



# CROFT & BENDER

## Q3 2023 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.

## 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



has been recapitalized by



Dixie 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 acquired by



NBS is a leading provider of maintenance and repair services to industrial boiler systems.



### 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



Regal Roofing is a leading provider of residential roofing repair services.



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.



a portfolio company of



has been acquired by



SCI Flooring is a leading, full-service provider of floor covering installation solutions in the Midwest.



### *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



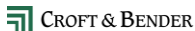
Drive operates 22 automotive service and repair shops across five sunbelt states.



has completed a buyout

### *Led by Existing Management*

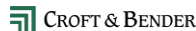
Cumberland Group is one of the Southeast's largest privately held IT Solutions Providers.



has acquired



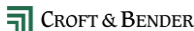
IDology is a leading provider of identity verification and fraud prevention services.



has been recapitalized by



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



has been recapitalized by



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



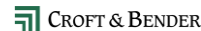
has been acquired by



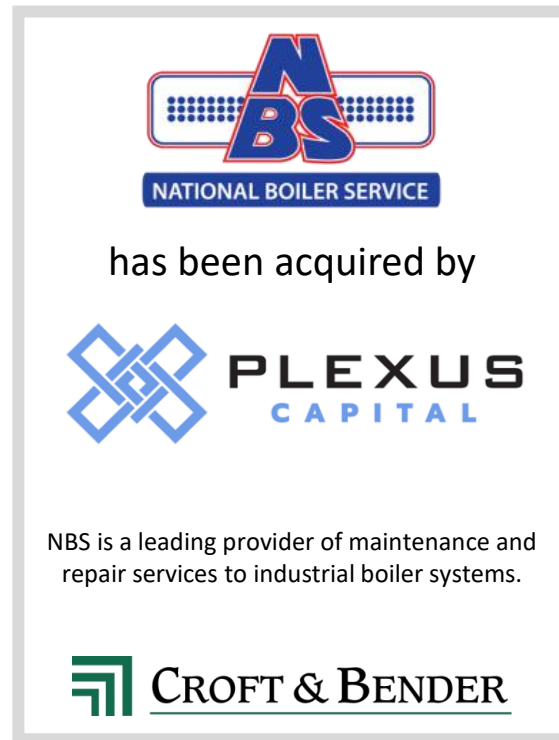
a portfolio company of



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



## FEATURED TRANSACTION



### COMPANY OVERVIEW

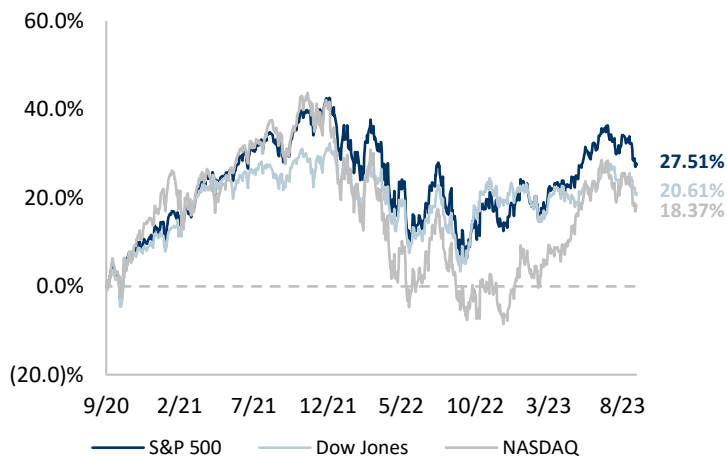
- National Boiler Service, Inc. (“NBS” or the “Company”) is leading national provider of maintenance and repair services to industrial boiler systems across the United States
- The Company is the market leader in the pulp and paper recovery boiler service industry and also provides power boiler services to the chemical and utility end markets
- The Company’s network of highly skilled craft laborers delivers complex, technical welding services with an unwavering commitment to quality and safety
- NBS’ superior service and rigid adherence to set deadlines differentiates the Company from its competitors, evidenced by its longstanding relationships with leading industry players

### DEAL OVERVIEW

- NBS engaged Croft & Bender to help find a partner to provide shareholder liquidity and add resources to support the Company’s next phase of growth
- Croft & Bender worked with the Company to run a highly competitive process, which included building a financial model, developing marketing materials, conducting management presentations, managing the diligence process, and negotiating terms and definitive documentation with potential partners
- Croft & Bender successfully negotiated the sale of the Company to Plexus Capital

