



CROFT & BENDER

Q3 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.

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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
- 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



has completed a buyout

Led by Existing Management

Cumberland Group is one of the Southeast's largest privately held IT solutions providers.



TECHNOLOGY



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



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



INDUSTRIAL



a portfolio company of

NARROW GAUGE CAPITAL

has been acquired by



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



HEALTHCARE



has been recapitalized by



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



CONSUMER



has been acquired by



Drive is a leading, full-service operator of automotive repair shops.



has been acquired by



a portfolio company of



Abacus Solutions is a world-class IBM i solutions provider.



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



a portfolio company of



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



has been acquired by



a portfolio company of



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



has been acquired by



a portfolio company of



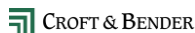
ASP is the leading swimming pool cleaning franchisor in the U.S.



has been acquired by



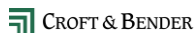
Aqua Smart is a leading producer of treatment chemicals for the drinking water market.



has acquired



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



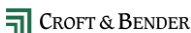
has been acquired by



a portfolio company of

NARROW GAUGE CAPITAL

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



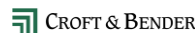
has been acquired by



a portfolio company of



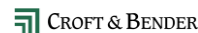
Sacred Journey Hospice is a leading hospice provider in Georgia.



has been acquired by



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



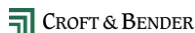
has merged with



a portfolio company of



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



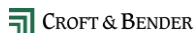
has been acquired by



a portfolio company of



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



has been recapitalized by



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



has been recapitalized by



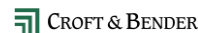
HCSC is a leading provider of hospice and palliative care services in the Southeast.



has been acquired by



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



FEATURED TRANSACTIONS

COMPANY OVERVIEW

- MediStreams (“MediStreams” or “the Company”) is a leading provider of healthcare remittance, reconciliation and payment automation solutions
- The Company leverages its proprietary HIPAA-compliant platform, streamlined processes and connectivity to financial institutions, clearinghouses and practice management systems to automate the flow of healthcare payments

DEAL OVERVIEW

- Croft & Bender was engaged to help the Company evaluate strategic alternatives, including a majority recapitalization or strategic sale of the business
- Croft & Bender worked with the Company to build a financial model, develop marketing materials, conduct management presentations, manage the diligence process and negotiate with interested parties
- Croft & Bender successfully negotiated the recapitalization of the Company with TripleTree Capital Partners



has been recapitalized by



TTCP

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



COMPANY OVERVIEW

- Drive Automotive Services (“Drive” or the “Company”) is a leading operator of automotive service and repair shops, with a footprint spanning 22 locations across five sunbelt states
- The Company offers a complete suite of maintenance and repair services to all major vehicle brands
- The Company employs a proven playbook that focuses on delivering a superior customer experience

DEAL OVERVIEW

- Croft & Bender was engaged to help Drive evaluate strategic alternatives, including a majority recapitalization or strategic sale of the business
- 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
- Croft & Bender successfully negotiated a sale to Silver Oak Services Partners



has been acquired by



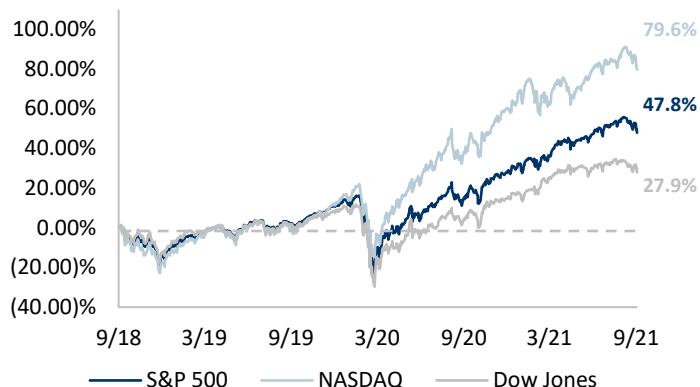
SILVER OAK
SERVICES PARTNERS

Drive is a leading, full-service operator of automotive repair shops.



