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Pexco and PPC Industries to Merge, Creating a Benchmark Medical Plastics Business

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ALPHARETTA, GA (February 27, 2017) – Kohlberg & Company, L.L.C. (“Kohlberg”), a leading private equity firm specializing in middle-market investing, has announced the intent to acquire Pexco LLC (“Pexco”), a leading North American specialty plastics manufacturer, from Odyssey Investment Partners, LLC. Pexco is to merge with PPC Industries, Inc. (“PPC”), a Kohlberg portfolio business which also comprises Kelpac Medical. The merger strengthens both companies’ positions in the medical plastics sector. The new entity will feature multiple thermoplastic and silicone tubing extrusion, injection molding, film, packaging, and value-add manufacturing technologies across 20 plants, five countries, and three continents, comprising over 2,000 employees.

Neil Shillingford, Pexco’s CEO who will also assume leadership of the newly combined organization, remarks, “What we are seeing is a landmark transaction for Pexco, its medical division, PPC Industries, Kelpac Medical, and all our customers. Pexco and PPC provide engineered solutions to customers across the medical and specialty plastics industries, complementing each other remarkably. We both hold established positions in the medical tubing industry and have been transformed over the years to provide a much wider array of specialty plastics technologies. This event is a real step-change that deepens both our abilities to offer advanced plastics solutions to all our strategic customers.”

Kelpac Medical was formed in 2010 when PPC Industries, which remains a leading specialty films manufacturer for food and industrial applications, acquired Kelcourt Plastics, a well-known and respected medical tubing extruder. Later transactions with Apollo Medical Extrusion in 2014, and more recently VitalMed, Inc. and Xeridiem Medical Devices in 2016, have launched a business with wide reach across the medical plastics and materials space, from medical packaging and assembly to microbore tubing and injection molding to medical silicone manufacturing.

Pexco has had a similar arc to its narrative. The legacy extrusion company with a once limited medical offering has evolved itself into a full medical plastics operation. Its 2012 acquisitions of Scandia Plastics and the Minneapolis-based Spectrum Plastics Group entered the business into medical injection molding, micromolding, and value-add machining. In 2015 Pexco acquired Precision Extrusion, Inc., penetrating the advanced, tight tolerance extrusion and catheter space. Pexco also maintains leading positions in other high-value specialty plastics applications, including defense, lighting, and traffic safety.

Roger Prevot, Operating Partner at Kohlberg and Chairman of PPC, remarked, “We are very pleased to further develop our investment in PPC. This transformational merger between PPC and Pexco will create significant value for the combined company’s customers, suppliers, and employees. We look forward to continuing to support PPC and Pexco in their future growth initiatives.”

Seth H. Hollander, Partner of Kohlberg, adds, “We thank the management team and employees of PPC for their successful organic and acquisition-driven value creation since our original investment, which has set the foundation for this merger, and we are enthusiastic to continue that trajectory, both organically and through acquisition, with the larger platform.”

Both entities have been supported by private equity in their growth transformations. Kohlberg & Company invested in PPC Industries in 2014 and has launched Kelpac Medical, whereas Pexco has been a portfolio company of Odyssey Investment Partners since 2012. The new, merged company will be based in the Atlanta, Georgia area and seek to continue its medical transformation and reach.

Shillingford concludes, “This is an exciting chapter in both companies’ histories and we are eager to begin the hard work of leveraging the full value that each represents, on behalf of our customers, medical device end-users and patients, and all our employees.”

About Pexco & PPC Industries

Owned by Kohlberg & Company and based in Alpharetta, Georgia with multiple plants across the United States, Mexico, Costa Rica, Ireland, and Malaysia, Pexco and PPC Industries are North American leaders in the

design and fabrication of custom and specialty plastics products focusing on niche, high value-added end markets, including medical, food, and industrial applications. Both companies offer a full range of custom design, engineering and fabrication services, as well as meet the requirements of ISO 9001, ISO 13485, and operate multiple Class 7 & Class 8 clean rooms. For more information, visit www.pexco.com , www.ppcind.com, www.kelpacmedical.com, or contact 404-564-8560.

About Kohlberg

Kohlberg & Company, L.L.C. (“Kohlberg”) is a leading private equity firm headquartered in New York. Since its inception in 1987, Kohlberg has organized eight private equity funds, through which it has raised \$7.5 billion of committed equity capital. Over its 30-year history, Kohlberg has completed 70 platform investments and over 150 add-on acquisitions, with an aggregate transaction value in excess of \$10 billion. For more information, please visit www.kohlberg.com

About Odyssey Investment Partners, LLC

Odyssey Investment Partners LLC is a leading middle-market private equity firm with over a 20 year history of partnering with management teams and investing in North American companies. With offices in New York and Los Angeles, Odyssey has acquired over 40 platform companies and has made over 125 add-on acquisitions into those platform companies. www.odysseyinvestment.com

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