

White Cap and Construction Supply Group Combine to Create \$4 Billion Market-Leading Distributor of Concrete Accessories and Specialty Construction Products

Transaction Will Enhance Capabilities to Serve Professional Contractors with Broader Product & Service Offerings and Expanded Reach

ATLANTA, Oct. 19, 2020 /PRNewswire/ -- White Cap Supply Holdings, LLC ("White Cap") and Construction Supply Group ("CSG") announce today the successful separation of White Cap from HD Supply and its combination with CSG. The combined transaction, valued at approximately \$4 billion and including an investment by Clayton, Dubilier & Rice ("CD&R") funds, creates the leading North American distributor of a diverse mix of concrete accessories and specialty construction and safety products by revenues with more than \$4 billion annually.

Following the transaction, CD&R funds hold a 65 percent ownership interest in the combined company, and the prior shareholders of CSG, led by The Sterling Group, hold a 35 percent interest.

CSG and White Cap have highly complementary product offerings and geographic footprints, aligned cultures and strong talent focused on providing exceptional customer service to professional contractors. John Stegeman, CEO of White Cap, and Alan Sollenberger, President of White Cap, will lead the combined business.

"Both White Cap and CSG share the same vision of continuous growth with the goal to relentlessly improve customer service," said John Stegeman. "By joining together, our platform allows expansion of our product and service offerings across more than 400 locations in 46 U.S. States and 8 Canadian Provinces. Our goal is to provide even greater value for our customers and enhance our ability to serve with excellence. This is an incredibly exciting time for our associates, customers, and suppliers."

The combined strength of White Cap and CSG will include:

- An outside sales force of over 850 associates with significant industry experience
- More than 1,000 inside and counter sales associates to deliver on our promise of two-hour ready will call at our locations
- Nearly 2,000 delivery vehicles to enable our same day or next day service to job sites
- A comprehensive offering of 400,000+ products from more than 4,500 suppliers

"Both businesses have incredible histories of exceptional customer service," said Alan Sollenberger. "As we join together, we will continue to build on our vast experiences and stronger future by investing in focused local growth initiatives with the support of our national platform."

"Our goal with this transformational combination is to bring to life the many benefits of our combination for our customers," said John Stegeman.

About White Cap

White Cap serves as a one-stop shop providing concrete accessories and chemicals, tools and equipment, building materials and fasteners, erosion and waterproofing and safety products to professional contractors by meeting their distinct and customized supply needs in non-residential, residential and infrastructure end markets. White Cap operates 268 branches with approximately 5,300 employees and offers more than

400,000 SKUs to 200,000 customers. For more information, visit www.whitecap.com.

About Construction Supply Group

CSG is a leader in the distribution of specialty construction materials, accessories and tools, primarily for professional concrete and masonry contractors in the United States and Canada. With over 132 branches and approximately 2,000 employees, CSG offers over 60,000 SKUs to over 65,000 customers. For more information, visit www.constructionsupplygroup.com.

About Clayton, Dubilier & Rice

Founded in 1978, Clayton, Dubilier & Rice is a private investment firm. Since inception, CD&R has managed the investment of more than \$30 billion in 95 companies with an aggregate transaction value of more than \$150 billion. The Firm has offices in New York and London. For more information, visit www.cdr-inc.com.

About The Sterling Group

Founded in 1982, The Sterling Group is a private equity investment firm that targets controlling interests in basic manufacturing, distribution, and industrial services companies. Typical enterprise values of these companies range from \$100 million to \$750 million. Sterling has sponsored the buyout of 57 platform companies and numerous add-on acquisitions for a total transaction value of over \$14.0 billion. Currently, Sterling has over \$4.0 billion of assets under management. For further information, please visit www.sterling-group.com.

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