

Ace Hardware

Record 2016 Financial Performance



Fourth Quarter Highlights

- Q4 revenue of **\$1.2 billion**
An increase of **5.8%** from 2015

- Q4 net income of **\$21.5 million**
An increase of **77.7%** from 2015



+4.4%
Same-Store
Sales

+3.0%
Average
Transaction Size

+5.6%
Retailer Gross
Profit

20/20 VISION IS ACE'S LONG-TERM RETAIL GROWTH STRATEGY

- ✓ Four years in a row of **increased customer transactions**
- ✓ Five years in a row of **net new store growth**
- ✓ Seven years in a row of **increased same-store sales**

2016 Highlights

- Revenue of **\$5.13 billion**
An increase of **1.6%** from 2015

- Net income of **\$161.2 million**

31% pre tax return
on equity & record
\$157.9 million
patronage dividend

3 million
new Ace Rewards
members for record
39 million
total members



Ten years in a row.
We're blushing, but red is our color.



Thanks to you, Ace has once again been ranked "Highest in Customer Satisfaction among Home Improvement Retail Stores," according to J.D. Power. Ace Hardware received the highest numerical score among retail stores in the proprietary J.D. Power 2007-2016 Home Improvement Retail Store Studies. 2016 study based on responses from 2,995 consumers measuring six stores and opinions of consumers who purchased a home improvement product or service within the previous 12 months. Proprietary study results are based on experiences and perceptions of consumers surveyed January-February 2016. Your experiences may vary. Visit jdpower.com.

1.37
million
sq. ft. of
new Ace
retail space



207 new Ace
stores around
the world
generating
4,000
new red-vested jobs



Proud Partner of
**Children's
Miracle Network
Hospitals®**

Helping Local Kids

**Raised a record \$10 million
for Children's Miracle
Network Hospitals**

An increase of **41%** from 2015