

Sica | Fletcher Agency & Broker Buyer Index

2020 ANNUAL REPORT

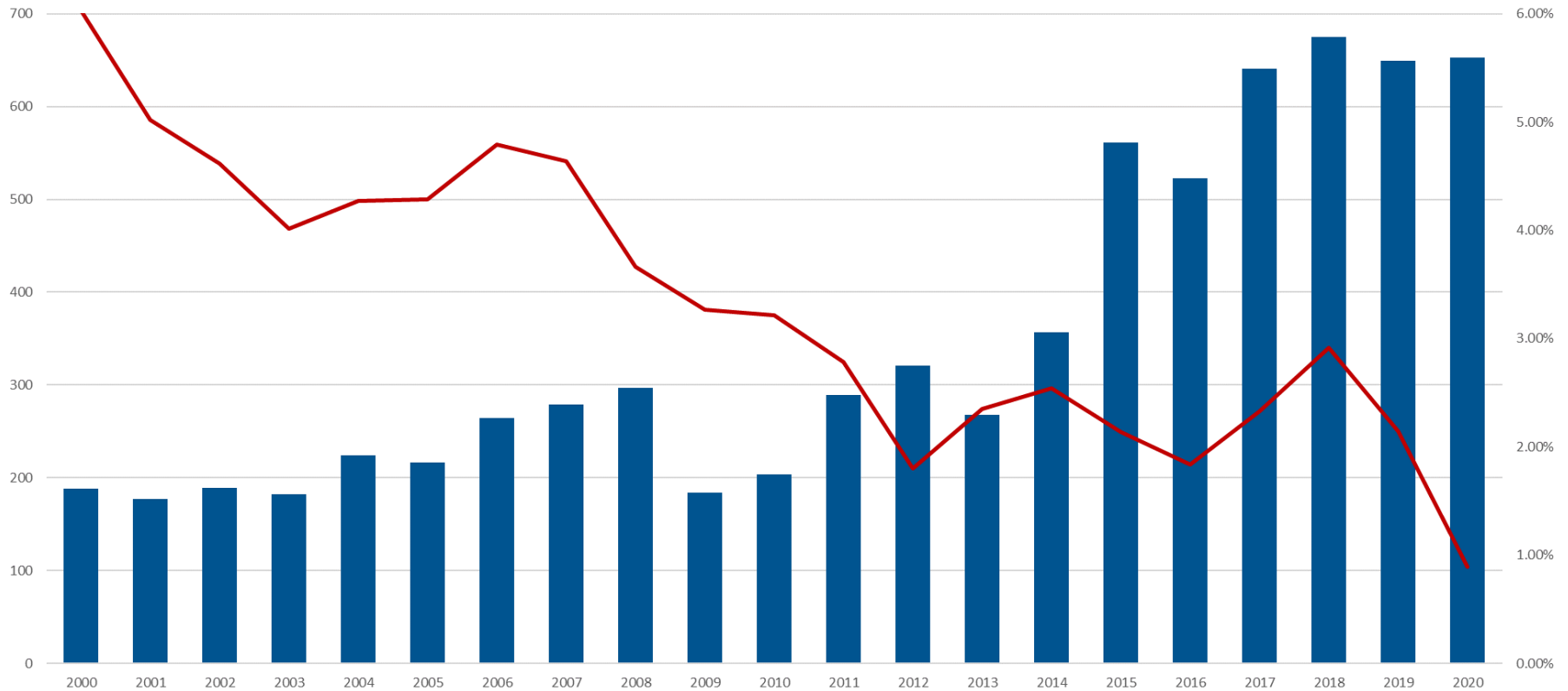
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2020 ANNUAL REPORT



In 2007, the 10-year treasury rate hovered around 5.0%. Today, the 10-year treasury rate is below 1.0%. Leverage is a significant part of every transaction's capital structure. With the cost of capital so low, buyers were able to pay more for agents and brokers while still attaining the same (if not better) returns generated during the last M&A boom.

