ADENTRA

CREATING BEAUTIFUL SPACES WHERE WE LIVE, WORK, AND PLAY

November 2023

TSX : ADEN



Calgary Public Library:
Ceilings, wall panels, and stairs by ADENTRA

Forward-Looking Statements

Certain statements in this presentation 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.

The forward-looking information in this presentation includes, but is not limited to: In the quarter we further demonstrate the business's ability to convert a high percentage of adjusted EBITDA into operating cash flow before changes in working capital, and to release working capital and generate additional cash flow in periods of reduced economic activity; looking forward, market headwinds are expected to persist in the near term but our business model and strategies are designed for success; our performance in this period of reduced demand and product price deflation underscores the success of our strategies to grow and broaden our end-market participation, expand our channels to market, diversify and strengthen our product mix, and deepen our geographic coverage; the combined impact of recent inflation and interest rate hikes is expected to have a continued near-term negative effect on economic activity; this, in turn, is resulting in a moderation of demand for our products as compared to 2022, and could lead to a continuation of softer product pricing and volumes; in the third quarter of 2023 our sales were down 15%, and we expect fourth quarter sales to be down similarly when compared to the same period in the prior year; as we have demonstrated in previous business cycles and most recently through the first nine months of 2023, we are adept at managing our business and cash flows effectively in challenging market conditions; our size and scale, together with the diversity in our product categories, customer channels and end-markets, provide important stability while reducing our exposure to any one geography or segment of the industry; our strong balance sheet provides financial stability as we move through periods of changing market conditions, and our business model is expected to continue converting a high proportion of EBITDA to operating cash flows before changes in working capital; in addition, our investment in working capital typically decreases during periods of reduced activity, resulting in an additional source of cash; over the longer term our business is supported by strong fundamentals in our end markets which include historic under-building of homes, positive demographic factors, strong home equity, and an aging housing stock; we continue to see a multi-year runway for growth in the repair and remodel, residential, and commercial markets we participate in.

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 U.S. 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; 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 on 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 U.S. dollar could affect our performance; our results are dependent upon the general state of the economy; impacts of COVID-19, 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 and in our management's discussion and analysis for the year ended December 31, 2022, each of which are available on the Company's profile at www.sedarplus.ca.

This presentation 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 presentation. 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 presentation 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 presentation 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 presentation 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.

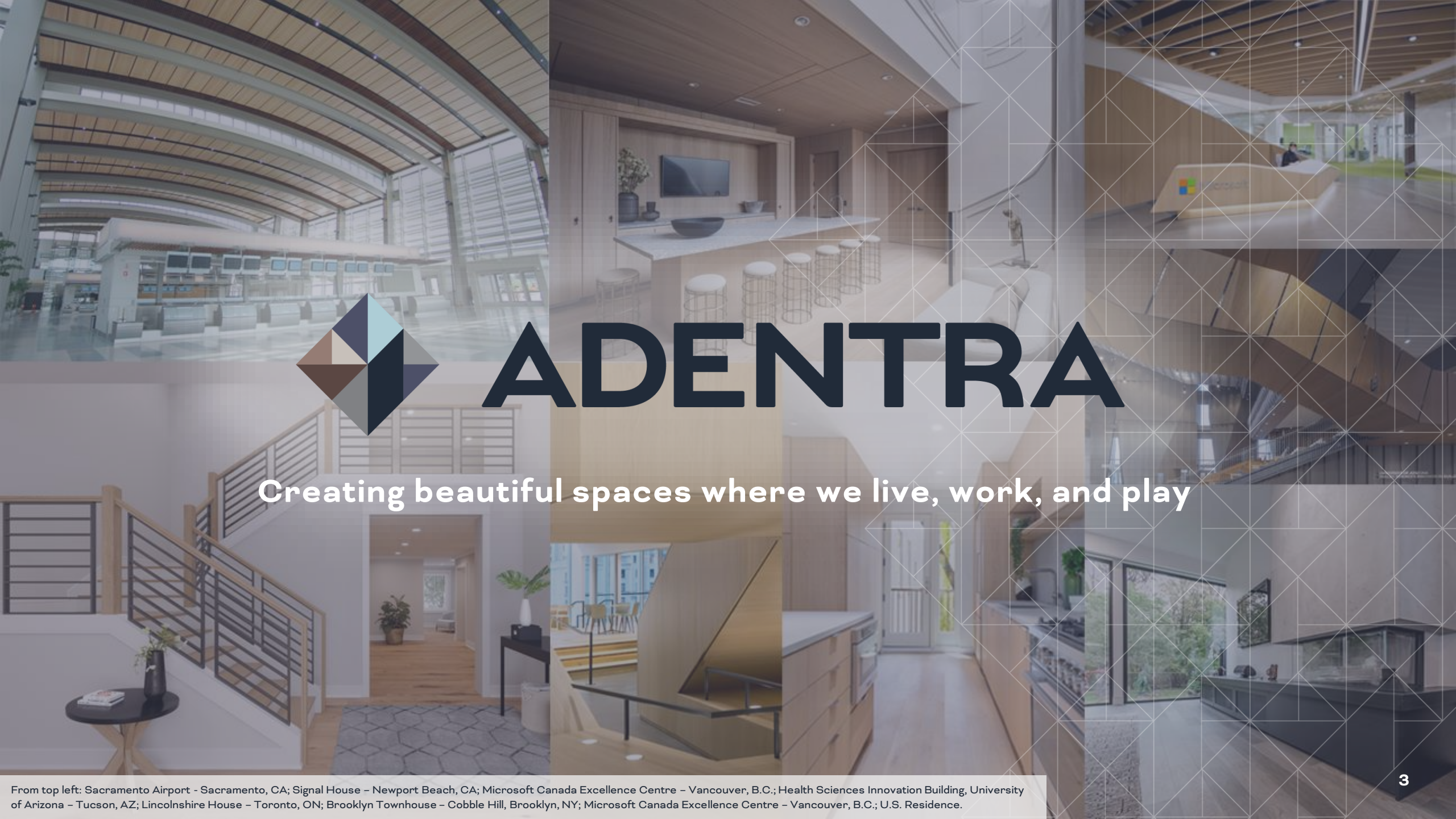
Notice to Reader

Unless otherwise stated, the information presented herein is for both ADENTRA as well as the material and transformative acquisitions of Novo Building Products Holdings LLC ("Novo" - closed in the third quarter of 2021), and the acquisition of Mid-Am Building Supply Inc. ("Mid-Am" - closed in February, 2022).

All $ figures in this presentation are in USD unless otherwise indicated.

Information provided herein includes the Company's reported financial results through the third quarter of 2023 (Issued November 8, 2023).

The photos in this presentation feature ADENTRA products used in a variety of commercial and residential applications.



ADENTRA

Creating beautiful spaces where we live, work, and play

From top left: Sacramento Airport - Sacramento, CA; Signal House – Newport Beach, CA; Microsoft Canada Excellence Centre – Vancouver, B.C.; Health Sciences Innovation Building, University of Arizona – Tucson, AZ; Lincolnshire House – Toronto, ON; Brooklyn Townhouse – Cobble Hill, Brooklyn, NY; Microsoft Canada Excellence Centre – Vancouver, B.C.; U.S. Residence.

ADENTRA

A COMPANY TRANSFORMED



ADENTRA

TRANSFORMED: BY THE NUMBERS

$ Values except market capitalization in USD	2017	2023 (TTM Q3)	Five-year CAGR[1]
Sales	$800M	$2.3B	20%
Adjusted EBITDA[2]	$43M	$184M	30%
Earnings per Share (basic)	$1.08	$1.80	9%
Market Capitalization[3]	C$433M	C$624M	
Customers	35,000	75,000	
Employees	1,100	3,000	

Barajas Madrid Airport, Madrid, Spain
Ceiling panels by ADENTRA

1. CAGRs are calculated for the period 2017 – TTM Q3 2023 inclusive.
2. "Adjusted EBITDA" is a non-IFRS measure. Please see "Non-IFRS and Other Financial Measures" on slide two.
3. Market capitalization calculated using both share count and share price as of: For 2017 – Dec. 31, 2017, and for TTM Q3 2023 – share price on November 7 and share count on November 8, 2023.

