



## NEWS RELEASE

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FOR IMMEDIATE RELEASE

### GOODFELLOW REPORTS ITS RESULTS FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2018

Delson, Quebec, February 14, 2019 — Goodfellow Inc. (TSX: GDL) announced today its financial results for the fiscal year ended 30 November 2018. The Company reported the following:

#### HIGHLIGHTS

	Three months ended			For the years ended		
	November 30 2018	November 30 2017	Variance	November 30 2018	November 30 2017	Variance
	\$	\$	%	\$	\$	%
Consolidated sales	112,742	127,558	-11.6	475,207	523,659	-9.3
(Loss) earnings before income taxes	(22)	2,711	-100.8	3,277	(3,275)	+200.1
Net earnings (loss)	197	2,216	-91.1	2,571	(2,094)	+222.8
Net earnings (loss) per share, Basic and Diluted	0.02	0.26	-92.3	0.30	(0.25)	+220.0
Cash Flow from Operations (excluding non-cash working capital items, income tax paid and interest paid)	1,609	3,425	-53.0	9,705	2,630	+269.0
EBITDA	1,821	4,957	-63.3	10,443	5,009	+108.5
Average Bank indebtedness	56,112	60,971	-8.0	69,569	80,010	-13.0
Inventory average	99,876	95,956	+4.1	104,832	105,361	-0.5

Overall sales in Q4 fell below expectations resulting nonetheless in \$0.2 million of net earnings in Q4 2018 versus \$2.2 million in Q4 2017. The Company was able to continue its gradual return to profitability in 2018 posting \$2.6 million of net earnings versus a \$2.1 million net loss in 2017.

The Board of directors of Goodfellow Inc. declared an eligible dividend of \$0.10 per share payable on March 15, 2019, to all shareholders of record as of February 28, 2019.

Goodfellow Inc. is a distributor of lumber products, building materials and floor coverings. Goodfellow shares trade on the Toronto Stock Exchange under the symbol GDL.

**GOODFELLOW INC.****Consolidated Statements of Comprehensive Income****For the years ended November 30, 2018 and 2017***(in thousands of dollars, except per share amounts)***Unaudited**

	<b>Years ended</b>	
	<b>November 30 2018</b>	November 30 2017
	\$	\$
<b>Sales</b>	<b>475,207</b>	523,659
Expenses		
Cost of goods sold	<b>387,311</b>	442,243
Selling, administrative and general expenses	<b>81,161</b>	81,686
Gain on disposal of property, plant and equipment	<b>(18)</b>	(1,194)
Net financial costs	<b>3,476</b>	4,199
	<b>471,930</b>	526,934
Earnings (loss) before income taxes	<b>3,277</b>	(3,275)
Income taxes	<b>706</b>	(1,181)
<b>Net earnings (loss)</b>	<b>2,571</b>	(2,094)
<i>Items that will not subsequently be reclassified to net earnings (loss)</i>		
Remeasurement of defined benefit plan obligation, net of taxes of \$318 (\$127 in 2017)	<b>858</b>	341
Total comprehensive income (loss)	<b>3,429</b>	(1,753)
Net earnings (loss) per share - Basic and diluted	<b>0.30</b>	(0.25)

