

June 14, 2016

# Financial Technology Partners

## FT Partners Research – Transaction Profile



*Acquires*



*Courtesy of:*



***The Only Investment Bank  
Focused Exclusively on Financial Technology***

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# Clayton Dubilier & Rice Acquires TRANZACT

## Transaction Overview

### Transaction Summary

- On June 9, 2016, Clayton, Dubilier & Rice (CD&R) announced the acquisition of TRANZACT from White Mountains Insurance Group
  - Terms of the transaction were not disclosed
- In addition to CD&R-managed funds, SunTrust Robinson Humphrey, SunTrust Bank, ING Capital, Citizens Bank and Natixis, New York Branch have committed to provide debt financing for the transaction
- CD&R Partner Russ Fradin, former CEO of SunGard Data Systems, will join the TRANZACT Board of Directors as Chairman upon the close of the transaction
- TRANZACT provides direct-to-consumer sales capabilities for insurance carriers
- The Company leverages and integrates digital, data and direct marketing solutions to deliver direct-to-consumer channels and features while maintaining the carrier brand and privacy of customers
- Solutions encompass three primary insurance verticals: Health, Life, and P&C / Auto
- According to a Wall Street Journal article in April 2016 suggesting that TRANZACT was for sale, sources said that the Company had EBITDA “north of \$50 million”
- In 2014, White Mountains acquired a 63% stake in TRANZACT for \$178 mm, representing an enterprise value of \$280 mm
  - The company had previously been backed by private-equity firms Veronis Suhler Stevenson and Ares Management LP

### Transaction Commentary

*“We are excited to partner with CD&R and leverage the Firm’s capabilities to execute our mission of helping blue chip consumer insurance brands grow quality direct-to-consumer business. We expect to continue to build our service platform and create rewarding, new opportunities for our employees and business partners”*



**David Graf**  
President & CEO

*“Our investment in TRANZACT represents a compelling opportunity to back a market leader with a talented management team, significant first-mover advantage, superior technology platform and unique competitive position. We look forward to adding value through CD&R’s business-building skills, service sector experience and industry relationships to support TRANZACT’s impressive performance”*



**David Wasserman**  
Partner

*“TRANZACT’s technology-enabled service model, supported by a highly knowledgeable sales organization, has proven to be uniquely successful in the direct-to-consumer insurance sales channel. We look forward to working with the TRANZACT team to build on this success.”*



**Stephen Shapiro**  
Principal

Source: Company press release, PE Hub, Wall Street Journal.



**TRANZACT is a market leader in providing end-to-end customer acquisition solutions to the insurance sector; the Company provides qualified leads, fully-provisioned sales and robust customer management systems to brands seeking to acquire and manage a large numbers of customers**

# Clayton Dubilier & Rice Acquires TRANZACT

## TRANZACT Overview

### TRANZACT Overview

Headquarters:	Fort Lee, NJ
Founded:	1997
Employees:	1,100

**TRANZACT is comprised of two companies:  
Cignium and TZ Insurance Solutions**

### Selected M&A Transactions

Date	Size (\$ mm)	Type	Commentary
			Acquired:
09/01/15	\$31	M&A	 Get Help. Get Covered. TruBridge®.
			Acquired By:
10/13/14	178	M&A	
			Acquired By:
10/04/07	185	M&A	 Veronis Suhler Stevenson
			Acquired:
01/08/07	NA	M&A	
			Acquired:
07/31/06	NA	M&A	Data Warehouse
			Acquired By:
05/14/03	6	M&A	

Source: Company website, Capital IQ, FT Partners' proprietary transaction database.



