

PRIVATE EQUITY APPETITE PROPELS M&A ACTIVITY IN THE PEST CONTROL MARKET

PEST CONTROL SECTOR UPDATE | MAY 2024



**CAPSTONE
PARTNERS**

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Pest Control

Private Equity Appetite Propels M&A Activity in the Pest Control Market

KEY SECTOR TAKEAWAYS

Capstone Partners' [Consumer Investment Banking Group](#) is pleased to share its inaugural Pest Control report. The sector's steady growth continued in 2023 despite macroeconomic and inflationary strains that stunted broader consumer demand in the latter half of 2023 and into 2024. Secular trends, such as rising pest populations, remote work, and increased regulatory measures are expected to drive long-term growth. These trends, coupled with the continued consolidation of the sector by large strategic players and elevated financial buyer appetite, have driven merger and acquisition (M&A) activity in the space. Several key sector takeaways are outlined below.

1. Pest Control sector M&A deal volume in 2023 remained consistent with 2022, with 77 transactions announced or closed transactions, a year-over-year (YOY) decrease of 1.3%. This marks a stark contrast to the broader Consumer industry which saw a 29.5% YOY decline in transaction volume in 2023 as buyer activity fell in discretionary sectors amid an inflationary environment, according to [Capstone's 2023 Annual Consumer M&A Report](#).
2. The historic growth rate of the sector is expected to slow in 2024 as inflationary pressure and a softness in the residential housing market, which led to dampened consumer demand for pest control services in the second half of 2023, are expected to continue into 2024.
3. In 2023, private equity (PE) deal volume increased 18.8% YOY within the Pest Control sector. In contrast, PE deal volume across all industries declined 20.7% YOY in the middle market due to elevated interest rates, according to [Capstone's Q4 2023 Capital Markets Update](#). PE deal volume is expected to continue rising as firms look to leverage accumulated dry powder levels and invest in a sector with historically strong growth characterized by recession resilience.
4. Pest Control sector M&A activity is expected to remain strong into 2024 as participants have continued to leverage inorganic growth strategies to capture additional market share. The large strategic players and the platform companies that PE have built in the sector have heavily relied on a continuous flow of acquisitions to help drive their impressive financial returns. Which in turn, is expected to drive higher valuations as attractive targets become more competitive to acquire.
5. Investments in diverse sales and marketing tactics has, and will likely continue, to drive sector growth organically and inorganically through M&A consolidation.

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To learn more about Capstone's wide range of advisory services and Pest Control sector knowledge, please [contact us](#).

SECTOR GROWTH PREVAILS DESPITE SOFTENED CONSUMER DEMAND

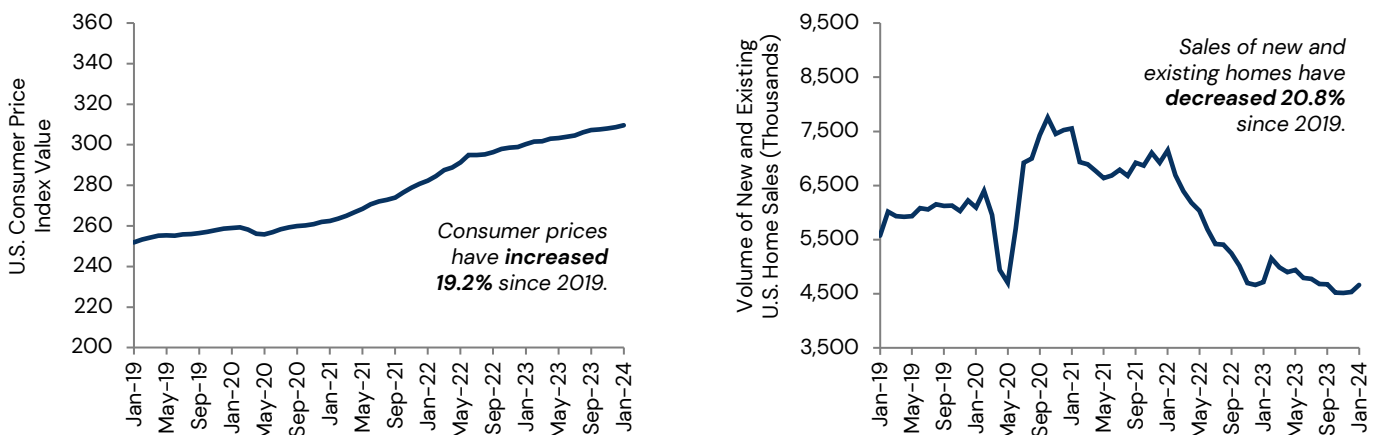
Characterized by recession-resilience and essential non-discretionary services, the Pest Control sector has experienced strong growth in recent years. Secular trends, coupled with aggressive consolidation of the sector and diverse marketing and sales tactics, are expected to drive long-term sector growth. As climate change has continued to increase global temperatures, rodent and pest populations are projected to rise, particularly in traditionally colder areas including the Great Lakes and Northeast regions. Notably, U.S. temperatures rose 2.4°F above historical averages in 2023, according to the National Centers for Environmental Information.¹ Post-pandemic remote work trends, rising pest populations, and increased regulatory measures, such as the 2024 U.S. Food Safety Modernization Act, are among secular trends expected to drive increased demand for pest control services for the foreseeable future. Furthermore, only 15% of U.S. households have professional pest care, creating a favorable opportunity for market growth in the Residential space, according to Rentokil’s (LSE:RTO) latest earnings presentation.²

M&A consolidation has played a major role in participants’ growth strategies as the sector has remained heavily fragmented. Sector acquisitions have historically focused on market share expansion via geographic consolidation, as evidenced by Rollins’ (NYSE:ROL) plans to expand its Midwest footprint through strategic M&A opportunities in 2024, according to its fourth quarter earnings call.³ Buyers have increasingly prioritized diversified service offerings and end-markets as evidenced by Rentokil’s acquisition of Terminix (see page 10). However, there exists a continued bifurcation in the market with respect to focus on door-to-door sales versus marketing techniques such as SEO for customer acquisition. For example, in Rollins’ acquisition of Fox Pest Control (see page eight), Rollins expects Fox’s door knocking capabilities will complement Rollins’ HomeTeam’s door-to-door efforts.

