



NEWS RELEASE

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Boyd Group Services Inc. Reports Fourth Quarter and Full Year 2023 Results

- Revenue growth throughout the year provides improved leverage and profitability -

Winnipeg, Manitoba – March 20, 2024 – Boyd Group Services Inc. (TSX: BYD.TO) (“the Boyd Group”, “Boyd” or “the Company”) today announced the results for the three and twelve-month periods ended December 31, 2023. The Boyd Group’s fourth quarter 2023 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.

2023 Results and Highlights:

- Sales increased by 21.1% to \$2.9 billion from \$2.4 billion in the same period of 2022, including same-store sales¹ increases of 15.8%. Fiscal 2023 recognized one less selling and production day when compared to fiscal 2022, which decreased selling and production capacity by 0.4% in 2023 when compared to 2022
- Adjusted EBITDA¹ increased 34.6% to \$368.2 million, compared with Adjusted EBITDA of \$273.5 million in 2022
- Adjusted net earnings¹ increased 111.7% to \$89.7 million, compared with \$42.4 million in adjusted net earnings in 2022 and adjusted net earnings per share¹ increased 112.2% to \$4.18, compared with \$1.97 in 2022
- Net earnings increased 111.6% to \$86.7 million, compared with \$41.0 million in 2022 and net earnings per share increased 111.6% to \$4.04, compared with \$1.91 in 2022
- Positive cash flows provided by operating activities of \$357.5 million, compared with \$264.2 million in 2022
- Increased quarterly dividends by 2.0% in November 2023, bringing dividends to an annualized amount of C\$0.60 per share from C\$0.59 per share
- Added 106 new locations, including 78 acquisition locations and 28 start-up locations
- Published Boyd’s second Environmental, Social and Governance Report
- Announced the election of Christine Feuill to the Board of Directors
- Announced the appointment of Jeff Murray as Executive Vice-President & Chief Financial Officer

Subsequent to Quarter End

- Added ten locations
- Declared first quarter dividend in the amount of C\$0.15 per share

¹ 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.



Results of Operations <i>(thousands of U.S. dollars, except per share amounts)</i>	For the three months ended, December 31,			For the years ended, December 31,		
	2023	% change	2022	2023	% change	2022
Sales – Total	740,014	16.2	637,094	2,945,988	21.1	2,432,318
Same-store sales – Total (excluding foreign exchange) ⁽¹⁾	690,469	8.7	635,375	2,774,164	15.8	2,395,402
Gross margin %	45.5 %	2.7	44.3 %	45.5 %	1.8	44.7 %
Operating expense %	32.7 %	0.3	32.6 %	33.0 %	(1.5)	33.5 %
Adjusted EBITDA ⁽¹⁾	94,207	26.1	74,693	368,247	34.6	273,500
Acquisition and transaction costs	1,487	158.2	576	4,346	155.6	1,700
Depreciation and amortization	51,783	15.6	44,787	192,851	9.8	175,619
Fair value adjustments	(189)	N/A	—	(189)	N/A	146
Finance costs	14,052	41.0	9,967	51,718	38.6	37,308
Income tax expense	8,008	54.6	5,179	32,865	85.0	17,765
Adjusted net earnings ⁽¹⁾	19,977	36.7	14,610	89,683	111.7	42,366
Adjusted net earnings per share ⁽¹⁾	0.93	36.8	0.68	4.18	112.2	1.97
Net earnings	19,066	34.4	14,184	86,656	111.6	40,962
Basic and diluted earnings per share	0.89	34.4	0.66	4.04	111.6	1.91

1. Same-store sales, Adjusted EBITDA, Adjusted net earnings and Adjusted net earnings per share are non-GAAP financial measures. Please see "Non-GAAP measures" section of this news release.

"We are pleased with the strong financial results reported in 2023, once again achieving record sales and showing meaningful improvement in leverage and profitability when compared to the prior year", said Timothy O'Day, President & Chief Executive Officer of the Boyd Group. "Demand for services remained high throughout 2023", added Mr. O'Day. "We were able to continue successfully negotiating selling rate increases from our insurance company clients to better reflect the labor cost increases we have been experiencing, although further increases are necessary to bring our labor margin back into the normal range."

Outlook

Boyd continues to execute on its growth strategy. During 2023, the Company added 78 locations through acquisition and 28 start-up locations, for a total of 106 new collision repair locations. In addition to location growth, Boyd was able to achieve same-store sales increases of 15.8%. Heading into 2024, the Company is facing strong comparative period same-store sales results. Thus far in the first quarter of 2024, same-store sales increases, while positive, are lower than the average quarterly ten year level of same-store sales growth of 5.9%. Mild winter weather impacted demand for glass services, which are already seasonally low in the fourth and first quarters of the year. The same weather is impacting demand for collision repair services.

