



Decisive Dividend — Corporation —

Decisive Dividend Corporation Reports Record Quarterly Results for the Second Quarter of 2022

August 11, 2022 – Kelowna, British Columbia: Decisive Dividend Corporation (TSX-V: DE) (the “Company” or “Decisive”) today reported its financial results for the three and six months ended June 30, 2022.

Highlights of the Company’s financial performance in Q2 2022 include the following:

- Consolidated sales increased 63% to a record \$23.2 million in Q2 2022 compared to \$14.2 million in Q2 2021.
- The quarterly sales increase brings consolidated sales for the first half of 2022 to \$41.9 million, an increase of \$13.7 million, or 49%, relative to the first half of 2021.
- Generated a record \$3.3 million in Adjusted EBITDA* in Q2 2022, an increase of 30% relative to Q2 2021. Excluding subsidies, Q2 2022 Adjusted EBITDA* was \$2.6 million, or 322%, higher than Q2 2021.
- Adjusted EBITDA* in the first half of 2022 of \$5.7 million represents a 20% increase compared to the half of 2021. Excluding subsidies, year-to-date 2022 Adjusted EBITDA* was \$3.1 million, or 124%, higher than the first half of 2021.
- Generated profit of \$0.9 million, or \$0.07 per share, in Q2 2022, an increase of 49%, or \$0.02 per share compared to Q2 2021.
- In the first half of 2022, generated profit of \$1.4 million, or \$0.11 per share, an increase of 60%, or \$0.04 per share compared to the first half of 2021.
- In Q2 2022, increased the per share monthly dividend to \$0.03 from \$0.025 previously. The increased monthly dividend represents a \$0.36 per share dividend on an annualized basis.

Selected Financial Highlights:

The following are selected financial highlights of Decisive for the three and six ended June 30, 2022. All amounts are expressed in Canadian dollars. The Company’s Unaudited - interim condensed consolidated financial statements as well as its management’s discussion and analysis (“MD&A”) are posted on SEDAR and on Decisive’s website (www.decisivedividend.com).

(Stated in thousands of dollars, except per share amounts)

June 30,	For the three months ended			For the six months ended		
	2022	2021	Change	2022	2021	Change
Sales	\$ 23,189	\$ 14,194	63%	\$ 41,878	\$ 28,139	49%
Gross profit	7,756	5,312	46%	13,954	10,469	33%
Gross profit %	33%	37%		33%	37%	
Adjusted EBITDA*	3,344	2,564	30%	5,650	4,729	19%
Per share basic	0.27	0.22	24%	0.46	0.40	14%
Profit before tax	1,245	877	42%	2,060	1,362	51%
Profit	884	597	48%	1,396	875	60%
Per share basic	0.07	0.05	40%	0.11	0.07	57%
Per share diluted	0.07	0.05	40%	0.11	0.07	57%
Dividends declared	1,132	714	59%	2,044	714	186%
Per share basic	0.09	0.06	51%	0.17	0.06	174%

** Adjusted EBITDA is not a recognized financial measure under International Financial Reporting Standards (IFRS) and therefore may not be comparable to similar measures presented by other issuers, but it is used by management to assess the performance of the Company and its segments. See "Non-IFRS Financial Measures" later in this press release for the full description of Adjusted EBITDA and a reconciliation of applicable IFRS measures to non-IFRS measures.*

Q2 2022 Highlights:

- Consolidated sales increased 63% to \$23.2 million compared to \$14.2 million in Q2 2021.
- Consolidated gross profit increased 46% to \$7.8 million from \$5.3 million in Q2 2021. Excluding subsidies, Q2 2022 gross profit was \$3.4 million, or 80%, higher than Q2 2021.
- Consolidated gross profit percentages decreased to 33% from 37% in Q2 2021, driven primarily by the decrease in government subsidies. Absent subsidies, gross profit percentages were 3% higher than the 30% pre-subsidy gross profit percentages in Q2 2021.
- Consolidated Adjusted EBITDA* increased to \$3.3 million, up 30% relative to Q2 2021. Excluding subsidies, Q2 2022 Adjusted EBITDA* was \$2.6 million, or 322%, higher than Q2 2021.
- Strong performance across the portfolio of businesses, with each business experiencing robust customer demand.
- In the finished product segment, the sales generated by Marketing Impact since being acquired in April 2022, contributed meaningfully to the quarter. Blaze King sales increased 39% compared to Q2 2021, and although Slimline sales decreased by 10% relative to Q2 2021, the decrease was a result of supply chain delays on certain components, as the backlog of agricultural sprayers was higher as of June 30, 2022, compared to June 30, 2021.
- In the component manufacturing segment, Unicast sales increased 41%, Hawk sales increased 69%, and Northside sales increased 75% compared to Q2 2021.
- The Company's subsidiaries did not receive any government subsidies in the quarter (Q2 2021 - \$1.8 million).
- Consolidated net profit in the quarter was \$0.9 million, or \$0.07 per share, an increase of \$0.3 million, or \$0.02 per share, compared to Q2 2021.

