

Taiga's Q2 results - Hot commodity market sees sales rise by 11%

BURNABY, BC, Aug. 10, 2018 /CNW/ - Taiga Building Products Ltd. ("Taiga" or the "Company") (TSX: TBL) today reported its financial results for the three and six months ended June 30, 2018.

Second Quarter Ended June 30, 2018 Earnings Results

Sales for the second quarter increased to \$422.9 million from \$379.8 million in the same quarter last year. The increase in sales by \$43.1 million or 11% was largely due to higher selling prices for commodity products.

Gross margin dollars for the second quarter increased to \$39.4 million compared to \$33.7 million in the same quarter last year. Gross margin percentage for the second quarter was 9.3% compared to 8.9% in the same quarter last year. The increase in gross margin percentage was primarily due to higher commodity prices in the current quarter compared to the same quarter last year.

Net earnings for the quarter increased to \$6.4 million from \$5.0 million in the same quarter last year primarily due to increased gross margin dollars.

EBITDA for the quarter ended June 30, 2018 was \$16.1 million compared to \$14.3 million for the same period last year.

Six Months Ended June 30, 2018 Earnings Results

Sales for the six months ended June 30, 2018 were \$747.5 million compared to \$665.8 million over the same period last year. The increase in sales by \$81.7 million or 12% was largely due to higher selling prices for commodity products.

Gross margin dollars for the six months ended June 30, 2018 increased to \$70.2 million from \$57.8 million over the same period last year. Gross margin percentage for the six months ended June 30, 2018 increased to 9.4% from 8.7% for the same period last year.

Net earnings for the six month period ended June 30, 2018 were \$13.1 million compared to \$5.3 million for the same period last year.

EBITDA for the six months ended June 30, 2018 increased to \$27.6 million compared to \$22.1 million for the same period last year.

Condensed Consolidated Statement of Earnings For the Three Months Ended

(in thousands of Canadian dollars, except for per share amounts)	June 30,	
	2018	2017
Sales	422,875	379,761
Gross margin	39,428	33,677
Distribution expense	6,012	5,480
Selling and administration expense	18,558	15,081
Finance expense	1,700	1,379
Subordinated debt interest expense	219	4,509
Other income	(104)	(84)
Earnings before income taxes	13,043	7,312
Income tax expense	6,685	2,283
Net earnings	6,358	5,029
Net earnings per share ⁽¹⁾	0.05	0.16
EBITDA ⁽²⁾	16,128	14,280

The following is the reconciliation of net earnings to EBITDA:

(in thousands of Canadian dollars)	June 30,	
	2018	2017
Net earnings	6,685	5,029
Income tax expense	6,358	2,283
Finance and subordinated debt interest expense	1,919	5,888
Amortization	1,166	1,080
EBITDA	16,128	14,280

For the Six Months Ended

(in thousands of Canadian dollars, except for per share amounts)	June 30,	
	2018	2017
Sales	747,472	665,813
Gross margin	70,186	57,841
Distribution expense	11,895	11,200
Selling and administration expense	33,138	27,125
Finance expense	3,015	2,886
Subordinated debt interest expense	399	9,019
Other income	(200)	(325)
Earnings before income taxes	21,939	7,936
Income tax expense	8,791	2,658
Net earnings	13,148	5,278
Net earnings per share ⁽¹⁾	0.11	0.16
EBITDA ⁽²⁾	27,647	22,064

The following is the reconciliation of net earnings to EBITDA:

(in thousands of Canadian dollars)	June 30,	
	2018	2017
Net earnings	13,148	5,278
Income tax expense	8,791	2,658
Finance and subordinated debt interest expense	3,414	11,905
Amortization	2,294	2,223
EBITDA	27,647	22,064

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.

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 the three and six months ended June 30, 2018 and accompanying notes and management's discussion and analysis which will be available shortly on SEDAR at www.sedar.com.

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