ACE HARDWARE REPORTS RECORD THIRD QUARTER 2026 RESULTS

- *Record third quarter revenues of $2.5 billion, an increase of 2.1 percent*
- *Record third quarter net income of $142.1 million, an increase of 42.5 percent*
- *Accrued patronage distributions to shareholders of $153.6 million, an increase of 25.8 percent from the third quarter of 2025*
- *Ace ranked as the sixth largest franchise by Franchise Times*

OAK BROOK, Ill., Nov. 11, 2026 /PRNewswire/ -- Ace Hardware Corporation ("Ace" or the "Company") today reported third quarter 2026 revenues of $2.5 billion, an increase of $53.3 million, or 2.1 percent, from the third quarter of 2025. Net income was $142.1 million for the third quarter of 2026, an increase of $42.4 million from the third quarter of 2025.

"It gives me a great deal of satisfaction to once again report record sales and profit for the company," said John Venhuizen, President and CEO. "These results belong to an Ace team comprised of some of retail's most humble, hungry, smart and servant-hearted people. Their collective effort drove a 12 percent increase in comparable digital sales, a 2.0 percent increase in same-store sales and an impressive 42.5 percent increase in earnings."

The approximately 4,000 Ace retail stores that consistently share daily retail sales data reported a 2.0 percent increase in U.S. retail same-store sales during the third quarter of 2026, which was the result of a 4.5 percent increase in average ticket partially offset by a 2.3 percent decrease in same-store transactions.

Revenues

Consolidated revenues for the quarter ended October 3, 2026 totaled $2.5 billion. Total wholesale revenues were $2.3 billion, an increase of $53.8 million, or 2.4 percent, as compared to the prior year third quarter. Increases were seen across many departments with outdoor power equipment, holiday décor, power tools, and fans and heaters, showing the largest gains.

Wholesale merchandise revenues to new domestic Ace stores activated from January 2025 through September 2026 contributed $48.5 million of incremental revenues during the third quarter of 2026, while wholesale merchandise revenues decreased $8.7 million during the third quarter due to domestic Ace stores whose memberships were cancelled. Wholesale merchandise revenues to comparable domestic Ace stores decreased $20.1 million for the quarter. The Company's Ace International Hardware Corporation subsidiary experienced a $5.2 million increase in wholesale revenue from the third quarter of 2025. Ace Wholesale Holdings, LLC reported a $16.4 million increase in wholesale revenues, or 10.8 percent, from the third quarter of 2025 primarily due to higher sales to hardware and pro lumber customers. The Company's Ace Services Holdings, LLC subsidiary, which is reported as part of the Company's wholesale business, experienced a $4.6 million decrease in revenues from the third quarter of 2025.

Total retail revenues from Ace Retail Group, Inc. ("ARG") for the quarter were $212.6 million, a decrease of $0.5 million, or 0.2 percent, as compared to the prior year third quarter. ARG experienced a same-store sales decrease of 2.1 percent during the third quarter of 2026. The new stores opened by ARG since the end of the second quarter of 2025 contributed $3.7 million of incremental revenues during the third quarter of 2026. ARG operated 267 stores at the end of the third quarter of 2026 compared to 263 stores at the end of the third quarter of 2025.

Ace added 46 new domestic stores in the third quarter of 2026 and cancelled 22 stores. This brought the Company's total domestic store count to 5,307 at the end of the third quarter of 2026, an increase of 87 stores from the third quarter of 2025.

Gross Profit

Wholesale gross profit for the quarter ended October 3, 2026 was $358.5 million, an increase of $12.6 million from the third quarter of 2025. The wholesale gross margin percentage was 15.4 percent of wholesale revenues in the third quarter of 2026, up from 15.2 percent in the third quarter of 2025.

Retail gross profit for the quarter ended October 3, 2026 was $97.9 million, a decrease of $2.0 million from the third quarter of 2025. The retail gross margin percentage was 46.0 percent of retail revenues in the third quarter of 2026, down from 46.9 percent in the third quarter of 2025. For ARG, retail gross profit is based on the Company's wholesale acquisition cost of product, not ARG's acquisition cost which includes a markup from the Company.

Expenses and Other

Wholesale operating expenses increased $0.6 million, or 0.2 percent, from the third quarter of 2025. The increase is primarily driven by an increase in marketing and advertising spending and increased depreciation expense; partially offset by non-recurring asset impairment charges recorded during the third quarter of 2025 related to the Company's International operations. As a percentage of wholesale revenues, wholesale operating expenses decreased to 11.1 percent of wholesale revenues in the third quarter of 2026 from 11.3 percent of wholesale revenues in the third quarter of 2025.

