

FT PARTNERS FINTECH INDUSTRY RESEARCH

February 21, 2017

SAPIENS

**Sapiens International Acquires StoneRiver
for \$102 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*

Tel: 415.992.8880

steve.mclaughlin@ftpartners.com

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Sapiens Acquires StoneRiver for \$102 million

Transaction Summary

Transaction Summary

- On February 15, 2017, Sapiens International announced it has entered into a definitive agreement to acquire StoneRiver for approximately \$102 mm in cash
- This acquisition strengthens Sapiens' existing offerings, and will allow the Company to accelerate its growth in the U.S. market and globally
- The acquisition of StoneRiver expands Sapiens' North American P&C portfolio with StreamSuite, an insurance suite targeting higher tier carriers, complementing Sapiens' Stingray solution that targets lower tier carriers
 - The Company will also gain entry into the workers' compensation sector, a new area for Sapiens
 - The combination of Sapiens' and StoneRiver's reinsurance solutions is expected to create a comprehensive market offering that will allow Sapiens to better serve its customers
- Sapiens' management expects this transaction to be accretive to earnings starting in the third quarter of 2017
- The transaction is expected to be completed by the end of the first quarter of 2017
- Upon completion of the transaction, StoneRiver will become wholly owned by Sapiens

Transaction Commentary

"Joining forces with StoneRiver significantly expands Sapiens' presence and scale in the North American insurance industry, and specifically helps us further accelerate our growing market footprint in the U.S. P&C space. Moreover, the deal is closely aligned with our M&A growth strategy that is centered on three key factors: growing our customer base, expanding geographically and adding complementary solutions to our portfolio - all while we ensure our continued high quality of services and product delivery. StoneRiver is an acquisition that meets all of our criteria. In the past six years Sapiens completed and integrated successfully eight acquisitions."

SAPIENS

Roni Al-Dor
President & CEO



"We are excited to join Sapiens, a leading software solution provider with a rich 30-plus years of history and proven experience delivering enterprise-scale technology globally. Like StoneRiver, Sapiens is focused on the insurance industry and delivering high value end-to-end solutions of core products and services. Sapiens' scale, financial strength, industry relations and innovative technologies will be a great benefit to current StoneRiver customers and will open up new opportunities for our employees and partners. We look forward to working with Sapiens to achieve a seamless transition and to significantly expand Sapiens' North American presence."

 **STONERIVER™**

Gary Anderson
President & CEO



Sapiens Acquires StoneRiver for \$102 million

StoneRiver Overview

Company Overview

CEO: Gary Anderson

Headquarters:  **STONE RIVER™** Denver, CO

Founded: 1986

- StoneRiver provides comprehensive insurance technology applications and services
- The Company's insurance technology applications and services encompass front-office, policy, claim, rating, underwriting, billing and reinsurance

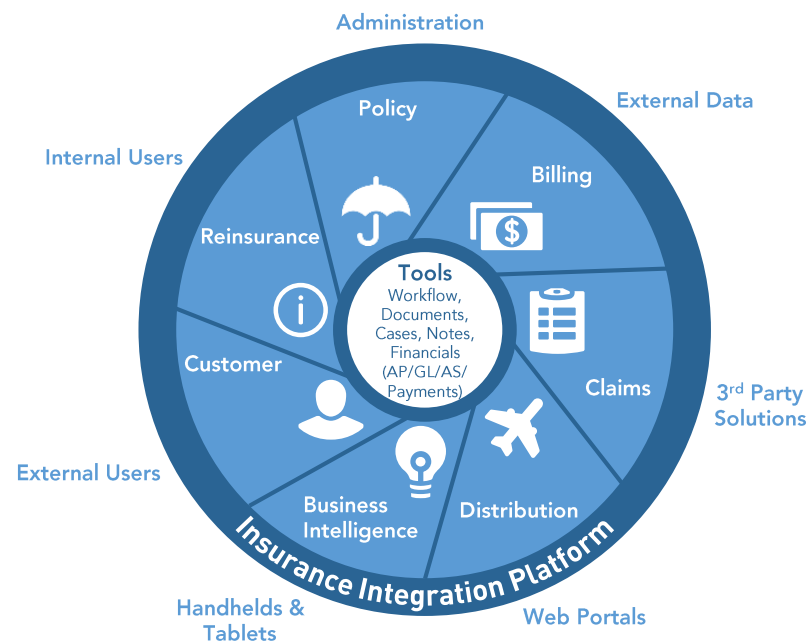
Selected Financing / M&A Transactions ⁽¹⁾

