



Doman Building Materials Group Ltd.  
1600 – 1100 Melville Street,  
Vancouver BC V6E 4A6

## Press Release

NOT FOR RELEASE OR DISSEMINATION INTO THE UNITED STATES

### DOMAN BUILDING MATERIALS REPORTS 2021 FINANCIAL RESULTS

#### Full Year 2021 Financial Highlights<sup>(1)</sup>:

- Revenues increased by 57.6% to \$2.54 billion
- Gross Margin at 15.4%
- Adjusted EBITDA<sup>(3)</sup> increased to \$225.6 million
- Net Earnings<sup>(4)</sup> amounted to \$106.5 million
- Total dividends of \$0.54 per share declared<sup>(4)</sup>

#### Q4 2021 Financial Highlights<sup>(1)</sup>:

- Revenues increased by 59.6% to \$641.6 million
- Gross Margin at 13.8%
- Adjusted EBITDA<sup>(3)</sup> increased to \$37.1 million
- Net Earnings<sup>(4)</sup> amounted to \$11.6 million
- Quarterly dividend of \$0.14 per share declared<sup>(4)</sup>

**VANCOUVER, CANADA** – March 3, 2022 – Doman Building Materials Group Ltd. (“Doman” or “the Company”) (TSX:DBM; DBM.NT.A) announced today its fourth quarter and full year 2021 financial results<sup>(1)</sup> for the period ended December 31, 2021.

For the year ended December 31, 2021<sup>(1)</sup>, consolidated revenues increased by 57.6% to \$2.54 billion, compared to \$1.61 billion in 2020. The increase in revenues was largely due to the results from the Company’s 2021 acquisitions, with the balance of the increase attributable to the improvements in product pricing within the Company’s legacy operations. Quarantine-related activities continued to drive demand and unprecedented pricing increases through the first half of 2021, before reaching a peak in May 2021 and declining sharply until August 2021, but only partially offsetting gains made during the first half of 2021. The Company’s sales by product group in the period were made up of 74% construction materials, compared to 65% last year, with the remaining balance resulting from specialty and allied products of 22%, and other of 4%.

Gross margin dollars in 2021 increased by 52.6% to \$391.0 million, compared to \$256.2 million in 2020. Gross margin percentage amounted to 15.4% of revenues versus 15.9% in 2020. Gross margins benefited from the results achieved by our 2021 acquisitions, as well as the improvements in construction materials pricing for the Company’s legacy operations during the first half of 2021, which were then partially offset by the impact of price declines during the second half of the year.

Adjusted EBITDA<sup>(3)</sup> for the full year increased by 57.7% to \$225.6 million, compared to \$143.0 million in 2020. EBITDA<sup>(2)</sup> was slightly impacted by one-time acquisition costs in both 2021 and 2020, resulting in EBITDA<sup>(2)</sup> amounting to \$220.7 million in 2021, versus \$142.4 million in 2020.

For the three-month period ended December 31, 2021<sup>(1)</sup>, revenues increased 59.6% to \$641.6 million when compared to \$402.0 million in the same period in 2020, largely due to contributions from our 2021 acquisitions. The Company's sales by product group in the quarter were made up of 76% construction materials, with the remaining balance of sales resulting from specialty and allied products of 21%, and forestry and other of 3%.

Gross margin dollars in the fourth quarter increased by 32.4% to \$88.7 million, compared to \$67.0 million during the corresponding period in 2020. Gross margin percentage increased to 13.8% of revenues versus 16.7% during the same period in 2020. Gross margin dollars benefited from contributions by the acquisitions, partially offset by the impact of price declines during the second half of the year, which resulted in lower margin percentages for the fourth quarter of 2021 relative to the same period in 2020.

Adjusted EBITDA<sup>(3)</sup> for the three-month period ended December 31, 2021<sup>(1)</sup>, amounted to \$37.1 million, compared to \$36.7 million in 2020.

The Company declared a total of \$0.54 per share<sup>(4)</sup> in dividends in 2021, versus \$0.52 per share in 2020.

