

# INSURANCE INDUSTRY

## FIRST QUARTER 2026

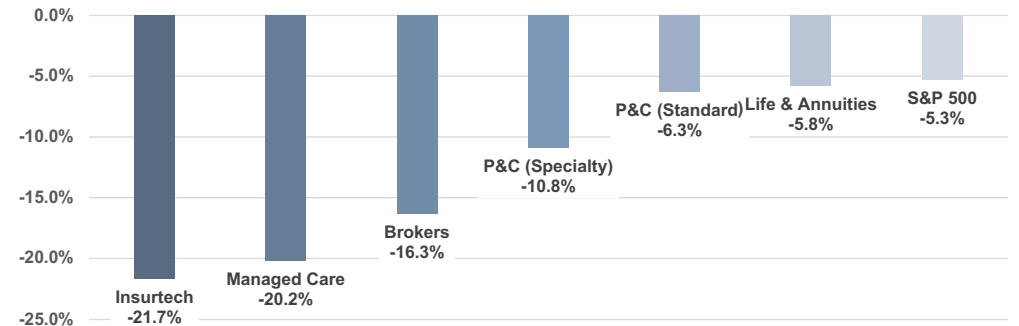
### SECTOR PERFORMANCE UPDATE

#### Macro Volatility and Valuation Reset Drive Broad Insurance Underperformance in 1Q 2026

- All sectors declined in 1Q 2026, underperforming an already negative broader market. Insurtech (-21.7%), Managed Care (-20.2%), and Brokers (-16.3%) led the sell-off, while P&C (Standard) (-6.3%) and Life & Annuities (-5.8%) were relatively more resilient.
- Geopolitical tensions in the Middle East and continued volatility in growth sectors like SaaS-businesses contributed to the declines. Among insurance-technology companies, the largest firms in our index (Guidewire & Verisk) fell 27% and 15%, respectively.
- For brokers, as hard market tailwinds weaken, forward organic growth guidance has been scaled back, which put further pressure on valuations. The forward multiple of EBITDA declined yet again from 13.9x at year-end to 12.3x at the end of Q1.
- Managed care stocks declined sharply in 1Q 2026 due to a combination of unexpected regulatory pressures (proposed lower CMS reimbursements), rising medical cost inflation, and growing political scrutiny.
- The most notable M&A transaction of the quarter was likely the sale of PE-backed Relation Insurance to BayPine for approximately \$1.7B. The deal concludes an on-again, off-again process for the brokerage platform, and reportedly valued the broker at ~13.5x EBITDA.
- On the IPO front, Ethos Technologies (NASDAQ: LIFE), a digital life insurance distributor, went public in late January at \$19/share, a level well below prior private market levels. Unfortunately, shares declined ~40% through the end of Q1, reflecting the aforementioned broader weakness in insurtech and growth-oriented equities.

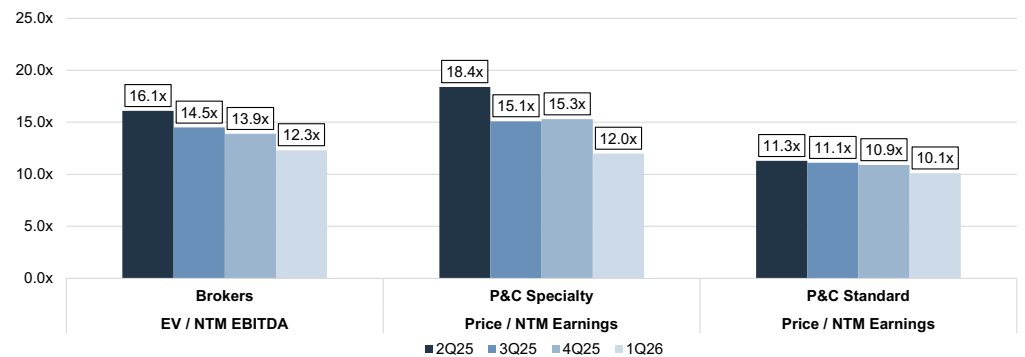
#### First Quarter 2026 Insurance Industry Stock Price Performance

