

CONVENIENCE STORES M&A DECLINES AS MARKET-MOVING DEALS CREATE OVERHANG

CONVENIENCE STORE & FUEL DISTRIBUTION SECTOR UPDATE | JUNE 2025



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PARTNERS**

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Convenience Store & Fuel Distribution

Convenience Stores M&A Declines as Market-Moving Deals Create Overhang

KEY SECTOR TAKEAWAYS

Capstone Partners' [Consumer Investment Banking Group](#) is pleased to share its Convenience Store & Fuel Distribution report. Merger and acquisition (M&A) activity in the sector has stalled year to date (YTD), pressured by deal discussions and announcements of impending transactions and potential store divestitures. Sector fundamentals (in-store sales, fuel margins, input costs) have remained healthy, creating expectations for the M&A market to open after prospective sellers see clarity around supply-demand dynamics. Several additional key report takeaways are outlined below.

1. Convenience Store & Fuel Distribution M&A has declined 35.7% year-over-year (YOY) due to the general uncertainty in the M&A marketplace and future operating environment under the new administration.
2. Sector consolidators have continued to eye acquisitions of high-quality assets and have prioritized acquisitions of larger convenience store targets.
3. A potential large-scale cross-border deal between Alimentation Couche-Tard (TSX:ATD) and Seven & i (TSE:3382) may bring more than 2,000 convenience stores to the M&A market and spur a supply-demand imbalance. Many independent operators looking for an exit have delayed sale processes due to the transaction's uncertain implications on the bandwidth of the likely acquirers of their chains.
4. The Convenience Store & Fuel Distribution sector has remained resilient with operators reporting high growth in in-store sales and foodservice offerings. Scaled sector participants in particular have enjoyed a generally favorable backdrop for fuel margins.
5. The sector continues to outperform in the face of significant macro headwinds. The major consolidators will be focused on high-quality targets that have consistently invested in their stores and those that are proven leaders in their respective geographies.

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To learn more about Capstone's wide range of advisory services and Convenience Store & Fuel Distribution sector knowledge, please [contact us](#).

FOODSERVICE OFFERINGS BOLSTER CONVENIENCE STORE RESILIENCY

The Convenience Store & Fuel Distribution sector has continued to show resiliency amid a volatile macroeconomic backdrop and an uncertain consumer spending outlook. In-store offerings and foodservice capabilities have enabled operators to capture consumer spending, particularly as more consumers hunt for value offerings. Foodservice mitigates concentrated revenue streams from fuel, enabling players with a differentiated value proposition in food offerings to capture additional spend and boost margins. Consumers have demonstrated robust demand for more sophisticated foodservice offerings at convenience store and gas station locations. Notably, 82% of convenience store operators saw foodservice sales rise YOY in 2024, according to Convenience Store Petroleum's (CSP) 2025 State of C-Store Foodservice survey.¹ Moreover, 80% of convenience store owners anticipate foodservice sales to greatly or somewhat improve in 2025, evidencing the longevity of the trend toward enhanced and sophisticated food offerings.

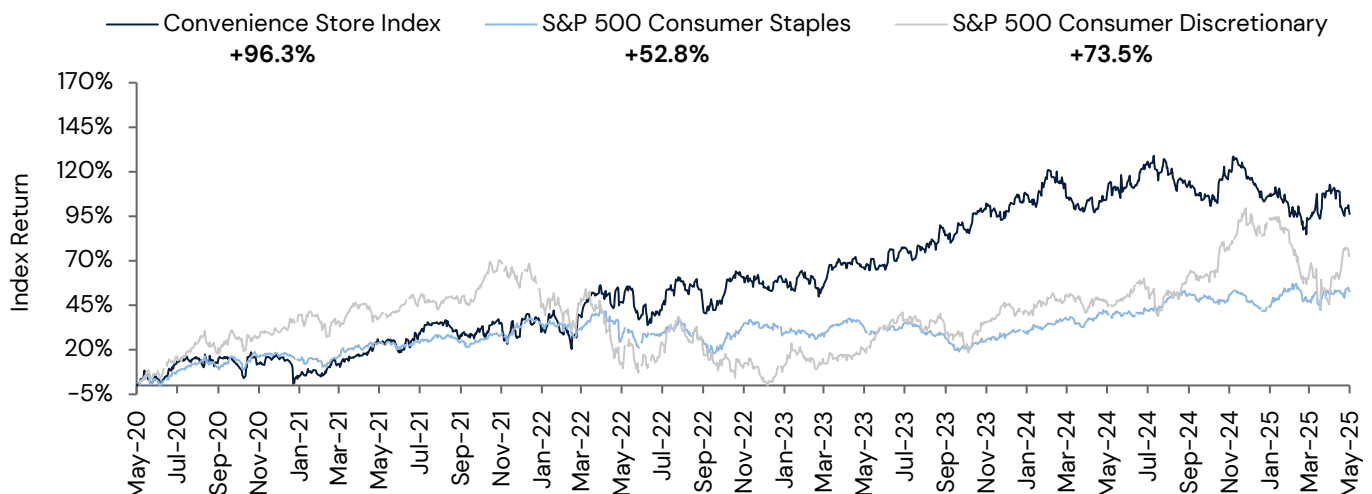


Jesse Betzner,
Senior Director

"The value proposition that convenience stores offer is even more apparent amid the ongoing economic uncertainty and persistently inflationary environment. As such, buyers are increasingly focused on convenience store targets that boast attractive store formats and diversified in-store revenue streams."

