



FUTURE OF THE INDUSTRY AND KEY TRENDS OF THE MARKETPLACE

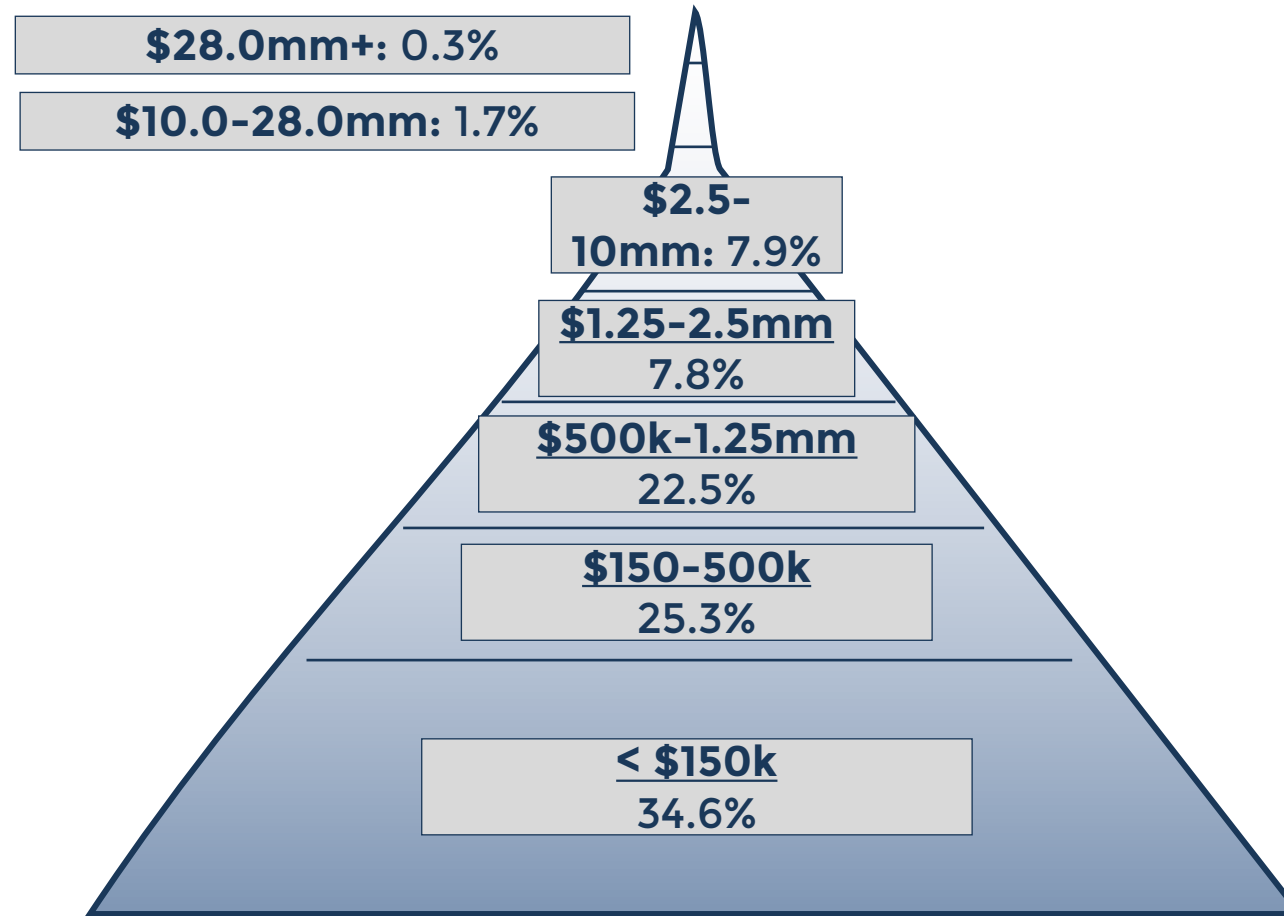
HARRISON BROOKS

October 6, 2021



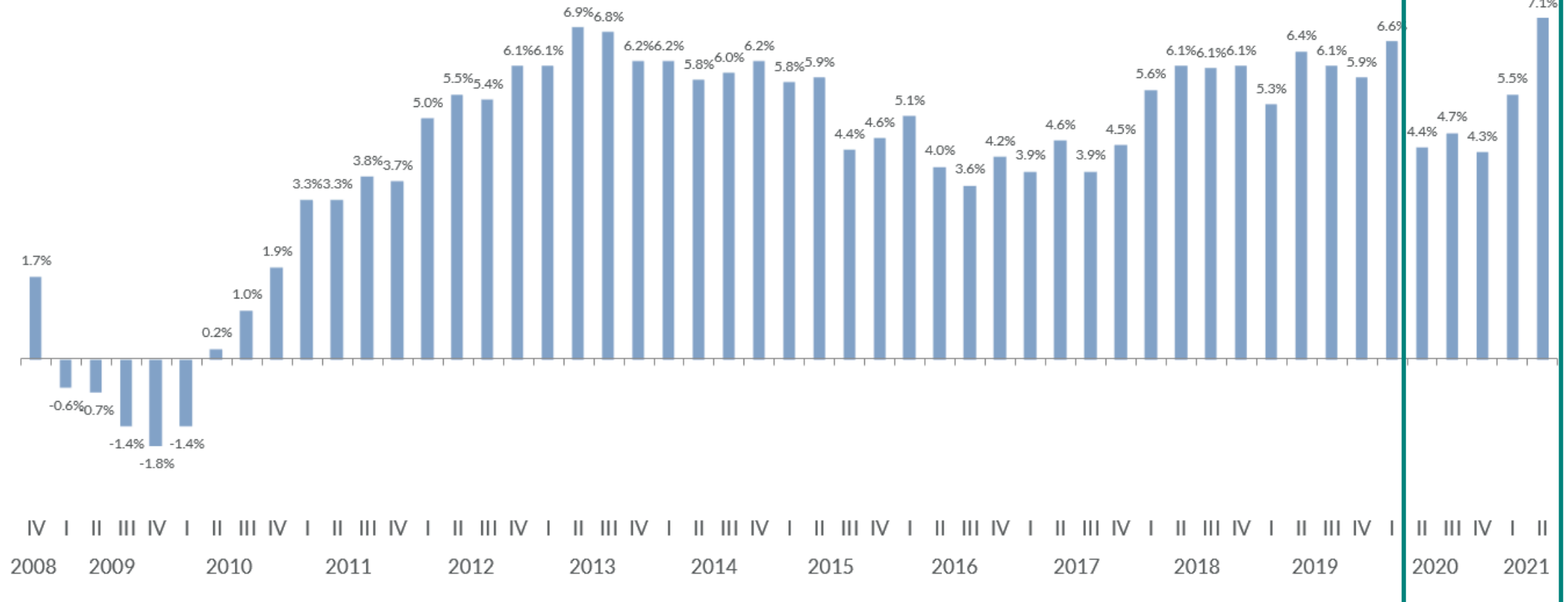
35,000

STRATIFICATION OF U.S. AGENCY UNIVERSE



HISTORICAL ORGANIC GROWTH

