



## SKY ISLAND CAPITAL ANNOUNCES SALE OF USA INDUSTRIES

Dallas, Texas – December 16, 2025 – Sky Island Capital (“Sky Island”), a Dallas-based lower middle market private equity firm, is pleased to announce the sale of USA Industries, LLC (“USA Industries” or the “Company”) to Levine Leichtman Capital Partners (“LLCP”), a California-based private equity firm.

Founded in 1982, USA Industries is a leading manufacturer, supplier, and rental provider of piping isolation and testing products, tube plugs, flow measurement orifice plates, and heat exchanger tools to the refining, petrochemical, chemical, industrial, OEM, and engineering, procurement, and construction end markets. USA Industries offers its customers low-cost products that resolve high cost of failure problems.

Sky Island partnered with the founding family, CEO Justin Watts, and the USA Industries management team to pursue a disciplined growth strategy focused on broadening the Company’s addressable market, bolstering its competitive differentiation, and accelerating innovation across its portfolio of patented and engineered products. Under Mr. Watts’ leadership, USA Industries entered new regions, expanded into additional end markets, and introduced engineered, patented solutions addressing critical customer needs. The Company also scaled its operational footprint and strengthened commercial execution. These collective efforts positioned USA Industries as a diversified platform poised for continued accelerated growth.

“Over the past several years, USA Industries has transformed into a more innovative and agile organization while remaining deeply committed to our customers,” said Justin Watts, CEO of USA Industries. “During Sky Island’s investment period, USA Industries executed initiatives to accelerate new product development, enter new markets, and strengthen the capabilities of our team. I’m incredibly proud of what we’ve built together and excited for the continued opportunities ahead for USA Industries.”

“Our investment in USA Industries exemplifies Sky Island’s strategy of partnering with strong management teams to build durable, differentiated businesses,” said Jack Waterstreet, Managing Partner of Sky Island. “Justin and the team executed at a high level, enhancing the Company’s capabilities and accelerating growth across multiple areas. We are grateful for the partnership and excited for the Company’s future.”

Piper Sandler served as exclusive financial advisor to Sky Island and USA Industries in connection with the M&A transaction and exclusive debt advisor with respect to the staple financing in the marketing process. Jones Day served as legal counsel to Sky Island and USA Industries.

## About Sky Island Capital

Sky Island Capital ([www.skyislandcap.com](http://www.skyislandcap.com)) is a lower middle market private equity firm headquartered in Dallas, Texas that focuses exclusively on partnering with privately held manufacturing companies in North America. Sky Island was born out of the desire to work alongside entrepreneurs and family business owners to serve as a resource and strategic partner with one goal in mind – growth. Sky Island focuses on situations where it can draw upon its deep operational and management experience to support senior management in driving significant value creation through operational and strategic partnership.

## About USA Industries

USA Industries (<https://www.usaindustries.com/>) is a manufacturer of innovative piping maintenance products, serving blue-chip refining, petrochemical, chemical, industrial, OEM, and engineering, procurement, and construction customers. The Company is headquartered in South Houston, Texas and maintains a diverse customer base throughout North America and internationally. GripSafe® is a patented, high pressure isolation and testing plug that utilizes Gritlock™ Wedge Surface Coating and high performance Tri-Ply™ Seals to instantly secure the product and provide superior self-gripping performance without damaging the surface of the pipe. Snap It® Mechanical Tube Plugs are cost-effective and reliable tube plugs that can be installed without welding and in 80% less time, avoid tube sheet damage completely, and are rated at 1,000 pounds per square inch differential (psid).

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