



## Interfor Corporation

Vancouver, B.C.

August 06, 2020

***Interfor Reports Q2'20 Results***  
***EBITDA<sup>1</sup> of \$43 million on Sales of \$397 million***  
***Net Debt to Invested Capital<sup>1</sup> of 22%; Liquidity of \$497 million***  
***Chief Financial Officer Appointment***

**INTERFOR CORPORATION** ("Interfor" or the "Company") (TSX: IFP) Interfor recorded net earnings in Q2'20 of \$3.2 million, or \$0.05 per share, compared to \$6.3 million, or \$0.09 per share in Q1'20 and a net loss of \$11.2 million, or \$0.17 per share in Q2'19. Adjusted net earnings were \$10.6 million in Q2'20 compared to \$0.7 million in Q1'20 and an Adjusted net loss of \$16.2 million in Q2'19.

Adjusted EBITDA was \$42.8 million on sales of \$396.8 million in Q2'20 versus \$36.6 million on sales of \$479.6 million in Q1'20.

Notable items in the quarter included:

- Strengthened Financial Position
  - Net debt ended the quarter at \$239.1 million, or 21.6% of invested capital, resulting in available liquidity of \$496.9 million.
  - Interfor generated \$37.6 million of cash flow from operations before changes in working capital, or \$0.56 per share. Working capital investment decreased by \$65.4 million from efforts to optimize lumber and log inventory levels in response to the COVID-19 pandemic.
  - Capital spending was \$23.6 million, including \$18.9 million on high-return discretionary projects, primarily in the U.S. South. US\$76.1 million has been spent on the Company's Phase II strategic capital plan through June 30, 2020.
  - With its strengthened financial position, Interfor has increased its planned capital expenditures for 2020 by \$20 million to a total of approximately \$120 million.
- Lumber Production Decline Due to COVID-19 Related Curtailments
  - Total lumber production in Q2'20 was 421 million board feet, down 206 million board feet quarter-over-quarter. This decline reflects Interfor's previously announced plan to temporarily reduce production across its operations in response to the COVID-19 pandemic. By the end of Q2'20, the Company's lumber production had returned to rates typical for the period preceding the pandemic.
  - Production in the B.C. region declined to 115 million board feet from 186 million board feet in the preceding quarter. The U.S. South and U.S. Northwest regions accounted for 230 million board feet and 76 million board feet, respectively, compared to 311 million board feet and 130 million board feet in Q1'20.
  - Lumber inventory levels decreased 68 million board feet over the course of Q2'20.

<sup>1</sup> Refer to Adjusted EBITDA and Net debt to invested capital in the Non-GAAP Measures section

- **Mixed Lumber Price Movements**
  - Movements in the key benchmark prices were mixed quarter-over-quarter with the Western SPF Composite and KD H-F Stud 2x4 9' benchmarks decreasing by US\$30 and US\$16 per mfbm to US\$350 and US\$415 per mfbm, respectively, while the SYP Composite increased by US\$77 per mfbm to US\$428 per mfbm. Interfor's average lumber selling price increased \$53 from Q1'20 to \$646 per mfbm.
  - While lumber prices fell sharply in the initial stages of COVID-19, industry-wide production curtailments and growing demand have contributed to the strengthening price environment since mid-April 2020.
- **Softwood Lumber Duties**
  - Interfor expensed \$7.4 million of duties in the quarter, representing the full amount of countervailing and anti-dumping duties incurred on its Canadian shipments of softwood lumber into the U.S. at a combined rate of 20.23%. Cumulative duties of US\$106.7 million have been paid by Interfor since the inception of the current trade dispute and are held in trust by U.S. Customs and Border Protection.
  - On February 3, 2020 the U.S. Department of Commerce issued preliminary revised combined rates of 8.37% for 2017 and 8.21% for 2018. These rates remain preliminary, with final rate determinations not expected until November 2020. At such time, the final rates will be applied to new lumber shipments. No adjustments have been recorded in the financial statements as of June 30, 2020 to reflect the preliminary revised duty rates.