**Cignium delivers the end-to-end technology capabilities that power the Company's insurance marketing and sales operations; also provides software and services to help partners simplify and strengthen their sales processes**



#### Lead Management

- Efficiently funnel leads into sales channel
- Centralize lead management
- Provides ability to create and operate micro sites



#### Sales Order Management

- Increase sales with a flexible, multi-channel, sales and service capability
- Improve customer experience and standardize treatment
- Each channel operates differently



#### Product Lifecycle Management

- Innovate more and get products to market faster
- Save time and money while improving the customer experience
- Enhance enterprise value by increasing institutional knowledge



#### Professional Services

- Near shore advantage with proven effective collaboration and process creates seamless experience
- Implementation and integration
- Training is designed to ensure users have the knowledge needed to impact the business



**TZ Insurance Solutions executes the marketing, lead generation, sales and case management operations that help convert potential customers into policyholders**

#### Lead Generation and Management

- Lead generation programs leverage a variety of channels including search, email, display and direct mail to drive leads to a carrier-branded microsite
- Real-time integration with dozens of providers to select the right leads
- Lead scoring, pacing, geo-targeting and source conversion capability

#### Technology Platform Development and Integration

- Microsite platform affords for the efficient collection of quote request lead information via carrier-branded sites, allowing for rapid site content changes and enhanced scalability
- Lead management platform integrates dozens of lead partners to provide thousands of leads per day
- Order management solutions accommodate complex applications or sales processes

#### Sales Center Solutions

- Over 500 licensed Life, Health and Property & Casualty agents in three state-of-the-art Sales Center facilities

#### Case Management

- Maximizes insurance application placement through the focused and swift resolution of application processing issues, by providing personalized attention to the insured client



# Clayton Dubilier & Rice Acquires TRANZACT

## Clayton Dubilier & Rice Overview

### Firm Overview



**Joseph L. Rice, III**  
Founder



**Donald J. Gogel**  
Chairman & CEO



**Jillian Griffiths**  
COO

### Location(s)

- New York, NY (HQ)
- London, UK

### About

- Founded in 1978 by Joseph L. Rice, III
- Currently holds \$6.43 bn assets under management
- Investments span a broad range of company sizes, from medium-sized sector champions to global industry leaders
- Invested successfully in industrial, consumer, retail and healthcare-related companies, among other sectors
- Invests in businesses that are fundamentally well-positioned market leaders, in industries exhibiting favorable long-term trends and can benefit from CD&R's unique skills

### Investment Preferences

#### Investment Criteria

<b>Fund Size:</b>	\$6,340 mm
<b>Fund Raised:</b>	2014
<b>Investment Range:</b>	NA
<b>Revenue:</b>	NA
<b>EBITDA:</b>	NA

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

<b>Control:</b>	Majority, Minority
<b>Geography:</b>	Canada, Northern Europe, US, Western Europe
<b>Transaction Type:</b>	Growth, Buyout, MBO/LBO, PIPE
<b>Industry Focus:</b>	Healthcare IT, Business Services - Commercial Products / Services, Computer Hardware

### Select Recent Investments / Exits

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

Date	Company	Deal Amt. <sup>3</sup>	Board Rep.	Sector
12/93	Van Kampen Investments (Morgan Stanley)*	NA	NA	CapMkts

#### Other Technology Investments <sup>2</sup>

Date	Company	Deal Amt. <sup>3</sup>	Board Rep.	Sector
07/15	Vets First Choice (Series E)	\$52	Ravi Sachdev	HCIT

# 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 Insurance and Healthcare IT sectors**

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

# Overview of FT Partners

## FT Partners Advises Insureon on its \$31 Million Financing

### Transaction Overview and Rationale

#### Overview of Transaction

- On October 21, 2015 Insureon (“Insureon” or the “Company”) announced a \$31mm Series B minority investment round
  - Investment round led by Oak HC/FT (“Oak”)
  - Existing investor Accretive LLC (“Accretive”) also participated
- Insureon is the leading insurance online marketplace for small and micro businesses
  - Serves retail clients directly and also supports banks, brokerages and insurance companies through a wholesale offering
  - Coverage provided for 175,000+ small businesses
- Oak HC/FT is a \$500mm venture capital fund focused on investing in healthcare and financial services technology companies
- Accretive is a leading private investment firm specializing in the creation of disruptive technology companies

#### Significance of Transaction

- Creates opportunity for Insureon to accelerate its growth in the small business insurance sector
- Enables Insureon to increase its investment in technology development, and enhance its sales and marketing capabilities

#### FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Insureon and its Board of Directors
  - Follows FT Partners’ role advising Insureon on its 2014 acquisition of Insurance Noodle from Willis
- Transaction demonstrates FT Partners’ continued success advising top-tier companies and achieving outstanding results within the Insurance IT and Services sector

### Financial Technology Partners LP FTP Securities LLC

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



*in its \$30mm equity capital raise led by*



# \$31,000,000



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# Overview of FT Partners

## FT Partners Advises Zywave / Vista on the Sale of Zywave Insurance Solutions

### Transaction Overview and Rationale

#### Overview of Transaction

- On November 4, 2013, Zywave, Inc., the leading provider of insurance and financial planning software solutions, announced the sale of its Insurance Solutions business to Aurora Capital Group ("Aurora")
- Zywave Insurance Solutions provides technology-enabled content and communication, agency automation, business intelligence and analytics tools to the employee benefits and P&C insurance distribution industry
  - The business will retain the "Zywave" name post-close
- Aurora is a Los Angeles-based private equity firm managing over \$2 billion of capital across multiple funds
- Vista Equity Partners ("Vista"), a U.S.-based private equity firm with offices in San Francisco, Chicago and Austin, will retain ownership of the Zywave Financial Solutions business, which will be renamed Advicent Solutions ("Advicent")
- The transaction is expected to close in the next 30 days; terms of the transaction were not disclosed

#### Significance of Transaction

- Transaction represents a highly attractive outcome for Vista and other shareholders of Zywave, Inc.
- Positions the Insurance Solutions business well to pursue additional growth opportunities and continue to enhance its market leading platform
- Provides Aurora the opportunity to leverage its extensive industry experience and partner with a leading insurance technology provider

#### FT Partners' Role

- FT Partners served as exclusive Strategic and Financial advisor to Zywave and Vista, the Company's controlling shareholder
- FT Partners leveraged its deep knowledge, extensive experience and broad insurance industry relationships to help achieve a highly favorable outcome for all stakeholders
- Transaction demonstrates FT Partners' continued success in achieving highly attractive outcomes for leading insurance, benefits and healthcare IT and services firms in the financial technology landscape

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive Strategic and Financial advisor to*



*in its sale of*  
**Zywave Insurance Solutions**

*to*



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Focused Exclusively on Financial Technology**

# Overview of FT Partners

## FT Partners Advises SquareTrade on its \$238 Million Growth Investment

### Transaction Overview and Rationale

#### Overview of Transaction

- SquareTrade entered into an agreement whereby Bain Capital and Bain Capital Ventures, the private equity and venture capital affiliates of Bain Capital, LLC ("Bain Capital"), invested approximately \$238 million
- SquareTrade is the largest independent warranty provider for consumer electronics and major appliances
- Bain Capital is a global private equity firm with approximately \$60 billion in assets under management
  - Select previous investments include LinkedIn, SunGard, WorldPay and FleetCor

#### Significance of Transaction

- SquareTrade is well positioned to pursue additional growth opportunities by leveraging Bain's strategic relationships and expertise in consumer-related businesses

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to SquareTrade and its Board of Directors
- Transaction highlights FT Partners' ability to rapidly and confidentially execute complex transactions
- FT Partners developed a detailed and comprehensive set of financial materials to highlight the unique value proposition of SquareTrade and to enable efficient and thorough investor diligence

### Financial Technology Partners LP FTP Securities LLC

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



*in its recapitalization by*

**BainCapital**  
**BainCapital Ventures**

*of approximately*

**\$ 238,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

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# Overview of FT Partners

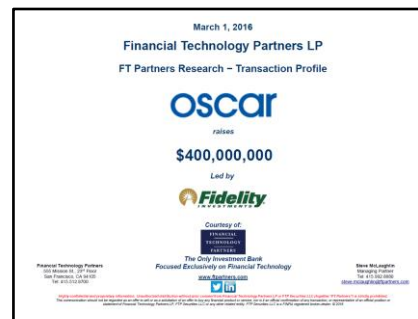
## Selected FT Partners' Research (click to view)



