



CROFT & BENDER

Q4 2023 Market Report



Mergers & Acquisitions



Private Equity



Financial Advisory



CONTACT US

OVERVIEW

Frank H. "Bo" Briggs, III
Managing Director
 bbriggs@croft-bender.com
 (404) 841-0639

R. Neale Fisher
Managing Director
 nfisher@croft-bender.com
 (404) 574-2906

Ronald B. Goldman
Managing Director
 rgoldman@croft-bender.com
 (404) 841-0735

Kyle C. Schickner
Managing Director
 kschickner@croft-bender.com
 (404) 574-2897

Steve B. Tye
Managing Director
 stye@croft-bender.com
 (404) 841-9351

Matthew A. Veal
Managing Director
 mveal@croft-bender.com
 (404) 841-0056

Erik M. Zalenski
Managing Director
 ezalenski@croft-bender.com
 (404) 841-9826

Connor W. Boston
Vice President
 cboston@croft-bender.com
 (404) 328-4809

Brad J. Germany
Vice President
 bgermany@croft-bender.com
 (404) 328-4838

Jonathan M Hartley
Director of Business Development
 jhartley@croft-bender.com
 (404) 328-4837

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.

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 acquired by



a portfolio company of



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



TECHNOLOGY



has completed a majority recapitalization of



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



INDUSTRIAL



has been recapitalized by



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



HEALTHCARE



has been recapitalized by



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



CONSUMER



has been acquired by



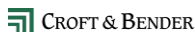
Piece of Cake is a leading provider of specially baked cakes and treats that are available for shipping to customers around the U.S.



has been recapitalized by



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



has been acquired by



a portfolio company of



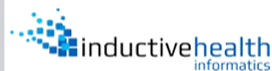
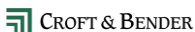
Vision is a leading provider of end-to-end Managed Mobility Services and Mobile Telecom Expense Management.



has been acquired by



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



has completed a growth recapitalization led by



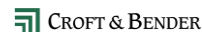
InductiveHealth is a leading provider of public health disease surveillance solutions.



has been acquired by



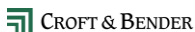
Potters Home Center is a leading hardware and building materials retailer operating 21 Home Centers across Tennessee and Kentucky.



has been recapitalized by



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



has issued

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



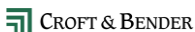
Grayshift is a leading and trusted provider of digital forensics solutions.



has partnered with



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

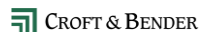


Prescription Drug Management Solution Provider

has completed a debt recapitalization with a syndicate led by



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

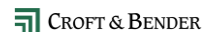


Tech-Enabled Real Estate Brokerage Company

has been acquired by

Undisclosed Buyer

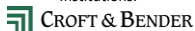
The client is a leading technology-driven residential real estate lead generation and brokerage platform.



has received an investment from



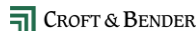
engage fi is a leading provider of technology-enabled consulting services to Community Financial Institutions.



has acquired



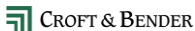
IDology is a leading provider of identity verification and fraud prevention services.



a portfolio company of



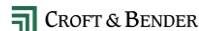
SCI Flooring is a leading, full-service provider of floor covering installation solutions in the Midwest.



has been recapitalized by



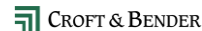
MediStreams is a leading provider of healthcare remittance, reconciliation and payment automation solutions.



has been acquired by



Drive operates 22 automotive service and repair shops across five sunbelt states.



FEATURED TRANSACTIONS

COMPANY OVERVIEW

- Headquartered in Jacksonville, FL, Acme Barricades (“Acme” or the “Company”) is a Southeast market leader in the highway safety industry with a 25-plus year track record of delivering best-in-class customer service, expertise, and dependability
- The Company specializes in providing Maintenance of Traffic (MOT) services, such as lane closures, flagging, detours, and plan design along with rentals and installation of all temporary traffic control devices, including barrier walls, barricades, temporary signs, and message boards
- The Company also offers its clients additional traffic safety solutions, including guardrail installation, permanent sign manufacturing and installation, and pavement marking and removal

DEAL OVERVIEW

- Acme engaged Croft & Bender to help Acme Holdings, the largest of three existing shareholders, evaluate alternatives, including providing guidance on alternative partners and structures
- Croft & Bender worked with the Company to produce financial analyses, coordinate diligence materials, assemble a data room, facilitate discussions, and close a transaction
- Croft & Bender successfully negotiated the recapitalization of Acme by Lacy Diversified Industries



has been recapitalized by



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



COMPANY OVERVIEW

- Piece of Cake (the “Company”) is a leading provider of specially baked cakes and treats that are available for shipping to customers around the U.S.
- Founded in 1985 and based in Atlanta, GA, the Company is a nationally recognized baker of cakes, brownies, cookies, and more for celebratory moments and everyday occasions

