



Cassel Salpeter & Co.

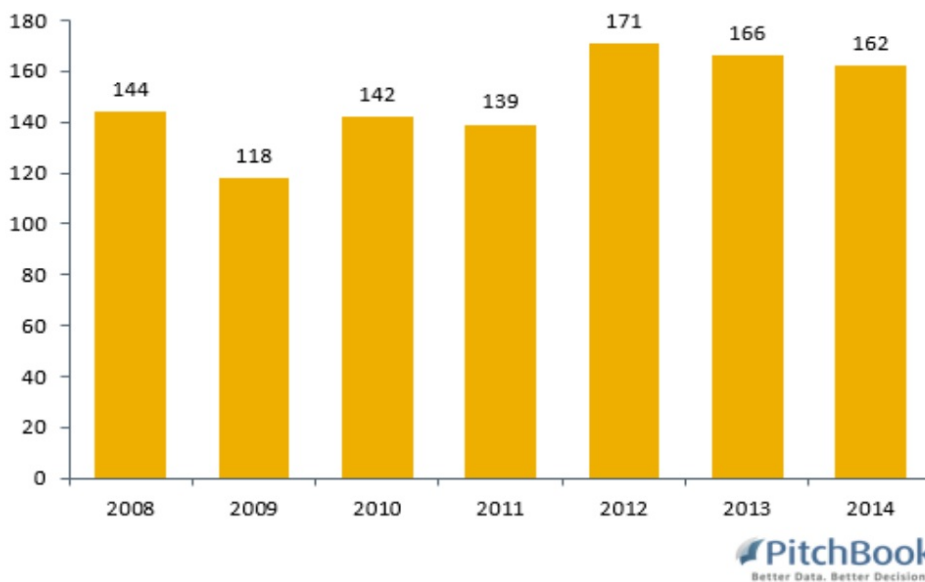
INVESTMENT BANKING

A VIEW OF FLORIDA: 2014 PRIVATE EQUITY DEAL REPORT

INTRODUCTION

This infographic report and all associated charts, prepared by Cassel Salpeter & Co. with data from PitchBook Data as of December 31, 2014, provides a top-level examination of private equity activity in Florida. It offers in-depth insight and data-driven analysis of the state's PE trends, with a focus on deal flow activity. This report includes all PE investments (including buyout, add-on, growth, PIPE, and recapitalization), excluding real estate investments, made into target companies with headquarters in Florida.

FLORIDA PE DEAL FLOW BY YEAR



"2014 was another big year for PE deal flow despite high valuations and strong competition from strategics."



James Cassel
Chairman & Co-Founder

2014 was another big year for private equity (PE) deal flow. Although a slight decrease of 2.4% from 2013, 2014 Florida PE deal flow remained strong for the third year in a row, despite high valuations and strong competition from strategic buyers.

FLORIDA PE DEAL FLOW BY QUARTER

Q&A

James Cassel



57

51

48

& Scott Salpeter

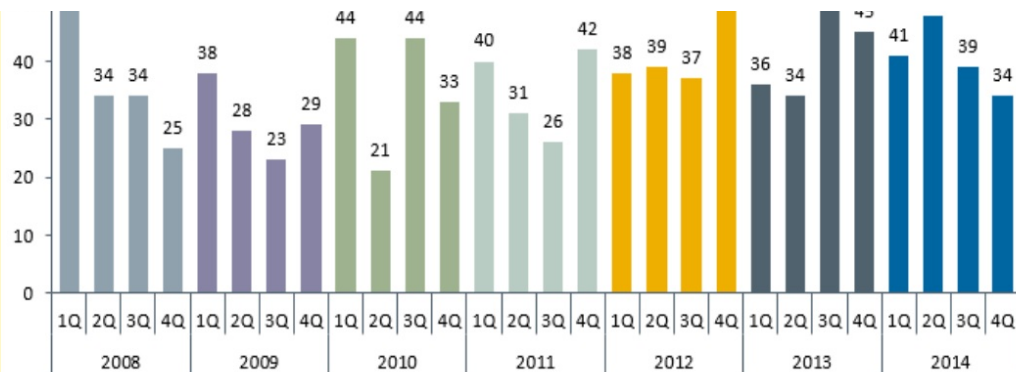
Cassel Salpeter & Co.'s Co-Founders, James Cassel and Scott Salpeter, have more than 50 years of investment banking experience.

