DATA AS OF JUNE 30, 2025

Cassel Salpeter & Co.

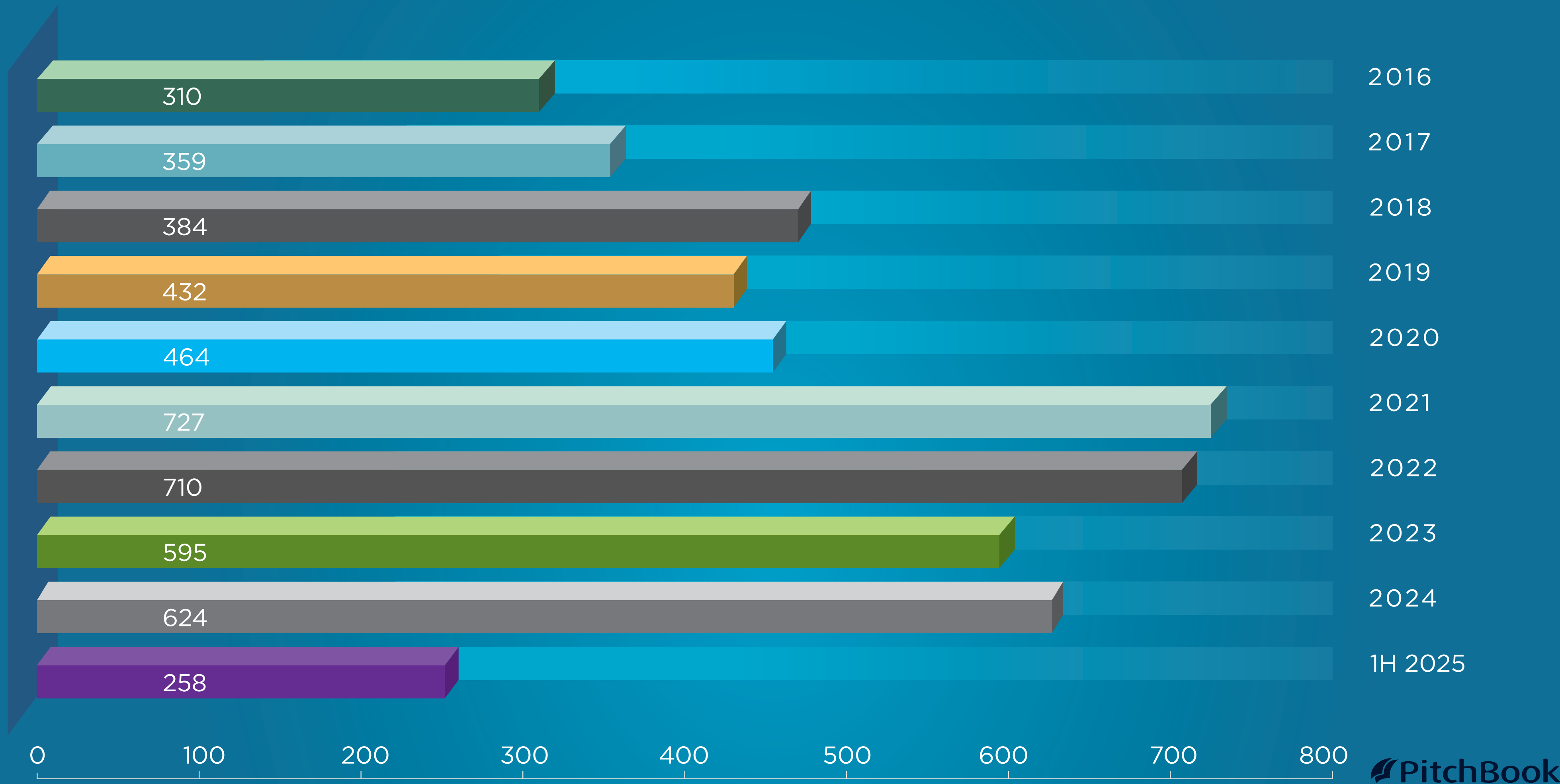
INVESTMENT BANKING

FOUNDED IN FLORIDA OVER 10 YEARS AGO

A VIEW OF 1H 2025: FLORIDA SPONSOR REPORT

THIS INFOGRAPHIC REPORT AND ALL ASSOCIATED CHARTS, PREPARED BY CASSEL SALPETER & CO. WITH DATA FROM PITCHBOOK AS OF JUNE 30, 2025, PROVIDES A TOP-LEVEL EXAMINATION OF SPONSOR ACTIVITY IN FLORIDA. IT OFFERS IN-DEPTH INSIGHT AND DATA-DRIVEN ANALYSIS OF THE STATE'S SPONSOR TRENDS, WITH A FOCUS ON DEAL FLOW ACTIVITY. THIS REPORT INCLUDES ALL SPONSOR INVESTMENTS (INCLUDING BUYOUT, ADD-ON, GROWTH, AND RECAPITALIZATION), EXCLUDING REAL ESTATE INVESTMENTS, MADE INTO TARGET COMPANIES WITH HEADQUARTERS IN FLORIDA.

