



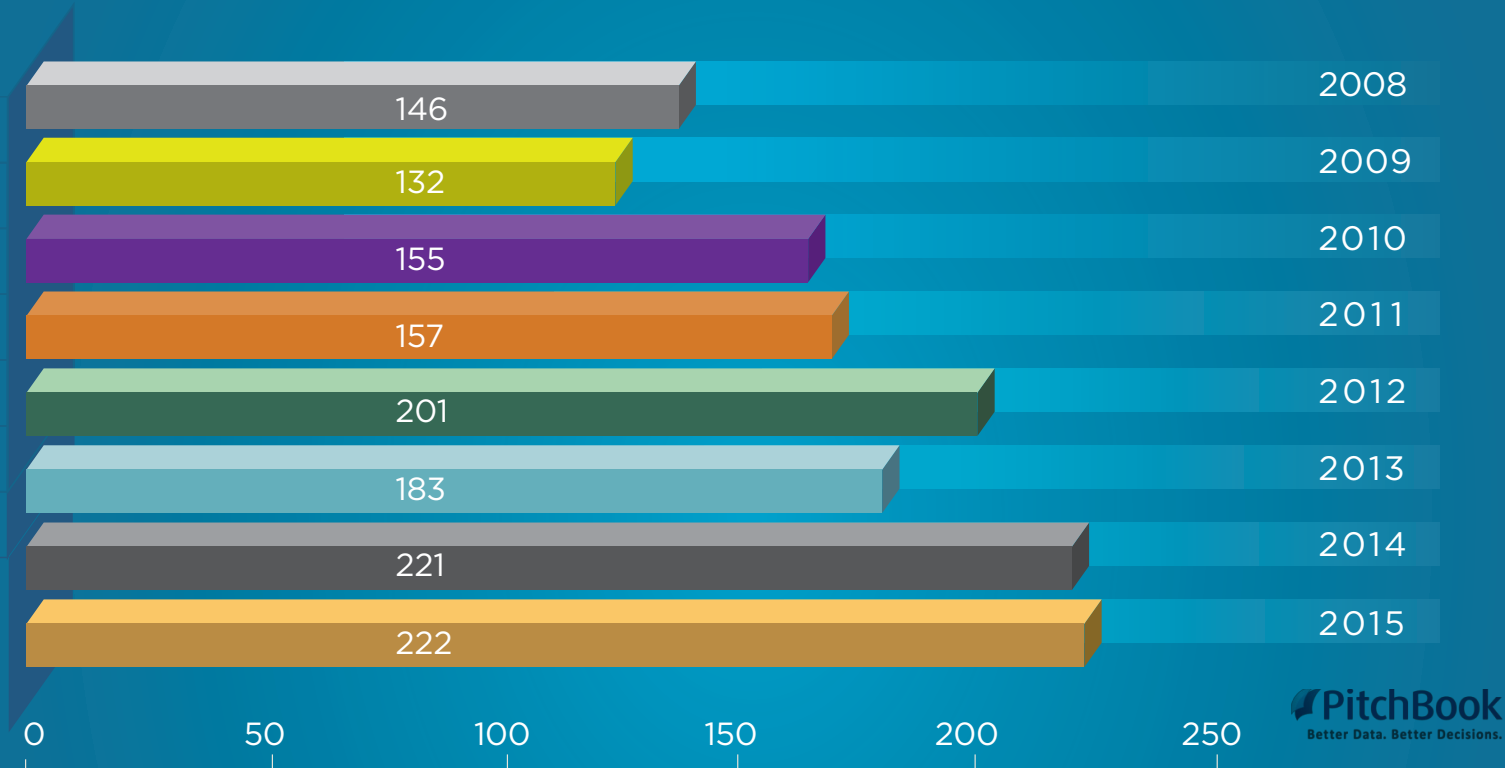
Cassel Salpeter & Co.
INVESTMENT BANKING

A VIEW OF FLORIDA: 2015 FLORIDA PE DEAL REPORT

THIS INFOGRAPHIC REPORT AND ALL ASSOCIATED CHARTS, PREPARED BY CASSEL SALPETER & CO. WITH DATA FROM PITCHBOOK DATA AS OF DEC. 31, 2015, PROVIDES A TOP-LEVEL EXAMINATION OF PRIVATE EQUITY ACTIVITY IN FLORIDA. IT OFFERS IN-DEPTH INSIGHT AND DATA-DRIVEN ANALYSIS OF THE STATE'S PE TRENDS, WITH A FOCUS ON DEAL FLOW ACTIVITY.