All insurance sectors lagged the broader market



#### Valuation Multiple Progression Over Trailing 4 Quarters

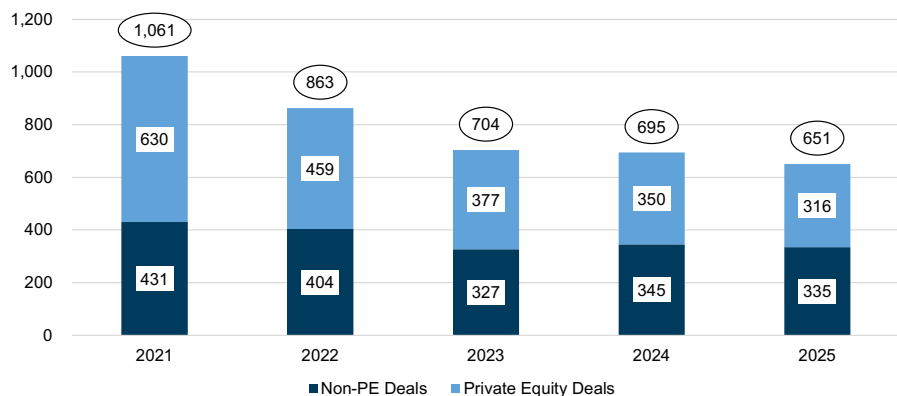
Multiples are moderating for Brokers and Specialty Insurers; Standard Lines P&C are stable



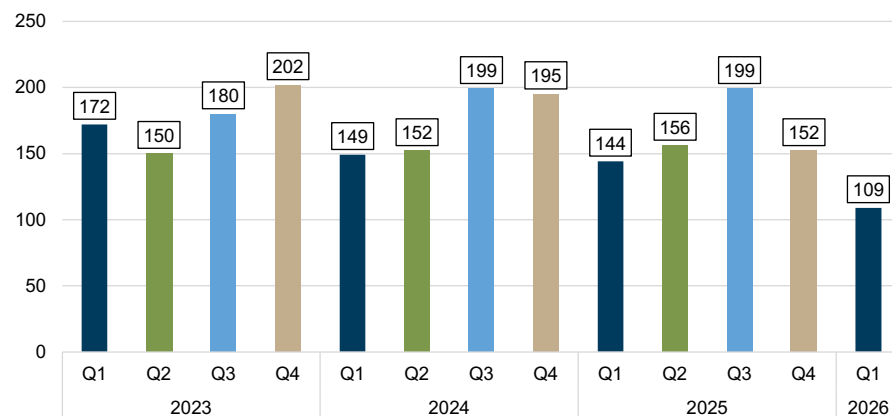
Individual sub-sector performance represented by market capitalization weighted indices for each group.  
Source: S&P Capital IQ Pro.; Mercer Capital Analysis

