



ACE 2017 ANNUAL REPORT





A MESSAGE FROM THE PRESIDENT & CEO

Dear Ace Shareholders,

With total revenue at \$5.4 billion, I'm delighted to report record sales for 2017 with a consolidated sales increase of 5.1%. Conspicuously absent from that record comment is our net income. Our net income for the year exceeded our plan, but as a result of one-time restructuring charges, driven largely by the planned closure and expansion of our RSC network, coupled with the new tax legislation impact, it did not exceed last year's record income. As a result, patronage distributions to shareholders in 2017 will be \$156 million versus \$158 million last year.

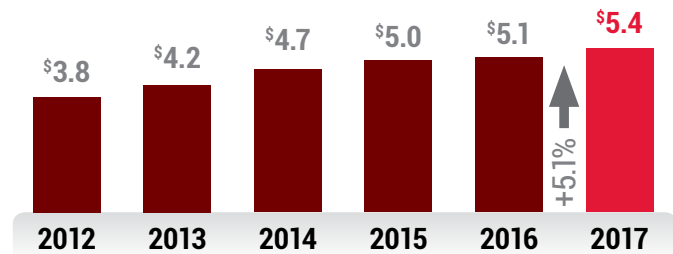
I view management's chief responsibility as delivering to shareholders a return on the investment they have in both their stores and in their corporation. To that end, I'm pleased to report that your 2017 patronage distribution yielded a 27% return on the investment you have in Ace.

One need not read or watch too much of the news to understand the challenges that exist at retail. And to be certain, it was a challenging year for most brick-and-mortar retailers with an estimated 6,700 store closings in the U.S. alone. But against that dismal backdrop stands the humbled swagger of the local underdog – the Ace retailer. While much of the retail world was whacked in the head with declining transactions, employee terminations and store closings, you extended four streaks that I find to be both impressive and critical to our future. Ace retailers have now enjoyed:

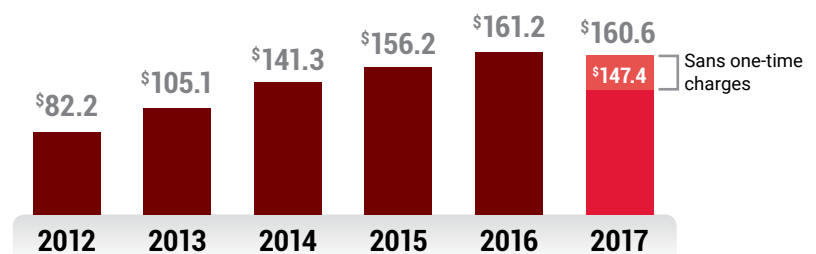
- **Five** years in a row of increased customer traffic
- **Six** years in a row of net new store growth
- **Eight** years in a row of increased same-store sales and same-store gross profit
- **Eleven** years being ranked "Highest in Customer Satisfaction with Home Improvement Retail Stores" by J.D. Power*

*See page 9 for J.D. Power disclaimer

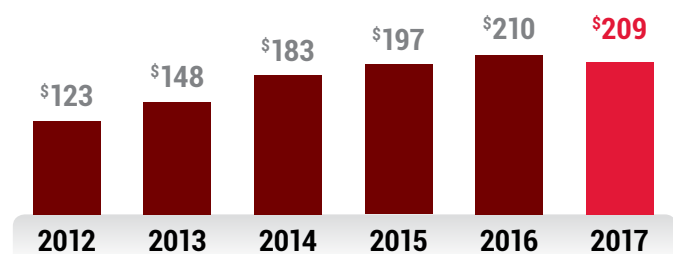
TOTAL REVENUE



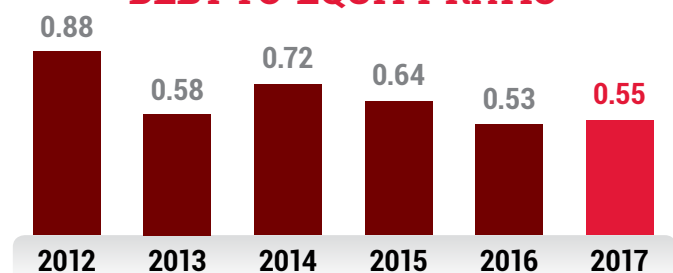
NET INCOME



TOTAL SHAREHOLDER RETURN



DEBT-TO-EQUITY RATIO



Same-store sales increased 3.6% overall, 4.3% for Pinnacle performers and Acehardware.com grew 46% with over 75 million consumer visits. Globally, we opened 236 new Ace stores to end the year with a total store count of 5,121.

It is this very combination – strong comp sales growth and new store expansion – that provides the platform by which we’ve been able to deliver over \$695 million in patronage distributions to shareholders over the last five years – an 80% increase over the five years prior. We estimate that during this same period, Ace retailers enjoyed operating income of approximately \$3.5 billion.

And in my humble opinion, it is this strong financial position that provides the platform by which Ace, our retailers and our suppliers have been able to lavishly support charities for which our hearts race. In particular, it’s a joy for me to announce that over \$11 million was raised for Children’s Miracle Network Hospitals, an 11% increase versus last year. Since 2013, Ace and our suppliers have cumulatively donated \$38.7 million to CMN Hospitals.

Of course, it would be disingenuous of me to imply that 2017 wasn’t without hiccups. Ace Hardware Corporation has a list as long as your arm of items for which we need continued improvement and investment. Of significant importance to me would be

our meaningful efforts and investment dollars in (i) more inventory to fuel better fill rates (currently we have \$629 million in our distribution network), (ii) buildings, racks, forklifts, trucks and trailers to stabilize operations and expand our supply chain to better support local entrepreneurs, (iii) technology and content to constantly improve Acenet, (iv) a new Acehardware.com platform to relaunch a more locally relevant, retailer-friendly digital marketing engine, (v) systems and technologies to simplify retail operations and eliminate another one million hours of retail task labor, and (vi) retail growth strategy incentives (currently over \$40 million per year) to fuel the growth aspirations of local Ace owners.


You have my word on this: While we are exceedingly proud of the accomplishments the Ace enterprise has made, comfort and complacency are not adjectives we permit in our vocabulary nor accept in our work. Head high, pedal down.

As we think about what’s in front of us, I remain wildly optimistic that our model – rooted in local entrepreneurialism – remains viable and vibrant. The future of brick-and-mortar retail is (to some) in question. Frankly, I believe the successful retailers of the future will be largely populated by the successful retailers of the past – so long as they’re willing to embrace strategic imperatives of change. For Ace, we

believe continued success for the future requires (i) an ultra, hyper-convenient shopping experience that amazes both in and out of the store, (ii) a fanatical devotion to high-quality, locally relevant, differentiated product, and (iii) a persuasively compelling proposition to recruit, train and inspire the top retail talent this world has to offer.

And these high-caliber individuals will demand to work for a high-character winner on the move. May Ace always be the place for people like that.

Sincerely,



John Venhuizen
President & CEO

A MESSAGE FROM THE CHAIRMAN OF THE BOARD

Thanks to all our shareholders and store teams, corporate staff and business partners, Ace has had another solid year. As noted in John's letter, if it were not for the one-time restructuring charges to expand and improve our RSC network and the last-hour tax legislation change, we would have easily achieved another year of record profits.

