ACE HARDWARE REPORTS FIRST QUARTER 2026 RESULTS

- *Record first quarter revenues of $2.5 billion, an increase of 10.9 percent*
- *First quarter net income of $70.1 million, an increase of $39.8 million*
- *Accrued patronage dividend to shareholders of $105.2 million*
- *Ranked #1 in home improvement on Forbes' 2026 Best Customer Service List*
- *Ranked #4 best franchise in the world according to Entrepreneur Magazine*

OAK BROOK, Ill., May 13, 2026 /PRNewswire/ -- Ace Hardware Corporation ("Ace" or the "Company") today reported first quarter 2026 revenues of $2.5 billion, an increase of $242.8 million, or 10.9 percent, from the first quarter of 2025. Net income was $70.1 million for the first quarter of 2026, an increase of $39.8 million from the first quarter of 2025.

"Our record first quarter results reflect a simple truth: when we serve our neighbors with excellence and urgency, growth follows," said Ace CEO John Venhuizen. "Revenue up 10.9 percent, digital up 30 percent, and hardware format same-store sales up 6.1 percent with transactions rising 0.7 percent. Just as importantly, our team delivered a 129 percent increase in net income through strong growth and disciplined, judicious expense management, proof that being both fierce and frugal is still a winning formula."

The approximately 4,000 Ace retailers who share daily retail sales data reported a 4.9 percent increase in U.S. retail same-store-sales during the first quarter of 2026, which was the result of a 4.2 percent increase in average ticket and a 0.7 percent increase in same-store transactions.

Revenues

Consolidated revenues for the quarter ended April 4, 2026 totaled $2.5 billion. Total wholesale revenues were $2.3 billion, an increase of $232.2 million, or 11.3 percent, as compared to the prior year first quarter. Increases were seen across many departments with outdoor power equipment, lawn and garden, and power tools showing the largest gains.

Wholesale merchandise revenues to new domestic Ace stores activated from January 2025 through March 2026 contributed $72.3 million of incremental revenues during the first quarter of 2026, while wholesale merchandise revenues decreased $8.5 million during the first quarter due to domestic Ace stores whose memberships were cancelled. Wholesale merchandise revenues to comparable domestic Ace stores increased $132.4 million for the quarter. The Company's Ace International Hardware Corporation subsidiary experienced a $3.7 million decrease in wholesale revenue from the first quarter of 2025. Ace Wholesale Holdings, LLC reported a $12.5 million increase in wholesale revenues, or 9.7 percent, from the first quarter of 2025 primarily due to higher sales to pro lumber and hardware customers. The Company's Ace Services Holdings, LLC subsidiary, which is reported as part of the Company's wholesale business, experienced a $4.4 million increase in revenues from the first quarter of 2025.

Total retail revenues from Ace Retail Holdings ("ARH") for the quarter were $185.8 million, an increase of $10.6 million, or 6.1 percent, as compared to the prior year first quarter. ARH experienced same-store sales growth of 4.1 percent during the first quarter of 2026. The new stores opened by ARH since the end of 2024 contributed $5.9 million of incremental revenues during the first quarter of 2026. ARH operated 267 stores at the end of the first quarter of 2026 compared to 258 stores at the end of the first quarter of 2025.

Ace added 35 new domestic stores in the first quarter of 2026 and cancelled 19 stores. This brought the Company's total domestic store count to 5,266 at the end of the first quarter of 2026, an increase of 89 stores from the first quarter of 2025.

Gross Profit

Wholesale gross profit for the quarter ended April 4, 2026 was $305.8 million, an increase of $42.6 million from the first quarter of 2025. The wholesale gross margin percentage was 13.4 percent of wholesale revenues in the first quarter of 2026, up from 12.8 percent in the first quarter of 2025.

Retail gross profit for the quarter ended April 4, 2026 was $88.6 million, an increase of $4.6 million from the first quarter of 2025. The retail gross margin percentage was 47.7 percent of retail revenues in the first quarter of 2026, down slightly from 47.9 percent in the first quarter of 2025. For ARH, retail gross profit is based on the Company's wholesale acquisition cost of product, not ARH's acquisition cost which includes a markup from the Company.

Expenses and Other

Wholesale operating expenses for the first quarter of 2026 were essentially unchanged from the first quarter of 2025. As a result, wholesale operating expenses decreased to 9.9 percent of wholesale revenues in the first quarter of 2026 from 11.0 percent of wholesale revenues in the first quarter of 2025.

