

May 15, 2015
Financial Technology Partners LP
FTP Securities LLC
Transaction Profile:

TOWERS WATSON 

acquires



For \$140,000,000

Courtesy of:



The Only Investment Bank
Focused Exclusively on Financial Technology

www.ftpartners.com



Financial Technology Partners LP
555 Mission St., 23rd Floor
San Francisco, CA 94105
Tel: 415.512.8700

Steve McLaughlin
Managing Partner
Tel: 415.992.8880
steve.mclaughlin@ftpartners.com

Highly Confidential and proprietary information. Unauthorized distribution without prior consent from Financial Technology Partners LP or FTP Securities LLC (together "FT Partners") is strictly prohibited.
This communication should not be regarded as an offer to sell or as a solicitation of an offer to buy any financial product or service, nor is it an official confirmation of any transaction, or representative of an official position or statement of Financial Technology Partners LP, FTP Securities LLC or any other related entity. FTP Securities LLC is a FINRA registered broker-dealer. © 2015.

Towers Watson Acquires Acclaris For \$140 mm

Transaction Summary

Towers Watson – FY15 Acquisition Impact

- Incremental Revenues: ~\$5 million
- Transaction Costs: ~\$3 million
- Adjusted Diluted EPS⁽²⁾: No Impact
- Adjusted EBITDA⁽³⁾ %: Neutral to targeted range

Towers Watson – FY16 Acquisition Impact

- Adjusted Diluted EPS⁽²⁾: Slightly Dilutive
- Adjusted EBITDA⁽³⁾ %: Neutral to targeted range

Transaction Summary

- On May 11, 2015 Towers Watson (NASDAQ: TW), a global professional services company, acquired Acclaris, a provider of SaaS technology for account based healthcare plans (ABHP)
 - The total purchase price was \$140 million, funded through cash and an existing credit facility
 - Implied multiple of 4x Acclaris' CY15 revenue of \$35 mm
- There is no anticipated impact or change to Towers Watson's investor guidance for the 2015 fiscal year
- CEO of Acclaris, Dean Mason, will join Towers Watson's leadership team in the Exchange solutions segment
- The acquisition improves Towers Watson's benefits administration and private exchange

Transaction Rationale⁽¹⁾

Towers Watson's Goal:

"To be a leading benefit administration and exchange provider across all segments of an employer's population for employers of all sizes."

The Acclaris Acquisition:

1. Combines TW's benefits administration services with Acclaris' technology platform
2. Acclaris aligns with TW's growth strategy and shares the same quality and customer service values
3. TW is able to break into the health savings account administration market

Market Opportunity:

2015: 20% Of employers offer ABHPs
 ↓
 2017E: 70% Of employers offer ABHPs

Transaction Commentary



"Going forward, Towers Watson and Acclaris will enable clients of any size to offer benefits in new and cost-effective ways. Acclaris stands out from the competition for its

operational efficiency, and its scalable and configurable SaaS-based technology and service delivery. We believe this combination will allow us to offer the end-to-end process for both traditional benefits administration and private benefits exchange solutions, and to deliver a seamless experience for our employer-clients, an exceptional experience for consumers and high-quality customer support for both."

Jim Foreman

Managing Director, Towers Watson's Exchange Solutions



"We're in an era of convergence as banking and technology combine to enable advanced account-based benefit services. We look forward to adding our

vision and expertise in account administration to Towers Watson's market-leading benefits administration and exchange-based solutions, and to helping its clients manage costs and encourage health care consumerism. Acclaris' solution will add a new level of integration and ease of use to the Towers Watson benefits administration and private exchange offerings."

Dean Mason

CEO & President, Acclaris

Towers Watson Acquires Acclaris For \$140 mm

Acclaris Overview

Key Stats

Serves:

1.8 mm
Consumers



6,000
Employers



40 Fortune 500
Employers

Generates:

\$35 mm
2015E Revenue ⁽¹⁾

Employs:

600+
Associates

FINANCIAL
TECHNOLOGY
PARTNERS

Acclaris Overview

CEO & President

Dean
Mason



Headquarters









Tampa, FL

Founded

2001

- Acclaris is a SaaS based Healthcare consumer reimbursement and savings account provider
- Provides account based healthcare plan administration for health plans, benefit consultants, private exchanges and financial institutions
- Has offices located in Florida (2), Kansas and India (3)

Selected Previous Transactions

| Date | Size (\$ mm) | Key Investors |
|----------|---------------------|--|
| 07/13/10 | na (Acquisition) |     |
| 03/16/09 | \$5 (Financing) |  |
| 01/16/07 | 2 (Financing) |  |
| 07/21/04 | 5 (Financing) |   |