Much has happened over the past five years to drive Ace's collective successes and I would like to take this opportunity to reflect back on the significant investments your company has made over that same timeframe to help support and grow our retail excellence, to protect and improve our infrastructure, and to make us more relevant in the marketplace to our teams, our vendor partners and, most importantly, our customers.

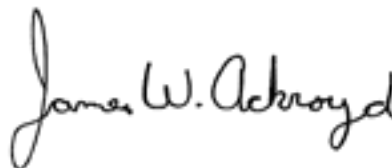
- We have invested almost \$200 million in strategic acquisitions to leverage our supply chain, grow our retail footprint and drive early access to innovative products and suppliers, as evidenced by the following transactions:
 - Westlake Hardware \$88 million
 - Emery-Waterhouse \$33 million
 - Jensen Distribution \$34 million
 - The Grommet \$46 million
- We have invested \$130 million to accelerate various ROI-driving improvement projects in our existing stores as well as another \$100 million in new store incentives that have helped fuel the addition of 815 new Ace domestic stores throughout the U.S., with 315 of those coming from our direct competitors.
- We have been prudent and targeted with our capital expenditures, outlaying almost \$300 million over the past five years to enhance our supply chain advantages and to reinforce the ever-increasing importance of a progressive and secure IT infrastructure, with both of these pillars designed to make our enterprise business model more efficient and profitable.

- We have added an incremental \$50 million to our national media spend to enhance our brand and its awareness, which has helped support five straight years of increased customer transactions and eight years in a row of increased same-store sales and gross profit. It has been a truly amazing run through some difficult times.

This is a total of \$780 million in strategically focused investments in five short years, all while reducing our debt-to-equity ratio from 0.9:1 in 2012 to 0.6:1 today and distributing \$695 million in patronage distributions to you, our shareholders, which effectively doubled your patronage dividend percentage.

In 2018, we will continue to make investments with an eye towards our future, with approximately \$10 million of expense related to the opening of the new Fredericksburg RSC and the closure of our Prince George RSC. This investment will pay dividends for years to come and will deliver solid returns as we grow into our new space. Our distribution system is the backbone of the business and we will continue to invest and work to be more efficient and cost-effective in serving our shareholders and their customers.

On behalf of the entire Board, I would like to thank all of you for your efforts and wish you all a healthy and profitable 2018.



Jim Ackroyd
Chairman of
the Board

A LOOK BACK AT 2017

TOTAL REVENUE

\$5.4
BILLION



236 NEW STORES
around the world

NET INCOME

\$147.4
MILLION



1.57 MILLION
SQUARE FEET

New Ace
Retail
Space



2210 STORES
BECAME
HELPFUL CERTIFIED

SAME-STORE SALES UP
4.3% FOR PINNACLE
RETAILERS



SUPPLY PLACE READY STORES

9.2% B2B
SALES
GROWTH



PATRONAGE
DIVIDEND
\$156
MILLION



27% PRE-TAX
RETURN
ON EQUITY



43.1 M TOTAL
ACE REWARDS
MEMBERS

A STRONG YEAR FOR ACE'S SUBSIDIARIES

In 2017, Ace Wholesale Holdings (AWH), Ace International Holdings (AIH) and Ace Retail Holdings (ARH) continued to excel in their independent missions while their united efforts helped our retailers to grow and prosper.

Ace Wholesale Holdings (Emery Jensen Distribution)

The ongoing effort to incorporate wholesalers Jensen Distribution and Emery-Waterhouse into Emery Jensen Distribution proceeded on schedule, setting the stage for the final full integration of the Emery side of the business into AWH.

AWH's four key channels of pro lumber, independent hardware, grocery and e-commerce saw an excellent 7% growth rate. That's double the industry average and even more amazing given the disruption of the ongoing integration. Top-line revenue was an equally impressive \$389 million.

The year saw AWH reaching more customers in the central region, while boosting top-line sales through an increased focus on growing its existing large customers. E-commerce retail customers in the west, the fastest growing part of Ace's wholesale business, continued to be highly profitable as well. "Our assortment, supply chain and pricing continue to be anchors of value for our customers," says President and General Manager Mark Spanswick.

Ace Retail Holdings (Westlake Ace)

New products and new programs drove another year of growth for Westlake Ace.

The chain introduced the Westlake Pet Supply and Hallmark Gold Crown store-within-a-store concepts at multiple locations, both of which were met with resounding success. "We firmly believe our future growth will be fueled

by these differentiated product offerings supported by a greater level of customer engagement," says President and COO Joe Jeffries.

Total sales increased by 5.1% and grew to nearly \$276 million, a new record. B2B sales continued to shine too, up double digits for the third year in a row, growing almost \$4 million over 2017. "B2B is the best way to weatherproof our stores and provide a vehicle for growth that we can control," Jeffries adds.

And those weren't the only numbers that were trending up. ARH acquired nine stores and opened a brand new one, bringing the total number of Westlake locations to 108.

Ace International Holdings

Thanks in part to strong, double-digit sales increases from five of its largest customers (Saudi Arabia, St. Maarten, Ecuador, Puerto Rico and Israel), Ace International (AIH) experienced a record-setting year, delivering \$255 million in total revenue and \$4.8 million of pre-tax net income. AIH also signed four new customers in 2017, including Ace brand licensee agreements in Haiti, Cambodia and Mexico (Yucatan), as well as a new distribution agreement in Australia. There were 84 new stores added in 2017, bringing the total international store count to 703. "As we strive to build momentum and increase shareholder value, I'm very proud of what our team and customer partners accomplished," says Jay Heubner, President and General Manager.

This major sales jump went hand-in-hand with increased demand for services. International stores are increasingly turning to Ace for everything from supply chain support to customer service training. Heubner adds, "Our largest customers are looking for ways to grow their top line, become more efficient and increase profits. Ace brings years of experience and expertise to the table and many of our customers are turning to us for help."



PRODUCTS

THAT DRIVE RETAIL SUCCESS

Ace closed out 2017 with a continued focus on bringing high-quality, locally relevant and differentiated products to retailers. Our merchants have always approached their mission to grow the business by concentrating on products that generate both strong sales and profits. This year was no exception.

With a big push behind Ace’s premium brands like Weber, Craftsman, Yeti, Stihl, Toro, Traeger and Big Green Egg, we continued to capitalize on one of the greatest advantages we have over our competitors – no other retailer has these great brands together under one roof.

Merchandising continued to provide our retailers with assortments and recommendations that drive Discovery Edge Level 3 acceptance, particularly with the Impulse and Plumbing programs. Our 20/20 Vision strategy encourages broader and faster adoption of Discovery planograms and 2017 saw nearly 1,500 stores “enriching the assortment” in their quest to achieve Pinnacle status. This increase in Discovery Edge Level 3 participation has resulted in assortments that are more consumer-relevant and up-to-date than ever before.

The year also saw innovation take center stage with the exciting announcement of Ace’s acquisition of a majority stake in the e-commerce start-up The Grommet, owned by Jules Pieri and Joanne Domeniconi. The Grommet markets and sells new, unique and otherwise undiscovered products created by independent entrepreneurs, also known as “Makers,” which creates a fantastic synergy with Ace’s growing emphasis on high-quality, innovative merchandise.