DEAL OVERVIEW

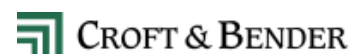
- Croft & Bender had maintained an ongoing relationship with Piece of Cake
- Croft & Bender introduced the Company to Chicken Salad Chick as a potential acquisition prospect when the opportunity presented itself in 2022
- Croft & Bender worked with the Company to produce financial analyses, coordinate diligence materials, and negotiate the terms of an acquisition proposal by Chicken Salad Chick
- Croft & Bender successfully helped negotiate the sale of Piece of Cake to Chicken Salad Chick



has been acquired by

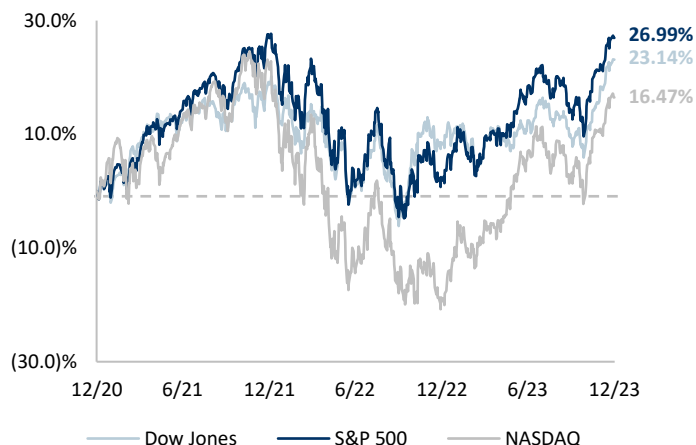


Piece of Cake is a leading provider of specially baked cakes and treats that are available for shipping to customers around the U.S.

