

DOMAN™

Doman Building Materials Group Ltd.

Management's Discussion and Analysis

November 6, 2026



Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") provides a review of the significant developments that have impacted Doman Building Materials Group Ltd. (the "Company"), in the three and nine months ended September 30, 2026, relative to the same period of 2025. This discussion of the financial condition and results of operations of the Company should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2025 (the "2025 Consolidated Financial Statements"), and the Company's annual MD&A for the year ended December 31, 2025. The financial information in this interim MD&A has been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements.

This MD&A and the associated Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2026, (the "Interim Financial Report") contains historical information, descriptions of current circumstances and statements about potential future developments and anticipated financial results, performance or achievements of the Company and its subsidiaries. The latter statements, which are forward-looking statements, are presented to provide guidance to the reader but their accuracy depends on a number of assumptions and are subject to various known and unknown risks and uncertainties. Forward-looking statements are included under the headings "Business Overview", "Outlook", "Commitments and Contingencies", "Construction Materials Pricing", "Sales and Gross Margin", "Dividend Policy" and "Liquidity and Capital Resources". When used in this MD&A, such statements may contain such words as "may", "will", "intend", "should", "expect", "believe", "outlook", "predict", "remain", "anticipate", "estimate", "potential", "continue", "plan", "could", "might", "project", "targeting" or the inverse or negative of these terms or other similar terminology. Forward-looking information in this Interim Financial Report includes, without limitation, statements regarding funding requirements, dividends, commodity pricing, including expectations that while demand remains constrained by affordability, falling interests rates and seasonal construction trends may support growing upside potential for prices later in 2026, economic and business outlook, debt repayment, credit availability, interest rates, economic conditions data, changes in international trade policies, domestic and international tariffs and housing starts. These statements are based on management's current expectations regarding future events and operating performance, and on information currently available to management, speak only as of the date of this Interim Financial Report and are subject to risks which are described in the Company's current Annual Information Form dated March 31, 2026, ("AIF") and the Company's public filings on the Canadian Securities Administrators' website at www.sedarplus.ca ("SEDAR+") and as updated from time to time, and would include, but are not limited to, dependence on market economic conditions, impacts of changes in international trade policies including tariffs, risks related to the impact of geopolitical conflicts, local, national, and international health concerns, including viruses, epidemics or pandemics, sales and margin risk, acquisition and integration risks and operational risks related thereto, competition, information system risks, technology risks, cybersecurity risks, availability of supply of products, interest rate risks, inflation risks, risks associated with the introduction of new product lines, product design risk, product liability risk, energy pricing, supply and availability risks, environmental risks, climate change risks, political risks, volatility of commodity prices, inventory risks, customer and vendor risks, contract performance risk, availability of credit, credit risks, performance bond risk, currency risks, insurance risks, tax risks, risks of legislative or regulatory changes, operational and safety risks, resource industry risks, resource extraction risks, risks relating to remote operations, forestry management and silviculture, fire and natural disaster risks, key executive risk, supply chain and modern anti-slavery risks, and litigation risks. These risks and uncertainties may cause actual results to differ materially from those contained in the statements. Such statements reflect management's current views and are based on certain assumptions. Some of the key assumptions include, but are not limited to, assumptions regarding the performance of the Canadian and the United States ("US") economies, the impact of viruses, epidemics, pandemics or health risks, interest rates, exchange rates, inflation, capital and loan availability, commodity pricing, the Canadian and the US housing and building materials markets; the impact of international trade and tariff matters on the Company, its suppliers, customers, cost of goods, sales pricing and the overall economic environment; post-acquisition operation of a business; the amount of the Company's cash flow from operations; tax laws; laws and regulations relating to the protection of the environment, including the impacts of climate change, and natural resources; energy pricing, supply and availability; and the extent of the Company's future acquisitions and capital spending requirements or planning in respect thereto, including but not limited to the performance of any such business and its operation; availability or more limited availability of access to equity and debt capital markets to fund, at acceptable costs, the Company's future growth plans, the implementation and success of the integration of acquisitions, the ability of the Company to refinance its debts as they mature or at acceptable costs; the direct and indirect effect of the US housing market and economy; the direct or indirect impact of energy prices on consumer behaviour; exchange rate fluctuations between the Canadian and US



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dollar; retention of key personnel; the Company's ability to sustain its level of sales and earnings margins; the Company's ability to grow its business long-term and to manage its growth; the Company's management information systems upon which it is dependent are not impaired, ransomed or unavailable; the Company's insurance available at a reasonable cost and is sufficient to cover losses that may occur as a result of its operations as well as the general level of economic activity, in Canada and the US, and abroad, discretionary spending and unemployment levels; the effect of general economic conditions; market demand for the Company's products, and prices for such products; the effect of forestry, land use, environmental and other governmental regulations; the impact of government policies, domestically and internationally, the impact of government elections, domestically, regionally and internationally, the risk of losses from fires, floods and other natural disasters, and unemployment levels. They are, by necessity, only estimates of future developments and actual developments may differ materially from these statements due to a number of known and unknown factors. Readers are cautioned not to place undue reliance on these forward-looking statements. All forward-looking information in this Interim Financial Report is qualified by these cautionary statements. Although the forward-looking information contained in this Interim Financial Report is based on what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in this Interim Financial Report may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this Interim Financial Report. In addition, there are numerous risks associated with an investment in the Company's common shares and senior unsecured notes, which are also further described in the "Risks and Uncertainties" section in this Interim Financial Report and in the "Risk Factors" section of the Company's AIF, and as updated from time to time, in the Company's other public filings on SEDAR+.

The forward-looking statements contained in this Interim Financial Report are made as of the date of this report and should not be relied upon as representing the Company's views as of any date subsequent to the date of this report. Except as required by applicable law, the Company undertakes no obligation to publicly update or otherwise revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

The information in this report is as at November 6, 2026, unless otherwise indicated. All amounts are reported in Canadian dollars, unless otherwise indicated.

