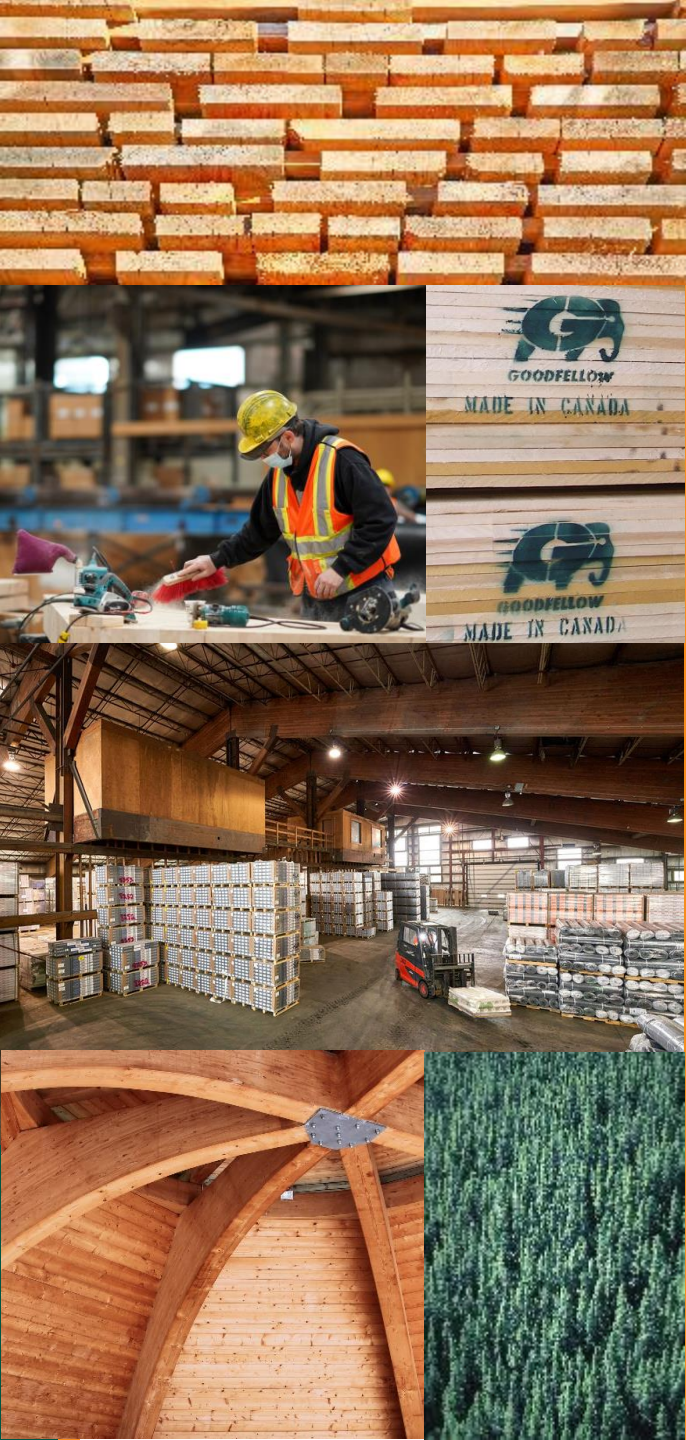




May 17, 2023

# ANNUAL MEETING OF SHAREHOLDERS

WELCOME  
MESSAGE



## Directors and Officers

**Charles Brisebois** – CFO and Secretary

**Alain Côté** – Director and Chair of the Audit Committee

**David Goodfellow** – Director

**Douglas Goodfellow** - Director

**Patrick Goodfellow** – President and CEO

**Robert Hall** – Chair of the Board

**James Hewitt** – Director

**Stephen Jarislowsky** – Director

**Sarah Prichard** – Director and Chair of the Compensation Committee

MEETING

# ANNUAL MEETING OF SHAREHOLDERS

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## AGENDA

- Opening of the Meeting
- Approval of Minutes of Previous Annual Meeting of Shareholders
- Reception of Financial Statements and Independent Auditor's Report
- Election of Directors
- Appointment of Auditors
- Management Presentation
- Question Period



