

**ADF GROUP INC. ANNOUNCES THE RESULTS FOR THE
THREE-MONTH AND SIX-MONTH PERIODS ENDED JULY 31, 2019**

HIGHLIGHTS

(All amounts are in Canadian dollars, unless otherwise indicated.)

- Solid increase of 68% and 50% in revenues during the three-month and six-month periods ended July 31, 2019 respectively compared with the same periods a year ago.
- Net income improvement year-over-year.
- New orders totalling \$165.0 million signed during the second quarter.
- Order backlog at \$345.1 million as at July 31, 2019, up from January 31, 2019.

Terrebonne, Quebec, September 12, 2019

ADF GROUP INC. ("ADF" or the "Corporation") (Ticker symbol: **TSX/DRX**), recorded revenues of \$54.1 million during the quarter ended July 31, 2019, compared with \$32.2 million for the same period a year ago. After the first semester of the current fiscal year, the Corporation recorded revenues of \$91.3 million, which is \$30.6 million more than for the same period last year.

Gross margin, as a percentage of revenue, went from 6.4% for the three-month period ended July 31, 2018, to 10.6% for the same period ended July 31, 2019. The margin improvement was even more significant on a cumulative basis, which went from 4.7% for the six months ended July 31, 2018, to 12.6% for the same period ended July 31, 2019. These increases, as a percentage of revenues is attributable to an increase in business volume and a better absorption of fixed costs in line with the increase in the level of fabrication activities. It should be noted that the results for the first semester ended July 31, 2018, were negatively impacted by the uncertainty surrounding the new tariffs on steel and aluminum imports.

For the second quarter ended July 31, 2019, ADF recorded a net income of \$0.4 million (\$0.01 per share, basic and diluted) compared to a net loss of \$0.5 million (-\$0.02 per share, basic and diluted) a year earlier. After the first six months, the Corporation recorded a net income of \$2.0 million (\$0.06 per share, basic and diluted) on July 31, 2019, compared to a net loss of \$1.4 million (-\$0.04 per share, basic and diluted) for the same period a year ago.

The order backlog of the Corporation stood at \$345.1 million as at July 31, 2019, compared with \$219.5 million as at January 31, 2019. The current order backlog will extend until the end of the next fiscal year ending January 31, 2021.

On July 31, 2019, the Corporation's working capital stood at \$34.2 million. Operating activities generated \$0.8 million liquidities during the first six-month period ended July 31, 2019. The Corporation remains well positioned to support its ongoing operations and pursue its development projects.

Financial Highlights

	3 Months		6 Months	
Periods ended July 31,	2019	2018	2019	2018
<i>(In thousands of dollars, and dollars per share)</i>	\$	\$	\$	\$
Revenues	54,119	32,220	91,265	60,697
Earnings before interest, taxes, depreciation and amortization (EBITDA)	3,012	109	6,031	(1,077)
Net income (loss)	419	(532)	2,037	(1,442)
— Per share (basic and diluted)	0.01	(0.02)	0.06	(0.04)
Cash flows from (used in) operating activities	3,570	4,187	754	(24)
<i>(In thousands)</i>	Number	Number	Number	Number
Average number of outstanding shares (basic and diluted)	32,635	32,635	32,635	32,635

New Orders

On June 12, 2019, the Corporation announced the signing of a series of new commercial agreements in the commercial building sector in the United States, worth a total of \$165.0 million. The scope of the largest project among this series of new commercial agreements, in terms of value, involves erecting the entire steel structure of a new multi-story building in Southeastern U.S.A., and includes design-assist services, the design and engineering of connections, as well as the fabrication and industrial coating. The fabrication and steel erecting work are scheduled to begin next year.

The other largest project, in terms of value, consists in the design and engineering of connections, the supply of the material (steel), the fabrication work, which includes the application of industrial coating, as well as construction engineering services and the installation of the steel structure of a new commercial building on the U.S. West Coast. The fabrication portion of this new project will begin in the coming weeks.

Outlook

"We are pleased with the improvement in our results so far. We continue our efforts to increase the order backlog, which remains the cornerstone of our growth" said **Mr. Jean Paschini**, Co-Chairman of the Board and Chief Executive Officer. "In addition, given our backlog and the pipeline of projects we are currently bidding on, we are confident and we look forward to the coming quarters with optimism" concluded Mr. Paschini.

Dividend

On September 11, 2019, ADF Group's Board of Directors approved the payment of a semi-annual dividend of \$0.01 per share, which will be paid on October 16, 2019 to shareholders of record as at September 30, 2019.

Conference Call with Investors

A conference call with investors is scheduled for today at 10 a.m. (Eastern time) to discuss the results of the second quarter and first semester ended July 31, 2019.

To take part in the conference call, dial **1-888-390-0549**, a few minutes prior to the conference call scheduled start time. A replay of this conference call will be available from 1:00 p.m. today until 11:59 p.m., September 19, 2019, by dialing **1 (888) 259-6562**, followed by the access code **055635** #.

The conference call (audio) will also be available at www.adfgroup.com. Members of the media are invited to listen in.

About ADF Group Inc.

ADF Group Inc. is a North American leader in the design and engineering of connections, fabrication, including industrial coatings, and installation of complex steel structures, heavy steel built-ups, as well as in miscellaneous and architectural metals for the non-residential construction industry. ADF Group Inc. is one of the few players in the industry capable of handling highly technically complex mega projects on fast-track schedules in the commercial, institutional, industrial and public sectors. The Corporation operates two fabrication plants and two paint shops, in Canada and in the United States.

Non-IFRS Measures

Earnings before interest, taxes, depreciation and amortization ("EBITDA") is not a performance measure recognized by IFRS standards, and is not likely to be comparable to similar measures presented by other issuers. Management, as well as investors, consider this to be useful information to assist them in assessing the Corporation's profitability and ability to generate funds to finance its operations. Refer to the section "Non-GAAP Measures" of the Corporation's Management's Discussion and Analysis for the definition of this metric and reconciliation to the most comparable IFRS measures.

Forward-Looking Information

This press release contains forward-looking statements reflecting ADF objectives and expectations. These statements are identified by the use of verbs such as "expect" as well as by the use of future or conditional tenses. By their very nature these types of statements involve risks and uncertainty. Consequently, reality may differ from ADF's expectations.

Source:

ADF GROUP INC.

Mr. Jean Paschini, Co-Chair of the Board of Directors and Chief Executive Officer

Mr. Jean-François Boursier, CPA, CA, Chief Financial Officer

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