

BluMetric Announces Fiscal Year 2024 Results

Ottawa, Ontario--(Newsfile Corp. - January 28, 2025) - BluMetric Environmental Inc. (TSXV: BLM) (OTCQX: BLMWF) ("BluMetric" or "the Company"), an engineering WaterTech and full-service environmental consulting firm, announces its financial results for the fourth quarter and fiscal year ended September 30, 2024.

Consolidated Financial Highlights

- **Acquisition** of Gemini Water LLC ("Gemini Water"), closed on September 24, 2024, has impacted BluMetric's balance sheet for the period ending September 30, 2024. However, due to the timing of the transaction, its impact on the income statement will become visible in fiscal Q1 2025 and beyond.
- **Revenue** for the fiscal year was \$34.8 million compared to \$35.1 million for the fiscal year ended September 30, 2023. Revenue for the fourth quarter of fiscal year 2024 was \$11.1 million compared to \$10.3 million in the corresponding period of 2023.
- **Gross margin** for fiscal year 2024 was 40% compared to 35% for fiscal year 2023. Gross margin for the fourth quarter of fiscal year 2024 was 34% compared to 36% over the same quarter in fiscal year 2023.
- **Adjusted EBITDA** (see definition below) for the 2024 fiscal year was consistent at \$2.0 million compared to \$2.0 million in the previous year. Adjusted EBITDA for the fourth quarter decreased to \$0.5 million from \$1.4 million in the corresponding period of 2023.
- **Net earnings** for the fiscal year were \$0.1 million compared to net earnings of \$0.5 million for the fiscal year ended September 30, 2023. A net loss for the fourth quarter of to \$0.3 million was recorded compared to net earnings of \$0.7 million in the corresponding period of 2023.
- **Working capital** (see definition below) as at September 30, 2024 was \$5.5 million, compared to \$11.1 million as at September 30, 2023, the decrease is primarily due to the acquisition of Gemini Water.
- **Net debt** (see definition below) as at September 30, 2024 was \$0.2 million, compared to net cash of \$2.2 million at September 30, 2023.

"This fiscal year, we experienced stable revenues and stronger gross margins, while incurring higher costs to execute strategic investments," stated Scott MacFabe, CEO at BluMetric Environmental Inc. "A key milestone in our overall strategy was the acquisition of Gemini Water, which demonstrated our commitment to expanding our WaterTech product portfolio and enter new geographies like the U.S. and Caribbean. Our team is hard at work executing a record order book, including significant contracts such as the Rheinmetall Canada partnership and St. Kitts and Nevis project."

Business Highlights

In the fourth quarter, BluMetric, experienced incremental improvements in revenue generation, along with a slight decrease in gross margin and a decrease in overall profitability. Profitability was impacted in part due to the Company's increased overhead to support higher revenue, \$271K worth of costs related to the acquisition of Gemini Water, an investment in business development, and higher financing costs.

Overall, revenues were consistent for the full fiscal year compared to the year prior. Gross margin for the fiscal year was higher due to an increase in net fee revenue and higher billing rates and hours compared to the year prior. These results highlight the stability of BluMetric's business model and the reoccurring nature of its environmental consulting services and water and wastewater systems.

In the Company's key markets, the Commercial & Industrial market's revenue declined year over year due to the completion of a large remediation project in the prior year. BluMetric is making strategic growth investments in this market, particularly in the Greater Toronto Area. The Government market had a slight decrease due to the recategorization of one client to the Military market but remains stable. The Military market increased significantly by 75% mainly due to increased activity relating to the refurbishment of water purification systems and initial development and testing under the Rheinmetall contract. The Mining market decreased due to a shift toward higher value services and improving the client portfolio in areas such as Northern Québec.

The acquisition of Gemini Water significantly impacted the balance sheet, primarily reflected in the reduced working capital and net cash, but did not have any immediate effect on the income statement due to the timing of the transaction.

During the fiscal year, BluMetric achieved key milestones such as an extended service contract with the Canadian Department of National Defence, a proof-of-concept contract from a multinational defence contractor, its first Mission Ready Water contract for a remote First Nations community and acquired U.S.-based Gemini Water.

