



CROFT & BENDER

Q3 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 received a growth equity investment from



Rentvine is a property management software platform serving the long-term residential property rental market.



INDUSTRIAL



has been acquired by **BRAND SAFWAY**, a portfolio company of



Covan's is a leading provider of industrial insulation installation, scaffolding, and asbestos abatement services.



HEALTHCARE



has been recapitalized by



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



CONSUMER



has been acquired by



Sushi Avenue is a leading franchisor of sushi kiosks in grocery stores and other foodservice outlets.



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 completed a majority recapitalization of



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



has been recapitalized by



Lehman Pipe is a leading PVF distributor to commercial HVAC and plumbing contractors.



has completed a growth recapitalization led by



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



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 partnered with



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



has been acquired by



a portfolio company of



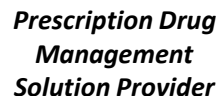
Vision is a leading provider of end-to-end Managed Mobility Services and Mobile Telecom Expense Management.



has been recapitalized by



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



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



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



a portfolio company of



Entek is a leading provider of commercial HVAC, building automation, and energy 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 recapitalized by



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



has been recapitalized by



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



has been acquired by



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



FEATURED TRANSACTIONS

COMPANY OVERVIEW

- Lehman Pipe and Plumbing Supply, Inc. (“Lehman Pipe” or the “Company”) is a leading distributor of pipes, valves, and fittings (“PVF”) and ancillary products to commercial HVAC and plumbing contractors in Florida, the Caribbean, and Latin America.
- Lehman Pipe is well known for its exceptional customer service and strong culture.

DEAL OVERVIEW

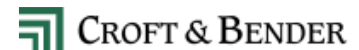
- Croft & Bender was engaged to help the Company find a partner to provide shareholder liquidity and support the Company’s continued growth.
- Croft & Bender worked with the Company to develop marketing materials, build a financial model, conduct management presentations, manage the diligence process, and negotiate with potential buyers.
- Croft & Bender successfully negotiated a majority recapitalization with Rotunda Capital Partners.



has been recapitalized by



Lehman Pipe is a leading PVF distributor to commercial HVAC and plumbing contractors.



COMPANY OVERVIEW

- Rentvine LLC (“Rentvine” or the “Company”) is a property management software platform serving the long-term residential property rental market.
- Rentvine is the core system of record for professional property management companies and offers trust accounting, maintenance management, leasing workflows, tenant screening, inbound and outbound payments, insurance, and owner and vendor management.

DEAL OVERVIEW

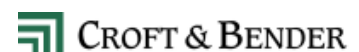
- Croft & Bender was engaged to raise growth equity from an institutional investment partner to provide strategic capital and support the Company’s rapid growth.
- Croft & Bender worked with the Company to develop marketing materials, build a financial model, conduct management presentations, manage the diligence process, and negotiate with potential investors.
- Croft & Bender successfully negotiated a \$74 million minority growth capital investment from Mainsail Partners.



has received a growth equity investment from

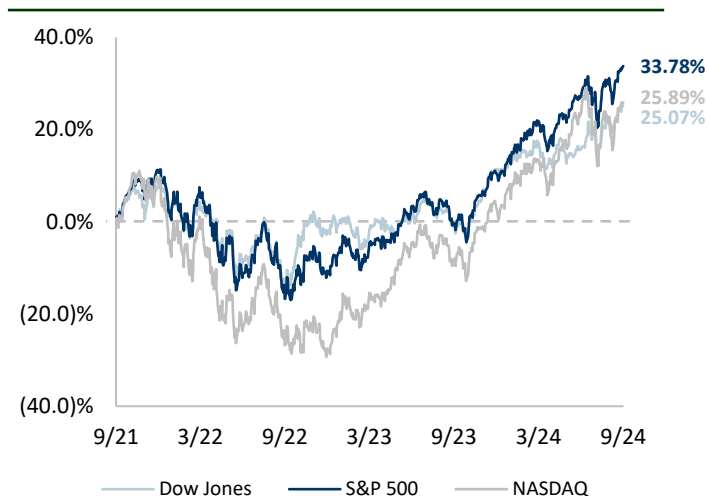


Rentvine is a property management software platform serving the long-term residential property rental market.

