



BOYD GROUP SERVICES INC.

Interim Condensed Consolidated Financial Statements

Three Months Ended March 31, 2024

BOYD GROUP SERVICES INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)
(thousands of U.S. dollars)

	Note	March 31, 2024	December 31, 2023
Assets			
Current assets:			
Cash		\$ 16,380	\$ 22,511
Accounts receivable		139,196	145,793
Income taxes recoverable		5,477	7,721
Inventory	4	69,193	78,532
Prepaid expenses		42,285	41,728
		272,531	296,285
Property, plant and equipment	5	485,040	438,981
Right of use assets	6	660,805	654,347
Deferred income tax asset		4,914	4,316
Intangible assets	7	341,885	342,781
Goodwill	8	638,351	633,986
Other long-term assets	9	11,746	11,720
		\$ 2,415,272	\$ 2,382,416
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 326,557	\$ 339,823
Dividends payable	10	2,377	2,435
Current portion of long-term debt	11	20,840	22,038
Current portion of lease liabilities	12	109,500	107,727
		459,274	472,023
Long-term debt	11	434,032	399,667
Lease liabilities	12	615,837	607,550
Deferred income tax liability		71,155	70,271
Unearned rebates		4,425	4,579
		1,584,723	1,554,090
Equity			
Accumulated other comprehensive earnings		54,341	58,313
Retained earnings		171,429	165,427
Shareholders' capital		600,047	600,047
Contributed surplus		4,732	4,539
		830,549	828,326
		\$ 2,415,272	\$ 2,382,416

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Approved by the Board:

TIMOTHY O'DAY
Director

DAVID BROWN
Director

BOYD GROUP SERVICES INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)
(thousands of U.S. dollars, except share amounts)

	Shareholders' Capital		Contributed Surplus	Accumulated Other Comprehensive Earnings	Retained Earnings	Total Equity
	Shares	Amount				
	<i>Note</i>					
Balances - January 1, 2023	21,472,194	\$ 600,047	\$ 4,037	\$ 54,330	\$ 88,183	\$ 746,597
Other comprehensive earnings				3,983		3,983
Net earnings					86,656	86,656
Comprehensive earnings				3,983	86,656	90,639
Stock option accretion			502			502
Dividends to shareholders					(9,412)	(9,412)
Balances - December 31, 2023	21,472,194	\$ 600,047	\$ 4,539	\$ 58,313	\$ 165,427	\$ 828,326
Other comprehensive loss				(3,972)		(3,972)
Net earnings					8,381	8,381
Comprehensive (loss) earnings				(3,972)	8,381	4,409
Stock option accretion			193			193
Dividends to shareholders	<i>10</i>				(2,379)	(2,379)
Balances - March 31, 2024	21,472,194	\$ 600,047	\$ 4,732	\$ 54,341	\$ 171,429	\$ 830,549
Balances - January 1, 2023	21,472,194	\$ 600,047	\$ 4,037	\$ 54,330	\$ 88,183	\$ 746,597
Other comprehensive earnings				138		138
Net earnings					20,823	20,823
Comprehensive earnings				138	20,823	20,961
Stock option accretion			100			100
Dividends to shareholders	<i>10</i>				(2,306)	(2,306)
Balances - March 31, 2023	21,472,194	\$ 600,047	\$ 4,137	\$ 54,468	\$ 106,700	\$ 765,352

The accompanying notes are an integral part of these interim condensed consolidated financial statements

BOYD GROUP SERVICES INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)
(thousands of U.S. dollars, except share and per share amounts)

		Three months ended March 31,	
		2024	2023
Sales	Note 15	\$ 786,547	\$ 714,941
Cost of sales		433,987	387,895
Gross profit		352,560	327,046
Operating expenses		270,853	242,352
Acquisition and transaction costs		1,446	556
Depreciation of property, plant and equipment	5	16,400	11,916
Depreciation of right of use assets	6	29,659	25,777
Amortization of intangible assets	7	6,559	6,102
Fair value adjustments		(7)	—
Finance costs		16,122	12,064
		341,032	298,767
Earnings before income taxes		11,528	28,279
Income tax expense			
Current		2,965	5,757
Deferred		182	1,699
		3,147	7,456
Net earnings		\$ 8,381	\$ 20,823

