KKR To Acquire Covenant Surgical Partners

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NASHVILLE, Tenn.--(BUSINESS WIRE)-- Covenant Surgical Partners, Inc. ("Covenant") announced today that KKR is acquiring Covenant from DFW Capital Partners, Iroquois Capital Group, PineBridge Investments, and other existing shareholders. Financial details of the transaction were not disclosed.

This Smart News Release features multimedia. View the full release here: http://www.businesswire.com/news/home/20170808005494/en/

Covenant is a leading acquirer and operator of ambulatory surgery centers ("ASCs") and physician practices. The Company currently provides gastrointestinal and ophthalmic procedures through 37 ASC and physician practice locations across 17 states. Covenant works in partnership with its affiliated physicians to provide value added financial, operational, and ancillary services to enhance business and clinical operations.

"This transaction marks the next stage of Covenant's evolution," said Lew Little, Chief Executive Officer of Covenant. "This is the second time I've had the opportunity to work with KKR. Having seen firsthand what their partnership and resources can contribute to a company, I am thrilled to welcome them to the Covenant family and together accelerate our future growth."

"Covenant provides an important role in improving patient access and reducing costs for the health care system. We look forward to partnering with Covenant in building a premier professional services organization to support its affiliated surgery centers and physician practices," said Jim Momtazee, Head of KKR's Health Care investment team.

"It has been a privilege to partner with the Covenant team in building one of the premier ambulatory surgery platforms and physician services companies in the nation," said Keith Pennell, Managing Partner at DFW Capital Partners.

The transaction, which is subject to regulatory approvals and other customary closing conditions, is expected to close in the third quarter of 2017. KKR is making its investment primarily through its KKR Americas XII Fund.

Piper Jaffray & Co. acted as exclusive financial advisor and Ice Miller LLP acted as legal advisor to Covenant. Simpson Thacher & Bartlett LLP served as legal counsel to KKR. Fully committed debt financing will be provided by Goldman Sachs and KKR Capital Markets.

About Covenant Surgical Partners

Headquartered in Nashville, TN, Covenant Surgical Partners is a leading acquirer and operator of ambulatory surgery centers and physician practices with 37 facilities located across 17 states. Covenant partners with its affiliated physicians to deliver high quality and cost effective solutions for patient care. For more information, please visit www.covenantsp.com.

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate, credit and, through its strategic partners, 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 with KKR portfolio companies. KKR invests its own capital alongside its partners' capital 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. L.P. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

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