Despite traditionally strong sector growth, an inflationary environment coupled with a soft Residential Housing market has led to dampened consumer demand for residential pest control services in the latter half of 2023 and into 2024. Notably, Rentokil lowered its fiscal year (FY) 2023 operating margin expectations as inflationary pressures challenged the company’s ability to attract new residential customers, according to its Q3 earnings release.⁴ However, many pest control operators have evaded macroeconomic pressures by passing inflationary costs onto consumers. Notably, 75% of surveyed pest control professionals indicated that they increased pricing for services in FY 2023, according to a Pest Control Technology report.⁵

Despite elevated interest rates throughout 2023, PE buyer activity in the sector increased YOY. PE investment in the sector is expected to increase throughout 2024 as firms look to leverage high dry powder levels and capitalize on the recession-resilient, highly fragmented sector.

Accelerated Inflation and a Softened Housing Market Dampened Consumer Demand for Pest Control Services in 2023



Source: FactSet and Capstone Partners as of January 31, 2024

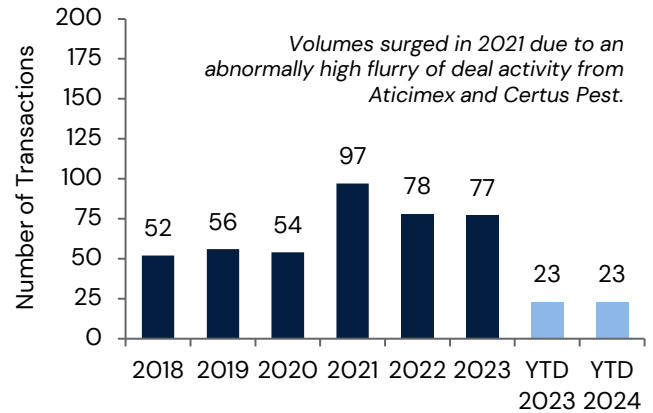
M&A VOLUME REMAINS STEADY IN 2023 WITH ELEVATED PE ACTIVITY

M&A volume in the Pest Control sector remained consistent with 2022 levels, with 77 transactions announced or completed in 2023. Similarly, year-to-date (YTD) 2024 volumes also remain on par with YTD 2023 deal activity. In an ongoing historical trend seen throughout the sector, buyer activity in 2023 was characterized by several major acquirors in the space, including Rollins, Rentokil, Aniticimex, Plunkett’s Pest Control, and Halle Capital-backed Rokit Pest. Major players are expected to remain active buyers for the foreseeable future as tuck-in acquisitions play a central role in sector-wide revenue growth and geographic consolidation. Notably, Rollins achieved 5.9% acquisition-based revenue growth YOY in 2023 and anticipates 2%-3% acquisition-based revenue growth in 2024 as the company has a healthy pipeline of deals lined-up, according to its fourth quarter earnings call.

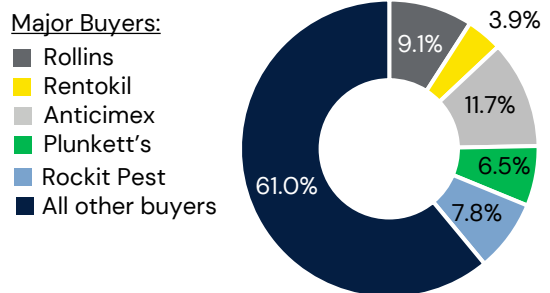
Rollins has announced or completed 90 acquisitions since 2021, spending nearly \$367 million on 24 transactions completed in 2023, according to its Q4 earnings release.⁶ Rollins’ acquisition of Fox Pest Control accounted for the majority (91.3%) of the company’s capital deployment in 2023. Comparatively, Rentokil made six acquisitions in North America through the first half of 2023. Prior to being acquired, the six companies collectively generated annualized revenues of more than \$47 million in 2022, according to a Q2 2023 earnings release.⁷ Rentokil anticipates spending ~\$384 million globally on acquisitions by the end of its FY 2023. After five to six years of increases, valuations have likely plateaued, pointing to a higher cost of debt for PE buyers, noted Rentokil CEO Andrew Ransom in its Q2 2023 earnings call.⁸ However, valuations have remained consistent in 2023 when bidding against other strategic buyers such as Rollins.

Deal activity in 2023 was evenly bifurcated between strategics (50.6%) and financial buyers (49.4%). Despite elevated interest rates, 2023 experienced higher levels of financial buyer activity as volumes increased 18.8% YOY, led by add-on acquisitions. Sponsor-backed deal activity in the sector is expected to continue rising throughout 2024 as PE firms look to leverage high dry powder levels and capitalize on the highly fragmented Pest Control sector dominated by small-scale family-owned businesses, further detailed on page seven.

