

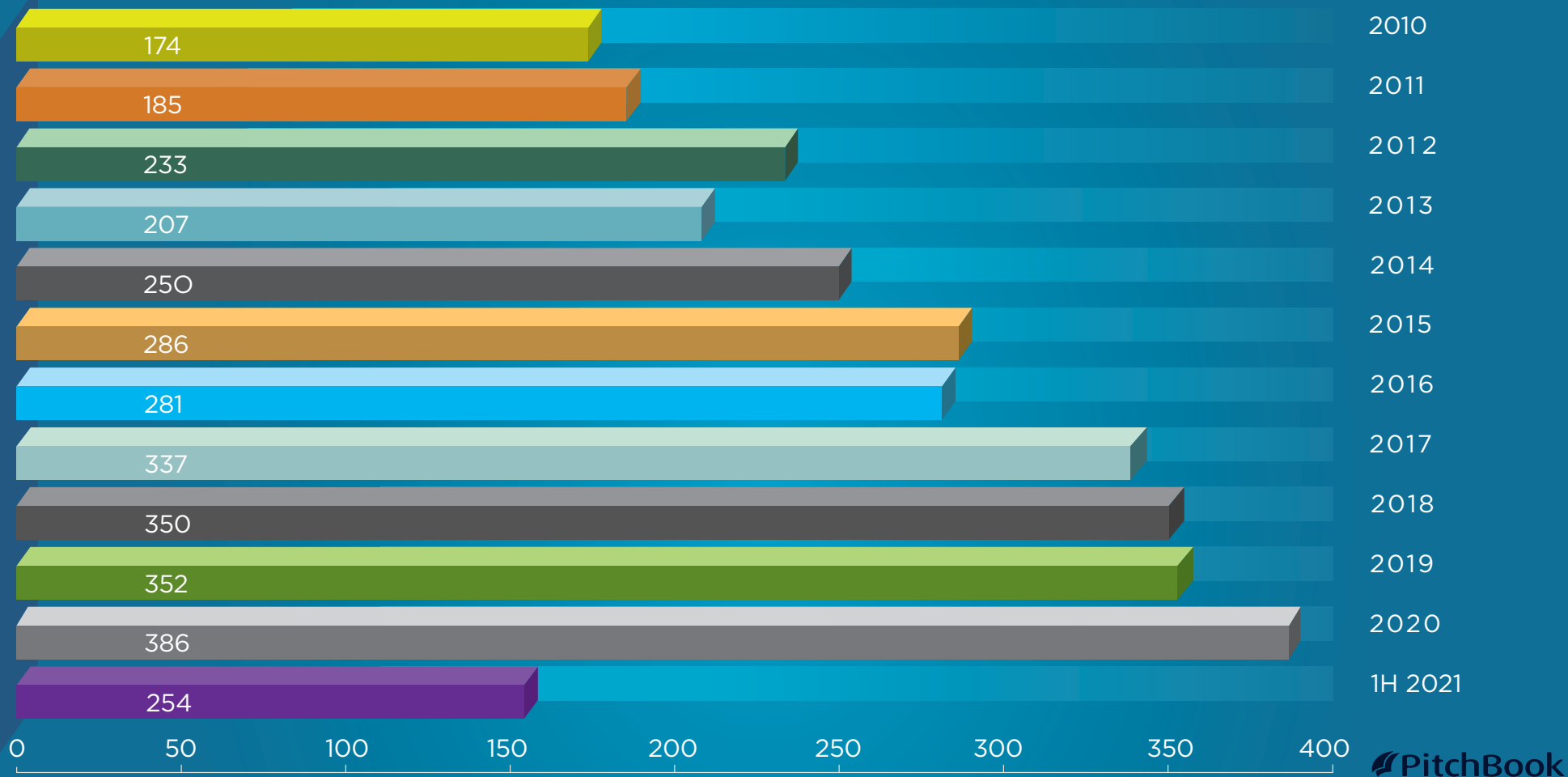


Cassel Salpeter & Co.
INVESTMENT BANKING

A VIEW OF 1H 2021: FLORIDA PE DEAL REPORT

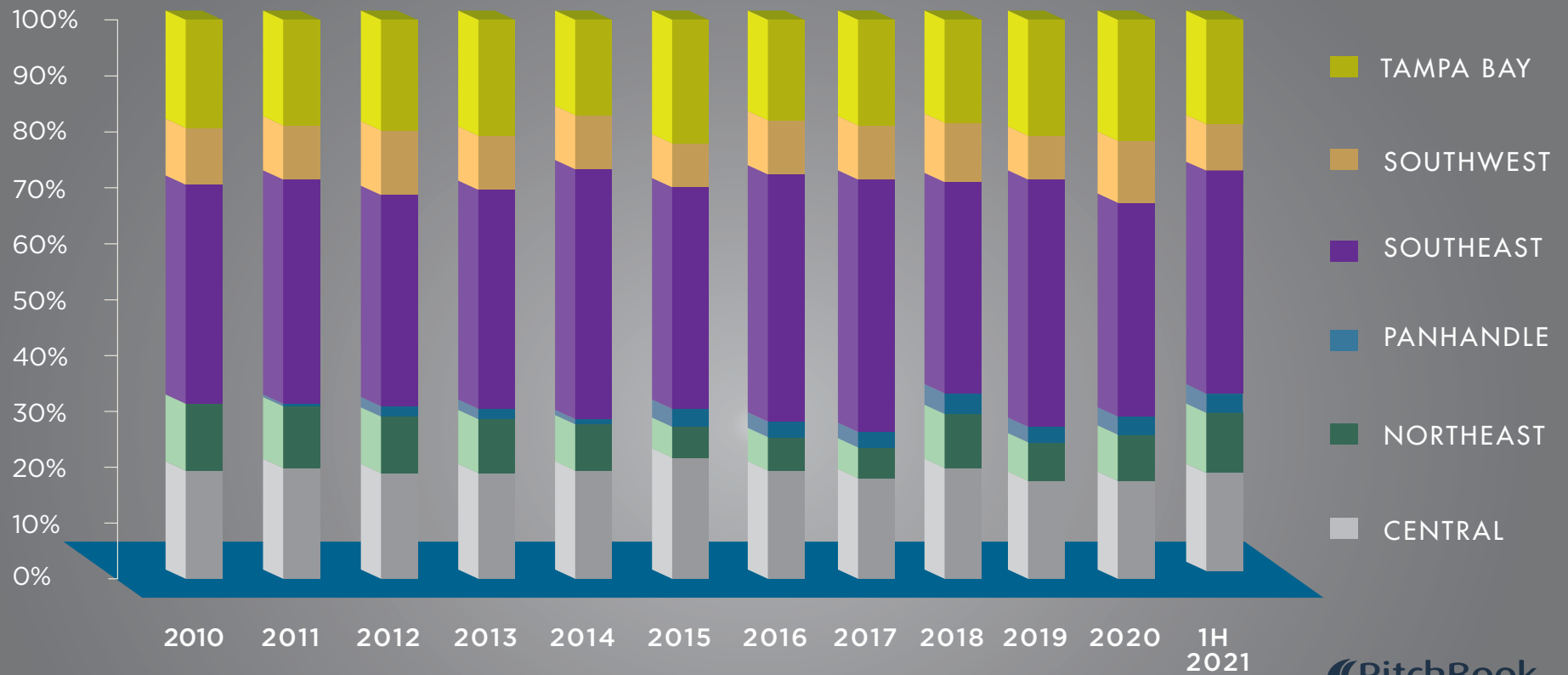
THIS INFOGRAPHIC REPORT AND ALL ASSOCIATED CHARTS, PREPARED BY CASSEL SALPETER & CO. WITH DATA FROM PITCHBOOK AS OF JUNE 30TH, 2021, PROVIDES A TOP-LEVEL EXAMINATION OF PRIVATE EQUITY ACTIVITY IN FLORIDA. IT OFFERS IN-DEPTH INSIGHT AND DATA-DRIVEN ANALYSIS OF THE STATE'S PE TRENDS, WITH A FOCUS ON DEAL 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



Florida PE deal activity set a record-setting pace through 1H 2021, with 254 deals completed. Many signs point to this robust Florida deal activity continuing, including the proposed capital gains tax increase.

