



# Partnership Announcement

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*March 4, 2022*



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# Announcement Summary

## Westwood Partnership

- \$82mm of acquired revenue <sup>(1)</sup>, represents BRP's largest Partnership to date
- Total upfront consideration of \$385mm, to be funded with cash on hand, revolving credit facility and financing prior to close as necessary
- Upfront purchase price represents ~12.4x acquired adjusted EBITDA
- \$10mm in equity grants for Westwood colleagues offset against upfront consideration
- Maximum deferred payment of \$15mm
- Expected to close on or around May 1, 2022, subject to customary closing conditions and HSR review

## MGA of the Future's Program Administrator Agreement with QBE

- MSI's homeowners MGA platform to assume operations of \$200 million <sup>(2)</sup> builder-sourced homeowners book from affiliates of QBE
- QBE will provide balance sheet capacity for a period of 5 years (BRP will not assume any balance sheet risk)
- Expected to generate incremental EBITDA synergies of ~\$8mm related to BRP's existing homeowners MGA initiative

## Strategic Rationale

- Positions BRP as the industry's leading tech-enabled brokerage and MGA business
- Significantly accelerates efforts to develop tech-enabled homeowners solutions embedded in the homebuying process
- Westwood brings track record of double-digit organic revenue growth <sup>(3)</sup>
- Provides transformational access to sheltered distribution from many of the country's leading new home builders
- Fast-tracks MGA of the Future's homeowners growth with a preferred, outperforming book of business

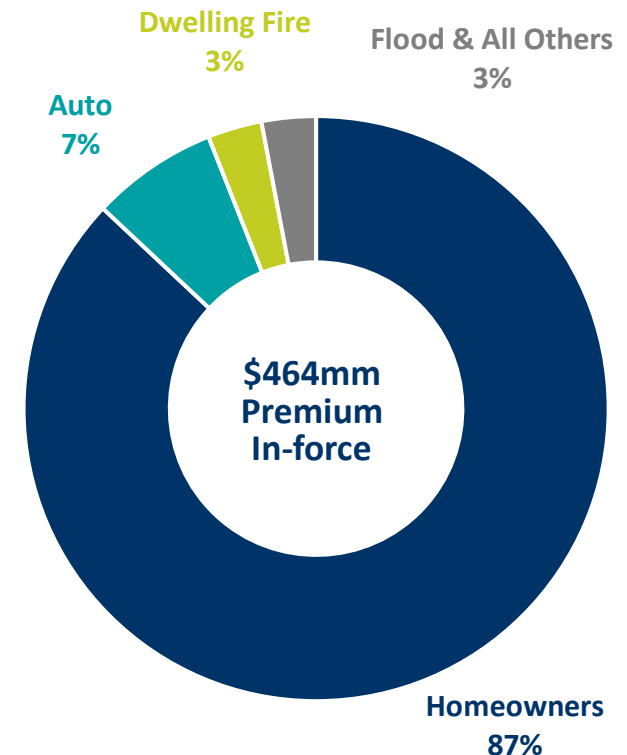
<sup>(1)</sup> Calculated as revenue attributable to acquired business as of 12/31/2021 based on a quality of earnings review through 9/30/2021 in conjunction with limited rollforward procedures and not an audit. Excludes any unowned acquired revenue from acquisitions made by such acquired business in the last twelve months prior to the acquisition; <sup>(2)</sup> Based on data prepared by management and data provided in Confidential Information Memorandum; <sup>(3)</sup> Based on a quality of earnings review through 9/30/2021 in conjunction with limited rollforward procedures and not an audit. Represents year-to-date gross revenue growth through December 2021 vs. the prior year period.

