

VAL-D'OR, QC, Nov. 11, 2015 /CNW/ - [Orbit Garant Drilling Inc.](#) (TSX: OGD) ("Orbit Garant" or the "Company") today announced its financial results for the three-month period ended September 30, 2015 ("Q1 FY2016"). All dollar amounts are in Canadian currency unless otherwise stated. Percentage calculations are based on numbers in the financial statements and may not correspond to rounded figures presented in this news release.

First Quarter Summary

(\$ amounts in millions, except per share amounts)	
September 30, 2015	September 30, 2014
Revenue	\$20.7
Gross profit	\$2.0
Gross margin (%)	9.5
Adjusted gross margin (%)	20.6*
EBITDA**	\$2.1
Net loss	\$0.6
Net loss per share	
Basic and diluted	\$0.02
259,462 metres drilled	230,922

* In accordance with IFRS, reported gross profit and margin include certain depreciation expenses. For comparative purposes, adjusted gross margin is also shown excluding these depreciation expenses.

** EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

"The first quarter of fiscal 2016 marks the fifth consecutive quarter of year-over-year growth in our domestic drilling revenue and our third consecutive quarter of year-over-year growth for international revenue. These positive trends reflect the stabilization of our core business in Canada and our focus on growing our international market presence. While we are pleased with our growing revenue base and improved gross margins, our bottom line results continue to reflect the competitive pricing environment resulting from current industry conditions," said Eric Alexandre, President and CEO of Orbit Garant. "Looking ahead, we will remain focused on continued disciplined cost controls and balance sheet management in line with market conditions, while continuing to support our competitive strengths, so that we are well positioned to exploit market opportunities as they arise. Planned capital expenditures of \$6.5 million for fiscal 2016 include the continued expansion of our fleet of computerized drill rigs and investments in our international operations to support our long-term growth objectives. We believe the establishment of our new operating subsidiaries in the strategic markets of Chile and Ghana last year have positioned Orbit Garant for enhanced future growth and we are currently evaluating opportunities to further strengthen our international platform."

First Quarter Results

Q1 FY2016 revenue totalled \$24.3 million, an increase of 17.1% from \$20.7 million for the three-month period ended September 30, 2014 ("Q1 FY2015"). Drilling Canada revenue increased 16.0% to \$23.8 million, up from \$20.5 million in Q1 FY2015, reflecting mainly increased metres drilled during the quarter. Drilling International revenue increased to \$0.5 million in Q1 FY2016, up from \$0.2 million in Q1 FY2015. The \$0.3 million increase is attributable to the Company's drilling contract in Chile, which commenced during the second quarter of Fiscal 2015. Orbit Garant's fleet drilled a total of 259,462 metres in Q1 FY2016, an increase of 12.4% from 230,922 metres drilled in Q1 FY2015. Average revenue per metre drilled was \$91.04 compared to \$89.12 in Q1 FY2015. Average revenue per metre drilled remains at the lower end of the Company's trailing three-year range, primarily due to current conditions in the mineral industry, which has resulted in pricing pressure from customers.

Gross profit for Q1 FY2016 increased to \$3.3 million from \$2.0 million in Q1 FY2015. Gross margin for Q1 FY2016 was 13.7% compared with 9.5% in Q1 FY2015. In accordance with IFRS, depreciation expenses totalling \$2.0 million are included in cost of contract revenue for Q1 FY2016, compared to \$2.3 million in Q1 FY2015. Adjusted gross margin, excluding depreciation expenses, was 22.2% in Q1 FY2016 compared to 20.6% in Q1 FY2015. The increases in gross profit, gross margin and adjusted gross margin were primarily attributable to increased metres drilled in Canada during the quarter.

General and administrative ("G&A") expenses totalled \$3.1 million, or 12.9% of revenue, in Q1 FY2016, compared to \$2.7 million, or 13.0% of revenue, in Q1 FY2015. The increase in G&A expenses was primarily attributable to additional administrative costs in support of business development initiatives. Adjusted G&A expenses, excluding depreciation and amortization expenses, were \$2.7 million, or 11.3% of revenue, in Q1 FY2016, compared to \$2.3 million, or 11.0% of revenue, in Q1 FY2015.

Earnings before interest, taxes, depreciation and amortization ("EBITDA")¹ was \$2.6 million in Q1 FY2016, compared to \$2.1 million in the first quarter a year ago.

The Company's net loss for Q1 FY2016 was \$0.2 million, or \$0.01 per common share, compared to a net loss of \$0.6 million, or \$0.02 per share, in Q1 FY2015. Increased domestic drilling revenue and higher gross margins contributed to the year-over-year reduction in the Company's net loss.

During Q1 FY2016, the Company repaid a net amount of \$1.9 million on its \$25.0 million revolving credit facility. As at September 30, 2015, the Company's long-term debt was \$5.6 million compared to \$7.4 million at June 30, 2015. Orbit Garant had working capital of \$43.4 million as at September 30, 2015 (\$43.5 million as at June 30, 2015), and 33,276,519 common shares issued and outstanding.

Orbit Garant's unaudited consolidated financial statements and management's discussion and analysis for the first quarter ended September 30, 2015 are available via the Company's website at www.orbitgarant.com or SEDAR at www.sedar.com.

Conference call

Eric Alexandre, President and CEO, and Alain Laplante, Vice President and CFO, will host a conference call for analysts and investors on Thursday, November 12, 2015 at 10:00 a.m. (ET). The dial-in numbers for the conference call are 647-427-7450 or 1-888-231-8191. A live and archived webcast of the call will be accessible via Orbit Garant's website at: <http://www.orbitgarant.com/en/sites/fog/investors.aspx>

To access a replay of the conference call dial 416-849-0833 or 1-855-859-2056, passcode: 65890255. The replay will be available until November 19, 2015.

About Orbit Garant

Headquartered in Val-d'Or, Quebec, Orbit Garant is one of the largest Canadian-based mineral drilling companies, providing both underground and surface drilling services in Canada and internationally through its 209 drill rigs and more than 600 employees. Orbit Garant provides services to major, intermediate and junior mining companies, through each stage of mining exploration, development and production. The Company also provides geotechnical drilling services to mining or mineral exploration companies, engineering and environmental consultant firms, and government agencies. For more information please visit the Company's website at www.orbitgarant.com.

(1) Management believes that EBITDA is a useful supplemental measure of operating performance before interest, taxes, depreciation and amortization. However, EBITDA is not a recognized earnings measure under IFRS and does not have a standardized meaning prescribed by IFRS. Investors are cautioned that EBITDA should not be construed as an alternative to net income or loss (which is determined in accordance with IFRS) as an indicator of the performance of the Company or as a measure of liquidity and cash flows. The Company's method of calculating EBITDA may differ materially from the methods used by other public companies and, accordingly, may not be comparable to similarly named measures used by other public companies.

Forward-looking information

This news release may contain forward-looking statements (within the meaning of applicable securities laws) relating to business of [Orbit Garant Drilling Inc.](http://www.orbitgarant.com) (the "Company") and the environment in which it operates. Forward-looking statements are identified by words such as "believe", "anticipate", "expect", "intend", "plan", "will", "may" and other similar expressions. These statements are based on the Company's expectations, estimates, forecasts and projections. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. These risks and uncertainties are discussed in the Company's regulatory filings available at www.sedar.com. There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. The Company undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances.

SOURCE [Orbit Garant Drilling Inc.](http://www.orbitgarant.com)

Contact

Alain Laplante, Vice-President and Chief Financial Officer, (819) 824-2707 ext. 122; Bruce Wigle, Investor Relations, (647) 496-7856