



NEWS RELEASE

# ADENTRA Announces Annual and Fourth Quarter 2025 Results

2026-03-11

Fourth quarter 2025 sales of U.S.\$517.5 million  
Earnings per share of U.S.\$1.32 and Adjusted EBITDA of U.S.\$43.7 Million

LANGLEY, BC, March 11, 2026 /CNW/ - ADENTRA Inc. ("ADENTRA" or the "Company") today announced financial results for the three and twelve months ended December 31, 2025. ADENTRA is one of North America's largest distributors of architectural building products to the residential, repair and remodel, and commercial construction markets. We currently operate a network of 81 facilities in the United States and Canada. All amounts are shown in United States dollars ("US \$" or "\$"), unless otherwise noted.

## Financial Highlights

- Generated full-year sales of \$2.25 billion (C\$3.14 billion), an increase of 3.0% compared to \$2.18 billion (C\$2.99 billion) in the prior year. Q4 sales decreased to \$517.5 million (C\$721.8 million), from \$530.8 million (C\$742.2 million) in Q4 2024, down 2.5%.
- Gross margin percentage remained strong and steady at 21.7% in 2025; Q4 2025 gross margin percentage increased to 22.1%, from 21.7% in Q4 2024.
- Operating expenses increased by \$7.6 million to \$384.8 million, from \$377.2 million in 2024. Q4 2025 operating expenses increased by \$0.3 million, or 0.3%.
- Basic earnings per share increased to \$2.78 (C\$3.89) in 2025, from \$1.95 (C\$2.73) in 2024. Q4 basic earnings

per share increased to \$1.32 (C\$1.84), from \$0.34 (C\$0.48) per share in Q4 2024.

- Adjusted basic earnings per share of \$2.68 (C\$3.75) in 2025, compared to \$3.01 (C\$4.21) in 2024; Q4 2025 adjusted basic earnings per share of \$0.67 (C\$0.93), compared to \$0.51 (C\$0.71) per share in Q4 2024.
- Achieved full-year Adjusted EBITDA of \$187.9 million (C\$262.7 million), up from \$184.3 million (C\$252.4 million) in 2024; Q4 2025 Adjusted EBITDA of \$43.7 million (C\$61.0 million) increased 3.7% from \$42.2 million (C\$59.0 million) in Q4 2024.
- Generated strong cash flow from operating activities of \$160.6 million in 2025, including \$99.6 million in Q4 2025.
- Effectively deployed capital in 2025, reducing our leverage ratio, and returning \$29.5 million in cash to shareholders via dividends and share repurchases.
- Increased quarterly dividend by 7% to C\$0.16 per share, or C\$0.64 annually, effective November 7, 2025.

"We demonstrated disciplined, execution-led performance in 2025 as we achieved sales and Adjusted EBITDA growth, robust gross margins, and strong operating cash flow despite muted housing activity and limited market tailwinds," said Rob Brown, President and CEO of ADENTRA.

Consolidated sales grew 3% year-over-year to \$2.25 billion, supported by \$94.3 million of acquisition-based growth from Woolf Distributing, which we successfully integrated in 2025. Improvements in product pricing also helped partially offset a volume-related decline in organic sales.

"I am particularly proud of our success in maintaining a robust gross margin of 21.7% in 2025, rising to 22.1% in the fourth quarter. Maintaining strong margins in a challenging market demonstrates the resilience of our business model, which combines the effectiveness of regional distribution brands with the competitive advantages of a coast-to-coast platform business model," added Mr. Brown.

"The platform includes supply chain excellence as a core strategic focus, and our domestic sourcing strategy combined with our global sourcing network provides differentiated products and an attractive offering for our customers - deepening our competitive moat.

Our disciplined operating performance resulted in full-year Adjusted EBITDA of \$187.9 million, up 2% year-over-year, with an Adjusted EBITDA margin of 8.4%. We efficiently converted this into \$160.6 million of operating cash flow, including \$99.6 million generated in Q4. Strong cash generation enabled us to repurchase 3.5% of our outstanding shares and return \$29.5 million to shareholders through dividends and share repurchases, including a 7% dividend increase announced in November. At the same time, we reduced our leverage ratio to 2.2x, strengthening our balance sheet and positioning ADENTRA for future acquisitions.