“The Grommet has often been called a ‘general store for innovation,’” says Pieri, co-founder and CEO, “and Ace is a trusted destination for the goods and services homeowners need to take care of their homes. That is a powerful combination.” To date, The Grommet has launched more than 2,500 innovative consumer products, including SimpliSafe, SodaStream and Fitbit, and has amassed a community of more than three million early adopters and supporters. “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,” states John Venhuizen, President and CEO, Ace Hardware.

“Our strategy in Merchandising is to provide differentiated, consumer-relevant, retail-ready programs that maximize profitability for our retailers,” adds John Sommers, Ace’s Vice President of Merchandising. “The success our retailers have had with our assortments makes it clear that this is the key to long-term growth.”





A BIG YEAR

FOR ACE'S RETAIL SUPPORT TEAM

At Ace, we've always found inspiration in our retailers and their tireless dedication to providing their customers with the very best service. We, in turn, strive to live up to their standards by providing them with the most helpful support we can. This includes guaranteeing they have efficient access to the best products in the quantities they need for their stores. "When we get new retailers, we receive positive feedback on our on-time delivery, the way we pack orders, the no-hassle return policy and the general quality of the order fill," reports Tom Molleur, Ace's Vice President of Retail Support.

The Retail Support team spent a large part of 2017 getting ready to open our latest RSC, located in Fredericksburg, Pa. The new Fredericksburg warehouse will work in tandem with our Wilton, N.Y. RSC to support our Prince George retailers and the customers serviced by the Emery-Waterhouse facilities in Portland, Maine and Pittston, Pa. that will be closed. This will give all our retailers unprecedented access to an exciting new range of select SKUs.

We also completed the rollout of our voice order filling system with scanning. Order pickers follow voice prompts and scan items instead of checking a screen, driving improved order quality and increased productivity. The new system has also helped us expand our ongoing

Variable Order Multiple (VOM) program that allows retailers to order items in either "each" or case quantities, depending on their needs. We ended the year with a total of 1,000 MIU SKUs, and we intend to add another 3,000 in 2018.

Of course, the big story for 2017 was the entire team's heroic response to hurricanes Harvey and Irma and their dedication to keeping product flowing. The Merchandising and Inventory teams secured vital, high-demand SKUs. RSC staff worked around the clock to guarantee these products — generators, water, box fans, mold treatment, chainsaws and respirators — were available for order. Drivers took on additional routes — up to 55% more in some cases — to make sure our retailers got what they needed. Everyone was determined not to let "their stores" down.

Our supply chain continues to grow at an incredible rate to drive the higher and higher volumes of products we supply to our retailers across the country. We're looking forward to another year of innovation and building on our success to deliver even better levels of helpful to our retailers.



Garrett Ace Hardware



Harleysville Ace Hardware



COOLEST HARDWARE STORES

Sure, everyone knows Ace Hardware stores are nationally renowned for being the most helpful place in the neighborhood, but we think some of them are the coolest too! Each year, Ace Hardware recognizes stores that put their own unique twist on “helpful” by awarding them the coveted title of “Coolest Hardware Store.” This select group knows how to wow their customers with the one-of-a-kind product selection, service and culture that create an unforgettable shopping experience.

Garrett Ace Hardware **Owner - Carole Mascherini** **Healdsburg, Calif.**

Garrett Ace proudly proclaims they’re “more than just a hardware store.” These retail innovators stock their shelves with a unique, localized product mix that is a refreshing contrast to the “one size fits all” approach of the big boxes. This includes songbirds as well as free-range chickens that lay organic eggs (also sold on site), making the store a favorite for school field trips. They have an outdoor nursery full of lush live plants, while inside you’ll find premium patio furniture, grills and outdoor power equipment, plus a store-within-a-store called The Gift Horse. There, customers can shop a selection of high-end housewares and gifts, including full bedroom sets, kitchenware and more. Garrett Ace Hardware will even gift wrap your purchases for you!

Harleysville Ace Hardware **Owner - Don Hoff, Jr.** **Harleysville, Pa.**

A beloved fixture in the community since 1970, Harleysville Ace stands out from the crowd by complementing their solid assortment of core hardware with unique offerings like a birding center, live goods, home décor and gifts, along with a sizeable outdoor living department. For the holidays, they roll out an impressive Christmas selection featuring fresh-cut trees. The excitement continues year-round with fun events like ladies’ nights, grilling demos, kids workshops and birding seminars. They’re big supporters of local organizations too, sponsoring sports teams and thanking their local volunteer fire department for their service with Ace gift cards.

These stores build on Ace’s philosophy of helpful to create their own vision of a retail experience unlike any of their competitors. “Of the more than 5,000 Ace locations around the world, no two are exactly alike,” says Paul Arceci, Ace’s Director of Retail Operations. “This, along with the service, convenience and quality our customers have come to expect, is just another reason why Ace stands the test of time. The teams at Garrett Ace Hardware and Harleysville Ace Hardware certainly exemplify the Ace way – helpful, unique and always changing to meet the needs of the community.”

*Ace Hardware received the highest numerical score in the J.D. Power 2007–2017 Home Improvement Retailer Satisfaction Studies. 2017 study based on 2,751 total responses from 6 stores measuring experiences and perceptions of customers, surveyed February–March 2017. Your experiences may vary. Visit jdpower.com



LIGHTING

**Sunshine
Ace Hardware**
FLORIDA



Fulfill the Helpful Promise

THE WAY THROUGH THE STORM

Sunshine Ace has been brightening up its corner of southwest Florida for decades. The family-owned business is run by Jerry and Michael Wynn, son and grandson of founder Don Wynn, and has eight stores stretching from Tampa through Naples to Marco Island. This beautiful location put them squarely in the path of Hurricane Irma in late summer of 2017. Throughout the storm, and after, Sunshine Ace stayed true to Ace's Helpful Promise, stretching themselves to the limit to serve the communities they call home.

"Despite one of our locations having its roof partially blown off, we were open the day after the storm. We were literally the only place for people to come and get generators, lanterns, flashlights, tarps, you name it, because many of our competitors weren't open," says Michael. "We're still getting thanks from our customers for our efforts. We partnered directly with FEMA and with local foundations to help both the community and our store associates. Ace was a true partner helping us with the recovery. I just don't know of any other supplier that has ever taken that partnership to that level."

This devotion to service is second nature for Sunshine Ace, something they demonstrate year round in fair weather as well as foul. When not facing natural disasters, they're battling stiff competition from big boxes in their fast-growing region of the country, and the family knows their stores need to work hard to win.

“We’re still getting thanks from our customers for our efforts. Ace was a true partner helping us with the recovery.”



“We take service, quality and convenience to levels people haven’t experienced before,” says Michael. The stores are fully committed to 20/20 Vision – they participate in Ace Rewards, stock Ace’s Best Brands and the latest Level 3 resets like Lighting, Impulse and Plumbing, and take full advantage of training opportunities like Helpful 101 and 201 and Ace LearningPlace to earn Helpful Certification. This commitment has driven most locations to Pinnacle status.