Performance of the business during the first quarter of 2024 has been challenged by a number of factors. During 2023, Boyd added a record number of new single locations, including 26 locations through acquisition and 11 start-up locations in the fourth quarter. These new locations negatively impact earnings during the first several quarters of operation, and typically mature to align with overall company performance over a two to three year period. While Boyd continues to receive pricing increases, labor margins remain consistent with the previous quarter and below historical levels. This remains a key area of focus for the Company, impacting both the gross margin



percentage and Adjusted EBITDA margin percentage that can be achieved in the short term. As in prior years, the first quarter is burdened by higher payroll taxes that occur early in the year, while the fourth quarter of 2023 benefited from expense accrual reductions, as certain expense estimates were firmed up at amounts that were lower than previously estimated and accrued. As a result, thus far in the first quarter, Adjusted EBITDA dollars are trending slightly above levels achieved in the first quarter of the prior year, but below the level achieved in the fourth quarter. Despite these challenges, Boyd remains positive about the future of the business and the opportunities that lie ahead.

The pipeline to add new locations and to expand into new markets is robust. Boyd has made investments in resources to support growth through single location, multi-location, or a combination of single and multi-location acquisitions. In addition, investments have been made to support growth through start-up locations. Together, these investments give the Company flexibility on how best to grow. Operationally, Boyd is focused on optimizing performance of new locations, as well as scanning and calibration services, and consistent execution of the WOW Operating Way. Given the high level of location growth in 2021, the strong same-store sales growth during 2022, and the combination of same-store sales growth and location growth in 2023, Boyd remains confident that the Company is on track to achieve its long-term growth goals, including doubling the size of the business on a constant currency basis from 2021 to 2025 against 2019 sales.

2023 Fourth Quarter Conference Call & Webcast

As previously announced, management will hold a conference call on Wednesday, March 20, 2024, at 10:00 a.m. (ET) to review the Company's 2023 fourth quarter results. You can join the call by dialing 888-390-0546 or 416-764-8688. To join the conference call without operator assistance, you may register and enter your phone number at <https://emportal.ink/483tuTD> to receive an instant automated call back. A live audio webcast of the conference call will be available through 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 Wednesday, March 27, 2024, at midnight by calling 888-390-0541 or 416-764-8677, replay code 840503, reference number 48840503.

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 <http://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 (<http://www.boydautobody.com>) and Assured Automotive (<http://www.assuredauto.ca>) as well as in the U.S. under the trade name Gerber Collision & Glass (<http://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. For more information on The Boyd Group Inc. or Boyd Group Services Inc., please visit our website at (<http://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 December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net earnings	\$ 19,066	\$ 14,184	\$ 86,656	\$ 40,962
Add:				
Finance costs	14,052	9,967	51,718	37,308
Income tax expense	8,008	5,179	32,865	17,765
Depreciation of property, plant and equipment	16,224	12,279	56,863	47,902
Depreciation of right of use assets	28,663	26,035	109,806	101,150
Amortization of intangible assets	6,896	6,473	26,182	26,567
Standardized EBITDA	\$ 92,909	\$ 74,117	\$ 364,090	\$ 271,654
Add:				
Fair value adjustments	(189)	—	(189)	146
Acquisition and transaction costs	1,487	576	4,346	1,700
Adjusted EBITDA	\$ 94,207	\$ 74,693	\$ 368,247	\$ 273,500



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 December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net earnings	\$ 19,066	\$ 14,184	\$ 86,656	\$ 40,962
Add:				
Fair value adjustments (non-taxable)	(189)	—	(189)	146
Acquisition and transaction costs (net of tax)	1,100	426	3,216	1,258
Adjusted net earnings	\$ 19,977	\$ 14,610	\$ 89,683	\$ 42,366
Weighted average number of shares	21,472,194	21,472,194	21,472,194	21,472,194
Adjusted net earnings per share	\$ 0.93	\$ 0.68	\$ 4.18	\$ 1.97

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 December 31,		Year ended December 31,	
	2023	2022	2023	2022
Sales	\$ 740,014	\$ 637,094	\$ 2,945,988	\$ 2,432,318
Less:				
Sales from locations not in the comparative period	(49,434)	(1,360)	(180,560)	(33,978)
Sales from under-performing facilities closed during the period	(9)	(359)	—	(2,938)
Foreign exchange	(102)	—	8,736	—
Same-store sales (excluding foreign exchange)	\$ 690,469	\$ 635,375	\$ 2,774,164	\$ 2,395,402



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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.