



RONA is the largest Canadian distributor and retailer of hardware, home renovation and gardening products. The Corporation operates a network of over 800 corporate, franchise and affiliate retail stores of various sizes and formats under different banners, and a network of 14 hardware and construction materials distribution centres. RONA is also a leader in the specialized plumbing and HVAC market, primarily serving commercial and professional customers with a network of close to 60 sales outlets and four distribution centres across the country. With close to 30,000 employees, the RONA store network generates consolidated sales of \$4.8 billion.

## RONA ANNOUNCES ITS STRATEGIC PRIORITIES

### Refines Business Model to Build on Existing Financial Priorities

Underscores Corporation's Ongoing Efforts to Focus on Near- and Long-Term Value Creation Opportunities

### RONA'S THREE STRATEGIC PRIORITIES

1

#### LEVERAGING THE STRENGTHS OF OUR CORE BUSINESSES

- Assessment of all business units based on the following criteria:
  - Core competencies;
  - Market position and competitive advantage;
  - Contribution to EBITDA and return; and
  - Scalability.
- Dispose of non-core assets and redeploy capital to further leverage core assets.

2

#### GROWING KEY CUSTOMER SEGMENTS THROUGH A MORE COMPELLING VALUE PROPOSITION

- Establish and deliver a clear value proposition for key customer segments: in-store, distribution services offered to our dealers, and online;
- Adapt all touch points including stores and distribution network to deliver improved positioning; and
- Deliver on the basics in a measurable way before adding new features/innovations.

3

#### UNLOCKING THE PROFIT POTENTIAL OF A SIMPLIFIED BUSINESS MODEL

- Realign the critical operational functions of our retail and distribution businesses: national vs. regional/local structure for marketing, merchandising, operations, supply chain and information technology;
- Optimize administrative/support functions, standardize processes in both sectors and build on them through the development of a culture of constant improvement; and
- Improve retail EBITDA margin in line with industry standards.

"RONA, through its dedicated dealer-owners and employees, has built a very strong and valuable Corporation over the past 73 years. RONA has grown through a series of strategic acquisitions to expand its footprint, consolidated the market to introduce scale and developed various stores formats to support its leading position in Canada. This strategy allowed us to transform RONA into the leading domestic hardware, home renovation and gardening products retailer. RONA's nationwide growth did not come without a certain level of complexity. The focus on our three strategic priorities will enable us to simplify our business model, reconnect to our roots as one of Canada's best distributors, clarify the value proposition for our retail and professional customers and therefore enable us to maximize the value of our core businesses. Our strategic priorities are perfectly aligned with our three financial priorities and underscore our efforts to compete in today's marketplace and improve our operational and financial results."



**Dominique Boies, Acting President and CEO**