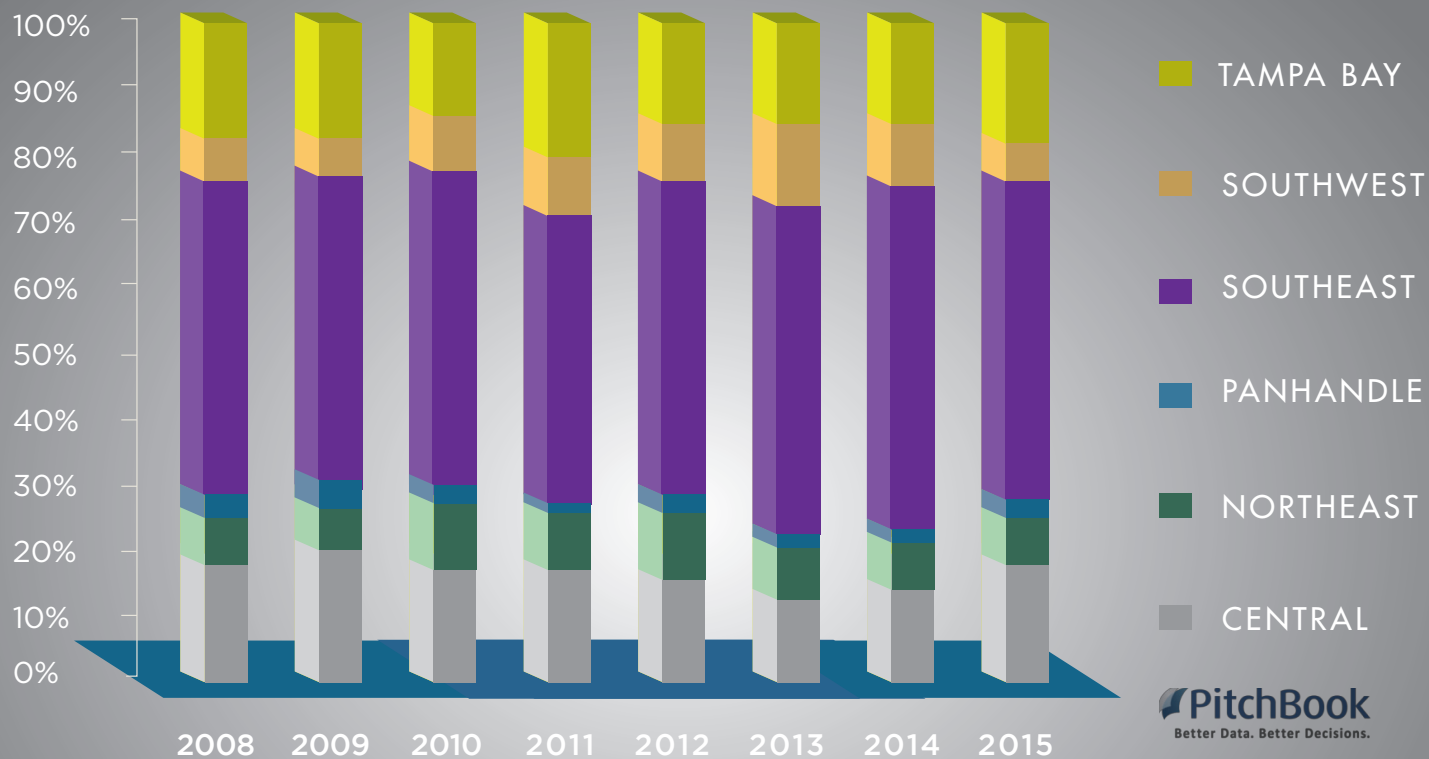
THIS REPORT INCLUDES ALL PE INVESTMENTS (INCLUDING BUYOUT, ADD-ON, GROWTH, PIPE, AND RECAPITALIZATION), EXCLUDING REAL ESTATE INVESTMENTS, MADE INTO TARGET COMPANIES WITH HEADQUARTERS IN FLORIDA. THIS REPORT ALSO INCLUDES NEW ANALYSIS INCLUDING BUYOUTS MEDIAN EDITDA MULTIPLES, BUYOUTS MEDIAN DEBT PERCENTAGES, PE EXITS BY TYPE AND PE INVESTMENTS VS. EXITS.

Florida PE Deal Flow by Year



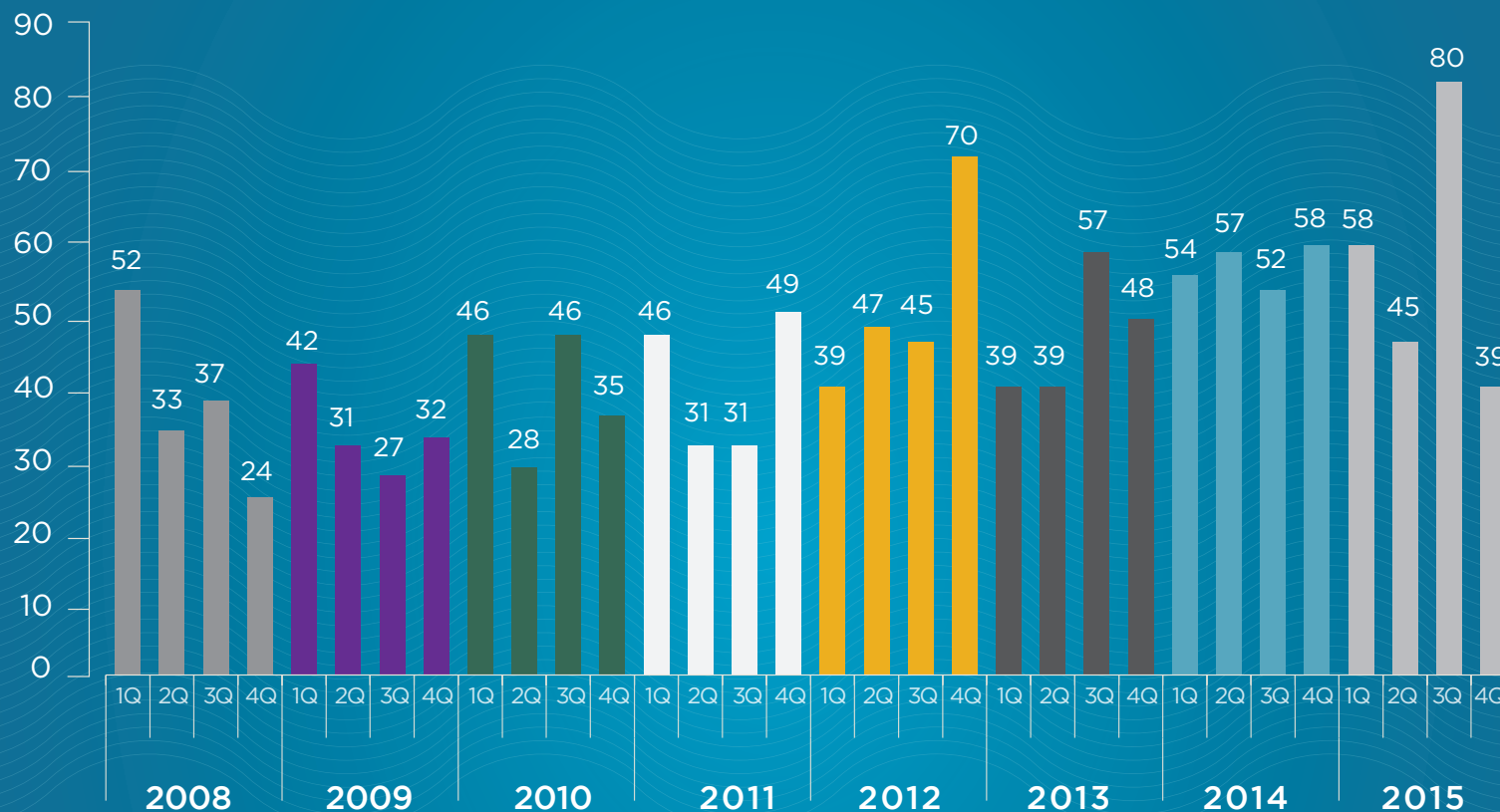
The PE landscape of 2015 officially introduced the most recent buyout cycle. Following a noticeable jump between 2013 and 2014, deal flow volumes more or less plateaued in 2015. While activity remained relatively consistent on a yearly basis, numbers remained strong historically. Highlighting 2013 as a comparison, 2015 Florida PE deal flow increased approximately 21.3% from 2013.

