

NEWS RELEASE

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FOR IMMEDIATE RELEASE

GOODFELLOW REPORTS ITS RESULTS FOR THE FIRST QUARTER ENDED FEBRUARY 28, 2023

Delson, Quebec, April 13, 2023 — Goodfellow Inc. (TSX: GDL) (the “Company” or “Goodfellow”) announced today its financial results for the first quarter ended February 28, 2023.

The Company reported a net loss of \$211 thousand or \$0.02 per share compared to net earnings of \$5.1 million or \$0.60 per share a year ago. Consolidated sales for the three months ended February 28, 2023 were \$105.9 million compared to \$129.4 million last year.

Consumer demand in the first quarter of 2023 was significantly lower as compared to uncharacteristically high levels seen in the same period last year. This slowdown is attributed to supply finally outpacing demand, as well as growing unease around rising inflation and interest rates. Results remain comparable to pre-pandemic levels for the same period, which has been historically difficult.

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, 2023 and 2022
(in thousands of dollars, except per share amounts)
Unaudited

	For the three months ended	
	February 28 2023	February 28 2022
	\$	\$
Sales	105,925	129,365
Expenses		
Cost of goods sold	84,260	101,256
Selling, administrative and general expenses	21,684	20,438
Net financial costs	274	564
	106,218	122,258
(Loss) earnings before income taxes	(293)	7,107
Income taxes	(82)	1,990
Total comprehensive (loss) income	(211)	5,117
Net (loss) earnings per share – Basic and Diluted	(0.02)	0.60

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

	As at February 28 2023	As at November 30 2022	As at February 28 2022
	\$	\$	\$
Assets			
Current Assets			
Cash	1,958	3,420	3,038
Trade and other receivables	64,295	64,423	71,104
Income taxes receivable	5,539	2,439	2,679
Inventories	130,416	112,294	129,308
Prepaid expenses	3,663	2,555	12,482
Total Current Assets	205,871	185,131	218,611
Non-Current Assets			
Property, plant and equipment	32,368	32,269	29,891
Intangible assets	1,945	2,096	2,500
Right-of-use assets	13,905	14,999	13,370
Defined benefit plan asset	11,690	11,620	10,411
Other assets	802	802	785
Total Non-Current Assets	60,710	61,786	56,957
Total Assets	266,581	246,917	275,568
Liabilities			
Current Liabilities			
Bank indebtedness	18,636	-	50,440
Trade and other payables	39,070	36,286	37,590
Provision	2,259	2,281	2,172
Dividends payable	4,274	-	3,425
Current portion of lease liabilities	4,763	4,969	4,395
Total Current Liabilities	69,002	43,536	98,022
Non-Current Liabilities			
Provision	702	634	-
Lease liabilities	11,272	12,537	11,755
Deferred income taxes	3,431	3,431	3,151
Total Non-Current Liabilities	15,405	16,602	14,906
Total Liabilities	84,407	60,138	112,928
Shareholders' Equity			
Share capital	9,408	9,419	9,424
Retained earnings	172,766	177,360	153,216
	182,174	186,779	162,640
Total Liabilities and Shareholders' Equity	266,581	246,917	275,568

GOODFELLOW INC.
Consolidated Statements of Cash Flows
For the three months ended February 28, 2023 and 2022
(in thousands of dollars)
Unaudited

	For the three months ended	
	February 28 2023	February 28 2022
	\$	\$
Operating Activities		
Net (loss) earnings	(211)	5,117
Adjustments for:		
Depreciation and amortization of:		
Property, plant and equipment	745	575
Intangible assets	151	150
Right-of-use assets	1,257	1,050
Accretion expense on provision	68	25
Provision	(22)	-
Income taxes	(82)	1,990
Gain on disposal of property, plant and equipment	(10)	(25)
Interest expense	88	114
Interest on lease liabilities	(18)	131
Funding in excess of pension plan expense	(70)	(14)
Other	(129)	(1)
	1,767	9,112
Changes in non-cash working capital items	(16,280)	(35,954)
Interest paid	(108)	(270)
Income taxes paid	(3,018)	(13,691)
	(19,406)	(49,915)
Net Cash Flows from Operating Activities	(17,639)	(40,803)
Financing Activities		
Net increase in bank loans	2,000	11,000
Net increase in banker's acceptances	5,000	21,000
Payment of lease liabilities	(1,505)	(1,187)
Redemption of shares	(120)	-
Net Cash Flows from Financing Activities	5,375	30,813
Investing Activities		
Acquisition of property, plant and equipment	(844)	(444)
Proceeds on disposal of property, plant and equipment	10	25
Net Cash Flows from Investing Activities	(834)	(419)
Net cash outflow	(13,098)	(10,409)
Cash position, beginning of period	3,420	(2,993)
Cash position, end of period	(9,678)	(13,402)
Cash position is comprised of:		
Cash	1,958	3,038
Bank overdraft	(11,636)	(16,440)
	(9,678)	(13,402)

GOODFELLOW INC.
Consolidated Statements of Changes in Shareholders' Equity
For the three months ended February 28, 2023 and 2022
(in thousands of dollars)

Unaudited

	Share Capital	Retained Earnings	Total
	\$	\$	\$
Balance as at November 30, 2021	9,424	151,524	160,948
Net earnings	-	5,117	5,117
Total comprehensive income	-	5,117	5,117
Dividend	-	(3,425)	(3,425)
Balance as at February 28, 2022	9,424	153,216	162,640
Balance as at November 30, 2022	9,419	177,360	186,779
Net loss	-	(211)	(211)
Total comprehensive loss	-	(211)	(211)
Dividend	-	(4,274)	(4,274)
Redemption of Shares	(11)	(109)	(120)
Balance as at February 28, 2023	9,408	172,766	182,174