

Sica | Fletcher Agency & Broker Buyer Index

2019 ANNUAL REPORT

S | F Agency & Broker Buyer Index

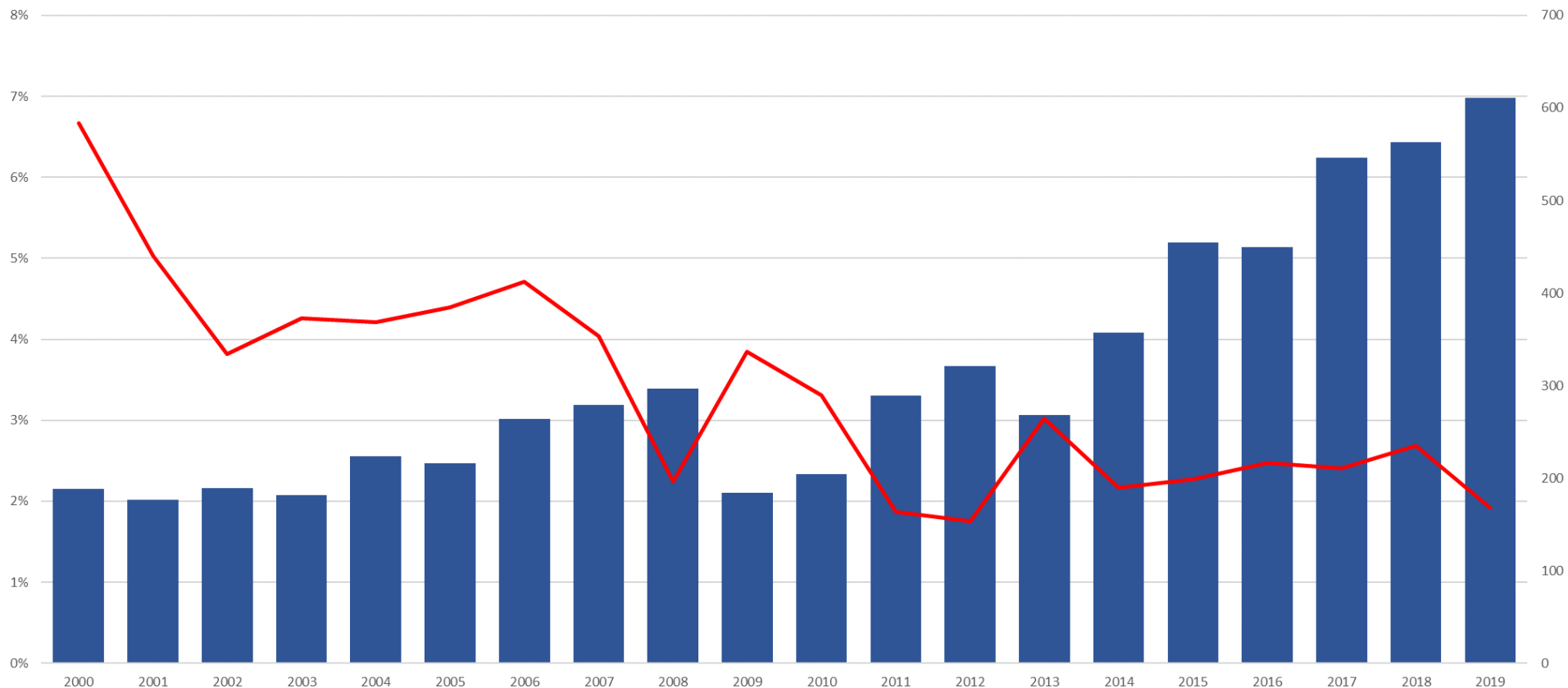
2019 Annual Report

The Trend is Your Friend...

In 2000, the 10-Year Treasury hovered around 7%. Today, it's just under 2%. The low cost of capital, combined with the supply of retiring baby boomers has fueled the M&A boom.

10 Year Treasury Yield

Agency and Broker Deals by Year



* As reported by S&P Global

S | F Agency & Broker Buyer Index

2019 Annual Report

2019 Annual Report – Sica Fletcher Agency & Broker Buyer Index



S | F Agency & Broker Buyer Index

2019 Annual Report

The Sica | Fletcher Buyers Index tracks twelve of whom we believe to be the most prolific agent and broker acquirers in the industry.













