

ENTERPRISE GROUP ANNOUNCES RESULTS FOR FOURTH QUARTER AND FULL YEAR 2018

March 15, 2019 - St. Albert, AB – Enterprise Group, Inc. (“Enterprise,” or “the Company”) [TSX: E], a consolidator of services to the energy sector; focused primarily on construction services and specialized equipment rental, today released its Q4 2018 and FY2018 results.

	Three months December 31, 2018 ⁽²⁾	Three months December 31, 2017 restated ⁽³⁾	Year ended December 31, 2018 ⁽²⁾	Year ended December 31, 2017 restated ⁽³⁾
Revenue	\$5,581,767	\$7,385,404	\$20,479,612	\$24,339,548
Gross margin	\$1,481,836	\$2,130,699	\$2,888,283	\$6,575,465
Gross margin %	27%	29%	14%	27%
EBITDA ⁽¹⁾	\$742,581	\$1,830,715	\$81,588	\$4,255,893
Net (loss) income and comprehensive (loss) income	\$(4,567,789)	\$372,957	\$(5,812,503)	\$(936,041)
EPS	\$(0.08)	\$0.01	\$(0.11)	\$(0.02)

(1) Identified and defined under “Non-IFRS Measures”.

(2) Includes a non-recurring and non-cash impairment charge for the year ended December 31, 2018 of \$3,887,300 (2017 - \$nil) relating to intangible assets and goodwill.

(3) In March 2018, the Company closed a transaction to divest substantially all the assets of CTHA. The net operations of CTHA, including the prior period, are presented as a single amount in the consolidated statements of loss and comprehensive loss.

- In March 2018, the Company closed a transaction to divest substantially all the assets of Calgary Tunnelling & Horizontal Augering Ltd. (“CTHA”). CTHA provided specialized trenchless solutions for the energy, utility and infrastructure industries. Gross cash proceeds, including working capital, from the transaction was \$20,194,992. Working capital is being paid out over time with the final payment due April 15, 2019. All proceeds from the transaction were deployed towards reducing the Company’s debt.
- The increased activity experienced in 2017 did not continue into 2018 and activity continued to decline until the fourth quarter of 2018. Industry wide price reductions and competition continues to negatively impact margins, however, Enterprise’s high level of service combined with its expertise and specialized equipment has allowed the Company to retain long-term customers while expanding its customer base. Revenue for the three months ended December 31, 2018 decreased by \$1,803,637 to \$5,581,767 compared to the prior period. Gross margin declined to 27% and EBITDA decreased by \$1,088,134 to \$742,581 for the three months ended December 31, 2018. Revenue for the year ended December 31, 2018 of \$20,479,612 decreased by \$3,859,936 compared to the prior year. Gross margin for the year ended December 31, 2018 decreased to 14% when compared to the prior year. EBITDA for the year ended December 31, 2018 decreased by \$4,174,305 to \$81,588 compared to the prior year and reflects lower activity levels combined with lower margins.
- The Company integrated and upgraded its financial and reporting systems along with its rental fleet tracking and deployment system during 2017. Further enhancements to these systems to improve reporting and to further promote operating efficiencies continued in 2018.

- Over the last 3 years, the Company has made significant improvements to its statement of financial position and overall total debt. At December 31, 2018, after adjusting deferred taxes, the Company has assets in excess of total debt of approximately \$46,000,000. Enterprise will continue to look for opportunities to improve its financial position and opportunities that will allow the Company to diversify and expand.

OUTLOOK

There has been some positive news for the industry over the last few months: the decision to restart the Site C Dam project in Fort St. John, B.C.; the purchase of the Trans Mountain pipeline by the Federal Government; and the final decision to proceed with the LNG Canada project in Kitimat, B.C.

As a result of ongoing discussions with customers, management's confidence is building in its outlook for the Company and its services. Management remains confident in its strategic and operational plans and has a seasoned leadership team to guide the Company. Enterprise is committed to its customer base throughout the Western Canadian provinces and strives to provide excellent customer service and is excited about its future prospects.

Enterprise's customers include some of Canada's largest energy producers, utility service providers and the federal and provincial governments of Canada. The Company employs experienced management and is committed to maintaining a high quality of service provided to its clients. With the diversification of the Company's services, streamlining of our operations, our cash management measures, management believes the Company is well positioned to navigate a difficult commodity price environment.

Management continues to drive cost reductions throughout the Company to assist in offsetting pricing pressures and reduced activity. Although cost reductions will continue in 2019, management is committed to maintaining the quality of service provided to its clients to position the Company for the future increases in activity levels and large project approval.

Management will maintain a conservative approach towards capital spending while looking at fleet management, and opportunistic asset dispositions that meet customer demands. This approach will allow management to both maintain financial flexibility and allow for opportunistic acquisition activity.

About Enterprise Group, Inc.

Enterprise Group, Inc. is a consolidator of construction services companies operating in the energy, utility and transportation infrastructure industries. The Company's focus is primarily construction services and specialized equipment rental. The Company's strategy is to acquire complementary service companies in Western Canada, consolidating capital, management, and human resources to support continued growth. More information is available at the Company's website www.enterprisegrp.ca. Corporate filings can be found on www.sedar.com

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Forward Looking Information

Certain statements contained in this news release constitute forward-looking information. These statements relate to future events or the Company's future performance. The use of any of the words "could", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. The Company's Annual Information Form and other documents filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com) describe the risks, material assumptions and other factors that could influence actual results and which are incorporated herein by reference. The Company disclaims any intention or obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.

Non-IFRS Measures

The Company uses International Financial Reporting Standards ("IFRS"). EBITDAS is not a measure that has any standardized meaning prescribed by IFRS and is therefore referred to as a non-IFRS measure. This news release contains references to EBITDAS. This non-IFRS measure used by the Company may not be comparable to a similar measure used by other companies. Management believes that in addition to net income, EBITDAS is a useful supplemental measure as it provides an indication of the results generated by the Company's principal business activities prior to consideration of how those activities are financed or how the results are taxed. EBITDAS is calculated as net income excluding depreciation, amortization, interest, taxes and stock based compensation.