



Evolve  
Capital Partners

# QUARTERLY DEALS & MARKET ROUNDUP

## Insurance

June 2018



*Benefits Administrators*



*Data & Analytics Solutions*



*Insurance Brokers*



*Multi-Line Insurance*



*Online Information Providers*



*Property & Casualty Insurance*



*P&C Specialty*



*Software Solutions*



*Title Insurance*



*Traditional / Life Insurance*

Specialized investment bankers at the intersection of finance and technology



## Highlights

*This quarter's Insurance Roundup discusses the following key developments:*



*Insurers are using Extended Reality (XR) to overcome the geographical divide they have with clients*



*Hyper-accurate location data is helping Property and Casualty (P&C) insurers improve pricing*



*Insurers are adopting an ecosystem perspective to play a more active role*



*Automation across industries and opportunities in emerging markets are driving deal activity*



# Overview of Evolve Capital Partners

## ABOUT ECP

- Evolve Capital Partners (ECP) is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology.
- We are dedicated investment bankers focused on evolving industries, and we support sustainable growth through transformational M&A / financing transactions.
- ECP is a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements.
- We also provide structured financial advisory services — our investment banking practice provides a comprehensive suite of solutions to businesses.
- With over 30 engagements executed by its leaders, Evolve Capital Partners has served as a proud partner, bringing renewed value to companies at the intersection of finance and technology.
- We were founded in 2012 and are based in New York, NY.

## HIGH-TOUCH INVESTMENT BANKING

*Few investment banks have transaction experience across both corporate and asset finance.*



### Our Clients

- Corporations
- Management Teams
- VC & PE Backed Companies
- Independent Directors / Boards



### Investment Banking Advisory

- M&A
- Strategic Alliances
- Capital Raises and Asset Finance
- Financial Restructuring



### Industry Focus

*Finance and Technology Firms*

**BPO**

**IoT**

**B2B**

**Specialty Finance**

**Enterprise Software**

**Analytics**

**Payments**

**Lending**

**InsuranceTech**

**Securities**

**Financial Services**

**Financial Management**

## We Focus Exclusively on Finance and Technology Related Firms

### Financial Management Solutions



### Payments



### Bank Technology Solutions



### BPO



## Capabilities

### M&A Advisory

*Sales / Recaps*

*Acquisitions*

*Divestiture*

*Strategic Advisory*

### Specialty Finance / Alternative Lending



### Healthcare Tech



### Securities



## Financing

*Private Placements*

*Debt Capital*

*Restructuring*

### Data & Analytics / IoT



### Insurance





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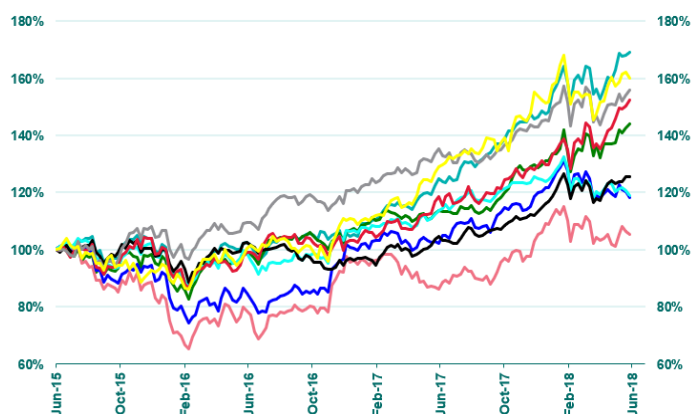
## 5. Select Wall Street Research & Commentary



# Market Summary

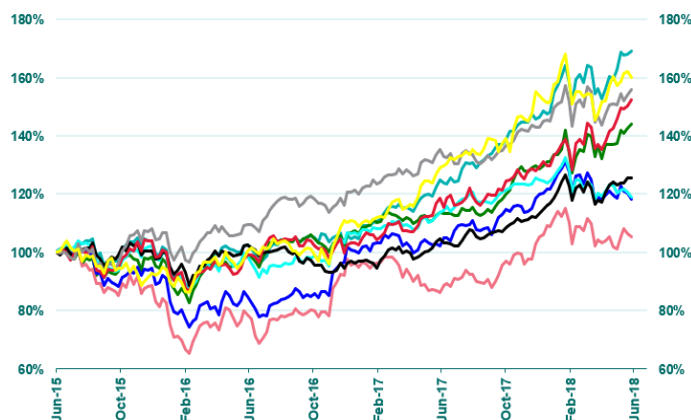
## Industry Stock Market Performance of ECP Sector Coverage

### Last 12 Months



Payments  
Healthcare Tech  
Data & Analytics / IoT  
Financial Management Solutions  
Bank Technology Solutions  
BPO  
Insurance  
Securities  
Specialty Finance / Alternative Lending

### Last 3 Years



Payments  
Healthcare Tech  
Data & Analytics / IoT  
Financial Management Solutions  
Bank Technology Solutions  
BPO  
Insurance  
Securities  
Specialty Finance / Alternative Lending