Overall, ADENTRA performed as designed in 2025, delivering consistent results while building capacity for long-term growth. As we move forward, we approach the near-term outlook with measured caution. While headwinds persist, including continued affordability challenges for homebuyers and broader geopolitical uncertainty, we remain optimistic about long-term growth, supported by structural housing demand and favorable demographics.

We will continue to pursue our core strategies with disciplined execution, while targeting double-digit returns on invested capital over the cycle, and long-term value creation for our investors," said Mr. Brown.

## Tariffs

### Country Tariffs

On February 20, 2026 the Supreme Court of the US ("SCOTUS") ruled that the International Emergency Economic Powers Act ("IEEPA") does not give the President the authority to impose tariffs. In response, on February 21, 2026 the President issued a proclamation imposing 10% duties on US imports pursuant to Section 122 of the Trade Act of 1974 ("S122 Tariffs") effective February 24, 2026. The earlier message from the administration was that the S122 tariffs would subsequently increase to 15%. This has not yet taken place.

As a result of the SCOTUS ruling noted above, and after taking into account S122 Tariffs, we estimate that 26% of our product mix will be subject to tariffs, at average rates of 10%. As it relates to a potential refund of tariffs paid under IEEPA, we do not expect refunded amounts, if any, to be material.

### Product Tariffs

The US Department of Commerce's ("Commerce") Section 232 ("S232") investigation into the US national security implications of timber, lumber, and derivative product imports ("Wood Products") concluded in September 2025. Our products were largely excluded from the scope of S232.

### Countervailing Duties (CVD) and Anti-Dumping (AD)

In Q2 2025, Commerce completed its review of certain hardwood plywood products from Vietnam, which were alleged to be circumventing existing CVD and AD orders against Chinese hardwood plywood. The review's outcome was favorable for us, as it removed the circumventing designation and associated duties on products we had imported. Consequently, we received refunds of \$23.0 million and accrued interest of \$2.5 million in 2025.

Also during the second quarter of 2025, Commerce initiated new CVD and AD investigations relating to hardwood and decorative plywood imports from China, Indonesia, and Vietnam into the US. In January 2026, Commerce

announced preliminary CVD rates ranging from 2.4% to 128.66% depending on the exporter. In February 2026 Commerce announced preliminary AD rates ranging from 19.98% to 196.14% depending on the exporter. Final rate announcements are expected later in 2026. The Company does not expect the outcome of this investigation to have a material effect on its supply chain or result in duty liabilities.

## Response

We are well-prepared to manage tariff impacts. Our price pass-through model allows us to offset increased product costs, including those related to tariffs, by adjusting selling prices. This approach has helped us maintain consistent gross margins and generate additional gross profit during periods of rising product costs. Our global sourcing network spans over 30 countries, providing diverse product options and different price points for our customers. As a key partner for our US vendors, which represents the majority of our sourcing, we also have a strong domestic supply if customers prefer US products over imported ones.

In the event that tariff-related price increases reduce consumer demand, we can adjust inventories and preserve cash flow. During economic slowdowns, we release working capital and pay down debt. We believe that any short-term reduction in home building will only worsen the existing housing shortage in the US, ultimately boosting future demand for our products.

## Outlook

Unfavorable winter weather in early 2026 resulted in fewer selling days for many of our operations in January and February, with sales down 2% as compared to the first two months of 2025. First quarter 2026 gross margin percentage is expected to moderate relative to Q1 2025, while continuing to exceed our established benchmark, driven by product mix.

We continue to approach the near-term outlook with measured caution. Elevated US mortgage rates and limited housing inventory continue to pose affordability hurdles for prospective buyers. Additionally, the dynamic trade landscape between the US and major global partners and recent geopolitical tension are contributing to continued uncertainty in the economic environment.

On a positive note, the easing of interest rates in late 2025, combined with favorable long-term structural demand drivers, could support a more constructive backdrop later in 2026 and into 2027. In addition, the US administration has publicly committed to lowering housing costs and expanding supply. Recent actions include federal purchases of mortgage-backed securities and an executive order restricting institutional investors from buying single-family homes. Other potential policy proposals include longer mortgage terms, the use of retirement savings for a down payment, mortgage portability, and capital gains relief on the sale of a primary residence. Government actions and

policy that support the housing market could support demand for housing, and our products.

