



HDI Announces Acquisition of Diamond Hardwoods

Langley, B.C., March 9, 2020 - Hardwoods Distribution Inc. (“HDI” or the “Company”) (TSX: HDI) today announced that it has, through its subsidiary Hardwoods Specialty Products US LP (“Hardwoods”), purchased substantially all of the assets and assumed certain liabilities of Diamond Hardwoods (“Diamond”) for a total value of US\$3.0 million (the “Transaction”), subject to final working capital adjustments.

Diamond is a wholesale distributor with locations in Fresno and Bakersfield, California. With estimated annual sales of US\$6 million, Diamond distributes architectural building products to contractors, industrial manufacturers, and retail customers. Diamond will operate under the Hardwoods brand name going forward.

“The addition of Diamond complements our existing Northern California operations and provides additional size and scale in an attractive growth market,” commented Rob Brown, HDI’s President and Chief Executive Officer. “The Transaction broadens our service capabilities in Northern California, while adding bench strength to our team and a customer set with minimal overlap.”

“We have been successful with our acquisition strategy adding \$690 million in annualized sales and 45 new branch locations since 2011. The acquisitions pipeline remains active and, with our continued balance sheet strength, we intend to pursue additional transactions that complement our internal growth strategies.”

The Transaction purchase price was financed by a draw on the Company’s existing US credit facility.

About HDI

HDI is North America’s largest distributor of architectural grade building products to the residential and commercial construction markets. The Company operates a North American network of 64 distribution centres utilizing three industry leading distribution brands: Hardwoods Specialty Products; the Frank Paxton Lumber Company; and Rugby Architectural Building Products. HDI also operates one sawmill and kiln drying operation, Hardwoods of Michigan.

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