

A city skyline at dusk, featuring several tall skyscrapers and a waterfront with a bridge. The scene is overlaid with a large, semi-transparent teal geometric pattern of overlapping triangles and diamonds. The sky is a mix of blue and purple, and the water reflects the city lights.

Partnership Announcement

November 6, 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 Partnership 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 risks and other factors relevant to our completion and integration of this Partnership, matters assessed in our due diligence, the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreements, the risk that necessary regulatory approvals may not be obtained or may be obtained subject to conditions that are not anticipated, the risk that this Partnership will not be consummated in a timely manner, risks related to the disruption of management time from ongoing business operations due to this Partnership, the business, financial condition and results of operations of BRP Group or this Partner, 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 November 5, 2020, BRP announced a new Partnership with Insgroup, Inc. (#87 in Business Insurance's Top 100 Brokers), representing \$38.5mm of annualized acquired revenue⁽¹⁾
- Brings 2020YTD acquired revenue to \$120mm⁽¹⁾
- Cash consideration to be funded with cash on hand from a portion of the net proceeds of BRP's recently executed Term Loan B loan facility
- The Partnership is expected to close November 30, 2020, subject to certain customary closing conditions
- Post announcement, BRP continues to be in a strong financial position:
 - Pro forma unrestricted cash and borrowing capacity: approximately \$590mm⁽²⁾
 - Pro forma net leverage: ~2.4x

Insgroup

- Significantly expands BRP's middle market presence in Texas and specifically Houston, a large and growing market
- Strong track record of growth; +31%⁽³⁾ YoY revenue growth in 2019
- Experienced and well-respected management team with average principal age of 49 compared to industry average of 55⁽⁴⁾

⁽¹⁾ Calculated as revenue attributable to acquired businesses 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 businesses in the last twelve months prior to the acquisitions.

⁽²⁾ Subject to covenant compliance.

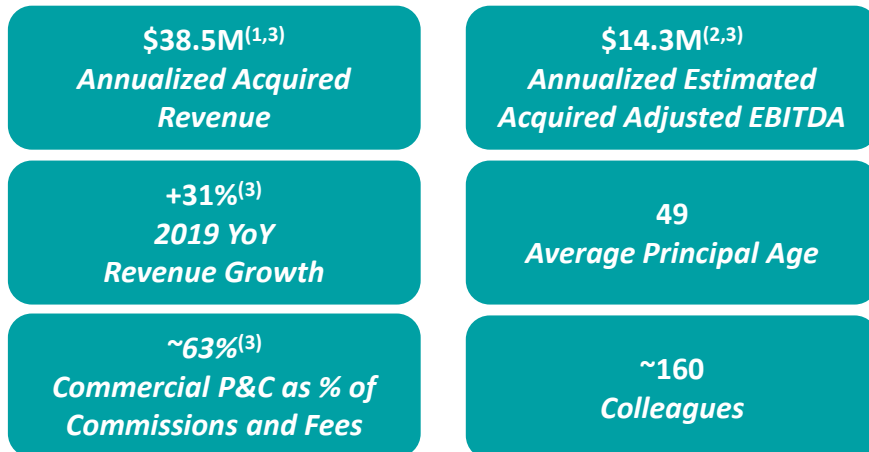
⁽³⁾ Based on Quality of Earnings Review.

⁽⁴⁾ Per MarshBerry analysis.

Insgroup Overview

- Insgroup (#87 in Business Insurance’s Top 100 Brokers) is a Middle Market broker based in Houston, TX, with offices in Houston, Dallas and Austin
- Strong track record of growth (+31%⁽³⁾ revenue growth YoY in 2019)
- Provides BRP a platform in 4th and 5th largest MSAs in the U.S. (Dallas and Houston, respectively)
 - Houston is the fastest growing Top 20 MSA in the country (+19% population growth from 2010-2019 per the US Census Bureau)
 - Further diversifies BRP into high-growth Southwest markets
- Accomplished management team with strong track record of success and long runway for growth (average principal age of 49)
 - CEO Brian Kapiloff named as finalist for Houston Business Journal’s 2020 Most Admired CEOs

