



2019

**Capital Markets Review**  
Midwest Edition



## Executive Summary

We are pleased to present our review of capital markets in the Midwest region for the calendar year of 2019. The year was characterized by generally high levels of investment and exit activity.

While activity and public market performance would signal that all is beyond well, markets remain cautious for 2020 and beyond, given new developments surrounding coronavirus, slowing manufacturing and other fixed investment in the US, a potential reversal in employment trends, and a slowing global economy. Furthermore, we continue to watch US-China trade relations closely. However, given a low-rate environment and large cash balances among investors, we expect capital markets activity to largely remain strong in the first half of 2020.

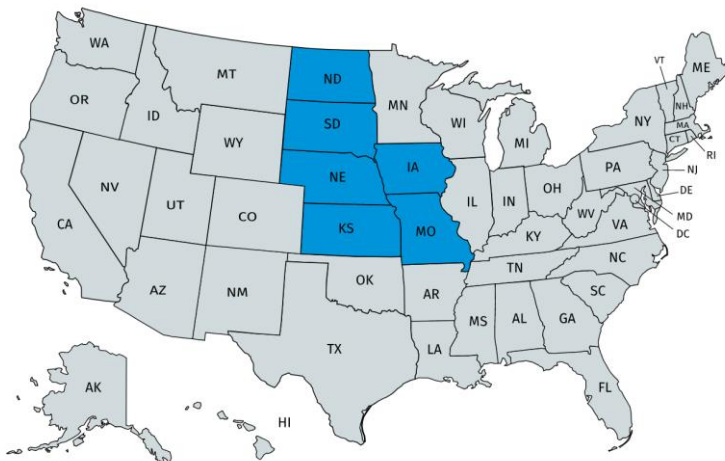
As we enter 2020, we continue to pay close attention to several developments and trends:

- Investors still have significant amounts of dry powder (cash to be invested). Will they seek to deploy this capital in smaller deals? Or will multiples continue near record levels mainly at the larger end of the deal spectrum?
- The yield curve has again inverted in light of the coronavirus outbreak and certain economic indicators coming in poorly – how will this affect policy, and will this display of risk slow activity?
- Will we see a conclusion and/or further progress to trade developments, namely USMCA and a Phase 2 deal with China?
- Finally, how will the always-interesting world of politics in an election year impact companies' outlook for the future?

As always, contact us if you have questions or would like to learn more about activity within your region or industry. Also, visit [www.skyline-advisors.com/midwest](http://www.skyline-advisors.com/midwest) to automatically receive quarterly and annual updates of this regional report.

We wish you all the best in 2020!

## Midwest Region



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## ECONOMIC REVIEW

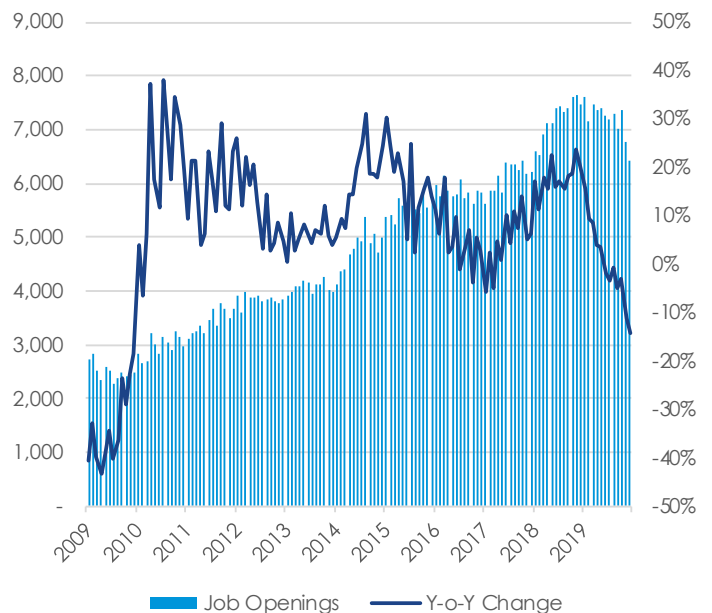
### U.S. economy continues to grow, though at a lower rate than 2018

The Bureau of Economic Analysis (BEA) reported in its advance estimate that real Gross Domestic Product (GDP), a measure of economic growth, increased 2.3% in 2019, below the 2.9% growth rate experienced in 2018 but roughly on par with the 10-year average. Decelerations in non-residential fixed investment (e.g., non-residential construction) and consumer spending as well as a downturn in exported services were cited as reasons for a decline from 2018's rate.

### Job openings decline at fastest rate since 2009 to close out year

The unemployment rate averaged close to 3.7% throughout 2019 but came in stronger, at 3.5%, in November and December. There was still job creation in the months closing out the year; however, while unemployment is a bright spot on the economy, job openings fell to 6.8 million in November and 6.4 million in December, the first breach below seven million since March of 2018 and the lowest level since December 2017. December's job opening drop was a 14.1% year-over-year decline, which was the largest year-over-year drop since 2009. There are now fewer non-governmental job openings than there are unemployed, potentially signaling a peak in the job market.

