

## NEWS RELEASE

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**FOR IMMEDIATE RELEASE**

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### **GOODFELLOW REPORTS ITS RESULTS FOR THE THIRD QUARTER ENDED AUGUST 31, 2022 AND DECLARES DIVIDEND**

**Delson, Quebec, October 13, 2022** — Goodfellow Inc. (TSX: GDL) (the “Company” or “Goodfellow”) announced today its financial results for the third quarter ended August 31, 2022. The Company reported net earnings of \$10.6 million or \$1.24 per share compared to net earnings of \$10.0 million or \$1.17 per share a year ago. Consolidated sales for the three months ended August 31, 2022 were \$167.6 million compared to \$168.0 million last year.

For the nine months ended August 31, 2022, the Company reported net earnings of \$28.2 million or \$3.30 per share compared to net earnings of \$27.8 million or \$3.24 per share a year ago. Consolidated sales were \$481.9 million compared to \$472.9 million last year.

Results for the third quarter of fiscal 2022 were characteristic for this period where seasonal demand is historically strong, which was unexpected given current inflationary pressures. Attention paid to overhead expenses helped maintain margin levels as cost of goods increased. Inventory levels remain high and it will be crucial to level them out before year end in order for Goodfellow to reach its objectives.

The Board of Directors declared an eligible dividend of \$0.50 per share payable on November 10, 2022 to shareholders of record at the close of business on October 27, 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 discretion 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 three and nine months ended August 31, 2022 and 2021**

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

**Unaudited**

	For the three months ended		For the nine months ended	
	August 31 2022	August 31 2021	August 31 2022	August 31 2021
	\$	\$	\$	\$
<b>Sales</b>	<b>167,574</b>	167,953	<b>481,886</b>	472,911
Expenses				
Cost of goods sold	<b>129,715</b>	133,048	<b>374,716</b>	369,227
Selling, administrative and general expenses	<b>22,126</b>	20,210	<b>65,464</b>	62,922
Net financial costs	<b>1,038</b>	751	<b>2,484</b>	2,141
	<b>152,879</b>	154,009	<b>442,664</b>	434,290
Earnings before income taxes	<b>14,695</b>	13,944	<b>39,222</b>	38,621
Income taxes	<b>4,115</b>	3,905	<b>10,983</b>	10,837
<b>Total comprehensive income</b>	<b>10,580</b>	10,039	<b>28,239</b>	27,784
Net earnings per share – Basic and Diluted	<b>1.24</b>	1.17	<b>3.30</b>	3.24

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

	As at August 31 2022 \$	As at November 30 2021 \$	As at August 31 2021 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash	2,279	4,253	1,726
Trade and other receivables	76,201	63,246	72,118
Income taxes receivable	33	-	-
Inventories	142,082	109,787	115,046
Prepaid expenses	3,237	4,189	4,290
<b>Total Current Assets</b>	<b>223,832</b>	<b>181,475</b>	<b>193,180</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	31,148	30,022	30,220
Intangible assets	2,235	2,650	2,789
Right-of-use assets	14,614	12,262	12,630
Defined benefit plan asset	10,441	10,397	1,901
Other assets	802	785	785
<b>Total Non-Current Assets</b>	<b>59,240</b>	<b>56,116</b>	<b>48,325</b>
<b>Total Assets</b>	<b>283,072</b>	<b>237,591</b>	<b>241,505</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Bank indebtedness	31,590	9,246	24,681
Trade and other payables	42,744	37,897	41,680
Income taxes payable	-	9,022	7,418
Provision	370	2,147	2,730
Current portion of lease liabilities	4,836	4,256	4,270
<b>Total Current Liabilities</b>	<b>79,540</b>	<b>62,568</b>	<b>80,779</b>
<b>Non-Current Liabilities</b>			
Provision	2,281	-	-
Lease liabilities	12,338	10,924	11,405
Deferred income taxes	3,151	3,151	1,597
Defined benefit plan obligation	-	-	1,280
<b>Total Non-Current Liabilities</b>	<b>17,770</b>	<b>14,075</b>	<b>14,282</b>
<b>Total Liabilities</b>	<b>97,310</b>	<b>76,643</b>	<b>95,061</b>
<b>Shareholders' Equity</b>			
Share capital	9,424	9,424	9,424
Retained earnings	176,338	151,524	137,020
	<b>185,762</b>	<b>160,948</b>	<b>146,444</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>283,072</b>	<b>237,591</b>	<b>241,505</b>

