



# CROFT & BENDER

## Q1 2025 Market Report



**Mergers & Acquisitions**



**Private Equity**



**Financial Advisory**



## CONTACT US

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

**Ronald B. Goldman**  
*Managing Director*  
[rgoldman@croft-bender.com](mailto:rgoldman@croft-bender.com)  
(404) 841-0735

**Steve B. Tye**  
*Managing Director*  
[stye@croft-bender.com](mailto:stye@croft-bender.com)  
(404) 841-9351

**R. Neale Fisher**  
*Managing Director*  
[nfisher@croft-bender.com](mailto:nfisher@croft-bender.com)  
(404) 574-2906

**Kyle C. Schickner**  
*Managing Director*  
[kschickner@croft-bender.com](mailto:kschickner@croft-bender.com)  
(770) 241-7116

**Matthew A. Veal**  
*Managing Director*  
[mveal@croft-bender.com](mailto:mveal@croft-bender.com)  
(404) 841-0056

**Erik M. Zalenski**  
*Managing Director*  
[ezalenski@croft-bender.com](mailto:ezalenski@croft-bender.com)  
(404) 841-9826

**Connor W. Boston**  
*Director*  
[cboston@croft-bender.com](mailto:cboston@croft-bender.com)  
(404) 328-4809

**Brad Germany**  
*Vice President*  
[bgermany@croft-bender.com](mailto:bgermany@croft-bender.com)  
(404) 328-4838

## 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.

## BROAD INDUSTRY EXPERTISE

### BUSINESS SERVICES

Information Services  
Facility 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

Distribution  
Industrial Services  
General Manufacturing  
Specialty Contracting  
Building Products  
Logistics  
Chemicals

### HEALTHCARE

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

### CONSUMER

Products/Services  
Residential Services  
Franchising  
Restaurants  
Retail

## 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



Stiles is a leading provider of commercial and residential HVAC, plumbing, and building controls 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 recapitalized by



Capital Machine is a leading distributor and repair service provider of metal fabrication machinery.



### HEALTHCARE



has been recapitalized by



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



### CONSUMER



have been acquired by



Creative Laboratories is a premier full-service developer and manufacturer of haircare and skincare products.



has been recapitalized by



Russell Landscape is a leading provider of commercial landscape services.



has completed a majority recapitalization of



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



has been acquired by



Anduro is a leading producer of flexible packaging solutions.



has completed a growth recapitalization led by



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



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 been acquired by



a portfolio company of



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



a portfolio company of



has been recapitalized by



Fumex is a leading provider of process fume extraction and air filtration solutions.



### **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.



### **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 partnered with



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



a portfolio company of



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



has been recapitalized by



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



## FEATURED TRANSACTIONS

### COMPANY OVERVIEW

- Capital Machine Technologies, Inc. ("Capital Machine" or the "Company") is a leading distributor and repair service provider of metal fabrication machinery including press brakes, robotic welders, metal cutting machinery, and other equipment to US manufacturers across the Southeast and Midwest

### DEAL OVERVIEW

- Croft & Bender was engaged to help the Company execute on a sale to Rotunda Capital Partners ("Rotunda")
- Croft & Bender worked with the Company to negotiate the terms of the transaction and manage the diligence process
- Croft & Bender successfully negotiated the recapitalization of Capital Machine by Rotunda



has been recapitalized by



Capital Machine is a leading distributor and repair service provider of metal fabrication machinery.



### COMPANY OVERVIEW

- Creative Laboratories, Inc. and United Hair Care, Inc. (collectively "Creative Labs" or the "Company") is a premier full-service developer and manufacturer of skincare and haircare products across professional, retail, and e-commerce channels

### DEAL OVERVIEW

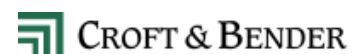
- Croft & Bender was engaged to help the Company find a partner to provide shareholder liquidity and to support its continued growth
- Croft & Bender worked with the Company to develop marketing materials, build a financial model, conduct management presentations, manage the diligence process, and negotiate with potential buyers
- Croft & Bender successfully negotiated the sale of Creative Labs to Gemspring Capital Management, LLC



