

Missouri PE Deal Report

1H 2024



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 2024 in Missouri. R.L. Hulett uses data from Pitchbook for all accompanying charts. For more information, please contact Trevor Hulett at thulett@rlhulett.com.

Market Recap

- PE deal volume decreased 26.8% in 1H 2024 to 41 deals, down from 56 in 2H 2023, and decreased 40.6% from 69 during 1H in the prior year.
- Add-ons remained the most active type of transaction, accounting for 56.1% of total PE transactions in 1H 2024, and were up as a percentage of overall deals from 53.6% in 2023. PE firms continue to use add-ons to scale platform investments and “buy down” their entry multiples.
- As a % of total completed transactions, the largest year-over-year increase was in the Business Products and Services (B2B) sector, which rose to represent 53.7% of deals in 1H 2024 from 46.4% in 2023. The Materials & Resources sector saw the second-largest increase to 7.3% from 4.0% over the same period.
- Secondary Buyouts (SBOs) were the most popular exit route in 1H 2024 for PE-owned platform companies and increased to 66.7% of total exits from 56.0% in 2023.
- No EV/Revenue or EV/EBITDA multiples were reported in Missouri in 1H 2024 but the overall lower middle market (EV \$10MM - \$500MM) saw EV/EBITDA multiples decline from 7.2x in Q4 2023 to 6.8x in Q1 2024 (the most recent period reported).

PE Transactions

Deal Date	Company Name	Platform Buyer	Investor	Industry	Transaction Type	Revenue (\$mm)	EBITDA (\$mm)	Deal Size (\$mm)	EV		City	Target Business Description
									Revenue	EBITDA		
19-Jun-2024	Mobility Designed	Drive DeVilbiss Healthcare	Clayton, Dubilier & Rice(Richard Schnall)	Therapeutic Devices	Buyout/LBO						Kansas City	Designer and manufacturer of crutches and other mobility devices.
06-Jun-2024	VinCue		Undisclosed Investor	Database Software	PE Growth/Expansion			3.0			Kansas City	Developer of a digital inventory platform intended for auto dealerships.
05-Jun-2024	The Ice Factory	Easy Ice	Freeman Spogli	Other Commercial Services	Buyout/LBO						Osage Beach	Provider of commercial refrigeration and ice machining services.
03-Jun-2024	Solarity		TA Associates Management	Medical Records Systems	Buyout/LBO						Saint Louis	Developer of an automated medical record indexing platform.
29-May-2024	The Watering Bowl	Best Friends Pet Care	Mosaic Capital Partners	Other Services (B2C Non-Financial)	Buyout/LBO						Saint Louis	Provider of boarding grooming training and veterinary services.
23-May-2024	Savion	Copia Power	The Carlyle Group	Energy Storage	Buyout/LBO						Kansas City	Operator of solar and energy storage projects.
23-May-2024	Voltyx	Asplundh Tree Expert	CVC Capital Partners	Other Commercial Services	Buyout/LBO						Maryland Heights	Operator of an independent electrical testing and engineering organization.
17-May-2024	NUSO		McCarthy Capital	Telecommunications Service Providers	Buyout/LBO						Clayton	Provider of communication-focused cloud services.
10-May-2024	Electrical Components International		Cerberus Capital Management	Electrical Equipment	PE Growth/Expansion						Saint Louis	Manufacturer of wire harnesses and provider of value-added assembly services.

PE Transactions

Deal Date	Company Name	Platform Buyer	Investor	Industry	Transaction Type	Revenue (\$mm)	EBITDA (\$mm)	Deal Size (\$mm)	EV		City	Target Business Description
									Revenue	EBITDA		
01-May-2024	Citadel Security USA		Great Range Capital	Security Services (B2B)	PE Growth/Expansion						Nixa	Provider of professional security services.
01-May-2024	Kansas City Research Institute	Alcanza Clinical Research	Alpha Leonis Partners	Other Healthcare Services	Buyout/LBO						Kansas City	Provider of clinical research services intended for medical professionals and patients.
01-May-2024	Outdoor Restrooms	R&R Sanitation	Greenleaf Capital Partners	Other Commercial Services	Buyout/LBO						Raytown	Provider of portable restroom services.
01-May-2024	Powerflex Fence		Soilworks Natural Capital	Machinery (B2B)	PE Growth/Expansion						Seymour	Manufacturer and distributor of livestock fencing and watering supplies.
01-May-2024	Washington Metal Fabricators		True West Capital Partners	BPO/Outsource Services	PE Growth/Expansion						Washington	Provider of contract manufacturing services catering to corporate and retail sectors.
22-Apr-2024	Connectria	LightEdge Solutions	GI Partners	IT Consulting and Outsourcing	Buyout/LBO						Saint Louis	Provider of cloud hosting and cloud-managed services.
17-Apr-2024	True Independent Holding	Meet The People	Innovatus Capital Partners	Media and Information Services (B2B)	Buyout/LBO						Columbia	Provider of marketing and advertising services.
16-Apr-2024	MOPIPE		Stacker Holdings	Industrial Supplies and Parts	Buyout/LBO						Saint Louis	Manufacturer of tailored pipe nipples and related products.
13-Mar-2024	Let It Fly Media	Two Circles	Charterhouse Capital Partners	Media and Information Services (B2B)	Buyout/LBO			320.2			Kansas City	Operator of a marketing agency intended to serve sports teams and sports-related companies.

Source: PitchBook

PE Transactions

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									Revenue	EBITDA		
13-Mar-2024	Miniature Market		Square One Capital	Internet Retail	Buyout/LBO						Saint Louis	Operator of an online gaming store.
11-Mar-2024	HTE Automation	John Henry Foster Minnesota	High Road Capital Partners	Industrial Supplies and Parts	Buyout/LBO						Saint Louis	Manufacturer of factory automation equipment and provider of engineered services.
07-Mar-2024	Washington Metal Fabricators		House Rock Capital Partners	BPO/Outsource Services	Buyout/LBO						Washington	Provider of contract manufacturing services catering to corporate and retail sectors.
07-Mar-2024	Weber Fire and Safety	CertaSite	The Riverside Company	Other Commercial Services	Buyout/LBO						Saint Louis	Provider of fire protection services.
05-Mar-2024	SKY Marketing Consultants	F2 Strategy	Renovus Capital Partners	Media and Information Services (B2B)	Buyout/LBO						Saint Louis	Provider of marketing and branding support for financial advisors and financial services companies.
01-Mar-2024	Show ME Ready Mix		The Farmer Companies	Raw Materials (Non-Wood)	Buyout/LBO						Lees Summit	Manufacturer of ready-mix concrete intended for commercial highway and residential market segments.
29-Feb-2024	Sierra Bullets		JDH Capital	Aerospace and Defense	Buyout/LBO			175.0			Sedalia	Manufacturer of ammunition.
29-Feb-2024	Meyer Laboratory		Ares Management	Specialty Chemicals	Buyout/LBO						Blue Springs	Operator of a chemical manufacturing company.
27-Feb-2024	PestShield	PestCo	Thompson Street Capital Partners	Other Commercial Services	Buyout/LBO						Webster Groves	Provider of pest control services.