Florida PE Deal Flow by Geography



The Southeast has consistently remained the region with the most Florida PE deal flow, accounting for 41.4% of total Florida PE deals, almost doubling the Central Florida PE deal activity, which represented the second largest region in 2015 at 22.5%. The Tampa Bay region accounted for 19.4% of total Florida PE deal flow, with the remaining regions each accounting for less than 10%.

Florida PE Deal Flow by Quarter



With Florida PE deal flow volumes reaching historic highs on a quarterly basis in 3Q 2015, Florida PE deal flow significantly declined in 4Q 2015. After a near 78% quarter-over-quarter increase in Florida PE deal flow activity in 3Q 2015, 4Q 2015 saw a decline of over 51%, with only 39 Florida PE deals completed for the quarter.



Q&A



SCOTT SALPETER & JAMES CASSEL

Q // What is the general take on Florida PE deal-making for 1H 2016?

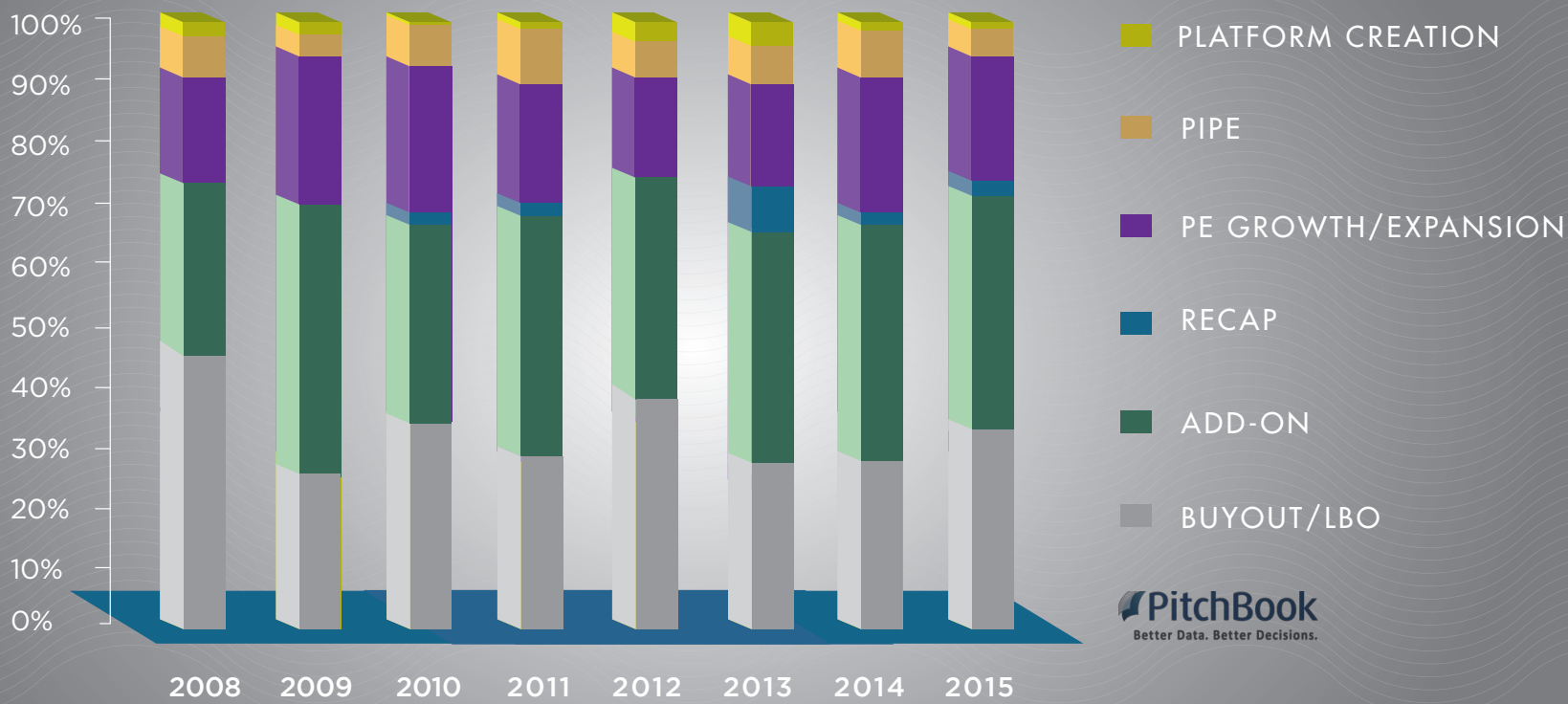
A // Florida PE deal-making for 1H 2016 will likely be at a similar pace to that of the last quarter of 2015. Although PE firms are ready, willing, and able, there seems to be a limited supply of opportunities.

Q // To what extent will high valuations be cushioned by strong demand for quality targets in 2016?

A // Expectations for high valuations still exist among sellers; however, with the volatile stock market and concerns about the world economy and its effect on the US economy, buyers may be more cautious and therefore a little more conservative on pricing.

