



Industry Update

# Insurance

Q1 2023

## 1

# Financial Performance

## Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			LTM Operating Data			Forward Estimates	
		Price at 03/31/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
<b>Property and Casualty</b>									
Fidelity National Financial, Inc.	FNF	\$34.93	71.4%	-\$37,386	\$69,654	\$10,904	\$1,459	\$11,139	\$1,694
First American Financial Corporation	FAF	\$55.66	86.1%	\$6,178	\$15,384	\$7,017	\$530	\$6,350	\$898
Stewart Information Services Corporation	STC	\$40.35	65.6%	\$1,579	\$2,679	\$2,742	\$221	\$2,382	\$183
AMERISAFE, Inc.	AMSF	\$48.95	80.9%	\$1,033	\$1,288	\$298	\$69	\$308	\$0
<b>Life and Health</b>									
MetLife, Inc.	MET	\$57.94	74.9%	\$119,406	\$674,266	\$69,881	\$4,197	\$68,828	\$0
Prudential Financial, Inc.	PRU	\$82.74	67.5%	\$47,621	\$709,269	\$62,608	-\$165	\$54,269	\$0
Aflac Incorporated	AFL	\$64.52	87.2%	\$48,291	\$134,966	\$19,129	\$4,915	\$18,142	\$0
Unum Group	UNM	\$39.56	84.8%	\$12,089	\$62,424	\$12,047	\$2,088	\$12,309	\$0
CNO Financial Group, Inc.	CNO	\$22.19	84.2%	\$6,071	\$34,015	\$3,740	\$763	\$3,666	\$0
<b>Insurance Brokers</b>									
Marsh & McLennan Companies, Inc.	MMC	\$166.55	90.9%	\$102,961	\$34,358	\$21,095	\$5,519	\$22,228	\$6,096
Arthur J. Gallagher & Co.	AJG	\$191.31	94.5%	\$51,953	\$45,094	\$8,493	\$2,486	\$9,821	\$2,988
Brown & Brown, Inc.	BRO	\$57.42	77.7%	\$22,189	\$13,400	\$3,771	\$1,210	\$4,082	\$1,350
eHealth, Inc.	EHTH	\$9.36	73.9%	\$375	\$1,083	\$374	-\$68	\$421	-\$8

