



PRESS RELEASE
FOR IMMEDIATE RELEASE

FIRST QUARTER RESULTS AND CONTINUED EXPANSION FOR RICHELIEU
Three acquisitions since the beginning of the fiscal year

HIGHLIGHTS OF Q1 ENDED FEBRUARY 29, 2024

- **Sales** of \$406.9 million, up by 1.0%, including growth of 0.5% in **Canada** for sales of \$232.1 million and 1.7% in the **United States** for sales of \$129.9 million, representing 43.0% of total sales.
- **EBITDA** of \$40.4 million - EBITDA margin of 9.9%.
- **Net earnings** attributable to shareholders of \$15.2 million or \$0.27 per diluted share
- Strong **financial position** as of February 29, 2024, with working capital of \$623.4 million, a ratio of 3.7:1.
- **Expansion:** two new acquisitions, one in Ontario and one in Ohio, followed by another acquisition in the United States on March 27, 2024, totalling additional annual sales of approximately \$60 million.
- Quarterly **dividend** of \$0.15 per share payable on May 9, 2024, to shareholders of record on April 25, 2024.

Montreal, April 11, 2024 – (RCH: TSX) "We began fiscal 2024 with sales equivalent to those of the first quarter of 2023 - a good result since sales in the comparable period of 2023 continued to benefit from favorable market conditions. It should also be noted that the first quarter is historically the weakest period of the year. We have seen the benefits of our recent acquisitions and market development initiatives supported by our strategies of value-added service, innovation, and diversification of customer segments. Despite the significant reduction in our inventories in 2023, we still have some inventories purchased at higher than current cost. Selling these inventories at market prices has had a negative impact on gross margin. This situation will gradually be resolved as those products are reordered. We completed several expansion and modernization projects over the past year and also launched our brand-new Calgary centre last December. The start-up and development of these centres, in addition to being impacted by current market conditions, also affected the EBITDA margin downwards. In terms of acquisitions, we are very pleased with the three companies acquired since the beginning of the fiscal year, which are expected to contribute approximately \$60 million in annual sales," said Mr. Richard Lord, President and CEO.

EXPANSION: THREE NEW ACQUISITIONS SINCE THE BEGINNING OF THE FISCAL YEAR

During the first quarter, Richelieu concluded the acquisition of **Olympic Forest**, a distributor of specialized lumber and panel products operating a distribution centre located in Erin, Ontario. This was followed by the acquisition of **Rapid Start**, a distributor of a specialty hardware serving a customer base of manufacturers from its distribution centre located in Rittman, Ohio. On March 27, 2024, the Corporation closed the acquisition of the main net assets of **Allegheny Plywood**, a distributor of specialty panels and decorative surfaces, which operates distribution centres in Pittsburgh and Allentown, Pennsylvania, as well as in Cleveland, Ohio. These three transactions, along with the \$60 million in additional annual sales, add complementary products and expertise and strengthen the Corporation's position in these different markets.

ANALYSIS OF OPERATING RESULTS FOR THE FIRST QUARTER ENDED FEBRUARY 29, 2024

For the first quarter ended February 29, 2024, consolidated sales amounted to \$406.9M, compared to \$403.0M for the first quarter of 2023, an increase of \$3.9M, or 1.0%, including a 0.4% internal decrease offset by 1.4% growth through acquisitions. In comparable currency to the first quarter of 2023, the increase in consolidated sales for the quarter would have been very similar.

The following table provides an overview of Richelieu's sales in its two main markets for the quarters ended February 29, 2024 and February 28 2023 :

Quarters ended February 29 and February 28 <i>(in millions of dollars, except exchange rates)</i>	2024	2023	Δ %		
			Total	Internal	Acquisitions
Consolidated	406.9	403.0	1.0	(0.4)	1.4
Manufacturers	349.6	344.1	1.6	(0.1)	1.7
Retailers	57.3	58.9	(2.7)	(2.7)	—
Canada	232.1	230.9	0.5	(1.5)	2.0
Manufacturers	187.6	185.5	1.1	(1.4)	2.5
Retailers	44.5	45.4	(2.0)	(2.0)	—
United States in US\$	129.9	127.7	1.7	1.1	0.6
Manufacturers	120.3	117.7	2.2	1.7	0.5
Retailers	9.6	10.0	(4.0)	(4.0)	—
United States in CA\$	174.8	172.1	1.6		
Average exchange rates	1.345	1.349			

Earnings before taxes, interest and amortization ("EBITDA") for the 2024 first quarter was \$40.4M, down \$8.7M or 17.7% compared to the corresponding quarter of 2023, mainly as a result of lower gross margin and increase in certain temporary operating expenses resulting from expansion projects. Consequently, the EBITDA margin was 9.9%, compared with 12.2% for the corresponding quarter of 2023.

Net earnings for Q1 were \$15.5M, down 31.4% from the prior year. Including non-controlling interests, net earnings attributable to the Corporation's shareholders were \$15.2M, down 32.1% from Q1 2023. Net earnings per share were \$0.27 basic and diluted, compared to \$0.40 basic and diluted for Q1 2023, down 32.5%.

FINANCIAL POSITION

Total assets were \$1.34B as at February 29, 2024, compared to \$1.31B as at November 30, 2023, an increase of 2.3%. Current assets were down 0.2% or \$1.9M from November 30, 2023. Non-current assets increased by 7.0% mainly due to the addition of right-of-use assets.

As at February 29, 2024, the bank overdraft, net of cash and cash equivalents, was \$10.2M, compared to net cash of \$23.7M as at November 30, 2023. The Corporation had working capital of \$623.4M with a ratio of 3.7:1, compared to \$621.8M (ratio of 3.6:1) as at November 30, 2023.

SHARE CAPITAL

As at February 29, 2024, the Corporation's share capital consisted of 56,139,140 common shares [56,088,365 shares as at November 30, 2023]. For the three-month period ended February 29, 2024, the weighted average number of diluted shares outstanding was 56,530,470 [56,147,410 in 2023].

DIVIDENDS

On April 11, 2024, the Board of Directors approved the payment of a quarterly dividend of \$0.15 per share to shareholders of record as at April 25, 2024, payable on May 9, 2024. Of this declared dividend \$0.076 per share is designated as an eligible dividend and \$0.074 per share is not designated as an eligible dividend.

MAIN TRADEMARKS



PROFILE AS AT FEBRUARY 29, 2024

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 145,000 different items targeted to a base of more than 120,000 customers who are served by 113 centres in North America – 50 distribution centres in Canada, 60 in the United States and three manufacturing plants in Canada, specifically, Les Industries Cedan Inc., Menuiserie des Pins Ltée and USIMM/UNIGRAV Inc., 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 centre.

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 assets, 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 2024 will be available on SEDAR+ at www.sedarplus.com and on the Corporation’s website at www.richelieu.com.

Richard Lord

President and Chief Executive Officer

Antoine Auclair

Vice-President and Chief Financial Officer

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April 11, 2024, CONFERENCE CALL AT 3:30 P.M. (EASTERN TIME)

Financial analysts and investors interested in participating in the Corporation’s earnings conference call, scheduled for April 11, 2024, at 3:30 p.m., can dial **1-888-390-0620** a few minutes before the start of the call. For those unable to participate in real-time, a recording will be available starting April 11, 2024, at 5:45 p.m. until midnight on April 18, 2024. Simply dial **1-888-259-6562** and enter the **access code: 859985#** to access the recording. Your presence and engagement, including members of the esteemed media, are highly valued and welcomed.

Photos are available on www.richelieu.com