

FT PARTNERS FINTECH INDUSTRY RESEARCH

November 27, 2017

THE CARLYLE GROUP

The Carlyle Group Acquires BenefitMall



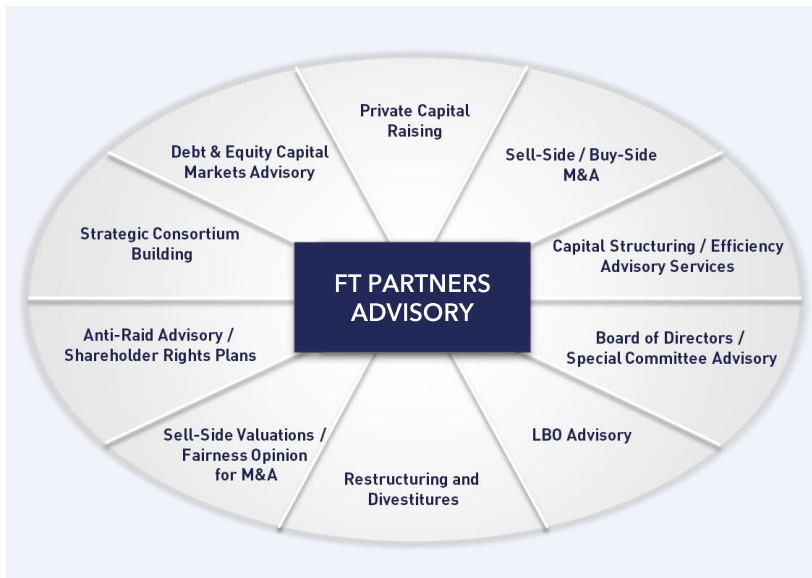
The Only Investment Bank Focused Exclusively on FinTech

San Francisco • New York • London

Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 15 years of exclusive focus on Financial Technology

FT Partners' Advisory Capabilities



FT Partners' FinTech Industry Research

FINTECH RESEARCH & INSIGHTS

- In-Depth Industry Research Reports
- Proprietary FinTech Infographics
- Monthly FinTech Market Analysis
- FinTech M&A / Financing Transaction Profiles



The Information

Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by *The Information*



Ranked #4 Most Influential Person in all of FinTech in *Institution Investor's* "FinTech Finance 35"



Numerous Awards for Transaction Excellence including "Deal of the Decade"

Steve McLaughlin: *Founder & CEO*

Tel: 415.992.8880

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The Carlyle Group Acquires BenefitMall

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Transaction Summary

Transaction Summary

- On November 20, 2017, The Carlyle Group announced it has agreed to acquire BenefitMall from an investor group led by Austin Ventures
- Founded in 1979, BenefitMall is a provider of employee benefits and payroll services to small and medium-sized businesses across the United States
- The Carlyle Group is a global alternative asset manager with \$174 billion of assets under management
- Equity for this investment will come from Carlyle Global Financial Services Partners II, a \$1 billion fund that invests in financial services firms globally

Selected Transaction History

Date	Type	Size (\$ mm)	Target / Acquirer
05/02/12	M&A / Financing	NA	Merged with:
			Sponsored by:
08/22/06	Buyout	\$176	Acquired by: Allied Capital

Transaction Commentary



"Carlyle is the right partner to help take BenefitMall to the next level of success. We have enjoyed working with Austin Ventures and appreciate their support these past five years."

Scott Kirksey
President



Bernard DiFiore
CEO



"BenefitMall is an established player with significant growth potential. Through capital investment, an expanded salesforce, and Carlyle's industry experience and network, we believe BenefitMall can expand and take significant market share as the demand for integrated benefits, payroll and related products and services continues to grow within an increasingly complex regulatory environment. We look forward to supporting BenefitMall and working with the entire talented management team."

THE CARLYLE GROUP

Jim Burr
Managing Director



"It has been a pleasure working with the BenefitMall team. As we close this partnership for a second time, we are confident that The Carlyle Group combined with BenefitMall will create the perfect partnership to promote continued growth and success as a significant player in the employee benefits and payroll market for SMBs."