Public companies have deemed in-store offerings as a key growth driver, particularly in the evolving environment. Multi-national convenience store operator Alimentation Couche-Tard has focused on value creation in the in-store channel. The company launched a meal deals promotion in the U.S. in January, offering a variety of food and drink at \$3, \$4, and \$5 dollars and has reported weekly material growth in meals sold following the implementation. "...It's uncertain times. And this is about bringing value, being really laser-focused on how we can provide value to customers. We are really pleased with our meal deals and our bundles and we will continue to lean into that to show value to our customers in this environment," noted Alex Miller, CEO of Couche-Tard, on the company's fiscal Q3 2025 earnings call.² The Convenience Store space has continued to benefit from its value-driven offerings and in-store sales growth. Capstone's public company Convenience Store index has significantly outperformed both S&P Consumer Staples and Consumer Discretionary indices since May 2020, with the index appreciating 96.3% over the period.

Five Year Index Return For Public Convenience Store Operators Outperform Staples and Discretionary

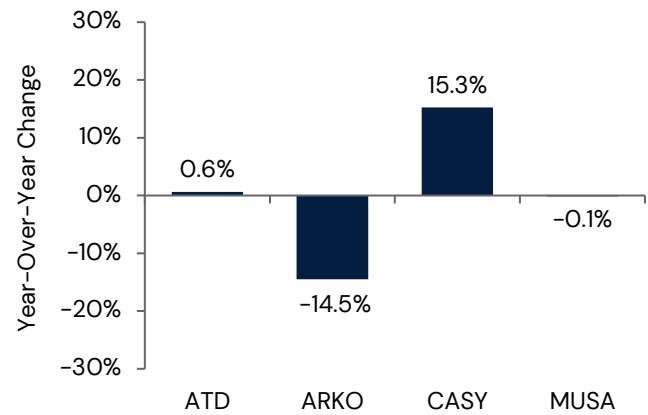


Convenience Store Index includes: ATD, ARKO, CASH, and MUSA
Source: Capital IQ and Capstone Partners as of May 22, 2025

KEY METRICS INDICATE POSITIVE OUTLOOK FOR SECTOR

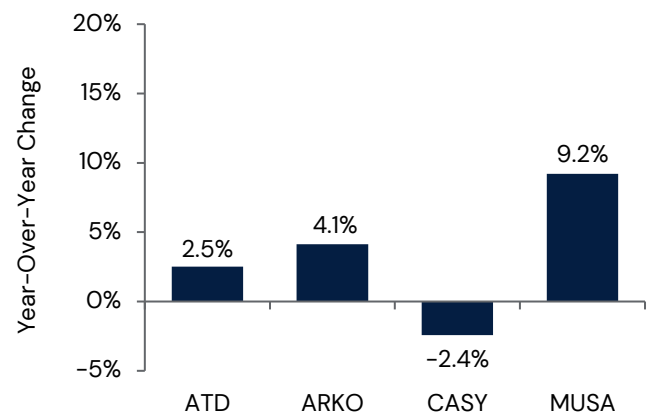
In-Store Sales Performance Varies, Underlying Factors Remain Healthy

In-store sales growth has varied but displayed strong underlying demand. Casey's General Stores (Nasdaq:CASY) saw the largest YOY jump among Capstone's Convenience Store index cohort for in-store sales at 15.3%, according to its fiscal Q3 2025 10-Q filing.³ The company's recent acquisition of 198 CEFCO stores (July 2024, \$1.1 billion, 11.0x EV/EBITDA) accounted for 8.2% of the 15.3% increase. Arko (Nasdaq:ARKO), Murphy USA (NYSE:MUSA), and Couche-Tard all cited temporal factors such as inclement weather impacting traffic and afflicting in-store sales figures. Murphy USA noted sandwich unit growth of 8%, according to its Q1 2025 earnings call.⁴



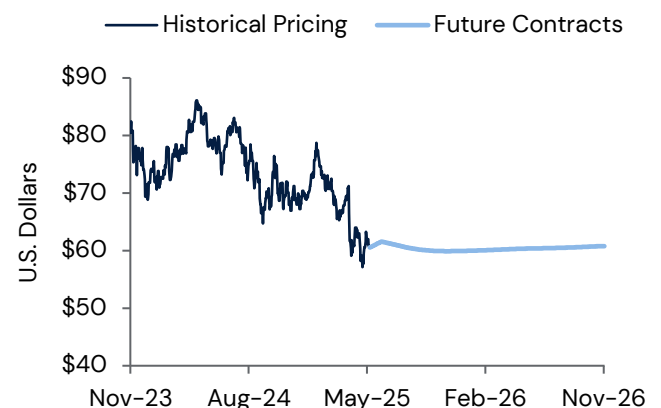
Fuel Margins Continue to Expand

Fuel margins have trended upwards across the board, reflecting a decrease in oil prices and lagged change in pricing at the pump. Casey's was the only company in Capstone's public company Convenience Store index to see fuel margins decrease YOY in the most recent earnings releases, attributable to the impact of the acquired CEFCO stores. Larger operators are expected to maintain higher margins in the near- to mid-term due to scale, operational expertise, and control over the supply chain. Maintaining fuel margins has remained an imperative despite shifting focus toward in-store offerings as fuel sales still drive total revenues.



WTI Price Outlook Appears Positive for Fuel Retailers

West Texas Intermediate (WTI)—the light, sweet oil found and used in the U.S.—has seen pricing decline since highs in April 2024 of around \$80 dollars per barrel. Falling crude oil prices are beneficial for convenience store operators' fuel margins as pricing changes at the pump lag input cost movements. The new administration has expressed preferences to keep WTI between \$40 and \$50 a barrel, below the \$60.5 per barrel price as of May 21, 2025. Increased domestic oil production, combined with modest demand growth expectations will likely keep pump prices stable and low, providing convenience store operators margin stability.



