



CROFT & BENDER

Q1 2024 Market Report



Mergers & Acquisitions



Private Equity



Financial Advisory



CONTACT US

OVERVIEW

Since 1996, Croft & Bender has provided superior M&A, private capital raising, and financial advisory services to middle-market and emerging growth companies. The senior professionals have completed more than 1,000 corporate finance engagements, resulting in deep experience across a broad set of industries and types of transactions. In addition, the firm manages C&B Capital, three growth equity funds with over \$82 million under management.

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BROAD INDUSTRY EXPERTISE

BUSINESS SERVICES
 Information Services
 Marketing Services
 Financial Services
 Outsourced Services
 A/R Management
 Staffing
 Consulting

TECHNOLOGY
 Software/SaaS
 Financial Technology
 Human Capital Management
 Internet Marketing
 E-Commerce
 Security/Compliance
 Business Intelligence
 Telecommunications

INDUSTRIAL
 General Manufacturing
 Building Products
 Logistics
 Specialty Contracting
 Distribution
 Industrial Services
 Chemicals

HEALTHCARE
 Healthcare IT
 Clinical Services
 Outsourced Services
 Alternate Site Care
 Medical Products/Distribution

CONSUMER
 Products/Services
 Franchising
 Restaurants
 Retail
 Entertainment/Leisure

DEAL CRITERIA

MERGERS & ACQUISITIONS

- Buy side/sell side
- Enterprise Values up to \$500 million
- EBITDA greater than \$5 million
- Exceptions to typical EBITDA criteria:
 - Technology/High growth companies
 - Special situations

EQUITY & DEBT CAPITAL RAISES

- Middle-market companies
- Emerging growth businesses
- Large market opportunity
- Experienced management team
- Differentiated product or service
- Greater than \$20 million capital need



REPRESENTATIVE TRANSACTIONS

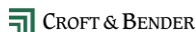
BUSINESS SERVICES



has been recapitalized by



Russell Landscape is a leading provider of commercial landscape services.



TECHNOLOGY



has completed a majority recapitalization of



Grayshift is a leading and trusted provider of digital forensics solutions.



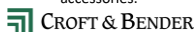
INDUSTRIAL



has been recapitalized by



U.S. Cabinet Depot is a leading wholesale distributor of ready-to-assemble (RTA) cabinets and accessories.



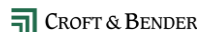
HEALTHCARE



has been recapitalized by



BonaDent is a leading provider of high-quality, domestically-produced, complex dental restorations.



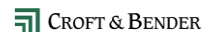
CONSUMER

Fresh Produce Distribution Company

has been acquired by a portfolio company of an

Undisclosed Buyer

Fresh Produce Distribution Company is a leading distributor of high-quality fresh produce..



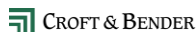
has been acquired by



a portfolio company of



Entek is a leading provider of commercial HVAC, building automation, and energy services.



has been acquired by



a portfolio company of



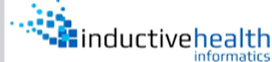
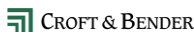
Vision is a leading provider of end-to-end Managed Mobility Services and Mobile Telecom Expense Management.



has been recapitalized by



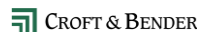
Acme Barricades is a leading provider of traffic control and pavement marking products and services.



has completed a growth recapitalization led by



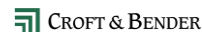
InductiveHealth is a leading provider of public health disease surveillance solutions.



has been acquired by



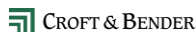
Piece of Cake is a leading provider of specially baked cakes and treats that are available for shipping to customers around the U.S.



has been recapitalized by



Dixie is a leading provider of electrical, plumbing, and HVAC services to residential and commercial customers.



has issued

\$47 million of Series A Preferred Stock to an investor group led by



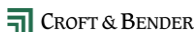
Grayshift is a leading and trusted provider of digital forensics solutions.



has been acquired by



NBS is a leading provider of maintenance and repair services to industrial boiler systems.

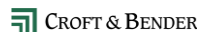


Prescription Drug Management Solution Provider

has completed a debt recapitalization with a syndicate led by



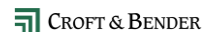
The client is a leading provider of innovative prescription drug management solutions.



has been acquired by



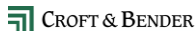
Potters Home Center is a leading hardware and building materials retailer operating 21 Home Centers across Tennessee and Kentucky.



has been recapitalized by



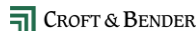
Enviro-Master is a leading franchise provider of hygiene, sanitation, and disinfection services to commercial businesses across North America.



has acquired



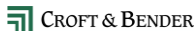
IDology is a leading provider of identity verification and fraud prevention services.



has partnered with



Regal Roofing is a leading provider of residential roofing repair services.



has been recapitalized by



MediStreams is a leading provider of healthcare remittance, reconciliation and payment automation solutions.

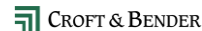


Tech-Enabled Real Estate Brokerage Company

has been acquired by

Undisclosed Buyer

The client is a leading technology-driven residential real estate lead generation and brokerage platform.



