



CROFT & BENDER

Q1 2021 Market Report



Mergers & Acquisitions



Private Equity



Financial Advisory



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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
- 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 been acquired by



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



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



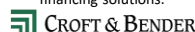
has been acquired by



a portfolio company of



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



CONSUMER



has been acquired by



a portfolio company of



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



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



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



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 been acquired by



a portfolio company of

GI PARTNERS

Pinnacle is a leading customer communications management and engagement technology provider.



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 recapitalized by



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



has been acquired by



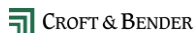
Service Brands is a leading multi-concept residential services franchisor.



has been acquired by



NOVA is a leading provider of engineering, consulting, testing, and inspection services to the design and construction industry.



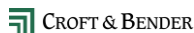
has been acquired by



a portfolio company of



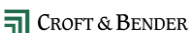
SIP.US is a leading provider of on-demand, enterprise-class IP communications software solutions.



has been recapitalized by



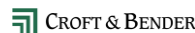
Acousti is a leading subcontractor of interior finish solutions, specializing in acoustical ceilings and walls.



has been acquired by



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



has sold
Harris Research, Inc.
Franchisor of



Baird Capital Partners

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



FEATURED TRANSACTIONS

COMPANY OVERVIEW

- SEI Group, LLC (“SEI” or the “Company”) is a leading distributor and installer of insulation and other residential building products for single-family and multi-family builders and general contractors across five high-growth states in the Southeast
- The Company employs nearly 500 trained installers, establishing SEI’s position as the #1 fiberglass and spray foam installer in the Southeast

DEAL OVERVIEW

- Since selling SEI to Narrow Gauge Capital in 2016, Croft & Bender continued to operate as an informal advisor and most recently successfully negotiated the sale of American Residential Products (“ARP”) to the Company in October 2020
- Upon receiving inbound interest from a strategic buyer, the Company engaged Croft & Bender to help the Company evaluate its alternatives
- Croft & Bender initiated a targeted and accelerated process and successfully negotiated a sale to Quad-C



a portfolio company of
NARROW GAUGE CAPITAL

has been acquired by



QUAD-C

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



CROFT & BENDER

COMPANY OVERVIEW

- Employment Screening Services, LLC (“ESS” or the “Company”) is a leading tech-enabled services company in the employment screening industry
- The Company offers the full spectrum of background screening and drug testing solutions across a variety of verticals, including healthcare, hospitality, staffing, franchising, manufacturing and education

DEAL OVERVIEW

- Croft & Bender was engaged to help the Company evaluate strategic alternatives, including a majority recapitalization or strategic sale
- 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 guided the Company through an efficient process and successfully negotiated a merger with GlobalHR Research, a portfolio company of Renovo Capital



has merged with



a portfolio company of



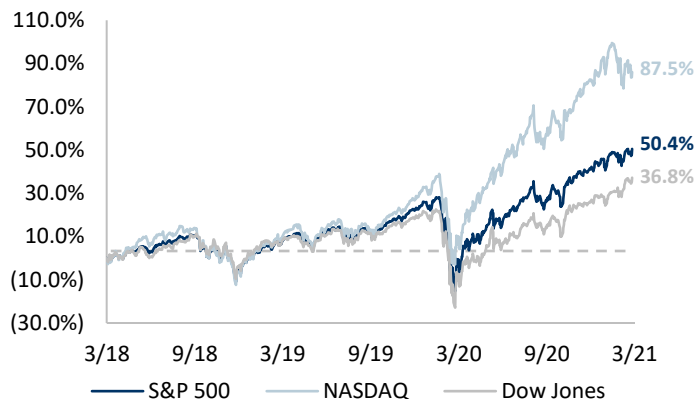
ESS is a leading tech-enabled services company in the employment screening industry.