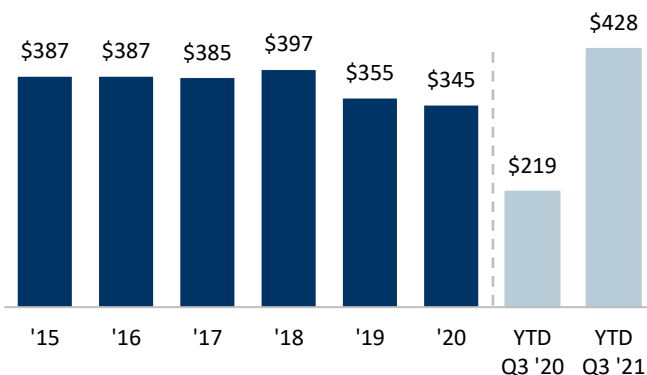
KEY CAPITAL MARKETS DATA

Public Equity Markets



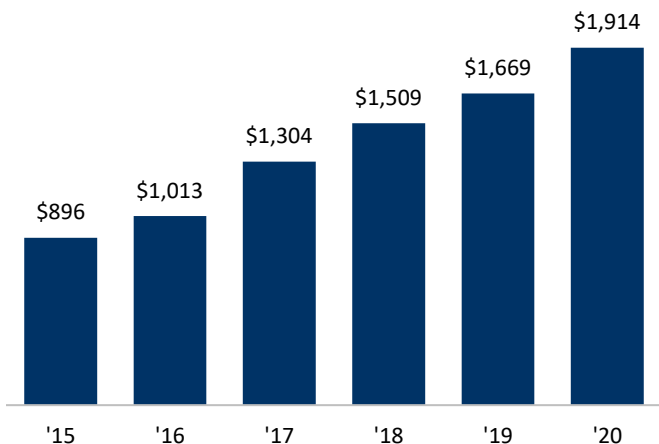
Middle Market Deal Volume

(\$ in billions)



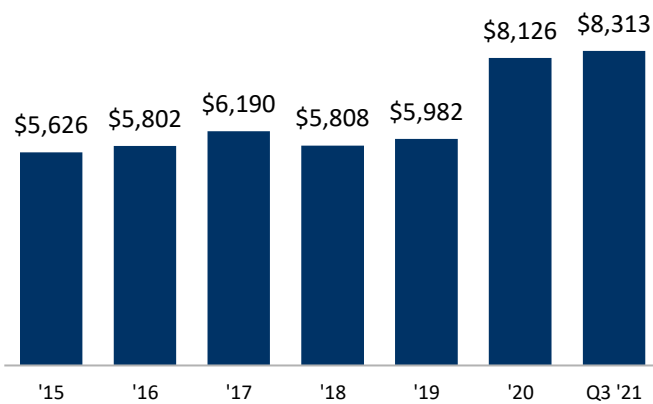
Private Equity Dry Powder

(\$ in billions)

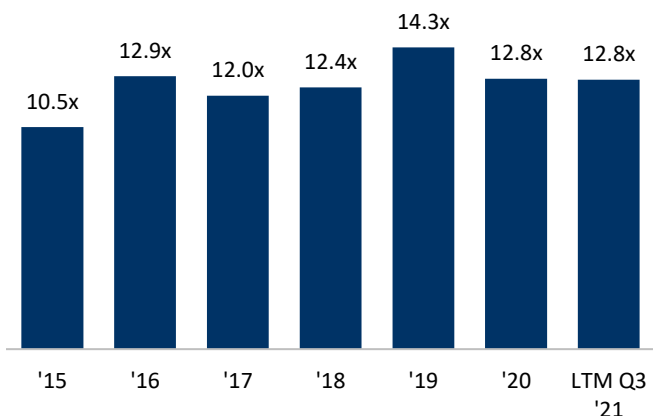


Cash on Corporate Balance Sheets⁽¹⁾

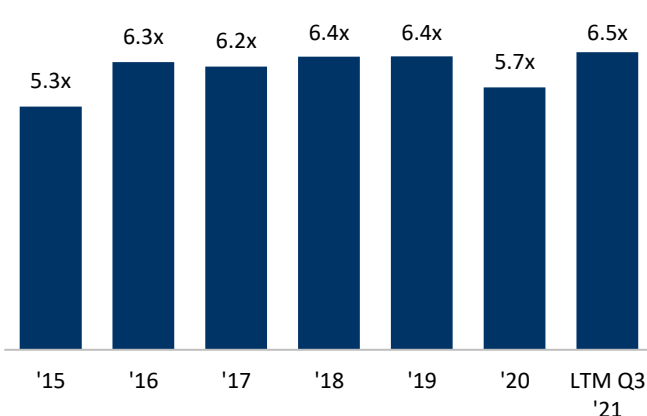
(\$ in billions)



