Press Release

For immediate release

Richelieu increases net earnings per share by 11.1% in the first quarter of 2017

- **Net earnings attributable to shareholders** increased by 10.5% compared to the first quarter of 2016, at $12 million, on **sales** of $195.9 million, up 3.7%.

- **Excellent financial position** - almost debt-free - cash of $36.4 million - working capital of $286.1 million (a ratio of 4.7:1).

Montreal, April 6, 2017 - "Richelieu (RCH: TSX) posted a good financial performance in the first three months ended on February 28, 2017, which we consider to be satisfactory for a first quarter, historically the weakest of the fiscal year. This is the result of our continued market development and innovation strategies, sales synergies created through our acquisitions, and ongoing improvement in operational efficiency. Net earnings attributable to shareholders are up 10.5%, and sales 3.7%. At comparable exchange rates to the first quarter of 2016, the increase in sales would have been 5.7%. In Canada, sales grew by 4.5%, reflecting the 2.8% increase in the manufacturers market and 11% in the retailers and renovation superstores market. In the U.S., sales went up 7.7% (US$), while the manufacturers market showed a 7.9% increase, supplemented by the 3.6% increase in the retailers and renovation superstores market. We pursue our acquisition strategy and we are confident that we will be able to seize other opportunities in the coming months", said Richard Lord, President and CEO of Richelieu.

NEXT DIVIDEND PAYMENT

On April 6, 2017, the board of directors approved payment of a quarterly dividend of 5.67¢ per share. This dividend is payable on May 4, 2017 to shareholders of record as at April 20, 2017.

ANALYSIS OF OPERATING RESULTS FOR THE FIRST QUARTER ENDED FEBRUARY 28, 2017, COMPARED WITH THE FIRST QUARTER ENDED FEBRUARY 29, 2016

For the quarter ended February 28, 2017, consolidated sales reached $195.9 million, compared with $188.9 million for the corresponding quarter of 2016, an increase of 3.7%, of which 2.3% from internal growth and 1.4% from acquisitions. At comparable exchange rates to the first quarter of 2016, the consolidated sales growth would have been 5.7% for the quarter ended February 28, 2017.

Sales to **manufacturers** amounted to $164.9 million, compared with $160.6 million for the first quarter of 2016. All market segments contributed to the increase of 2.7%, of which 1.1% from internal growth and 1.6% from acquisitions. At comparable exchange rates to the first quarter of 2016, sales growth would have been 4.9% for the quarter ended February 28, 2017. Sales to hardware **retailers** and renovation superstores stood at $31 million, up by 9.5% over the first quarter of 2016.

In Canada, Richelieu recorded sales of $125.6 million, an increase of 4.5% over the first quarter of 2016, entirely from internal growth. Sales to **manufacturers** amounted to $98.4 million, compared with $95.7 million for the corresponding quarter of 2016, an internal growth of 2.8%. Sales to hardware **retailers** and renovation superstores grew to $27.2 million, up by $2.7 million or 11.0% over the corresponding quarter of 2016. This growth results from market development efforts, the addition of new customers and, to a lesser extent, from the increase in some selling prices.

In the United States, sales totalled US$53.2 million, compared with US$49.4 million for the first quarter of 2016, an increase of US$3.8 million or 7.7%, of which 3.7% from internal growth and 4% from acquisitions. Sales to **manufacturers** amounted to US$50.3 million compared with US$46.6 million over the first quarter of 2016, an increase of 7.9%, of which 3.7% from internal growth and 4.2% from acquisitions. Sales to hardware **retailers** and renovation superstores were up by 3.6% from the corresponding quarter of 2016. Considering exchange rates, total U.S. sales expressed in Canadian dollars stood at $70.3 million, compared with $68.7 million for the first quarter of 2016, an increase of 2.3%. They accounted for 35.9% of consolidated sales for the first quarter of 2017, whereas they had represented 36.4% of the period's consolidated sales for the first quarter of 2016.

