

# Determining the Right Path:

Staying Competitive & Controlling Your Own Destiny

June 23, 2025





MARSHBERRY

LEARN. IMPROVE. REALIZE.

YOUR TRUSTED ADVISOR

In Insurance Brokerage and  
Wealth Management Industries



# Key Topics

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- 1 Updated Industry Statistics
- 2 The Six Paths
- 3 Questions & A Call To Action



HERE'S WHAT WE KNOW



# THE GREATEST INDUSTRY IN THE HISTORY OF MANKIND?

**01**

Recurring revenue industry

**06**

Barriers to entry

**02**

Cash flow business with low capital expenditure requirements

**07**

Robust secondary market

**03**

Ability to obtain substantial leverage

**08**

Requirement to purchase insurance

**04**

High controllable EBITDA margins

**09**

Impact of amortization of intangibles on taxable income

**05**

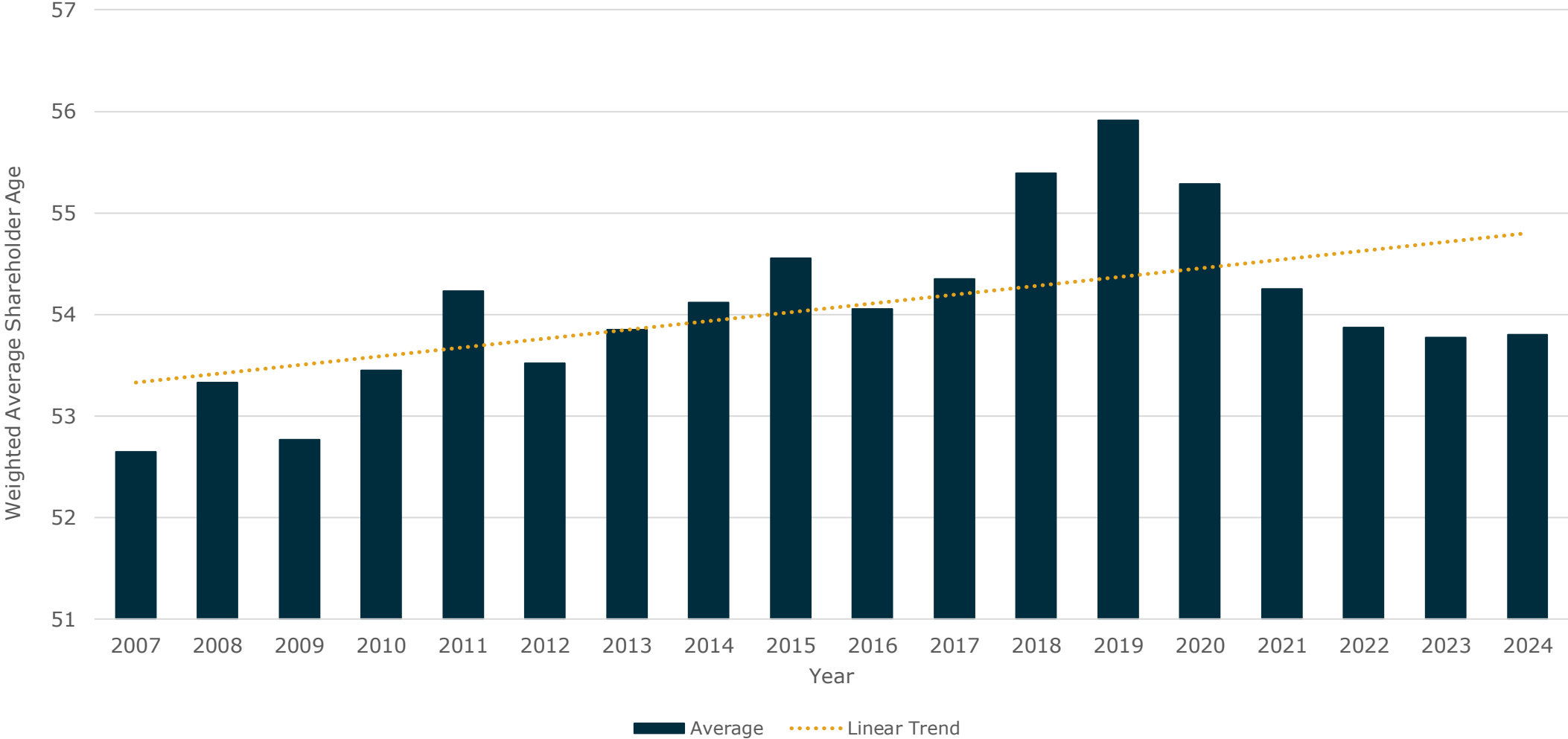
Acquisition opportunities in a fragmented market

**10**

Stability in a down economy



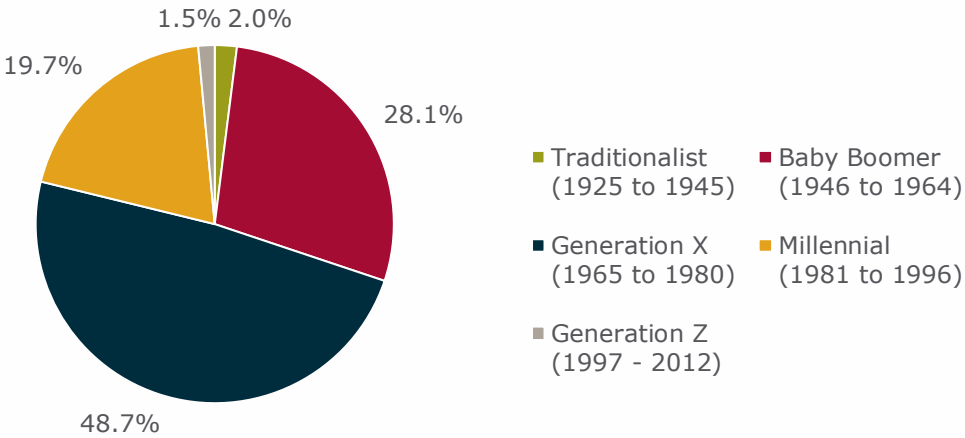
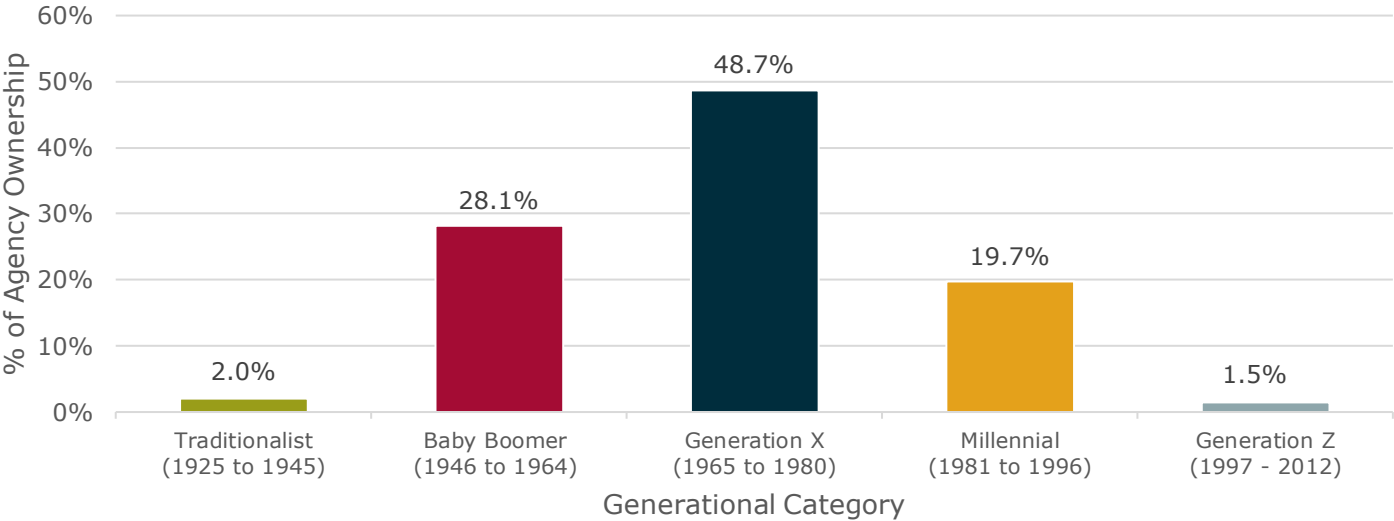
# WEIGHTED AVERAGE SHAREHOLDER AGE



Source: MarshBerry proprietary financial management system Perspectives for High Performance (PHP) as of 12/31/2024. Updates as of 5/12/2025. This ratio shows the average of the shareholders’ age weighted by the percentage of stock they own. A high result may indicate the need to transition stock or perpetuate. Agencies with 100% ESOP ownership are excluded from this calculation.



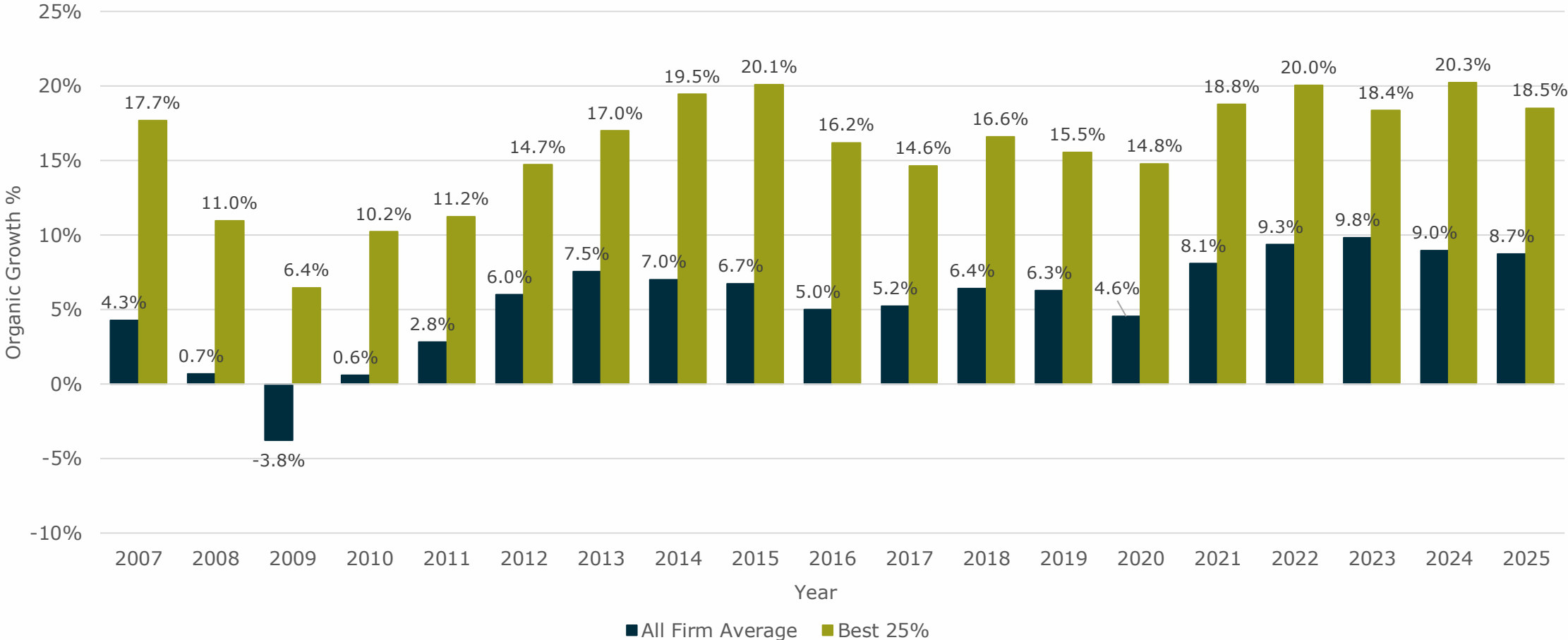
# OWNER BY GENERATION



Source: MarshBerry proprietary financial management system Perspectives for High Performance ("PHP"). Data as of 12/31/2024, last accessed 5/12/2025.



# ORGANIC GROWTH BY YEAR

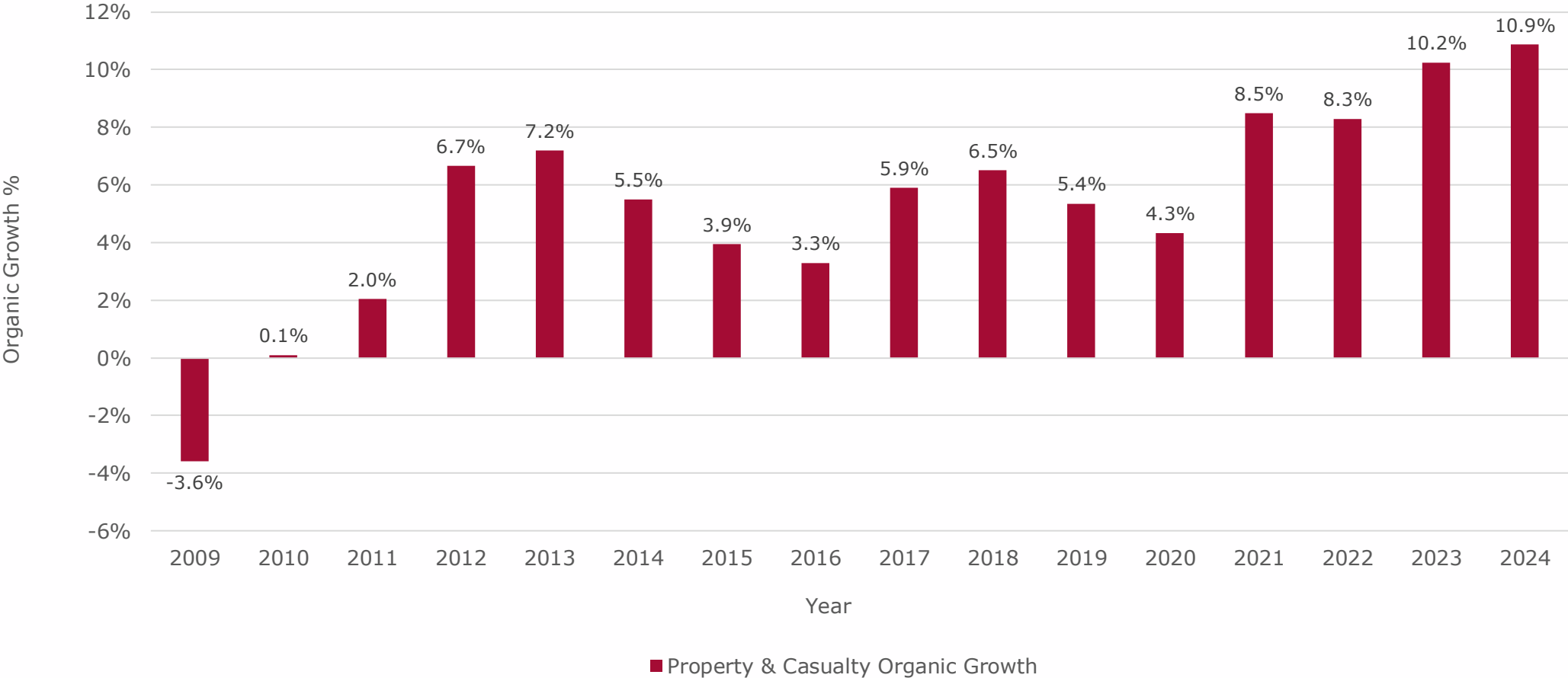


Source: MarshBerry proprietary financial management system Perspectives for High Performance (PHP). "Average" is the average of all firms in the data set, while "Best 25%" is the best 25% of all firms in the data set. Only includes firms from U.S. and Canada. Last Twelve Months ending 3/31/2025. Last accessed 6/5/2025.





