



**CROFT & BENDER**

**Q2 2021 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.

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

**Edward S. Croft, III**  
*Managing Director*  
 ecroft@croft-bender.com  
 (404) 841-0055

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

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

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

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

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

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

**Christian Given**  
*Director of Business Development*  
 cgiven@croft-bender.com  
 (404) 328-4837

## 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
- Exceptions to typical EBITDA criteria:
  - High growth companies
  - Technology 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 \$15 million capital need

## REPRESENTATIVE TRANSACTIONS


### BUSINESS SERVICES

**H<sub>2</sub>O-IQ**  
Aqua Smart, Inc.

has been acquired by



Aqua Smart is a leading producer of treatment chemicals for the drinking water market.

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### TECHNOLOGY

 **GRAYSHIFT**

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

**PEAKEQUITY PARTNERS**

Grayshift provides the leading mobile forensic access and extraction solution for law enforcement, national defense and the intelligence community.

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### INDUSTRIAL

 **SEI GROUP**  
BUILDING PRODUCTS


a portfolio company of

**NARROW GAUGE CAPITAL**

has been acquired by

 **QUAD-C**

SEI is a leading installer of insulation and other specialty building products.

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### HEALTHCARE

 **medport**


has been acquired by

**Oasis Financial**

a portfolio company of

Medport is a leading, tech-enabled provider of healthcare financing solutions.

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### CONSUMER

 **ASP**  
AMERICAN SWIMMING POOL CO.

has been acquired by

 **AUTHORITY BRANDS**

a portfolio company of

**Apax PARTNERS**

ASP is the leading swimming pool cleaning franchisor in the U.S.

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 **ess**

has merged with

 **GlobalHR RESEARCH**

a portfolio company of

**Renovo CAPITAL**

ESS is a leading tech-enabled services company in the employment screening industry.

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 **vision**  
Managed Mobility Services

has been acquired by

**motus**

a portfolio company of

 **THOMABRAVO**

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

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**TRILINK**  
Saw Chain

has been acquired by

**ARROWHEAD**  
ENGINEERED PRODUCTS INC.

a portfolio company of

 **Riverside INVESTCORP**

TriLink Saw Chain is a leading provider of chainsaw replacement parts.

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 **Sacred Journey HOSPICE**

has been acquired by

 **BRIGHTSPRING HEALTH SERVICES**

a portfolio company of

**KKR** 

Sacred Journey Hospice is a leading hospice provider in Georgia.

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 **Carousel**  
designs

has been acquired by



Carousell Designs is a leading online provider of original and custom-designed baby bedding, fabric and nursery décor.

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 **PINNACLE DATA SYSTEMS**  
GO BEYOND ORDINARY

has been acquired by

**doxim**

a portfolio company of **GI PARTNERS**

Pinnacle is a leading customer communications management and engagement technology provider.

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**GBG**

has acquired

**IDODOLOGY**

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

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 **ARPA**

has been acquired by

 **SEI GROUP**  
BUILDING PRODUCTS

a portfolio company of

**NARROW GAUGE CAPITAL**

ARPA is a leading installer of insulation and other specialty products.

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 **Hospice Care of South Carolina**

has been recapitalized by

 **VISTRIA**

HCSA is a leading provider of hospice and palliative care services in the Southeast.

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**Service Brands INTERNATIONAL**

has been acquired by

 **Dwyer Group** 

Service Brands is a leading multi-concept residential services franchisor.


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 **NOVA**  
PROFESSIONAL | PRACTICAL | PROVEN

has been acquired by

 **WATKINS**  
Associated Industries

NOVA is a leading provider of engineering, consulting, testing, and inspection services to the design and construction industry.

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**SIP.US**


has been acquired by

 **bcmone**  
Human Focused. Technology Solutions.

a portfolio company of

**THOMPSON STREET CAPITAL PARTNERS**

SIP.US is a leading provider of on-demand, enterprise-class IP communications software solutions.

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 **ACOUSTI ENGINEERING COMPANY**  
SINCE 1946

has been recapitalized by

**ARDIAN**

Acousti is a leading subcontractor of interior finish solutions, specializing in acoustical ceilings and walls.

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 **dominion youth services**

has been acquired by

 **CENTURY PARK CAPITAL PARTNERS**

Dominion Youth Services is a leading provider of behavioral and mental health support services to the youth and adolescent market.

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 **THE HOME DEPOT**

has sold **Harris Research, Inc.**  
Franchisor of

 **ChemDry** 

**Baird Capital Partners** 

HRI is a leading franchisor of in-home consumer services.

