

# Q2 2024 Results

Analyst & Investor Call  
August 7, 2024



# Cautionary Statement

In this presentation, all amounts are in Canadian dollars, unless otherwise indicated. Any graphs, tables or other information in this presentation demonstrating the historical performance of Dexterra Group Inc. (“Dexterra” or “Dexterra Group”) or of any of its business units contained in this presentation are intended only to illustrate past performance and are not necessarily indicative of future performance of Dexterra Group or any of its business units. As previously announced, the sale of Modular business is expected to be closed in early Q3 2024. As a result, the operating results of Modular have been presented as discontinued operations in the Q2 2024 Financial Statements and information included herein has been restated for the impact of discontinued operations.

## **Forward-Looking Statements**

Certain statements contained herein may constitute forward-looking information under applicable securities law. Forward-looking information may relate to Dexterra’s future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as “continue”; “forecast”; “may”; “will”; “project”; “could”; “should”; “expect”; “plan”; “anticipate”; “believe”; “outlook”; “target”; “intend”; “estimate”; “predict”; “might”; “potential”; “continue”; “foresee”; “ensure” or other similar expressions concerning matters that are not historical facts. In particular, statements regarding Dexterra’s future operating results and economic performance including Adjusted EBITDA margins, share buybacks, acquisitions, expected close of the sale of the Modular business, its capital light model management, market and inflationary environment expectations, lodge occupancy levels, its leverage, Discontinued Operations, expected closing of the sale of the Modular business, Free Cash Flow, wildfire activity expectations and its objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions, including expected growth, market recovery, results of operations, performance and business prospects and opportunities regarding Dexterra, expected close of the sale of the Modular business which Dexterra believes are reasonable as of the current date. While management considers these assumptions to be reasonable based on information currently available to Dexterra, they may prove to be incorrect. Forward-looking information is also subject to certain known and unknown risks, uncertainties and other factors that could cause Dexterra’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information, including, but not limited to: the ability to retain clients, renew existing contracts and obtain new business; an outbreak of contagious disease that could disrupt its business; the highly competitive nature of the industries in which Dexterra operates; reliance on suppliers and subcontractors; cost inflation; volatility of industry conditions could impact demand for its services; a reduction in the availability of credit could reduce demand for Dexterra’s products and services; Dexterra’s significant shareholder may substantially influence its direction and operations and its interests may not align with other shareholders; its significant shareholder’s 49% ownership interest may impact the liquidity of the common shares; cash flow may not be sufficient to fund its ongoing activities at all times; loss of key personnel; the failure to receive or renew permits or security clearances; significant legal proceedings or regulatory proceedings/changes; environmental damage and liability is an operating risk in the industries in which Dexterra operates; climate changes could increase Dexterra’s operating costs and reduce demand for its services; liabilities for failure to comply with public procurement laws and regulations; any deterioration in safety performance could result in a decline in the demand for its products and services; failure to realize anticipated benefits of acquisitions and dispositions; inability to develop and maintain relationships with Indigenous communities; the seasonality of Dexterra’s business; inability to restore or replace critical capacity in a timely manner; reputational, competitive and financial risk related to cyber-attacks and breaches; failure to effectively identify and manage disruptive technology; economic downturns can reduce demand for Dexterra’s services; its insurance program may not fully cover losses. Additional risks and uncertainties are described in Note 22 of the Corporation’s Consolidated Financial Statements for the year ended December 31, 2023 and 2022 contained in its most recent Annual Report filed with securities regulatory authorities in Canada and available on SEDAR at [sedarplus.ca](http://sedarplus.ca). The reader should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Dexterra is under no obligation and does not undertake to update or alter this information at any time, except as may be required by applicable securities law.

