

# AMARR BOUGHT!

## Top Executives at Amarr and Assa Abloy Explain Acquisition

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The news hit the industry on Nov. 7: "Assa Abloy has signed an agreement to acquire Amarr, the third major player in the North American sectional door market." The price was not disclosed.



Molin

Next to Sanwa's purchase of Overhead Door in 1996, the acquisition of Amarr is the second-largest purchase of an American garage door manufacturer by a foreign company. Since 2008, Assa Abloy of Sweden, a company whose roots are in the door lock market, has made no secret of its appetite for acquiring companies in the "entrance systems" industry.

"Amarr is another important building block for the Assa Abloy Group in building global leadership within entrance automation," said Johan Molin, president and CEO of Assa Abloy in the initial press release.

He noted that the Amarr purchase is "the basis for further expansion on the North American market." Since 2008, Assa Abloy has rapidly expanded its Entrance Systems division from sales of \$454 million (USD) to more than \$2.1 billion (USD).

The press release added that Amarr has 1,200 employees, 77 door distribution centers, production plants in Mocksville and Lawrence, Kan., and that its 2014 sales are expected to reach \$330 million.

"With Amarr on board we are well positioned to apply the same rapid expansion of North America, like we have done in Europe during the last few years," added Juan Vargues, executive vice president of Assa Abloy and the head of Entrematic and the company's Entrance Systems division. "(Amarr) gives us a strong footprint in North America and further reinforces our global position in sectional doors."

The deal requires regulatory approval, but was expected to close by the end of 2013.

To learn more about the acquisition and Assa Abloy's intentions, we asked several questions to the two key executives involved: Richard Brenner, long-time CEO of Amarr, and Juan Vargues, president and CEO of Assa Abloy's Entrance Systems.



Lawrence, Kan.

## Assa Abloy Acquisitions A Timeline of Its Entrance Systems Division

Since its formation in 1994, Assa Abloy has grown from a regional company into an international group with around 43,000 employees, sales of about \$6.6 billion (USD), and operations in more than 70 countries. The following timeline identifies some key acquisitions in the door systems market.

- 1994** The Assa Abloy Group is formed through the merger of Assa in Sweden and Abloy in Finland, bringing together several brands of locks and security products.
- 2009** Assa Abloy acquires the Italian-based Ditec Group, a provider of sectional garage doors, high-speed doors, operators, gates, and barriers. After 15 years of acquisitions, Assa Abloy is almost 10 times larger than in 1994 and is now considered the world leader in door opening solutions.
- 2011** With the acquisitions of FlexiForce (garage door hardware), Cardo (which included Crawford, Normstahl, and Megador) and Albany (high-speed doors), the group strengthens its venture into industrial doors, high-speed doors, and garage doors.
- 2012** Acquisitions include Helton Industries of Canada (hardware for sectional doors) and 4Front Engineered Solutions (brands include Kelley, Serco, and TKO Dock Doors). Agreements are made to acquire Dynaco (high-speed doors).
- 2013** Assa Abloy acquires Amarr Garage Doors. Since 1994, Assa Abloy has made more than 150 acquisitions.

The company now promotes that it “offers a more complete range of door opening solutions than any other company on the market.”

Source: AssaAbloy.com



Brenner

### Our interview with Richard Brenner

#### What are some of the key factors that made this a good time for Amarr to consider acquisition?

Brenner: The combination of the strength of Assa Abloy and its vision for Amarr and its people was the right combination at the right time that the Amarr board found attractive.

#### Who serves on the Amarr board?

Brenner: Jeff Mick, Amarr’s president, and I, along with Juan (Vargues) and others from Assa Abloy will be on the Amarr board.

**Having such a deep and long-term family connection with Amarr, you must have felt positively about Assa Abloy becoming an owner of the company. For you personally, what were some of the key comforting**

#### and positive values that Assa Abloy brings to Amarr?

Brenner: We’re excited to join forces with Assa Abloy as the premier entrance automation company in the world. Their long-term vision and the growth opportunities it will bring for our people and our dealers was a primary consideration for this collaboration.

#### How did the idea of acquisition arise? Did it come from Assa Abloy or from Amarr?

Brenner: The idea was initiated by Assa Abloy.

#### When did the idea of an Assa Abloy acquisition of Amarr first get discussed at Amarr? How did that discussion go?

Brenner: The discussion has been going on for some time with mutual interest from both sides.

#### How will this acquisition affect your personal involvement at Amarr?

Brenner: I will still be at Amarr, focusing on our people, products, strategy, and acquisitions.

#### Will you continue as CEO?

Brenner: Juan Vargues is the CEO of Assa Abloy Entrance Systems and Jeff Mick will be the president of Amarr. I am the vice chairman and chief of product development with

responsibility for strategy. These were my main duties prior to the acquisition.