1. In the discussion, reference is made to Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA"), which represents earnings from continuing operations before interest, including amortization of deferred financing costs, provision for income taxes, depreciation and amortization. This is not a generally accepted earnings measure under IFRS® Accounting Standards ("IFRS") and does not have a standardized meaning under IFRS, and therefore the measure as calculated by the Company may not be comparable to similarly titled measures reported by other companies. EBITDA is presented as management believes it is a useful indicator of a Company's ability to meet debt service and capital expenditure requirements and because the Company interprets trends in EBITDA as an indicator of relative operating performance. EBITDA should not be considered by a reader as an alternative to net earnings or cash flows as determined in accordance with IFRS. For a reconciliation of EBITDA to the most directly comparable measures calculated in accordance with IFRS refer to "Reconciliation of Net Earnings to EBITDA and Adjusted EBITDA".
2. In the discussion, reference is made to Adjusted EBITDA, which is EBITDA as defined above, before certain non-recurring or unusual items. This is not a generally accepted earnings measure under IFRS and does not have a standardized meaning under IFRS. The measure as calculated by the Company may not be comparable to similarly titled measures reported by other companies. Adjusted EBITDA is presented as management believes it is a useful indicator of the Company's ability to meet debt service and capital expenditure requirements from its regular business before non-recurring items. Adjusted EBITDA should not be considered by a reader as an alternative to net earnings or cash flows as determined in accordance with IFRS. For a reconciliation from Adjusted EBITDA to the most directly comparable measures calculated in accordance with IFRS refer to "Reconciliation of Net Earnings to EBITDA and Adjusted EBITDA".
3. In the discussion, reference is made to Adjusted Net Earnings, which is not a generally accepted earnings measure under IFRS and does not have a standardized meaning under IFRS. The measure as calculated by the Company may not be comparable to similarly titled measures reported by other companies. Adjusted Net Earnings is presented as management believes it is a useful indicator of the Company's operating results. Adjusted Net Earnings should not be considered by a reader as an alternative to net earnings or cash flows as determined in accordance with IFRS.
4. In the discussion, reference is made to Net debt and Available liquidity. These are not generally accepted capital management measures and do not have standardized meanings under IFRS. Net debt is calculated as total current and non-current debt (including finance leases and bank indebtedness), less cash and cash equivalents. Available liquidity is calculated as cash and cash equivalents net of bank indebtedness, and unutilized credit capacity under the Company's revolving loan facility. Management believes that Net debt and Available liquidity are key measures of the Company's liquidity.
5. Reference is also made to free cash flow of the Company. This is a non-IFRS measure generally used by Canadian companies as an indicator of financial performance. The measure as calculated by the Company might not be comparable to similarly-titled measures reported by other companies. Management believes that this measure provides readers with an indication of the cash available for distribution to shareholders of the Company. The Company defines free cash flow as cash flow generated from Adjusted EBITDA activities, and after payment of lease liabilities, interest, tax and maintenance of business capital expenditures.



Business Overview

The Company operates through its wholly owned subsidiaries, distributing various building materials, as well as producing and treating lumber and providing other value-add services across Canada and in the US. The Company services the new home construction, home renovation and industrial markets by supplying the retail and wholesale lumber and building materials industry, big box stores, hardware stores, industrial and furniture manufacturers and similar concerns. After acquisition of its California Cascade business in 2015, in 2017 the Company acquired the Honsador Building Products group of companies, with an incumbent position in the State of Hawaii, further expanding the Company's presence in the US building distribution and treating markets. In 2018, the Company continued with its expansion and growth plans, completing the purchase of a lumber pressure treating plant near Portland, Oregon and a lumber pressure treating plant in Woodland, California. In 2019, the Company acquired Lignum Forest Products LLP, a well-established brand in the lumber and forestry distribution market in Western Canada and the US. In 2020, the Company completed the acquisition of a truss manufacturing plant in Kauai, Hawaii. In 2021, the Company completed the acquisition of the business of the Hixson Lumber Sales group, a leading wholesaler and manufacturer of lumber and treated lumber operating in the Central United States, as well as the acquisition of a lumber pressure treating plant in Fontana, California. In 2024, the Company continued to execute its expansion and growth strategy through the acquisition of certain assets of CM Tucker Lumber Companies, LLC, a lumber and treated wood supplier and a significant producer of specialty value-added products in Eastern US, as well as Southeast Forest Products Treated, Ltd., a manufacturer of treated lumber with operations in Richmond, Indiana and near Birmingham, Alabama. In 2025, the Company completed an additional small acquisition of certain assets of Temecula Electrical Supply Inc., further expanding the Company's existing electric supply and distribution business.

Issuance of Senior Unsecured Notes

On December 2, 2025, the Company completed an additional private placement offering under the terms of the 2029 Unsecured Notes. These additional notes were issued at a price of $1,016 per $1,000 principal, resulting in gross proceeds of $172.8 million. The offering was underwritten by Stifel, CIBC Capital Markets and TD Securities as joint active bookrunners, and National Bank Capital Markets, Raymond James, RBC Capital Markets, Wells Fargo Securities, Canaccord Genuity, and Desjardins Capital Markets acted as joint bookrunners.

Net cash proceeds raised on December 2, 2025, from the 2029 Unsecured Notes, together with additional funds drawn under the Company's revolving loan facility, were used to repurchase for cancellation the remaining $272.2 million of the 2026 Unsecured Notes. The cancellation of the 2026 Unsecured Notes closed on December 17, 2025.

The 2029 Unsecured Notes accrue interest at the rate of 7.5% per annum, payable on a semi-annual basis, maturing on September 17, 2029.



Amendment of Revolving Loan Facility

On January 31, 2025, the Company further amended its revolving loan facility, increasing the maximum available credit from $500.0 million to $580.0 million. All other material terms remained substantially unchanged.

Timberlands Sale

On March 31, 2025, the Company completed a sale of approximately 8,359 hectares of timberlands to Nature Conservancy of Canada ("NCC"), for gross proceeds of $14.4 million. On September 29, 2025, the Company finalized the sale of its remaining timberland holdings in Southeast British Columbia to NCC, resulting in additional gross proceeds of $60.9 million. Net proceeds from both transactions were applied against the Company's revolving loan facility.

Prior to these sales, the Company's private timberlands comprised an area of approximately 44,217 hectares, consisting predominantly of mixed-species softwood forests.