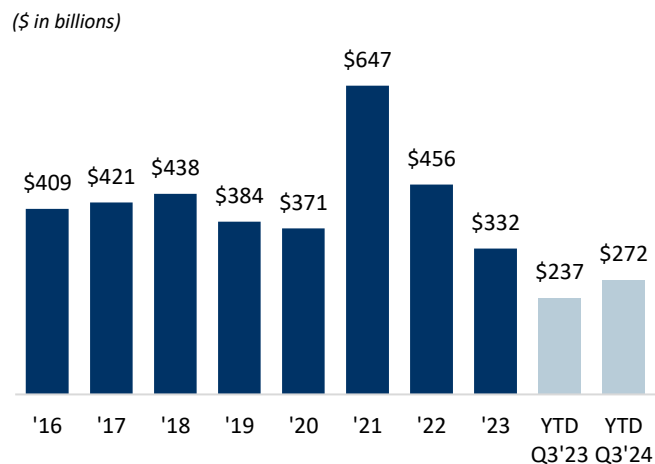


KEY CAPITAL MARKETS DATA

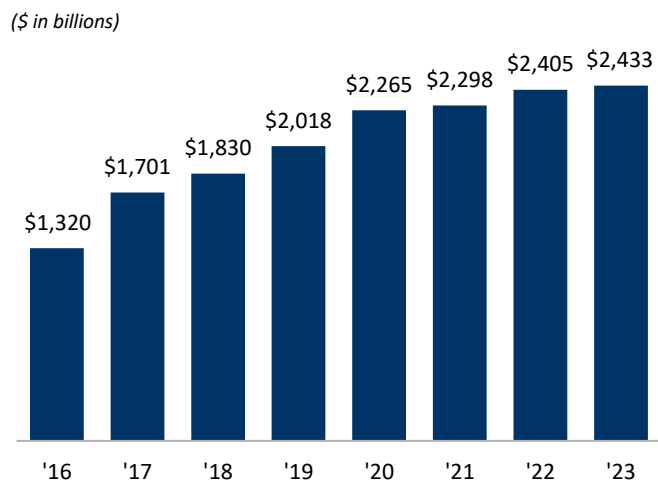
Public Equity Markets



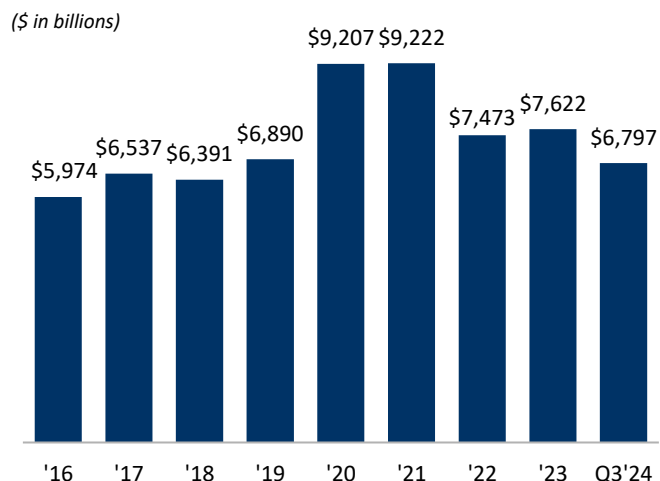
Middle Market Deal Volume



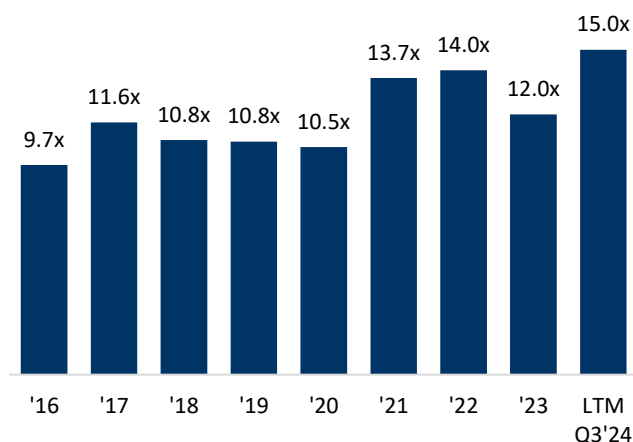
Private Equity Dry Powder



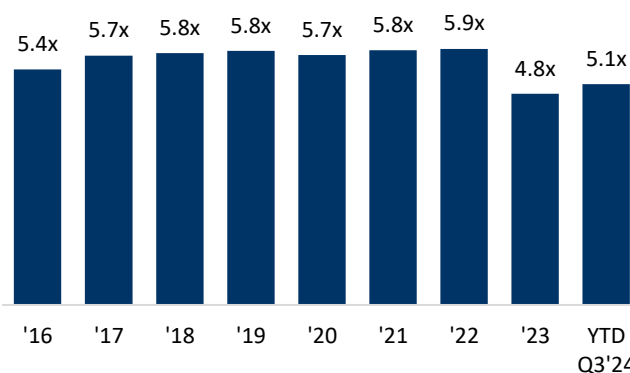