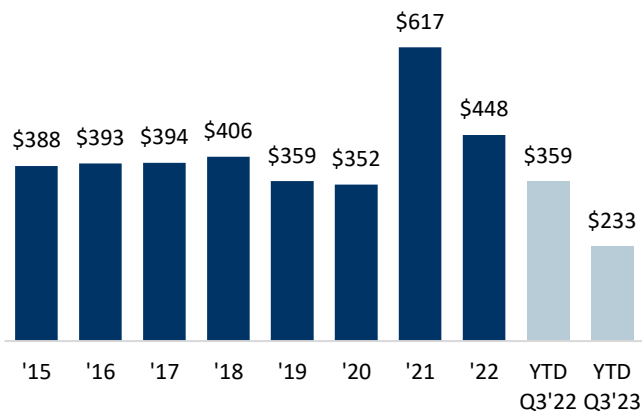
## KEY CAPITAL MARKETS DATA

### Public Equity Markets



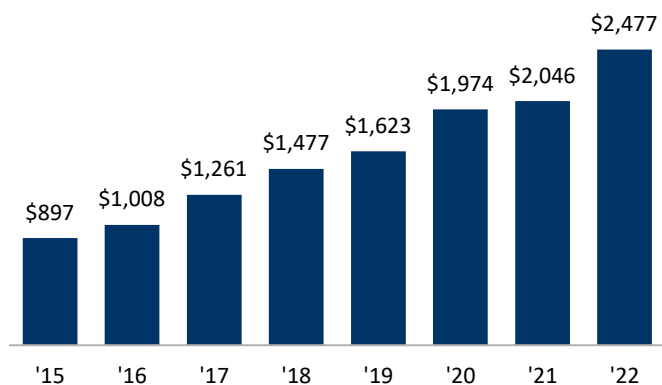
### Middle Market Deal Volume

(\$ in billions)



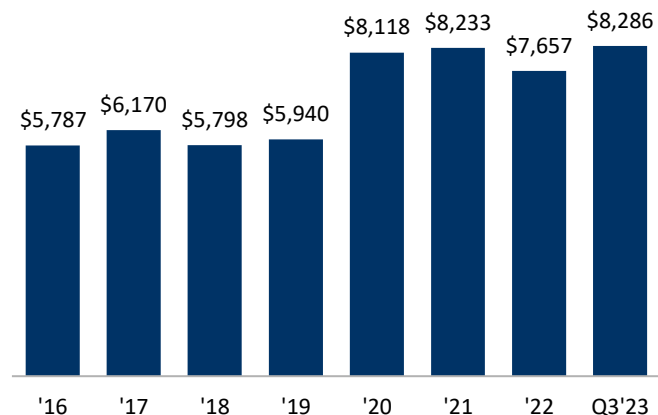
### Private Equity Dry Powder

(\$ in billions)

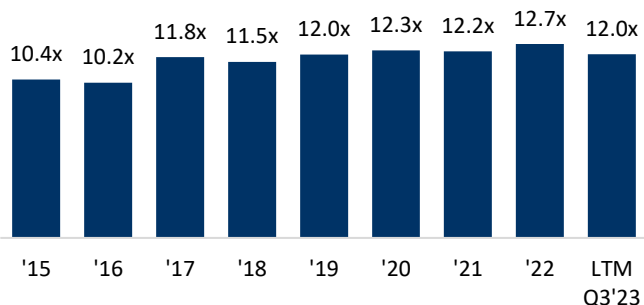


### Cash on Corporate Balance Sheets<sup>(1)</sup>

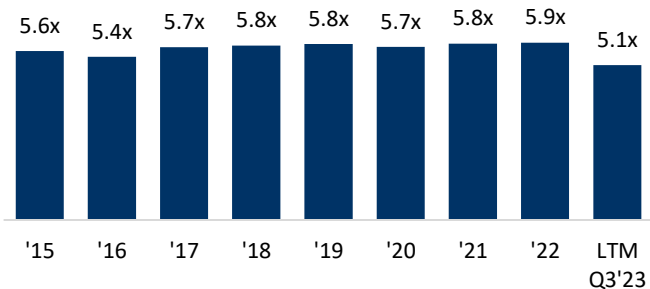
(\$ in billions)



