Richelieu

Annual Report 2025

THE DESTINATION
for a creative market














42
43


Richelieu

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The Annual General Meeting of Shareholders will be held on Thursday, April 9, 2026.

“Our world-class innovation strategy is at the heart of our value-added service, a growth lever driving our markets ahead.”

Since our beginnings, we took the risk of constantly investing in innovative products that we select from the world’s most renowned manufacturers for their cutting-edge technologies and industrial design expertise. Year after year, supported by our financial strength and growing customer base, we continue to innovate by partnering with our experts and our customers.

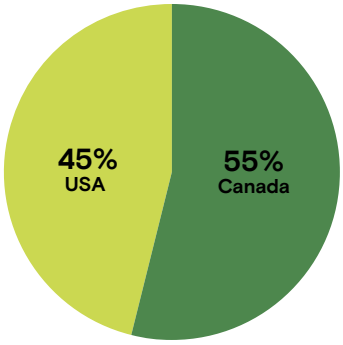
The development of our product offering is unmatched in our market in terms of quality, diversity, and complementarity, not only serving as a lever for growth and strengthening Richelieu’s leadership, but also as an accelerator for the evolution of our North American markets.

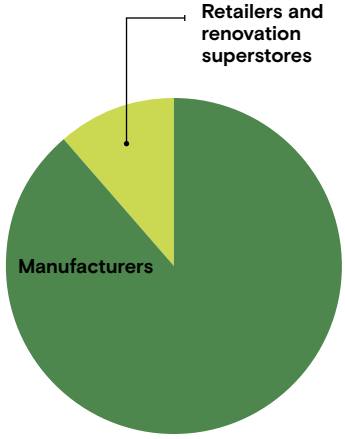
We are proud to help our customers be more creative and competitive by meeting their diverse needs, providing access to innovative solutions, and making it easy to purchase complementary products. We proactively adapt to their unique requirements, delivering added value and an exceptional experience. By offering creative solutions and meaningful benefits, we position ourselves as true business partners to our customers.

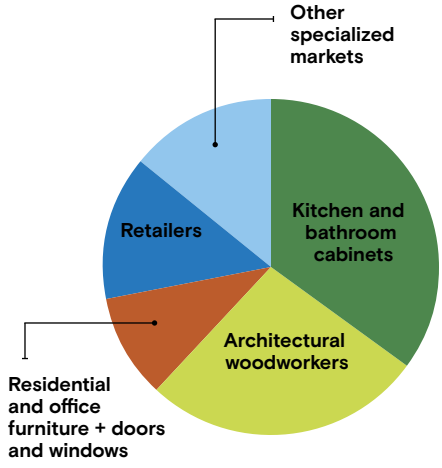
North American Leader Importer · Manufacturer · World-class distributor

Sales

$1.96 B







Team

Employees

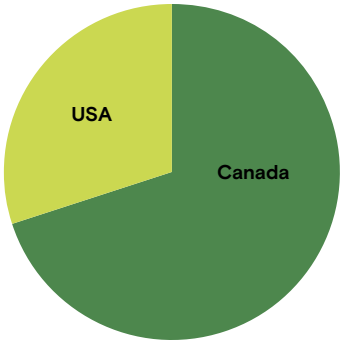
+3,200

Corporation sharholders

≈50%

Involved in marketing, sales and customer service

+50%



“We are the largest distributor of specialty hardware products in Canada and a leading player in the United States.”

Clients

+ 120 , 000

Manufacturers of kitchen and bathroom cabinets, closet storage, residential and office furniture, doors and windows

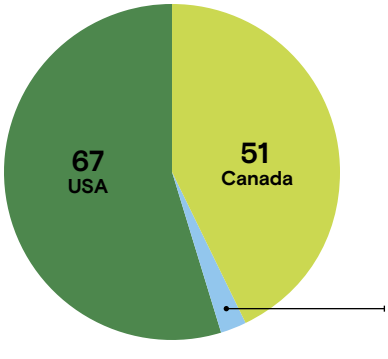
Residential and commercial woodworkers

Hardware retailers and renovation superstores

Other customers

Centres including 3 manufacturing plants

121*



Area of centres

5 , 4 M sq. ft.

Average daily visitors to showrooms

+ 3 , 000

January 2026

Products (SKUs)

From several continents

+ 145 , 000

Under our private brands and exclusive products

+ 50%

A diversified offering reflecting the diversification of our market segments.

“Our network of 121 interconnected centres provides optimized inventory management, combining our *one-stop shop* approach with just-in-time delivery.”

51 distribution centres in Canada

Anjou, QC
Barrie, ON
Boucherville, QC
Brampton, ON
Burlington, ON
Calgary (2), AB
Charlottetown, PEI
Concord, ON
Dartmouth (3), NS
Edmonton, AB
Erin, ON
Kelowna, BC
Kitchener, ON
Laval (2), QC
Longueuil (2), QC
Mississauga, ON
Moncton, NB
Montréal (4), QC
North York, ON
Ottawa, ON
Prescott, ON
Québec (3), QC
Regina, SK
Saskatoon, SK
St-Jacques, NB
St-John’s, NT
Sudbury, ON
Terrebonne, QC
Thunder Bay, ON
Toronto (4), ON
Vancouver (4), BC
Victoria (2), BC
Winnipeg (2), MB

67 distribution centres in USA

Allentown, PA
Atlanta (2), GA
Birmingham, AL
Boston, MA
Buffalo, NY
Burlington, NC
Carlstadt, NJ
Charlotte, NC
Chicago (2), IL
Cincinnati, OH
Cleveland, OH
Columbus, OH
Dallas, TX
Dania, FL
Denver, CO
Des Moines, IA
Detroit, MI
Eugene, OR
Fort Myers, FL
Greensboro, NC
Greenville, SC
Hartford, CT
Hialeah, FL
Hickory, CT
Hillside, NJ
Houston (2), TX
Indianapolis, IN
Jacksonville, FL
Kansas City, MO
Lewistown, PA
Lincoln Park, NJ
Louisville, KY
Memphis, TN
Minneapolis (2), MN
Morristown, TN
Nashville, TN
New York, NY
Omaha, NE
Orlando, FL
Ozark, MO
Philadelphia, PA
Phoenix, AZ
Pittsburgh, PA
Pompano Beach, FL
Portland, ME
Portland (2), OR
Reading (2), PA
Richmond, VA
Riviera Beach, FL
Rittman, OH
Rochester, NY
Savannah, GA
Seattle, WA
Sioux Falls, SD
Springfield, IL
St. Louis, MO
Syracuse, NY
Tampa, FL
Thomasville, NC
Vineland, NJ
Spokane, WA

3 manufacturing plants

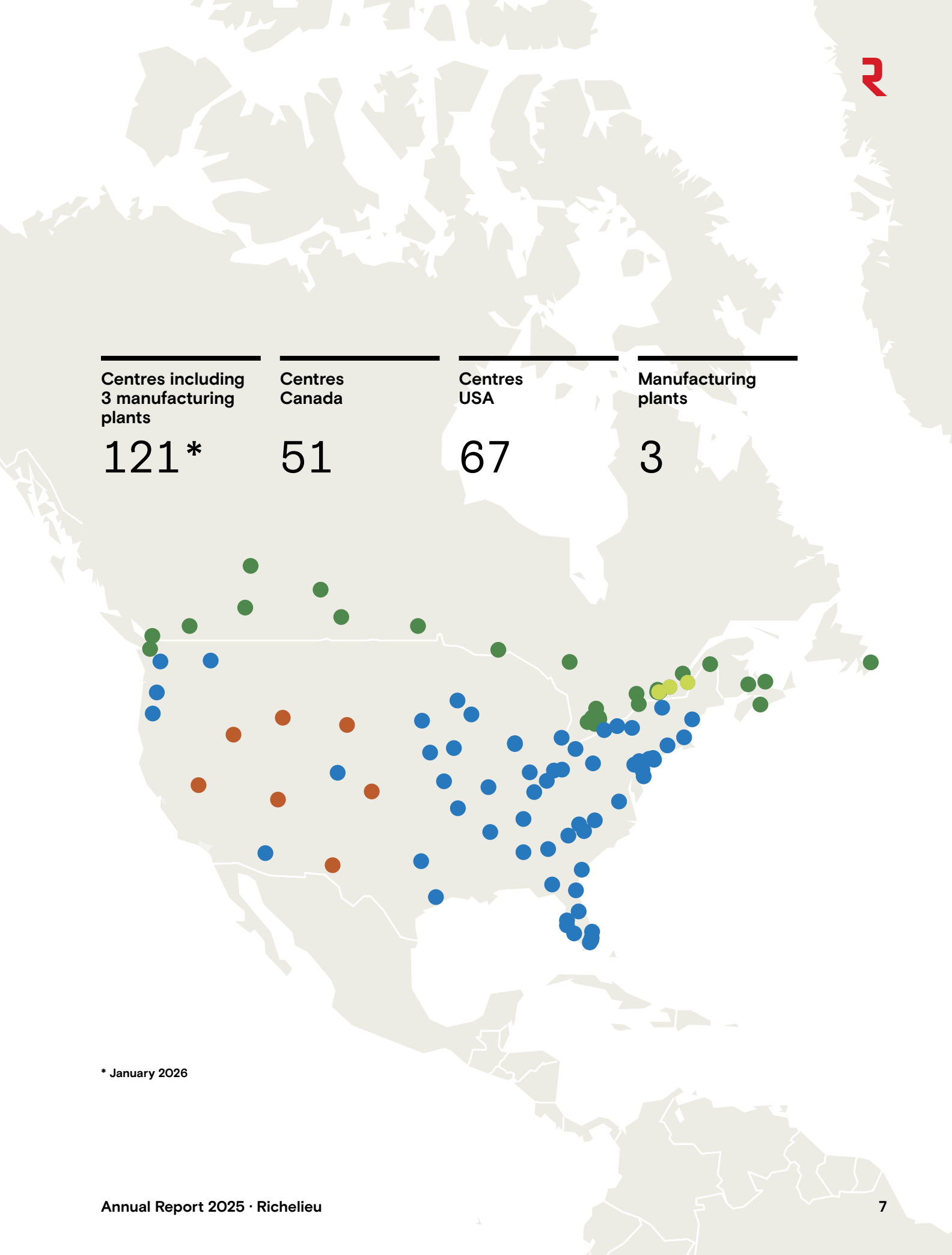
Cedan Industries Inc.
Longueuil
(Veneers and edgebanding)

Usimm Unigrav Inc.
Drummondville
(Machining, 3D digitization, unique products)

Menuiserie des Pins Ltée
Notre-Dame-des-Pins
(Decorative mouldings and components for the window and door industry)

Coverage by representatives

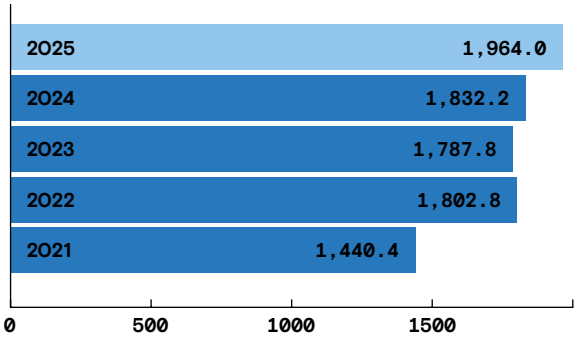
Centres including 3 manufacturing plants	Centres Canada	Centres USA	Manufacturing plants
121*	51	67	3



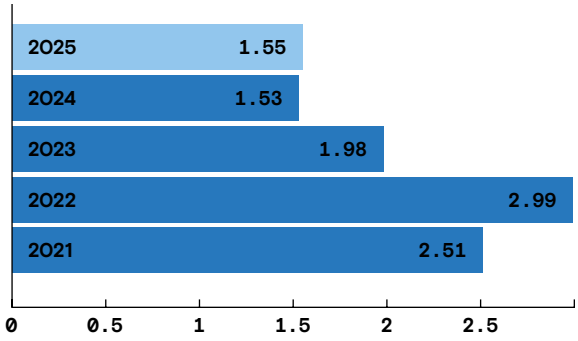
* January 2026

“Financial performance and stability in line with our objectives.”

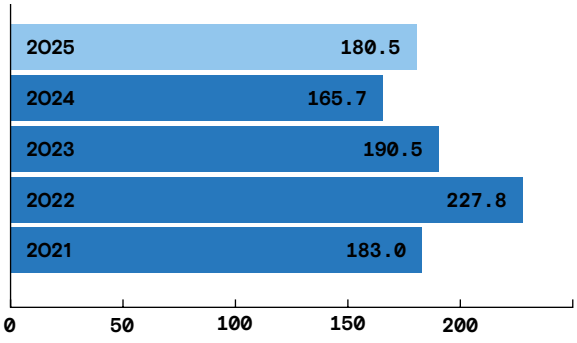
Sales
(in millions $)



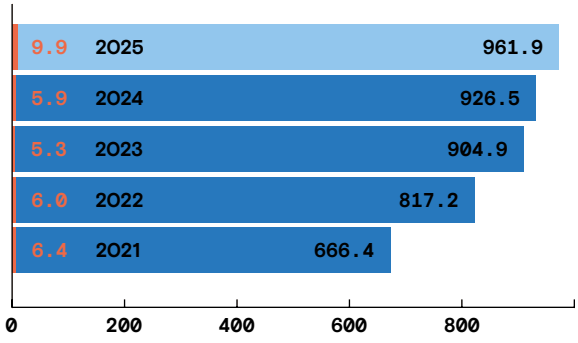
Net earnings per share attributable to shareholders (diluted)
(in $)



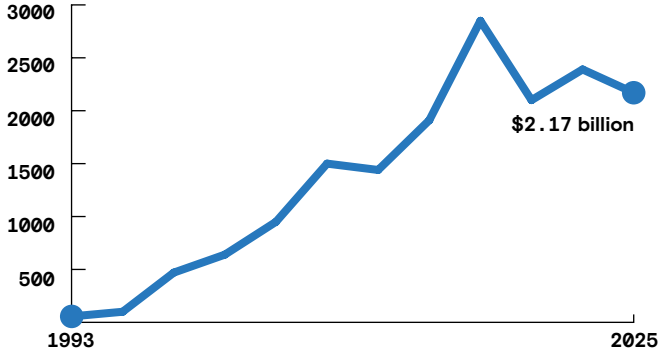
Adjusted cash flows from operating activities[1]
(in millions $)



Equity attributable to shareholders/debt
(in millions $)



Market capitalization



Appreciation in share price (RCH): 5,413%
Since initial stock listing

Total return on share/10 years*: 80.4%

Average annual return on share/ 10 years*: 6.1%

* Including dividend reinvestment

1. Adjusted cash flows from operating activities is a non-IFRS measure, as indicated on page 48 of this report.

Financial Highlights

(in thousands of $, except per-share amounts, number of shares and data expressed as a %)

Years ended November 30	2025 $	2024 $	2023 $	2022 $	2021 $
Sales	1,964,027	1,832,218	1,787,754	1,802,787	1,440,416
EBITDA[1]	213,879	201,419	230,404	287,442	234,398
EBITDA margin (%)	*10.9*	*11.0*	*12.9*	*15.9*	*16.3*
Net earnings	90,570	89,480	113,827	169,949	142,331
Net earnings attributable to shareholders of the Corporation	85,824	85,754	111,474	168,390	141,764
■ per share—basic ($)	1.55	1.54	2.00	3.01	2.54
■ per share—diluted ($)	1.55	1.53	1.98	2.99	2.51
Net margin (%)	*4.4*	*4.7*	*6.2*	*9.3*	*9.8*
Adjusted cash flows from operating activities[1]	180,473	165,695	190,483	227,795	182,991
■ per share—diluted ($)[1]	3.26	2.95	3.39	4.04	3.24
Dividends paid to Shareholders of the Corporation	33,883	33,503	33,521	29,083	19,374
■ per share ($)[2]	0.613	0.600	0.600	0.520	0.280
Weighted average number of shares outstanding (diluted) (in thousands)	55,383	56,125	56,216	56,345	56,466
As at November 30					
Total assets	1,443,954	1,394,129	1,314,963	1,283,865	964,180
Working capital	624,026	612,924	621,764	562,548	456,376
Current ratio	3.3	3.1	3.6	2.6	3.3
Equity	961,936	926,509	904,893	817,157	666,442
Return on average shareholders' equity (%)	*9.1*	*9.4*	*12.9*	*22.7*	*23.3*
Book value per share ($)	17.52	16.78	16.13	14.65	11.93
Long-term debt	9,864	5,902	5,346	6,067	6,439
Net cash and cash equivalents (net of bank overdraft)	22,636	(12,284)	23,710	(111,988)	58,707

(1) EBITDA, adjusted cash flows from operating activities and adjusted cash flows from operating activities per share are non-IFRS measures as indicated on page 48 of this report.

(2) The dividends per share presented for 2021 excludes a special dividend paid of $0.0667 per share.

“We completed 10 new acquisitions between December 1, 2024, and December 12, 2025, adding $100 million in sales on an annual basis—the last one being the 100th acquisition in Richelieu’s history.”

Our disciplined acquisition strategy targeting key market segments in the highly fragmented North American market, is based on a selective and rigorous approach focused on business compatibility, complementary offerings, team expertise, fair pricing, and the potential for sales and operational synergies to achieve targeted and optimized growth.

The successful integration of new entities driven by a shared corporate culture helps accelerate internal growth in medium and long term. We are strengthening our leadership by offering our customers greater product diversity and complementarity, while expanding our network and contributing to market consolidation.

