

Orbit Garant Generates Highest Net Earnings In More Than Ten Years In Fiscal 2025

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[Orbit Garant Drilling Inc.](#) (TSX: OGD) ("Orbit Garant" or the "Company") today announced its financial results for the third quarter ("Q4 2025") and fiscal year ended June 30, 2025. All dollar amounts are in Canadian dollars unless otherwise stated.

Financial Highlights

(\$ amounts in millions, except per share amounts)	Three months ended June 30, 2025	Three months ended June 30, 2024 ²	Year ended June 30, 2025	Year ended June 30, 2024 ²
Revenue	47.2	45.3	189.1	181.2
Gross Profit	7.6	7.5	28.3	21.2
Gross Margin (%)	16.0	16.6	15.0	11.7
Adjusted Gross Margin (%) ¹	20.2	17.8	19.5	15.9
Adjusted EBITDA ¹	5.5	6.7	21.7	14.7
Net earnings (loss)	2.2	(2.3)	7.5	(2.4)
Net earnings (loss) per share				
- basic and diluted (\$)	0.06	(0.06)	0.20	(0.06)

(1) This is a non-IFRS measure and is not a standardized financial measure. The Company's method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, the definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Reconciliation of Non-IFRS financial measures" on page 4 of this news release for more information about each non-IFRS measure and for the reconciliations to the most directly comparable IFRS financial measures.

(2) As adjusted. See note 2 to the audited consolidated financial statements

"Staying the course with our strategic plan, we generated strong year-over-year growth in earnings for the year, driven by improved profitability of our operations in both Canada and South America," said Daniel Maheu, President and CEO of Orbit Garant. "Our positive results are attributable to our focus on senior and well-financed intermediate customers in Canada and South America, our disciplined approach in our business strategy, and continued execution of our operational improvement program. Our strong growth in cash flow from operations provided us with the flexibility to significantly reduce our Credit Facility debt during the year and buy back shares through our normal course issuer bid. Our capital allocation activities will help drive further value creation for shareholders."

"The price of gold is currently at historically high levels, and the price of copper also remains strong, which provides a significant incentive for our customers to continue to invest in mine exploration and development activities. Looking ahead, we intend to stay disciplined in our business strategy, keep delivering on our operational improvement program, continuing to pay down our debt, to strengthen our balance sheet and remain focused on our core regions, Canada and South America. We still have significant operational capacity to service new drilling contracts in Canada and a potential to expand our regional presence with minimal mobilization costs."

Fourth Quarter Results

Revenue for Q4 2025 totalled \$47.2 million, an increase of 3.9% compared to \$45.3 million for the three-month period ended June 30, 2024 ("Q4 2024"). Canada revenue totalled \$33.8 million in Q4 2025, an increase of 2.7% compared to \$32.8 million in Q4 2024, reflecting higher revenue per metre drilled. International revenue totalled \$13.4 million in Q4 2025, an increase of 7.0% compared to \$12.5 million in Q4 2024, reflecting increased drilling activity in South America.

Gross profit for Q4 2025 was \$7.6 million, or 16.0% of revenue, compared to \$7.5 million, or 16.6% of revenue, in Q4 2024. Adjusted gross margin¹, excluding depreciation expenses and a gain on disposal of property, plant and equipment, was 18.5% in Q4 2025, compared to 17.8% in Q4 2024. The increases in gross profit and adjusted gross margin¹ were primarily attributable to higher revenue per metre drilled in Canada, increased drilling activity in South America and the cessation of drilling activity in West Africa during Q2 2024, which were unprofitable.

General and Administrative expenses were \$4.2 million, or 9.0% of revenue, in Q4 2025, compared to \$4.3 million, or 9.0% of revenue, in Q4 2024.

Adjusted EBITDA¹ totalled \$5.5 million in Q4 2025 compared to \$6.7 million in Q4 2024. The decrease was primarily attributable to an unfavourable foreign exchange variance and start-up costs for a new project in South America, partially offset by improved operating earnings in Canada.

Net earnings for Q4 2025 were \$2.2 million, or \$0.06 per share (diluted), compared to a net loss of \$2.3 million, or \$0.06 per share (diluted), in Q4 2024. The Company's net earnings in Q4 2025 were primarily attributable to the effect of the substantial modification of a receivable and expected credit loss and the foreign currency translation loss on disposal of subsidiaries in Q4 2024 related to the Company's exit from West Africa, partially offset by a slight reduction in consolidated operating earnings, reduced income tax recovery and an unfavourable foreign exchange movement in Q4 2025 compared to Q4 2024.