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Basic earnings per share	16	\$ 0.39	\$ 0.97
Diluted earnings per share	16	\$ 0.39	\$ 0.97
Basic weighted average number of shares outstanding	16	21,472,194	21,472,194
Diluted weighted average number of shares outstanding	16	21,483,723	21,472,194

BOYD GROUP SERVICES INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (Unaudited)
(thousands of U.S. dollars)

		Three months ended March 31,	
		2024	2023
Net earnings		\$ 8,381	\$ 20,823
Other comprehensive earnings			
Items that may be reclassified subsequently to Interim Condensed Consolidated Statements of Earnings			
Change in unrealized earnings on foreign currency translation		(3,972)	138
Other comprehensive (loss) earnings		(3,972)	138
Comprehensive earnings		\$ 4,409	\$ 20,961

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BOYD GROUP SERVICES INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(thousands of U.S. dollars)

		Three months ended March 31,	
		2024	2023
	<i>Note</i>		
Cash flows from operating activities			
Net earnings		\$ 8,381	\$ 20,823
Adjustments for			
Fair value adjustments		(7)	—
Deferred income taxes		182	1,699
Finance costs		16,122	12,064
Amortization of intangible assets	7	6,559	6,102
Depreciation of property, plant and equipment	5	16,400	11,916
Depreciation of right of use assets	6	29,659	25,777
Other		679	65
		77,975	78,446
Changes in non-cash working capital items		4,788	6,392
		82,763	84,838
Cash flows used in financing activities			
Increase in obligations under long-term debt	11	96,500	25,449
Repayment of long-term debt, principal	11	(64,402)	(38,283)
Repayment of obligations under property leases, principal		(24,697)	(22,813)
Repayment of obligations under vehicle and equipment leases, principal		(1,268)	(840)
Interest on long-term debt	11	(6,481)	(4,680)
Interest on property leases		(9,398)	(7,224)
Interest on vehicle and equipment leases		(269)	(144)
Dividends paid		(2,399)	(2,352)
Payment of financing costs	11	(829)	—
		(13,243)	(50,887)
Cash flows used in investing activities			
Proceeds on sale of equipment and software	5	225	117
Equipment purchases and facility improvements		(20,512)	(13,561)
Acquisition and development of businesses (net of cash acquired)		(54,899)	(24,315)
Software purchases and licensing	7	(118)	(68)
Increase in other long-term assets		(37)	(138)
		(75,341)	(37,965)
Effect of foreign exchange rate changes on cash		(310)	(18)
Net decrease in cash position		(6,131)	(4,032)
Cash beginning of period		22,511	15,068
Cash, end of period		\$ 16,380	\$ 11,036
Income taxes paid		\$ 731	\$ 730
Interest paid		\$ 15,836	\$ 11,554

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BOYD GROUP SERVICES INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

For the three months ended March 31, 2024 and 2023
(thousands of U.S. dollars, except share and share amounts)

1. GENERAL INFORMATION

Boyd Group Services Inc. (“BGSI” or the “Company”) is a Canadian corporation and controls The Boyd Group Inc. and its subsidiaries.

The Company’s business consists of the ownership and operation of autobody/autoglass repair facilities and related services. At the reporting date, the Company operated locations in Canada under the trade names Boyd Autobody & Glass and Assured Automotive, as well as in the U.S. under the trade name Gerber Collision & Glass. The Company is also a major retail auto glass operator in the U.S. under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority and Autoglassonly.com. In addition, the Company operates Gerber National Claim Services (“GNCS”), that offers glass, emergency roadside and first notice of loss services. The Company also operates Mobile Auto Solutions (“MAS”) that offers mobile calibration and diagnostic services.

The shares of the Company are listed on the Toronto Stock Exchange and trade under the symbol “BYD.TO”. The head office and principal address of the Company are located at 1745 Ellice Avenue, Unit C1, Winnipeg, Manitoba, Canada, R3H 1A6.

The policies applied in these interim condensed consolidated financial statements are based on International Financial Reporting Standards (“IFRS”) issued and effective as of May 14, 2024, the date the Board of Directors approved the statements.

2. BASIS OF PRESENTATION

These interim condensed consolidated financial statements for the three months ended March 31, 2024 have been prepared in accordance with IAS 34, *Interim financial reporting* using the same accounting policies and methods of computation followed in the consolidated financial statements for the year ended December 31, 2023, except for the adoption of new standards as set out below. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS. These interim condensed consolidated financial statements are presented in U.S. dollars (“USD”).