Annuity Contract Conversion

On June 17, 2025, the Company entered into an agreement with RBC Life Insurance Company ("RBC Insurance") to convert certain existing annuity buy-in contracts under its defined benefit pension plan into annuity buy-out contracts, effective January 1, 2026. The December 1, 2025, pension payment under the legacy plan represented the final benefit payable under the related pension obligation and serves as the settlement date. As of the effective date, RBC Insurance assumes direct responsibility for making pension benefit payments to the affected retirees, thereby transferring the associated pension obligations from the Company.

The value of the settled obligation as at December 31, 2025, was $27.2 million, consistent with the value of the corresponding pension assets released. The transaction had no net impact on the Company's financial position.

Seasonality

The Company's sales are subject to seasonal variances that fluctuate in accordance with the normal home building season, depending on the geographical location, which creates a timing difference between quarterly free cash flow earned and the Company's policy of equalizing quarterly dividends paid.

Housing Starts

The seasonally adjusted annualized rate for US housing starts was estimated to be an average of 1,293,000 units in the third quarter of 2026 versus 1,347,000 in the same quarter of 2025, a decrease of 4.0%[1].

The seasonally adjusted annualized rate for overall Canadian housing starts for the third quarter of 2026, was 248,103 versus 272,634 in the comparative quarter of 2025, a decrease of 9.0%. The seasonally adjusted annualized rate for single detached units, a more relevant leading indicator for the Company, amounted to 48,216 in the third quarter of 2026 versus 53,790 in the comparative quarter of 2025, a decrease of 10.4%[2].

Construction Materials Pricing

The following tables provide average quarterly pricing for Southern Yellow Pine ("SYP") and Spruce-Pine-Fir ("SPF") in the US markets, and SPF, plywood and oriented strand board ("OSB") in the Canadian markets, respectively[3]:

(in US $)	2026				2025			2024
For the three months ended	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec
SYP Lumber[4]	**423**	446	437	322	331	418	385	379
SPF Lumber[4]	**487**	488	463	420	477	470	492	434

(in Canadian $)	2026				2025			2024
For the three months ended	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec
SPF Lumber[4]	**597**	572	549	546	640	643	648	641
Plywood[5]	**692**	648	635	691	626	624	686	760
OSB[5]	**345**	326	318	318	325	372	471	504

In the US, average SYP Lumber prices for the quarter ended September 30, 2026, were US$423 per thousand board feet, compared to US$331 per thousand board feet in the comparative prior year quarter, an increase of US$92 or 27.8%. SPF Lumber, a less significant product category for the Company in the US, saw a year-over-year increase of US$10 or 2.1%.

1. As reported by the US Census Bureau. For further information, see "Outlook".
2. As reported by the Canadian Mortgage and Housing Corporation ("CMHC"). For further information, see "Outlook".
3. As reported by Random Lengths.
4. Per thousand board feet.
5. Per thousand square feet.



In Canada, SPF Lumber prices for the three months ended September 30, 2026, were $597 per thousand board feet, compared to $640 per thousand board feet in the comparative prior year quarter, a decrease of $43 or 6.7%. Plywood saw an increase of 10.5% year-over-year, while OSB saw an increase of 6.2%.

Overall, the North American market was characterized by stable lumber prices, tightening supply conditions, and cautious demand. Lumber prices remained relatively flat, while plywood and OSB prices strengthened, inventories remained lean, and supply tightened materially due to permanent mill closures and curtailments. Although housing affordability and elevated mortgage rates continued to weigh on construction activity, supply constraints provided ongoing support for lumber pricing. The trade and tariff environment remained uncertain, contributing to market volatility, while demand showed signs of stabilization despite continued interest rate pressures and cautious market conditions.

The Company generally prices its products in the competitive construction materials market so that the Company's profitability is based on cost plus value-added services such as wood pressure treating, distribution, short-term financing and other services provided. As a result, the Company's sales levels are impacted by the underlying construction materials costs of its products.

The Company's gross margins are impacted by, among other things, the relative level of construction materials pricing, such as whether prices are higher or lower compared to other periods, as well as the trend in pricing, such as whether the price is increasing or decreasing within a period. Depending on whether the product is sold at a fixed price or is tied to the current market, the impact of pricing levels and pricing trends will have differing effects on each category of product.

Management employs mitigation strategies to attempt to minimize the potential impacts of future construction materials price volatility. These strategies include, but are not limited to, the use of vendor managed inventories, direct shipments from the manufacturer to the customer, use of lumber futures contracts and the Company's internal policy of optimizing inventory levels to maintain its high standard of customer service levels and minimizing excess inventory otherwise exposed to market fluctuations.

Results of Operations

Comparison of the Three Months Ended September 30, 2026, and September 30, 2025

Overall Performance

Segmented Information

The following table shows the Company's segmented results for the three months ended September 30:

	Three months ended September 30, 2026			Three months ended September 30, 2025[1]		
(in thousands of dollars)	Building Materials $	Other $	Total $	Building Materials $	Other $	Total $
Revenue	841,658	–	**841,658**	794,185	907	**795,092**
Specified expenses						
Depreciation and amortization	21,826	–	**21,826**	23,707	1,311	**25,018**
Finance costs	15,064	–	**15,064**	18,051	–	**18,051**
Net earnings	19,704	–	**19,704**	17,507	553	**18,060**

1. Restated to conform to the financial statement presentation adopted during the year ended December 31, 2025.

During the comparative year ended December 31, 2025, the Company revised its internal reporting structure for management purposes. Following the sale of the Company's timberlands, the remaining activities previously reported within the Other segment, are no longer reviewed separately by the chief operating decision maker, and have been integrated into the Building Materials segment as value-added services. As a result, comparative information for the three months ended September 30, 2025, has been restated to reflect current year presentation.



Sales and Gross Margin

Sales for the three months ended September 30, 2026, were $841.7 million versus $795.1 million in 2025, representing an increase of $46.6 million or 5.9%, largely due to increases in year-over-year pricing in certain US construction materials categories.

The Company's sales in the quarter were made up of 81% of construction materials, compared with 79% in the prior year comparative period, with the remaining balance of sales resulting from specialty and allied products of 15% (2025 – 17%) and other sources of 4% (2025 – 4%).

