

NEWS RELEASE

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FOR IMMEDIATE RELEASE

GOODFELLOW REPORTS ITS RESULTS FOR THE THIRD QUARTER ENDED AUGUST 31, 2024 AND DECLARES A DIVIDEND

Delson, Quebec, October 9, 2024 — Goodfellow Inc. (TSX: GDL) (the “Company” or “Goodfellow”) announced today its financial results for the third quarter ended August 31, 2024.

For the three months ended August 31, 2024, the Company reported net earnings of \$5.8 million or \$0.68 per share compared to net earnings of \$6.2 million or \$0.72 per share a year ago, while consolidated sales were \$140 million compared to \$139 million last year.

For the nine months ended August 31, 2024, the Company reported net earnings of \$11.0 million or \$1.29 per share compared to net earnings of \$12.6 million or \$1.47 per share a year ago, while consolidated sales were \$385 million compared to \$387 million last year.

In the third quarter, seasonal consumer demand remained modest, and as a result, retailers felt no urgency to increase their inventories. However, the supply chain demonstrated stability, ensuring reliable, just-in-time deliveries of building materials. These factors worked in favour of Goodfellow, particularly in its custom job lot capabilities and robust distribution network. In August 2024, Goodfellow acquired strategic hardwood processing assets located in Petersburg and Hazelton, West Virginia, USA. With an experienced staff and efficient production capabilities, the Company expects positive returns from these assets by the second quarter of 2025.

The Board of Directors declared an eligible dividend of \$0.25 per share payable on November 6, 2024 to shareholders of record at the close of business on October 23, 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 discretion 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 three and nine months ended August 31, 2024 and 2023

(in thousands of dollars, except per share amounts)

Unaudited

	For the three months ended		For the nine months ended	
	August 31 2024	August 31 2023	August 31 2024	August 31 2023
	\$	\$	\$	\$
Sales	139,668	139,155	385,336	387,406
Expenses				
Cost of goods sold	105,280	107,535	294,025	301,829
Selling, administrative and general expenses	25,447	22,220	74,439	66,143
Net financial costs	955	802	1,662	1,997
	131,682	130,557	370,126	369,969
Earnings before income taxes	7,986	8,598	15,210	17,437
Income taxes	2,236	2,407	4,259	4,882
Total comprehensive income	5,750	6,191	10,951	12,555
Net earnings per share – Basic and Diluted	0.68	0.72	1.29	1.47

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

	As at August 31 2024	As at November 30 2023	As at August 31 2023
	\$	\$	\$
Assets			
Current Assets			
Cash	6,273	28,379	7,973
Trade and other receivables	73,775	53,674	66,235
Income taxes receivable	4,849	6,286	3,946
Inventories	131,853	98,473	113,346
Prepaid expenses	2,101	4,215	2,177
Total Current Assets	218,851	191,027	193,677
Non-Current Assets			
Property, plant and equipment	43,610	32,761	32,906
Intangible assets	1,044	1,487	1,644
Right-of-use assets	15,818	11,354	11,697
Defined benefit plan asset	15,325	15,347	11,829
Other assets	1,343	777	777
Total Non-Current Assets	77,140	61,726	58,853
Total Assets	295,991	252,753	252,530
Liabilities			
Current Liabilities			
Bank indebtedness	21,636	-	-
Trade and other payables	50,043	37,620	37,551
Provision	1,747	2,789	2,253
Current portion of lease liabilities	5,326	4,732	4,863
Total Current Liabilities	78,752	45,141	44,667
Non-Current Liabilities			
Provision	-	-	837
Lease liabilities	11,966	8,497	8,867
Deferred income taxes	4,112	4,112	3,431
Total Non-Current Liabilities	16,078	12,609	13,135
Total Liabilities	94,830	57,750	57,802
Shareholders' Equity			
Share capital	9,337	9,379	9,388
Retained earnings	191,824	185,624	185,340
	201,161	195,003	194,728
Total Liabilities and Shareholders' Equity	295,991	252,753	252,530

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

	For the three months ended		For the nine months ended	
	August 31 2024	August 31 2023	August 31 2024	August 31 2023
	\$	\$	\$	\$
Operating Activities				
Net earnings	5,750	6,191	10,951	12,555
Adjustments for:				
Depreciation and amortization of:				
Property, plant and equipment	1,099	856	2,816	2,396
Intangible assets	148	151	443	452
Right-of-use assets	1,266	1,164	3,389	3,609
Gain on disposal of property, plant and equipment	(18)	-	(95)	(181)
Accretion expense on provision	-	68	-	204
Provision	(1,027)	-	(1,042)	(29)
Income taxes	2,236	2,407	4,259	4,882
Interest expense	519	341	894	910
Interest on lease liabilities	212	146	486	286
Funding in excess (deficit) of pension plan expense	(61)	(69)	22	(209)
Other	(19)	152	(11)	13
	10,105	11,407	22,112	24,888
Changes in non-cash working capital items	17,964	30,890	(38,912)	(1,234)
Interest paid	(706)	(436)	(1,413)	(1,176)
Income taxes recovered (paid)	201	(352)	(2,822)	(6,389)
	17,459	30,102	(43,147)	(8,799)
Net Cash Flows from Operating Activities	27,564	41,509	(21,035)	16,089
Financing Activities				
Net decrease in bank loans	(6,000)	-	-	-
Net decrease in banker's acceptances	-	(28,000)	-	-
Net (decrease) increase in CORRA loans	(3,000)	-	15,000	-
Payment of lease liabilities	(1,322)	(1,304)	(3,778)	(4,096)
Redemption of shares	(368)	(62)	(537)	(332)
Dividends paid	-	-	(4,256)	(4,274)
Net Cash Flows from Financing Activities	(10,690)	(29,366)	6,429	(8,702)
Investing Activities				
Acquisition of property, plant and equipment	(10,082)	(1,357)	(13,982)	(3,040)
Proceeds on disposal of property, plant and equipment	22	-	412	188
Dividend from joint venture	-	25	-	25
Dissolution of the joint venture	-	(7)	-	(7)
Other assets	(116)	-	(566)	-
Net Cash Flows from Investing Activities	(10,176)	(1,339)	(14,136)	(2,834)
Net cash (outflow) inflow	6,698	10,804	(28,742)	4,553
Cash position, beginning of period	(7,061)	(2,831)	28,379	3,420
Cash position, end of period	(363)	7,973	(363)	7,973
Cash position is comprised of				
Cash	6,273	7,973	6,273	7,973
Bank overdraft	(6,636)	-	(6,636)	-
	(363)	7,973	(363)	7,973

GOODFELLOW INC.

**Consolidated Statements of Changes in Shareholders' Equity
For the nine months ended August 31, 2024 and August 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	-	12,555	12,555
Total comprehensive income	-	12,555	12,555
Dividend	-	(4,274)	(4,274)
Redemption of Shares	(31)	(301)	(332)
Balance as at August 31, 2023	9,388	185,340	194,728
Balance as at November 30, 2023	9,379	185,624	195,003
Net earnings	-	10,951	10,951
Total comprehensive income	-	10,951	10,951
Dividend	-	(4,256)	(4,256)
Redemption of Shares	(42)	(495)	(537)
Balance as at August 31, 2024	9,337	191,824	201,161