



MARSHBERRY

M&A *trends*

2018

MARSHBERRY'S QUARTERLY LOOK

AT THE STATE OF THE M&A MARKET

M&A Valuations and Deal Counts Continue To Soar



by **Phil Trem**, Executive Vice President 440.392.6547 | Phil.Trem@MarshBerry.com

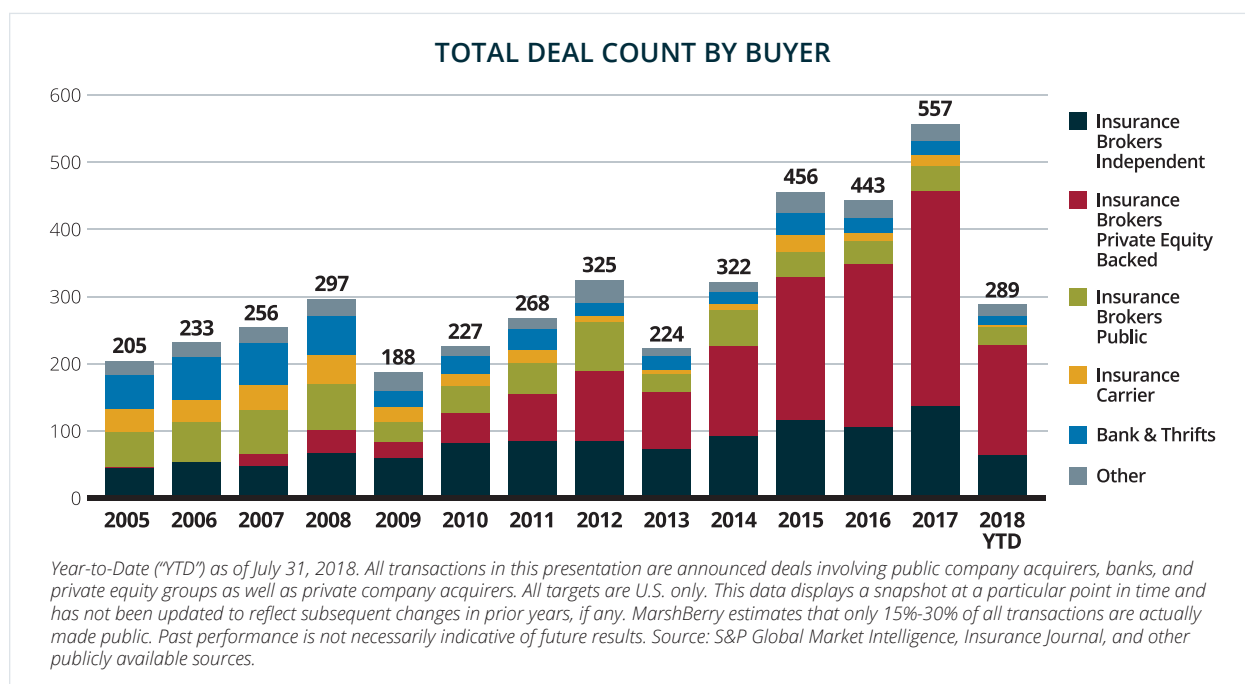
MarshBerry Remains Top M&A Advisor 19+ years and Running*

The Merger and Acquisition (M&A) marketplace continues to rage on. With approximately 290 deals announced through July, we believe that we are on pace for another year of 500+ transactions. Additionally, the first half of the year has seen its share of large transactions with at least five top 100 brokers completing sales of their own. We expect this number to rise before year end.

As deal counts continue an aggressive pace, valuations are continuing to grow. The average maximum earn-out transaction multiple has inched up by 5.7% in the 12 months ending June 30, 2018 compared to the calendar year 2017. The average base purchase price, as of the 12 months ending June 30, 2018, has exceeded 8.0x earnings before interest, tax, depreciation, and amortization ("EBITDA") for the first time in our records.