Gross margin dollars were $124.8 million in the three months ended September 30, 2026, versus $123.1 million in 2025, an increase of $1.7 million or 1.4%, mainly driven by the increase in sales. Gross margin percentage was 14.8% during the period, compared to 15.5% achieved in the same quarter of 2025. The decline in gross margin percentage was primarily impacted by the decrease in SYP pricing and increase in freight and fuel costs.

Expenses

Expenses for the three months ended September 30, 2026, were $87.1 million as compared to $86.1 million, an increase of $1.0 million or 1.2%, discussed further below. As a percentage of sales, 2026 expenses were 10.3%, compared to 10.8% in 2025.

Distribution, selling and administration expenses increased by $4.2 million or 6.9%, to $65.2 million in the third quarter of 2026 from $61.0 million in the same period of 2025, primarily due to the higher energy costs and broad inflationary pressures. As a percentage of sales, these expenses were 7.7%, consistent with 2025.

Depreciation and amortization expenses decreased quarter over quarter by $3.2 million or 12.8%, to $21.8 million for the three months ended September 30, 2026, compared to $25.0 million in the same period of 2025, mainly due to asset dispositions and certain intangible assets becoming fully amortized.

Operating Earnings

For the three months ended September 30, 2026, operating earnings were $37.7 million compared to $37.0 million in 2025, an increase of $0.7 million or 1.9%, due to the foregoing factors.

Finance Costs

Finance costs for the third quarter of 2026 were $15.1 million, compared to $18.1 million in 2025, a decrease of $3.0 million or 16.6%, primarily attributable to lower interest rates on loans and borrowings.



Earnings before Income Taxes

For the three months ended September 30, 2026, earnings before income taxes were $22.7 million, compared to $19.0 million in the comparative quarter of 2025, an increase of $3.7 million or 19.5%, primarily attributable to a $3.0 million decrease in finance costs and a $0.7 million increase in operating earnings, reflecting a $1.7 million increase in gross margin and a $1.0 million increase in operating expenses.

Provision for Income Taxes

For the three months ended September 30, 2026, provision for income taxes was $3.0 million compared to $0.9 million in the comparative quarter of 2025, an increase of $2.1 million. This amount is a function of the pre-tax earnings generated during the period and the expected taxes payable on these earnings.

Net Earnings

Net earnings for the three months ended September 30, 2026, were $19.7 million compared to $18.1 million for the same period in 2025, an increase of $1.6 million or 8.8%, primarily attributable to a $3.0 million decrease in finance costs and a $0.7 million increase in operating earnings, partially offset by higher income tax expense.



Comparison of the Nine Months Ended September 30, 2026, and September 30, 2025

Overall Performance

Segmented Information

The following table shows the Company's segmented results for the nine months ended September 30:

	Nine months ended September 30, 2026			Nine months ended September 30, 2025[1]		
(in thousands of dollars)	Building Materials $	Other $	Total $	Building Materials $	Other $	Total $
Revenue	2,508,093	–	**2,508,093**	2,470,392	4,667	**2,475,059**
Specified expenses						
Depreciation and amortization	69,956	–	**69,956**	72,694	2,105	**74,799**
Finance costs	49,331	–	**49,331**	56,691	–	**56,691**
Net earnings	74,826	–	**74,826**	66,507	2,793	**69,300**

1. Restated to conform to the financial statement presentation adopted during the year ended December 31, 2025.

Sales and Gross Margin

Sales for the nine months ended September 30, 2026, were $2.51 billion versus $2.48 billion in the comparative period of 2025, representing an increase of $33.0 million or 1.3%, largely due to the year-to-date increase in US construction materials pricing partially offset by lower construction materials pricing in Canada.

The Company's sales in the nine-month period were made up of 83% of construction materials, compared with 81% in the prior year comparative period, with the remaining balance of sales resulting from specialty and allied products of 14% (2025 – 16%) and other sources of 3% (2025 – 3%).

Gross margin dollars were $400.1 million in the nine-month period versus $398.3 million in the comparative period of 2025, an increase of $1.8 million. Gross margin percentage was 16.0%, compared to 16.1% achieved in the same period of 2025.



Expenses

Expenses for the nine months ended September 30, 2026, were $263.5 million as compared to $261.0 million for the comparative period in 2025, an increase of $2.5 million or 1.0%, discussed further below. As a percentage of sales, expenses were 10.5% in the period, consistent with 2025.

Distribution, selling and administration expenses increased by $7.4 million or 4.0%, to $193.6 million in the first nine months of 2026 from $186.2 million in the same period of 2025, primarily due to higher energy costs and broad inflationary pressures. As a percentage of sales, these expenses were 7.7% in the period, compared to 7.5% in the same period in 2025.

Depreciation and amortization expenses decreased by $4.8 million or 6.4%, to $70.0 million for the nine months ended September 30, 2026, compared to $74.8 million in the comparative period of 2025, primarily due to certain intangible assets becoming fully amortized.

Operating Earnings

For the nine months ended September 30, 2026, operating earnings were $136.5 million compared to $137.3 million in the comparative period of 2025, a decrease of $0.8 million or 0.6%, due to the foregoing factors.

Finance Costs

Finance costs for the nine months period ended September 30, 2026, were $49.3 million, compared to $56.7 million for the same period in 2025, a decrease of $7.4 million or 13.1%. The decrease was primarily attributable to the lower interest rate on loans and borrowing.

Acquisition Costs

Directly attributable acquisition costs during the first nine months of 2026 were $0.3 million (2025 – $nil). These costs included due diligence, legal, environmental, financial, and other advisory services directly attributable to acquisition activities. The costs were incurred in connection with the evaluation of potential opportunities that were ultimately not pursued.

Earnings before Income Taxes

For the nine months ended September 30, 2026, earnings before income taxes were $87.0 million, compared to $80.6 million in the comparative period of 2025, an increase of $6.4 million or 7.9%. The increase was primarily attributable to a $7.4 million decrease in finance costs and a $1.8 million increase in gross margin, partially offset by a $7.4 million increase in distribution, selling and administration expenses. Depreciation and amortization expenses decreased by $4.8 million, further contributing to the improvement in earnings.



Provision for Income Taxes

For the nine months ended September 30, 2026, provision for income taxes was $12.1 million compared to $11.3 million in the same period of 2025, an increase of $0.8 million. This amount is a function of the pre-tax earnings generated in the period and the expected taxes payable on these earnings.

