



KPS Capital Partners to Acquire IKG from Harsco Corporation

January 10, 2020

NEW YORK, Jan. 10, 2020 /PRNewswire/ -- KPS Capital Partners, LP ("KPS") announced today that it has signed a definitive agreement to purchase the IKG business ("IKG" or the "Company") from Harsco Corporation ("Harsco", NYSE: HSC) for total consideration of \$85 million, subject to customary closing adjustments. Upon completion of the transaction, IKG will become the second portfolio company of KPS Special Situations Mid-Cap Fund ("KPS Mid-Cap").



IKG is a leading North American manufacturer of high-quality steel and aluminum bar grating. The Company offers a full range of metal bar grating and fencing products, which are used primarily in industrial flooring, safety and security applications across a wide range of industries. IKG is headquartered in Houston, Texas, with six strategically located manufacturing facilities across the U.S. and Mexico, and 350 employees globally.

Ryan Harrison, a Partner of KPS Mid-Cap, said, "We thank Harsco for their constructive approach on this transaction and look forward to working with Chief Executive Officer Chad McClendon, and IKG's management team and employees to build on this great platform. Given IKG's demonstrated strengths, the addition of KPS' strategic, operational and financial resources will create an ideal foundation for IKG's future success as an independent company. We intend to drive the Company's growth both organically and through strategic acquisitions."

Nick Grasberger, Harsco Chairman and CEO, said, "I am confident that under KPS' ownership, IKG will become part of a firm that has extensive experience owning and operating metals-related businesses, and one that is committed to its growth."

Chad McClendon, Chief Executive Officer of IKG, said, "We are thrilled to partner with KPS in this exciting new chapter for IKG. The IKG team is deeply committed to providing high-quality products, unmatched technical expertise and innovative solutions to our customers. Given its successful track record in building world-class manufacturing businesses globally over decades, KPS is the ideal partner to accelerate IKG's strong momentum."

Completion of the transaction is expected early in 2020 and is subject to customary closing conditions and approvals.

Paul, Weiss, Rifkind, Wharton & Garrison LLP served as legal counsel to KPS.

About IKG

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About KPS Capital Partners

KPS, through its affiliated management entities, is the manager of the KPS Special Situations Funds, a family of investment funds with over \$11.5 billion of assets under management (as of October 15, 2019). For over two decades, the Partners of KPS have worked exclusively to realize significant capital appreciation by making controlling equity investments in manufacturing and industrial companies across a diverse array of industries, including basic materials, branded consumer, healthcare and luxury products, automotive parts, capital equipment and general manufacturing. KPS creates value for its investors by working constructively with talented management teams to make businesses better, and generates investment returns by structurally improving the strategic position, competitiveness and profitability of its portfolio companies, rather than primarily relying on financial leverage. The KPS Special Situations Funds' portfolio companies have aggregate annual revenues of approximately \$8.4 billion, operate 142 manufacturing facilities in 26 countries, and have approximately 28,000 employees, directly and through joint ventures worldwide.

The KPS investment strategy and portfolio companies are described in detail at www.kpsfund.com.

KPS Mid-Cap focuses on investments in the lower end of the middle market that require up to \$100 million of initial equity capital. KPS Mid-Cap targets the same type of investment opportunities and utilizes the same investment strategy that KPS' flagship funds have for over two decades. KPS Mid-Cap leverages and benefits from KPS' global platform, reputation, track record, infrastructure, best practices, knowledge and experience. The KPS Mid-Cap investment team is managed by Partners Pierre de Villeméjane and Ryan Harrison, who lead a team of experienced and talented professionals.

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