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

	For the three months ended		For the nine months ended	
	August 31 2022	August 31 2021	August 31 2022	August 31 2021
	\$	\$	\$	\$
<b>Operating Activities</b>				
Net earnings	10,580	10,039	28,239	27,784
Adjustments for:				
Depreciation and amortization of:				
Property, plant and equipment	636	636	1,788	1,901
Intangible assets	153	153	455	467
Right-of-use assets	1,175	1,055	3,365	3,111
Accretion expense on provision	25	11	76	33
(Decrease) increase in provision	(34)	(76)	428	1,224
Income taxes	4,115	3,905	10,983	10,837
Gain on disposal of property, plant and equipment	(10)	(1)	(45)	(8)
Interest expense	508	247	1,007	707
Interest on lease liabilities	152	143	430	446
Funding in (excess) deficit of pension plan expense	(15)	63	(44)	142
Other	(13)	21	(38)	(10)
	17,272	16,196	46,644	46,634
Changes in non-cash working capital items	29,012	24,168	(39,462)	(25,824)
Interest paid	(539)	(287)	(1,426)	(1,300)
Income taxes paid	(3,070)	(914)	(20,038)	(8,278)
	25,403	22,967	(60,926)	(35,402)
<b>Net Cash Flows from Operating Activities</b>	<b>42,675</b>	<b>39,163</b>	<b>(14,282)</b>	<b>11,232</b>
<b>Financing Activities</b>				
Net (decrease) increase in bank loans	(5,000)	14,000	6,000	9,000
Net (decrease) increase in banker's acceptances	(35,000)	(50,000)	18,000	(12,000)
Payment of lease liabilities	(1,282)	(1,156)	(3,702)	(3,390)
Dividend paid	-	-	(3,425)	(4,710)
	(41,282)	(37,156)	16,873	(11,100)
<b>Investing Activities</b>				
Acquisition of property, plant and equipment	(1,002)	(238)	(2,914)	(975)
Increase in intangible assets	-	-	(40)	(18)
Proceeds on disposal of property, plant and equipment	10	-	45	10
	(992)	(238)	(2,909)	(983)
Net cash inflow (outflow)	401	1,769	(318)	(851)
Cash position, beginning of period	(3,712)	(3,724)	(2,993)	(1,104)
<b>Cash position, end of period</b>	<b>(3,311)</b>	<b>(1,955)</b>	<b>(3,311)</b>	<b>(1,955)</b>
Cash position is comprised of:				
Cash	2,279	1,726	2,279	1,726
Bank overdraft	(5,590)	(3,681)	(5,590)	(3,681)
	(3,311)	(1,955)	(3,311)	(1,955)

**GOODFELLOW INC.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**For the nine months ended August 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	-	27,784	27,784
Total comprehensive income	-	27,784	27,784
<i>Transactions with owners of the Company</i>			
Dividend	-	(2,569)	(2,569)
Balance as at August 31, 2021	9,424	137,020	146,444
<b>Balance as at November 30, 2021</b>	<b>9,424</b>	<b>151,524</b>	<b>160,948</b>
Net earnings	-	28,239	28,239
Total comprehensive income	-	28,239	28,239
<i>Transactions with owners of the Company</i>			
Dividend	-	(3,425)	(3,425)
<b>Balance as at August 31, 2022</b>	<b>9,424</b>	<b>176,338</b>	<b>185,762</b>