**GOODFELLOW INC.**  
**Consolidated Statements of Financial Position**  
*(in thousands of dollars)*  
**Unaudited**

	As at November 30 2018	As at November 30 2017
	\$	\$
<b>Assets</b>		
<b>Current Assets</b>		
Cash	2,578	1,622
Trade and other receivables	50,008	57,607
Income taxes receivable	-	1,589
Inventories	92,544	88,860
Prepaid expenses	3,143	2,835
<b>Total Current Assets</b>	<b>148,273</b>	<b>152,513</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	34,356	36,198
Intangible assets	4,444	4,942
Defined benefit plan asset	2,704	2,413
Investment in a joint venture	25	285
Other assets	916	882
<b>Total Non-Current Assets</b>	<b>42,445</b>	<b>44,720</b>
<b>Total Assets</b>	<b>190,718</b>	<b>197,233</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	42,835	52,309
Trade and other payables	29,192	29,409
Income taxes payable	409	-
Provision	336	938
Current portion of long-term debt	14	139
<b>Total Current Liabilities</b>	<b>72,786</b>	<b>82,795</b>
<b>Non-Current Liabilities</b>		
Provision	1,317	446
Long-term debt	43	55
Deferred income taxes	3,652	3,582
Defined benefit plan obligation	57	921
<b>Total Non-Current Liabilities</b>	<b>5,069</b>	<b>5,004</b>
<b>Total Liabilities</b>	<b>77,855</b>	<b>87,799</b>
<b>Shareholders' Equity</b>		
Share capital	9,152	9,152
Retained earnings	103,711	100,282
	<b>112,863</b>	<b>109,434</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>190,718</b>	<b>197,233</b>

**GOODFELLOW INC.**  
**Consolidated Statements of Cash Flows**  
**For the years ended November 30, 2018 and 2017**  
*(in thousands of dollars)*  
**Unaudited**

	<b>Years ended</b>	
	<b>November 30 2018</b>	November 30 2017
	\$	\$
<b>Operating Activities</b>		
Net earnings (loss)	2,571	(2,094)
Adjustments for:		
Depreciation	3,690	4,085
Accretion expense on provision	50	50
Increase (decrease) in provision	219	(104)
Income taxes	706	(1,181)
Gain on disposal of property, plant and equipment	(18)	(1,194)
Interest expense	2,502	2,821
Funding in deficit of pension plan expense	20	165
Share of the profits of a joint venture	-	(202)
Other assets	(35)	(210)
Share-based compensation	-	494
	<b>9,705</b>	<b>2,630</b>
Changes in non-cash working capital items	3,391	33,296
Interest paid	(2,535)	(2,614)
Income taxes recovered	1,045	6,349
	<b>1,901</b>	<b>37,031</b>
<b>Net Cash Flows from Operating Activities</b>	<b>11,606</b>	<b>39,661</b>
<b>Financing Activities</b>		
Net decrease in bank loans	(4,000)	(4,000)
Net decrease in banker's acceptances	(6,000)	(36,500)
Increase in long-term debt	-	68
Reimbursement of long-term debt	(137)	(136)
	<b>(10,137)</b>	<b>(40,568)</b>
<b>Investing Activities</b>		
Acquisition of property, plant and equipment	(1,159)	(1,329)
Increase in intangible assets	(212)	(446)
Proceeds on disposal of property, plant and equipment	72	1,585
Dividends from joint venture	260	320
Dissolution of the joint venture	-	3,000
	<b>(1,039)</b>	<b>3,130</b>
Net cash inflow	430	2,223
Cash position, beginning of year	313	(1,910)
<b>Cash position, end of year</b>	<b>743</b>	<b>313</b>
Cash position is comprised of:		
Cash	2,578	1,622
Bank overdraft	(1,835)	(1,309)
	<b>743</b>	<b>313</b>

**GOODFELLOW INC.****Consolidated Statements of Change in Shareholders' Equity****For the years ended November 30, 2018 and 2017***(in thousands of dollars)***Unaudited**

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$
Balance as at November 30, 2016	9,152	101,541	110,693
Net loss	-	(2,094)	(2,094)
Other comprehensive income	-	341	341
<b>Total comprehensive loss</b>	-	<b>(1,753)</b>	<b>(1,753)</b>
<i>Transactions within equity</i>			
Share-based compensation	-	494	494
Balance as at November 30, 2017	9,152	100,282	109,434
<b>Net earnings</b>	-	<b>2,571</b>	<b>2,571</b>
<b>Other comprehensive income</b>	-	<b>858</b>	<b>858</b>
<b>Total comprehensive income</b>	-	<b>3,429</b>	<b>3,429</b>
<b>Balance as at November 30, 2018</b>	<b>9,152</b>	<b>103,711</b>	<b>112,863</b>