#### What do you foresee as the most significant changes at Amarr in the coming 12 months?

Brenner: It is too early to talk about changes. We will start a new journey as part of a global group with major footprint across North America and high ambitions to develop and grow the business and our people.

#### Will we see any new faces in top management at Amarr in the next 12 months?

Brenner: There are no plans to change the Amarr leadership team.

#### From your perspective, why was Amarr a desirable company to Assa Abloy?

Brenner: Amarr was attractive to Assa Abloy because of our customers, our size, scale, product portfolio, and our great and caring people.

#### What do you say to dealers who might be concerned about a foreign owner of Amarr?

Brenner: The Amarr headquarters will remain in Winston-Salem, Amarr is still an American company, and our products will continuously qualify as “Made in the U.S.A.” products. Our

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leadership team is still in place, and if you look at how Assa Abloy runs other firms in the U.S. in their portfolio, you will see a great partner focused on growth.

**Delden and Amarr have had business connections for a long time, and I know that Delden sells a lot of Amarr product. Does this purchase have any effect on Delden operations and products?**

Brenner: Not at this time.

**How does this purchase change the garage door landscape in America?**

Brenner: Amarr is one of the major garage door suppliers in North America. Together with the strength of Assa Abloy and the comprehensive range of products under the brand umbrella of Entrematic, we will create a strong dealer offering across North America. We will be strong, agile, and innovative.



Vargues

## Our interview with Juan Vargues

**What are the top three-to-five appealing features of Amarr that made you pursue purchasing the company?**

Vargues: Amarr's size, market position, great product offering, wide distribution, and excellent people make it a perfect fit for us to expand our business across North America.

**What positive features does Assa Abloy bring to the garage door market in America?**

Vargues: We have extensive experience from garage door markets in other parts of the world. Amarr combined with our already existing offering in North America means that we now have a full line of entrance automation products to bring to the market.

**What are your plans for Richard Brenner? Do you see him staying at the helm of Amarr for a long time?**

Vargues: We do not plan any changes in the Amarr management team. Richard Brenner and his colleagues have done a very good job under difficult market conditions, and he has

a very important position to fill in our future organization.

**How long have you been actively seeking to purchase an American manufacturer of garage doors?**

Vargues: Acquiring a North American garage door manufacturer is an important building block for us that we have wanted to add for some time to further reinforce our global position in garage doors.

**Does this conclude your pursuit of North American acquisitions for your Entrance Systems Division?**

Vargues: We have continuous growth ambitions in the field of entrance automation. We have shown a strong growth during the last 10 years, and we will continue to pursue good opportunities.

**So, are you still looking to acquire companies in the rolling door and the door operator markets?**

Vargues: As mentioned previously, we are always looking for good growth opportunities in our field.

**Your division also owns companies such as Albany, Dynaco, 4Front/TKO, Helton, FlexiForce, and Crawford. Will Amarr operate independently of these companies, or do you envision some collaboration between Amarr and any of these companies?**

Vargues: Amarr will continue to work as an independent unit, and there will be a strong collaboration with some of the mentioned brands under the Entrematic umbrella. This is how we package our offering to the dealer market.

**Do you plan to place anyone in executive management at Amarr in the next year?**

Vargues: We have full confidence in the current Amarr management team, and no changes are planned.

**Do you anticipate any restructuring at Amarr in the next year?**

Vargues: We don't have any plans to restructure the company at this time. We will start a journey together now and have high ambitions to grow the business and develop it further. ■

## A Decade of Acquisitions Other Major Industry Acquisitions Since 2003

- 2003** Sanwa Shutter, the parent company of Overhead Door, purchases the Novoferm Group, considered the second-largest manufacturer of garage doors and operators in Europe with annual sales of about USD \$400 million.
- 2004** Windsor Door of Little Rock, Ark., is acquired by Desco Capital Partners, which also owns Republic (entry) Doors. Republic and Windsor are merged to form Windsor Republic Doors.
- 2006** Gadco (General American Door Company), a sectional garage door manufacturer in Montgomery, Ill., is purchased by Hörmann of Germany.
- 2007** Flexon, a manufacturer of industrial doors, loading dock equipment, impact traffic doors, and high-performance roll-up doors in Leetsdale, Pa., is acquired by the Hörmann Group of Germany. The company is named Hörmann Flexon.
- 2008** The Cookson Company, a rolling door manufacturer in Phoenix, Ariz., and Gastonia, N.C., is purchased by Cornell Iron Works of Mountaintop, Pa., creating the largest rolling door manufacturer in the United States.
- 2009** Overhead Door completes its acquisition of Wayne-Dalton's (Mount Hope, Ohio) residential and commercial door business in North America and Europe.
- 2011** Assets of Windsor Republic Doors' garage door division are purchased by a private investment group of individuals from Garage Door Services of Houston and Windsor Door. The company name returns to Windsor Door.
- 2011** U.S. Door & Building Components of Orlando, Fla., is purchased by Janus International.

Source: D&S historical files