In addition to tracking the number of deals by Index member, we are able to provide aggregate revenue acquired by our group.



In 2019, SF Index Members acquired 449 Agents/Brokers, a 8% increase over 2018.

449

of agencies acquired
by SF index members in
2019

S | F Agency & Broker Buyer Index

2019 Annual Report

\$2.3 Billion

Total revenue acquired by
SF Index - 2019

In 2019, SF Index members acquired \$2.3 billion of agency and broker revenue, a 14.7% increase over 2018.

\$5.1 Million

Average size revenue of
agency acquired

The average revenue per agency in 2019 was \$5.1 million (as compared to \$4.8 million in 2018).

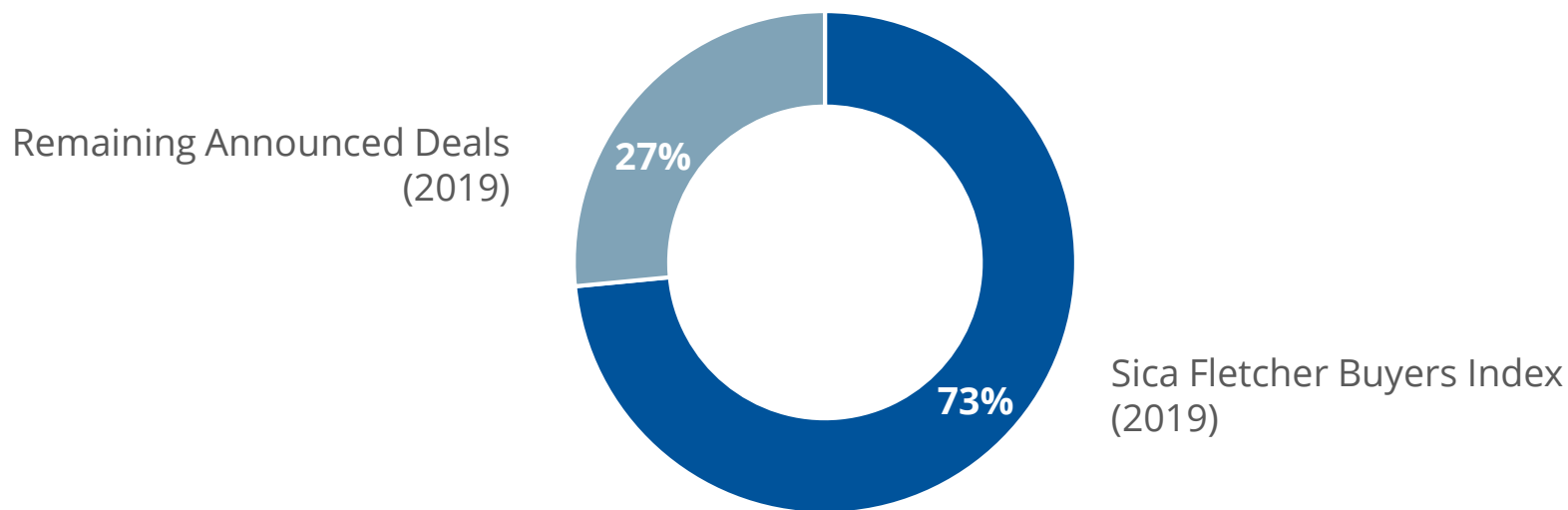
S | F Agency & Broker Buyer Index

2019 Annual Report



In 2019, the SF Index accounted for 73% of all deal activity in the agency and brokerage space, or 449 of the 611 announced U.S. transactions.

Total Announced Transactions



S | F Agency & Broker Buyer Index

2019 Annual Report

Who's Buyin' – Year Over Year Comparison

In terms of number of transactions, Acrisure reported 99 total acquisitions in 2019, followed by Hub and Assured Partners, with 74 and 53 respectively. In aggregate, members of the SF Index acquired 34 more agencies than in 2018.