Net Earnings

Net earnings for the nine months ended September 30, 2026, were $74.8 million compared to $69.3 million for the same period in 2025, an increase of $5.5 million or 7.9%. The increase was primarily attributable to a $7.4 million decrease in finance costs, a $4.8 million decrease in depreciation and amortization expenses, and a $1.8 million increase in gross margin, partially offset by a $7.4 million increase in distribution, selling and administration expenses and higher income tax expenses.

Summary of Quarterly Results

For the Quarters Ended:

($ and shares millions, per share in dollars)	2026			2025				2024
	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec
Sales	**841.7**	904.5	762.0	644.2	795.1	886.7	793.2	707.8
EBITDA	**59.6**	78.6	68.1	44.3	62.0	80.0	70.0	51.0
Adjusted EBITDA[1]	**60.1**	78.8	68.1	44.3	62.0	80.0	70.0	51.9
Adjusted EBITDA % of sales[1]	**7.1**	8.7	8.9	6.9	7.8	9.0	8.8	7.3
Earnings before income taxes	**22.7**	37.0	27.3	2.9	19.0	35.5	26.2	8.3
Net earnings	**19.7**	31.2	23.9	11.0	18.1	27.7	23.6	8.3
Adjusted net earnings[2]	**20.1**	31.4	23.9	11.0	18.1	27.7	23.6	9.0
Net earnings per share[3]	**0.22**	0.36	0.27	0.13	0.21	0.32	0.27	0.09
Adjusted net earnings[2] per share[3]	**0.23**	0.36	0.27	0.13	0.21	0.32	0.27	0.10
Dividends declared per share	**0.14**	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Outstanding shares[3]	**87.9**	87.8	87.7	87.7	87.6	87.5	87.4	87.3

1. Adjusted EBITDA refers to EBITDA before directly attributable acquisition and LTIP related costs.
2. Net earnings before directly attributable acquisition and LTIP related costs.
3. Weighted average basic shares outstanding in the period.



Reconciliation of Net Earnings to EBITDA and Adjusted EBITDA

(in thousands of dollars)	Three months ended September 30, 2026 $	2025 $	Nine months ended September 30, 2026 $	2025 $
Net earnings	**19,704**	18,060	**74,826**	69,300
Provision for income taxes	**2,986**	890	**12,141**	11,297
Finance costs	**15,064**	18,051	**49,331**	56,691
Depreciation and amortization	**21,826**	25,018	**69,956**	74,799
EBITDA	**59,580**	62,019	**206,254**	212,087
Acquisition costs	**–**	–	**250**	–
LTIP compensation expense	**520**	–	**520**	–
Adjusted EBITDA	**60,100**	62,019	**207,024**	212,087

EBITDA and Adjusted EBITDA

For the quarter ended September 30, 2026, EBITDA was $59.6 million compared to $62.0 million in the comparative period of 2025, a decrease of $2.4 million or 3.9%. For the nine months ended September 30, 2026, EBITDA was $206.3 million compared to $212.1 million in the comparative period of 2025, a decrease of $5.8 million or 2.7%. EBITDA for the first nine months of 2026 was impacted by higher freight and fuel costs and the broad inflationary pressures.

For the quarter ended September 30, 2026, adjusted EBITDA was $60.1 million compared to $62.0 million in the comparative period of 2025, a decrease of $1.9 million or 3.1%. For the nine months ended September 30, 2026, adjusted EBITDA was $207.0 million compared to $212.1 million in the comparative period of 2025, a decrease of $5.1 million or 2.4%. The decrease was primarily attributable to the higher freight and fuel costs and the broad inflationary pressures. Adjusted EBITDA for the first nine months of 2026 was impacted by non-recurring acquisition-related costs of $0.3 million and share-based compensation expense for employees of $0.5 million.



Reconciliation of Net Earnings to Adjusted Net Earnings

(in thousands of dollars)	Three months ended September 30, 2026 $	2025 $	Nine months ended September 30, 2026 $	2025 $
Net earnings	**19,704**	18,060	**74,826**	69,300
Acquisition costs	**–**	–	**250**	–
LTIP compensation expense	**520**	–	**520**	–
Income tax recovery	**(139)**	–	**(205)**	–
Adjusted Net Earnings	**20,085**	18,060	**75,391**	69,300
Net earnings per share (basic and diluted)[1]	**0.22**	0.21	**0.85**	0.79
Adjusted costs per share (net of tax recovery)	**0.01**	–	**0.01**	–
Adjusted net earnings per share[1]	**0.23**	0.21	**0.86**	0.79

1. Weighted average basic shares outstanding in the period.

Financial Condition

Liquidity and Capital Resources

Management believes that net debt is a key measure of the Company's liquidity. The Company's net debt as at September 30, 2026, was $957.4 million, compared to $996.0 million as at December 31, 2025, a decrease of $38.6 million, reflecting the Company's seasonal working capital requirements, which was comprised of the following:

(in thousands of dollars)	September 30, 2026 $	December 31, 2025 $
Loans and borrowings[1]	**834,705**	814,292
Lease liabilities[1]	**154,515**	183,547
Cash and cash equivalents	**(37,870)**	(4,932)
Bank indebtedness	**6,062**	3,124
Net debt	**957,412**	996,031

1. Includes current portion of debt and lease liabilities.



As at September 30, 2026, the Company had available liquidity of $308.1 million, primarily based on the maximum credit available of $580.0 million under its revolving loan facility and cash and cash equivalents:

(in thousands of dollars)	September 30, 2026 $	December 31, 2025 $
Cash and cash equivalents	**37,870**	4,932
Bank indebtedness	**(6,062)**	(3,124)
Unused credit capacity under the Company's revolving loan facility	**276,243**	295,569
Available liquidity	**308,051**	297,377

During the nine months ended September 30, 2026, the Company generated $29.3 million in cash and cash equivalents, versus $2.2 million consumed in the comparative prior year period. The following activities during the period accounted for the change in cash.

Operating activities, before non-cash working capital changes, generated $132.1 million in cash, compared to $131.6 million in the same period in 2025. The increase in operating cash flows during the period were primarily attributable to higher net earnings during the period.