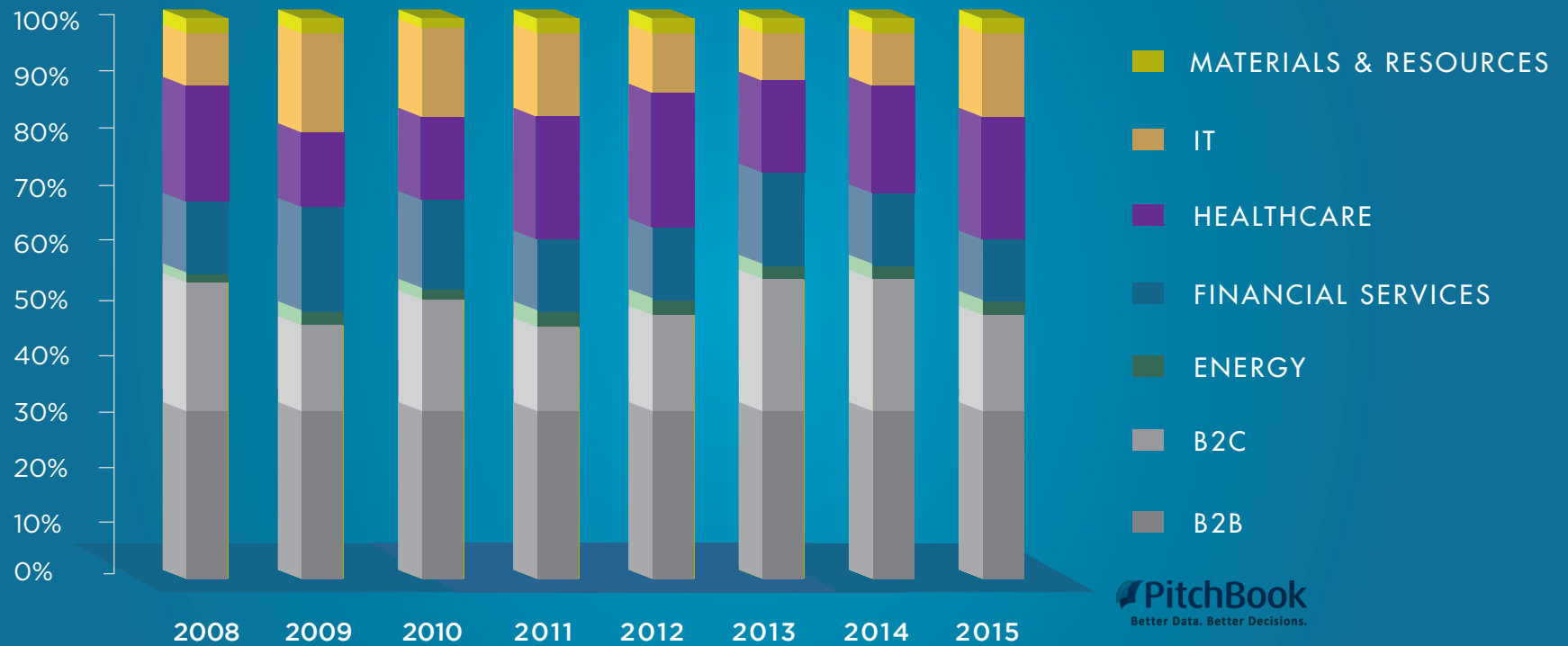


Florida PE Deal Flow by Type



Add-on's comprised approximately 46.4% of total 2015 Florida PE deal activity, representing a steady increase since 2008 at 32.9%. Add-on's, together with Buyout/LBO and PE Growth/Expansion (i.e., minority) accounted for 95.5% of 2015 total Florida PE deals.

