

## NEWS RELEASE

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**FOR IMMEDIATE RELEASE**

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### **GOODFELLOW REPORTS ITS RESULTS FOR THE SECOND QUARTER ENDED MAY 31, 2024**

**Delson, Quebec, July 10, 2024** — Goodfellow Inc. (TSX: GDL) (the “Company” or “Goodfellow”) announced today its financial results for the second quarter ended May 31, 2024.

The Company reported net earnings of \$5.3 million or \$0.62 per share compared to net earnings of \$6.6 million or \$0.77 per share a year ago. Consolidated sales for the three months ended May 31, 2024 were \$140.3 million compared to \$142.3 million last year.

For the six months ended May 31, 2024, the Company reported net earnings of \$5.2 million or \$0.61 per share compared to net earnings of \$6.4 million or \$0.75 per share a year ago, while consolidated sales were \$245.7 million compared to \$248.3 million last year.

Goodfellow continues to navigate a broader economic landscape characterized by low consumer confidence and sluggish new housing starts. These conditions have impacted industry growth and shifted demand towards different types of products within the Company’s portfolio. Goodfellow’s offering is well positioned to cater to this evolving demand, ensuring revenue and margin stability even as certain segments experience fluctuations.

#### **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 six months ended May 31, 2024 and 2023**  
*(in thousands of dollars, except per share amounts)*  
**Unaudited**

	For the three months ended		For the six months ended	
	May 31 2024	May 31 2023	May 31 2024	May 31 2023
	\$	\$	\$	\$
<b>Sales</b>	<b>140,334</b>	142,326	<b>245,668</b>	248,251
Expenses				
Cost of goods sold	<b>106,199</b>	110,034	<b>188,745</b>	194,294
Selling, administrative and general expenses	<b>26,108</b>	22,239	<b>48,992</b>	43,923
Net financial costs	<b>652</b>	921	<b>707</b>	1,195
	<b>132,959</b>	133,194	<b>238,444</b>	239,412
Earnings before income taxes	<b>7,375</b>	9,132	<b>7,224</b>	8,839
Income taxes	<b>2,066</b>	2,557	<b>2,023</b>	2,475
<b>Total comprehensive income</b>	<b>5,309</b>	6,575	<b>5,201</b>	6,364
Net earnings per share – Basic and Diluted	<b>0.62</b>	0.77	<b>0.61</b>	0.75

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

	As at May 31 2024	As at November 30 2023	As at May 31 2023
	\$	\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash	4,822	28,379	3,171
Trade and other receivables	95,546	53,674	87,163
Income taxes receivable	7,286	6,286	6,001
Inventories	130,239	98,473	122,268
Prepaid expenses	2,536	4,215	2,263
<b>Total Current Assets</b>	<b>240,429</b>	<b>191,027</b>	<b>220,866</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	34,631	32,761	32,405
Intangible assets	1,192	1,487	1,795
Right-of-use assets	9,993	11,354	12,916
Defined benefit plan asset	15,264	15,347	11,760
Other assets	1,227	777	802
<b>Total Non-Current Assets</b>	<b>62,307</b>	<b>61,726</b>	<b>59,678</b>
<b>Total Assets</b>	<b>302,736</b>	<b>252,753</b>	<b>280,544</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Bank indebtedness	35,883	-	34,002
Trade and other payables	52,645	37,620	36,553
Provision	2,774	2,789	2,252
Current portion of lease liabilities	4,170	4,732	4,748
<b>Total Current Liabilities</b>	<b>95,472</b>	<b>45,141</b>	<b>77,555</b>
<b>Non-Current Liabilities</b>			
Provision	-	-	770
Lease liabilities	7,373	8,497	10,189
Deferred income taxes	4,112	4,112	3,431
<b>Total Non-Current Liabilities</b>	<b>11,485</b>	<b>12,609</b>	<b>14,390</b>
<b>Total Liabilities</b>	<b>106,957</b>	<b>57,750</b>	<b>91,945</b>
<b>Shareholders' Equity</b>			
Share capital	9,366	9,379	9,394
Retained earnings	186,413	185,624	179,205
	<b>195,779</b>	<b>195,003</b>	<b>188,599</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>302,736</b>	<b>252,753</b>	<b>280,544</b>

