



LEGACY ADVISORS

A partnership
that you can feel
confident in.

**We have a
unique team
dynamic.**

- Previous agency ownership and private equity experience

**Your
business is
our niche.**

- Insurance only
- Sell-side only
- Buyer Insights

**Our clients
typically
obtain
30%+ higher
offers.**

Our clients typically obtain 30%+ higher offers.

Six clients reported receiving offers independently (on their own or with another advisor) before hiring Legacy Advisors.

The partnership with Legacy resulted in an average of 30%+ higher offers.



Agency Client A	Legacy Advisors negotiated a deal worth 32% more than the client received on their own .	Increase of 32%
Agency Client B	Legacy Advisors negotiated a deal worth 85% more than what a previous broker obtained .	Increase of 85%
Agency Client C	Legacy Advisors negotiated a deal worth 28% more than the client received on their own .	Increase of 28%
Agency Client D	Legacy Advisors negotiated a deal worth 17% more than the client received on their own .	Increase of 17%
Agency Client E	Legacy Advisors negotiated a deal worth 33% more than the client received on their own .	Increase of 33%
Agency Client F	Legacy Advisors negotiated a deal worth 24% more than the client received on their own .	Increase of 24%



Success looks
different for
everyone.

Accelerate Growth

- Increase upward mobility
- Access more carriers & resources
- Reduce back-end involvement

De-risk + Continue

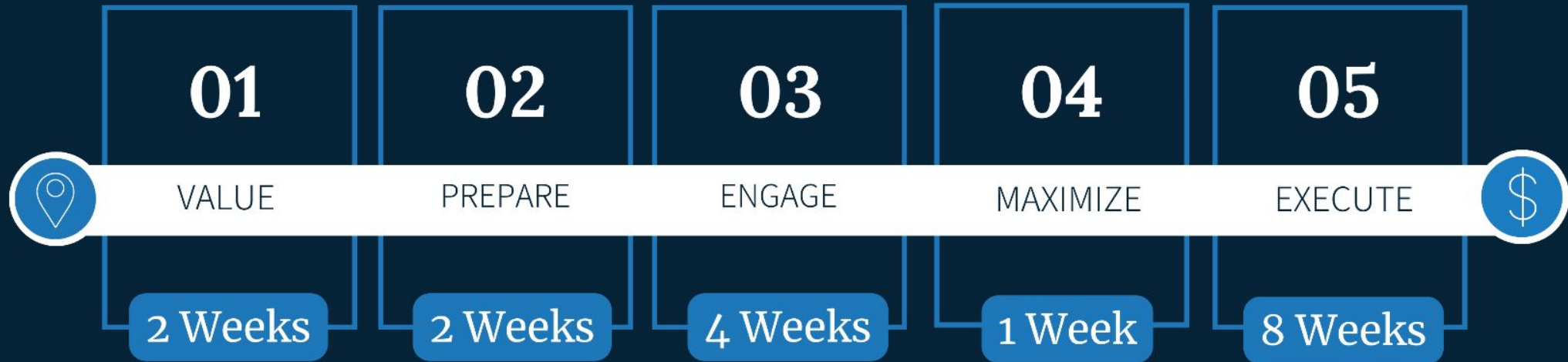
- De-risk your largest asset
- Maintain autonomy
- Improve your lifestyle

Exit the Industry

- Maximize business value
- Position your staff and clients for continued success
- Find new purpose

Your Journey

Timeline



Average time to complete each phase, timing will vary

Your Journey

Our Process

01





Start Your Journey

Understand your business's value



Legacy Advisor's Role

Empowering you with information

Business Valuation

- Expected Value Range
- Buyer Cultures
- Market conditions
- Deal structures

01



VALUE

PREPARE

ENGAGE

MAXIMIZE

EXECUTE



7



Ways you can make money.

Cash & Stock

Cash generally accounts for 70-100% of upfront value, and the rest of the value is in equity of the acquiring company

Earn Out

Performance based, usually over a 2-3 year period, paid annually or at a tail end based on either revenue or EBITDA growth

Salary & Commissions

Go forward salary is agreed upon by the principal and directly influences proceeds at closing

The value of your business is determined when a buyer applies a multiple to your agency's EBITDA. The multiple is influenced by revenue scale, pace of growth, leadership, team, location and book of business.