## **Outlook**

Near-term lumber demand is expected to remain strong, as repair and renovation lumber demand continues to be robust and U.S. housing starts recover from the initial impacts of the COVID-19 pandemic. Industry-wide lumber production curtailments in March resulted in supply shortages and higher lumber prices. However, recovery of the economy in North America continues to be impacted by uncertainties related to COVID-19.

Interfor's strategy of maintaining a diversified portfolio of operations allows the Company to both reduce risk and maximize returns on invested capital over the business cycle.

While uncertainty remains as to the duration and extent of the economic impact from the COVID-19 pandemic, Interfor is well positioned with its strong balance sheet and significant available liquidity.

## **Chief Financial Officer Appointment**

At its meeting earlier today, the Company's Board of Directors confirmed the appointment of Rick Pozzebon as Senior Vice-President & Chief Financial Officer, effective August 6, 2020. Mr. Pozzebon, who is 42 and a CPA, CA and CFA Charterholder, joined Interfor in January 2014. As Vice President, Corporate Controller, he has led the Company's corporate finance and tax functions. He has more than 18 years of experience working with one of the big four accounting firms in both the US and Canada and in various senior corporate finance roles.

## Financial and Operating Highlights<sup>1</sup>

	Unit	For the 3 months ended			For the 6 months ended	
		Jun. 30 2020	Jun. 30 2019	Mar. 31 2020	Jun. 30 2020	Jun. 30 2019
<b>Financial Highlights<sup>2</sup></b>						
Total sales	\$MM	396.8	481.3	479.6	876.4	932.5
Lumber	\$MM	322.1	406.9	379.3	701.4	787.4
Logs, residual products and other	\$MM	74.7	74.4	100.3	175.0	145.1
Operating earnings (loss)	\$MM	13.3	(18.2)	14.6	27.9	(35.0)
Net earnings (loss)	\$MM	3.2	(11.2)	6.3	9.5	(26.5)
Net earnings (loss) per share, basic	\$/share	0.05	(0.17)	0.09	0.14	(0.39)
Adjusted net earnings (loss) <sup>3</sup>	\$MM	10.6	(16.2)	0.7	11.4	(28.9)
Adjusted net earnings (loss) per share, basic <sup>3</sup>	\$/share	0.16	(0.24)	0.01	0.17	(0.43)
Operating cash flow per share (before working capital changes) <sup>3</sup>	\$/share	0.56	0.15	0.57	1.13	0.40
Adjusted EBITDA <sup>3</sup>	\$MM	42.8	12.6	36.6	79.4	28.9
Adjusted EBITDA margin <sup>3</sup>	%	10.8%	2.6%	7.6%	9.1%	3.1%
Total assets	\$MM	1,538.8	1,459.8	1,569.5	1,538.8	1,459.8
Total debt	\$MM	408.8	261.7	425.6	408.8	261.7
Net debt <sup>3</sup>	\$MM	239.1	198.2	322.0	239.1	198.2
Net debt to invested capital <sup>3</sup>	%	21.6%	17.9%	26.7%	21.6%	17.9%
Annualized return on invested capital <sup>3</sup>	%	14.8%	4.6%	12.9%	14.7%	5.4%
<b>Operating Highlights</b>						
Lumber production	million fbm	421	647	627	1,047	1,293
Total lumber sales	million fbm	499	674	641	1,140	1,295
Lumber sales - Interfor produced	million fbm	488	664	632	1,120	1,274
Lumber sales - wholesale and commission	million fbm	11	10	9	20	21
Lumber - average selling price <sup>4</sup>	\$/thousand fbm	646	603	592	616	608
Average USD/CAD exchange rate <sup>5</sup>	1 USD in CAD	1.3862	1.3377	1.3449	1.3651	1.3336
Closing USD/CAD exchange rate <sup>5</sup>	1 USD in CAD	1.3628	1.3087	1.4187	1.3628	1.3087

### Notes:

- Figures in this table may not equal or sum to figures presented elsewhere due to rounding.
- Financial information presented for interim periods in this release is prepared in accordance with IFRS and is unaudited.
- Refer to the Non-GAAP Measures section of this release for definitions and reconciliations of these measures to figures reported in the Company's consolidated financial statements.
- Gross sales before duties.
- Based on Bank of Canada foreign exchange rates.

