

FT PARTNERS FINTECH INDUSTRY RESEARCH

December 18, 2019



Waystar Acquires Recondo Technology

RECONDO

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 17 years of exclusive focus on Financial Technology

FT Partners' Advisory Capabilities



FT Partners' FinTech Industry Research

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 #1 Most Influential Person in all of FinTech in Institutional Investors "FinTech Finance 40"



THE M&A ADVISOR

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

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Waystar Acquires Recondo Technology

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Transaction Summary

Transaction Summary

- On December 4, 2019, Waystar, a provider of revenue cycle technology, announced it has agreed to acquire Recondo Technology for an undisclosed amount
- Recondo adds artificial intelligence and machine learning technologies to Waystar's solutions
 - Specifically, Recondo's solutions address inefficiencies surrounding price transparency, eligibility and pre-authorization processes, as well as business office technology that automates status checks for outstanding claims, reducing manual work
- Founded in 2007, Recondo processes close to \$4 billion in accurate payment estimates and 33 million prior authorizations annually as part of its patient access solution set
- This transaction follows two other acquisitions that Waystar has made in 2019

Waystar's Selected Recent Acquisitions

Date	Company	Deal Amount (\$ in mm)
07/10/19		NA
06/06/19	 <small>NOW PART OF WAYSTAR</small>	NA
10/02/18	 Transaction Services Revenue Cycle Services Technology Business	NA
09/17/17		NA
11/01/17	 <small>INNOVATING CONNECTED HEALTHCARE</small>	\$750

Transaction Commentary

"Recondo shares Waystar's commitment to helping healthcare organizations take the estimated \$350 billion of administrative waste out of the revenue cycle."

Joining forces will strengthen our AI-powered offerings, which will in turn drive greater value for our clients and a better experience for patients. We have been impressed by the Recondo team and leadership, whose expertise and professionalism will be a strong addition to Waystar."



Matt Hawkins
CEO



"We were looking for a partner whose vision and capabilities would advance our goal of intelligently simplifying the revenue cycle, and Waystar fit this bill perfectly."

With Waystar's powerful technology stack, talented team and client base, our technology can be more impactful than ever before."



Jay Deady
CEO



Waystar Acquires Recondo Technology

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Recondo Overview

Company Overview

CEO: Jay Deady
Headquarters: **RECONDO** Denver, CO
Founded: 2007

- Recondo provides cloud software and services designed to automate healthcare revenue cycle processes for providers
- Utilizing artificial intelligence and machine learning technologies, the Company's content engine assists in automating processes and reducing unnecessary and error-prone account touches
 - Recondo annually replaces 494 million payer communications previously performed by humans, and allows staff to address 95% of denial risk pre-service and remediate denials faster
- Recondo serves 170 provider clients spanning 4,500 unique sites ranging from large integrated delivery networks, regional and community hospitals and large specialty practices

Selected Financing History

Date	Size (\$ in mm)	Selected Investor(s)
11/03/16	\$16	Lemhi Ventures  BRIDGE CAPITAL GROUP 
11/24/13	20	 BregalSagemount 
09/30/11	2	 HorizonTechnologyFinance <small>A LIFE SCIENCES & TECHNOLOGY VENTURE LENDING PARTNER</small>
11/05/10	2	Lemhi Ventures 

Source: Company website

RECONDO

Products & Services Overview



Eligibility

EligibilityPlus™ automatically retrieves and combines data from payer portals and electronic eligibility (EDI 270/271) transactions to present the complete benefit detail. Accurate coverage is quickly identified from both commercial and government plans

Authorization

Auth-DP™ is a software suite that includes a module for every stage in the authorization process



Estimation

SurePayHealth™ is an automated patient estimation solution that aids in the financial clearance process of determining propensity to pay or charity qualification, without requiring an intrusive credit check

Patient Calculator

Self-service web application that is white labeled and embedded directly into a customer's website that automatically pulls a tailored estimate



Claim Status

ClaimStatusPlus™ automatically routes claims needing remediation to specialists in order to streamline the claim acquisition and denial process

RevSmart

Automates traditionally manual work by leveraging Best in KLAS patient access content from Recondo directly into a customer's Epic system



