



# CROFT & BENDER

## Q2 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

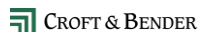
### BUSINESS SERVICES



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.



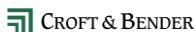
### INDUSTRIAL



has been recapitalized by



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



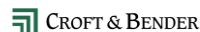
### HEALTHCARE



has been recapitalized by



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



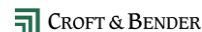
### CONSUMER

#### *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.



a portfolio company of



has been acquired by



Southern Exteriors is a leading installer of siding, roofing, and other building products in the Southeastern U.S.



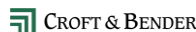
has been acquired by



a portfolio company of



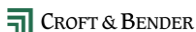
Vision is a leading provider of end-to-end Managed Mobility Services and Mobile Telecom Expense Management.



has been recapitalized by



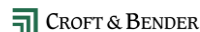
Acme Barricades is a leading provider of traffic control and pavement marking products and services.



has completed a growth recapitalization led by



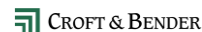
InductiveHealth is a leading provider of public health disease surveillance solutions.



has been acquired by



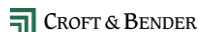
Piece of Cake is a leading provider of specially baked cakes and treats that are available for shipping to customers around the U.S.



has been acquired by



Sunshine Air Conditioning is a leading provider of residential HVAC maintenance, replacement, and installation services.



has issued

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



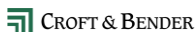
Grayshift is a leading and trusted provider of digital forensics solutions.



has been acquired by



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

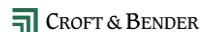


#### *Prescription Drug Management Solution Provider*

has completed a debt recapitalization with a syndicate led by



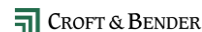
The client is a leading provider of innovative prescription drug management solutions.



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 acquired by



a portfolio company of



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



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

- Russell Landscape Group, Inc. (“Russell” or the “Company”) is a leading commercial landscape services provider offering landscape maintenance, design, color, and installation services in the Southeast.
- Russell is exclusively focused on commercial end markets, providing a reliable and recurring base of customers who rely on Russell’s mission-critical services.

### DEAL OVERVIEW

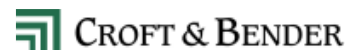
- Croft & Bender was engaged to help the Company find a partner to support its continued growth and geographic expansion, and to provide liquidity for the shareholders.
- Croft & Bender worked with the Company to develop marketing materials, build a financial model, conduct management presentations, manage the diligence process, and negotiate with potential buyers.
- Croft & Bender negotiated a recapitalization with Sterling Group, resulting in a transaction close less than 30 days after signing the LOI.



has been recapitalized by



Russell Landscape is a leading provider of commercial landscape services.



### COMPANY OVERVIEW

- Sunshine Air Conditioning, Inc. (“Sunshine” or the “Company”) is a leading provider of comprehensive HVAC maintenance, repair, replacement, and installation services to residential and institutional customers in central Florida.
- Sunshine’s skilled technicians have established its reputation as one of the top-ranked HVAC providers in the Company’s market.

### DEAL OVERVIEW

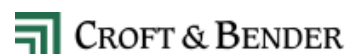
- Croft & Bender was engaged to help Sunshine find a partner to provide shareholder liquidity and support the Company’s continued growth.
- Croft & Bender worked with the Company to build a financial model, develop marketing materials, conduct management presentations, manage the diligence process, and negotiate with buyers.
- Croft & Bender successfully negotiated a sale of Sunshine to Legacy Service Partners, a portfolio company of Gridiron Capital.



has been acquired by

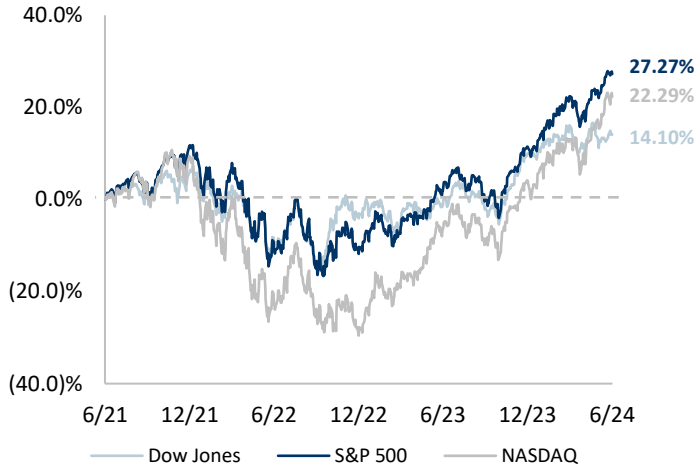


Sunshine Air Conditioning is a leading provider of residential HVAC maintenance, replacement, and installation services.