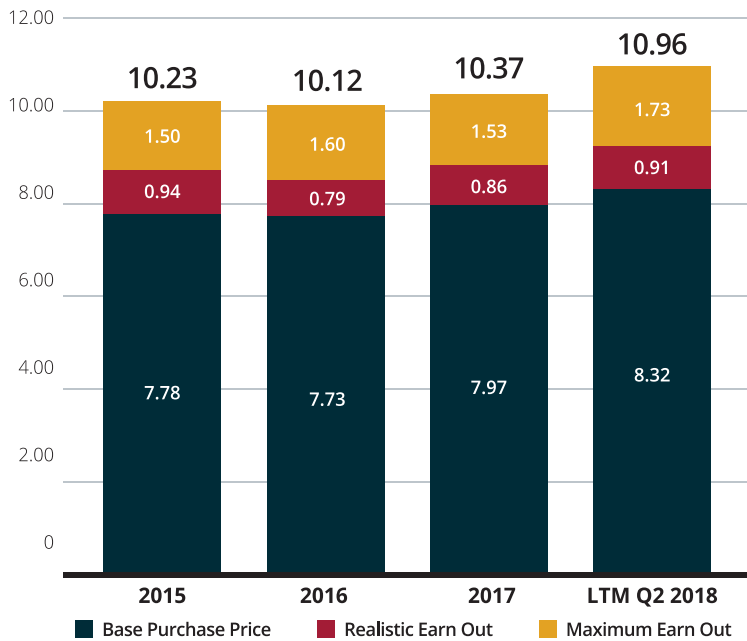
Platform firms, typically a larger firm where the buyer is looking to establish a presence in a specific region or niche, achieved a maximum valuation 12.12x EBITDA with a base purchase price of 9.59 as of the 12 months ending June 30, 2018. These are massive valuations being offered in the marketplace. Demand for quality firms is helping drive the activity and values. While buyers are evaluating the long-term sustainability of these astronomical valuations, no one has blinked yet. We believe that rising interest rates and tax reform will likely cause a decline in value but the timing of when this will occur is still anyone's guess. ■

*Total completed buy side and sell side transactions in the United States as reported by S&P Global Market Intelligence.



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AGENCY VALUE COMPARABLES MAXIMUM PURCHASE PRICE AS A MULTIPLE OF EBITDA



LTM: Last Twelve Months; EBITDA: Earnings Before Interest, Taxes, Depreciation & Amortization

Source: MarshBerry proprietary database. Data compiled from transactions in which we were directly involved, those from which we have detailed information, and transactions in the public record. Numbers may not add due to rounding. Past performance is not necessarily indicative of future results.

Individual results may vary.

Base Purchase Price: The amount of proceeds paid at closing, including any escrow amounts for indemnification items, (i.e., Paid at Close) plus amount buyer may initially hold back, but which are paid as long as the seller's performance does not materially decline, or which may be paid at closing but is subject to a potential adjustment (i.e., Live Out).

Realistic Earn Out: The anticipated purchase price to be achieved in the future based on a number of factors including seller historical and expected performance, buyer and seller realistic discussion of earn out metrics, etc.

Maximum Earn Out: The additional earn out above the Realistic Earn Out, that if achieved, would generate the maximum possible earn out payment.