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



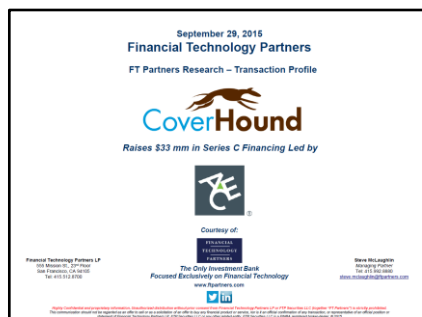
**Benaissance's Sale to WEX for \$80 million**



**Oscar Raises \$400 million in Financing**



**All Web Leads Acquires InsuranceQuotes.com from Bankrate**



**CoverHound Raises \$33 million in Series C Financing**



**Vista Equity Partners Acquires Solera for \$6.5 billion**



**Thoma Bravo Acquires iPipeline**



**Willis and Towers Watson Combine in a Merger of Equals**

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"> <li>■ <b>Investment Banking Firm of the Year</b></li> <li>■ <b>Cross Border Deal of the Year</b></li> </ul>
2015	<ul style="list-style-type: none"> <li>■ <b>Dealmaker of the Year</b></li> <li>■ <b>Technology Deal of the Year</b></li> </ul>
2014	<ul style="list-style-type: none"> <li>■ <b>Equity Financing Deal of the Year</b></li> <li>■ <b>Professional Services Deal of the Year, Above \$100mm</b></li> </ul>
2012	<ul style="list-style-type: none"> <li>■ <b>Dealmaker of the Year</b></li> <li>■ <b>Professional Services Deal of the Year, Above \$100mm</b></li> </ul>
2011	<ul style="list-style-type: none"> <li>■ <b>Boutique Investment Bank of the Year</b></li> <li>■ <b>Deal of the Decade</b></li> <li>■ <i>10 Deal of the Year Nominations Across 9 Categories</i></li> </ul>
2010	<ul style="list-style-type: none"> <li>■ <b>Upper Middle Market Deal of the Year, Above \$500 mm</b></li> <li>■ <b>IT Services Deal of the Year, Below \$500mm</b></li> <li>■ <b>Cross-Border Deal of the Year, Below \$500mm</b></li> </ul>
2007	<ul style="list-style-type: none"> <li>■ <b>Dealmaker of the Year – Steve McLaughlin</b></li> <li>■ <b>Business to Business Services Deal of the Year</b></li> <li>■ <b>Computer and Information Technology Deal of the Year, Above \$100mm</b></li> <li>■ <b>Financial Services Deal of the Year, Above \$100mm</b></li> </ul>



**Institutional Investor  
Annual Ranking**

2015	■ <b>Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List</b>
2006-2008	■ <b>Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology</b>



**Middle Market  
Financing Awards**

2008	<ul style="list-style-type: none"> <li>■ <b>Equity Financing Dealmaker of the Year – Steve McLaughlin</b></li> <li>■ <b>Information Technology Deal of the Year</b></li> <li>■ <b>Financial Services Deal of the Year</b></li> </ul>
2006	<ul style="list-style-type: none"> <li>■ <b>Financing Professional of the Year – Steve McLaughlin</b></li> <li>■ <i>Financing Deal of the Year - Equity</i></li> <li>■ <i>Financing Deal of the Year - Debt</i></li> </ul>