## **Non-GAAP Measures**

Certain measures and ratios contained herein do not have any standardized meaning as prescribed by GAAP and, therefore, are considered non-GAAP measures. Non-GAAP measures include “Adjusted EBITDA”, calculated as earnings before interest, taxes, depreciation, amortization, equity investment depreciation, share based compensation, gain/loss on disposal of property, plant and equipment, net loss from discontinued operations, net of taxes, and non-recurring items; “Adjusted EBITDA as a percentage of revenue”, calculated as Adjusted EBITDA divided by revenue; and “Free Cash Flow”, calculated as net cash flows from (used in) operating activities from continuing operations, less sustaining capital expenditures, lease payments and finance costs from continuing operations plus proceeds on the sale of property, plant and equipment from continuing operations. Sustaining capital expenditures included in the definition of Free Cash Flow are replacement expenditures and/or leases necessary to maintain existing business from continuing operations.

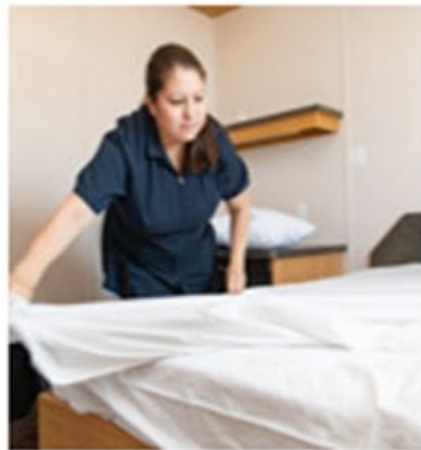
These measures and ratios provide investors with supplemental measures of Dexterra’s operating performance and highlight trends in its core businesses that may not otherwise be apparent when relying solely on GAAP financial measures. Dexterra also believes that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers. Dexterra’s management also uses non-GAAP measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets, and to determine components of management compensation.

These measures are regularly reviewed by the Chief Operating Decision Makers and provide investors with an alternative method for assessing the Corporation’s operating results in a manner that is focused on the performance of the Corporation’s ongoing operations and to provide a consistent basis for comparison between periods. These measures should not be construed as alternatives to net earnings and total comprehensive income or operating cash flows as determined in accordance with GAAP as indicators of the Corporation’s performance. The method of calculating these measures may differ from other entities and accordingly, may not be comparable to measures used by other entities. For a reconciliation of these non-GAAP measures to their nearest measure under GAAP please refer to “Reconciliation of non-GAAP measures”.

# Bill McFarland

Board of Directors Chair

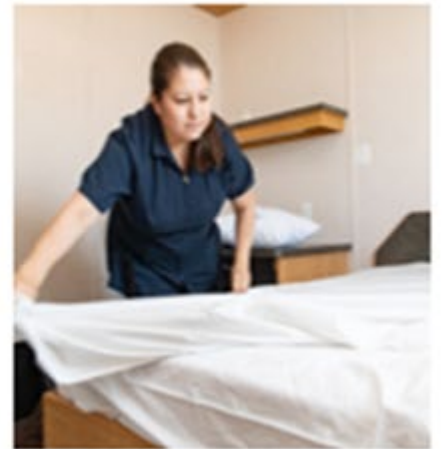
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# Mark Becker

Chief Executive Officer

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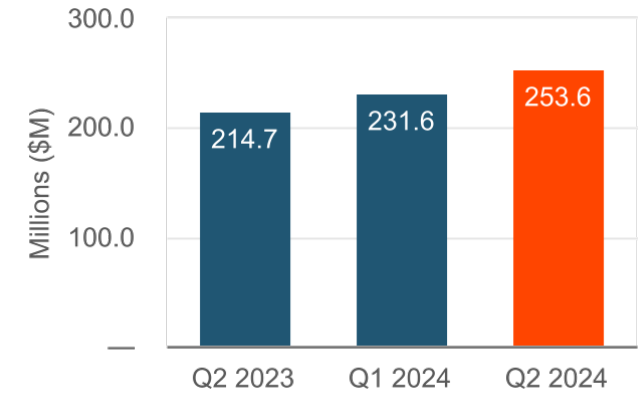
# Progress on the 2024 Business Plan

