



FOR IMMEDIATE RELEASE

Tree Island Steel Announces Full Year 2020 Results

VANCOUVER, British Columbia, Canada - March 4, 2021 - Tree Island Steel ("Tree Island" or the "Company") (TSX: TSL) announced today its financial results for the three month and year ended December 31, 2020.

For the three-month period ended December 31, 2020, revenues increased by \$9.1 million to \$54.2 million, from higher volumes shipped across all market segments. Gross profit for the fourth quarter increased to \$6.6 million, from \$3.5 million in the same period in 2019, as a result of increased sales volumes, operating leverage from increased volumes, and cost management. EBITDA amounted to \$4.5 million, compared to \$0.6 million during the same period in 2019.

For the year ended December 31, 2020, revenues increased by \$15.5 million to \$215.9 million when compared to 2019. The increase is primarily due to higher shipped volumes, with growth in our Agricultural, Industrial and Residential Construction segment sales. Gross profit increased to \$25.9 million, from \$17.8 million, and gross margin was higher at 12.0%, as compared to 8.9% in 2019. 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 \$17.8 million, compared to \$7.6 million during the same period in 2019.

The Company is pleased to announce that its board of directors approved an increase in its quarterly dividend to \$0.03 per issued and outstanding common shares, from \$0.02 per share, which equates to an annual dividend of \$0.12 per share. The dividend is payable on April 15, 2021 to shareholders of record on the close of business on March 31, 2021.

"Our outlook for a sustained economic recovery is positive, as the globe exits the pandemic and businesses support an increase in demand for products and services. We will continue to closely focus on servicing our customers, while aligning our products and operations to these market needs," said Remy Stachowiak, President and COO of Tree Island Steel.

"As our end-markets gradually recover, we are encouraged by the results in 2020 and cautiously optimistic of continued improvements in our business," said Amar S. Doman, Executive Chair of Tree Island Steel.



RESULTS FROM OPERATIONS

(\$'000 unless otherwise stated)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Revenue	54,197	45,144	215,894	200,405
Cost of sales	(46,105)	(40,046)	(184,008)	(176,407)
Depreciation	(1,487)	(1,616)	(6,036)	(6,227)
Gross profit	6,605	3,482	25,850	17,771
Selling, general and administrative expenses	(3,397)	(3,967)	(13,954)	(15,757)
Operating income	3,208	(485)	11,896	2,014
Foreign exchange gain (loss)	(226)	(490)	(173)	(676)
Gain (loss) on property, plant and equipment	-	5	5	5
Restructuring and other expenses	(20)	(1,419)	(217)	(1,901)
Changes in financial liabilities recognized at fair value	-	(1)	-	(1)
Financing expenses	(590)	(1,072)	(4,335)	(4,662)
Income (loss) before income taxes	2,372	(3,462)	7,176	(5,221)
Income tax recovery (expense)	(682)	263	(2,045)	31
Net income (loss)	1,690	(3,199)	5,131	(5,190)
Net income per share	0.06	(0.11)	0.18	(0.18)
Dividends per share	0.02	0.02	0.08	0.08

December 31, December 31,

Financial position as at:	2020	2019
Total assets	146,549	159,122
Total non-current financial liabilities	71,236	85,627

RESULTS FROM OPERATIONS

(\$'000 unless otherwise states)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Operating income (loss)	3,208	(485)	11,896	2,014
Add back depreciation	1,487	1,616	6,036	6,227
Foreign exchange gain (loss)	(226)	(490)	(173)	(676)
EBITDA ¹	4,469	641	17,759	7,565

¹ See definition on EBITDA in Section 2 NON-IFRS MEASURES of the December 31, 2020, 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 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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