

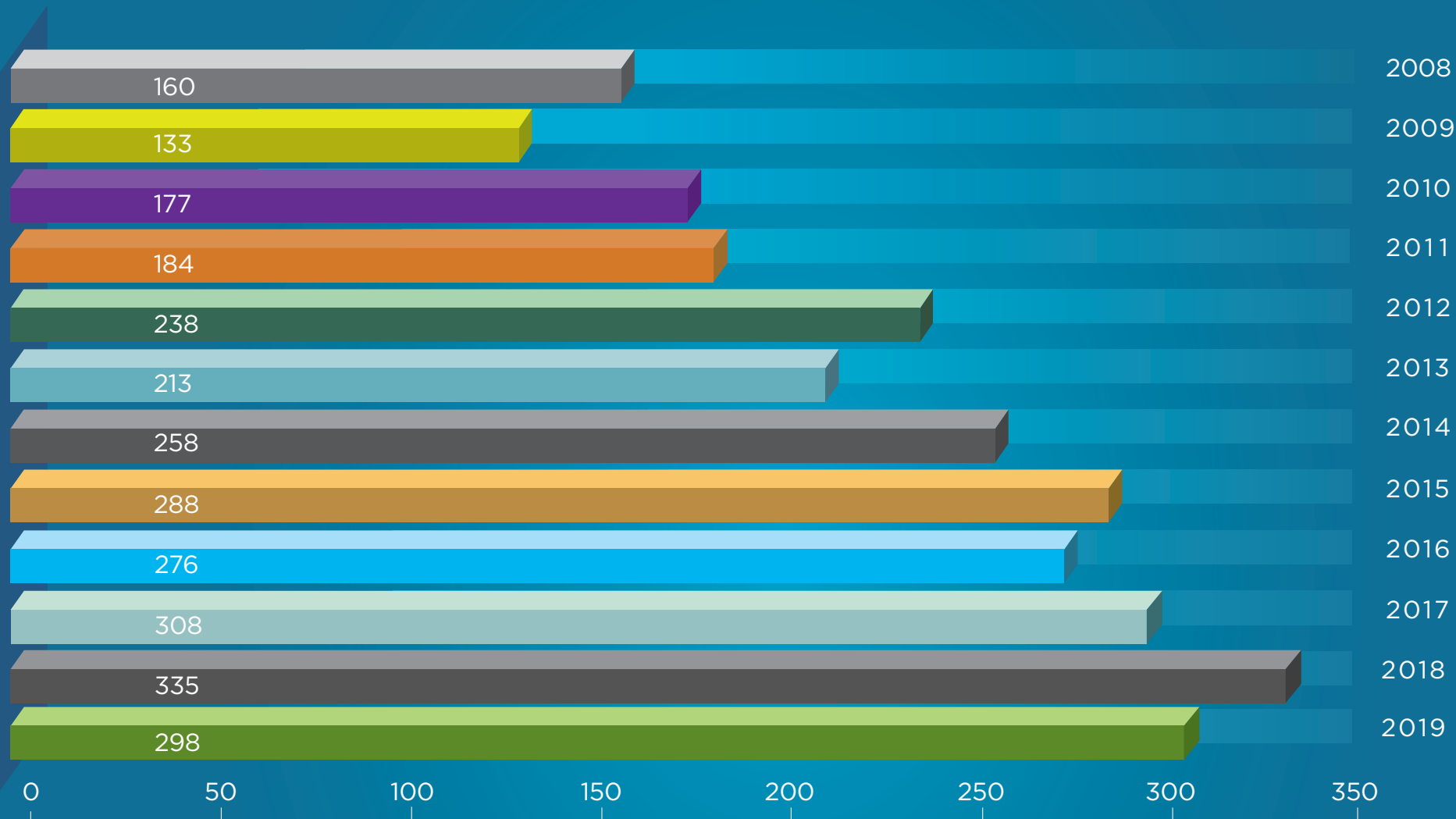


Cassel Salpeter & Co.  
INVESTMENT BANKING

## A VIEW OF 2019: FLORIDA PE DEAL REPORT

THIS INFOGRAPHIC REPORT AND ALL ASSOCIATED CHARTS, PREPARED BY CASSEL SALPETER & CO. WITH DATA FROM PITCHBOOK AS OF DECEMBER 31ST, 2019, 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, AND RECAPITALIZATION), EXCLUDING REAL ESTATE INVESTMENTS, MADE INTO TARGET COMPANIES WITH HEADQUARTERS IN FLORIDA.

