

FT PARTNERS FINTECH INDUSTRY RESEARCH

May 16, 2017

Clover

**Clover Health Raises \$130 million in Financing
Led by Greenoaks Capital Management**



GREENOAKS

FINANCIAL
TECHNOLOGY
PARTNERS

The Only Investment Bank Focused Exclusively on FinTech

San Francisco • New York • London

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

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 #4 Most Influential Person in all of FinTech in *Institution Investor's* "FinTech Finance 35"



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

Steve McLaughlin: *Founder & CEO*

Tel: 415.992.8880

steve.mclaughlin@ftpartners.com

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Clover Health Raises \$130 million in Financing

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Clover

Transaction Summary

Transaction Summary

- **On May 11, 2017, Clover Health announced it has raised \$130 million in financing led by Greenoaks Capital Management**
 - With this latest financing, the Company's total debt and equity financing reaches \$425 million, bringing the company's valuation up to \$1.2 billion according to Bloomberg ⁽¹⁾
 - New investors, GV (Google Ventures), Palm Drive Capital, and Western Technology Investment and existing investors, Sequoia Capital and First Round Capital also participated in the round
- **The new funding will be used to focus on growth and expand the Company's operations**
 - The Company is not currently profitable ⁽²⁾
 - The Company plans to expand to three additional states by October of this year ⁽²⁾
 - While its ultimate goal is to operate in all states, CEO Vivek Garipalli and his investors have said Clover must grow at a measured pace
- **The Company competes against Anthem Inc., Aetna and others insurers who offer plans to the 18 million Medicare Advantage members in the U.S. ⁽¹⁾**
- **Although Clover largely operates as an insurance company, handles patient claims and gets paid by the U.S. government, the Company focuses on utilizing patient medical data ⁽¹⁾**

Company Overview and Stats ⁽¹⁾

Clover Health provides an online health insurance platform and services for Medicare patients, focusing on collecting and monitoring patient data for better preventative and real-time care

\$1.2 billion

Post Money Valuation

\$338 million

Equity Financing raised to date

25,000

Medicare Advantage customers
in New Jersey

Leadership Team



Vivek Garipalli
Co-Founder & CEO



Kris Gale
Co-Founder



Wilson Keenan
COO



Mark Spektor
Chief Medical Officer



Matt Shannon
Head of Engineering



Wendy Nguyen
Head of Marketing

Source: Company website, PitchBook

(1) Bloomberg.com: "Clover Health Tops \$1 Billion Value with Alphabet Backing"

(2) Medcitynews.com: "Clover Health raises \$130 M in expansion adding up to 3 more states to healthcare platform"

Clover Health Raises \$130 million in Financing























Clover Health Overview

Company Overview


CEO: Vivek Garipalli
Headquarters:  San Francisco, CA
Founded: 2013

- Clover Health is a Preferred Provider Organization (PPO) with a Medicare contract
- The Company utilizes patient-centered analytics and dedicated care management to better prevent illness and help seniors
- Like Medicare, Clover offers coverage to see any doctor and visit any hospital, but also includes prescription coverage with \$0 generic prescriptions


Selected Financing Transactions

Date	Size (\$ mm)	Type	Investor(s)
04/26/16	\$160	Series C	           
08/20/14	\$35	Series B	    
07/06/12	\$13 (equity) \$87 (debt)	Series A	  


Products & Services Overview


Equal Cost Sharing

The same low costs for services both in- and out-of-network (Out-of-network services only covered if medically necessary)


\$0 Copay

Free primary care visits and low copays for specialists


\$0 Prescriptions

For Tier 1 medications at preferred network pharmacies

With Clover Plans, every member gets their own
Personal Care Team

Nurse Practitioners

- Visit your home and do check-ups to make sure you're healthy and safe
- Follow up after hospital visits and procedures to speed up recovery

Customer Experience

- Help to coordinate members with available services and work to ensure members have a great experience with Clover
- Answer questions about bills or coverage, whenever you need help

Clover Plan Core Benefits

- **Equal Cost Sharing:** The same low costs for services both in and out of Clover's doctor network
- **Vision Coverage:** Low copays for eye exams, glasses (frames & lenses), and contact lenses
- **Gym Membership:** Stay fit and feelings good with a free membership to silver Sneakers
- **Personal Care Team:** Nurse Practitioners and Customer Experience Agents work together to give each member personalized support