Business Outlook

BluMetric has entered a new phase in its evolution, driven by initiatives aimed at growing its WaterTech business. To date, the potential manufacturing capacity at its facility in Carp, Ontario has doubled, new sales and business development leaders have been hired to enhance market reach, and a new Operations and Maintenance (O&M) division was established. Lastly, BluMetric plans to approximately double its U.S. manufacturing footprint in Gainesville, Florida to support potential customer demand.

Fiscal 2025 will see the Company execute on a record order book which includes starting manufacturing for the Rheinmetall contract, after the final approvals have been received, and continued refurbishment of water purification systems for the Department of National Defence. Furthermore, demand continues for the BluMetric's desalination and wastewater technologies, prompting the need to expand U.S. manufacturing capacity. The 2,000,000 gallons per day (GPD) St. Kitts and Nevis project is of a significant size and will continue to be executed within this fiscal year and beyond.

The Military market maintains the most substantial sales pipeline in terms of order value but has been slower than anticipated to close contracts. These contracts are typically in the multimillions and span multiple years, like the previously announced Rheinmetall partnership. In the interim, the Company aims to smooth out fluctuations seen in the industry with its other markets that have shorter sales cycles.

BluMetric is optimistic that the combination of its unique water technologies and growing demand for resilient and decentralized water solutions will uniquely position the Company. This fiscal year will be critical for execution, with the goal to drive excellence in sales, business development, and manufacturing.

Financial Table

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Twelve Months Ended September 30, 2024	Twelve Months Ended September 30, 2023
	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	11,064	10,251	34,838	35,084
Gross profit	3,784	3,700	13,982	12,307
Gross margin	34%	36%	40%	35%
Operating expenses	3,671	2,759	13,383	11,295
Acquisition costs	271	-	271	-
Operating profit (loss)	(158)	941	599	1,012
Finance costs	171	13	336	69
Earnings (loss) before provision for income tax	(329)	928	271	943
Income tax expense (recovery)	(9)	228	207	436
Net earnings (loss)	(320)	700	64	507
Earnings (loss) per share - basic	(0.01)	0.02	0.00	0.02

Earnings (loss) per share - diluted	(0.01)	0.02	0.00	0.02
EBITDA	152	1,123	1,464	1,686
Adjusted EBITDA ¹	505	1,433	1,979	2,005
Free cash flow ²			(524)	537
Working capital ³			5,462	11,102
Net cash (debt) ⁴			(157)	2,217

Note 1: Adjusted EBITDA represents net income before interest expense, income taxes, depreciation of property and equipment, and amortization of intangible assets net of acquisition costs and non-cash share compensation. The Company uses this measure as part of assessing operating performance. There is no direct comparable IFRS measure for EBITDA.

Note 2: Free cash flow is a non-IFRS measure and is calculated as operating cash flows less net capital expenditures and net payment of lease obligations.

Note 3: Working capital is a non-IFRS measure and is calculated by subtracting current liabilities from current assets. There is no directly comparable measure under IFRS.

Note 4: Net cash (debt) is a non-IFRS measure and is calculated as cash less total funded debt excluding lease liabilities. The Company uses this measure as part of assessing liquidity. There is no directly comparable measure under IFRS.

The full results are available at sedarplus.ca.

BluMetric to Host Investor Conference Call

BluMetric will host a conference call on **Thursday, January 30, 2025, at 1:00 PM ET (10:00 AM PT)** to discuss the results. To join the conference call without operator assistance, it's important to register and enter your phone number at <https://emportal.ink/48E4t3q> at least 15 minutes before the call's start time or later to receive an instant automated callback.

You can also dial directly to be entered into the call by an Operator. Please dial **1-888-699-1199** (Toll-Free North America) or **1-416-945-7677** (Local).

About BluMetric Environmental Inc.

BluMetric Environmental Inc. is a publicly traded environmental consulting and engineering company with expertise across professional and trade disciplines and technologies that allow for the design, fabrication and delivery of sustainable solutions to environmental and water challenges. BluMetric has more than 220 employees operating in ten offices and over 45 years of expertise. Headquartered in Ottawa, Ontario, BluMetric's team of industry experts serves Commercial and Industrial, Military, Mining and Government clients.

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