10-Year Treasury Yield



Agency and Broker Deals by Year

* As reported by S&P Global

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2020 INDEX MEMBERS

2020 – Sica Fletcher Agency & Broker Buyer Index



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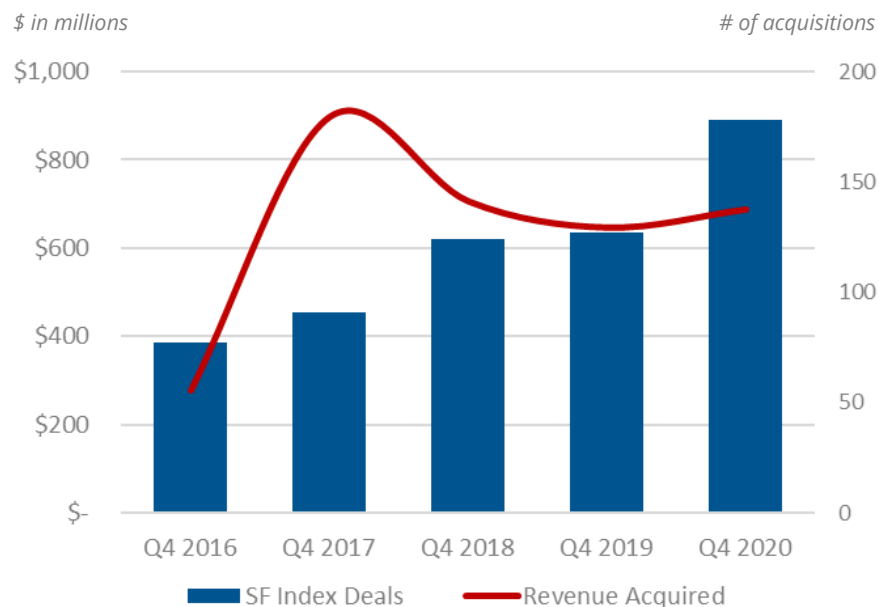
2020 DEAL ACTIVITY

The Sica | Fletcher Buyers Index now tracks fourteen of the most prolific agent and broker acquirers in the industry.

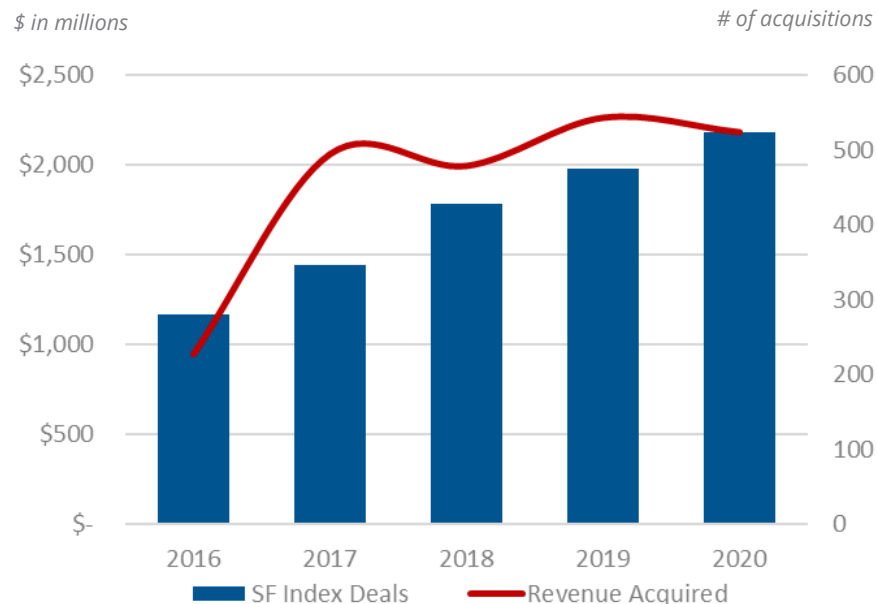
In addition to tracking the number of deals by Index member, we are able to provide the aggregate revenue acquired by the group.



Summary SF Index – Q4 Historical View



Summary SF Index – Annual Historical View



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2020 DEAL ACTIVITY

In 2020, SF Index Members acquired 523 Agents/Brokers, a 10% increase compared to 2019.

523

Agencies acquired by SF index members in 2020 (vs. 475 in 2019)

178

Agencies acquired by SF index members in 4Q 2020 (vs. 127 in 4Q 2019, a 40% increase)



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2020 DEAL ECONOMICS

\$2.2 billion

Total revenue acquired by
SF Index - 2020

In 2020, SF Index members acquired \$2.2 billion of agency and broker revenue (consistent as compared to 2019).