Date	Size (\$ mm)	Type	Target / Investor
Received from:			
06/30/13	\$36	Debt Financing	Monroe Capital, FS Investment II and Corporate Capital Trust
Acquired:			
11/09/12	NA	M&A	Compliance Assurance
Acquired by:			
07/15/08	205	M&A	Stone Point Capital
Acquired:			
01/19/04	NA	M&A	StoneRiver RegEd
Acquired:			
10/03/00	NA	M&A	National Flood Services

Products & Services Overview

Property and Casualty Insurance Software

Stream Suite is a property/casualty insurance suite of systems designed to deal with modern challenges of core system operations for all lines of business



Life, Health & Annuity Insurance Software

These systems are integrated to span the entire insurance value chain to reduce costs and bring products to market swiftly, covering underwriting, illustrations, electronic applications and policy administration

Financial & Compliance Software for Insurance

This software includes both annual statement & insurance account software, offering annual statements, financial (GL/AP), reporting tools, power2pay and services

Sapiens Acquires StoneRiver for \$102 million

FT PARTNERS RESEARCH



Sapiens International Overview

Company Overview




CEO: Roni Al-Dor

Headquarters:  Holon, Israel

Founded: 1982

- Sapiens is a developer of software for the financial sector
- The Company offers end-to-end software technology for the general insurance, property & casualty, life, pension and annuities markets, and business decision management software

Selected M&A Transactions






Date	Size (\$ mm)	Target
06/07/16	na	 Maximum Processing Inc. "Home of the Stingray System"
02/04/15	\$9	Insseco
10/22/12	na	IBEXI
03/05/11	na	 Knowledge Partners International
07/20/10	na	
04/28/10	7	Harcase Software