"I am pleased with how our growth strategy continues to unfold, resulting in record annual sales and net earnings, while remaining focused on margin protection as we worked through pricing volatility during the second half of the year," commented Amar S. Doman, Chairman of the Board. "The price volatility we experienced in the second half of the year subsided in the fourth quarter, resulting in improved gross margin levels when compared to the third quarter. Additionally, it is important to note that our annual reporting only includes our Texas based Hixson Lumber division for two full quarters. We are very pleased with our integration efforts, and we have now commenced deploying our information technology strategies at Hixson Lumber, and believe we are on track to meet or exceed the internal goals we set out during the acquisition. We continue to see robust activity and pricing in our markets, however we are also very mindful of the macro economic backdrop of increasing interest rates and other similar factors which may impact market dynamics."

Reconciliation of Net Earnings to Earnings before Interest, Tax, Depreciation and Amortization (EBITDA):

	Three months ended December 31,		Years ended December 31,	
	2021	2020	2021	2020
(in thousands of dollars)	\$	\$	\$	\$
Net earnings	<b>11,609</b>	15,011	<b>106,509</b>	59,587
Provision for income taxes	<b>1,631</b>	5,677	<b>31,955</b>	22,451
Finance costs	<b>8,414</b>	2,932	<b>27,138</b>	15,706
Depreciation and amortization	<b>15,449</b>	12,469	<b>55,063</b>	44,649
EBITDA	<b>37,103</b>	36,089	<b>220,665</b>	142,393
Acquisition costs	-	620	<b>4,893</b>	620
Adjusted EBITDA	<b>37,103</b>	36,709	<b>225,558</b>	143,013

## About Doman Building Materials Group Ltd.

Doman is headquartered in Vancouver, British Columbia and trades on the Toronto Stock Exchange under the symbol DBM and is a leading North American distributor of building materials and is Canada's only fully integrated national distributor in the building materials and related products sector. Doman operates several distinct divisions: CanWel Building Materials with multiple treating plant, planing facilities and distribution centres coast-to-coast in all major cities and strategic locations across Canada; founded in 1959, Hixson Lumber Company in the central United States, with 19 treating plants, two specialty planing mills and five specialty sawmills located in eight states, headquartered in Dallas, Texas, distributing, producing and treating lumber, fencing and building materials; California Cascade in the western United States near Portland, Oregon, San Francisco and Los Angeles, California with treating facilities and distribution of building materials, lumber and renovation products; founded in 1935, the Honsador Building Products Group in 14 locations in the State of Hawaii, with treating facilities, truss plants and distribution of a wide range of building materials, lumber, renovation and electrical products. In addition, through its CanWel Fibre division, the Company operates a vertically integrated forest products company based in Western Canada, operating in British Columbia and Saskatchewan, also servicing the US Pacific Northwest. CanWel Fibre owns approximately 117,000 acres of private timberlands, strategic licenses and tenures, post and pole peeling facilities and two pressure-treated specialty wood production plants. Please see our filings on SEDAR under Doman Building Materials Group Ltd. (formerly, CanWel Building Materials Group Ltd.) for additional information.

### For further information regarding Doman please contact:

Ali Mahdavi  
Investor Relations  
416-962-3300

[ali.mahdavi@domanbm.com](mailto:ali.mahdavi@domanbm.com)