\$4.17 million

Average revenue of agency acquired
SF Index - 2020

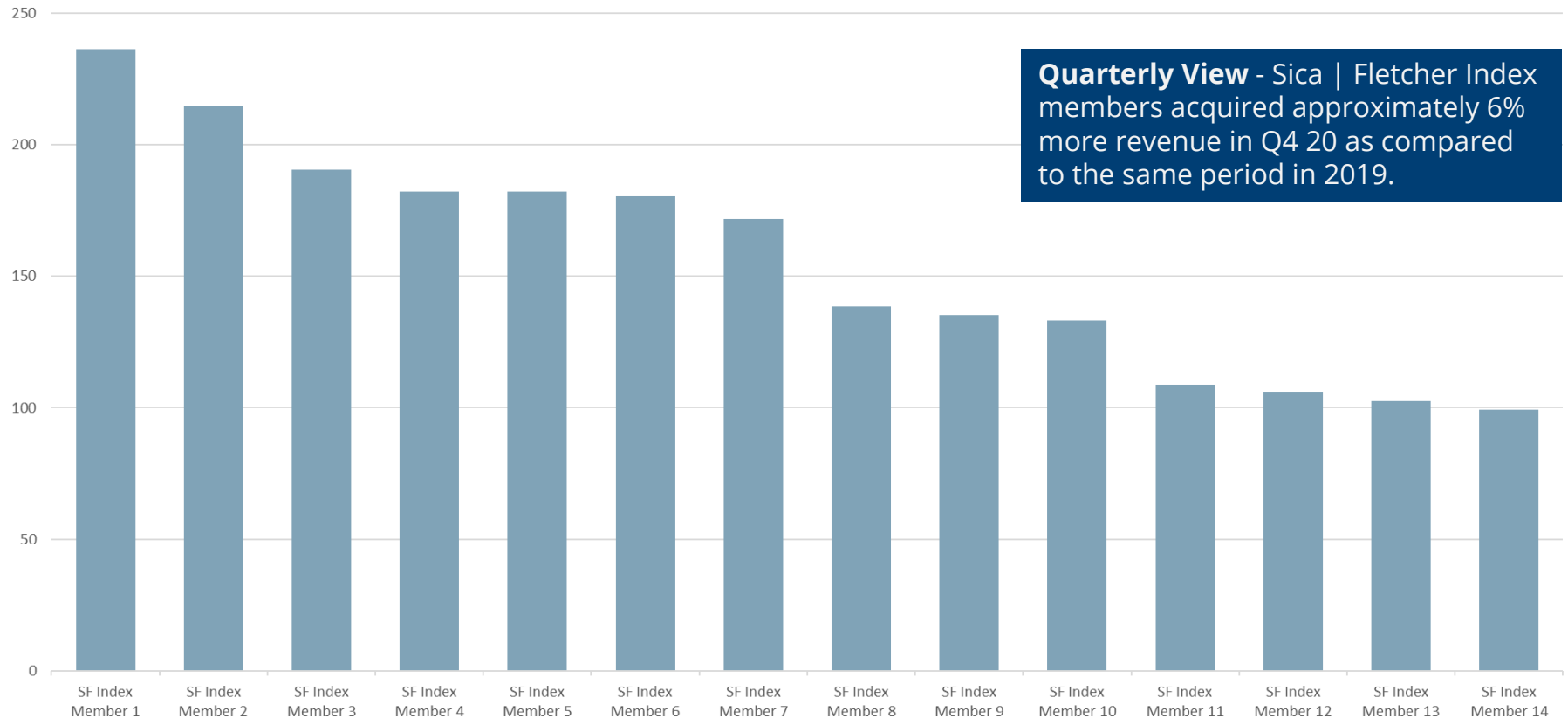
The average size of agency acquired in 2020 was \$4.17 million (this measure was \$4.76 million in 2019). The average agency revenue acquired in Q4 2020 vs Q4 2019 was also smaller, at \$3.86 million (vs. \$5.09 million).

Note: 4th Quarter revenue information estimated for two SF Index members.

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2020 DEAL ECONOMICS

The anonymous breakdown of the \$2.2 billion in revenue acquired in 2020 by SF Index members is as follows:



Quarterly View - Sica | Fletcher Index members acquired approximately 6% more revenue in Q4 20 as compared to the same period in 2019.

Note: 4th Quarter revenue information estimated for two SF Index members.

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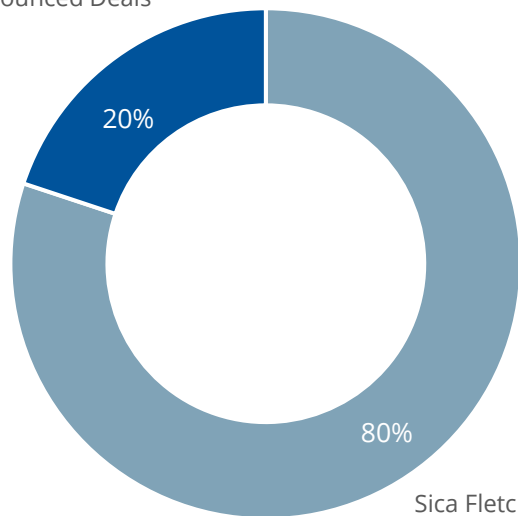
2020 DEAL ACTIVITY



The SF Index accounted for 80% of all deal activity in the agency and brokerage space in 2020, or 523 of the 653 announced transactions.