Source: PitchBook

PE Transactions

Deal Date	Company Name	Platform Buyer	Investor	Industry	Transaction Type	Revenue (\$mm)	EBITDA (\$mm)	Deal Size (\$mm)	EV		City	Target Business Description
									Revenue	EBITDA		
23-Feb-2024	Sprague Excavating Company		Konza Valley Capital	Other Commercial Services	Buyout/LBO						Saint Joseph	Provider of excavation services.
13-Feb-2024	Gateway Dealer Network		Tuckahoe Holdings	Other Commercial Services	Buyout/LBO						Valley Park	Provider of rental services for compact construction equipment.
13-Feb-2024	Safe Fleet Acquisition	Clarience Technologies	Genstar Capital	Road	Buyout/LBO						Belton	Provider of safety and productivity services intended for fleet vehicles.
02-Feb-2024	St. Louis Heart and Vascular	Heart & Vascular Partners	AHP	Clinics/Outpatient Services	Buyout/LBO						Bridgeton	Operator of a full-service cardiology and vascular practice with five practice locations in Missouri.
31-Jan-2024	Pro Turf & Pro Pest Solutions	Senske Services	GTCR	Other Commercial Services	Buyout/LBO						Grandview	Provider of termite and pest control services.
30-Jan-2024	Williamsburg Pet Hotel & Suites	Pet Resort Hospitality Group	Trivest Partners	Other Services (B2C Non-Financial)	Buyout/LBO						Saint Louis	Provider of pet boarding services.
25-Jan-2024	XBE		Banneker Partners	Business/Productivity Software	Buyout/LBO						Kansas City	Developer of a platform to manage and automate all facets of horizontal construction
23-Jan-2024	Frontier Service Partners	Apex Service Partners	Alpine Investors	Holding Companies	Buyout/LBO						Kansas City	Operator of a holding company intended to acquire companies in the HVAC, plumbing and electrical industries.
17-Jan-2024	Innovative Dental of Springfield	Modis Dental Partners	Thurston Group	Clinics/Outpatient Services	Buyout/LBO						Springfield	Provider of dentistry services.

PE Transactions














Deal Date	Company Name	Platform Buyer	Investor	Industry	Transaction Type	Revenue (\$mm)	EBITDA (\$mm)	Deal Size (\$mm)	EV		City	Target Business Description
									Revenue	EBITDA		
16-Jan-2024	HanleyLED Solutions	Principal LED	Brookside Capital Partners	Electrical Equipment	Buyout/LBO						Saint Louis	Manufacturer of light-emitting diode (LED) products intended for the commercial sign industry.
11-Jan-2024	Apex Plastics	Container Services	Shore Capital Partners	Plastic Containers and Packaging	Buyout/LBO						Brookfield	Manufacturer of blow-molded products.
10-Jan-2024	Epay Manager	OTR Solutions	Sope Creek	Business/Productivity Software	Buyout/LBO			17.8			Maryland Heights	Developer of a payment and backend platform intended for freight brokers.
09-Jan-2024	Benchworks by Elentra	Elentra	Achieve Partners	Educational and Training Services (B2C)	Buyout/LBO						Springfield	Provider of surveys and analysis to assess student development.
01-Jan-2024	1st Choice Delivery		Merion Investment Partners	Logistics	PE Growth/Expansion						Maryland Heights	Provider of last-mile logistics and distribution services.
01-Jan-2024	SafeSpot Self Storage		Mayson Capital Partners	Other Commercial Services	PE Growth/Expansion						Cape Girardeau	Provider of traditional and climate-controlled storage units.
Median						N/A	N/A	96.4	N/A	N/A		
Low						N/A	N/A	3.0	N/A	N/A		
High						N/A	N/A	320.2	N/A	N/A		
Mean						N/A	N/A	129.0	N/A	N/A		

Active PE Investors

Investor	Location	# of 1H 2024 Investments	# of LTM Investments	Targets
	Clayton, MO	5	14	     
	Clayton, MO	5	14	     
	Clayton, MO	5	6	      








Source: PitchBook

Active PE Investors

Investor	Location	# of 1H 2024 Investments	# of LTM Investments	Targets
	Clayton, MO	4	9	   
	Clayton, MO	3	5	  
 Five Elms Capital	Kansas City	3	2	  

Source: PitchBook

Active PE Investors

Investor	Location	# of 1H 2024 Investments	# of LTM Investments	Targets
	St. Louis	2	4	 
	Clayton, MO	1	4	
	Clayton, MO	1	3	