Historical West Texas Intermediate (WTI) pricing as of May 21, 2025
Source: Latest Fiscal Quarter SEC Filings, Capital IQ, and Capstone Partners

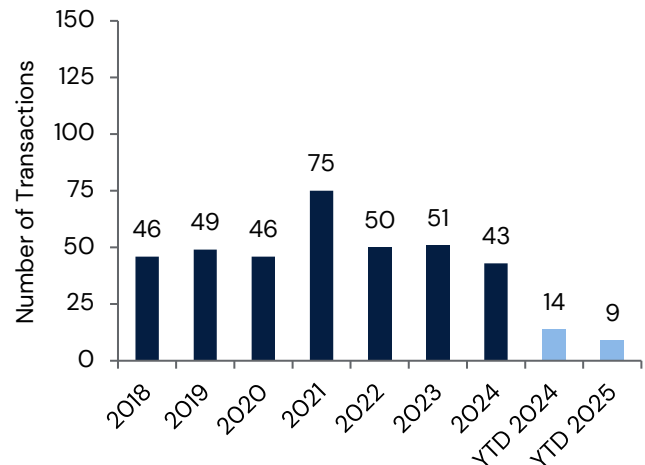
M&A VOLUME DROPS AMID MARKET UNCERTAINTY

Convenience Store & Fuel Distribution sector M&A activity has decreased 35.7% YOY to nine transactions announced or completed YTD. General uncertainty in the M&A marketplace due to tariff headwinds has primarily driven the slowdown in dealmaking. Clarity on the direction of tax policies and deregulation under the new administration will likely support a resumption of M&A activity as business owners find more comfortability with the next four years and what regulatory policies will be adopted.

While the sample size has been small, the average number of locations per acquisition has been four in YTD 2025—excluding Sunoco’s (NYSE:SUN) \$9.1 billion acquisition of Parkland (TSX:PKI) in May (more details on page 10). This figure lands remarkably below the average between 2018 and 2024 (49 units) and reflects buyer reluctance to pursue larger, transformative transactions in the current environment. Highly-motivated sellers seeking an exit have continued to transact while bigger, higher quality deals have been put on hold. Additionally, the ongoing negotiations between Alimentation Couche-Tard and 7-Eleven operator, Seven & i—as well as rumors of other large chains being on the market, such as BP (LSE:BP.)—have caused additional overhang in the M&A market (more details on page nine).

Strategic buyers have continued to account for the majority (88.9%) of transactions in the sector. Public strategic activity has remained flat YOY, with three transactions in YTD 2025. Alternatively, private strategic activity has declined from nine transactions in YTD 2024 to five in YTD 2025. Scaled operators have capitalized on the convenience store channel’s resilience and moderate insulation from tariff headwinds, keeping balance sheets strong and open for acquisitions. Casey’s General Stores’ healthy earnings and demonstrated ability to deleverage have enabled the company to remain active in the M&A market. “We’re optimistic that the environment will continue to be favorable to buyers like us and we’re seeing some pretty good deal flow, especially on the smaller stuff. The bigger opportunities are a little more lumpy, but whenever something comes to market, we’re actively engaged in it,” noted Darren Rebelez, CEO of Casey’s, in its fiscal Q3 2025 earnings call.⁵ Capstone expects consolidation trends to continue gaining momentum in 2025, with the latter half of 2025 ripe for a pick-up in M&A volume after a general slowdown in dealmaking in 2024.

**Convenience Store M&A Activity
Continues Slowdown**



Year to date (YTD) ended May 12
Source: Capital IQ, PitchBook, FactSet, and Capstone Partners



