

Missouri PE Deal Report

IH 2022

R.L. Hulett & Co.

Investment Bankers for the Middle Market



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This report provides an overview of private equity activity in the state of Missouri. Our report offers key marketplace trends and drivers as well as professional, high-level insights on the quantity, type, region, and industry of deals reported in the 1H of 2022 in Missouri. R.L. Hulett & Company uses data from Pitchbook for all accompanying charts. For more information, please contact Trevor Hulett at thulett@rlhulett.com.



Market Recap

- PE deal volume in Missouri slowed in 1H 2022 to 48 deals, down 48.4% from 93 in 2H 2021. Q2 volume was down 34.5% to 19 transactions from 29 in Q1 of 2022.
- Add-ons remained the largest type of transaction, accounting for 81.1% of total PE transactions. PE firms continue to use add-ons to scale platform investments and “buy down” their entry multiples.
- The financial services sector increased as a percentage of total completed transactions to 14.6% deals in 1H 2022 from 8.9% in 2021. This increase is primarily driven by the increasingly competitive Fintech industry which aims to bring new digital products & services to customers.
- Corporate acquisitions were the most popular exit route in 1H 2022 for PE-owned platform companies.
- There were no reported valuation multiples available in 1H 2022.

PE Transactions

Date	Company	Investor	Industry Code	Transaction Type	Transaction Detail	Deal Size (\$mm)	Implied EV/Revenue	Implied EV/EBITDA	City	Target Business Description
30-Jun-22	O6 Environmental	Warren Equity Partners	Environmental Services (B2B)	Buyout/LBO					Saint Louis	Provider of environmental remediation and hazardous waste management services.
28-Jun-22	Marine Concepts	Kanbrick	Other Consumer Durables	Buyout/LBO					Kaiser, MO	Designer and manufacturer of custom boat cover systems designed to reinvent the experience of covering a boat.
13-Jun-22	American Water Treatment	Nolan Capital	Environmental Services (B2B)	Buyout/LBO	Add-on				Saint Louis	Provider of water treatment equipment, chemicals, consultation and preventative maintenance services.
13-Jun-22	PayIt	Atlantic Merchant Capital Investors	Financial Software	PE Growth/Expansion		29.9			Kansas City	Developer of a digital payment platform designed to bring speed and simplicity to the government payment processing experience.
19-May-22	Triad	Apple Roofing	Other Commercial Services	Buyout/LBO	Add-on				Blue Springs, MO	Provider of roofing and replacement services intended for residential and commercial insurance restoration.
11-May-22	Semco Plastic Company	Carlyle Credit Solutions BDC	Industrial Supplies and Parts	Buyout/LBO	Add-on				Saint Louis	Provider of blow molding and large-tonnage injection molding services intended to serve a wide spectrum of industry types.
10-May-22	SureCam	CCA Financial	Other Commercial Products	PE Growth/Expansion		11.5			Saint Louis	Provider of connected dash cameras and fleet management solutions for small and mid-sized businesses.
09-May-22	EKG Life Science Solutions	Imperial Capital Group	Laboratory Services (Healthcare)	Buyout/LBO	Add-on				Saint Louis	Operator of an analytical laboratory intended to support medical device and pharmaceutical companies.
04-May-22	HYA Advisors	Genstar Capital	Asset Management	Buyout/LBO	Add-on				Springfield	Provider of financial planning and wealth management services intended to meet clients' investment and retirement requirements.
02-May-22	Quillt Media	Saltwater Capital	Media and Information Services	Buyout/LBO					Saint Louis	Operator of a digital media company designed to focus on online publishing.
29-Apr-22	Digestive Health Specialists	Texas Digestive Disease Consultants	Clinics/Outpatient Services	Buyout/LBO	Add-on				Kansas City	Provider of healthcare services intended to serve patients with digestive problems.
25-Apr-22	Alscott Surety	Apax Partners	Other Financial Services	Buyout/LBO	Add-on				Lee's Summit, MO	Provider of surety support services intended for the construction industry.
12-Apr-22	iOR Partners	C3 Capital	Other Healthcare Services	PE Growth/Expansion					Kansas City	Provider of office-based surgery (OBS) services to the ophthalmology industry.
04-Apr-22	Flopak	Decowraps	Plastic Containers and Packaging	Buyout/LBO	Add-on				Saint Louis	Operator of a packaging company intended to serve floral and potted industries.
04-Apr-22	Midwest Game Supply	Knutsson Holdings	Distributors/Wholesale	Buyout/LBO	Add-on				Kearney	Provider of casino gaming products intended to be a one-stop-shop for casinos products.




















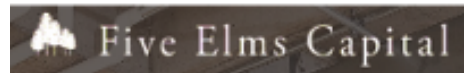







PE Transactions

Date	Company	Investor	Industry Code	Transaction Type	Transaction Detail	Deal Size (\$mm)	Implied EV/Revenue	Implied EV/EBITDA	City	Target Business Description
31-Mar-22	Convergent Wealth Management	Genstar Capital	Asset Management	Buyout/LBO	Add-on				Chesterfield	Provider of financial services and investment advisory services intended to build wealth for the clients.
31-Mar-22	Evolytics	Cobalt Ventures	IT Consulting and Outsourcing	Buyout/LBO	Add-on				Parkville, MO	Provider of digital analytics consulting services for customers in the financial services, tech and e-commerce industries.
29-Mar-22	Aerofil Technology	Caisse de dépôt et placement du Québec	BPO/Outsource Services	Buyout/LBO	Secondary Buyout				Sullivan, MO	Provider of aerosol and liquid contract packaging services.
25-Mar-22	Benson Hill (NYS: BHIL)	Grosvenor Food & AgTech	Business/Productivity Software	PIPE		85.0			Saint Louis	Benson Hill Inc is a food technology company.
24-Mar-22	Horseman Group	Allworth Financial	Other Financial Services	Buyout/LBO	Add-on				Saint Louis	Provider of investment financial advisory services based in Saint Louis, Missouri.
23-Mar-22	Hope Hospice (Missouri)	Bristol Hospice	Clinics/Outpatient Services	Buyout/LBO	Add-on				Saint Louis	Operator of hospice to care for those that are coping with a life-limiting illness.
22-Mar-22	RKV Technologies	Egis Capital Partners	Government	Buyout/LBO	Add-on				Jefferson City	Provider of managed services to businesses and governments.
18-Mar-22	Mennemeyer Orthodontics	Shore Capital Partners	Clinics/Outpatient Services	Buyout/LBO	Add-on				Troy, MO	Operator of Dental Clinic based in Troy, Missouri.
17-Mar-22	Apple Bus Company	EQT	Automotive	Buyout/LBO	Secondary Buyout				Cleveland, MO	Provider of student and charter transportation services intended to offer clients smart routes and buses.
11-Mar-22	A.B. May	Frontier Service Partners	Other Services (B2C Non-Financial)	Buyout/LBO	Add-on				Kansas City	Provider of heating, air conditioning, electrical, and plumbing services in Kansas City, Missouri.
08-Mar-22	Employer Advantage	G&A Partners	Human Capital Services	Buyout/LBO	Add-on				Joplin	Provider of human resource management services intended to eliminate clients' burden of administrative and compliance tasks.
08-Mar-22	Penn Global Marketing	GIC	Multi-line Insurance	Buyout/LBO	Add-on				Town and Country	Operator of an insurance company with special emphasis on the senior market.
02-Mar-22	Dubby's Attractions	Five Star Parks & Attractions	Leisure Facilities	Buyout/LBO	Add-on				Branson, MO	Operator of a family entertainment center intended for corporate team builders, sports teams and family reunions.
01-Mar-22	FairVault	Cove Hill Partners	Business/Productivity Software	Buyout/LBO	Add-on				O'Fallon	Developer of document management software intended to support the fair industry.
28-Feb-22	TierPoint	Argo Infrastructure Partners	IT Consulting and Outsourcing	PE Growth/Expansion		500.0			Saint Louis	Provider of information technology infrastructure services based in Saint Louis, Missouri.

