Interfor Corporation

Burnaby, B.C. November 5, 2026

Interfor Reports Q3'26 Results

Adjusted EBITDA of $77 million and Net Loss of $46 million

Interfor Corporation ("Interfor" or the "Company") (TSX: IFP) reported today its third quarter of 2026 results.

Quarterly Highlights

- Financial Highlights
  - Adjusted EBITDA was $76.9 million on sales of $832.1 million in Q3'26 versus Adjusted EBITDA of $92.3 million on sales of $804.4 million in Q2'26 and an Adjusted EBITDA loss of $183.8 million on sales of $689.3 million in Q3'25.
  - Interfor recorded a net loss in Q3'26 of $45.6 million, or $0.69 per share, compared to net earnings of $1.0 million, or $0.02 per share in Q2'26 and a net loss of $215.8 million, or $4.19 per share in Q3'25. The net loss in Q3'26 was driven in large part by a non-cash impairment charge of $53.2 million related to a previously curtailed mill in Eastern Canada.
- Operational Highlights
  - Lumber prices increased during Q3'26 as reflected in Interfor's average selling price of $751 per mfbm, up $12 per mfbm or 2% versus Q2'26. Lumber prices increased across all operating regions, except the U.S. South, where they declined modestly.
  - Lumber production of 952 million board feet was up 25 million board feet versus the preceding quarter driven primarily by the completed ramp-up of the recently rebuilt Thomaston, GA sawmill and higher operating rates at the B.C. and U.S. South operations.
  - Despite rising costs in Q3'26, production costs YTD'26 remained $27 per mfbm, or 4%, lower than full year 2025 levels, reflecting continued progress towards the Company's two-year cost reduction initiatives despite ongoing inflationary pressures. Fuel and other cost pressures are expected to continue to impact costs in the fourth quarter and into 2027.
  - Lumber shipments were 948 million board feet, slightly below production levels during the quarter, as supply-chain and logistics challenges continued to ease gradually.
- Capital Initiatives
  - Capital spending totalled $23.7 million in Q3'26, including $7.3 million of discretionary investment primarily focused on small, high-return projects in Eastern Canada. Capital expenditures planned for 2026 are expected to be approximately $100 million.
  - Preliminary 2027 capital expenditures are expected to range between $75 million to $100 million, including a number of high-return, quick-payback discretionary projects, with flexibility to adjust spending in response to market conditions.

- Financial Position
  - The Company generated $61.4 million of positive cash flow from operations after working capital changes in Q3'26 and available liquidity increased to $462.4 million at September 30, 2026.
  - The Company has generated positive cash flow from operations in each quarter of 2026 and available liquidity has improved for four consecutive quarters, strengthening the Company's financial flexibility.
  - The planned sale of certain property, plant and equipment at one operation in the U.S. South closed in September 2026 for net cash consideration of $11.0 million.
  - The Company sold private land on the B.C. Coast for proceeds of $2.0 million. At September 30, 2026, Interfor held approximately 466,000 cubic metres of allowable annual cut for disposition on the B.C. Coast, the timing of which will be assessed following the B.C. provincial election and approvals from the Ministry of Forests.
  - Net debt decreased to $788.2 million, or 35.5% of invested capital, at quarter-end, from $816.7 million, or 36.7% of invested capital, at the end of Q2'26, reflecting ongoing progress towards the Company's debt reduction targets.
  - On October 29, 2026, the Company amended its Term Loan with the Business Development Bank of Canada, increasing the principal amount from $30.0 million to $50.0 million. Monthly principal repayments of $0.8 million will begin on May 29, 2029 and continue until final maturity on March 29, 2034 with no change to the interest rate.
- Export Duties and Tariffs
  - On October 19, 2026, the U.S. Department of Commerce published its final anti-dumping and countervailing duty rates for its seventh administrative review covering shipments for the year ended December 31, 2024. The combined "all others" rate of 24.75%, which is 10.41% lower than the previous duty rate, will be applied to new lumber shipments effective October 19, 2026.
  - The finalization of the seventh administrative review rates indicated an incremental non-cash duty expense of approximately US$63.3 million and incremental non-cash interest expense of approximately US$11.4 million, both of which are expected to be recorded in the fourth quarter of 2026.
  - The previously imposed tariff of 10% under Section 232 of the *Trade Expansion Act* remains in effect on all imports of softwood timber and lumber into the U.S., including from Canada.