Florida PE Deal Flow by Region

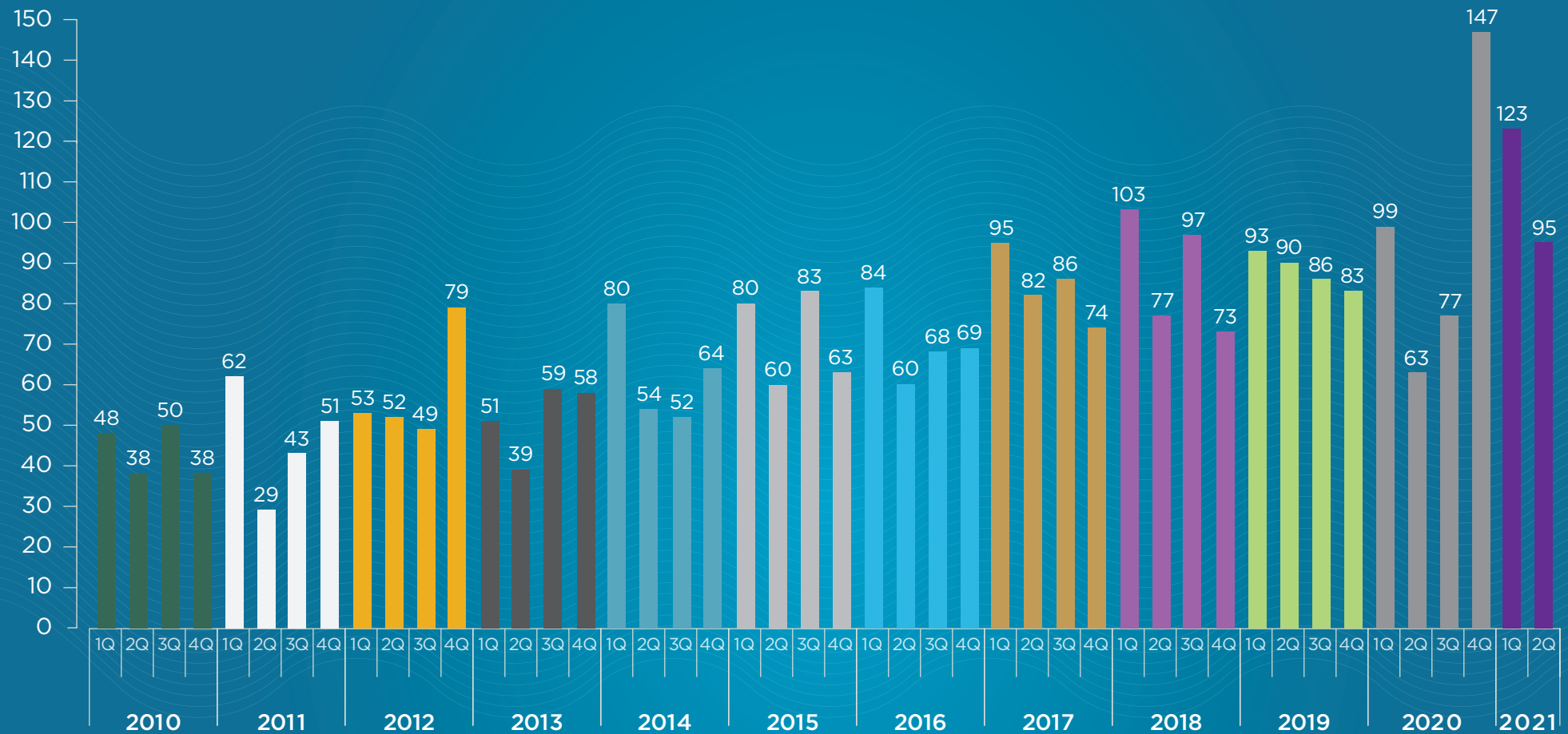


PitchBook

The Southeast region remained the prominent area for Florida dealmaking, accounting for approximately 40% in 1H 2021. This is in line with 2020 where the Southeast region accounted for approximately 39% of all Florida PE deals.

The Central and Tampa Bay regions followed accounting for approximately 19% and 18%, respectively. The Northeast regions saw a slight increase, jumping from approximately 9% in 2020 to 11% in 1H 2021. The Southwest and Panhandle lagged, accounting for approximately 9% and 3%, respectively.