Austin Ventures

Joe Aragona
General Partner



The Carlyle Group Acquires BenefitMall

BenefitMall Overview



Company Overview







CEO: Bernard DiFiore
Headquarters: Dallas, TX
Founded: 1979

- BenefitMall is a national provider of employee benefits, payroll, HR and employer services
- The Company serves over 200,000 small and medium-sized businesses in the United States
- BenefitMall partners with a network of over 20,000 brokers and certified public accountants (CPAs) to provide small and medium-sized businesses with access to affordable quality workforce solutions
- As the nation’s largest general agency, the Company also partners with over 125 carriers nationwide
- BenefitMall also operates HealthCareExchange.com, an online community for information regarding the Patient Protection and Affordable Care Act
- In 2012, the Company merged with CompuPay, a leading privately held payroll company

Products & Services Overview

Payroll & Tax Services

 Online Payroll	 Full Service Payroll	 Specialty Payroll	 Payroll Calculators
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Insurance Services

 Group Insurance Solutions	 Consumer Products	 Self-Funded / Stop Loss Insurance	 Benefits Administration
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HR Services

 HRFocus	 HR360	 HR Resource Center	 Additional Products & Services
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Compliance Services

 allCompliance	 ACA Hotline
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Workforce Management

- Integrated Time and Attendance
- Expense Management
- Back-Office Support
- Integrated Benefits Administration

The Carlyle Group Acquires BenefitMall

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The Carlyle Group Overview

Overview

THE CARLYLE GROUP



James Attwood, Jr.
Managing Director



Campbell Dyer
Managing Director



Bud Watts
Managing Director



William Allen
Managing Director

Location

- Washington, DC (HQ)
- Los Angeles, CA
- London, UK
- New York, NY
- Sydney, Australia
- Beijing, China

About

- Founded in 1987, The Carlyle Group is a global private equity and global alternative asset manager with over \$178 bn in assets under management
- The Carlyle Group has 700 investment professionals and a global portfolio of over 200 companies
- Takes an active role in its portfolio companies, usually through board representation
- Comfortable making both equity and debt investments through its various funds

Investment Preferences

Investment Criteria

Fund Size:	\$1,000 mm (<i>Global Financial Services Partners II</i>)
Fund Raised:	2014 (<i>Global Financial Services Partners II</i>)
Investment Range:	\$5–1,000 mm
Revenue:	\$10–500 mm
EBITDA:	NA

General Preferences¹

Control:	Majority, Minority
Geography:	Global
Transaction Type:	Growth, Buyout, LBO, Spin-offs, PIPE, Secondary
Industry Focus:	Aerospace, Defense, Government, Commodities, Consumer, Retail, Energy, Financial Services, Healthcare, Industrial, Infrastructure, Real Estate, Business Services, Transportation, TMT

Selected Recent Investments / Exits

FinTech / Financial Services Investments²

Date	Company	Deal Amt. ³	Board Rep.	Sector
11/17	BenefitMall (<i>Buyout</i>)	NA	NA	HCIT
09/17	Prima Solutions (<i>Buyout</i>)	NA	NA	Ins
03/17	SBI Card (<i>Secondary</i>)	\$325	NA	Pymts
10/16	Money Square Holdings (<i>Buyout</i>)	NA	NA	CapMkts
09/16	Exocad (<i>Buyout</i>)	129	Christopher Leitner-Dietmaier	HCIT
08/16	VXI Global Solutions (<i>Secondary</i>)	700	NA	BPO
05/16	ION Investment (<i>Strategic</i>)	400	Campbell Dyer, Renee James	CapMkts
09/15	Prospa Advance (<i>Series B</i>)	60	NA	Bnkg
09/15	Innovation Group (<i>Buyout</i>)	777	NA	Ins
08/15	Hermes Peru (<i>Buyout</i>)	NA	Marco Peschiera	BPO
06/15	JIC Leasing (<i>PE Growth</i>)	117	Sean Lu	Bnkg
05/15	Conifer Financial Services (SS&C Technologies)*	NA	Olivier Sarkozy	CapMkts
03/15	Barbon Insurance (<i>Buyout</i>)	NA	Olivier Sarkozy	Ins
03/15	Payzone (<i>Buyout</i>)	NA	Peter Garvey	Pymts
03/15	DBRS (<i>MBO</i>)	NA	Olivier Sarkozy	Bnkg
02/15	PNB Housing Finance (<i>Secondary</i>)**	250	NA	Bnkg
01/15	Esanda (<i>Buyout</i>)	6,714	NA	Bnkg
01/15	rapid! (<i>Buyout</i>)	NA	NA	Pymts