New or amended standards became applicable for the current reporting period and the Company had to change its accounting policies as a result of adopting the following standards:

- IAS 1 Non-current Liabilities with Covenants;
- IAS 7 and IFRS 7 Supplier Finance Arrangements and
- IFRS 16 Lease Liability in a Sale Leaseback

The adoption of the amendments to the above standards did not have a material impact on the Company’s interim condensed consolidated financial statements.

BOYD GROUP SERVICES INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

For the three months ended March 31, 2024 and 2023

(thousands of U.S. dollars, except share and share amounts)

3. ACQUISITIONS

The Company completed 10 acquisitions that added 12 locations and one calibration business during the three months ended March 31, 2024.

BGSI has accounted for the 2024 acquisitions using the acquisition method as follows:

Acquisitions in 2024		Total acquisitions
Identifiable net assets acquired at fair value:		
Other current assets	\$	209
Property, plant and equipment		3,895
Right of use assets		8,753
Identified intangible assets		
Customer relationships		6,570
Non-compete agreements		368
Liabilities assumed		
Lease liabilities		(8,753)
Identifiable net assets acquired	\$	11,042
Goodwill		6,688
Total purchase consideration	\$	17,730
Consideration provided		
Cash paid or payable	\$	16,305
Seller notes		1,425
Total consideration provided	\$	17,730

The preliminary purchase price allocations for the 2024 acquisitions may be revised as additional information becomes available. Further adjustments may be recorded in future periods as purchase price adjustments are finalized.

Canadian acquisition transactions are initially recognized in U.S. dollars at the rates of exchange in effect on the transaction dates. Subsequently, the assets and liabilities are translated at the rate in effect at the Statement of Financial Position date.

A significant part of the goodwill recorded on the acquisitions can be attributed to the assembled workforce and the operating know-how of key personnel. However, no intangible assets qualified for separate recognition in this respect.

Goodwill recognized during 2024 is expected to be deductible for tax purposes.

BOYD GROUP SERVICES INC.
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(Unaudited)

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On the statement of cash flows, included as part of cash used for acquisition and development of business were costs related to the acquisition of businesses, as well as the development of businesses which consisted primarily of property, plant and equipment additions.

4. INVENTORY

As at	March 31, 2024	December 31, 2023
Paint and materials	\$ 25,141	\$ 23,864
Work in process	44,052	54,668
Balance, end of period	\$ 69,193	\$ 78,532

5. PROPERTY, PLANT AND EQUIPMENT

As at	March 31, 2024	December 31, 2023
Balance, beginning of year	\$ 438,981	\$ 314,564
Acquired through business combination	3,895	27,219
Additions	59,239	156,981
Proceeds on disposal	(225)	(3,447)
Loss on disposal	(201)	(57)
Transfers from right of use assets	110	297
Depreciation	(16,400)	(56,863)
Foreign exchange	(359)	287
Balance, end of period	\$ 485,040	\$ 438,981

Additions to property, plant and equipment for the three months ended March 31, 2024 include additions to land and buildings of \$16,726 (for the 12 months ended December 31, 2023 - \$25,688). The Company intends to enter into a sale and leaseback arrangement for a number of these assets in the future.

BOYD GROUP SERVICES INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

For the three months ended March 31, 2024 and 2023

(thousands of U.S. dollars, except share and share amounts)

6. RIGHT OF USE ASSETS

As at	March 31, 2024	December 31, 2023
Balance, beginning of year	\$ 654,347	\$ 568,437
Acquired through business combinations	8,753	49,916
Additions and modifications	28,694	144,864
Depreciation	(29,659)	(109,806)
Transfers to property, plant and equipment	(110)	(297)
Foreign exchange	(1,220)	1,233
Balance, end of period	\$ 660,805	\$ 654,347

7. INTANGIBLE ASSETS

As at	March 31, 2024	December 31, 2023
Balance, beginning of year	\$ 342,781	\$ 332,939
Acquired through business combination	6,938	32,944
Additions	118	1,684
Amortization	(6,559)	(26,182)
Foreign exchange	(1,393)	1,396
Balance, end of period	\$ 341,885	\$ 342,781

8. GOODWILL

As at	March 31, 2024	December 31, 2023
Balance, beginning of year	\$ 633,986	\$ 601,706
Acquired through business combination	6,688	29,996
Foreign exchange	(2,323)	2,284
Balance, end of period	\$ 638,351	\$ 633,986

9. OTHER LONG TERM ASSETS

Other long term assets consist primarily of rent deposits in the amount of \$3,746 (2023 - \$3,720) and an investment of \$8,000 (2023 - \$8,000) to support the growth of the glass business. Investments which do not qualify for equity treatment are recorded as other long term assets.

