CanWel Building Materials Group Ltd.
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Press Release

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CANWEL BUILDING MATERIALS ANNOUNCES FIRST QUARTER 2018 FINANCIAL RESULTS

Q1 2018 Financial Highlights(1):

- Revenues increased by 32.4% to a Q1 record $295.0 million
- Gross Margin increased to 15.5%
- EBITDA(2) increased by 90.6% to $15.6 million
- Net Earnings(4) increased to $6.5 million versus $1.7 million in Q1 2017

VANCOUVER, **CANADA** – March 8, 2018 – CanWel Building Materials Group Ltd. ("CanWel" or "the Company") (TSX:CWX) announced today its first quarter 2018 financial results(1) for the period ended March 31, 2018.

For the three-month period ended March 31, 2018(1), consolidated revenues increased by 32.4% to $295.0 million when compared to $222.8 million in the same period in 2017. Sales for the Distribution segment increased by $74.4 million or 35.9%, largely due to the inclusion of the results from the Honsador Acquisition, an upward trend in construction material pricing, and the Company's continuing focus on its product mix strategies and target customer base.

Gross margin dollars increased by 67.4% to $45.7 million, compared to $27.3 million during the corresponding period in 2017. Gross margin percentage also increased to 15.5% of revenues versus 12.3% during the same period in 2017. The increase in margin dollars and percentage is mainly due to the results from acquisitions, the aforementioned upward trend in construction material pricing, and a change in the Company's sales mix within general categories of construction materials and specialty and allied products.

EBITDA(2) and Adjusted EBITDA(3) for the period increased by 90.6% to a first quarter record $15.6 million, compared to $8.2 million during the first quarter of 2017. As a result of the foregoing factors, net earnings for the quarter ended March 31, 2018 were $6.5 million compared to $1.7 million in the same quarter of 2017, an increase of $4.8 million or 289.3%.

"Our record financial performance during the first quarter is a testament to the sound growth strategy we have deployed and continue to deliver against," commented Amar S. Doman, Chairman of the Board. "2018 is off to a strong start despite a mixed background of economic activity on both sides of the border. We will continue to execute on the integration of our recent acquisitions and strategic plan, while realizing strong returns for our shareholder base. We are staying on course with our disciplined plan."

Reconciliation of Net Earnings to Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) and Adjusted EBITDA:

	Three months ended March 31,	
(in thousands of dollars)	**2018**	**2017**
Net earnings	**$ 6,493**	$ 1,668
Provision for income taxes	**2,314**	749
Finance costs	**2,427**	1,899
Depreciation of property, plant and equipment	**2,691**	3,113
Amortization of intangible assets	**1,649**	744
EBITDA and Adjusted EBITDA	**$15,574**	$ 8,173

About CanWel

Founded in 1989, CanWel is headquartered in Vancouver, British Columbia and trades on the Toronto Stock Exchange under the symbol CWX and is Canada's only fully integrated national distributor in the building materials and related products sector. CanWel operates: multiple treating plant and planing facilities in Canada and the United States; distribution centres coast-to-coast in all major cities and strategic locations across Canada; in the United States near San Francisco and Los Angeles, California and in 14 locations in the State of Hawaii through its wholly owned Honsador Building Products Group. CanWel distributes a wide range of building materials, lumber, renovation and electrical products. In addition, through its CanWel Fibre division, CanWel operates a vertically integrated forest products company based in Western Canada, operating from British Columbia to Saskatchewan, also servicing the US Pacific Northwest. CanWel owns approximately 136,000 acres of private timberlands, strategic Crown licenses and tenures, log harvesting and trucking operations, several post and pole peeling facilities and two pressure-treated specialty wood production plants and a specialty saw mill.