PE Transactions



Date	Company	Investor	Industry Code	Transaction Type	Transaction Detail	Deal Size (\$mm)	Implied EV/Revenue	Implied EV/EBITDA	City	Target Business Description
25-Feb-22	Buckner's Heating and Cooling	Cobepa	Other Services (B2C Non-Financial)	Buyout/LBO	Add-on	7.3			Kansas City	Provider of heating and cooling services intended for residential and light commercial customers.
25-Feb-22	Faszold Service	Cobepa	Other Services (B2C Non-Financial)	Buyout/LBO	Add-on	13.0			O'Fallon	Operator of heating and cooling company located in O'Fallon, Missouri.
22-Feb-22	J. Helbig & Company	GIC	Life and Health Insurance	Buyout/LBO	Add-on				Saint Louis	Provider of insurance services intended for federal employees.
22-Feb-22	The Buffalo Branch Wind Project	BluEarth Renewables	Buildings and Property	Buyout/LBO	Asset Acquisition				Dade County, MO	A 247 megawatts wind project in Dade County, Missouri.
03-Feb-22	Osborn Insurance Group	Harvest Partners	Life and Health Insurance	Buyout/LBO	Add-on				Springfield	Provider of field marketing services intended for Medicare, health and life insurance agents.
01-Feb-22	Fiskars (North American Watering Business)	Centre Lane Partners	Other Commercial Products	Buyout/LBO	Corporate Divestiture					Manufacturer of watering equipment intended for home, garden and outdoor use.
01-Feb-22	Raytown-Gregory Animal Health Center	Mission Veterinary Partners	Other Services (B2C Non-Financial)	Buyout/LBO	Add-on				Raytown, MO	Operator of an animal hospital intended to provide health care services to pets in Raytown and the surrounding communities.
31-Jan-22	The Track Family Fun Parks	Five Star Parks & Attractions	Leisure Facilities	Buyout/LBO	Add-on	26.0	261.9		Branson, MO	Operator of vacation and recreational destination based in Branson, Missouri.
31-Jan-22	Xtreme Racing Center	Five Star Parks & Attractions	Casinos and Gaming	Buyout/LBO	Add-on				Branson, MO	Operator of a racing kart center based in Branson, Missouri.
18-Jan-22	Chemisphere	OpenGate Capital	Distributors/Wholesale	Buyout/LBO					Saint Louis	Distributor of chemical products intended for personal care, agriculture, food and beverage, and industrial markets.
18-Jan-22	Rise Baking Company	GMB Capital Partners	Buildings and Property	Buyout/LBO	Asset Acquisition				Mexico, MO	Operator of a manufacturing facility focused on specialty food ingredients.
14-Jan-22	First Choice Facilities	Alpine Investors	Other Commercial Services	Buyout/LBO	Add-on				Washington	Provider of facilities and exterior services intended for logistics centers, hospitals and manufacturing sites.
13-Jan-22	City Foundry STL	CliftonLarsonAllen	Buildings and Property	PE Growth/Expansion		49.7			Saint Louis	Developer of mixed-used development project intended to transform an abandoned industrial site into a community.
13-Jan-22	Integrated Payroll Services	Inova Payroll	Human Capital Services	Buyout/LBO	Add-on				Saint Louis	Provider of payroll, human resources and benefits intended to serve small and medium-sized employers.
05-Jan-22	Burleson Orthodontics and Pediatric Dentistry	Rock Dental Brands	Clinics/Outpatient Services	Buyout/LBO	Add-on				Kansas City	Operator of dental clinics intended for good oral healthcare.

Active PE Investors











Investor	Location	# of 1H 2022 Investments	# of LTM Investments	Targets
	Saint Louis	10	15	        
	Saint Louis	8	23	       
	Kansas City	7	9	      

Source: PitchBook

Active PE Investors

Investor	Location	# of 1H 2022 Investments	# of LTM Investments	Targets
	Saint Louis	5	9	    
	Kansas City	3	4	  
	Saint Louis	3	5	  

Active PE Investors

Investor	Location	# of IH 2022 Investments	# of LTM Investments	Targets
	Saint Charles	3	5	  
	Saint Louis	2	8	 
	Saint Louis	2	3	 