Q: 2014 was another big year for deal-making; what are your big takeaways from the past year?

A: James Cassel commented, "The big headline and driver in 2014 M&A was low interest rates and access to capital. This enabled PE firms and strategic buyers to pay healthy and fulsome prices for the right deal."

Q: How do you see the first half of 2015 shaping up, from a deal-making perspective?

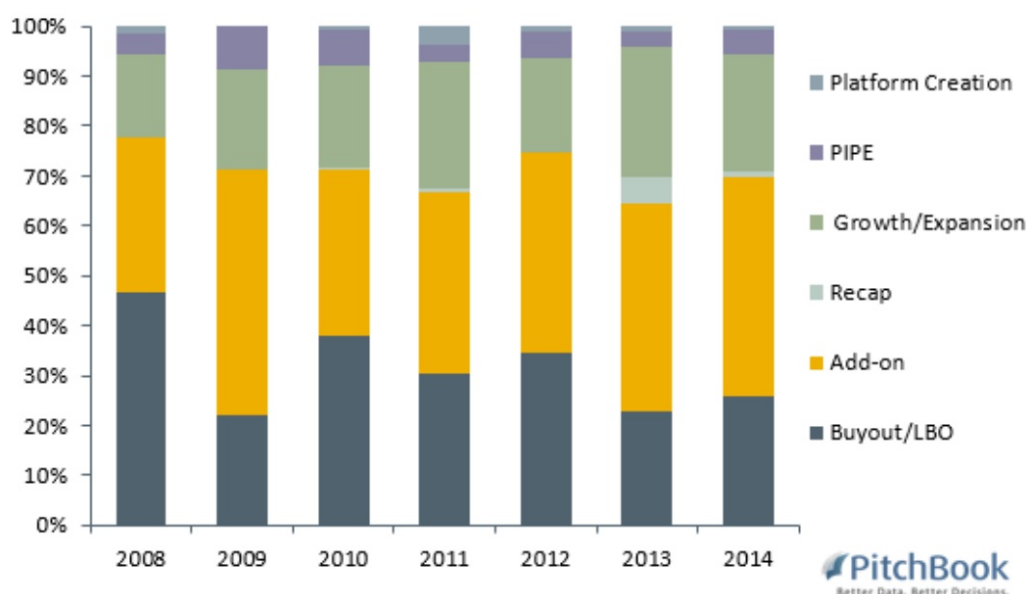
A: Scott Salpeter commented, "2015 will likely be another banner year. We are seeing a modest uptick in deal making in 2015 due to favorable market conditions and that more and more businesses believe that now is a good time to sell."



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Florida PE deal activity in 2014 was slightly front-loaded, with 55% of overall Florida PE deal activity occurring in 1H 2014, consistent with total U.S. PE deal flow of approximately 54% during the same timeframe. 2Q was 2014's most active quarter for Florida PE deal flow, encompassing 30% of total deal activity, an increase of approximately 10% over 2Q 2013.

