## September 1, 2016

# Financial Technology Partners LP

FT Partners Research - Transaction Profile



raises

\$75,000,000

in financing led by



### Courtesy of:



The Only Investment Bank Focused Exclusively on Financial Technology

www.ftpartners.com



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## G COMPASS

# **Compass Raises \$75 Million in Financing**

### **Transaction Summary**

Compass uses technology to reduce the time and friction of buying and selling a house or apartment

### **Transaction Summary**

- On August 31, 2016, Compass announced that it raised \$75 million in a financing round led by Wellington Management Company
  - Existing investors Institutional Venture
     Partners, Thrive Capital and Founders Fund also participated in the round
- The new financing brings the total capital raised to \$210 million <sup>(1)</sup>, at a valuation above \$1 billion <sup>(2)</sup>
- The Company was recently valued at \$800 million after its Series C round in September 2015 (3)
- The Company will use the funds to further its growth in more cities in the U.S.

### **Company Commentary**

"We are going to expand into new markets and continue developing transformative technologies, unmatched agent support and marketing resources to our agents and clients across the country." (2)



Ori Allon Founder & Executive Chairman



Selected Previous Equity Financings					
Date	Round	Size (\$ mm)	Investors		
9/15/15	Series C	\$50	.406 Ventures ADVANCE  THRIVE CAPITAL		
7/21/14	Series B	40	ADVANCE		
9/25/13	Series A	20	.406 Ventures ADVANCE THRIVE CAPITAL		
12/16/12	Seed	8	Goldman THRIVE CAPITAL		

### **Investor Commentary**

"We believe that Compass will have a dramatic, transformative impact in the huge, antiquated real estate industry." (2)



**Todd Chaffee**General Partner



Source: FT Partners' Proprietary Transaction Database.

- PRNewswire.
- TechCrunch: "Compass raises \$75 million at \$1 billion+ valuation for real estate listings".
- (3) TechCrunch: "Compass Raises \$50M At An \$800M Valuation Led By IVP To Supersize Its Real Estate Platform".

## ( COMPASS

# **Compass Raises \$75 Million in Financing**

### **Compass Overview**

Compass, an online real estate platform for buying, selling and renting was also the first Company to offer an agent-only app that helps to simplify the real estate process through "one-stop" marketing, property valuation, and open house capabilities

Company Overview				
Headquarters:	New York, NY			
Founded:	2012			

- Compass is a real estate brokerage firm that pairs its real estate agents with big data and algorithm technologies
- The Company has created mobile applications for both real estate agents and consumers, in addition to an online search portal
- The Company currently has over 900 agents nationwide

### **Executive Team**



### Ori Allon, Founder & Executive Chairman

- Built two technical companies that were acquired by Google and Twitter
- Experience with big data and algorithms



### Robert Reffkin, Founder & CEO

- Previously Chief of Staff to the President & COO at Goldman Sachs
- Former White House Fellow, Lazard and McKinsey
- Columbia MBA

### Solutions

### For agents:



### Proprietary agent technology

Reduces reliance on multiple platforms

- Valuation / market comparables tool
- Listing strategy tool
- Open house tool

#### For clients:

### **Online Search Portal**

Explore properties for sale / rent



### **Compass Markets app**

Helps consumers and agents make informed decisions

- Real-time housing statistics
- Agents can generate and share customized market reports

### Locations

### Compass offers local expertise in eight U.S. markets:



New York City
Washington, DC
Miami
Boston & Cambridge
The Hamptons
Los Angeles
Santa Barbara & Montecito
Aspen