US PE Enterprise Value / EBITDA Multiples



US PE Debt / EBITDA Multiples

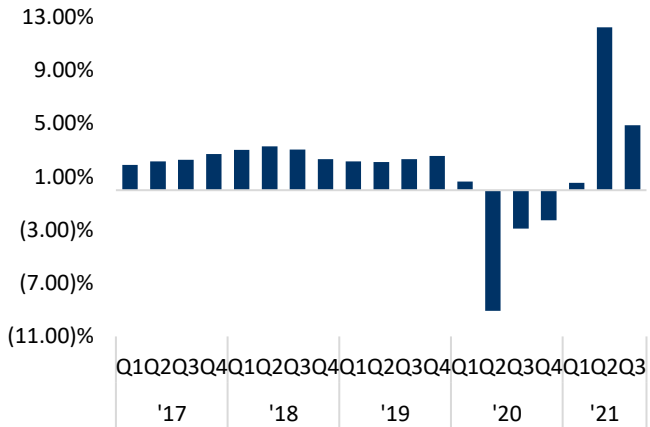


Note: Middle-market transactions have a disclosed enterprise value of less than \$1 billion.

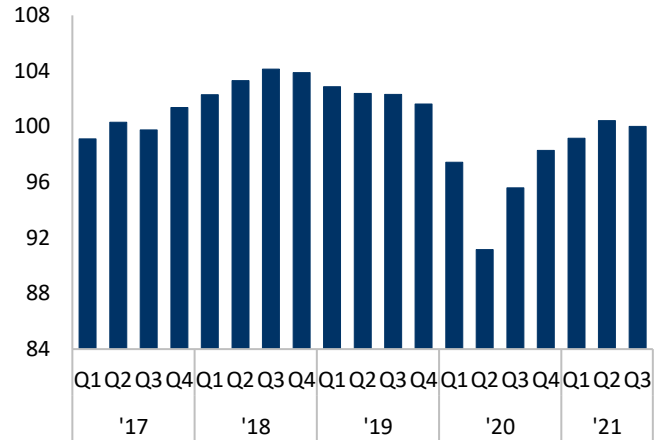
(1) Reflects S&P 500 constituents.

