



ACE HARDWARE ACQUIRES MAJORITY STAKE IN E-COMMERCE STARTUP, THE GROMMET

Oak Brook, Ill. and Somerville, Mass., Oct. 3, 2017 – Ace Hardware Corporation and The Grommet, today announced that Ace Hardware has completed its acquisition of a majority stake in e-commerce startup, The Grommet.

The Grommet operates an e-commerce website that markets and sells new and innovative products created by independent entrepreneurs, also known as Makers. It has discovered and launched dozens of now household brand names, including FitBit, IdeaPaint, OtterBox, SimpliSafe and SodaStream. To date, The Grommet has launched more than 2,500 innovative consumer products and amassed a community of more than three million early adopters and supporters.

Ace Hardware and The Grommet first began working together in 2016 as part of a collaboration to bring new, unique and otherwise undiscovered products from independent Makers into select Ace stores.

“We both stand as strong advocates for the underdog. From the very beginning we have appreciated our alignment in support for and advancement of the independent maker,” said John Venhuizen, president and CEO, Ace Hardware Corporation. “Under Ace’s ownership, I believe The Grommet can offer our customers more of that which fuels global economies and makes America special - the unbridled creativity of the local entrepreneur.”

“The Grommet has often been called a ‘general store for innovation,’ and Ace is a trusted destination for the goods and services homeowners need to take care of their homes. That is a powerful combination,” said Jules Pieri, co-founder and CEO of The Grommet. “Both companies have a deep heritage of helping local businesses thrive so our values are uncannily compatible. And how fitting is it that our company is named after a humble piece of hardware? There is some destiny at work here.”

Ace Hardware is now the majority, controlling owner of The Grommet, however, both of the company’s original founders, Joanne Domeniconi and Jules Pieri, and their employees, will continue to have some equity ownership of the company. Ace intends to provide considerable autonomy to The Grommet and has no plans to change the company’s strategic direction.

“Ace’s expansive supply chain and network of 5,034 stores coupled with The Grommet’s innovative product discovery platform combine to give dreamers, inventors, innovators and Makers a sustainable, high quality path to meaningful growth, without having to bow down to the altar of Amazon,” Venhuizen said.

Retail analytics from Ace Hardware stores demonstrate significant value in aligning both physical stores with a digital discovery platform. Current customers of The Grommet visit Ace over 50 percent more times than the average Ace Rewards customer and spend 2.8 times as much.

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About Ace Hardware

For more than 90 years, Ace Hardware has been known as the place with the helpful hardware folks in thousands of neighborhoods across America, providing customers with a more personal kind of helpful. In 2017, Ace ranked "Highest in Customer Satisfaction with Home Improvement Retail Stores, Eleven Years in a Row," according to J.D. Power. With more than 5,000 hardware stores locally owned and operated across the globe, Ace is the largest retailer-owned hardware cooperative in the world. Headquartered in Oak Brook, Ill., Ace and its subsidiaries operate an expansive network of distribution centers in the U.S. and also have distribution capabilities in Ningbo, China; Colon, Panama; and Dubai, United Arab Emirates. Its retailers' stores are located in all 50 states, the District of Columbia and approximately 55 countries. For more information on Ace, visit acehardware.com or the company newsroom at newsroom.acehardware.com.

About The Grommet

The most innovative, intriguing products deserve a voice. That's where The Grommet comes in. Since 2008, The Grommet has worked with more than 2,500 Makers, inventors, entrepreneurs, and small businesses to launch innovative consumer products. The Grommet discovers, evaluates and selects products (or "Grommets") across 16 categories and amplifies them to its community of 3 million people by telling the stories behind each product. Only 3% of all products considered are launched on the site. The Grommet Wholesale works with more than 10,000 retailers across the U.S. To learn more, visit www.thegrommet.com or the company newsroom at <https://www.thegrommet.com/press/press-releases>.

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