

July 20, 2015

Financial Technology Partners

FT Partners Research – Transaction Profile



for

\$910,000,000

Courtesy of:



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

www.ftpartners.com



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Provider of technology and cloud-based platforms that utilizes data & analytics with healthcare consumer engagement and reporting capabilities to create actionable insights and improved management for value-based healthcare

Provider of software and analytics, network solutions and tech-enabled platforms that improve communication, payments and insights

Emdeon Acquires Altegra Health for \$910 mm

Transaction Summary

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- On July 6, 2015, Emdeon announced its acquisition of Altegra Health for \$910 mm in cash
 - Emdeon is also using debt and equity financing commitments to support the acquisition
 - The transaction is expected to close in the 3rd quarter of 2015
- The acquisition is expected to strengthen both companies' current features and support new developments of innovative platforms

Transaction commentary



"Our health plan, provider and pharmacy customers look to Emdeon for innovative solutions to their most challenging problems. Altegra Health has created leading end-to-end solutions that provide health plans

and other risk-bearing organizations with the data, insights and related services they need to expertly manage care, ensure appropriate reimbursement and engage individuals in improving their use of the healthcare system. By adding these capabilities and leveraging our Intelligent Healthcare Network, we can further expand the products and services we provide our customers as they address the needs of value-based healthcare."








Neil de Crescenzo 
President & CEO of






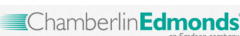
"We are thrilled to be joining Emdeon at such an opportune time. Emdeon's commitment to innovation and meeting the ever-changing needs of their customers is something that will allow us to continue our growth as a leading provider of revenue-enhancement, eligibility and enrollment, quality measurement and risk analytics to health plans and other risk-bearing organizations."

Kevin Barrett 
President & CEO of

Selected Previous Altegra Health Transactions

Date	Size (\$ mm)	Details
02/01/14	na	Acquired:  Outcomes HEALTH INFORMATION SOLUTIONS™
05/09/13	na	Acquired:  TransUnion. Healthcare
06/20/12	na	Acquired:  Warm Health™ by My Advocate
09/13/11	na	Acquired:  dca
02/11/11	na	Acquired:  AUSTIN PROVIDER SOLUTIONS
08/11/10	na	Secured Financing from:  PARTHENON CAPITAL PARTNERS
08/11/10	\$28	Acquired:  SINAIKO

Selected Previous Emdeon Transactions

Date	Size (\$ mm)	Details
11/19/14	\$135	Acquired:  CHANGE HEALTHCARE™
06/23/14	115	Acquired:  Capario™
08/04/11	3,000	Acquired by:  Blackstone
09/07/10	260	Acquired:  ChamberlinEdmonds™ an Emdeon company

Source: Company press release, Capital IQ, FTP proprietary database.

Emdeon Acquires Altegra Health for \$910 mm

Altegra Health Overview

Altegra Health provides technology-enabled, end-to-end payments solutions for health plans and providers

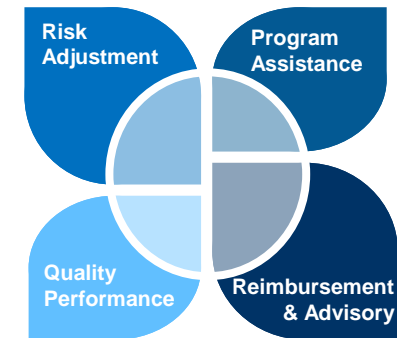
Altegra Health Overview	
Key Contacts	Company Stats
President & CEO: Kevin Barrett CFO: Michele Haas EVP CSO: Mark Fabiano	Headquarters: Miami Lakes, FL Founded: 2006 Offices: 8 regional; operating in all 50 states + Puerto Rico & the Philippines

Product Overview

Health Plan Solutions + Provider Solutions

- Coding services and monitoring / analysis of risk scores to ensure members are risk adjusted and qualify for calibrated premiums

- Social program eligibility and enrollment solutions
- Ensure members have access to benefits to which they are entitled



- Member engagement and quality measurement tools
- Healthcare analytics & reporting
- Member outreach

- Management of near constant reimbursement methodology changes
- Suite of medical advisory services