$100 million in additional annual sales



A long-term value creation dynamic

1988
Richard Lord
New President and CEO and shareholder
Centre
1
Sales
$27 M

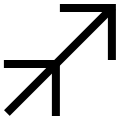
1993
Listing on TSX (RCH)
Centres
7
Sales
$60 M
Market capitalization
$0.04 B

1999
First distribution centre in the USA
Centres
18
Sales
$165 M
Market capitalization
$0.1 B

2019
Centres
77
Sales
$1.0 B
Market capitalization
$1.5 B

2025
Centres
119
Sales
$1.96 B
Market capitalization
$2.17 B

“These values shared every day have enabled us to build strong, loyal, and committed teams, attract and retain a wealth of complementary talent and expertise, and strive for excellence in customer service.”



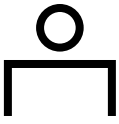
Innovation

Our creative approach and innovative product offering keep us at the cutting edge of global trends, allowing us to offer a unique range of concepts and solutions. Our creativity is also reflected in our market development strategy as well as in the sustained efforts of each of us to remain proactive and adaptable to change and new challenges.



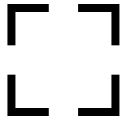
Performance

At Richelieu, we are proud to make a significant contribution to achieving outstanding performance. Impeccable execution, ongoing training, a strong team spirit and a concern for costs and efficiency are key elements in a successful business model aimed at excellence and high performance.



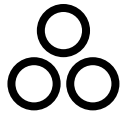
Intrapreneurship

All employees contribute to Richelieu’s success just as if it were their own business. We encourage the empowerment and commitment of all our team members towards our organization, culture and values.



Customer First

Passion, commitment, discipline, attention to detail and rigour are the driving principles that motivate every one of us towards a “customer first” strategic approach. We are always on the lookout for better ways to serve our customers. Anticipating their needs allows us not only to support them in their business, but also to exceed their expectations.



Respect, integrity and ethics

Respect for our employees, customers, suppliers and shareholders means we can build lasting and trusting relationships with our four pillars of growth. Collaboration, openness, transparency and honesty are keys to the smooth running of our organization. With integrity, we ensure responsible management in order to minimize risks, comply with law and maintain sound governance.

Message to Shareholders

Richelieu delivered a solid financial performance in 2025, in a relatively volatile environment, and reached a new strategic milestone with a record number of business acquisitions, proving the strength of its fundamentals.

We remained strategically agile and stayed focused on our long-term objectives. Our market penetration and development initiatives helped drive sales growth in our key customer segments. Our operations generated significant cash flow, including a substantial reduction in inventories, reflecting the effectiveness of our business model, which remains well aligned with our customers' needs. As of November 30, 2025, our strong balance sheet attests to our financial stability and our ability to maintain a sustainable path of growth.

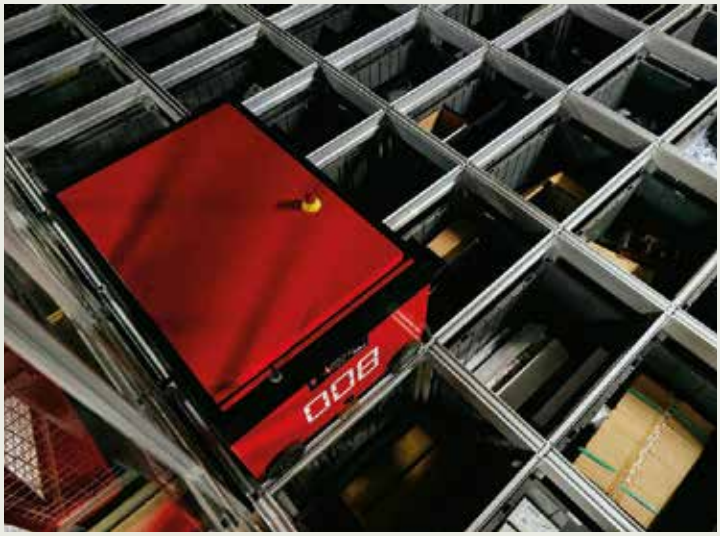
Driven by our dynamic innovation and acquisition strategies, we created and seized new opportunities for expansion and growth in 2025, thereby strengthening our competitive advantages and leadership position. We continued to invest in innovative product lines to further diversify and complement our exceptional offering and stay ahead of our customers' needs. We completed ten acquisitions in Canada and the United States including one subsequent to November 30.



Richard Lord,
President and Chief Executive Officer

Together, they represent additional annual sales of $100 million and are drivers of future growth.

Our 2025 results and achievements position us for the future and reflect the commitment of our expert team, which shares a culture of continuous improvement.



AutoStore

At Richelieu, we promote a work environment where performance and professional development are encouraged, where every talent is valued and every contribution is important. We reward initiative and proactivity to support our customer-oriented approach through quality execution and value-added service that strive for excellence. Just as we promote internal share ownership, we are proud to have nearly 50% of our employees as shareholders, which reflects the team spirit that prevails and the commitment to Richelieu. We believe that a positive employee experience is key to a successful customer experience.

At the heart of our mission and purpose, **the customer experience is everyone's responsibility within our Corporation** and requires us to live by our values. It begins with our first in-person contact or on richelieu.com and is the result of all our interactions with the customer. Because we serve a large and diversified customer base, we place understanding the needs and purchasing habits of each customer segment at the core of our expertise. As a service company, we strategically invest in technology solutions to better manage our internal knowledge and measure customer satisfaction. This allows us to evaluate the reliability and diligence of our service, the quality of our expert guidance, the availability and accessibility of our products, and the attention paid to operating costs. This results in a personalized approach and targeted marketing to better support our customers in carrying out their projects. Accounting for nearly 50% of our 3,200 employees, our service and sales teams are in the field, online, or in our centres, providing close support.

To deliver the best customer experience, we leverage a combination of strengths, including our innovation and acquisition strategies, which are our two key growth and added-value drivers, our efficient logistics, the robustness of our network, our trusted relationships with the world's best manufacturers and suppliers, our private brands and exclusive products, as well as our flexibility of access, our "one-stop shop" approach, and the online synergy provided by our richelieu.com website.

As we manage the distribution of more than 145,000 different stock items throughout the continent, **our logistics operations** are supported in their complexity by our IT management systems, which we keep well adapted to the nature of our activities to ensure our "one-stop shop" approach across our network and provide a market-leading service. We continue to benefit from the automated AutoStore system at our Ville Saint-Laurent distribution centre, where order processing and picking times are reduced to a minimum and storage space utilization and cost management are optimized.

The robustness of our network of interconnected centres is a strategic cornerstone for providing our distinctive service of proximity, reliable deliveries, including just-in-time, as well as cost-effective transportation and GHG emissions. We pay close attention to the efficient maintenance and modernization of our centres and our adjacent showrooms. In particular, over the past four years, we have completed several major improvements to our U.S. network. In Canada, our consolidated, modernized 250,000-square-feet distribution centre in Calgary enables us to optimize our regional logistics flows and

service to our customers in Western Canada. We completed the consolidation of two distribution centres in the Vancouver area into a single 140,000-square-feet centre serving the manufacturer market. At our Detroit distribution centre, we completed a 50,000-square-feet expansion to increase our offering with new product lines and meet growth needs. To optimize supply chain efficiency, we have consolidated some of our Canadian operations over the past three years by closing three of our centres, allowing us to centralize inventory and demand management for our retailer customers at our Calgary centre for Western Canada and our Kitchener centre for Eastern Canada. In line with our "one-stop shop" approach, this maximizes service efficiency for our retailer and renovation superstore customers, working in close synergy with our Chicago centre for the US market.

To meet our customers' mobility and reactivity needs, **our multi-access service** is strategic. It is provided primarily through our distribution centres and showrooms, our customer service department, and our website, richelieu.com, which offers 24/7 service and secure, efficient access to all of our products. With richelieu.com, our Canadian and American customers have access to a trilingual transactional platform in French, English, and Spanish for an interactive, comprehensive, and unparalleled shopping experience. Our site stands out in our market for its unique scope and versatility, giving us a key strategic edge. In 2025, 50% of our hardware sales in Canada and over 40% in the United States were made through richelieu.com.

Building on a culture of innovation that has been deeply rooted for decades, we remain at the forefront of our market by anticipating emerging trends and investing in innovations deemed most suited to our Canadian and US markets. This is how we offer our customers privileged access to the most diversified and high-performance solutions in decorative and functional hardware, while optimizing their supply process.

To deliver the best customer experience, we leverage a combination of strengths, including our innovation and acquisition strategies, which are our two key growth and added-value drivers, our efficient logistics, the robustness of our network, our trusted relationships with the world's best manufacturers and suppliers, our private brands and exclusive products, as well as our flexibility of access, our "one-stop shop" approach, and the online synergy provided by our richelieu.com website.

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One of our four "One-Stop-Shop" distribution centres in the Greater Vancouver area with showroom.

With richelieu.com, our Canadian and American customers have access to a trilingual transactional platform in English, French, and Spanish for an interactive, comprehensive, and unparalleled shopping experience. Our site stands out in our market for its unique scope and versatility, giving us a key strategic edge.

We offer our customers privileged access to the most diversified and high-performance solutions in decorative and functional hardware, while optimizing their supply process.

Our catalog, expanded with private brands and exclusive products representing more than 50% of our offering, is a key differentiator. These exclusive and private brand products enable us to offer our customers tangible competitive benefits while fueling our growth. Through the diversity, depth, and complementarity of all our product ranges, we strive to meet and exceed the expectations of our customer segments, while ensuring the consistency of our offering and the potential to attract new customers. We also applied this strategy in 2025 by introducing new product lines to help our customers optimize their projects, and we will continue to do so in the years to come. This is how we are helping to drive the market forward. This role as an agent of change in the market is rooted in our well-established collaboration with the world's leading manufacturers, combining technological innovation and design excellence, as well as with some of our customers as needed.

We are equally committed to leveraging another growth driver: **our strategic acquisitions**, which enable us to diversify our product offering and market segments and consolidate our customer expertise by integrating new experienced teams. We operate in a fragmented market that we are steadily consolidating year after year, most recently with Richelieu's 100th acquisition in its history, completed last December, of three distribution centres from **McKillican American**, thereby expanding our specialized offering and customer base in two states where we were already present, Oregon and Washington. Prior to this latest acquisition, which took place after the end of the fiscal year, we completed nine acquisitions in North America in 2025, including four in the United States and five in Canada, all of which expanded our offering and increased our presence in their respective markets. The acquisition of **Darant Distributing**, located in Denver, gives us access to the Colorado market, while the acquisition of **Midwest Specialty Products**, based in Minneapolis, expands our decorative surface offerings and our presence in Minnesota. The acquisition of **Modulex Partition** expands our Division 10 product offering and our presence in New Jersey, while

the acquisition of **Rhoads & O'Hara Architectural Products**, also located in New Jersey, strengthens our architectural panel offering. In Canada, in addition to expanding and diversifying our specialized hardware product offering, **Mill Supply** strengthens our presence in Nova Scotia and the Prince Edward Island market. **Camcoat Industries** expands and diversifies our range of finishing products and our presence, particularly in the Greater Montreal area. **Ideal Security** adds specialized product lines specifically for the retail and home improvement market. We are strengthening our presence in Western Canada with the acquisition of **Finmac Lumber**, which adds its range of specialized wood products. Finally, **Klassen Bronze** expands and diversifies our offering to retailers and renovation superstores with a range of products including mailboxes, numbers, signs, and a variety of keys. These acquisitions expand our product portfolio with well-established brands. We can now count on ten private brands available to retailer customers and renovation superstores.

In 2026, we will keep creating and seizing growth opportunities by building on our strengths and leveraging sales and operational synergies with our recent acquisitions.

Our strategic drivers for maintaining first-rate value-added customer service will continue to be innovation, an exceptional, diversified, and complementary product offering, as well as logistics that are well aligned with the needs of our customers and effectively support online sales.

With this in mind, we will also remain actively on the lookout for acquisitions in North America, identifying targets that will diversify our market segments and product offering while strengthening our business and long-term growth capacity.

Our diversification strategy, which focuses on expanding our product offering and customer base, supported by ongoing innovation, positions us to respond effectively to demand from specialized markets and to seize opportunities arising from the pressing demand for new housing and renovations.

We would like to express our gratitude to our team members for their professionalism, team spirit, and the results they have achieved. We would also like to thank the members of our Board of Directors, our customers, our suppliers, and all our business partners.

Building on our solid fundamentals and financial track record, we will continue to pursue our proven growth strategies, supported by the expertise and commitment of our team, which is a source of motivation and success.



(Signed) Richard Lord
President and Chief Executive Officer



Direct d'la Shop, Terrebonne—Manufacturer of trendy and affordable furniture for everyone to personalize their living space.

Directors and Officers

Directors

Sylvie Vachon [1]
Corporate Director

Richard Lord
President and Chief Executive Officer
Richelieu Hardware Ltd.

Lucie Chabot [4]
Corporate Director

François Gratton [4]
Executive President
RFNow Inc. and Valley Fiber Ltd.

Marie Lemay [5]
Corporate director

Luc Martin [2]
Corporate Director

Pierre Pomerleau [5]
Executive Chairman of the Board
Pomerleau Inc.

Marc Poulin [3]
Corporate Director

Officers

Richard Lord
President and Chief Executive Officer

Antoine Auclair
Chief Financial Officer and Chief Operating Officer

Guy Grenier
Vice-President, Sales and Marketing—Industrial

Dominique Ducap
Vice-President, Finance

Éric Plouffe
Vice-President, Supply Chain

Denis Gagnon
Vice-President,
Information Technology

Érick Boily
Vice-President, Human Resources

Craig Ratchford
Vice-President, General Manager—United States

Julie Marineau
Vice-President, Sales to Retailers

Nick Tassone
Vice-President, Specialized Markets

John Statton
General Manager—Western Canada Division

Yannick Godeau
Legal Affairs and Corporate Secretary

(1) Chairwoman of the Board
(2) Chairman of the Audit Committee
(3) Chairman of the Human Resources and Governance Committee
(4) Member of the Audit Committee
(5) Member of the Human Resources and Governance Committee

“A synergy of complementary strengths focused on the customer for a distinctive customer experience.”




Richelieu


Richelieu



“Our strategic approach, One-Stop Shop, aims to maximize value for both our customers and Richelieu. Operationally, this means centralizing data, streamlining inventory management, and reducing transportation costs. For our customers, it means simplified administration, rational inventory management, time savings, and optimized service.”



Decorative Hardware



Screws and Fasteners



Furniture Equipment



Hinges



Slides



Opening Systems



Kitchen Solutions



Closet and Storage Solutions



Office Solutions



Sliding System Solutions



Glass Hardware



Doors and windows hardware



Builder’s Hardware



Veneer and Edgebanding



Surfaces and Decorative Panels



Finishing Products



Lighting Solutions



Solid Surfaces and Quartz

“As a key component of our value-added service, our website richelieu.com streamlines our customers’ operations and boosts the value we bring them.”



Our trilingual website provides centralized access to our entire product offering. Our high-performance transactional platform allows our customers—manufacturers, retailers and renovation superstores, as well as architects and designers—to streamline their entire purchasing process. Ensuring exceptional responsiveness, richelieu.com is the interface of choice for a growing number of Canadian and American customers. richelieu.com is also the most comprehensive and well-documented specialized virtual showroom for any visitor looking for inspiration and specific information for their renovation or creation projects.

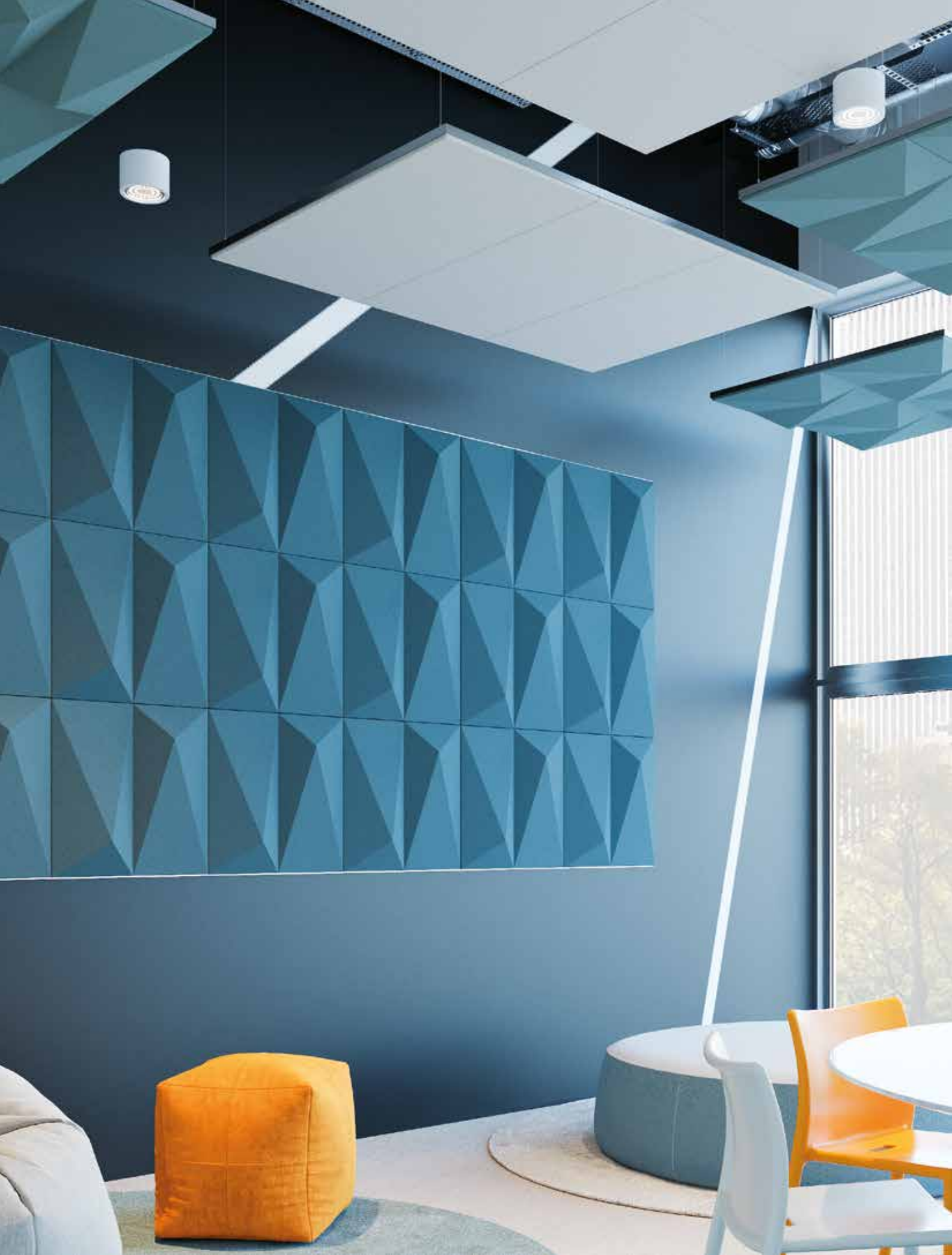
- Complete documentation for all products in English, French, and Spanish
- Smooth interaction between employees, customers, and suppliers.
- Real-time availability of documentation including photos, videos, and product usage instructions.
- Easy product selection for well-informed decision-making.
- Option for customers to configure products according to specific needs.
- Efficient purchasing process from start to end.

