



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

Press release

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Partners Group to acquire Velvet CARE, one of the leading European manufacturers of hygiene paper products

- Velvet CARE has 850 employees and generated EUR 277 million in revenues in 2022
- The Company is a fully integrated manufacturer currently operating two production sites
- Partners Group's value creation plan will focus on international expansion

Partners Group, a leading global private markets firm, acting on behalf of its clients, has agreed to acquire Velvet CARE (or "the Company"), one of the leading European manufacturers of hygiene paper products, from Abris Capital Partners.

Headquartered in Klucze, Poland, Velvet CARE is one of the largest independent manufacturers of branded and private-label hygiene paper products, including toilet paper, paper towels, paper tissues, and moist toilet paper, in Central and Eastern Europe. Velvet CARE is a vertically integrated manufacturer currently operating two production sites that cover the full process of hygiene paper production. Finished branded and private-label products are sold to supermarkets, discounters, wholesalers, and other retailers. The Company has 850 employees and generated EUR 277 million in revenues in 2022, with its largest markets including Poland, the Czech Republic, and Germany. Velvet CARE, which owns Velvet, one of the leading hygiene paper brands in Poland, has a long track record of innovation and continues to develop new products in a variety of sizes, textures, fragrances, and decorative patterns.

The hygiene paper market is characterized by stable demand through economic cycles. Velvet CARE's ability to offer products across different price ranges, through premium branded products and private-label ones, allows it to address short- and long-term changes in purchasing patterns. Partners Group will work with management to build on the Company's strong position and drive growth. Key value creation initiatives will include expanding international reach; broadening the product portfolio with a focus on high-growth categories; and making targeted acquisitions.

Ralph Schuck, Managing Director, Private Equity Goods & Products Industry Vertical, Partners Group, says: "Velvet CARE has a diversified product portfolio and a strong market position in its core markets. The Company differentiates itself through its superior production capabilities, best-in-class technology, and deep relationships with retailers across multiple countries. We see Velvet

CARE as a platform for further growth in Europe and look forward to working with the management team on our transformational value creation plan."

Artur Pielak, Chief Executive Officer, Velvet CARE, comments: "At Velvet CARE, our mission is to provide the highest quality hygiene paper products to consumers whilst also creating value within local communities. With that in mind, we have designed sustainable processes, which use renewable materials and reuse water, as we continue to search for new levers to add value in a sustainable manner. We strongly believe Partners Group's global reach, financial resources, and operational experience make it the right growth partner as we look ahead to our next chapter."

Milorad Andelic, Member of Management, Private Equity Goods & Products Industry Vertical, Partners Group, adds: "Velvet CARE's extensive offering of staple products give the Company resilience and cash flow stability during macroeconomic slowdowns. At the same time, Velvet CARE's markets have strong, long-term tailwinds, with rising incomes driving demand for both premium and value products. Our value creation plan will focus on strengthening the Company's existing position while continuing to expand into other major European markets."

Velvet CARE was established in 2013 but its origins date to 1897. The Company received B Corp Certification, the globally recognized accreditation for businesses that demonstrate the highest standards of social and environmental performance, transparency, and accountability, in 2023.

Completion of the transaction is subject to customary regulatory approvals.

About Partners Group

Partners Group is a leading global private markets firm. Since 1996, the firm has invested USD 200 billion in private equity, private real estate, private debt and private infrastructure on behalf of its clients globally. Partners Group seeks to generate attractive returns through capitalizing on thematic growth trends and transforming attractive businesses and assets into market leaders. The firm is a committed, responsible investor and aims to create sustainable returns with lasting, positive impact for all its stakeholders. With USD 142 billion in assets under management as of 30 June 2023, Partners Group provides an innovative range of bespoke client solutions to institutional investors, sovereign wealth funds, family offices and private individuals globally. The firm employs more than 1,800 diverse professionals across 20 offices worldwide and has regional headquarters in Baar-Zug, Switzerland; Denver, USA; and Singapore. It has been listed on the SIX Swiss Exchange since 2006 (symbol: PGHN). For more information, please visit www.partnersgroup.com or follow us on LinkedIn.

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