We remain optimistic about the long-term trajectory of the residential construction sector. This confidence is underpinned by enduring structural undersupply, favorable demographic trends, and an aging housing stock. We continue to prioritize operational discipline and the consistent execution of our proven strategy, leveraging our extensive experience in navigating diverse economic cycles. Our broad product portfolio, national footprint, and strong supplier partnerships further enhance our ability to adapt and perform in a dynamic environment.

Moving forward, we will continue to advance our strategic priorities within our full-cycle value creation framework, as more fully described in our shareholders' letter and investor presentation. We are targeting double-digit returns on invested capital and accretive growth through a combination of platform efficiency, organic growth initiatives, and tightly managed execution of our acquisitions strategy.

## Q4 and Year-end 2025 Investor Call

ADENTRA will hold an investor call on Thursday, March 12, 2026 at 8:00 am Pacific (11:00 am Eastern). Participants should dial 1-888-510-2154 or (437) 900-0527 (GTA) at least five minutes before the call begins. A replay will be available through March 19, 2026 by calling toll free 1-888-660-6345 or (289) 819-1450 (GTA), followed by passcode 01419 #.

## Summary of Results

	Three months ended December 31 2025	Three months ended December 31 2024	For the year ended December 31 2025	For the year ended December 31 2024
Total sales	\$ 517,537	\$ 530,809	\$ 2,249,266	\$ 2,184,258
Sales in the US	477,948	489,865	2,078,862	2,011,895
Sales in Canada (C\$)	55,236	57,134	238,191	235,926
Gross margin	114,363	115,228	487,851	474,064
Gross margin %	22.1 %	21.7 %	21.7 %	21.7 %
Operating expenses	(94,679)	(94,415)	(384,760)	(377,156)
Income from operations	\$ 19,684	\$ 20,813	\$ 103,091	\$ 96,908
Add: Depreciation and amortization	21,754	20,518	85,022	76,099
Earnings before interest, taxes, depreciation and amortization ("EBITDA")	\$ 41,438	\$ 41,331	\$ 188,113	\$ 173,007
EBITDA as a % of revenue	8.0 %	7.8 %	8.4 %	7.9 %
Add (deduct):				
Depreciation and amortization	(21,754)	(20,518)	(85,022)	(76,099)
Net finance expense	(1,005)	(8,878)	(37,048)	(41,614)
Income tax recovery/(expense)	13,376	(3,547)	2,385	(8,816)
Net income for the period	\$ 32,055	\$ 8,388	\$ 68,428	\$ 46,478
Basic earnings per share	\$ 1.32	\$ 0.34	\$ 2.78	\$ 1.95
Diluted earnings per share	\$ 1.29	\$ 0.33	\$ 2.71	\$ 1.92
Average US dollar exchange rate for one Canadian dollar	\$ 0.717	\$ 0.715	\$ 0.715	\$ 0.730

	Three months ended December 31 2025	Three months ended December 31 2024	For the year ended December 31 2025	For the year ended December 31 2024
EBITDA, per table above	\$ 41,437	\$ 41,331	\$ 188,113	\$ 173,007
LTIP expense	2,296	853	9,541	9,309
Transaction expense	—	—	—	1,935
Trade duties, net recovery	—	—	(9,732)	—
Adjusted EBITDA	\$ 43,733	\$ 42,184	\$ 187,922	\$ 184,251
Adjusted EBITDA as a % of revenue	8.5 %	7.9 %	8.4 %	8.4 %
Net income for the period, as reported	\$ 32,055	\$ 8,388	\$ 68,428	\$ 46,478
Adjustments:				
LTIP expense	2,296	853	9,541	9,309
Transaction expense	—	—	—	1,935
Trade duties net recovery	—	—	(9,732)	—
Foreign exchange gain	(8,641)	(1,697)	(7,713)	(875)
Amortization of acquired intangible assets	6,737	6,731	26,934	24,114
Tax impact of above adjustments	(1,169)	(1,560)	(6,294)	(9,138)
Income tax recovery related to corporate restructuring	(15,039)	—	(15,039)	—
Adjusted net income for the period	\$ 16,239	\$ 12,715	\$ 66,125	\$ 71,823
Basic earnings per share, as reported	\$ 1.32	\$ 0.34	\$ 2.78	\$ 1.95
Net impact of above items per share	(0.65)	0.17	(0.10)	1.06
Adjusted basic earnings per share	\$ 0.67	\$ 0.51	\$ 2.68	\$ 3.01
Diluted earnings per share, as reported	\$ 1.29	\$ 0.33	\$ 2.71	\$ 1.92
Net impact of above items per share	(0.64)	0.17	(0.09)	1.05
Adjusted diluted earnings per share	\$ 0.65	\$ 0.50	\$ 2.62	\$ 2.97

