

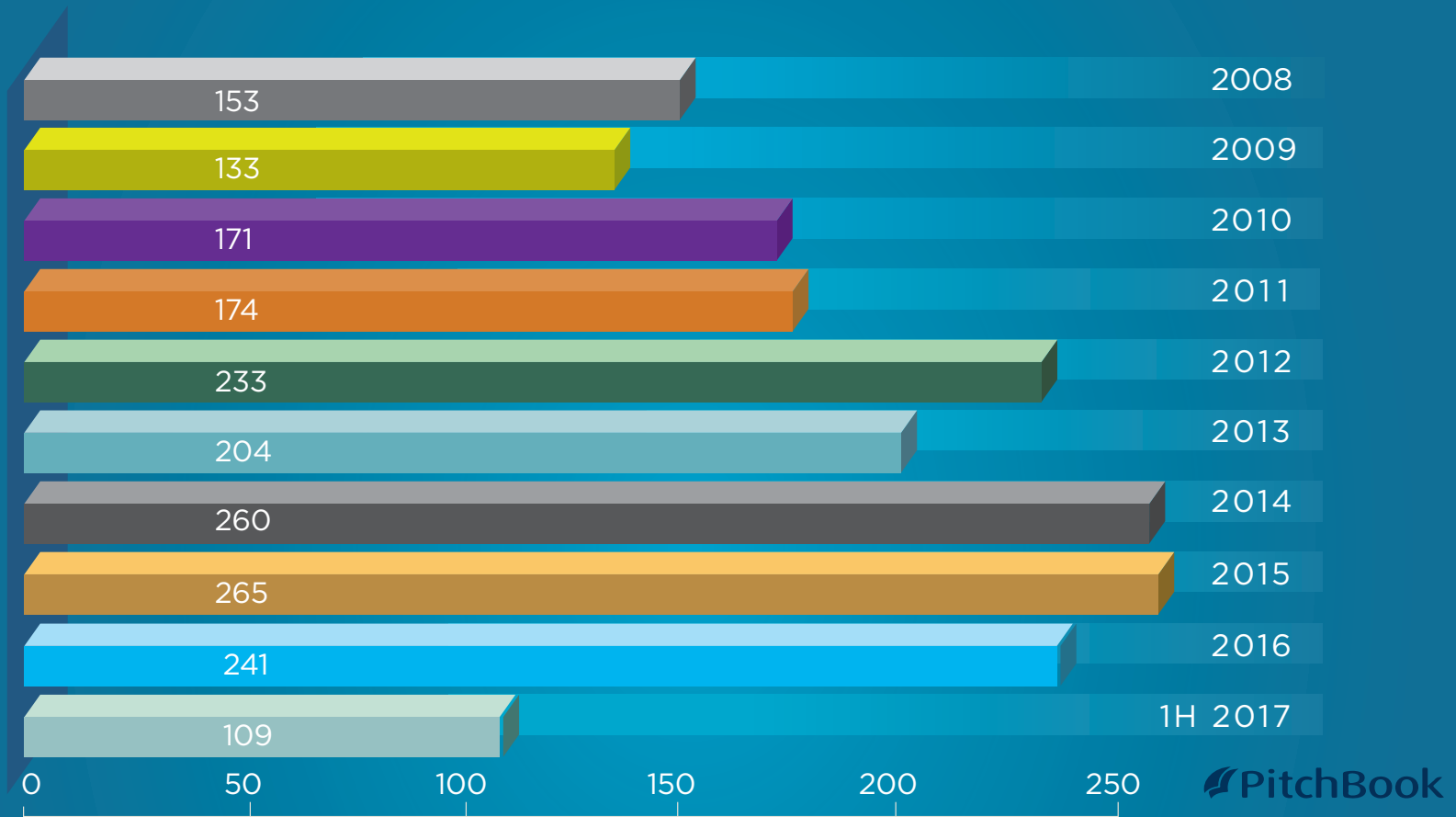


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A VIEW OF FLORIDA: 1H 2017 FLORIDA PE DEAL REPORT

