



# Riverside

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**RIVERSIDE TAPS POTENTIAL WITH LATEST ACQUISITION**

*Firm Invests in 'Green' Electric Tankless Water Heater Manufacturer*

**(October 1, 2008)** – The Riverside Company recognized the simmering market for electric tankless water heaters and acquired Eemax, Inc., the leading manufacturer of the devices for commercial, industrial and residential markets. Riverside's deal flow has kept a steady pressure as Eemax is the 25th acquisition for the firm this year.

Tankless electric water heaters provide on-demand hot water without continually storing and heating water. Eemax products are used in single and multiple hand-wash sinks, emergency eyewash and drench showers, dishwashers, whole homes, boosters for specific applications and other instances where water is heated at point of use. The company's unique heating-chamber design is patented and its products are sold through independent representatives, plumbing wholesalers, original equipment manufacturers, modular building manufacturers, exporters and retail outlets. Founded in 1988 and headquartered in Oxford, Connecticut, Eemax sells to customers in 30 countries around the world.

"Eemax is an example of our emphasis on fast-growing companies," said Loren Schlachet, Riverside Managing Partner. "Demand for tankless water heaters is on the rise due to their superior efficiency in the face of rising energy costs. Riverside plans to continue Eemax's growth by expanding distribution, increasing the company's product portfolio and broadening its customer base. In addition, the attractiveness of the device's smaller size, longer life and 'green' efficiency allows Eemax to tap into the rising demand for tankless water heaters."

Eemax joins several of Riverside's portfolio companies that offer 'green' products, such as SIGG Switzerland, a manufacturer of aluminum drinking bottles. In addition, Riverside has recently added a sustainability consultant to its "Toolkit" of partners available to assist the firm's portfolio companies in addressing these efforts.

"Tankless water heaters are poised to hit the mainstream, thanks to recent technological advances and industry dynamics," said David Corrado, Eemax President and CEO. "We are looking forward to Riverside's support to raise the profile of Eemax and increase market share via expanding the market."

"In Europe and Asia, electric tankless heaters are widely accepted in commercial, industrial and residential settings," said Schlachet. "Conversely, these products are primarily found in commercial settings in the United States. "The worldwide appeal and Riverside's experience in building companies internationally are a great fit for the growth of Eemax."

Working with Schlachet on the acquisition from Riverside were Alan Peyrat, Vice President; Jeff Tobin, Operating Partner; and Analysts Beth Lesniak and Kenny Shum. The transaction was sourced by Robert Landis, Partner, who leads the firm's North American Origination team, and equity was provided by

[www.riversidecompany.com](http://www.riversidecompany.com)

*Riverside Acquires Electric Tankless Water Heater Manufacturer*

Riverside Micro-Cap Fund (“RMCF”). CharterOne financed the transaction and Consilium Partners advised the sellers.

**The Riverside Company** ([www.riversidecompany.com](http://www.riversidecompany.com) or [www.riversideeurope.com](http://www.riversideeurope.com))

The Riverside Company is the largest global private equity firm focused on the smaller end of the middle market (“SEMM”) and is one of the industry’s most experienced leveraged buyout investors. Riverside specializes in investing in premier SEMM companies (those valued up to \$150 million) and partners with strong management teams to build companies through acquisitions and value-added growth. Since 1988, the firm has invested in 201 transactions with a total enterprise value of \$4.4 billion. Its current portfolio in North America, Europe and Asia numbers 68, with combined annual sales of \$3.2 billion, EBITDA of \$517 million and more than 14,000 employees. Riverside offers the resources to complete acquisitions smoothly and in as little as 45 days - thanks to its sizeable pool of capital under management (more than \$2 billion in nine funds), over 180 professionals in 18 offices (Atlanta, Brussels, Budapest, Chicago, Cleveland, Dallas, Eindhoven, Hong Kong, Los Angeles, Madrid, Munich, New York, Prague, San Francisco, Seoul, Stockholm, Tokyo and Warsaw), and long-standing relationships with partner lenders. Six of nine of the firm’s mature vintages are currently top quartile, and the firm’s investors include the world’s leading pension funds, endowments, funds-of-funds, insurance companies and banks.

**Eemax, Inc** ([www.eemaxinc.com](http://www.eemaxinc.com))

Since 1998, Eemax tankless hot water heaters have been used in industrial, residential and commercial applications. The heaters offer hot water on demand by heating water at the point of use instead of storing hot water. The company’s patented common heating chamber and interchangeable heating and electric control components make Eemax hot water heaters the number one choice for customers in 30 countries around the world.

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