## Results from Operations - Year Ended December 31, 2025

For the year ended December 31, 2025, sales grew to \$2.25 billion, an increase of \$65.0 million, or 3.0%, from \$2.18 billion in 2024. This growth was primarily driven by a \$94.3 million contribution from the Woolf operations acquired in July 2024, which represented a 4.3% increase in sales. This was partially offset by a \$25.8 million, or 1.2%, reduction in organic sales, mainly attributable to a 2.1% reduction in sales volume, partially mitigated by a 0.9% increase in product prices. In addition, unfavorable foreign exchange fluctuations in the Canadian dollar negatively impacted sales by \$3.5 million.

In our U.S. operations, 2025 sales increased 3.3% to \$2.08 billion, from \$2.01 billion in 2024. The year-over-year improvement reflects the \$94.3 million revenue contribution from the Woolf operations, partially offset by a \$27.3 million, or 1.4%, decrease in organic sales. The change in organic sales reflects a 2.3% reduction in sales volumes, moderated by a 0.9% increase in product prices.

In Canada, sales grew to C\$238.2 million in 2025, up C\$2.3 million, or 1.0%, from 2024. The year-over-year increase

primarily reflects higher sales volumes.

Gross margin for the year ended December 31, 2025 increased to \$487.9 million, up \$13.8 million, or 2.9%, from \$474.1 million in 2024. Higher sales were the key factor in this improvement, with gross margin percentage holding steady at 21.7% year-over-year.

For the year ended December 31, 2025, operating expenses totaled \$384.8 million, an increase of \$7.6 million, or 2.0%, compared to \$377.2 million in 2024. This year-over-year increase reflects \$12.1 million of incremental operating expenses related to the Woolf acquisition, a \$4.0 million increase in premise-related costs, and a \$3.9 million increase in depreciation, primarily associated with leased premises. People costs also increased by \$1.5 million, reflecting inflationary wage adjustments. These increases were partially offset by a net recovery of \$9.7 million in trade duties (as discussed in section 1.3), a \$1.9 million reduction in Woolf-related transaction costs that were incurred in 2024 and did not recur in 2025, and a \$1.4 million gain recognized in connection with the fair value adjustment of contingent consideration related to the Woolf acquisition.

Depreciation and amortization for the year ended December 31, 2025 increased to \$85.0 million, from \$76.1 million in 2024. The \$8.9 million increase was primarily attributable to a \$6.0 million rise in depreciation related to leased premises and delivery vehicles, as well as a \$2.8 million increase in the amortization of acquired intangible assets related to the Woolf acquisition.

Depreciation and amortization for the year ended December 31, 2025, includes \$26.9 million related to acquired intangible assets, compared to \$24.1 million in 2024.

For the year ended December 31, 2025, net finance expense decreased by \$4.6 million to \$37.0 million, from \$41.6 million in 2024. This year-over-year decrease was primarily driven by a \$6.8 million increase in foreign exchange gains, mainly resulting from the settlement of foreign currency denominated intercompany loans during 2025. Additionally, interest income of \$2.5 million was recognized in connection with the net recovery of trade duties (as discussed in section 1.3). These favorable impacts were partially offset by a \$4.2 million increase in the accretion of lease obligations, largely related to leased premises, and a \$1.2 million increase in interest on bank indebtedness due to a higher average debt balance in 2025 compared to 2024.