Cash on Corporate Balance Sheets⁽¹⁾



PE Enterprise Value / EBITDA Multiples



PE Debt / EBITDA Multiples

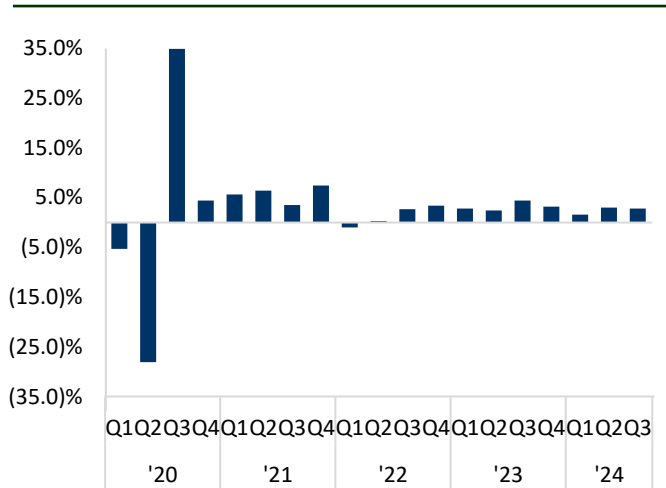


Note: Middle-market transactions have a disclosed enterprise value of less than \$1 billion.

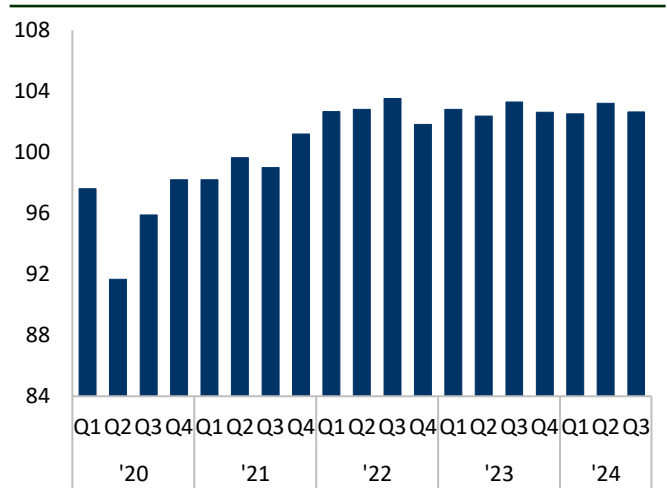
(1) Reflects current S&P 500 constituents.

