

CPP Investments and BC Partners Announce New Ownership for CeramTec

CPP Investments and BC Partners Fund XI partner as joint investors to drive continued growth and value creation for the high-performance ceramics specialist and leading global MedTech business

Toronto, CANADA and London U.K. (17 August, 2021) – Canada Pension Plan Investment Board (“CPP Investments”), through its wholly owned subsidiary, CPP Investment Board Europe S.à.r.l, and BC Partners, a leading international investment firm, today announced an agreement to jointly acquire the CeramTec (“the Company”), from existing owner BC European Capital X (“BCEC X”) and its co-investors. CeramTec is a high-performance ceramics specialist and global MedTech business. On completion of the transaction, CeramTec will be jointly owned by CPP Investments and BC Partners Fund XI (“BC XI”).

CeramTec is a leading global MedTech platform and provider of high-performance ceramics for medical implants and bespoke industrial solutions, with 21 production sites and over 3,500 employees across 11 countries. With a well-diversified product portfolio of more than 20,000 units, the Company is active in two business lines: the medical business, which produces orthopedic and dental ceramic implant components, and the industrial business, which focuses on highly specialised, mission-critical high-performance ceramics solutions.

Since BC Partners’ initial investment in March 2018, CeramTec has significantly extended its product development pipeline, undergone a programme of operational improvement, and accelerated its transformation into a diversified MedTech platform, including through the recent acquisition of Dentalpoint, a fast-growing technology leader in the field of ceramic dental implants.

The new ownership structure reflects both CPP Investments’ and BC Partners’ confidence in CeramTec’s business model and future growth prospects, and provides the opportunity to realise additional value. The shareholders will support CeramTec as it expands its leading position as a diversified MedTech platform, driving ongoing product development and strategic M&A in a sector underpinned by strong secular growth trends.

Hafiz Lalani, Managing Director, Head of Europe, Direct Private Equity, at CPP Investments, said, “We are pleased to support the next stage of CeramTec’s growth in this attractive global market, in partnership with the Company’s best-in-class management team and BC Partners, who bring deep sector knowledge. CeramTec’s unique MedTech products optimise patient outcomes, improving the lives of millions of people worldwide, and provide us with an opportunity to deliver solid long-term risk-adjusted returns for CPP contributors and beneficiaries.”

Under the new ownership structure, CPP Investments and BC XI, together with co-investors, will each hold a 50% stake in the Company. The capital contribution by CPP Investments in CeramTec will be approximately €800 million. Existing investors the Public Sector Pension Investment Board (“PSP Investments”) and Ontario Teachers’ Pension Plan (“Ontario Teachers”), which invested in CeramTec as part of a consortium alongside BC Partners in March 2018, will exit their direct investments.

Raymond Svider, Chairman of BC Partners, said: “We are delighted to be working again alongside CPP Investments as we continue our partnership with CeramTec, a high-quality business that we believe continues to have significant growth potential. Over the past three years, CeramTec has significantly extended its product development pipeline, undergone a programme of operational improvement and undertaken strategic M&A to diversify its offering and broaden the platform, to ensure the company remains at the forefront of the sector. We look forward to working with our new partners as we support Dr. Hadi Saleh and the rest of the management team in further consolidating CeramTec’s position as a high-growth, MedTech market leader globally.”

Dr. Hadi Saleh, Chief Executive Officer of CeramTec, said: “We are excited to continue working with the team at BC Partners, whose support since 2018 has enabled us to successfully expand our product range as we diversify our MedTech footprint. Moreover, we are delighted to welcome our new partners in CPP Investments, whose sector expertise and strategic counsel we have already been impressed by. We believe that together we are well-positioned to continue working towards our aim of being the undisputed global leader in high-performance ceramics in the eyes of our customers.”

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About CPP Investments

Canada Pension Plan Investment Board (CPP Investments™) is a professional investment management organization that manages the Fund in the best interest of the more than 20 million contributors and beneficiaries of the Canada Pension Plan. In order to build diversified portfolios of assets, investments are made around the world in public equities, private equities, real estate, infrastructure and fixed income. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, San Francisco, São Paulo and Sydney, CPP Investments is governed and managed independently of the Canada Pension Plan and at arm’s length from governments. At June 30, 2021, the Fund totalled C\$519.6 billion.

For more information, please visit www.cppinvestments.com or follow us on LinkedIn, Facebook or Twitter.

About BC Partners

BC Partners is a leading international investment firm with over €33 billion of assets under management in private equity, private credit and real estate strategies. Established in 1986, BC Partners has played an active role in developing the European buyout market for over three decades. Today, BC Partners executives operate across markets as an integrated team through the firm's offices in North America and Europe. Since inception, BC Partners has completed 123 private equity investments in companies with a total enterprise value of over €161 billion and is currently investing its eleventh private equity fund.

For more information, please visit www.bcpartners.com.

About CeramTec

CeramTec is a world-leading manufacturer of high-performance ceramics and is specialised in the development, manufacturing and sale of parts, components and products made from a wide variety of ceramic materials. With over a century of developmental and production experience, CeramTec is a global leader in the manufacturing of advanced ceramics which engineers and designs these materials for use in medical implants as well as a variety of specialized industrial applications, including the automotive industry, electronics, energy and environmental engineering, as well as equipment and mechanical engineering.

With production sites and subsidiaries in Europe, the UK, North and South America as well as Asia, CeramTec maintains its presence around the globe as a manufacturer and supplier. The company is headquartered in Plochingen, near Stuttgart. In 2020, CeramTec generated close to €553 million in revenues. CeramTec employs more than 3,500 staff worldwide, around 2,000 of which are in Germany.

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