### PE Enterprise Value / EBITDA Multiples



### PE Debt / EBITDA Multiples

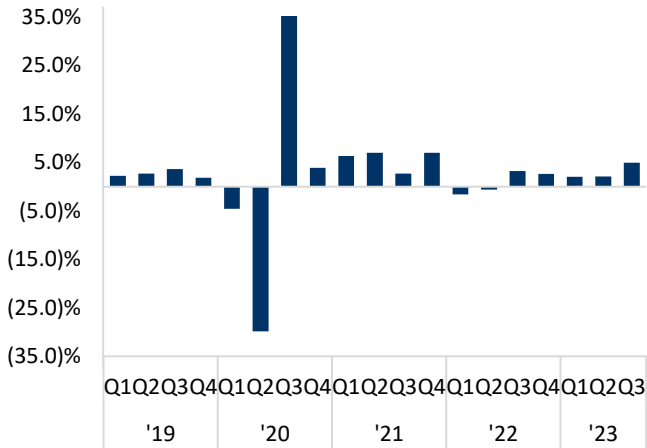


Note: Middle-market transactions have a disclosed enterprise value of less than \$1 billion.

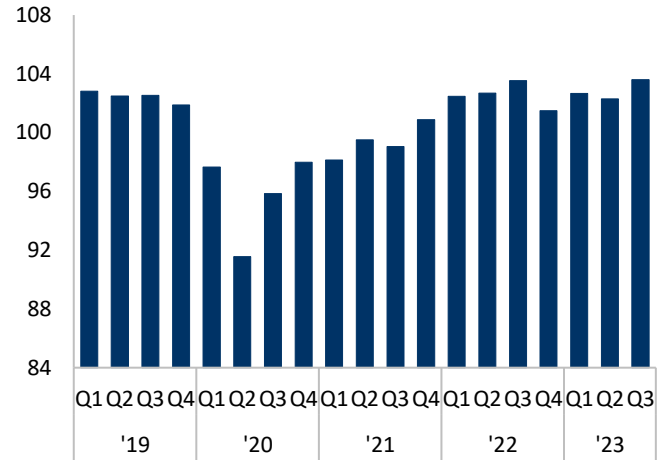
(1) Reflects current S&P 500 constituents.

