

MARKET STATISTICS

Exchange / Symbol	TSX: BDI
Price:	\$1.47
Market Cap (\$mm):	\$81.1
Enterprise Value (\$mm):	\$214.2
Shares Outstanding (mm):	55.1
Float:	74.1%
Volume (3 Month Average):	25,385
52 Week Range:	\$0.90-\$2.20
Industry:	Industrials

BALANCE SHEET

(\$mm, except per sh data)

Balance Sheet Date:	06/30/20
Total Cash:	\$3.3
Total Assets:	\$423.1
Debt:	\$133.7
Equity:	\$221.0
Equity per share:	\$3.96

CONDENSED INCOME STATEMENT

(\$mm, except per sh data)

FY - 12/31	Rev	EBITDA	Net Inc.	EPS
FY19	\$185.9	\$39.1	\$(7.5)	\$(0.14)
FY20E	\$164.0	\$35.6	\$(4.1)	\$(0.07)
FY21E	\$178.2	\$39.5	\$(1.1)	\$(0.02)

LARGEST INSTITUTIONAL HOLDERS

Kernwood Limited	6,813,600
Trevor Haynes; Claryn Equities	3,765,753
QV Investors, Inc.	2,723,919
Dimensional F und Advisers	2,153,367
Edward Kernaghan	1,145,200
Steven Stein	1,015,280
Robert Wagemakers	645,311
Edward Redmond	123,550
Toby Labrie	121,781

STOCK CHART

COMPANY DESCRIPTION

Black Diamond Group Limited rents and sells modular workspace and remote workforce accommodations solutions from 22 strategic locations across Canada, the United States, and Australia. The Company operates in two segments, Modular Space Solutions, which provides office units, lavatories, storage units, multi-unit office complexes, and classroom facilities and Workforce Solutions, which provides temporary and intermediate-stay workforce housing and lodging equipment. The Company provides services to a wide array of industries including construction, mining, power, oil, natural gas, engineering, military, government, and education. The Company was founded in 2003 and is headquartered in Calgary, Alberta.

SUMMARY

- Improving profitability through scale**– Black Diamond will continue expanding its Modular Space Solutions (MSS) rental fleet through investment into new units and acquisitions of existing fleets. The Company is targeting net fleet growth in MSS of 10% per year and is targeting to double the fleet in 5 years.
- Significant operating leverage** – The Company has a significant amount of underutilized assets in the workforce segment and the ability to mobilize them quickly and deploy the assets to areas in need.
- Value added products & services** – The Company is planning to continue to increase revenue and margins by offering customers additional onsite services, hospitality services and auxiliary rental options. The Company has seen a greater than 30% growth in Value Added Products & Services (VAPS) from 2018 to 2019.
- LodgeLink market traction** – BDI has developed an online digital marketplace for matching available rooms with workforces and companies in need of rooms for work crews in the U.S. and Canada. The Company has been scaling the platform and most recently reported 500 unique customers and over 1,500 properties which represented approximately 160,000 rooms of capacity.
- Disciplined capital expenditure approach**– Black Diamond is focused on growing its current fleet and services using cash from current operations and the sale of underutilized assets as opposed to growing capex. This strategy should help maximize efficiency and increase cash flow over time
- Geographic diversification** – The Company currently conducts business throughout 22 strategic locations in Canada, United States and Australia with plans to continue expanding through establishment of additional branches and growth of existing fleets.
- New markets for development** – Black Diamond has historically been focused on providing solutions for the oil, natural gas, mining, and c construction markets. However, given the slowdown in several of these sectors, BDI is committed to marketing and developing additional end markets such as education, disaster recovery and infrastructure.
- Valuation** - Using a sum of the parts EBITDA multiple framework we arrive at a valuation range of \$1.90-\$3.15. Additional details can be found on pages 7-8.

BUSINESS OVERVIEW

Black Diamond rents and sells modular buildings and remote workforce accommodation and housing solutions throughout Canada, U.S., and Australia. The Company provides an array of products and services to a wide spectrum of industries that tend to operate throughout the locations or locales without adequate housing or office needs. These industries include construction, mining, power, oil, natural gas, engineering, financial institutions, military, government, and education sectors. The Company currently operates in 22 locations across these three countries, with plans to continue to expand into other geographic locations.