## M&A TRANSACTION TRENDS

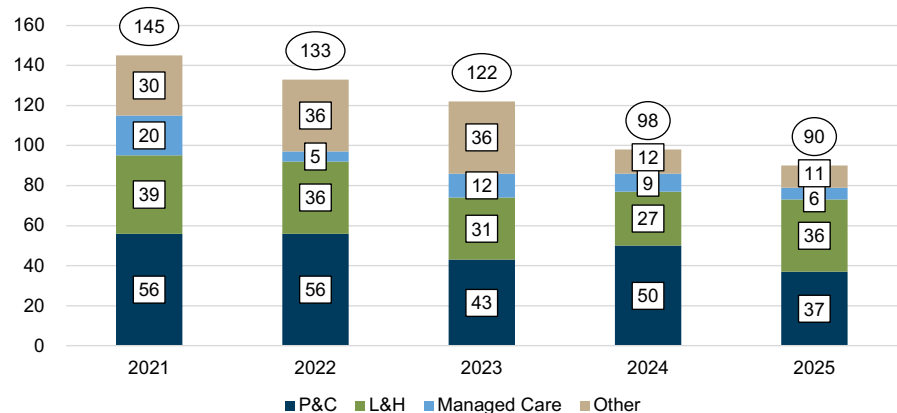
Insurance Brokers: 5-Year M&A Trend



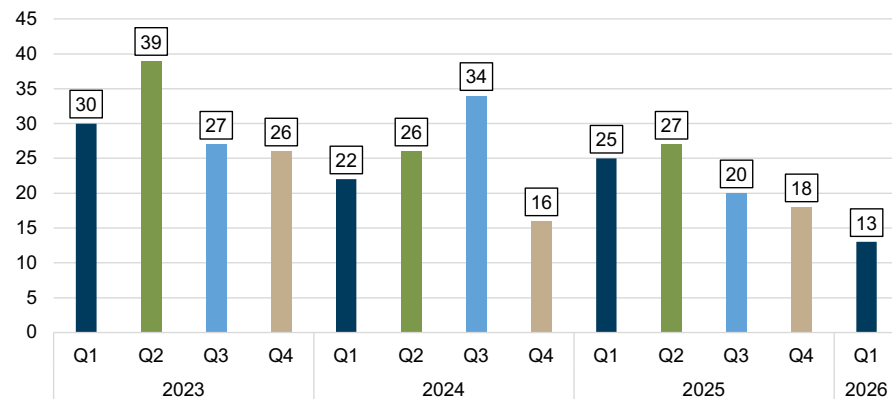
Insurance Brokers: Quarterly M&A Trend



Insurance Underwriters: 5-Year M&A Trend





Insurance Underwriters: Quarterly M&A Trend







Source: S&P Capital IQ Pro; Mercer Capital Analysis. Reflects US deals only.

**SECTOR PRICING AND VALUATION SUMMARY**

*As of March 31, 2026*

Segment	MARKET PRICING			MULTIPLES			
	Share Performance			EV / EBITDA		EV / Revenue	
	%52wk High	%Q/Q	%Y/Y	LTM	NTM	LTM	NTM
 Insurance Brokers	51.9%	-16.3%	-40.5%	14.7x	12.3x	4.5x	3.8x
 InsurTech	58.8%	-21.7%	-33.1%	14.7x	9.1x	2.3x	1.6x

*As of March 31, 2026*

Segment	MARKET PRICING			MULTIPLES			
	Share Performance			Price/Earnings		Price/Book	
	%52wk High	%Q/Q	%Y/Y	LTM	NTM	P/B	P/TB
 P&C (Specialty)	69.7%	-10.8%	-15.1%	12.7x	12.0x	1.8x	1.9x
 P&C (Standard)	86.3%	-6.3%	0.1%	10.0x	10.1x	1.6x	1.7x
 L&H (Life Ins & Annuities)	85.9%	-5.8%	-1.1%	14.9x	8.4x	1.1x	1.1x
 L&H (Health & Managed Care)	49.6%	-20.2%	-34.5%	14.9x	15.2x	1.7x	3.5x