### Indexed Price Performance

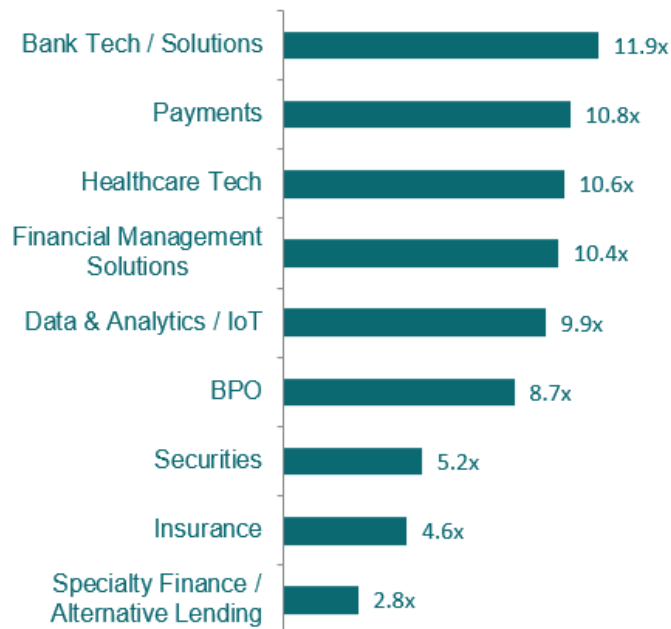
| Sector                                  | 3 Months | 1 Year | 3 Years |
|---|----------|--------|---------|
| Payments                                | 6.8%     | 35.2%  | 69.0%   |
| Bank Tech / Solutions                   | 7.6%     | 26.5%  | 44.0%   |
| Specialty Finance / Alternative Lending | (4.6%)   | 22.3%  | 5.3%    |
| Securities                              | (7.4%)   | 15.6%  | 18.3%   |
| Healthcare Tech                         | (7.3%)   | 4.4%   | 60.1%   |
| BPO                                     | 2.3%     | 20.2%  | 25.7%   |
| Financial Management Solutions          | 12.9%    | 28.4%  | 52.3%   |
| Data & Analytics / IoT                  | 2.9%     | 15.4%  | 56.1%   |
| Insurance                               | 0.9%     | 24.1%  | 18.9%   |