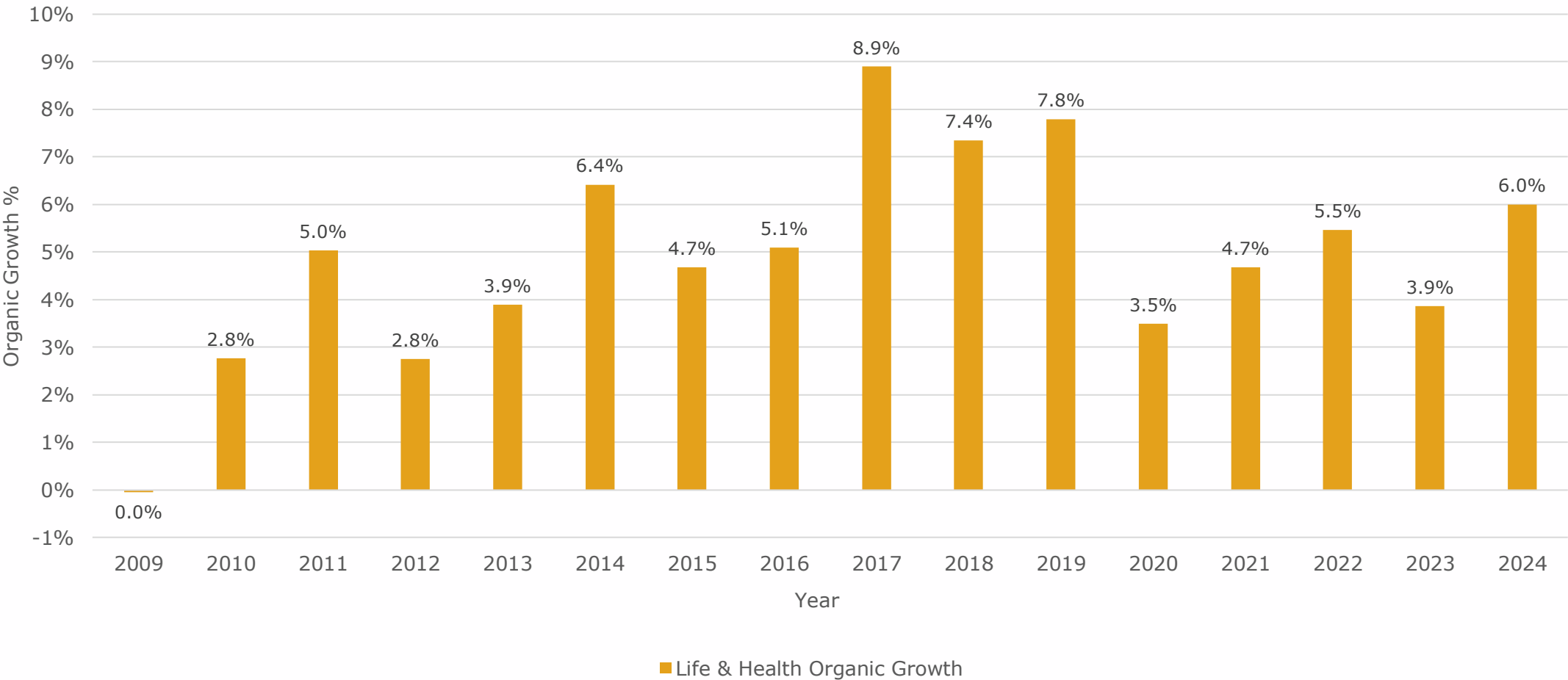
# P&C ORGANIC GROWTH



Source: MarshBerry proprietary financial management system Perspectives for High Performance ("PHP"). Only includes agencies from U.S. P&C: Property & Casualty. Last Twelve Months ending 6/30/2024. Last accessed 10/15/2024.



# L&H ORGANIC GROWTH

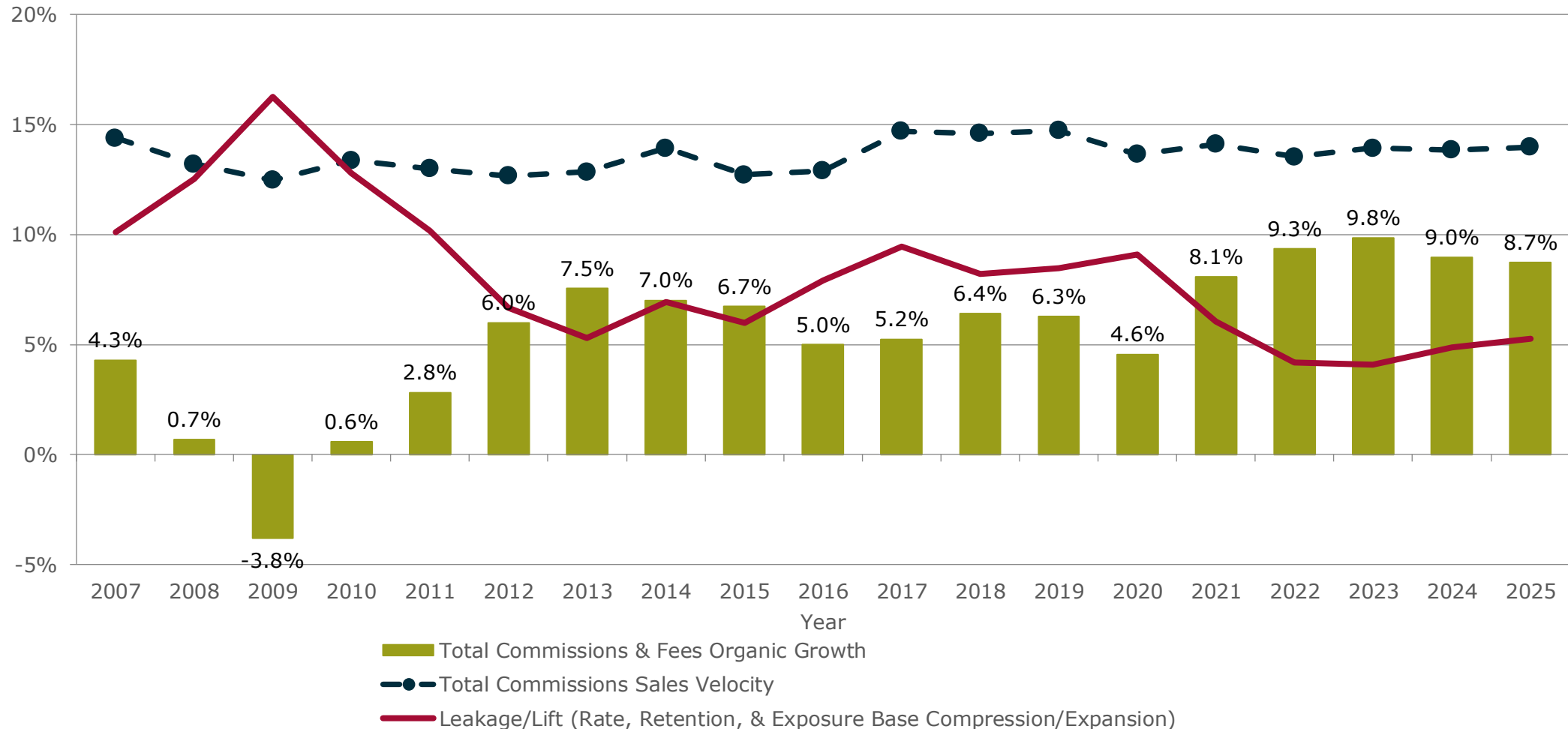


Source: MarshBerry proprietary financial management system Perspectives for High Performance ("PHP"). Only includes agencies from U.S. L&H: Life & Health. Last Twelve Months ending 6/30/2024. Last accessed 10/15/2024.



# U.S. BROKERS NOT ADVANCING A GROWTH MINDSET

## Allowing External Factors to Control Your Sustainability



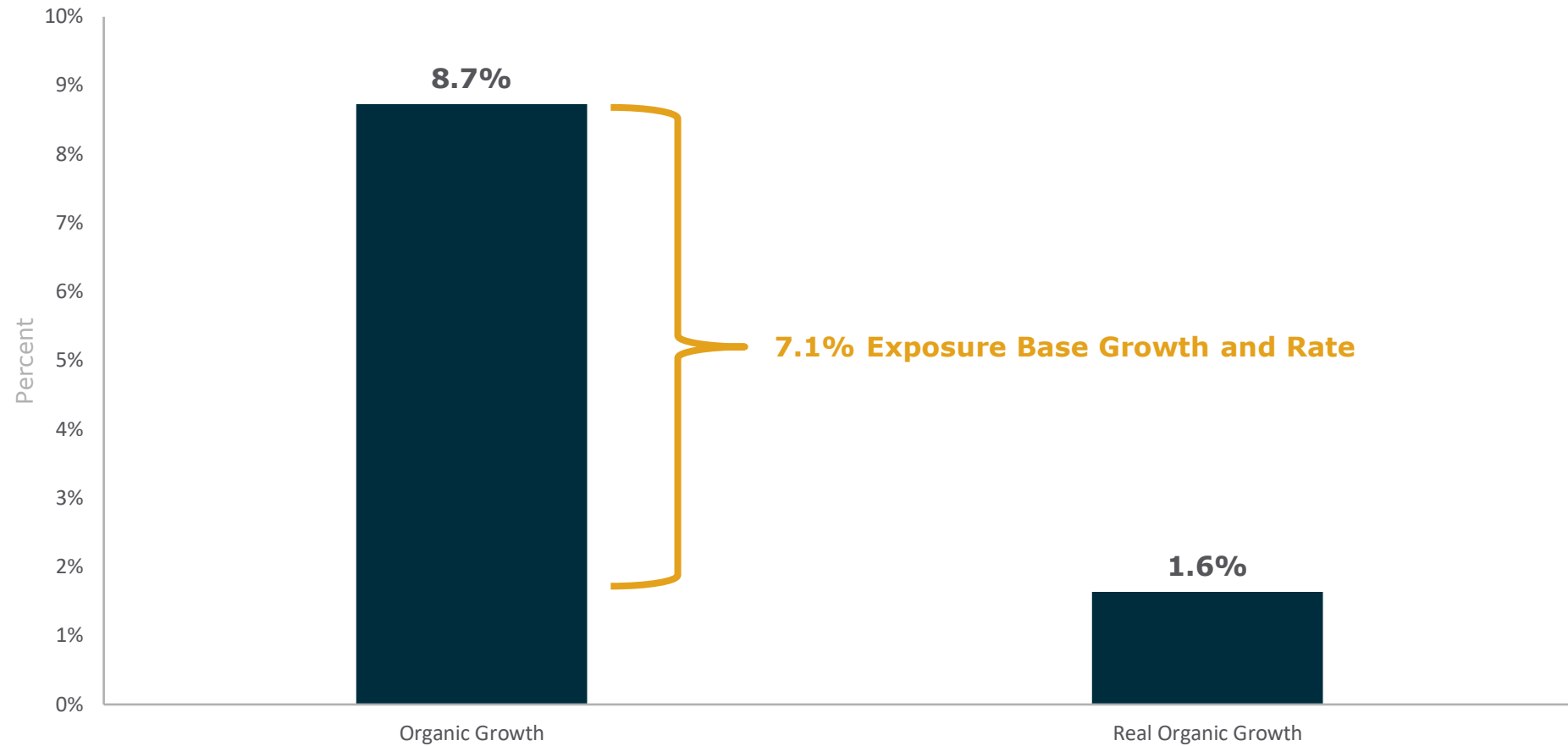
Source: MarshBerry proprietary financial management system Perspectives for High Performance (PHP). Data as of 3/31/2025. Last accessed 6/4/25. Only includes agencies from U.S.



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# REAL ORGANIC GROWTH



Source: MarshBerry proprietary financial management system Perspectives for High Performance (PHP). Last Twelve Months ending 03/31/2025.

