



KKR to Sell GeoStabilization International to Leonard Green & Partners

September 26, 2024

All 900+ GSI Employee Owners to Earn Cash Payouts, with Longest Tenured Hourly Employees Each Receiving Over \$325,000 in Proceeds

DENVER & NEW YORK--(BUSINESS WIRE)-- KKR today announced an agreement to sell GeoStabilization International (“GSI” or the “Company”) to Leonard Green & Partners, L.P. (“LGP”). GSI is a leading provider of geohazard mitigation solutions and roadway safety services. The sale delivers a return of five times the equity invested by KKR, and all GSI employees will receive substantial cash payouts on their ownership stakes in the Company.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20240926128753/en/>



GSI employees react to the news of the cash payouts they will receive upon close of the transaction (Photo: Business Wire)

“It has been an honor working alongside Dominic, the management team, and GSI’s many talented employees to build on the

Company’s strong legacy of serving customers and driving innovation. Through our strategic partnership we have expanded the Company’s reach, added service capabilities, and delivered on our mission to protect the public from the dangers of geohazards – all while investing significantly in GSI’s employees and our communities,” said Brandon Brahm, Partner at KKR and Co-Head of KKR’s Ascendant Strategy. “This is a great outcome for all GSI employee-owners and our limited partners in KKR’s Americas XII Fund and demonstrates our ability to be value-added strategic partners with middle market sized businesses.”

Since KKR’s acquisition of GSI in December 2018, the Company has experienced significant growth resulting from KKR’s investments in the business, including in employees, business infrastructure, service expansion and corporate development, all of which contributed to a near tripling of revenue and EBITDA. Over this roughly six-year ownership period, the Company successfully grew its family of brands and services, including an expansion into complementary roadway safety services. GSI also significantly enhanced worker safety and increased its rate of delivery for customers.

“This transaction is a testament to our years of collaboration with KKR and also reflects the dedication and hard work of the entire GSI team. KKR catalyzed our all-employee ownership program, developing an ownership culture that has made us even stronger. We are very proud that all GSI colleagues will share in this fantastic outcome,” said Dominic Ivankovich, CEO of GSI.

As a result of GSI’s all employee ownership program, all of GSI’s more than 900 employees will receive cash payouts upon closing of the transaction. This includes GSI’s over 550 field service colleagues, with the payouts for employees joining before December 2023 ranging from three months to over three years of annual pay, depending on tenure and job level. Employees will also receive pre-paid personal financial coaching and tax preparation services.

“GSI is a prime example of what ownership cultures can accomplish within the services sector and speaks to the power of an engaged workforce. This tremendous outcome recognizes the work GSI’s employees have done to create value, not just for the company but for themselves,” said Pete Stavros, Co-Head of Global Private Equity at KKR. “GSI will be in great hands with LGP, a fellow partner in [Ownership Works](#), who shares our deep commitment to ownership and will carry on this effort at GSI following the close of this transaction.”

Since 2011, KKR has implemented broad-based employee ownership and alignment programs throughout its portfolio, first pioneered by KKR’s U.S. Industrials private equity team and more recently expanding across all control investments within KKR’s Americas Private Equity franchise. To date, more than 50 KKR portfolio companies have awarded billions of dollars of total equity value to over 110,000 non-senior management employees.

KKR and GSI were advised by Harris Williams and UBS as M&A advisors, and Kirkland & Ellis as legal advisor on the transaction.

About GeoStabilization International

GeoStabilization International® is the leading geohazard mitigation firm operating throughout the United States, Canada, and New Zealand. GeoStabilization specializes in the design and implementation of emergency slope stabilization and landslide repair, rockfall mitigation, grouting, and road safety solutions include road departure barriers. GeoStabilization International's team includes some of the brightest and most dedicated professionals in the geohazard mitigation and road safety industry. Their expertise, proprietary tools, and worldwide partnerships allow them to repair virtually any slope stability or foundation problem in any geologic setting. Please visit www.geostabilization.com for more information.

About KKR

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-

class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com. For additional information about Global Atlantic Financial Group, please visit Global Atlantic Financial Group's website at www.globalatlantic.com.

About LGP

Leonard Green & Partners, L.P. ("LGP") is a leading private equity investment firm founded in 1989 and based in Los Angeles, California with over \$70 billion of assets under management. The firm partners with experienced management teams and often with founders to invest in market-leading companies. Since inception, LGP has completed over 150 investments in the form of traditional buyouts, going-private transactions, recapitalizations, growth equity, and selective public equity and debt positions. The firm primarily focuses on companies providing services, including consumer, healthcare and business services, as well as distribution and industrials. For more information, please visit leonardgreen.com.

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Media:

KKR

Liidia Liuksila or Emily Cummings
212-750-8300
media@kk.com

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