

PRESS RELEASE

Taiga's (TBL) Q1 sales increased 11% due to higher commodity prices before COVID-19 pandemic drove steep decline heading into Q2

BURNABY, BC, May 7, 2020 - Taiga Building Products Ltd. ("Taiga" or the "Company") today reported its financial results for the three months ended March 31, 2020.

First Quarter Ended March 31, 2020 Earnings Results

The Company's consolidated net sales for the quarter ended March 31, 2020 were \$320.3 million compared to \$287.4 million over the same period last year. The increase in sales by \$32.9 million or 11% was largely due to increased selling prices for commodity products.

Gross margin for the quarter ended March 31, 2020 increased to \$30.6 million from \$27.5 million over the same period last year. The increase in gross margin was primarily due to higher sales.

Net earnings for the quarter ended March 31, 2020 increased to \$6.6 million from \$4.7 million over the same period last year primarily due to increased gross margin.

EBITDA for the quarter ended March 31, 2020 was \$13.1 million compared to \$11.1 million for the same period last year.

Management Update on the COVID-19 Pandemic

The recent 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 outbreak and the related mitigation measures have had the following impacts on the Company's operations, among others: sales decline of approximately 30%. The extent to which these events may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine the ultimate financial impacts at this time. However, the Company recognizes that there will be economic and financial challenges to be faced for the balance of the fiscal year.

Condensed Consolidated Statement of Earnings

For the Three Months Ended

<i>(in thousands of Canadian dollars, except for per share amounts)</i>	March 31,	
	2020	2019
Sales	320,279	287,399
Gross margin	30,553	27,457
Distribution expense	6,400	5,805
Selling and administration expense	13,764	13,329
Finance expense	2,277	2,230
Subordinated debt interest expense	219	219
Other income	(31)	(37)
Earnings before income taxes	7,924	5,910
Income tax expense	1,311	1,249
Net earnings	6,613	4,661
Net earnings per share ⁽¹⁾	0.06	0.04
EBITDA ⁽²⁾	13,092	11,080

The following is the reconciliation of net earnings to EBITDA:

<i>(in thousands of Canadian dollars)</i>	March 31,	
	2020	2019
Net earnings	6,613	4,661
Income tax expense	1,311	1,249
Finance and subordinated debt interest expense	2,496	2,449
Amortization	2,673	2,721
EBITDA	13,092	11,080

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 the three months ended March 31, 2020 and accompanying notes and management's discussion and analysis which will be available shortly on SEDAR at www.sedar.com.

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