FEATURED TRANSACTIONS

COMPANY OVERVIEW

- Headquartered in Buford, GA, Engineered Technical Services, Inc. and its affiliated entity Engineered Comfort Services, Inc. (together, “Entek” or the “Company”) is a leading provider of commercial HVAC, building automation, and energy services
- The Company provides HVAC installation, maintenance, and repair services exclusively for retrofit and remodel jobs to commercial customers across seven states
- Entek’s turnkey building automation & energy services include the commissioning, installation, maintenance, and repair of building systems to blue-chip customers across the U.S.

DEAL OVERVIEW

- Entek engaged Croft & Bender to run a process to help the Company find a partner to provide shareholder liquidity, support its continued growth, and provide a path for the founder to eventually transition from the business
- Croft & Bender worked with the Company to develop marketing materials, build a financial model, conduct management presentations, manage the diligence process, and negotiate with potential buyers
- Croft & Bender successfully negotiated a majority recapitalization with PremiStar, a portfolio company of Partners Group



has been acquired by



a portfolio company of



Entek is a leading provider of commercial HVAC, building automation, and energy services.



COMPANY OVERVIEW

- Headquartered in Atlanta, GA, U.S. Cabinet Depot (“USCD” or the “Company”) is a leading national wholesale distributor of ready-to-assemble (RTA) cabinets and accessories, primarily serving the residential remodel market
- The Company provides both framed and frameless cabinets and associated accessories to a nationwide network of dealers
- The Company utilizes extensive inventory, efficient supply chain management, and proprietary e-commerce tools across its six warehouses to enable industry leading turnaround times and highly efficient scale

DEAL OVERVIEW

- USCD engaged Croft & Bender to help the Company evaluate strategic alternatives, including providing shareholder liquidity and supporting its continued growth
- Croft & Bender worked with the Company to produce financial analyses, coordinate diligence materials, assemble a data room, and facilitate discussions with potential partners
- Croft & Bender successfully negotiated a majority recapitalization of USCD by Riverside



has been recapitalized by

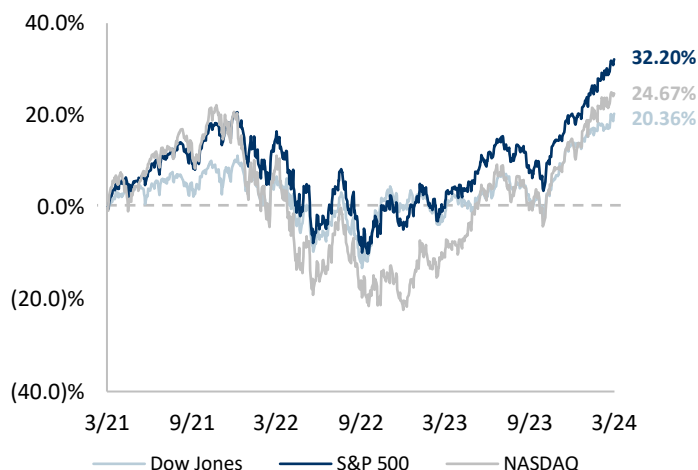


U.S. Cabinet Depot is a leading wholesale distributor of RTA cabinets and accessories.