368 mm
Annual Eligibility
Checks

33 mm
Annual Prior
Authorizations

93 mm
Annual Claim
Statuses

10k
Estimates Per
Day

Waystar Acquires Recondo Technology

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Waystar Overview

Company Overview

CEO: Matthew Hawkins
Headquarters:  Louisville, KY
Founded: 2006

- Waystar is a leading provider of cloud-based revenue cycle technology
- Its solutions remove friction from payment processes, streamline workflows, and improve the financials of providers
- Waystar integrates with all major practice management, hospital information and EHR systems

By the Numbers

450,000+ Providers
530+ Integrations with leading software systems
5,000 Health plans
2 bn Transactions annually
20+ Years in the industry
98% Client satisfaction rating

Leadership



Matthew Hawkins
Chief Executive Officer



Ric Sinclair
Chief Strategy & Product Officer



Chris Schremser
Chief Technology Officer



Steve Oreskovich
Chief Financial Officer

Products & Services Overview

Patient Financial Clearance
Verify insurance coverage to reduce claim rejections and denials

Revenue Integrity
Find missing charges and collect revenue that's due

Claim Management
Automatically submit and track claims, and reduce AR days with intelligence-driven workflows

Patient Financial Experience
Collect patient payments, determine propensity to pay and improve patient experience

Denial Management
Prevent denials and automate appeals

Agency Management
Get insights into outsourced agency effectiveness

Patient Insights
Use data on broad factors that influence health to improve clinical outcomes

Selected Deal History

Date	Size (\$ mm)	Type	Selected Investor(s)
10/16/18	\$2,700	M&A	 
06/15/16	NA	M&A	
01/01/10	NA	Financing	
08/11/06	2	Financing	Individual Investors
10/01/04	<1	Financing	Individual Investors

Source: Company website, FT Partners' Proprietary Transaction Database, Pitchbook

Selected FT Partners FinTech Healthcare / InsurTech Research – *Click to View*



CoverWallet's Sale to Aon



Assurance's \$3.5 billion Sale to Prudential



InstaMed's Sale to JPMorgan Chase



Next Insurance's \$250 million Series C Financing



Change Healthcare Raises \$557 million in its IPO



Phreesia Raises \$167 million in its IPO



Bright Health Raises \$200 million in Series C Financing



Clover Health Raises \$500 million in Financing

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FT Partners Advises InstaMed on its Sale to JPMorgan Chase Bank

Overview of Transaction

- On May 15, 2019, InstaMed announced it has agreed to be acquired by JPMorgan Chase Bank, NA
- Headquartered in Philadelphia, PA, InstaMed is a leading healthcare payments network that connects providers, payers, and consumers on one platform to facilitate healthcare commerce
- Since its founding in 2004, InstaMed has offered a highly integrated experience and has grown to create a diverse solution set that meets the critical payments, engagement, and transaction processing needs of the healthcare industry
- InstaMed's secure, centralized platform alleviates a number of challenges in the healthcare payments industry, with particular focus on eliminating paper, improving the consumer financial experience, and reducing costs to collect payments

FT Partners' Role

- FT Partners leveraged its deep domain expertise and transactional experience in the Healthcare and Payments sectors to generate a highly successful outcome for InstaMed and its shareholders
- The transaction builds on FT Partners' strong Healthcare track record following advisory roles with [Eliza](#), [Benaissance](#), [Zywave](#), [AmWINS](#), and [R1 RCM](#), among others
- This transaction also demonstrates FT Partners' continued leadership position as the "Advisor of Choice" to the most prominent FinTech companies

Financial Technology Partners LP FTP Securities LLC

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

InstaMed®

in its proposed sale to

**JPMORGAN
CHASE & Co.**

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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



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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

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FT Partners Advises Assurance on its \$3.5 billion Sale

Overview of Transaction

- On September 5, 2019, Prudential Financial (NYSE:PRU) announced that it has signed a definitive agreement to acquire Assurance IQ (“Assurance”)
- The acquisition includes total upfront consideration of \$2.35 billion and an additional earnout of up to \$1.15 billion in cash and equity, contingent upon the Company achieving multi-year growth objectives
- Launched in 2016, Assurance is the fastest growing direct-to-consumer InsurTech platform in history
 - Using a combination of advanced data science and human expertise, Assurance matches buyers with customized solutions spanning life, health, Medicare and auto insurance, giving them options to purchase entirely online or with the help of a technology-assisted live agent

