



BADGER DAYLIGHTING LTD. ANNOUNCES 2019 FOURTH QUARTER AND ANNUAL RESULTS, SUCCESSFUL ROLL OUT OF ERP, CONFIRMATION OF 2020 FINANCIAL OUTLOOK AND A 5% DIVIDEND INCREASE

Calgary, AB, March 11, 2020 - Badger Daylighting Ltd. (the “Company” or “Badger”) (TSX:BAD) announced today financial and operating results for the three months and year ended December 31, 2019.

2019 Fourth Quarter and Annual Highlights

- During the fourth quarter of 2019, Badger successfully rolled out its new Enterprise Resource Planning (“ERP”) system across its corporate operations; with its Operating Partners’ and Franchisees’ going live in January 2020. All components of the ERP are functioning as intended across all parts of the business.
- 2019 fourth quarter and annual revenues were consistent with management’s expectations.
 - Fourth quarter revenue of \$162.7 million in 2019 was down \$15.9 million or 9% from the same period in 2018; annual revenue of \$654.3 million in 2019 was up \$38.9 million or 6% compared to annual 2018.
 - Quarterly and annual revenue was impacted by strong growth in select regions in the U.S. and Eastern Canada, which more than offset slower growth in Western Canada due to reduced oil and gas activity. Additionally, \$22.5 million in emergency response work completed in 2018, (\$20.0 million – Q4; \$2.5 million – Q3), did not recur in 2019.
 - Revenue per truck per month (“RPT”) for the fourth quarter of 2019 was \$31,075 compared to the fourth quarter of 2018 at \$37,837. RPT for fiscal 2019 of \$32,442 compared to \$34,347 in the prior year. Both the quarterly and annual RPT were impacted by the emergency response work completed in the third and fourth quarter of 2018, which did not recur in 2019.
 - During 2019, Badger successfully integrated 143 net hydrovacacs into its fleet while maintaining a strong RPT.
- Gross profit margin for the fourth quarter of 2019 was 29.3%, 220 basis points lower than the fourth quarter 2018. The year-over-year decline in gross profit margin was due largely to fourth quarter 2018 emergency response work, which did not recur in 2019.
- Fourth quarter and annual Adjusted EBITDA were consistent with management’s expectations and in-line with Badger’s 2019 financial outlook.
 - Fourth quarter Adjusted EBITDA of \$35.8 million in 2019 was down \$12.1 million or 25% from the same period in 2018; annual Adjusted EBITDA of \$158.4 million in 2019 was down \$3.3 million or 2% compared to annual 2018.
 - Adjusted EBITDA margin for the fourth quarter was 22.0% or 480 basis points lower than the prior year comparative quarter.

- The year-over-year quarterly and annual Adjusted EBITDA and Adjusted EBITDA margin comparisons were negatively impacted from: i) emergency response work completed in the third and fourth quarter of 2018, which did not recur in 2019; and ii) costs associated with the successful roll out of the ERP, which were in line with the levels previously indicated by management, resulting in a temporary increase to general and administrative expenses (“G&A”). In particular, the majority of ERP roll out activities were expensed in the fourth quarter versus being capitalized in the first, second and third quarters of the year.
- Net profit for the fourth quarter of 2019 was \$15.9 million or \$0.45 per share compared to \$23.5 million or \$0.63 per share in the prior year comparative quarter. Net profit for the fourth quarter of 2019 was impacted by the same items as Adjusted EBITDA, in addition to higher depreciation and amortization expense, offset in part, by reduced share-based plan expense.
- Badger has made no changes to its 2020 financial outlook. Badger is closely monitoring the global spread of the coronavirus and the impact it may have on the global and North American economies, and consequently the impact on Badger’s operations. Significant uncertainty currently exists across financial and commodity markets, with the potential impact on the general North American economy currently uncertain. At this point in time, it is unclear what the short or long-term impact might be on Badger’s operations. In the event of an economic downturn in Badger’s markets, Badger will proactively reallocate hydrovacs across its branch network in response to regional activity levels, and consistent with historical past practice, will continue to prudently manage capital expenditures to support hydrovac truck growth and manage retirements.
- Badger continues to focus on prudent capital allocation to drive long-term shareholder value. The Company is pleased to announce and confirm the following: i) a 5% increase to the dividend effective with the March 2020 dividend; and ii) during the fourth quarter, pursuant to its normal course issuer bid (“NCIB”), the Company purchased and cancelled 210,000 common shares at a weighted average price per share of \$36.37 and for the fiscal year 2019, the Company purchased and cancelled 1,579,154 common shares at a weighted average price per share of \$38.78.