Decision Point

Choose Legacy Advisors as your Partner

- ✓ Signed Engagement Letter

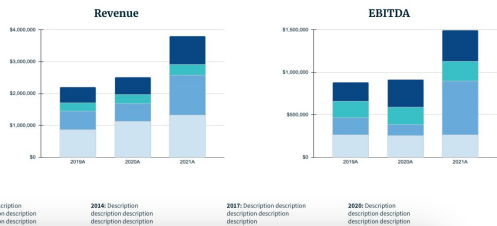
Your Journey

Our Process

02



Historical Timeline & Performance



John Smith Insurance Agency

Overview

John Smith Insurance Agency is based in Baltimore, Maryland. John started the business and has been operating it successfully for over 25 years. He has grown the agency both organically and through acquisitions over that time period.

He is now seeking a partner who can assist with the management of back-end operations as well as a partner who can provide the funding needed to make strategic acquisitions.

Proven Track Record of Success:

- Consistently above average organic revenue growth
- Strong margin profile, driven by the principal's disciplined expense management
- 3 agency acquisitions in the last 5 years and 1 pending acquisition

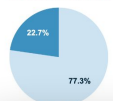
Opportunities for Growth:

- Hand off back office functions to focus more on production
- Opportunity to continue to acquire additional agencies

\$5mm
FF Revenue

30%+
CAGR '19-'21

Premium Breakdown



Personal Lines Commercial Lines

\$2mm
FF EBITDA

17k+
Policies in Force

Major Carrier Partners



Financial Model

Pro Forma Adjustments

- Revenue
 - Commission revenue assumptions include 9% organic growth, and a 2% PL from existing Nationwide PL renewal rates increasing from 12% to 13%
- Compensation
 - Name will be taking an additional \$20k salary, and Name will now be a salaried employee at 17% annually (to offset current Professional Fees compensation)
- Advertising & Promotions
 - Name will no longer be paid \$25k annually for advertising services (appearances on billboards, print content)
- Deductions & Contributions
 - Name no longer is sponsoring the 401k for 15th anniversary
- Professional Fees
 - Name and Name are removing additional salary, and Pro Forma removes the following expenses from Professional Fees:
 - \$25k no longer receiving PAC commissions
 - \$25k no longer receiving personal E&E income
 - \$45k no longer receiving K1 income
- Occupancy
 - Name spent \$45,738 updating his building in '21 and will not need to do that again

Historic Item	2024	2023	2022	TM	Pro Forma Adjustments	Pro Forma 2024	% of Revenue
Revenue							
Commission Revenue	\$683,076	\$1,139,000	\$1,246,010	\$1,010,300	\$145,452	\$1,155,752	40.2%
Contingent Revenue	0	0	86,450	86,450	0	86,450	0.2%
Other Revenue	0	2,500	1,700	21,250	0	21,250	0.2%
Total Revenue	\$683,076	\$1,141,500	\$1,334,160	\$1,117,900	\$145,452	\$1,263,352	40.2%
Expenses							
Salaries & Wages	\$753,463	\$943,700	\$794,600	\$208,170	\$719,000	\$964,600	37.7%
Commission Expense	0	0	0	0	0	0	0.0%
Property Tax	23,862	20,200	9,400	24,900	13,800	37,900	1.2%
Retirement	0	0	0	0	0	0	0.0%
Benefits	4,200	1,000	1,000	1,000	4,200	10,000	0.4%
Profit Share Charge	1,000	0	0	0	0	0	0.0%
Total Compensation	\$822,525	\$964,900	\$805,000	\$234,070	\$787,000	\$1,016,500	39.8%
Advertising & Promotions	\$58,130	\$84,263	\$12,833	\$1,200	\$56,930	\$58,130	1.2%
Autos	4,210	4,800	12,000	14,700	0	14,700	0.4%
Deductions & Contributions	13,070	0	18,871	20,100	(16,900)	14,871	0.4%
Professional Expense	0	0	0	0	0	0	0.0%
Taxes & Employment	4,200	0	0	(3,700)	0	(3,700)	0.2%
Total Selling	\$148,635	\$179,863	\$137,633	\$132,000	\$141,000	\$164,671	4.9%
Computer	\$1,200	\$1,200	\$4,001	\$4,400	0	\$4,401	0.2%
Real Estate Charge	0	10	100	100	0	100	0.0%
Dues & Subscriptions	8,270	\$1,700	(1,000)	(1,000)	0	(1,000)	0.2%
Travel	12,407	24,200	12,700	12,407	0	12,700	0.4%
Utilities, Permits, Fees	1,010	407	3,400	3,470	0	3,470	0.2%
Office Expense & Supplies	14,000	14,000	14,000	14,000	0	14,000	1.1%
Printing & Delivery	800	800	800	800	0	800	0.0%
Professional Fees	\$95,000	\$40,000	\$60,000	\$60,000	0	\$60,000	2.4%
Insurance	4,000	1,000	1,000	1,000	0	1,000	0.0%
Other Admin Expense	4,000	1,000	1,000	1,000	0	1,000	0.0%
Total Administrative	\$148,635	\$84,263	\$101,700	\$101,700	\$141,000	\$141,700	4.2%
Total Operating	\$148,635	\$264,063	\$199,333	\$133,700	\$141,000	\$206,371	6.2%
Total Expenses	\$683,214	\$1,218,963	\$1,001,333	\$1,017,700	\$141,000	\$1,158,700	40.2%
EBITDA	\$148,635	\$117,437	\$114,827	\$114,200	\$145,452	\$145,452	40.2%
2024 Margin	21.8%	21.4%	21.6%	21.6%	21.8%	21.8%	