Transformed - Increased Geography

Unparalleled access to major North American markets

2017

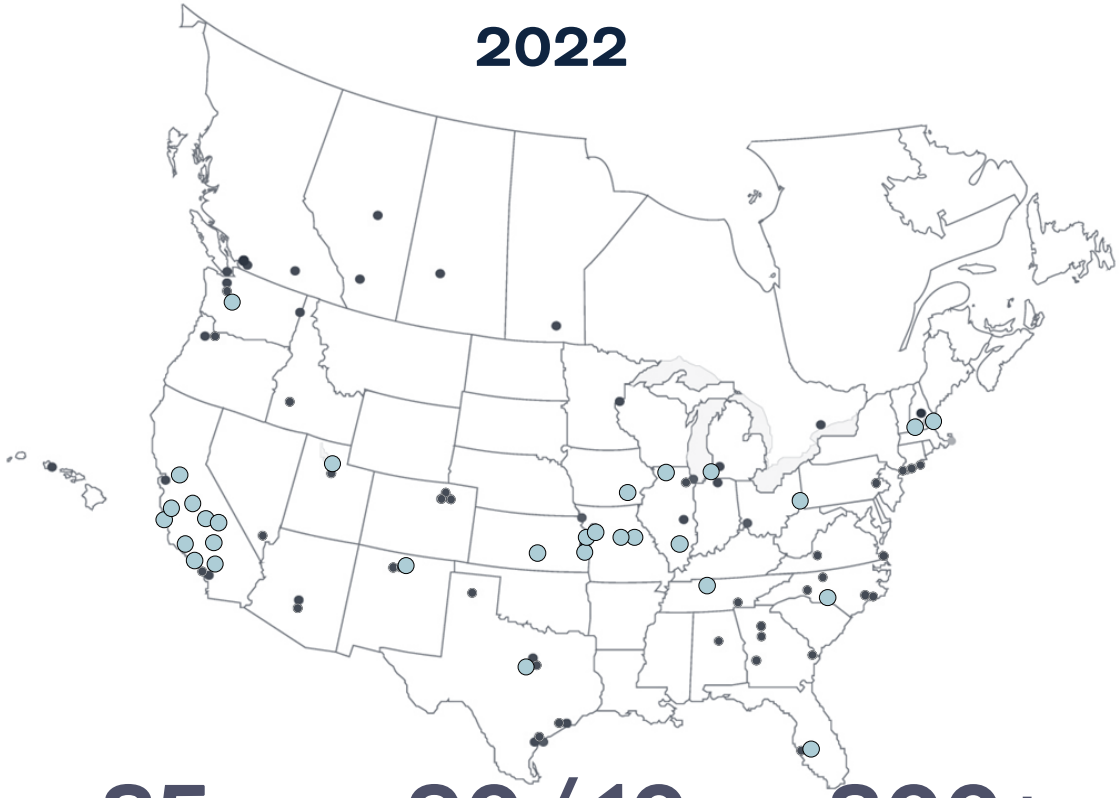


62 Locations

85 / 15 Revenue split[1]

400+ Sales Team

2022



85 Locations[2]

90 / 10 Revenue split[1]

800+ Sales Team

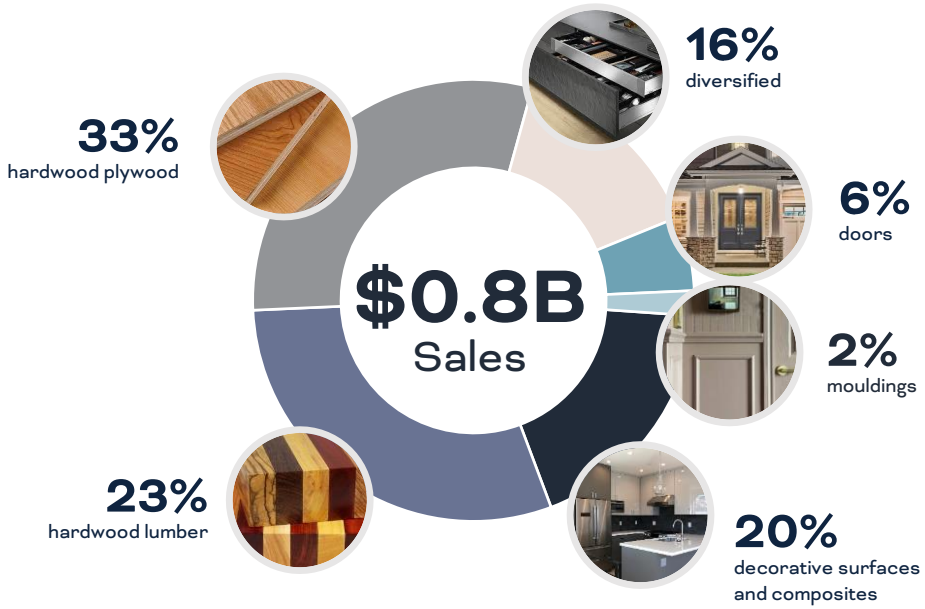
We bring world-class capabilities to local markets - where our customers are

1. Revenue splits are based on full-year sales in the US and Canada for 2017 and 2022.
2. Total locations in 2022 includes Rojo Distributors, which was acquired in February, 2023.

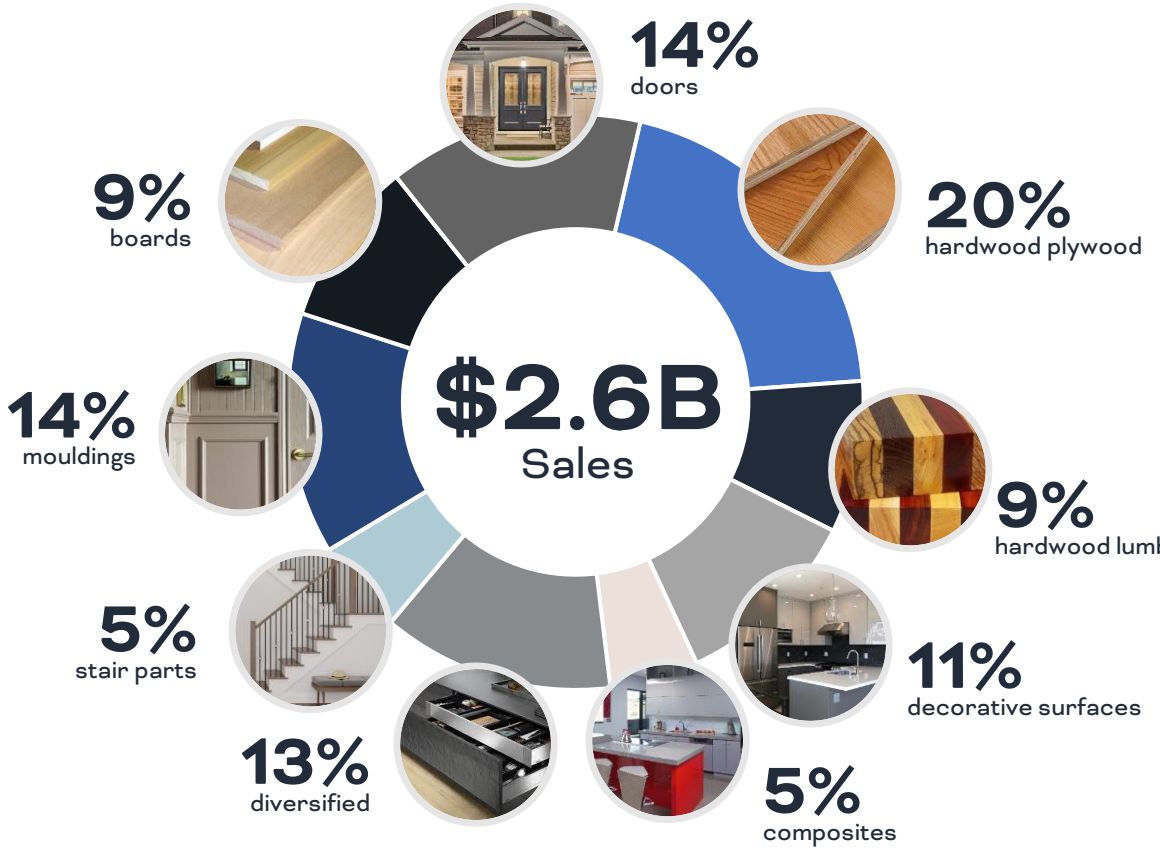
Transformed – Product Portfolio

Broader product participation, with more emphasis on specialty

2017



2022



Extensive 150,000+ SKU product portfolio
50% of products are branded, exclusive, or semi-exclusive

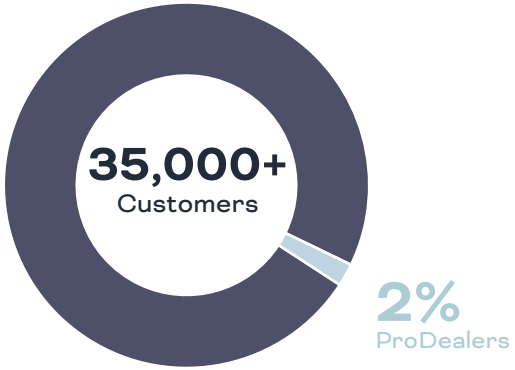
All dollar values are in USD.
1. Percentages are based on proportionate full-year sales for all products in 2017 and 2022.