have been acquired by

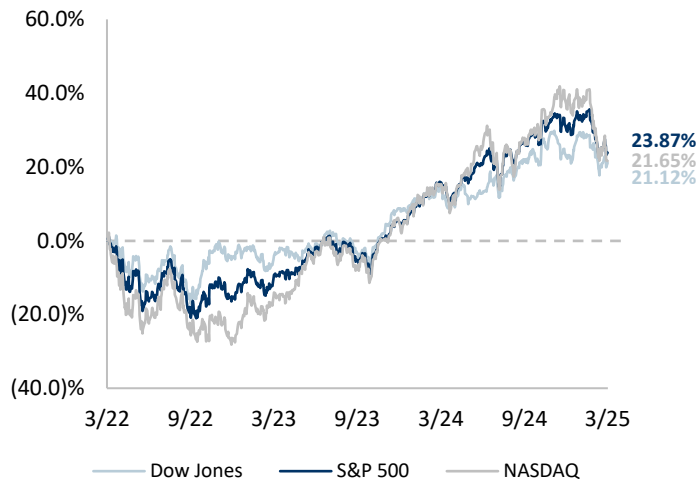
## GEMSPRING

Creative Laboratories is a premier full-service developer and manufacturer of haircare and skincare products.



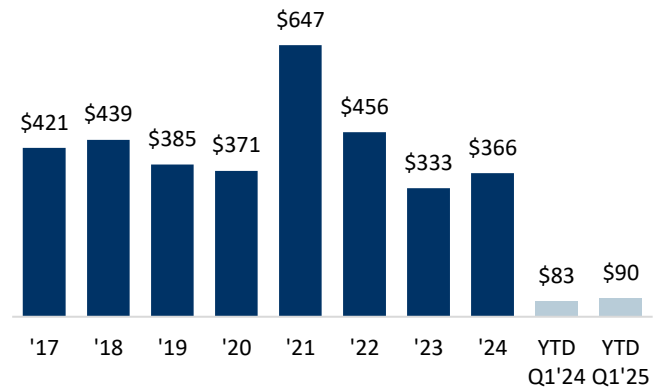
## KEY CAPITAL MARKETS DATA

### Public Equity Markets



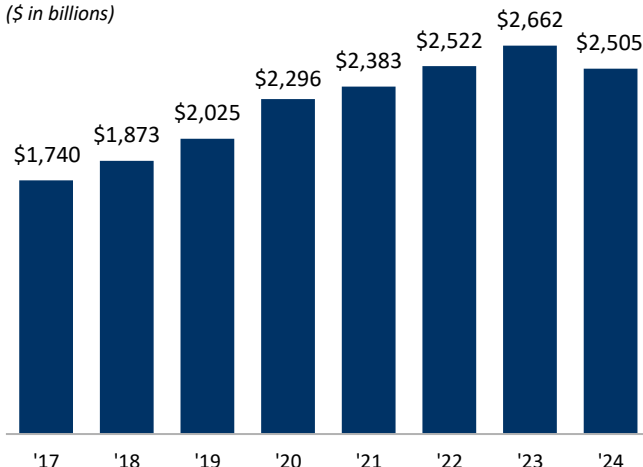
### Middle Market Deal Volume

(\$ in billions)

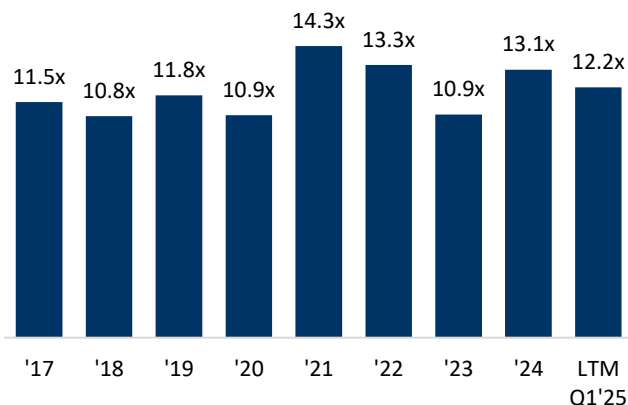


### Private Equity Dry Powder

(\$ in billions)