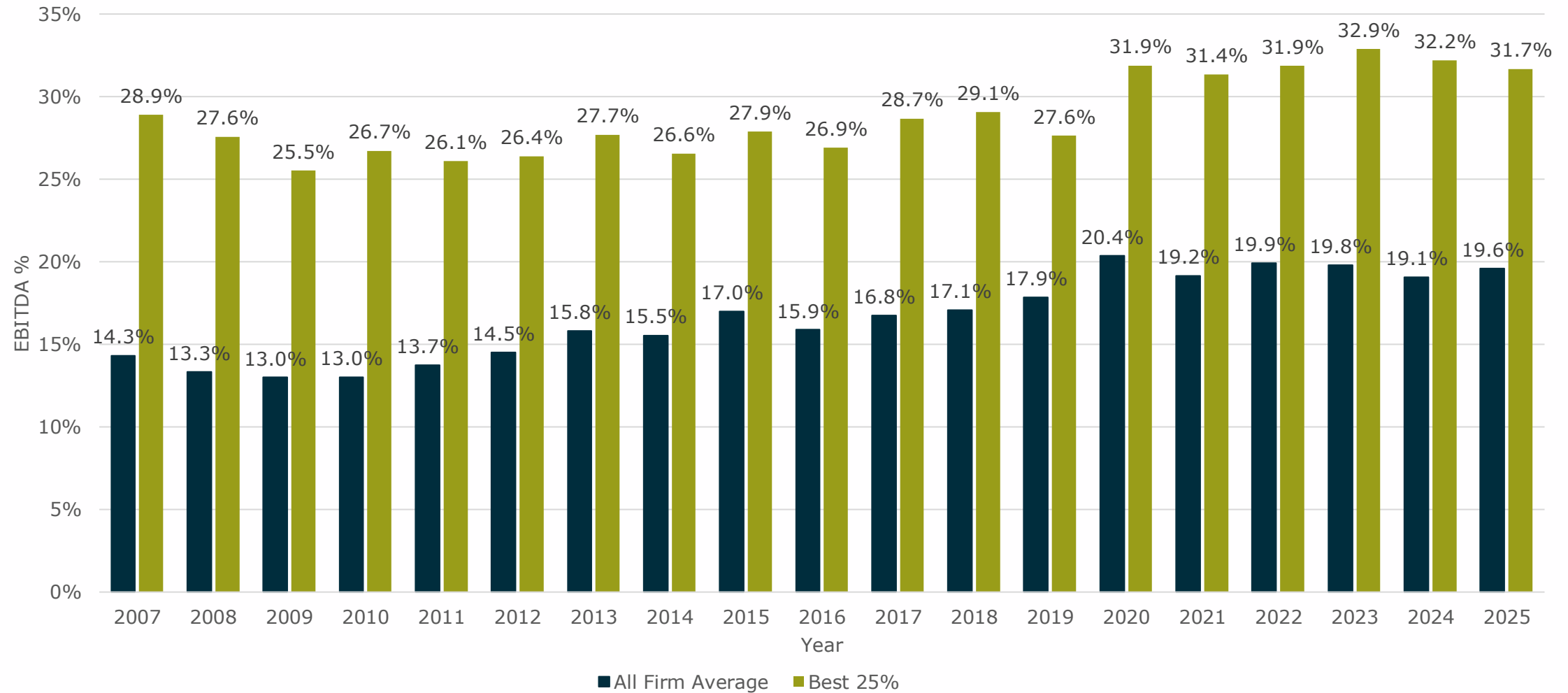


# WOULD YOU WORK FOR YOU?

$$\frac{72}{1.3\%} = 55 \text{ years}$$



# HISTORICAL EBITDA AS % OF NET REVENUE

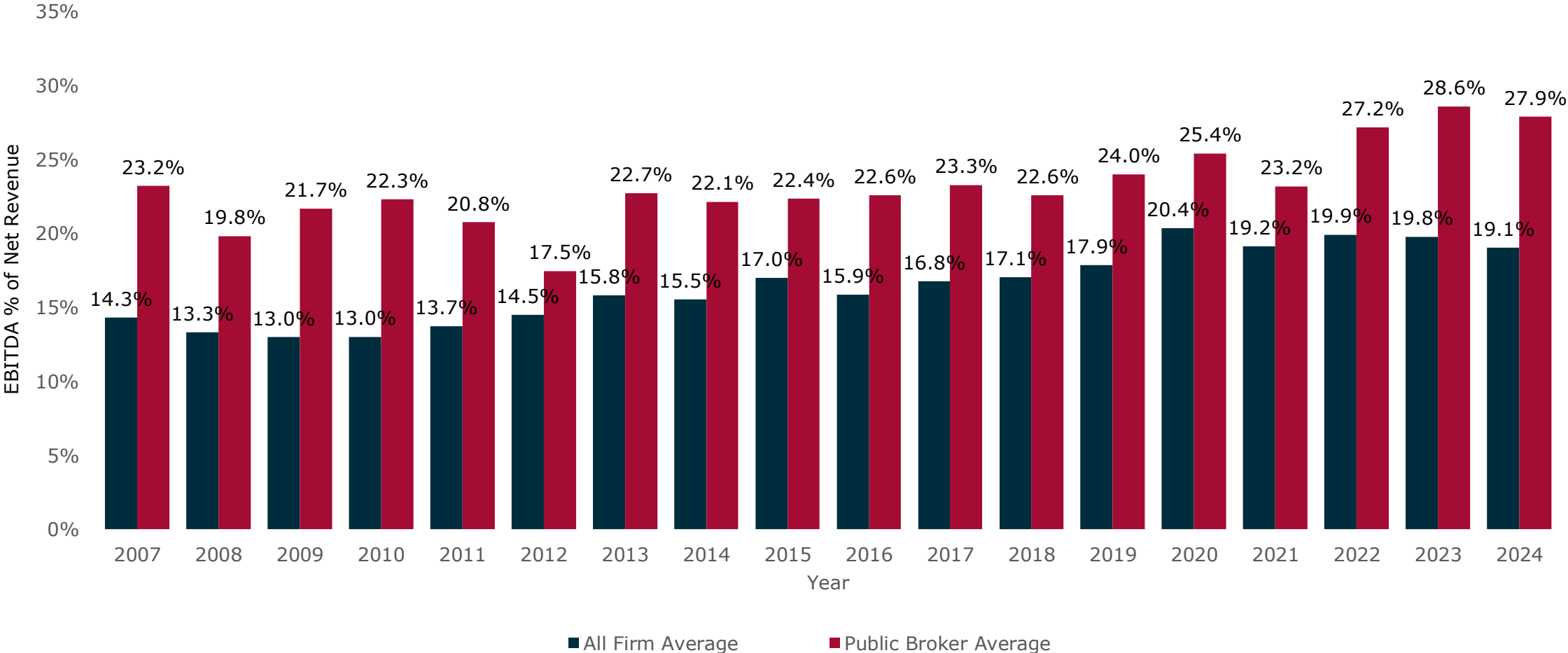


Source: MarshBerry proprietary financial management system Perspectives for High Performance (PHP). "Average" is the average of all firms in the database, while "Best 25%" is the best 25% of all agencies in the data set. Only includes agencies from U.S. and Canada. EBITDA: Earnings Before Interest, Taxes, Depreciation & Amortization. Data as of 3/31/2025. Last accessed 6/5/2025.





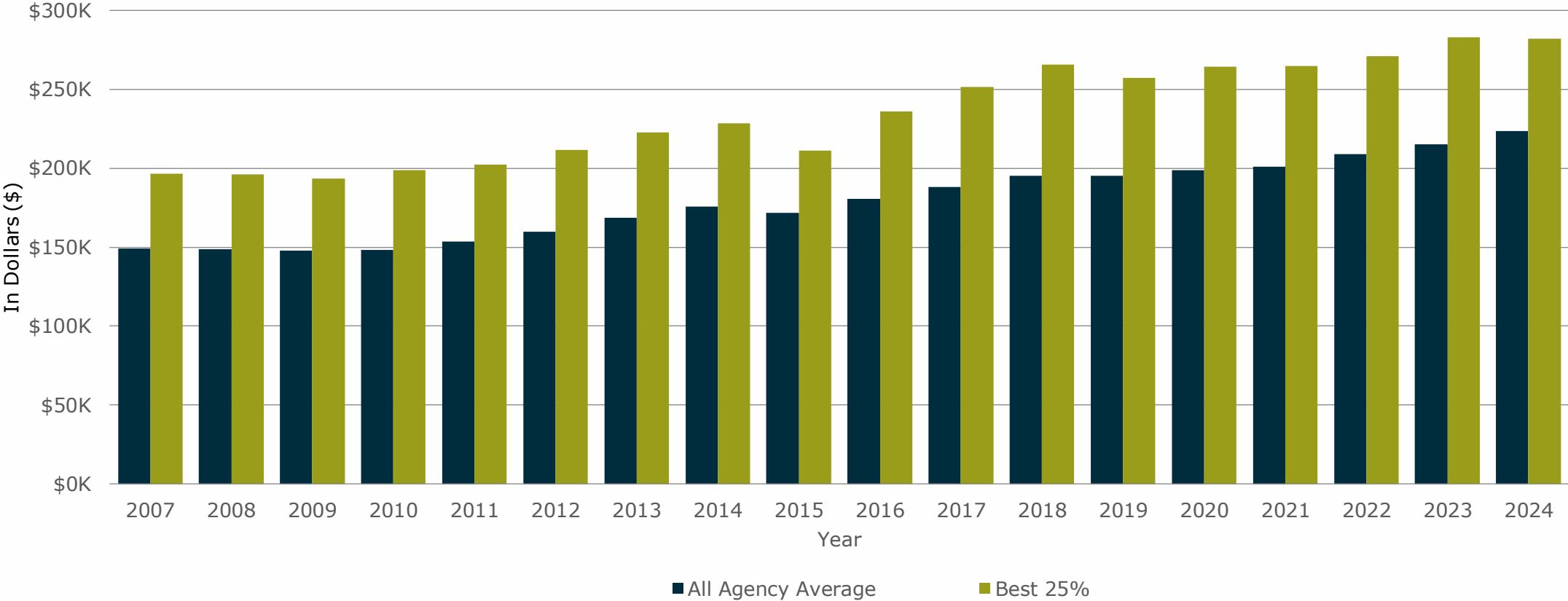
# EBITDA AS % OF REVENUE, AVERAGE AND PUBLIC BROKERS



Source: MarshBerry proprietary financial management system Perspectives for High Performance ("PHP") and S&P Global Market Intelligence. "Average" is the average of all U.S. agencies in the PHP database. Public broker data is from quarterly or annual public filings (10-Q or 10-K) or earnings releases published by each broker. Public brokers are Aon plc, Arthur J. Gallagher & Co., Brown & Brown, Inc., The Baldwin Insurance Group, Inc., Marsh & McLennan Companies, Inc., and Willis Towers Watson Public Limited Company. All Agency Average organic growth rates were derived from the most recent data submitted in the PHP system by agencies in 12/31/2024 plus MarshBerry estimates. Public brokers' average as of 12/31/2024. Last accessed 5/12/2025. The information above is for informational purposes only. It is not intended as, and does not constitute an offer, solicitation, or other recommendation with respect to the above publicly traded companies. EBITDA: Earnings Before Interest, Taxes, Depreciation & Amortization.



# REVENUE PER EMPLOYEE

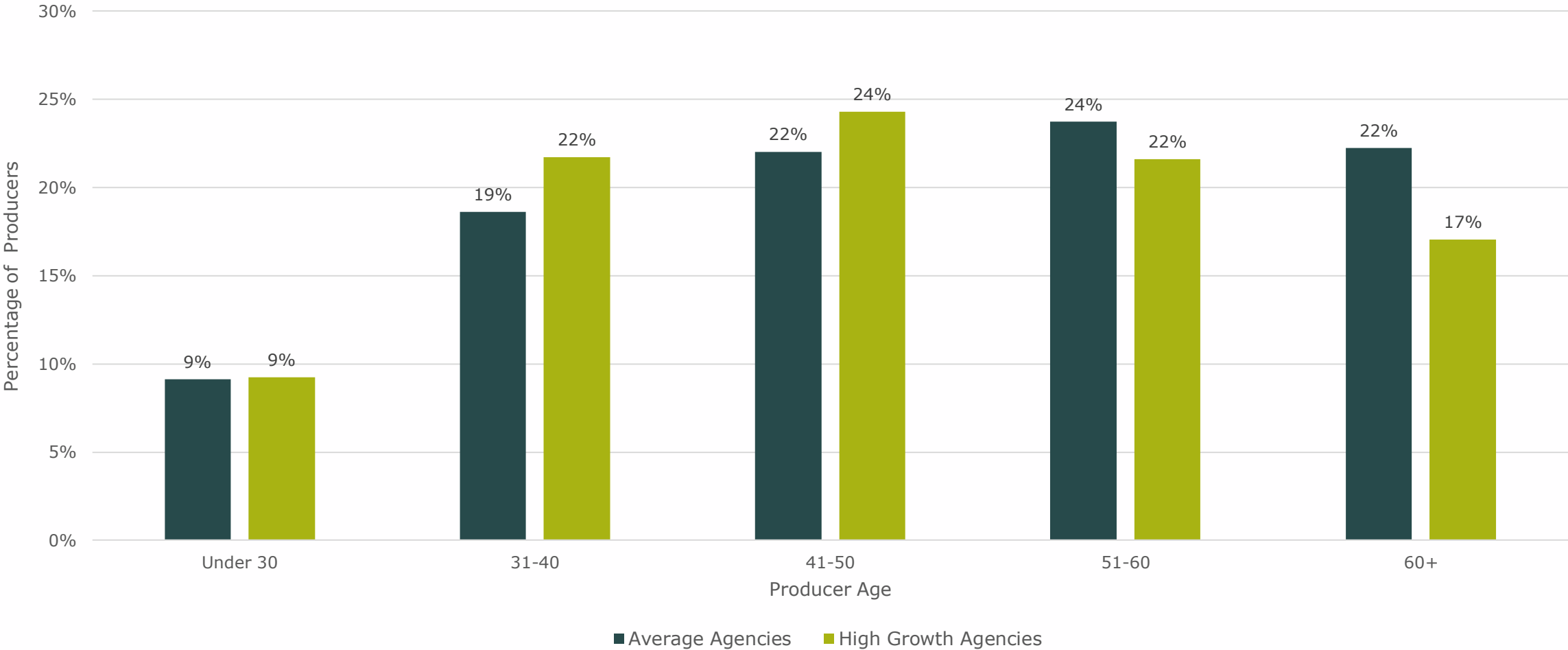


Source: MarshBerry proprietary financial management system Perspectives for High Performance ("PHP"). Only includes agencies from U.S. and Canada. "Average" is the average of all agencies in the data set, while "Best 25%" is the best 25% of all agencies in the data set. Last Twelve Months ending 9/30/2024. Last accessed 1/13/2025.