Transformed – Channels and End Markets

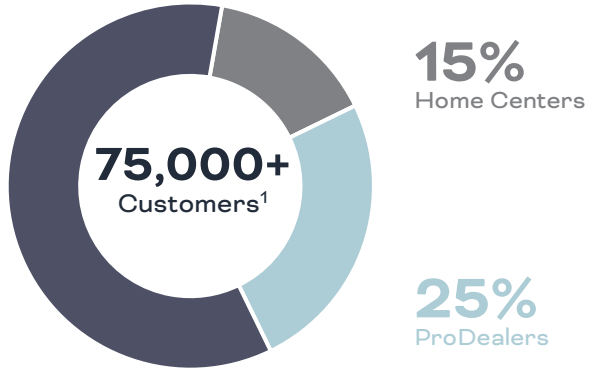
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ESSENTIAL CUSTOMER CHANNELS

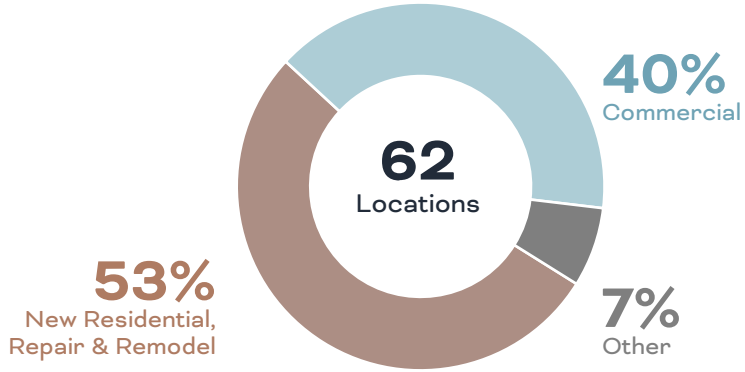
2017

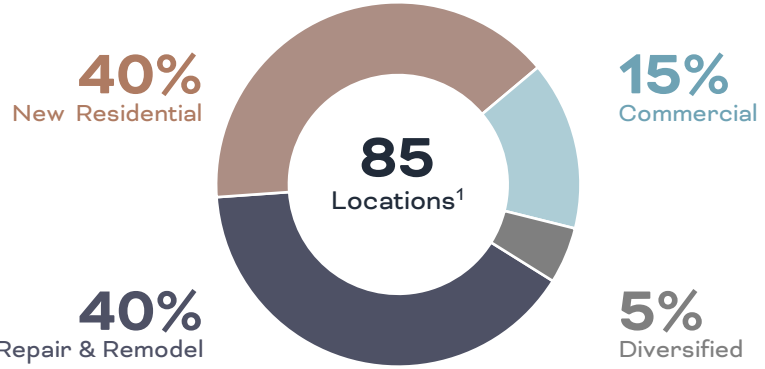


2022



END MARKET ACCESS

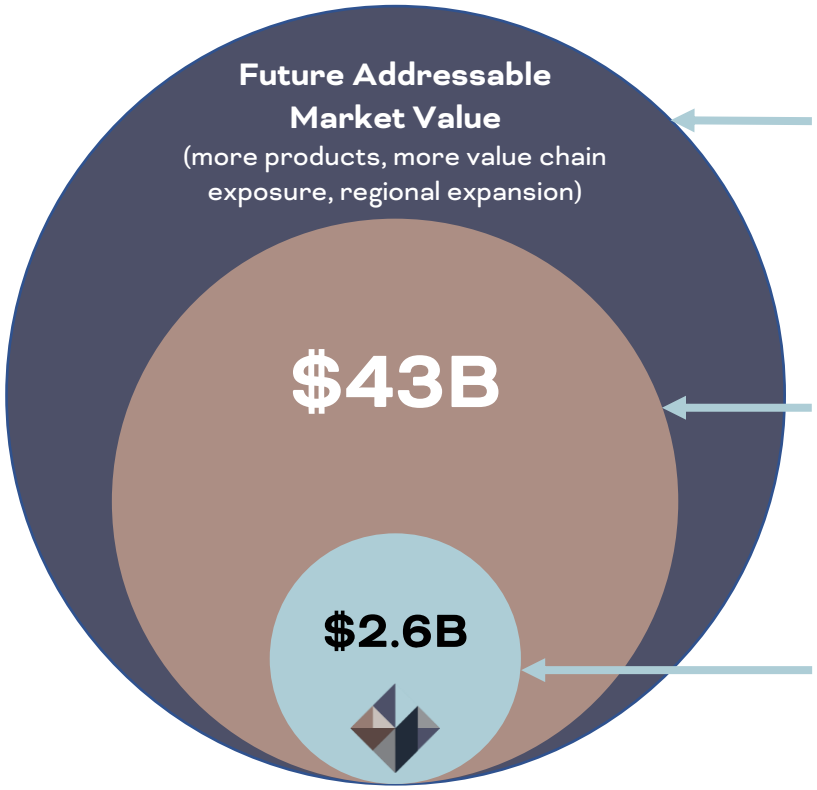




Broader channels to market provide unparalleled access to our customer base

1. Total Locations and Customers for 2022 include Rojo Distributors, which was acquired in February, 2023.

Market Potential for our Transformed Business[1]



Future Addressable Market

- All building material product categories across all channels and North American regions at the manufacturer level

Total Addressable Market

- ADENTRA product categories across all channels and North American regions at the manufacturer level

ADENTRA Revenue

- Estimated current market share of ~6%

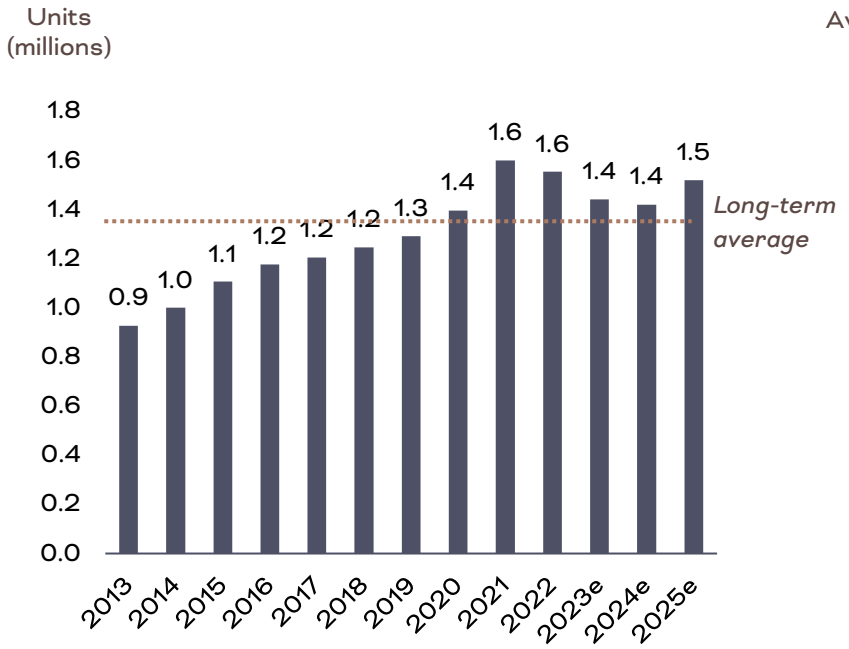
Significant opportunity to pursue market share growth based on our current platform

All dollar values are in USD.

1. TAM (Total Addressable Market) value and Future Addressable Market developed by Ducker Research, November, 2022. While the estimate of TAM included in this presentation is based on assumptions and estimates we believe to be reasonable, this estimate may not prove to be accurate. Further, even if the estimate of our market opportunity does prove to be accurate, we could fail to capture a significant portion, or any portion, of the available market.

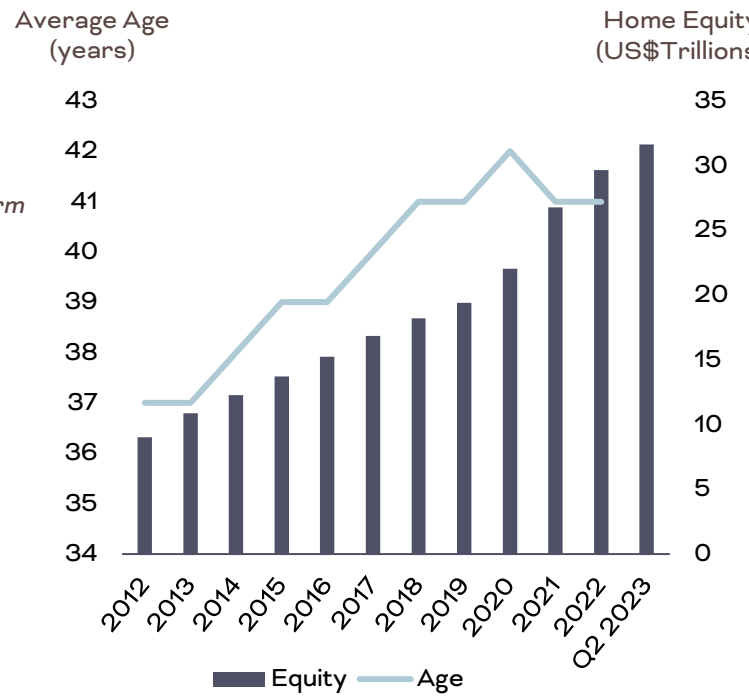
Positive Multi-year Fundamentals in our End Markets

New U.S. Housing Starts[1]