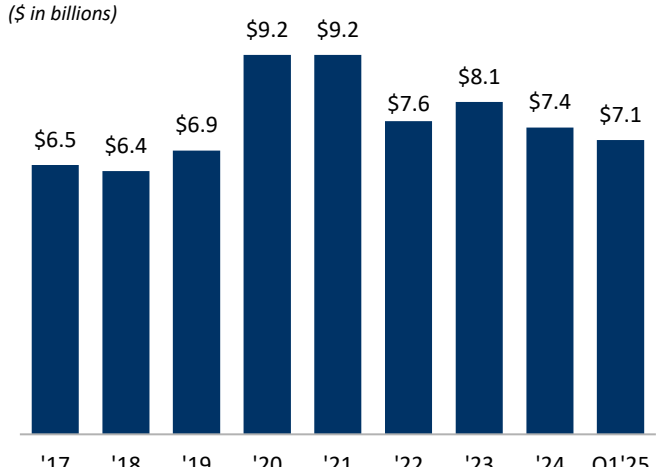


### PE Enterprise Value / EBITDA Multiples

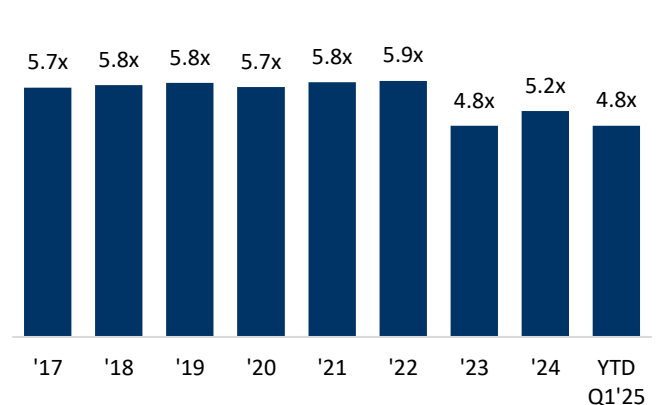


### Cash on Corporate Balance Sheets<sup>(1)</sup>

(\$ in billions)



### PE Debt / EBITDA Multiples<sup>(2)</sup>



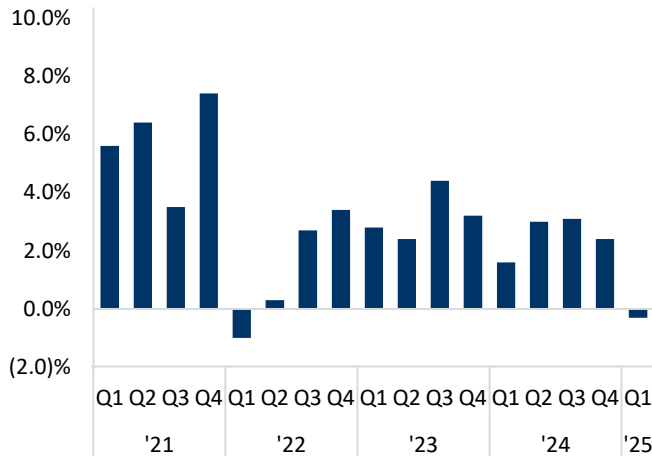
Note: Middle-market transactions have a disclosed enterprise value of less than \$1 billion.

(1) Reflects current S&P 500 constituents.

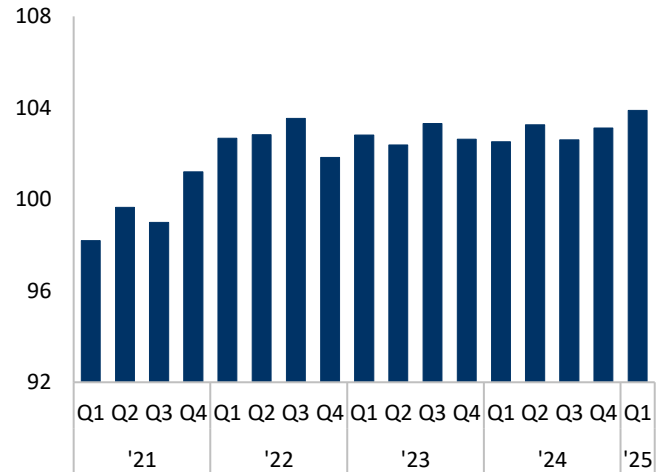
(2) Represents multiples on deals funded by broadly syndicated loans.