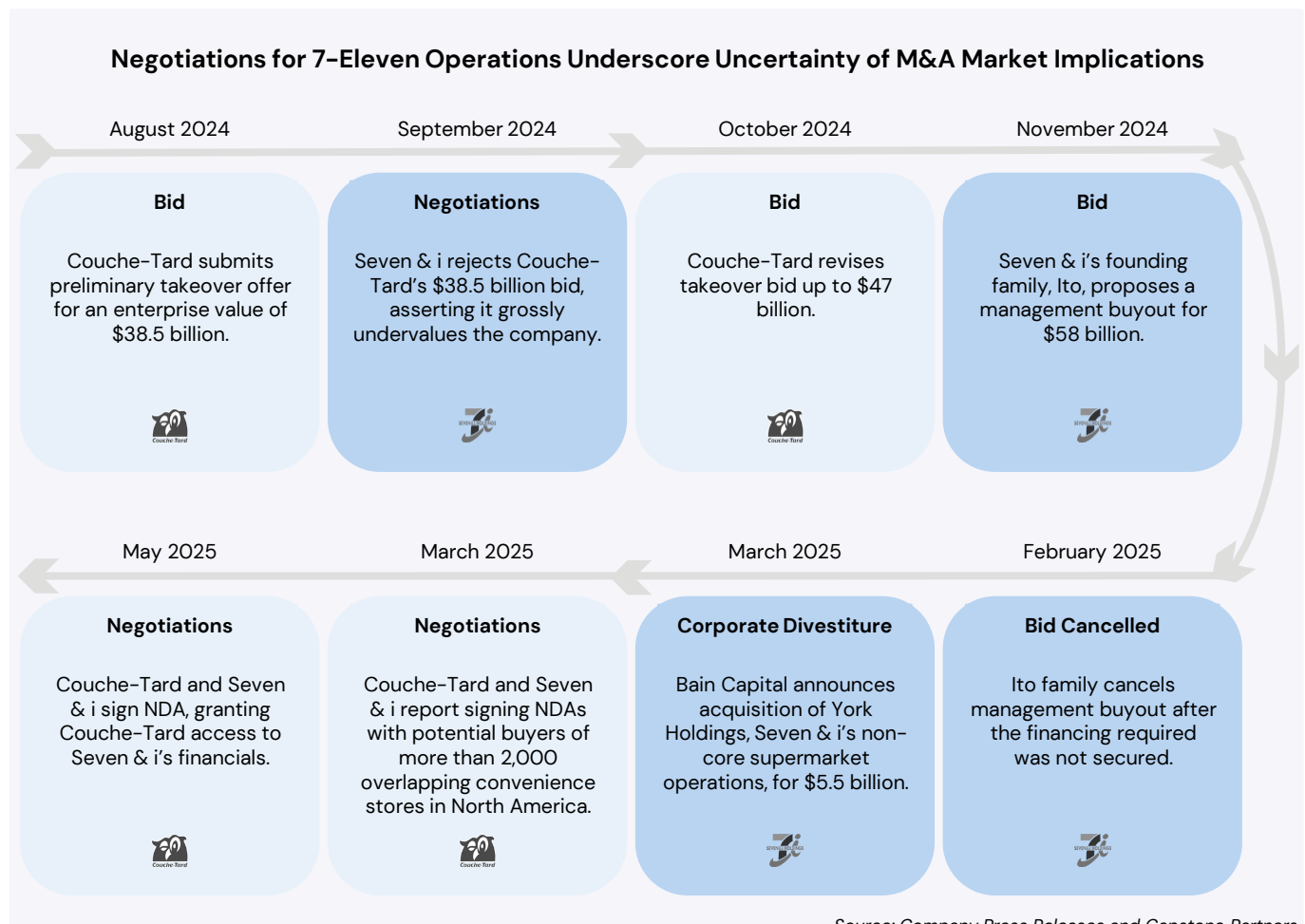
**Jesse Betzner,
Senior Director**

“Many potential sellers have been in wait-and-see mode as they have sought greater clarity on economic and tax policy from the new administration. The overhang effect of large deals in the market has also contributed to the slow start to the year in terms of M&A volume. As we look to the rest of 2025, we are expecting a pick-up in deal activity as sellers aim to capitalize on the strong fundamentals underpinning the current state of the Convenience Store & Fuel Distribution sector.”

COUCHE-TARD, SEVEN & i DEAL TALKS CREATE M&A OVERHANG

Couche-Tard initiated takeover conversations with Japan-based conglomerate Seven & i with an unsolicited, friendly bid at a \$38.5 billion valuation in August 2024. 7-Eleven, a subsidiary of Seven & i, operates, franchises, and licenses more than 83,000 convenience stores in 19 regions, with 13,000 stores in the U.S., according to a press release.⁶ The transaction would almost double Couche-Tard's 7,100 convenience stores in the U.S., operating under its Circle K brand, and boost its existing international presence in 29 countries. However, there remains significant financial and regulatory hurdles before this potential deal comes to fruition. The two companies have worked on a divestiture package that would include sales of more than 2,000 convenience store operations in the U.S. to reduce the risk of Federal Trade Commission (FTC) antitrust regulators blocking the deal.

Potential buyers for the convenience stores up for divestment have signed non-disclosure agreements (NDAs) signaling progress toward the realization of a transaction between Seven & i and Couche-Tard. Notably, the FTC, and subsequent court ruling, denied Kroger's (NYSE:KR) acquisition of Albertsons (NYSE:ACI) after failing to sway regulators with its proposed divestitures (October 2022, 24.6 billion, 0.4x EV/Revenue, 6.3x EV/EBITDA). This precedent highlights the uncertainty around closing probability and materialization of the M&A market flooding with 2,000 potential M&A targets, which would likely consume the bandwidth of many buyers of convenience store businesses also looking to exit their business. The divestments' unpredictability has created a significant overhang in the Convenience Store & Fuel Distribution M&A market as a supply-demand imbalance and uncertain M&A pricing outlook for independent operators looms. Capstone expects the Couche-Tard, Seven & i saga to continue delaying a resumption of robust M&A activity until there is greater visibility on potential outcomes.



Source: Company Press Releases and Capstone Partners



CONVENIENCE STORE & FUEL DISTRIBUTION TRANSACTION HIGHLIGHT



Energy infrastructure and fuel distributor, Sunoco, announced its acquisition of Canadian fuel provider Parkland for \$9.1 billion, equivalent to 7.5x EV/EBITDA (May). The purchase price will be paid as a mixture of cash and shares, with \$3.0 billion of equity issued, \$2.6 billion of cash funded by a bridge facility, and the assumption of \$3.5 billion of existing Parkland net debt, according to a Sunoco acquisition presentation.⁷ Sunoco will create a new parent company, SUNCorp, to facilitate the distribution of shares to Parkland shareholders cleanly. The pro-forma company is expected to be the largest independent fuel distributor in the Americas and the third largest globally with more than 15 billion gallons distributed annually, according to the presentation.

Valuation Insight

- The purchase price represents a 7.5x EV/EBITDA multiple based on Parkland's trailing twelve-month EBITDA of \$1.2 billion for the period ending March 31, 2025. Sunoco expects \$250 million in run-rate synergies by the third-year post-acquisition. This implies a 6.2x EV/EBITDA multiple on a synergized basis, making the deal significantly more attractive for Sunoco.
- The deal exemplifies consolidation trends in the Midstream Oil & Gas market despite Parkland's convenience store exposure. The robust synergies forecast for the transaction primarily result from the combined increase in fuel distribution scale. The EBITDA multiple marks a premium over ConocoPhillips' (NYSE:COP) acquisition of Marathon Oil, which garnered an enterprise value of \$22.5 billion, equivalent to 3.5x EV/Revenue and 5.2x EV/EBITDA.
- The transaction's EBITDA multiple is below the Convenience Store average for large scale deals (more than \$500 million in enterprise value) from 2021 to 2024, which has seen convenience store operators trade at 8.3x EV/EBITDA.