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## FEATURED TRANSACTIONS

### COMPANY OVERVIEW

- Headquartered in Atlanta, GA, TriLink Saw Chain is a leading provider of chainsaw replacement parts and accessories, serving many of the market's dominant retailers, OEMs and distributors
- The Company has leveraged a global sales and distribution network reaching 42 countries on six continents to become the largest chain and guide bar supplier in the retail market in North America over the last 15 years

### DEAL OVERVIEW

- Croft & Bender was engaged to help the Company evaluate strategic alternatives, including a majority recapitalization or strategic sale
- 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
- The competitive nature of the process drove increasing valuations at each stage and increased speed to closing, which was a critical consideration to the Company due to concerns regarding potential future changes to the tax code under a new administration
- Croft & Bender successfully negotiated the sale of the Company to Arrowhead Engineered Products, a portfolio company of The Riverside Company and Investcorp

**TRILINK**  
Saw Chain


has been acquired by

**ARROWHEAD**  
ENGINEERED PRODUCTS INC.

a portfolio company of

 **Riverside** INVESTCORP

TriLink Saw Chain is a leading provider of chainsaw replacement parts.

 **CROFT & BENDER**

### COMPANY OVERVIEW

- Founded in 2001, Sacred Journey Hospice is one of the longest-running hospices in Georgia and was the second largest independent hospice in the state prior to its sale
- The Company is led by a strong, growth-oriented management team that is committed to providing the highest standard of care to the Company's patients and their families

### DEAL OVERVIEW

- Croft & Bender was engaged to advise the Company through an exclusive sale process
- Croft & Bender worked with the Company to identify and select a targeted group of potential acquirers, build a financial model, develop marketing materials, conduct management presentations, manage the diligence process and negotiate with interested parties
- The high degree of interest combined with the Company's performance provided Croft & Bender leverage to drive premium valuations at every stage of the process
- Croft & Bender successfully negotiated the sale of the Company to BrightSpring Health Services, a portfolio company of KKR & Co. and Walgreens Boots Alliance

  
Sacred Journey  
HOSPICE


has been acquired by

  
**BRIGHTSPRING**  
HEALTH SERVICES

a portfolio company of

**KKR** 

Sacred Journey Hospice is a leading hospice provider in Georgia.

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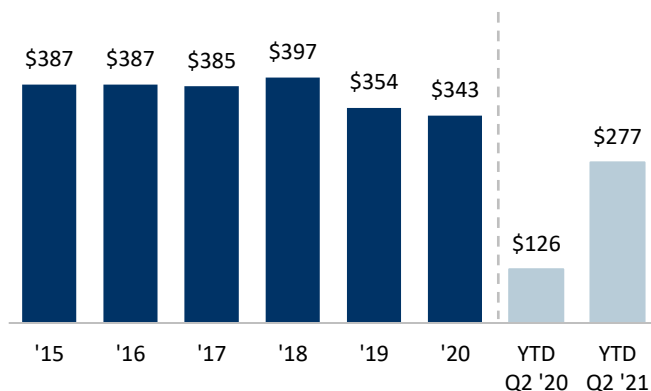
## KEY CAPITAL MARKETS DATA

### Public Equity Markets



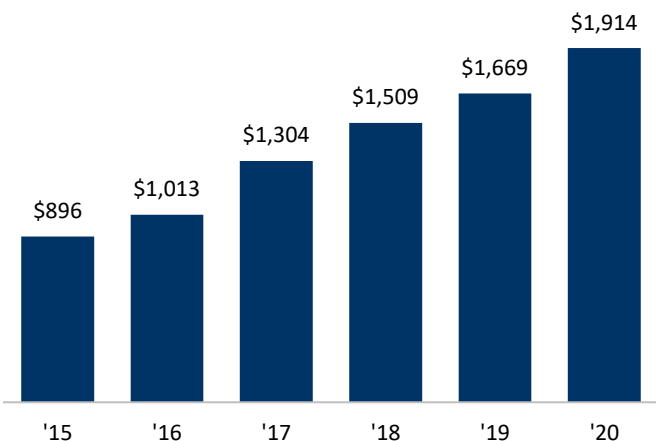
### Middle Market Deal Volume

(\$ in billions)



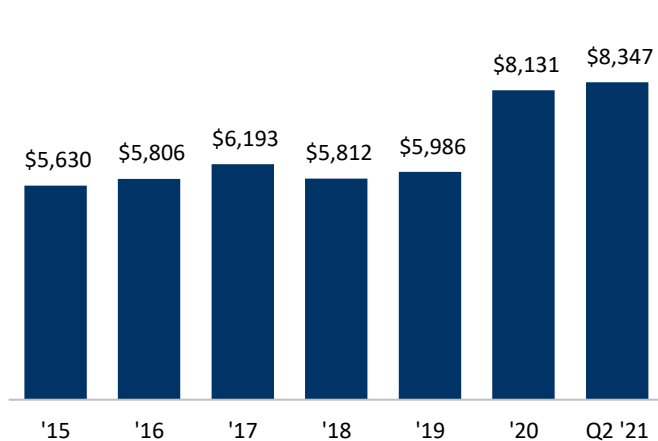
### Private Equity Dry Powder

(\$ in billions)