FLORIDA PE DEAL FLOW BY TYPE

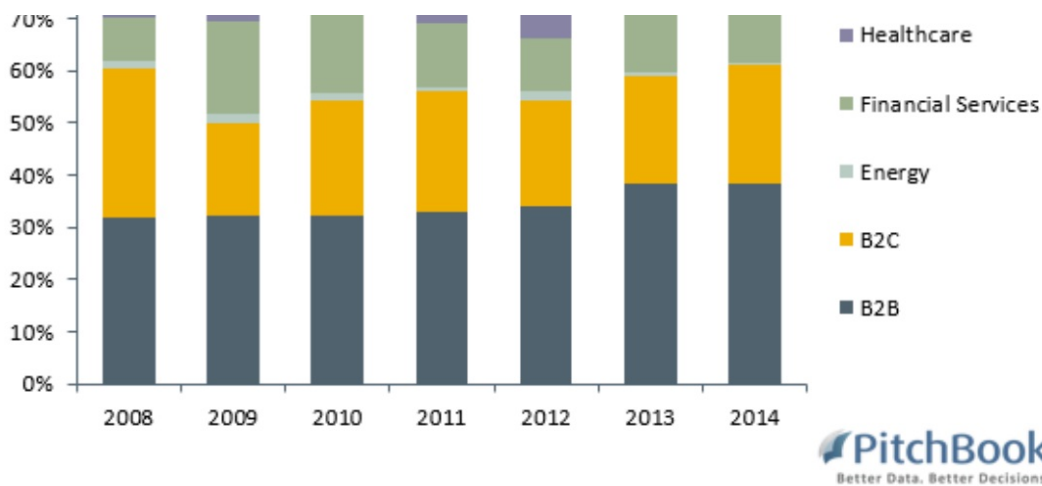


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Buyout/LBOs comprised less than 30% of total Florida PE deal activity for the second year in a row, representing only 22.9% and 25.9% in 2013 and 2014, respectively, compared to approximately 46.5% in 2008. Add-on and growth/expansion (i.e. minority deals) Florida PE deal activity has steadily increased since 2008, from 31.3% and 16.7% in 2008 to 43.8% and 23.5% in 2014, respectively.

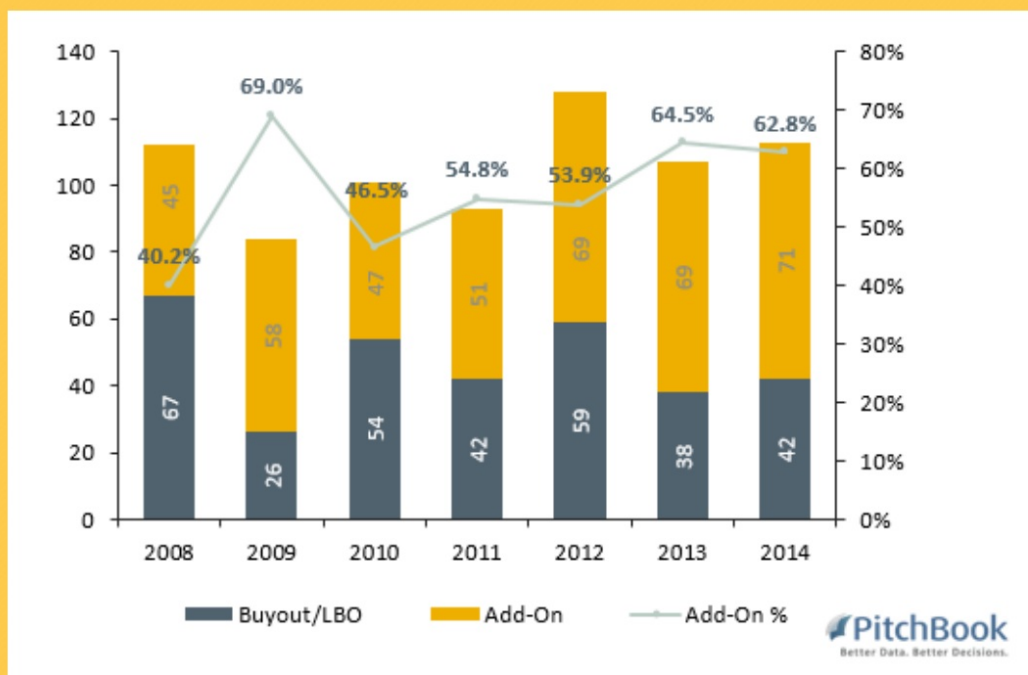
FLORIDA PE DEAL FLOW BY SECTOR





B2B and B2C represented the two largest sector totals of Florida PE deals in 2014 with approximately 38.3% and 22.8%, respectively. This is somewhat synonymous with U.S. PE deal activity in 2014, with B2B and B2C sectors accounting for approximately 35.8% and 18.9% of total 2014 U.S. PE deals, respectively. By sector, 2014 Florida PE deal activity remained consistent with sector deal activity in 2013, with only nominal differences in total deal counts.