May 17, 2023

# ANNUAL MEETING OF SHAREHOLDERS

## Forward-Looking Financial Information

This presentation contains forward-looking statements on the objectives, strategies, priorities, plans, financial position, operating results, trends and activities of Goodfellow Inc. and its markets and industries. These statements are forward-looking to the extent that they are based on expectations relative to markets in which the Company exercises its activities and on various assessments and assumptions. Although we believe that the expectations reflected in the forward-looking statements contained in this document, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations and assumptions will prove to be correct. Our actual results could differ significantly from management's expectations if recognized or unrecognized risks and uncertainties affect our results or if our assessments or assumptions are inaccurate. These risks and uncertainties include, among other things, the effects of general economic and business conditions including the cyclical nature of our business; industry competition; inflation, credit, currency and interest rate risks; environmental risk; level of demand and financial performance of the manufacturing industry; competition from vendors; changes in customer demand; dependence on key personnel and major customers; labor shortages and wage costs; supply reliability; trade barriers; impact of the COVID-19 pandemic and the related climate of uncertainty; laws and regulation; information systems, cost structure and working capital requirements; and other factors described in the management's discussion and analysis for the year ended November 30, 2022 and the management's discussion and analysis for the first quarter ended February 28, 2023 available at [www.sedar.com](http://www.sedar.com).

## Non-IFRS Measures

This presentation includes non-IFRS measures, non-IFRS ratios and supplementary financial measures including EBITDA, Gross Profit, Gross Margin and Return on Shareholders' Equity. These measures do not have a standardized meaning under IFRS and could be calculated differently by other companies and accordingly, may not be comparable. We believe that many of our readers analyze the financial performance of the Company's activities based on these non-IFRS financial measures as such measures may allow for easier comparisons between periods. The Company also believes that these measures are useful indicators of the performance of its operations and its ability to meet its financial obligations. Please refer to our Management's Discussion and Analysis of Financial Results for the financial year ended November 30, 2022 and for the first quarter ended February 28, 2023, including under the heading "Non-IFRS Financial Measures", for a description of such Non-IFRS and other financial measures and a reconciliation thereof to the most directly comparable IFRS measure which are incorporated herein by reference. Such documents have been filed on SEDAR and can be access through [www.sedar.com](http://www.sedar.com).

May 17, 2023

# ELECTION OF DIRECTORS

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## Re-election (7 seats):

- Alain Côté
- David Goodfellow
- Douglas Goodfellow
- Robert Hall
- James Hewitt
- Stephen Jarislowsky
- Sarah Prichard

May 17, 2023

# APPOINTMENT OF AUDITORS

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# MANAGEMENT PRESENTATION



**Patrick Goodfellow**  
President and CEO

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**Charles Brisebois**  
CFO and Secretary

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# MANAGEMENT REVIEW

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- 2022 Objectives
- 2022 Market Conditions
- 2022 Financials
- Q1 - 2023 Financials
- 2023 Outlook