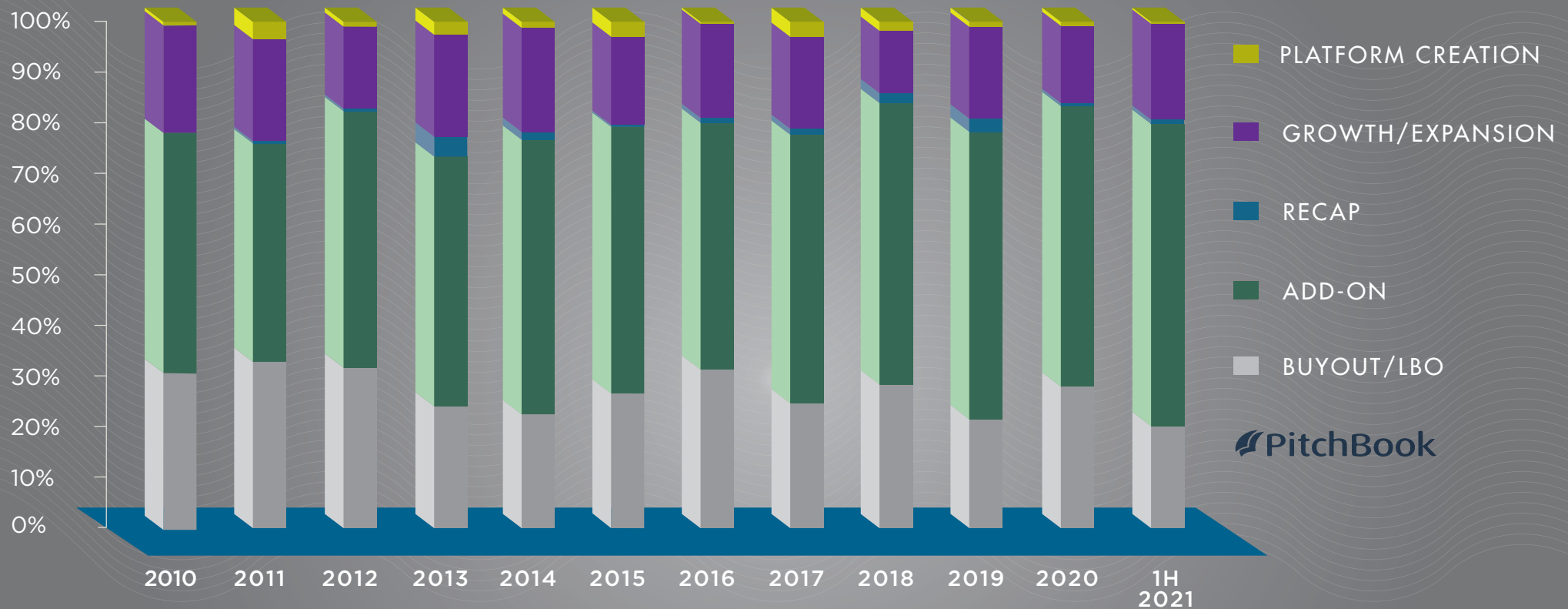
Florida PE Deal Flow by Quarter



PitchBook

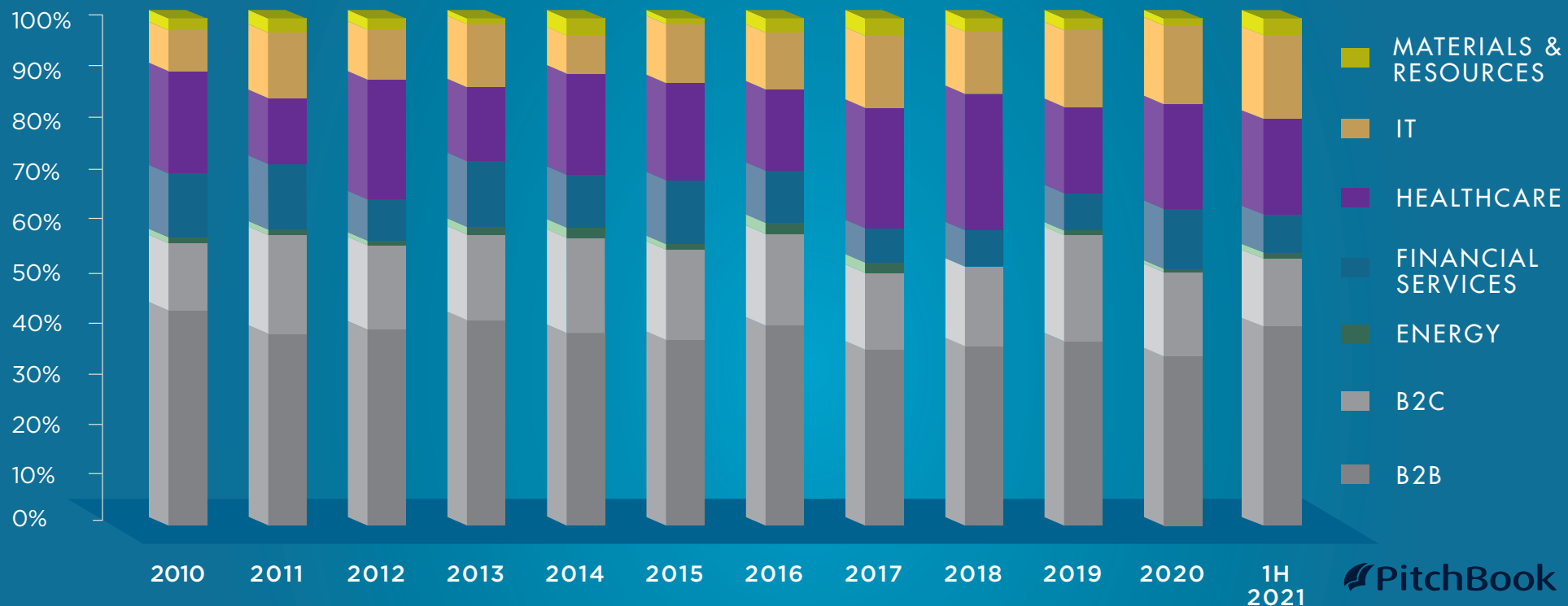
Florida PE deal activity saw robust deals completed in 1H 2021, with Q1 2021 being the second highest quarterly deal quantity we have on record. Frenzied dealmaking will likely continue throughout 2021 with the proposed capital gains tax making business owners contemplate a sale more seriously.

