



CROFT & BENDER

Q4 2022 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
- 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

Electrical, Plumbing & HVAC Services Company

has been recapitalized by

Undisclosed Buyer

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



TECHNOLOGY



has completed a majority recapitalization of



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



INDUSTRIAL



has been recapitalized by



C&S Chemicals is a leading provider of water treatment and animal health chemicals.



HEALTHCARE



has been recapitalized by



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



CONSUMER



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 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 partnered with



Rasa Floors is a leading provider of replacement flooring solutions to the multi-family industry.



has completed a growth recapitalization led by



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



Tech-Enabled Real Estate Brokerage Company

has been acquired by

Undisclosed Buyer

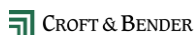
The client is a leading technology-driven residential real estate lead generation and brokerage platform.



has received an investment from



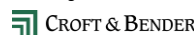
engage fi is a leading provider of technology-enabled consulting services to Community Financial Institutions.



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



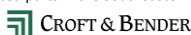
Grayshift is a leading and trusted provider of digital forensics solutions.



has been acquired by



Millwork Sales is a leading two-step distributor of millwork, hardware and related parts in the Southeastern U.S.



Prescription Drug Management Solution Provider

has completed a debt recapitalization with a syndicate led by



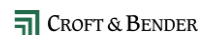
The client is a leading provider of innovative prescription drug management solutions.



has been acquired by



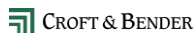
Drive operates 22 automotive service and repair shops across five sunbelt states.



has completed a buyout

Led by Existing Management

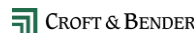
Cumberland Group is one of the Southeast's largest privately held IT Solutions Providers.



has acquired



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



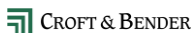
a portfolio company of

NARROW GAUGE CAPITAL

has been acquired by



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



has been recapitalized by



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



has been acquired by



a portfolio company of



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



FEATURED TRANSACTION



Company Overview

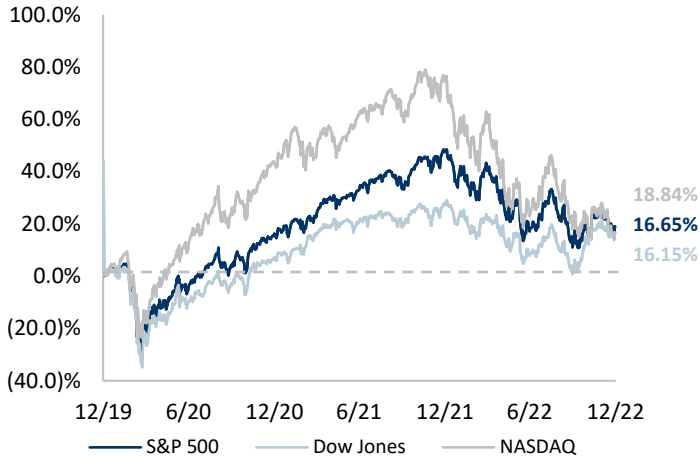
- C&S Chemicals, Inc. (“C&S” or the “Company”) is a leading provider of water treatment and animal health chemicals
- The Company’s superior customer service, distribution, and logistics across its numerous strategically-located manufacturing facilities differentiates the Company from its competitors by enabling it to control the process from manufacturing and distribution through delivery to the customer, resulting in better management of customer expectations and relationships
- C&S serves U.S. municipalities, agricultural chemical applicators, and farms, primarily throughout the Southeast

Deal Overview

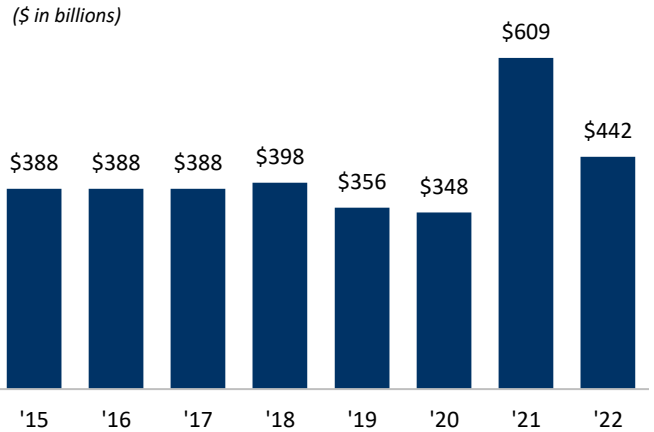
- Croft & Bender was engaged by C&S to strategically advise the Company and run a process to help the Company find a partner to provide shareholder liquidity and support its continued growth
- Croft & Bender worked with the Company to build a financial model, develop marketing materials, conduct management presentations, manage the diligence process and negotiate with parties
- Croft & Bender led an efficient, streamlined confirmatory diligence process and successfully negotiated the recapitalization of C&S by ShoreLine Equity Partners

