

# FIRST QUARTER 2019

## Capital Markets Review Midwest Edition

### In This Issue

Economic Review  
Public Markets  
Mergers & Acquisitions (M&A)  
Private Equity  
Venture Capital





## Executive Summary

We are pleased to present our review of capital markets in the Midwest region for the first quarter of 2019. While public markets have substantially rebounded from a fourth quarter decline, experts remain cautious amid mixed results among economic indicators.

Similarly, capital markets activity showed mixed results during the quarter. While valuations improved, the number of transactions completed has fallen significantly. Continuing a recent trend, the reduced number of deals is generally being offset by larger average deal sizes to result in less of an impact on total deal volume when measured by dollars. This larger deal size is partially driven by investors raising increasingly larger funds that increase the competition for large, quality deals.

As we approach the mid-point of 2019, we continue to pay close attention to a number of developments and trends:

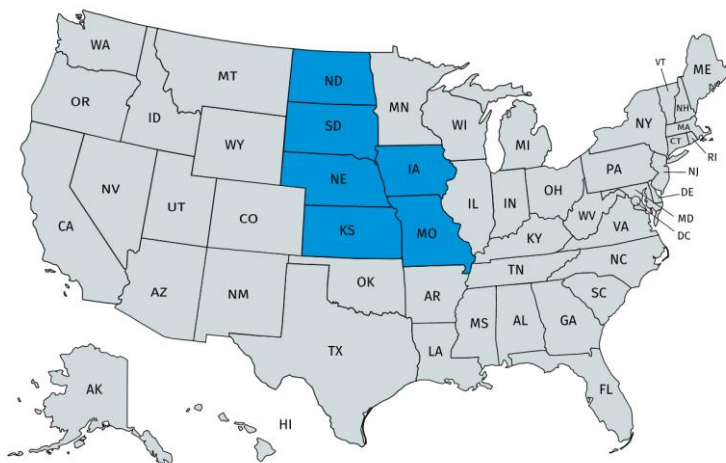
- The Federal Reserve seems to have halted earlier intentions of raising the cost of borrowing. Will the Fed begin to reduce rates amid increased pressure from the White House?
- Investors still have significant amounts of dry powder. Will they seek to deploy this capital in smaller deals? Or will multiples continue to be pushed up at the larger end of the spectrum?
- Unemployment remains very strong. Will this pressure cause companies to increase costs through higher wages?
- The yield curve inverted further in the first quarter, signaling continued short-term risk. Will we see an economic slowdown in 2019?
- Will the uncertainty of trade wars increase or decrease?

As always, contact our team if you have any questions or would like to learn more about capital markets 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 through the balance of the year.

-The Skyline Advisors team

## Midwest Region



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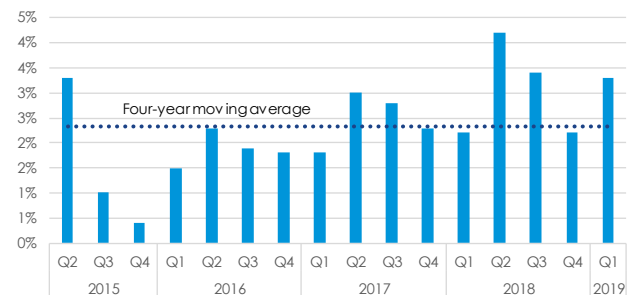
## ECONOMIC REVIEW

### GDP growth tops 3% in Q1

In April, the Bureau of Economic Analysis released its advance estimates for first quarter 2019 gross domestic product (GDP), a measure of economic output, and real GDP for the fourth quarter of 2018. Real GDP increased at an annual rate of 3.2% in the first quarter of 2019, while real GDP increased 2.2% in the fourth quarter of 2018. The increase in first quarter GDP reflects positive contributions from personal consumption expenditures, private inventory investment, exports, state and local government spending, and non-residential fixed investment.

**Real Gross Domestic Product Growth**

Percent Change from Preceding Period; Seasonally Adjusted at Annual Rates



### Federal Reserve meets twice, leaves rates unchanged

The US Federal Reserve held its open meeting committee meetings twice in the first quarter (Jan 29-30 and Mar 19-20) and elected at both to leave the Federal Funds Rate - which impacts consumer loans such as credit cards, auto loans, and mortgage loans - unchanged at a range of 2.25% to 2.50%. At the end of 2018, the central bank had indicated that two rate hikes would be appropriate, yet the Fed changed the tone in its March meeting by indicating that there would be no further rate hikes in 2019. In a statement, the Fed noted that "recent indicators point to slower growth of household spending and business fixed investment in the first quarter."

### Current deficit hits 10-year high amid trade tensions

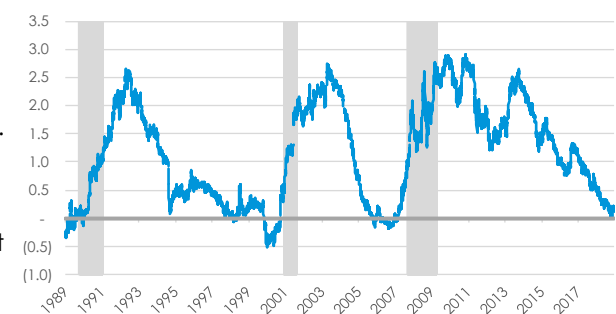
In March, the Commerce Department reported that the fourth quarter (2018) current account deficit increased more than expected amid declining exports, resulting in the greatest annual shortfall in 10 years. The current account balance, the difference between the nation's trade and financial inflows and outflows, fell to a seasonally adjusted \$134.4-billion deficit in the fourth quarter of 2018, or the largest deficit since the fourth quarter of 2008. While there have been improvements in the trade deficit in the first months of 2019, it is important to highlight the swings in trade balances, as the ongoing trade negotiations with key trade partners, namely China, have been a source of considerable market volatility and a driver of investor sentiment. In 2018, the US proposed more than \$300 billion in tariffs on imports from key trade partners, who were quick to respond with their own tariffs. Continuous monitoring of trade relations in 2019 is of key importance, as spillover effects persist from those exposed to international trade risk.

### Yield curve inversion continues in Q1

In December 2018, the spread between 3-year and 5-year treasuries turned negative. In the first quarter of 2019, both the spread between 3-month/10-year and 2-year/10-year treasuries - both of which are more notable than the 3-year/5-year spread - turned negative. A negative spread between these has historically predicated a recession; the occurrence of inversion is a notable event in that it suggests investors see more risk in the short-term than the long-term. However, it does not necessarily suggest that a recession or economic downturn is imminent.