Florida PE Deal Flow by Type



While Add-On's have always been the largest type of Florida PE deal activity, we have seen a significant increase in percentage over the years, from approximately 49% in 2016 to approximately 60% in 1H 2021. Buyout/LBO and Growth/Expansion followed with approximately 20% and 19%, respectively. Leveraged Recapitalization and Platform Creation both accounted for less than 1%.

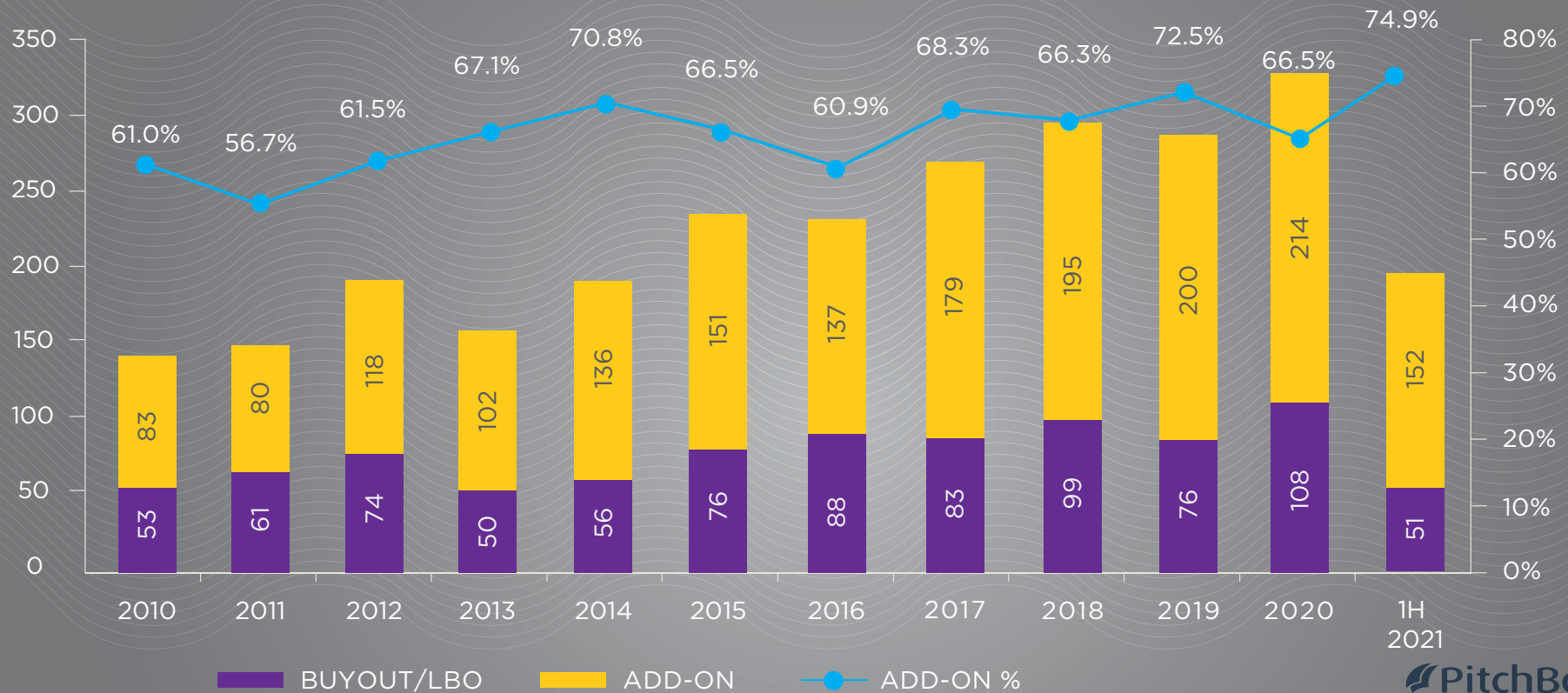
Florida PE Deal Flow by Sector



PitchBook