Exhibit 1: Geographic Diversification



Source: Company Reports

Black Diamond was founded in 2003 by a small group of individuals who acquired 12 rental units for remote work camps in Western Canada. The Company went public on the Toronto Stock Exchange in 2006. Black Diamond expanded into the United States in 2009 and Australia in 2012. After an internal restructuring in 2017, the Company combined four different business segments into two: Modular Space Solutions (MSS) and Workforce Solutions (WFS).

The MSS business segment offers diversified structures for general office purposes including single wide office units, lavatories, storage units, multi-unit office complexes, classroom facilities, high security modular buildings, and blast resistant structures. These turnkey products are designed for use in either temporary or permanent capacities with the opportunity to rent additional items such as furniture and office equipment.

The WFS business segment provides temporary accommodation and lodging for workers in remote locations or locales where appropriate lodging is not available. Black Diamond is able to

deliver and install ancillary products such as kitchen/diner complexes, recreation facilities and utility assets wherever the customer needs. The WFS segment also consists of LodgeLink, an online marketplace for remote lodging that connects remote accommodation providers with workforces and companies that require lodging. LodgeLink was launched in 2017 and has begun to gain traction.

The Company's goal is to grow its MSS fleet and increase the utilization rate while keeping the rental rate as high as possible. In order to accomplish this, the Company is committed to keeping a high-quality fleet, selling off nonproducing assets and developing quality long term relationships with its customer base.

Black Diamond's management team consists of industry veterans with a wide array of experience and expertise in remote services, asset management and project execution. The Company is led by its CEO and co-founder, Trevor Haynes, who has been responsible for the growth of Black Diamond from the original site to the 22 locations today. Mr. Haynes has over 30 years of experience in the workforce accommodation, energy services, and modular building industries. He has also launched several successful construction and energy services companies. In addition to Mr. Haynes, Toby Labrie, the company's CFO, has been with the Company since 2009 and is responsible for cost control measures, evaluating capital structure, and efficiently minimizing tax and interest expenses.

Exhibit 2: Breakdown of Black Diamond Business



Source: Company Reports

MODULAR SPACE SOLUTIONS (MSS)

The MSS business segment offers diversified temporary and permanent structures for general office purposes in locations that do not have adequate office space or the necessary square footage. The MSS division lists a wide range of products including single wide office units, lavatories, storage units, multi-unit office complexes, classroom facilities, high security modular buildings, and blast resistant structures. MSS currently operates in the U.S. and Canada and has grown through organic growth as well as acquisitions of existing fleet equipment. Brand names include BOXX Modular, Britco, and MPA Systems.

Exhibit 3: MSS Products








Source: Company Reports

The MSS segment serves a diversified client base of general contractors, construction, real estate developers, manufacturers, commercial businesses, education providers, financial institutions, government agencies, and various companies relating to the resource industry. As one of these companies moves into a new location for a job, or expands within an existing job, demand increases for additional square footage that go along with running a business such as office space, storage space, and lavatories among other things. In many locations where these businesses operate, there is not adequate infrastructure to support these workers. Where this demand has developed, Black Diamond is able to step in and supply these necessities. BDI will usually sign a contract with the company

requiring these products to rent the equipment for a typical period of 18-36 months. After agreement, a third-party installation team will deliver and install the products at the designated worksite. When the contract period is up, the renter has an option to continue renting the equipment month to month. Alternatively, if the needs of the renter become more permanent or much longer in length, the company can choose to purchase the equipment from Black Diamond. The MSS business unit will also offer new units or used units for sale. Lastly, BDI will also rent ancillary products such as furniture and office equipment to ensure a turnkey operation for the client. These value-added products and services (VAPS) have been a growing source of revenue for BDI.

The MSS buildings are either wood or steel framed structures that are mounted on chassis with axles or steel channel skids that allow for easy transportation, delivery and set up between job sites. The units are usually equipped with heating and air conditioning, electrical panels, plumbing, windows, doors and hardware. The units are constructed so that reconfiguration of the interior, addition of washrooms, and outright connection to other units is possible for the needs of the customer. BDI believes this added versatility and enhanced desirability will extend the life of the units.

Exhibit 4: MSS Office Interior



Source: Company Reports

The MSS segment currently has ~ 6,600 units across North America with solid returns on long-lived assets. BDI recognizes a continuing opportunity in this market and is targeting net fleet growth of 10% per year. Additionally, BDI is committed to improving overall utilization rates and continue its penetration into the VAPS.

