



NEWS RELEASE

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Boyd Group Services Inc. Reports Fourth Quarter and Full Year 2020 Results

- Demonstrating resilience during unprecedented times-

Winnipeg, Manitoba – March 24, 2021 – 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, 2020. The Boyd Group’s fourth quarter 2020 financial statements and MD&A have been filed on SEDAR (www.sedar.com). 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.

2020 Results and Highlights:

- Completed the conversion of the Fund from an income trust to a public corporation named Boyd Group Services Inc., pursuant to the plan of arrangement under the Canada Business Corporations Act
- Appointed Tim O’Day President & CEO, in accordance with the previously announced CEO succession plan with Brock Bulbuck moving into the role of Executive Chair
- Financial results were significantly impacted by the COVID-19 pandemic
- Sales decreased by 8.5% to \$2.1 billion from \$2.3 billion in the same period of 2019, including same-store sales decreases of 15.6%, with Canada having a greater negative impact due to the slower economic reopening and more significant restrictions in place when compared to the U.S.
- Adjusted EBITDA¹ decreased 8.2% to \$293.6 million, including the benefit of \$16.9 million of Canada Emergency Wage Subsidy (“CEWS”), compared with Adjusted EBITDA of \$319.9 million in 2019
- Adjusted net earnings¹ decreased 43.8% to \$54.0 million, compared with \$96.1 million in adjusted net earnings in 2019 and adjusted net earnings per share/unit¹ decreased 46.8% to \$2.57, compared with \$4.83 in 2019
- Net earnings decreased 10.0% to \$57.7 million, compared with \$64.1 million in 2019 and net earnings per share/unit decreased 14.9% to \$2.75, compared with \$3.23 in 2019
- Cash balance at quarter end of \$77.7 million
- Positive cash flows provided by operating activities of \$307.0 million, an increase from \$295.9 million in 2019
- Net debt of \$685.6 million and net debt excluding lease liabilities of \$151.7 million
- Increased and extended its revolving credit facility to US\$550 million, with an accordion feature which can increase the facility to a maximum of US\$825 million, accompanied by the addition of a new seven-year fixed-rate Term Loan A in the amount of US\$125 million, maturing in March 2025 and March 2027, respectively
- Completed a public offering for the issuance of 1,265,000 common shares at a price of \$183.00 per share for gross proceeds to the Company of \$231.5 million
- Entered into an amendment to the Credit Facility intended to adjust the covenant calculations for the distorting impact of the pandemic
- Announced the election of John Hartmann and William Onuwa to its Board of Directors, as well as Gene Dunn’s retirement from the Board of Directors
- Settled the call option transaction to acquire the 21.16% non-controlling interest in Gerber Glass LLC held by a member of the U.S. management team
- Increased quarterly dividends by 2.2% in November 2020, bringing dividends to an annualized amount of \$0.56 per share from \$0.55 per share
- Growth continued, although acquisition activity paused from late March to mid-August
- Added 54 new locations, including 11 intake centers and entered the state of Arkansas
- Announced five year growth plan, to double the size of the business on a constant currency basis from 2021 to 2025, based on 2019 revenues
- Announced conversion to U.S. dollar reporting starting January 2021



Subsequent to Quarter End

- Added 16 locations, including seven intake centers
- Declared first quarter dividend in the amount of \$0.141 per share
- Announced the planned retirement of Independent Board Chair, Allan Davis

“The steps our team has taken since the onset of the pandemic have consistently positioned us well during these unprecedented times, and our 2020 results reflect the impact of these efforts,” said Tim O’Day, President & Chief Executive Officer of the Boyd Group. “Through prudent management of expenses, a focus on liquidity, and our ability to adjust capacity relative to changes in demand, we have posted respectable results, in spite of the decline in revenues caused by COVID-19. Throughout the year, we continued to adjust our business in accordance with changes in demand for our services, first decreasing and then subsequently adding back production capacity as demand for collision repair services rose. As we continue to navigate through this pandemic environment, our priorities remain taking care of the health and safety of both our team members and our customers and preparing for the future that lies ahead.”

In conjunction with the planned retirement of Allan Davis from the Board, the Board has nominated David Brown as the incoming Independent Chair, subject to his re-election at the upcoming Annual General and Special Meeting. Additionally, Robert Espey, CEO of Parkland Corporation has been nominated and will stand for election to the Board. The Board has also reaffirmed its commitment to diversity, aspiring to increase from its current 22% to a minimum of 30% gender diversity on the Board by the Annual General Meeting of 2024.

“On behalf of our entire Company, as well as all of our Stakeholders, I would like to thank Al for the many years of dedicated service he has provided to Boyd. I also look forward to working with Dave as incoming Independent Chair and Bob as a new member of our Board,” said Tim O’Day.