Source: Company website, PitchBook

1) Italics indicate preferred control / geography

2) * denotes M&A exit; ** denotes IPO exit

3) Deal Amount in mm

FT Partners Research – Q3 InsurTech Insights

Q3 2017 InsurTech Insights



Click pictures to view report

Highlights of the report include:

- Q3 2017 and historical InsurTech financing volume and deal count statistics
- Largest InsurTech financing transactions so far in 2017
- Most active InsurTech investors
- Corporate VC activity and strategic investor participation
- Recent and historical trends in M&A

Q3 2017 INSURTECH INSIGHTS

Largest InsurTech Financings in 2017 Year-To-Date

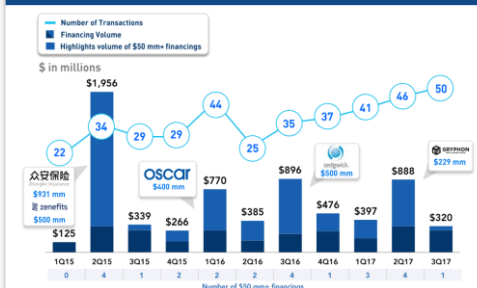
Announcement Date	Company	Investor(s)	Amount (\$ in mil.)	Target, Country
06/16/17	GREYFON	Parter South/Group, Lend Lease/Capital Partners	\$229	USA
06/15/17	bright	Grouping Associates, Grouping Partners, Redwood Ventures, Chase Credit Advisors, New Enterprise Associates, Redwood Venture Partners, First Capital Partners	160	USA
05/11/17	Clover	QI (aka Google Ventures), Kala, Dora Ventures, Western Technology Investments, Generali Capital Management, Sequoia Capital, First Round Capital	130	USA
03/09/17	Alignment Healthcare	WarburgPincus	115	USA
03/03/17	decisely	Edgework Partners Insurance Center, Two Sigma Private Investments	60	USA
07/10/17	compartAsia	Investment/Fluency Consumer, Alkermis, W. Holdings, W&P Asia Pte., Golden Sachs Investment Partners, First Round Capital, ACE & Co., Roca 85 Ventures	50	USA
04/28/17	Unguarded	PSG, Credit China Holdings	50	USA
01/05/17	Namely	Sula Ventures Partners, Alexander Capital, Sequoia Capital, Marx Partners, True Ventures, Greenlight/Pharmacia, True Prime Group	50	USA
04/04/17	trov	March 16 / H&B Ventures, Seng-Holdings, Oak HC/FT, Sonoma Healthcare Software Accelerator Group	45	USA
06/19/17	the zebra	Asial Partners, Shenton Partners, Playgroup, Bullant Point Ventures, Doron Capital, Redwood Ventures, East Capital Companies	40	USA
05/03/17	next insurance	Norwestside March 16 / H&B Ventures, Market Corp., American Express Ventures, RBC Capital, Lion Ventures, TSP Partners	35	USA
05/24/17	policygenius	Norwestside March 16 / H&B Ventures, Market Corp., American Express Ventures, RBC Capital, Lion Ventures, TSP Partners	30	USA
02/07/17	cxagroup	It Capital Group, CIB-AllAsia	25	USA
06/30/17	Shuili	Tencent Bluebird Ventures, Shenton Ventures, Sequoia Capital Partners, OQ Capital, Mekong-Camping, Tongsheng Foundation	24	USA
06/22/17	Slide	F Prime Capital, Veritas, New Enterprise Associates, Portage Ventures	24	USA

