



**PRESS RELEASE**  
**FOR IMMEDIATE DISTRIBUTION**

**TSX-BAD**  
**June 27, 2017**

**BADGER DAYLIGHTING LTD. UPDATES INVESTOR PRESENTATION  
PROVEN BUSINESS MODEL AND STRONG COMPETITIVE POSITION  
OFFERS A UNIQUE SERVICE TO ATTRACTIVE MARKETS  
EXECUTING ON A FOCUSED STRATEGY**

Calgary, AB, June 27, 2017 - Badger Daylighting Ltd. (“Badger” or “the Company”) has updated its investor presentation. The updated slide deck can be found at [www.badgerinc.com](http://www.badgerinc.com) in the investor relations section or by clicking <http://badgerinc.com/investor-relations/investor-presentation/>.

“As indicated in our May 18<sup>th</sup> letter from the Badger Board to shareholders, we are working to improve all aspects of our business, including our investor communications,” said Paul Vanderberg, President and CEO. “We are looking at ways to add more clarity in how we present financial information and provide more context in our quarterly news releases. We have also updated our investor presentation to better tell Badger’s story.”

“Badger Hydrovac is a unique, niche business. We have developed a competitive advantage with our decentralized branch network and our large scale of operations. Our branch network provides service to a broad base of customers across multiple geographies. Our scale supports high fleet utilization and enables us to better manage operating costs over the business cycle. Badger has a focused strategy which is to drive profitable growth in Badger Hydrovacs.”

“Our goal is to double the size of our US business in the next 3-5 years while growing our Canadian operations by 10-15 percent annually. We are targeting RPT (revenue per truck per month) at \$30,000 and Adjusted EBITDA margin at 28-29 percent. We have summarized the key points from our updated investor presentation below.”

**Badger’s Advantages: organic growth; strong branch network; first mover and scale; diversified end use markets and geographies; attractive returns on invested capital; and significant growth potential.**

**Proven business model and strong competitive position**

Badger has successfully managed through the recent oil & gas downturn which was the most severe stress test in the Company’s history. The Company successfully redeployed Hydrovac units (over a 2 1/2 year period) from Western Canada and the Western US, mostly into the Eastern US. Badger’s redeployment success was possible due to our scale of operations, market knowledge, business development efforts, and the dedication and hard work of our 1,700 employees.

The Company has also created a marketing advantage through our extensive branch network and knowledge of regional markets. Badger is the first mover in many markets and this advantage supports utilization rates which in turn allows us to manage operating expenses.

We have strong face-to-face customer relationships through our local branch sales offices. Badger also has a regional and

national business development focus with connections to large accounts and can scale up to meet their needs. Badger is over four times the size of its nearest Hydrovac competitor. Badger finishes more jobs than we start.

We design and build our own trucks, which is another competitive advantage. A comparable truck from a third party manufacturer could cost approximately 20 percent more than a Badger. Badger Hydrovacs have excellent performance characteristics, economic operating and repair costs, and are designed to have less downtime than competitive units.

### **Offers a unique service to attractive markets**

Hydrovac offers a safe, non-destructive process to excavate around underground infrastructure. Hydrovacs have a small but growing share of the overall excavation market. Badger is a productivity partner with excavation contractors, who are important customers.

Badger delivers excellent value with safe, reliable and efficient service and delivers on its service promises. Quality of service and safety performance are a differentiator (“Best Operator, Best Truck”). Badger has a mentorship program where operator trainees work with an experienced mentor prior to operating a truck on their own. Our motto is: Safety – It’s what we do. It’s what we deliver.

We are in the early stages of exploiting opportunities across a wide range of infrastructure related markets. Badger’s growth comes from driving higher usage rates in existing markets, from new customers in existing or new geographic markets and from using Badgers in newly developed applications. According to the US Census Bureau, there were 347 population centers in the U.S. with over 100,000 people in 2010. Badger is presently serving 73 of these centers, and has significant opportunity to expand in new geographic markets.