Results of Operations <i>(thousands of Canadian dollars, except per unit amounts)</i>	For the three months ended, December 31,			For the years ended, December 31,		
	2020	% change	2019	2020	% change	2019
Sales – Total	526,003	(10.2)	585,966	2,089,115	(8.5)	2,283,325
Same-store sales – Total (excluding foreign exchange)	507,313	(12.6)	580,550	1,771,294	(15.6)	2,099,505
Gross margin %	45.8 %	1.8	45.0 %	46.0 %	1.3	45.4 %
Operating expense %	30.9 %	0.7	30.7 %	32.0 %	1.9	31.4 %
Adjusted EBITDA ⁽¹⁾	78,433	(6.7)	84,053	293,551	(8.2)	319,872
Acquisition and transaction costs	487	(50.9)	991	1,999	(58.8)	4,850
Depreciation and amortization	44,555	5.4	42,273	176,676	14.0	154,958
Fair value adjustments	(2,513)	(128.6)	8,799	(5,191)	(118.3)	28,330
Finance costs	8,259	(18.5)	10,129	42,596	11.6	38,185
Income tax expense	6,603	(13.2)	7,608	19,737	(32.9)	29,402
Adjusted net earnings ⁽¹⁾	18,889	(20.6)	23,785	54,022	(43.8)	96,066
Adjusted net earnings per share/unit ⁽¹⁾	0.88	(26.1)	1.19	2.57	(46.8)	4.83
Net earnings	21,042	47.6	14,253	57,734	(10.0)	64,147
Basic earnings per share/unit	0.98	36.1	0.72	2.75	(14.9)	3.23
Diluted earnings per share/unit	0.98	36.1	0.72	2.60	(16.6)	3.12

1. Standardized EBITDA, Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, adjusted for the fair value adjustments related to the exchangeable share liability, unit option liability, non-controlling interest call liability / put option and contingent consideration, as well as acquisition and transaction costs), adjusted net earnings and adjusted net earnings per share/unit are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that in addition to revenue, net earnings and cash flows, the supplemental measures of adjusted net earnings, Standardized EBITDA and Adjusted EBITDA are useful as they provide investors with an indication of earnings from operations and cash available for distribution, both before and after debt management, productive capacity maintenance and non-recurring and other adjustments. Investors should be cautioned, however, that Standardized EBITDA, Adjusted EBITDA, adjusted net earnings and adjusted net earnings per share/unit should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of Boyd's performance. Boyd's method of calculating these measures may differ from other public issuers and, accordingly, may not be comparable to similar measures used by other issuers. For a detailed explanation of how Boyd's non-GAAP measures are calculated, please refer to Boyd's MD&A filing for the period ended December 31, 2020, which can be accessed via the SEDAR Web site (www.sedar.com).



Outlook

The COVID-19 pandemic continues to impact Boyd's business. Thus far in the first quarter of 2021, same-store sales activity is at a similar level to that achieved in the fourth quarter of 2020. Canada continues to have tighter restrictions and a slower economic reopening when compared to the U.S. This has had a significant impact on same-store sales activity in Canada. These declines have been partially offset by the Canada Emergency Wage Subsidy ("CEWS"), which has been extended to June 2021. Boyd will continue to make applications under the CEWS program as long as eligibility criteria are met. However, amounts expected to be received in 2021 will be significantly lower than those recorded in 2020 due to program changes announced to date. In the U.S., sales activity has experienced variability throughout the various states in which we operate. Variability has been caused by different levels of restrictions by state, a significant surge in COVID-19 infections, and unusual weather events in southern states, which contributed to power outages experienced in Texas.

"Despite the COVID-19 pandemic, our results demonstrate that Boyd is well positioned to continue to navigate through this challenging environment," said O'Day. "During 2021, we will focus on our growth strategy, to double the size of the business on a constant currency basis from 2021 to 2025, based on 2019 revenues, implying a compound annual growth rate of 15 percent. We will pursue accretive growth through a combination of organic growth (same-store sales growth) as well as adding new locations to our network in the United States and Canada. New location growth will continue to include single location acquisitions, as well as brownfield and greenfield start-ups, and multi location acquisitions. As previously announced, in order to reduce volatility from exchange rates, effective January 1, 2021, and beginning with the reporting of results for the first quarter of 2021, we will change our presentation currency and begin reporting our results in U.S. Dollars. Given almost 90% of our revenues come from the U.S., this is an appropriate currency for reporting purposes. With prudent financial management and our strong balance sheet, including dry powder of over \$1 billion, we are well-positioned to take advantage of acquisition opportunities as they arise."

2020 Fourth Quarter Conference Call & Webcast

As previously announced, management will hold a conference call on Wednesday, March 24, 2021, at 10:00 a.m. (ET) to review the Company's 2020 fourth quarter results. You can join the call by dialing 888-231-8191 or 647-427-7450. 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 31, 2021, at midnight by calling 1-855-859-2056 or 416-849-0833, reference number 6346108.

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>).



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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: pandemic risk & economic downturn; operational performance; acquisition risk; employee relations and staffing; brand management and reputation; market environment change; reliance on technology; loss of key customers; decline in number of insurance claims; margin pressure and sales mix changes; environmental, health and safety risk; weather conditions and climate change; competition; access to capital; foreign currency risk; 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; low capture rates; supply chain risk; capital expenditures; and energy costs and BGS'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 BGS'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.