Legacy Advisor's Role

Articulating your story

CIM & Pro Forma Model Creation

- Craft your story
- Build your financial model (Pro Forma)
- Develop your presentation (CIM)

02



VALUE

PREPARE

ENGAGE

MAXIMIZE

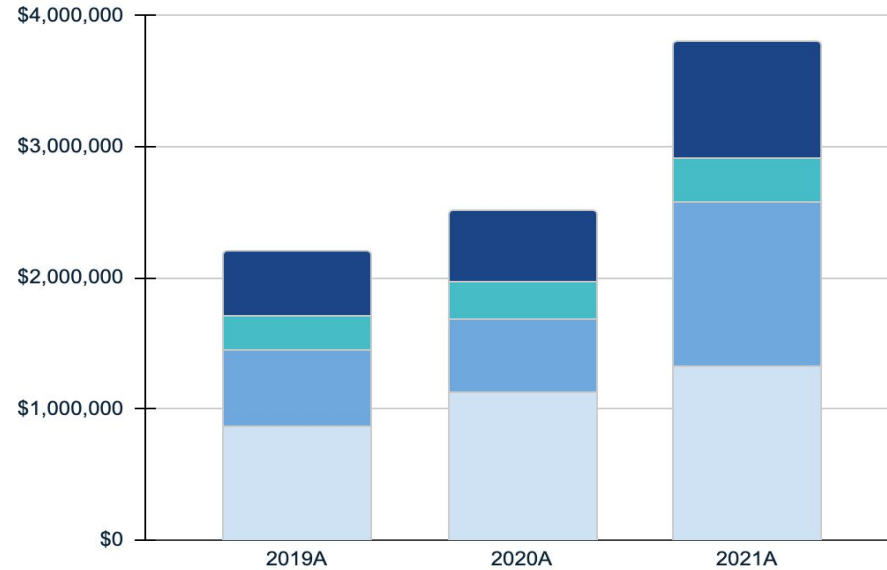
EXECUTE



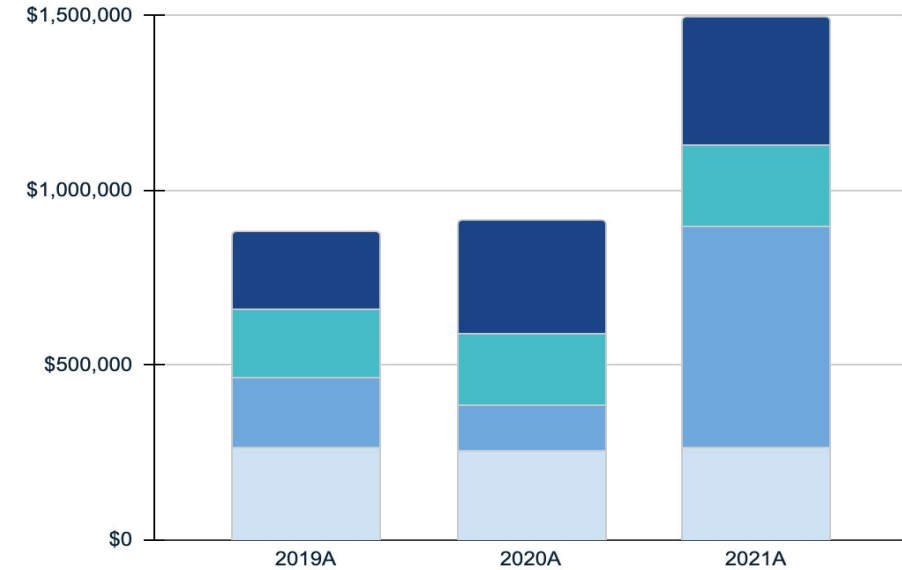
11

Historical Timeline & Performance

Revenue



EBITDA



1998: Description
description description
description description

2014: Description
description description
description description

2017: Description description
description description
description

2020: Description
description description
description description

2012: Description
description description
description description

2016: Description description
description description
description

2017: Description description
description description
description

2021: Description
description description
