

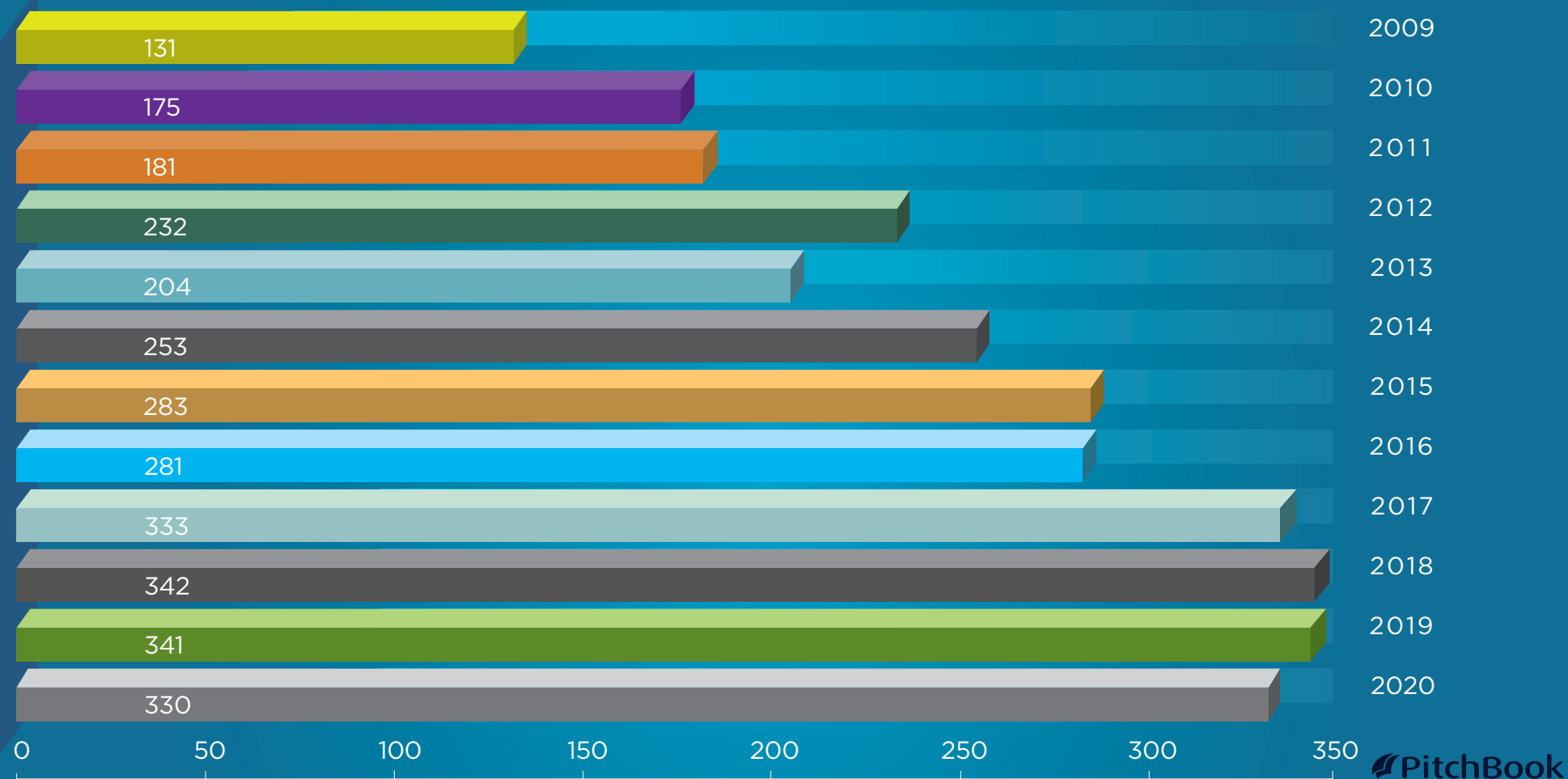


Cassel Salpeter & Co.  
INVESTMENT BANKING

## A VIEW OF 2020: FLORIDA PE DEAL REPORT

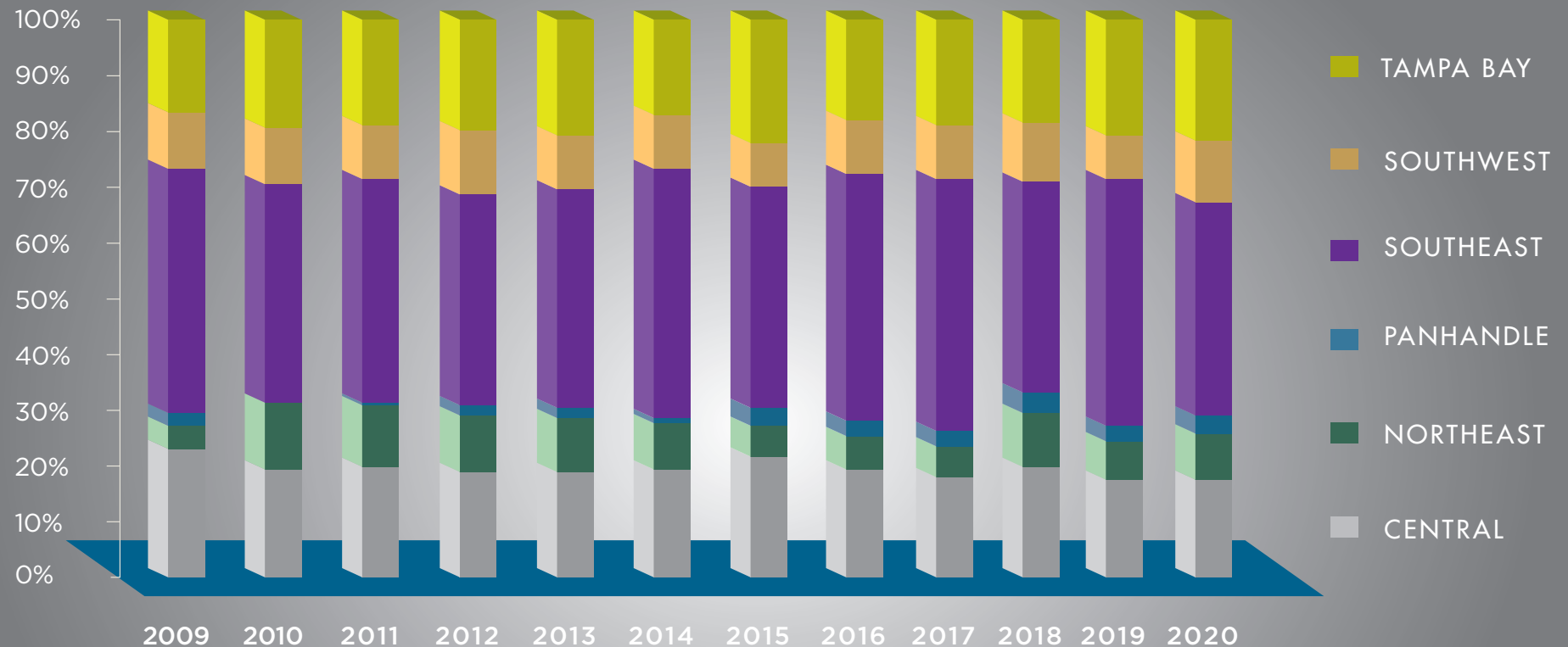
THIS INFOGRAPHIC REPORT AND ALL ASSOCIATED CHARTS, PREPARED BY CASSEL SALPETER & CO. WITH DATA FROM PITCHBOOK AS OF DECEMBER 31ST, 2020, PROVIDES A TOP-LEVEL EXAMINATION OF PRIVATE EQUITY ACTIVITY IN FLORIDA. IT OFFERS IN-DEPTH INSIGHT AND DATA-DRIVEN ANALYSIS OF THE STATE'S PE TRENDS, WITH A FOCUS ON 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



Despite so many unknowns and changes in 2020 with the COVID-19 pandemic, the year ended fairly consistently with years past in terms of Florida PE deal activity. This is somewhat surprising given the slowdown of deal activity in the second and third quarter, as seen in our Florida PE Deal Flow by Quarter chart.