2022

# GOODFELLOW AT A GLANCE

> 600  
Employees



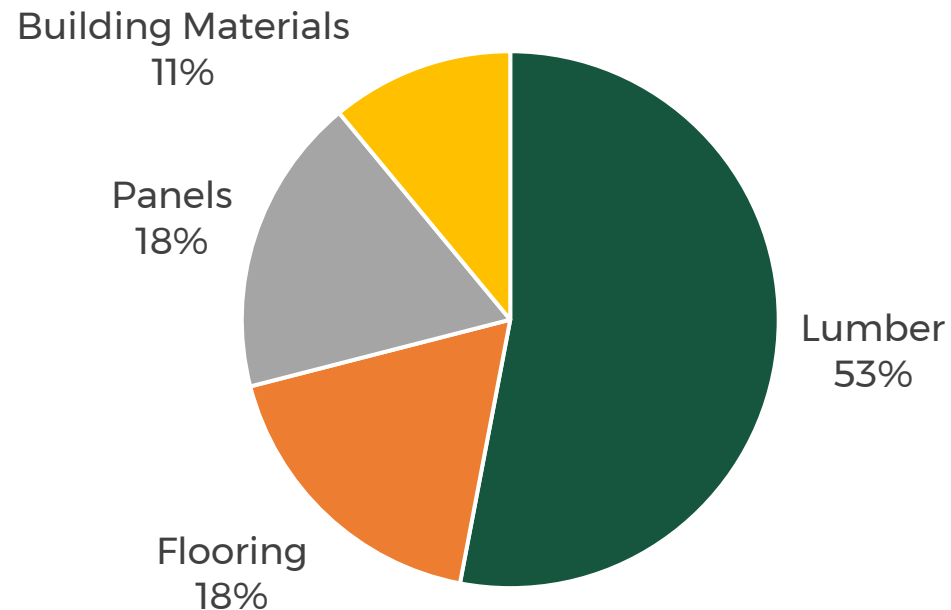
18  
Locations



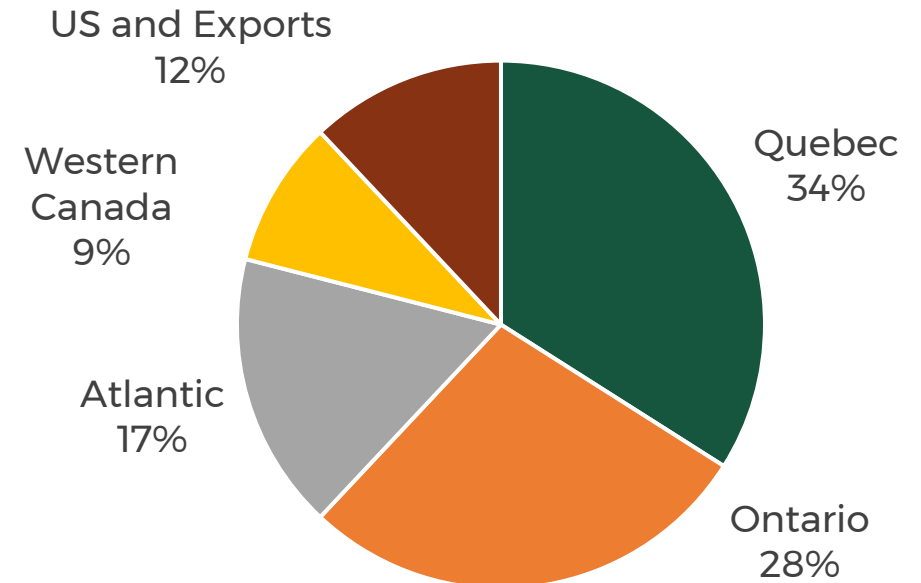
> 5,200  
Customers



## SALES BY CATEGORY



## SALES BY LOCATION





2022

## CORPORATE OBJECTIVES

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- > 3 % Net Return on Sales
- Deliver on Continued **High Demand**
- Improve **Inventory** Management
- Strengthen **Balance Sheet**
- **Diversify and Renew** Offering





2022

# COMMENTARY

## Q1

- Sales Momentum Carried Over from End 2021

## Q2

- Strong Seasonal Demand and Bookings
- Difficult Conditions for Pressure Treated and Commodity

## Q3

- Unprecedented Demand
- First Signs of Soaring Inflation, Interest Rate Hikes, Hardwood Price Slide and Decline of Exports

## Q4

- Competition Heats Up – Biggest Impact on Flooring
- Incredible Push to Close the Year