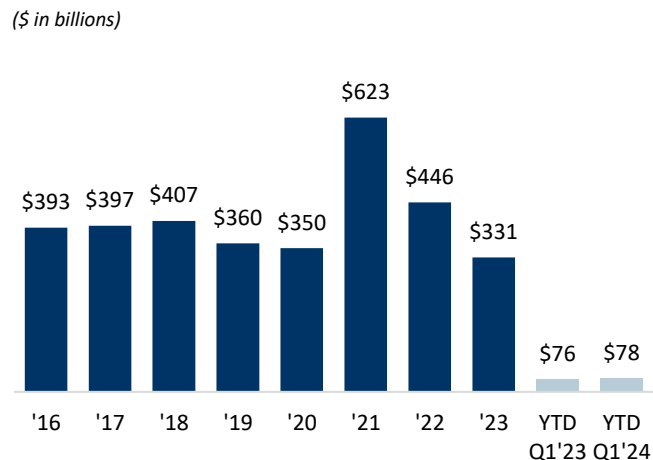


KEY CAPITAL MARKETS DATA

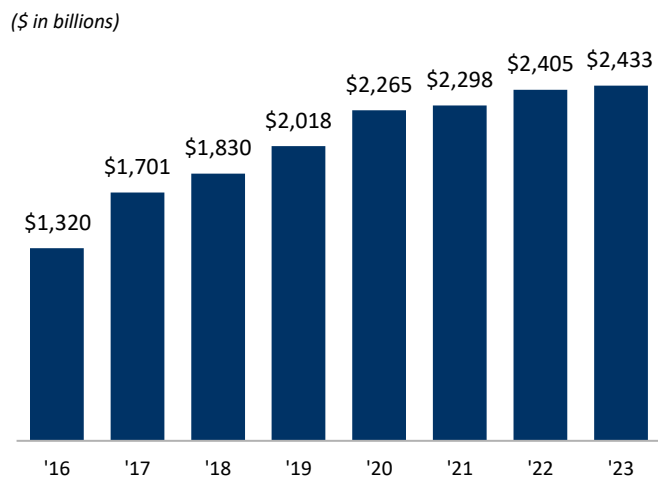
Public Equity Markets



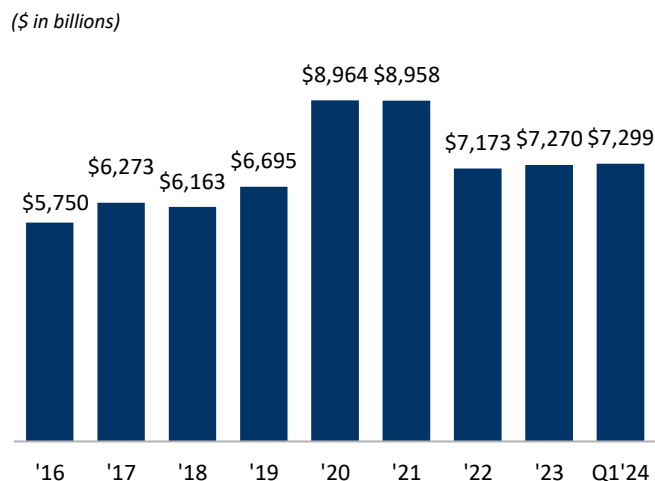
Middle Market Deal Volume



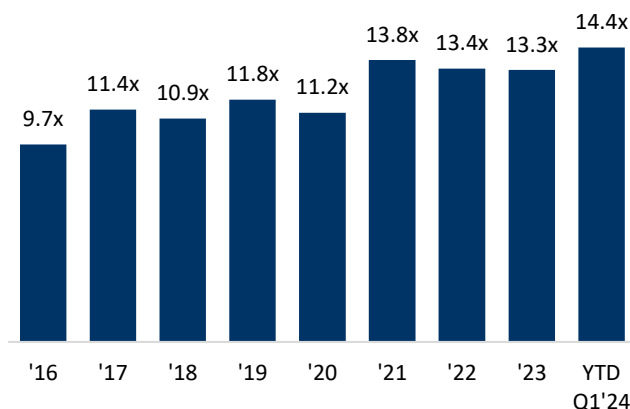
Private Equity Dry Powder



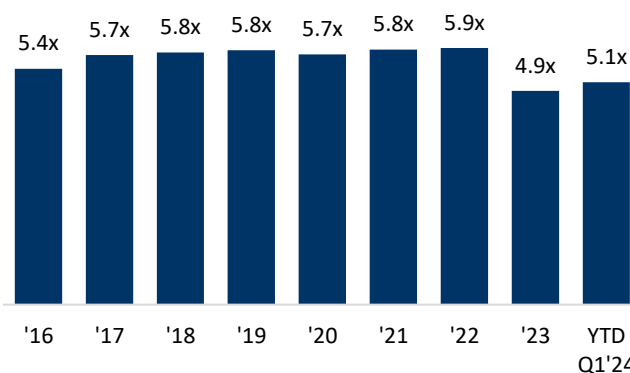
Cash on Corporate Balance Sheets⁽¹⁾



PE Enterprise Value / EBITDA Multiples



PE Debt / EBITDA Multiples

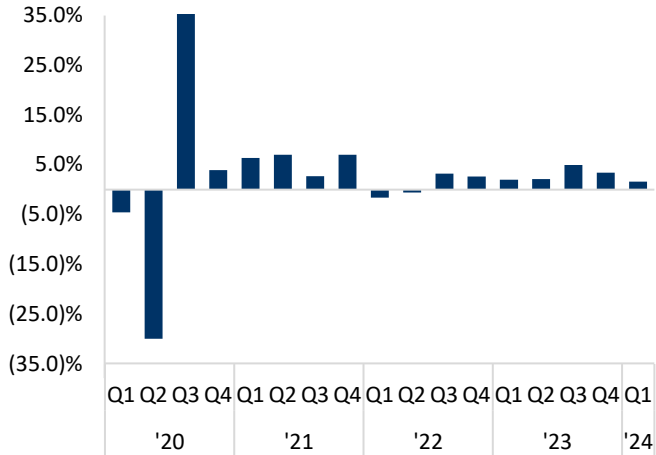


Note: Middle-market transactions have a disclosed enterprise value of less than \$1 billion.

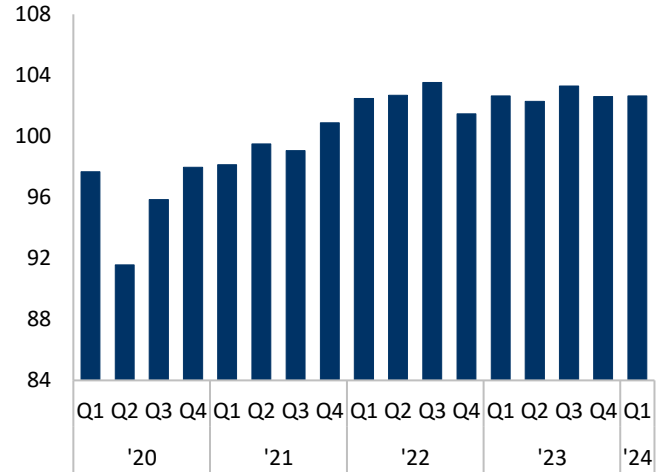
(1) Reflects current S&P 500 constituents.