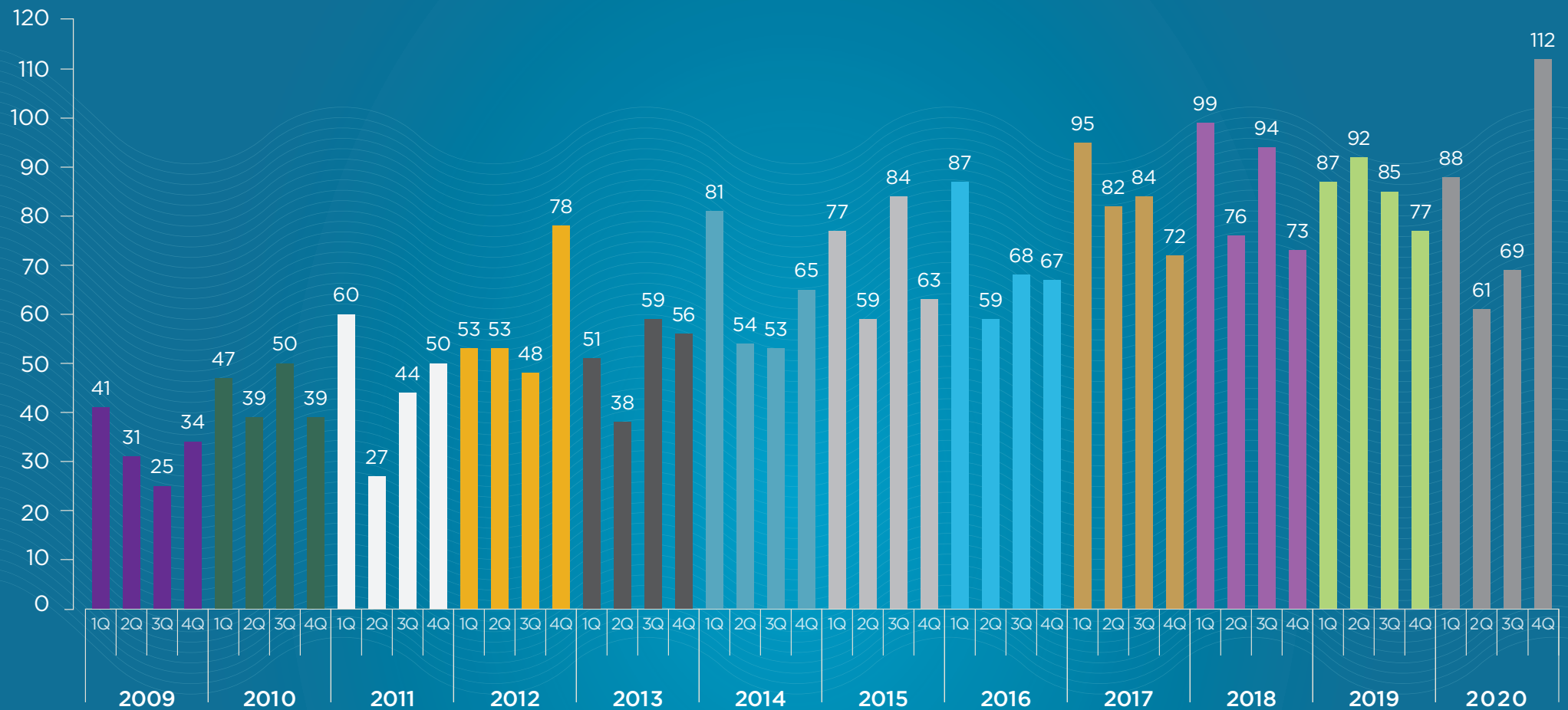
## Florida PE Deal Flow by Region



PitchBook

While the Southeast remains the region with the most Florida PE deal flow, accounting for approximately 38% in 2020, this percentage has decreased slightly from 2019, where the Southeast accounted for approximately 45%. The Tampa Bay, Central, Southwest, and Northeast regions followed accounting for approximately 22%, 18%, 11%, and 8%, respectively. The Panhandle trailed the group, accounting for approximately 3% of Florida PE deals in 2020.