## KEY ECONOMIC DATA

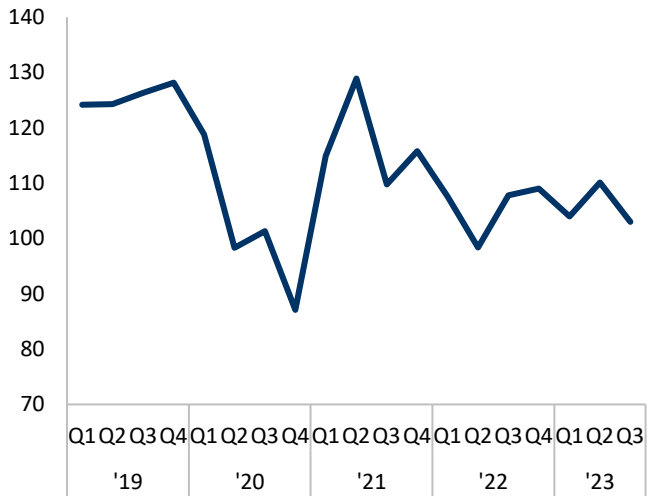
### Real GDP Growth



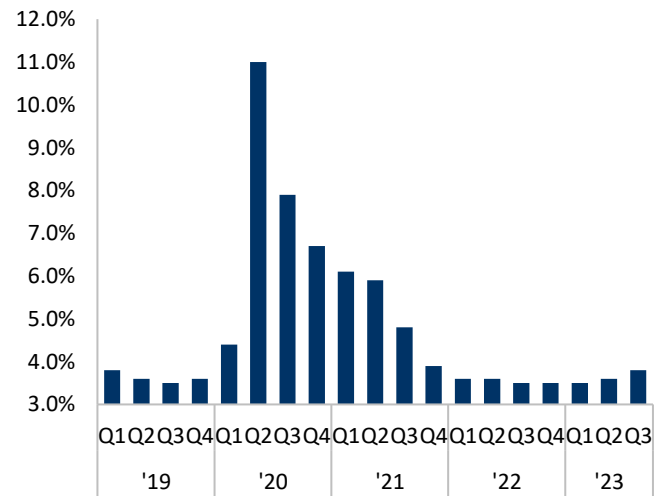
### Industrial Production<sup>(1)</sup>



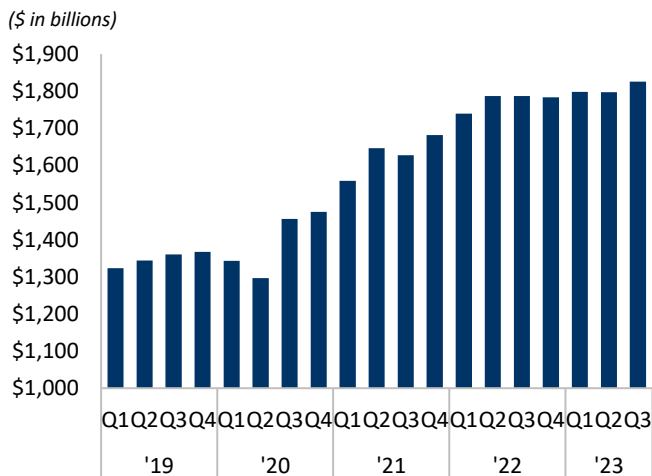
### Consumer Confidence<sup>(2)</sup>



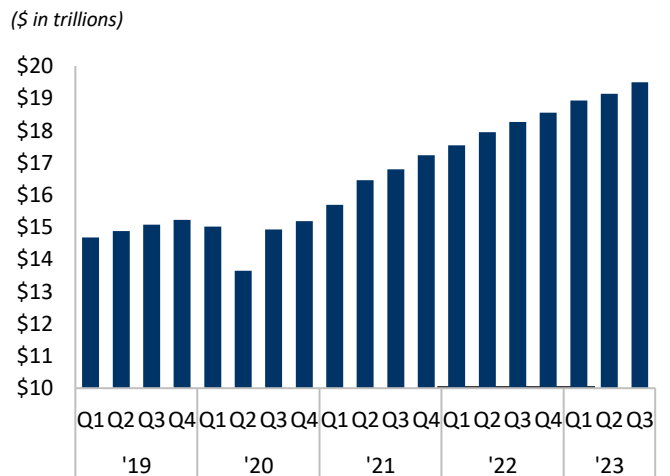
### Unemployment Rate



### Retail Sales



### Consumer Spending



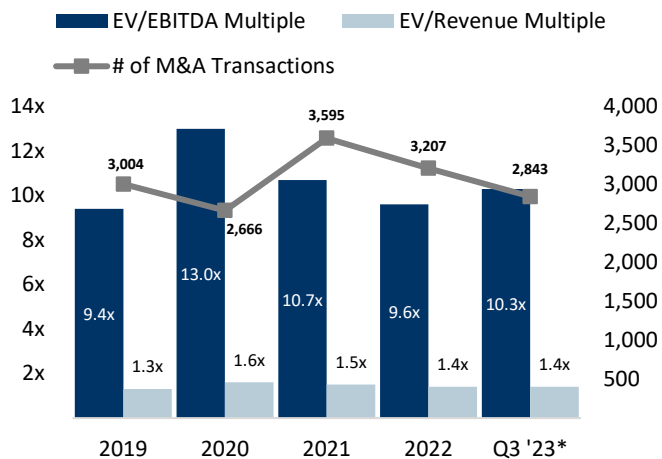
(1) Indexed relative to 2012.

(2) Indexed relative to 1985.

