

A night-time photograph of the San Diego skyline, featuring several prominent skyscrapers like the US Bank Tower and the Wells Fargo building. The city lights are reflected in the water in the foreground. A large, semi-transparent geometric pattern of overlapping triangles in shades of blue and teal is overlaid on the entire image.

# Partnership Announcement

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*June 1, 2020*



# DISCLAIMER

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities.

This presentation contains forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. All statements other than statements of historical facts contained in this presentation, including information concerning our possible or assumed future results of operations and expenses, business strategies and plans, competitive position, business and industry environment and potential growth opportunities, including such information concerning the two Partnerships described in this presentation, are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including those factors relevant to our integration of these Partnerships, matters assessed in our due diligence, the business, financial condition and results of operations of BRP Group or these Partners, or both, and factors related to the potential effects of the COVID-19 pandemic on our business, financial condition and results of operations. Given these uncertainties, you should not place undue reliance on any forward-looking statements in this presentation. Except as required by law, we disclaim any obligation to update any forward-looking statements for any reason after the date of this presentation, or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

# Announcement Summary

## Transaction summary

- On June 1, 2020, BRP announced two new partnerships representing an aggregate \$36.1mm of annualized acquired revenue<sup>(1)</sup>
- Brings 2020YTD acquired revenue to \$78mm<sup>(1)</sup>
- Cash consideration funded with cash on hand and BRP's existing revolving credit facility
- Post announcements, BRP continues to be in a strong financial position
  - Pro forma unrestricted cash and borrowing capacity: over \$100mm
  - Pro forma net leverage: 2.96x

## Rosenthal Brothers Insurance

- Annualized acquired revenue: \$18.8 million<sup>(1)</sup>
- Specializes in large habitational real estate industry well insulated from COVID-19
- Meaningfully expands Middle Market presence in Chicago MSA
- Experienced management team with risk advisor average age of 44 compared to the industry average age of 54<sup>(2)</sup>
- Revenue synergies with MGA of the Future

## Trinity Benefit Advisors / Russ Blakely Associates ("TBA / RBA")

- Annualized acquired revenue: \$17.3 million<sup>(1)</sup>
- Provides immediate scale and platform for expansion in Tennessee, one of the fastest growing states in the U.S.
- Client base predominantly in TN and broader Southeast region, where the impacts of COVID-19 have thus far been less severe and economies are more rapidly reopening
- Experienced management team and risk advisor base with strong reputation in TN marketplace and average age of 49 compared to the industry average age of 54<sup>(2)</sup>
- BRP's product suite and industry expertise presents meaningful cross-sell opportunities

<sup>(1)</sup> Calculated as revenue attributable to acquired businesses for the most recent 12-month period evaluated based on Quality of Earnings review

<sup>(2)</sup> According to the 2018 Future One Agency Universe Study

# Rosenthal Brothers Overview



- Rosenthal Brothers is a leading middle market agency in Chicago, IL with specialty expertise in the habitational real estate industry
- Leadership team is highly experienced – five partners have an average tenure of 19 years with the company
- Strong focus on cultivating talent has yielded successful risk advisor base with an average age of 44 compared to the industry average age of 54<sup>(1)</sup>
- Real estate focused client base provides revenue synergies via increased distribution of MGA of the Future renters product

## By the Numbers

Annualized Acquired Revenue:  
\$18.8mm<sup>(2)</sup>

Revenue Growth:  
CAGR Since 2015: +8%<sup>(2)</sup>

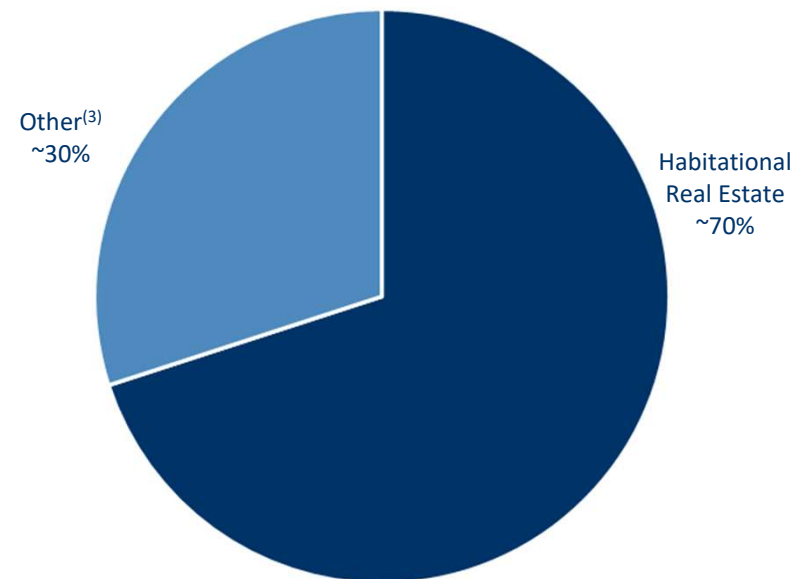
~70% of Revenue in Habitational  
Real Estate Specialty