# PRODUCER AGE DISPERSION

Producer Age -- The Difference Between Average & High Growth Agencies

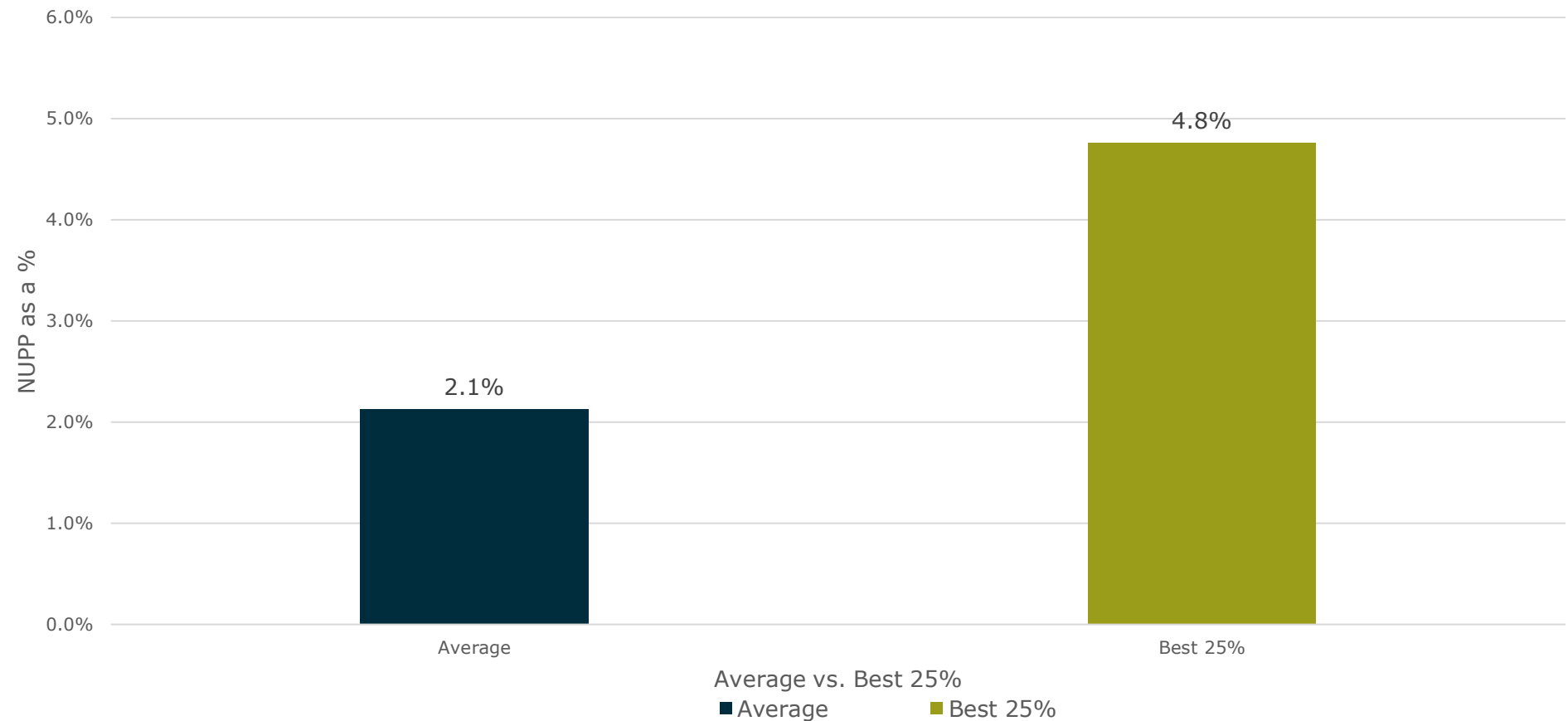


Source: MarshBerry proprietary financial management system Perspectives for High Performance ("PHP"). Data as of 12/31/2023; last updated 4/5/2024.





# NET UNVALIDATED PRODUCER PAY (NUPP)



Source: MarshBerry proprietary financial management system Perspectives for High Performance ("PHP"); Nupp: this ratio measures a firm's investment in unvalidated producers (producers in training and development). Data as of 12/31/2024, last accessed 5/12/2025. "Average" is the average of all agencies in the data set, while "Best 25%" is the best 25% of all agencies in the data set.



# AVERAGE NEW BUSINESS DOLLARS – AGENCY COMMISSION

## Average New Business Dollars - Agency Commission From Database

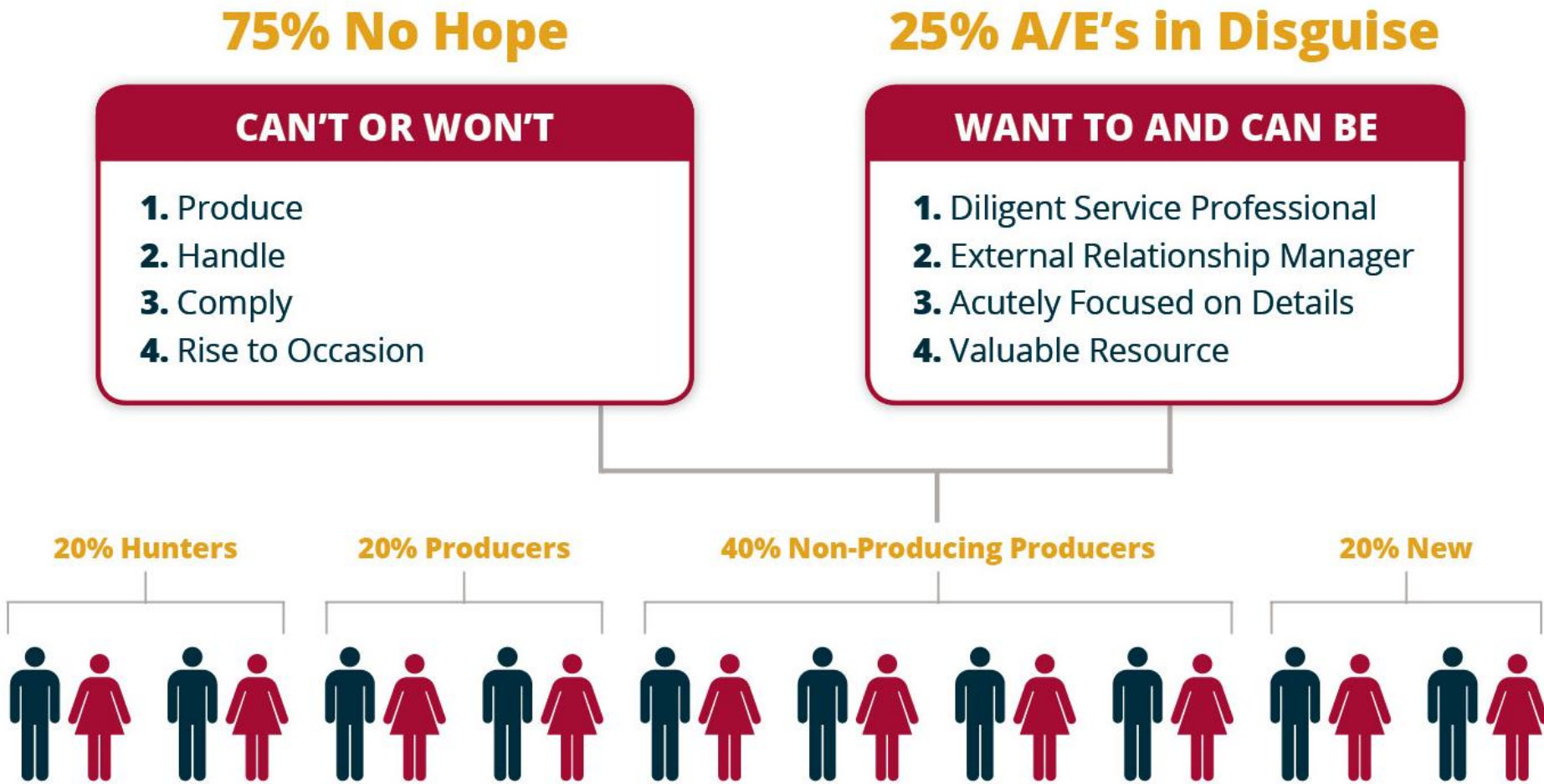
Percentile Group	All Producers	Million \$ Producers	Executive Producers	Senior Producers	New Producers
<b>80% to 100%</b>	\$262,344	\$553,125	\$209,299	\$99,564	\$118,982
<b>60% to 80%</b>	\$81,143	\$187,230	\$89,940	\$42,331	\$53,381
<b>40% to 60%</b>	\$40,880	\$108,242	\$52,964	\$24,612	\$26,994
<b>20% to 40%</b>	\$18,471	\$54,984	\$26,787	\$11,941	\$12,348
<b>0% to 20%</b>	\$4,159	\$17,397	\$7,727	\$2,908	\$2,453

- Million \$ Producers: Producers with greater than \$1M book of business
- Executive Producers: Greater than three years experience and over \$500,000 book of business
- Senior Producers: Greater than three years experience and less than a \$500,000 book of business
- New Producers: Less than three years experience

Source: MarshBerry proprietary financial management system Perspectives for High Performance (PHP). Last Twelve Months ending 12/31/24.



# WHAT WE SEE – AVERAGE BROKER



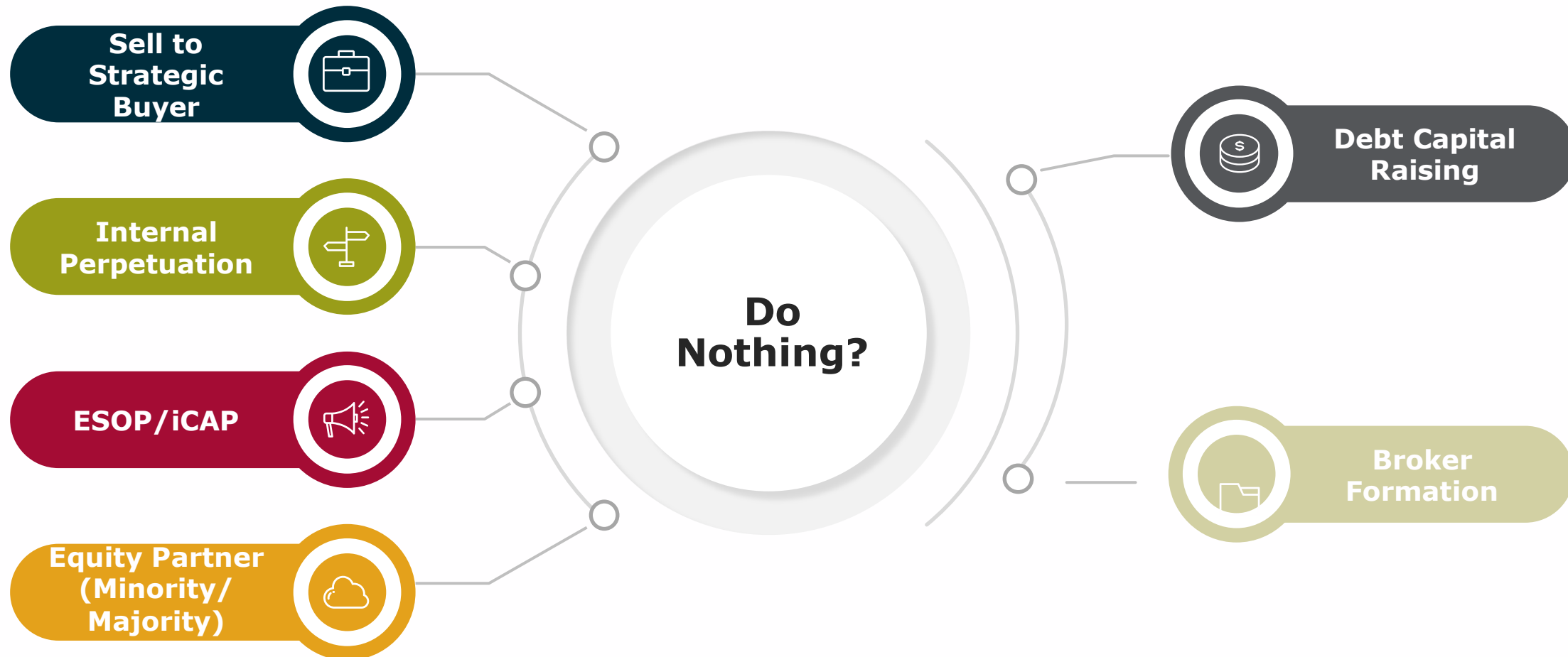
Hypothetical example for illustration purposes only. Figures are estimates for illustration purposes and do not guarantee value or performance. This is not intended to represent any specific client experience. A/E: Account Executive.

# THE SIX PATHS





# WHAT DOORS ARE OPEN?



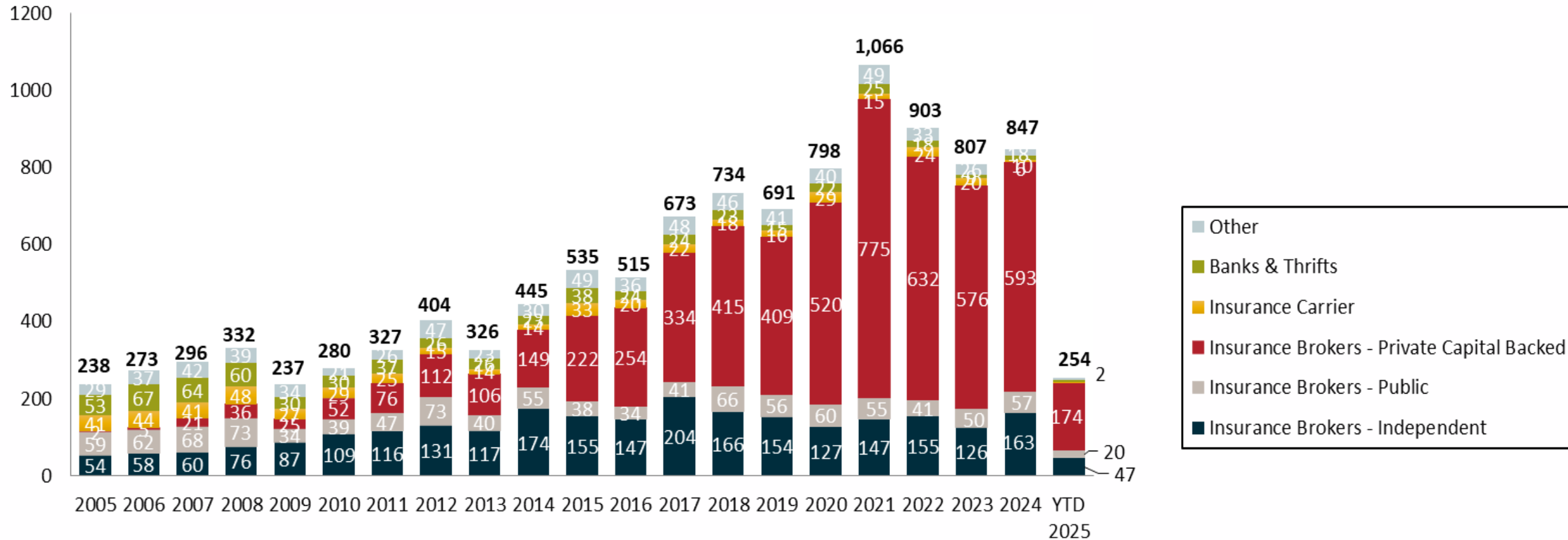
ESOP: Employee Stock Ownership Plan



SELL TO STRATEGIC BUYER



# TOTAL ANNOUNCED U.S. TRANSACTIONS BY BUYER TYPE



Source: S&P Global Market Intelligence, Insurance Journal, and other publicly available sources. YTD: Year to date. Data as of May 31, 2025. All transactions are announced deals involving public companies, Private Capital backed brokers, private companies, banks as well as others including Private Capital 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 necessarily been updated to reflect subsequent changes in prior years, if any. MarshBerry estimates that historically, a low percentage of transactions were publicly announced, but we believe that this has risen to over 50% today.



