KKR to Invest in Charter Next Generation to Grow Specialty Films Leader

May 6, 2021

All Employees to Become Owners in Company

NEW YORK--(BUSINESS WIRE)-- KKR today announced the signing of a definitive agreement to invest in Charter Next Generation ("CNG"), a leading producer of specialty films used in flexible packaging, industrial, healthcare, and consumer applications. KKR will be joining Leonard Green & Partners, L.P. as an equal co-owner of the business, and a wholly owned subsidiary of the Abu Dhabi Investment Authority (ADIA) will also be investing in the transaction to become a minority owner.

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20210506005421/en/

With more than 30% of all food produced globally wasted due to spoilage, Charter Next Generation offers solutions for keeping food fresh longer, while maintaining the lowest carbon footprint of any major packaging substrate given its optimized size and lighter weight. These attributes are imperative at a time when in the U.S., for example, 54 million Americans are food insecure, up significantly due to the COVID-19 pandemic. Additionally, with landfills being the third-largest industrial emitter of methane, food waste alone represents 8% of total global greenhouse gas emissions.

CNG manufactures high performance specialty films focused especially on the critical inner lining of packaging, protecting foods and other goods by creating heat resistance, sterility, oxygen and odor barriers, UV shields, moisture protection, and more. These specialty films also allow for recyclability, compostability, and the use of post-consumer resin. In addition, CNG's high-performance, specialty films are used in a variety of other industrial, healthcare, and consumer applications.

"Charter Next Generation offers the gold standard when it comes to materials science, product quality, innovation, and technical expertise in specialty films," said Josh Weisenbeck, KKR Partner who leads KKR's Industrials investment team. "We are looking forward to investing in the company's growth as they continue to raise the bar in innovation and sustainability."

"Continuous investment in our film technologies and in our team is mission critical for us, which is why we are excited to partner with these exceptional, forward-thinking firms – particularly for their steadfast approach to employee engagement and ownership," said Kathy Bolhous, CEO of Charter Next Generation. "Offering all employees ownership in the company aligns everyone around our objectives while providing financial rewards for their efforts, fitting well with our employee first culture."

For over a decade, KKR's Industrials team has focused on employee engagement as a key driver in building stronger businesses. The strategy's cornerstone 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 alongside KKR. Beyond sharing ownership, KKR also supports employee engagement by investing in training across multiple functional areas and by partnering with the workforce to give back to the community.

"We are thrilled to have the opportunity to invest in Charter Next Generation not only because they are an industry leader on many fronts, but also because Kathy and her team are completely aligned with how we approach building stronger manufacturing companies: by building stronger company cultures through a robust employee engagement and ownership program," said Pete Stavros, KKR Partner and Co-Head of Americas Private Equity at KKR.

Goldman Sachs, Morgan Stanley & Co. LLC, and Latham & Watkins LLP served as advisors to CNG, while Kirkland & Ellis and Deloitte served as advisors to KKR.

KKR is making the investment in CNG through its Americas XII Fund. Further terms were not disclosed.

About Charter Next Generation

Charter Next Generation is North America's leading independent producer of high-performance, specialty films used in flexible packaging and other end-use markets. Known for sustainable, innovative products and world-class manufacturing capabilities, the company's quality and expertise are unsurpassed. Its sustainability first mindset, and relentless pursuit of excellence, make it an ideal partner to help brand owners reach their long-term sustainability goals. Visit Charter Next Generation at: https://cnginc.com

About KKR

KKR is a leading global investment firm that offers alternative asset management and 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 The 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 LGP

Leonard Green & Partners, L.P. ("LGP") is a leading private equity investment firm founded in 1989 and based in Los Angeles. The firm partners with experienced management teams and often with founders to invest in market-leading companies. Since inception, LGP has invested in over 100 companies in the form of traditional buyouts, going-private transactions, recapitalizations, growth equity, and selective public equity and debt positions. The firm primarily focuses on companies providing services, including consumer, business, and healthcare services, as well as retail, distribution, and industrials. For more information, please visit www.leonardgreen.com.

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