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(Unaudited)

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(thousands of U.S. dollars, except share and share amounts)

10. DIVIDENDS

The Company's Directors have discretion in declaring dividends. The Company declares and pays dividends from its available cash from operations taking into account current and future performance amounts necessary for principal and interest payments on debt obligations, amounts required for maintenance capital expenditures and amounts allocated to reserves.

The Company declared dividends of C\$0.150 per share in the first quarter of 2024 (2023 - C\$0.147).

The following is the balance of dividends payable:

As at	March 31, 2024	December 31, 2023
Balance, beginning of period	\$ 2,435	\$ 2,330
Declared	2,379	9,412
Payments	(2,399)	(9,382)
Foreign exchange	(38)	75
Balance, end of period	\$ 2,377	\$ 2,435

Dividends to shareholders were declared and paid as follows:

Record date	Payment date	Dividend amount
March 31, 2024	April 26, 2024	\$ 2,379
		\$ 2,379
Record date	Payment date	Dividend amount
March 31, 2023	April 26, 2023	\$ 2,306
		\$ 2,306

BOYD GROUP SERVICES INC.
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(Unaudited)

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11. LONG-TERM DEBT

On March 26, 2024, the Company entered into a fourth amended and restated credit agreement to extend the revolving credit facilities in the aggregate amount of \$550,000 for a four-year term, with an accordion feature which can increase the credit facilities to a maximum of \$850,000 (the “Facilities”). The Facilities will mature in March 2028. In addition, the amended and restated credit agreement provides for the Canadian Overnight Repo Rate Average (“CORRA”) as the Canadian benchmark replacement rate on Canadian dollar term advances when the publication of Canadian Dollar Offered Rate (“CDOR”) ceases in June 2024. The \$125,000 Term Loan A maturing in March 2027 remains unchanged.

Long-term debt is comprised of the following:

As at	March 31, 2024	December 31, 2023
Revolving credit & swing line facilities (net of financing costs)	\$ 300,171	\$ 264,046
Term Loan A (net of financing costs)	124,831	124,812
Seller notes	29,870	32,847
	\$ 454,872	\$ 421,705
Current portion	20,840	22,038
	\$ 434,032	\$ 399,667

The following is the continuity of long-term debt:

As at	March 31, 2024	December 31, 2023
Balance, beginning of period	\$ 421,705	\$ 360,171
Consideration on acquisition	1,425	6,547
Draws	96,500	260,473
Repayments	(64,402)	(205,848)
Deferred financing costs	(829)	—
Amortization of deferred financing costs	458	418
Foreign exchange	15	(56)
Balance, end of period	\$ 454,872	\$ 421,705

Included in finance costs for the three months ended March 31, 2024 is interest on long-term debt of \$6,481 (2023 - \$4,680).

BOYD GROUP SERVICES INC.
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(Unaudited)

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12. LEASE LIABILITIES

The following is the continuity of lease liabilities:

As at	March 31, 2024	December 31, 2023
Balance, beginning of period	\$ 715,277	\$ 617,926
Assumed on acquisition	8,753	49,916
Additions and modifications	28,678	145,327
Repayments	(35,632)	(131,360)
Financing costs	9,667	32,056
Foreign exchange	(1,406)	1,412
Balance, end of period	\$ 725,337	\$ 715,277
Current portion	109,500	107,727
	\$ 615,837	\$ 607,550

Lease expenses are presented in the consolidated statement of earnings as follows:

	Three months ended March 31,	
	2024	2023
Operating expenses	\$ 2,952	\$ 1,919
Depreciation of right of use assets	29,659	25,777
Finance costs	9,667	7,368

BOYD GROUP SERVICES INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

For the three months ended March 31, 2024 and 2023
(thousands of U.S. dollars, except share and share amounts)