Chief Executive Officer 2019 Fourth Quarter and Annual Message

“For Badger, 2019 was a transformational year, focused on building out our systems, standardizing business processes and strengthening key business functions to establish a platform to capture the North American market opportunity for non-destructive excavation. This investment in our business is essential to strengthen Badger’s business model which targets sustainable long-term profitable growth, ultimately driving returns for our shareholders,” said Paul Vanderberg, President and Chief Executive Officer.

“After a multi-year process, which began in 2017, Badger’s new ERP system successfully went live during the fourth quarter of 2019. We are very pleased with the regional roll out of the ERP; the strong execution of this project would not have been possible without the dedication and commitment from both our internal team and our consulting partners. With the platform established, Badger will move to realize the operational and financial benefits the system will facilitate; further leveraging the scale of our broad geographic branch network that differentiates Badger from our competitors,” stated Mr. Vanderberg.

“The ERP roll out was a top focus for the entire Company during 2019, requiring significant employee involvement across the entire business. Our regional operations teams were very involved with all aspects of the project - from system design through to roll out. The Badger team committed significant time away from day-to-day operations

to ensure the project's success. Their commitment made all the difference in the successful roll out, but the time away from the business was no doubt a distraction," added Mr. Vanderberg.

"Badger continued to grow during 2019, realizing an overall increase in revenue; with U.S. revenue, in U.S. dollars, up 8% and Canadian revenue down 5% due to the continuing downturn in Western Canada. The downturn in Western Canada was partially offset by solid and welcome growth in Ontario. We added 143 net hydrovacacs to the fleet during the year, building 199 and retiring 56, while maintaining a RPT of \$32,442. We continue to see growth opportunities across our U.S. and Eastern Canada markets, and we are looking forward to our teams being able to focus on the business as the post ERP roll out work tapers off," stated Mr. Vanderberg.

"Badger also continued its focus on overall shareholder returns during 2019, increasing the dividend by 6% in March 2019 and repurchasing shares under our NCIB program. During 2019 we repurchased and cancelled 1,579,154 shares or approximately 4% of the shares outstanding. We extended and upsized our credit facility in the third quarter, which together with Badger's strong balance sheet, provides the Company with ample financial flexibility to support growth and operations across all economic conditions. In light of the business outlook and financial position, the Board has approved an increase in the dividend of 5% effective with the March 2020 dividend," said Mr. Vanderberg.

"A continued focus on growth, realizing the benefits from the ERP system, and managing margin through operating cost and strategic pricing initiatives will continue to be focus areas for 2020. While we remain focused on the execution of our key initiatives during 2020, we are also closely monitoring events surrounding the coronavirus and recent financial and commodity market volatility. These recent events have created significant uncertainty, with the impact on the broader economy currently unclear. With hydrovac technology in the early stages of adoption, combined with Badger's flexible business model and strong financial position, the team is confident in its ability to manage through any economic disruptions that may occur," said Mr. Vanderberg.

Financial Highlights

(\$ thousands, except revenue per truck per month ("RPT"), per share and share information)	Three months ended		Twelve months ended	
	2019	December 31, 2018 ⁽³⁾	2019	December 31, 2018 ⁽³⁾
Revenue:				
Hydrovac service revenue	155,494	171,516	627,578	587,206
Other revenue	7,221	7,093	26,704	28,236
Total revenue	162,715	178,609	654,282	615,442
RPT - Consolidated (mixed currency) ⁽¹⁾	31,075	37,837	32,442	34,347
RPT - U.S. (U.S. dollars) ⁽¹⁾	32,893	40,859	34,504	36,799
RPT - Canada (Canadian dollars) ⁽¹⁾	26,408	30,544	27,248	28,834
Adjusted EBITDA ⁽¹⁾	35,839	47,858	158,446	161,707
Adjusted EBITDA per share, basic and diluted ⁽¹⁾⁽²⁾	\$1.02	\$1.29	\$4.42	\$4.36
Adjusted EBITDA margin ⁽¹⁾	22.0%	26.8%	24.2%	26.3%
Profit before income tax	17,814	31,947	76,198	97,634
Net profit	15,913	23,468	59,732	67,817
Net profit per share, basic and diluted ⁽²⁾	\$0.45	\$0.63	\$1.67	\$1.83
Cash flow from operating activities before working capital adjustments	35,596	48,936	157,689	162,494
Cash flow from operating activities before working capital adjustments per share, basic and diluted ⁽²⁾	\$1.02	\$1.32	\$4.40	\$4.38
Dividends paid	5,001	5,009	20,065	18,996
Weighted average common shares outstanding ⁽²⁾⁽⁴⁾	35,060,260	37,033,572	35,825,820	37,083,766