## KEY ECONOMIC DATA

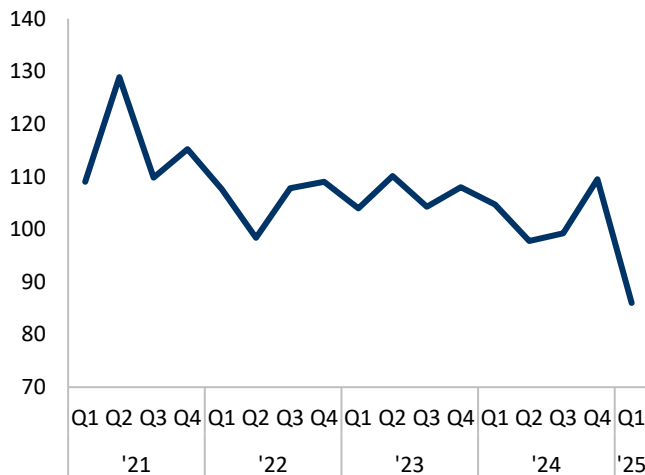
### Real GDP Growth



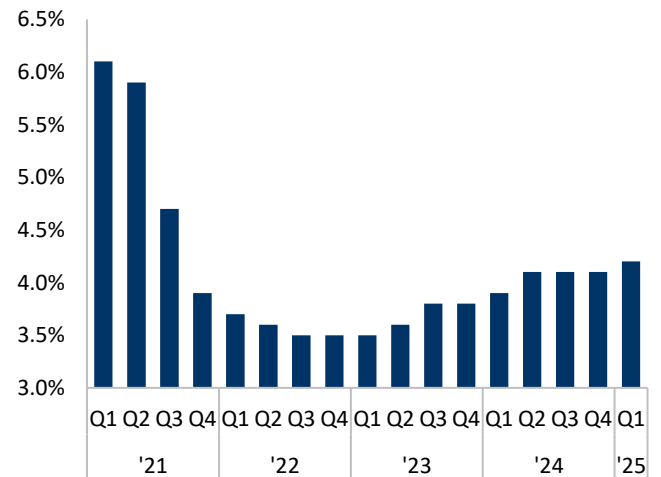
### Industrial Production<sup>(1)</sup>



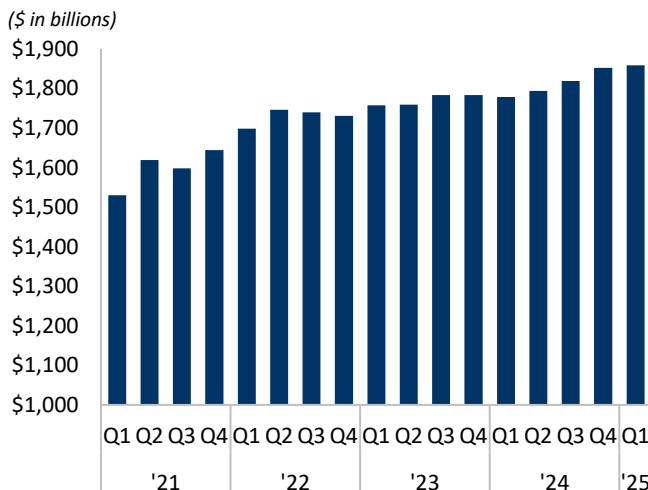
### Consumer Confidence<sup>(2)</sup>



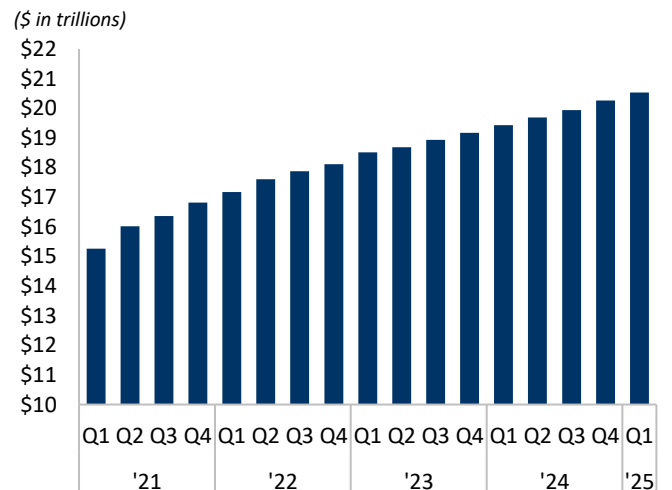
### Unemployment Rate



### Retail Sales



### Consumer Spending



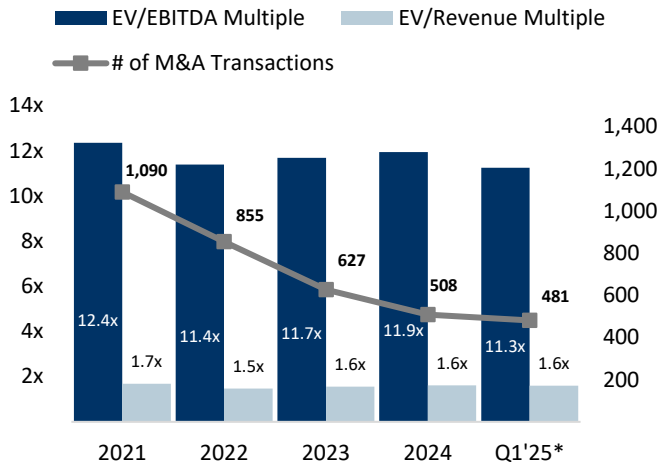
(1) Indexed relative to 2017.

(2) Indexed relative to 1985.