KEY ECONOMIC DATA

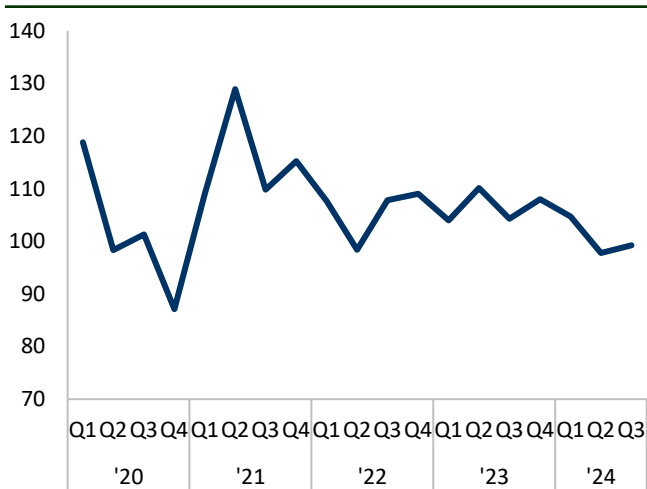
Real GDP Growth



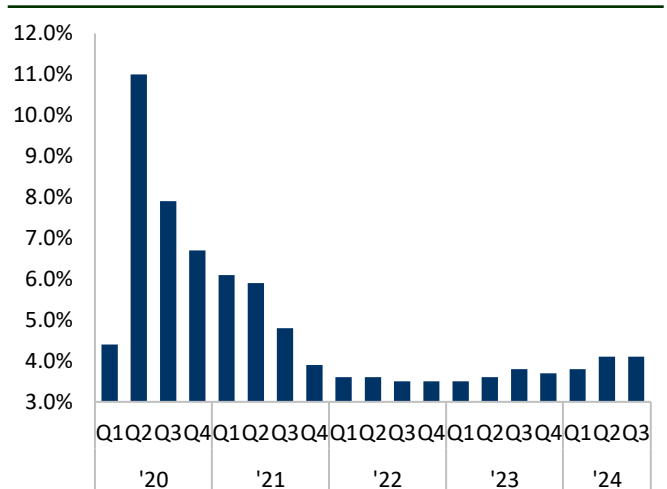
Industrial Production⁽¹⁾



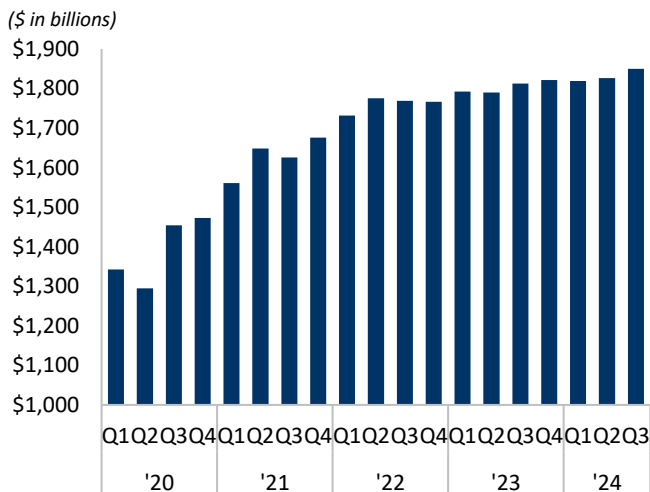
Consumer Confidence⁽²⁾



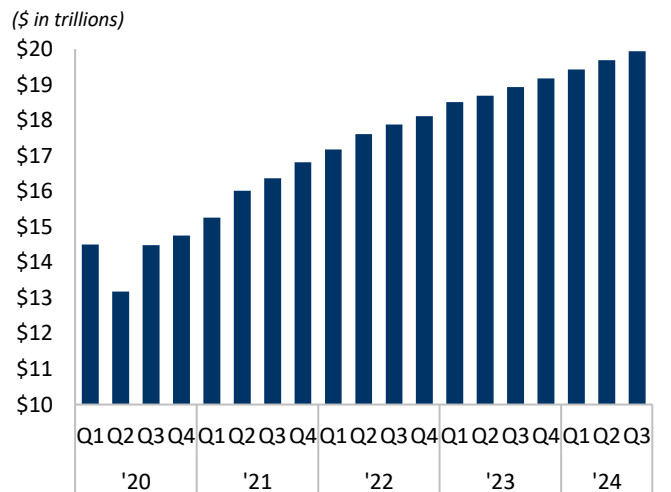
Unemployment Rate



Retail Sales



Consumer Spending



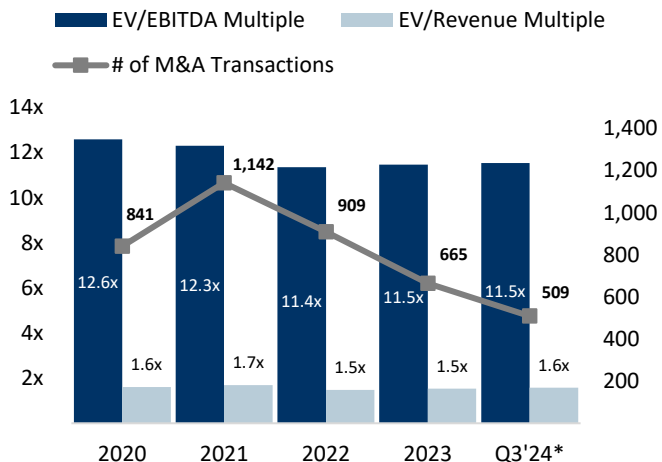
(1) Indexed relative to 2017.

(2) Indexed relative to 1985.

