



## Patterson Medical to Acquire Performance Health

*Highly complementary combination creates best-in-class, multi-channel branded supplier to global rehabilitation, recovery and sports medicine customers*

Warrenville, IL and Akron, OH – MAY 31, 2016 – Patterson Medical, a leading distributor of rehabilitation, sports medicine and assistive patient products, announced today that it has signed a definitive agreement to acquire Performance Health, a leading manufacturer and supplier of consumer branded health, wellness and self-care products. The highly complementary combination is expected to create a market-leading, multi-channel branded supplier to global rehabilitation, recovery and sports medicine customers. Through a broader supply and distribution platform, enhanced capabilities and expanded offerings, over time the two companies expect to produce numerous benefits for customers, employees and suppliers. Patterson Medical, backed by majority shareholder Madison Dearborn Partners (MDP), is acquiring Performance Health from Gridiron Capital (Gridiron).

“Patterson Medical and Performance Health are natural partners, and we look forward to realizing the significant potential our combination presents to our customers, employees and entire supply chain,” said Mike Orscheln, Chief Executive Officer of Patterson Medical. “We have worked closely with Performance Health over the last several years and share similar values and a focus on partnership, innovation and integrity. Their market-leading brands, strong retail channel relationships and manufacturing capabilities are highly complementary to Patterson Medical’s strengths in distribution, clinical sales and customer service. We will ensure that our manufacturing and distribution capabilities continue to operate independently so that we continue to pursue a multi-channel strategy and offer the broadest array of top-quality products to our customers and growth opportunities to our important supplier relationships.”

With increased scale and complementary capabilities, Patterson Medical and Performance Health together will offer the broadest set of rehabilitation, recovery and sports medicine products globally, including many leading brands. Combined, the company will have an expansive supplier, distributor and retail network and these relationships will remain critical to the new company’s success. The combined company will be headquartered in Warrenville, IL. Performance Health will operate as a business segment of Patterson Medical and maintain its existing name and presence in Akron, OH.

“Joining with Patterson Medical offers Performance Health and all of our core constituents the best opportunity for continued success and growth,” said Marshall Dahneke, Chief Executive Officer of Performance Health. “We have had an outstanding partnership with Gridiron and look forward to the same with Patterson Medical and MDP. Mike and his team have a strong track record of driving performance in the rehabilitation and sports medicine supply space and we firmly believe the combined company’s industry relationships and expertise will be a strong benefit to the expansion initiatives we are pursuing in our existing markets in the U.S. and internationally. This combination is so complementary, leveraging our strong branding, manufacturing, sourcing, retail and ecommerce

expertise with Patterson Medical's deep contracting, vendor relationships, distribution, customer service, and sales experience and organization. With our strong cultural alignment and existing working relationship, I am confident that together we will be better positioned to work closely with our customers and suppliers to deliver the very best rehabilitation, recovery and sports medicine products and services to individuals in need worldwide."

Mr. Orscheln will serve as Chief Executive Officer of the new company, with Mr. Dahneke becoming President of the Performance Health segment. The transaction, subject to customary closing conditions, is expected to be completed in the summer of this year. Financial terms were not disclosed.

"Since first investing in Patterson Medical in 2015, MDP has been very pleased with the company's growth and strategic direction," said Tim Sullivan, a Managing Director at MDP. "The combination with Performance Health supports the company's current upward trajectory and growth path. We look forward to working with the combined team to continue building on this momentum and serving the global rehabilitation, recovery and sports medicine supply markets."

"Performance Health's products, brands, and ability to innovate have resulted in strong growth and makes the company attractive for a combination with Patterson Medical" said Tom Burger, Managing Partner of Gridiron Capital. Kevin Jackson, Managing Director at Gridiron added, "We are proud to have partnered with Performance Health's world-class team and believe that the company is in a great position to continue maximizing its success with Patterson Medical and MDP."

Deutsche Bank Securities Inc. and Citigroup Global Markets are serving as Patterson Medical's financial advisors with Kirkland & Ellis LLP serving as legal counsel. Credit Suisse is serving as financial advisor to Performance Health and Ropes & Gray LLP is serving as legal advisor. Deutsche Bank Securities Inc., Barclays and Citigroup Global Markets are leading the debt financing for the transaction.

#### **About Patterson Medical**

Patterson Medical is the world's leading distributor of rehabilitation, sports medicine and assistive patient products to the physical and occupational therapy markets. This customer base includes hospitals, long-term care facilities, clinics and dealers. Visit [www.pattersonmedical.com](http://www.pattersonmedical.com).

#### **About Performance Health**

Headquartered in Akron, Ohio, Performance Health is a global consumer branded health, wellness and self-care company. The Performance Health brands include Active Ankle, Biofreeze, TheraBand, Cramer, Bon Vital, TheraPearl, Hygenic and Perform, featuring a complementary product offering helping practitioners and patients relieve pain, accelerate recovery, grow stronger, improve performance and enhance quality of life for nearly 100 years. Visit [www.performancehealth.com](http://www.performancehealth.com).

#### **About Madison Dearborn Partners**

Madison Dearborn Partners (MDP), based in Chicago, is a leading private equity investment firm in the United States. Since MDP's formation in 1992, the firm has raised seven funds with aggregate capital of over \$21 billion and has completed approximately 130 investments. MDP invests in businesses across a broad spectrum of industries, including health care; telecom, media and technology services; financial and transaction services; business and government services; basic industries; and consumer. Noteworthy health care investments include Ikaria, Kaufman Hall, Option Care (formed with Walgreens), Sage Products, Sirona Dental, Team Health, and VWR International. For more information, please visit [www.mdcp.com](http://www.mdcp.com).

**About Gridiron Capital**

Gridiron Capital, LLC, headquartered in New Canaan, Connecticut, is a private equity firm focused on creating value by acquiring and building middle-market manufacturing, service and specialty consumer companies in the United States and Canada. Gridiron's principals work closely with management teams to develop strategies for portfolio companies, and to provide resources to execute business plans and build industry-leading companies. Additional information is available on the firm's website at [www.gridironcapital.com](http://www.gridironcapital.com).

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