

Zephyr - deal No 1941521975

Private equity consortium files for Bundeskartellamt approval to acquire majority of Medline**Deal No 1941521975****Deal overview**

Deal type	Institutional buy-out unknown majority stake %		
Deal status	Completed Assumed		
Deal value	30,019,416 th EUR *		
Target name	Country	Activity	BvD ID number
MEDLINE INDUSTRIES INC.	United States of America	Medical equipment and healthcare supplies manufacturer	US134246010L
Acquiror name	Country	Activity	BvD ID number
HELLMAN & FRIEDMAN LLC	United States of America	Private equity investment services	US133441442L
GIC PTE LTD	Singapore	Investment management services	SG198102265N
BLACKSTONE GROUP INC., THE	United States of America	Sovereign Wealth Fund Asset management services	US208875684
CARLYLE GROUP INC., THE	United States of America	Debt and mezzanine capital provider Investment banking services Private equity investment services Private equity investment services Asset management services Credit investment services	US452832612
Regulatory bodies	Bundeskartellamt (Germany)		

Deal structure & dates

Deal type	Institutional buy-out unknown majority stake %	Deal status	Completed Assumed
Deal sub-type	Dual Track Sovereign Wealth Fund Patent sale	Rumour date	10/04/2021
Deal financing	Private Equity	Announced date	05/06/2021
Deal method of payment	Liabilities (3,531,696 th EUR)	Assumed completion date	31/12/2021

Deal values

Deal value	30,019,416 th EUR *	Native currency	USD
Deal equity value	26,487,720 th EUR	Modelled Fee Income	69,000 th EUR
Deal enterprise value	30,019,416 th EUR		
Deal modelled enterprise value	n.a.		
Deal total target value	n.a.		

Pre-deal target financials & multiples**MEDLINE INDUSTRIES INC.**

Zephyr - deal No 1941521975

Unconsolidated statements	2020 12 months Cortera th EUR 0.88292	2020 Deal value multiples	2020 Equity value multiples
Exchange rate: EUR/USD			
Pre-deal target operating revenue/turnover	7,767,082	n.a.	n.a.
Pre-deal target EBITDA	n.a. ³	n.a.	n.a.
Pre-deal target EBIT	n.a.	n.a.	n.a.
Pre-deal target profit before tax	n.a.	n.a.	n.a.
Pre-deal target profit after tax	n.a.	n.a.	n.a. ¹
Pre-deal target net profit	n.a.	n.a.	n.a.
Pre-deal target total assets	n.a.	n.a.	n.a.
Pre-deal target net assets	n.a.	n.a.	n.a.
Pre-deal target current liabilities	n.a.	n.a.	n.a.
Pre-deal target shareholders funds	n.a.	n.a.	n.a. ²
Pre-deal target market capitalisation	n.a.	n.a.	n.a.

Unconsolidated statements	2020 Enterprise value multiples	2020 Modelled enterprise value multiples	2020 Total target value multiples
---------------------------	--	--	---

Exchange rate: EUR/USD			
Pre-deal target operating revenue/turnover	n.a.	n.a.	n.a.
Pre-deal target EBITDA	n.a.	n.a.	n.a.
Pre-deal target EBIT	n.a.	n.a.	n.a.
Pre-deal target profit before tax	n.a.	n.a.	n.a.
Pre-deal target profit after tax	n.a.	n.a.	n.a.
Pre-deal target net profit	n.a.	n.a.	n.a.
Pre-deal target total assets	n.a.	n.a.	n.a.
Pre-deal target net assets	n.a.	n.a.	n.a.
Pre-deal target current liabilities	n.a.	n.a.	n.a.
Pre-deal target shareholders funds	n.a.	n.a.	n.a.
Pre-deal target market capitalisation	n.a.	n.a.	n.a.

¹ P/E ratio² Price to book value³ Ebitda displayed for banks is the Pre-Impairment Operating Profit (corresponding to the sum of lines 72900, 72200 and 72300 on Orbis Bank

Deal stock prices

Offer price	n.a.
Offer price (Native currency)	n.a.
Bid premium - Rumour Date	n.a.
Bid premium - Announced Date	n.a.

Target name: MEDLINE INDUSTRIES INC.
This company is not quoted

Acquiror name: HELLMAN & FRIEDMAN LLC
This company is not quoted

Acquiror name: GIC PTE LTD

This company is not quoted

Acquiror name: BLACKSTONE GROUP INC., THE

Zephyr - deal No 1941521975

Stock price 3 months prior to rumour	51.27 EUR (08/01/2021)
Stock price 3 months prior to announcement	55.13 EUR (05/03/2021)
Stock price prior to rumour	64.54 EUR (09/04/2021)
Stock price prior to announcement	76.83 EUR (04/06/2021)
Stock price at completion date	n.a.
Stock price after completion	n.a.
Stock price 1 week after completion	n.a.
Stock price 1 month after completion	n.a.

