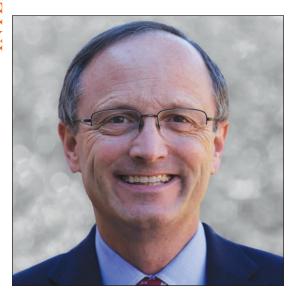
# INTERVIE

## Interview



Kevin O'Meara

EDITORS' NOTE Kevin O'Meara has had a successful 30-year business career, and has spent the past 20 years in construction-related industries. Prior to becoming the CEO of DIRTT, he had been working as an advisor to several blue-chip private equity firms. O'Meara also served as the President and Chief Executive Officer of Atrium Corporation, North America's largest vinyl and aluminum window manufacturer. He was also a co-founder of Builders FirstSource, serving as Chief Financial Officer, as well as President and Chief Operating Officer. Earlier, he worked as a strategy consultant at Bain & Company, and as a private equity investor at Hicks, Muse, Tate & Furst, and The Sterling Group. O'Meara holds an M.B.A. from Harvard Business School, a B.A. in economics and a B.B.A. degree from Southern Methodist University, and is a Certified Public Accountant.

company brief DIRTT (dirtt.net), which stands for "Doing It Right This Time," is a building process powered by technology. The company uses its proprietary ICE® software to design, manufacture and install fully customized interior environments. The technology drives DIRTT's advanced manufacturing and provides certainty on cost, schedule and the final result. DIRTT has manufacturing facilities in Phoenix, Savannah and Calgary, and the company works with nearly 100 sales partners globally.

### Will you discuss DIRTT's mission?

DIRTT was created to disrupt the world of conventional construction with an all-around better and more efficient building method for commercial interiors. By integrating technology into the construction process, spaces are built faster, cleaner and more sustainably. Over time, DIRTT has evolved to also provide interior solutions for healthcare environments, education facilities and various other sectors.

Sustainability throughout the entire process was really important to the founders of the company and remains at the core of everything we do. DIRTT's modular panels are made from medium density fiberboard (MDF), which are composed

# Disrupting Conventional Construction

An Interview with Kevin O'Meara, Chief Executive Officer, DIRTT Environmental Solutions Ltd.

of recycled content and sound-proofed with wall insulation derived largely from recycled cotton denim. By replacing drywall construction with panels that can be reassembled, there is no demolition and no waste added to landfills.

DIRTT has a very large addressable market – over \$150 billion annually, with significant, long-term growth prospects. By providing a better way to build, our goal is to increase the penetration of builders using prefabricated modular components as opposed to conventional construction.

#### Who is the DIRTT customer?

Generally, the DIRTT customer is anybody who builds commercial office space. We do have many other industry verticals where our value proposition really resonates, for instance, in healthcare. Healthcare is one of the fastest growing of DIRTT's four market segments.

For our healthcare customers, they generally have patient rooms and doctor's offices with fairly complex elements in the walls. We build these walls in our plants, and then ship them to the construction site. We significantly shorten the construction cycle time, as components arrive to the jobsite ready for a quick, tilt-up install. When you have a very expensive hospital room that you want to deploy, a shorter cycle time means increased revenue for the hospital owner.

## Is the value of pre-fab wall understood, or is it necessary to educate the market on its advantages?

We have brand recognition with our nearly 100 construction partners, as well as with our clients who have experienced the benefits of our process. Off-site, modular construction is gaining acceptance, even though the construction industry is often not a segment of the economy that easily embraces change. We are steadily gaining market visibility and acceptance and growing market share.

Over 150 of the Fortune 500 have used DIRTT. There are both big companies and brands using our products and services, and some smaller companies as well. As mentioned earlier, we work with many large healthcare organizations. With annual revenue of approximately US\$270 million, and a total addressable market of \$150+ billion, we have a very long growth runway.

#### Is it a competitive market?

Our single biggest competitor is conventional construction. We are faster, and we can be more economical, and have greater client satisfaction. This is our value proposition versus conventional construction. We need to continuously reinforce

the DIRTT story and messaging around the value we bring in order to gain a more substantive share of the market.

## Why is DIRTT's model and approach a better way to build?

It is the result of our entire process. We use a proprietary software that starts the new design phase. If you are working on a space, we could use our software to create the design and you could review it in virtual reality. You could walk through it as if it's already been built and make live design changes, all while the software instantly calculates the cost of your space down to the penny. This same software then feeds into our plants for manufacturing and, within a 21-day time frame, your interior is delivered to the job site.

This process provides builders a much shorter cycle time and, rather than working off of blueprints, the builders will see the design in 3-D.

## How critical is innovation to DIRTT's culture?

It is absolutely critical. A key, strategic pillar of our business is innovation in both product and software design. This innovation happens in the spirit of serving the customer and making the customer's life easier.

Sustainability is a critical component of our business, and we strive for excellence and commitment in giving back to the communities that we serve. The philanthropic aspect of the company is something that we've preserved, and is what we're known and recognized for, particularly in our local markets.

## What excited you about the opportunity to lead DIRTT?

I immediately understood the business model. I knew there was a shortage of jobsite labor. I saw how the VR application worked, and how you could really use that to drive revenue and earnings growth.

I've been involved in businesses that needed to scale before. I have also bought businesses from entrepreneurs before, so I had a pretty good sense as to what the challenges would be. I just thought it was a very unique opportunity, and a challenge I wanted to take on. It's a great company. A great, emerging brand in our industry space with fantastic people.

For me, and for everybody associated with DIRTT, it's a once-in-a-career opportunity. I've never seen a business like this and look forward to helping lead this company to another level of growth, size and scale.