

Key takeaways from Geoff Morgan's [Financial Post piece](#):

1. Badger took 1.5 months to call a reporter back and then lied to him.
2. BAD still has not answered the questions—even very simply, why are there 2 different sets of 2015 numbers? Which should we believe?
3. BAD had “private meetings with shareholders,” the very definition of intentional selective disclosure, yet claims publically answering questions would “inadvertently have selective disclosure.”
4. Disclosure has gotten worse, not better.
5. The AUDITED NUMBERS cannot be relied upon.

Which is it? It can't be both.

FINANCIAL HIGHLIGHTS

(\$ thousands, except per share and total shares outstanding information)

	Three months ended December 31,		Twelve months ended December 31,	
	2015	2014	2015	2014
Revenue				
Hydrovac service revenue	93,500	97,300	367,638	365,316
Other revenue	7,564	11,049	36,982	56,903
Total revenue	101,064	108,350	404,620	422,219
Adjusted EBITDA	26,197	34,739	107,759	120,121
Legal settlement (recovery) and related costs	(11,909)	-	9,711	-
Impairment of Fieldtek oil tank cleaning assets	6,508	-	6,508	-
Profit before tax	16,294	20,857	41,243	73,519
Net profit	20,486	17,045	38,488	53,102
Profit per share – basic and diluted (\$)	0.55	0.47	1.04	1.43
Cash flow from operating activities before non-cash working capital adjustments	7,851	34,654	75,516	100,479
Cash flow from operating activities before non-cash working capital adjustments per share – basic and diluted (\$)	0.22	0.94	2.04	2.71
Dividends declared	3,339	3,333	13,350	13,332
Total shares outstanding (end of period)	37,100,681	37,033,893	37,100,681	37,033,893

FINANCIAL HIGHLIGHTS

(\$ thousands, except per share and total shares outstanding information)

	Three months ended December 31,		Twelve months ended December 31,	
	2016	2015	2016	2015
Revenue				
Hydrovac service revenue	101,577	93,500	368,563	367,638
Other revenue	9,319	7,564	35,639	36,982
Total revenue	110,896	101,064	404,202	404,620
Adjusted EBITDA	28,433	26,197	104,763	107,759
Legal settlement (recovery) and related costs	-	(11,909)	-	9,711
Impairment of Fieldtek oil tank cleaning assets	-	6,508	-	6,508
Profit before tax	14,204	16,294	47,131	41,243
Net profit	7,350	20,486	28,912	38,488
Profit per share – basic and diluted (\$)	0.20	0.55	0.78	1.04
Cash flow from operating activities before changes in working capital	28,763	21,950	104,757	104,021
Cash flow from operating activities before changes in working capital – basic and diluted (\$)	0.78	0.59	2.82	2.80
Dividends declared	3,673	3,339	14,247	13,350
Total shares outstanding (end of period)	37,100,681	37,100,681	37,100,681	37,100,681

THE AUDITOR LEFT IN 2015

Why is Badger claiming
they are unaware of their own financial statements?

“Badger said they weren’t aware of
discrepancies between 2015 and 2016 reports
on items like cash flow from operating activities”

We made you aware 1.5 months ago.

Now answer the questions already.

No longer disclosing maintenance capex methodology is an example of worse disclosure, not better.

Maintenance Capex - 1Q:17

Not Defined

Maintenance Capex - 4Q:16

Not Defined

Maintenance Capex - 3Q:16 (MD&A)

"Maintenance capital expenditures" are any amounts incurred during a reporting period to keep the Company's productive capacity at the existing level. Productive capacity is the hydrovac fleet, support vehicles and other capital assets required to maintain the existing business. The amount will fluctuate from period-to-period depending on the number of new build hydrovac units relative to the number of units retired from the fleet or the replacement of other assets. Costs incurred to repair hydrovac units are expensed as incurred because the repairs do not extend the life of the hydrovac unit.

Maintenance Capex - 2Q:16 (Earnings Release)

"Maintenance capital expenditures" are any amounts incurred during a reporting period to keep the Company's productive capacity at the existing level. Productive capacity is the hydrovac fleet, support vehicles and other capital assets required to maintain the existing business. The amount will fluctuate from period-to-period depending on the number of new build hydrovac units relative to the number of units retired from the fleet or the replacement of other assets. Costs incurred to repair hydrovac units are expensed as incurred because the repairs do not extend the life of the hydrovac unit.

Maintenance Capex - 1Q:16 (Earnings Release)

"Maintenance capital expenditures" are any amounts incurred during a reporting period to keep the Company's daylighting fleet at the same number of units, plus any other capital expenditures required to maintain the capacities of the existing business. The amount will fluctuate period-to-period depending on the number of units retired from the fleet.

Growth Capex - 1Q:17

Not Defined

Growth Capex - 4Q:16

Not Defined

Growth Capex - 3Q:16 (MD&A)

"Growth capital expenditures" are capital expenditures that are intended to improve Badger's efficiency, productivity or overall capacity and thereby allow Badger to expand overall activity and/or access new markets. They generally represent any new build daylighting units that represent a net addition to the daylighting fleet or other assets. Growth capital expenditures exclude acquisitions.

Growth Capex - 2Q:16 (Earnings Release)

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Growth Capex - 1Q:16 (Earnings Release)

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Blow the whistle!

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