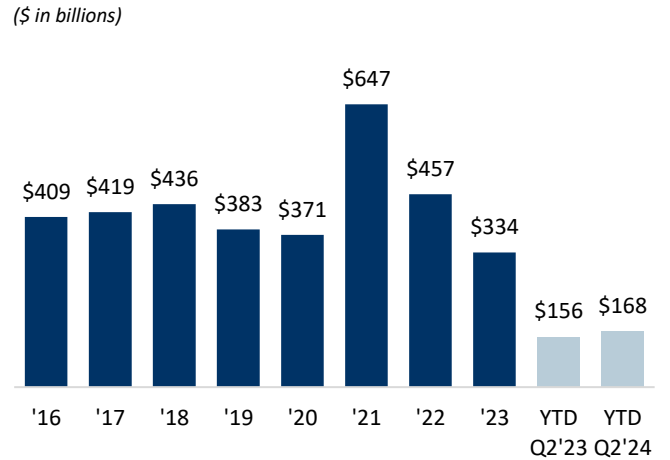


## KEY CAPITAL MARKETS DATA

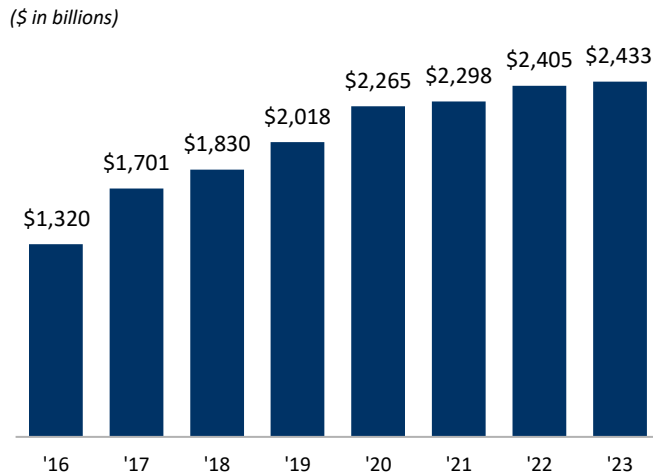
### Public Equity Markets



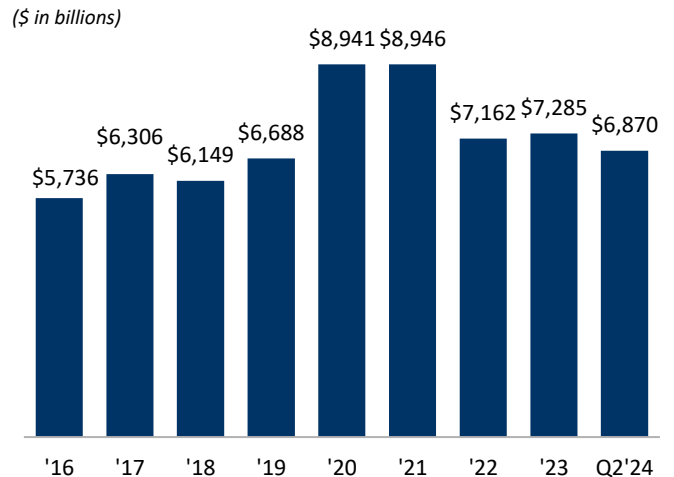
### Middle Market Deal Volume



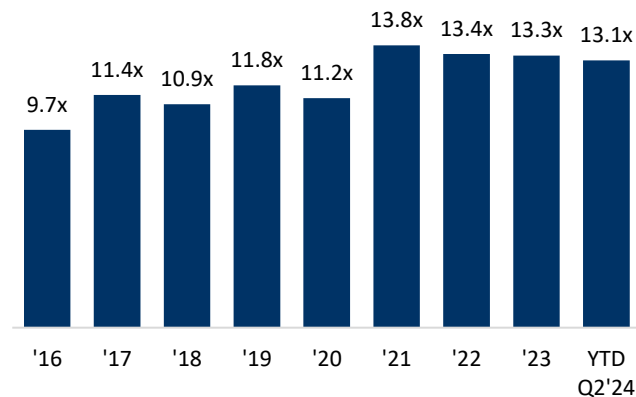
### Private Equity Dry Powder



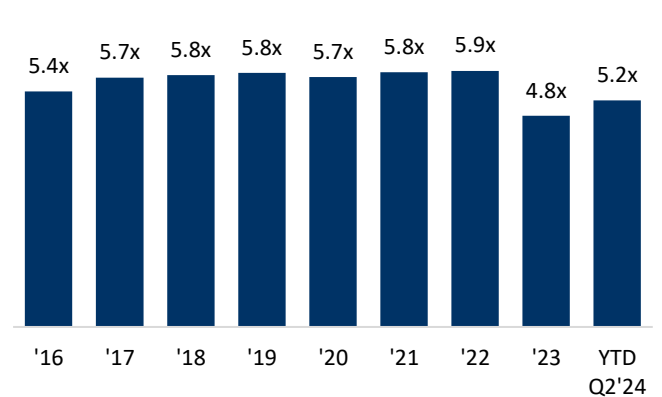
### Cash on Corporate Balance Sheets<sup>(1)</sup>