## Q2 Continuing Operations Highlights

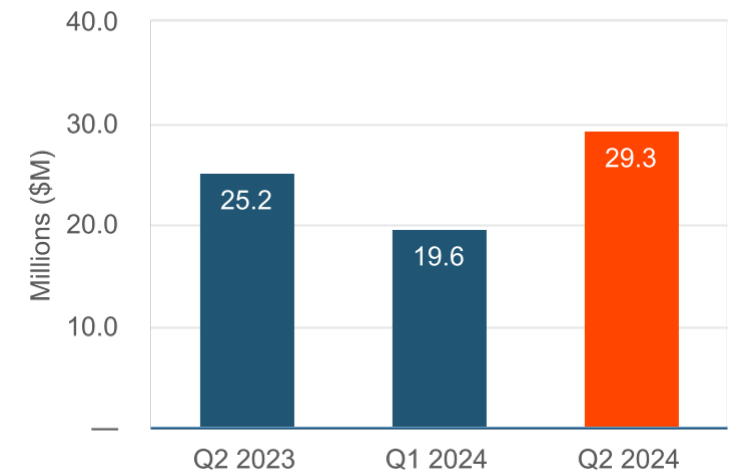
- Strong results and execution
- Continued Support services growth
- Robust WAFES activity
- Improving FM margins
- Strong balance sheet



## Revenue Trend



## Adjusted EBITDA Trend



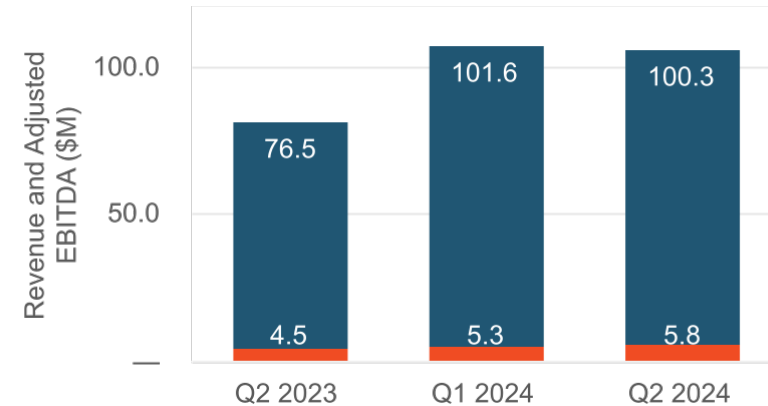
# Integrated Facilities Management

*A growing Support Services business with an expanding footprint.*

## IFM

- 31% revenue growth over prior year
- Strong IFM sales pipeline
- Improving Adjusted EBITDA margins at 5.8%
- Inflation and labour cost management
- 6%+ margins expected in the back half of 2024

## Revenue & Adjusted EBITDA Trend



**dexterra**

**dexterra**  
On-Demand

**CMI**  
Management

 **dana**  
hospitality

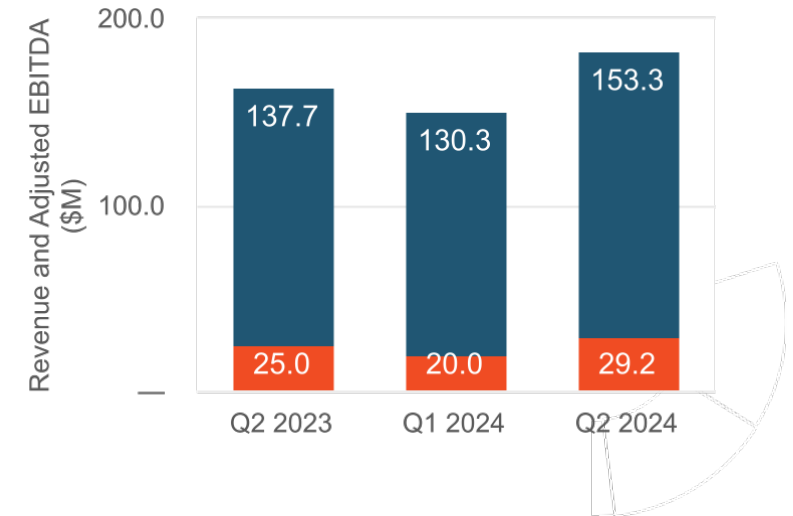
# Workforce Accommodations, Forestry, Energy Services

