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# Buffalo is losing four of its few public companies. What does that mean?



Image: Buffalo Business First

A view of Life Storage on Colvin Boulevard

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By [Lian Bunny](#) – Reporter, Buffalo Business First  
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Public companies based in Buffalo have taken a lot of hits over the past year, from acquisitions to filing for bankruptcy to relocating headquarters.

But amid national trends and typical business movements, coupled with some good news as well coming out of public companies, experts say it's nothing to worry about.

“I expect that kind of thing to continue because it’s just business,” said John Zak, mergers and acquisitions expert and partner at Hodgson Russ LLP.

In 1993, 25 public companies were based in Western New York. This year, [Business First’s List included 19](#), but next year's will be different because:

- [Computer Task Group recently signed a definitive merger agreement](#) to be acquired by Cegeka, a family-owned European IT provider.
- [Extra Space Storage Inc.’s acquisition of Life Storage Inc.](#) was finalized in July.
- Buffalo-based Athenex announced May 14 that it [filed for bankruptcy and would sell its assets](#) by July 1.
- Columbus McKinnon Corp. announced last fall that it’s [moving its headquarters from Getzville to Charlotte, N.C.](#)

Experts countered those developments by pointing out that those moves were made for different reasons - some because of local businesses' successes, some because of their struggles - and by companies from diverse industries: IT, retail, pharmaceuticals and manufacturing, respectively.

And public companies' merging, getting acquired, shuttering and moving headquarters are a part of the natural cycle of business. The Buffalo market could also be mirroring national trends. [America has lost half of its public companies](#) since the 1990s, CNN reported earlier this summer.

Other public companies’ successful exits can lead to others’ wins, Zak added. Western New York might feel the pain when public companies leave more than other areas because there isn’t a robust pipeline of new public companies moving in or being created.

“It does send a message, I think, that it can be done,” he said. “It hurts more, looks bigger than it is because we don’t have the other side of the story to tell - the new

business going public or new headquarters relocating here.”

That’s partially due to New York state not typically being attractive business environment, according to Zak. For example, the [state has high taxes and an individual income tax](#), meaning the more you make, the more you pay.

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*Want to learn more about what it means for a [city to be home to a company’s headquarters](#)? Check out our cover story from earlier this year.*

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Local executives have also pointed to moving headquarters from Buffalo in favor of larger cities with bigger talent pools, among other factors, Business First has previously reported.

But there’s also a bright side to Buffalo’s narrative when it comes to public companies.

“It seems like we’re losing public firms, but when you look at the other side, it’s less bad than we initially thought,” said Jack Jiang, associate professor of finance at the University at Buffalo’s School of Management.

Take the top two largest locally based public companies, based on revenue: M&T Bank completed this year a [\\$8.3 billion purchase of People’s United Bank](#), the largest acquisition in M&T’s history, and [Moog Inc. in 2020 acquired Genesys Aerosystems Group, Inc.](#) for about \$77.7 million.

Then there’s ACV Auctions, No. 9 on our largest public companies list, which [IPOed in March 2021](#). Although, over the last decade, local businesses filing for an IPO has been a relatively rare event.

Zak added that the region also has successful locally based private companies, like Delaware North and Rich Products.

“Companies like that – that can grow here, that feel like it is a place to be able to grow international or nationwide business – that’s great,” he said. “That’s what we should want. Public or private.”