



# CROFT & BENDER

## Q3 2018 Market Report



**Mergers & Acquisitions**



**Private Equity**



**Financial Advisory**



## CONTACT US

## OVERVIEW

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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

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### 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
- Durable Goods

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### HEALTHCARE

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

### CONSUMER

- Products/Services
- Franchising
- Restaurants
- Retail
- Entertainment/Leisure

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## DEAL CRITERIA

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### MERGERS & ACQUISITIONS

- Buy side/sell side
- Enterprise Values up to \$300 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 \$10 million capital need

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# REPRESENTATIVE TRANSACTIONS

## BUSINESS SERVICES



has been recapitalized by



Secretariat is a leading provider of dispute resolution advisory services to public and private sector clients across the world.



## TECHNOLOGY



has been recapitalized by



Sayers is a leading provider of data center infrastructure, cybersecurity solutions, professional services and other IT products and solutions.



## INDUSTRIAL



has been recapitalized by



Regent is a leading manufacturer and distributor of custom cabinets and countertops to the multi-family construction industry.



## HEALTHCARE



has been recapitalized by



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



## CONSUMER



has been acquired by



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



has been recapitalized by



Mudlick Mail provides data-driven, direct mail and related marketing solutions to small and medium-sized businesses.



has merged with



a portfolio company of



ControlScan is a leading provider of security and compliance solutions.



The Erosion Company

has been recapitalized by



The Erosion Company provides erosion control and related site services to the construction industry.



has been acquired by



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



has been acquired by



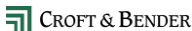
Service Brands is a leading multi-concept residential services franchisor.



has been recapitalized by



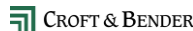
Juniper Landscaping is a leading provider of landscaping services to commercial customers.



has been acquired by



ACP is a leading provider of full-featured thin client management and location-based mobility software.



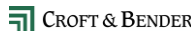
## **VNS Corporation**



has been acquired by



VNS is a leading supplier and manufacturer of building products.



See Patients. Get Paid.

has been acquired by



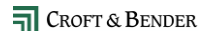
Nuesoft Technologies is a leading provider of SaaS solutions and RCM services for the healthcare industry.



has sold  
Harris Research, Inc.  
Franchisor of



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



has been acquired by



Coverall is a leading franchisor of commercial cleaning services.



has received an equity investment from



Bridge2 Solutions provides the leading SaaS platform enabling the redemption of loyalty reward points for goods and services.



has been recapitalized by



USPack is a leading provider of asset-light, same-day delivery and last mile logistics services.



has been recapitalized by



ML Healthcare provides financing and access to care for patients unable to afford medical services.

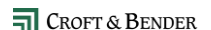


a portfolio company of



has acquired multiple franchisee markets

PODS is a leading provider of moving and portable storage for consumers and corporations.



\* Represents transactions in which C&B Capital participated as an investor

### COMPANY OVERVIEW

- Dominion Youth Services (“DYS”) is a leading provider of behavioral and mental health support services primarily to the youth and adolescent market in the Commonwealth of Virginia
- The Company employs approximately 700 highly-trained and credentialed healthcare professionals who provide personalized care in a combination of community-, home-, and facility-based settings



has been acquired by



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

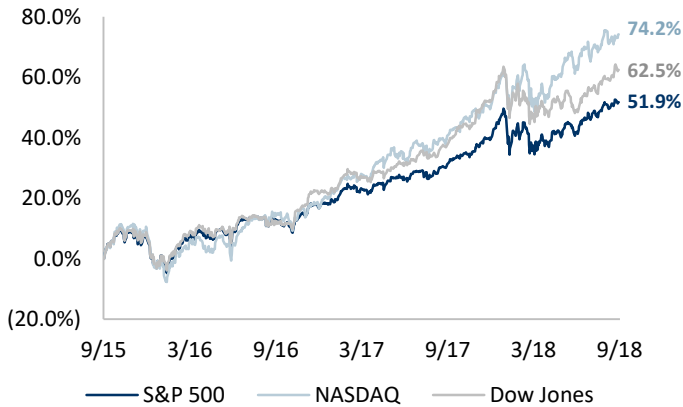


### DEAL OVERVIEW

- Croft & Bender was engaged to help DYS evaluate strategic alternatives, with a focus on providing liquidity to the current owners who were not active in the business, while providing management a partner to help facilitate 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 potential buyers
- Croft & Bender successfully negotiated the sale of the Company to Century Park Capital Partners