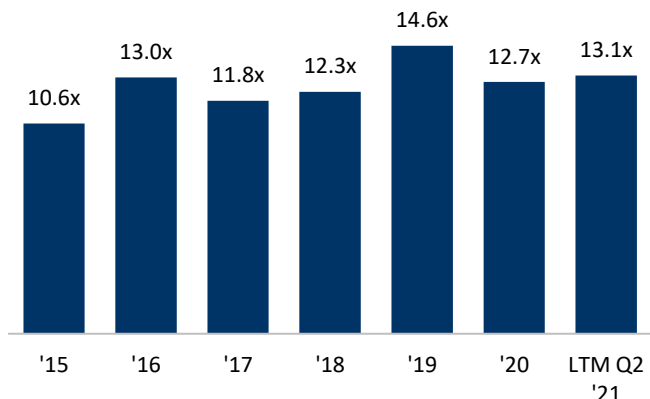


### Cash on Corporate Balance Sheets<sup>(1)</sup>

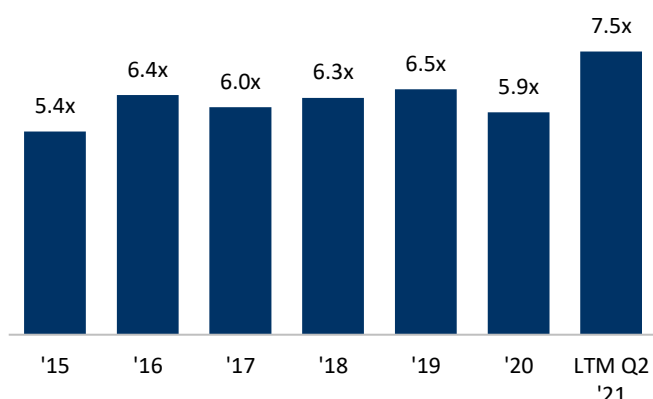
(\$ in billions)



### US PE Enterprise Value / EBITDA Multiples



### US PE Debt / EBITDA Multiples

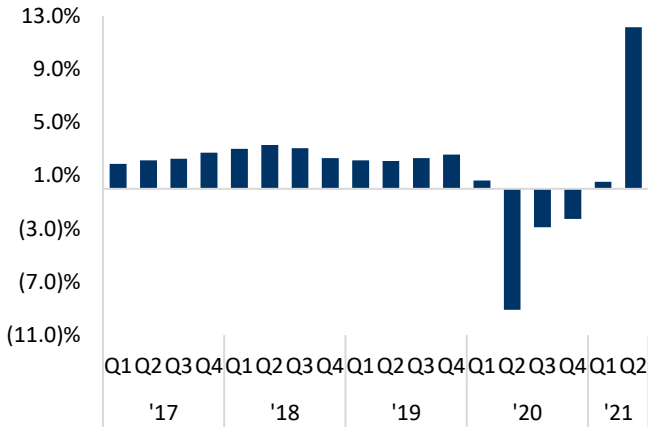


Note: Middle-market transactions have a disclosed enterprise value of less than \$1 billion.

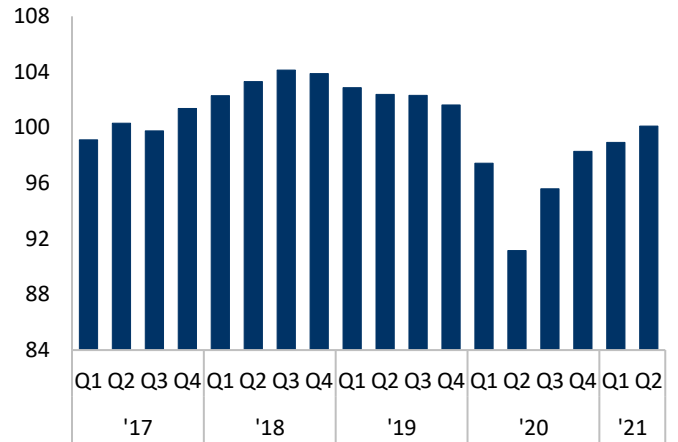
(1) Reflects S&P 500 constituents.

