



## TestEquity Announces Strategic Acquisition

May 2, 2022

*Significantly Broadens Resources, Solutions, and Product Selection Offerings*

CHICAGO--(BUSINESS WIRE)--May 2, 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, announced today that TestEquity completed its acquisition of Interworld Highway, LLC (Interworld), which includes category leader *TEquipment* offering electrical testing equipment and products with over 20 years of test and measurement expertise, product selections and solutions. In addition to *TEquipment*, the Interworld businesses include *Touchboards* for interactive touch technology and other high value brands that offer related equipment, technology, and services.

"I am thrilled to partner with *TEquipment* and the other Interworld brands to build on our robust foundation and expertise in test and measurement solutions," said Russ Frazee, Chief Executive Officer of TestEquity. "This strategic acquisition is expected to be immediately earnings accretive to TestEquity and to our parent company, Lawson. We also expect this to deliver synergies to our solutions that strengthen product and service capabilities, as well as add to the value proposition for our customers."

"We are excited that the combination of TestEquity and *TEquipment* will create a company where the whole is greater than the sum of its parts. Through collaboration and alignment of people and processes, we expect to generate significant synergies and incremental cash flow," said Rich Wagner, President of *TEquipment*.

TestEquity purchased Interworld for approximately \$55 million and is expected to be funded from the Company's credit facility. The business is currently anticipated to generate annual sales of more than \$110 million, annual adjusted EBITDA in excess of \$7 million and be accretive to the Company's current year earnings.

### **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 175,000 products from over 640 manufacturer brands. TestEquity continues to benefit from ubiquitous electrification of all types of products across most industries including IOT, EV, and 5G. For more information, visit [www.testequity.com](http://www.testequity.com).

### **About TEquipment**

*TEquipment* is an authorized distributor of major test equipment brands including Fluke, FLIR, RIGOL, Hakko, Rohde & Schwarz, Megger, AEMC and more. *TEquipment* provides electrical testing equipment and products for a wide range of applications. Short for Test Equipment, the company offers deep technical knowledge, a leading digital experience and a superior selection of in-stock test & measurement products. For more information, visit [www.tequipment.net](http://www.tequipment.net).

### **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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