



Partnership Announcement

December 2, 2020



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Announcement Summary

Transaction Summary

- On December 1, 2020, BRP announced a new Partnership with Armfield, Harrison & Thomas Inc. (“AHT”), #65 in *Business Insurance’s* “Top 100” list of largest U.S. brokers
 - Represents \$52.3mm of annualized acquired revenue,⁽¹⁾ excluding \$5.5mm⁽²⁾ of pro forma annualized revenues associated with acquisitions recently completed by AHT
 - Marks BRP’s second “Top 100” partnership closed in the fourth quarter of 2020
- Brings 2020YTD acquired revenue to \$173mm⁽¹⁾
- Closing cash consideration was funded by loans made to BRP Group, Inc., which were assumed by Baldwin Risk Partners, LLC under its existing credit agreement
- BRP’s post-transaction financial position:
 - Pro forma unrestricted cash and borrowing capacity: approximately \$420mm⁽³⁾
 - Pro forma net leverage: ~4.3x

Armfield, Harrison & Thomas

- Significantly expands BRP’s middle market presence nationally, specifically in the Seattle, Washington D.C., New York and Boston metropolitan areas
- Brings deep specialization and expertise across a number of high-growth industry verticals (including Technology, Not-For-Profit, Life Sciences & Healthcare, Manufacturing and Construction, among others) and product niches (management liability)

⁽¹⁾ Calculated as revenue attributable to the acquired business for the most recent 12-month period prior to acquisition by BRP based on Quality of Earnings review. Excludes any unowned acquired revenue from acquisitions made by such acquired business in the last twelve months prior to the acquisition.

⁽²⁾ Based on Quality of Earnings Review.

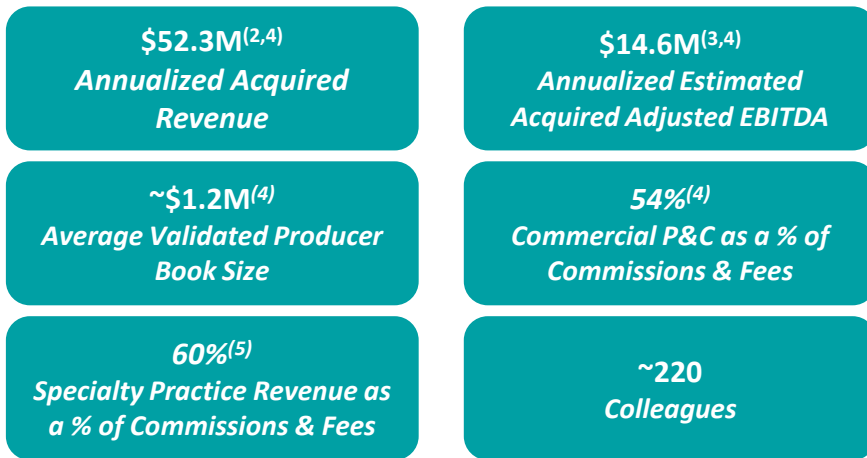
⁽³⁾ Subject to max net leverage covenant compliance of 5.0x.

Armfield, Harrison & Thomas Overview



- Armfield, Harrison & Thomas (#65 in Business Insurance’s Top 100 Brokers) is a leading provider of property and casualty, employee benefits, retirement, personal and international consulting and brokerage services
- Highly experienced leadership team with 226 years in total insurance experience, receiving 70+ awards, including receiving the distinguished Big “I” Best Practices designation continuously since 2007⁽¹⁾ and “Best Places to Work in Insurance” from Business Insurance continuously since 2009
- Established presence in six major U.S. markets (across nine offices), meaningfully expanding BRP’s geographic reach in the Seattle, Washington D.C., New York and Boston metropolitan areas
- Deep specialization across 8 speciality industry verticals (see below) and product niches (including management liability) presents valuable cross-sell opportunities across BRP Group’s existing client base

By The Numbers



Specialty Practice Revenue⁽⁵⁾

Industry Specialty Practice	Total Revenue (\$M)	% of Comm. & Fees
Technology	\$14	26%
Not-For-Profit	5	9%
Life Sciences/Healthcare	3	6%
Manufacturing	3	6%
Construction	2	4%
International Aid and Dev. Organizations (NGO)	2	4%
Financial Institutions	1	3%
Real Estate	1	1%
Total Specialty Practice Revenue	\$31	60%

