

BluMetric Announces Positive Q4 and Fiscal Year 2015 Results

OTTAWA, Jan. 28, 2016 /CNW/ - BluMetric Environmental Inc. (TSXV: BLM), an Ottawa-based cleantech company, announces the following unaudited results for the fourth quarter of FY 2015, and audited results for the financial year ended September 30, 2015.

"BluMetric was profitable for all four quarters of FY 2015, a result of our commitment to stakeholders to contain and control costs, build sales, and improve efficiencies across all aspects of our business," said Roger Woeller, CEO of BluMetric. "These positive results are a credit to our dedicated staff, as well as the continued support of industry partners and clients. Our attention remains on consistent and sustainable growth driven by new products and technology."

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

Financial Highlights

- Net income for the year was \$1.0 million compared to a net loss of \$6.9 million for the prior year while net income for the quarter was \$0.3 million compared with a net loss of \$5.7 million in the same quarter of the prior year. The fourth quarter of FY 2014 included an impairment of goodwill of \$4.3 million. There was no similar impairment in FY 2015.
- Revenues increased \$6.2 million to \$33.5 million for the year ended September 30, 2015 compared to \$27.3 million for the year ended September 30, 2014. Revenues in the fourth quarter of fiscal 2015 increased 40.7% to \$9.2 million from \$6.6 million for the same quarter of fiscal 2014. This was a result of maintaining our excellent base of Professional Services business, as well as achieving substantial growth in both the quarter and the 12 months in Water Systems' engineered solution projects.
- Yearly revenue was split \$20.3 million from Professional Services and \$13.2 million from Water Systems.
- Gross margins improved by 5 points year-over-year from 17% to 22%, and by 9 points from 13% to 22% quarter-over-quarter, which is consistent with management's focus on project profitability. The improved margin can be attributed to an increase in revenue contribution from higher-margin projects, tighter project management, and cost control. Additionally, the gross margin on engineered solutions projects tends to be higher than fee-for-service projects.
- Sales, general, and administrative (SG&A) costs decreased from \$6.7 million for the prior year to \$5.7 million in the current year, and from \$2.0 million in Q4 of fiscal 2014 to \$1.7 million in the same quarter of the current year. This significant decrease reflects the impact of the Company's cost-reduction measures associated with staff and occupancy costs.
- BluMetric remains in violation of the debt covenants under its bank credit facility and has been actively pursuing a replacement credit facility from another bank lender. The Company has been operating under a forbearance agreement with its current bank lender which expires January 31, 2016. The Company has requested an extension of the forbearance period while it continues to pursue the replacement credit facility.
- EBITDA (see Note 1 definition below) rose significantly to \$0.7 million and \$2.6 million respectively for the three and twelve months ended September 30, 2015 compared to the same periods in the prior year.

Highlights of the Year

- BluMetric added several large new contracts with existing clients, including the previously announced work in Northern Ontario and the High Arctic, as well as winning contract extensions on existing programs such as the Royal Canadian Navy and the land forces.
- Northern project work demonstrated continued strength in both public and private sector clients.
- The Company signed an international co-operation agreement with the global water company, Aquarion, (announced July 2, 2015) and is currently working with two other groups in Europe and the United States to extend BluMetric's reach into Europe, Asia, and the Americas. These associations provide access to new technologies that improve BluMetric's product and service portfolio as well as our ability to deliver turnkey solutions domestically and abroad.
- Subsequent to the year end, BluMetric:
 - implemented a new structure to align the Company with its core growth strategies in the areas of resource recovery and operational expense reduction for our clients and client sites;
 - set up a dedicated internal sales force to drive revenues in seven market verticals;
 - structured engineering and project management to optimize our margins and enhance quality control in the delivery of innovative solutions;
 - strengthened and accelerated our intellectual property development portfolio under a dedicated research and innovation function;
 - implemented three new product offerings for the marketplace with three additional initiatives in development that cater to the food and beverage, agriculture, and municipal sectors.

Outlook

BluMetric is well positioned for continued growth under a unified brand, with a refined strategic focus in key areas of opportunity as well as improved operational efficiencies and an enhanced Business Development team. In our ongoing effort to grow the business, develop new products and technology, and improve costs and margins, the Company will continue to apply the disciplinary practices that drove our past achievements.

BluMetric's improved performance in FY2015 demonstrates solid progress against our strategic priorities. Our attention remains on delivering to our clients a complete solution with an exceptional standard of care – particularly in areas where we have product and service differentiation and a competitive advantage.

Financial Summary

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Twelve Months Ended September 30, 2015	Twelve Months Ended September 30, 2014
	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	9,243	6,568	33,479	27,309
Gross profit	2,059	884	7,379	4,733
Gross margin %	22%	13%	22%	17%
SG&A expenses	1,662	2,009	5,748	6,713
Loss (gain) on disposal of property plant and equipment	10	1	(237)	9
EBITDA ¹	717	(4,917)	2,554	(5,144)
Adjusted EBITDA ²	702	(534)	2,364	(651)
Net income (loss)	334	(5,681)	1,016	(6,939)
Income (loss) per share –basic	0.01	(0.23)	0.04	(0.28)
Income (loss) per share –diluted	0.01	(0.23)	0.04	(0.28)

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.

For additional information, please refer to the Company's filings at www.sedar.com.

About BluMetric

BluMetric Environmental Inc. is a diverse water, earth, and energy company providing solution-oriented consultation, design, products, and construction services to clients with complex environmental issues in more than 61 countries. With our award-winning team of industry experts and technology, BluMetric provides the finest effective and sustainable solutions to environmental challenges. BluMetric is a publicly traded Canadian company (TSX-V: BLM), headquartered in Ottawa, Ontario. For more information, visit www.BluMetric.ca.

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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