



## NEWS RELEASE

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### **Boyd Group Services Inc. Reports First Quarter 2024 Results**

*- Adjusted EBITDA challenged as mild winter weather impacts demand -*

**Winnipeg, Manitoba – May 15, 2024** – Boyd Group Services Inc. (TSX: BYD.TO) (“BGS”, “the Boyd Group”, “Boyd” or “the Company”) today announced the results for the three month period ended March 31, 2024. The Boyd Group’s first quarter 2024 financial statements and MD&A have been filed on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)). This news release is not in any way a substitute for reading Boyd’s financial statements, including notes to the financial statements, and Boyd’s Management’s Discussion & Analysis.

#### **Results and Highlights for the First Quarter Ended March 31, 2024:**

- Sales increased by 10.0% to \$786.5 million from \$714.9 million in the same period of 2023, including same-store sales<sup>1</sup> increases of 2.2%. The first quarter of 2024 recognized the same number of selling and production days when compared to the same period of 2023
- Gross Profit increased by 7.8% to \$352.6 million or 44.8% of sales from \$327.0 million or 45.7% of sales in the same period in 2023
- Adjusted EBITDA<sup>1</sup> decreased 3.5% to \$81.7 million, or 10.4% of sales, compared with Adjusted EBITDA of \$84.7 million, or 11.8% of sales in the same period of 2023
- Adjusted net earnings<sup>1</sup> decreased to \$9.4 million, compared with \$21.2 million in the same period of 2023 and adjusted net earnings per share<sup>1</sup> decreased to \$0.44, compared with \$0.99 in the same period of 2023
- Net earnings decreased to \$8.4 million, compared with \$20.8 million in the same period of 2023 and net earnings per share decreased to \$0.39, compared with \$0.97 in the same period of 2023
- Debt, net of cash before lease liabilities increased from \$399.2 million at December 31, 2023 to \$438.5 million at March 31, 2024
- Declared first quarter dividend in the amount of C\$0.15 per share
- Added 13 collision repair locations, including 12 through acquisition and one start-up location
- Extended the revolving credit facilities maturity to March 2028 and increased availability to a maximum of \$850 million, with the existing \$125 million Term Loan A maturing in March 2027 remaining unchanged

#### **Subsequent to Quarter End**

- Added seven collision repair locations, including six through acquisition and one start-up location
- Published Boyd’s third Environmental, Social and Governance (“ESG”) Report

“First quarter results were disappointing, with sales of \$786.5 million, Adjusted EBITDA of \$81.7 million and net earnings of \$8.4 million”, said Timothy O’Day, President & Chief Executive Officer of the Boyd Group. “Following several quarters of demand for services exceeding capacity, the first quarter was significantly impacted by mild winter weather with claims and appraisal volumes experiencing decline, while used car pricing returned to more normal levels, increasing the frequency of total losses. As reported by industry sources, repairable appraisals were down 8% during the quarter, with a greater share of decline in the month of March, which was unanticipated when we last reported. As a result of the decline in demand, the cost structure and workforce that Boyd had in place exceeded the level of demand and placed pressure on the level of Adjusted EBITDA the Company could deliver during the first quarter of 2024.”

<sup>1</sup> Same-store sales, Adjusted EBITDA, Adjusted net earnings and Adjusted net earnings per share are non-GAAP financial measures and ratios and are not standardized financial measures under International Financial Reporting Standards and might not be comparable to similar financial measures disclosed by other issuers. For additional details, including a reconciliation of each non-GAAP financial measure to its nearest GAAP equivalent, please see “Non-GAAP financial measures and ratios” section of this news release.



Results of Operations	For the three months ended, March 31,		
	2024	% change	2023
<i>(thousands of U.S. dollars, except per share amounts)</i>			
Sales – Total	<b>786,547</b>	10.0	714,941
Same-store sales – Total (excluding foreign exchange) <sup>(1)</sup>	<b>727,794</b>	2.2	712,324
Gross margin %	<b>44.8 %</b>	(2.0)	45.7 %
Operating expense %	<b>34.4 %</b>	1.5	33.9 %
Adjusted EBITDA <sup>(1)</sup>	<b>81,707</b>	(3.5)	84,694
Acquisition and transaction costs	<b>1,446</b>	160.1	556
Depreciation and amortization	<b>52,618</b>	20.1	43,795
Fair value adjustments	<b>(7)</b>	N/A	—
Finance costs	<b>16,122</b>	33.6	12,064
Income tax expense	<b>3,147</b>	(57.8)	7,456
Adjusted net earnings <sup>(1)</sup>	<b>9,444</b>	(55.5)	21,234
Adjusted net earnings per share <sup>(1)</sup>	<b>0.44</b>	(55.6)	0.99
Net earnings	<b>8,381</b>	(59.8)	20,823
Basic and diluted earnings per share	<b>0.39</b>	(59.8)	0.97