KEY CAPITAL MARKETS DATA

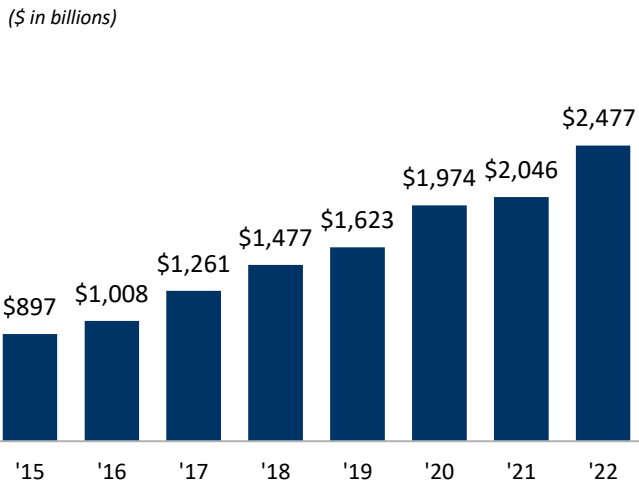
Public Equity Markets



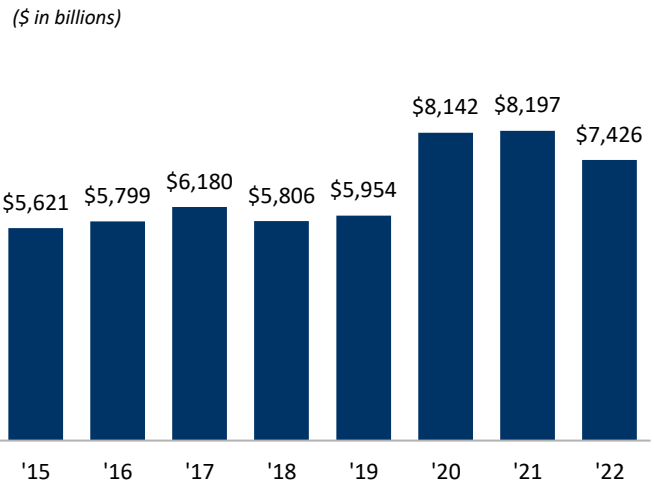
Middle Market Deal Volume



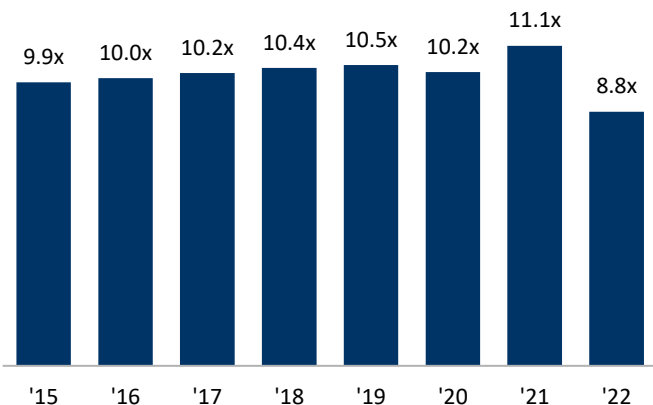
Private Equity Dry Powder