“We bring our expertise as specialized distributor to creative professionals—architects and designers—by building win-win relationships that promote innovation and performance.”



Architects and designers are strategic partners with whom we share insights on renovation and construction trends, key customer challenges, and our specialized hardware solutions that incorporate cutting-edge technology and innovative design. These professionals find at Richelieu a diversified and innovative offering that meets the needs of the most challenging projects in terms of technicality, trend anticipation, safety, and sustainability.

Opposite page: To address sound issues, our architectural solutions include architectural tiles, drop ceilings, clouds, and deflectors, combining acoustic comfort and design. Here, Crystal tiles, winners of the GRANDS PRIX DU DESIGN awards.



“Our mission: to facilitate business for our manufacturer customers and bring innovation to the heart of their production process through a high-value-added proximity service.”

Our customer manufacturers are entrepreneurs operating in a wide range of residential, commercial, and institutional renovation and construction sectors: kitchen designers, cabinetmakers and manufacturers of closets, residential and office furniture, outdoor kitchens, and doors and windows. They face common challenges, including the need to innovate and optimize their production processes to remain competitive.

We support them with our value-added multi-access service focused on innovation and customization, as well as logistics efficiency, optimizing product accessibility and inventory management. At every level of our relationship, we act as business partners who are fully aware of the challenges facing these customer businesses.



Richelieu · onward · RELIABLE · CEDAN · StrukArt · PHR · DAYVAN · FormArt · AXIAL · LAKNORD · serenity series · ATMOS aiR LIFT · OPTIMIZ-R · KOLOSSUS · NEOS PRODUCTS Richelieu · Brillanté · Richelieu ERGO · LIONGRIP · RIVEO · Wall-It · inter-co DIVISION · EvolutionHD

“Our service is tailored to the needs of thousands of North American retailers, offering renowned brands and high-end presentation tools.”

Our retailer and renovation superstore customers operate in a challenging commercial environment that notably requires efficient inventory management and cost control measures. We address these issues through our value-added service and our strategic “one-stop shop” approach. Committed to their success, we leverage our expertise to deliver service standards that match their trust in us. In line with this, some of our distribution centres have been redesigned to maximize the efficiency of our service to retailer customers, including our Calgary centre for retailers in Western Canada, our Kitchener centre for those in Eastern Canada, and our Chicago centre for US retailers.


Richelieu

“By cooperating with our partner suppliers and customers, we participate in the co-creation of innovative solutions, thereby strengthening our position as a value-added distributor and anticipator of market needs.”

Innovation is a collectively driven process, it means collaboration. We build cooperative and trusting relationships with suppliers around the world renowned for their cutting-edge technological and design expertise. Where appropriate, we extend this approach to our customers who, as end users, are involved in defining solutions that fit with their needs. This global partnership approach helps make sure the supply chain runs well, gives access to innovations that go beyond customer expectations, and provides a service that sets us apart.

When innovation serves functional and decorative hardware: it optimizes, simplifies, and personalizes. Performance, durability, ergonomics, and aesthetics are at the core of our commitments.

Opposite page: Rotating storage with swivel visibility allowing the user to control the exposure of the contents.





Style and modernity with products from Richelieu: countertop, faucet, handles and panels.

The kitchen is a welcoming, social and multifunctional space in contemporary homes, adapting to new lifestyles. It is one of the most rewarding renovation projects in terms of property value and quality of life.



Ergonomic sliding storage system



Sliding pantry system



Drawer divider with a flexible system to adapt to different drawer widths—practical and decorative.

Richelieu offers a unique and comprehensive range of products and systems designed to enhance the functionality and visual appeal of a well-organized, cozy, ergonomic, and stylish kitchen. Its high-quality, adaptable storage solutions meet the diverse needs of residential and commercial kitchens. Whether for a small space or a spacious family home, Richelieu's systems are designed to maximize space with features such as pull-out shelves, cabinet and drawer organizers, corner solutions, systems to optimize underutilized spaces, and sliding, swivel and retractable mechanisms that ensure functionality, flexibility, and ergonomics.



Quality, durability, and effortless drawer access—with sides designed to blend perfectly with the decor.

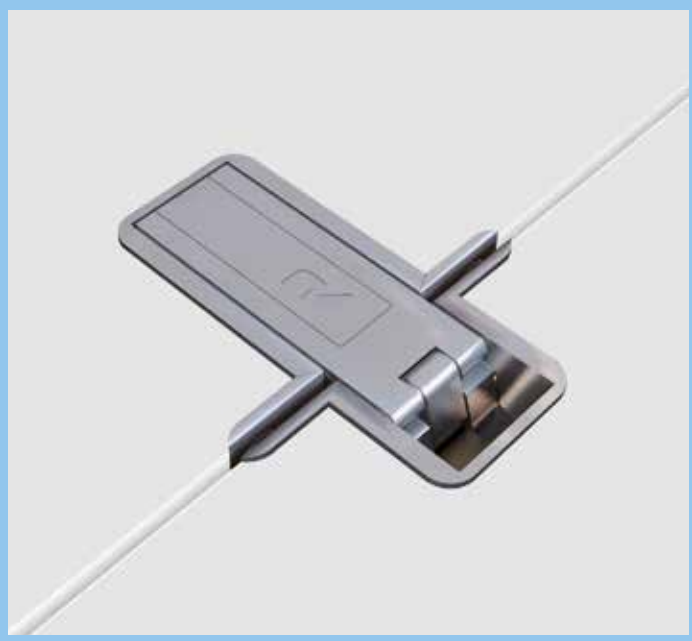
These revolutionary opening solutions give every piece of furniture and storage unit a new sense of space.



Fully assisted opening mechanism

Opening solutions include rotating systems, which pivot entire elements through 360° in a single movement, eliminating bulky doors and offering full visibility or concealing the contents. Other opening solutions for upper cabinets feature mechanisms without a central hinge for a 107° upward opening, discreetly integrated inside the cabinet. Other flap hinges and opening arms, examples of elegant design and craftsmanship, are designed for doors that can be raised or lowered in a smooth movement. An infinity of solutions combining high technology and design to enhance ergonomics, functionality, and aesthetics.





Opening system equipped with an assisting arm, 100% mechanical for smooth opening under light pressure.



Specialized mechanisms for a wide variety of retractable and foldaway furniture.

Small living, commercial, or office spaces require creative designs to turn space restrictions into welcoming, functional, and attractive living areas.

Richelieu's diverse range of innovative solutions and mechanisms includes retractable beds and fold-away or modular extendable tables that free up living space, sliding desks, removable partitions, lift-up tables, vertical sliding storage units, and overhead shelving. These various systems allow small spaces be converted to adapt to different times of the day and night in innovative ways, saving space and increasing functionality.





Retractable and folding systems designed to meet space optimization and ergonomic needs for various residential, commercial, and institutional environments.

Innovation takes decorative hardware beyond simple utility: it becomes a distinctive design feature, combining style, technology, and eco-responsibility.



Architectural and decorative panels for a wide range of residential, commercial, and institutional applications. Here, spa reception.







The most diverse and comprehensive range of handles, drawn from the expertise of leading designers. Handles from above: winners of the SILVER KBIS 2026 award—the largest trade show for the kitchen and bathroom industry in North America.



Furniture featuring decorative panels, handles, and lighting system creating ambiance and functionality.



Three-axis concealed hinge allowing vertical, horizontal, and depth adjustment after installation.



Comprehensive architectural hardware lines, including these back-to-back ladder-style handles, proven for their strength and convenience on commercial and institutional glass doors.

Richelieu's leadership in architectural hardware for institutional, commercial, and educational markets is reflected in its comprehensive offering of fasteners and control elements, designed for heavy-duty use and meeting strict regulatory standards and requirements for strength, safety, and accessibility.

Handles and fixtures are no longer mere functional details, but structural elements that contribute to the aesthetics of a space while incorporating sustainable materials, matte or platinum finishes, and original textures. Richelieu's decorative hardware lines feature inspiring global innovations to enhance the functionality and appearance of renovation and construction projects as well as furniture manufacturing. They include all styles, drawing on traditional codes or, conversely, revealing themselves to be atypical, modern, and eye-catching. A diverse range of innovative panels makes it easy to create stylish, high-quality decorative surfaces.



Concealed handle for classic and functional sliding doors



Mortise lock set for sliding door

The closet should be designed to optimize space and functionality, with modular elements allowing for flexible storage solutions as needed, while also being aesthetically appealing and equipped with nice, effective lighting.







The various ranges of adjustable structures and mechanisms offered by Richelieu allow the creation of customized, tailored spaces in a wide variety of materials, as well as built-in lighting systems designed to create ambiance. Users enjoy a storage system tailored to their needs and optimal, immediate visibility of the insides of their closets, with the option of adding practical modular accessories. The various ranges of versatile lighting systems offered by Richelieu provide functionality, ambiance, and decorative effects, and can be adapted to residential, commercial, and office spaces.



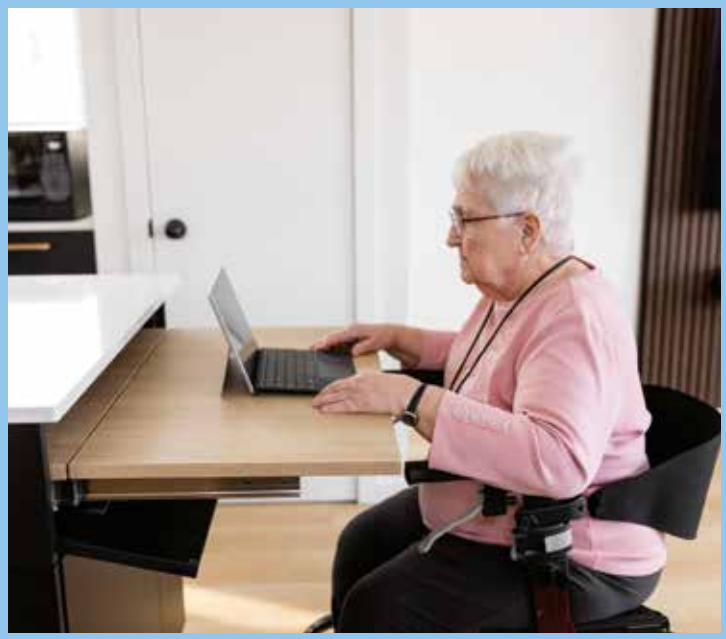
Functionality, ergonomics, aesthetics, and discretion define the various ranges of solutions and systems offered by Richelieu for accessibility-friendly environments.



A built-in counter height adjustment system for better accessibility. KBIS 2026 Gold Award-winning systems.

People with mobility issues need space to move around easily in their living areas and convenient, ergonomic access to their storage areas. While still looking like standard furniture, Richelieu's products and systems combine high tech and design to make everyday furniture functional, fully accessible, and attractive. This allows users to easily access worktops, islands, shelves, and drawers thanks to systems for raising or lowering the contents of cupboards, high-performance and silent drawer opening systems, tilting rails, sliding systems, and wide-opening hinges.





Electric wall cabinet lift



Glass is being used more and more indoors and outdoors for partition walls, stair railings, and balustrades, requiring highly reliable fasteners and fittings.

For the creation of modern, safe, and durable railings and staircases, Richelieu offers complete product lines including handrails, steel stringers, and other high-quality fasteners.

Richelieu offers a diverse range of weather-resistant polymer panels and complementary products designed for outdoor use, allowing users to install **a complete and fully functional outdoor kitchen** to enjoy the outdoors and enhance the value of their living space.



A range of gravity-closing latches and hinges help maximize safety, especially in areas where there is a swimming pool.



The outdoor kitchen, equipped with panels designed specifically for outdoor use and stainless steel products such as slides and hinges, is fully weatherproof.

A Long Term Commitment

“We are committed to building a responsible and ethical future combining profitability, creativity, inclusion, and respect for the environment. Every member of our team shares this commitment.”

As North America’s leading specialty hardware distributor, environmental responsibility and sound governance are core to our strategies for building sustainable value for Richelieu’s employees, customers, suppliers, and shareholders. We are also mindful of our social responsibility, and actively support the communities where we operate.

We uphold our environmental commitment primarily by optimizing our management of packaging and waste materials, relying on our long-term partnerships with our main suppliers and transporters, and through the use of energy-efficient equipment—all measures that help minimize carbon footprints.

In order to support our customers in their ecological transition and comply with their renovation and construction projects’ new requirements, we are constantly updating and diversifying our range of certified products.

The security of our team members and collaborators, and of the public, is central to our responsible operating model. We are particularly mindful of providing our team members and collaborators with a work environment that is safe and free from harassment. This approach is based primarily on site security, mutual respect, and privileged access to ongoing training tailored to the realities of each of our operating sites.

Our success is based on fair and honest competition. Therefore, every member of our team agrees to confirm that he/she understands and complies with our code of ethics and professional conduct and respects our core values.

We operate with an efficient and agile decision-making structure and governance team. The Board of Directors and management ensure the Company’s reputation for being a responsible, values-driven organization is consistently upheld.

We are committed to contributing to the sustainable development of our regions by combining biodiversity preservation with the social development of the local communities where we operate. This is how we support a variety of environmental, sporting, and social initiatives, mainly in the areas of education and the sustainable reintegration of young people into society and the job market, reforestation, heritage conservation, and community awareness.



Sail Corporate Triathlon in Montreal



Boucle Pierre Lavoie



Opening ceremony of the St-Laurent Provincial Hockey Tournament Kickoff by Richard Lord, President and Chief Executiver Officer



Le Phare—organization dedicated to pediatric palliative care.



With its low VOC content, Liongrip Elite can contribute to obtaining LEED credits.



Lightweight panels made from honeycomb cardboard cells produced from recycled fibers.



OCEAN handles— sustainable design. Made from recycled fishing nets, this innovative material transforms ocean waste into high-quality decorative hardware.

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Highlights of the Year Ended November 30, 2025

In 2025, along with growing its total sales to $1.96 billion, Richelieu reached a major strategic milestone with a record number of acquisitions, completing ten new acquisitions since December 1, 2024, for additional annual sales of $100 million. The most recent acquisition, completed on December 12, 2025, was the 100th in Richelieu's history. This performance confirms the soundness and operational agility of its business model as well as the solidity of its fundamentals in a changing market environment.

Richelieu's acquisition strategy helps strengthen its network and expand and diversify the exceptional product offering made available to customers through its "one-stop shop" approach. The Corporation leverages its expertise in business integration to realize mid-to long-term sales and operational synergies, while fostering the alignment of acquired businesses with its entrepreneurial culture based on its core values of respect, innovation, initiative, growth, and performance.

Richelieu views the strength of its distribution centre network as fundamental to maintaining service excellence, ensuring the reliability of its just-in-time delivery system, controlling operating costs, and responding effectively to growth needs. In 2025, as part of its continuous network improvement plan, the Corporation completed, among other initiatives, the consolidation of two distribution centres in the Vancouver region into a single 140,000-square-foot facility serving the manufacturer market. It also successfully completed an expansion of more than 50,000 square feet at its Detroit distribution centre to broaden its product offering with new product lines and support growth-related requirements.

Throughout the fiscal year, Richelieu continued to pursue its innovation strategy—a key driver of growth and a distinctive customer experience—by investing in new, innovative product lines designed by world-class manufacturers using advanced technologies and leading-edge design expertise. In addition, the significant proportion of exclusive products or products sold under its private brands, which account for more than 50% of its offering, represents a strategic advantage for customer satisfaction and loyalty, competitive positioning, and growth support. In this regard, two recent acquisitions enabled the Corporation to expand its portfolio of private brands for the hardware retailers and renovation superstores market and further strengthen its position in this segment. These new developments also align with its "one-stop shop" strategy, supported by service centres in Calgary for Western Canada, Kitchener for Eastern Canada, and Chicago for the United States.