# 2024 BY THE NUMBERS

847

TOTAL DEAL COUNT

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43.4%

OF TRANSACTIONS FROM TOP 10 BUYERS

---

70.0%

OF TRANSACTIONS FROM PRIVATE-CAPITAL-  
BACKED FIRMS

---

3rd

MOST ACTIVE M&A YEAR ON RECORD

---

\$64B

HIGH YIELD DEBT RAISED BY PRIVATE-  
EQUITY-BACKED BUYERS



# NOTABLE INDUSTRY TRANSACTIONS IN 2024

4/25

**Aon** Completes  
Acquisition of  
**NFP, Corp.**

5/7

**Truist** Completes  
Investor-Led Buyout to  
be Fully Independent

7/1

**Reverence  
Capital Partners**  
acquires majority  
stake in **Sunstar  
Insurance Group**

7/2

**Blackstone** acquired  
minority stake in  
**Higginbotham**

8/8

**SkyKnight Capital  
and Dragoneer  
Investment Group**  
make majority  
investment in  
**Simplicity Group**

11/15

**Marsh McLennan**  
acquired **McGriff  
Insurance  
Services** from  
**Truist Insurance**

11/22

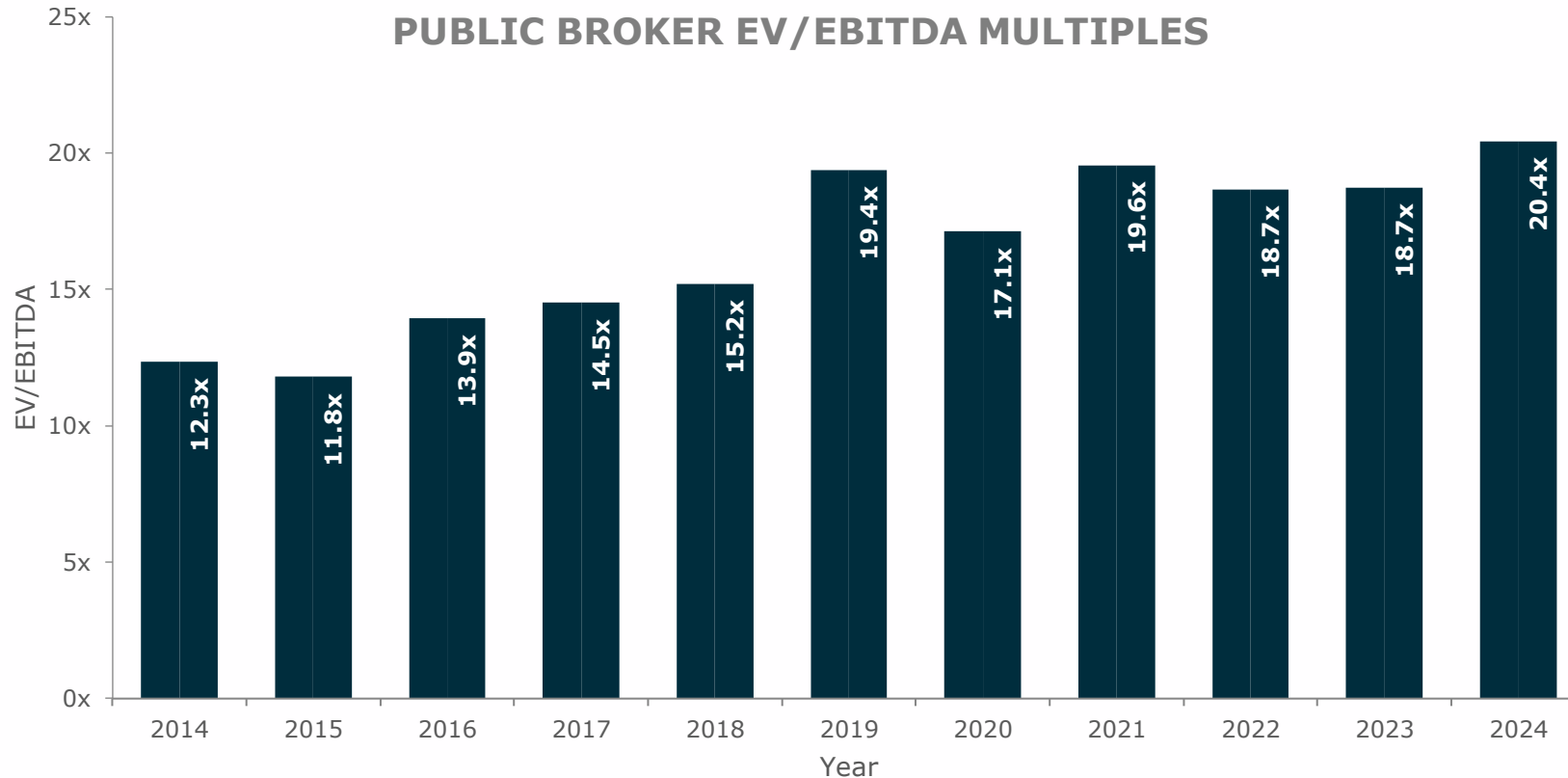
**Leavitt Group** takes a  
minority investment from  
**Capital Z Partners**

12/9

**Gallagher** signs  
agreement to acquire  
**AssuredPartners**



# PUBLIC BROKER VALUATIONS HAVE INCREASED SUBSTANTIALLY OVER THE PAST DECADE

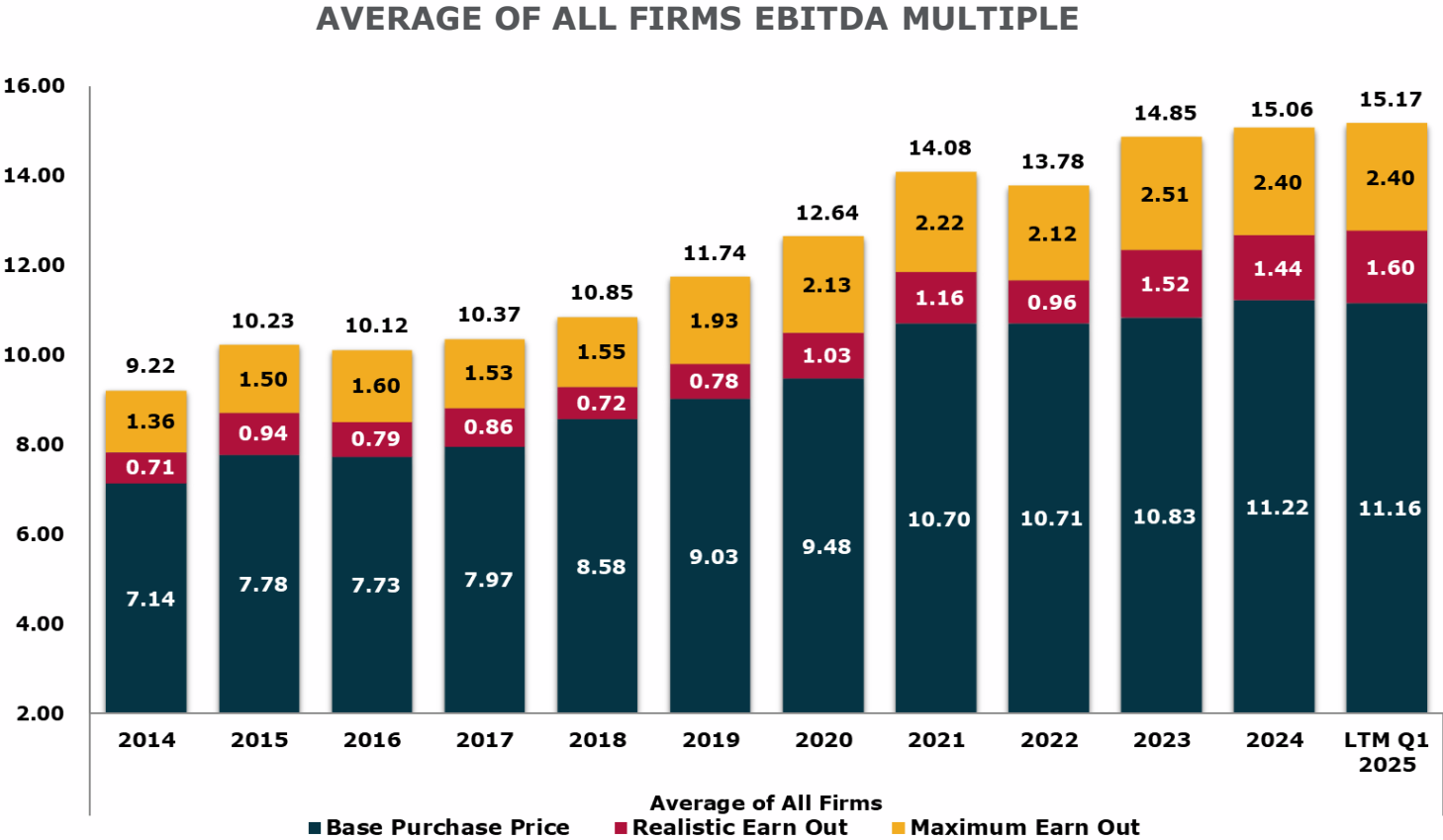


**66%**  
Increase in  
Public Broker  
Enterprise  
Value to  
EBITDA  
Multiples

Sources: S&P Global Market Intelligence. Public broker data is from quarterly or annual public filings (10-Q or 10-K) or earnings releases published by each broker. Public brokers are Aon plc, Arthur J. Gallagher & Co., Brown & Brown, Inc., The Baldwin Insurance Group, Inc., Marsh & McLennan Companies, Inc., and WillisTowers Watson Public Limited Company. Data as of 09/30/2024. EBITDA: Earnings Before Interest, Taxes, Depreciation & Amortization; EV: Enterprise Value. Past performance is not necessarily indicative of future results.



# PRIVATE BROKER VALUATIONS HAVE INCREASED SUBSTANTIALLY OVER THE PAST DECADE



65%

Increase in  
Maximum  
Purchase Price

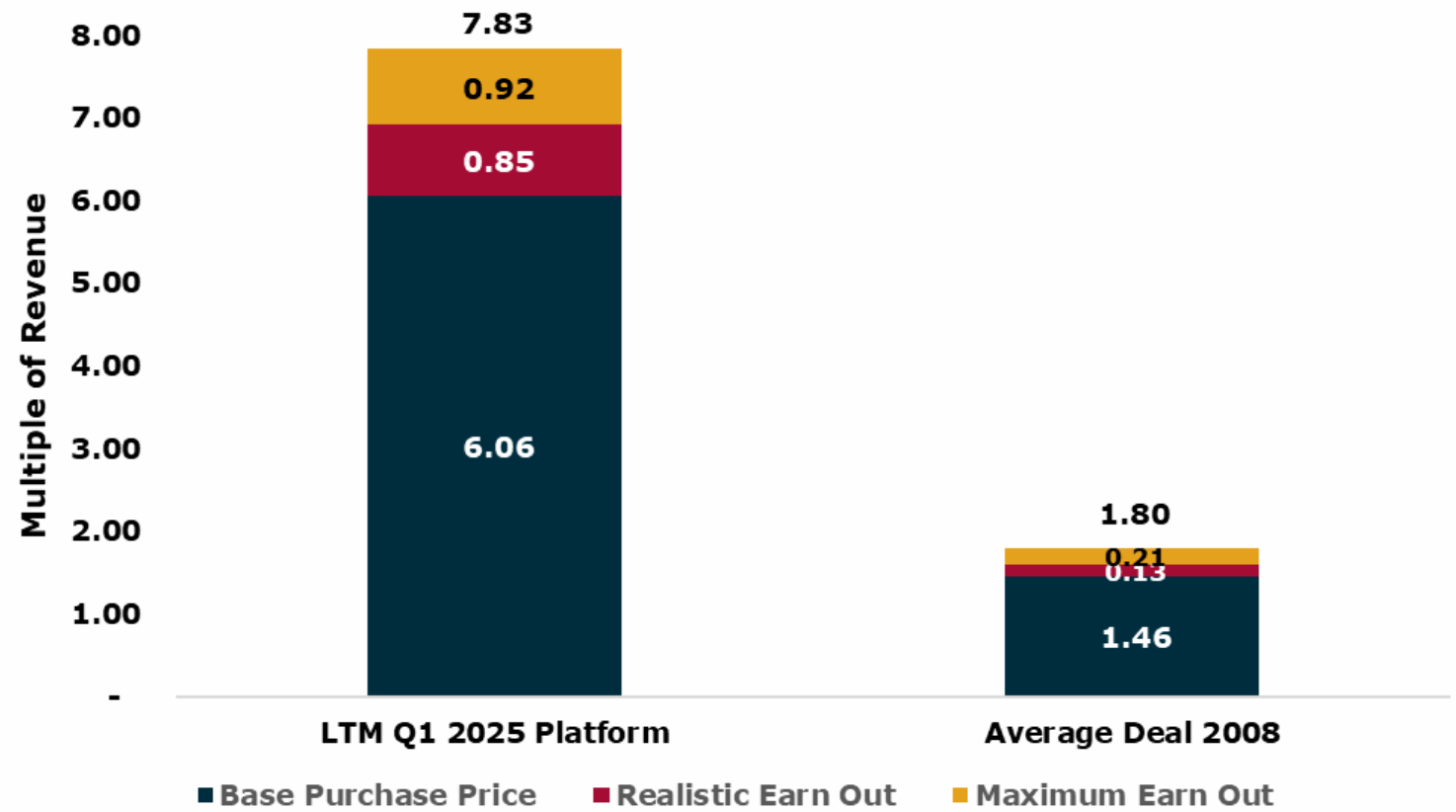
2024 Marked the  
First Year Average  
Base Purchase  
Price Exceeded

11x

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. EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization.



