



Cassel Salpeter & Co.

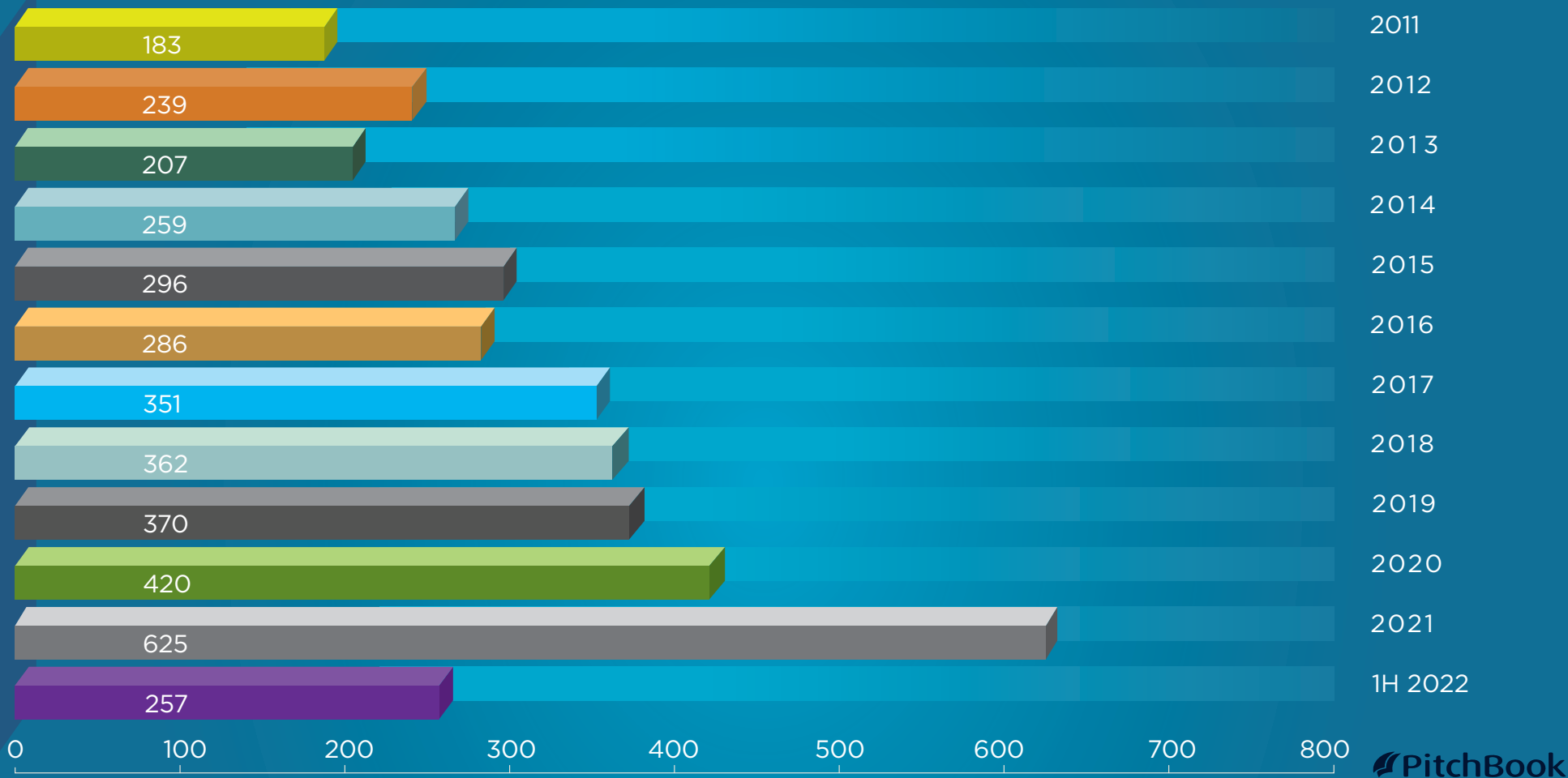
INVESTMENT BANKING

FOUNDED IN FLORIDA OVER 10 YEARS AGO

A VIEW OF 1H 2022: FLORIDA PE DEAL REPORT

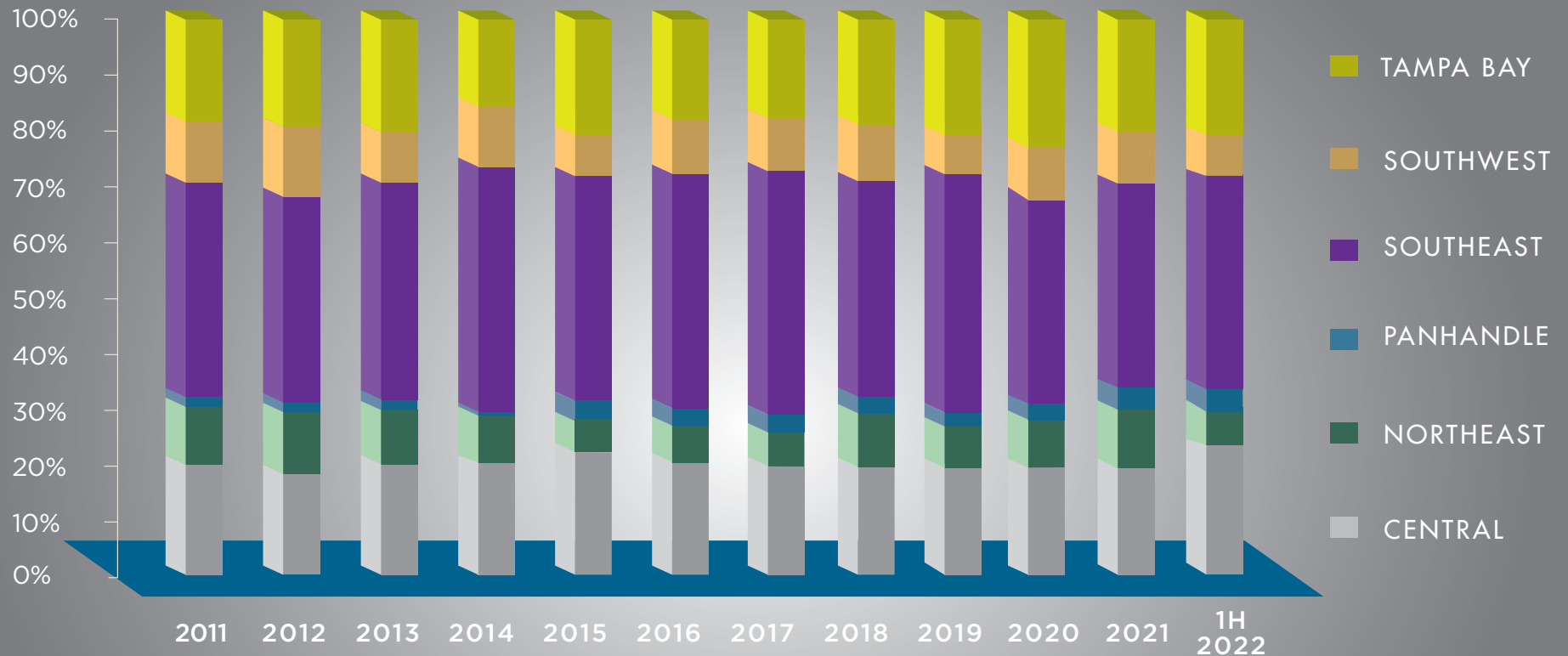
THIS INFOGRAPHIC REPORT AND ALL ASSOCIATED CHARTS, PREPARED BY CASSEL SALPETER & CO. WITH DATA FROM PITCHBOOK AS OF JUNE 30TH, 2022, PROVIDES A TOP-LEVEL EXAMINATION OF PRIVATE EQUITY ACTIVITY IN FLORIDA. IT OFFERS IN-DEPTH INSIGHT AND DATA-DRIVEN ANALYSIS OF THE STATE'S PE TRENDS, WITH A FOCUS ON DEAL 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



While Florida PE deal activity slowed a bit relative to the banner year of 2021, 2022 is still on pace for a strong year compared with historical norms. One can assume that the rising interest rates are having a direct impact on the lowering multiples, and in turn, lower deal volume, most industries are experiencing.