**GOODFELLOW INC.**  
**Consolidated Statements of Cash Flows**  
**For the three and six months ended May 31, 2024 and May 31, 2023**  
*(in thousands of dollars)*  
**Unaudited**

	For the three months ended		For the six months ended	
	May 31 2024	May 31 2023	May 31 2024	May 31 2023
	\$	\$	\$	\$
<b>Operating Activities</b>				
Net earnings	5,309	6,575	5,201	6,364
Adjustments for:				
Depreciation and amortization of:				
Property, plant and equipment	882	795	1,717	1,540
Intangible assets	148	150	295	301
Right-of-use assets	1,089	1,188	2,123	2,445
Gain on disposal of property, plant and equipment	(69)	(171)	(77)	(181)
Accretion expense on provision	-	68	-	136
Provision	(4)	(7)	(15)	(29)
Income taxes	2,066	2,557	2,023	2,475
Interest expense	330	481	375	569
Interest on lease liabilities	137	158	274	140
Funding in excess (deficit) of pension plan expense	189	(70)	83	(140)
Other	7	(10)	8	(139)
	<b>10,084</b>	<b>11,714</b>	<b>12,007</b>	<b>13,481</b>
Changes in non-cash working capital items	(24,366)	(15,844)	(56,876)	(32,124)
Interest paid	(518)	(632)	(707)	(740)
Income taxes paid	(1,098)	(3,019)	(3,023)	(6,037)
	<b>(25,982)</b>	<b>(19,495)</b>	<b>(60,606)</b>	<b>(38,901)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>(15,898)</b>	<b>(7,781)</b>	<b>(48,599)</b>	<b>(25,420)</b>
<b>Financing Activities</b>				
Net increase (decrease) in bank loans	6,000	(2,000)	6,000	-
Net increase in banker's acceptances	-	23,000	-	28,000
Net increase in CORRA loans	18,000	-	18,000	-
Payment of lease liabilities	(1,257)	(1,287)	(2,456)	(2,792)
Redemption of shares	(50)	(150)	(169)	(270)
Dividends paid	(4,256)	(4,274)	(4,256)	(4,274)
<b>Net Cash Flows from Financing Activities</b>	<b>18,437</b>	<b>15,289</b>	<b>17,119</b>	<b>20,664</b>
<b>Investing Activities</b>				
Acquisition of property, plant and equipment	(2,618)	(839)	(3,900)	(1,683)
Proceeds on disposal of property, plant and equipment	382	178	390	188
Other assets	(450)	-	(450)	-
<b>Net Cash Flows from Investing Activities</b>	<b>(2,686)</b>	<b>(661)</b>	<b>(3,960)</b>	<b>(1,495)</b>
Net cash (outflow) inflow	(147)	6,847	(35,440)	(6,251)
Cash position, beginning of period	(6,914)	(9,678)	28,379	3,420
<b>Cash position, end of period</b>	<b>(7,061)</b>	<b>(2,831)</b>	<b>(7,061)</b>	<b>(2,831)</b>

**GOODFELLOW INC.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**For the six months ended May 31, 2024 and May 31, 2023**  
*(in thousands of dollars)*  
**Unaudited**

	Share Capital	Retained Earnings	Total
	\$	\$	\$
Balance as at November 30, 2022	9,419	177,360	186,779
Net earnings	-	6,364	6,364
Total comprehensive income	-	6,364	6,364
Dividend	-	(4,274)	(4,274)
Redemption of Shares	(25)	(245)	(270)
Balance as at May 31, 2023	9,394	179,205	188,599
<b>Balance as at November 30, 2023</b>	<b>9,379</b>	<b>185,624</b>	<b>195,003</b>
Net earnings	-	5,201	5,201
Total comprehensive income	-	5,201	5,201
Dividend	-	(4,256)	(4,256)
Redemption of Shares	(13)	(156)	(169)
<b>Balance as at May 31, 2024</b>	<b>9,366</b>	<b>186,413</b>	<b>195,779</b>