



CROFT & BENDER

Q1 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.

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

Tony J. Yannucci
Vice President
 tyannucci@croft-bender.com
 (404) 328-4837

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
- 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



Enviro-Master is a leading franchise provider of hygiene, sanitation and disinfection services to commercial businesses across North America.



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.



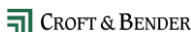
INDUSTRIAL



has partnered with



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



HEALTHCARE

Undisclosed

has completed a debt recapitalization with a syndicate led by



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



CONSUMER

Tech-Enabled Real Estate Brokerage Company

has been acquired by

An Undisclosed Buyer

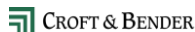
The client is a leading technology-driven residential real estate lead generation and brokerage platform.



has received an investment from



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



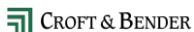
has been acquired by



a portfolio company of



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

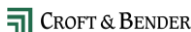


has been acquired by



SPECIALITY BUILDING PRODUCTS

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



has been recapitalized by



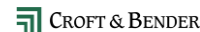
MediStreams is a leading provider of healthcare remittance, reconciliation and payment automation solutions.



has been acquired by



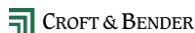
Drive operates 22 automotive service and repair shops across five sunbelt states.



has completed a buyout

Led by Existing Management

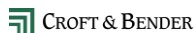
Cumberland Group is one of the Southeast's largest privately held IT Solutions Providers.



has acquired



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



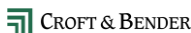
a portfolio company of

NARROW GAUGE CAPITAL

has been acquired by



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



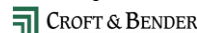
has been acquired by



a portfolio company of



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



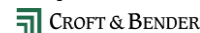
has been acquired by



a portfolio company of



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



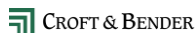
has been acquired by



a portfolio company of



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



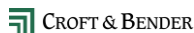
has been acquired by



a portfolio company of



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



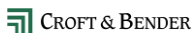
has been acquired by



a portfolio company of



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



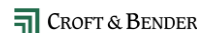
has been acquired by



a portfolio company of



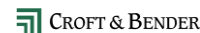
Sacred Journey Hospice is a leading hospice provider in Georgia.



has been acquired by



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



FEATURED TRANSACTIONS

COMPANY OVERVIEW

- Enviro-Master International Franchise, LLC (“Enviro-Master” or the “Company”) is an award-winning franchisor of deep cleaning services, serving tens of thousands of businesses and commercial settings across North America
- The Company focuses on restroom hygiene services, including deep cleaning, sanitation, disinfection and electrostatic spray services
- The Company has a recurring franchise model with a blue-chip customer base in a variety of end markets

DEAL OVERVIEW

- The Company engaged Croft & Bender to evaluate strategic alternatives
- Croft & Bender worked with Enviro-Master to build a financial model, develop marketing materials, prepare a highly targeted list of prospective buyers, conduct management presentations, manage the diligence process and negotiate with potential partners
- Croft & Bender successfully negotiated the recapitalization of the Company with Eagle Merchant Partners



has been recapitalized by



Enviro-Master is a leading franchise provider of hygiene, sanitation and disinfection services to commercial businesses across North America.



COMPANY OVERVIEW

- Rasa Floors (“Rasa” or the “Company”) is a leading provider of replacement flooring solutions to the multi-family industry
- The Company offers a full suite of flooring solutions to a diverse client base comprised of ~900 multi-family property managers across ~2,300 apartment communities

DEAL OVERVIEW

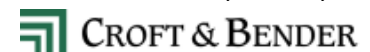
- Croft & Bender was engaged to help the Company find a partner to provide shareholder liquidity and support Rasa’s continued growth
- Croft & Bender worked with the Company to build a financial model, develop marketing materials, conduct management presentations, manage the diligence process and negotiate with potential partners
- Croft & Bender successfully negotiated the recapitalization of the Company with Saw Mill Capital



has partnered with

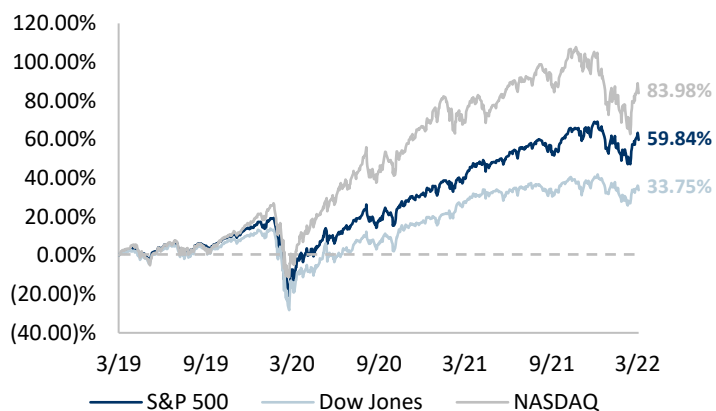


Rasa Floors is a leading provider of replacement flooring solutions to the multi-family industry.

