



## NEWS RELEASE

From: Goodfellow Inc.  
Patrick Goodfellow  
President and CEO  
Tel: 450 635-6511  
Fax: 450 635-3730  
Internet: [info@goodfellowinc.com](mailto:info@goodfellowinc.com)

FOR IMMEDIATE RELEASE

---

### GOODFELLOW REPORTS ITS RESULTS FOR THE SECOND QUARTER ENDED MAY 31, 2019

**Delson, Quebec, July 4, 2019** — Goodfellow Inc. (TSX: GDL) announced today its financial results for the second quarter ended May 31, 2019. The Company reported a net income of \$1.9 million or \$0.22 per share compared to a net income of \$1.8 million or \$0.21 per share a year ago.

Consolidated sales for the three months ended May 31, 2019 were \$123.7 million compared to \$133.3 million last year. Sales in Canada alone decreased 8% compared to the same period a year ago. On the operating side, selling, administrative and general expenses decreased overall by \$0.8 million.

For the six months ended May 31, 2019, the Company reported a net income of \$0.3 million or \$0.04 per share compared to a net income of \$0.4 million or \$0.04 per share a year ago. Consolidated sales for the six months ended May 31, 2019 were \$211.9 million compared to \$230.0 million last year. Sales in Canada decreased 8% compared to the same period a year ago. On the operating side, selling, administrative and general expenses decreased overall by \$1.9 million.

“The results of the second quarter reflect an aggressive market share retention strategy while at the same time launching some new exciting lines. A very late start to our seasonal business made it very challenging to realize our anticipated results”.

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 and six months ended May 31, 2019 and 2018***(in thousands of dollars, except per share amounts)***Unaudited**

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>May 31</b>	May 31	<b>May 31</b>	May 31
	<b>2019</b>	2018	<b>2019</b>	2018
	\$	\$	\$	\$
<b>Sales</b>	<b>123,713</b>	133,326	<b>211,866</b>	230,010
Expenses				
Cost of goods sold	<b>100,007</b>	108,774	<b>171,248</b>	187,366
Selling, administrative and general expenses	<b>20,260</b>	21,106	<b>38,627</b>	40,503
Loss on disposal of property, plant and equipment	-	37	<b>7</b>	39
Net financial costs	<b>863</b>	892	<b>1,554</b>	1,573
	<b>121,130</b>	130,809	<b>211,436</b>	229,481
Earnings before income taxes	<b>2,583</b>	2,517	<b>430</b>	529
Income taxes	<b>728</b>	705	<b>125</b>	148
<b>Total comprehensive income</b>	<b>1,855</b>	1,812	<b>305</b>	381
Net earnings per share - Basic	<b>0.22</b>	0.21	<b>0.04</b>	0.04
Net earnings per share - Diluted	<b>0.21</b>	0.21	<b>0.03</b>	0.04

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

	As at	As at	As at
	May 31	November 30	May 31
	2019	2018	2018
	\$	\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash	2,942	2,578	1,545
Trade and other receivables	75,939	50,008	86,013
Income taxes receivable	142	-	1,612
Inventories	108,594	92,544	109,653
Prepaid expenses	2,626	3,143	3,593
<b>Total Current Assets</b>	<b>190,243</b>	<b>148,273</b>	<b>202,416</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	33,186	34,356	35,199
Intangible assets	4,145	4,444	4,703
Defined benefit plan asset	2,702	2,704	2,403
Investment in a joint venture	25	25	285
Other assets	849	916	849
<b>Total Non-Current Assets</b>	<b>40,907</b>	<b>42,445</b>	<b>43,439</b>
<b>Total Assets</b>	<b>231,150</b>	<b>190,718</b>	<b>245,855</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank indebtedness	68,000	42,835	83,343
Trade and other payables	45,696	29,192	46,622
Income taxes payable	-	409	-
Provision	336	336	964
Current portion of long-term debt	15	14	77
<b>Total Current Liabilities</b>	<b>114,047</b>	<b>72,786</b>	<b>131,006</b>
<b>Non-Current Liabilities</b>			
Provision	1,324	1,317	471
Long-term debt	36	43	49
Deferred income taxes	3,652	3,652	3,582
Defined benefit plan obligation	125	57	932
<b>Total Non-Current Liabilities</b>	<b>5,137</b>	<b>5,069</b>	<b>5,034</b>
<b>Total Liabilities</b>	<b>119,184</b>	<b>77,855</b>	<b>136,040</b>
<b>Shareholders' Equity</b>			
Share capital	9,152	9,152	9,152
Retained earnings	102,814	103,711	100,663
	<b>111,966</b>	<b>112,863</b>	<b>109,815</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>231,150</b>	<b>190,718</b>	<b>245,855</b>