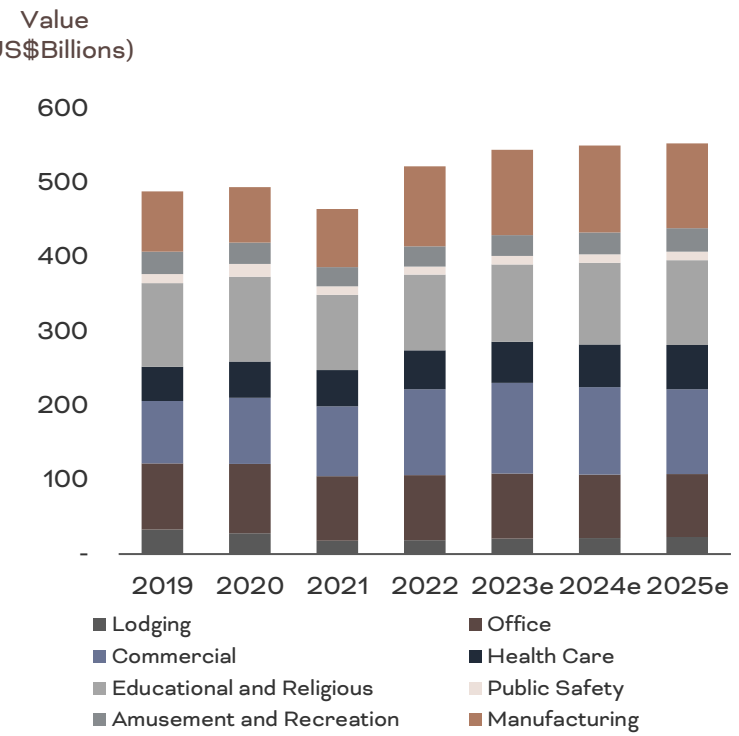
Long-term growth in new residential supported by **historic under-build and demographic patterns in the U.S.**

Aging U.S. Housing Stock & Strong Home Equity Levels[2]



High levels of home equity and an **aging housing stock** support investment in home improvement

Sales Potential in Multiple Commercial Segments[3]



Diverse participation across multiple commercial market segments

Macroeconomics underpin multi-year growth in the markets we serve

1. Historical data from St. Louis Fed. Estimates as of September 2023 from CIBC, BMO, Fannie Mae, Mortgage Bankers Association, and U.S. Census Bureau.
2. Age data from U.S. Census Bureau, and home equity values from St Louis Fed.
3. Annual Value of Construction Put in Place. U.S. Census Bureau, Ducker Research & Consulting.

A world-class platform of architectural building products.



ADENTRA

We provide an invaluable link between our vast supplier network and our extensive North American customer base

Demonstrated benefits of scale.

ADENTRA

GLOBAL SOURCING	SALES & MARKETING	SPECIFICATION
VENDOR RELATIONSHIP MANAGEMENT	TECHNOLOGY SOLUTIONS	STRATEGY & GOVERNANCE

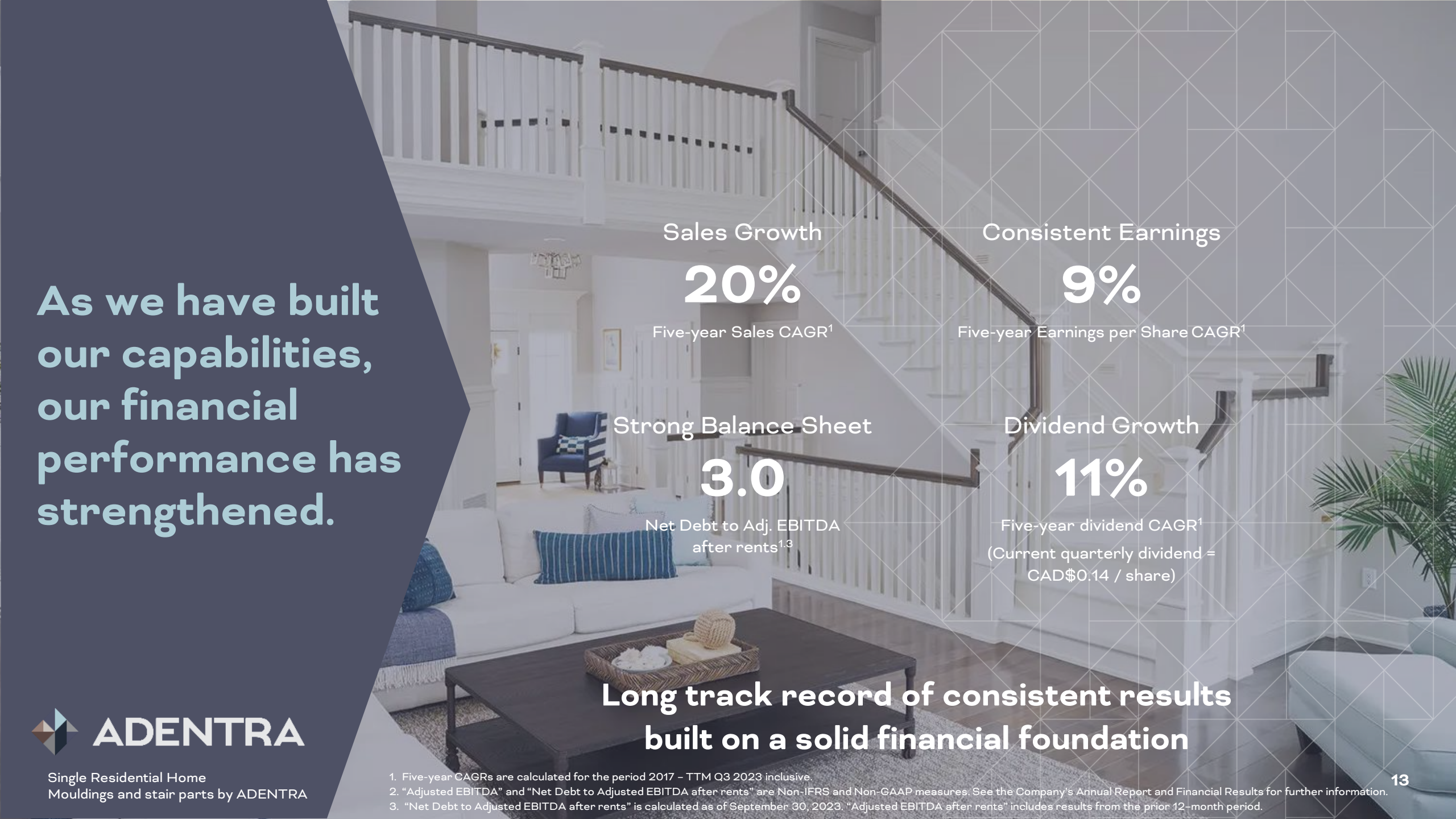
Our shared core capabilities & support

We create 'sticky' customer relationships and brand loyalty with

75,000+ home centers, ProDealers and industrial customers

Holistic approach to supply chain management improves EBITDA margins and working capital efficiency

As we have built our capabilities, our financial performance has strengthened.



Sales Growth

20%

Five-year Sales CAGR[1]

Consistent Earnings

9%

Five-year Earnings per Share CAGR[1]

Strong Balance Sheet

3.0

Net Debt to Adj. EBITDA after rents[1,3]

Dividend Growth

11%

Five-year dividend CAGR[1]

(Current quarterly dividend = CAD$0.14 / share)

Long track record of consistent results built on a solid financial foundation

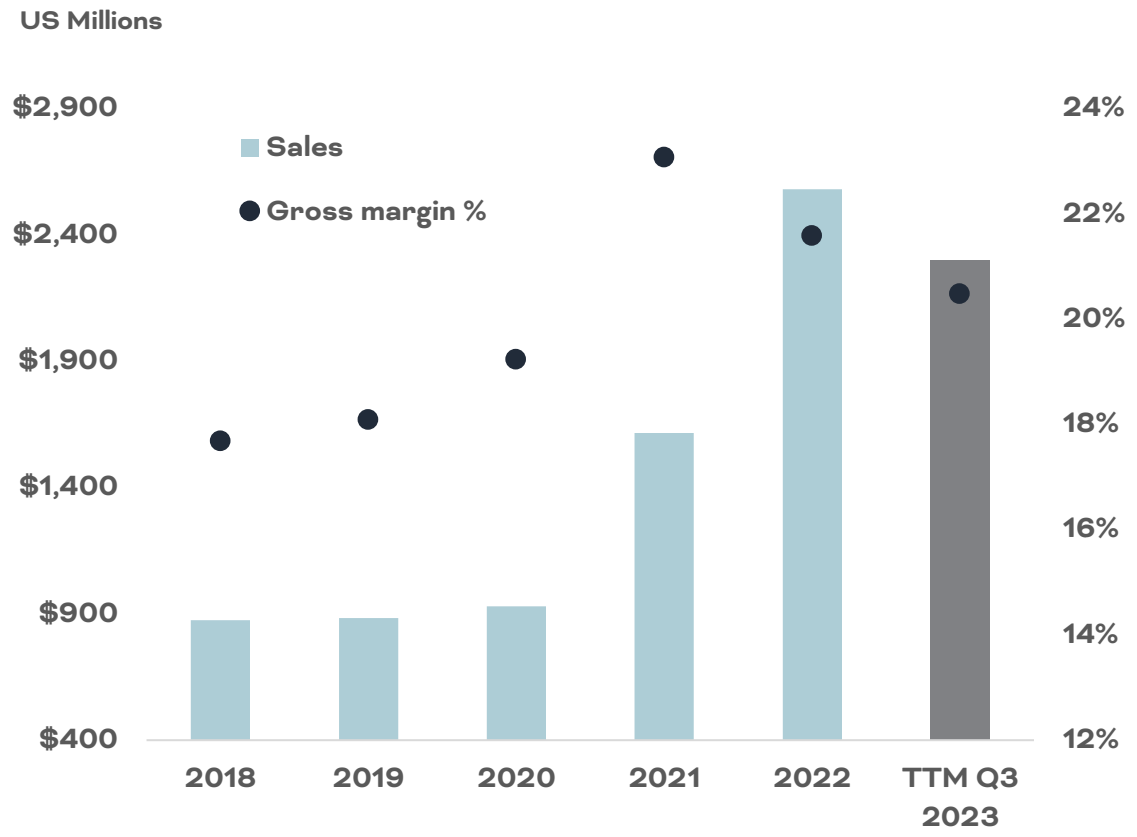
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Single Residential Home
Mouldings and stair parts by ADENTRA

1. Five-year CAGRs are calculated for the period 2017 – TTM Q3 2023 inclusive.
2. "Adjusted EBITDA" and "Net Debt to Adjusted EBITDA after rents" are Non-IFRS and Non-GAAP measures. See the Company's Annual Report and Financial Results for further information.
3. "Net Debt to Adjusted EBITDA after rents" is calculated as of September 30, 2023. "Adjusted EBITDA after rents" includes results from the prior 12-month period.

