



Press Release

For Immediate Release

DOMAN BUILDING MATERIALS REPORTS 2023 FINANCIAL RESULTS

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Full Year 2023 Financial Highlights⁽¹⁾:

- Revenues of \$2.5 billion
- Gross Margin at 16.2%
- EBITDA⁽²⁾ amounted to \$196.1 million
- Net Earnings amounted to \$75.8 million
- Total dividends of \$0.56 per share declared⁽³⁾

Q4 2023 Financial Highlights⁽¹⁾:

- Revenues of \$527.4 million
- Gross Margin at 15.3%
- EBITDA⁽²⁾ amounted to \$33.2 million
- Net Earnings amounted to \$10.5 million
- Quarterly dividend of \$0.14 per share declared⁽³⁾

VANCOUVER, Canada – March 7, 2024 – Doman Building Materials Group Ltd. ("Doman" or "the Company") (TSX:DBM) announced today its fourth quarter and full year 2023 financial results⁽¹⁾ for the period ended December 31, 2023.

For the year ended December 31, 2023⁽¹⁾, consolidated revenues were \$2.5 billion, compared to \$3.0 billion in 2022. The decrease was largely due to the impact of lower construction materials pricing, which resulted in lower average pricing for lumber, plywood and OSB during the current year. The Company is pleased that while it experienced lower average pricing, this was partially offset by increased unit volumes during 2023. The Company's sales by product group in the period were made up of 74% construction materials, compared to 76% last year, with the remaining balance resulting from specialty and allied products of 22%, and forestry and other sources of 4%.

Gross margin dollars were \$402.7 million in 2023, versus \$408.8 million in 2022. Gross margin percentage was 16.2% during the year, an increase from the 13.5% achieved in 2022, largely due to reduced volatility in construction materials pricing.

EBITDA⁽²⁾ was \$196.1 million, compared to \$203.2 million in 2022. The Company declared a total of \$0.56 per share⁽³⁾ in dividends in 2023, which was unchanged compared to 2022.

For the three-month period ended December 31, 2023⁽¹⁾, revenues amounted to \$527.4 million when compared to \$572.9 million in the same period in 2022. The Company's sales by product group in the quarter were made up of 72% construction materials, with the remaining balance of sales resulting from specialty and allied products of 24%, and forestry and other of 4%.

Gross margin dollars were \$80.6 million in the three-month period versus \$82.0 million in the comparative quarter of 2022. Gross margin percentage was 15.3% in the quarter, an increase from 14.3% achieved in the same quarter of 2022.

EBITDA⁽²⁾ for the three-month period ended December 31, 2023⁽¹⁾, amounted to \$33.2 million, compared to \$32.9 million in 2022.

"Despite the impact of significantly lower year-over-year construction materials pricing, our business units continued to show resilience in volumes while delivering very strong gross margin performance," commented Amar S. Doman, Chairman of the Board. "While there remain macroeconomic uncertainties, on the back of ending 2023 on solid footing, we remain enthusiastic and confident in seizing growth opportunities in our key markets."

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

(in thousands of dollars)	Three months ended December 31,		Years ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Net earnings	10,524	4,333	75,786	78,740
(Recovery of) Provision for income taxes	(3,506)	1,400	11,654	19,977
Finance costs	9,353	9,771	40,543	37,574
Depreciation and amortization	16,858	17,415	68,103	66,877
EBITDA	33,229	32,919	196,086	203,168

Subsequent Event - Southeast Forest Products Acquisition

On March 1, 2024, the Company announced that its wholly owned subsidiary in the United States doing business as Doman Lumber acquired two lumber pressure treating plants, related equipment and business, formerly owned by Southeast Forest Products Treated, LTD. in Richmond, Indiana and near Birmingham, Alabama (the "Acquisition").

The Acquisition was fully funded by Doman's cash-on-hand and no shares were issued.

About Doman Building Materials Group Ltd.

Founded in 1989, Doman is headquartered in Vancouver, British Columbia, and trades on the Toronto Stock Exchange under the symbol DBM.

As Canada's only fully integrated national distributor in the building materials and related products sector, Doman operates several distinct divisions with multiple treating plants, planing and specialty facilities and distribution centres coast-to-coast in all major cities across Canada and select locations across the United States.

Strategically located across Canada, **Doman Building Materials Canada** operates distribution centres coast-to-coast, and **Doman Treated Wood Canada** operates multiple treating plants near major cities; headquartered in Dallas, Texas, **Doman Lumber** operates 21 treating plants, two specialty planing mills and five specialty sawmills located in nine states, distributing, producing and treating lumber, fencing and building material servicing the central U.S.; **Doman Building Materials USA** and **Doman Treated Wood USA** serve the U.S. west coast with multiple locations in California and Oregon; and in the state of Hawaii the **Honsador Building Products Group** services 14 locations across all the islands. The Company's Canadian operations also include ownership and management of private

timberlands and forest licenses, and agricultural post-peeling and pressure treating through its **Doman Timber** operations.