Richelieu continues to pursue a proactive market development strategy while investing in short- and long-term value creation. The Corporation entered fiscal year 2026 with confidence, building on its corporate values and the strength of its fundamentals, including a solid business model well suited to customer needs, a skilled and committed team, and a strong momentum in innovation and business acquisitions.

- **Consolidated sales** reached $1.96 billion, an increase of 7.2% compared to 2024, of which 4.0% from internal growth and 3.2% from acquisitions.
- **Earnings before interest, income taxes and amortization (EBITDA)**(1) rose 6.2% to $213.9 million, compared with $201.4 million in 2024. The EBITDA margin remained relatively stable at 10.9%.
- **Diluted net earnings per share** amounted to $1.55, compared with $1.53 in 2024, an increase of 1.3%, while **net earnings attributable to shareholders** remained stable at $85.8 million.
- **Cash flows from operating activities** totalled $202.4 million, including a $33.6 million reduction in inventories.
- **Working capital** reached $624.0 million, for a current ratio of 3.3:1.
- **Average return on equity** was 9.1%.
- The Corporation **repurchased** 438,167 common shares for $16.2 million and paid $33.9 million in **dividends** to its shareholders. As a result, Richelieu distributed $50.1 million to its shareholders in 2025, while maintaining the financial resources required to support its growth in 2026.

(1) EBITDA is a non-IFRS measure, as indicated on page 48 of this report.

Nine acquisitions completed in North America during fiscal year 2025

- On December 1, 2024: acquisition of **Mill Supply**, a distributor of specialized hardware products operating two distribution centres in Dartmouth, NS, and Charlottetown, PEI.
- On January 6, 2025: acquisition of **Darant Distributing**, a distributor of specialized hardware products operating a distribution centre in Denver, CO.
- On January 13, 2025: acquisition of **Midwest Specialty Products**, a distributor of decorative surface products operating a distribution centre in Minneapolis, MN.
- On February 4, 2025: acquisition of **Modulex Partition**, a distributor of division 10 products, operating a distribution centre in Hillside, NJ.
- On April 1, 2025: acquisition of **Rhoads & O'Hara Architectural Products**, a distributor of architectural panels and related products, operating in Vineland, NJ.
- On May 1, 2025: acquisition of **Les Industries Camcoat**, a distributor of finishing products located in the Greater Montreal area, QC.
- On September 2, 2025: acquisition of **Ideal Security**, a distributor of specialized hardware products primarily serving the hardware retailers and renovation superstores market, located in the Greater Montreal area, QC.
- On October 1, 2025: acquisition of **Finmac Lumber**, a distributor of specialized wood products located in Winnipeg, MB.
- On October 29, 2025: acquisition of **Klassen Bronze**, offering a wide selection of letters, numbers, and mailboxes of all kinds, primarily serving the hardware retailers and renovation superstores market.

One acquisition completed in the United States after November 30, 2025, the 10th acquisition since December 2024 and Richelieu's 100th acquisition in its history

- On December 12, 2025, acquisition from **McKillican American** of three specialty hardware and building materials distribution centres located in Portland, OR, Seattle, and Spokane, WA.

PRESENTATION BASIS

This Management's Discussion and Analysis ("MD&A") relates to Richelieu Hardware Ltd.'s consolidated operating results and cash flows for the year ended November 30, 2025, in comparison with the year ended November 30, 2024, as well as the Corporation's financial position at those dates. This report should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended November 30, 2025, appearing in the Corporation's 2025 Annual Report. In this MD&A, "Richelieu" or the "Corporation" designates, as the case may be, Richelieu Hardware Ltd. and its subsidiaries and divisions, or one of its subsidiaries or divisions. Supplementary information, such as the Annual Information Form, interim MD&As, Management Proxy Circular, certificates signed by the Corporation's President and Chief Executive Officer and Chief Financial Officer and Chief Operating Officer, as well as press releases issued during the year ended November 30, 2025, are available on SEDAR+ website at www.sedarplus.com and on the Corporation's website at www.richelieu.com.

The information contained in this MD&A accounts for any major event that occurred prior to January 15, 2026, on which date the audited consolidated financial statements and MD&A were approved by the Corporation's Board of Directors. Unless otherwise indicated, the financial information presented below, including amounts shown in tables, is expressed in Canadian dollars and prepared in accordance with International Financial Reporting Standards ("**IFRS**").

FORWARD-LOOKING STATEMENTS

Certain statements set forth in this MD&A, including statements relating to the expected adequacy of cash flows to cover contractual commitments, to maintain growth and to provide for financing and investing activities, growth outlook, Richelieu's competitive position in its industry, or ability to weather current economic conditions, access other external financing, close new acquisitions, and other statements not pertaining to past events, constitute forward-looking statements. In some cases, these statements are identified by the use of terms such as "may", "could", "might", "intend", "should", "expect", "project", "plan", "believe", "estimate" or the negative form of these expressions or other comparable variants. These statements are based on the information available at the time they are written, on assumptions made by management and on the expectations of management, acting in good faith, regarding future events, including on the assumption that economic conditions and exchange rates will not significantly deteriorate, that supplies will be sufficient to fulfil Richelieu's needs, the availability of credit will remain stable during the year and no extraordinary events will require supplementary capital expenditures.

Although management believes these assumptions and expectations to be reasonable based on the information available at the time they were prepared, they could prove inaccurate. Forward-looking statements are also subject, by their

very nature, to known and unknown risks and uncertainties such as those related to the industry, acquisitions, labour relations, credit, key officers, supply and product liability, as well as other factors set forth in the "Risk Factors" section on page 59.

Richelieu's actual results could differ materially from those indicated in or underlying these forward-looking statements. The reader is therefore cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements do not reflect the potential impact of special items, any business combination or any other transaction that may be announced or occur subsequent to the date hereof. Richelieu undertakes no obligation to update or revise the forward-looking statements to account for new events or new circumstances, except as required by law.

NON-IFRS MEASURES

Richelieu uses earnings before interest, income taxes and amortization ("EBITDA") as we believe this measure enables management to assess the Corporation's operational performance. This measure is a widely accepted performance indicator of a corporation's ability to service and incur debt. However, EBITDA should not be considered by an investor as an alternative to operating income or net earnings attributable to shareholders of the Corporation, as an indicator of financial performance or cash flows, or as a measure of liquidity. Since EBITDA does not have a standardized meaning prescribed by IFRS, it may not be comparable to EBITDA of other companies.

Richelieu also uses adjusted cash flows from operating activities and adjusted cash flows from operating activities per share. Adjusted cash flows from operating activities are based on net earnings plus amortization of property, plant and equipment and right-of-use assets and of intangible assets, deferred tax expense (or recovery), share-based compensation expense and net financial costs. These additional measures do not consider the net change in non-cash working capital items in order to exclude seasonality effects and are used by management in its assessments of cash flows from long-term operations. Therefore, adjusted cash flows from operating activities may not be comparable to the cash flows from operating activities of other companies.

GENERAL BUSINESS OVERVIEW AS AT NOVEMBER 30, 2025

Richelieu is a leading North American importer, manufacturer, and distributor of specialty hardware and related products.

Richelieu offers customers a broad mix of products sourced from manufacturers worldwide. The solid relationships Richelieu has built with the world's leading suppliers enable it to provide customers with the latest innovative products tailored to their business needs. The residential and commercial renovation industry is the Corporation's principal source of growth.

Richelieu's offer	119 interconnected centres
Over 145,000 different items	51 distribution centres in Canada
More than 120,000 active customers	65 distribution centres in the United States
5,400,000 sq.ft. of storage	3 manufacturing centres in Canada

Main product categories	
Furniture, glass and building decorative and functional hardware	Sliding systems solutions
Fasteners and fittings	Decorative and functional panels
Lighting solutions and accessories	Surfaces and quartz
Finishing and decoration products	Baluster and railings
Office accessories	Floor protection products
Kitchen and closet storage solutions	Power tools accessories

Those products are targeted to an extensive customer base of **kitchen and bathroom cabinets, storage and closet, home furnishing and office furniture, door and window manufacturers, residential and commercial woodworkers, as well as hardware retailers including renovation superstores.**

This offering is completed by the Corporation's three manufacturing subsidiaries (Les Industries Cedan Inc., Menuiserie des Pins Ltée, and USIMM UNIGRAV Inc.), which manufacture a variety of veneer sheets and edge banding products, a broad selection of decorative mouldings and components for the window and door industry, as well as custom products, including a 3D scanning centre.

The Corporation employs over 3,200 people throughout its network, close to half of whom work in marketing, sales, and customer service. Nearly 50% of the Corporation's employees are Richelieu shareholders.

MAIN TRADEMARKS

MISSION AND STRATEGY

Richelieu's mission is to create shareholders' value and contribute to its customers' growth and success, while favouring a business culture focused on quality of service and results, partnership, and intrapreneurship.

To sustain its growth and remain a leader in its specialty market, the Corporation continues to implement the strategy that has proved beneficial to date, with a particular focus on:

- strengthening its product offering by continuously introducing each year new diversified products that meet its market segment needs and position it as the specialist in functional and decorative hardware for manufacturers and retailers;
- further developing its current markets in Canada and the United States with the support of a specialized sales and marketing team capable of providing customers with personalized service, and
- pursuing its North American expansion by opening new distribution centres and through efficiently integrated, profitable acquisitions made at the right price, offering high growth potential and complementarity to its product mix and expertise.

Richelieu's solid and efficient organization, highly diversified product selection, and long-term relationships with leading suppliers worldwide allows the Corporation to compete effectively in a fragmented market consisting mainly of a host of regional distributors offering a limited range of products.

NETWORK DEVELOPMENT

During the year, Richelieu concluded the following acquisitions:

Date	Company name	Nature of operations	Locations
December 1, 2024	Mill Supply	Distributor of hardware and specialty products	Dartmouth, NS and Charlottetown, PEI
January 6, 2025	Darant Distributing	Distributor of specialized hardware	Denver, CO
January 13, 2025	Midwest Speciality Products	Distributor of decorative surfaces	Minneapolis, MN
February 4, 2025	Modulex Partition	Distributor of division 10 products	Hillside, NJ
April 1, 2025	Rhoads & O'Hara Architectural Products	Distributor of architectural panels	Vineland, NJ
May 1, 2025	Camcoat Industries	Distributor of finishing products	Montreal, QC
September 2, 2025	Ideal Security	Distributor of specialized hardware	Montreal, QC
October 1, 2025	Finmac Lumber	Distributor of specialized wood products	Winnipeg, MB
October 29, 2025	Klassen Bronze	Distributor of specialized product	New Hamburg, ON
December 12, 2025 *	McKillican American	Distributor of specialty hardware and building materials	Portland, OR, Seattle and Spokane, WA

* Acquisition completed after November 30, 2025 as indicated in section Subsequent event of this report

These ten acquisitions will together contribute approximately $100M in annual sales. To support future growth and maintain a high level of service for its customers, the Corporation completed the consolidation of two distribution centres in the Vancouver area into a single 140,000 sq. ft. facility dedicated to serving the manufacturers market. Continuing with its network optimization plan, the Corporation also expanded its Detroit distribution centre by more than 50,000 sq. ft. with the objective of broadening its offering with new product lines and meeting the sustained growth in demand in the United States.

FINANCIAL HIGHLIGHTS

(in thousands of $, except per-share amounts, number of shares and data expressed as a %)

Years ended November 30	2025 $	2024 $	2023 $	2022 $	2021 $
Sales	1,964,027	1,832,218	1,787,754	1,802,787	1,440,416
EBITDA[1]	213,879	201,419	230,404	287,442	234,398
EBITDA margin (%)	*10.9*	*11.0*	*12.9*	*15.9*	*16.3*
Net earnings	90,570	89,480	113,827	169,949	142,331
Net earnings attributable to shareholders of the Corporation	85,824	85,754	111,474	168,390	141,764
■ per share—basic ($)	1.55	1.54	2.00	3.01	2.54
■ per share—diluted ($)	1.55	1.53	1.98	2.99	2.51
Net margin (%)	*4.4*	*4.7*	*6.2*	*9.3*	*9.8*
Adjusted cash flows from operating activities[1]	180,473	165,695	190,483	227,795	182,991
■ per share—diluted ($)[1]	3.26	2.95	3.39	4.04	3.24
Dividends paid to Shareholders of the Corporation	33,883	33,503	33,521	29,083	19,374
■ per share ($)[2]	0.613	0.600	0.600	0.520	0.280
Weighted average number of shares outstanding (diluted) (in thousands)	55,383	56,125	56,216	56,345	56,466
As at November 30					
Total assets	1,443,954	1,394,129	1,314,963	1,283,865	964,180
Working capital	624,026	612,924	621,764	562,548	456,376
Current ratio	3.3	3.1	3.6	2.6	3.3
Equity	961,936	926,509	904,893	817,157	666,442
Return on average shareholders' equity (%)	*9.1*	*9.4*	*12.9*	*22.7*	*23.3*
Book value per share ($)	17.52	16.78	16.13	14.65	11.93
Long-term debt	9,864	5,902	5,346	6,067	6,439
Net cash and cash equivalents (net of bank overdraft)	22,636	(12,284)	23,710	(111,988)	58,707

(1) EBITDA, adjusted cash flows from operating activities and adjusted cash flows from operating activities per share are non-IFRS measures as indicated on page 48 of this report.

(2) The dividends per share presented for 2021 excludes a special dividend paid of $0.0667 per share.

ANALYSIS OF OPERATING RESULTS FOR THE YEAR ENDED NOVEMBER 30, 2025, COMPARED WITH THE YEAR ENDED NOVEMBER 30, 2024

Consolidated sales

The following table provides an overview of Richelieu's **sales** in its two main markets for the years ended November 30, 2025 and 2024:

(in millions of dollars except exchange rates)	Years ended on November 30,		Δ %		
	2025	2024	Total	Internal	Acquisitions
Consolidated	1,964.0	1,832.2	7.2	4.0	3.2
Manufacturers	1,743.3	1,614.9	8.0	4.4	3.6
Retailers	220.7	217.3	1.6	0.8	0.8
Canada	1,071.4	1,048.2	2.2	0.4	1.8
Manufacturers	897.3	873.0	2.8	0.8	2.0
Retailers	174.1	175.2	(0.6)	(1.3)	0.7
United States $US	637.5	574.9	10.9	5.0	5.9
Manufacturers	604.2	544.0	11.1	5.9	5.2
Retailers	33.3	30.9	7.8	6.7	1.1
United States $CA	892.6	784.0	13.9		
Average exchange rates	1.400	1.364			

Consolidated sales reached $1.96 billion, an increase of $131.8 million or 7.2% over last year, of which 3.2% from acquisitions and 4.0% from internal growth. Internal growth in the U.S. manufacturers' market was supported by higher selling prices. Part of this internal growth came from price adjustments applied to reflect the customs tariffs, representing a cost pass-through with no impact on gross margin. In currency comparable to that of the 2024 financial year, the growth in consolidated sales for the year ended November 30, 2025, would have been 5.9%.

(in millions of dollars, except per share data)	Years ended November 30,		
	2025	2024	Δ %
Sales	1,964.0	1,832.2	7.2
Operating expenses excluding amortization	1,750.1	1,630.8	7.3
EBITDA	213.9	201.4	6.2
EBITDA margin (%)	*10.9 %*	*11.0 %*	
Amortization of property, plant and equipment and right-of-use assets	65.0	58.1	11.7
Amortization of intangible assets	10.9	10.8	0.7
Net financial costs	14.3	11.7	23.1
	90.2	80.6	11.9
Earnings before income taxes	123.7	120.8	2.4
Income taxes	33.1	31.3	5.7
Net earnings	90.6	89.5	1.2
Net earnings attributable to:			
Shareholders of the Corporation	85.8	85.8	0.1
Non-controlling interests	4.7	3.7	27.4
Net earnings per share attributable to shareholders of the Corporation			
Basic	1.55	1.54	0.6
Diluted	1.55	1.53	1.3

Earnings before interest, income taxes, and amortization (EBITDA) totalled $213.9 million, up by $12.5 million or 6.2% over 2024. This growth was mainly driven by higher sales. Therefore, EBITDA margin stood at 10.9%, compared with 11.0% for 2024.

Amortization expenses amounted to $75.9 million, compared with $68.9 million for 2024, an increase of $7.0 million. This increase is primarily attributable to the growth in right-of-use assets related to lease renewals and recent business acquisitions. **Net financial costs** were $14.3 million, compared to $11.7 million, an increase of $2.6 million due to higher interest expenses resulting from the increase in lease obligations. **Income taxes** amounted to $33.1 million, an increase of $1.8 million over 2024.

Net earnings were up by 1.2%. Considering non-controlling interests, **net earnings attributable to shareholders of the Corporation** totalled $85.8 million, a growth of 0.1% compared to 2024. **Net earnings per share** amounted to $1.55 basic and diluted, compared with $1.54 basic and $1.53 diluted for 2024, an increase of 0.6% and 1.3% respectively.

Comprehensive income totalled $89.5 million, reflecting a negative adjustment of $1.0 million on translation of the financial statements of the subsidiary in the United States, compared with $99.2 million for 2024, which reflected a positive adjustment of $9.7 million on translation of the financial statements of the subsidiary in the United States.