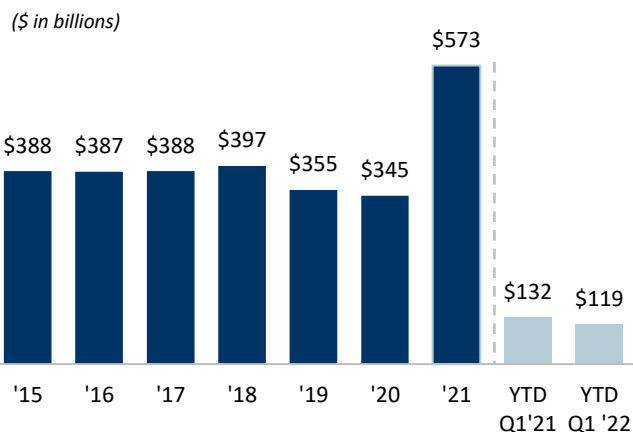


KEY CAPITAL MARKETS DATA

Public Equity Markets

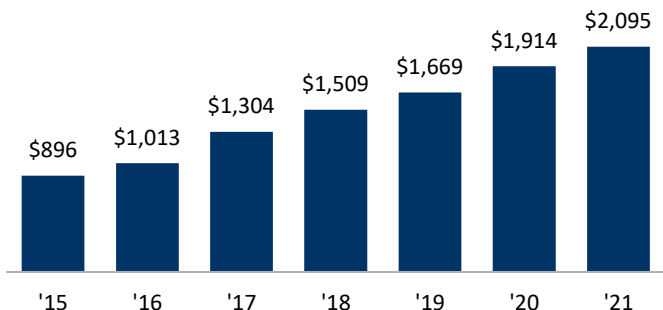


Middle Market Deal Volume



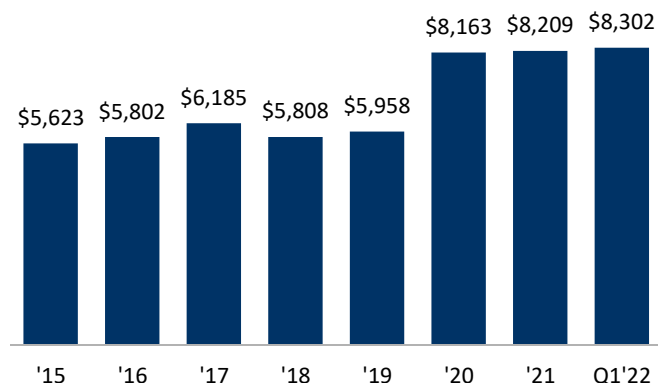
Private Equity Dry Powder

(\$ in billions)