Florida Sponsor Deal Flow by Year



Florida sponsor deal flow for the first half of 2025 decreased slightly in the first half of 2024, with 258 Florida sponsor deals in 2025 compared to 273 Florida sponsor deals in the first half of 2024. This decline could be related to many factors, but one that seems plausible is the uncertainty about tariff policy, tariff-driven inflation, and the uncertainty related to interest rates. This persistent uncertainty could lead to further deceleration in Florida sponsor deal flow and a reduction in sponsor exits as well.

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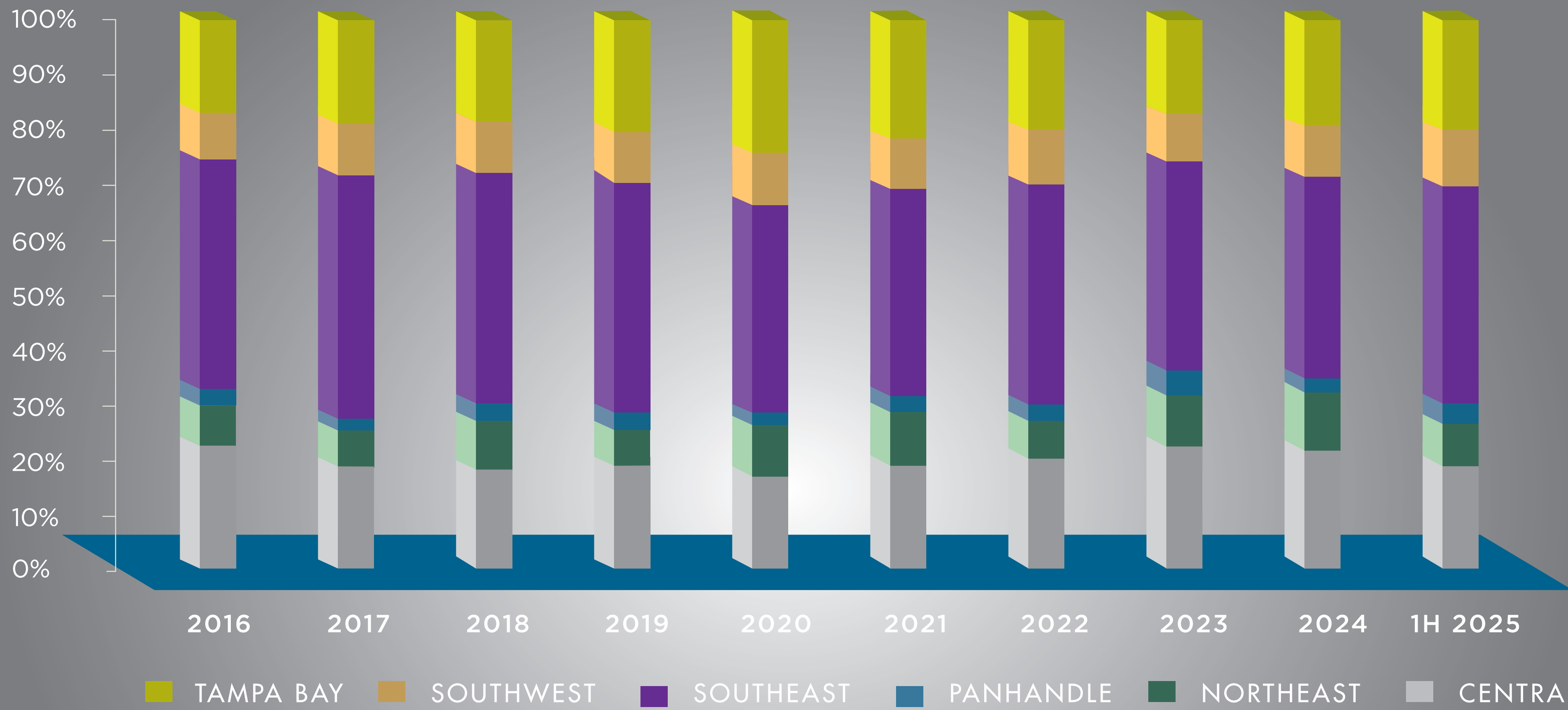
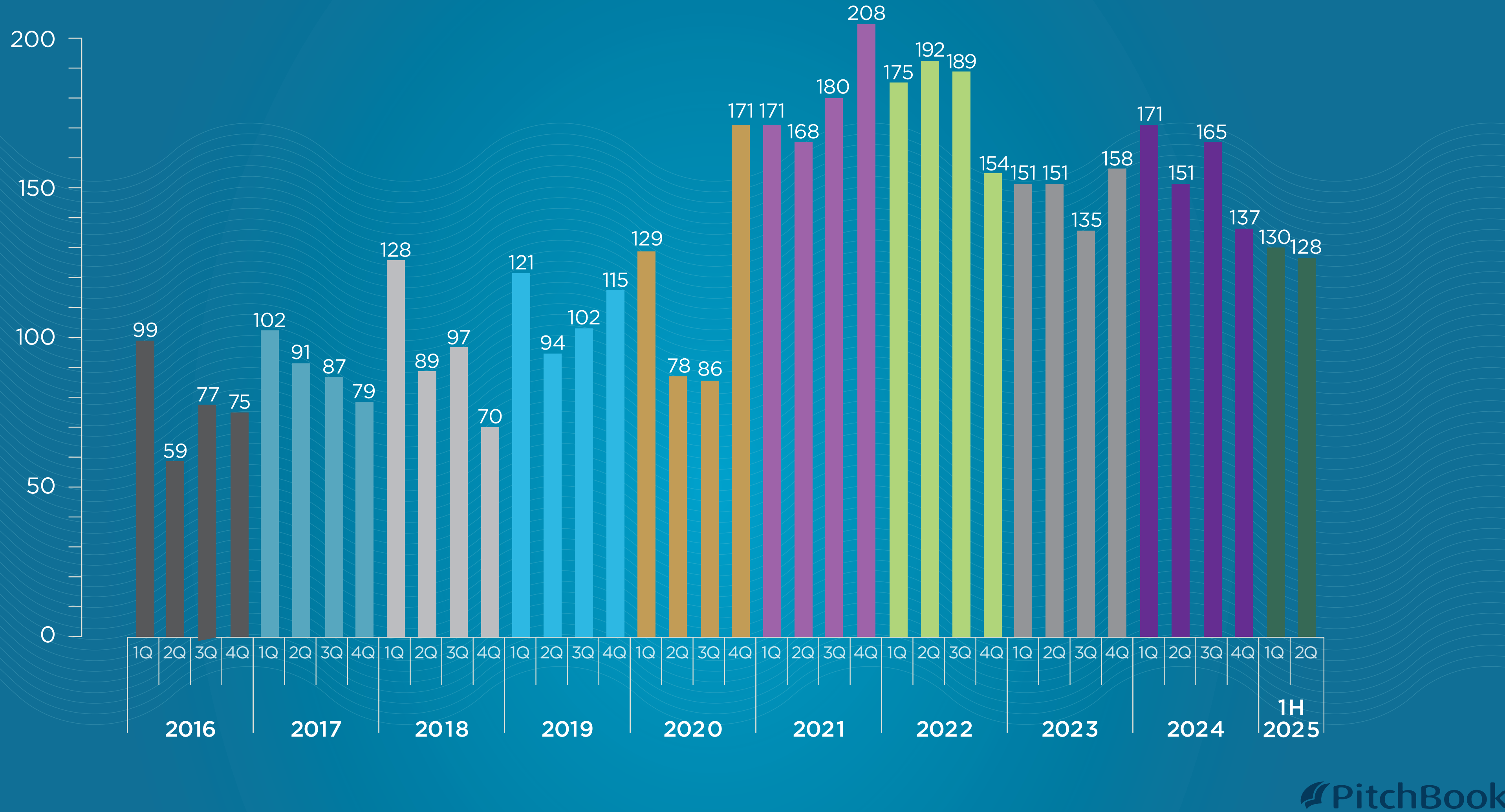
Florida Sponsor Deal Flow by Region



