

The Watermill Group Acquires EMI; Completes Second Key Investment in the Automotive Industry

News Summary

- The Watermill Group acquires Experi-Metal, Inc. (EMI), a leading provider of prototyping and complex metalformed parts and assemblies for the automotive, aerospace and other industries.
 - The acquisition of EMI will complement Watermill's current portfolio company, Quality Metalcraft (QMC), a leading producer of engineered structural metal components and assemblies.
 - The acquisition marks Watermill's second major transaction in the automotive industry in 12 months.
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Lexington, MA and Sterling Heights, MI — August 2, 2016 — The [Watermill Group](#), a strategy-driven private investment firm, completed its second key investment in the automotive industry with today's acquisition of [Experi-Metal, Inc.](#) (EMI), a leading provider of prototyping and complex metalformed parts and assemblies for the automotive, aerospace and other industries. EMI will complement its Watermill sister company, [Quality Metalcraft](#) (QMC), together offering end-to-end prototype and niche production services to OEMs, automakers and new entrants to the automotive market and other industries.

"The automotive industry is in the midst of a monumental shift. Technology-driven trends are transforming consumer appetite and disrupting an industry that has remained mostly unchanged for decades," said Steven E. Karol, Managing Partner and Founder, the Watermill Group. "By operating collaboratively, EMI and QMC will offer unparalleled benefits to traditional OEMs, tier-one suppliers and new entrants to the market, all of whom seek the creativity, speed and quality that drives success today and will continue to drive market transformation."

EMI specializes in highly engineered, metalformed prototypes, sub-assemblies, full Body-In-White (BIW) assemblies and bridge production, with a proficiency in designs that are complex in geometry and often utilize advanced materials. A broad range of blue chip and start-up customers across automotive, aerospace, defense and the alternative energy sectors value EMI's attention to excellence; products made by EMI pass the most rigorous quality, performance and safety standards.

"We are pleased to join the Watermill family and support our innovative, technology-driven manufacturing customers with increased prototyping and specialty production requirements as they strive to remain on the leading edge," stated Gerry King, President, EMI, who will also take on the role of head of prototype sales for EMI and QMC. "With QMC, our combined technical expertise, 'get it done' approach, and end-to-end services will enable us to meet the intensifying demand of automakers for design, customizability and speed-to-market."

“By working in close collaboration with EMI, we will be able to better support the unique needs of each customer going forward,” stated Kurt Saldana, CEO, QMC, who will serve as chief executive at EMI. “QMC’s fast, innovative solutions and reliable service are only enhanced while working alongside EMI, and we look forward to together helping our customers stay on top of the trends disrupting the markets of human mobility.”

Cerberus Business Finance and the Business Credit Division of PNC Bank, N.A. are lenders in the transaction and Cowen & Company served as Sole Debt Placement Agent. Goodwin Procter LLP provided legal counsel to Watermill. Quarton International represented EMI.

About Experi-Metal, Inc. (EMI)

Headquartered in Sterling Heights, Michigan, [Experi-Metal, Inc.](#) (EMI) is a leading provider of highly engineered, metalformed prototypes, sub-assemblies, full Body-In-White (BIW) assemblies and bridge production in the automotive, aerospace, defense and alternative energy industries. Since 1959, customers have relied on EMI’s attention to excellence and dedication to continuous improvement. As advances in technology progress, EMI’s standards for quality, performance and safety enable its customers to remain on the leading edge.

About Quality Metalcraft (QMC)

Founded in 1964, [Quality Metalcraft](#) (QMC) is a premium, niche provider of highly engineered, metal formed assemblies serving a wide range of transportation industries, including automotive, aerospace and defense, heavy trucking and construction equipment. The company specializes in advanced prototyping, in-house tooling, low-to-medium volume production, and factory assist services. Based in Livonia, Michigan, QMC is a highly technical organization with an adaptable, flexible manufacturing footprint.

About the Watermill Group

The [Watermill Group](#) is a strategy-driven private investment firm that helps companies achieve their full potential through strategic transformation. For more than three decades, Watermill has been acquiring, operating and improving companies. Watermill looks for businesses in which it can apply a unique combination of strategic insight and management expertise to re-imagine their future and drive growth.

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