



FOR IMMEDIATE RELEASE

Tree Island Steel Announces Third Quarter 2021 Results and Dividends

VANCOUVER, British Columbia, Canada - November 10, 2021 - Tree Island Steel ("Tree Island" or the "Company") (TSX: TSL) announced today its financial results for the three month and nine months ended September 30, 2021.

For the three-month period ended September 30, 2021, revenues increased by \$31.4 million to \$84.6 million, from pricing increases and higher demand, particularly in the Construction and Industrial market segments. Gross profit for the third quarter increased to \$21.8 million, from \$6.7 million in the same period in 2020, from increased sales volumes in the period and cost management. EBITDA amounted to \$20.0 million, compared to \$4.3 million during the same period in 2020.

For the nine months ended September 30, 2021, revenues increased by \$64.2 million to \$225.9 million when compared to 2020. The increase is due to higher shipped volumes across all market segments as well as pricing increases. Gross profit increased to \$51.3 million from \$19.2 million. The increased gross profit for the period is primarily the result of higher sales volume, improved efficiencies, operating leverage from increased volumes, and cost management. The higher gross margins also resulted in an EBITDA of \$45.4 million, compared to \$13.3 million during the same period in 2020.

On November 10, 2021 the Board of Directors declared a quarterly dividend of \$0.03 per share and an additional \$0.05 per share as a special dividend on the issued and outstanding Common Shares of the Company, payable on January 14, 2022 to holders of record at the close of business on December 31, 2021.

"We continued to experience strength in market demand for our wire products during the third quarter with the progressive economic reopening, along with ongoing global tight supply conditions for steel wire rod, our primary raw material. Increased construction activities in the residential and commercial sectors, along with heightened demand from multiple industrial wire customers, drove higher sales volumes," said Remy Stachowiak, President and COO of Tree Island Steel. "With wire rod costs reaching historic high levels in a constrained rod environment, along with increased shipping costs for both raw materials and finished goods, wire product pricing continued to climb as these costs were transferred through the supply chain."

"While adapting to supply chain constraints and costs, we continue to closely align our business to support customers in multiple market sectors, which generated excellent results in the third quarter, " said Amar S. Doman, Executive Chairman of Tree Island Steel.



RESULTS FROM OPERATIONS

(\$'000 unless otherwise stated)

	Three Months Ended		Nine months ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Revenue	84,642	53,236	225,894	161,697
Cost of sales	(61,326)	(45,048)	(170,187)	(137,901)
Depreciation	(1,478)	(1,504)	(4,403)	(4,548)
Gross profit	21,838	6,684	51,304	19,248
Selling, general and administrative expenses	(3,734)	(3,508)	(10,534)	(10,557)
Operating income	18,104	3,176	40,770	8,691
Foreign exchange gain (loss)	445	(383)	233	53
Financing expenses	(663)	(1,992)	(1,853)	(3,745)
Other expenses	-	(105)	(3)	(194)
Income before income taxes	17,886	696	39,147	4,805
Income tax expense	(4,488)	(176)	(10,217)	(1,363)
Net income	13,398	520	28,930	3,442
Net income per share	0.47	0.02	1.02	0.12
Dividends per share	0.08	0.02	0.14	0.06

Financial position as at:	September 30,	December 31,
	2021	2020
Total assets	189,827	146,549
Total non-current financial liabilities	64,966	71,236

EBITDA

(\$'000 unless otherwise states)

	Three Months Ended		Nine months ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Operating income	18,104	3,176	40,770	8,691
Add back depreciation	1,478	1,504	4,403	4,548
Foreign exchange gain (loss)	445	(383)	233	53
EBITDA ¹	20,027	4,297	45,406	13,292

¹ See definition on EBITDA in Section 2 NON-IFRS MEASURES of the September 30, 2021, 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®, Tough Strand® 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 COVID-19 pandemic impact on the company, 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, 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, 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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