

NEWS RELEASE

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FOR IMMEDIATE RELEASE

GOODFELLOW REPORTS ITS RESULTS FOR THE FOURTH QUARTER AND FISCAL YEAR ENDED NOVEMBER 30, 2022 AND DECLARES DIVIDEND

Delson, Quebec, February 16, 2023 — Goodfellow Inc. (TSX: GDL) (the “Company” or “Goodfellow”) announced its financial results today.

For the fourth quarter ended November 30, 2022, the Company reported net earnings of \$4.4 million or \$0.52 per share compared to net earnings of \$10.1 million or \$1.18 per share a year ago. Consolidated sales for the three months ended November 30, 2022 were \$149.3 million compared to \$143.0 million last year.

For the fiscal year ended November 30, 2022, the Company reported net earnings of \$32.7 million or \$3.82 per share compared to net earnings of \$37.8 million or \$4.42 per share a year ago. Consolidated sales for the fiscal year ended November 30, 2022 were \$631.2 million compared to \$615.9 million last year.

The Company performed very well in Fiscal 2022 realizing the highest sales revenue on record. These results were achieved despite extremely challenging and shifting market conditions resulting from surging inflation, rising energy costs, labour shortages and changes in international markets. The Company's success is attributed to its strengths in operations, product diversity, value-added and customization offering, and customer service.

The Board of directors of Goodfellow Inc. declared an eligible dividend of \$0.50 per share payable on March 16, 2023, to shareholders of record at the close of business on March 2, 2023. 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, 2022 and 2021
(in thousands of dollars, except per share amounts)
Unaudited

	Years ended	
	November 30 2022	November 30 2021
	\$	\$
Sales	631,185	615,946
Expenses		
Cost of goods sold	495,125	479,403
Selling, administrative and general expenses	88,143	83,326
Net financial costs	3,201	2,694
	586,469	565,423
Earnings before income taxes	44,716	50,523
Income taxes	12,037	12,687
Net earnings	32,679	37,836
<i>Items that will not subsequently be reclassified to net earnings</i>		
Remeasurement of defined benefit plan obligation net of taxes of \$355 (\$2,730 in 2021)	914	7,021
Total comprehensive income	33,593	44,857
Net earnings per share – Basic and Diluted	3.82	4.42

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

	As at November 30 2022 \$	As at November 30 2021 \$
Assets		
Current Assets		
Cash	3,420	4,253
Trade and other receivables	64,423	63,246
Income taxes receivable	2,439	-
Inventories	112,294	109,787
Prepaid expenses	2,555	4,189
Total Current Assets	185,131	181,475
Non-Current Assets		
Property, plant and equipment	32,269	30,022
Intangible assets	2,096	2,650
Right-of-use assets	14,999	12,262
Defined benefit plan asset	11,620	10,397
Other assets	802	785
Total Non-Current Assets	61,786	56,116
Total Assets	246,917	237,591
Liabilities		
Current Liabilities		
Bank indebtedness	-	9,246
Trade and other payables	36,286	37,897
Income taxes payable	-	9,022
Provision	2,281	2,147
Current portion of lease liabilities	4,969	4,256
Total Current Liabilities	43,536	62,568
Non-Current Liabilities		
Provision	634	-
Lease liabilities	12,537	10,924
Deferred income taxes	3,431	3,151
Total Non-Current Liabilities	16,602	14,075
Total Liabilities	60,138	76,643
Shareholders' Equity		
Share capital	9,419	9,424
Retained earnings	177,360	151,524
	186,779	160,948
Total Liabilities and Shareholders' Equity	246,917	237,591

GOODFELLOW INC.
Consolidated Statements of Cash Flows
For the years ended November 30, 2022 and 2021
(in thousands of dollars)
Unaudited

	Years ended	
	November 30 2022	November 30 2021
	\$	\$
Operating Activities		
Net earnings	32,679	37,836
Adjustments for:		
Depreciation and amortization of:		
Property, plant and equipment	2,551	2,552
Intangible assets	608	621
Right-of-use assets	4,551	4,141
Accretion expense on provision	102	44
Provision	666	630
Income taxes	12,037	12,687
Gain on disposal of property, plant and equipment	(45)	(25)
Interest expense	1,230	826
Interest on lease liabilities	603	580
Funding in deficit of pension plan expense	46	117
Other	23	(6)
	55,051	60,003
Changes in non-cash working capital items	(3,734)	(15,484)
Interest paid	(1,731)	(1,541)
Income taxes paid	(23,573)	(9,700)
	(29,038)	(26,725)
Net Cash Flows from Operating Activities	26,013	33,278
Financing Activities		
Net decrease in bank loans	(2,000)	(10,000)
Net decrease in banker's acceptances	-	(12,000)
Payment of lease liabilities	(4,985)	(4,551)
Redemption of shares	(56)	-
Dividend paid	(7,706)	(7,279)
Net Cash Flows from Financing Activities	(14,747)	(33,830)
Investing Activities		
Acquisition of property, plant and equipment	(4,827)	(1,333)
Acquisition in intangible assets	(54)	(33)
Proceeds on disposal of property, plant and equipment	45	29
Other assets	(17)	-
Net Cash Flows from Investing Activities	(4,853)	(1,337)
Net cash inflow (outflow)	6,413	(1,889)
Cash position, beginning of year	(2,993)	(1,104)
Cash position, end of year	3,420	(2,993)
Cash position is comprised of:		
Cash	3,420	4,253
Bank overdraft	-	(7,246)
	3,420	(2,993)

GOODFELLOW INC.
Consolidated Statements of Changes in Shareholders' Equity
For the years ended November 30, 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	-	37,836	37,836
Other comprehensive income	-	7,021	7,021
Total comprehensive income	-	44,857	44,857
Dividend	-	(5,138)	(5,138)
Balance as at November 30, 2021	9,424	151,524	160,948
Net earnings	-	32,679	32,679
Other comprehensive income	-	914	914
Total comprehensive income	-	33,593	33,593
Dividend	-	(7,706)	(7,706)
Redemption of Shares	(5)	(51)	(56)
Balance as at November 30, 2022	9,419	177,360	186,779