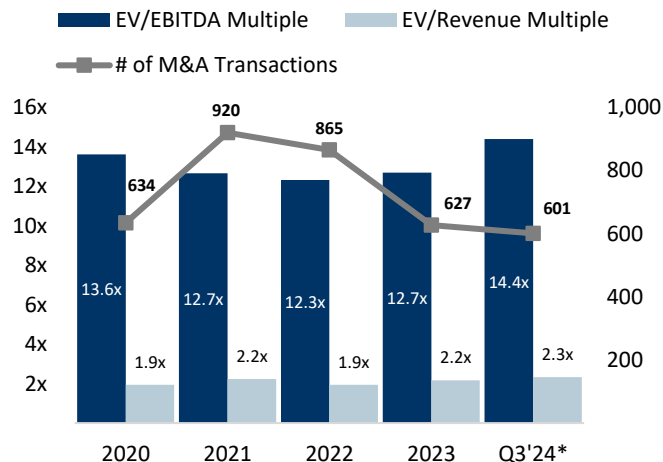


AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

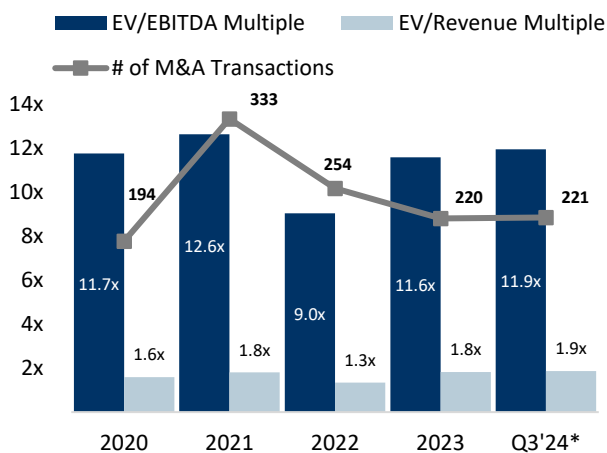
General Industrial



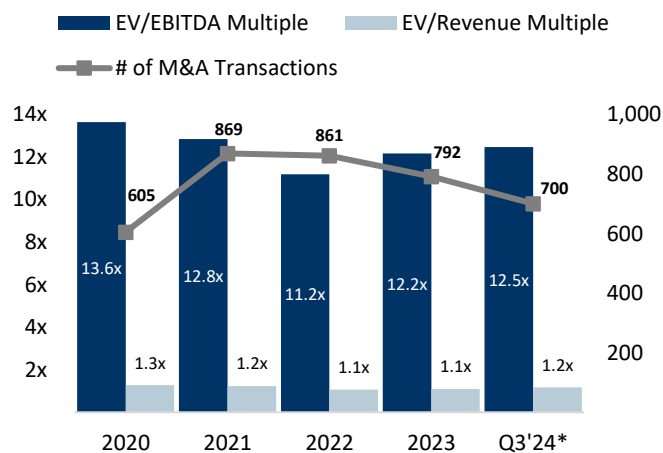
IT Consulting & Other Services



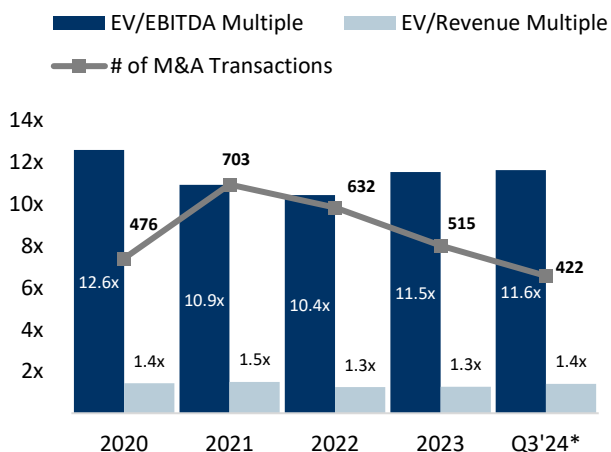
Building Products



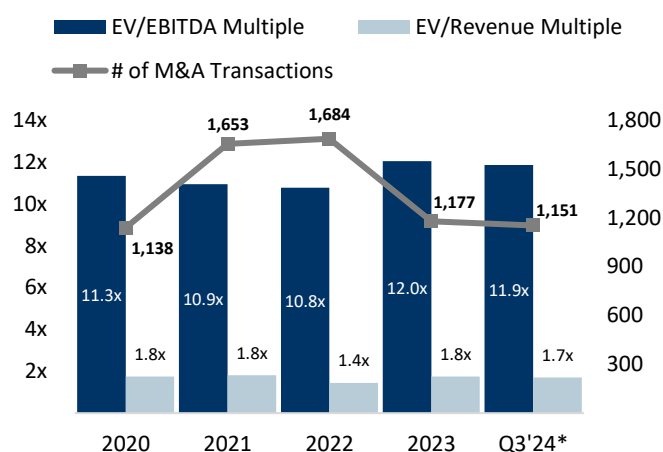
Trading Companies & Distributors



Retailing



Consumer Services



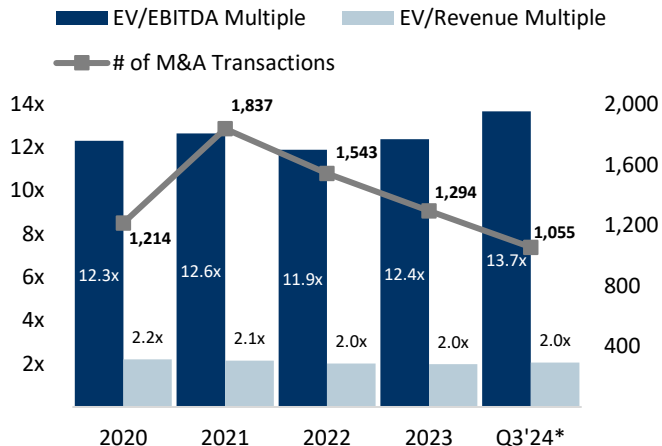
*Latest twelve months as of September 30, 2024.

Note: EV = Enterprise Value.

