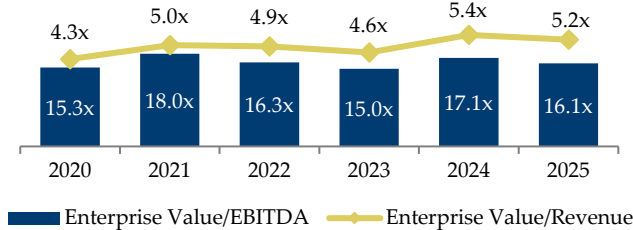


Insurance Distribution 2025 Mid-Year Update

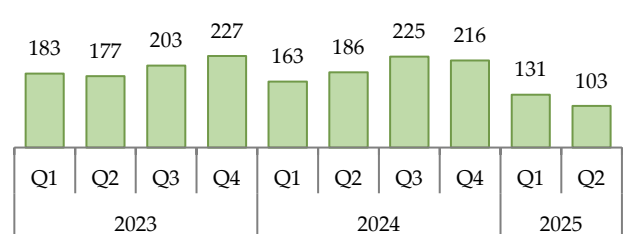
Market Commentary

- While overall deal volume has declined from previous multi-year highs, insurance distribution M&A continues to see a robust seller's market. Valuations remain at record levels, driven by strong business fundamentals, PE-backed-acquirers aggressively pursuing inorganic growth, and a corresponding scarcity of firms selling.
- PE-backed brokers accounted for 65% of 1H2025 insurance distribution transactions, with 45+ PE-backed platforms aggressively courting potential sellers.
- Following the wave of large strategic-to-strategic deals with publicly traded buyers – the most recent being Brown & Brown Inc. (NYSE: BRO) acquiring Accession Risk Management Group – public acquirers appear to be turning inward and prioritizing integration over additional acquisitions. Through the first half of 2025, the public brokers have announced just 18 transactions; for context, Arthur J. Gallagher & Co. (NYSE: AJG) alone accounted for 25 in 2024.
- PE recaps and co-investments—such as Warburg Pincus' stake in Keystone Agency Partners, Carlyle's stake in Trucordia, Bain's stake in Acrisure, and T. Rowe Price's stake in Hub— have returned to the headlines, offering platform acquirers flexible capital and abundant dry powder. We expect these recaps to continue to sustain strong valuations due to capital deployment pressures from their financial backers.

NTM⁽¹⁾ Public Trading Multiples



Historical Transaction Volume



Notable Transactions

Announcement Date	Acquirer	Target	Deal Value (\$MM)	Transaction Type
07/16/2025	Warburg Pincus LLC	Keystone Agency Partners	N/A	Majority
06/10/2025	Brown & Brown Inc. (NYSE: BRO)	Accession Risk Management Group	9,830	Majority
06/04/2025	Carlyle Group Inc.	Trucordia	5,700	Minority
05/20/2025	Bain Capital Special Situations, Fidelity Management & Research Company, LLC, Apollo Funds, Gallatin Point Capital, LLC, BDT & MSD Partners, LLC	Acrisure, LLC	32,000	Minority
05/12/2025	T. Rowe Price Investment Management, Inc., Alpha Wave Global, and Temasek	Hub International Limited	29,000	Minority
04/23/2025	Lightyear Capital, BHMS Investments, LP	King Risk Partners	N/A	Minority
04/10/2025	Ethos Capital, LP; British Columbia Investment Management Corporation; White Mountains Insurance Group, Ltd. (NYSE: WTM)	BroadStreet Partners, Inc.	N/A	Minority
03/04/2025	Arthur J. Gallagher & Co. (NYSE: AJG)	Woodruff-Sawyer & Co., Inc.	1,200	Majority
01/07/2025	Ryan Specialty Holdings, Inc. (NYSE: RYAN)	Velocity Risk Underwriters, LLC	525	Majority

Large-Cap Public Comparables

(all financials in millions of \$USD, except per share items)		07/22/2025	Price 1-Yr.	1-Yr. Price	07/22/2025	07/22/2025	NTM ⁽¹⁾		EBITDA	Forward EV/	
	Ticker	Close Price	Ago	Change	Market Cap.	Enterprise Value (EV)	Revenue	EBITDA	Margin	Revenue	EBITDA
Marsh & McLennan Companies, Inc.	MMC	\$210.30	\$219.03	-4.0%	\$103,389	\$123,531	\$27,756	\$8,172	29.4%	4.5x	15.1x
Arthur J. Gallagher & Co.	AJG	312.41	271.76	15.0%	80,008	76,764	14,615	4,998	34.2%	5.3x	15.4x
Aon plc	AON	354.22	299.12	18.4%	76,490	94,306	17,709	5,917	33.4%	5.3x	15.9x
Brown & Brown, Inc.	BRO	103.24	93.16	10.8%	33,645	37,034	6,273	2,197	35.0%	5.9x	16.9x
Willis Towers Watson Public Limited Company	WTW	308.65	265.44	16.3%	30,603	35,105	9,726	2,664	27.4%	3.6x	13.2x
Ryan Specialty Holdings, Inc.	RYAN	65.64	57.71	13.7%	17,226	21,404	3,171	1,055	33.3%	6.8x	20.3x

Select Sherman & Company Insurance Distribution Transactions

 HUB has acquired  INSURITAS Buy-Side Advisor	 now known as  Trucordia has acquired  IGNITIST Sell-Side Advisor	 now known as  Trucordia has acquired  ANDREINI Sell-Side Advisor	 AMWINS has acquired  LISI and CO power Sell-Side Advisor	 Arch has acquired  McNeil&Co. Buy-Side Advisor	Max: 6.8x 20.3x Median: 5.3x 15.6x Mean: 5.2x 16.1x Min: 3.6x 13.2x
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Contact Sherman & Company for a confidential conversation to discuss your options

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Sherman & Company is an investment banking firm dedicated to the convergence of the insurance, healthcare, technology, and asset & wealth management industries.

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Sources: Sherman & Company Database, S&P Capital IQ, Press Releases
 Footnotes: (1) Next Twelve Months ("NTM") as of 07/22/2025.