The booming development in their corner of Florida creates incredible opportunities for business and commercial sales, as well. Sunshine Ace locations are all Supply Place Certified, with both outside and inside B2B

sales reps at every store. They serve contractors with a dedicated commercial paint department, and supply a wide range of products to small businesses, golf courses, and hospitality and property management companies. “We’ve aligned with Ace’s vision to expand our Supply Place business,” says Michael. “Thanks to Ace, we can offer commercial products at competitive prices and complement that with great service. Our commercial customers really appreciate the value, and it has put us on a strong path of growth.”

HIGHLIGHTS

All Locations
Supply Place Certified
.....

Pinnacle Performance
at Most Locations
.....

Eight Stores in Florida





ENRICHING

THE ASSORTMENT BOOSTS SALES

**Rocky's
Ace Hardware**
MASSACHUSETTS



Enrich the Assortment

Massachusetts-based Rocky's Ace Hardware is proud to have pioneered the Ace brand in their part of the country. "When we converted in the '70s, we were one of the first Ace retailers in New England," says President Rocco Falcone. His grandfather started the business in 1926 as Rocky's Rental Center and Hardware. Seven more stores were added over the years before their partnership with Ace fueled an even bigger expansion by helping them acquire a rival hardware chain. Today, they have a total of 32 locations throughout the Eastern Seaboard and in Florida.

That partnership also drives the incredible success each store has achieved. The chain has been leveraging Ace's 20/20 Vision initiatives and applying the disciplined approach to execution to accomplish its goals. With so many locations, a one-size-fits-all approach just won't work, so each store has different drivers they focus on. "For some it's developing their Supply Place sales, others are working to bring up their Ace Rewards scan rate," Rocco says. "Once a store has knocked something out of the park, we expect them to continue knocking it out of the park while they get the other drivers up where they need to be." Store managers are tasked with bringing their store to Platinum or Pinnacle status and in 2017, all stores reached this goal.

“Business should be about people. That’s why people shop at Ace.”



That same flexibility applies to Discovery Edge implementation. “With Level 3 resets, we try to bring the same ones in everywhere, then adjust the selection based on the store,” says Rocco. “We’ve had big success with Discovery Edge, with 13 resets in 2017 alone. We’ve done plumbing, paint, barbecue accessories, pet, roof coatings, impulse, pretty much everything. After the resets, gross profits and gross margin went up for those categories, and sales are up 18%.”

Best Brands are part of the business’s long-term success strategy as well. “As soon as Ace announced that they had formed a partnership with Craftsman, we jumped on board. It’s in all our stores,” Rocco says. They’ve brought in Big Green Egg, Yeti, and struck gold in particular with Stihl, which is seeing consistent year-over-year growth.

The chain’s Florida locations faced a unique challenge when Hurricane Irma hit in late summer 2017. But Rocky’s Ace was ready. “Whether it’s a hurricane in Florida or a snow storm in the north, people need a hardware store,” says Rocco. “Ace really stepped up during Irma. They helped us get generators, water and flashlights. We stayed open as much as we could and tried to balance the needs of our customers and our employees. Business should be about people. That’s why people shop at Ace.”

HIGHLIGHTS

Started in 1926
.....

32 Locations
.....

20 Platinum Stores and 12
Pinnacle Stores





SERVING

**Clark's
Ace Hardware**
MARYLAND



Fulfill the Helpful Promise

COMMUNITY AND COUNTRY

Margaret Clark's family has a long-established tradition of service. This dedication to helping others led her to follow her father and grandfather into the military, where she served her country as an active-duty Marine for four years, and then into the family business as the first female owner/operator of Clark's Ace Hardware in Ellicott City, Md.

Clark's Ace has been in Margaret's family for seven generations, making it one of the oldest family-owned hardware stores in the country. Now Margaret is using the drive and discipline that served her so well in the Marines to take her high-performing business boldly into the future.

One of the ways she's doing that is by doubling down on Ace's Helpful Promise. Margaret sends her management staff to C.H.A.M.P. and Essential Management Skills training so they can lead by example and create a culture of helpful in her store from the top down. Store associates train through Helpful 101 and 201 to guarantee they provide customers with the best shopping experience possible. This adds up to an impressive 31 training hours per customer-facing employee, and a store renowned for its one-of-a-kind service. "We get comments every day that our service is phenomenal," she says.



“We strive to build a community around ourselves and be helpful wherever and whenever we can.”

Margaret isn't content to stop there, though. She's currently working on implementing a cross-training program to increase each employee's knowledge across the various departments. Her dream is that each employee can act as a "personal shopper" for every customer that comes through the door. Her employees know that if they can't answer a customer's question, it's their responsibility to pass off the shopper to someone who can.

Margaret is also a firm believer that keeping her employees happy is another way to drive great service for her customers. She inspires loyalty from her store

associates by listening to their concerns and making their work-life balance a priority for her business. "We don't just treat them like a number," she says. "When you care about your employees, they'll care about your business."

That focus on helping people continues outside Margaret's store. Clark's Ace gives back to the community by running Round Up for Kids all year long to support Children's Miracle Network Hospitals. They also work with the American Legion and numerous community outreach efforts. Margaret networks with other business owners and Ace retailers through the local Chamber of Commerce and the Progressive Ace Leaders group. "We strive to build a community around ourselves and be helpful wherever and whenever we can."

HIGHLIGHTS

31 Training Hours Per
Customer-Facing Employee
.....

Store Has Been in the
Family for Seven
Generations





PARTNERING

FOR GROWTH

**Fresno Ag
Ace Hardware**
CALIFORNIA



Enrich the Assortment

Like the town of Fresno itself, Fresno Ag Ace Hardware has seen a great many changes over the years. The California business has been around since 1876, when it was founded as a farm implement manufacturer in what was then an agricultural area. As Fresno grew, so did the business, developing a retail hardware trade on the side. This hardware business went on to serve homeowners and business owners as they flocked to the growing city. Then in 2014, Fresno Ag was approached by Ace, and owner Mike Kimball was impressed by the savings and programs they had to offer. In 2015, his store converted.

Today, the store is a force to be reckoned with, with 55,000 square feet of retail space and 80 employees. Since converting, “we’re growing at a rate we’ve never seen before,” says store manager Ian Williams. Their numbers are nothing short of amazing. “Each year we do more and more business,” Ian adds. “In 2017, we were up 8% over 2016, and 2016 was our busiest year ever.” Fresno Ag drives these incredible sales numbers with a strong focus on an enriched product assortment. They balance core departments with niches catering to their market – specialized plumbing and electrical parts for the older housing stock that’s still commonly found in the city, household items and gifts, a big selection of ammo, including harder-to-find types, and a range of categories like hunting, fishing, camping and RV that cater to the many outdoor enthusiasts in their area.



“We’re so happy we switched to Ace. It has really increased our profits.”

Best Brands have also been one of their big sales drivers. “You can correlate the success of our business with the Best Brands we brought in,” says Ian. They carry Weber, Big Green Egg, Yeti, Traeger and do a particularly brisk business with Stihl, selling at three times the rate other stores do.

Fresno Ag shows their appreciation for the impressive sales by reinvesting back into the community. They donate merchandise for charitable auctions, sponsor Little League teams and support a vast range of charitable causes like animal rescue shelters, the Boy Scouts and the California Wildlife Association.

