

FT PARTNERS FINTECH INDUSTRY RESEARCH

September 20, 2018

THE CARLYLE GROUP

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



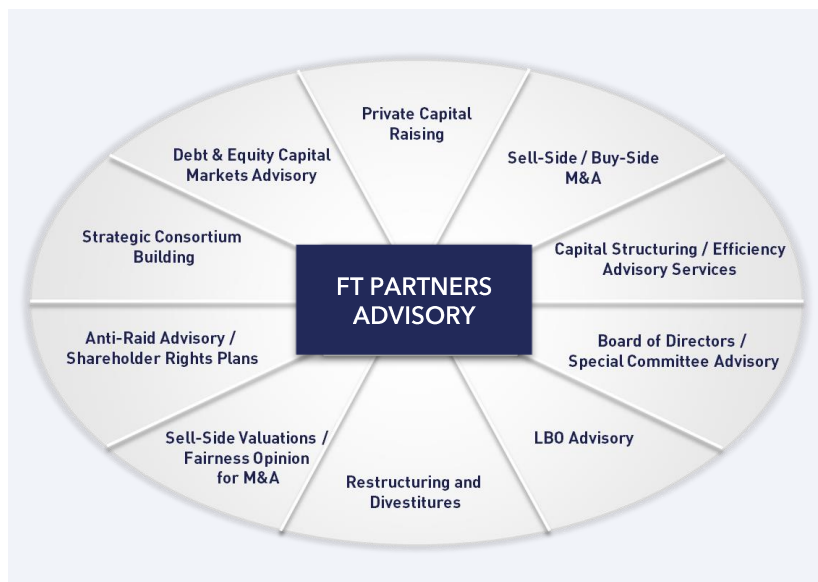
The Only Investment Bank Focused Exclusively on FinTech

San Francisco • New York • London

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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Transaction Summary

Transaction Summary

THE CARLYLE GROUP



- On September 12, 2018, The Carlyle Group (NASDAQ:CG) announced that it has entered into an agreement to acquire a majority stake in Sedgwick for \$6.7 billion in cash
 - KKR, the prior majority shareholder, will fully exit its position in the Company
 - Stone Point Capital, Caisse de depot et placement du Quebec ("CDPQ"), and Sedgwick management will remain minority investors
- The equity capital will come from Carlyle Partners VII, an \$18.5 billion US focused buyout fund, and Carlyle Global Financial Services Partners III, L.P., which is a fund dedicated to financial services buyouts
- Sedgwick is a global, tech-enabled risk, benefits, and business solutions provider
 - The Company currently has 21,000 employees across 65 countries
- The transaction is expected to close later this year, assuming necessary regulatory and closing conditions are met

Transaction Commentary

"At Sedgwick, taking care of people is at the heart of everything we do, and I am proud that The Carlyle Group appreciates the value our colleagues create when they put our caring counts® philosophy into practice. We are humbled by the confidence they have shown in our business model, and we look forward to partnering with Carlyle on developing and delivering innovative solutions for our clients around the world. We are grateful for the strong and value-added partnership with KKR over the last handful of years."



Dave North
President & CEO



"Dave North and Sedgwick's world-class management team have built the company into an industry leader over the last two decades. We are excited to collaborate with Sedgwick, which has distinguished itself by constantly improving the claims management and loss adjusting process to the benefit of all key stakeholders, including its colleagues, customers, insurance companies and brokers."

THE CARLYLE GROUP

Stephen Wise
Managing Director



The Carlyle Group Acquires Sedgwick for \$6.7 billion

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Sedgwick Overview

Company Overview

CEO:  **sedgwick** **Dave North**
Headquarters: Memphis, TN
Founded: 1969

- Sedgwick was founded in 1969 as a regional claims administrator for insurance companies
- Today, the Company operates as a global provider of risk, benefits, and business solutions
- Sedgwick helps optimize client outcomes by providing services in the insurance sectors of workers' compensation, general and automobile liability, property, disability, and absence management
- Currently handles over 3.6 million claims and is responsible for claims payments of more than \$19.5 billion annually

Selected Transaction History

Date	Size (\$ mm)	Stake	Investor
09/12/18	\$6,700	Majority	 THE CARLYLE GROUP
09/28/16	500	Minority	 CDPQ
01/27/14	2,400	Majority	 KKR
04/20/10	1,100	Majority	HELLMAN & FRIEDMAN  STONE POINT CAPITAL

Products & Services Overview

Claims Solutions



Offers strategic solutions to simplify the process of managing claims for workers' compensation, liability, disability absence, and property claims

Integrated Services



Offers one system to organize and simplify access to information; Reports on employee and workforce information help identify and measure trends, plan, and increase productivity

Technology



Leverages 1,000 IT professionals on staff to help deliver advanced technology solutions; Sedgwick invests over \$190 million every year on technology improvements.