The MSS segment struggled slightly in F18, after a large customer rolled over a large number of its units at one time. This caused utilization rates among available units to decline. However, the Company rebounded in F19 with revenue increasing 19% and adjusted EBITDA from MSS increasing 35% due to higher rental revenue and higher margins from non-rental revenue. In Q220, the segment's adjusted EBITDA increased 16% y/y.

WORKFORCE SOLUTIONS (WFS)

The WFS segment provides businesses with accommodation and lodging solutions for its workforce when working on or near job sites. The WFS business' brands include Black Diamond Camps and Black Diamond Energy Services. In addition, the WFS segment also rents oilfield surface equipment, oil field drilling accommodation equipment, and installation and maintenance services. As of Q220, the average room counts with respect to WFS' workforce accommodations fleet in Canada, the United States and Australia were 10,015, 1,878, and 1,192, respectively.

Exhibit 5: WFS Products



Source: Company Reports

The WFS segment further breaks itself down into three business components detailed below:

Large Format Workforce Accommodation – Provides workforce housing and services to clients historically in Western Canada, however, recently these assets have been moving to the U.S. and Eastern Canada due to demand. The products are listed as relocatable dormitories, kitchen/diner complexes, recreation facilities and supporting utility assets. These units are typically fully furnished with bedroom, recreation amenities and cooking equipment. These products are provided in remote locations where the infrastructure is not sufficient to meet the needs of the incoming workforce. The Company owns five open lodges which provide lodging services to customers on a non-dedicated basis.

Small Format Workforce Accommodation – This subsegment caters specifically to the needs of oilfield drilling and services companies. It provides single and multi-unit complexes that are highly mobile which can be assembled to create a small community-like atmosphere which houses, feeds, and provides additional amenities for drilling crews and support staff. These highly specialized units tend to relocate often which can create some cyclical to this small portion of the segment's revenue. The subsegment also consists of oilfield rental equipment that supports drilling,

completion and production. These are products such as 400-barrel tanks, large format frac tanks, shale bins, fluids management and transfer equipment, light towers, power generation equipment

LodgeLink – An online marketplace for remote workforce lodging that connects workforces and individuals seeking temporary, remote accommodation rooms to a variety of providers of remote camps, lodges, and hotels. The website provides an online directory of 1,400 properties that allows corporate customers to seamlessly find and book lodging for workforces. The Company has an internal sales team that reaches out to lodges and hotels that would be a good fit for the site in order to host its rooms on LodgeLink. The site will then advertise the room and charge the hotel or lodge 10%-12% of the revenue generated, once booked. Importantly, there is no charge to those companies booking rooms and the hotel host does not pay until after its generated sales.

LodgeLink was launched in 2017 and could be a large source of growth for the company going forward. There are several advantages that have helped the growth of the platform, however, the biggest differentiators are the ability to reduce a company's resources dedicated to moving workforces, as well as customization. Companies that need to move large workforces dedicate a considerable amount of resources to tracking, deploying, and paying these employees. LodgeLink simplifies this process by providing a "one stop shop" for a variety of workforce solutions. In addition to simplicity, LodgeLink also only sends one invoice once a month for every employee as opposed to the traditional method which is an invoice for each employee. Lastly, companies using LodgeLink can also keep track of its employees and workforce movement by having the ability to search the site by employee, location, job site ID, well ID, etc. making record keeping simpler.

Exhibit 6: LodgeLink Home Page

Where you need to be.

Book accommodations for yourself or your workforce using one of the largest databases of hotels and remote lodges in North America.

Search by lat/long, Well ID, City or Venue

Find Accommodations Near... Fort Saskatchewan		✕
Dates Mar 26 - Mar 31, 2020	Rooms 1	SEARCH

Source: Company Reports, <https://lodgeline.com/en>

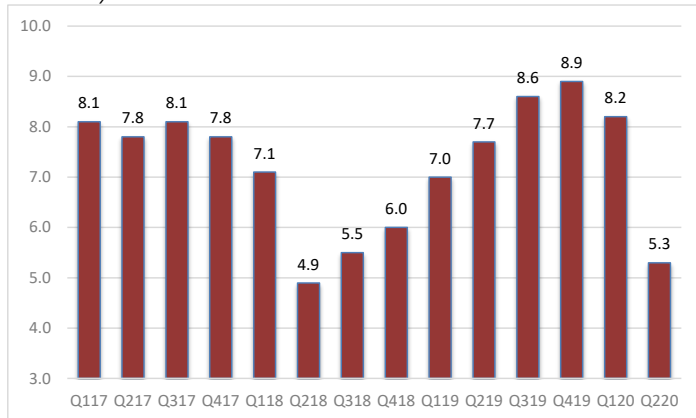
GROWTH STRATEGY

Black Diamond's growth strategy is dependent on a few different revenue drivers.

