M&A WORKSHOP

AGENCY FOCUS

BroadStreet Partners

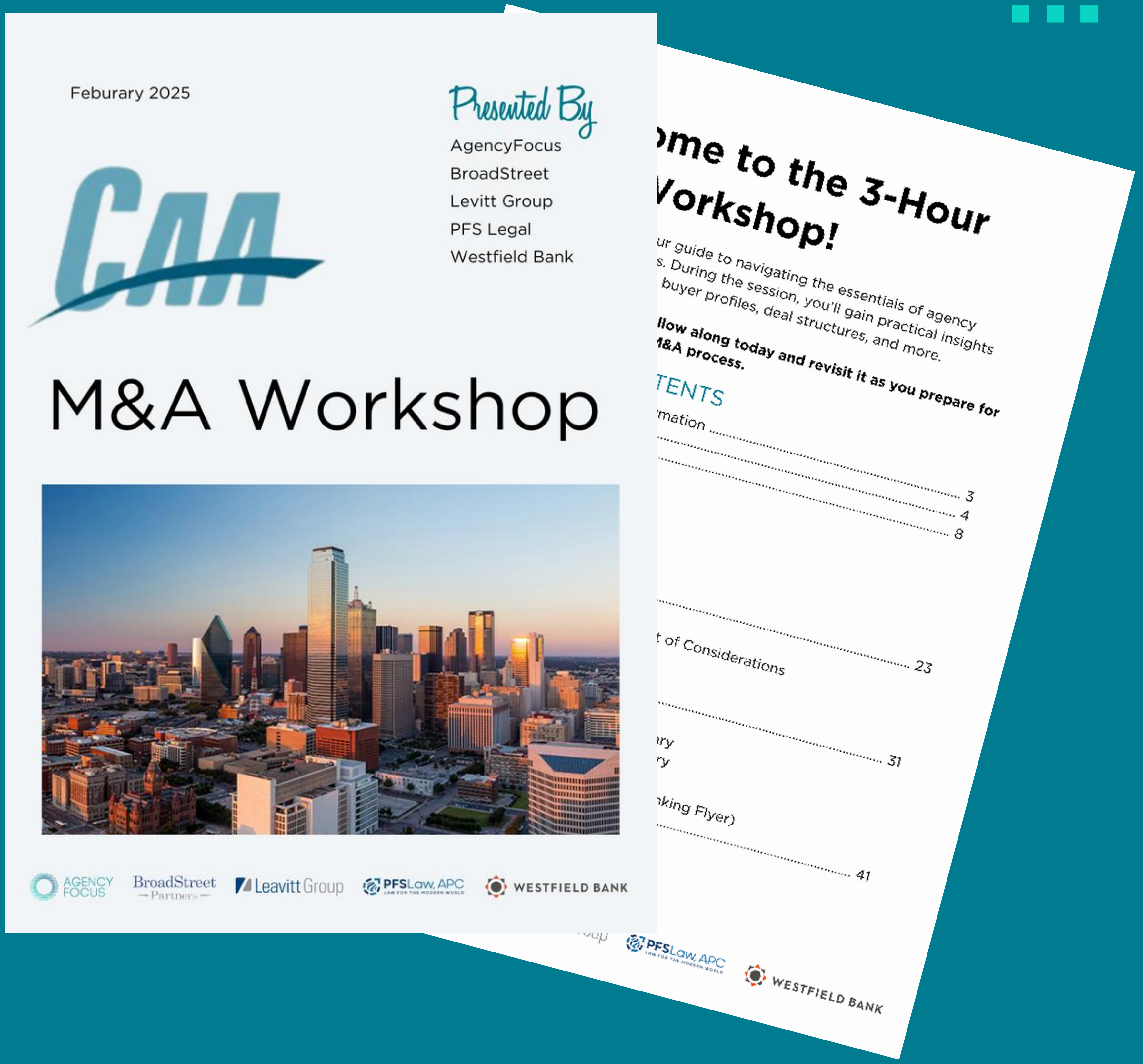
Leavitt Group

PFSLaw, APC
LAW FOR THE MODERN WORLD

WESTFIELD BANK

Download the M&A Workbook

- Valuation Guide
- Buyers Overview
- Banking Guide
- Legal Guide



M&A Workshop Panelists

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M&A Taskforce

Tom Carlton
Elliott Insurance

Chad Fuqua
Fuqua Insurance

Michael Pertzborn
Stille Pierce &
Pertzborn

Kyle Becker
Smart Insurance

Aaron Hoffman
Conexus Insurance
Partners

Mary Katherine
Henderson
Cross Pointe
Insurance Advisors

Phillip Quintanilla
Walthall Sachse &
Pipes, Inc.

CAA By the Numbers

Lost Members Since 2021

PORTER INSURANCE

BKCW

PURIFOY & COMPANY INSURANCE

MKO

BBA Insurance

AARS & NELSON INSURANCE AGENCY L.P.

HENRY NORRIS AGENCY NORRIS EST. 1948 NORRIS FINANCIAL SERVICES

McCorkle INSURANCE AGENCY

GBMB INSURANCE

JHC

BENTON-LUTTRELL INSURANCE SINCE 1890

SINCE 1923 THE SINNOTT AGENCY, INC. INSURANCE · FINANCIAL SERVICES

PINNACLE INSURANCE GROUP, INC.

WEATHERBY EISENRICH INSURANCE

Connell Insurance Agents of Change

BARNARD INSURANCE GROUP

THE ARROW GROUP

NTX Insurance Group, Inc.

