

WESTERN

Forest Products

FOR IMMEDIATE RELEASE

TSX: WEF

Western Announces Third Quarter 2025 Results

November 5, 2025 – Vancouver, British Columbia – Western Forest Products Inc. (TSX: WEF) (“Western” or the “Company”) reported Adjusted EBITDA of negative \$65.9 million in the third quarter of 2025, which included a non-cash export duty expense of \$59.5 million related to the determination of final duty rates from the sixth Administrative Review (“AR”). In comparison, the Company reported Adjusted EBITDA of negative \$10.7 million in the third quarter of 2024, which included a \$1.0 million export duty recovery related to the determination of final duty rates from the fifth AR, and Adjusted EBITDA of \$0.5 million in the second quarter of 2025.

Net loss was \$61.3 million in the third quarter of 2025, as compared to a net loss of \$19.6 million in the third quarter of 2024, and net loss of \$17.4 million in the second quarter of 2025.

(millions of Canadian dollars except per share amounts and where otherwise noted) ⁽¹⁾

	Q3 2025	Q3 2024	Q2 2025	YTD 2025	YTD 2024
Revenue	\$ 233.0	\$ 241.7	\$ 289.1	\$ 784.6	\$ 790.7
Adjusted EBITDA ⁽²⁾	(65.9)	(10.7)	0.5	(62.0)	(5.5)
Adjusted EBITDA margin ⁽²⁾	(28%)	(4%)	0%	(8%)	(1%)
Operating loss prior to restructuring and other items	\$ (78.0)	\$ (24.4)	\$ (12.3)	\$ (99.5)	\$ (46.0)
Net loss	(61.3)	(19.6)	(17.4)	(64.9)	(33.3)
Loss per share, diluted	(5.71)	(1.71)	(1.62)	(6.00)	(2.83)
Net debt ⁽²⁾ , end of period	11.6	86.4	27.3		
Liquidity ⁽²⁾ , end of period	234.2	137.3	189.7		
Net debt to capitalization ⁽²⁾	2%	13%	5%		

(1) Certain figures may not add due to rounding

(2) Refer to Adjusted EBITDA, Adjusted EBITDA margin, Liquidity and Net debt to capitalization in the Non-GAAP Financial Measures section.

Third Quarter 2025 Financial and Operational Summary

- Lumber production of 107 million board feet (versus 127 million board feet in Q3 2024).
- Lumber shipments of 129 million board feet (versus 138 million board feet in Q3 2024).
- Cedar lumber shipments of 24 million board feet (versus 33 million board feet in Q3 2024).
- Specialty lumber mix of 51% (versus 53% in Q3 2024).
- Average lumber selling price of \$1,409 per m³ (versus \$1,378 per m³ in Q3 2024).
- Average BC log sales price of \$160 per m³ (versus \$113 per m³ in Q3 2024).

Accelerating the Transition to Higher Value Products

- Site construction is ongoing on two continuous dry kilns.
- Anticipate the first continuous dry kiln will be completed and commissioned in early 2026, while the completion and commissioning of the second continuous dry kiln is anticipated in mid-2026.

Balance Sheet and Cash Flow

- Reduced net debt by \$15.7 million compared to the end of the second quarter of 2025 primarily through working capital reductions.
- Net debt to capitalization improved to 2%, compared to 5% at the end of the second quarter of 2025.
- Increased available liquidity by entering into a new USD\$30 million letter of credit facility, which is incremental to the Company's \$250 million syndicated credit facility.
- Ended the quarter with liquidity of \$234.2 million, compared to \$189.7 million of liquidity at the end of the second quarter of 2025.
- Reducing planned 2025 capital expenditure spending to approximately \$30 to \$35 million, which includes approximately \$16 million of planned spending on two continuous dry kilns.

Other Items

- The insurance process related to our Columbia Vista sawmill remains ongoing. Western recorded USD\$5.0 million (\$6.9 million) in Other income as an initial insurance recovery in the third quarter of 2025. We continue to evaluate future plans for the site as we work with our insurers to determine available insurance proceeds.
- A strike at our La-kwa sa muqw Forestry Limited Partnership ("LFLP"), which commenced in the second quarter of 2025, remains ongoing. LFLP is actively working to resume bargaining and bring an end to the work stoppage.
- Took 30 million board feet in lumber production curtailments in the third quarter of 2025 and plan to take 35 million board feet of lumber production curtailments in the fourth quarter of 2025.

Softwood Lumber Dispute

During the third quarter of 2025, the US Department of Commerce ("DoC") published the final antidumping duty ("AD") rate of 20.53% and countervailing duty ("CV") rate of 14.63% applicable to Western related to the sixth AR. Western recorded a non-cash export tax expense of USD\$44.1 million (\$59.5 million), plus accrued interest of USD\$8.2 million (\$11.4 million) in the third quarter of 2025 as a result of the final sixth AR determination.

Incremental US Tariffs

On September 29, 2025, US President Donald Trump signed an executive order imposing a 10% tariff on imported lumber products through Section 232 of the US Trade Expansion Act. The incremental 10% tariff became effective on October 14, 2025.

