

# Business Record

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**UP, UP AND  
AWAY!**

**WILL IOWA M&A DEALS  
CONTINUE THEIR  
LOFTY TRAJECTORY?**

**JASON GILES**  
*mergers and acquisitions attorney, Nyemaster Goode*



# UP, UP AND AWAY!

Will Iowa M&A deals continue their lofty trajectory?

BY JOE GARDYASZ

Two Central Iowa-based companies with already expansive operations across the United States have globally made merger-and-acquisition headlines over the past year, with multibillion-dollar marriages to partners that promise to make each more weighty powerhouses in their respective industries.

In an all-cash deal announced in February, energy giant Chevron announced a \$3.15 billion acquisition of Renewable Energy Group, based in Ames. As the companies said in their joint announcement, the deal “combines REG’s growing renewable fuels production and feedstock capabilities with Chevron’s large manufacturing, distribution and marketing position.”

The acquisition will help Chevron, the second-largest oil and gas producer in the U.S., reach its goal to increase its renewable fuels production to 100,000 barrels a day by 2030.

Another significant match, valued at \$2.7 billion, was the now consummated proposal by InterActive Corp.’s Dotdash to acquire Des Moines-based Meredith Corp. As Dotdash Meredith, the merger “would create a digital powerhouse that would reach 195 million online consumers monthly and 95% of women to become one of the largest publishers in the country.”

A third major deal announced this spring was the news that Trinity Health and CommonSpirit Health — which have jointly owned and operated Greater Des Moines-based health system MercyOne for the past 24 years — will end their joint operating agreement and Trinity will acquire the remaining half of MercyOne’s facilities and assets, valued at about \$122 million.

Based in West Des Moines, MercyOne is a regional health system that serves more than 3.3 million patients annually.

While these were each big announcements, the past 12 months have been fertile soil for cultivating significant merger and acquisition activity at a range of dollar values, both nationally and in Iowa.

BCC Advisers, a Des Moines investment banking firm, has represented buyers and sellers in numerous transactions across Iowa. The firm’s co-founder and president, Steve Jacobs, noted earlier this year that despite a 23% slump in global M&A during the first quarter, there is “optimism for strategic deal activity in 2022.” Total global M&A transaction value in 2021 reached an all-time of \$5.9 trillion, he noted in a post on the firm’s website.

“The lower middle market has proved resilient and is showing momentum, as this segment exhibits insulation from the uncertainties affecting other areas of the market,” he wrote. “The backlog of uncompleted deals from 2020 and early 2021 have abated and the environment is competitive.”

The Business Record reviewed notable deals of the past year that we’ve reported on, as well as researching additional deals that have been completed over the past 12 months. We came up with about two dozen interesting combinations across the state, in a variety of industries. While we sought to include a variety of deals in our roundup, this list is not all-encompassing.



## THE BACKLOG OF UNCOMPLETED DEALS FROM 2020 AND EARLY 2021 HAVE ABATED AND THE ENVIRONMENT IS COMPETITIVE.

### STEVE JACOBS

*co-founder and president, BCC Advisers*



### WHAT COMPANIES HAVE BEEN BOUGHT, SOLD OR MERGED IN IOWA?

A look back at the past 12 months of M&A activity among Iowa companies

JULY 10, 2022

#### **CONCRETE SUPPLY INC. (DES MOINES) - HAMILTON REDI-MIX (JEFFERSON)**

Hamilton Redi-Mix in Jefferson was acquired by Concrete Supply Inc., which has headquarters in both Des Moines and Omaha. Part of the Rasmussen Group, Concrete Supply operates more than 25 plants with 300 employees. Hamilton Redi-Mix operates ready-mix concrete plants in Jefferson, Boone and Fort Dodge.

JUNE 17, 2022

#### **AGCERTAIN (AMES) - MAYTAG DAIRY FARMS (NEWTON)**

Ames-based AgCertain Industries Inc., a food, agricultural and bio-based product development, manufacturing and marketing company, acquired Iowa-based blue cheese maker Maytag Dairy Farms in Newton. AgCertain is a portfolio company of the private equity firm Midwest Growth Partner, based in West Des Moines.