---

Certain statements in this press release may constitute "forward-looking" statements. When used in this press release, forward-looking statements often but not always, can be identified by the use of forward-looking words such as, including but not limited to, "may", "will", "would", "should", "expect", "believe", "plan", "intend", "anticipate", "predict", "remain", "estimate", "potential", "forecast", "budget", "schedule", "continue", "could", "might", "project", "targeting", "future" and other similar terminology or the negative or inverse of such words or terminology. Forward-looking information in this news release includes, without limitation, statements with respect to: the ultimate impact (express or implied) of: a) fluctuations in commodity and construction materials pricing; b) the performance of recently acquired businesses; and c) the novel coronavirus COVID-19 ("COVID-19") pandemic, on the Company's operational and financial results and on consumer behavior and economic activity, including but not limited to the fourth quarter and full-year 2021 results, which impact is difficult to estimate or quantify as it will depend on, inter alia, the duration of the contagion, the impact of government policies, and the pace of economic recovery. These forward-looking statements reflect the current expectations of Doman's management regarding future events and operating performance, but involve other known and unknown or unpredictable risks, uncertainties and other factors which may cause the actual results, performance or achievements of Doman, including but not limited, to sales, earnings, cash flow from operations, EBITDA<sup>(2)</sup> generated, dividends generated or paid by Doman, including whether at the rate as of the date hereof or some other dividend rate in the future which may be lower than either of the preceding rates discussed therein, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Actual events could differ materially from those projected herein and depend on a number of factors. These factors include but are not limited to those set out in the Company's annual information form dated March 12, 2021, and other public filings. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. In addition, a number of material factors or assumptions were utilized or applied in making the forward-looking statements, and may include, but are not limited to, assumptions regarding the performance of the Canadian and U.S. economies, the relative stability of or level of interest rates, exchange rates, volatility of commodity prices, availability or more limited availability of access to equity and debt capital markets to fund, at acceptable costs, Doman's future growth plans, the implementation and success of the integration of Doman's acquisitions and customer and supplier retention, the ability of Doman to refinance its debts as they mature, the Canadian and United States housing and building materials markets; the direct and indirect effect of the U.S. housing market and economy; exchange rate fluctuations between the Canadian and US dollar; retention of key personnel; Doman's ability to sustain its level of sales and earnings margins; Doman's ability to grow its business long term and to manage its growth; Doman's management information systems upon which it is dependent are not impaired or compromised by breaches of Doman's cybersecurity; Doman's insurance is sufficient to cover losses that may occur as a result of its operations; international trade and tariff risks, political risks, the amount of Doman's cash flow from operations; tax laws; and the extent of Doman's future acquisitions and capital spending requirements or planning as well as the general level of economic activity, in Canada and the U.S., and abroad, discretionary spending and unemployment levels; the effect of general economic conditions, including market demand for Doman's products, and prices for such products; the effect of forestry, land use, environmental and other governmental regulations; and the risk of losses from fires, floods and other natural disasters and unemployment levels. There is a risk that some or all of these assumptions may prove to be incorrect. These and other factors could cause or contribute to actual results differing materially from those contemplated by forward-looking statements. Accordingly, readers should not place undue reliance on any forward-looking statements or information. These forward-looking statements speak only as of the date of this press release. We caution that the foregoing factors that may affect future results are not exhaustive. When relying on our forward-looking statements to

make decisions with respect to Doman, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Neither Doman nor any of its associates or directors, officers, partners, affiliates, or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in these communications will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Except as required by applicable securities laws and legal or regulatory obligations, Doman is not under any obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

- (1) Please refer to our Q4 2021 MD&A and FY 2021 Financial Statements for further information. Our Q4 2021 and FY 2021 Financial Statements filings are reported under International Financial Reporting Standards ("IFRS").
  - (2) In the discussion, reference is made to EBITDA, which represents earnings from continuing operations before interest, including amortization of deferred financing costs, provision for income taxes, depreciation and amortization. This is not a generally accepted earnings measure under IFRS and does not have a standardized meaning under IFRS, and therefore the measure as calculated by Doman may not be comparable to similarly-titled measures reported by other companies. EBITDA is presented as we believe it is a useful indicator of a company's ability to meet debt service and capital expenditure requirements and because we interpret trends in EBITDA as an indicator of relative operating performance. EBITDA should not be considered by an investor as an alternative to net earnings or cash flows as determined in accordance with IFRS. For a reconciliation of EBITDA to the most directly comparable measures calculated in accordance with IFRS refer to "Reconciliation of Net Earnings to Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) and Adjusted EBITDA".
  - (3) In the discussion, reference is made to Adjusted EBITDA, which is EBITDA as defined above, before certain non-recurring or unusual items. This is not a generally accepted earnings measure under IFRS and does not have a standardized meaning under IFRS. The measure as calculated by Doman may not be comparable to similarly-titled measures reported by other companies. Adjusted EBITDA is presented as we believe it is a useful indicator of Doman's ability to meet debt service and capital expenditure requirements from its regular business before non-recurring items. Adjusted EBITDA should not be considered by an investor as an alternative to net earnings or cash flows as determined in accordance with IFRS. For a reconciliation from Adjusted EBITDA to the most directly comparable measures calculated in accordance with IFRS refer to "Reconciliation of Net Earnings to Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) and Adjusted EBITDA".
  - (4) On November 4, 2021, the Company announced it was restoring its dividend to \$0.14 per shares effective the dividend paid on January 14, 2022. The Company had previously adjusted its quarterly common share dividend from \$0.14 to \$0.12 per share, effective for the dividend paid on October 15, 2020. Please refer to press releases dated June 15, 2020 and November 4, 2021 for further information. Please refer to our Q4 2021 MD&A and our Q4 2021 Financial Statements for more information.
-