



NEWS FOR IMMEDIATE RELEASE

HDI Announces Acquisition of Mid-Am Building Supply

Acquisition further enhances HDI's presence in the home builder, repair and remodeling distribution customer channel

Langley, B.C., January 31, 2022 – [Hardwoods Distribution Inc.](#) (“HDI” or the “Company”) today announced that one of its wholly owned subsidiaries has entered into an agreement to acquire substantially all of the assets and assume certain working capital liabilities of Mid-Am Building Supply, Inc. (“Mid-Am”).

Founded in 1967, Mid-Am is a well-run business with deep customer relationships reaching over 1,600 ship-to customer locations and generating annual sales of over US\$270 million. Mid-Am's management team will continue to lead Mid-AM and HDI will welcome Mid-Am's 364 employees.

Mid-Am is a leading wholesale distributor of building products to customers in the U.S. Midwest. Mid-Am focuses on home builder distribution yards (“Pro Dealers”), providing customers with an extensive portfolio of products and services including doors, millwork, and other diversified building materials.

Mid-Am brings new local presence in the Midwest to HDI's existing network of 83 distribution centers. Mid-Am operates five distribution centers with 650,000 square feet of warehouse space serving 10 states, and located in: Moberly (MO), Chillicothe (MO), Spring Hill (KS), Mount Pleasant (IA) and Centralia (IL). Under HDI, Mid-Am will continue to operate under its current name and joining HDI's other operating brands Rugby Architectural Building Products, Hardwoods Specialty Products, Novo Building Products, and Frank Paxton Lumber

“We are very pleased to welcome Mid-Am's capabilities to HDI, which we believe are complementary to our current operations,” commented Rob Brown, HDI's President and CEO. “This acquisition is a natural geographic extension from our current locations, providing access to customers and markets in the U.S. Midwest that we do not reach today. Mid-Am comes with an experienced team, established customer relationships and a portfolio of specialty and associated products that complement our existing product mix.”

The acquisition is an important strategic addition to HDI's capabilities in the Pro Dealer and home center customer channel. The Pro Dealer / home center customer channel represents a substantial addressable market opportunity for HDI to capitalize on its deep expertise in architectural building products. The acquisition of Mid-Am, combined with the HDI's purchase of Novo Building Products ("Novo") in August 2021, has repositioned HDI to meaningfully participate in this customer channel.

"With today's announced addition of Mid-Am, plus the previous acquisition of Novo, we have achieved additional diversification for our business," commented Mr. Brown. "Combined, we have acquired pro forma annual sales of US\$950 million in the Pro Dealer and home center customer channels in the last six months. Looking ahead, approximately 60% of our sales mix will be focused on industrial customers, and 40% on Pro Dealer / home center. This customer channel diversity, combined with our national footprint and balanced product portfolio, positions HDI as a one-stop-solution for its customers."

HDI believes that the Novo and Mid-Am acquisitions are well timed with respect to the Company's outlook for end markets. HDI expects favorable multi-year demand for its products from the new residential and repair and remodel markets, supported by low existing home inventories, favorable demographics, historically low interest rates, rising home equity levels and an aging US housing stock.

The building products distribution market is large in size and scope, but remains fragmented. HDI intends to remain active with additional acquisition opportunities. Mid-Am represents HDI's eleventh acquisition in the last five years, on a pro forma basis adding over US\$1.4 billion in annual revenues during this time period.

Completion of the acquisition is subject to a number of conditions customary for a transaction of this nature. The acquisition is expected to close in February 2022.

About Hardwoods Distribution Inc. (HDI)

HDI is one of North America's largest distributors of architectural grade building and millwork products to the residential and commercial construction industries. The Company currently operates a network in North American of 83 distribution facilities utilizing five industry leading distribution brands: Novo Building Products; Hardwoods Specialty Products; the Frank Paxton Lumber Company; and Rugby Architectural Building Products. [HDI - Investors](#)

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