Source: PitchBook

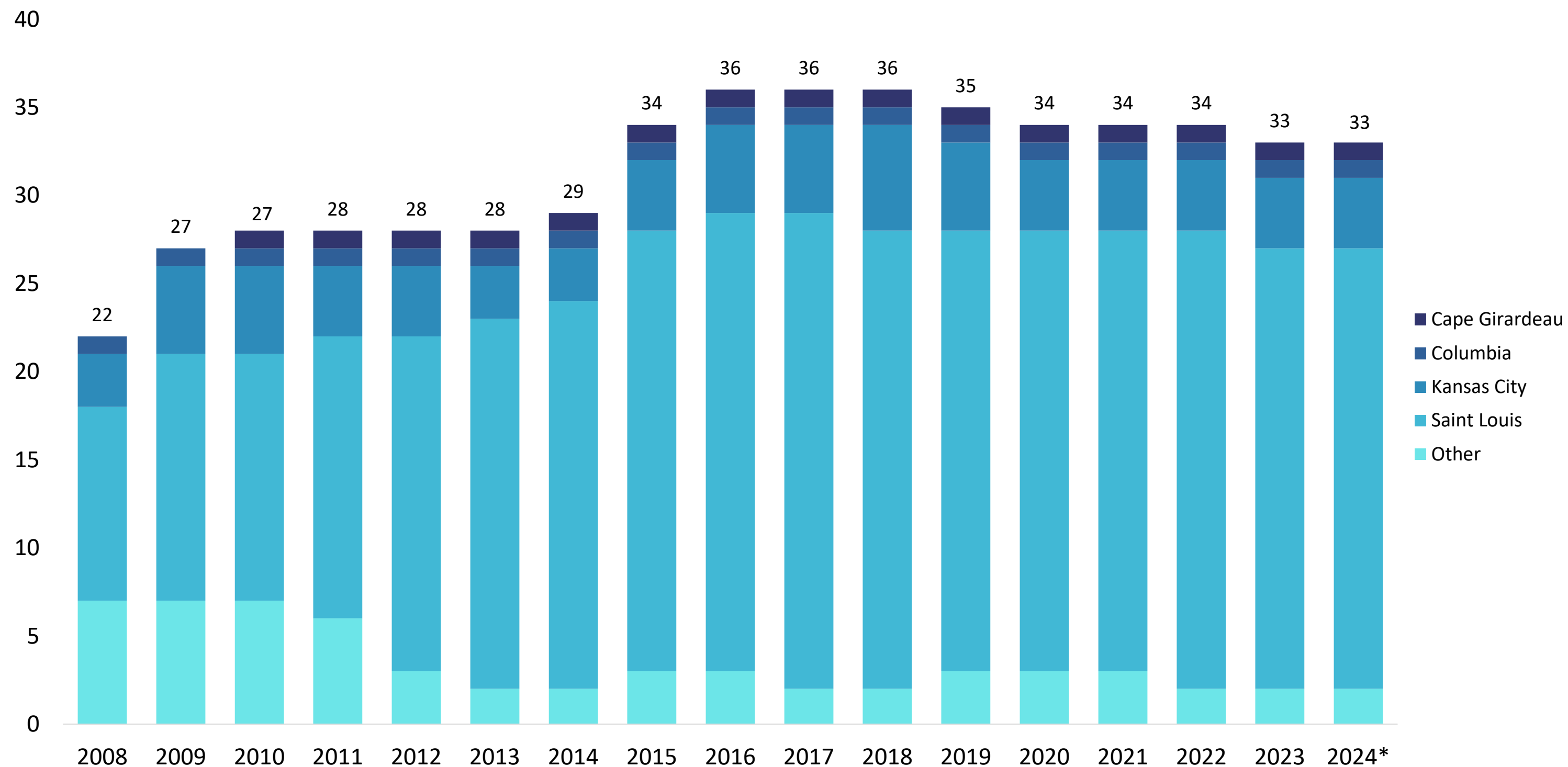
Active PE Investors



Source: PitchBook

Note: Active investor is 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



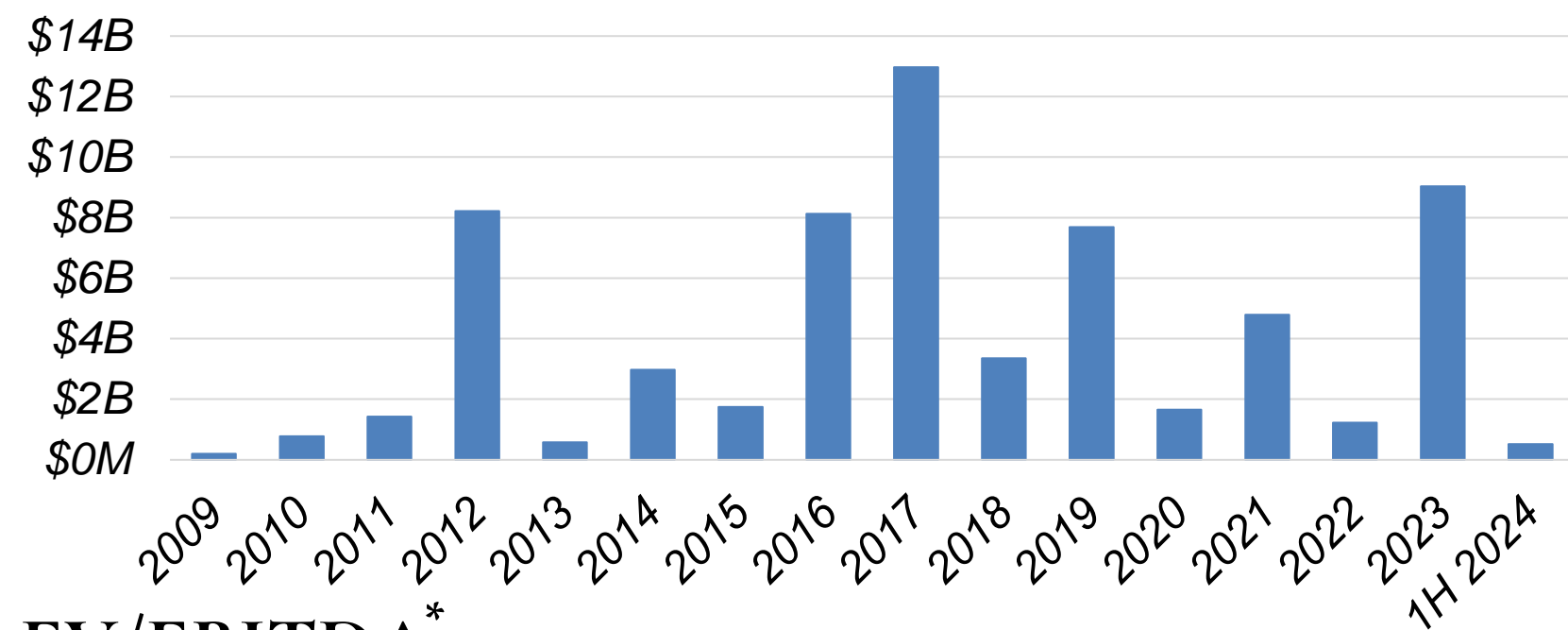
Source: PitchBook

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

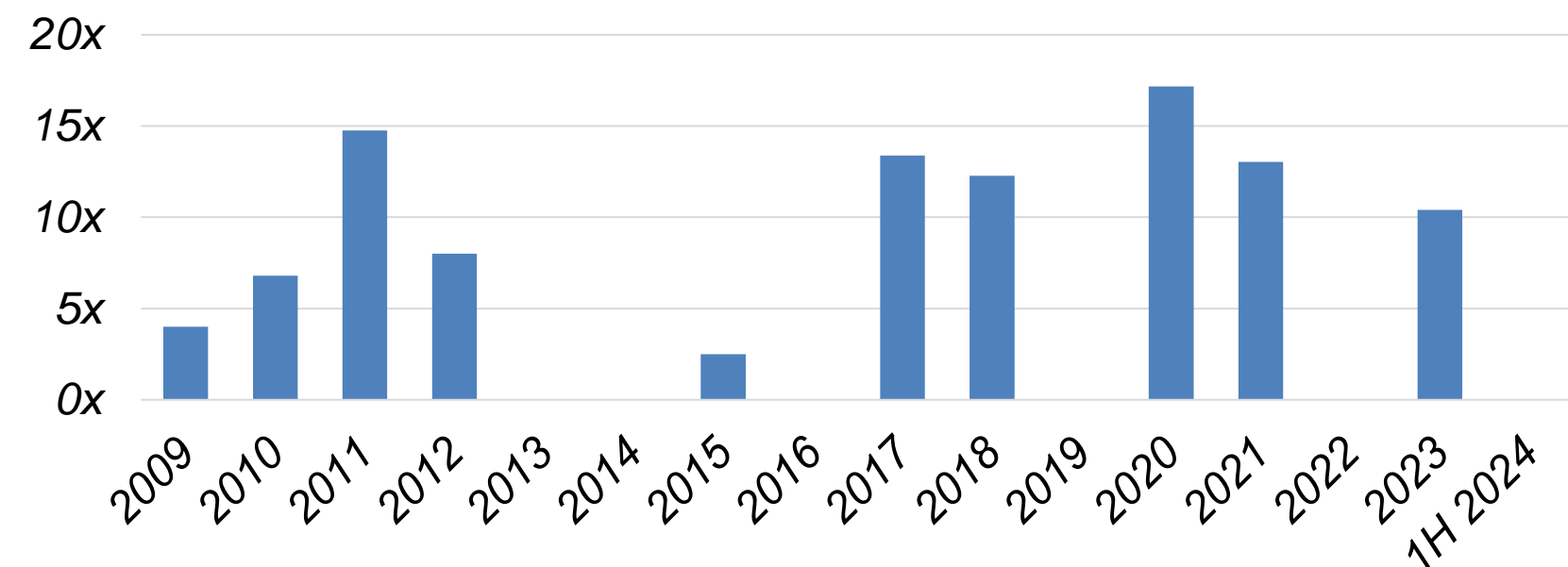
* as of 06/30/2024