*A diversified Support Services and Asset Based Business with a strong client base.*

## WAFES

- Robust natural resource and infrastructure market activity
- Continued strong margins of over 15%
- High camp occupancy and >90% asset utilization
- Wildfire support picking up in Q3

## Revenue & Adjusted EBITDA Trend



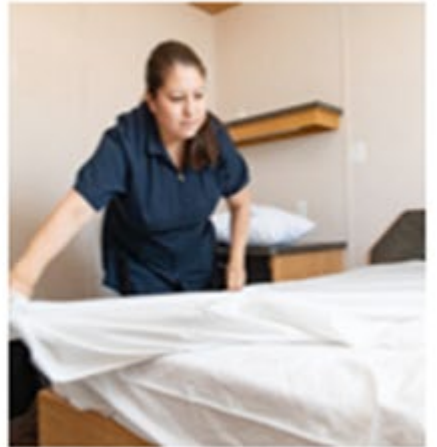
horizon north

OUTLAND

# Denise Achonu

Chief Financial Officer

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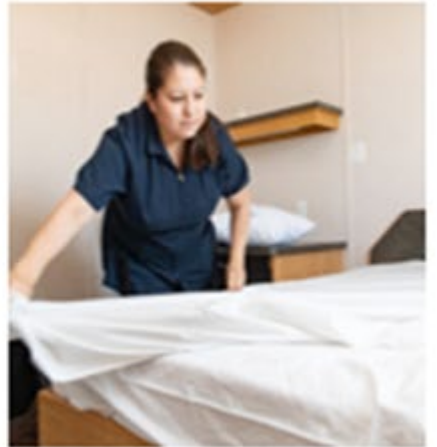
# Financial Position

- Improved Free Cash Flow generation YTD
- Completed NCIB program in Q2
- Strong balance sheet
- 50% annualized Adjusted EBITDA conversion
- Post modular proceeds expect debt EBITDA to be about 1.0X

# Mark Becker

Chief Executive Officer

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# Our Priorities for 2024

- Continued execution, profitability, and predictable results
- Close on Modular sale in August
- Organic growth in higher margin IFM services
- Streamlining the business and external reporting
- Niche and accretive IFM acquisitions
- Robust shareholder returns