# Westwood Insurance Agency Overview

## Overview

- Westwood Insurance Agency is a leading full-service personal lines agency and a national leader in builder-sourced homeowners insurance
- Strong track record of double-digit revenue growth (10%+ YoY in 2021) <sup>(1)</sup>
- State-of-the-art, proprietary technology platform:
  - Seamlessly connects builders, carriers, lenders and homebuyers
  - Makes home insurance easy at time of sale with 90-second click to bind policy issuance
  - Scalable, efficient platform driving productivity and volume growth
- Westwood services ~450,000 <sup>(2)</sup> homeowners and is licensed in all 50 states

## Line of Business Summary <sup>(3)</sup>



Note: Numbers presented are approximations.

<sup>(1)</sup> Based on a quality of earnings review through 9/30/2021 in conjunction with limited rollforward procedures and not an audit. Represents year-to-date gross revenue growth through December 2021 vs. the prior year period; <sup>(2)</sup> Based on data provided in Confidential Information Memorandum; <sup>(3)</sup> Line of Business summary based on data provided in Confidential Information Memorandum; premium in-force as of 10/31/21.



# Program Administrator Agreement with QBE

***The agreement with QBE immediately makes BRP's MGA of the Future a leading national homeowners MGA***

**~\$200M <sup>(1)</sup>  
2021 Earned Premium**

**~210,000 <sup>(1,2)</sup>  
Policies In Force**

- Separate from the purchase of Westwood, BRP will assume all MGA functions associated with the ~\$200mm of in-force builder-sourced homeowners premium currently underwritten by QBE
  - QBE will provide balance sheet capacity for a period of 5 years
  - BRP will not assume any balance sheet risk associated with the book of business
- QBE's builder-sourced book of business has historically experienced strong underwriting results given its focus on new construction, homes with high structural quality and holistic warranty coverage
- BRP and its MGA of the Future platform are uniquely positioned to assume QBE's operations
  - Sophisticated and seasoned management team with long track records of managing homeowners insurance at leading insurance companies
  - Vast experience building and managing custom technology integrations with clients and sheltered distribution partners

*Note: Numbers presented are approximations.*

<sup>(1)</sup> Based on data prepared by management and data provided in Confidential Information Memorandum.

<sup>(2)</sup> Policies in-force as of 12/31/21.

# The Westwood Partnership and QBE Agreement Position BRP as the Industry's Leading Tech-Enabled MGA & Homeowners Business

## MILLENNIAL SPECIALTY INSURANCE

Rapidly growing tech-enabled MGA with a focus on embedded sheltered distribution



Tech-enabled personal lines agency specializing in builder-sourced homeowners insurance



Preferred and outperforming builder-sourced homeowners book



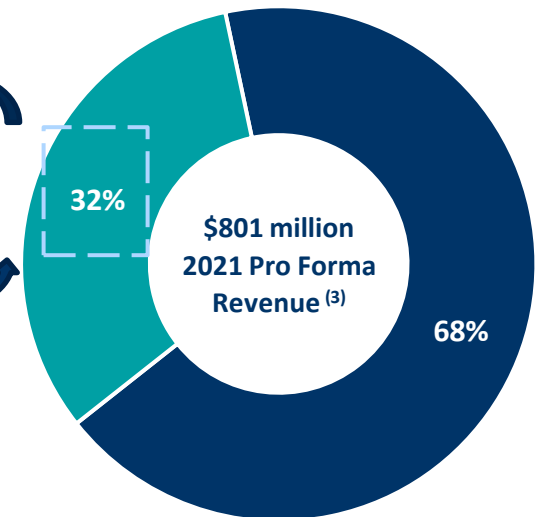
### Tech-Enabled MGA & Homeowners PF 2021 Combined Stats

Premium in-force: ~\$1.1bn <sup>(1)</sup>  
 Policies in-force: >1.5mm <sup>(1)</sup>  
 PF Gross Revenue: ~\$260mm <sup>(2)</sup>  
 Growth: ~29%  
 Aggregate MGA  
 Loss Ratio: <60%



Predominantly homeowners personal lines agency focused on cultivating leads and referrals sourced from mortgage ecosystem