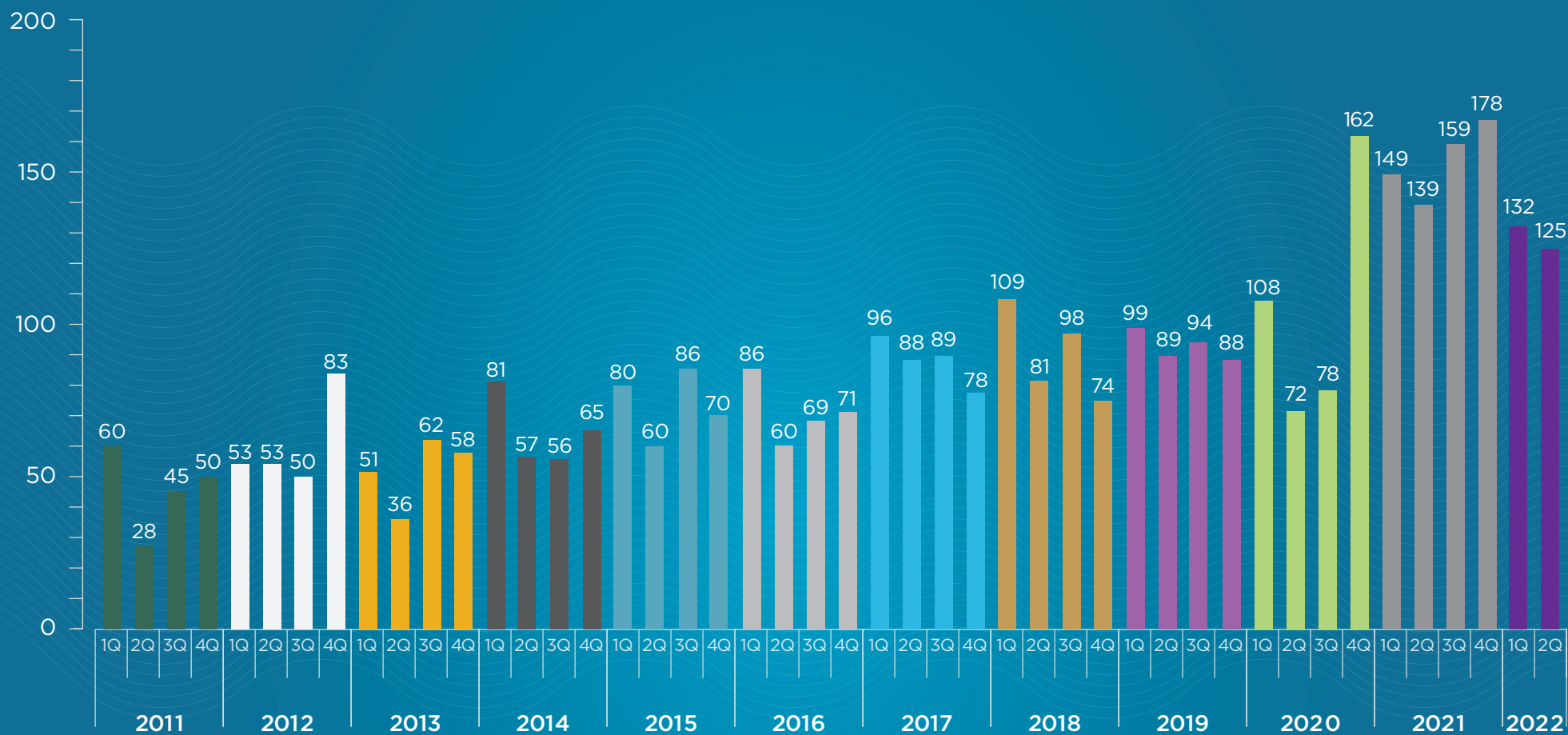
Florida PE Deal Flow by Region



PitchBook

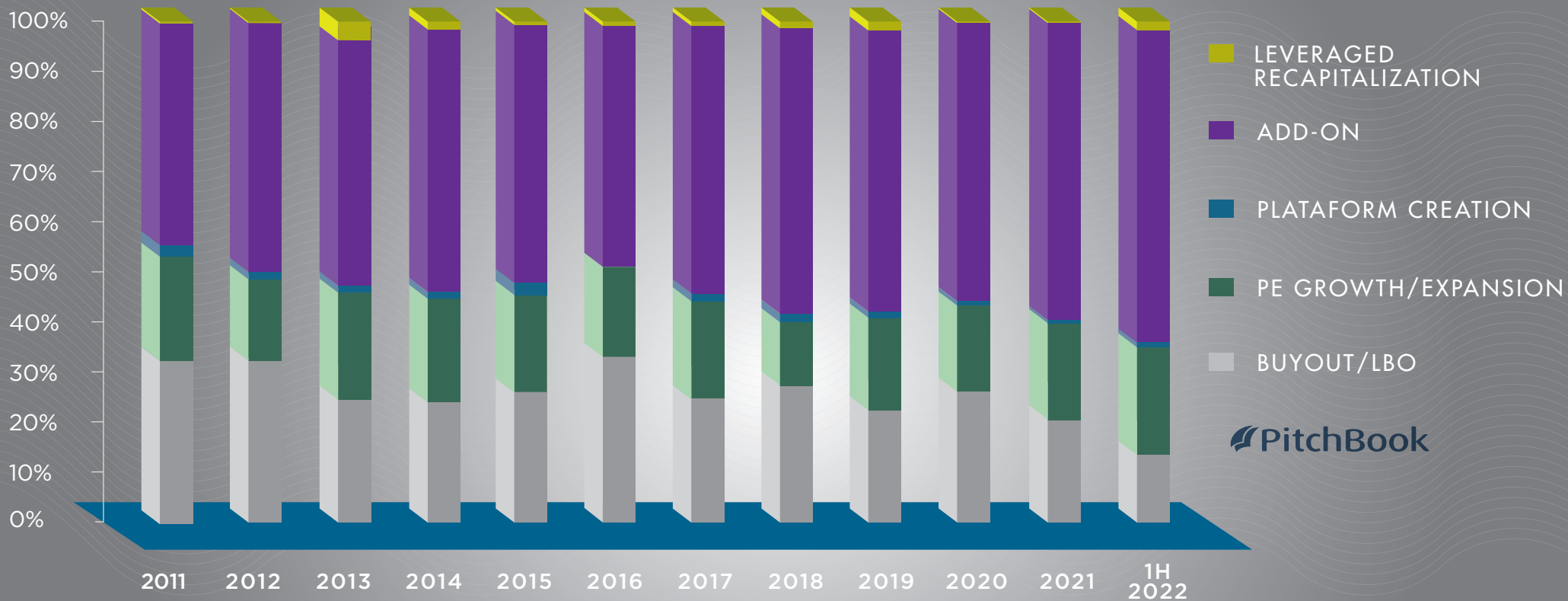
The Southeast has steadily remained the region with the highest number of deals in any given year, accounting for 38.4% of deals in 1H 2022. The Central and Tampa Bay regions followed with 23.1% and 20.7% of total Florida PE deals, respectively. The Southwest and Northeast regions both decreased a couple of percentage points in the first half of 2022, accounting for 7.9% and 5.8%, respectively. As is typical in our historical reports, the Panhandle had the least amount of Florida PE deals, accounting for 4.1% of the total.

Florida PE Deal Flow by Quarter



The first half of 2022 was in line with the first half of 2021 in terms of the number of Florida PE deals closed. It is likely that many deals that were negotiated at the end of 2021, closed in the first half of 2022. It will be interesting to see if the numbers remain steady for the second half of the year, although we expect them to slightly diminish.

