

ST. LOUIS BUSINESS JOURNAL

M&A deals in St. Louis area rebounded in 2021, highest since Great Recession

By [James Drew](#) – Reporter, St. Louis Business Journal

The number of St. Louis-area companies involved in mergers and acquisitions in 2021 not only rebounded strongly from the first year of the Covid-19 pandemic, but also reached the highest level since the Great Recession of 2007-2009.

M&A transactions last year in the metro area totaled 248, a 63% increase over 152 in 2020. The total was 211 in 2019. The high previous to 2021 was 246 in 2015, said [John Hull](#), managing director at [The Fortune Group](#), a Clayton-based M&A advisory firm.

“The deal market has been incredibly resilient. Once the lockdown ended, people got their arms around how Covid was impacting their business and it gave them some visibility into the future, and deal activity resumed.

“Buyers did not back off and sellers remained interested, particularly at the valuations buyers are paying. It’s been a seller’s market,” Hull added.

There were 113 St. Louis-area companies acquired in 2021 compared with 51 in 2020 and 78 in 2019.

Hull said notable sale transactions last year included [Luxco Inc., which was sold to MGP Ingredients Inc.](#) (Nasdaq: MGPI) and [Aegion Inc.'s acquisition by New Mountain Capital](#) in a going-private transaction.

Also, two longtime St. Louis companies were acquired by the same buyer, New York-based private equity group Tincum Inc., in unrelated transactions.

[Tincum acquired Watlow Electric Manufacturing Co.](#), founded and then owned by the Desloge family, and TSL Engineered Products, formerly known as Robert Family Holdings and the successor to Siegel-Robert Inc., which was founded and previously owned by the Robert family, according to Hull.

[Three of the 15 largest St. Louis accounting firms were sold](#); Brown, Smith and Wallace LLP; Mueller Prost PC; and BWTP LLP.



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The Fortune Group's John Hull said that St. Louis M&A has strongly rebounded in 2021, reaching the highest level of deal activity since the Great Recession.

These transactions, Hull said, continued a trend among local CPA firms over the past several years that leaves only two of St. Louis' largest accounting firms locally owned: Anders Minkler Huber & Helm LLP (Anders CPAs + Advisors) and RubinBrown LLP.

On the buy side, St. Louis-based companies acquired 135 businesses in 2021 compared with 101 in 2020 – a 34% increase.

Maryland Heights-based Core & Main (NYSE: CNM), a distributor of water, wastewater and fire protection products, [bought five companies in 2021](#). Other active buyers were [agtech company Benson Hill](#) (NYSE: BHIL) and [private equity group Thompson Street Capital Partners](#), which each completed three acquisitions, according to The Fortune Group.

Hull said many M&A professionals predict that deal volume this year will dip from 2021 levels, when a backlog of deals from the pandemic lockdown in 2020 and expected tax changes by the new Congress drove deal activity to post-2008 highs.

"Supply chain disruption, rising inflation, and labor shortages may impact 2022 operating results, and together with rising interest rates, could affect deal volumes and valuations this year," he wrote in an email.

Hull said despite these factors, The Fortune Group expects M&A deal activity in the middle market to remain in 2022 "due to the large generational transition of current business owners, which in some cases is being accelerated by Covid fatigue, and buyers' ample capital and aggressive pursuit of acquisition opportunities."