## MARKET SNAPSHOT

BROKERS		MARKET PRICING					MULTIPLES				GROWTH & MARGIN		
Ticker	Name	3/31/2026 Stock Price	Mkt Cap (\$M)	Share Performance			EV / EBITDA		EV / Revenue		Revenue Growth		EBITDA Margin
				%52wk High	%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM	
MRSB	Marsh & McLennan Companies, Inc.	173.45	83,971	69.9%	-6.5%	-28.9%	12.9x	12.5x	3.7x	3.6x	10.3%	4.8%	29.0%
AON	Aon plc	322.78	69,157	80.5%	-8.5%	-19.1%	14.5x	13.4x	4.8x	4.5x	9.4%	5.0%	33.0%
WTW	Willis Towers Watson Public Limited Company	290.70	27,385	82.4%	-11.5%	-14.0%	11.6x	10.4x	3.2x	2.9x	-2.2%	8.6%	27.1%
AJG	Arthur J. Gallagher & Co.	216.58	55,637	61.7%	-16.3%	-37.3%	19.3x	12.3x	5.2x	4.0x	19.0%	27.7%	26.7%
BRO	Brown & Brown, Inc.	65.21	22,143	51.9%	-18.2%	-47.6%	14.5x	11.5x	5.0x	4.0x	22.5%	24.7%	34.4%
RYAN	Ryan Specialty Holdings, Inc.	33.74	8,880	43.7%	-34.7%	-54.3%	14.7x	11.8x	4.2x	3.7x	21.9%	14.9%	28.7%
BWIN	The Baldwin Insurance Group, Inc.	21.94	3,134	47.6%	-8.7%	-50.9%	24.2x	11.1x	3.4x	2.6x	8.3%	33.5%	14.2%
GSHD	Goosehead Insurance, Inc.	42.66	1,519	34.3%	-42.1%	-63.9%	19.1x	13.9x	4.7x	4.1x	16.3%	14.1%	24.6%
TWFG	TWFG, Inc.	18.39	1,034	49.9%	-36.1%	-40.5%	20.5x	16.6x	4.5x	3.8x	nm	19.7%	22.0%
<b>Group Median</b>			<b>22,143</b>	<b>51.9%</b>	<b>-16.3%</b>	<b>-40.5%</b>	<b>14.7x</b>	<b>12.3x</b>	<b>4.5x</b>	<b>3.8x</b>	<b>13.3%</b>	<b>14.9%</b>	<b>27.1%</b>
<i>excluding outliers [in brackets]</i>													

## MARKET SNAPSHOT

INSURTECH		MARKET PRICING					MULTIPLES				GROWTH & MARGIN		
Ticker	Name	3/31/2026 Stock Price	Mkt Cap (\$M)	Share Performance			EV / EBITDA		EV / Revenue		Revenue Growth		EBITDA Margin
				%52wk High	%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM	
ARX	Accelerant Holdings	13.36	2,968	42.8%	-18.3%	na	14.7x	4.9x	1.6x	1.3x	52.4%	20.5%	10.8%
CCC	CCC Intelligent Solutions Holdings Inc.	6.00	3,643	57.1%	-24.5%	-33.6%	20.7x	10.1x	4.6x	4.2x	11.9%	9.1%	22.2%
CRVL	CorVel Corporation	54.65	2,795	45.7%	-19.2%	-51.2%	15.3x	nm	2.7x	nm	8.1%	nm	17.8%
LIFE	Ethos Technologies Inc.	11.17	702	58.8%	na	na	12.5x	9.6x	2.5x	1.9x	52.0%	32.3%	20.2%
EVER	EverQuote, Inc.	15.42	556	53.7%	-42.9%	-41.1%	5.7x	3.4x	0.6x	0.5x	38.5%	12.4%	9.7%
XZO	Exzeo Group, Inc.	14.67	1,334	59.6%	-39.5%	na	9.1x	8.6x	4.6x	4.3x	64.5%	8.0%	51.2%
GWRE	Guidewire Software, Inc.	149.56	12,661	54.9%	-25.6%	-20.2%	nm	35.0x	9.3x	8.0x	23.7%	15.0%	7.7%
HGTY	Hagerty, Inc.	10.53	3,608	75.2%	-21.7%	16.5%	15.7x	14.2x	2.3x	2.7x	17.3%	-12.0%	14.9%
HIPO	Hippo Holdings Inc.	26.06	677	66.9%	-13.4%	2.0%	nm	17.9x	0.8x	0.6x	25.9%	25.5%	-4.8%
LMND	Lemonade, Inc.	62.68	4,788	62.7%	-11.9%	99.4%	nm	nm	6.2x	3.8x	40.2%	61.5%	-16.5%
MAX	MediaAlpha, Inc.	9.30	590	66.8%	-28.2%	0.6%	8.2x	5.3x	0.6x	0.5x	28.8%	12.3%	7.3%
NP	Neptune Insurance Holdings Inc.	24.19	3,342	72.8%	-17.0%	na	44.7x	30.4x	nm	nm	33.7%	22.0%	50.1%
QNST	QuinStreet, Inc.	12.01	684	62.3%	-16.4%	-32.7%	16.8x	4.3x	0.5x	0.4x	19.0%	26.6%	3.1%
ROOT	Root, Inc.	44.17	687	27.1%	-38.8%	-66.9%	5.1x	3.0x	0.2x	0.2x	29.0%	8.5%	4.3%
SLQT	SelectQuote, Inc.	0.63	111	16.9%	-55.4%	-81.2%	13.0x	8.3x	0.5x	0.5x	11.1%	2.3%	3.6%
VRSK	Verisk Analytics, Inc.	189.75	26,174	58.8%	-15.2%	-36.2%	19.4x	15.9x	9.4x	8.9x	nm	4.6%	48.3%
<b>Group Median</b>			<b>2,065</b>	<b>58.8%</b>	<b>-21.7%</b>	<b>-33.1%</b>	<b>14.7x</b>	<b>9.1x</b>	<b>2.3x</b>	<b>1.6x</b>	<b>28.8%</b>	<b>12.4%</b>	<b>10.3%</b>
<i>excluding outliers [in brackets]</i>													