Source: PitchBook

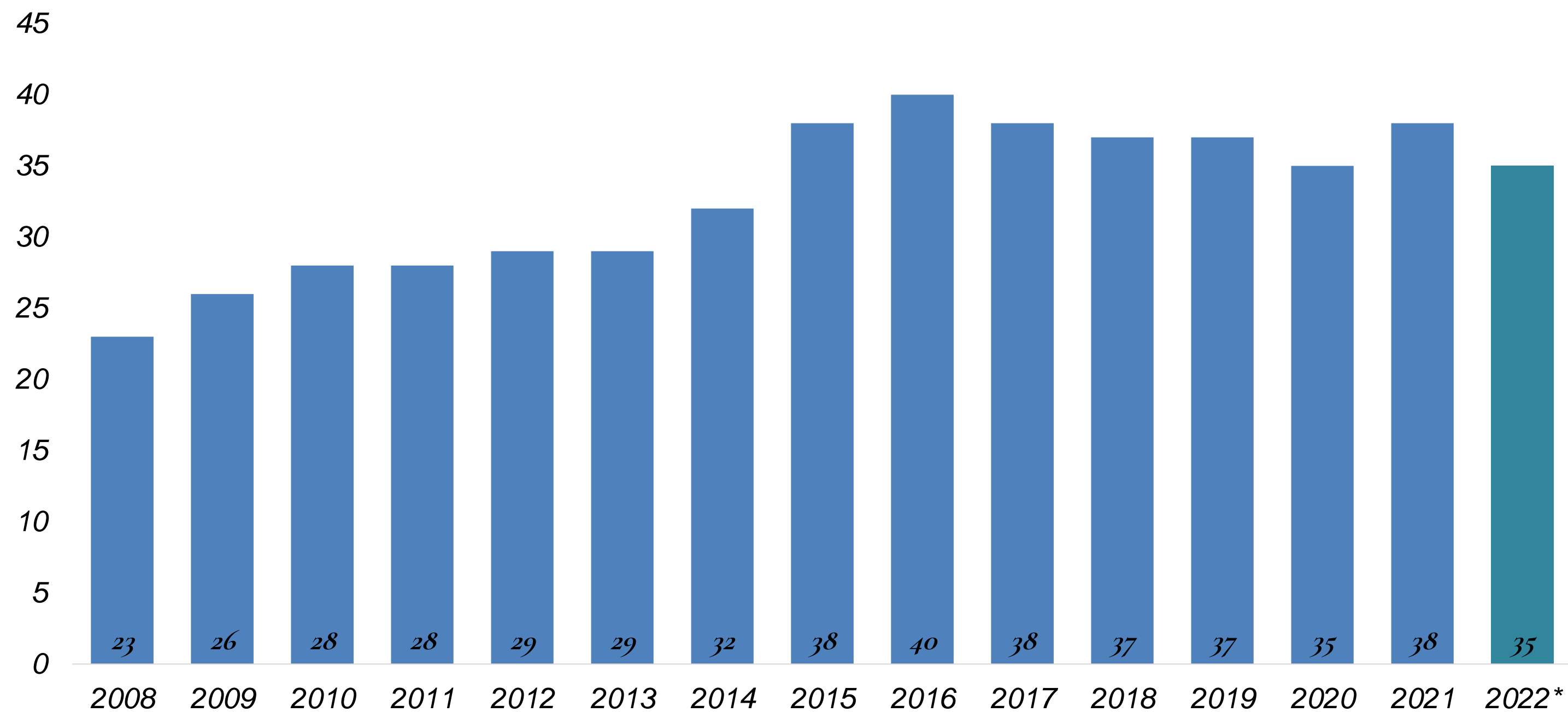
Active PE Investors



Source: PitchBook

Note: Active investor defined as having raised a PE Fund in the past 5 years or completed a PE deal in the past 3 years

Number of Active PE Investors



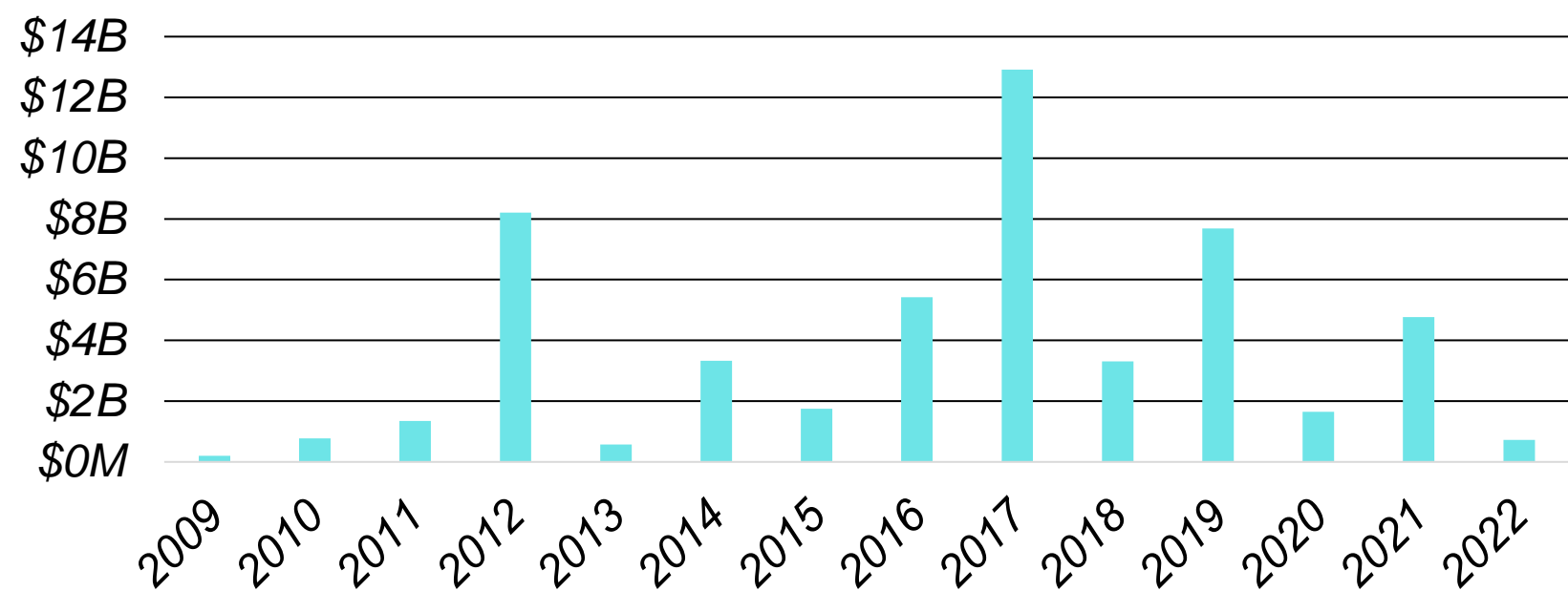
Source: PitchBook

Note: Active investor defined as having raised a PE Fund in the past 5 years or completed a PE deal in the past 3 years.

