BRAMPTON BRICK Limited

FOR IMMEDIATE RELEASE

BRAMPTON BRICK REPORTS RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2019

(All amounts are stated in thousands of Canadian dollars, except per share amounts.)

BRAMPTON, ONTARIO, May 7, 2019 – Brampton Brick Limited (TSX:BBL.A) today reported a net loss of $4,498, or $0.41 per share, for the three months ended March 31, 2019, compared to a net loss of $949, or $0.09 per share, for the corresponding quarter in 2018. The aggregate weighted average number of Class A Subordinate Voting shares and Class B Multiple Voting shares outstanding for the first quarter of 2019 and 2018 were 10,964,182 and 10,973,754, respectively.

DISCUSSION OF OPERATIONS

Revenues for the first quarter of 2019 were $19,356 compared to $24,957 for the same quarter of 2018. Very unfavourable weather conditions during the first quarter of 2019 significantly affected construction activity, reducing shipments in Ontario and Quebec, Canada. In contrast, weather conditions conducive to construction in March 2018 supported the carry-forward of construction projects from 2017 resulting in increased masonry product shipments in the first quarter of 2018. In addition, landscape shipments were also comparatively lower in the first quarter of 2019 due to the recognition of shipments in the first quarter of 2018 under the Company's dealer winter booking program that were deferred from the last quarter of 2017 due to production capacity constraints.

Cost of sales for the first quarter ended March 31, 2019 decreased to $18,965 from $20,441 for the corresponding quarter in 2018. The comparative decrease in the cost of sales due to lower shipments was offset, in part, by higher per unit costs of production on lower production volumes. Higher costs were also incurred for scheduled repairs and maintenance. In addition, freight and delivery expenses were lower during the first three months of 2019.

Selling expenses for the first quarter of 2019 increased to $3,343 compared to $2,984 for the same quarter of 2018. Personnel expenses were higher primarily due to one-time costs related to employee severances during the first quarter of 2019. In addition, higher costs were incurred relating to enhancements to the customer relationship application software, and marketing costs to promote improved product awareness in the Company's expanded geographic markets were incurred during the first quarter of 2019.

General and administrative expenses for the quarter ended March 31, 2019, increased to $2,639 from $2,121 for the same period of 2018 primarily due to legal expenses related to the business acquisition discussed below and employee severance costs. These increases were partially offset by lower share-based compensation costs recognized on the provision for share appreciation rights due to a decrease in their fair market value as at March 31, 2019.

Other expense was $132 for the three-month period ended March 31, 2019 compared to other income of $82 for the corresponding quarter of 2018. This primarily relates to the loss on translation of foreign currency transactions as a result of currency exchange fluctuations attributed to the U.S. dollar during the period.

On February 4, 2019, the Company acquired the business of a concrete block manufacturing plant located in Cambridge, Ontario. Assets acquired at fair value totaled $7,500 and included land, building, production equipment and inventory.

The purchase consideration was settled by a cash payment of $2,500 and a vendor take-back loan in the form of two non-interest bearing promissory notes totaling $5,000, payable in equal instalments over five years. On the date of acquisition, the fair value of the business acquired exceeded the acquisition-date fair value of the purchase consideration due to the non-interest bearing, deferred settlement terms on the vendor take-back loan recognized at present value. Accordingly, a gain of $573 was recognized from the bargain purchase of this concrete block business in the Consolidated Statement of Comprehensive Income (loss).

The operating loss for the quarter ended March 31, 2019 increased to $5,129 from $499 for the same quarter in 2018, for the reasons noted above.

Finance expense for the three months ended March 31, 2019 was $493 compared to $173 for the corresponding quarter in 2018. Excluding the change in the fair value of the interest rate swap, which amounted to an unrealized loss of $222 (2018 – unrealized gain of $86), net interest expense for the current quarter increased to $271 compared to $259 for the first quarter of 2018. This increase during the period was due to the unwinding of the discount related to the present value of the non-interest bearing, promissory notes acquired on the settlement of the business acquisition discussed above. This increase was partially offset by lower interest expense on lower term loan balances outstanding under the Company's banking credit facilities, as a result of scheduled repayments amounting to $1,950 made during the second half of 2018.

