

FIRST QUARTER SALES INCREASED FOR RICHELIEU

Four new acquisitions in Canada

New acquisition in the U.S. following the end of the quarter

Highlights of Q1 ended February 28, 2023

- **Sales** of \$403.0M, up 4.8%, including internal growth of 1.8% and 3.0% from acquisitions.
- 0.7% increase in **Canadian sales** to \$230.9M.
- Sales in the **U.S.** up 4.7% to US\$127.7M, which represent **42.7%** of total sales.
- **EBITDA** of \$49.1M - EBITDA margin of 12.2%.
- **Net earnings attributable to shareholders** of \$22.4M or \$0.40 per diluted share
- Sound **financial position** as of February 28, 2023 - average return on shareholders' equity of **21.0%**.
- **Expansion:** 4 acquisitions in Canada and 1 in the U.S. after the quarter.
- Quarterly **dividend** of \$0.15 per share payable on May 4, 2023 to shareholders of record on April 20, 2023.

Montreal, April 6, 2023 – "Richelieu (RCH : TSX) "We are satisfied with our first quarter results and our five new acquisitions completed during and after this period as well as our new developments in the United States. We achieved sales of \$403.0M, up 4.8%. For purposes of fair comparison with the first quarter of 2022, it should be noted that the market environment resulting from the pandemic contributed to generate exceptional growth in our results, particularly in the first quarter of 2022 when EBITDA increased by 40.8% and net earnings by 43.4%. In the first quarter of 2023, EBITDA was \$49.1M, down 8.6%, and EBITDA margin at 12.2% from 14.0% in 2022. Net income attributable to shareholders was \$22.4M or \$0.40 per diluted share. We ended the quarter with a very healthy and solid financial position. In the coming periods, while integrating our recent acquisitions, we are confident that we will actively pursue our growth strategy focused on innovations, acquisitions and value-added multi-access service," said Richard Lord, President and Chief Executive Officer.

EXPANSION: FOUR ACQUISITIONS IN CANADA, ONE NEW ACQUISITION IN THE U.S. AND NEW CENTERS OPENINGS IN THE U.S.

Richelieu completed four new acquisitions in Canada in January 2023: **Rabel Hardware**, a specialty hardware distributor in Terrebonne, Quebec; **Trans-World Distributing**, a distributor of industrial fasteners in Dartmouth, Nova Scotia; and **Unigrav** and **Usimm**, two companies offering custom products including a 3D scanning center for the architectural and industrial market, located in Drummondville and Montreal. Subsequent to the end of the quarter, the Corporation acquired **Maverick Hardware**, a specialty hardware distributor based in Eugene, Oregon, reinforcing our presence in a market where Richelieu was already present with a distribution center in Portland. These five recent transactions add up to approximately \$22M in sales on an annual basis.

The expansion and modernization projects undertaken by Richelieu at several of its U.S. centers are progressing on schedule, namely in Atlanta, Nashville, Pompano, Seattle and the brand-new Chicago center serving the retailers market. The Fort Myers center, where the Corporation moved its operations to a new location, is now operational as well as its two new centers in Carlstadt, NJ and Minneapolis, MN. In the Calgary area, the Corporation will consolidate two of its centers at the end of the year and set up a premier showroom while increasing its service capacity in Western Canada.

ANALYSIS OF OPERATING RESULTS FOR THE FIRST QUARTER ENDED FEBRUARY 28, 2023

Consolidated sales were \$403.0M, compared to \$384.5M for the first quarter of 2022, an increase of \$18.5M, or 4.8%. Internal growth was 1.8%. Acquisitions completed in the last 12 months contributed 3.0% to sales growth. In comparable currency to the first quarter of 2022, consolidated sales growth would have been 2.2% for the quarter ended February 28, 2023.

