BuildDirect

BuildDirect Announces Investor Webinar and Provides Corporate Update

VANCOUVER, BC, Jan. 17, 2023 /CNW/ - BuildDirect.com Technologies Inc. (TSXV: BILD) ("BuildDirect" or the "Company"), a leading omnichannel building material retailer, is pleased to provide the following corporate update.

BuildDirect Investor Webinar

The Company will be hosting an investor webinar on Wednesday, January 18, 2023, at 1:00 PM (EST) to discuss BuildDirect's key business highlights and growth outlook for 2023.

Webinar Details:

Date & Time: Wednesday, January 18, 2023, at 1:00 PM (EST)
Speakers: Shawn Wilson, CEO of BuildDirect and Matthew Alexander, Interim CFO of BuildDirect

Click the link below to register for the webinar.
https://us02web.zoom.us/webinar/register/WN_RNtQBAsGRVqCCJU-EkIrug

Adjusted EBITDA and 'Pro' Customer Revenue Growth

The Company achieved substantial EBITDA growth as highlighted by the Company's adjusted EBITDA of US$0.86M for the 9 months ending September 30, 2022, an increase of 211% as compared to the same period last year as a result of shifting its focus on the 'Pro' customer market. Additionally, the Company's Q3 2022 Pro revenue of US$19.4 million, which increased 5.6% quarter-over-quarter and 19.6% year-over-year, underscores BuildDirect's ongoing efforts to grow its Pro customer base (see the news release of the Company dated November 16, 2022).

Operating Cost Reductions

As part of the Company's Pro-focused sales strategy, the Company has made cost reductions in the third quarter of 2022 by decreasing its marketing spend and fixed costs which are expected to reduce annualized operating expenses by US$2 million without affecting BuildDirect's Pro revenue growth (See the news release of the Company dated November 16, 2022).

Focus on Growing North American 'Pro' Market Share

'Pro' customers consist of custom home builders, property investors, realtors, multifamily and commercial development firms and flooring contractors to name a few, and account for more than 50% of the $71 billion U.S. flooring industry.[1] In addition, Pro customers tend to make recurring large purchase orders, which results in higher long-term value per customer as compared to homeowners.[2] As a result, the Company intends to scale up its North American Pro network by exploring the expansion of its local sales team and improving its product and service offerings that are suited for Pro customers while maintaining cost-efficiencies.

Furthermore, the Company also intends to pursue the growth of its 'Pro' market share through continued exploration of Pro-focused acquisition opportunities across the United States and Canada. On November 17, 2021, BuildDirect acquired Superb Flooring & Design LLC, a full-service flooring retailer based in Michigan, United States that serves Pro builder customers across the U.S. mid-West (see the news release of the Company dated November 17, 2021). The Company plans to evaluate similar M&A targets that present the potential opportunity to increase its Pro customer base as well as generate additional revenue and EBITDA.

1. Floor Covering Weekly; Vol 69 No 16; Jul 27, 2020 | Catalina Market Report, 2022.
2. Internal Company Estimates

Additions to Leadership Team

The Company recently appointed Shawn Wilson, a home improvement veteran with over 20 years of flooring experience, as the CEO of BuildDirect and Matthew Alexander, a corporate finance expert with roughly 15 years of financial, strategic, and operational experience as the Interim CFO of BuildDirect (see the news release of the Company dated August 30, 2022).

Under the new leadership, BuildDirect aims to advance business verticals with the goal of streamlining its operations, driving organic revenue growth, and improving the Company's overall profitability.

Growth Outlook

As noted above, the Company aims to execute the following strategic initiatives:

- Focus on Pro customers with the goal of accelerating organic revenue growth
- Exploring opportunities to acquire Pro-focused retailers across the U.S. and Canada

"In 2023, we will continue shifting our focus to targeting more Pro customers with the aim of not only increasing our revenue growth but also, improving our bottom line," said Shawn Wilson, CEO of BuildDirect. "The North American Pro industry represents a significant market opportunity, and we intend to pursue growing industry segments and product and service opportunities with our Pro customers."

About BuildDirect

BuildDirect (TSXV: BILD) is a leading omnichannel building material retailer. BuildDirect connects North American home improvement B2B and B2C organizations, and homeowners with quality building materials and services through its robust global supply chain network. BuildDirect's growth trajectory, strong product offering, and proprietary heavyweight delivery network are delivering value today, solidifying its position as an innovative player in the home improvement industry. For more information, visit www.builddirect.com.

Forward-Looking Information

This press release contains statements which constitute "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"),including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to future business activities and operating performance. Forward-looking statements are often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions. These statements reflect management's current beliefs and expectations and are based on information currently available to management as at the date hereof.

Forward-looking statements in this press release may include, without limitation, statements relating to the maintenance and growth of positive adjusted EBITDA and revenue, BuildDirect's continued focus on and growth of its Pro customer base (including, without limitation, through exploring expansion of its local sales team and improving its product and service offerings), the impact of cost reductions on annualized operating expenses, Pro customers' tendency to make larger recurring purchases and value as higher long-term customers, BuildDirect's advancement of business verticals along with the streamlining of operations, driving of organic revenue growth and improving the Company's overall profitability and bottom line, pursuit of growing industry segments and product and service opportunities with the Company's Pro customers, and the pursuit of acquisition opportunities that increase its Pro customer base as well as generate additional revenue and EBITDA.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. Among those factors are changes in consumer spending, inflation, availability of mortgage financing and consumer credit, changes in the housing market, changes in trade policies, tariffs or other applicable laws and regulations both locally and in foreign jurisdictions, availability and cost of goods from suppliers, fuel prices and other energy costs, interest rate and currency fluctuations, retention of key personnel and changes in general economic, business and political conditions and other factors referenced under the "Risks and Uncertainties" section of our MD&A. These forward-looking statements may be affected by risks and uncertainties in the business of the Company and general market conditions, including COVID-19.

These factors should be considered carefully, and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release reflect the Company's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and BuildDirect assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

Reference is made in this press release to the following non-GAAP measures: Adjusted EBITDA. These non-GAAP measures are commonly used by investors and other interested parties to evaluate our financial performance and are employed by the Company to measure its operating and economic performance and to assist in business decision-making. These non-GAAP measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers. These measures are provided as additional information to complement those IFRS measures by providing further understanding of the results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the financial information reported under IFRS. Refer to the news release of the Company dated November 16, 2022 as well as the Management's Discussion and Analysis of the Company for the three and nine months ended September 30, 2022 (available on the Company's website at www.builddirect.com and on the Company's SEDAR profile available at www.sedar.com) for definitions and reconciliations of non-IFRS measures to the nearest IFRS measures.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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