

# Carestream Agrees to Sell Dental Digital Business to Clayton, Dubilier & Rice and Hillhouse/CareCapital

## Carestream Dental to be Established as Independent Company

ROCHESTER, N.Y., April 13 — Carestream, working with its parent company, Onex Corporation (TSX: ONEX), has entered into an agreement to sell its dental digital business to funds managed by Clayton, Dubilier & Rice (CD&R), a leading global private investment firm, and CareCapital Advisors Limited (CareCapital), a specialist investment platform focused on dental and consumer health in Asia and part of Hillhouse Capital Management (Hillhouse). The new independent company will be named Carestream Dental.

Carestream's dental digital business, which provides imaging systems and practice management software for general and specialist dental practices globally, has earned leading positions in attractive, high-growth, oral healthcare markets and is well positioned for continued growth and success. CD&R and CareCapital intend to partner with the Carestream Dental team to build on the company's leading positions and accelerate growth.

Dental X-ray film and anesthetics are not included in the agreement and will remain with Carestream.

Lisa Ashby, President of Carestream Dental, will become CEO of the new independent company upon the closing of the transaction. "This is a landmark moment for Carestream Dental that positions the company for exciting future growth," said Ms. Ashby, "With the strong support of our new partners, we look forward to becoming even more effective in serving the dynamic needs of the global oral healthcare industry with innovative products, high quality services and an unwavering commitment to excellence in all that we do."

"Our investment in Carestream Dental lines up well with CD&R's strengths executing complex corporate carve-outs where there is meaningful transformation and growth potential," said CD&R Partner Derek Strum. "We are excited to invest behind a strong employee base and leading global brand in a consistently growing market with technology penetration tailwinds, and to partner with Hillhouse/CareCapital, who owns several dental platforms in China that will help Carestream Dental further capitalize on substantial emerging market growth opportunities."

Carestream is committed to work with CD&R and Hillhouse/CareCapital to ensure a smooth transition for its dental digital employees and customers. Carestream will focus on the continued success and competitiveness of its remaining business, which include: medical imaging equipment, healthcare IT solutions, medical & dental film, non-destructive testing film and imaging equipment, and precision films and contract coating services. These businesses have earned attractive market positions and generate strong earnings and cash flow, and will benefit from recent investments in innovative technologies and growth initiatives.

"Through their passion, innovation and customer focus, our dental digital employees have built market-leading positions. I'm excited that Lisa and her team will have the opportunity to build an independent leading global oral healthcare company," said Kevin Hobert, CEO, Carestream. "With innovative new offerings in every segment of our remaining businesses, we look forward to focusing our resources and attention on our significant growth opportunities."

Subject to regulatory and other approvals, it is anticipated that the sale will close in the third quarter. With respect to France, where the opinion of the works council is mandatory for a project of this kind, Carestream will not undertake a legal obligation to sell the business until the relevant works councils' consultation has been completed. Additional terms of the transaction were not disclosed. Jeffries Group LLC served as exclusive financial advisor to Carestream.

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### About Carestream Dental

Carestream Dental provides industry-leading imaging, CAD/CAM, software and practice management solutions for dental and oral health professionals. With more than 100 years of industry experience, Carestream Dental products are used by seven out of 10 practitioners globally and deliver more precise diagnoses, improved workflows and superior patient care. For more information or to contact a Carestream Dental representative, call 800.944.6365 or visit [carestreamdental.com](http://carestreamdental.com).

### About Carestream

Carestream is a worldwide provider of dental and medical imaging systems and IT solutions; X-ray imaging systems for non-destructive testing; and precision contract coating services for a wide range of industrial, medical, electronic and other applications—all backed by a global service and support network. For more information about the company's broad portfolio of products, solutions and services, please contact your Carestream representative or call 888.777.2072 or visit [carestream.com](http://carestream.com). To view Carestream's latest news announcements, please visit [carestream.com/news](http://carestream.com/news).

### About Clayton, Dubilier & Rice

Founded in 1978, Clayton, Dubilier & Rice is a private investment firm. Since inception, CD&R has managed the investment of more than \$22 billion in 72 companies representing a broad range of industries with an aggregate transaction value of more than \$100 billion. The Firm's healthcare-related investments include VWR International, AssuraMed, Envision Healthcare, PharMEDium, Healogics, Vets First Choice, agilon health and Drive DeVilbiss Healthcare. The Firm has offices in New York and London. For more information, visit [cdr-inc.com](http://cdr-inc.com).

### About Hillhouse/CareCapital

Hillhouse Capital Management was founded in 2005 and currently manages more than \$20 billion for institutional clients including university endowments, foundations, sovereign wealth funds, pensions and family offices. Hillhouse focuses on the consumer, healthcare, TMT, financials and business services sectors. CareCapital Advisors Limited specializes in operationally-intensive investments in dental and consumer health businesses in Asia. CareCapital's dental portfolio encompasses digital dentistry, specialty clinics, management software, distribution, oral care, education and digital marketing.

### About Onex

Onex is one of the oldest and most successful private equity firms. Through its Onex Partners and ONCAP private equity funds, Onex acquires and builds high-quality businesses in partnership with talented management teams. At Onex Credit, Onex manages and invests in leveraged loans, collateralized loan obligations and other credit securities. Onex has approximately \$24 billion of assets under management, including \$6 billion of Onex proprietary capital, in private equity and credit securities. With offices in Toronto, New York, New Jersey and London, Onex invests alongside its fund investors and is the largest limited partner in each of its private equity funds.

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