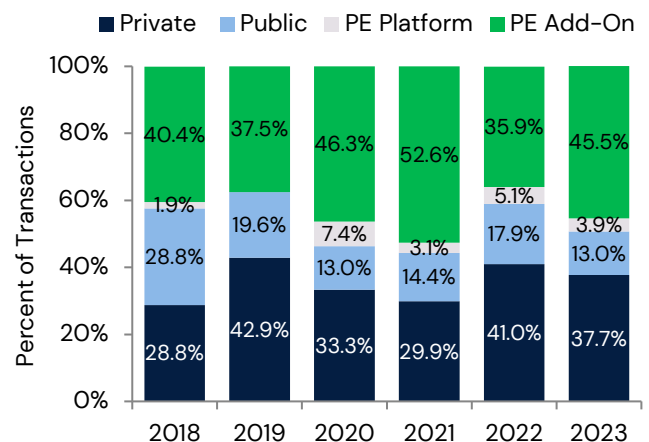
YTD 2024 Pest Control M&A Transaction Volume on Par with 2023 Deal Activity



Leading Pest Control Players Remain Active Buyers in 2023



Proportion of PE Deals Increases YOY in 2023 Despite Interest Rate Strains



Year-to-date (YTD) ended April 18
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

RECESSION RESILIENT SERVICES ACCELERATE PE BUYER INTEREST

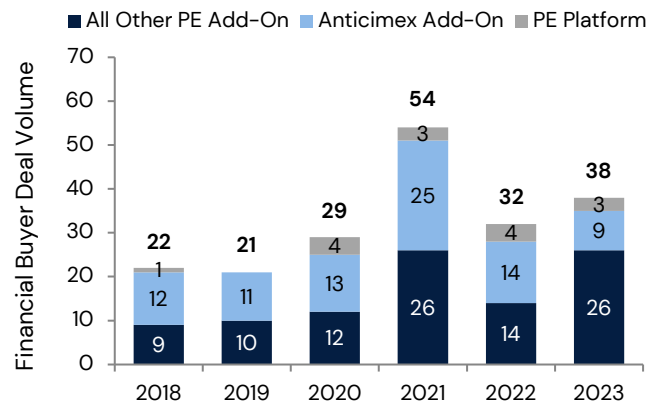
In 2023, sponsor-backed deal volume increased 18.8% YOY within the Pest Control sector. This marks a stark contrast to the broader middle market for PE activity, which saw a YOY decline of 20.7% due to an elevated interest rate environment, according to [Capstone’s Q4 2023 Capital Markets Update](#). Across the market, financial buyers have increased their investments in service-oriented businesses to circumvent either the recessionary or inflationary-based impacts to revenue experienced in other industries. Most noticeably, the HVAC Services sector has experienced a sharp rise in PE-backed deal volume over the years (up 175.8% between 2019 and 2023), according to [Capstone’s November 2023 HVAC Services Market Update](#).

Furthermore, as inflation increased throughout 2023, the economy shifted toward services-focused spending. Notably, personal consumption expenditures on services rose 7.4% YOY compared to goods which declined 3.3% YOY, according to the Bureau of Economic Analysis.⁹ PE buyer activity within the sector is expected to continue to rise as firms aim to capitalize on increased services spending within a recession-resilient sector, mirroring financial buyer investment trends seen within other service-oriented sectors such as HVAC.

Private Equity Investment

PE firms can provide the financial support and operational expertise required to accelerate the growth of a company. Pest control businesses have leveraged PE funding to expand geographies, add technologies, and bolster scale through inorganic growth. The Pest Control market remains highly fragmented, allowing sponsors to establish and grow platforms using buy-and-build strategies. Additionally, attributes including recession resilience, recurring revenue, and the nature of essential non-discretionary services have continued to attract PE to the space. As PE firms begin to establish Pest Control platforms, a fear-of-missing-out is expected to further propel PE buyer activity.

Anticimex Deals Decline as PE Buyer Competition Heats Up



Source: Capital IQ, FactSet, PitchBook, and Capstone Partners



Transaction Highlight: In March 2023, Percheron Capital acquired pest control provider Lookout Pest Control. The acquisition follows the October 2022 launch of its Pest Control Services Platform. Percheron Capital tapped former Rentokil Senior Executive of Sales and Marketing, Mike St. Clair, to lead the new entity, according to a press release.¹⁰ At Rentokil North America, St. Clair supported growth initiatives and acquisitions. In June 2023 and January 2024, respectively, Percheron added Any Pest (undisclosed) and Ace Exterminating (undisclosed) to its Pest Control Services Platform through add-on acquisitions via Lookout Pest. Ace Exterminating was acquired from Anticimex.



Timothy Binney
Vice President

“PE interest remains high in pest control businesses, and those with sophisticated digital marketing operations and significant recurring revenues can command the highest valuations.”

NOTABLE TRANSACTIONS



Acquires



Private Strategic Acquisition

Arrow Exterminators, a highly acquisitive private company in the Pest Services space, acquired City Green Environmental in September 2023. Terms of the transactions were not disclosed. City Green Environmental offers lawn care and pest control services out of Fort Myers, Florida. At the time, the acquisition represented Arrow Exterminators' 175th office location in the U.S. and its 50th office in Florida, according to a press release.¹¹ The acquisition represents Arrow Exterminators' third strategic acquisition in 2023. Additionally, Arrow Exterminators continued its geographic and revenue growth strategy by opening six new office locations in 2023, according to a press release.¹² The company achieved its 13th year of revenue growth and surpassed \$380 million in revenue in 2023.

"These new locations contribute to Arrow's list of 176 service centers throughout the United States and is strategic to our growth objective of \$400 million and beyond," said Tim Pollard, President and COO at Arrow Exterminators, in a press release.