CAA By the Numbers

Lost Dues

$228,733

Lost Premium

$178,775,377

SESSION 1

M&A Overview Fireside Chat

PRESENTERS:

Mike Strakhov

WESTFIELD BANK

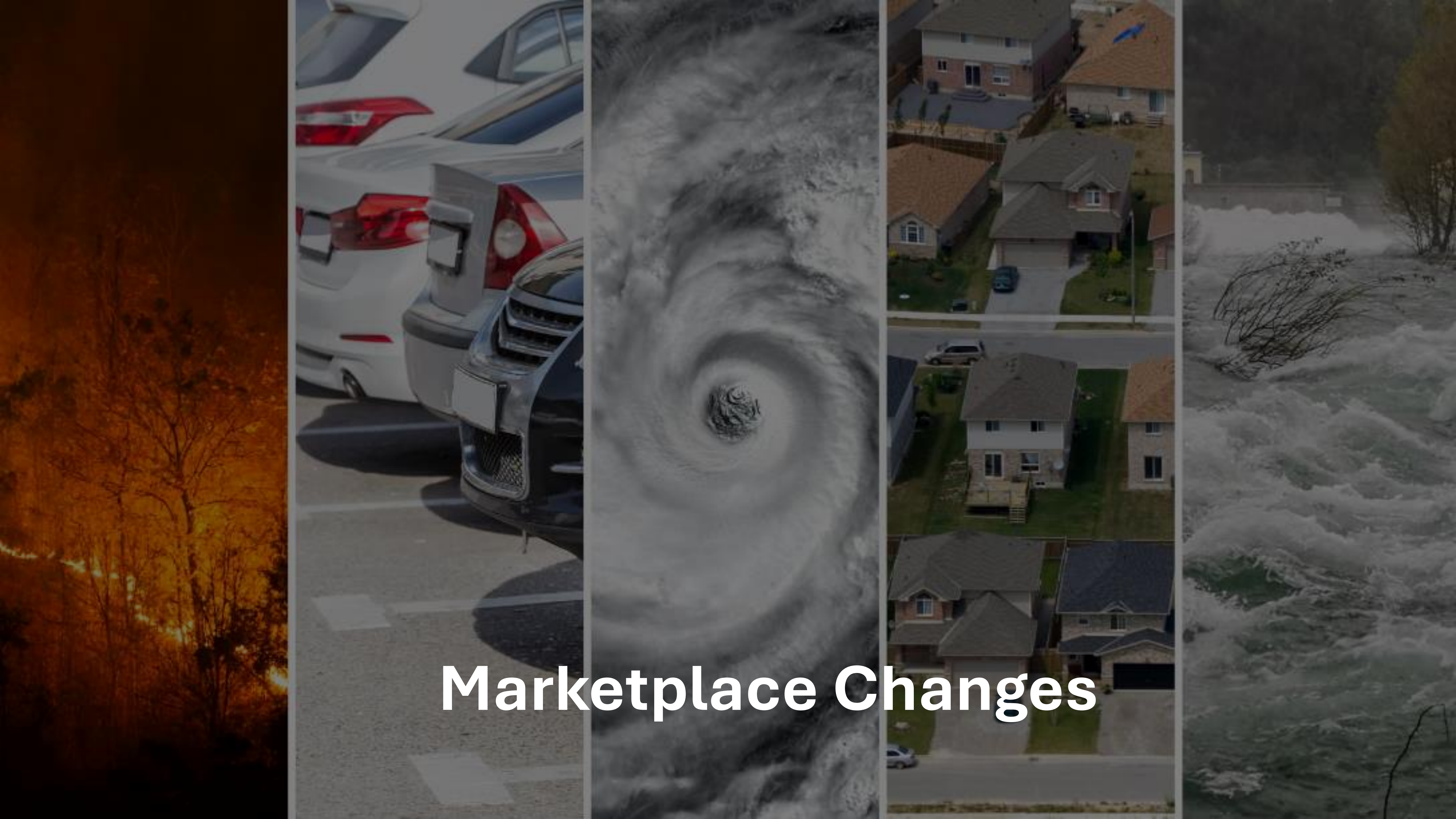
Carey Wallace

AGENCY FOCUS

David Foate

PFSLaw, APC
LAW FOR THE MODERN WORLD

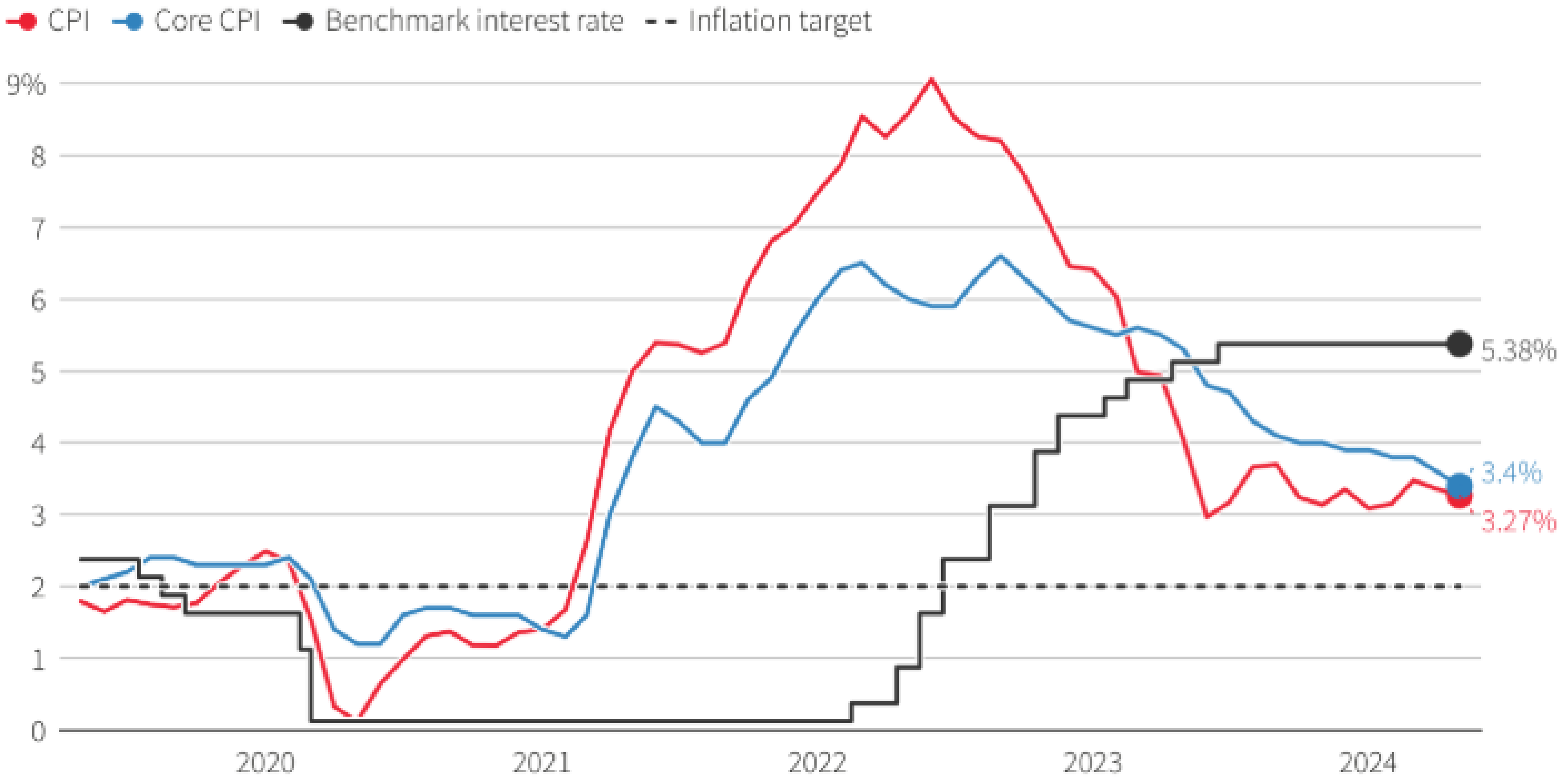
Marketplace Changes



Interest Rates & Inflation

US inflation and interest rates

Benchmark interest rate and year-on-year change in CPI inflation