2020 Announced Transactions

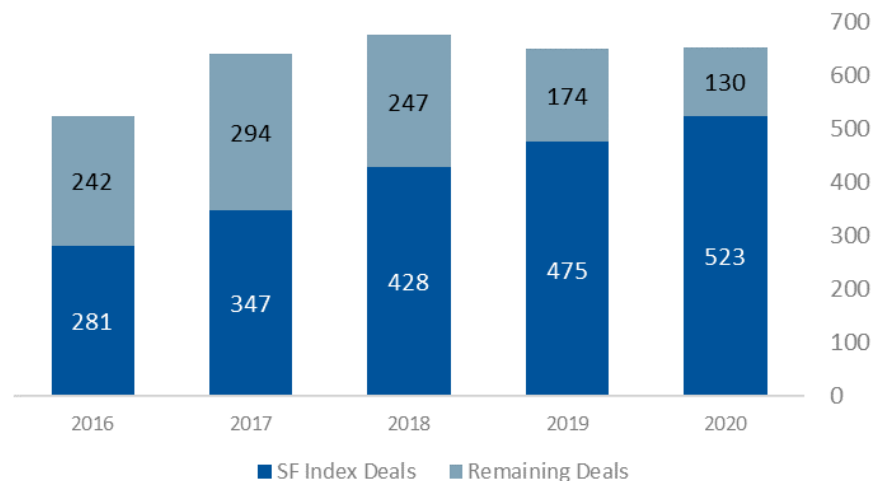
Remaining Announced Deals
(2020)



Sica Fletcher Buyer Index
(2020)

Year Over Year Announced Transactions

of acquisitions



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2020 DEAL ACTIVITY

Who's Buyin' – Year Over Year Comparison

In terms of transaction volume, Acrisure led the SF Index with 122 acquisitions reported in 2020. Hub International, BroadStreet Partners, and Assured Partners were the next most active acquirers this past year.

Deals by SF Index Member	# of Deals, 2019	# of Deals, 2020
Acrisure	99	122
Hub International	74	65
BroadStreet Partners	34	58
Assured Partners	53	47
World Insurance Associates	20	41
PCF	6	36
Hilb Group	25	23
USI	17	22
Brown & Brown	23	21
NFP	25	21
Risk Strategies	21	21
Alera Group	23	20
Gallagher	50	19
Marsh & McLennan	5	7