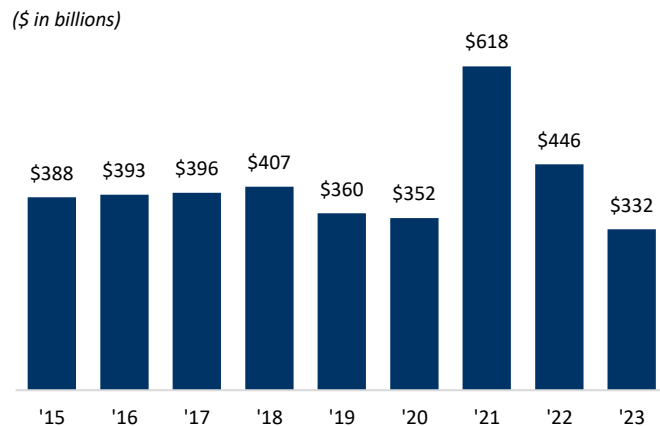


KEY CAPITAL MARKETS DATA

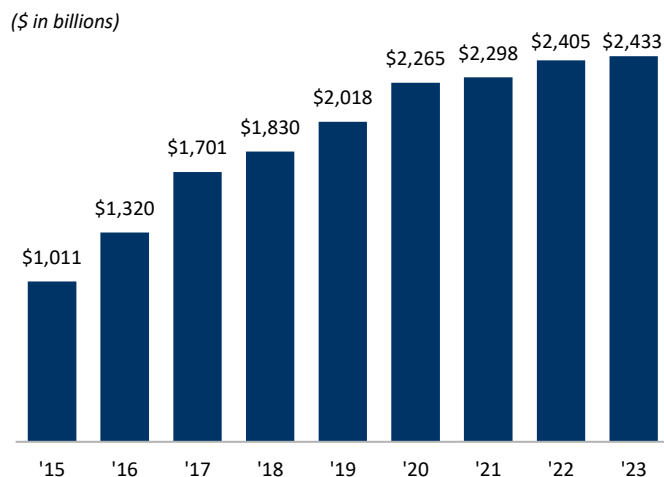
Public Equity Markets



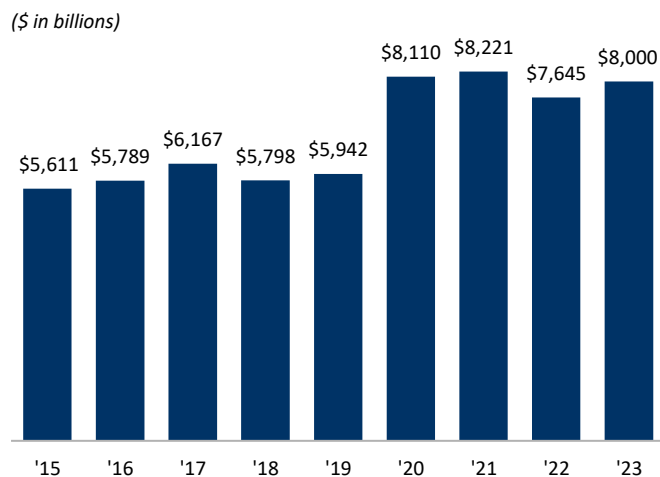
Middle Market Deal Volume



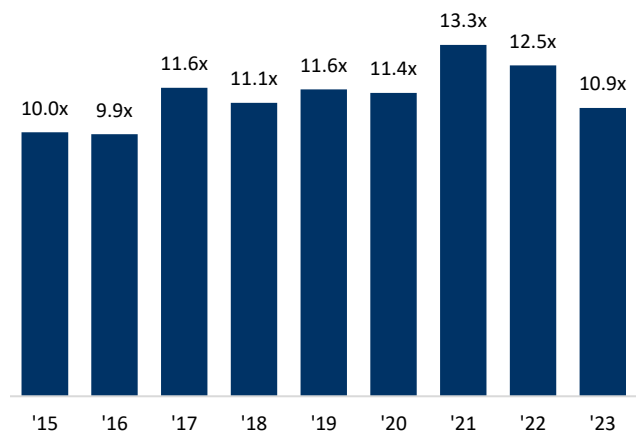
Private Equity Dry Powder



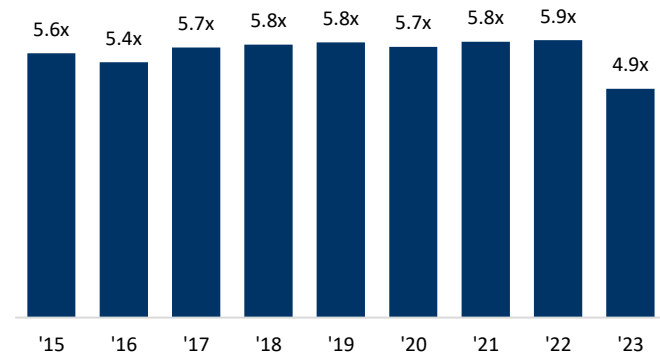
Cash on Corporate Balance Sheets⁽¹⁾



PE Enterprise Value / EBITDA Multiples



PE Debt / EBITDA Multiples

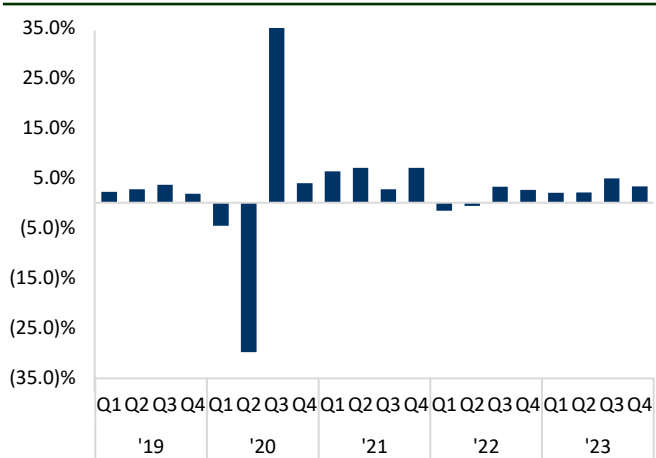


Note: Middle-market transactions have a disclosed enterprise value of less than \$1 billion.

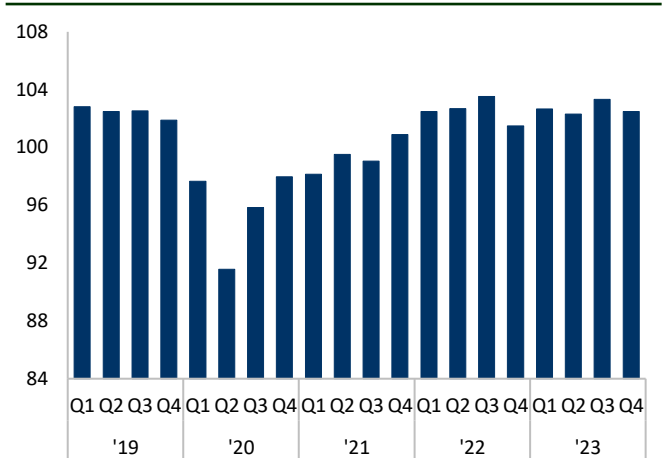
(1) Reflects current S&P 500 constituents.