Fiscal 2025 Results

Revenue in Fiscal 2025 totalled \$189.1 million, an increase of 4.3% compared to \$181.2 million for the year ended June 30, 2024 ("Fiscal 2024"). Canada revenue totalled \$136.1 million for Fiscal 2025, an increase of 2.6% from \$132.6 million in Fiscal 2024, reflecting higher revenue per metre drilled. International revenue for Fiscal 2025 increased by 9.0% to \$53.0 million compared to \$48.6 million in Fiscal 2024, reflecting increased drilling activity in South America.

Gross profit for Fiscal 2025 was \$28.3 million, or 15.0% of revenue, compared to \$21.2 million, or 11.7% of revenue, in Fiscal 2024. Adjusted gross margin¹, excluding depreciation expenses and a gain on disposal of property, plant and equipment, was 19.5% in Fiscal 2025, compared to adjusted gross margin¹, excluding depreciation expenses and a gain on disposal of property, plant and equipment, of 15.9% in Fiscal 2024. The increases in gross profit and adjusted gross margin¹ were primarily attributable to higher revenue per metre drilled in Canada, increased drilling activity in South America and the cessation of drilling activity in West Africa during Q2 2024, which were unprofitable.

General and Administrative expenses were \$16.7 million, or 8.8% of revenue, in Fiscal 2025, compared to \$16.4 million of revenue, in Fiscal 2024. The increase in Fiscal 2025 reflects annual inflationary wage adjustments and increased market promotional activities.

Adjusted EBITDA¹ totalled \$21.7 million in Fiscal 2025 compared to \$14.7 million in Fiscal 2024. The increase reflects improved operating earnings in both Canada and South America, and a favourable foreign exchange gain.

Net earnings for Fiscal 2025 were \$7.5 million, or \$0.20 per share (diluted), compared to a net loss of \$2.4 million, or \$0.06 per share (diluted), in Fiscal 2024. The Company's net earnings in Fiscal 2025 were primarily attributable to increased operating earnings in both Canada and South America, the effect of a substantial modification of a receivable and expected credit loss, the foreign currency translation loss on disposal of subsidiaries in Q4 2024, interest revenue, and a favourable foreign exchange gain, partially offset by increased income tax expense.

Liquidity and Capital Resources

The Company repaid a net amount of \$7.5 million on its Credit Facility in Fiscal 2025, compared to a repayment of \$0.7 million in Fiscal 2024. The Company's long-term debt under the Credit Facility, including an undrawn US\$5.0 million revolving credit facility, totalled \$5.0 million in Q4 2025.

and the current portion, was \$14.0 million as at June 30, 2025, compared to \$21.5 million as at June 30, 2024.

On October 28, 2024, the Company announced that the Toronto Stock Exchange ("TSX") accepted its notice of intention to make a normal course issuer bid (the "NCIB Program") to purchase outstanding common shares of Orbit Garant on the open market in accordance with the rules of the TSX. Pursuant to the NCIB Program, Orbit Garant may purchase, from time to time, in the aggregate up to 1,868,637 common shares over a 12-month period commencing on October 31, 2024, and terminating on October 28, 2025. During Fiscal 2025, the Company repurchased and cancelled 68,916 of its common shares at a weighted average price of \$0.21 per share pursuant to its NCIB Program. As at June 30, 2025, Orbit Garant had 37,579,840 common shares issued and outstanding.

As at June 30, 2025, the Company's working capital totalled \$50.4 million, compared to \$48.6 million as at June 30, 2024. Orbit Garant's working capital requirements are primarily related to the funding of inventory and the financing of accounts receivable.

Orbit Garant's audited consolidated financial statements and management's discussion and analysis for Fiscal 2025 are available via the Company's website at www.orbitgarant.com or SEDAR+ at www.sedarplus.ca.

Conference Call

Daniel Maheu, President and CEO, and Pier-Luc Laplante, CFO, will host a conference call for analysts and investors on Thursday, September 25, 2025 at 10:00 a.m. (ET). To join the conference call without operator assistance, you can register and enter your phone number at <https://registrations.events/easyconnect/4002554/recfrphaYBpb6dFW4/> to receive an instant automated call back. Alternatively, you can dial 647-932-3411 or 1-800-715-9871 to reach a live operator that will join you on the call.

A live webcast of the call will be available on Orbit Garant's website at: <http://www.orbitgarant.com/en/events>. The webcast will be archived following conclusion of the call. To access a replay of the conference call dial 647-362-9199 or 1-800-770-2031, passcode: 4002554 #. The replay will be available until October 2, 2025.