(1) See "Non-IFRS Financial Measures" and "Key Financial Metrics and Other Operational Metrics" for additional detail on the definition and calculation of Adjusted EBITDA, Adjusted EBITDA margin, and RPT.

(2) Per share, basic and diluted measures calculated by dividing the respective financial measure with the weighted average common shares outstanding for the respective period.

(3) IFRS 16 – Leases has been adopted on a prospective basis therefore prior year comparatives have not been restated. See "Changes in Accounting Policies" in the Company's 2019 annual MD&A for additional details.

(4) See "Share Capital" in the Company's 2019 annual MD&A for additional details.

Comparable IFRS Financial Information⁽¹⁾

(\$ thousands, except per share information)	Three months ended		Twelve months ended	
	2019	December 31, 2018	2019	December 31, 2018
Cash flow from operating activities	42,445	67,196	113,406	134,382
Cash flow from operating activities per share, basic and diluted ⁽²⁾	\$1.21	\$1.81	\$3.17	\$3.62

(1) Cash flow from operating activities is provided as a comparable measure to cash flow from operating activities before working capital adjustments.

(2) Per share, basic and diluted measures calculated by dividing the respective financial measure with the weighted average common shares outstanding for the respective period.

2019 Fourth Quarter and Annual Financial and Operational Overview

During the fourth quarter of 2019, Badger successfully rolled out its new ERP system across its corporate operations; with its Operating Partners' and Franchisees' going live in January 2020. All components of the ERP are functioning as intended across all parts of the business.

Consistent with the Company's ongoing internal improvement and business process standardization initiatives, fiscal 2020 will see Badger focus on realizing and augmenting the benefits of the ERP through the continued streamlining and integration of operational processes in order to drive continued operational and financial improvements. As the implementation and refinement of the ERP allows, Badger will continue to seek opportunities to centralize certain administrative functions, ensuring that the operational and financial benefits that the ERP project will drive are captured in a timely manner. Badger will seek to aggressively, but prudently, reduce temporary personnel and consulting costs directly attributable to the project throughout 2020.

Revenues in the fourth quarter of \$162.7 million were 9% lower than the prior year comparative quarter. U.S. operations generated US\$96.6 million of revenue, which was 9% lower than the prior year comparative quarter, with the Canadian operations generating \$35.2 million of revenue, which was 10% lower than the prior year comparative quarter. For fiscal 2019, Badger continued to generate positive revenue growth with revenue of \$654.3 million being 6% higher than in fiscal 2018.

The increase in revenue for fiscal 2019 was attributable to strong growth in select U.S. regions and Eastern Canada, which more than offset weakness in Western Canada as a result of reduced oil and gas customer activity levels. In addition, revenue growth in 2019 was impacted by the absence of \$22.5 million in emergency response work completed in the third and fourth quarters of 2018 related to hurricanes Florence and Michael and the California wildfires. Badger continues to see increasing adoption and use of hydrovac technologies amongst existing and new customers. Average hydrovac rates for the fourth quarter were consistent to modestly higher across the majority of U.S. and Canadian markets compared to the prior year comparative quarter.

RPT for the fourth quarter of 2019 was \$31,075 compared to \$37,837 in the prior year comparative quarter. RPT in the U.S. operations in the fourth quarter of 2019 was US\$32,893 compared to US\$40,859 in the prior year comparative quarter, and for the Canadian operations was \$26,408 in the fourth quarter compared to \$30,544 in the prior year comparative quarter. The reduction in RPT in the U.S. was primarily due to the absence of emergency response work completed in the prior year quarter as previously noted. The reduction in RPT in Canada was primarily due to the weakness in oil and gas customer activity in Western Canada.