Rental rates, utilization, and diversification

BDI's rental business is driven by utilization and rental rates. While rental revenue for the MSS business has been consistent, the WFS business has been plagued by weakness in the resource sector that encompasses a considerable portion its revenue. Reduced prices for oil and natural gas, along with changes in the Canadian government have caused delays and uncertainty in gaining approval to build pipelines and other facilities in Western Canada. While headwinds for the O&G sector appear to be improving, BDI is focused on reducing its dependence on the O&G sector and diversifying into other sectors and capitalizing on operating leverage. The Company is using its existing sales team to actively target additional sectors such as construction, mining, and education where the economic outlook is strong. Assuming the Company can continue to diversify into additional sectors and geographies, we would expect to see more normalized utilization and rental rates going forward.

Exhibit 7: WFS Rental Revenue

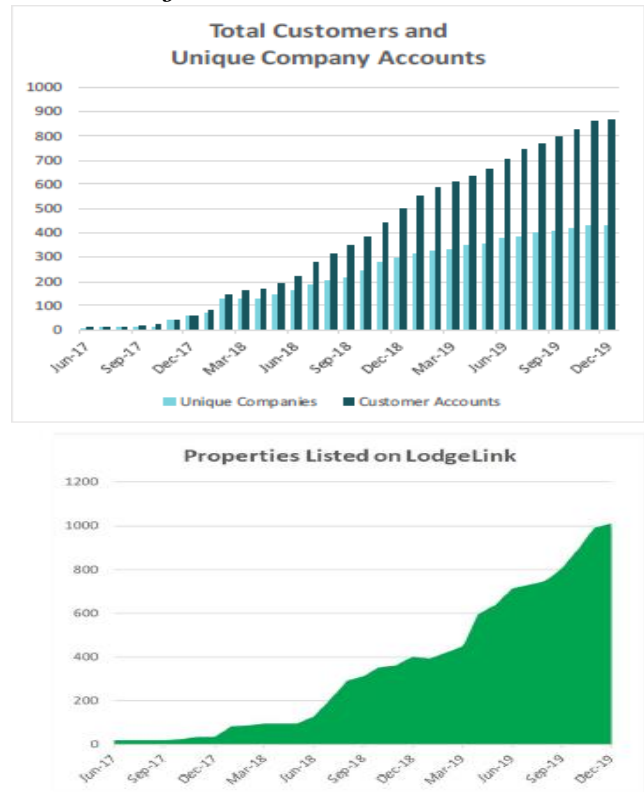


Source: Company Reports, Stonegate Capital Partners

LodgeLink

The Company has been investing in software development for LodgeLink and has begun to gain significant traction since inception in 2017. LodgeLink generates revenue from charging a fee per room booked. As of Q220, LodgeLink had 500 unique customers and 1,500+ properties, representing ~160,000 rooms. While the business is experiencing negative headwinds from COVID-19, the Company believes that increases in unique customers will lead to significant growth in both bookings and revenue as LodgeLink continues to expand throughout Canada and the United States over the long term. Over time, LodgeLink will also offer ancillary services to complement existing services.

Exhibit 8: LodgeLink Growth



Source: Company Reports

Fleet Growth

The Company is targeting MSS net fleet growth of 10% per year and aiming to double its fleet in the next 5 years. This growth is anticipated to come from both organic growth and acquisitions with \$25M of its gross \$35M capital budget allocated to growing the MSS segment. The MSS fleet grew to 6,588 units or 8% y/y.

Black Diamond is also planning on increasing its ancillary services within the MSS segment such as additional site services, hospitality services, and rental equipment. With economies of scale and the continuation of these value-added products and services the Company is expecting MSS EBITDA growth to outpace its fleet growth.