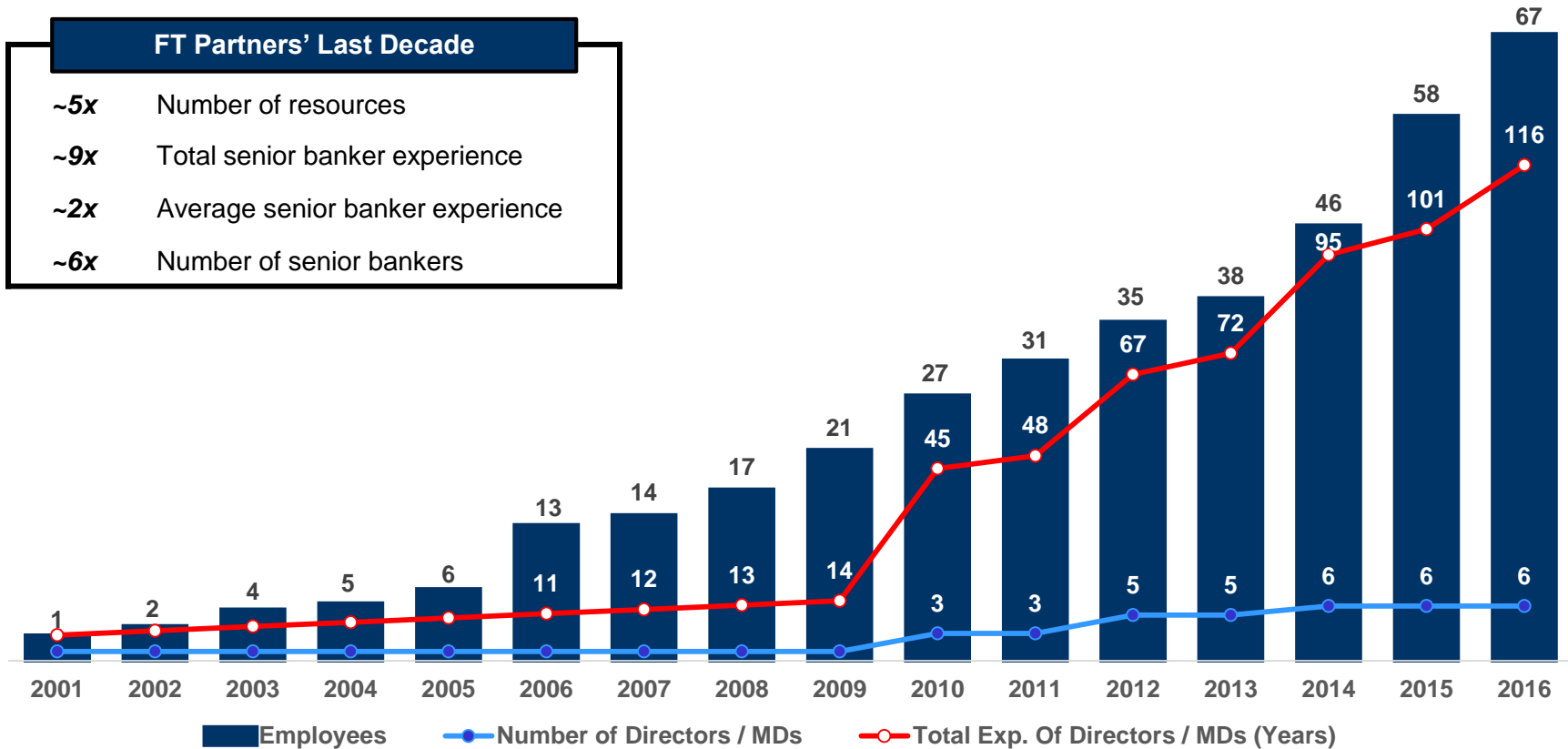
Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.

# 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

6 7 8 9 10 11 12 13 14 15 16 13 15 16 17 19

# Overview of FT Partners

## The FT Partners Senior Banking 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>Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share)</li> <li>Wharton M.B.A.</li> </ul>	<b>21</b>
<b>Larry Furlong</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York, London and Los Angeles beginning in 1995</li> <li>Wharton M.B.A.</li> </ul>	<b>21</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 / Sterne Agee</li> <li>Recent coverage included WU, EEFT, DST, ENV, FISV, FIS, V, MA, GPN &amp; HPY among others</li> </ul>	<b>20</b>
<b>Steve Stout</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with J.P. Morgan and UBS</li> <li>Formerly Global Head of Strategy at First Data</li> </ul>	<b>18</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>14</b>
<b>Andrew McLaughlin</b> <i>Managing Director, Research &amp; Business Development</i>		<ul style="list-style-type: none"> <li>Leads FT Partners' Research and Business Development Team</li> <li>Formerly with Deloitte Consulting</li> </ul>	<b>10</b>