The Southeast region has consistently recorded the highest number of total sponsor deals, accounting for approximately 39% of total Florida sponsor deals in the first half of 2025. Over the same period, the Tampa Bay and Central regions have alternated for the next highest number of total sponsor deals, with Tampa Bay leading at close to 20% compared to the Central region's approximately 19%. The Southwest region accounted for approximately 11%, while the Northeast and Panhandle regions represented less than 10% of total Florida sponsor deals in the first half of 2025.

Florida Sponsor Deal Flow by Quarter



The first two quarters of 2025 were consistent with the fourth quarter of 2024. This "cooling" of the market, which began in the fourth quarter and continued into the first half of 2025, may be the new norm as the economy remains in a state of uncertainty. In the best-case scenario (read: aspirational and improbable), tariff policy friction will subside, creating a more balanced economic environment, and more favorable valuations for longer held portfolio companies.

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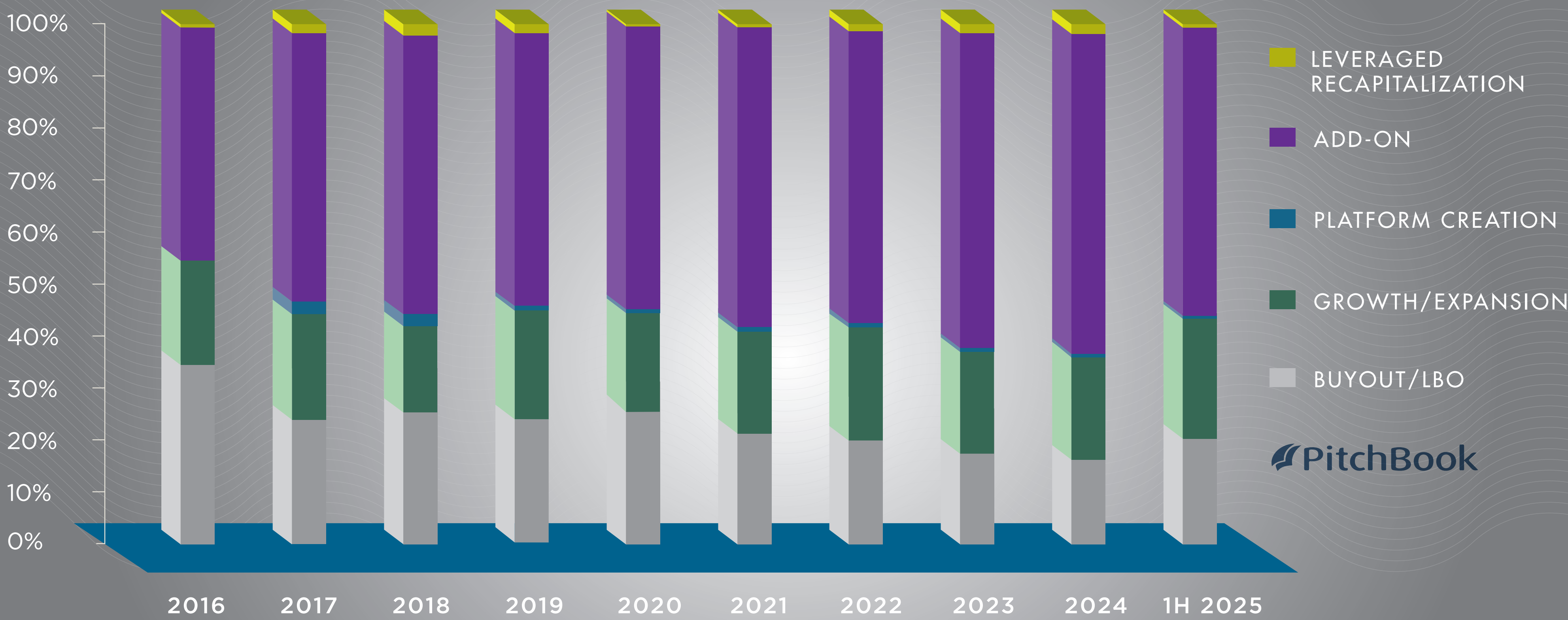
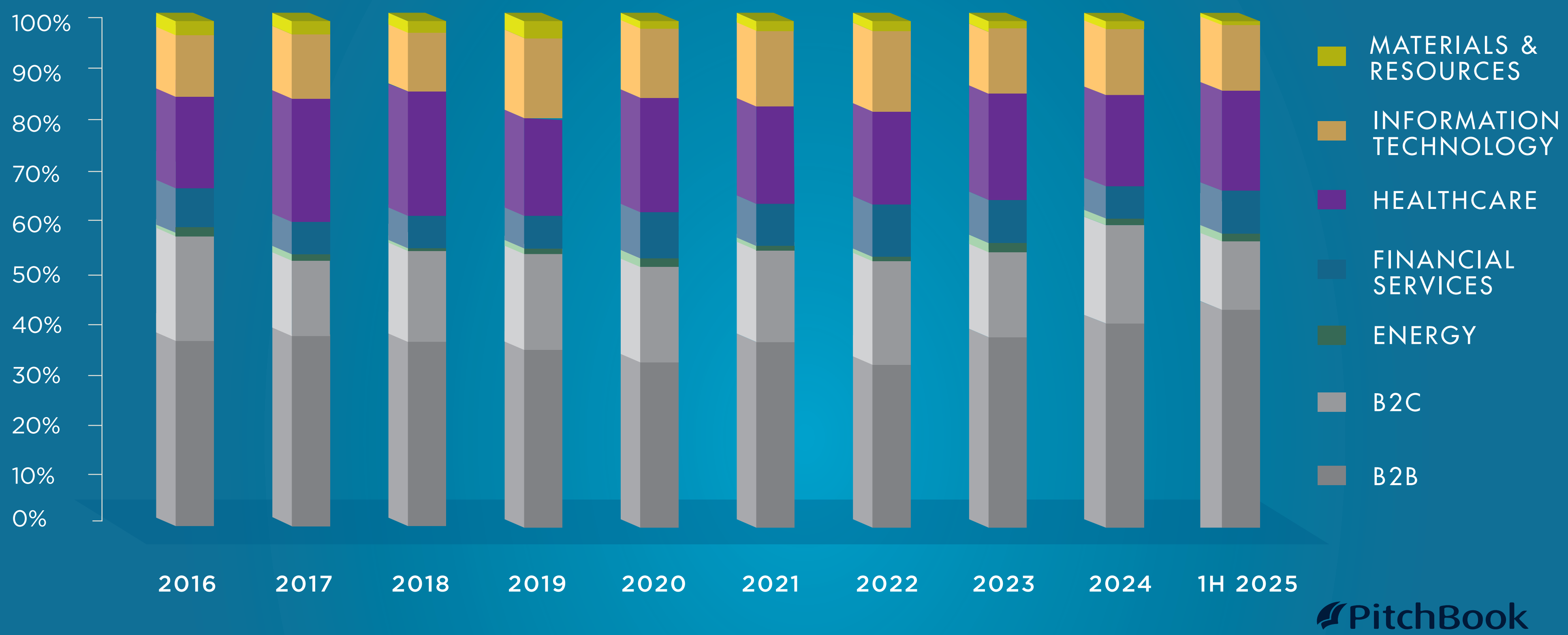
Florida Sponsor Deal Flow by Type