LNG Canada Contract

Lastly, Black Diamond was awarded a \$42.5M contract with LNG Canada in July 2018. The contract calls for BDI to provide remote workforce accommodations for construction of the Coastal GasLink pipeline in British Columbia. Due to several delays, the Company has recently begun deploying its equipment and beds and will continue to deploy until it fulfills the 908-bed camp. The contract calls for the project to take 27 months with additional growth opportunities as the project develops.

RECENT RESULTS

For Q220, BDI consolidated revenue declined 21% y/y to \$37.3M while adjusted EBITDA declined 1% y/y to \$9.9M. Results continue to be negatively impacted by COVID-19 headwinds.

In the MSS segment, revenue increased 7% y/y from \$20.6M to \$22.0M due to continued growth in rental revenue and stronger non-rental revenue, offset by lower sales revenue. Adjusted EBITDA grew 16% y/y to \$7.0M. Adjusted EBITDA margin of 32% was modestly stronger y/y, driven by a higher portion of high-margin rental revenue, combined with modestly lower unit costs, and contribution from the Canadian Emergency Wage Subsidy (CEWS) program.

The WFS segment revenue declined 43% y/y driven by weaker occupancy and utilization rates in the Lodging and the Energy Services sectors. Continued strength in Australia, coupled with newly signed contracts for camp rentals in Ontario, and a contribution from the CEWS acted as modest offsets. Adjusted EBITDA declined 17% to \$5.5M.

Q220 net debt was \$108.9M, down slightly from \$110.6M in Q120. BDI continues to maintain significant liquidity with excess borrowing availability of ~ \$76M from its ABL facility with a maturity date in October 2023.

Despite the COVID-19 negative impacts across many BDI client markets, especially western Canadian energy markets, BDI remains focused on executing its long-term strategy of growth and diversification.

For the MSS division BDI expects continued momentum in rental revenue growth through the 2H20 driven by its current contracts in place for existing equipment and new build assets. Near-term custom sales revenue is expected to remain soft compared to historical averages due to deferral of certain major projects in its pipeline due to COVID-19 restrictions.

BDI expects the WFS segment to see continued moderate contraction in overall performance as energy-related activity has reached multi-decade lows. However, the WFS segment is expected to continue to see positive results from its diversification strategy. The WFS segment expects strong activity levels in Australia, and increasing revenue generation from mining, infrastructure, and disaster recovery customers. As such, the expectation is for a gradual increase in camp rental and lodging in Q420 and into F21.

While the LodgeLink platform continues to scale, room bookings fell 47% y/y due to COVID-19 related travel restrictions throughout Q220. However, BDI stated that booking activity began to recover in June and July and is trending meaningfully higher y/y.

RISKS

As with any investment, there are certain risks associated with Black Diamond's operations as well as with the surrounding economic and regulatory environments common to the industry.

End market concentration - Black Diamond's business is dependent on the natural resources industries. Depressed oil and natural gas prices could result in declined levels of investment and activity in oil and natural gas mining which would result in decreased revenue to the Company.

Continued pandemic - Any outbreak of the Novel COVID-19 virus, or the like, could result in an economic decline in any of the areas where Black Diamond operates or holds assets. The shutdown of any of these job sites from government or authority figures would pose a severe risk to the Company's cash flows.

Regulatory changes - The Company is subject to several laws, building codes, occupancy codes, and guidelines related to its products. Any regulatory changes that change these codes or regulations relating to building codes, environmental restrictions or disposal of waste, among others, could have an adverse effect on the Company's revenues from the oil and natural gas sector as well as profit from being forced to make changes to its own products.

Customer contracts - BDI depends on the execution of written contracts with its customers that are generally only cancellable for non-performance. The Corporation generally grants unsecured credit to its customers. If a customer breaks an agreement and is not able to recover the receivables owed, could have an adverse effect on the Company's financial position.

VALUATION

To help frame our valuation, we created two separate methodologies for looking at Black Diamond. The first method consists of a liquidation valuation and the other method is a sum-of-the-parts analysis.

Liquidation value

Since the bulk of the Company's assets are modular buildings and workforce accommodation buildings and these assets are typically sold within the regular course of business for a 20%-25% premium, we feel it would be possible to sell these assets at a reasonable rate. In addition, the Company's lenders agree as well. We note that the borrowing base for Black Diamond's ABL facility is based on 85% to 90% of the "net orderly liquidation value" of eligible rental fleet and qualified receivables.