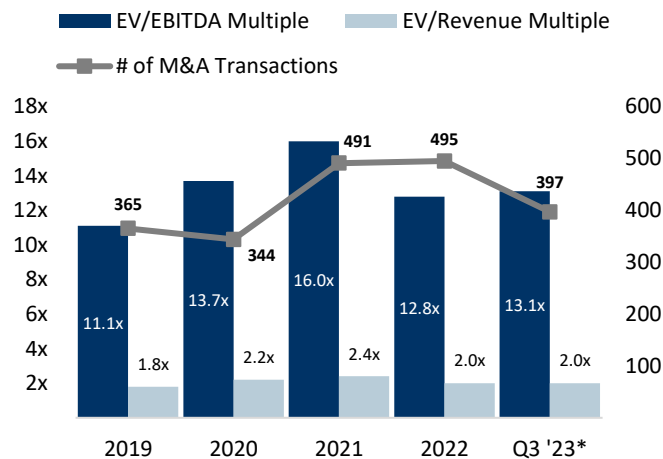


# AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

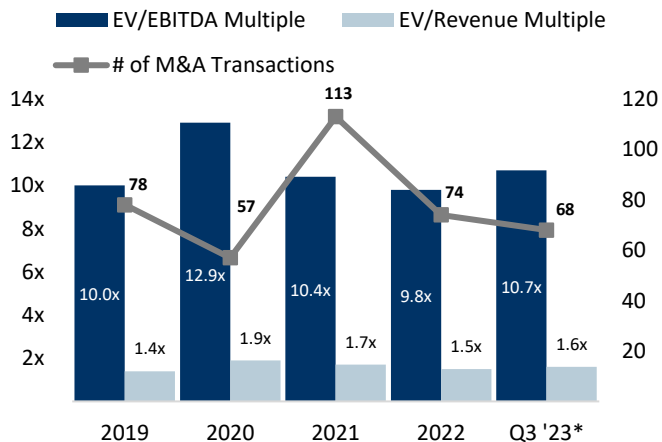
## General Industrial



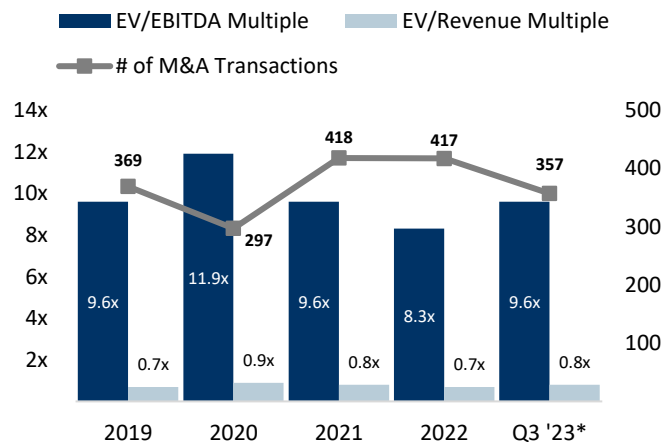
## IT Consulting & Other Services



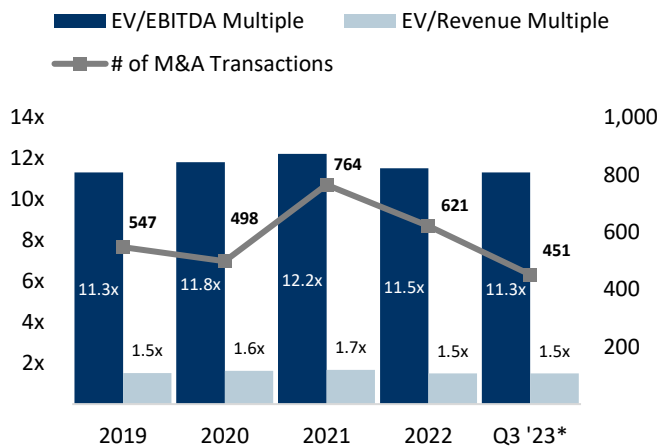
## Building Products



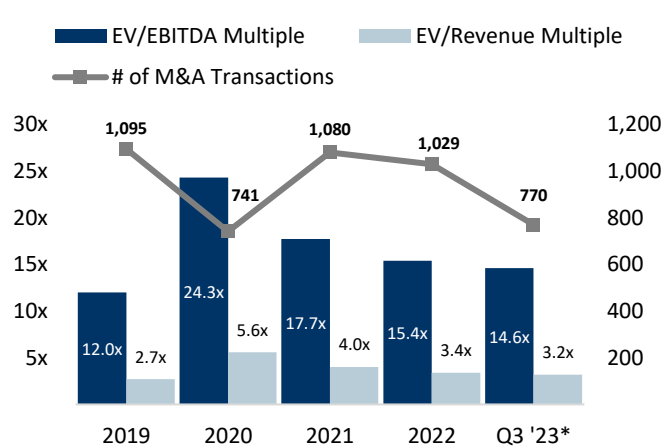
## Trading Companies & Distributors



## Retailing



## Consumer Services



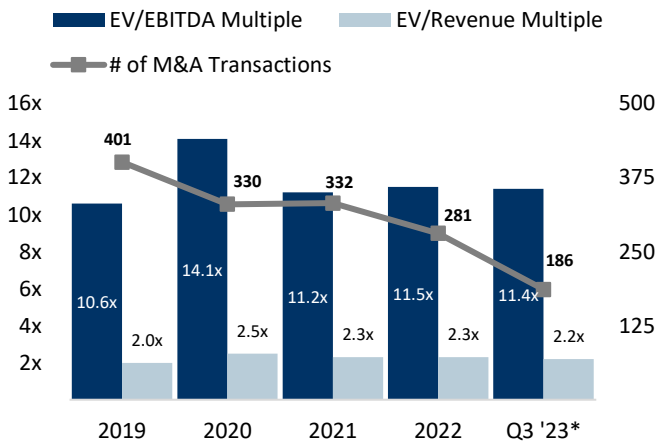
\*Latest twelve months as of September 30, 2023

Note: EV = Enterprise Value.

