

April 21, 2015
Financial Technology Partners LP
FTP Securities LLC
Transaction Profile:

UNITEDHEALTH GROUP®

acquires



for \$12,800,000,000

Courtesy of:



The Only Investment Bank
Focused Exclusively on Financial Technology

www.ftpartners.com



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UnitedHealth Group Acquires Catamaran for \$12.8 bn

Transaction Summary

Estimated Annual
Pharmaceutical
Market Revenues

2014:
\$100 billion

↓

2020:
\$400 billion

Transaction Summary

- On March 30, 2015, Catamaran announced it has been acquired by UnitedHealth Group for \$12.8 bn in cash
 - Catamaran's outstanding common stock will be acquired for \$61.50 per share in cash
 - The transaction is expected to close in the 4th quarter of 2015
- According to Credit Suisse, estimated cost synergies are approximately \$840 mm
 - Management anticipates the acquisition to be accretive to UnitedHealth Group by \$0.30 per share by 2016 and the company affirmed its 2016 \$6.00 - \$6.25 expected per share earnings after absorption of merger costs
- Catamaran will subsequently merge with OptumRx, an existing subsidiary of UnitedHealth Group
 - The combined entity is expected to fill over one billion prescriptions (400 million from Catamaran and 600 million from OptumRx)
- Following the close, Catamaran's Chairman and CEO, Mark Thierer will serve as CEO of OptumRx and Timothy Wicks, current CEO of OptumRx will become President

OptumRx Overview



Pharmacy Benefit Management (PBM)
For: Managed Care Organizations, Employers and Unions

Core PBM Services

- Claims Processing
- Formulary Rebates
- TIPS
- Client Management
- Mail Service
- Online Reporting

Clinical Services

- Formulary Management
- Utilization Management
- Targeted Disease & Intervention
- Targeted Safety Intervention

Specialized Services / Pharmacy

- Real-Time Audit
- Predictive Model
- OTC
- Generic Sampling
- Express Delivery
- Single Source
- Consolidated Billing
- Disease Therapy Management

Transaction Commentary

"Catamaran's capabilities are impressive and their leadership team has delivered the fastest growth in the industry. We believe the combination of the two companies will create a unique offering in the industry unparalleled by current participants. Optum's longstanding business relationship with Catamaran as a technology partner means we operate on the same adjudication platform, simplifying integration and giving us confidence our combined organizations will quickly become an innovative force moving the pharmacy care services marketplace forward. We believe this combination will create significant value for health plan, government, third party administrator and employer customers and, most importantly, the individual consumers who depend on us for accurate, affordable and convenient pharmacy benefit products and services."

– Larry Renfro, CEO of Optum (Parent Company of OptumRx)



"Our Board of Directors carefully considered a variety of strategic options and unanimously concluded that this combination is clearly in the best interests of our shareholders. The creation of a differentiated, channel-agnostic delivery model will provide payers and individuals a broader portfolio of services and a deeper product offering while aggressively focusing on managing costs. Together, we believe we will have the talent, scale, technology resources and innovative spirit to build the most modern, effective and consumer-focused PBM in the history of the industry."

– Mark Thierer, Chairman and CEO of Catamaran



FINANCIAL
TECHNOLOGY
PARTNERS

Source: Company press release, Company website, Thomson One.



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Analyst Coverage



"There are several PBMs that control small segments of the market, but Catamaran was one of the very few that brought significant shares (Catamaran is currently the fourth largest PBM after OptumRx). With that, the company became the logical target for UnitedHealth in what we view the natural evolution of the PBM landscape. Most importantly, at no point in the company's history have we seen an active declaration that the internal PBM is the best model. Instead, UnitedHealth has made a tremendous improvement in the situation that it was given. The acquisition provides a significant step forward in the company's target of \$250 billion in revenues by 2020."

