



## **PFB Corporation Announces Results for the Second Quarter Ended June 30, 2017, and Declares Quarterly Dividend**

### **STOCK SYMBOL: PFB**

CALGARY, July 27, 2017 /CNW/ - (TSX – PFB) PFB Corporation ("PFB" or the "Corporation") reports its financial results for the second quarter ended June 30, 2017.

For the three month period ended June 30, 2017, PFB Corporation reports consolidated net income of \$412,000, earnings of \$0.06 per share, as compared to consolidated net income of \$1,762,000, earnings of \$0.26 per share, in the comparative three month period of 2016.

Consolidated sales were \$29,376,000 in the second quarter of 2017 compared to sales of \$28,480,000 in the second quarter of 2016, an increase of \$896,000 or 3.2%. Additionally, gross margin during the period declined to 18.6% from 26.2% in the comparative 2016 period.

For the six month period ended June 30, 2017, net loss of \$478,000, basic loss of \$0.07 per share, as compared to net income of \$1,607,000, earnings of \$0.24 per share reported in the comparative six month period of 2016. Sales in the six month period ended June 30, 2017, were \$48,863,000 as compared to sales of \$47,637,000 in the comparative six month period of 2016. For the six month period, gross margin was 17.2%, which declined from 23.7% in the comparative 2016 period.

Earnings before interest, taxes, depreciation and amortization (EBITDA)<sup>1</sup> for the second quarter of 2017 were \$1,762,000 as compared with EBITDA of \$4,088,000 in the second quarter of 2016. For the six month period ended June 30, 2017, EBITDA were \$1,794,000 as compared to \$5,043,000 in the six month period in 2016.

The effects of an increase in our principal raw material costs, caused by manufacturing disruptions in the upstream petrochemical supply chain, that were experienced in the first quarter persisted into early second quarter operations, but normalized by the end of the period. The increased raw material inventory costs of Q1 2017 transferred into higher cost of finished goods inventory that was sold early in the second quarter of 2017. These inventory costs resulted in higher cost of sales by an amount of \$2,716 in the second quarter of 2017, over the comparable 2016 period and by \$3,669 for the six month period. The result was that the second quarter 2017 financial results substantially underperformed the comparative 2016 period.

### **Dividend Payment**

The Board of Directors has approved the payment of a regular quarterly dividend of seven cents per common share. The regular quarterly dividend will be paid on August 31, 2017 to shareholders of record on August 16, 2017.

### **<sup>1</sup>Non-GAAP Financial Measures**

*EBITDA is a supplemental measure of performance not defined by International Financial Reporting Standards (IFRS) and, therefore, it does not have any standardized meaning under IFRS. Therefore, the measure is unlikely to be comparable to similar measures presented by other issuers. The reconciliation*

*of EBITDA to net income and the reason why we use this measure can be found in Management's Discussion and Analysis (MD&A) for the second quarter ended June 30, 2017, under section 19 titled "Non-GAAP and additional GAAP measures".*

## **About PFB**

PFB Corporation is a vertically integrated manufacturer of insulating building products that are marketed across North America under five brands. Plasti-Fab® EPS Product Solutions® are products, manufactured using expanded polystyrene (EPS) as base raw materials, that are delivered to customers in five segmented markets. Advantage ICF Systems® are insulating concrete forming systems that are employed to build insulated foundations and walls from concrete in both residential and commercial markets. Insulspan® Structural Insulating Panels Systems (SIPS) are used to create structural walls and to replace trusses on roof systems to form an energy-efficient structural envelope. PFB Custom Homes Group includes Riverbend® Timber Framing, PrecisionCraft® Log & Timber Homes, Point Zero Homes™ and M.T.N. Design<sup>SM</sup>. Each brand provides clients with our exclusive Total Home Solution® for building custom homes in the US, Canada and internationally that can include Insulspan SIPS for the walls and roof, and Advantage ICFS for the building's foundations.

PFB Corporation is listed for trading on the Toronto Stock Exchange, symbol PFB.

PFB's condensed interim consolidated financial statements and interim MD&A for the three and six month periods ended June 30, 2017 and 2016 will be posted on SEDAR ([www.sedar.com](http://www.sedar.com)) after the market close on July 27, 2017.

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