Source: Capital IQ

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## Valuation Metrics

## Return Profile, Trading Multiples

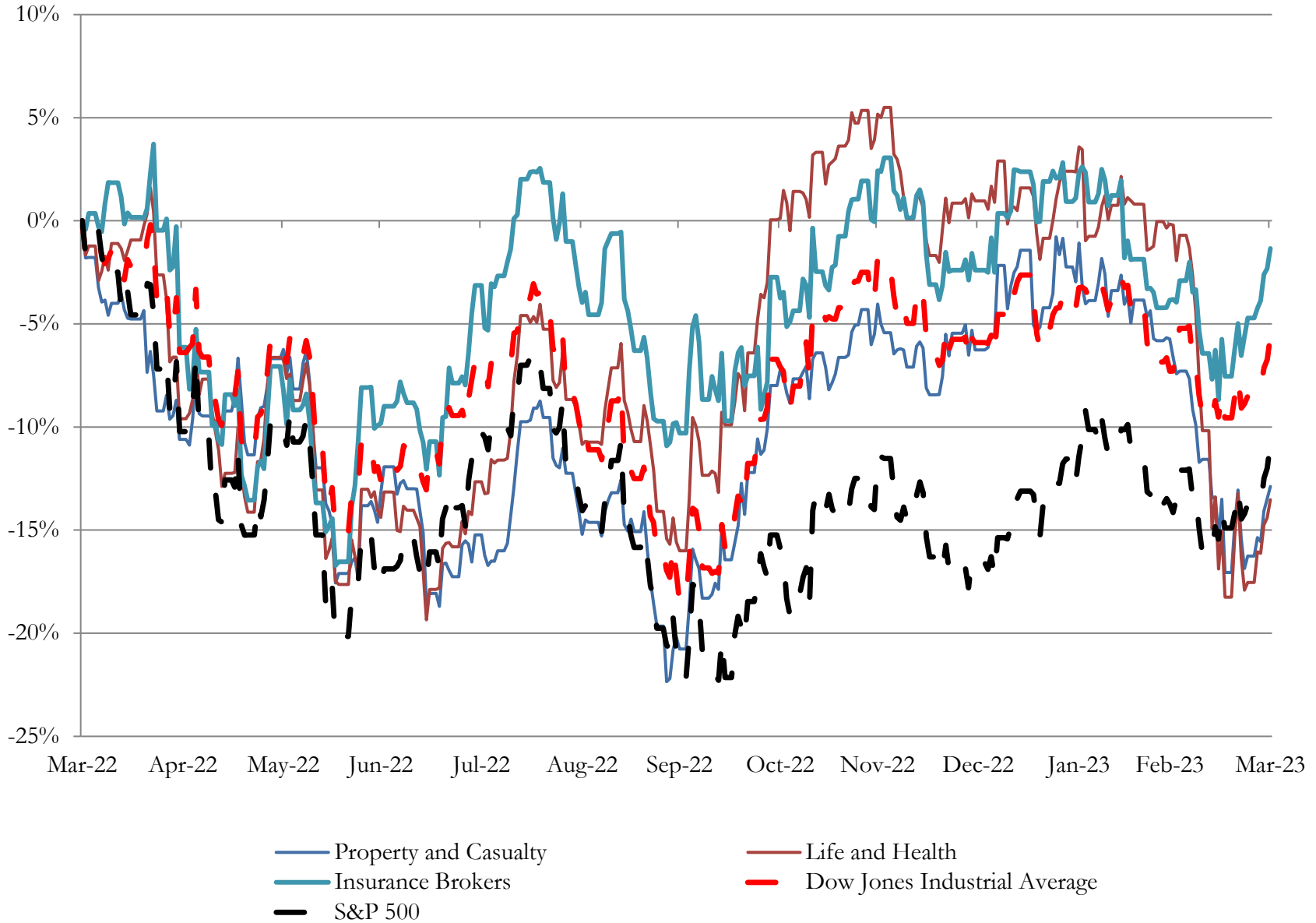
Company Name	Ticker	Return Profile							Trading Multiples	
		Return on Assets	Return on Equity	Return on Capital	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Property and Casualty</b>										
Fidelity National Financial, Inc.	FNF	1.6%	14.9%	9.1%	-25.8%	18.5%	-44.1%	1.4x	1.0x	5.4x
First American Financial Corporation	FAF	0.0%	0.0%	2.9%	-24.0%	7.4%	-69.7%	1.3x	1.0x	13.6x
Stewart Information Services Corporation	STC	3.8%	8.5%	5.3%	-20.6%	8.1%	-53.5%	1.1x	0.6x	7.1x
AMERISAFE, Inc.	AMSF	3.2%	15.3%	11.6%	-3.4%	23.2%	-11.7%	0.4x	3.4x	14.8x
	Mean	2.1%	9.7%	7.2%	-18.4%	14.3%	-44.8%	1.0x	1.5x	10.2x
	Median	2.4%	11.7%	7.2%	-22.3%	13.3%	-48.8%	1.2x	1.0x	10.3x
<b>Life and Health</b>										
MetLife, Inc.	MET	0.3%	5.4%	1.5%	-1.7%	6.0%	-55.6%	1.0x	1.9x	30.7x
Prudential Financial, Inc.	PRU	-0.2%	-3.7%	-2.1%	-17.6%	-4.1%	N/A	1.4x	0.9x	-20.6x
Aflac Incorporated	AFL	2.2%	17.6%	9.1%	-11.1%	25.7%	-6.8%	0.9x	2.4x	9.3x
Unum Group	UNM	1.7%	12.8%	8.2%	-0.2%	16.1%	32.4%	1.0x	1.0x	6.1x
CNO Financial Group, Inc.	CNO	1.2%	11.9%	5.6%	-13.2%	27.9%	1.7%	1.1x	1.7x	5.9x
	Mean	1.0%	8.8%	4.5%	-8.8%	14.3%	-7.1%	1.1x	1.5x	6.3x
	Median	1.2%	11.9%	5.6%	-11.1%	16.1%	-2.5%	1.0x	1.7x	6.1x
<b>Insurance Brokers</b>										
Marsh & McLennan Companies, Inc.	MMC	8.8%	29.1%	11.7%	4.0%	26.2%	2.3%	0.9x	4.9x	18.7x
Arthur J. Gallagher & Co.	AJG	2.7%	12.3%	7.4%	3.6%	29.4%	16.6%	0.7x	5.9x	20.0x
Brown & Brown, Inc.	BRO	5.2%	15.0%	7.5%	20.3%	32.3%	16.9%	0.7x	5.8x	17.9x
eHealth, Inc.	EHTH	-4.6%	-9.4%	-5.1%	-24.7%	-19.6%	N/A	0.6x	1.0x	-4.9x
	Mean	3.0%	11.8%	5.4%	0.8%	17.1%	11.9%	0.7x	4.4x	12.9x
	Median	3.9%	13.6%	7.4%	3.8%	27.8%	16.6%	0.7x	5.3x	18.3x

