



K·BRO

TSX Symbol: KBL

Closing Price (05-03-2019): \$39.50

52-wk Range: \$32.00 - \$40.00

Shares Outstanding: 10.5M

Market Capitalization: \$414.8M

K-Bro Linen Systems Inc. is the largest provider of laundry and linen services in Canada, and one of the largest in the UK and Europe. With 16 locations across Canada and the UK, the company is focused on meeting the needs of healthcare, hospitality and other commercial sectors. K-Bro has an international reputation for excellence and dependability in providing the most highly efficient, environmentally conscious and cost-effective laundry and linen services. The company employs 2,200 people across Canada at processing facilities located in Victoria, Vancouver (two plants), Calgary, Edmonton, Regina, Toronto, Montreal and Quebec City, and 600 people in the UK at locations across Scotland and northern England.

Investment highlights

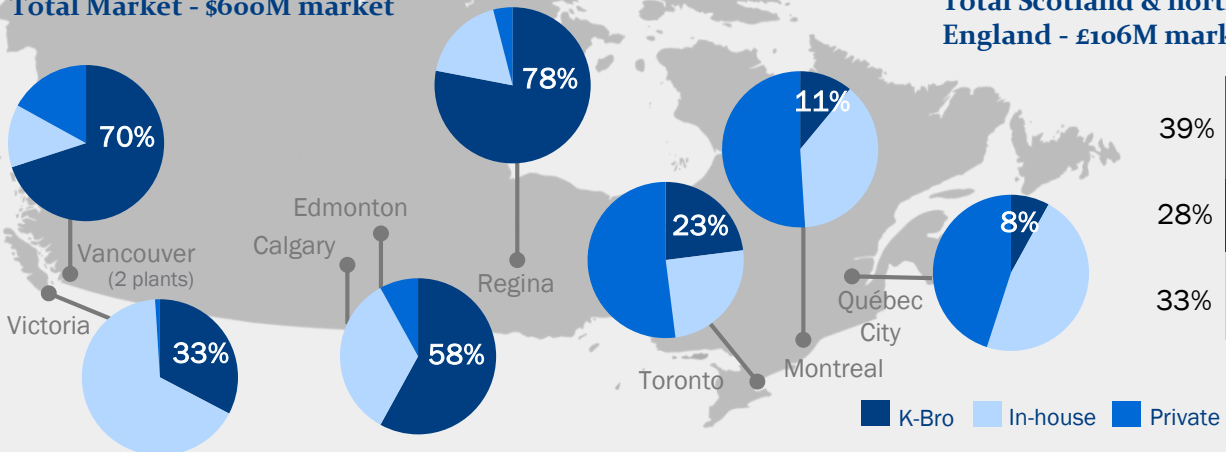
- Stable, recurring revenue from long-term contracts
- Disciplined, proven growth strategy
- Ability to grow market share in the laundry and linen processing sector
- Vertically integrated business model to control process and costs
- Track record of value creation through operating and financial strategy



K-Bro has strong market positions throughout Canada and the U.K.

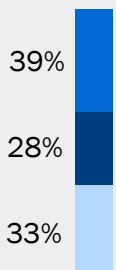
Canadian Markets

Total Market - \$600M market



U.K. (Fishers) Market

Total Scotland & northern England - £106M market



■ K-Bro ■ In-house ■ Private

Corporate Overview

Revenue split between hospitality and healthcare (as at end of Q1/19)

	Hospitality & other	Healthcare
Canada	27%	73%
U.K.	87%	13%

2018 Annual Results (as at Dec. 31)

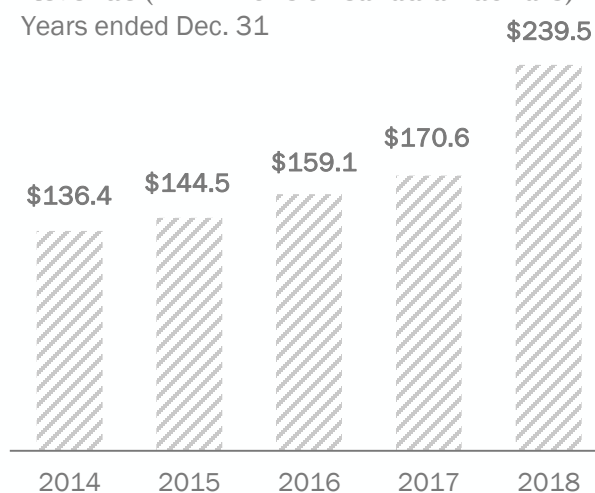
\$6.2M Annual net earnings

\$29.6M Annual EBITDA

\$0.59 Annual earnings per share

Revenue (in millions of Canadian dollars)

Years ended Dec. 31



Strategic growth.
Dependable income.

54% of Canada-based revenue is from contracts that extend to 2023 and beyond

Q1 Financial Snapshot

	Q1 2019	Q1 2018
Revenue (\$m)	\$57.8	\$55.4
EBITDA ⁽¹⁾ (\$m)	\$6.9	\$6.2
Net earnings ⁽¹⁾ (\$m)	\$0.6	\$0.6
Earnings per share (Diluted)	\$0.06	\$0.06
Distributable cash flow (\$m)	\$5.6	\$5.2
Dividends declared (per share)	\$0.30	\$0.30
Debt (\$m)	\$67.4	\$56.4

(1) Effective January 1, 2019, the Corporation has adopted IFRS 16 Leases using the modified retrospective method which applies the standard prospectively, and as such, EBITDA and net earnings (loss) figures above related to 2018 have not been restated to conform to IFRS 16. The Corporation has provided comparative figures for both EBITDA and net earnings before adoption of IFRS 16

Growth Opportunity

- Extend core services and introduce new related services to existing and new customers
- Strategic capital spending
 - ✓ Greenfield construction
 - ✓ Upgrades and enhancements to improve efficiencies at existing facilities
- Continue to grow organically and through acquisitions

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