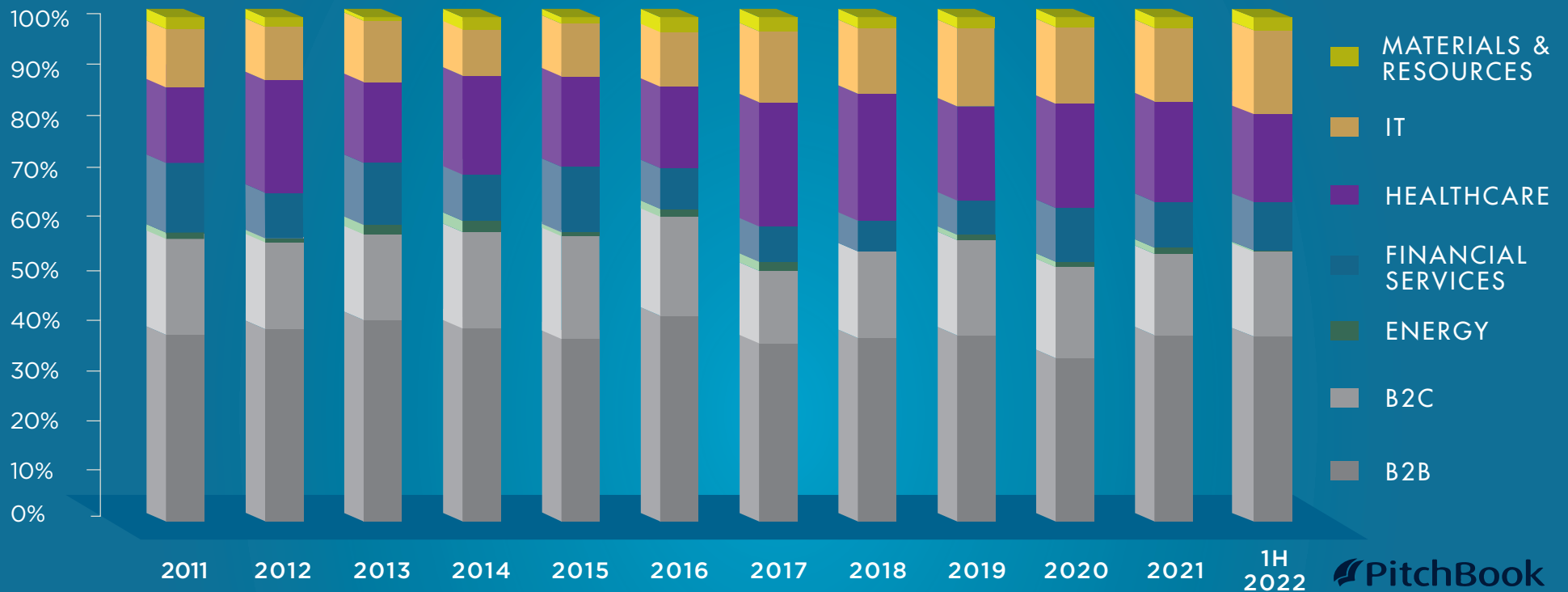
Florida PE Deal Flow by Type



PitchBook

As in prior years, Add-on's accounted for the majority of Florida PE deal activity in the first half of 2022, with approximately 62% of total Florida PE deal activity. This is a slight increase over previous years which typically see numbers in the mid-50% range. PE Growth/Expansion and Buyout/LBO accounted for approximately 21% and 14%, respectively. While PE Growth/Expansion remained stable in comparison to previous years, Buyout/LBO percentage decreased from approximately mid-20% to the 14% it saw in the first half of 2022.

