

PRESS RELEASE

Taiga's (TBL) Q4 sales decreased 8.0% and margin fell to 7.4% due to falling commodity prices

BURNABY, BC, February 22, 2019 - Taiga Building Products Ltd. ("Taiga" or the "Company") today reported its financial results for the period ended December 31, 2018.

Fourth Quarter Ended December 31, 2018 Earnings Results

The Company's consolidated net sales for the quarter ended December 31, 2018 were \$303.9 million compared to \$329.8 million over the same quarter last year. The decrease in sales by \$25.9 million or 8.0% was largely due to decreased demand for the Company's products in all segments and lower commodity prices.

Gross margin for the quarter ended December 31, 2018 decreased to \$24.0 million from \$27.4 million over the same quarter last year. Gross margin percentage decreased to 7.9% in the current quarter compared to 8.3% in the same quarter last year. The decrease in gross margin percentage was primarily due to commodity prices falling in the current quarter.

Net earnings for the quarter ended December 31, 2018 were \$1.5 million compared to a loss of \$15.2 million over the same period last year. The net loss in the same period last year would have been net earnings of \$3.4 million if the \$18.6 million loss on the debt settlement were excluded.

EBITDA for the quarter ended December 31, 2018 was \$5.8 million compared to an EBITDA of (\$9.1) million for the same quarter last year. EBITDA would have been \$9.4 million during the same quarter last year if the \$18.6 million loss on the debt settlement were excluded.

Condensed Consolidated Statement of Earnings

For the Three Months Ended

	December 31,	
<i>(in thousands of Canadian dollars, except for per share amounts)</i>	2018	2017
Sales	303,879	329,821
Gross margin	23,988	27,358
Distribution expense	6,826	5,753
Selling and administration expense	13,234	13,451
Loss on debt settlement	-	18,570
Finance expense	2,087	1,140
Subordinated debt interest expense	219	2,534
Other income	(105)	(132)
Earnings before income taxes	1,727	(13,958)
Income tax expense	187	1,237
Net earnings (loss)	1,540	(15,195)
Net earnings (loss) per share ⁽¹⁾	0.01	(0.20)
EBITDA ⁽²⁾	5,795	(9,142)

The following is the reconciliation of net earnings to EBITDA:

	December 31,	
<i>(in thousands of Canadian dollars)</i>	2018	2017
Net earnings (loss)	1,540	(15,195)
Income tax expense	187	1,237
Finance and subordinated debt interest expense	2,306	3,674
Amortization	1,762	1,142
EBITDA	5,795	(9,142)

There was an \$18.6 million non-cash loss on the settlement of debt due to the Exchange Offer. If this unusual item were excluded for the quarter ending December 31, 2017 than the EBITDA results would be:

	December 31,
<i>(in thousands of Canadian dollars)</i>	2017
Net loss	(15,195)
Loss on debt settlement	18,570
Income tax expense	1,237
Finance and subordinated debt interest expense	3,674
Amortization	1,142
Adjusted EBITDA	9,428

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 audited consolidated financial statements for the year ended December 31, 2018 and accompanying notes and management's discussion and analysis which will be available shortly on SEDAR at www.sedar.com.

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