The benchmark interest rate is the midpoint of the federal funds target rate. Published June 12, 2024 at 12:32 PM GMT
Sources: Bureau of Labor Statistics, LSEG

Reuters Graphics

WESTFIELD BANK

Acquisition Trends – Deal Volume – Announce Deals

2024 Agency Universe Study Findings:

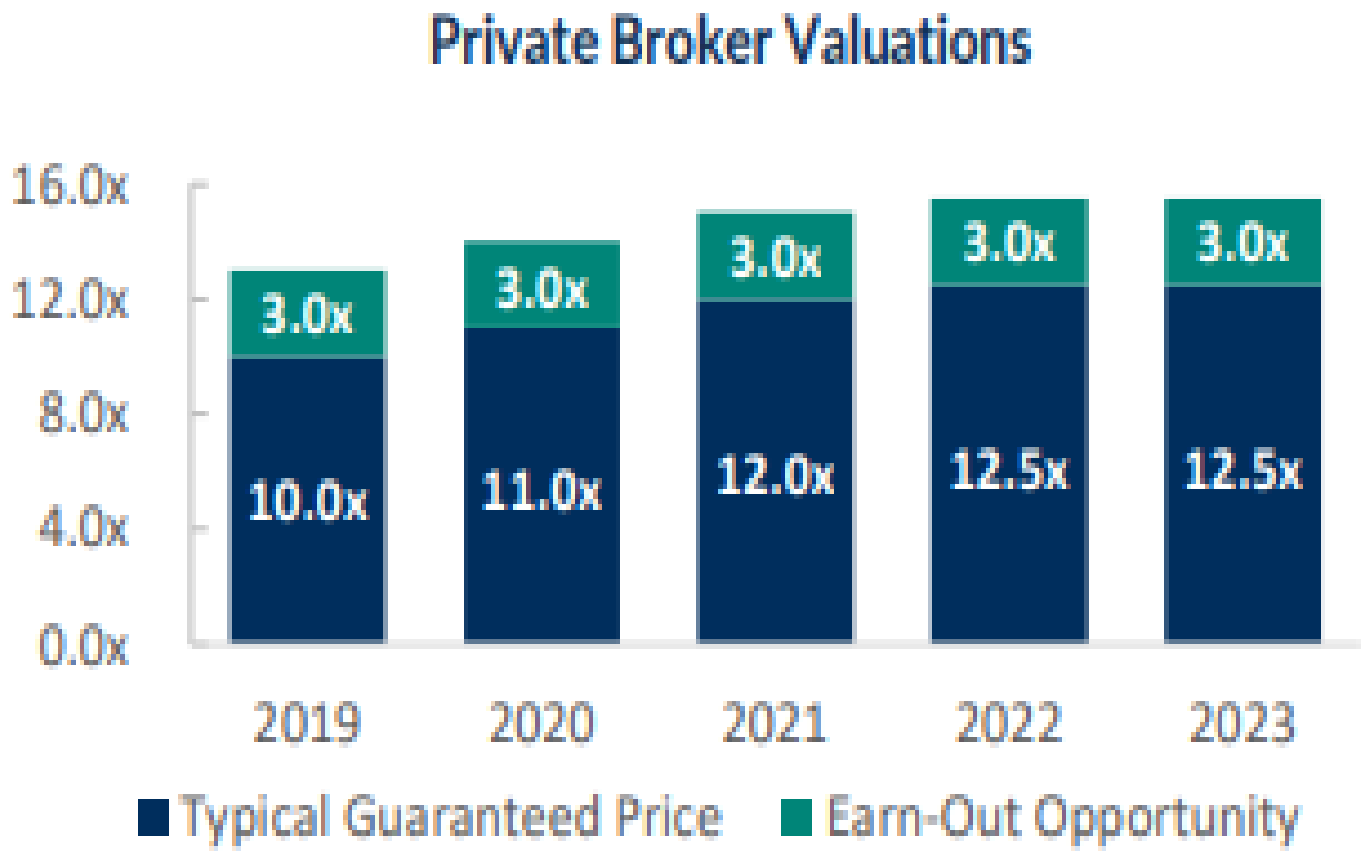
- Reduction in the overall number of agencies in the US from 40,000 (2022) to 39,000 (2024)
- 1 in 3 agency owners expecting an ownership change in the next five years

