

Black Diamond Reports Second Quarter 2017 Results

Calgary, Alberta, August 3, 2017 - Black Diamond Group Limited ("Black Diamond", the "Company" or "we"), (TSX:BDI), a leading provider of space rental and workforce accommodation solutions, today announced its operating and financial results for the three months ended June 30, 2017 (the "Quarter") and the six months ended June 30, 2017 (the "YTD") compared with the three months ended June 30, 2016 (the "Comparative Quarter") and the six months ended June 30, 2016. All financial figures are expressed in Canadian dollars.

Black Diamond's continued strategy to invest in high quality fleet in strong markets within the space rental platform resulted in meaningful increases in the BOXX Modular segment from the Comparative Quarter and from Q1 2017. Space rental fleet increased by 57% from the Comparative Quarter and utilization increased to 71% from 64% in the Comparative Quarter. Adjusted EBITDA (see "Non-GAAP Measures") for BOXX Modular represented 57% of consolidated Adjusted EBITDA for the Quarter. These investments further diversify the platform by scaling the non-resource business lines, broadening the geographic footprint, expanding the customer base, and increasing future cash flow stability for the business.

In Energy Services, management's decision to relocate assets from North Dakota to Texas resulted in an increase in utilization to 50% from 13% in the Comparative Quarter. Although the recovery in rental rates has been sluggish in Canada, utilization is higher, typically a leading indicator for activity that is expected to resonate through the entire energy complex. Activity levels for remote workforce accommodations in Western Canada remain low in the Quarter. While we are seeing the early signs of recovery in the Camps & Lodging segment, it is expected to be slower than originally forecasted.

In an effort to deliver an enhanced commercial model for profitability and long-term success, Black Diamond has initiated an internal restructuring of the organization. We will combine all of the Company's current operations that are focused on workforce accommodations and energy services under one integrated workforce solutions team, which is expected to produce a more competitive business. Leveraging the combined knowledge and skill set of our sales team and improving collaboration across our internal teams is expected to increase efficiencies and enhance the customer experience. Restructuring costs of \$2.9 million related primarily to employee severance and fleet relocation costs were recognized in the Quarter. By improving the organization structure, Black Diamond expects to yield annualized cost savings of approximately \$3.0 million and improve our operating results in future periods.

Management is confident that the strategies to focus, streamline and diversify the business will improve performance and position the Company for growth. However, based on the timing of the anticipated recovery in the Camps & Lodging business, management has lowered its expectation for Adjusted EBITDA in 2017 to be in the range of \$25.0 million to \$35.0 million. The Company has also increased its net capital spending plan to \$13.0 million from \$7.0 million to fund growth of its space rentals fleet in the US and Canadian markets outside of Alberta. This increased capital is to fund a number of additional opportunities, primarily for space rentals projects, with compelling returns and contract terms. The Company believes in the long-term fundamentals driving the demand for these kinds of projects with customer end markets in infrastructure, military and general construction.

Despite an extended period of challenging economic conditions in certain of Black Diamond's end markets, the Company has been able to continue to invest in the space rentals fleet to further diversify the business, generate positive operating cash flow and reduce debt. Throughout this period, the Company has reduced its cost structure and remained in compliance with its lender covenants. To further improve long-term shareholder value, the Company's board of directors has decided to suspend its dividend effective immediately. The increased liquidity resulting from all of these measures provides the Company with the flexibility to retain or reinvest cash in the business through further debt repayment, organic growth of fleet assets for which the Company is seeing increasing demand, potential business acquisitions and for potential share repurchases. This is expected to allow the Company to accelerate the growth of its business and to precipitate the strategy of diversifying the Company by geography and industry by focusing on the growth of the space rentals business.

The Company also announced that it has obtained approval of the Toronto Stock Exchange (the "TSX") to commence a normal course issuer bid (the "NCIB") with respect to its common shares (the "Common Shares"). The NCIB will commence on August 9, 2017 and will terminate on the earlier of August 8, 2018, the date on which the Company has purchased the maximum number of Common Shares permitted under the NCIB or date on which the NCIB is terminated.

Under the NCIB, the Company may, over a 12-month period commencing on August 9, 2017, purchase in the normal course through the facilities of the TSX, or alternative trading systems, if eligible, up to 4,930,526 Common Shares, such amount representing 10% of the public float of the Common Shares and approximately 8.9% of the 55,309,703 issued and outstanding Common Shares as at July 31, 2017. Furthermore, subject to certain exemptions for block purchases, the maximum number of Common Shares that the Company may acquire on any one trading day is 67,334 Common Shares, such amount representing 25% of the average daily trading volume of the Common Shares of 269,337 for the six calendar months prior to the start of the NCIB. All Common Shares purchased by the Company under the NCIB will be cancelled.

