

# BluMetric Announces Profitable Q2 FY2019 Financial Results and Top 75 Defence Market Ranking

Ottawa, Ontario--(Newsfile Corp. - May 29, 2019) - BluMetric Environmental Inc. (TSXV: BLM), a full-service environmental consulting and engineering clean tech firm, today reported continued profitability for the period ended March 31, 2019, recording revenue of \$7.0 million and net earnings of \$112,000.

Highlighting BluMetric's ability to compete with the best in Canada's defence market, the Company was recently ranked as one of the top 75 defence companies in Canada by Canadian Defence Review magazine in its Special CANSEC Edition.

## Q2 FY2019 Financial Highlights

- **Earnings before provision for income tax** were \$162,000 and **net earnings** were \$112,000 for the three months ended March 31, 2019, compared to earnings before income tax and net earnings of \$169,000 in the same quarter of the previous year.
- **EBITDA** (see Note 1 definition below) decreased to \$311,000 for the three months ended March 31, 2019 from \$325,000 for the three months ended March 31, 2018, representing a 4% decrease.
- **Gross margin** for the quarter remained consistent at 21% compared to the same quarter of the previous year.
- **Revenue** for the quarter declined to \$7.0 million from \$7.7 million when compared to the same quarter of the previous year for a decline of 9%.
- **Operating costs** decreased slightly to \$1.2 million from \$1.3 million in the same quarter of the previous year.

"During the quarter we continued with an emphasis on integrating BluMetric's services and tightening our operational disciplines in order to be more targeted in our offerings, markets and geographic focus; a strategy that is proving very successful," said Scott MacFabe, CEO of BluMetric. "With these new systems now coming into place, we are looking outward to expansion, creating new opportunities through our technical sophistication and unique ability to deliver full spectrum, tailored solutions to even the most complex environmental challenges."

## Operational Highlights

BluMetric now conducts business across four key business segments where it experiences market leadership and sees the most potential for meaningful, sustained growth:

- **Military** - BluMetric was recently ranked among Canada's top 75 defence companies, an accomplishment that confirms the Company's place as an important competitor in the Defence Market.
- **Mining** - Mining sector projects were slower than anticipated during Q2, due to several field programs being constrained by weather and temporary delays on approvals to proceed on remedial engineering projects. Despite these project delays, the Company augmented its technical bench strength with the addition of a number of key personnel hires with specific expertise in environmental assessment and approvals, and is well positioned for growth in this market.
- **Government** - During the quarter, the Company completed an air quality maintenance project for a large number of institutions throughout Nunavut. The project included employing and training local residents resulting in an Inuit employment rate of over 30 percent for the project. BluMetric continued to leverage its northern logistical expertise with the completion of several field programs within the Arctic and other remote settings. Overall activity in this segment was moderate during the quarter with the completion of projects coinciding with government fiscal year end.
- **Commercial and Industrial** - Commercial and industrial projects in the development space continued to be strong in Q2 with several Record of Site Condition filings on large brownfield properties in the GTA. As well, BluMetric renewed multi-year consulting agreements with long standing clients, including Wood Preservation Canada and a multinational private client in the energy sector. Services to be provided for these valued clients include environmental compliance auditing services, environmental impact assessment, regulatory compliance and remediation services.

## Outlook

BluMetric continues to lay the foundation for steady future growth through the development of targeted new business and deeper partnerships with existing clients. The Company is focused on increasing shareholder value and taking its business to the next level, relying on its best in class technical capabilities, agile responsiveness and a reputation for doing meaningful work while providing outstanding levels of service.

## Financial Summary

|  | Three Months Ended<br>March 31, 2019 | Three Months Ended<br>March 31, 2018 | Six Months Ended<br>March 31, 2019 | Six Months Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|------------------------------------|------------------------------------|
|  |                                      |                                      |                                    |                                    |

|                                          | (\$000) | (\$000) | (\$000) | (\$000) |
|------------------------------------------|---------|---------|---------|---------|
| Revenue                                  | 6,990   | 7,708   | 14,591  | 15,268  |
| Gross profit                             | 1,481   | 1,616   | 3,142   | 3,288   |
| Gross margin %                           | 21%     | 21%     | 22%     | 22%     |
| Operating expenses                       | 1,197   | 1,311   | 2,456   | 2,734   |
| EBITDA <sup>1</sup>                      | 311     | 325     | 740     | 625     |
| Earnings before provision for income tax | 162     | 169     | 429     | 269     |
| Deferred income tax expense              | 50      | -       | 128     | -       |
| Net earnings                             | 112     | 169     | 302     | 269     |
| Earnings per share - basic               | 0.00    | 0.01    | 0.01    | 0.01    |
| Earnings per share - diluted             | 0.00    | 0.01    | 0.01    | 0.01    |

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

The full results are available at [www.sedar.com](http://www.sedar.com).

### **About BluMetric Environmental Inc.**

BluMetric Environmental Inc. is a publicly traded environmental consulting and engineered treatment systems company with expertise across disciplines and technologies that allow for the design and delivery of elegant solutions to environmental challenges. Headquartered in Ottawa, Ontario, BluMetric's team of industry experts serves clients in Canada and the United States.

For more information, visit [www.blumetric.ca](http://www.blumetric.ca), or please contact:

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### **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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