Track record of growth and improving margins.

Sales and Gross Margin



Supported by our M&A strategy and focus on operational efficiency, we have achieved gross margin percentages exceeding

20%

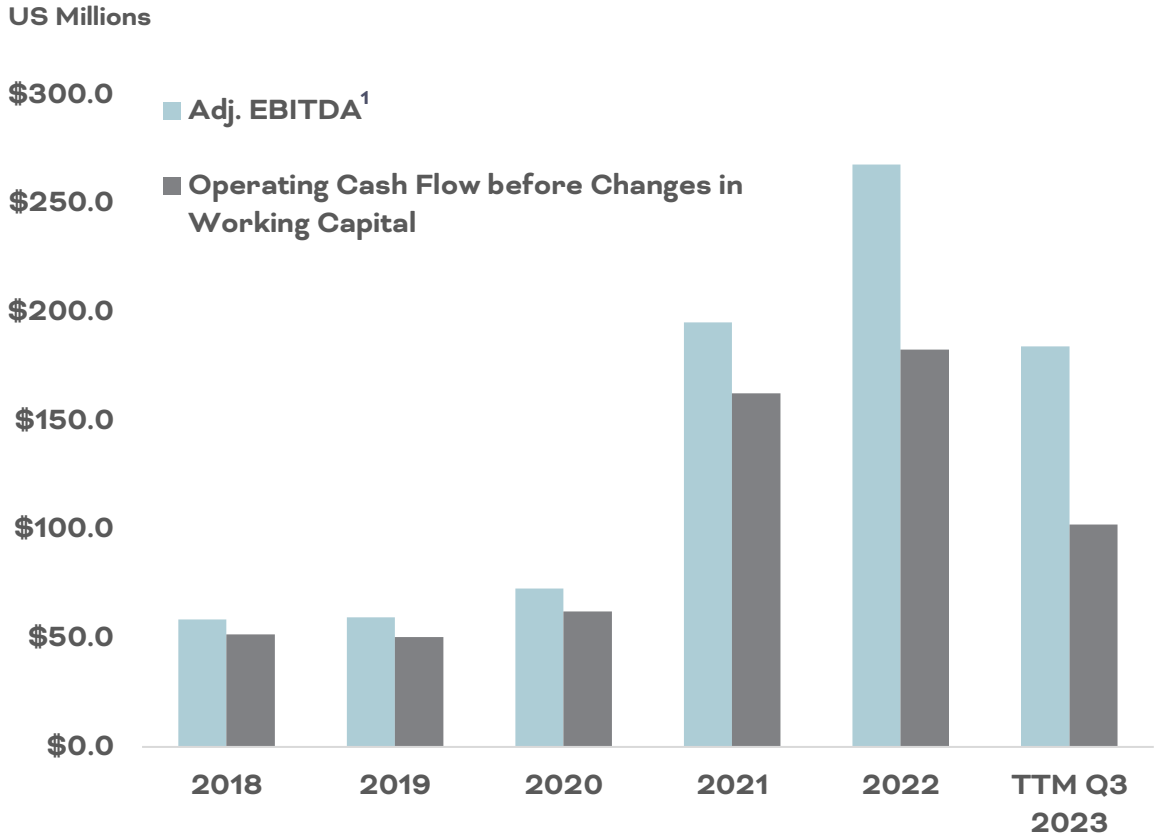
For the past ten consecutive quarters.

Organic growth and M&A support substantial sales growth and strengthened gross margins

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Platform drives strong and growing cash flow.

Adjusted EBITDA[1] and Operating Cash Flow before Changes in Working Capital



Conversion of Adjusted EBITDA[1] into Operating Cash Flow before changes in working capital averages

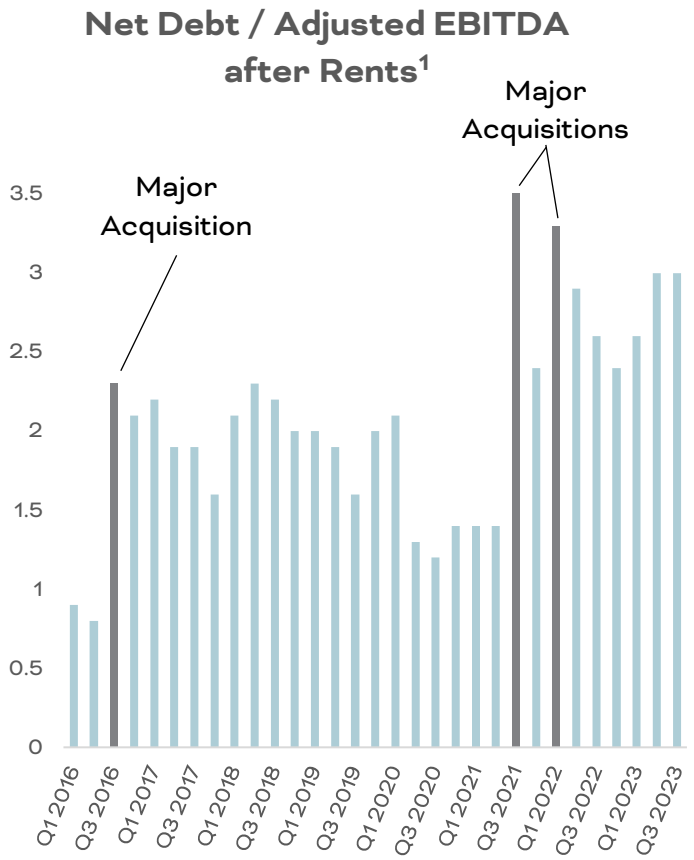
78%

over the past five-year[2] period.

Strong free cash flow generation in all market conditions

1. "Adjusted EBITDA" is a Non-IFRS and Non-GAAP measure. See the Company's Annual Report and Financial Results for further information.
2. Period includes 2018 to Q3, 2023.

Responsible Leverage and Significant Liquidity



3.0

Q3 2023
Net Debt/Adjusted EBITDA
after rents[1,2]

+$425 M

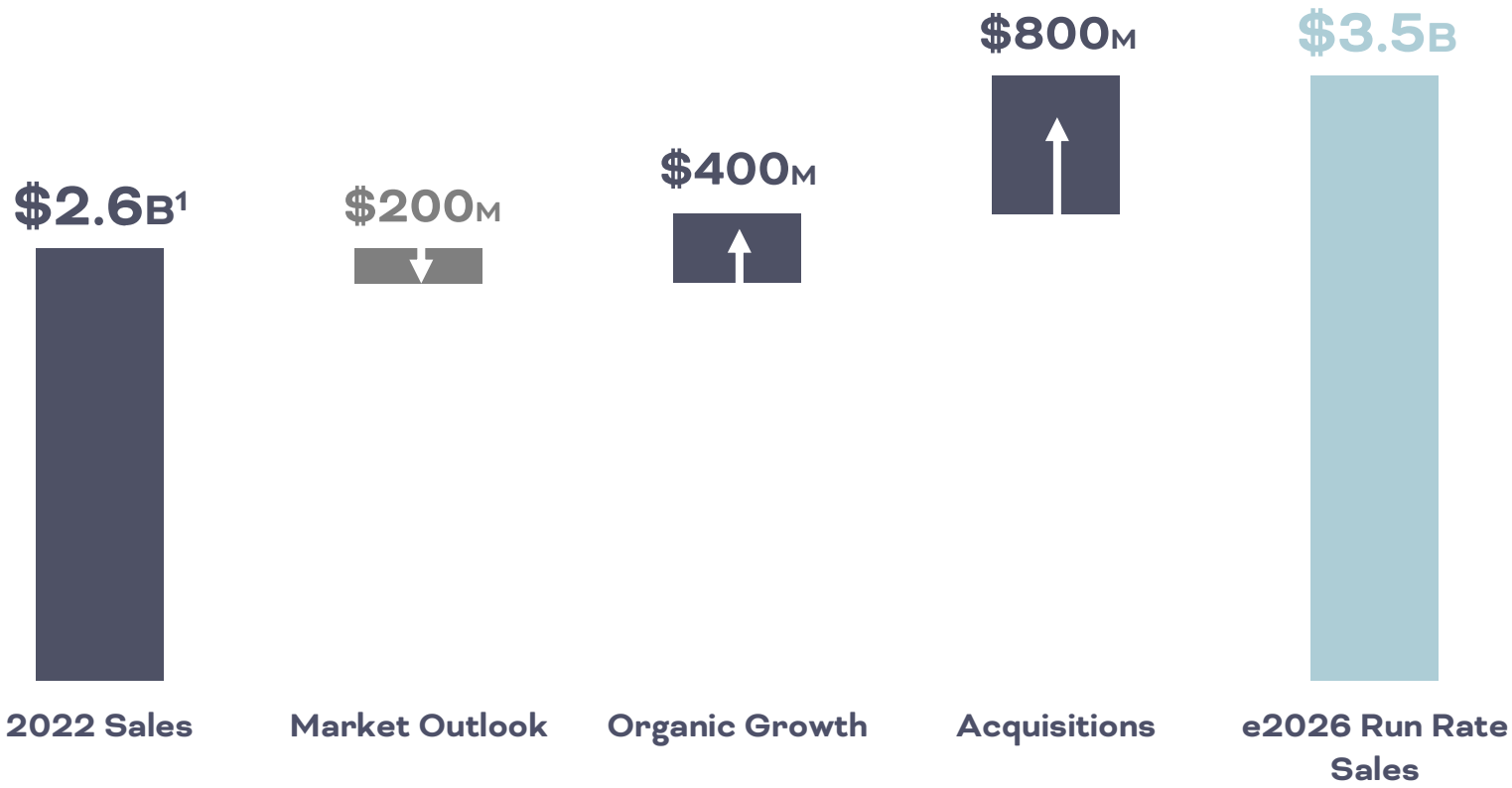
Unused borrowing capacity
& cash on hand
as at September 30, 2023