KEY ECONOMIC DATA

Real GDP Growth



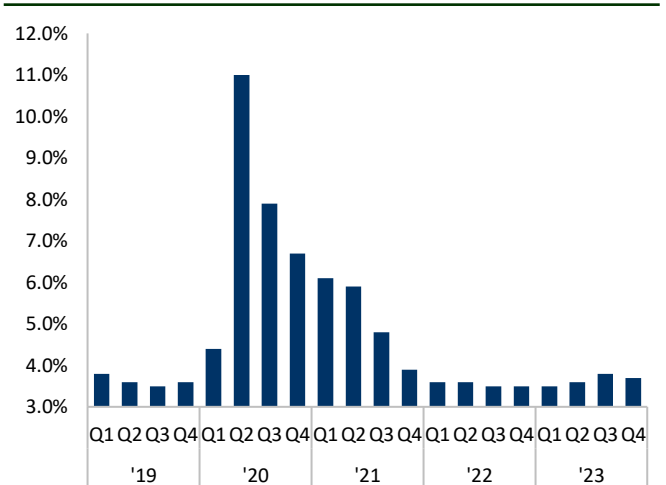
Industrial Production⁽¹⁾



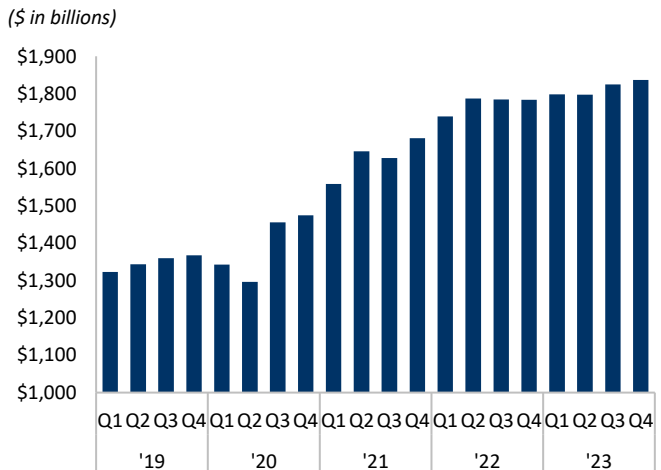
Consumer Confidence⁽²⁾



Unemployment Rate



Retail Sales



Consumer Spending



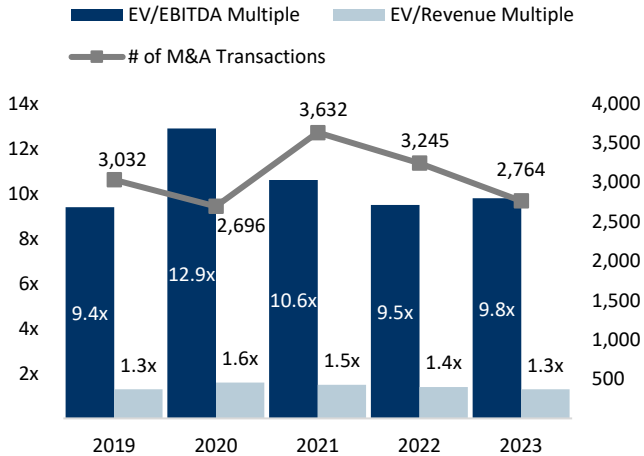
(1) Indexed relative to 2014.

(2) Indexed relative to 1985.

