Interfor Corporation

Burnaby, B.C. August 6, 2026

Interfor Reports Q2’26 Results

Adjusted EBITDA of $92 million and Net Earnings of $1 million

Interfor Corporation (“Interfor” or the “Company”) (TSX: IFP) reported today its second quarter of 2026 results.

Quarterly Highlights

- Financial Highlights
  - Interfor recorded net earnings in Q2’26 of $1.0 million, or $0.02 per share, compared to a net loss of $63.3 million, or $0.96 per share in Q1’26 and net earnings of $11.1 million, or $0.22 per share in Q2’25.
  - Adjusted EBITDA was $92.3 million on sales of $804.4 million in Q2’26 versus Adjusted EBITDA of $30.7 million on sales of $643.2 million in Q1’26 and Adjusted EBITDA of $17.2 million on sales of $780.5 million in Q2’25.
- Operational Highlights
  - Lumber prices increased during Q2’26 as reflected in Interfor’s average selling price of $739 per mfbm, up $73 per mfbm or 11% versus Q1’26. Lumber prices strengthened across all operating regions, driven in large part by the industry-wide production curtailments over the last several years, combined with seasonal demand.
  - Lumber production of 927 million board feet was up 71 million board feet versus the preceding quarter driven primarily by the ramp up of the recently rebuilt Thomaston, GA sawmill and higher operating rates at the U.S. Northwest and B.C. operations following temporary production curtailments at the beginning of Q1’26.
  - Production costs per mfbm decreased versus Q1'26 despite ongoing fuel and other cost inflation pressures. This represents the third sequential quarterly decrease in production costs, driven by ongoing productivity and portfolio optimization initiatives. Production costs in Q2'26 were $41 per mfbm, or 6%, lower than full year 2025 levels, reflecting meaningful progress towards the Company's cost reduction initiatives.
  - Lumber shipments of 941 million board feet exceeded production, resulting in a 14 million board foot reduction in inventory volume during the quarter. Logistics constraints improved modestly compared to the prior quarter, reflecting the implementation of proactive initiatives across the Company's supply chain and transportation network. However, logistics challenges continue to permeate the broader supply chain and industry, particularly in the U.S. South.
- Financial Position
  - The Company generated $100.8 million of positive operating cash flow after working capital changes in Q2’26 and the Company’s available liquidity improved to $441.8 million at June 30, 2026.

- Net debt at quarter-end was $816.7 million, or 36.7% of invested capital compared to net debt at Q1’26 of $857.7 million, or 38.3% of invested capital.

- Capital Initiatives
  - Capital spending was $22.7 million, including $9.7 million of discretionary investment primarily focused on the completion of the multi-year rebuild of the Thomaston, GA sawmill. Capital expenditures planned for 2026 are estimated to be approximately $90 million.
  - The Thomaston, GA rebuild was substantially completed in Q1’26 and is currently ramping up as expected towards the pro forma production capacity of 240 million board feet per year. The sawmill contributed significant positive Adjusted EBITDA in Q2’26 versus a negative contribution in Q1’26 during the final construction phase.

- Export Duties and Tariffs
  - The anti-dumping (“AD”) duty rates for the first and second administrative reviews for the years 2017 to 2019 have been finalized and the AD duties on deposit for these periods will remain suspended from liquidation until their corresponding countervailing (“CV”) duty rate appeals have been finalized, except for the AD duties on deposit for a “gap period” in the first administrative review from August 26, 2017 to December 27, 2017, during which period CV duties were not applicable. The U.S. Department of Commerce (“DoC”) has now liquidated AD duties for the gap period in the first administrative review and the Company received US$4.6 million in Q2’26 and an additional US$1.0 million in July 2026.
  - On April 9, 2026, the DoC issued its preliminary AD and CV duty rates for its seventh administrative review covering shipments for the year ended December 31, 2024. Subsequently, on June 30, 2026 the preliminary CV duty rate was increased by 0.35% for a combined all others rate of 25.18%. 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$76.0 million is expected to be recorded in the second half of 2026.
  - On July 20, 2026, the U.S. President issued three Proclamations pursuant to Section 338 of the *Tariff Act* of 1930 imposing additional tariffs of 50% on certain goods imported from Canada, effective August 19, 2026. On July 23, 2026, the U.S. President issued a presidential memorandum directing the U.S. Trade Representative to impose Section 301 tariffs of 10% or 12.5% on imports from 60 trading partners, including Canada, effective July 24, 2026. None of the Section 338 or Section 301 tariffs apply to the Company’s products exported to the U.S.