**Job Openings (in thousands)**  
Year-over-Year Change on Secondary Axis



### Federal Reserve unlikely to change key rate in 2020

The US Federal Reserve decreased the Federal Funds Rate by 25 basis points three times before unanimously holding them steady in its final meeting of 2019. The Federal Funds Rate, which is the rate that banks charge other banks for lending their reserve balances on an overnight basis, influences rates on consumer loans. Heading into 2019, the target range of this rate was 2.25-2.50%, which decreased to 1.50-1.75% by the Fed's October 31<sup>st</sup> meeting in 2019. In their December meeting, the Fed signaled that there may not be any rate adjustments in 2020. *[Update: the Fed unexpectedly decreased the rate to a range of 1.00-1.25% at the beginning of March in light of disruptions resulting from the coronavirus. The emergency action is causing markets to wonder if there are additional storm clouds on the horizon that the Fed sees beyond coronavirus.]*

### Mid-America confidence up on Phase 1 trade deal and USMCA prospects

Creighton University's Mid-America Business Conditions Index, a leading economic indicator for the nine-state region stretching from Minnesota to Arkansas, increased to above growth neutral in December. The overall index came in at 50.6 in December, the second occurrence of being growth-positive in the fourth quarter (a reading above 50 indicates growth and a reading of less than 50 indicates contraction). Surveys over the last few months in 2019 demonstrate that the trade war with China and the global economic slowdown are negatively impacting the regional manufacturing economy and are expected to continue to affect the economy through the first half of 2020. Confidence in the region increased to 57.6 from 52.9 in November as a result of the potential passage of the US, Canada, Mexico trade agreement (known as USMCA) and Phase I of the trade deal with China.

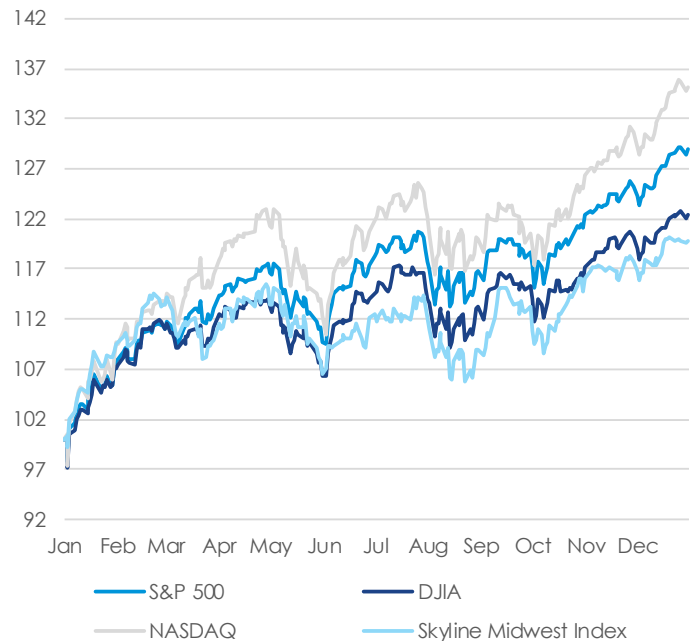
## PUBLIC MARKETS

### S&P 500 and Nasdaq record best year since 2013 after gaining more than 28%

Major stock market indices made impressive headway in 2019, each gaining more than 20% and closing out the year near all-time highs. Strong consumer data - led by low unemployment - and easing Fed policy more than countered early recession fears stemming from global economic slowing and the ongoing trade war with China.

Our "Skyline Midwest Index," comprised of 80 equally weighted companies all headquartered in the Midwest with market capitalizations of at least \$500 million as of year-end, increased by 19.8% during the year. The region's strongest performers included St. Louis-based Perficient; Lincoln, Nebraska-based National Research Corporation; and Sioux Falls, South Dakota-based Meta Financial Group, each of which recorded gains in excess of 70% during the year.

### 2019 Indexed Stock Market Performance



Index	Closing Price		FY2019 Return	52-Week		12/31/19 Closing, % of 52-WK High
	12/31/2018	12/31/2019		Low	High	
S&P 500	2,506.85	3,230.78	28.9%	2,443.96	3,247.93	99.5%
DJIA	23,327.46	28,538.44	22.3%	22,638.41	28,701.66	99.4%
NASDAQ	6,635.28	8,972.60	35.2%	6,457.03	9,052.00	99.1%
Russell 2000	1,348.56	1,668.47	23.7%	1,325.18	1,681.68	99.2%
Skyline Midwest Index	100.00	119.81	19.8%			

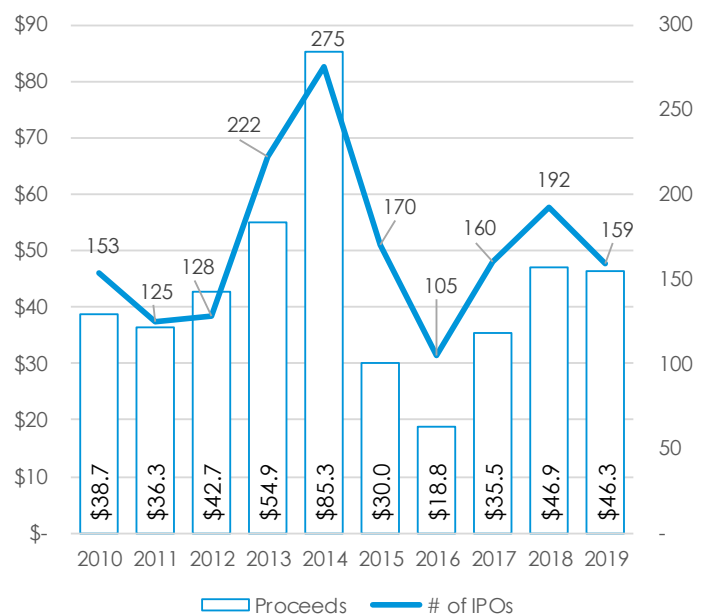
### Highly anticipated year for IPOs finishes on par with 2018

The year closed out similarly to 2018 in terms of capital raised from IPOs, declining just 1.3% to \$46.3 billion, though proceeds were well above the average of the previous four years (\$32.8 billion). The elevated value is partially attributed to notable raises from Uber, Lyft, Slack, Pinterest, and others. Volume fell from 2018 but was relatively unchanged from the four-year average.

In the Midwest, there were two notable IPOs during the year: Kansas City, Kansas-based CrossFirst Bank raised just over \$100 million in its Q3 IPO, and St. Louis, Missouri-based BellRing Brands spun out of Post Holdings through an initial public offering and raised \$552 million.