Quarterly data (unaudited)

(in millions of dollars, except per share data)

2025	Q1	Q2	Q3	Q4
Sales	441.7	512.2	499.2	510.9
EBITDA	42.4	55.2	57.0	59.2
Net earnings attributable to shareholders of the Corporation	13.9	22.5	23.9	25.6
■ basic per share ($)	0.25	0.41	0.43	0.46
■ diluted per share ($)	0.25	0.41	0.43	0.46
2024	**Q1**	**Q2**	**Q3**	**Q4**
Sales	406.9	481.4	467.7	476.2
EBITDA	40.4	53.8	53.0	54.3
Net earnings attributable to shareholders of the Corporation	15.2	23.4	22.7	24.4
■ basic per share ($)	0.27	0.42	0.41	0.44
■ diluted per share ($)	0.27	0.42	0.41	0.44
2023	**Q1**	**Q2**	**Q3**	**Q4**
Sales	403.0	472.1	459.0	453.7
EBITDA	49.1	61.5	61.0	58.8
Net earnings attributable to shareholders of the Corporation	22.4	30.7	29.8	28.5
■ basic per share ($)	0.40	0.55	0.53	0.51
■ diluted per share ($)	0.40	0.55	0.53	0.51

Quarterly variations in earnings—The first quarter, closing at the end of February, is generally the year's weakest quarter for Richelieu in light of a smaller number of business days due to the end-of-year holiday period and the wintertime slowdown in renovation and construction work. The third quarter ending August 31 also includes fewer business days due to the summer holidays, which can be reflected in the period's financial results. The second and fourth quarters, ending May 31 and November 30, respectively, generally represent the year's most active periods.

FOURTH QUARTER ENDED NOVEMBER 30, 2025

Consolidated sales

The following table provides an overview of Richelieu's sales in its two main markets for the quarters ended November 30, 2025, and 2024:

(in millions of dollars except exchange rates)	Quarters ended November 30		Δ %		
	2025	2024	Total	Internal	Acquisitions
Consolidated	510.9	476.2	7.3	4.1	3.2
Manufacturers	459.9	421.7	9.1	5.9	3.2
Retailers	51.0	54.5	(6.4)	(9.5)	3.1
Canada	282.0	275.2	2.5	0.1	2.4
Manufacturers	240.8	230.3	4.6	2.2	2.4
Retailers	41.2	44.9	(8.2)	(10.7)	2.5
United States $US	164.1	146.1	12.3	8.1	4.2
Manufacturers	157.0	139.1	12.9	8.8	4.1
Retailers	7.1	7.0	1.4	(4.3)	5.7
United States $CA	228.9	201.0	13.9		
Average exchange rates	*1.395*	*1.376*			

Fourth-quarter consolidated sales amounted to $510.9 million, compared with $476.2 million for the corresponding quarter of 2024, an increase of $34.7 million or 7.3%, of which 4.1% resulted from internal growth and 3.2% from acquisitions. Internal growth in the U.S. manufacturers' market partly reflects price adjustments related to the customs tariffs. At comparable exchange rates to the fourth quarter of 2024, the consolidated sales growth would have been 6.6% for the quarter ended November 30, 2025.

Earnings before interest, income taxes, and amortization (EBITDA) amounted to $59.2 million compared with $54.3 million in the fourth quarter of 2024, up by 9.1%. The gross margin remained stable compared to the same period in 2024, and the **EBITDA margin** stood at 11.6%, compared to 11.4% in the fourth quarter of 2024.

Amortization expenses amounted to $19.5 million compared with $17.7 million for the corresponding quarter of 2024, an increase of $1.8 million. **Net financial costs** are up $0.2 million. **Income taxes** amounted to $9.7 million compared with $8.2 million for the fourth quarter of 2024.

Net earnings were $26.8 million, up by 5.7% over the corresponding quarter of 2024. Considering non-controlling interests, **net earnings attributable to shareholders of the Corporation** amounted to $25.6 million, up by 4.8% over the fourth quarter of 2024. **Net earnings per share** were $0.46 basic and diluted, compared with $0.44 basic and diluted for the fourth quarter of 2024.

Comprehensive income amounted to $32.7 million, reflecting a positive adjustment of $5.9 million on translation of the financial statements of the subsidiary in the United States, compared with $37.2 million for the fourth quarter of 2024, which reflected a positive adjustment of $11.8 million on translation of the financial statements of the subsidiary in the United States.

Cash flows from operating activities (before net change in non-cash working capital balances) amounted to $48.3 million or $0.87 per share, compared with $43.0 million or $0.77 per share for the fourth quarter of 2024, an increase of 12.4% resulting primarily from the increase in earnings before amortization, financial costs and income taxes and in deferred taxes. The net change in non-cash working capital balances represented a cash inflow of $20.4 million, driven by a $30.1 million reduction in inventories, while changes in accounts receivable, payable, and other items required cash flows of $9.7 million. Consequently, operating activities provided cash flows of $68.7 million, compared with $27.2 million for the fourth quarter of 2024.

Financing activities used $34.2 million of cash, compared with $41.8 million for the fourth quarter of 2024 mainly due to lower common share repurchases ($12.6 million for the fourth quarter of 2025 compared to a $20.1 million in the fourth quarter of 2024).

Investing activities totaled $23.3 million in the fourth quarter including $19.6 million for business acquisitions completed during the quarter and $3.7 million primarily for the purchase of various equipment aimed at maintaining and improving operational efficiency.

FINANCIAL POSITION

as at November 30, 2025

Analysis of significant cash flows

(in millions of dollars)	Years ended November 30,	
	2025	2024
Cash flows provided by (used in):		
Operating activities	202.4	133.6
Financing activities	(104.4)	(117.9)
Investing activities	(62.3)	(50.8)
Effect of exchange rate changes on cash and cash equivalents	(0.8)	(0.8)
Net change in cash and cash equivalents (bank overdraft)	34.9	(36.0)
Net cash and cash equivalents (net of bank overdraft), beginning of period	(12.3)	23.7
Net cash and cash equivalents (net of bank overdraft), end of period	22.6	(12.3)

Reconciliation of cash flow from operating activities to adjusted cash flow from operating activities :

(in millions of dollars)	Years ended November 30,	
	2025	2024
Cash flow from operating activities	202.4	133.6
Net change in non-cash working capital balances (inflow)	(21.9)	32.1
Adjusted cash flows from operating activities	180.5	165.7

Operating activities

Cash flows from operating activities (before net change in non-cash working capital balances) reached $180.5 million or $3.26 diluted per share, compared with $165.7 million or $2.95 diluted per share for 2024, an increase of 8.9% mainly reflecting the increase in earnings before amortization, financial costs and income taxes and in deferred taxes. The net change in non-cash working capital balances represented a cash inflow of $21.9 million, mainly representing a decrease in inventory of $33.6 million whereas accounts receivable, payable, and other items used cash flows of $11.7 million. Consequently, operating activities generated a cash inflow of $202.4 million compared to a cash inflow of $133.6 million for 2024.

Financing activities

Financing activities used cash flows of $104.4 million, compared with $117.9 million for 2024. During the year, Richelieu repaid long-term debt of $4.0 million, paid lease obligations of $48.7 million, and issued shares for $3.6 million, compared to a long-term debt repayment of $3.2 million, lease obligations payments of $41.1 million, and a $3.4 million share issue in 2024. Dividends paid to shareholders of the Corporation amounted to $33.9 million compared to $33.5 million in 2024. The Corporation also repurchased common shares for an amount of $16.2 million compared with $38.7 million in 2024.

Investing activities

Investing activities used cash flows of $62.3 million, including $47.1 million for nine business acquisitions completed in fiscal 2025 and $15.2 million primarily for the purchase of equipment aimed at maintaining and improving operational efficiency.

Sources of financing

As at November 30, 2025, net cash amounted to $22.6 million, compared with a net bank overdraft of $12.3 million as at November 30, 2024. The Corporation had a **working capital** of $624.0 million for a current ratio of 3.3:1, compared with $612.9 million as at November 30, 2024.

Richelieu believes it has the capital resources required to meet its commitments and current obligations and to fund the cash requirements associated with its growth as well as its planned financing and investing activities for fiscal 2026. The Corporation continues to benefit from an authorized line of credit of $85 million [November 30, 2024—$85 million] as well as a line of credit of US$56 million [November 30, 2024—US$56 million], renewable annually and bearing interest at the prime rate and the SOFR rate plus 1.40% respectively. In addition, Richelieu considers it could obtain access to other outside financing if necessary.

The expectation set forth above consists of forward-looking information based on the assumption that economic conditions and exchange rates will not deteriorate significantly, operating expenses will not increase considerably, deliveries will be sufficient to fulfill Richelieu's requirements, the availability of credit will remain stable in 2026, and no unusual events will entail additional capital expenditures.

This expectation also remains subject to the risks identified under the "Risk Factors" section.

Analysis of financial position

(in millions of dollars, except exchange rates)	As at November 30		
	2025	2024	Δ %
Current assets	896.1	901.8	(0.6)
Non-current assets	547.9	492.3	11.3
Total	1,444.0	1,394.1	3.6
Current liabilities	272.1	288.9	(5.8)
Non-current liabilities	207.2	176.2	17.6
Equity attributable to shareholders of the Corporation	961.9	926.5	3.8
Non-controlling interests	2.8	2.5	11.8
Total	1,444.0	1,394.1	3.6
Exchange rates on translation of subsidiaries in the United States	*1.398*	*1.401*	

Assets

Total assets amounted to $1.4 billion as at November 30, 2025, an increase of 3.6%. **Current assets** were down by 0.6% or $5.7 million from November 30, 2024. **Non-current assets** increased by 11.3% or $55.6 million from November 30, 2024, mainly due to the addition of right-of-use assets and an increase in goodwill related to lease renewals and business acquisitions.

Cash position and long-term debt

(in millions of dollars)	As at November 30	
	2025	2024
Current portion of long-term debt	7.6	3.5
Long-term debt	2.3	2.4
Total debt	9.9	5.9
Net cash and cash equivalents (net of bank overdraft)	22.6	(12.3)

Shareholders' equity and share capital

Equity attributable to shareholders of the Corporation totalled $961.9 million as at November 30, 2025, compared with $926.5 million as at November 30, 2024, an increase of $35.4 million. This increase is mainly due to a rise of $31.1 million in retained earnings and of $5.4 million in share capital and contributed surplus, while accumulated other comprehensive income was down by $1.0 million. As at November 30, 2025, **the book value per share** was $17.52, up by 4.4% over November 30, 2024, and **the return on average shareholders' equity** was 9.1%.

As at November 30, 2025, the Corporation's **share capital** consisted of 54,911,836 common shares (55,218,678 shares as at November 30, 2024). In 2025, upon the exercise of stock options under the stock option plan, Richelieu issued 131,325 common shares at an average price of $27.25 (138,025 in 2024 at an average price of $24.96). The Corporation granted 299,000 stock options in fiscal 2025 (289,000 in 2024) and cancelled 99,375 (37,375 in 2024). Consequently, as at November 30, 2025, 1,802,825 stock options were outstanding (1,734,525 as at November 30, 2024).

Number of shares		Number of options	
Outstanding, November 30, 2024	55,218,678	Outstanding, November 30, 2024	1,734,525
Issued	131,325	Exercised	(131,325)
Repurchased	(438,167)	Granted	299,000
Other	–	Cancelled	(99,375)
Outstanding, November 30, 2025	54,911,836	Outstanding, November 30, 2025	1,802,825

CONTRACTUAL COMMITMENTS

As at November 30, 2025

(in millions of $)	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Long-term debt	7.6	2.3	–	9.9
Operating leases	51.4	153.6	84.3	289.3
Total	59.0	155.9	84.3	299.2

For 2026 and for the foreseeable future, the Corporation expects that cash flows from operating activities and other sources of financing will be sufficient to meet its ongoing contractual commitments.

The expectation set forth above consists of forward-looking information based on the assumption that economic conditions and exchange rates will not deteriorate significantly, operating expenses will not increase considerably, deliveries will be sufficient to fulfill Richelieu's requirements, the availability of credit will remain stable in 2026, and no unusual events will entail additional capital expenditures. This expectation also remains subject to disclosed "Risk Factors".

FINANCIAL INSTRUMENTS

Richelieu periodically enters into foreign exchange forward contracts to fully or partially hedge the effects of foreign currency fluctuations related to foreign-currency denominated liabilities or to hedge forecasted purchase transactions. The Corporation has a policy of not entering into derivatives for speculative or negotiation purposes and to enter into these contracts only with major financial institutions. Richelieu also uses equity swaps to reduce the effect of fluctuations in its share price on net earnings in connection with its deferred share unit plan.

In notes 1 and 13 of the audited consolidated financial statements for the year ended November 30, 2025, the Corporation presents the information on the classification and fair value of its financial instruments, as well as on their value and management of the risks arising from their use.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management has designed and evaluated internal controls over financial reporting (ICFR) and disclosure controls and procedures (DC&P) to provide reasonable assurance that the Corporation's financial reporting is reliable and that its publicly disclosed financial statements are prepared in accordance with IFRS. The President and Chief Executive Officer and the Chief Financial Officer and Chief Operating Officer have assessed, within the meaning of *National Instrument 52-109—Certification of Disclosure in Issuers' Annual and Interim Filings*, the design and the effectiveness of internal controls over financial reporting as at November 30, 2025. In light of this assessment, they concluded that the design and the effectiveness of internal controls over financial reporting (ICFR and DC&P) were effective. During the year ended November 30, 2025, management ensured that there were no material changes in the Corporation's procedures that were reasonably likely to have a material impact on its internal control over financial reporting. No such changes were identified.

Due to their intrinsic limits, internal controls over financial reporting only provide reasonable assurance and may not prevent or detect misstatements. In addition, projections of an assessment of effectiveness in future periods carry the risk that controls will become inappropriate as a result of changes in conditions or if the degree of conformity with standards and methods should deteriorate.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The Corporation's audited consolidated financial statements for the year ended November 30, 2025, have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates are based on management's best knowledge of current events and actions that the Corporation may undertake in the future, and other factors deemed relevant and reasonable.

The judgments made by management in applying the accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements and the assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that could potentially result in material adjustments to the carrying amount of assets and liabilities during the following period are summarized as follows:

Impairment of inventory, including inventory losses and obsolescence, requires the use of judgment and assumptions that may affect the amounts reported in the consolidated financial statements. The underlying estimates and assumptions are regularly reviewed. Revised accounting estimates, if any, are recognized in the period in which the estimates are revised, as well as in the future periods affected by the revisions. Actual results could differ from those estimates.

SUBSEQUENT EVENT

Effective December 12, 2025, the Corporation acquired from McKillican American the principal net assets of three specialty hardware and building materials distribution centres located in Portland, OR, Seattle, and Spokane, WA.

NEW ACCOUNTING POLICIES

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued *IFRS 18, Presentation and Disclosure Requirements in Financial Statements* which will replace IAS 1, *Presentation of Financial Statements*, and includes consequential amendments to several other standards. The standard introduces new requirements for presentation within the statements of earnings, including the addition of specified totals and subtotals and the classification of income and expenses into five categories (operating, investing, financing, income taxes and discontinued operations), as well as specific disclosure requirements related to management-defined performance measures, which will now form part of the consolidated financial statements.

IFRS 18 will be applicable to the Corporation beginning on December 1, 2027. IFRS 18 will apply retrospectively. The Corporation is currently evaluating the impact of the adoption of IFRS 18 on its consolidated financial statements and related notes.

RISK FACTORS

Richelieu is exposed to different risks that can have a material adverse effect on its profitability. To offset such risks, the Corporation has adopted various strategies adapted to the major risk factors below:

Economic conditions

The Corporation's business and financial results partly depend on general economic conditions and the economic factors specific to the renovation and construction industry. Any economic downturn could lead to a decline in sales and have an adverse impact on the Corporation's financial performance.

Market and competition

The specialty hardware and renovation products segment is highly competitive. Richelieu has developed a business strategy rooted in a diversified product offering in various targeted niche markets in North America and sourced from suppliers around the world, in creative marketing and in unparalleled expertise and quality of service. Up to now, this strategy has enabled it to benefit from a solid competitive edge. However, if Richelieu were unable to implement its business strategy with the same success in the future, it could lose market shares and its financial performance could be adversely affected.

Foreign currency

Richelieu is exposed to the risks related to currency fluctuations, primarily in regard to foreign-currency denominated purchases and sales made abroad.

The Corporation's products are regularly sourced from abroad. Thus, any increase in foreign currencies (primarily the U.S. dollar and euro) compared with the Canadian dollar tends to raise its supply cost and thereby affect its consolidated financial results. These currency fluctuations related risks are mitigated by the Corporation's ability to adjust its selling prices within a relatively short timeframe so as to protect its profit margins although significant volatility in foreign currencies may have an adverse impact on its sales.

Sales made abroad are mainly recorded in the United States and account for approximately 45% of Richelieu's total sales. Any volatility in the Canadian dollar therefore tends to affect consolidated results. This risk is partially offset by the fact that major purchases are denominated in U.S. dollars.

Supply and inventory management

Richelieu must anticipate and meet its customers' supply needs. To that end, Richelieu must maintain solid relationships with suppliers respecting its supply criteria. The inability to maintain such relationships or to efficiently manage the supply chain and inventories could affect the Corporation's financial position. Similarly, Richelieu must track trends and its customers' preferences and maintain inventories meeting their needs, failing which its financial performance could be adversely affected.

To mitigate its supply-related risks, Richelieu has built solid long-term relationships with numerous suppliers on several continents, most of whom are world leaders.