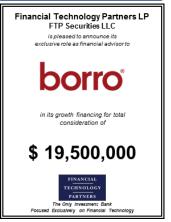


### FT Partners' Track Record of Success in the Lending / Banking Technology Space

### Student / Personal Loan



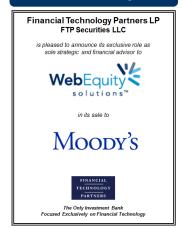
### **Asset Backed Loans Financing**



## Consumer Home Improvement Financing



### SaaS-based Loan Origination



## Consumer Marketing / Credit Lead Generation



### SMB Financing



### **Contractor Financing**



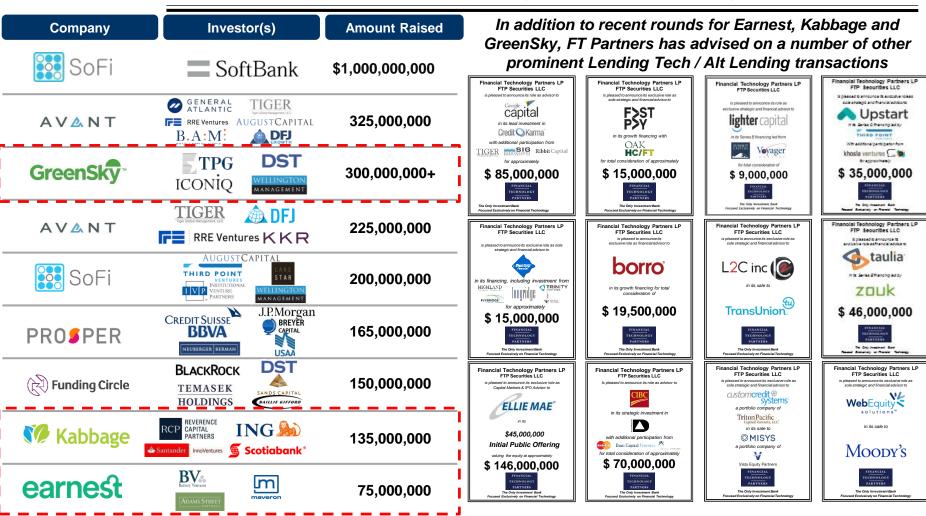
### **Supplier Finance Solutions**





FINANCIAL
TECHNOLOGY
PARTNERS

### FT Partners Advised on Three of the Largest Alternative Lending Transactions



### FT Partners Advises GreenSky in its \$300mm Minority Investment

#### **Transaction Overview and Rationale**

#### Overview of Transaction

- GreenSky completed a minority \$300 million financing round from TPG, DST, Iconiq and Wellington Management
- The Company provides an online loan platform that allows businesses to offer flexible credit programs to their customers – promoting higher transaction values and driving sales growth
- GreenSky's proprietary, technology-driven platform enables partners to make informed, real-time credit decisions and allows for real-time transaction processing
- The Company has grown to be a leader in the emerging Alternative Lending space, with a particular focus on home improvement financing

### Significance of Transaction

- Represents the largest private equity financing in the Alternative Lending space to date
- Demonstrates a fundamental shift in lending customer acquisition models away from traditional banks and towards specialists like GreenSky
- This transaction positions GreenSky as a clear leader in Alternative Lending and enables the company to continue to innovate and bring additional products to market

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to GreenSky 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 top-tier financial technology companies

# Financial Technology Partners LP FTP Securities LLC

is pleased to announce its exclusive role as financial advisor to



in its minority investment from





for total consideration of

\$ 300,000,000



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## FT Partners Advises Kabbage on its \$135mm Minority Financing

#### **Transaction Overview and Rationale**

#### Overview of Transaction

- On October 14, 2015, Kabbage announced a minority \$135mm Series E equity financing round
- The round was led by Reverence Capital Partners as well as ING. Santander InnoVentures and Scotiabank
- Additional new investors include China's Yuan Capital and Japan's Recruit Strategic Partners; existing investors BlueRun Ventures, UPS Strategic Enterprise Fund and Thomvest Ventures also participated in the round
- In conjunction with the equity raise, Kabbage also increased its credit facility by more than threefold to over \$900mm to fuel the expansion of its direct lending business
- Kabbage is the leading technology and data platform powering automated lending; the Company leverages numerous data sources generated through business activity to better understand performance and deliver fast, flexible funding in real time