### PE Enterprise Value / EBITDA Multiples



### PE Debt / EBITDA Multiples

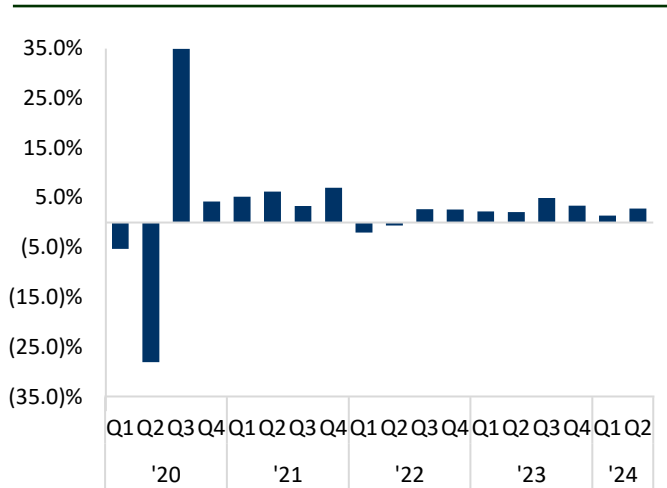


Note: Middle-market transactions have a disclosed enterprise value of less than \$1 billion.

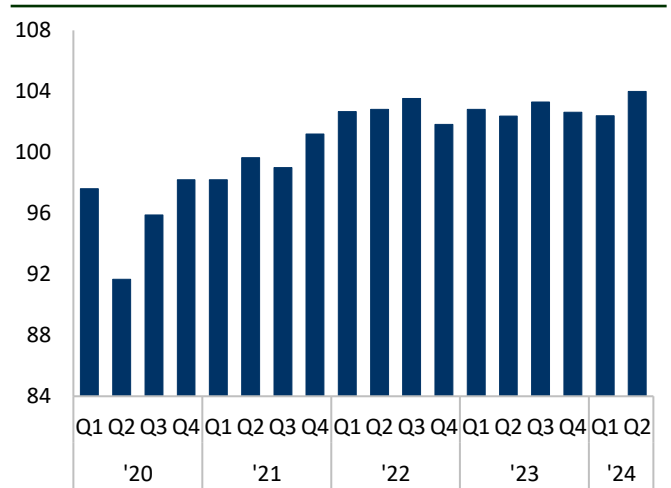
(1) Reflects current S&P 500 constituents.