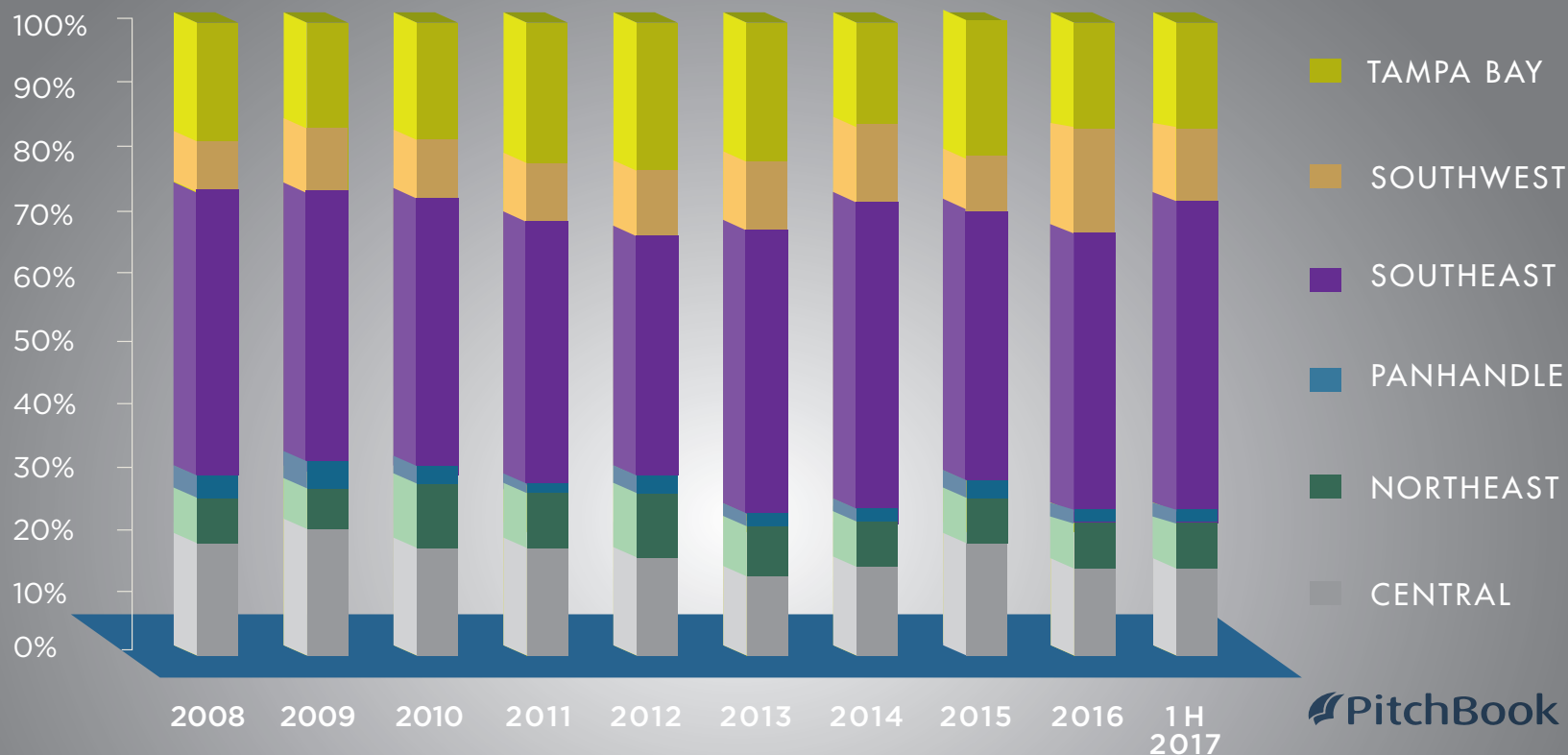
THIS INFOGRAPHIC REPORT AND ALL ASSOCIATED CHARTS, PREPARED BY CASSEL SALPETER & CO. WITH DATA FROM PITCHBOOK AS OF JUNE 30TH, 2017, PROVIDES A TOP-LEVEL EXAMINATION OF PRIVATE EQUITY ACTIVITY IN FLORIDA. IT OFFERS IN-DEPTH INSIGHT AND DATA-DRIVEN ANALYSIS OF THE STATE'S PE TRENDS, WITH A FOCUS ON DEAL 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 flow held steady in 1H 2017. Across Florida, there were 109 PE deals, an increase when compared to 1H 2016 of 96 deals previously reported. As we have noted in prior reports, all 1H data is preliminary as data reporting generally lags behind actual activity. The actual deal activity in 1H 2016 was 131 deals.