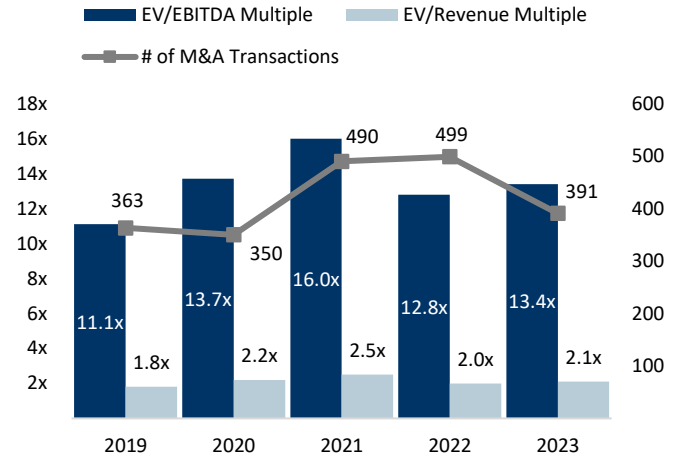


AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

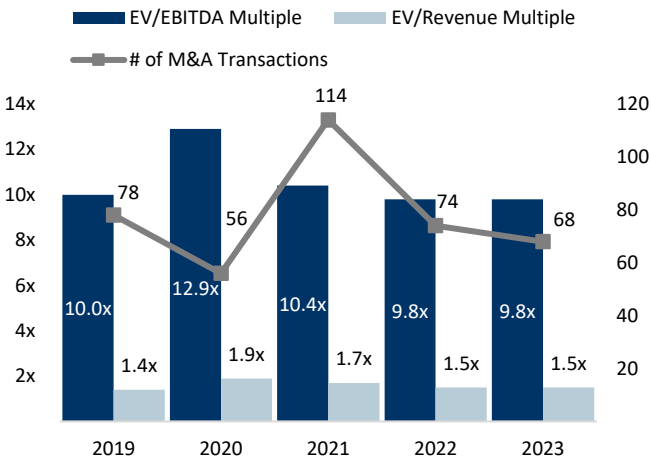
General Industrial



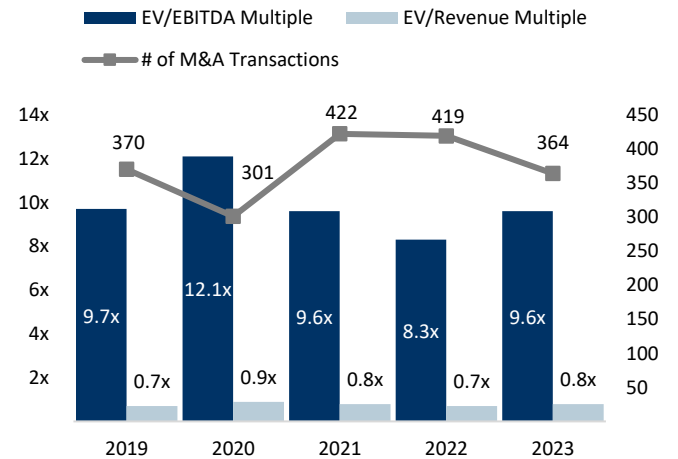
IT Consulting & Other Services



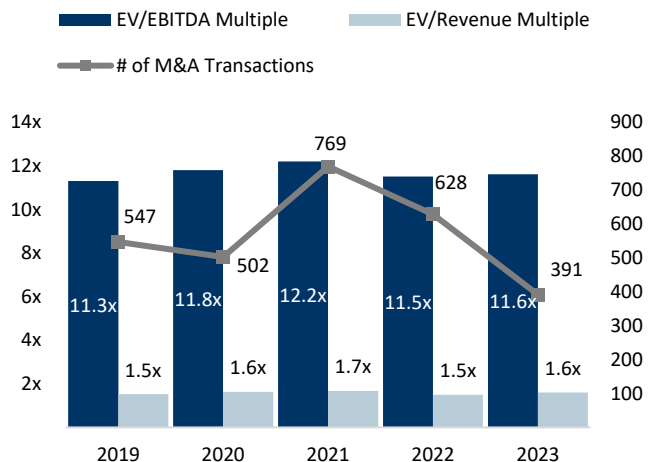
Building Products



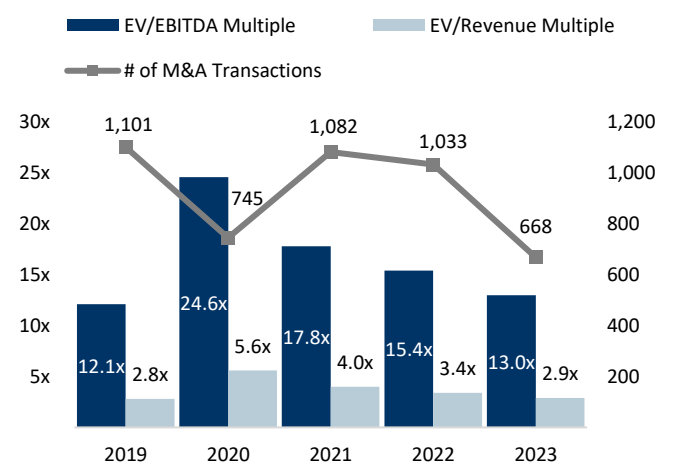