### US IPO Activity

(Proceeds in Billions)



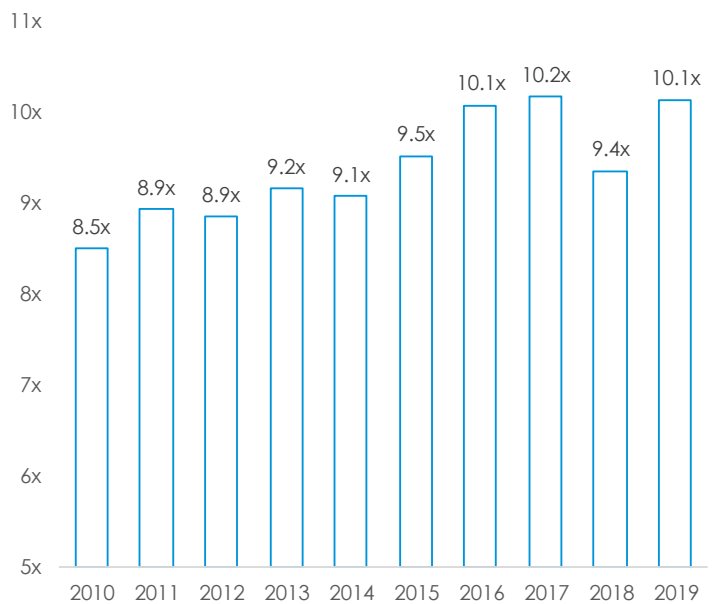
## VALUATIONS

### Valuations rebound in 2019

Valuations increased in 2019, reflecting higher confidence in the market, increased competition, and cheaper financing in light of the Fed's recent rate cuts. The median valuation in North American M&A deals was 10.1 times earnings before interest, taxes, depreciation, and amortization (EBITDA), or the second highest multiplier in the last ten years. Valuations are anticipated to remain high in the near future, as corporates look to acquisitions to fuel growth and investors sit on high levels of dry powder (cash waiting to be invested) that must be deployed.

Public company valuations in Skyline's industry focuses also generally increased throughout the year, as highlighted in the table below. It is important to note that valuations are not a one-size-fits-all application and that valuations differ due to a variety of factors, including company size, profitability, industry, access to financing (liquidity), and other factors. Businesses should view multiples as just the starting point for their valuation analysis.

North American M&A Multiples  
Median EV/EBITDA



Public Company Valuations Industry	Median Enterprise Value / TTM EBITDA			
	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Food/Beverages & Ag	13.5x	14.2x	14.4x	14.5x
Agribusiness	9.7x	10.5x	9.6x	10.9x
Alcoholic Beverages	16.5x	17.8x	15.0x	18.0x
Baked Goods	15.7x	17.1x	15.9x	11.1x
Branded/Processed Foods	14.3x	14.1x	15.2x	15.3x
Dairy	14.3x	12.7x	14.1x	14.0x
Food Wholesale	6.2x	6.0x	6.3x	7.6x
Foodservice	13.9x	14.6x	15.5x	16.5x
Fruits & Vegetables	16.4x	17.7x	18.2x	16.4x
Grocery Distribution	8.6x	9.8x	11.5x	14.5x
Ingredients & Flavors	20.3x	19.2x	19.4x	18.1x
Natural/Organic Foods	53.8x	56.4x	69.2x	46.5x
Non-Alcoholic Beverages	15.3x	16.2x	12.3x	13.1x
Other Restaurants	14.2x	15.0x	14.0x	17.6x
Private Label Food & Bev	16.9x	14.4x	15.5x	17.3x
Protein Processing	11.7x	14.2x	19.5x	19.1x
Quick-Service Restaurants	14.3x	15.4x	15.7x	18.6x
Snacks	16.3x	16.7x	18.6x	17.9x
Healthcare	12.4x	13.8x	14.6x	16.1x
Assisted Living	17.9x	18.7x	15.9x	15.5x
Behavioral Health	17.7x	18.1x	18.0x	17.7x
Distribution & Supplies	12.2x	12.4x	11.5x	13.0x
Healthcare IT	21.4x	22.9x	22.1x	20.7x
Physician Services	9.1x	11.0x	11.4x	15.8x
Staffing	11.6x	12.2x	13.2x	13.7x

Public Company Valuations Industry	Median Enterprise Value / TTM EBITDA			
	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Industrials	10.9x	11.2x	11.7x	12.7x
Air Freight & Logistics	11.5x	12.2x	12.3x	13.2x
Building Products	11.9x	13.3x	12.6x	13.6x
Construction/Engineering	6.5x	8.2x	9.7x	10.2x
Distributors & Wholesalers	11.0x	11.4x	11.3x	12.1x
Diversified Industrials	13.0x	12.7x	13.1x	14.4x
Electrical Equipment	12.0x	12.7x	13.4x	16.7x
Machinery	13.0x	12.8x	14.5x	15.4x
Professional Services	12.5x	13.5x	13.6x	13.5x
Rail	11.9x	12.1x	11.4x	12.5x
Trucking	5.8x	5.5x	6.2x	6.9x
Technology	21.4x	23.5x	23.4x	23.6x
Data Hosting	22.5x	23.5x	23.9x	25.3x
Diversified Technology	15.5x	16.8x	16.2x	18.0x
Enterprise Software	19.3x	26.5x	27.6x	31.5x
Financial Technology	23.8x	27.0x	28.1x	30.5x
Healthcare IT	21.4x	22.9x	22.1x	20.7x
Human Capital Mgmt.	64.9x	61.1x	53.4x	64.5x
IT Services	12.8x	15.5x	15.5x	16.1x
Other SaaS	79.7x	87.4x	79.4x	72.5x
Supply Chain Software	24.1x	39.2x	32.1x	34.0x

PitchBook. Note certain past public market industry multiples have been adjusted to reflect take-private transactions