## Liquidity

### Balance Sheet

Interfor's net debt at June 30, 2020 was \$239.1 million, or 21.6% of invested capital, representing an increase of \$14.3 million since December 31, 2019.

In response to COVID-19, the Company has taken steps to significantly reduce its working capital through balancing inventory levels with demand and reducing discretionary spending and commitments. The Company also continues to actively review the evolving Canadian and U.S. government stimulus programs to access any available support for its business operations and employees.

As at June 30, 2020 the Company had net working capital of \$275.7 million and available liquidity of \$496.9 million, based on the full borrowing capacity under its \$350 million Revolving Term Line.

The Revolving Term Line and Senior Secured Notes are subject to financial covenants, including net debt to total capitalization ratios, and an EBITDA interest coverage ratio that could affect the Company's borrowing capacity under the Revolving Term Line.

Management believes, based on circumstances known today, that Interfor has sufficient working capital and liquidity to fund operating and capital requirements for the foreseeable future.

Thousands of Dollars	For the 3 months ended Jun. 30,		For the 6 months ended Jun. 30,	
	2020	2019	2020	2019
<b>Net debt</b>				
Net debt, period opening	\$322,036	\$172,746	\$224,860	\$63,825
Issuance of Senior Secured Notes	-	-	140,770	-
Term Line net drawings (repayments)	-	-	(59)	750
Impact on U.S. Dollar denominated debt from (strengthening) weakening CAD	(16,770)	(5,520)	8,370	(11,850)
Decrease (increase) in cash and cash equivalents	(71,640)	30,028	(140,624)	98,918
Decrease in marketable securities	-	-	-	41,766
Impact on U.S. Dollar denominated cash and cash equivalents and marketable securities from strengthening CAD	5,488	955	5,798	4,800
Net debt, period ending	\$239,114	\$198,209	\$239,114	\$198,209

On March 26, 2020, the Company issued US\$50,000,000 of Series F Senior Secured Notes, bearing interest at 3.34%, and US\$50,000,000 of Series G Senior Secured Notes, bearing interest at 3.25%. Each series of these Senior Secured Notes have equal payments of US\$16,667,000 due on each of March 26, 2028, 2029 and on maturity in 2030.

### **Capital Resources**

The following table summarizes Interfor's credit facilities and availability as of June 30, 2020:

Thousands of Canadian Dollars	Revolving Term Line	Senior Secured Notes	Total
Available line of credit and maximum borrowing available	\$350,000	\$408,840	\$758,840
Less:			
Drawings	-	408,840	408,840
Outstanding letters of credit included in line utilization	22,849	-	22,849
Unused portion of facility	\$327,151	\$-	327,151
Add:			
Cash and cash equivalents			169,726
Available liquidity at June 30, 2020			\$496,877

Interfor's Revolving Term Line matures in March 2024 and its Senior Secured Notes have maturities principally in the years 2024-2030.

As of June 30, 2020, the Company had commitments for capital expenditures totaling \$45.0 million for both maintenance and discretionary capital projects.

### **Non-GAAP Measures**

This release makes reference to the following non-GAAP measures: Adjusted net earnings (loss), Adjusted net earnings (loss) per share, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Net debt to invested capital, Operating cash flow per share (before working capital changes), and Return on invested capital which are used by the Company and certain investors to evaluate operating performance and financial position. These non-GAAP measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

The following table provides a reconciliation of these non-GAAP measures to figures as reported in the Company's audited consolidated financial statements (unaudited for interim periods) prepared in accordance with IFRS:

	For the 3 months ended			For the 6 months ended	
	Jun. 30 2020	Jun. 30 2019	Mar. 31 2020	Jun. 30 2020	Jun. 30 2019
Thousands of Canadian Dollars except number of shares and per share amounts					
<b>Adjusted Net Earnings (Loss)</b>					
Net earnings (loss)	\$3,235	\$(11,159)	\$6,309	\$9,544	\$(26,461)
Add:					
Capital asset write-downs and restructuring costs	115	87	371	486	1,752
Other foreign exchange loss (gain)	4,963	321	849	5,812	(19)
Long term incentive compensation expense (recovery)	5,629	(851)	(8,946)	(3,317)	1,132
Other (income) expense	(586)	(6,487)	115	(471)	(6,323)
Income tax effect of above adjustments	(2,712)	1,866	2,043	(669)	991
Adjusted net earnings (loss)	\$10,644	\$(16,223)	\$741	\$11,385	\$(28,928)
Weighted average number of shares - basic ('000)	67,260	67,252	67,260	67,260	67,300
Adjusted net earnings (loss) per share	\$0.16	\$(0.24)	\$0.01	\$0.17	\$(0.43)
<b>Adjusted EBITDA</b>					
Net earnings (loss)	\$3,235	\$(11,159)	\$6,309	\$9,544	\$(26,461)
Add:					
Depreciation of plant and equipment	15,601	19,410	20,061	35,662	39,132
Depletion and amortization of timber, roads and other	8,108	12,201	10,530	18,638	21,938
Capital asset write-downs and restructuring costs	115	87	371	486	1,752
Finance costs	5,185	3,324	4,096	9,281	7,500
Other foreign exchange loss (gain)	4,963	321	849	5,812	(19)
Income tax expense (recovery)	563	(4,196)	3,205	3,768	(9,704)
EBITDA	37,770	19,988	45,421	83,191	34,138
Add:					
Long term incentive compensation expense (recovery)	5,629	(851)	(8,946)	(3,317)	1,132
Other (income) expense	(586)	(6,487)	115	(471)	(6,323)
Adjusted EBITDA	\$42,813	\$12,650	\$36,590	\$79,403	\$28,947
Sales	\$396,778	\$481,345	\$479,646	\$876,424	\$932,508
<b>Adjusted EBITDA margin</b>	10.8%	2.6%	7.6%	9.1%	3.1%
<b>Net debt to invested capital</b>					
Net debt					
Total debt	\$408,840	\$261,740	\$425,610	\$408,840	\$261,740
Cash and cash equivalents	(169,726)	(63,531)	(103,574)	(169,726)	(63,531)
Total net debt	\$239,114	\$198,209	\$322,036	\$239,114	\$198,209
Invested capital					
Net debt	\$239,114	\$198,209	\$322,036	\$239,114	\$198,209
Shareholders' equity	869,443	911,409	882,917	869,443	911,409
Total invested capital	\$1,108,557	\$1,109,618	\$1,204,953	\$1,108,557	\$1,109,618
Net debt to invested capital <sup>1</sup>	21.6%	17.9%	26.7%	21.6%	17.9%
<b>Operating cash flow per share (before working capital changes)</b>					
Cash provided by (used in) operating activities	\$103,003	\$32,302	\$19,319	\$122,322	\$(26,048)
Cash used in (generated from) operating working capital	(65,439)	(22,443)	19,103	(46,336)	52,992
Operating cash flow (before working capital changes)	\$37,564	\$9,859	\$38,422	\$75,986	\$26,944
Weighted average number of shares - basic ('000)	67,260	67,252	67,260	67,260	67,300
Operating cash flow per share (before working capital changes)	\$0.56	\$0.15	\$0.57	\$1.13	\$0.40
<b>Annualized return on invested capital</b>					
Adjusted EBITDA	\$42,813	\$12,650	\$36,590	\$79,403	\$28,947
Invested capital, beginning of period	\$1,204,953	\$1,106,255	\$1,055,842	\$1,055,842	\$1,032,591
Invested capital, end of period	1,108,557	1,109,618	1,204,953	1,108,557	1,109,618
Average invested capital	\$1,156,755	\$1,107,937	\$1,130,398	\$1,082,200	\$1,071,105
Adjusted EBITDA divided by average invested capital	3.7%	1.1%	3.2%	7.3%	2.7%
Annualization factor	4.0	4.0	4.0	2.0	2.0
Annualized return on invested capital	14.8%	4.6%	12.9%	14.7%	5.4%

Note: 1 Net debt to invested capital as of the period end.