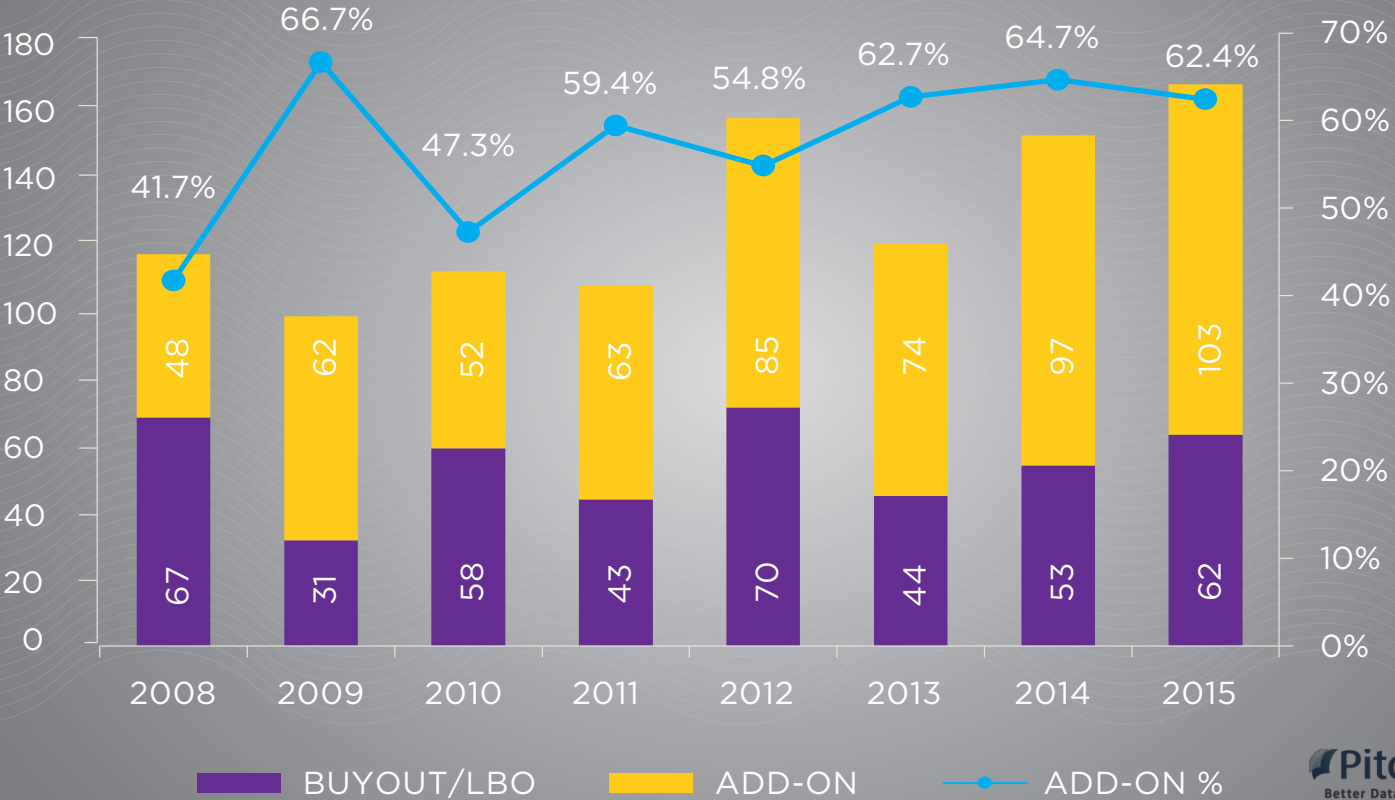
Florida PE Deal Flow by Sector



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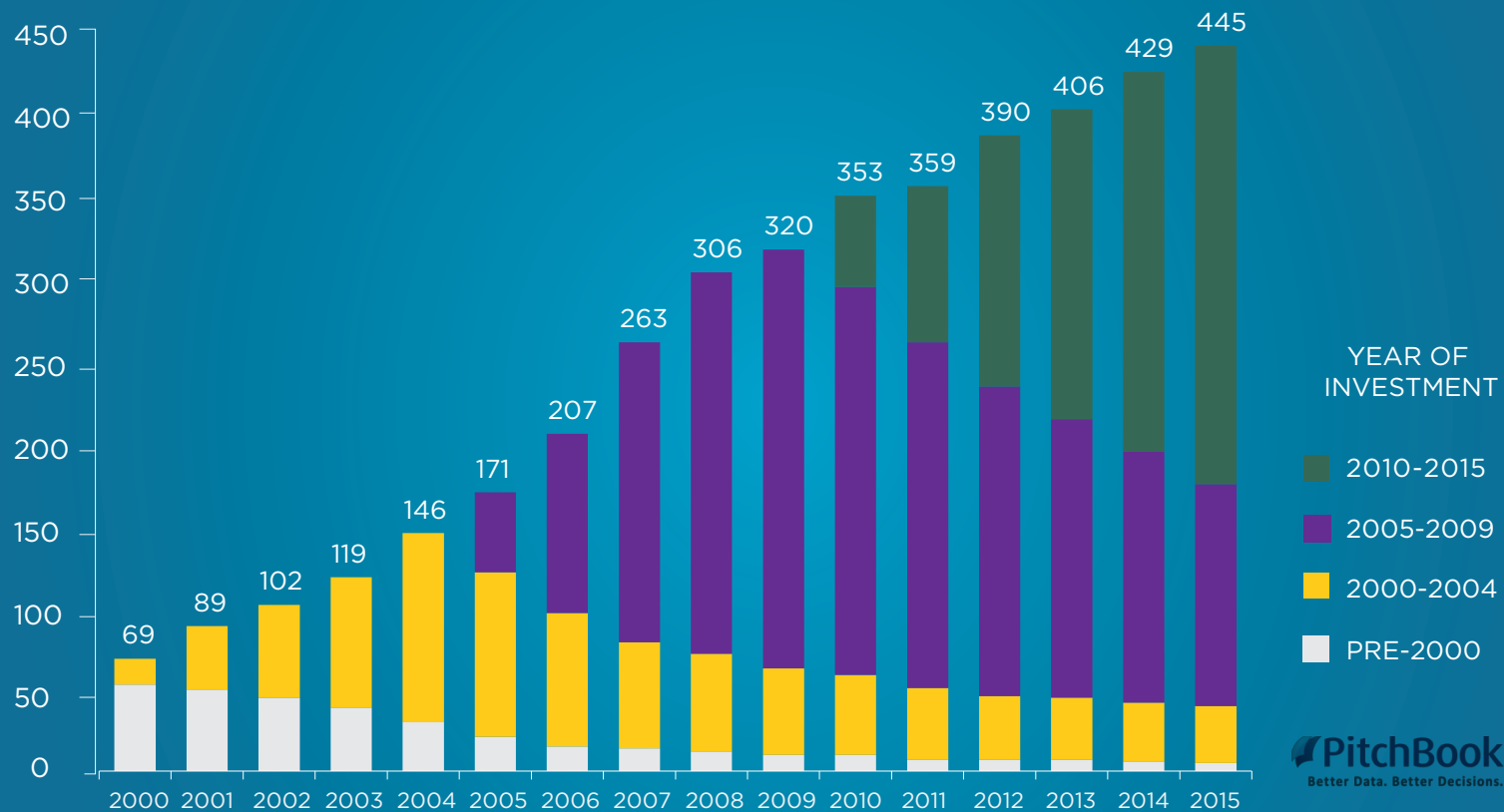
B2B remained dominant as the largest sector of Florida PE deal activity in 2015, accounting for 36.9%, consistent with U.S. B2B PE deal flow which accounted for approximately 36.5% during the same timeframe.

