

January 4, 2016

Financial Technology Partners

FT Partners Research – Transaction Profile



raises

\$50,000,000

in Series C financing

Courtesy of:



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

www.ftpartners.com



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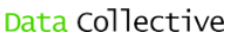




Gusto Raises \$50 Million in Series C Financing

Transaction Overview

Transaction Overview and Rationale

- On December 16, 2015, Gusto (fka: ZenPayroll) announced that it raised \$50 million in a Series C round
 - The investors participating in the round were not disclosed, but it was noted that several of the Company's existing investors participated in the round
- According to an article by Venturebeat.com, Joshua Reeves, Gusto's CEO was quoted saying this recent round of funding was at valuation "hundreds of millions of dollars higher" than the last Series B round
- Additionally, Silicon Valley Business Journal reported that the valuation was \$1 billion and that the round was intended to help the Company compete against its competitor, Zenefits
- Gusto's Series B round, back in April of 2014, was led by Google Capital along with participation from Emergence Capital Partners, Ribbit Capital, General Catalyst, Kleiner Perkins and Google Ventures
- Across four investments, the Company has raised a total of \$136 million

Previous Equity Financings

Date	Size (\$ mm)	Investors
04/06/15	\$60	     
08/18/14	na	
02/19/14	20	   
04/30/12	6	    

Commentary

"Last month, we knew that there was a lot of interest from existing investors to put in more capital. We decided to take in more capital because we wanted to give investors a chance to increase their position. They've been incredibly supportive and helpful."

"When you start with enterprises, you have to create custom features, one-off tools, and functionality. When you serve small businesses, you have to build a product that works from the first day. Expansion is dictated by one thing: are they able to give an exceptional experience? We wanted to solve a real problem, something that affected mainstream businesses."

- Joshua Reeves, CEO at Gusto



Gusto Raises \$50 Million in Series C Financing

Company & Product Overview



CEO: Joshua Reeves

Headquarters: San Francisco, CA

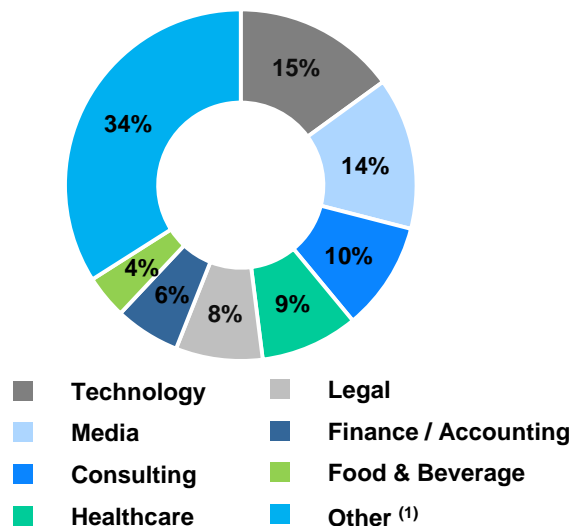
Founded: 2011

Customers: 25,000+ Businesses

Company Overview

- Gusto (fka: ZenPayroll) offers a payroll software solution that allows for complete management of a company's payroll from any web-enabled device
 - Product is completely automated and paperless
- In addition to payroll, Gusto's product offers a number of other HR-related solutions, including hiring management, employee onboarding and tax calculation and filing
- Gusto's product easily integrates into a number of back office software tools to allow for simple setup and pass through of information
- Employee profile accounts stay attached to the employee, which allows for easy transfer of the employee's information to a new company when the employee changes jobs, as well as gives employees a historical look at their pay over time

Customer Breakdown by Industry



Key Product Features

Easy Setup Online	Complete Customer Care
Automated Reporting for New Hires	Employee Self Enrollment
Employee Lifetime Accounts	Detailed Reporting Capabilities
Complete Compliance and Security Management	Automatic Tax Processing
Quick Payroll Changes	Built-In Employee Vacation and Sick Day Management
Flexible Payroll Payment Options	Full Benefit Management Platform
100% Online and Mobile	Digital Signatures
Digital Signatures	Wide Selection of Health Plans

Source: Company website and Venturebeat.com article, Capital IQ.