Source: Capital IQ

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## LTM Equity Performance

### Major Indexes



Source: Capital IQ

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## Recent M&amp;A Activity

*Last Twelve (12) Months as of March 31, 2023*

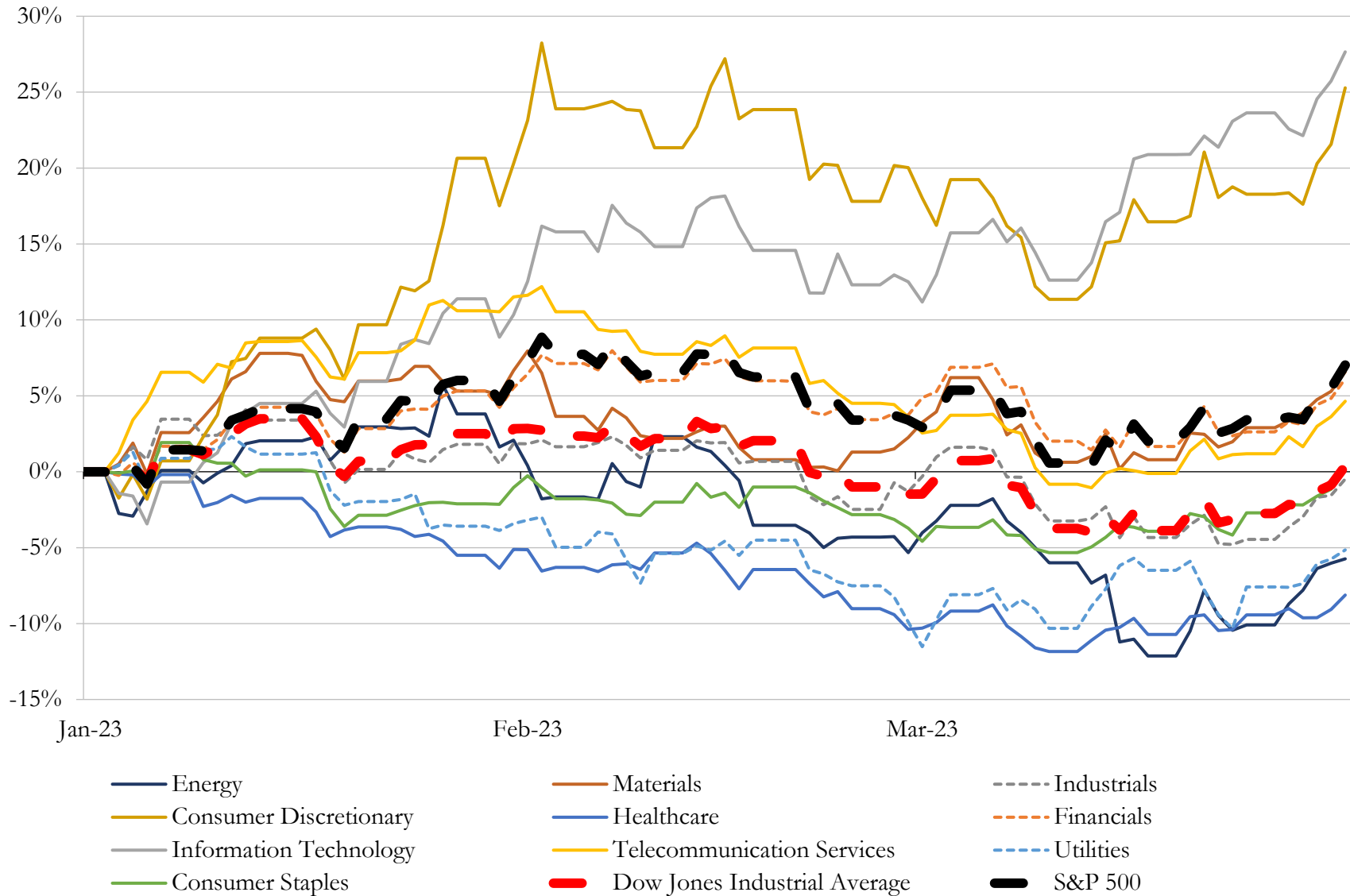
*(USD in millions)*

Close Date	Target	Acquirer	Implied TEV
Mar-23	The Valdez Group LLC	Integrity Marketing Group, LLC	NA
Mar-23	The Insurance Center Of North Jersey, Inc.	RSC Insurance Brokerage, Inc.	NA
Mar-23	Easy Street Insurance, LLC	Integrity Marketing Group, LLC	NA
Mar-23	The Reder Agency LLC	Aktibo, Inc.	NA
Mar-23	Agape Insurance Services	Inszone Insurance Services, Inc.	NA
Mar-23	Capstone Insurance Services, LLC	Alera Group, Inc.	NA
Mar-23	O'Neill Marketing Inc.	Senior Market Sales, Inc.	NA
Mar-23	The Agents Marketing Group, Inc.	Warner Pacific Insurance Services, Inc.	NA
Mar-23	The Contractors Insurance Group, LLC	Inszone Insurance Services, Inc.	NA
Mar-23	Stewart, Brimner, Peters and Company, Inc.	Arthur J. Gallagher & Co.	NA
Mar-23	Utah First Title Insurance Agency Inc.	Security Service Federal Credit Union	NA
Mar-23	FU Insurance Agency Inc.	Inszone Insurance Services, Inc.	NA
