



The Carlyle Group to become majority investor in Sedgwick in \$6.7 billion transaction

Investment will foster continued growth of global claims management provider

MEMPHIS, Tenn. and NEW YORK, NY, Sept. 12, 2018 – Sedgwick, a global provider of technology-enabled risk, benefits and integrated business solutions, announced today that affiliates of funds managed by The Carlyle Group (NASDAQ: CG) have agreed to become the majority owner of Sedgwick in a transaction valued at approximately \$6.7 billion. Current majority shareholder KKR will fully exit its position following the transaction. Funds managed by Stone Point Capital LLC and Caisse de dépôt et placement du Québec (CDPQ), together with Sedgwick management, will remain minority investors.

“At Sedgwick, taking care of people is at the heart of everything we do, and I am proud that The Carlyle Group appreciates the value our colleagues create when they put our caring counts[®] philosophy into practice,” said Dave North, president and CEO of Sedgwick. “We are humbled by the confidence they have shown in our business model, and we look forward to partnering with Carlyle on developing and delivering innovative solutions for our clients around the world. We are grateful for the strong and value-added partnership with KKR over the last handful of years.”

On an annual basis, Sedgwick handles more than 3.6 million claims and has fiduciary responsibility for claim payments totaling more than \$19.5 billion.

Stephen H. Wise, Managing Director and Global Head of Healthcare for The Carlyle Group, said, “Dave North and Sedgwick’s world-class management team have built the company into an industry leader over the last two decades. We are excited to collaborate with Sedgwick, which has distinguished itself by constantly improving the claims management and loss adjusting process to the benefit of all key stakeholders, including its colleagues, customers, insurance companies and brokers.”

“We are pleased to partner with the exceptional management team and highly talented colleagues of Sedgwick. We look forward to participating in Sedgwick’s next chapter of growth and innovation and working with the company as it builds out its global platform to meet the increasingly complex needs of its clients around the world, while leveraging the One Carlyle network,” said John C. Redett, Carlyle Managing Director and Co-head of Global Financial Services.

“We have greatly valued our partnership with Sedgwick and its exceptional management team,” said Tagar Olson, director of Sedgwick, Member of KKR, and head of KKR’s financial services investing efforts. “We look forward to watching the company’s continued success in delivering high quality technology-driven insurance solutions to clients and consumers around the globe.”

The parties are working to close the deal later this year, subject to customary closing conditions, including regulatory approvals.

Equity capital for the investment will come from Carlyle Partners VII, an \$18.5 billion fund that focuses on buyout transactions in the U.S., and Carlyle Global Financial Services Partners III, L.P., a dedicated financial services buyout fund.

BofA Merrill Lynch served as financial advisor to Sedgwick, and Simpson Thacher & Bartlett LLP served as legal advisor. BofA Merrill Lynch, Morgan Stanley and KKR Capital Markets are expected to provide debt financing for the transaction. Morgan Stanley and Sandler O’Neill + Partners, L.P. served as financial advisors to Carlyle, and Wachtell, Lipton, Rosen & Katz served as legal advisor.

About Sedgwick

Sedgwick is a leading global provider of technology-enabled risk, benefits and integrated business solutions. The company provides a broad range of resources tailored to clients’ specific needs in casualty, property, marine, benefits and other lines. At Sedgwick, caring counts[®]; through the dedication and expertise of more than 21,000 colleagues across 65 countries, the company takes care of people and organizations by mitigating and reducing risks and losses, promoting health and productivity, protecting brand reputations, and containing costs that can impact the bottom line. For more, see sedgwick.com.

About The Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with \$210 billion of assets under management across 335 investment vehicles. Carlyle’s purpose is to invest wisely and create value on behalf of its investors, many of whom are public pensions. Carlyle invests across four segments – corporate private equity, real assets, global credit and investment solutions – in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has expertise in various industries, including aerospace, defense and government services, consumer and retail, energy, financial services, health care, industrial, real estate, technology and business services, telecommunications and media, and transportation. The Carlyle Group employs more than 1,625 people in 31 offices across six continents.

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