



Interfor Corporation

Burnaby, B.C.

May 14, 2026

Interfor Reports Q1'26 Results Adjusted EBITDA of \$31 million and Net Loss of \$63 million

INTERFOR CORPORATION ("Interfor" or the "Company") (TSX: IFP) recorded a net loss in Q1'26 of \$63.3 million, or \$0.96 per share, compared to a net loss of \$104.6 million, or \$1.59 per share in Q4'25 and a net loss of \$35.1 million, or \$0.68 per share in Q1'25.

Adjusted EBITDA was \$30.7 million on sales of \$643.2 million in Q1'26 versus an Adjusted EBITDA loss of \$29.2 million on sales of \$600.6 million in Q4'25 and Adjusted EBITDA of \$48.6 million on sales of \$735.5 million in Q1'25.

- Operational Highlights
 - Lumber prices increased during Q1'26 as reflected in Interfor's average selling price of \$666 per mfbm, up \$67 per mfbm versus Q4'25. Lumber prices strengthened across all operating regions primarily from the effects of the industry-wide production curtailments in 2025 and seasonal demand.
 - Lumber production of 856 million board feet was up 103 million board feet versus the preceding quarter driven primarily by higher operating rates at the U.S. Northwest and B.C. operations. Q4'25 production was impacted by temporary production curtailments in response to weak market conditions.
 - Due to weak market conditions and other factors, Interfor indefinitely curtailed operations at its Ear Falls, Ontario sawmill in Q1'26 and at its Nairn and Gogama, Ontario sawmills in April 2026.
 - Lumber shipments of 806 million board feet were approximately 6% lower than lumber production, resulting in a 52 million board foot increase in inventory volume during the quarter. The shortfall of lumber shipments compared to production was primarily the result of logistics constraints across the U.S. towards the end of the quarter.
- Financial Position
 - During the quarter the Company completed a series of previously announced financing transactions, which taken together significantly strengthened the Company's financial flexibility.
 - The Company's available liquidity improved \$14.5 million quarter-over-quarter to \$385.8 million at March 31, 2026 and the Company had net working capital of \$249.8 million as at March 31, 2026.
 - The Company generated \$23.8 million of positive operating cash flow before working capital changes in Q1'26, primarily due to higher average lumber prices. \$22.9 million was invested in working capital, driven primarily by lumber shipment delays resulting from logistics constraints and seasonally higher log inventories in Canada.
 - Net debt at quarter-end was \$857.7 million, or 38.3% of invested capital compared to net debt at Q4'25 of \$797.6 million, or 36.5% of invested capital.

- Capital Initiatives
 - Capital spending was \$35.2 million, including \$27.6 million of discretionary investment primarily focused on the multi-year rebuild of the Thomaston, GA sawmill. The comprehensive rebuild of the Thomaston, GA sawmill was completed during the quarter and is currently ramping up as expected towards the pro forma production capacity of 240 million board feet per year.
 - As previously announced, the Company plans to sell certain property, plant and equipment of two operations in the U.S. South and the impending sale of these operations resulted in an impairment charge of \$11.4 million and a loss on disposal of \$27.2 million related to goodwill in Q1'26.
- Export Duties and Tariffs
 - On April 9, 2026, the U.S. Department of Commerce ("DoC") issued its preliminary anti-dumping ("AD") and countervailing ("CV") duty rates for a combined all others rate of 24.83% for its seventh administrative review covering shipments for the year ended December 31, 2024. The preliminary rate is subject to change until the final rate determinations, which are expected to be published in the second half of 2026. Based on the preliminary combined all others rate, a non-cash incremental expense, inclusive of interest, of approximately US\$73.0 million is expected to be recorded in the second half of 2026.
 - The DoC is in the process of liquidating AD duties for the first administrative review covering exports between August 26, 2017 to December 27, 2017 and the Company expects US\$5.2 million to be refunded in the second quarter of 2026. As of the date of this press release, US\$3.8 million has been received by the Company.

Outlook

North American lumber markets over the near term are expected to remain volatile as the economy continues to adjust to changing monetary policies, tariffs, oil price volatility and geo-political uncertainty, and as industry-wide lumber production continues to adjust to match demand.

Benchmark lumber prices rebounded in Q1'26 and the upward momentum continued into early Q2'26, with the SYP Composite lumber price rising US\$118 per mfbm or 35%, the KD H-F Stud 2x4 9' lumber price rising US\$103 per mfbm or 24%, the Western SPF Composite lumber price rising US\$82 per mfbm or 20% and the Eastern SPF Composite lumber price rising US\$66 or 14% from the end of December 2025 through to the end of April 2026. Industry-wide market curtailments, seasonal demand factors and logistics constraints, particularly in the U.S., are expected to drive ongoing price fluctuations in 2026.

Near-term volatility is likely to be amplified by the significantly higher duty rates on Canadian lumber exports to the U.S., the Section 232 tariff and by any additional tariffs or other trade restrictions, if imposed. Overall, the Company is well positioned to navigate this volatility with a diversified product mix in Canada and the U.S., with approximately 65% of its total lumber produced and sold within the U.S. Ultimately, only about 20% of the Company's total lumber production is exported from Canada to the U.S. and exposed to duties, tariffs or other potential trade measures. Oil price fluctuations are also expected to drive ongoing volatility in end-use demand, logistics costs and raw material purchases, while at the same time potentially hindering offshore imports from Europe.

