



Bird Construction Inc. (BIRDF)

Updated January 17th, 2026 by Nikolaos Sismanis

Key Metrics

| | | | | | |
|-----------------------------|---------|---|-------------|----------------------------------|------------|
| Current Price: | \$21.47 | 5 Year Annual Expected Total Return: | 6.4% | Market Cap: | \$1.15 B |
| Fair Value Price: | \$18.20 | 5 Year Growth Estimate: | 7.0% | Ex-Dividend Date: | 02/27/2026 |
| % Fair Value: | 118% | 5 Year Valuation Multiple Estimate: | -3.3% | Dividend Payment Date: | 03/20/2026 |
| Dividend Yield: | 2.8% | 5 Year Price Target | \$26 | Years Of Dividend Growth: | 4 |
| Dividend Risk Score: | C | Sector: | Industrials | Rating: | Hold |

Overview & Current Events

Bird Construction Inc. is a leading Canadian construction and maintenance company with operations across the country, providing services in industrial, infrastructure, buildings, and institutional markets. The company offers a full range of delivery models including general contracting, construction management, and design-build, with strong self-perform capabilities in areas like electrical, mechanical, and specialty trades. Its activities span sectors such as energy, utilities, transportation, healthcare, education, and mining, with a focus on rather complex, large-scale projects and long-term maintenance and service work. Bird Construction generates over \$2.3 billion in annual revenues and is based in Mississauga, Canada. The company pays dividends on a monthly basis.

On November 12th, 2025, Bird Construction reported its Q3 results for the period ending September 30th, 2025. The company generated construction revenue of \$683.8 million, representing a 5.8% year-over-year increase, driven primarily by organic growth in Infrastructure and Buildings as well as a full quarter contribution from the Jacob Bros acquisition, partially offset by delays in the start of certain industrial projects. Net income was \$22.8 million, or \$0.41 per share, representing a 12.4% year-over-year decline, while adjusted earnings were \$25.4 million, or \$0.46 per share, down 10.0% year over year due to lower operating margins and higher overhead, despite higher revenue.

During the quarter, Bird secured over \$1.0 billion of new contracted work, bringing total backlog to \$3.6 billion, up 34.6% from year-end 2024, while pending backlog also reached \$3.6 billion, providing strong multi-year revenue visibility despite near-term project timing delays driven by economic uncertainty. For FY2025, we see EPS of \$1.30

Growth on a Per-Share Basis

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|---------------------------|--------|--------|--------|----------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| EPS | \$0.36 | \$0.44 | \$0.17 | (\$0.02) | \$0.17 | \$0.63 | \$0.64 | \$0.69 | \$1.00 | \$1.28 | \$1.30 | \$1.82 |
| DPS | \$0.55 | \$0.57 | \$0.31 | \$0.29 | \$0.30 | \$0.31 | \$0.31 | \$0.29 | \$0.32 | \$0.41 | \$0.60 | \$0.84 |
| Shares¹ | 42.5 | 42.5 | 42.5 | 42.5 | 42.5 | 45.3 | 53.3 | 53.7 | 53.8 | 54.5 | 55.4 | 58.0 |

Bird Construction's EPS has been quite volatile over the past decade, but has grown notably in recent years. Bird's EPS rose from 2015 to 2016 as results benefited from higher construction revenue and the absence of the prior year's large non-cash impairment on O'Connell goodwill and intangibles, although 2016 profitability still fell versus an impairment-adjusted 2015 because the work mix shifted away from higher-margin industrial into lower-margin institutional and because Alberta wildfires drove about \$4.0 million of project delay and unrecoverable costs. EPS then compressed in 2017 as construction revenue and gross profit fell and performance was pressured by higher G&A.

The negative EPS in 2018 was due to a loss was driven by project delays including a labor strike at a major mining client, later-than-expected industrial ramp, and design-related execution issues that required provisions for higher costs. The step-up into 2020 reflects a material margin reset as gross profit percentage improved to 8.4% from 5.2% on a richer mix of higher-margin industrial work, inclusion of Stuart Olson's results, and \$21.2 million of CEWS recoveries, while 2019 had been weighed by a PPP project with incremental design-related scope growth and acceleration costs.

¹ Share count is in millions.