Market Outlook

North American markets are expected to continue to remain weak, mainly due to high interest rates and low consumer confidence. In addition, elevated US channel lumber inventory levels are further reducing demand at the producer level. The incremental US tariff of 10% has further complicated market dynamics as producers look to pass the tariff onto customers in an already weak demand environment. Markets may start to improve towards the end of the fourth quarter of 2025 or into early 2026 as supply decreases and as distributors start to build inventories ahead of the spring building season. However, in the near-term, distributors and pro-dealers continue to buy on an as-needed basis and the home center business is expected to be slow as consumers manage their way through the uncertain economic environment.

In Japan and China, housing demand continues to trend downwards, but lumber inventories remain low, resulting in near-term stable pricing. The strong pricing in specialty shop and better products into export markets has started to negatively affect demand into the fourth quarter of 2025, which may have the effect of capping further price increases.

Management Discussion & Analysis ("MD&A")

Readers are encouraged to read our Q3 2025 MD&A and interim consolidated financial statements and accompanying notes which are available on our website at www.westernforest.com and "SEDAR+" at www.sedarplus.ca.

Risks and Uncertainties

Risk and uncertainty disclosures are included in our 2024 Annual MD&A, as updated in the disclosures in our Q3 2025 MD&A, as well as in our public filings with securities regulatory authorities. See also the discussion of "Forward-Looking Statements" below.

Non-GAAP Financial Measures

Reference is made in this press release to the following non-GAAP measures: Adjusted EBITDA, Adjusted EBITDA margin, Net debt to capitalization, and total Liquidity are used as benchmark measurements of our operating results and as benchmarks relative to our competitors. These non-GAAP measures are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance. These non-GAAP measures do not have any standardized meaning prescribed by IFRS and may not 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 our audited annual consolidated financial statements:

(millions of Canadian dollars except where otherwise noted)

	Q3 2025	Q3 2024	Q2 2025	YTD 2025	YTD 2024
Adjusted EBITDA					
Net loss	\$ (61.3)	\$ (19.6)	\$ (17.4)	\$ (64.9)	\$ (33.3)
Add:					
Amortization	12.1	13.6	12.8	37.6	40.4
Changes in fair value of biological assets	-	0.1	-	(0.1)	-
Operating restructuring items	-	1.9	0.5	0.8	3.4
Other (income) expense	(6.9)	0.7	9.0	(22.2)	(1.7)
Finance costs	12.0	1.2	0.7	13.8	4.9
Income tax recovery	(21.8)	(8.6)	(5.1)	(27.0)	(19.3)
Adjusted EBITDA	\$ (65.9)	\$ (10.7)	\$ 0.5	\$ (62.0)	\$ (5.5)
Adjusted EBITDA margin					
Total revenue	\$ 233.0	\$ 241.7	\$ 289.1	\$ 784.6	\$ 790.7
Adjusted EBITDA	(65.9)	(10.7)	0.5	(62.0)	(5.5)
Adjusted EBITDA margin	(28%)	(4%)	0%	(8%)	(1%)
Net debt to capitalization	Sep. 30 2025	Sep. 30 2024	Jun. 30 2025		
Net debt					
Total debt	\$ 16.9	\$ 90.0	\$ 30.7		
Bank indebtedness	0.4	1.4	0.8		
Cash and cash equivalents	(5.7)	(5.0)	(4.2)		
	\$ 11.6	\$ 86.4	\$ 27.3		
Capitalization					
Net debt	\$ 11.6	\$ 86.4	\$ 27.3		
Total equity attributable to equity shareholders of the Company	492.1	555.4	550.7		
	\$ 503.7	\$ 641.8	\$ 578.0		
Net debt to capitalization	2%	13%	5%		
Total liquidity					
Cash and cash equivalents	\$ 5.7	\$ 5.0	\$ 4.2		
Available credit facility ⁽¹⁾	250.0	250.0	250.0		
Bank indebtedness	(0.4)	(1.4)	(0.8)		
Credit facility drawings	(17.9)	(90.5)	(31.8)		
Outstanding letters of credit	(3.2)	(25.8)	(31.9)		
	\$ 234.2	\$ 137.3	\$ 189.7		

Figures in the table above may not equal or sum to figures presented in the table and elsewhere due to rounding.

(1) Maximum borrowing amount, with advances in excess of \$215 million subject to a leverage metric.

