



Cordy Oilfield Services Inc. Reports First Quarter 2019 Results

CALGARY, CANADA – May 30, 2019

CORDY OILFIELD SERVICES INC. (the “Corporation” or “Cordy”) (CKK: TSX-V) released today its first quarter 2019 results.

(\$ 000's)	Three months ended March 31,		
	2019	2018	(\$ Change)
Revenue			
Environmental Services	5,026	4,983	43
Heavy Construction	129	142	(13)
Corporate	1	2	(1)
	<u>5,156</u>	<u>5,127</u>	<u>29</u>
Direct operating expenses			
Environmental Services	3,753	3,938	(185)
Heavy Construction	71	103	(32)
Corporate	-	-	-
	<u>3,824</u>	<u>4,041</u>	<u>(217)</u>
General and administrative expenses			
Environmental Services	106	137	(31)
Heavy Construction	-	-	-
Corporate	254	177	77
	<u>360</u>	<u>314</u>	<u>46</u>
Operating earnings⁽¹⁾			
Environmental Services	1,167	908	259
Heavy Construction	58	39	19
Corporate	(253)	(175)	(78)
	<u>972</u>	<u>772</u>	<u>200</u>
Depreciation	496	481	15
Finance costs	185	114	71
Gain on disposal	-	(18)	18
<u>Earnings before tax</u>	<u>291</u>	<u>195</u>	<u>96</u>
<u>Income tax expense</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net earnings</u>	<u>291</u>	<u>195</u>	<u>96</u>

FIRST QUARTER ENDED MARCH 31, 2019

For the three month period ended March 31, 2019, Cordy's consolidated revenues increased by one percent, from the comparative period in 2018. Cordy's consolidated operating earnings increased \$0.2 million or 26 percent from the comparative period. Cordy's net income was \$0.3 million for the three months ended March 31, 2019, as compared to \$0.2 million for the three months ended March 31, 2018, representing a 49% increase over the prior period. Cordy's improving results and cost conscious culture continue to improve operating results.

The Environmental Services segment saw a marginal increase in revenue for the three month period ended March 31, 2019, from the comparative period in 2018. Cordy's diversification strategy is coming to fruition, as Cordy continues to see expansion



in municipal and industrial demand, this increase has been partially offset by decrease demand from Cordy's oilfield customers. Cordy's revenue consisted of 57 percent industrial and municipal (2018 – 36 percent) and 43 percent oilfield (2018 - 54 percent). As a percentage of revenue, operating earnings was 23 percent in 2019 as compared to 18 percent in 2018.

OUTLOOK

Cordy's results for the current quarter were consistent with our expectations and demonstrate Cordy's efforts focusing on diversification are beginning to yield results. In the quarter Cordy benefited directly from increased activity from our non oilfield customers, this increase was offset by decreased demand from our oil and gas customers.

Cordy anticipates the year over year trend experienced in 2018 to carry into 2019. Cordy expects 2019 will continue to surpass 2018 numbers, while management continues to scrutinize costs, improve margins and adjust the equipment fleet. Current trends in the oil and gas sector will continue to be a concern, however Cordy will continue to push for increased market share as our competitors fail to withstand the prolonged downturn. Cordy believes it has positioned itself through its diversified customer base, debt structure, service offerings and lean cost base to be a major player in the municipal, industrial and oilfield market for the foreseeable future.

While remaining focused on operational and financial performance, Cordy will continue to seek out acquisitions and or consolidation opportunities that complement its diversification strategy and provide platforms for organic growth. Cordy is actively reviewing numerous opportunities, however Cordy will remain committed to ensuring any acquisition meets our strategic initiatives and financial thresholds. Cordy will continue to consider multiple avenues to reach strategic objectives and provide shareholder value.



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