



# THE STERLING GROUP AGREES TO SELL ARTISAN DESIGN GROUP TO LOWE'S COMPANIES, INC.

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*Culmination of Six Year Period of Growth and Strategic Expansion in Partnership with Sterling*

HOUSTON, April 14, 2025 /PRNewswire/ -- The Sterling Group ("Sterling"), a middle market private equity firm, announced today that it has agreed to sell Artisan Design Group ("ADG" or the "Company") to Lowe's Companies, Inc. (NYSE: LOW) for \$1.325 billion. ADG is a leading nationwide provider of design, distribution and installation services for interior surface finishes, including flooring, cabinets and countertops, to national, regional, and local homebuilders and property managers.

Headquartered in Dallas, Texas, ADG operates 132 distribution, design and service facilities and coordinates installation through over 3,200 personnel across 18 states. "Since initially partnering with co-founders Larry Barr and Wayne Joseph in 2018, Sterling has been proud to support ADG during a period of significant growth and expansion," said Johann Friese, Director at The Sterling Group. Under Sterling's ownership, ADG has completed 15 acquisitions, each of which was founder or entrepreneur owned. Sterling has a 40+ year history of partnering with founder- and family-owned industrial businesses.

ADG will expand Lowe's Pro offering into a new distribution channel within a highly fragmented, approximately \$50 billion market. "With more than 18 million homes needed in the United States by 2033, we expect new home construction will be a major driver of Pro planned spend for the next decade. The acquisition of ADG allows us to build on our momentum with Pro planned spend and is expected to expand our total addressable market by approximately \$50 billion," said Marvin R. Ellison, Lowe's chairman, president and CEO. "With its strong, customer-centric operating model, ADG has become an industry leader with best-in-class customer satisfaction scores from the top builders in the U.S. We look forward to welcoming the ADG team to Lowe's, and, through our combined capabilities, enhancing our offering to our expanded Pro customer base."

"We are thrilled for ADG to join forces with Lowe's," said Steve Margolius, ADG's CEO. "Our leading position in flooring, cabinets and countertops, combined with Lowe's scale and category breadth, will allow us to continue on our growth trajectory while providing an even more differentiated and comprehensive offering to the builders and property managers we serve today."

The transaction is expected to close in the second quarter of 2025, subject to receipt of requisite regulatory approvals and satisfaction of other customary closing conditions. RBC Capital Markets is acting as lead financial advisor to ADG. Goldman Sachs is also acting as financial advisor to ADG. Latham & Watkins LLP is acting as legal advisor to ADG.

## **About Artisan Design Group**

ADG provides design, distribution, and installation services for interior finishes including flooring, cabinets, and countertops to national and local homebuilders and property managers. Formed in 2016 by the merging of two industry leaders, ADG currently operates 132 distribution, design, and service facilities in 18 states, and is headquartered in Dallas, Texas.

## **About The Sterling Group**

Founded in 1982, The Sterling Group is a private equity and private credit investment firm that targets investments in basic manufacturing, distribution, and industrial services companies. Typical enterprise values of these companies at initial formation range from \$100 million to \$750 million. Sterling has sponsored the buyout of 74 platform companies and numerous add-on acquisitions for a total transaction value of over \$25 billion. Sterling currently has \$9.4 billion of assets under management. For further information, please visit [www.sterling-group.com](http://www.sterling-group.com).

*Past performance is no guarantee of future results and all investments are subject to loss.*

## About Lowe's

Lowe's is a FORTUNE® 50 home improvement company serving approximately 16 million customer transactions a week in the United States. With total fiscal year 2024 sales of more than \$83 billion, Lowe's operates over 1,700 home improvement stores and employs approximately 300,000 associates. Based in Mooresville, N.C., Lowe's supports the communities it serves through programs focused on creating safe, affordable housing, improving community spaces, helping to develop the next generation of skilled trade experts and providing disaster relief to communities in need. For more information, visit [Lowe's.com](https://www.lowes.com).

## Disclosure Regarding Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements including words such as "believe", "expect", "anticipate", "plan", "desire", "project", "estimate", "intend", "will", "should", "could", "would", "may", "strategy", "potential", "opportunity", "outlook", "scenario", "guidance", and similar expressions are forward-looking statements. Forward-looking statements involve, among other things, expectations, projections and assumptions about future financial and operating results, business outlook, priorities, sales growth, shareholder value, the housing market, the home improvement industry, demand for products and services including customer acceptance of new offerings and initiatives. Such statements involve risks and uncertainties, and we can give no assurance that they will prove to be correct. Actual results may differ materially from those expressed or implied in such statements.

A wide variety of potential risks, uncertainties, and other factors could materially affect the ability to achieve the results either expressed or implied by these forward-looking statements including, but not limited to, the occurrence of any event or other circumstance that could give rise to the right of one or both of the parties to terminate the merger agreement between Lowe's and ADG, the failure to obtain the requisite approvals or to satisfy the other conditions to the proposed merger on a timely basis or at all, the possibility that the anticipated benefits and synergies of the merger are not realized when expected, or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of changes in general economic conditions. All such forward-looking statements speak only as of the date they are made, and Lowe's does not undertake any obligation to update these statements other than as required by law.

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