Acquires



PE Add-on Acquisition

Palmetto Exterminators, a portfolio company of Dallas-based private equity firm CenterOak Partners, acquired PestNow in August. Terms of the transactions were not disclosed. PestNow offers residential and consumer pest control services across Virginia, Maryland, D.C., and West Virginia. Alongside the acquisition, CenterOak Partners formed a new entity, Entomo Brands, which will manage CenterOak's insect-related service companies, according to a press release.¹³ Following the acquisition, Entomo Brands now manages more than 350 employees at 17 branch locations, effectively positioning the company in the lucrative Virginia, Maryland, D.C., and West Virginia markets.

"The acquisition of PestNow more than doubles the footprint and earnings of the Company since CenterOak completed a majority investment in Palmetto Exterminators in 2022. Scaling Entomo Brands into one of the top 25 largest providers of pest control services in the United States is an important milestone in the execution of our investment thesis," Eric Holter, Managing Director at CenterOak, said in the press release. CenterOak Partners and Entomo Brands will continue seeking add-on acquisitions as part of its growth strategy.



Acquires



Public Strategic Acquisition

Rollins acquired Fox Pest Control through its HomeTeam Pest Defense brand in April 2023 at an enterprise value of \$334.9 million, or 2.8x revenue. The deal represented Rollins' second-largest acquisition in the company's history. Fox Pest Control provides residential pest control services to customers across 13 states from 32 locations. The company has more than 1,300 employees and was ranked the 13th largest pest management company according to Pest Control Technology's (PCT) 100 rankings.¹⁴ Rollins tied Fox Pest Control to its HomeTeam subsidiary to leverage both entities' complementary door-to-door sales and customer acquisition strategies. The tie-in enables both brands to scale regional markets faster, provide new service offerings, and generate cross-selling opportunities, according to Rollins' Q1 earnings call.¹⁵

Furthermore, the transaction reflects Rollins' strategic initiatives to bolster company growth within a highly fragmented sector by leveraging M&A opportunities to expand geographic market share and residential pest control service offerings. Rollins reported that the integration of Fox Pest Control represented 4%, or \$117.8 million, of total FY 2023 revenue, exceeding Q2 expectations between \$90 and \$100 million in revenue, according to its latest 10-K earnings release.¹⁶ Rollins provides pest control services to 2.8 million residential and commercial consumers in 71 countries.

PEST CONTROL SELECT TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Acquirer Parent Company	Deal Type
04/17/24	Assets of Sasquatch Pes Control	PestCo	Provides residential pest control services.	Thompson Street Capital	PE Add-On
03/18/24	SOS Pest Control	Sprague Pest Solutions	Offers commercial and residential pest control services.	-	Private Strategic
02/01/24	Pest Control Insulation	TopBuild (NYSE:BLD)	Provides pest control services catering to the building and construction industry.	-	Public Strategic
01/31/24	Ace Exterminating	Lookout Pest Control	Provides pest control services for homes, business, schools, and commercial spaces.	Percheron Capital	PE Add-On
12/12/23	Bugs B Gone	Wayne's Pest Control	Provides termite and pest control services intended for communities and businesses.	Anticimex	PE Add-On
10/03/23	Go Green Pest Control	Plunkett's Pest Control	Provides full-service pest control and wildlife services for bird, bat, squirrel, raccoon and rat control.	-	Private Strategic
09/28/23	Year Around Termite & Pest	Certus Pest	Offers residential pest control services focused on termite protection and general pest control.	Imperial Capital Group	PE Add-On
09/05/23	City Green Environmental	Arrow Exterminators	Provides pest control and lawn care services to residential and commercial customers.	-	Private Strategic
08/23/23	Mainely Ticks	Orkin	Provides tick and mosquito control services in select communities across Maine.	Rollins (NYSE:ROL)	Public Strategic
08/02/23	Crown Pest Control	Bug Busters USA	Operates as a pest control provider for residential and commercial customers.	-	Private Strategic
07/31/23	PestNow	Palmetto Exterminators	Provides residential and commercial pest elimination, lawn, and wildlife control services.	CenterOak Partners	PE Add-On
06/20/23	National Exterminators	Turner Pest Control	Provides pest control and termite services for residential and commercial clients.	Anticimex	PE Add-On
06/07/23	Paramount Pest Services	Clark Pest Control	Operates as a residential and commercial pest control provider.	Rollins (NYSE:ROL)	Public Strategic
05/10/23	Ace Exterminating	Rockit Pest	Provides pest control services for homes, businesses, schools, and retail spaces.	Halle Capital Management	PE Add-On
04/19/23	Liberty Termite and Pest Control	Smithereen Pest Management	Offers termite and pest control services intending to serve the Commercial sector.	-	Private Strategic
04/05/23	FPC Holdings	Rollins (NYSE:ROL)	Provides residential and commercial pest control focused on ants, bed bugs, termites, and insects.	-	Public Strategic
03/28/23	RK Environmental Services	Rentokil Initial (LSE:RTO)	Provides pest management and food safety consulting services.	-	Public Strategic
03/17/23	Time For Me To Fly	OPC Services	Provides pest control services for residential customers focused on rodents, insects, and seasonal pests.	Rollins	Public Strategic
03/01/23	Lookout Pest Control	Percheron Capital	Provides pest control and crawl space encapsulation services for residential and commercial customers.	-	PE Platform
02/27/23	Thur-O-Pest Management	Moyer Indoor Outdoor	Provides full-service pest control services to residential, commercial, and industrial customers.	-	Private Strategic
02/08/23	Adam's Pest Control	Rockit Pest	Provides residential pest control services.	Halle Capital Management	PE Add-On
01/26/23	Polce Enterprises	Modern Pest Services	Operates as a pest control provider for residential and commercial customers.	Anticimex	PE Add-On
01/10/23	Best Way Animal Removal	Plunkett's Pest Control	Provides pest and animal control services focused on wildlife removal.	-	Private Strategic

