



**FOR IMMEDIATE RELEASE**

**KDC TO MERGE WITH HCT GROUP; CONSTITUTION CAPITAL IS A CO-INVESTOR**

**BOSTON, MA – January 21, 2020** – KDC has announced the merger with HCT Group, an innovative, global leader delivering full-service solutions in the design, engineering, manufacturing, formulation, filling and logistics of cosmetics products. The combination with KDC, a leading value-added partner to beauty, health and personal care brands, will create a comprehensive global end-to-end solutions provider for the beauty and personal care industry. Constitution Capital, a leading alternative asset manager, participated as a direct investor alongside Cornell Capital in KDC.

**About Constitution Capital**

Constitution Capital, with offices in Boston, New York, and Chicago, is a leading alternative asset manager focused on private equity, private credit, and real estate. The firm is a disciplined, value-oriented investor with a demonstrated track record of consistently generating risk-adjusted returns. The firm is led by an experienced, cohesive team of investment professionals with significant experience investing in partnerships, direct equity, opportunistic credit, and real estate. For more information about Constitution Capital, please see: [www.concp.com](http://www.concp.com).

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Below is a copy of the press release from Cornell Capital discussing the transaction:

**KDC/ONE to Merge with HCT Group**

**LONGUEUIL, QUÉBEC and LOS ANGELES, December 17, 2019** – Knowlton Development Corporation ("KDC/ONE"), a leading value-added partner to beauty, health and personal care brands, and HCT Group ("HCT"), an innovative, global leader delivering full-service solutions in the design, engineering, manufacturing, formulation, filling and logistics of cosmetics products, today announced that they have entered into a definitive agreement to create a comprehensive global end-to-end solutions provider for the beauty and personal care industry.

As an innovative, global one-stop solution for customers ranging from Fortune 500 companies to indie, emerging and prestige brands, the two companies will partner to provide customers with an expanded suite of manufacturing and packaging solutions. Following the close of the transaction, Nicholas Whitley, President and CEO of KDC/ONE, and Tim Thorpe, President and CEO of HCT, will continue as CEOs of each business.

Established in 2002, KDC/ONE has grown organically and through acquisitions to become a leading custom formulator and manufacturer serving the prestige beauty, personal care and household sectors. With 16 state-of-the art manufacturing facilities in North America and Europe, KDC/ONE

offers high-touch innovation, operational excellence and speed to market to well-known and emerging brands. In December 2018, Cornell Capital, together with Caisse de dépôt et placement du Québec (“CDPQ”), Investissement Québec (“IQ”) and HarbourVest Partners, LLC (“HarbourVest”), acquired KDC/ONE with a focus on driving international growth and enhancing the company’s high-quality manufacturing capabilities. Since then, KDC/ONE has made three acquisitions to scale the platform, acquire new technologies and expand globally.

Founded by Chris Thorpe, along with his wife Clare and eldest son James in 1992, HCT has grown organically to become a global leader providing full-service, turnkey solutions across concept development and design, manufacturing, fill and assembly, and logistics and operations. With headquarters in Santa Monica and offices in New York, New Jersey, London, Paris, Milan, Hong Kong, South Korea and Shanghai, HCT partners with more than 400 clients comprising some of the most iconic names and most successful beauty brands across indie, prestige and mass segments.

“This transformative transaction will enhance how we serve beauty and personal care brands around the world,” said Nicholas Whitley. “Our vertically integrated platform will offer the industry a true one-stop solution. With the support of our partners at Cornell Capital, as well as CDPQ, IQ and HarbourVest, we have been able to build our reputation as a top-tier innovator for an expanded base of customers. HCT’s cutting-edge designs, engineering, manufacturing and global reach will enable us to further elevate our product and service offerings to better serve and anticipate the evolving needs of our valued customers.”

“KDC/ONE and HCT have highly complementary business models and together will offer a unique solution to our world-class client base,” said Tim Thorpe. “The transaction will enable us to leverage adjacent customer relationships, geographic footprints and products. On behalf of my family and the entire company, I’m proud of all that we have accomplished and look forward to exploring synergies across both businesses for the benefit of customers and employees.”