CROFT & BENDER

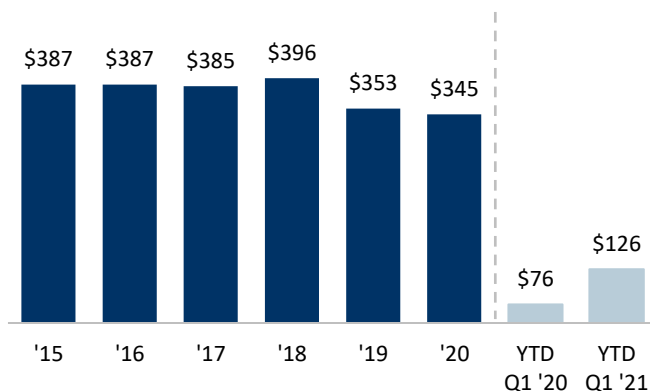
KEY CAPITAL MARKETS DATA

Public Equity Markets



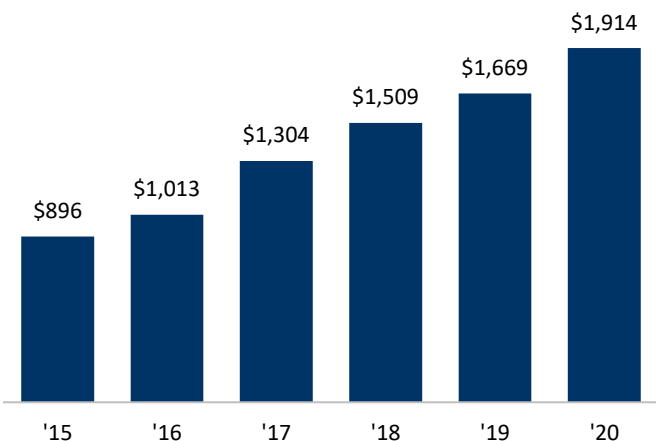
Middle Market Deal Volume

(\$ in billions)



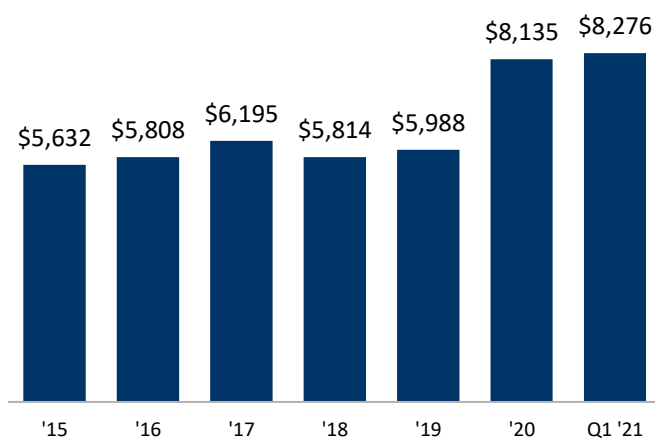
Private Equity Dry Powder

(\$ in billions)

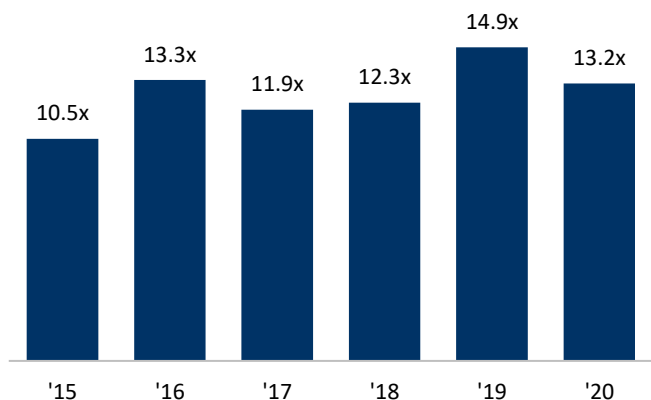


Cash on Corporate Balance Sheets⁽¹⁾

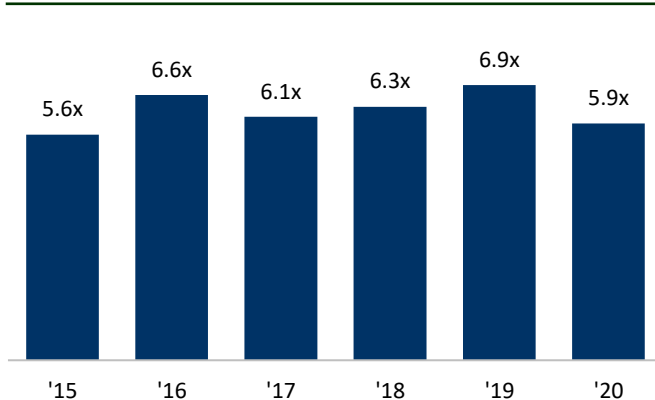
(\$ in billions)