## MARKET SNAPSHOT

P&C INSURERS (SPECIALTY)		MARKET PRICING				MULTIPLES				MARGINS & RETURNS				
Ticker	Name	3/31/2026 Stock Price	Mkt Cap (\$M)	Share Performance			Price/Earnings		Price/Book		Loss Ratio	Combined Ratio	Return on Equity	
				%52wk High	%Q/Q	%Y/Y	LTM	NTM	P/B	P/TB			LTM	'26E
AFG	American Financial Group, Inc.	127.71	10,638	85.1%	-6.6%	-2.8%	12.7x	11.5x	2.2x	2.5x	62.2%	91.0%	18.1%	18.9%
ASIC	Ategrity Specialty Insurance Company	19.77	950	78.1%	-5.9%	nm	12.1x	10.3x	1.5x	1.5x	58.7%	88.2%	15.0%	14.4%
BOW	Bowhead Specialty Holdings Inc.	22.43	737	53.4%	-21.4%	-44.8%	13.7x	11.5x	1.6x	1.6x	66.7%	96.5%	13.1%	15.0%
JRVR	James River Group Holdings, Inc.	6.30	290	87.5%	-0.9%	50.0%	6.9x	5.4x	0.5x	0.9x	66.4%	96.6%	7.9%	9.8%
KNSL	Kinsale Capital Group, Inc.	341.66	7,910	66.6%	-12.6%	-29.8%	15.7x	16.8x	4.0x	4.0x	55.1%	75.9%	29.3%	22.5%
MKL	Markel Group Inc.	1,914.07	24,071	86.7%	-11.0%	2.4%	11.3x	16.5x	1.3x	1.7x	58.4%	94.6%	11.8%	8.5%
PLMR	Palomar Holdings, Inc.	119.50	3,189	68.0%	-11.3%	-12.8%	16.2x	12.5x	3.4x	3.7x	28.5%	76.9%	23.6%	24.1%
RLI	RLI Corp.	57.04	5,243	69.7%	-10.8%	-29.0%	13.0x	20.2x	2.9x	3.0x	45.0%	83.6%	24.4%	14.1%
SKWD	Skyward Specialty Insurance Group, Inc.	43.68	1,946	67.1%	-14.5%	-17.5%	10.4x	8.9x	1.8x	1.9x	60.9%	89.3%	18.9%	19.3%
TIPT	Tiptree Inc.	16.92	641	61.7%	-7.4%	-29.8%	nm	nm	1.3x	1.3x	na	na	-5.5%	na
TRUP	Trupanion, Inc.	25.61	1,112	44.2%	-31.5%	-31.3%	nm	nm	2.9x	3.5x	na	na	5.5%	na
WRB	W. R. Berkley Corporation	66.28	24,821	83.9%	-5.5%	-6.9%	14.8x	14.6x	2.6x	2.7x	62.4%	90.7%	19.7%	18.0%
WTM	White Mountains Insurance Group, Ltd.	2,196.96	5,348	97.0%	5.7%	14.1%	5.1x	nm	1.0x	1.2x	49.7%	81.4%	21.1%	na
<b>Group Median</b>			<b>3,189</b>	<b>69.7%</b>	<b>-10.8%</b>	<b>-15.1%</b>	<b>12.7x</b>	<b>12.0x</b>	<b>1.8x</b>	<b>1.9x</b>	<b>58.7%</b>	<b>89.3%</b>	<b>18.1%</b>	<b>16.5%</b>

