

## NEWS RELEASE

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**FOR IMMEDIATE RELEASE**

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### **GOODFELLOW REPORTS ITS RESULTS FOR THE SECOND QUARTER ENDED MAY 31, 2022**

**Delson, Quebec, July 7, 2022** — Goodfellow Inc. (TSX: GDL) (the “Company” or “Goodfellow”) announced today its financial results for the second quarter ended May 31, 2022. The Company reported net earnings of \$12.5 million or \$1.46 per share compared to net earnings of \$14.0 million or \$1.63 per share a year ago. Consolidated sales for the three months ended May 31, 2022 were \$184.9 million compared to \$185.5 million last year.

For the six months ended May 31, 2022, the Company reported net earnings of \$17.7 million or \$2.06 per share compared to net earnings of \$17.7 million or \$2.07 per share a year ago. Consolidated sales were \$314.3 million compared to \$305.0 million last year.

Following the unanticipated high return in the first quarter, Goodfellow delivered a strong second quarter through a well diversified offering of wood products and services, and by meeting the needs of customers. The Company also successfully navigated looming economic issues and signs of supply catching up with demand. Going forward, close attention will be paid to inflation and consumer behaviour, as well as overhead expenses and inventory levels.

### **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 and six months ended May 31, 2022 and 2021**

*(in thousands of dollars, except per share amounts)*

**Unaudited**

	For the three months ended		For the six months ended	
	May 31 2022	May 31 2021	May 31 2022	May 31 2021
	\$	\$	\$	\$
<b>Sales</b>	<b>184,947</b>	185,525	<b>314,312</b>	304,958
Expenses				
Cost of goods sold	<b>143,745</b>	142,187	<b>245,001</b>	236,179
Selling, administrative and general expenses	<b>22,900</b>	23,073	<b>43,338</b>	42,712
Net financial costs	<b>882</b>	822	<b>1,446</b>	1,390
	<b>167,527</b>	166,082	<b>289,785</b>	280,281
Earnings before income taxes	<b>17,420</b>	19,443	<b>24,527</b>	24,677
Income taxes	<b>4,878</b>	5,467	<b>6,868</b>	6,932
<b>Total comprehensive income</b>	<b>12,542</b>	13,976	<b>17,659</b>	17,745
Net earnings per share – Basic and Diluted	<b>1.46</b>	1.63	<b>2.06</b>	2.07

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

	As at May 31 2022	As at November 30 2021	As at May 31 2021
	\$	\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash	2,608	4,253	2,534
Trade and other receivables	101,654	63,246	107,788
Income taxes receivable	1,078	-	-
Inventories	141,126	109,787	115,285
Prepaid expenses	9,451	4,189	5,910
<b>Total Current Assets</b>	<b>255,917</b>	<b>181,475</b>	<b>231,517</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	30,782	30,022	30,617
Intangible assets	2,388	2,650	2,942
Right-of-use assets	13,663	12,262	13,020
Defined benefit plan asset	10,426	10,397	1,919
Other assets	802	785	785
<b>Total Non-Current Assets</b>	<b>58,061</b>	<b>56,116</b>	<b>49,283</b>
<b>Total Assets</b>	<b>313,978</b>	<b>237,591</b>	<b>280,800</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Bank indebtedness	72,320	9,246	63,258
Trade and other payables	44,322	37,897	54,938
Income taxes payable	-	9,022	4,427
Provision	405	2,147	2,795
Current portion of lease liabilities	4,605	4,256	4,241
<b>Total Current Liabilities</b>	<b>121,652</b>	<b>62,568</b>	<b>129,659</b>
<b>Non-Current Liabilities</b>			
Provision	2,255	-	-
Lease liabilities	11,738	10,924	11,904
Deferred income taxes	3,151	3,151	1,597
Defined benefit plan obligation	-	-	1,235
<b>Total Non-Current Liabilities</b>	<b>17,144</b>	<b>14,075</b>	<b>14,736</b>
<b>Total Liabilities</b>	<b>138,796</b>	<b>76,643</b>	<b>144,395</b>
<b>Shareholders' Equity</b>			
Share capital	9,424	9,424	9,424
Retained earnings	165,758	151,524	126,981
	<b>175,182</b>	<b>160,948</b>	<b>136,405</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>313,978</b>	<b>237,591</b>	<b>280,800</b>

**GOODFELLOW INC.**
**Consolidated Statements of Cash Flows**
**For the three and six months ended May 31, 2022 and 2021**
*(in thousands of dollars)*
**Unaudited**

	For the three months ended		For the six months ended	
	May 31 2022	May 31 2021	May 31 2022	May 31 2021
	\$	\$	\$	\$
<b>Operating Activities</b>				
Net earnings	12,542	13,976	17,659	17,745
Adjustments for:				
Depreciation and amortization of:				
Property, plant and equipment	577	638	1,152	1,265
Intangible assets	152	153	302	314
Right-of-use assets	1,140	1,043	2,190	2,056
Accretion expense on provision	26	11	51	22
Increase in provision	462	1,300	462	1,300
Income taxes	4,878	5,467	6,868	6,932
(Gain) Loss on disposal of property, plant and equipment	(10)	1	(35)	(7)
Interest expense	385	312	499	460
Interest on lease liabilities	147	149	278	303
Funding in (excess) deficit of pension plan expense	(15)	60	(29)	79
Other	(24)	(26)	(25)	(31)
	20,260	23,084	29,372	30,438
Changes in non-cash working capital items	(32,520)	(47,024)	(68,474)	(49,992)
Interest paid	(617)	(696)	(887)	(1,013)
Income taxes paid	(3,277)	(961)	(16,968)	(7,364)
	(36,414)	(48,681)	(86,329)	(58,369)
<b>Net Cash Flows from Operating Activities</b>	<b>(16,154)</b>	<b>(25,597)</b>	<b>(56,957)</b>	<b>(27,931)</b>
<b>Financing Activities</b>				
Net (decrease) increase in bank loans	-	(7,000)	11,000	(5,000)
Net increase in banker's acceptances	32,000	35,000	53,000	38,000
Payment of lease liabilities	(1,233)	(1,118)	(2,420)	(2,234)
Dividend paid	(3,425)	(2,569)	(3,425)	(4,710)
	27,342	24,313	58,155	26,056
<b>Investing Activities</b>				
Acquisition of property, plant and equipment	(1,468)	(549)	(1,912)	(737)
Increase in intangible assets	(40)	(18)	(40)	(18)
Proceeds on disposal of property, plant and equipment	10	10	35	10
	(1,498)	(557)	(1,917)	(745)
Net cash inflow (outflow)	9,690	(1,841)	(719)	(2,620)
Cash position, beginning of period	(13,402)	(1,883)	(2,993)	(1,104)
<b>Cash position, end of period</b>	<b>(3,712)</b>	<b>(3,724)</b>	<b>(3,712)</b>	<b>(3,724)</b>
Cash position is comprised of:				
Cash	2,608	2,534	2,608	2,534
Bank overdraft	(6,320)	(6,258)	(6,320)	(6,258)
	(3,712)	(3,724)	(3,712)	(3,724)

**GOODFELLOW INC.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**For the six months ended May 31, 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	-	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
<b>Balance as at November 30, 2021</b>	<b>9,424</b>	<b>151,524</b>	<b>160,948</b>
Net earnings	-	17,659	17,659
Total comprehensive income	-	17,659	17,659
<i>Transactions with owners of the Company</i>			
Dividend	-	(3,425)	(3,425)
<b>Balance as at May 31, 2022</b>	<b>9,424</b>	<b>165,758</b>	<b>175,182</b>