

BluMetric Announces Positive Results For Fiscal 2016

OTTAWA, Jan. 30, 2017 /CNW/ - BluMetric Environmental Inc. (TSXV: BLM), an Ottawa-based cleantech company, announces the following results, unaudited for the fourth quarter of 2016, and audited for the fiscal year ended September 30, 2016. In the fourth quarter, the Company posted a small loss of \$0.1 million on revenue of \$7.3 million, while the year's results showed a profit of \$0.6 million on revenue of \$31.5 million.

"BluMetric's Professional Services group has performed well, increasing revenues and profitability in spite of challenges faced in some of its markets. Within our Water Systems group, we experienced a decline in revenues, mainly related to timing of engineered solutions projects" said Roger Woeller, CEO of BluMetric. "With anticipated growth, revenue from this area will be less susceptible to swings. I am pleased with the leadership and efforts shown by our people this past year."

Financial Highlights

- BluMetric's banking and credit facilities were significantly improved with the conclusion of **new financing arrangements** during the last month of the fiscal year. The Company has a new banking facility, as well as a secured five year term loan that provides approximately \$1.0 million in funds that will be used to maximize growth. The Company has positive working capital and is in compliance with all financial covenants.
- **Net income** for the year was \$0.6 million compared to a net income of \$1.0 million for the prior year. In the fourth quarter, the Company had a loss of \$0.1 million compared with net income of \$0.3 million the same quarter of the prior year.
- **Revenue for the year** decreased \$2.0 million to \$31.5 million for the year ended September 30, 2016 compared to \$33.5 million for the year ended September 30, 2015. Revenue in the fourth quarter of fiscal 2016 decreased 21% to \$7.3 million from \$9.2 million for the same quarter of fiscal 2015. Results reflected the growth of our Professional Services business year over year. However, engineered solutions projects within the Water Systems group declined year over year.
- Yearly revenue was split \$21.8 million from Professional Services and \$9.7 million from Water Systems, compared to \$20.3 million from Professional Services and \$13.2 million from Water Systems for the previous year.
- **Gross margin** declined year-over-year from 22% to 20%, and from 22% to 15% quarter-over-quarter. The decreased margin is attributable to a decrease in revenue from engineered solutions projects within the Water Systems projects.
- **Operating costs** decreased from \$5.6 million for the prior year to \$4.9 million in the current year, and from \$1.5 million in Q4 of fiscal 2015 to \$1.1 million in the same quarter of the current year. This significant decrease reflects the continued positive impact of the Company's cost-reduction measures associated with staff and occupancy costs.
- **EBITDA** (see Note 1 definition below) declined to \$0.1 million and \$1.9 million, respectively, for the three and twelve months ended September 30, 2016 compared to \$0.7 million and \$2.6 million for the same periods in the prior year.

Operational Highlights of the Year

- BluMetric's sector-specific growth strategy has resulted in several large new contracts with both public and private sector clients in Northern Ontario and the High Arctic, as well as continued high performance on existing programs with the armed forces.
- We have expanded and diversified our engineering capabilities, further strengthening our ability to develop, sell and deliver new product.
- Our focus on innovation has enabled us to develop industry leading products that are well differentiated in the marketplace in our target markets. Fiscal 2016 saw the introduction of five new products that are currently being commercialized. The first of these products was installed in fiscal 2016 on the strength of its competitive capital cost and operating expense to the customer. All of our current research and innovation activities are based on demands from the market, which are driven by regulations and economics.

Outlook

BluMetric is in a strong position to take advantage of growth opportunities in its target sectors and drive profitability, having significantly improved its financial position with new financing arrangements. The growth is anticipated in all parts of our business. The Company will continue to build its strengths in its primary geographical regions, North America and Central America, as well as its special skills relating to the North and remote and challenging environments. The Company is an innovator and an integrator, and will continue to identify, develop and commercialize new product and service solutions and identify disruptive technologies to service our clients.

Financial Summary

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Twelve Months Ended September 30, 2016	Twelve Months Ended September 30, 2015
	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	7,258	9,243	31,494	33,479
Gross profit	1,089	2,059	6,348	7,379
Gross margin %	15%	22%	20%	22%
Operating expenses	1,053	1,518	4,927	5,604
Loss (gain) on disposal of property plant and equipment	0	10	(588)	(237)
EBITDA ¹	134	717	1,876	2,554
Adjusted EBITDA ²	188	702	1,742	2,364
Net income (loss)	(87)	334	588	1,016
Income (loss) per share –basic	(0.00)	0.01	0.02	0.04
Income (loss) per share –diluted	(0.00)	0.01	0.02	0.04

Note 1: EBITDA is a non-IFRS measure and is calculated as net income before interest expense, income taxes, depreciation and amortization.

Note 2: Adjusted EBITDA is a non-IFRS measure and is calculated as EBITDA, gain or loss on foreign exchange, stock based compensation, gain or loss on sale of property plant and equipment, unrealized gains on investments held for sale and impairment of goodwill.

The full results are available at www.sedar.com.

About BluMetric Environmental Inc.

BluMetric Environmental Inc. is a publicly traded cleantech company with a portfolio of industry-leading products, processes, and services in the environment sciences and engineering sectors. We take pride in our strong record of providing sustainable solutions to the world's environmental challenges. Headquartered in Ottawa, Ontario, BluMetric's award-winning team of industry experts serves clients in Canada, the United States and Central America.

Forward-Looking Statements

Some of the statements in this press release, including those relating to the Company's quarterly and annual results, future products, opportunities and cost initiatives, strategies and other statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or similar expressions, are forward-looking statements within the meaning of securities laws. Forward-looking statements include, without limitation, the information concerning possible or assumed future results of operations of the Company. These statements are not historical facts but instead represent only the Company's expectations, estimates, and projections regarding future events. The Company does not undertake any obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events, except as required by law.

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