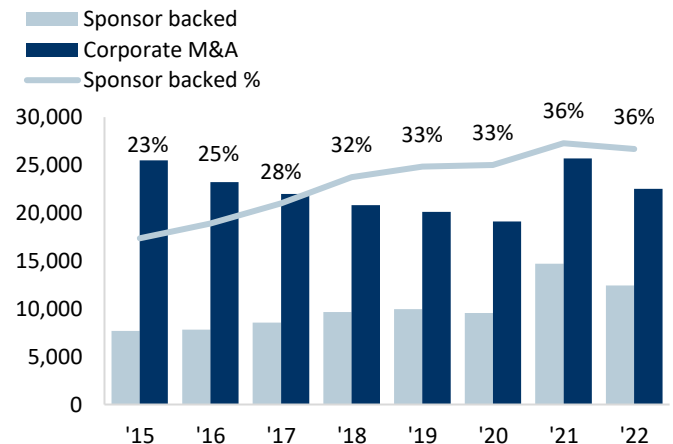
Cash on Corporate Balance Sheets⁽¹⁾



Enterprise Value / EBITDA



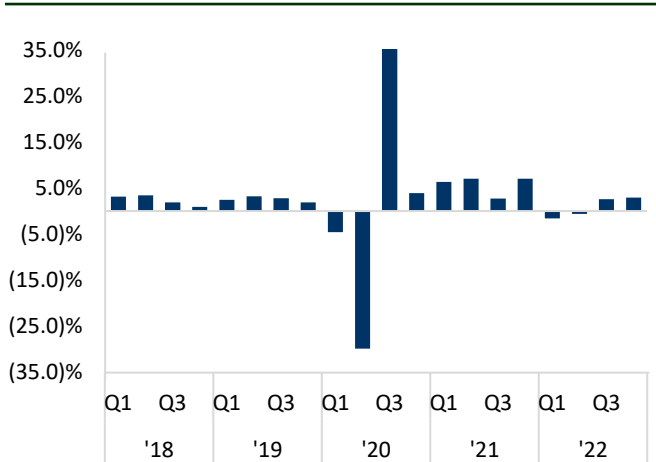
Transactions by Investor Type



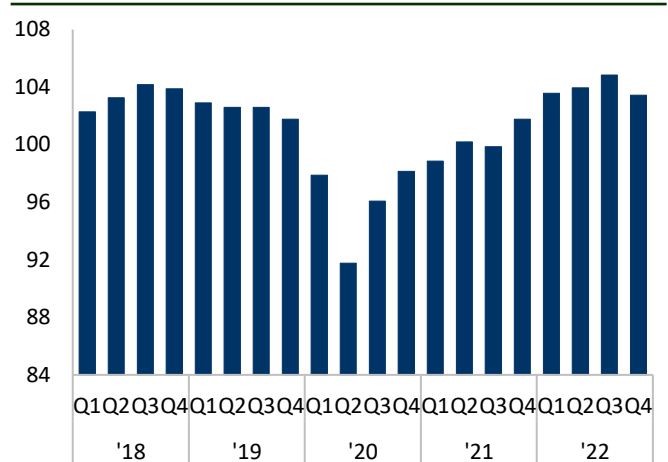
(1) Reflects current S&P 500 constituents.