Total Acquisitions – SF Index Members – 2020

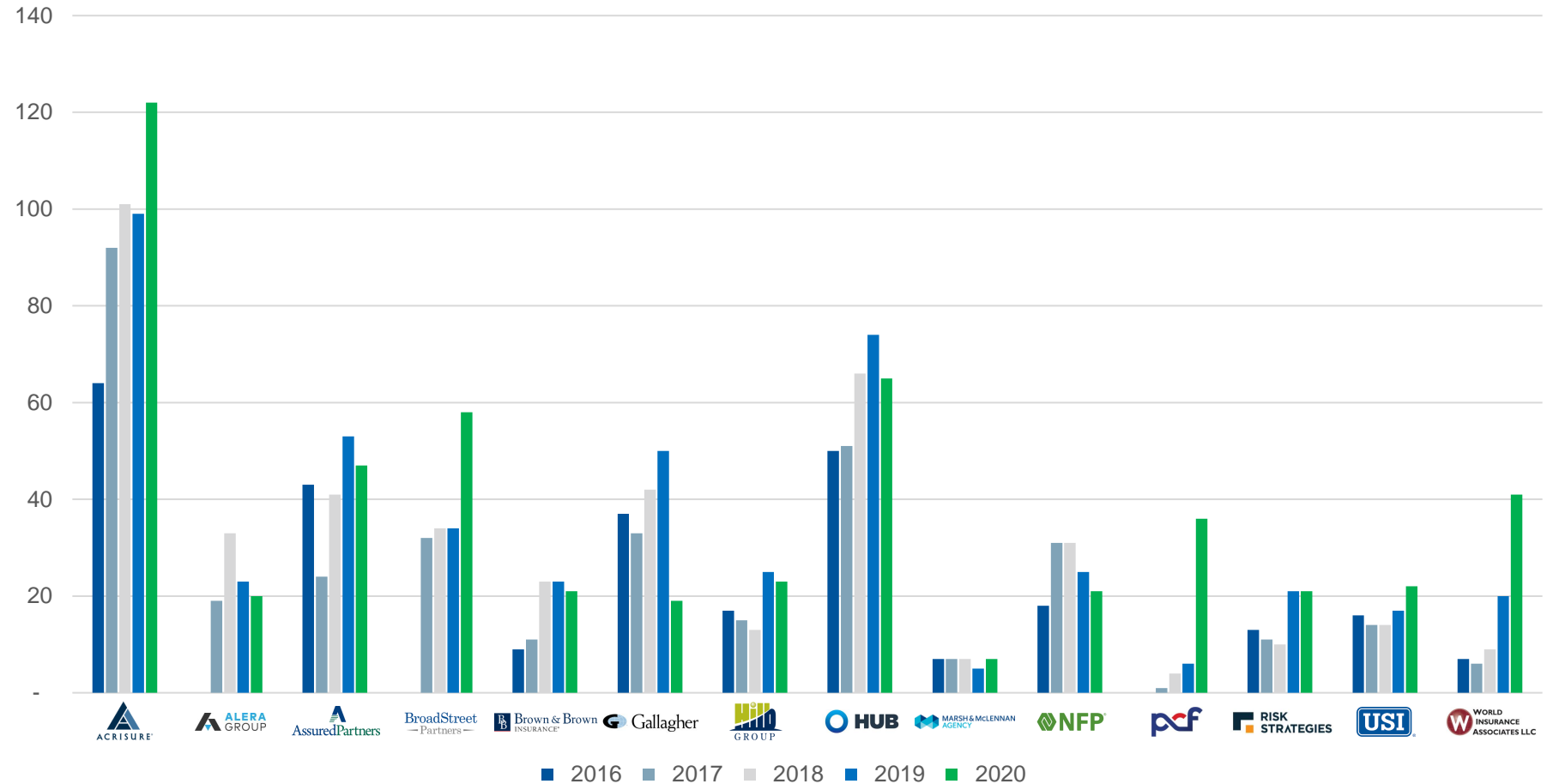
523 Transactions

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2020 DEAL ACTIVITY

Who's Buyin' - Year Over Year Comparison - 2016 through 2020

of acquisitions

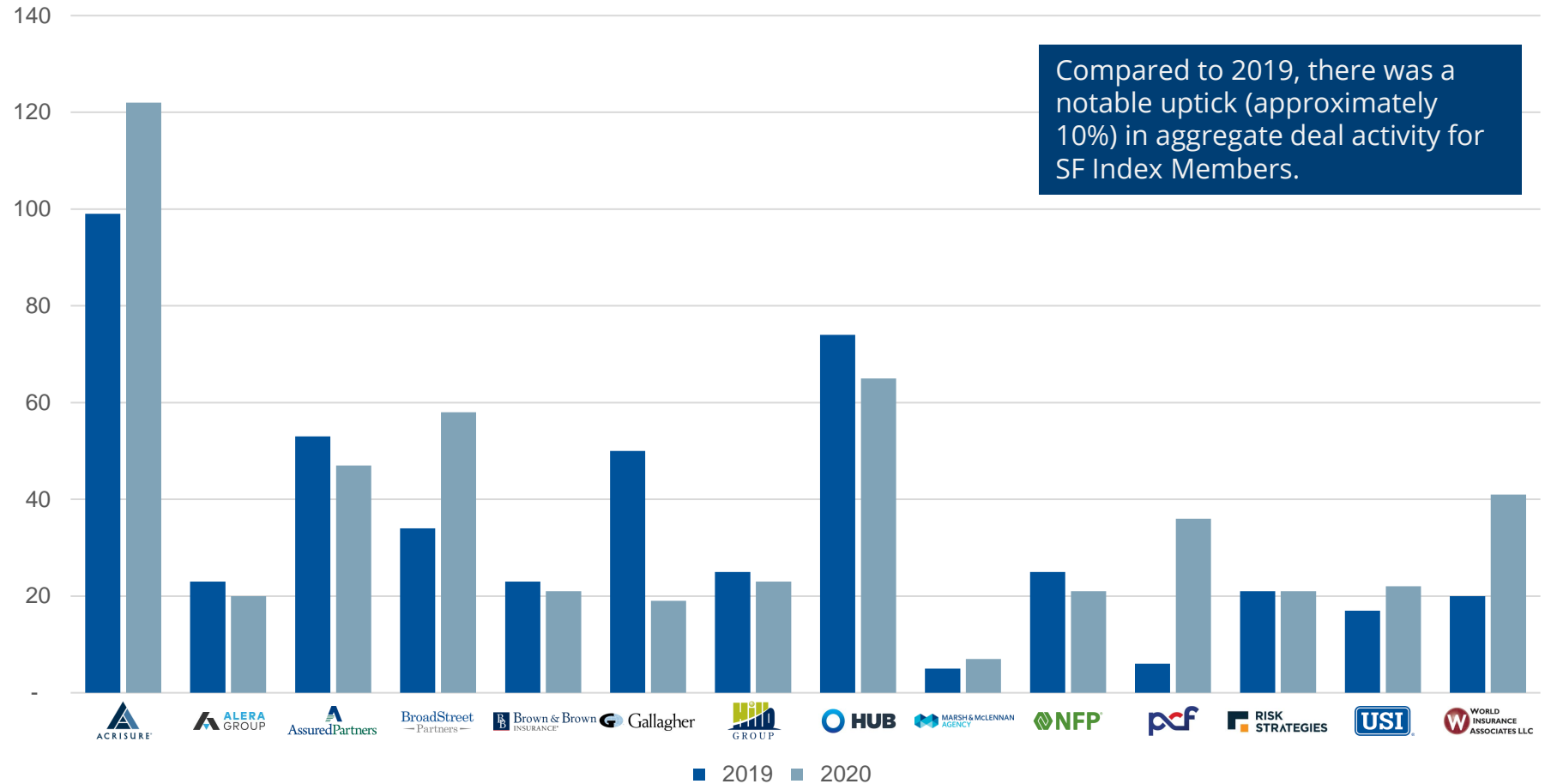


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2020 DEAL ACTIVITY