Sector Implications

- Sector participants will likely closely monitor the transaction's probability of closing as elevated tensions between the U.S. and Canada, as well as a growing sense of resource nationalism, influence closing certainty. A closed transaction may set precedent for additional cross-border transactions between the U.S. and Canada in the Convenience Store & Fuel Distribution sector under the new U.S. administration.
- Parkland's convenience store footprint spans 645 U.S.-based sites and 2,300 Canadian stores. Sunoco has sold many of its convenience store assets, with about 76 company-operated locations remaining. Convenience store operators are expected to watch if Sunoco will market these assets and further expand supply-demand imbalances expected in the M&A market with the Couche-Tard acquisition of Seven & i also impacting the dilution.





NOTABLE CONVENIENCE STORE TRANSACTIONS



In May 2025, Indiana-based Good Oil, acquired Big Mike's Gas N Go for an undisclosed sum. Good Oil operates as a fuel distributor and manages Good To Go convenience stores. Big Mike's owns five convenience stores in the Greater Cincinnati and Dayton area. The acquisition adds all Big Mike's convenience stores to Good Oil's portfolio and expands its operations into southwest Ohio. Big Mike's community-driven staff and store cleanliness has created strong customer loyalty in its region, offering Good Oil an attractive entry point in the Ohio market.



Jesse Betzner,
Senior Director

"M&A activity continues to be driven by strategic buyers, consisting of a mix of both the national consolidators and regional players. We foresee this level of healthy competition amongst buyers continuing as the consolidation trend accelerates."



Majors Management acquired four Mac's Food Stores from McNeill Oil for an undisclosed amount in February 2025. Majors Management wholesales fuel and owns, develops, and operates convenience stores. McNeill Oil primarily retails and wholesales fuel to Residential and Commercial end markets. The deal marks McNeill Oil's exit from the Convenience Store space. This acquisition allows Majors Management to bolster operations in the North Carolina market. Mac's Food Stores will retain its brand and staff under the Majors Management's ownership.



Farmers Co-op Oil acquired ten Cenex-branded FillMeUP convenience stores for an undisclosed sum in February 2025. Farmers Co-op Oil distributes propane, fuel, oil, diesel, and kerosene, and operates convenience stores, gas stations, and car washes across Minnesota. The acquisition expands Farmers Co-op Oil into western Minnesota, footprint growth the firm expects to continue through 2025. Additionally, Farmers Co-op Oil plans to revamp the acquired stores' food offerings, retire the FillMeUP branding, and convert the fuel brand to BP and Amoco.



WOW! Foodmart

In January 2025, Casey's General Stores acquired Wow! Foodmart (undisclosed). Wow! Foodmart operates seven convenience stores, one travel center, and four liquor stores along a high traffic interstate in Kentucky, all of which will be renamed under the Casey's and goodstop brands. The Casey's locations will implement its pizza foodservice offerings. Casey's manages more than 2,600 convenience stores across the Midwest and Texas, according to a press release.⁸ The acquisition supports Casey's consolidation efforts and market share expansion in the Southeast.



In November 2024, Breaktime Corner Market (BTCM) acquired 29 Minit Mart convenience stores in Illinois from EG America for an enterprise value of \$38 million. BTCM renamed the acquired Minit Mart stores to its BrakeTime brand and retained Minit Mart's staff. Notably, BTCM acquired 23 Loaf 'N Jug convenience stores in Montana from EG America in June 2024 (undisclosed). The deals highlight BTCM's expansion in the Midwest, with its store count eclipsing 300 locations following the Minit Mart acquisition, according to a press release.⁹