description description



Book of Business

Overview

The combined agency's book of business is predominantly personal lines, which comprises **72%** of the premium.

The remaining is **28%** commercial lines.

Total Premium: **\$31mm**

Top Accounts

Rank	Name	Revenue
1	Food Processing	100,182
2	Construction	89,591
3	Sand and Gravel Hauling	33,685
4	Feed Mill	28,985
5	Paving Contractor	27,001
6	Plumbing and Heating Distributor	19,460
7	Contractor	14,965
8	Homebuilder	12,481
9	Food Distributor	12,457
10	Contractor	10,509
Total for Top Accounts		349,316

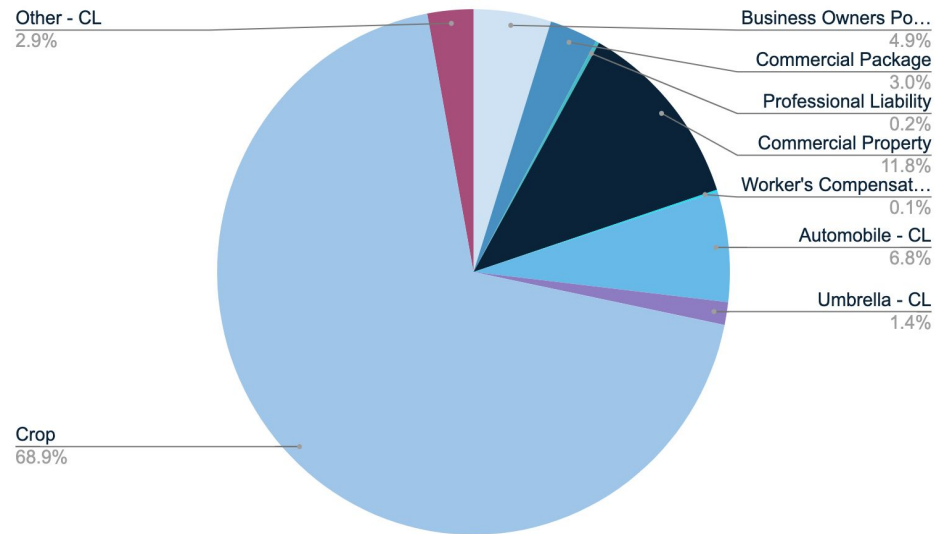
Business by Carrier

Name	Premium (\$mm)
Nationwide	13.2
NAU	8.0
Progressive	1.9
Western Reserve Group	1.5
Goodville Mutual Casualty Company	0.9
Rain and Hail	0.7
Donegal Insurance Group	0.7
Safeco	0.5
Wayne Insurance Group	0.4
Grange	0.4
Total Premium	28.8

