

# Engine Capital Contends That Dye & Durham's Reactionary Sale Process Underscores the Urgent Need for Boardroom Change

NEW YORK--(BUSINESS WIRE)--Engine Capital LP (together with its affiliates, "Engine" or "we"), which owns approximately 7.1% of Dye & Durham Limited's (TSX: DND) ("Dye & Durham" or the "Company") outstanding shares, today issued the below statement regarding Dye & Durham's confirmation that it is exploring a sale of the Company.

"Dye & Durham is a high-quality business that is currently underperforming due to CEO Matthew Proud's mismanagement, an ineffective Board and a drop in real estate transactions. While peers trade at above 18x EBITDA, the Company's stock hovers around 8.5x EBITDA. The Board appears to have now authorized a reactionary sale process at the worst possible time and doubled down on its missteps. Instead of working to improve the business, waiting for the cycle to normalize and delivering the best outcome for shareholders, the Board seems more focused on evading accountability at the December 17<sup>th</sup> Annual Meeting.

Since we suspect Mr. Proud will roll his equity in any transaction, a sale of Dye & Durham would essentially allow him to buy the business at the bottom of the cycle for a price that would most likely substantially undervalue the Company. It would be egregious for the same directors who have allowed Mr. Proud to destroy significant value to enable him to take advantage of the undervaluation he has caused by buying the Company at a low price. Directors are supposed to protect shareholders' interests and maximize value – not sell the Company on the cheap in a defensive maneuver, weeks before a shareholder meeting. Engine believes that over 50% of Dye & Durham's shareholder base shares the view that now is not the right time to engage in a sale process.

Shareholders deserve better. We deserve a world-class Board and management team led by a CEO who has a demonstrated track record of value creation and whose interests are aligned with ours. Engine looks forward to unveiling our director candidates for the Company in short order, along with our operating plan, and providing shareholders the choice to vote for a better Dye & Durham."

## **No Solicitation**

This press release does not constitute a solicitation of a proxy within the meaning of applicable laws, and accordingly, DND shareholders are not being asked to give, withhold or revoke a proxy.

## **About Engine Capital**

Engine Capital LP is a value-oriented special situations fund that invests both actively and passively in companies undergoing change.

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