

July 18, 2016

Financial Technology Partners

FT Partners Research – Transaction Profile



acquires

Valence Health 

for

\$145 million

Courtesy of:

FINANCIAL
TECHNOLOGY
PARTNERS

*The Only Investment Bank
Focused Exclusively on Financial Technology*

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Evolent Health Acquires Valence Health for \$145 mm

Transaction Overview

Transaction Summary

- On July 18, 2016, Evolent Health entered a definitive agreement to acquire the majority of Valence Health's business for approx. \$145 mm in cash and stock
 - The transaction also includes an earn-out of up to \$50 mm, payable in stock, tied to future new business activity
- Under the terms of the agreement, Evolent will acquire the majority of Valence Health's business, excluding its contracts serving state insurance cooperatives
 - The state insurance cooperative contracts will be transferred to a separate entity that will maintain operations as they currently exist today, which will be owned by Valence shareholders
- Together, the organizations will be able to serve more than 1.8 mm lives across 23 long-term operating partners at closing, comprised of provider-sponsored health plans, accountable care organizations and full-risk entities
- Evolent expects the acquired business, on a standalone basis, to generate revenues of approximately \$80-85 mm for 2016
 - Evolent will consolidate the results of the acquired business only for the period subsequent to the close of the transaction
- The companies expect the transaction to close within the next 120 days, subject to regulatory approvals and certain closing conditions set forth in the agreement

Transaction Commentary

"By adding Valence Health's services to Evolent, we expect to strengthen our operational capabilities and expertise, expanding our ability to support provider organizations in delivering higher quality, lower cost care. Strategically, we have tightly aligned visions of improving health care through innovative technology and services that help providers succeed as the industry continues its adoption of value-based payment models. Practically, we expect the addition of Valence Health's talented team and their experience in value-based administration will advance our ability to drive results for a broader set of clients, providers and patients. We are looking forward to welcoming Valence Health employees and clients to the Evolent team."

evolent
HEALTH



Frank Williams
CEO

"Our two organizations are culturally and operationally aligned to deliver robust value-based administration and services to health care providers. Combining our team's 20 years of clinical and strategic experience with Evolent's proven innovations in value-based care will allow us to better serve our clients with best-in-class technology, clinical models and administrative service capabilities."

Valence Health



Andrew Eckert
CEO

Evolut Health Acquires Valence Health for \$145 mm

Valence Health Overview

Headquarters: Chicago, IL
Founded: 1996
Employees: 503

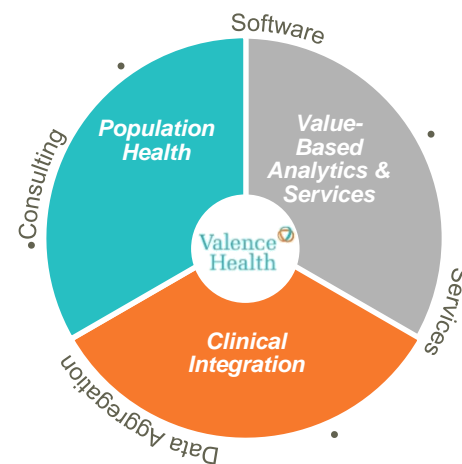
- Valence health is a provider of clinical integration and data management software
- The Company's clinical integration solution includes assistance with physician integration strategies, data collection and analysis, performance reporting and point-of-care tools
- The Company provides outsourced administrative management services to health plans and clinical integration solutions through data analytics and other custom tools to support provider organizations

Recent Financing Transactions

Date	Size (\$ mm)	Investor(s)
11/19/14	\$15	   
06/19/12	30	

Product Overview

Valence Health offers all the necessary technology, analytics, expertise, and managed services to power provider organizations' value-based transformation



Software Solution and Service Offerings

- ✓ Value-Based Consulting
- ✓ Vision Platform
- ✓ Quality Measurement
- ✓ Cost & Utilization
- ✓ Data Collection
- ✓ vElect for IPAs contract administration
- ✓ Value-Based Managed Services
- ✓ Actuarial Services