Below is our back of the envelope liquidation calculation:

Exhibit 9: Liquidation Valuation

(all figures in \$USD M, except per share information)

Assets	Amount	Recovery Ratio	Recovery Value
Cash	3.3	100%	3.3
Accounts Receivable	29.8	75%	22.3
Prepaid Exp & Other Current Assets	4.4	0%	-
Total Current Assets	37.5		25.6
Other LT Assets	0.2	75%	0.1
PPE	348.4	95%	331.0
Right-of-use assets	17.0	75%	12.8
Goodwill and Intangibles	19.9	0%	-
Total Assets	\$ 422.6		\$ 369.5
			Amounts Payable
Liabilities			
Current Liabilities			29.4
LT Debt			112.2
Asset Retirement Obligations			17.8
LT Lease Liabilities			16.5
Deferred Taxes			26.2
Amount Available for Equity Shareholders			\$ 167.5
S/O			55.1
Implied Liquidation Share Price			\$ 3.04

Source: Company reports; Stonegate Capital Partners

Sum-of-the parts

For our sum-of-the-parts valuation, we separate Black Diamond into its two business segments, the MSS and WFS segments. We split corporate costs evenly between the two divisions and apply EV/EBITDA multiples to arrive at valuation ranges.

Exhibit 10: Comparable Company Analysis

(all figures in \$ USD M, except per share information)

Name	Ticker	Price (1)	S/O	Mrkt Cap	EV	EV/EBITDA (2) 2020E
WFS - Segment Multiples						
Triton International Limited	TRTN	\$ 37.11	68.7	\$2,549.6	\$ 9,589.2	8.4x
Target Hospitality Corp.	TH	\$ 1.24	97.5	\$ 120.9	\$ 512.8	7.3x
Horizon North Logistics Inc.	TSX:HNL	\$ 5.09	64.9	\$ 330.2	\$ 481.6	7.8x
Civeo Corporation	CVEO	\$ 0.79	170.6	\$ 134.9	\$ 503.8	6.0x
					Average	7.4x
					Median	7.5x
MSS - Segment Multiples						
WillScot Mobile Mini Holdings Corp.	WSC	\$ 17.10	227.7	\$3,894.0	\$ 6,291.3	12.2x
General Finance Corporation	GFN	\$ 6.33	30.2	\$ 191.0	\$ 664.5	7.1x
McGrath RentCorp	MGRC	\$ 61.92	24.1	\$ 1,491.2	\$ 1,762.7	7.6x
					Average	9.0x
					Median	7.6x
Black Diamond Group Limited	TSX:BDI	\$ 1.47	55.1	\$ 81.1	\$ 214.2	6.0x

(1) Previous day's closing price

(2) Estimates are from Capital IQ except for BDI, which are Stonegate estimates

Source: Company Reports, Capital IQ, Stonegate Capital Partners

WFS Division

For the WFS segment, we take in to account current valuations as well as historical three-year trading multiples and arrived at an EBITDA multiple range of 6.0x-8.0x.

EV/EBITDA Multiple		
EBITDA - WFS	15.7	15.7
Multiple	6x	8x
EV	94.1	125.5

MSS Division

For the MSS division, we take in to account current valuations as well as historical three-year trading multiples and arrived at an EBITDA multiple of 7.0x – 9.0x.

EV/EBITDA Multiple		
EBITDA - MSS	20.0	20.0
Multiple	7x	9x
EV	139.7	179.7

Combined

Below we combine the businesses to determine a value of the entire business based on the EBITDA multiples above. Using a sum of the parts EBITDA multiple we arrive at a range of \$1.90 to \$3.15 for BDI.

Combined Valuation		
	Low	High
EV	233.8	305.1
Less: Net Debt	130.4	130.4
Equity Value	103.4	174.7
S/O	55.1	55.1
Share Price	\$ 1.88	\$ 3.17