Florida PE Deal Flow by Region



PitchBook

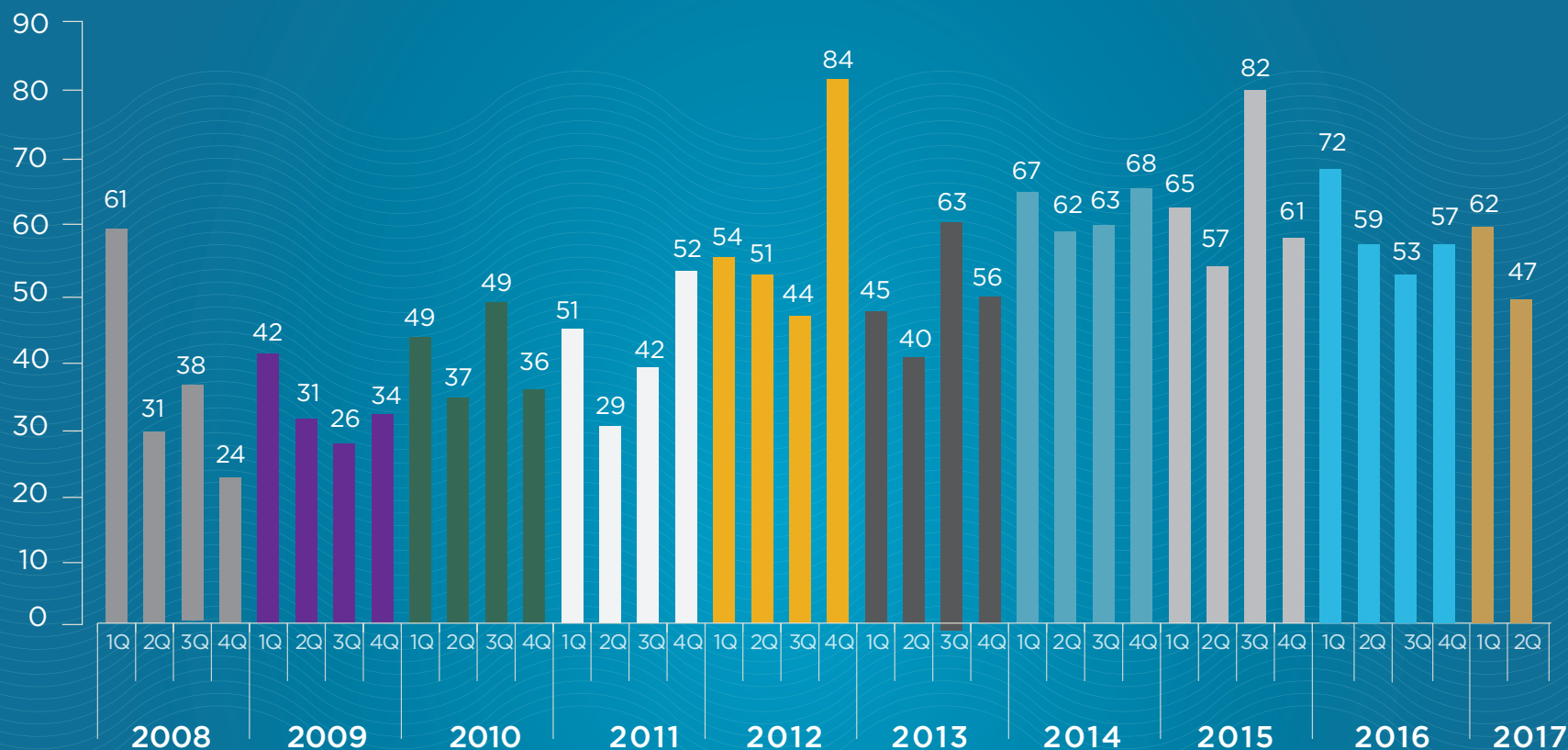
The Southeast has consistently remained the region with the most Florida PE deal flow, accounting for approximately 50.5% of total 1H 2017 Florida PE deals. This is a significant increase from the approximately 39.0% of total year-end 2016 Florida PE deals in the Southeast region.

The Tampa Bay, Central, and Southwest regions followed with approximately 18.3%, 13.8%, and 10.1% of total Florida PE deals, respectively.



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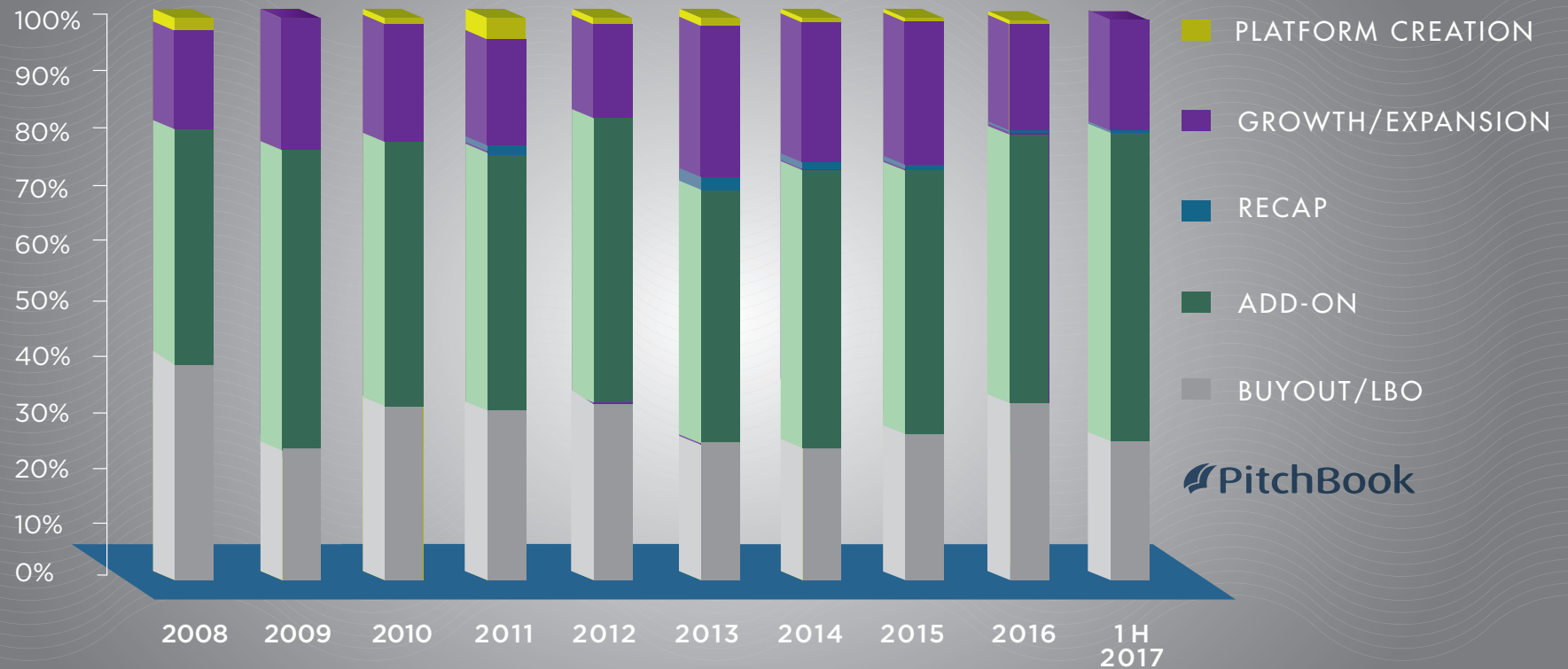
Florida PE Deal Flow by Quarter