Significance of Transaction

- Assurance will add a large and rapidly growing direct-to-consumer channel to Prudential’s financial wellness businesses, significantly expanding the total addressable market of both companies
- Both companies will draw on respective capabilities to create a new, end-to-end engagement model geared to better serve customers
- The transaction is the largest strategic InsurTech exit in history and represents one of the fastest multi-billion dollar tech exits, as the Company was only founded in February 2016
- Assurance was funded entirely by its founders, highlighting FT Partners' ability to help under-the-radar FinTech companies achieve optimal outcomes

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Assurance and its board of directors
- This transaction highlights FT Partners’ deep domain expertise in the InsurTech space, and its successful track record generating highly favorable outcomes for high growth FinTech companies globally

Financial Technology Partners LP FTP Securities LLC

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



on its sale to



for total consideration of up to

\$3,500,000,000



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Award-Winning Investment Banking Franchise Focused on Superior Client Results



2018 Top Investment Bank in FinTech



Institutional Investor
Annual Ranking

2018 Steve McLaughlin Ranked #1 for the Second Year in a Row on Institutional Investor's FinTech 40 List

2017 Ranked #1 on Institutional Investor's FinTech 40 List

2015 & 2016 Ranked Top 5 on Institutional Investor's FinTech 35 List

2006 – 2008 Consecutively Ranked (2006, 2007 and 2008) among the Top Bankers on Institutional Investor's "Online Finance 40"