JUNE 8, 2022

#### **G&A PARTNERS - FOCUS ONESOURCE (DES MOINES)**

Houston-based G&A Partners announced it is expanding into Iowa and Nebraska with its acquisition of Des Moines-based human resources outsourcing provider Focus OneSource.

MAY 16, 2022

#### **BROWN & BROWN INC. - CLAIM TECHNOLOGIES INC. (DES MOINES)**

Claim Technologies, a Des Moines-based health care claims audit company, was acquired by Brown & Brown of Massachusetts LLC, a subsidiary of Brown & Brown Inc.

MAY 11, 2022

#### **ONERORX (WEST DES MOINES) - MEDLEY PHARMACY**

OneroRx Inc., a West Des Moines-based provider of integrated pharmacy services to patients in underserved markets, recently completed an acquisition of Medley Pharmacy Inc., a pharmacy operator in Missouri. With the acquisition, OneroRx has expanded into the Missouri market.

MAY 9, 2022

#### **ASSUREDPARTNERS INC. - MIDWEST GROUP BENEFITS (DECORAH)**

Midwest Group Benefits of Decorah has joined Assured Partners, a Florida-based insurance brokerage.

APRIL 19, 2022

#### **TRINITY HEALTH - MERCYONE (WEST DES MOINES)**

Trinity Health and CommonSpirit Health, which have jointly owned and operated MercyOne for the past 24 years, have signed an agreement for Trinity Health to acquire all of the facilities and assets of MercyOne. Based in West Des Moines, MercyOne is a regional health system that serves more than 3.3 million patients annually.

FEB. 28, 2022

#### **CHEVRON - RENEWABLE ENERGY GROUP (AMES)**

Chevron Corp. announced it would acquire the outstanding shares of Ames-based Renewable Energy Group, in an all-cash transaction valued at \$3.15 billion, or \$61.50 a share. The acquisition combines REG's growing renewable fuels production and feedstock capabilities with Chevron's large manufacturing, distribution and marketing position.

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FEB. 18, 2022

**CAMPING WORLD - BOWLING RVs (OTTUMWA)**

Illinois-based Camping World Holdings Inc. agreed to acquire Bowling RVs, based in Ottumwa, to expand its recreational vehicle offerings. Bowling RVs will be Camping World's fourth location in Iowa, the company said.

FEB. 10, 2022

**CARLYLE - INVOLTA (CEDAR RAPIDS)**

Investment firm Carlyle agreed to acquire Involta, a Cedar Rapids-based data center company. Involta is focused on hybrid IT and cloud infrastructure, and owns and operates 12 data center facilities and an in-house 12,000-mile fiber network.

JAN. 18, 2022

**ELEMENT MATERIALS TECHNOLOGY - JMI LABORATORIES (NORTH LIBERTY)**

Element Materials Technology acquired JMI Laboratories in North Liberty to expand pharmaceutical and biotech testing capabilities in North America and Europe. With the acquisition, London-based Element expands to a team of more than 1,000 experts in 23 facilities across North America and Europe.

JAN. 11, 2022

**ALL-STATE INDUSTRIES (WEST DES MOINES) - ALLIED PLASTICS**

An affiliate of West Des Moines-based nonmetallic components producer All-State Industries Inc. acquired Allied Plastics LLC, a Madison, Wis.-based thermoformed plastics manufacturer. The combined business will be one of the largest providers of nonmetallic components in its markets, with eight manufacturing facilities in the United States and Mexico.

DEC. 15, 2021

**WORKIVA (AMES) - AUDITNET**

Workiva Inc., based in Ames, acquired global audit content and services provider AuditNet to strengthen its position in governance risk and compliance platforms. AuditNet created an online portal for the global audit community.

