Engine Capital Urges H.B. Fuller's Board of Directors to Run a Market Check for the Building Adhesive Solutions Segment and the Entire Company

Believes the Board Should Seriously Engage with Ancora's Proposal and Compare a Potential BAS Divestiture Against a Sale of the Entire Company to Determine the Value-Maximizing Path for All Shareholders

Asserts That the Company's Status Quo Carries Significant Operational and Financial Risks with Management Simultaneously Focusing on the Integration of AMS, an Accelerated Deleveraging Plan and Project Quantum Leap Restructuring Program

NEW YORK--(BUSINESS WIRE)--Engine Capital LP (together with its affiliates, "Engine" or "we"), which owns approximately 2% of the outstanding shares of common stock of H.B. Fuller Company (NYSE: FUL) ("H.B. Fuller" or the "Company"), today released the following letter sent to the Company's Board of Directors.

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August 14, 2026

H.B. Fuller Company
1200 Willow Lake Boulevard, P.O. Box 64683
St. Paul, Minnesota 55164-0683
Attention: The Board of Directors

Members of the Board of Directors (the "Board"),

Engine Capital LP (together with its affiliates, "Engine" or "we") is a meaningful shareholder of H.B. Fuller Company ("H.B. Fuller" or the "Company"), with ownership of approximately 2% of the Company's outstanding shares. We invested in H.B. Fuller because of its position as the world's largest pure-play adhesives company, the resilience and recurring nature of its end markets, the opportunity to continue improving profitability, and our belief that the Company's shares trade at a meaningful discount to intrinsic value.

As you know, on June 10, 2026, we privately wrote to the Board to convey our significant concerns regarding H.B. Fuller's potential acquisition of Advanced Medical Solutions Group plc ("AMS"). Those concerns included: (i) the significant multiple implied by the Company's offer (~15.5x 2026 Non-US GAAP EBITDA), well in excess of H.B. Fuller's own trading multiple (~8x 2026 EBITDA); (ii) the substantial execution risk of undertaking a large, cross-border integration at a time when management's focus should be on improving the existing business through Project Quantum Leap; (iii) the significant leverage H.B. Fuller would assume to complete the acquisition, increasing net leverage to around 4x; and (iv) our belief that shareholders would be better served by deploying that capital toward repurchasing shares of H.B. Fuller, a high-quality business trading at a significant discount to intrinsic value.

Despite our concerns and those voiced by other shareholders, the Board approved the AMS transaction, announcing it alongside the Company's Q2 results. The stock fell approximately 11% over the following five trading days, notwithstanding a strong quarter and a full-year EBITDA and EPS guidance increase, as investors focused on the high multiple paid for AMS, the elevated leverage, and the integration risk rather than on the quarter's operating results. Had the AMS transaction not been announced, we believe the

market's reaction to the Q2 results alone would have driven the stock meaningfully higher, rather than lower.

We are writing today regarding Ancora Holdings Group, LLC's ("Ancora") August 12, 2026 proposal to acquire the Company's Building Adhesive Solutions ("BAS") business for between $1.1 billion and $1.2 billion in cash. We understand Ancora privately approached President and CEO Celeste Mastin and Board Chair Teresa Rasmussen about this proposal on July 7, 2026 and, having received no substantive response over the following five weeks, subsequently made its interest public.

We believe Ancora's proposal is a positive development, and we believe the Board should engage with it seriously. However, we believe it would be a mistake for the Board to evaluate this proposal in isolation. Given the large gap between H.B. Fuller's public market valuation and the value of its underlying assets, we believe the Board owes it to shareholders to run two parallel processes: (i) a genuine market check for BAS, to test whether Ancora's offer (or a higher bid from another party) represents full and fair value for that business, and (ii) a market check for the Company as a whole, so that the Board can compare a BAS sale plus standalone path against a sale of the entire Company on an apples-to-apples basis. We elaborate on our reasoning below.