Product Overview

Technology

SaaS platform for Account-Based Health Plans (ABHP)

Accessible by online portal & mobile app

Customizable on a single platform

Services

Data Integration

Consumer Advocacy

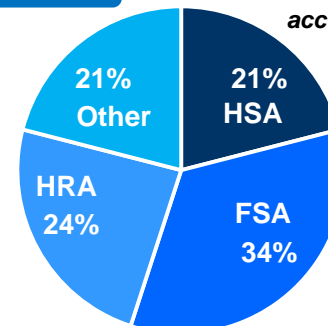
Client Implementation

Employer on-Boarding

Claims Reimbursement

Strategic Account Management

Plan Types



Acclaris supports over 30 different account types such as tuition, adoption, commuter and child care

Source: Company press release, Company website.

(1) Towers Watson's Investor Presentation: "Acclaris Acquisition" May 11, 2015.

Towers Watson Acquires Acclaris For \$140 mm

Towers Watson Overview

Towers Watson Overview

CEO

John
Haley



Headquarters

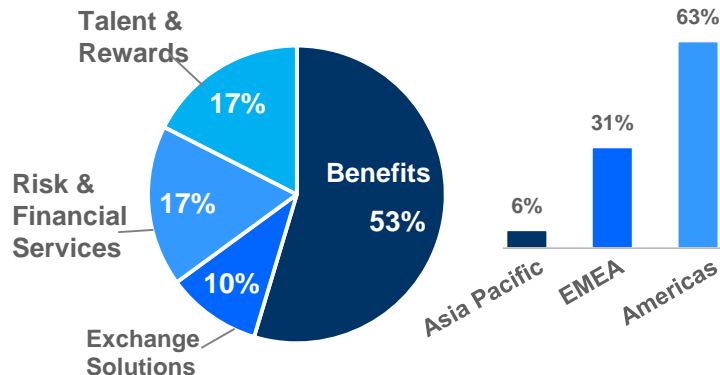
Arlington, VA

Founded

1865

- Towers Watson is a global professional services firm focused on risk management and financial management solutions and consulting
- The Company has offices located in 37 different countries

Revenue by Segment / Geography (1)



Product Overview

HR Services / Software

- Communications / Change Management
- Employee Surveys
- HR Service Delivery
- HR Software
- Talent Management



Insurance / Risk Management Solutions

- Corporate Risk Management
- Insurance Industry Consulting
- International Consulting
- Risk Software Solutions



Financial Management / Consulting

- Executive Compensation
- Investment
- Retirement
- M&A and Corporate Transactions
- Rewards Programs
- Sales Effectiveness



Healthcare Benefits Solutions

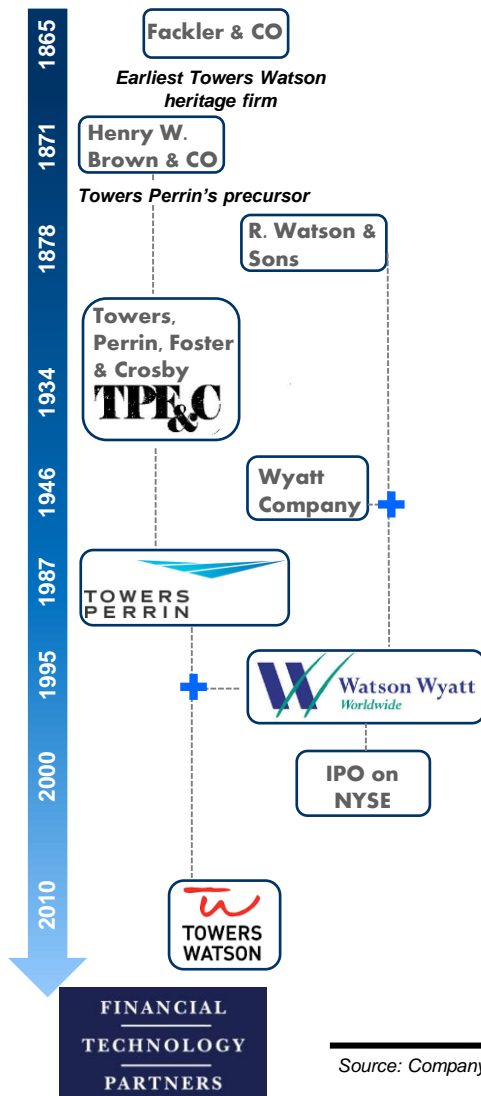
- OneExchange
- Health and Group Benefits
- Retiree Medical Exit Solution



