capital expenditures including the Dawson Creek 1,244 bed camp.
- Contracted future revenue at the end of the Quarter was \$93.9 million, down 36% or \$51.7 million from a year ago (Comparative Quarter - \$145.6 million) due to lower end market activity resulting from lower commodity prices. For comparison, the contracted future revenue at the end of the second quarter of 2015 was \$99.1 million. The slight decrease from the second quarter is due to normal course aging of existing contracts somewhat offset by a renewal and a new contract announced in the quarter for the SAGD oil sands region for 1,100 beds in aggregate.
- On July 31, 2015 Black Diamond sold its construction services operation to Northern Frontier Corp. ("Northern Frontier") for base consideration of \$9.8 million consisting of shares of Northern Frontier valued at \$2.4 million and

a promissory note of \$7.4 million. The gain on sale recorded in the Quarter was \$8.8 million after transaction costs. The potential earn-out of \$11.6 million has not been recognized at this point in time.

- Black Diamond entered into a lease buy back on 53 well site accommodation units in North Dakota and immediately signed them to a two year rental contract which immediately increased contribution.

### **2015 Capital Spending**

Capital expenditures for the Quarter were \$12.0 million compared with \$34.9 million for the Comparative Quarter. During the Quarter Black Diamond entered into a lease buyback arrangement for well site accommodation units in the US which were immediately rented out on contract for 24 months. The total capital cost recorded for the lease buy back was \$7.6 million, but the actual cash outlay for the transaction was \$3.7 million.

Year to date capital expenditures have been \$48.1 million compared with \$73.5 million at the same time last year. Of the \$50.0 million capital plan for 2015, Black Diamond has spent \$44.2 million in cash outlays with another \$1.0 million in outstanding capital commitments as at September 30, 2015. We expect full year 2015 capital expenditures to be approximately in line with the announced \$50.0 million capital budget for the year.

### **Additional Information**

A copy of the Company's unaudited interim condensed consolidated financial statements for the three and nine month periods ended September 30, 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 to discuss its results for the quarter at 11:00 a.m. Mountain Time (1:00 p.m. Eastern Time) today, Friday, November 6, 2015.

President and CEO Trevor Haynes and Executive Vice President and CFO Mike Lambert 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: 8788125). 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.gowebcasting.com/5896>.

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 2015 capital budget, management's assessment of Black Diamond's future operations, business prospects and opportunities including that additional future demand for Black Diamond's products and services will be generated through a positive FID on PNW LNG, 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: 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 (adjusted earnings before interest, taxation, depreciation and amortization) 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, 2015 filed on SEDAR.

## About Black Diamond

Black Diamond rents and sells portable 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.

For investor and media inquiries please contact Tom McMillan at [tmcmillan@blackdiamondgroup.com](mailto:tmcmillan@blackdiamondgroup.com) or 403-718-0948. To sign up for news alerts please go to <http://bit.ly/BDI-News> or visit [www.blackdiamondgroup.com](http://www.blackdiamondgroup.com).