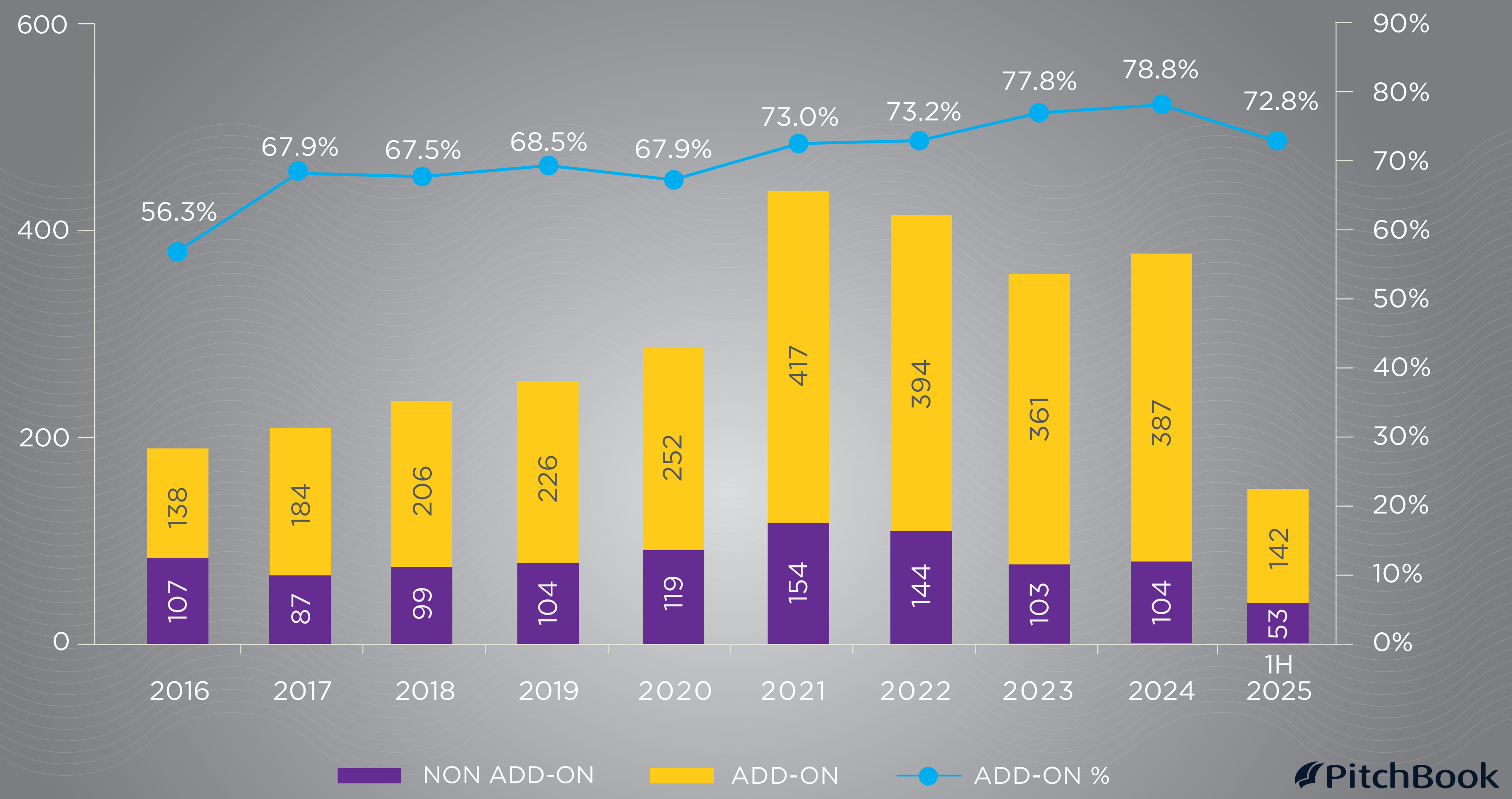
Sponsor Add-Ons continued to be the dominant force driving Florida sponsor deal activity in the first half of 2025, comprising approximately 55% of total Florida Sponsor deals. Growth/Expansion and Buyout/LBO have remained steady in recent years, accounting for approximately 23% and 21% of activity in the first half of 2025, respectively.