During the nine months ended September 30, 2026, changes in non-cash working capital consumed $33.1 million of cash, compared to generating $15.4 million in the same period in 2025, primarily reflecting the seasonal increase in trade and other receivables, partially offset by lower inventories and higher trade and other payables.

The Company generally experiences higher levels of non-cash working capital during the first and second quarters, and a decrease in non-cash working capital during the third and fourth quarters, due to ordinary seasonal factors relating to the Company's business cycle. The change in working capital during the nine months ended September 30, 2026, was comprised of an increase in trade and other receivables of $107.9 million, a decrease in inventory of $22.8 million, a decrease in prepaid expenses and deposits of $0.6 million, and an increase in trade and other payables of $51.5 million as a result of this seasonality.

During the nine months ended September 30, 2026, the Company consumed $49.9 million of cash from overall financing activities related to funding seasonal working capital, compared to $209.0 million in 2025.

Net advances of the revolving loan facility were $19.1 million compared to repayments of $150.2 million in 2025. During 2025, the Company applied the net proceeds from the sale of its timberlands to reduce borrowings under the revolving loan facility. Shares issued, net of transaction costs, generated $2.1 million of cash, compared to $1.8 million in 2025. The Company also returned $36.9 million to shareholders through dividends paid during the nine-month period, largely in line with 2025.



Payment of lease liabilities, including interest, consumed $26.4 million of cash compared to $24.1 million in 2025. The Company's lease obligations generally require consistent monthly installments, and these payments are all current.

Investing activities consumed $19.9 million of cash, compared to generating $59.9 million in 2025. Investing activities in the first nine months of the comparative 2025 period included the sale of a portion of the Company's timberlands for total cash proceeds of $75.2 million and the Temecula Acquisition for cash consideration of $2.1 million. Additionally, the Company invested $25.6 million in new property, plant and equipment during the period, compared to $14.7 million in 2025.

The Company takes measures to optimize its cash flows, including but not limited to, managing cash flow by tightly controlling non-cash working capital levels and capital expenditures, evaluating ongoing cost savings opportunities, appropriately deferring or reducing anticipated capital expenditures, and adjusting quarterly dividends, as required or deemed prudent by management and the board. These available liquidity measures, combined with the Company's continuing cash flows from operations and credit facilities, are expected to be sufficient to meet its operating requirements and remain compliant with its lending covenants.

The Company was not in breach of any of its lending covenants during the nine months ended September 30, 2026.

Total Assets

Total assets of the Company were $1.95 billion as at September 30, 2026, versus $1.84 billion as at December 31, 2025, an increase of $114.5 million. Current assets increased by $131.1 million. Trade and other receivables increased by $112.2 million and inventory decreased by $13.3 million, largely due to regular seasonal factors. Long-term assets decreased by $16.6 million, primarily due to reductions in right-of-use assets and depreciation during the period, partially offset by investment in property, plant, and equipment.

Total Liabilities

Total liabilities were $1.23 billion as at September 30, 2026, versus $1.20 billion at December 31, 2025, an increase of $29.4 million. The increase was primarily attributable to a $42.5 million increase in trade and other payables due to regular seasonal factors.

Outstanding Share Data

As at November 6, 2026, there were 87,894,041 common shares issued and outstanding.



Dividends

The following quarterly dividends of $0.14 per share were declared and paid by the Company:

	2026			2025		
	Declared			Declared		
(in thousands of dollars)	Record date	Amount $	Payment date	Record date	Amount $	Payment date
Quarter 1	Mar 31, 2026	12,287	Apr 15, 2026	Mar 31, 2025	12,236	Apr 15, 2025
Quarter 2	Jun 30, 2026	12,289	Jul 15, 2026	Jun 30, 2025	12,249	Jul 15, 2025
Quarter 3	Sep 29, 2026	12,305	Oct 15, 2026	Sep 29, 2025	12,268	Oct 15, 2025
		36,881			**36,753**	
Quarter 4				Dec 31, 2025	12,270	Jan 15, 2026
					49,023	

Dividend Policy

The Board of the Company is routinely assessing its dividend policy in the context of overall profitability, free cash flow, capital requirements, general economic conditions and other business needs.

Hedging

From time to time, the Company undertakes sale and purchase transactions in foreign currency as part of its Canadian operations and for US-based merger and acquisition activity, and therefore, is subject to gains and losses due to fluctuations in foreign exchange rates. During the nine months ended September 30, 2026, the Company recorded an unrealized foreign exchange loss of $3.2 million in Other Comprehensive Income, compared to an $8.2 million gain in 2025, arising from the translation of its foreign currency debt.

The Company may, at times, use derivative financial instruments for economic hedging purposes in managing lumber price risk, interest rate risk and foreign currency risk through the use of futures contracts and options. These derivative financial instruments are measured at fair value through profit and loss, with changes in fair value being recorded in net earnings.

When held by the Company, foreign currency, interest rate and lumber derivative instruments are traded through well-established financial services firms with a long history of providing trading, exchange and clearing services for these instruments. As trading activities are closely monitored by senior management, the risk of a material credit loss on these financial instruments is considered low.



Related Party Transactions

The Company has transactions with related parties in the normal course of operations at amounts negotiated with the related parties.

Certain land and buildings of the Company's treatment plants are leased from entities solely controlled by Amar Doman, a director and officer of the Company, and certain distribution facilities used by the Company to store and process inventory are leased from a company controlled by Rob Doman, a former officer of the Company, or a close member of that person's family. All lease rates were market tested in advance of the signing of the lease agreements and were determined to represent market rates. Rob Doman ceased to be key management personnel of the Company effective May 8, 2026. Accordingly, except for transactions or commitments negotiated while Rob Doman was a related party, transactions with Rob Doman or entities controlled by him are disclosed as related party transactions only up to the date of his resignation. Any amounts payable to Rob Doman or such entities as at September 30, 2026, are therefore not considered related party balances.

Lease payments to such related parties were $4.3 million in the nine months ended September 30, 2026, compared to $3.9 million in the comparative prior year period. The minimum payments under the terms of these leases are as follows: $1.4 million in 2026, $5.8 million in 2027, $6.0 million in 2028, $5.8 million in 2029, $3.1 million in 2030, and $7.7 million thereafter.