2022 Year-to-Date Highlights:

- Consolidated sales increased 49% to \$41.9 million, compared to \$28.1 million in the first half of 2021.
- Consolidated gross profit increased 33% to \$14.0 million from \$10.5 million in the first half of 2021. Excluding subsidies, first half gross profit was \$4.8 million, or 52% higher than in the first half of 2021.
- Consolidated gross profit percentages declined to 33% from 37% in the first half of 2021, which was driven primarily by the decrease in government subsidies. Absent subsidies, year-to-date consolidated gross profit percentages were consistent with the first half of 2021.
- Consolidated Adjusted EBITDA* increased to \$5.7 million, up 20% relative to 2021, driven by the above noted increases in sales and gross profit. Excluding subsidies, first half Adjusted EBITDA* was \$3.1 million, or 124%, higher than the first half of 2021.
- Sales in the finished product segment increased by \$7.2 million, or 48%, relative to the first half of 2021, driven by the acquisition of Marketing Impact and continued strong demand for Blaze King's products and Slimline's agricultural sprayers.
- Sales for the component manufacturing segment increased by \$6.5 million, or 50%, relative to the first half of 2021 based on customer demand increases in each of Unicast, Hawk and Northside, driven by improving fundamentals in the sectors that those customers operate in.

- The Company's subsidiaries did not receive any government subsidies in the first half of the year (2021 - \$2.2 million).
- Consolidated net profit was \$1.4 million, or \$0.11 per share, an increase of 60%, or \$0.04 per share compared to the first half of 2021.

Jeff Schellenberg, Chief Executive Officer of Decisive, noted:

"Q2 was a tremendous quarter for Decisive as we made significant progress on all of our key strategic objectives. During the quarter, we achieved record quarterly operating results, we returned the monthly dividend to pre-pandemic levels, and we completed our first acquisition since 2019.

Each of our portfolio companies continue to face strong demand for their products as demonstrated by our record revenue levels and strong growth. We are particularly pleased with the profitability of the group as our Adjusted EBITDA performance has grown significantly relative to a year ago, especially considering the impact government subsidies had on prior year results, and despite current supply chain challenges. These results demonstrate the resilience of our diversified business model and reflect the efforts of our subsidiaries' management teams to manage costs, optimize pricing and operations in a challenging market, and win new profitable work.

We are also very pleased to have been able to return the monthly dividend to the pre-pandemic level of 3-cents per share per month. This reflects our commitment to provide sustainable and growing dividends to our shareholders and was supported by our operating results, which demonstrated strong revenue and profitability growth, as well as further growth through acquisition with the closing of the Marketing Impact transaction.

Our acquisition and integration of Marketing Impact has gone very well as the business has met all of the expectations we had for the company when Decisive acquired it in April. They have a committed and capable management team and have been a welcome addition into our group of companies.

While we are experiencing strong performance, have returned our dividend to pre-pandemic levels, and have completed an acquisition, we don't plan on sitting back. Our subsidiaries continue to work to enhance profitability and growth, we have an active and growing pipeline of potential targets, and have our sights set on our next acquisition.

We have had an eventful first half of 2022 and look forward to providing further updates to our shareholders as we progress through the second half of the year."

Outlook:

- Executing on the growth strategy with the acquisition of Marketing Impact in April 2022.
- Building a strong and growing acquisition prospect pipeline.
- Continuing to build upon the strong demand across the portfolio of businesses expected through the remainder of 2022.
- Optimizing operations, with an emphasis on increasing production capacity, improving operational efficiency and enhancing margins in the face of broad and steady customer demand trends.
- Providing sustainable and growing dividends to shareholders, following an increase in the monthly dividend to \$0.03 per share in May 2022.
- Balance sheet flexibility, supportive shareholders, and further diversification of the portfolio has demonstrated Decisive's resilience through a variety of economic conditions.