KEY ECONOMIC DATA

Real GDP Growth



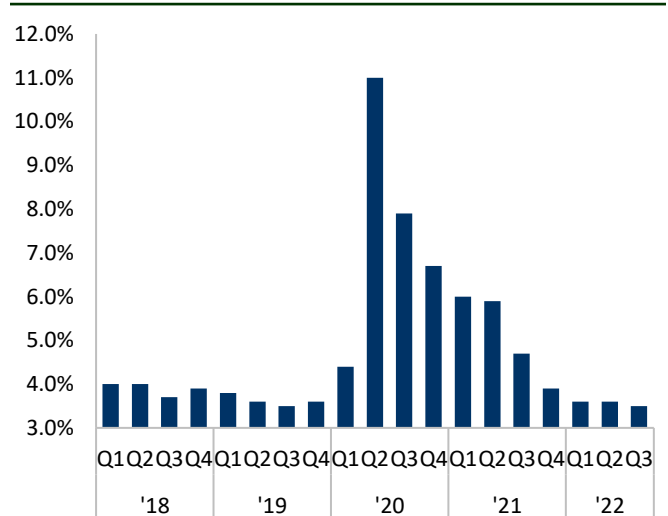
Industrial Production⁽¹⁾



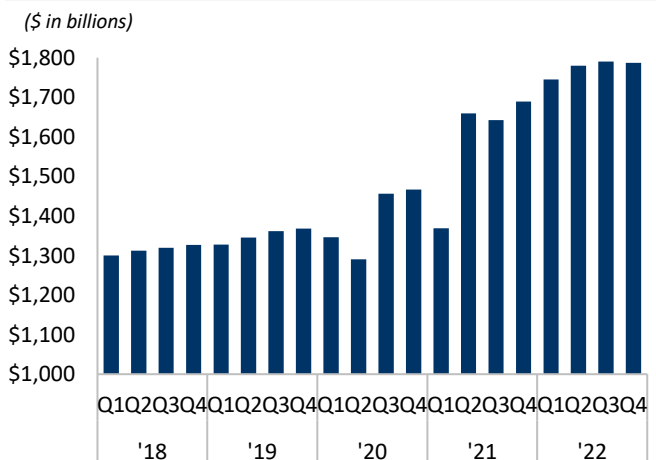
Consumer Confidence⁽²⁾



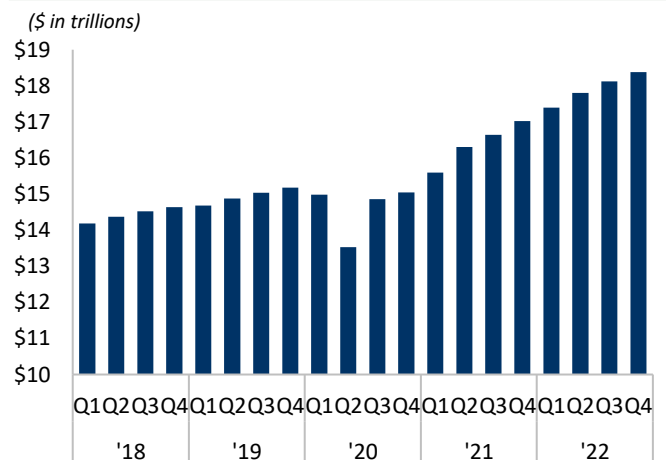
Unemployment Rate



Retail Sales



Consumer Spending



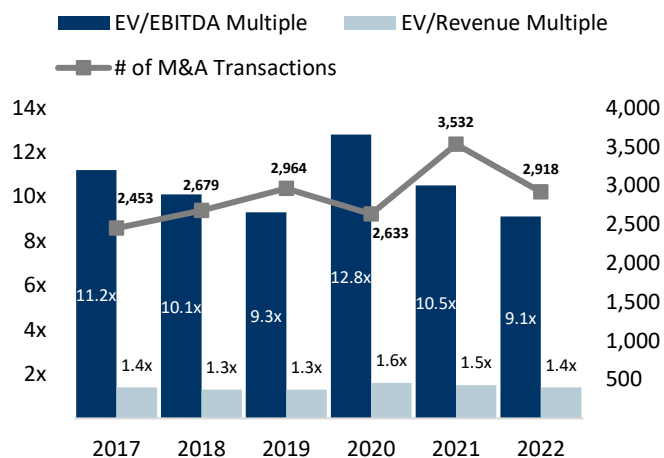
(1) Indexed relative to 2012.

(2) Indexed relative to 1985.

