



NEWS FOR IMMEDIATE RELEASE

HDI Announces Acquisition of Diamond Hardwoods

Hardwoods expands its West Coast presence with a leading building products distributor in California

Langley, B.C., March 11, 2020 – [Hardwoods Distribution Inc.](#) ("HDI" or the "Company") (HDI.TO) 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", the "Transaction").

Diamond is a wholesale distributor with locations in Fresno and Bakersfield, California. Diamond distributes architectural building products to contractors, industrial manufacturers, and retail customers. Diamond will operate under the Hardwoods brand name going forward.

"I'm pleased to announce the acquisition of Diamond Hardwoods, 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. Diamond opened its doors for business today under the Hardwoods brand name and will operate as part of our Hardwoods Northern California Group led by General Manager Mike Couture. Mr. Couture advises that "We appreciate the opportunity to continue to provide outstanding service to Diamond's loyal customer base, and provide them with a wider range of products and vendor relationships going forward."

HDI has been successful with its 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 Diamond Hardwoods

Since 1996, Diamond Hardwoods has been supplying Fresno area customers with high quality lumber, plywood and architectural products, with prompt and efficient customer service. With an inventory of over 700 products, purchased from the top lumber and

plywood mills in the nation and from abroad, its ongoing goal is to provide customers with a high-quality product in a professional and efficient manner.

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 66 distribution centres that operate under three industry leading distribution brands: Hardwoods Specialty Products; the Frank Paxton Lumber Company; and Rugby Architectural Building Products. HDI also operates one sawmill with kiln drying operation, Hardwoods of Michigan.

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