

CASE STUDY

How Carlyle Creates Value

Deep industry expertise. Global scale and presence. Extensive network of Operating Executives. And a wealth of investment portfolio data; we call it The Carlyle Edge. These are the four pillars of Carlyle's value creation model. By leveraging these core capabilities and resources—Carlyle has established a 30-year overall track record of investing in companies, working to make them better and serving our investors' needs.



About MPS and the Transaction

On September 30, 2013, Carlyle acquired Chesapeake, a supplier of value-added paper-based packaging products to the Healthcare and Consumer markets in Western Europe, with a footprint in the U.S. In February 2014, Chesapeake merged with Multi-Packaging Solutions (MPS), which served similar end markets but was largely focused on North America. MPS was owned by Madison Dearborn Partners who became 50:50 partners with Carlyle following the merger.

The combined MPS is now a prominent supplier of packaging solutions to the pharmaceutical and healthcare, personal care, premium spirits, confectionery and other consumer markets. The company has more than 8,600 employees and operates from more than 55 manufacturing facilities on three continents.

AT A GLANCE

Multi Packaging Solutions, Inc.

Industry: Industrial

Region: Nottingham, UK
& New York, USA

Fund: Carlyle Europe Partners III

Acquired: September 2013

Status: Exited

With Carlyle's support, MPS became a leading global provider of value-added packaging solutions.

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 as of June 30, 2018. 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 & government services, consumer & retail, energy, financial services, healthcare, industrial, real estate, technology & business services, telecommunications & media and transportation. The Carlyle Group employs more than 1,625 people in 31 offices across six continents.

Set forth herein is a selected case study that Carlyle believes illustrate its ability to create value at, and improve the performance of, its portfolio companies. The performance of these portfolio companies is not necessarily indicative of the performance of all of Carlyle's portfolio companies. The information provided herein is for informational purposes only and is not and may not be relied on in any manner as advice or as an offer to sell or a solicitation of an offer to buy interests (the "Interests") in any fund or other product sponsored or managed by T.C. Group, L.L.C. or any of its affiliates (together, "Carlyle"). Any such offer or solicitation shall only be made pursuant to a final confidential private placement memorandum (as amended and/or restated from time to time) and the applicable fund's subscription documents, which will be furnished to qualified investors on a confidential basis at their request for their consideration in connection with such offering.

Key Value Creation Metrics

- The merger significantly improved the prospects of the combined business:
 - Created a global leader in the sector with a diversified geographic and product mix.
 - Created significant cross-selling opportunities given the complementarity of the two businesses (both geographically and by end market)
 - Cost synergies in excess of \$20 million achieved from production footprint rationalization, SG&A reduction and procurement efficiencies
 - Increased exit optionality – facilitated access to U.S. capital markets, leading to a recapitalization of the business at the time of the merger and an IPO in 2015
- Following the merger, and prior to going public, the company completed a further six acquisitions expanding its presence across its existing geographies and significantly enhancing its presence in China and Mexico. In addition, the company added a range of complementary products to its consumer business and generated significant cost synergies.

Exit

On October 22, 2015 the Company was listed on the New York Stock Exchange. Carlyle subsequently exited a portion of its holding through a secondary offering in June 2016. Thereafter, in June 2017, MPS was sold to the WestRock Company for an enterprise value of ~\$2.3 billion, fully exiting Carlyle and all other public shareholders.