



Permira Funds to Sell Netafim to Mexichem for US\$1.895 billion

NEW YORK – August 7, 2017 – Permira, the global investment firm, announced today that a company backed by the Permira funds has entered into a definitive agreement to sell Netafim, Ltd., a global leader in smart drip and micro-irrigation solutions for sustainable agriculture and other applications, to Mexichem, S.A.B. de C.V. (BMV: MEXCHEM*) in an all-cash transaction for US\$1.895 billion. Mexichem will acquire 80 percent of Netafim while Kibbutz Hatzerim, the founder, will retain the remaining 20 percent.

Since being acquired by the Permira funds in 2011, Netafim has undergone a period of tremendous growth and transformation, which included:

- Focusing on the core irrigation business and significantly enhancing its capabilities to deliver complete solutions to customers;
- Expanding meaningfully into a number of new key growth markets including China, India and Africa;
- Investing in production processes and R&D to fuel mass adoption of drip irrigation, including developing innovative new products for precision farming;
- Building a world-class leadership team; and
- Significantly growing revenue and EBITDA.

Torsten Vogt, partner at Permira and Co-Head of Industrials, said, “The Permira funds’ investment in Netafim fits squarely within one of our Industrial Team’s key focus areas – the food value chain – where for more than a decade the funds have successfully invested in businesses which help farmers grow more with less. We leveraged this unique experience, as well as our track record of backing high-growth industrial businesses and our global team, to support Netafim as it developed new technologies to revolutionize precision farming and expanded into significant new markets to become a leading global platform for irrigation systems.”

“Netafim is an outstanding business and we are proud to have supported the company’s growth and its critical mission of conserving and protecting water resources,” said Michail Zekkos, a partner at Permira. “Over the course of our partnership with Netafim’s management, Kibbutz Hatzerim and Kibbutz Magal, the company was transformed into a best-in-class global leader, with an enhanced focus on innovation and new product development, and an expanded footprint and resources. It has been a pleasure working with the Netafim team and we wish them continued success as part of Mexichem.”

Ran Maidan, CEO of Netafim, said, “The Permira team has been an incredible partner over the last six years, bringing its deep industrial expertise, international relationships and operational experience to help support and accelerate our growth plans. We have made great strides in revolutionizing irrigation globally for a sustainable future and look forward to continuing to execute on our next chapter of growth as part of Mexichem.”

The Permira funds have a long track record of successfully investing in industrial companies around the world. Current industrial investments include leading aftermarket manufacturer and supplier of highly-

engineered components for heating, ventilating, air conditioning and refrigeration, DiversiTech; chemical manufacturer, CABB; and containment solutions business, Bakercorp.

Goldman Sachs, Centerview Partners LLC and Bank of America Merrill Lynch acted as financial advisers to the Permira funds and Netafim and Skadden, Arps, Slate, Meagher & Flom LLP and EBN&Co acted as legal advisers.

The transaction is expected to close during the fourth quarter of 2017, subject to customary closing conditions, including regulatory review.

About Permira

Permira is a global investment firm that finds and backs successful businesses with growth ambition. Founded in 1985, the firm advises funds with a total committed capital of approximately €32 billion (US\$35 billion). The Permira funds make long-term investments in companies with the ambition of transforming their performance and driving sustainable growth. In the past 32 years, the Permira funds have made over 200 private equity investments in five key sectors: Consumer, Financial Services, Healthcare, Industrials and Technology. Current and past industrial investments for the Permira funds include chemical manufacturer CABB, micro-irrigation specialist Netafim, containment solutions business Bakercorp, and leading fulfillment solutions provider Intelligrated. Permira employs over 200 people in 14 offices across North America, Europe and Asia.

About Mexichem

Mexichem is a global leader in plastic piping, one of the most cost-efficient PVC producer and one of the world's largest chemical and petrochemical companies. Mexichem contributes to global development by delivering an extended portfolio of products to high growth sectors such as infrastructure, housing, Datacom, water management, among others. With operations in over 30 countries, Mexichem's global footprint includes more than 18,000 employees, 120 plants, 2 fluorite mines, 15 R&D laboratories and 8 training academies. Mexichem has annual revenues of US\$5.4 billion, it has over 50 years of history and more than 30 years trading on the Mexican Stock Exchange. The company is member of the Mexican Stock Exchange Sustainability Index and the sustainability emerging markets index FTSE4Good.

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