

PAI Partners and KIRKBI A/S agree to acquire Armacell from Blackstone

4 December 2019 – PAI Partners, a leading European private equity firm (“PAI”) and KIRKBI A/S, the holding and investment company of the Kirk Kristiansen family (“KIRKBI”), have together agreed to acquire Armacell, a global leader in flexible foam for the equipment insulation market and a leading provider of engineered foams (the “Company”).

Following the Company’s sale by private equity funds managed by Blackstone, PAI will become the majority shareholder of Armacell. KIRKBI has been an investor in Armacell since 2016 and will increase its stake in the Company to a significant minority position in line with its investment strategy of being a long-term owner of market leading companies.

Terms of the transaction are confidential and subject to regulatory approvals.

Armacell manufactures advanced engineered foams that are applied in a wide range of technical applications, including commercial and residential building equipment, as well as equipment and solutions for the wind power, energy, industrials, transport and sports & leisure sectors. In developing innovative thermal, acoustic and mechanical systems, Armacell’s products and solutions improve overall energy efficiency, acoustic comfort and vibration control on a truly global scale. PAI and KIRKBI are committed to supporting Armacell’s growth initiatives towards becoming a global advanced material technologies leader.

With 24 manufacturing facilities worldwide, the Company employs over 3,000 dedicated staff and is led by an experienced executive management team. Under PAI and KIRKBI’s ownership, Armacell will continue to be led by Patrick Mathieu, Chief Executive Officer.

Patrick Mathieu, Chief Executive Officer, Armacell, said: “This is a very exciting time for our business. We have built a great company full of excellent people who share our ambition of being a truly global leader in advanced material technologies. I’m confident that PAI Partners’ extensive experience in the industrials sector, coupled with KIRKBI’s close knowledge of - and belief in - our business, will prove to be a formidable partnership as we work to achieve this ambition.”

Lionel Assant, European Head of Private Equity, Blackstone, said: “We acquired Armacell in 2016 in partnership with KIRKBI and the management team led by Patrick Mathieu. We are proud to have been able to contribute alongside our partners to the Company’s development and growth, while making a tangible impact on energy efficiency. We look forward to seeing Armacell employees and the management team continue to thrive under the new ownership.”

Mathieu Paillat, Partner and Philipp Meyer, Principal, PAI Partners, said: “Under the leadership of its existing management team, Armacell has delivered consistent growth on the basis of best-in-class technical expertise and customer service. Armacell has successfully demonstrated its track record of innovation with the introductions of new and highly differentiated applications such as ArmaForm and ArmaGel. PAI has a long history of investing in the industrials sector and in partnership with KIRKBI and Patrick’s impressive team, we expect to drive Armacell’s further expansion through product innovation, commercial excellence and a number of strategic acquisitions.”

Thomas Lau Schleicher, Chief Investment Officer, KIRKBI A/S, said: “We are pleased to partner with PAI and to continue our ownership of Armacell, a business we know very well having been a shareholder for the last four years. Most industries across the world are actively targeting to reduce their energy consumption. We believe that the need for improving energy efficiency will continue to drive Armacell’s long-term growth prospects. We look forward to

continue to support the Company's dedicated employees and management team in their execution of the growth strategy."

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NOTES TO EDITORS

About Armacell

As the inventors of flexible foam for equipment insulation and a leading provider of engineered foams, Armacell develops innovative and safe thermal, acoustic and mechanical solutions that create sustainable value for its customers. Armacell's products significantly contribute to global energy efficiency making a difference around the world every day. With 3,100 employees and 24 production plants in 16 countries, the company operates two main businesses, Advanced Insulation and Engineered Foams, and generated net sales of EUR 610 million and adjusted EBITDA of EUR 106 million in 2018. Armacell focuses on insulation materials for technical equipment, high-performance foams for high-tech and lightweight applications and next generation aerogel blanket technology. For more information, please visit: www.armacell.com.

About Blackstone

Blackstone is one of the world's leading investment firms. The Blackstone team seeks to create positive economic impact and long-term value for investors, the companies Blackstone invests in, and the communities in which Blackstone works. Blackstone does this by using extraordinary people and flexible capital to help companies solve problems. Its asset management businesses, with \$554 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary funds, all on a global basis. Follow Blackstone on twitter @Blackstone. Further information is available at www.blackstone.com.

About PAI Partners

PAI Partners is a leading European private equity firm with offices in Paris, London, Luxembourg, Madrid, Milan, Munich, New York and Stockholm. PAI manages €13.6 billion of dedicated buyout funds. Since 1994, the company has completed 71 transactions in 11 countries, representing over €50 billion in transaction value. PAI Partners is characterised by its industrial approach to ownership combined with its sector-based organisation. PAI Partners provide the companies it owns with the financial and strategic support required to pursue their development and enhance strategic value creation. www.paipartners.com.

About KIRKBI A/S

KIRKBI is the Kirk Kristiansen family's private holding and investment company founded to promote a sustainable future for the family ownership of the LEGO brand through generations. KIRKBI's strategic activities include 75% ownership of the LEGO Group, 50% ownership of Merlin Entertainments and investments in renewable energy. The company's investment activities also include significant long-term investments in companies such as ISS, Nilfisk, Landis+Gyr and Falck as well as real estate investments in Denmark, Switzerland, Germany and the UK. www.KIRKBI.com.