



**FOR IMMEDIATE RELEASE**

## **Tree Island Steel Announces First Quarter 2022 Results**

VANCOUVER, British Columbia, Canada - May 4, 2022 - Tree Island Steel ("Tree Island" or the "Company") (TSX: TSL) announced today its financial results for the three months ended March 31, 2022.

For the three-month period ended March 31, 2022, revenues increased by \$25.9 million to \$92.7 million as pricing increases across all market segments allowed us to recover escalating costs. Gross profit for the first quarter increased to \$20.8 million, from \$12.6 million in the same period in 2021. Adjusted EBITDA amounted to \$18.8 million, compared to \$10.7 million during the same period in 2021.

Inflationary cost increases continued in the quarter, led by key raw materials, namely steel wire rod and zinc, as well as freight, labour and utilities. Increased selling prices recovered these costs in the period. Given the significant and ongoing escalation in costs, we continue to closely manage inventory positions and raw materials purchases.

“In the first quarter, we continued to experience increased demand strength in commercial construction activities in both Canada and the United States, as we supported multiple projects with our concrete reinforcing products. Stable demand has been seen in our other market segments of agriculture, residential construction and industrial wire, as we additionally balanced availability of raw materials and labour to support customer delivery needs,” said Remy Stachowiak, President and COO of Tree Island Steel.

“Results in the first quarter were very positive, despite the continued inflationary cost environment and ongoing constraints with supply chain and labour. We are closely managing our financial position through this volatile market, “ said Amar S. Doman, Executive Chair of Tree Island Steel.



## RESULTS FROM OPERATIONS

(\$'000 unless otherwise stated)

	Three Months Ended March 31,	
	2022	2021
Revenue	92,746	66,842
Cost of sales	(70,495)	(52,748)
Depreciation	(1,416)	(1,467)
Gross profit	20,835	12,627
Selling, general and administrative expenses	(3,364)	(3,327)
Operating income	17,471	9,300
Foreign exchange loss	(113)	(113)
Financing expenses	(494)	(566)
Other expenses	(9)	-
Income before income taxes	16,855	8,621
Income tax expense	(4,128)	(2,157)
Net income	12,727	6,464
Net income per share	0.45	0.22

Financial position as at:	March 31, 2022	December 31, 2021
Total assets	214,520	225,806
Total non-current financial liabilities	37,288	38,907

## Adjusted EBITDA

(\$'000 unless otherwise states)

	Three Months Ended March 31,	
	2022	2021
Operating income	17,471	9,300
Add back depreciation	1,416	1,467
Foreign exchange loss	(113)	(113)
Adjusted EBITDA <sup>1</sup>	18,774	10,654

<sup>1</sup> See definition on Adjusted EBITDA in Section 2 NON-IFRS MEASURES of the March 31, 2022, MD&A.



## **About Tree Island Steel**

Tree Island Steel, headquartered in Richmond, British Columbia since 1964, through its four operating facilities in Canada and the United States, produces wire products for a diverse range of industrial, residential construction, commercial construction and agricultural applications. Its products include galvanized wire, bright wire; a broad array of fasteners, including packaged, collated and bulk nails; stucco reinforcing products; concrete reinforcing mesh; fencing and other fabricated wire products. The Company markets these products under the Tree Island®, Halsteel®, K-Lath®, TI Wire®, ToughStrand® and ToughPanel® brand names.

## **Forward-Looking Statements**

This press release includes forward-looking information with respect to Tree Island including its business, operations and strategies, its dividend policy and the declaration and payment of dividends thereunder as well as financial performance and conditions. The use of forward-looking words such as, "may," "will," "expect" or similar variations generally identify such statements. Any statements that are contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Although management believes that expectations reflected in forward-looking statements are reasonable, such statements involve risks and uncertainties including risks and uncertainties discussed under the heading "Risk Factors" in Tree Island's most recent annual information form and management discussion and analysis.

The forward-looking statements contained herein reflect management's current beliefs and are based upon certain assumptions that management believes to be reasonable based on the information currently available to management. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, prospective investors should specifically consider various factors including the risks outlined in the Company's most recent annual information form and management discussion and analysis which may cause actual results to differ materially from any forward looking statement. Such risks and uncertainties include, but are not limited to: general economic, market and business conditions, the impact of COVID-19 on the Company, its customers and vendors, the cyclical nature of our business and demand for our products, financial condition of our customers, competition, volume and price pressure from import competition, deterioration in the Company's liquidity, disruption in the supply of raw materials, volatility in the costs of raw materials, transportation costs and availability, foreign exchange fluctuations, leverage and restrictive covenants, labour relations, trade actions, dependence on key personnel and skilled workers, intellectual property risks, energy costs, un-insured loss, credit risk, operating risk, relocation of the Etiwanda operations, management of growth, changes in tax, environmental and other legislation, and other risks and uncertainties set forth in our publicly filed materials.

This press release has been reviewed by the Company's Board of Directors and its Audit Committee, and contains information that is current as of the date of this press release, unless otherwise noted. Events occurring after that date could render the information contained herein inaccurate or misleading in a material respect. Readers are cautioned not to place undue reliance on this forward-looking information and management of the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise except as required by applicable securities laws.

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