Florida Buyouts vs. Add-on's



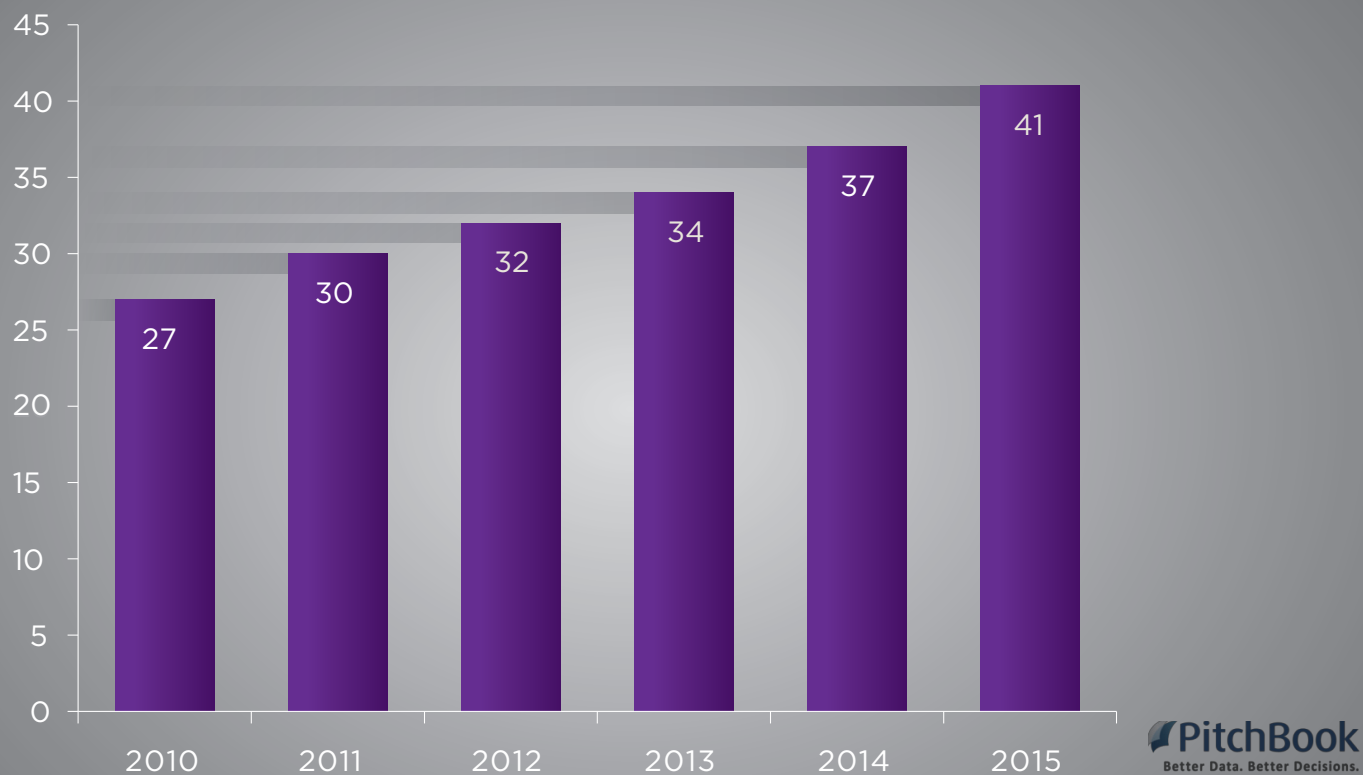
In 2015 add-on's accounted for over 62% of all control investments for the third year in a row, illustrating a consistent trend that PE firms have never been as focused on building out platforms.

PE-Backed Florida Companies



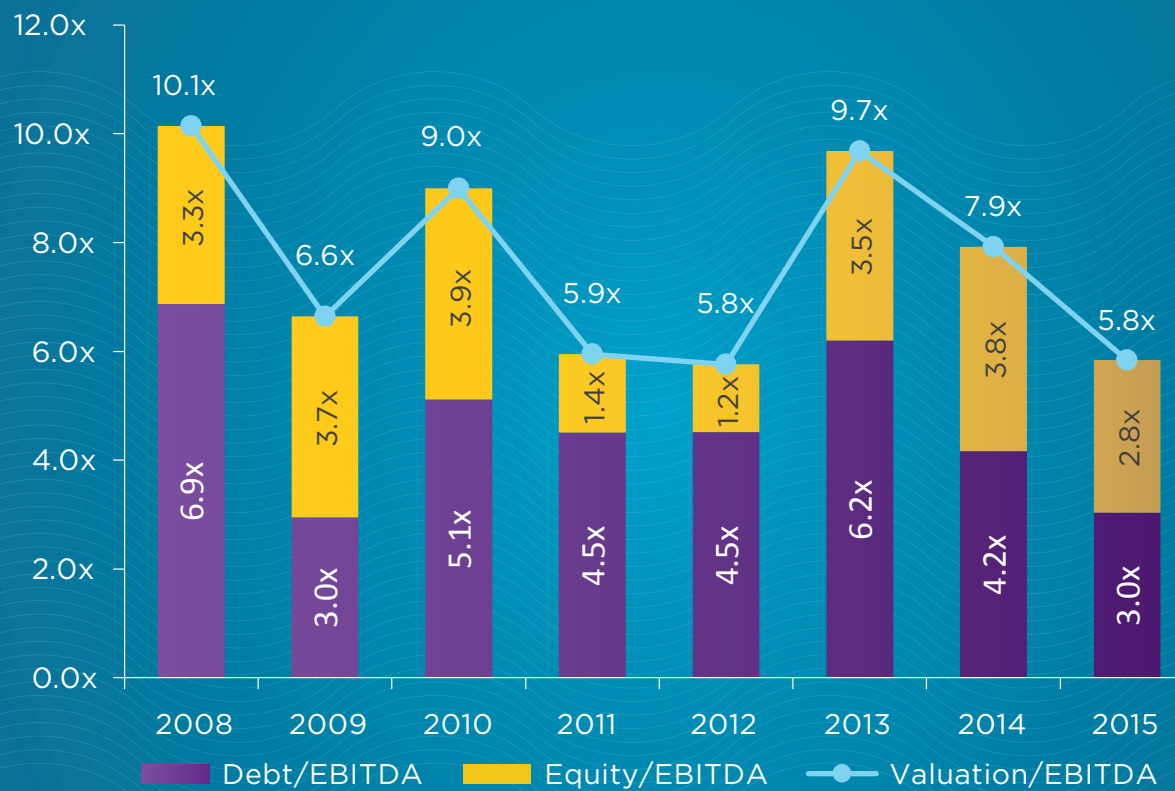
Since 2010 began, PE-backed Florida company inventory has grown at a 4.7% CAGR, culminating in a total of 445 PE backed Florida companies as of the end of 2015. The aging company inventory is still hefty at approximately 40% at the end of 2015, alluding to PE firms' struggles to exit the surplus of companies acquired before the crisis.

Florida Headquartered PE Firms



The number of PE firms with headquarters in Florida continue to grow, with 2015 seeing an additional 4 Florida-based PE firms and a CAGR of 8.7% from 2010 through 2015.