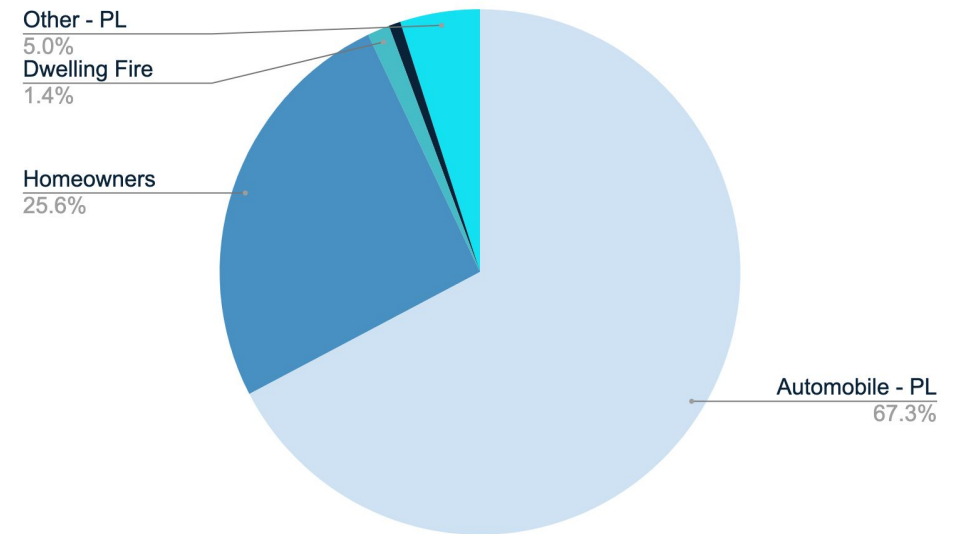


Summary Level Details

Commercial Lines by Coverage Type

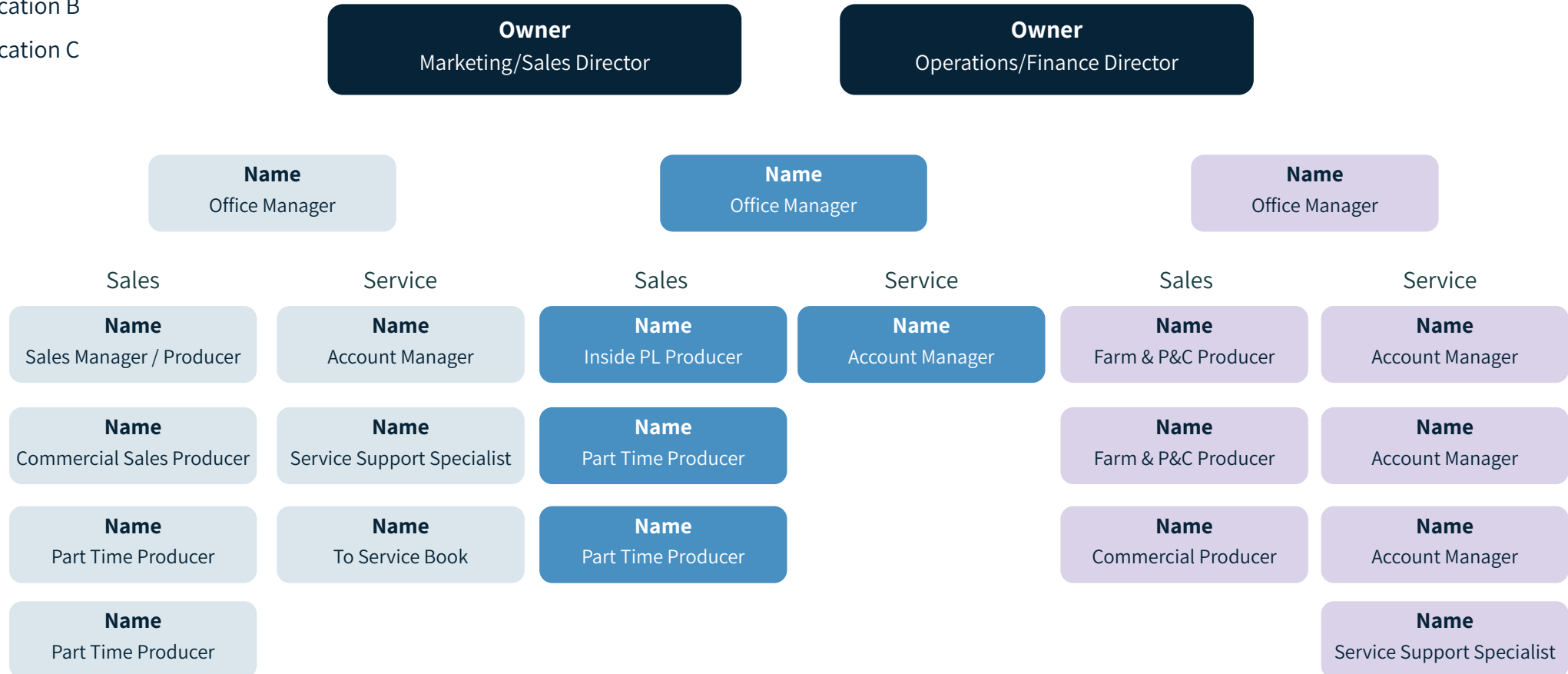


Personal Lines by Coverage Type



Team Structure

- Location A
- Location B
- Location C



SAMPLE PRO FORMA

Financial Model

Pro Forma Adjustments

- Revenue
 - Commission revenue assumptions include 5% organic growth, and a 3% lift from existing Nationwide PL renewal rates increasing from 12% to 15%
- Compensation
 - Name will be taking an additional \$100k salary, and Name will now be a salaried employee at \$70k annually (to offset current Professional Fees compensation)
- Advertising & Promotions
 - Name XXXX will no longer be paid \$36k annually for advertising services (appearances on billboards, print content etc.)
- Donations & Contributions
 - Will no longer be sponsoring the XX for \$15k annually
- Professional Fees
 - Name and Name now taking additional salary, and Pro forma removes the following expenses from Professional Fees
 - \$180k: no longer receiving P&C commissions
 - \$120k: no longer receiving personal XX income
 - \$140k: no longer receiving XX income
- Occupancy
 - Name spent \$49,738 updating his building in '21 and will not need to do that again

Name Here	2019A	2020A	2021A	TTM 6/30/2022	Pro Forma Adjustments	Pro Forma NTM	% of Revenue
Revenue							
Commission Revenue	\$869,091	\$1,135,685	\$1,246,515	\$1,315,301	\$114,422	\$1,360,936	94.0%
Contingent Revenue	0	0	86,450	86,450	0	86,450	6.0%
Other Revenue	0	2,298	330	22,031	0	330	0.0%
Total Revenue	\$869,091	\$1,137,984	\$1,333,295	\$1,423,782	\$114,422	\$1,447,716	100.0%
Expenses							
Salaries & Wages	\$253,461	\$261,758	\$294,664	\$308,974	\$170,000	\$464,664	32.1%