For additional information on Doman Building Materials Group Ltd., please refer to the Company's filings on [SEDAR+](#) and the Company's website www.domanbm.com

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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", "intend", "should", "expect", "believe", "outlook", "predict", "remain", "anticipate", "estimate", "potential", "continue", "plan", "could", "might", "project", "targeting" or the inverse or negative of these terms or other similar terminology. Forward-looking information in the 2023 Reporting Documents includes, without limitation, statements regarding funding requirements, dividends, commodity pricing, debt repayment, interest rates, economic conditions data and housing starts. Additionally, the ultimate impact of COVID-19 on the Company's results is difficult to quantify, as it will depend on, inter alia, the ongoing duration and impact of the pandemic, the impact of government policies, and the pace of economic recovery. These statements are based on management's current expectations regarding future events and operating performance, and on information currently available to management, speak only as of the date of the 2023 Reporting Documents and are subject to risks which are described in the Company's current Annual Information Form dated March 31, 2023 ("AIF") and the Company's public filings on the Canadian Securities Administrators' website at www.sedar.com ("SEDAR") and as updated from time to time, and would include, but are not limited to, dependence on market economic conditions, risks related to the impact of geopolitical conflicts, local, national, and international health concerns, including but not limited to COVID-19 or other viruses, epidemics or pandemics, sales and margin risk, acquisition and integration risks and operational risks related thereto, competition, information system risks, technology risks, cybersecurity risks, availability of supply of products, interest rate risks, inflation risks, risks associated with the introduction of new product lines, product design risk, product liability risk, environmental risks, climate change risks, volatility of commodity prices, inventory risks, customer and vendor risks, contract performance risk, availability of credit, credit risks, performance bond risk, currency risks, insurance risks, tax risks, risks of legislative or regulatory changes, international trade and tariff risks, operational and safety risks, resource industry risks, resource extraction risks, risks relating to remote operations, forestry management and silviculture, fire and natural disaster risks, key executive risk and litigation risks. These risks and uncertainties may cause actual results to differ materially from those contained in the statements. Such statements reflect management's current views and are based on certain assumptions. Some of the key assumptions include, but are not limited to, assumptions regarding the performance of the Canadian and the United States ("US") economies, the impact of COVID-19, other viruses, epidemics, pandemics or health risks, interest rates, exchange rates, inflation, capital and loan availability, commodity pricing, the Canadian and the US housing and building materials markets; international trade matters; post-acquisition operation of a business; the amount of the Company's cash flow from operations; tax laws; laws and regulations relating to the protection of the environment, including the impacts of climate change, and natural resources; and the extent of the Company's future acquisitions and capital spending requirements or planning in respect thereto, including but not limited to the performance of any such business and its operation; availability or more limited availability of access to equity and debt capital markets to fund, at acceptable costs, the Company's future growth plans, the implementation and success of the integration of acquisitions, the ability of the Company to refinance its debts as they mature; the direct and indirect effect of the US housing market and economy; exchange rate fluctuations between the Canadian and US dollar; retention of key personnel; the Company's ability to sustain its level of sales and earnings margins; the Company's ability to grow its business long-term and to manage its growth; the Company's management information systems upon which it is dependent are not impaired, ransomed or unavailable; the Company's insurance is sufficient to cover losses that may occur as a result of its operations as well as the general level of economic activity, in Canada and the US, and abroad, discretionary spending and unemployment levels; the effect of general economic conditions; market demand for the Company'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. They are, by necessity, only estimates of future developments and actual developments may differ materially from these statements due to a number of known and unknown factors. Investors are cautioned not to place undue reliance on these forward-looking statements. All forward-looking information in the 2023 Reporting Documents is qualified by these cautionary statements. Although the forward-looking information contained in the 2023 Reporting Documents is based on what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in the 2023 Reporting Documents may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than the 2023 Reporting Documents. In addition, there are numerous risks associated with an investment in the Company's common shares and senior unsecured notes, which are also further described in the "Risks and Uncertainties" section in these 2023 Reporting Documents and in the "Risk Factors" section of the Company's AIF, and as updated from time to time, in the Company's other public filings on SEDAR.

The forward-looking statements contained in the 2023 Reporting Documents are made as of the date of this report and should not be relied upon as representing the Company's views as of any date subsequent to the date of this report. Except as required by applicable law, the Company undertakes no obligation to publicly update or otherwise revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

The information in this report is as at March 7, 2024, unless otherwise indicated. All amounts are reported in Canadian dollars, unless otherwise indicated.

⁽¹⁾ Please refer to our Q4 2023 MD&A and Financial Statements for further information. Our Q4 2023 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⁾ On December 15, 2023, Doman declared a quarterly dividend of \$0.14 per share, which was paid on January 12, 2024, to shareholders of record on December 29, 2023. Please refer to our Q4 2023 MD&A and Financial Statements for more information.