

# BluMetric Announces Fiscal Year 2023 Results

Ottawa, Ontario--(Newsfile Corp. - January 29, 2024) - BluMetric Environmental Inc. (TSXV: BLM) ("BluMetric" or "the Company"), a full-service environmental consulting and engineering cleantech firm, announces its financial results for the quarter and fiscal year ended September 30, 2023.

## Financial Highlights

- **Revenue** for the fiscal year was \$35.1 million compared to \$34.3 million for the fiscal year ended September 30, 2022. Revenue for the fourth quarter of fiscal year 2023 was \$10.3 million compared to \$9.9 million in the corresponding period of 2022.
- **Gross margin** for fiscal year 2023 was 22% compared to 22% for fiscal year 2022. Gross margin for the fourth quarter of fiscal year 2023 was 26% compared to 18% over the same quarter in fiscal year 2022.
- **EBITDA** (see definition below) for the 2023 fiscal year decreased to \$1.7 million from \$2.2 million in the previous year. EBITDA for the fourth quarter increased to \$1.1 million from \$0.3 million in the corresponding period of 2022.
- **Net earnings** for the fiscal year were \$0.5 million compared to net earnings of \$1.3 million for the fiscal year ended September 30, 2022. Net earnings for the fourth quarter increased to \$0.7 million from \$0.2 million in the corresponding period of 2022.
- **Working capital** (see definition below) as at September 30, 2023 was \$11.1 million, compared to \$10.9 million as at September 30, 2022.
- **Net cash** (see definition below) as at September 30, 2023 was \$3.0 million, compared to \$4.9 million at September 30, 2022.

"We are finishing the year with one of our strongest quarters in recent history and a return to positive EBITDA and net earnings," stated Scott MacFabe, CEO at BluMetric Environmental Inc. "We entered FY2024 with a record backlog and our cost control initiatives position us well. In addition, our strong balance sheet enables us to accelerate our cleantech growth plan as we renew key contracts and explore geographical expansion opportunities with new partners."

## Highlights

In the fourth quarter, BluMetric, experienced improvements in revenue generation, gross margins, and profitability.

Overall, revenues and gross profits remained consistent for the full fiscal year compared to the year prior. This stability highlighted the resilience of BluMetric's business model which is driven by its reoccurring environmental consulting services and agile water and wastewater systems.

In the Company's key markets, Commercial & Industrial and Government full-year revenues remained consistent with the previous year. Military market revenues declined by 13% year over year, primarily due to reduced activity under the shipboard reverse osmosis desalination (SROD) contract, which is awaiting a replacement announcement. The Mining market saw a 36% year over year revenue growth, driven by an expanding customer base and the resumption of work on a large water treatment facility contract at a mine site.

During the year, BluMetric entered a \$12.2 million contract with Rheinmetall Canada which is scheduled for delivery throughout fiscal 2025.

## Business Outlook

Management is committed to sustainable profitability while simultaneously investing in future growth and resiliency. In fiscal year 2023, the Company completed 1,151 projects, compared to 993 projects in fiscal year 2022. No single customer contributed more than 10% of total revenues, compared to one

(16%) in 2022, showcasing the Company's diversification efforts.

Despite facing a decline in revenue, the Military market maintains the most substantial sales pipeline in terms of order value, due to the scale and nature of its contracts. These contracts are typically in the multimillions and span multiple years, like the previously announced Rheinmetall Canada partnership. BluMetric is optimistic that the combination of its unique water technologies and a growing need for resilient water solutions will contribute to wider adoption.

Part of the Military market growth strategy involves exploring broader market opportunities with partners who can integrate the Company's Mission Ready Water technologies into a full-service solution throughout North America and globally with other allied nations.

The Company is exploring potential acquisitions in technology or consulting that align with and enhance its current sales, operations, and product portfolios.

BluMetric is well positioned to capitalize on future growth opportunities. It has strong working capital and a robust balance sheet, combined with a recognizable presence in environmental consulting services and clean water technologies.

## Financial Table

|   | Three Months Ended September 30, 2023 | Three Months Ended September 30, 2022 | Twelve Months Ended September 30, 2023 | Twelve Months Ended September 30, 2022 |
|---|---------------------------------------|---------------------------------------|--|--|
|   | (\$000)                               | (\$000)                               | (\$000)                                | (\$000)                                |
| Revenue   | 10,251                                | 9,935                                 | 35,084                                 | 34,319                                 |
| Gross profit                                    | 2,680                                 | 1,756                                 | 7,587                                  | 7,561                                  |
| Gross margin                                    | 26%                                   | 18%                                   | 22%                                    | 22%                                    |
| Operating expenses                              | 1,739                                 | 1,602                                 | 6,574                                  | 5,834                                  |
| Operating profit (loss)                         | 941                                   | 155                                   | 1,012                                  | 1,727                                  |
| Finance costs                                   | 13                                    | 13                                    | 69                                     | 99                                     |
| Earnings (loss) before provision for income tax | 929                                   | 240                                   | 943                                    | 1628                                   |
| Income tax expense (recovery)                   | 228                                   | (47)                                  | 436                                    | 305                                    |
| Net earnings (loss)                             | 700                                   | 189                                   | 507                                    | 1,323                                  |
| Earnings (loss) per share – basic               | 0.02                                  | 0.01                                  | 0.02                                   | 0.05                                   |
| Earnings (loss) per share – diluted             | 0.02                                  | 0.01                                  | 0.02                                   | 0.04                                   |
| EBITDA <sup>1</sup>                             | 1,123                                 | 289                                   | 1,686                                  | 2,243                                  |
| Free cash flow <sup>2</sup>                     |                                       |                                       | 536                                    | 1,538                                  |
| Working capital <sup>3</sup>                    |                                       |                                       | 11,101                                 | 10,912                                 |
| Net cash (debt) <sup>4</sup>                    |                                       |                                       | 2,216                                  | 3,590                                  |

Note 1: EBITDA represents net income before interest expense, income taxes, depreciation of property and equipment, and amortization of intangible assets. 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](https://www.sedarplus.ca).

## **BluMetric to Host Investor Conference Call**

BluMetric will host a conference call today on **Monday, January 29, 2024, 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/3RL3ma1> at least 30 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 **1-888-664-6392** (Toll-Free North America) and enter **confirmation number 80595566**.

### ***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 180 employees operating in ten offices and over 40 years of expertise. Headquartered in Ottawa, Ontario, BluMetric's team of industry experts serves Commercial and Industrial, Military, Mining and Government clients.

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

Scott MacFabe, CEO  
BluMetric Environmental Inc.  
Tel: 1-877-487-8436  
Email: [smacfabe@blumetric.ca](mailto:smacfabe@blumetric.ca)

Dan Hilton, CFO  
BluMetric Environmental Inc.  
Tel: 1-877-487-8436  
Email: [dhilton@blumetric.ca](mailto:dhilton@blumetric.ca)

Brandon Chow, Principal & Founder  
Otis Investor Relations Inc.  
Tel: 1-647-598-8815  
Email: [brandon@otisir.com](mailto:brandon@otisir.com)

### ***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 applicable Canadian 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. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. We caution readers of this news release not to place undue reliance on our forward-looking statements as a number of factors could cause actual results or conditions to differ materially from current expectations. Please refer to the risks set forth in the Company's most recent annual MD&A and the Company's continuous disclosure documents that can be found on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). The Company does not intend, and disclaims any obligation, except as required by law, to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

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