# KEY ECONOMIC DATA

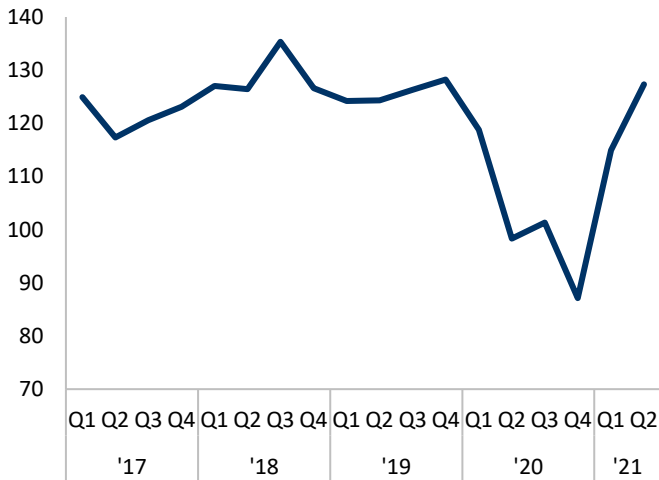
### Real GDP Growth



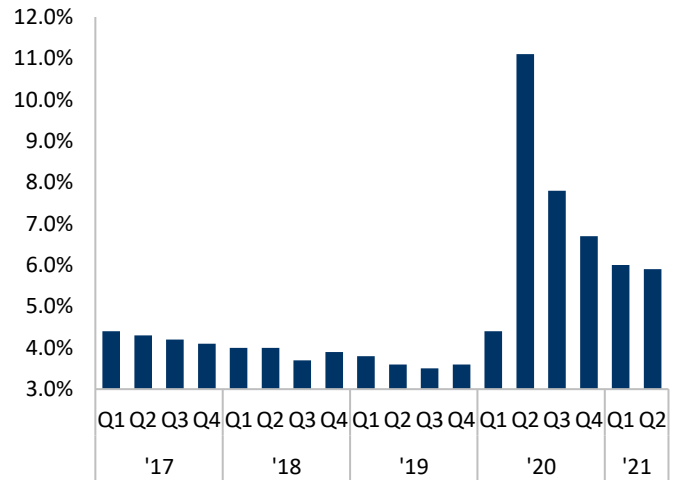
### Industrial Production<sup>(1)</sup>



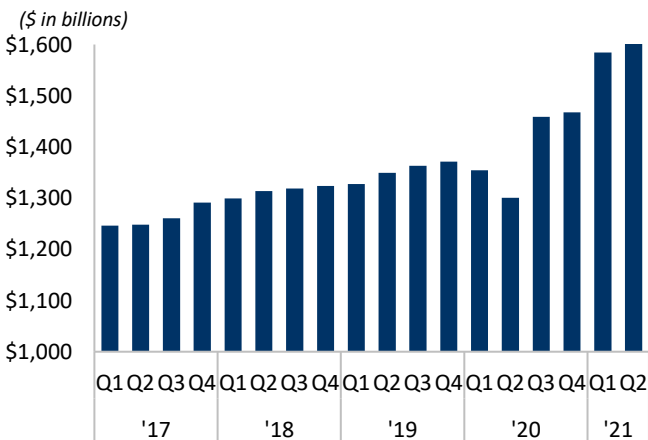
### Consumer Confidence<sup>(2)</sup>



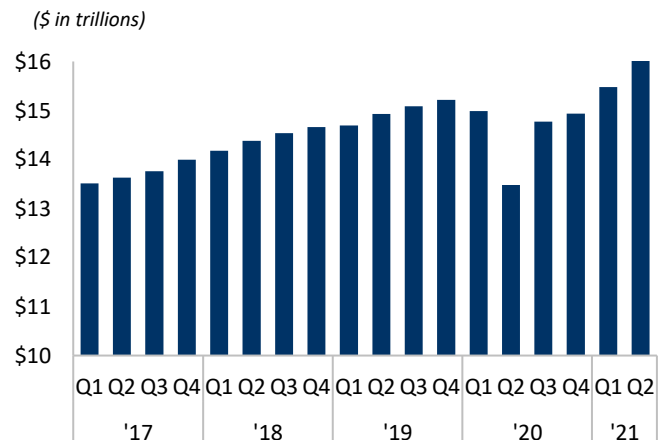
### Unemployment Rate



### Retail Sales



### Consumer Spending



(1) Indexed relative to 2012.