Deal Analytics

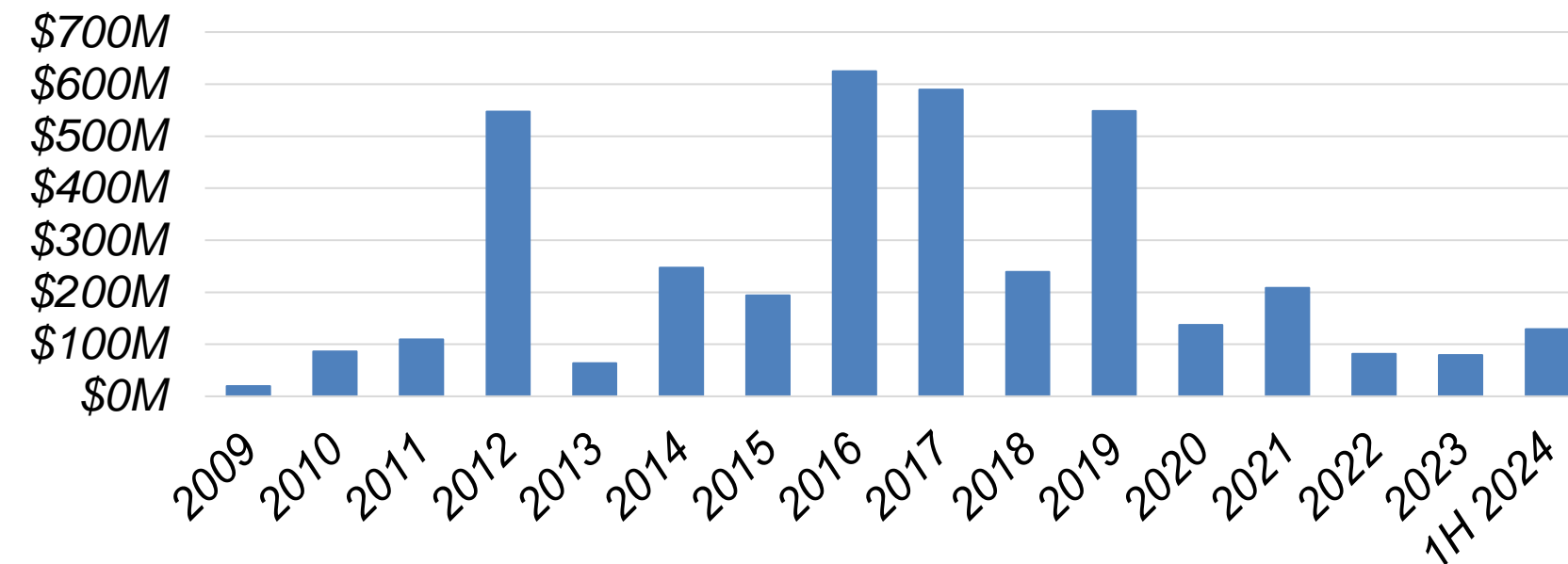
Total Capital Invested (\$B)



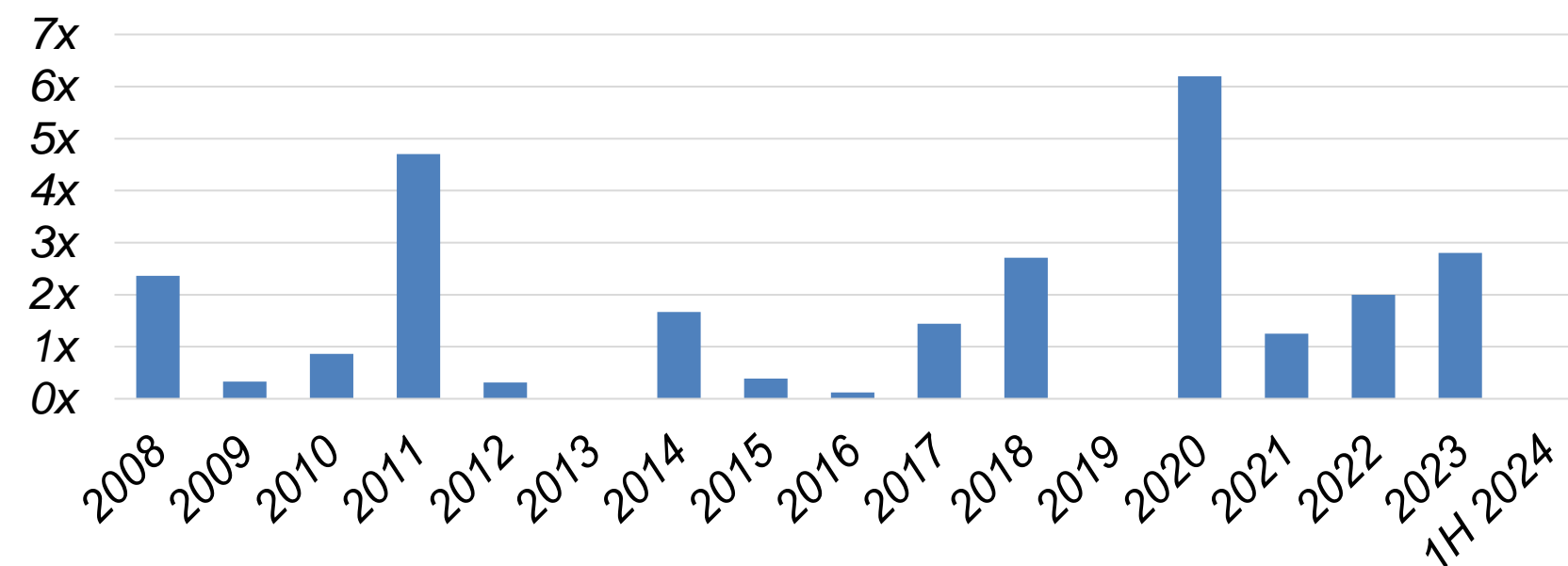
EV/EBITDA*



Average Deal Size (\$M)



EV/Revenue*



Source: PitchBook

* EV/EBITDA and EV/Revenue multiples exclude outliers.

Note – above charts only include data from PE buyouts and investments (i.e. no PE exits to non-PE buyers)