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

⁽¹⁾ Per Independent Insurance Agents & Brokers of America, Inc. ⁽²⁾ Calculated as revenue attributable to acquired business for the most recent 12-month period prior to acquisition by BRP based on Quality of Earnings review. Excludes \$5.5mm of pro forma acquired revenue from acquisitions made by AHT in the last twelve months prior to the acquisition. ⁽³⁾ Calculated as EBITDA attributable to acquired business for the most recent 12-month period prior to acquisition by BRP evaluated based on Quality of Earnings review. Excludes any unowned acquired EBITDA from acquisitions made by such acquired business in the last twelve months prior to the acquisition. ⁽⁴⁾ Based on Quality of Earnings Review. ⁽⁵⁾ Based on AHT management and Reagan Consulting estimates; Specialty Practice Revenues represent management estimates as a % of trailing twelve month total commissions and fees as of July 31 2020 per Quality of Earnings Review; includes pro forma annualized revenue from acquisitions made by AHT in the last twelve months prior to the acquisition

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

Scenario Approximations ⁽¹⁾ <i>Amounts in 000's</i>	Total Consideration ⁽²⁾	Revenue	Implied EBITDA ⁽³⁾	Implied EBITDA Multiple
Announced up-front ⁽⁴⁾	709,640	172,517	54,256	13.1x
5% growth	754,584	200,851	63,167	11.9x
10% growth	786,363	228,081	71,731	11.0x
15% growth	824,299	257,786	81,073	10.2x
25% growth	924,316	325,295	102,305	9.0x

⁽¹⁾ 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. ⁽²⁾ Equity portion of consideration for 2020 Partnerships (excluding Insgroup and AHT Partnerships) based on the fair value of the Company's equity consideration paid as of the closing date of each such Partnerships. Q4 figure includes equity portion of consideration for the Insgroup Partnership valued using the volume weighted average prices for a share of the Company's Class A common stock on the Nasdaq for the 10 days ending on the execution date of the definitive purchase agreement. Insgroup Partnership consideration consists of closing cash of \$100,359,724; 3,857,622 Class B shares; and 87,093 Class A shares. Q4 figure includes equity portion of consideration for the AHT Partnership valued using the volume weighted average price for share of the Company's Class A common stock on the Nasdaq for the 30 days ending on the day prior to the execution date of the definitive purchase agreement. AHT Partnership consideration consists of closing cash of \$190,282,405; and 784,222 Class A shares. ⁽³⁾ The implied EBITDA margin is presented as flat across all growth scenarios, which may not be indicative of actual future performance. ⁽⁴⁾ 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 BRP, 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 BRP, 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 BRP to calculate its Adjusted EBITDA and certain estimated deal-specific cost-savings resulting from acquisition by BRP, 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

2020 Partnerships						
Amounts in 000's	2020					YTD
	Q1	Q2	Q3	Q4		
CONSOLIDATED						
Closed Partnerships ⁽¹⁾	4	5	2	2 ⁽¹⁾		13
Cash/Equity aggregate closing consideration ⁽²⁾	\$ 56,449	\$ 227,418	\$ 6,826	\$ 418,947	\$	709,640
Maximum contingent earnout ⁽³⁾	\$ 16,828	\$ 110,701	\$ 7,240	\$ 173,110	\$	307,879
Annualized acquired revenue ⁽⁴⁾	\$ 30,612	\$ 47,403	\$ 3,668	\$ 90,834	\$	172,517
Annualized estimated acquired adjusted EBITDA ⁽⁵⁾	\$ 5,123	\$ 19,477	\$ 806	\$ 28,850	\$	54,256
Phasing of annualized acquired revenue ⁽⁶⁾	\$ 66,637	\$ 37,248	\$ 33,391	\$ 35,241	\$	172,517

⁽¹⁾ Inclusive of Insgroup Partnership announced 11/5/20; closed on 11/30/20 and AHT Partnership announced and closed 12/1/20

⁽²⁾ Equity portion of consideration for 2020 Partnerships (excluding Insgroup and AHT Partnerships) based on the fair value of the Company's equity consideration paid as of the closing date of each such Partnerships. Q4 figure includes equity portion of consideration for the Insgroup Partnership valued using the volume weighted average prices for a share of the Company's Class A common stock on the Nasdaq for the 10 days ending on the execution date of the definitive purchase agreement. Insgroup Partnership consideration consists of closing cash of \$100,359,724; 3,857,622 Class B shares; and 87,093 Class A shares. Q4 figure includes equity portion of consideration for the AHT Partnership valued using the volume weighted average price for share of the Company's Class A common stock on the Nasdaq for the 30 days ending on the day prior to the execution date of the definitive purchase agreement. AHT Partnership consideration consists of closing cash of \$190,282,405; and 784,222 Class A shares.

⁽³⁾ Q2 figure is inclusive of one uncapped earnout, which has been calculated assuming the Partner grows revenue 50% per year for three consecutive years.

⁽⁴⁾ 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.

⁽⁵⁾ 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.

⁽⁶⁾ Represents the aggregate revenues on a quarterly basis under ASC 606 of Partners acquired during the relevant year 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. Q4 amounts represent 2019 activity of acquired Partners and are not projections of 2020 performance.

Conclusion



Enables



⁽¹⁾ Independent Insurance Broker in U.S.