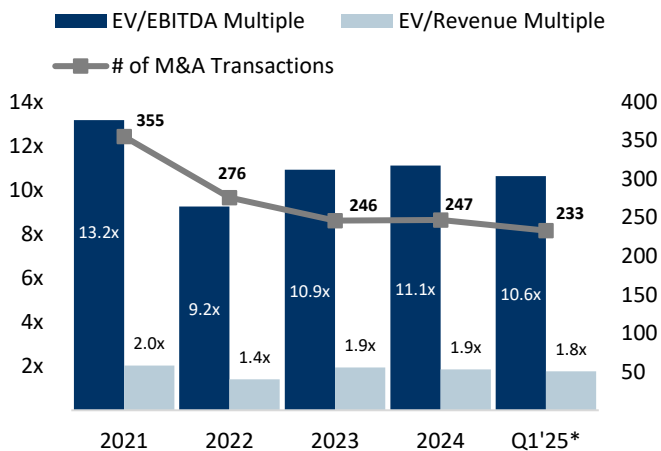


# AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

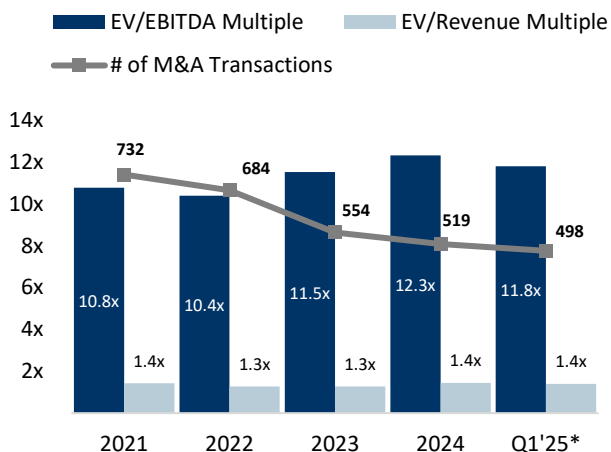
## General Industrial



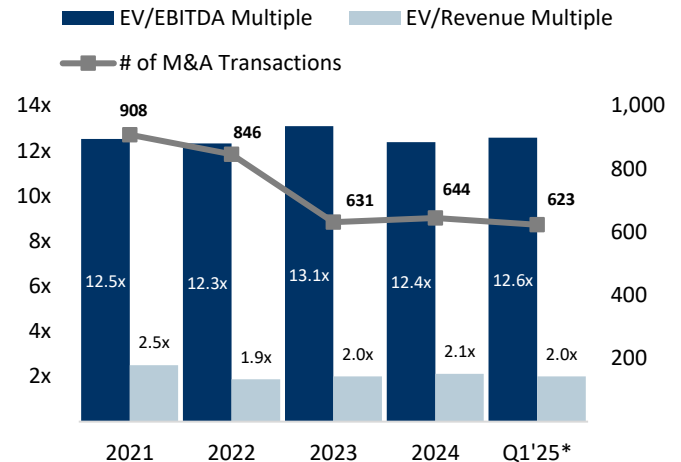
## Building Products



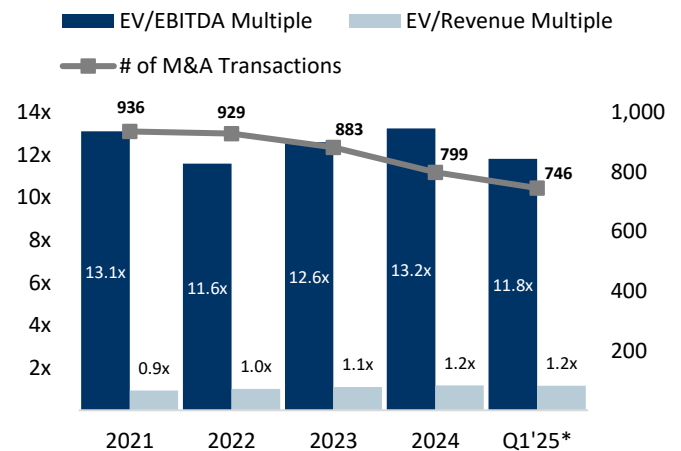