## KEY ECONOMIC DATA

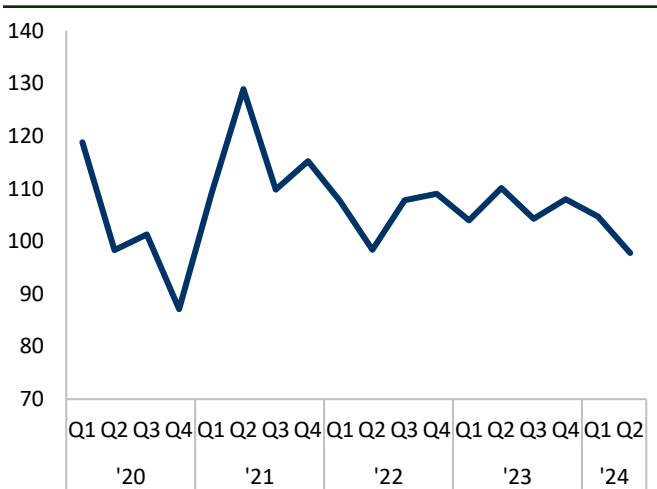
### Real GDP Growth



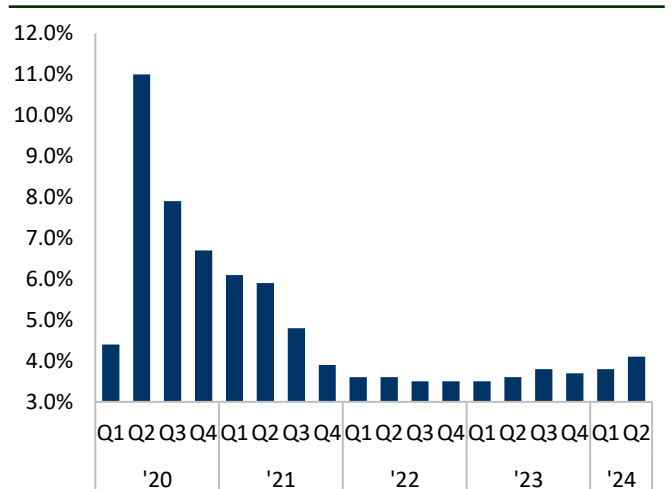
### Industrial Production<sup>(1)</sup>



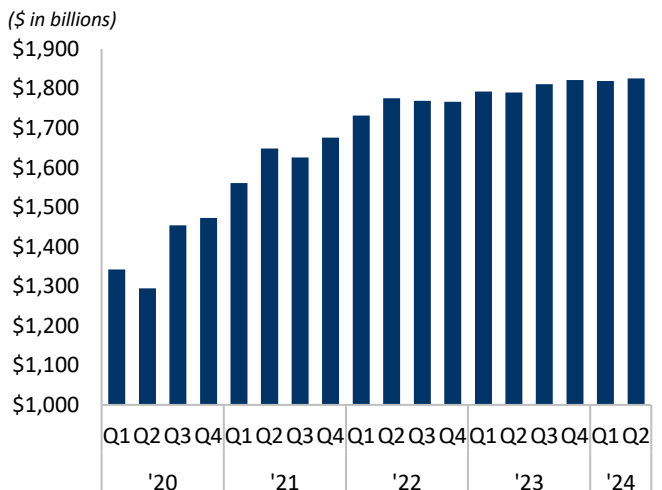
### Consumer Confidence<sup>(2)</sup>



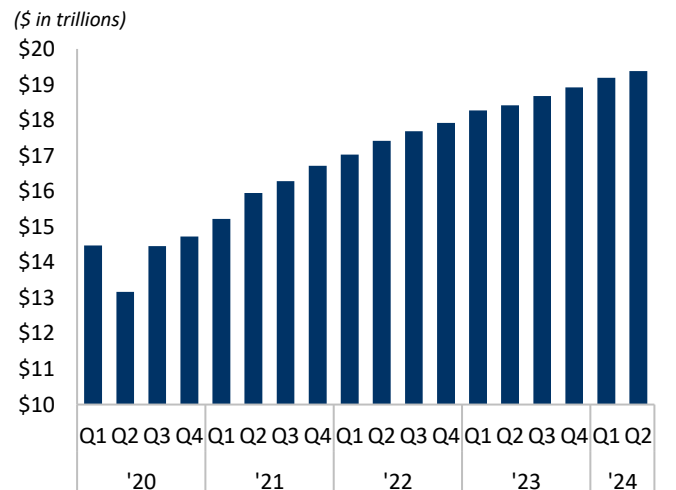
### Unemployment Rate



### Retail Sales



### Consumer Spending



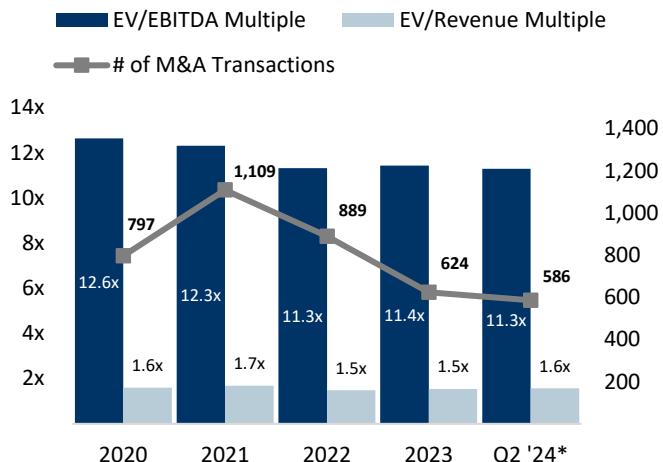
(1) Indexed relative to 2017.

(2) Indexed relative to 1985.