For the year ended December 31, 2025, we recognized an income tax recovery of \$2.4 million, compared to an income tax expense of \$8.8 million in 2024. This resulted in an effective tax recovery rate of 3.6% for the current period, compared to an effective tax expense rate of 15.9% in the prior year.

The significant change in tax expense was attributable to an internal corporate restructuring completed in November 2025. As a result of this restructuring, we determined that it is more likely than not that our excess

interest and financing expense carryforwards will be utilized against future taxable income. Consequently, we recognized a previously unrecorded deferred tax asset of \$7.4 million (C\$10.7 million), resulting in a deferred tax recovery in profit or loss for the year ended December 31, 2025. During 2025, we also generated further excess interest and financing expense carryforwards totaling \$29.5 million (C\$40.5 million), which resulted in an additional deferred income tax asset of \$7.2 million (C\$9.9 million). Management has assessed that these amounts are expected to be fully utilized, and therefore, the related deferred tax assets were recognized in full.

Excluding the impact of the deferred tax asset recognition and related recovery, our effective tax rate for 2025 was 19.2%, which is lower than our statutory tax rate driven by prior year true-ups, a lower effective tax rate associated with foreign exchange gains, and certain restructuring benefits.

For the year ended December 31, 2025, Adjusted EBITDA increased to \$187.9 million, up \$3.7 million or 2.0%, from \$184.3 million in the same period in 2024. The year-over-year improvement was primarily driven by a \$13.8 million increase in gross margin, partially offset by a \$10.1 million increase in operating expenses (before changes in depreciation and amortization, LTIP expense, transaction expense and net recovery of trade duties).

Net income for the year ended December 31, 2025 was \$68.4 million, an increase of 47.2% from \$46.5 million in the prior year. Basic earnings per share rose to \$2.78, up from \$1.95 in 2024. The \$21.9 million improvement in net income was primarily attributable to the \$15.1 million increase in EBITDA, the \$11.2 million reduction in income tax expense, and the \$4.6 million decrease in net finance expense, partially offset by an \$8.9 million increase in depreciation and amortization expense.

Adjusted net income for the year ended December 31, 2025 was \$66.1 million, a decrease of 7.9% from \$71.8 million in 2024. Adjusted net income declined primarily due to higher operating expense of \$16.2 million, an increase in net finance expenses of \$2.3 million, and higher income tax expense of \$1.0 million, all on an adjusted basis. The increase in operating expense was mainly driven by incremental costs of the Woolf acquisition and higher premise-related costs as outlined above. These impacts were partially offset by a \$13.8 million increase in gross margin.

Adjusted basic earnings per share were \$2.68, compared to \$3.01 in the prior year, a decrease of 11.0%.

## Results from Operations - Three Months Ended December 31, 2025

For the three months ended December 31, 2025, we generated total sales of \$517.5 million, a \$13.3 million, or 2.5%, decrease from Q4 2024. The year-over-year organic sales decrease was primarily attributable to a 4.8% reduction in sales volume, partially offset by a 2.3% increase in product prices.

In our U.S. operations, fourth quarter sales of \$477.9 million were \$11.9 million, or 2.4%, lower than the \$489.9 million achieved in Q4 2024. The year-over-year change primarily reflects a 4.7% reduction in sales volumes, partially offset by a 2.3% increase in product pricing.

In Canada, fourth quarter sales of C\$55.2 million decreased by C\$1.9 million, or 3.3%, from \$57.1 million in Q4 2024. This year-over-year change reflects a 4.2% decrease in sales volumes, partially offset by a 0.9% increase in product pricing.

We generated a gross margin of \$114.4 million in the fourth quarter of 2025, a decrease of \$0.9 million, or 0.8%, compared to the same period in 2024. The year-over-year change was primarily driven by the reduction in net sales, partially offset by an improvement in our gross margin percentage, which increased to 22.1% from 21.7% in Q4 2024.

For the three months ended December 31, 2025, operating expenses increased by \$0.3 million, or 0.3%, to \$94.7 million, from \$94.4 million in Q4 2024. The increase was primarily driven by higher costs associated with leased premises, which rose by \$1.9 million. Operating expense increases were partially offset by a \$1.4 million recovery in deferred contingent consideration related to the Woolf acquisition.