US PE Enterprise Value / EBITDA Multiples



US PE Debt / EBITDA Multiples

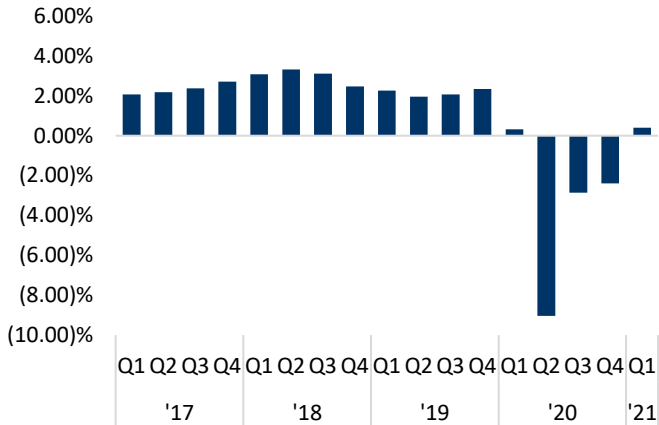


Note: Middle-market transactions have a disclosed enterprise value of less than \$1 billion.

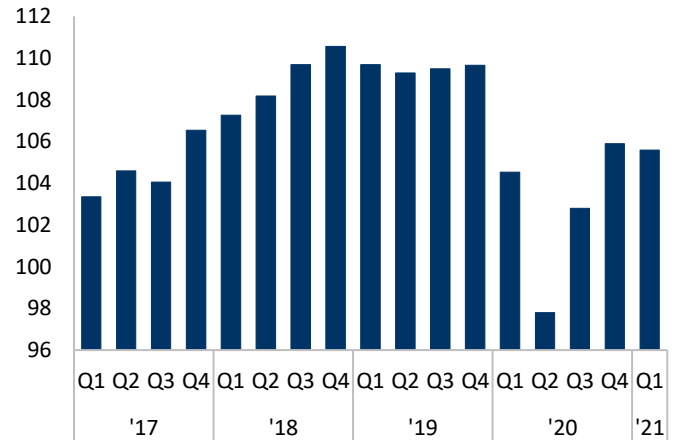
(1) Reflects S&P 500 constituents.