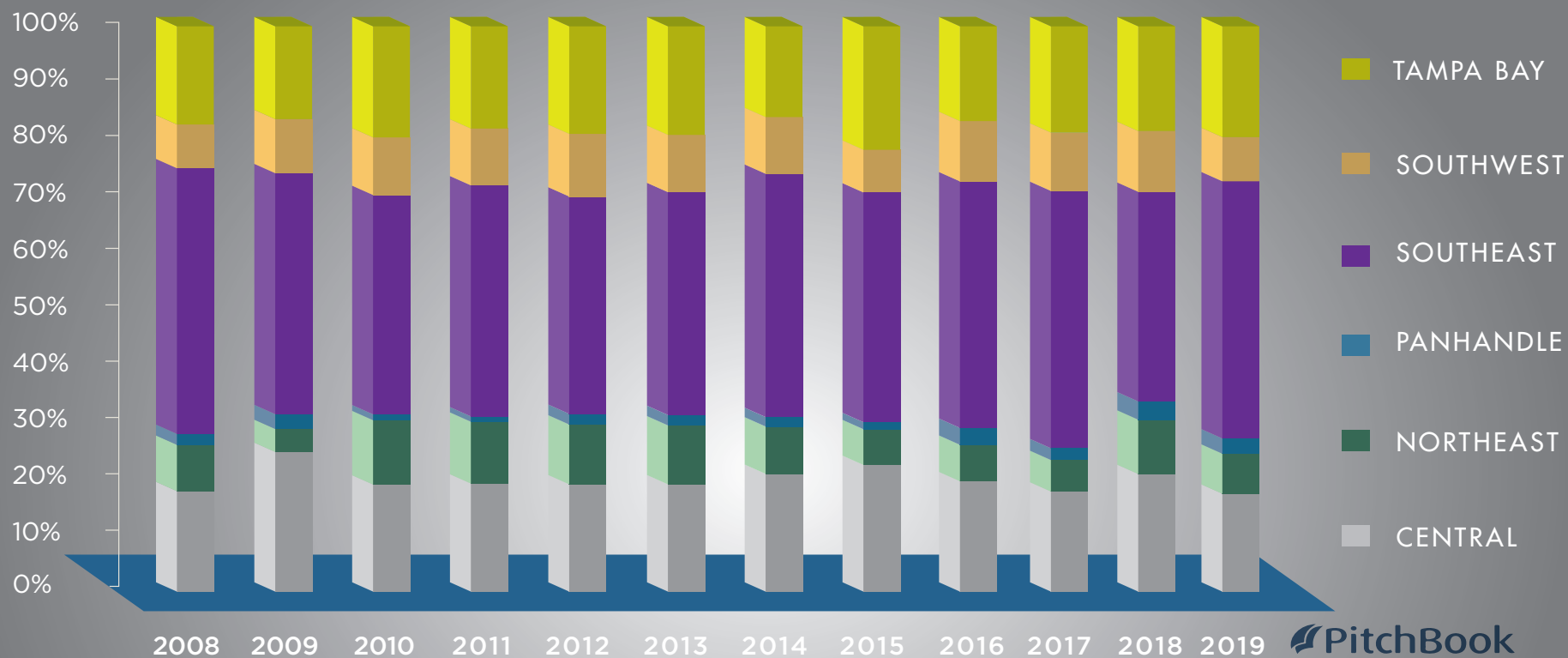
# Florida PE Deal Flow by Year



 PitchBook

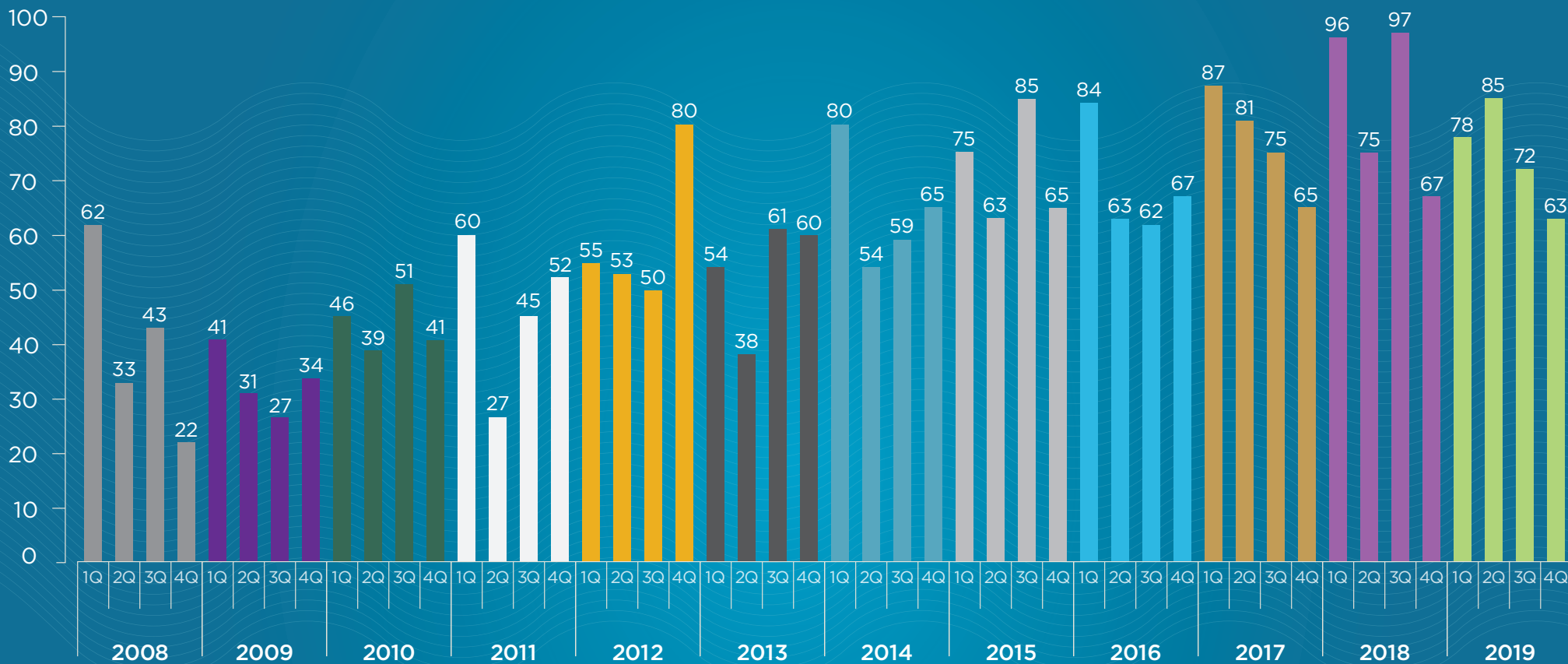
As we have noted in prior reports, all data is preliminary as data reporting generally lags behind actual activity. While falling just shy of 2018's record, Florida PE deals had another healthy showing in 2019, with 298 deals completed. This steady, healthy deal flow is not surprising given prior increased amounts of fundraising and availability of capital.