**GOODFELLOW INC.**  
**Consolidated Statements of Cash Flows**  
**For the three and six months ended May 31, 2019 and 2018**  
*(in thousands of dollars)*  
**Unaudited**

	For the three months ended		For the six months ended	
	May 31 2019	May 31 2018	May 31 2019	May 31 2018
	\$	\$	\$	\$
<b>Operating Activities</b>				
Net earnings	1,855	1,812	305	381
Adjustments for:				
Depreciation	856	912	1,723	1,814
Accretion expense on provision	4	13	7	26
Increase in provision	-	25	-	25
Income taxes	728	705	125	148
Loss on disposal of property, plant and equipment	-	37	7	39
Interest expense	623	653	1,105	1,129
Funding in deficit of pension plan expense	36	29	71	21
Other assets	-	-	67	33
	<b>4,102</b>	4,186	<b>3,410</b>	3,616
Changes in non-cash working capital items	(13,424)	(21,034)	(25,205)	(32,531)
Interest paid	(725)	(656)	(1,211)	(1,342)
Income taxes paid	(223)	(55)	(676)	(171)
	<b>(14,372)</b>	(21,745)	<b>(27,092)</b>	(34,044)
<b>Net Cash Flows from Operating Activities</b>	<b>(10,270)</b>	(17,559)	<b>(23,682)</b>	(30,428)
<b>Financing Activities</b>				
Net increase (decrease) in bank loans	5,000	(1,000)	2,000	(4,000)
Net increase in banker's acceptances	10,000	14,000	25,000	30,000
Reimbursement of long-term debt	(2)	(34)	(6)	(68)
Dividend Paid	(851)	-	(851)	-
	<b>14,147</b>	12,966	<b>26,143</b>	25,932
<b>Investing Activities</b>				
Acquisition of property, plant and equipment	87	(316)	(225)	(551)
Increase in intangible assets	(26)	(79)	(45)	(112)
Proceeds on disposal of property, plant and equipment	-	28	8	48
	<b>61</b>	(367)	<b>(262)</b>	(615)
Net cash inflow (outflow)	3,938	(4,960)	2,199	(5,111)
Cash position, beginning of period	(996)	162	743	313
<b>Cash position, end of period</b>	<b>2,942</b>	(4,798)	<b>2,942</b>	(4,798)
Cash position is comprised of:				
Cash	2,942	1,545	2,942	1,545
Bank overdraft	-	(6,343)	-	(6,343)
	<b>2,942</b>	(4,798)	<b>2,942</b>	(4,798)

**GOODFELLOW INC.****Consolidated Statements of Change in Shareholders' Equity****For the six months ended May 31, 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 income	-	381	381
Total comprehensive income	-	381	381
Balance as at May 31, 2018	9,152	100,663	109,815
<b>Balance as at November 30, 2018 (Audited)</b>	<b>9,152</b>	<b>103,711</b>	<b>112,863</b>
Net earnings	-	305	305
Total comprehensive income	-	305	305
<i>Transactions within equity</i>			
Dividend	-	(851)	(851)
Modification of share-based payment	-	(351)	(351)
<b>Balance as at May 31, 2019</b>	<b>9,152</b>	<b>102,814</b>	<b>111,966</b>