

FT PARTNERS FINTECH INDUSTRY RESEARCH

October 8, 2018



**Lending Tree (NASDAQ:TREE) Acquires
QuoteWizard for \$370 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 #1 Most Influential Person in all of FinTech in Institutional Investors "FinTech Finance 40"



THE M&A ADVISOR

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

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LendingTree Acquires QuoteWizard for \$370 million

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Transaction Summary

Transaction Summary



- On October 4, 2018, LendingTree (NASDAQ:TREE) announced that it has entered into an agreement to acquire QuoteWizard for \$370 million
- The total consideration of the transaction is \$370.2 million and will be funded with cash on hand and by drawing from an existing credit agreement
 - \$300 million of the total will be paid in cash
 - The remaining \$70.2 mm is subject to achieving certain growth targets over a three-year period
- For the first half of 2018, QuoteWizard had approximately \$75.6 million in revenue and \$12.8 million in adjusted EBITDA
- LendingTree expects the acquisition to be accretive to 2019 adjusted earnings per share
- The transaction is expected to close in the fourth quarter of this year, assuming necessary regulatory and closing conditions are met

Multiples

2018 Annualized
(as of 6/30/18)

2.4x
Revenue

14.5x
Adj. EBITDA

Transaction Commentary

"LendingTree's strong brand identity, online marketing and technology capabilities are the ideal match for what we've built at QuoteWizard. This acquisition will give our business the reach and tools it needs to continue our growth trajectory while further diversifying LendingTree's product portfolio. We're simply thrilled to join the LendingTree team and really excited about what our two companies will be able to do together in the coming years."



Scott Peyree
Co-Founder & CEO



"By acquiring QuoteWizard, LendingTree will establish itself as a leading player in the online insurance advertising industry, while continuing our ongoing diversification within the financial services category. With QuoteWizard's proprietary technology platform, direct relationships with over 30 of the top-tier carriers and a network of nearly 10,000 agents, combined with LendingTree's strong brand and extensive reach, we will be well-poised to capitalize on the growing market opportunity that stems from the ongoing digitalization of the financial services industry."



Doug Lebda
Founder & CEO



LendingTree Acquires QuoteWizard for \$370 million



QuoteWizard Overview

Company Overview

CEO:

Headquarters:

Founded:



Scott Peyree

Seattle, WA

2006

- QuoteWizard was founded in 2006 by Scott Peyree as an online platform to connect consumers with insurance companies
- QuoteWizard provides competitive quotes, answers to consumer questions, and simplified explanations for buying insurance
- The platform offers insurance quotes spanning the auto, home, renters, health, and life insurance spaces
- Over 40 million people have used QuoteWizard to find / compare insurance

Leadership



Scott Peyree
CEO, Partner



Tom Peyree
CFO, Partner



Rob Peyree
Partner



John Anderson
CTO, Partner

Products & Services Overview

End-to-end solutions for insurance shoppers and agents

- ✓ Compare quotes and insurers
- ✓ Find the right policy at best price



Competitive Quotes

Get quotes from agents that want business



Get Answers

Addresses customer questions regarding insurance



Plain-Speak

Simplified explanations

Insurance Products

Home Insurance



Auto Insurance



Health Insurance



Life Insurance



Renters Insurance



LendingTree Acquires QuoteWizard for \$370 million

FT PARTNERS RESEARCH



LendingTree Overview

Company Overview

CEO: Doug Lebda
Headquarters: Charlotte, NC
Founded: 1996



- LendingTree was founded in 1996 by Doug Lebda as a centralized platform for consumers to get multiple loan offers based on their profile
- The Company offers the ability to shop for mortgages, home equity loans, refinancing opportunities, auto loans, personal / business loans, credit cards, student loans, debt consolidation, credit repair, and banking products
- LendingTree also offers several informational resources and tools for consumers to help monitor and manage their personal finances
 - Financial calculators
 - Interactive loan coaching tools
 - Monthly newsletters
 - Lender ratings and reviews

Leadership



Doug Lebda,
CEO



Neil Savage,
President



Nikul Patel, Chief Product
& Strategy Officer

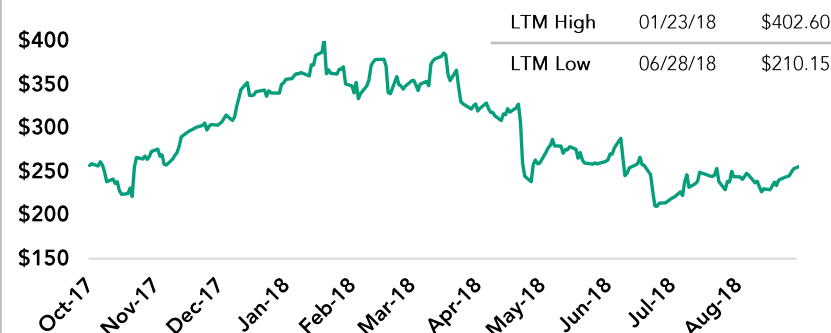


JD Moriarty,
CFO

LTM Financials (June 30, 2018)

| | |
|---------------------------|-----------------|
| Market Cap ⁽¹⁾ | \$2.8 billion |
| Revenue | \$697.6 million |
| EBITDA | \$85.1 million |
| Net Income | \$75.5 million |
| Diluted EPS | \$5.89 |

