



Ad hoc release pursuant to Art. 53 LR

Bauwerk Group strengthens presence in North American parquet market with acquisition of Somerset Hardwood Flooring

St. Margrethen (CH), May 02, 2022.

Bauwerk Group has acquired over Somerset Hardwood Flooring, based in Somerset, Kentucky (USA), effective May 1st, 2022. With the acquisition, Bauwerk Group strengthens its global profile and gains a stronger foothold in the growing flooring markets in the USA and Canada. The transaction is characterized by the strongly complementary nature of the two companies. Somerset Hardwood Flooring has an established brand and strong market position in the USA with a significant presence in the relevant sales channels. Known for its solid hardwood flooring, Somerset Hardwood Flooring will benefit from Bauwerk Group's expertise in multilayer engineered flooring. The companies will also benefit from a joint specialization on hardwood flooring, their shared DNA in production and a mutual focus on quality products. The combined company is establishing itself as the global market leader in quality hardwood flooring with a geographically well diversified turnover of around CHF 400 million at a production volume of more than 11.5 million square meters.

"With Somerset Hardwood Flooring, we have found the ideal partner for Bauwerk Group's North American expansion. All the requirements we have set for an acquisition, such as good market positioning, production capacity, high quality, and a fit in terms of values and people, apply to Somerset," states Patrick Hardy, CEO and president of Bauwerk Group AG. "We are pleased to be able to continue the success story of Somerset Hardwood Flooring and the legacy of founder Steve Merrick."

"Both parties bring key successful attributes to the table, when combined, will enable only strengthen the next steps for both companies," stated Somerset's owner Steve Merrick of the transaction. "Under the leadership of the Bauwerk Group, Somerset Hardwood Flooring will be able to further expand its strengths and position itself for even more growth in the future."

The Somerset Hardwood Flooring brand will remain and complement the other brands in the Bauwerk Group portfolio (Bauwerk Parquet and Boen), with all three brands retaining their respective regional focuses and product identities. Bauwerk Group can rely on the proven management team at Somerset Hardwood Flooring, led by long-time Somerset Hardwood Flooring VP of Sales & Marketing, Paul Stringer, as the new CEO/President.

The parties agreed not to disclose financial details of the transaction.

About Bauwerk Group AG

Bauwerk Group, headquartered in St. Margrethen (CH) is one of leading companies in the European Parquet industry with a turnover of around CHF 300 million and approximately 1,600 employees. The group owns the brands of Bauwerk Parkett and Boen and has production sites in Switzerland, Lithuania, and Croatia.

About Somerset Hardwood Flooring Inc.

Since its foundation in 1990 by Steve Merrick, Somerset Hardwood Flooring Inc. has established itself as one of the most reputable manufacturers of hardwood flooring in the USA. Production takes place at the main plant in Somerset (Kentucky, US) and the manufacturing facility in Crossville (Tennessee, US) with nationwide distribution through the leading distributors in the USA.

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