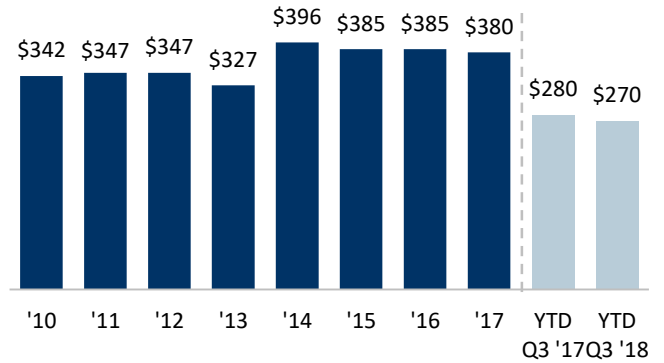
## KEY CAPITAL MARKETS DATA

### Public Equity Markets



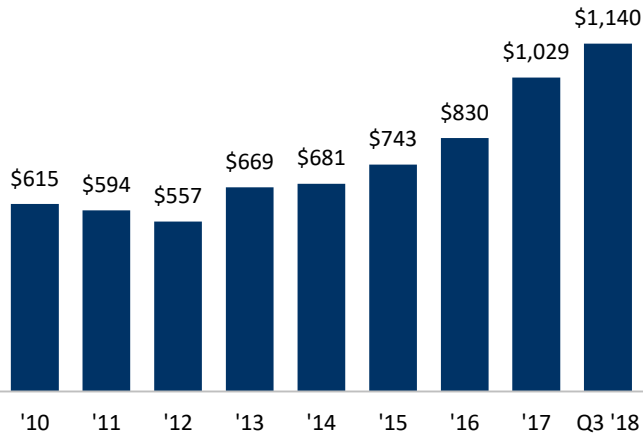
### Middle Market Deal Volume

(\$ in billions)



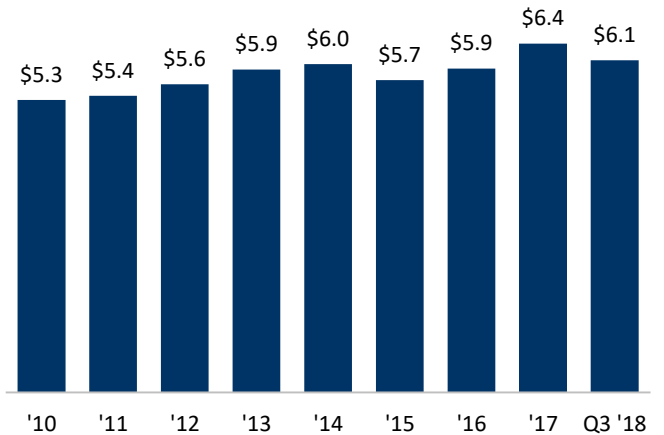
### Private Equity Dry Powder

(\$ in billions)

