

Kestra Financial Announces Recapitalization to Include Warburg Pincus

Warburg Pincus to help fuel next-generation growth for Kestra Financial

AUSTIN, Texas -- (Feb. 25, 2019) – [Kestra Financial, Inc.](#) (Kestra Financial) today announced that leading global private equity firm [Warburg Pincus LLC](#) (Warburg Pincus) has agreed to acquire a majority interest in the company. Funds managed by Stone Point Capital, LLC (Stone Point), Kestra Financial's current majority owner, will maintain a minority stake in the company. Kestra Financial's management team will retain equity positions in the company. It is also anticipated that a number of advisors will retain equity positions in the company.

Kestra Financial's recapitalization will provide additional fuel to an already robust growth engine, which has included industry-leading recruiting, powerful advisor technology, and institutional and wealth management acquisitions.

"We're excited to continue building an industry-leading wealth management organization. The independent advisor community has been responsive to our evolution and we are fortunate to serve the best," said James Poer, CEO of Kestra Financial. "Our new relationship with Warburg Pincus, and continued relationship with Stone Point, will allow us to continue building on the shared success we have achieved."

Warburg Pincus has over 50 years of private equity experience, having invested more than \$73 billion in 855 companies worldwide.

"We are thrilled to partner with James, the Kestra Financial team and Stone Point in the next chapter of Kestra Financial's success. The company's focus on providing best-in-class service and technology to its advisors and their clients positions the business for an exciting future," said Arjun Thimmaya, Managing Director, Warburg Pincus. "We are committed to supporting Kestra Financial in their mission to build the leading wealth management platform to empower the success of their financial advisors," added Jeff Stein, Managing Director, Warburg Pincus.

"We are incredibly proud of Kestra Financial's success. We firmly believe in their growth prospects and look forward to our continued partnership with James and the rest of the talented management team, as well as with Warburg Pincus," said Fayez Muhtadie, Senior Principal at Stone Point.

Subject to customary regulatory approvals, the transaction is expected to close during the second or early third quarter of this year. There will be no impact to Kestra Financial's employees and advisors associated with this transition, including no repapering requirement for advisors' clients.

Goldman Sachs & Co. LLC and BofA Merrill Lynch served as Kestra Financial's financial advisors in this transaction, and Kramer Levin Naftalis & Frankel LLP served as legal counsel for the company. Wachtell, Lipton, Rosen & Katz served as corporate counsel and Kirkland & Ellis LLP served as financing counsel for Warburg Pincus. For further information about Kestra Financial go to: www.kestrafinancial.com.

About Kestra Financial

Kestra Financial, Inc. (Kestra Financial) provides a leading independent advisor platform that empowers sophisticated, independent financial professionals, including traditional and hybrid RIAs, to prosper, grow, and provide superior client service. With a culture rich in reinvention and advisor advocacy, Kestra Financial has developed integrated business management technology that, combined with its personalized consulting services, offers exceptional scale and efficiency.

Headquartered in the “Silicon Hills” of Austin, Texas, Kestra Financial offers an experience as unique as the city in which it operates. The firm supports more than 2000+ independent financial advisors in delivering comprehensive securities and investment advisory services to their clients. Kestra Financial is the parent company of Kestra Investment Services, LLC, member FINRA/SIPC, and also of Kestra Advisory Services, LLC; Kestra Private Wealth Services, LLC; and Kestra Institutional Services, LLC; all federally registered investment advisers. For more information about Kestra Financial, please visit www.kestrafinancial.com.

About Warburg Pincus

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than \$43 billion in private equity assets under management. The firm’s active portfolio of more than 180 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 17 private equity funds, which have invested more than \$73 billion in over 855 companies in more than 40 countries. The firm is headquartered in New York with offices in Amsterdam, Beijing, Hong Kong, Houston, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai and Singapore. For more information, please visit www.warburgpincus.com.

About Stone Point Capital LLC

Stone Point Capital LLC is a financial services-focused private equity firm based in Greenwich, CT. The firm has raised and managed seven private equity funds – the Trident Funds – with aggregate committed capital of approximately \$19 billion. Stone Point targets investments in the global financial services industry, including investments in companies that provide outsourced services to financial institutions, banks and depository institutions, asset management firms, insurance and reinsurance companies, insurance distribution and other insurance-related businesses, specialty lending and other credit opportunities, mortgage services companies and employee benefits and healthcare companies. For more information about Stone Point, visit www.stonepoint.com.

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