SELECT TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Store Count	Enterprise Value (mm)
05/12/25	Big Mike's Gas N Go	Good Oil	Includes five niche convenience retail locations in Ohio.	5	-
05/05/25	Parkland (TSX:PKI)	Sunoco (NYSE:SUN)	Operates convenience stores and distributes fuel and oil.	861	\$9,100.0
04/14/25	Dusterhoft Family Stores	Alimentation Couche-Tard (TSX:ATD)	Comprises two Cenex-branded convenience stores in North Dakota.	2	-
02/21/25	Mac's Food Stores	Majors Management	Operates four Mac's Food Stores in North Carolina.	4	-
02/06/25	FillMeUP	Farmer's Co-Op Oil	Includes 10 Cenex-branded FillMeUP convenience stores in Minnesota.	10	-
01/21/25	Two travel centers of Wilmoth Oil	LV Petroleum	Comprises two travel centers in Missouri.	2	-
01/14/25	Wow! Foodmart	Casey's General Stores (Nasdaq:CASY)	Includes seven convenience stores, one travel center, and four liquor stores in Kentucky.	7	-
12/30/24	The Store	Reliance Fuel	Comprises a convenience store chain in Wisconsin and Michigan.	20	-
12/27/24	Three Convenience Stores	Chestnut Market	Includes three convenience stores in Tarrytown, Newburgh, and Carmel, New York.	3	-
12/11/24	Assets of Hi-Noon Petroleum	Jacksons Food Stores	Comprises convenience retail, dealer wholesale, and transportation assets of Hi-Noon Petroleum.	3	-
11/25/24	20 Convenience Retail and Fuel Sites	Alimentation Couche-Tard (TSX:ATD)	Includes 20 convenience retail and fuel sites under Hutch's Brand and 1 land bank, Oklahoma and Kansas.	20	-
11/18/24	Assets of PetroTex Fuels	Sunoco (NYSE:SUN)	Comprises 38 convenience stores and fuel distribution assets from PetroTex Fuels.	38	-
11/15/24	39 Minit Mart Convenience Stores	Breaktime Corner Market	Retails gasoline and operates convenience stores.	39	\$38.0
10/31/24	Enmarket	Nouria Energy	Operates a chain of convenience stores with service stations in Georgia.	132	-
10/29/24	Markham Enterprises' Convenience Stores	SpartanNash (Nasdaq:SPTN)	Comprises a three-unit chain of convenience stores and fuel distribution assets.	3	-
09/27/24	Assets of Jolley Associates	Stewart's Shops	Includes convenience stores in Vermont, New York, and New Hampshire.	45	-
09/19/24	Four Oakcrest Market Convenience Stores	Casey's General Stores (Nasdaq:CASY)	Comprises four Oakcrest Market convenience stores in Arkansas.	4	-
09/17/24	J. H. Reaben Oil & Supply	Legacy Markets	Owns and operates a chain of convenience stores in North Carolina.	10	-
08/26/24	Mini Mart	Fischers Neighborhood Market	Comprises 18 Mini Mart stores in Texas Hill County.	18	-
08/19/24	GetGo Café + Markets	Alimentation Couche-Tard (TSX:ATD)	Operates 270 food-first convenience stores and fueling locations.	270	\$1,600.0
08/01/24	Assets of Delek US Holdings	Fomento Economico Mexicano (BMV:FEMSA UBD)	Includes 249 OXXO convenience stores in Arkansas, New Mexico, and Texas.	249	\$385.0
07/26/24	Fikes Wholesale	Casey's General Stores (Nasdaq:CASY)	Comprises 198 CEFCO convenience stores in Alabama, Florida, Mississippi, and Texas.	198	\$1,145.0

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

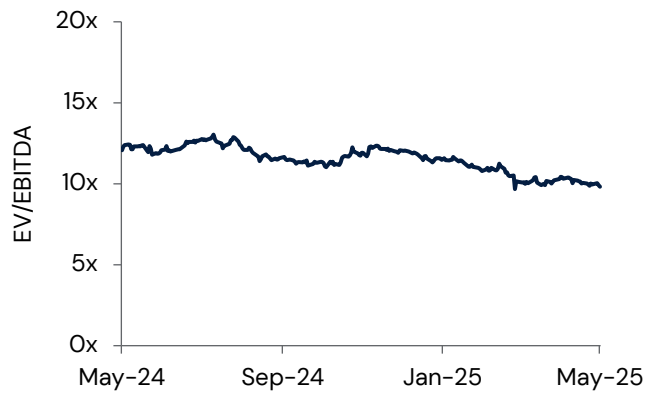


SECTOR PUBLIC COMPANY MULTIPLES REMAIN HEALTHY

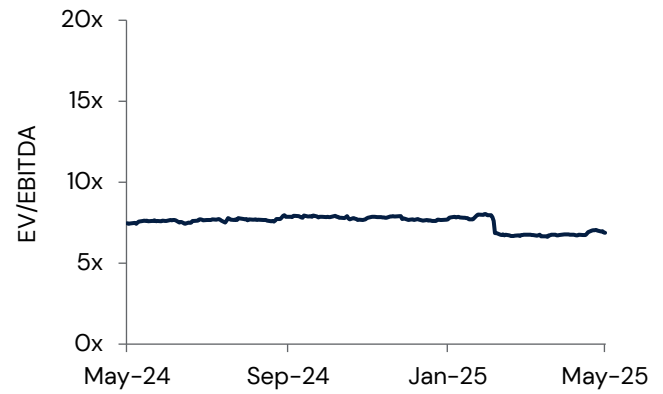
Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	05/22/25	High			Revenue	EBITDA	Margin	Revenue	EBITDA
Alimentation Couche-Tard Inc.	\$48.97	79.4%	\$46,422.6	\$59,363.1	\$74,179.0	\$5,789.8	7.8%	0.8x	10.3x
Arko Corp.	\$4.69	59.8%	\$534.4	\$2,928.2	\$8,488.4	\$425.4	5.0%	0.3x	6.9x
Casey's General Stores, Inc.	\$444.05	93.5%	\$16,482.7	\$19,207.8	\$15,548.2	\$1,187.3	7.6%	1.2x	16.2x
Murphy USA Inc.	\$439.30	78.3%	\$8,681.3	\$11,140.6	\$17,598.1	\$1,067.7	6.1%	0.6x	10.4x
Mean							6.6%	0.8x	10.9x
Median							6.9%	0.7x	10.3x
Harmonic Mean							6.4%	0.6x	10.0x

EV = enterprise value; LTM = last twelve-month
\$ in millions, except per share data