Acquisitions

Acquisitions in North America remain an important strategic focus for Richelieu. The Corporation will maintain its strict acquisition criteria and pay particular attention to the integration of its acquisitions. Nevertheless, there is no guarantee that a business matching Richelieu's acquisition criteria will be available and there can be no assurance that the Corporation will be able to make acquisitions at the same pace as in the past. However, the fact that the U.S. market remains highly fragmented and that acquisitions are generally of limited size reduces the inherent financial and operational risks.

Credit

The Corporation is exposed to the credit risk related to its accounts receivable. Richelieu has adopted a policy defining the credit conditions for its customers to safeguard against credit losses arising from doing business with them. For each customer, the Corporation sets a specific limit that is regularly reviewed. The diversification of its products, customers and suppliers reasonably safeguards the Corporation against a concentration of its credit risk. No customer of the Corporation accounts for more than 10% of its accounts receivable.

Labour relations and qualified employees

To achieve its objectives, Richelieu must attract, train and retain qualified employees while controlling its payroll. The inability to attract, train and retain qualified employees and to control its payroll could have an impact on the Corporation's financial performance. Close to 11% of Richelieu's workforce is unionized. The Corporation's policy is to negotiate collective agreements at conditions enabling it to maintain its competitive edge and a positive and satisfactory working environment for its entire team. Any prolonged interruption in operations as a result of a labour conflict could have an adverse impact on the Corporation's financial results.

Stability of key officers

Richelieu offers a stimulating working environment and a competitive compensation plan, which helps it retain a stable management team. Failure to retain the services of a highly qualified management team could compromise the success of Richelieu's strategic execution and expansion, which could have an adverse impact on its financial results. To adequately manage its future growth, the Corporation adjusts its organizational structure as needed and strengthens the teams at the various levels of its business. It should be noted that close to 50% of its employees, including senior officers, are Richelieu shareholders.

Product liability

In the normal course of business, Richelieu is exposed to various product liability claims that could result in major costs and affect the Corporation's financial position. Richelieu has agreements containing the usual limits with insurance companies to cover the risks of claims associated with its operations.

IT contingency plan and data security

The IT structure implemented by Richelieu enables it to support its operations and contributes to ensuring their efficiency. As the occurrence of a disaster, including a major interruption of its computer systems, could affect its operations and financial performance, the Corporation has implemented a crisis management and IT contingency plan to reduce the extent of such a risk. This plan provides, among others, for an alternate physical location in the event of a disaster, generators in the event of power outages and a relief computer as powerful as the central computer.

A breach of the Corporation's IT security, loss of customer data or system disruption could adversely affect its business and reputation.

Richelieu's business is dependent on its online sales, payroll, transactions, financial, accounting and other data processing systems. The Corporation relies on these systems to process, on a daily basis, a large number of transactions. Any security breach in its business processes and/or systems has the potential to impact its customer information, which could result in the potential loss of business. If any of these systems fail to operate properly or become disabled, the Corporation could potentially lose control of customer data and suffer financial loss, a disruption of its businesses, liability to customers, regulatory intervention or damage to its reputation.

In addition, any issue of data privacy as it relates to unauthorized access to, or loss of, customers and/or employees information could result in the potential loss of business, damage to Richelieu's market reputation, litigation and regulatory investigation and penalties.

To reduce its risk, the Corporation continuously invests in the security of its IT systems, business processes improvements and enhancements to its culture of information security.

Natural disasters, terrorist acts, civil unrest, pandemics and other disruptions and dislocations, may adversely affect the Corporation

Upon the occurrence of a natural disaster, or upon an incident of war, riot or civil unrest, the impacted country, province, state or region may not efficiently and quickly recover from such event, which could have a materially adverse effect on the Corporation, its customers, and/or either of their businesses or operations. Terrorist attacks, public health crises including epidemics, pandemics or outbreaks of new infectious diseases or viruses, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, natural disasters, national emergencies, acts of war, technological attacks and related events can result in volatility and disruption to local and global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to the Corporation, its customers, and/or either of their businesses or operations, which may have a material adverse effect on the Corporation's reputation, business, financial conditions or operating results.

SHARE INFORMATION AS AT JANUARY 15, 2026

Issued and outstanding common shares:	54,929,836
Outstanding stock options:	2,119,825

OUTLOOK

Soundly positioned and building on the strengths of its diversified market segments, its value-added service concept rooted in innovation and its One-stop shop approach, the performance of its website and its financial soundness, Richelieu will continue to drive growth through innovation and acquisitions, with the contribution of its expert and committed team.

SUPPLEMENTARY INFORMATION

Further information about Richelieu, including its latest Annual Information Form, is available on SEDAR+ website at www.sedarplus.com and on the Corporation's website at www.richelieu.com.

(Signed) Richard Lord

President and
Chief Executive Officer

(Signed) Antoine Auclair

Chief Financial Officer and
Chief Operating Officer

January 15, 2026

Management's report

Related to the consolidated financial statements

The consolidated financial statements of Richelieu Hardware Ltd. (the "Corporation") are the responsibility of the Corporation's management. These consolidated financial statements have been prepared by management in accordance with IFRS and approved by the Board of Directors. The Corporation maintains accounting and internal control systems which, in management's opinion, reasonably ensure the accuracy of the financial information and maintain proper standards of conduct in the Corporation's activities. The Board of Directors fulfills its responsibility regarding the consolidated financial statements, primarily through its Audit Committee. This committee which meets periodically with the Corporation's managers and external auditors, has reviewed the consolidated financial statements of the Corporation and has recommended that they be approved by the Board of Directors.

The consolidated financial statements have been audited by the Corporation's external auditors, Ernst & Young LLP, Chartered Professional Accountants.

Montreal, Canada, January 15, 2026.



(Signed) Richard Lord

President and Chief
Executive Officer



(Signed) Antoine Auclair

Chief Financial Officer and
Chief Operating Officer

Independant auditor's report

To the shareholders of **Richelieu Hardware Ltd.**

Opinion

We have audited the consolidated financial statements of **Richelieu Hardware Ltd.** and its subsidiaries [the "Corporation"], which comprise the consolidated statements of financial position as at November 30, 2025 and 2024, and the consolidated statements of earnings, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at November 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Existence and costing of inventories	
As at November 30, 2025, the Corporation held inventories of $576 million. As disclosed in Note 2 to the consolidated financial statements, the Corporation's inventories at the distribution centers and manufacturing plants primarily consists of merchandise purchased and held for resale and are recorded at the weighted average cost. We considered this a key audit matter due to the magnitude of the inventory balance, the number of locations where inventories were held at with different count strategies, as well as the reliance on various information technology applications to maintain inventory records for inventory costing purposes. Given the above, extensive audit effort was necessary in determining the nature, extent and timing of audit procedures to be performed and in executing the procedures accordingly.	Our audit procedures performed included, among others, the following: ■ Analyzed and segregated locations of inventory based on management's method of physical counting to determine where to attend the Corporation's physical inventory counts. ■ Tested the operating effectiveness of key controls associated with the inventory process. This included evaluating specific controls related to inventory existence at locations utilizing cycle counts, as well as controls governing inventory purchases that are incorporated into the costing calculations, and the recalculation of weighted average cost of inventory. ■ For a sample of locations, observed the inventory cycle count process by attending a sample of such counts and performed independent test counts during the year and, for certain locations, at year-end. ■ For a sample of locations, observed the annual inventory count process and performed independent test counts at or near period end. ■ For a sample of inventory items, agreed the purchases in the weighted average costing calculation to supporting documentation such as vendor invoices and validated the mathematical accuracy of the calculation. We also traced that the release of inventory into cost of goods sold for a sample of sales were at the correct weighted average cost.

Other information

Management is responsible for the other information. The other information comprises:

- Management's discussion and analysis; and
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If based on the work we will perform on this other information, we conclude there is a material misstatement of other information, we are required to report that fact to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

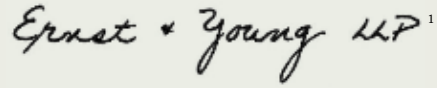
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lily Adam.



(Signed) Ernst & Young LLP
Montréal, Canada
January 15, 2026

(1) CPA auditor, public accountancy permit no.A118111

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at November 30 [In thousands of dollars]	Notes	2025 $	2024 $
ASSETS			
Current assets			
Cash and cash equivalents		45,523	41,389
Accounts receivable	8	257,437	240,138
Income taxes receivable		5,502	10,132
Inventories		576,360	598,674
Prepaid expenses		11,324	11,467
		896,146	901,800
Non-current assets			
Property, plant and equipment	4	90,473	89,253
Intangible assets	5	68,378	64,615
Right-of-use assets	10	218,641	185,024
Goodwill	5	155,688	140,396
Deferred taxes	9	14,628	13,041
		1,443,954	1,394,129
LIABILITIES AND EQUITY			
Current liabilities			
Bank overdraft	6	22,887	53,673
Accounts payable and accrued liabilities	8, 13	162,326	167,827
Income taxes payable	9	2,227	2,772
Current portion of long-term debt	7, 13	7,595	3,533
Current portion of lease obligations	10	49,568	41,227
Other liabilities	13	27,517	19,844
		272,120	288,876
Non-current liabilities			
Long-term debt	7, 13	2,269	2,369
Lease obligations	10	194,594	163,800
Deferred taxes	9	10,252	10,085
		479,235	465,130
Equity			
Share capital	8	78,902	75,145
Contributed surplus	8	12,804	11,182
Retained earnings		832,966	801,879
Accumulated other comprehensive income	12	37,264	38,303
Equity attributable to shareholders of the Corporation		961,936	926,509
Non-controlling interests		2,783	2,490
		964,719	928,999
		1,443,954	1,394,129

See accompanying notes to the consolidated financial statements.

On behalf of the Board of Directors:

(Signed) Richard Lord
Director

(Signed) Luc Martin
Director

CONSOLIDATED STATEMENTS OF EARNINGS

Years ended November 30 [In thousands of dollars, except earnings per share]	Notes	2025 $	2024 $
Sales		1,964,027	1,832,218
Operating expenses excluding amortization	8, 13	1,750,148	1,630,799
Earnings before amortization, financial costs and income taxes		213,879	201,419
Amortization of property, plant and equipment and right-of-use assets	4, 10	64,952	58,139
Amortization of intangible assets	5	10,894	10,819
Net financial costs	10	14,345	11,656
		90,191	80,614
Earnings before income taxes		123,688	120,805
Income taxes	9	33,118	31,325
Net earnings		90,570	89,480
Net earnings attributable to:			
Shareholders of the Corporation		85,824	85,754
Non-controlling interests		4,746	3,726
		90,570	89,480
Net earnings per share attributable to shareholders of the Corporation	8		
Basic		1.55	1.54
Diluted		1.55	1.53

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years ended November 30 [In thousands of dollars]	Notes	2025 $	2024 $
Net earnings		90,570	89,480
Other comprehensive income (loss) that will be reclassified to net earnings			
Exchange differences on translation of foreign operations	12	(1,039)	9,710
Comprehensive income		89,531	99,190
Comprehensive income attributable to:			
Shareholders of the Corporation		84,785	95,464
Non-controlling interests		4,746	3,726
		89,531	99,190

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years ended November 30 [In thousands of dollars]	Attributable to shareholders of the Corporation						
	Share capital $	Contributed surplus $	Retained earnings $	Accumulated other comprehensive incomel $	Total $	Non-controlling interests $	Total equity $
Notes	8	8		12			
Balance as at November 30, 2023	72,289	9,040	794,971	28,593	904,893	3,264	908,157
Net earnings	–	–	85,754	–	85,754	3,726	89,480
Other comprehensive income	–	–	–	9,710	9,710	–	9,710
Comprehensive income (loss)	–	–	85,754	9,710	95,464	3,726	99,190
Shares repurchased	(1,342)	–	(37,365)	–	(38,707)	–	(38,707)
Stock options exercised	4,198	(753)	–	–	3,445	–	3,445
Share-based compensation expense	–	2,895	–	–	2,895	–	2,895
Dividends *[note 17]*	–	–	(33,503)	–	(33,503)	(2,465)	(35,968)
Acquisition of interests from minority shareholders *[note 3]*	–	–	(383)	–	(383)	(1,942)	(2,325)
Change in fair value of other liabilities	–	–	(7,595)	–	(7,595)	(93)	(7,688)
	2,856	2,142	(78,846)	–	(73,848)	(4,500)	(78,348)
Balance as at November 20, 2024	75,145	11,182	801,879	38,303	926,509	2,490	928,999
Net earnings	–	–	85,824	–	85,824	4,746	90,570
Other comprehensive income (loss)	–	–	–	(1,039)	(1,039)	–	(1,039)
Comprehensive income (loss)	–	–	85,824	(1,039)	84,785	4,746	89,531
Shares repurchased	(623)	(325)	(15,612)	–	(16,560)	–	(16,560)
Stock options exercised	4,380	(801)	–	–	3,579	–	3,579
Share-based compensation expense	–	2,748	–	–	2,748	–	2,748
Dividends *[note 17]*	–	–	(33,883)	–	(33,883)	(1,877)	(35,760)
Acquisition of interests from minority shareholders *[note 3]*	–	–	–	–	–	(195)	(195)
Change in fair value of other liabilities	–	–	(5,242)	–	(5,242)	(2,381)	(7,623)
	3,757	1,622	(54,737)	–	(49,358)	(4,453)	(53,811)
Balance as at November 30, 2025	78,902	12,804	832,966	37,264	961,936	2,783	964,719

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended November 30 [In thousands of dollars]	Notes	2025 $	2024 $
OPERATING ACTIVITIES			
Net earnings		90,570	89,480
Items not affecting cash and cash equivalents			
Amortization of property, plant and equipment and right-of-use assets	4, 10	64,952	58,139
Amortization of intangible assets	5	10,894	10,819
Deferred taxes	9	(3,036)	(7,294)
Share-based compensation expense	8	2,748	2,895
Net financial costs		14,345	11,656
		180,473	165,695
Net change in non-cash working capital balances		21,906	(32,140)
		202,379	133 555
FINANCING ACTIVITIES			
Repayment of long-term debt		(4,047)	(3,205)
Payment of lease obligations	10	(48,664)	(41,100)
Interest paid on bank overdraft		(3,240)	(2,332)
Dividends paid to shareholders of the Corporation	17	(33,883)	(33,503)
Other dividends paid		(1,877)	(2,465)
Common shares issued	8	3,579	3,445
Common shares repurchased for cancellation	8	(16,235)	(38,707)
		(104,367)	(117,867)
INVESTING ACTIVITIES			
Business acquisitions	3	(47,064)	(20,290)
Additions to property, plant and equipment and intangible assets	4, 5	(15,207)	(30,552)
		(62,271)	(50,842)
Effect of exchange rate changes on cash, cash equivalents and bank overdraft		(821)	(840)
Net change in cash and cash equivalents (net of bank overdraft)		34,920	(35,994)
Net cash and cash equivalents (net of bank overdraft), beginning of year		(12,284)	23,710
Net cash and cash equivalents (net of bank overdraft), end of year		22,636	(12,284)
Supplementary information			
Income taxes paid		32,120	37,549

See accompanying notes to the consolidated financial statements.

Notes to consolidated financial statements November 30, 2025 and 2024

(Amounts are in thousands of dollars, except per-share amounts or otherwise indicated)

NATURE OF BUSINESS

Richelieu Hardware Ltd. (the "Corporation") is incorporated under the laws of Quebec, Canada. The Corporation is an importer, manufacturer, and distributor of specialty hardware and complementary products. Its products target an extensive customer base of kitchen and bathroom cabinets, storage and closet, home furnishing and office furniture, doors and windows manufacturers, residential and commercial woodworkers and hardware retailers including renovation superstores. The Corporation's head office is located at 7900 Henri-Bourassa Blvd. West, Montreal, Quebec, Canada, H4S 1V4.

1. MATERIAL ACCOUNTING POLICY INFORMATION

The Corporation's consolidated financial statements, presented in Canadian dollars, have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The Corporation's accounting policies have been applied consistently to all fiscal years presented in these consolidated financial statements.

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates are based on management's best knowledge of current events and actions that the Corporation may undertake in the future and other factors deemed relevant and reasonable.

The judgments made by management in applying the accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements and the assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that could potentially result in material adjustments to the carrying amount of assets and liabilities during the following period relate to impairment of inventory, including inventory losses and obsolescence, and require the use of judgment and assumptions that may affect the amounts reported in the consolidated financial statements. The underlying estimates and assumptions are regularly reviewed. Revised accounting estimates, if any, are recognized in the period in which the estimates are revised, as well as in future periods affected by the revisions. Actual results could differ from those estimates.

The Corporation's consolidated financial statements have been properly prepared within the reasonable limits of materiality, in accordance with the material accounting policies summarized below:

Consolidation

The consolidated financial statements include the accounts of Richelieu Hardware Ltd. and its subsidiaries, of which only the significant subsidiaries are presented in note 14. All intercompany balances and transactions have been eliminated upon consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with a term of three months or less. Cash and cash equivalents are measured at amortized cost.

Accounts Receivable

Accounts receivable are carried at cost, which is equivalent to fair value on initial recognition. Subsequent measurements are recorded at amortized cost using the effective interest method. For the Corporation, this measurement is usually equivalent to cost due to their short-term maturities. At the end of each period, the Corporation estimates the expected credit losses. These expected losses are adjusted to reflect factors that are specific to accounts receivable, general economic conditions, as well as an assessment of both current and forecasted economic conditions prevailing at the reporting date. The evaluation is calculated using the simplified method. The net change in expected credit losses on accounts receivable is recognized in net earnings.