Q1 2020 – Estimated +10% Y/Y  
Revenue Growth

4 of the 5 Largest Books of  
Business Written by Risk  
Advisors Under the Age of 42

80%+ Risk Advisor  
Hire Success Rate

## 2019 Estimated Revenue by Industry<sup>(3)</sup>



*Note: Numbers presented are approximations. Industry breakdown is an estimate.*

<sup>(1)</sup> According to the 2018 Future One Agency Universe Study

<sup>(2)</sup> Based on Quality of Earnings Review

<sup>(3)</sup> Based on Quality of Earnings Review; represents commercial revenue excluding profit share; "Other" includes nonprofit, manufacturing, distribution, contracting/development, healthcare and technology



## TBA / RBA Overview



- Trinity Benefit / Russ Blakely is a leading provider of employee benefits consulting & brokerage services to upper middle market and large clients in attractive MSAs in Tennessee and broader Southeast region of the U.S.
- Highly experienced leadership team
- Risk Advisor base has an average age of 49 compared to the industry average age of 54<sup>(1)</sup>, is highly productive (average book size >2x industry average) and carries a strong reputation in the Tennessee and broader Southeast marketplace
- BRP's more comprehensive product suite and niche industry expertise presents meaningful cross-sell opportunities into TBA / RBA's large account commercial client base

### By the Numbers

Annualized Acquired Revenue:  
\$17.3mm<sup>(2)</sup>

Revenue Growth:  
CAGR Since 2015: +10%<sup>(2)</sup>

Large Account Focus:  
Accounts With 100+ Lives  
Comprise 80% of Revenues

Q1 2020 – Estimated +10% Y/Y  
Revenue Growth

Average Risk Advisor Age:  
49 years

Validated Risk Advisor Book Size:  
\$2.0 Million

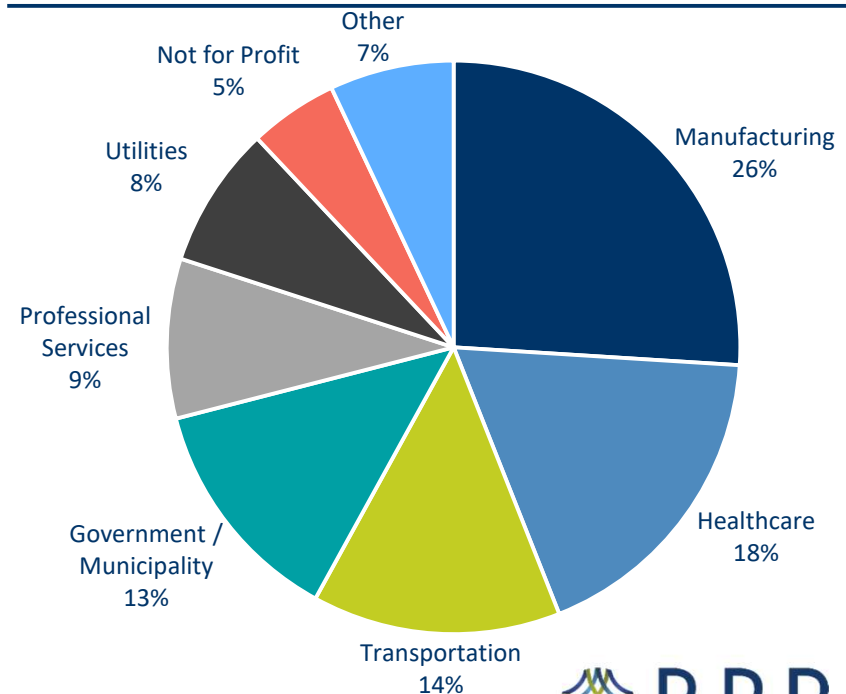
*Note: Numbers presented are approximations. Industry breakdown is an estimate.*