FLORIDA PE BUYOUTS VS. ADD-ONS



"PE firms have adopted the buy-and-build strategy in a big way, with add-on deals increasing more than 57% since 2008."

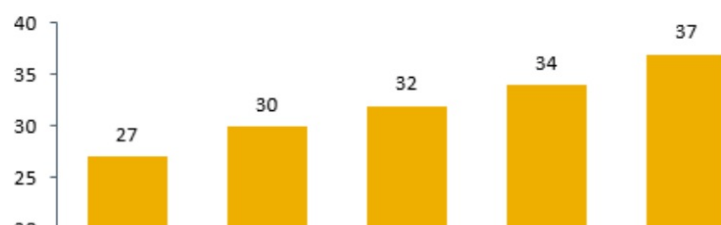


Scott Salpeter
President & Co-Founder

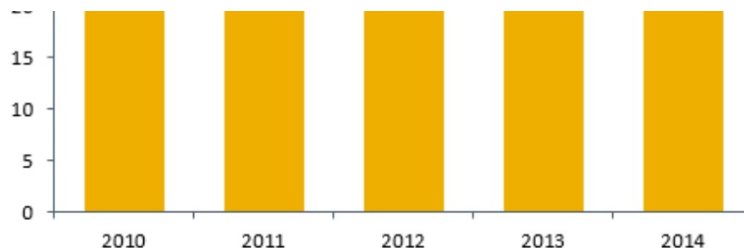
We've discussed in prior reports the increase in Florida PE add-on deals compared to platform buyouts. PE firms have adopted the buy-and-build strategy in a big way, with add-ons comprising of approximately 62.8% of all control investments in 2014, up from approximately 40.2% in 2008.