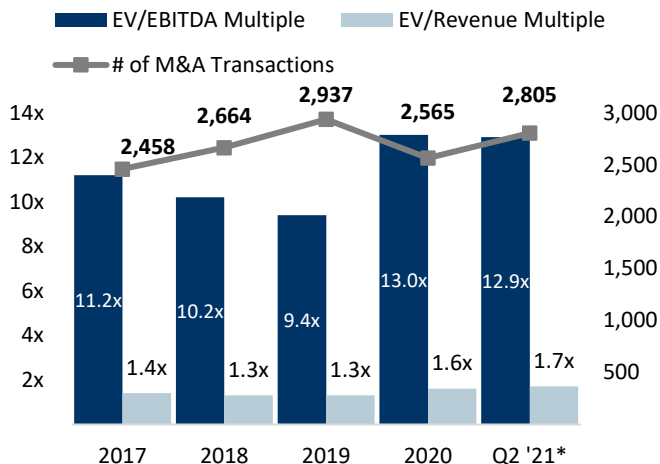
(2) Indexed relative to 1985.



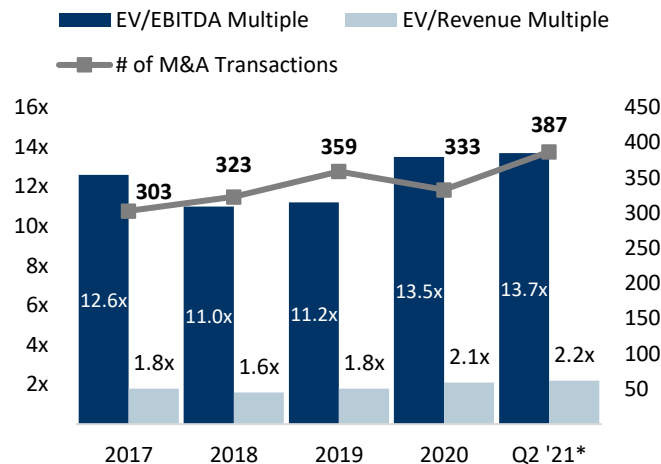


# AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

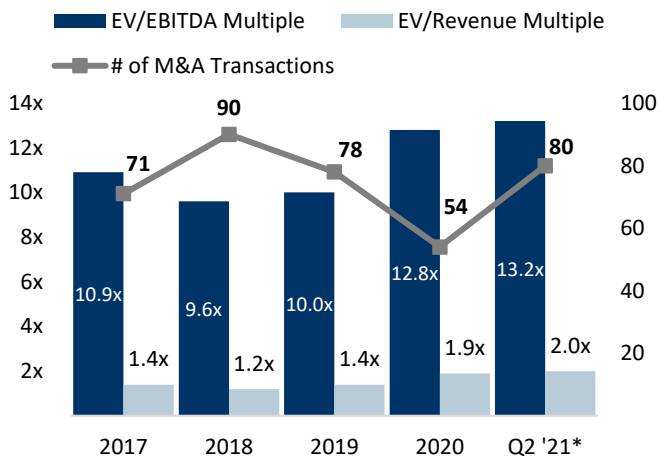
## General Industrial



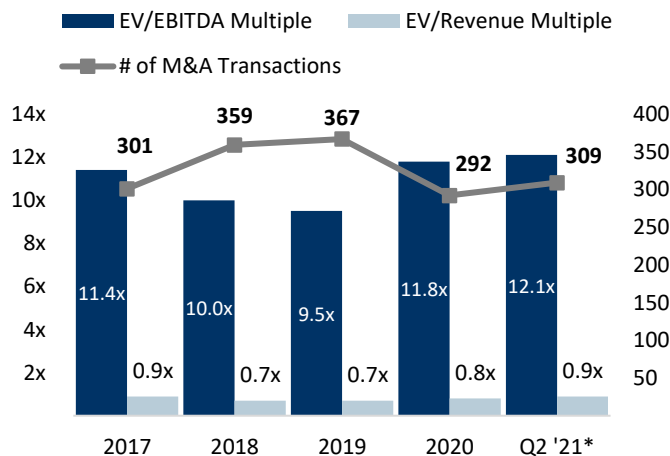