<sup>(1)</sup> According to the 2018 Future One Agency Universe Study

<sup>(2)</sup> Based on Quality of Earnings Review

<sup>(3)</sup> Based on Quality of Earnings Review; industry breakdown is an estimate

### 2019 Estimated Revenue by Industry<sup>(3)</sup>



## 2020 YTD Acquisitions and Purchase Multiples Associated with Various Forward Growth Rates

Scenario Approximations <sup>(1)</sup> Amounts in 000's	Total Consideration (2)	Revenue	Implied EBITDA (3)	Implied EBITDA Multiple
<b>Announced up-front <sup>(4)</sup></b>	297,314	78,015	24,561	12.1x
<b>5% growth</b>	308,193	88,806	27,958	11.0x
<b>10% growth</b>	321,461	102,534	32,280	10.0x
<b>15% growth</b>	335,892	117,651	37,039	9.1x
<b>25% growth</b>	377,135	152,545	48,024	7.9x

<sup>(1)</sup> Represents the approximate performance at the defined growth rate. Certain earnouts are capped at growth rates less than 25% and certain earnouts provide benefits to Sellers at growth rates in excess of 25%. One 2020 partnership earnout is uncapped.

<sup>(2)</sup> Estimated based on BRP stock closing price on Friday, May 29, 2020.

<sup>(3)</sup> The implied EBITDA margin is presented as flat across all growth scenarios, which may not be indicative of actual future performance.

<sup>(4)</sup> Announced up-front revenue represents the aggregate revenues of Partners acquired YTD 2020, for the most recent trailing twelve month period prior to acquisition by the Company, in each case, at the time the due diligence was concluded based on a quality of earnings review and not an audit. Announced up-front EBITDA represents the aggregate estimated Adjusted EBITDA of Partners acquired YTD 2020, for the most recent trailing twelve month period prior to acquisition by the Company, in each case, at the time the due diligence was conducted based on a quality of earnings review and not an audit. Adjustments to net income include the adjustments to net income used by the Company to calculate its Adjusted EBITDA and certain estimated deal-specific cost-savings resulting from acquisition by the Company, including commissions grid alignment, technology-related cost savings, personnel-related cost savings and centralized growth services, as well as the normalization of acquisitions/divestitures.

## 2020 Partnerships

Closed Partnerships				
Amounts in 000's	2020			YTD
	Q1	Q2		
<u>Consolidated</u>				
Closed Partnerships	4	5		9
Cash/Equity aggregate consideration <sup>(1)</sup>	\$ 56,449	\$ 240,865		\$ 297,314
Maximum contingent earnout <sup>(2)</sup>	\$ 16,828	\$ 110,701		\$ 127,529
Annualized acquired revenue <sup>(3)</sup>	\$ 30,612	\$ 47,403		\$ 78,015
Annualized estimated acquired adjusted EBITDA <sup>(4)</sup>	\$ 5,123	\$ 19,438		\$ 24,561

<sup>(1)</sup> Calculated using BRP's closing share price of \$12.40 on May 29, 2020.

<sup>(2)</sup> Q2 figure is inclusive of one uncapped earnout, which has been calculated assuming the Partner grows revenue 50% per year for three consecutive years.

<sup>(3)</sup> Represents the aggregate revenues of Partners acquired during the relevant quarter presented, for the most recent trailing twelve month period prior to acquisition by the Company, in each case, at the time the due diligence was concluded based on a quality of earnings review and not an audit.

<sup>(4)</sup> Represents the aggregate estimated Adjusted EBITDA of Partners acquired during the relevant quarter presented, for the most recent trailing twelve month period prior to acquisition by the Company, in each case, at the time the due diligence was conducted based on a quality of earnings review and not an audit. Adjustments to net income include the adjustments to net income used by the Company to calculate its Adjusted EBITDA and certain estimated deal-specific cost-savings resulting from acquisition by the Company, including commissions grid alignment, technology-related cost savings, personnel-related cost savings and centralized growth services, as well as the normalization of acquisitions/divestitures.

## Conclusion



Enables



<sup>(1)</sup> Independent Insurance Broker in U.S.



