

# FT PARTNERS FINTECH INDUSTRY RESEARCH

March 30, 2018

# oscar

**Oscar Health Raises \$165 million**  
**Led by Founders Fund**

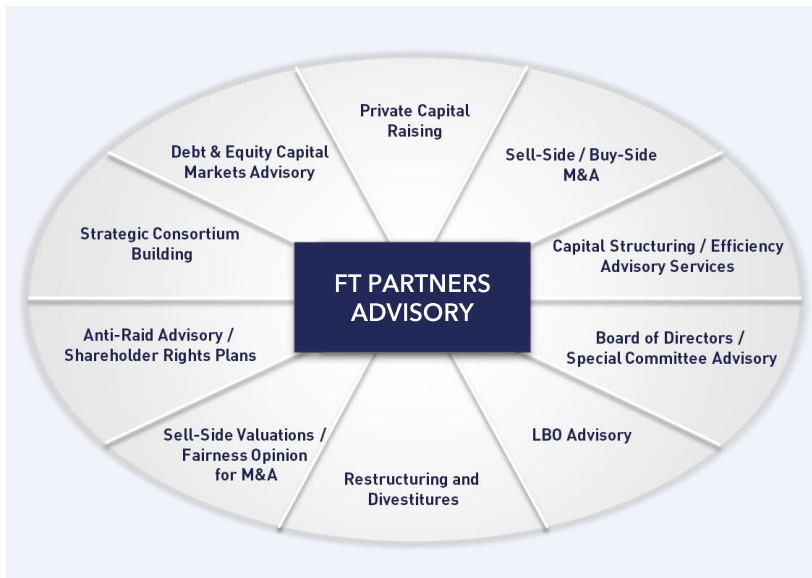


# FOUNDERS FUND

## 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 #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"

Steve McLaughlin: *Founder & CEO*

Tel: 415.992.8880

[steve.mclaughlin@ftpartners.com](mailto:steve.mclaughlin@ftpartners.com)

SUBSCRIBE



# Oscar Health Raises \$165 million in Financing



## Transaction Overview

### Transaction Summary

- On March 27, 2018, Oscar Health announced it had raised \$165 million in a funding round led by Founders Fund
  - Other investors in the round include 8VC, Verily Life Sciences, Fidelity, General Catalyst, CapitalG, Khosla Ventures and Thrive Capital
- Oscar Health is a technology-focused full-stack health insurance carrier
- According to CNBC, the round reportedly values the Company at \$3.2 billion, up from its last valuation of \$2.7 billion in 2016 <sup>(1)</sup>
- The Company intends to use the funding to accelerate its growth strategy
  - Oscar's growth strategy is to secure competitive prices with new health systems, acquire and engage membership in significant volumes, build market share for its provider partners and begin to drive health care costs down
  - The Company has recently established partnerships with industry leaders such as Cleveland Clinic, Humana and AXA
- The Company is looking to expand at a rate of 4-5 cities every year, in individual, small group and other market segments

### Oscar's Financing History

Date	Size (\$ mm)	Post Valuation (\$ mm)	Investors
03/27/18	\$165	\$3,200	Founders Fund; 8VC; Verily Life Sciences; Fidelity; General Catalyst; CapitalG; Khosla Ventures; Thrive Capital
02/22/16	400	2,700	Fidelity Investments; Formation 8; Goldman Sachs; GV; Hommels Holding; Horizons Ventures; Wellington Management Company; CapitalG; General Catalyst Partners; Founders Fund; Lakestar; Khosla Ventures; Thrive Capital
09/15/15	33	1,750	CapitalG; Nima Capital; GV
04/20/15	145	1,500	Founders Fund; Horizons Ventures; Wellington Management; Goldman Sachs; Thrive Capital; Formation 8; Breyer Capital; Khosla Ventures; General Catalyst Partners
05/14/14	80	800	Formation 8; Breyer Capital; Thrive Capital; Founders Fund; General Catalyst Partners; Khosla Ventures; Thrive Capital
01/07/14	30	340	Founders Fund; Thrive Capital; Khosla Ventures; General Catalyst Partners
07/19/13	52	121	Thrive Capital; Khosla Ventures; General Catalyst Partners; Founders Fund; Red Swan Ventures; BoxGroup

# Oscar Health Raises \$165 million in Financing

FT PARTNERS RESEARCH

oscar

## Oscar Health Overview

### Company Overview

Co-Founder & CEO:

Mario Schlosser

Headquarters:



New York, NY

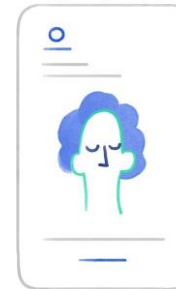
Founded:

