
School Specialty, Inc. Finalizes Recapitalization and Sale of Business

- Acquired by SSI Acquisition, LLC, an entity formed for the purpose of acquiring the business of School Specialty, Inc.; entity to be renamed School Specialty, LLC post-close
- Transaction led by The TCW Group, Inc.; Cerberus Capital Management; and Lantern Capital Partners
- Balance sheet restructuring results in substantial debt reduction and strong liquidity position supported by a new \$115 million credit facility provided by PNC Bank
- Ryan M. Bohr named President & CEO having most recently served as the Company's EVP & COO

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School Specialty →
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GREENVILLE, Wis., Sept. 15, 2020 /PRNewswire/ -- School Specialty, Inc., a leading provider of educational products and services to the Pre-K- 12th grade market in the U.S. and Canada., today announced that substantially all its assets have been acquired by SSI Acquisition, LLC, an entity formed by TCW Asset Management Company, LLC, Cerberus Capital Management, and Lantern Capital Partners. Post-closing, the company will operate as School Specialty, LLC. In conjunction with the transaction, Ryan M. Bohr was named President and Chief Executive Officer having served as the Company's Chief Operating Officer since 2017 and Chief Financial Officer from 2014 to 2017.

Ryan M. Bohr stated, "While it has certainly been a challenging road to get to this point, this transaction is the best outcome we could have expected, particularly in the face of the challenging market conditions brought on by the COVID-19 pandemic." Mr. Bohr further stated, "The transaction not only keeps our business fully intact but restructures our balance sheet in a manner that materially reduces our debt and greatly increases the capital resources available to our Company. The investment groups sponsoring this transaction have been involved in our business since 2017 and have a strong appreciation for not only the uniqueness of School Specialty's value proposition, but also our strong market position and growth potential. Our entire organization appreciates the support they have provided, and we look forward to working with them as we pursue our strategic growth initiatives." The TCW Group's Mark Gertzof commented, "TCW and our investment partners look forward to working with the School Specialty team and seeing the business operate from a position of strength as a well-capitalized company." Mr. Gertzof continued, "We strongly support the management team's vision for the future of School Specialty and are excited to be their partner as they make that vision a reality."

Mr. Bohr concluded, "With the transaction behind us, we can intensify our focus on finishing 2020 strong and supporting our customers as the new school year begins. After weathering a sharp pull-back in March and April as school systems rapidly switched to remote learning, we have seen our order volumes steadily improve as schools finalized their back-to-school plans and gained a better understanding of the unique requirements they would have to support those plans. Fortunately, our strong customer relationships, subject matter expertise and deep product assortment and capabilities have enabled us to support administrators and educators across the country during these unique times. As we enter the final months of 2020, while the mix of product and curriculum sales may be different, sales have generally returned to normal levels for this time of year."

About School Specialty

School Specialty is a leading provider of educational products and services to the Pre-K- 12th grade market in the U.S. and Canada. The company designs, manufactures and distributes a broad assortment of furniture & equipment, educational technology, general and specialty classroom supplies, facility supplies, safety and security products, and core and supplemental curriculum for science, math and English language arts. These include trusted national brands, as well as well-recognized proprietary brands, like Sax art products, Childcraft furniture and FOSS Science Curriculum. School Specialty also provides expert guidance, design services and professional development within the categories it supports. At its core, School Specialty is a purpose-driven organization. Everything offered, from crayons to curriculum to complete learning environments, is designed to support educators, raise student outcomes and ultimately, transform more than classrooms.

School Specialty serves the U.S. and Canada through a comprehensive network of distribution centers powered by a multi-channel approach. For more information, visit <https://corporate.schoolspecialty.com/> or connect with us on Facebook, Twitter, Instagram, and Pinterest. Find ideas, resources and inspiration by visiting our blog: <https://blog.school-specialty.com/>.

About The TCW Group, Inc.

TCW is a leading global asset management firm with a broad range of products across fixed income, equities, emerging markets and alternative investments. With more than four decades of investment experience, TCW today manages approximately \$225 billion in client assets. Through the MetWest Funds and TCW Funds families, TCW manages one of the largest mutual fund complexes in the U.S. TCW's clients include many of the world's largest corporate and public pension plans, financial institutions, endowments and foundations, as well as financial advisors and high net worth individuals. For more information, please visit www.tcw.com.

About Cerberus

Founded in 1992, Cerberus is a global leader in alternative investing with over \$45 billion in assets across complementary credit, private equity, and real estate strategies. We invest across the capital structure where our integrated investment platforms and proprietary operating capabilities create an edge to improve performance and drive long-term value. Our tenured teams have experience working collaboratively across asset classes, sectors, and geographies to seek strong risk-adjusted returns for our investors. For more information about our people and platforms, visit us at www.cerberus.com.

About Lantern Capital Partners

Lantern is a special situations merchant bank that provides a combination of tailored capital solutions and restructuring expertise to companies and their stakeholders in times of distress across all market conditions. Our reputation and brand are based on a passion and commitment to leaving companies better than we found them as a constructive partner of choice for more than 20 years. For more information, please visit www.lanternam.com.

Additional Information

School Specialty, Inc. was advised on the transaction by Mayer Brown LLP and Godfrey & Kahn, S.C. The wind-down and dissolution of School Specialty, Inc., to address any assets not acquired or liabilities not assumed as part of the transaction described above, will be managed by Ocean Ridge Capital Advisors. Any inquiries relating thereto should be directed to Mr. Brad Scher at (914) 235-1075.

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