

Platinum Picks Up Four More

By HOWARD FINE
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Beverly Hills private equity giant Platinum Equity continued its acquisition tear, announcing four deals last week on top of four others earlier in the young year.

Two of the deals were add-ons to previous purchases, continuing Platinum's shift towards more strategic industry acquisitions.

The four acquisitions:

- Sewing-thread manufacturer American & Efrid of Mt. Holly, N.C., which Platinum purchased from KPS Capital Partners;
- A gas-fueled power generating plant in Hunterstown, Penn., which Platinum bought through a U.S. Bankruptcy Court-run sale from GenOn Energy, a bankrupt unit of Houston-based NRG Energy Inc.;
- Lentz Milling Co., a Reading, Penn. food ingredient distributor, which Platinum is merging into previous acquisition JM Swank from Con Agra Foods Inc.; and
- Highway Toll Administration LLC, an electronic toll collection management company that Platinum bought from Miami inventor David Centner and his wife Leila. Platinum is merging Highway Toll Administration into ATS Fleet Services, a unit of American Traffic Solutions, which it bought last year.

Financial details were not disclosed for any of the transactions.

"All three investments demonstrate one of Platinum's core strengths: acquiring a platform company, stabilizing it and then pursuing add-on acquisitions to



Platinum Plus: The Beverly Hills-based private equity firm has gone on a buying spree in 2018. Photo by Ringo Chiu.

build a market leader," said Platinum principal Dan Whelan, who said Platinum's in-house team has experience integrating add-on acquisitions. "This strategy helps our portfolio companies improve scale, expand product lines or geographic reach, and build competitive advantage."

The last two purchases are considered "bolt-ons" and represent part of a shift in Platinum's deal strategy over the past year, coinciding with the closing last March of a \$6.5 billion investment fund, its largest to date, according to Lloyd Greif, chief executive of Greif & Co., a Los Angeles company specializing in middle-market mergers and acquisitions.

"Up until recently, Platinum and (its Chief Executive) Tom

Gores focused on buying distressed assets or units of larger companies that were not receiving a lot of love from their parent companies," Greif said. "They would buy those companies for a song and then turn those companies around. That's what they intend to do with the power generation facility they purchased out of Bankruptcy Court."

"The new Platinum," Greif continued, "is also making acquisitions of healthy companies that can be bolted on to previous acquisitions or become new platforms in their own right. These resemble strategic acquisitions that take place when one industry player buys another. It's a broader focus that opens up a whole new universe of companies that Platinum can pursue."