



BADGER INFRASTRUCTURE SOLUTIONS LTD. DELIVERS SOLID GROWTH IN 2024 THIRD QUARTER REVENUE, ADJUSTED EBITDA AND ADJUSTED NET EARNINGS

Calgary, Alberta, October 30, 2024 - Badger Infrastructure Solutions Ltd. ("Badger", the "Company", "we", "our" or "us") (TSX:BDGI) reported third quarter results today. All results are presented in U.S. dollars unless otherwise stated.

2024 THIRD QUARTER OPERATIONAL HIGHLIGHTS

- The Company achieved revenue of \$209.4 million, up 7% from 2023.
 - U.S. revenue was \$185.4 million (89% of total revenue), up 10% from 2023.
 - Canada revenue was \$24.0 million (11% of total revenue), down 12% from 2023.
- Gross profit margin of 32.5%, up from 32.1% in 2023.
- Adjusted EBITDA⁽¹⁾ improved to \$58.3 million, up 11% from 2023.
- Adjusted EBITDA margin⁽¹⁾ rose to 27.8%, up from 26.9% in 2023.
- Revenue per truck per month ("RPT")⁽¹⁾ for the quarter was \$46,851, compared to \$49,079 in 2023.
- Adjusted earnings per share⁽¹⁾ was \$0.73 per share, up 6% from 2023.
- The Board of Directors has approved the quarterly cash dividend of CAD\$0.18 per common share for the third fiscal quarter of 2024, with payment to be made on or after October 15, 2024, to all shareholders of record on September 30, 2024.
- The Toronto Stock Exchange ("TSX") has accepted Badger's amended notice of intention to increase the size of its Normal Course Issuer Bid ("NCIB") effective November 4, 2024. During the third quarter of 2024, we purchased 44,400 shares at a weighted average price of CAD \$36.95 per share under the NCIB.

"The solid results achieved in Q3 2024 underscore the continued demand for our non-destructive excavation services in our key end markets within the U.S.. Revenue of \$209.4 million grew 7% compared to Q3 2023 while Adjusted EBITDA was 11% higher than last year as we continue to focus on improving our margins and profitability. We are pleased with the team's strong performance during the busy construction season which positions Badger for the remainder of the year." said Rob Blackadar, President & Chief Executive Officer.

"We remain focused on executing our pricing, sales and utilization strategies to continue driving revenue growth and profitability, further establishing Badger as the industry leader in non-destructive excavation. We have grown year-to-date revenue in 2024 as compared to the same period in 2023 by 9%, Adjusted EBITDA by 14% and Adjusted earnings per share by 11%." concluded Mr. Blackadar.

FINANCIAL HIGHLIGHTS

	Three months ended September 30,		Nine months ended September 30,	
(\$ US thousands except RPT, per share amounts, share information and ratios)	2024	2023	2024	2023
Revenue:				
Non-destructive excavation service	198,344	186,834	527,528	487,340
Other	11,032	8,717	30,248	23,313
Total revenue	209,376	195,551	557,776	510,653
RPT - Consolidated (mixed currency) ⁽¹⁾	46,851	49,079	41,970	43,699
RPT - U.S. (USD) ⁽¹⁾	48,206	49,611	44,092	44,290
RPT - Canada (CAD) ⁽¹⁾	42,229	47,534	35,103	42,027
Adjusted EBITDA ⁽¹⁾	58,300	52,700	132,110	115,837
Adjusted EBITDA per share, basic and diluted ⁽¹⁾	\$1.69	\$1.53	\$3.83	\$3.36
Adjusted EBITDA margin ⁽¹⁾	27.8%	26.9%	23.7%	22.7%
Net earnings before income tax	31,595	30,831	50,488	49,464
Net earnings	23,314	23,284	37,003	37,061
Net earnings per share, basic and diluted ⁽¹⁾	\$0.68	\$0.68	\$1.07	\$1.08
Adjusted net earnings ⁽¹⁾	25,094	23,789	45,472	40,895
Adjusted net earnings per share, basic and diluted ⁽¹⁾	\$0.73	\$0.69	\$1.32	\$1.19
Cash flow from operations before working capital and other adjustments	58,387	52,630	132,201	115,480
Cash flow from operations before working capital and other adjustments per share, basic and diluted ⁽¹⁾	\$1.69	\$1.53	\$3.84	\$3.35
Total debt to Compliance EBITDA ⁽¹⁾	1.5x	1.4x	1.5x	1.4x
Capital expenditures	24,495	27,752	83,647	83,494
Hydrovac truck count	1,625	1,514	1,625	1,514
Dividends paid	4,446	4,433	13,503	13,066
Weighted average common shares outstanding ⁽²⁾	34,462,529	34,473,438	34,467,982	34,473,438

⁽¹⁾ "Adjusted EBITDA", "Adjusted EBITDA margin", "Adjusted net earnings", "Compliance EBITDA", "Total debt" and "RPT" are not standardized financial measures prescribed by International Financial Reporting Standards ("IFRS") and may not be comparable to similar measures presented by other companies or entities. See "Non-IFRS Financial Measures" and p.12-13 of the 2023 annual MD&A for additional detail on the definition and calculation of Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net earnings, Compliance EBITDA and Total debt. See "Key Financial Metrics and Other Operational Metrics" and p.10 of the 2023 annual MD&A for additional details on RPT. Per share, basic and diluted measures are calculated by dividing the financial measure with the weighted average common shares outstanding for the period.