# Florida PE Deal Flow by Region



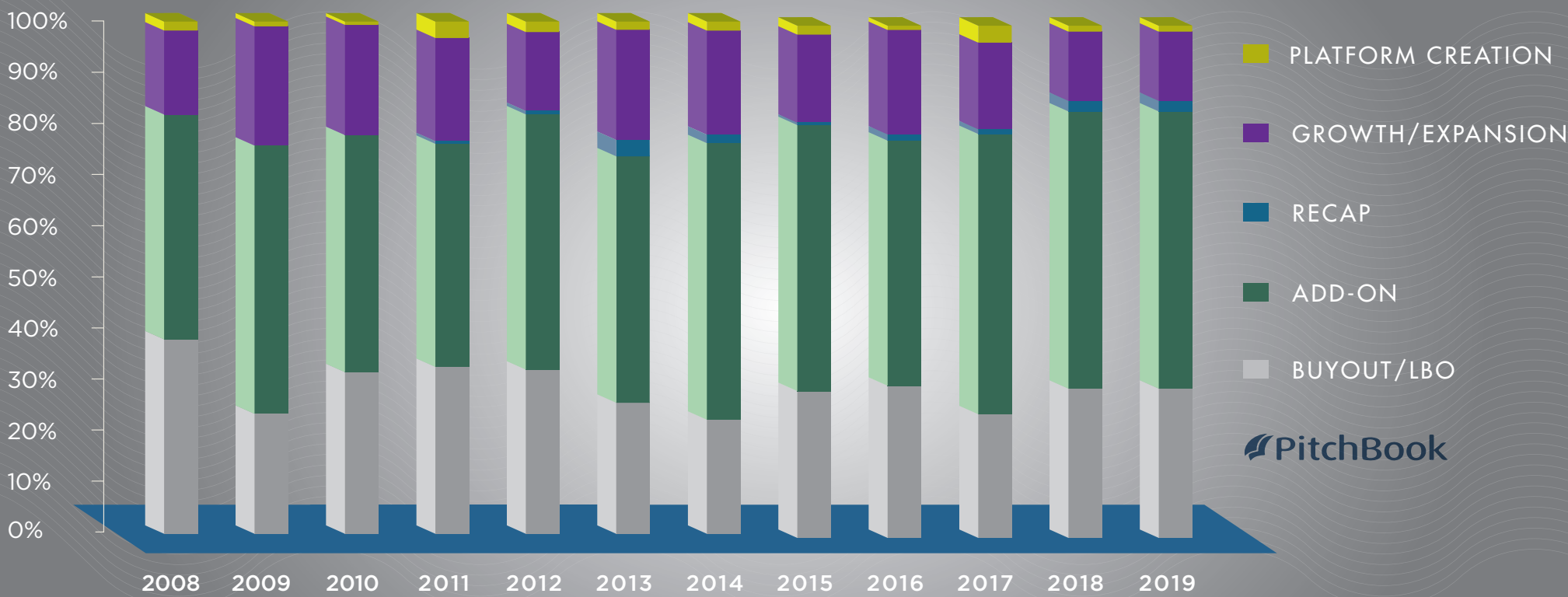
Southeast Florida remains the region with the most Florida PE deal flow, accounting for approximately 45% of total Florida PE deals. The Tampa Bay and Central regions followed with approximately 21% and 17%, respectively. The Southwest, Northeast, and Panhandle all accounted for less than 10% of total Florida PE deals in 2019.