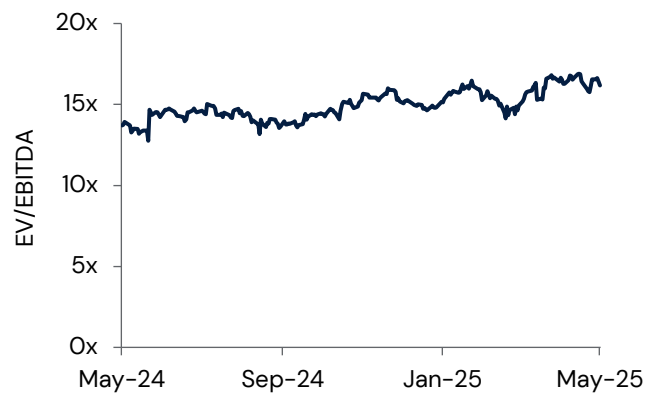
Alimentation Couche-Tard



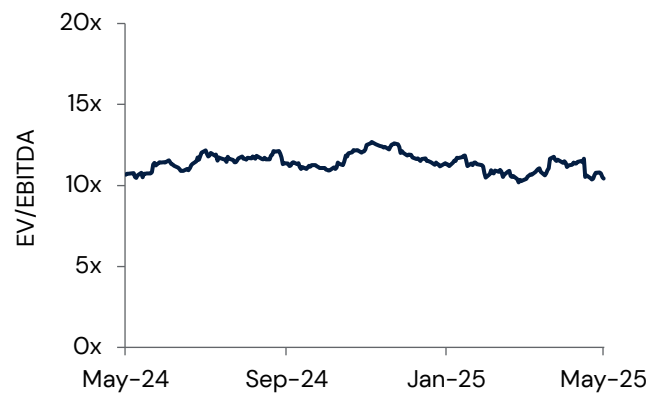
Arko



Casey's General Stores



Murphy USA



Source: Capital IQ and Capstone Partners as of May 22, 2025

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FIRM AWARDS & ACCOLADES

Capstone Partners is consistently recognized as an elite middle market firm by multiple leading industry organizations. This has afforded our clients with immediate market credibility in the acquirer and investor communities. From 2016 to 2024, Capstone has received 22 "investment banking firm of the year" awards from organizations such as The M&A Atlas Awards, The M&A Advisor, M&A Today, and ACQ5. A sampling of Capstone's recent awards is shown below.



FIRM TRACK RECORD

Capstone maintains an active presence in the Consumer industry with in-depth knowledge of the buyer universe and business characteristics that drive premium valuations in an M&A process. Our frequent conversations with industry participants provide us with increased transparency into market trends and buyer preferences. A sampling of Capstone's closed deals are outlined below.

 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p> 	  <p>HAS RECAPITALIZED WITH</p> 
 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS RECAPITALIZED WITH</p> <p>AN UNDISCLOSED FINANCIAL PARTNER</p>	 <p>HAS BEEN ACQUIRED BY</p> <p>AN UNDISCLOSED STRATEGIC BUYER</p>	 <p>HAS RECAPITALIZED WITH</p> 
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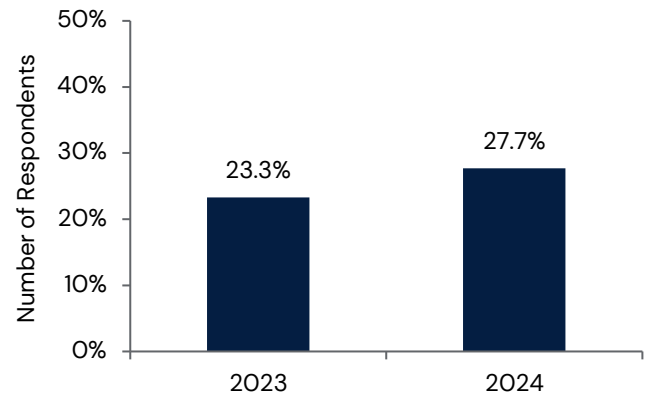


PERFORMANCE IMPROVEMENT SERVICES TO BOOST ENTERPRISE VALUE

Consumer business owners have continued to identify performance improvement services as key to supporting profitability, digital capability enhancement, and product or service offerings expansion. Notably, 27.7% of Consumer industry CEOs surveyed reported performance improvement support would be useful in achieving primary operational initiatives, according to [Capstone's 2024 Middle Market Business Owners Survey](#). The share of Consumer industry respondents requiring performance improvement support rose 4.4% YOY as CEOs have been under pressure to maintain financial stability amid steady inflation and a shifting operating environment.

Data analytics is one of the most powerful tools available to help businesses improve operational efficiency, identify opportunities for cost savings, and optimize the value of the business. The initial investment in data analytics is often relatively minimal. Modern point of sale (POS) systems are already capturing much of the data, so the information is available for analysis once the relevant data points have been determined. While every project is unique, many data analytics assignments can begin to deliver valuable, actionable information in an extremely short amount of time, making them one of the most cost-effective and beneficial performance improvement investments that a business can make. Notably, [Capstone's Financial Advisory Services \(FAS\) Team](#) provides advanced data analytics support to help businesses capture and analyze key metrics such as inventory turn, staff productivity, unit-level performance, and benchmarking data from competitors to provide business owners, operators, and investors with information to make better, faster decisions and the resources to implement improvements and capitalize on opportunities to improve results and accelerate value.

Performance Improvement Needs In Consumer Industry Increase



Source: [Capstone Partners' 2024 Middle Market Business Owners Survey](#)
Consumer Sample Size (N): 47

Capstone Case Study: Performance Improvement Frees Up \$1.2 Million in Cash

Capstone's prior client had a record-breaking year in sales but struggled with managing working capital and storage space. Despite strong revenue, too much working capital was tied up in slow-moving inventory and its supply chain wasn't as efficient as it could be. The company needed to free up cash, make better purchasing decisions, and use its space more efficiently. Several issues emerged as Capstone took a closer look at the company's inventory data. Many products weren't selling, yet they took up valuable space. Purchasing decisions weren't aligned with demand, leading to an oversupply of products that took too long to sell. Additionally, unreliable data made it hard to forecast sales and manage stock properly.

