# Taiga's (TBL) Q4 sales decreased 2%

BURNABY, BC, Feb. 21, 2020 /CNW/ - Taiga Building Products Ltd. ("Taiga" or the "Company") today reported its financial results for the period ended December 31, 2019.

## Fourth Quarter Ended December 31, 2019 Earnings Results

The Company's consolidated net sales for the quarter ended December 31, 2019 were $298.1 million compared to $303.9 million over the same quarter last year. The decrease in sales by $5.8 million or 2% was largely due to lower commodity prices.

Gross margin for the quarter ended December 31, 2019 increased to $30.6 million from $24.0 million over the same quarter last year. The increase in gross margin percentage was primarily due to inventory gains in the current quarter.

Net earnings for the quarter ended December 31, 2019 were $5.8 million compared to net earnings of $1.5 million over the same quarter last year.

EBITDA for the quarter ended December 31, 2019 was $12.9 million compared to an EBITDA of $5.8 million for the same quarter last year. Management estimates that if IFRS 16 were not taken into effect as of January 1, 2019 that EBITDA would have been $1.7 million lower, or $11.2 million for the quarter ended December 31, 2019

## Year Ended December 31, 2019 Earnings Results

Sales for the year ended December 31, 2019 were $1,299.1 million compared to $1,451.0 million in the prior year. The decrease in sales by $151.9 million or 10.5% was largely due to decreased selling prices for commodity products; this was offset by the inclusion of Exterior Wood Inc.'s results, which was acquired in July of 2018.

Gross margin dollars for the year ended December 31, 2019 increased to $129.5 million from $122.0 million over the same period last year.

Net earnings for the year ended December 31, 2019 were $25.9 million compared to $20.3 million in the prior year.

EBITDA for the year ended December 31, 2019 was $57.7 million compared to $42.7 million in the prior year. Management estimates that if IFRS 16 were not taken into effect as of January 1, 2019 that EBITDA would have been $6.7 million lower, or $51.0 million for the year ended December 31, 2019.

**Condensed Consolidated Statement of Earnings**

For the Three Months Ended

| *(in thousands of Canadian dollars, except for per share amounts)* | December 31, 2019 | 2018 |
|---|---|---|
| Sales | $298,125 | 303,879 |
| Gross margin | 30,592 | 23,988 |
| Distribution expense | 6,223 | 6,826 |
| Selling and administration expense | 14,066 | 13,234 |
| Finance expense | 2,702 | 2,087 |
| Subordinated debt interest expense | 219 | 219 |
| Other income | (80) | (105) |
| Earnings before income taxes | 7,462 | 1,727 |
| Income tax expense | 1,699 | 187 |
| Net earnings | $5,763 | 1,540 |
| Net earnings per share[1] | $0.05 | 0.01 |

| | | |
|---|---|---|
| EBITDA[2] | 12,874 | 5,795 |

The following is the reconciliation of net earnings to EBITDA:

| | December 31, | |
|---|---|---|
| *(in thousands of Canadian dollars)* | 2019 | 2018 |
| Net earnings | 5,763 | 1,540 |
| Income tax expense | 1,699 | 187 |
| Finance and subordinated debt interest expense | 2,921 | 2,306 |
| Amortization | 2,491 | 1,762 |
| EBITDA | 12,874 | 5,795 |

**Condensed Consolidated Statement of Earnings**

For the Year Ended

| | December 31, | |
|---|---|---|
| *(in thousands of Canadian dollars, except for per share amounts)* | 2019 | 2018 |
| Sales | $1,299,122 | 1,450,985 |
| Gross margin | 129,456 | 122,031 |
| Distribution expense | 25,835 | 25,538 |
| Selling and administration expense | 56,940 | 59,892 |
| Finance expense | 10,157 | 7,193 |
| Subordinated debt interest expense | 875 | 837 |
| Other income | (202) | (401) |
| Earnings before income taxes | 35,851 | 28,972 |
| Income tax expense | 9,946 | 8,705 |
| Net earnings | $25,905 | 20,267 |
| Net earnings per share[1] | $0.23 | $0.17 |
| EBITDA[2] | 57,675 | 42,669 |

The following is the reconciliation of net earnings to EBITDA:

| | December 31, | |
|---|---|---|
| *(in thousands of Canadian dollars)* | 2019 | 2018 |
| Net earnings | 25,905 | 20,267 |
| Income tax expense | 9,946 | 8,705 |
| Finance and subordinated debt interest expense | 11,032 | 8,029 |
| Amortization | 10,791 | 5,668 |
| EBITDA | 57,675 | 42,669 |

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 audited consolidated financial statements for the year ended December 31, 2019 and accompanying notes and management's discussion and analysis which will be available shortly on SEDAR at www.sedar.com.

SOURCE Taiga Building Products Ltd.

View original content to download multimedia: http://www.newswire.ca/en/releases/archive/February2020/21/c0736.html

%SEDAR: 00022285E

**For further information:** regarding Taiga, please contact: Mark Schneidereit-Hsu, VP, Finance and Administration and CFO, Tel: 604.438.1471, Email: mschneidereit@taigabuilding.com

CO: Taiga Building Products Ltd.

CNW 13:23e 21-FEB-20