Stock Performance (NASDAQ:TREE)



Selected Recent Acquisitions

| Date | Company | Deal Amount (\$ in mm) | Sector |
|-------|------------------------|------------------------|-----------|
| 10/18 | QuoteWizard® | \$370 | Insurance |
| 7/18 | Student Loan Hero | 60 | Banking |
| 5/18 | ovation by lendingtree | 21 | Banking |

FT Partners Research – Quarterly InsurTech Insights

Q2 2018 InsurTech Almanac

FT PARTNERS FINTECH INDUSTRY RESEARCH



Q2 2018 InsurTech Quarterly Insights

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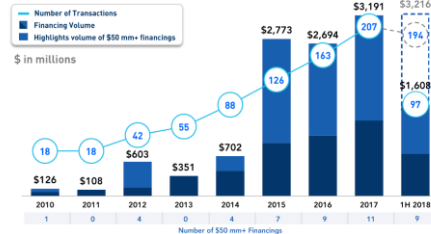
Click pictures to view report

Highlights of the report include:

- Q2 2018 and historical InsurTech financing and M&A volume and deal count statistics
- Largest InsurTech financings and M&A transactions so far in 2018
- Most active InsurTech investors
- Corporate VC activity and strategic investor participation
- Other industry, capital raising and M&A trends in InsurTech

INSURTECH FINANCING ACTIVITY: ANNUALLY

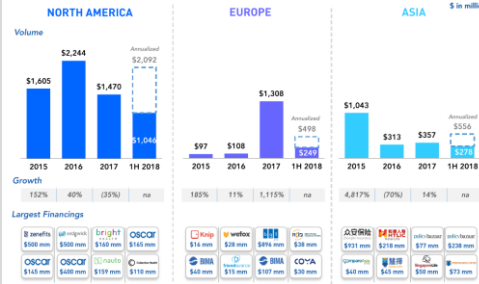
InsurTech Private Company financing volume and number of transactions rose to a record level in 2017, and 2018 volume is tracking at a similar annualized rate



Source: FT Partners Proprietary Transaction Database

FT PARTNERS INSURTECH INSIGHTS

INSURTECH FINANCING VOLUMES BY REGION



Source: FT Partners Proprietary Transaction Database

FT PARTNERS INSURTECH INSIGHTS

ALLOCATION OF INSURTECH INVESTMENTS – P&C vs. L&H

| Selected P&C Financings | | | | Selected L&H Financings | | | |
|-------------------------|-------------------|--------------------------------|--|-------------------------|-------------------|------------------------------|--|
| Target | Amount (\$ in mm) | Type | | Target | Amount (\$ in mm) | Type | |
| BITSIGHT | \$40 | Cyber Risk Rating Platform | | COYA | \$30 | Digital Insurer | |
| ALTA | 38 | Vehicle Insurance Specialist | | alan | 28 | Online Health Insurer | |
| CLARK | 29 | Digital Insurance Platform | | bestow | 23 | Group Dental Insurance | |
| TRACTABLE | 25 | AI for Claims | | bestow | 15 | Digital Insurance Platform | |
| simpleinsurance | 24 | Digital Insurance Solutions | | ETHOS | 12 | Life Insurance | |
| CAPE | 17 | Property Intelligence Platform | | hint | 10 | Care Administration Platform | |
| bay | 13 | Cyber Insurance Provider | | Ladder | 10 | Life Insurance | |
| BriteCore | 13 | Software for Insurers | | Fabric | 10 | Life Insurance | |
| kin | 13 | Digital Home Insurance Agency | | | | | |
| kin | 12 | Digital Insurer | | | | | |
| Leaslock | 10 | Rent Payment Insurance | | | | | |
| BEIN | 7 | Insurance Technology Provider | | | | | |

Source: FT Partners Proprietary Transaction Database

FT PARTNERS INSURTECH INSIGHTS

Selected FT Partners InsurTech Research – *Click to View*



SquareTrade's \$1.4 billion Sale to Allstate



Automatic's \$115 million Sale to SiriusXM



Goji's \$15 million Financing Round Led by HSCM Bermuda



Next Insurance's \$83 million Series B Financing



The Carlyle Group Acquires Majority Stake in Sedgwick for \$6.7 billion



CEO-Interview: Trov



Root Insurance Raises \$100 million in Financing



Metromile Raises \$90 million in Series E Financing

[VIEW MORE FT PARTNERS RESEARCH](#)

