taiga building products produits de bâtiment

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PRESS RELEASE

Taiga's Q3 sales down 5%

BURNABY, BC, February 9, 2017 - Taiga Building Products Ltd. ("Taiga" or the "Company") today reported its financial results for the three and nine months ended December 31, 2016.

Third Quarter Ended December 31, 2016 Earnings Results

Sales for the third quarter decreased to $277.4 million from $292.5 million over the same quarter last year. The decrease in sales by $15.1 million or 5% was largely due to the ceased operations relating to one of the Company's business units.

Gross margin dollars for the third quarter decreased to $22.2 million compared to $25.0 million in the same quarter last year. Gross margin percentage for the third quarter was 8.0% compared to 8.5% in the same quarter last year. The decrease in gross margin percentage was primarily due to commodity prices declining in the current quarter compared to an appreciation in the same quarter last year.

Taiga's net earnings (loss) for the quarter ended December 31, 2016 decreased to $(0.2) million from $(0.1) million over the same period last year.

EBITDA for the quarter ended December 31, 2016 was $7.4 million compared to $7.7 million for the same period last year.

Nine Months Ended December 31, 2016 Earnings Results

Sales for the nine months ended December 31, 2016 were $937.9 million compared to $1,084.4 million over the same period last year. The decrease in sales by $146.5 million or 14% was largely due to the ceased operations relating to one of the Company's business units.

Gross margin dollars for the nine months ended December 31, 2016 decreased to $83.1 million from $93.0 million over the same period last year. Gross margin percentage for the nine months ended December 31, 2016 increased to 8.9% compared to 8.6% over the same period last year. The gross margin percentage was higher in the current period due to an increase in commodity prices.

Net earnings for the nine month period ended December 31, 2016 were $7.7 million compared to $11.0 million for the same period last year.

EBITDA for the nine months ended December 31, 2016 decreased to $32.2 million compared to $36.5 million for the same period last year.

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Condensed Consolidated Statement of Earnings

For the Three Months Ended

(in thousands of Canadian dollars, except for per share amounts)	December 31, 2016	2015
Sales	277,408	292,476
Gross margin	22,202	24,967
Distribution expense	5,560	5,392
Selling and administration expense	10,436	13,175
Finance expense	1,150	1,262
Subordinated debt interest expense	4,087	4,087
Other income	(145)	(193)
Earnings before income taxes	1,114	1,244
Income tax expense	1,274	1,297
Net earnings (loss)	(160)	(53)
Net earnings (loss) per share(1)	0.00	0.00
EBITDA(2)	7,425	7,656

The following is the reconciliation of net earnings to EBITDA:

(in thousands of Canadian dollars)	December 31, 2016	2015
Net earnings (loss)	(160)	(53)
Income tax expense	1,274	1,297
Finance and subordinated debt interest expense	5,237	5,349
Amortization	1,074	1,063
EBITDA	7,425	7,656

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For the Nine Months Ended		
	December 31,	
(in thousands of Canadian dollars, except for per share amounts)	2016	2015
Sales	937,926	1,084,440
Gross margin	83,103	93,010
Distribution expense	16,624	16,000
Selling and administration expense	37,723	44,119
Finance expense	3,697	4,163
Subordinated debt interest expense	12,262	12,262
Other income	(378)	(417)
Earnings before income taxes	13,175	16,883
Income tax expense	5,434	5,878
Net earnings	7,741	11,005
Net earnings per share[(1)]	0.24	0.34
EBITDA[(2)]	32,245	36,469

The following is the reconciliation of net earnings to EBITDA:

	December 31,	
(in thousands of Canadian dollars)	2016	2015
Net earnings	7,741	11,005
Income tax expense	5,434	5,878
Finance and subordinated debt interest	15,959	16,425
Amortization	3,111	3,161
EBITDA	32,245	36,469

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.

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 and nine months ended December 31, 2016 and accompanying notes and management's discussion and analysis which will be available shortly on SEDAR at www.sedar.com.

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