Source: Capital IQ, PitchBook, FactSet, and Capstone Partners

RENTOKIL EXPERIENCES SIGNIFICANT M&A-DRIVEN REVENUE SYNERGIES



Ticker: LSE:RTO
Headquarters: Crawley, United Kingdom
Markets: Pest Control
LTM Revenue: \$6.1 Billion
Market Capitalization: \$13.5 Billion

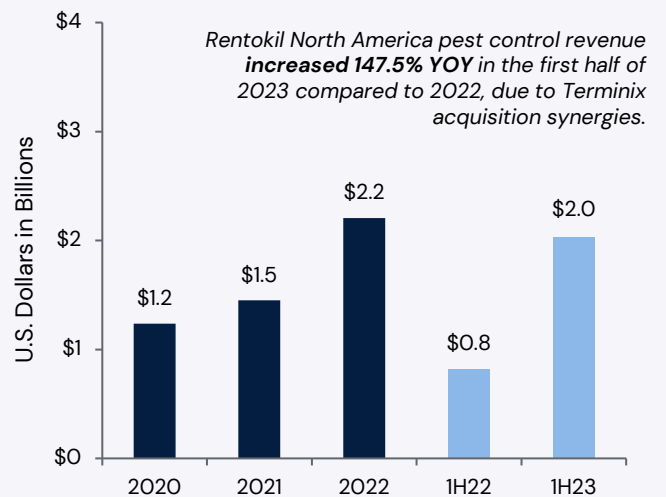
Company Description

Rentokil has experienced significant revenue growth following its acquisition of Terminix in December 2021, evidenced by an 83.2% total revenue increase between the first half of 2021 and the first half of 2023, according to its Q2 earnings release. The acquisition has positioned Rentokil as the largest player in the Pest Control sector, with 4.9 million customers, according to a press release.¹⁷ Rentokil has relied on M&A to stimulate growth through market share expansion and increased service capabilities, with more than 90% of revenue growth in the first half of 2023 attributed to M&A.

Since acquiring Terminix, Rentokil has benefitted from the brand's strong service reputation, North American footprint, and complementary service capabilities. "We're building scale in the world's largest Pest Control market and combining Rentokil's traditional strength in commercial with Terminix's strength in residential and termite, giving us not one but two power brands. We're adopting the same proven low-cost business model, and we're expanding access to Rentokil's innovations and digital capabilities," noted Rentokil CEO Andrew Ransom in its Q2 earnings call. The deal is expected to continue providing synergistic cost benefits of \$200 million by 2025.

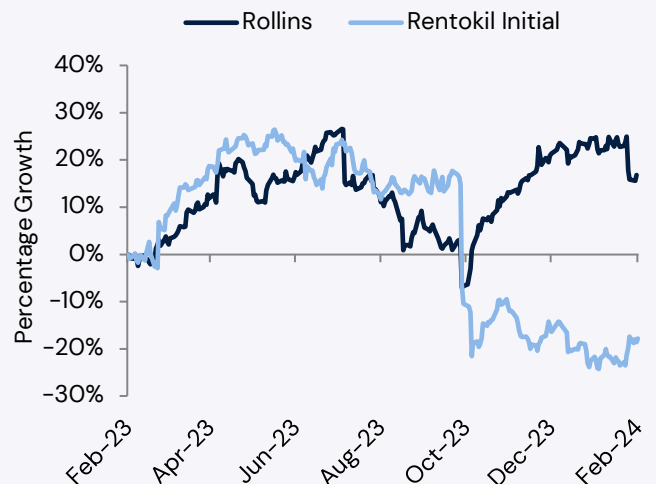
In October 2023, Rentokil reported that reduced demand for chemical use in pest control, coupled with fewer new customer acquisitions due to macroeconomic inflationary pressures, strained organic growth in North America, according to a Q3 earnings release. As a result, Rentokil reduced its FY 2023 operating margin expectations to 18.5%–19.0% from a prior 19.5%, causing both Rentokil and Rollins' shares to plummet. Rollins shares rebounded as its financials have been supported by stronger profit margins and returns on capital, according to the *Financial Times*.¹⁸