KEY ECONOMIC DATA

Real GDP Growth



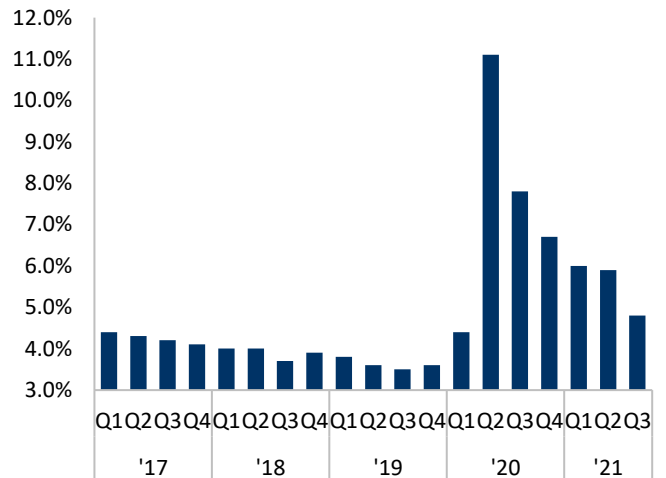
Industrial Production⁽¹⁾



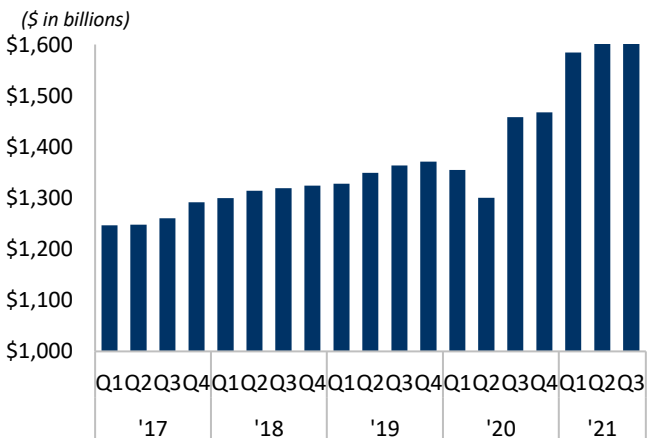
Consumer Confidence⁽²⁾



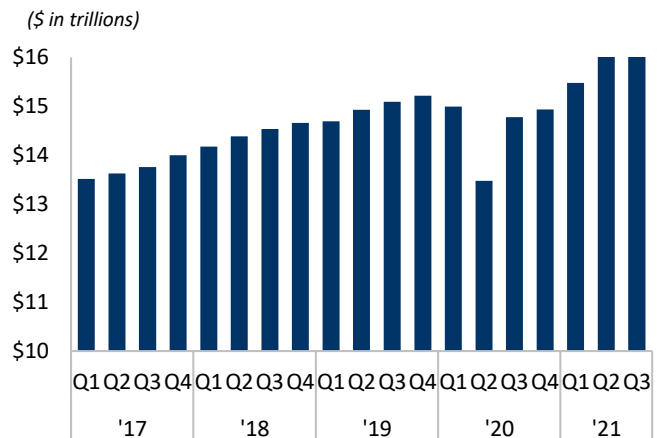
Unemployment Rate



Retail Sales



Consumer Spending



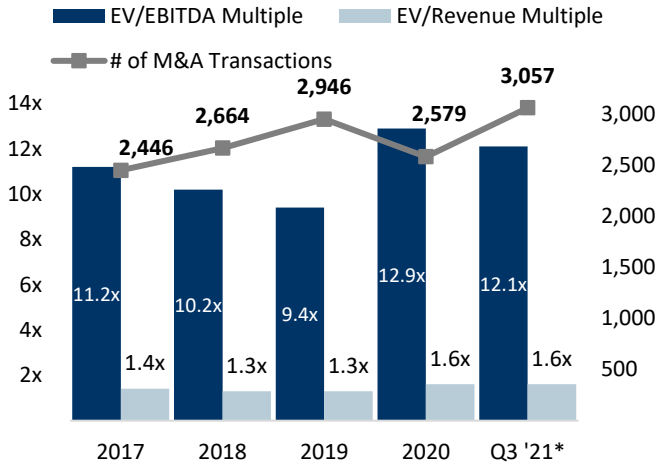
(1) Indexed relative to 2012.

(2) Indexed relative to 1985.

