

EMBARGOED UNTIL MONDAY, JANUARY 11, 2021 AT 1PM PST



Taylor Guitars Transitions Ownership to its Employees

Looking to preserve its innovative culture and position the company for sustainable success well into the future, Taylor transfers ownership of the company to its employees via a newly formed ESOP

EL CAJON, Calif. Jan. 11, 2021 —Taylor Guitars, a leading global builder of premium acoustic guitars, is pleased to announce its transition to 100% employee ownership through an Employee Stock Ownership Plan (“ESOP”).

“We have delighted in giving people the joy of music and hope to do so for generations to come,” said Bob Taylor, co-founder and President of Taylor Guitars. “Becoming 100% ESOP allows us to ensure our independence for the long-term future and continue to realize our vision for the company as an innovative guitar manufacturer.”

Kurt Listug, co-founder and Chief Executive Officer, added, “While Bob and I are not retiring, we have been preparing for our eventual exit. Master guitar designer Andy Powers is not only the wellspring of our guitar designs for the future, but he also joined our leadership team several years ago, and strengthening our leadership team has been essential to our succession planning.”

Listug views the transition in ownership as the next step to ensure a sustainable future for the company, while also providing a valuable financial benefit to people who have contributed to its success. “We believe we’ve created a special company, where passionate people can engage in problem-solving innovation, collaboration and respect,” he said. “Securing our independence through an ESOP allows us to strengthen this culture.”

Taylor’s new ownership structure supports continuity. Taylor Guitars will serve its customers, suppliers, and broader community with the same passion and innovation it has before. Bob Taylor, Kurt Listug, Andy Powers and other members of Taylor’s leadership team remain committed to the company. There will be no changes to management structure, operations policies, or practices.

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About ESOPs

The ESOP is a type of tax-qualified defined contribution plan through which employees receive a retirement benefit linked to Taylor Guitars' future equity value. Employees at Taylor's production facility in Tecate, Baja California, Mexico, will participate in its US-based ESOP plan, and European Union employees will be participants in a similar incentive plan available under EU regulations. Taylor Guitars will be joining many other successful ESOP companies, such as Clif Bar & Company, King Arthur Flour Baking Company, and W.L. Gore & Associates, which are committed to their independence, their values, their employees, and providing the best quality, innovation and service to its customers and external partners. More information about ESOPs can be found at esopinfo.org. Chartwell Financial Advisory, Inc. advised Taylor Guitars on all aspects of the ESOP transaction and creation of the optimal ESOP capital structure.

About Taylor Guitars

Taylor Guitars was founded in 1974 by Bob Taylor and Kurt Listug and has grown into the leading global builder of premium acoustic guitars. Taylor now employs over 1,200 people and currently produces hundreds of guitars per day in its state-of-the-art factory complexes in both El Cajon and in Tecate, Baja California, Mexico. The company maintains an active dealer network, with Taylor guitars sold through hundreds of retail locations in North America and with international distribution to 60 countries, including a distribution warehouse and factory service center in the Netherlands.