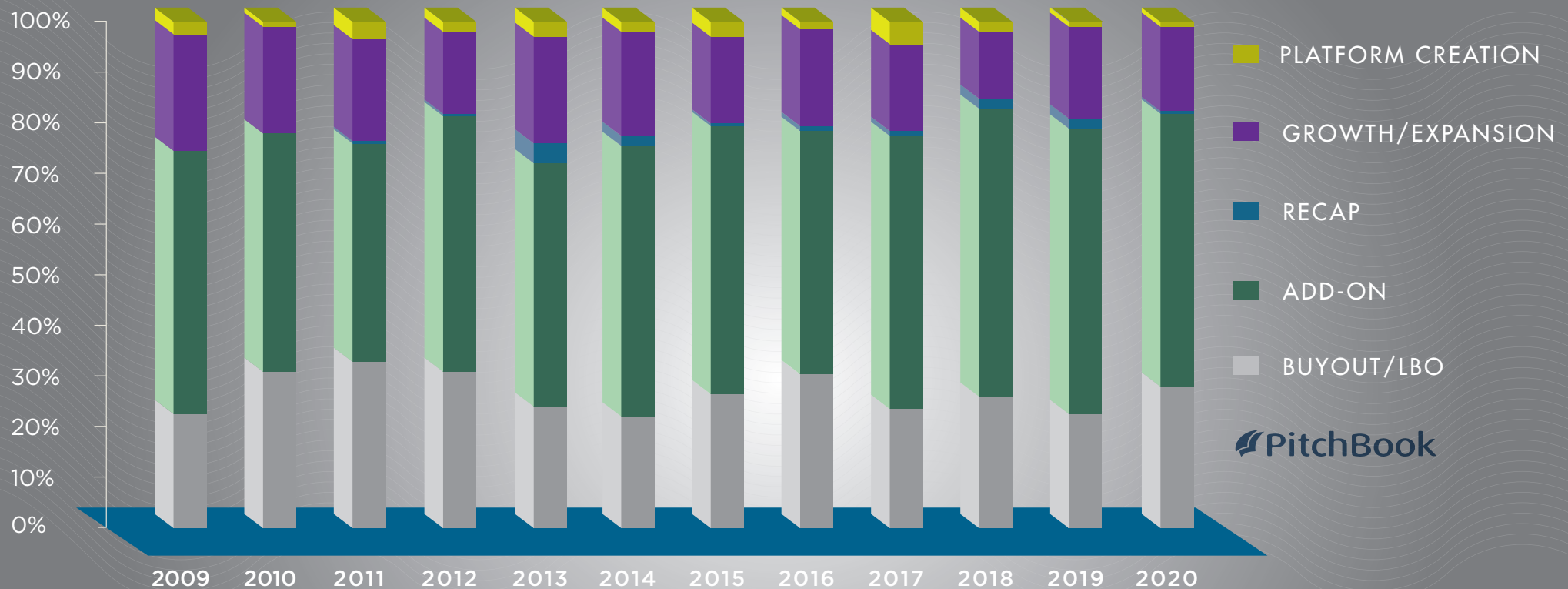
# Florida PE Deal Flow by Quarter



PitchBook

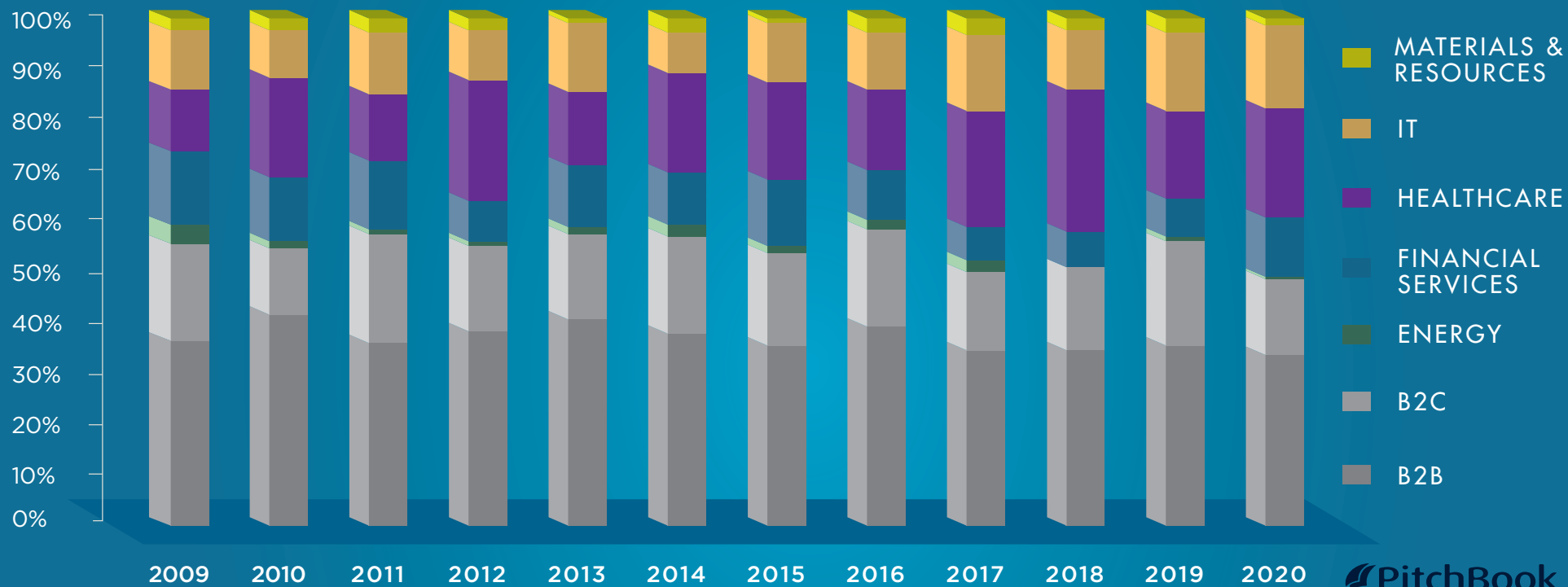
Given the tumultuous beginning of 2020 due to the COVID-19 pandemic, Florida PE deal-making bounced backed in the last quarter to finish out the year on a historically high note. With what seemed like a rollercoaster in the first half of 2020, with the freefall of Q2, the rebound in Q4 is the highest number of deals we have seen in any quarter thus far.