Who's Buyin' - Year Over Year Comparison - 2019 vs. 2020

of acquisitions

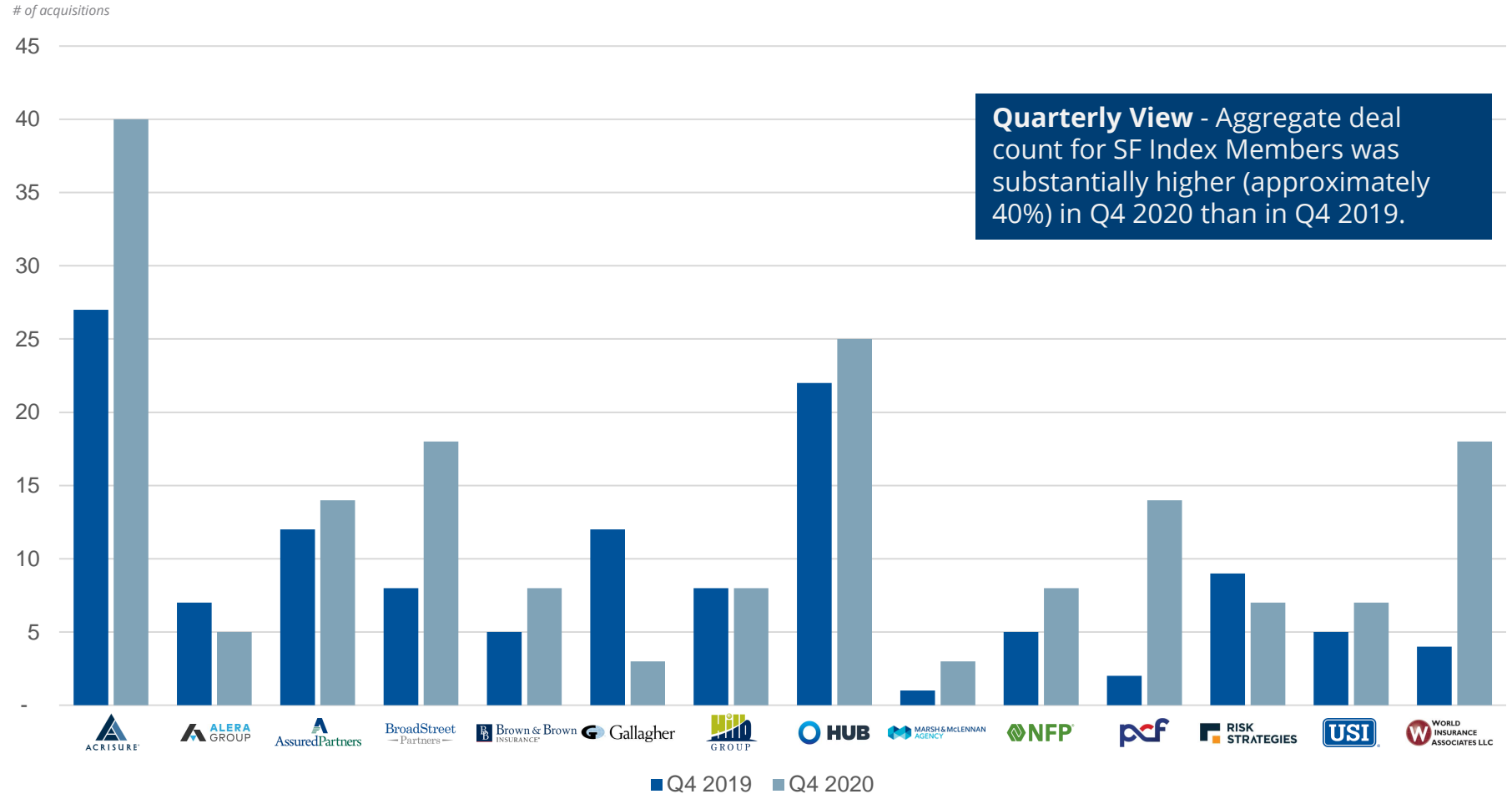


Compared to 2019, there was a notable uptick (approximately 10%) in aggregate deal activity for SF Index Members.

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2020 DEAL ACTIVITY

Who's Buyin' - Year Over Year Comparison - Q4 2019 vs. Q4 2020



