

PRESS RELEASE

Taiga (TBL) announces second quarter results impacted by falling commodity prices

BURNABY, BC, August 12, 2022 - Taiga Building Products Ltd. ("Taiga" or the "Company") today reported its financial results for the three and six months ended June 30, 2022.

Second Quarter Ended June 30, 2022 Earnings Results

Sales for the quarter ended June 30, 2022 were \$646.1 million compared to \$786.7 million over the same period last year. The decrease in sales by \$140.6 million or 18% was largely due to decreased selling prices for commodity products.

Gross margin for the quarter ended June 30, 2022 decreased to \$69.0 million from \$147.9 million over the same period last year. Gross margin percentage was 10.7% for the three months ended June 30, 2022 compared to 18.8% in the same period last year. These decreases were primarily due to falling commodity prices during the quarter.

Net earnings for the quarter ended June 30, 2022 decreased to \$20.8 million from \$58.5 million over the same period last year primarily due to decreased gross margin.

EBITDA for the quarter ended June 30, 2022 was \$33.7 million compared to \$84.5 million for the same period last year. EBITDA decreased primarily due to lower margin earned during the quarter.

Six Months Ended June 30, 2022 Earnings Results

Sales for the six months ended June 30, 2022 were \$1,258.8 million compared to \$1,322.7 million over the same period last year. The decrease in sales by \$63.8 million or 5% was largely due to the Company experiencing lower selling prices for its commodity products.

Gross margin for the six months ended June 30, 2022 decreased to \$177.9 million from \$238.3 million over the same period last year. Gross margin percentage was 14.1% for the six months ended June 30, 2022 compared to 18.0% in the same period last year. These decreases were primarily due to falling commodity prices during the period.

Net earnings for the six month period ended June 30, 2022 were \$60.3 million compared to \$87.6 million for the same period last year primarily due to decreased gross margin.

EBITDA for the six months ended June 30, 2022 was \$92.3 million compared to \$129.6 million for the same period last year. EBITDA decreased primarily due to lower 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 continues to impact 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 the first two quarters of fiscal 2022. This is a direct result of the increased demand for detached housing, high commodity prices and low borrowing rates experienced during the period. However, commodity prices have been volatile at times during the pandemic including a drastic decline in the third quarter of fiscal year 2021 although prices did recover in the subsequent quarter. 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 2022.

Condensed Consolidated Statement of Earnings

For the Three Months Ended

	June 30,	
<i>(in thousands of Canadian dollars, except for per share amounts)</i>	2022	2021
Sales	646,122	786,732
Gross margin	69,012	147,903
Distribution expense	7,345	6,820
Selling and administration expense	30,844	58,938
Finance expense	2,133	2,267
Subordinated debt interest expense	219	219
Other (income) expense	(96)	344
Earnings before income taxes	28,567	79,315
Income tax expense	7,773	20,847
Net earnings	20,794	58,468
Net earnings per share ⁽¹⁾	0.19	0.54
EBITDA ⁽²⁾	33,747	84,489

The following is the reconciliation of net earnings to EBITDA:

	June 30,	
<i>(in thousands of Canadian dollars)</i>	2022	2021
Net earnings	20,794	58,468
Income tax expense	7,773	20,847
Finance and subordinated debt interest expense	2,352	2,486
Amortization	2,828	2,688
EBITDA	33,747	84,489

For the Six Months Ended

	June 30,	
<i>(in thousands of Canadian dollars, except for per share amounts)</i>	2022	2021
Sales	1,258,826	1,322,650
Gross margin	177,876	238,261
Distribution expense	14,636	13,874
Selling and administration expense	76,654	100,094
Finance expense	4,004	3,940
Subordinated debt interest expense	438	438
Other income	(149)	290
Earnings before income taxes	82,293	119,625
Income tax expense	21,959	31,981
Net earnings	60,334	87,644
Net earnings per share ⁽¹⁾	0.56	0.81
EBITDA ⁽²⁾	92,315	129,597

The following is the reconciliation of net earnings to EBITDA:

	June 30,	
<i>(in thousands of Canadian dollars)</i>	2022	2021
Net earnings	60,334	87,644
Income tax expense	21,959	31,981
Finance and subordinated debt interest expense	4,442	4,378
Amortization	5,580	5,594
EBITDA	92,315	129,597

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 three and six months ended June 30, 2022 and accompanying notes and management's discussion and analysis which will be available shortly on SEDAR at www.sedar.com.

For further information regarding Taiga, please contact:

Mark Schneidereit-Hsu
 CFO and VP, Finance & Administration
 Tel: 604.438.1471
 Email: mschneidereit@taigabuilding.com