Towers Watson Acquires Acclaris For \$140 mm

Towers Watson Overview

Founding Dates



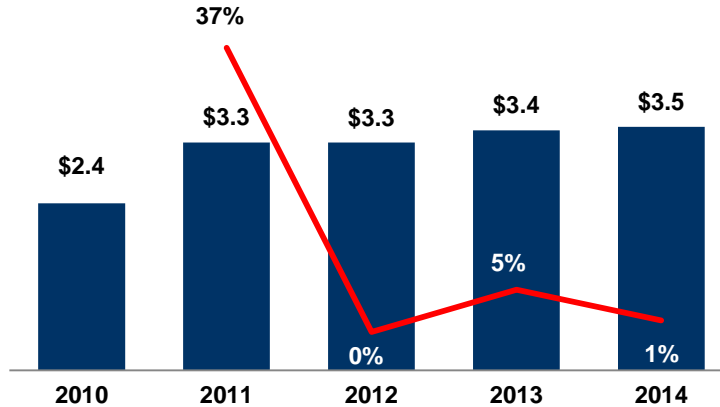
Source: Company website, Capital IQ.

Towers Watson Acquires Acclaris For \$140 mm

Towers Watson Financial Overview

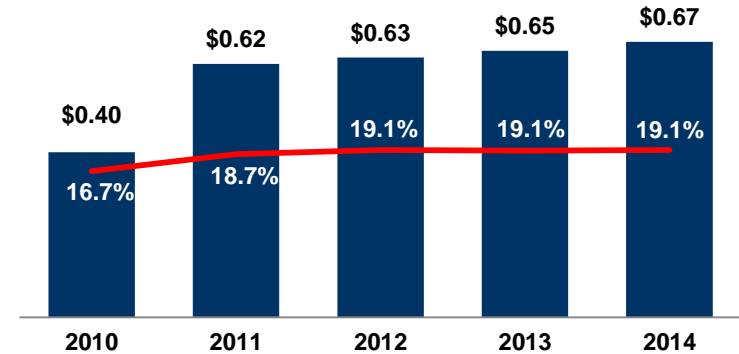
Total Revenue / % Growth

(\$ in bn)



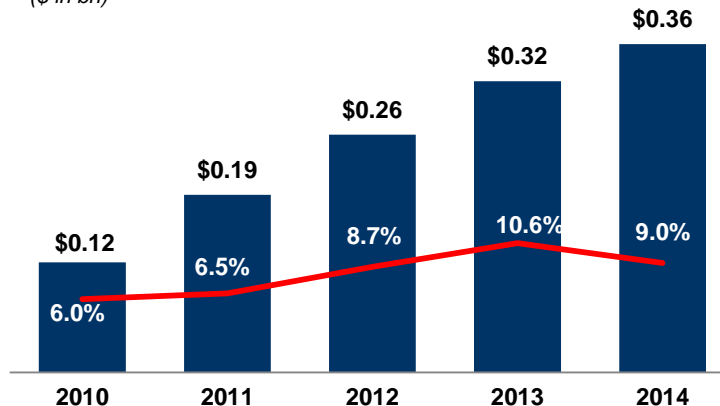
Adjusted EBITDA ⁽¹⁾ / % Margin

(\$ in bn)

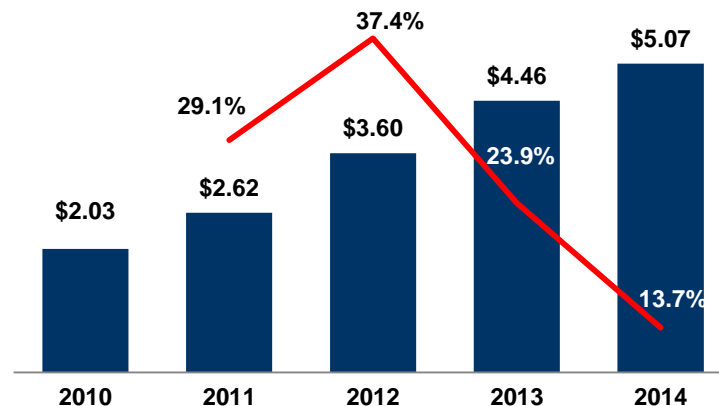


Net Income⁽²⁾ / % Margin

(\$ in bn)



Diluted EPS / % Growth



Source: SEC filings, Capital IQ.