2022

## KEY DECISIONS

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→ Dividends  
Issued

✓ *Well-  
Managed*

→ Capex  
Spending and  
Reinvestments

✓ *Focused on  
Long-Term  
Growth*

→ Debt Reduction

✓ *Financially  
Stable*



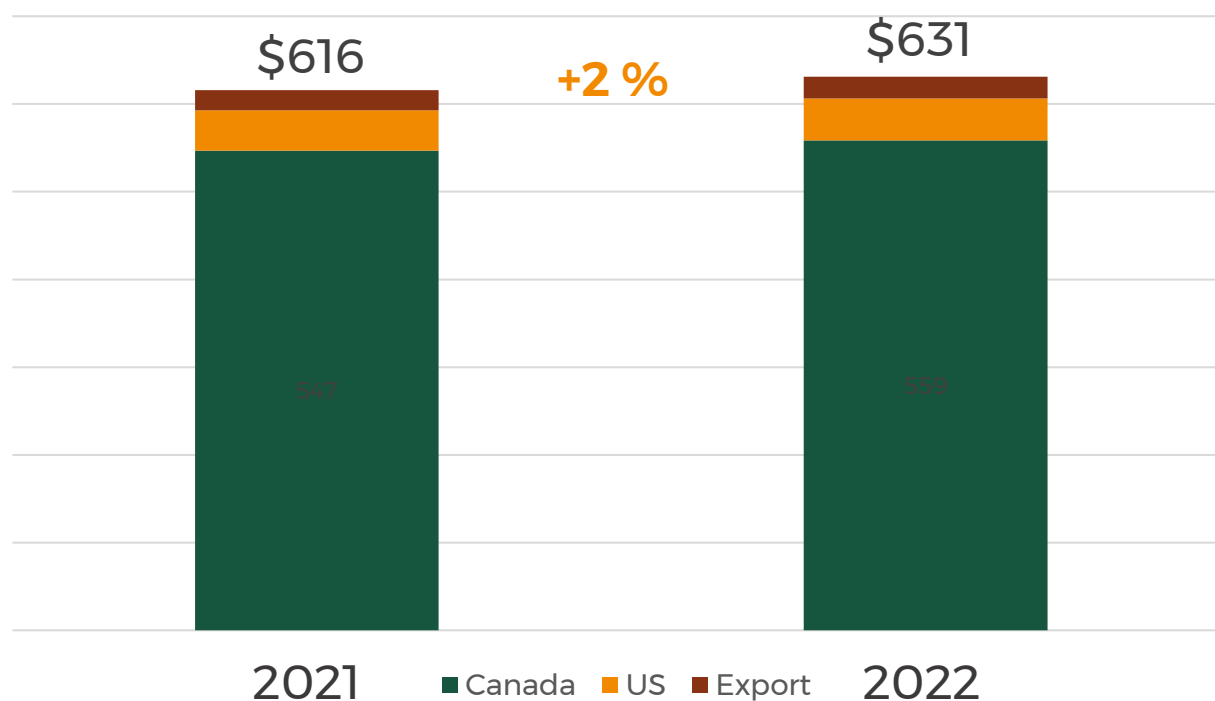
# 2022 YEAR-END RESULTS



2022

# SALES

\$ Sales  
(in millions)



## By Region:

### Canada +2 % :

- Quebec *flat*
- Ontario +4 %
- Atlantic +10 %
- Western Canada -8 %

### US +4 %

### Export +6 %

## By Category:

### Panels -4 %

### Lumber +4 %

### BMATS +12 %

### Flooring +1 %

## Unit Sales -12 %

## Average Transaction Value<sup>(1)</sup> Increased by 22 %, as Compared to 2021.

(1) Calculated by dividing sales for the period by the number of orders for the period.



2022

# GP<sup>(1)</sup>, NET EARNINGS AND EPS<sup>(2)</sup>

\$ Gross Profit <sup>(1)</sup>  
(in millions)

\$137

\$136

2021

2022

\$ Net Earnings  
(in millions)

\$38

\$33

2021

2022

EPS <sup>(2)</sup>

\$4.42

\$3.82

2021

2022

(1) Non-IFRS Measure. See “Non-IFRS Financial Measures”.

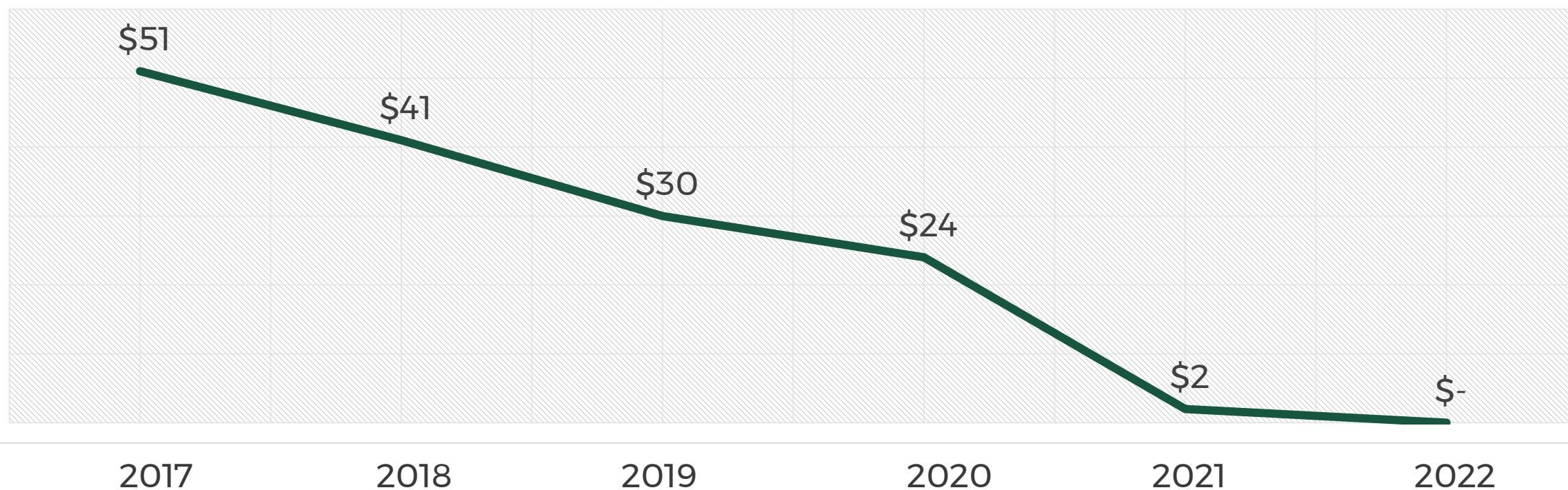
(2) EPS = Net Earnings per Share



6-YEAR COMPARATIVE

# BANK INDEBTEDNESS

Bank Indebtedness \$  
(in millions)