The Status Quo Carries Real Risk

The Company's standalone plan now carries significant operational and financial risks with management simultaneously managing (i) the integration of a large, debt-funded cross-border acquisition, (ii) an accelerated deleveraging plan, and (iii) the ongoing Project Quantum Leap restructuring program. That is a demanding set of parallel workstreams for any management team, and the market's reaction to the AMS announcement suggests investors are not confident it will be executed smoothly. Frankly, this is the type of complex transformation that is better executed in the private market, especially when one considers that the Company continues to trade at a significant discount to its private market value. Pro-forma of the AMS acquisition and the run-rate synergies, we estimate that H.B. Fuller currently trades at ~8x 2026 EBITDA and ~7.6x 2027 EBITDA. Based on precedent transactions and given the quality of its assets, we believe the Company would transact between 9x and 11x EBITDA, highlighting the significant gap between its public and private valuation.

The track record of underperformance under the current Board and the lack of insider buying by this same group further compounds our concerns regarding the standalone plan. The following table highlights the stock underperformance since each of the current directors joined the Board.[1] In particular, we note the absolute and relative underperformance since Ms. Mastin became CEO.

Directors	Director Start Date	Tenure (Years)	Company TSR	Russell 2000	Underperformance vs. Russell 2000
Thomas W. Handley	Jul. 6, 2010	16	293.5%	538.1%	**(244.6%)**
Ruth S. Kimmelshue	Oct. 4, 2017	9	18.1%	125.8%	**(107.7%)**
Daniel L. Florness	Jul. 11, 2018	8	20.9%	100.5%	**(79.6%)**
Teresa J. Rasmussen	Nov. 20, 2020	6	24.1%	83.2%	**(59.0%)**
Michael J. Happe	Jan. 20, 2021	6	20.4%	51.2%	**(30.8%)**
Srilata A. Zaheer	Apr. 6, 2022	4	**(3.7%)**	60.1%	**(63.8%)**
Celeste B. Mastin	Dec. 4, 2022	4	**(21.2%)**	69.1%	**(90.3%)**
Charles T. Lauber	Jan. 23, 2023	4	**(7.7%)**	68.9%	**(76.6%)**
Celine Martin	Dec. 1, 2025	1	4.1%	24.5%	**(20.4%)**

[1] Total shareholder returns calculated as of 8/13/2026.

We are also troubled by the lack of insider buying among independent directors. Seven of the eight independent directors have never purchased a single share of the Company in the open market. The only independent director who has bought shares is Chair Rasmussen, who purchased a total of 1,000 shares more than four years ago. We find it striking that directors who just committed nearly $1 billion of shareholders' capital and levered the Company to ~4x EBITDA to pay ~15.5x EBITDA for AMS are seemingly unwilling to personally buy shares of the very Company they oversee for ~8x EBITDA. In our view, this lack of insider buying can mean only one of two things: either directors lack confidence in the standalone plan, or they do not believe the stock is meaningfully undervalued. Either way, given its fiduciary position, we do not see how the Board can credibly resist a market check that would compare the standalone plan against the private market value of the Company's assets, including BAS.

Step 1: Run a Genuine Market Check for BAS

We believe Ancora's proposal, whatever its ultimate price, should not be the last word on what BAS is worth. We also believe simply rejecting Ancora's proposal would not be prudent considering the Company's long-term underperformance and pro-forma leverage. BAS operates in a large, fragmented construction adhesives market where other strategic acquirers and financial sponsors are active, and a formal, competitive process stands a much better chance of surfacing the highest available price for shareholders. The Board has a fiduciary duty to try to maximize value for shareholders. The market is telling you that the current plan is not working, and Ancora's proposal provides justification to run a process for this asset. We recommend the Board retain independent financial advisors to solicit interest from other strategic and financial parties and explore the value of this asset.