KEY ECONOMIC DATA

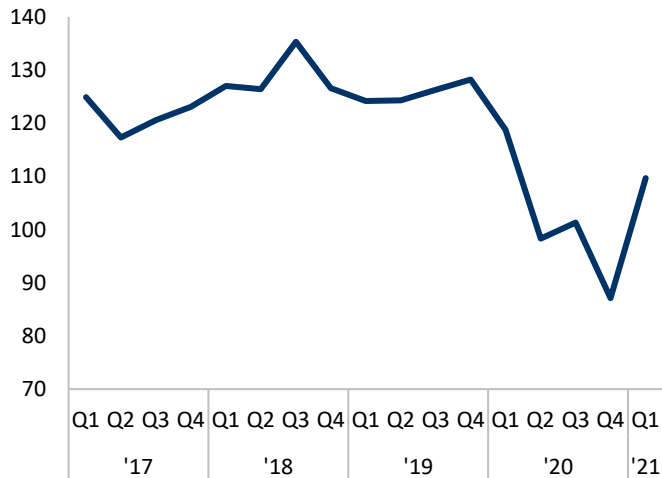
Real GDP Growth



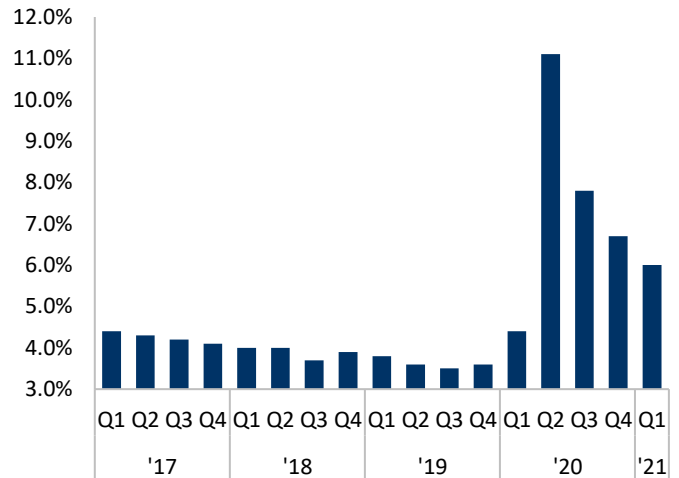
Industrial Production⁽¹⁾



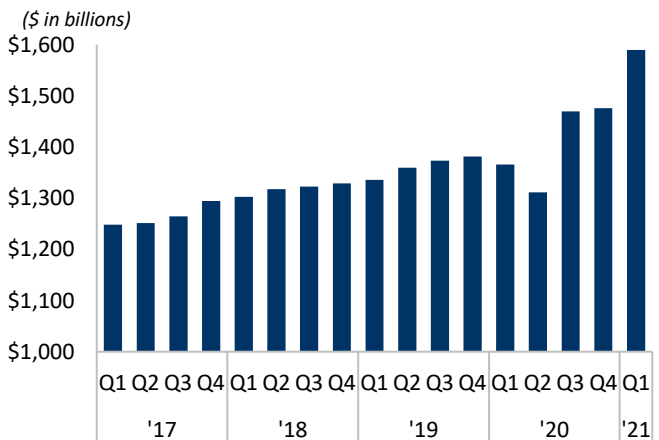
Consumer Confidence⁽²⁾



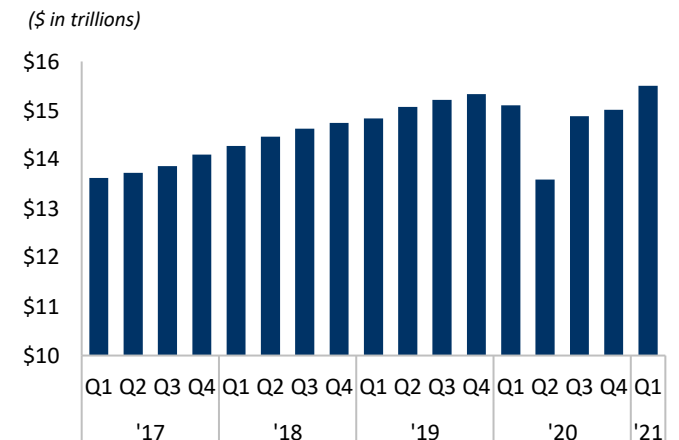
Unemployment Rate



Retail Sales



Consumer Spending



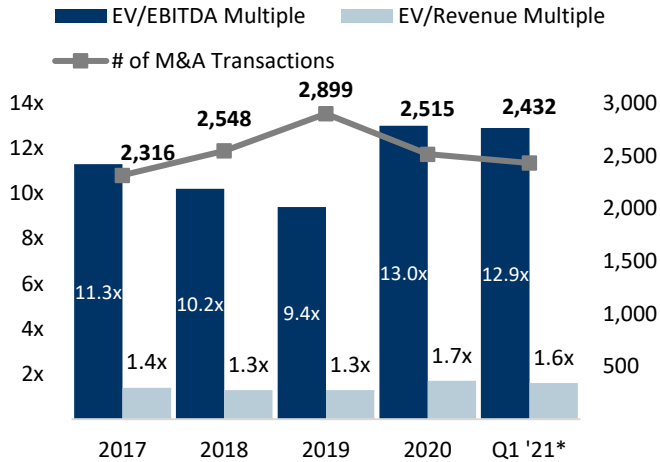
(1) Indexed relative to 2012.

(2) Indexed relative to 1985.