Source: FT Partners Proprietary Transaction Database

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Q3 2017 INSURTECH INSIGHTS

InsurTech Financing Activity: Quarterly



Source: FT Partners Proprietary Transaction Database

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Q3 2017 INSURTECH INSIGHTS

Most Active InsurTech Investors – Traditional Venture Capital (Selected)

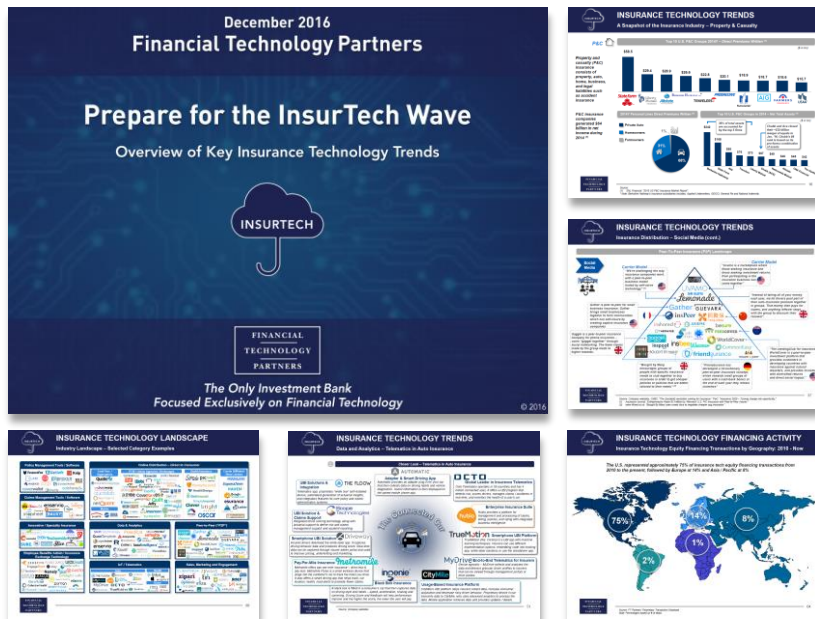


Source: FT Partners Proprietary Transaction Database

FT PARTNERS RESEARCH

FT Partners Research – InsurTech Industry Report

Prepare for the InsurTech Wave: Overview of Key InsurTech Trends



FT Partners' 268-page report provides an in-depth look at the major waves of innovation and disruption that are beginning to radically alter the insurance industry.

Additional highlights of the report include:

- An analysis of specific trends across: Insurance Distribution, Sales, Marketing and Engagement, Data and Analytics and Insurance Administration
- The responses of incumbents to date including the innovations, investments, partnerships and acquisitions being made to stay ahead of the game
- Proprietary InsurTech financing and M&A statistics and a comprehensive list of transactions in the space
- A detailed industry landscape of InsurTech providers as well as other innovative, tangential companies and profiles of 54 companies operating in the InsurTech ecosystem

Please visit our [website](#) for more proprietary FinTech Research & Follow FT Partners on [Twitter](#) and [LinkedIn](#) for real time updates on our Research Publications

FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Selected FT Partners' Research – *Click to View*



Eliza's \$170 million Sale to HMS



Benaissance's Sale to WEX for \$80 million



Bright Health Raises \$160 million in Financing



Modernizing Medicine Raises \$231 million in Financing



Decisely Raises \$60 million in Financing



PointClickCare Raises \$85 million in Financing



McKesson Acquires CoverMyMeds for \$1.4 billion



Namely Raises \$50 million in Series D Financing

[VIEW MORE FT PARTNERS RESEARCH](#)

Leading Advisor Across Healthcare & Insurance Technology Services

Consumer Protection Plans

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its role as
exclusive strategic and financial advisor to

**square
trade**

in its sale to

Allstate

for total consideration of

\$ 1,400,000,000

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TECHNOLOGY
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Health Plan Member Engagement

Financial Technology Partners LP
FTP Securities LLC

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

eliza

in its sale to

hms

for total cash consideration of

\$ 170,000,000

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Health Insurance Premium Billing & Payments

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
sole strategic and financial advisor to

enaissance

in its sale to

wex

for a total consideration of

\$ 80,000,000

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Online Small Business Insurance

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
sole strategic and financial advisor to

insureon

in its equity capital raise led by

**OAK
HC/FT**

for total consideration of

\$ 31,000,000

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Largest Wholesale Brokerage in U.S.