Evolut Health Acquires Valence Health for \$145 mm


Evolut Health Overview



CEO Frank Williams
Headquarters: Nashville, TN
Founded: 1995
Employees: 5,001

Evolut Health provides an end-to-end technology-enabled services platform helping healthcare providers transition to value based payment models

Selected Transactions

Date	Size (\$ mm)	Type	Target / Investor
07/04/15	\$196	IPO	Investor(s): Public
09/30/13	100	Series B Financing	Investor(s): 
05/07/12	25	Seed Financing	Investor(s): Undisclosed Investor(s)

Evolut Health (NYSE: EVH) LTM Stock Chart



Key Financial Statistics (LTM as of 12/31/15)

Total Revenue (mil.)	\$96.9
Growth Over Prior Year	NA
Gross Profit (mil.)	\$39.5
Margin %	40.8%
EBITDA (mil.)	(\$31.5)
Margin %	(32.5%)
Net Income (mil.)	\$332.5
Margin %	343.2%
Diluted EPS Excl. Extra Items	\$6.93

Evolut Health Acquires Valence Health for \$145 mm

Evolut Health Overview

Evolut Overview

Step 1 Blueprint → Step 2 Value-Based Operations & Identifi®

- **Founded in 2011, the Company was developed by UPMC & The Advisory Board**
 - UPMC operates the nation's largest provider-owned health plan behind Kaiser Permanente
 - The Advisory Board provides best practice research and technology solutions to over 3,900 hospitals and providers
- **Focused on large long-term customer contracts with health care providers and health systems**
 - To date, Evolut Health has secured ten long-term contracts worth \$700 mm in future total contract value
 - Expects to continue to grow as the Companies' partners increase membership in existing value-based programs, through expanding product offering and acquiring new partners
- **Every long-term partnership begins with a system transformation process called "Blueprint"**
 - Evolut Health works with the healthcare provider's Board of Directors and senior management
 - A significant portion of providers that go through the Blueprint process continue to partner with the Company for its proprietary processes and services known as Value-Based Operations
- **Value-Based models include Direct to Employer, Payer Contracts & Provider Owned Health Plans**

Product Overview



Population Health Performance

Clinical Programs

Patient Engagement

Specialized Care Team

Quality and Risk Coding



Delivery Network Alignment

High Performance Network

Value Compensation Models

Integrated Specialty Partnerships



Financial and Administrative Management

Leadership & Management

Health Plans

Payer Risk

Pharmacy Benefits Management

Analytics & Reporting



Identifi® Technology Solution

Data & Integration Services

Clinical & Business Content

EMR Optimization

Applications

Founders



Part Owners



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 and Insurance IT sectors

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>renaissance in its sale to</p> <p>wex for a total consideration of</p> <p>\$ 80,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as Capital Markets & IPO Advisor to</p> <p>ACCRETIVE HEALTH results providers trust in its</p> <p>\$138,000,000 Initial Public Offering valuing the equity at approximately</p> <p>\$ 1,200,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as Capital Markets & IPO Advisor to</p> <p>Performant in its</p> <p>\$93,150,000 Initial Public Offering valuing the equity at approximately</p> <p>\$ 453,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>AmWINS Group, Inc. in its growth recapitalization by</p> <p>NMC NEW MOUNTAIN CAPITAL LLC valued at approximately</p> <p>\$ 1,300,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as exclusive Strategic and Financial advisor to</p> <p>ZYWAVE in its sale of Zywave Insurance Solutions to</p> <p>AURORA CAPITAL GROUP</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>insureon in its \$30mm equity capital raise led by</p> <p>OAK HC/FT</p> <p>\$ 31,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as exclusive strategic and financial advisor to</p> <p>aplifi We Simply Selling Insurance in its sale to</p> <p>iPipeline</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>square trade protection plans in its recapitalization by</p> <p>BainCapital BainCapital Ventures of approximately</p> <p>\$ 238,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p>SAFE-GUARD on its sale to an Affiliate of</p> <p>Goldman Sachs</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as exclusive strategic and financial advisor to</p> <p>insureon in its acquisition of</p> <p>IN insurance NOODLE a subsidiary of</p> <p>Willis</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>

