



**FOR IMMEDIATE RELEASE**

## **Tree Island Steel Announces Third Quarter 2024 Results**

VANCOUVER, British Columbia, Canada – November 5, 2024 - Tree Island Steel ("Tree Island" or the "Company") (TSX: TSL) announced today its financial results for the three months ended September 30, 2024.

For the three-month period ended September 30, 2024, revenues, net of freight and distribution costs, decreased by \$1.8 million to \$51.6 million, compared to \$53.4 million in 2023. Gross profit for the quarter decreased to \$2.1 million, from \$6.0 million in the same period in 2023. Adjusted EBITDA amounted to \$6 thousand, compared to \$4.1 million during the same period in 2023. The largest drivers for the decreased earnings are the lower average selling prices and reduced spreads between selling prices and raw material costs. This was due to competitive pricing pressures across our market segments but especially in the residential and industrial segments.

For the nine months ended September 30, 2024, revenues, net of freight and distribution costs, decreased by \$30.0 million to \$162.2 million compared to \$192.2 million in 2023, and gross profit decreased to \$11.5 million from \$26.9 million. The decrease is for the same factors as in the quarter. The shutdown of Etiwanda facility last year also impacted volumes and revenue from Q3 2023 and onwards. This resulted in an Adjusted EBITDA of \$6.0 million, compared to \$20.6 million during the same period in 2023.

“In the past three months we continued to face uncertainty in the market. Generally slower demand from our customers along with declines in steel prices influenced market prices for our products. We remain committed to controlling our costs and leveraging our operational capabilities to navigate the challenging economic environment”, commented Nancy Davies, Chief Operating Officer of Tree Island Steel.



## RESULTS FROM OPERATIONS

(\$'000 unless otherwise stated)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Revenue	54,948	56,890	173,256	203,901
Freight and distribution costs	(3,334)	(3,524)	(11,103)	(11,674)
Subtotal	51,614	53,366	162,153	192,227
Cost of sales	(48,179)	(46,114)	(146,600)	(161,576)
Depreciation	(1,384)	(1,213)	(4,066)	(3,747)
Gross profit	2,051	6,039	11,487	26,904
Selling, general and administrative expenses	(3,340)	(3,213)	(10,019)	(10,049)
Operating income (loss)	(1,289)	2,826	1,468	16,855
Foreign exchange gain (loss)	(89)	22	495	39
Loss on disposition of property, plant and Site closure costs	-	(7)	-	(104)
Reorganization costs	(33)	-	(44)	(2,097)
Interest Income	80	122	415	513
Financing Expenses	(659)	(551)	(1,787)	(1,359)
Income (Loss) before income taxes	(1,990)	2,412	547	12,507
Income tax (expense) recovery	144	(468)	(1,158)	(3,064)
Net income (loss)	(1,846)	1,944	(611)	9,443
Net income (loss) per share	(0.07)	0.07	(0.02)	0.34
Dividends per share	0.03	0.03	0.09	0.13

	September 30,	December 31,
Financial position as at:	2024	2023
Total assets	170,484	174,260
Total non-current financial liabilities	29,840	28,439

## Adjusted EBITDA

(\$'000 unless otherwise stated)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Operating income (loss)	(1,289)	2,826	1,468	16,855
Add back depreciation	1,384	1,213	4,066	3,747
Foreign exchange (loss) gain	(89)	22	495	39
Adjusted EBITDA <sup>1</sup>	6	4,061	6,029	20,641

<sup>1</sup> See definition on Adjusted EBITDA in Section 2 NON-IFRS MEASURES of the September 30, 2024, MD&A.



### **About Tree Island Steel**

Tree Island Steel, headquartered in Richmond, British Columbia since 1964, through its 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 forward-looking statements, prospective investors should specifically consider various factors including the risks outlined herein under the heading "Risk Factors" 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, public health epidemics, the economy and potentially its supply chain, the cyclical nature of our business and demand for our products, impact of any tax reassessments or appeals therefrom, financial condition of our customers, competition, deterioration in Tree Island Steel's liquidity, leverage, and restrictive covenants, disruption in the supply of raw materials, volatility in the costs of raw materials, dependence on the construction industry, transportation costs and availability, foreign exchange fluctuations, labour relations, trade actions, dependence on key personnel and skilled workers, reliance on key customers, environmental matters, intellectual property risks, energy costs, un-insured loss, credit risk, operating risk, management of growth, success of acquisition and integration strategies, 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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