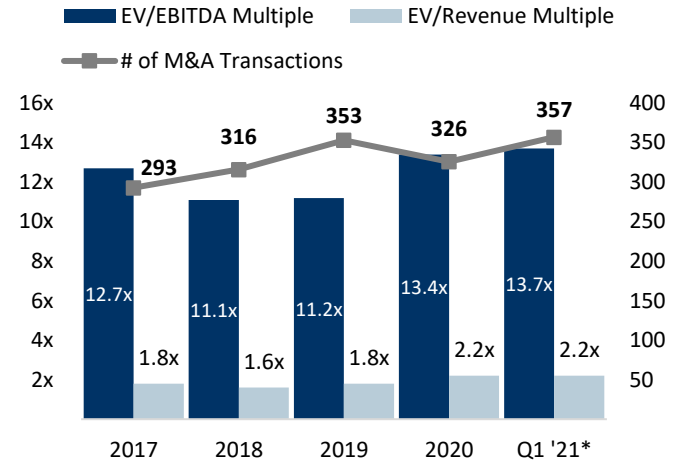


AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

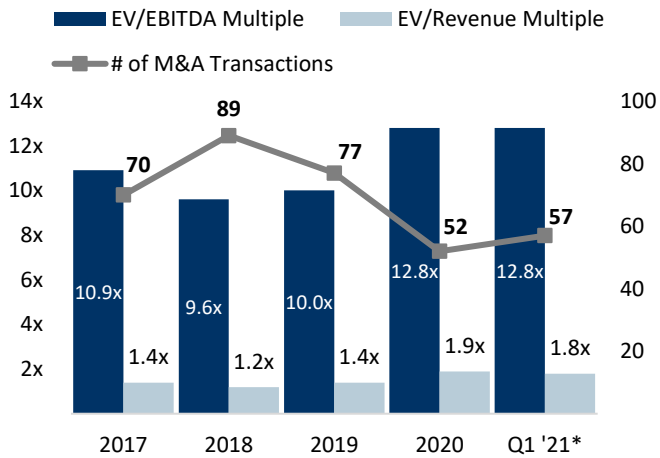
General Industrial



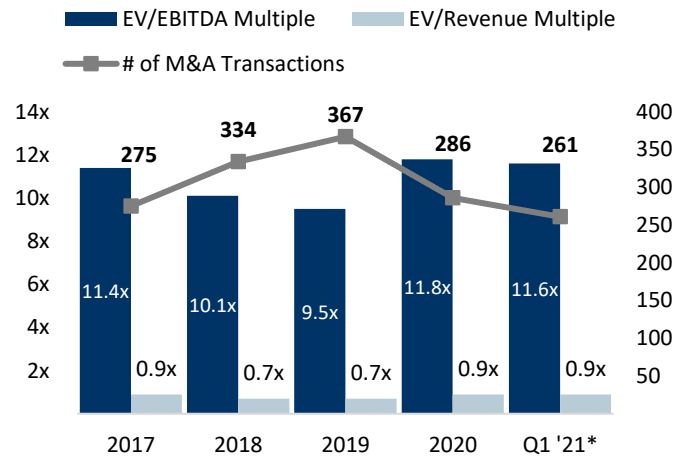
IT Consulting & Other Services



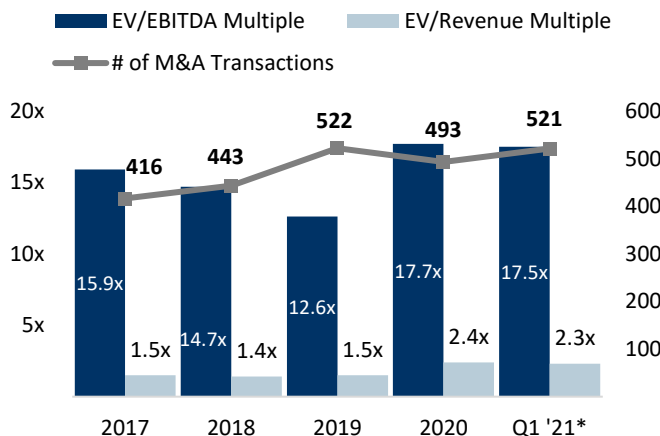
Building Products



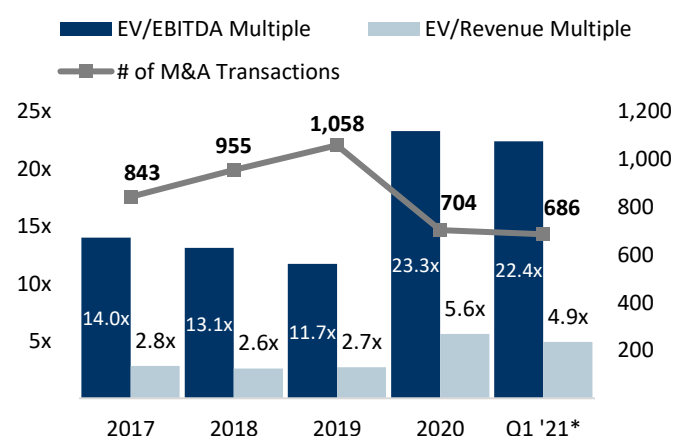
Trading Companies & Distributors



Retailing



Consumer Services

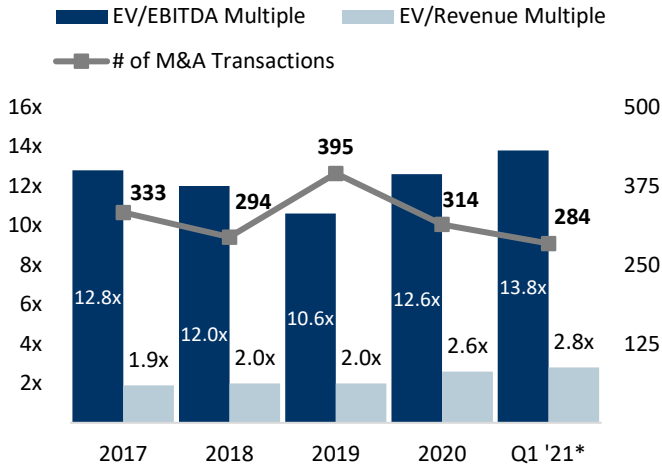


*Latest twelve months as of March, 31 2021.
Note: EV = Enterprise Value.