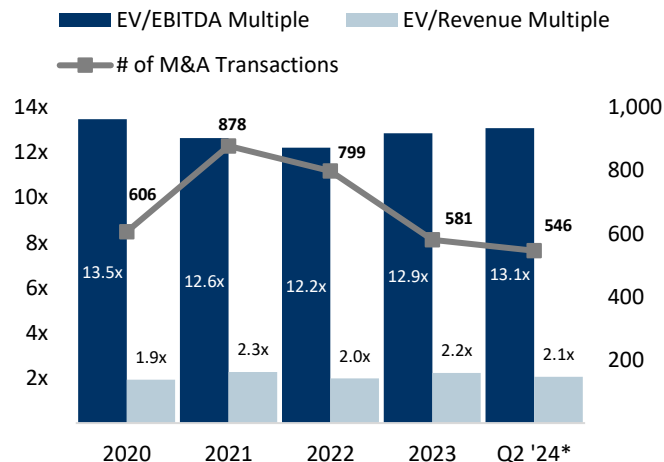


# AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

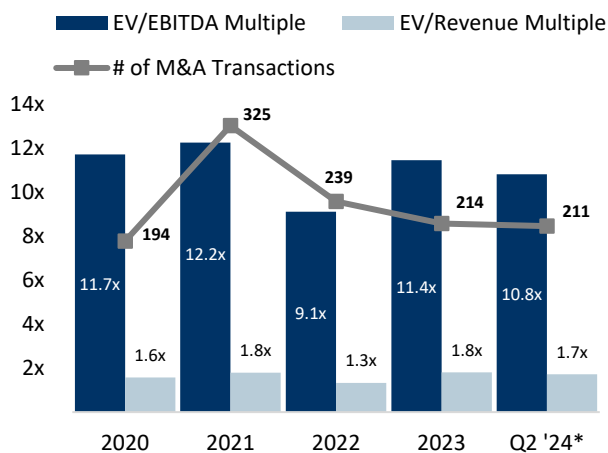
## General Industrial



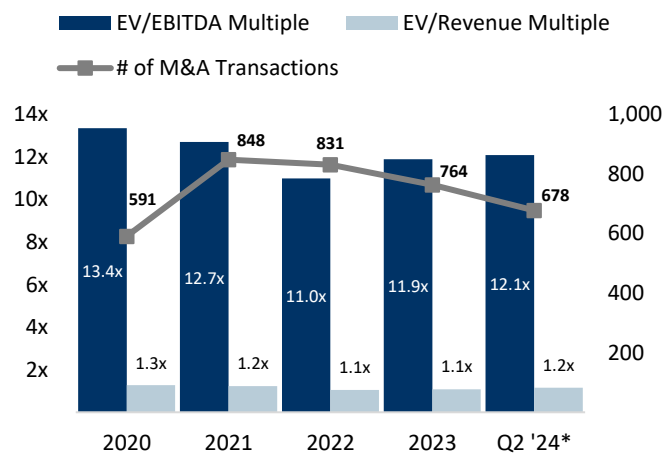
## IT Consulting & Other Services



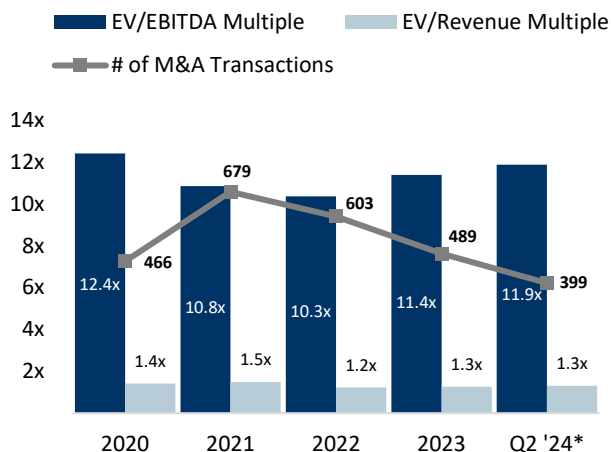
## Building Products



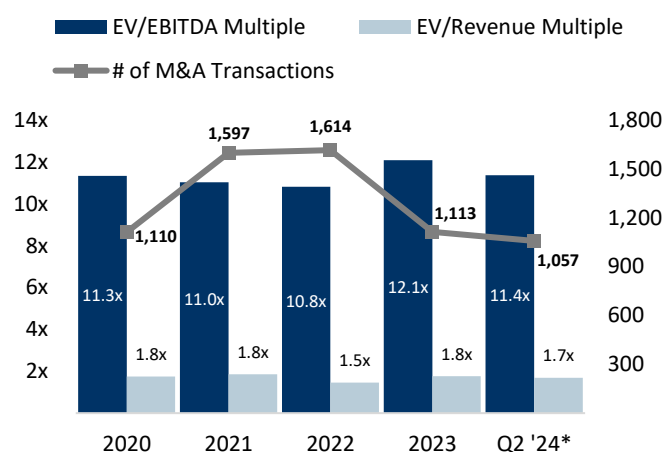
## Trading Companies & Distributors



## Retailing



## Consumer Services



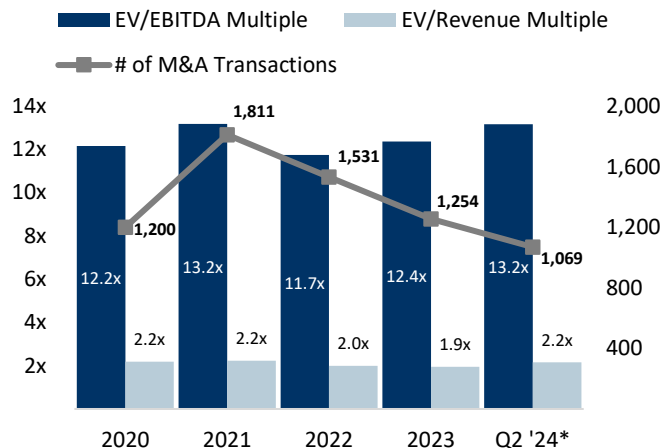
\*Latest twelve months as of June 30, 2024.

Note: EV = Enterprise Value.