KEY ECONOMIC DATA

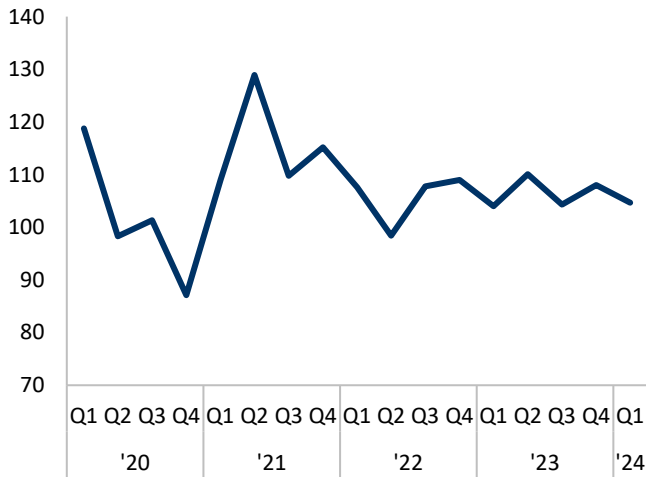
Real GDP Growth



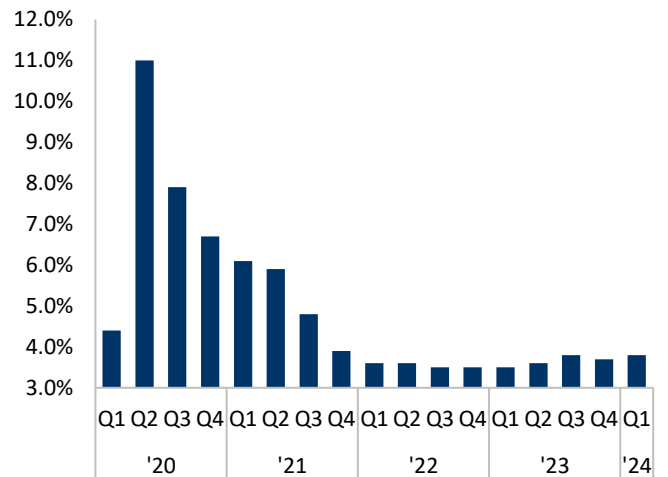
Industrial Production⁽¹⁾



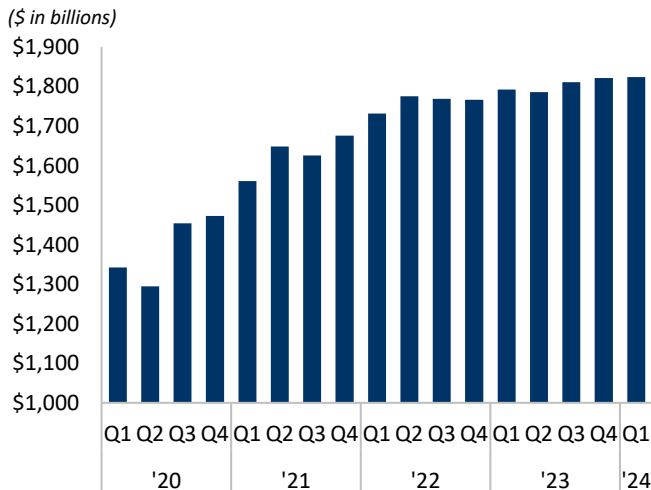
Consumer Confidence⁽²⁾



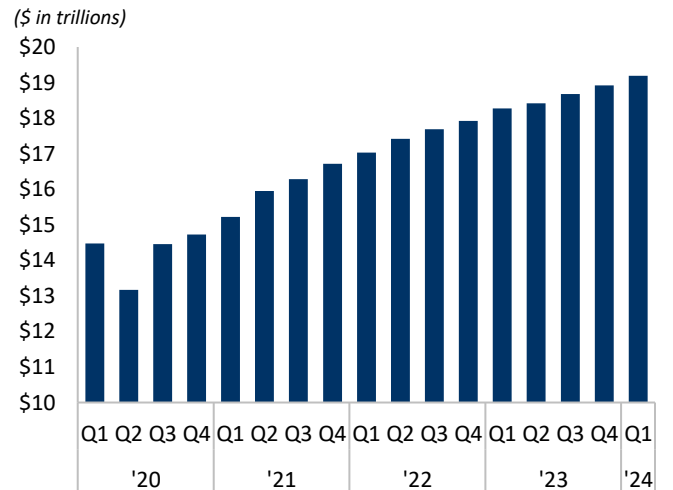
Unemployment Rate



Retail Sales



Consumer Spending



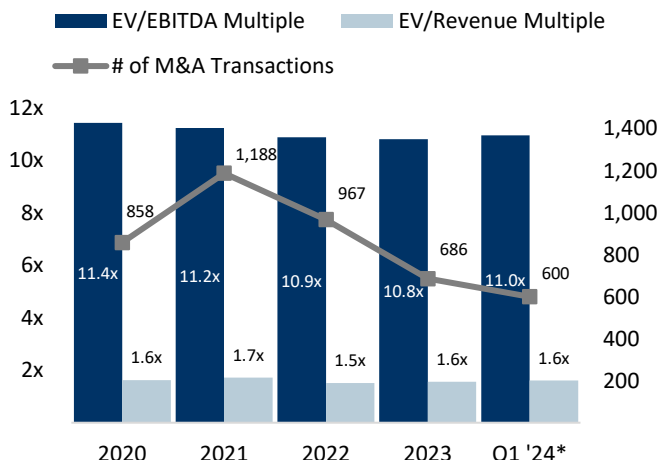
(1) Indexed relative to 2017.

(2) Indexed relative to 1985.

