

Auxo Investment Partners Announces Acquisition of Securit Metal Products

Private investment firm Auxo Investment Partners announced that it has acquired Securit Metal Products, a 70-year-old manufacturer of solid and semi-tubular rivets based in Dowagiac, Mich. The addition of Securit complements Auxo's previous acquisition of Prestige Stamping, a Warren, Mich.-based manufacturer of custom-engineered washers and stampings for the fastener industry. The purchase – marking Auxo's sixth acquisition in the state of Michigan, and 14th overall – reinforces the investment firm's commitment to investing in Michigan-based, and largely family-owned, businesses with the aim of preserving their legacies, creating and retaining jobs, and driving sustainable, long-term value for Michigan communities.

Founded in 1952 and based in Michigan for much of its history, Securit fabricates permanent mechanical fasteners known as solid rivets (as well as semi-tubular rivets), which are used in a variety of industrial applications, including semi-truck trailers, automotive subassemblies, boats, bourbon barrels and cookware (examples of non-permanent fasteners include screws, nails and bolts). Securit serves numerous industries and has a strong presence in the trucking industry, which requires large quantities of rivets for trailer assembly. Amid a recovering national economy and the embrace of new loading techniques, the industry, along with well-established suppliers like Securit, are positioned for steady growth over the coming years.

“As we got to know the Auxo team, we felt confident about what working with them would mean for our company, our employees and our community,” said Securit President Bryan Knoll, who will continue in his current role. “We are proud of the tightknit workplace that we've established over the past seven decades and genuinely excited about how this partnership will bolster our market position by expanding our sales infrastructure and leveraging new opportunities in coordination with Prestige Stamping. More importantly, we can count on Auxo to be careful stewards of the business with a genuine commitment to our people and community – because they live and work here, too.”

"Securit has built an exceptional reputation for service quality, timeliness, and delivery — as well as an enviable workplace culture that you just don't see every day," said Jeff Helminski, Auxo co-founder and managing partner. "I have never heard customers rave about a supplier the way customers talk about Securit. We are excited to partner with Bryan to further solidify Securit's strong position in the industry through the deployment of Auxo's growth playbook and exploring smart ways to maximize synergies between Securit and its sister portfolio company Prestige Stamping to enhance the company's infrastructure and operations.”

Strong Industry Tailwinds and Synergistic Opportunities

A rebounding national economy and increased demand for freight services has resulted in many trucking companies updating and expanding their fleets of semi-truck trailers. Simultaneously, the industry is increasingly embracing drop-and-hook freight — a loading technique that maximizes driver utilization by reducing the time drivers wait for the freight to be loaded and unloaded from the trailers, necessitating larger trailer fleets.

With both factors increasing demand for rivets, Securit is poised for continued growth given its available manufacturing capacity and best-in-class customer service. Combining these factors with cross-selling opportunities with Prestige’s customers in automotive, general industrial and construction/infrastructure markets is expected to lead to dramatic growth opportunities ahead for Securit.

“In today's manufacturing environment, where companies are navigating supply chain disruptions resulting from having shipped production offshore to save a few cents per part, we see reshoring efforts increasing demand for domestic production as purchasing departments begin to account for risk-adjusted total landed costs in their sourcing decisions,” added Helminski. “Securit is positioned to step up and deliver for American manufacturing customers given our available production capacity and ample supply of talented labor in Southwest Michigan.”

Advisors and lenders on the transaction included Miller Johnson PLC, Barnes & Thornburg LLP, KSM, BHS Insurance, Strategies Wealth Advisors, Krauter & Co., Thomas Brady & Associates, Miedema Appraisals, Mercantile Bank of Michigan, and Oxer Capital.

Prior to Securit, Auxo acquired 14 companies, most recently Genesis Rail Services and Ferrovia as part of Auxo’s burgeoning rail platform. Auxo had also acquired Bernal Rotary Dies, Atlas Die, AtlasFlex, Midway Rotary Die Solutions, DieCraft Engineering & Manufacturing, and GC Dies, which comprise the Impact Converting and Systems Solutions platform. It’s marine platform, Auxo Marine, was formed by the acquisitions of M/G Transport Services, a leading inland barge transportation and logistics company, and Andrie, the premier Great Lakes marine services company serving customers with challenging safety and specialty material handling and transportation requirements. Other acquisitions include Paramount Tube and Euclid Medical, niche manufacturers of custom-engineered spiral wound tube and pharmaceutical packaging, Prestige Stamping, a high-speed manufacturer of custom engineered stampings for the fastener industry, and Altus industries, a leading supplier of medical carts and workstations.

Auxo has a passion for investing in and growing Michigan-based business. This deal marks Auxo’s sixth acquisition in the state where it seeks to partner with Michigan-based — and largely family-owned — businesses, with the aim of preserving these companies’ legacies, creating and retaining jobs, and driving sustainable, long-term value for Michigan businesses and communities. Throughout Michigan, baby boomers are set to retire, leaving many of the state’s family-owned businesses in need of generational succession planning solutions — a need which is being accelerated as the pandemic lingers. Since the majority of capital available to address these needs currently comes from outside the state, Auxo is one of the select few in-state options to support these businesses.

A Long-Term, Collaborative Approach

Auxo was named after the ancient Greek goddess of growth and the firm seeks to partner with companies that meet the following investment criteria:

- North America-based
- Manufacturing, industrial, value-added distribution or business services industries

- EBITDA (cash flow) of \$2-\$20 million
- Owner-operators seeking retirement, family succession planning solutions or existing teams seeking to grow their businesses
- Prefer majority-control investments but will consider select minority-partner opportunities

Auxo Investment Partners is a Grand Rapids, Michigan-based private investment firm that partners with owners and management teams of companies at transition points in their history. Auxo's flexible capital model allows for long-term, growth-oriented decision-making without artificial deadlines. The structure was specifically designed for family businesses facing a generational transition or management teams seeking a partner to fuel growth and achieve their full potential with a long-term investment approach. Auxo's unique philosophy aligns the interests of its companies, their employees, the communities in which they are located and its investors to achieve optimal outcomes for all. As our name reflects, we are not merely investors, but partners. For more information, please visit www.auxopartners.com.