Overview of FT Partners

FT Partners Advises on \$80,000,000 Sale of Benaissance

Transaction Overview and Rationale

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

FINANCIAL
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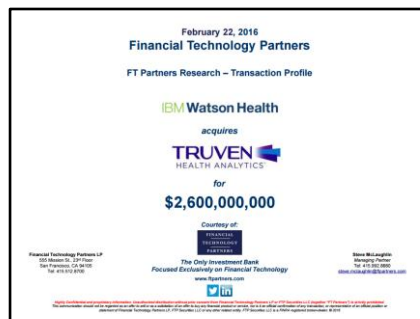
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Overview of FT Partners

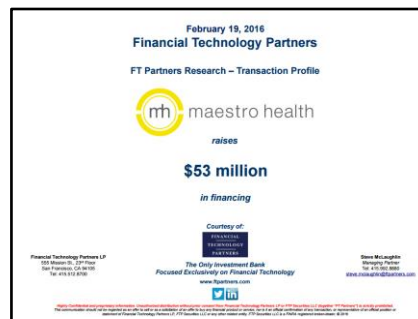
Selected FT Partners' Research (click to view)



Wipro Acquires HealthPlan Services for \$460 million



IBM Watson Health Acquires Truven Health Analytics for \$2.6 billion



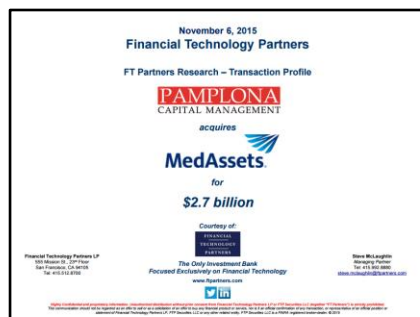
Maestro Health Raises \$53 million in Financing



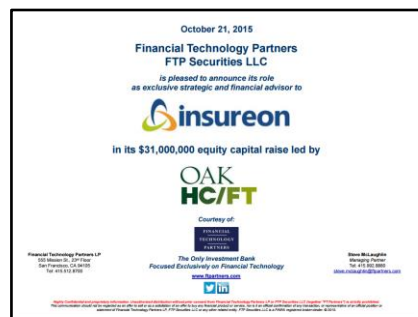
New Mountain Capital Acquires Equian for \$225 million



Bright Health Raises \$80 million in Series A Financing



Pamplona Acquires MedAssets for \$2.7 billion



Insureon Raises \$31 million in Series B Led by Oak HC/FT



Benaisance's Sale to WEX for \$80 million

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 13 years of exclusive focus on Financial Technology. Please visit our [subscription form](#) to subscribe to our exclusive monthly newsletter and receive our research reports.

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**

2016	<ul style="list-style-type: none"> ■ Investment Banking Firm of the Year ■ Cross Border Deal of the Year
2015	<ul style="list-style-type: none"> ■ Dealmaker of the Year ■ Technology Deal of the Year
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 \$100mm
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



**Institutional Investor
Annual Ranking**

2015	■ Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List
2006-2008	■ 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>