Earnings before income taxes, interest and amortization (EBITDA) reached $18.3 million, up by $1.6 million or 9.8% over the first quarter of 2016. The **gross margin** and the **EBITDA margin** improved in the first quarter of 2017. It should be noted that they declined in the first quarter of 2016 as a result of the rapid appreciation of the US and euro currencies which had an upward effect on the supply costs of certain products. The **EBITDA margin** stood at 9.4%, compared with 8.8% for the first quarter of 2016.

First-quarter net earnings grew by 10.3%. Considering non-controlling interests, **net earnings attributable to shareholders of the Corporation** amounted to $12.0 million, up by 10.5% over the first quarter of 2016. **Net earnings per share** rose to $0.21 basic and $0.20 diluted, compared with $0.19 basic and $0.18 diluted for the first quarter of 2016, an increase of 10.5% and 11.1%.

Comprehensive income amounted to $10.7 million, considering a negative adjustment of $1.2 million on translation of the financial statements of the subsidiary in the United States, compared with $11.9 million for the first quarter of 2016, considering a positive adjustment of $1.1 million on translation of the financial statements of the subsidiary in the United States.

FINANCIAL POSITION

First-quarter cash flows from operating activities (before net change in working capital balances) amounted to $14.9 million or $0.25 diluted per share, compared with $13.4 million or $0.23 diluted per share for the first quarter of 2016, an increase of 11.7% stemming primarily from the net earnings growth. Net change in non-cash working capital balances used cash flows of $12.4 million, reflecting the change in inventories ($5.2 million), whereas the change in accounts receivable, accounts payable and other items used cash flows of $7.2 million. Consequently, operating activities provided cash flows of $2.5 million, compared with cash flows used of $6.3 million for the first quarter of 2016.

First-quarter financing activities used cash flows of $4.9 million, compared with $17.3 million for the first quarter of 2016. This change mainly results from the significant shares repurchase of $14.1 million in the first quarter of 2016 compared with $1.3 million in the first quarter of 2017.

First-quarter investing activities represented a cash outflow of $4.2 million, mainly for equipment to improve operational efficiency.

Sources of financing

As at February 28, 2017, cash and cash equivalents amounted to $36.4 million, compared with $43.0 million as at November 30, 2016. This change mainly results from financing and investing activities made during in the first quarter of 2017. The Corporation posted a **working capital** of $286.1 million for a current ratio of 4.7:1, compared with $280.7 million (4.4:1 ratio) as at November 30, 2016.

Richelieu believes it has the capital resources to fulfill its ongoing commitments and obligations and to assume the funding requirements needed for its growth and the financing and investing activities between now and the end of 2017. The Corporation benefits from an authorized line of credit of $50 million as well as a line of credit of US$6 million renewable annually and bearing interest respectively at prime and base rates. In addition, Richelieu considers it could obtain access to other outside financing if necessary.

Summary financial position

(in thousands of $, except exchange rate)

As at	**February 28 2017**	November 30 2016
Current assets	**362,796**	362,803
Non-current assets	**124,592**	123,243
Total	**487,388**	486,046
Current liabilities	**76,667**	82,056
Non-current liabilities	**5,444**	5,679
Equity attributable to shareholders of the Corporation	**401,450**	394,268
Non-controlling interests	**3,827**	4,043
Total	**487,388**	486,046
Exchange rate on translation of a subsidiary in the United States	***1.328***	*1.343*

Assets

Total assets amounted to $487.4 million as at February 28, 2017, compared with $486.0 million as at November 30, 2016. **Current assets** remained mostly unchanged when compared with November 30, 2016.

Cash position

(in thousands of $)

As at	**February 28 2017**	November 30 2016
Current portion of long-term debt	**3,497**	4,336
Long term-debt	**308**	528
Total debt	**3,805**	4,864
Cash and cash equivalents	***36,415***	*42,969*

The Corporation continues to benefit from a healthy and solid financial position. As at February 28, 2017 **total debt** was $3.8 million, of which $0.3 million in long-term debt and $3.5 million in short-term debt representing balances payable on acquisitions and financing contract for equipment.