NOV. 29, 2021

**INTEGRITY MARKETING GROUP - PIPAC HEALTH AND LIFE INSURANCE BROKERAGE (CEDAR FALLS)**

Dallas-based life, health and wealth products distributor Integrity Marketing Group LLC acquired Iowa-based independent marketing organization PIPAC Health and Life Insurance Brokerage in Cedar Falls. The acquisition enhances Integrity's reach in the Midwest health and life insurance markets.

NOV. 16, 2021

**INTEGRITY MARKETING GROUP - BROKERS CLEARING HOUSE (DES MOINES)**

Integrity Marketing Group LLC acquired Brokers Clearing House, a brokerage general agency based in Des Moines. The transaction will enable Brokers Clearing House to take advantage of the full range of Integrity's platform of proprietary resources.

NOV. 10, 2021

**CLINICAL INK (IOWA CITY) - DIGITAL ARTEFACTS**

Clinical Ink, a clinical trial data and technology company, acquired Iowa City-based technology company Digital Artefacts. Data derived from Digital Artefacts will be used to enhance clinical study data through the convergence of passive and active digital assessments.

NOV. 8, 2021

**ONERORX (PLEASANT HILL) - GRX HOLDINGS (WEST DES MOINES)**

OneroRx Inc., a Pleasant Hill-based provider of telepharmacy services focused on underserved "pharmacy desert" markets, announced that it had completed an acquisition of GRX Holdings LLC, a leading pharmacy operator based in West Des Moines.

OCT. 12, 2021

**GALLAGHER - RIVER VALLEY CAPITAL INSURANCE (DUBUQUE)**

Arthur J. Gallagher and Co. acquired Dubuque-based River Valley Capital Insurance Inc. Founded in 2007, RVC is a retail property/casualty brokerage that specializes in providing insurance coverage for the trucking industry, with a focus on long-haul trucking firms in the Midwest.

OCT. 6, 2021

**INTERACTIVECORP. - MEREDITH CORP. (DES MOINES)**

Meredith Corp., producer of magazine titles such as Better Homes & Gardens and People, announced it would be acquired by InterActiveCorp.'s Dotdash subsidiary for \$2.7 billion. The deal involves the entity that holds Meredith's National Media Group, which comprises its digital and magazine businesses, more than 40 titles and digital brands, and its corporate operations, in an all-cash transaction at a price of \$42.18 per share.

OCT. 4, 2021

**DUPACO (DUBUQUE) - HOME SAVINGS BANK**

Dupaco Community Credit Union, based in Dubuque, announced it would acquire Home Savings Bank, with two branches in Madison, Wis., from Home Bancorp Wisconsin Inc., in an all-cash transaction. The acquisition increases Dupaco's total branches to 20 and its assets to \$2.8 billion.

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SEPT. 24, 2021

### **LIGHTEDGE (ALTOONA) - CAVERN TECHNOLOGIES**

LightEdge, an Altoona-based colocation, cloud and managed service solutions provider, acquired Kansas-based data provider Cavern Technologies to expand its footprint in Kansas City. It's the first acquisition under LightEdge's new ownership by GI Partners.

SEPT. 3, 2021

### **THE MANITOWOC CO. - ASPEN EQUIPMENT CO. (ANKENY)**

The Manitowoc Co. Inc. completed the acquisition of substantially all the assets of crane dealer and work truck upfitter Aspen Equipment Co., based in Ankeny, for \$51 million. The acquisition of Aspen will expand Manitowoc's direct-to-customer footprint in Iowa, Nebraska and Minnesota with new sales, used sales, parts, and service to a variety of end markets.

SEPT. 2, 2021

### **EASYKNOCK - FARMLANDFINDER (DES MOINES)**

New York-based residential sale-leaseback company EasyKnock acquired Des Moines-based farmland-focused sale-leaseback provider FarmlandFinder. The acquisition allows EasyKnock to bring its sale-leaseback model to a broader audience. FarmlandFinder markets itself as the first online marketplace for farmland, delivering transparency and liquidity to the agricultural real estate market.