**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)**  
**For the three and six months ended June 30, 2020 and 2019 (unaudited)**

(thousands of Canadian Dollars except earnings per share)	Three Months Jun. 30, 2020	Three Months Jun. 30, 2019	Six Months Jun. 30, 2020	Six Months Jun. 30, 2019
<b>Sales</b>	\$396,778	\$481,345	\$876,424	\$932,508
<b>Costs and expenses:</b>				
Production	337,134	448,043	760,362	861,226
Selling and administration	9,444	9,808	18,672	20,373
Long term incentive compensation expense (recovery)	5,629	(851)	(3,317)	1,132
U.S. countervailing and anti-dumping duty deposits	7,387	10,844	17,987	21,962
Depreciation of plant and equipment	15,601	19,410	35,662	39,132
Depletion and amortization of timber, roads and other	8,108	12,201	18,638	21,938
	383,303	499,455	848,004	965,763
<b>Operating earnings (loss) before write-downs and restructuring costs</b>	13,475	(18,110)	28,420	(33,255)
Capital asset write-downs and restructuring costs	115	87	486	1,752
<b>Operating earnings (loss)</b>	13,360	(18,197)	27,934	(35,007)
Finance costs	(5,185)	(3,324)	(9,281)	(7,500)
Other foreign exchange gain (loss)	(4,963)	(321)	(5,812)	19
Other income (expense)	586	6,487	471	6,323
	(9,562)	2,842	(14,622)	(1,158)
<b>Earnings (loss) before income taxes</b>	3,798	(15,355)	13,312	(36,165)
Income tax expense (recovery):				
Current	(193)	233	136	393
Deferred	756	(4,429)	3,632	(10,097)
	563	(4,196)	3,768	(9,704)
<b>Net earnings (loss)</b>	\$3,235	\$(11,159)	\$9,544	\$(26,461)
<b>Net earnings (loss) per share, basic and diluted</b>	\$0.05	\$(0.17)	\$0.14	\$(0.39)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**For the three and six months ended June 30, 2020 and 2019 (unaudited)**

(thousands of Canadian Dollars)	Three Months Jun. 30, 2020	Three Months Jun. 30, 2019	Six Months Jun. 30, 2020	Six Months Jun. 30, 2019
<b>Net earnings (loss)</b>	\$3,235	\$(11,159)	\$9,544	\$(26,461)
<b>Other comprehensive income (loss):</b>				
<b>Items that will not be recycled to Net earnings (loss):</b>				
Defined benefit plan actuarial gain (loss), net of tax	(543)	(439)	(1,256)	133
<b>Items that are or may be recycled to Net earnings (loss):</b>				
Foreign currency translation differences for foreign operations, net of tax	(16,400)	(10,728)	29,683	(23,601)
<b>Total other comprehensive income (loss), net of tax</b>	(16,943)	(11,167)	28,427	(23,468)
<b>Comprehensive income (loss)</b>	\$(13,708)	\$(22,326)	\$37,971	\$(49,929)



**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the three and six months ended June 30, 2020 and 2019 (unaudited)**

(thousands of Canadian Dollars)