Terminix Acquisition Synergies Boost North America Pest Control Revenue



Source: Rentokil Earnings Release and Capstone Partners

LTM Share Price Performance



Source: Capital IQ and Capstone Partners as of February 21, 2024

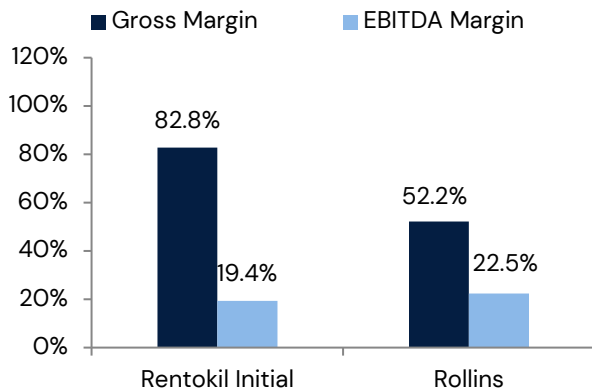
PUBLIC COMPANY DATA: HOME SERVICES

Company	Price 03/08/24	% 52 Wk High	Market Cap	Enterprise Value	LTM			EV/LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
Angi Inc.	\$2.69	64.4%	\$1,350.5	\$1,555.6	\$1,358.7	\$88.2	6.5%	1.1x	17.6x
Central Garden & Pet Company	\$41.24	79.8%	\$2,348.3	\$3,384.8	\$3,317.0	\$411.8	12.4%	1.0x	8.2x
First Service Corporation	\$167.41	97.9%	\$7,528.4	\$9,059.8	\$4,334.5	\$448.2	10.3%	2.1x	20.2x
Frontdoor, Inc.	\$31.50	80.8%	\$2,469.0	\$2,751.0	\$1,780.0	\$307.0	17.2%	1.5x	9.0x
Porch Group, Inc.	\$3.66	92.0%	\$361.9	\$503.6	\$430.3	NM	NA	1.2x	NM
Rentokil Initial plc	\$6.32	74.1%	\$15,872.8	\$20,007.1	\$6,846.4	\$1,482.7	21.7%	2.9x	13.5x
Rollins, Inc.	\$45.45	99.7%	\$21,992.6	\$22,704.1	\$3,073.3	\$816.7	26.6%	7.4x	27.8x
Virbac SA	\$372.15	93.3%	\$3,142.1	\$3,080.5	\$1,378.2	\$256.5	18.6%	2.2x	12.0x

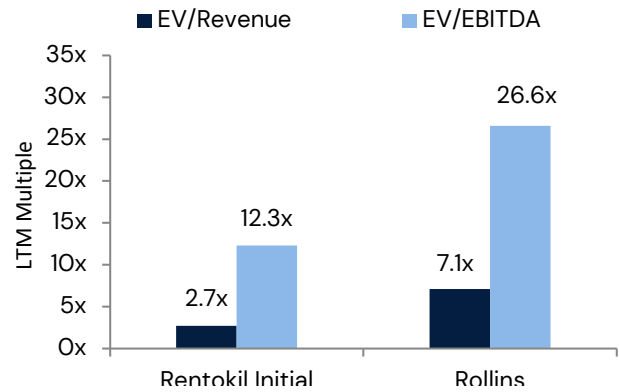
EV = enterprise value; LTM = last twelve months
 \$ in millions, except per share data
 NM = Not Meaningful
 NA = Not Available

Mean	16.2%	2.4x	15.5x
Median	17.2%	1.8x	13.4x
Harmonic Mean	13.3%	NA	13.1x

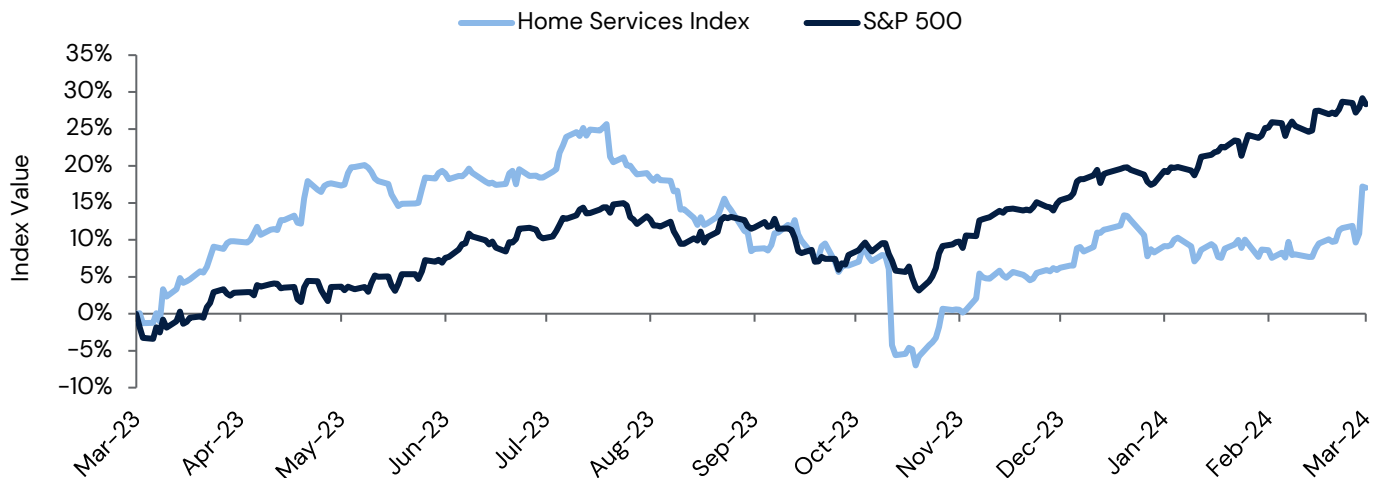
LTM Margin Performance



LTM Multiple Performance



One-Year Index Return Comparison



Pest Control Index includes: ANGI, CENT, FSV, FTDR, PRCH, RTO, ROL, VIRP
 Source: Capital IQ and Capstone Partners as of March 8, 2024

BUYER UNIVERSE

Capstone's Consumer Investment Banking Group has built relationships with and tracked buyers that have been highly acquisitive in the Consumer industry, particularly those that have completed notable Pest Control transactions. Our industry expertise and network provides us with unique insights into this buyer universe and industry and growth drivers for the companies within it.

Leading Strategic Buyers



Leading Financial Buyers



Source: Capstone Partners

PEST CONTROL REPORT CONTRIBUTORS

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Ken joined Capstone to lead the Consumer Investment Banking practice. He brings nearly 25 years of investment banking experience including domestic and international mergers & acquisitions, initial and secondary offerings of public companies, debt raises and private placements for his clients. He has helped raise over \$10 billion in capital for clients during his career. Ken regularly presents at consumer industry conferences and has testified twice as an expert witness on consumer brands. He joins Capstone Partners from Stephens Investment Bank, where he started and led the Consumer Products Group. Ken is a Series 79 Registered Investment Banking Representative and holds an MBA in Finance from Columbia University and a BS in Accounting from St. Joseph's University.

