



FOR IMMEDIATE RELEASE

All amounts in U.S. dollars
unless otherwise stated

– ONCAP Acquires Walter Surface Technologies –

Toronto, Ontario and Montreal, Quebec September 20, 2018 – ONCAP today announced it has purchased a majority stake in Walter Surface Technologies (“Walter” or the “Company”), in partnership with the existing management team. The Walter Group will retain a minority interest in the Company.

Walter is a leading provider of innovative solutions for the metal working industry. Its premium, consumable metal working solutions include abrasives, tooling, power tools, chemical solutions and welding process solutions. The Company sells its portfolio of products to a diverse array of end markets, including metal fabrication, transportation, construction, energy, mining, forestry and lumber, food and pharmaceuticals. Walter was founded in 1952 by Walter Somers and, over the past 30 years, his son Pierre Somers led the Company and expanded it internationally.

“Walter is committed to creating the best performing products and offering innovative, safe, user-friendly and environmentally conscious solutions to its customers,” said Gregory Baylin, a Managing Director with ONCAP. “The Company’s dedication to excellence and strong workforce are what attracted us to the business. We’re thrilled to partner with the management team and the founding family to build upon the entrepreneurial spirit and vision Walter and Pierre Somers created.”

“ONCAP’s Canadian roots and outstanding investment track record make it an ideal partner for us,” said Marc-André Aubé, the newly-appointed Chief Executive Officer of Walter. “Together, we’ll continue to focus on providing the best solutions to our customers to improve their productivity and make their jobs easier and safer. ONCAP’s support will help us grow both organically and through strategic add-on acquisitions.”

“This transaction is the logical step to take Walter to new and exciting heights. The Company is in great hands with Marc-André and the management team we’ve worked hard to build,” said Pierre Somers, the retiring Chairman and Chief Executive Officer of Walter and the Chairman and Chief Executive Officer of Walter Group. “We’re excited to remain a minority shareholder and watch the Company’s growth during this next chapter. The Walter Group will now turn its focus to expanding our investing activities.”

The investment was made by ONCAP IV, Onex Corporation’s (TSX:ONEX) \$1.1 billion fund. The terms of the transaction are not being disclosed.

About ONCAP

ONCAP is the mid-market private equity platform of Onex. In partnership with operating company management teams, ONCAP invests in and builds value in North American headquartered medium-sized businesses that are market leaders and possess meaningful growth potential. For more information on ONCAP, visit its website at www.oncap.com.

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 more than \$33 billion of assets under management, including \$6.8 billion of Onex proprietary capital, in private equity and credit securities. With offices in Toronto, New York, New Jersey and London, Onex and the team are collectively the largest investors across Onex' platforms. Onex shares trade on the Toronto Stock Exchange under the stock symbol ONEX. For more information on Onex, visit its website at www.onex.com.

About Walter Surface Technologies

Walter Surface Technologies provides innovative solutions for the global metal working industry. From high performance abrasives, power tools and tooling to industrial parts washing systems, cleaners, degreasers and lubricants Walter focuses on helping its customers work better. Founded in 1952, the Company is established in 7 countries throughout North America, South America and Europe. International headquarters is in Montreal and U.S. headquarters is located in Windsor, Connecticut. Key certification and awards include ISO 9001: 2008, Wall Street Journal Award; Deutscher Material Preis; American Eagle Award; CleanTech Cleaning Technology Award. For more information, please visit www.walter.com.

About Walter Group

For more than 60 years, the Walter Group of Companies has been guided by a strong entrepreneurial spirit that has been passed down from one generation to the next. Leveraging its unique position, the Group has evolved into a flourishing ecosystem of companies driven by entrepreneurship and innovation. Over the years, the Walter Group has been investing and supporting growth through Walter Financial, a private investment firm targeting both private and public markets, with permanent capital base and long-term investment horizon. Among its strategies, Walter Financial has allocated over C\$240 million to its two dedicated internal private equity firms, Walter Capital Partners and newly created Walter Global Asset Management. For more information, please visit www.waltergroup.ca.

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