The Information

2016 Ranked #2 Top Technology Investment Banker on The Information's "Silicon Valley's Most Popular Dealmakers"



M&A Advisor
Awards

2019 Technology Deal of the Year

2018 Corporate / Strategic Deal of the Year

2018 Cross Border Deal of the Year

2017 Investment Banker of the Year

2016 Investment Banking Firm of the Year

2016 Cross Border Deal of the Year

2015 Dealmaker of the Year

2015 Technology Deal of the Year

2014 Equity Financing Deal of the Year

2014 Professional Services Deal of the Year, \$100 mm+

2012 Dealmaker of the Year

2012 Professional Services Deal of the Year, \$100 mm+

2011 Boutique Investment Bank of the Year

2011 Deal of the Decade

2010 Upper Middle Market Deal of the Year, \$500 mm+

2010 IT Services Deal of the Year, Below \$500 mm

2010 Cross-Border Deal of the Year, Below \$500 mm

2007 Dealmaker of the Year – Steve McLaughlin

2007 Business to Business Services Deal of the Year

2007 Computer & Information Tech Deal of the Year, \$100 mm+

2007 Financial Services Deal of the Year, \$100 mm+

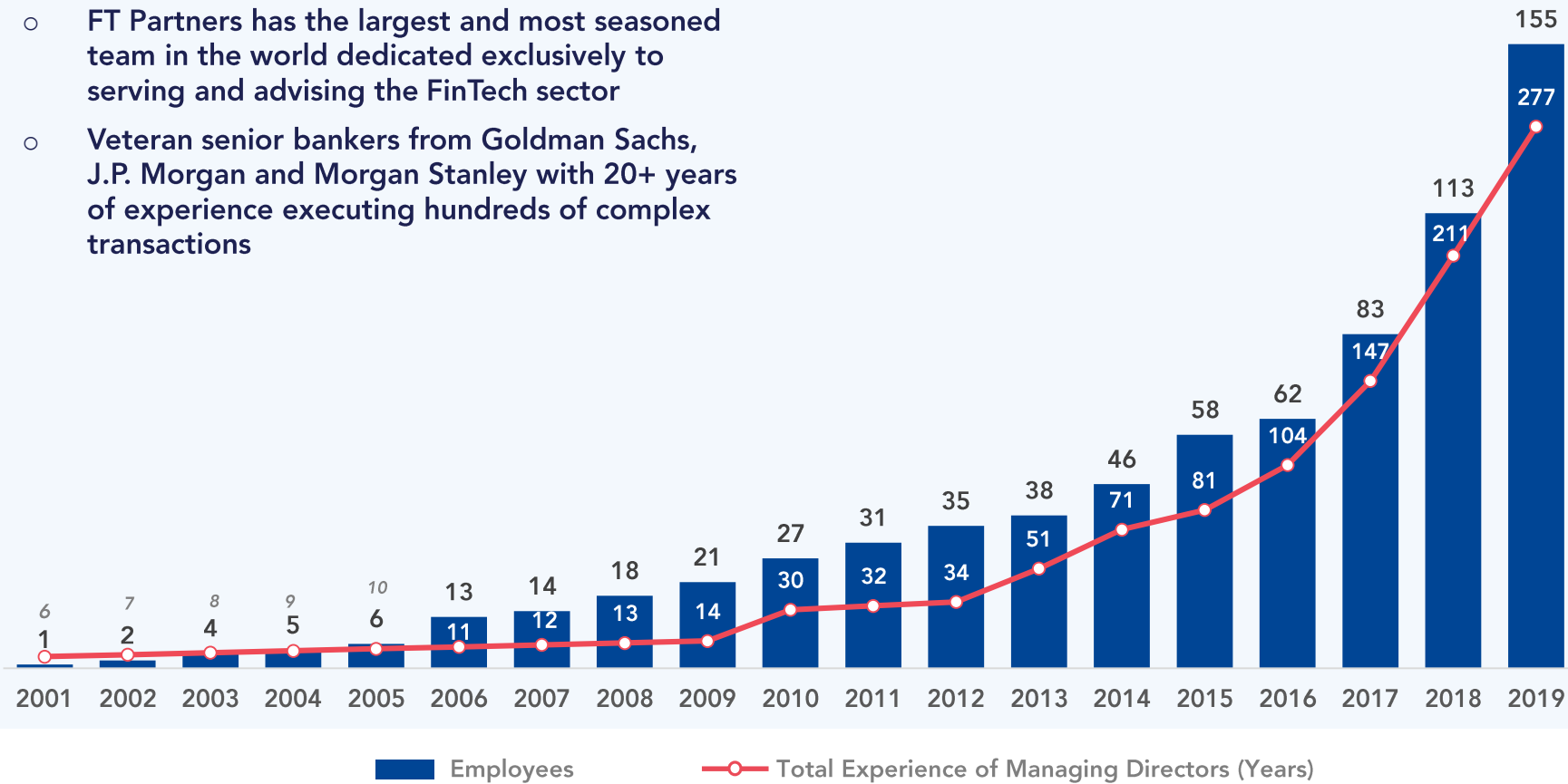
2004 Investment Bank of the Year

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 in New York and San Francisco from 1995-2002 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	24
Mohit Agnihotri <i>Managing Director</i>	J.P.Morgan	<ul style="list-style-type: none"> Formerly Managing Director and Global Head of Payments Investment Banking at J.P. Morgan Wharton M.B.A 	17
Kate Crespo <i>Managing Director</i>	RAYMOND JAMES®	<ul style="list-style-type: none"> Formerly with Raymond James' Technology & Services investment banking 13+ years of FinTech transaction execution experience Dartmouth M.B.A. 	17
Larry Furlong <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman Sachs in New York, London and Los Angeles from 1995-2004 Wharton M.B.A. 	23
Osman Khan <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly Managing Director and 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 	22
Randall Little <i>Managing Director</i>	J.P.Morgan	<ul style="list-style-type: none"> 12 years as FIG / Capital Markets FinTech investment banker at J.P. Morgan 10 years as financial services technology consultant at Sun Microsystems and Ernst & Young NYU Stern M.B.A. (MBA w/Distinction) 	23
Andrew McLaughlin <i>Managing Director</i>	Deloitte.	<ul style="list-style-type: none"> 20+ years experience executing / implementing financial and operational strategy Formerly with Deloitte Consulting 	13
Amar Mehta <i>Managing Director</i>	J.P.Morgan	<ul style="list-style-type: none"> Formerly with J.P. Morgan's Technology (FinTech & Technology Services) team in New York 7+ years of FinTech transaction execution experience MBA from IIM-K (India), Bachelor's in Computer Engineering from NTU (Singapore) 	15
Mike Nelson <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly head of FinTech M&A at SunTrust Robinson Humphrey Kellogg M.B.A. 	19
Timm Schipporeit <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Morgan Stanley as Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures 	16
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch, J.P. Morgan and Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker 	23
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman Sachs from 2000-2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	17

The Largest FinTech Advisory Practice in the World

- FT Partners has the largest and most seasoned team in the world dedicated exclusively to serving and advising the FinTech sector
- Veteran senior bankers from Goldman Sachs, J.P. Morgan and Morgan Stanley with 20+ years of experience executing hundreds of complex transactions



Average Experience of Managing Directors (Years)