"CTRX notes that its Board considered a variety of strategic options before concluding that the combination with OptumRx was the best path to remaining a viable long-term competitor with greater scale and stronger capabilities. CTRX believes that combining its technology leadership and flexible service offering with OptumRx's unique medical synchronization and information capabilities will allow it to create innovative value-added offerings for clients and individuals. CTRX also expects to leverage its technology platform with the significant data and analytics capabilities of Optum. CTRX sees synergies for the combined entity from enhanced purchasing and administrative leverage, with the majority of those savings directly benefiting clients and individuals through reduced costs for prescriptions and enhanced pharmaceutical services."



Deutsche Bank



"UNH's announcement that it will acquire Catamaran was highly consistent with mgmt's messaging that the M&A strategy would remain focused on accelerating Optum, although the size and scale of the thrust was still more ambitious than we expected. UNH will need to execute to retain CTRX's health plan clients (~70% of CTRX's current revs) but Optum already works with 300+ carriers today including public MCOs. While deals of this size always carry higher risks, we see the CTRX acquisition as strategically compelling. We also see acceleration of Optum's earnings mix as providing further support to UNH's premium valuation relative to public MCO peers."

"We view the transaction as a positive for UNH as it cements Optum's position as a top player in the pharmacy benefit management (PBM) industry with more than 1 billion combined Rx for 2015 (CTRX 400MM/OptumRx 600MM). However, the transaction does expose UnitedHealth to some risk that Cigna pulls its contract from the combined entity although Catamaran has stated earnings from the Cigna contract are relatively immaterial. The transaction is expected to be roughly \$0.30 accretive to UNH's 2016 EPS and UNH reaffirmed 2015 EPS guidance of \$6.00-6.25 assuming the absorption of all merger costs and moderated share repurchases, which implies core UNH earnings would otherwise be ahead of guidance."



CREDIT SUISSE



"The company estimates the deal to be \$0.30 accretive to 2016 EPS (~4%), although that appears conservative based on our assumptions. We view this transaction as somewhat of a "test" of the "captive" PBM model. That is, the ability for UNH to retain the current CTRX customer base and ultimately grow market share will go a long way toward justification of the integrated model, and the comfort of customers to view UNH/Optum as separate entities working in the best interest of clients. Regardless, UNH retains the optionality (i.e. potential spin-off) should attrition manifest, or if management believes it is not fetching appropriate value as one entity."



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Catamaran Overview

Catamaran Overview

NASDAQ: CTRX



TSX: CCT

4th
Largest PBM≈ \$15 billion
in Revenue4,000
Employees32 million
Customers Served400 million
Prescriptions a Year

Chairman & CEO:

Mark Thierer

Headquarters:

Schaumburg, IL

Founded:

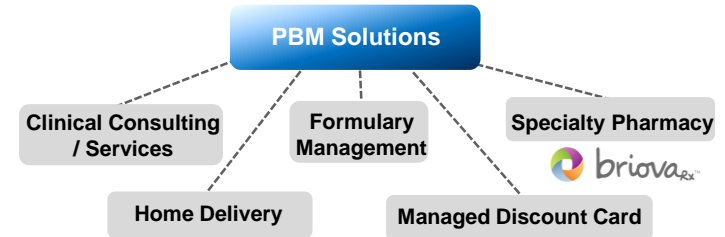
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Selected Recent Acquisitions

Announce Date	Target	Amt (\$ in mm)	Description
02/26/15	HEALTHCARE SOLUTIONS	na	Provides bill review, PBM & case management
10/08/14	SALVEO SPECIALTY PHARMACY	\$260	Provides meds and services to the chronic patient population
08/01/13	restat	410	Provides prescription claim processing and PBM services
04/18/12	catalyst HEALTH	4,750	Provides PBM services

Product Overview

Catamaran provides pharmacy benefit management (PBM) solutions for: Employers, Managed Care Organizations, Medicare Part D, Public Sector, Labor & Trust, State Government, Worker's Comp, TPAs, Long Term Care, PBMs, Hospice



