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Strength Capital buys Virginia candle-maker for \$76M

By [Tom Henderson](#)

Birmingham-based **Strength Capital Partners L.L.C.** will announce Monday it has acquired **Smith Mountain Industries Inc.**, a Virginia-based maker of candles and other scented products, for \$76 million.

Smith Mountain, which does business as **Virginia Candle Co.**, sells products under both private-label and company-owned brands, including **WoodWick**, **Olive Oil Organics** and **Old Virginia Candle**.

The products are sold through 10,000 independent retailers, including **Hallmark** and **Bed, Bath & Beyond** stores.

"We really like consumer products and this is a high-growth, high-quality consumer products company," said Mark McCammon, a managing partner at Strength Capital. "They're very well received by their customers and have strong product development."

Smith Mountain was bought from Virginia-based **Harren Equity Partners**. The company's revenue wasn't disclosed. It has about 170 employees, all in Virginia. The current management team will remain.

The deal means that Strength Capital's second fund of \$140 million, **Strength Capital Partners II L.P.**, which was closed in June 2006, is about 75 percent invested. The private-equity firm has added eight portfolio companies from that fund.

"We will likely do one major transaction from fund two, with the rest of it going to fees and add-ons investments for current companies," said McCammon.

Typically, investment funds target the 75 percent threshold as the time to begin planning a new fund.

"When we're over 75 percent invested, our partnership agreement allows us to raise another fund. We've hit a milestone that allows us to start planning the launch of a new one," said McCammon, who declined to discuss when a fund might be launched and its target size.

Strength Capital's first fund was \$30 million.

Last Tuesday, Strength Capital made another investment, \$12 million to buy Elkhart, Ind.-based **Reflex Industries Inc.**, a maker of metal components, as an add-on for another company in its portfolio, Elkhart-based **Postle Aluminum Company L.L.C.**

Postle, a supplier of aluminum parts for the recreational vehicle industry, is Strength Capital's largest company.

Revenue for 2007, before the acquisition, was expected to be about \$205 million. Strength Capital bought Postle, which has a manufacturing plant in the southwestern Michigan city of Cassopolis, last October for \$102.5 million.

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