Acquiror name: CARLYLE GROUP INC., THE

Stock price 3 months prior to rumour	26.22 EUR (08/01/2021)
Stock price 3 months prior to announcement	28.85 EUR (05/03/2021)
Stock price prior to rumour	31.90 EUR (09/04/2021)
Stock price prior to announcement	35.71 EUR (04/06/2021)
Stock price at completion date	n.a.
Stock price after completion	n.a.
Stock price 1 week after completion	n.a.
Stock price 1 month after completion	n.a.

Deal comments & rationale

Comments On 10/04/21 it was reported that Medline Industries Inc., a Northfield, Illinois-based medical equipment and healthcare supplies manufacturer, is considering a sale that could value the company at USD 30 billion. Other options to raise funds include a minority investment or an initial public offering. Reportedly, The Blackstone Group Inc., and The Carlyle Group Inc., could jointly acquire the company. Private equity companies are also rumoured to be potential acquirors. The transaction also includes the sale of Medline Industries' patents. No further details were disclosed. On 05/06/21 it was announced that Medline Industries has entered into an agreement to receive a majority investment from a partnership consisting of funds managed by The Blackstone Group, The Carlyle Group and Hellman & Friedman LLC. The transaction could have an enterprise value of around USD 34 billion, including around USD 4 billion in debt. As part of the transaction, GIC Pte Ltd, Singapore's sovereign wealth fund, will also invest in Medline Industries. Medline Industries' management and the Mills family (the company's founding family), led by Chief Executive Mr Charles Mills, will continue to be the largest single shareholder of the company. The transaction, which is expected to be completed in late 2021, is subject to customary closing conditions and regulatory approvals. The consortium group beat out a rival bid from Brookfield Asset Management Inc.. Following the transaction, Medline Industries may look for acquisitions. Further details were not disclosed. On 25/06/21 it was announced that Hellman & Friedman and The Blackstone Group had filed in the Bundeskartellamt and the deal is waiting for regulatory approval. No further information was available.

Rationale On 05/06/21 Mr Steve Wise, The Carlyle Group's Global Head of Healthcare, said: "We are excited to partner with Medline's impressive management team to accelerate growth through continued execution, innovation, and investment. With a deep commitment to sustainable value creation, we look forward to leveraging our combined operational capabilities, expansive healthcare network and capital to support organic and inorganic growth initiatives for the Company."

Advisors to companies

ADVISORS TO TARGET

Target name	Advisor name	Advisor role	Location	BvD ID number	Deal professionals
MEDLINE INDUSTRIES INC.	Goldman Sachs Group Inc.	Financial Advisor	International	US134019460	n.a.
	BDT & Company LLC	Financial Advisor	Chicago	n.a.	n.a.
	Wachtell Lipton Rosen & Katz LLP	Lawyer	n.a.	n.a.	n.a.

ADVISORS TO ACQUIROR

Acquiror name	Advisor name	Advisor role	Location	BvD ID number	Deal professionals
HELLMAN & FRIEDMAN LLC	Barclays plc	Financial Advisor	International	GB00048839	n.a.
	JP Morgan	Financial Advisor	International	US132624428	n.a.
	Morgan Stanley	Financial Advisor	International	US363145972	n.a.
	Bank of America Corporation	Financial Advisor	International	US560906609	n.a.
	Centerview Partners LLC	Financial Advisor	International	US149210180L	n.a.
	Simpson Thacher & Bartlett LLP	Lawyer	International	n.a.	Ms Elizabeth Cooper Atif Azher Mr Anthony Vernace Ravi Purushotham

Zephyr - deal No 1941521975

HELLMAN & FRIEDMAN LLC BLACKSTONE GROUP INC., THE	Simpson Thacher & Bartlett LLP	Lawyer	International	n.a.	Naveed Anwar
	Barclays plc	Financial Advisor	International	GB00048839	
	JP Morgan	Financial Advisor	International	US132624428	
	Morgan Stanley	Financial Advisor	International	US363145972	
	Bank of America Corporation	Financial Advisor	International	US560906609	
CARLYLE GROUP INC., THE	Centerview Partners LLC	Financial Advisor	International	US149210180L	
	Simpson Thacher & Bartlett LLP	Lawyer	International	n.a.	
	Barclays plc	Financial Advisor	International	GB00048839	
	JP Morgan	Financial Advisor	International	US132624428	
	Morgan Stanley	Financial Advisor	International	US363145972	
	Bank of America Corporation	Financial Advisor	International	US560906609	
	Centerview Partners LLC	Financial Advisor	International	US149210180L	
	Simpson Thacher & Bartlett LLP	Lawyer	International	n.a.	

Investors

Investor type	Investor name	Location	BvD ID number	Deal professionals
FUND MANAGER/GENERAL PARTNER	Hellman & Friedman LLC	n.a.	US133441442L	n.a.
	Blackstone Group Inc., The	International	US208875684	
	Carlyle Group Inc., The	n.a.	US452832612	

Source information

Category of source

Electronic Publication, Wall Street Journal, PRNewswire, Reuters; Company Press Release; Advisor Submission; Bundeskartellamt