Forward Looking Statements and Information

This press release contains statements that may constitute forward-looking statements under the applicable securities laws. Readers are cautioned against placing undue reliance on forward-looking statements. All statements herein, other than statements of historical fact, may be forward-looking statements and can be identified by the use of words such as “will”, “commit”, “project”, “estimate”, “expect”, “anticipate”, “plan”, “forecast”, “intend”, “believe”, “seek”, “could”, “should”, “may”, “likely”, “continue”, “maintain”, “pursue”, “potential” and similar references to future periods. Forward-looking statements in this press release include, but are not limited to, statements relating to our current intent, belief or expectations with respect to: domestic and international market conditions, demands and growth; economic conditions; the completion of the Company’s capital projects and the expected timing thereof; future operations of the Columbia Vista Sawmill and any insurance proceeds available in relation to the fire that occurred at such sawmill; the timing it may take to resolve the LFLP labour dispute; the extent of the reduction in lumber production at our manufacturing facilities; the Company’s ability to adjust operations to match market conditions and available log supply; and the Company’s balance sheet and financial flexibility. Although such statements reflect management’s current reasonable beliefs, expectations and assumptions as to, amongst other things, the future supply and demand of forest products, global and regional economic activity and the consistency of the regulatory framework within which the Company currently operates, there can be no assurance that forward-looking statements are accurate, and actual results and performance may materially vary.

Many factors could cause our actual results or performance to be materially different including: economic and financial conditions including inflation, international demand for forest products, the Company’s ability to export its products, cost and availability of shipping carrier capacity, competition and selling prices, international trade disputes and sanctions, changes in foreign currency exchange rates, labour disputes and disruptions, ability to recruit workers, natural disasters, the impact of climate change, relations with First Nations groups, First Nations’ claims and settlements, the availability of fibre and allowable annual cut, the ability to obtain operational permits, development and changes in laws and regulations affecting the forest industry, changes in the price of key materials for our products, changes in opportunities, information systems security and other factors referenced under the “Risks and Uncertainties” section of our MD&A in our 2024 Annual Report dated February 13, 2025. The foregoing list is not exhaustive, as other factors could adversely affect our actual results and performance. Forward-looking statements are based only on information currently available to us and refer only as of the date hereof. Except as required by law, we undertake no obligation to update forward-looking statements.

Reference is made in this press release to adjusted EBITDA which is defined as operating income prior to operating restructuring items and other income (expense) plus amortization of plant, equipment and intangible assets, impairment adjustments, and changes in fair value of biological assets. Adjusted EBITDA margin is adjusted EBITDA as a proportion of revenue. Western uses adjusted EBITDA and adjusted EBITDA margin as benchmark measurements of our own operating results and as benchmarks relative to our competitors. We consider adjusted EBITDA to be a meaningful supplement to operating income as a performance measure primarily because amortization expense, impairment adjustments and changes in the fair value of biological assets are non-cash costs, and vary widely from company to company in a manner that we consider largely independent of the underlying cost efficiency of their operating facilities. Further, the inclusion of operating restructuring items which are unpredictable in nature and timing may make comparisons of our operating results between periods more difficult. We also believe adjusted EBITDA and adjusted EBITDA margin are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance.

Adjusted EBITDA does not represent cash generated from operations as defined by IFRS and it is not necessarily indicative of cash available to fund cash needs. Furthermore, adjusted EBITDA does not reflect the impact of certain items that affect our net income. Adjusted EBITDA and adjusted EBITDA margin are not measures of financial performance under IFRS, and should not be considered as alternatives to measures of performance under IFRS. Moreover, because all companies do not calculate adjusted EBITDA and adjusted EBITDA margin in the same manner, these measures as calculated by Western may differ from similar measures calculated by other companies. A reconciliation between the Company’s net income as reported in accordance with IFRS and adjusted EBITDA is included in this press release.

Also in this press release management may use key performance indicators such as net debt, net debt to capitalization, and current assets to current liabilities. Net debt is defined as long-term debt less cash and cash equivalents. Net debt to capitalization is a ratio defined as net debt divided by capitalization, with capitalization being the sum of net debt and equity. Current assets to current liabilities is defined as total current assets divided by total current liabilities. These key performance indicators are non-GAAP financial measures that do not have a standardized meaning and may not be comparable to similar measures used by other issuers. They are not recognized by IFRS, however, they are meaningful in that they indicate the Company’s ability to meet their obligations on an ongoing basis, and indicate whether the Company is more or less leveraged than the prior year.

Conference Call

Thursday, November 6, 2025 at 9:00 a.m. PST (12:00 p.m. EST)

To participate in the teleconference please dial 647-846-2809 or 1-877-883-0383 (passcode: 4185838#). This call will be taped, available one hour after the teleconference, and on replay until December 6, 2025 at 8:59 p.m. PST (11:59 p.m. EDT). To hear a complete replay, please call 412-317-0088 / 1-855-669-9658 (passcode: 7995230#).

About Western Forest Products Inc.

Western is an integrated forest products company building a margin-focused log and lumber business to compete successfully in global softwood markets. With operations and employees located primarily on the coast of British Columbia and Washington State, Western is a premier supplier of high-value, specialty forest products to worldwide markets. Western has a lumber capacity of 780 million board feet from six sawmills, as well as operates four remanufacturing facilities and two glulam manufacturing facilities. The Company sources timber from its long-term licenses, First Nations arrangements, and market purchases. Western supplements its production through a wholesale program providing customers with a comprehensive range of specialty products.

For further information, please contact:

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