13. FINANCIAL INSTRUMENTS

Carrying value and estimated fair value of financial instruments

	Classification	Fair value hierarchy	March 31, 2024		December 31, 2023	
			Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Cash	Amortized cost	n/a	\$ 16,380	\$ 16,380	\$ 22,511	\$ 22,511
Accounts receivable	Amortized cost	n/a	139,196	139,196	145,793	145,793
Long-term asset	FVTPL ⁽¹⁾	3	8,000	8,000	8,000	8,000
Financial liabilities						
Accounts payable and accrued liabilities	Amortized cost	n/a	326,557	326,557	339,823	339,823
Dividends payable	Amortized cost	n/a	2,377	2,377	2,435	2,435
Long-term debt	Amortized cost	n/a	454,872	442,299	421,705	409,212

(1) Fair Value Through Profit or Loss

For the Company's current financial assets and liabilities, including accounts receivable, accounts payable and accrued liabilities, and dividends payable, which are short term in nature and subject to normal trade terms, the carrying values approximate their fair value. The fair value of BGSI's long-term debt has been determined by calculating the present value of the interest rate spread that exists between the actual Term Loan A and the rate that would be negotiated with the economic conditions at the reporting date. As there is no ready secondary market for BGSI's other long-term debt and other long-term asset, the fair value has been estimated using the discounted cash flow method.

Collateral

The Company's syndicated loan facility is collateralized by a General Security Agreement. The carrying amount of the financial assets pledged as collateral for this facility at March 31, 2024 was approximately \$155,576 (December 31, 2023 - \$168,304).

14. SEASONALITY

BGSI's financial results for any individual quarter are not necessarily indicative of results to be expected for the full year. Interim period revenues, operating expenses and earnings are typically sensitive to regional and local weather, market conditions, and in particular, to cyclical variations in economic activity and market demand.

BOYD GROUP SERVICES INC.
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(Unaudited)

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(thousands of U.S. dollars, except share and share amounts)

15. SEGMENTED REPORTING

BGSI has one reportable line of business, being automotive collision repair and related services, with all revenues relating to a group of similar services. In this circumstance, IFRS requires BGSI to provide geographical disclosure. For the periods reported, all of BGSI's revenues were derived within Canada or the United States of America. Reportable assets include property, plant and equipment, right of use assets, goodwill and intangible assets which are all located within these two geographic areas.

	Three months ended March 31,	
	2024	2023
Revenues		
Canada	\$ 62,954	\$ 56,711
United States	723,593	658,230
	\$ 786,547	\$ 714,941
Reportable Assets		
As at	March 31, 2024	December 31, 2023
Canada	\$ 214,570	\$ 220,786
United States	1,911,511	1,849,309
	\$ 2,126,081	\$ 2,070,095

16. EARNINGS PER SHARE

	Three months ended March 31,	
	2024	2023
Net earnings	\$ 8,381	\$ 20,823
Basic weighted average number of shares	21,472,194	21,472,194
Add:		
Stock option plan	11,529	—
Average number of shares outstanding - diluted basis	21,483,723	21,472,194
Basic earnings per share	\$ 0.39	\$ 0.97
Diluted earnings per share	\$ 0.39	\$ 0.97

For the three months ended March 31, 2024, the impact of the stock options issued in 2021, 2022 and 2023 were included in the diluted average number of shares outstanding. The stock options issued in 2024 could have potentially diluted the basic earnings per share, but their impact was anti-dilutive during this period.

For the three months ended March 31, 2023, the stock options issued in 2021, 2022 and 2023 could have potentially diluted basic earnings per share, but their impact was anti-dilutive during this period.

BOYD GROUP SERVICES INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

For the three months ended March 31, 2024 and 2023

(thousands of U.S. dollars, except share and share amounts)

17. STOCK OPTION PLAN

During the first quarter of 2021, the Company instituted a stock option plan for senior management, which was approved by shareholders on May 12, 2021. The Company's stock option plan allows for the granting of options up to an amount of 250,000 Common shares under this plan. Each tranche of the options vests equally over two, three, four and five year periods. The term of an option shall be determined and approved by the People, Culture and Compensation Committee; provided that the term shall be no longer than ten years from the grant date.

The information on the outstanding options are as follows:

	Three months ended March 31,			
	2024		2023	
	Number of options	Weighted average exercise price (C\$)	Number of options	Weighted average exercise price (C\$)
Balance at the beginning of period	54,559	\$ 198.78	31,113	\$ 186.41
Granted during the period	17,092	285.83	28,292	211.26
Forfeited during the period	(144)	218.83	(179)	191.18
Balance at the end of period	71,507	\$ 219.55	59,226	\$ 198.27
Exercisable at the end of the period	9,208	\$ 196.34	2,831	\$ 219.21