Recovery of income taxes totaled $1,124 for the first quarter of 2019 compared to a provision for income taxes of $277 for the same quarter of 2018. The recovery of income taxes in the first quarter of 2019 and the provision for income taxes in the corresponding quarter of 2018, related to the pre-tax loss and pre-tax income of the Company's Canadian operations, respectively. The Company has not recorded a deferred tax asset with respect to the potential deferred tax benefit pertaining to losses incurred by its U.S. operations in the current or any prior period.

The following paragraphs explain each operating business segment in more detail.

MASONRY PRODUCTS

Revenues of the Masonry Products business segment were $17,677 for the quarter ended March 31, 2019, compared to $21,771 for the corresponding quarter of 2018. During the first quarter of 2019, unfavourable weather conditions, as well as a decrease in housing starts, affected the pace of residential construction in Ontario, Canada. This related decrease in shipments was partially offset by an increase in housing starts in the high-rise residential market sector, as well as strength in commercial and other development activity, which supported an increase in the Company's masonry concrete product shipments. In addition, during the first quarter of 2018, the carryover of construction projects from the last quarter of 2017 favourably impacted shipments in that period.

Cost of sales for the first quarter of 2019 decreased to $15,473 compared to $16,421 for the corresponding quarter in 2018, due to lower shipments. This decrease was partially offset by higher per unit production costs on lower production volumes at the Brampton clay brick plant in order to balance inventory levels. Higher production volumes of masonry concrete products supported lower per unit manufacturing costs during the first quarter of 2019. During the first quarter of 2019, higher costs were incurred for repairs and maintenance of specific manufacturing equipment, in order to optimize production capacity utilization in 2019. In addition, freight and delivery costs were lower in the first quarter of 2019.

General and administrative expenses increased during the first quarter of 2019 for the reasons noted above under "Discussion of Operations".

The gain from the bargain purchase of a concrete block business in Cambridge, Ontario totaling $573 was recognized during the first quarter of 2019 and is described in more detail above under "Discussion of Operations".

The operating loss for the first quarter of 2019 was $1,929 compared to operating income of $1,475 for the corresponding quarter of 2018.

LANDSCAPE PRODUCTS

Revenues of the Landscape Products business segment for the three months ended March 31, 2019 were $1,644, compared to $3,186 for the corresponding quarter of 2018. While sales in this segment are historically low in the first quarter of the year, relatively unfavourable weather also impacted results. In addition, during the first quarter of 2018, shipments under the 2017 – 2018 dealer winter booking program were only delivered in the first three months of 2018 due to production capacity constraints in the Company's landscape products' facilities.

Cost of sales for the quarter ended March 31, 2019 decreased to $3,291 from $4,020 for the corresponding quarter of 2018. This decrease due to lower shipments was offset, in part, by higher per unit production costs on lower production volumes. Lower freight and delivery costs during the three-month period of 2019 favourably impacted cost of sales.

Selling expenses were higher during the three months ended March 31, 2019 for the same reasons discussed above under "Discussion of Operations".

As a result, the operating loss for the first quarter of 2019 increased to $3,063 compared to $1,974 for the same quarter in 2018.

CASH FLOWS

Cash used for operating activities increased to $14,207 for the three months ended March 31, 2019 compared to $9,499 for the corresponding period in 2018 primarily due to a decrease in operating results as well as an increase in disbursements of trade payables. This increase in cash used for operating activities was offset, in part, by lower production levels to rebalance inventories and lower income tax instalment payments.

Cash utilized for purchases of property, plant and equipment totaled $3,399 for the three-month period of 2019 compared to $965 for the same period of 2018. Assets acquired from the business acquisition of the concrete block manufacturing plant located in Cambridge, Ontario, totaled $6,250, excluding inventory. Of the cash payment of $2,500 on acquisition of this business, cash paid towards property, plant and equipment, excluding inventory, totaled $2,083.