## MARKET SNAPSHOT

P&C INSURERS (STANDARD)		MARKET PRICING					MULTIPLES				MARGINS & RETURNS			
Ticker	Name	3/31/2026 Stock Price	Mkt Cap (\$M)	Share Performance			Price/Earnings		Price/Book		Loss Ratio	Combined Ratio	Return on Equity	
				%52wk High	%Q/Q	%Y/Y	LTM	NTM	P/B	P/TB			LTM	'26E
All	American Integrity Insurance Group, Inc.	19.28	377	73.1%	-7.4%	nm	3.4x	7.0x	1.1x	1.1x	38.7%	63.7%	39.9%	14.9%
ALL	The Allstate Corporation	207.34	53,812	95.7%	-0.4%	0.1%	5.4x	8.1x	1.9x	2.2x	63.8%	85.2%	39.5%	21.9%
CB	Chubb Limited	325.93	126,912	94.3%	4.4%	7.9%	12.6x	12.2x	1.7x	2.8x	59.1%	85.7%	14.3%	13.5%
CINF	Cincinnati Financial Corporation	157.35	24,497	90.3%	-3.7%	6.5%	10.3x	18.4x	1.5x	1.5x	65.6%	94.9%	16.0%	8.2%
CNA	CNA Financial Corporation	45.92	12,429	89.5%	-3.8%	-9.6%	9.7x	10.0x	1.1x	1.1x	67.9%	95.2%	11.5%	na
DGIC.A	Donegal Group Inc.	17.18	639	81.3%	-14.0%	-12.5%	7.9x	8.2x	1.0x	1.0x	61.3%	95.4%	13.4%	11.0%
ERIE	Erie Indemnity Company	251.31	13,141	57.9%	-12.3%	-40.0%	23.5x	18.6x	5.8x	5.8x	na	na	26.2%	na
GBLI	Global Indemnity Group, LLC	27.23	391	77.9%	-4.1%	-21.0%	15.5x	10.4x	0.6x	0.6x	58.7%	98.6%	3.6%	na
HIG	The Hartford Insurance Group, Inc.	135.23	37,305	93.6%	-1.9%	9.3%	10.0x	10.1x	2.0x	2.3x	56.8%	88.3%	21.7%	18.5%
HRTG	Heritage Insurance Holdings, Inc.	26.25	768	82.1%	-10.3%	82.0%	4.1x	5.7x	1.5x	1.6x	39.4%	73.1%	49.1%	24.7%
MCY	Mercury General Corporation	88.15	4,883	88.1%	-6.3%	57.7%	9.0x	9.8x	2.0x	2.1x	72.0%	96.3%	24.8%	16.7%
ORI	Old Republic International Corporation	39.90	9,608	85.3%	-12.6%	1.7%	10.5x	12.1x	1.6x	1.7x	41.9%	94.7%	16.3%	13.4%
PGR	The Progressive Corporation	198.24	115,963	68.4%	-12.9%	-30.0%	10.3x	12.2x	3.8x	3.8x	65.9%	87.4%	40.4%	28.8%
SAFT	Safety Insurance Group, Inc.	72.64	1,063	86.3%	-6.8%	-7.9%	10.7x	nm	1.2x	1.2x	70.0%	99.0%	11.5%	na
SIGI	Selective Insurance Group, Inc.	75.39	4,530	80.7%	-9.9%	-17.6%	10.0x	9.5x	1.3x	1.3x	66.3%	97.2%	13.9%	13.3%
SLDE	Slide Insurance Holdings, Inc.	18.00	2,238	69.5%	-7.6%	nm	3.8x	5.5x	2.0x	2.0x	21.8%	52.1%	57.4%	33.6%
THG	The Hanover Insurance Group, Inc.	173.35	6,100	92.1%	-5.2%	-0.3%	9.4x	10.1x	1.7x	1.8x	60.5%	91.6%	20.6%	16.3%
TRV	The Travelers Companies, Inc.	291.68	63,072	93.2%	0.6%	10.3%	10.5x	10.7x	1.9x	2.2x	61.4%	89.9%	20.7%	17.2%
UFCS	United Fire Group, Inc.	37.06	946	91.2%	2.0%	25.8%	8.0x	10.3x	1.0x	1.0x	59.1%	94.8%	13.7%	9.5%
<b>Group Median</b>			<b>6,100</b>	<b>86.3%</b>	<b>-6.3%</b>	<b>0.1%</b>	<b>10.0x</b>	<b>10.1x</b>	<b>1.6x</b>	<b>1.7x</b>	<b>60.9%</b>	<b>93.2%</b>	<b>20.6%</b>	<b>16.3%</b>

