

NEWS RELEASE

From: Goodfellow Inc.
Patrick Goodfellow
President and CEO
T: 450 635-6511
F: 450 635-3730
info@goodfellowinc.com

FOR IMMEDIATE RELEASE

GOODFELLOW REPORTS ITS RESULTS FOR THE FOURTH QUARTER AND FISCAL YEAR ENDED NOVEMBER 30, 2021

Delson, Quebec, February 17, 2022 — Goodfellow Inc. (TSX: GDL) (the “Company” or “Goodfellow”) announced today its financial results for the fourth quarter ended November 30, 2021. The Company reported net earnings of \$10.1 million or \$1.18 per share compared to net earnings of \$5.8 million or \$0.67 per share a year ago. Consolidated sales for the three months ended November 30, 2021 were \$143.0 million compared to \$122.6 million last year. Sales in Canada increased 14% compared to the same period a year ago, while sales in the United States increased 46% and export sales increased 31% compared to the same period a year ago. Selling, administrative and general expenses increased overall by \$1.8 million.

For the fiscal year ended November 30, 2021, the Company reported net earnings of \$37.8 million or \$4.42 per share compared to net earnings of \$13.8 million or \$1.61 per share a year ago. Consolidated sales for the fiscal year ended November 30, 2021 were \$615.9 million compared to \$454.1 million last year. Sales in Canada increased 38% compared to the same period a year ago, while sales in the United States increased 24% and export sales increased 14% compared to the same period a year ago. Selling, administrative and general expenses increased overall by \$13.3 million.

Fiscal 2021 was characterized by continued pandemic conditions, such as surging demand in commodities and seasonal products, supply chain disruptions and labor shortages. Despite this context, the Company performed very well in all regions realizing the highest sales revenue on record. This was achieved by maintaining suitable inventory levels and ensuring superior customer service, as well as focusing on operational efficiencies in all areas which lead to more output.

The Board of directors of Goodfellow Inc. declared an eligible dividend of \$0.40 per share payable on March 18, 2022, to shareholders of record at the close of business on March 4, 2022. This dividend is designated as an eligible dividend under the *Income Tax Act* (Canada). The declaration, timing, amount and payment of future dividends remain at the direction of the Board of Directors.

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”.

GOODFELLOW INC.
Consolidated Statements of Comprehensive Income
For the years ended November 30, 2021 and 2020
(in thousands of dollars, except per share amounts)
Unaudited

	Years ended	
	November 30 2021	November 30 2020
	\$	\$
Sales	615,946	454,103
Expenses		
Cost of goods sold	479,403	362,354
Selling, administrative and general expenses	83,326	70,008
Net financial costs	2,694	2,719
	565,423	435,081
Earnings before income taxes	50,523	19,022
Income taxes	12,687	5,211
Net earnings	37,836	13,811
<i>Items that will not subsequently be reclassified to net earnings</i>		
Remeasurement of defined benefit plan obligation, net of taxes of \$2,730 (\$165 in 2020)	7,021	(426)
Total comprehensive income	44,857	13,385
Net earnings per share – Basic and Diluted	4.42	1.61

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

	As at November 30 2021 \$	As at November 30 2020 \$
Assets		
Current Assets		
Cash	4,253	3,466
Trade and other receivables	63,246	76,093
Inventories	109,787	84,740
Prepaid expenses	4,189	2,584
Total Current Assets	181,475	166,883
Non-Current Assets		
Property, plant and equipment	30,022	31,148
Intangible assets	2,650	3,238
Right-of-use assets	12,262	14,324
Defined benefit plan asset	10,397	1,945
Other assets	785	785
Total Non-Current Assets	56,116	51,440
Total Assets	237,591	218,323
Liabilities		
Current liabilities		
Bank indebtedness	9,246	28,570
Trade and other payables	37,897	39,614
Income taxes payable	9,022	4,859
Provision	2,147	1,473
Dividend payable	-	2,141
Current portion of lease liabilities	4,256	4,315
Total Current Liabilities	62,568	80,972
Non-Current Liabilities		
Lease liabilities	10,924	13,343
Deferred income taxes	3,151	1,597
Defined benefit plan obligation	-	1,182
Total Non-Current Liabilities	14,075	16,122
Total Liabilities	76,643	97,094
Shareholders' Equity		
Share capital	9,424	9,424
Retained earnings	151,524	111,805
Total Liabilities and Shareholders' Equity	237,591	218,323

GOODFELLOW INC.
Consolidated Statements of Cash Flows
For the years ended November 30, 2021 and 2020
(in thousands of dollars)
Unaudited

	Years ended	
	November 30 2021	November 30 2020
	\$	\$
Operating Activities		
Net earnings	37,836	13,811
Adjustments for:		
Depreciation and amortization of:		
Property, plant and equipment	2,552	2,705
Intangible assets	621	728
Right-of-use assets	4,141	4,324
Accretion expense on provision	44	72
Increase (decrease) in provision	630	(69)
Income taxes	12,687	5,211
Gain on disposal of property, plant and equipment	(25)	(45)
Interest expense	826	950
Interest on lease liabilities	580	681
Funding in excess of pension plan expense	117	259
Other	(6)	18
	60,003	28,645
Changes in non-cash working capital items	(15,484)	(14,117)
Interest paid	(1,541)	(1,495)
Income taxes paid	(9,700)	(1,592)
	(26,725)	(17,204)
Net Cash Flows from Operating Activities	33,278	11,441
Financing Activities		
Net (decrease) increase in bank loans	(10,000)	7,000
Net decrease in banker's acceptances	(12,000)	(13,000)
Payment of lease liabilities	(4,551)	(4,572)
Dividend paid	(7,279)	(1,712)
	(33,830)	(12,284)
Investing Activities		
Acquisition of property, plant and equipment	(1,333)	(1,431)
Acquisition of intangible assets	(33)	(39)
Proceeds on disposal of property, plant and equipment	29	49
	(1,337)	(1,421)
Net cash outflow	(1,889)	(2,264)
Cash position, beginning of year	(1,104)	1,160
Cash position, end of year	(2,993)	(1,104)
Cash position is comprised of:		
Cash	4,253	3,466
Bank overdraft	(7,246)	(4,570)
	(2,993)	(1,104)

GOODFELLOW INC.
Consolidated Statements of Changes in Shareholders' Equity
For the years ended November 30, 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	-	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
Net earnings	-	37,836	37,836
Other comprehensive income	-	7,021	7,021
Total comprehensive income	-	44,857	44,857
<i>Transactions with owners of the Company</i>			
Dividend	-	(5,138)	(5,138)
Balance as at November 30, 2021	9,424	151,524	160,948