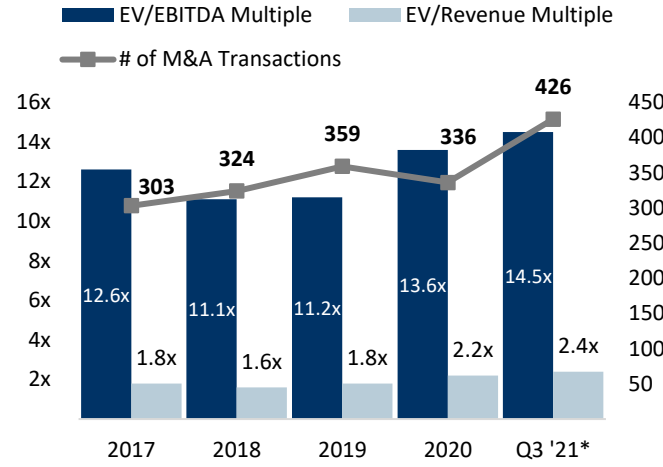


AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

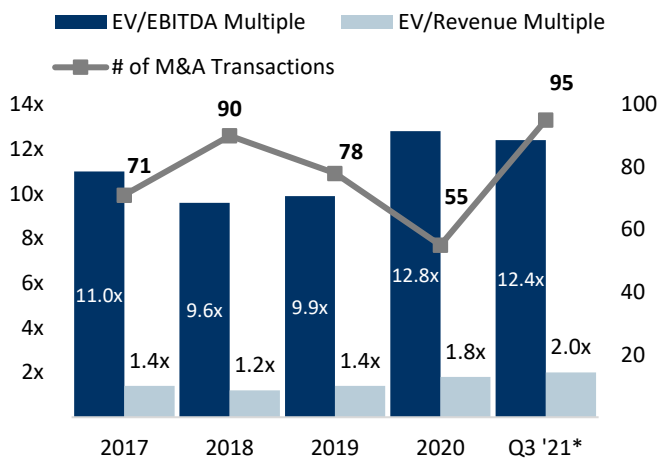
General Industrial



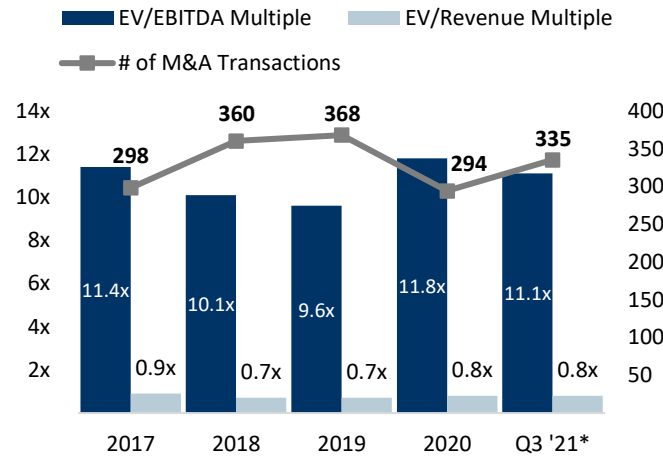
IT Consulting & Other Services



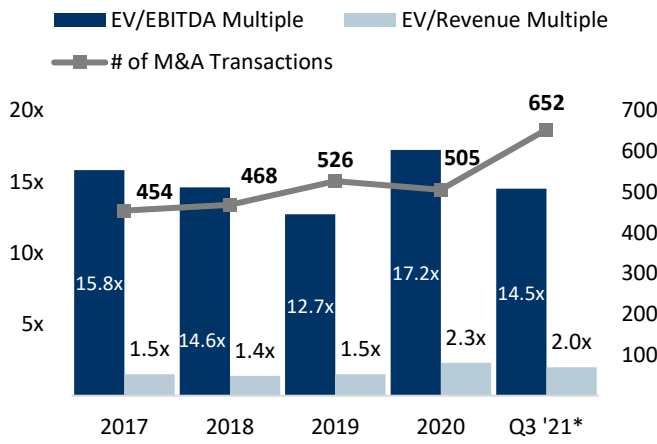