Black Diamond believes that, from time to time, the market price of the Common Shares may not fully reflect the underlying value of the Common Shares and that at such time the purchase of the Common Shares represents attractive investment value and would be in the best interests of Black Diamond and its shareholders.

The Company has engaged Raymond James Ltd. to act as broker and to administer the NCIB.

“We are pleased with the success the Company has had in its diversification strategy through organic and inorganic growth of our space rentals business.” said Trevor Haynes, President and CEO of Black Diamond. “This increases our revenue from non-resource customers and provides stability and growth for the business as we position to capitalize on a recovery in the resource sector.”

Second Quarter 2017 Financial Highlights

(in millions, except where noted)	Three months ended June 30,			Six months ended June 30,		
	2017 \$	2016 \$	Change	2017 \$	2016 \$	Change
Revenue						
BOXX Modular	18.7	10.3	82%	28.8	23.6	22%
Camps & Lodging	11.3	19.8	(43)%	32.6	51.9	(37)%
Energy Services	5.0	2.7	85%	10.0	8.2	22%
International	2.0	1.2	67%	3.5	2.7	30%
Corporate and Other	0.2	0.5	(60)%	0.4	0.9	(56)%
Total Revenue	37.2	34.5	8%	75.3	87.3	(14)%
Total Adjusted EBITDA	5.4	7.6	(29)%	10.0	24.8	(60)%
Funds from Operations	6.9	11.3	(39)%	21.0	30.3	(31)%
Per share (\$)	0.13	0.28	(54)%	0.41	0.74	(45)%
Loss	(7.8)	(8.6)	(9)%	(13.2)	(11.0)	20%
Loss per share - Basic and diluted	(0.14)	(0.21)	(33)%	(0.26)	(0.27)	(4)%
Capital expenditures	1.8	1.7	6%	6.8	4.7	45%
Business acquisitions	—	—	n/a	42.0	—	n/a

HIGHLIGHTS FOR THE QUARTER

- BOXX Modular asset utilization for the Quarter was 71%, an increase from 64% in the Comparative Quarter and space rental fleet increased by 57% from the Comparative Quarter due to increased activity outside of Alberta resulting in an 82% increase in revenue and a 68% increase in Adjusted EBITDA.
- Energy Services drilling accommodation utilization for the Quarter was 50%, an increase from 13% in the Comparative Quarter. The increase in utilization is due to an increase in drilling and completion activity in Canada and the U.S. and increased market share in the Permian Basin.
- Net Debt (see "Non-GAAP Measures") at June 30, 2017 was \$114.3 million, down 18% or \$24.7 million from \$139.0 million as at June 30, 2016 due primarily to an equity raise in July 2016 and positive operating cash flows.
- At June 30, 2017, Net Debt to trailing twelve month Adjusted EBITDA (see "Non-GAAP Measures") was 3.36.

2017 Capital Plan

Based on increased market demand, the 2017 gross capital spending plan was revised to \$23.0 million. This includes maintenance capital which is estimated to be \$1.5 million for the year, but does not include any normal course fleet and other sales that are projected to be \$10.0 million for fiscal 2017. On a net basis, the 2017 capital spending plan is focused predominantly within the BOXX Modular space rentals business in the US and the Pacific and East regions of Canada. The capital plan will generally be non-speculative and support our overarching strategy to diversify the Company's platform.

Capital expenditures for the Quarter were \$1.8 million. For the YTD, capital expenditures were \$6.8 million. Capital expenditures for the Quarter included maintenance capital of \$0.3 million, down \$0.1 million from the Comparative Quarter. Capital commitments were \$6.1 million as at June 30, 2017. This is compared with capital expenditures of \$1.7 million and capital commitments of \$4.8 million in the Comparative Quarter.

Proceeds from used fleet sales in the Quarter were \$2.5 million, compared with \$3.4 million in the Comparative Quarter.

Financial Review

- Revenue for the Quarter was \$37.1 million, up 8% or \$2.7 million from the Comparative Quarter primarily due to increased BOXX Modular fleet size and utilizations, partially offset by the impact of low commodity prices on utilization and pricing in Camps & Lodging.
- Adjusted EBITDA (see "Non-GAAP Measures") for the Quarter was \$5.4 million, down 29% or \$2.2 million from the Comparative Quarter primarily due to a decrease in gross profit margin as a result of lower occupancy in Camps & Lodging partially offset by fleet growth and increases in utilization in BOXX Modular.
- Net loss for the Quarter was \$7.8 million, compared with a net loss of \$8.6 million in the Comparative Quarter. This resulted in a loss per share of \$0.14, with a loss per share of \$0.21 in the Comparative Quarter.
- Consolidated contracted future revenue at the end of the Quarter was \$36.6 million, down 39% or \$23.4 million from \$60.0 million in the Comparative Quarter due to lower market activity.
- Administrative expenses for the Quarter were \$10.7 million, up 8% or \$0.8 million from the Comparative Quarter primarily due to an increase in occupancy costs related to acquisitions.