**10-Year & 2-Year Treasury Spreads**

Percent; Highlighted areas indicate recession



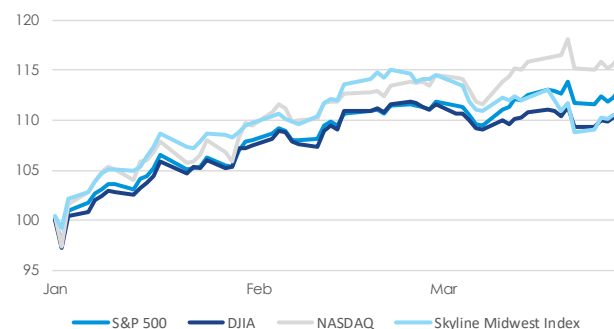
## PUBLIC MARKETS

## Stock market rebounds from weak Q4 of 2018

Stock indices turned in a strong first quarter, as the NASDAQ led major indices with a gain of 16.5%, while the S&P 500, Dow Jones Industrial Average, and the Russell 2000 each gained 13.1%, 11.2%, and 14.2%, respectively.

Our "Skyline Midwest Index," which is comprised of 74 equally weighted companies headquartered within the region and with market capitalizations of at least \$500 million, increased 10.7% during the quarter. Some of the region's strongest performers included Boot Barn, Workiva, Euronet Worldwide, NIC, and MGP Ingredients.

Q1 2019 Indexed Stock Market Performance



Index	Closing Price		Q1 2019 Return	52-Week	
	12/31/2018	3/31/2019		Low	High
S&P 500	2,506.85	2,834.40	13.1%	2,346.58	2,940.91
DJIA	23,327.46	25,928.68	11.2%	21,712.53	26,951.81
NASDAQ	6,635.28	7,729.32	16.5%	6,190.17	8,133.30
Russell 2000	1,348.56	1,539.74	14.2%	1,266.92	1,742.09
Skyline Midwest Index	100.0	110.69	10.7%	N/A	N/A

S&amp;P 500 10-Year Performance



Nasdaq 10-Year Performance



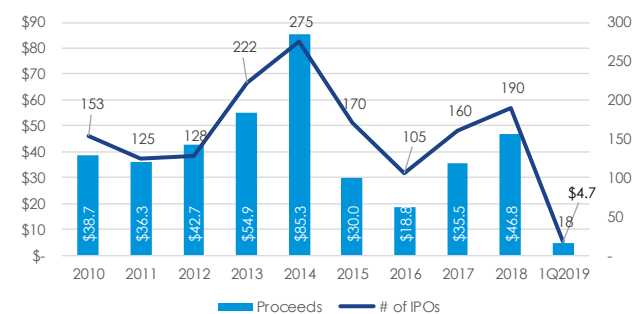
## IPO activity down sharply in Q1

In the slowest quarter by deal count in three years, just 18 IPOs were priced among US exchanges, raising \$4.7 billion. After a slow start in January, IPO activity picked up in February and continued into March, finishing off the quarter with the much-anticipated IPOs of Levi's and Lyft. Other anticipated blockbuster IPOs this year include Uber, Pinterest, Slack, Airbnb, Palantir Technologies, WeWork, and Beyond Meat.

The Midwest did not have any IPOs in the first quarter of 2019.

US IPO Activity

(Proceeds in Billions)



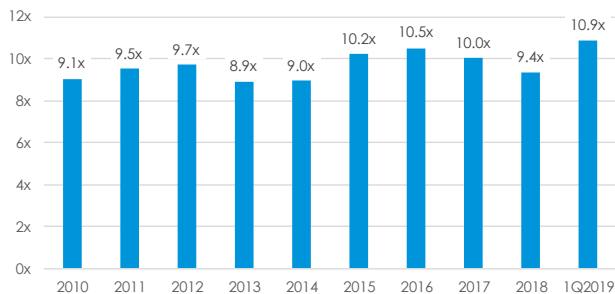
# VALUATIONS

## Market valuations rebound

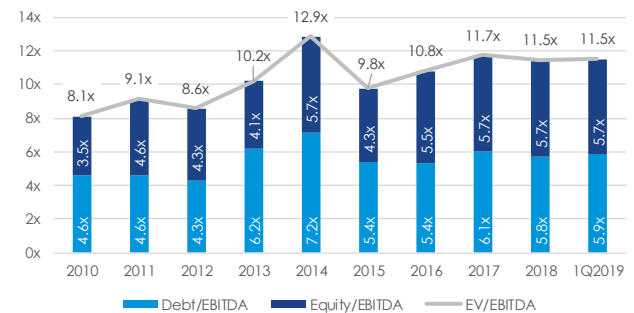
Median valuations increased to 10.9 times earnings before interest, taxes, depreciation, and amortization (EBITDA) in the first quarter of 2019, up from 9.4x EBITDA in the fourth quarter of 2018. Valuations in private equity-led deals continued from 2018 levels at 11.5x EBITDA. The recovery in valuations in the first quarter is also evidenced in the industry segments of Skyline's core industry focuses.

It is important to note that median valuations are not a one-size-fits-all application. While the median multiple of North American M&A deals was 9.7x EBITDA in 2018, actual multiples vary significantly by industry and by deal size. For example, deals with an enterprise value (combined value of debt and equity) below \$25 million in 2018 carried a median multiple of 6.0x EBITDA. This multiple increases to 8.2x for deals with enterprise values between \$25 million and \$100 million, and 9.9x for deals with enterprise values between \$100 million and \$500 million. All ranges above \$500 million had median multiples of at least 11.3x. In general, and as evidenced below, the technology sector commands higher valuation multiples than those of other industries in Skyline's focus. The trend in multiples may be more important than the absolute values, and businesses should view multiples as just the starting point for their valuation analysis.