## MARKET SNAPSHOT

LIFE INSURANCE & ANNUITIES		MARKET PRICING					MULTIPLES				RETURNS	
Ticker	Name	3/31/2026 Stock Price	Mkt Cap (\$M)	Share Performance			Price/Earnings		Price/Book		Return on Equity	
				%52wk High	%Q/Q	%Y/Y	LTM	NTM	P/B	P/TB	LTM	'26E
AFL	Aflac Incorporated	109.71	56,521	91.9%	-0.5%	-1.3%	16.0x	14.9x	1.9x	1.9x	13.1%	13.5%
BHF	Brighthouse Financial, Inc.	59.88	3,424	90.3%	-7.6%	3.3%	10.4x	3.2x	0.5x	0.5x	7.4%	13.7%
CIA	Citizens, Inc.	5.03	253	78.5%	4.1%	10.5%	17.3x	16.8x	1.1x	1.1x	6.6%	6.4%
CNO	CNO Financial Group, Inc.	41.06	3,848	91.5%	-3.3%	-1.4%	17.5x	9.3x	1.5x	1.5x	8.9%	12.2%
CRBG	Corebridge Financial, Inc.	23.86	11,493	65.2%	-20.9%	-24.4%	nm	4.7x	0.9x	0.9x	-3.0%	11.9%
GL	Globe Life Inc.	139.17	10,918	91.1%	-0.5%	5.7%	9.8x	9.1x	1.8x	2.0x	20.6%	18.8%
GNW	Genworth Financial, Inc.	8.12	3,147	87.5%	-10.1%	14.5%	15.0x	19.3x	0.4x	0.4x	3.6%	1.6%
JXN	Jackson Financial Inc.	105.72	7,441	85.5%	-0.9%	26.2%	nm	4.3x	0.7x	0.7x	0.7%	14.8%
LNC	Lincoln National Corporation	35.50	6,748	75.8%	-20.3%	-1.1%	6.0x	4.4x	0.7x	0.8x	12.3%	10.8%
MET	MetLife, Inc.	70.72	46,113	84.3%	-10.4%	-11.9%	14.9x	7.2x	1.6x	2.6x	12.0%	16.1%
PFG	Principal Financial Group, Inc.	90.11	19,539	92.1%	2.2%	6.8%	16.9x	9.6x	1.6x	2.2x	10.5%	16.4%
PRI	Primerica, Inc.	250.48	7,930	85.9%	-3.1%	-12.0%	10.9x	10.4x	3.3x	3.3x	31.9%	29.5%
PRU	Prudential Financial, Inc.	97.69	33,978	81.6%	-13.5%	-12.5%	9.7x	6.9x	1.0x	1.1x	11.4%	13.8%
UNM	Unum Group	73.03	11,959	87.8%	-5.8%	-10.3%	17.1x	8.4x	1.1x	1.1x	6.7%	10.8%
VOYA	Voya Financial, Inc.	68.32	6,338	85.4%	-8.3%	0.8%	10.7x	7.0x	1.3x	2.0x	11.2%	14.3%
<b>Group Median</b>			<b>7,930</b>	<b>85.9%</b>	<b>-5.8%</b>	<b>-1.1%</b>	<b>14.9x</b>	<b>8.4x</b>	<b>1.1x</b>	<b>1.1x</b>	<b>10.5%</b>	<b>13.7%</b>