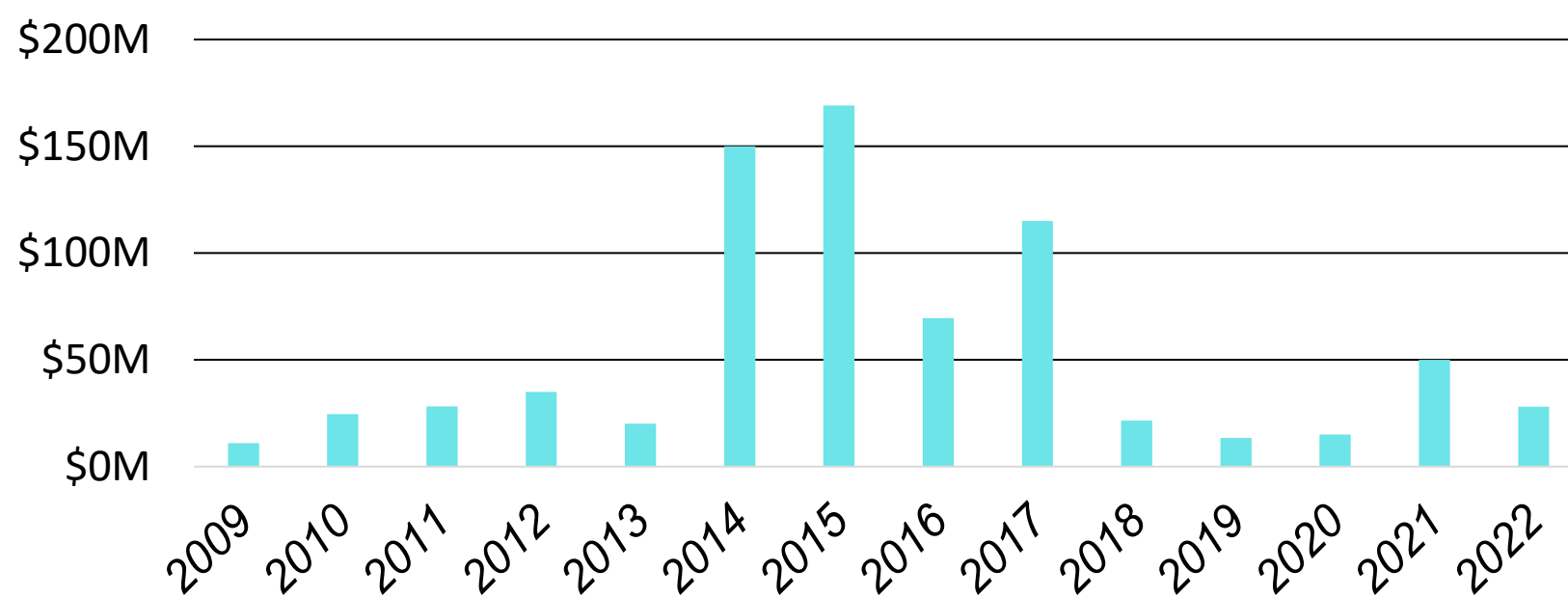
* as of 06/30/2022

Valuation Multiples

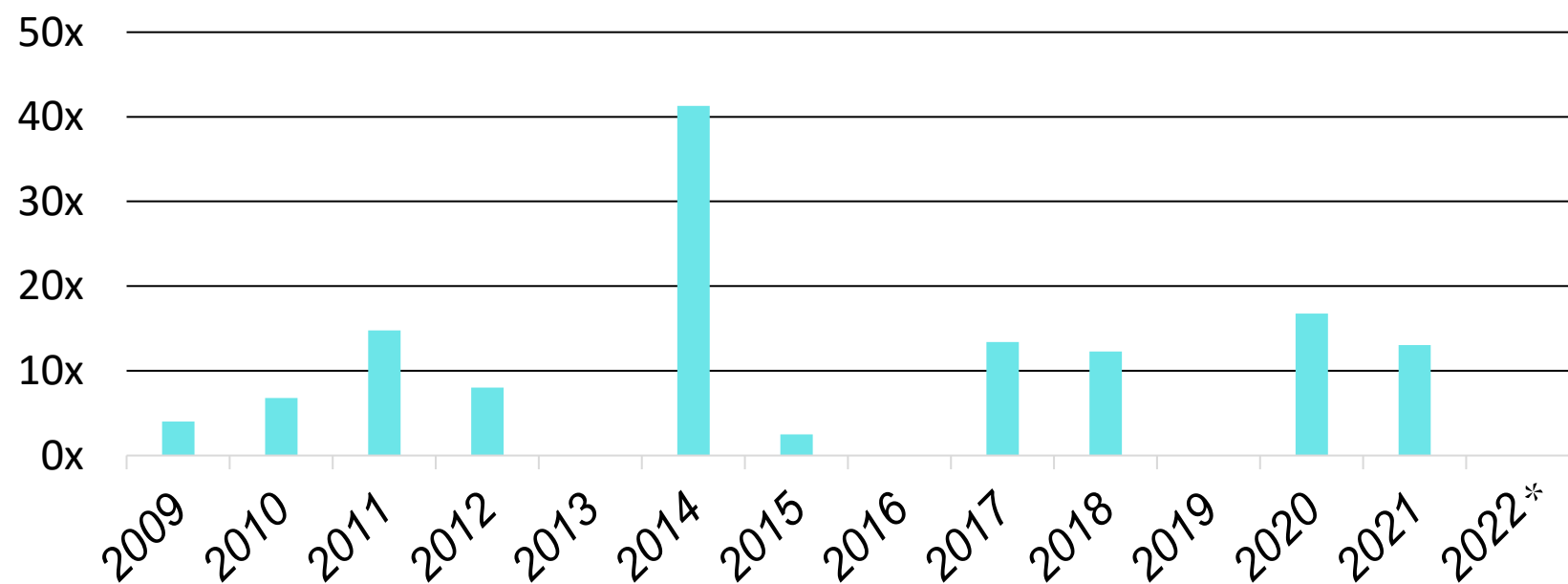
Total Capital Invested (\$B)



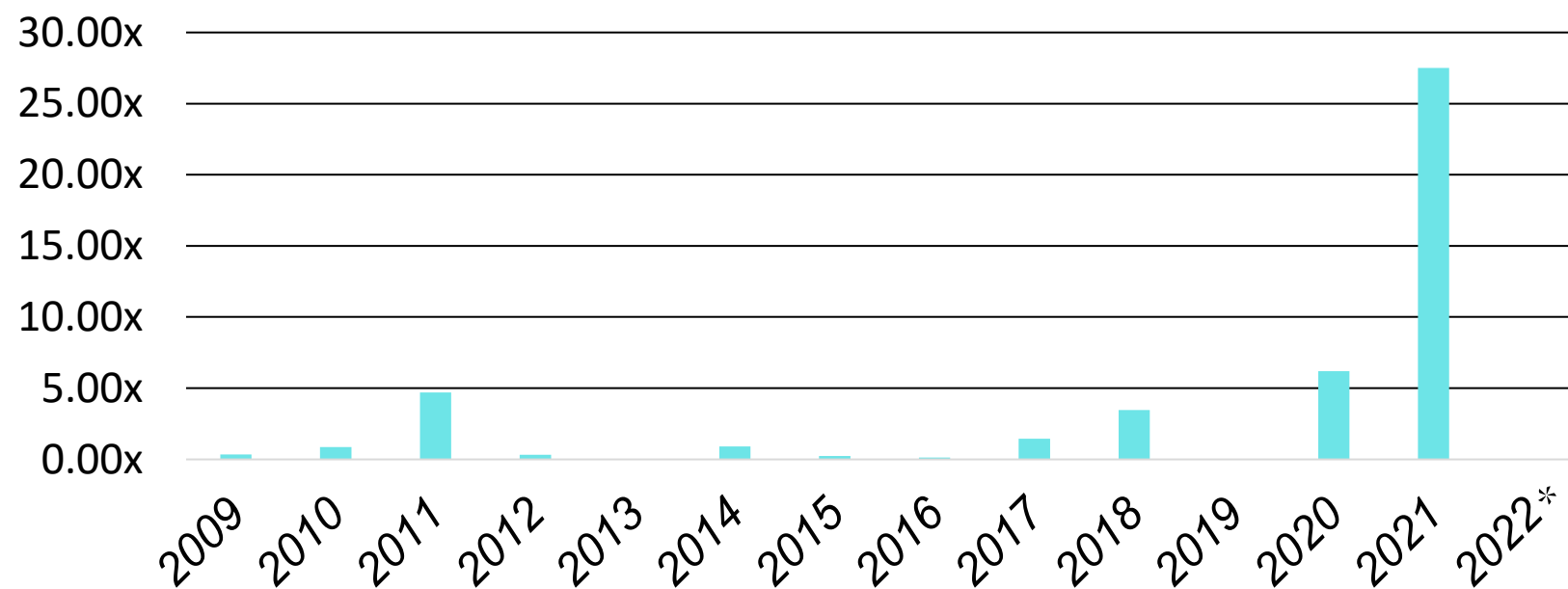
Median Deal Size (\$M)