## IT Consulting & Other Services



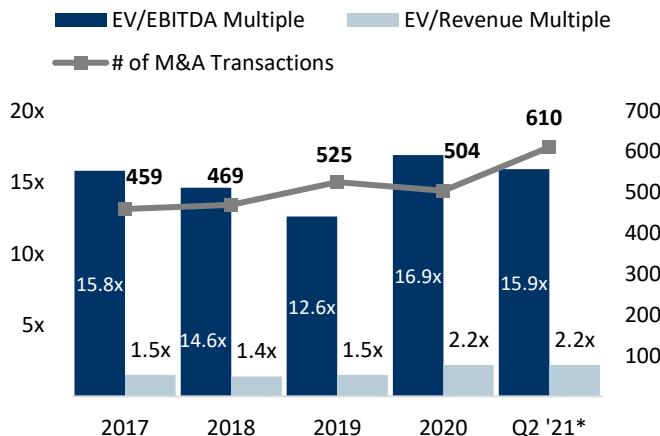
## Building Products



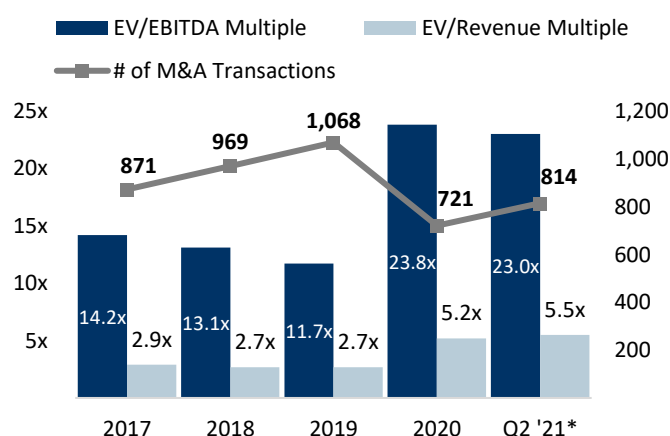
## Trading Companies & Distributors



## Retailing



## Consumer Services



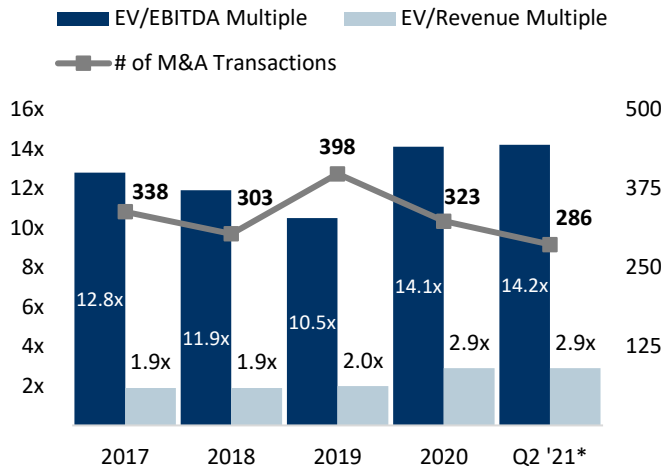
\*Latest twelve months as of June 30, 2021.

Note: EV = Enterprise Value.