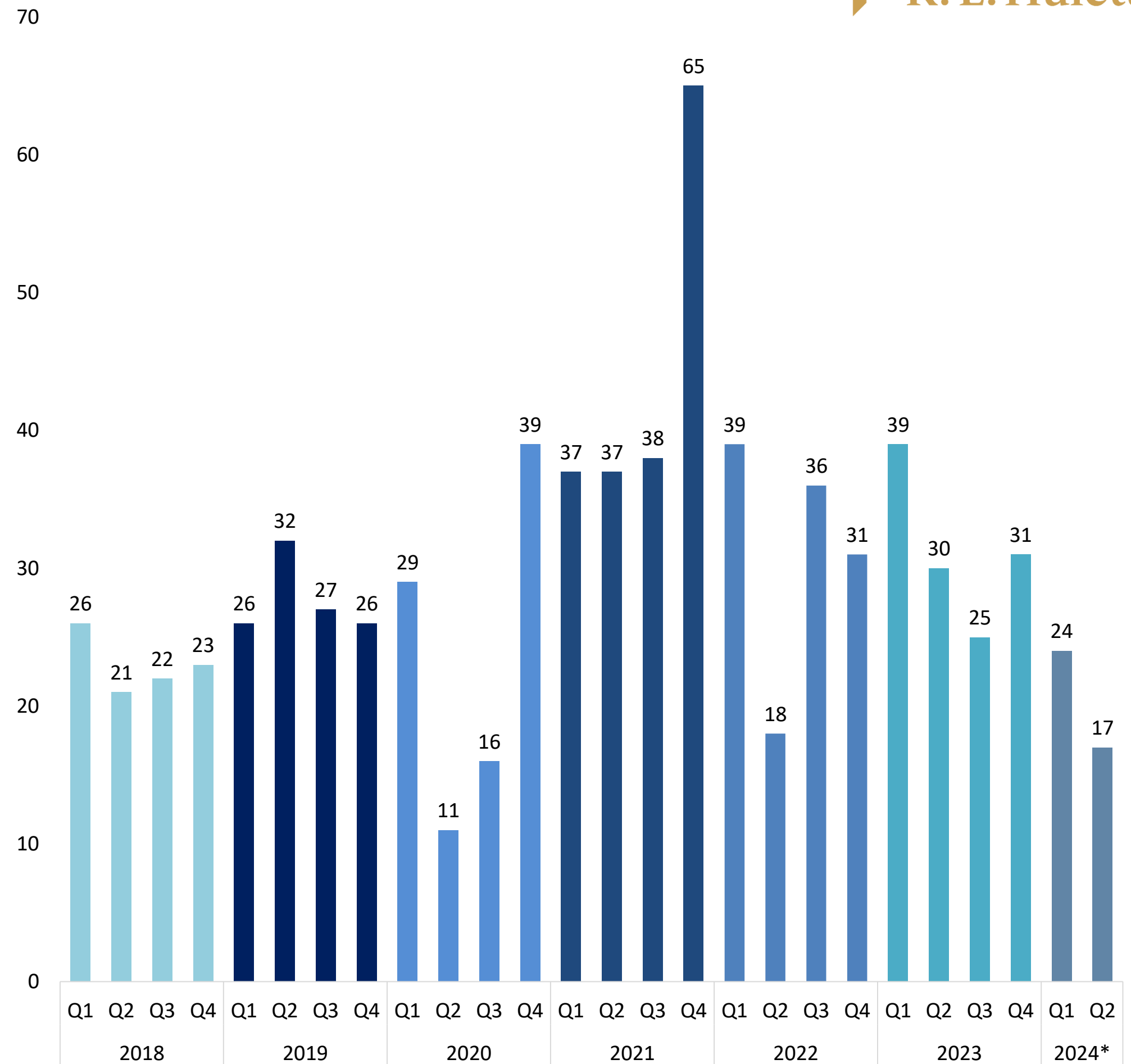
PE Deals Closed by Quarter

Decline in Deal Activity

PE deal activity in Missouri declined 26.8% in 1H 2024 to 41 deals from 56 in 2H 2023, and declined 40.6% from 69 deals in 1H of the prior year.

This drop is indicative of more challenging market dynamics from a dealmaking perspective with increased interest rates/costs of capital and tightened liquidity markets over the past several years.

Source: PitchBook



* as of 06/30/2024

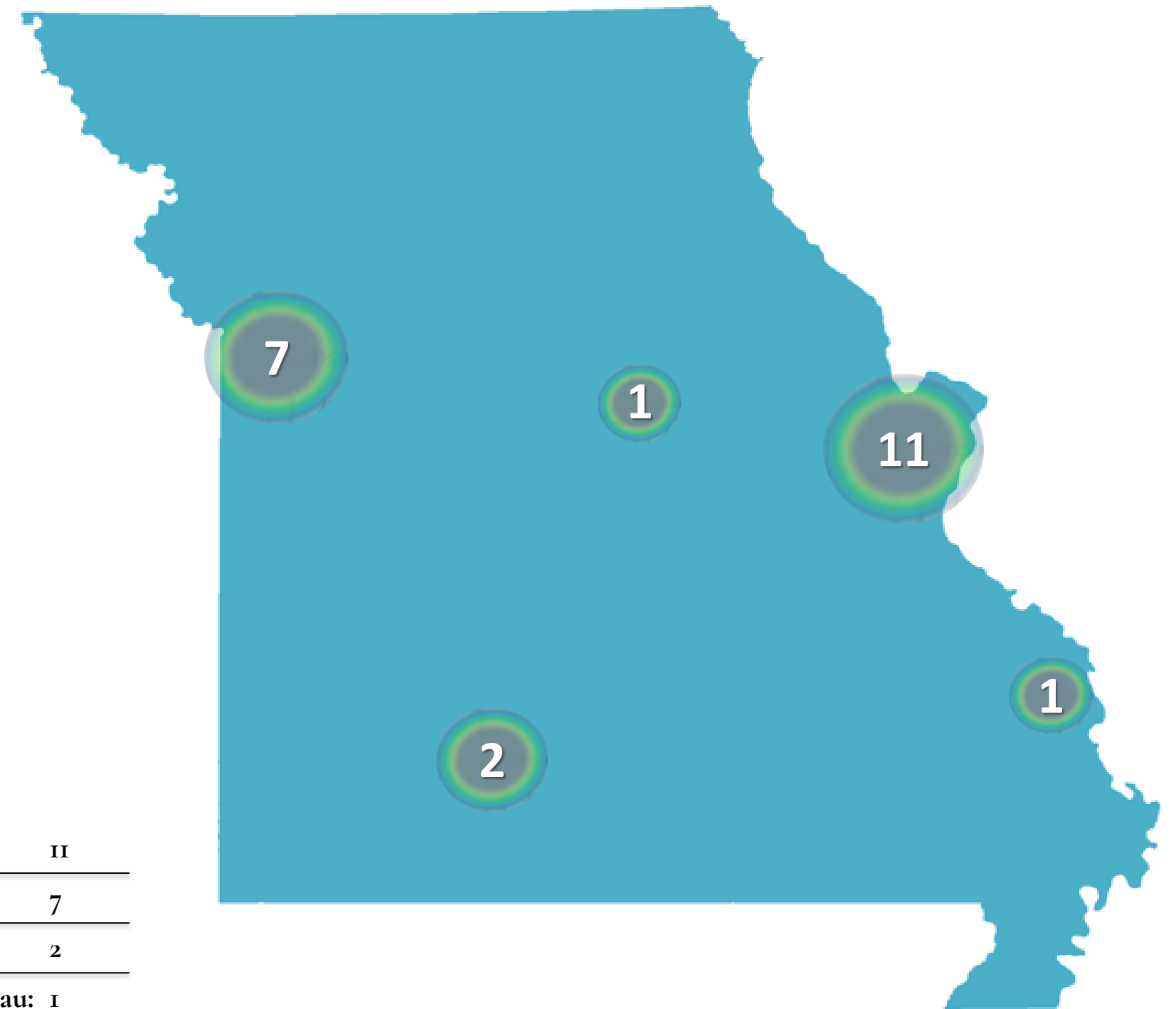
PE Deals Closed by City

Missouri Deal Activity

Of the 41 deals in 1H 2024, St. Louis was the most active market with 11. One of the most notable deals in St. Louis was PestCo's leveraged buyout of family-owned PestShield via its financial sponsor, Thompson Street Capital Partners, in February 2024.

Kansas City was the second most active with 7 closed transactions, followed by Springfield with 2. All other regions combined for a total of 19 completed deals.