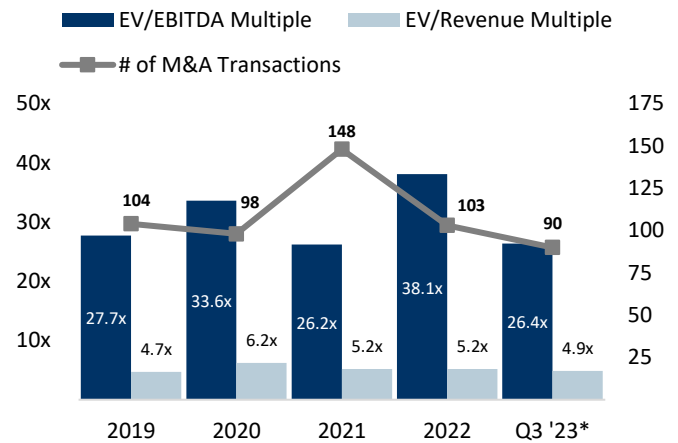


# AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

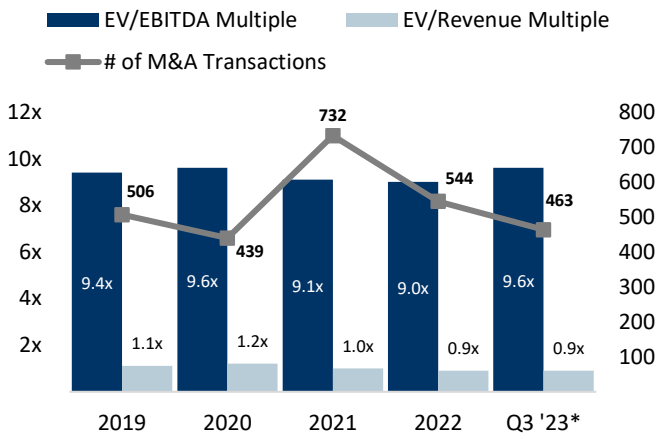
## Healthcare Facilities



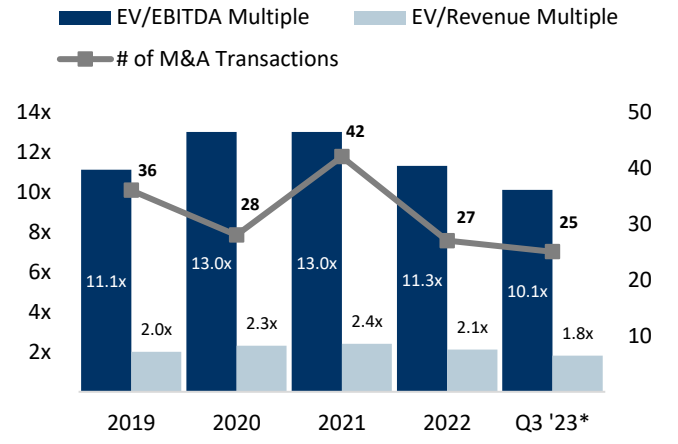
## Healthcare Software



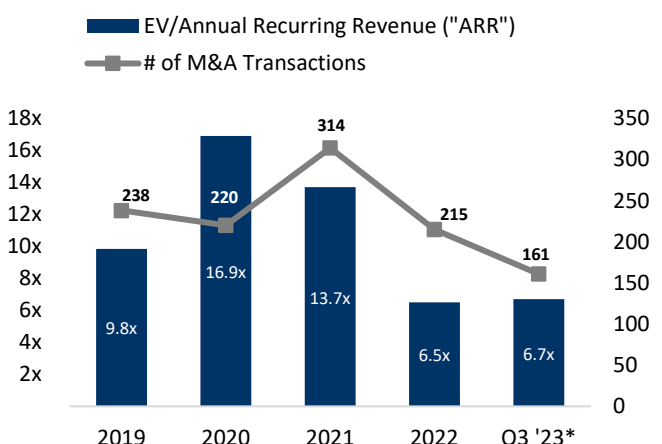
## Healthcare Services



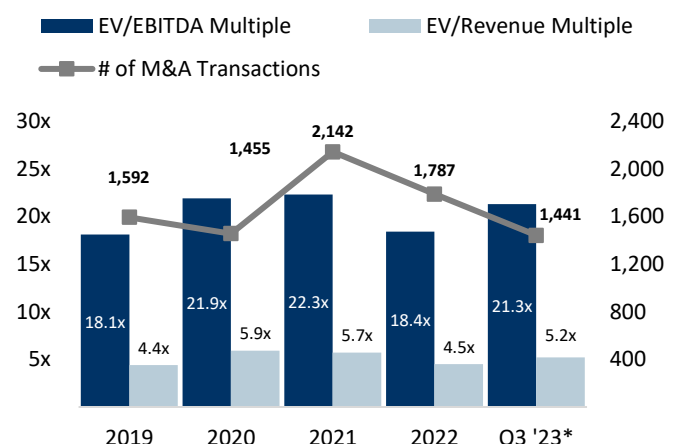
## Data Processing & Outsourced Services



## Software-as-a-Service(1)



## General Software & Services

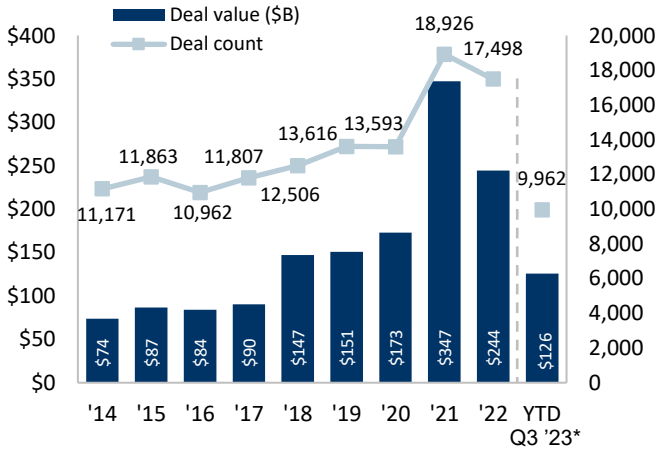


(1) SaaS Capital Enterprise Value / ARR Index.  
 \*Latest twelve months as of September 30, 2023  
 Note: EV = Enterprise Value.