AUG. 26, 2021

### **EAGLE POINT SOFTWARE (DUBUQUE) - KNOWLEDGESMART LTD.**

Dubuque-based e-learning and employee training provider Eagle Point Software Corp. acquired KnowledgeSmart Ltd., a United Kingdom-based online skills assessment provider. The acquisition will enable KnowledgeSmart to deliver rapid platform enhancements that help the design and construction markets upskill and work more productively.

AUG. 11, 2021

### **WORKIVA (AMES) - ONECLOUD**

Workiva Inc., based in Ames, acquired New York-based OneCloud, a next-generation integration platform as a service provider. The acquisition solidifies and accelerates Workiva's position as a leading cloud platform for financial, regulatory and operational reporting. Workiva has worked with OneCloud as an original equipment manufacturer partner since July 2019.

AUG. 9, 2021

### **SPAHN AND ROSE LUMBER (DUBUQUE) - METRO BUILDING PRODUCTS**

Dubuque-based lumber and building-materials distributor Spahn and Rose Lumber Co. closed the acquisition of Georgia-based Metro Building Products, to expand building materials services to contractors and homeowners. The acquisition unites two longtime lumber and building-material companies.

#### **Sources:**

This list was compiled from press release announcements and public online databases of transactions, and is not intended to be an exhaustive list of all deals that have occurred.

## No lull in M&A activity

We also interviewed Jason Giles, a mergers and acquisitions attorney with Nyemaster Goode Law Firm in Des Moines, to get his perspective on the past year and what lies ahead.

"I would say it's been fairly active over the last year," Giles said. "When the pandemic hit, a lot of folks hit the pause button and backed away from an active acquisition mentality — nobody knew what was going to happen or how long it would last. There was a sense of [the need for] preserving cash.

"I think we've seen some of that cash now being utilized through acquisition opportunities, and especially over the last year, I would say most of us [in the firm] have stayed fairly steady to fairly busy with M&A activity over the last year. ... There haven't been the lulls you typically have. A lot of folks get transactions done by year-end and then you have January and February where people tend to regroup. ... I don't think we've seen that kind of a dip or a slow time. It's just been busy over the last 12 months.

Giles followed those remarks with a big caveat.

"But it feels a little tenuous — I don't know how long it's going to continue. We've seen some deals that have fallen to the wayside unexpectedly."

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**JASON GILES**

*mergers and acquisitions attorney, Nyemaster Goode*

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## The bear's influence

### DOES THE BEAR MARKET IN STOCKS INFLUENCE THE LEVEL OF ENTHUSIASM FOR M&A DEALS?

"The market definitely impacts transactions," Giles said. "I think in Iowa, we're a little slower to see that influence. It tends to make its way here a little bit later than maybe on the coasts, which is expected. And the political situation, supply chain issues, potential legislation, all of that plays into it. There were some revisions to the tax code, and a lot of businesses were looking at ways of making acquisitions before those potential revisions. Of course, we didn't really see the revisions come about, but it was still something folks were thinking about."

"Also, historically, family members that might consider taking over a family business are less likely, generally, to want to do that now," he said. "So that's helping to generate more external sales of companies as business owners are aging."

### HOW WOULD YOU FORECAST THE DEAL PIPELINE IN THE NEXT 12 MONTHS?

"We're seeing some transactions that are on hold for various reasons, [which] seems to indicate that maybe it won't be as robust as what we've seen over the last 12 months. But we're not really seeing anything in direct evidence [of slowing transactions]."

### HAS TALENT ACQUISITION BECOME A BIGGER RATIONALE BEHIND M&A DEALS?

"I think it has been a driver, and will continue to be a driver. ... I've been surprised [by] some of the transactions I've worked on in which they've stated, 'This is so we can bring in additional people, because we are not able to otherwise.'"

Supply chain issues are another area where that could produce more M&A activity, Giles said. "Instead of waiting for the suppliers, go purchase the suppliers so that you have a ready-made supply. So yeah, I think definitely those economic considerations are part of what's driving the acquisitions." ■

**JOE GARDYASZ** is a senior staff writer at *Business Record*. He covers insurance & investments, health & wellness, manufacturing & logistics, banking & finance.

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