

Press Release:

Novacap portfolio company Bestar acquires Bush Industries

Desjardins Capital and Fonds de solidarité FTQ support the transaction
by becoming shareholders of the new group Bestar-Bush

EMBARGO - Montréal, January 14th, 2020 - Novacap, one of Canada's leading private equity firms, is proud to announce today that Bestar, one of its portfolio companies designing and manufacturing *ready-to-assemble* (RTA) furniture, has acquired Bush Industries, a leading American manufacturer of case goods and RTA furniture for the office and home.

The two companies have over 130 years of combined history in the RTA furniture industry and consolidated sales of approximately US\$200 million (approximately more than CAN\$260 million).

The companies share some customers across the North American market and will leverage each other's strengths to continue and accelerate their current growth. Together, the companies will provide a large and growing product offering across several categories, the industry's leading quick shipment and delivery capabilities, and an expansive team of e-Commerce marketing and sales specialists. The combined companies will have a strong and deep leadership team and a stable long tenured workforce of over 600 employees, including more than 200 in Canada.

"Bestar's goal is to concentrate their efforts on E-Commerce solution for Home/Office Furniture," stated Frederick Perrault, Senior Partner at Novacap, and Chairman of the board of Bestar. "Bestar's and Bush's leadership teams see a significant and fast-growing market opportunity for furniture sold online and shipped directly to the end consumer. This emerging business model provides furniture consumers a convenient, rapid and affordable shopping solution." added Perrault.

"While we will see some savings from efficiencies once the companies are integrated, our main objective for the combination will be to further expand our product assortment, leverage our nationwide quick shipping capabilities, and our global manufacturing and sourcing footprint to further accelerate the rapid growth we are both experiencing," said Michael Evans, President and CEO of Bush Industries, who will serve in the same role for the combined entity. Evans added: "Our customers will see little to no change in direction as we move forward. We will continue on our rapid pace of new product and category introductions. We will continue to hone and speed up our distribution services and we will add supplementary warehouse locations during 2020 in order to answer our client's needs."

"Bestar is an industry leader producing quality Québec-made furniture using state-of-the-art robotic processes," stated Luc Ménard, Chief Operating Officer of Desjardins Capital. "We are proud to support this flagship in its acquisition of its U.S. competitor, Bush Industries. In doing so, Desjardins Capital is helping to maintain a head office and quality jobs in the province of Québec, in keeping with its mission."

"Bestar has demonstrated that a strong digital strategy is essential to ensure the growth of manufacturing companies. Supporting companies like Bestar in the consumer goods' industry is

at the heart of the Fonds's mission." added for her part Janie Béïque, Executive Vice-President for Investments at Fonds de solidarité FTQ.

Bestar, with manufacturing facilities in Lac-Mégantic and Sherbrooke, Qc, is a designer, manufacturer, distributor and online seller of commercial office, home office, storage, bedroom, tables and garage storage furniture across North America. The company was founded in 1948. For more information, visit the [Bestar website](#).

Bush Industries' corporate headquarters and U.S. manufacturing operations are located in Jamestown, New York, with additional facilities in Pennsylvania, California and China. The company designs, produces and distributes home and commercial office, entertainment, bedroom, storage, seating, occasional and entry way furniture. Bush Industries was founded in 1959. For more information, visit the [Bush Industries website](#).

The headquarters of the Bestar-Bush company will be located in Sherbrooke, Québec, Canada.

ABOUT NOVACAP

Founded in 1981, Novacap is a leading Canadian private equity firm with \$3.6 billion of assets under management. Its distinct investment approach, based on deep operational expertise and an active partnership with entrepreneurs, has helped accelerate growth and create long-term value for its numerous portfolio companies. With an experienced management team and substantial financial resources, Novacap is well-positioned to continue building world-class businesses. Backed by leading global institutional investors, Novacap's deals typically include leveraged buyouts, management buyouts, add-on acquisitions, IPOs, and privatizations. Over the last 38 years, Novacap has invested in more than 90 companies and completed more than 130 add-on acquisitions. The company has offices in Toronto, Ontario and Brossard, Quebec. For more information, please visit www.novacap.ca.

ABOUT DESJARDINS CAPITAL

Nearly 45 years strong, [Desjardins Capital](#) has a mission to value, support and nurture the best of Quebec entrepreneurship. With assets under management of C\$2.5 billion, Desjardins Capital helps contribute to the longevity of some 500 companies, cooperatives and funds in various sectors from across Quebec. In addition to helping to maintain and create more than 60,500 jobs, this subsidiary of [Desjardins Group](#) offers business owners access to a large business network and supports their business growth. For more information, visit our [website](#) or our [LinkedIn](#) page.

ABOUT THE FONDS DE SOLIDARITÉ FTQ

The Fonds de solidarité FTQ is a development capital investment fund that channels the savings of Quebecers into investments. As at November 30, 2019, the organization had \$16.7 billion in net assets, and through its current portfolio of investments supports over 215,000 jobs. The Fonds is a partner in more than 3,100 companies and today has more than 700,000 shareholder-savers.



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