



KKR to Acquire Majority Interest in Heartland Dental

March 7, 2018

Effingham, Ill., March 07, 2018 (GLOBE NEWSWIRE) -- Heartland Dental, the largest dental support organization in the United States, today announced that it has entered into a definitive agreement whereby KKR will acquire a majority interest in the company from Ontario Teachers' Pension Plan and other existing shareholders. Under the terms, Ontario Teachers' will retain sizeable ownership and will continue as a significant partner to the company. Heartland Dental's Founder and Executive Chairman Dr. Rick Workman, President and CEO Patrick Bauer, as well as supported dentists and employees will also remain significant shareholders. Financial details of the transaction were not disclosed.

"We are thrilled to secure the backing of KKR as we carry out our vision to be the leader in dentistry," said Mr. Bauer. "Their investment, along with the continued involvement of Ontario Teachers', is the ultimate validation and vote of confidence that our leadership team and workforce are optimally positioned to achieve our growth objectives."

"During this process, it was important for us to find an investor that was aligned with our core values and doctor-led culture," added Dr. Workman. "We found that alignment with Ontario Teachers and know that it will continue with KKR."

"Heartland Dental has established itself as the premier dental support organization with an unwavering commitment to supporting dentists," said Jim Momtazee, Member of KKR and Head of KKR's Health Care investment team. "Heartland Dental management and KKR share a common vision to continue the proven track record of growth and supporting dentists to help them provide high-quality dental care to communities nationwide."

Founded in 1997, Heartland Dental provides non-clinical administrative support services to supported dental offices representing a network of over 1300 dentists. Heartland Dental's mission is to support dentists and their teams as they deliver the highest quality dental care and experiences to the communities they serve, while also providing exceptional careers and creating value for all stakeholders.

This investment is the second majority equity event in the company's 20-year history. In November 2012, Ontario Teachers' was the first outside investor to take a majority position. At the time, Heartland Dental's network consisted of 397 supported practices throughout 21 states. Today, Heartland Dental boasts a workforce of 11,000 employees who serve more than 840 supported dental practices across 35 states. Supported practice annual revenues stood at an estimated \$1.3 billion at the close of 2017, which is a 126 percent increase in the five years since Ontario Teachers' acquired its majority stake.

"It has been an honor to work with Dr. Workman and the rest of our doctor partners, and we look forward to remaining a significant shareholder of Heartland Dental. Our institutional expertise investing in physician-led healthcare services businesses helped Heartland Dental more than double the number of supported dental offices and firmly establish it as the premier provider of dental support services in the United States," said Jane Rowe, Senior Managing Director, Private Capital at Ontario Teachers' Pension Plan. "We welcome KKR as a partner to the company as it continues its growth trajectory as the leading provider of practice support services."

The agreement stipulates maintaining Heartland Dental's current executive leadership team, which includes Mr. Bauer and Dr. Workman at the helm. The transaction, which is subject to regulatory approvals and other customary closing conditions, is expected to close in the second quarter of 2018. KKR is making its investment through its Core Investments strategy, which represents capital targeting longer-term opportunities.

Jefferies LLC acted as exclusive financial advisor. Weil, Gotshal & Manges LLP and Ropes & Gray LLP acted as legal advisors to Heartland Dental. Simpson Thacher & Bartlett LLP served as legal counsel to KKR. Fully committed debt financing will be provided by Jefferies, LLC and KKR Capital Markets.

##

About Heartland Dental

Headquartered in Effingham, IL, Heartland Dental was founded in 1997 by Dr. Workman. Heartland Dental is the largest dental support organization in the United States, providing non-clinical administrative support services to over 840 offices and more than 1,300 supported dentists across 35 states. Heartland Dental partners with its supported dentists to deliver high quality care across the full spectrum of dental services. For more information, please visit our website at www.heartland.com and on Twitter @HeartlandDental.

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 manager partnerships 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. L.P. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

About Ontario Teachers'

The Ontario Teachers' Pension Plan is Canada's largest single-profession pension plan, with \$180.5 billion in net assets at June 30, 2017. It holds a diverse global portfolio of assets, approximately 80 percent of which is managed in-house, and has earned an annualized gross rate of return of 10.1 percent since the Plan's founding in 1990. Ontario Teachers' is an independent organization headquartered in Toronto. Its Asia-Pacific region office is located in Hong Kong and its Europe, Middle East & Africa region office is in London. The defined-benefit plan, which is fully funded, invests and administers the pensions of the province of Ontario's 318,000 active and retired teachers. For more information, visit www.otpp.com and follow us on Twitter @OtpInfo.

Ashley Buehnerkemper
Heartland Dental
317-694-7502
ABuehnerkemper@heartland.com

Kristi Huller or Cara Kleiman Major
KKR
212.750.8300
media@kk.com