

## PRESS RELEASE

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### Consortium led by EQT and ADIA enters into exclusive negotiations to acquire skincare company Nestlé Skin Health

- EQT and a wholly owned subsidiary of the Abu Dhabi Investment Authority (“ADIA”) have partnered with a wholly owned subsidiary of the Public Sector Pension Investment Board (“PSP Investments”) and other renowned institutional investors
- The consortium has entered into exclusive negotiations to acquire Nestlé Skin Health, a leading global skincare company
- The new owners plan to support Nestlé Skin Health in its next period of growth and innovation by leveraging EQT’s strong healthcare expertise, local angles and industrial network

A consortium comprising EQT VIII fund (“EQT” or “EQT VIII”), Luxinva (a wholly-owned subsidiary of ADIA), PSP Investments and other renowned institutional investors, has entered into exclusive negotiations to acquire Nestlé Skin Health (NSH), a leading global provider of skin health products, from Nestlé S.A. (“Nestlé”) for an enterprise value of CHF 10.200 billion.

Founded in 1981 as Galderma and operating as a wholly owned subsidiary of Nestlé since 2014, Nestlé Skin Health is a leading skincare company offering a range of medical and consumer skin health solutions through three business units: aesthetics and prescription, both under the Galderma brand, and consumer health. The Group has a combined revenue of CHF 2.8 billion and employs more than 5,000 people worldwide. During the ownership of Nestlé, Nestlé Skin Health has operated as an independent business unit under the leadership of Stuart Raetzman, executing a clearly defined strategic agenda around growth and operational excellence.

The consortium around EQT VIII intends to support Nestlé Skin Health in its next period of growth and innovation, leveraging EQT’s long-term experience and industrial network. The strategy will build on the current direction taken by NSH’s management and focuses on accelerating growth further by building on the company’s strong market position and brands.

Priorities will be 1) to invest in commercial excellence and drive innovation in collaboration with health care professionals in the Aesthetics unit; 2) to continue investments in R&D and business development to strengthen the Prescription division and leverage its best-in-class commercial platform; 3) to increase presence in the US, launch new products and focus on international expansion in the consumer health business. The company will keep its headquarters in Switzerland and will be rebranded as Galderma.

The investment is in line with EQT’s thematic approach of investing with the trend in businesses with positive societal impact, advancing the progress of one or more of the United Nations Sustainable

Development Goals ("SDG"). Nestlé Skin Health contributes to society by enhancing the quality of people's lives and by contributing to a healthier future through science-based solutions for skin health. The consortium will support the Company to stay in the forefront of sustainability.

"We are impressed by Nestlé Skin Health's management team and its achievement in positioning the company as a leading player across its three business units," said Michael Bauer, Global Head of Healthcare at EQT Partners and Investment Advisor to EQT VIII and continues:

"The heritage of the company as a focused skincare company with a comprehensive product portfolio, exceptionally strong brands and high customer loyalty is unique. This growth investment opportunity fits well to EQT's DNA of driving growth and making strong companies even stronger. We look forward to supporting the management team and employees of NSH in its next phase of growth and innovation by further promoting innovative skin health products that improve health and well-being."

Hamad Shahwan Al Dhaheri, Executive Director of the Private Equities Department at ADIA, said: "NSH is a leading global business with a well-balanced portfolio of dermatology products, targeting sizeable end-markets with strong underlying growth. This proposed transaction aligns with our approach of making strategic investments alongside proven partners to help strong, innovative businesses grow."

Przemek Obloj, Managing Director at PSP Investments, concludes: "We are delighted to be partnering with EQT in this proposed landmark transaction and to support their compelling vision for continued growth of this unique portfolio of brands."

The proposed transaction is subject to employee consultations and customary regulatory approvals.

Rothschild & Co and PricewaterhouseCoopers LLP acted as financial advisors to the consortium of EQT VIII, ADIA and PSP Investments. Kirkland & Ellis International LLP acted as legal advisor.

## **Contacts**

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## **About Nestlé Skin Health**

Nestlé Skin Health provides science-based solutions to meet the specific skin health needs of healthcare professionals, patients and consumers. It offers a range of leading medical and consumer brands through three complementary business units in prescription, aesthetics and consumer care. Headquartered in Lausanne, Switzerland, Nestlé Skin Health employs more than 5,000 people across 40 countries.

More info: [www.nestleskinhealth.com](http://www.nestleskinhealth.com)

**About EQT**

EQT is a leading investment firm with more than EUR 61 billion in raised capital across 29 funds and around EUR 40 billion in assets under management. EQT funds have portfolio companies in Europe, Asia and the US with total sales of more than EUR 19 billion and approximately 110,000 employees. EQT works with portfolio companies to achieve sustainable growth, operational excellence and market leadership.

More info: [www.eqtpartners.com](http://www.eqtpartners.com)

**About ADIA**

Established in 1976, ADIA is a globally-diversified investment institution that prudently invests funds on behalf of the Government of Abu Dhabi through a strategy focused on long-term value creation. ADIA has invested in private equity since 1989 and has built a significant internal team of specialists with experience across asset products, geographies and sectors. Through its extensive relationships across the industry, the Private Equities Department invests in private equity and credit products globally, often alongside external partners, and through externally managed primary and secondary funds. Its philosophy is to build long-term, collaborative relationships with its partners and company management teams to maximize value and support the implementation of agreed strategies.

More info: <https://www.adia.ae>

**About PSP Investments**

The Public Sector Pension Investment Board (PSP Investments) is one of Canada's largest pension investment managers with C\$ 158.9 billion of net assets as of September 30, 2018. It manages a diversified global portfolio composed of investments in public financial markets, private equity, real estate, infrastructure, natural resources and private debt. Established in 1999, PSP Investments manages net contributions to the pension funds of the federal Public Service, the Canadian Forces, the Royal Canadian Mounted Police and the Reserve Force. Headquartered in Ottawa, PSP Investments has its principal business office in Montréal and offices in New York, London and Hong Kong. For more information, visit [www.investpsp.com](http://www.investpsp.com) or follow us on Twitter and LinkedIn.

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