



## NEWS RELEASE

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

*- Sales under pressure due to continuing soft market conditions-*

**Winnipeg, Manitoba – November 5, 2024** – Boyd Group Services Inc. (TSX: BYD.TO) (“BGS”, “the Boyd Group”, “Boyd” or “the Company”) today announced the results for the three and nine month periods ended September 30, 2024. The Boyd Group’s third quarter 2024 financial statements and MD&A have been filed on SEDAR+ (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 Third Quarter Ended September 30, 2024:**

- Sales increased by 2.0% to \$752.3 million from \$737.8 million in the same period of 2023 with same-store sales<sup>1</sup> declining 3.5%. The third quarter of 2024 recognized one additional selling and production day when compared to the same period of 2023, which increased selling and production capacity by approximately 1.6%. Sales were modestly impacted by hurricane activity, with an estimated negative impact of less than \$4.0 million during the third quarter
- Gross Profit increased by 2.9% to \$343.6 million or 45.7% of sales from \$333.8 million or 45.2% of sales in the same period in 2023
- Adjusted EBITDA<sup>1</sup> decreased 14.7% to \$80.1 million, or 10.7% of sales, compared with Adjusted EBITDA of \$94.0 million, or 12.7% of sales in the same period of 2023
- Adjusted net earnings<sup>1</sup> decreased to \$3.2 million, compared with \$21.5 million in the same period of 2023 and adjusted net earnings per share<sup>1</sup> decreased to \$0.15, compared with \$1.00 in the same period of 2023
- Net earnings decreased to \$2.9 million, compared with \$20.5 million in the same period of 2023 and net earnings per share decreased to \$0.13, compared with \$0.95 in the same period of 2023
- Debt, net of cash before lease liabilities increased from \$481.0 million at June 30, 2024 to \$486.2 million at September 30, 2024
- Declared third quarter dividend in the amount of C\$0.15 per share
- Added 10 collision repair locations, including eight through acquisition and two start-up locations

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

- Added five collision repair locations, including four through acquisition and one start-up location
- Announced a dividend increase of 2.0% to \$0.612 per share annualized from \$0.600 per share annualized
- Announced the temporary closure of 47 locations in the states of Florida, Georgia, North Carolina and South Carolina due to Hurricane Helene, followed by the temporary closure of 52 locations in the state of Florida as a result of Hurricane Milton

“Third quarter results continued to be impacted by low claims volumes. Although we are disappointed with the third quarter results, we continue to gain market share by performing better than the industry on key client performance metrics”, said Timothy O’Day, Chief Executive Officer of the Boyd Group. “During the third quarter of 2024, the industry experienced higher total loss rates as well as a deferral in repairs and an increase in non-filed claims, driven, we believe, by significant insurance premium inflation and overall economic uncertainty. Industry sources report a year-over-year decrease in repairable claims of 12.6% for all losses and 9.5% excluding comprehensive claims. Boyd outperformed the industry, posting a year-over-year same-store sales decline of 3.5%, demonstrating Boyd’s ability to gain market share, even in a very difficult environment”, continued Mr. O’Day. “We have had a slight sequential improvement in gross margin percentage, moving from 45.6% in the second quarter to 45.7% in the third quarter, primarily driven by the increased internalization of scanning and

<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.



calibration services. However, our operating expenses as a percentage of sales continued to increase sequentially from 34.1% in the second quarter of 2024 to 35.0% in the third quarter of 2024. During this period, operating expenses as a percentage of sales was significantly impacted by the decline in sales on a quarter over quarter basis”, added Mr. O’Day.

Results of Operations <i>(thousands of U.S. dollars, except per share amounts)</i>	For the three months ended, September 30,			For the nine months ended, September 30,		
	2024	% change	2023	2024	% change	2023
Sales – Total	<b>752,293</b>	2.0	737,798	<b>2,318,003</b>	5.1	2,205,974
Same-store sales – Total (excluding foreign exchange) <sup>(1)</sup>	<b>709,022</b>	(3.5)	734,831	<b>2,122,882</b>	(1.8)	2,161,340
Gross margin %	<b>45.7 %</b>	1.1	45.2 %	<b>45.4 %</b>	(0.2)	45.5 %
Operating expense %	<b>35.0 %</b>	7.7	32.5 %	<b>34.5 %</b>	4.2	33.1 %
Adjusted EBITDA <sup>(1)</sup>	<b>80,128</b>	(14.7)	93,972	<b>251,411</b>	(8.3)	274,040
Acquisition and transaction costs	<b>1,558</b>	17.1	1,331	<b>4,505</b>	57.6	2,859
Depreciation and amortization	<b>57,731</b>	13.5	50,851	<b>166,173</b>	17.8	141,068
Fair value adjustments	<b>(801)</b>	N/A	—	<b>(808)</b>	N/A	—
Finance costs	<b>18,199</b>	35.3	13,449	<b>51,531</b>	36.8	37,666
Income tax expense	<b>546</b>	(93.0)	7,843	<b>7,908</b>	(68.2)	24,857
Adjusted net earnings <sup>(1)</sup>	<b>3,247</b>	(84.9)	21,483	<b>24,628</b>	(64.7)	69,706
Adjusted net earnings per share <sup>(1)</sup>	<b>0.15</b>	(85.0)	1.00	<b>1.15</b>	(64.6)	3.25
Net earnings	<b>2,895</b>	(85.9)	20,498	<b>22,102</b>	(67.3)	67,590
Basic and diluted earnings per share	<b>0.13</b>	(86.3)	0.95	<b>1.03</b>	(67.3)	3.15