Florida Sponsor Deal Flow by Sector



B2B was again the sector with the highest number of Florida sponsor deals in the first half of 2025, accounting for approximately 43% of Florida sponsor deals. Healthcare surpassed B2C during the same period, representing approximately 20% of Florida sponsor deals, while B2C significantly decreased in percentage from 20% in 2024 to roughly 13% in the first half of 2025. As noted in prior reports, these two sectors often trade places as the second largest category for Florida sponsor deals. The IT sector accounted for approximately 12%, the Financial Services sector accounted for approximately 9%, while the Energy and the Materials and Resources sectors each comprised less than 5%.

Florida Sponsor Buyouts vs. Add-Ons



Sponsor Add-Ons as a percentage of all Florida sponsor control investments fell slightly in the first half of 2025, accounting for approximately 72% of Florida sponsor deal activity. With the uncertainty of the economy, one could easily assume that Florida sponsors would look to the safer buy-and-build strategy with tuck-in deals, so it will be interesting to see if this decrease continues for the rest of the year.

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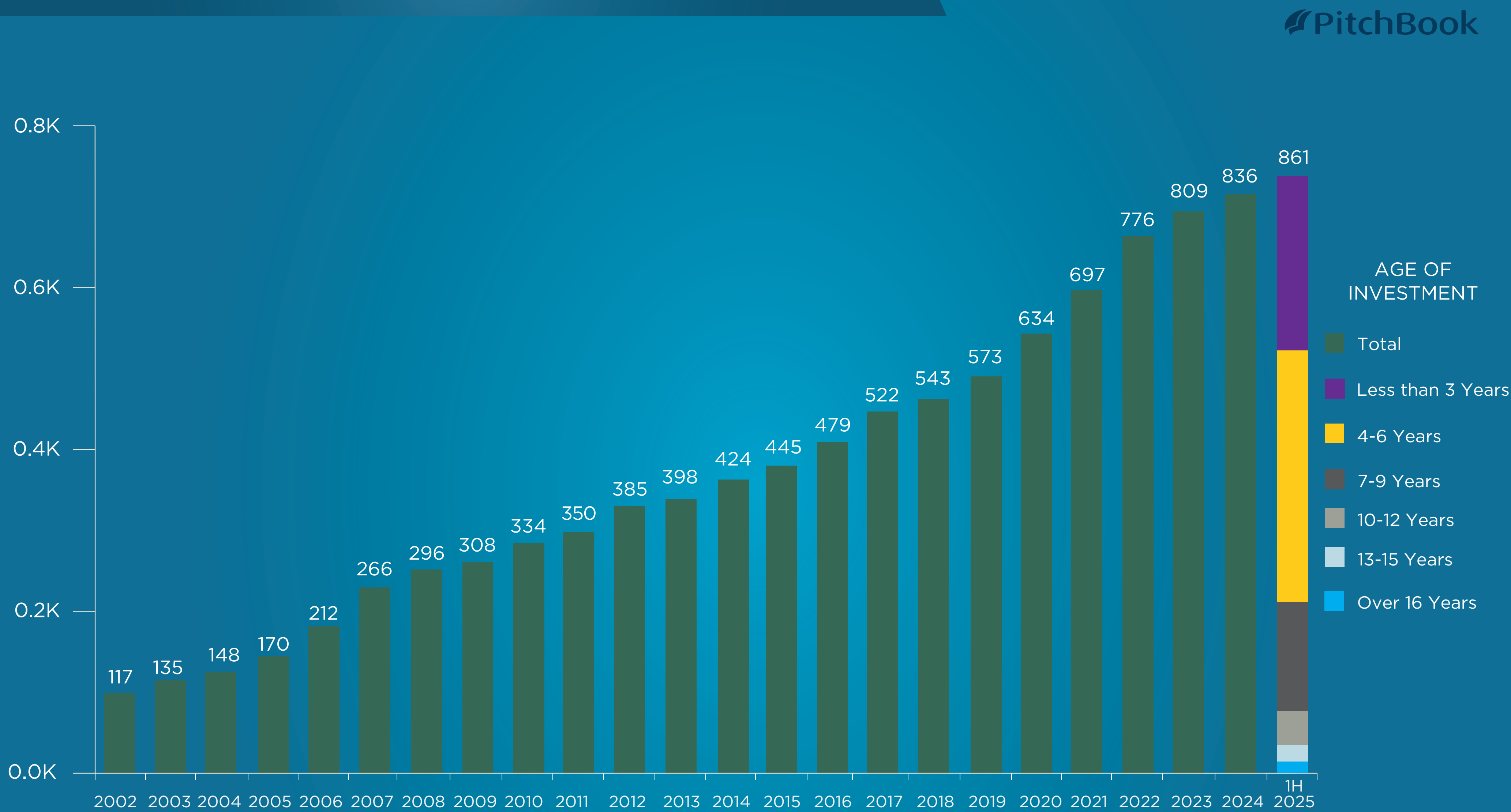
Sponsor-Backed Florida Companies



Florida sponsor-backed company inventory continued to grow at a similar pace to that of 2024 with 25 (net) new Florida sponsor-backed companies in the first half of 2025. Exits, however, are still moving at a snail's pace.