Deals by SF Index Member	# of Deals, 2018	# of Deals, 2019
Acrisure	101	99
Hub International	66	74
Assured Partners	41	53
Gallagher	42	50
BroadStreet Partners	34	34
Hilb Group	13	25
NFP	31	25
Alera	33	23
Brown & Brown	23	23
Risk Strategies	10	21
USI	14	17
Marsh & McLennan	7	5

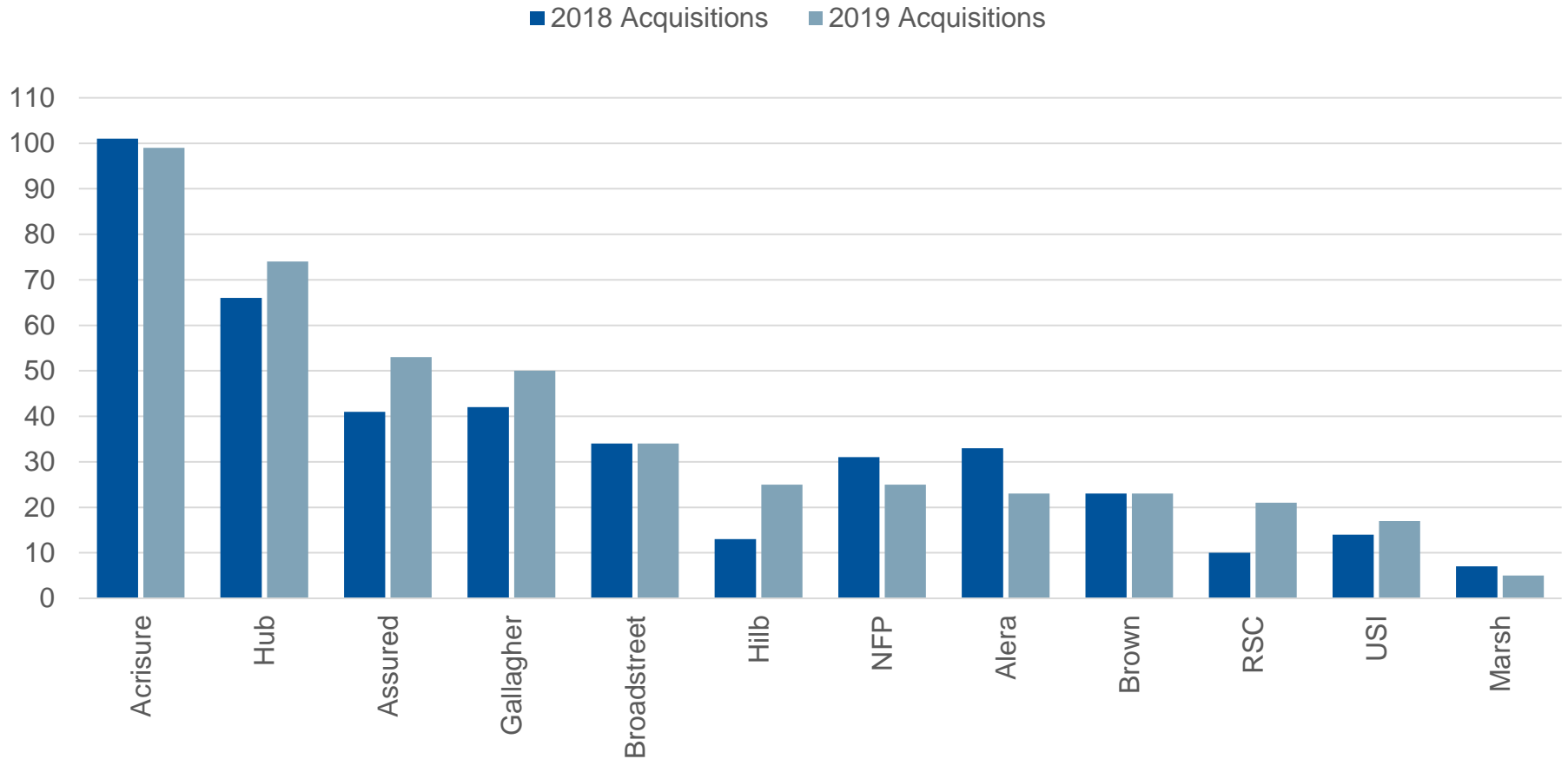
Total Acquisitions – SF Index Members – 2019

