



FOR IMMEDIATE RELEASE

Tree Island Steel Announces First Quarter 2021 Results

VANCOUVER, British Columbia, Canada - May 6, 2021 - Tree Island Steel ("Tree Island" or the "Company") (TSX: TSL) announced today its financial results for the three months ended March 31, 2021.

For the three-month period ended March 31, 2021, revenues increased 15.3 percent to \$66.8 million. Gross profit for the first quarter increased to \$12.6 million, from \$6.6 million in the same period in 2020, resulting in EBITDA increasing to \$10.7 million, compared to \$5.0 million during the same period in 2020.

"We experienced an increase in demand resulting from economic recovery in the markets we serve, from strengthened home improvement and housing starts, increased construction and agricultural activities, along with industrial demand for wire and related products. With increased demand, higher raw materials costs and limited product availability in the market, pricing is elevated," said Remy Stachowiak, President and COO of Tree Island Steel. "Strong top line performance, combined with ongoing cost and inventory management across all areas of the business, resulted in improved margins in the quarter. We continue to remain cautiously optimistic of future results in this dynamic market environment, while staying focused on our health and safety programs throughout all facilities as an essential service provider."

"We are pleased with the strong results in the first quarter. With the rising raw materials costs, we will continue to manage our financial position prudently," said Amar S. Doman, Executive Chairman of Tree Island Steel.



RESULTS FROM OPERATIONS

(\$'000 unless otherwise stated)

	Three months ended	
	March 31,	
	2021	2020
Revenue	66,842	57,993
Cost of sales	(52,748)	(49,835)
Depreciation	(1,467)	(1,544)
Gross profit	12,627	6,614
Selling, general and administrative expenses	(3,327)	(3,858)
Operating income	9,300	2,756
Foreign exchange gain (loss)	(113)	730
Financing expenses	(566)	(951)
Income before income taxes	8,621	2,535
Income tax expense	(2,157)	(706)
Net income	6,464	1,829
Net income per share	0.22	0.06
Dividends per share	0.03	0.02

Financial position as at:	March 31,	December 31,
	2021	2020
Total assets	156,217	146,549
Total non-current financial liabilities	75,144	71,236

EBITDA

(\$'000 unless otherwise stated)

	Three months ended	
	March 31,	
	2021	2020
Operating income	9,300	2,756
Add back depreciation	1,467	1,544
Foreign exchange gain (loss)	(113)	730
EBITDA ¹	10,654	5,030

¹ See definition on EBITDA in Section 2 NON-IFRS MEASURES of the March 31, 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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