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 have weakened into early Q4'26, driven by a typical seasonal slowdown in consumption and building activity. Compared to the Q3'26 average, the October 2026 monthly average Western SPF and SYP Composite benchmarks decreased by US$32 and US$49 per mfbm, or 6% and 11%, respectively. Despite the relative easing versus Q3'26, benchmark prices in October 2026 remain substantially higher than the same time last year in October 2025, with the Western SPF and SYP Composite benchmarks up US$70 and US$77 per mfbm, or 17% and 23%, respectively. Industry-wide market curtailments, shifting duty rates on Canadian lumber exports to the U.S. and seasonal demand factors are expected to drive ongoing price fluctuations for the remainder of 2026 and into early 2027.

Near-term volatility is likely to be amplified by the significant 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's Discussion and Analysis ("MD&A")

The Company's unaudited condensed consolidated interim financial statements and MD&A for Q3'26 are available at www.sedarplus.ca and www.interfor.com.

Conference Call

There will be a conference call on Friday, November 6, 2026 at 8:00 a.m. Pacific Time (British Columbia) / 10:00 a.m. Eastern Time hosted by management for the purpose of reviewing the Company's release of its third quarter 2026 financial results. The dial-in number is ***1-888-510-2154*** or webcast URL: https://app.webinar.net/jxnrkWYVw52.

The conference call will also be recorded for those unable to join in for the live discussion and will be available until December 6, 2026. The number to call is *1-888-660-6345, Passcode 18878#.*

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 third 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:

	For the three months ended			For the nine months ended	
Millions of Dollars except number of shares and per share amounts[1]	Sept. 30 2026	Sept. 30 2025	Jun. 30 2026	Sept. 30 2026	Sept. 30 2025
Adjusted EBITDA					
Net earnings (loss)	$(45.6)	$(215.8)	$1.0	$(107.9)	$(239.8)
Add:					
Depreciation of plant and equipment	36.4	37.3	34.7	103.3	115.6
Depletion and amortization of timber, roads and other	9.1	8.6	8.8	27.1	25.2
Finance costs	15.8	36.5	17.3	48.6	57.8
Income tax expense (recovery)	(10.1)	(65.9)	10.8	(11.0)	(75.0)
Long-term incentive compensation expense (recovery)	6.8	(0.2)	4.6	13.6	(1.2)
Other foreign exchange loss (gain)	1.7	13.4	14.0	25.7	(22.0)
Other expense (income)	(0.4)	2.1	0.6	17.1	21.0
Asset write-downs and restructuring costs	63.2	0.2	0.5	83.4	0.4
Adjusted EBITDA	$76.9	$(183.8)	$92.3	$199.9	$(118.0)
Sales	$832.1	$689.3	$804.4	$2,279.7	$2,205.3
Adjusted EBITDA margin	9.2%	(26.7%)	11.5%	8.8%	(5.4%)
Net debt to invested capital ratio					
Net debt					
Total debt	$809.4	$913.7	$849.5	$809.4	$913.7
Cash and cash equivalents	(21.2)	(20.4)	(32.8)	(21.2)	(20.4)
Total net debt	$788.2	$893.3	$816.7	$788.2	$893.3
Invested capital					
Net debt	$788.2	$893.3	$816.7	$788.2	$893.3
Shareholders' equity	1,209.6	1,254.1	1,251.6	1,209.6	1,254.1
Cumulative net worth adjustments[2]	220.7	49.3	159.3	220.7	49.3
Total invested capital	$2,218.5	$2,196.7	$2,227.6	$2,218.5	$2,196.7
Net debt to invested capital ratio[3]	35.5%	40.7%	36.7%	35.5%	40.7%
Available liquidity					
Senior Secured Notes	$701.0	$627.9	$698.8	$701.0	$627.9
Revolving Term Line	540.0	562.5	540.0	540.0	562.5
Term Loan	30.0	-	30.0	30.0	-
Available line of credit	$1,271.0	$1,190.4	$1,268.8	$1,271.0	$1,190.4
Drawings	(809.4)	(913.7)	(849.5)	(809.4)	(913.7)
Outstanding letters of credit	(20.4)	(49.2)	(10.3)	(20.4)	(49.2)
Cash and cash equivalents	21.2	20.4	32.8	21.2	20.4
Available liquidity	$462.4	$247.9	$441.8	$462.4	$247.9

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