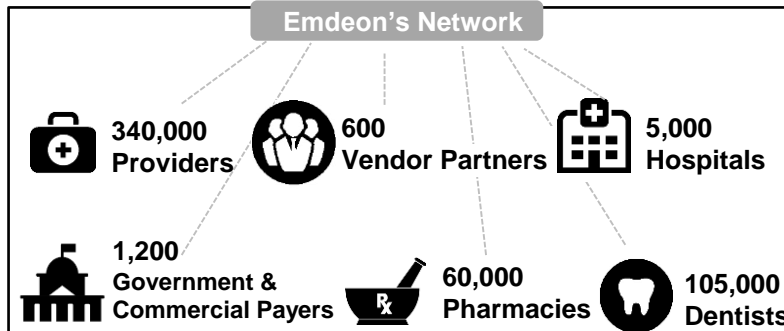
Vertical Markets Served	Services			
	Risk	Quality	Advisory	Program
Medicare	■	■		■
Medicaid	■	■		■
Hospitals			■	
Medical Groups			■	
Commercial & Health Exchanges	■	■	■	■

Emdeon Acquires Altegra Health for \$910 mm

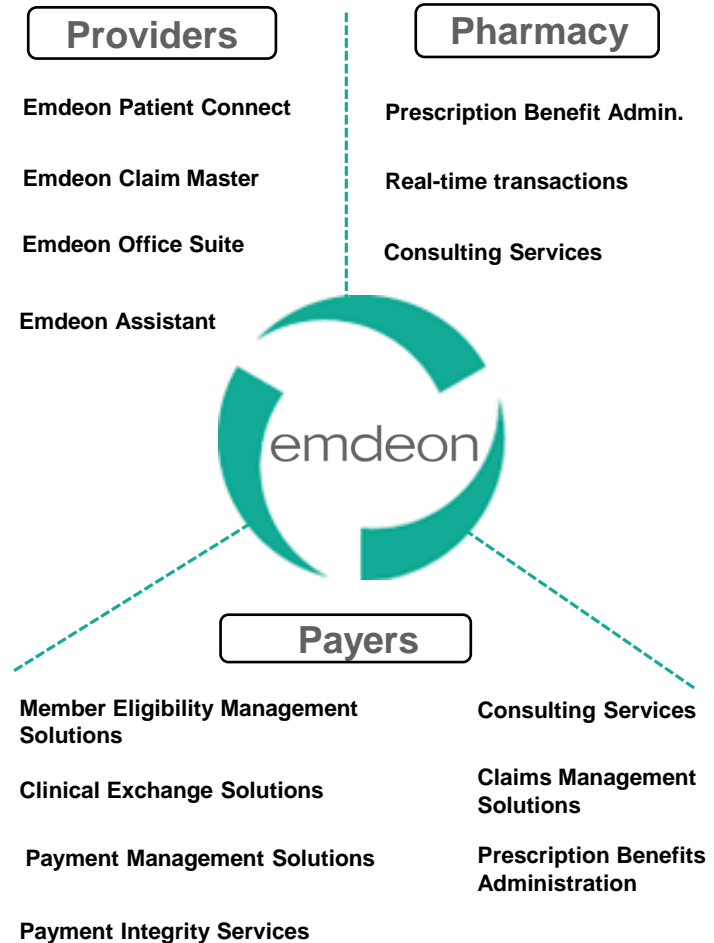
Emdeon Overview

Emdeon Overview	
Key Contacts	Company Stats
CEO: <i>Neil de Crescenzo</i> EVP, CFO: <i>Randy Giles</i> EVP R&D, CIO: <i>Alex Choy</i> SVP, Corporate Development: <i>Frank Manzella</i>	Headquarters: <i>Nashville, TN</i> Founded: <i>2006</i> Employees: <i>~4,000</i> Type: <i>Private through acquisition by Blackstone with public debt</i>

- Emdeon is a provider of revenue and payment cycle management and clinical information exchange solutions
- Serves physicians and clinics, hospitals and health systems, healthcare payers and government services
- Serves three market segments: Providers, Payers and Pharmacy Services
- Processed 8.1 billion transactions in 2014



