

Press release

Stockholm, March 12, 2018

Sarnova becomes a new subsidiary within Patricia Industries

Patricia Industries, a part of Investor AB, has signed an agreement with Water Street Healthcare Partners and Sarnova founder Matthew D. Walter to acquire Sarnova Holdings, Inc., the leading U.S. specialty distributor of healthcare products in the emergency preparedness and acute care markets. Sarnova provides a wide range of highly differentiated, mission-critical products, and valued added services – including product selection, training, inventory management and logistics, as well as custom kitting – to its customers and vendor partners.

Sarnova was formed in 2008 when Water Street merged two leading specialty distributors. Over the next ten years, Sarnova completed eight acquisitions to expand its suite of medical products and services. Today, the company has full national coverage and a clear leadership position in both its end markets. Within Emergency Preparedness, Sarnova commercializes products such as automated external defibrillators, emergency response kits and specialty consumables to a broad range of customers including fire departments, ambulance companies, law enforcement and the federal government. Within Acute Care, Sarnova offers innovative respiratory and anesthesia products to hospital emergency, critical care and neonatal intensive care departments. Its focus has enabled Sarnova to develop strong differentiation in its products and value-added services.

The enterprise value amounts to USD 903 m. For the 12-month period ending in December 2017, sales amounted to USD 555 m. and the EBITDA margin was approximately 12 percent. Since 2012, annual sales growth, most of which has been organic, has averaged 6 percent. EBITDA growth and cash conversion have been strong over the same period.

Patricia Industries will inject approximately USD 500 m. in equity for majority ownership of the company. The remainder of the acquisition will be financed by external debt and equity participation by Water Street, Mr. Walter, the board, management and other key individuals.

“Sarnova has a strong and dedicated management team and a clear leadership position in attractive market niches, characteristics we typically look for when adding new companies to our portfolio”, comments Investor AB CEO Johan Forssell.

Upon closing of the acquisition, Sarnova becomes Patricia Industries’ third North American subsidiary, in addition to BraunAbility and Laborie, which were acquired in 2015 and 2016 respectively.

“In Sarnova, we see a great company that has both impressive historical performance and significant, durable long-term growth potential. Its asset-light business model

makes the company highly cash generative”, says Noah Walley, Co-Head of Patricia Industries. “We are looking forward to working with Sarnova’s executive team to further invest in and develop the company”, he adds.

“I am so proud of our team’s success. This new partnership with Patricia Industries will further strengthen Sarnova’s capacity to serve our customers, vendors and employees and fulfill our mission to save and improve patients’ lives. Simply put, the Wallenberg family and the Investor Group have a values-oriented culture, much like Sarnova’s culture, and we foresee a very bright future as a part of their family”, says Sarnova CEO Jeff Prestel.

Chris Sweeney, partner, Water Street, adds, “It has been an honor to work with Matt, Jeff and the entire Sarnova team over the past ten years. Together, we created and executed a strategic plan that grew the company into a market leader that is making a meaningful impact in the acute care and emergency medical services markets. Patricia consistently demonstrated its cultural alignment with us throughout our discussions and will be a strong home for Sarnova.”

The acquisition is subject to approval by the relevant competition authorities. Closing is expected during the second quarter 2018. The transaction is not of the kind subject to disclosure obligation by Investor pursuant to the EU Market Abuse Regulation.

Patricia Industries, a part of Investor AB, makes control investments in best-in-class companies with strong market positions, brands and corporate cultures within industries positioned for secular growth. Our ambition is to be the sole owner of our companies, together with strong management teams and boards. We invest with an indefinite holding period, and focus on building durable value and capturing organic and non-organic growth opportunities.

Sarnova is the leading national specialty distributor of healthcare products in the emergency medical services (EMS) and acute care markets. The company is comprised of four major business units: Bound Tree Medical, Cardio Partners, Emergency Medical Products and Tri-anim Health Services. For more information, visit www.sarnova.com.

Water Street is a strategic investor focused exclusively on health care. The firm has a strong record of building market-leading companies across key growth sectors in health care. It has worked with some of the world’s leading health care companies on its investments including Johnson & Johnson, Medtronic, Smith & Nephew and Walgreen Co. Water Street’s team is comprised of industry executives and investment professionals with decades of experience investing in and operating global health care businesses. The firm is headquartered in Chicago. For more information about Water Street, visit www.waterstreet.com.

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Our press releases can be accessed at www.investorab.com

Investor, founded by the Wallenberg family a hundred years ago, is the leading owner of high quality Nordic-based international companies. Through board participation, our industrial experience, network and financial strength, we strive to make our companies best-in-class. Our holdings include, among others, ABB, Atlas Copco, Ericsson, Mölnlycke, and SEB.