



Groundworks Announces KKR as a New Strategic Partner to Support Growth

February 1, 2023

Groundworks to Implement a Broad-based Equity Ownership Program for its More Than 4,000 Employees

VIRGINIA BEACH, Va. and NEW YORK, Feb. 1, 2023 /PRNewswire/ -- Groundworks, LLC ("Groundworks" or the "Company"), a leading foundation repair and water management services company, and KKR, a leading global investment firm, today announced a significant investment in Groundworks as part of a new strategic partnership with KKR. Cortec Group ("Cortec"), Groundworks' current growth partner, will remain an important shareholder in the Company and member of the board of directors.

Founded in 2016, Groundworks has more than 4,000 employees operating in 33 states providing residential foundation and water management solutions, including foundation repair, basement waterproofing, crawl space repair and encapsulation, plumbing, gutter installation, and concrete lifting services. The Company's brands have served over one million customers in the United States.

"In 2016, Groundworks embarked on a bold vision of building the nation's leading foundation repair and water management services company by investing and rewarding our incredibly talented tradesmen and tradeswomen," said Matt Malone, Founder & CEO of Groundworks. "KKR is the ideal strategic partner as we enter the next chapter of evolving this industry given their experience and strong track record in supporting growth-oriented companies, extensive global resources, and our shared culture and values. The strategic partnership enables Groundworks to further invest in our predominantly blue collar workforce with equity sharing programs that will allow every colleague to participate in the success they help to create."

"Groundworks provides essential and highly technical services to homeowners across the country, with a differentiated business model and focus on customer excellence," said Felix Gernburd, Partner at KKR. "We're thrilled to support Matt and the entire Groundworks team as they continue to build on their industry-leading position."

As part of this transaction, Groundworks will expand its equity ownership program to make all employees owners of the Company. This strategy is based on the belief that employee engagement is a key driver in building stronger companies. Since 2011, KKR portfolio companies have awarded billions of dollars of total equity value to over 50,000 non-management employees across nearly 30 companies. The new ownership program is aligned with Groundworks' values and focus on honoring the nation's tradesmen and tradeswomen.

"Cortec is extremely excited about Groundworks' new strategic partnership with KKR, through which we will collectively continue what Matt and the team began building in 2016," said Dave Schnadig, Cortec's Co-President. "Not only will

Groundworks further its leadership at its existing branches, the Company is also exceptionally well positioned to enter new markets and broaden its service offering, both organically and via acquisitions."

KKR is making the investment primarily through its North America XIII Fund. The transaction, which is subject to receipt of required regulatory approvals and satisfying other customary closing conditions, is expected to close in the first quarter of 2023.

Harris Williams LLC served as exclusive financial advisor and Paul Hastings LLP served as legal counsel to Groundworks. Deutsche Bank Securities Inc. and William Blair & Company, LLC served as buy-side financial advisors and Simpson Thacher & Bartlett LLP served as legal counsel to KKR.

About Groundworks

Groundworks[®], headquartered in Virginia Beach, Va., is the nation's leading and fastest-growing foundation and water management solutions company. Groundworks Companies provide residential foundation and water management solutions, including foundation repair, basement waterproofing, crawl space repair and encapsulation, plumbing, gutter installation, and concrete lifting services. Groundworks' combined brands have helped over one million homeowners protect and repair their most valuable asset, their home. Groundworks operates over 50 offices and has been named for six years in a row to the Inc. 5000 Fastest Growing Companies, Qualified Remodeler Top 500, BBB integrity award, and Best Places to Work. For more information about Groundworks, visit www.Groundworks.com, and connect with us on Facebook, Twitter, LinkedIn and Instagram.

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 and on Twitter @KKR_Co.

About Cortec

Founded in 1984, Cortec focuses on investing in and helping management build entrepreneur- and family-owned middle-market business-to-consumer and business-to-business products and services companies in consumer, healthcare, and other attractive end markets. Cortec partners with owners and management teams who want to work with Cortec to drive growth and improve business fundamentals. More information about Cortec can be found at www.cortecgroup.com.

SOURCE Groundworks