

February 22, 2016
Financial Technology Partners

FT Partners Research – Transaction Profile

IBM Watson Health

acquires



for

\$2,600,000,000

Courtesy of:



***The Only Investment Bank
Focused Exclusively on Financial Technology***

www.ftpartners.com



Financial Technology Partners LP
555 Mission St., 23rd Floor
San Francisco, CA 94105
Tel: 415.512.8700

Steve McLaughlin
Managing Partner
Tel: 415.992.8880
steve.mclaughlin@ftpartners.com

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IBM Watson Health Acquires Truven Health Analytics for \$2.6 bn

Transaction Summary

Transaction Multiples

LTM Revenue

\$518 mm
Enterprise Value / LTM
Revenue
6.9 x




LTM Adjusted EBITDA

\$154 mm
Enterprise Value / LTM
Adjusted EBITDA
16.9 x

Transaction Summary

- On February 18, 2016, IBM Watson Health announced an agreement to acquire Truven Health Analytics for \$2.6 bn from Veritas Capital
- Truven's cloud-based technology, methodologies and health claims data will be integrated into the Watson Health Cloud over time
- With the acquisition, IBM's health cloud will represent an aggregate of close to 300 million patient lives
- The transaction is expected to close later this year
- Truven Health Analytics represents IBM's fourth major health-data related acquisition since launching the Watson Health unit in April 2015

IBM Watson Health's other Acquisitions

Date	\$ mm	Target	Description
08/06/15	\$995	 MERGE Healthcare	Provider of innovative enterprise imaging, interoperability and clinical systems
04/13/15	NA	 PHYTEL	Population health technology for coordinated patient care
04/13/15	NA	 explorys	Offers a healthcare computing platform with various solutions and a healthcare database

Transaction commentary

IBM Watson Health



Deborah DiSanzo
General Manager

"With this acquisition, IBM will be one of the world's leading health data, analytics and insights companies, and the only one that can deliver the unique cognitive capabilities of the Watson platform. Truven's impressive team, extensive client roster, and expansive data sets complement Watson Health's broad-based team, capabilities and offerings. Together, we're well positioned to scale globally and to build first-in-class offerings designed to help our clients apply cognitive insights in a value-based care environment"



Mike Boswood
President & CEO

"The Truven Health Analytics team is eager to combine our capabilities and expertise with the Watson Health portfolio. This will help catapult the industry forward to transform healthcare and to save and improve lives"

IBM Watson Health Acquires Truven Health Analytics for \$2.6 bn

Truven Health Analytics Overview

Truven Health Analytics provides healthcare data and analytics solutions to the healthcare industry

Areas of focus include:

- ☐ **Population Health Management**
- ☐ **Enterprise-Wide Research & Analytics**
- ☐ **The Transition to Value-Based Care**
- ☐ **Financial Strategies & Compliance**

Truven Health Analytics was previously Thomson Reuter's healthcare division until its sale to Veritas

FINANCIAL
TECHNOLOGY
PARTNERS

Company Overview


Key Contacts

CEO, President & Director
Mike Boswood
CFO & Executive VP:
Phil Buckingham
CDO & CTO:
Richard Holada

Company Stats

Headquarters:
Ann Arbor, MI
Founded:
2012
Employees:
~2,500

Transaction History

Date	\$ mm	Type	Acquirer / Investor (s)
11/06/14	\$15	M&A	Acquired: 
04/28/14	NA	M&A	Acquired: 
04/14/14	80	M&A	Acquired: 
06/30/12	NA	Financing	Investors: BERINGEA
06/06/12	1,250	M&A	Buyer:  Seller:  THOMSON REUTERS

Product Overview



Provider

- Consulting & Services
- Medication Management
- Provider Targeting Forecasting Reports
- Consumer Health Education
- Population Health Readiness Assessment
- Financial Reform Solutions



Payer

- Benefits Enrollment
- Financial Planning
- Member Engagement
- Claims Auditing
- Payment Integrity



Government

- Analytic Policy & Consulting
- Enterprise Decision Support
- Program Integrity
- Data Warehousing
- Outcomes Research
- Research Data Development



Life Sciences

- Market Analytics
- Health Economics & Outcomes Research
- Market Sizing
- Facility Target Forecast Reports

Source: Company website.