“We’re so happy we switched to Ace two years ago,” says Mike. “It has really increased our profits and improved our product mix. At first, we were nervous about the conversion process, but Ace made it very easy.”

HIGHLIGHTS

- 55,000 Square Feet of Retail Space
-
- 80 Employees
-
- Sales Up 8%





SUCCESSING

THROUGH ONE-OF-A-KIND SERVICE

**Ace Hardware
Cincinnati**
OHIO



Enrich the Assortment

Tim Cable, the General Manager of a four-store Ace chain in suburban Cincinnati, Ohio, sums up his vision of Ace's Helpful Promise with one simple idea. "We have a policy of never saying no to a customer," he says. "The correct answer is, 'let me see what I can do.'"

Tim, who is also part owner of the chain's newest location in Mariemont, sets the bar high for the stores in his charge. He starts by hiring the right people. "We can train you on products, but we can't train you to have the right personality," he says. New hires go through Helpful 101 and 201 to become Helpful Certified. Employees are cross-trained for all categories and all roles, so they can greet a customer at the door, walk them through the aisles to find the product they're looking for, then ring them up at the register.

This dedication to customer service has created a store culture where going above and beyond the call of duty is standard operating procedure. "Not too long ago, a customer had the rearview mirror fall off her car and she almost wrecked as a result," Tim says. "She told an employee about it, and he ran out and fixed it for her. When she wanted to pay, he told her it was no charge." The stores earn incredible Helpful Index scores on Mystery Shops, with over 90% as the norm.



“Staying customer-focused first and foremost is how we succeed.”

Tim feels that a constant focus on 20/20 Vision is another important way to reinforce the Helpful Promise. Ace Rewards is a top priority – no customer goes through the register without being asked for their card. Employees are prepared to engage in a dialogue to extoll the benefits of the program and get non-members to sign up.

The chain also helps customers by implementing Discovery Edge to ensure they have all the right products, with the ultimate goal of completely resetting each store. They’ve already reset a majority of categories both big and small, from tools and LED bulbs to pool supplies, door locks, and home hardware, for an 87% acceptance rate and counting, with 98% in-stock. The stores also carry Ace’s

Best Brands like Weber, Yeti, Toro and Big Green Egg. And as part of their “don’t say no” philosophy, if Tim’s stores don’t stock something, they’ll special order it.

All decisions in Tim’s stores are made in the context of helping customers. “When we look at any program or product, the first thing we ask ourselves is, ‘How will this help our customers?’” he says. “Staying customer-focused first and foremost is how we succeed.”

HIGHLIGHTS

Helpful Index Over 90%

 87% Discovery
 Acceptance Rate





SOARING

TO NEW HEIGHTS

**Wauseon
Ace Hardware**
OHIO



Be the Supply Place

Former airline pilot Jeff Rupp, owner of Wauseon Ace in Wauseon, Ohio, knows how to keep his business flying high. When he bought his store in 2005, Jeff saw the untapped potential for commercial sales in his community. Thanks to The Supply Place, Jeff was able to build his B2B business into an impressive 21% of his store's total sales.

To get the best results, you need to have the best people, so Jeff brought in seasoned retail pro Doug Behnfeldt to serve as Wauseon Ace's B2B Champion. "Doug really knows how to develop relationships," says Jeff. Doug farmed inside, growing sales with Wauseon's existing customers, and he hit the streets to farm outside as well, landing B2B clients big and small. "We brought in manufacturers, contractors, schools and even a large local greenhouse operation," says Jeff.

Once they've established a relationship with a customer, Wauseon Ace makes it a priority to expand their sales volume. "We set up a bin maintenance program for a local manufacturer. They use about 50 different fasteners, and Doug goes in on a scheduled basis to check the inventory and replenish as necessary," Jeff says. "We've got a couple of other places where we have a similar program managing cleaning supply closets."

“Ace is out there trying to help us be the best.”



The greenhouse presented another unique opportunity that the two men were quick to turn to their advantage. “They were new to our community, and they didn’t know where to find things. We got Doug in there, and now he’s their go-to person for anything and everything. They’ll call and say we need this or that, and Doug will source it and deliver it. Being willing and able to provide things that aren’t traditional hardware store stuff sets us apart,” says Jeff.

The store has a sporting goods department that provides local sports teams with embroidered and printed gear, and Jeff had the inspiration to offer the service to his commercial customers. Wauseon Ace now creates customized jackets, hats and T-shirts for local businesses to give away to customers and employees. “It has turned into a nice little sideline for us,” Jeff says.

Jeff’s next move is to develop his LED for Business program. He has already switched his own store and uses it as a showroom to sell conversions. “We plan to grow LED a lot larger,” Jeff says. “Working with the programs Ace comes out with is best for our business in the long run. When you look at the results the company is getting overall, it’s phenomenal. Ace is out there trying to help us be the best.”

HIGHLIGHTS

Unique Niches Drive
Additional Sales

.....

Serves B2B Customers
of All Sizes

.....

21% of Total Sales are B2B





PERFORMANCE

POWERHOUSE

**Kabelin
Ace Hardware**
INDIANA



Invest in the Brand

Kabelin Ace Hardware has a history going back 105 years, starting out as a single store in LaPorte, Ind., opened in 1912 by the great-grandfather of current owners Betsy Kabelin Parkison, Diana Kabelin Corely and Kris Kabelin Moore. When the sisters took over from their parents, they teamed up with Ace to take the business to a whole new level. They bought out competing retailers and converted them to Ace, creating a seven-store powerhouse of Pinnacle-performing stores. “Pairing Ace’s brand with the Kabelin brand really differentiated our business,” says Betsy.

Bringing the two names together quickly proved to be a winning combination indeed. The Kabelin Ace team is extremely enthusiastic about the programs and initiatives available to them as Ace retailers, and they are fully invested in the brand.

Kabelin brought in all the Discovery Edge Level 3 resets, like Plumbing, Power Tool Accessories and Hand Tools. “You always have to stay on top of the updated assortments that customers want, and Ace has done a great job putting the best merchandising plans together,” says company president Matthew Moore. He’s particularly pleased with the Plumbing reset. “Plumbing is incredibly important for us, and it’s hard to upgrade. But Ace dug in and really improved it. We wanted to be on the front end of that.”



“Put a great team around you, take good care of them and they will take good care of your customers.”

Ace Rewards proved to be a game changer as well. “It’s really, really important for how we do business,” says Matthew. “I think the targeted marketing that Ace has done has been fantastic. It has been a big success for us. So we are incredibly aligned with Ace’s marketing plan.” The effectiveness of the program is evident in their stores’ impressive scan rates, which at an average of 70% puts them consistently near the top of the leader board.

To make sure all their stores are delivering on Helpful every single day, the Kabelin team takes full advantage of Ace’s roster of training programs. Management attends

Pinnacle Performance Retail Training and participates in C.H.A.M.P. The chain makes the most of PRS Training and Ace LearningPlace, too. “Every year, I feel these programs get better and better,” Matthew declares.

Despite the diverse challenges of growing a retail business and the complexity of running a multi-store chain, Kabelin Ace’s formula for success remains relatively simple. “Start with good core values,” Matthew says. “Put a great team around you, take good care of them and they will take good care of your customers.”