Building Products



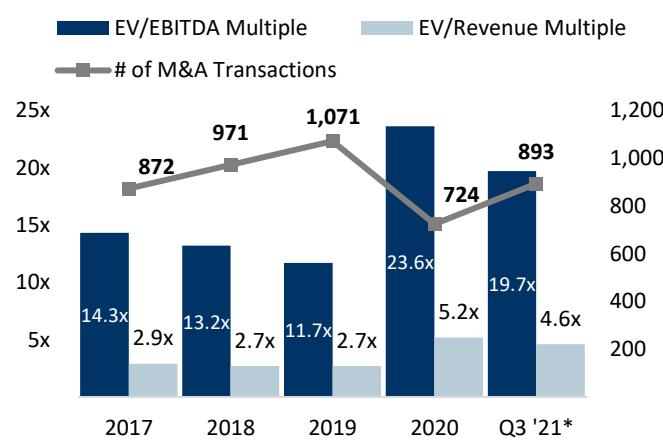
Trading Companies & Distributors



Retailing



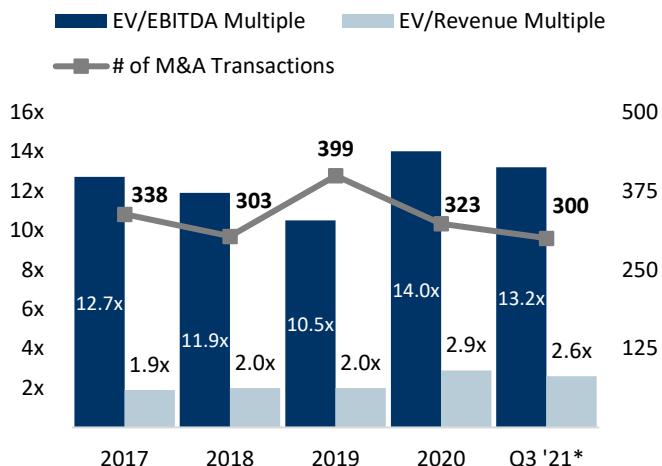
Consumer Services



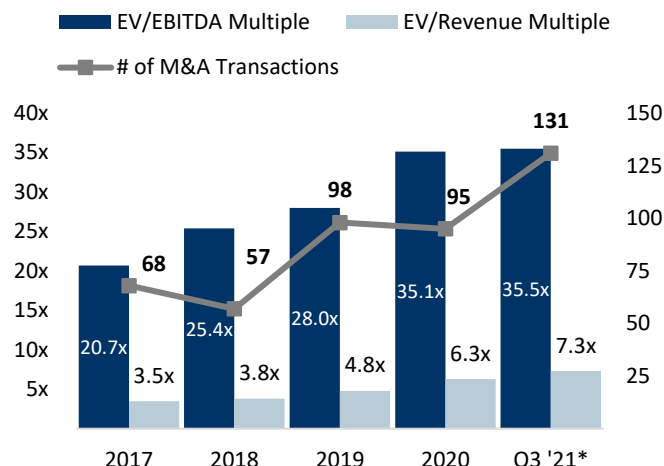
*Latest twelve months as of September, 30 2021.
Note: EV = Enterprise Value.