1. Same-store sales, Adjusted EBITDA, Adjusted net earnings and Adjusted net earnings per share are non-GAAP financial measures. Please see "Non-GAAP Financial Measures and Ratios" section of this news release.

## Outlook

"The continuing mild weather and resulting low demand environment has impacted demand for services into the second quarter. This, along with strong comparative period same-store sales has made it challenging to deliver same-store sales growth thus far in the quarter. As is typical, during the summer months we anticipate miles driven to increase and the claims volume and demand for services to increase. While the Company expects claims volumes and demand for services to normalize as the year progresses, Boyd is prepared to take steps to address the challenges the business is currently facing, should the current softer level of demand continue", said Mr. O'Day.

"We have made meaningful progress towards our goal of internalizing scanning and calibration services to drive down cost to our customers and convert a sublet operation to an internal operation. During 2024, we have increased the amount of scanning and calibration services we are able to perform in-house by increasing our workforce in this area by over 60% and expanding the footprint of states that we are able to serve while continuing to increase the remote services we are able to offer."

"Given the high level of location growth in 2021, the strong same-store sales growth during 2022, the combination of same-store sales growth and location growth in 2023, the location growth thus far in 2024, and the commitment of our team to improving performance throughout the remainder of 2024, we remain confident that the Company is on track to achieve its long-term growth goals, including doubling the size of the business on a constant currency basis from 2021 to 2025 against 2019 sales."



### **2024 First Quarter Conference Call & Webcast**

As previously announced, management will hold a conference call on Wednesday, May 15, 2024, at 10:00 a.m. (ET) to review the Company's 2024 first quarter results. You can join the call by dialing 888-390-0546 or 416-764-8688. To join the conference call without operator assistance, you may register and enter your phone number at <https://emportal.ink/3vZt9Es> to receive an instant automated call back. A live audio webcast of the conference call will be available through [www.boydgroup.com](http://www.boydgroup.com). An archived replay of the webcast will be available for 90 days. A taped replay of the conference call will also be available until Wednesday, May 22, 2024, at midnight by calling 888-390-0541 or 416-764-8677, replay entry code 545763#, reference number 96545763.

### **About Boyd Group Services Inc.**

Boyd Group Services Inc. is a Canadian corporation and controls The Boyd Group Inc. and its subsidiaries. Boyd Group Services Inc. shares trade on the Toronto Stock Exchange (TSX) under the symbol BYD.TO. For more information on The Boyd Group Inc. or Boyd Group Services Inc., please visit our website at <https://www.boydgroup.com>.

### **About The Boyd Group Inc.**

The Boyd Group Inc. (the "Company") is one of the largest operators of non-franchised collision repair centres in North America in terms of number of locations and sales. The Company operates locations in Canada under the trade names Boyd Autobody & Glass (<https://www.boydautobody.com>) and Assured Automotive (<https://www.assuredauto.ca>) as well as in the U.S. under the trade name Gerber Collision & Glass (<https://www.gerbercollision.com>). In addition, the Company is a major retail auto glass operator in the U.S. with operations under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority and Autoglassonly.com. The Company also operates a third party administrator, Gerber National Claims Services ("GNCS"), that offers glass, emergency roadside and first notice of loss services. The Company also operates a Mobile Auto Solutions ("MAS") service that offers scanning and calibration services. For more information on The Boyd Group Inc. or Boyd Group Services Inc., please visit our website at (<https://www.boydgroup.com>).



### **Non-GAAP Financial Measures and Ratios**

Same-store sales, Adjusted EBITDA, Adjusted net earnings and Adjusted net earnings per share are non-GAAP financial measures. Boyd’s management uses certain non-GAAP financial measures to evaluate the performance of the business and to reward employees. These non-GAAP financial measures are not defined in International Financial Reporting Standards (“IFRS”) and should not be considered an alternative to net earnings or sales in measuring the performance of BGSi.