IBM Watson Health Acquires Truven Health Analytics for \$2.6 bn

IBM Watson Health Overview

Company Overview

"All of this data presents an unprecedented opportunity to transform the ways in which we manage our health"

– Dr. John E. Kelly III; Senior Vice President,
Solutions Portfolio and Research



Powered by **IBM Watson**, a cognitive technology platform utilizing natural language processing and machine learning to reveal insights in large set of unstructured data



- Founded in 2015
- IBM Watson Health utilizes cloud, big data and analytics, and personalized technologies to provide a complete picture of health
- Watson health works to improve the abilities of doctors, researchers and insurers to find and use new health data insights

IBM Watson Health Cloud

- The IBM Watson Health Cloud brings together clinical, research and social data from various health sources in a cloud-based data hub powered with advanced cognitive and analytics technologies

Watson Ecosystem Partners



Watson Discovery Advisor for Life Sciences

- Makes connections and relationships within an organization's data to discover new insights

Watson for Oncology

- Provides evidence-based treatment options by analyzing patient's medical information against large data sets (cancer case histories etc.) – trained by Memorial Sloan Kettering (MSK)

Watson for Clinical Trial Matching

- Doctors can narrow down a list of available cancer trials and identify possible matches / new treatment options for patients

Cúram

- Provides health and social program management solutions – designed around the client / patient so they can meet their health goals

Source: Company website.

Overview of FT Partners

FT Partners is the Leader in Financial Technology Investment Banking

FT Partners has advised on some of the most prominent transactions in the Healthcare and Insurance IT sectors

Financial Technology Partners LP
FTP Securities LLC

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

enaissance

in its sale to

wex

for a total consideration of

\$ 80,000,000

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Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as Capital Markets & IPO Advisor to

ACCRETIVE HEALTH
results providers trust

in its

\$138,000,000

Initial Public Offering

valuing the equity at approximately

\$ 1,200,000,000

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Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as Capital Markets & IPO Advisor to

Performant

in its

\$93,000,000

Initial Public Offering

valuing the equity at approximately

\$ 453,000,000

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Financial Technology Partners LP
FTP Securities LLC

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

AmWINS Group, Inc.

in its growth recapitalization by

NMC
NEW MOUNTAIN CAPITAL LLC

valued at approximately

\$ 1,300,000,000

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Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its role as exclusive Strategic and Financial advisor to

ZYWAVE

in its sale of

Zywave Insurance Solutions
to

AURORA CAPITAL GROUP

FINANCIAL TECHNOLOGY PARTNERS
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Focused Exclusively on Financial Technology

- A leading provider of integrated SaaS technologies and services for healthcare premium billing, payment and workflow management
- Enables WEX to provide an expanded and differentiated payments solution in order to grow its addressable market opportunity and wallet share in the healthcare market
- Offers end-to-end Revenue Cycle Management, Quality and Care Coordination and Physician Advisory Services
- Differentiated solutions span the entire healthcare revenue cycle
- Infused management model integrates people, processes and technology
- Performs outsourced healthcare Payment Integrity and Recovery Services
- Medicare Recovery Audit Contractor ("RAC") for Region A (Northeast)
- Recovered ~\$482 mm in improper Medicare payments in 2012
- Largest wholesale broker in the U.S. by premiums placed ⁽¹⁾
- Group Benefits division develops, distributes and administers benefits products through 7 individual operating companies
- Division services approximately 843,000 member lives among 10,000 employer groups
- Provides technology-enabled content and communication, agency automation and business intelligence tools
- Serves the employee benefits and P&C insurance distribution industry
- Software and products are used by more than 2,600 agencies

Overview of FT Partners

FT Partners is the Leader in Financial Technology Investment Banking

FT Partners has advised on some of the most prominent transactions in the Healthcare and Insurance IT sectors

Financial Technology Partners LP
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is pleased to announce its role as exclusive strategic and financial advisor to



We Simplify Selling Insurance

in its sale to



FINANCIAL TECHNOLOGY PARTNERS

The Only Investment Bank
Focused Exclusively on Financial Technology

- Leading technology and service provider to life and annuity industry carriers, distributors and producers
- Combination provides “one-stop” access to virtually everything a financial professional needs to market, sell and process diversified insurance products

Financial Technology Partners LP
FTP Securities LLC

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



protection plans

in its recapitalization by



BainCapital Ventures

of approximately

\$ 238,000,000

FINANCIAL TECHNOLOGY PARTNERS

The Only Investment Bank
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- Largest independent warranty provider for consumer electronics and major appliances
- Serves customers directly through its website and through a large network of online and in-store retailers
- Largest venture capital transaction of 2012⁽¹⁾