Excluding the above-noted transaction, purchases of property, plant and equipment during the first three months of 2019 totaled $1,393 (2018 – $997) and net amounts paid relating to additions in the prior period. Additions included $1,047 (2018 - $655) for production process equipment and $163 (2018 - $39) for mobile equipment.

FINANCIAL CONDITION

The Company's Masonry Products and Landscape Products business segments are seasonal in nature. The Landscape Products business is affected by seasonality to a greater degree than the Masonry Products business. As a result of this seasonality, operating results are impacted accordingly and cash requirements are generally expected to increase through the first half of the year and decline through the second half of the year.

There were no bank operating advances outstanding as of March 31, 2019 and as of December 31, 2018.

Trade payables totaled $13,143 at March 31, 2019 compared to $17,429 at December 31, 2018.

The ratio of total liabilities to shareholders' equity was 0.48:1 at March 31, 2019 compared to 0.46:1 both at January 1, 2019 and at December 31, 2018. This increase in the ratio was primarily due to a decrease in retained earnings on lower operating results, and a decrease in accumulated other comprehensive income due to a decrease in the value of the exchange rate of the U.S. dollar, as at the end of March 31, 2019, from the year-end exchange rate as at December 31, 2018.

As at March 31, 2019, the Company's current ratio was 3.39:1, representing working capital of $51,239, compared to 3.32:1 and $57,428, respectively, as at January 1, 2019 and 3.33:1 and $57,547, respectively, as at December 31, 2018. The increase in the current ratio was due to an increase in inventories and a decrease in trade payables outstanding at March 31, 2019 compared to December 31, 2018. This increase was partially offset by a decrease in cash and cash equivalents. Cash and cash equivalents totaled $9,345 at March 31, 2019, compared to $27,043 at December 31, 2018 and $11,213 at March 31, 2018.

The change in the January 1, 2019 balance sheet balances from December 31, 2018 is due to the adoption of the new accounting standard, IFRS 16, *Leases*, on January 1, 2019.

The Company's demand operating facility provides for borrowings of up to $22,000 based on margin formulae for trade receivables, certain other qualified receivables and inventories, less priority claims. It is a demand facility secured by a general security agreement over all assets. The agreement also contains certain financial covenants.

As at March 31, 2019, the borrowing limit based on the margin formulae was $22,000, of which $378 in outstanding letters of credit was utilized.

The Company was in compliance with all financial covenants under its term financing agreement and operating credit facility as at March 31, 2019 and anticipates that it will maintain compliance throughout the year.

The Company expects that future cash flows from operations, cash and cash equivalents on hand, and the unutilized balance of its operating credit facility will be sufficient to satisfy its obligations as they become due.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein constitute "forward-looking statements". All statements that are not historical facts are forward-looking statements, including, among others, statements regarding the future development plans for the Universal property, forecasts of sufficient cash flows from operations and other sources of financing, anticipated compliance with financial covenants under debt agreements, anticipated sales of masonry and landscape products, and other statements regarding future plans, objectives, production levels, costs, productivity, results, business outlook and financial performance. There can be no assurance that such forward-looking statements will prove to be accurate.

Such forward-looking statements are based on information currently available to management, and are based on assumptions and analyses made by management in light of its experience and its perception of historical trends, current conditions and expected future developments, including, among others, assumptions regarding pricing, weather and seasonal expectations, production efficiency, and there being no significant disruptions affecting operations or other material adverse changes.

Such forward-looking statements also involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others: changes in economic conditions, including the demand for the

Company's primary products and the level of new home, commercial and other construction; large fluctuations in production levels; fluctuations in energy prices and other production costs; changes in transportation costs; foreign currency exchange and interest rate fluctuations; legislative and regulatory developments; as well as those assumptions, risks, uncertainties and other factors identified and discussed under "Risks and Uncertainties" in the 2018 annual MD&A, included in the Company's 2018 Annual Report, and those identified and reported in the Company's other public filings (including the Annual Information Form for the year ended December 31, 2018), which may be accessed at www.sedar.com.