# Florida PE Deal Flow by Type



As we have seen in prior years, Add-On's propelled Florida deal activity in 2020. This buy-and-build strategy to augment larger platforms was only accelerated by the pandemic. In 2020, Add-On's accounted for approximately 54% of total Florida PE deals. Buy-Outs and PE Growth/Expansion followed accounting for approximately 28% and 17%, respectively. Both Platform Creation and Leveraged Recapitalization accounted for less than 1% of total Florida PE deals.

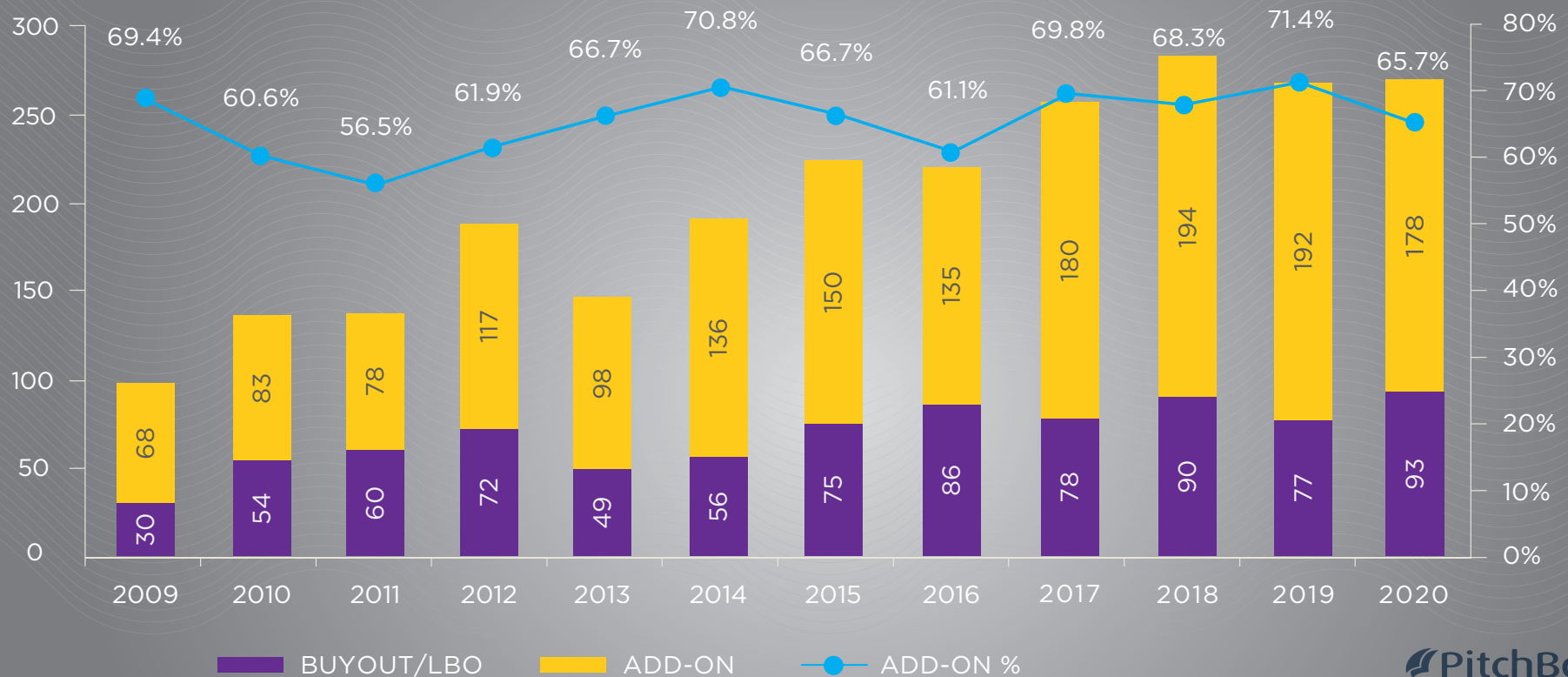
# Florida PE Deal Flow by Sector



The COVID-19 pandemic shined a light on PE firms' investments, both in Florida and globally, in both IT and Healthcare sectors, as stay-at-home orders pushed the accelerated adoption of digital platforms for workforces, education, healthcare, and entertainment. While B2B remained the top sector for Florida PE deal activity, accounting for approximately 34%, the Healthcare and IT sectors made a huge jump in percentage, accounting for approximately 22% and 16%, respectively, of total Florida PE deals in 2020. By contrast, the B2C sector plunged and had the largest drop in percentage of total Florida PE deals, dropping from approximately 21% in 2019 to approximately 14% in 2020.

