



QEP Completes Sale Of Australia/New Zealand Business

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BOCA RATON, Fla., March 04, 2024 (GLOBE NEWSWIRE) -- **Q.E.P. CO., INC. (OTCQX: QEPC)** (the "Company" or "QEP") today announced that it has completed the previously announced sale of its Australia and New Zealand business (the "ANZ Business") to QEP Australasia Pty. Ltd. led by Bruce Maclaren and Tony Lei, in a transaction valued at AUD 14.05 million.

Bruce Maclaren has served as the Managing Director of the ANZ Business for 20 years including a period of three years as CEO European Operations for QEP based in the UK. Tony Lei has also been involved with QEP for over 20 years as a valued supplier to the ANZ Business and QEP's other businesses around the world.

Executive Chairman of QEP, Lewis Gould, stated, "The closing of this transaction is another significant step to realign our global footprint to drive long-term stockholder value. The proceeds from this and other recent divestitures have been used to substantially eliminate the Company's debt and provides us with a healthy cash position as we begin the new fiscal year. We are grateful to Bruce and Tony for their many contributions to QEP and look forward to contributing to their growth in the future."

QEP's President & Chief Executive Officer, Leonard Gould, commented, "This latest move further underscores our commitment to enhancing focus on our local customers. Simplifying the business removes friction allowing for increased 'speed to market' via new product innovations, all while maintaining our best-in-class service levels."

In connection with this transaction, the Company has entered into Amendment No. 6 (the "Amendment") to the Fifth Amended and Restated Loan and Security Agreement, Waiver, Consent and Release dated February 15, 2021 with its lending institution, Bank of America, N.A. The Amendment waives certain covenants and restrictions relating to this sale of assets, agrees to release all liens covering the purchased assets, and consents to this transaction. The Amendment also provides the Company with additional flexibility with respect to certain financial covenants as well as permitted acquisitions and distributions.

As part of its consideration in approving the transaction, QEP's Board of Directors appointed a Special Committee of independent and disinterested directors, to consider and recommend the transaction for approval by the Board of Directors. In recommending the transaction to the Board of Directors for approval, the Special Committee considered the financial advice from its financial advisor, Cassel Salpeter & Co. LLC, a third party investment banking firm.

About QEP

Founded in 1979, Q.E.P. Co., Inc. is a leading designer, manufacturer and distributor of a broad range of best-in-class flooring installation solutions for commercial and home improvement projects worldwide. QEP offers a comprehensive line of specialty installation tools, adhesives, and underlayment. QEP sells its products throughout the world to home improvement retail centers, and professional specialty distribution outlets, under brand names including QEP®, LASH®, ROBERTS®, Capitol®, Premix-Marbletite® (PMM), Brutus®, Homelux®, PRCI®, and Tomecanic®.

QEP is headquartered in Boca Raton, Florida with offices in Canada, Europe and Asia. Please visit our website at www.qepcorporate.com.

Forward-Looking Statements

All statements contained in this press release, other than statements of historical facts, may constitute forward-looking statements within the meaning of the federal securities laws. These statements can be identified by words such as "expects," "plans," "projects," "will," "may," "anticipates," "believes," "should," "intends," "estimates," and other words of similar meaning. Forward-looking statements include, but are not limited to, statements regarding the Company's business following the sale. Any forward-looking statements contained herein are based on current expectations and beliefs, and are subject to a number of risks and uncertainties, including those listed in the Company's annual report, as such

risk factors may be amended, supplemented or superseded from time to time by other reports and disclosures made by the Company. Forward-looking statements may also be adversely affected by general market factors, competitive product development, product availability, federal and state regulations and legislation, manufacturing issues that may arise, patent positions and litigation, among other factors. The forward-looking statements contained in this press release speak only as of the date the statements were made, and the Company does not undertake any obligation to update forward-looking statements, except as required by law.

CONTACT:

Q.E.P. Co., Inc.

Enos Brown

**Executive Vice President and
Chief Financial Officer**

561-994-5550