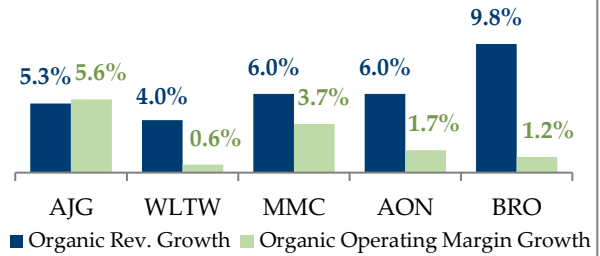


Q1 2021 Public Broker Market Perspectives

Market Commentary

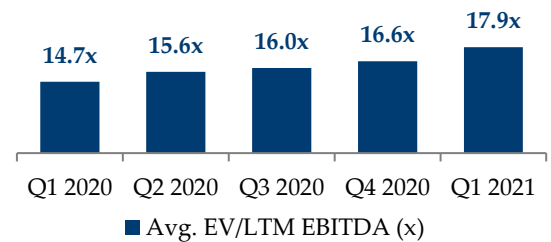
- The top five largest publicly-traded insurance brokers by market capitalization all saw strong organic revenue growth and margin expansion in Q1 2021 relative to the same period in 2020, supported largely by an improving operating environment both on a macro and microeconomic level.
- Hardening rates, adequate market capacity, strong new business generation, a resurgence in business lines that are discretionary in nature, COVID-related cost savings, and a broader global economic recovery, among other things, were commonly cited factors in these brokers' Q1 2021 filings contributing to their robust Q1 2021 performance.
- Though COVID-19 developments on a global scale remain mostly positive, on-going uncertainties continue to disrupt operations and hinder growth.
- All five of these brokers say the ultimate impact and duration of the COVID-19 pandemic remains unknown and a notable risk factor. They anticipate its negative effects to linger for the remainder of 2021.
- Despite this, confidence in the sector remains high as seen by the continued increase in average trading multiples.

Q1 2021 Performance⁽¹⁾



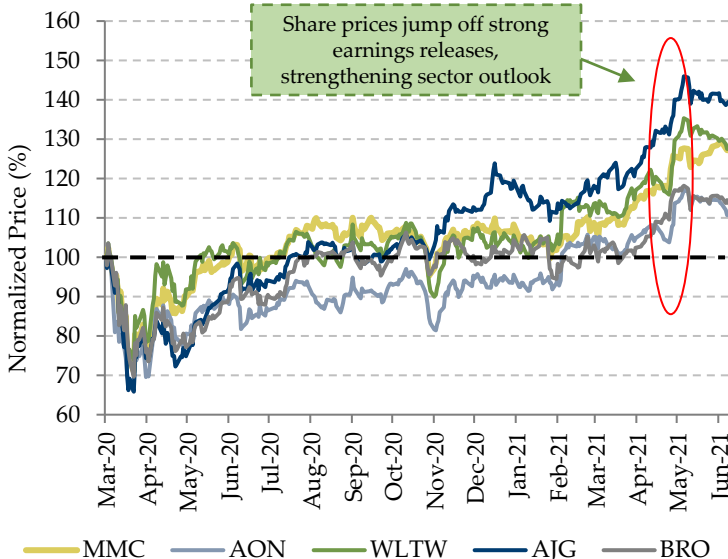
Note: Shows quarter-over-quarter comparison. AJG revenue and operating margin exclude its "Corporate" segment results. MMC operating margin based on as reported, unadjusted financials.

Avg. Trading Multiples



Represents simple arithmetic average of the EV/LTM EBITDA multiples of AJG, WLTW, MMC, AON, and BRO. LTM based on 3/31/21 financials

Top Five Broker Share Price Performance⁽²⁾



- These brokers continue to see robust share price performance amid improving growth prospects and have already exceeded their 2019 highs.
- Share prices for each respective broker jumped following their Q1 2021 earnings announcements. As of June 14th, 2021, each of these brokers are sitting at over 93.0 percent of their 52-week highs.
- When trading at strong multiples, brokers have an increased ability to pay higher multiples for attractive acquisition targets, which trickles down into private sector M&A. As such, the market remains very seller friendly with deals being consummated at record valuations.

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Given current market conditions, valuations for wholesale and retail brokers are high. Sellers should take advantage of this to realize maximum value. Contact us to discuss your options