A well-priced sale of BAS would be a sensible way to help fund the post-AMS deleveraging plan without waiting the full two years management has outlined, and exiting a lower-margin, more cyclical business in favor of a portfolio increasingly weighted toward medical, hygiene, and specialty adhesives is broadly consistent with the strategic direction management has already articulated.

Step 2: In Parallel, Run a Market Check for the Entire Company

We believe the Board should, at the same time, conduct a market check for H.B. Fuller as a whole. We see four reasons why this is the right moment to do so:

1. An unsolicited approach for a significant division is itself informative. It tells the Board that at least one sophisticated investor believes there is a meaningful gap between H.B. Fuller's sum-of-the-parts value and its public trading price. The Board should not assume that gap is confined to BAS. If a standalone construction adhesives business can command $1.1 to $1.2 billion of private interest, the Board deserves to know what a strategic acquirer or financial sponsor would pay for the entire, more diversified platform, including the faster-growing medical, hygiene, and engineering adhesives businesses.

2. Evaluating the divestiture of BAS without a whole-Company benchmark risks a structurally biased decision. If the Board obtains a market-clearing price only for BAS, it has no reliable way of knowing whether selling that piece (and retaining the rest) actually maximizes shareholder value relative to selling the whole Company or relative to remaining standalone. A concurrent, Company-wide process gives the Board a genuine, apples-to-apples comparison across all reasonably available paths: (i) sell BAS and continue as a smaller standalone Company, (ii) sell the entire Company, or (iii) remain standalone in its current configuration.

3. The execution risk of the standalone path is currently elevated, not diminished. The Company is asking shareholders to have confidence through the simultaneous integration of a large, debt-funded

medical acquisition, an accelerated deleveraging program, and an ongoing restructuring initiative – all while the stock trades well below the private market value of the Company. If a credible acquirer will pay a control premium today, the Board can weigh that certainty against a riskier multi-year, multi-workstream turnaround.

4. Running both processes in parallel would not delay a BAS transaction if that remains the superior outcome. A well-run, confidential Company-wide market check, conducted alongside (not instead of) the BAS process, adds modest time and cost relative to the size of the decision at hand, and can be structured so that a compelling BAS-only offer is not held hostage to a whole-Company sale that fails to materialize.

Why This Dual-Track Process Protects Shareholders

We want to be clear that we are not asking the Board to prejudge the outcome of either market check. Our request is narrow: before committing capital, management time, and credibility to any one path (including a risky standalone transformation in the public market), the Board should know what the BAS division and the whole enterprise are worth to outside, arm's-length buyers. The Board should not have to speculate about what a strategic or private equity firm would pay for the whole Company or whether Ancora's proposal represents fair value. It should simply find out. Based on our due diligence, we believe there are strategic and private equity firms interested in BAS and the whole Company.

The Board may argue that H.B. Fuller is in the early stages of a transformation and that a sale today would undervalue the Company's future prospects. We believe this is a difficult argument for the Board to make given the lack of insider buying by directors, as discussed above. More importantly, we are not asking the Board to commit to any particular course of action, only to gather better information, through a market check, before embarking on a risky and complex transformation and integration. Refusing to do so would suggest the Board is defending a predetermined strategy rather than testing it, which is not consistent with directors' fiduciary duties. The Board's objective should not be to validate management's existing strategy; it should be to maximize risk-adjusted value for shareholders.

We recognize the Board has difficult decisions to make, and we do not underestimate the complexity of running a portfolio review alongside a pending transformative acquisition. But we believe the events of the past several months – the AMS transaction, the market's negative reaction to it, the long-term stock underperformance, and now Ancora's proposal for BAS – all point in the same direction: shareholders would be well served by the Board testing the market to ensure it is operating with full information about what the BAS segment and the whole Company are worth to outside parties. We request a meeting with the Board to discuss these matters further, and we look forward to working constructively with you to protect and enhance the value of our investment.

Sincerely,

Arnaud Ajdler
Managing Member
Engine Capital LP

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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