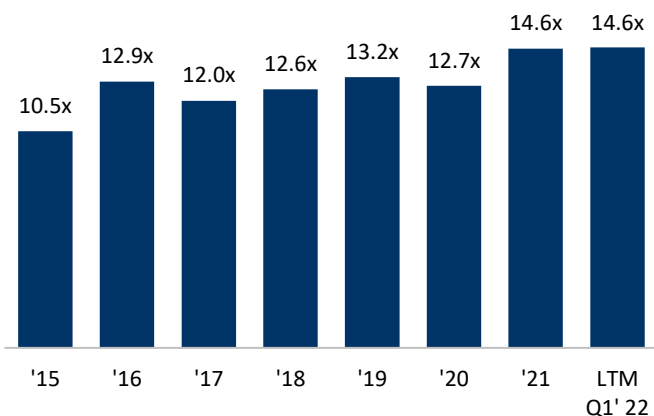


Cash on Corporate Balance Sheets⁽¹⁾

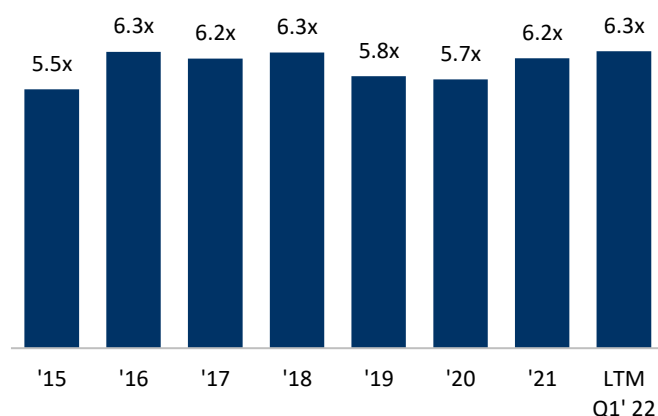
(\$ in billions)



US PE Enterprise Value / EBITDA Multiples



US PE Debt / EBITDA Multiples

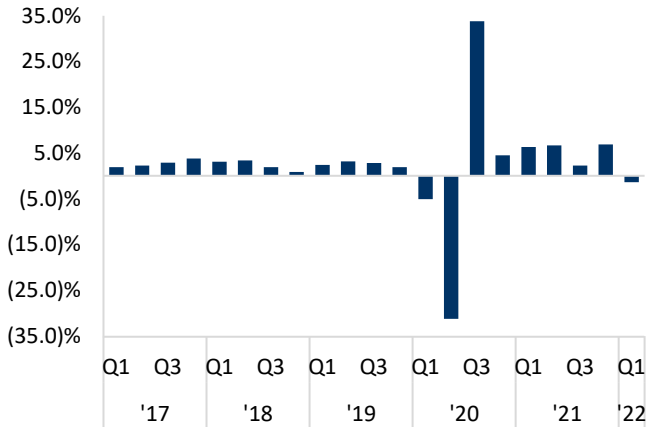


Note: Middle-market transactions have a disclosed enterprise value of less than \$1 billion.

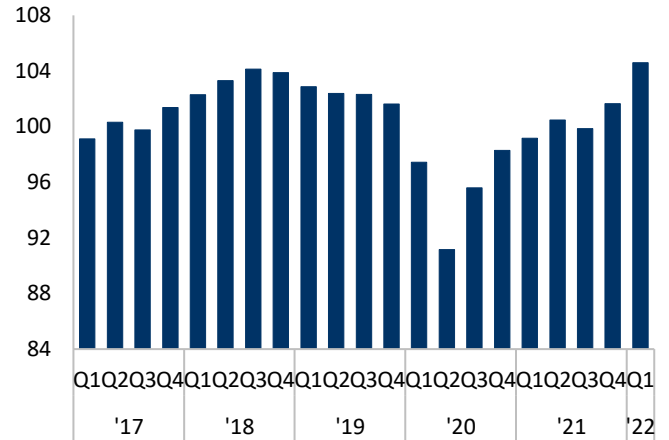
(1) Reflects S&P 500 constituents.