For the three months ended December 31, 2025, depreciation and amortization totaled \$21.8 million, an increase of \$1.2 million from \$20.5 million in Q4 2024. The year-over-year increase was primarily attributable to higher depreciation expenses associated with leased premises. In both Q4 2025 and Q4 2024, \$6.7 million of the total depreciation and amortization expense was related to acquired intangible assets.

For the three months ended December 31, 2025, net finance expense decreased by \$7.9 million to \$1.0 million, from \$8.9 million in the same period of the prior year. The decrease compared to the prior year was largely attributable to an increased foreign exchange gain of \$6.9 million, primarily resulting from foreign exchange gains realized upon settlement of intercompany loans. Additionally, other finance income increased by \$1.8 million, mainly due to interest income earned on net duty refunds received (as discussed in section 1.3). These gains were partially offset by a \$0.9 million increase in the accretion of lease obligations.

For the three months ended December 31, 2025, income tax recovery totaled \$13.4 million, compared to an income tax expense of \$3.5 million in Q4 2024. The income tax recovery for the current quarter includes the recognition of a deferred tax asset and the related recovery of excess interest and financing expense carryforwards, as discussed in section 3.1.

We generated Adjusted EBITDA of \$43.7 million in the fourth quarter of 2025, an increase of \$1.6 million, or 3.7%, from \$42.2 million in Q4 2024. The year-over-year change reflects the \$2.4 million decrease in operating expenses

(before changes in depreciation and amortization, transaction costs and LTIP expense), partially offset by \$0.9 million decrease in gross margin.

For the three months ended December 31, 2025, net income of \$32.1 million and basic earnings per share of \$1.32 increased from net income of \$8.4 million and basic earnings per share of \$0.34 in Q4 2024. The \$23.7 million increase in net income primarily reflects a \$16.9 million reduction in income tax expense and the \$7.9 million decrease in net finance expense, partially offset by the \$1.2 million increase in depreciation and amortization.

Adjusted net income for the fourth quarter of 2025 was \$16.2 million, representing a 27.7% or \$3.5 million increase from \$12.7 million in the same period of 2024. This increase was mainly driven by lower income tax expense of \$2.3 million, and lower net finance expense of \$0.9 million, both measured on an adjusted basis. Adjusted basic earnings per share for Q4 2025 was \$0.67, an increase of \$0.16 compared to \$0.51 in Q4 2024.

## About ADENTRA

ADENTRA is one of North America's largest distributors of architectural building products to the residential, repair and remodel, and commercial construction markets. The Company operates a network of 81 facilities in the United States and Canada. ADENTRA's common shares are listed on the Toronto Stock Exchange under the symbol ADEN.

## Non-GAAP and other Financial Measures

In this news release, reference is made to the following non-GAAP financial measures:

- "Adjusted EBITDA" is EBITDA before long term incentive plan ("LTIP") expense, transaction expense and net recovery of trade duties. We believe Adjusted EBITDA is a useful supplemental measure for investors, and is used by management, for evaluating our ability to meet debt service requirements and fund organic and inorganic growth, and as an indicator of relative operating performance.
- "Adjusted net income" is net income before LTIP expense, transaction expense, net recovery of trade duties, foreign exchange gain (loss), amortization of intangible assets acquired in connection with an acquisition, and income tax recovery related to corporate restructuring. We believe adjusted net income is a useful supplemental measure for investors, and is used by management to assist in evaluating our profitability, our ability to meet debt service and capital expenditure requirements, our ability to generate cash flow from operations, and as an indicator of relative operating performance.
- "EBITDA" is earnings before interest, income taxes, depreciation and amortization, where interest is defined as net finance income (expense) as per the consolidated statement of comprehensive income. We believe EBITDA is a useful supplemental measure for investors, and is used by management to assist in evaluating

our ability to meet debt service requirements and fund organic and inorganic growth, and as an indicator of relative operating performance.