449 Transactions

S | F Agency & Broker Buyer Index

2019 Annual Report

Who's Buyin' - Year Over Year Comparison



S | F Agency & Broker Buyer Index

2019 Annual Report

Public vs. PE-Backed Analysis – Year Over Year

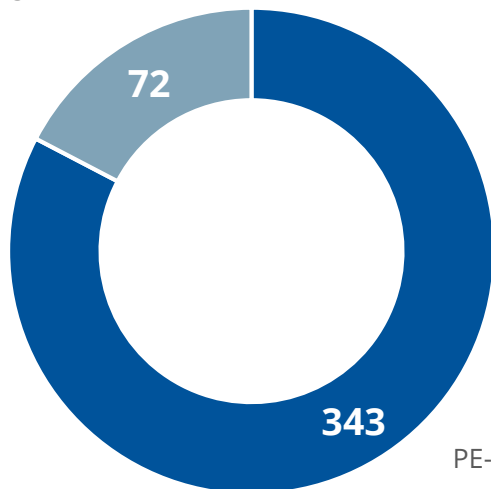
Private Equity buyers remain the deal activity drivers with buyer activity has continuing to rise.

83% of SF Index transactions were announced by PE-backed firms in 2019 vs 79% in 2018.

However, only three of the 12 Brokers we track are public (Brown, Gallagher and MMA).

SF Index PE vs. Public – 2018

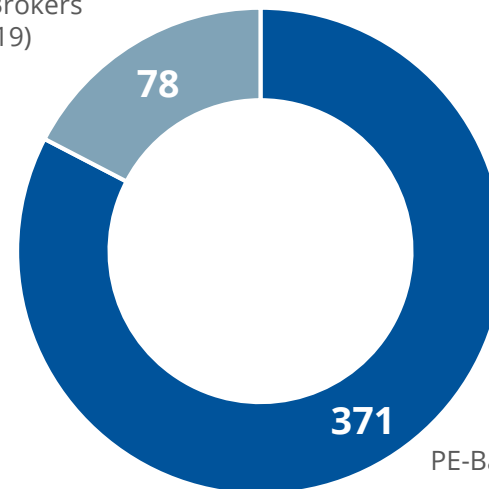
Public Brokers
(2018)



PE-Backed Brokers
(2018)

SF Index PE vs. Public – 2019

Public Brokers
(2019)



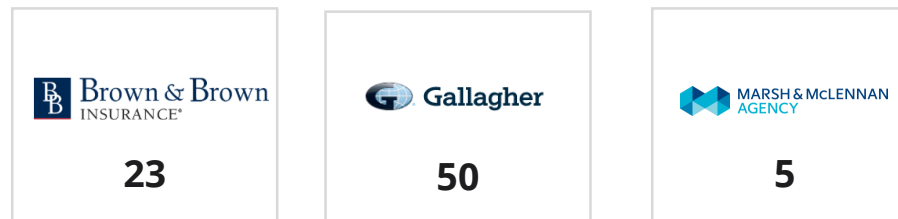
PE-Backed Brokers
(2019)