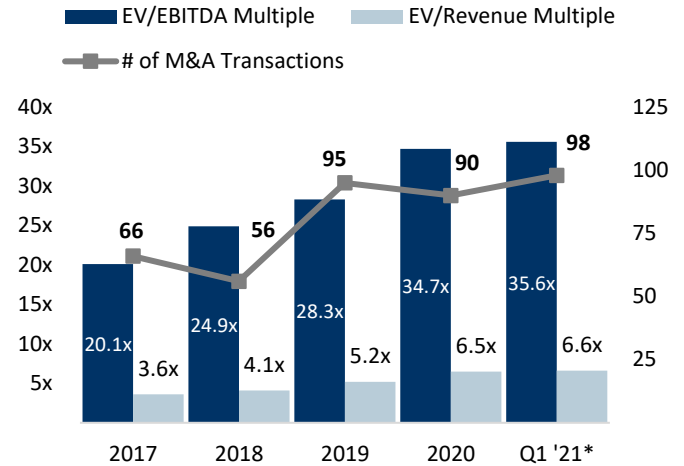


AVERAGE PUBLIC MULTIPLES & U.S. DEAL ACTIVITY BY SELECT INDUSTRY GROUPS

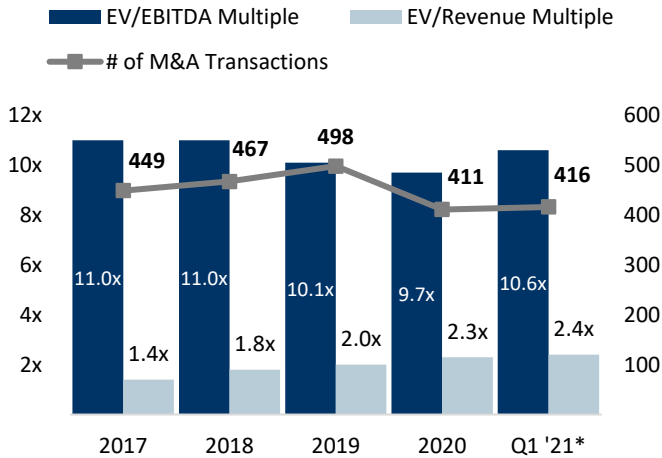
Healthcare Facilities



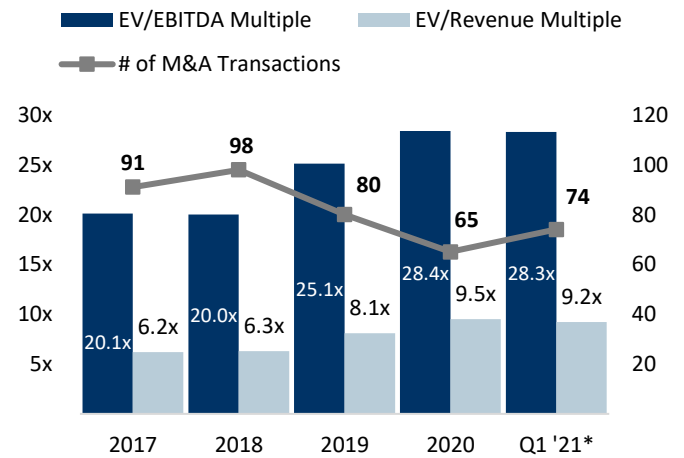
Healthcare Software



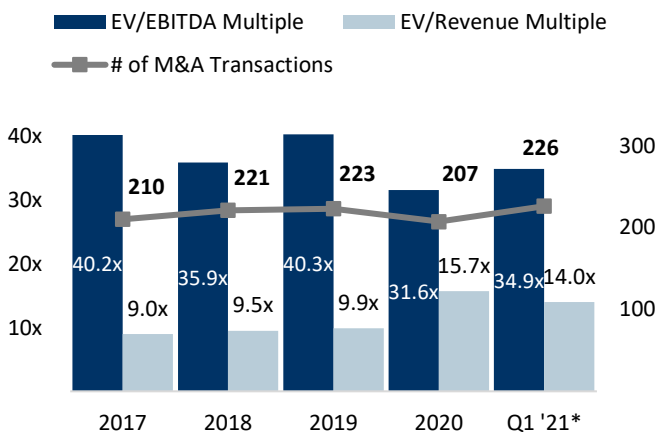
Healthcare Services