EV/EBITDA



EV/Revenue



Source: PitchBook

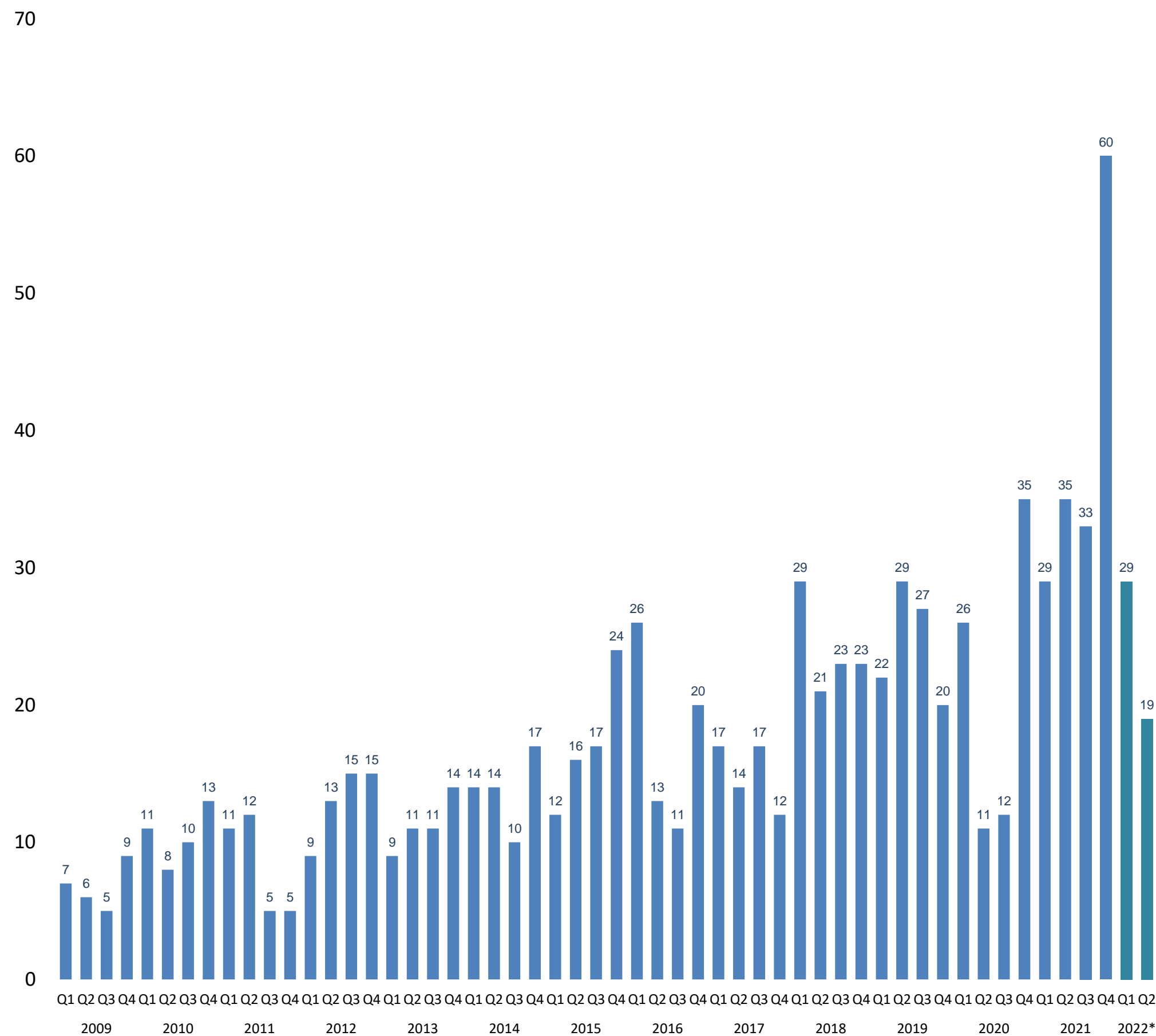
*No reported valuation metrics available for 2022

PE Deals Closed by Quarter

Declining Deal Activity

During 1H 2022, PE deal activity in the state of Missouri decreased 25.0% over the same period in the prior year from 64 deals to 48 and by 48.4% from 93 deals in 2H 2021.

Of the 48 deals in 1H 2022, the St. Louis area accounts for the largest share at 15 deals.



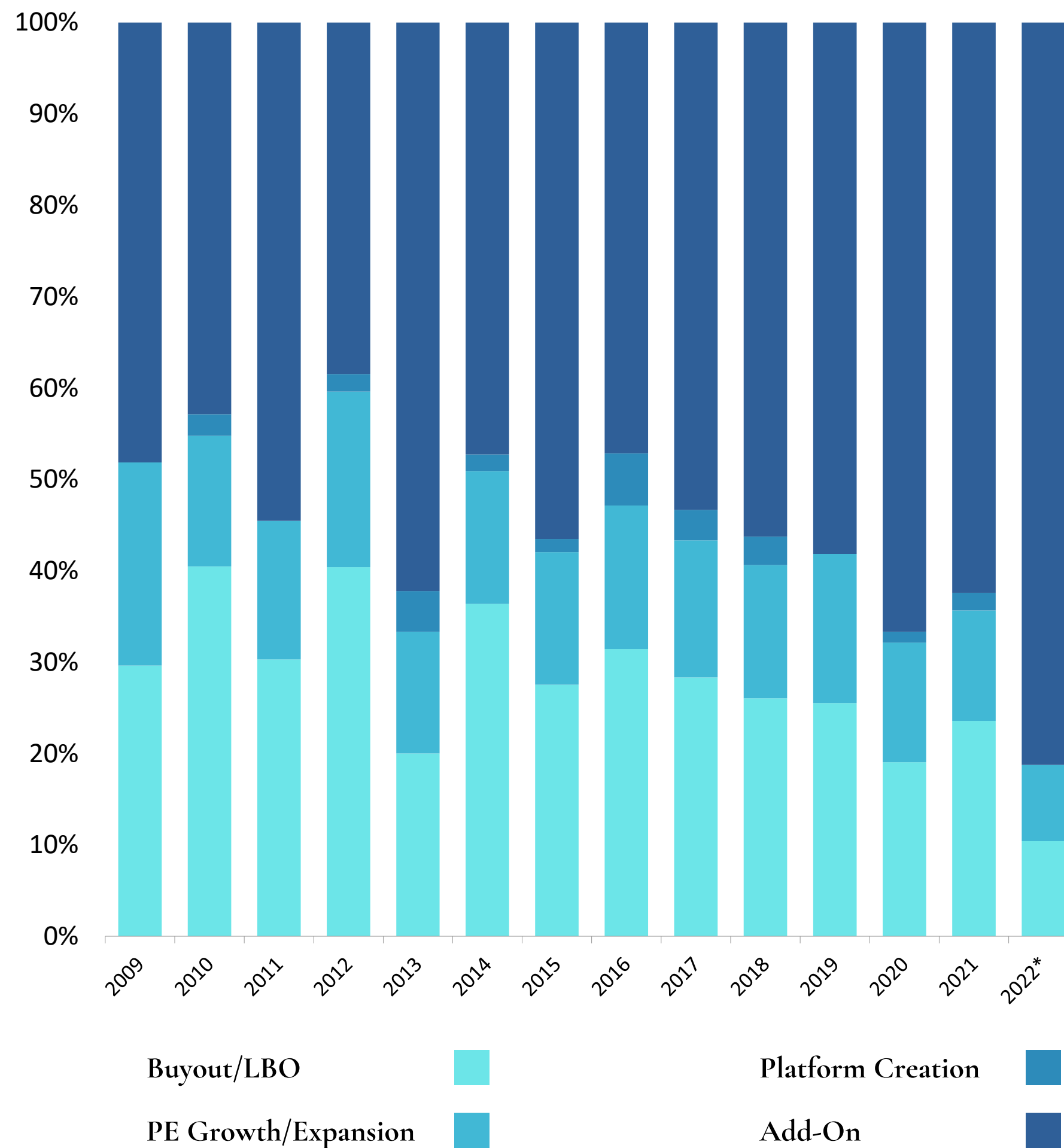
PE Deals Closed by Type

Consolidation & Add-ons

Since 2016, add-ons as a percentage of total transactions have generally been increasing from 47% to 81% of total deals.