# Florida PE Deal Flow by Quarter



With a record-breaking 1Q and 3Q in 2018, where deal counts spiked, 2019 had a much more consistent year overall between quarters. While 4Q on the surface seems to have slowed down somewhat, these numbers are likely currently underreported.

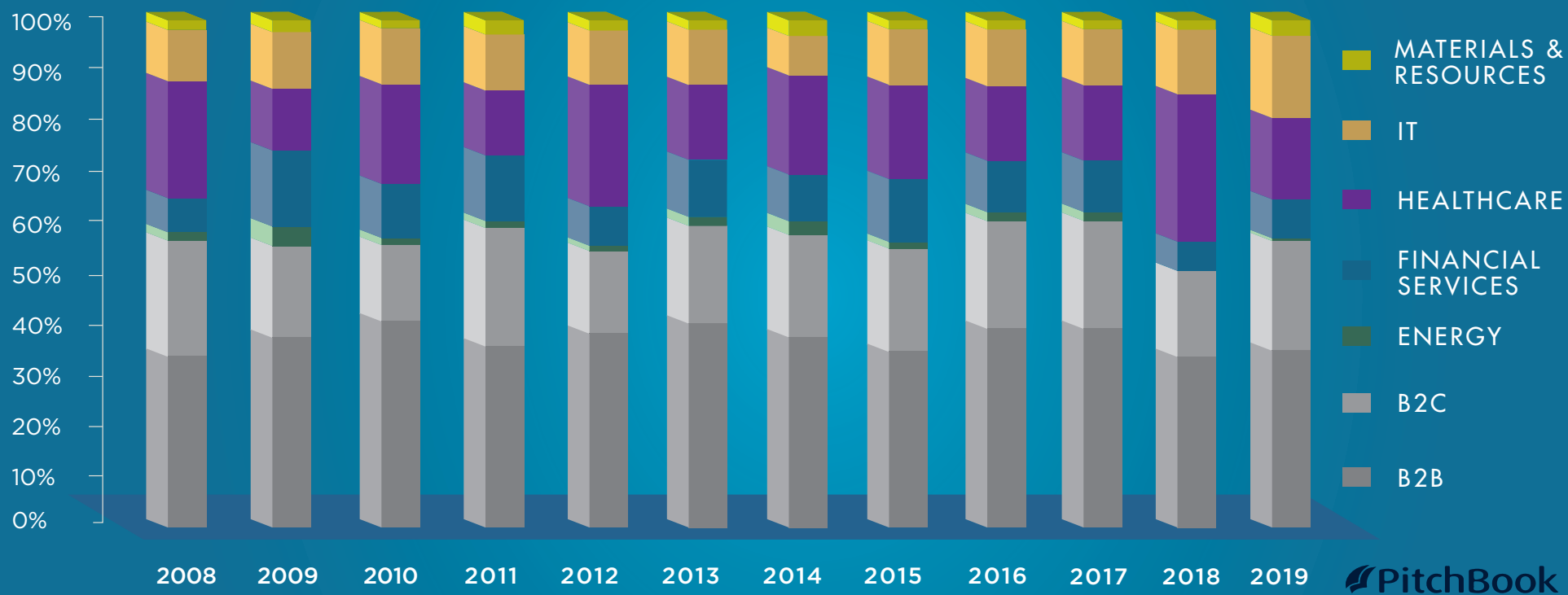
# Florida PE Deal Flow by Type



PitchBook

Since we began tracking this report in 2008, Add-ons have consistently been the dominant type of Florida PE deals, accounting for approximately 54% in 2019. Buyout/LBO and PE Growth/Expansion accounted