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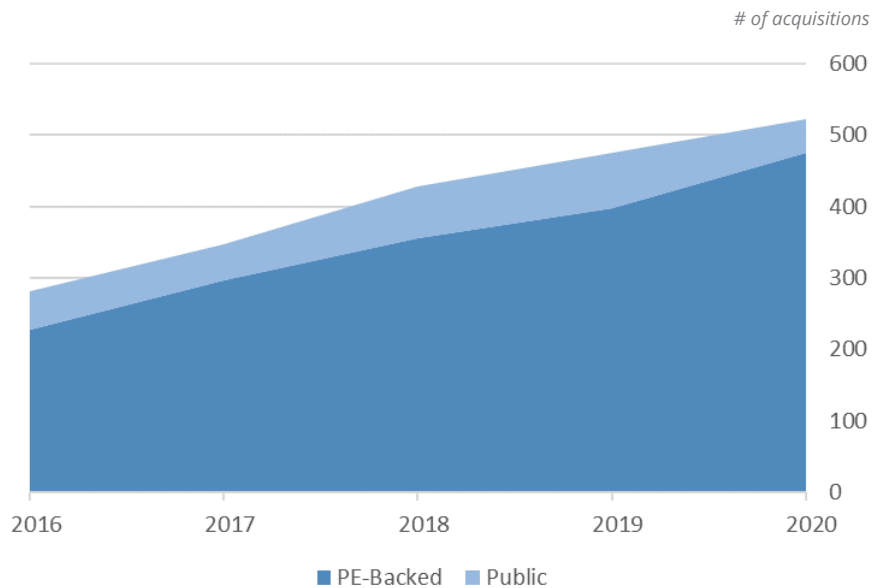
2020 DEAL ACTIVITY

Public vs. PE-Backed Analysis – Year Over Year

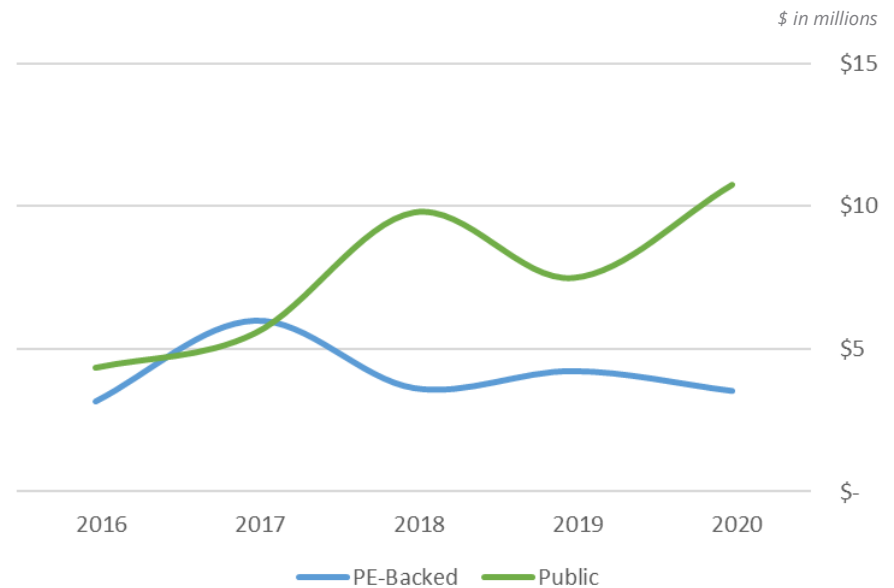
91% of SF Index transactions in 2020 were completed by PE-backed firm compared to 84% in 2019.

While PE-backed buyers had higher transaction volume, their publicly-traded counterparts had larger deals.