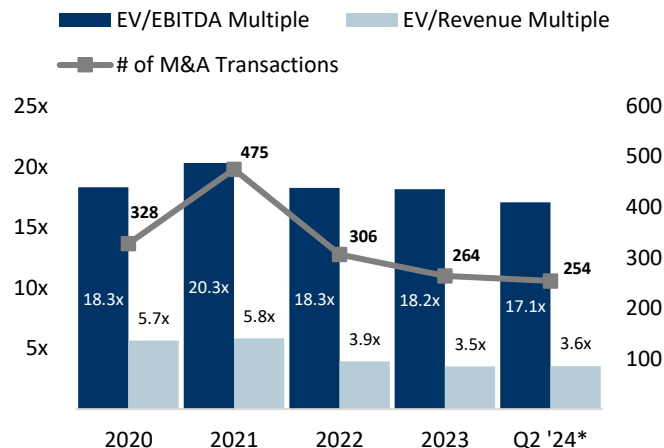


# AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

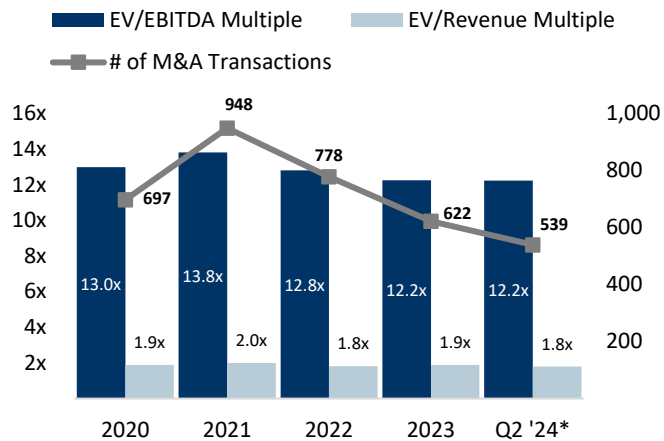
## Healthcare Facilities



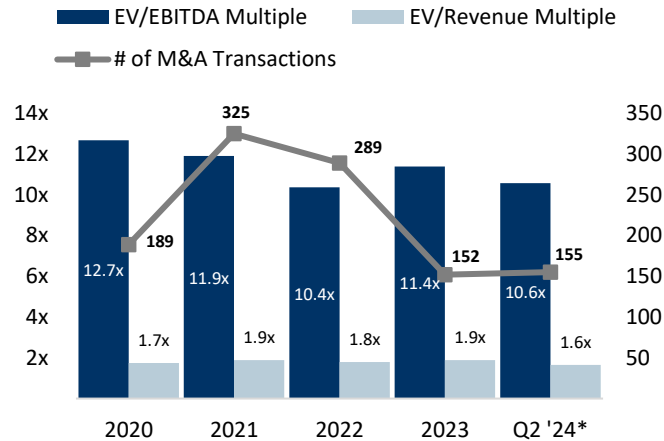
## Healthcare Software



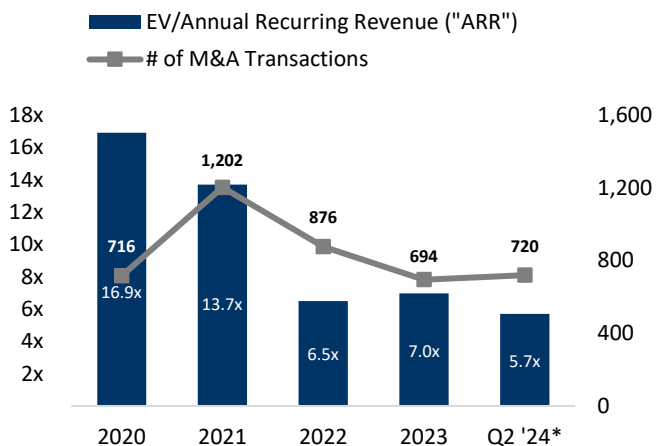
## Healthcare Services



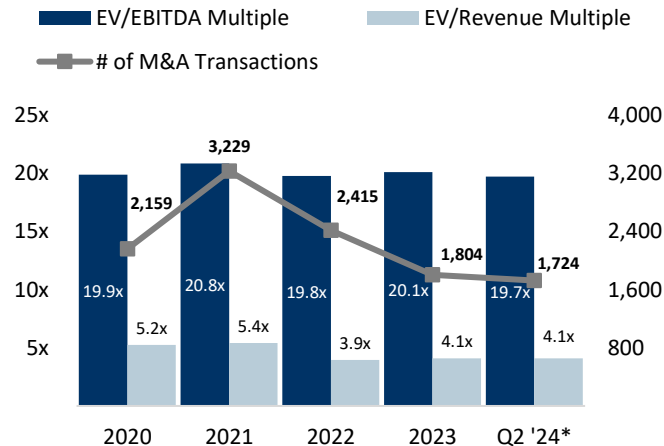
## BPO & Outsourced Services



## Software-as-a-Service<sup>(1)</sup>



## General Software & Services



(1) SaaS Capital Enterprise Value / ARR Index.

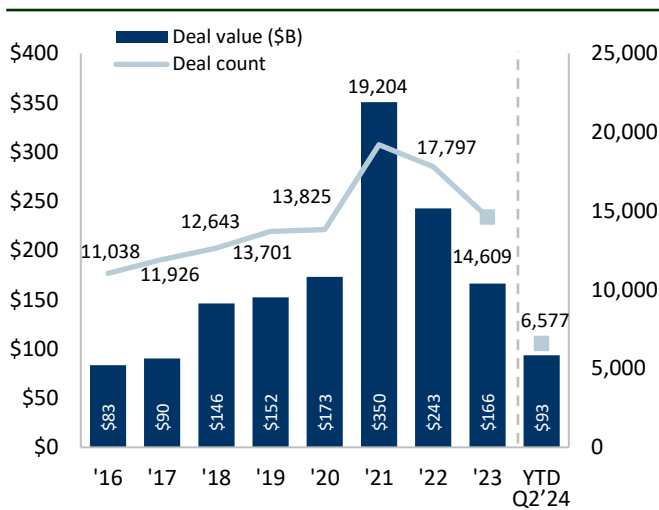
\*Latest twelve months as of June 30, 2024.

Note: EV = Enterprise Value.