## MERGERS & ACQUISITIONS

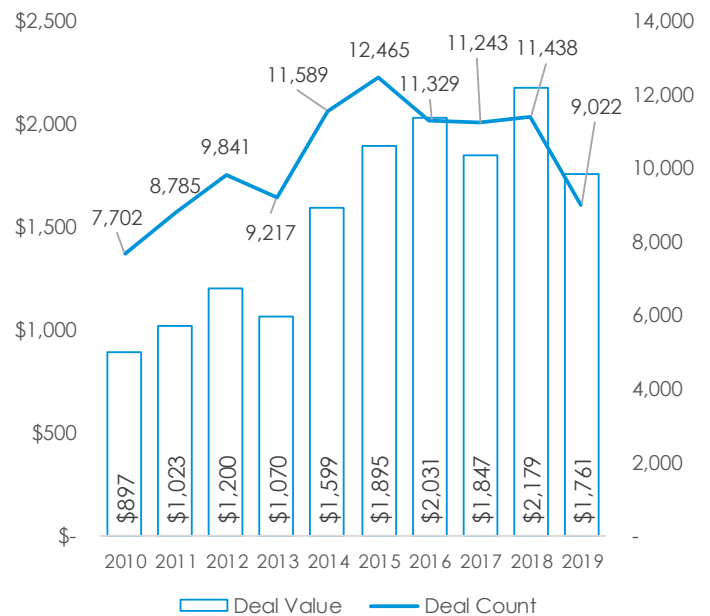
### M&A activity falls from 2018's record levels

US mergers and acquisitions (M&A) activity cooled from a record 2018, with \$1.8 billion of value consideration across 9,022 deals, drops of 19.2% and 21.1%, respectively, from 2018. The fourth quarter of 2018 showed noticeable declines in volume that carried over into 2019 as investors grappled with uncertainties resulting from geopolitical tensions and slowing global economic growth. However, the still-elevated levels of capital invested into M&A transactions demonstrates that investors continue to be interested in pursuing acquisitions and business combinations with high-quality targets and are more than willing to pay higher prices. While there were some large deals announced in 2019 that are set to close in 2020, we are closely watching economic indicators and geopolitical factors (including the upcoming US elections) that could affect 2020 M&A activity. We believe that low interest rates will continue to drive M&A activity in the first half of the year.

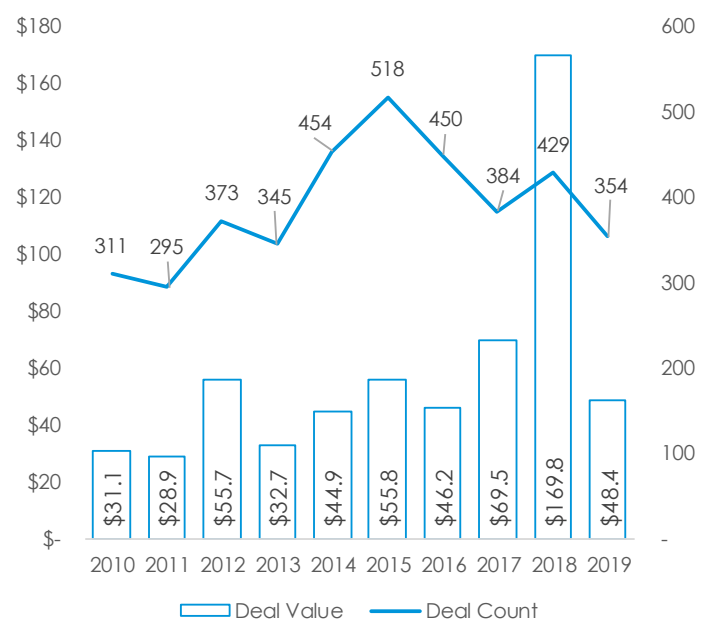
As evidenced in the trend toward fewer but higher-valued acquisitions, the median deal size of all deal types increased from \$51.1 million in 2018 to \$76.4 in 2019. However, most notable is that of platform buyouts, or buyouts of companies which will serve as a vehicle to build upon with smaller investments for certain investors. The median platform buyout was \$205 million in 2018 but reached \$313 million in 2019. These types of investors are presumably paying more for platforms but averaging down with new, smaller "add-ons."

M&A activity in the Midwest reached \$48.4 billion across 354 deals, representing declines of 71.5% and 17.5%, respectively, from a record 2018 that included Bayer's \$63-billion purchase of Monsanto, a deal that topped every total quarterly M&A spend in the Midwest on record, and Cigna's \$52-billion acquisition of Express Scripts Holdings. Notable deals during the year included AmeriCold Logistics' purchase of Cloverleaf Cold Storage in the second quarter and CIT Group's acquisition of Mutual of Omaha Bank in the fourth quarter. Midwest M&A value for 2020 may get a nice boost if Charles Schwab's \$26-billion acquisition of TD Ameritrade closes, which is anticipated to occur the second half of 2020.