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
sole 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

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PARTNERS

The Only Investment Bank
Focused Exclusively on Financial Technology

Online Personal Lines Insurance Agency

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
sole strategic and financial advisor to

Goji

in its financing led by

**HSCM BERMUDA
MANAGEMENT COMPANY**

for total consideration of

\$ 15,000,000

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Agency Management / Marketing Technology

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
sole strategic and financial advisor to

ZYWAVE

in its sale of

Zywave Insurance Solutions
to

**AURORA
CAPITAL GROUP**

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Life & Annuity Technology Solutions

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sole strategic and financial advisor to

aplifi
We Simplify Selling Insurance

in its sale to

iPipeline

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Sales Automation Technology & Platform

Financial Technology Partners LP
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is pleased to announce its exclusive role as
sole strategic and financial advisor to

**INSURANCE
TECHNOLOGIES**

in its sale to

MOELIS CAPITAL PARTNERS

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TECHNOLOGY
PARTNERS

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Focused Exclusively on Financial Technology

SaaS / Claims for Property & Contents

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
sole strategic and financial advisor to

enservio

in its sale to

Solera

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FT Partners Advises Eliza on its \$170 million Strategic Sale to HMS

Overview of Transaction

- On March 13, 2017, Eliza announced its strategic sale to HMS in one of the largest healthcare software deals of the year
 - HMS will acquire Eliza for a cash purchase price of \$170 million
- Headquartered in Danvers, MA and majority owned by Parthenon Capital Partners, Eliza is a leading engagement and population analytics platform integrating proprietary data assets, a deep understanding of the healthcare consumer, and omni-channel outreach technology to deliver mission-critical results for key constituents in the healthcare market
- Since its founding in 2000, Eliza has consistently been a market leader and innovator, as evidenced by more than 50 domestic and international patents and patent applications, which HMS will acquire
- HMS operates in the healthcare insurance benefit cost containment market, using innovative technology and powerful data services and analytics to cover the entire payment continuum including eligibility verification, payment accuracy, fraud prevention, cost savings, performance improvement and provider education

Significance of Transaction

- The acquisition further expands HMS' member health and care management analytics footprint
- Eliza's engagement platform is complementary to HMS' cost containment solutions and together create a more sophisticated and integrated platform

FT Partners' Role

- FT Partners leveraged its deep domain expertise and transactional experience in the Healthcare and Insurance Services market to generate a highly successful outcome for Eliza and its shareholders
- This transaction demonstrates FT Partners' continued leadership position as the "advisor of choice" to the highest quality FinTech companies

Financial Technology Partners LP FTP Securities LLC

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

eliza

in its sale to

hms

for total cash consideration of

\$ 170,000,000

FINANCIAL
TECHNOLOGY
PARTNERS

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Focused Exclusively on Financial Technology*

FT Partners Advises Benaissance on its \$80 million Sale to Wex

Overview of Transaction

- On October 15, 2015, Benaissance, LLC (“Benaissance” or the “Company”) announced it has entered into a definitive agreement to be acquired by WEX for \$80mm
- Headquartered in Omaha, NE, Benaissance is a leading provider of integrated Software-as-a-Service (SaaS) technologies and services for healthcare premium billing, payment and workflow management
 - Existing investors include Omaha-based, McCarthy Capital
- WEX is a leading, multi-channel provider of corporate payment solutions representing more than 9 million vehicles and serving a wide variety of business sectors
- The transaction is expected to close in the fourth quarter of 2015 and is subject to applicable regulatory approvals and other customary closing conditions