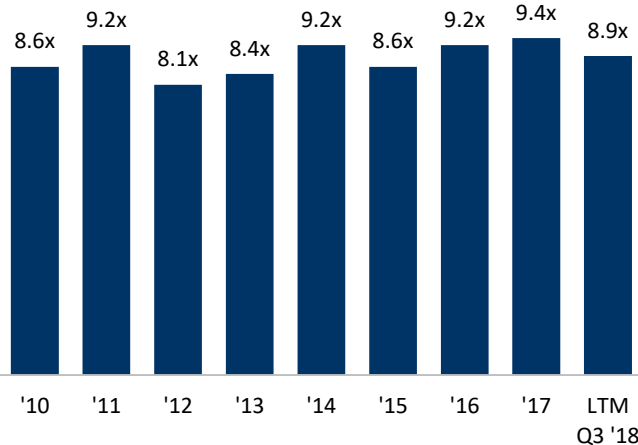


### Cash on Corporate Balance Sheets

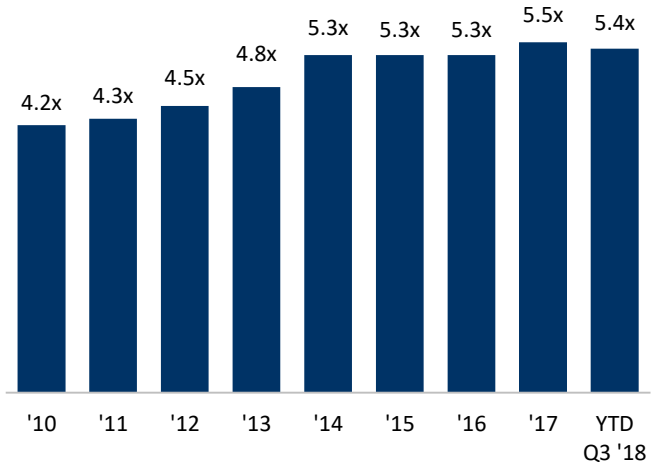
(\$ in trillions)