RECONCILIATION OF NON - IFRS FINANCIAL MEASURES

Financial data has been prepared in conformity with International Financial Reporting Standards ("IFRS"). However, certain financial measures used in this discussion and analysis do not have any standardized meaning under IFRS and could be calculated differently by other companies. The Company believes that certain non-IFRS financial measures, when presented in conjunction with comparable IFRS financial measures, are useful to investors and other readers because the information is an appropriate measure to evaluate the Company's operating performance. Internally, the Company uses this non-IFRS financial information as an indicator of business performance. These measures are provided for information purposes, in addition to, and not as a substitute for, measures of financial performance prepared in accordance with IFRS.

E BITDA, adjusted EBITDA and adjusted EBITDA margin: EBITDA is defined as net earnings (loss) before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding the impact of (i) the write-off of long-term receivable and expected credit loss, (ii) reclassification of current period interest revenue from the collection of the long-term receivable, and (iii) the percentage of adjusted EBITDA to contract revenue.

Adjusted gross profit and adjusted gross margin:

Adjusted gross profit is defined as gross profit excluding depreciation and amortization, and the percentage of adjusted gross profit to contract revenue.

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

Management believes that EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are important measures when analyzing operating profitability, as they remove the impact of financing costs, certain non-cash items, income taxes and restructuring. As a result, Management considers these measures as useful and comparable benchmarks for evaluating the Company's performance, as companies rarely have the same capital and financing structure.

Reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

(unaudited)	Q4 2025	Q4 2024	Fiscal 2025	Fiscal 2024
(in millions of dollars)				
Net earnings (loss) for the period	2.2	(2.3) ⁽²⁾	7.5	(2.4) ⁽²⁾
Add:				
Finance costs	0.6	0.8	2.9	3.5
Income tax expense (recovery)	-	(1.2)	2.5	(3.7)
Depreciation and amortization	2.7	2.8	10.1	10.7
EBITDA	5.5	0.1 ⁽²⁾	23.0	8.1 ⁽²⁾
Effect of the substantial modification of a receivable and expected credit loss -	5.2	-	5.2	
Reclassification of cumulative translation differences	-	1.4 ⁽²⁾	-	1.4 ⁽²⁾
Interest revenue on long-term receivable	-	-	(1.3)	-
Adjusted EBITDA	5.5	6.7 ⁽²⁾	21.7	14.7 ⁽²⁾
Contract Revenue	47.2	45.3	189.1	181.2
Adjusted EBITDA margin (%) ⁽¹⁾	11.7	14.7 ⁽²⁾	11.5	8.1 ⁽²⁾

(1) Adjusted EBITDA, divided by contract revenue X 100

(2) As adjusted. See note 2 to the audited consolidated financial statements.

Adjusted Gross Profit and Adjusted Gross Margin

Although adjusted gross profit and adjusted gross margin are not recognized financial measures defined by IFRS, Management considers them to be important measures as they represent the Company's core profitability, without the impact of depreciation expense. As a result, Management believes they provide a useful and comparable benchmark for evaluating the Company's performance.

Reconciliation of Adjusted Gross Profit and Adjusted Gross Margin

(in millions of dollars)	Q4 2025	Q4 2024	Fiscal 2025	Fiscal 2024
Contract revenue	47.2	45.3	189.1	181.2
Cost of contract revenue (including depreciation)	39.6	37.8	160.8	160.1
Less depreciation	(2.3)	(2.6)	(9.1)	(9.9)
Add gain on disposal of property, plant and equipment	0.4	2.0	0.5	2.2
Direct costs	37.7	37.2	152.2	152.4
Adjusted gross profit	9.5	8.1	36.9	28.8
Adjusted gross margin (%) ⁽¹⁾	20.2	17.8	19.5	15.9

(1) Adjusted gross profit, divided by contract revenue X 100

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 186 drill rigs and approximately 1,100 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.

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. (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. Risks and uncertainties that could cause actual results, performance or achievements to differ materially include the world economic climate as it relates to the mining industry; the Canadian economic environment; the Company's ability to attract and retain customers and to manage its assets and operating costs; the political situation in certain jurisdictions in which the Company operates and the operating environment in the jurisdictions in which the Company operates, as well as the risks and uncertainties are discussed in the Company's regulatory filings available at www.sedarplus.ca. 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 except as required by applicable securities laws.

SOURCE Orbit Garant Drilling Inc.

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