PitchBook

2017 started out strong with 62 Florida PE deals completed in 1Q, an approximate 8.8% growth over 4Q 2016. While 2Q 2017 seems to have slowed down somewhat in terms of completed Florida PE deals, these numbers may be underreported as previously indicated.

Florida PE Deal Flow by Type



PitchBook

Consistent with Florida PE deal activity in 2016, add-ons eclipsed 50.0% of total Florida PE deal activity in 1H 2017, accounting for approximately 57.8%, representing a steady increase since 2008. Buyout/LBO and Growth/Expansion (i.e. minority) accounted for approximately 22.0% and 20.2% of total Florida PE deal activity, respectively.

Q&A



SCOTT SALPETER & JAMES CASSEL

Q // As we have moved halfway through the year, how would you assess the impact of any uncertainty related to government policies thus far, and what do you see moving forward?

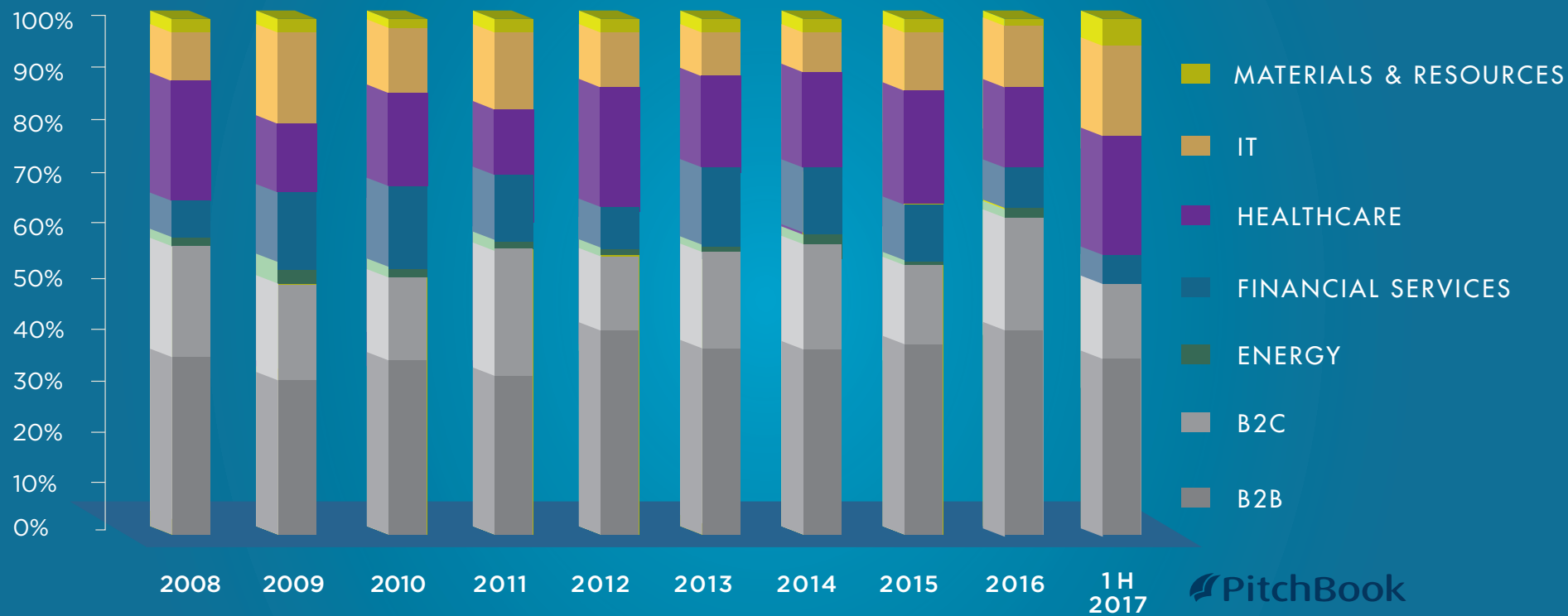
A // Uncertainty has become the new norm; velocity on news and tweet cycles almost make it worth waiting for the next cycle.

Q // Where do you foresee more opportunities, relatively speaking, for PE buyers?

A // As the baby boomers age, more are deciding that now or in the near future will be the time to sell. They will watch both the economy, as well as the potential of tax law changes, but today are looking at this more seriously.