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 current industry and market conditions are continuing to impact demand for services thus far in the fourth quarter, which has resulted in same-store sales experience in line with third quarter results. Similar to the third quarter, the fourth quarter has also been modestly impacted by hurricane activity. In this challenging environment, we continue to be focused on maximizing value to customers and shareholders through initiatives to improve controllable metrics, including sales, with a focus on improving capture rates, leveraging insurance company relationships, and adding and expanding fleet relationships. Boyd is committed to improving gross margin, through initiatives such as the internalization of scanning and calibration services, executing Boyd’s repair first strategy and focusing on the use of cost effective alternative parts, which also delivers strong value by lowering repair costs for the Company’s customers”, continued Mr. O’Day. “While we took a number of cost related actions during the third quarter, the continuing softer level of demand has caused us to further examine our cost structure as well as cost saving initiatives to drive improvement in operating expenses as a percentage of sales and we are confident opportunities exist. The sales and gross margin initiatives along with a heightened focus on our operating expenses will help mitigate the impact of the current challenging market environment and put Boyd in the best possible position as conditions improve”, said Mr. O’Day.

“On a year-to-date basis, Boyd has added or acquired 41 new locations. In the current negative claims environment, Boyd has placed additional focus and attention on the core business. As a result, acquisition activity is running at a slower pace than was the case one year ago. However, Boyd is continuing to identify and pursue opportunities and the commitment to growth remains. Growth through start-up sites is also continuing, in spite of the longer development cycle, ramp-up period and additional initial capital investment required when compared to single shop acquisitions. Start-up locations offer a number of advantages and as a result the Company plans to continue increasing the proportion of growth using this approach.”

“While we have been successfully executing on our long-term growth goals, the current year has brought with it some unanticipated economic and industry conditions. The Company has focused on increasing value to our customers and shareholders, and has consistently performed above industry, with a focus on emerging from these conditions in a strong position. In spite of the initiatives in place, current market conditions may cause a slight delay in Boyd achieving its long-term growth goal of doubling the size of the business on a constant currency basis from 2021 to 2025 against 2019 sales. Management remains firmly committed to and cautiously optimistic that the Company will achieve this long-term goal.”

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

As previously announced, management will hold a conference call on Tuesday, November 5, 2024, at 9:00 a.m. (ET) to review the Company’s 2024 third quarter results. You can join the call by dialing 888-510-2154 or 437-900-0527. To join the conference call without operator assistance, you may register and enter your phone number at <https://emportal.ink/3X3UnDI> 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 Tuesday, November 12, 2024, at midnight by calling 888-660-6345 or 289-819-1450, replay entry code 26912#, reference number 26912.

## **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>	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net earnings	\$ 2,895	\$ 20,498	\$ 22,102	\$ 67,590
Add:				
Finance costs	18,199	13,449	51,531	37,666
Income tax expense	546	7,843	7,908	24,857
Depreciation of property, plant and equipment	20,289	15,884	54,591	40,639
Depreciation of right of use assets	31,330	28,443	92,087	81,143
Amortization of intangible assets	6,112	6,524	19,495	19,286
Standardized EBITDA	\$ 79,371	\$ 92,641	\$ 247,714	\$ 271,181
Add (deduct):				
Fair value adjustments	(801)	—	(808)	—
Acquisition and transaction costs	1,558	1,331	4,505	2,859
Adjusted EBITDA	\$ 80,128	\$ 93,972	\$ 251,411	\$ 274,040



## 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 September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net earnings	\$ 2,895	\$ 20,498	\$ 22,102	\$ 67,590
Add (deduct):				
Fair value adjustments (non-taxable)	(801)	—	(808)	—
Acquisition and transaction costs (net of tax)	1,153	985	3,334	2,116
Adjusted net earnings	\$ 3,247	\$ 21,483	\$ 24,628	\$ 69,706
Weighted average number of shares	21,472,587	21,472,194	21,472,357	21,472,194
Adjusted net earnings per share	\$ 0.15	\$ 1.00	\$ 1.15	\$ 3.25

## 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 September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Sales	\$ 752,293	\$ 737,798	\$ 2,318,003	\$ 2,205,974
Less:				
Sales from locations not in the comparative period	(44,241)	(2,967)	(197,087)	(44,643)
Sales from under-performing facilities closed during the period	—	—	—	9
Foreign exchange	970	—	1,966	—
Same-store sales (excluding foreign exchange)	\$ 709,022	\$ 734,831	\$ 2,122,882	\$ 2,161,340



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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.*