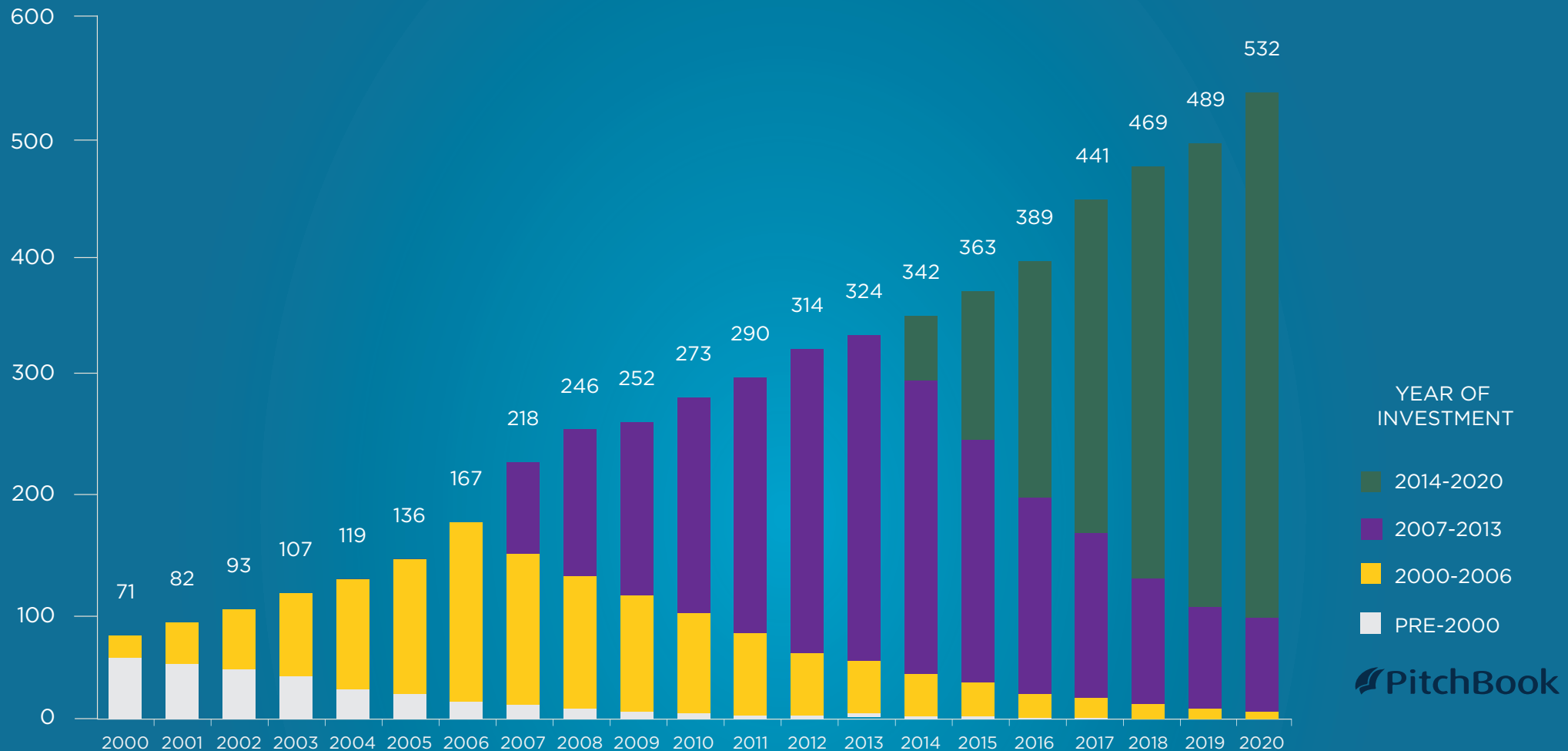


# Florida Buyouts vs. Add-ons



As discussed previously in our report, Add-On's, similar to previous years, propelled Florida PE deal activity and accounted for the majority of Florida PE control investments in 2020. In 2020, Add-On's accounted for approximately 66% of all Florida PE control investments. With an uncertain economy and the pandemic looming, Florida PE firms likely felt making acquisitions to support existing portfolio companies was safer than buying new entities.