(1) "Other" includes: Professional Services, Construction / Manufacturing, Home Services, Retail, Fitness, Insurance, real Estate, Education, Entertainment, Salon & Spa, and other assorted industries.



Gusto Raises \$50 Million in Series C Financing

Company & Product Overview (cont.)

Pricing

\$29 BASE PRICE + **\$6** PER PERSON
(billed monthly)

- Software is affordable and includes all features, regardless of company size
- Additional enterprise discounts are available for companies with greater than 100 employees

Benefits of Gusto

- The average small business owner, without an automated payroll software, is 19 times more likely to misrepresent employee-related taxes, resulting in fines; Gusto can help solve these problems
- All clients and their information displayed on an easy to access dashboard; this allows for the HR department to have a complete picture to run payroll, view tasks and create reports from any computer or mobile device
- Gusto, being fully-automated, saves time in a number of ways, including the minimization of manual entry, automatic form filing and patented Payroll on Autopilot, which processes a company's payroll without even having to log into the platform
- All major tax payments and filings are automatically completed, including all federal and state quarterly / annual filings
- The Gusto Partner Program, provides customers with added customization, including a dedicated account manager, allowing access to volume discounts and marketing collateral

Back Office Software Integrations

Accounting Software



Time-Tracking



Benefits Administration



Expense Management



HR Information Systems



Gusto Raises \$50 Million in Series C Financing

Management Team



Joshua Reeves, Co-Founder and CEO

- Co-founded the Company and currently serves as the CEO
- Prior to founding Gusto, he co-founded a SaaS marketing software company, Unwrap, which was acquired in 2010
- He attended Stanford University and received a BS and MS in Electrical Engineering



Edward Kim, CTO and Co-Founder

- Also co-founded the Company and currently runs all engineering and software development as the Company's Chief Technology Officer
- Before Gusto, he was the Founder and CEO of a Y Combinator-funded startup, Picwing.com, which provided a photo-printing platform
- He attended Stanford University and received a BS and MS in Electrical Engineering



Tomer London, CPO and Co-Founder

- Also a Co-Founder and currently serves as the Chief Product Officer and manages the development / execution of product vision
- Prior to Gusto, he served as the CEO of Vizmo, which provided self-service call center software for customer support simplification
- He received his BS in Computer Engineering from the Technion - Israel Institute of Technology and his MS in Electrical Engineering from Stanford University

Overview of FT Partners

Leader in Financial Management Solutions Investment Banking

Financial Technology Partners LP
FTP Securities LLC

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

avidxchange

in its Series E minority financing from

Bain Capital Ventures
FOUNDRY GROUP TPG KeyBank nyca

for total consideration of

\$ 225,000,000

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CHROMERIVER

in its Series D investment from

Great Hill PARTNERS

for total consideration of approximately

\$ 100,000,000

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in its acquisition of

STRONGROOM

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feedzai

in its Series B financing from

OAK HC/FT ESPERITO SANTO SAPPHIRE VENTURES

for approximately

\$ 17,500,000

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

wave

in its financing, including investment from

SC CTV OMERS Ventures

for approximately

\$ 10,000,000

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BROWZ

in its financing for a total consideration of

\$ 10,000,000

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INSURANCE TECHNOLOGIES

in its sale to

MOELIS CAPITAL PARTNERS

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is pleased to announce its exclusive role as financial advisor to

GreenSky

in its minority investment from

DST ICONIQ TPG

for total consideration of

\$ 300,000,000

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taulia

in its Series D financing, including investment from

QUESTMARK PARTNERS zouk BBVA edbi

for total consideration of approximately

\$ 60,000,000

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KUBRA

in its 80% majority sale to

HEARST corporation

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ShareholderInSite

in its sale to

IPREO

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

Performant

in its debt financing led by

MAIDEN CAPITAL FUNDING

totaling approximately

\$ 148,000,000

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

jack henry & ASSOCIATES INC.