Trading Companies & Distributors



Retailing

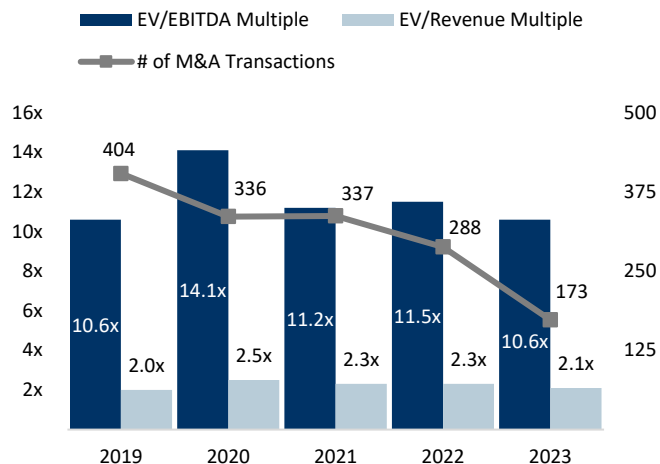


Consumer Services

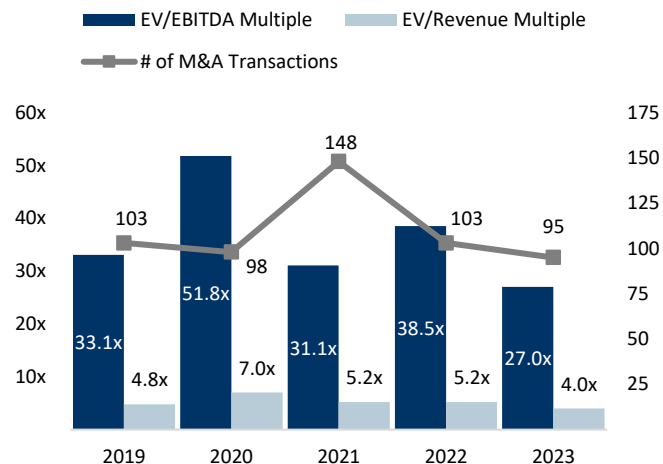


AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

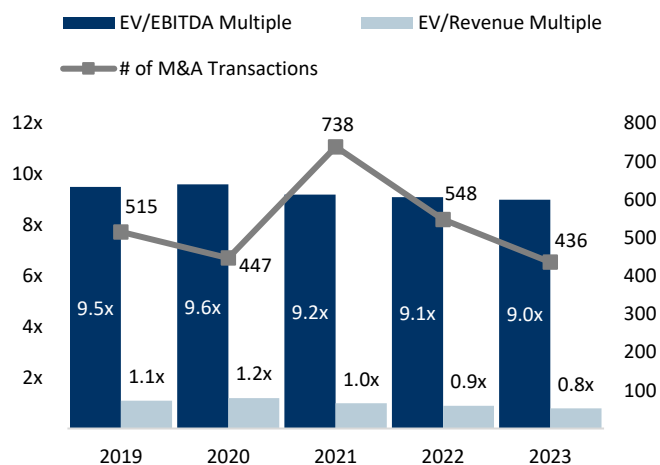
Healthcare Facilities



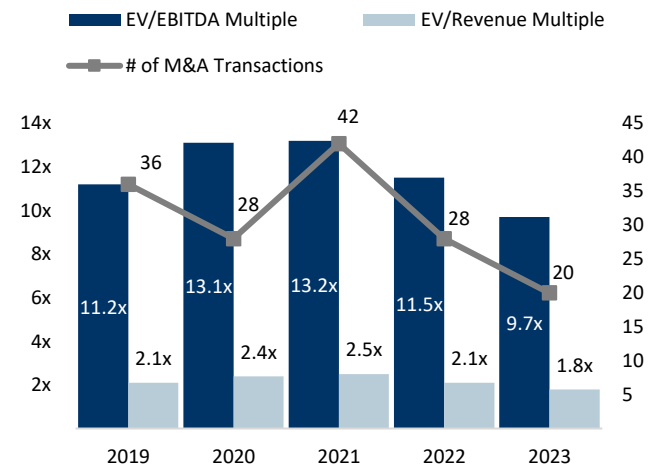
Healthcare Software