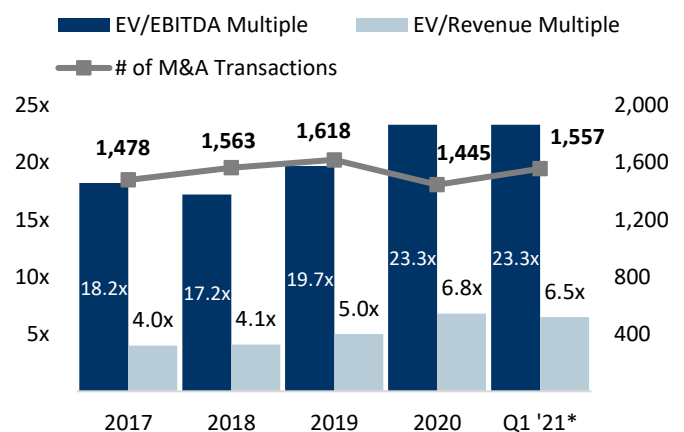
Data Processing & Outsourced Services



Software-as-a-Service



General Software & Services

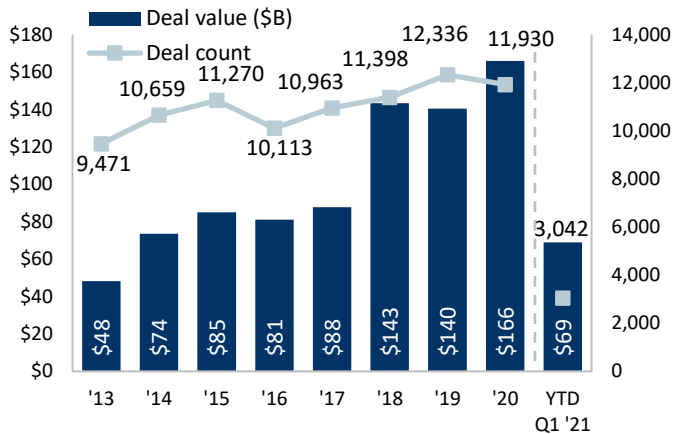


*Latest twelve months as of March, 31 2021.

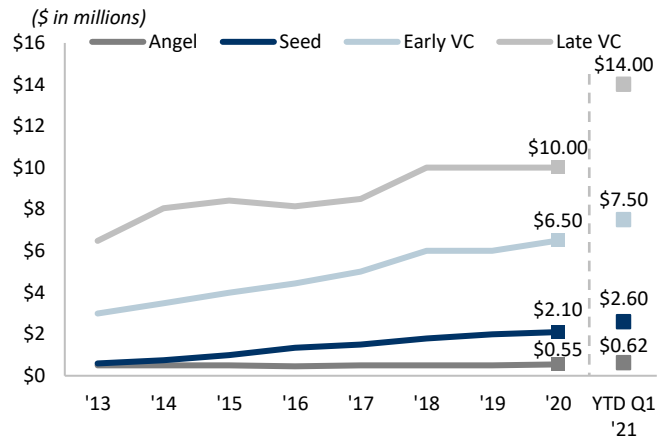
Note: EV = Enterprise Value.

