

Monomoy adds on to automotive platform

The US turnaround firm has bolted on the aluminium die casting and machining operations of US foundry Citation to the automotive components platform it's been building since 2006. The firm also is building up its plastic molder platform.

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Monomoy Capital Partners has acquired the aluminium die casting and machining operations of US foundry Citation, adding on to its Compass Automotive Group platform.

"We are using our platform to acquire struggling competitors as well as take market share from some of our rivals," Justin Hillenbrand, a partner with the mid-market firm, said in an interview.

Monomoy did not disclose financial details of the transaction.

The deal includes the acquisition of two facilities and Monomoy will shift some production to the new plants, Hillenbrand said, adding that Compass will now be able to machine its own parts instead of sending them out to third parties.

Monomoy is looking for more add-on deals for Compass, Hillenbrand said. "We're trying to be as much of a consolidator as we can in this environment," he said.

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The firm, which typically targets struggling US companies in the lower mid-market, especially in traditional manufacturing, created the safety-critical aluminium automotive components platform in 2006. Monomoy bought the automotive castings business of aluminium producer Alcoa for an undisclosed amount in 2007 as part of the Compass platform.

Hillenbrand said Monomoy sees great opportunity in the US automotive sector, despite the massive restructuring taking place.

"There will be losers and winners, the challenge is to make sure you're not tied to any one [manufacturer]," Hillenbrand said. "I personally don't believe GM will go out of business. It may file for bankruptcy but in some shape or form it will produce cars for the next decade."

Monomoy also has been building up its plastic molder platform in the past months, despite the dried-up deal climate. The firm paid an undisclosed amount for Moll Ramos, a plastic molder with facilities in Mexico, in February, and L&P Plastics, which makes parts for power tools, medical devices, furniture and vehicles, last September for an undisclosed amount.

The firm is investing from its \$280 million debut fund, closed in 2007, and has invested a little more than half of the fund.