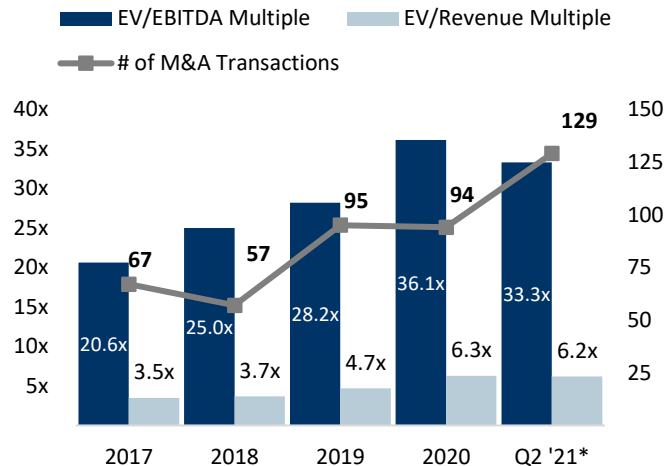


# AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

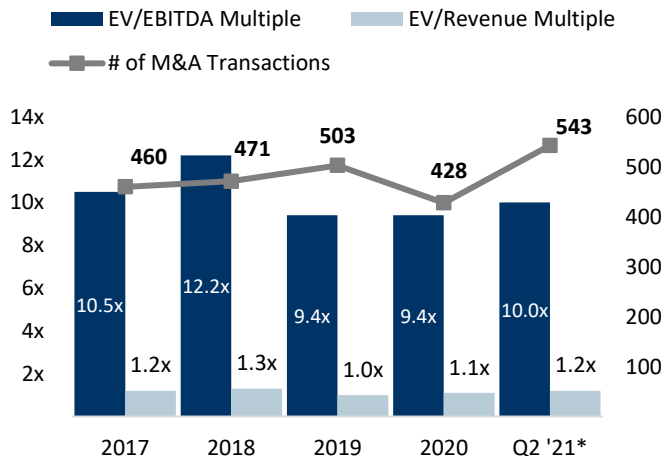
## Healthcare Facilities



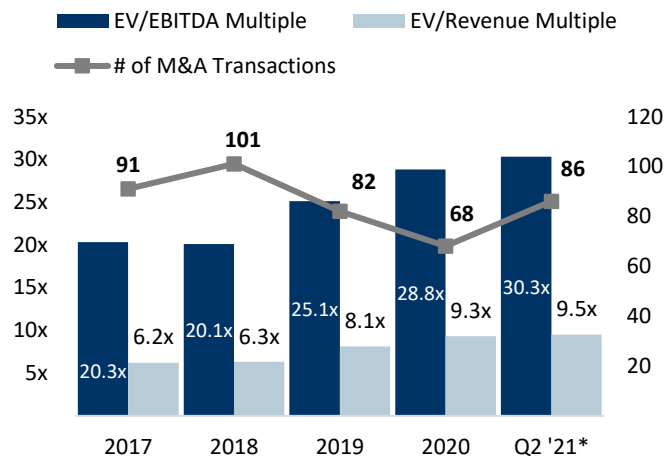
## Healthcare Software



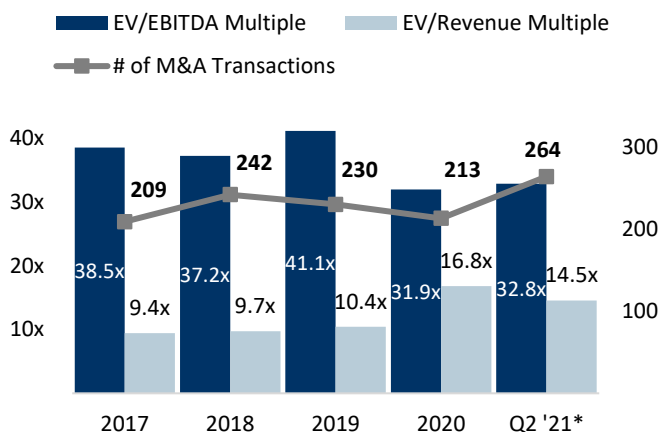
## Healthcare Services



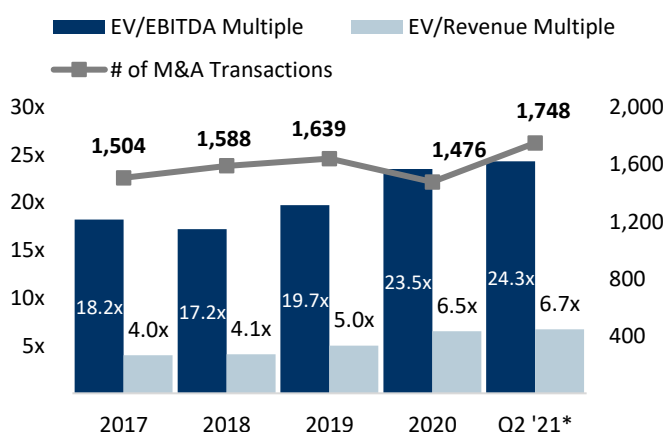
## Data Processing & Outsourced Services



## Software-as-a-Service



## General Software & Services



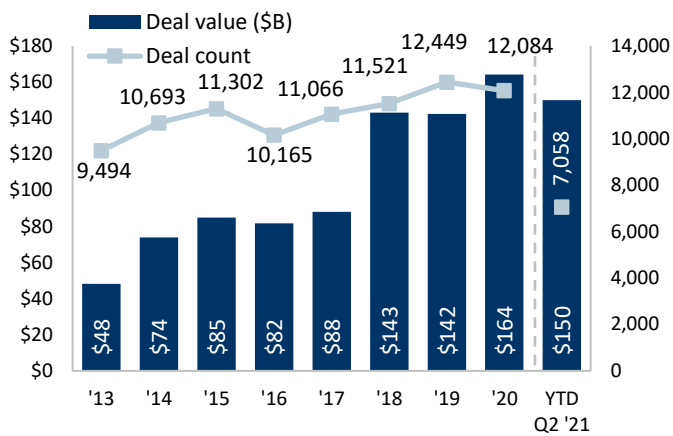
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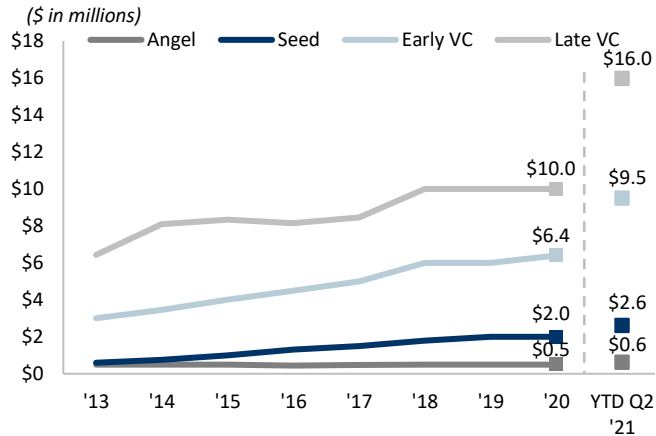