➤ **Clinical Consulting / Services** – Analytics and modeling for client specific problems, monthly forums for best practices

➤ **Managed Discount Card** – Provides employers / consumers with discounts on retail prescriptions and integration into pharmacy benefits program

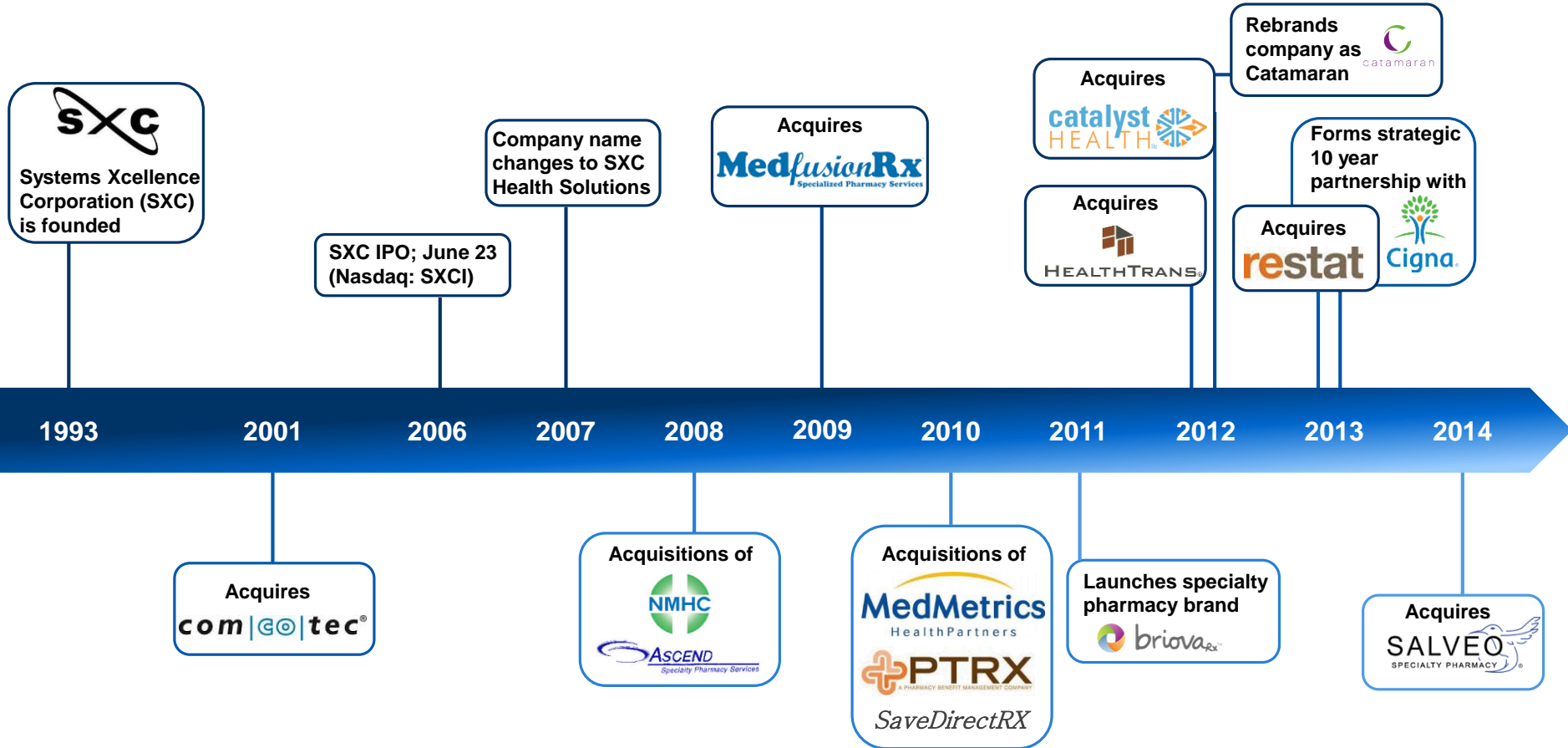
➤ **Formulary Management** – Multiple options for organizing and sorting the clinical advantage and cost difference between brand name and generic brand medications