Commission Expense	0	0	0	0	0	0	0.0%
Payroll Tax	21,162	20,194	24,016	24,940	13,855	37,871	2.6%
Retirement	0	0	0	0	0	0	0.0%
Benefits	6,075	7,200	7,542	7,608	4,351	11,893	0.8%
Payroll Service Charge	1,556	2,050	2,431	2,240	1,402	3,833	0.3%
Total Compensation	\$282,254	\$291,203	\$328,652	\$343,762	\$189,609	\$518,261	35.8%
Advertising & Promotions	\$58,130	\$56,651	\$52,813	\$67,818	(\$36,000)	\$16,813	1.2%
Automobile	6,115	8,680	11,196	14,703	0	11,196	0.8%
Donations & Contributions	12,574	5,502	29,671	26,125	(15,000)	14,671	1.0%
Producer Expense	0	0	0	0	0	0	0.0%
Travel & Entertainment	4,268	7,656	18,996	23,703	0	18,996	1.3%
Total Selling	\$81,086	\$78,488	\$112,675	\$132,350	(\$51,000)	\$61,675	4.3%
Computer	\$2,198	\$7,599	\$4,697	\$4,482	\$0	\$4,697	0.3%
Bank Service Charge	0	78	100	100	0	100	0.0%
Dues & Subscriptions	8,578	12,768	15,051	15,379	0	15,051	1.0%
Insurance	11,487	14,158	11,729	12,167	0	11,729	0.8%
Licenses, Permits, Taxes	1,192	497	3,349	2,478	0	3,349	0.2%
Office Expense & Supplies	11,454	17,870	24,277	34,487	0	24,277	1.7%
Postage & Delivery	589	898	322	385	0	322	0.0%
Professional Fees	166,084	410,387	460,989	462,225	(440,000)	20,989	1.4%
Telecom	6,802	7,355	5,978	5,909	0	5,978	0.4%
Other Admin Expense	6,468	9,034	17,299	17,159	0	17,299	1.2%
Total Administrative	\$214,852	\$480,643	\$543,792	\$554,771	(\$440,000)	\$103,792	7.2%
Total Occupancy	\$22,043	\$28,466	\$78,773	\$53,095	(\$49,738)	\$29,035	2.0%
Total Expenses	\$600,234	\$878,800	\$1,063,892	\$1,083,978	(\$351,129)	\$712,762	49.2%
EBITDA	\$268,857	\$259,183	\$269,403	\$339,804	\$465,551	\$734,954	
<i>EBITDA Margin</i>	<i>30.9%</i>	<i>22.8%</i>	<i>20.2%</i>	<i>23.9%</i>		<i>50.8%</i>	