- "Organic sales" consists of quantifying the change in total sales as either related to organic or acquisition-based, or the impact of foreign exchange. Total sales earned by acquired companies in the first 12 months following an acquisition are reported as acquisition-based growth and thereafter as organic sales. Organic sales excludes the impact of acquisitions and foreign exchange impact related to the translation of Canadian sales to US dollars. From time to time, we also quantify the impacts of certain unusual events to organic sales to provide useful information to investors to help better understand our financial results.
- "Working capital" is receivables and investments, inventories, and prepaid expenses, partially offset by short-term credit provided by suppliers in the form of accounts payable and accrued liabilities. We believe working capital is a useful indicator for investors, and is used by management to evaluate the operating liquidity available to us.

In this news release, reference is also made to the following non-GAAP ratios:

- "Adjusted basic earnings per share" and "Adjusted diluted earnings per share" refer to basic earnings per share and diluted earnings per share, respectively to exclude LTIP expense, transaction expense, net recovery of trade duties, foreign exchange gain (losses), amortization of intangible assets acquired in connection with an acquisition, and income tax recovery related to corporate restructuring. We believe "Adjusted basic earnings per share" and "Adjusted diluted earnings per share" are useful supplemental measures for investors, and are used by management to assist with evaluating our profitability, our ability to meet debt service and capital expenditure requirements, our ability to generate cash flow from operations, and as an indicator of relative operating performance.
- "Adjusted EBITDA margin" is Adjusted EBITDA as a percentage of sales. We believe Adjusted EBITDA margin is a useful supplemental measure for investors, and is used by management to assist in evaluating our profitability, our ability to meet debt service and capital expenditure requirements, our ability to generate cash flow from operations, and as an indicator of relative operating performance.
- "Leverage Ratio" is net debt as compared to Previous 12-months Pro-Forma Adjusted EBITDA after rent payments related to warehousing and trucks. We believe Leverage Ratio is a useful supplemental measure for investors, and is used by management to assist in evaluating our profitability, our ability to meet debt service requirements, assessing our capital structure and how to finance organic and inorganic growth, our ability to generate cash flow from operations, and as an indicator of relative operating performance.

Such non-GAAP financial measures and non-GAAP ratios are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. For a reconciliation between

non-GAAP measures and non-GAAP ratios and the most directly comparable financial measure in our financial statements, please refer to the discussion of Results of Operations described in section 3.0, Working Capital in section 5.2, and Revolving Credit Facilities and Debt Management Strategy in section 5.3 of this report.

## Forward-Looking Statements

Certain statements in this news release contain forward-looking information within the meaning of applicable securities laws in Canada ("forward-looking information"). The words "anticipates", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words.

Forward-looking information is included, but not limited to: As we move forward, we approach the near-term outlook with measured caution; While headwinds persist, including continued affordability challenges for homebuyers and broader geopolitical uncertainty, we remain optimistic about long-term growth, supported by structural housing demand and favorable demographics; As a result of the SCOTUS ruling noted above, and after taking into account S122 Tariffs, we estimate that 26% of our product mix will be subject to tariffs, at average rates of 10%; As it relates to a potential refund of tariffs paid under IEEPA, we do not expect refunded amounts, if any, to be material; The Company does not expect the outcome of this investigation to have a material effect on its supply chain or result in duty liabilities; We are well-prepared to manage tariff impacts; Our price pass-through model allows us to offset increased product costs, including those related to tariffs, by adjusting selling prices; In the event that tariff-related price increases reduce consumer demand, we can adjust inventories and preserve cash flow; We believe that any short-term reduction in home building will only worsen the existing housing shortage in the US, ultimately boosting future demand for our products; First quarter 2026 gross margin percentage is expected to moderate relative to Q1 2025, while continuing to exceed our established benchmark, driven by product mix; We continue to approach the near-term outlook with measured caution; Higher US mortgage rates and limited housing inventory continue to pose affordability hurdles for prospective buyers; Additionally, the dynamic trade landscape between the US and major global partners and recent geopolitical tension are contributing to continued uncertainty in the economic environment; On a positive note, the easing of interest rates in late 2025, combined with favorable long-term structural demand drivers, could support a more constructive backdrop later in 2026 and into 2027; Government actions and policy of this kind could help to support demand for housing, which in turn would benefit demand for our products. We remain optimistic about the long-term trajectory of the residential construction sector; This confidence is underpinned by enduring structural undersupply, favorable demographic trends, and an aging housing stock; Moving forward, we will continue to advance our strategic priorities within our full-cycle value creation framework, as more fully described in our shareholders' letter and investor presentation; We are targeting double-digit returns on invested capital and accretive growth through a combination of platform efficiency, organic

growth initiatives, and tightly managed execution of our market consolidation strategy.