for approximately 24% and 20%, respectively. Recap and Platform Creation accounted for less than 5% each.

# Florida PE Deal Flow by Sector

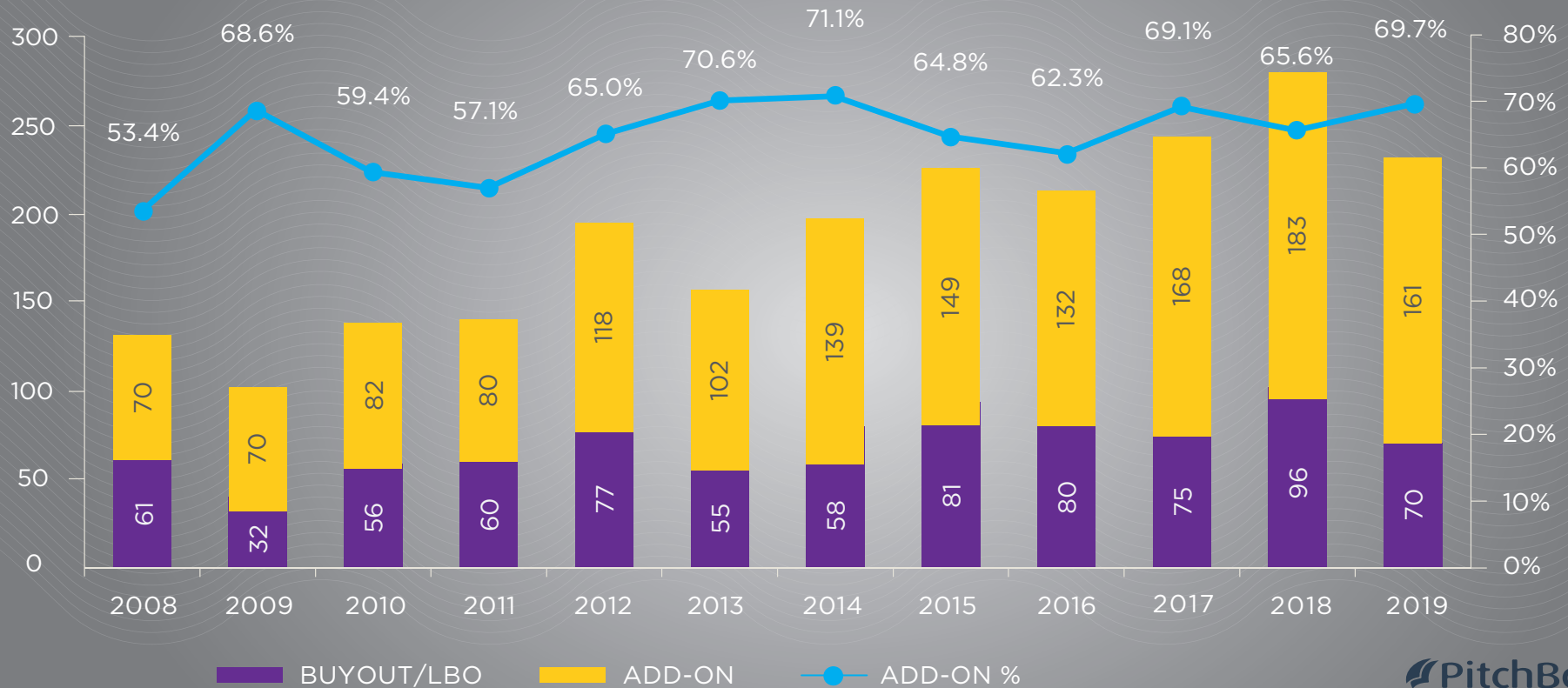


PitchBook

B2B was once again the dominate sector of Florida PE deal activity in 2019, accounting for approximately 35%. B2C accounted for approximately 22% of Florida PE deal activity, while Healthcare and IT tied for third with approximately 16%. Financial Services, Materials and Resources, and Energy each accounted for less than 10% of Florida PE deal activity in 2019.