Additional Information

A copy of the Company's unaudited interim condensed consolidated financial statements for the three and six month periods ended June 30, 2017 and 2016 and related management's discussion and analysis have been filed with the Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) and www.blackdiamondgroup.com.

Conference Call

Black Diamond will hold a conference call and webcast tomorrow, August 4, 2017, at 9:00 a.m. MT (11:00 a.m. ET).

Chairman, President and CEO Trevor Haynes and Executive Vice President and CFO Toby LaBrie will discuss Black Diamond's financial results for the Quarter and then take questions from investors and analysts.

To access the conference call by telephone dial toll free 1-855-435-1153. International callers should use (210) 229-8824 (Conference ID: 79806206). Please connect approximately 10 minutes prior to the beginning of the call.

Please log into the webcast 10 minutes before the start time at: <http://edge.media-server.com/m/p/4nkt5eef>

Slides to accompany the conference call can be accessed through <https://join.me/BDI-Investors>.

Following the conference call, an audio archive will be available in the Investor Events section of the Company's website at www.blackdiamondgroup.com.

Reader Advisory

Forward-Looking Statements

Certain information set forth in this news release contains forward-looking statements including the amount of funds that will be expended on the 2017 capital plan, how such capital will be expended, Adjusted EBITDA guidance, Management's assessment of Black Diamond's future operations and what may have an impact on them, financial performance, business prospects and opportunities, changing operating environment including increased activity levels, amount of revenue anticipated to be derived from current contracts, amendments to Black Diamond's debt instruments; economic life of the Company's assets, future growth and profitability of the Company, realization of the anticipated benefits of acquisitions and the NCIB. With respect to the forward-looking statements in the news release, Black Diamond has made assumptions regarding, among other things: future commodity prices, that Black Diamond will continue to conduct its operations in a manner consistent with past operations, that counter-parties to contracts will perform the contracts as written and that there will be no unforeseen material delays in contracted projects. Although Black Diamond believes that the expectations reflected in the forward-looking statements contained in this news release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurances that such expectations or assumptions will prove to be correct. Readers are cautioned that assumptions used in the preparation of such statements may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of Black Diamond. These risks include, but are not limited to: the impact of general economic conditions, industry conditions, fluctuation of commodity prices, the Company's ability to attract new customers, failure of counterparties to perform on contracts, industry competition, availability of qualified personnel and management, timely and cost effective access to sufficient capital from internal and external sources, political conditions, dependence on suppliers and stock market volatility. The risks outlined above should not be construed as exhaustive. Additional information on these and other factors that could affect Black Diamond's operations and financial results are included in Black Diamond's annual information form for the year ended December 31, 2016 and other reports on file with the Canadian Securities Regulatory Authorities which can be accessed on SEDAR. Readers are cautioned not to place undue reliance on these forward-looking statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Black Diamond does not undertake any obligation to update or revise any of the forward-looking statements, except as may be required by applicable securities laws.

Non-GAAP Measures

In this news release, the following terms have been referenced: Adjusted EBITDA, Net Debt, Days Sales Outstanding and Payout Ratio. Readers are cautioned that these measures are not defined under International Financial Reporting Standards ("IFRS"). Readers are cautioned that these non-GAAP measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of the Company's performance or cash flows, a measure of liquidity or as a measure of actual return on the common shares of the Company. These non-GAAP measures should only be used in conjunction with the consolidated financial statements of the Company. A reconciliation between these measures and measures defined under IFRS is included in management's discussion and analysis for the three month period ended June 30, 2017 filed on SEDAR.

About Black Diamond

Black Diamond provides workforce accommodation, modular buildings, energy services, and full turnkey lodging and major project solutions including planning and management, logistics, and catering to customers in Canada, the United States and Australia. We serve diverse sectors including oil and gas, mining, power, construction, engineering, military, government, financial services and education.

Black Diamond has four core business units: Black Diamond Camps & Lodging, BOXX Modular, Black Diamond Energy Services, and Black Diamond International. Learn more at: www.blackdiamondgroup.com.

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