



LAWSON Products

Gexpro Services Expands Scale and Global Footprint with First Quarter 2022 Acquisitions

April 7, 2022

Growing Depth and Breadth with Denmark-based Resolux and U.S.-based Frontier

CHICAGO--(BUSINESS WIRE)--Apr. 7, 2022-- **Lawson Products, Inc. (NASDAQ: LAWS)** ("**Lawson Products**", "**Lawson**" or the "**Company**"), a best-in-class, specialty distribution holding company that includes Lawson Products, TestEquity and Gexpro Services, announces that Gexpro Services recently completed two acquisitions in the first quarter of 2022.

- On January 3, 2022, Gexpro Services completed the strategic acquisition of Resolux Group ("Resolux") for approximately \$36 million USD. Resolux is a Denmark-based supplier of components, assemblies, and kits for on-shore and off-shore renewable energy markets with annual sales of approximately \$32 million USD.
- On March 31, 2022, Gexpro Services acquired substantially all the assets from Frontier Technologies Brewton, LLC and certain assets from Frontier Engineering and Manufacturing Technologies Inc. (collectively, "Frontier") for approximately \$30 million USD, inclusive of potential future earn-out payments. Based in Brewton, Alabama, Frontier is a well-respected, U.S.-based manufacturer of machined and fabricated components and a provider of aftermarket services for the renewable energy market with annual sales of approximately \$21 million USD.

Upon completion of these acquisitions, Gexpro Services now includes branded businesses including Gexpro Services, Resolux and Frontier that offer 25 years of expertise in B- & C-class products, comprehensive in-house manufacturing capabilities, and support for OEM customers globally. The combined businesses provide design engineering, manufacturing, and supply chain management support to over 32 locations in nine countries, including strategic geographic footprints in Europe, Asia, North America, South America, and the Middle East. These two acquisitions bolster Gexpro Services' renewable energy business, expand the global footprint, and strengthen the customer value proposition.

Bob Connors, Chief Executive Officer of Gexpro Services, commented, "We are pleased to have completed these two strategic acquisitions that significantly broaden our scale, reach and capabilities in the critical OEM markets for customers under Gexpro Services. These combined businesses collectively expand our global supply chain management capabilities and offer enhanced B- & C-class products and services with full-scale design engineering, manufacturing, assembly, kitting, vendor managed inventory (VMI), global logistics management, and import expertise."

J. Bryan King, Chairman of Lawson Products commented, "The Gexpro Services team brings an excellent track record of closing complementary, highly accretive, acquisitions to the Lawson platform, completing now five acquisitions within the last year. While these acquisitions closed prior to the strategic combination of Gexpro Services under the Lawson holding company structure, the combined Lawson specialty distribution company will benefit in the future from Gexpro Services expanding these served markets, while creating additional value to the Lawson shareholders."

About Lawson Products, Inc.

Founded in 1952, Lawson Products, Inc., headquartered in Chicago, IL, sells and distributes specialty products to the industrial, commercial, institutional and government maintenance, repair and operations market. Lawson is dedicated to helping customers in the U.S. and Canada lower their total cost of operation by increasing productivity and efficiency. The combination of Lawson and Partsmaster's Vendor Managed Inventory process and the company's problem-solving professionals ensures customers always have the right parts to handle the job. Through The Bolt Supply House, customers in Western Canada have access to products at several branch locations. Under its Kent Automotive brand, Lawson provides collision and mechanical repair products to the automotive aftermarket. Lawson ships from several strategically located distribution centers to customers in all 50 states, Puerto Rico, Canada, Mexico, and the Caribbean.

About TestEquity

TestEquity® is a leading distributor focused on providing the largest and highest quality selection of test and measurement equipment and solutions, electronic production supplies, and tool kits from its leading manufacturer partners supporting the technology, aerospace, defense, automotive, electronics, education, and medical industries. TestEquity also designs a full line of the industry's highest-quality environmental test chambers. Serving electronic design and test engineers as well as maintenance technicians, industrial manufacturing assembly, and the telecommunication repair community, TestEquity features more than 80,000 products from over 1,000 manufacturer brands. TestEquity continues to benefit from ubiquitous electrification of all types of products across most industries including IOT, EV, and 5G.

About Gexpro Services

Gexpro Services is a world-class global supply chain solutions provider, specializing in the development of mission critical production line management, aftermarket and field installation programs. Gexpro Services provides comprehensive supply chain management solutions, including a full technology suite offering of vendor managed inventory, kitting, global logistics management, manufacturing localization and import expertise, value engineering and quality assurance. Gexpro Services' end-to-end project management is designed to support manufacturing OEMs with their engineered material specifications, fulfillment, and quality requirements to improve their total cost of ownership. Headquartered in Irving, TX, Gexpro Services has manufacturing and supply chain operations in over 30 Service Center sites across nine countries including key geographies in Europe, Asia, North America, South America, and the Middle East. Gexpro Services serves customers in six vertical markets, including Renewables, Industrial Power, Consumer and Industrial, Technology, Transportation, and Aerospace and Defense.

Cautionary Note Regarding Forward-Looking Statements

This Press Release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. The terms “aim,” “anticipate,” “believe,” “contemplates,” “continues,” “could,” “ensure,” “estimate,” “expect,” “forecasts,” “if,” “intend,” “likely,” “may,” “might,” “objective,” “outlook,” “plan,” “positioned,” “potential,” “predict,” “probable,” “project,” “shall,” “should,” “strategy,” “will,” “would,” and other words and terms of similar meaning and expression are intended to identify forward-looking statements. Forward-looking statements can also be identified by the fact that they do not relate strictly to historical or current facts. Such forward-looking statements are based on current expectations and involve inherent risks, uncertainties and assumptions, including factors that could delay, divert or change any of them, and could cause actual outcomes to differ materially from current expectations. Lawson can give no assurance that any goal or plan set forth in forward-looking statements can be achieved and Lawson cautions readers not to place undue reliance on such statements, which speak only as of the date made. Lawson undertakes no obligation to release publicly any revisions to forward-looking statements as a result of new information, future events or otherwise. Actual results may differ materially from those projected as a result of certain risks and uncertainties. Certain risks associated with Lawson’s business are also discussed from time to time in the reports Lawson files with the SEC, including Lawson’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021, Lawson’s Quarterly Reports on Form 10-Q and Lawson’s Current Reports on Form 8-K. In addition, the following factors, among others, could cause actual outcomes and results to differ materially from those discussed in the forward-looking statements: (i) whether or not the terms of the earnout provisions in either of the merger agreements will be satisfied such that Lawson would be required to issue additional shares of Lawson common stock in connection with the mergers; (ii) unanticipated difficulties or expenditures relating to the mergers; (iii) the risk that stockholder litigation in connection with the mergers results in significant costs of defense, indemnification and liability; and (iv) any problems arising in combining the businesses of Lawson, TestEquity and Gexpro Services, which may result in the combined company not operating as effectively and efficiently as expected.

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