



Distinct Infrastructure Group Reports Record First Quarter Revenue and EBITDA

TSXV:DUG | OTCQX:DSTFF

TORONTO, May 25, 2017 /CNW/ - Distinct Infrastructure Group Inc. ("Distinct" or the "Company") today released its financial results for the three months ended March 31, 2017 ("Q1 2017"). For Q1 2017, the Company reported record first quarter revenues of \$16.0 million and EBITDA of \$1.6 million, an increase of 49% and 52% respectively as compared to the three months ended March 31, 2016 ("Q1 2016"). The Company continues to experience strong revenue growth due to incremental demand for services from key clients.

"We are pleased with the Company's performance so far in 2017," said Joe Lanni, Co-Chief Executive Officer of the Company. "With a focus on managed growth and operational excellence, we believe the Company's results in Q1 2017 sets a strong base for the remainder of the year."

Further commenting on the first quarter results, Alex Agius, Co-Chief Executive Officer of the Company stated: "The Company continues to make select investments internally on additional manpower and equipment to meet demand from both new and existing clients. Our core business represents an exceptional platform for growth and we remain focused on operational excellence in 2017."

Other highlights for Q1 2017:

- With over 85% of our revenues originating from clients with Master Service Agreements ("MSA"), Distinct remains well-positioned to continue meeting and exceeding its client's expectations. The nature of the work being issued to the Company by its biggest customers continues to be projects that are larger and of a longer duration. This change in the mix of work has required a continued investment in working capital by the Company, as seen in our accounts receivable and work in progress balances at the end of Q1 2017. Distinct continues to work with our clients, through various initiatives, to improve cash conversion cycles.
- Revenue growth continues with a 49% increase over Q1 2016. The Company experienced stronger than historically adjusted growth in Q1 2017 due to a push in work from late in the fourth quarter of 2016.
- Adjusted EBITDA of \$1.6 million in Q1 2017 as compared to \$1.1 million in Q1 2016, a 52% increase. Adjusted EBITDA margin was 9.9% in Q1 2017 compared to 9.8% in Q1 2016, an increase of 0.2% year over year.

- As previously announced on March 28, 2017, the Company will be refinancing its existing senior debt on May 26, 2017. The Company expects the transaction to reduce annual net interest expense and directly benefit earnings per share and cash flows going forward. The funds will be used for existing debt refinancing, future working capital needs and general corporate purposes.
- The Company continues to experience strong demand for its services from Canada's largest communication companies, various utilities and municipalities across the provinces of Ontario and Alberta. As well, the Company's iVAC hydroexcavation business continues to perform well, with a mix of internal and external sales growth in all jurisdictions.
- Western business results remain in-line with management expectations. As well, the Company has added select strategic blue chip clients to its customer roster in Western Canada, which will drive growth in 2017. The Company expects a modest improvement in the broader economic landscape into mid-2017 and continues to see significant demand for the Company's utilities services specifically in western Canada.
- The Company's build out of a robust management structure across all areas of the business continues with a view towards servicing our clients and managing growth in the field. Investment in the training of staff continues with a focus on implementation of systems and processes.

Consolidated Financial Highlights

	March 31, 2017	December 31, 2016
Total current assets	55,929,080	55,204,500
Total non-current assets	18,911,846	19,588,728
Total Assets	74,840,926	74,793,228
Total current liabilities	21,952,394	21,414,718
Total non-current liabilities	24,063,877	24,523,655
Total Liabilities	46,016,271	45,938,373
Total Shareholders' Equity	28,824,655	28,854,855
Total Liabilities & Shareholders' Equity	74,840,926	74,793,228

	3 months ended March 31, 2017	3 months ended March 31, 2016
Revenue	16,042,343	10,759,455
Expenses		
Direct costs	11,718,797	7,668,678
Selling, general and administrative	2,761,356	2,061,316
Depreciation	658,426	532,279
Total expenses	15,138,579	10,262,273
Earnings from operations	903,764	497,182
Other expenses		
Finance expense	1,009,357	767,907

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Income before taxes	(105,593)	(270,725)
Income tax provision	69,813	-
Net and comprehensive income	(175,406)	(270,725)
Earnings per share:		
Basic and diluted	(0.00)	(0.01)
EBITDA	1,562,190	1,029,461
Adjusted EBITDA	1,592,099	1,050,873

Note: EBITDA and Adjusted EBITDA are non-GAAP/IFRS figures. "EBITDA" represents net income plus income tax provision, finance expense and depreciation. "Adjusted EBITDA" represents EBITDA plus share-based compensation and one-time costs. Non-GAAP financial measures do not have standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies. Specific items may only be relevant in certain periods. For reconciliation of Net Income to EBITDA and Adjusted EBITDA please refer to the Company's Management Discussion and Analysis for the period ended March 31, 2017.

The financial statements, notes to the financial statements and Management's Discussion and Analysis for the three month period ended March 31, 2017 are available on SEDAR at www.sedar.com as well as DIG's investor relations website at www.diginc.ca.

About Distinct Infrastructure Group:

Distinct Infrastructure Group Inc. is a turnkey solutions firm providing design, engineering, construction and maintenance services to telecommunication firms, utilities and government bodies. Distinct's full service suite of offerings includes underground construction, aerial construction, inventory management, and technical services including fibre to the building and home. The Company's head offices are located in Toronto, Ontario, with additional offices in Edmonton, Alberta.

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.

Forward Looking Statements

This news release contains "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "anticipated", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Inspiration is subject to significant risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements contained in this release. Inspiration cannot assure investors that actual results will be consistent with these forward looking statements and Inspiration assumes no obligation to update or revise the forward looking statements contained in this release to reflect actual events or new circumstances.

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CNW 16:00e 25-MAY-17