Our markets are both cyclical and seasonal. The Company has continued to deliver long-term profitable growth through these cycles. With our ongoing diversification into non-oil & gas infrastructure segments, Badger is well positioned to benefit from infrastructure renewal. Badger also remains well positioned to capitalize on any recovery in our oil & gas markets.

### **Executing on a focused strategy**

Badger’s strategy is to focus on the Hydrovac business. Badger will build the business by investing in new Hydrovac trucks, adding and training new operators, and finding new markets.

Badger’s operations are flexible. The assets (Badger Hydrovacs) are mobile and can move to the highest value opportunities. There has been no “stranded capital” in Badger’s business model. Badger will take advantage of growth opportunities to deploy incremental capital, which the company expects will generate attractive shareholder returns.

We continue to work hard to expand the Badger Advantage. Our Company has the financial strength and manufacturing capacity to support organic growth and achieve our strategic objectives. We have added to our operations team, are strengthening our human resources and finance functions and are investing in sales and marketing for continued expansion. Our goal is to double the size of our US business over the next 3-5 years and to grow our Canadian operations by 10-15 percent over the same period, while targeting adjusted EBITDA margins at 28-29 percent.

## **REQUIRED CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION**

*Certain statements contained in this news release, including statements related to Badger’s targeted growth, view and outlook toward margins, future market opportunities 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 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. Badger believes the expectations reflected in such forward-looking statements 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 news release should not be unduly relied upon.*

*In particular, forward looking statements in this press release include discussion reflecting:*

- 1. Our goal to double the size of our US business in the next 3-5 years while growing our Canadian operations by 10-15 percent annually and our targeting of RPT (revenue per truck per month) at \$30,000 and adjusted EBITDA margin at 28-29 percent;*
- 2. Our ability to continue to expand the use of its technology;*
- 3. Our belief that Badger has significant growth potential;*
- 4. Our belief that with our ongoing diversification into non-oil & gas infrastructure segments, Badger is well positioned to benefit from infrastructure renewal and our belief that Badger also remains well positioned to capitalize on recovery in our oil & gas markets; and*
- 5. Our expectation that Badger will take advantage of growth opportunities to deploy incremental capital, which the company expects will generate attractive shareholder returns.*

*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: price fluctuations for oil and natural gas and related products and services; political and economic conditions; industry competition; Badger's ability to attract and retain key personnel; changes in laws or regulations, including taxation and environmental regulations; and extreme or unsettled weather patterns.*

*Readers are cautioned that the foregoing factors are not exhaustive. Additional information on these and other factors that could affect Badger's operations and financial results is included in our management's discussion and analysis of our financial results for the year ended December 31, 2016 which may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) or at our website. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement. These forward-looking statements and information speak only as of the date of this news release. Badger does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

## **NON-IFRS FINANCIAL MEASURES**

*This news release contains references to certain financial measures, including some that do not have any standardized meaning prescribed by International Financial Reporting Standards (IFRS) and that may not be comparable to similar measures presented by other corporations or entities. These financial measures are identified and defined below:*

***“Adjusted EBITDA”** is earnings before interest, taxes, depreciation and amortization, share-based compensation, gains and losses on sale of property, plant and equipment, gains and losses on foreign exchange, and a non-recurring legal provision. 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 our 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 our control and it excludes share-based compensation as these expenses can vary significantly with changes in the price of our common shares.*

*For a reconciliation of Adjusted EBITDA to net profit, please see the most recent Management Discussion and Analysis.*

*“Revenue per truck per month” (RPT) is a measure of hydrovac fleet utilization. It is a measure of hydrovac revenue only. The RPT is calculated by combining Canadian and US dollar hydrovac revenue without converting for exchange differences, dividing the hydrovac revenue for the period by the number of hydrovacs in service throughout the period, and further dividing by the number of months in the period.*

**For more information regarding this press release, please contact:**

**Paul Vanderberg**

*President and CEO*

**1000, 635 – 8<sup>th</sup> Avenue SW**

**Calgary, Alberta**

**T2P 3M3**

**Telephone 403-264-8500**

**Fax 403-228-9773**

**Gerald Schiefelbein**

*Vice President Finance and CFO*