Over the mid-term, Canadian lumber is expected to remain a key source of supply to meet U.S. needs, as growth in U.S. lumber manufacturing capacity will likely be limited by labour constraints, lengthy equipment lead-times, residual offtake constraints and extended project ramp-up schedules. Over the same period, the North American lumber market is expected to continue to benefit from favourable underlying demand fundamentals, including the advanced age of the U.S. housing stock, a shortage of available housing and various demographic factors.

Interfor's strategy of maintaining a diversified portfolio of operations in multiple regions allows the Company to both reduce risk and maximize operating margins over the business cycle.

Financial and Operating Highlights¹

	Unit	For the three months ended		
		Mar. 31 2026	Mar. 31 2025	Dec. 31 2025
Financial Highlights²				
Total sales	\$MM	643.2	735.5	600.6
Lumber	\$MM	536.8	615.0	486.8
Logs, residual products and other	\$MM	106.4	120.5	113.8
Operating earnings (loss)	\$MM	(32.6)	0.1	(148.9)
Net loss	\$MM	(63.3)	(35.1)	(104.6)
Net loss per share, basic	\$/share	(0.96)	(0.68)	(1.59)
Adjusted EBITDA ³	\$MM	30.7	48.6	(29.2)
Adjusted EBITDA margin ³	%	4.8%	6.6%	(4.9%)
Total assets	\$MM	2,780.8	3,042.9	2,721.5
Total debt	\$MM	895.8	901.9	829.8
Net debt ³	\$MM	857.7	886.3	797.6
Available liquidity ³	\$MM	385.8	306.0	371.3
Net debt to invested capital ratio ³	%	38.3%	36.5%	36.5%
Annualized return on capital employed ³	%	(9.3%)	(3.1%)	(20.2%)
Operating Highlights				
Lumber production	million fbm	856	901	753
U.S. South	million fbm	408	402	396
U.S. Northwest	million fbm	111	124	50
Eastern Canada	million fbm	177	194	174
B.C.	million fbm	160	181	133
Lumber sales	million fbm	806	863	812
Lumber - average selling price ⁴	\$ per mfbm	666	712	599
Key Statistics				
Benchmark lumber prices ⁵				
SYP Composite	US\$ per mfbm	419	407	341
KD H-F Stud 2x4 9'	US\$ per mfbm	488	471	422
Eastern SPF Composite	US\$ per mfbm	503	536	480
Western SPF Composite	US\$ per mfbm	441	484	401
USD/CAD exchange rate ⁶				
Average	1 USD in CAD	1.3723	1.4352	1.3947
Closing	1 USD in CAD	1.3918	1.4307	1.3706

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 Accounting Standards ("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 unaudited condensed consolidated interim financial statements.
- Gross sales including duties, tariffs and freight.
- Based on Random Lengths Benchmark Lumber Pricing.
- Based on Bank of Canada foreign exchange rates.

Non-GAAP Measures

This release makes reference to the following non-GAAP measures: Adjusted EBITDA, Adjusted EBITDA margin, Net debt to invested capital ratio, Available liquidity and Annualized return on capital employed which are used by the Company, certain investors and lenders 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:

Millions of Dollars except number of shares and per share amounts ¹	For the three months ended		
	Mar. 31 2026	Mar. 31 2025	Dec. 31 2025
Adjusted EBITDA			
Net loss	\$(63.3)	\$(35.1)	\$(104.6)
Add:			
Depreciation of plant and equipment	32.2	40.0	33.5
Depletion and amortization of timber, roads and other	9.2	8.3	9.1
Finance costs	15.5	11.0	13.7
Income tax expense (recovery)	(11.7)	1.9	(41.3)
EBITDA	(18.1)	26.1	(89.6)
Add:			
Long-term incentive compensation expense (recovery)	2.2	0.1	(1.6)
Other foreign exchange loss (gain)	10.0	(4.1)	(10.5)
Other expense (income)	16.9	26.4	(6.2)
Asset write-downs and restructuring costs	19.7	0.1	78.7
Adjusted EBITDA	\$30.7	\$48.6	\$(29.2)
Sales	\$643.2	\$735.5	\$600.6
Adjusted EBITDA margin	4.8%	6.6%	(4.9%)
Net debt to invested capital ratio			
Net debt			
Total debt	\$895.8	\$901.9	\$829.8
Cash and cash equivalents	(38.1)	(15.6)	(32.2)
Total net debt	\$857.7	\$886.3	\$797.6
Invested capital			
Net debt	\$857.7	\$886.3	\$797.6
Shareholders' equity	1,222.6	1,490.1	1,268.0
Cumulative net worth adjustments ²	159.3	49.3	120.7
Total invested capital	\$2,239.6	\$2,425.7	\$2,186.3
Net debt to invested capital ratio ³	38.3%	36.5%	36.5%
Available liquidity			
Senior Secured Notes	\$684.9	\$644.4	\$617.4
Revolving Term Line	540.0	600.0	562.5
Term Loan	30.0	-	-
Available line of credit	\$1,254.9	\$1,244.4	\$1,179.9
Drawings	(895.8)	(901.9)	(829.8)
Outstanding letters of credit	(11.4)	(52.1)	(11.0)
Cash and cash equivalents	38.1	15.6	32.2
Available liquidity	\$385.8	\$306.0	\$371.3
Annualized return on capital employed			
Net loss	\$(63.3)	\$(35.1)	\$(104.6)
Add:			
Finance costs	15.5	11.0	13.7
Income tax expense (recovery)	(11.7)	1.9	(41.3)
Loss before income taxes and finance costs	\$(59.5)	\$(22.2)	\$(132.2)
Capital employed			
Total assets	\$2,780.8	\$3,042.9	\$2,721.5
Current liabilities	(222.2)	(314.7)	(225.9)
Less:			
Current portion of long-term debt	-	47.7	45.7
Current portion of lease liabilities	20.4	19.4	18.1
Capital employed, end of period	\$2,579.0	\$2,795.3	\$2,559.4
Capital employed, beginning of period	2,559.4	2,844.8	2,679.7
Average capital employed	\$2,569.2	\$2,820.1	\$2,619.6
Loss before income taxes and finance costs divided by average capital employed	(2.3%)	(0.8%)	(5.0%)
Annualization factor	4.0	4.0	4.0
Annualized return on capital employed	(9.3%)	(3.1%)	(20.2%)

