Tree Island Steel Announces First Quarter 2025 Results

VANCOUVER, British Columbia, May 09, 2025 -- Tree Island Steel ("Tree Island" or the "Company") (TSX: TSL) announced today its financial results for the three months ended March 31, 2025.

For the three-month period ended March 31, 2025, revenues, net of freight and distribution, decreased by $6.4 million to $50.2 million, from $56.6 million in the same period in 2024. The decline was primarily driven by lower sales volumes to U.S. customers mostly in the residential segment with the Company's decision to pull back from certain unprofitable product lines. Beginning in March, there was also a pullback in demand due to the U.S. tariffs on certain steel products made in Canada. Although average selling prices were higher, gross profit for the first quarter decreased to $3.9 million, from $4.8 million in the same period in 2024, due to lower sales and production volumes. Adjusted EBITDA amounted to $2.0 million, compared to $3.1 million during the same period in 2024 from lower gross profit. To manage operational costs, company-wide headcount was reduced by 9% compared to the previous year.

"We are taking steps to rebalance our production and workforce in response to the changing demand. We are also exploring opportunities in new and existing markets to leverage our operational capabilities on both sides of the border," commented Nancy Davies, Chief Operating Officer of Tree Island Steel.

RESULTS FROM OPERATIONS

($'000 unless otherwise stated)	Three Months Ended March 31,	
	2025	2024
Revenue	53,301	60,590
Freight and distribution costs	(3,110)	(4,037)
Subtotal	50,191	56,553
Cost of sales	(44,851)	(50,409)
Depreciation	(1,386)	(1,316)
Gross profit	3,954	4,828
Selling, general and administrative expenses	(3,294)	(3,391)
Operating income	660	1,437
Foreign exchange gain	8	381
Gain on property, plant and equipment sale	2	-
Other expenses	(182)	-
Interest income	26	208
Financing expenses	(512)	(561)
Income before income taxes	2	1,465
Income tax expense	-	(840)
Net income	2	625
Net income per share	0.00	0.02
Dividends per share	0.015	0.030

Financial position as at:	March 31, 2025	December 31, 2024
Total assets	167,666	168,817
Total non-current financial liabilities	31,056	31,246

Adjusted EBITDA

Three Months Ended

($'000 unless otherwise stated)	March 31, 2025	2024
Operating income	660	1,437
Add back depreciation	1,386	1,316
Foreign exchange gain	8	381
Adjusted EBITDA[1]	2,054	3,134

[1] See definition on Adjusted EBITDA in Section 2 NON-IFRS MEASURES of the March 31, 2025, 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 “Risks Relating to Our Business” 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 and under the heading “Risk Relating to Our Business” in the recent annual information form, 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, the 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, physical impacts of extreme weather conditions, intellectual property risks, energy costs, un-insured loss, credit risk, operating risk, product liability risks, 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 the 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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