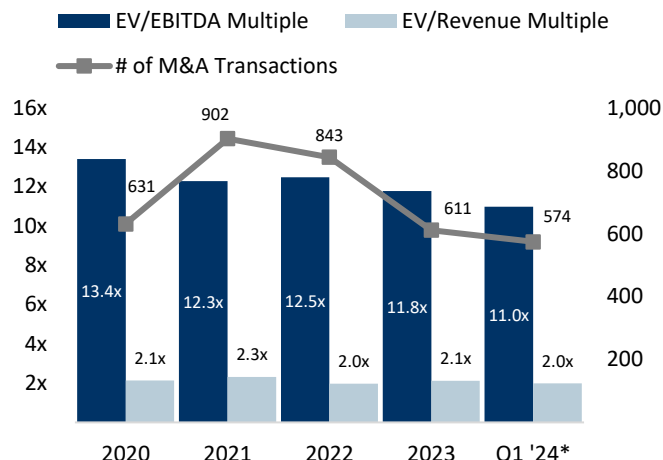


AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

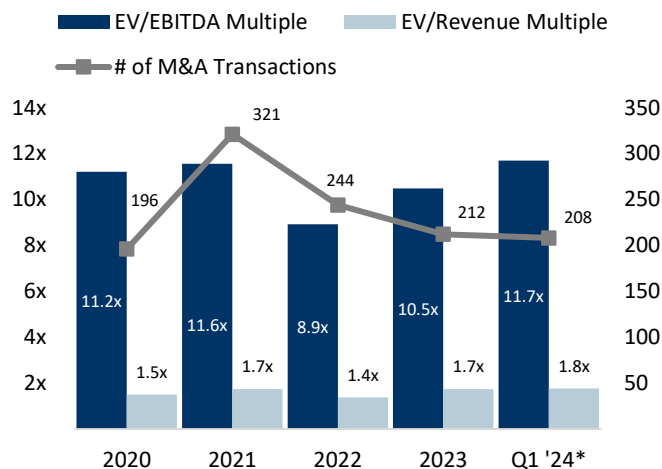
General Industrial



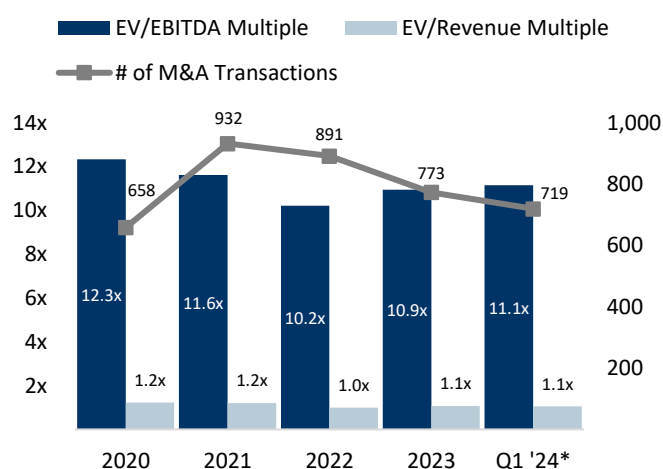
IT Consulting & Other Services



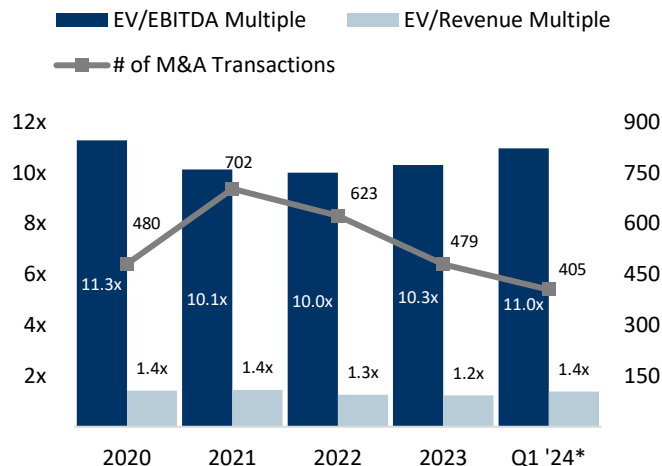