Median EV/EBITDA



US Private Equity Buyout Multiples  
Median



Median Enterprise Value / TTM EBITDA

Industry	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Food/Beverages & Ag	13.8x	13.0x	11.6x	13.5x
Agribusiness	12.5x	12.2x	10.5x	9.7x
Alcoholic Beverages	18.3x	15.9x	14.3x	16.5x
Baked Goods	13.2x	13.8x	11.4x	15.7x
Branded/Processed Foods	14.1x	13.2x	12.2x	14.2x
Dairy	14.6x	13.3x	13.1x	14.1x
Food Wholesale	6.7x	7.0x	6.2x	6.2x
Foodservice	14.5x	14.7x	13.0x	13.9x
Fruits & Vegetables	18.2x	18.0x	16.6x	16.4x
Grocery Distribution	9.0x	9.5x	11.0x	10.4x
Ingredients & Flavors	14.9x	18.4x	15.5x	18.1x
Natural/Organic Foods	22.5x	20.3x	20.3x	53.8x
Non-Alcoholic Beverages	14.5x	14.2x	13.7x	15.3x
Other Restaurants	13.9x	13.2x	10.9x	14.2x
Private Label Food & Bev	17.7x	16.8x	17.5x	16.9x
Protein Processing	7.4x	8.5x	9.1x	11.7x
Quick-Service Restaurants	12.4x	13.5x	13.5x	14.3x
Snacks	14.9x	15.x	14.8x	16.3x
Healthcare	12.9x	14.2x	11.9x	12.6x
Assisted Living	12.2x	14.4x	14.1x	17.9x
Behavioral Health	11.5x	10.9x	9.5x	26.0x
Distribution & Supplies	12.9x	14.5x	11.9x	12.2x
Healthcare IT	33.9x	33.x	29.9x	25.6x
Physician Services	10.4x	10.5x	8.7x	8.8x
Staffing	16.0x	17.0x	12.7x	11.6x

Median Enterprise Value / TTM EBITDA

Industry	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Industrials	11.4x	12.0x	9.9x	11.1x
Air Freight & Logistics	11.5x	12.1x	10.2x	11.5x
Building Products	11.6x	12.6x	9.7x	11.9x
Construction/Engineering	11.1x	11.3x	7.3x	7.5x
Distributors & Wholesalers	12.5x	13.1x	10.4x	11.0x
Diversified Industrials	11.3x	11.3x	10.5x	13.0x
Electrical Equipment	12.7x	14.2x	11.1x	12.0x
Machinery	11.7x	12.1x	10.4x	13.0x
Professional Services	11.1x	11.7x	11.6x	12.5x
Rail	11.4x	12.7x	10.4x	11.9x
Trucking	8.9x	7.9x	5.5x	5.8x
Technology	20.8x	21.1x	17.4x	21.4x
Data Hosting	22.2x	22.3x	18.4x	20.3x
Diversified Technology	17.0x	16.2x	12.9x	15.4x
Enterprise Software	17.5x	16.5x	13.8x	19.3x
Financial Technology	23.1x	24.5x	20.3x	23.8x
Healthcare IT	33.9x	33.0x	29.9x	25.6x
Human Capital Mgmt.	39.0x	61.2x	37.1x	55.2x
IT Services	13.7x	14.6x	11.9x	12.8x
Other SaaS	78.5x	84.6x	59.9x	79.7x
Supply Chain Software	16.8x	21.0x	17.4x	24.1x

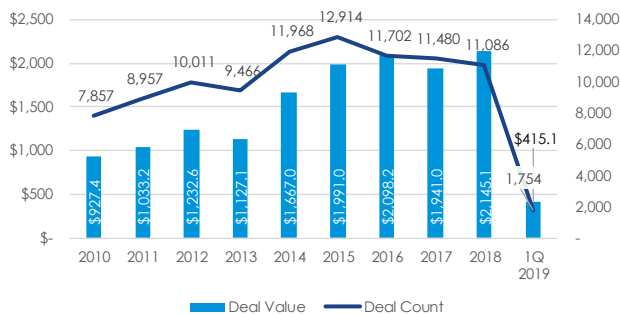
# MERGERS & ACQUISITIONS

## M&A activity registers steep decline in volume, slight decline in overall value

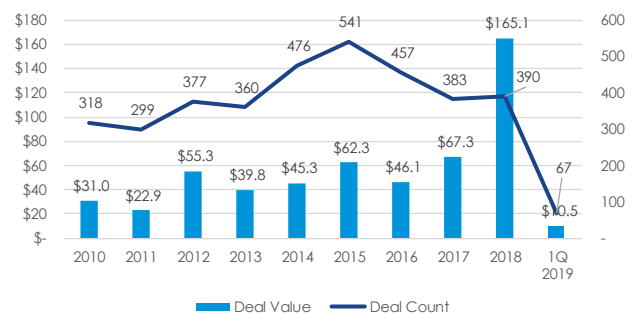
Mergers and acquisitions (M&A) value amounted to \$415.1 billion in the first quarter of 2019 in the US, a decline of 5.9% from the first quarter of 2018. The number of M&A deals completed in the first quarter of 2019 totaled 1,745, a decline of 45.7% from the same period of 2018. The significant drop in deals completed, in coordination with only a slight decline in overall value, paints a picture of larger deal sizes. This is reflected in the chart on the bottom left, which has shown a steady decline in deals valued under \$100 million, reaching 63.8% of all deals in the first quarter. Similarly, the proportion of value spent on M&A deals was the greatest for deals valued over \$5 billion, at 42.8%.

In the six-state Midwest region – the Dakotas, Nebraska, Kansas, Missouri, and Iowa – M&A value and volume fell to \$10.4 billion and 67 transactions, or declines of 13.2% and 46.8%, respectively, in the first quarter from the same quarter a year ago. However, 2018 was a record year that included blockbuster Midwest deals such as Bayer's acquisition of Monsanto and Cigna's acquisition of Express Scripts (Monsanto and Express Scripts both of Saint Louis, MO). Without these deals, the quarter is more in line with the historical quarterly trends.

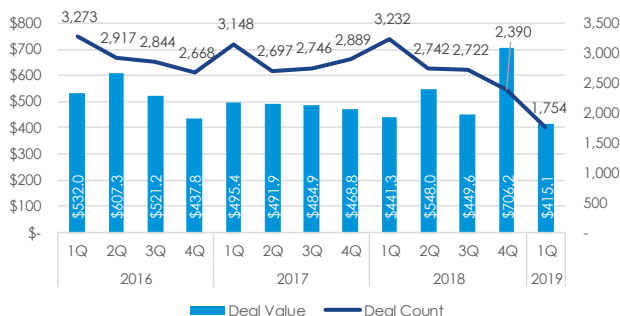
**US M&A Activity**  
Deal Value in Billions



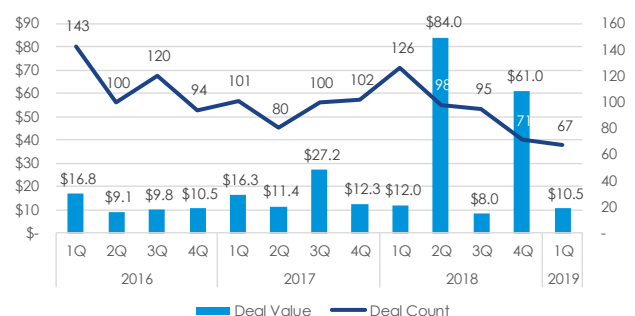
**Midwest M&A Activity**  
Deal Value in Billions