Retail operating expenses increased $6.5 million, or 8.1 percent, from the first quarter of 2025. The increase was driven by expenses incurred related to the new stores added since the end of 2024. Retail operating expenses as a percentage of retail revenue increased to 46.6 percent in the first quarter of 2026 from 45.7 percent in the first quarter of 2025.

Balance Sheet and Cash Flow

Receivables increased $119.6 million from the first quarter of 2025 due to higher sales volumes.

Inventories decreased $64.5 million from the first quarter of 2025 as a result of efforts to reduce overstock inventory.

Long-term debt, including current maturities, increased $45.7 million from the first quarter of 2025. At the end of the first quarter of 2026, long-term debt consisted of $475.6 million outstanding on the revolving credit facility, $105.8 million outstanding on the ARH credit facility and $52.0 million owed to former retailers.

About Ace Hardware

Ace Hardware is the largest hardware cooperative in the world, serving more than 8,900 locally owned and operated stores around the globe, while providing the best products, services, and operating methods to almost 5,300 Ace retail stores in the United States. Ace Hardware's family of brands includes Ace Hardware, Emery Jensen Distribution, and independent retailers worldwide. Headquartered in Oak Brook, Ill., Ace operates an expansive network of U.S. distribution centers, along with international capabilities in Ningbo, China. Since 1924, Ace has been a part of local communities, known as the place with the helpful hardware folks. For more information, visit acehardware.com or newsroom.acehardware.com.

Contacts:

Shareholders'/Investors' Inquiries:
William Guzik, Executive Vice President, Chief Financial Officer & Chief Risk Officer
630-990-3325, guzik@acehardware.com

Media Inquiries:
Jeff Gooding, Vice President, Consumer Marketing
630-990-3600, media@acehardware.com

ACE HARDWARE CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited, in millions)

	Three Months Ended	
	April 4, 2026 (13 Weeks)	March 29, 2025 (13 Weeks)
Revenues:		
Wholesale revenues	$ 2,284.2	$ 2,052.0
Retail revenues	185.8	175.2
Total revenues	2,470.0	2,227.2
Cost of revenues:		
Wholesale cost of revenues	1,978.4	1,788.8
Retail cost of revenues	97.2	91.2
Total cost of revenues	2,075.6	1,880.0
Gross profit:		
Wholesale gross profit	305.8	263.2
Retail gross profit	88.6	84.0
Total gross profit	394.4	347.2
Wholesale operating expenses:		
Distribution operations expenses	75.8	72.8
Selling, general and administrative expenses	85.8	89.5
Retailer success and development expenses	64.0	64.0
Retail operating expenses	86.6	80.1
Retail pre-opening expenses	2.1	1.2
Total operating expenses	314.3	307.6

Operating income	80.1	39.6
Interest expense	(14.2)	(13.3)
Interest income	3.1	1.8
Other income, net	0.2	1.9
Income tax benefit	0.9	0.3
Net income	70.1	30.3
Less: net loss attributable to noncontrolling interests	(0.2)	(0.4)
Net income attributable to Ace Hardware Corporation	$ 70.3	$ 30.7
Patronage distributions accrued	$ 105.2	$ 61.6
Patronage distributions accrued for third party Retailers	$ 99.9	$ 56.6

ACE HARDWARE CORPORATION
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)