S | F Agency & Broker Buyer Index

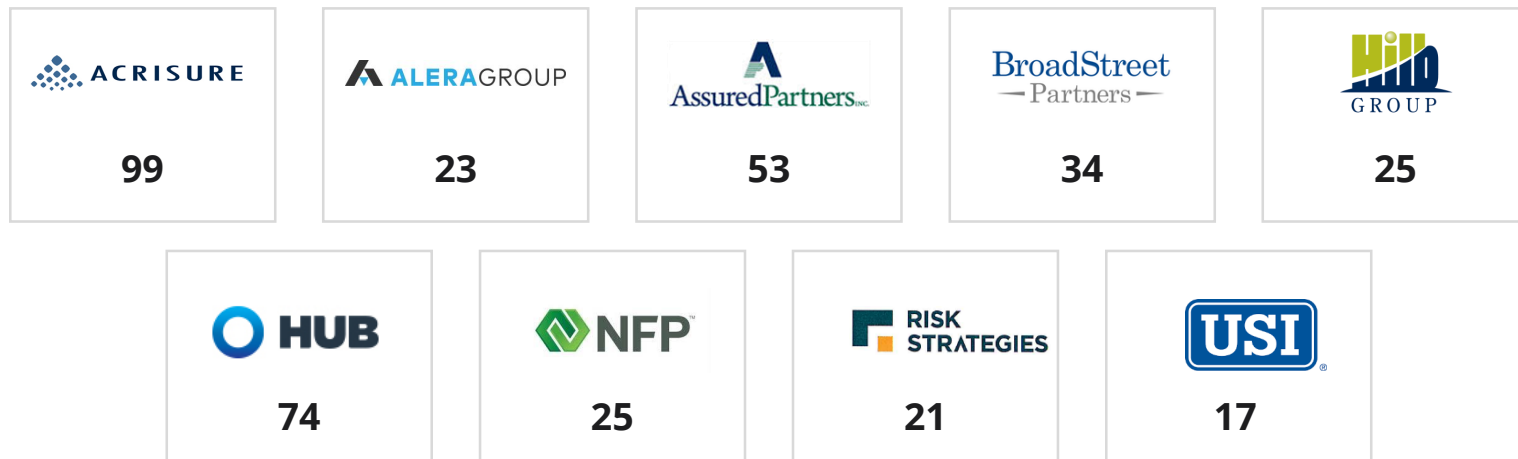
2019 Annual Report

Public vs. PE-Backed Analysis – 2019

Public Companies – 78 Acquisitions



PE-Backed Companies - 371 Acquisitions



SF Agency & Broker Buyer Index

2019 Annual Report

Recent Deals – 92 Transactions Completed in 2019

<p>SICA FLETCHER, LLC Is pleased to announce its role as financial and strategic advisor to:</p>  <p>GROUP</p> <p>In its sale to:</p> <p>THE CARLYLE GROUP</p> <p>SICA FLETCHER Opportunities Abound</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p>  <p>VISTA UNDERWRITING</p> <p>In its sale to:</p>  <p>RISK STRATEGIES</p> <p>SICA FLETCHER Opportunities Abound</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p>  <p>WEAVER BROS. INSURANCE INSURANCE SOLUTIONS CLAIMS MANAGEMENT RISK MANAGEMENT</p> <p>In its sale to:</p>  <p>RISK STRATEGIES</p> <p>SICA FLETCHER Opportunities Abound</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p>  <p>POWDERHORN</p> <p>In its sale to:</p>  <p>AssuredPartners</p> <p>SICA FLETCHER FORGING INSURANCE OPPORTUNITIES</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p>  <p>MOHAMAM INSURANCE AGENCY</p> <p>In its sale to:</p>  <p>ALERAGROUP</p> <p>SICA FLETCHER FORGING INSURANCE OPPORTUNITIES</p>
<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p>  <p>SHEWCHUCK INSURANCE AGENCY</p> <p>In its sale to:</p>  <p>ACRISURE</p> <p>SICA FLETCHER FORGING INSURANCE OPPORTUNITIES</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p>  <p>COMPREHENSIVE BENEFIT ADMINISTRATORS COMPLIANCE RISK MANAGEMENT</p> <p>In its sale to:</p>  <p>ALERAGROUP</p> <p>SICA FLETCHER FORGING INSURANCE OPPORTUNITIES</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p>  <p>GCH</p> <p>In its sale to:</p>  <p>ACRISURE</p> <p>SICA FLETCHER FORGING INSURANCE OPPORTUNITIES</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p>  <p>REGENCY INSURANCE BROKERAGE SERVICES</p> <p>In its sale to:</p>  <p>USI</p> <p>SICA FLETCHER FORGING INSURANCE OPPORTUNITIES</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p>  <p>WG WHITMORE GROUP</p> <p>In its sale to:</p>  <p>ACRISURE</p> <p>SICA FLETCHER FORGING INSURANCE OPPORTUNITIES</p>
<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p>  <p>CKP Insurance</p> <p>In its sale to:</p>  <p>Brown & Brown INSURANCE</p> <p>SICA FLETCHER FORGING INSURANCE OPPORTUNITIES</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p>  <p>Lykes Insurance</p> <p>In its sale to:</p>  <p>BALDWIN RISK PARTNERS</p> <p>SICA FLETCHER FORGING INSURANCE OPPORTUNITIES</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p>  <p>GROSSLIGHT INSURANCE, INC.</p> <p>In its sale to:</p> <p>Peter C. Foy & Associates ADVISORS • BROKERS • CONSULTANTS</p> <p>SICA FLETCHER FORGING INSURANCE OPPORTUNITIES</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p>  <p>Marsh-Kemp INSURANCE AGENCY</p> <p>In its sale to:</p>  <p>GROUP</p> <p>SICA FLETCHER FORGING INSURANCE OPPORTUNITIES</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p>  <p>THOMAS MCGEE GROUP</p> <p>In its sale to:</p>  <p>RISK STRATEGIES</p> <p>SICA FLETCHER Opportunities Abound</p>