⁽²⁾ See "Share Capital" for additional details.

BUSINESS OUTLOOK

For the remainder of 2024 and into 2025, we continue to see demand in our end markets, including infrastructure, utilities, and non-residential construction, across all our U.S. regions. The rate of growth in select markets has slowed due to the deferral of certain project start-ups and a slowdown in customer activity in those same markets. We anticipate activity to improve in the second half of 2025, supported by expected infrastructure spending and the start-up of deferred projects. In Canada, the slowdown we have experienced is attributed to the delay of several projects and we continue to expect these to begin in 2025.

Our strategy and focus remains the same. We are focused on increasing revenue through our sales and national accounts commercial strategy to drive higher activity levels, and capture pricing opportunities throughout our branch operations network. We also remain focused on both operational, functional and administrative scalability to drive operating leverage and continue growing Adjusted EBITDA margins and Adjusted net earnings at a higher rate than revenue growth.

As a result of slightly lower than expected utilization on our fleet, reflecting primarily weaker results from Canada, we now expect our fleet count to increase at the low end of our 7% - 10% growth range. This will be achieved by building to the low end of our original new build range and tracking to the high end of our retirement range.

	2024 Outlook
New builds	190 units to 220 units
Retirements	70 units to 90 units
Refurbishments	35 units to 45 units
Total Capital Spend ⁽¹⁾	\$90 million to \$130 million

⁽¹⁾ Total capital spend includes the cost to manufacture a new hydrovac, refurbishments, ancillary equipment and other capital projects.

NORMAL COURSE ISSUER BID

The TSX has accepted Badger's amended notice of intention to increase the size of its NCIB pursuant to which Badger may purchase and cancel up to 2,658,294 common shares, representing 10% of the Company's public float as at August 12, 2024 (the "Amended NCIB") and has approved the implementation of an automatic securities purchase plan (the "ASPP"). The Amended NCIB will terminate upon the earlier of: (i) August 25, 2025; (ii) the date on which Badger has purchased an aggregate of 2,658,294 common shares under the Amended NCIB; and (iii) the date on which the Company terminates its bid at its option. The Amended NCIB will be subject to a maximum daily purchase limit on any trading day of 15,502 common shares (being 25% of the average daily trading volume on the TSX of 62,008 common shares for the six month period ending July 31, 2024), except as permitted in accordance with the "block" purchase exception prescribed by the TSX. All common shares purchased pursuant to the Amended NCIB shall be purchased on the Company's behalf by its broker through the facilities of the TSX and any alternative trading systems in Canada through which trades of common shares may be affected under applicable securities laws, at the market price of the common shares at the time of purchase.

Since the commencement of Badger's normal course issuer bid on August 26, 2024 which provided for the purchase and cancellation of up to 861,836 common shares (representing approximately 2.5% of the Company's issued and outstanding common shares as at August 12, 2024), the Company has purchased and cancelled 44,400 common shares at a weighted average price of CAD \$36.95 per share. Pursuant to the ASPP, Badger's broker may facilitate repurchases of common shares during blackout periods within certain parameters prescribed by the TSX, applicable Canadian securities laws, and the terms of the parties' written agreement. Purchases will be made by Badger's

broker based upon parameters set by Badger when it is not in possession of any material non-public information about itself and its securities, and in accordance with the terms of the ASPP. Outside of the effective period of the ASPP, common shares may continue to be purchased in accordance with Badger's discretion, subject to applicable law.

ABOUT BADGER INFRASTRUCTURE SOLUTIONS LTD.

Badger Infrastructure Solutions Ltd. (TSX:BDGI) is North America's largest provider of non-destructive excavating services. Badger works for contractors and facility owners in a broad range of infrastructure industries and in general commercial construction. Badger's customers typically operate near high concentrations of underground power, communication, water, gas and sewer lines, where safety and economic risks are high and where non-destructive excavation provides a safe alternative for certain customer excavation requirements.

The Company's key technology is the Badger Hydrovac™, which is used primarily for safe excavation around critical infrastructure and in congested underground conditions. The Badger Hydrovac uses a pressurized water stream to liquify the soil cover, which is then removed with a powerful vacuum system and deposited into a storage tank. Badger is unique in the non-destructive excavation industry because it designs and manufactures all of its hydrovac units at its plant in Red Deer, Alberta, which has an annual production capacity of more than 350 hydrovac units. To complement the Badger Hydrovac, the Company has a select number of specialty units, mainly Airvacs, combo trucks and sewer and flusher units.