### Middle Market EBITDA Multiples

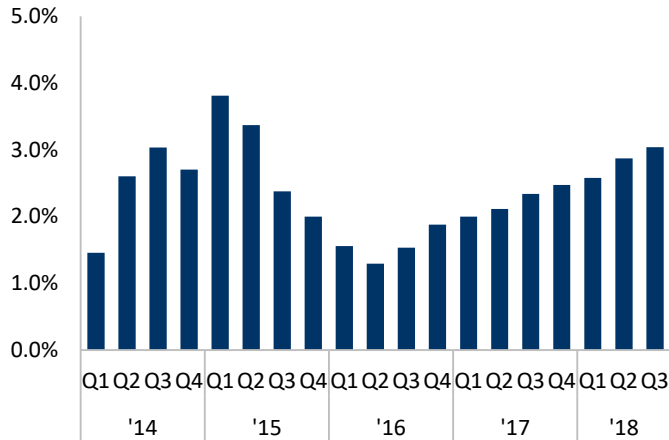


### Middle Market Leverage Multiples

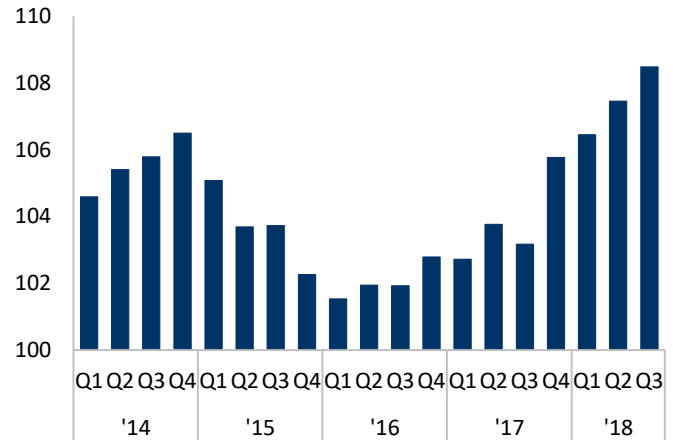


## KEY ECONOMIC DATA

### Real GDP Growth



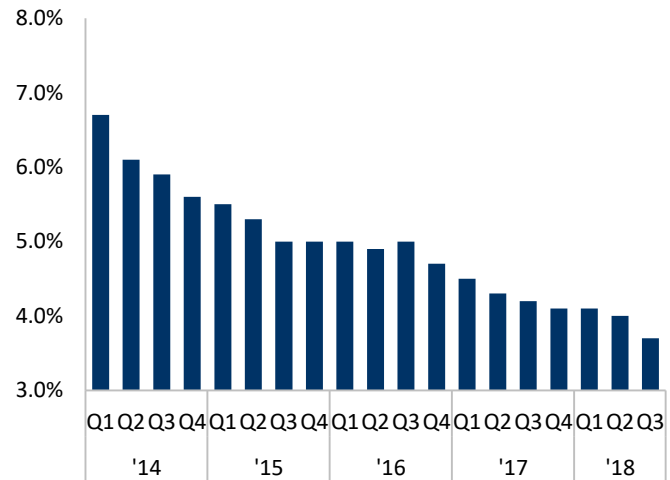
### Industrial Production<sup>(1)</sup>



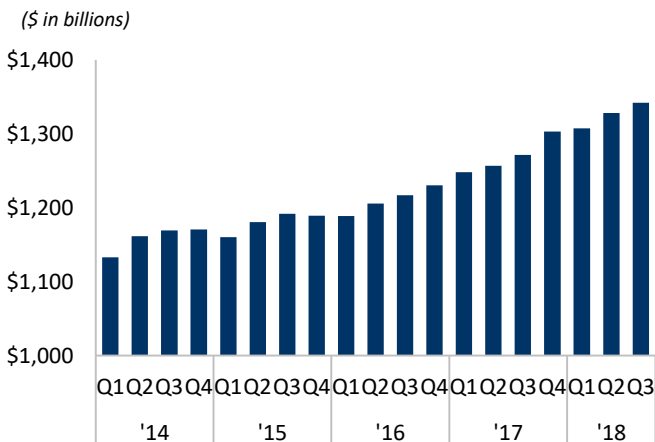