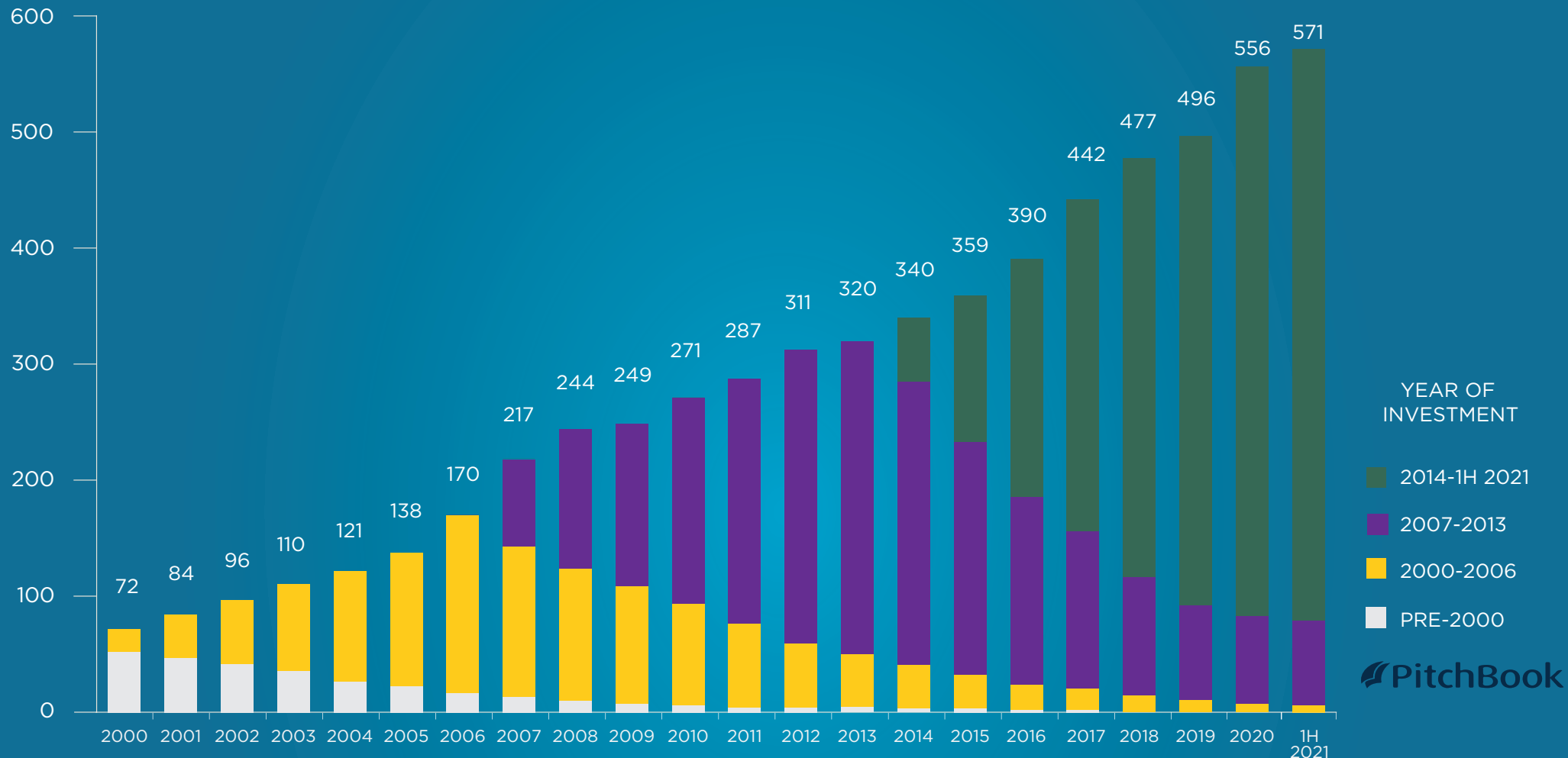
Despite B2B remaining the top sector for Florida PE deal activity, accounting for approximately 39%, the Healthcare and IT sectors held steady into 1H 2021 accounting for approximately 19% and 17%, respectively. Conversely, the B2C sector plunged from approximately 17% in 2020 to 13% in 1H 2021. The Financial sector accounted for approximately 8%, while both Materials and Resources and Energy each accounted for less than 5% of Florida PE deal activity.