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From 2022 through 2024, EPS expansion was driven by higher revenues and gross profit dollars with improving margin profiles on newer work, expanded self-perform and disciplined project selection, plus acquisition contributions including Trinity in 2023 and NorCan and Jacob Bros in 2024. That year also showed margin improvement with gross profit percentage at 9.7% and organic plus acquired revenue growth.

Moving forward, we believe Bird can grow its EPS at a CAGR of 7%, driven by margin expansion from improved project mix and self-perform work, operating leverage from scale, and contributions from recent acquisitions, partially offset by normal construction cyclicality. We believe Bird can grow its dividend at a similar rate.

Valuation Analysis

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|------------------|-------|-------|------|------|------|------|------|------|------|------|-------------|-------------|
| Avg. P/E | 14.9 | 12.4 | 27.7 | --- | 20.7 | 5.9 | 9.7 | 7.8 | 7.0 | 12.6 | 16.5 | 14.0 |
| Avg. Yld. | 10.3% | 10.4% | 6.6% | 6.9% | 8.5% | 8.3% | 5.0% | 5.4% | 4.6% | 2.5% | 2.8% | 3.3% |

Bird's valuation has historically reflected the cyclical and execution-driven nature of its business, trading at mid-teens multiples in more stable periods, spiking when earnings were temporarily depressed, and compressing to single-digit P/E levels in 2020–2023 when the market discounted the durability of the recovery. Today, the stock is trading at 16.5x our expected EPS for 2025. We believe a P/E of 14x is a fair multiple for the stock.

Safety, Quality, Competitive Advantage, & Recession Resiliency

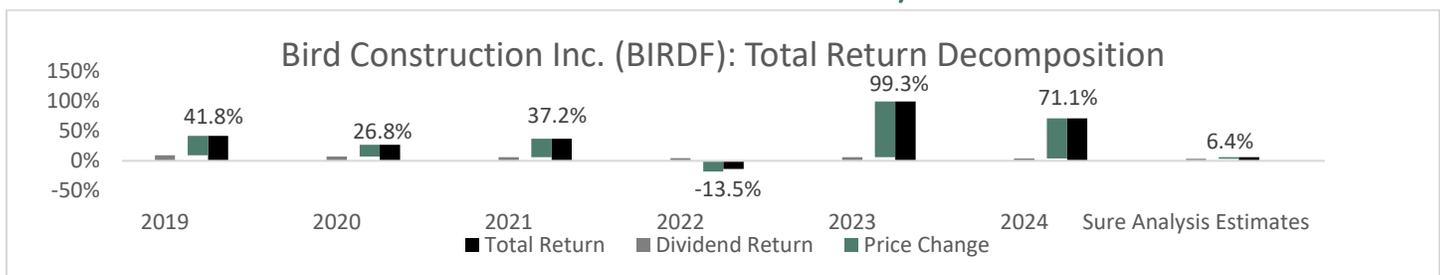
| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|---------------|------|------|------|------|------|------|------|------|------|------|------------|------------|
| Payout | 153% | 130% | 182% | --- | 176% | 49% | 48% | 42% | 32% | 32% | 46% | 46% |

We like Bird's business because it benefits from a diversified end-market exposure across industrial, infrastructure, and institutional construction, a growing mix of self-performed work, and a more disciplined approach to project selection/ Together, they have improved margin stability and reduced the risk of large execution-driven losses compared with its past. The company's scale, national footprint, and ability to deliver complex projects across multiple delivery models support consistent access to work and repeat customers, while its vertical integration in trades such as electrical and mechanical improves control over cost, schedule, and quality. That said, construction remains inherently cyclical and project-based, and history shows that profitability can be pressured during downturns or periods of execution missteps. In a recession, exposure to infrastructure, maintenance, and institutional work should provide some demand stability, but earnings would still likely. The dividend was cut back in late 2016, reminded investors of the cyclical nature of the business, although it has since grown at greater levels.

Final Thoughts & Recommendation

Overall, Bird is a better-run and more consistently profitable contractor than in the past, with improving margins and execution discipline, but it should still be viewed as a cyclical, project-driven business whose earnings and dividend can be pressured in downturns despite its backlog. We forecast annualized returns of 6.4% through 2030, to be driven by our growth estimates and the dividend yield, offset by the possibility of a valuation headwind. We rate the stock a hold.