### Consumer Confidence<sup>(2)</sup>



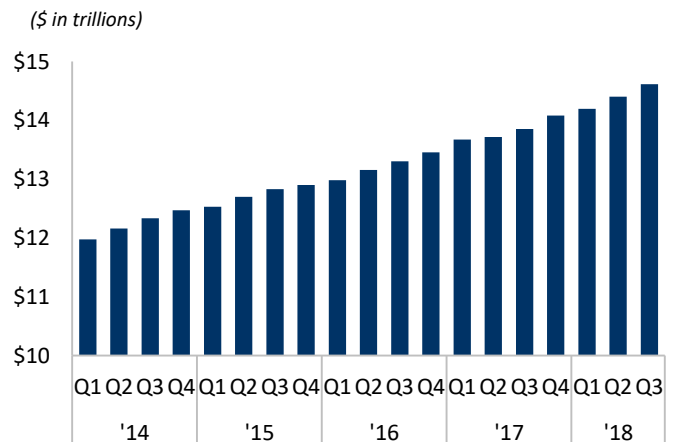
### Unemployment Rate



### Retail Sales



### Consumer Spending

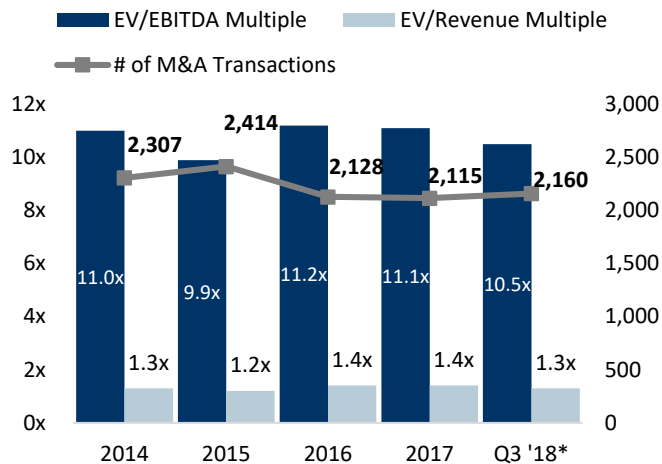


[1] Indexed relative to 2012.

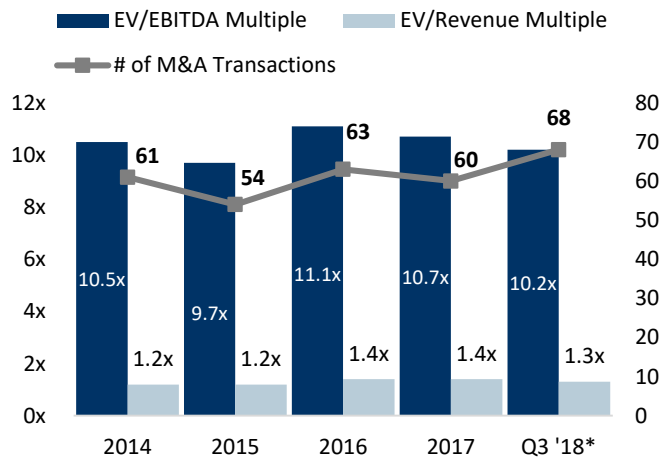
[2] Indexed relative to 1985.