Florida Buyouts vs. Add-ons



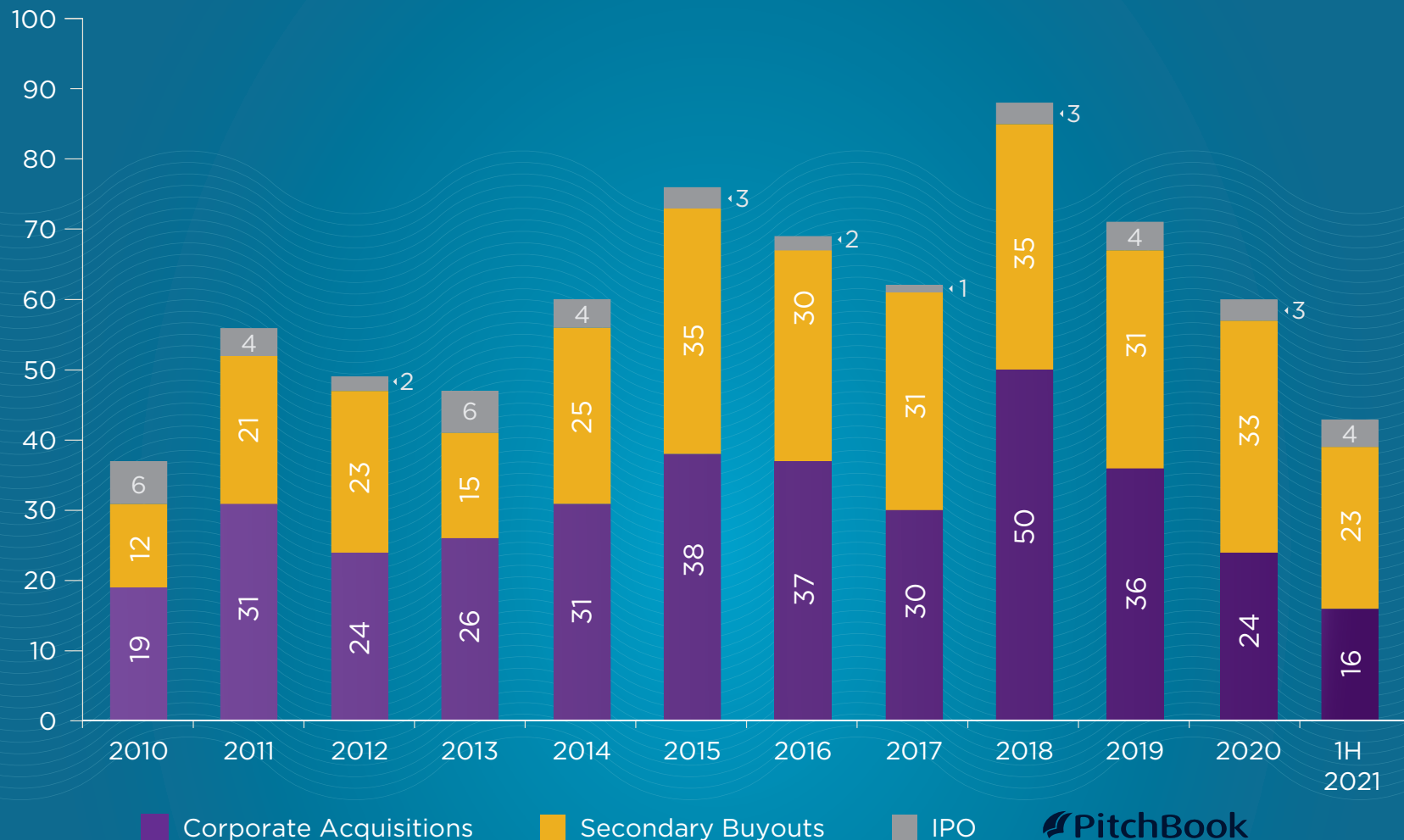
Add-on's continue to propel Florida PE deal activity, accounting for the majority of Florida PE control investments in 1H 2021. Hitting an all-time high in our records, Add-On's accounted for approximately 75%, illustrating that an inorganic growth strategy has become essential for PE firms' buy-and-build strategy.

