



HDI Announces Acquisition of Aura Hardwoods

Langley, B.C., December 8, 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 Aura Hardwoods (“Aura”).

Aura is a wholesale architectural building products distributor with estimated annual sales of US\$53 million. Aura operates its business in Northern California across six locations in Modesto, Rancho Cordova, San Jose, San Luis Obispo, Fresno, and Santa Cruz. Aura will operate under the Hardwoods brand name going forward.

“California represents a significant market opportunity for us and we are excited by the addition of Aura to our operations in this state,” commented Rob Brown, HDI’s President and Chief Executive Officer. “Together with the acquisition of Far West Plywood in 2019 and Diamond Hardwoods earlier this year we have grown our location count in the California market from three to twelve distribution sites, giving us comprehensive coverage in this attractive growth market.”

“Acquisitions continue to be a key component of our long term growth strategy. Over half of HDI’s annualized sales today come from acquired businesses, and over the last two years we have added over \$150 million in annualized sales to our top line. The acquisitions pipeline is active and with our continued balance sheet strength, we intend to pursue additional transactions that complement our strategies.”

The transaction purchase price of US\$12.7 million (subject to final working capital adjustments) 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 71 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.

For further information: Faiz Karmally, Chief Financial Officer, Phone: (604) 881–1982; email: fkarmally@hdidist.com; Website: <http://www.hdidist.com>