Responsibly managed balance sheet,
with capacity to support organic and acquisitions growth

Proven flexibility to execute on our capital allocation priorities

1. "Adjusted EBITDA after rents" and "Net Debt to Adjusted EBITDA after rents" are Non-IFRS and Non-GAAP measures. See the Company's Annual Report and Financial Results for further information.
2. "Adjusted EBITDA after rents" for Q3 2023 includes results from the 12-month period ending September 30, 2023.

"Destination 2026" Sales Target



Key assumptions include:

- *"Market Outlook" impact expected to be near term*
- *Market growth and strategic initiatives driving mid single-digit "Organic Growth"*
- *"Acquisitions" supported by our expected cash flows and balance sheet capacity*
- *Equity issuances have not been modelled in the above plan*

Strategic initiatives driving above market growth

All dollar values are in USD.
1. 2022 Sales value is for the 12-month period ending December 31, 2022.

Our Target Financial KPIs



Revenue CAGR	Gross Margin[1]	EBITDA Margin[1,4]
+8%	+20%	+10%

Leverage[2] Range	Operating Cash flow before changes in working capital	Average ROIC[3,4]
2-3X	$+800M	+12%

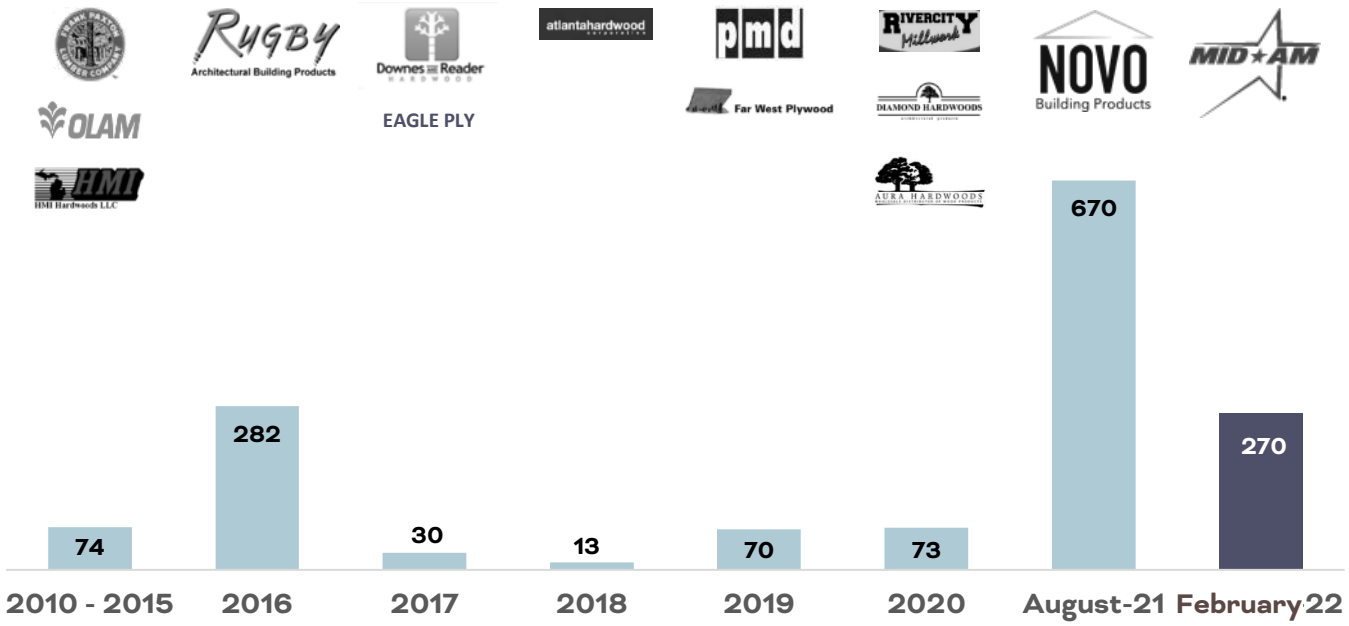
Focused on delivering profitable growth and creating shareholder value

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1. "Gross Margin" and "EBITDA Margin" are calculated as follows: Gross Margin = gross profit / sales; EBITDA Margin = Adjusted EBITDA / sales.
2. ADENTRA calculates "Leverage" as Net Debt / Adjusted EBITDA after rents. Additional details on the Company's calculation of Leverage can be found in its financial disclosures.
3. Return on Invested Capital (ROIC) calculated as Adjusted EBITDA less taxes, depreciation and amortization. divided by the sum of net debt plus equity.
4. "Adjusted EBITDA" is a non-IFRS measure. Please see "Non-IFRS and Other Financial Measures" on slide two.

Demonstrated Growth Through Acquisition

Track Record – Sales Acquired (US$ millions)



Significant market share available in a highly fragmented industry

Clear investment criteria

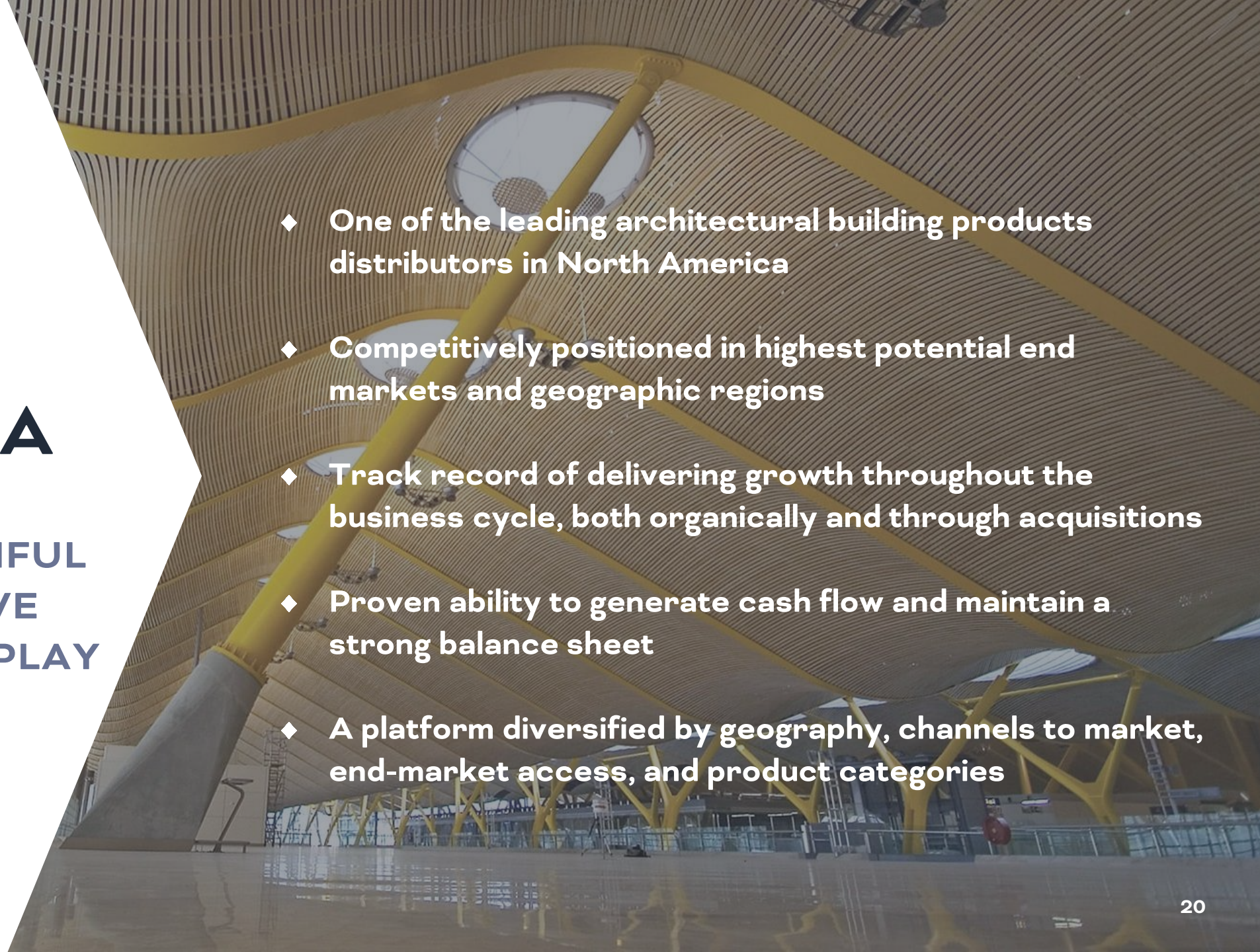
- Architectural products in adjacent / complimentary categories
- Primary focus on distribution
- Enhanced access to high-value end markets in the U.S.
- Aligned with our capital structure
- Accretive to per share earnings and free cash flow