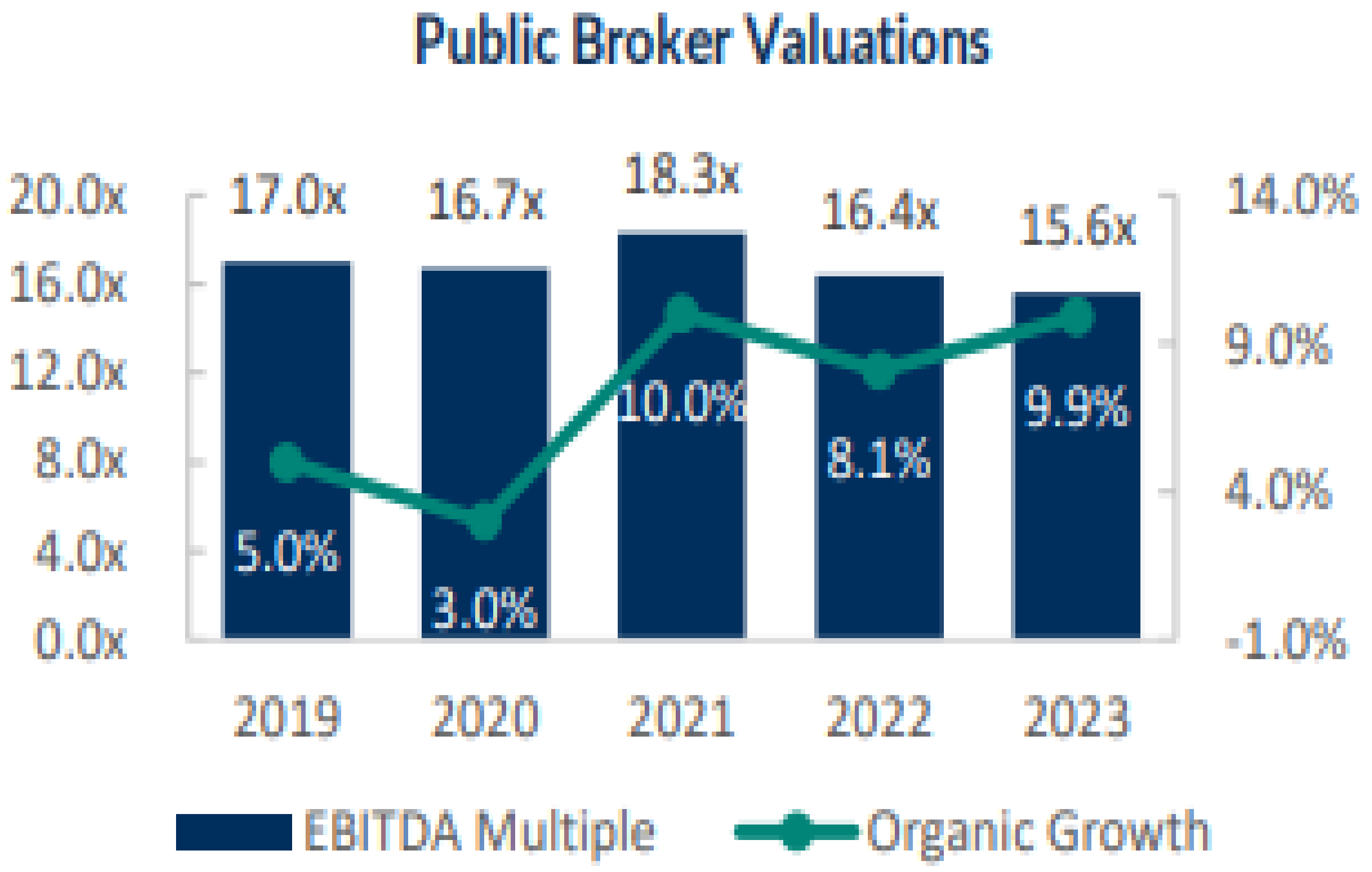
Reagan Consulting Winter 2024 Reagan Market Update

WESTFIELD BANK

What is your Prediction for 2025?