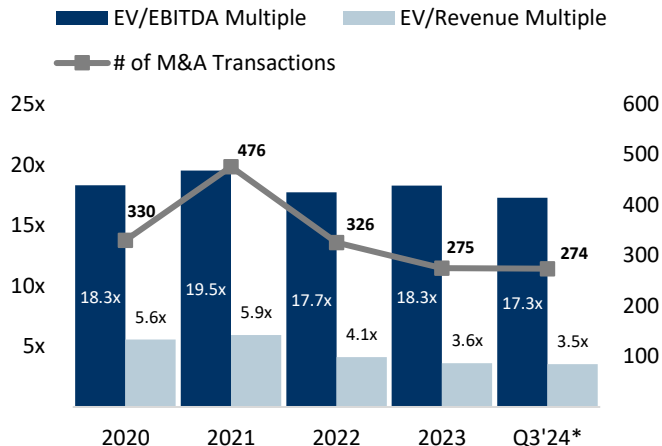


AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

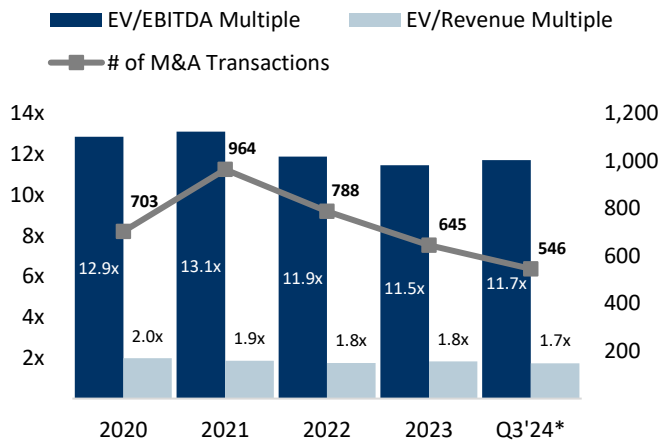
Healthcare Facilities



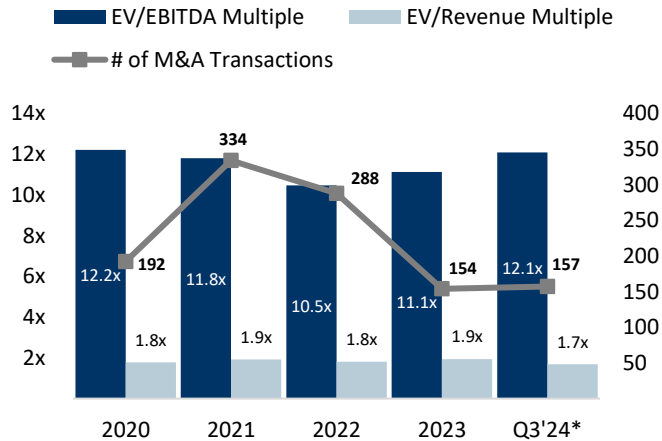
Healthcare Software



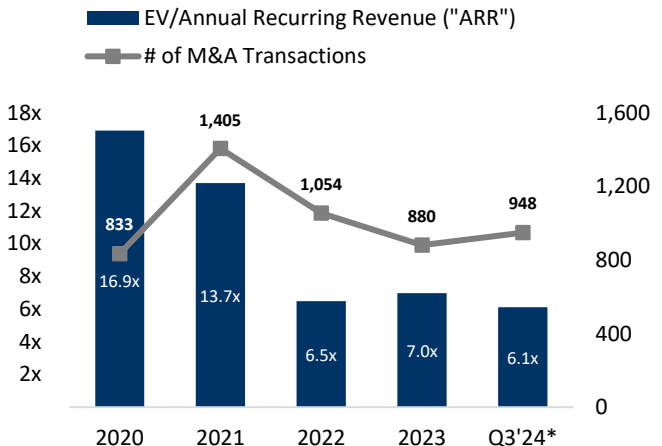
Healthcare Services



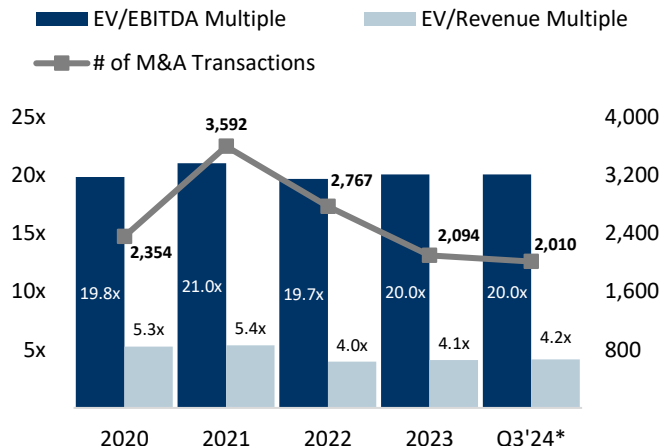