US M&A Activity  
Deal Value in Billions



Midwest M&A Activity  
Deal Value in Billions



## MERGERS & ACQUISITIONS

### Notable Midwest M&A Deals in 2019

State	Date Closed	Target	Investor	Target City	Target Description
IOWA	05/01/2019	Cloverleaf Cold Storage	AmeriCold Logistics	Sioux City, IA	Provider of cold storage warehousing and food logistics services
	09/19/2019	EMC Insurance Group	Employers Mutual Casualty Company	Des Moines, IA	Provider of non-life insurance products
	05/01/2019	ATBancorp	MidWestOne Bank	Dubuque, IA	Provider of commercial banking services
	03/12/2019	Iowa Premium	National Beef Packing Company	Tama, IA	Operator of a meat packaging company
	12/31/2019	Featherlite Trailers	Private Parties	Vernon Springs, IA	Manufacturer of aluminum and steel horse trailers
KANSAS	01/01/2019	Lansing Trade Group	The Andersons	Overland Park, KS	Exporter and distributor of agricultural products
	01/02/2019	QSI Facilities	Cushman & Wakefield	Colwich, KS	Provider of facilities maintenance and construction services
	07/18/2019	Aratana Therapeutics	Elanco	Leawood, KS	Developer of biopharmaceutical products for pets
	11/27/2019	TR Lodging Enterprises	VCM Lodging Enterprises	Wichita, KS	Operator of 45 hotels and 27 restaurants
	05/02/2019	First Bank of Newton	INTRUST Bank	Newton, KS	Provider of commercial banking services
MISSOURI	01/31/2019	American Dehydrated Foods	Symrise	Springfield, MO	Provider of meat and egg-based nutrition ingredients
	03/31/2019	Fidelity Communications	Cable ONE	Sullivan, MO	Provider of cable, video, and voice services
	07/26/2019	American Railcar Industries	The Greenbrier Companies	Saint Charles, MO	Manufacturer of hopper and tank railcars
	09/24/2019	Peak Resorts	Vail Resorts	Wildwood, MO	Owner and operator of ski resorts
	09/19/2019	NorthStar Battery	EnerSys	Springfield, MO	Designer and manufacturer of lead-acid batteries
NEBRASKA	12/31/2019	Mutual of Omaha Bank	CIT Group	Omaha, NE	Provider of banking solutions
	07/03/2019	SouthernCarlson	Kyocera	Omaha, NE	Distributor of construction and packaging machines and tools
	12/31/2019	Lincoln Benefit Life	Guaranty Income Life Insurance	Lincoln, NE	Provider of life insurance and annuity services
	07/08/2019	Perrigo (Animal Health Products)	PetIQ	Omaha, NE	Provider of animal care and veterinarian products
	12/23/2019	Accent Cost Containment Solutions	HMS Holdings	Omaha, NE	Provider of cost containment and claim recovery services
NORTH DAKOTA	03/05/2019	Discovery Benefits	WEX	Fargo, ND	Provider of employee benefits administration services
	03/01/2019	Hess (Bakken Water Services Unit)	Hess Midstream Partners	ND	Water gathering assets and saltwater disposal services
	03/22/2019	Tioga Midstream	Hess Midstream Partners	ND	Crude oil and gas gathering assets
	08/01/2019	National Farmers Union Insurance	National General Insurance	Jamestown, ND	Provider of farm insurance services
	09/25/2019	Red River Broadcast	Gray Media Group	Bathgate, ND	Provider of broadcasting services
SOUTH DAKOTA	10/01/2019	Health Credit Services	Ally Financial	Sioux Falls, SD	Provider of health credit services
	10/01/2019	Design Tanks	The Purcell Companies	Sioux Falls, SD	Manufacturer of fiberglass-reinforced plastic tanks
	07/12/2019	NASCENTechnology Manufacturing	Newava Technology	Watertown, SD	Designer and manufacturer of multi-layer ceramic transformers
	05/15/2019	Premier Home Mortgage	Open Mortgage	Rapid City, SD	Provider of home mortgage solutions
	03/29/2019	The Mobridge Tribune	Leelanau Enterprises	Mobridge, SD	Publisher of news about local events and communities

## PRIVATE EQUITY

### PE fundraising tops \$300 billion for the first time ever

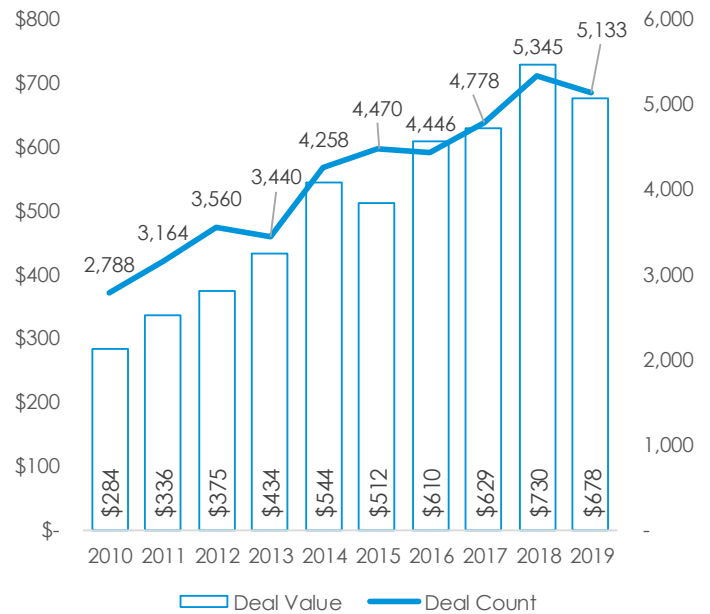
US private equity (PE) deal activity posted another solid year, with \$678 billion invested across 5,133 deals. While these were slight declines of 7.2% and 4.0%, respectively, from 2018, it was just the second year that deal value eclipsed \$650 billion and deal count topped 5,000.

PE fundraising reached an all-time high in 2019, topping \$300 billion for the first time ever. The \$301.3 billion raised by PE firms in 2019 was a 52.3% increase over 2018 and may signal that PE investment activity may not slow in the near future, despite economic uncertainties. PitchBook analysts predict that 2020 will be a lower fundraising year, though totals may still top \$200 billion.