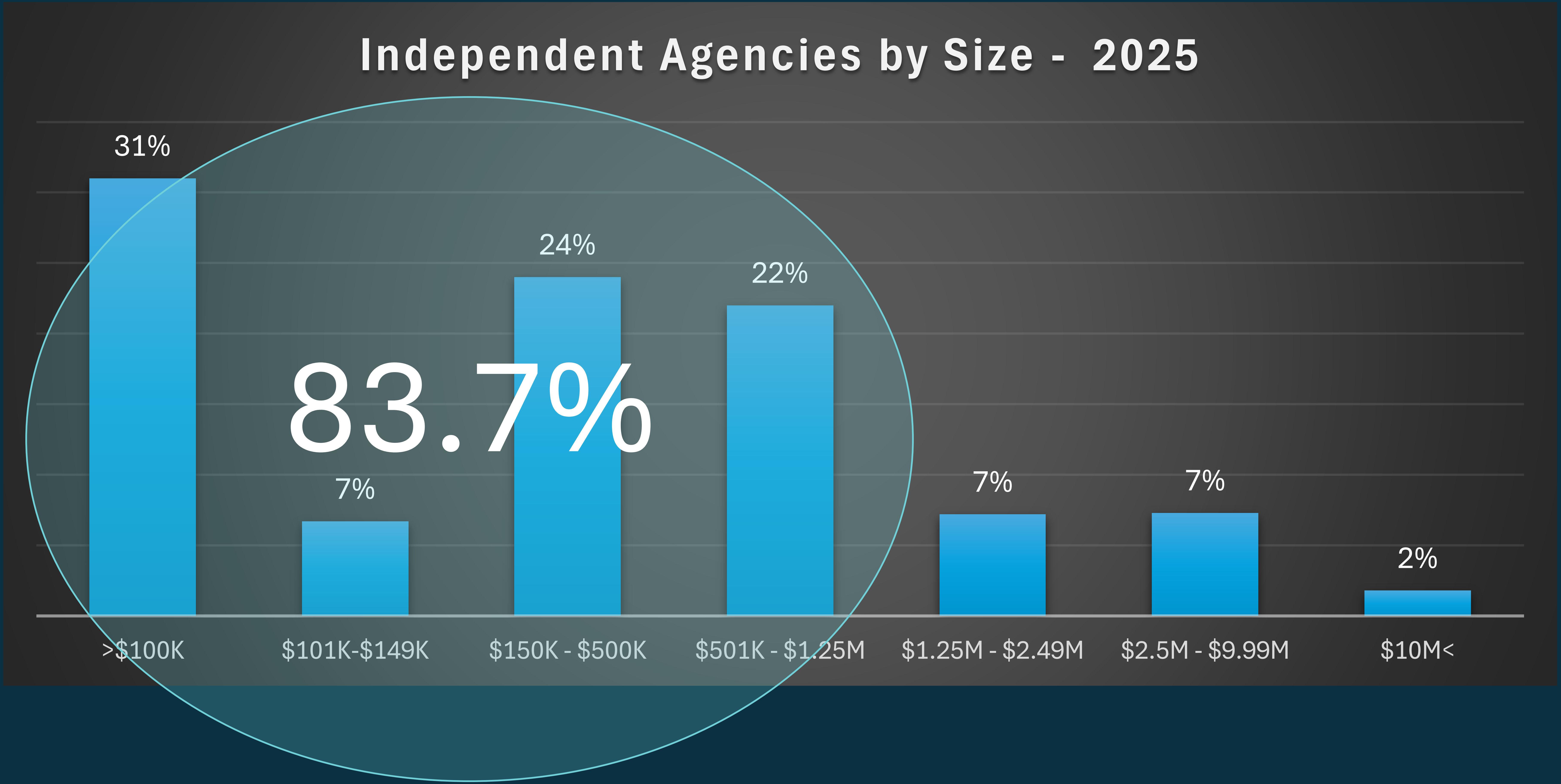
Acquisition Trends – Multiples – Announce Deals





** Includes AON, AJG, BRO, MMC, WTW. Sources: Public Broker SEC Filings, Reagan Consulting analysis, S&P Global and market data.*

Reagan Consulting Winter 2024 Reagan Market Update


Independent Agencies by Size - 2025
31%
7%
24%
22%
7%
7%
2%
83.7%
>$100K
$101K-$149K
$150K - $500K
$501K - $1.25M
$1.25M - $2.49M
$2.5M - $9.99M
$10M<

What about the multiples on an internal transition or when a bank loan is involved…

What do those multiples look like?

Additional Resource: Valuation Drivers, Calculating EBITDA & Valuation Overview

What are some of the **biggest factors** that influence an agency's valuation?

Additional Resource: Valuation Drivers, Calculating EBITDA & Valuation Overview

How do Producer and Employee Agreements impact M&A deals?

Additional Resource: Legal section – 1099 vs Employee Producer Agreements

CAA By the Numbers

81

Members

41

Multiple Owners

What percentage of CAA Members do NOT have a perpetuation plan in place?

Additional Resource: Perpetuation Checklist

CAA Members

45.6%

no perpetuation plan in place

Additional Resource: Perpetuation Checklist

30-40% of CAA Members have acquired in the past 3 years.

How can an agency owner best prepare to become a competitive buyer?

Additional Resource: Bank Section – Personal Financial Statement


BroadStreet
Partners
CAA
Combined Agents of America

ABOUT BROADSTREET

A national leader in Insurance Brokerage.

BroadStreet Partners is an insurance brokerage holding company headquartered in Columbus, Ohio. We invest in select, entrepreneurial, high-performing independent agencies that are seeking support for continued growth and a solution for ownership succession.

25

At BroadStreet we use a unique co-ownership model that provides ownership opportunities for more than 800 agency professionals. Our culture of ownership creates opportunities for our leaders to fully participate in the financial rewards of their hard work.