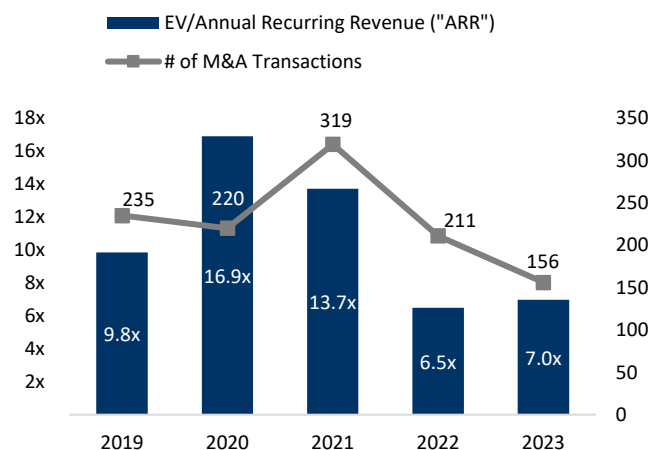
Healthcare Services



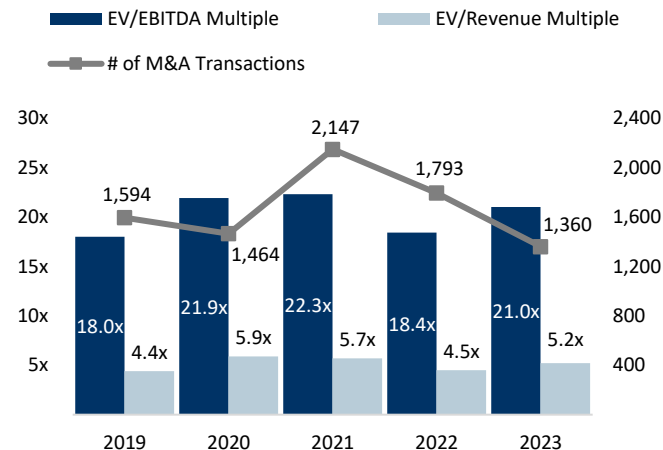
Data Processing & Outsourced Services



Software-as-a-Service⁽¹⁾



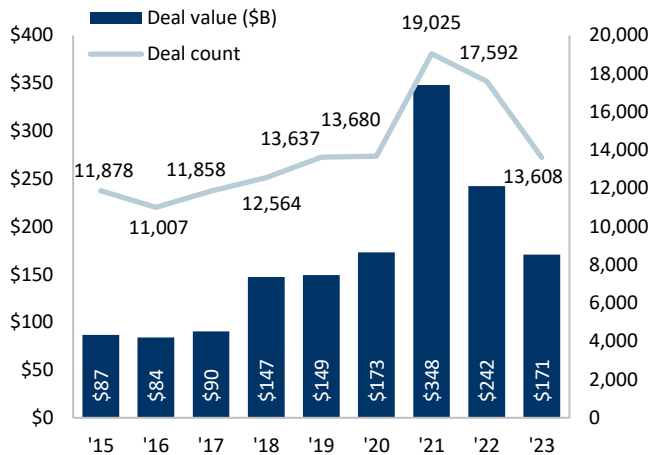
General Software & Services



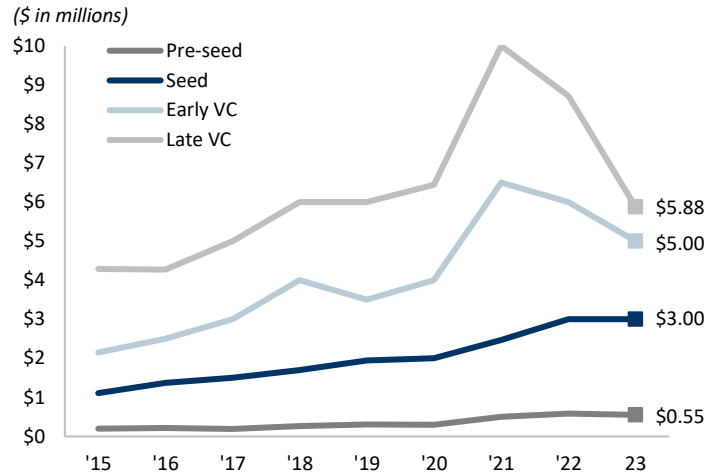
(1) SaaS Capital Enterprise Value / ARR Index.
Note: EV = Enterprise Value.