Retail operating expenses increased $3.2 million, or 3.9 percent, from the third quarter of 2025. The increase was primarily driven by expenses incurred related to the new stores added since the end of the second quarter of 2025. Retail operating expenses as a percentage of retail revenue increased to 39.7 percent in the third quarter of 2026 from 38.2 percent in the third quarter of 2025.

Other income, net increased $30.5 million from the third quarter of 2025 primarily due to a $32.2 million refund received during the third quarter of 2026 from U.S. Customs and Border Protection related to tariffs previously paid under the International Emergency Economic Powers Act (IEEPA).

Balance Sheet and Cash Flow

Inventories increased $104.1 million from the third quarter of 2025 driven by higher sales volumes and ARG remodels and new store inventory.

Long-term debt, including current maturities, increased $5.2 million from the third quarter of 2025. At the end of the third quarter of 2026, long-term debt consisted of $443.1 million outstanding on the revolving credit facility, $108.2 million outstanding on the ARG credit facility and $50.3 million owed to former retailers.

About Ace Hardware

Ace Hardware is the largest hardware cooperative in the world, serving more than 9,050 locally owned and operated stores around the globe, while providing the best products, services, and operating methods to over 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		Nine Months Ended	
	October 3, 2026 (13 Weeks)	September 27, 2025 (13 Weeks)	October 3, 2026 (39 Weeks)	September 27, 2025 (39 Weeks)
Revenues:				
Wholesale revenues	$ 2,323.4	$ 2,269.6	$ 7,312.8	$ 6,866.9
Retail revenues	212.6	213.1	679.1	663.1
Total revenues	2,536.0	2,482.7	7,991.9	7,530.0
Cost of revenues:				
Wholesale cost of revenues	1,964.9	1,923.7	6,248.9	5,895.2
Retail cost of revenues	114.7	113.2	364.8	360.1

Total cost of revenues	2,079.6	2,036.9	6,613.7	6,255.3
Gross profit:				
Wholesale gross profit	358.5	345.9	1,063.9	971.7
Retail gross profit	97.9	99.9	314.3	303.0
Total gross profit	456.4	445.8	1,378.2	1,274.7
Wholesale operating expenses:				
Distribution operations expenses	86.2	77.2	243.5	229.4
Selling, general and administrative expenses	91.8	109.8	272.8	290.5
Retailer success and development expenses	79.5	69.9	258.7	244.1
Retail operating expenses	84.5	81.3	257.0	242.2
Retail pre-opening expenses	0.3	0.7	2.0	1.6
Total operating expenses	342.3	338.9	1,034.0	1,007.8
Operating income	114.1	106.9	344.2	266.9
Interest expense	(14.6)	(14.0)	(43.9)	(42.0)
Interest income	3.3	1.7	8.7	5.0
Other income, net	37.4	6.9	55.3	19.5
Income tax benefit (expense)	1.9	(1.8)	3.5	(0.3)
Net income	142.1	99.7	367.8	249.1
Less: net income (loss) attributable to noncontrolling interests	0.1	(0.5)	(0.1)	(1.3)
Net income attributable to Ace Hardware Corporation	$ 142.0	$ 100.2	$ 367.9	$ 250.4
Patronage distributions accrued	$ 153.6	$ 122.1	$ 401.6	$ 294.2
Patronage distributions accrued for third party Retailers	$ 145.2	$ 117.0	$ 382.1	$ 279.1

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

	October 3, 2026	January 3, 2026	September 27, 2025
Assets	**(Unaudited)**	**(Audited)**	**(Unaudited)**
Cash and cash equivalents	$ 33.1	$ 46.8	$ 37.7
Marketable securities	38.6	40.5	44.6
Receivables, net of allowance for doubtful accounts of $12.4, $17.0 and $16.3, respectively	801.9	739.9	775.6
Inventories	1,401.8	1,200.8	1,297.7
Prepaid expenses and other current assets	98.1	89.9	100.0
Total current assets	2,373.5	2,117.9	2,255.6
Property and equipment, net	765.6	746.4	719.1
Operating lease right-of-use assets, net	771.4	742.5	767.0
Finance lease right-of-use assets, net	180.5	171.4	161.7
Goodwill and other intangible assets, net	474.1	464.7	467.2
Other assets	218.1	202.4	196.9
Total assets	$ 4,783.2	$ 4,445.3	$ 4,567.5
Liabilities and Equity			
Current maturities of long-term debt	$ 130.2	$ 63.4	$ 92.7
Accounts payable	1,265.9	1,188.5	1,241.9
Patronage distributions payable in cash	157.0	139.0	114.6
Patronage refund certificates payable	24.3	24.3	15.0
Current operating lease liabilities	98.8	102.5	114.2