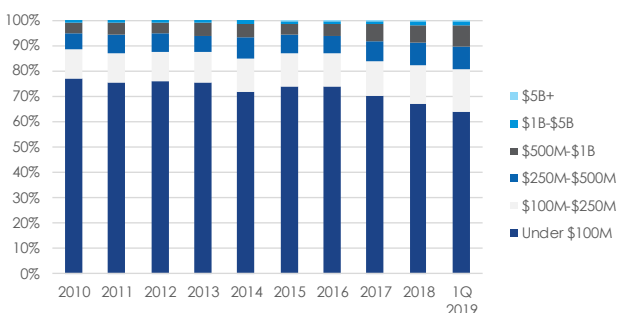
**US M&A Activity**  
Deal Value in Billions



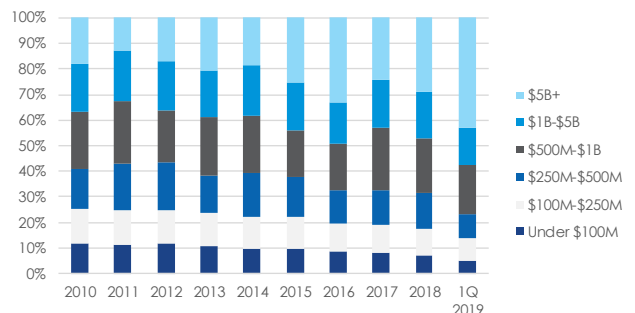
**Midwest M&A Activity**  
Deal Value in Billions



**North American & European M&A Deals by Size**  
Volume



**North American & European M&A Deals by Size**  
Value





## MERGERS &amp; ACQUISITIONS

## Notable Midwest M&amp;A Deals in the first quarter of 2019

State	Date	Target	Investor	Target City	Target Description
IOWA	03/12/2019	Iowa Premium	National Beef Packing Company	Tama, IA	Procures and processes corn-fed Black Angus cattle
	03/13/2019	First Iowa Insurance Agency	Arthur J. Gallagher & Company	Cedar Rapids, IA	Provider of commercial and personal property/casualty insurance
	03/19/2019	eMerge Genetics	Benson Hill Biosystems	West Des Moines, IA	Supplier of non-GMO soybean seed products
	01/11/2019	Citizens Finance	American Credit Acceptance	Dubuque, IA	Provider of consumer loans
	01/02/2019	Nelson, Gayer, Versteeg CPAs	Williams & Company	Estherville, IA	Provider of accounting, tax, and payroll services
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
	03/27/2019	Tradewind Energy	Enel Green Power	Lenexa, KS	Developer of wind and solar power projects
	01/08/2019	Lucity	CentralSquare Technologies	Overland Park, KS	Developer of an asset management software for government customers
	01/01/2019	Concordia Tractor	PrairieLand Partners	Concordia, KS	Merger of John Deere dealerships (13 locations post-merger)
MISSOURI	01/31/2019	American Dehydrated Foods	Symrise	Springfield, MO	Producer of sustainable meat and egg-based nutrition ingredients
	01/31/2019	Ozark National Life Insurance	National Western Life Insurance Company	Kansas City, MO	Provider of life insurance products
	03/05/2019	Architectural Components Group	Armstrong World Industries	Marshfield, MO	Manufacturer of wood wall and ceiling products
	02/25/2019	Schilli Corporation	TFI International	Saint Louis, MO	Provider of dry and liquid bulk freight solutions
	03/29/2019	Piermont Capital Management	Ziegler Capital Management	Saint Louis, MO	Provider of investment management services
NEBRASKA	01/29/2019	COR Clearing	Axos Bank	Omaha, NE	Operator of a full-service clearing firm for RIAs and broker-dealers
	01/07/2019	Payroll Maxx	Asure Software	Omaha, NE	Provider of full-service payroll solutions
	02/13/2019	Wiles Brothers Fertilizer	Wilbur-Ellis	Plattsmouth, NE	Provider of retail agricultural products and services
	01/31/2019	GiftCertificates.com	Tango Card	Omaha, NE	Provider of gift certificates for retailers, restaurants, and hotels
	03/07/2019	Fantasy's	Casey's General Stores	Omaha, NE	Operator of gas stations, convenience stores, and car washes in the Omaha region
NORTH DAKOTA	03/07/2019	Hess (Bakken water services business)	Hess Infrastructure Partners	N/A	Over 150 miles of water-gathering pipelines in the Bakken formation
	02/04/2019	MCP Networks	Minim	Fargo, ND	Developer of a cloud Wifi management platform
SOUTH DAKOTA	03/29/2019	Mobridge Tribune	Leelanau Enterprises	Mobridge, SD	Publisher of news about local events and communities

# PRIVATE EQUITY

## Midwest sees Q1 increase in private equity value on Tallgrass Energy deal

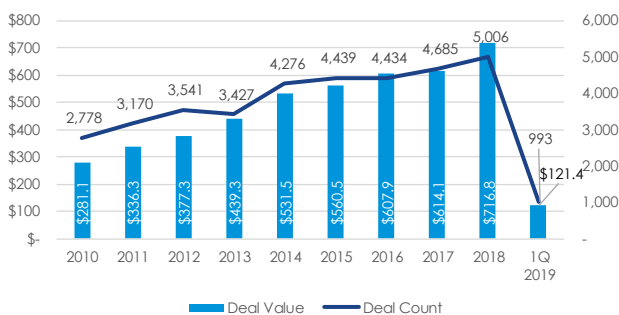
US private equity firms completed an estimated 993 deals worth a combined \$121.4 billion in the first quarter of 2019. The figures represent declines of 26.7% and 27.9%, respectively, from levels experienced in the first quarter of 2018.

The value of Midwest private equity deals increased to \$6.2 billion, or 28.5% higher than the first quarter of 2018. Midwest private equity volume in the first quarter declined 29.8% from that of the first quarter of 2018. A notable Midwest deal was Blackstone Group's \$3.3-billion buyout of Leawood, Kansas-based Tallgrass Energy Partners.

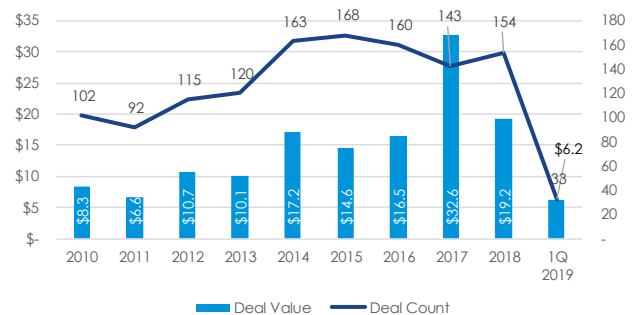
Median private equity deal sizes continue to increase amid competition for add-ons. The average deal size also set a record high at \$717.1 million.