During the nine-month period, the Company purchased $1.9 million (2025 – $1.6 million) of product from a public company in which Amar Doman has an ownership interest and is also a director and officer. These purchases are in the normal course of operations and are recorded at exchange amounts. As at September 30, 2026, payables to this related party were $0.1 million (December 31, 2025 – $0.1 million).

During the nine-month period, fees of $0.8 million (2025 – $0.6 million) were paid for services to companies solely controlled by Amar Doman. As at September 30, 2026, payables to these related parties were $0.1 million (December 31, 2025 – $0.1 million). Additionally, the Company was charged professional fees in relation to regulatory, corporate finance, litigation, and compliance consulting services of $0.4 million (2025 – $0.5 million) by a company owned by Rob Doman, a former officer of the Company.

Additional information regarding these related party transactions is contained in Note 16 of the Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2026.



Commitments and Contingencies

Future and Contractual Obligations

In addition to various debt facilities, the Company has lease commitments for certain transportation equipment, rental of many of its distribution centres and treatment plant properties in Canada and the US, and for vehicles, warehouse equipment, and computer hosting contracts.

The following table shows, as at September 30, 2026, the Company's contractual obligations, including estimated interest, within the periods indicated:

(in thousands of dollars)	*Face value* $	Total contractual obligation[1] $	Remainder of 2026 $	2027-2028 $	2029-2030 $	Thereafter $
Unsecured notes[2]	*535,000*	**655,375**	–	80,250	575,125	–
Revolving loan facility[3]	*303,757*	**433,047**	4,670	428,377	–	–
Leases and other contractual commitments[4]		**209,593**	11,243	85,734	53,631	58,985
Accounts payable and other		**222,150**	193,359	14,603	14,188	–
Total contractual obligations		**1,520,165**	**209,272**	**608,964**	**642,944**	**58,985**

1. Includes future interest obligations.
2. Non-publicly listed notes with maturity date of September 17, 2029, and interest rate at 7.5%.
3. Interest has been calculated based on the average borrowing under the facility for the nine months ended September 30, 2026, utilizing the interest rate payable under the terms of the facility at September 30, 2026. This facility matures on April 30, 2028.
4. Additional information is contained in Note 8 of the Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2026.

Claims

During the normal course of business, certain product liability and other claims have been brought against the Company and, where applicable, its suppliers. While there is inherent difficulty in predicting the outcome of such matters, management has vigorously contested the validity of these claims, where applicable, and, based on current knowledge, believes that they are without merit and does not expect that the outcome of any of these matters, in consideration of insurance coverage maintained, or the nature of the claims, individually or in the aggregate, would have a material adverse effect on the consolidated financial position, results of operations or future earnings of the Company.



Critical Accounting Judgments and Estimates

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience, forecasted cash flow estimates and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant areas requiring estimates are goodwill and related impairment testing, inventory valuation and obsolescence, deferred tax assets and liabilities valuation, assessing whether an arrangement contains a lease, determining the lease term, and determining the discount rate to value the lease.

Business Combinations and Goodwill

Management uses judgment in determining the fair value of the acquired net identifiable tangible and intangible assets at the date of a business combination, which requires making assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of the acquired intangible assets and property, plant and equipment generally require the most judgment. Changes in any of these assumptions or estimates used in determining the fair values of these acquired assets could impact the amounts recorded at the date of the business combination.

Any goodwill resulting from a business combination is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill at September 30, 2026, relates to the Company's acquisitions of various businesses. Goodwill is not amortized but is tested for impairment annually or more frequently if changes in circumstances indicate a potential impairment. Goodwill impairment is assessed based on a comparison of the recoverable amount of a cash-generating unit ("CGU") to the underlying carrying value of that CGU's net assets, including goodwill. Significant estimates are required in determining the recoverable amount of each CGU, including a discount rate, a growth rate and revenue projections. When the carrying amount of the CGU exceeds its recoverable amount, an impairment loss is recognized to the CGU where the goodwill is allocated, first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of other assets in the CGU. Individual assets within the CGU are not impaired below their residual fair market value.

Leases

When assessing a lease agreement, certain estimates and assumptions need to be made and applied, which include, but are not limited to, the determination of the expected lease term and minimum lease payments, determining the discount rate to value the lease, the assessment of the likelihood of exercising options and estimation of the fair value of the leased property.

Inventory Valuation

Under IFRS, inventories must be recognized at the lower of cost or their Net Realizable Value ("NRV"), which is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. IFRS requires that the estimated NRV be based on the most reliable evidence available at the time the estimates are made of the amounts that inventories are expected to realize. The measurement of an inventory write-down to NRV is based on the Company's best estimate of the NRV and of the Company's expected future sale or consumption of the Company's inventories. Due to the economic environment and continued volatility in the Company's end markets, there is uncertainty as to whether the NRV of the inventories will remain consistent with those used in the Company's assessment of NRV at period end. As a result, there is the risk that a write-down of on hand and unconsumed inventories could occur in future periods. Also, a certain portion of inventory may become damaged or obsolete. A slow-moving reserve is recorded, as required, based on an analysis of the length of time product has been in inventory and historical rates of damage and obsolescence.

Income Taxes

At each reporting date, a deferred income tax asset may be recognized for all tax-deductible temporary differences, unused tax losses and income tax deductions, to the extent that their realization is probable. The determination of this requires significant judgment. This evaluation includes review of the ability to carry-back operating losses to offset taxes paid in prior years; the carry-forward periods of the losses; and an assessment of the excess of fair value over the tax basis of the Company's net assets. If based on this review, it is not probable such assets will be realized then no deferred income tax asset is recognized.

Management believes the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results may differ from these estimates.

Changes in Accounting Policies

Material accounting policies are disclosed in Note 3 of the 2025 Consolidated Financial Statements, and have been applied consistently in the preparation of these financial statements.



Disclosure Controls and Internal Controls over Financial Reporting

Disclosure Controls and Procedures

In accordance with the requirements of National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, the Company's management, including the Chief Executive Officer and the Chief Financial Officer, acknowledges responsibility for the design and operation of disclosure controls and procedures and internal control over financial reporting, and the requirement to evaluate the effectiveness of these controls on an annual basis.