TOP BUYERS YTD 2018 • ANNOUNCED U.S. TRANSACTIONS

#	Buyer	Insurance Broker Buyer Type	2018	% of Total
1	ASSUREDPARTNERS, INC.	Private Equity Backed	19	6.6%
2	BROADSTREET PARTNERS, INC.	Private Equity Backed	19	6.6%
3	ALERA GROUP, INC.	Private Equity Backed	18	6.2%
4	ACRISURE, LLC	Private Equity Backed	17	5.9%
5	HUB INTERNATIONAL LIMITED	Private Equity Backed	16	5.5%
6	ARTHUR J. GALLAGHER & CO.	Public	15	5.2%
7	NFP CORP.	Private Equity Backed	12	4.2%
8	SEEMAN HOLTZ PROPERTY AND CASUALTY, INC.	Private Equity Backed	9	3.1%
9	BROWN & BROWN, INC.	Public	8	2.8%
10	INTEGRITY MARKETING GROUP LLC	Private Equity Backed	6	2.1%
11	ONEDIGITAL HEALTH AND BENEFITS	Private Equity Backed	6	2.1%
12	WORLD INSURANCE ASSOCIATES, LLC	Independent	6	2.1%
13	ALLIANT INSURANCE SERVICES, INC.	Private Equity Backed	5	1.7%
14	MARSH & MCLENNAN COMPANIES, INC.	Public	5	1.7%
15	RISK STRATEGIES COMPANY, LLC	Private Equity Backed	5	1.7%
16	AMPLE INSURANCE COMPANY, LLC	Independent	4	1.4%
17	HILB GROUP LLC	Private Equity Backed	4	1.4%
18	PETER C. FOY & ASSOC. INSURANCE SERVICES, LLC	Private Equity Backed	4	1.4%
19	RYAN SPECIALTY GROUP, LLC	Independent	4	1.4%
SUBTOTAL			182	63.0%
TOTAL DEALS			289	100.0%

Year to Date ("YTD") as of July 31st of given year. All transactions in this presentation are announced deals involving public companies, private equity backed brokers, private equity companies, banks, InsurTech companies as well as others including private equity groups, underwriters, specialty lenders, etc. All targets are U.S. only. This data displays a snapshot at a particular point in time and has not been updated to reflect subsequent changes in prior years, if any. MarshBerry estimates that only 15%-30% of all transactions are actually made public. Past performance is not necessarily indicative of future results.

Source: S&P Global Market Intelligence, Insurance Journal, and other publicly available sources.

#1 SELL SIDE ADVISER.

JANUARY 2018



Seeman Holtz Property and Casualty, Inc. HAS ACQUIRED Xponent Employer Solutions, Inc.



MarshBerry was financial adviser to the Seller

FEBRUARY 2018



Long Ridge Equity Partners LLC HAS ACQUIRED A MINORITY INTEREST IN SALI Fund Management, LLC dba SALI Fund Services, LLC

MarshBerry was financial adviser to the Seller

FEBRUARY 2018



Landwehr Insurance Services, Inc. dba Winter-Dent & Co. BECOMES 100% OWNED BY EMPLOYEE STOCK OWNERSHIP PLAN (ESOP) THROUGH iCAP (Integrated Continuity Alignment Plan) solution

MarshBerry was financial adviser to the Agency

FEBRUARY 2018



Hub International Limited HAS ACQUIRED Der Manuel Insurance & Financial Services, Inc.



MarshBerry was financial adviser to the Seller

FEBRUARY 2018



Alera Group, Inc. HAS ACQUIRED Wilson Albers & Company LLC and certain related entities



MarshBerry was financial adviser to the Seller

APRIL 2018



Acrisure, LLC HAS ACQUIRED A Privately-Held Insurance Agency in Florida



MarshBerry was financial adviser to the Seller

APRIL 2018



Worldwide Facilities, LLC HAS ACQUIRED Tennant Risk Services Insurance Agency, LLC



MarshBerry was financial adviser to the Seller

APRIL 2018



Specialty Program Group, LLC HAS ACQUIRED CERTAIN ASSETS OF Norman-Spencer Agency, Inc. (Marine & Crane divisions)

MarshBerry was financial adviser to the Buyer

MAY 2018



USI Insurance Services, LLC HAS ACQUIRED CHS Insurance Services, LLC and Certain Related Entities from CHS, Inc.



MarshBerry was financial adviser to the Seller

MAY 2018



Alera Group, Inc. HAS ACQUIRED Dickerson Employee Benefits, Inc.



MarshBerry was financial adviser to the Seller

JUNE 2018



Hilb Group, LLC HAS ACQUIRED A PROPERTY & CASUALTY BOOK OF BUSINESS FROM THE CM&F Group, Inc.



MarshBerry was financial adviser to the Seller

JULY 2018



Marsh HAS ACQUIRED Wortham Insurance



MarshBerry was financial adviser to the Seller

MarshBerry is proud to be the #1 sell side adviser (2008-2017) as tracked by S&P Global Market Intelligence.

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