

## **HDI Announces Acquisition of Far West Plywood**

Langley, B.C., January 28, 2019 - 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 Far West Plywood (“Far West”) for a total value of US\$3.6 million (the “Transaction”).

Far West is a single site wholesale distributor located in Northridge, California. With estimated annual sales of US\$12 million, they distribute architectural building products to customers that fabricate end-products to commercial, industrial, retail, residential, and institutional construction markets. Far West will operate under the Hardwoods brand name going forward.

“The addition of Far West represents a contiguous expansion of our current Southern 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 represents an appealing strategic fit of complimentary product lines with minimal customer overlap.”

“We have been successful with our acquisition strategy having now completed eight acquisitions in the last eight years, adding over \$565 million of annual sales. And our acquisitions pipeline remains active. We will continue 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 62 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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