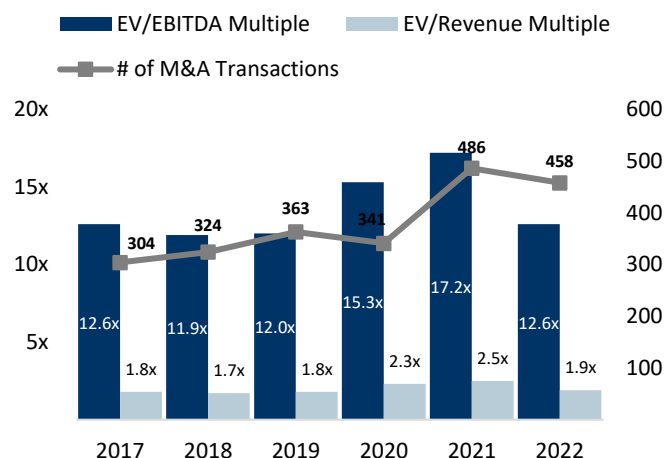


AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

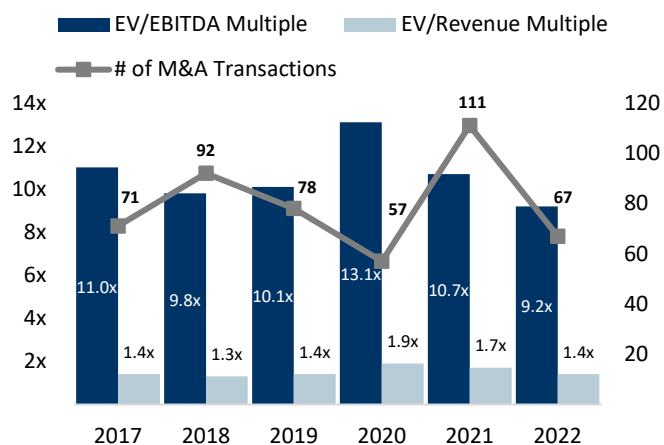
General Industrial



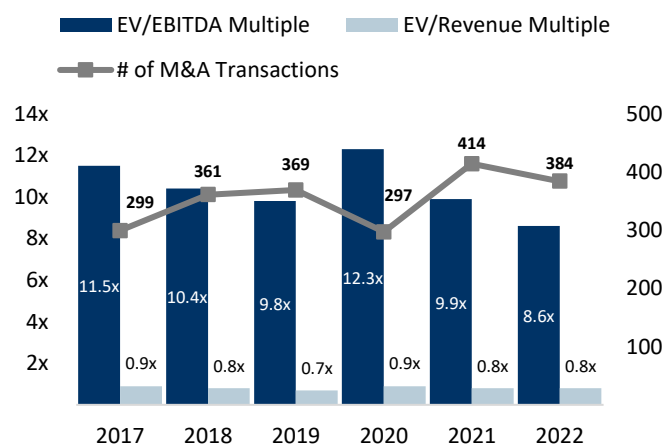
IT Consulting & Other Services



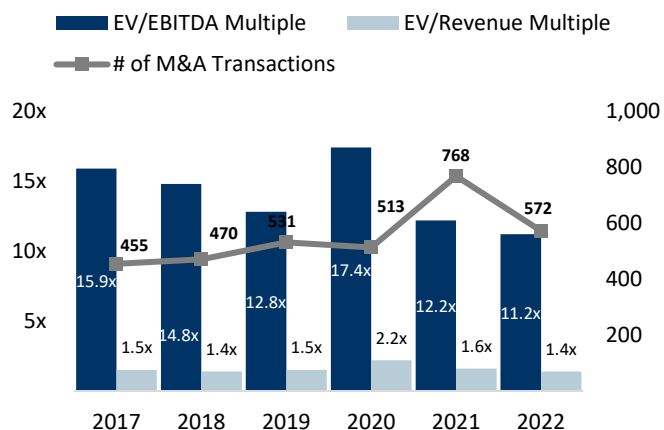
Building Products



