

Skyway Capital Markets: M&A Still Busy, Deal Pipelines Strong

Local Investment Banking Firm Marks 20th Anniversary, Looks Ahead

Skyway Capital Markets Chairman Marty Traber, Managing Partner Roger Overby, and other firm executives recently sat down to offer an inside look at the origins of the investment bank as it marked its 20th anniversary, and to provide a view of where they see the market heading.

“The headlines certainly don’t paint the whole picture,” says Overby. “M&A isn’t in a quiet period, at least where we sit. There’s a very active ecosystem, particularly in lower-middle market company acquisitions by private equity firms and strategic corporate buyers.”

Strategic Focus

Skyway has built a robust business focusing on family- and founder-owned businesses, whose organic growth patterns nearly always reach a point where they are looking to sell – no matter the market conditions.

While headline-making valuations have retreated in the last year, sellers are still able to create a lot of value, according to firm leadership.

Jeff Hunt, Skyway’s Senior Managing Director who joined Skyway last summer, says, “In the last four months alone, we’ve closed three great deals across various industry sectors. In those deals, the sellers understood that there had been a recent shift in the valuation landscape. However, Skyway was successful in driving great valuation outcomes for those transactions.”

“Although valuations continue to face headwinds, it’s our job to identify the right deal terms by leveraging our experience and transaction creativity to get the valuation our clients are looking for,” he continues.

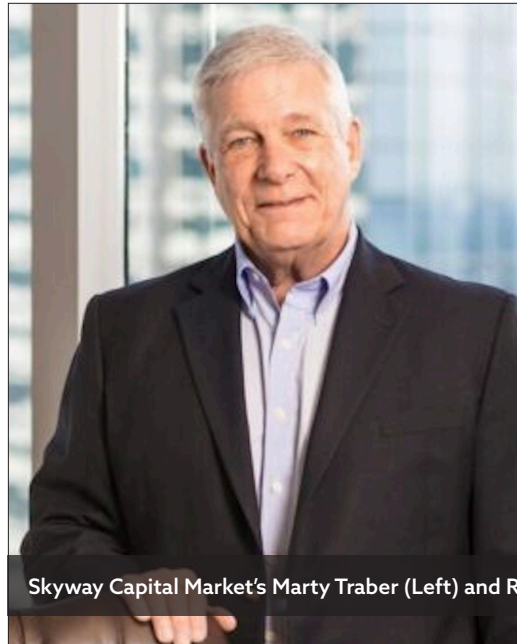
Relationships Trump Market Conditions

A great deal of Skyway’s work has been in sell-side M&A representation for family- and founder-owned businesses. Chairman Marty Traber says from this standpoint, it’s critical to have long-standing relationships and experience.

“We play the long game, side by side with our clients for years,” says Traber. “Once they’re ready, it’s a matter of process – we have to seamlessly structure and execute a deal that maximizes the outcome, no matter what the broader economic picture.

“In a lot of cases, we work with serial entrepreneurs who go on to start other companies, and then when they are ready to sell again, they call us again,” Traber continues.

One example: Louie Mozas, Former President of Aqua Central (Formerly known as Florida Water Products, Pool & Electrical Products) remarked on Skyway saying, “We knew partnering with a private equity sponsor would be transformational and complex for our business, so it was crucial we had the right partners to guide the process. Roger Overby and Jack Murray [Senior Vice President] ensured the goals of our company and shareholders were achieved. After our transaction was completed, I was able to live my dream of consolidating other regional distributors to build a nationwide platform. In one



Skyway Capital Market's Marty Traber (Left) and Roger Overby (Right)

Skyway Capital Markets

instance, we were dealing with a complex transaction and the target company was inexperienced in the M&A process. We brought in Skyway to ensure certainty of close. Not only was the deal completed, but Skyway’s involvement enabled us to expedite due diligence and close in less than 45 days. They are transparent, hardworking professionals who always put their clients first.”

Jay Heinberg, Senior Managing Director of The Axiom Group agrees. “We have worked with Skyway since founding our company six years ago. Roger Overby and Russ Hunt have continued to provide invaluable guidance on capital formation, capital raising, and capital structure. They have truly been integral in shaping our business model and evolving strategy. We will certainly hire them when we have reached the point where we decide to exit our company and sell to a private equity buyer or strategic buyer.”

Company Evolution

While Skyway has evolved from its early days, changing its name slightly and transitioning to a new ownership group, some of the folks who were there in the beginning are still at the helm.

In 2002, while still a partner at international law firm Foley & Lardner, Marty Traber was approached by long-standing clients Scott Feuer and Bryan Crino with a plan to establish an investment bank in Tampa.

“Marty [Traber] was instrumental in helping establish the firm through encouragement and by making key introductions and actually providing us with our initial office space,” says co-founder Bryan Crino.

Just as relationships fuel the company’s success today, they were instrumental in building the firm in the beginning. Current CEO Russ Hunt and his father Dick Hunt became key advisors to Feuer and Crino and helped jump-start the firm’s activities and growth.

“We had a lot of respect for Russ and Dick. They were influential figures in our early years,” Crino says. “And then we had the opportunity to partner with Roger [Overby] on one of our first transactions in 2003. Eventually, our paths crossed again when he came to work with us in 2013, where we really saw Roger’s capabilities.”

When Feuer and Crino eventually decided to exit investment banking to focus on their private equity business, they knew who to call.

“We wanted to follow our passion for venture capital and private equity, and we knew these guys had the energy for the investment banking business. It felt like a natural transition to hand it off to people who were with us in the beginning. We knew they would be good stewards of the brand and build a true legacy investment banking firm in Tampa,” Crino says.

And so Traber, along with Overby, acquired the investment banking firm in 2016, brought on Russ Hunt as CEO and began the next chapter of Skyway.

Overby said the early success of Skyway’s investment banking venture really came by way of personnel choices and existing business relationships.

“Early on we knew hiring the right mix of people would be key to our M&A success. For example, our first hire was Jack Murray IV who brought great energy to the group and set the bar very high – he was a quick learner, extremely focused, and driven. And then one by one we continued recruiting talented and driven individuals to help build out our team framework,” Overby remarks.

“Simply put, we work very hard, are nimble, opportunistic, and gritty. Never did I expect traditional investment banking could be so successful. We have grown our team from six people to over forty people today. And each one of those individuals and their families are important to us and have contributed to our success. Our revenues have grown from less than one million in 2016 to over \$43 million in 2022.”