Compliance



Improves clients response time and integration of new regulatory requirements and industry norm; Sedgwick technology helps incorporate new compliance obligations into every day workflows as soon as possible

The Carlyle Group Acquires Sedgwick for \$6.7 billion

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The Carlyle Group Overview

Overview

THE CARLYLE GROUP



James Attwood, Jr.
Managing Director



William Allen
Managing Director



Brian Schreiber
Managing Director



Stephen Wise
Managing Director

Selected Locations

- Washington, DC (HQ)
- Los Angeles, CA
- London, UK
- New York, NY
- Sydney, Australia
- Beijing, China

About

- Founded in 1987, The Carlyle Group is a global private equity and global alternative asset manager with \$210 bn in assets under management
- The Carlyle Group has over 650 investment professionals and a global portfolio of over 270 companies
- Takes an active role in its portfolio companies, usually through board representation
- Comfortable making both equity and debt investments through its various funds

Investment Preferences

Investment Criteria

Fund Size:	\$18,500 mm (CP VII) \$1,000 mm (CGFSP II)
Fund Raised:	2018 (CP VII) 2011 (CGFSP II)
Investment Range:	\$5 – 1,000 mm
Revenue:	\$10 – 500 mm
EBITDA:	NA

General Preferences ¹

Control:	Majority, Minority
Geography:	Global
Transaction Type:	Growth, Buyout, Spinoff, MBO/LBO, Recapitalization, Divestiture
Industry Focus:	Aerospace, Defense, Government, Commodities, Consumer, Retail, Energy, Financial Services, Healthcare, Industrial, Infrastructure, Real Estate, Business Services, Transportation, TMT

Selected Recent Investments / Exits

FinTech / Financial Services Investments ²

Date	Company	Deal Amt. ³	Board Rep.	Sector
09/18	Sedgwick (Buyout)	\$6,700	NA	Ins
06/18	Ant Financial (Series C)	14,000	NA	Pymts
04/18	Baidu Financial Services Group (Buyout)	1,900	NA	Bnkg
12/17	Visionary RCM Infotech (Buyout)	NA	NA	HCIT
12/17	Prime Clerk (Growth)	NA	NA	Bnkg
11/17	Dealogic (Buyout)	NA	Campbell Dyer	CapMkts
11/17	BenefitMall (Buyout)	NA	NA	HCIT
09/17	Prima Solutions (Buyout)	60	NA	Ins
08/17	ECi Software Solutions (Buyout)	NA	NA	FMS
07/17	ZeroChaos (Buyout)	NA	NA	BPO
01/17	Global Credit Rating (Buyout)	NA	NA	Bnkg
05/16	ION Trading (Late Stage)	400	Campbell Dyer Renee James	CapMkts
02/16	Digitex Informatica (Buyout)	NA	NA	BPO
01/16	1insurer (Buyout)	NA	NA	Ins
12/15	Comdata (Buyout)	NA	NA	BPO
9/15	Coalfire Systems (Buyout)	NA	NA	HCIT

Source: Company website, PitchBook

1) Italics indicate preferred control / geography.

2) * denotes M&A exit; ** denotes IPO exit.

3) Deal Amount in mm.

FT Partners Research – Quarterly InsurTech Insights

Q2 2018 InsurTech Almanac

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Q2 2018 InsurTech Quarterly Insights

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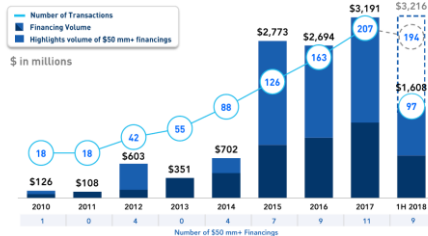
Click pictures to view report

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

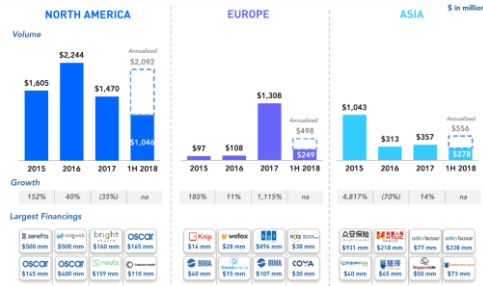
InsurTech Private Company financing volume and number of transactions rose to a record level in 2017, and 2018 volume is tracking at a similar annualized rate



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	
BITSLIGHT	\$40	Cyber Risk Rating Platform		COYA	\$30	Digital Insurer	
ALAN	\$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



Gusto Raises \$140 million in Financing



Bind Raises \$60 million in Financing



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



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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
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
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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



**INSURANCE
TECHNOLOGIES**

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



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 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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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

is pleased to announce its exclusive role as
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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

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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

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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