Notes:

- Figures in this table may not equal or sum to figures presented elsewhere due to rounding.
- Cumulative net worth adjustments are defined as non-cash fixed asset or goodwill write-downs and losses on disposal of fixed assets or goodwill, other than disposals in the ordinary course of business.
- Net debt to invested capital ratio as of the period end.

FORWARD-LOOKING INFORMATION

This release contains forward-looking information. A statement contains forward-looking information when the Company uses what it knows and expects today, to make a statement about the future. All statements other than statements of historical fact contained in this release constitute forward-looking information including, without limitation: statements regarding the future plans, prospects, objectives and expectations of or involving the Company. Generally, but not always, forward-looking information is identifiable by the use of words such as "believe", "expects", "plans", "forecasts", "targets", "outlook", "will", "may", "could", "should", "intends", "projects", "anticipates", "estimates", "continues", and similar words or variations or the negative thereof. The Company cautions readers not to place undue reliance on its forward-looking information because a number of factors may cause actual future circumstances, results, conditions, actions or events to differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking information and the assumptions underlying the forward-looking information.

A number of assumptions and factors on which the forward-looking information is based, which could cause actual results to differ materially from the forward-looking information in this release, include but are not limited to, the following: impact of general economic conditions; demand for products and price volatility; softwood lumber trade between Canada and the U.S.; the tariffs and other trade measures recently enacted or proposed by the U.S. administration, and the potential for further escalating trade measures between the U.S., Canada and other jurisdictions, as well as the applicability, scope and timing of any such measures; availability and cost of logs; availability of credit; competition; currency exchange sensitivity, such as changes in the value of the Canadian dollar relative to the U.S. dollar; government regulation, including environmental legislation; health and safety; Indigenous reconciliation in Canada; information technology and cyber security; labour availability; logistics availability and cost; natural and manmade disasters and climate change; residual fibre revenue; and tax exposures. For a more detailed discussion of these factors, see the section entitled "Risks and Uncertainties" in the Company's first quarter and annual Management's Discussion and Analysis, which is available on www.interfor.com and under Interfor's profile on www.sedarplus.ca. The Company cautions readers that this list of factors is not exhaustive and that, when relying on forward-looking information to make decisions with respect to the Company, readers should carefully consider the factors discussed, as well as other uncertainties and potential events, and the inherent risks and uncertainties of forward-looking information.

The forward-looking information contained in this release is expressly qualified in its entirety by this cautionary statement. The forward-looking information in this release is based on the Company's expectations at the date of this release and should not be relied upon as representing management's views as of any later date. The Company does not undertake to update any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

ABOUT INTERFOR

Interfor is a forest products company with operations in Canada and the United States. The Company has annual lumber production capacity of approximately 4.4 billion board feet and offers a diverse line of lumber products to customers in North America and around the world. For more information about Interfor, visit our website at www.interfor.com.

The Company's unaudited condensed consolidated interim financial statements and Management's Discussion and Analysis for Q1'26 are available at www.sedarplus.ca and www.interfor.com.

There will be a conference call on Friday, May 15, 2026 at 8:00 a.m. (Pacific Time) hosted by **INTERFOR CORPORATION** for the purpose of reviewing the Company's release of its first quarter 2026 financial results.

The dial-in number is **1-888-510-2154** or webcast URL: <https://app.webinar.net/2MopB2PGXrn>. The conference call will also be recorded for those unable to join in for the live discussion and will be available until June 15, 2026. The number to call is **1-888-660-6345, Passcode 73404#**.

For further information:

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