



KKR to Acquire DTC Pioneer 1-800 Contacts from AEA Investors

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DRAPER, Utah, Sept. 23, 2020 /PRNewswire/ -- [1-800 Contacts](#), the largest retailer of contact lenses in the U.S., today announced a definitive agreement under which global investment firm KKR will acquire the company from AEA Investors. The sale follows many years of strong growth and technology innovation for the vision brand, which was purchased by AEA Investors in 2016. Financial terms of the transaction were not disclosed.



Vision Industry Pioneer 1-800 Contacts Announces Sale

Innovation is central to 1-800 Contacts' strategy and differentiation as a pioneering direct-to-consumer (DTC) brand. Over the last several years, the company has made significant investments in technology and expanding its offerings, including acquiring vision technology startup 6over6 in late 2019 and launching new app-based offerings including ExpressExam, which enables consumers to renew contact lens prescriptions online in minutes. The company's sister brand Liingo Eyewear also introduced Rx Reader, an app that extracts optical parameters directly from a pair of prescription glasses.

"1-800 Contacts was founded 25 years ago to offer consumers a better way to buy contact lenses. Since the very beginning, we've kept the customer at the center of everything we do," said John Graham, CEO of 1-800 Contacts. "It's gratifying that KKR sees such incredible value in our brand and that they will continue to support us in doing what we do best – delivering the best vision care to consumers with the highest quality customer service."

Nate Taylor, KKR Partner and Co-Head of Americas Private Equity, said, "1-800 Contacts is a customer-centric, technology-enabled business that is bringing more convenience to the optical space. We are excited to invest behind John and his world-class team." Felix Gernburd, KKR Managing Director, added, "We believe 1-800 Contacts' singular focus on providing a consistent and high quality customer experience, fueled by industry-leading capabilities and telemedicine solutions, positions them well to continue to drive innovation in the category."

As Americans dealt with stay-at-home orders and business closures in response to COVID-19 earlier this year, many contact lens wearers turned to 1-800 Contacts in place of traditional brick and mortar sellers. During the peak of the COVID-19 shutdown, the company experienced a 100 percent year-over-year increase in new and returning customers. During that period, usage of the ExpressExam app also increased 200 percent and the Rx Reader app experienced a 700 percent increase in monthly active users. In order to maintain the highest quality customer service, 1-

800 Contacts also invested in more than 200 new hires in its Utah and North Carolina operations.

KKR is making the investment through its Core Investments strategy, which represents capital targeting longer-term opportunities.

1-800 Contacts is being advised by Morgan Stanley & Co. LLC as lead financial advisor, Jefferies Group LLC as co-financial advisor, and Fried, Frank, Harris, Shriver & Jacobson LLP as legal advisor. CapM served as special advisor to 1-800 Contacts. Simpson Thacher & Bartlett is serving as legal advisor to KKR.

About 1-800 Contacts

1-800 Contacts is the original disruptor of the vision industry. The brand is well-known for efficient, high-quality, and delightful customer service and has advocated relentlessly on behalf of customers, paving the way for a new generation of DTC brands. 1-800 Contacts is the largest seller of contact lenses in the U.S., serving more than 20 million customers for the last 25 years. The growing portfolio of innovative 1-800 Contacts brands includes Liingo Eyewear, 6over6, Boomerang, and Premium Vision.

About AEA

AEA Investors LP was founded in 1968 by the Rockefeller, Mellon and Harriman family interests and S.G. Warburg & Co. as a private investment vehicle for a select group of industrial family offices with substantial assets. AEA has an extraordinary global network built over many years which includes leading industrial families, business executives and leaders; many of whom invest with AEA as active individual investors ("Participants") and/or join its portfolio company boards or act in other advisory roles. Today, AEA's approximately 90 investment professionals operate globally with offices in New York, Connecticut, London, Munich and Shanghai. The firm manages funds that have approximately \$15 billion of invested and committed capital including the leveraged buyouts of middle market companies and small business companies and mezzanine and senior debt investments. AEA Private Equity invests across three sectors: value added industrials, consumer and services.

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, credit and real assets, 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.

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