BROADSTREET PARTNERS

30 Core Partners

$2.1B+ in Total Annual Revenue

$16B+ in Annual Premium

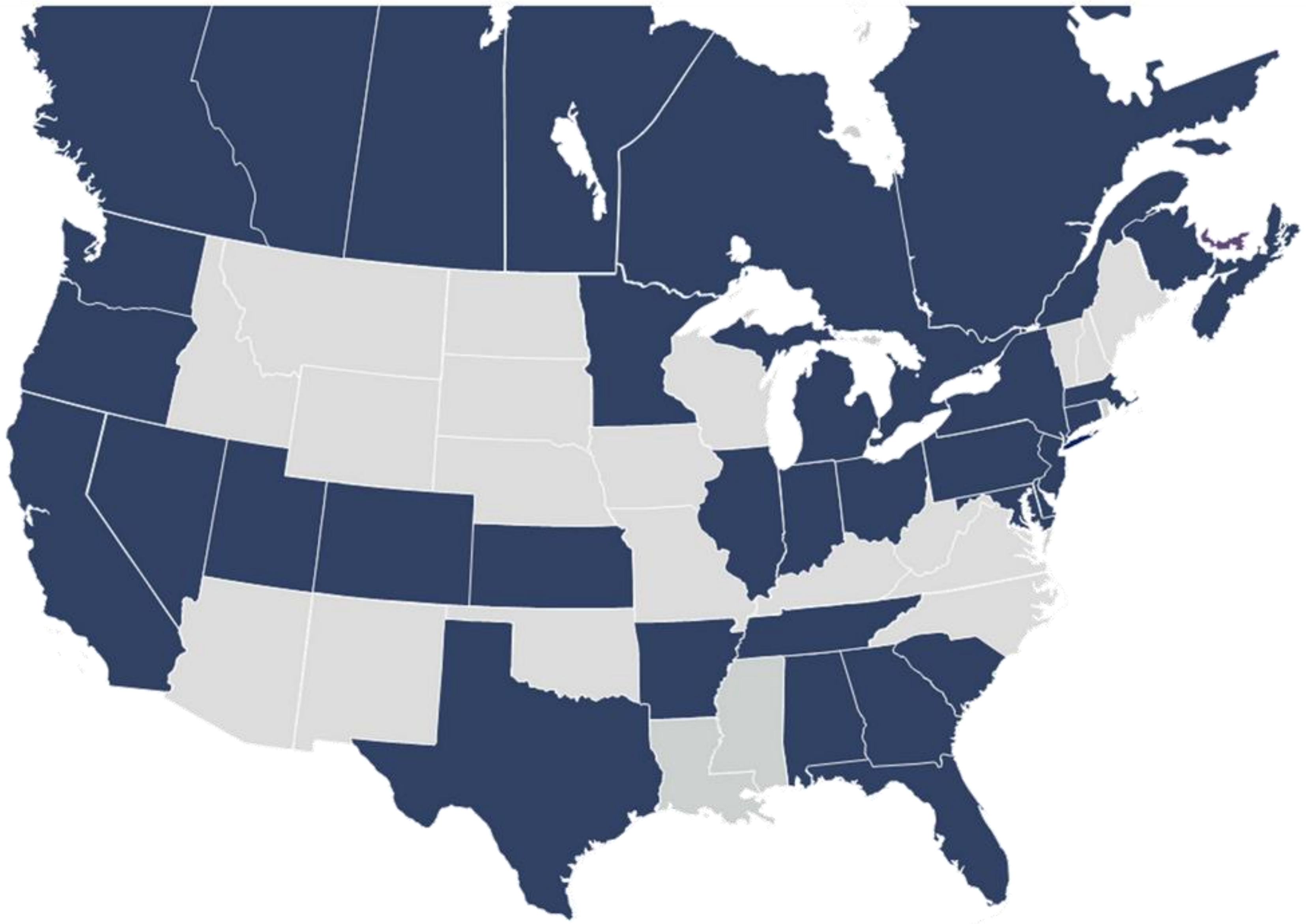
27% Compounded Annual Growth Rate

575+ Tuck In Acquisitions

9,100 Colleagues

800+ Equity Holders

Top 15 National Broker



COMPETITIVE ADVANTAGES OF THE CORE PARTNERSHIP MODEL

CONTROL YOUR AGENCY'S LEGACY

As an owner, you never surrender the reputation that you and your colleagues have developed, and your legacy remains intact

RETAIN THE HIGH PERFORMANCE CULTURE OF OWNERSHIP

You and your leadership team maintain your successful operating model and continue to reap the benefits of your hard work

YOU PARTICIPATE IN THE UPSIDE OF VALUE CREATION

As the agency grows and multiples expand, management owners get their share of the growth in the agency's value

YOU DIRECT SUCCESSION AND OWNERSHIP PERPETUATION

You hand-pick, develop, and control the installation of your agency's next generation of leaders

YOUR EQUITY IS ALWAYS LIQUID

Your ownership is liquid; BroadStreet will make a market for your ownership when you decide to perpetuate or exit.

OWNERSHIP: SCALE, CAPITAL & EXPERTISE

Co-Ownership is ideal for those looking to customize a partnership that fits your strategic objectives, while maintaining **ownership** and **operational control**

OWNERSHIP VALUE

800+ Equity Owners
Quarterly Distributions
Succession Financing
National Resources, Local Value Creation
Access to High Performing Agencies Monthly Benchmarking Data

MERGERS & ACQUISITIONS

Access to $2.5B+ Credit Facility
M&A Deal Support in Finance, Valuation, Legal, Due Diligence, Tuck-in Lead Sourcing

VALUE ADD INVESTMENTS

Data & Analytics
Robotic (bots) Process Automation
Sales Culture and Collaboration
Subsidized Technology Investments
Technology Collaboration (Core Tech Innovation Group)

COLLABORATION & SCALE INVESTMENTS

CEO/CFO Peer Network
Best Practices Meetings (i.e. EB Summit)
Thought Leadership
Product Expertise
Co-Brokering (BroadStreet National Platform)

EXPANSION THROUGH ACQUISITION

TUCK-IN ACQUISITON SUPPORT MODEL

CORE PARTNER VALUE

BroadStreet provides access to capital for tuck-in acquisitions and a team of seasoned legal, financial and transaction experts to energize and accelerate an accretive tuck-in acquisition strategy

BroadStreet has developed a consistent process for tuck-in acquisitions from the first steps of developing an LOI through closing

