

## NEWS RELEASE

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**FOR IMMEDIATE RELEASE**

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### **GOODFELLOW REPORTS ITS RESULTS FOR THE FIRST QUARTER ENDED FEBRUARY 28, 2022**

**Delson, Quebec, April 13, 2022** — Goodfellow Inc. (TSX: GDL) (the “Company” or “Goodfellow”) announced today its financial results for the first quarter ended February 28, 2022. The Company reported net earnings of \$5.1 million or \$0.60 per share compared to net earnings of \$3.8 million or \$0.44 per share a year ago.

Consolidated sales for the three months ended February 28, 2022 were \$129.4 million compared to \$119.4 million last year. Sales in Canada increased 8% compared to the same period a year ago, while sales in the United States increased 21% and export sales decreased 8% compared to the same period a year ago. Selling, administrative and general expenses increased overall by \$0.8 million.

Demand from residential, manufacturing, retail and industrial sectors delivered for Goodfellow a strong start to fiscal 2022. The uncharacteristic demand for this period is carried over from a busy Q4 2021 and is set against uncertain and disrupted global markets. Despite these conditions, the Company performed very well by focusing on the diversity of its offering, smart logistics solutions and increased customer communications.

#### **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 three months ended February 28, 2022 and 2021**  
*(in thousands of dollars, except per share amounts)*  
**Unaudited**

	<b>For the three months ended</b>	
	<b>February 28 2022</b>	February 28 2021
	\$	\$
<b>Sales</b>	<b>129,365</b>	119,433
Expenses		
Cost of goods sold	<b>101,256</b>	93,992
Selling, administrative and general expenses	<b>20,438</b>	19,639
Net financial costs	<b>564</b>	568
	<b>122,258</b>	114,199
Earnings before income taxes	<b>7,107</b>	5,234
Income taxes	<b>1,990</b>	1,465
<b>Total comprehensive income</b>	<b>5,117</b>	3,769
Net earnings per share – Basic and Diluted	<b>0.60</b>	0.44

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

	As at <b>February 28 2022</b>	As at November 30 2021	As at February 28 2021
	\$	\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash	3,038	4,253	4,045
Trade and other receivables	71,104	63,246	70,143
Income taxes receivable	2,679	-	79
Inventories	129,308	109,787	95,798
Prepaid expenses	12,482	4,189	4,339
<b>Total Current Assets</b>	<b>218,611</b>	<b>181,475</b>	<b>174,404</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	29,891	30,022	30,709
Intangible assets	2,500	2,650	3,077
Right-of-use assets	13,370	12,262	13,629
Defined benefit plan asset	10,411	10,397	1,933
Other assets	785	785	785
<b>Total Non-Current Assets</b>	<b>56,957</b>	<b>56,116</b>	<b>50,133</b>
<b>Total Assets</b>	<b>275,568</b>	<b>237,591</b>	<b>224,537</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Bank indebtedness	50,440	9,246	34,928
Trade and other payables	37,590	37,897	43,494
Income taxes payable	-	9,022	-
Provision	2,172	2,147	1,484
Dividend payable	3,425	-	2,569
Current portion of lease liabilities	4,395	4,256	4,301
<b>Total Current Liabilities</b>	<b>98,022</b>	<b>62,568</b>	<b>86,776</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	11,755	10,924	12,546
Deferred income taxes	3,151	3,151	1,597
Defined benefit plan obligation	-	-	1,189
<b>Total Non-Current Liabilities</b>	<b>14,906</b>	<b>14,075</b>	<b>15,332</b>
<b>Total Liabilities</b>	<b>112,928</b>	<b>76,643</b>	<b>102,108</b>
<b>Shareholders' Equity</b>			
Share capital	9,424	9,424	9,424
Retained earnings	153,216	151,524	113,005
	<b>162,640</b>	<b>160,948</b>	<b>122,429</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>275,568</b>	<b>237,591</b>	<b>224,537</b>

**GOODFELLOW INC.**  
**Consolidated Statements of Cash Flows**  
**For the three months ended February 28, 2022 and 2021**  
*(in thousands of dollars)*  
**Unaudited**

	<b>For the three months ended</b>	
	<b>February 28 2022</b>	<b>February 28 2021</b>
	\$	\$
<b>Operating Activities</b>		
Net earnings	5,117	3,769
Adjustments for:		
Depreciation and amortization of:		
Property, plant and equipment	575	627
Intangible assets	150	161
Right-of-use assets	1,050	1,013
Accretion expense on provision	25	11
Income taxes	1,990	1,465
Gain on disposal of property, plant and equipment	(25)	(8)
Interest expense	114	148
Interest on lease liabilities	131	154
Funding in (excess) deficit of pension plan expense	(14)	19
Other	(1)	(5)
	<b>9,112</b>	<b>7,354</b>
Changes in non-cash working capital items	<b>(35,954)</b>	<b>(2,968)</b>
Interest paid	<b>(270)</b>	<b>(317)</b>
Income taxes paid	<b>(13,691)</b>	<b>(6,403)</b>
	<b>(49,915)</b>	<b>(9,688)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>(40,803)</b>	<b>(2,334)</b>
<b>Financing Activities</b>		
Net increase in bank loans	11,000	2,000
Net increase in banker's acceptances	21,000	3,000
Payment of lease liabilities	(1,187)	(1,116)
Dividend paid	-	(2,141)
	<b>30,813</b>	<b>1,743</b>
<b>Investing Activities</b>		
Acquisition of property, plant and equipment	(444)	(188)
Proceeds on disposal of property, plant and equipment	25	-
	<b>(419)</b>	<b>(188)</b>
Net cash outflow	<b>(10,409)</b>	<b>(779)</b>
Cash position, beginning of period	<b>(2,993)</b>	<b>(1,104)</b>
<b>Cash position, end of period</b>	<b>(13,402)</b>	<b>(1,883)</b>
Cash position is comprised of:		
Cash	3,038	4,045
Bank overdraft	<b>(16,440)</b>	<b>(5,928)</b>
	<b>(13,402)</b>	<b>(1,883)</b>

**GOODFELLOW INC.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**For the three months ended February 28, 2022 and 2021**  
*(in thousands of dollars)*  
**Unaudited**

	Share Capital	Retained Earnings	Total
	\$	\$	\$
Balance as at November 30, 2020	9,424	111,805	121,229
Net earnings	-	3,769	3,769
Total comprehensive income	-	3,769	3,769
<i>Transactions with owners of the Company</i>			
Dividend	-	(2,569)	(2,569)
Balance as at February 28, 2021	9,424	113,005	122,429
<b>Balance as at November 30, 2021</b>	<b>9,424</b>	<b>151,524</b>	<b>160,948</b>
Net earnings	-	5,117	5,117
Total comprehensive income	-	5,117	5,117
<i>Transactions with owners of the Company</i>			
Dividend	-	(3,425)	(3,425)
<b>Balance as at February 28, 2022</b>	<b>9,424</b>	<b>153,216</b>	<b>162,640</b>