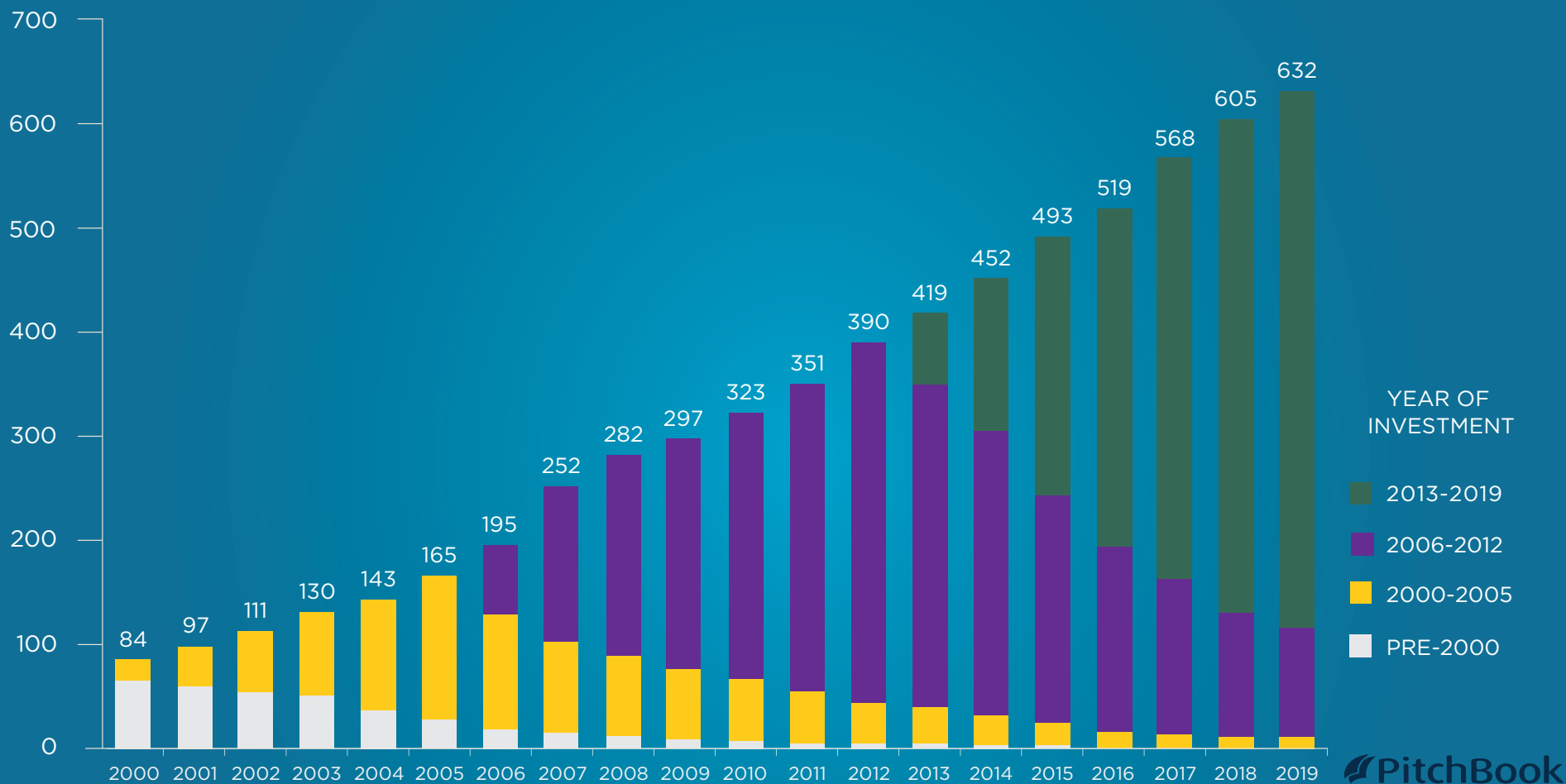
# Florida Buyouts vs. Add-ons



PitchBook

Consistent with prior years, add-ons accounted for the majority of Florida PE control investments in 2019. This makes sense as platforms tend to be larger investments and once acquired the focus shifts to building out that current investment with add-ons.