2012

- Oscar Health provides health insurance for individuals, families and businesses through its online and mobile platform
- All plans include a dedicated concierge team, access to Oscar's doctor network, free doctor on call, free annual physicals, health incentives and other essential health benefits such as flu shots, vaccinations, etc.
- In November 2013, Oscar began offering individual plans in New York
- In April 2017, Oscar announced the launch of Oscar for Business in New York
- As of November 2017, Oscar offers individual plans in six states: New York, Texas, California, New Jersey, Ohio, and Tennessee
- The Company reportedly expects to generate \$1 billion in premium revenue in 2018; up from ~\$300 million in 2017 <sup>(1)</sup>
  - The Company expects around 250,000 members for its individual plan offering (representing around a 2.5x increase over 2017)

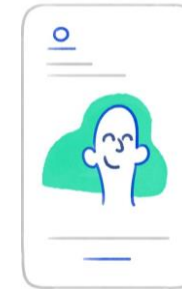
### Products & Services Overview

#### Plan Types



##### Backup Plan

- Pay for healthcare until deductible is met
- Afterwards, all covered services are free



##### Simple Plan

- Copays before deductible is met
- Access Oscar Center for free primary care visits



##### Classic Plan

- Copays before deductible is met
- Pre-deductible copays for brand-name and specialty drugs

#### Plan Benefits



Concierge Team



Doctor Network



Doctor on Call



Mobile App

Source: Company website

(1) Axios, "Exclusive: Health insurer Oscar nears \$1 billion in revenue"

# Oscar Health Raises \$165 million in Financing

FT PARTNERS RESEARCH

OSCAR

## Founders Fund Overview

### Overview



## FOUNDERS FUND



**Peter Thiel**  
Co-Founder,  
Partner



**Ken Howery**  
Co-Founder,  
Partner



**Scott Nolan**  
Partner



**Brian Singerman**  
Partner

### Selected Locations

- San Francisco, CA

### About

- Founded in 2005, Founders Fund is a venture capital and growth investor in the broad technology sector
- Differing from most venture capital firms, the partners and employees of Founders Fund are the largest investors in their funds, accounting for ~20% of the total committed capital
- Primarily participates in early-stage venture investments in disruptive companies, but opportunistically makes large follow-on investments in certain businesses

### Investment Preferences

#### Investment Criteria

<b>Fund Size:</b>	\$1,300 mm
<b>Fund Raised:</b>	2016
<b>Investment Range:</b>	\$0.5 – 150 mm
<b>Revenue:</b>	NA
<b>EBITDA:</b>	NA

#### General Preferences <sup>1</sup>

<b>Control:</b>	Minority
<b>Geography:</b>	U.S.
<b>Transaction Type:</b>	Seed, Venture, Growth
<b>Industry Focus:</b>	Aerospace & Transportation, Advanced Machines / Software, Energy, Biotechnology & Health, Consumer Internet & Media

### Selected Recent Investments / Exits

#### FinTech / Financial Services Investments <sup>2</sup>

Date	Company	Deal Amt. <sup>3</sup>	Board Rep.	Sector
03/18	<i>Oscar (Late-Stage VC)</i>	\$165	Brian Singerman	HCIT
03/18	<i>Nubank (Series E)</i>	150	NA	Banking
02/18	<i>Collective Health (Series D)</i>	110	Scott Nolan	HCIT
01/18	<i>SmithRx (Series A)</i>	9	NA	HCIT
12/17	<i>Affirm (Series E)</i>	200	Brian Singerman	Banking
12/17	<i>Cedar (Series A)</i>	13	Ken Howery	HCIT
06/17	<i>Cadre (Series C)</i>	65	NA	Banking
02/17	<i>HealthSherpa (Series A)</i>	7	NA	HCIT
10/16	<i>Real Savvy (Series A)</i>	2	NA	Banking
09/16	<i>Motivate (Early-Stage VC)</i>	2	NA	Banking
08/16	<i>Compass (Series D)</i>	75	NA	Banking
02/16	<i>AppCard (Series B)</i>	20	NA	Payments
01/16	<i>Blend Labs (Series C)</i>	40	NA	Banking
12/15	<i>CapLinked (Series B1)</i>	3	NA	Capital Markets
11/15	<i>Fronteer Solutions (Seed)</i>	<1	NA	Capital Markets
10/15	<i>Ripple Labs (Series A)</i>	32	NA	Payments
08/15	<i>ZocDoc (Series D)</i>	152	NA	HCIT
05/15	<i>Zenefits (Series C)</i>	512	Peter Thiel	Insurance
03/15	<i>Socotra (Conv. Debt)</i>	1	NA	FMS
12/14	<i>Stripe (Series C1)</i>	70	NA	Payments
06/14	<i>BitGo (Series A)</i>	12	NA	Payments