Mar-23	Merritt Insurance Services, LLC	Castleacre Insurance Services Ltd	NA
Mar-23	Jack E. Gilbert Insurance Agency Inc.	Inszone Insurance Services, Inc.	NA
Mar-23	Manchester SPECIALTY Programs Inc.	One80 Intermediaries Inc.	NA
Mar-23	The NAPA Insurance Center	ALKEME INC.	NA
Mar-23	Stratton Insurance Services, Inc.	High Street Insurance Partners, Inc.	NA
Mar-23	Senior Solutions & Services, LLC	Integrity Marketing Group, LLC	NA
Mar-23	Nichols Insurance Agency, Inc.	Salem Five Insurance Agency, LLC	NA
Mar-23	The Paragon Alliance Group, LLC	U.S. Retirement & Benefits Partners, Inc.	NA
Mar-23	Alpha Isle Services, LLC	Strategic Risk Solutions Inc.	NA
Mar-23	Donna Ledwick Insurance Services	Inszone Insurance Services, Inc.	NA
Mar-23	Insure-link, Inc	NSI Insurance Group, Inc.	NA
Mar-23	Dwight W. Andrus Insurance, Inc.	HUB International Limited	NA
Mar-23	Insurance Designers of America LLC	Simplicity Group Holdings, Inc.	NA
Mar-23	Brown-Hiller, Inc.	N/A	NA
Mar-23	Landscape Contractors Insurance Services, Inc.	World Insurance Associates LLC	NA
Mar-23	ABBM Company, LLC	Arthur J. Gallagher & Co.	NA
Feb-23	Dallas Insurance Exchange II Inc.	NR West	NA
Feb-23	IFS Benefits, LLC	AssuredPartners, Inc.	NA