Inventories

Inventories, which consist primarily of finished goods, are valued at the lower of average cost and net realizable value. Net realizable value is the expected selling price in the normal course of business, less estimated costs to sell. The Corporation uses judgment when estimating the effect of certain factors on the net realizable value of inventory, such as inventory obsolescence and losses. The quantity, age, and condition of inventory are measured and regularly assessed during the year.

Property, Plant and Equipment

Property, plant, and equipment are recorded at cost and amortized on a straight-line basis over their estimated useful lives. The main components have different useful lives and are amortized separately. The amortization method and useful life estimates are reviewed annually.

Buildings	20 years
Leasehold improvements	Lease term
Machinery and equipment	5-10 years
Rolling stock	5 years
Furniture and fixtures	3-5 years
Computer equipment	3-5 years

Intangible Assets

Intangible assets are acquired assets that lack physical substance and meet the specified criteria for recognition apart from property, plant, and equipment. Intangible assets consist mainly of software, non-competition agreements, customer relationships, and trademarks. Software and customer relationships are amortized on a straight-line

basis over their estimated useful lives, ranging from 3 to 20 years, depending on each case, while non-competition agreements are amortized over the terms of the agreements, which are currently between 2 and 5 years. Trademarks have an indefinite useful life and are therefore not amortized.

Leases

i) Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (i.e., the date the underlying asset is available for use) and are measured at cost, less any accumulated amortization and impairment losses, and adjusted for any remeasurement of the lease obligations. The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are amortized on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, which is currently between 2 and 15 years.

ii) Lease obligations

At the commencement date of the lease, the lease obligations are measured at the present value of lease payments to be made over the lease terms using the Corporation's incremental borrowing rate. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating the lease, if applicable. Lease payments for short-term leases or leases of low-value underlying assets, as well as variable lease payments that do not depend on an index or a rate, are recognized in operating expenses on a straight-line basis over the lease term.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired and reflects the development potential of the acquired businesses, combined with the Corporation's operations and from the expected synergies, and expansion of the product offering and distribution network. Goodwill is not amortized.

Impairment of Non-Current Assets

At the end of each reporting period, the Corporation determines whether indicators of impairment exist for its non-current assets, excluding goodwill and intangible assets with indefinite useful lives. If such indicators exist, the non-current assets are tested for impairment. When the impairment test indicates that the carrying amount of the tangible or intangible asset exceeds its recoverable amount, an impairment loss is recognized in net earnings in an amount equal to the excess.

The Corporation is required to test goodwill and intangible assets with indefinite useful lives for impairment at least once a year, whether or not indicators of impairment exist. Impairment tests are carried out on the asset itself, the cash-generating unit ("CGU"), or group of CGUs as at November 30. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill and the supporting assets that cannot be wholly allocated to a single CGU are tested for impairment at the group of CGUs level. Impairment tests consist of a comparison between the carrying and recoverable amounts of an asset, CGU, or group of CGUs. The recoverable amount is the higher of value in use and fair value less costs to sell. Where the carrying amount exceeds the recoverable amount, an impairment loss equal to the excess is recognized in net earnings; however, the carrying amount of the assets is not reduced below the higher of their fair value less costs to sell and their value in use. Other than for goodwill, if a reversal of an impairment loss occurs, it must be recognized immediately in net earnings. On reversal of an impairment loss, the increased recoverable amount of an asset must not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized in respect of the asset in prior years. As part of goodwill impairment tests, the Corporation generally uses fair value less costs to sell to estimate the recoverable amount, which is calculated by multiplying earnings before depreciation, amortization, financial charges, and taxes ("EBITDA") of the CGU or group of CGUs by the multiple of the EBITDA from comparable companies whose activities are similar to those of the Corporation. As part of the impairment tests on intangible assets with indefinite useful lives, the Corporation also uses the fair value less costs to sell in order to estimate the recoverable amount, which is calculated according to the relief-from-royalty method. This method involves estimating the fair value of trademarks by reference to royalty levels payable for the use of comparable assets.

Financial Liabilities

Bank overdraft, accounts payable, accrued liabilities, and long-term debt are initially recorded at fair value. They are subsequently measured at amortized cost using the effective interest method. For the Corporation, this measurement is usually equivalent to cost.

Other Liabilities

Options to purchase non-controlling interests that correspond to the definition of a financial liability are measured at fair value and presented under other liabilities. Gains or losses resulting from revaluation at the end of each period may be recorded in net earnings or in retained earnings. The Corporation has chosen to record them in retained earnings.

Revenue Recognition

Revenues are measured at the fair value of the consideration received or receivable, net of returns and discounts granted, and are recognized when control of the goods is transferred to the customer, which occurs when the Corporation satisfies its performance obligation, generally upon delivery of the goods to the customer.

Income Taxes

The Corporation follows the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are accounted for based on estimated taxes recoverable or payable that would result from the recovery or settlement of the carrying amount of assets and liabilities. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the years in which the temporary differences are expected to reverse. Changes in these balances are recognized in net earnings in the year in which they arise.

Deferred tax assets are recognized to the extent that it is probable that the Corporation will have future taxable income against which these tax assets may be offset. In determining these deferred tax assets,

assumptions are considered, such as the period for tax loss carrying forwards to be completely used up and the level of future taxable income in accordance with tax planning strategies.

Foreign Currency Translation

Monetary assets and liabilities of the Corporation are translated at the exchange rate in effect at the end of the reporting period, and the other items in the statements of financial position and earnings are translated at the exchange rates in effect at the date of transaction. Foreign exchange gains and losses are recognized in net earnings in the year in which they arise.

The functional currency of the subsidiary located in the United States is the U.S. dollar. Assets and liabilities are translated into Canadian dollars using the exchange rate in effect at the end of the reporting period. Revenues and expenses are translated using average monthly exchange rate in effect during the periods. Foreign exchange gains and losses are recognized in the consolidated statements of comprehensive income.

Derivative Financial Instruments

The Corporation periodically enters into foreign exchange forward contracts with financial institutions to partially hedge the effects of fluctuations in foreign exchange rates related to foreign currency liabilities, as well as to hedge anticipated purchase transactions. The Corporation does not use derivatives for speculation or trading purposes and only enters into these contracts with major financial institutions. The Corporation enters into equity swaps to reduce its exposure on net earnings related to the fluctuations in the Corporation's share price relating to its deferred share unit plan.

Fair Value Measurements Hierarchy

Fair value measurements of financial assets and liabilities recognized at fair value in the consolidated statements of financial position or whose fair value is presented in the notes to the consolidated financial statements are categorized in accordance with the following hierarchy:

Level 1:	**quoted prices (unadjusted) in active markets for identical assets or liabilities;**
Level 2:	**inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);**
Level 3:	**inputs for the asset or liability that are not based on observable market data (unobservable inputs).**

Share-Based Payment

The Corporation offers a stock option plan to its officers and key employees. The subscription price of each share issuable under the plan is equal to the weighted average market price of the shares for the five business days prior to the day the option was granted and must be paid in full at the time the option is exercised. Options vest at a rate of 25% per year starting one year after the grant date and expire on the tenth anniversary of the grant date. The Corporation recognizes stock-based compensation in net earnings using the fair value method for stock options granted, with a corresponding increase recorded in contributed surplus. The Black & Scholes model is used to determine the grant date fair value of stock options. The application of this method is based on different assumptions, such as risk-free interest rate, expected life, volatility and dividend yield, as described in note 8.

Deferred Share Unit Plan

The Corporation offers a deferred share unit ("DSU") plan to its directors who can elect to receive part or all of their compensation in DSUs. The value of DSUs is redeemable for cash only when a director ceases to be a member of the Board. The number of DSUs granted to a director equals the compensation amount to be converted into DSUs divided by the average closing price of the shares for the five business days immediately preceding the date of the payment. The DSU liability is measured at fair value at each closing date on the basis of the number of outstanding share units and the market price of the Corporation's common shares and is included in *Accounts payable and accrued liabilities*. The Corporation has entered into equity swaps to reduce its exposure on net earnings related to the fluctuations of the Corporation's share price. The net effect of the equity swaps mostly offsets the impact of the change in the Corporation's share price and is included in the *Operating expenses excluding amortization*.

Net Earnings per Share

Net earnings per share are calculated based on the weighted average number of common shares outstanding during the year. Diluted earnings per share are calculated using the treasury stock method and take into account all the elements that have a dilutive effect.

2. NEW ACCOUNTING POLICIES

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure Requirements in Financial Statements* which will replace IAS 1, *Presentation of Financial Statements*, and includes consequential amendments to several other standards. The standard introduces new requirements for presentation within the statements of earnings, including the addition of specified totals and subtotals and the classification of income and expenses into five categories (operating, investing, financing, income taxes and discontinued operations), as well as specific disclosure requirements related to management-defined performance measures, which will now form part of the consolidated financial statements.

IFRS 18 will be applicable to the Corporation beginning on December 1, 2027. IFRS 18 will apply retrospectively. The Corporation is currently evaluating the impact of the adoption of IFRS 18 on its consolidated financial statements and related notes.

3. BUSINESS ACQUISITIONS

2025

Effective December 1, 2024, the Corporation acquired all issued and outstanding shares of Mill Supply Ltd., a distributor of hardware and specialty products operating two distribution centres in Dartmouth, N.S. and Charlottetown, P.E.I.

Effective January 6, 2025, the Corporation acquired the principal net assets of Darant Distributing, a distributor of specialized hardware operating one distribution centre in Denver, CO.

Effective January 13, 2025, the Corporation acquired the principal net assets of Midwest Specialty Products, a distributor of decorative surfaces operating one distribution centre in Minneapolis, MN.

Effective February 4, 2025, the Corporation acquired, through its subsidiary Interco Division 10 Inc., the principal net assets of Modulex Partition Corp, a distributor of Division 10 products operating one distribution centre in Hillside, NJ.

Effective April 1, 2025, the Corporation acquired the principal net assets of Rhoads & O'Hara Architectural Products, a distributor of architectural panels and related products, operating one distribution centre in Vineland, NJ.

Effective May 1, 2025, the Corporation acquired all issued and outstanding shares of Industries Camcoat Québec Inc., a distributor of finishing products operating in the Greater Montreal area, QC.

Effective June 1, 2025, the Corporation acquired from minority shareholders an additional 15% interest in the voting shares of USIMM UNIGRAV Inc., thereby increasing its interest to 100%.

Effective September 2, 2025, the Corporation acquired all of the issued and outstanding shares of Ideal Security Inc., a distributor of specialized hardware located in Montreal, QC.

Effective October 1, 2025, the Corporation acquired all of the issued and outstanding shares of Finmac Lumber Ltd., a distributor of specialized wood products, operating one distribution centre in Winnipeg, MB.

Effective October 29, 2025, the Corporation acquired the principal assets of Klassen Bronze, a distributor of specialized products.

Sales of $46.5 million have been generated by these acquisitions since their completion. Had these acquisitions been made on December 1, 2024, management believes that sales included in the consolidated statements of earnings would have totalled approximately $78.5 million.

2024

Effective December 1, 2023, the Corporation acquired all issued and outstanding shares of Olympic Forest Products Inc., a distributor of specialized lumber and panel products operating one distribution centre in Erin, ON.

Effective January 1, 2024, the Corporation acquired from minority shareholders an additional 15% interest in the voting shares of Provincial Woodproducts Ltd., thereby increasing its interest to 100%.

Effective January 15, 2024, the Corporation acquired the principal net assets of Rapid Start, a distributor of specialized hardware operating one distribution centre in Rittman, OH.

Effective March 27, 2024, the Corporation acquired the principal net assets of Allegheny Plywood, a distributor of specialized panels and decorative surfaces operating three distribution centres in Pittsburgh and Allentown, PA, and in Cleveland, OH.

Effective April 19, 2024, the Corporation acquired from minority shareholders an additional 5% interest in the voting shares of Menuiserie des Pins Ltée, thereby increasing its interest to 90%.

Effective June 4, 2024, the Corporation acquired from minority shareholders an additional 10% interest in the voting shares of USIMM UNIGRAV Inc., thereby increasing its interest to 85%.

Effective November 13, 2024, the Corporation acquired the principal net assets of Panexel, a distributor of decorative panels operating one distribution centre in Boucherville, QC.

Summary of Acquisitions

The preliminary purchase price allocations, at the transaction dates, are summarized as follows:

	2025 $	2024 $
Accounts receivable	**11,206**	**7,338**
Inventories	**12,192**	**9,230**
Property, plant and equipment and right-of-use assets *[notes 4 and 10]*	**15,720**	**5,203**
Intangible assets *[note 5]*	**14,509**	**6,234**
Goodwill *[note 5]*	**15,515**	**4,288**
	69,142	**32,293**
Accounts payable and accrued liabilities	**(4,381)**	**(5,755)**
Lease obligations *[note 10]*	**(7,517)**	**(3,928)**
Deferred taxes *[note 9]*	**(1,631)**	**(857)**
Net assets acquired	**55,613**	**21,753**
Consideration		
Cash, net of cash acquired *	**47,064**	**17,965**
Consideration payable *[note 7]*	**8,549**	**3,788**
	55,613	**21,753**

* The buyouts of minority shareholders' interests during the fiscal year 2024 involved a total cash consideration of $2.3 million.

Goodwill deductible for tax purposes with regard to these acquisitions amounts to $9.5 million [$0.8 million in 2024].

The consideration payable may be contingent upon the achievement of targets calculated in accordance with the terms set out in the agreements specific to each acquisition.

Preliminary purchase price allocations are subject to adjustments to the fair value of assets, liabilities and goodwill until the estimation process is complete. The final allocation of the purchase price should be completed as soon as management has gathered all the information available and deemed necessary to finalize the calculation, in particular for intangible assets, no later than 12 months after the acquisition date.

4. PROPERTY, PLANT AND EQUIPMENT

	Land $	Buildings $	Leasehold improvements $	Machinery and equipment $	Rolling stock $	Furniture and fixtures $	Computer equipment $	Total $
Cost	6,661	37,897	18,765	71,622	34,704	18,976	17,735	206,360
Accumulated amortization	–	(25,224)	(9,789)	(44,014)	(19,798)	(15,305)	(14,177)	(128,307)
Net carrying amount as at November 30, 2023	6,661	12,673	8,976	27,608	14,906	3,671	3,558	78,053
Acquisitions (dispositions)	8	3,057	8,583	7,916	7,641	1,269	1,482	29,956
Business acquisitions *[note 3]*	–	–	–	483	750	8	34	1,275
Amortization	–	(1,545)	(2,550)	(7,255)	(5,593)	(1,664)	(2,340)	(20,947)
Effect of changes in foreign exchange rates	–	–	301	275	248	41	51	916
Net carrying amount as at November 30, 2024	6,669	14,185	15,310	29,027	17,952	3,325	2,785	89,253
Cost	6,669	40,916	27,551	80,136	42,938	20,252	19,094	237,556
Accumulated amortization	–	(26,731)	(12,241)	(51,109)	(24,986)	(16,927)	(16,309)	(148,303)
Net carrying amount as at November 30, 2024	6,669	14,185	15,310	29,027	17,952	3,325	2,785	89,253
Acquisitions (dispositions)	–	1,498	1,612	5,665	3,647	830	1,668	14,920
Business acquisitions *[note 3]*	980	6,000	1	315	811	58	38	8,203
Amortization	–	(1,395)	(2,830)	(7,561)	(6,614)	(1,516)	(1,913)	(21,829)
Effect of changes in foreign exchange rates	–	–	(22)	(21)	(20)	(6)	(5)	(74)
Net carrying amount as at November 30, 2025	7,649	20,288	14,071	27,425	15,776	2,691	2,573	90,473
Cost	7,649	46,557	28,765	85,098	44,755	18,781	17,340	248,945
Accumulated amortization	–	(26,269)	(14,694)	(57,673)	(28,979)	(16,090)	(14,767)	(158,472)
Net carrying amount as at November 30, 2025	7,649	20,288	14,071	27,425	15,776	2,691	2,573	90,473

For the year ended November 30, 2025, additions (disposals) include disposals of fully depreciated property, plant and equipment for which the cost and accumulated depreciation each amount to $10,389 [cost of $2,112 and accumulated depreciation of $2,002 in 2024]. As a result, the net carrying amount of these disposals is nil [$110 in 2024].

5. INTANGIBLE ASSETS AND GOODWILL

	Software $	Non-competition agreements $	Customer relationship $	Trademarks $	Total $	Goodwill $
Cost	15,420	8,464	112,343	7,200	143,427	135,089
Accumulated amortization	(10,158)	(7,424)	(58,037)	–	(75,619)	–
Net carrying amount as at November 30, 2023	5,262	1,040	54,306	7,200	67,808	135,089
Acquisitions	596	–	–	–	596	–
Business acquisitions *[note 3]*	–	400	5,834	–	6,234	4,288
Amortization	(1,273)	(494)	(9,052)	–	(10,819)	–
Effect of changes in foreign exchange rates	2	1	707	86	796	1,019
Net carrying amount as at November 30, 2024	4,587	947	51,795	7,286	64,615	140,396
Cost	15,960	8,988	119,915	7,286	152,149	140,396
Accumulated amortization	(11,373)	(8,041)	(68,120)	–	(87,534)	–
Net carrying amount as at November 30, 2024	4,587	947	51,795	7,286	64,615	140,396
Acquisitions	287	–	–	–	287	–
Business acquisitions *[note 3]*	31	985	13,493	–	14,509	15,515
Amortization	(1,262)	(546)	(9,086)	–	(10,894)	–
Effect of changes in foreign exchange rates	(16)	(3)	(114)	(6)	(139)	(223)
Net carrying amount as at November 30, 2025	3,627	1,383	56,088	7,280	68,378	155,688
Cost	12,070	9,962	133,194	7,280	162,506	155,688
Accumulated amortization	(8,443)	(8,579)	(77,106)	–	(94,128)	–
Net carrying amount as at November 30, 2025	3,627	1,383	56,088	7,280	68,378	155,688

For impairment test purposes, the carrying amounts of goodwill and intangible assets have been allocated to CGUs or groups of CGUs. The carrying amounts of goodwill for the two groups of CGUs that are significant in comparison with the total carrying amount of goodwill are $110.9 million and $42.6 million, while the $2.2 million balance is allocated to another CGU. The carrying amounts of intangible assets with indefinite useful lives are allocated across multiple CGUs or groups of CGUs that are not individually significant in comparison with the total carrying amount of intangible assets with indefinite useful lives.

