

## **Taiga announces acquisition of Exterior Wood, Inc. and expansion of wood treatment business**

BURNABY, BC, July 3, 2018 /CNW/ - Taiga Building Products Ltd. ("**Taiga**" or the "**Company**") (TSX: TBL) is pleased to announce that it has entered, through a wholly owned subsidiary, into a share purchase agreement (the "**SPA**") with Exterior Wood, Inc. ("**Exterior Wood**") and its shareholders, whereby Taiga will acquire all of the issued and outstanding common shares of Exterior Wood for a purchase price of US\$42,000,000, subject to certain adjustments at closing of the acquisition in respect of working capital, cash and certain outstanding indebtedness. The acquisition has been structured to close on a cash free debt free basis.

Exterior Wood has been operating a wood treatment facility and distribution centre in Washougal, Washington since 1977, and services retail building supply centers throughout the western United States and Canada with a wide array of pressure treated products. The acquisition will expand Taiga's existing wood treatment operations at three facilities in Canada, with additional penetration into the United States market.

Trent Balog, President and Chief Executive Officer of Taiga, commented: "The acquisition of Exterior Wood and the expansion of our wood treatment business represents a significant step forward in our corporate strategy of pursuing value enhancing opportunities. With a well-established customer and supplier base, we believe that the Exterior Wood acquisition will be accretive to Taiga's business and will successfully integrate within our proven operational capabilities, in addition to expanding our distribution reach in a strategic region. We look forward to working with the Exterior Wood team who have dedicated many years to the development and achievements of this business."

Dave Perry, President of Exterior Wood, commented: "We are excited to be associated with a company as well respected in our industry as Taiga. In addition to placing a high value on our customer relationships, suppliers and employees, it has a culture that matches very well with the one we have developed over time at Exterior Wood. We are enthusiastic about what the future holds as we work together".

Closing of the SPA is subject to various conditions including, among others: (i) the parties entering into an escrow agreement to fund certain environmental remediation measures using a portion of the purchase price up to \$3.84 million; (ii) Exterior Wood entering into a new lease in respect of the occupied premises; and (iii) the receipt of certain third party consents and approvals for the acquisition. Closing of the SPA is expected to occur on or about July 31, 2018. Taiga expects to finance the purchase price primarily using its senior credit facility.

### **Forward Looking Information**

This press release contains certain forward-looking information that reflects the current views and/or expectations of Taiga with respect to its performance, business and future events, including statements regarding: the Company's completion of the SPA and related agreements; and the expected effects of the acquisition of Exterior Wood on the business of the Company. The reader is cautioned that forward-looking information is not a guarantee of future performance and involves known and unknown risks, uncertainties, assumptions and other factors which are difficult to predict and that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Forward-looking information is based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates. Assumptions underlying the Company's expectations regarding forward-looking information contained in this news release include, among others: the ability of the Company and other parties thereto to satisfy the conditions required in order to complete the SPA and all related arrangements; the success, profitability and other expected benefits of the acquisition; the historical financial results of Exterior Wood remaining materially consistent; and the expected effects of the acquisition on the business of the Company. Investors are cautioned that all forward-looking information involves risks and uncertainties including, without limitation: that the conditions to closing the SPA will not be satisfied and the Company will not be

able to complete the SPA as contemplated or at all; and those risks relating to competition, changes in the market, economic conditions, dependence on major customers, fluctuations in the price and supply of raw material, foreign exchange fluctuations, labour relations, regulatory, including environmental, requirements and other risk factors listed from time to time in the Company's public filings. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should not place undue reliance on statements comprising forward-looking information, which are qualified in their entirety by this cautionary statement. Taiga does not undertake any obligations to release publicly any revisions for updating any voluntary forward-looking information, except as required by applicable securities law.

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**For further information:** Mark Schneidereit-Hsu, VP, Finance & Administration and CFO, Tel: 604-438-1471, Fax: 604-439-4242

CO: Taiga Building Products Ltd.

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