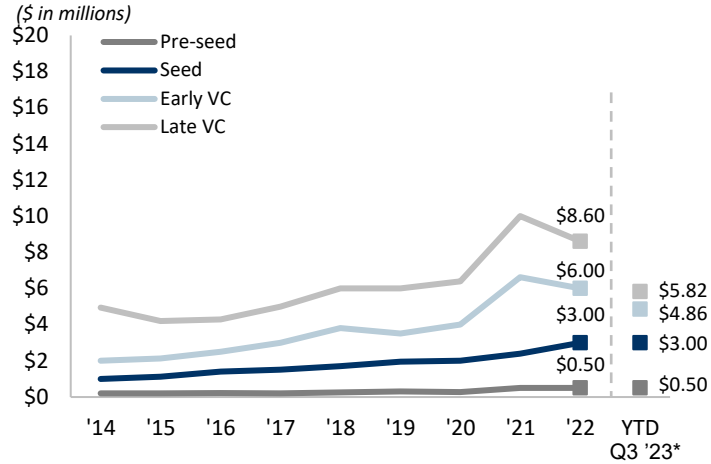


# PRIVATE CAPITAL DATA

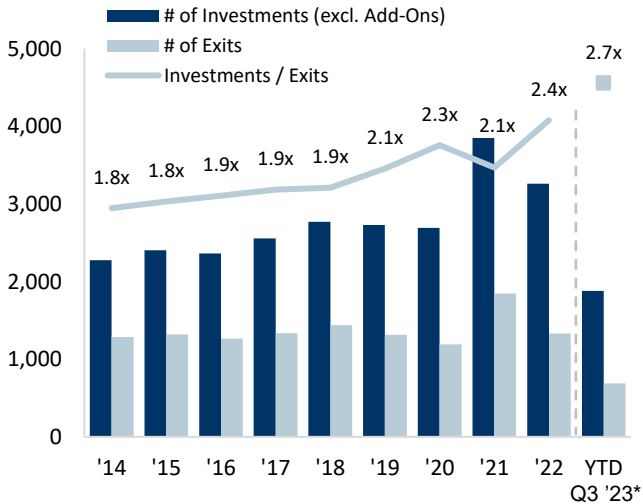
## U.S. VC Activity by Year



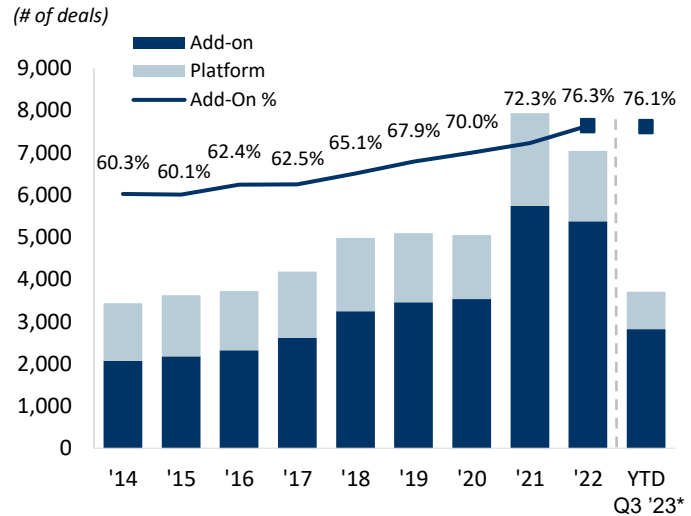
## Median VC Round Size by Stage



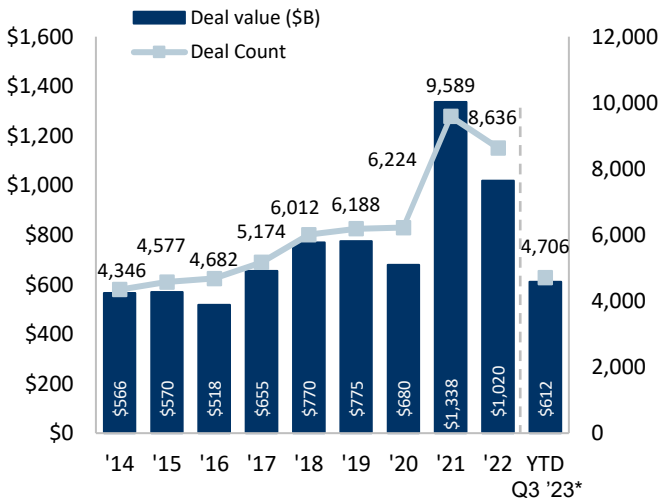
## U.S. Private Equity Investments vs Exits



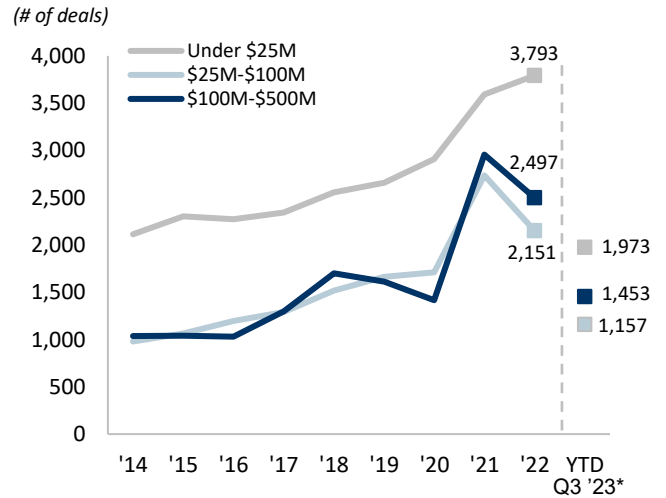
## U.S. Private Equity Add-ons vs Platforms



## U.S. Private Equity Activity by Year



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



\*Latest twelve months as of September 30, 2023



## 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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