Similar to trends in corporate strategic M&A, the portion of deals involving smaller companies (\$25 million or less) continued to shrink, reaching 37.2% of deals, down from recent highs of 47.9% in 2013.

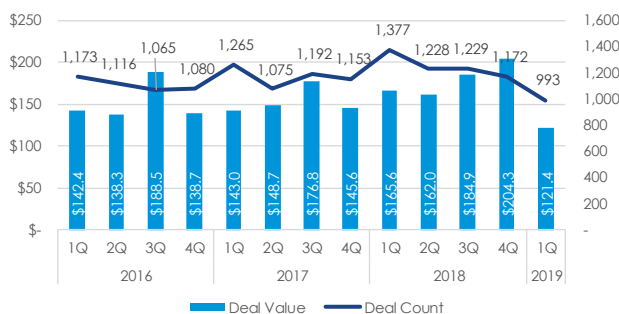
US Private Equity Activity  
Deal Value in Billions



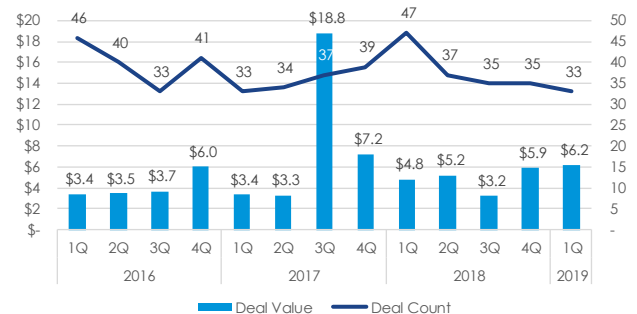
Midwest Private Equity Activity  
Deal Value in Billions



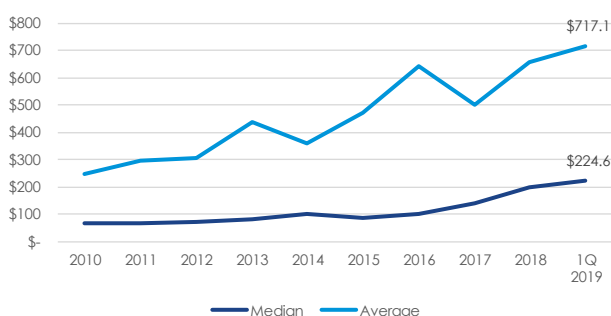
US Private Equity Activity  
Deal Value in Billions



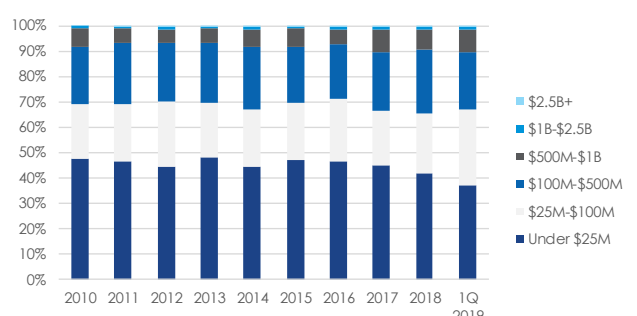
Midwest Private Equity Activity  
Deal Value in Billions



US Private Equity Buyout Sizes  
In Millions of USD



US Private Equity Deals by Size  
Volume





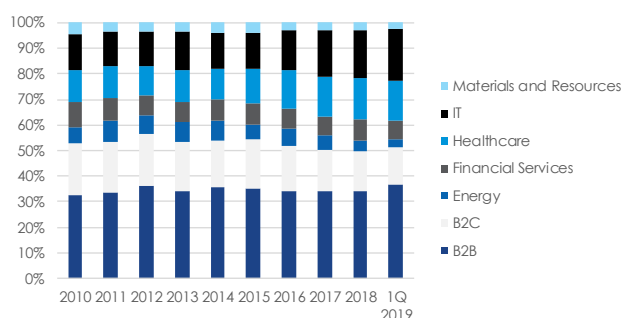
# PRIVATE EQUITY

## B2B, healthcare, and IT continue to capture PE investment

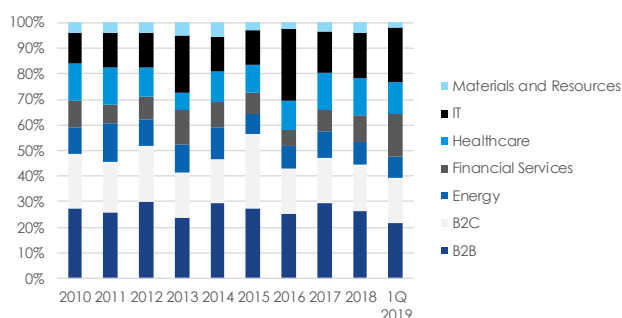
Not much changed in terms of the portion of deals completed or the proportion of value consideration by industry in the US for the first quarter. Business-to-business, information technology (IT), and healthcare industries continue to be attractive segments for private equity investment, collectively accounting for 72.9% of deals completed in the first quarter.

In the Midwest, Tallgrass Energy Partners' sale to Blackstone Group resulted in a large proportion of total value consideration attributed to energy deals. On a volume basis, business-to-consumer deals saw their smallest proportion in recent years, at 1.2% of total deals in the Midwest.