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

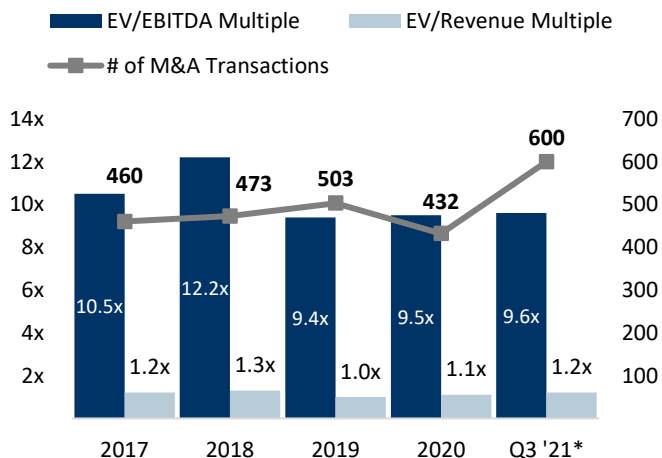
Healthcare Facilities



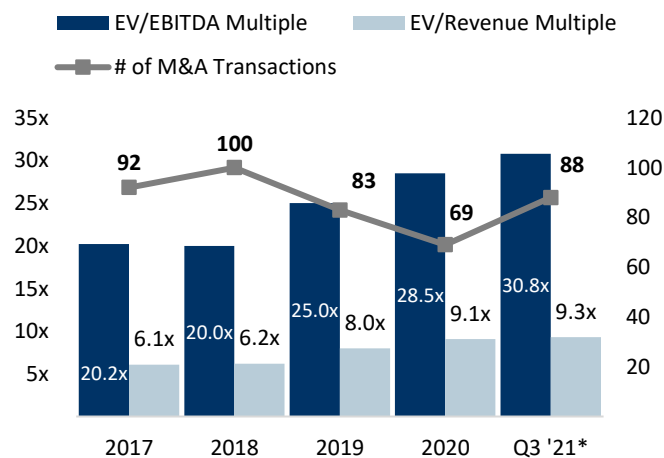
Healthcare Software



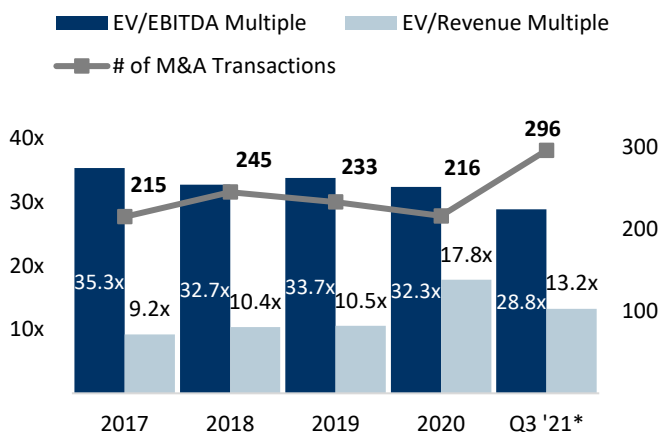
Healthcare Services



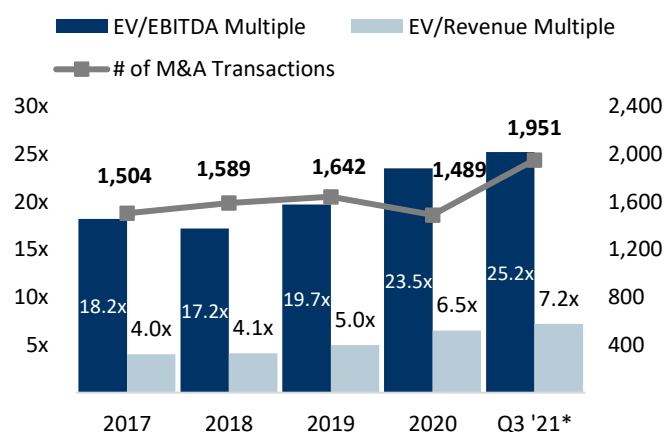
Data Processing & Outsourced Services



Software-as-a-Service



General Software & Services

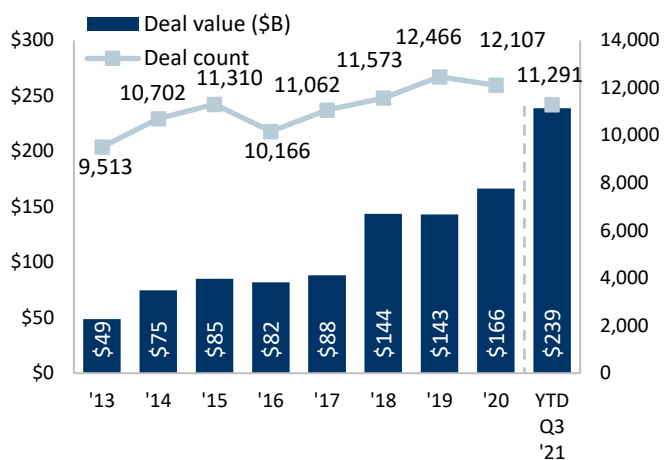


*Latest twelve months as of September, 30 2021.

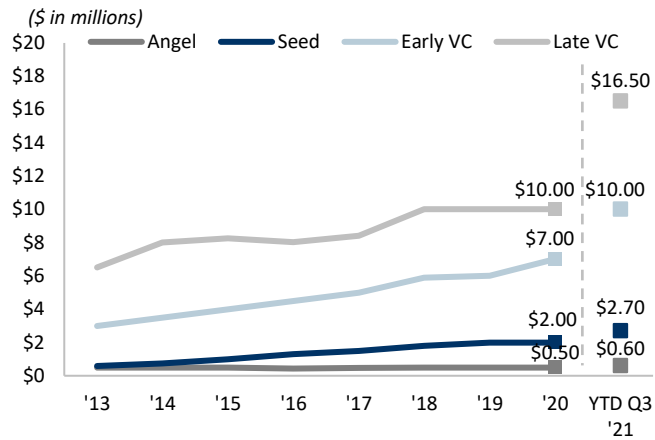
Note: EV = Enterprise Value.

