



NEWS RELEASE

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FOR IMMEDIATE RELEASE

GOODFELLOW REPORTS ITS RESULTS FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2020

Delson, Quebec, February 19, 2021 — Goodfellow Inc. (TSX: GDL) announced today its financial results for the fourth quarter ended November 30, 2020. The Company reported a net income of \$5.8 million or \$0.67 per share compared to a net income of \$0.3 million or \$0.03 per share a year ago. Consolidated sales for the three months ended November 30, 2020 were \$122.6 million compared to \$107.1 million last year. Sales in Canada increased 19% compared to the same period a year ago, while sales in the United States decreased 14% and export sales decreased 12% compared to the same period a year ago. Selling, administrative and general expenses decreased overall by \$0.9 million.

For the fiscal year ended November 30, 2020, the Company reported a net income of \$13.8 million or \$1.61 per share compared to a net income of \$3.1 million or \$0.36 per share a year ago. Consolidated sales for the fiscal year ended November 30, 2020 were \$454.1 million compared to \$449.6 million last year. Sales in Canada increased 4% compared to the same period a year ago, while sales in the United States decreased 10% and export sales decreased 22% compared to the same period a year ago. Selling, administrative and general expenses decreased overall by \$7.5 million.

Fiscal 2020 was characterized by continued pandemic realities and their drastic effects on supply and demand. The Company performed very well and was able to capitalize on surging demand in commodities and seasonal products. This trend extended well into late November which is uncharacteristic and unprecedented in the previous fourth quarters.

The Board of directors of Goodfellow Inc. declared an eligible dividend of \$0.30 per share payable on March 19, 2021, to shareholders of record at the close of business on March 5, 2021.

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, 2020 and 2019
(in thousands of dollars, except per share amounts)
Unaudited

	Years ended	
	November 30 2020	November 30 2019
	\$	\$
Sales	454,103	449,587
Expenses (Income)		
Cost of goods sold	362,354	364,545
Selling, administrative and general expenses	70,053	77,639
Gain on disposal of property, plant and equipment	(45)	(3)
Net financial costs	2,719	3,137
	435,081	445,318
Earnings before income taxes	19,022	4,269
Income taxes	5,211	1,215
Net earnings	13,811	3,054
<i>Items that will not subsequently be reclassified to net earnings</i>		
Remeasurement of defined benefit plan obligation, net of taxes of \$165 (\$265 in 2019)	(426)	(723)
Total comprehensive income	13,385	2,331
Net earnings per share – Basic	1.61	0.36
Net earnings per share – Diluted	1.61	0.35

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

	As at November 30 2020	As at November 30 2019
	\$	\$
Assets		
Current Assets		
Cash	3,466	2,364
Trade and other receivables	76,093	48,498
Inventories	84,740	87,339
Prepaid expenses	2,584	2,563
Total Current Assets	166,883	140,764
Non-Current Assets		
Property, plant and equipment	31,148	32,838
Intangible assets	3,238	3,927
Right-of-use assets	14,324	-
Defined benefit plan asset	1,945	2,222
Other assets	785	830
Total Non-Current Assets	51,440	39,817
Total Assets	218,323	180,581
Liabilities		
Current liabilities		
Bank indebtedness	28,570	31,204
Trade and other payables	39,614	29,048
Income taxes payable	4,859	734
Provision	1,473	1,470
Dividend payable	2,141	856
Current portion of lease liabilities	4,315	15
Total Current Liabilities	80,972	63,327
Non-Current Liabilities		
Lease liabilities	13,343	28
Deferred income taxes	1,597	3,209
Defined benefit plan obligation	1,182	609
Total Non-Current Liabilities	16,122	3,846
Total Liabilities	97,094	67,173
Shareholders' Equity		
Share capital	9,424	9,424
Retained earnings	111,805	103,984
Total Liabilities and Shareholders' Equity	218,323	180,581

GOODFELLOW INC.
Consolidated Statements of Cash Flows
For the years ended November 30, 2020 and 2019
(in thousands of dollars)
Unaudited

	Years ended	
	November 30 2020	November 30 2019
	\$	\$
Operating Activities		
Net earnings	13,811	3,054
Adjustments for:		
Depreciation and amortization of:		
Property, plant and equipment	2,705	2,786
Right-of-use assets	4,324	-
Intangible assets	728	693
Accretion expense on provision	72	14
Decrease in provision	(69)	(197)
Income taxes	5,211	1,215
Gain on disposal of property, plant and equipment	(45)	(3)
Interest expense	950	2,134
Interest on lease liabilities	681	-
Funding in deficit of pension plan expense	259	47
Other assets	(7)	111
Share-based compensation	-	(79)
Other	25	-
	28,645	9,775
Changes in non-cash working capital items	(14,117)	6,856
Interest paid	(1,495)	(2,154)
Income taxes paid	(1,592)	(1,069)
	(17,204)	3,633
Net Cash Flows from Operating Activities	11,441	13,408
Financing Activities		
Proceeds from borrowings under bank loans	104,000	115,000
Repayment of borrowings under bank loans	(97,000)	(113,000)
Proceeds from borrowings under banker's acceptances	33,000	40,000
Repayment of borrowings under banker's acceptances	(46,000)	(53,000)
Payment of lease liabilities	(4,572)	(14)
Dividend paid	(1,712)	(851)
	(12,284)	(11,865)
Investing Activities		
Acquisition of property, plant and equipment	(1,431)	(968)
Increase in intangible assets	(39)	(176)
Proceeds on disposal of property, plant and equipment	49	18
	(1,421)	(1,126)
Net cash (outflow) inflow	(2,264)	417
Cash position, beginning of year	1,160	743
Cash position, end of year	(1,104)	1,160
Cash position is comprised of:		
Cash	3,466	2,364
Bank overdraft	(4,570)	(1,204)
	(1,104)	1,160

GOODFELLOW INC.
Consolidated Statements of Changes in Shareholders' Equity
For the years ended November 30, 2020 and 2019
(in thousands of dollars)
Unaudited

	Share Capital	Retained Earnings	Total
	\$	\$	\$
Balance as at November 30, 2018	9,152	103,711	112,863
Net earnings	-	3,054	3,054
Other comprehensive income	-	(723)	(723)
Total comprehensive income	-	2,331	2,331
<i>Transactions with owners of the Company</i>			
Dividend	-	(1,707)	(1,707)
Share-based payment	272	(351)	(79)
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	-	13,811	13,811
Other comprehensive income	-	(426)	(426)
Total comprehensive income	-	13,385	13,385
<i>Transactions with owners of the Company</i>			
Dividend	-	(2,997)	(2,997)
Balance as at November 30, 2020	9,424	111,805	121,229