PRIVATE CAPITAL DATA

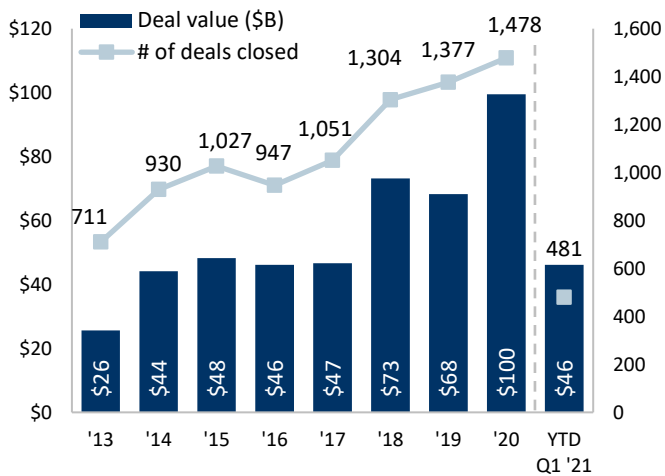
U.S. VC Activity by Year



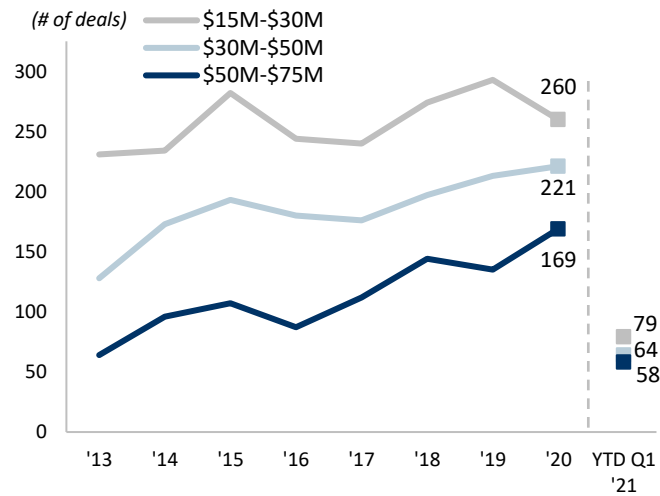
Median VC Round Size by Stage



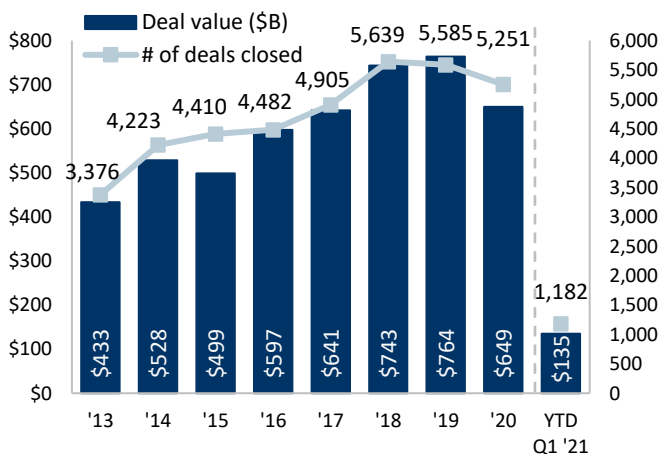
U.S. Growth Equity Activity by Year



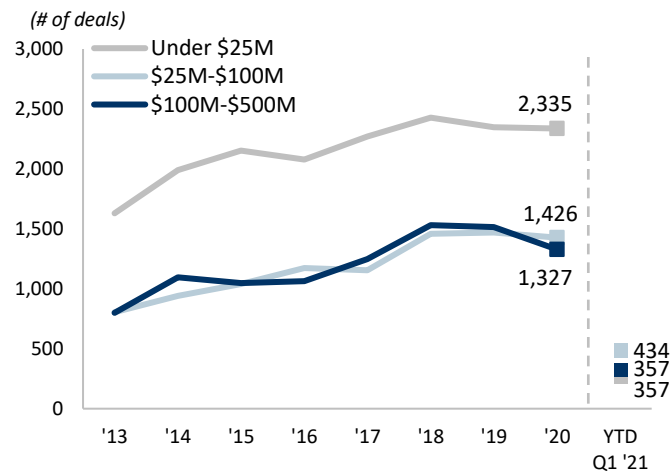
U.S. Growth Equity Deals by Deal Size



U.S. Private Equity Activity by Year



U.S. Private Equity Deals by Deal Size





DISCLOSURES

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