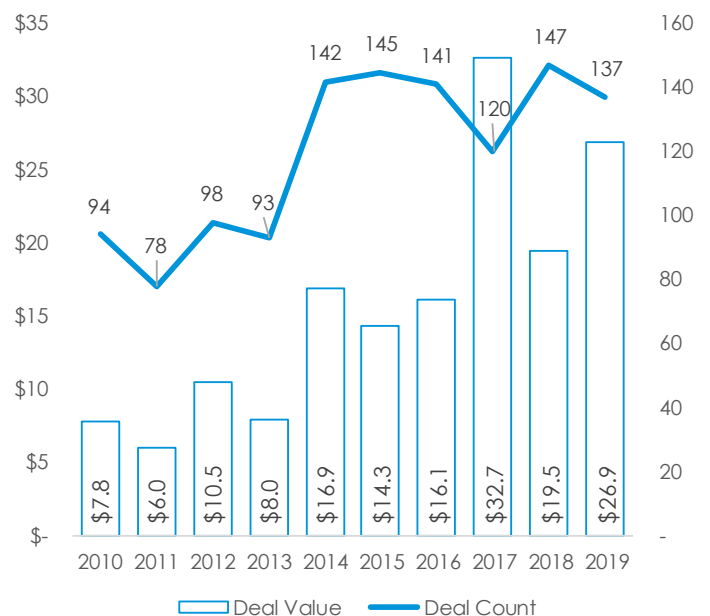
Private equity exits, or instances in which PE firms sell an investment, declined from 2018, closing the year at 1,035 exits at \$318.2 billion in value. In 2018, there were 95 PE exits that were valued above \$1 billion, while in 2019 there were just 53. The proportion of exits completed with corporate buyers continued to decline, ending at 38% after being as high as 58% in 2015. Instead, PE investors have sold their portfolio companies more increasingly in secondary transactions, or sales to other private equity firms, which accounted for 50% of PE exits in 2019 (leaving just over 11% to initial public offerings).

The Midwest saw increased interest from PE investors in 2019 than in 2018, with \$26.9 billion invested across 137 deals. This represents an increase of 38.2% in value and a drop of 6.8% in deal count from 2018. Notable deals during the year include a Blackstone Group-led, \$6.3-billion buyout of Leawood, Kansas-based Tallgrass Energy and Saint Louis-based Redcard's \$6-billion sale to Zelis Healthcare (a portfolio company of Parthenon Capital, Edison Partners, and Twin Bridge Capital Partners). Despite some large deals in 2019, the year trailed figures from 2017, a year that included JAB Holding's buyout of Panera Bread and the purchase of Cabela's by Bass Pro Shops (backed by Goldman Sachs Group and Pamplona Capital Management) among others.

US Private Equity Activity  
Deal Value in Billions



Midwest Private Equity Activity  
Deal Value in Billions





## PRIVATE EQUITY

### Notable Midwest PE Deals in 2019

State	Date Closed	Target	Investor	Target City	Target Description
IOWA	08/14/2019	TriSource Solutions	Realtime Electronic Payments (Corsair Capital)	Bettendorf, IA	Owner and operator of an electronic payments company
	08/15/2019	The Graphic Edge	Athletic Supply (Trivest Partners)	Carroll, IA	Designer of customized t-shirts and apparel
	02/19/2019	All-State Industries	Blue Sage Capital	Des Moines, IA	Manufacturer of non-metallic industrial components
	02/01/2019	DealerBuilt	ParkerGale Capital	Mason City, IA	Developer of dealer management system software
	06/01/2019	AgCertain Industries	Midwest Growth Partners	Ames, IA	Provider of logistics and refinery services, and a manufacturer of glycerin and edible oils
KANSAS	03/11/2019	Tallgrass Energy	The Blackstone Group et al	Leawood, KS	Operates midstream assets in the Bakken and Rockies
	12/17/2019	Rage	Triton Pacific Capital Partners	Wichita, KS	Operator of a chain of Pizza Hut locations in Wichita
	09/05/2018	Centralized Showing Service	ShowingTime (Range Light)	Overland Park, KS	Provider of an appointment software for the real estate industry
	03/14/2019	Western Industries Plastic Products	Littlejohn Capital et al	Winfield, KS	Manufacturer of blow-molded finished products and components
	05/13/2019	CivicPlus	BV Investment Management	Manhattan, KS	Developer of a cloud-based technology platform
MISSOURI	10/04/2019	Redcard	Zelis Healthcare (Edison Partners et al)	Saint Louis, MO	Provider of claims communications, payments and enrollment services
	11/22/2019	EPR Properties (Charter School Portfolio)	Rosemawr Management	Kansas City, MO	Portfolio of 47 charter schools across 20 jurisdictions in the US
	11/04/2019	Jack Cooper Ventures	Solus Alternative Asset Management	Kansas City, MO	Provider of automotive transportation and logistics services
	01/01/2019	Capital Sand	SCF Partners	Jefferson City, MO	Producer and supplier of proppant
	10/18/2019	Spartech	Nautic Partners	Maryland Heights, MO	Converter of engineered plastics and polymer products
NEBRASKA	10/16/2019	Applied Underwriters	Quadrant Management	Omaha, NE	Provider of workers' compensation and financial services
	10/07/2019	C&A Industries	Medical Solutions (TPG Growth et al)	Omaha, NE	Provider of engineering recruitment and placement services
	03/21/2019	Tank Holding	Olympus Partners	Lincoln, NE	Manufacturer of rotationally molded containers
	12/04/2019	SilverStone Group	Hub International (Atlas Partners et al)	Omaha, NE	Operator of an insurance brokerage and consultancy services firm
	06/25/2019	Flywheel	WP Engine (Silver Lake Management)	Omaha, NE	Developer of a website creation and management platform
NORTH DAKOTA	10/11/2019	Aldevron	EQT	Fargo, ND	Developer of biological products for gene therapy and editing
	12/10/2019	Creedence Energy Services	Tower Arch Capital	Minot, ND	Provider of oilfield production chemicals as well as acidizing and other oil field services
	11/04/2019	Due North (North Dakota)	SureWex (The Riverside Company)	Grand Forks, ND	Manufacturer of shoe traction products
	08/06/2019	American Midstream (ND assets)	Caliber Midstream (BlackRock et al)	ND	47-mile crude oil pipeline and related facilities
	06/05/2019 06/13/2019	Bakken Midstream	North Dakota Development Fund	Bismarck, ND	Operator and developer of value-added natural gas infrastructure
SOUTH DAKOTA	10/15/2019	GenPro Energy Solutions	South Dakota Equity Partners	Piedmont, SD	Provider of renewable energy solutions
	05/15/2019	Overbuilt	South Dakota Equity Partners	Huron, SD	Manufacturer of vehicle crushers, loggers, and related parts
	05/15/2019	Property Meld	South Dakota Equity Partners	Rapid City, SD	Operator of a property maintenance software
	07/16/2019	Rapid Fire Protection	Boyne Capital Partners	Rapid City, SD	Provider of fire protection systems
	04/12/2019	TBI (South Dakota)	Eberhart Capital	Sioux Falls, SD	Provider of truckload refrigerated and dry van shipment services