Source: Company website, PitchBook

1) Italics indicate preferred control / geography

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

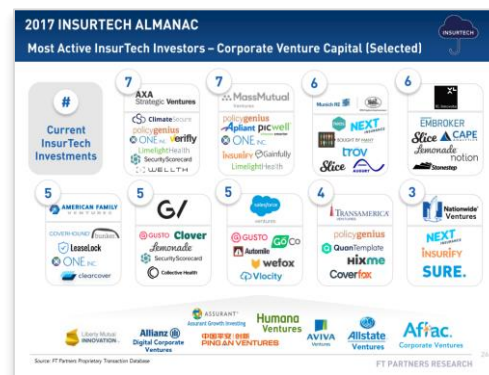
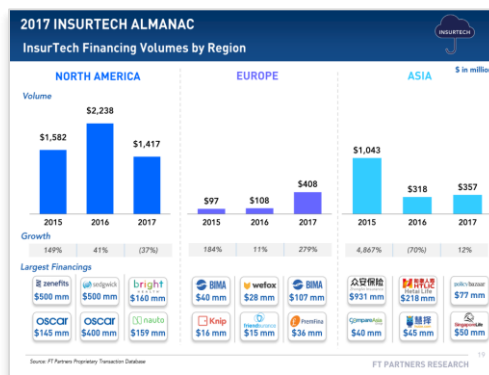
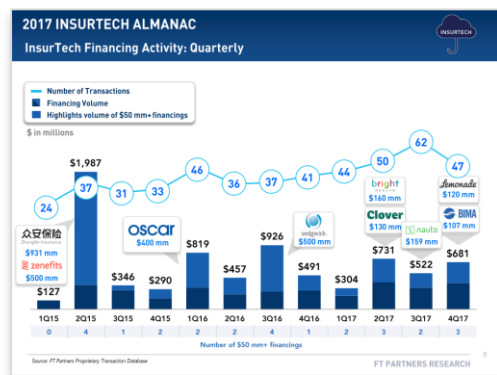
3) Deal Amount in mm

## FT Partners Research – 2017 InsurTech Almanac



### Highlights of the report include:

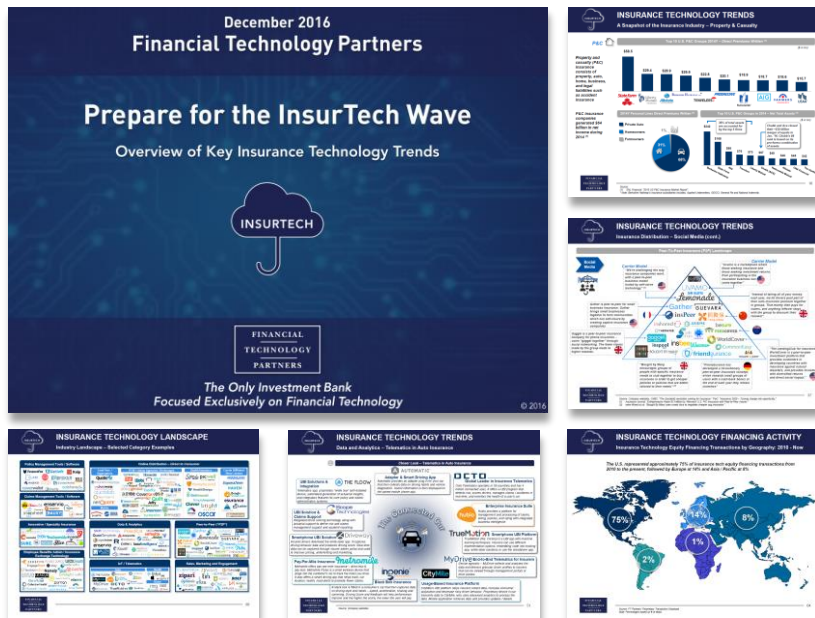
- 2017 and historical InsurTech financing and M&A volume and deal count statistics
- Largest InsurTech financings and M&A transactions in 2017
- Most active InsurTech investors
- Corporate VC activity and strategic investor participation
- Other industry, capital raising and M&A trends in InsurTech





## FT Partners Research – InsurTech Industry Report

### Prepare for the InsurTech Wave: Overview of Key InsurTech Trends



**FT Partners' 269-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

## Selected FT Partners' Research – *Click to View*



Eliza's \$170 million Sale to HMS



Benaissance's Sale to WEX for \$80 million



Inovalon Acquires ABILITY Network for \$1.2 billion



R1 RCM Acquires Intermedix for \$460 million



AXA Acquires Maestro Health



The Carlyle Group Acquires BenefitMall



Bind Raises \$60 million in Financing



Bright Health Raises \$160 million in Financing

[VIEW MORE FT PARTNERS RESEARCH](#)



# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Leading Advisor Across InsurTech and Healthcare FinTech

### Revenue Cycle Management

Financial Technology Partners LP  
FTP Securities LLC

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



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

### Consumer Protection Plans

Financial Technology Partners LP  
FTP Securities LLC

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



in its sale to



for total consideration of

**\$ 1,400,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Health Plan Member Engagement

Financial Technology Partners LP  
FTP Securities LLC

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



in its sale to



for total cash consideration of

**\$ 170,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### 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



in its sale to



for a total consideration of

**\$ 80,000,000**



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Focused Exclusively on Financial Technology

### 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



in its growth recapitalization by



NEW MOUNTAIN CAPITAL LLC

valued at approximately

**\$ 1,300,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### 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



in its equity capital raise led by



for total consideration of

**\$ 31,000,000**



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### 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



in its financing led by



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



in its sale of

Zywave Insurance Solutions  
to



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### Life & Annuity Technology Solutions

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



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### Sales Automation Technology & Platform

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

MOELIS CAPITAL PARTNERS



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## FT Partners Serves as Exclusive IPO Advisor on R1 RCM's IPO

### Overview of Transaction

- R1 RCM (formerly known as Accretive Health) completed its IPO on May 20, 2010; the stock trades under the symbol "RCM"
  - \$138 million offering (including over-allotment) consisting of 67% primary shares and 33% secondary shares
  - The transaction valued the Company with a market cap of ~\$1.2 billion
- R1 provides revenue cycle management, quality and care coordination and physician advisory services to healthcare providers
- Primary proceeds will be used for general corporate purposes including financing growth, developing new services, funding capital expenditures, acquisitions and other investments

### Significance of Transaction

- R1's IPO was highly successful, having successfully priced in the midst of one of the most volatile markets of the last decade; second day of roadshow coincided with the "flash crash" which sent the DJIA down as much as 1,000 points in one session
- R1 achieved a relative valuation significantly in excess of all well-known success stories in the broad Healthcare IT sector
- R1's IPO attracted four of the world's top underwriters, creating a highly resilient salesforce presence in the market; bookrunners for the transaction were Credit Suisse, Goldman Sachs, JP Morgan and Morgan Stanley

### FT Partners' Role

- FT Partners served as strategic, financial and IPO advisor to R1 and its Board of Directors
- FT Partners managed the entire IPO process, enabling management to focus on growing the business
- FT Partners developed a comprehensive set of management and financial materials to showcase R1's offering to potential underwriters, creating significant demand among major Wall Street institutions

### Financial Technology Partners LP FTP Securities LLC

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Capital Markets & IPO Advisor to*



*in its*

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*valuing the equity at approximately*

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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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## 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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## 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 40 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
<b>Steve McLaughlin</b> <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York and San Francisco from 1995-2002</li> <li>Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share)</li> <li>Wharton M.B.A.</li> </ul>	<b>23</b>
<b>Paul VanderMarck</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Chief Product Officer at Risk Management Solutions, a global technology business in the catastrophic risk space</li> <li>25+ years of experience as an InsurTech operating executive</li> <li>Experienced advisor and investor in the InsurTech space</li> </ul>	<b>26</b>
<b>Greg Smith</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht &amp; Quist</li> <li>20+ years of experience covering FinTech as both an Analyst and Investment Banker</li> </ul>	<b>22</b>
<b>Osman Khan</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Managing Director / Head of FIG M&amp;A at Alvarez &amp; Marsal</li> <li>15+ years FIG deal, consulting and assurance experience at PwC</li> <li>40 Under 40 M&amp;A Advisor Award Winner in 2013</li> <li>LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA)</li> </ul>	<b>21</b>
<b>Steve Stout</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Global Head of Strategy at First Data</li> <li>Formerly Led J.P. Morgan Payments Investment Banking</li> <li>Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank</li> </ul>	<b>20</b>
<b>Tim Wolfe</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. beginning in 2000</li> <li>Started at FT Partners in 2002</li> <li>40 Under 40 M&amp;A Advisor Award Winner 2013</li> <li>Harvard M.B.A.</li> </ul>	<b>16</b>
<b>Timm Schipporeit</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London</li> <li>Formerly a Venture and Growth Investor focused on FinTech at Index Ventures</li> </ul>	<b>15</b>
<b>Andrew McLaughlin</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>20+ years experience executing / implementing financial and operational strategy</li> <li>Formerly with Deloitte Consulting</li> </ul>	<b>12</b>