Leading Advisor Across the InsurTech 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
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Telematics / Connected Car Solutions

Financial Technology Partners LP
FTP Securities LLC

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



AUTOMATIC

in its sale to



for total consideration of approximately

\$ 115,000,000



The Only Investment Bank
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Online Small Business Insurance

Financial Technology Partners LP
FTP Securities LLC

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



in its Series B financing led by



for total consideration of

\$ 83,000,000



The Only Investment Bank
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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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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



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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



in its equity capital raise led by



for total consideration of

\$ 31,000,000



The Only Investment Bank
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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



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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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Online Personal Lines Insurance Agency

Financial Technology Partners LP
FTP Securities LLC

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



in its financing led by



HSCM BERMUDA
MANAGEMENT COMPANY

for total consideration of

\$ 15,000,000



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SaaS / Claims for Property & Contents

Financial Technology Partners LP
FTP Securities LLC

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in its sale to



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FT Partners Advises SquareTrade in its Strategic Sale

Overview of Transaction

- On November 28, 2016, SquareTrade announced its \$1.4 billion all-cash strategic sale to the Allstate Corporation
- Headquartered in San Francisco, CA, SquareTrade offers top-rated protection plans trusted by millions of consumers for electronics and appliances
 - SquareTrade's branded products are sold through major retailers
- Allstate is the largest publicly held personal lines property and casualty insurer in America serving more than 16 million households nationwide
- More details available in Allstate's transaction [press release](#) and [investor presentation](#)

Significance of Transaction

- This transaction expands Allstate's protection offering to consumer electronics, connected devices and appliances
- SquareTrade substantially increases Allstate's customer relationships while providing both strong near-term and long-term growth opportunities

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to SquareTrade and its Board of Directors
- This transaction demonstrates FT Partners' continued leadership position as the "advisor of choice" to the highest quality FinTech companies
- FT Partners represented [SquareTrade in its \\$238 million strategic growth investment with Bain Capital and Bain Capital Ventures](#)
- FT Partners also recently represented Bain Capital Ventures' portfolio company [Enservio in its sale to Solera](#) demonstrating our long-term trusted relationship

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 total consideration of

\$ 1,400,000,000



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FT Partners Advises Next Insurance on its Financing

Transaction Overview

- On July 11, 2018, Next Insurance announced an \$83 million Series B financing round led by Redpoint Ventures
 - Other investors that participated in the round include Nationwide, Munich Re, American Express Ventures, Ribbit Capital, TLV Partners, SGVC and Zeev Ventures
 - Elliot Geidt, Partner at Redpoint Ventures, will join the board of Next Insurance
- Founded in 2016 and headquartered in Palo Alto, CA, Next Insurance is the leading digital insurance company for small businesses
 - Next Insurance champions technological innovation and sophisticated uses of AI and machine learning to improve customer experience and streamline the insurance purchasing process
- In May 2018, Next announced its new status as a licensed insurance carrier, allowing the Company to write policies independently, as well as to have more freedom over underwriting, setting of prices, and configuring of policies

Significance of Transaction

- The funding will enable Next Insurance to continue its expansion throughout the US as a full service insurance carrier, further innovate claims handling, offer coverage to many more classes of business, and significantly grow internal operations in both the US and Israel
- The Series B round brings Next Insurance's total funding to \$131 million in just two years

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Next Insurance and its Board of Directors
- This transaction underscores FT Partners' successful track record generating highly favorable outcomes for leading InsurTech companies

Financial Technology Partners LP FTP Securities LLC

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

NEXT
INSURANCE

in its Series B financing led by

 **Redpoint**

for total consideration of

\$83,000,000

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FT Partners Advises Goji on its Financing

Transaction Overview

- On November 15, 2017, Goji announced it has raised \$15 million in financing led by Hudson Structured Capital Management Ltd., doing business as HSCM Bermuda
- Founded in 2007 and headquartered in Boston, MA, Goji is the country's leading independent online personal lines insurance agency
 - Goji's data-driven home and automobile insurance platform enables Goji agents to seamlessly match the optimal coverage needs of its preferred buyers with Goji's integrated network of more than a dozen insurance carriers
- HSCM Bermuda was founded in 2015 and invests in reinsurance and insurance-linked assets across all lines of businesses through an array of innovative structures that allow risk transference, including from the life and property/casualty sectors, to the capital markets
- Goji's existing investors include: Thayer Street Partners, a tech-enabled financial- and business services-oriented private investment firm, Matt Coffin's Coffin Capital & Ventures, and Five Elms Capital, a Kansas City-based growth capital investment firm focused on tech-enabled companies