Equity attributable to shareholders of the Corporation totalled $401.5 million as at February 28, 2017, compared with $394.3 million as at November 30, 2016, an increase of $7.2 million stemming primarily from a growth of $7.5 million in retained earnings which amounted to $344.3 million, and of $0.9 million in share capital and contributed surplus, whereas accumulated other comprehensive income was down by $1.2 million. As at February 28, 2017, **the book value per share** was $6.93, up by 1.8% over November 30, 2016.

Dividends

On April 6, 2017, the Board of Directors approved the payment of a quarterly dividend of 5.67¢ per share to shareholders of record as at April 20, 2017 payable on May 4, 2017. The declared dividend is designated as an eligible dividend within the meaning of the Income Tax Act (Canada).

PROFILE AS AT FEBRUARY 28, 2017

Richelieu is a leading North American distributor, importer and manufacturer of specialty hardware and complementary products. Its products are targeted to an extensive customer base of kitchen and bathroom cabinet, storage and closet, home furnishing and office furniture manufacturers, residential and commercial woodworkers, and hardware retailers including renovation superstores. Richelieu offers customers a broad mix of high-end products sourced from manufacturers worldwide. Its product selection consists of over 110,000 different items targeted to a base of more than 80,000 customers who are served by 69 centres in North America – 36 distribution centres in Canada, 31 in the United States and two manufacturing plants in Canada, specifically Cedan Industries Inc. which specializes in the manufacturing of a wide variety of veneer sheets and edgebanding products and Menuiserie des Pins Ltée which manufactures components for the window and door industry and a broad selection of decorative mouldings.

Notes to readers — Richelieu uses earnings before interest, income taxes and amortization(“EBITDA”) because this measure enables management to assess the Corporation’s operational performance. This measure is a financial indicator of a corporation’s ability to service its debt. However, EBITDA should not be considered by an investor as an alternative to operating income, net earnings, cash flows or as a measure of liquidity. Because EBITDA is not a standardized measurement as prescribed by IFRS, it may not be comparable to the EBITDA of other companies. Richelieu also uses cash flows from operating activities, which are based on net earnings plus amortization of property, plant and equipment and intangible assets, deferred tax expense (or recovery) and share-based compensation expense. These additional measures do not account for net change in non-cash working capital items to exclude seasonality effects and are used by management in its assessments of cash flows from long-term operations. Therefore, cash flows from operating activities may not be comparable to those of other companies. Certain statements set forth in this report (generally identified by terms such as “may”, “could”, “might”, “intend”, “expect”, “believe”, “estimate” or comparable variants) constitute forward-looking statements which, by their very nature, remain subject to other risks and uncertainties as set forth in the Corporation’s annual and quarterly reports. Although management considers these assumptions and expectations reasonable based on the information available at the time they are provided, such assumptions and expectations could prove inaccurate and actual results could differ materially. Richelieu is under no obligation to update or revise any forward-looking statements made herein to account for future events or circumstances, except as required by applicable legislation.

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For information:
Richard Lord
President and Chief Executive Officer
Antoine Auclair
Vice-President and Chief Financial Officer
Tel: (514) 336-4144 www.richelieu.com

April 6, 2017 CONFERENCE CALL AT 2:30 P.M. (EASTERN TIME)

Financial analysts and investors interested in participating in the conference call on Richelieu’s results to be held at 2:30 p.m. on April 6, 2017, may dial **1-866-865-3087** a few minutes before the start of the call. For those unable to participate, a taped rebroadcast will be available as of 5:15 p.m. on October 6, 2016 until midnight on October 13, 2016, by dialing **1-855-859-2056, access code: 91802615.** Members of the media are invited to listen in.