ADENTRA's platform captures significant synergies as acquisitions are integrated, increasing the acquiree's EBITDA margin over time

ADENTRA

CREATING BEAUTIFUL SPACES WHERE WE LIVE, WORK, AND PLAY

- One of the leading architectural building products distributors in North America
- Competitively positioned in highest potential end markets and geographic regions
- Track record of delivering growth throughout the business cycle, both organically and through acquisitions
- Proven ability to generate cash flow and maintain a strong balance sheet
- A platform diversified by geography, channels to market, end-market access, and product categories



Barajas Madrid Airport, Madrid, Spain
Ceiling panels by ADENTRA

ADENTRA

Investor Relations

investors@ADENTRAgroup.com

TSX Ticker Symbol	ADEN
Shares Outstanding[1]	22,345,708
Market Capitalization[2]	$624 million
Available Liquidity[1]	+$425 million
Website	www.ADENTRAgroup.com

Calgary Public Library:
Ceilings, wall panels, and stairs by ADENTRA

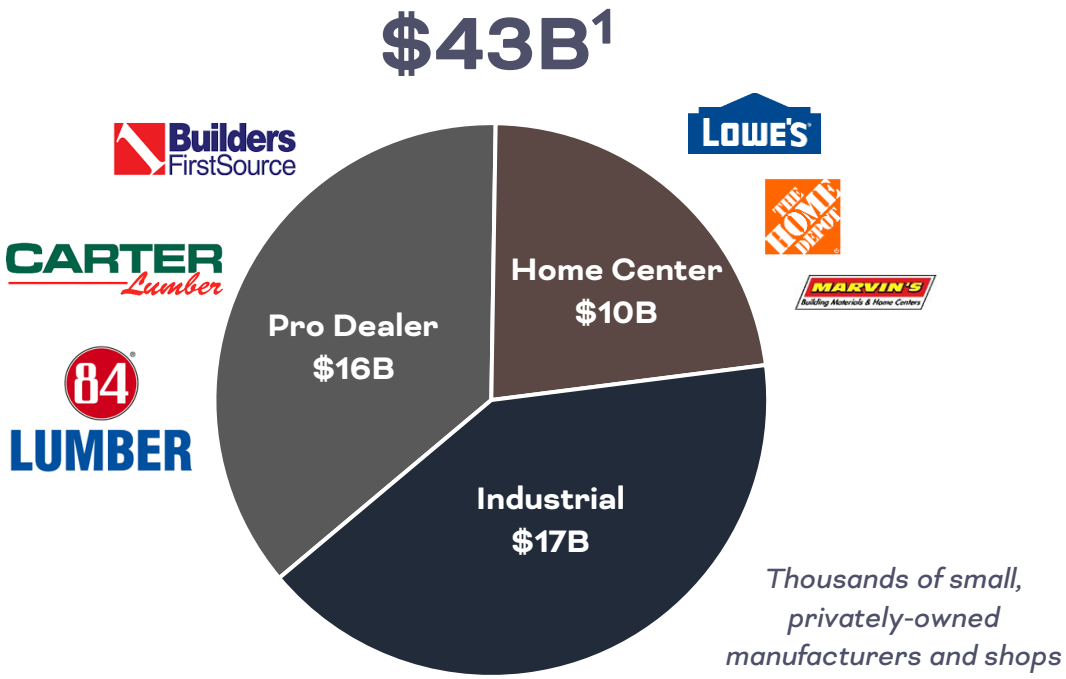
1. Total as of November 8, 2023.
2. Calculated using share count as of November 8, 2023 and closing price for the Company's common shares as of November 7, 2023.

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APPENDIX



Total Addressable Market - Customer Channel



Thousands of small, privately-owned manufacturers and shops

Industrial

- Segment includes OEM manufacturers, commercial millwork shops, specialty dealers/fabricator, and lumber yards

Pro Dealer

- Segment includes one/two-step distributors and millwork wholesalers

Home Center

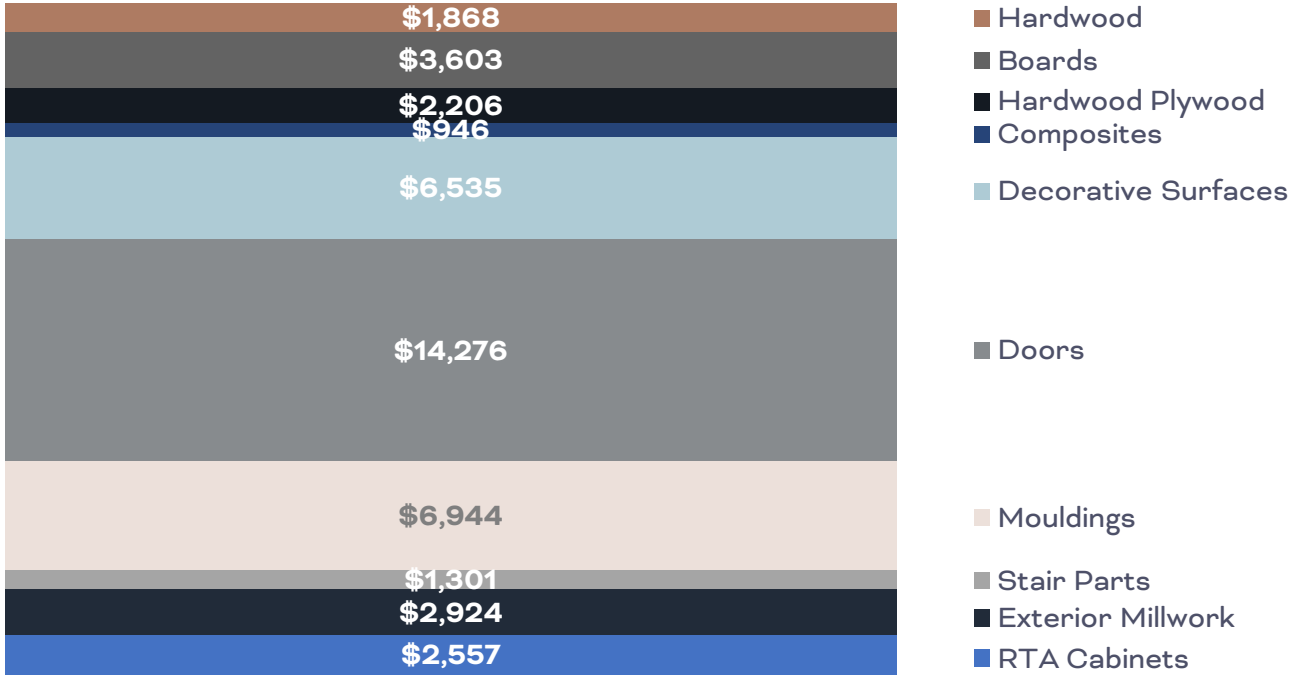
- Segment includes big box retailers and regional home center stores

Recent acquisitions of Novo and Mid-Am expanded ADENTRA's TAM by 150%

All dollar values are in USD.
1. TAM (Total Addressable Market) developed by Ducker Research, November, 2022.