	Three Months Jun. 30, 2020	Three Months Jun. 30, 2019	Six Months Jun. 30, 2020	Six Months Jun. 30, 2019
<b>Cash provided by (used in):</b>				
<b>Operating activities:</b>				
<b>Net earnings (loss)</b>	<b>\$3,235</b>	<b>\$(11,159)</b>	<b>\$9,544</b>	<b>\$(26,461)</b>
<b>Items not involving cash:</b>				
Depreciation of plant and equipment	15,601	19,410	35,662	39,132
Depletion and amortization of timber, roads and other	8,108	12,201	18,638	21,938
Deferred income tax expense (recovery)	756	(4,429)	3,632	(10,097)
Current income tax expense (recovery)	(193)	233	136	393
Finance costs	5,185	3,324	9,281	7,500
Other assets	(450)	304	486	321
Reforestation liability	(4,616)	(3,250)	(1,850)	(743)
Provisions and other liabilities	4,993	(801)	(5,300)	(1,004)
Stock options	234	209	490	317
Write-down (recovery) of plant and equipment	(53)	88	(53)	1,811
Unrealized foreign exchange loss	5,350	216	5,791	160
Other income	(586)	(6,487)	(471)	(6,323)
	<b>37,564</b>	<b>9,859</b>	<b>75,986</b>	<b>26,944</b>
<b>Cash generated from (used in) operating working capital:</b>				
Trade accounts receivable and other	(6,164)	(5,873)	(29,577)	(20,448)
Inventories	65,968	17,605	67,323	(9,565)
Prepayments	4,020	(2,873)	1,907	(5,742)
Trade accounts payable and provisions	1,609	13,862	6,671	(16,662)
Income tax refund (payment)	6	(278)	12	(575)
	<b>103,003</b>	<b>32,302</b>	<b>122,322</b>	<b>(26,048)</b>
<b>Investing activities:</b>				
Additions to property, plant and equipment	(21,116)	(58,904)	(45,988)	(94,830)
Additions to roads and bridges	(2,439)	(5,661)	(5,143)	(13,505)
Additions to intangible assets	-	(20)	-	(72)
Acquisition of timber license, roads and other assets net of assumed liabilities	-	-	(56,606)	-
Proceeds on disposal of property, plant and equipment and other	705	8,032	867	8,140
Net proceeds from (additions to) marketable securities, deposits and other assets	(681)	(11)	(879)	46,760
	<b>(23,531)</b>	<b>(56,564)</b>	<b>(107,749)</b>	<b>(53,507)</b>
<b>Financing activities:</b>				
Issuance of share capital, net of expenses	-	17	-	80
Share repurchases	-	-	-	(7,825)
Interest payments	(4,751)	(2,837)	(8,509)	(5,417)
Lease liability payments	(3,074)	(2,779)	(6,008)	(5,765)
Debt refinancing costs	(7)	(172)	(143)	(1,191)
Operating line net drawings (repayments)	-	5	(59)	5
Additions to long term debt	-	-	140,770	197,925
Repayments of long term debt	-	-	-	(197,175)
	<b>(7,832)</b>	<b>(5,766)</b>	<b>126,051</b>	<b>(19,363)</b>
<b>Foreign exchange loss on cash and cash equivalents held in a foreign currency</b>				
	<b>(5,488)</b>	<b>(955)</b>	<b>(5,798)</b>	<b>(3,703)</b>
<b>Increase (decrease) in cash</b>	<b>66,152</b>	<b>(30,983)</b>	<b>134,826</b>	<b>(102,621)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>103,574</b>	<b>94,514</b>	<b>34,900</b>	<b>166,152</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$169,726</b>	<b>\$63,531</b>	<b>\$169,726</b>	<b>\$63,531</b>



**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2020 and December 31, 2019 (unaudited)**

(thousands of Canadian Dollars)