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

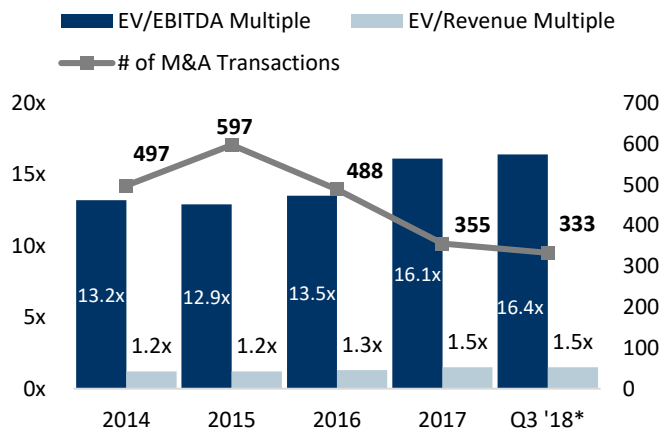
## General Industrial



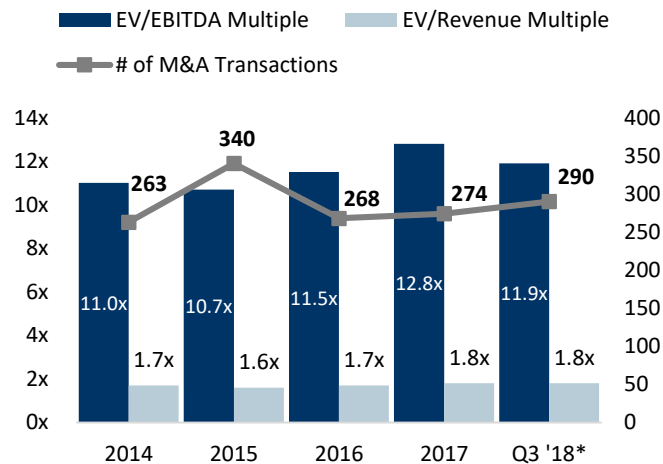
## Building Products



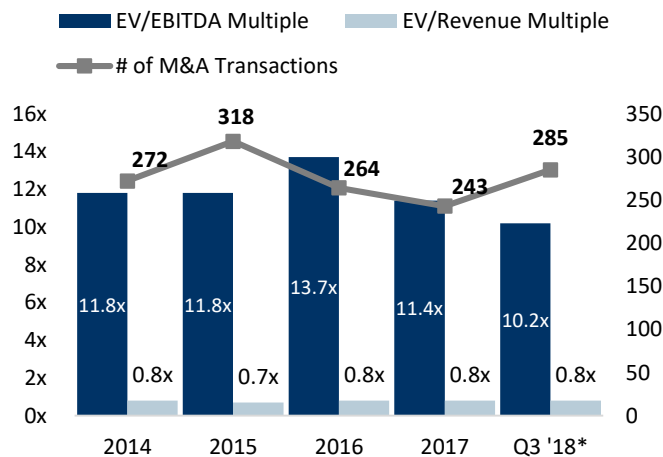
## Retailing



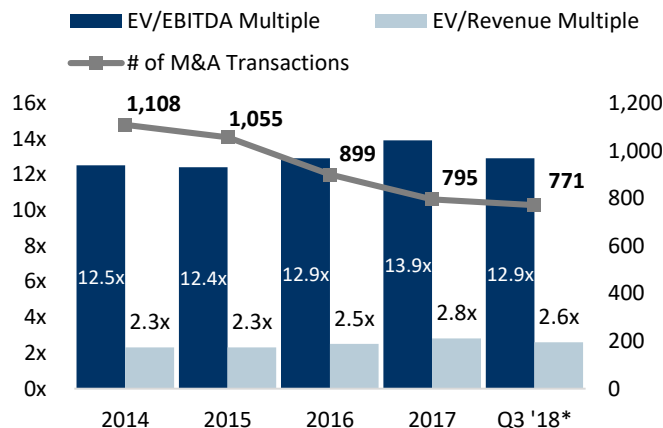
## IT Consulting & Other Services



## Trading Companies & Distributors



## Consumer Services



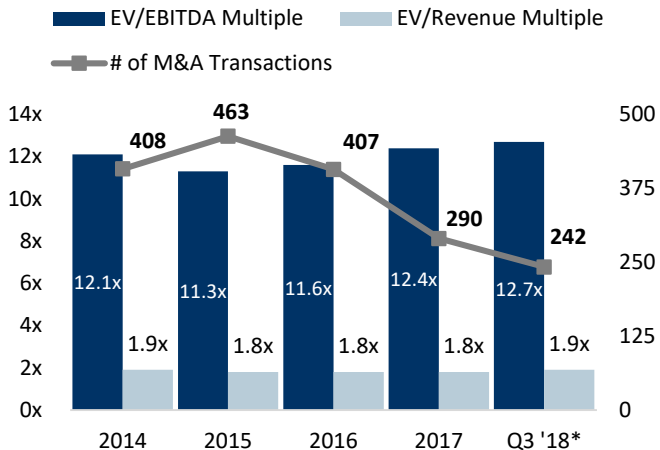
\*Latest twelve months as of September 30, 2018