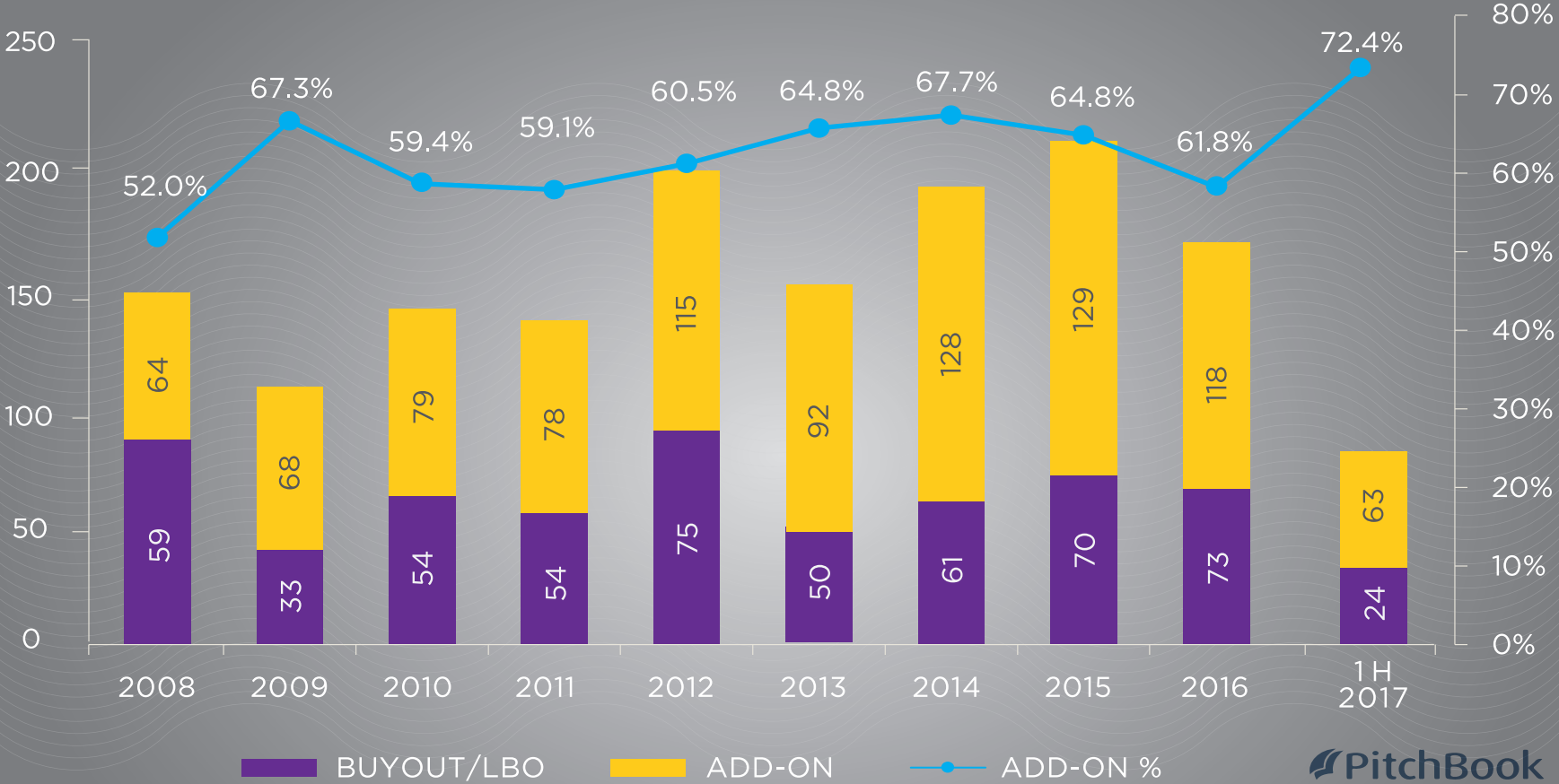
Florida PE Deal Flow by Sector



B2B remained dominant as the largest sector of Florida PE deal activity in 1H 2017, accounting for approximately 35.8%. For the first time since we began tracking Florida PE deal activity, Healthcare has surpassed B2C for the sector with the second most PE deal activity, accounting for approximately 22.9% in 1H 2017.