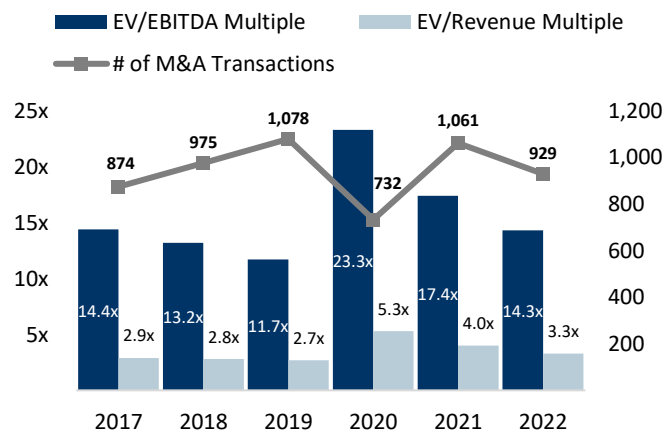
Trading Companies & Distributors



Retailing



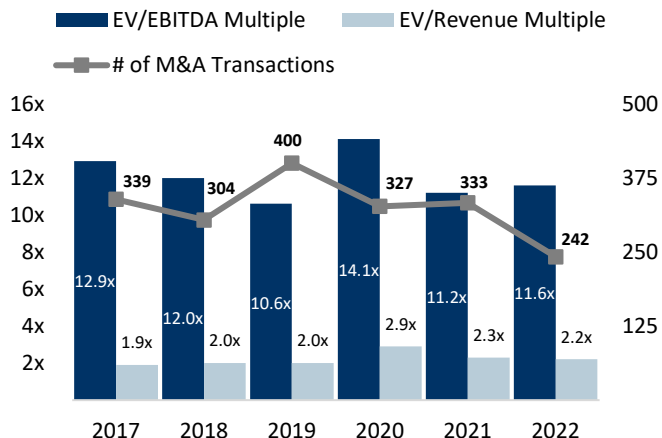
Consumer Services



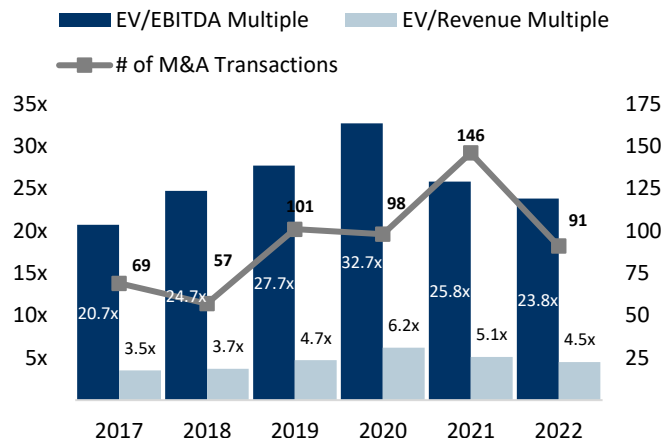


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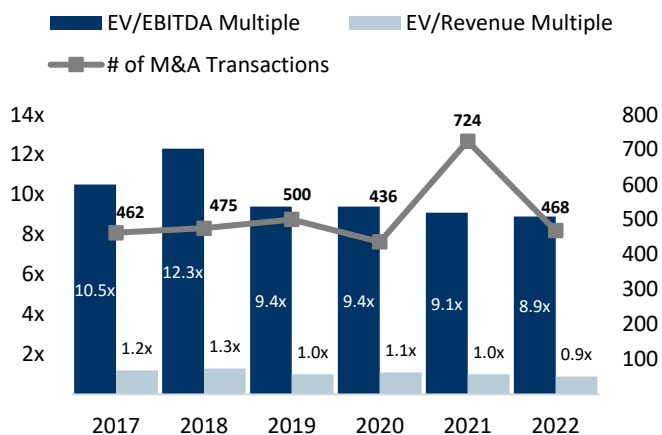
Healthcare Facilities