The following table provides a **sales** overview for the quarters ended February 28, 2023 and 2022 :

(in millions of dollars)	Quarters ended February 28		Δ %		
	2023	2022	Total	Internal	Acquisitions
Consolidated	403.0	384.5	4.8	1.8	3.0
Manufacturers	344.0	326.3	5.4	2.0	3.4
Retailers	59.0	58.2	1.4	1.2	0.2
Canada	230.9	229.4	0.7	(0.7)	1.4
Manufacturers	185.5	185.5	—	(1.8)	1.8
Retailers	45.4	43.9	3.4	3.4	—
United States	172.1	155.1	11.0		
In \$US	127.7	122.0	4.7	(0.2)	4.9
Manufacturers	117.6	110.7	6.2	0.7	5.5
Retailers	10.1	11.3	(10.6)	(11.0)	0.4

Earnings before taxes, interest and amortization (EBITDA) reached \$49.1M, down \$4.6M or 8.6%, compared to the corresponding quarter of 2022, mainly due to the return of operating expenses closer to pre pandemic levels as well as costs related to external storage, due to temporary inventory increase. Gross margin remained stable. Consequently, the EBITDA margin stood at 12.2%, compared to 14.0% for the corresponding quarter of 2022.

Net earnings reached \$22.6M, down 25.4% compared to the previous fiscal year mainly due to the increase in the amortization of rights-of-use assets related to business acquisitions and expansion projects, mainly in the United States, as well as interest on the line of credit. Including non-controlling interests, net income attributable to shareholders of the Corporation was \$22.4M, down 25.6% from the first quarter of 2022. Net earnings per share was \$0.40 basic and diluted, compared to \$0.54 basic and \$0.53 diluted for the Q1 of 2022, down 25.9% and 24.5% respectively.

Cash flow from operating activities, before net change in non-cash working capital balances, was \$38.3M or \$0.68 per diluted share compared to \$42.6M or \$0.75 per diluted share for the first quarter of 2022. This 9.3% decrease primarily reflects the decrease in net earnings. The net change in non-cash working capital items used cash flows of \$21.8M, mainly reflecting the decrease in accounts payable, taxes payable and other items, while accounts receivable represented a cash inflow of \$8.4M. As a result, operating activities represented a cash inflow of \$16.5M, compared to a cash outflow of \$37.5M in Q1 2022.

Financial position

Total assets were \$1.35B as at February 28, 2023, compared to \$1.28B as at November 30, 2022, an increase of 4.9%. Current assets increased by 1.8% or \$16.4M from November 30, 2022. Non-current assets increased by 12.6% mainly due to the addition of right-of-use assets related to business acquisitions and expansion projects.

Share capital

As at February 28, 2023, the Corporation's share capital consisted of 55,813,115 common shares [55,784,790 shares as at November 30, 2022]. For the three-month period ended February 28, 2023, the weighted average number of diluted shares outstanding was 56,147,410 [56,574,430 in 2022].

DIVIDENDS

On April 6, 2023, the Board of Directors approved the payment of a quarterly dividend of 0.15\$ per share to shareholders of record as at April 20, 2023, payable on May 4, 2023. The declared dividend is designated as an eligible dividend within the meaning of the Income Tax Act (Canada).

MAIN TRADEMARKS



PROFILE AS AT FEBRUARY 28, 2023

Richelieu is a leading North American importer, manufacturer and distributor 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, door and window, 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 130,000 different items targeted to a base of more than 110,000 customers who are served by 112 centers in North America – 50 distribution centers in Canada, 59 in the United States and three manufacturing plants in Canada, specifically, Les Industries Cedan Inc., Menuiserie des Pins Ltée and USIMM/UNIGRAV, which manufacture a variety of veneer sheets and edge banding products, a broad selection of decorative mouldings and components for the window and door industry as well as custom products, including a 3D scanning center.

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 adjusted cash flows from operating activities, which are based on net earnings plus the amortization of property, plant and equipment, intangible assets and right-of-use asset, deferred tax expense (or recovery), share-based compensation expense and financial costs. 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, adjusted 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. The unaudited interim consolidated financial statements, accompanying notes and interim MD&A for the first quarter of 2023 will be available shortly on the website of the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com and on the Corporation’s website at www.richelieu.com.

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APRIL 6, 2023, CONFERENCE CALL AT 3:00 P.M. (EASTERN TIME)

Financial analysts and investors interested in participating in the conference call on Richelieu's results to be held at 3:00 p.m. on April 6, 2023, may dial **1-888-390-0620** a few minutes before the start of the call. For those unable to participate, a taped rebroadcast will be available as of 5:45 p.m. on April 6, 2023, until midnight on April 13, 2023, by dialing **1-888-259-6562, access code: 125444 #**. Members of the media are invited to listen in.

Photos are available under “About Richelieu” – “Media” section at www.richelieu.com