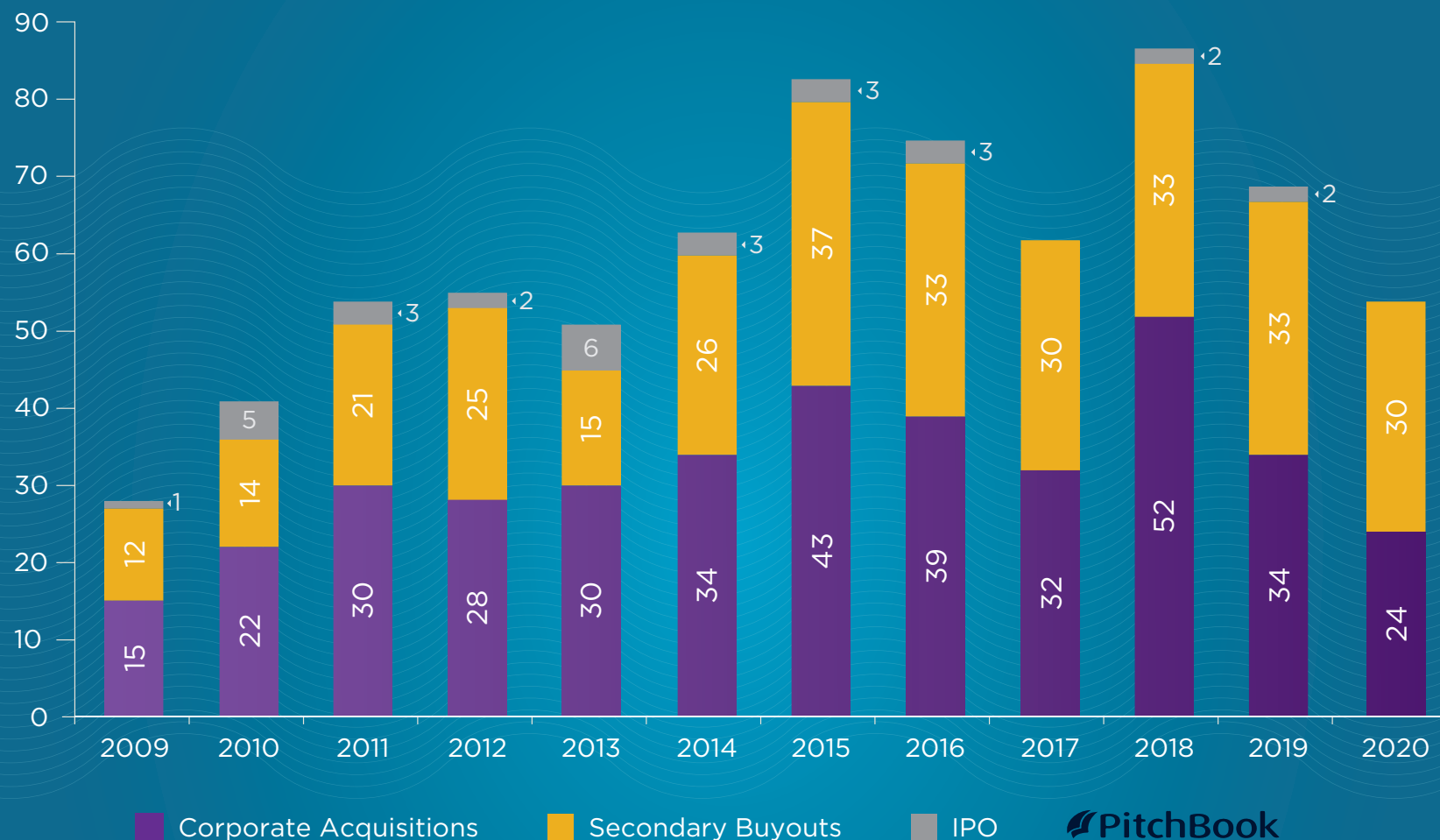
# PE-Backed Florida Companies



Florida PE-backed company inventory continued to grow with an additional 43 new PE-backed Florida companies. Most interesting is that Florida PE-backed company inventory acquired between 2007 and 2013 accounted for a diminished proportion of exit activity as compared to previous years. It is likely that given the state of the economy and the COVID-19 pandemic, many PE firms decided to delay exits and ultimately have a longer holding period for some of their assets.