in its acquisition of

iPayTechnologies

for total consideration of approximately

\$ 300,000,000

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MERCURY

in its cash sale to

vantiv

for total consideration of approximately

\$1,650,000,000

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CUSTOM HOUSE

in its sale to

WESTERN UNION

For total cash consideration of approximately

\$ 370,000,000

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avidxchange

in its agreement of financing with

BOATHOUSE CAPITAL

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ATD

in its sale to

citi

for cash and stock consideration of approximately

\$ 700,000,000

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FLEET ONE

in its cash sale to

wex

for total consideration of approximately

\$ 369,000,000

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ACCREDITIVE HEALTH

in its

\$138,000,000
Initial Public Offering

valuing the equity at approximately

\$ 1,200,000,000

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YAPSTONE

in its minority investment led by

ACCEL PARTNERS

For total consideration of approximately

\$ 50,000,000

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lynk

in its sale to

The Royal Bank of Scotland

for cash consideration of approximately

\$ 525,000,000

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Overview of FT Partners

FT Partners Advises AvidXchange in its \$225mm Financing

Transaction Overview & Rationale

Overview of Transaction

- On September 14, 2015, AvidXchange announced a minority \$225mm Series E financing round
- Bain Capital Ventures led the equity round with additional investments from the Foundry Group, TPG, KeyBank, and Nyca Partners
- As part of this financing, Matt Harris of Bain Capital Ventures, Hans Morris of Nyca Partners, and Brad Feld of the Foundry Group will be joining AvidXchange's Board of Directors
- AvidXchange is a best-in-class business-to-business software company that is revolutionizing how companies pay their bills by automating the invoice and payment processes
- The Company focuses on serving midmarket clients and spans multiple industries including Real Estate, Financial Services, Energy and Construction

Significance of Transaction

- The transaction will further help AvidXchange expand as the leading independent business-to-business invoice and payment solution provider
- Firmly positions the Company to continue to grow the core business, invest in infrastructure and product development and pursue opportunistic acquisitions

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to AvidXchange and its Board of Directors
- FT Partners leveraged its deep knowledge, extensive experience and broad industry relationships to help achieve a highly favorable outcome for the Company
- Transaction demonstrates FT Partners' continued success advising \$100mm+ financings

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sole strategic and financial advisor to*



in its Series E minority financing from

Bain Capital Ventures



for total consideration of

\$ 225,000,000

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Overview of FT Partners

FT Partners Advises Wave in its \$10mm Financing

Transaction Overview & Rationale

Overview of Transaction

- On May 12, 2015, Wave ("the Company") announced a \$10 mm Series C investment with participation from CRV, The Social+Capital Partnership, OMERS Ventures, and a strategic investor in the global fintech software space
- Wave is the leading SaaS / cloud-based financial management platform for micro-small businesses offering advanced proprietary accounting, invoicing, payroll and payment capabilities through integrated software applications
- The Company supports a rapidly growing customer base with Wave customer's currently invoicing more than \$6 bn per year, and running over \$250 mm in payroll per year
- Wave is tracking \$60 bn in income and expenses for its customers

Significance of Transaction

- This transaction brings total investment in Wave to \$35 mm, with the new funds earmarked for ongoing innovation and development of small business financial tools
- The Company is the fastest-growing small business financial solution on the market today, driving 10,000+ organic small business signups every week

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Wave and its Board of Directors
- The transaction demonstrates FT Partners' continued success in executing growth equity focused transactions and advising top-tier financial management software providers

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sole strategic and financial advisor to*



in its financing, including investment from



for approximately

\$ 10,000,000

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Overview of FT Partners

Award-Winning Investment Banking Franchise Focused on Superior Client Results



M&A Advisor
Awards

- 2014 ■ **Equity Financing Deal of the Year**
■ Professional Services Deal of the Year, Above \$100mm
- 2012 ■ **Dealmaker of the Year**
■ Professional Services Deal of the Year, Above \$100 mm
- 2011 ■ **Boutique Investment Bank of the Year**
■ Deal of the Decade
■ *10 Deal of the Year Nominations Across 9 Categories*
- 2010 ■ **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 ■ **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 ■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology








Middle Market
Financing Awards

- 2008 ■ **Equity Financing Dealmaker of the Year – Steve McLaughlin**
■ **Information Technology Deal of the Year**
■ **Financial Services Deal of the Year**
- 2006 ■ **Financing Professional of the Year – Steve McLaughlin**
■ *Financing Deal of the Year - Equity*
■ *Financing Deal of the Year - Debt*

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

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. 	20
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. 	20
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 V, MA, TSS, GPN, HPY, DST, ENV, FISV, FIS & JKHY among others 	19
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	13
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 	9