

Eemax - Overview



Leading manufacturer and distributor of electric tankless water heaters to the commercial, industrial and residential markets in the United States

Investment Overview

Initial Investment Date: September 2008

Realization Date: December 2015

Investment Thesis

- 40% market penetration (at acquisition) in the commercial segment with the broadest range of water heaters & with the best commercial sector distribution
- Established brand with 20+ year market presence in commercial sector
- Significant growth potential from improving core commercial products to resolve quality issues and from expanding into residential & industrial market segments
- Margin improvement opportunity given batch production process and local sourcing combined with high warranty costs
- Sales force had established very good relationships with key customers but large opportunity to expand marketing function and professionalize the sales function

Investment Highlights and Company Accomplishments

- Completed transformative acquisition, providing entry into residential market sector and manufacturing operations in China.
- Replaced and expanded the management team including CEO, VP of Operations, VP Marketing, CFO & 2 senior engineers.
- Implemented lean manufacturing principals to reduce labor and material costs and reduce warranty costs
- Created a product roadmap & executed it via organic product development and add-on acquisition
- Upgraded marketing, product packaging and sales functions