	April 4, 2026 (Unaudited)	January 3, 2026 (Audited)	March 29, 2025 (Unaudited)
Assets			
Cash and cash equivalents	$ 44.1	$ 46.8	$ 48.4
Marketable securities	42.0	40.5	41.3
Receivables, net of allowance for doubtful accounts of $16.2, $17.0 and $11.5, respectively	1,024.7	739.9	905.1
Inventories	1,360.9	1,200.8	1,425.4
Prepaid expenses and other current assets	91.2	89.9	93.6
Total current assets	2,562.9	2,117.9	2,513.8
Property and equipment, net	754.4	746.4	604.6
Operating lease right-of-use assets, net	744.3	742.5	791.2
Finance lease right-of-use assets, net	158.8	171.4	176.7
Goodwill and other intangible assets, net	475.9	464.7	455.8
Other assets	213.6	202.4	174.1
Total assets	$ 4,909.9	$ 4,445.3	$ 4,716.2
Liabilities and Equity			
Current maturities of long-term debt	$ 127.8	$ 63.4	$ 110.0
Accounts payable	1,566.7	1,188.5	1,444.8
Patronage distributions payable in cash	179.9	139.0	160.4
Patronage refund certificates payable	24.3	24.3	15.0
Current operating lease liabilities	98.5	102.5	118.2
Current finance lease liabilities	41.9	43.4	44.9
Accrued expenses	235.5	337.7	243.9
Total current liabilities	2,274.6	1,898.8	2,137.2
Long-term debt	505.6	403.8	477.7
Patronage refund certificates payable	271.7	250.5	217.9
Long-term operating lease liabilities	679.9	673.7	699.8
Long-term finance lease liabilities	112.8	123.8	130.0
Other long-term liabilities	196.2	194.6	160.4
Total liabilities	4,040.8	3,545.2	3,823.0
Member Retailers' Equity:			
Class A voting common stock, $1,000 par value, 10,000 shares authorized, 2,569, 2,586 and 2,595 issued and outstanding, respectively	2.5	2.6	2.6
Class C nonvoting common stock, $100 par value, 20,000,000 shares authorized, 7,538,703, 7,757,661 and 7,372,647 issued and outstanding, respectively	753.8	775.8	737.3
Class C nonvoting common stock, $100 par value, issuable to Retailers for patronage distributions, 1,054,730, 815,156 and 957,248 shares issuable, respectively	105.5	81.5	95.7
Contributed capital	17.2	18.9	19.1
(Accumulated deficit) retained earnings	(12.2)	17.9	32.6
Accumulated other comprehensive income (loss)	0.4	0.6	(1.8)
Equity attributable to Ace member retailers	867.2	897.3	885.5

Equity attributable to noncontrolling interests	1.9	2.8	7.7
Total equity	869.1	900.1	893.2
Total liabilities and equity	$ 4,909.9	$ 4,445.3	$ 4,716.2

ACE HARDWARE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in millions)

	Three Months Ended	
	April 4, 2026 (13 Weeks)	March 29, 2025 (13 Weeks)
Operating Activities		
Net income	$ 70.1	$ 30.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	27.7	25.0
Non-cash lease expense	12.0	11.1
Amortization of deferred financing costs	0.2	0.2
(Gain) loss on the disposal of assets, net	(0.4)	0.2
Provision for doubtful accounts	-	0.9
Other, net	1.2	3.2
Changes in operating assets and liabilities, exclusive of effect of acquisitions:		
Receivables	(312.1)	(191.8)
Inventories	(159.4)	(226.7)
Other current assets	(1.3)	(6.3)
Other long-term assets	7.0	(2.0)
Accounts payable and accrued expenses	287.3	188.1
Other long-term liabilities	0.4	8.6
Deferred taxes	(0.1)	(0.1)
Net cash used in operating activities	(67.2)	(159.3)
Investing Activities		
Purchases of investment securities	(8.7)	(0.3)
Proceeds from sale of investment securities	2.8	2.3
Purchases of property and equipment	(32.2)	(33.4)
Cash paid for acquired businesses, net of cash acquired	(9.6)	(1.5)
Increase in notes receivable, net	(16.4)	(7.1)
Other, net	0.5	(0.1)
Net cash used in investing activities	(63.6)	(40.1)
Financing Activities		
Net borrowings under revolving lines of credit	165.1	257.9
Principal payments on long-term debt	(6.0)	(4.9)
Principal portion of finance lease payments	(13.2)	(11.6)
Payments of patronage refund certificates	(13.8)	(28.4)
Repurchase of stock	(1.3)	(2.0)
Purchase of noncontrolling interests	(3.0)	(0.1)
Other, net	0.3	0.6
Net cash provided by financing activities	128.1	211.5
(Decrease) increase in cash and cash equivalents	(2.7)	12.1
Cash and cash equivalents at beginning of period	46.8	36.3
Cash and cash equivalents at end of period	$ 44.1	$ 48.4
Supplemental disclosure of cash flow information:		
Interest paid	$ 17.0	$ 14.8
Income taxes paid	$ 0.4	$ 1.1

SOURCE Ace Hardware Corporation

Additional assets available online: Photos (1)

https://newsroom.acehardware.com/2026-05-13-ACE-HARDWARE-REPORTS-FIRST-QUARTER-2026-RESULTS