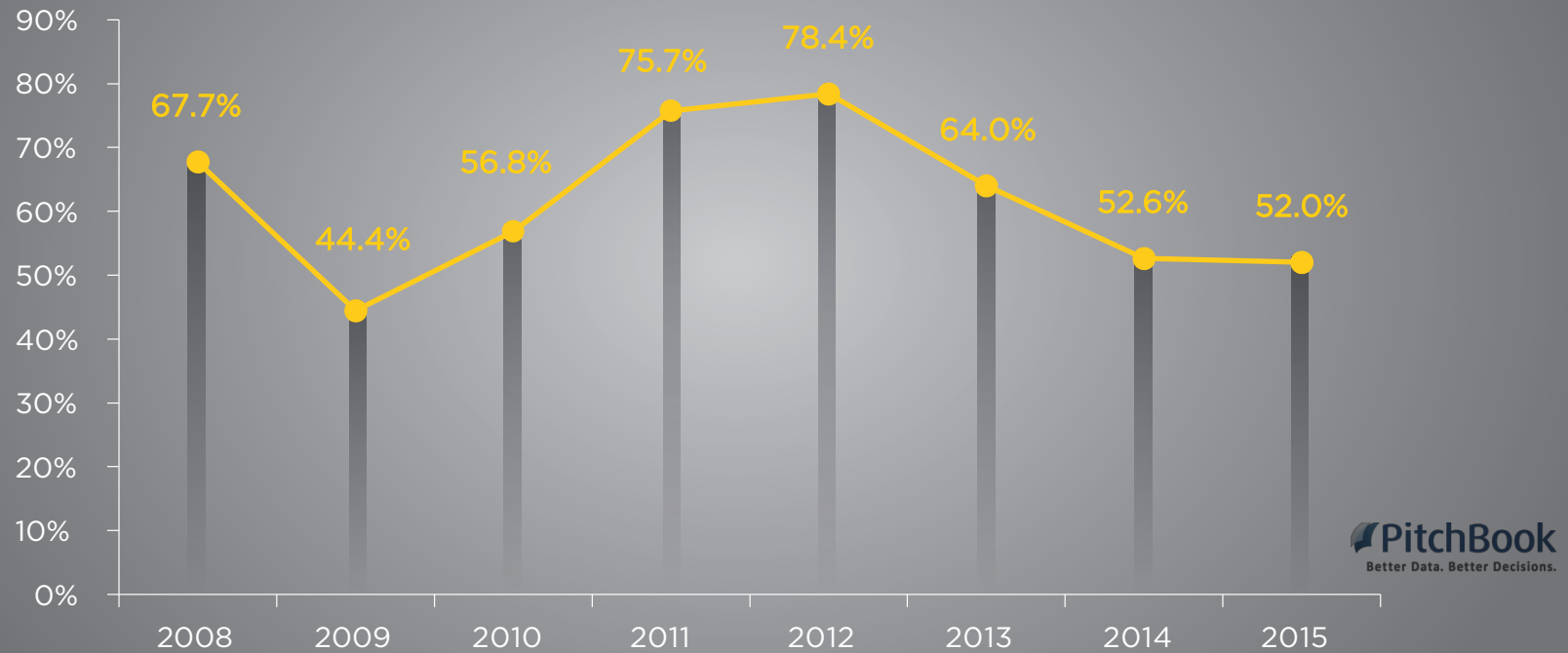
Florida Buyouts Median EDITDA Multiples



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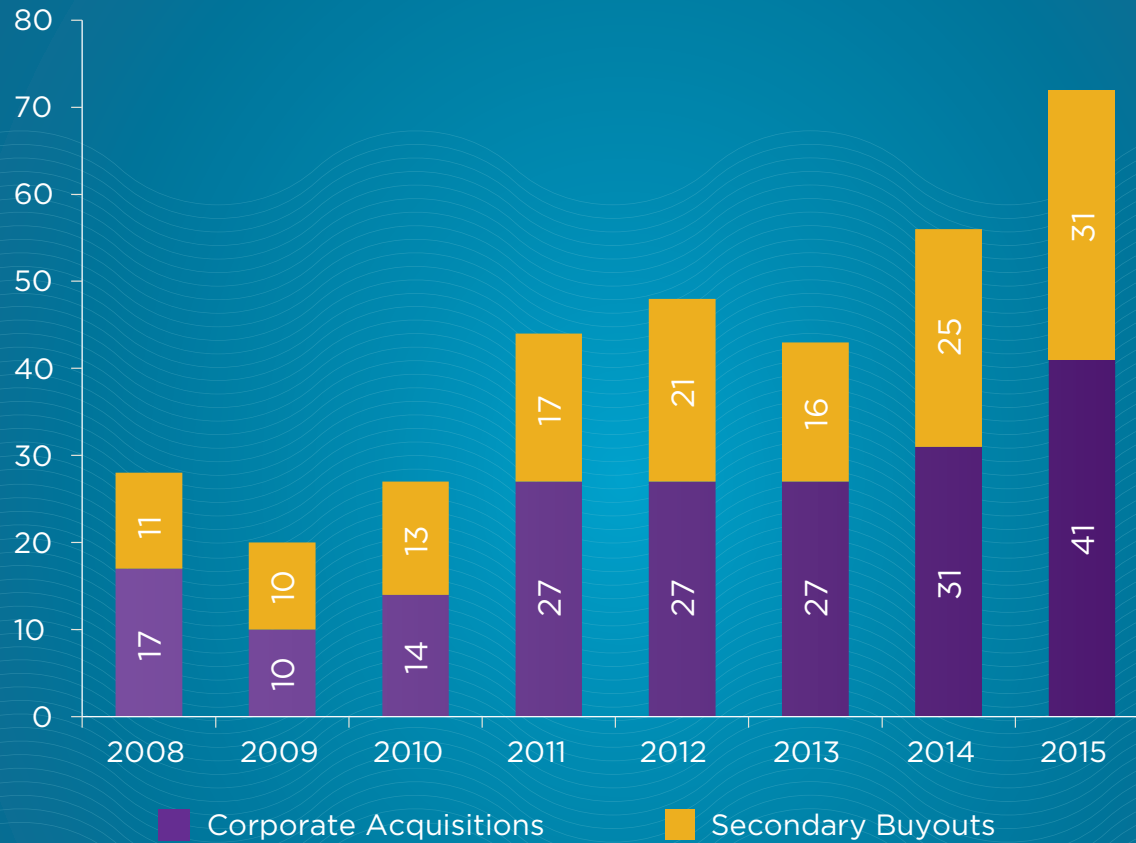
While, although the 2013 and 2014 Florida PE deal environment was expensive, the multiples begin to slide in 2015. The median valuation-to-EBITDA multiple recorded for 2015 Florida PE buyouts was 5.8x, a multiple not seen since 2012.