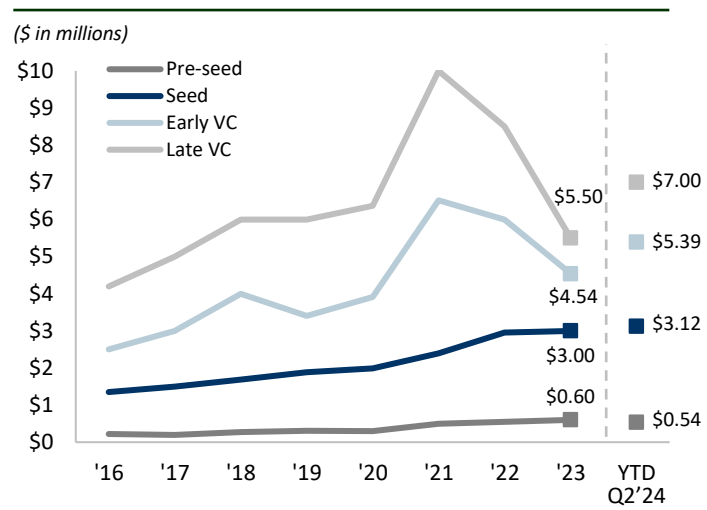


# PRIVATE CAPITAL DATA

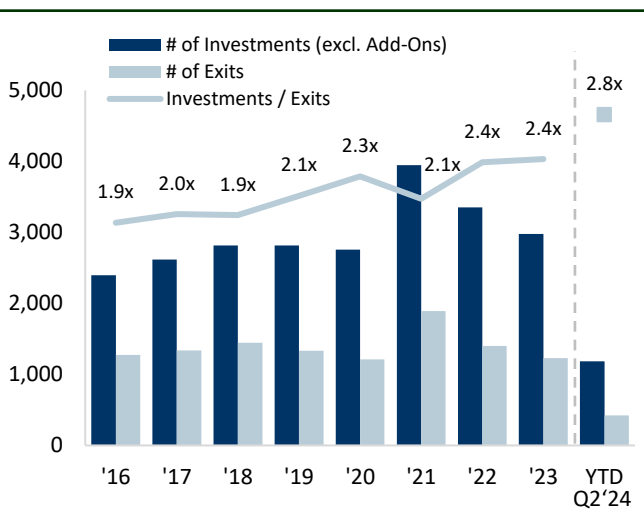
## U.S. VC Activity by Year



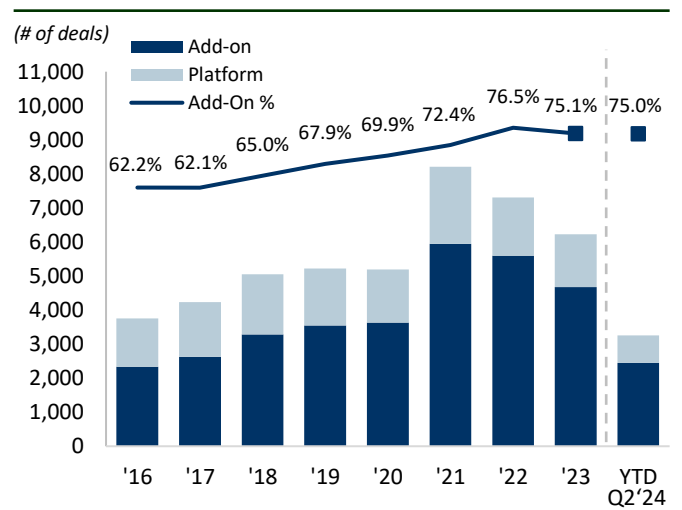
## Median VC Round Size by Stage



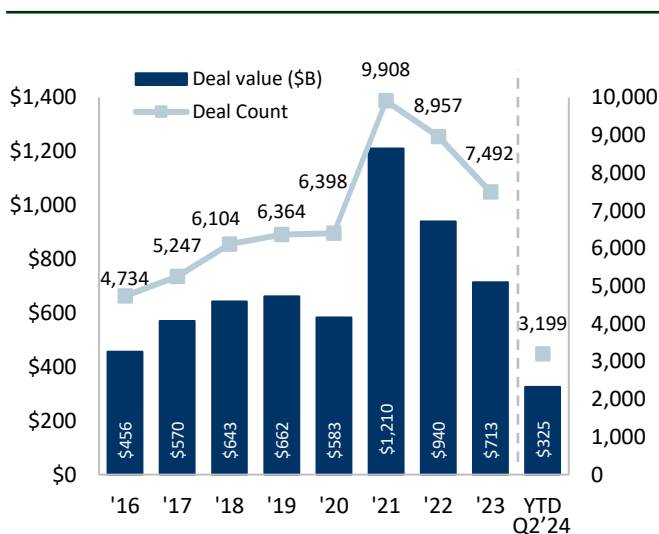
