



Alvic Group welcomes investment from KKR and Arta Capital

July 23, 2019

KKR and Arta will support Alvic in its international expansion plans

Spain, 23rd of July 2019: Alvic Group reached an agreement on the terms of an investment from KKR, a leading global investment firm, and Arta Capital, a Spanish midmarket private equity firm sponsored by the financial and investment group Grupo March.

Alvic is a leading Spanish panel and componentry manufacturer for kitchen and office furniture with more than 70% of its revenues coming from outside Spain. The current team led by Javier Rosales will continue managing the company.

Founded in Vic (Catalunya) in 1965 as Madetres, by Alejandro Rosales, the company started as a small manufacturer of custom-sized kitchen furniture. Today, Alvic owns and operates four state-of-the-art manufacturing facilities across Spain (in Andalusia and Catalonia) and a recently inaugurated 30,000 square metre manufacturing plant in Auburndale, Florida. In addition, the group plans to open new manufacturing capabilities in Alcaudete, Andalusia and one in Solsona, Catalonia for flat pack furniture.

The group's offering has extended through the kitchen value chain selling high-end laminated panels, finished components (doors and cabinets), ready-to-assemble custom-sized furniture, and finished products through multiple channels such as partner-distributors, DIY retailers, direct to manufacturers and a network of 28 "Alvic Centers." Additionally, the group sells office furniture under the brand "Ofitres," and readymade kitchen/bathroom furniture under the brand "Faro."

KKR and Arta will support the Rosales family in its next generation of innovation and international expansion by leveraging the new investors' extensive experience, network and reach. The transaction builds on KKR's successful track record in Spain and globally of working with family-led businesses to support their growth objectives and further scale their businesses. KKR has invested over \$5 billion in Spain since 2010 across multiple asset classes including private equity infrastructure and real estate, supporting leading Spanish businesses. Arta Capital is one of the most active investors in the Iberian market with €800 million under management, and having successfully invested in 14 leading companies since 2008.

Alvic, with the support of its new investors, will continue its strategy of building its strong industrial innovation and will leverage the brand through its new US manufacturing facility, which will serve as the cornerstone to deliver Alvic's high quality and design products into a highly attractive and growing market.

With its new investors, the company will be focused on investing in its commercial excellence capabilities for its core markets, continued investment in functional innovation and design and the opening of new facilities.

KKR and Arta have been impressed by Alvic's industrial and commercial capabilities and are excited for the opportunities that lie ahead.

KKR's investment will be made through its European private equity funds.

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About Alvic Group

Founded in 1965 in Catalonia, Spain, the Alvic Group is a leading manufacturer and distributor of cabinetry and furniture panels for home and commercial use. Through its brands, among which are Alvic, Ofitres or Madetres, it provides home and office solutions to its customers in 97 markets. A family-led business, Alvic began expanding into new markets in 2011 through the opening of new distribution points in the United States, Canada and Australia. Since its founding, innovation has been at the heart of the business and products, and the company has been recognized as one of the "500 most innovative companies in Europe" by the Enterprises 500 Awards. In its more than fifty-year history it has received additional awards including the Golden Palustre of APCE for its track record, and the IDEAL Awards for the Company of the Year in the field of economics, among others. For more information, please visit <https://www.grupoalvic.com/es/>.

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE:KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

About Arta Capital

Arta is a Spanish midmarket private equity firm sponsored by Corporación Financiera Alba/March Group. During the last 10 years, Arta has successfully invested in 14 leading Iberian companies. Arta Capital, with €800 million under management, is currently investing from its second fund, Arta Capital II. For additional information, please visit www.artacapital.com