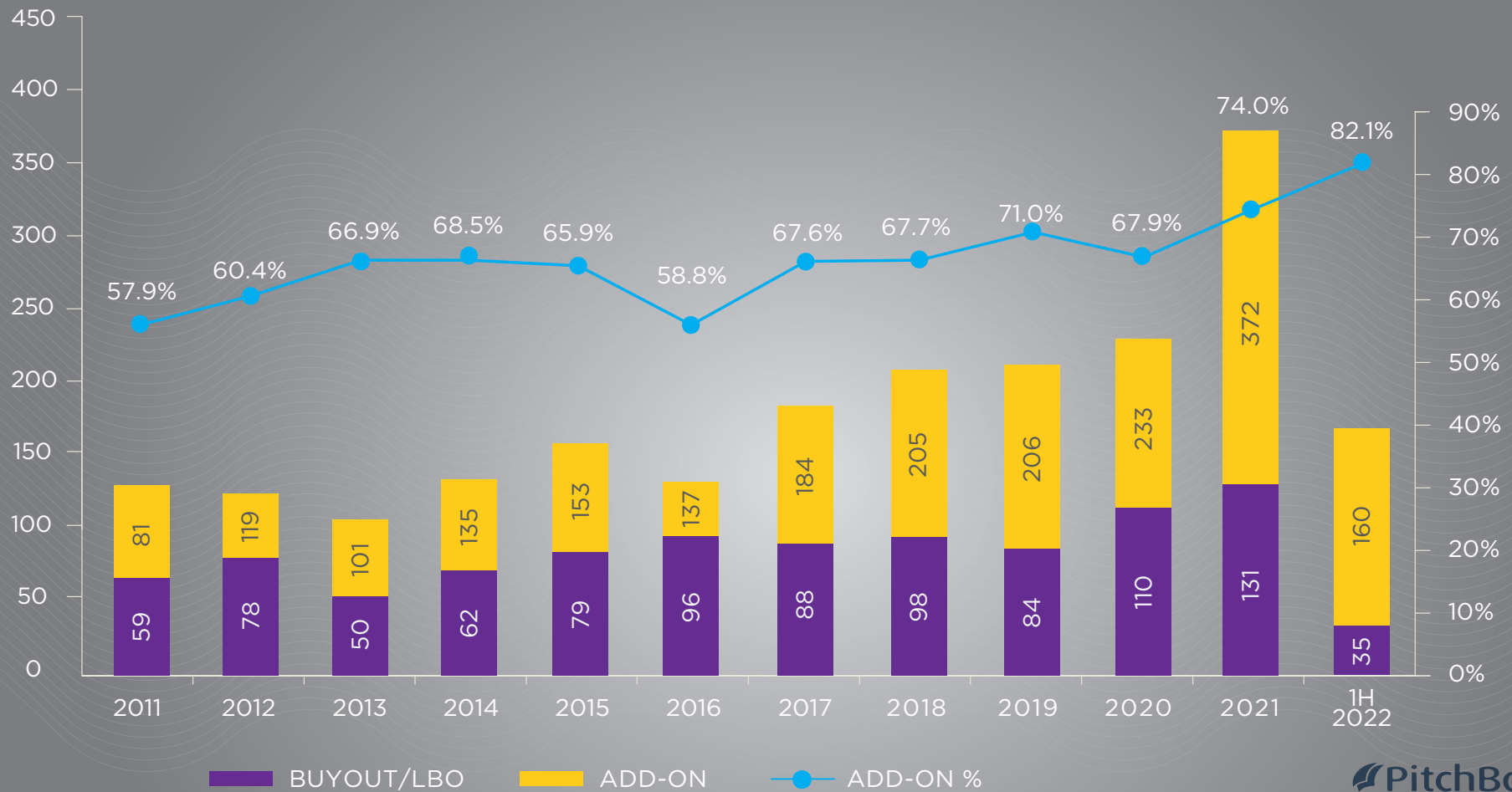
Florida PE Deal Flow by Sector



PitchBook

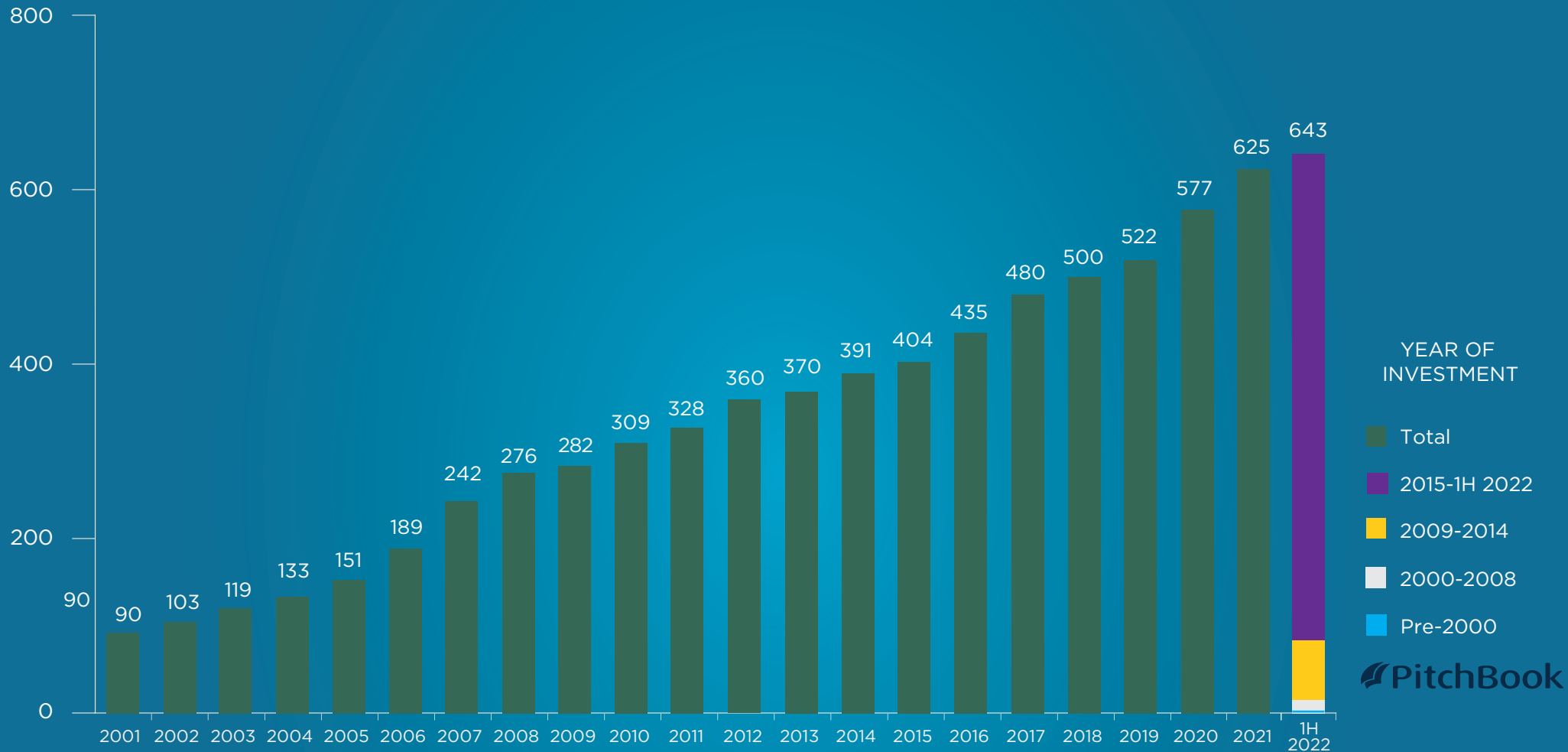
B2B remained in line with previous years' reports, leading the pack and accounting for approximately 37% of total Florida PE deals. Interestingly, B2C, Healthcare, and IT each accounted for approximately 17% of the total Florida PE deals. While this is a consistent percentage for B2C, IT has gradually increased, and Healthcare slightly decreased in total Florida PE deals since we began analyzing the data. Financial Services accounted for approximately 10%, while Materials and Resources accounted for approximately 3%. Energy brought up the rear with only one deal in the first half of 2022, which accounts for less than 1% of the total Florida PE deals.