Gross profit margin for the fourth quarter of 2019 was 29.3% compared to 31.5% in the prior year comparative quarter. Gross profit margin was impacted by the absence of emergency response work in the current year quarter and higher direct labour costs, both of which had the largest impact within the U.S. operations. Higher labour related costs were due to costs associated with the recruitment and training of operators, higher non-operator support personnel and reduced labour efficiency. Gross margins in Canada, in particular the Eastern region, benefited from improved overall market conditions and operational performance. Gross profit margins were also impacted by reduced operating costs due to the adoption of IFRS 16. As previously noted, average hydrovac rates were consistent to modestly higher across the majority of regions, as such, they did not have a significant impact on fourth quarter margins. Badger continues to focus on the execution of strategic pricing initiatives, ensuring service rates are reflective of the total value proposition Badger's services provide and local market conditions.

G&A for the fourth quarter of 2019 was \$11.8 million compared to \$8.3 million in the prior year comparative quarter. As a percentage of revenue, G&A was 7.3% in the fourth quarter of 2019 compared to 4.6% in the prior year comparative quarter. Consistent with the first three quarters of 2019, the increase in G&A as a percentage of revenue, and on a total dollar basis, is the result of activities being undertaken to augment the administrative infrastructure in order to support the overall growth in Badger's business, combined with the impact of operating both the legacy and new ERP systems. Incremental costs relate to activities, directly and indirectly, attributable to investments in technology, business process improvement initiatives, the ERP project, and the establishment of Badger's centralized hydrovac operator training center.

As the ERP implementation was completed in January 2020, Badger anticipates G&A, as a percentage of revenue, returning to normalized levels throughout 2020. Badger has initiated G&A reduction initiatives, the impact of which will begin to have a modest impact on Badger's first half 2020 financial results, with a more pronounced impact anticipated throughout the second half of 2020. Based on the current status of the ERP implementation and the related cost reduction initiatives, Badger is targeting exiting 2020 with an annualized run rate for G&A of approximately 5% of revenue, while continuing to focus on meeting its long-term target of 4% of revenue over time. Costs related to the ERP implementation, including cost reduction initiatives, are included in Badger's current 2020 financial outlook. See "Common Business Platform" in the Company's 2019 annual MD&A for additional details.

Adjusted EBITDA for the fourth quarter of 2019 was \$35.8 million, compared to \$47.9 million in the prior year comparative quarter, with a corresponding Adjusted EBITDA margin of 22.0% compared to 26.8% in the prior year quarter. Adjusted EBITDA was impacted by reduced revenues relating to the non-recurrence of emergency response work performed in 2018, lower gross profit margins and higher direct and general G&A.

Net profit for the fourth quarter of 2019 was \$15.9 million or \$0.45 per share compared to the prior year comparative quarter of \$23.5 million or \$0.63 per share. Net profit was impacted by reduced revenues and gross profit, relating to the non-recurrence of emergency response work performed in 2018, higher depreciation and amortization expense, higher G&A, offset in part, by reduced share-based plan expense and lower income tax expense. Net profit per share on a quarter-over-quarter basis benefitted from a 5% reduction in the weighted average common shares outstanding as a result of common shares repurchased under the Company's NCIB program.

During the fourth quarter of 2019, 41 net hydrovacs were placed into service consisting of 49 new and 8 retired units; and for the year ended 2019, 143 net hydrovacs were placed into service consisting of 199 new and 56 retired units. Hydrovac build and retirements for fiscal 2019 were consistent with the 2019 financial outlook. Badger continues to focus on fleet management with ongoing efforts to relocate trucks across the entire branch network to maximize asset utilization and the efficiency of capital expenditures. As at December 31, 2019, Badger had 1,364 hydrovacs compared to 1,221 as at December 31, 2018.

IFRS 16 - Leases

Effective January 1, 2019, Badger adopted IFRS 16 - *Leases* on a prospective basis. The impact on the 2019 fourth quarter results was a reduction in direct operating costs of approximately \$1.1 million with a corresponding improvement to gross profit margin. Offsetting the reduction in direct operating costs was an increase in depreciation expense of approximately \$1.1 million and an increase in finance cost of \$0.1 million. Upon the initial adoption of IFRS 16, Badger recognized a right-of-use asset of \$14.8 million, a lease liability of \$14.8 million and recorded an adjustment to opening retained earnings of \$0.3 million.