Florida Sponsor Exits by Type

Secondary Buyouts were the primary exit route for Florida sponsor deals in the first half of 2025, reversing the trend from the prior few years and aligning more closely with levels seen in 2021 and 2022.

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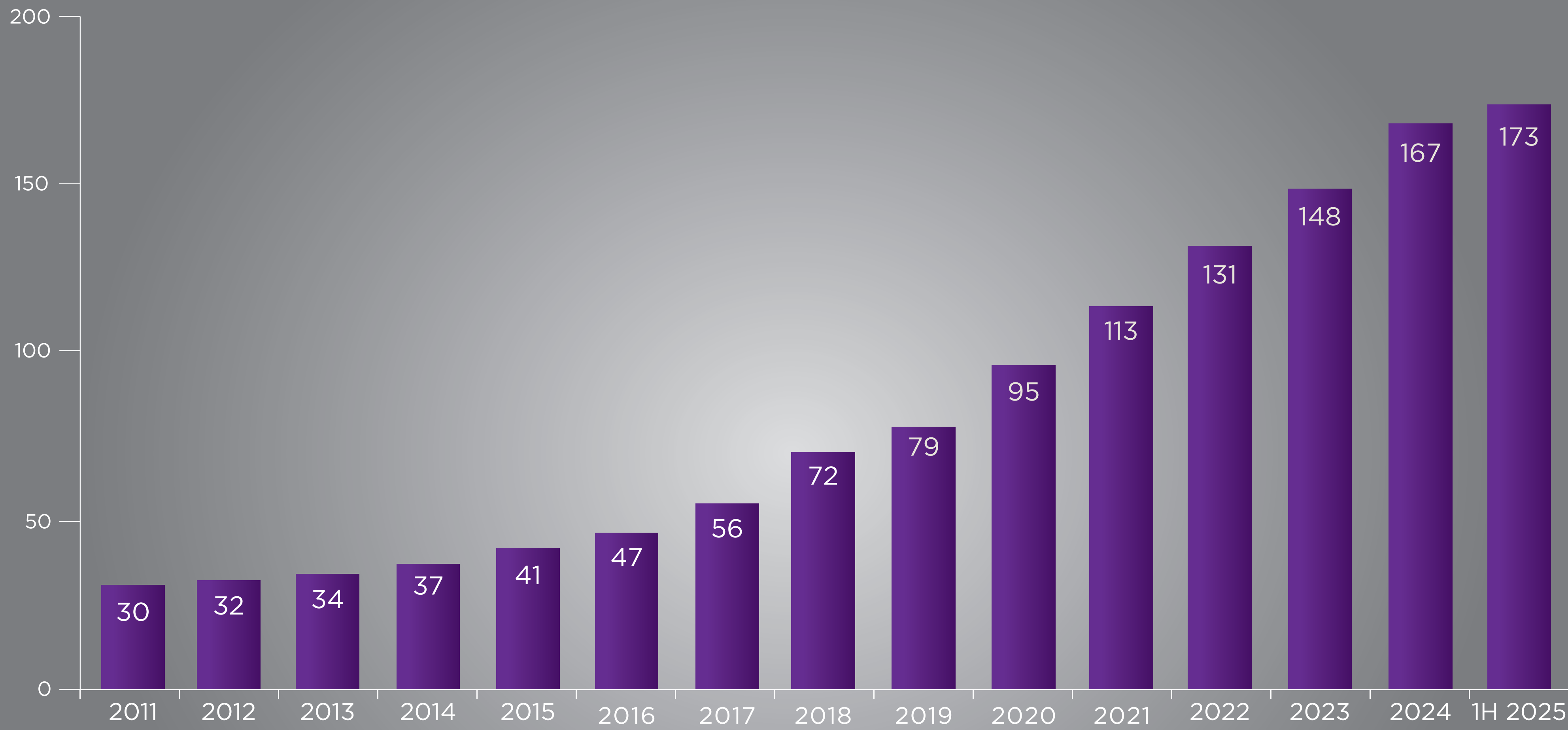
PitchBook

Florida-Based Sponsors



The number of sponsors with headquarters in Florida continues to grow, with the first half of 2025 seeing an increase of six additional Florida headquartered sponsors, representing a CAGR of 13.9% from 2011 through the first half of 2025.