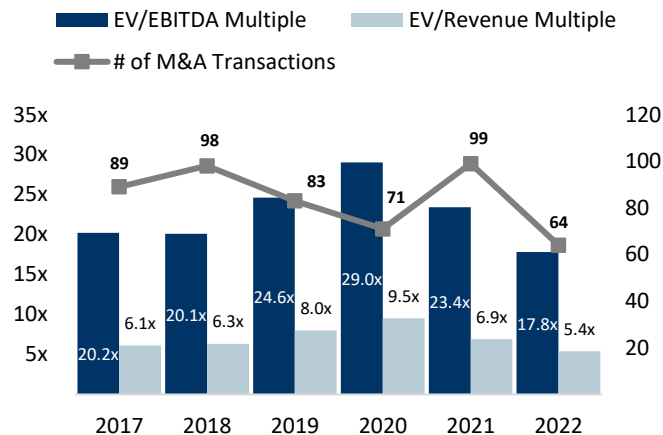
Healthcare Software



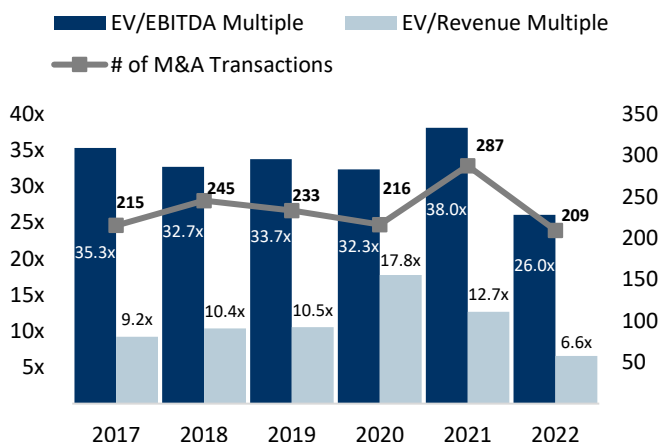
Healthcare Services



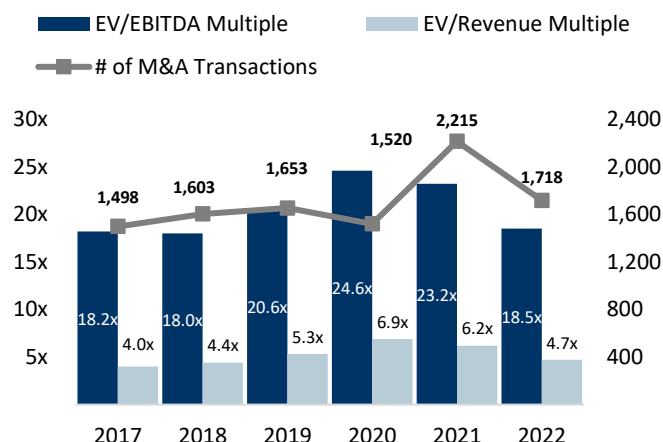
Data Processing & Outsourced Services



Software-as-a-Service

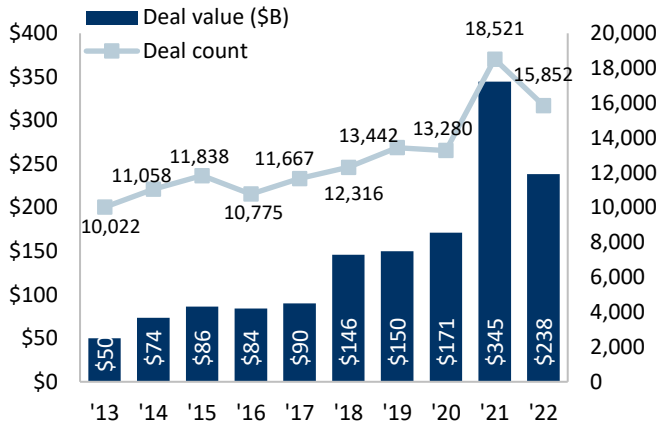


General Software & Services

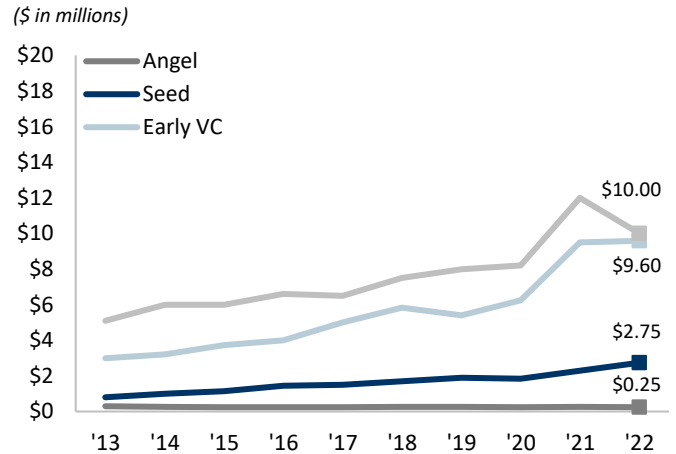


PRIVATE CAPITAL DATA

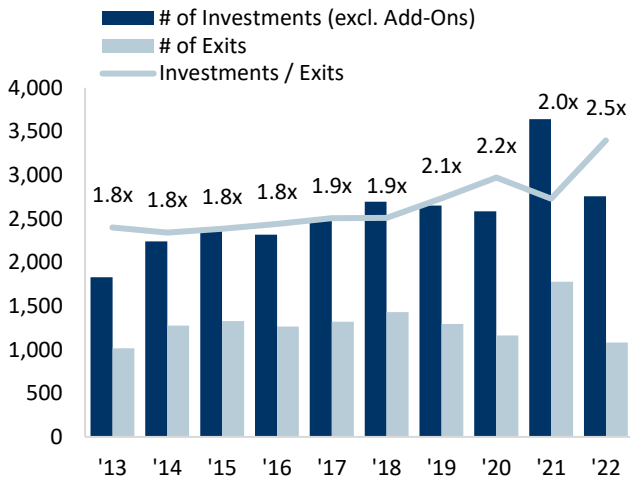