Florida Buyouts vs. Add-ons



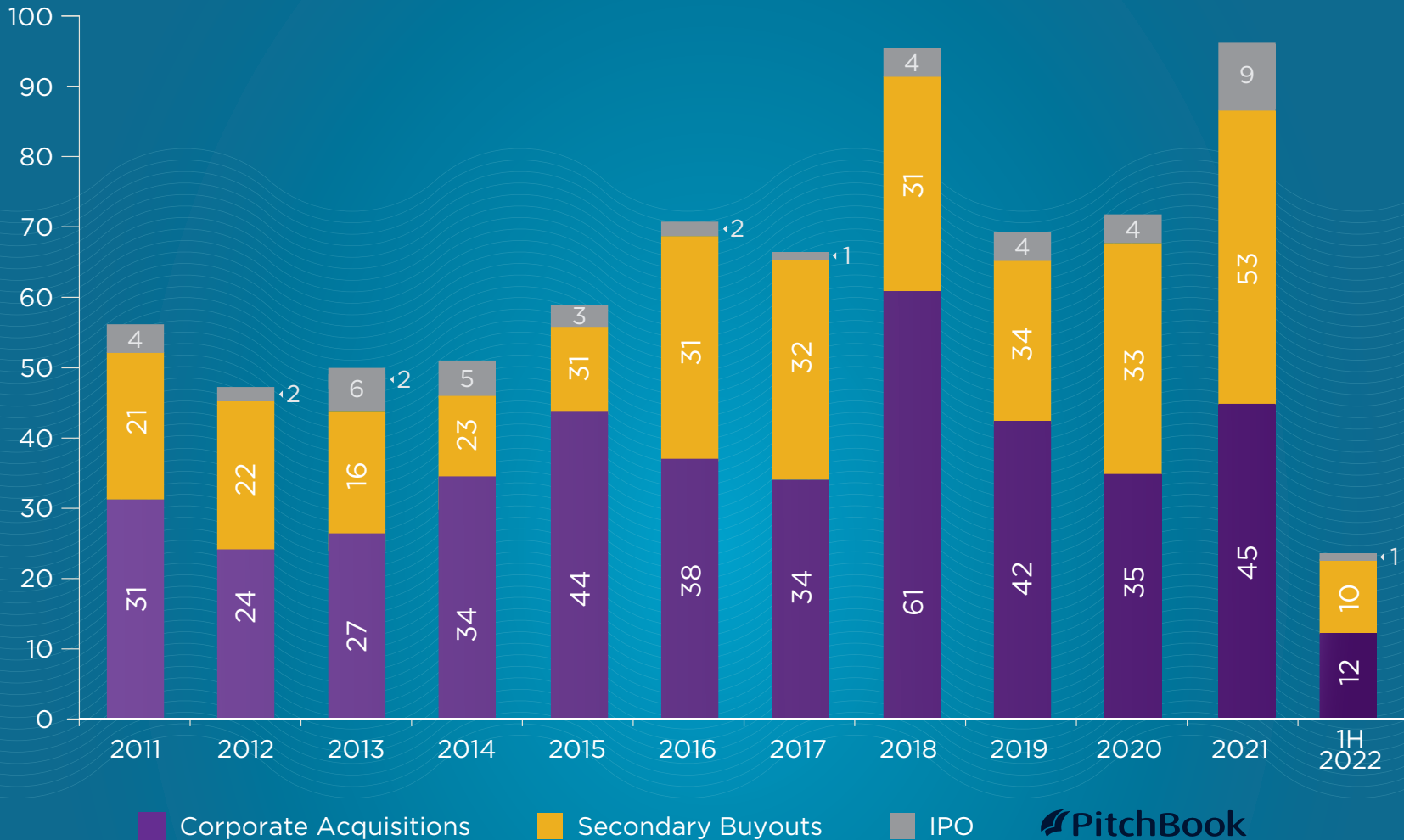
As discussed previously in this report, Add-on's saw a fairly significant increase in percentage point in Florida PE deal activity in the first half of 2022, accounting for approximately 82% of control investments.