## Retailing



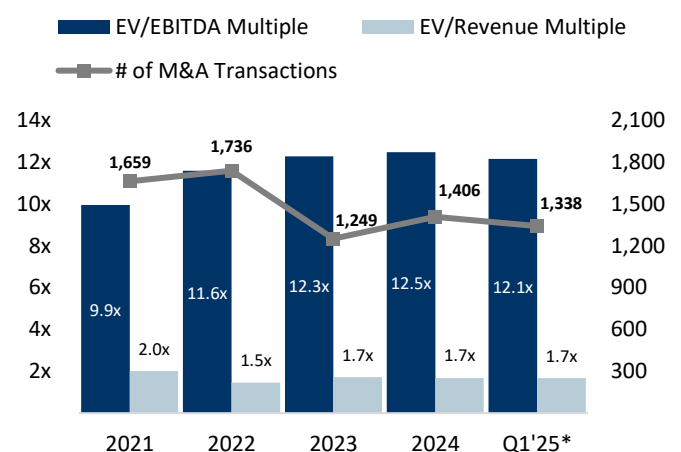
## IT Consulting & Other Services



## Trading Companies & Distributors



## Consumer Services

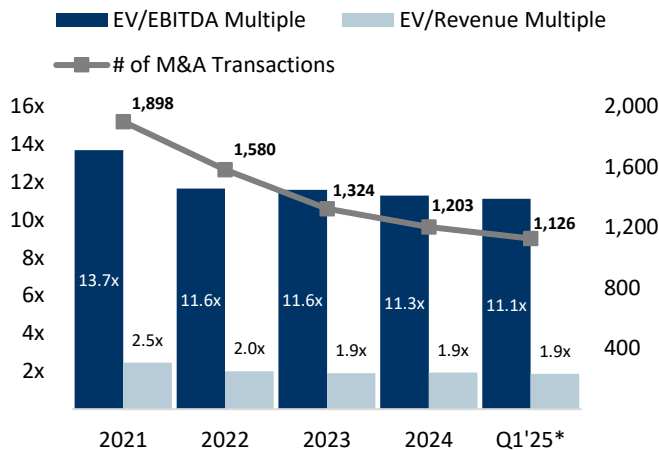


\*Latest twelve months as of March 31, 2025.

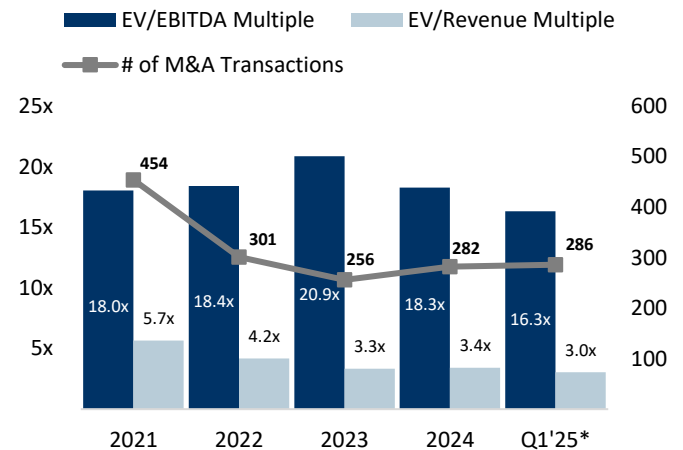
Note: EV = Enterprise Value.