➤ **Specialty Pharmacy** – BriovaRx offers specialty pharmaceuticals, medications and 24/7 customer support



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Catamaran Timeline





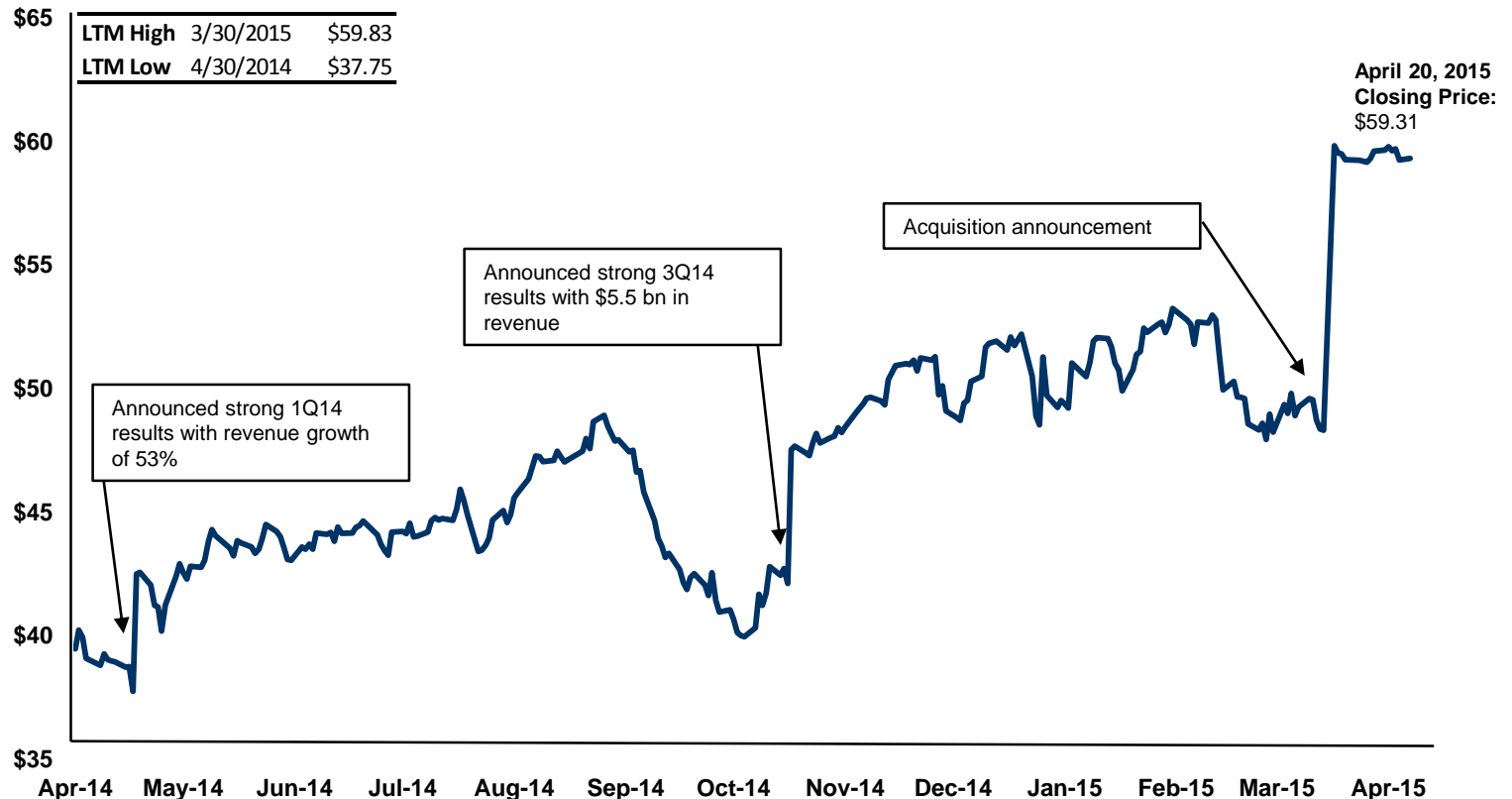
NASDAQ: CTRX

UnitedHealth Group Acquires Catamaran for \$12.8 bn

Catamaran Stock Price Performance

"We believe UnitedHealth is bringing onboard a high quality asset with top-notch technology and a transparent / flexible PBM model that should mesh well with the health plan's focus on 