Changes in Internal Control over Financial Reporting

There were no material changes in the design of the Company's internal controls over financial reporting ("ICFR") during the nine months ended September 30, 2026, that have affected, or are reasonably likely to materially affect, its ICFR.

Risks and Uncertainties

The Company is subject to normal business risks associated with similar firms operating within the building materials industry in Canada and the US, which are described in greater detail in the Company's AIF dated March 31, 2026, the Company's MD&A contained in the 2025 Consolidated Financial Statements, and the Company's public filings on *www.sedarplus.ca*, which the reader is encouraged to review, and which are or may be updated from time to time, after the date therein. Except as required by applicable law, the Company undertakes no obligation to publicly update or otherwise revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Cybersecurity Risk

Information technology ("IT") and cyber risks have recently increased, and malicious activities are creating more threats for cyberattacks. Privacy, data and third-party risks have also been heightened. The Company is continuously monitoring its IT infrastructure to maintain the privacy, security and confidentiality of all sensitive, proprietary and confidential information.

While the Company believes it takes appropriate precautions in light of cybersecurity risks, given that cyber risks cannot be fully mitigated and the evolving nature of these threats, management cannot assure that the Company's IT systems are fully protected from cybercrime or that the systems will not be inadvertently compromised, or without failures, defects, or impacts on the Company's operations. Accordingly, there can be no assurance that cyberattacks will not materially affect the Company's business or results of operations.

Outlook

As a distributor and manufacturer of a range of construction materials products, the Company is exposed to construction materials pricing volatility. Periods of increasing prices provide an opportunity for higher sales and increased margins, while declining price environments expose the Company to declines in sales and profitability. Future market pricing could be volatile in response to several factors, including but not limited to, the impacts of inflation, rising interest rates, higher borrowing costs for consumers, a potential for an economic recession, production capacity restoration and industry operating rates, home sales, government policy, international tensions, trade disputes, tariffs, supply chain challenges, energy pricing and availability, labour shortages in the construction industry and inventory levels in various distribution channels.

Fannie Mae Economic and Strategic Research Group ("Fannie Mae") projects economic growth in the US to be a modest 2.6% for 2026 and 2.5% for 2027. Inflation is forecasted to end 2026 at 3.7% and decline to 1.9% in 2027. According to the US Census Bureau, housing starts averaged an annualized rate of 1,293,000 units during the third quarter of 2026, compared to 1,347,000 units in the same period last year. Housing starts are expected to moderate further to 1,341,000 units in 2026 and 1,301,000 units in 2027.

The Bank of Canada ("BoC") October 2026 Monetary Policy Report indicates that, after a period of weakness, the Canadian economy is showing signs of improvement, although uncertainty remains elevated. The economy continues to adjust to US tariffs, trade policy uncertainty, slower population growth and geopolitical developments in the Middle East. Consumer spending has continued to support growth, while exports are beginning to recover as businesses adapt to elevated uncertainty. Business and residential investment are expected to recover modestly. GDP growth is projected to be approximately 1% in 2026 and is expected to strengthen to 2% in both 2027 and 2028. Inflation remains around 3% reflecting higher gasoline and energy prices following the conflict in the Middle East. However, inflation excluding gasoline and measures of core inflation have remained close to 2%. Based on assumptions that oil prices moderate and gasoline refinery margins narrow, inflation is expected to remain above 3% through much of 2027 before gradually returning toward the BoC's 2% target by mid-2028. The main risks to the outlook remain developments in Canada–US trade relations and uncertainty surrounding energy prices linked to the conflict in the Middle East.

According to the Canada Mortgage and Housing Corporation (the "CMHC"), the seasonally adjusted annualized rate for Canadian housing starts decreased to 248,103 in the third quarter of 2026 versus 272,634 in the same period last year. The seasonally adjusted annualized rate for single detached units, a more relevant leading indicator for the Company, amounted to 48,216 in the third quarter of 2026 versus 53,790 in the comparative quarter of 2025, a decrease of 10.4%.

In addition to new housing starts, management believes a significant proportion of the Company's sales are ultimately driven by activity in the repair and remodel market. The four-quarter moving rate for expenditures on improvements and repairs in the US grew by 2.2% year-over-year during the third quarter of 2026, according to the Leading Indicator of Remodeling Activity ("LIRA") recently released by



the Remodeling Futures Program at the Joint Center for Housing Studies of Harvard University ("JCHS"). However, the LIRA projects annual expenditures to continue slowing over the coming year, with year-over-year growth in home renovation and repair spending gradually decelerating through 2026 and into 2027, reaching 1.5% by the third quarter of 2027 (four-quarter moving rate of change).

Overall, the Company expects that aging housing supply and strong government initiatives aimed at increasing housing supply may provide some support for long-term demand in both Canada and the US. However, elevated interest rates, ongoing trade uncertainty, and cautious construction and renovation spending are expected to continue to keep current market conditions subdued. Over the longer term, the Company believes that underlying housing fundamentals will continue to support demand for its products.

In the interim, the Company continues to closely monitor the global economic environment and its potential impacts on operations while actively managing associated risks. Management continues to implement mitigation strategies to minimize the potential impacts of construction materials price volatility, rising fuel and freight costs, and other inflationary pressures. These strategies include, but are not limited to, the use of vendor-managed inventories, direct shipments from the manufacturer to customers, and the optimization of inventory levels to maintain high standards of customer service while minimizing excess inventory exposure to market fluctuations and higher financing costs. The Company also continues to monitor fuel and freight costs and implements temporary surcharges, where appropriate, to help mitigate increased transportation expenses.

Outside of acquisitions, these initiatives have contributed to the Company's efforts to manage debt levels and maintain available liquidity under its revolving credit facility. The Company also continues to execute on its strategy of increasing the proportion of value-added products, such as pressure-treated wood, in its overall sales mix.

The Company's priority in the near term is the health and safety of its employees, compliance with all applicable regulations, and mitigating the impacts of the current macroeconomic and domestic market conditions, while continuing to serve its customers and integrate recent acquisitions. Management remains focused on preserving cash flow through working capital optimization, operating cost management, disciplined capital expenditures, and ongoing assessment of its dividend policy, with the objective of maintaining financial flexibility and maximizing long-term shareholder value.

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