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

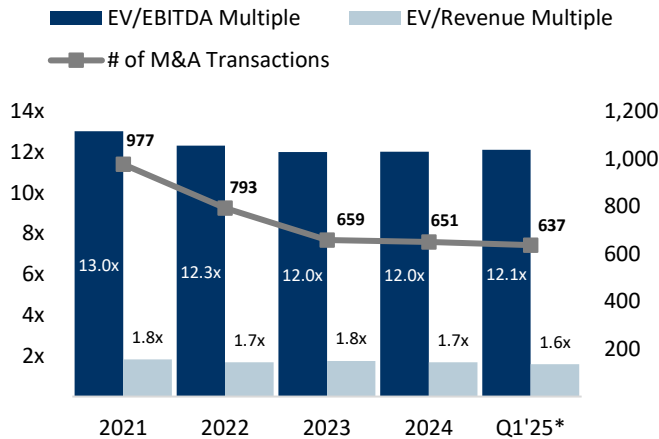
## Healthcare Facilities



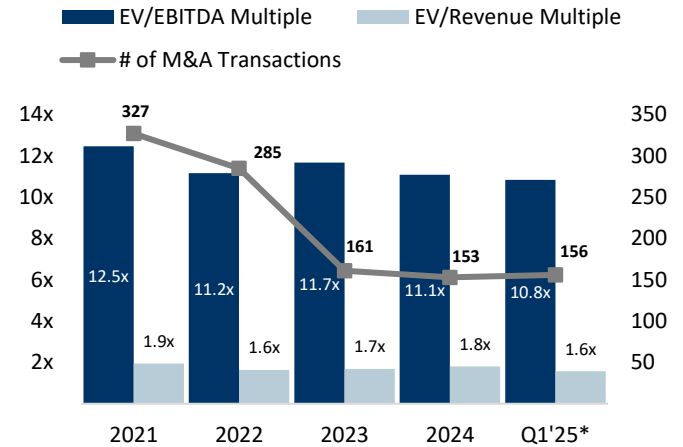
## Healthcare Software



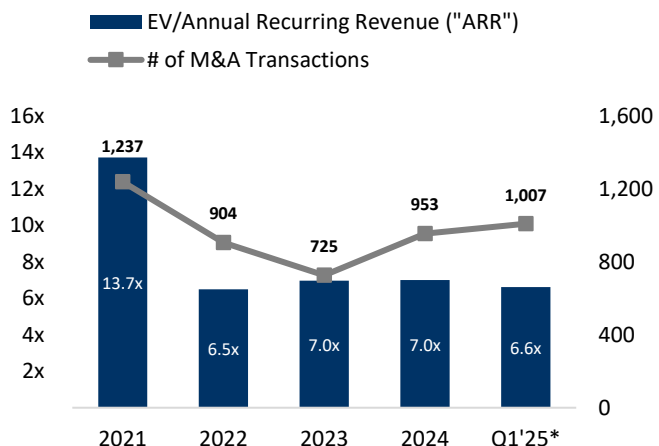
## Healthcare Services



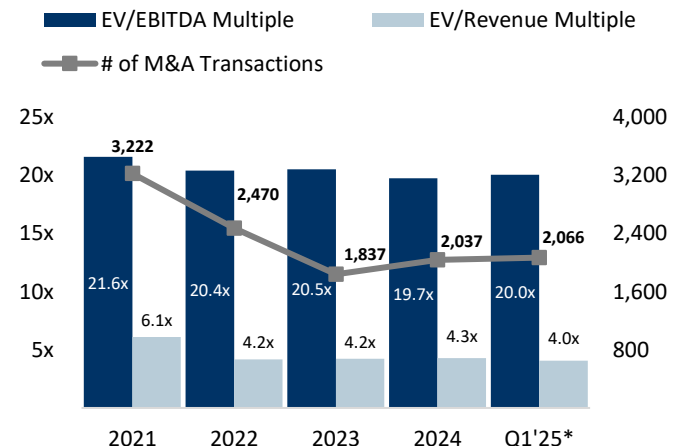
## BPO & Outsourced Services



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



## General Software & Services



(1) SaaS Capital Enterprise Value / ARR Index.

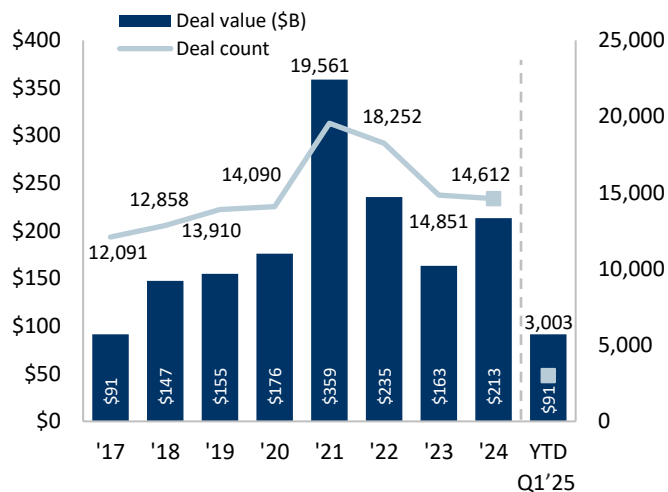
\*Latest twelve months as of March 31, 2025.

Note: EV = Enterprise Value.