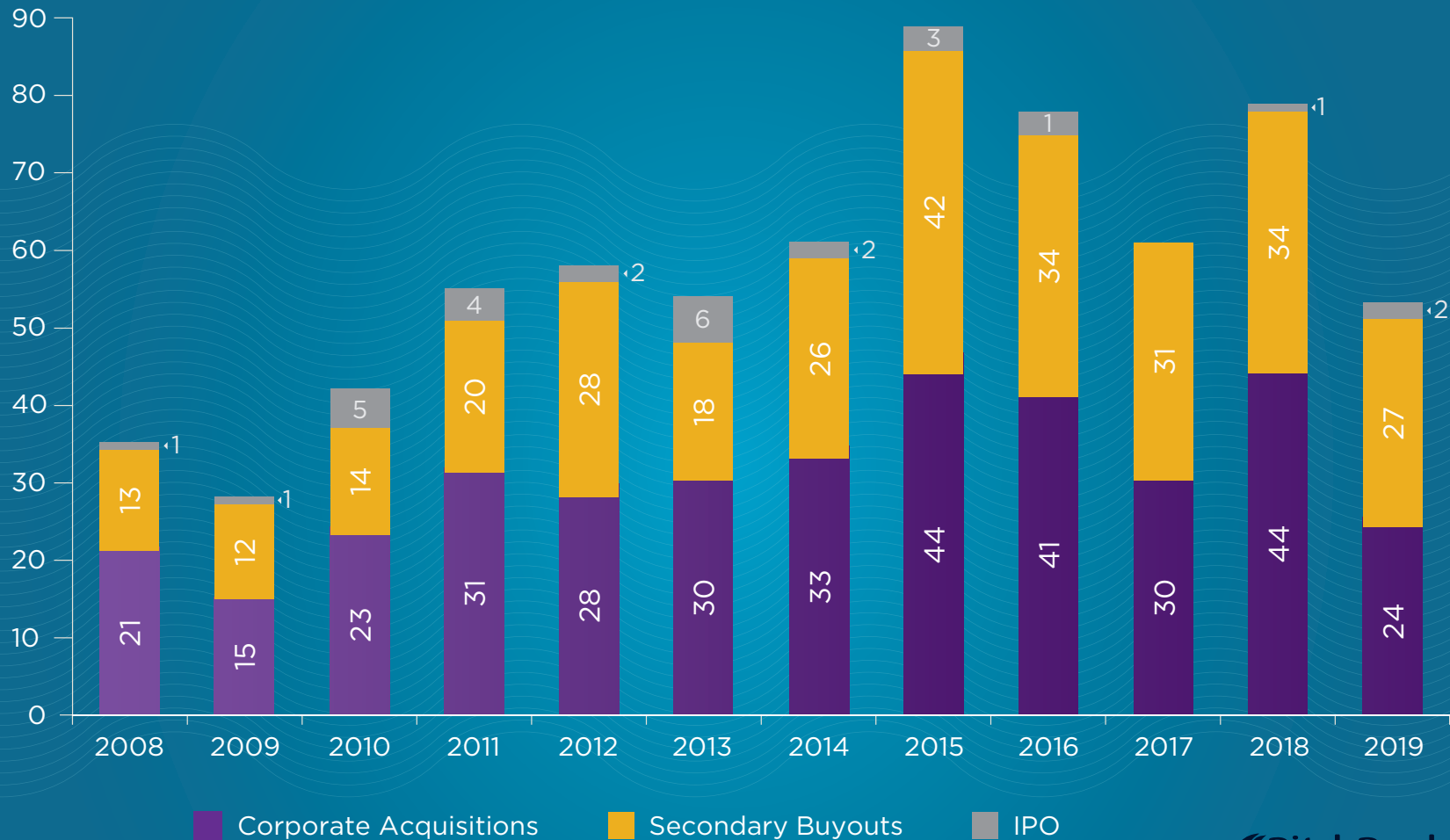
# PE-Backed Florida Companies



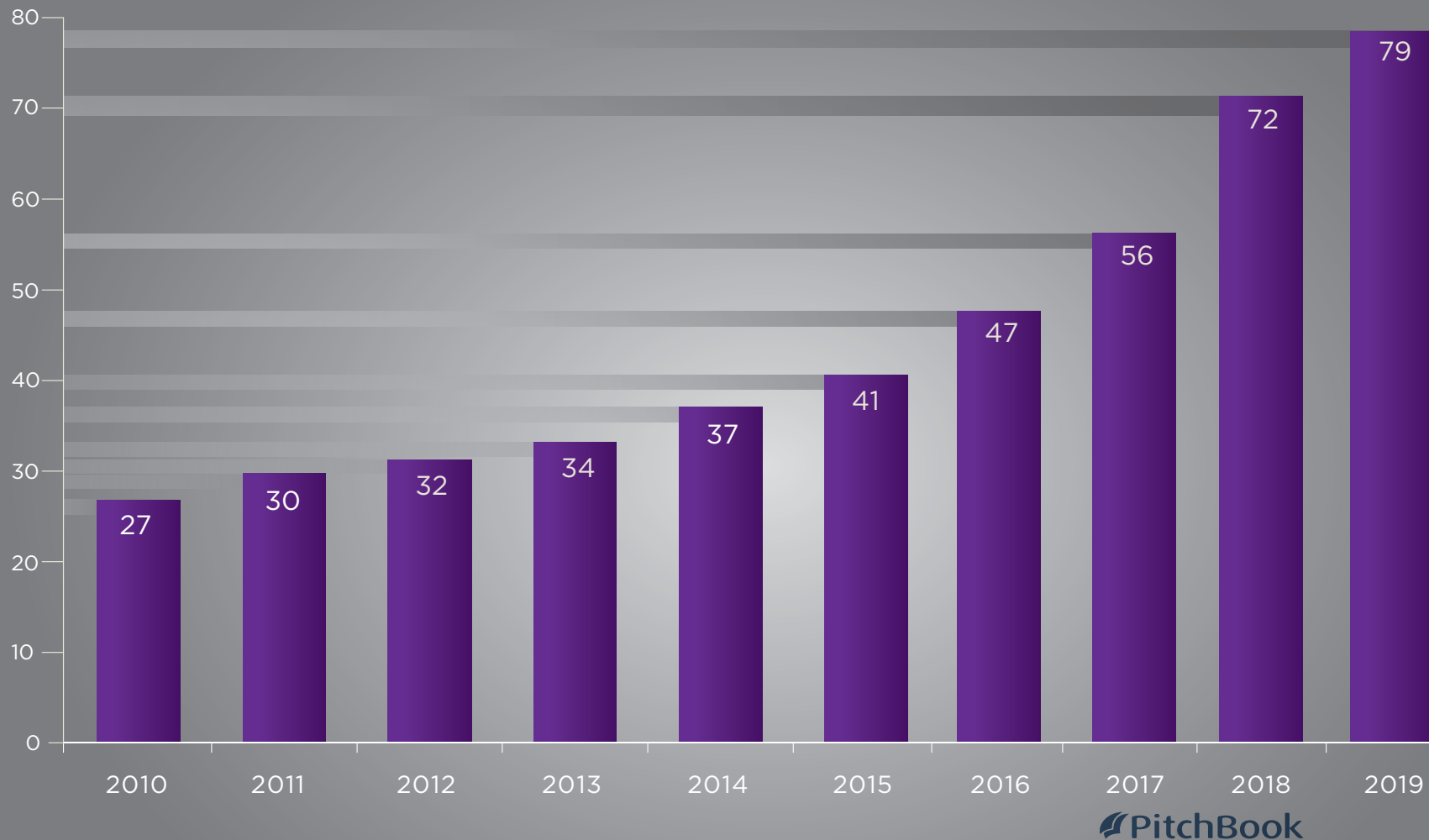
Florida PE-backed company inventory continued to grow with an additional 27 new PE-backed Florida companies, an approximate 4.5% increase. PE-backed Florida company inventory acquired between 2013 and 2019 accounted for approximately 82% of total PE-backed Florida company inventory. Surprisingly, inventory acquired between 2000 and 2012 has not been fully depleted and still accounts for approximately 18% of PE-backed Florida companies. As the years continue, we expect this number to continue to decrease.



# Florida PE Exits by Type



Although Corporate Acquisitions had a stronghold in prior years as the primary exit route for Florida PE deals, it seems that recent years have been either pretty even in the distribution or flipped back and forth. In 2019, Secondary Buyouts represented approximately 51% of total Florida PE exits, while Corporate Acquisitions and IPOs represented approximately 45% and 4%, respectively.



The number of PE firms with headquarters in Florida continues to grow, with 2019 seeing an additional seven Florida-based PE firms since year-end 2018 and a CAGR of approximately 13% from 2010 through 2019. After a record-breaking increase between 2017 and 2018, the increase in 2019 is more in line with prior years.

# METHODOLOGY



## PRIVATE EQUITY DEALS

This report includes all PE investments (buyout, growth, 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 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 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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