2022

# RECAP OF OUTCOMES

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Capitalized  
on Surging  
Demand

Maintained  
Price and  
Margin  
Discipline

Increased  
Inventory  
Turnover  
Rate

Well-  
Managed  
Supply  
Disruptions

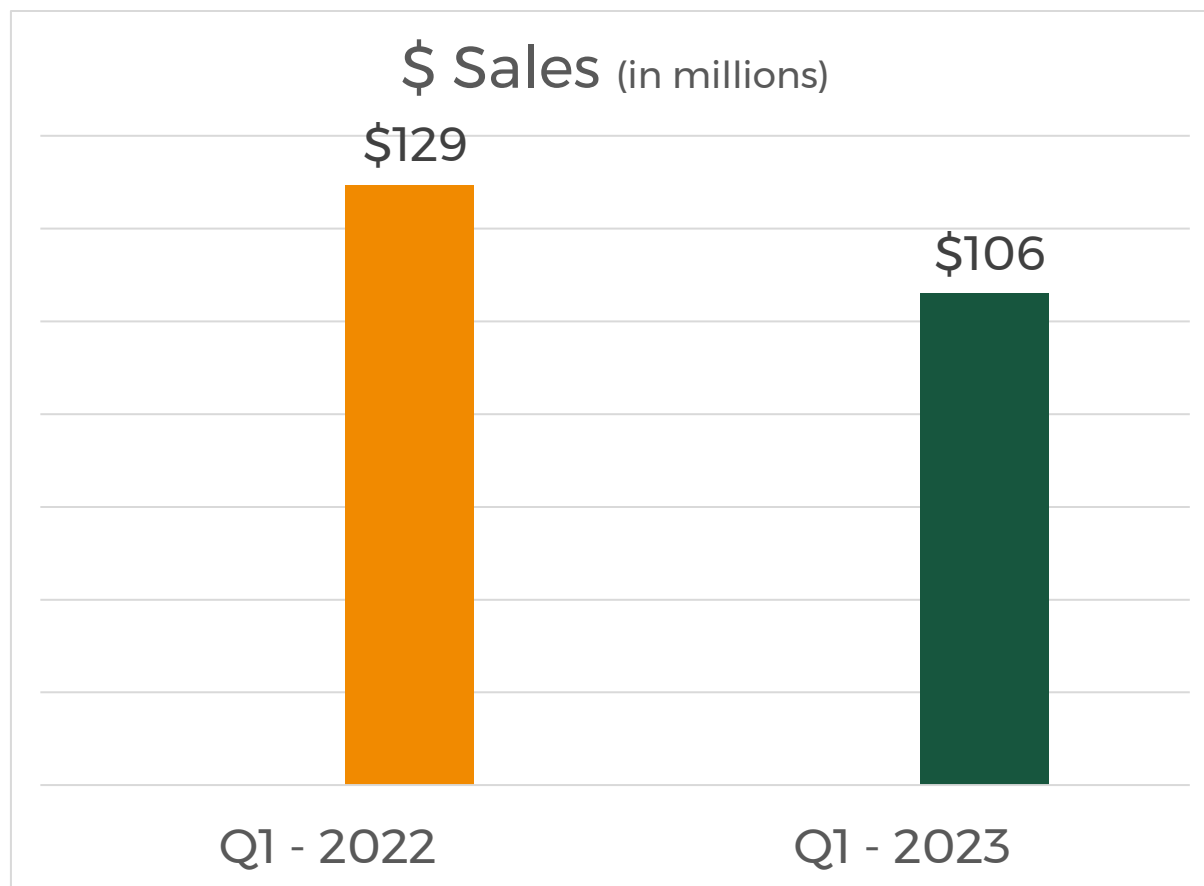
# Q1 – 2023 RESULTS





Q1 - 2023

# SALES

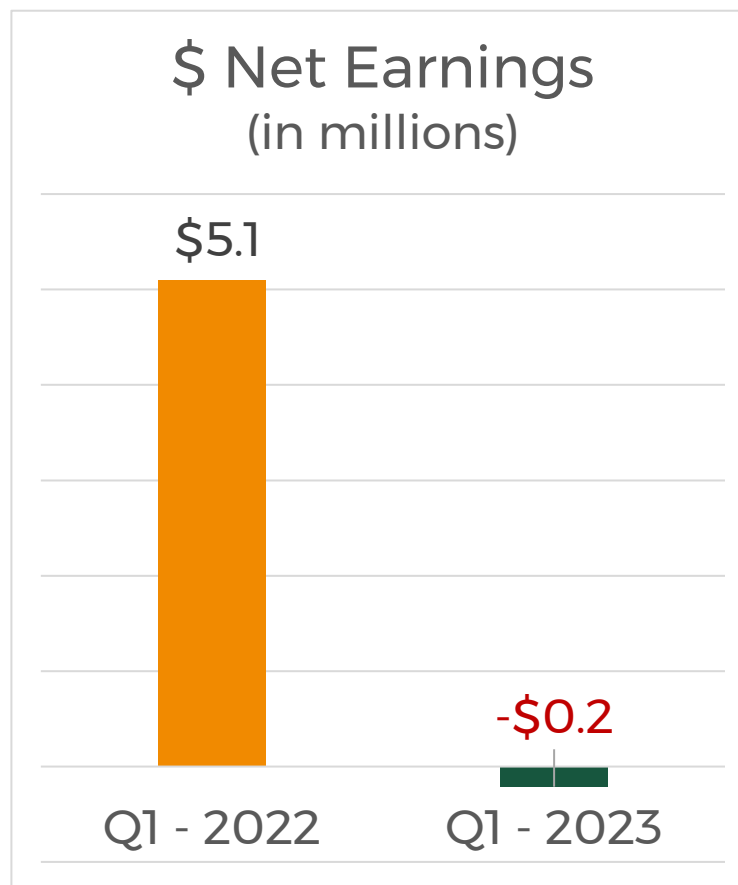