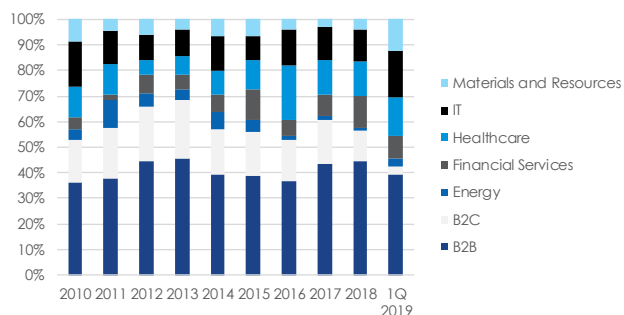
US Private Equity Deals by Sector  
Volume



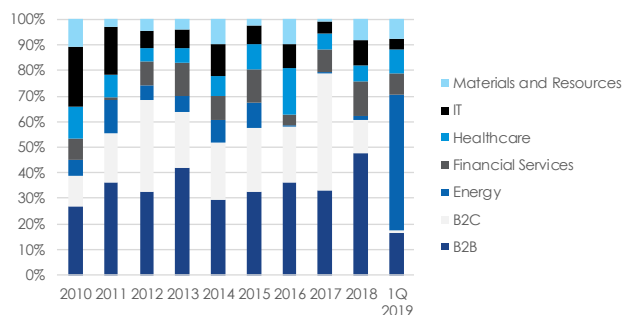
US Private Equity Deals by Sector  
Value



Midwest Private Equity Deals by Sector  
Volume



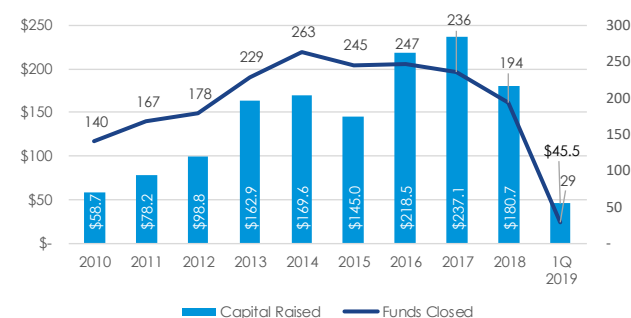
Midwest Private Equity Deals by Sector  
Value



## Fewer funds raising more money

Private equity fundraising maintained on pace to match 2018's \$180.7 billion, with \$45.5 billion raised in the first quarter. The number of funds raising money, however, is on pace to lag 2018, with just 29 funds raising funds. Fundraising has been more profound than just traditional buyout funds, as a proliferation of technology-focused and growth-equity funds have sealed significant closes. In addition, the San Francisco Bay Area and Chicago accounted for an increasing portion of private equity capital raised.

US Private Equity Fundraising  
In Billions



## PRIVATE EQUITY

### Notable Midwest PE Deals in the first quarter of 2019

State	Date	Target	Investor	Target City	Target Description
IOWA	02/19/2019	All-State Industries	Blue Sage Capital	Des Moines, IA	Manufacturer of non-metallic industrial components
	01/11/2019	Involta	Undisclosed investors	Cedar Rapids, IA	Provider of IT consulting services
	02/01/2019	DealerBuilt	ParkerGale Capital	Mason City, IA	Developer of dealer management system software
	01/17/2019	Family Eyecare of Winterset	Acuity Eyecare Holdings	Winterset, IA	Provider of personalized optometry and vision care services
	01/03/2019	Copperfield Chimney Supply	Olympia Chimney Supply	Fairfield, IA	Manufacturer of chimney, fireplace, and woodstove-related accessories
KANSAS	03/07/2019	Tallgrass Energy Partners	The Blackstone Group et al	Leawood, KS	Provider of oil and gas transportation and processing services
	03/14/2019	Western Industries Plastic Products	Littlejohn Capital et al	Winfield, KS	Manufacturer and designer of blow-molded finished products and components
	02/28/2019	Mid-America Fittings	Anderson Metals Corporation	Overland Park, KS	Manufacturer of industrial fittings and valves
	01/15/2019	J&J Driveway Systems	Auto Driveway Systems	Overland Park, KS	Provider of heavy truck drive away and freight services
	02/04/2019	Hardy Aviation Insurance	AssuredPartners	Wichita, KS	Provider of aviation insurance
MISSOURI	01/22/2019	Core & Main	Undisclosed investors	Saint Louis, MO	Manufacturer of water and wastewater transmission products
	02/21/2019	Hampshire Pet Products	Red Collar Pet Foods	Joplin, MO	Producer of pet food products
	02/27/2019	Agilis Systems	Spectrum Equity	Chesterfield, MO	Provider of fleet management software
	01/02/2019	Marcone Appliance Parts	Antares Capital et al	Saint Louis, MO	Distributor and exporter of appliance parts and accessories
	01/22/2019	Wabash National (AVTE unit)	Garsite Progress	Kansas City, MO	Producer of truck-mounted tanks for fuel, oil and waste, and aircraft refueling equipment
NEBRASKA	03/21/2019	Tank Holding	Olympus Partners	Lincoln, NE	Manufacturer of rotationally molded polyethylene, plastic, and steel containers
	01/08/2019	EyeCare Specialties	Acuity Eyecare Holdings	Lincoln, NE	Operator of eyecare centers
	01/22/2019	Mid-America Risk Managers	K2 Insurance Services	Omaha, NE	Provider of agricultural insurance solutions
	02/22/2019	Advanced Endodontic Therapy	Kepler Capital	Omaha, NE	Provider of dental care services
	01/07/2019	Aspen Lincoln	GMH Capital Partners	Lincoln, NE	182-unit student housing community
NORTH DAKOTA	03/21/2019	MBI Oil and Gas (water facility)	Gravity Oilfield Services	Dickinson, ND	Water disposal infrastructure facility
SOUTH DAKOTA					

# VENTURE CAPITAL

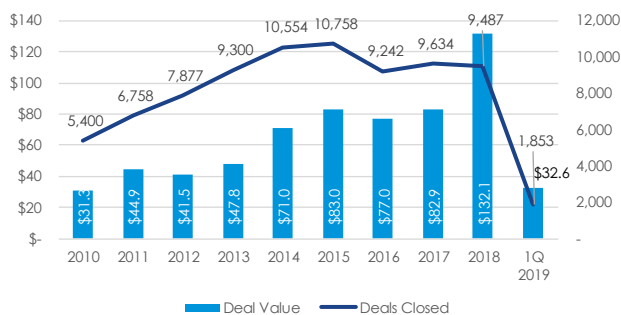
## US venture capitalists continue to deploy record levels of capital, despite fewer deals

Despite a decline in deal volume, US venture capital investment recorded its second-highest total in the last decade in the first quarter of 2019. An estimated 1,853 VC deals were completed in the first quarter, a decline of 22.5% from the first quarter of 2018. Total capital invested, at \$32.6 billion in the first quarter, increased 10.5% from the first quarter of 2018. Similar to other capital market trends, larger deals are continuing to drive higher deal values, and valuations are relatively high. For the first quarter, approximately 45% of deals were in angel/seed rounds, 26% were in early stage rounds, and 29% in later-stage rounds.

