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Milacron Reorganized, Recapitalized, Relunched

AM Staff

Milacron LLC completed its purchase of the businesses and assets of Milacron Inc., the reorganized manufacturer of plastic molding and extrusion machines and industrial fluids. The purchase completes Milacron's Chapter 11 bankruptcy and, according to the new owners, puts it in "a stronger competitive position than at any time in the past decade."

Milacron filed for bankruptcy in March 2009, explaining "aggressive cost reduction and ongoing capacity rationalization over the past several years" were not enough to counter severely reduced sales and orders. The voluntary filing included an agreement with Avenue Capital Group and certain funds and/or accounts managed by DDJ Capital Management LLC, the group's primary investors.

Avenue Capital Group and DDJ Capital Management LLC also own the new organization. However, it is said now to have over \$500-million fewer liabilities than the previous organization held, including more than \$230 million (about 80%) less debt. The new Milacron retains all the major business divisions of the former organization, including: Milacron Injection and Extrusion, plastics processing machinery, related parts and comprehensive services; DME, mold technologies and services; Uniloy, blow molding and structural foam solutions; and Cimcool, metalworking fluids technology and customer services.

"This structure gives our business units greater flexibility to satisfy evolving customer requirements across the globe," explained Dennis Smith, the new group's president and CEO. "Meanwhile, by sharing resources and leveraging our strengths globally, our businesses will be much better positioned to succeed."

Milacron LLC has secured a new, \$55-million revolving credit facility led by Wells Fargo Foothill and Bank of America N.A. A \$75 million second-lien term loan has been provided by the new ownership.

"This sale is good news for Milacron LLC and its customers," Smith said. "The new capital structure, combined with the cost savings of operating as a private entity, gives the company considerable financial strength. We are well positioned to leverage the strengths of our business units and industry-leading brands to bring new solutions to our customers."