The forward-looking information contained herein is made as of the date hereof. Other than as specifically required by law, the Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements.

Brampton Brick Limited is Canada's second largest manufacturer of clay brick, serving markets in Ontario, Quebec and the Northeast and Midwestern United States from its brick manufacturing plants located in Brampton, Ontario and Farmersburg, Indiana. To complement the clay brick product line, the Company also manufactures a range of concrete masonry products, including concrete brick and block as well as stone veneer products. Concrete interlocking paving stones, retaining walls, garden walls and enviro products are manufactured and distributed from facilities in Markham, Hillsdale, Brockville, Cambridge and Brampton, Ontario, in Boisbriand, Quebec and in Wixom, Michigan and sold to markets in Ontario, Quebec, Michigan, New York, Pennsylvania, Ohio, Kentucky, Illinois and Indiana under the Oaks™ and Boehmers™ trade names. The Company's products are used for residential construction and for industrial, commercial, and institutional building projects.

SELECTED FINANCIAL INFORMATION

(unaudited)(in thousands of Canadian dollars)

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS	March 31 2019	January 1 2019	December 31 2018
ASSETS			
Current assets			
Cash and cash equivalents	**$ 9,345**	$ 27,043	$ 27,043
Trade and other receivables	**17,765**	18,137	18,137
Inventories	**42,129**	35,583	35,583
Other assets	**1,438**	1,210	1,210
Income tax recoverable	**1,956**	119	119
Loan receivable	**45**	64	64
Current derivative financial instrument	**13**	77	77
	72,691	82,233	82,233
Non-current assets			
Property, plant and equipment	**174,041**	169,338	169,075
Non-current derivative financial instrument	**-**	129	129
Other assets	**16**	79	79
	174,057	169,546	169,283
Total assets	**$ 246,748**	$ 251,779	$ 251,516
LIABILITIES			
Current liabilities			
Trade payables	**$ 13,143**	$ 17,429	$ 17,429
Current portion of debt	**3,330**	2,537	2,418
Current provision on share appreciation rights	**486**	402	402
Other liabilities	**4,493**	4,437	4,437
	21,452	24,805	24,686
Non-current liabilities			
Non-current portion of debt	**35,914**	32,385	32,241
Non-current derivative financial instrument	**29**	-	-
Non-current provision on share appreciation rights	**69**	161	161
Decommissioning provisions	**6,980**	6,974	6,974
Deferred tax liabilities	**15,150**	15,334	15,334
	58,142	54,854	54,710
Total liabilities	**$ 79,594**	$ 79,659	$ 79,396
EQUITY			
Share capital	**$ 34,186**	$ 33,909	$ 33,909
Contributed surplus	**3,200**	3,218	3,218
Accumulated other comprehensive income	**10,220**	10,947	10,947
Retained earnings	**119,548**	124,046	124,046
Total equity	**$ 167,154**	$ 172,120	$ 172,120
Total liabilities and equity	**$ 246,748**	$ 251,779	$ 251,516

SELECTED FINANCIAL INFORMATION

(unaudited)(in thousands of Canadian dollars, except per share amounts)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)	Three months ended March 31	
	2019	2018
Revenues	**$ 19,356**	$ 24,957
Cost of sales	**18,965**	20,441
Selling expenses	**3,343**	2,984
General and administrative expenses	**2,639**	2,121
Gain on disposal of property, plant and equipment	**(21)**	(8)
Other expense (income)	**132**	(82)
Gain from bargain purchase of concrete block business	**(573)**	-
	24,485	25,456
Operating loss	**(5,129)**	(499)
Finance expense	**(493)**	(173)
Loss before income taxes	**(5,622)**	(672)
Recovery of (provision for) income taxes		
Current	**941**	(422)
Deferred	**183**	145
	1,124	(277)
Net loss for the period	**$ (4,498)**	$ (949)
Other comprehensive (loss) income		
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Foreign currency translation (loss) gain	**$ (727)**	$ 885
Total comprehensive loss for the period	**$ (5,225)**	$ (64)
Net loss per Class A Subordinate Voting share and Class B Multiple Voting share	**$ (0.41)**	$ (0.09)
Weighted average Class A Subordinate Voting shares and Class B Multiple Voting shares outstanding (000's)	**10,964**	10,974

