

## News Release

# Lonza Further Strengthens Focus on Its Healthcare Continuum Strategy by Signing Agreement to Divest Water Care Business to Platinum Equity

**Basel (CH) and Los Angeles, CA (USA), 1 November 2018**

– Lonza and Platinum Equity jointly announced today that Platinum Equity has entered into a definitive agreement with Lonza to acquire Lonza's Water Care business and operations for USD 630 million. The inclusion of the French business in this transaction is still under discussion.

With headquarters in Alpharetta, GA (USA), Water Care has six manufacturing facilities in key regions, including North America, South America, EMEA and South Africa, with sales locations in all regions globally and with approximately 1,200 employees. The business is a leading provider of innovative water treatment solutions and a top global consumer brand in residential pool care and key positions in high-growth industrial and municipal water care markets. The agreement is expected to close in the first quarter of 2019, subject to customary closing conditions.

"We are putting the Water Care business in the hands of an experienced owner who will develop Water Care as a stand-alone business while focusing on innovation and further growth. We believe that we have found the optimal partner for the business to give new perspectives to the global sites and its employees," said Richard Ridinger, CEO of Lonza. "The divestment further strengthens our strategic focus on our three core pillars – Pharma & Biotech, Consumer Health and Consumer & Resources Protection – within the healthcare continuum."

Lonza already announced in May this year that it had retained an investment bank to advise on all strategic options regarding its Water Care business as part of an active portfolio management approach. The strategic review was publicly confirmed at Lonza's Capital Markets Day in September 2018. After a robust analysis of options, Lonza decided now to divest the Water Care business as part of its long-term strategy to grow sustainably along the healthcare continuum and to focus all growth initiatives and investments on its core businesses.

Lonza acquired the Water Care business as part of its acquisition of Arch Chemicals in 2011 and developed it as part of the Specialty Ingredients segment. The business provides offerings for recreational water, as well as for industrial, municipal, commercial and surface water treatments and has leading positions in several markets worldwide.

Platinum Equity is a global private equity firm with approximately USD 13 billion of assets under management and a highly specialized focus on business operations. The firm has substantial carve-out expertise, with more than 20 years' experience acquiring and operating businesses that have been part of large corporate entities.

"We are looking forward to working with Water Care's experienced management team to further grow the business and strengthen its unique positioning in residential pool care and industrial water markets around the world," said Platinum Equity Partner Jacob Kotzubei. "Lonza's Water Care business has tremendous value as a standalone company."

Platinum Equity operates each of its portfolio companies independently and will apply this approach to the Water Care business with the goal of creating long-term, sustainable value. Lonza's Water Care business has already been focusing on brand restaging, innovation and e-commerce; and this agreement now provides the team the opportunity to fully focus on further growing its business, innovative product portfolio and global footprint in both residential and industrial water treatments. Water Care's business unit head Christian Wichert and his experienced management team will continue to lead the business.

The carve-out and ownership transfer process is expected to be seamless to customers. Platinum Equity said that ensuring consistency, continuity and quality will be a priority following closing.

Citi is acting as financial advisor and Jenner & Block LLP as legal advisor to Lonza. Gibson, Dunn & Crutcher LLP is acting as legal advisor to Platinum Equity on the acquisition.

#### About the Water Care Business Unit

Water Care is one of the world's leading suppliers of sanitizers and other water treatment chemicals. Water Care is organized into two business segments: Residential Water offers water care products and value-added services for residential pools and spas and is a global leader in all consumer channels including Mass Retail and Professional Dealer (Pro Dealer), which includes Dealer Direct, Branded Distribution, and Repack and Private Label (RPL). Industrial, Commercial, Municipal and Surface Water (ICMS) offers chemicals, services and solutions globally that address commercial swimming pools, drinking water, process water, wastewater, irrigation, surface water and industrial applications.

#### About Lonza

Lonza is one of the world's leading and most-trusted suppliers to the pharmaceutical, biotech and specialty ingredients markets. As an integrated solutions provider, Lonza is boosting its value creation along and beyond the healthcare continuum with a strong focus on patient healthcare, consumer preventive healthcare and consumer's healthy environment.

Lonza harnesses science and technology to create products that support safer and healthier living and that enhance the overall quality of life. With the recent Capsugel acquisition, Lonza now offers products and services from the custom development and manufacturing of active pharmaceutical ingredients to innovative dosage forms for the pharma and consumer health and nutrition industries.

Benefiting from its regulatory expertise, Lonza is able to transfer its know-how from pharma to hygiene and fast-moving consumer goods all the way to coatings and composites and the preservation and protection of agricultural goods and other natural resources.

Founded in 1897 in the Swiss Alps, Lonza today is a well-respected global company with more than 100 sites and offices and approximately 14,500 full-time employees worldwide. The company generated sales of CHF 5.1 billion in 2017 with a CORE EBITDA of CHF 1.3 billion. Further information can be found at [www.lonza.com](http://www.lonza.com).

#### About Platinum Equity

Founded in 1995 by [Tom Gores](#), [Platinum Equity](#) is a global investment firm with approximately USD 13 billion of assets under management and a [portfolio](#) of approximately 40 operating companies that serve customers around the world.

The firm is currently investing from [Platinum Equity Capital Partners IV](#), a USD 6.5 billion global buyout fund, and [Platinum Equity Small Cap Fund](#), a USD 1.5 billion buyout fund focused on investment opportunities in the lower middle market.

Platinum Equity specializes in mergers, acquisitions and operations – a trademarked strategy it calls M&A&O® – acquiring

and operating companies in a broad range of business markets, including manufacturing, distribution, transportation and logistics, equipment rental, metals services, media and entertainment, technology, telecommunications and other industries. Over the last 23 years, Platinum Equity has completed more than 200 acquisitions.

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#### Additional Information and Disclaimer

Lonza Group Ltd has its headquarters in Basel, Switzerland, and is listed on the SIX Swiss Exchange. It has a secondary listing on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Lonza Group Ltd is not subject to the SGX-ST's continuing listing requirements but remains subject to Rules 217 and 751 of the SGX-ST Listing Manual.

Certain matters discussed in this news release may constitute forward-looking statements. These statements are based on current expectations and estimates of Lonza Group Ltd, although Lonza Group Ltd can give no assurance that these expectations and estimates will be achieved. Investors are cautioned that all forward-looking statements involve risks and uncertainty and are qualified in their entirety. The actual results may differ materially in the future from the forward-looking statements included in this news release due to various factors. Furthermore, except as otherwise required by law, Lonza Group Ltd disclaims any intention or obligation to update the statements contained in this news release.