FLORIDA-BASED PE FIRMS BY YEAR

3 New Florida-Headquartered



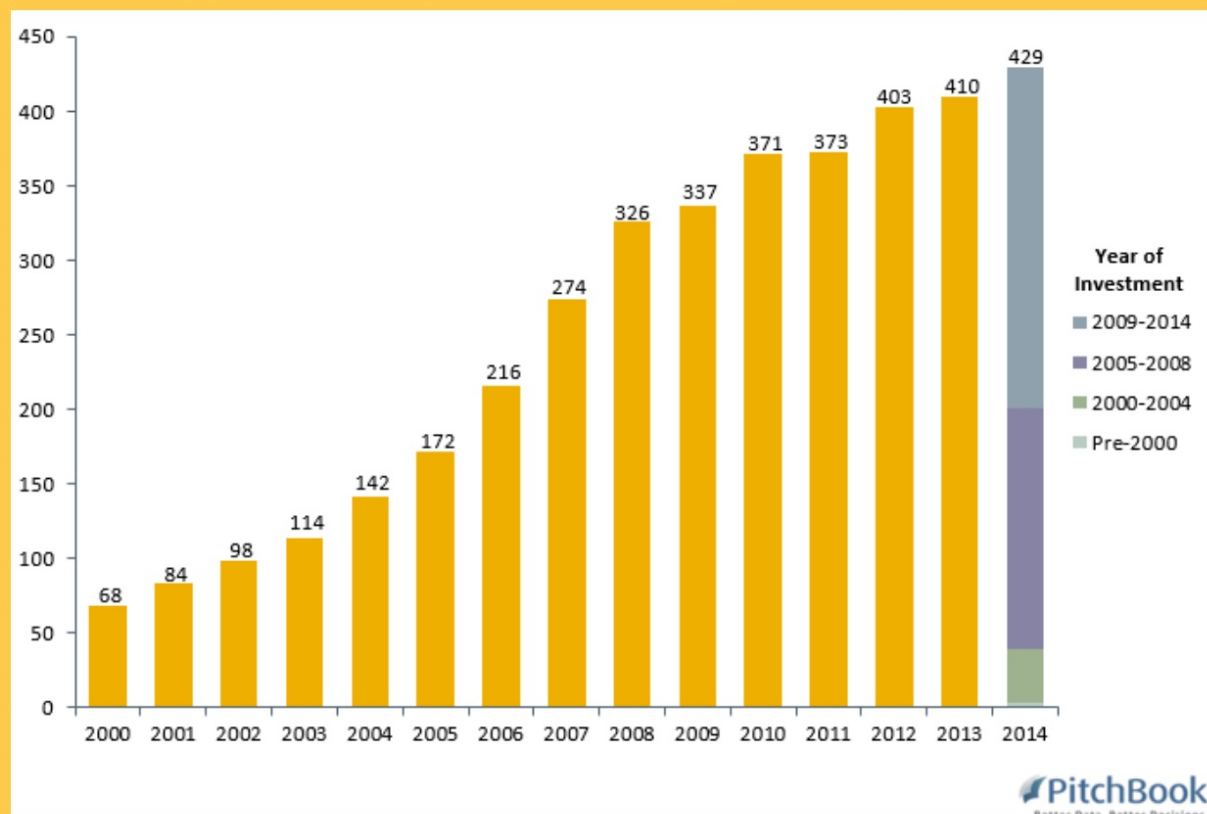
PE Firms in 2014



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The number of PE firms with headquarters in Florida continues to grow with 2014 seeing an additional three Florida-based PE firms since 2013 and a CAGR of 8.2% from 2010 through 2014.

PE-BACKED FLORIDA-BASED COMPANIES



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Florida PE company inventory has continuously risen over the years, with a sizable portion of growth occurring between 2004 and 2008. The rate of increase grew more slowly thereafter, rounding out 2014 with a total of 429 PE-backed Florida companies, an increase of 4.6% from 2013 and a CAGR of 4.9% from 2009 through 2014. Although a decline from a CAGR of 23.8% from 2005 through 2008, Florida PE company inventory demonstrated stronger growth relative to U.S. PE company inventory in 2014, which grew a mere 1.3% from 2013, with a CAGR of 4.1% from 2009 through 2014.

METHODOLOGY

PRIVATE EQUITY DEALS

This report includes all PE investments (buyout, growth, PIPE, recapitalization, and add-on), excluding real estate investments, made into target companies, with headquarters in Florida. Only investments made directly by private equity firms or their portfolio companies are counted. Buyout deals are defined as transactions in which

FLORIDA-BASED PRIVATE EQUITY FIRMS

This report's Florida-based PE firms by year chart includes PE firms with headquarters in Florida that were either actively investing or raising funds during the reported periods.

PE-BACKED FLORIDA-BASED COMPANIES

the PE investors receive controlling ownership stakes in the target companies. Growth deals are defined as minority investments in target companies. Add-on deals are defined as acquisitions by companies with private equity backing.

This report's PE-backed Florida-based companies by year chart includes companies headquartered in Florida that are in part or in whole backed by PE firms.

ABOUT CASSEL SALPETER & CO.

Cassel Salpeter & Co. is an independent investment banking firm that provides advice to middle market and emerging growth companies in the U.S. and worldwide. Together, its professionals have more than 50 years of experience providing private and public companies with a broad spectrum of investment banking and financial advisory services, including: mergers and acquisitions; equity and debt capital raises; fairness and solvency opinions; valuations; and restructurings, such as 363 sales and plans of reorganization.

Co-founded by James Cassel and Scott Salpeter, the firm provides objective, unbiased, results-focused services that clients need to achieve their goals. Personally involved at every stage of all engagements, its senior partners have forged relationships and completed hundreds of transactions and assignments nationwide. The firm's headquarters are in Miami. Member FINRA and SIPC. More information is available at www.casselsalpeter.com.

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