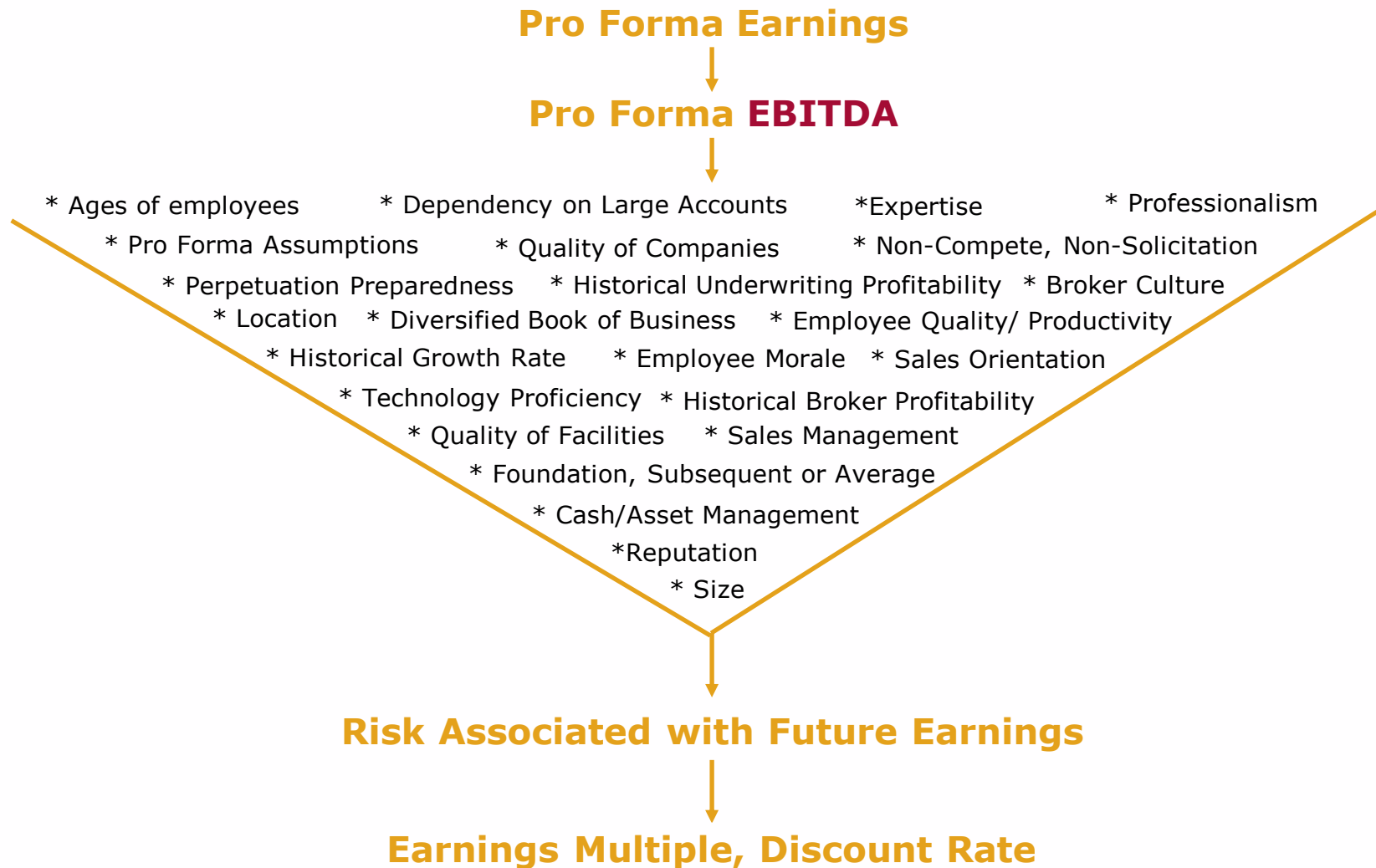
# DOES THIS FEEL LIKE SCIENCE FICTION TO YOU?



See slide titled footnotes.  
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. LTM: Last Twelve Months; Q1: Quarter 1



# WHERE DOES THE EBITDA MULTIPLE COME FROM?



The above example is for illustrative purposes only. Not meant to represent any specific client experience. EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization.



# INTERNAL PERPETUATION





# PHILOSOPHY OF CODEPENDENCY

## CURRENT OWNERSHIP CO-DEPENDENCY WITH NEXT GENERATION

01

Gradually broadening ownership may enhance the value of new and existing shareholders in the long run.

02

Embracing a wealth creation opportunity for the next generation may enhance the ability to profitably grow and attract and retain peak performers.

03

Sellers must gain credit risk comfort over time. With constant broadening of ownership, selling shareholders may become more comfortable and willing to consequently hold larger notes and eventually transition control.

04

Buyers must gain risk tolerance comfort over time. Allowing young performers to acquire early in their career may enable them to gain trust and build risk tolerance over time, allowing successively greater leverage.

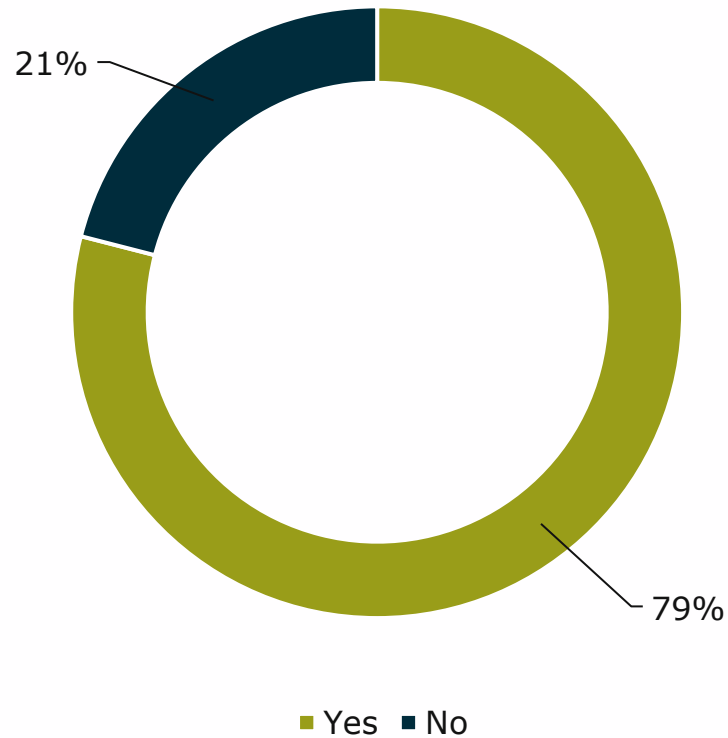
05

The earlier stock is broadened, the faster the next generation may have unencumbered distributions in order to make an internal market.

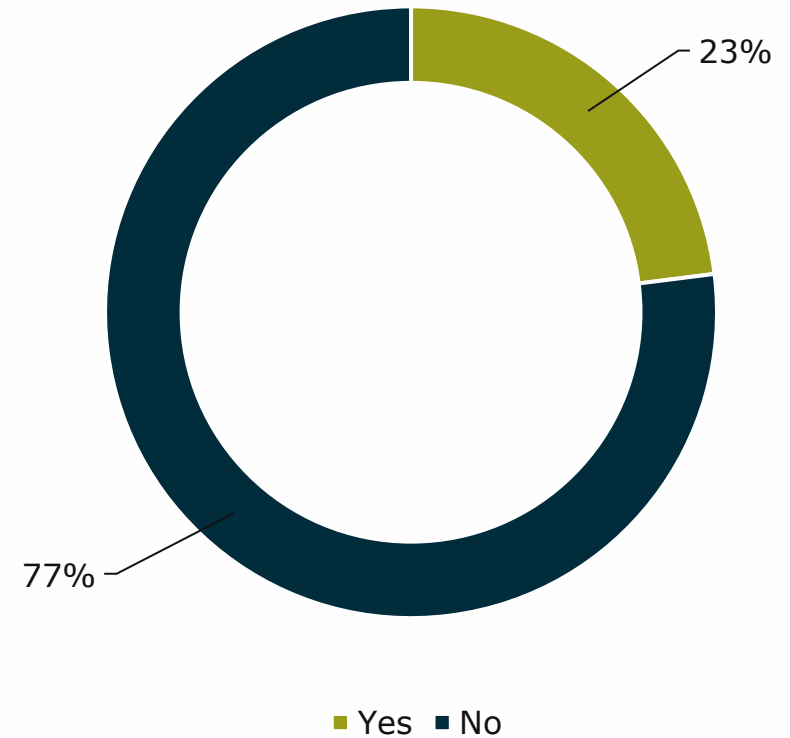


# ACTIONS SPEAK LOUDER THAN WORDS

**DO YOU BELIEVE THE NEXT GENERATION IS CAPABLE OF TAKING OVER THE FIRM?**



**DO YOU OFFER AN OWNERSHIP STRATEGY TO KEY STAFF?**



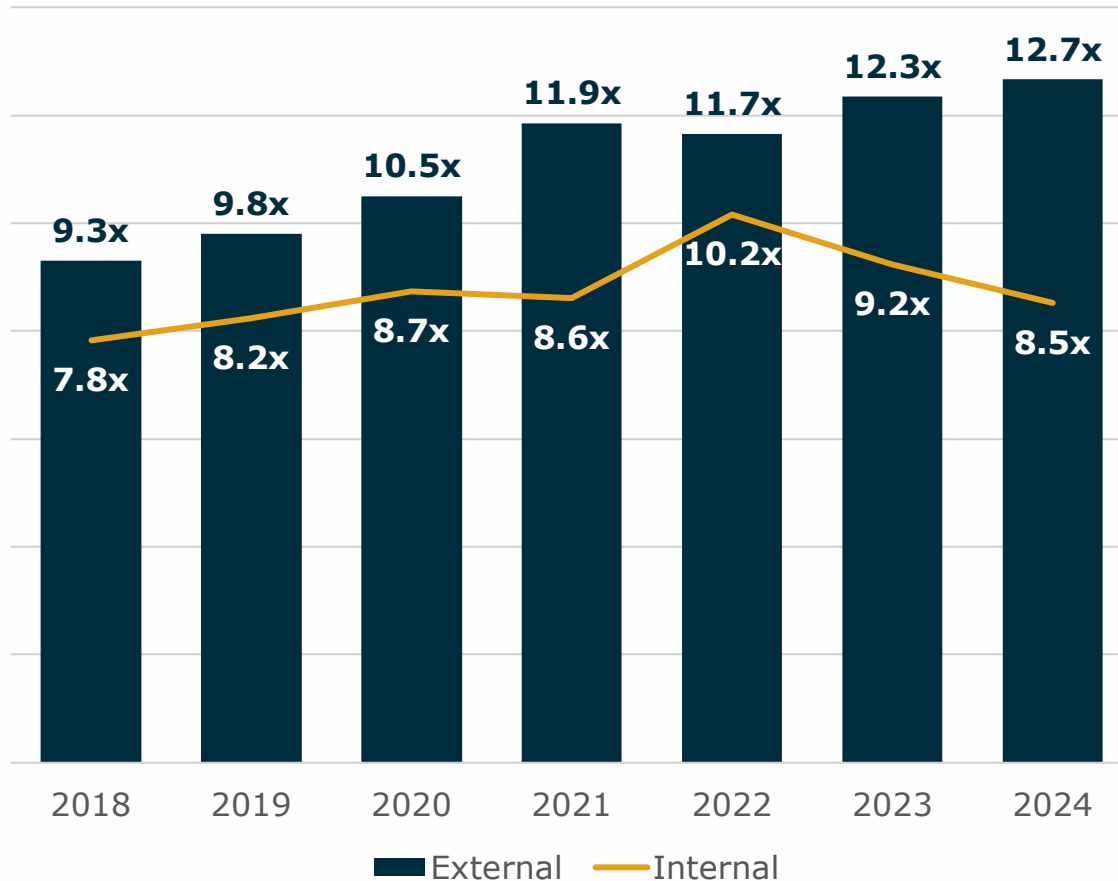
Source: 2020 MarshBerry Market & Financial Outlook Report



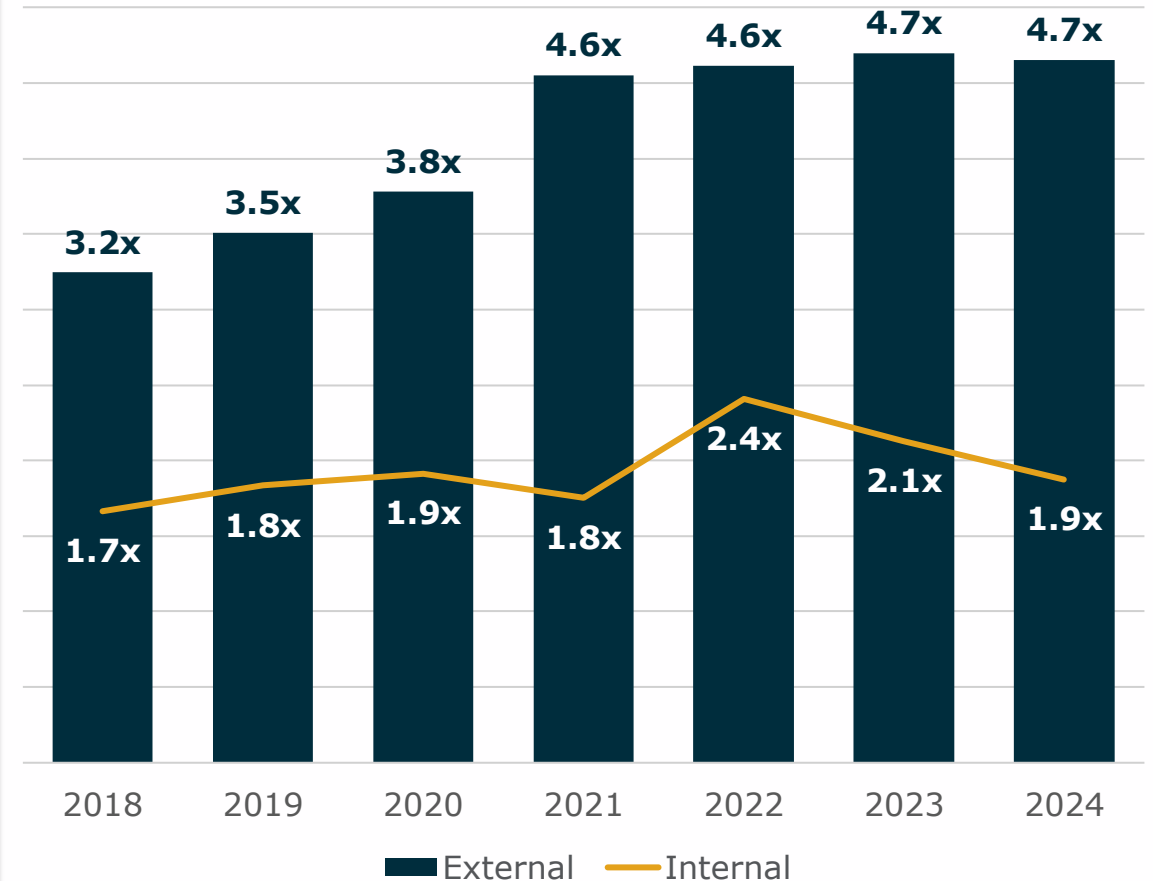
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# INTERNAL VERSUS EXTERNAL