KEY ECONOMIC DATA

Real GDP Growth



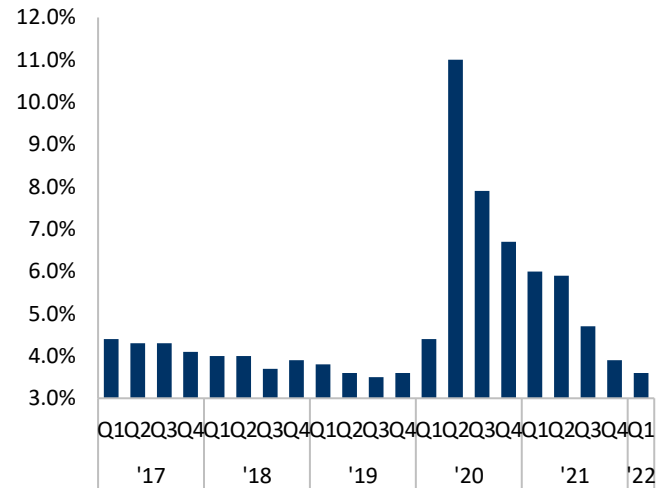
Industrial Production⁽¹⁾



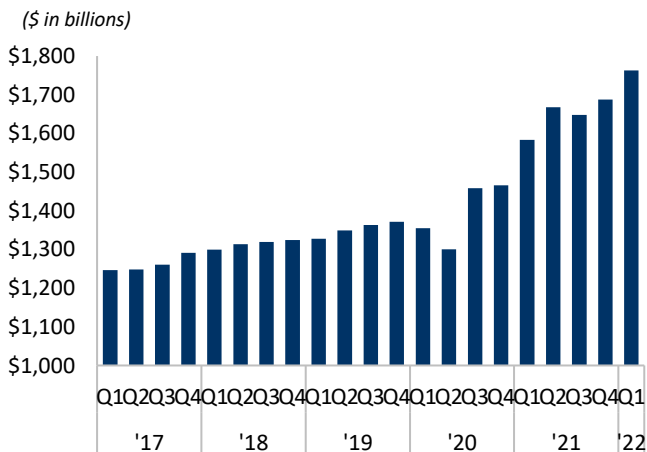
Consumer Confidence⁽²⁾



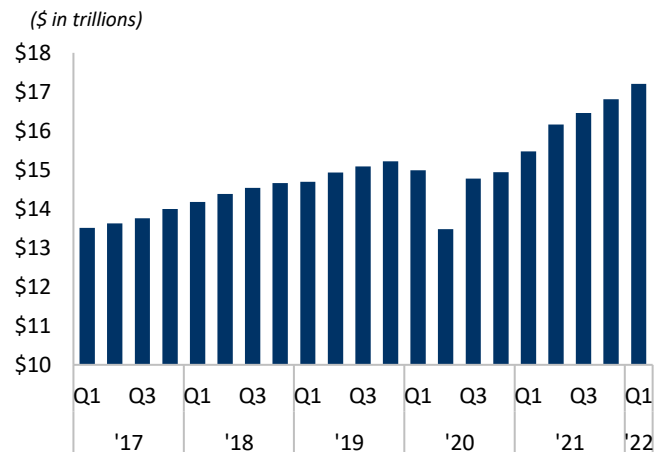
Unemployment Rate



Retail Sales



Consumer Spending



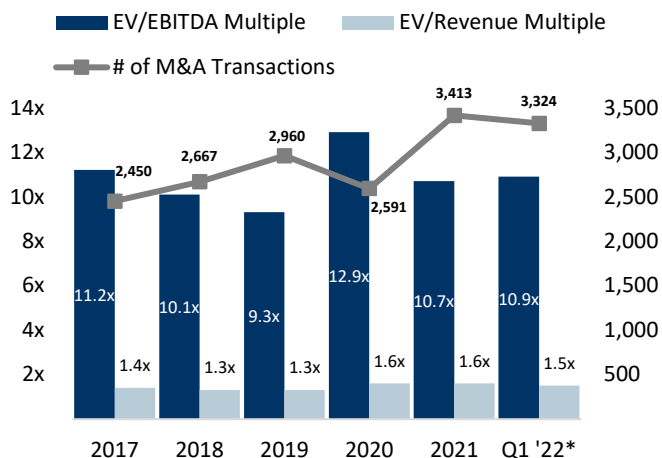
(1) Indexed relative to 2012.

(2) Indexed relative to 1985.

