

Arsenal Capital Partners Completes Sale of Royal Adhesives And Sealants to American Securities

NEW YORK, June 19, 2015 /PRNewswire/ -- Arsenal Capital Partners announced today that it has completed the sale of portfolio company Royal Adhesives and Sealants, LLC ("Royal" or the "Company"), a leading producer of proprietary, high-performance adhesives and sealants, to American Securities LLC. Financial terms of the transaction were not disclosed.

Tim Zappala, a Partner who co-heads Arsenal's Specialty Industrials group, said, "We are very pleased to have worked with CEO Ted Clark and his management. During our partnership we successfully established Royal as a leading player in niche, high growth end markets with a particular emphasis on the substitution of traditional mechanical fasteners towards adhesives and sealants technologies which improve reliability and performance and provide a cost-effective solution to Royal's global customers."

Arsenal acquired Royal in late 2010 and concurrently combined it with Para-Chem Southern. The Company then completed eight strategic acquisitions, including ADCO Global, Inc., a leading global provider of specialty sealants, tapes and adhesives. The successful execution of Royal's strategy created a top ten global supplier of adhesives and sealants with sales in excess of \$600 million annually.

"As with most Arsenal investments in Specialty Industrials the foundation for this investment was started many years ago with our initial interest in this high growth sector. Through identifying the right platform and partnering with a strong management team we built a unique asset. This transaction represents another successful exit for Arsenal, producing strong returns for Arsenal and its investors," added John Televantos a Partner who co-heads Arsenal's Specialty Industrials group.

Ted Clark, CEO of Royal, said, "We greatly appreciate Arsenal's significant support of the management team, employees and customers throughout the last five years in the execution of our organic growth and acquisition strategy. Arsenal's deep understanding of the industry and their commitment to the investment contributed to the remarkable outcome achieved by the Company. The new partnership with American Securities will allow us to continue Royal's growth trajectory and we look forward to the next phase of the Company's evolution."

The sale of Royal continues Arsenal's success in the Specialty Industrials sector and follows firm's 2014 sale of Charter Brokerage, a leading non-asset based third party logistics provider to the petroleum and chemical industries. Arsenal actively invests across a number of segments within the Specialty Industrials sector, which include among others high performance coatings, health and nutritional ingredients, and chemicals enabling the production and distribution of oil and gas. Since 2008, Arsenal has completed 11 platform investments and 31 add-on acquisitions in the Specialty Industrials sector.

Credit Suisse Securities (USA) LLC and The Valence Group acted as financial advisors and DLA Piper LLP acted as legal advisor to Arsenal and Royal. KeyBanc Capital Markets acted as financial advisor and Weil, Gotshal & Manges LLP served as legal counsel to American Securities.

About Arsenal Capital Partners

Arsenal Capital Partners is a leading New York-based private equity firm that invests in lower middle market healthcare and specialty industrial companies. Arsenal makes investments in sectors where the firm has significant prior knowledge and experience. Arsenal targets businesses that have the potential for further value creation by working closely with management to accelerate growth and leverage the firm's operational improvement capabilities. Arsenal currently has \$1.7 billion of committed equity capital. For additional information on Arsenal Capital Partners, please visit www.arsenalcapital.com.

Arsenal's Specialty Industrials investments includes several market leaders including Kel-Tech, a leading provider of specialty chemicals and related services to oil & gas exploration and production companies; Flowchem, a leading provider of patented and environmentally friendly drag reducing additive solutions and support services to crude oil and refined products pipeline operators; Accella Performance Materials, a leading manufacturer of formulated polyurethane, specialty coatings as well as recycled rubber products; Chromaflo Technologies, the largest independent global pigment dispersion provider to the architectural and industrial coatings and thermoset composites industries; Inhance Technologies, a leading provider of unique plastic barrier, adhesion and surface enhancement products and services as well as manufacturer of value-added materials; International Fiber Corporation, a leading provider of dietary insoluble fiber for food and pharmaceutical markets; and IGM Resins, a leading provider of intermediates to the global ultraviolet radiation cure coatings, inks and adhesives industry.

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