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

Last Three (3) Months as of March 31, 2023

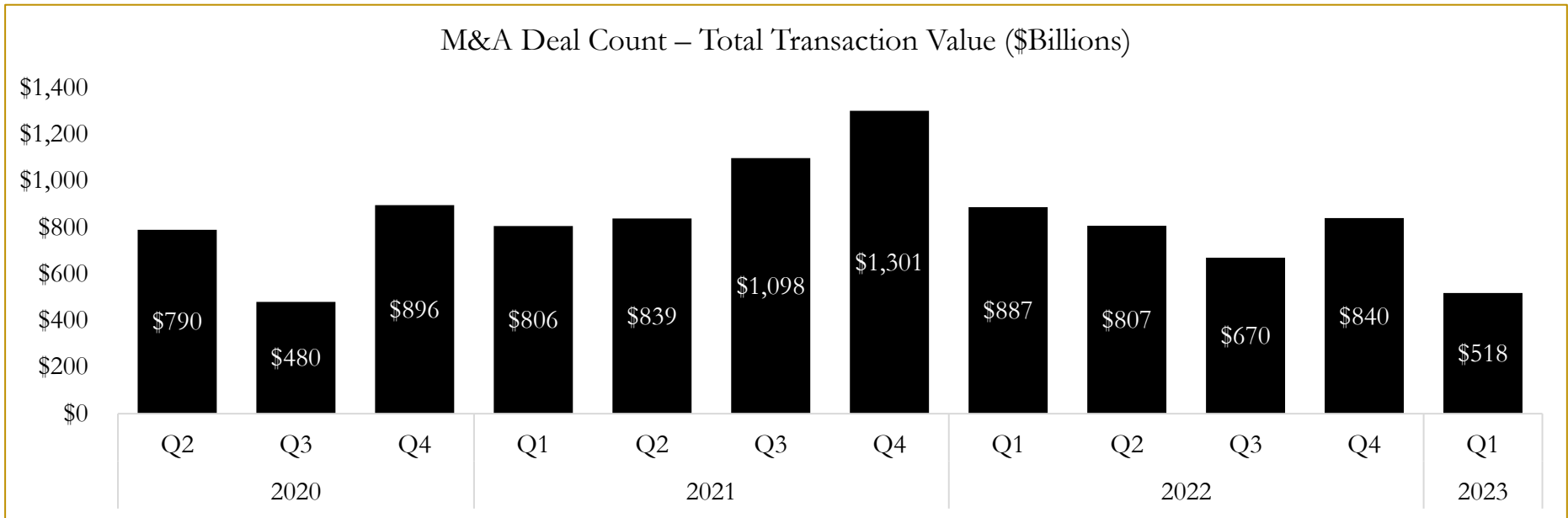
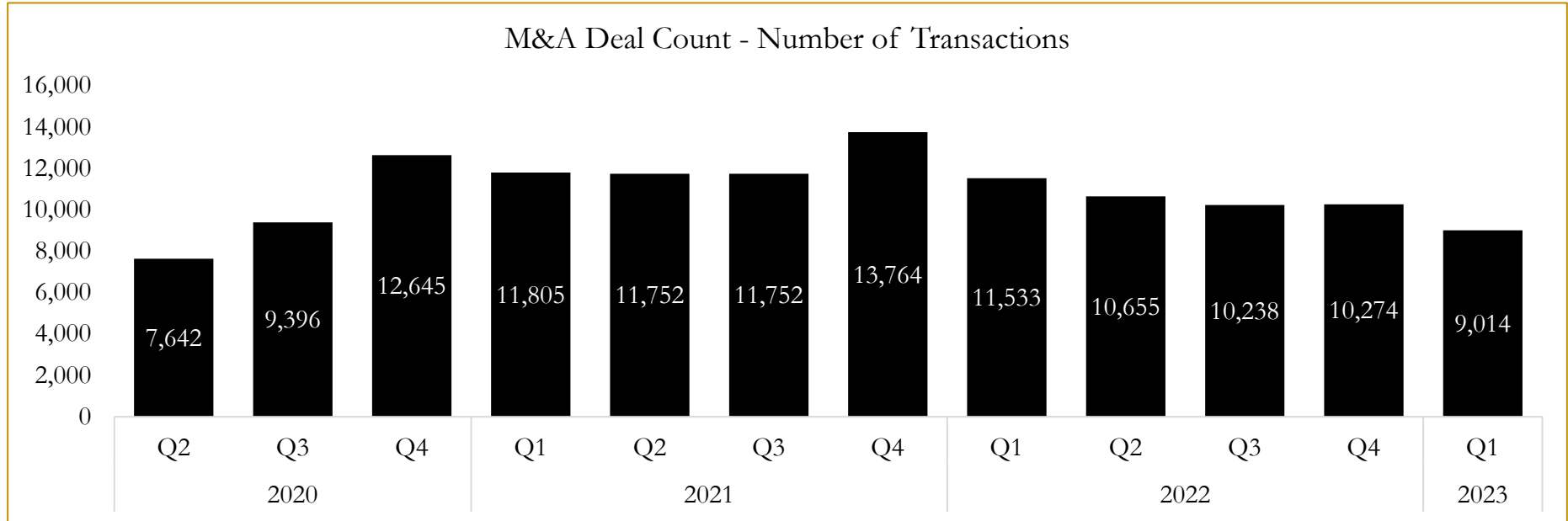


Source: Capital IQ

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## M&A Deal Flow Statistics

Last Three (3) Years as of March 31, 2023



Source: Capital IQ

## About Houlihan Capital

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and boutique investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

### Valuation & Financial Advisory

We provide an array of services that include enterprise valuations, portfolio valuation, valuation of carried interest, transaction opinions, tax and financial reporting compliance, purchase price allocations, and a wide variety of consulting services through our Financial Advisory Group.

### Investment Banking

Through our Investment Banking Group, we offer sell-side/buy-side advisory and capital raises. Through our Special Situations desk, we provide services that fit outside the archetypal verticals, including liquidity solutions, transactional advisory, and secondary market advisory and trading.

### Litigation Support

Our team provides support for a wide variety of situations including commercial and shareholder disputes, derivatives and structured finance litigation, and fraudulent conveyance.

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