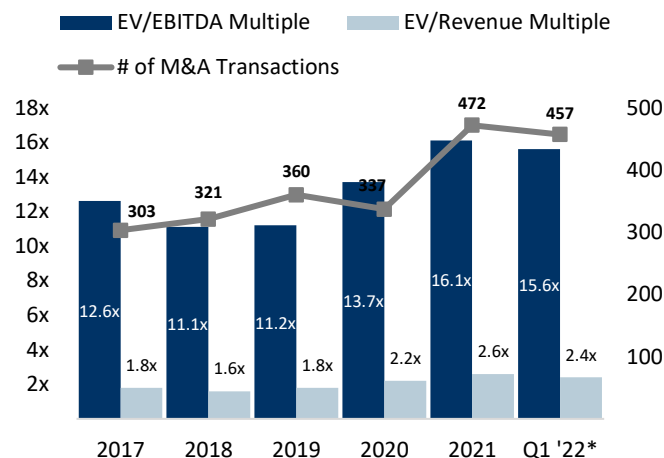


AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

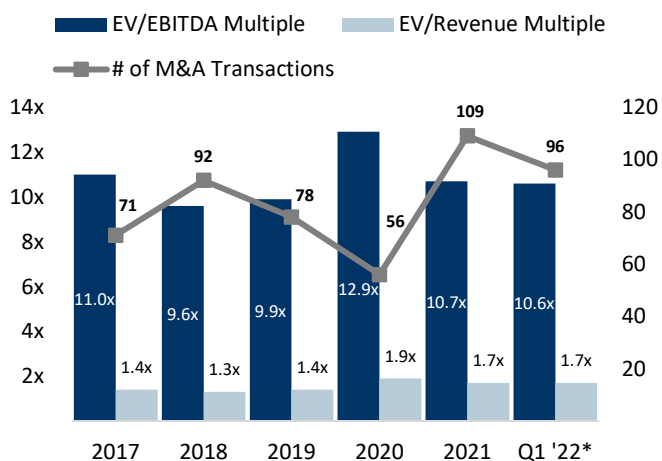
General Industrial



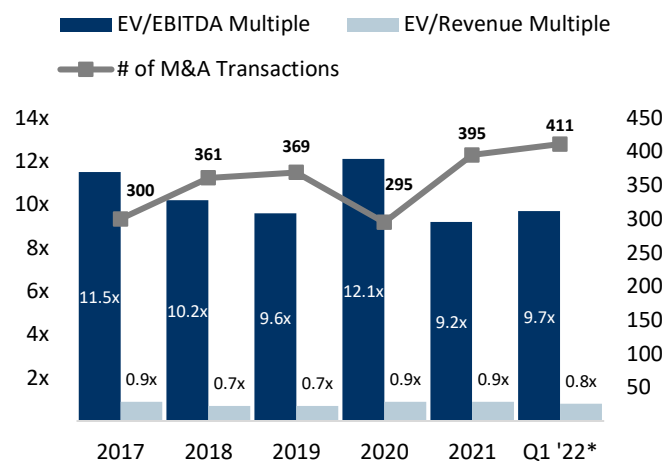
IT Consulting & Other Services



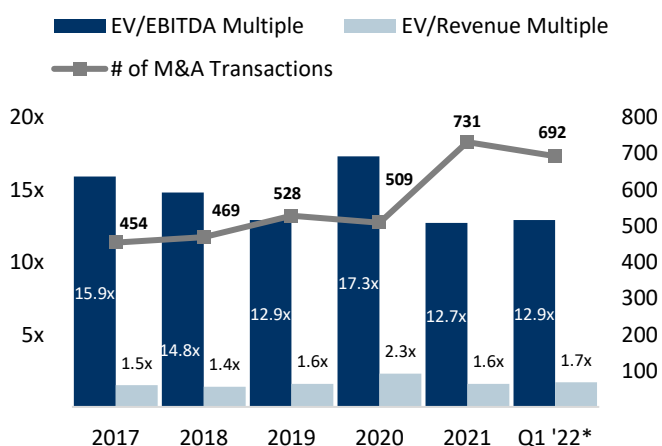
Building Products



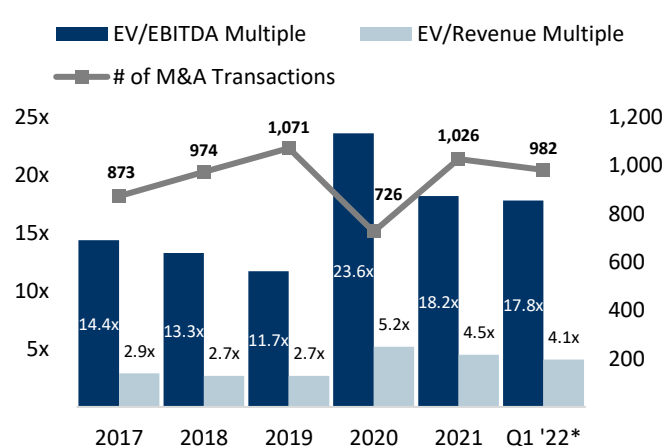
Trading Companies & Distributors



Retailing



Consumer Services



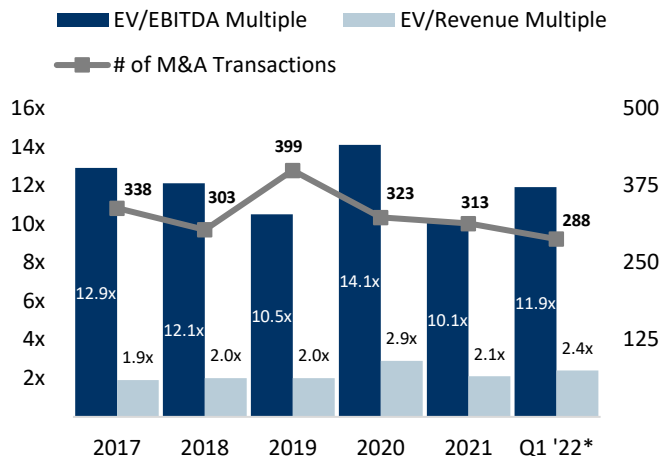
*Latest twelve months as of March 31, 2022.

Note: EV = Enterprise Value.