SELECTED FINANCIAL INFORMATION

(unaudited)(in thousands of Canadian dollars)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS	Three months ended March 31 2019	2018
Cash provided by (used for)		
Operating activities		
Net loss for the period	**$ (4,498)**	$ (949)
Items not affecting cash and cash equivalents		
Depreciation	**2,296**	2,250
Current taxes (recovery) provision	**(941)**	422
Deferred taxes recovery	**(183)**	(145)
Gain on disposal of property, plant and equipment	**(21)**	(8)
Unrealized foreign currency exchange loss (gain)	**132**	(87)
Gain from bargain purchase of concrete block business	**(573)**	-
Net interest expense	**271**	259
Derivative financial instrument loss (gain)	**222**	(86)
Other	**14**	230
	(3,281)	1,886
Changes in non-cash items		
Trade and other receivables	**338**	744
Inventories	**(5,943)**	(6,825)
Other assets	**(170)**	(465)
Trade payables	**(4,274)**	(2,980)
Other liabilities	**19**	54
	(10,030)	(9,472)
Income tax payments	**(896)**	(1,913)
Cash used for operating activities	**(14,207)**	(9,499)
Investing activities		
Purchase of property, plant and equipment	**(3,399)**	(965)
Proceeds from repayments of loans receivable	**19**	8
Proceeds from disposal of property, plant and equipment	**21**	29
Cash used for investment activities	**(3,359)**	(928)
Financing activities		
Payment of term loans	**-**	(3)
Interest paid	**(181)**	(318)
Payments on obligations under leases	**(132)**	(51)
Proceeds from exercise of stock options	**238**	-
Cash used for financing activities	**(75)**	(372)
Foreign exchange on cash held in foreign currency	**(57)**	2
Decrease in cash and cash equivalents	**(17,698)**	(10,797)
Cash and cash equivalents at the beginning of the period	**27,043**	22,010
Cash and cash equivalents at the end of the period	**$ 9,345**	$ 11,213

SELECTED FINANCIAL INFORMATION

(unaudited)(in thousands of Canadian dollars)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Equity
Balance - January 1, 2018	**$ 33,915**	**$ 3,146**	**$ 8,240**	**$ 110,689**	**$ 155,990**
Net loss for the period	-	-	-	(949)	**(949)**
Other comprehensive income (net of taxes, $nil)	-	-	885	-	**885**
Total comprehensive income (loss) for the period	**-**	**-**	**885**	**(949)**	**(64)**
Share-based compensation	-	47	**-**	**-**	**47**
Balance - March 31, 2018	**$ 33,915**	**$ 3,193**	**$ 9,125**	**$ 109,740**	**$ 155,973**
Balance - January 1, 2019	**$ 33,909**	**$ 3,218**	**$ 10,947**	**$ 124,046**	**$ 172,120**
Net loss for the period	-	-	-	(4,498)	**(4,498)**
Other comprehensive loss (net of taxes, $nil)	-	-	(727)	-	**(727)**
Total comprehensive loss for the period	**-**	**-**	**(727)**	**(4,498)**	**(5,225)**
Stock options exercised	277	(39)	-	-	**238**
Share-based compensation	-	21	-	-	**21**
Balance - March 31, 2019	**$ 34,186**	**$ 3,200**	**$ 10,220**	**$ 119,548**	**$ 167,154**

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