## EBITDA Multiple



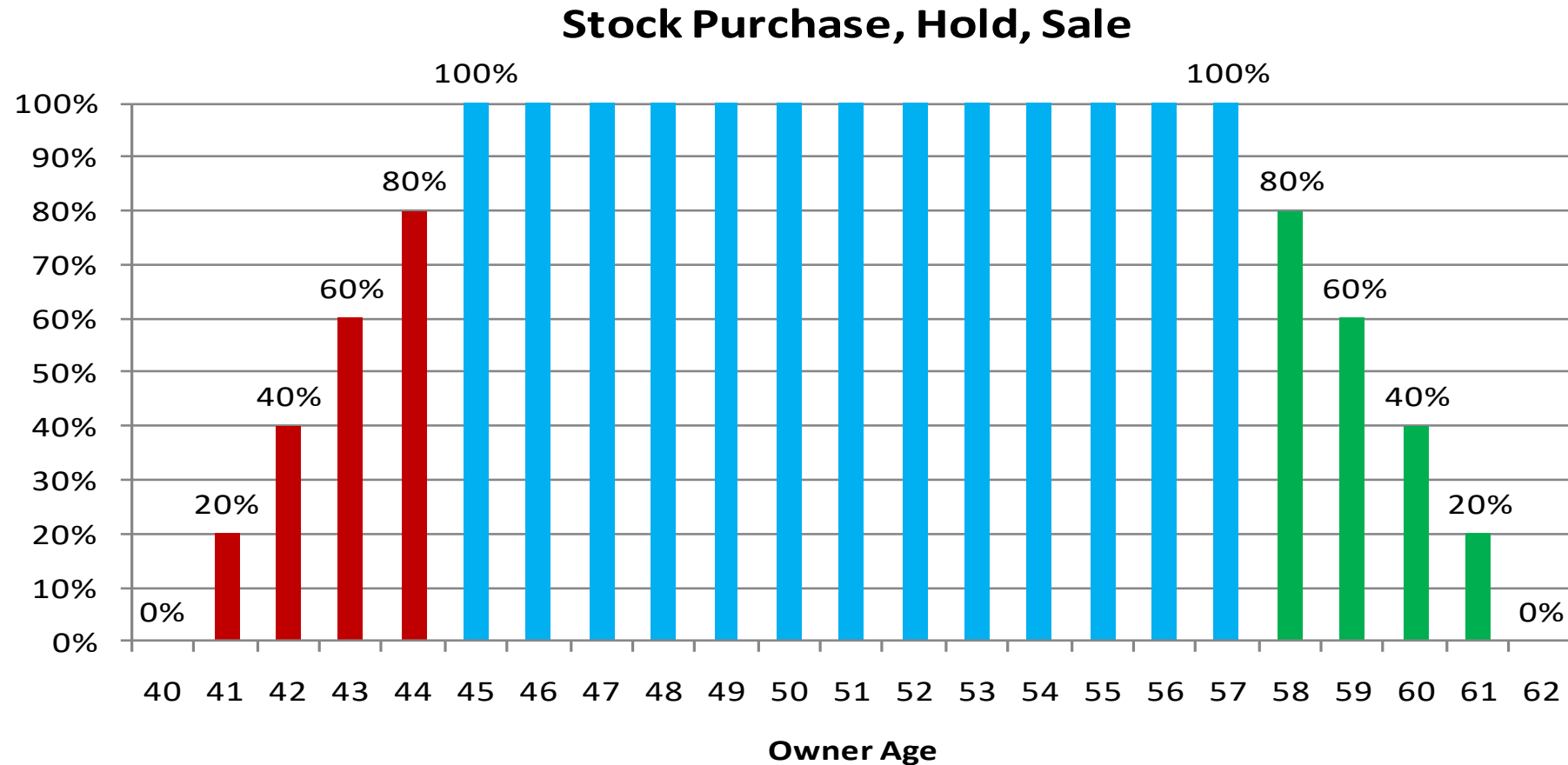
## Revenue Multiple



Source: MarshBerry Deal Database. Data through 12/31/24. EBITDA: Earnings Before Interest, Taxes, Depreciation & Amortization. Past performance is not necessarily indicative of future results.



# OWNERSHIP LIFECYCLE

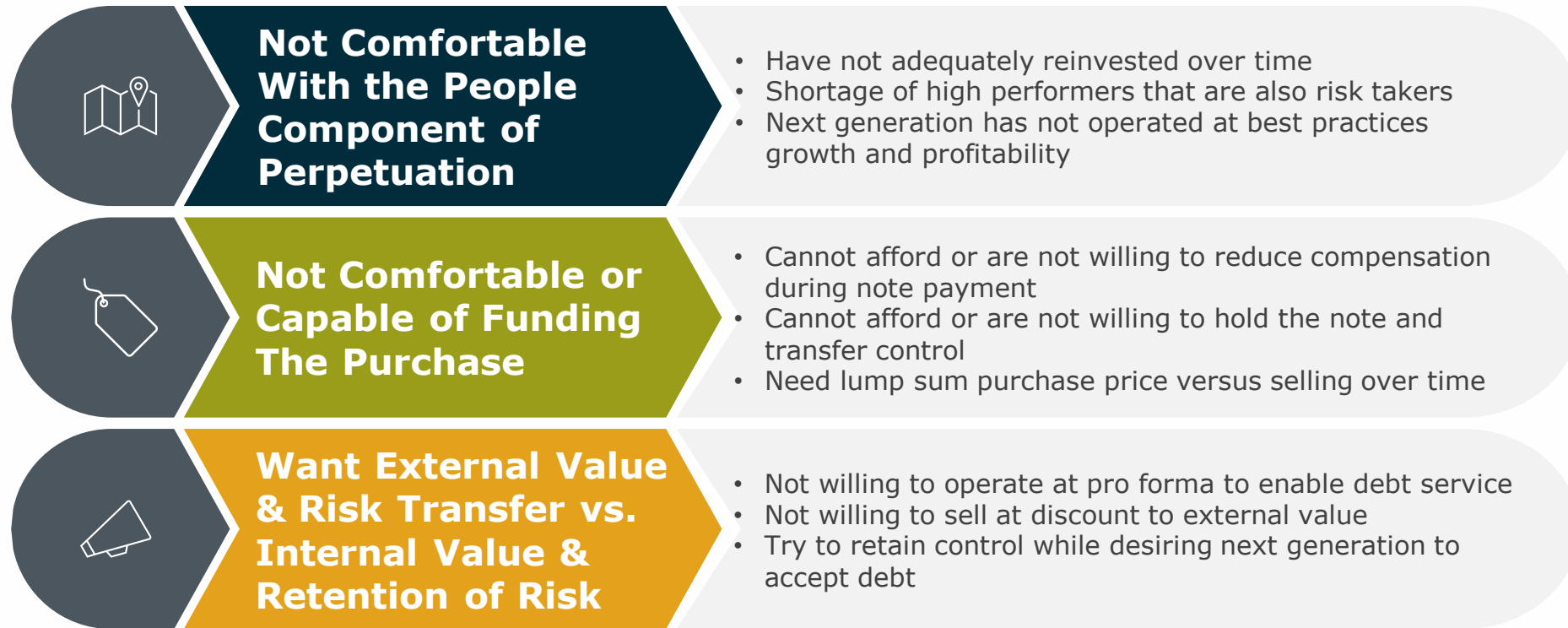


Example: One individual acquires 20% of their eventual holdings each year for five years starting at age 41. Each purchase is retired over 10 years through owner distributions.

The above is a hypothetical example and for illustration purposes only. Individual results will vary. MarshBerry cannot guarantee outcome or performance.



# THE PROBLEM WITH *SELLING* SHAREHOLDERS



# THE PROBLEM WITH *BUYING* SHAREHOLDERS

- Have little personal savings and inadequate collateral
- Not willing to sign note unless profitability supports debt service
- Not willing to sign and collateralize note without control
- Not accustomed to operating in a leveraged environment
- Want sweat equity versus purchase
- Not willing to accept more responsibility with deferred reward
- Will not save for perpetuation (spend more than w2)
- Need to become brought into ownership over time





# ESOP



# COMMON KEY OBJECTIVES

1. **Shareholder Liquidity & Valuation**
  - Provide staged liquidity alternative for shareholder
  - External valuation
2. **Create Tax-Efficient Corporate Structure**
  - Substantially reduce or eliminate the Company's tax liability
  - Use enhanced cash flow to pay shareholders and reinvest in the Company
3. **Retain Independence and Control**
  - The Company remains independent
  - Operations and governance virtually remains unchanged
4. **Participate in Future Value Creation**
  - Shareholder participation in synthetic equity and allocation of ESOP shares
  - Interest income on subordinated notes
5. **Incentivize Management Team & Employees**
  - Reward and incentivize management team and employees
  - Create mechanism to help attract top talent and grow the business

Individual results may vary. Marsh, Berry & Company LLC and MarshBerry Capital LLC do not provide tax or legal advice. Tax and legal professionals should be consulted separately before making any decisions that may have tax or legal implications.



EQUITY PARTNER



# MARSHBERRY'S PATH

MarshBerry can manage and lead an exploration of all paths simultaneously to help you discover the road that's right for your firm.

Sell to Strategic Buyer	Internal Perpetuation	ESOP / iCAP	Equity Partner	Debt Capital Raising	Broker Formation
   	   	 	   	  	  

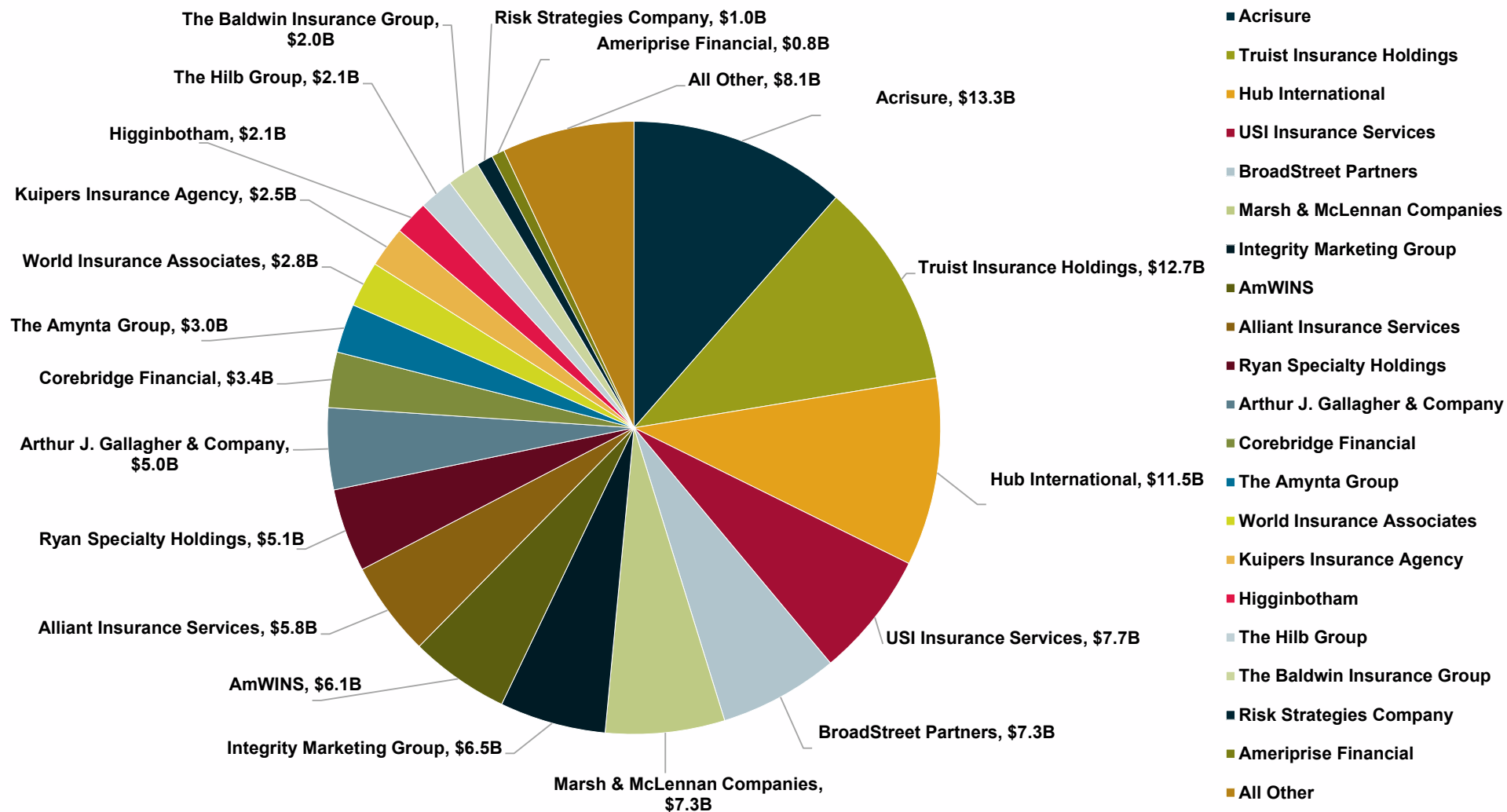




# DEBT CAPITAL RAISING



# ISSUERS IN THE TTM – \$116.1B IN TOTAL



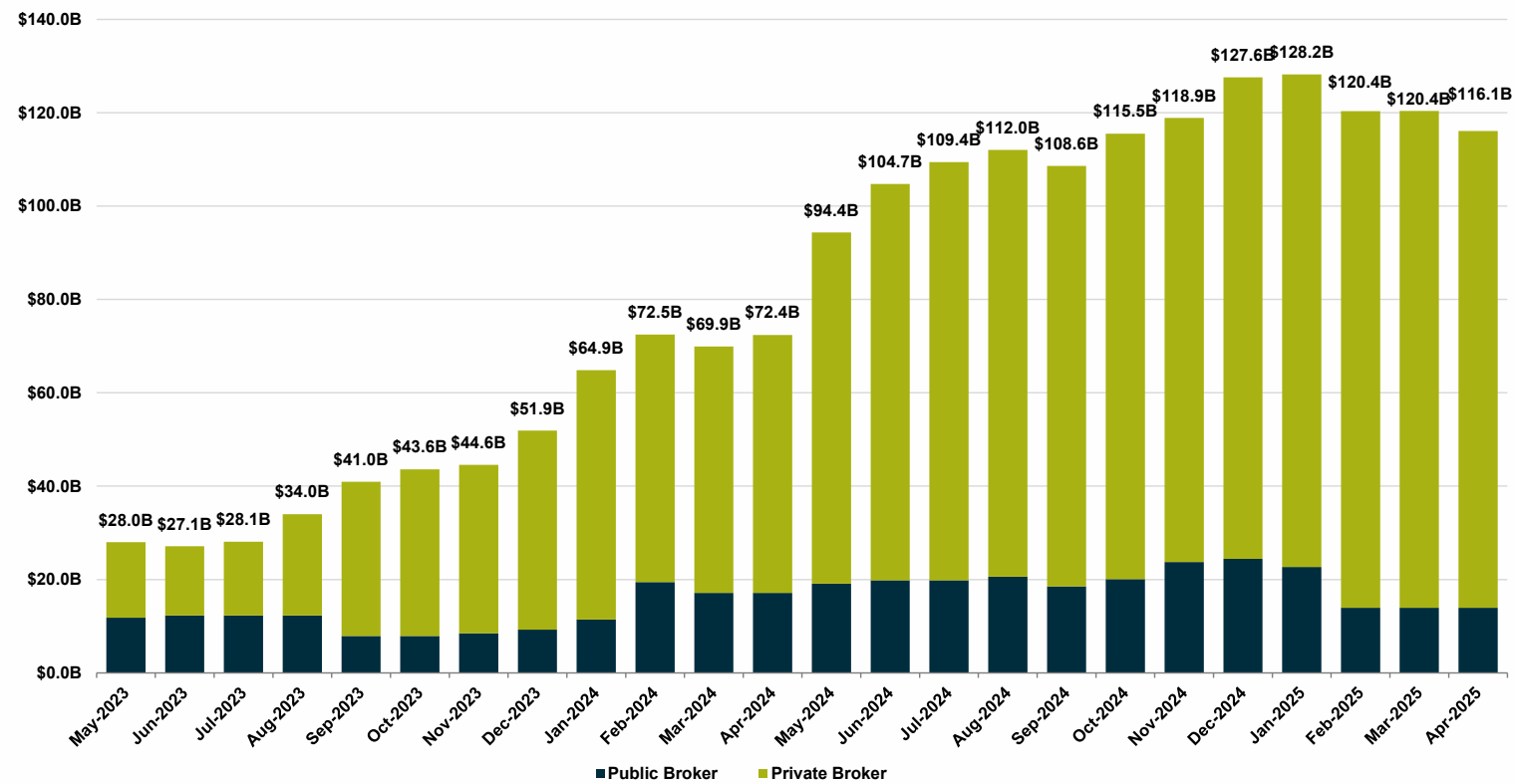
Source: PitchBook as of May 12, 2025.