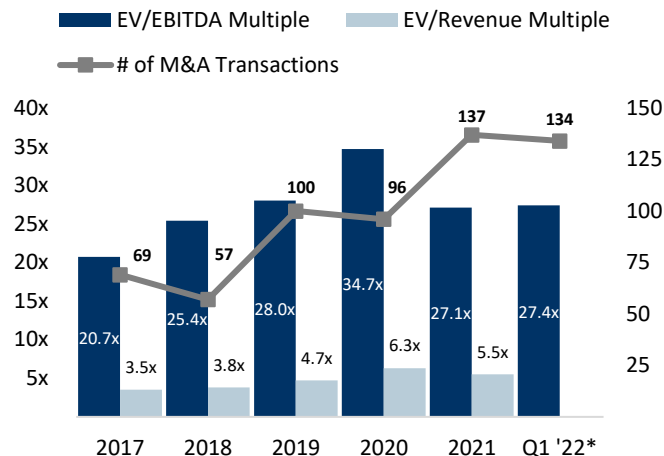


AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

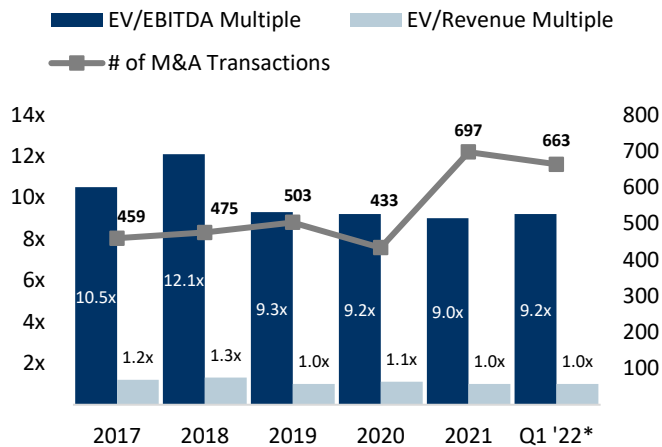
Healthcare Facilities



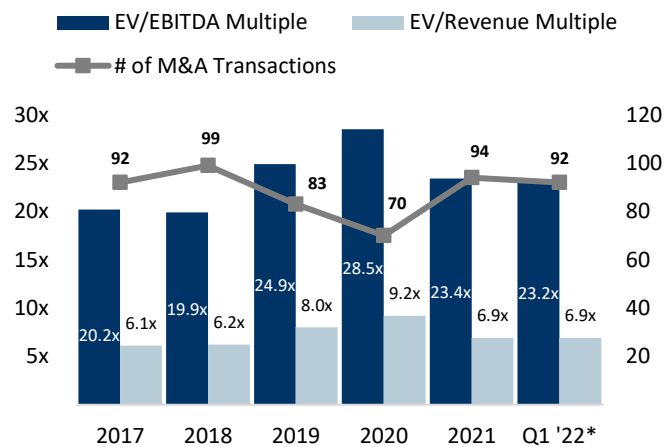
Healthcare Software



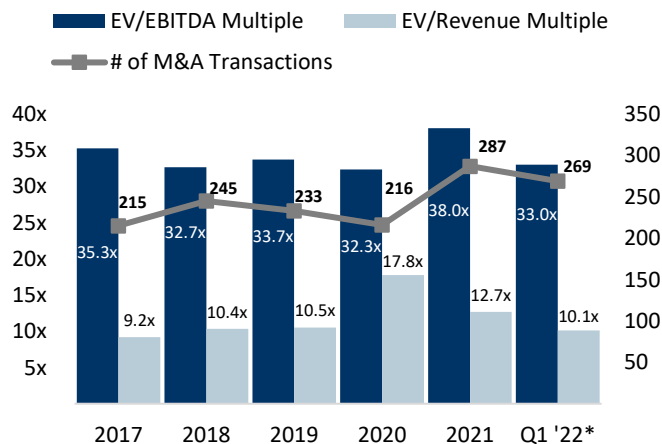
Healthcare Services