BPO & Outsourced Services



Software-as-a-Service(1)



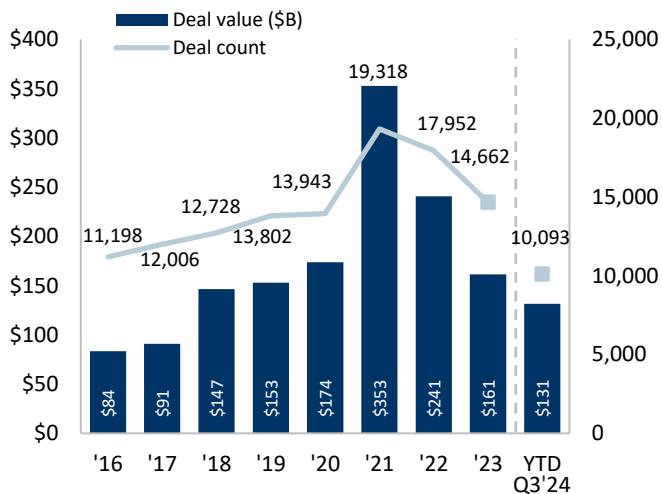
General Software & Services



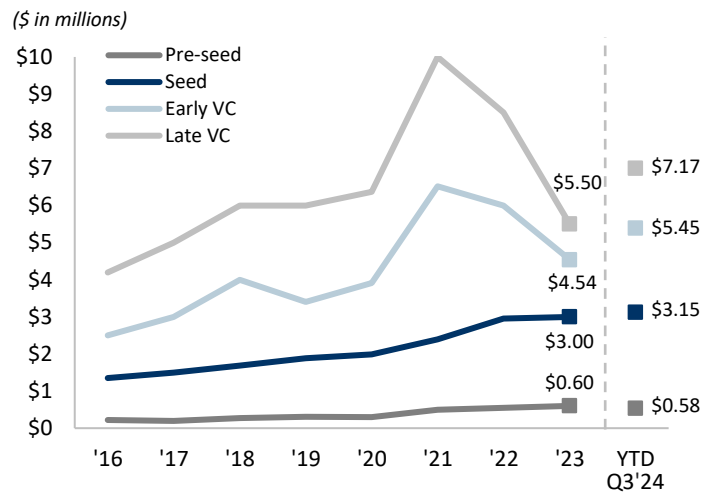
(1) SaaS Capital Enterprise Value / ARR Index.
 *Latest twelve months as of September 30, 2024.
 Note: EV = Enterprise Value.