(1) Adjusted EBITDA is defined as Net income (attributable to common stockholders) adjusted for discontinued operations, net of tax, provision for income taxes, interest, net, depreciation and amortization, transaction and integration expenses, and other non-operating income excluding income from variable interest entity.

(2) Net income attributable to common stock holders

Overview of FT Partners

FT Partners is the Leader in Financial Technology Investment Banking

FT Partners has advised on some of the most prominent transactions in the Healthcare IT space

Financial Technology Partners LP
FTP Securities LLC

*is pleased to announce its exclusive role as
Capital Markets & IPO Advisor to*

 **ACCRETIVE HEALTH**
results providers trust

in its

\$138,000,000

Initial Public Offering

valuing the equity at approximately

\$ 1,200,000,000



*The Only Investment Bank
Focused Exclusively on Financial Technology*

- Offers end-to-end Revenue Cycle Management, Quality and Care Coordination and Physician Advisory Services
- Differentiated solutions span the entire healthcare revenue cycle
- Infused management model integrates people, processes and technology

Financial Technology Partners LP
FTP Securities LLC

*is pleased to announce its exclusive role as
Capital Markets & IPO Advisor to*

Performant 

in its

\$93,000,000

Initial Public Offering

valuing the equity at approximately

\$ 453,000,000



*The Only Investment Bank
Focused Exclusively on Financial Technology*

- Performs outsourced healthcare Payment Integrity and Recovery Services
- Medicare Recovery Audit Contractor ("RAC") for Region A (Northeast)
- Recovered ~\$482 mm in improper Medicare payments in 2012

Financial Technology Partners LP
FTP Securities LLC

*is pleased to announce its role as lead
strategic and financial advisor to*

AmWINS
Group, Inc.

in its growth recapitalization by

 **NMC**
NEW MOUNTAIN CAPITAL LLC

valued at approximately

\$ 1,300,000,000



*The Only Investment Bank
Focused Exclusively on Financial Technology*

- Second largest wholesale broker in the U.S. by premiums placed ⁽¹⁾
- Group Benefits division develops, distributes and administers benefits products through 7 individual operating companies
- Division services approximately 843,000 member lives among 10,000 employer groups

Financial Technology Partners LP
FTP Securities LLC

*is pleased to announce its role as
exclusive Strategic and Financial advisor to*

ZYWAVE

in its sale of

Zywave Insurance Solutions
to

 **AURORA**
CAPITAL GROUP



*The Only Investment Bank
Focused Exclusively on Financial Technology*

- Provides technology-enabled content and communication, agency automation and business intelligence tools
- Serves the employee benefits and P&C insurance distribution industry
- Software and products are used by more than 2,600 agencies

Overview of FT Partners

Award-Winning Investment Banking Franchise Focused on Superior Client Results

FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition



M&A Advisor Awards

- | | |
|------|--|
| 2014 | <ul style="list-style-type: none"> ■ Equity Financing Deal of the Year ■ Professional Services Deal of the Year, Above \$100mm |
| 2012 | <ul style="list-style-type: none"> ■ Dealmaker of the Year ■ Professional Services Deal of the Year, Above \$100 mm |
| 2011 | <ul style="list-style-type: none"> ■ Boutique Investment Bank of the Year ■ Deal of the Decade ■ <i>10 Deal of the Year Nominations Across 9 Categories</i> |
| 2010 | <ul style="list-style-type: none"> ■ Upper Middle Market Deal of the Year, Above \$500 mm ■ IT Services Deal of the Year, Below \$500mm ■ Cross-Border Deal of the Year, Below \$500mm |
| 2007 | <ul style="list-style-type: none"> ■ Dealmaker of the Year – Steve McLaughlin ■ Business to Business Services Deal of the Year ■ Computer and Information Technology Deal of the Year, Above \$100mm ■ Financial Services Deal of the Year, Above \$100mm |



- | | |
|-----------|---|
| 2006-2008 | <ul style="list-style-type: none"> ■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology |
|-----------|---|



Middle Market Financing Awards

- | | |
|------|--|
| 2008 | <ul style="list-style-type: none"> ■ Equity Financing Dealmaker of the Year – Steve McLaughlin ■ Information Technology Deal of the Year ■ Financial Services Deal of the Year |
| 2006 | <ul style="list-style-type: none"> ■ Financing Professional of the Year – Steve McLaughlin ■ <i>Financing Deal of the Year - Equity</i> ■ <i>Financing Deal of the Year - Debt</i> |

Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.