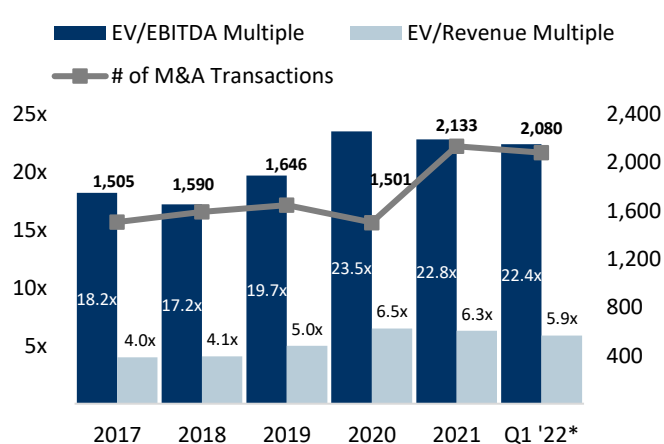
Data Processing & Outsourced Services



Software-as-a-Service



General Software & Services

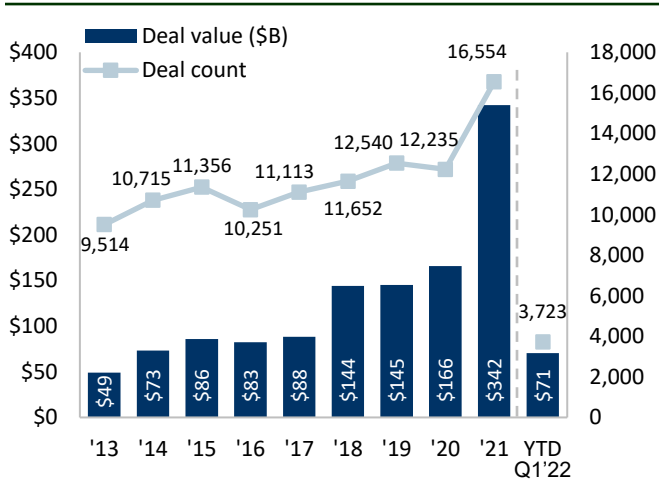


*Latest twelve months as of March 31, 2022.

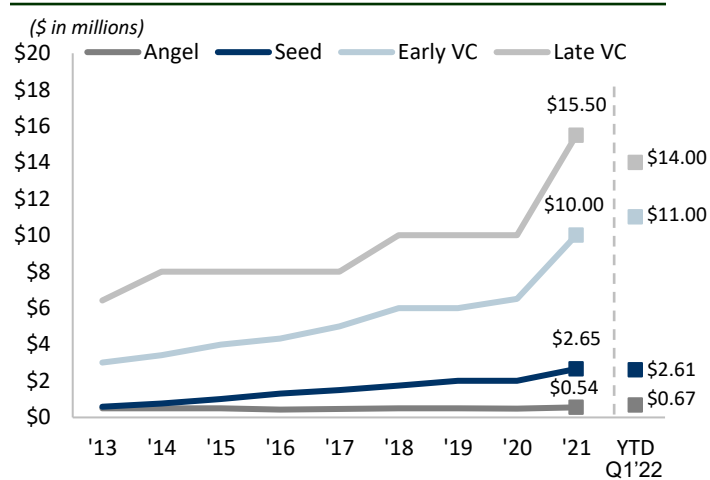
Note: EV = Enterprise Value.