'synchronization'. It is also not lost on us that Catamaran significantly enhances OptumRx's purchasing power as it gains better pricing with retailers (due to its much larger volumes -- 1B Rx/yr) and brings rebating activities in-house."

— Jefferies



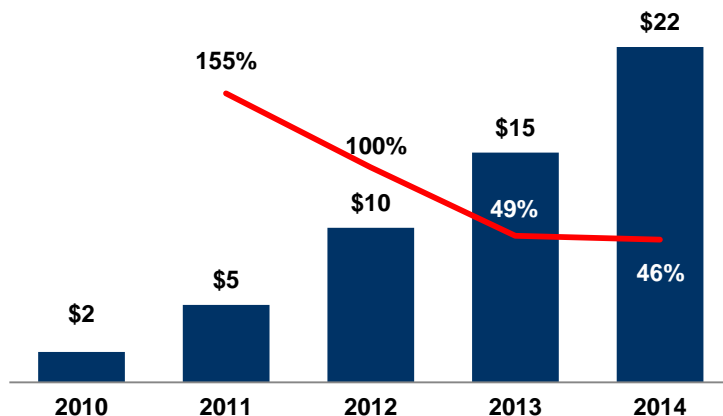


UnitedHealth Group Acquires Catamaran for \$12.8 bn

Catamaran Financial Overview

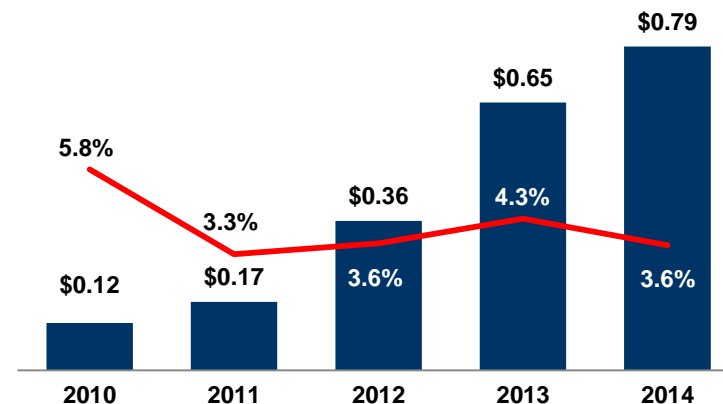
Total Revenue / % Growth

(\$ in bn)



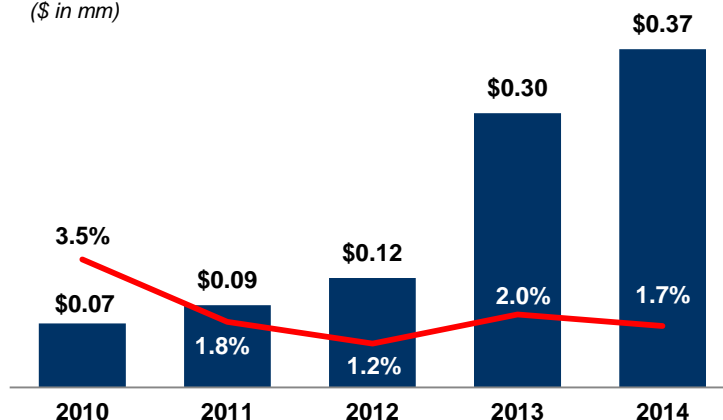
EBITDA ⁽¹⁾ / % Margin

(\$ in bn)

