

FT PARTNERS FINTECH INDUSTRY RESEARCH

March 13, 2017



**The Travelers Companies Acquires Simply Business
for \$490 million**



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

FINTECH RESEARCH & INSIGHTS

- 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*

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Transaction Summary

Transaction Summary

- On March 13, 2017, The Travelers Company ("Travelers") announced it has agreed to acquire Simply Business for an enterprise value of approximately \$490 million
 - In this transaction, Aquiline Capital Partners has successfully exited its position in Simply Business
 - Travelers will fund the transaction, subject to market conditions, through a combination of debt financing and internal resources
- The acquisition is expected advance Traveler's digital agenda, bringing both new digital capabilities and digital commerce talent, enabling Travelers to better serve its clients⁽¹⁾
 - The acquisition will allow Travelers to access the sizeable microbusiness market in the U.S. and around the world⁽¹⁾
- Simply Business will continue to operate as a separate business entity under the same brand name⁽¹⁾
- The transaction is expected to close in the third quarter of 2017, subject to regulatory approvals and other customary closing conditions
- The acquisition is expected to have an insignificant impact on Travelers' 2017 and 2018 earnings per share
- Previously in April last year, Aquiline Capital Partners acquired Simply Business for approximately £120 mm⁽²⁾
- Simply Business has more than 425,000 microbusiness customers and over the past three years, insurance premiums placed by the Company have grown 17.5% to approximately \$113 million in 2016

Transaction Commentary

"Simply Business is a profitable and growing technology company with impressive strategic digital capabilities, leading digital commerce talent and proven small business insurance expertise. With technology and innovation driving customer preferences and expectations, advancing our digital agenda to best serve our customers and the marketplace is a key strategic priority. As an important part of that agenda, we also look forward to working with our agent and broker partners as we seek to deploy Simply Business' capabilities with them to make the small commercial insurance transaction easier, faster and more efficient"

TRAVELERS

Alan Schnitzer
CEO



"This is a tremendous opportunity for our company and employees, as well as a strong validation of our business model. I am excited about Simply Business benefiting from Travelers' extensive knowledge of the U.S. market as we develop our approach there, as well as the resources it has to support potential expansion into additional markets. Our shared values and commitment to innovation make this transaction a perfect fit."

 Simply Business

Jason Stockwood
CEO



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Simply Business Overview

Company Overview

CEO:	Jason Stockwood
Headquarters:	Northampton, UK
Founded:	2005
Employees:	300+
<ul style="list-style-type: none">Simply Business is the UK's largest business insurance broker specializing in public liability insurance for SMBs and landlord insuranceOffering online brokerage services and tailored business insurance policies, the Company also underwrites a significant amount of the premiums placed on its platform through its managing general agency	

Selected M&A Transactions

Date	Size (\$ mm)	Target
04/12/16	\$171	Acquired by:
07/18/13	NA	MBO backed by:

Selected 2016 Awards & Recognition



BusinessFinance
AWARDS 2016

Products & Services Overview

Business Insurance

- The Company insures over 1,000 types of UK businesses, including: consultants, contractors, freelancers, home-based workers, home business, limited companies, online retailers, professionals, self-employed, sole traders and subcontractors
- The Company offers a range of tailored insurance options and quote comparison capabilities from a broad range of insurers including:



- Compare quotes online following the below steps:

Your business

Your employees

Cover options

Business questions

Agreements

Landlord Insurance

- Landlord insurance covers for damage to your building or its contents, covering both home and rental activities
- The Company offers rental property insurance, insuring over 100,000 landlords to date
- "Build your own" landlord insurance policy, allows customers to choose from a range of rental property insurance including building insurance, contents insurance, property owners' liability, loss of rent and alternative accommodations
- Ability to compare landlord insurance quotes online

Travelers Acquires Simply Business for \$490 million

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Travelers Overview

Company Overview

CEO: Alan Schnitzer






Headquarters: **TRAVELERS**  Dallas, TX

Founded: 1853

Employees 30,000

- Travelers is a leading provider of property casualty insurance for auto, home and business; the Company has operations in the U.S, Canada, the U.K., Ireland and Brazil, and offers its customers a wide range of coverage sold primarily through independent agents and brokers

