



JOHNSTOWN PENNSYLVANIA

COMPANY

Johnstown Wire Technologies, Inc.
Ron Shaffer, Pres/
CEO

FOCUS

Established in 1992 as a spin-off from Bethlehem Steel Corp., JWT produces value added carbon and alloy wire serving the cold heading, spring, electro-galvanized, aluminized, and other markets.

OF NOTE

Johnstown Wire Technologies is nearing completion of a multi-year expansion of its steel wiredrawing capacity. This nearly \$10 million investment, which will also expand its product portfolio and further satisfy its customers' technological requirements, was made possible by JWT's acquisition in May 2014 by an affiliate of Aterian Investment Partners. AIP is an operationally focused private equity firm that invests in industry-leading, middle-market businesses, providing them resources to further enhance their operations, growth and investment initiatives.

johnstownwire.com

A time for bold moves



Ron Shaffer
President & CEO
Johnstown Wire
Technologies
(JWT)

WJI: These are not the best of times for the steel industry: when was the decision to invest initially made, and do you still consider it to be a good time to invest?

Shaffer: You are correct that these are not the best of times for the steel industry as global economic uncertainty impacts us daily. However, when you look at JWT's specific niches, we have a leading share in 80% of the markets we serve in North America. Aterian, along with JWT management, recognizes that our long-term growth and competitive posture will further be enhanced through the investments we recently announced.

WJI: To what degree was this expansion driven by the forecasts of your customers versus your outlook for the field or a combination therein?

Shaffer: JWT has taken a longer-term economic view when planning its expansion, including other key markets we are looking to penetrate. We are focused on balancing our capacity to meet growing demand in certain key markets, like aluminizing and electro-galvanizing, as well as CHQ.

WJI: What additions will this expansion enable JWT to add to its product lines?

Shaffer: The additions to our wire drawing capabilities will allow us to increase our range of products both in diameter and complexity, while improving the quality of our products and our package. We have already completed installation of our new cleaning line, which is one of the largest automated clean-and-coat lines in North America. Our

wiredrawing machinery upgrade has begun with one new multi-hole machine in operation and the remaining machines are scheduled for installation over the next several months. So far, everything has been going according to plan. Our team of talented managers and operators has adapted extremely well to the new technology.

WJI: How important were your new investors in making this possible?

Shaffer: Aterian not only provided the financial resources, they share our long-term vision of JWT being an industry leader in terms of quality and customer service. Without their confidence in us, this investment in JWT—both initially and for our expansion—would not have occurred.

WJI: Could JWT have stood pat with what it had? If not, why not?

Shaffer: JWT was a successful business and would have continued to be so without the capital investments, however, growth and competitiveness would have suffered. We need to change and evolve with our customers.

WJI: Are there any other aspects not covered above that are of note?

Shaffer: This expansion has given us the resources that we believe will provide us years of growth and the ability to supply superior quality and service to our customers. For all of us at JWT, these are very exciting times.