PRIVATE CAPITAL DATA

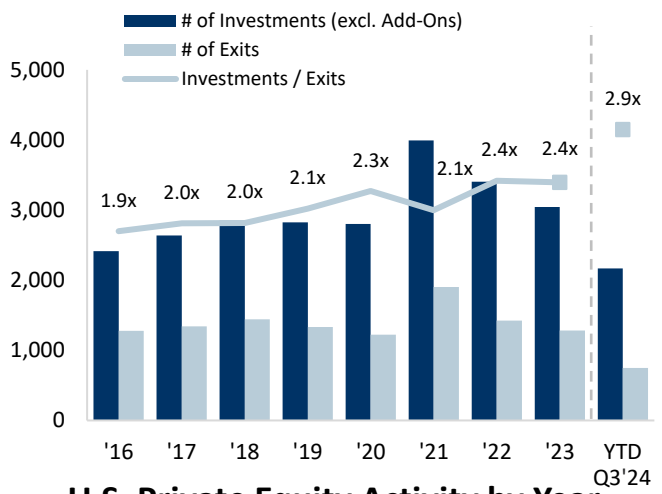
U.S. VC Activity by Year



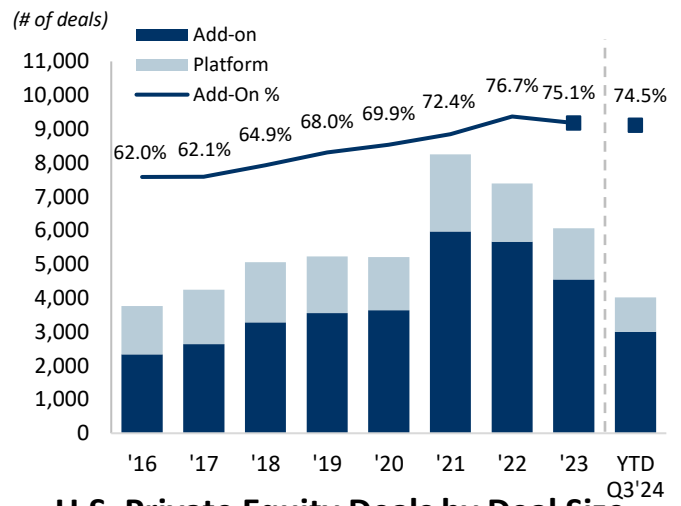
Median VC Round Size by Stage



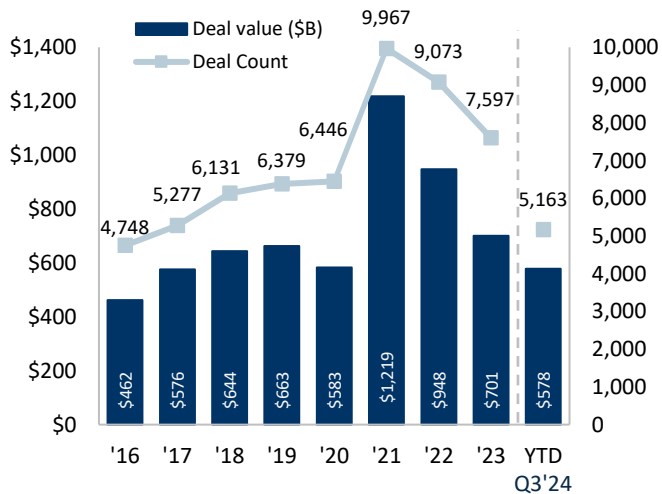
U.S. Private Equity Investments vs Exits



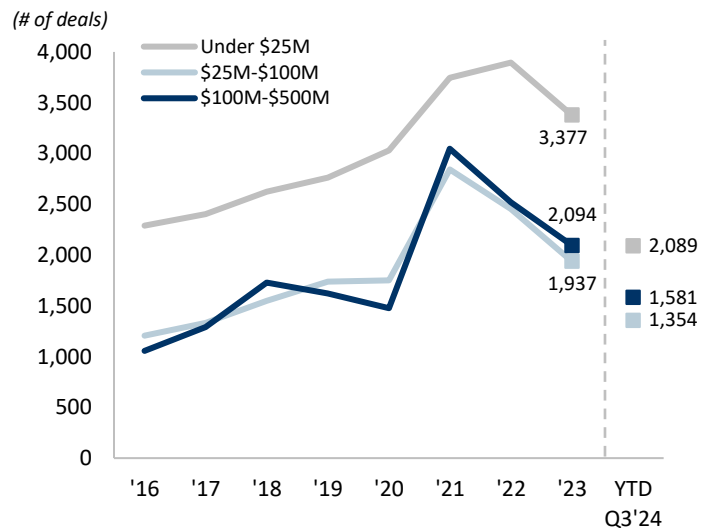
U.S. Private Equity Add-ons vs Platforms



U.S. Private Equity Activity by Year



U.S. Private Equity Deals by Deal Size





DISCLOSURES

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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