



KKR Sells European Locomotive Leasing to AXA Investment Managers – Real Assets and Crédit Agricole Assurances

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Leading European leasing provider for rail transport co-founded and built by KKR's Infrastructure platform

LONDON--(BUSINESS WIRE)--Dec. 20, 2019-- KKR, a leading global investment firm, announces today the signing of a definitive agreement under which a consortium formed by AXA Investment Managers - Real Assets, acting on behalf of its clients ("AXA IM – Real Assets") and Crédit Agricole Assurances will acquire European Locomotive Leasing ("ELL"), a leading pan-European provider of electric locomotive leasing solutions.

ELL was established in early 2014 by founder and CEO Christoph Katzensteiner together with KKR's first Infrastructure fund, KKR Global Infrastructure Investors. The investment rationale was to meet the significant and unfulfilled market demand for modern, versatile electric locomotives, thereby supporting the broad political agenda to shift freight transportation from road to rail – a more economic and ecological transportation method – as well as to facilitate liberalization and competition in the rail market by offering leasing solutions to market players. Since its inception, the company has thrived and significantly exceeded initial expectations. While the initial business plan foresaw the purchase of a fleet of 50 locomotives, the company has after five years of operations built a fleet of over 150 locomotives that are leased on long-term contracts to over 20 customers across Continental Europe.

During that period, KKR has provided consistent support to the ELL team including through its dedicated Capital Markets team, which has led several rounds of financing for the company, each time expanding and enhancing the initial financing package put in place at inception of the company in 2014. The investment demonstrates KKR's unique proposition in the infrastructure space, bringing experience of over four decades of building and improving businesses to the infrastructure sector, with a particular focus on businesses that have a strong ESG impact.

Vincent Policard, Member at KKR in European Infrastructure, said: "Having been there from day one, we are especially proud of what we have been able to create over the last five years together with Christoph and his incredible team. We have no doubt the future of ELL is bright and we will continue to cheer for the company from the sidelines."

Christoph Katzensteiner, founder, CEO and minority shareholder in ELL, said: "I would like to thank KKR for having believed in us from the beginning and having enabled me and my team to turn the vision we had for ELL into a successful reality. I also want to welcome AXA IM – Real Assets and Crédit Agricole Assurances as our new partners, who will provide significant further resources to bring our company to the next level."

The investment in ELL was made through KKR Global Infrastructure Investors, KKR's maiden vehicle in the infrastructure space raised in 2011/2012. KKR has been active in the infrastructure space for a decade and currently has around \$20bn AUM. The global infrastructure platform has completed over 30 investments in that period, half of those in Europe, across the energy & utility, transportation and telecom sectors. The team is currently investing KKR Global Infrastructure Investors III, a USD 7.4bn vehicle raised in 2018, and has been active in Europe this year with transactions including the acquisition of a majority stake in Hyperoptic, a leading UK fiber broadband provider.

Crédit Agricole CIB acted as financial advisor to KKR Infrastructure; Vinson & Elkins and K&L Gates served as legal counsels on the transaction.

For more information:

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.

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