Note: EV = Enterprise Value

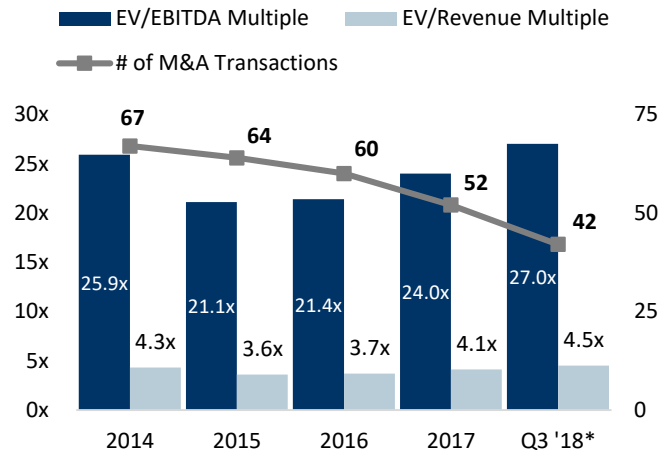


# AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

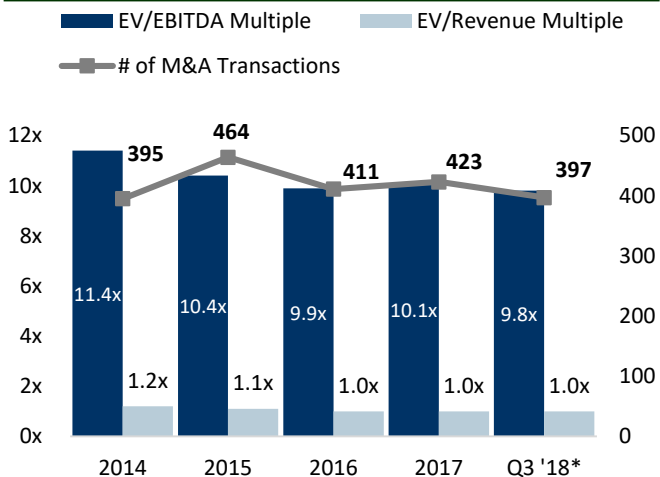
## Healthcare Facilities



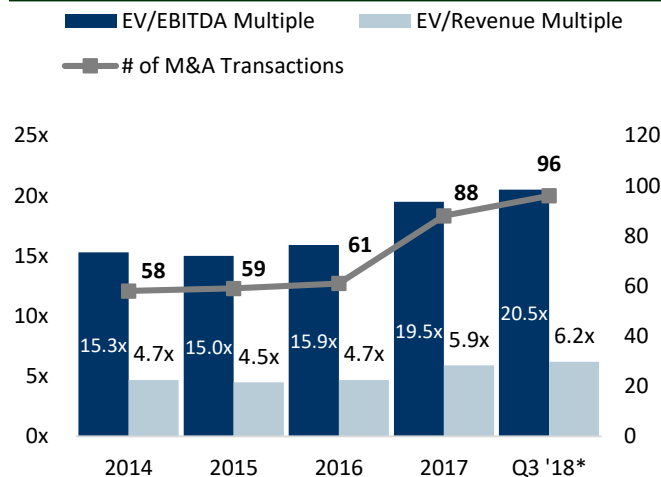
## Healthcare Software



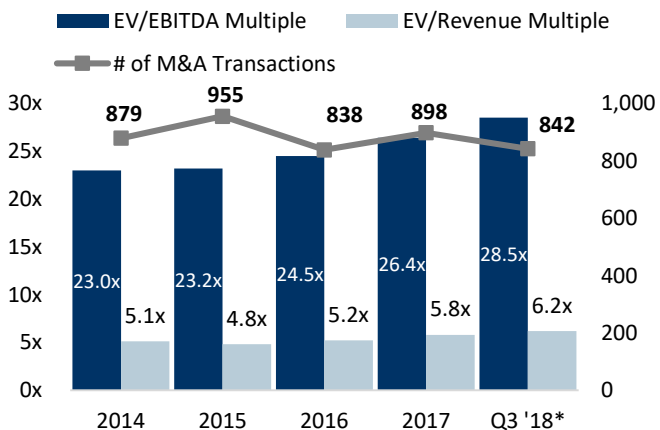
## Healthcare Services



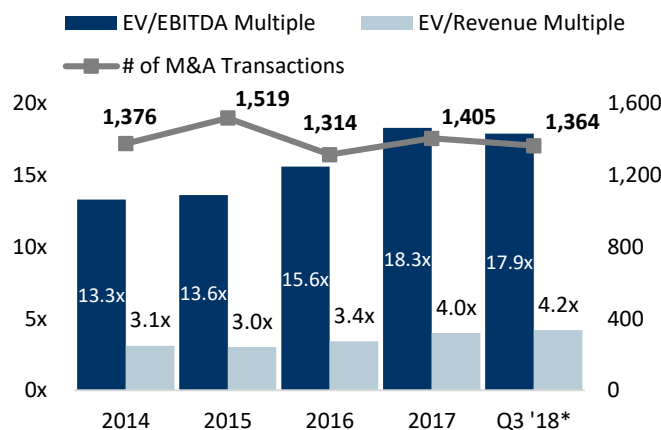
## Data Processing & Outsourced Services



## Application Software



## General Software & Services



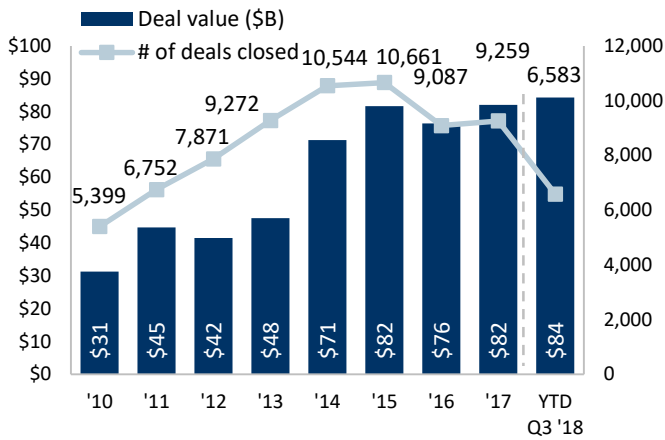
\*Latest twelve months as of September 30, 2018