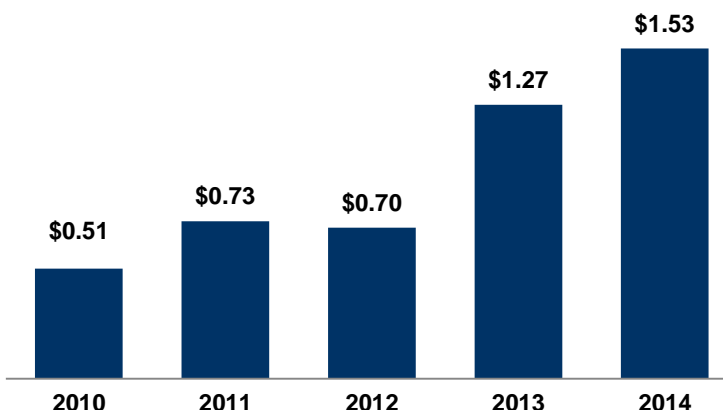


Net Income / % Margin

(\$ in mm)



Fully Diluted EPS



Source: SEC filings.

(1) EBITDA consists of earnings prior to amortization, depreciation, interest and other expense, net, income taxes and adjustments to remove the applicable depreciation and interest expense impact of the non controlling interest.



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UnitedHealth Group Overview

UnitedHealth Group Overview

UNITEDHEALTH GROUP®

NYSE: UNH

≈ \$130 bn
in RevenueServes
Over
125
Countries\$112 bn
Market CapDow Jones
Industrial
Average
Member85 million
Customers183,000
Employees

CEO: Stephen Hemsley

Headquarters: Minneapolis, MN

Founded: 1974

Ownership: NYSE: UNH

- UnitedHealth Group is a national diversified healthcare company with two distinct platforms for services, Optum and UnitedHealthcare
- UnitedHealthcare accounts for about 72% of all UnitedHealth Group's revenues
- 2014 marks the fourth year straight that UnitedHealth Group has been in the top rankings on Fortune's "World's Most Admired Companies"

UnitedHealthcare® Healthcare coverage and benefits

 OPTUM™ Information & technology-enabled population health management services

- **OptumHealth:** Consumer health management
- **OptumInsight:** Software and information products, consulting, BPO
- **OptumRx:** Pharmacy Benefit Management services

Selected Acquisitions

Announce Date	Target	Amt (\$ in mm)	Description
01/23/13	HUMEDICA An Optum Company	na	Clinical intelligence company, offering cloud analytic solutions for EHR, practice management and claims data
11/19/09	ScriptSwitch	\$83	Provides prescribing decision support, data management and analytics
11/29/04	definity health	na	Offers clinical information and business intelligence solutions