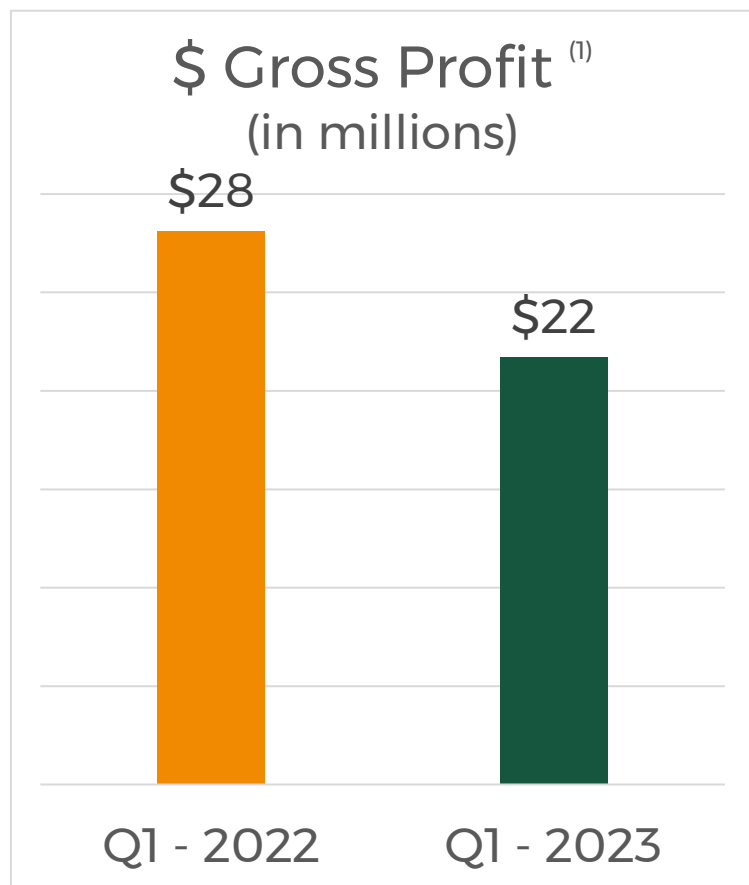


- Unit Sales **-24 %**
- Average Value per Transaction **-5 %**
- By Region:
  - **Canada -17 % :**
    - Quebec -25 %
    - Ontario -18 %
    - Atlantic +2 %
    - Western Canada -21 %
  - **US -21 %**
  - **Export -29 %**



Q1 - 2023

# GP<sup>(1)</sup>, NET EARNINGS AND EPS<sup>(2)</sup>



(1) Non-IFRS Measure. See “Non-IFRS Financial Measures”.