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Kenny is a Director in Capstone's Consumer Investment Banking Group with over 8 years of experience executing M&A and capital markets transactions across a diverse set of industries. Prior to joining Capstone, Kenny worked for The Cypress Group, a boutique investment bank focused on the Consumer and Franchise space and prior to that he was at Morgan Stanley in the Valuation Review Group, where he advised on debt financings for corporate and middle market clients. He also served five years in the Air Force as a Financial Management Officer.

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Tim is a Vice President in Capstone Partners' Consumer group with a focus on advising companies in the Food & Beverage sector. He brings over 10 years of experience advising companies on mergers, acquisitions, divestitures, valuations, and other corporate finance mandates across multiple asset classes including public and private companies and intellectual property. Tim has amassed broad experience across industries including Technology (Semiconductor, Medical Device, Wireless Communication), Business Services, Consumer, and Retail, with significant depth in Food & Beverage. Over the course of his career, he has advised on transactions with aggregate value in excess of \$10 billion. Prior to joining Capstone Partners, Tim advised clients at Lazard and Houlihan Lokey, and independently through Ashland Securities.

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Izzy serves as a Market Intelligence Associate at Capstone Partners covering the Transportation & Logistics, Building Products & Construction Services, and Agriculture industries. Prior to joining Capstone, Izzy was a Research and Insights Associate for the PR Agency Racepoint Global, where she conducted secondary research to help guide brand communication strategies for clients in industries such as Consumer Technology. Izzy graduated with a Bachelor of Arts degree in Business from Southwestern University.

FIRM TRACK RECORD

Capstone's Consumer Investment Banking Group has generous experience representing companies in the Consumer industry and maintains in-depth knowledge of the buyer universe and business characteristics that drive premium valuations in an M&A process within the Pest Control sector. Our frequent conversations with industry participants provide us with increased transparency into market trends and buyer preferences. A sampling of Capstone's closed deals is outlined below.



HAS BEEN ACQUIRED BY




HAS BEEN ACQUIRED BY




HAS BEEN ACQUIRED BY




HAS BEEN ACQUIRED BY

AN UNDISCLOSED STRATEGIC BUYER



HAS BEEN ACQUIRED BY




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HAS SECURED \$142.5 MILLION IN SENIOR CREDIT FACILITIES FOR THE ACQUISITION OF




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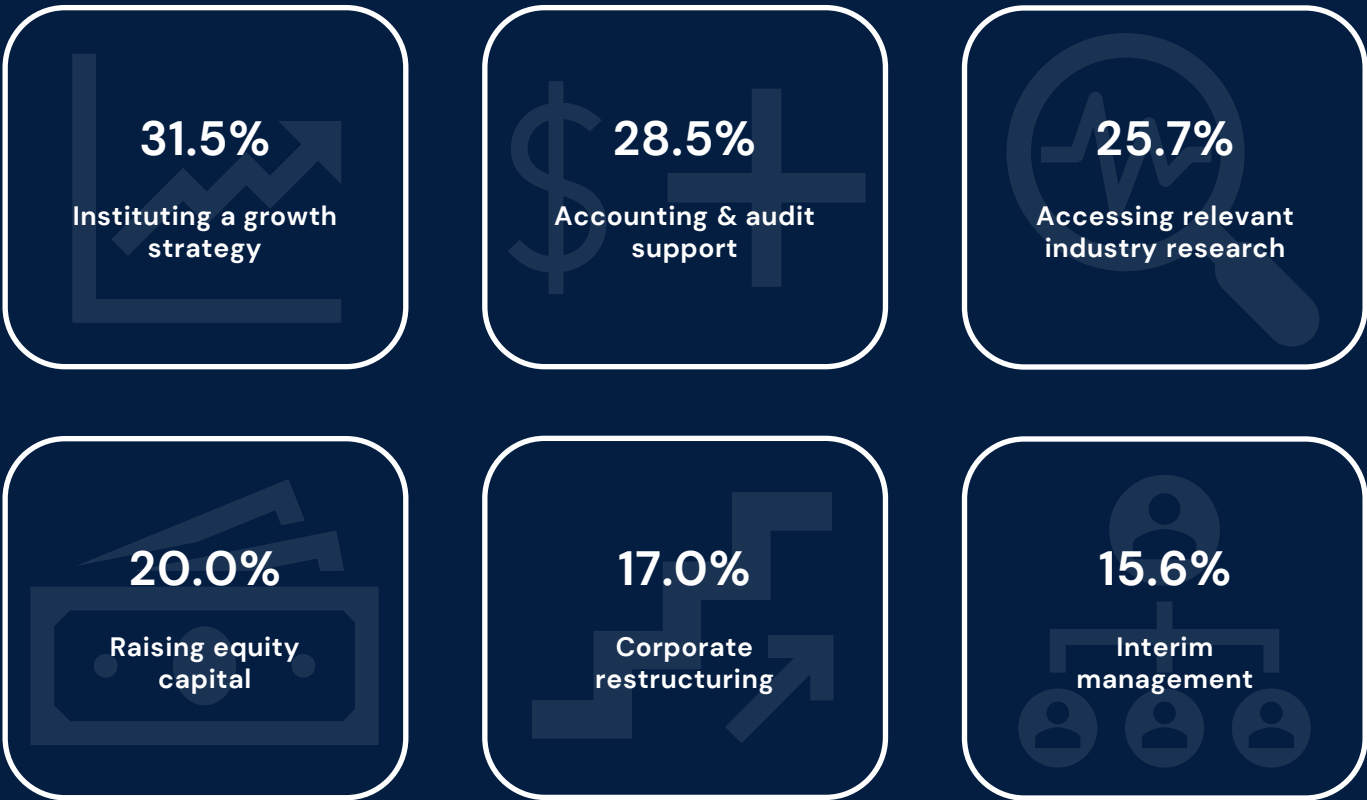