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Certain statements in this press release may constitute "forward-looking" statements. When used in this press release, such statements use words, including but not limited to, "may", "will", "would", "should", "expect", "believe", "plan", "intend", "anticipate", "predict", "remain", "estimate", "potential", "continue", "could", "might", "project", "targeting', "future" and other similar terminology or the negative or inverse of such words or terminology. These forward-looking statements reflect the current expectations of CanWel's management regarding future events and operating performance, but involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CanWel, including the cash flow from operations, dividends or EBITDA(2) generated or paid by CanWel, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Actual events could differ materially from those projected herein and depend on a number of factors. These factors include (i) the risk that the integration of the acquisition of Honsador Acquisition Corp ("Honsador"), the assets of Total Forest Industries Ltd. ("TFI") in quarter 3, 2016, Jemi Fibre Corp. ("Jemi") in quarter 2, 2016, or the assets of California Cascade Industries ("CCI") in quarter 3, 2015, (collectively the "Acquisition") may result in significant challenges, and management of CanWel may be unable to accomplish the integration of the Acquisition smoothly or successfully or without spending significant amounts of time, money or other resources thereon; any inability of management to successfully integrate the operations of the combined business, including, but not limited to, information technology, financial reporting systems or environmental matters, any of which could have a material adverse effect on the business, financial condition and results of operations of CanWel; (ii) the risk that revenues, profits and margins of the Company may not remain consistent with historical levels, (iii) the risk that competing firms which manufacture or distribute competitive product lines will aggressively defend or seek market share, or that existing customers or suppliers of Honsador, TFI, Jemi or CCI(some of whom are competitors of CanWel) will cease doing business with the Company, in each case reducing, eliminating or reversing any potential positive economic impact on CanWel of the Acquisition; (iv) the risk that any increased sales, margin, profit or distributable cash resulting from the Acquisition may not be fully realized, realized at all or may take longer to realize than expected; (v) the risk of disruption from the integration of the Acquisition making it more difficult to maintain relationships with customers, employees or suppliers. Factors also include, but are not limited to, dependence on market and economic conditions, sales and margin risk, competition, information system risks, availability of supply of products, risks associated with the introduction of new product lines, product design risk, product liability risks, environmental risks, regulatory risk, trade and tariff risks, differing law or regulations across jurisdictions, volatility of commodity prices, inventory risks, resource industry risks, resource extraction risks, risks relating to remote operations, forestry management and silviculture risks, fire, flood and natural disaster risks, customer and vendor risks, contract performance risks, acquisition and integration risks, availability of credit, credit risks, performance bond risks, litigation risks and interest rate risks. A further description of these and other risks which could cause results to differ materially from those described in these forward-looking statements can be found in the periodic and other reports filed by CanWel with Canadian securities commissions and available on SEDAR (http://www.sedar.com). In addition, a number of material factors or assumptions were utilized or applied in making the forward-looking statements, and may include, but are not limited to, assumptions regarding the performance of the Canadian and US economies, the relative stability of or level of interest rates, exchange rates, volatility of commodity prices, 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 the Acquisition, the ability of the Company to refinance its debts as they mature, the Canadian and United States housing and building materials markets; international trade and tariff risks, political risks, the amount of the Company's cash flow from operations; tax laws; and the extent of the Company's future acquisitions and capital spending requirements or planning as well as the general level of economic activity, in Canada and the US, and abroad, discretionary spending, and unemployment levels. There is a risk that some or all of these assumptions may prove to be incorrect. These and other factors could cause or contribute to actual results differing materially from those contemplated by forward-looking statements. Accordingly, readers should not place undue reliance on any forward-looking statements or information. There are numerous risks associated with an investment in the Company's common shares, which are also further described in the "Risk Factors" sections of the Company's annual information form dated March 29, 2018 as well as its other public filings on SEDAR. These forward-looking statements speak only as of the date of this press release. We caution that the foregoing factors that may affect future results are not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by applicable securities laws, the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward looking information, whether as a result of new information, future developments or otherwise, except as required by applicable law.

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(1) Please refer to our Q1 2018 MD&A and Financial Statements for further information. Our Q1 2018 Financial Statements filings are reported under International Financial Reporting Standards ("IFRS").

(2) In the discussion, reference is made to EBITDA, which represents earnings from continuing operations before interest, including amortization of deferred financing costs, provision for income taxes, depreciation and amortization, asset impairment losses (if applicable) and share-based compensation. This is not a generally accepted earnings measure under 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 we believe it is a useful indicator of a Company's ability to meet debt service and capital expenditure requirements and because we interpret trends in EBITDA as an indicator of relative operating performance. EBITDA should not be considered by an investor 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 Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) and Adjusted EBITDA".

(3) 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 we believe 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 an investor 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 Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) and Adjusted EBITDA".