Partners receive guidance related to BroadStreet's processes, typical LOI terms, negotiating points, pro forma development, valuation considerations, deal structure, templates, information collection, NDAs, due diligence checklists and sample contracts

RESOURCES

- Tuck-in lead generation and sourcing
- Guidance in negotiating terms
- Valuation and pro forma development
- Assistance with due diligence
- Contract drafting and templates
- Easy access to financing for down payments and earnout payments
- Cross-Core M&A Best Practices Collaboration

BENEFITS

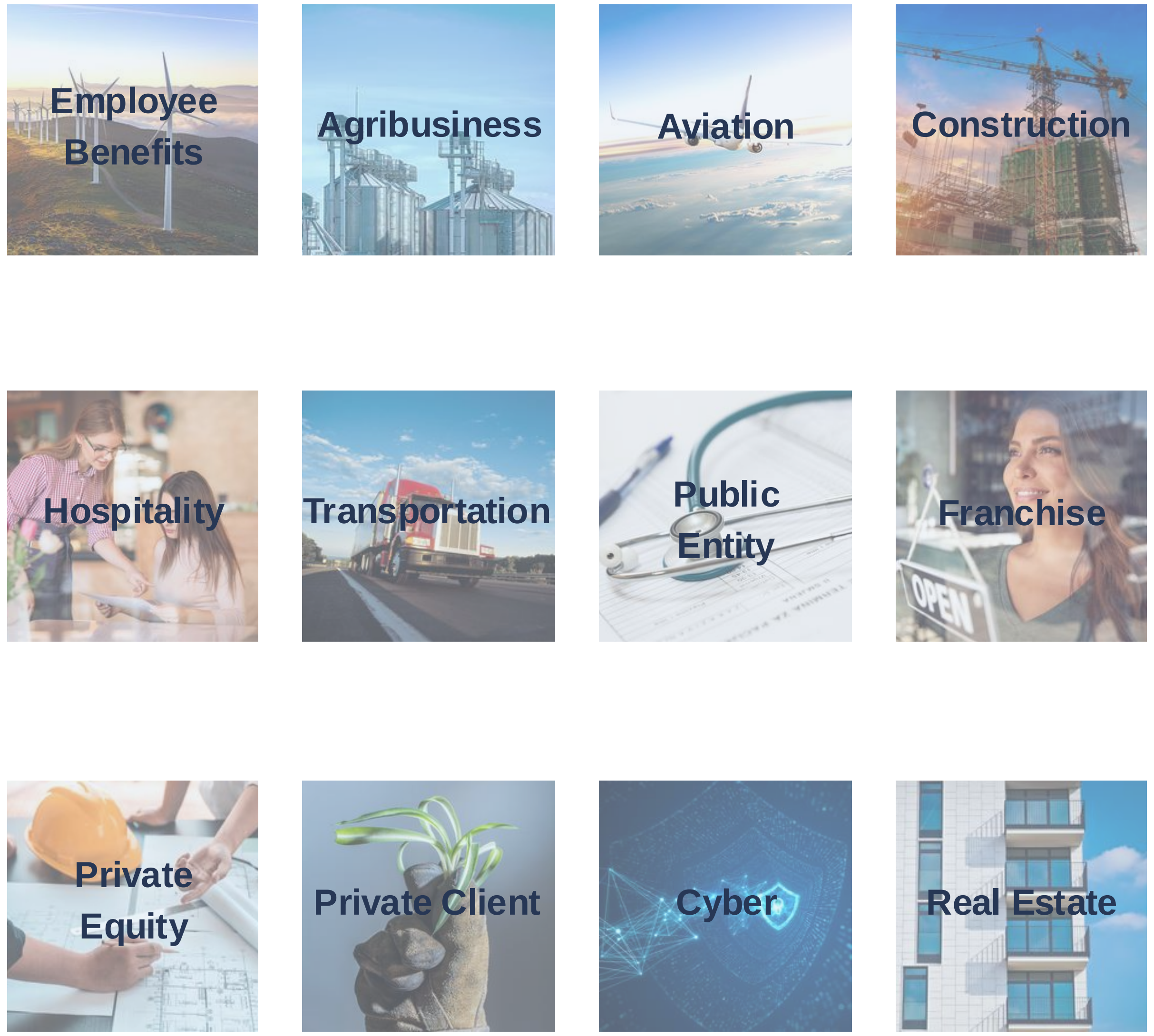
- Accelerate the growth in the value of your equity
- Develop a reputation as a reliable succession partner in your regional community
- Build a new source of agency revenue growth around acquisitions
- Quickly build operational scale
- Develop producer, management and ownership succession

VALUE ADDED RESOURCES

RESOURCE GROUP COLLABORATION

Industry Access & Information Sharing

Drive insights across industries to capitalize on trends and strengthen/expand commercial offerings



Functional Group Collaboration

Facilitate best practices discussions among agency professionals in related functional groups

- Legal
- Claims
- E & O
- Carrier Marketing
- M & A
- IT Operations
- Agency Management Systems
- Non-validated Producer Development
- Human Resources
- Robotics Process Automation
- Digital Marketing

VALUE ADDED RESOURCES

MARKET ACCESS AND CARRIER COMPENSATION

Market/Product Support

Fuel continued growth by providing market access, capacity, and preferred relationships

- Privileged relationships with strategic carriers to drive better client outcomes, improved/exclusive product, and reliable/fair compensation
- Strategic wholesale relationships that provide sales support, specialty resources, and industry leading client solutions
- Structured solutions within existing partners and capital support to build and grow new solutions

Market Partnerships

Wholesalers, P&C Carriers and Employee Benefit Markets

THERE'S A CERTAIN TYPE OF ENTREPRENEUR THAT FITS THE BROADSTREET MODEL: IT'S THE LEADER WHO IS NOT DONE YET — NOT DONE LEADING, NOT DONE GROWING, NOT DONE BUILDING, AND NOT DONE WORKING.

