

PRESS RELEASE

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

BURNABY, BC, August 11, 2023 - Taiga Building Products Ltd. ("Taiga" or the "Company") today reported its financial results for the three and six months ended June 30, 2023.

Second Quarter Ended June 30, 2023 Earnings Results

Sales for the quarter ended June 30, 2023 were \$446.9 million compared to \$646.1 million over the same period last year. The decrease in sales by \$199.2 million or 31% was largely due to decreased selling prices for commodity products.

Gross margin for the quarter ended June 30, 2023 decreased to \$52.4 million from \$69.0 million over the same period last year. Gross margin percentage was 11.7% for the three months ended June 30, 2023 compared to 10.7% in the same period last year. The decrease in gross margin dollars was primarily due to falling commodity prices during the quarter.

Net earnings for the quarter ended June 30, 2023 decreased to \$17.0 million from \$20.8 million over the same period last year primarily due to decreased gross margin dollars.

EBITDA for the quarter ended June 30, 2023 was \$28.0 million compared to \$33.7 million for the same period last year. EBITDA decreased primarily due to lower margin dollars earned during the quarter.

Six Months Ended June 30, 2023 Earnings Results

Sales for the six months ended June 30, 2023 were \$855.4 million compared to \$1,258.8 million over the same period last year. The decrease in sales by \$403.4 million or 32% was largely due to the Company experiencing lower selling prices for its commodity products.

Gross margin for the six months ended June 30, 2023 decreased to \$99.5 million from \$177.9 million over the same period last year. Gross margin percentage was 11.6% for the six months ended June 30, 2023 compared to 14.1% in the same period last year. These decreases were primarily due to falling commodity prices during the period.

Net earnings for the six months ended June 30, 2023 were \$30.5 million compared to \$60.3 million for the same period last year primarily due to decreased gross margin.

EBITDA for the six months ended June 30, 2023 was \$50.5 million compared to \$92.3 million for the same period last year. EBITDA decreased primarily due to lower margin dollars earned during the period.

Condensed Consolidated Statement of Earnings

For the Three Months Ended

<i>(in thousands of Canadian dollars, except for per share amounts)</i>	June 30,	
	2023	2022
Sales	446,902	646,122
Gross margin	52,431	69,012
Distribution expense	7,859	7,345
Selling and administration expense	19,558	30,844
Finance expense	1,512	2,133
Subordinated debt interest expense	-	219
Other (income) expense	(40)	(96)
Earnings before income taxes	23,542	28,567
Income tax expense	6,551	7,773
Net earnings	16,991	20,794
Net earnings per share ⁽¹⁾	0.16	0.19
EBITDA ⁽²⁾	27,983	33,747

The following is the reconciliation of net earnings to EBITDA:

<i>(in thousands of Canadian dollars)</i>	June 30,	
	2023	2022
Net earnings	16,991	20,794
Income tax expense	6,551	7,773
Finance and subordinated debt interest expense	1,512	2,352
Amortization	2,929	2,828
EBITDA	27,983	33,747

For the Six Months Ended

<i>(in thousands of Canadian dollars, except for per share amounts)</i>	June 30,	
	2023	2022
Sales	855,394	1,258,826
Gross margin	99,544	177,876
Distribution expense	15,883	14,636
Selling and administration expense	39,198	76,654
Finance expense	2,629	4,004
Subordinated debt interest expense	-	438
Other income	(33)	(149)
Earnings before income taxes	41,867	82,293
Income tax expense	11,360	21,959
Net earnings	30,507	60,334
Net earnings per share ⁽¹⁾	0.28	0.56
EBITDA ⁽²⁾	50,504	92,315

The following is the reconciliation of net earnings to EBITDA:

<i>(in thousands of Canadian dollars)</i>	June 30,	
	2023	2022
Net earnings	30,507	60,334
Income tax expense	11,360	21,959
Finance and subordinated debt interest expense	2,629	4,442
Amortization	6,008	5,580
EBITDA	50,504	92,315

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, 2023 and accompanying notes and management's discussion and analysis which will be available shortly on SEDAR at www.sedar.com.

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