

Apax Funds, CPPIB and PSP Investments Agree to Sell Acelity/KCI to 3M for \$6.725 Billion

KCI is a leading global medical technology company focused on advanced wound care and specialty surgical applications.

SAN ANTONIO and NEW YORK, May 2, 2019 – A consortium comprised of funds advised by Apax Partners (the "Apax Funds"), together with Canada Pension Plan Investment Board ("CPPIB") and the Public Sector Pension Investment Board ("PSP Investments"), today announced that it has entered into a definitive agreement to sell Acelity, Inc. and its KCI subsidiaries worldwide to 3M for approximately \$6.725 billion. KCI markets a broad range of negative pressure wound therapy, specialty surgical and advanced wound dressing products in approximately 90 countries.

Since 2011, Apax Partners, CPPIB and PSP Investments worked closely with KCI's senior leadership team to transform the business into a leading global company focused on advanced wound care and specialty surgical solutions. The company's strategic M&A program included targeted acquisitions, such as Systagenix in 2013 and Crawford Healthcare in 2018, and disposals of non-core businesses, such as the LifeCell business unit, which was sold for \$2.9 billion in 2017 and the Therapeutic Support Systems (TSS) unit, which was sold in 2012. KCI also has undertaken a range of organic growth initiatives including investments in R&D, clinical studies, and the expansion of its sales force.

The product offering includes the KCI branded negative pressure wound therapy, advanced wound dressings, and negative pressure surgical incision management systems. The company's industry-leading brands include V.A.C.[®] Therapy, PREVENA[™] Therapy and PROMOGRAN PRISMA[™] Matrix, as well as the iOn Digital Health platforms. Upon completion of the transaction, KCI will become an integral part of 3M's Medical Solutions business, which applies 3M's science to deliver safe and effective solutions that improve clinical outcomes and healthcare economics.

"Today, KCI embarks upon a new era in its long history as a pioneer in healthcare," said R. Andrew Eckert, CEO of Acelity. "The combination of KCI with 3M will accelerate the reach of a business that is a leader in innovation, customer experience and clinical and economic evidence. Backed by the resources and expertise of 3M, KCI will be able to offer clinicians and patients even more compelling solutions designed to speed healing and improve outcomes. I would like to thank Apax, CPPIB and PSP Investments for their close partnership and strategic direction over the years shaping KCI into a premier global advanced wound care company."

Steven Dyson, Chairman of the Board of Acelity and Partner at Apax Partners, said, "We are proud of our close work with management to successfully transform KCI through a range of growth initiatives, including an M&A program, that enhanced the Company's strategic direction. We believe the business will have a great future with 3M. Lastly, we are grateful for the opportunity to have joined in this highly successful investment with CPPIB and PSP, two long-standing investors in the Apax Funds."

"CPPIB is pleased to have supported KCI's delivery of medical devices and products that benefit millions of patients around the world. During our investment, the company helped restore lives with the launch of innovative solutions and expansion into new geographies," said Ryan Selwood, Managing Director, Head of Direct Private Equity, CPPIB.



“We are proud to have supported KCI and its management team during its exciting transformation journey, in partnership with Apax and CPPIB,” said Simon Marc, Managing Director and Head of Private Equity, PSP Investments. “KCI has successfully invested into novel organic growth initiatives and we are confident about its continued growth prospects with 3M.”

The transaction will be effected through the sale of Acelity, Inc., a direct wholly-owned subsidiary of Acelity L.P. Inc., and is subject to relevant regulatory approvals and fulfillment of certain other customary conditions prior to closing, which are expected to occur in the second half of 2019. JP Morgan and Goldman Sachs are acting as financial advisors to the consortium. Simpson Thacher & Bartlett LLP and Jackson Walker LLP are acting as legal advisors to the consortium.

About KCI, an Acelity Company

KCI, an Acelity Company, is a well trusted brand in advanced wound care. We have built upon our pioneering market leadership in negative pressure wound therapy and revolutionized advanced wound care, providing solutions for both wound healing and surgical management. Our unsurpassed [product offerings](#) are available in more than 90 countries and deliver value through solutions that speed healing. KCI is a leader in quality, safety and customer experience and is committed to advancing the science of healing, KCI sets the standard for leading advanced wound therapy innovation. Headquartered in San Antonio, Texas, KCI employs approximately 4,500 people worldwide.

About Apax Partners

Apax Partners is a leading global private equity advisory firm. Over its more than 40-year history, Apax Partners has raised and advised funds with aggregate commitments of over c.\$50 billion. The Apax Funds invest in companies across four global sectors of Healthcare, Tech & Telco, Services, and Consumer. These funds provide long-term equity financing to build and strengthen world-class companies. For more information see: www.apax.com.

In Healthcare, the Apax Funds have invested c.\$8 billion of equity across medical devices, pharmaceuticals, healthcare services and healthcare IT. Within the medical devices sub-sector, the Apax Healthcare team has partnered with a variety of businesses such as Mölnlycke, Vyaire Medical, Candela and Healthium to create strategic leaders in their space.



About Canada Pension Plan Investment Board

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 20 million contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, São Paulo and Sydney, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At December 31, 2018, the CPP Fund totalled C\$368.5 billion. For more information about CPPIB, please visit www.cppib.com or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

About PSP Investments

The Public Sector Pension Investment Board (PSP Investments) is one of Canada's largest pension investment managers with C\$158.9 billion of net assets as of September 30, 2018. It manages a diversified global portfolio composed of investments in public financial markets, private equity, real estate, infrastructure, natural resources and private debt. Established in 1999, PSP Investments manages net contributions to the pension funds of the federal Public Service, the Canadian Forces, the Royal Canadian Mounted Police and the Reserve Force. Headquartered in Ottawa, PSP Investments has its principal business office in Montréal and offices in New York, London and Hong Kong. For more information, visit investpsp.com or follow us on [Twitter](#) and [LinkedIn](#).

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