Significance of Transaction

- The investment allows Goji to benefit from HSCM Bermuda's sophisticated knowledge of insurance and its strong access to the insurance and reinsurance markets
- Additionally, the investment will drive accelerated growth at Goji

FT Partners' Role

- FT Partners served as a strategic and financial advisor to Goji and its Board of Directors
- This transaction underscores FT Partners' successful track record generating highly favorable outcomes for leading InsurTech companies

Financial Technology Partners LP FTP Securities LLC

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

Goji

in its financing led by



HSCM BERMUDA
MANAGEMENT COMPANY

for total consideration of

\$15,000,000



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Award-Winning Investment Banking Franchise Focused on Superior Client Results



2018

- 2018 Top Investment Bank in FinTech



Institutional Investor
Annual Ranking

2017

2015 - 2016

2006 - 2008

- Ranked #1 Most Influential Executive on Institutional Investor's FinTech 35 List
- Steve McLaughlin Ranked Top 5 on Institutional Investor's FinTech 35 List
- Consecutively Ranked (2006, 2007 and 2008) among the Top Bankers on Institutional Investor's "Online Finance 40"



The Information

2016

- Ranked #2 Top Technology Investment Banker on The Information's "Silicon Valley's Most Popular Dealmakers"



M&A Advisor
Awards

2015 - 2017

2010 - 2014

2004 - 2007

- Investment Banker of the Year – 2017
- Investment Banking Firm of the Year – 2016
- Cross Border Deal of the Year - 2016
- Dealmaker of the Year – 2015
- Technology Deal of the Year – 2015
- Equity Financing Deal of the Year - 2014
- Professional Services Deal of the Year, Above \$100 mm – 2014
- Dealmaker of the Year – 2012
- Professional Services Deal of the Year, Above \$100 mm – 2012
- Boutique Investment Bank of the Year – 2011
- Deal of the Decade – 2011
- Upper Middle Market Deal of the Year, Above \$500 mm – 2010
- IT Services Deal of the Year, Below \$500 mm – 2010
- Cross-Border Deal of the Year, Below \$500 mm – 2010
- Dealmaker of the Year – Steve McLaughlin – 2007
- Business to Business Services Deal of the Year - 2007
- Computer and Information Technology Deal of the Year, Above \$100 mm – 2007
- Financial Services Deal of the Year, Above \$100 mm – 2007
- Investment Bank of the Year – 2004



Middle Market
Financing Awards

2006 - 2008

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

The FT Partners Senior Banker Team

| Name / Position | Prior Background | Experience / Education | Years of Experience |
|--|---|--|---------------------|
| Steve McLaughlin Founder, CEO and Managing Partner |  | <ul style="list-style-type: none"> Formerly with Goldman Sachs 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. | 23 |
| Paul VanderMarck Managing Director |  | <ul style="list-style-type: none"> Formerly Chief Product Officer at Risk Management Solutions, a global technology business in the catastrophic risk space 25+ years of experience as an InsurTech operating executive Experienced advisor and investor in the InsurTech space | 26 |
| Larry Furlong Managing Director |  | <ul style="list-style-type: none"> Formerly with Goldman Sachs in New York, London and Los Angeles from 1995-2004 Wharton M.B.A. | 22 |
| Greg Smith Managing Director |  | <ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch, J.P. Morgan and Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker | 22 |
| Osman Khan Managing Director |  | <ul style="list-style-type: none"> Formerly Managing Director and 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) | 21 |
| Steve Stout Managing Director |  | <ul style="list-style-type: none"> Formerly Global Head of Strategy at First Data Formerly Led J.P. Morgan Payments Investment Banking Practice Former Equity Research Analyst on #1 ranked team at UBS Former Economist at the Federal Reserve Bank | 20 |
| Mike Nelson Managing Director |  | <ul style="list-style-type: none"> Formerly head of FinTech M&A at SunTrust Robinson Humphrey Kellogg M.B.A. | 18 |
| Tim Wolfe Managing Director |  | <ul style="list-style-type: none"> Formerly with Goldman Sachs from 2000-2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. | 16 |
| Kate Crespo Managing Director |  | <ul style="list-style-type: none"> Formerly with Raymond James' Technology & Services investment banking 12+ years of FinTech transaction execution experience Dartmouth M.B.A. | 16 |
| Timm Schipporeit Managing Director |  | <ul style="list-style-type: none"> Formerly with Morgan Stanley as Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures | 15 |
| Andrew McLaughlin Managing Director |  | <ul style="list-style-type: none"> 20+ years experience executing / implementing financial and operational strategy Formerly with Deloitte Consulting | 12 |