For 1H 2022, we saw a continuation of this trend and we expect add-ons to remain a high percentage of PE transactions as PE firms continue to look to add-ons as a way to scale up their platform companies and “buy down” entry multiples.

Source: PitchBook



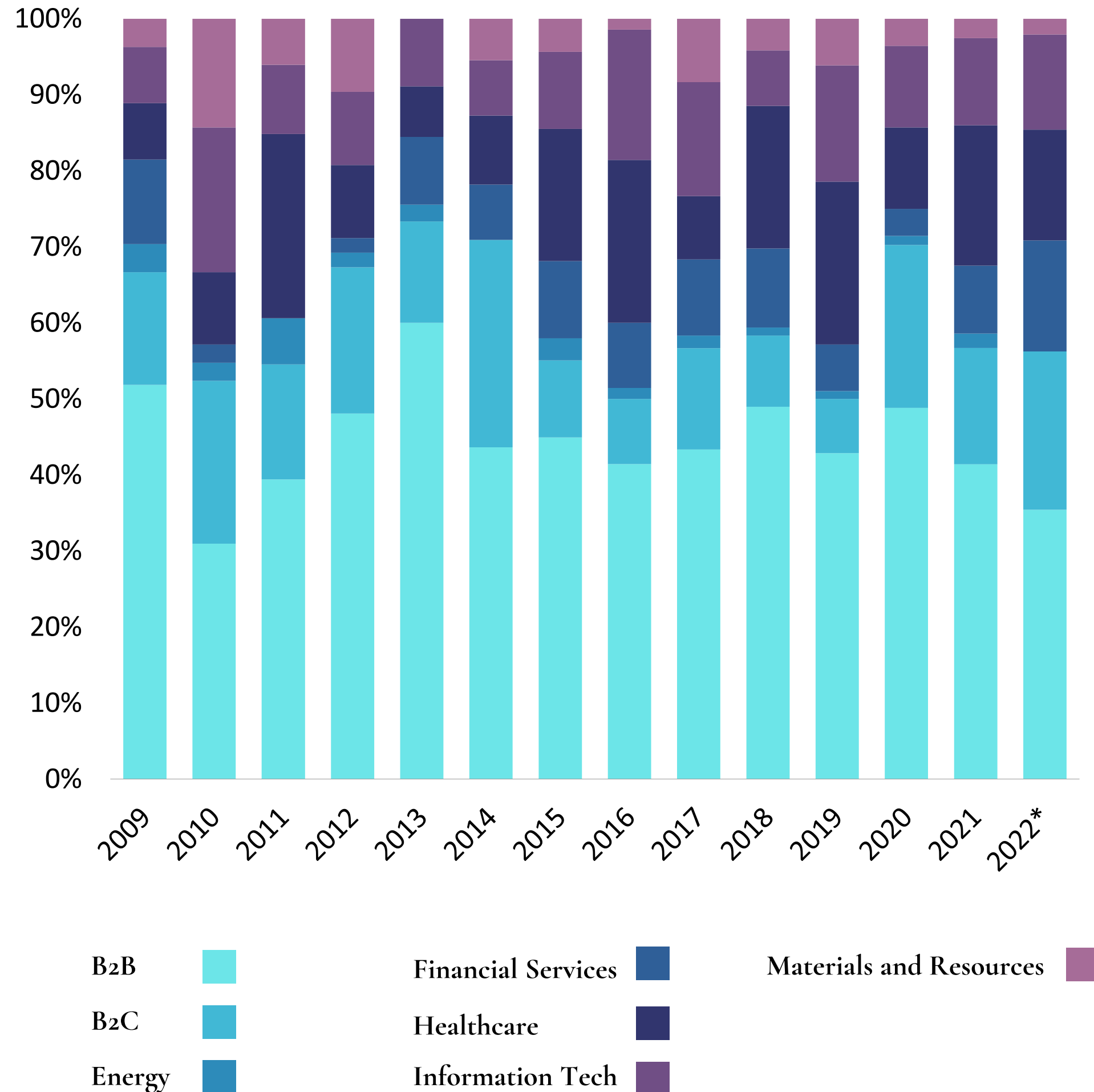
PE Deals Closed by Sector

Fintech Getting Attention

Historically, B2B has been the most active sector of the Missouri PE Deal activity, generally representing more than 40% of the total deal volume.

In 1H 2022 we see a substantial drop in B2B as a % of total deals. In contrast, we saw the largest percentage increase in deal volume in the Financial Services sector. This increase is primarily driven by the increasingly competitive Fintech industry which aims to bring new digital products & services to customers.