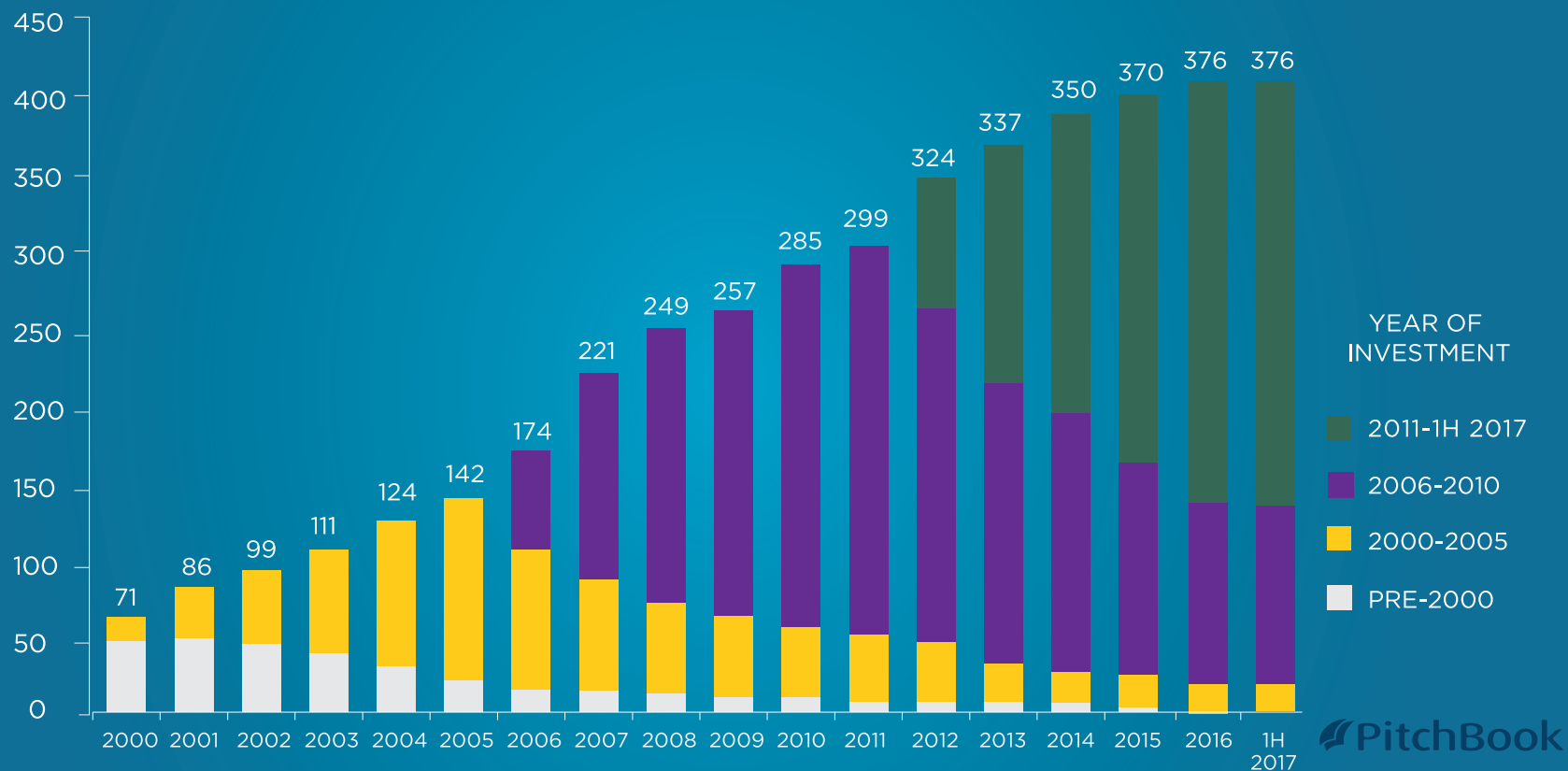
IT and B2C accounted for the third and fourth largest sectors, with approximately 17.4% and 13.8% of 1H 2017 Florida PE deal activity, respectively.

Florida Buyouts vs. Add-ons



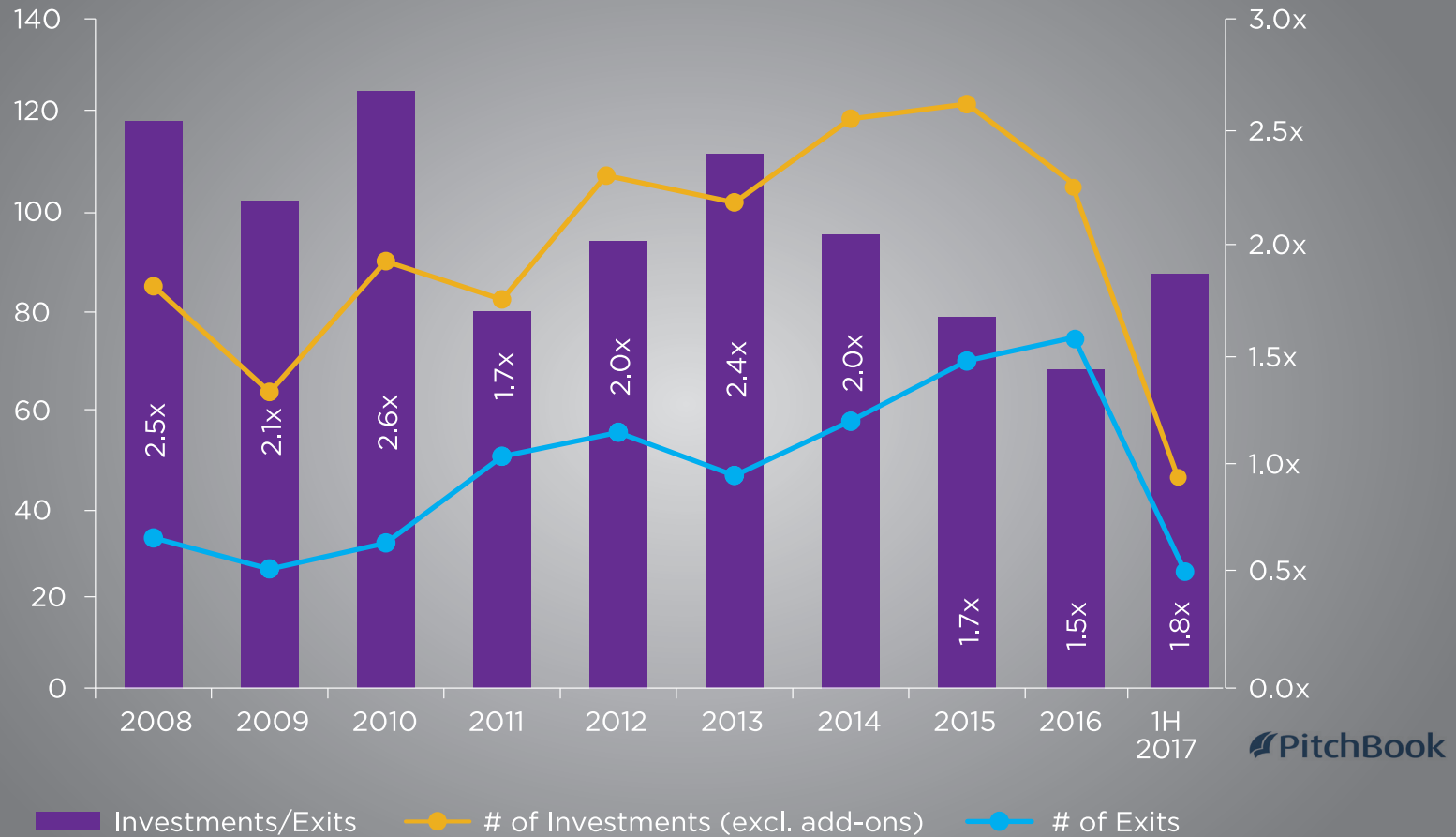
In 1H 2017, add-ons accounted for approximately 72.4% of all control investments, a significant increase over recent years, illustrating a consistent trend that PE firms have been focused on building out platforms in their portfolio.