Quarterly Organic Growth – Total Agency Median

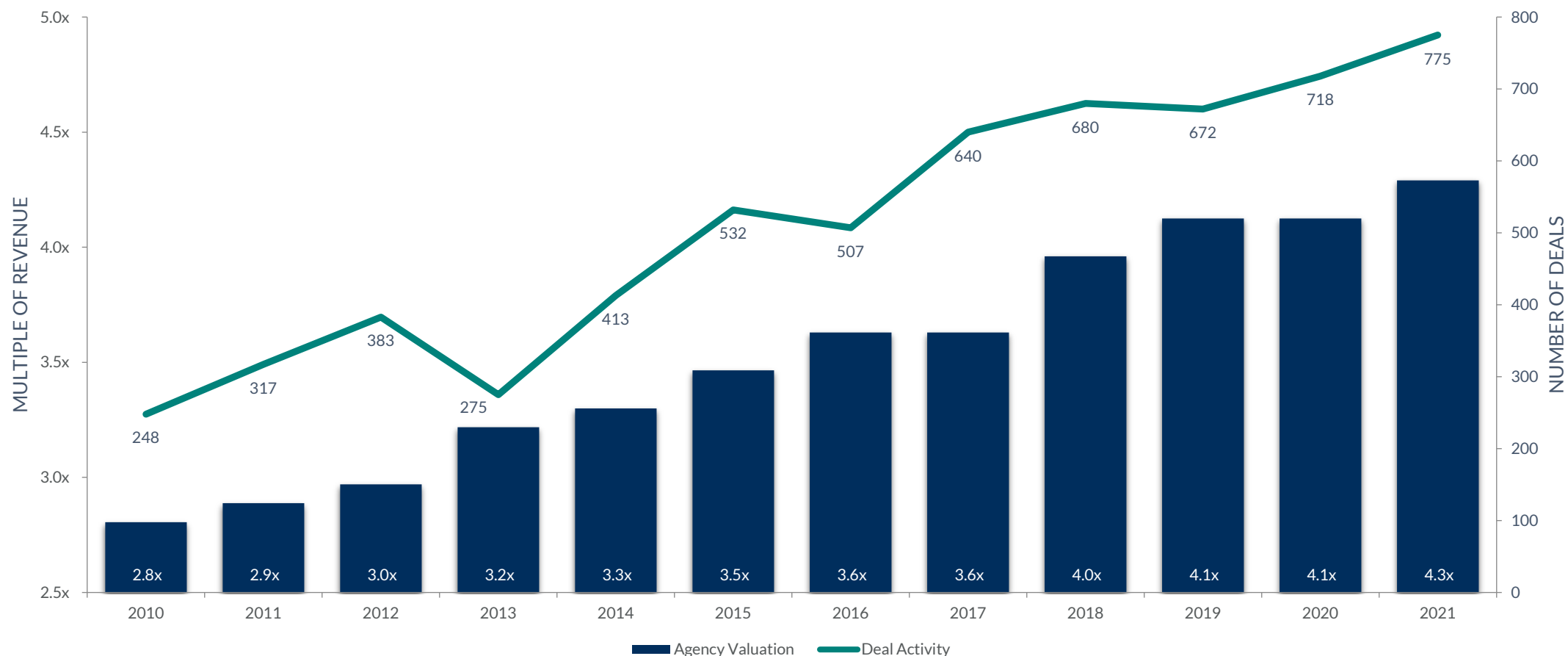


COVID

Source: Reagan's Growth & Profitability Survey, Q4 2008 to present

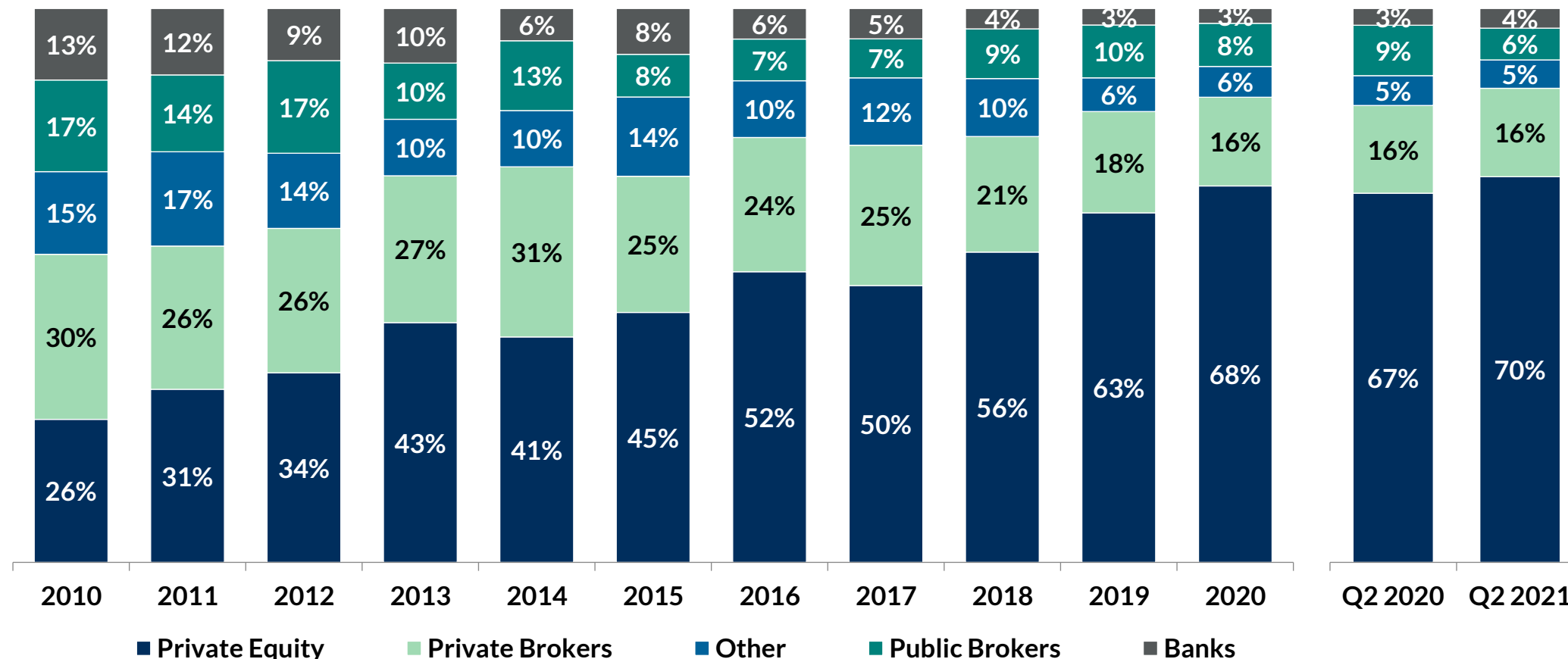


RECENT DEAL ACTIVITY BY THE NUMBERS



Source: Deal volume from S&P Global Market Intelligence. Valuations for quality \$3-\$6 million brokers at an assumed 33% EBITDA margin (i.e. pre-tax profit margin).

INORGANIC GROWTH LEADERS



Source: SNL Financial as of June 30, 2021 (based on Announcement Date). Includes whole company, franchise and asset sales.



WHY THE RUSH TO CONSOLIDATE?

**SCALE AND
RESOURCES**

COVID

TAXES

**VALUATION
GAP**

**LACK OF
NEXT-GEN
LEADERSHIP**



PERSONNEL METRICS

Average WASA:

53.4

Average WAPA:

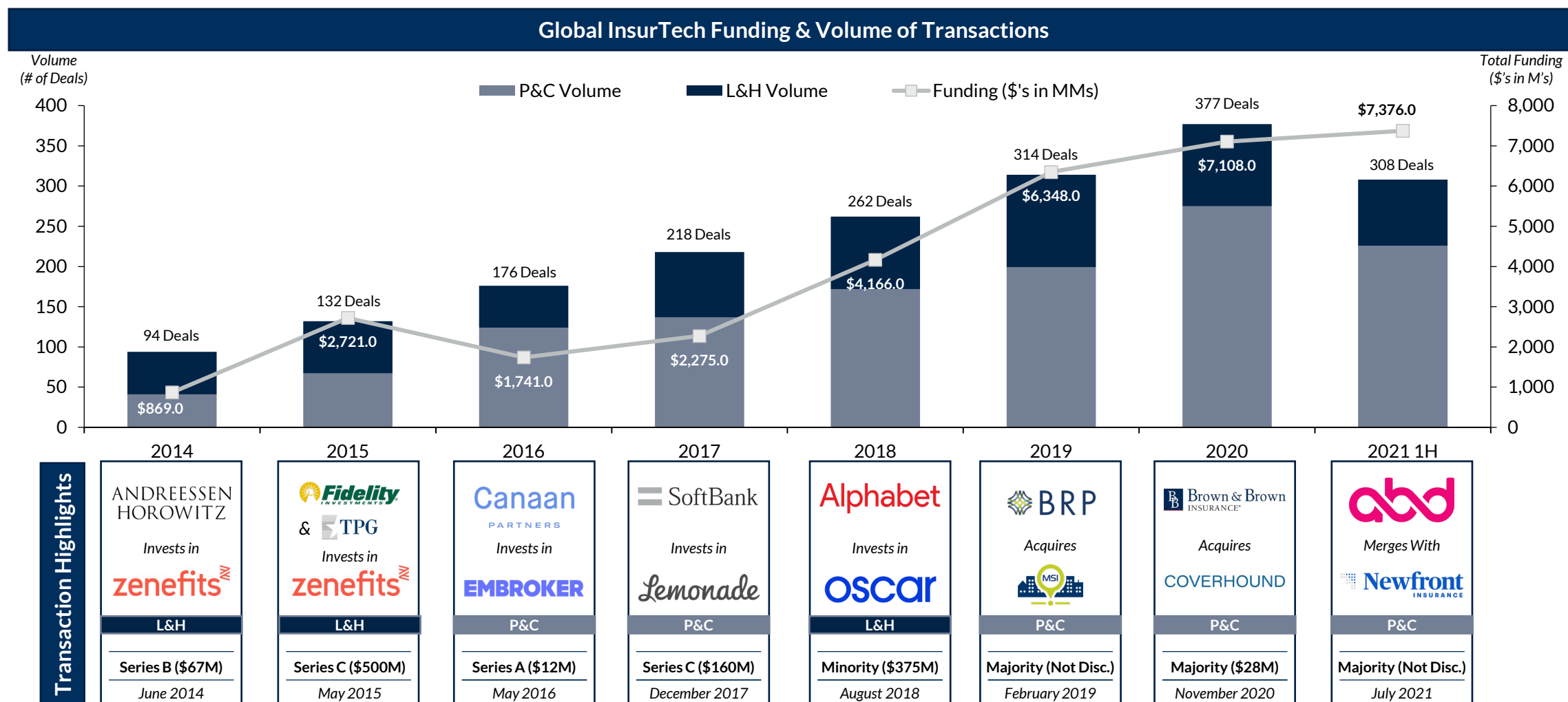
49.6

Median service staff age:

45

Sources: 2021 Best Practices Study for WASA and WAPA; Reagan Value Index for Average service staff age

RECENT FUNDING / INVESTMENT



Source: Crunchbase, Company Investor Relations & Press Releases, Willis Towers Watson.

EXECUTIVE SUMMARY & ACTION ITEMS



Enablement Not Disruption



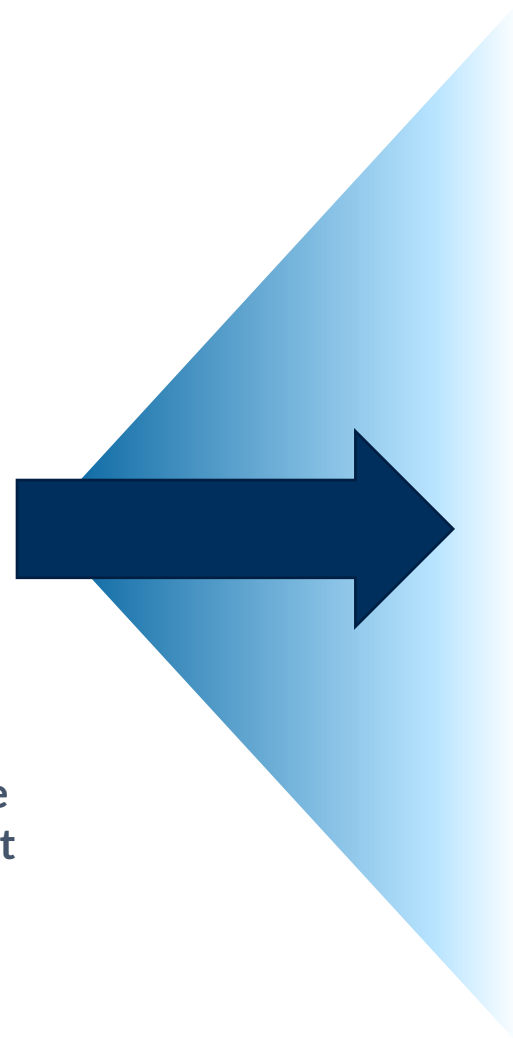
Tech-Enabled Firms Will Succeed



Separate Smoke From the Noise



Dynamic Customer Needs Will Drive
Innovation for Back Office and Client
Service



Hire Leadership



Start With Areas to Improve



Collaborate



Evaluate Carriers Through a Lens

THE FUTURE OF THE INDEPENDENT BROKERAGE INDUSTRY



**5 Key Action Items To Win
in Today and Tomorrow's
Marketplace**



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