Building Products



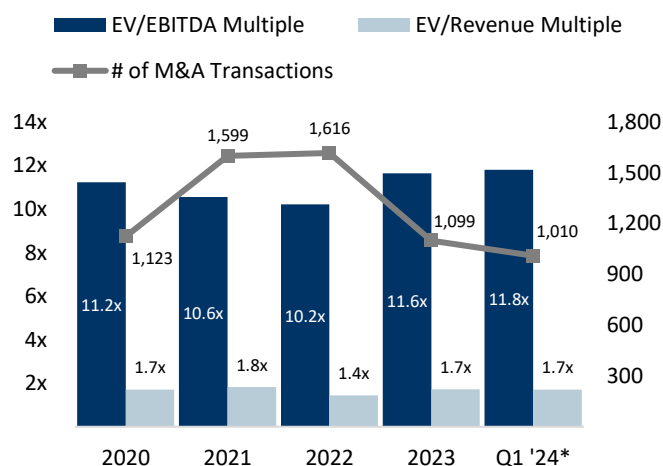
Trading Companies & Distributors



Retailing



Consumer Services

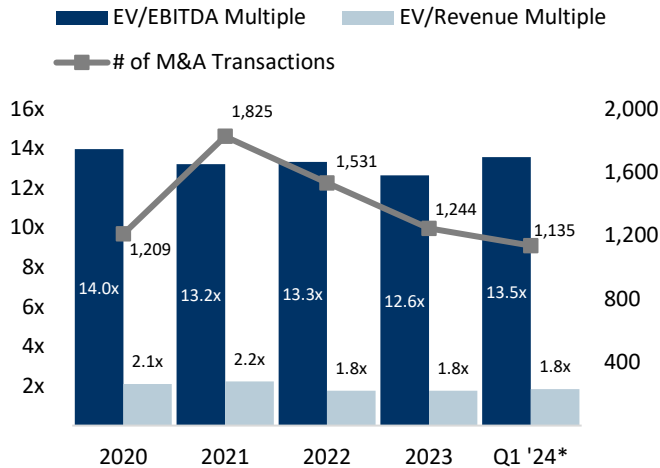


*Latest twelve months as of March 31, 2024.

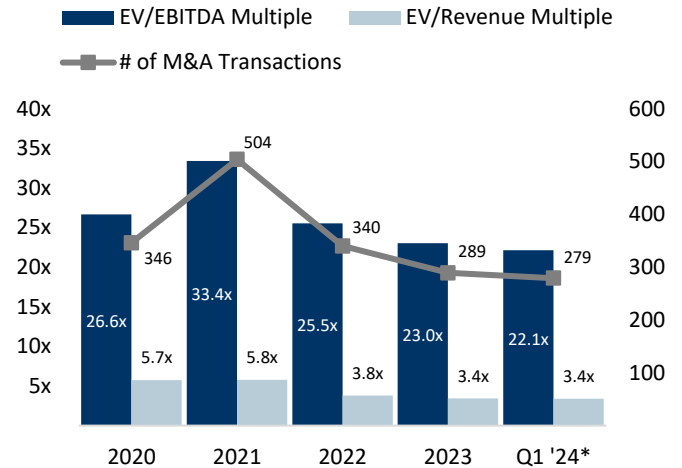
Note: EV = Enterprise Value.

AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

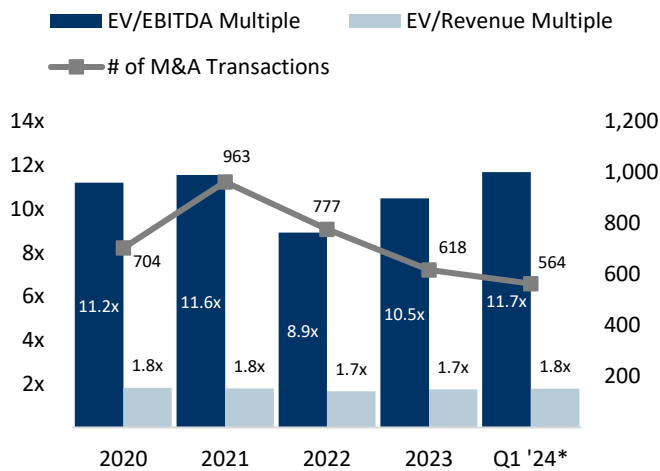
Healthcare Facilities



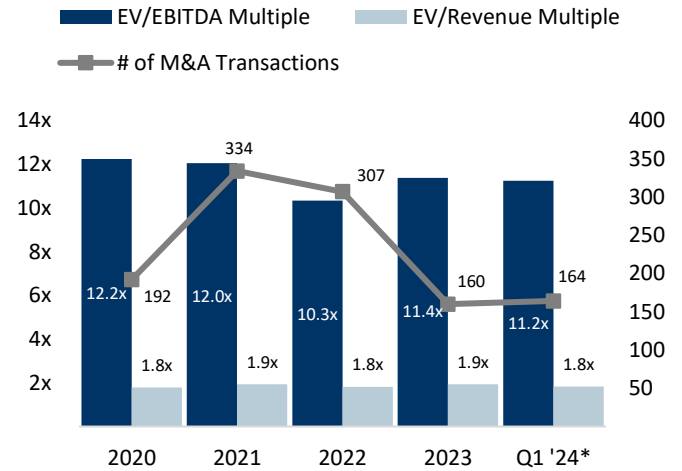
Healthcare Software



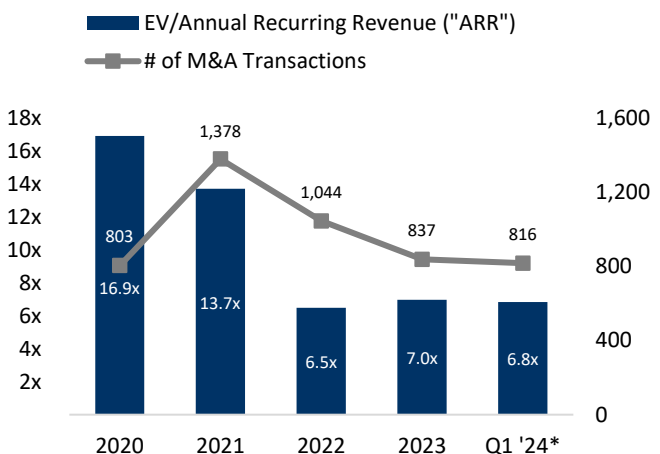
Healthcare Services



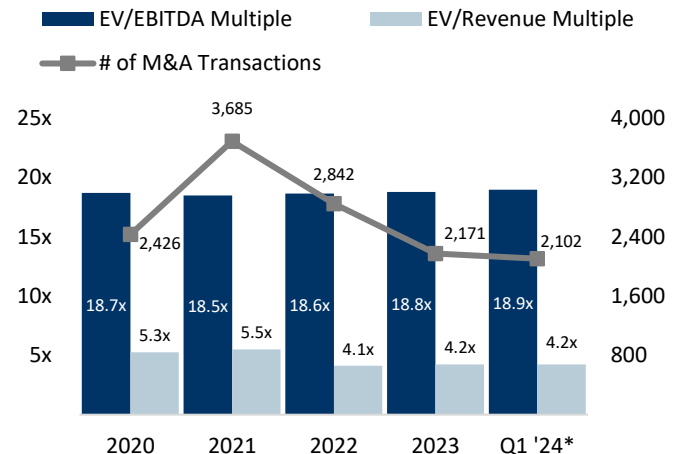
BPO & Outsourced Services



Software-as-a-Service⁽¹⁾



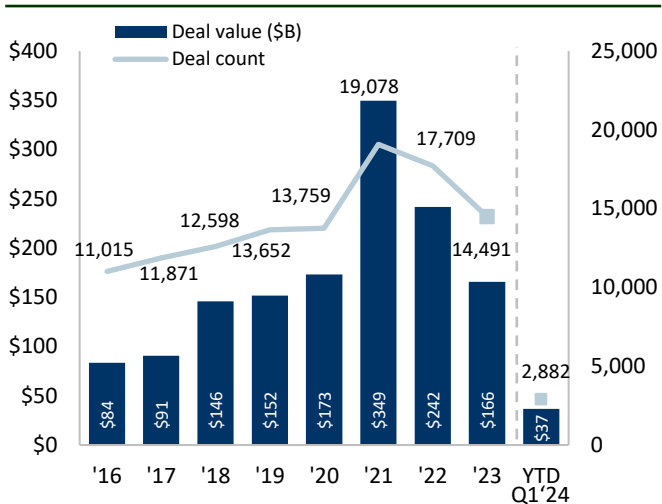
General Software & Services



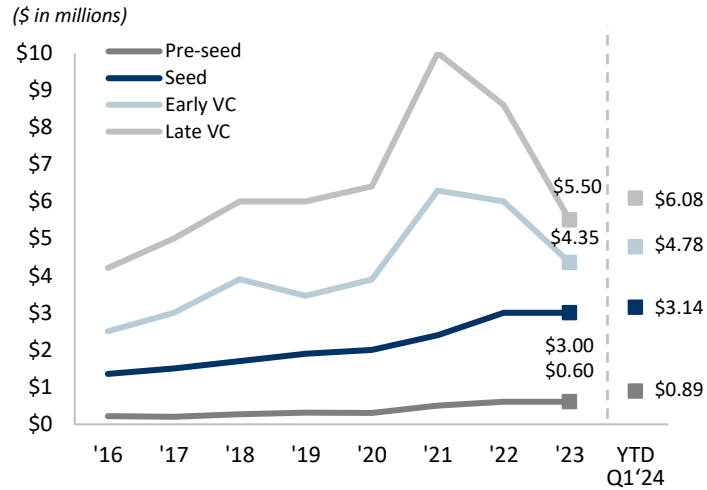
(1) SaaS Capital Enterprise Value / ARR Index.
 *Latest twelve months as of March 31, 2024.
 Note: EV = Enterprise Value.