Total Return Breakdown by Year



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Income Statement Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Revenue | 1,129 | 1,200 | 1,093 | 1,066 | 1,037 | 1,122 | 1,771 | 1,820 | 2,074 | 2,480 |
| Gross Profit | 93 | 72 | 55 | 44 | 53 | 77 | 129 | 150 | 174 | 227 |
| Gross Margin | 8.2% | 6.0% | 5.0% | 4.1% | 5.1% | 6.8% | 7.3% | 8.2% | 8.4% | 9.2% |
| SG&A Exp. | 47 | 44 | 46 | 45 | 44 | 59 | 101 | 102 | 106 | 135 |
| D&A Exp. | 9 | 8 | 9 | 9 | 12 | 16 | 28 | 28 | 27 | 46 |
| Operating Profit | 47 | 28 | 9 | (1) | 10 | 19 | 35 | 50 | 83 | 88 |
| Operating Margin | 4.2% | 2.3% | 0.8% | -0.1% | 1.0% | 1.7% | 2.0% | 2.8% | 4.0% | 3.6% |
| Net Profit | 17 | 19 | 7 | (1) | 7 | 27 | 34 | 38 | 53 | 73 |
| Net Margin | 1.5% | 1.6% | 0.6% | -0.1% | 0.7% | 2.4% | 1.9% | 2.1% | 2.6% | 2.9% |
| Free Cash Flow | 53 | 29 | (83) | 68 | (38) | 89 | 21 | 13 | 34 | 61 |
| Income Tax | 11 | 7 | 3 | (1) | 2 | 10 | 12 | 13 | 16 | 24 |

Balance Sheet Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------------|------|------|------|------|------|------|------|------|-------|-------|
| Total Assets | 528 | 610 | 564 | 477 | 661 | 838 | 900 | 905 | 1,080 | 1,256 |
| Cash & Equivalents | 161 | 195 | 106 | 120 | 144 | 166 | 151 | 129 | 135 | 123 |
| Accounts Receivable | 298 | 345 | 365 | 268 | 396 | 437 | 513 | 558 | 717 | 770 |
| Inventories | 0 | 0 | 0 | 1 | 0 | - | - | - | - | - |
| Goodwill & Int. Ass. | 13 | 14 | 14 | 14 | 15 | 51 | 68 | 67 | 78 | 165 |
| Total Liabilities | 405 | 488 | 441 | 378 | 562 | 671 | 707 | 704 | 836 | 957 |
| Accounts Payable | 281 | 342 | 298 | 281 | 324 | 385 | 407 | 421 | 485 | 498 |
| Long-Term Debt | 14 | 8 | 15 | 22 | 55 | 119 | 126 | 109 | 115 | 182 |
| Shareholder's Equity | 123 | 122 | 123 | 100 | 98 | 167 | 193 | 201 | 245 | 299 |
| LTD/E Ratio | 0.23 | 0.43 | 0.53 | 0.31 | 1.23 | 0.71 | 0.65 | 0.54 | 0.47 | 0.61 |

Profitability & Per Share Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------|-------|-------|--------|-------|--------|-------|-------|-------|-------|-------|
| Return on Assets | 3.1% | 3.3% | 1.2% | -0.2% | 1.3% | 3.6% | 3.9% | 4.2% | 5.3% | 6.3% |
| Return on Equity | 12.0% | 15.4% | 5.6% | -0.7% | 7.2% | 20.3% | 19.0% | 19.4% | 23.8% | 26.9% |
| ROIC | 10.1% | 11.6% | 3.8% | -0.5% | 4.1% | 10.7% | 11.3% | 12.2% | 15.8% | 17.4% |
| Shares Out. | 42.5 | 42.5 | 42.5 | 42.5 | 42.5 | 45.3 | 53.3 | 53.7 | 53.8 | 54.5 |
| Revenue/Share | 26.56 | 28.22 | 25.70 | 25.07 | 24.40 | 24.74 | 33.25 | 33.89 | 38.57 | 45.49 |
| FCF/Share | 1.24 | 0.68 | (1.94) | 1.59 | (0.90) | 1.97 | 0.39 | 0.24 | 0.63 | 1.12 |

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

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