BALANCE SHEETS

Black Diamond				
Consolidated Balance Sheets (CAD\$ Ms)				
Fiscal Year: December				
ASSETS	FY2018	FY2019	Q1 Mar-20	Q2 Jun-20
Assets				
Cash	3.2	4.3	9.6	3.3
Accounts Receivable	34.5	45.8	48.4	29.8
Prepaid Expenses and Other Current Assets	6.0	7.0	5.9	4.4
Total Current Assets	43.7	57.0	63.8	37.5
Other LT Assets	0.8	0.2	0.2	0.2
Property and Equipment	339.9	327.5	349.5	348.4
Right-of-use assets	-	19.7	18.4	17.0
Goodwill and Intangibles	18.9	18.1	20.6	19.9
Total Assets	\$ 403.3	\$ 422.6	\$ 452.5	\$ 423.1
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accounts Payable and accrued liabilities	28.7	35.2	33.6	19.8
Deferred Revenue	6.8	4.0	7.6	4.6
Current Portion of Lease Liabilities	-	5.2	5.2	5.0
Total Current Liabilities	35.5	44.4	46.4	29.4
Long Term Liabilities				
LT Debt	90.1	102.4	120.2	112.2
Asset Retirement Obligations	18.9	17.7	17.8	17.8
LT Lease Liabilities	-	18.7	17.6	16.5
Other LT Liabilities	2.6	-	-	-
Deferred Income Taxes	31.4	24.1	26.2	26.2
Total Long Term Liabilities	143.0	162.9	181.7	172.7
Total Liabilities	178.5	207.4	228.1	202.1
Shareholders' Equity				
Share Capital	377.6	378.8	379.8	379.2
Contributed Surplus	16.4	17.7	16.5	17.2
Accumulated other Comprehensive income (loss)	17.3	11.8	19.9	16.9
Accumulated Defecit	(187.9)	(194.5)	(194.6)	(195.0)
Total Shareholders' Equity	223.4	213.8	221.6	218.3
Non-Controlling Interest	1.4	1.4	2.8	2.7
Total Equity (deficit)	224.8	215.2	224.4	221.0
Total Liabilities and Equity	\$ 403.3	\$ 422.6	\$ 452.5	\$ 423.1
Ratios				
Liquidity				
Current Ratio	1.2x	1.3x	1.4x	1.3x
Quick Ratio	1.1x	1.1x	1.2x	1.1x
Total Liabilities to Total Assets	44.3%	49.1%	50.4%	47.8%

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENTS

Black Diamond				
Consolidated Statements of Income (in millions \$, except per share amounts)				
Fiscal Year: December				
	FY 2018	FY 2019	FY 2020E	FY 2021E
Revenue	\$ 166.0	\$ 185.9	\$ 164.0	\$ 178.2
Direct costs	98.0	109.0	93.7	102.5
Gross Profit	68.0	77.0	70.3	75.7
Operating expenses				
Administrative expenses	38.6	37.9	34.5	36.2
Depreciation and amortization	36.9	39.3	32.1	33.6
Share based compensation	1.9	3.1	2.8	2.8
Total operating expenses	77.3	80.2	69.4	72.6
Operating Income	(9.4)	(3.2)	0.9	3.1
Finance costs	6.3	7.6	6.0	6.3
Gain on sale of real assets	(0.4)	-	-	-
Other	-	2.4	-	-
Income (loss) before tax	(15.3)	(13.2)	(5.1)	(3.1)
Income tax expense (recovery)	(3.7)	(6.1)	(1.5)	(2.0)
Net income (loss) before non-controlling	(11.6)	(7.0)	(3.6)	(1.1)
Profit attributable to non-controlling	(0.2)	0.4	0.3	(0.1)
Net income (loss)	(11.4)	(7.5)	(4.1)	(1.1)
Basic EPS (loss)	\$ (0.21)	\$ (0.14)	\$ (0.07)	\$ (0.02)
Diluted EPS (loss)	\$ (0.21)	\$ (0.14)	\$ (0.07)	\$ (0.02)
Basic shares outstanding	55.1	55.3	55.5	56.5
Diluted shares outstanding	55.1	55.3	55.5	56.5
Adjusted EBITDA	29.3	39.1	35.6	39.5
Growth Rate Analysis Y/Y				
Revenue	8.2%	12.0%	-11.8%	8.7%
Administrative expenses	-0.9%	-1.9%	-8.9%	4.8%
Depreciation and amortization	-21.7%	6.6%	-18.3%	4.6%
Total operating expenses	-12.7%	3.7%	-13.5%	4.6%
Net income	87.6%	39.3%	48.3%	68.4%
EPS - fully diluted	-293.4%	34.4%	45.4%	73.8%
Share count - fully diluted	4.2%	0.5%	0.2%	1.9%

Source: Company Reports, Stonegate Capital Partners estimates

IN THE NEWS

August 11, 2020 – Black Diamond Reports Second Quarter 2020 Results.

