

NEWS RELEASE

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FOR IMMEDIATE RELEASE

GOODFELLOW REPORTS ITS RESULTS FOR THE SECOND QUARTER ENDED MAY 31, 2021

Delson, Quebec, July 8, 2021 — Goodfellow Inc. (TSX: GDL) announced today its financial results for the second quarter ended May 31, 2021. The Company reported a net income of \$14.0 million or \$1.63 per share compared to a net income of \$3.4 million or \$0.40 per share a year ago. Sales for the three months ended May 31, 2021 were \$185.5 million compared to \$103.8 million last year. Sales in Canada increased 90% compared to the same period a year ago, while sales in the United States increased 13% and export sales increased 7%. Selling, administrative and general expenses increased overall by \$9.0 million.

For the six months ended May 31, 2021, the Company reported a net income of \$17.7 million or \$2.07 per share compared to a net income of \$1.3 million or \$0.16 per share a year ago. Sales were \$305.0 million compared to \$192.6 million last year. Sales in Canada increased 67% compared to the same period a year ago, while sales in the United States increased 10% and export sales increased 16% compared to the same period a year ago. On the operating side, selling, administrative and general expenses increased overall by \$9.1 million.

The second-quarter results of fiscal 2021 were uncharacteristically greater than past years and demonstrate the unpredictability of conditions within all sectors. The Company was able to capitalize on surging demand, while at the same time mitigating ongoing supply disruptions. The Company remains well-positioned to adapt swiftly to changing circumstances, while still pursuing core success drivers including value-added specialty products, a commitment to maintaining inventory levels and ensuring superior customer service from coast to coast.

About Goodfellow

Goodfellow is a diversified manufacturer of value-added lumber products, as well as a wholesale distributor of building materials and floor coverings. Goodfellow has a distribution footprint from coast-to-coast in Canada servicing commercial and residential sectors through lumber yard retailer networks, manufacturers, industrial and infrastructure project partners, and floor covering specialists. Goodfellow also leverages its value-added product capabilities to serve lumber markets internationally. Goodfellow Inc. is a publicly traded company, and its shares are listed on the Toronto Stock Exchange under the symbol "GDL".

Media Inquiries

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GOODFELLOW INC.
Consolidated Statements of Comprehensive Income
For the three and six months ended May 31, 2021 and 2020
(in thousands of dollars, except per share amounts)
Unaudited

	For the three months ended		For the six months ended	
	May 31 2021	May 31 2020	May 31 2021	May 31 2020
	\$	\$	\$	\$
Sales	185,525	103,763	304,958	192,619
Expenses (Income)				
Cost of goods sold	142,187	84,238	236,179	155,718
Selling, administrative and general expenses	23,072	14,060	42,719	33,578
Loss (gain) on disposal of property, plant and equipment	1	5	(7)	(10)
Net financial costs	822	739	1,390	1,473
	166,082	99,042	280,281	190,759
Earnings before income taxes	19,443	4,721	24,677	1,860
Income taxes	5,467	1,322	6,932	521
Total comprehensive income	13,976	3,399	17,745	1,339
Net earnings per share – Basic and Diluted	1.63	0.40	2.07	0.16

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

	As at May 31 2021 \$	As at November 30 2020 \$	As at May 31 2020 \$
Assets			
Current Assets			
Cash	2,534	3,466	1,854
Trade and other receivables	107,788	76,093	69,531
Inventories	115,285	84,740	92,071
Prepaid expenses	5,910	2,584	1,469
Total Current Assets	231,517	166,883	164,925
Non-Current Assets			
Property, plant and equipment	30,617	31,148	31,992
Intangible assets	2,942	3,238	3,600
Right-of-use assets	13,020	14,324	15,723
Defined benefit plan asset	1,919	1,945	2,198
Other assets	785	785	778
Total Non-Current Assets	49,283	51,440	54,291
Total Assets	280,800	218,323	219,216
Liabilities			
Current liabilities			
Bank indebtedness	63,258	28,570	43,562
Trade and other payables	54,938	39,614	40,492
Income taxes payable	4,427	4,859	164
Provision	2,795	1,473	1,496
Dividend payable	-	2,141	-
Current portion of lease liabilities	4,241	4,315	4,242
Total Current Liabilities	129,659	80,972	89,956
Non-Current Liabilities			
Lease liabilities	11,904	13,343	14,975
Deferred income taxes	1,597	1,597	2,269
Defined benefit plan obligation	1,235	1,182	692
Total Non-Current Liabilities	14,736	16,122	17,936
Total Liabilities	144,395	97,094	107,892
Shareholders' Equity			
Share capital	9,424	9,424	9,424
Retained earnings	126,981	111,805	101,900
	136,405	121,229	111,324
Total Liabilities and Shareholders' Equity	280,800	218,323	219,216