Product Overview

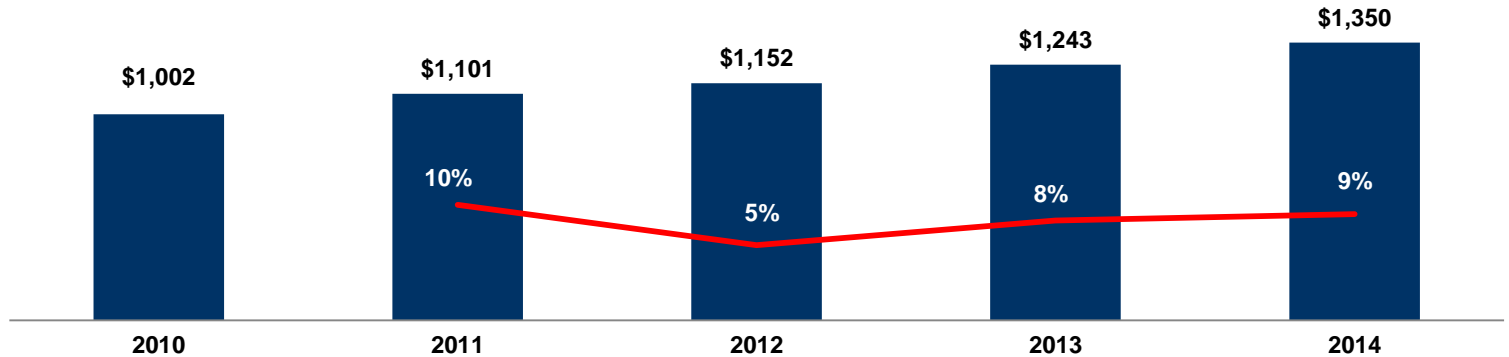


Emdeon Acquires Altegra Health for \$910 mm

Emdeon Financial Overview

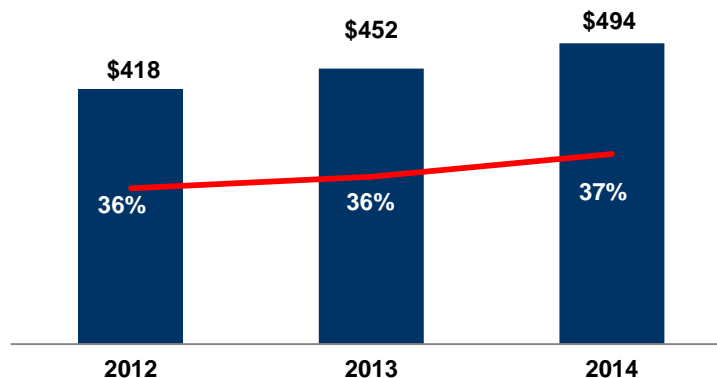
Total Revenue / % Growth

(\$ in mm)



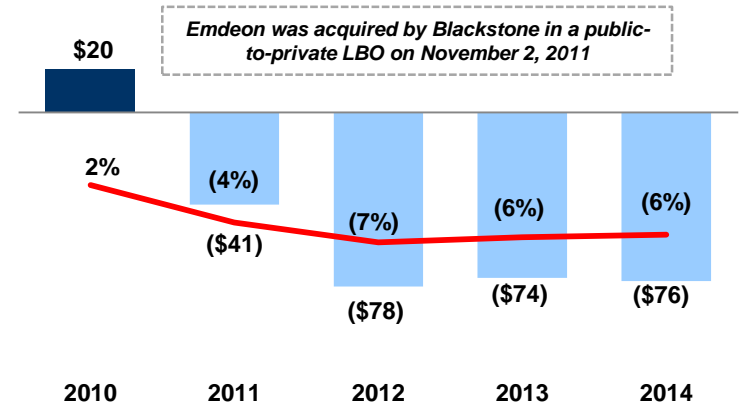
Adjusted EBITDA ⁽¹⁾ / % Margin

(\$ in mm)



Net Income / % Margin

(\$ in mm)



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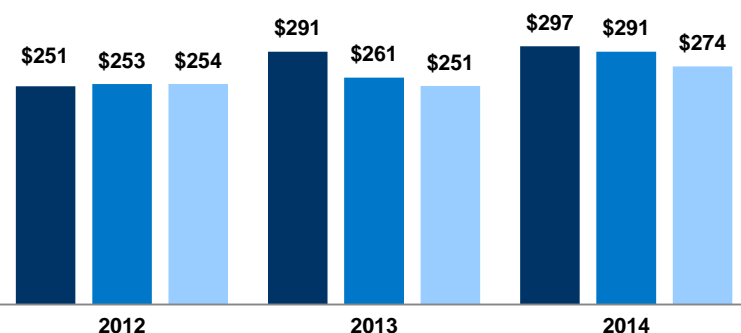
Emdeon Financial Overview (cont.)

