KKR and CDPQ Acquire USI, a Leading Insurance Brokerage and Consulting Firm

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NEW YORK & MONTRÉAL--(BUSINESS WIRE)-- KKR and CDPQ, along with USI employees, announced today their joint acquisition of USI Insurance Services (USI), a leading U.S. insurance brokerage and consulting firm. As partners with equal ownership, KKR and CDPQ will acquire USI from Onex Corporation and its affiliates in a transaction that values USI at US$4.3 billion.

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With more than 4,400 professionals operating out of 140 local offices throughout the United States, USI delivers property and casualty, employee benefits, personal risk and retirement solutions. USI has become an industry leader by leveraging the USI ONE Advantage® and attracting best-in-class industry talent with a long history of deep and continuing investment in local communities.

The investment will primarily be made through KKR and CDPQ's core private equity partnership which includes funds from KKR's balance sheet and from CDPQ's pool of capital. The partnership is designed to pursue attractive investment opportunities in high quality businesses with a longer duration and a lower risk profile in order to support strong management teams and facilitate long-term strategic business building.

KKR and CDPQ have a strong track-record in the financial services and insurance-related sectors and have been long-standing partners in multiple investments over the years.

"USI is a fantastic company and is uniquely positioned to help address the risk management, insurance and employee benefits-related needs of small and medium-sized business owners. We look forward to working with CDPQ in helping management achieve its long-term vision to grow the business through accelerated investments in USI's people, technology and solutions," said Tagar Olson, Head of KKR's Financial Services investing practice. "Our successful experience in the insurance and benefits brokerage industry, coupled with the impressive track record of Mike Sicard and the USI management team, give us confidence in our ability to generate compelling returns while growing the business over the long term."

"CDPQ and KKR are co-leading this investment and leveraging their respective expertise in the sector to support USI's world-class management as it pursues its strategic plan for long-term growth. Our partnership was established to implement both firms' patient, disciplined and collaborative investment approach," said Christian Puscasiu, Co-Head, Direct Investments, Private Equity at CDPQ. "USI operates in a resilient sector characterized by stable, long-term returns and serves small and medium-sized businesses, which are the cornerstone of the U.S. economy."

"We are passionately committed to continuing and accelerating USI's growth and investment as a leader in our industry, leveraging and innovating our unique USI ONE Advantage," commented Michael J. Sicard, Chairman & CEO of USI. "We are excited to work with our new partners at KKR and CDPQ, and want to thank our partners at Onex for the tremendous support they provided to USI."

The transaction is anticipated to close by the end of the second quarter 2017 subject to customary conditions including regulatory approvals.

ABOUT KKR

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others 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 CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

Caisse de dépôt et placement du Québec (CDPQ) is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at December 31, 2016, it held $270.7 billion in net assets. As one of Canada's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure and real estate. With over $30 billion of assets under management, CDPQ's private equity team has significant expertise both as a direct investor in companies and as a partner in investment funds. From LBOs to long-term holdings in businesses of all sectors, CDPQ distinguishes itself through its flexible and collaborative approach. For more information, visit cdpq.com, follow us on Twitter @LaCDPQ or consult our Facebook or LinkedIn pages.

ABOUT USI

USI is a leading local and national insurance brokerage and consulting firm, delivering property and casualty, employee benefits, personal risk and retirement solutions throughout the United States. Headquartered in Valhalla, New York, USI has over $1.0 billion in revenue, employs more than 4,400 professionals and operates out of 140 local offices serving every state. USI has become a premier insurance brokerage and consulting firm by leveraging the USI ONE Advantage®, an interactive platform that integrates proprietary and innovative client solutions, networked local resources and enterprise-wide collaboration to deliver customized results with positive, bottom line impact. USI attracts best-in-class industry talent with a long history of deep and continuing investment in our local communities. For more information, visit usi.com.

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