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 2026, with upward momentum continuing into early Q3’26. Compared to the Q2’26 average, the July 2026 monthly average lumber price increased by US$17 per mfbm, or 4%, for the SYP Composite; US$63 per mfbm, or 12%, for KD H-F Stud 2x4 9’; US$43 per mfbm, or 9%, for the Western SPF Composite; and US$57 per mfbm, or 10%, for the Eastern SPF Composite. 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.

Management Discussion and Analysis ("MD&A")

The Company's unaudited condensed consolidated interim financial statements and MD&A for Q2'26 are available at www.sedarplus.ca and www.interfor.com.

Conference Call

There will be a conference call on Friday, August 7, 2026 at 8:00 a.m. (Pacific Time) hosted by management for the purpose of reviewing the Company's release of its second quarter 2026 financial results. The dial-in number is ***1-888-510-2154*** or webcast URL: https://app.webinar.net/OxVe0wnqork.

The conference call will also be recorded for those unable to join in for the live discussion and will be available until September 7, 2026. The number to call is *1-888-660-6345, Passcode 94296#.*

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 4.5 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.

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 titled "Risks and Uncertainties" in the Company's second quarter and annual MD&A, 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.

Non-GAAP Measures

This release makes reference to the following non-GAAP measures: Adjusted EBITDA, Adjusted EBITDA margin, Net debt to invested capital ratio and Available liquidity 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 June 30 2026	June 30 2025	March 31 2026	For the six months ended June 30 2026	June 30 2025
Adjusted EBITDA					
Net earnings (loss)	$1.0	$11.1	$(63.3)	$(62.3)	$(24.0)
Add:					
Depreciation of plant and equipment	34.7	38.3	32.2	66.9	78.3
Depletion and amortization of timber, roads and other	8.8	8.3	9.2	18.0	16.6
Finance costs	17.3	10.3	15.5	32.8	21.3
Income tax expense (recovery)	10.8	(11.0)	(11.7)	(0.9)	(9.1)
EBITDA	72.6	57.0	(18.1)	54.5	83.1
Add:					
Long-term incentive compensation expense (recovery)	4.6	(1.1)	2.2	6.8	(1.0)
Other foreign exchange loss (gain)	14.0	(31.3)	10.0	24.0	(35.4)
Other expense (income)	0.6	(7.5)	16.9	17.5	18.9
Asset write-downs and restructuring costs	0.5	0.1	19.7	20.2	0.2
Adjusted EBITDA	$92.3	$17.2	$30.7	$123.0	$65.8
Sales	$804.4	$780.5	$643.2	$1,447.6	$1,516.0
Adjusted EBITDA margin	11.5%	2.2%	4.8%	8.5%	4.3%
Net debt to invested capital ratio					
Net debt					
Total debt	$849.5	$814.3	$895.8	$849.5	$814.3
Cash and cash equivalents	(32.8)	(16.3)	(38.1)	(32.8)	(16.3)
Total net debt	$816.7	$798.0	$857.7	$816.7	$798.0
Invested capital					
Net debt	$816.7	$798.0	$857.7	$816.7	$798.0
Shareholders' equity	1,251.6	1,445.3	1,222.6	1,251.6	1,445.3
Cumulative net worth adjustments[2]	159.3	49.3	159.3	159.3	49.3
Total invested capital	$2,227.6	$2,292.6	$2,239.6	$2,227.6	$2,292.6
Net debt to invested capital ratio[3]	36.7%	34.8%	38.3%	36.7%	34.8%
Available liquidity					
Senior Secured Notes	$698.8	$616.0	$684.9	$698.8	$616.0
Revolving Term Line	540.0	600.0	540.0	540.0	600.0
Term Loan	30.0	-	30.0	30.0	-
Available line of credit	$1,268.8	$1,216.0	$1,254.9	$1,268.8	$1,216.0
Drawings	(849.5)	(814.3)	(895.8)	(849.5)	(814.3)
Outstanding letters of credit	(10.3)	(48.3)	(11.4)	(10.3)	(48.3)
Cash and cash equivalents	32.8	16.3	38.1	32.8	16.3
Available liquidity	$441.8	$369.7	$385.8	$441.8	$369.7

Notes:

1 Figures in this table may not equal or sum to figures presented elsewhere due to rounding.
2 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.
3 Net debt to invested capital ratio as of the period end.

Additional Information

For further information:
Mike Mackay, Executive Vice President & Chief Financial Officer
(604) 422-3400