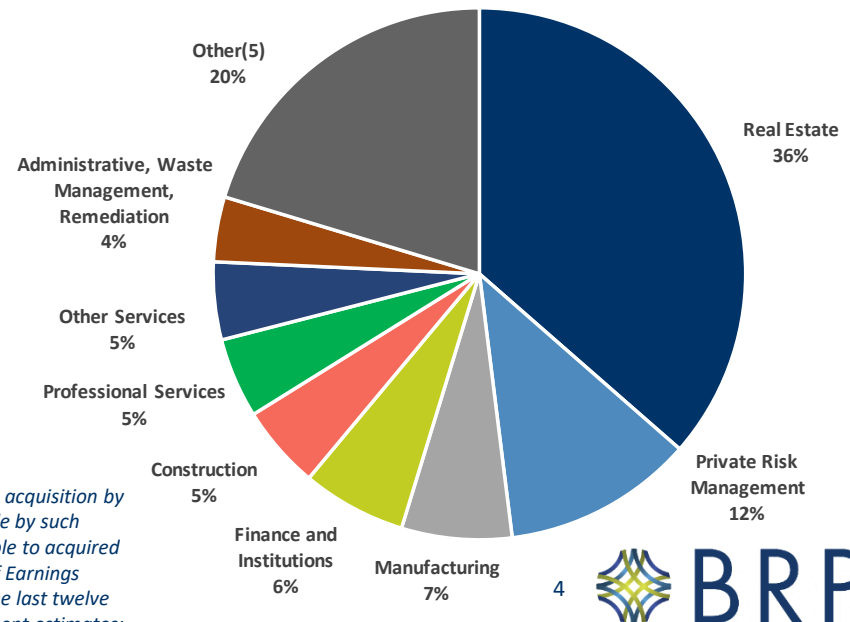
By the Numbers



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

⁽¹⁾ Calculated as revenue attributable to acquired businesses 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 businesses in the last twelve months prior to the acquisitions. ⁽²⁾ Calculated as EBITDA attributable to acquired businesses 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 businesses in the last twelve months prior to the acquisitions. ⁽³⁾ Based on Quality of Earnings Review. ⁽⁴⁾ Based on Insgroup management estimates; industry breakdown is an estimate. ⁽⁵⁾ “Other” industries greater than 2% include: Transportation (3%), Wholesale Trade (3%), Energy & Oilfield Services (3%), Entertainment (2%), Food Services (2%), and Retail Trade (2%)

Commissions and Fees Breakdown⁽⁴⁾



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⁾	\$495,509	\$120,170	\$39,696	12.5x
5% growth	527,851	139,072	45,939	11.5x
10% growth	546,185	160,127	52,895	10.3x
15% growth	569,802	183,255	60,535	9.4x
25% growth	638,439	236,352	78,074	8.2x

⁽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 Partnership) based on the fair value of the BRP equity consideration paid as of the closing date of each such Partnerships. Equity portion of consideration for the Insgroup Partnership valued using the volume weighted average prices for a share of BRP'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, an estimated 3,790,020 Class B shares and an estimated 154,695 Class A shares. The mix of Class A and Class B shares for the Insgroup Partnership is subject to change based on certain shareholder elections made prior to closing, but in no event will Class A shares comprise more than 5% of the total equity consideration. ⁽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					
	Q1	Q2	Q3	Q4	YTD	
CONSOLIDATED						
Closed Partnerships ⁽¹⁾	4	5	2	1 ⁽¹⁾	12	
Cash/Equity aggregate closing consideration ⁽²⁾	\$ 56,449	\$ 227,418	\$ 6,826	\$ 204,816	\$ 495,509	
Maximum contingent earnout ⁽³⁾	\$ 16,828	\$ 110,701	\$ 7,240	\$ 66,123	\$ 200,892	
Annualized acquired revenue ⁽⁴⁾	\$ 30,612	\$ 47,403	\$ 3,668	\$ 38,487	\$ 120,170	
Annualized estimated acquired adjusted EBITDA ⁽⁵⁾	\$ 5,123	\$ 19,477	\$ 806	\$ 14,290	\$ 39,696	
Phasing of annualized acquired revenue ⁽⁶⁾	\$ 47,896	\$ 25,889	\$ 21,508	\$ 24,877	\$ 120,170	

⁽¹⁾ Ingroup partnership announced 11/5/20; expected to close on 11/30/20 (subject to customary closing conditions)

⁽²⁾ Equity portion of consideration for 2020 Partnerships (excluding Ingroup Partnership) based on the fair value of the BRP equity consideration paid as of the closing date of each such Partnerships. Q4 figure includes equity portion of consideration for the Ingroup Partnership valued using the volume weighted average prices for a share of BRP's Class A common stock on the Nasdaq for the 10 days ending on the execution date of the definitive purchase agreement. Ingroup Partnership consideration consists of closing cash of \$100,359,724, an estimated 3,790,020 Class B shares and an estimated 154,695 Class A shares. The mix of Class A and Class B shares for the Ingroup Partnership is subject to change based on certain shareholder elections made prior to closing, but in no event will Class A shares comprise more than 5% of the total equity consideration.

⁽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 BRP, 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 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.

⁽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 BRP, in each case, at the time the due diligence was concluded based on a quality of earnings review and not an audit. Q3 and Q4 amounts represent 2019 activity of acquired Partners and are not projections of 2020 performance.

Conclusion



Enables



⁽¹⁾ Independent Insurance Broker in U.S.