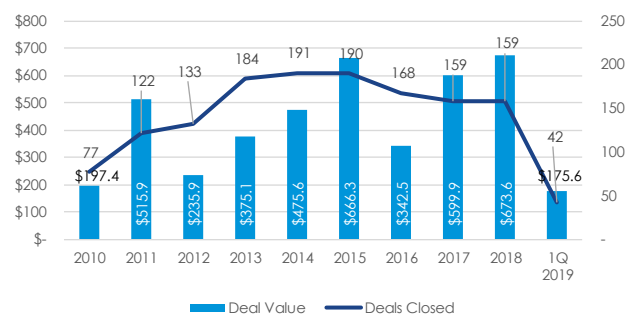
Midwest venture capital investment and deal volume both declined from the first quarter of 2018. Total invested capital fell 30.3% to \$175.6 million, while deal volume fell 10.6% to 42 deals completed.

Early stage rounds continue to grow in size across the US, supporting the aforementioned increase in larger deals. The median deal size for early stage deals was \$8.2 million in the first quarter, while angel/seed and late-stage VC median deal values reached \$1.0 million and \$10 million, respectively. In the Midwest, the median VC deal size was just \$750 thousand.

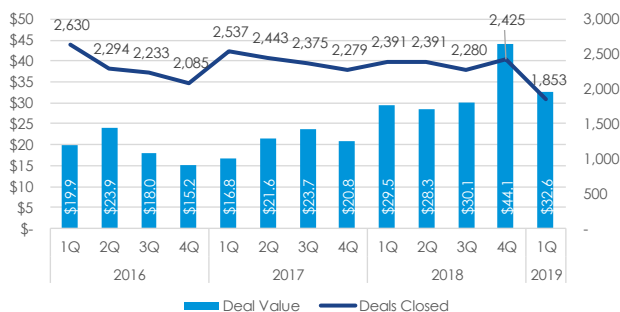
**US Venture Capital Activity**  
Deal Value in Billions



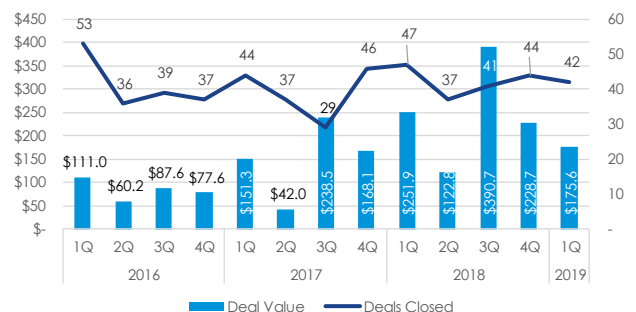
**Midwest Venture Capital Activity**  
Deal Value in Millions



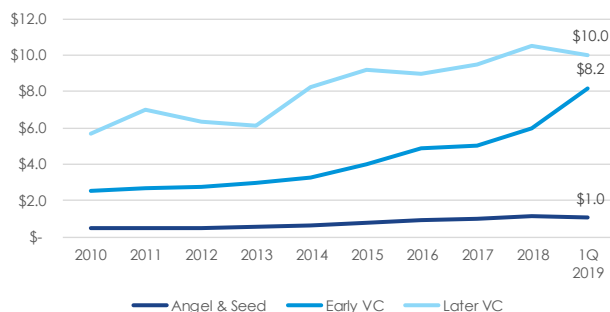
**US Venture Capital Activity**  
Deal Value in Billions



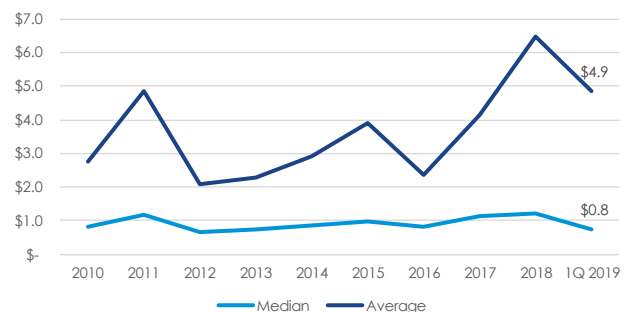
**Midwest Venture Capital Activity**  
Deal Value in Millions



**US Median Venture Capital Deal Size by Stage**  
In Millions



**Midwest Venture Capital Deal Size**  
In Millions



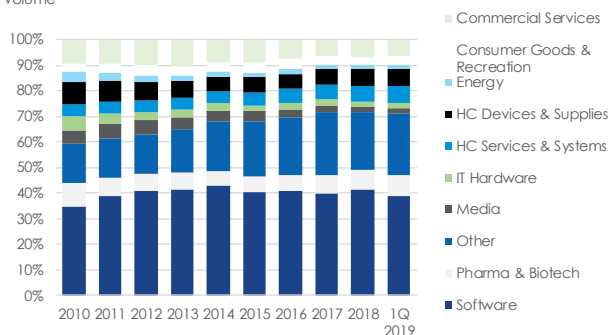
## VENTURE CAPITAL

### B2C and information technology capture vast majority of VC investment in the Midwest

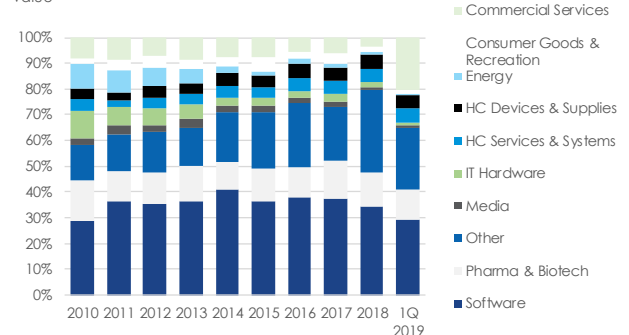
Of the estimated 1,853 VC deals that took place in the first quarter, software, the most sought-after space, accounted for 38.7% of all deals. As a proportion of the \$32.6 in total capital spent on VC deals in the first quarter, commercial services saw the largest increase, accounting for 20.7% of capital invested, up from just 3.6% at the end of 2018.

Business-to-consumer, energy, and financial services deals in the Midwest are on pace to increase in volume from 2018 levels. Surprisingly, healthcare captured less interest in the first quarter, as just eight deals were completed (compared to 49 in 2018). In terms of capital investment, business-to-business deals in Q1 significantly trail the level of investment seen in recent years. On the contrary, investment in business-to-consumer and IT deals picked up considerably during the quarter, accounting for 22.2% and 65.3%, respectively, of total capital invested.