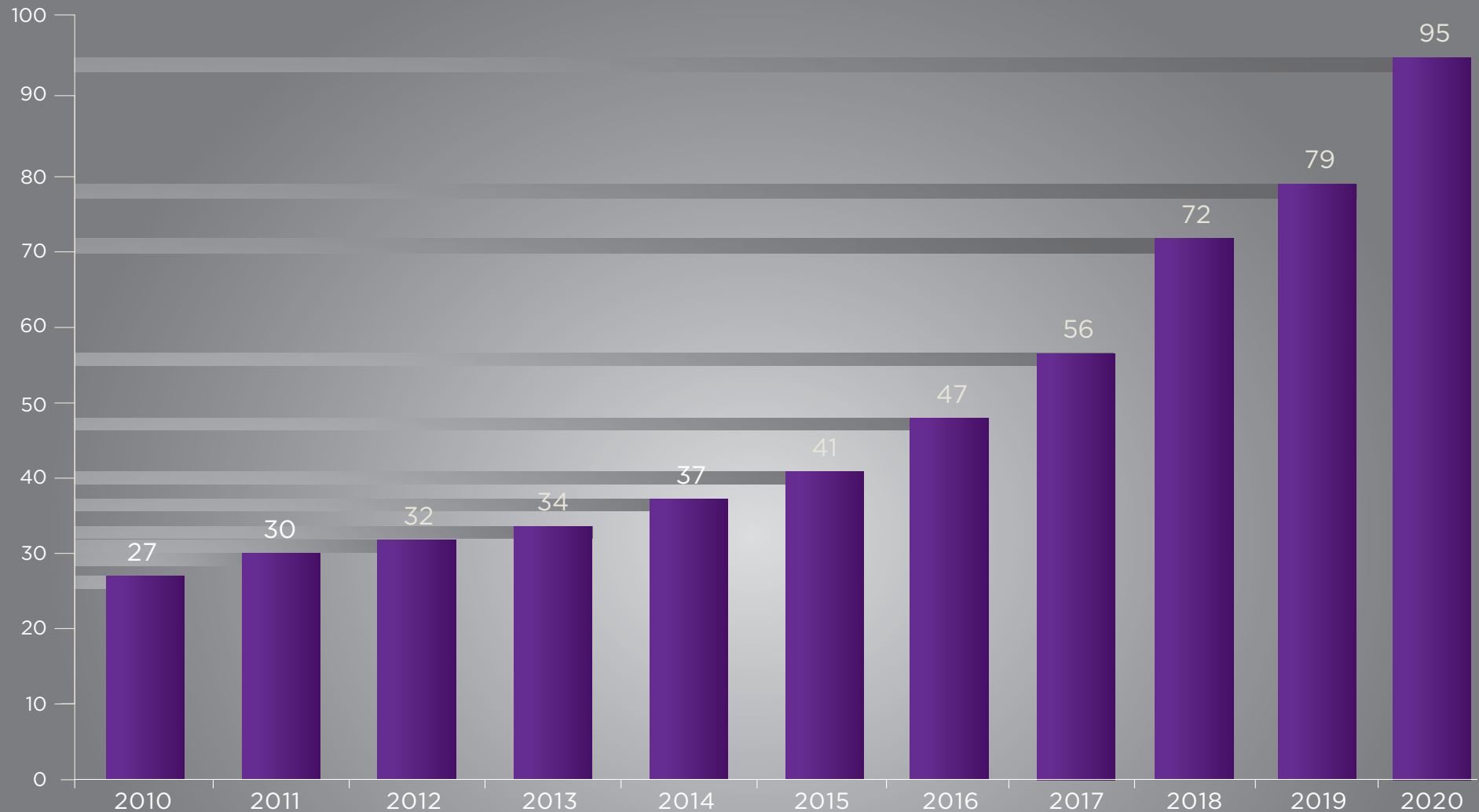


# Florida PE Exits by Type



With the banner year that IPO's and SPAC's had globally in 2020, it is surprising not to see it reflected in our Florida PE data. The primary exit route for Florida PE deals in 2020 was secondary buyouts, which reverses the trend in which corporate acquisitions became more popular of an exit option.

## Florida-Based PE Firms



Not surprisingly, the number of PE firms with headquarters in Florida skyrocketed, with an additional 16 Florida-based PE firms since year-end 2019. With COVID-19 forcing everyone to work from home, we saw many businesses, including PE firms, relocate to Florida.

# 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](http://www.CasselSalpeter.com)

Member FINRA | SIPC