See Badger's 2019 annual MD&A for additional details on financial results, including the adoption of IFRS 16.

Driving Long-Term Shareholder Returns: Normal Course Issuer Bid and Dividend Increase

During the fourth quarter of 2019, pursuant to the Company's NCIB, 210,000 common shares were purchased and cancelled at a weighted average price per share of \$36.37 and for the year ended 2019, 1,579,154 common shares were purchased and cancelled at a weighted average price per share of \$38.78. On a cumulative basis, since the fourth quarter of 2018 up to the period ended March 11, 2020, the Company has purchased and cancelled 2,262,768 common shares, or 6% of the pre-NCIB common shares outstanding, at a weighted average price per share of \$36.79.

In addition to driving long-term shareholder returns through the NCIB program, the Board of Directors has approved a 5% increase to the dividend. Effective with the March 2020 dividend, payable in April 2020, the monthly dividend will be increased to \$0.05 per common share (\$0.60 per common share annualized) from the current monthly dividend of \$0.0475 per common share (\$0.57 per common share annualized).

Badger continues to maintain a strong balance sheet. As at December 31, 2019, total debt less cash and cash equivalents was \$177.3 million, with a corresponding total debt less cash and cash equivalents to Compliance EBITDA ratio of 1.2:1, as calculated in accordance with the Company's syndicated revolving credit facility.

Financial Outlook

Consistent with the financial outlook provided with the Company's 2019 third quarter financial results, Badger anticipates that its 2020 Adjusted EBITDA will be in the range of \$175 million to \$195 million, with an expected hydrovac build of between 200 to 230 units and expected retirements of 50 to 70 units.

Badger has made no changes to its 2020 financial outlook. Badger is closely monitoring the global spread of the coronavirus and the impact it may have on the global and North American economies, and consequently the impact on Badger's operations. Significant uncertainty currently exists across financial and commodity markets, with the potential impact on the general North American economy currently uncertain. At this point in time, it is unclear what the short or long-term impact might be on Badger's operations. In the event of an economic downturn in Badger's markets, Badger will proactively reallocate hydrovacs across its branch network in response to regional activity levels, and consistent with historical past practice, will continue to prudently manage capital expenditures to support hydrovac truck growth and manage retirements.

The 2020 financial outlook, as noted above, assumes that there will not be a material negative impact on the macro-economic environment in both the U.S. and Canada related to the global outbreak of the coronavirus. In addition, the 2020 financial outlook assumes continued growth in the majority of Badger's end use markets and geographic areas, particularly within its U.S. operations, resulting in an increase in revenue. Badger anticipates that gross profit

margin and RPT for 2020 will be consistent with 2019. General and administrative expenses, as a percentage of revenue, for 2020 are anticipated to be lower than in 2019, as costs associated with the ERP implementation are not required in 2020. The 2020 financial outlook does not include the potential benefits, if any, of emergency response work related to large scale natural disasters.

Badger's 2020 financial outlook assumes that there will continue to be ongoing growth in the use of hydrovac for non-destructive excavation as a result of continued customer adoption, particularly within the U.S. markets. Badger expects to see improvements in revenue as a result of the scale of its extensive branch network combined with the ongoing benefits of sales and marketing related activities. The overall macro-economic environment in the U.S. is anticipated to be supportive of ongoing infrastructure and construction activity throughout 2020, with a softer overall macro-economic environment anticipated in Canada, particularly in Western Canada. Oil and gas activity levels are anticipated to be lower than 2019 levels within Badger's Canadian and U.S. operations. Badger continues to see organic growth opportunities in the majority of its markets, although the ability to capture these opportunities may be partially limited by the availability of trained operators as the market for labour, in certain regions, continues to be challenging.

Badger's 2019 Adjusted EBITDA of \$158.4 million was consistent with the 2019 financial outlook provided in the third quarter of 2019 of \$155 million to \$170 million. During 2019, Badger placed 199 new hydrovacs into service while retiring 56 units, both of which were consistent with the 2019 outlook.