About Decisive Dividend Corporation

Decisive Dividend Corporation is an acquisition-oriented company, focused on opportunities in manufacturing. The Company's purpose is to be the sought-out choice for exiting legacy-minded business owners, while supporting the long-term success of the businesses acquired, and through that, creating sustainable and growing shareholder returns. The Company uses a disciplined acquisition strategy to identify already profitable, well-established, high quality manufacturing companies that have a sustainable competitive advantage, a focus on non-discretionary products, steady cash flows, growth potential and established, strong leadership.

For more information on Decisive, or to sign up for email notifications of Company press releases, please visit www.decisivedividend.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

Jeff Schellenberg, Chief Executive Officer
Rick Torriero, Chief Financial Officer

#260 – 1855 Kirschner Road
Kelowna, BC V1Y 4N7
Telephone: (250) 870-9146

Cautionary Statements

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Non-IFRS Financial Measures

In this press release, reference is made to "Adjusted EBITDA", which is not a recognized financial measure under IFRS, but is believed to be meaningful in the assessment of the Company's performance.

"Adjusted EBITDA" is defined as earnings before finance costs, income taxes, depreciation, amortization, foreign exchange gains or losses, other non-cash items such as gains or losses recognized on the fair value of contingent consideration items, asset impairment, share-based compensation, and restructuring costs, and other non-operating items such as acquisition costs.

Adjusted EBITDA is a financial performance measure that management believes is useful for investors to analyze the results of the Company's operating activities prior to consideration of how those activities are financed and the impact of non-operating charges related to planned or completed acquisitions, foreign exchange, taxation, depreciation, amortization, and impairment charges.

The most directly comparable financial measure is profit or loss. While Adjusted EBITDA is used by management to assess the historical financial performance of the Company, readers are cautioned that:

- Non-IFRS financial measures, such as Adjusted EBITDA, are not recognized financial measures under IFRS;*
- The Company's method of calculating Non-IFRS financial measures, such as Adjusted EBITDA, may differ from that of other corporations or entities and therefore may not be directly comparable to measures utilized by other corporations or entities;*
- Non-IFRS financial measures, such as Adjusted EBITDA, should not be viewed as an alternative to measures that are recognized under IFRS such as profit or loss or cash from operating activities; and*
- A reader should not place undue reliance on any Non-IFRS financial measures.*

Set forth below are reconciliations of Non-IFRS financial measures to their most relevant IFRS measures.

(Stated in thousands of dollars)

	For the three months ended		For the six months ended	
June 30,	2022	2021	2022	2021
Profit for the period	\$ 884	\$ 597	\$ 1,396	\$ 875
Add (deduct):				
Financing costs	657	530	1,112	1,050
Income tax expense	361	280	664	487
Amortization and depreciation	1,140	891	2,016	1,776
Acquisition and restructuring costs	578	-	578	-
Share-based compensation expense	28	64	98	218
Foreign exchange expense (income)	(291)	207	(197)	341
Interest and other income	(4)	(5)	(8)	(3)
Gain on sale of equipment	(9)	-	(9)	(15)
Adjusted EBITDA	3,344	2,564	5,650	4,729

Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words “could”, “intend”, “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 management’s current beliefs, assumptions and expectations as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this press release contains forward-looking information relating to the future prospects of the Company and its operating subsidiaries, 2022 demand levels, increasing demand from customers, potential future acquisitions, and productivity and efficiency initiatives being explored to enhance margins. Risk factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things: general economic conditions; pandemics; competition; government regulation; environmental regulation; access to capital; market trends and innovation; climate risk; general uninsured losses; risk related to acquisitions; dependence on customers, distributors and strategic relationships; supply and cost of raw materials and purchased parts; operational performance and growth; implementation of the growth strategy; product liability and warranty claims; litigation; reliance on technology, intellectual property, and information systems; availability of future financing; interest rates and debt financing; income tax matters; foreign exchange; dividends; trading volatility of common shares; dilution risk; reliance on management and key personnel; employee and labour relations; and conflicts of interest, all as more particularly described in the most recent annual MD&A of the Company available on the Company’s profile at www.sedar.com. There can be no assurance as to the future financial performance of the Company or that the board of directors of the Company will declare or pay any dividends in the future or, if dividends are declared and paid, there can be no assurance as to the frequency or amount of such dividends. The Company cautions the reader that the risk factors referenced above are not exhaustive. The forward-looking information contained in this release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.