CAPSTONE’S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The current stage and initiatives of a business often dictates which financial services are in demand. As the majority of CEOs polled in Capstone’s 2023 Middle Market Business Owners Survey indicated growth strategies are a priority for 2024, the lion’s share (31.5%) of owners anticipate a need for growth strategy support services. Similarly, 28.5% of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, more than one-fourth of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company’s lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed a specialty consulting practice to provide financial advisory services to companies experiencing distress or performance challenges. All of these capabilities are supported by 16 industry groups, an active sponsor coverage group, and a dedicated market intelligence team.

Top Financial Services Required by Business Owners in 2024



Question: Have you ever had, or do you anticipate having, a need for any of the following services?
 Source: Capstone Partners’ Middle Market Business Owner Survey, Total Sample Size (N): 435

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Disclosure

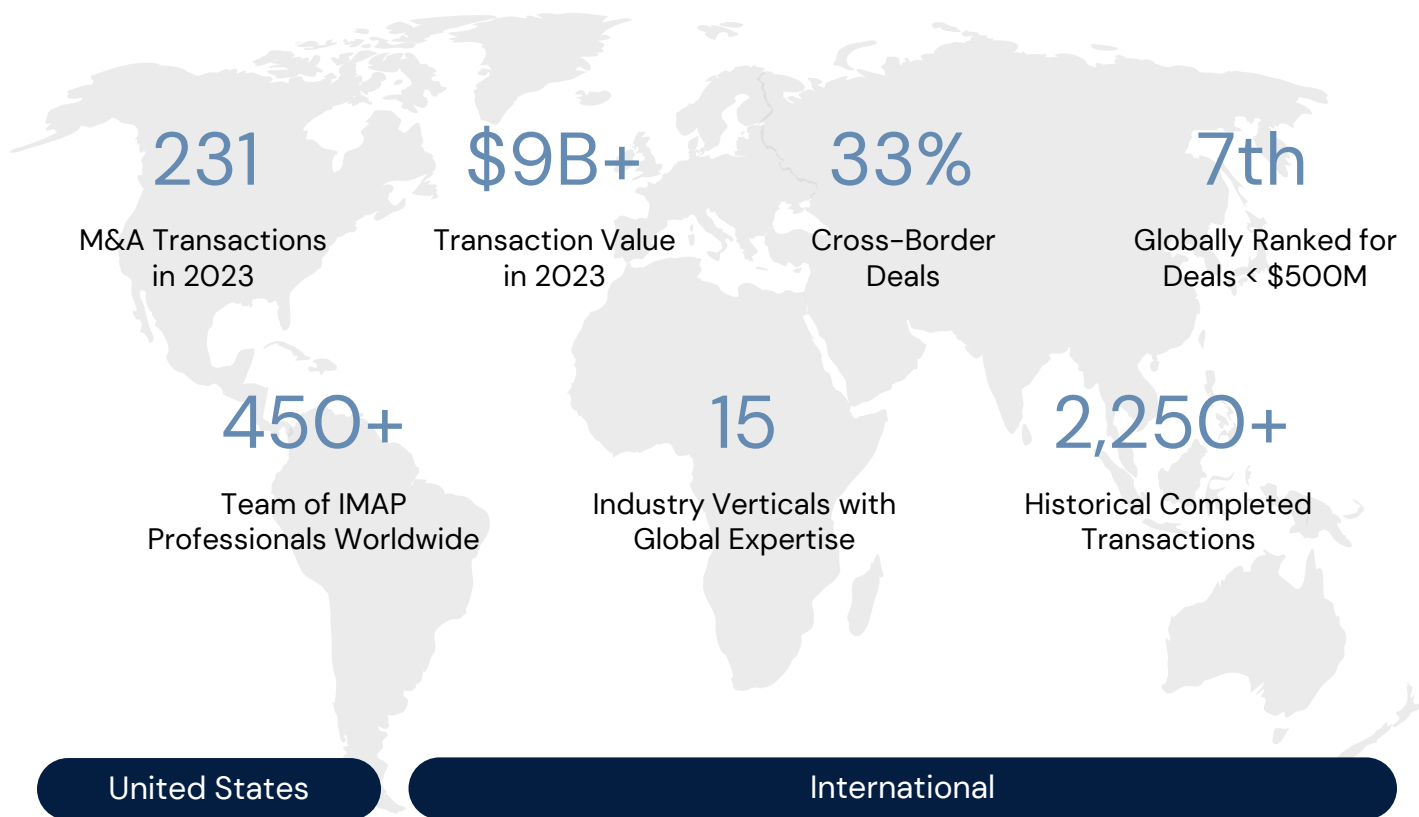
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Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 41 countries.



~200 professionals
8 offices

Boston · Denver · Chicago · Dallas
Detroit · Irvine · New York · Tampa

450+ professionals
60+ offices in 41 countries

Asia: China · India · Japan · Thailand
Africa: Congo · Egypt · Ghana · Mauritius · Morocco · Senegal · South Africa
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