## VENTURE CAPITAL

### VC investment comes in near record levels of 2018, while exits set record in 2019

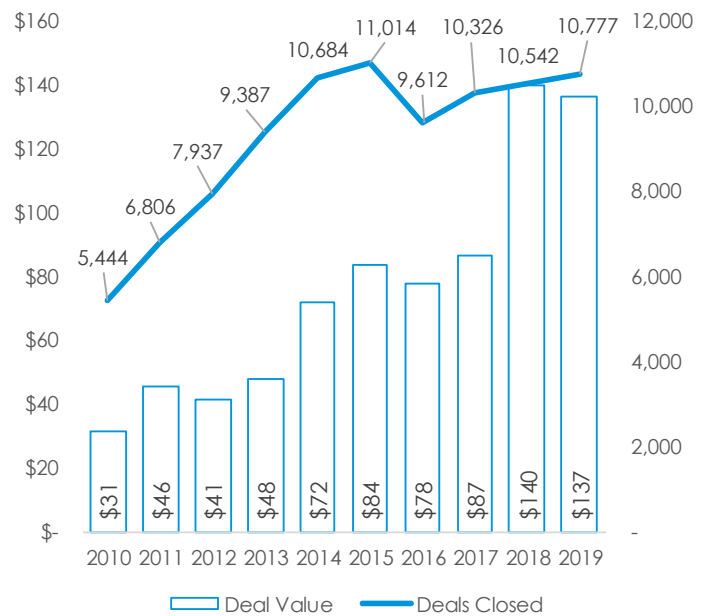
It seemed difficult to believe that 2019 would be anywhere near the record-breaking amount of venture capital (VC) investment that 2018 saw, but that is exactly what happened. In 2019, US VCs invested \$136.5 billion across 10,777 deals. While deal value declined 2.6% from 2018, it was still 78.9% more than the 10-year average, and deal count still increased 2.2% from 2018. Software companies continued to see the most investment, both in terms of deals completed and dollars invested.

Perhaps more interesting than the amount that VCs invested in 2019 is the amount of value VCs recognized from exiting investments. The year marked an annual record for exits, with \$256.4 billion in value – 96.9% more than 2018 and 144.2% more than the 10-year average – across 882 exits. Most of this exit value, \$143.4 billion, came in the second quarter, with notable exits including Uber, Slack, Pinterest, and Zoom. Despite that IPOs accounted for just 9.1% of exits, IPOs accounted for 77.5% of exit value during the year. Despite the high-profile IPOs of 2019, there was some skepticism toward the IPO approach in the latter half of the year as a result of WeWork’s canceled IPO and subsequent struggles.

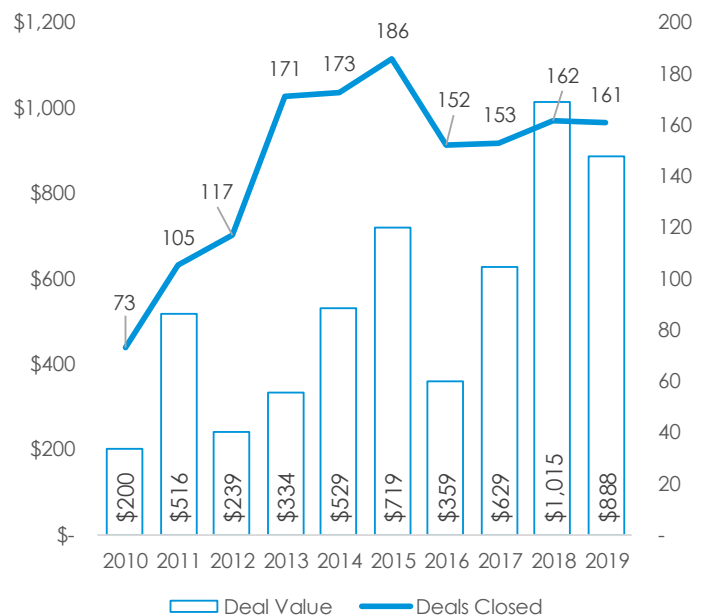
Venture capital fundraising totaled \$46.3 billion in 2019 and was the second-highest annual total in the past decade. Analysts at PitchBook estimate that 2020’s fundraising levels could match 2018’s record, as limited partners are flush with cash and are likely to reinvest 2019’s distributions. Deal activity should persist strongly with continued levels of fundraising.

Midwest VC activity nearly paralleled that of US activity. The \$887.5 million invested across 161 Midwest companies was down from 2018 (declines of 12.5% and 0.6%, respectively), but the total value that Midwestern companies raised in 2019 was still 63.6% higher than the average of the last decade. Approximately one-third of the annual total of capital raised by Midwestern companies was captured by two companies: Leawood, Kansas-based C2FO raised \$200 million in two Series G rounds led by SoftBank Vision Fund, and Kansas City, Missouri-based PayIt raised \$100 million from Insight Partners.