Clover Health Raises \$130 million in Financing

Greenoaks Capital Overview

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Clover

Overview



GREENOAKS



Neil Mehta
Founder &
Managing Partner



Benny Peretz
Managing Partner



Patrick Backhouse
Associate

Locations

- San Francisco, CA

About

- Founded in 2009 by Neil Mehta
- Greenoaks makes long-term concentrated investments in high-growth internet businesses around the world
- Along with internet businesses, Greenoaks seeks to invest in the mobile, retail and IT sectors

Investment Preferences

Investment Criteria

Fund Size:	NA
Fund Raised:	NA
Investment Range:	NA
Revenue:	NA
EBITDA:	NA

General Preferences ¹

Control:	Minority, Majority
Geography:	Global
Transaction Type:	Venture, Growth
Industry Focus:	E-Commerce, Manufacturing, Mobile, SaaS

Selected Recent Investments / Exits

FinTech / Financial Services Investments ²

Date	Company	Deal Amt. ³	Board Rep.	Sector
04/17	Robinhood (Series C)	\$110	NA	CapMkts
04/17	Katerra (Series C)	130	Neil Mehta	BPO
05/16	Clover Health (Series C)	160	Benny Peretz	Ins
12/14	RealConnex (Series A)	4	NA	CapMkts
05/14	Addepar (Series C)	50	NA	CapMkts
02/13	Plastiq (Series A)	6	NA	Pymts

Other Notable Technology Investments ²

Date	Company	Deal Amt. ³	Board Rep.	Sector
08/16	Deliveroo (Series E)	\$275	Benny Peretz	Internet
01/15	Coupang (Later Stage VC)	300	NA	Retail
12/14	Flipkart (Series G)	700	NA	Retail

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 – InsurTech Industry Report

Prepare for the InsurTech Wave: Overview of Key Insurance Technology Trends



FT Partners' 268-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

Please visit our [website](#) for more proprietary FinTech Research & Follow FT Partners on [Twitter](#) and [LinkedIn](#) for real time updates on our Research Publications

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



Eliza's \$170 million Sale to HMS



Decisely Raises \$60 million in Financing



PointClickCare Raises \$85 million in Financing



McKesson Acquires CoverMyMeds for \$1.4 billion



Namely Raises \$50 million in Series D Financing



Nuna Raises \$90 million in Financing

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Consumer Protection Plans

Financial Technology Partners LP
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is pleased to announce its role as
exclusive strategic and financial advisor to

**square
trade**

in its sale to

Allstate

for total consideration of

\$ 1,400,000,000

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Health Plan Member Engagement

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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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

enaissance

in its sale to

wex

for a total consideration of

\$ 80,000,000

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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

insureon

in its equity capital raise led by

**OAK
HC/FT**

for total consideration of

\$ 31,000,000

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Group, Inc.**

in its growth recapitalization by

NMC
NEW MOUNTAIN CAPITAL LLC

valued at approximately

\$ 1,300,000,000

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on its sale to an Affiliate of

**Goldman
Sachs**

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in its sale of

Zywave Insurance Solutions

to

**AURORA
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We Simplify Selling Insurance

in its sale to

iPipeline

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in its sale to

MOELIS CAPITAL PARTNERS

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SaaS / Claims for Property & Contents

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enservio

in its sale to

Solera

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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 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 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



Middle Market Financing 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 10 Deal of the Year Nominations Across 9 Categories
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
2015	<ul style="list-style-type: none"> Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List
2006 - 2008	<ul style="list-style-type: none"> Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology
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 Financing Deal of the Year - Equity Financing Deal of the Year - Debt

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 & Co. in New York and San Francisco from 1995-2002 Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	22
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. 	22
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker 	21
Osman Khan <i>Managing Director</i>		<ul style="list-style-type: none"> Former Managing Director / 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 LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA) 	20
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Former Global Head of Strategy at First Data Formerly Led J.P. Morgan Payments Investment Banking Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank 	19
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. 	15
Timm Schipporeit <i>Managing Director</i>		<ul style="list-style-type: none"> 11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures 	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 	11