Capstone's FAS Group completed an analysis of sales and inventory records to identify problem areas and find opportunities for improvement. Cleaning the data helped separate the products that weren't moving from those customers actually wanted. Our team identified and recommended reducing stock on items that had never sold before and adjusting purchases to focus on products with a quicker turnaround. These changes made it easier to manage inventory and improve transactional velocity. Concurrently, better organization reduced storage costs and increased efficiency. These adjustments drove sales and added more than \$700,000 to annual profit. Cutting down on stagnant inventory freed up \$1.2 million in cash, giving the company more working capital flexibility. The warehouse became more efficient, with a 17% reduction in space usage, lowering costs further.

To learn more about our capabilities and whether they can help you reach your business goals, [contact us](#).

CAPSTONE'S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The stage and initiatives of a business often dictate which financial services are in demand. As the bulk of CEOs polled in Capstone's 2024 Middle Market Business Owners Survey indicated growth strategies are a priority for 2025, the lion's share (40.7%) of owners anticipate a need for growth strategy support services. Similarly, 38.1% of CEOs require equity capital advisory services to support operational initiatives and business expansion. Nearly one-third of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, 30.2% 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 specialty advisory practices to provide financial performance, buy-side, employee stock ownership plan (ESOP), and equity and debt services. All of these capabilities are supported by 12 industry banking groups, an active sponsor coverage group, and a dedicated Market Intelligence Team.

Top Financial Services Required by Business Owners in 2025



40.7%

Instituting a growth strategy



38.1%

Raising equity capital



32.4%

Accounting & audit support



30.2%

Accessing relevant industry research



20.2%

Raising debt capital



19.8%

Corporate restructuring

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, Rebased Sample Size (N): 278



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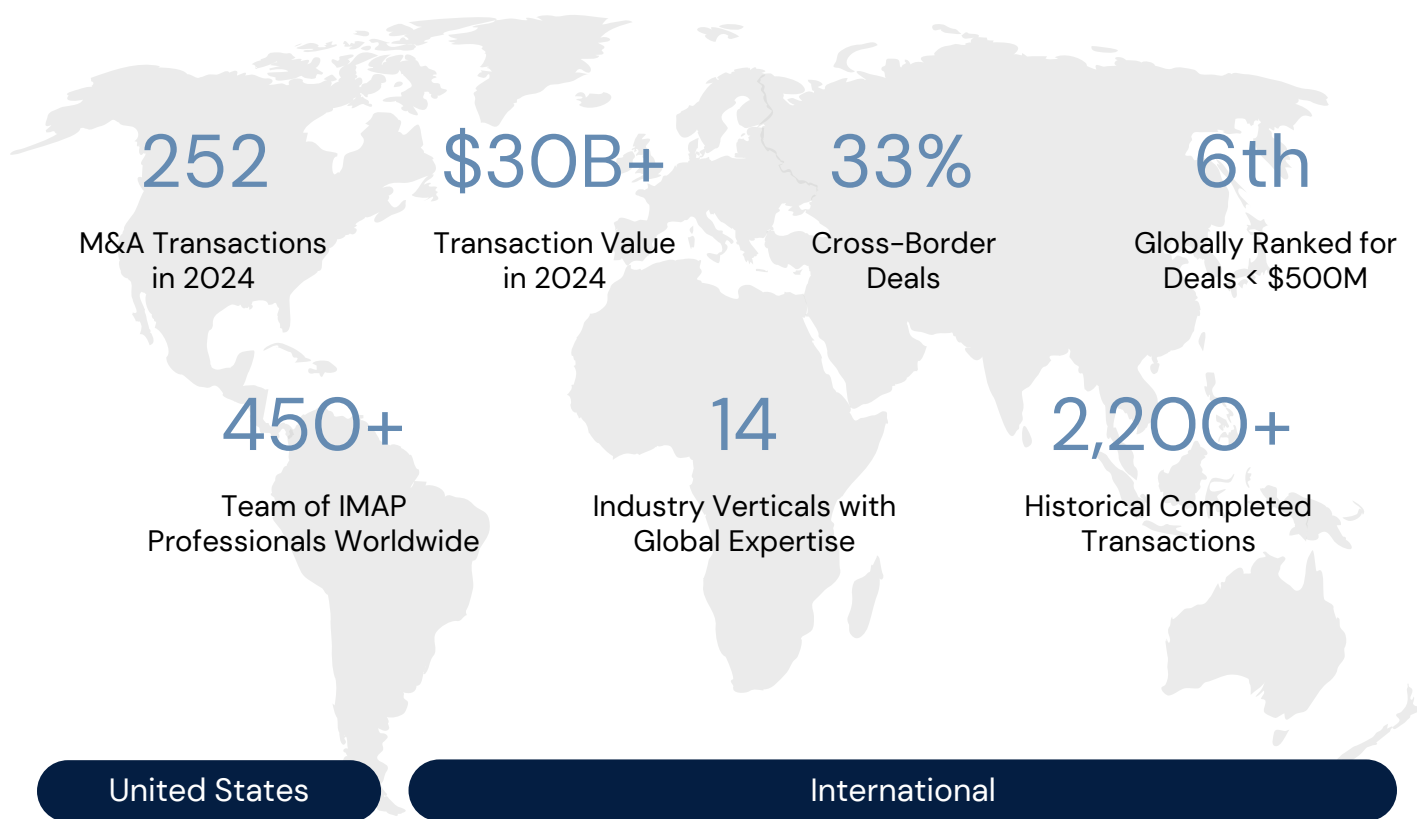
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With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 49 countries.



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Detroit • Irvine • New York • Tampa

450+ professionals
60+ offices in 51 countries

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