

# MERGERS & ACQUISITIONS

March 2013

## The M&A Mid-Market Awards

### PRIVATE EQUITY FIRM OF THE YEAR

## The Riverside Company

As one of the most active middle-market private equity firms in the world, The Riverside Company would likely be worth considering for first prize in the private equity category in any year, but the firm truly dominated in 2012. The firm, which celebrates its 25th anniversary in 2013, marked many milestones in 2012, including closing its 300th deal. Riverside enjoyed impressive results across three areas – acquisitions, realizations and fundraising. Riverside set a number of firm records in terms of transactions during the year: 50 total transactions, 36 acquisitions and 14 exits. These tallies helped the firm achieve remarkable lifetime numbers, including 80 exits.

With chief operating officer Pam Hendrickson's being named vice chairman of the Association for Corporate Growth (ACG), Riverside further solidified its role as a thought leader in the private equity industry, during a period in which the asset class was under public attack due to Republican presidential nominee Mitt Romney's background as the co-founder of Bain Capital.

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"In 2012, so much of the attention on private equity was really riveted on a handful of the biggest firms because of the election," says Riverside co-CEO Stewart Kohl. "We don't think that's the real story of private equity. There's nothing wrong with them, and they play a valuable role in the capital markets, but what we spend our time on at Riverside is finding, buying and building up great little companies. This is the entrepreneurial backbone of our economy. These are the companies that create jobs, create products, pay taxes and build communities."

To his point, Riverside acquired a number of promising businesses, including some household names. One portfolio company, notification expert Emergency Communication Network (ECN), saw three add-ons. Riverside itself took advantage of ECN during



**Béla Szigethy, Stewart Kohl**

Hurricane Sandy, when the firm used the company's services to communicate with employees.

Several well-known brands, including stroller maker Baby Jogger, joined the portfolio. And Australian software and training company Learning Seat became the first Riverside Asia-Pacific Fund II acquisition, part of a trend of growth in the region for the firm.

Exits generated more than \$700 million in distributions and averaged a 2.1 times net return. Among Riverside's exits were: Wildlife International, a Riverside Micro-Cap Fund II investment, which generated net cash-on-cash returns of 11.8 times; and DuBois Chemicals, an RCAF V platform, which generated a 4.2 times net cash-on-cash return.

Riverside also fared well in fundraising. It enjoyed the first close on two new funds in 2012, the Riverside Capital Appreciation Fund VI, which is targeted at \$1 billion, and the Riverside Asia-Pacific Fund II, targeted at \$150 million.

"We're 25, and we know who we are," beams Kohl. "We know what we're good at and what we're not good at. We've done a good job of sticking to our knitting -- finding great little companies and making them bigger and better, all around the world."

—*Mary Kathleen Flynn*



*Riverside*