The forecasts and projections that make up the forward-looking information are based on assumptions which include, but are not limited to: there are no material exchange rate fluctuations between the Canadian and US dollar that affect our performance; the general state of the economy does not worsen; we do not lose any key personnel; there is no labor shortage across multiple geographic locations; there are no circumstances, of which we are aware that could lead to the Company incurring costs for environmental remediation; there are no decreases in the supply of, demand for, or market values of our products that harm our business; we do not incur material losses related to credit provided to our customers; our products are not subjected to negative trade outcomes; we are able to sustain our level of sales and earnings margins; we are able to grow our business long term and to manage our growth; we are able to integrate acquired businesses; there is no new competition in our markets that leads to reduced revenues and profitability; we can comply with existing regulations and will not become subject to more stringent regulations; geopolitical and trade tensions do not materially impact our business, no material product liability claims; importation of components or other innovative products does not increase and replace products manufactured in North America; our management information systems upon which we are dependent are not impaired; we are not adversely impacted by disruptive technologies; an outbreak or escalation of a contagious disease does not adversely affect our business; and, our insurance is sufficient to cover losses that may occur as a result of our operations.

The forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. The factors which could cause results to differ from current expectations include, but are not limited to: exchange rate fluctuations between the Canadian and US dollar could affect our performance; tariff policies extending to regions not currently under discussion; our results are dependent upon the general state of the economy; the impacts of pandemics, further mutations thereof or other outbreaks of disease, could have significant impacts on our business; we depend on key personnel, the loss of which could harm our business; a labour shortage across multiple geographic locations could harm our business; decreases in the supply of, demand for, or market values of hardwood lumber or sheet goods could harm our business; we may incur losses related to credit provided to our customers; our products may be subject to negative trade outcomes; we may not be able to sustain our level of sales or earnings margins; we may be unable to grow our business long term or to manage any growth; we are unable to integrate acquired businesses; competition in our markets may lead to reduced revenues and profitability; we may fail to comply with existing regulations or become subject to more stringent regulations; product liability claims could affect our revenues, profitability and reputation; importation of components or other innovative products may increase, and replace products manufactured in North America; disruptive technologies could lead to reduced revenues or a change in our business model; we are dependent upon our management information systems; disruptive technologies could lead to reduced revenues or a change in our business model;

our information systems are subject to cyber securities risks; our insurance may be insufficient to cover losses that may occur as a result of our operations; an outbreak or escalation of a contagious disease may adversely affect our business; our credit facility affects our liquidity, contains restrictions on our ability to borrow funds, and impose restrictions on distributions that can be made by us and certain of our subsidiaries; the market price of our Shares will fluctuate; there is a possibility of dilution of existing Shareholders; and, other risks described in our Annual Information Form, our Information Circular, our MD&A and in this news release.

This news release contains information that may constitute a "financial outlook" within the meaning of applicable securities laws. The financial outlook has been approved by our management as of the date of this news release. The financial outlook is provided for the purpose of providing readers with an understanding of our anticipated financial performance. Readers are cautioned that the information contained in the financial outlook may not be appropriate for other purposes.

All forward-looking information in this news release is qualified in its entirety by this cautionary statement and, except as may be required by law, we undertake no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.

### **Third-Party Information**

Certain information contained in this news release includes market and industry data that has been obtained from or is based upon estimates derived from third-party sources, including industry publications, reports and websites. Although the data is believed to be reliable, we have not independently verified the accuracy, currency or completeness of any of the information from third-party sources referred to in this news release or ascertained from the underlying economic assumptions relied upon by such sources. We hereby disclaim any responsibility or liability whatsoever in respect of any third-party sources of market and industry data or information.

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