“Together, these businesses will provide greater innovation and growth opportunities in one of the most attractive subsectors in the CPG space,” said Justine Cheng, Chair of the KDC/ONE Board of Directors and Partner at Cornell Capital. “KDC/ONE and HCT have best-in-class management teams and we expect that KDC/ONE’s manufacturing capabilities with HCT’s packaging design expertise will enable the new platform to better serve its customers globally. In addition, the transaction will improve the overall financial profile of the companies through further diversification and increased scale.”

Charles Émond, Executive Vice-President, Québec, Private Equity and Strategic Planning, at CDPQ added, “As a longstanding partner of KDC/ONE, we are pleased to support this Quebec-based company as it continues to grow into a global leader in the industry. This transaction strongly positions KDC/ONE as it executes on its acquisition and diversification strategy.”

Financing for the transaction will include significant equity reinvestment from Cornell Capital, as well as from the other existing financial sponsors and HCT management. UBS Securities LLC and Jefferies LLC are acting as joint lead arrangers for the transaction, with UBS as the left lead arranger. Specific financial terms of the transaction were not disclosed. The transaction is expected to close in early 2020 and is subject to customary closing conditions.

Jefferies Group LLC is acting as financial advisor to KDC/ONE and Cornell Capital, and Weil, Gotshal & Manges LLP is acting as legal advisor. Houlihan Lokey is acting as financial advisor to HCT, and Morgan Lewis & Bockius LLP is acting as legal advisor.

#### **About KDC/ONE**

KDC/ONE is the largest North American custom innovator, formulator and manufacturer serving the prestige beauty, personal care and household sectors. Established in 2002, KDC/ONE is headquartered in Longueuil, Québec and employs over 5,000 employees across 16 state-of-the-art facilities throughout North America, the UK, France and the Czech Republic. KDC/ONE also operates two state-of-the-art innovation and R&D centers, one in Saddle Brook, New Jersey and one in Irvine, California. The business delivers high-touch innovation, operational excellence and speed to market to well-known and indie, emerging and prestige brands. Over the past four years, KDC/ONE has experienced rapid growth through the successful completion of eight notable acquisitions, most recently in California and Europe with the acquisitions of Benchmark Cosmetics Laboratories, of the ALKOS Group and of the manufacturing operations of Swallowfield plc. For more information, visit [www.kdc-one.com](http://www.kdc-one.com).

#### **About HCT Group**

For over 25 years, HCT Group has remained a global leader in cosmetic manufacturing -- and partners with many of the most successful beauty brands to create the industry's most iconic products. Founded by Chris Thorpe, along with his wife Clare and eldest son James in 1992, HCT provides full-service, turnkey solutions across concept development and design, manufacturing, fill and assembly, and logistics and operations. With headquarters in Santa Monica and offices in New York, New Jersey, London, Paris, Hong Kong, South Korea and Shanghai, HCT partners with more than 400 clients comprising some of the most iconic names and most successful beauty brands across indie, prestige and mass segments. For more information, visit [www.hctgroup.com](http://www.hctgroup.com).

#### **About Cornell Capital**

Cornell Capital LLC is a private investment firm that takes a value-driven approach to investing. Partnering with strong and entrepreneurial management teams, the firm seeks opportunities in market-leading businesses across the consumer, financial and industrial/business services sectors. Founder and Senior Partner Henry Cornell, who served as the Vice Chairman of Goldman Sachs' Merchant Banking Division prior to founding Cornell Capital in 2013, leads a highly seasoned senior leadership team with decades of shared investing experience. The firm currently manages over \$3.1 billion of assets and has offices in New York and Hong Kong. For more information, visit [www.cornellcapllc.com](http://www.cornellcapllc.com).

#### **About Caisse de dépôt et placement du Québec**

Caisse de dépôt et placement du Québec (CDPQ) is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at June 30, 2018, it held CAD \$308.3 billion in net assets. As one of Canada's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure, real estate and private debt. For more information, visit [cdpq.com](http://cdpq.com), follow us on Twitter @LaCDPQ or consult our Facebook or LinkedIn pages.