Source: PitchBook



Saint Louis:	11
Kansas City:	7
Springfield:	2
Cape Girardeau:	1
Columbia:	1
Others:	19
Missouri Total:	41

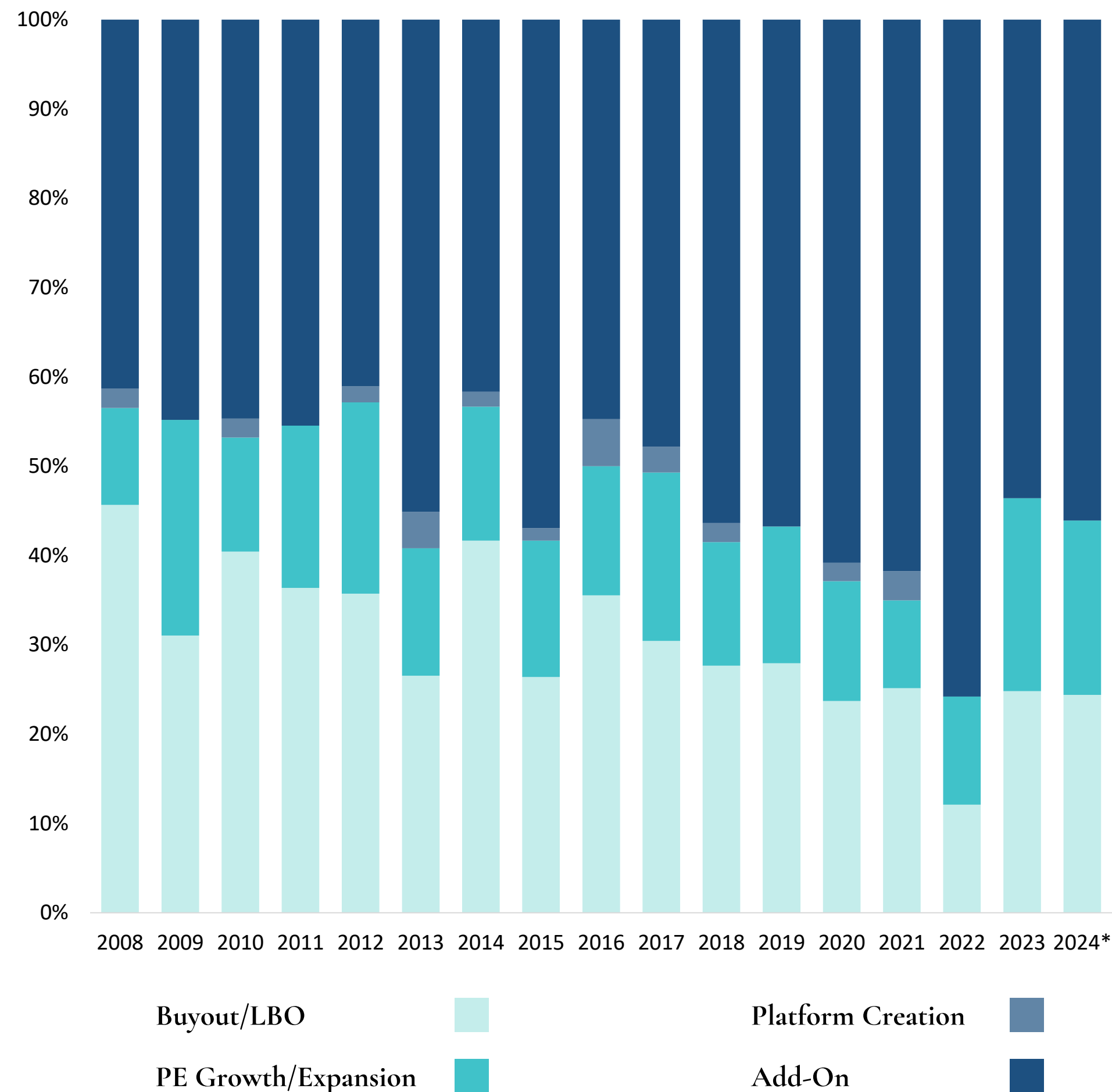
PE Deals Closed by Type

Increasing Add-on Acquisitions

From 2008 – 1H 2024, add-ons as a percentage of total transactions have generally been increasing from 41.3% to 56.1% of total deals.

In 1H 2024, 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



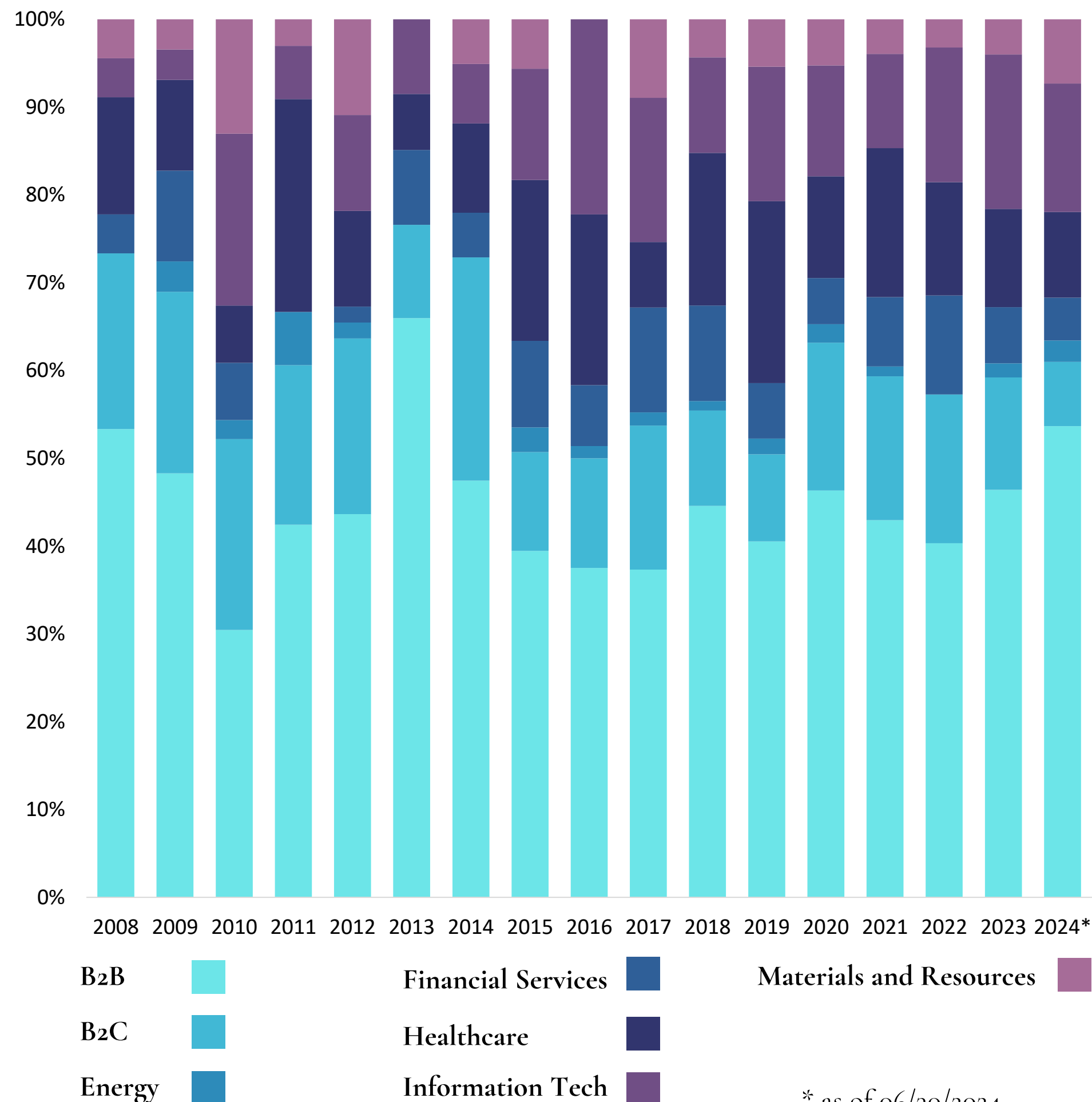
* As of 06/30/2024

PE Deals Closed by Sector

B2B 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.

