



## NEWS RELEASE

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FOR IMMEDIATE RELEASE

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### GOODFELLOW REPORTS ITS RESULTS FOR THE FIRST QUARTER ENDED FEBRUARY 28, 2019

**Delson, Quebec, April 12, 2019** — Goodfellow Inc. (TSX: GDL) announced today its financial results for the first quarter ended February 28, 2019. The Company reported a net loss of \$1.6 million or \$0.18 per share compared to a net loss of \$1.4 million or \$0.17 per share a year ago.

Consolidated sales for the three months ended February 28, 2019 were \$88.2 million compared to \$96.7 million last year. Sales in Canada alone decreased 8% compared to the same period a year ago. On the operating side, selling and administrative costs decreased overall by \$1.0 million and overall gross profit before selling and administrative costs decreased by \$1.2 million.

“It is clear there are some economic headwinds making business conditions more challenging. The Company is keeping a very close eye on its cost base and inventory levels. We have nonetheless, seen strong support from our customers base and we are committed to an exemplary level of service”.

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 three months ended February 28, 2019 and 2018***(in thousands of dollars, except per share amounts)***Unaudited**

	<b>For the three months ended</b>	
	<b>February 28 2019</b>	<b>February 28 2018</b>
	<b>\$</b>	<b>\$</b>
<b>Sales</b>	<b>88,153</b>	96,684
Expenses		
Cost of goods sold	<b>71,241</b>	78,592
Selling, administrative and general expenses	<b>18,367</b>	19,397
Loss on disposal of property, plant and equipment	<b>7</b>	2
Net financial costs	<b>691</b>	681
	<b>90,306</b>	98,672
Loss before income taxes	<b>(2,153)</b>	(1,988)
Income taxes	<b>(603)</b>	(557)
<b>Total comprehensive loss</b>	<b>(1,550)</b>	(1,431)
<b>Net loss per share - Basic and diluted</b>	<b>(0.18)</b>	(0.17)

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

	As at February 28 2019 \$	As at November 30 2018 \$	As at February 28 2018 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash	2,159	2,578	1,547
Trade and other receivables	54,342	50,008	62,686
Income taxes receivable	647	-	2,262
Inventories	107,879	92,544	102,519
Prepaid expenses	2,133	3,143	4,051
<b>Total Current Assets</b>	<b>167,160</b>	<b>148,273</b>	<b>173,065</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	33,958	34,356	35,684
Intangible assets	4,292	4,444	4,800
Defined benefit plan asset	2,703	2,704	2,409
Investment in a joint venture	25	25	285
Other assets	849	916	849
<b>Total Non-Current Assets</b>	<b>41,827</b>	<b>42,445</b>	<b>44,027</b>
<b>Total Assets</b>	<b>208,987</b>	<b>190,718</b>	<b>217,092</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank indebtedness	56,155	42,835	65,385
Trade and other payables	36,066	29,192	37,657
Income taxes payable	-	409	-
Provision	336	336	938
Dividend payable	851	-	-
Current portion of long-term debt	14	14	108
<b>Total Current Liabilities</b>	<b>93,422</b>	<b>72,786</b>	<b>104,088</b>
<b>Non-Current Liabilities</b>			
Provision	1,321	1,317	458
Long-term debt	39	43	52
Deferred income taxes	3,652	3,652	3,582
Defined benefit plan obligation	91	57	909
<b>Total Non-Current Liabilities</b>	<b>5,103</b>	<b>5,069</b>	<b>5,001</b>
<b>Total Liabilities</b>	<b>98,525</b>	<b>77,855</b>	<b>109,089</b>
<b>Shareholders' equity</b>			
Share capital	9,152	9,152	9,152
Retained earnings	101,310	103,711	98,851
	<b>110,462</b>	<b>112,863</b>	<b>108,003</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>208,987</b>	<b>190,718</b>	<b>217,092</b>

**GOODFELLOW INC.**  
**Consolidated Statements of Cash Flows**  
**For the three months ended February 28, 2019 and 2018**  
*(in thousands of dollars)*  
**Unaudited**

	<b>For the three months ended</b>	
	<b>February 28 2019</b>	<b>February 28 2018</b>
	\$	\$
<b>Operating Activities</b>		
Net loss	(1,550)	(1,431)
Adjustments for:		
Depreciation	867	902
Accretion expense on provision	3	13
Income taxes	(603)	(557)
Loss on disposal of property, plant and equipment	7	2
Interest expense	482	476
Funding in deficit (excess) of pension plan expense	35	(8)
Other assets	67	33
	<b>(692)</b>	<b>(570)</b>
Changes in non-cash working capital items	(11,781)	(11,497)
Interest paid	(486)	(686)
Income taxes paid	(453)	(116)
	<b>(12,720)</b>	<b>(12,299)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>(13,412)</b>	<b>(12,869)</b>
<b>Financing Activities</b>		
Net decrease in bank loans	(3,000)	(3,000)
Net increase in banker's acceptances	15,000	16,000
Reimbursement of long-term debt	(4)	(34)
	<b>11,996</b>	<b>12,966</b>
<b>Investing Activities</b>		
Acquisition of property, plant and equipment	(312)	(235)
Increase in intangible assets	(19)	(33)
Proceeds on disposal of property, plant and equipment	8	20
	<b>(323)</b>	<b>(248)</b>
Net cash outflow	(1,739)	(151)
Cash position, beginning of period	743	313
<b>Cash position, end of period</b>	<b>(996)</b>	<b>162</b>
Cash position is comprised of:		
Cash	2,159	1,547
Bank overdraft	(3,155)	(1,385)
	<b>(996)</b>	<b>162</b>

**GOODFELLOW INC.****Consolidated Statements of Change in Shareholders' Equity****For the three months ended February 28, 2019 and 2018***(in thousands of dollars)***Unaudited**

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$
Balance as at November 30, 2017 (Audited)	9,152	100,282	109,434
Net loss	-	(1,431)	(1,431)
Total comprehensive loss	-	(1,431)	(1,431)
Balance as at February 28, 2018	9,152	98,851	108,003
<b>Balance as at November 30, 2018 (Audited)</b>	<b>9,152</b>	<b>103,711</b>	<b>112,863</b>
Net loss	-	(1,550)	(1,550)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(1,550)</b>	<b>(1,550)</b>
<i>Transactions within equity</i>			
Dividend	-	(851)	(851)
<b>Balance as at February 28, 2019</b>	<b>9,152</b>	<b>101,310</b>	<b>110,462</b>