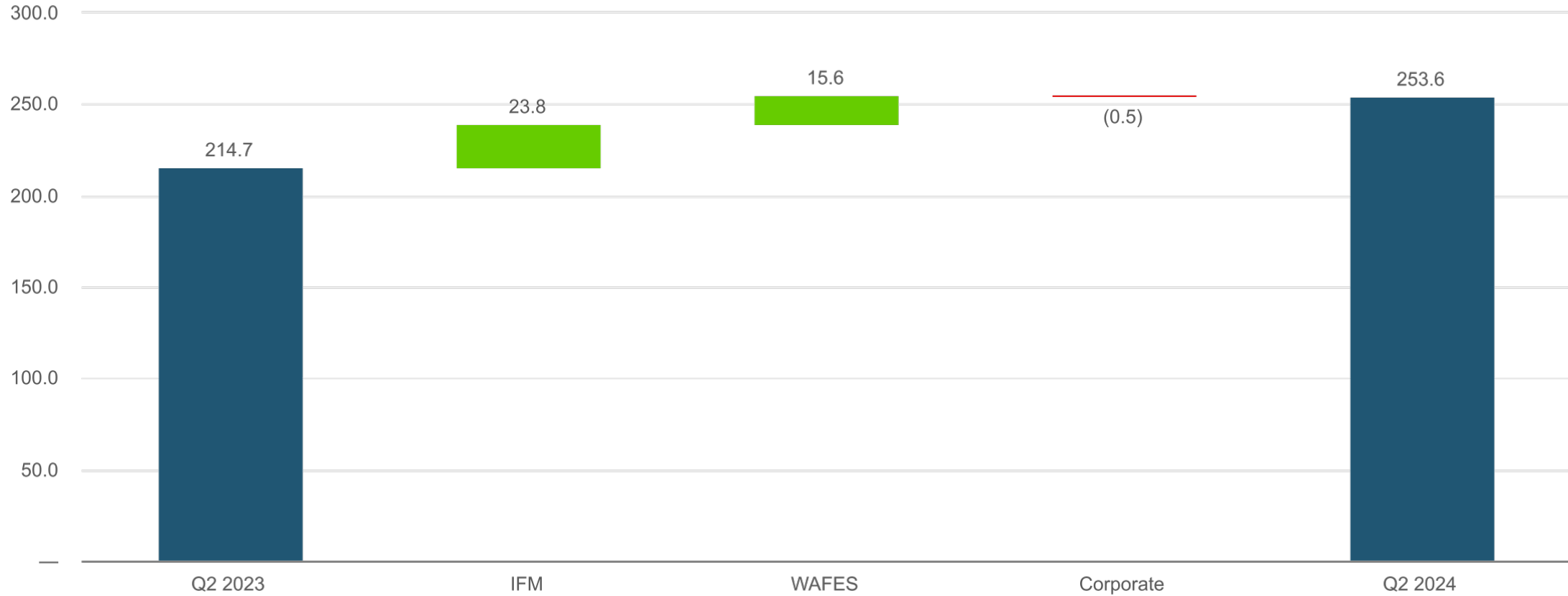
## Question & Answer Period

**Questions** 

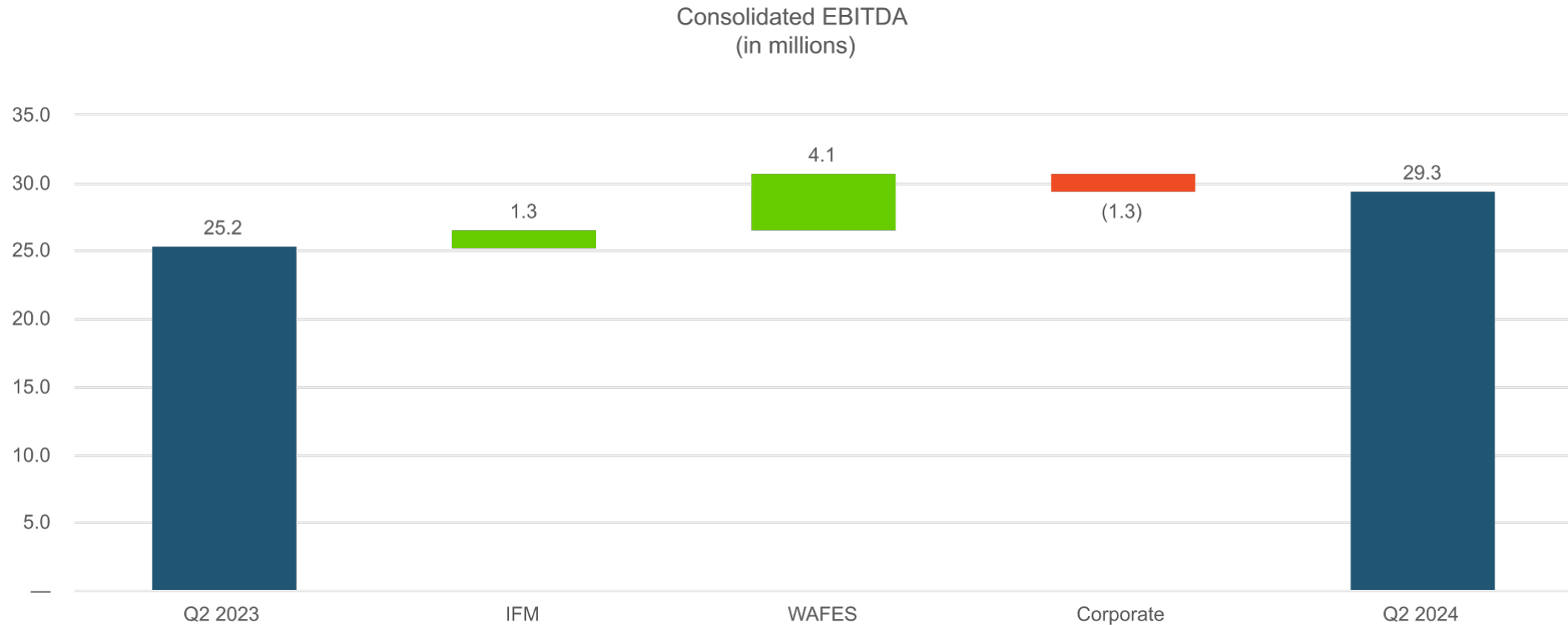
# APPENDIX I - Supporting Charts

# Revenue Reconciliation Q2 2023 vs Q2 2024