PRIVATE CAPITAL DATA

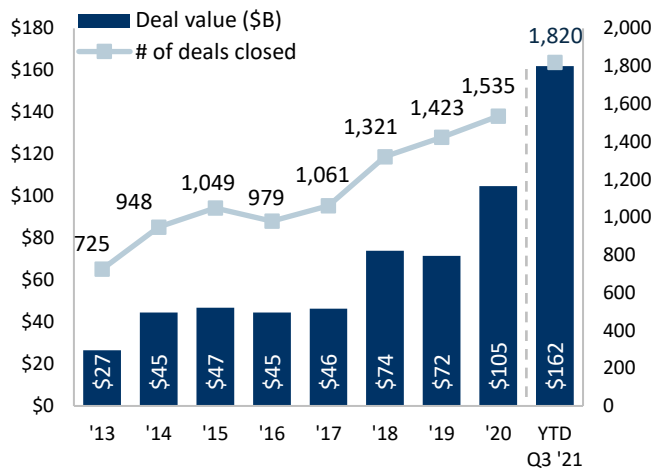
U.S. VC Activity by Year



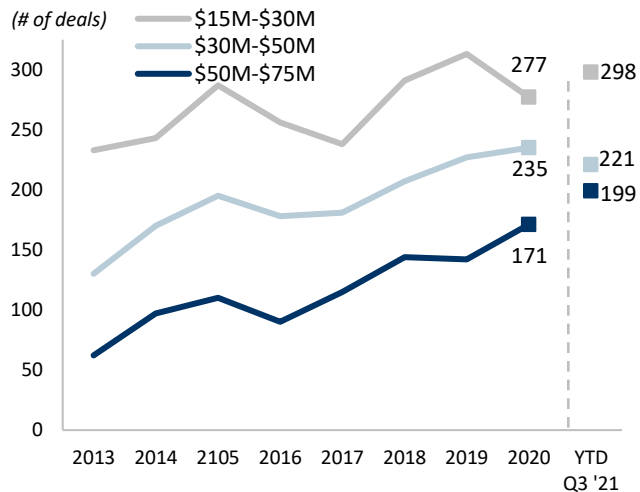
Median VC Round Size by Stage



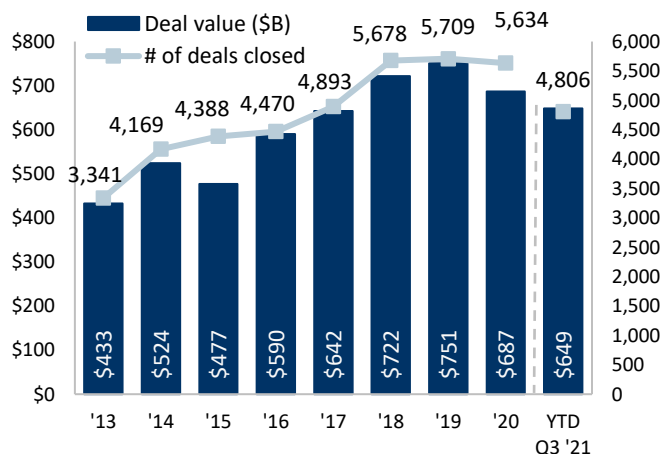
U.S. Growth Equity Activity by Year



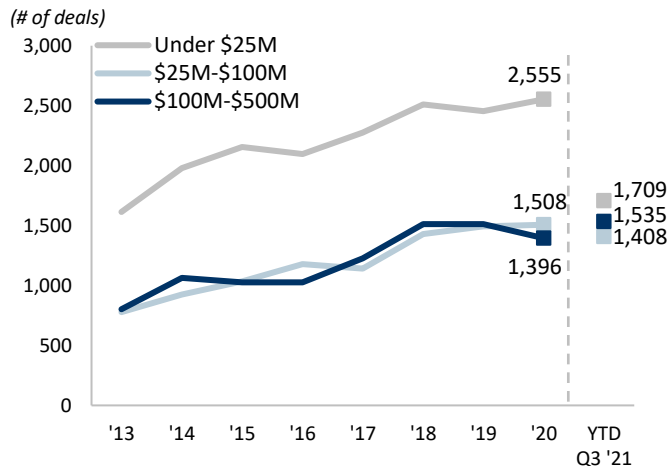
U.S. Growth Equity Deals by Deal Size



U.S. Private Equity Activity by Year



U.S. Private Equity Deals by Deal Size





DISCLOSURES

Croft & Bender LP (www.croft-bender.com) 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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