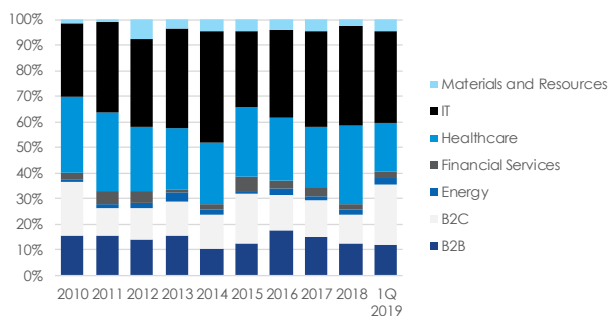
US Venture Capital Activity by Sector  
Volume



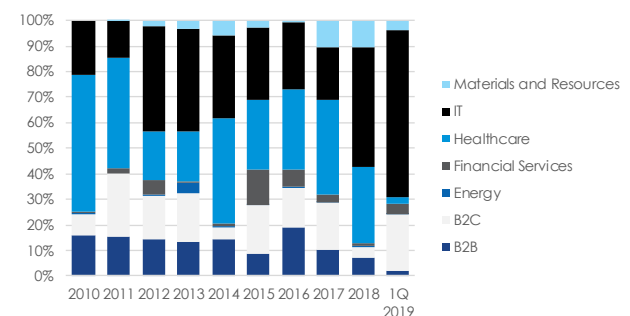
US Venture Capital Activity by Sector  
Value



Midwest Venture Capital Activity by Sector  
Volume



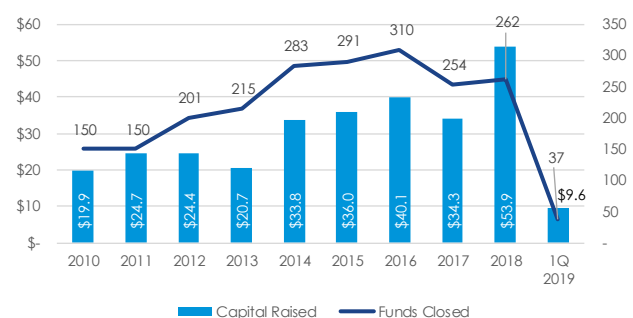
Midwest Venture Capital Activity by Sector  
Value



### Venture capital fundraising remains strong despite lag from 2018 record

After hitting a record high in 2018 at \$53.9 billion, up from \$34.3 billion in 2017, venture capital fundraising is on pace to decline from 2018 levels. Just 37 funds raised \$9.6 billion in the first quarter. The year could still shape up to be another great year in fundraising, as prominent firms such as Khosla Ventures, Andreessen Horowitz, and others are currently road-showing new vehicles, seeking at least \$1 billion.

US Venture Capital Fundraising  
In Billions





# VENTURE CAPITAL

## Notable Midwest VC Deals in the first quarter of 2019

State	Date	Target	Investor	Target City	Target Description
IOWA	03/11/2019	Performance Livestock Analytics	Cavallo Ventures	Ames, IA	Developer of a cloud-based precision ag application
	02/14/2019	MäkuSafe	Next Level Ventures et al	West Des Moines, IA	Developer of wearable workplace safety devices
	03/14/2019	Emory Dry Ice	Undisclosed investors	Des Moines, IA	Operator of a dry ice blasting and equipment rental service
	01/16/2019	LEAH Labs	Ag Startup Engine	N/A	Developer of a medical technology to control canine cancer
	01/24/2019	U Drive Acceptance	Undisclosed investors	Sioux City, IA	Provider of automobile loans
KANSAS	02/07/2019	Green Dot Bioplastics	Fulcrum Global Capital et al	Emporia, KS	Manufacturer of sustainable bioplastics
	02/01/2019	Spinal Simplicity	Keiretsu Forum	Overland Park, KS	Developer of spinal devices intended to treat spinal and orthopedic disorders
	01/01/2019	LaborChart	perceptiveEQUITY	Overland Park, KS	Developer of a resource management and scheduling application
	02/04/2019	Lula	Worcester Investments	Overland Park, KS	Developer of a mobile platform to provide on-demand home services
	03/01/2019	Stor and Deliver	Keiretsu Forum	Wichita, KS	Operator of a concierge storage company
MISSOURI	03/28/2019	PayIt	Insight Venture Partners	Kansas City, MO	Developer of a cloud-based mobile payment platform
	01/24/2019	Mylo Insurance	Guggenheim Partners	Kansas City, MO	Provider of an insurance comparison portal
	03/13/2019	CoreMedica	Undisclosed investors	Lee's Summit, MO	Provider of clinical laboratory services
	03/29/2019	DotCom Therapy	HealthX Ventures	Springfield, MO	Operator of a telemedicine company
	01/01/2019	Zohr	Firebrand Ventures et al	Kansas City, MO	Provider of an online car maintenance and servicing platform
NEBRASKA	02/26/2019	SecureSky	Undisclosed investors	Omaha, NE	Developer of a cloud security management platform
	03/12/2019	Opendorse	Undisclosed investors	Lincoln, NE	Developer of an open endorsement platform for athletes
	03/11/2019	OpsCompass	Invest Nebraska	Omaha, NE	Developer of software that drives operational control and security in global cloud platforms
	03/25/2019	LiveBy	Invest Nebraska	Lincoln, NE	Provider of a neighborhood rating system
	03/15/2019	LocalAnyDay	Nebraska Global	Lincoln, NE	Operator of a marketing technology platform that helps connect people to local businesses
NORTH DAKOTA	03/28/2019	c2renew	Undisclosed investors	Fargo, ND	Designer and custom compounder of bio-composite materials
	02/19/2019	WalkWise	Undisclosed investors	Fargo, ND	Developer of a fitness and health monitoring device
	03/06/2019	Fixes 4 Kids	Undisclosed investors	Fargo, ND	Developer of medical devices for the treatment of complex pediatric fractures
SOUTH DAKOTA	01/07/2019	Valley Queen Cheese	Undisclosed investors	Milbank, SD	Operator of an organic cheese manufacturing company
	03/14/2019	Hydrogreen	Undisclosed investors	Renner, SD	Producer of equipment that hydroponically grows livestock feed



## Select Transaction Experience

**MWC**

Acquired by



Acquired by



Airport lighting  
division acquired by



Acquired by



Merged with



Convertible note  
financing

Undisclosed  
investors



Strategic  
transaction  
with



Acquired by



Debt facility  
provided by



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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. Our principal's securities and real estate licenses enable a broad offering of services to ensure all strategic options are explored to optimize results.

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### Mergers & Acquisitions

- Buy-side & sell-side
- Divestitures, spin-offs, & spin-outs
- Management buyouts
- Strategic partnerships

### Corporate Finance

- Growth & acquisition capital
- Taking-private transactions
- Strategic investments
- Recapitalizations
- Debt financing

### Strategic Advisory

- Valuation analysis
- Due diligence
- Financial consulting & modeling

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