PRIVATE CAPITAL DATA

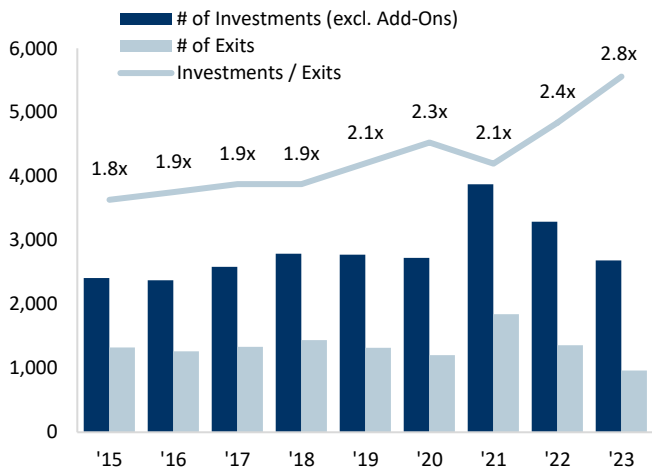
U.S. VC Activity by Year



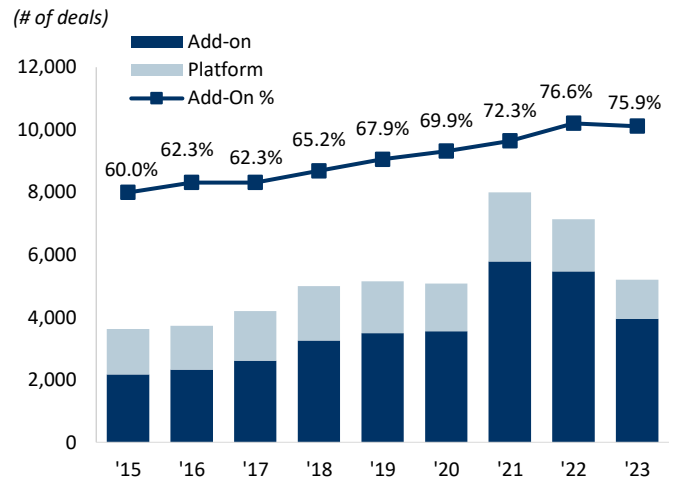
Median VC Round Size by Stage



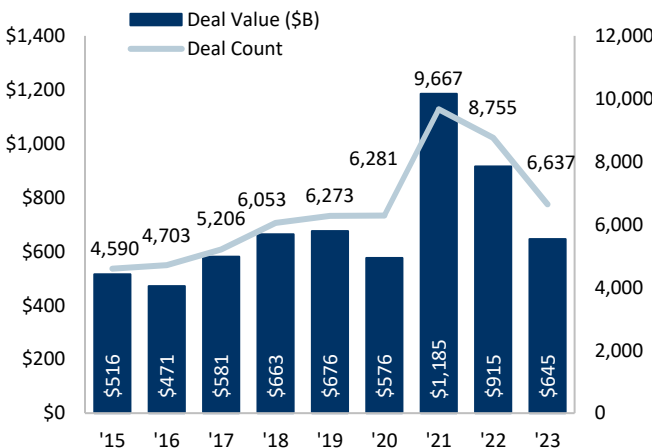
U.S. Private Equity Investments vs Exits



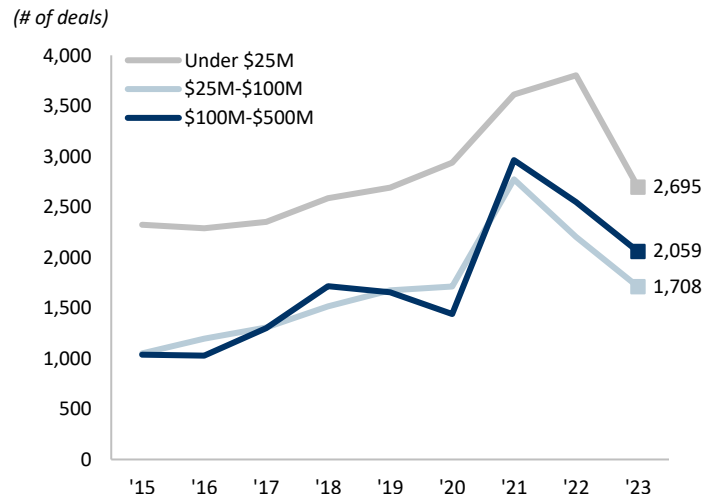
U.S. Private Equity Add-ons vs Platforms



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.

Investment banking services are provided by Croft & Bender, a registered broker-dealer and member of FINRA and SIPC.

THIS REPORT MAY CONTAIN REFERENCES TO REGISTERED TRADEMARKS, SERVICE MARKS AND COPYRIGHTS OWNED BY THIRD-PARTY INFORMATION PROVIDERS. NONE OF THE THIRD-PARTY INFORMATION PROVIDERS IS ENDORSING THE OFFERING OF, AND SHALL NOT IN ANY WAY BE DEEMED AN ISSUER OR UNDERWRITER OF, THE SECURITIES, FINANCIAL INSTRUMENTS OR OTHER INVESTMENTS DISCUSSED IN THIS REPORT, AND SHALL NOT HAVE ANY LIABILITY OR RESPONSIBILITY FOR ANY STATEMENTS MADE IN THE REPORT OR FOR ANY FINANCIAL STATEMENTS, FINANCIAL PROJECTIONS OR OTHER FINANCIAL INFORMATION CONTAINED OR ATTACHED AS AN EXHIBIT TO THE REPORT. FOR MORE INFORMATION ABOUT THE MATERIALS PROVIDED BY SUCH THIRD PARTIES, PLEASE CONTACT US AT THE ADDRESSES OR NUMBERS AT THE BEGINNING OF THE REPORT.

The information and views contained in this report were prepared by Croft & Bender LP. It is not a research report, as such term is defined by applicable law and regulations, and is provided for informational purposes only. It is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. The information contained herein is believed by Croft & Bender to be reliable, but Croft & Bender makes no representation as to the accuracy or completeness of such information. Transaction numbers include those transactions that closed during the year they appear under and the industry classification assigned to the target by S&P Capital IQ. Croft & Bender and/or its affiliates act as advisers or lenders to, have positions in and effect transactions in securities of companies mentioned herein and also may provide, may have provided, or may seek to provide investment banking services for those companies. In addition, Croft & Bender and/or its affiliates or their respective officers, directors and employees may hold long or short positions in the securities, options thereon or other related financial products of companies discussed herein. Opinions, estimates and projections in this report constitute Croft & Bender's judgment and are subject to change without notice. The financial instruments discussed in this report may not be suitable for all investors, and investors must make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. Also, past performance is not necessarily indicative of future results. No part of this material may be copied or duplicated in any form or by any means, or redistributed, without Croft & Bender's prior written consent. Sources of information include Baird, Dealogic, Pitchbook, Preqin, S&P Capital IQ, and the U.S. Department of Labor.