PRIVATE CAPITAL DATA

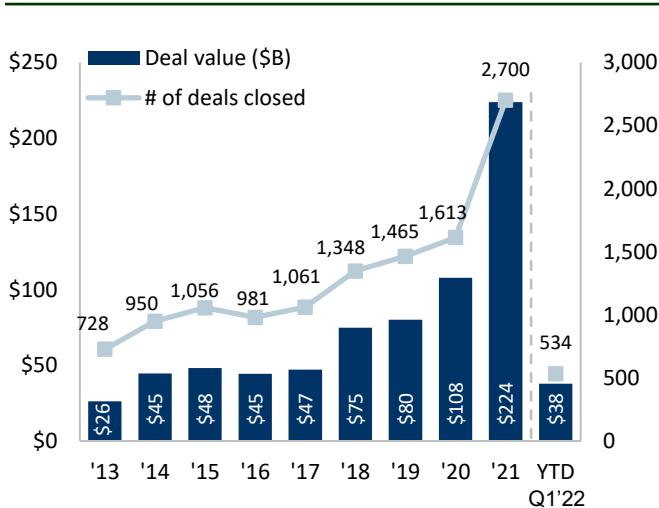
U.S. VC Activity by Year



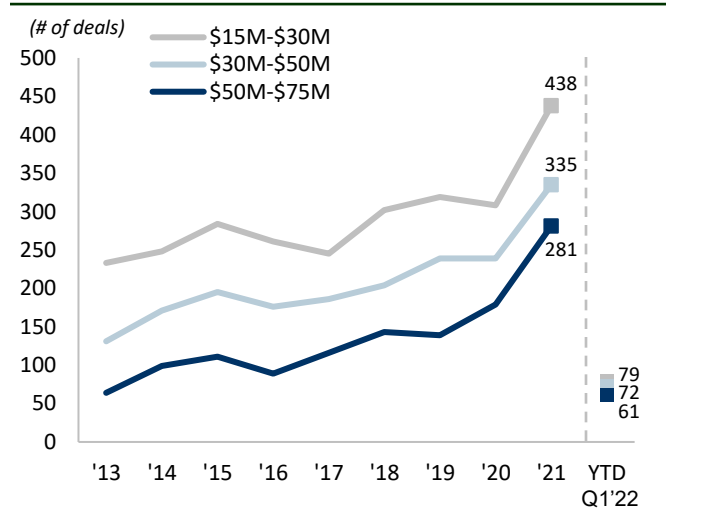
Median VC Round Size by Stage



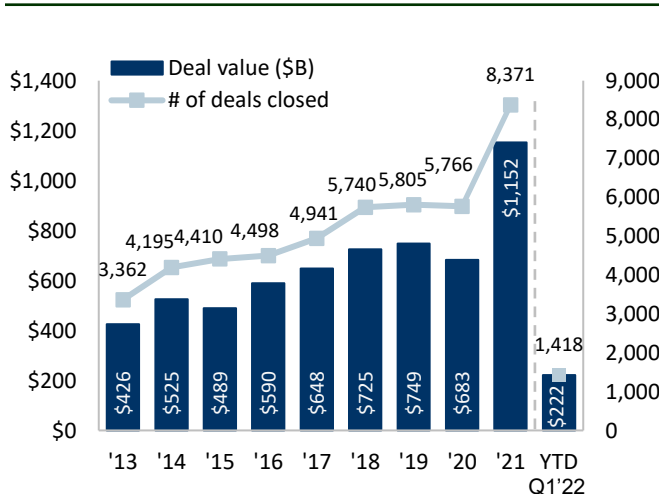
U.S. Growth Equity Activity by Year



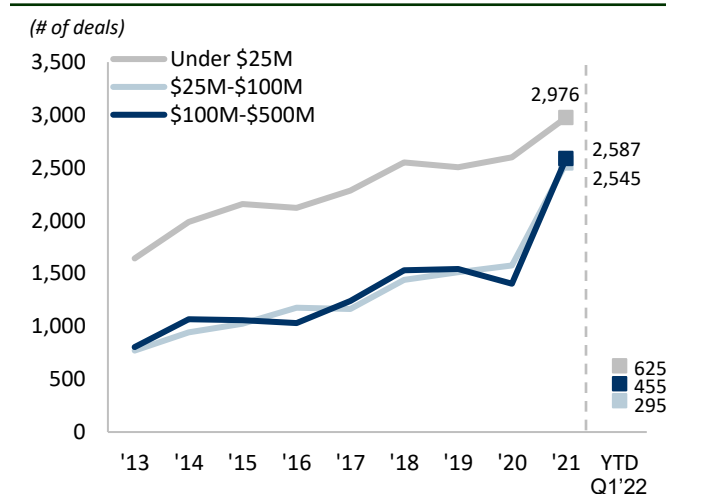
U.S. Growth Equity Deals by Deal Size



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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