Revenues / Adjusted EBITDA by Segment

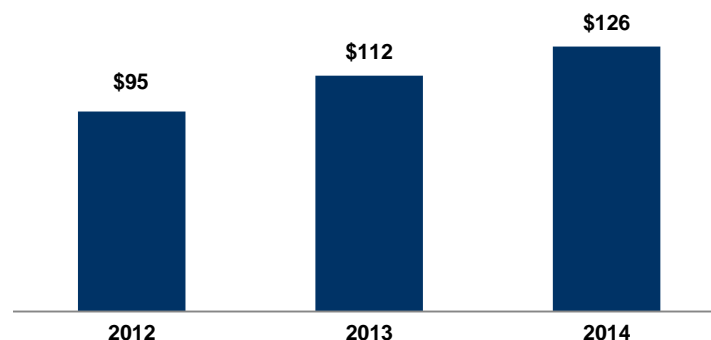
(\$ in mm)

- Claims Management
- Payment Distribution Services
- Patient Billing & Payment Services

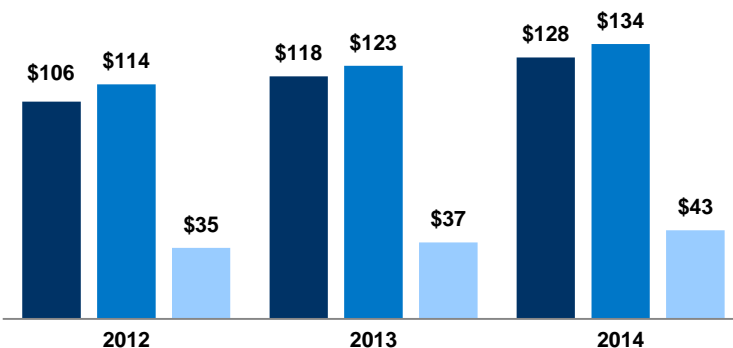
Payer Services



Pharmacy Services

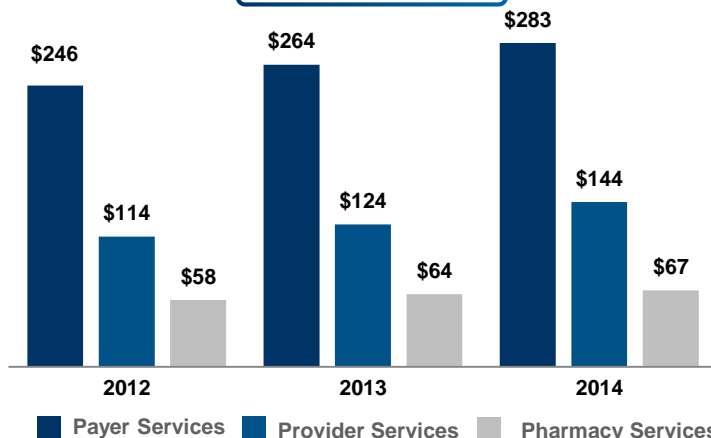


Provider Services



- Revenue Cycle Technology
- Revenue Cycle Services
- Physician Services

Adjusted EBITDA ⁽¹⁾



Source: SEC filings.

(1) Adjusted EBITDA for the respective segments excludes all costs and adjustments associated with corporate functions which include management, administrative and other shared corporate services such as information technology, legal, finance, human resources, marketing and product management.

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

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

- 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

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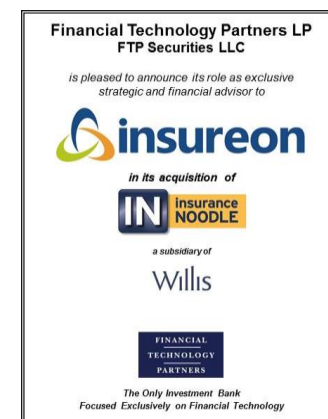
- Leading technology and service provider to life and annuity industry carriers, distributors and producers
- Combination provides “one-stop” access to virtually everything a financial professional needs to market, sell and process diversified insurance products



- Largest independent warranty provider for consumer electronics and major appliances
- Serves customers directly through its website and through a large network of online and in-store retailers
- Largest venture capital transaction of 2012⁽¹⁾



- Provider of finance and insurance (“F&I”) solutions to the automobile industry
- Blue chip client base including:
 - Five of the world’s leading auto OEMs
 - Two of the world’s largest motorcycle manufacturers
 - The nation’s largest new and used vehicle retailers



- Premier online insurance brokerage platform focused on serving small- and micro- businesses
- Transaction provides significant footprint for Insureon in the independent and captive agent market
- Positions combined business to even better serve small business owners in need of commercial insurance

(1) PricewaterhouseCoopers, National Venture Capital Association and Thomson Reuters.

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.