

Best Deal, \$25million - \$100 million

Winner: Strength Capital Partners/TriMas Corp. units



McCammon

Strength Capital Partners LLC plans to review about 10 prospective companies that could be bundled into Livonia-based **Arch Global Precision LLC**, the platform company it created to acquire three units from **TriMas Corp.**

Birmingham-based Strength Capital closed on a \$38.6 million asset purchase from TriMas on Dec. 22. Mark McCammon, managing partner of the private equity fund, said an adjustment in net working capital will be finalized shortly but should add less than \$100,000 to the purchase price.

Strength Capital could offer up to an additional \$2.5 million in early 2013 and early 2014, based on the acquired units meeting profitability goals. Arch Global currently comprises former TriMas subsidiaries **Hi-Vol Products LLC** in Livonia and **Precision Tool Co.**, which in turn is made up of Warren-based **KEO Cutters Inc.** and Plymouth, Mass.-based **Richards Micro-Tool.**

"These had become kind of orphan subsidiaries for TriMas. They were being used more as sources of capital for the company than as targets for investment, and the company had told Wall Street it was going to exit them at some point," McCammon said. "And what we like to do is find (companies with) assets that can be added onto strategically."

Eli Crotzer, formerly president of both Precision Tool and Hi-Vol under TriMas, has become the new CEO of Arch Global, which shares its headquarters with Hi-Vol in Livonia.

The company also recently hired Don Piper as CFO, and Strength Capital expects to review about 10 other precision manufacturer companies that fit with Arch Global's industry platform as a precision manufacturer holding company, starting in the second quarter. Strength hopes to target acquisitions that both grow revenue and help diversify the customer base of Arch Global. Its current three companies have about \$50 million in combined revenue, of which about 55 percent are automotive sales, including all of Hi-Vol's revenue.



Crotzer

The strategy is to reduce that to less than 30 percent when the Arch companies are ready to sell or take public, McCammon said.

In that sense, it will mirror Inland Industrial, another platform company that holds Strength Capital's industrial services companies.

Inland Industrial's customer base was more than 80 percent automotive when it was formed in 2005, but is only about 27 percent automotive today, while revenue has more than quadrupled.

-- Chad Halcom