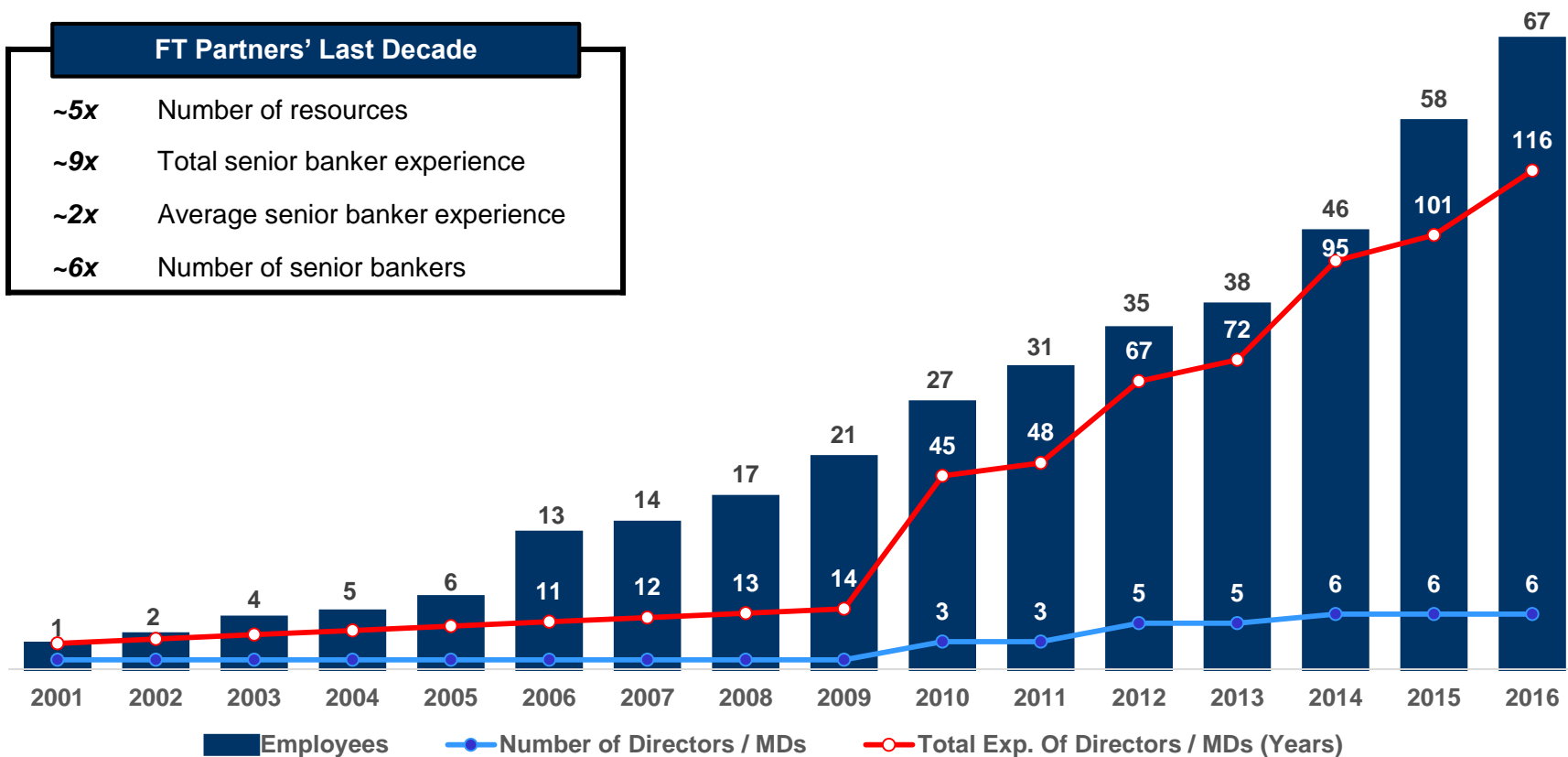
Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.

Overview of FT Partners

Platform of Choice for Clients and Bankers Alike

FT Partners' Last Decade

- ~5x Number of resources
- ~9x Total senior banker experience
- ~2x Average senior banker experience
- ~6x Number of senior bankers



Avg Years of Director / MD Experience



Overview of FT Partners

The FT Partners Senior Banking 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 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	21
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. 	21
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee Recent coverage included WU, EEFT, DST, ENV, FISV, FIS, V, MA, GPN & HPY among others 	20
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with J.P. Morgan and UBS Formerly Global Head of Strategy at First Data 	18
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. 	14
Andrew McLaughlin <i>Managing Director, Research & Business Development</i>		<ul style="list-style-type: none"> Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	10