Your Journey

Our Process

03



John Smith Insurance Agency

Overview

John Smith Insurance Agency is based in Baltimore, Maryland. John started the business and has been operating for 25 years. He has 3 agency acquisitions in the last 5 years and 1 pending acquisition.

\$5mm PF Revenue
30%+ CAOR '19-'21

\$2mm PF ERITDA
17k+ Policies in Force

Teaser

can provide the funding needed to make strategic acquisitions.

Proven Track Record of Success:

- Consistently above average organic revenue growth
- Strong margin profile, driven by the principal's disciplined expense management
- 3 agency acquisitions in the last 5 years and 1 pending acquisition

Opportunities for Growth:

- Hand off back office functions to focus more on production
- Opportunity to continue to acquire additional agencies

22.7%
77.3%

Personal Lines + Commercial Lines

NDA

Interested buyers will sign an NDA to learn more

Financial Model

Pro Forma Adjustments

- Commission-revenue assumptions include 5% organic growth, and a 2% IIR from existing Nationwide PL, renewal rates increasing from 12% to 13%
- Contingencies
 - Home will be taking an additional \$100k salary, and

Income Statement	2024A	2024B	2025A	2025B	2026A	2026B	2027A	2027B	2028A	2028B	2029A	2029B
Commission Revenue	\$693,000	\$1,170,000	\$1,246,000	\$1,320,000	\$1,390,000	\$1,460,000	\$1,530,000	\$1,600,000	\$1,670,000	\$1,740,000	\$1,810,000	\$1,880,000
Contingency Revenue	0	0	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Other Revenue	0	3,750	0	0	0	0	0	0	0	0	0	0
Total Revenue	\$693,000	\$1,173,750	\$1,326,000	\$1,400,000	\$1,470,000	\$1,540,000	\$1,610,000	\$1,680,000	\$1,750,000	\$1,820,000	\$1,890,000	\$1,960,000
Expenses												
Salaries & Wages	\$100,000	\$141,750	\$150,000	\$158,000	\$166,000	\$174,000	\$182,000	\$190,000	\$198,000	\$206,000	\$214,000	\$222,000
Commission Expense	0	0	0	0	0	0	0	0	0	0	0	0
Medical Fee	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Rent Expense	0	0	0	0	0	0	0	0	0	0	0	0
Benefits	5,000	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total Expenses	\$125,000	\$162,950	\$171,200	\$178,000	\$186,000	\$194,000	\$202,000	\$210,000	\$218,000	\$226,000	\$234,000	\$242,000
Total Net Income	\$568,000	\$1,010,800	\$1,154,800	\$1,222,000	\$1,284,000	\$1,346,000	\$1,408,000	\$1,470,000	\$1,532,000	\$1,594,000	\$1,656,000	\$1,718,000
EBITDA	\$568,000	\$1,010,800	\$1,154,800	\$1,222,000	\$1,284,000	\$1,346,000	\$1,408,000	\$1,470,000	\$1,532,000	\$1,594,000	\$1,656,000	\$1,718,000
EBITDA Margin	82%	86%	87%	87%	88%	89%	89%	90%	90%	90%	91%	91%

CIM

Interested buyers will receive the CIM to develop a deep understanding of your business

Legacy Advisor's Role

Bringing your business to market

Market Engagement

- Teaser:** Business highlights
- NDA:** Interested buyers will sign an NDA to learn more
- CIM:** Buyers will receive the CIM to develop a deep understanding of your business

Meet with buyers
most aligned with
your goals.