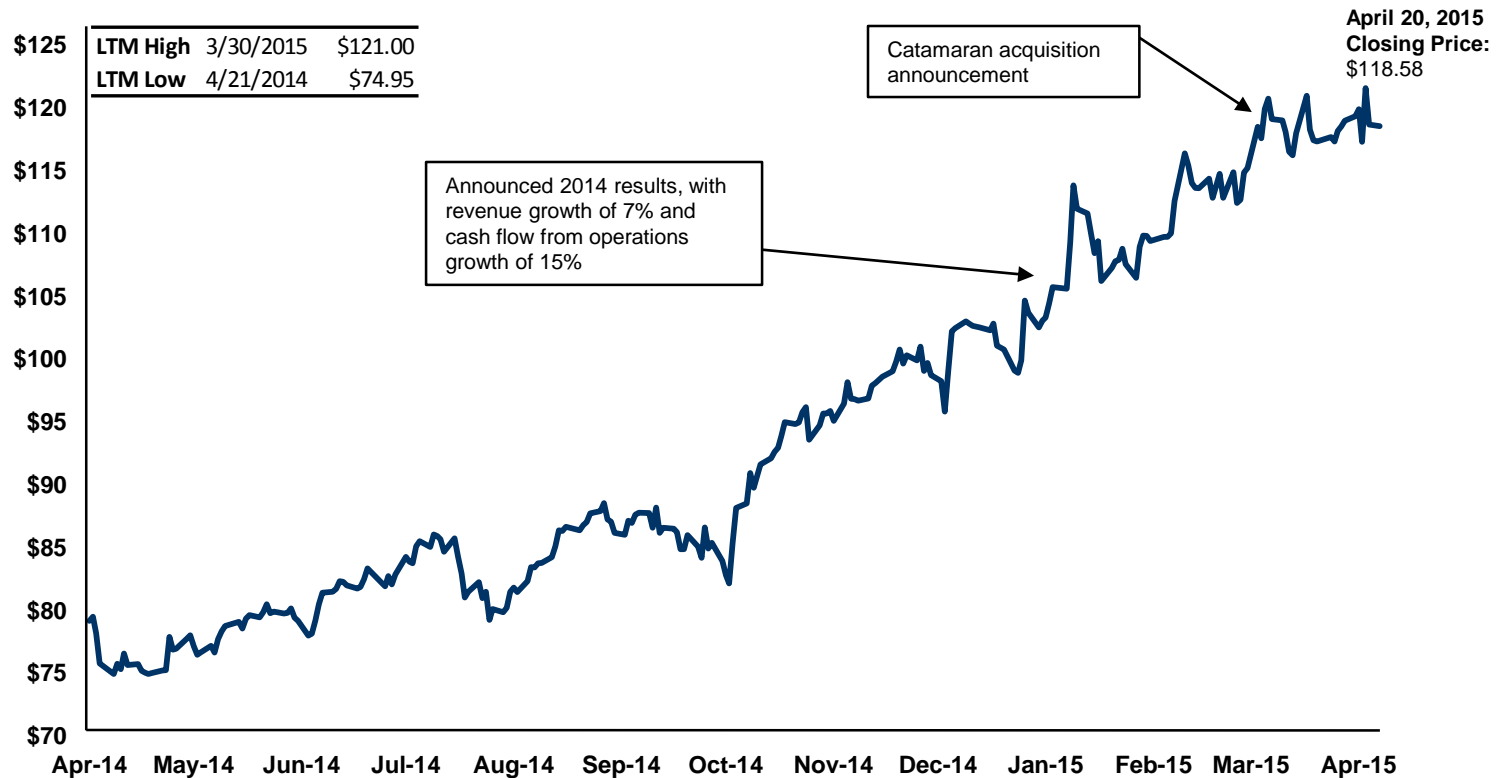
NYSE: UNH

UnitedHealth Group Acquires Catamaran for \$12.8 bn

UnitedHealth Group Stock Price Performance

"UnitedHealth Group's OptumRx is currently the #3 PBM in the space (by script volume) with close to 14% share, behind Express Scripts Holding Company at ~30% and CVS at ~25%. Catamaran is #4 in the space with ~9% share. This deal will further entrench OptumRx as the #3 PBM with ~23% share and will consolidate more than 70% of the market to the top three players. This deal will strengthen Optum's PBM technology and management capability, provide further scale, and importantly, significantly increase Optum's mix of external business."