Sapiens International (NYSE: SPNS) Stock Chart



Products & Services Overview

Sapiens Software Solutions

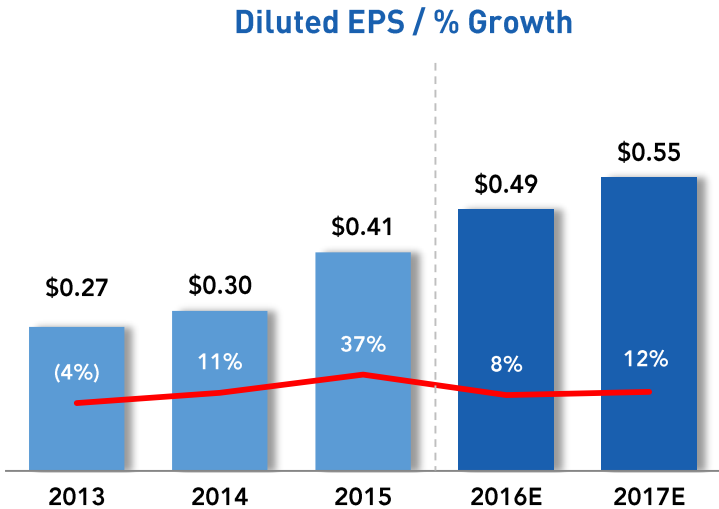
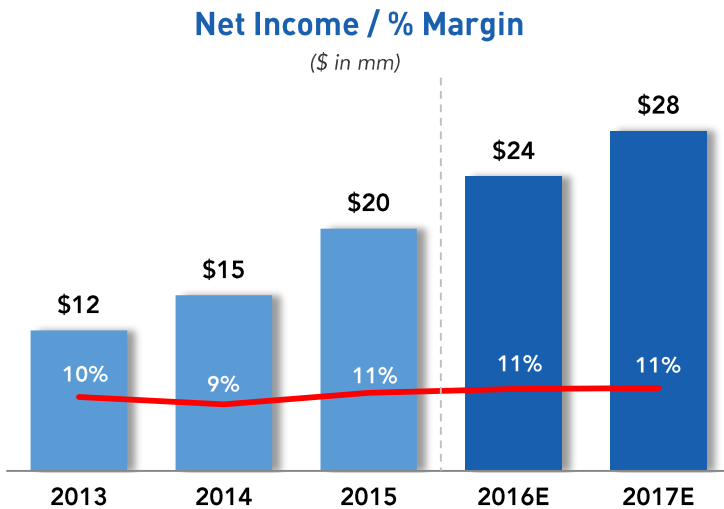
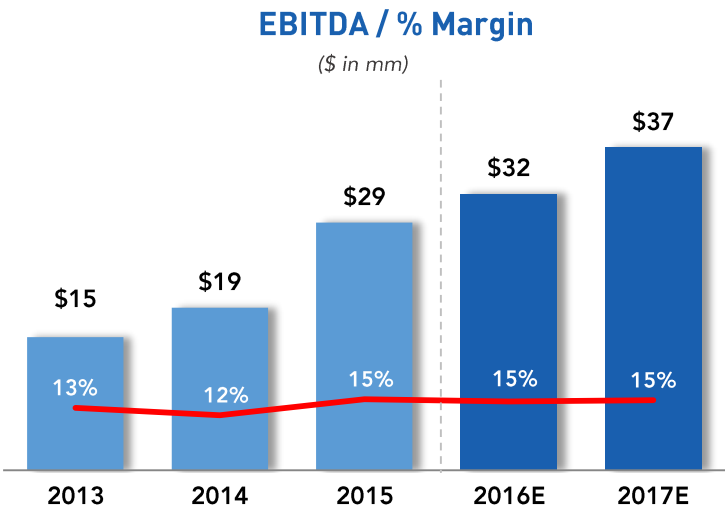
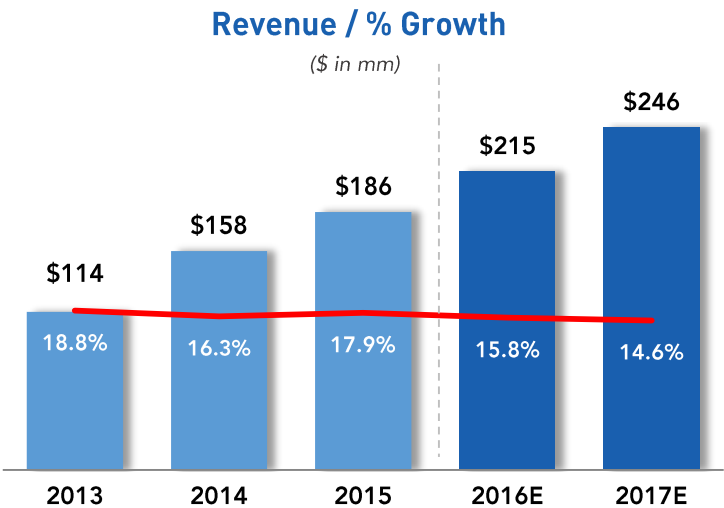
 LIFE, PENSION & ANNUITIES	 PROPERTY & CASUALTY	 REINSURANCE	 RETIREMENT SERVICES	 BANKING & CAPITAL MARKETS
Sapiens ALIS insurance administration system is an end-to-end, core policy administration suite for the life insurance, annuities, savings, pension and medical markets	Sapiens IDIT is a cloud-based, modular, end-to-end, core policy software suite for property and casualty or "general": insurance carriers and MGAs	Sapiens Reinsurance is a comprehensive solution enabling insurers to manage the entire range of reinsurance contracts and activities for all lines of business	Sapiens Retirement is a defined contribution retirement services platform that enables record keepers to secure and retain profitable plans	Sapiens DECISION replaces conventional policy and process management with a new and emerging discipline called decision management

Source: Company press release, Company website, FT Partners' Proprietary Database, PitchBook

(1) Market Cap as of 02/17/17

Sapiens Acquires StoneRiver for \$102 million

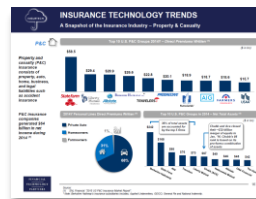
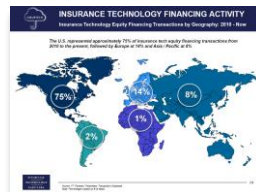
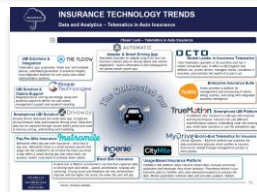
Sapiens International Financial Overview



Source: SEC Filings, CapIQ

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*

October 21, 2015
Financial Technology Partners
FTP Securities LLC
is pleased to announce its role as exclusive strategic and financial advisor to

insureon

in its \$31,000,000 equity capital raise led by

OAK HC/FT

Courtesy of:

FT PARTNERS
The Only Investment Bank Focused Exclusively on Financial Technology
www.ftpartners.com

Financial Technology Partners
555 Mission St., 20th Floor
San Francisco, CA 94105
Tel: 415.312.8700

Steve McLaughlin
Managing Director
Tel: 415.312.8888
steve.mclaughlin@ftpartners.com

Insureon Raises \$31 million in Series B Led by Oak HC/FT

October 15, 2015
FINANCIAL TECHNOLOGY PARTNERS
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

benaissance

in its sale to

wex

for a total consideration of
\$80,000,000

Courtesy of:

FT PARTNERS
The Only Investment Bank Focused Exclusively on Financial Technology
www.ftpartners.com

Financial Technology Partners
555 Mission St., 20th Floor
San Francisco, CA 94105

Steve McLaughlin
Managing Director
Tel: 415.312.8888
steve.mclaughlin@ftpartners.com

Benaissance's Sale to WEX for \$80 million

September 27, 2016
Financial Technology Partners
FT Partners Research – Transaction Profile

metromile

raises
\$191.5 million
in Series C, D and strategic financing
and acquires
Mosaic Insurance Company

Courtesy of:

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San Francisco, CA 94105
Tel: 415.312.8700

Steve McLaughlin
Managing Director
Tel: 415.312.8888
steve.mclaughlin@ftpartners.com

Metromile Raises \$192 million and Acquires Mosaic Insurance

September 29, 2016
Financial Technology Partners
FT Partners Research – Transaction Profile

sedgwick

secures
\$500 million
in financing from
Caisse de dépôt et placement du Québec

Courtesy of:

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Financial Technology Partners
555 Mission St., 20th Floor
San Francisco, CA 94105
Tel: 415.312.8700

Steve McLaughlin
Managing Director
Tel: 415.312.8888
steve.mclaughlin@ftpartners.com

Sedgwick Secures \$500 million in Financing

October 13, 2016
Financial Technology Partners
FT Partners Research – Transaction Profile

AmWINS Group, Inc.

secures an investment from
DRAGONEER
valuing the Company at
\$2.6 billion

Courtesy of:

FT PARTNERS
The Only Investment Bank Focused Exclusively on Financial Technology
www.ftpartners.com

Financial Technology Partners
555 Mission St., 20th Floor
San Francisco, CA 94105
Tel: 415.312.8700

Steve McLaughlin
Managing Director
Tel: 415.312.8888
steve.mclaughlin@ftpartners.com

AmWINS Secures an Investment from Dragoneer

FT PARTNERS FINTECH INDUSTRY RESEARCH

December 8, 2016

Lemonade

Lemonade Raises \$34 million in Series B Financing
Led by General Catalyst Partners

Courtesy of:

FT PARTNERS
The Only Investment Bank Focused Exclusively on FinTech
San Francisco • New York

Lemonade Raises \$34 million in Series B Financing

FT PARTNERS FINTECH INDUSTRY RESEARCH

December 22, 2016

GUIDEWIRE

Guidewire Acquires ISCS for
\$160 million

Courtesy of:

FT PARTNERS
The Only Investment Bank Focused Exclusively on FinTech
San Francisco • New York

Guidewire Acquires ISCS for \$160 million

FT PARTNERS FINTECH INDUSTRY RESEARCH

February 15, 2017

inflexion
PRIVATE EQUITY

Inflexion Private Equity Acquires MyPolicy
for £40 million (~\$50 million)

MYPOLICY

Courtesy of:

FT PARTNERS
The Only Investment Bank Focused Exclusively on FinTech
San Francisco • New York

Inflexion Private Equity Acquires MyPolicy for \$50 million

VIEW MORE FT PARTNERS RESEARCH

FT Partners' Track Record of Success Across Insurance Technology

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

MOELIS CAPITAL PARTNERS



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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



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
Focused Exclusively on Financial Technology

Agency Management / Marketing Technology

Financial Technology Partners LP
FTP Securities LLC

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



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



in its sale to



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 acquisition of



a subsidiary of



The Only Investment Bank
Focused Exclusively on Financial Technology

SaaS / Claims for Property & Contents

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



in its sale to



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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

2016

- **Investment Banking Firm of the Year**
- **Cross Border Deal of the Year**

2015

- **Dealmaker of the Year**
- **Technology Deal of the Year**

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 \$100mm**

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**



2015

- **Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List**

2006 - 2008

- **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*

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 	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 	11