This trend continued in 1H 2024 with the B2B Products and Services sector increasing to 53.7% of transactions from 46.4% in the prior year. We saw a decline in 1H 2024 in the Consumer Products and Services (B2C) sector to 7.3% of total deals from 12.8% in the prior year. In general, the B2B sector is less discretionary than consumer and other sectors so it tends to be more resilient in tighter economic conditions and likely contributed to its notable increase in share of deal volume.



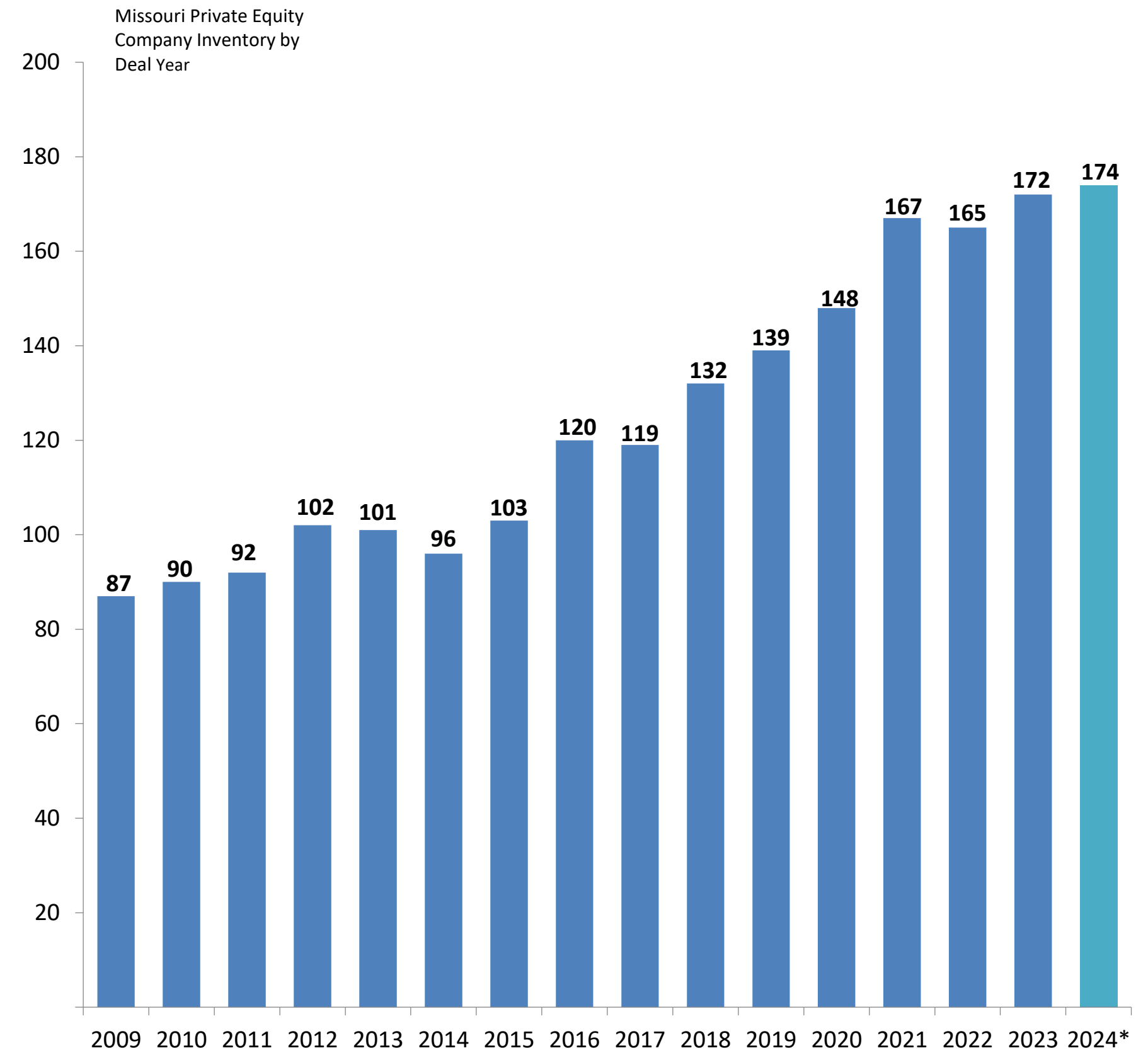
Number of PE-backed Companies

PE Inventory Growth

In 1H 2024, with 6 investments and 4 exits, the net number of PE-Backed Companies located in Missouri increased to 174 from 172 in 2023.

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.