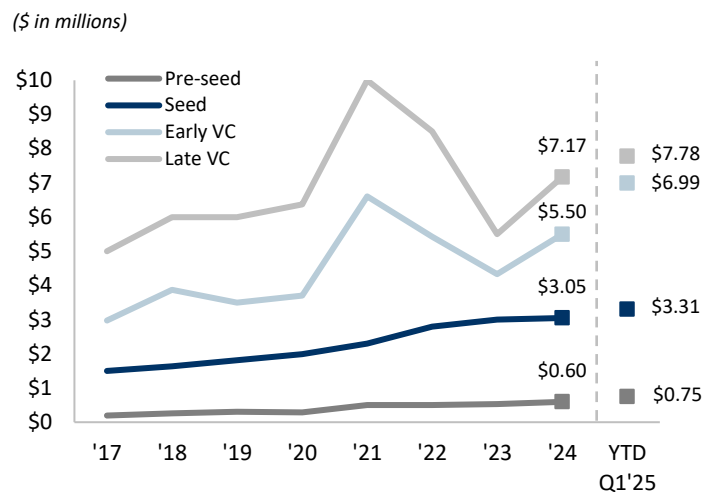


## PRIVATE CAPITAL DATA

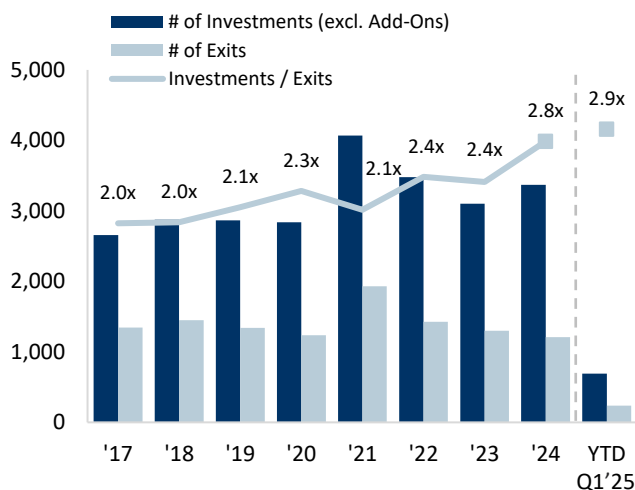
### U.S. VC Activity by Year



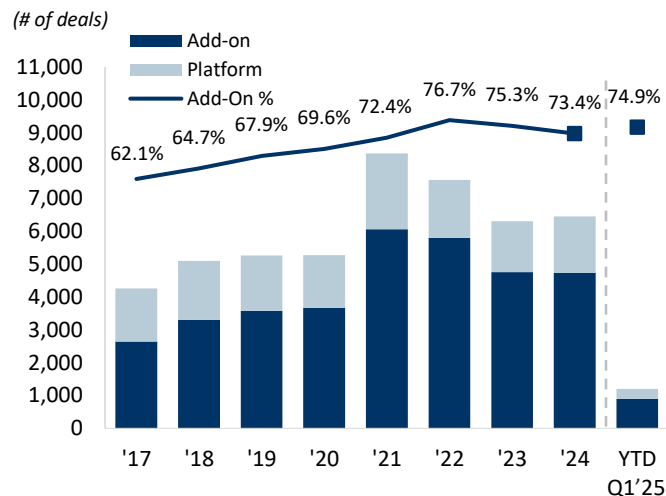
### Median VC Round Size by Stage



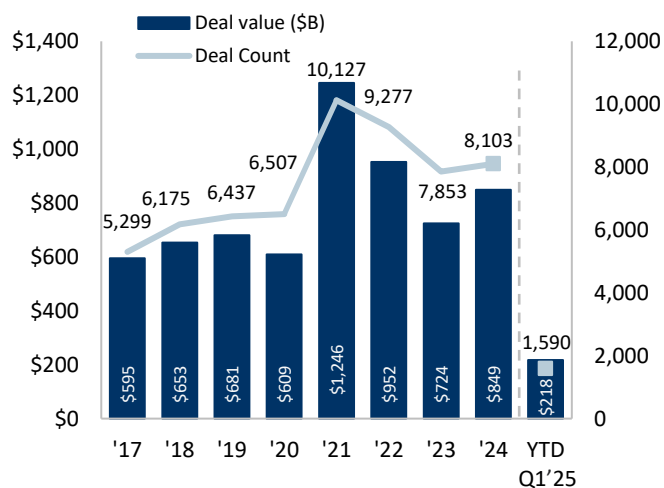
### U.S. Private Equity Investments vs Exits



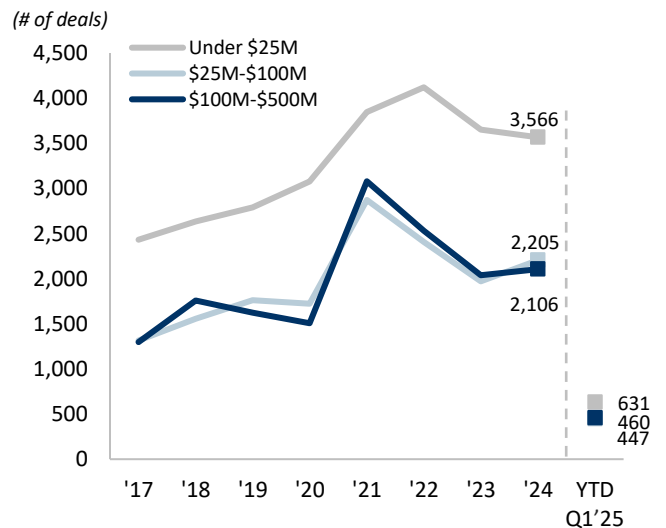
### U.S. Private Equity Add-ons vs Platforms



### U.S. Private Equity Activity by Year



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





## DISCLOSURES

Croft & Bender LP ([www.croft-bender.com](http://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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