## U.S. Private Equity Investments vs Exits



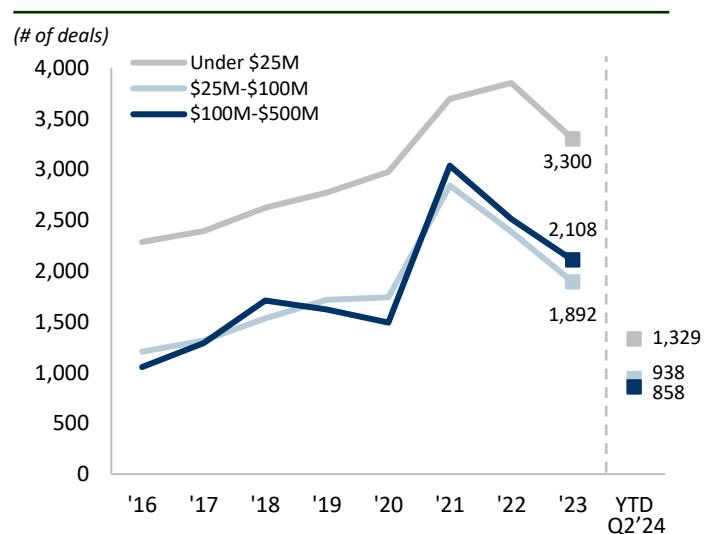
## U.S. Private Equity Add-ons vs Platforms



## U.S. Private Equity Activity by Year



## U.S. Private Equity Deals by Deal Size





## DISCLOSURES

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