

# Distinct Infrastructure Group Reports Results for the Year Ended December 31, 2017 and the Three Months Ending March 31, 2018

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TORONTO, June 1, 2018 /CNW/ - Distinct Infrastructure Group Inc. ("Distinct" or the "Company") today released its financial results for the three-month and twelve-month periods ended December 31, 2017 along with its financial statements for the three-month period ending March 31, 2018.



*December 31, 2017*

For the twelve-month period ended December 31, 2017 ("FY 2017"), the Company had revenues of \$70.3 million, an increase of \$15.1 million or approximately 27.4% as compared to the twelve-month period ended December 31, 2016 ("FY 2016"). Adjusted EBITDA and Adjusted Net Loss for FY 2017 were \$0.48 million and (\$10.31 million) respectively as compared to Adjusted EBITDA and Adjusted Net Loss of \$3.71 million and (\$3.15 million) in FY 2016.

*Revenue Restatement*

Due to the implementation of IFRS 15 in 2018, the Company reviewed its methodology for the application of percentage completion of projects and the process of identifying revenue for certain change orders. As a result of this review, the Company adjusted previously reported revenue for in 2017 and for the year ended December 31, 2016 and reduced the work-in-progress by a corresponding amount. The adjustments resulted in a \$4.5 million reduction of reported revenue for 2016.

The adjustments do not have any impact on the Company's operations or its cashflows and, more specifically, do not affect the Company's net cash flows from operating activities nor the ongoing and future individual projects.

#### *March 31, 2018*

For the three months ending March 31, 2018 ("Q1 2018"), the Company reported revenues of \$21.3 million and Adjusted EBITDA of \$1.26 million, an increase of approximately 71% and 164% respectively as compared to the three months ended March 31, 2017 ("Q1 2017"). Adjusted Net Loss for Q1 2018 was (\$1.07 million) as compared to an Adjusted Net Loss of (\$3.65 million) in Q1 2017.

The Company's growth trajectory continues with strong demand for incremental services from its blue-chip clients. Q1 2018 is the first quarter that the Company is including a full quarter's revenue from its recently acquired subsidiary, Crown Utilities Ltd. ("Crown").

#### *CFO Departure*

The Company also announced that, further to its press release of December 19, 2017, both Manny Bettencourt, the Chief Financial Officer, and the Company have agreed that Mr. Bettencourt will not be returning to resume his role as Chief Financial Officer. The Company would like to thank Mr. Bettencourt for his contributions to the success of the Company, and wishes him well in his future endeavors. The Company will be undertaking a comprehensive search for a permanent Chief Financial Officer.

#### *Overview*

"Distinct continues to build on its relationships with its customers and sees significant positive growth in the number and volume of projects," said Alex Agius, Co-CEO, "The Company expects this growth trajectory to carry on for the foreseeable future."

"In Q1 2018, the Company achieved year-over-year growth despite some significant challenges." said William Nurnberger, Interim CFO and VP Corporate Development. "In the quarter, unusually inclement weather caused nine unbilled revenue days in Ontario relative to two unbilled in the Q1 2017 period. Further, we have continued to see losses in the Alberta region that have significantly impacted EBITDA negatively. The Company is continuing its restructuring program in the region, while still positioning the company to capitalize on future profitable projects."

"Distinct is well-positioned to further its growth strategy with strong support from our credit partners and with the acquisition and integration of Crown Utilities Ltd. currently

meeting all expectations," said Joe Lanni, Co-CEO, "The Company consistently reviews opportunistic acquisitions that fit the Company's culture and growth objectives.

"Taken together, these factors point to a strong and profitable 2018 for Distinct," Mr Lanni said. "We expect EBITDA margins to recover in 2018 - likely coming-in closer to the margins you've seen from us historically than to those in the restated 2016 and 2017 results discussed today."

### 2017 Consolidated Financial Highlights

DISTINCT INFRASTRUCTURE GROUP INC CONSOLIDATED INCOME STATEMENT All Figures In CAD		
	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016 (Restated)
Revenue	\$70,283,002	\$55,179,922
Expenses	\$83,945,535	\$58,327,707
Net Income	(\$13,662,533)	(\$3,147,785)
EBITDA	\$299,943	\$3,482,425
Adjusted EBITDA	\$477,403	\$3,711,435

### 2018 Q1 Consolidated Financial Highlights

DISTINCT INFRASTRUCTURE GROUP INC CONSOLIDATED INCOME STATEMENT All Figures In CAD		
	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017 (Restated)
Revenue	\$21,322,114	\$12,499,430
Expenses	\$22,392,902	\$15,138,579
Net Income	(\$1,070,788)	(\$2,639,149)
EBITDA	\$959,108	(\$1,980,723)
Adjusted EBITDA	\$1,255,323	(\$1,950,814)

The financial statements, notes to the financial statements and Management's Discussion and Analysis for the three month period and year ended December 31, 2017 and for the three months ending March 31, 2018 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).

#### *Conference Call:*

Distinct has scheduled a conference call for 11:00 a.m. (E.S.T.) on Monday, June 4, 2018. Joe Lanni and Alex Agius, Co-CEOs, William Nurnberger, Interim CFO and VP Corporate Development, and George Parselias, VP Finance will host the conference call. Participants should dial 1-800-621-4410 at least 10 minutes prior to the conference time. For those unable to attend the call, a replay will be available after 1:00 p.m. at 1-800-558-5253 or 416-626-4100 until midnight on June 18, 2018. The reservation number is 21890903.

#### *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.*

#### *Non-IFRS / GAAP Measures*

*Note: EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted EPS are non-GAAP/IFRS figures. "EBITDA" represents net income plus income tax, finance expense and depreciation. "Adjusted EBITDA" represents EBITDA plus share-based compensation and one-time costs. "Adjusted Net Income" represents net income plus one-time finance 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.*

#### *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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