



PFB Corporation Announces Financial Results for Q1 2017, Declares Regular Quarterly Dividend

STOCK SYMBOL: PFB

CALGARY, May 11, 2017 /CNW/ - (TSX – PFB) PFB Corporation ("PFB" or the "Corporation") reports its financial results for the first quarter ended March 31, 2017.

For the three month period ended March 31, 2017, PFB Corporation reports a consolidated loss of \$890,000, \$(0.13) per share as compared to a consolidated loss of \$155,000, \$(0.02) per share, in the comparative three month period of 2016.

Earnings before interest, taxes, depreciation and amortization (EBITDA)¹ for the first quarter of 2017 was \$32,000 as compared to \$955,000 in the first quarter of 2016, a decrease of \$919,000.

Consolidated sales were \$19,487,000 in the first quarter of 2017 compared to sales of \$19,157,000 in the first quarter of 2016, an increase of \$330,000 or 1.7%.

The overarching influence on first quarter operations was the unforeseen and unprecedented increase in our principal raw material costs caused by shortages of products resulting from manufacturing disruptions in the upstream styrene monomer supply chain. Styrene spot prices in United States dollars rose dramatically, by 66%, over the period from the beginning of December 2016 until the end of February 2017. These increases have now reversed and prices have returned to the base level prior to the run-up. The Canadian-US foreign exchange rate remained relatively constant during the period, such that the effect of foreign exchange on these costs was minor.

The effect of this event was to substantially reduce gross margins to 15.1% during the first quarter of 2017, compared with gross margins of 20.1% experienced in the first quarter of 2016. The cost of inventories recognized as an expense in cost of sales during the three month period ended March 31, 2017 was \$14,808,000 contrasted to \$13,855,000 during the 2016 comparative period. During the first quarter, the Corporation immediately began implementing price increases with its customers; however, there are timing delays with price increase implementation and the financial effects of the increases remain to be experienced over the balance of the year.

Dividend Payment

The Board of Directors has approved the regular quarterly dividend per common share. The quarterly dividend of \$0.07 per common share will be paid on May 31, 2017 to shareholders of record on May 23, 2017.

Non-GAAP Financial Measures¹

EBITDA is a supplemental measure of performance not defined by International Financial Reporting Standards (IFRS) and, therefore, it does not have any standardized meaning under IFRS. Therefore, the measure is unlikely to be comparable to similar measures presented by other issuers. The reconciliation of EBITDA to net income and the reason why we use this measure can be found in Management's

Discussion and Analysis (MD&A) for the first quarter ended March 31, 2017, under section 19 titled "Non-GAAP and additional GAAP measures".

About PFB

PFB Corporation is a vertically integrated manufacturer of insulating building products that are marketed across North America under the following brands. Plasti-Fab® EPS Product Solutions® are products, manufactured using expanded polystyrene (EPS) as base raw materials, that are delivered to customers in five segmented markets. Advantage ICF Systems® are insulating concrete forming systems that are employed to build insulated foundations and walls from concrete in both residential and commercial markets. Insulspan® Structural Insulating Panels Systems (SIPS) are used to create structural walls and to replace trusses on roof systems to form an energy-efficient structural envelope. PFB Custom Homes Group includes Riverbend® Timber Framing, PrecisionCraft® Log & Timber Homes, Point Zero Homes™ and M.T.N. DesignSM. Each brand provides clients with our exclusive Total Home Solution® for building custom homes in the US, Canada and internationally that can include Insulspan SIPS for the walls and roof, and Advantage ICFS for the building's foundations.

PFB Corporation is listed for trading on the Toronto Stock Exchange, symbol PFB.

PFB's condensed interim consolidated financial statements and interim MD&A for the three month periods ended March 31, 2017 and 2016 will be posted on SEDAR (www.sedar.com) on or before May 15, 2017.

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