# PRIVATE CAPITAL DATA

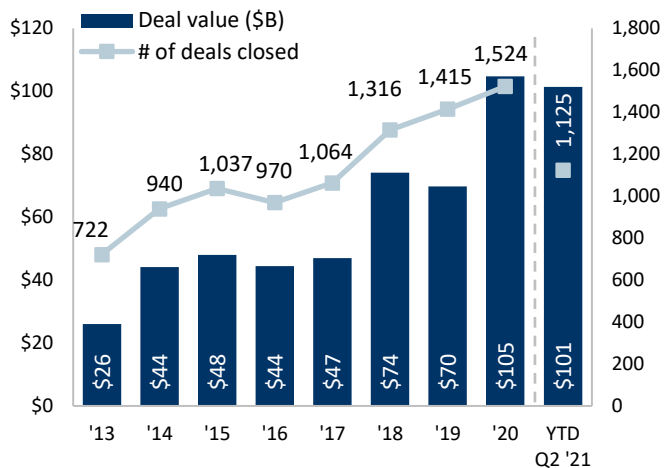
## U.S. VC Activity by Year



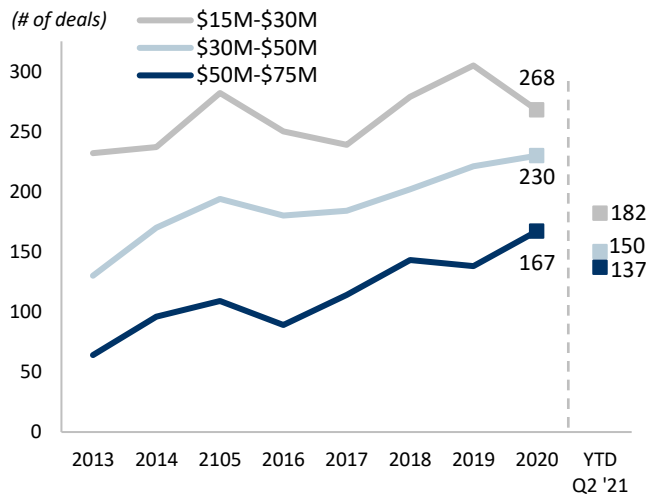
## Median VC Round Size by Stage



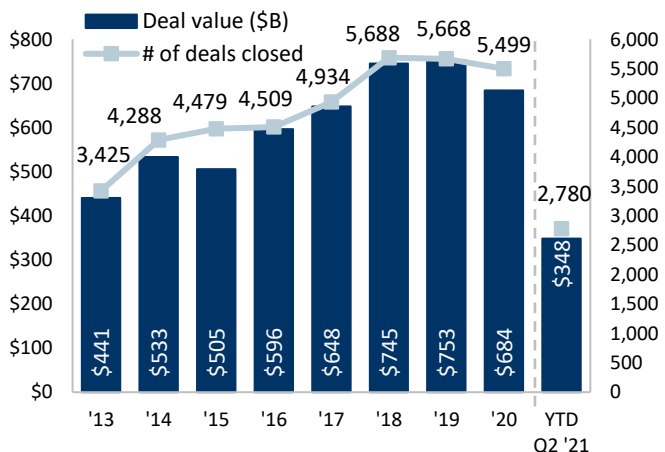
## U.S. Growth Equity Activity by Year



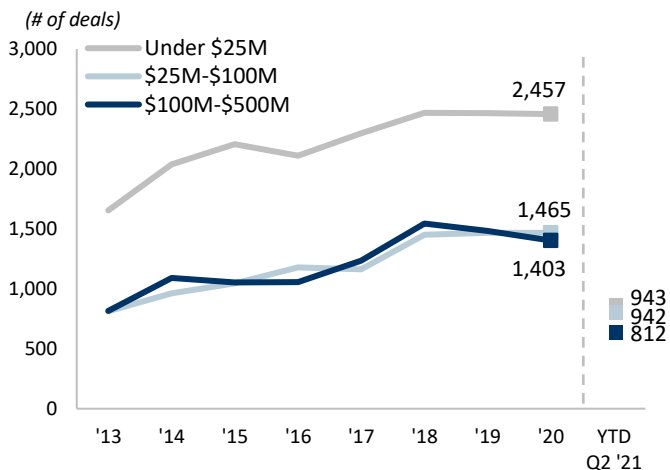
## U.S. Growth Equity Deals by Deal Size



## 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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