2024 THIRD QUARTER CONFERENCE CALL

A conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2024 third quarter results is scheduled for 9:00 a.m. ET on Thursday, October 31, 2024. To join the call and ask a question during the live questions and answers session: <https://register.vevent.com/register/BI7d453a6689d14f4ca271c8239a6838cc>. To join the call with audio only: <https://edge.media-server.com/mmc/p/q3djn6ja/>.

2024 THIRD QUARTER DISCLOSURE DOCUMENTS

Badger's third quarter 2024 Management's Discussion and Analysis ("MD&A") and Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2024, along with all previous public filings of Badger Infrastructure Solutions Ltd. may be found on SEDAR+ at www.sedarplus.ca.

NON-IFRS FINANCIAL MEASURES

This press release contains references to certain financial measures, including some that do not have any standardized meaning prescribed by IFRS and that may not be comparable to similar measures presented by other companies or entities. These financial measures are identified and defined below. See "Non-IFRS Financial Measures" in the Company's 2023 annual MD&A for detailed reconciliations of non-IFRS financial measures.

"Adjusted EBITDA" is earnings before interest, taxes, depreciation and amortization, share-based compensation, gains and losses on derivative instruments, gains and losses on sale of property, plant and equipment and right of use assets, and gains and losses on foreign exchange. Adjusted EBITDA is a measure of the Company's operating profitability and is therefore useful to management and investors as it provides improved continuity with respect to the comparison of operating results over time. Adjusted EBITDA provides an indication of the results generated by the Company's principal business activities prior to how these activities are financed, the results are taxed in various jurisdictions and assets are amortized. In addition, Adjusted EBITDA excludes gains and losses on sale of property,

plant and equipment and right of use assets as these gains and losses are considered incidental and secondary to the principal business activities, gains and losses on foreign exchange as such gains and losses can vary significantly based on factors beyond the Company's control; and share-based compensation and gains and losses on derivative instruments as these expenses can vary significantly with changes in the price of the Company's common shares.

"Adjusted EBITDA margin" is Adjusted EBITDA as defined above, expressed as a percentage of revenues.

"Adjusted net earnings" is net earnings adjusted for share-based compensation, gains and losses on derivative instruments, gains and losses on sale of property, plant and equipment and right of use assets, and gains and losses on foreign exchange, tax impacted using the effective tax rate.

KEY FINANCIAL METRICS AND OTHER OPERATIONAL METRICS

"Revenue per truck per month" ("RPT") is a measure of non-destructive excavation fleet utilization. It is calculated using non-destructive excavation revenue only. RPT is calculated on both a consolidated basis and for each geographic segment by dividing non-destructive excavation revenue for each segment, in the respective local currency, by the average number of non-destructive excavation units in the segment during the period.

See "Key Financial Metrics and Other Operational Metrics" on page 11 of the Company's 2024 third quarter MD&A for additional details on RPT.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements and information contained in this press release and other continuous disclosure documents of the Company referenced herein, including statements and information that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "continue", "focus on", "grow", "trend", "plans" and similar expressions relating to matters that are not historical facts, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. These statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements and information. The Company believes the expectations reflected in such forward-looking statements and information are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking statements and information included in this press release should not be unduly relied upon. These forward-looking statements and information speak only as of the date of this press release.

In particular, forward-looking information and statements in this press release include, but are not limited to the following:

- expectations regarding demand for non-destructive excavation services, including with respect to end markets, timing, spending, and project start-ups;
- expectations regarding Badger's manufacturing and fleet strategy, including with respect to fleet count, new builds, retirements, refurbishments and capital spend; and
- general business strategies and objectives.

The forward-looking information and statements made in this press release rely on certain expected economic conditions and overall demand for Badger's services and are based on certain assumptions. The assumptions used to generate this forward-looking information and statements are, among other things, that:

- Badger will maintain its financial position and financial resources will continue to be available to Badger;

- There will be long-term sustained customer demand for non-destructive excavation and related services from a broad range of end use markets in North America;
- Badger will maintain relationships with current customers and develop successful relationships with new customers;
- Badger will collect customer payments in a timely manner;
- Badger will be able to compete effectively for the demand for its services;
- There will not be significant changes in profit margins due to pricing changes driven by market conditions, competition, regulatory factors or other unforeseen factors;
- Badger will realize and continue to realize the efficiencies and benefits of the executed business restructuring activities and other business improvement initiatives; and
- Badger will obtain all labour, parts and supplies necessary to complete the planned Badger non-destructive excavation build at the costs and on the timeline expected.

Risks and other uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking statements include, but are not limited to: political and economic conditions; industry competition; price fluctuations for oil and natural gas and related products and services; Badger's ability to attract and retain key personnel; the availability of future debt and equity financing; changes in laws or regulations, including taxation and environmental regulations which may adversely impact the labour supply and operating costs of Badger; extreme or unsettled weather patterns; and fluctuations in foreign exchange or interest rates.

Readers are cautioned that the foregoing factors are not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results is included in reports on file with securities regulatory authorities in Canada and may be accessed through the SEDAR+ website (www.sedarplus.ca) or at the Company's website. The forward-looking statements and information contained in this press release are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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