

PRESS RELEASE

Velvet CARE acquired by Partners Group

*New investor opens up global possibilities
for Polish hygiene tissue producer*

Klucze, Poland, Dec. 8 2023 – Partners Group, a leading global private markets firm, acting on behalf of its clients, has agreed to acquire Velvet CARE, Central Europe’s fastest-growing consumer tissue producer from Abris Capital Partners and plans to build value through initiatives including expansion in Central Europe and beyond.

Velvet CARE is one of the largest producers of hygiene tissue products in Central Europe, with more than 850 employees in Poland and Czechia.

Since 1996, Partners Group has invested USD 200 billion in private equity, private real estate, private debt and private infrastructure on behalf of its clients globally. The firm employs more than 1,800 diverse professionals across 20 offices worldwide and has regional headquarters in Baar-Zug, Switzerland; Denver, USA; and Singapore. It has been listed on the SIX Swiss Exchange since 2006 (symbol: PGHN).

Velvet CARE divestment by Abris Capital Partners takes place after five years of dynamic growth. Factors driving the growth include investment in production technology, infrastructure and automation, which allowed a significant increase in the scale of production, making Velvet CARE the industry leader in sustainable growth.

In 2020 Velvet CARE acquired Moracell, Czechia’s largest producer of toilet paper and paper towels, giving the group a strong position on the Czech market, an experienced team and new prospects in Czechia and Slovakia. Further investments in production in Poland and Czechia have strengthened Velvet CARE’s position as the industry leader in Central Europe.

“Our close working relationship with Abris over the past five years has allowed us to significantly strengthen our market position,” said **Velvet CARE CEO Artur Pielak**. “During this time Velvet CARE has grown stronger, going far beyond our initial ambitions. The management team and I can’t wait to begin working with Partners Group and continuing our mission of building a European leader in this sector. This is yet another era of new possibilities

Headquarters:
Klucze-Osada 3; 32-310 Klucze, Poland
phone: +48 32 758 71 00

Commercial Office:
SKYLIGHT Złote Tarasy, ul. Złota 59, 00-120 Warsaw, Poland
phone: +48 22 461 27 00

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for us and we plan to accelerate our growth, actively participating in the further consolidation of the paper market and seeking opportunities to expand, including Central Europe and beyond.”

“Velvet CARE has a diversified product portfolio and a strong market position in its core markets,” said **Ralph Schuck, Managing Director, Private Equity Goods & Products Industry Vertical, at Partners Group**. “The Company differentiates itself through its superior production capabilities, best-in-class technology and deep relationships with retailers across multiple countries. We see Velvet CARE as a platform for further growth in Europe and look forward to working with the management team on our transformational value creation plan.”

Velvet CARE received B Corp certification, the globally recognised accreditation for businesses that demonstrate the highest standards of social and environmental performance, transparency, and accountability, earlier this year. Companies that are part of the B Corp community make commitments to uphold those priorities in their business model and work for profit, people, and planet at the same time. Earlier this year Velvet CARE also earned a Gold Medal from EcoVadis, the world’s largest provider of business sustainability ratings.

“We are delighted to have had such a successful partnership with Velvet CARE’s management team, supporting the company’s expansion in Central Europe and beyond,” said **Tomasz Kujawa, Investment Director at Abris**. “During our investment, we have focused on transforming the business into a leading regional, vertically integrated player, capitalising on the growing demand for personal care and hygiene products, as well as expanding the company’s export business, tapping into neighbouring markets, and integrating the highest ESG standards based on our ESG value creation methodology.”

Velvet CARE’s products include toilet paper, paper towels, paper tissues and moist toilet paper. Its Velvet brand has enjoyed great popularity in Poland for the past 26 years, and the company also produces for private labels. Velvet CARE has two factories, in Klucze, Poland and Žabčice, Czechia, and sells its products on more than 30 markets, mainly in Europe.

English-language media contact:

Paweł Kozłowski

+48 601 957 807

pawel.kozlowski@aldgate.pl

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Klucze-Osada 3; 32-310 Klucze, Poland
phone: +48 32 758 71 00

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About Velvet CARE

Founded in 2013, with roots stretching back more than a century, Velvet CARE makes toilet paper, kitchen towels and facial tissue, and is the Polish market leader in branded paper hygiene products. The company has total annual capacity of more than 150,000 tonnes, and sells its products in about 30 countries.

Velvet CARE's main production facility in Klucze, southern Poland, was founded in 1897. It was acquired by International Paper during Poland's transition from communism in the mid-1990s. In 2003, the investor sold the company to fellow US-based giant Kimberly-Clark. The current company was established 10 years later in a management buyout, and acquired by the private equity fund Abris Capital Partners in 2018.

Velvet CARE has its commercial office in Warsaw and production facilities in two locations: Klucze in southern Poland, and its Moracell unit in Žabčice, near Brno in the Czech Republic. The company's Velvet label is Poland's top brand in the hygiene paper category.

The Klucze paper plant is one of the largest in Central Europe, with almost 100,000 square metres of production and warehouse buildings on 40 hectares of land. Since 2016 it has been part of the Special Economic Zone/Polish Investment Zone, qualifying it for investment incentives.

About Partners Group

Partners Group is a leading global private markets firm. Since 1996, the firm has invested USD 200 billion in private equity, private real estate, private debt and private infrastructure on behalf of its clients globally. Partners Group seeks to generate attractive returns through capitalizing on thematic growth trends and transforming attractive businesses and assets into market leaders. The firm is a committed, responsible investor and aims to create sustainable returns with lasting, positive impact for all its stakeholders. With USD 142 billion in assets under management as of 30 June 2023, Partners Group provides an innovative range of bespoke client solutions to institutional investors, sovereign wealth funds, family offices and private individuals globally. The firm employs more than 1,800 diverse professionals across 20 offices worldwide and has regional headquarters in Baar-Zug, Switzerland; Denver, USA; and Singapore. It has been listed on the SIX Swiss Exchange since 2006 (symbol: PGHN). For more information, please visit www.partnersgroup.com or follow us on LinkedIn.

About Abris Capital Partners

Abris Capital Partners is the leading ESG transformation specialist private equity fund manager, focused on mid-market opportunities in the major countries of Central Europe. Established in 2007, Abris seeks to identify and partner with the most successful and dynamic mid-market businesses in Central Europe, which can benefit from an input of capital and management expertise at both strategic and operational levels, while driving growth through ESG transformation. Abris was certified as a B Corp in May 2023. With investment capital of almost €1.3 billion, Abris has obtained financial backing from many leading global investment institutions including corporate and public pension plans, financial institutions, funds of funds and US university endowment funds. Abris has a long-term investment horizon and usually targets transactions in which it is able to acquire a majority or sole ownership position. The Abris advisory business operates using teams based in Warsaw and Bucharest.

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