Financial Technology Partners LP
FTP Securities LLC

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



on its sale to an Affiliate of




FINANCIAL TECHNOLOGY PARTNERS

The Only Investment Bank
Focused Exclusively on Financial Technology


- Provider of finance and insurance (“F&I”) solutions to the automobile industry
- Blue chip client base including:
 - Five of the world’s leading auto OEMs
 - Two of the world’s largest motorcycle manufacturers
 - The nation’s largest new and used vehicle retailers

Financial Technology Partners LP
FTP Securities LLC


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



In its acquisition of



a subsidiary of



FINANCIAL TECHNOLOGY PARTNERS

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- Premier online insurance brokerage platform focused on serving small- and micro- businesses
- Transaction provides significant footprint for Insureon in the independent and captive agent market
- Positions combined business to even better serve small business owners in need of commercial insurance

Overview of FT Partners

Selected FT Partners' Research (click to view)

February 19, 2016
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maestro health
raises
\$53 million
in financing

Courtesy of:
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Steven McCaig
Managing Partner
Tel: 415.522.8888
www.stevenmccaig.com

Maestro Health Raises \$53 million

February 18, 2016
Financial Technology Partners
FT Partners Research – Transaction Profile

WIPRO
Acquiring Thought
acquires
HealthPlan Services
Know Better
for
\$460,000,000

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www.ftpartners.com

Steven McCaig
Managing Partner
Tel: 415.522.8888
www.stevenmccaig.com

Wipro Acquires Healthplan Services for \$460 million

January 5, 2016
Financial Technology Partners
FT Partners Research – Transaction Profile

NMC
NEW MOUNTAIN CAPITAL LLC
acquires
EQUIAN
for
\$225 million

Courtesy of:
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Steven McCaig
Managing Partner
Tel: 415.522.8888
www.stevenmccaig.com

New Mountain Capital Acquires Equian for \$225 million

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

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www.ftpartners.com

Steven McCaig
Managing Partner
Tel: 415.522.8888
www.stevenmccaig.com

Benaissance's Sale to WEX for \$80 million

November 6, 2015
Financial Technology Partners
FT Partners Research – Transaction Profile

PAMPLONA
CAPITAL MANAGEMENT
acquires
MedAssets
for
\$2.7 billion

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

Steven McCaig
Managing Partner
Tel: 415.522.8888
www.stevenmccaig.com

Pamplona Acquires MedAssets for \$2.7 billion

September 18, 2015
Financial Technology Partners LP
FTP Securities LLC
Transaction Profile:
PointClickCare Files for its IPO

PointClickCare

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Steven McCaig
Managing Partner
Tel: 415.522.8888
www.stevenmccaig.com

PointClickCare Files for its IPO

September 4, 2015
Financial Technology Partners
FT Partners Research – Transaction Profile

inovalon
Acquires
Avalere
For
\$140,000,000

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Focused Exclusively on Financial Technology
www.ftpartners.com

Steven McCaig
Managing Partner
Tel: 415.522.8888
www.stevenmccaig.com

Inovalon Acquires Avalere for \$140 million

August 31, 2015
Financial Technology Partners
FT Partners Research – Transaction Profile

PLANSOURCE
Raises
\$70,000,000
in Series C Financing Led by
Great Hill PARTNERS

Courtesy of:
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Steven McCaig
Managing Partner
Tel: 415.522.8888
www.stevenmccaig.com

PlanSource Raises \$70 million

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 13 years of exclusive focus on Financial Technology. Please visit our [subscription form](#) to subscribe to our exclusive monthly newsletter and receive our research reports.

Overview of FT Partners

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

- | | |
|------|--|
| 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 \$100 mm |
| 2011 | <ul style="list-style-type: none"> ■ Boutique Investment Bank of the Year ■ Deal of the Decade ■ <i>10 Deal of the Year Nominations Across 9 Categories</i> |
| 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 | ■ 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 |








WINNER
Middle Market
Financing Awards

- | | |
|------|--|
| 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 ■ <i>Financing Deal of the Year - Equity</i> ■ <i>Financing Deal of the Year - Debt</i> |

Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.

Overview of FT Partners

The FT Partners Senior Banking 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 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	21
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. 	21
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee Recent coverage included V, MA, TSS, GPN, HPY, DST, ENV, FISV, FIS & JKHY among others 	20
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	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 	10