

PRESS RELEASE

Taiga (TBL) announces stronger Q3 sales due to higher commodity prices

BURNABY, BC, November 4, 2022 - Taiga Building Products Ltd. ("Taiga" or the "Company") today reported its financial results for the three and nine months ended September 30, 2022.

Third Quarter Ended September 30, 2022 Earnings Results

Sales for the quarter ended September 30, 2022 were \$533.1 million compared to \$484.6 million over the same period last year. The increase in sales by \$48.5 million or 10% was largely due to higher selling prices for commodity products.

Gross margin for the quarter ended September 30, 2022 increased to \$63.8 million from \$7.6 million over the same period last year. In the 2021 comparative period commodity prices fell dramatically and the Company booked a \$13.4 million inventory reserve due to the impact falling commodity prices had on its treated inventory values.

Net earnings (loss) for the quarter ended September 30, 2022 increased to income of \$18.6 million compared to a loss of (\$5.2) million over the same period last year. This was primarily due to higher gross margin.

EBITDA for the quarter ended September 30, 2022 was \$29.8 million compared to (\$1.8) million for the same period last year. EBITDA increased primarily due to higher margin earned during the quarter.

Nine Months Ended September 30, 2022 Earnings Results

Sales for the nine months ended September 30, 2022 were \$1,791.9 million compared to \$1,807.2 million over the same period last year.

Gross margin for the nine months ended September 30, 2022 decreased to \$241.7 million from \$245.9 million over the same period last year.

Net earnings for the nine month period ended September 30, 2022 were \$78.9 million compared to \$82.4 million for the same period last year.

EBITDA for the nine months ended September 30, 2022 was \$122.1 million compared to \$127.8 million for the same period last year.

Condensed Consolidated Statement of Earnings

For the Three Months Ended

	September 30,	
<i>(in thousands of Canadian dollars, except for per share amounts)</i>	2022	2021
Sales	533,066	484,563
Gross margin	63,846	7,646
Distribution expense	7,333	6,834
Selling and administration expense	29,658	5,399
Finance expense	1,494	1,855
Subordinated debt interest expense	218	218
Other (income) expense	(11)	12
Earnings (loss) before income taxes	25,154	(6,672)
Income tax expense (recovery)	6,534	(1,432)
Net earnings (loss)	18,620	(5,240)
Net earnings (loss) per share ⁽¹⁾	0.17	(0.05)
EBITDA ⁽²⁾	29,764	(1,841)

The following is the reconciliation of net earnings to EBITDA:

	September 30,	
<i>(in thousands of Canadian dollars)</i>	2022	2021
Net earnings (loss)	18,620	(5,240)
Income tax expense (recovery)	6,534	(1,432)
Finance and subordinated debt interest expense	1,712	2,073
Amortization	2,898	2,758
EBITDA	29,764	(1,841)

Condensed Consolidated Statement of Earnings

For the Nine Months Ended

	September 30,	
	2022	2021
<i>(in thousands of Canadian dollars, except for per share amounts)</i>		
Sales	1,791,892	1,807,213
Gross margin	241,722	245,907
Distribution expense	22,008	20,708
Selling and administration expense	106,312	105,493
Finance expense	5,498	5,795
Subordinated debt interest expense	656	656
Other (income) expense	(160)	302
Earnings before income taxes	107,408	112,953
Income tax expense	28,493	30,549
Net earnings	78,915	82,404
Net earnings per share ⁽¹⁾	0.73	0.76
EBITDA ⁽²⁾	122,079	127,756

The following is the reconciliation of net earnings to EBITDA:

	September 30,	
	2022	2021
<i>(in thousands of Canadian dollars)</i>		
Net earnings	78,915	82,404
Income tax expense	28,493	30,549
Finance and subordinated debt interest expense	6,154	6,451
Amortization	8,517	8,352
EBITDA	122,079	127,756

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

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