Significance of Transaction

- Represents a highly-attractive outcome for both Benaissance and WEX
- Combined resources and expertise of Benaissance and WEX position the Company extraordinarily well to further its leadership in the marketplace
- Enables WEX to provide an expanded and differentiated payments solution in order to grow its addressable market opportunity and wallet share in the healthcare market
- Benaissance will be integrated with WEX’s existing Evolution1 platform creating an opportunity for potential synergies as the businesses already share a number of mutual partners and customers

FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Benaissance and its Board of Directors
- Transaction highlights FT Partners’ continued success advising leading companies and generating highly successful outcomes in the Healthcare / Benefits IT and Services space

Financial Technology Partners LP FTP Securities LLC

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



in its sale to



for a total consideration of

\$ 80,000,000



*The Only Investment Bank
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Award-Winning Investment Banking Franchise Focused on Superior Client Results

Institutional Investor
Institutional Investor
Annual Ranking

2017
2015 - 2016
2006 - 2008

- Ranked #1 Most Influential Executive on Institutional Investor's FinTech 35 List
- Steve McLaughlin Ranked Top 5 on Institutional Investor's FinTech 35 List
- Consecutively Ranked (2006, 2007 and 2008) among the Top Bankers on Institutional Investor's "Online Finance 40"

I The Information

2016

- Ranked #2 Top Technology Investment Banker on The Information's "Silicon Valley's Most Popular Dealmakers"



M&A Advisor
Awards

2015 - 2017

2010 - 2014

2004 - 2007

- Investment Banker of the Year – 2017
- Investment Banking Firm of the Year – 2016
- Cross Border Deal of the Year - 2016
- Dealmaker of the Year – 2015
- Technology Deal of the Year – 2015
- Equity Financing Deal of the Year - 2014
- Professional Services Deal of the Year, Above \$100 mm – 2014
- Dealmaker of the Year – 2012
- Professional Services Deal of the Year, Above \$100 mm – 2012
- Boutique Investment Bank of the Year – 2011
- Deal of the Decade – 2011
- Upper Middle Market Deal of the Year, Above \$500 mm – 2010
- IT Services Deal of the Year, Below \$500 mm – 2010
- Cross-Border Deal of the Year, Below \$500 mm – 2010
- Dealmaker of the Year – Steve McLaughlin – 2007
- Business to Business Services Deal of the Year - 2007
- Computer and Information Technology Deal of the Year, Above \$100 mm – 2007
- Financial Services Deal of the Year, Above \$100 mm – 2007
- Investment Bank of the Year – 2004



Middle Market
Financing Awards

2006 - 2008

- Equity Financing Dealmaker of the Year – Steve McLaughlin – 2008
- Information Technology Deal of the Year – 2008
- Financial Services Deal of the Year – 2008
- Financing Professional of the Year – Steve McLaughlin – 2006

The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	22
Paul VanderMarck <i>Managing Director</i>		<ul style="list-style-type: none"> Former Chief Product Officer at Risk Management Solutions, a global technology business in the catastrophic risk space 25+ years of experience as an InsurTech operating executive Experienced advisor and investor in the InsurTech space 	25
Larry Furlong <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. 	22
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker 	21
Osman Khan <i>Managing Director</i>		<ul style="list-style-type: none"> Former Managing Director / Head of FIG M&A at Alvarez & Marsal 15+ years FIG deal, consulting and assurance experience at PwC 40 Under 40 M&A Advisor Award Winner in 2013 LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA) 	20
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Former Global Head of Strategy at First Data Formerly Led J.P. Morgan Payments Investment Banking Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank 	19
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners in 2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	15
Timm Schipporeit <i>Managing Director</i>		<ul style="list-style-type: none"> 11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures 	14
Andrew McLaughlin <i>Managing Director</i>		<ul style="list-style-type: none"> 20+ years experience executing / implementing financial and operational strategy Formerly with Deloitte Consulting 	11