May 12, 2020 – Black Diamond Group Announces Approval of All Resolutions at 2020 Annual Meeting.

May 11, 2020 – Black Diamond Group Investor Update Webcast and Conference Call.

May 05, 2020 – Black Diamond Group Reports First Quarter 2020 Results

March 05, 2020 – Black Diamond Group Reports Fourth Quarter 2019 Results.

February 27, 2020– Black Diamond Group Investor Update Webcast and Conference Call

January 28, 2020 – Black Diamond Group Expands Southeast U.S. Footprint With Acquisition of Spectrum Modular.

January 13, 2020 – Black Diamond Group Announces 2020 Capital Spending Plan and Approval of Normal Course Issuer Bid.

November 05, 2019– Black Diamond Group Announces Reports Third Quarter 2019 Results.

October 28, 2019 – Black Diamond Group Announces New \$200 Million Asset-Based Credit Facility.

August 08, 2019 – Black Diamond Group Reports Second Quarter 2019 Results.

May 22, 2019 – Black Diamond Group Announces Approval of All Resolutions at 2019 Annual and Special Meeting.

May 02, 2019 – Black Diamond Group Reports First Quarter 2019 Results.

April 29, 2019 – Black Diamond Group Awarded \$20 Million Workforce Accommodation Contract.

April 16, 2018 – Black Diamond Group Limited Opens Workforce Lodge in the Heart of the Montney.

March 08, 2018 – Black Diamond Group Reports Fourth Quarter 2017 Adjusted EBITDA of \$9.5M.

December 06, 2017 – Black Diamond Group Opens New Lodge in Chetwynd, B.C.

November 07, 2017 – Black Diamond Group Reports Third Quarter 2017 Results and Extension of its Committed Extendible Revolving Operating Facility.

October 24, 2017 – Black Diamond Group Announces Commercial Launch of LodgeLink™, an Online Marketplace for Remote Workforce Accommodation.

CORPORATE GOVERNANCE

Trevor Haynes, Chairman and Chief Executive Officer

Mr. Trevor Haynes cofounded Black Diamond Group in 2003 and has served as its President and CEO since inception. He served as a Principal and the President of Kettleby Investment Management Corporation, from January 2003 to May 2005, and from February 1992 to December 2002, he served as the Director of International Sales and Division Management at ATCO Structures & Logistics Ltd. He has over 20 years of experience in the workforce accommodation, energy services and modular building industries, in various business development and leadership roles, both in North America and internationally. Mr. Haynes graduated from the University of Toronto with a Bachelor of Arts degree in 1991.

Toby Labrie, Executive Vice President and Chief Financial Officer

Mr. Toby Labrie has been the Chief Financial Officer and Executive Vice President at Black Diamond Group Limited since March 3, 2016. He also served as the Corporate Controller in 2009 and served as VP of Finance and Controller between 2010 and 2015. Prior to joining Black Diamond Group, Toby was Team Lead of Management Reporting and Budgeting at First Calgary Petroleum, a Calgary-based international oil and gas exploration company. Before that, he held positions in both the audit and financial advisory group at Deloitte. Toby is a CA, CPA and has been a member of the Chartered Professional Accountants of Alberta since 2005. He holds a Bachelor of Commerce degree from the University of Alberta.

Patrick Melanson, Executive Vice President and Chief Information Officer

Mr. Patrick Melanson has served as Chief Information Officer at Black Diamond Group Limited since July 20, 2017 and serves as Chief Technology Officer of Lodge Link at Black Diamond Group Limited. Prior to joining Black Diamond Group, Patrick worked with two large multinational steel and tubulars manufacturers for whom he held North America roles as Senior VP of Product and Resource Management, and VP and CIO. Prior, he worked in senior roles at both Andersen Consulting and Deloitte Consulting. Mr. Melanson received his Bachelor of Commerce degree with a specialization in Management of Information Systems from the University of Calgary, Alberta, Canada, and Program Management Certification from American Graduate University in 1994.

Board of Directors:

Trevor Haynes – *Chairman of the Board*
 Robert Herdman – *Independent Director*
 David Olsson – *Independent Director*
 Robert Wagemakers – *Lead Independent Director*
 Barbara Kelley – *Independent Director*
 Edward Kernaghan – *Independent Director*
 Steven Stein – *Director*

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