PE-Backed Florida Companies



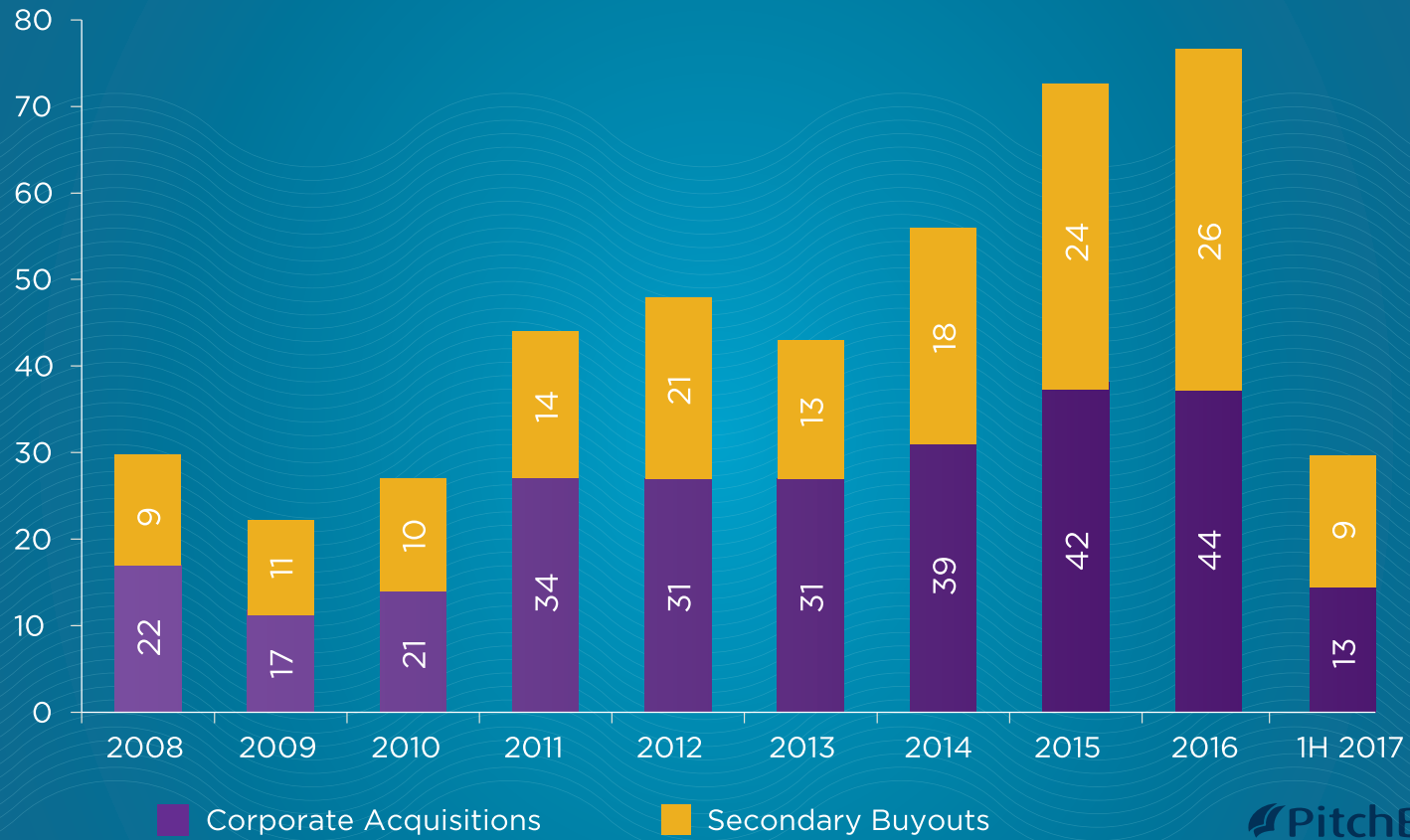
PE-backed Florida company inventory was flat in 1H 2017, with the same 376 PE-backed Florida companies as in 2016. The aging company inventory acquired between 2006 and 2011 is still hefty, alluding to PE firms' struggles to exit the surplus of companies acquired before the crisis.