Number of Acquisitions – PE vs. Public



Average Revenue Acquired – PE vs. Public



Note: 4th Quarter revenue information estimated for two SF Index members.

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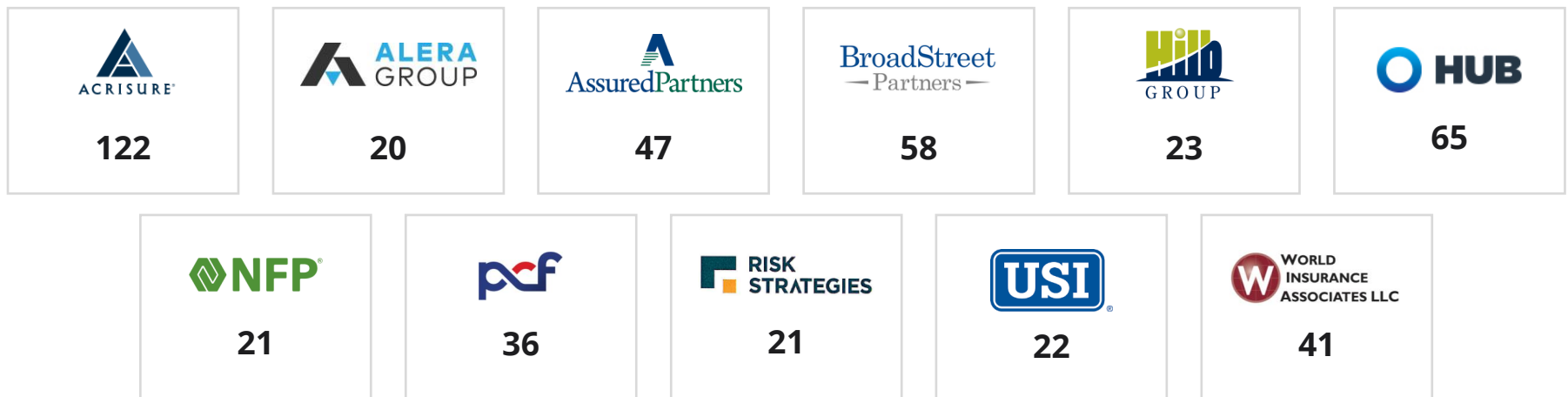
2020 DEAL ACTIVITY

Public vs. PE-Backed Analysis – 2020

Public Companies – 47 Acquisitions



PE-Backed Companies – 476 Acquisitions



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SICA|FLETCHER 2020 DEAL ACTIVITY - 125 TRANSACTIONS IN 2020

Recent Deals

<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p> <p>BIGFOOT insurance</p> <p>In its sale to:</p> <p>RISK STRATEGIES</p> <p>SICA FLETCHER</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p> <p>HIRAM COHEN & SON INSURANCE SINCE 1919 100 Years</p> <p>In its sale to:</p> <p>GROUP</p> <p>SICA FLETCHER</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p> <p>INGUARD.</p> <p>In its sale to:</p> <p>pf</p> <p>SICA FLETCHER</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p> <p>TIB</p> <p>In its sale to:</p> <p>pf</p> <p>SICA FLETCHER</p>
<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p> <p>J.W. EDENS & COMPANY, INC. INSURANCE AND FINANCIAL SERVICES</p> <p>In its sale to:</p> <p>WORLD INSURANCE ASSOCIATES LLC</p> <p>SICA FLETCHER</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p> <p>trg</p> <p>In its sale to:</p> <p>pf</p> <p>SICA FLETCHER</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p> <p>STRATEGIC INSURANCE</p> <p>In its sale to:</p> <p>RISK STRATEGIES</p> <p>SICA FLETCHER</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p> <p>Danaher Skewes & Associates</p> <p>In its sale to:</p> <p>WORLD INSURANCE ASSOCIATES LLC</p> <p>SICA FLETCHER</p>
<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p> <p>RANT INSURANCE GROUP</p> <p>In its sale to:</p> <p>pf</p> <p>SICA FLETCHER</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p> <p>NATIONAL Medical Bill Review</p> <p>In its sale to:</p> <p>ACRISURE</p> <p>SICA FLETCHER</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p> <p>ULB</p> <p>In its sale to:</p> <p>ACRISURE</p> <p>SICA FLETCHER</p>	<p>SICA FLETCHER, LLC Is pleased to announce its role as exclusive financial and strategic advisor to:</p> <p>The Marcus Agency Superior Service Since 1960</p> <p>In its sale to:</p> <p>RISK STRATEGIES</p> <p>SICA FLETCHER Opportunities Abound</p>

Contact Information

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