— Deutsche Bank



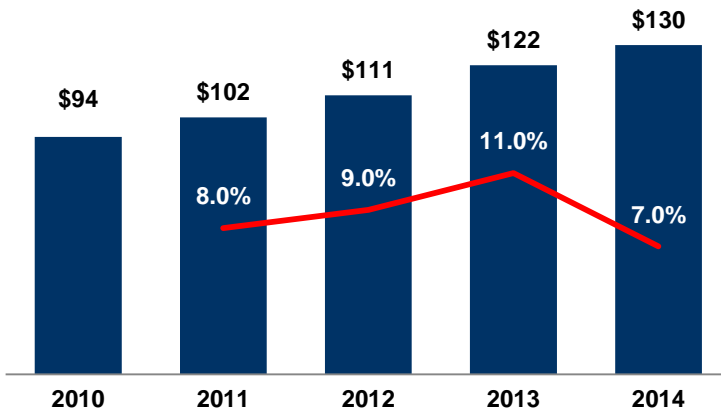


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UnitedHealth Group Financial Overview

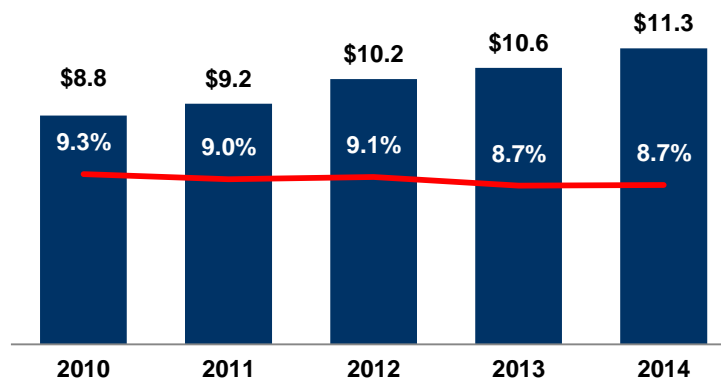
Total Revenue / % Growth

(\$ in bn)



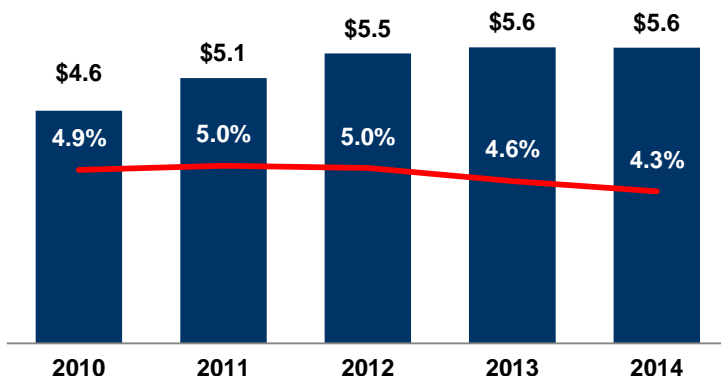
EBITDA ⁽¹⁾ / % Margin

(\$ in bn)

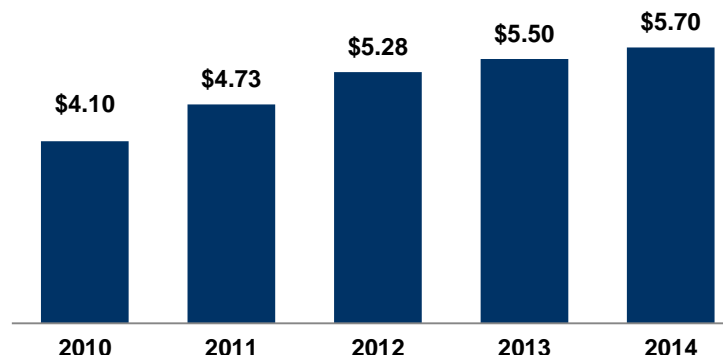


Net Income / % Margin

(\$ in bn)



Fully Diluted EPS



Source: SEC filings.

(1) EBITDA consists of earnings prior to amortization, depreciation, interest and other expense, net, income taxes and adjustments to remove the applicable depreciation and interest expense impact of the non controlling interest.

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.