	Jun. 30, 2020	Dec. 31, 2019
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$169,726	\$34,900
Trade accounts receivable and other	119,712	86,608
Income taxes receivable	1,888	1,995
Inventories	119,934	181,577
Prepayments	19,460	20,449
	<b>430,720</b>	<b>325,529</b>
<b>Employee future benefits</b>	<b>110</b>	<b>673</b>
<b>Deposits and other assets</b>	<b>9,988</b>	<b>9,296</b>
<b>Right of use assets</b>	<b>32,600</b>	<b>32,780</b>
<b>Property, plant and equipment</b>	<b>774,810</b>	<b>739,515</b>
<b>Roads and bridges</b>	<b>20,514</b>	<b>24,353</b>
<b>Timber licences</b>	<b>116,837</b>	<b>60,596</b>
<b>Other intangible assets</b>	<b>3,032</b>	<b>3,480</b>
<b>Goodwill</b>	<b>145,570</b>	<b>138,734</b>
<b>Deferred income taxes</b>	<b>4,643</b>	<b>6,961</b>
	<b>\$1,538,824</b>	<b>\$1,341,917</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities:</b>		
Trade accounts payable and provisions	\$120,095	\$114,358
Current portion of long term debt	7,381	-
Reforestation liability	16,216	13,021
Lease liabilities	11,210	10,105
Income taxes payable	134	163
	<b>155,036</b>	<b>137,647</b>
<b>Reforestation liability</b>	<b>29,853</b>	<b>27,401</b>
<b>Lease liabilities</b>	<b>26,023</b>	<b>27,718</b>
<b>Long term debt</b>	<b>401,459</b>	<b>259,760</b>
<b>Employee future benefits</b>	<b>13,132</b>	<b>11,843</b>
<b>Provisions and other liabilities</b>	<b>14,138</b>	<b>18,957</b>
<b>Deferred income taxes</b>	<b>29,740</b>	<b>27,609</b>
<b>Equity:</b>		
Share capital	533,685	533,685
Contributed surplus	4,961	4,471
Translation reserve	86,442	56,759
Retained earnings	244,355	236,067
	<b>869,443</b>	<b>830,982</b>
	<b>\$1,538,824</b>	<b>\$1,341,917</b>

Approved on behalf of the Board:

"L. Sauder"  
 Director

"Thomas V. Milroy"  
 Director



## **FORWARD-LOOKING STATEMENTS**

This release contains forward-looking information about the Company's business outlook, objectives, plans, strategic priorities and other information that is not historical fact. A statement contains forward-looking information when the Company uses what it knows and expects today, to make a statement about the future. Statements containing forward-looking information may include words such as: will, could, should, believe, expect, anticipate, intend, forecast, projection, target, outlook, opportunity, risk or strategy. Readers are cautioned that actual results may vary from the forward-looking information in this release, and undue reliance should not be placed on such forward-looking information. Risk factors that could cause actual results to differ materially from the forward-looking information in this release are described in Interfor's second quarter and annual Management's Discussion & Analysis under the heading "Risks and Uncertainties", which is available on [www.interfor.com](http://www.interfor.com) and under Interfor's profile on [www.sedar.com](http://www.sedar.com). Material factors and assumptions used to develop the forward-looking information in this release include volatility in the selling prices for lumber, logs and wood chips; the Company's ability to compete on a global basis; the availability and cost of log supply; natural or man-made disasters; currency exchange rates; changes in government regulations; the availability of the Company's allowable annual cut ("AAC"); claims by and treaty settlements with Indigenous peoples; the Company's ability to export its products; the softwood lumber trade dispute between Canada and the U.S.; stumpage fees payable to the Province of British Columbia; environmental impacts of the Company's operations; labour disruptions; information systems security; and the existence of a public health crisis (such as the current COVID-19 pandemic). Unless otherwise indicated, the forward-looking information in this release is based on the Company's expectations at the date of this release. Interfor undertakes no obligation to update such forward-looking information, except as required by law.

## **ABOUT INTERFOR**

Interfor is a growth-oriented lumber company with operations in Canada and the United States. The Company has annual production capacity of approximately 3.0 billion board feet and offers one of the most diverse lines of lumber products to customers around the world. For more information about Interfor, visit our website at [www.interfor.com](http://www.interfor.com).

The Company's unaudited consolidated financial statements and Management's Discussion and Analysis for Q2'20 are available at [www.sedar.com](http://www.sedar.com) and [www.interfor.com](http://www.interfor.com).

There will be a conference call on Friday, August 7, 2020 at 8:00 a.m. (Pacific Time) hosted by **INTERFOR CORPORATION** for the purpose of reviewing the Company's release of its second quarter 2020 financial results.

The dial-in number is **1-833-297-9919**. The conference call will also be recorded for those unable to join in for the live discussion and will be available until September 6, 2020. The number to call is **1-855-859-2056, Passcode 3361629**.

For further information:

Ian Fillinger, President and Chief Executive Officer  
(604) 689-6800