(2) EPS = Net Earnings per Share

2023

# EXPECTED MARKET CONDITIONS



## Challenges and Headwinds:

- Costs ↑ Due to Inflation and Interest Rates
- Consumer Demand ↓
- Freight Costs Level
- Labor Costs ↑
- International Markets ↓
- Trade Barriers ↑



# 2023 STRATEGIC GROWTH DRIVERS

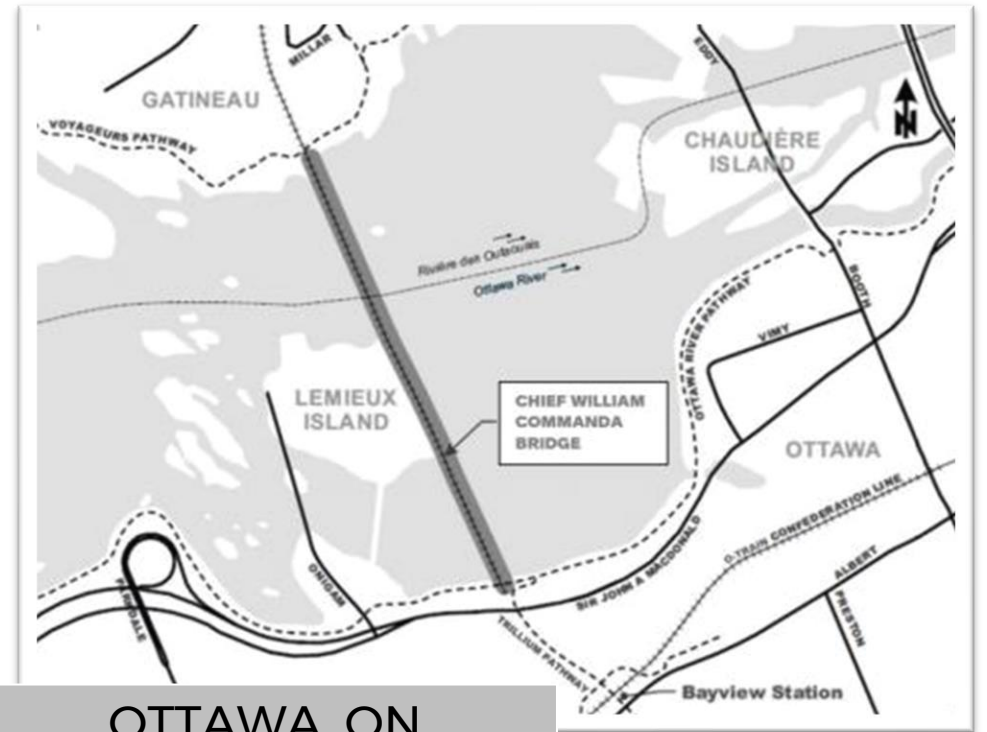
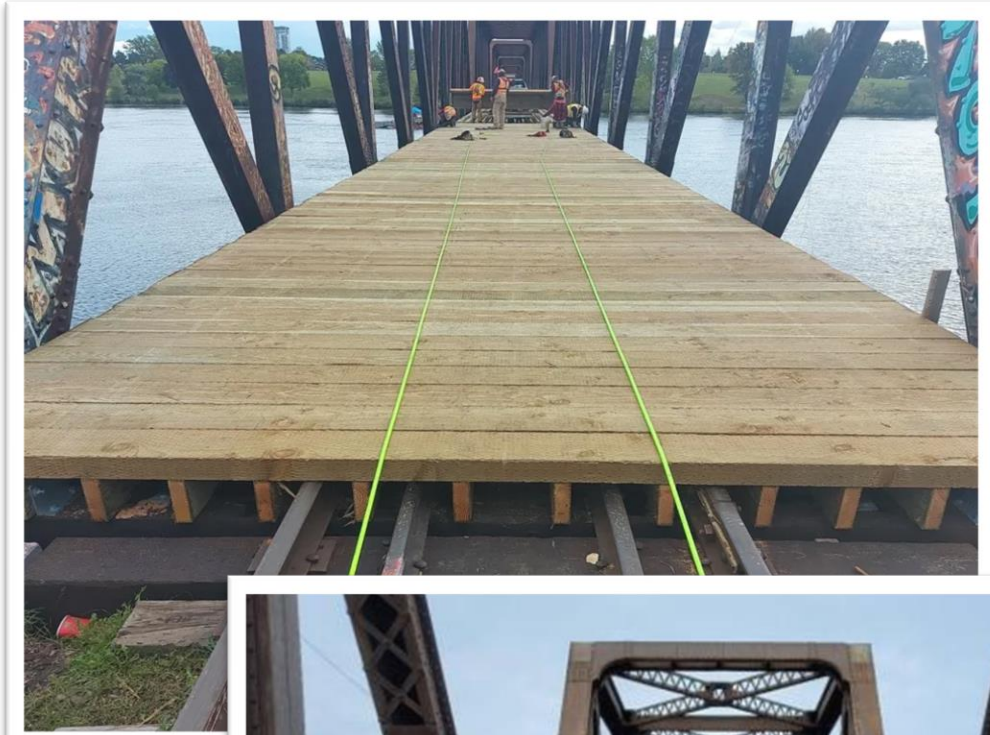