PE-Backed Florida Companies



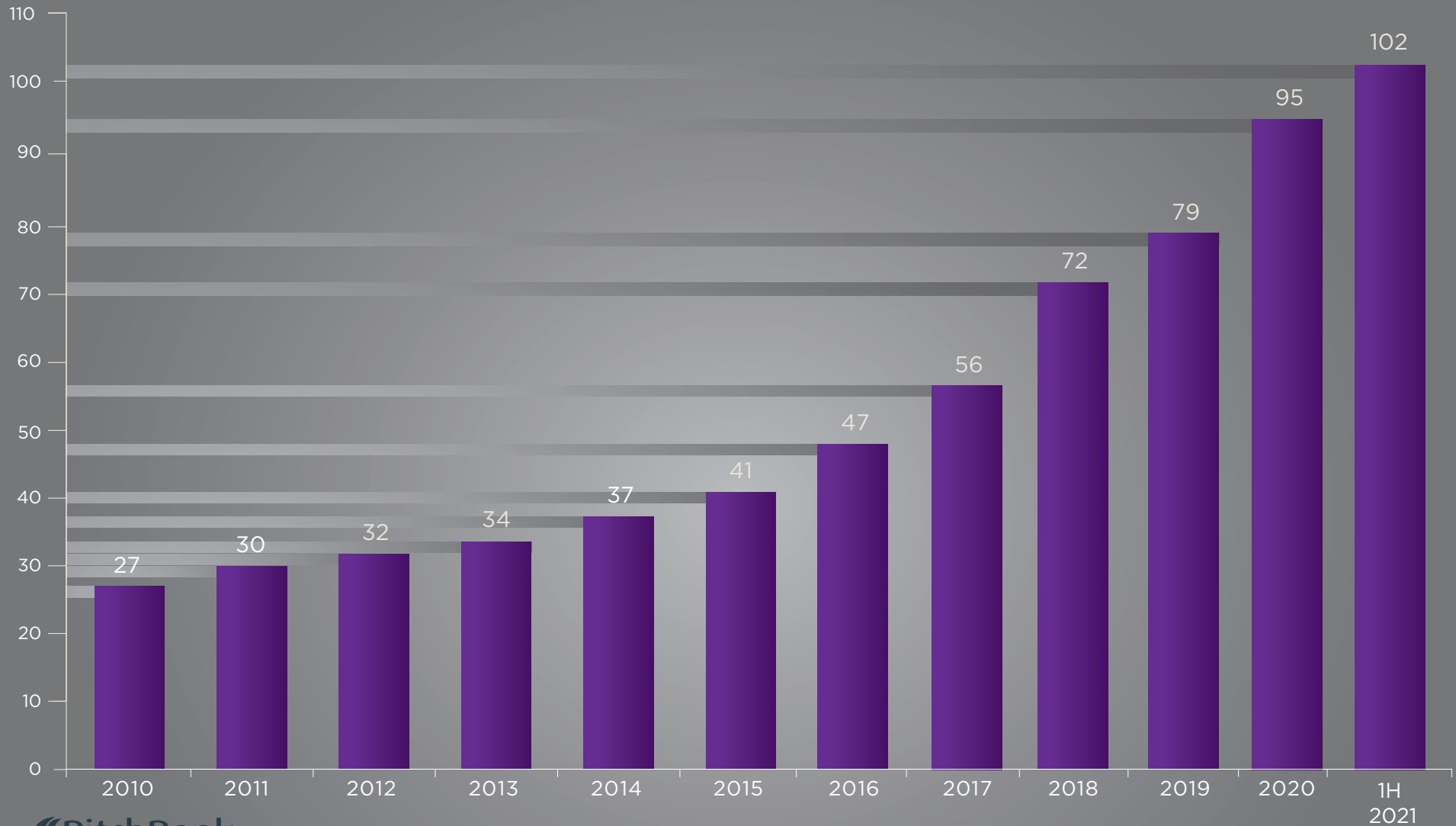
Florida PE-backed company inventory continued to grow, with an additional 15 new PE-backed Florida companies. This growth has slowed in comparison to 2020 and it will be interesting to see what year-end 2021 brings. Of interest is the Florida PE-backed company inventory acquired between 2007 and 2013 for a second report has shown a diminished proportion of exit activity as compared to that seen in 2019.

Florida PE Exits by Type



The primary exit route for Florida PE deals in 1H 2021 was secondary buyouts, which for a second report reverses the trend in which corporate acquisitions was a more popular exit option. Given the increase in IPOs and SPACs globally, it is surprising to see it again not reflected in our Florida PE data.

Florida-Based PE Firms



While the number of PE firms with headquarters in Florida increased, it did not skyrocket like we saw in 2020. It is important to note that the likely increase in 2020 was due to many firms moving to the sunshine state while working virtually for the Florida warmth and for tax purposes.

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.



Cassel Salpeter & Co.
INVESTMENT BANKING

801 Brickell Avenue, Suite 1900, Miami, Florida 33131 • 305-438-7700
Mergers & Acquisitions | Capital Raising | Fairness & Solvency | Restructurings | Advisory Services | Valuations
www.CasselSalpeter.com

Member FINRA | SIPC