Photos are available at www.richelieu.com

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

[In thousands of dollars]
[Unaudited]

	As at February 28, 2017	As at November 30, 2016
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	**36,415**	42,969
Accounts receivable	**110,224**	109,867
Income taxes receivable	**526**	—
Inventories	**212,403**	207,803
Prepaid expenses	**3,228**	2,164
	362,796	362,803
Non-current assets		
Property, plant and equipment	**35,526**	33,258
Intangible assets	**21,941**	22,881
Goodwill	**62,111**	62,256
Deferred taxes	**5,014**	4,848
	487,388	486,046
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**73,170**	75,764
Income taxes payable	**—**	1,956
Current portion of long-term debt	**3,497**	4,336
	76,667	82,056
Non-current liabilities		
Long-term debt	**308**	528
Deferred taxes	**3,239**	3,239
Other liabilities	**1,897**	1,912
	82,111	87,735
Equity		
Share capital	**36,698**	36,050
Contributed surplus	**1,683**	1,417
Retained earnings	**344,325**	336,835
Accumulated other comprehensive income	**18,744**	19,966
Equity attributable to shareholders of the Corporation	**401,450**	394,268
Non-controlling interests	**3,827**	4,043
	405,277	398,311
	487,388	486,046

CONSOLIDATED STATEMENTS OF EARNINGS

[In thousands of dollars, except earnings per share]
[Unaudited]

	For the three-month periods ended February 28 and 29,	
	2017	2016
	$	$
Sales	**195,909**	188,909
Operating expenses excluding amortization	**177,568**	172,199
Earnings before amortization, financial costs and income taxes	**18,341**	16,710
Amortization of property, plant and equipment	**1,816**	1,580
Amortization of intangible assets	**821**	727
Financial costs, net	**(84)**	(24)
	2,553	2,283
Earnings before income taxes	**15,788**	14,427
Income taxes	**3,831**	3,584
Net earnings	**11,957**	10,843
Net earnings attributable to:		
Shareholders of the Corporation	**11,998**	10,861
Non-controlling interests	**(41)**	(18)
	11,957	10,843
Net earnings per share attributable to shareholders of the Corporation		
Basic	**0.21**	0.19
Diluted	**0.20**	0.18

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

[In thousands of dollars]
[Unaudited]

	For the three-month periods ended February 28 and 29,	
	2017	2016
	$	$
Net earnings	**11,957**	10,843
Other comprehensive income that will be reclassified to net earnings		
Exchange differences on translation of foreign operations	**(1,222)**	1,093
Comprehensive income	**10,735**	11,936
Comprehensive income attributable to:		
Shareholders of the Corporation	**10,776**	11,954
Non-controlling interests	**(41)**	(18)
	10,735	11,936

CONSOLIDATED STATEMENTS OF CASH FLOWS

[In thousands of dollars]
[Unaudited]

	For the three-month periods ended February 28 and 29,	
	2017	2016
	$	$
OPERATING ACTIVITIES		
Net earnings	**11,957**	10,843
Items not affecting cash		
Amortization of property, plant and equipment	**1,816**	1,580
Amortization of intangible assets	**821**	727
Deferred taxes	**(197)**	(69)
Share-based compensation expense	**533**	291
	14,930	13,372
Net change in non-cash working capital balances	**(12,393)**	(19,713)
	2,537	(6,341)
FINANCING ACTIVITIES		
Repayment of long-term debt	**(685)**	(221)
Dividends paid to Shareholders of the Parent Corporation	**(3,286)**	(3,118)
Other dividends paid	**(190)**	(67)
Common shares issued	**531**	143
Common shares repurchased for cancellation	**(1,251)**	(14,056)
	(4,881)	(17,319)
INVESTING ACTIVITIES		
Business acquisitions	**—**	(4,262)
Additions to property, plant and equipment and intangible assets	**(4,176)**	(3,292)
	(4,176)	(7,554)
Effect of exchange rate changes on cash and cash equivalents	**(34)**	(74)
Net change in cash and cash equivalents	**(6,554)**	(31,288)
Cash and cash equivalents, beginning of period	**42,969**	29,454
Cash and cash equivalents, end of period	**36,415**	(1,834)