U.S. VC Activity by Year



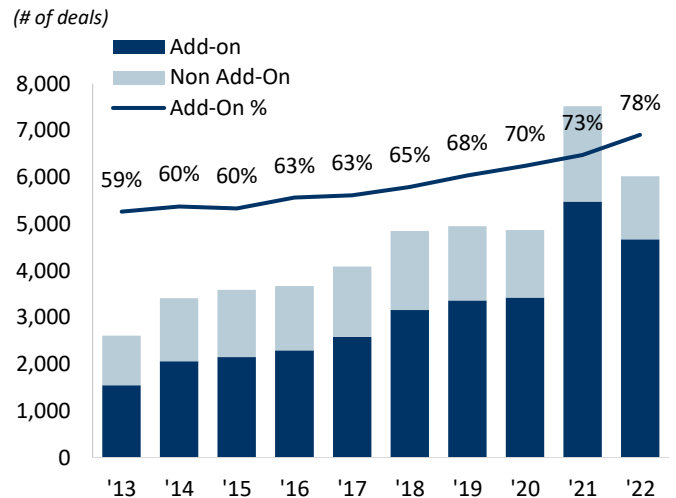
Median VC Round Size by Stage



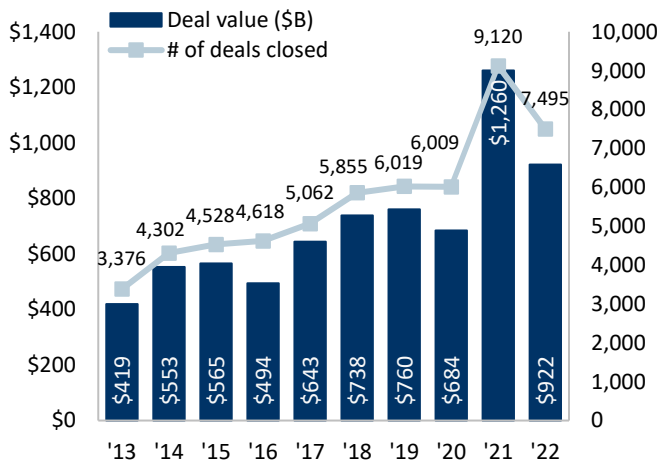
U.S. Private Equity Investments vs Exits



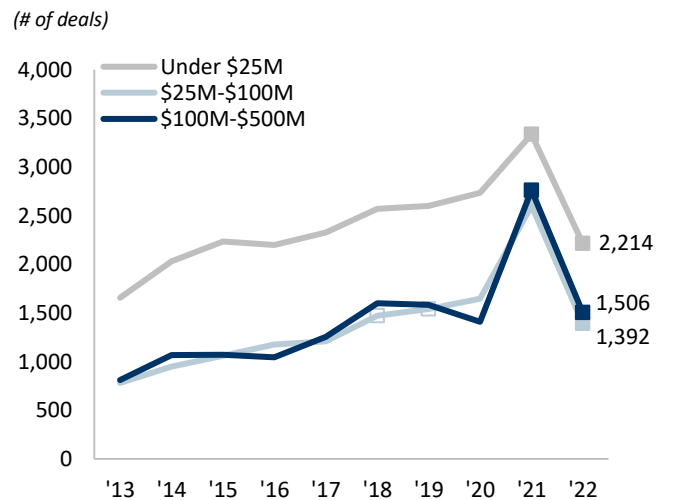
U.S. Private Equity Add-ons vs Platform



U.S. Private Equity Activity by Year



U.S. Private Equity Deals by Deal Size





DISCLOSURES

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