



KKR Agrees to Sell Minnesota Rubber and Plastics to Trelleborg in Another Win for Employees

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MINNEAPOLIS & NEW YORK--(BUSINESS WIRE)-- KKR, a leading global investment firm, today announced the signing of an agreement to sell Minnesota Rubber and Plastics (“MRP” or the “Company”), a leading provider of materials science-based elastomer and thermoplastic solutions, to Trelleborg Group (“Trelleborg”), a leader in engineered polymer solutions, in a transaction valued at approximately US\$950 million.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20220802005730/en/>

Since KKR’s acquisition in November 2018 and the introduction of a broad-based employee ownership program, MRP has made significant progress in driving growth and operational excellence. KKR’s investments in the business – including constructing a new global innovation center, optimizing manufacturing facilities, and investing in state-of-the-art new equipment – contributed to significant improvements in safety, input materials waste reduction, speed of new product delivery, and earnings growth. Under KKR’s ownership, MRP has completed acquisitions adding complementary new capabilities in the U.S. and U.K. and awarding shared ownership to all employees of the acquired businesses.

MRP is the latest example of KKR’s focus on employee ownership and engagement as a key driver in building stronger companies and driving greater financial inclusion. KKR introduced a broad-based employee ownership program for MRP employees as a free, incremental benefit and not in exchange for benefits, wages or wage increases (wages increased over 6% annually during KKR’s investment period). Other pillars of the broad-based employee ownership program included sharing business targets and regular progress updates with all employees, and giving employees a voice in capital expenditures and operational improvements.

All of MRP’s more than 1,450 employees across six countries and four U.S. states, including hourly manufacturing production, technical and administrative employees, will receive cash payouts upon closing of the transaction, with payouts varying based on tenure and employment status. As part of the transaction, employees will receive pre-paid personal financial coaching and tax preparation services. Financial planning advice will be provided by Goldman Sachs Ayco Personal Financial Management in the U.S. and by RSM Global for international employees. Deloitte will provide tax services globally.

“I am proud to have worked alongside MRP colleagues who have contributed in so many ways to the Company’s performance. Together we have been able to deliver the fantastic results that made this sale possible,” said Josh Weisenbeck, Partner at KKR who leads KKR’s Industrials private equity team. “This is a great outcome for all employee owners and our limited partners in KKR’s Americas XII Fund.”

Since 2011, KKR has implemented broad-based employee ownership and alignment programs, 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, KKR has awarded billions of total value through broad-based equity programs to over 45,000 non-senior employees across over 25 companies. KKR currently has 30 portfolio companies with ownership programs. In April 2022, KKR joined more than 60 leading organizations in becoming a founding partner of [Ownership Works](#), a nonprofit created to support public and private companies transitioning to shared ownership models.

“MRP shows the power of building an ownership culture, something we believe many more companies can replicate, and the potential of the shared ownership movement,” said Pete Stavros, Co-Head of Americas Private Equity at KKR. “Trelleborg is a great cultural fit for MRP and the ideal strategic partner. As part of Trelleborg, MRP will continue to be an employee-centric organization with exciting opportunities for continued innovation and global growth.”

MRP’s global employee base is located in the U.S., Mexico, the U.K., China, the Czech Republic, and France. The Company’s U.S. operations are located in Plymouth, MN, Litchfield, MN, Mason City, IA, River Falls, WI, and Pawling, NY. “The impact on these communities can be profound,” added Pete Stavros. “Ownership Works has a mission to create \$20 billion of wealth over the next decade for lower-income and diverse workers; I am excited for this latest landmark in that journey.”

The MRP management team is expected to remain in place and continue to run the business under Trelleborg’s ownership. Becoming part of a larger organization, which is a global leader in polymer solutions, will unlock new benefits for MRP customers and professional growth opportunities for MRP employees.

“Today’s announcement is the culmination of a lot of hard work by our dedicated employees and KKR’s shared ownership model has allowed all MRP colleagues to share in this success,” said Jay Ward, CEO of MRP. “Joining Trelleborg is an exciting opportunity to expand our global reach while we continue to fulfill our commitments to delivering excellence and innovation for our customers.”

The transaction, which is subject to customary regulatory approvals, is expected to close before year-end 2022.

KKR and MRP were advised by Houlihan Lokey as financial and M&A advisor, and Kirkland & Ellis as legal advisor on the transaction.

About Minnesota Rubber & Plastics

Minnesota Rubber & Plastics (MRP) is a leader in material compound development and the manufacturing of custom elastomeric and thermoplastic components. For 76 years, the company has built a reputation for consultative design services and successful production of “the tough parts.” With facilities across North America, Europe, and Asia, MRP collaborates with customers to solve difficult sealing and component challenges across multiple markets. Capabilities include materials science and formulation, new product prototyping, operational excellence and supply chain consolidation. The Company’s new Innovation Center provides its customers with direct access to materials science expertise and a fully integrated design-build-prototype-test process that enhances innovation and greatly accelerates product development. The Company places emphasis on research and development and empowers its technicians to design, formulate, develop, and test a wide range of highly engineered materials and parts. For more information, please visit www.mnrubber.com.

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](https://twitter.com/KKR_Co).

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