



Bird Construction Inc. (BIRDF)

Updated August 24th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	\$49	5 Year Annual Expected Total Return:	11.6%	Market Cap:	\$2.78 B
Fair Value Price:	\$32	5 Year Growth Estimate:	20.0%	Ex-Dividend Date:	08/31/2026
% Fair Value:	153%	5 Year Valuation Multiple Estimate:	-8.2%	Dividend Payment Date:	09/18/2026
Dividend Yield:	1.2%	5 Year Price Target	\$80	Years Of Dividend Growth:	4
Dividend Risk Score:	A	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 posted \$2.45 billion in revenues last year and is based in Mississauga, Canada. The company pays dividends on a monthly basis.

On August 12th, 2026, Bird Construction reported its Q2 results for the period ending June 30th, 2026. Construction revenue increased 22.6% year-over-year to \$753.9 million, surpassing \$700 million for the first time, with more than 80% of the growth generated organically and all three businesses contributing. Net income increased 49.3% to \$21.9 million, or \$0.40 per share, while adjusted earnings rose 40.0% to \$27.9 million, or \$0.51 per share. Contracted backlog reached a record \$4.3 billion, while pending backlog totaled \$4.2 billion. For FY2026, we see adjusted EPS of \$2.00.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$0.44	\$0.17	(\$0.02)	\$0.17	\$0.63	\$0.64	\$0.69	\$1.00	\$1.28	\$0.62	\$2.00	\$4.98
DPS	\$0.57	\$0.31	\$0.29	\$0.30	\$0.31	\$0.31	\$0.29	\$0.32	\$0.41	\$0.61	\$0.61	\$1.52
Shares¹	42.5	42.5	42.5	42.5	45.3	53.3	53.7	53.8	54.5	55.4	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.

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. In 2025, EPS fell to \$0.62 due to a one-time customer

¹ Share count is in millions.

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credit impairment, while adjusted EPS rose to a record \$1.40 on Fraser River Pile & Dredge integration and a 10.1% gross margin from high-margin infrastructure projects.

Moving forward, we believe Bird can grow its EPS at a CAGR of 20%, 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. Today's backlog supports this. We believe Bird can raise its dividend at a similar rate.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	12.4	27.7	---	20.7	5.9	9.7	7.8	7.0	12.6	30.1	24.5	16.0
Avg. Yld.	10.4%	6.6%	6.9%	8.5%	8.3%	5.0%	5.4%	4.6%	2.5%	3.3%	1.2%	1.9%

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 24.5x our expected EPS for 2026. We feel a P/E of 16x is a fair multiple for the stock, implying heavy valuation headwinds ahead.

Safety, Quality, Competitive Advantage, & Recession Resiliency

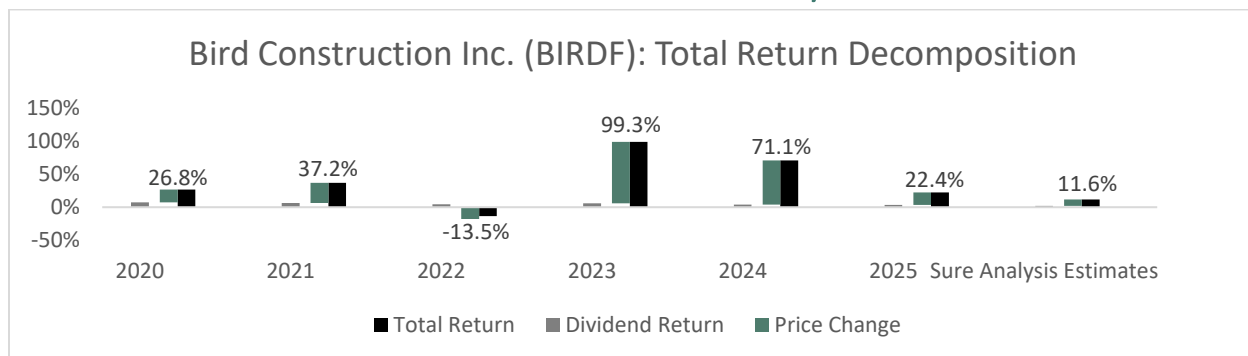
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	130%	182%	---	176%	49%	48%	42%	32%	32%	98%	31%	31%

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 and reminded investors of the cyclical nature of the business, although it has since grown to 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 11.6% through 2031, 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,200	1,093	1,066	1,037	1,122	1,771	1,820	2,074	2,480	2,431
Gross Profit	72	55	44	53	77	129	150	174	227	218
Gross Margin	6.0%	5.0%	4.1%	5.1%	6.8%	7.3%	8.2%	8.4%	9.2%	9.0%
SG&A Exp.	44	46	45	44	59	101	102	106	135	155
D&A Exp.	8	9	9	12	16	28	28	27	46	58
Operating Profit	28	9	(1)	10	19	35	50	83	88	51
Operating Margin	2.3%	0.8%	-0.1%	1.0%	1.7%	2.0%	2.8%	4.0%	3.6%	2.1%
Net Profit	19	7	(1)	7	27	34	38	53	73	34
Net Margin	1.6%	0.6%	-0.1%	0.7%	2.4%	1.9%	2.1%	2.6%	2.9%	1.4%
Free Cash Flow	29	(83)	68	(38)	89	21	13	34	61	54
Income Tax	7	3	(1)	2	10	12	13	16	24	12

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	610	564	477	661	838	900	905	1,080	1,256	1,355
Cash & Equivalents	195	106	120	144	166	151	129	135	123	122
Accounts Receivable	345	365	268	396	437	513	558	717	770	770
Inventories	0	0	1	0	-	-	-	-	-	17
Goodwill & Int. Ass.	14	14	14	15	51	68	67	78	165	163
Total Liabilities	488	441	378	562	671	707	704	836	957	1,040
Accounts Payable	342	298	281	324	385	407	421	485	498	566
Long-Term Debt	8	15	22	55	119	126	109	115	182	238
Shareholder's Equity	122	123	100	98	167	193	201	245	299	315
LTD/E Ratio	0.43	0.53	0.31	1.23	0.71	0.65	0.54	0.47	0.61	0.76

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.3%	1.2%	-0.2%	1.3%	3.6%	3.9%	4.2%	5.3%	6.3%	2.6%
Return on Equity	15.4%	5.6%	-0.7%	7.2%	20.3%	19.0%	19.4%	23.8%	26.9%	11.1%
ROIC	11.6%	3.8%	-0.5%	4.1%	10.7%	11.3%	12.2%	15.8%	17.4%	6.6%
Shares Out.	42.5	42.5	42.5	42.5	45.3	53.3	53.7	53.8	54.5	55.4
Revenue/Share	28.22	25.70	25.07	24.40	24.74	33.25	33.89	38.57	45.49	43.89
FCF/Share	0.68	(1.94)	1.59	(0.90)	1.97	0.39	0.24	0.63	1.12	0.97

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

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