Current finance lease liabilities	47.0	43.4	45.2
Accrued expenses	290.2	337.7	294.8
Total current liabilities	2,013.4	1,898.8	1,918.4
Long-term debt	471.4	403.8	503.7
Patronage refund certificates payable	323.2	250.5	258.8
Long-term operating lease liabilities	714.0	673.7	682.4
Long-term finance lease liabilities	130.9	123.8	115.3
Other long-term liabilities	208.1	194.6	175.2
Total liabilities	3,861.0	3,545.2	3,653.8
Member Retailers' Equity:			
Class A voting common stock, $1,000 par value, 10,000 shares authorized, 2,562, 2,586 and 2,590 issued and outstanding, respectively	2.6	2.6	2.6
Class C nonvoting common stock, $100 par value, 20,000,000 shares authorized, 8,085,776, 7,757,661 and 7,870,016 issued and outstanding, respectively	808.6	775.8	787.0
Class C nonvoting common stock, $100 par value, issuable to Retailers for patronage distributions, 898,626, 815,156 and 678,763 shares issuable, respectively	89.9	81.5	67.9
Contributed capital	16.1	18.9	18.8
Retained earnings	3.4	17.9	30.4
Accumulated other comprehensive income	0.1	0.6	0.4
Equity attributable to Ace member Retailers	920.7	897.3	907.1
Equity attributable to noncontrolling interests	1.5	2.8	6.6
Total equity	922.2	900.1	913.7
Total liabilities and equity	$ 4,783.2	$ 4,445.3	$ 4,567.5

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

	Nine Months Ended	
	October 3, 2026 (39 Weeks)	**September 27, 2025 (39 Weeks)**
Operating Activities		
Net income	$ 367.8	$ 249.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	86.1	82.3
Non-cash lease expense	38.2	33.4
Amortization of deferred financing costs	0.7	0.7
Loss (gain) on the disposal of assets, net	0.7	(0.3)
(Reversal) provision for doubtful accounts	(0.3)	8.0
Deferred taxes	(4.4)	(2.3)
Other, net	7.7	7.8
Changes in operating assets and liabilities, exclusive of effect of acquisitions:		
Receivables	(121.6)	(118.4)
Inventories	(200.4)	(96.7)
Other current assets	(8.1)	(15.0)
Other long-term assets	2.9	(4.5)
Accounts payable and accrued expenses	42.1	30.3
Other long-term liabilities	8.9	22.9
Net cash provided by operating activities	220.3	197.3
Investing Activities		
Purchases of investment securities	(1.2)	(9.0)
Proceeds from sale of investment securities	1.9	6.0

Purchases of property and equipment	(101.2)	(201.9)
Cash paid for acquired businesses, net of cash acquired	(11.8)	(15.5)
Increase in notes receivable, net	(39.3)	(17.7)
Proceeds from sale of assets	0.2	0.7
Other, net	(0.6)	(0.7)
Net cash used in investing activities	(152.0)	(238.1)
Financing Activities		
Net borrowings under revolving lines of credit	134.9	265.7
Principal payments on long-term debt	(16.6)	(15.1)
Principal portion of finance lease payments	(39.5)	(36.2)
Payments of cash portion of patronage distribution	(139.3)	(137.8)
Payments of patronage refund certificates	(14.5)	(28.7)
Repurchase of stock	(6.5)	(6.8)
Purchase of noncontrolling interests	(5.4)	(1.1)
Other, net	4.9	2.2
Net cash (used in) provided by financing activities	(82.0)	42.2
(Decrease) increase in cash and cash equivalents	(13.7)	1.4
Cash and cash equivalents at beginning of period	46.8	36.3
Cash and cash equivalents at end of period	$ 33.1	$ 37.7
Supplemental disclosure of cash flow information:		
Interest paid	$ 39.3	$ 37.9
Income taxes paid	$ 1.8	$ 1.9

SOURCE Ace Hardware Corporation

Additional assets available online: Photos (1) Documents (1)

https://newsroom.acehardware.com/2026-11-11-ACE-HARDWARE-REPORTS-RECORD-THIRD-QUARTER-2026-RESULTS