Source: PitchBook



* as of 06/30/2024

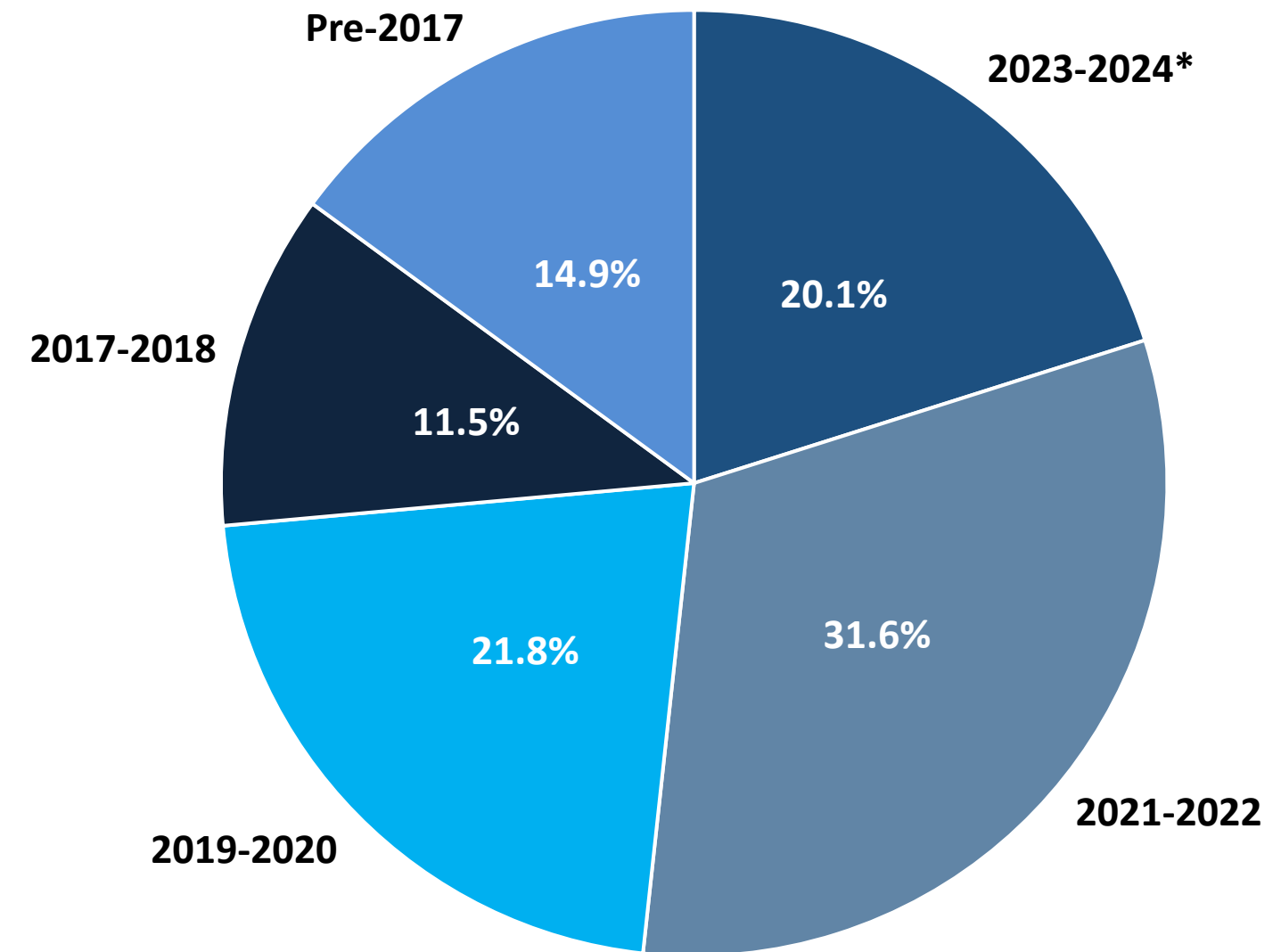
PE Inventory by Investment Year

PE Inventory Growth

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.

As of June 30, 2024, 85.1% of the total 174 PE-backed companies in Missouri were acquired in 2017 or later and 14.9% were acquired in 2016 or earlier.

Source: PitchBook



* as of 06/30/2024

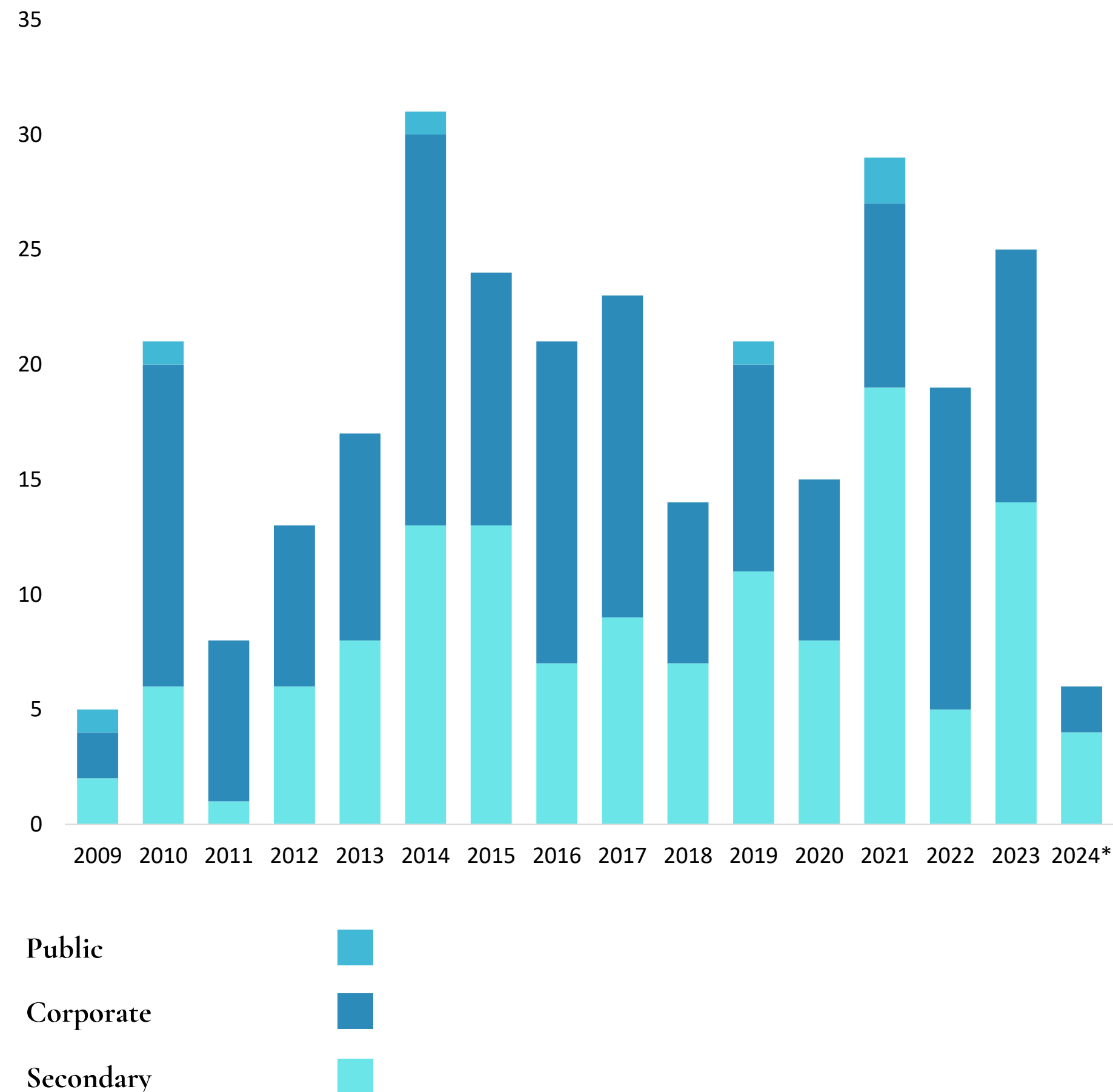
PE-Backed Exits by Type

Decline in Corporate Acquisitions

In 2024, we are seeing a substantial decline in exit activity for Missouri private equity firms. We attribute this decline to more challenging market conditions from a dealmaking perspective, including ongoing inflation impacting labor and material costs.

Based on YTD activity through 1H, we expect Missouri to see an estimated decline in corporate acquisitions to 4 deals in 2024 from 11 in the prior year.

Source: PitchBook



* as of 06/30/2024



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

Senior Analyst

Ryan provides analytical support for senior-level deal managers and, as a senior analyst, supervises the preparation of confidential memorandums, financial models and industry research reports. Ryan graduated with a Bachelor of Science degree 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.



Charlie Meier

Analyst

Charlie joined R.L. Hulett & Company in 2023 and provides transaction support for senior-level deal managers including financial modeling, valuations, industry research, offering memorandums and a variety of presentations. Charlie graduated with a Bachelor of Science in Business Administration Degree with a major in finance and banking from the Trulaske College of Business, University of Missouri. Prior to joining the firm Charlie worked as an investment analyst for the University of Missouri's Investment Fund Management Program. During his time at University of Missouri, Charlie was elected as Recruitment Chairman for the Phi Delta Theta Fraternity and took extensive courses in Banking.



Lynda Hulett

Marketing & Administration

Lynda Hulett leads the firm's marketing, administrative and communication efforts. She maintains the firm's proprietary CRM database, manages outbound firm communications and provides administrative support to senior deal managers. Prior to joining R.L. Hulett, Lynda spent the previous ten years in various marketing and administrative functions. Most recently, she worked as a client liaison providing administrative support for a CPA firm. Prior to that, she was employed by Moneta Group, a financial services advisory firm, where she provided marketing and administrative support to the client managers. Lynda graduated from the University of Missouri – Columbia, receiving her business degree with an emphasis in Marketing.



has been acquired by

**Environmental
Restoration Employee
Stock Ownership Plan**



has been acquired by



inventive-group

has been recapitalized by



has been recapitalized by

Frontenac



has been acquired by



has sold substantially all of
its assets to



has sold substantially all of
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Vidya Holdings





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Contact Us

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