HIGHLIGHTS

Utilizes All Discovery Edge Level 3 Resets

70% Ace Rewards Scan Rate

Store Owned by Three Sisters





DIFFERENTIATION DRIVES SUCCESS

**Ace Hardware
Barrington**
ILLINOIS



Invest in the Brand

Former cosmetics industry executive John Brown was all ready to start a comfortable retirement in his hometown of Barrington, Ill., just outside Chicago. But retirement didn't hold his interest for long. Barrington had been without a hardware store for several years, and with his newfound free time, John decided to do something about it. After meeting with several co-ops, he opened his own Ace store in 2012. "It was clear Ace was the right partner," he says. "They had ideas the other co-ops didn't. They helped with planning and merchandising, and gave a lot of guidance on how we could make things work."

Fast-forward a few years and Barrington's sole hardware store is thriving. Coming from a retail background, John knew good advertising was crucial for his business to succeed. He participates in the Ace national advertising program and also joined the Chicago ad group item selection committee to make sure he had a voice in deciding which products to promote. "It's amazing what a difference the advertising has made for our business," he says. "We're up to 36 weeks a year with circulars, between the national ads and the Chicago group ads. We sell even more when we have events with radio and TV to support them."

“We need to have a point of differentiation for our customers, so once they come in, they want to come back.”

Being in an affluent, mostly residential suburb, one of the key categories John promotes is premium grills. “My customers all have big yards and are willing to spend the money for high-quality products,” he says. “Weber, Traeger and Kamado Joe do very well for us.” He hopes to someday carry Big Green Egg, as well. “My competitors are miles away, so there’s nowhere convenient to buy those brands.” John has enhanced his advantage in the grill trade with the kind of white-glove service his customers won’t find anywhere else. “We do free assembly, and we have a delivery truck, so we’re set up to sell a lot of grills. We sell more than we can stock, actually. Our customers love the special service. It keeps them shopping with us.”

John knows it’s this differentiation that drives his store’s success. “We always focus on what makes us unique compared to other stores, and one of the things I learned, it’s just not other hardware stores we need to worry about. We’re in competition with every other retailer out there. We need to have a point of differentiation for our customers, so once they come in, they want to come back. If we don’t have more to offer than our competitors do, we won’t succeed. It’s that simple.”



HIGHLIGHTS

Participates in Circular Program 36 Weeks Per Year
.....

Offers Free Grill Assembly and Delivery





GROWING

THE FAMILY BUSINESS

**Paul's
Ace Hardware**
ARIZONA



Enrich the Assortment

When sisters Julie Buchowski and Tricia Dauwalder-Luna took over family business Paul's Ace Hardware, they knew they had a hard act to follow. In 1956, their grandfather Paul Dauwalder decided he wanted to work for himself and bought a hardware store in Scottsdale, Ariz. A second store joined the business in the '70s, and after son Don took over, a third store was added. When Don decided it was time to pass the baton to his children, the sisters took it and ran with it. Julie and Tricia went on to build two additional stores from the ground up, and then further expanded their empire by acquiring three existing Ace stores that came up for sale, bringing the thriving chain to a total of eight locations.

Paul's Ace stores come in all sizes and serve different markets, varying from neighborhood retail stores to more B2B-focused stores. Julie and Tricia make sure they stay responsive and relevant to the different demands of the communities they serve. Their biggest location does a brisk business in building materials, thanks to an on-site lumberyard. Two other locations offer rental departments. The chain's investment in the community also extends to enthusiastic support of local Makers. All the stores carry locally produced merchandise that ranges from food items to soap to hard goods like coolers.



“We have Yeti, Weber, Stihl, Traeger, Big Green Egg. They’re an absolute home run with our customers.”

That local flavor is complemented with a full investment in Ace’s Best Brands, which have been a big hit with shoppers. “Having premium brands has been a huge driver. They’ve breathed new excitement and new life into our stores,” says Julie. “The Best Brands are definitely wins,” adds Tricia. “We have Yeti, Weber, Stihl, Traeger, Big Green Egg. They’re an absolute home run with our customers.”

The sisters feel that their father’s move to Ace in the ‘90s played a key role in the success of their expansion. “Ace has done a really good job of helping retailers at retail, not just being a wholesaler,” says Julie. “When we were thinking about adding stores, the Ace-to-Ace acquisition dollars and inventory made those decisions a lot easier, and really made them better choices for us. And our District Manager gave us good guidance. He encouraged us to grow, and I’m really thrilled he did.” Tricia adds, “We’re proud of what we’ve accomplished. Proud to be third-generation owners of a business with our grandfather’s name on the building, proud to still be working with our family every day.”

HIGHLIGHTS

- Sells Locally Produced Merchandise in All Stores
- Successful Rental Departments



**Jay's
Ace Hardware**
GEORGIA



Be the Supply Place



LIVING THE DREAM

Jay's Ace Hardware in Wrens, Ga., got its start when founder Jay Bullock decided to follow his dream. Literally. "My dad had this dream that he pulled up to an empty storefront with a 'For Rent' sign on his way to work, and then he saw himself and his family running a business from it," says Jay's son Preston. "The next day he drove past the building from his dream and saw it actually was for rent. He called the number, struck a deal and the rest is history."

Preston went on to share ownership with his father, and in 2012, they decided the time had come to convert to Ace. "We were not happy with the level of support we were getting from our previous co-op," Preston says. "I started looking around and Ace was there for me. They offered the all-around support I wanted, and their programs have proven to work with so many retailers. In five years with Ace, we ended up making more money than the previous 20 years combined."

Preston immediately saw the value of implementing 20/20 Vision and rolled it out their very first year with Ace. His store quickly went on to achieve Platinum and then Pinnacle status, a goal he intends to meet, and exceed, every coming year. "I'm all about creating a great store for

our customers," he says. "We put a lot of effort into all the drivers. Our Ace Rewards scan rate averages 80%, we've reset almost all of our stores and we've really pursued B2B with The Supply Place."

The Supply Place, in particular, turned out to be another win. His father stepped into the role of B2B Champion and started going door-to-door selling LED bulbs to local businesses, with the goal of gathering intel on their supply closet and other needs. The strategy worked, bringing in an "almost overwhelming" amount of business with local manufacturers, retail stores and property management companies. By 2016, Jay's Ace was doing \$500,000 in B2B sales, and in 2017 that number rose to \$800,000.

Preston's next move is to pursue a dream of his own – opening a second location across the country in his new hometown of Chico, Calif. He's confident Ace will have his back the whole way. "I wouldn't be expanding my business with anyone who didn't have a plan like Ace does. They've got it all figured out, and I'm excited to be working with them."

HIGHLIGHTS

Average Scan Rate of 80%
.....
\$800,000 in B2B Sales

**Ferrmax
Group**
PUERTO RICO



Invest in the Brand



HELPFUL TO THE MAX

Business is business, but it's community that matters most to the Ferrmax group, a team of 10 retailers in Puerto Rico who own a combined 15 Ace Hardware stores and lumber yards. When Hurricane Irma struck their homeland in 2017, the Ferrmax group rose to the occasion to help the communities they serve get through the disaster, and they continue to this day to help the country rebuild.