### Significance of Transaction

■ The transaction represents one of the few times in recent history that multiple global financial institutions have invested in a U.S.-based financial technology company, suggesting the potential for Kabbage's world-class platform to change the landscape of lending worldwide

#### FT Partners' Role

- FT Partners served as strategic advisor to Kabbage in this groundbreaking transaction
- Transaction demonstrates FT Partners' continued success advising on \$100mm+ financings for leading, world class financial technology companies while also building on the Firm's deep domain expertise in the Alternative Lending space

### Financial Technology Partners LP **FTP Securities LLC**

is pleased to announce its role as advisor to



in its Series E minority financing led by











for total consideration of

\$ 135,000,000



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## FT Partners Advises Earnest on its \$75mm Minority Financing

#### **Transaction Overview and Rationale**

#### Overview of Transaction

- On November 17, 2015, Earnest announced a minority \$75mm
   Series B equity financing round
- The round was led by Battery Ventures with participation from Adams Street Partners and existing investors, including Maveron
- Earnest plans on using the equity financing to continue building out current technology, data and engineering teams
- In conjunction with the equity raise, Earnest also announced an additional \$200mm of institutional lending capital from New York Life and others
- Additional lending capital will enable Earnest to introduce new products, tools and resources in the near-term as the Company is planning expansion into additional consumer finance verticals
- Earnest is a leading technology-enabled alternative lending company that is intent on disrupting consumer lending; the Company utilizes superior technology to provide lending and refinancing solutions to consumers at better rates than traditional lenders

### Significance of Transaction

- This transaction capitalizes on Earnest's strong growth and traction to further establish the Company as a leading technology-enabled alternative lender
- Firmly positions the Company to expand its products and services and continue to disrupt the consumer lending space

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Earnest and its Board of Directors in this monumental transaction
- Transaction demonstrates FT Partners' continued success advising on large financings for leading, world class financial technology companies while also building on the Firm's deep domain expertise in the Alternative Lending space

# Financial Technology Partners LP FTP Securities LLC

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



in its Series B minority financing led by







for total consideration of

\$ 75,000,000



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



InCred Raises Approximately \$75 mm in Financing



LendUp raises \$47.5 mm in Series C Financing



Finova Raises \$52.5 mm in Equity Financing and Credit Facility



Mosaic Raises \$220 mm in Financing led by Warburg Pincus



CommonBond Raises \$30 mm in Series C Financing led by Neuberger Berman



Qufenqi Raises \$449 mm in Financing



Lending Club IPO: Post Quiet Period Review



OnDeck IPO: Post Quiet Period Review



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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





### The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin Founder, CEO and Managing Partner	Goldman Sachs	<ul> <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>	21
Larry Furlong  Managing Director	Goldman Sachs	<ul> <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>	21
Greg Smith  Managing Director	Merrill Lynch J.P.Morgan	<ul> <li>Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee</li> <li>Recent coverage included V, MA, DFS, GPN, TSS, HPY DST, ENV, FISV, FIS, JKHY, WU &amp; EEFT among others</li> </ul>	20
Steve Stout  Managing Director	J.P.Morgan  First Data	<ul><li>Formerly with J.P. Morgan and UBS</li><li>Formerly Global Head of Strategy at First Data</li></ul>	18
Tim Wolfe  Managing Director	Goldman Sachs	<ul> <li>Formerly with Goldman, Sachs &amp; Co. beginning in 2000</li> <li>Started at FT Partners beginning in 2002</li> <li>40 Under 40 M&amp;A Advisor Award Winner 2013</li> <li>Harvard M.B.A.</li> </ul>	14
Andrew McLaughlin  Managing Director, Research & Business Development	Deloitte.	<ul> <li>Leads FT Partners' Research and Business Development Team</li> <li>Formerly with Deloitte Consulting</li> </ul>	10

