

## NEWS RELEASE

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**FOR IMMEDIATE RELEASE**

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### **GOODFELLOW REPORTS ITS RESULTS FOR THE FOURTH QUARTER AND FISCAL YEAR ENDED NOVEMBER 30, 2023 AND DECLARES A DIVIDEND**

**Delson, Quebec, February 19, 2024** — Goodfellow Inc. (TSX: GDL) (the “Company” or “Goodfellow”) announced its financial results today.

For the fourth quarter ended November 30, 2023, the Company reported net earnings of \$2.1 million or \$0.25 per share compared to net earnings of \$4.4 million or \$0.52 per share a year ago. Consolidated sales for the three months ended November 30, 2023 were \$125.4 million compared to \$149.3 million last year.

For the fiscal year ended November 30, 2023, the Company reported net earnings of \$14.7 million or \$1.72 per share compared to net earnings of \$32.7 million or \$3.82 per share a year ago. Consolidated sales for the fiscal year ended November 30, 2023 were \$512.8 million compared to \$631.2 million last year.

Goodfellow concluded its 125th anniversary year on a positive note, demonstrating resilience despite numerous external challenges. The retail sector experienced a significant downturn in demand, leading to an oversupply in the market, with the flooring category suffering the most significant setback in the second quarter of 2023. In addition, demand and prices for hardwoods declined considerably, with signs of recovery becoming evident only in the early months of fiscal 2024. Goodfellow’s ability to meet expectations in difficult business conditions, can be attributed to the diversity of its product offering and the dedication of its talented team.

The Board of directors of Goodfellow Inc. declared an eligible dividend of \$0.50 per share payable on March 19, 2024, to shareholders of record at the close of business on March 5, 2024. 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 direction 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 years ended November 30, 2023 and 2022**  
*(in thousands of dollars, except per share amounts)*  
*Unaudited*

	Years ended	
	November 30 2023	November 30 2022
	\$	\$
<b>Sales</b>	<b>512,821</b>	631,185
Expenses		
Cost of goods sold	400,461	495,125
Selling, administrative and general expenses	89,841	88,143
Net financial costs	2,429	3,201
	<b>492,731</b>	586,469
Earnings before income taxes	<b>20,090</b>	44,716
Income taxes	5,402	12,037
<b>Net earnings</b>	<b>14,688</b>	32,679
<i>Items that will not subsequently be reclassified to net earnings</i>		
Remeasurement of defined benefit plan obligation net of taxes of \$984 (\$355 in 2022)	2,531	914
<b>Total comprehensive income</b>	<b>17,219</b>	33,593
Net earnings per share – Basic and Diluted	<b>1.72</b>	3.82

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

	As at November 30 2023	As at November 30 2022
	\$	\$
<b>Assets</b>		
<b>Current Assets</b>		
Cash	28,379	3,420
Trade and other receivables	53,674	64,423
Income taxes receivable	6,286	2,439
Inventories	98,473	112,294
Prepaid expenses	4,215	2,555
<b>Total Current Assets</b>	<b>191,027</b>	<b>185,131</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	32,761	32,269
Intangible assets	1,487	2,096
Right-of-use assets	11,354	14,999
Defined benefit plan asset	15,347	11,620
Other assets	777	802
<b>Total Non-Current Assets</b>	<b>61,726</b>	<b>61,786</b>
<b>Total Assets</b>	<b>252,753</b>	<b>246,917</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	37,620	36,286
Provision	2,789	2,281
Current portion of lease liabilities	4,732	4,969
<b>Total Current Liabilities</b>	<b>45,141</b>	<b>43,536</b>
<b>Non-Current Liabilities</b>		
Provision	-	634
Lease liabilities	8,497	12,537
Deferred income taxes	4,112	3,431
<b>Total Non-Current Liabilities</b>	<b>12,609</b>	<b>16,602</b>
<b>Total Liabilities</b>	<b>57,750</b>	<b>60,138</b>
<b>Shareholders' Equity</b>		
Share capital	9,379	9,419
Retained earnings	185,624	177,360
	<b>195,003</b>	<b>186,779</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>252,753</b>	<b>246,917</b>

**GOODFELLOW INC.**  
**Consolidated Statements of Cash Flows**  
**For the years ended November 30, 2023 and 2022**  
*(in thousands of dollars)*  
*Unaudited*

	Years ended	
	November 30 2023	November 30 2022
	\$	\$
<b>Operating Activities</b>		
Net earnings	14,688	32,679
Adjustments for:		
Depreciation and amortization of:		
Property, plant and equipment	3,311	2,551
Intangible assets	602	608
Right-of-use assets	4,697	4,551
Gain on disposal of property, plant and equipment	(139)	(45)
Accretion expense on provision	271	102
Provision	(397)	666
Income taxes	5,402	12,037
Interest expense	996	1,230
Interest on lease liabilities	431	603
Funding in (deficit) excess of pension plan expense	(212)	46
Other	24	23
	<b>29,674</b>	<b>55,051</b>
Changes in non-cash working capital items	24,213	(3,734)
Interest paid	(1,367)	(1,731)
Income taxes paid	(9,552)	(23,573)
	<b>13,294</b>	<b>(29,038)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>42,968</b>	<b>26,013</b>
<b>Financing Activities</b>		
Net decrease in bank indebtedness	-	(2,000)
Payment of lease liabilities	(5,350)	(4,985)
Redemption of shares	(456)	(56)
Dividends paid	(8,539)	(7,706)
<b>Net Cash Flows from Financing Activities</b>	<b>(14,345)</b>	<b>(14,747)</b>
<b>Investing Activities</b>		
Acquisition of property, plant and equipment	(3,836)	(4,827)
Decrease (increase) in intangible assets	7	(54)
Proceeds on disposal of property, plant and equipment	147	45
Other assets	18	(17)
<b>Net Cash Flows from Investing Activities</b>	<b>(3,664)</b>	<b>(4,853)</b>
Net cash inflow	24,959	6,413
Cash (bank indebtedness), beginning of year	3,420	(2,993)
<b>Cash, end of year</b>	<b>28,379</b>	<b>3,420</b>

**GOODFELLOW INC.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**For years ended November 30, 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	-	32,679	32,679
Other comprehensive income	-	914	914
<b>Total comprehensive income</b>	<b>-</b>	<b>33,593</b>	<b>33,593</b>
Dividend	-	(7,706)	(7,706)
Redemption of Shares	(5)	(51)	(56)
<b>Balance as at November 30, 2022</b>	<b>9,419</b>	<b>177,360</b>	<b>186,779</b>
<b>Net earnings</b>	<b>-</b>	<b>14,688</b>	<b>14,688</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>2,531</b>	<b>2,531</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>17,219</b>	<b>17,219</b>
<b>Dividend</b>	<b>-</b>	<b>(8,539)</b>	<b>(8,539)</b>
<b>Redemption of Shares</b>	<b>(40)</b>	<b>(416)</b>	<b>(456)</b>
<b>Balance as at November 30, 2023</b>	<b>9,379</b>	<b>185,624</b>	<b>195,003</b>