US Venture Capital Activity  
Deal Value in Billions



Midwest Venture Capital Activity  
Deal Value in Millions



## VENTURE CAPITAL

### Notable Midwest VC Deals in 2019

State	Date Closed	Target	Investor	Target City	Target Description
IOWA	06/13/2019	Holmes Murphy & Associates	Undisclosed Investors	Waukee, IA	Broker of property and casualty insurance and provider of claims process consulting
	06/21/2019	SwineTech	Ag Ventures Alliance et al	Cedar Rapids, IA	Developer of an AI-based technology to reduce pig mortality from disease, starvation, etc.
	11/22/2019	FarmlandFinder	Cultavian Sandbox Ventures	Ames, IA	Provider of an online marketplace to make farmland information accessible
	02/14/2019	MākuSafe	Next Level Ventures et al	West Des Moines, IA	Developer of technology to identify workplace hazards
	07/31/2019	VIDA (Clinical Solutions)	UnityPoint Health Ventures	Coralville, IA	Developer of a medical analysis platform for pulmonary care
KANSAS	08/07/2019	C2FO	SoftBank Vision Fund	Leawood, KS	Provider of a working capital marketplace platform
	11/27/2019	Farmobile	Ag Growth International et al	Leawood, KS	Developer of wireless devices to facilitate farm data collection, storage, and organization
	09/12/2019	Replica	Innovation Endeavors et al	Kansas City, KS	Developer of an urban planning tool
	08/27/2019	Bungii	KCRise Fund	Overland Park, KS	Developer of an on-demand hauling platform
	02/07/2019	Green Dot Bioplastics	Fulcrum Global Capital	Emporia, KS	Operator of a bioplastic manufacturing company
MISSOURI	03/20/2019	Paylt	Insight Partners	Kansas City, MO	Developer of a cloud-based mobile payments platform
	07/15/2019	BriteCore	WCF Mutual Insurance Company	Springfield, MO	Developer of a cloud-based insurance software system
	08/05/2019	Benson Hill	iSelect Fund	Saint Louis, MO	Operator of a crop design platform
	01/24/2019	Mylo Insurance	Guggenheim Partners	Kansas City, MO	Provider of an insurance comparison portal
	10/25/2019	PierianDx	ATW Partners et al	Saint Louis, MO	Provider of a cloud-based clinical genomics software
NEBRASKA	10/29/2019	Virtual Incision	Bluestem Capital Company et al	Lincoln, NE	Developer of surgical devices for abdominal surgery procedures
	12/27/2019	VidaNyx	Router Ventures et al	Omaha, NE	Developer of an evidence management solution for child advocacy centers
	01/29/2019	Adjavance	Morningside Venture Capital	Lincoln, NE	Operator of a bio-pharmaceutical company that offers vaccines
	06/28/2019	Opendorse	Flyover Capital et al	Lincoln, NE	Developer of an open endorsement platform for athletes
	08/26/2019	Centese	Invest Nebraska	Omaha, NE	Developer of post-operative surgical drainage
NORTH DAKOTA	12/17/2019	Bushel	Continental Grain Company et al	Fargo, ND	Developer of a real-time information platform for grain producers
	07/30/2019	Summers Manufacturing	North Dakota State Government	Devils Lake, ND	Manufacturer of agricultural equipment
	08/28/2019	PrairieRx	Undisclosed Investors	Fargo, ND	Producer of pharmaceutical plant extracts
	09/12/2019	WalkWise	UnitedHealthcare Accelerator	Fargo, ND	Developer of a fitness and health monitoring device
	03/28/2019	c2renew	Undisclosed Investors	Fargo, ND	Developer of biocomposite materials
SOUTH DAKOTA	01/15/2019	Inanovate	South Dakota Equity Partners	Sioux Falls, SD	Developer of technology for the detection and measurement of multiple proteins
	11/16/2019	SAB Biotherapeutics	South Dakota Equity Partners	Sioux Falls, SD	Provider of a therapeutic engine to help produce immunotherapies
	01/07/2019	Valley Queen Cheese	Undisclosed Investors	Milbank, SD	Operator of a cheese manufacturing company
	04/15/2019	Benaiah Co	Undisclosed Investors	Sioux Falls, SD	Provider of insurance services
	09/05/2019	Immutrix	Undisclosed Investors	Rapid City, SD	Developer of a blood-cleansing treatment device



## Select Transaction Experience

**MWC**

Acquired by

**PAR-KAN**  
STRENGTH. QUALITY. SERVICE.

**PrairieLand**  
DAIRY

Acquired by

**Hilland**  
DAIRY PRODUCTS

**Olson**  
INDUSTRIES, Inc.

Airport lighting  
division acquired by

**MILLERBERND**

**Alpha Galvanizing**

Acquired by

**AZZ**

**OREGON TRAIL**  
EQUIPMENT LLC

Merged with

**LANDMARK**  
IMPLEMENT

**ePAR**

Convertible note  
financing

Undisclosed  
investors

**O'NEILL GRAIN CO.**  
O'NEILL, NE

Strategic  
transaction  
with

**Cargill**

**EXC**

Acquired by

**EXC**  
Exterior Construction  
Services Inc.

**BANYAN**  
MEDICAL SYSTEMS

Debt facility  
provided by

**BANK OF**  
**Bennington**

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## About Skyline Advisors

Skyline Advisors partners with growth stage and lower middle-market companies to successfully position for, and then execute, strategic transactions. Our experience includes sitting on all sides of the deal table – serving as investors in, executives of, members of the board of directors for, and advisors to high-growth companies that have successfully completed debt and equity financings, acquired other companies, and successfully exited through multiple avenues. This experience provides unique perspective on what clients are undertaking, and what is required to ensure a smooth transaction and post-closing transition.

## Services

### Mergers & Acquisitions

- Buy-side & sell-side
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- Strategic partnerships

### Corporate Finance

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- Taking-private transactions
- Strategic investments
- Recapitalizations
- Debt financing

### Strategic Advisory

- Valuation analysis
- Due diligence
- Financial consulting & modeling

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