Ferrmax stores are family-run businesses that have served their individual communities for decades. They operate as a group for buying, advertising and, in times of crisis, assisting each other. The stores run the gamut from urban to rural and do a much bigger B2B trade than their U.S. counterparts, with 65% of their sales being lumber and building materials sold to contractors.

Their status in the home-building market and the resources they had as partners of Ace made them one of the first lines of defense after the hurricane. "The stores stayed open before the storm, during and after; they never closed," reports Regional Sales Manager Juan Carlos Sanjur. "The buying relationship with Ace and the quick actions taken by both owners and the RSCs meant stores could get products the locals needed at regular replenishment costs. This was critical to help their communities. The owners extended credit to customers who didn't have money and delivered goods whenever they could. Since their stores have backup generators, they cooked for their employees and anyone else that showed up needing a meal. We

are blessed to have the owners we have in Puerto Rico. Meanwhile, the big box retailers on the island were only occasionally open," says Juan Carlos.

Ferrmax's partnership with Ace has also made a big difference for their regular day-to-day operations. The retailers work closely with the Ace team to adapt Ace programs to their business model and Puerto Rico's specific market demands. The group utilizes Epicor POS and auto replenishment ordering. They've leveraged PRS engagements to help them better manage inventory. They've also introduced Ace Rewards at all their locations, which has proven to be a tremendous tool for building customer loyalty and winning customers from their competition. Employees are trained in Helpful 101, giving them the tools to increase the average customer ticket size – no small feat in the midst of the tough economy facing Puerto Rico. "The Ferrmax team is very happy partnering with Ace," says Juan Carlos. "They agree the power of the Ace brand and the support behind it made this the best choice for their group."

HIGHLIGHTS

Team of 10 Retailers

.....


15 Ace Hardware Stores
& Lumber Yards

A RECORD-BREAKING

\$11 MILLION RAISED FOR CMN HOSPITALS IN 2017

RETAILER FUNDRAISING

RAISED OVER
\$5.9 MILLION

\$2.7 MILLION 
 RAISED VIA ROUND UP FUNCTION AT POS

 **OVER 3,500 STORES** DONATED FUNDS TO THEIR LOCAL CMN HOSPITAL

OVER 1.2 MILLION 
 WORLD'S FINEST CHOCOLATE BARS WERE SOLD


VENDOR FUNDRAISING

RAISED OVER
\$4 MILLION

RAISED A RECORD BREAKING
\$2.07 MILLION



ROBBIE GOULD
 CELEBRITY GOLF INVITATIONAL.
PRESENTED BY ACE
 RAISED OVER
\$820,000

26TH ANNUAL VENDOR
GOLF OUTING
 RAISED OVER
\$1.22 MILLION 

CORPORATE FUNDRAISING

RAISED OVER
\$1.1 MILLION


 OVER **\$171,000** WAS RAISED VIA **CHANGE FOR KIDS** PAYROLL DEDUCTION


 MOTORCYCLE MIRACLE MISSION RAISED OVER
\$56,000

\$719,000+
 RSC FUNDRAISING

ANOTHER YEAR OF RECORD FUNDRAISING

It's no easy feat to top a record-breaking year, but our retailers, team members, vendors and customers showed once again that they were up to the challenge. Working together, they raised more than \$11 million for Children's Miracle Network Hospitals in 2017, beating the \$10 million raised the previous year by 11%!

Ace left the old record in the dust thanks to a lot of hard work and a dedication to making a difference. Our stores sold 1.2 million World's Finest Chocolate bars and enough Miracle Buckets to generate over half a million dollars. Customers pitched in by "Rounding Up" five million transactions at the register to raise \$2.7 million. Retailers joined forces to host golf outings across the country, and back at their stores they hosted special events like Hot Dog Days, Tent Sales, Grill Your Ace's Off, Egg Fests, Ladies' Nights and many more.

This incredible devotion to benefiting local kids and their families demonstrates how being Ace helpful goes beyond merely serving customers – it means making a commitment to the community.



CONGRATULATIONS

★ TO THE TOP 10 CMN HOSPITAL FUNDRAISING MARKETS FOR 2017 ★

1	\$502,616 Chicago	6	\$178,630 Long Island
2	\$344,012 Denver	7	\$169,383 St. Louis
3	\$293,935 Houston	8	\$159,758 Seattle-Tacoma
4	\$187,664 Salt Lake City	9	\$159,683 Jacksonville-Brunswick
5	\$181,343 Detroit	10	\$151,247 Spokane





A PASSION



FOR FUNDRAISING TAKES A PERSONAL TURN

When Bill and Susan Murff, owners of Cypress Ace Hardware in Houston, Texas, started fundraising for their local CMN Hospital, Texas Children's Hospital, over 20 years ago, they were small business owners just wanting to give back to their local community. Little did they know, the charity that would become so near and dear to them would one day save their grandson's life.

Fast-forward to a standing ovation at the General Session at the Ace Fall Convention as the Murffs were named the 2017 All-Star Retailers for their outstanding commitment to fundraising for Texas Children's and for raising awareness for CMN Hospitals across the country. The moment only got sweeter when their grandson, daughter and son were brought out as part of the surprise, carrying the All-Star trophy.

"We are honored beyond measure to be named the 2017 Ace All-Star Retailers," said Bill Murff. "Susan and I are humbled and proud that our team's efforts have been so generously supported by the community, and that in turn, we have been able to give those funds directly to Texas Children's Hospital. We've seen firsthand the lifesaving work that takes place there on a daily basis."

Fundraising has become a central part of the culture at Cypress Ace. From keeping Round Up going year-round to their signature Grill Your Ace Off event, the kids and families at Texas Children's Hospital are always top of mind.

Thanks to the Murffs' extraordinary dedication, leadership and commitment, their store team has raised more than \$220,000 for Texas Children's Hospital over the last 20 years. In 2017 alone, Bill and Susan presented the hospital with a check

“Their store team has raised more than \$220,000 for Texas Children’s Hospital over the last 20 years.”

for more than \$100,000, which enabled them to establish the Immune Mediated Inflammatory Central Nervous System and Brain Disorders Clinic.

In the All-Star Retailer nomination form from Texas Children’s Hospital, representatives noted how thanking the community for their support is always a priority for the Murffs, and that as soon as you walk through the doors of Cypress Ace, you can feel something different. The nomination form reads, “The Murffs invoke a strong team culture which is the foundation for accomplishing not only the mission to raise funds, but also to run a successful business.”

Ace’s valued vendor partner Duracell also recognized the Murffs’ incredible achievement with a \$25,000 donation to Texas Children’s in their names.



The following 24 Ace retailers were nominated by their local CMN Hospital for the 2017 Ace All-Star Retailer recognition. Ace’s friends at Stanley Tools made a \$2,500 donation to each of their local CMN Hospitals in their name.

CONGRATULATIONS TO ALL OF THIS YEAR’S NOMINEES!

