



## Edgewater Announces the Sale of Portfolio Company ETX

Edgewater Growth Capital Partners, II L.P. (“Edgewater”) is pleased to announce the sale of its portfolio company ETX Holdings, Inc. (“ETX” or the “Company”). ETX is a manufacturer and distributor of remanufactured auto parts with operations in Michigan, Texas and Tennessee. The sale of the Company was completed in February 2014 to a large industry participant backed by a private equity sponsor.

ETX was acquired in December 2006 as a platform from which to acquire additional automotive parts manufactures. Given the contrarian nature of the investment, Edgewater expected to complete add-on acquisitions at very favorable purchase multiples. During the investment period, management completed five acquisitions, primarily of small distribution businesses which were completed for prices close to the value of the assets acquired. On average, the purchase price multiple for these acquisitions was 3.2 times pro forma EBITDA.

ETX has been led by a very good management team who successfully guided the Company through the severe recession of 2008-2009 during which General Motors, Daimler Chrysler and many auto part suppliers were driven into bankruptcy. During this period, the Company maintained a low level of third party debt and aggressively managed cash flow. Despite the recession, our expectation that the domestic auto industry would eventually return to financial health came to fruition. ETX was sold at an effective valuation multiple that was over twice what Edgewater paid for the company.

### ABOUT EDGEWATER

The Edgewater Funds is a Chicago-based private equity firm with \$1.4 billion in committed capital. Through Edgewater Growth Capital Partners, we partner with management to help accelerate growth in their businesses. Edgewater focuses on funding high quality middle market companies where we can add substantial value through our capital, our experience and our broad network. Edgewater leverages the experiences of its Partners and the Executive Advisory Board who have distinguished themselves as successful CEOs and business leaders.

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