



HDI Announces Third Acquisition of 2020 Buys Distributor River City Millwork Inc.

Langley, B.C., December 14, 2020 - Hardwoods Distribution Inc. (“HDI” or the “Company”) (TSX: HDI) today announced that it has, through its subsidiary Rugby Holdings LLC (“Rugby”), purchased substantially all of the assets and assumed certain liabilities of River City Millwork Inc. (“River”).

River, located in Rockford Illinois, is a wholesale distributor of interior and exterior doors, custom millwork, and other ancillary products. River’s estimated annual sales are US\$14 million and they will operate under the Rugby brand name going forward.

“We are pleased to announce the acquisition of River City Millwork,” commented Rob Brown, HDI’s President and Chief Executive Officer. “River complements the Pacific Mutual Door business we purchased in the fourth quarter of 2019, strengthening existing supply relationships and expanding our geographic footprint.”

“Over the last several years we have been strategically growing our presence in doors and related millwork distribution. The performance of this product category has been one of our strongest year-to-date and now represents over 15% of consolidated revenues. We expect this product category to benefit from the increase in U.S. residential home building and repair and remodel construction.”

River is the Company’s third acquisition in 2020 and reflects the Company’s continued execution of its acquisitions strategy. The North American architectural building products distribution industry remains highly fragmented. With HDI’s robust acquisitions pipeline and strong balance sheet, the Company intends to pursue additional accretive transactions that complement its growth strategies.

The transaction purchase price of US\$4.2 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 73 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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