## MARKET SNAPSHOT

HEALTH AND MANAGED CARE		MARKET PRICING					MULTIPLES				RETURNS	
Ticker	Name	3/31/2026 Stock Price	Mkt Cap (\$M)	Share Performance			Price/Earnings		Price/Book		Return on Equity	
				%52wk High	%Q/Q	%Y/Y	LTM	NTM	P/B	P/TB	LTM	NTM
CI	The Cigna Group	266.75	70,332	76.2%	-3.1%	-18.9%	11.9x	8.8x	1.7x	nm	15.1%	17.6%
CNC	Centene Corporation	32.74	16,101	49.6%	-20.4%	-46.1%	nm	10.9x	0.8x	3.5x	-28.7%	7.4%
ELV	Elevance Health, Inc.	292.75	64,307	63.8%	-16.5%	-32.7%	11.6x	11.3x	1.5x	nm	13.2%	12.3%
HUM	Humana Inc.	173.39	20,816	55.0%	-32.3%	-34.5%	17.6x	18.5x	1.2x	3.1x	7.0%	6.0%
MOH	Molina Healthcare, Inc.	133.30	6,944	37.0%	-23.2%	-59.5%	14.9x	24.1x	1.7x	4.0x	11.0%	6.0%
OSCR	Oscar Health, Inc.	11.47	3,412	48.2%	-20.2%	-12.5%	nm	18.3x	3.5x	3.5x	-44.4%	1.1%
UNH	UnitedHealth Group Incorporated	270.59	245,608	44.6%	-18.0%	-48.3%	20.4x	15.2x	2.6x	nm	12.5%	15.2%
<b>Group Median</b>			<b>20,816</b>	<b>49.6%</b>	<b>-20.2%</b>	<b>-34.5%</b>	<b>14.9x</b>	<b>15.2x</b>	<b>1.7x</b>	<b>3.5x</b>	<b>11.0%</b>	<b>7.4%</b>

# MERCER CAPITAL'S INSURANCE INDUSTRY SERVICES

Mercer Capital provides valuation and transaction advisory services to the insurance industry

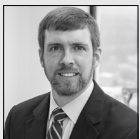
## SECTORS SERVED

- Independent Agencies & Brokerages
- Retail, Wholesale, MGAs, MGUs
- PE and Sponsor-Backed Platforms
- Bank-Owned Agencies
- Insurance Technology (InsurTech)
- P&C Insurance Underwriters
- Life & Health, Managed Care
- Captives and Risk Retention Groups
- Third-Party Administrators
- Claims Adjusters & Service Providers

## SERVICES

- Corporate Valuation
- M&A Representation & Consulting
- Quality of Earnings Analysis
- Tax Compliance Valuation
- Financial Reporting Valuation
- Purchase Price Allocation
- Fairness & Solvency Opinions
- Buy-Sell Agreement Valuation & Consulting
- ESOP/ERISA Valuation
- Litigation & Dispute Resolution Consulting / Testimony

## CONTACT INFORMATION



**Lucas Parris CFA, ASA-BV/A**  
parrisl@mercercapital.com  
901.322.9784

## ADDITIONAL RESOURCES



WHITEPAPER

### Understand the Value of Your Insurance Brokerage

Understanding how insurance agencies and brokerages are actually valued may help you understand how to grow the value of your business and maximize your return when it comes time to sell. This whitepaper provides an informative overview regarding the valuation of insurance brokerages and agencies.



WHITEPAPER

### Understand the Value of Your InsurTech Company

Valuing an InsurTech company can be complicated and difficult, but carries important significance for employees, investors, and stakeholders for the company. While all InsurTech companies have differences, including what niche (distribution, claims, benefits, etc.) they operate in or what stage of development the company is in, understanding the value of the business is critically important.



PRESENTATION

### Insurance Agency Valuation in Uncertain Times

This presentation, which we've shared with various groups over the last few months, provides an update on the current M&A environment and the valuation issues that impact insurance agencies and brokerages. It also addresses some strategies for family-owned agencies facing perpetuation issues or challenges in this macroeconomic environment.