## Pro Forma BRP Business Breakdown



<sup>(1)</sup> Includes acquired premium in-force and policies in-force from Westwood; Westwood premium in-force and policies in-force are based on data provided in Confidential Information Memorandum; <sup>(2)</sup> Includes acquired revenue from Westwood; Westwood revenue is calculated as revenue attributable to acquired business as of 12/31/2021 based on a quality of earnings review through 9/30/2021 in conjunction with limited rollforward procedures and not an audit. Excludes any unowned acquired revenue from acquisitions made by such acquired business in the last twelve months prior to the acquisition; see appendix slide for revenue reconciliation to GAAP; <sup>(3)</sup> Represents BRP 2021 pro forma revenue of \$719 million as stated in its FY2021 Q4 Earnings Release plus \$82 million of revenue attributable to Westwood.

# Leading Tech-Enabled MGA & Homeowners Business

- ✓ BRP's fast-growing MGA of the Future, MainStreet Platform and the addition of Westwood and the MGA agreement with QBE result in a leading tech-enabled firm across key metrics



Distribution Model	Embedded, Referral Partners, Corporate Agents	Corporate Agents, Franchise Agents, Referral Partners	Majority Direct-To-Consumer
Policies in-Force	>1.5mm <sup>(2)</sup>	~1.0mm	~1.4mm
2021 Revenue	\$260mm <sup>(2)</sup>	\$151mm	\$128mm
2021 Growth Rate	29% <sup>(2)</sup>	29%	36%
Profitable?	✓	✓	✗
Balance Sheet Exposure?	✗	✗	✓

Source: Public company filings.

<sup>(1)</sup> BRP policies in-force, 2021 revenue and 2021 growth rate metrics represent pro forma figures as of 12/31/2021 for the Tech-Enabled MGA & Homeowners business. Figures are not reflective of the consolidated pro forma BRP business; <sup>(2)</sup> Includes acquired policies in-force and revenue from Westwood; Westwood policies in-force are based on data provided in Confidential Information Memorandum; Westwood revenue is calculated as revenue attributable to acquired business as of 12/31/2021 based on a quality of earnings review through 9/30/2021 in conjunction with limited rollforward procedures and not an audit. Excludes any unowned acquired revenue from acquisitions made by such acquired business in the last twelve months prior to the acquisition; see appendix slide for revenue reconciliation to GAAP; <sup>(3)</sup> Goosehead policies in-force, 2021 Revenue and 2021 Growth rate metrics represent year end results as of 12/31/2021 based on the latest 10-K filing; <sup>(4)</sup> Lemonade policies in-force represent 'Total Customers' as of 12/31/2021 based on latest 10-K filing; Lemonade 2021 Revenue and 2021 Growth Rate represent year end results as of 12/31/2021 based on latest 10-K filing.

# Appendix: BRP Tech-Enabled & Homeowners PF 2021 Revenue Reconciliation to GAAP

## Reconciliation to GAAP

<i>Amounts in 000's</i>	<b>2021 YTD</b>
MGA of the Future revenue	\$ 105,536
Mainstreet revenue	\$ 34,344
Revenue for 2021 Partnerships in the unowned period <sup>(1)</sup>	\$ 38,514
Pro forma revenue BRP tech-enabled MGA & homeowners before Westwood Partnership	\$ 178,394
Westwood revenue <sup>(2)</sup>	\$ 81,800
Pro forma revenue BRP tech-enabled MGA & homeowners after Westwood Partnership	\$ 260,194

<sup>(1)</sup> The adjustment for 2021 reflects revenue for Effective Coverage/Leasetrack, Monomoy, Founder Shield, JGS, and Arcana as if BRP had acquired the Partners on January 1, 2021. This unaudited pro forma information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisitions had occurred on that date, nor the results that may be obtained in the future.

<sup>(2)</sup> Calculated as revenue attributable to acquired business as of 12/31/2021 based on a quality of earnings review through 9/30/2021 in conjunction with limited rollforward procedures and not an audit. Excludes any unowned acquired revenue from acquisitions made by such acquired business in the last twelve months prior to the acquisition.