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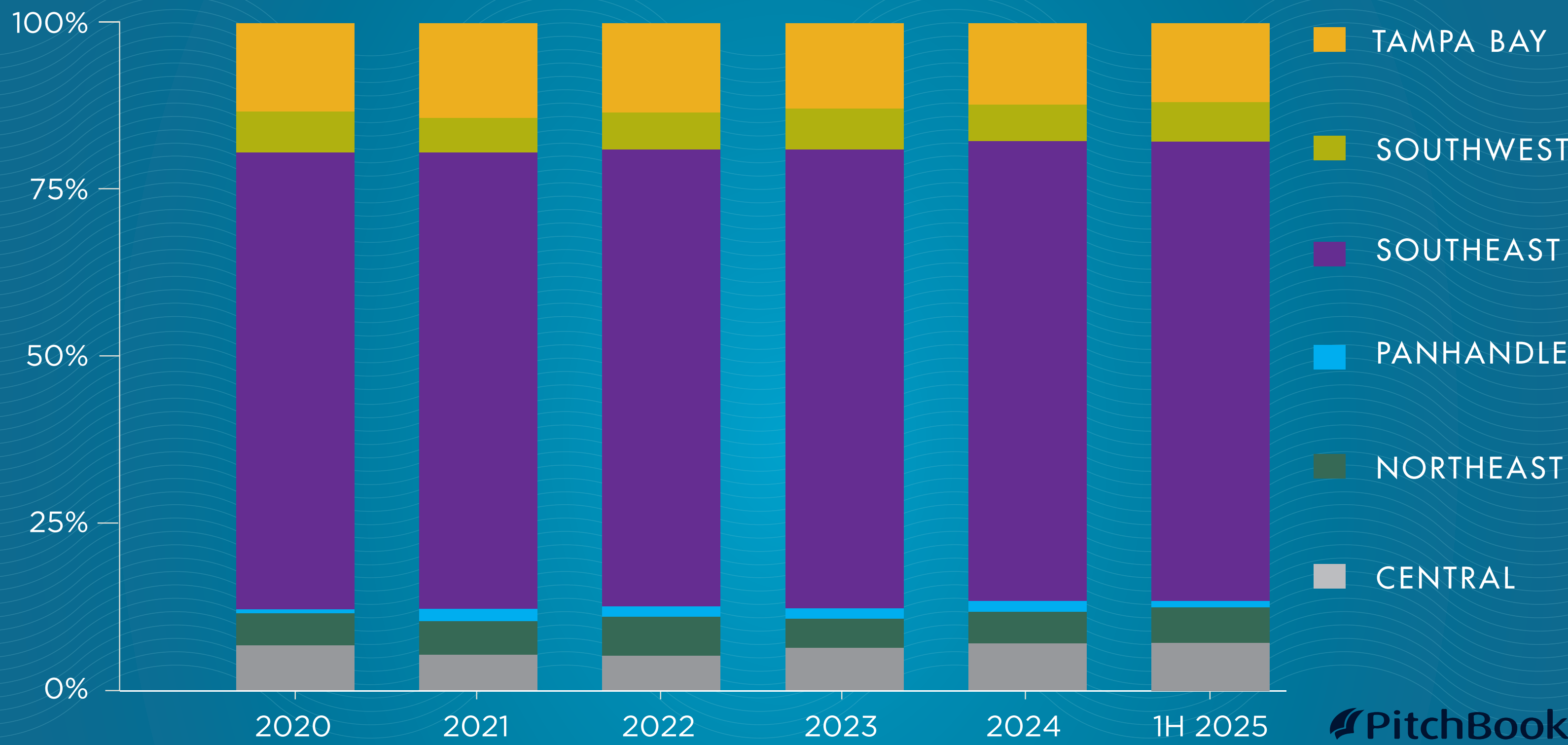
Florida-Based Sponsors by Region



Of the 173 sponsors headquartered in Florida, approximately 72% are located in the Southeast region of Florida. Of the six new Florida-based sponsors, there was one new sponsor headquartered in the Central region in the first half of 2025, while the remaining five additions were in the Southeast region.

METHODOLOGY

SPONSOR DEALS

This report includes all sponsor investments (buyout, growth, recapitalization, and add-on), excluding real estate investments, made into target companies, with headquarters in Florida. Only investments made directly by sponsor firms or their portfolio companies are counted. Buyout deals are defined as transactions in which the sponsor 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 sponsor backing.

FLORIDA-BASED SPONSOR FIRMS

This report includes sponsor firms with headquarters in Florida that were either actively investing or raising funds during the reported periods.

SPONSOR-BACKED FLORIDA-BASED COMPANIES

This report includes companies headquartered in Florida that are in part or in whole backed by sponsor firms.

In 2022 Pitchbook changed its methodology for recording deal activity that will apply to this and all future sponsor reports. All announced deals are now included in the reporting of total deal activity in addition to completed deals, and announced dates are used to reflect deal timing in dates.

Cassel Salpeter & Co. is a Florida-based independent investment banking firm focused on providing independent and objective advice to middle market and emerging growth companies for over 10 years.

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