PRIVATE CAPITAL DATA

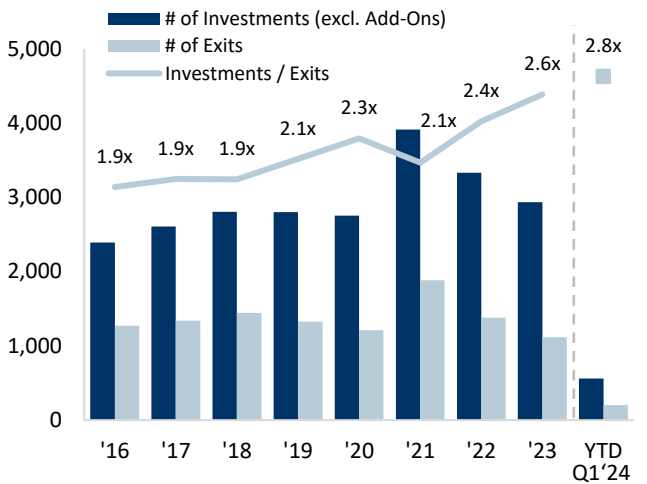
U.S. VC Activity by Year



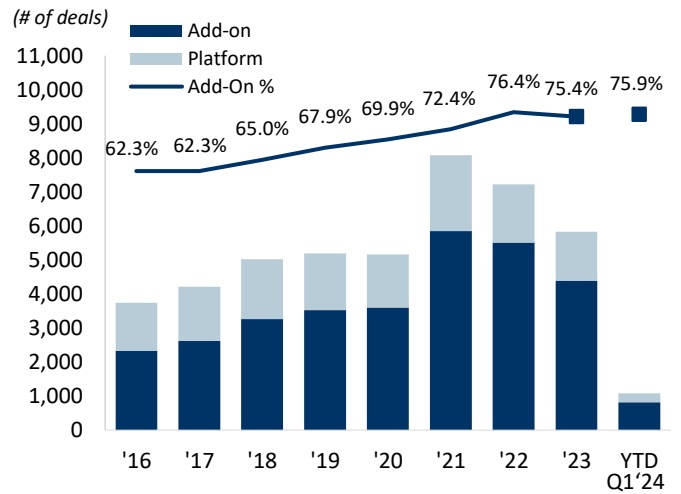
Median VC Round Size by Stage



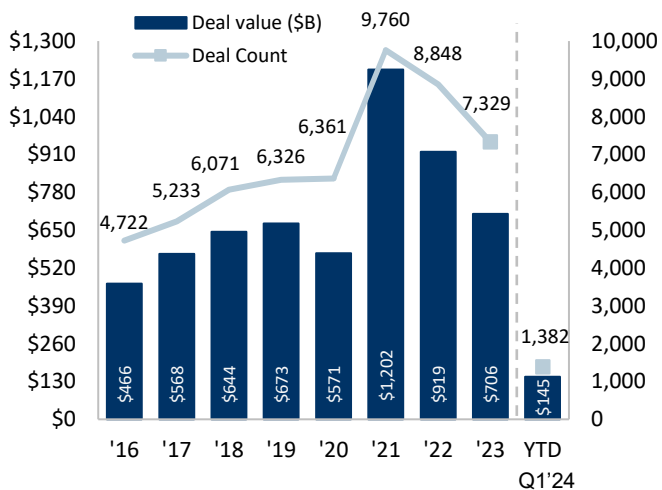
U.S. Private Equity Investments vs Exits



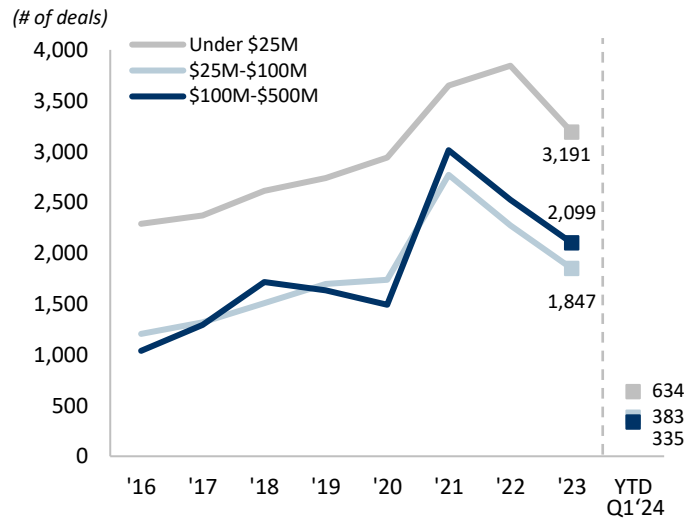
U.S. Private Equity Add-ons vs Platforms



U.S. Private Equity Activity by Year



U.S. Private Equity Deals by Deal Size





DISCLOSURES

Croft & Bender LP (www.croft-bender.com) is a leading middle market investment bank focused on the advisory needs of clients nationwide. The firm has extensive industry knowledge, transaction expertise, and a commitment to its clients' success. Croft & Bender LP provides sell-side and buy-side advisory, capital raising, and financial advisory.

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