Total Addressable Market - Product Category

$43B[1]

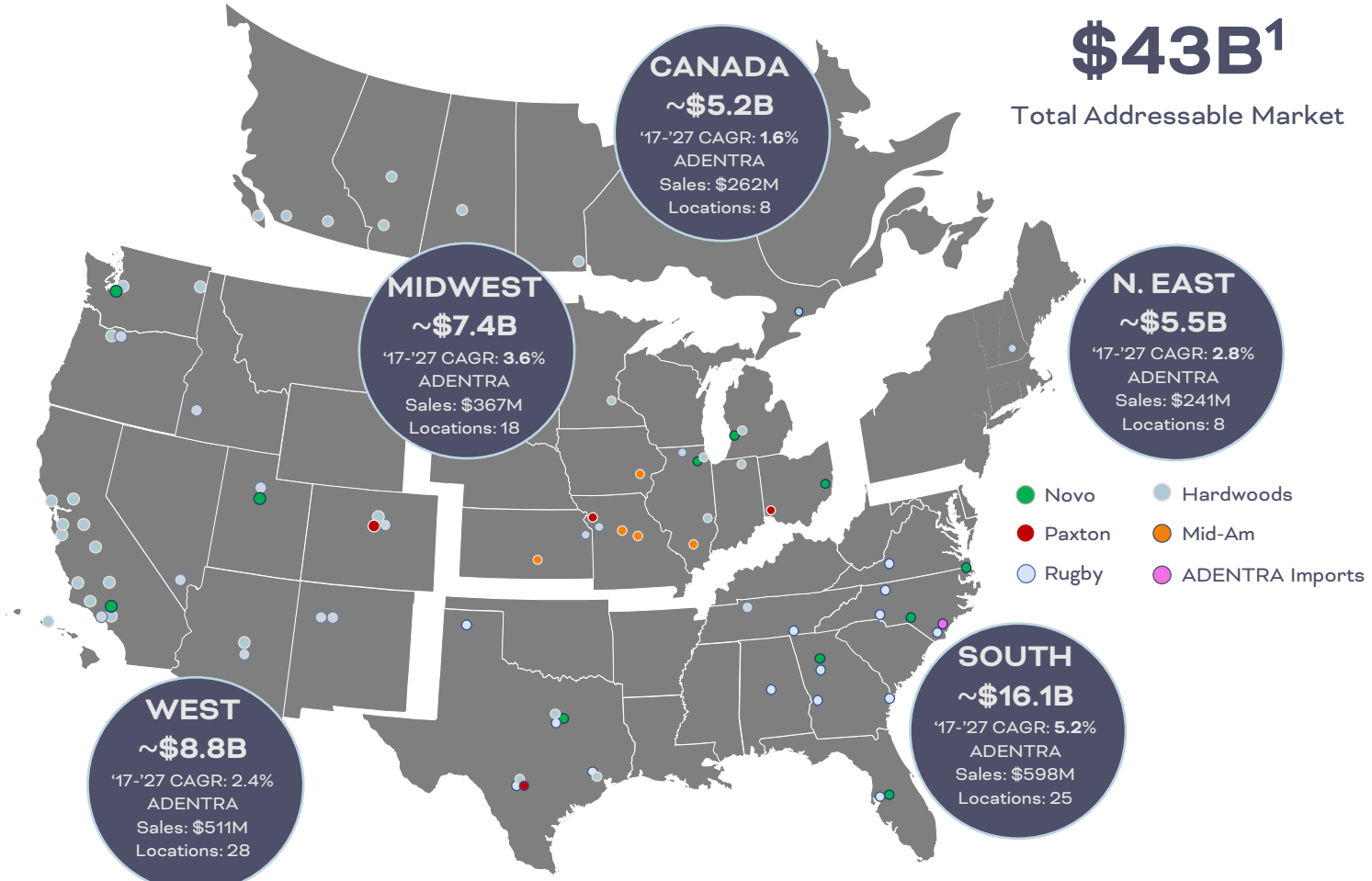


- Strong share position in key building materials - plywood, composites, lumber
- Significant runway for growth in value-add categories such as decorative surfaces, stair parts, and RTA cabinetry

Expansion into large product categories such as doors, cabinets and mouldings provide ADENTRA with a large runway of opportunity to grow share

All dollar values are in USD. Individual segments are in millions.
1. TAM (Total Addressable Market) developed by Ducker Research, November, 2022.

Total Addressable Market – Regional



$43B[1]

Total Addressable Market

- **ADENTRA has multiple brands and business locations** in each key region
- **Strong market presence**, position and share in Canada
- **Southern US regions offer large runway of opportunity** due to high levels of product demand
- **Strengthened positioning in California and Western US** due to recent acquisitions
- **Northeast and Midwest** offer targeted growth in channel markets

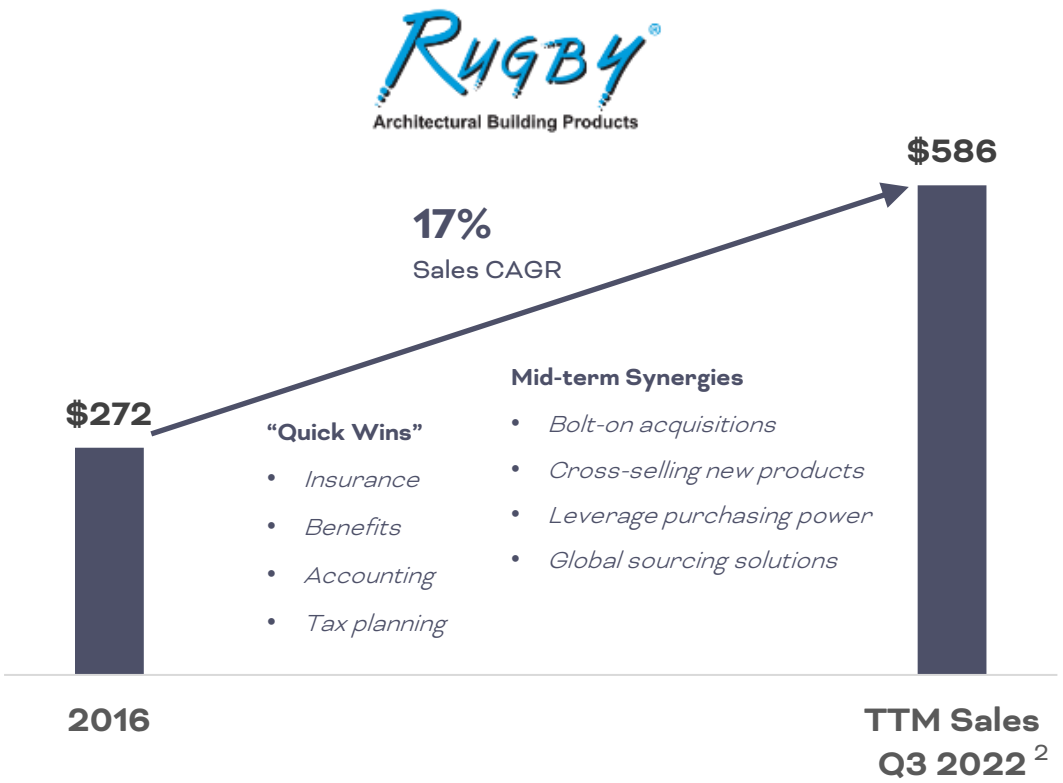
Deep access into high-potential regions in the United States and Canada

All dollar values are in USD. Sales values include year-to-date results to September 30, 2022.

1. TAM (Total Addressable Market) developed by Ducker Research, November, 2022.

Proven Approach to Building Value through M&A

EXAMPLE TRANSACTION



RESULTS

- ✓ Growth in key product categories
- ✓ **+300%** growth in D&M
- ✓ **+25%** growth in decorative surfaces
- ✓ **+100%** growth in hardwood lumber
- ✓ **+75%** growth in hardwood plywood
- ✓ Adj. EBITDA[1] margin improvement of **approximately 800 basis points**

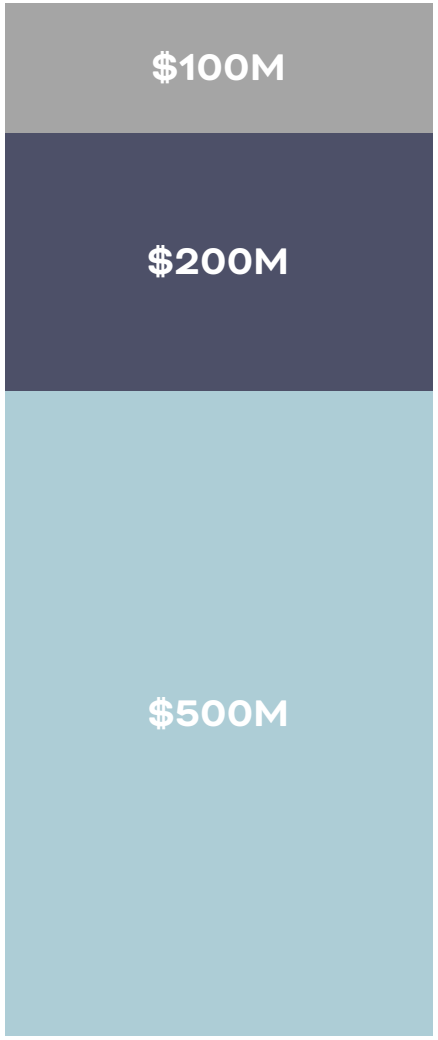
Proven multi-year program to capture synergies, which can be significant over time

All dollar values are in USD millions.
1. "Adjusted EBITDA margin" is a non-IFRS measure. See "Non-IFRS and Other Financial Measures" on slide two.
2. Represents sales for the 12-month period ending September 30, 2022.

“Destination 2026”

Capital Allocation

$800M in Operating Cash Flow before changes in Working Capital



Investments in the Business

- Maintenance capex & working capital

Rent payments

- Includes leased facilities

Acquisitions

- Financed from cash flows and strength of balance sheet
- Equity issuances have not been modelled in the plan
- Leverage ratio between 2-3x

Shareholder Returns

- Dividends
- Opportunistic share repurchases

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All values are in USD.