Note: EV = Enterprise Value

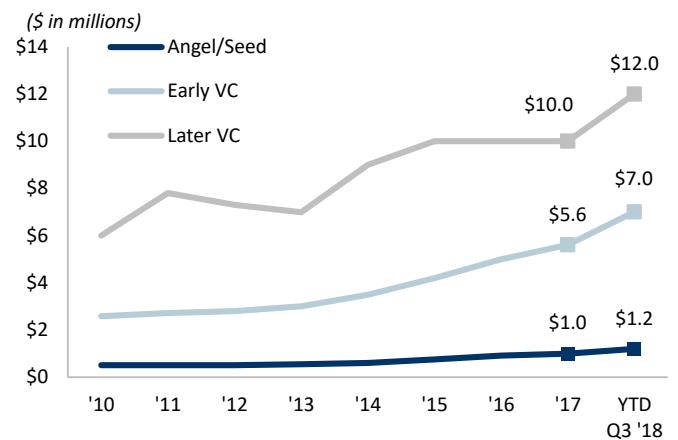


# PRIVATE CAPITAL DATA

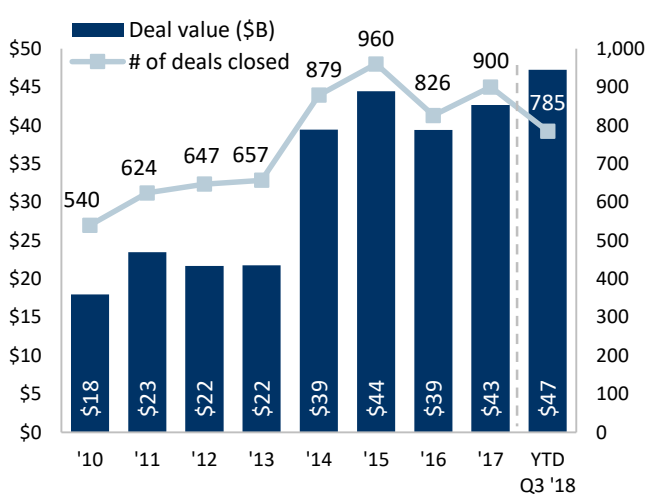
## U.S. VC Activity by Year



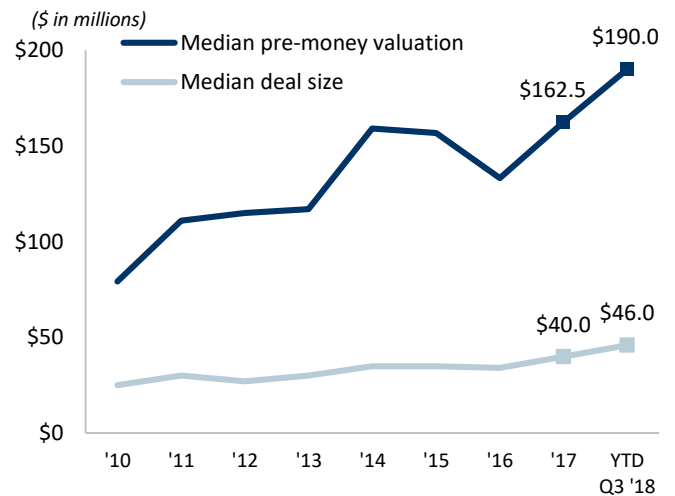
## Median VC Round Size by Stage



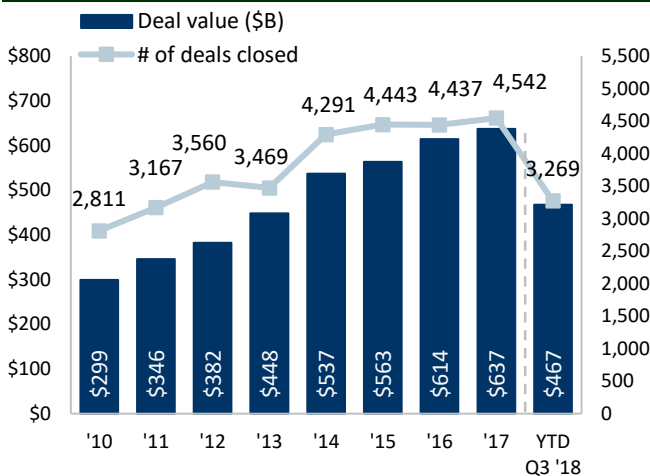
## U.S. Growth Equity Activity by Year



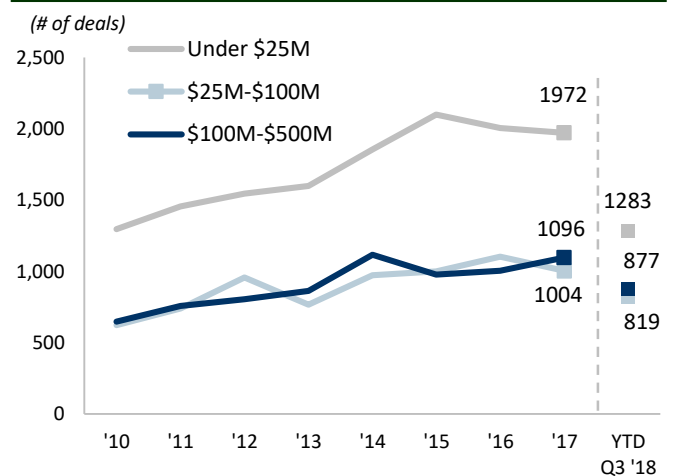
## U.S. Growth Equity Deal Size Metrics



## 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.

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

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