- RICK MILEY, FOUNDER AND CHAIRMAN

Leavitt Group

History of Leavitt Group

1952
Dixie Leavitt opens an insurance agency in Cedar City, Utah, with no clients and only one company appointment.

1959
Dixie and his brother Bert Leavitt incorporate Leavitt Insurance Agency in Las Vegas, Nevada. Dixie owned 60% of the agency and Bert owned 40%.

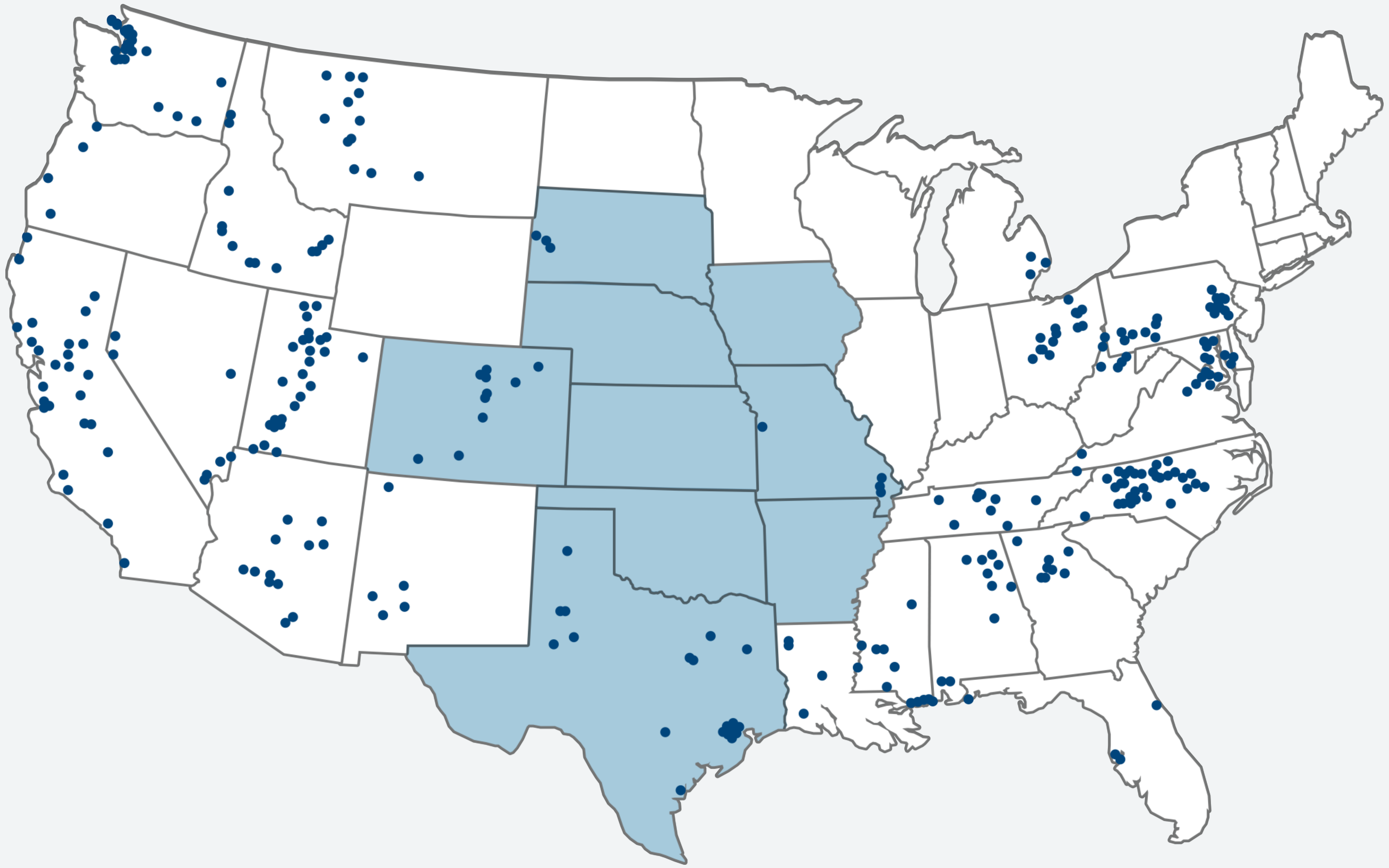
1960 - 1970
Dixie and various co-owners continue to create and invest in other agencies, mirroring the 60-40 arrangement Dixie had originally made with Bert.

1978
Leavitt Group Agency Association, Inc. (LGAA) is created to allow multi-agency strength to combine with that of individual agency autonomy.

1989
Leavitt Group consists of 29 affiliated agencies in Utah, Nevada, and Arizona, with revenues at $8 million.

TODAY
Leavitt Group is one of the largest insurance brokerages in the nation with more than 85 agencies and over 250 locations nationwide.

National Strength. Local Trust.



85 Agencies with 250+ Locations

In 27 states

$500 million

In consolidated revenue

$4.1 billion

In placed premiums

Leavitt Group Enterprise's mission is to build, serve, and perpetuate independent insurance

Leavitt Group Advantage

Among the largest privately held brokerages in the nation

Local market solutions

Local managing co-owners

Family owned and locally operated

Perpetuation and growth by acquisition

Benefits to Agency Owners

ORGANIC GROWTH

PROFITABILITY

WEALTH CREATION

ACQUISITION GROWTH

STRATEGIC FOCUS

PERPETUATION

Services Provided to All Leavitt Group Affiliates

Thanks for your time!

Kevin Callister

Chief Affiliations Officer

Jake Jensen

Executive Vice President – Affiliation Development

Leavitt Group

Here to Help When You Need Us

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