



NEWS RELEASE

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

FOR IMMEDIATE RELEASE

GOODFELLOW REPORTS ITS RESULTS FOR THE FIRST QUARTER ENDED FEBRUARY 29, 2020

Delson, Quebec, April 9, 2020 — Goodfellow Inc. (TSX: GDL) announced today its financial results for the first quarter ended February 29, 2020. The Company reported a net loss of \$2.1 million or \$0.24 per share compared to a net loss of \$1.6 million or \$0.18 per share a year ago.

Consolidated sales for the three months ended February 29, 2020 were \$88.9 million compared to \$88.2 million last year. Sales in Canada increased 2% compared to the same period a year ago, while sales in the United States decreased 1% (on a Canadian dollar basis) and export sales decreased 13% compared to the same period a year ago. On the operating side, selling, administrative and general expenses increased overall by \$1.1 million and overall gross profit before selling and administrative costs increased by \$0.5 million.

“During Fiscal year 2019-2020 Goodfellow will put strong emphasis on market share growth within and outside its customer base. In what is lining up to be a very difficult year for Canadians, Goodfellow will pursue a responsible and conservative strategy. Our concentration on value added product lines will be front and center to support construction, renovation and infrastructure projects. The company will put great emphasis on cost control and right sizing its inventories to adapt to what certainly will be an unprecedented year of challenges and obstacles in North America & Overseas.”

Subsequent to February 29, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The current challenging economic climate should have a direct or indirect impact on the Company’s operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on our business is not known at this time.

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 29, 2020 and February 28, 2019***(in thousands of dollars, except per share amounts)***Unaudited**

	For the three months ended	
	February 29 2020	February 28 2019
	\$	\$
Sales	88,856	88,153
Expenses		
Cost of goods sold	71,480	71,241
Selling, administrative and general expenses	19,518	18,367
(Gain) loss on disposal of property, plant and equipment	(15)	7
Net financial costs	734	691
	91,717	90,306
Loss before income taxes	(2,861)	(2,153)
Income taxes	(801)	(603)
Total comprehensive loss	(2,060)	(1,550)
Net loss per share – Basic and Diluted	(0.24)	(0.18)

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

	As at February 29 2020 \$	As at November 30 2019 \$	As at February 28 2019 \$
Assets			
Current Assets			
Cash	2,089	2,364	2,159
Trade and other receivables	54,082	48,498	54,342
Income taxes receivable	1,096	-	647
Inventories	99,300	87,339	107,879
Prepaid expenses	4,250	2,563	2,133
Total Current Assets	160,817	140,764	167,160
Non-Current Assets			
Property, plant and equipment	32,517	32,838	33,958
Intangible assets	3,746	3,927	4,292
Right-of-use assets	16,304	-	-
Defined benefit plan asset	2,210	2,222	2,703
Investment in a joint venture	25	25	25
Other assets	753	805	849
Total Non-Current Assets	55,555	39,817	41,827
Total Assets	216,372	180,581	208,987
Liabilities			
Current liabilities			
Bank indebtedness	47,845	31,204	56,155
Trade and other payables	35,549	29,048	36,066
Income taxes payable	-	734	-
Provision	1,478	1,470	336
Dividend payable	856	856	851
Current portion of lease liabilities	4,254	15	14
Total Current Liabilities	89,982	63,327	93,422
Non-Current Liabilities			
Provision	-	-	1,321
Lease liabilities	15,547	28	39
Deferred income taxes	2,269	3,209	3,652
Defined benefit plan obligation	649	609	91
Total Non-Current Liabilities	18,465	3,846	5,103
Total Liabilities	108,447	67,173	98,525
Shareholders' Equity			
Share capital	9,424	9,424	9,152
Retained earnings	98,501	103,984	101,310
	107,925	113,408	110,462
Total Liabilities and Shareholders' Equity	216,372	180,581	208,987

GOODFELLOW INC.
Consolidated Statements of Cash Flows
For the three months ended February 29, 2020 and February 28, 2019
(in thousands of dollars)
Unaudited

	For the three months ended	
	February 29	February 28
	2020	2019
	\$	\$
Operating Activities		
Net loss	(2,060)	(1,550)
Adjustments for:		
Depreciation and amortization of:		
Property, plant and equipment	651	696
Right-of-use assets	1,093	-
Intangible assets	181	171
Accretion expense on provision	18	3
Decrease in provision	(10)	-
Income taxes	(801)	(603)
(Gain) loss on disposal of property, plant and equipment	(15)	7
Interest expense	323	482
Interest on lease liabilities	179	-
Funding in deficit of pension plan expense	52	35
Other assets	-	67
	(389)	(692)
Changes in non-cash working capital items	(12,616)	(11,781)
Interest paid	(348)	(486)
Income taxes paid	(1,029)	(453)
	(13,993)	(12,720)
Net Cash Flows from Operating Activities	(14,382)	(13,412)
Financing Activities		
Net decrease in bank loans	(3,000)	(3,000)
Net increase in banker's acceptances	13,000	15,000
Payment of lease liabilities	(1,333)	(4)
Dividend Paid	(856)	-
	7,811	11,996
Investing Activities		
Acquisition of property, plant and equipment	(361)	(312)
Increase in intangible assets	-	(19)
Proceeds on disposal of property, plant and equipment	16	8
	(345)	(323)
Net cash outflow	(6,916)	(1,739)
Cash position, beginning of period	1,160	743
Cash position, end of period	(5,756)	(996)
Cash position is comprised of:		
Cash	2,089	2,159
Bank overdraft	(7,845)	(3,155)
	(5,756)	(996)

GOODFELLOW INC.**Consolidated Statements of Change in Shareholders' Equity****For the three months ended February 29, 2020 and February 28, 2019***(in thousands of dollars)***Unaudited**

	Share Capital	Retained Earnings	Total
	\$	\$	\$
Balance as at November 30, 2018	9,152	103,711	112,863
Net loss	-	(1,550)	(1,550)
Total comprehensive loss	-	(1,550)	(1,550)
<i>Transactions with owners of the Company</i>			
Dividend	-	(851)	(851)
Balance as at February 28, 2019	9,152	101,310	110,462
Balance as at November 30, 2019	9,424	103,984	113,408
IFRS 16 adoption adjustment, net of taxes of \$940	-	(2,567)	(2,567)
Balance as at December 1, 2019	9,424	101,417	110,841
Net loss	-	(2,060)	(2,060)
Total comprehensive loss	-	(2,060)	(2,060)
<i>Transactions with owners of the Company</i>			
Dividend	-	(856)	(856)
Balance as at February 29, 2020	9,424	98,501	107,925