Legacy Advisor's Role

Facilitate Buyer Connections

Market Engagement

- Meet with a variety of buyers who have expressed interest
- We prepare you with what to say and questions to ask
- Get a sense of who you want to work with

03



VALUE

PREPARE

ENGAGE

MAXIMIZE

EXECUTE



19

Your Journey

Our Process

04





				
Valuation				
Closing Cash	\$17,711,000	\$16.9mm - \$19.5mm	\$16.9mm - \$19.5mm	15.02mm-17.33mm
Closing Stock	\$4,358,250	\$6.5mm - \$9.1mm	\$6.5mm - \$9.1mm	5.8mm-8.1mm
Total Purchase Price	\$21,791,250	\$26,037,349	\$18,500,000	\$20,400,000
True-Up	NA	NA	NA	NA
Earnout	<p>Receives \$4 for every \$1 of EBITDA that (a) exceeds \$2,494,740 in year 1, and (b) in year 2, the greater of (i) \$2,569,580 or (ii) 103% of Year 1 EBITDA. 50/50 Cash Stock</p> <p>1. If Year 3 EBITDA Exceeds 6% CAGR, Buyer would pay seller \$606,000 split 50/50 cash/stock</p> <p>2. If Year 3 EBITDA Exceeds 9% CAGR, Buyer would pay seller \$1,211,000 split 50/50 cash/stock</p>	<p>Year 1. 5x EBITDA growth over 3%</p> <p>Year 2. 5x EBITDA growth over 3% (catch up from year 1)</p> <p>Year 3. 5x EBITDA growth over 3% (catch up from years 1 and 2)</p>	<p>Year 1. 5x EBITDA growth over 3%</p> <p>Year 2. 5x EBITDA growth over 3% (catch up from year 1)</p> <p>Year 3. 5x EBITDA growth over 3% (catch up from years 1 and 2)</p>	<p>TBD, But revenue growth based</p>
Additional	<p>1.The Agency would continue to be managed by the existing management</p> <p>2. 8% dividend on company stock</p> <p>3. Not contingent on financing</p>	<p>1. All members of the agency will be an owner in PCF and all employees are able to invest directly in PCF</p> <p>2. 3 year employment agreement</p> <p>3. Not contingent on financing</p> <p>4. 60 day close</p>	<p>1.The Agency would continue to be managed by the existing management</p> <p>2. 3 year employment agreement</p> <p>3. Not contingent on financing</p>	<p>1.The Agency would continue to be managed by the existing management</p> <p>2. 3 year employment agreement</p>
Ownership/ PE Sponsor	Guggenheim Investments, Abu Dhabi Investment Authority, Oak Hill Advisors, Auldbrass Partners, BDT & Company	GTCR	HGCC, Owl Rock Capital	Hellman and Friedman

Offer Comparison

Our clients typically receive **multiple** strong offers, and each buyer has different parameters to their deal. We help you analyze and make sense of each offer.



Legacy Advisor's Role

Getting you a signed offer that you love.

Deal Structure & Negotiations

- Receive and compare offers
- Financial goals + day 2 culture
- Negotiate on your behalf to yield the best results



VALUE

PREPARE

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04
MAXIMIZE

EXECUTE





Continue Your Journey

Sign the offer
that you *love*.



Your Journey

Our Process

05





Legacy Advisor's Role

We've got your back.

Diligence & Close

- Control communication with the buyer
- Validate financials and employee information
- Manage buyer's data room
- Work with legal and accounting representation
- Assist with planning for the transition



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05

EXECUTE





Successfully Complete Your Journey

Close with confidence.

Next Step: Valuation

What We Need

- Signed NDA
- Financials
- Payroll Information
- Agency Questionnaire

Options for Sharing

- Connect us with your CPA
- Run the reports yourself
- 5 minute screen share to run the reports together
- Provide Quickbooks / Accounting system login