Florida Buyouts Median Debt Percentages



The median debt percentage in Florida PE deals remained consistent from 2014 to 2015 at approximately 52%. This however is a significant decrease from the 2012 Florida PE deals median debt percentage of 78.4%.

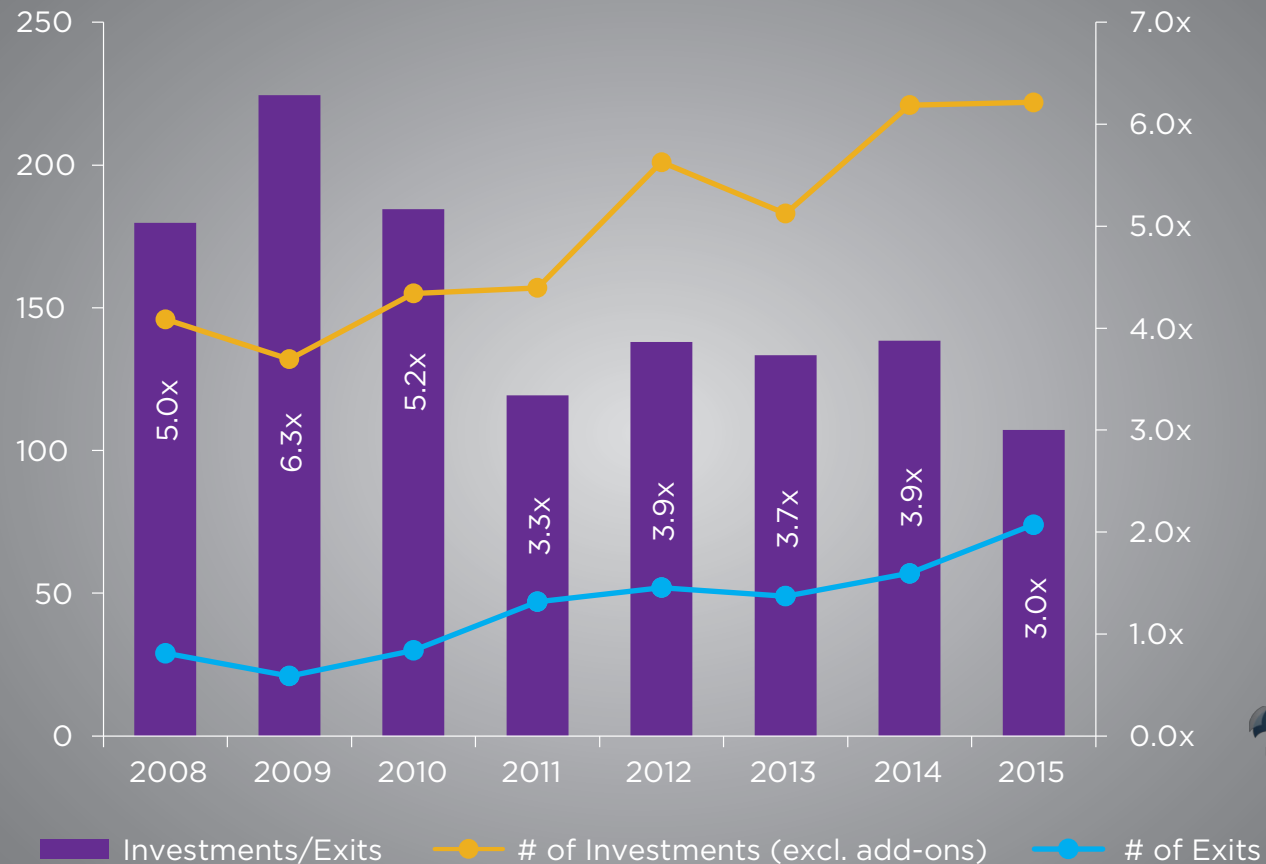
Florida PE Exits by Type



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2015 was a record year for Florida PE-backed exits, which had a total of 72 completed deals. Corporate acquisitions remained the primary exit route for Florida PE in 2015, representing approximately 57% of all Florida PE-backed sales, in line with the historical average. PE exits to strategics grew 32.3% in 2015 while secondary buyouts grew 24%, relative to a growth rate in 2014 of 14.8% and 56.3%, respectively.

Florida PE Investments vs. Exits



The ratio of investments to exits, which has remained relatively steady over the past few years, has declined from 3.9x in 2014 to 3.0x in 2015. From 2008 to 2010 the ratio was consistently above 5.0x, but has failed to return to that level in the years since the financial crisis.

METHODOLOGY



PRIVATE EQUITY DEALS

This report includes all PE investments (buyout, growth, PIPE, recapitalization, and add-on), excluding real estate investments, made into target companies, with headquarters in Florida. Only investments made directly by private equity firms or their portfolio companies are counted. Buyout deals are defined as transactions in which the PE investors receive controlling ownership stakes in the target companies. Growth deals are defined as minority investments in target companies. Add-on deals are defined as acquisitions by companies with private equity backing.



FLORIDA-BASED PRIVATE EQUITY FIRMS

This report's Florida-based PE firms by year chart includes PE firms with headquarters in Florida that were either actively investing or raising funds during the reported periods.



PE-BACKED FLORIDA-BASED COMPANIES

This report's PE-backed Florida-based companies by year chart includes companies headquartered in Florida that are in part or in whole backed by PE firms.

Cassel Salpeter & Co. is a boutique investment banking firm focused on providing independent and objective advice to middle market and emerging growth companies.



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