

For immediate release

February 4, 2019

RG Group acquires The Proud Company

York, Pa. – York, PA. Rich Freeh, President and CEO of RG Group, headquartered in York, PA, announced today the acquisition of The Proud Company, an industrial automation solution provider located in Pittsburgh, Pennsylvania on February 4, 2019.



The Proud Company

The Proud Company, founded in 1993, is a leading provider of industrial automation products and services. For over 26 years, The Proud Company has specialized in helping customers increase their productivity and profitability through the application and supply of emerging technologies. The Proud Company's automation offerings include robotics, machine and process control, machine vision, embedded computing and IIOT solutions. By intelligently combining state-of-the-art technology and manufacturing expertise, The Proud Company has built a reputation as an innovative partner willing and able to tackle the most challenging automation applications.

Rich Freeh, President and CEO of RG Group, commented, "The Proud Company is an ideal strategic fit for our growth-oriented automation market segment. The combination of strong global brands and technical expertise will dramatically strengthen our automation-based solutions. Our acquisition strategy focuses on adding specialized business partners with experience and expertise in a variety of distribution and turnkey solutions like The Proud Company. In addition, adding another Pittsburgh-based business strengthens our overall market presence in western Pennsylvania and West Virginia. We look for a competitive advantage in our acquisitions. With Proud, it's a very talented sales and engineering team combined with great brands. What more can we ask for in a business partner?"

Patrick Gross, VP of Robotics and Automation, commented, "I sincerely believe this will be a fantastic next step for Proud, RG and our respective customer bases. In recent years it's been my pleasure to collaborate with the Proud organization on various projects. The culture of our two organizations is a match. The Proud Company's reputation in the robotics and automation segment is stellar. Our goal is to continue to develop automation services as a core competency at RG Group. I am confident in saying that this arrangement will help us continue to do that in a big way."

Randy Gross, Executive Chairman of RG Group, commented, "I am excited to add the Proud automation team to our business model. We are firm believers in the acquisition model, and Proud, as an automation service provider, is a core market strategic fit for us, adding value for our stakeholders, customers, vendor partners and our associates. We are very pleased to have Mark and his team join our business."

Mark Proud, President of The Proud Company said, "I believe RG Group was the ideal fit for us. The cultures of the businesses are very similar. RG is also committed to growing their footprint in the automation business and sees the value of The Proud Company brand and market strategy. They also understand both the distribution and our value-added automation service segment. Like The Proud Company, RG is also committed to providing an exceptional customer experience and our combined customers will now have access to additional products and service offerings as we grow the Proud Automation Division together."

Terms of the purchase were not disclosed.

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Automation
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Systems

Fluid Connectors
Instrumentation / Industrial

Engineered Systems
and Solutions

Factory Authorized
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About RG Group: RG Group, a group of distribution and manufacturing companies has been providing leadership in the design and delivery of innovative motion control and fluid handling products and solutions for over 60 years. RG Group operates under a very simple core concept: "We Keep Business in Motion". The company goal is to provide its customers with a sustainable competitive advantage through the creative application of technology in the automation, hydraulic, pneumatic, electromechanical and process markets.

RG Group's headquarters is located in York, PA, with stores, branches and service areas in seven different states (PA, NY, NJ, DE, MD, WV, VA).

For additional information, visit www.rg-group.com or contact info@rg-group.com.

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Certain written and oral statements made by us may constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). Forward-looking statements are identified by such words and phrases as "we expect," "expected to," "estimates," "estimated," "current outlook," "we look forward to," "would equate to," "projects," "projections," "projected to be," "anticipated," "we believe," "could be," and other similar phrases. All statements addressing operating performance, events, or developments that we expect or anticipate will occur in the future, including statements relating to revenue growth, earnings, earnings-per-share growth, or similar projections, are forward-looking statements within the meaning of the Reform Act. Because they are forward-looking, they should be evaluated in light of important risk factors that could cause our actual results to differ materially from our anticipated results. The information provided in this document is based upon the facts and circumstances known at this time. We undertake no obligation to update these forward-looking statements after the date of this release.