Source: PitchBook

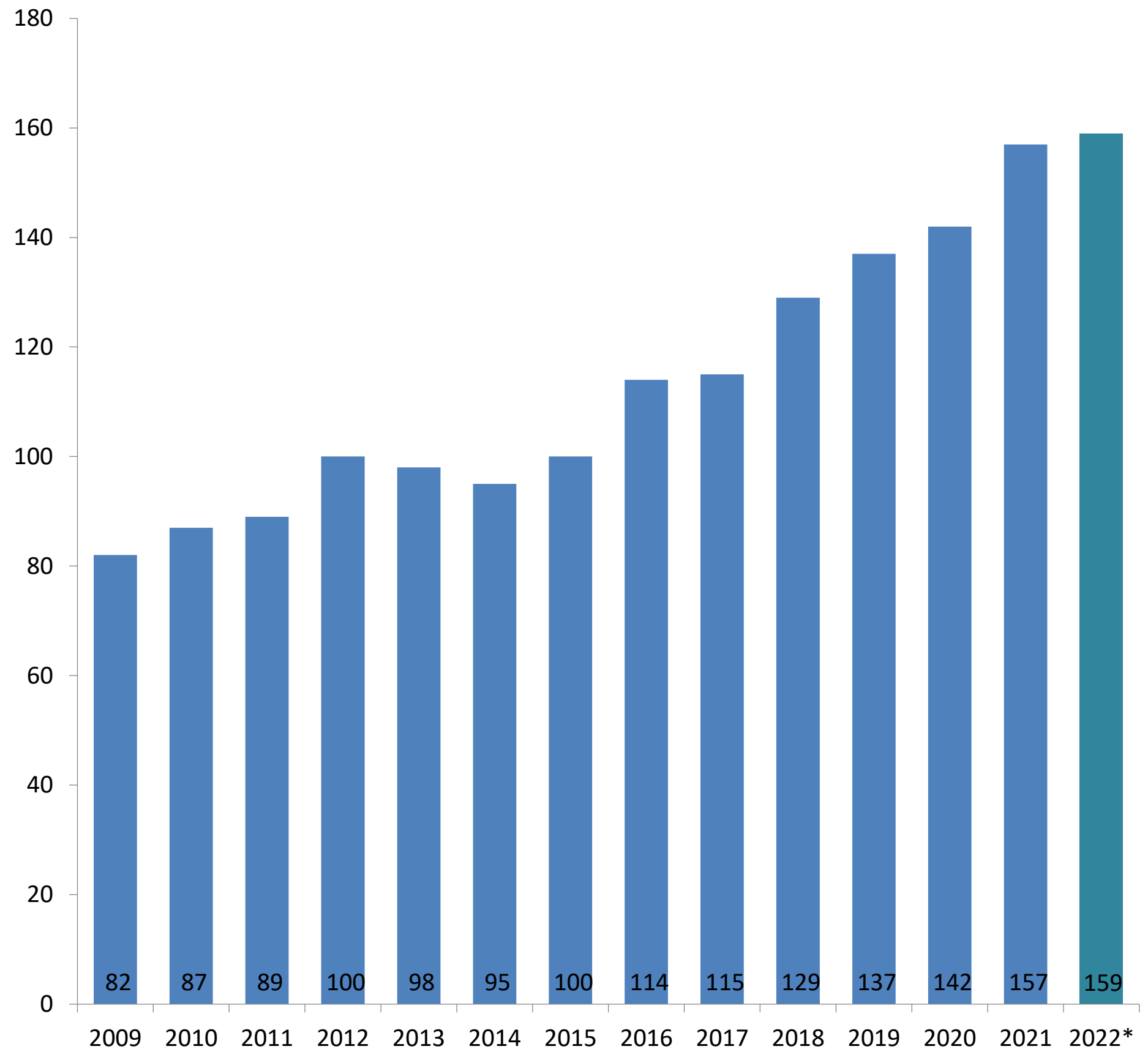


Number of PE-backed Companies

PE Inventory Remains Constant

For 1H 2022, with 9 acquisitions and 7 exits, the net number of PE-Backed Companies located in Missouri increased to 159 from 157 in 2021.

The number of companies in Missouri backed by Private Equity firms has nearly doubled over the past decade. This illustrates the proliferation of PE funds raised over that same period.



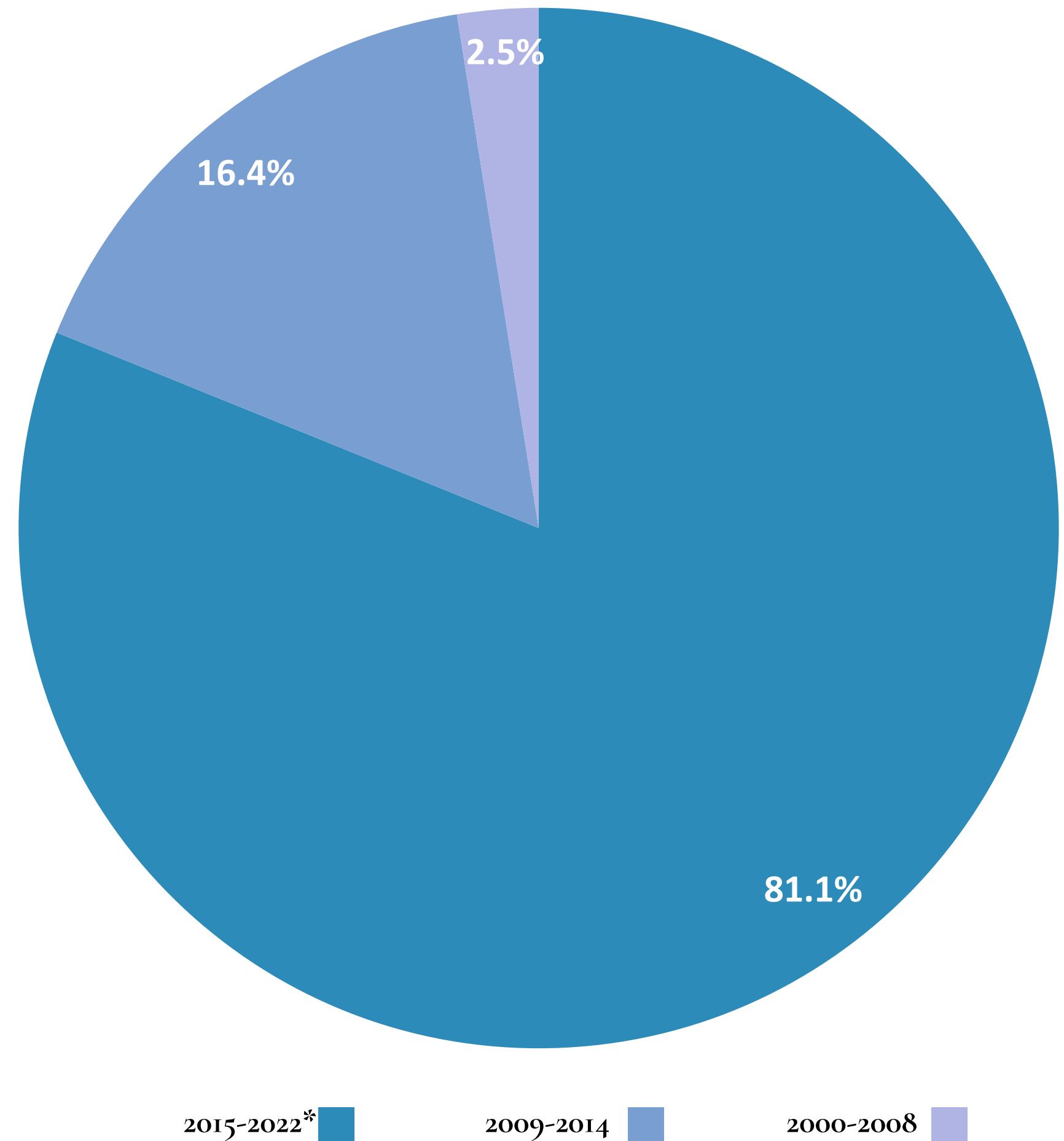
Number of PE-backed Companies

PE Inventory Remains Constant

Traditionally, private equity hold times on investments have ranged from three to seven years depending on a combination of factors including size, sector, mandate, performance, etc. However, we are seeing an emerging trend of longer hold times in some cases.

As of June 30, 2022, 81.1% of the total 159 PE-backed companies in Missouri were acquired in 2015 or later but 18.9% were acquired between 2000-2014.

