



KKR to Acquire GeoStabilization International® from CAI Capital Partners

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Marks KKR's Third U.S. Industrials Middle-Market Deal This Year

COMMERCE CITY, Colo. & NEW YORK--(BUSINESS WIRE)-- Global investment firm [KKR](#) has entered into an agreement to acquire [GeoStabilization International®](#) ("GSI" or the "Company"), a leading provider of geotechnical maintenance services for critical infrastructure across the United States and Canada, from [CAI Capital Partners](#) ("CAI"). This transaction marks KKR's third acquisition of a middle-market business in the industrials sector this year. The transaction, the financial details of which were not disclosed, is being funded through KKR's Americas XII Fund.

GSI is a leading provider of landslide repair and rockfall mitigation services in the United States and Canada, developing and implementing innovative solutions that remediate geohazards in order to restore the safe operability of impacted infrastructure. The Company has established a strong reputation for its ability to serve as a partner of choice due to its national scale, as well as its integrated design, engineering, and execution capabilities. GSI focuses solely on its core mission of geohazard mitigation, with a passion across all its teammates for developing and installing proprietary solutions that protect people and infrastructure from the dangers of geohazards. Due to GSI's unique focus, the Company is an innovation leader in its approach of using integrated teams of geologists, geotechnical engineers, and remediation technicians who work hand in hand leveraging proprietary and patented GSI technologies including their Soil Nail Launcher, Biowall System, ScourMicropiles, and SuperNails.

"We are thrilled to work with GSI and its leading management team to build upon the Company's track record of excellent service in improving the safety of our infrastructure as GSI enters this new chapter," said Pete Stavros, Member of KKR and Head of KKR's Industrials investment team. "We have been particularly impressed by GSI's long track record of strong organic growth, which we attribute to the Company's innovative technology offerings, focus on customer service and responsiveness, and strong leadership under CEO Colby Barrett and his team. Given the importance of GSI's many employees to the Company's success, in partnership with Colby, we plan to implement a broad-based employee ownership and engagement model at GSI, similar to what we have done at our other industrials portfolio companies."

Colby Barrett, GSI CEO, said, "We are very excited to work with KKR as we enter this new phase of our growth. KKR shares our vision for a strong, employee-focused culture, our relentless focus on safety, and our enthusiasm to invest in innovation to deepen our service capabilities and even better serve our customers across markets. We would also like to thank CAI for the support they have provided, which has helped us to build this current foundation upon which we will continue growing."

Over the past seven years, KKR's Industrials team has focused on employee engagement as a key driver in building stronger businesses. The cornerstone of the strategy has been to allow all employees to take part in the benefits of ownership by granting them the opportunity to participate in the equity return directly alongside KKR. KKR also supports employee engagement by investing in training across multiple functional areas, driving improvements in worker safety and by partnering with the workforce to give back in the community.

This transaction, which is subject to regulatory approvals and other customary closing conditions, is expected to close by year-end 2018. Fully committed financing has been led by lead arrangers UBS Securities LLC and KKR Capital Markets. KKR was advised in the transaction by Kirkland & Ellis LLP. GSI and CAI were advised by William Blair and Perkins Coie LLP.

About GeoStabilization International®

Founded in 2002, GSI is a leading provider of complex geotechnical maintenance services for critical infrastructure across the U.S. and Canada. The company develops and implements innovative solutions that protect from dangers associated with geohazards that have either caused, or have the potential to cause, catastrophic infrastructure failures and significant economic disruption. For more information, please visit www.geostabilization.com.

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 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.

For more information about KKR's Industrials team and the employee engagement model please visit the [KKR Industrials page](#) on LinkedIn, [@KKR_Industrials](#) on Twitter and [KKR Industrials](#) on YouTube.

About CAI Capital Partners

CAI Capital Partners is a Vancouver-based private equity firm focused on partnering with and growing founder-owned businesses in the Canadian lower middle market. Over three decades, CAI has invested C\$1.4 billion into companies across North America. For additional information about CAI, please visit www.caifunds.com.

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