GOODFELLOW INC.
Consolidated Statements of Cash Flows
For the three and six months ended May 31, 2021 and 2020
(in thousands of dollars)
Unaudited

	For the three months ended		For the six months ended	
	May 31 2021	May 31 2020	May 31 2021	May 31 2020
	\$	\$	\$	\$
Operating Activities				
Net earnings	13,976	3,399	17,745	1,339
Adjustments for:				
Depreciation and amortization of:				
Property, plant and equipment	638	673	1,265	1,324
Right-of-use assets	1,043	1,088	2,056	2,181
Intangible assets	153	182	314	363
Accretion expense on provision	11	18	22	36
Increase (decrease) in provision	1,300	-	1,300	(10)
Income taxes	5,467	1,322	6,932	521
Loss (gain) on disposal of property, plant and equipment	1	5	(7)	(10)
Interest expense	312	315	460	638
Interest on lease liabilities	149	174	303	353
Funding in deficit of pension plan expense	60	54	79	106
Other	(26)	41	(31)	41
	23,084	7,271	30,438	6,882
Changes in non-cash working capital items	(47,024)	(538)	(49,992)	(13,154)
Interest paid	(696)	(271)	(1,013)	(619)
Income taxes paid	(961)	(62)	(7,364)	(1,091)
	(48,681)	(871)	(58,369)	(14,864)
Net Cash Flows from Operating Activities	(25,597)	6,400	(27,931)	(7,982)
Financing Activities				
Net decrease in bank loans	(7,000)	(2,000)	(5,000)	(5,000)
Net increase in banker's acceptances	35,000	3,000	38,000	16,000
Payment of lease liabilities	(1,118)	(1,309)	(2,234)	(2,642)
Dividend paid	(2,569)	(856)	(4,710)	(1,712)
	24,313	(1,165)	26,056	6,646
Investing Activities				
Acquisition of property, plant and equipment	(549)	(149)	(737)	(510)
Increase in intangible assets	(18)	(36)	(18)	(36)
Proceeds on disposal of property, plant and equipment	10	(2)	10	14
	(557)	(187)	(745)	(532)
Net cash (outflow) inflow	(1,841)	5,048	(2,620)	(1,868)
Cash position, beginning of period	(1,883)	(5,756)	(1,104)	1,160
Cash position, end of period	(3,724)	(708)	(3,724)	(708)
Cash position is comprised of:				
Cash	2,534	1,854	2,534	1,854
Bank overdraft	(6,258)	(2,562)	(6,258)	(2,562)
	(3,724)	(708)	(3,724)	(708)

GOODFELLOW INC.
Consolidated Statements of Changes in Shareholders' Equity
For the six months ended May 31, 2021 and 2020
(in thousands of dollars)
Unaudited

	Share Capital	Retained Earnings	Total
	\$	\$	\$
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 earnings	-	1,339	1,339
Total comprehensive income	-	1,339	1,339
<i>Transactions with owners of the Company</i>			
Dividend	-	(856)	(856)
Balance as at May 31, 2020	9,424	101,900	111,324
Balance as at November 30, 2020	9,424	111,805	121,229
Net earnings	-	17,745	17,745
Total comprehensive income	-	17,745	17,745
<i>Transactions with owners of the Company</i>			
Dividend	-	(2,569)	(2,569)
Balance as at May 31, 2021	9,424	126,981	136,405