The following is a reconciliation of BGSi’s non-GAAP financial measures and ratios:

### **ADJUSTED EBITDA**

Standardized EBITDA and Adjusted EBITDA are measures commonly reported and widely used by investors and lending institutions as an indicator of a company’s operating performance and ability to incur and service debt, and as a valuation metric. They are also key measures that management uses to evaluate performance of the business and to reward its employees. While EBITDA is used to assist in evaluating the operating performance and debt servicing ability of BGSi, investors are cautioned that EBITDA and Adjusted EBITDA as reported by BGSi may not be comparable in all instances to EBITDA as reported by other companies.

<i>(thousands of U.S. dollars)</i>	<b>Three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Net earnings	\$ 8,381	\$ 20,823
Add:		
Finance costs	16,122	12,064
Income tax expense	3,147	7,456
Depreciation of property, plant and equipment	16,400	11,916
Depreciation of right of use assets	29,659	25,777
Amortization of intangible assets	6,559	6,102
Standardized EBITDA	\$ 80,268	\$ 84,138
Add:		
Fair value adjustments	(7)	—
Acquisition and transaction costs	1,446	556
Adjusted EBITDA	\$ 81,707	\$ 84,694



## ADJUSTED NET EARNINGS

BGSI believes that certain users of financial statements are interested in understanding net earnings excluding certain fair value adjustments and other items of an unusual or infrequent nature that do not reflect normal or ongoing operations of the Company. This can assist these users in comparing current results to historical results that did not include such items.

<i>(thousands of U.S. dollars, except share and per share amounts)</i>	Three months ended March 31,	
	2024	2023
Net earnings	\$ 8,381	\$ 20,823
Add:		
Fair value adjustments (non-taxable)	(7)	—
Acquisition and transaction costs (net of tax)	1,070	411
Adjusted net earnings	\$ 9,444	\$ 21,234
Weighted average number of shares	21,472,194	21,472,194
Adjusted net earnings per share	\$ 0.44	\$ 0.99

## SAME-STORE SALES

Same-store sales is a non-GAAP measure that includes only those locations in operation for the full comparative period. Same-store sales is presented excluding the impact of foreign exchange fluctuation on the current period.

<i>(thousands of U.S. dollars)</i>	Three months ended March 31,	
	2024	2023
Sales	\$ 786,547	\$ 714,941
Less:		
Sales from locations not in the comparative period	(58,563)	(2,624)
Sales from under-performing facilities closed during the period	—	7
Foreign exchange	(190)	—
Same-store sales (excluding foreign exchange)	\$ 727,794	\$ 712,324



**For further information, please contact:**

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**Caution concerning forward-looking statements**

*Statements made in this press release, other than those concerning historical financial information, may be forward-looking and therefore subject to various risks and uncertainties. Some forward-looking statements may be identified by words like "may", "will", "anticipate", "estimate", "expect", "intend", or "continue" or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on such statements, as actual results may differ materially from those expressed or implied in such statements. Factors that could cause results to vary include, but are not limited to: employee relations and staffing; acquisition and new location risk; operational performance; brand management and reputation; market environment change; reliance on technology; supply chain risk; margin pressure and sales mix changes; pandemic risk & economic downturn; changes in client relationships; decline in number of insurance claims; environmental, health and safety risk; climate change and weather conditions; competition; access to capital; dependence on key personnel; tax position risk; corporate governance; increased government regulation and tax risk; fluctuations in operating results and seasonality; risk of litigation; execution on new strategies; insurance risk; interest rates; U.S. health care costs and workers compensation claims; foreign currency risk; capital expenditures; low capture rates; and energy costs and BGSi's success in anticipating and managing the foregoing risks.*

*We caution that the foregoing list of factors is not exhaustive and that when reviewing our forward-looking statements, investors and others should refer to the "Risk Factors" section of BGSi's Annual Information Form, the "Risks and Uncertainties" and other sections of our Management's Discussion and Analysis of Operating Results and Financial Position and our other periodic filings with Canadian securities regulatory authorities. All forward-looking statements presented herein should be considered in conjunction with such filings.*