



## Distinct Infrastructure Group Reports Third Quarter Financial Results

TSXV:DUG | OTCQX:DSTFF

TORONTO, Nov. 27, 2017 /CNW/ - Distinct Infrastructure Group Inc. ("Distinct" or the "Company") today released its financial results for the three ("Q3 2017") and nine months ("YTD 2017") ended September 30, 2017. For Q3 2017, the Company reported third quarter revenues of \$19.5 million and EBITDA of \$3.0 million, an increase of 21% and 1% respectively as compared to the three months ended September 30, 2016 ("Q3 2016"). Adjusted Net Income for Q3 2017 was \$1.7 MM as compared to Adjusted Net Income of \$1.1 MM in Q3 2016, an increase of \$0.5 MM or 48%.

"We remain focused on delivering top-tier turnkey services for our blue-chip clients in the utilities space" said Joe Lanni, Co-Chief Executive Officer of the Company. "With strong growth opportunities in the GTA and across Western Canada, the Company is well positioned for the future"

Further commenting on the results, Alex Agius, Co-Chief Executive Officer of the Company stated: "Distinct continues to experience exceptional growth in our core business and management is evaluating numerous opportunities to drive shareholder value. These initiatives include both organic growth opportunities and additional strategic acquisitions."

### *Additional highlights:*

- Revenue growth continues YTD with a 32% increase over the nine months ended September 30, 2016 ("YTD 2016"). Distinct's clients continue to drive this growth via incremental demand for services in our key markets.
- Adjusted EBITDA of \$7.0 million YTD 2017 as compared to \$5.8 million YTD 2016, a 20% increase. Adjusted EBITDA margin was 12.6% YTD 2017 compared to 13.8% YTD 2016, a decrease of 1.2% year over year.
- Adjusted Net Income YTD 2017 was \$2.6 MM as compared to \$0.9 MM YTD 2016, an increase of \$1.7 MM.
- The Company continues to invest in working capital, as seen in our accounts receivable and work in progress balances at the end of Q3 2017. Distinct management is working with our clients, through various initiatives, to improve cash conversion cycles.
- On November 21, 2017, the Company acquired Winnipeg, MB based Crown Utilities Ltd. ("Crown") for an aggregate purchase price of \$17 million; refinanced its existing credit facility with Royal Bank of Canada for a total of \$50 million; and closed a \$10 million brokered private placement offering of common shares.

- Crown specializes in the installation of utility services in Winnipeg and across Manitoba, and provides situational and complete turnkey services for commercial, industrial, and residential projects. Crown currently attributes a significant percentage of revenue from the province's largest utility provider.
- The Company is also pleased to announce that Mr. Rob Normandeau, President of SeaFort Capital, has been appointed to the board of directors of Distinct with effect Friday, November 24, 2017. Mr. Normandeau is currently the President of SeaFort Capital and is responsible for identifying investment opportunities, executing transactions and working with companies in which SeaFort is invested to maximize shareholder value.
- Mr. Normandeau previously served as President and Chief Executive Officer of a TSX-listed investment company. Prior to that, he practiced law in the Toronto office of a major New York-based law firm, where he specialized in corporate finance and mergers and acquisitions. Mr. Normandeau holds a Bachelor of Arts degree (Scholar's Electives) from the University of Western Ontario, a Master's of Business Administration degree from the University of Toronto, and a Bachelor of Laws degree from the University of Toronto. He is admitted to the practice of law in Ontario, Nova Scotia and New York.

### *Consolidated Financial Highlights*

	For the three months ended		For the nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
<b>Revenue</b>	<b>19,510,325</b>	<b>16,122,306</b>	<b>55,802,711</b>	<b>42,396,036</b>
<b>Expenses</b>				
Direct costs	13,217,444	10,089,440	39,750,558	28,800,330
Selling, general and administrative	3,269,299	3,048,994	9,099,752	7,973,630
Depreciation	682,099	738,681	1,997,544	2,002,945
<b>Total expenses</b>	<b>17,168,842</b>	<b>13,877,115</b>	<b>50,847,854</b>	<b>38,776,905</b>
<b>Earnings from operations</b>	<b>2,341,483</b>	<b>2,245,191</b>	<b>4,954,857</b>	<b>3,619,131</b>
<b>Other expenses</b>				
Finance expense	689,146	1,009,149	2,328,610	2,643,070
One-time expenses	127,175	-	2,060,484	-
	816,321	1,009,149	4,389,094	2,643,070
<b>Income before taxes</b>	<b>1,525,162</b>	<b>1,236,042</b>	<b>565,763</b>	<b>976,061</b>
Income taxes	-	117,196	69,813	117,196
<b>Net and comprehensive income</b>	<b>1,525,162</b>	<b>1,118,846</b>	<b>495,950</b>	<b>858,865</b>
<b>Earnings per share:</b>				
<b>Basic and diluted</b>	<b>0.04</b>	<b>0.04</b>	<b>0.01</b>	<b>0.03</b>
EBITDA	3,023,582	2,983,872	6,952,401	5,622,076
<b>Adjusted EBITDA</b>	<b>3,036,864</b>	<b>3,086,700</b>	<b>7,008,874</b>	<b>5,846,842</b>

Adjusted Net Income	1,652,337	1,118,846	2,556,434	858,865
Adjusted EPS (basic and diluted)	0.05	0.04	0.07	0.03

*Note: EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted EPS are non-GAAP/IFRS figures. "EBITDA" represents Net Income plus income taxes, finance expenses, one-time expenses and depreciation. "Adjusted EBITDA" represents EBITDA plus share-based compensation. "Adjusted Net Income" represents net income plus one-time expenses. "Adjusted EPS" represents Adjusted Net Income divided by the average number of common shares outstanding for each period and Adjusted Net Income divided by the weighted average number of diluted common shares outstanding.*

*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 non-GAAP financial measures please refer to the Company's Management Discussion and Analysis for the period ended September 30, 2017.*

The financial statements, notes to the financial statements and Management's Discussion and Analysis for the three and nine month periods ended September 30, 2017 are available on SEDAR at [www.sedar.com](http://www.sedar.com) as well as DIG's investor relations website at [www.diginc.ca](http://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 and Winnipeg, Manitoba.

*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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