Source: PitchBook



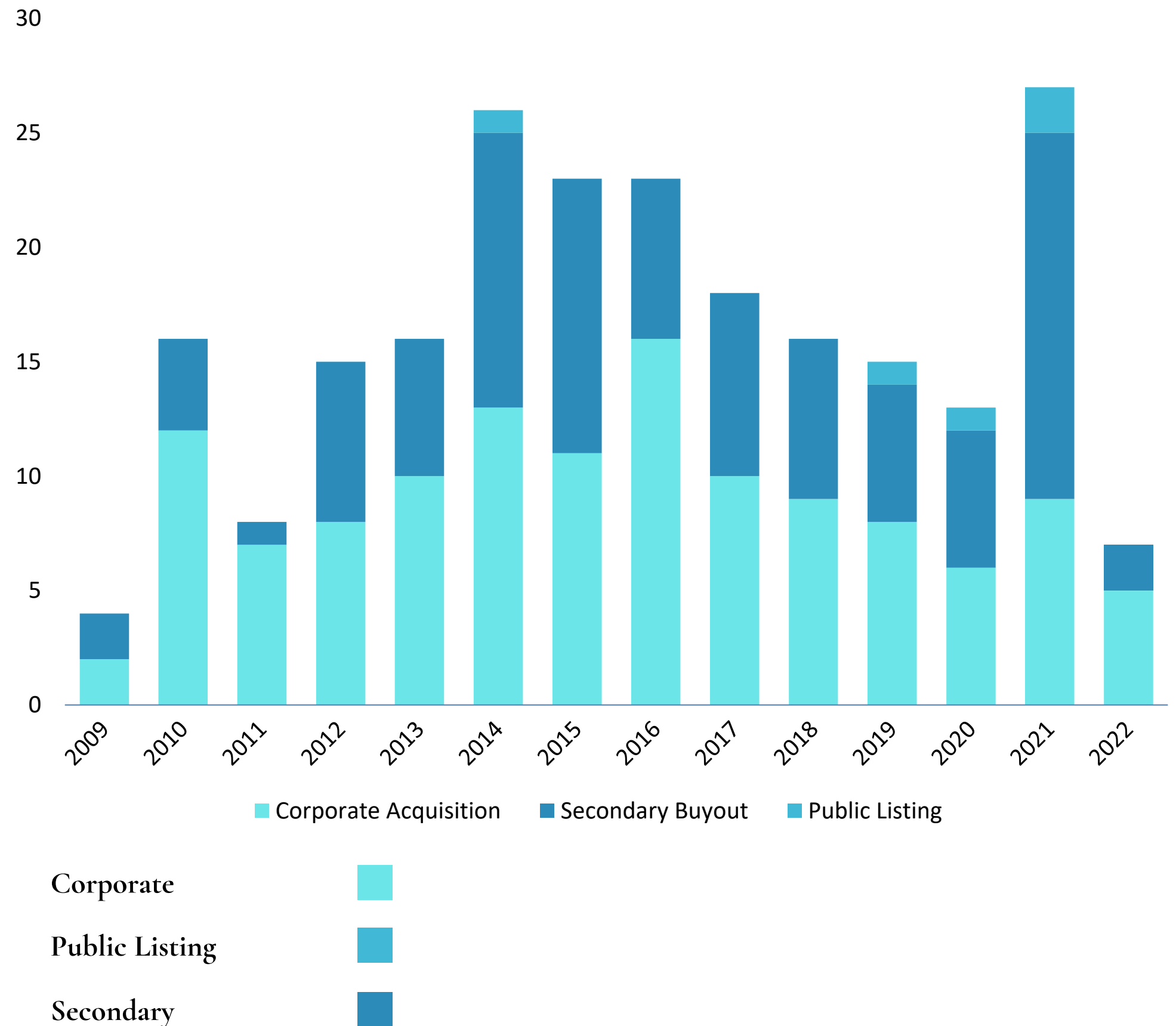
PE-Backed Exits by Type

Decline in SBOs

In 2022, we are on track to see a substantial decline in Secondary buyouts (SBOs). We largely attribute this decline to a decline in valuation multiples resulting from higher interest rates and increasing inflation.

We expect Missouri to see an estimated decline in SBO's to 4 deals in 2022 from 16 in the prior year.

Source: PitchBook





R. Trevor Hulett
Managing Director

Mr. Hulett has led M&A transactions in a variety of industries including manufacturing/industrial, software development/IT, business services and value-added distribution. Prior to joining the firm, he held senior level accounting and financial management positions in both public accounting and large corporate environments. Mr. Hulett began his career as a Certified Public Accountant with MPP&W, a St. Louis-based public accounting firm specializing in middle market companies. He then held various management positions in internal audit and corporate accounting with a Fortune 1000 industrial manufacturing company and also spent nine years with Enterprise Rent-A-Car Company as a department manager in the Corporate Accounting group. Mr. Hulett holds his Series 62, 63 and 79 securities registration. Mr. Hulett earned a Bachelor's Degree in Accounting from the University of Missouri, Columbia



Robert L. Hulett
Chairman Emeritus

Mr. Hulett founded the firm in 1981 and has negotiated and completed more than 200 transactions throughout his career. He began his career as a Certified Public Accountant and practiced with Peat, Marwick, Mitchell & Co. in St. Louis as an Audit Manager and in New York as the Director of Training for Private Business. Mr. Hulett has also served as Chief Executive & Board Member for various middle market companies. As an educator, he was an adjunct professor at New York University and a tenured faculty member at Lindenwood University in St. Louis. He conducted training sessions for middle market CPA firms throughout the country for more than ten years. Mr. Hulett earned his BS/BA Cum Laude in Accounting from the University of Missouri-Columbia, and an MBA from Lindenwood University.



David T. Vass
Director

Mr. Vass has over 30 years of business management experience including more than 10 years as President of a highly successful consumer products manufacturing company with revenues exceeding \$25 million. During this time, he not only reversed a declining sales and earnings trend, but increased both sales and operating income over 100%. In addition, he has spent over 20 years at the executive level of Vice President of Sales and Business Development. Mr. Vass also has experience in a number of other industry niches including: consumer products, commercial furniture and fixtures and metal recycling. He holds a Bachelor's Degree in Economics from DePauw University and an MBA from the University of Michigan.



Ron Litton
Director

Mr. Litton has been advising business owners in mergers and acquisitions since 2013. His primary industry focus areas have included industrials, paper and packaging, distribution, energy, promotional products and direct to consumer e-commerce. Prior to 2013, Mr. Litton held a variety of C-level roles with several companies in the paper and packaging industry including Unisource, Maverick Paper, Universal Graphics and Sabin Robbins. He has bought and sold a number of businesses, advised in the sale of family/founder owned businesses, and advised in start-ups and turnaround situations for banks, owners, and private equity firms. He enjoys working with owners that want to sell or transition out of their businesses. Ron covers the Kansas City and surrounding markets for the firm. He graduated from Central Missouri State University with a BS in Graphic Arts Technology and Management.



Ryan Hartman
Analyst

Ryan joined R.L. Hulett & Company in 2021 and provides transaction support for senior-level deal managers including financial modeling, valuations, industry research, offering memorandums and a variety of presentations.

Ryan graduated with a Bachelor of Science in Management Degree with a major in finance from The Freeman School of Business, Tulane University. Prior to joining the firm Ryan worked as an equity analyst for Burkenroad reports, an equity research program that produces widely circulated financial reports on small- to medium-sized companies. During his time at Tulane University, Ryan was elected as Vice President of Administration for Tulane's community government, took extensive courses in Investment Banking M&A transactions, and volunteered as a data analyst for American Red Cross.



Lynda Hulett
Marketing & Administration

Ryan joined R.L. Hulett & Company in 2021 and provides transaction support for senior-level deal managers including financial modeling, valuations, industry research, offering memorandums and a variety of presentations.

Ryan graduated with a Bachelor of Science in Management Degree with a major in finance from The Freeman School of Business, Tulane University. Prior to joining the firm Ryan worked as an equity analyst for Burkenroad reports, an equity research program that produces widely circulated financial reports on small- to medium-sized companies. During his time at Tulane University, Ryan was elected as Vice President of Administration for Tulane's community government, took extensive courses in Investment Banking M&A transactions, and volunteered as a data analyst for American Red Cross.



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Vidya Holdings

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Has been acquired by



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has been acquired by



R.L. Hulett
& COMPANY, INC.



has been acquired by



R.L. Hulett
& COMPANY, INC.



has partnered with



a portfolio company of



R.L. Hulett
& COMPANY, INC.



has been acquired by

ANTHONY E. KALINOWSKI

R.L. Hulett
& COMPANY, INC.



has been acquired by



R.L. Hulett
& COMPANY, INC.



has been recapitalized
by



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& COMPANY, INC.

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