Florida PE Investments vs. Exits



The Florida PE investment-to-exit multiple increased slightly in 1H 2017 from 1.5x at year-end 2016 to 1.8x at 1H 2017.

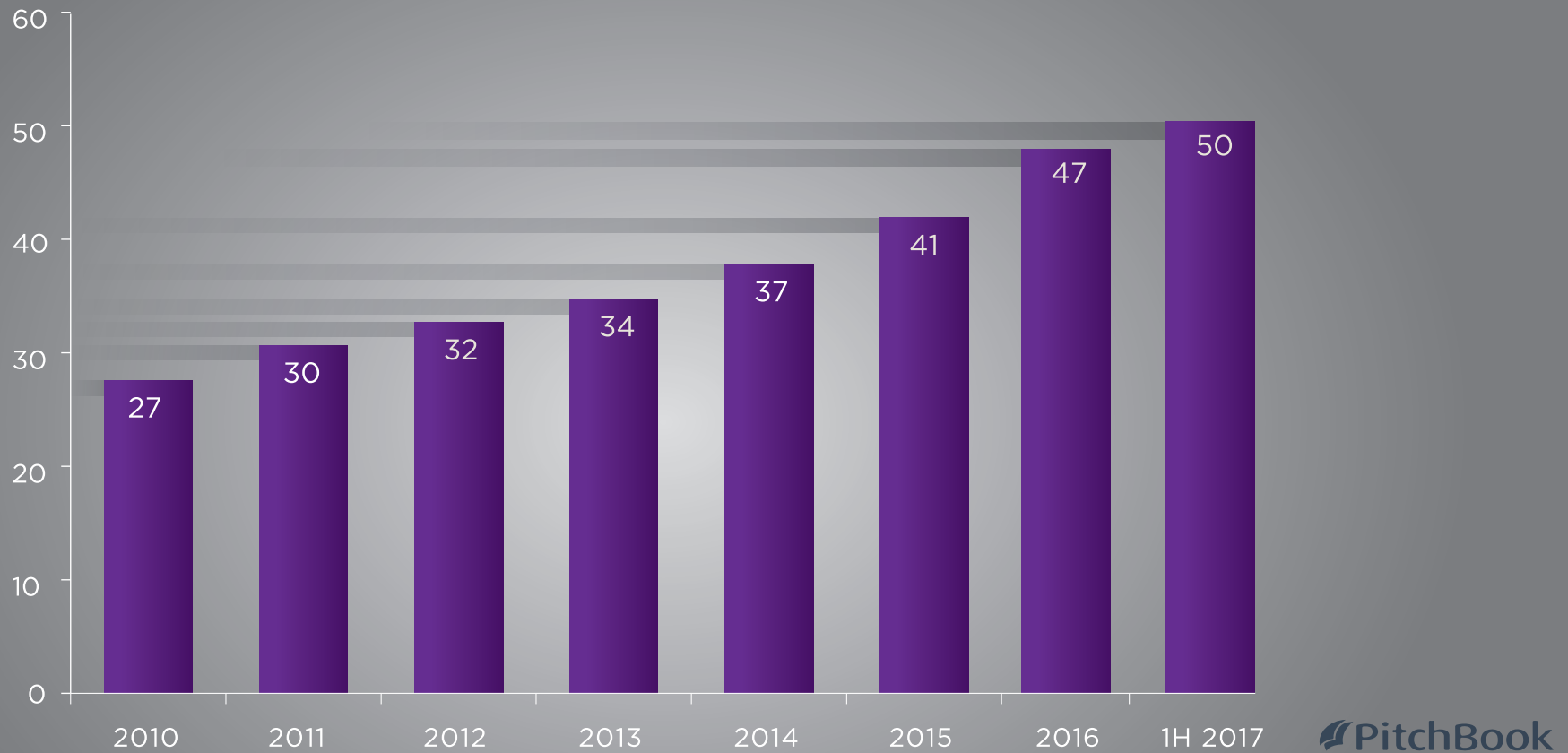
Florida PE Exits by Type



PitchBook

Corporate acquisitions remained the primary exit route for Florida PE deals in 1H 2017, representing approximately 59.1% of total 1H 2017 Florida PE exits.

Florida-Based PE Firms



The number of PE firms with headquarters in Florida continues to grow, with 1H 2017 seeing an additional 3 Florida-based PE firms since year-end 2016 and a CAGR of approximately 9.9% from 2010 through 1H 2017.

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 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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