

PRESS RELEASE

Taiga's (TBL) third quarter results impacted by low commodity prices

BURNABY, BC, November 10, 2023 - Taiga Building Products Ltd. ("Taiga" or the "Company") today reported its financial results for the three and nine months ended September 30, 2023.

Third Quarter Ended September 30, 2023 Earnings Results

Sales for the quarter ended September 30, 2023 were \$456.6 million compared to \$533.1 million over the same period last year. The decrease in sales by \$76.5 million or 14% was largely due to decreased selling prices for commodity products.

Gross margin for the quarter ended September 30, 2023 decreased to \$56.4 million from \$63.8 million over the same period last year. The decrease in gross margin was primarily due to lower commodity prices during the quarter.

Net earnings for the quarter ended September 30, 2023 increased to \$21.4 million compared to \$18.6 million over the same period last year. The increase in net earnings was due to income tax recoveries from the prior year.

EBITDA for the quarter ended September 30, 2023 was \$27.6 million compared to \$29.8 million for the same period last year. EBITDA decreased primarily due to lower margins earned during the quarter.

Nine Months Ended September 30, 2023 Earnings Results

Sales for the nine months ended September 30, 2023 were \$1,312.0 million compared to \$1,791.9 million over the same period last year. The decrease in sales was largely due the Company experiencing lower selling prices for its commodity products.

Gross margin for the nine months ended September 30, 2023 decreased to \$155.9 million from \$241.7 million over the same period last year. The decrease in gross margin was primarily due to lower commodity prices during the period.

Net earnings for the nine month period ended September 30, 2023 were \$51.9 million compared to \$78.9 million for the same period last year. The decrease in net earnings was primarily due to decreased gross margins during the period.

EBITDA for the nine months ended September 30, 2023 was \$78.1 million compared to \$122.1 million for the same period last year. EBITDA decreased primarily due to lower margins earned during the period.

Condensed Consolidated Statement of Earnings

For the Three Months Ended

<i>(in thousands of Canadian dollars, except for per share amounts)</i>	September 30,	
	2023	2022
Sales	456,615	533,066
Gross margin	56,403	63,846
Distribution expense	8,135	7,333
Selling and administration expense	23,447	29,658
Finance expense	98	1,494
Subordinated debt interest expense	-	218
Other expense (income)	263	(11)
Earnings (loss) before income taxes	24,460	25,154
Income tax expense (recovery)	3,056	6,534
Net earnings (loss)	21,404	18,620
Net earnings (loss) per share ⁽¹⁾	0.20	0.17
EBITDA ⁽²⁾	27,617	29,764

The following is the reconciliation of net earnings to EBITDA:

<i>(in thousands of Canadian dollars)</i>	September 30,	
	2023	2022
Net earnings (loss)	21,404	18,620
Income tax expense (recovery)	3,056	6,534
Finance and subordinated debt interest expense	98	1,712
Amortization	3,059	2,898
EBITDA	27,617	29,764

Condensed Consolidated Statement of Earnings

For the Nine Months Ended

<i>(in thousands of Canadian dollars, except for per share amounts)</i>	September 30,	
	2023	2022
Sales	1,312,009	1,791,892
Gross margin	155,947	241,722
Distribution expense	24,018	22,008
Selling and administration expense	62,645	106,312
Finance expense	2,727	5,498
Subordinated debt interest expense	-	656
Other expense (income)	230	(160)
Earnings before income taxes	66,327	107,408
Income tax expense	14,416	28,493
Net earnings	51,911	78,915
Net earnings per share ⁽¹⁾	0.48	0.73
EBITDA ⁽²⁾	78,121	122,079

The following is the reconciliation of net earnings to EBITDA:

<i>(in thousands of Canadian dollars)</i>	September 30,	
	2023	2022
Net earnings	51,911	78,915
Income tax expense	14,416	28,493
Finance and subordinated debt interest expense	2,727	6,154
Amortization	9,067	8,517
EBITDA	78,121	122,079

Notes:

(1) Earnings per share is calculated using the weighted average number of shares.

(2) Reference is made above to EBITDA, which represents earnings before interest, taxes, and amortization. As there is no generally accepted method of calculating EBITDA, the measure as calculated by Taiga might not be comparable to similarly titled measures reported by other issuers. EBITDA is presented as management believes it is a useful indicator of a company's ability to meet debt service and capital expenditure requirements and because management interprets trends in EBITDA as an indicator of relative operating performance. EBITDA should not be considered by an investor as an alternative to net income or cash flows as determined in accordance with IFRS. For the disclosure of the manner in which EBITDA is calculated and reconciliation to net earnings refer to the "EBITDA" section of the Company's management's discussion and analysis which will be available shortly on SEDAR at www.sedar.com.

The foregoing selected financial information is qualified in its entirety by and should be read in conjunction with, our unaudited condensed interim consolidated financial statements for three and nine months ended September 30, 2023 and accompanying notes and management's discussion and analysis which will be available shortly on SEDAR at www.sedar.com.

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