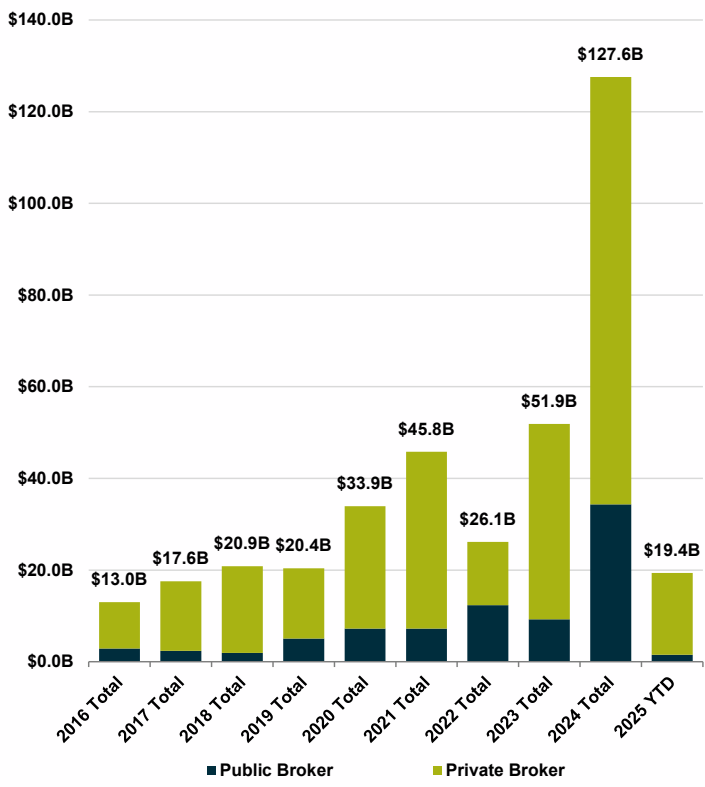


# HISTORICAL DEBT ISSUANCES

Trailing Twelve Months



Annual



Source: PitchBook as of May 12, 2025.



# DEBT CAPITAL MARKETS LIKE NEVER BEFORE

1. Specialty cash flow lenders plentiful and “stalking” lead sources to find new deals.
2. Flight to quality: Widespread knowledge that lending to insurance brokers is very safe.
3. Personal guarantees are generally not required by specialty lenders.
4. Debt capital remained plentiful as interest rates inched up - Now accelerated.
5. Covenants often limited to maximum leverage and minimum debt service requirements.
6. Pricing is much less sensitive to changes in amortization, leverage amount and duration.



# BALANCE SHEET CAPITALIZATION CONSIDERATIONS

## 1. Invest in Growth

- a) People, Technology, Analytics, Marketing
- b) Corporate Development Team
- c) Enable Acquisitions Otherwise Unattainable (Capital / Cost / Speed)

## 2. Avoid or Postpone a Sale

- a) Fund Shareholder Buy-Out
- b) Dividend Recapitalization
- c) Move from illiquidity to Staged Liquidity

## 3. Shrink the Temptation Zone

- a) Producer Compensation Buy-Downs
- b) External Mark with a Minority or Majority Equity Sponsor
- c) Investment Valuation versus Fair Market Valuation



# BROKER FORMATION



# MARSHBERRY BROKER FORMATION



1. 12/30/16: Alera Group, Inc. formed
2. 24 firms sold to Alera Group at one time
3. \$158M in combined revenue
4. 750 employees
5. 40 offices across 15 states
6. Private Equity Sponsor: Genstar Capital, LLC
7. The industry's second largest deal in 2016

<p>HAS ACQUIRED</p> <p>A&amp;B Insurance &amp; Financial, Inc., AB Capital Group, LLC, Insurance Exchange, LLC, &amp; Smart Choice Health Plans, LLC dba Florida Health Team, LLC</p>	<p>HAS ACQUIRED</p> <p>American Insurance Administrators, Inc. (dba AIA Benefits Resource Group) Team, LLC</p>	<p>HAS ACQUIRED</p> <p>Benefit Advisors Network, LLC (dba BAN)</p>	<p>HAS ACQUIRED</p> <p>Benico, Ltd.</p>	<p>HAS ACQUIRED</p> <p>Brown &amp; Noyes, LLC (dba Ardent Solutions)</p>
<p>HAS ACQUIRED</p> <p>C.M. Smith Agency, Inc.</p>	<p>HAS ACQUIRED</p> <p>Centennial Group Benefits and Insurance Services, Inc.</p>	<p>MarshBerry Capital LLC is honored to be the investment banking firm that brokered the transactions that brought these 24 agencies and one networking organization together to form Alera Group as funded by Genstar Capital</p>		<p>HAS ACQUIRED</p> <p>Corporate Plans, Inc. (dba CPI-HR)</p>
<p>HAS ACQUIRED</p> <p>Coury Health Services, Inc.</p>	<p>HAS ACQUIRED</p> <p>Forum Benefits, Inc.</p>			<p>HAS ACQUIRED</p> <p>GCG Financial, Inc.</p>
<p>HAS ACQUIRED</p> <p>Hampson Mowrer Agency, Inc. (dba Hampson Mowrer Kreitz Agency)</p>	<p>HAS ACQUIRED</p> <p>HP Planning, LLC (dba CBP and/or Creative Benefit Planning)</p>	<p>HAS ACQUIRED</p> <p>Beacon Retiree Benefits Group, LLC</p>	<p>HAS ACQUIRED</p> <p>INGROUP Associates, Inc.</p>	<p>HAS ACQUIRED</p> <p>J.A. Counter &amp; Associates, Inc.</p>
<p>HAS ACQUIRED</p> <p>K.B. Group Services, Inc. (dba Group Services, Inc.)</p>	<p>HAS ACQUIRED</p> <p>Pentra, Inc.</p>	<p>HAS ACQUIRED</p> <p>MFG Retirement Systems, Inc. (dba PWA Insurance Services)</p>	<p>HAS ACQUIRED</p> <p>Robert G. Relph Agency, Inc. (dba Relph Benefit Advisors) &amp; Flexible Benefits System, Inc.</p>	<p>HAS ACQUIRED</p> <p>Silberstein Insurance Group, LLC</p>
<p>HAS ACQUIRED</p> <p>Shirazi Benefits, LLC</p>	<p>HAS ACQUIRED</p> <p>Shirazi-Miller Benefits, LLC</p>	<p>HAS ACQUIRED</p> <p>TRUEBenefits, LLC</p>	<p>HAS ACQUIRED</p> <p>Virtus Benefits, LLC</p>	<p>MarshBerry was financial adviser to the participating selling organizations. These organizations were acquired by Alera Group effective December 30, 2016</p>



# MARSHBERRY BROKER FORMATION



1. 12/31/20 Oakbridge Insurance Agency LLC formed
2. Four firms sold to Oakbridge at one time
3. 18 offices in Georgia
4. Private equity sponsor: Corsair Capital
5. MarshBerry's Third National Broker Formation



December 2020

**Founders Insurance, Hutchinson Traylor Insurance, McGinty-Gordon & Associates, and Waites & Foshee** have partnered to create **Oakbridge Insurance Agency**

MarshBerry was the financial and strategic adviser to the firms involved in this transaction.



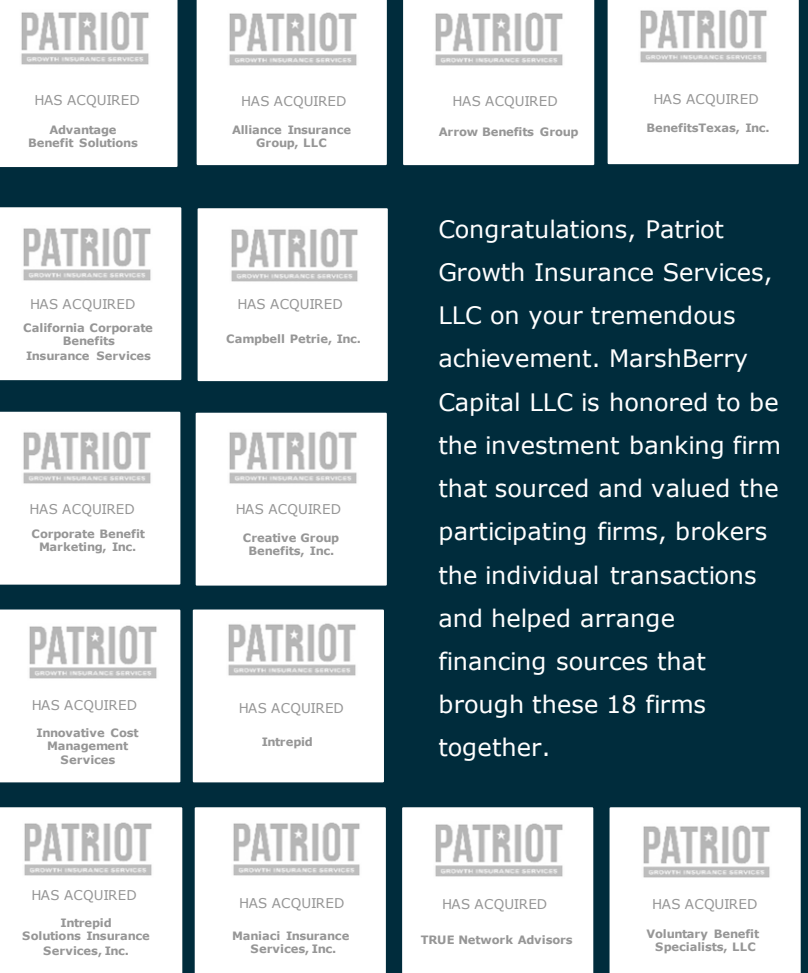


# MARSHBERRY BROKER FORMATION



1. 1/1/19: Patriot Growth Insurance Services, LLC formed
2. 18 firms sold to Patriot at one time
3. 18 offices across 7 states
4. Private equity sponsor: Summit Partners
5. MarshBerry's Second National Broker Formation

Think  
Big!



Congratulations, Patriot Growth Insurance Services, LLC on your tremendous achievement. MarshBerry Capital LLC is honored to be the investment banking firm that sourced and valued the participating firms, brokers the individual transactions and helped arrange financing sources that brought these 18 firms together.

MarshBerry was financial adviser to the participating selling organizations. These organizations were acquired by Patriot Growth Insurance Services LLC effective January 1, 2019



# Questions & A Call To Action



# PREDICTABLE PROFITABLE ORGANIC GROWTH



- 01 Process driven new client acquisition – Managing to leading versus lagging indicators
- 02 Segregate Producers and Account Executives (eliminate role of servicing producer)
- 03 Embrace aggressive new business goals and real production accountability
- 04 Commit to support industry vertical specialization by data analytics
- 05 Commit to true differentiation and collateral to communicate value proposition
- 06 Double down on hiring new production talent from outside of the industry
- 07 Design and roll out a defined production mentorship program to enhance success rate
- 08 Use wealth creation as a way to attract and retain the nation's top talent



# QUESTIONS?



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Brian is a Director at MarshBerry and a member of MarshBerry's Financial Advisory team. He has extensive experience advising insurance brokers in mergers and acquisitions (M&A), capital raising, and other financial advisory services such as valuation, compensation consulting and perpetuation planning.

Brian also actively consults with clients in the areas of business planning, strategic relationship management, organic growth best practices and other valuation enhancement strategies. He also facilitates two Strategic Issues Groups within MarshBerry's executive peer exchange network, Connect.

Prior to joining MarshBerry, Brian was a partner at Taft Stettinius & Hollister, LLP, where his practice was focused on business litigation, with an emphasis on employment litigation, class actions and complex commercial disputes.

Brian currently maintains the FINRA Securities Industry Essentials (SIE®) Exam, in addition to the Series 62, 79, 24 and 63 FINRA Registrations through MarshBerry Capital, LLC, the affiliated FINRA-registered Broker/Dealer of Marsh, Berry & Co., LLC.

Brian graduated with honors from Ohio University with a bachelor's degree in Business Administration, majoring in Finance and Management Information Systems. He received his law degree with honors from the Cleveland-Marshall College of Law at Cleveland State University, where he served as the executive editor of the Cleveland State Law Review. Brian is currently licensed to practice law in the State of Ohio.

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# FOOTNOTES

1. Multiples calculated based on deals closed for each time period noted.
2. Quartiles are determined based on the realistic purchase price as a multiple of EBITDA for EBITDA Multiple slides and realistic purchase price as a multiple of Revenue for Revenue Multiple slides.
3. EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization.
4. Base Purchase Price: The amount of proceeds paid at closing, including any escrow amounts for indemnification items, (i.e., Paid at Close) plus amounts that the buyer may initially hold back, but which are paid as long as the sellers performance does not materially decline, or which may be paid at closing but are subject to a potential adjustment (i.e., Live Out).
5. Realistic Earn Out: The amount of proceeds realistically anticipated 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.
6. Maximum Earn Out: The additional earn out above the realistic level, that if achieved, would generate the maximum possible earn out payment.
7. Maximum Purchase Price: base purchase price plus maximum earnout.
8. Platform: High level transaction for a buyer, typically due to new geography niche, expertise, size, talent, etc.
9. Stand Alone: The operation will continue to operate out of a separate location.
10. Roll In: The operation will be combined with another location.
11. Average: The average of all deal types in our database including Platform, Stand Alone and Roll In.





# Questions

