



FOR IMMEDIATE RELEASE

July 29, 2021

STOCK SYMBOL: PFB

**PFB CORPORATION ANNOUNCES RESULTS FOR THE SECOND QUARTER ENDED
JUNE 30, 2021, AND DECLARES QUARTERLY DIVIDEND**

CALGARY, ALBERTA - (TSX – PFB) PFB Corporation (“PFB” or the “Corporation”) reports its financial results for the second quarter ended June 30, 2021.

Consolidated sales were a record high in a second quarter reporting period. Consolidated sales were \$40,049,000 in Q2/21 compared to sales of \$31,518,000 in Q2/20, an increase of \$8,531,000 or 27.1%. Consolidated sales in the six month period ended June 30, 2021 also set a record for a six month reporting period, increasing to \$66,107,000 compared to \$55,751,000 in the comparative period of 2020, an 18.6% increase.

In Q2/21, the Corporation reports consolidated net income of \$3,247,000 and basic earnings of \$0.48 per share, as compared to consolidated net income of \$3,750,000 and basic earnings of \$0.56 per share in the comparative Q2/20. For the six month period ended June 30, 2021, net income of \$4,901,000 and basic earnings of \$0.72 per share, compared to net income of \$4,096,000 and basic earnings of \$0.61 per share, reported in the comparative 2020 six month period.

Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA)¹ for Q2/21 was \$5,804,000 compared with adjusted EBITDA of \$6,278,000 in Q2/20. For the six month period ended June 30, 2021, adjusted EBITDA was \$9,187,000 as compared to \$8,187,000 in the six month period in 2020, an increase of \$1,000,000.

Sales growth for the current quarter and for the first half of 2021 was strong in both the Canadian and USA operating segments led by increased volumes of core EPS insulation and building products including sales of structural insulated panel systems. PFB Custom Homes Group deliveries of products to jobsites were impacted by pandemic related factors over which PFB has no control, such as delays experienced by customers in obtaining building permits, on-site inspection services and approvals, and by customer delays resulting from contractors experiencing labor and material shortages. Customer sales orders throughout this product line remain very strong and continue to grow. Overall, USA segment sales were unfavourably impacted by a stronger Canadian dollar when translating USA segment sales into Canadian dollars.

Gross margin was reduced in Q2/21 due to raw material supply chain disruptions that were caused by a fierce winter storm that ravaged the USA Gulf Coast during the first quarter creating shortages of styrene, EPS resin and other materials that raised costs of acquiring these products significantly. PFB implemented a general selling price increase that was largely accepted by customers; but, as a result of timing differences in matching price increases to raw material acquisition costs, gross margin compressed to 24.4% during Q2/21 as compared to 30.2% during Q2/20. Virtually all margin compression is related to the timing differences of material cost versus selling price increases. Continued focus by management on operational efficiencies and spending controls helped minimize gross profit margin compression. Overall, the Corporation enters the second half of 2021 with very strong sales momentum and year-to-date adjusted EBITDA performance that is ahead of the comparable period in 2020.

Dividend Payment

The Board of Directors has approved the payment of a regular quarterly dividend of ten cents per common share. The regular quarterly dividend will be paid on August 31, 2021 to shareholders of record of August 17, 2021.

¹Non-IFRS Financial Measures

Adjusted 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 Adjusted 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, 2021, under section 18 titled "Non-IFRS measures".

About PFB

PFB Corporation has two operating subsidiaries, Plasti-Fab Ltd. that operates in Canada and PFB America Corporation that operates in the United States. The Canadian segment primarily derives its revenues from the sale of expanded polystyrene ("EPS") foam products, which it manufactures at its facilities in Canada. The USA segment primarily derives its revenues from the sale of EPS foam products, customized log and timber structures made at its facilities in the United States which typically include design and installation services that together provide the basis for a bundled sale of its manufactured products. Both segments develop, manufacture and market insulation building products and technologies based on expanded polystyrene technology; that, when used as components of a building envelope, enable residential and commercial structures to be highly energy-efficient. The Corporation is also expert in developing engineered geotechnical applications of our products. PFB building products are used in both new and renovation markets in residential, commercial and industrial projects.

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, 2021 and 2020 will be posted on SEDAR (www.sedar.com) on or after the market close on July 29, 2021.

FOR FURTHER INFORMATION CONTACT:

Mirko Papuga, CA
Chief Financial Officer

PFB Corporation
300, 2891 Sunridge Way NE
Calgary, Alberta T1Y 7K7

Tel: (403) 569-4308
Fax: (403) 569-4075