

## PRESS RELEASE

### **Taiga (TBL) announces record breaking first half performance but warns of current headwinds**

BURNABY, BC, August 13, 2021 - Taiga Building Products Ltd. ("Taiga" or the "Company") today reported its financial results for the three and six months ended June 30, 2021.

#### **Second Quarter Ended June 30, 2021 Earnings Results**

Sales for the quarter ended June 30, 2021 were \$786.7 million compared to \$356.9 million over the same period last year. The increase in sales by \$429.8 million or 120% was largely due to increased selling prices for commodity products.

Gross margin for the quarter ended June 30, 2021 increased to \$147.9 million from \$42.7 million over the same period last year. Gross margin percentage was 18.8% for the three months ended June 30, 2021 compared to 12.0% in the same period last year. These increases were primarily due to rising commodity prices

Net earnings for the quarter ended June 30, 2021 increased to \$58.5 million from \$7.1 million over the same period last year primarily due to increased gross margin.

EBITDA for the quarter ended June 30, 2021 was \$84.5 million compared to \$23.9 million for the same period last year. EBITDA increased primarily due to higher margin earned during the quarter.

#### **Six Months Ended June 30, 2021 Earnings Results**

Sales for the six months ended June 30, 2021 were \$1,322.7 million compared to \$677.2 million over the same period last year. The increase in sales by \$645.5 million or 95% was largely due to the Company experiencing higher selling prices for its commodity products during the period.

Gross margin for the six months ended June 30, 2021 increased to \$238.3 million from \$73.3 million over the same period last year. Gross margin percentage was 18.0% for the six months ended June 30, 2021 compared to 10.8% in the same period last year. These increases were primarily due to rising commodity prices.

Net earnings for the six month period ended June 30, 2021 were \$87.6 million compared to \$19.8 million for the same period last year.

EBITDA for the six months ended June 30, 2021 was \$129.6 million compared to \$37.0 million for the same period last year. EBITDA increased primarily due to higher margin earned during the period.

#### **Management Update on the COVID-19 Pandemic**

The outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. As at the financial statement approval date, the pandemic has had a positive impact on Taiga's business and financial performance in fiscal 2020 and the first half of fiscal 2021. This is a direct result of the increased demand for detached housing, record high commodity prices and low borrowing rates experienced during the pandemic. The extent to which these events may continue to impact the Company's business activities in the same manner in future periods will depend on a

number of factors, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, the rate at which vaccines are administered, the effectiveness of vaccines against the coronavirus and its mutations, subsequent outbreaks, business disruptions, and the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease, the demand for detached housing in North America, future commodity prices, interest rates and the strength of the general economy. These events are highly uncertain and as such, the Company cannot predict with any certainty how the progression of the coronavirus pandemic and these events will ultimately impact the Company's financial performance in 2021.

### Third Quarter Outlook

As pandemic-related restrictions eased across North America in recent months, consumers diverted money away from home renovations and increased spending on travel and leisure activities. The resulting reduction in demand for renovation products led to a sharp decline in lumber and panel prices, beginning in mid-July. Taiga's third quarter earnings are expected to be negatively impacted by this recent development.

## Condensed Consolidated Statement of Earnings

For the Three Months Ended

	June 30,	
	2021	2020
<i>(in thousands of Canadian dollars, except for per share amounts)</i>		
Sales	786,732	356,894
Gross margin	147,903	42,741
Distribution expense	6,820	6,238
Selling and administration expense	58,938	18,384
Finance expense	2,267	2,206
Subordinated debt interest expense	219	219
Canada Emergency Wage Subsidy	-	(2,902)
Other (income) expense	344	(52)
Earnings before income taxes	79,315	18,648
Income tax expense	20,847	5,500
Net earnings	58,468	13,148
Net earnings per share <sup>(1)</sup>	0.54	0.12
EBITDA <sup>(2)</sup>	84,489	23,862

The following is the reconciliation of net earnings to EBITDA:

	June 30,	
	2021	2020
<i>(in thousands of Canadian dollars)</i>		
Net earnings	58,468	13,148
Income tax expense	20,847	5,500
Finance and subordinated debt interest expense	2,486	2,425
Amortization	2,688	2,789
EBITDA	84,489	23,862

For the Six Months Ended

	June 30,	
<i>(in thousands of Canadian dollars, except for per share amounts)</i>	2021	2020
Sales	1,322,650	677,173
Gross margin	238,261	73,294
Distribution expense	13,874	12,638
Selling and administration expense	100,094	32,148
Finance expense	3,940	4,483
Subordinated debt interest expense	438	438
Canada Emergency Wage Subsidy	-	(2,902)
Other income	290	(83)
Earnings before income taxes	119,625	26,572
Income tax expense	31,981	6,811
Net earnings	87,644	19,761
Net earnings per share <sup>(1)</sup>	0.81	0.18
EBITDA <sup>(2)</sup>	129,597	37,005

The following is the reconciliation of net earnings to EBITDA:

	June 30,	
<i>(in thousands of Canadian dollars)</i>	2021	2020
Net earnings	87,644	19,761
Income tax expense	31,981	6,811
Finance and subordinated debt interest expense	4,378	4,921
Amortization	5,594	5,512
EBITDA	129,597	37,005

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](http://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 six months ended June 30, 2021 and accompanying notes and management's discussion and analysis which will be available shortly on SEDAR at [www.sedar.com](http://www.sedar.com).

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