



## Aarrowcast Bought by Private Investors

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### Buyers see “tremendous profitability and growth” in ductile/gray iron foundry

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Aarrowcast Inc., a Shawano, WI, ductile and gray iron foundry, has been acquired by a group of investors that includes a number of the plant’s salaried employees and two private equity firms. The terms of the purchase have not been released.

“Within our company we opened it up to all salary employees who wanted to invest,” according to said Jon Moreau, Aarrowcast senior vice president and chief financial officer. “We set a relatively low floor of \$5,000 for the minimum investment. Of the significant investors (within the company), there were six people.”

The private equity groups are J.H. Whitney & Co., which has a majority stake, and Cornerstone Capital Partners Inc. Cleary Gull Inc. advised the buyers in the transaction.

The green sand foundry produces ferrous castings for customers in a range of industries, including defense, farm and heavy truck equipment, pumps, valves, and compressors. It operates a Georg Fisher impact molding line with an 85 x 60 x 20/20 flask; a 36 x 40 x 13/13-flask BMM line; and a 16 x 20 x 6/6-flask B & P Roto-Matchblowmatic line. Isocure coremaking produces a wide range of cores for finished castings from 3 to 2,000 lb.

Cleary Gull vice president Ryan Olsta said the investors were impressed by Aarrowcast’s novel capabilities and product flexibility. “(The private equity investors) heard the story, they love the management team and the niche that this company provides, and they saw the value there,” he said. “Even in the recession, they’ve seen tremendous profitability and growth. They’re fairly specialized, and their claim is that they do this in a repeatable and mechanized process. They can make large quantities in differentiated metallurgy and complex shapes.”

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