6. BANK OVERDRAFT

As at November 30, 2025, the Corporation had lines of credit with authorized amounts of C$85 million and US$56 million [C$85 million and US$56 million as at November 30, 2024], bearing interest at the bank's prime and Secured Overnight Financial Rate ("SOFR") rate plus 1.40%, which were respectively 4.45% and 5.51% as at November 30, 2025 [5.95% and 6.08% as at November 30, 2024].

These lines of credit are renewable annually. As at November 30, 2025, an amount of $24 million, including US$16 million, was drawn on these lines of credit [as at November 30, 2024 - $54 million, including US$31 million, was drawn]. The restrictive conditions and covenants remain unchanged.

7. LONG-TERM DEBT

	2025 $	2024 $
Non-interest bearing business acquisition considerations payable	9,864	5,902
Current portion of long-term debt	7,595	3,533
Long-term debt	2,269	2,369

Principal repayments are as follows:

	2025 $	2024 $
Less than 1 year	7,595	3,533
1-2 years	2,170	2,178
2-3 years	57	58
More than 3 years	42	133
	9,864	5,902

8. SHARE CAPITAL

Authorized

Unlimited number of:

- Common shares, participating, entitling the holder to one vote per share.
- Non-voting first and second ranking preferred shares issuable in the series, the characteristics of which are to be determined by the Board of Directors.

Changes in common shares are summarized as follows:

	Number of shares (in thousands)	$
Outstanding, November 30, 2023	56,090	72,289
Issued	138	4,198
Repurchased	(1,008)	(1,342)
Outstanding, November 30, 2024	55,220	75,145
Issued	131	4,380
Repurchased	(438)	(623)
Outstanding, November 30, 2025	54,913	78,902

During fiscal 2025, the Corporation issued 131,325 common shares [138,025 in 2024] at a weighted average exercise price of $27.25 per share [$24.96 in 2024] pursuant to the exercise of stock options under the stock option plan. The weighted average share price on the market at the date of exercise was $36.04 [$41.15 in 2024]. In addition, during fiscal 2025, the Corporation repurchased for cancellation 438,167 common shares for a consideration of $16,560, which includes a $325 in corporate tax associated with the share repurchase, resulting in a premium on the redemption in the amount of $15,612 recognized as a reduction of retained earnings [1,007,712 common shares in consideration for $38,707 which resulted in a premium on the redemption in the amount of $37,365, recognized as a reduction of retained earnings, in 2024].

Stock Option Plan

Changes in stock options are summarized as follows:

	Number of options (in thousands)	Weighted average exercise price $
Outstanding, November 30, 2023	1,622	32.44
Granted	289	46.66
Exercised	(138)	24.96
Cancelled	(38)	35.56
Outstanding, November 30, 2024	1,735	35.33
Granted	299	37.45
Exercised	(131)	27.25
Cancelled	(99)	40.14
Outstanding, November 30, 2025	1,804	36.04

The table below summarizes information regarding the stock options outstanding as at November 30, 2025:

	Options outstanding			Exercisable options	
Range in exercise prices (in dollars)	Number of options (in thousands)	Weighted average remaining period (in years)	Weighted average exercise price (in dollars)	Number of options (in thousands)	Weighted average exercise price (in dollars)
22.25 – 27.81	288	1.86	24.75	288	24.75
27.82 – 34.78	304	3.30	30.32	303	30.32
34.79 – 43.49	726	7.40	36.74	315	35.84
43.50 – 46.66	486	7.22	45.24	234	44.44
	1 804	5.78	36.04	1,140	33.33

During fiscal 2025, the Corporation granted 299,000 stock options [289,000 in 2024] with a weighted average exercise price of $37.45 per share [$46.66 in 2024] and an average fair value of $10.79 per option [$11.48 in 2024] as determined using the Black & Scholes option pricing model using an expected dividend yield of 1.6% [1.3% in 2024], an expected volatility of 24.7% [24.4% in 2024], a risk-free interest rate of 3.41% [3.36% in 2024] and an expected life of 6.36 years [6.12 years in 2024] and 99,375 options were cancelled [37,375 in 2024]. For the year ended November 30, 2025, compensation expense related to stock options amounted to $2,748 [$2,895 in 2024] and is recognized under *Operating expenses excluding amortization* and against contributed surplus.

Deferred Share Unit Plan

The financial liability resulting from the DSU plan of $6,034 [$4,945 as at November 30, 2024] is presented under *Accounts payable and accrued liabilities*. As at November 30, 2025, the fair value of the equity swaps amounted to an asset of $130 and is presented under *Accounts receivable* [an asset of $395 as at November 30, 2024 and presented under *Accounts receivable*]. The compensation expense for the DSUs for the year ended November 30, 2025, amounted to $1,330 [$973 in 2024] and is recognized under *Operating expenses excluding amortization*.

Number of DSUs	2025	2024
Outstanding, beginning of year	120,364	174,413
Paid	–	(78,292)
Granted	33,245	24,243
Outstanding, end of year	153,609	120,364

Share Purchase Plan

Compensation expense related to the share purchase plan amounted to $1,420 for the year ended November 30, 2025 [$1,362 in 2024] and is recognized under *Operating expenses excluding amortization*.

Net Earnings per Share

Basic and diluted net earnings per share were calculated based on the following number of shares:

(in thousands)	2025	2024
Weighted average number of shares outstanding—Basic	55,236	55,832
Dilutive effect under stock option plan	147	293
Weighted average number of shares outstanding—Diluted	55,383	56,125

The computation of diluted net earnings per share did not take into account the weighted average of 1,020,625 stock options [530,375 in 2024] since their exercise price, being higher than the average price of the shares for the period, would have had an anti-dilutive effect.

9. INCOME TAXES

The main components of the income tax expense were as follows:

	2025 $	2024 $
Current	36,154	38,619
Deferred		
Related to temporary differences	(3,045)	(7,033)
Deferred tax related to changes in tax rates	9	(261)
	33,118	31,325

The effective income tax rate differs from the combined statutory rates for the following reasons:

	2025 $	2024 $
Combined statutory rates	26.63%	26.62%
Income taxes at combined statutory rates	32,939	32,158
Increase (decrease) resulting from:		
Impact of statutory rates differences for the subsidiaries	(314)	(297)
Share-based compensation	366	589
Non-deductible expenses and other	118	(864)
Changes related to tax laws and tax rates	9	(261)
	33,118	31,325

Deferred taxes reflect the net tax impact of temporary differences between the value of assets and liabilities for accounting and tax purposes. The major components of deferred tax assets and liabilities of the Corporation were as follows:

Deferred taxes	2025 $	2024 $
Reserves for tax purposes deductible only upon disbursement and other tax attributes	16,260	17,781
Excess of the net carrying value of property, plant and equipment over their tax value	(3,296)	(5,447)
Excess of the net carrying value of intangible assets and goodwill over their tax value	(15,228)	(14,733)
Right-of-use assets and lease obligations	6,640	5,355
Net amount	4,376	2,956

The net deferred taxes included the following as at November 30:

	2025 $	2024 $
Deferred tax assets	14,628	13,041
Deferred tax liabilities	(10,252)	(10,085)
	4,376	2,956

Changes in deferred taxes for the years ended November 30 are detailed as follows:

	2025 $	2024 $
Balance at the beginning of the year, net	2,956	(3,748)
In net earnings	3,036	7,294
Business acquisitions *[note 3]*	(1,631)	(857)
Other	15	267
Balance at the end of the year, net	4,376	2,956

As at November 30, 2025, the Corporation had $127,908 of taxable temporary differences related to investments in subsidiaries [$113,457 as at November 30, 2024]. Deferred tax liabilities were not recognized in respect of such taxable temporary differences as the Corporation controls the decisions affecting the realization of such liabilities and does not expect these temporary differences to reverse in the foreseeable future. However, if subsidiary earnings are distributed in the form of dividends or otherwise, the Corporation may be subject to corporate income tax or withholding tax in Canada and/or abroad. The Corporation is also subject to the Pillar Two tax rules for the fiscal year ended November 30, 2025, and no minimum tax is payable.

10. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

Right-of-use Assets

The main right-of-use assets held under the Corporation's leases are warehouse and office premises.

The following table presents changes in right-of-use assets:

	2025 $	2024 $
Balance, beginning of year	185,024	167,124
Additions and lease terminations	69,602	47,793
Business acquisitions *[note 3]*	7,517	3,928
Amortization	(43,123)	(37,192)
Effect of exchange rate changes	(379)	3,371
Balance, end of year	218,641	185,024

Lease Obligations

The following table presents changes in lease obligations:

	2025 $	2024 $
Balance, beginning of year	205,027	181,325
Additions and lease terminations	69,602	47,793
Financial costs	11,105	9,324
Business acquisitions *[note 3]*	7,517	3,928
Payment of lease obligations	(48,664)	(41,100)
Effect of exchange rate changes	(425)	3,757
Balance, end of year	244,162	205,027

11. COMMITMENTS AND CONTINGENCIES

Commitments

Contractual undiscounted payments under leases defined in note 10 are as follows:

As at November 30, 2025	$
Less than one year	51,368
Between 1 and 5 years	153,622
More than 5 years	84,298
	289,288

Claims

In the normal course of business, various proceedings and claims are instituted against the Corporation. Management believes that any forthcoming settlement in respect of these claims will not have a material effect on the Corporation's financial position or consolidated net earnings.

12. ACCUMULATED OTHER COMPREHENSIVE INCOME

The change in accumulated other comprehensive income balance is as follows:

	2025 $	2024 $
Balance, beginning of year	38,303	28,593
Exchange differences on translation of foreign operations	(1,039)	9,710
Balance, end of year	37,264	38,303

13. FINANCIAL INSTRUMENTS AND OTHER INFORMATION

Fair Value

The carrying value of long-term debt approximates its fair value given the short-term maturity of the amounts payable. The Corporation classified the fair value measurement in Level 2, as it is derived from observable market data. The fair value measurement of the liability attributable to the DSU plan is also classified as Level 2, as it is based on observable market inputs.

Furthermore, the carrying amount of the Corporation's other liabilities is based on data that is not observable in the market. The Corporation has therefore classified this fair value measurement as Level 3. The fair value of the Corporation's other liabilities is assessed based on a predetermined calculation method, based on a multiple of the average EBITDA over a specified period, depending on the agreements. Amounts that may become due within the next 12 months are classified as short-term.

Credit Risk

The Corporation sells its products to numerous customers in Canada and in the United States. Credit risk refers to the possibility that customers will be unable to assume their liabilities towards the Corporation. The average days outstanding of accounts receivable, as at November 30, 2025, and 2024, are deemed acceptable given the industry in which the Corporation operates.

The Corporation performs ongoing credit evaluation of customers and generally does not require collateral. The allowance for doubtful accounts for the years ended November 30 is as follows:

	2025 $	2024 $
Balance, beginning of year	6,935	6,749
Allowance for doubtful accounts	3,028	1,296
Write-offs	(3,069)	(1,181)
Exchange rate variations and other	25	71
Balance, end of year	6,919	6,935

The aging of the accounts receivable is as follows:

	2025 $	2024 $
Current	153,865	163,844
Past due 1-30 days	60,049	52,733
Past due more than 30 days	50,442	30,496
Allowance for doubtful accounts	(6,919)	(6,935)
	257,437	240,138

The balance of accounts receivable of the Corporation that are overdue for more than 60 days, totaled $21,992 [$13,027 in 2024]. As at November 30, 2025, and 2024, no customer accounted for more than 10% of the total accounts receivable.

Market Risk

The Corporation's foreign currency exposure arises from purchases and sales transacted mainly in US dollars and euros. Operating expenses include, for the year ended November 30, 2025, an exchange gain of $1,579 [exchange gain of $1,475 in 2024].

As part of its business practices, the Corporation aims to preserve the purchase costs and the selling prices of its commercial activities. To protect its operations from exposure to exchange rate risks, the Corporation uses, among other things, a centralized cash flow management. The Corporation may also periodically use forward foreign exchange contracts. By implementing these measures, the Corporation seeks to protect operating results from exposure to exchange rate fluctuations. The Corporation's business practices in terms of foreign exchange risk management do not allow speculative trades.

As at November 30, 2025, a decrease (increase) of 5% of the Canadian dollar against the US dollar and the euro on translation of monetary assets and liabilities, all other variables remaining the same, would have increased (decreased) consolidated net earnings by $123 [$690 as at November 30, 2024] and would have increased (decreased) other comprehensive income by $12,783 [$11,821 as at November 30, 2024]. The exchange rate sensitivity is calculated by aggregating the net foreign exchange rate exposure of the Corporation's financial instruments as at November 30, 2025.

Liquidity Risk

The Corporation manages its risk of not being able to settle its financial liabilities when required by taking into account its operational needs and by using different financing tools, as required. In recent years, the Corporation has financed its growth, business acquisitions, share repurchases and payout to shareholders using mainly the cash generated by the operating activities and through its lines of credit when necessary.

All of the Corporation's financial liabilities mature in the short term, except for long-term debt, the maturities of which are disclosed in note 7.

Interest Rate Risk

The Corporation is exposed to interest rate risk associated with the use of its credit lines.

Operating Expenses Excluding Amortization

	2025 $	2024 $
Inventories from distribution, import and manufacturing activities recognized as an expense	1,482,686	1,381,899
Salaries and related charges	263,874	245,290
Other charges	3,588	3,610
	1,750,148	1,630,799

An expense of $7,591 [$4,858 in 2024] for inventory obsolescence was included in Inventories from distribution, import, and manufacturing activities.

14. RELATED PARTY INFORMATION

Scope of Consolidation

The following table lists the significant subsidiaries of the group individually and collectively as at November 30, 2025.

Names	Country of incorporation	Equity interest %	Voting rights %
Richelieu America Ltd.	United States	100	100
Richelieu Finances Ltée[1]	Canada	100	100
Menuiserie des Pins Ltée	Canada	90	90
Interco division 10 Inc.	Canada	75	75

(1) Richelieu Finances Ltée is the owner of 100% of Richelieu Hardware Canada Ltd.

Key Management Personnel Compensation

	2025 $	2024 $
Short-term employee benefits	4,866	3,947
Other long-term benefits	809	861
Share-based compensation	883	671
	6,558	5,479

Accounts payable and accrued liabilities include a retirement allowance amounting to $5,415 [$5,069 as at November 30, 2024] payable to one member of the key management personnel.

15. GEOGRAPHIC INFORMATION

During the year ended November 30, 2025, nearly 55% of sales were made in Canada [57% in 2024]. The Corporation's sales to foreign countries, almost entirely directed to the United States, amounted to $892,599 [$783,530 in 2024] and US$637,462 [US$574,502 in 2024].

As at November 30, 2025, out of the total amount in property, plant and equipment, $23,588 [$28,970 in 2024] was located in the United States. In addition, as at November 30, 2025, intangible assets and goodwill located in the United States amounted to $28,291 and $42,720, respectively [$25,752 and $33,429 in 2024], and US$20,238 and US$30,560, respectively [US$18,381 and US$23,861 in 2024]. Of the total amount of right-of-use assets, $111,803 [November 30, 2024 - $113,221] was located in the United States.

16. CAPITAL MANAGEMENT

The Corporation's objectives are:

- maintain a low debt ratio to preserve its capacity to pursue its growth both internally and through acquisitions; and
- provide an adequate return to its shareholders.

The Corporation manages and makes adjustments to its capital structure in light of changes in economic conditions and the risk characteristics of underlying assets. To maintain or adjust its capital structure, the Corporation may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. As at November 30, 2025, the Corporation achieved the following results regarding its capital management objectives:

- debt/equity ratio: 1.0% [0.6% as at November 30, 2024] [long-term debt/equity];
- return on average shareholders' equity of 9.1% over the last 12 months [9.4% for the year ended November 30, 2024].

The Corporation's capital management objectives remained unchanged from the previous fiscal year.

17. DIVIDENDS PAID TO SHAREHOLDERS OF THE CORPORATION

For the fiscal year 2025, the Corporation paid dividends of $33,883 to holders of common shares [$33,503 in 2024], representing four quarterly dividends of 0.1533 per common share [four quarterly dividends of $0.15 per common share in 2024].

On January 15, 2026, the Board of Directors approved the payment of a quarterly dividend of $0.1566 per common share for the first quarter of 2026.

18. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended November 30, 2025 (including comparative figures) were approved for issue by the Board of Directors on January 15, 2026.

19. SUBSEQUENT EVENT

Effective December 12, 2025, the Corporation acquired from McKillican American the principal net assets of three specialty hardware and building materials distribution centres located in Portland, OR, Seattle, and Spokane, WA.

20. COMPARATIVE FIGURES

Some figures disclosed for the year ended November 30, 2024, have been reclassified to conform to the presentation adopted for the year ended November 30, 2025.

Transfer agent and registrar

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