Selected Investments & Acquisitions⁽¹⁾

Date	Size (\$ mm)	Type	Investor / Target
10/01/15	\$370	M&A	Acquired: 
02/04/15	1,100	M&A	Acquired: 
11/01/00	40	Early-Stage VC	Target: 
08/30/99	15	Series C	Target: 
06/14/99	12	Early-Stage VC	Target: 

Travelers (NYSE: TRV) Stock Chart



Key 2016 Financial Statistics

Total Revenue (\$ in mm)	\$27,499
Growth Over Prior Year	+2.6%
Gross Profit (\$ in mm)	\$8,444
Margin %	30.7%
EBITDA (\$ in mm)	\$5,116
Margin %	18.6%
Net Income (\$ in mm)	\$3,014
Margin %	11%
Diluted EPS Excl. Extra Items	\$10.28

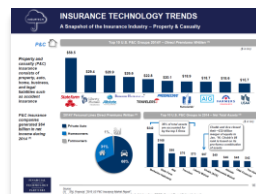
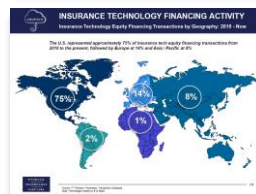
Source: Company press release, Company website.

(1) PitchBook

(2) Market Cap as of 03/24/17

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' Insurance Technology Research – *Click to View*



HMS Acquires Eliza for \$170 million



Lemonade Raises \$34 million in Series B Financing



Guidewire Acquires ISCS for \$160 million



Namely Raises \$50 million in Series D Financing



Blackstone Acquires Aon's Benefits Outsourcing Business for up to \$4.8 billion



Inflexion Private Equity Acquires MyPolicy for \$50 million



Sapiens International Acquires StoneRiver for \$102 million



Advent International Acquires CCC Information Services

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Strong Domain Expertise Across the Insurance Technology Landscape

Consumer Protection Plans

Financial Technology Partners LP
FTP Securities LLC

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



in its sale to



for total consideration of

\$ 1,400,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

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



in its sale to



for a total consideration of

\$ 80,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

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



in its equity capital raise led by



for total consideration of

\$ 31,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

Sales Automation Technology & Platform

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

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Focused Exclusively on Financial Technology

Largest Wholesale Brokerage in U.S.

Financial Technology Partners LP
FTP Securities LLC

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



in its growth recapitalization by



NEW MOUNTAIN CAPITAL LLC

valued at approximately

\$ 1,300,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

Auto Finance and Insurance Solutions

Financial Technology Partners LP
FTP Securities LLC

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



on its sale to an Affiliate of



The Only Investment Bank
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Agency Management / Marketing Technology

Financial Technology Partners LP
FTP Securities LLC

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in its sale of

Zywave Insurance Solutions
to



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Life & Annuity Technology Solutions

Financial Technology Partners LP
FTP Securities LLC

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



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Online Small Business Insurance

Financial Technology Partners LP
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is pleased to announce its exclusive role as
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in its acquisition of



a subsidiary of



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SaaS / Claims for Property & Contents

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FT Partners Advises Insureon on its \$31 million Financing

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 exclusive role as



in its equity capital raise led by



for total consideration of

\$ 31,000,000



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FT Partners Advises Insureon on its Strategic Acquisition of Insurance Noodle

Overview of Transaction

- Insureon ("Insureon" or the "Company") announced its acquisition of Insurance Noodle ("Insurance Noodle" or "Noodle"), a former subsidiary of Willis Group
- Insureon is the leading online insurance agency and delivery platform for small-and-micro business owners
- Insurance Noodle is a premier small commercial and personal insurance online broker

Significance of Transaction

- Enables greater operational efficiency; opportunity to leverage scalable platform with over \$100mm in total combined premium
- Positions combined business to even better serve small business owners in need of commercial insurance
- Combination of Insureon's successful online strategy with Noodle's network of brokers / agents supports Insureon's long-term plans
 - Provides significant footprint for Insureon in the independent and captive agent market
- Reinforces importance of the large population of small-and-micro businesses to the commercial insurance market and U.S. economy

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor for the acquisition and related financing to Insureon and Accretive LLC, the Company's controlling shareholder
- Transaction demonstrates FT Partners' continued success in advising leading insurance technology and services clients across the financial technology landscape

Financial Technology Partners LP FTP Securities LLC

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



in its acquisition of



A subsidiary of

Willis



*The Only Investment Bank
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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



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