Badger remains focused on generating profitable long-term sustainable growth to drive total shareholder returns. In that light, in conjunction with Badger's 2019 investor day which was held during the fourth quarter of 2019, Badger updated and confirmed its long-term strategic financial and operational milestones which consist of:

- (i) double the U.S. business from fiscal 2019 levels over a period of 3 to 5 years;
- (ii) grow Adjusted EBITDA by a minimum of 15% per year;
- (iii) target Adjusted EBITDA margins of 28% to 29%; and
- (iv) drive fleet utilization and revenue per truck per month above \$30,000.

2019 Fourth Quarter and Annual Results and Conference Call

A conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2019 fourth quarter and annual results is scheduled for 9:00 a.m. MT on Thursday March 12, 2020. Internet users can listen to the call live on Badger's website at www.badgerinc.com under the "Events, Webcasts & Presentation" section. To participate in the call, dial: 1-844-740-2014 and enter Passcode 9649217. A playback of the call will be available until Thursday March 26, 2020, to access the playback please access the investor relations section of Badger's website. To access the playback, dial 1-855-859-2056 and enter passcode 9649217.

2019 Annual Disclosure Documents

Badger's 2019 annual Management's Discussion and Analysis and audited consolidated financial statements for the year ended December 31, 2019, along with all previous public filings of Badger Daylighting Ltd. may be found on SEDAR at www.sedar.com.

Non-IFRS Financial Measures

This press release contains references to certain financial measures, including some that do not have any standardized meaning prescribed by IFRS and that may not be comparable to similar measures presented by other companies or entities. These financial measures are identified and defined below. See “Non-IFRS Financial Measures” in the Company’s 2019 annual MD&A for detailed reconciliations of Non-IFRS financial measures.

“Adjusted EBITDA” is earnings before interest, taxes, depreciation and amortization, share-based compensation, gains and losses on sale of property, plant and equipment, and gains and losses on foreign exchange. Adjusted EBITDA is a measure of the Company’s operating profitability and is therefore useful to management and investors as it provides improved continuity with respect to the comparison of operating results over time. Adjusted EBITDA provides an indication of the results generated by the Company’s principal business activities prior to how these activities are financed, the results are taxed in various jurisdictions, and assets are amortized. In addition, Adjusted EBITDA excludes gains and losses on sale of property, plant and equipment as these gains and losses are considered incidental and secondary to the principal business activities, it excludes gains and losses on foreign exchange as such gains and losses can vary significantly based on factors beyond the Company’s control and it excludes share-based compensation as these expenses can vary significantly with changes in the price of the Company’s common shares.

“Adjusted EBITDA margin” is Adjusted EBITDA as defined above, expressed as a percentage of revenues.

“Compliance EBITDA” is earnings before interest, taxes, depreciation, amortization, and certain other items calculated on a 12-month trailing basis, and is used by the Company to calculate compliance with its debt covenants and other credit information.

“Total Debt” consists of long-term debt and lease liabilities, including the current portion thereof, and issued letters of credit, less certain cash on hand. Total Debt is used by the Company to calculate compliance with its debt covenants and other credit information.

Key Financial Metrics and Other Operational Metrics

“Revenue per truck per month” (“RPT”) is a measure of hydrovac fleet utilization. It is calculated using hydrovac and hydrovac related revenue only. RPT is calculated on both a consolidated basis and for each geographic segment by dividing hydrovac and hydrovac related revenue for each segment, in the respective local currency, by the average number of hydrovacs in the segment during the period.

See “Key Financial Metrics and Other Operational Metrics” in the Company’s 2019 annual MD&A for additional details on RPT.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements and information contained in this press release and other continuous disclosure documents of the Company referenced herein, including statements related to the Company's outlook, capital expenditures, projected growth, view and outlook toward margins, cash dividends, customer demand and pricing, future market opportunities, the timing and benefits associated with the Common Business Platform project, and statements, and information that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may" and similar expressions relating to matters that are not historical facts, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. These statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements and information. The Company believes the expectations reflected in such forward-looking statements and information are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking statements and information included in this press release should not be unduly relied upon. These forward-looking statements and information speak only as of the date of this press release.