PE-Backed Florida Companies

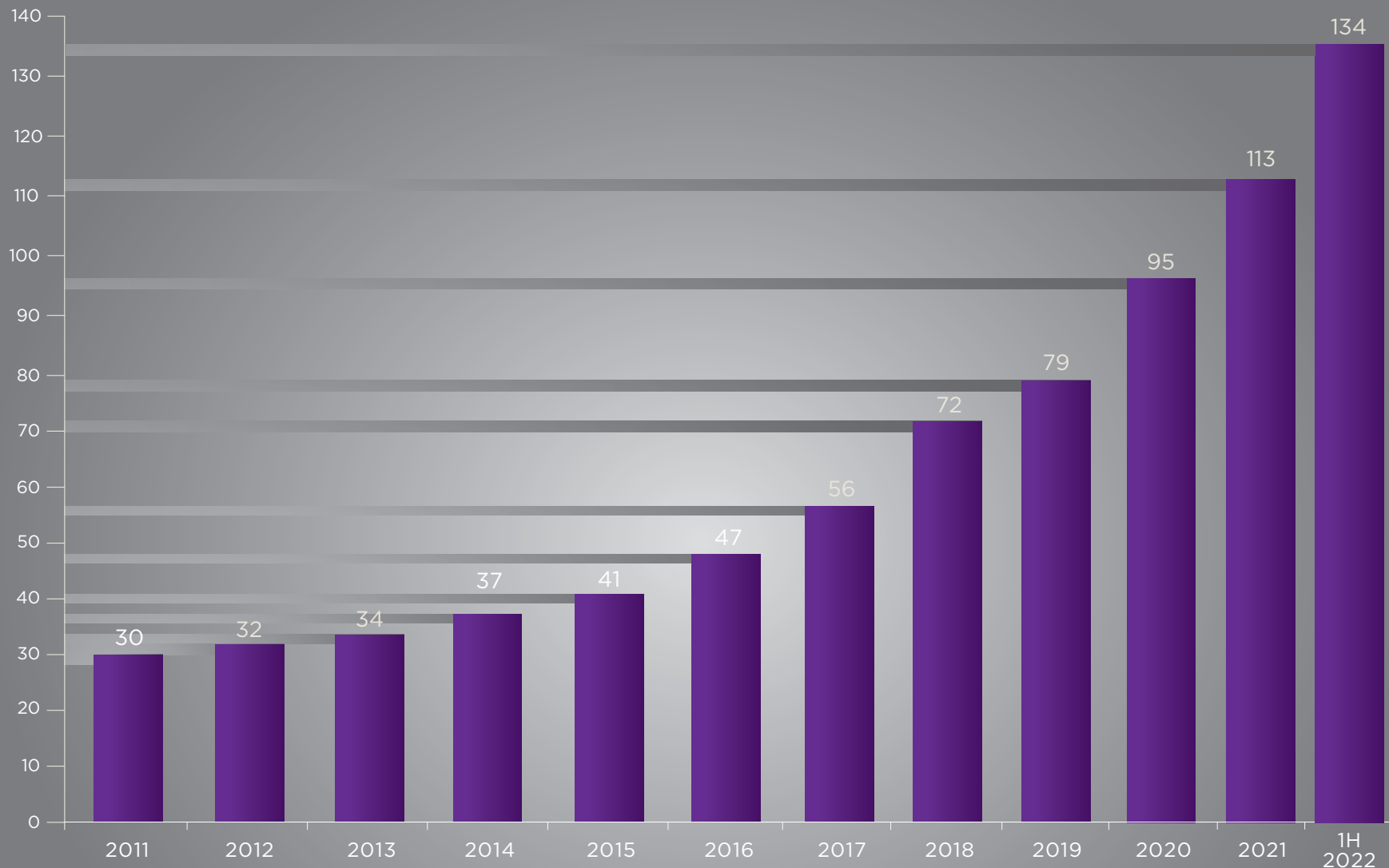


Florida PE-backed company inventory continued to grow, with an additional 18 (net) new Florida PE-backed companies. This annualized growth is in line with the previous year which saw a net 48 additional Florida PE-backed companies.

Florida PE Exits by Type



Corporate Acquisitions has once again taken the lead (albeit slight) in the primary exit route for Florida PE deals in the first half of 2022. Globally, the SPAC and IPO market has stalled significantly, which is also reflected in our Florida data, with IPOs only accounting for one exit in the first half of 2022.



Once again, the number of financial sponsors with headquarters in Florida continued to skyrocket, with an additional 21 Florida-based PE firms since year-end 2021. This growth over the first six months of the year is more than any full year growth we have seen since we began analyzing the Florida PE data. It will be interesting to see where the full year growth ends in our next report.

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 Florida-based boutique investment banking firm focused on providing independent and objective advice to middle market and emerging growth companies for over 10 years.



Cassel Salpeter & Co.
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