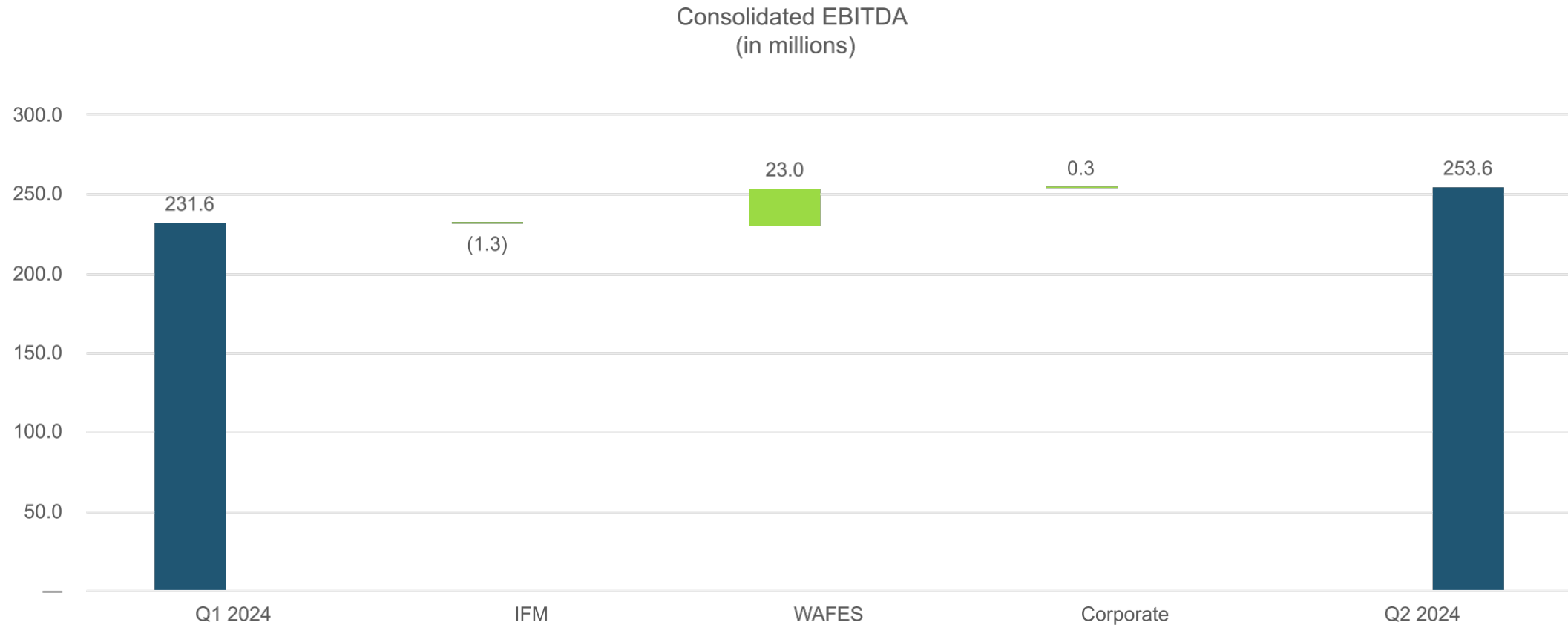
Consolidated Revenue (in millions)



# Adjusted EBITDA Q2 2023 vs Q2 2024



# Revenue Reconciliation Q1 2024 vs Q2 2024





# Adjusted EBITDA Q1 2024 vs Q2 2024