David Boatwright , Primary Children’s Hospital	Darin, Seth and Brad Krum , Boston Children’s Hospital
Blake Burgess , Children’s Hospital & Medical Center	Michael Lynch , Nationwide Children’s Hospital
Pat and Alison Deary , Riley Hospital for Children	Jaime Maloney , Children’s Specialized Hospital
Allen Eubanks , Children’s Hospital at OU Medical Center	Robert Martin , Gunderson Health System
Greg Gold , Children’s Hospital of Pittsburgh of UPMC	Linda Roark , UCSF Benoiff Children’s Hospitals
Laurel Hafertepen , Cincinnati Children’s Hospital Medical Center	Gary Simpson , Cottage Children’s Medical Center
Bill Hagan , Wolfson Children’s Hospital/UF Health Jacksonville	Gina Schaefer & Marc Friedman , Johns Hopkins Children’s Center
Bill and Renae Jablonowski , Cook Children’s Medical Center	Mark Schulein , CHOC Children’s
Stacey Jess , Rady Children’s Hospital	Harry Spyrka , Lauren Small Children’s Center
Gary Johnson , Children’s Miracle Network Hospitals of Greater St. Louis	Walter Toole , Arnold Palmer Hospital for Children
Dave Jones , Children’s Healthcare of Atlanta	Kitty Ulrich , Women & Children’s Hospital of Buffalo
Tom Knox , The University of Kansas Medical Center Pediatrics	Mark Vandenberg , Beaumont Children’s

TOP 10 CMN HOSPITALS FUNDRAISING

Single-Store Retailers

1. ALSPAUGH'S ACE HARDWARE - WOODLANDS
Dorothy Alspaugh
Houston
\$63,450

2. CYPRESS ACE HARDWARE
Bill & Susan Murff
Houston
\$63,244

3. WEXFORD ACE HARDWARE
John & Laurie Luitgarden
Pittsburgh
\$41,480

4. ALSPAUGH'S ACE HARDWARE - KINGWOOD
Richard Alspaugh, Jr.
Houston
\$40,841

5. ACE HARDWARE & PAINT
Joel & Susan Schneider
Denver
\$35,836

6. INTOWN ACE HARDWARE
David Jones
Atlanta
\$31,505

7. WEISS ACE HARDWARE
Jon Weiss
Chicago
\$30,293

8. BETHALTO ACE HARDWARE
Gary Johnson
St. Louis
\$23,535

9. JARMS ACE HARDWARE
Tom & Charlene Jarms
Spokane
\$22,794

10. ACE HARDWARE - BRIGHAM CITY
Kent Beckstrom
Salt Lake City
\$20,905



Thank you to our vendor partner Duracell for a making a \$10,000 donation to each of these stores' local CMN Hospitals in honor of their extraordinary fundraising efforts.

TOP 5 CMN HOSPITALS FUNDRAISING

Multi-Store Retailers (2-4 Stores)

Calculated by store average.

1. SMITH & EDWARDS
Craig Smith
Salt Lake City

Average per store:
\$37,272
Total **2** stores raised
\$74,545

2. JABO'S ACE HARDWARE
Bill & Renae Jablonowski
Dallas/Ft. Worth

Average per store:
\$20,726
Total **3** stores raised
\$62,178

3. BOMBERGER'S STORE
Robert Resch
Harrisburg-Lancaster

Average per store:
\$17,351
Total **2** stores raised
\$34,703

4. S&S ACE HARDWARE & MOWER
Spencer & Scott Snedecor
Atlanta

Average per store:
\$15,047
Total **2** stores raised
\$30,093

5. MILLERS ACE HARDWARE
Greg & Chip Gold
Pittsburgh

Average per store:
\$14,265
Total **2** stores raised
\$28,531

TOP 5 CMN HOSPITALS FUNDRAISING

Multi-Store Retailers (5+ Stores)

Calculated by store average.

1. RICK'S ACE HARDWARE
Richard Baalman, Jr.
St. Louis

Average per store:
\$14,232
Total **5** stores raised
\$71,161

2. GORDON'S ACE HARDWARE
Les & Jeremy Melnick
Chicago

Average per store:
\$9,398
Total **9** stores raised
\$84,579

3. WHITMORE ACE HARDWARE
Mike, Michael & David Cripe
Chicago

Average per store:
\$9,090
Total **6** stores raised
\$54,540

4. ACE HARDWARE
Joseph T. Findysz
Tucson

Average per store:
\$7,679
Total **6** stores raised
\$46,074

5. HAGAN ACE HARDWARE
The Hagan Ace Family
Jacksonville-Brunswick

Average per store:
\$7,384
Total **8** stores raised
\$59,074

ROUNDING UP DELIVERS FOR RED CROSS

Ace Hardware has been an official charitable partner of the American Red Cross during disaster relief efforts for over 25 years. In 2017, our partnership reached record giving levels when retailers and our customers joined forces to help the Red Cross bring much needed relief to areas struck by hurricanes Harvey, Irma and Maria. Over the course of seven weeks, the simple act of "Rounding Up" at the register delivered extraordinary results, with 1.2 million donations made in 860 Ace stores across the U.S. Thanks to this incredible outpouring of generosity, we're humbled to report that together we donated over \$1.37 million in funds and products to help those in need.



American Red Cross



A STAR THAT SHINES ON



Ace's 2017 All-Star Roxie Schopp has been a big fan

of lemonade stands throughout her childhood. So it's no surprise that she knows that when life hands you lemons, you make lemonade.

When Roxie was just three years old, she was diagnosed with high-risk neuroblastoma, an aggressive and often deadly cancer. She spent most of the next 17 months receiving aggressive in-patient treatment at St. Louis Children's Hospital, followed by a two-year trial study at Cardinal Glennon Children's Hospital. Her brave fight put her cancer on the run, but she'll still need regular treatment at St. Louis Children's Hospital's Late Effects Clinic into adulthood.

Today, Roxie is a healthy, happy fourth grader who is passionate about helping kids with cancer and the hospitals that care for them. When she was chosen as Ace's All-Star, Roxie was delighted for the chance to positively impact the lives of children and patient families just like hers.

Roxie found an ally in local Ace retailer Rick Baalman. His store had come to the attention of the Ace Foundation for its fundraising success, and everyone thought Rick and his team would be perfect partners for Roxie. They took Roxie and her family under their wings and joined forces on fundraising initiatives throughout the year.

Working with Rick, Roxie made the rounds to the Ace stores in his group, setting up her signature lemonade stand to raise money for their local CMN Hospital. This one-on-one engagement with store owners and their associates inspired everyone she met to go that extra mile to help raise funds.

Roxie brought her unstoppable determination to Ace events throughout the year. She appeared at the Ace spring show in Atlanta, joining Darius Rucker on stage at the after-hours event. She manned her lemonade stand to raise funds at Ace's corporate headquarters and at a solar eclipse viewing fundraiser at Rick's ranch. She also lent her support at the Vendor Golf Outing, the Motorcycle Miracle Mission, and Bucket Day events at various Chicago and St. Louis Ace stores. Roxie's All-Star year ended with a surprise thank you party from the St. Louis store group. The party was held at St. Louis Children's Hospital where a park bench in the garden was dedicated in her honor. For the grand finale, the Schopp family will attend the CMN Hospitals' conference at Disney World in March of this year.

Roxie remains so driven to help children like her that she and her family plan to continue their fundraising efforts with Rick and his team. "Roxie's really looking forward to raising more money for CMN Hospitals, even though she's retired from being the Ace All-Star," Rick says. "She'll always be an All-Star to us."



ACE[®]
The helpful place.

Ace Hardware Corporation

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acehardware.com