- Expand Value-Added Capabilities
- Enhance Industrial Specialty Offering
- Right-size Inventory Levels and Values
- Diversify Product Mix
- Maintain Price and Margin Discipline
- Enhance Employee Recruitment and Retention
- Explore Strategic Acquisitions – By Region or By Category

# 2022 PROJECTS

## PROJECTS

# CHIEF COMMANDA BRIDGE



OTTAWA, ON





## PROJECTS

# YALE PEABODY MUSEUM



NEW HAVEN, CT, USA



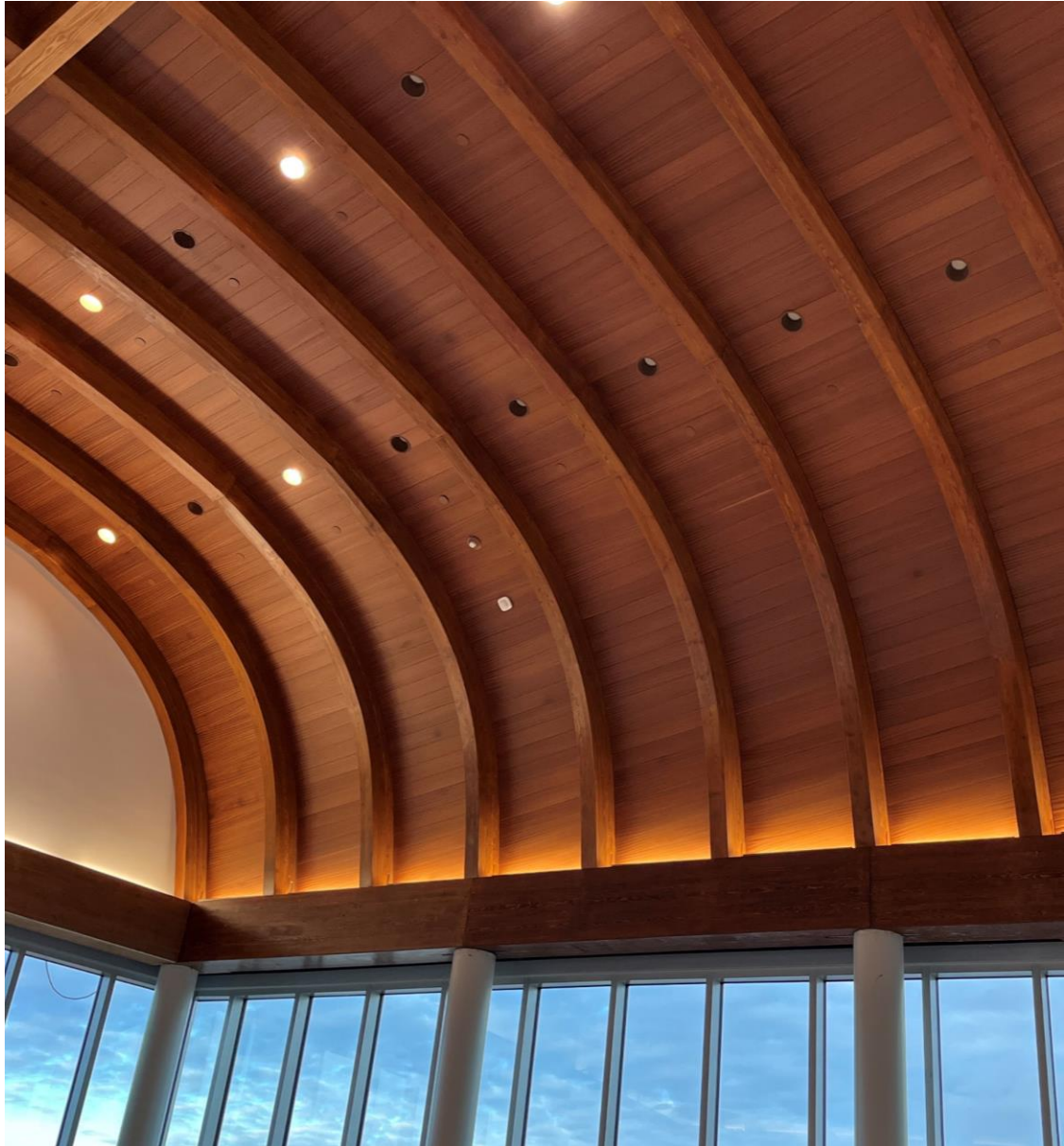
## PROJECTS

# ÉCOLE TOURNESOL



LONGUEUIL, QC





## PROJECTS

# MARITIME CENTRE OF EXCELLENCE



NEW LONDON, CT, USA

QUESTION  
PERIOD