In particular, forward-looking information and statements in this press release include, but are not limited to the following:

- Badger anticipates continued overall growth in its business, particularly in its U.S. markets;
- Badger anticipates that the overall macro-economic environment in the U.S. is anticipated to be supportive of ongoing infrastructure and construction activity levels for 2020, with a softer overall macro-economic environment anticipated in Canada, particularly in Western Canada;
- Badger anticipates that oil and gas activity levels for 2020 will be lower than 2019 levels within its Canadian and U.S. operations;
- Badger continues to see customer demand as a result of increased usage of hydrovac for non-destructive excavation;
- Badger expects to see improvements in revenue as a result of investments in developing its branch network and business development function;
- The benefits, if any, that Badger's operational scale creates related to financial and operating performance;
- Badger's assumption that there will not be a material negative impact on the macro-economic environment in both the U.S. and Canada related to the coronavirus;
- Badger anticipates that Adjusted EBITDA for 2020 will be in the range of \$175 million to \$195 million;
- Badger anticipates that the number of new hydrovac builds for 2020 will be approximately 200 to 230 units and that hydrovac retirements for 2020 will be in the range of 50 to 70 units;
- Badger anticipates that gross profit margin and RPT for 2020 will be consistent with 2019;
- The timing and benefits associated with Badger's Common Business Platform project, including the impact and timing associated with general and administrative expenses;
- The timing, and the impact on the business, if any, of achieving strategic milestones;
- Badger's estimated 2020 and long-term target for general and administrative expenses as a percentage of revenue on an annualized basis and its ability to achieve such targets through measures such as reducing personnel and consulting costs attributable to the Common Business Platform project; and
- The ability and benefits of Badger to purchase and subsequently cancel up to 2,000,000 of its common shares under its NCIB.

The forward-looking information and statements made in this press release rely on certain expected economic conditions and overall demand for Badger's services and are based on certain assumptions. The assumptions used to generate this forward-looking information and statements are, among other things, that:

- There will be customer demand for hydrovac services from infrastructure, construction, and oil and gas activity in North America;
- Badger will maintain relationships with current customers and develop successful relationships with new customers;
- Badger will collect customer payments in a timely manner;
- Badger will be able to compete effectively for the demand for its services;
- There will not be significant changes in profit margins due to pricing changes driven by market conditions, competition, regulatory factors or other unforeseen factors;
- The overall market for Badger's services will not be adversely affected by weather, natural disasters, global events, legislation changes, technological advances, economic disruption or other factors beyond Badger's control;
- Badger will execute its growth strategy including attracting and retaining key personnel;
- Badger will obtain all labour, parts and supplies necessary to complete the planned hydrovac build at the costs expected; and
- Badger will achieve the operational and financial benefits from its Common Business Platform, and there will be no material capital costs directly related to the Common Business Platform in 2020.

Risk factors and other uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking statements include, but are not limited to: political and economic conditions; industry competition; price fluctuations for oil and natural gas and related products and services; Badger's ability to attract and retain key personnel; the availability of future debt and equity financing; changes in laws or regulations, including taxation and environmental regulations; extreme or unsettled weather patterns; and fluctuations in foreign exchange or interest rates.

Any future orientated financial information and financial outlook information (collectively, "FOFI") contained in this press release, as such terms are defined by applicable securities laws, is provided for the purpose of providing information about management's current expectations and plans relating to the future and is subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. Management believes that the FOFI has been prepared on a reasonable basis, reflecting best estimates and judgments; however, actual results of the Company's operations and financial outcomes may vary from the amounts set forth herein. FOFI contained in this press release was made as of the date of this press release and the Company does not undertake any obligation to publicly update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. Readers are cautioned that any FOFI contained herein should not be used for purposes other than those for which it has been disclosed herein.

Readers are cautioned that the foregoing factors are not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results is included in reports on file with securities regulatory authorities in Canada and may be accessed through the SEDAR website (www.sedar.com) or at the Company's website. The forward-looking statements and information contained in this press release are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or

revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

About Badger Daylighting Ltd.

[Badger Daylighting Ltd.](#) (TSX:BAD) is North America's largest provider of non-destructive excavating services. Badger traditionally works for contractors and facility owners in a broad range of infrastructure industries. The Company's key technology is the Badger hydrovac, which is used primarily for safe digging in congested grounds and challenging conditions. The Badger hydrovac uses a pressurized water stream to liquefy the soil cover, which is then removed with a powerful vacuum system and deposited into a storage tank. Badger manufactures its truck-mounted hydrovac units.

For further information:

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