

Brickman, ValleyCrest Merger a Done Deal



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ROCKVILLE, Md. and CALABASAS, Calif., – A blockbuster deal that was "telegraphed" in a short news item by the Financial Times several weeks ago is heading toward a rapid consummation.

The Brickman Group, Ltd. LLC and ValleyCrest Companies, LLC, announced in a joint news release May 21, that they have entered into a definitive merger agreement.

The merger is expected to close by mid-2014. Brickman is currently owned by KKR, and ValleyCrest is currently owned by affiliates of MSD Capital, L.P.

Following the close, KKR will have majority ownership of the combined company and MSD Capital will retain a significant minority ownership interest.

"We are excited to bring together two family-founded industry pioneers to continue shaping the industry while caring for client relationships that have been built over decades," said Andrew Kerin, Brickman CEO in the release. "We share common values and have each achieved local, regional and nationwide success by putting our people and clients at the center of all that we do. Together we will be able to offer clients even more innovative and customized solutions while also providing our extremely talented teams greater opportunities for professional growth and development."

Combined, Brickman and ValleyCrest will have more than 20,000 team members with the commitment and deep horticultural knowledge to design, build and maintain beautiful landscapes.

With 140 years of industry experience, the combined organization will be extremely well positioned to meet client needs at the local level and across the U.S. The company will have a strong platform to serve clients throughout the lifecycle of their projects – from design to construction to maintenance

– and across all seasons. Combined annual revenues are approximately \$2 billion.

"We have known and respected one another for many years, and have always shared a commitment to superior customer service, a relentless focus on employee safety and support of the environment and communities in which we live and work," said Roger Zino, CEO of ValleyCrest. "This is an ideal match that will advance the landscape profession by bringing together a passionate community of the best trained and knowledgeable landscape professionals in the country."

Following the transaction close, Kerin will be the CEO of the new company and Zino will become vice chairman. The company will continue to maintain its primary locations in Rockville, Md., and Calabasas, California.

KPMG LLP served as financial advisor to Brickman and Simpson Thacher & Bartlett LLP, Morgan Lewis & Bockius LLP and Dechert LLP served as legal counsel. For ValleyCrest, KPMG LLP performed accounting and tax work, Moelis & Company served as financial advisor, and Kaye Scholer LLP served as legal counsel.

Founded in 1939, The Brickman Group, Ltd. is the leading provider of landscape maintenance and snow removal services in the U.S. Its landscape maintenance services include lawn care, flower planting and care, and tree and shrub pruning, among others. With nearly 10,000 employees nationwide, Brickman serves a diversified base of over 10,000 clients, including some of the most well-respected companies and institutions in the U.S. For more information about Brickman, please visit www.brickman.com.

Founded in 1949, Calabasas, Calif.-based ValleyCrest Companies is the nation's largest integrated landscape services company with 11,200 employees and operations in more than 150 locations nationwide. ValleyCrest, which ranks on Forbes Magazine's list of America's 500 Largest Private Companies, is commissioned by developers, commercial real estate owners, public agencies, property managers and home builders to help create, build or maintain some of the world's extraordinary natural environments. For more information about ValleyCrest, please visit www.valleycrest.com.