Source: Capital IQ and market data as of June 1, 2018

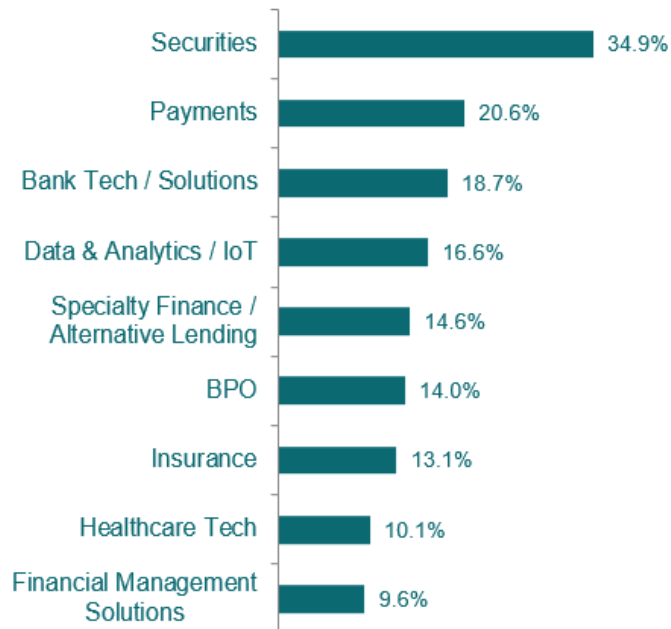
# Multiples & Margins – All Sectors

## Industry-wide Multiples and Margins

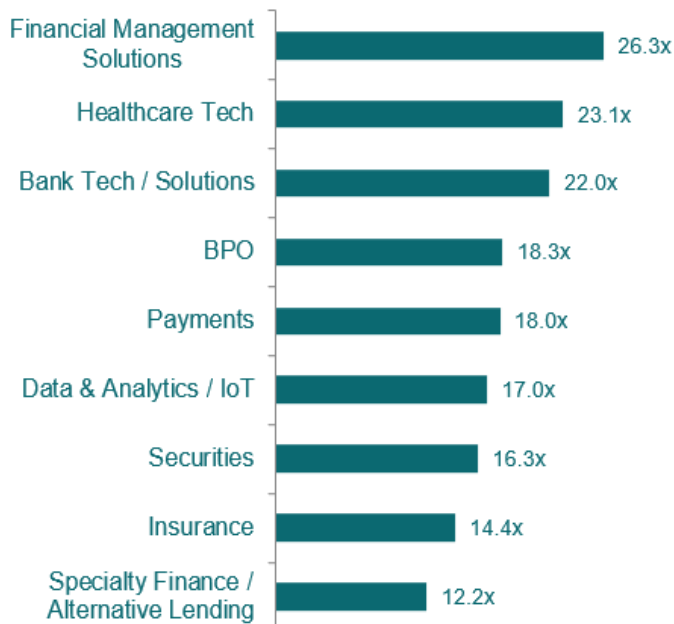
### 2018E EBITDA Multiples



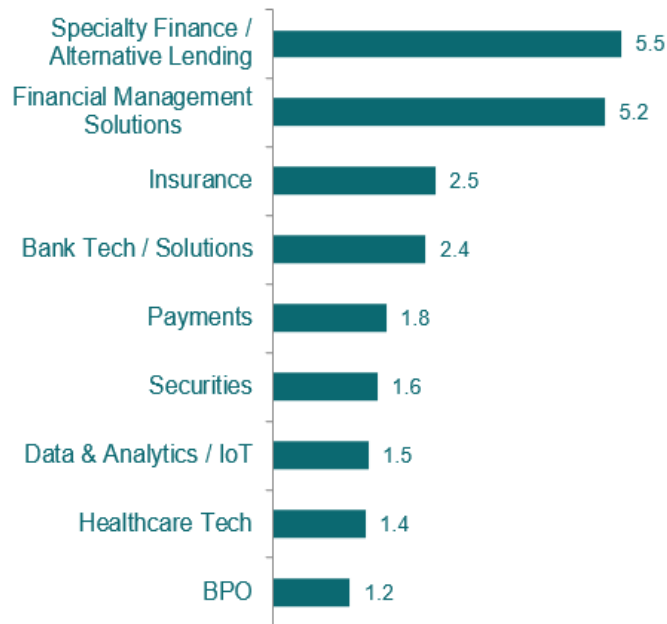
### LTM EBITDA Margins



### 2018E Price / Earnings Multiples



### 2018E PEG Ratio

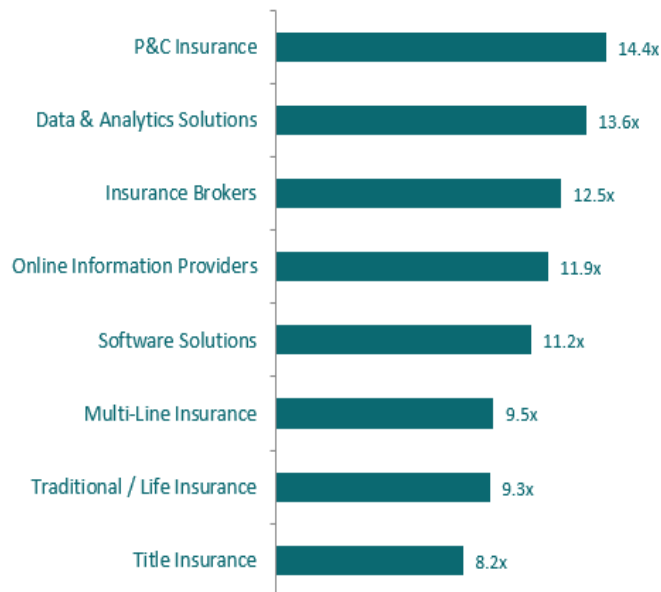


Source: Capital IQ and market data as of June 1, 2018

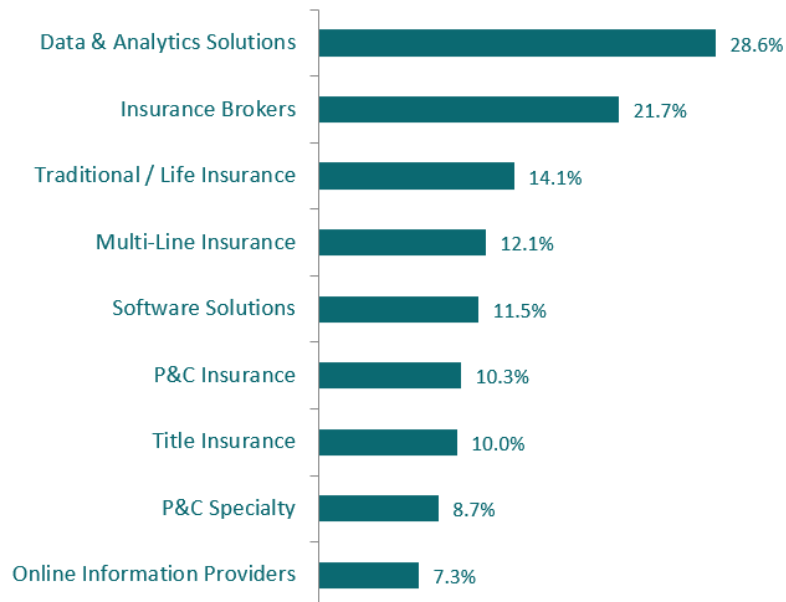
# Multiples & Margins – Insurance

## Sub-sector Multiples and Margins

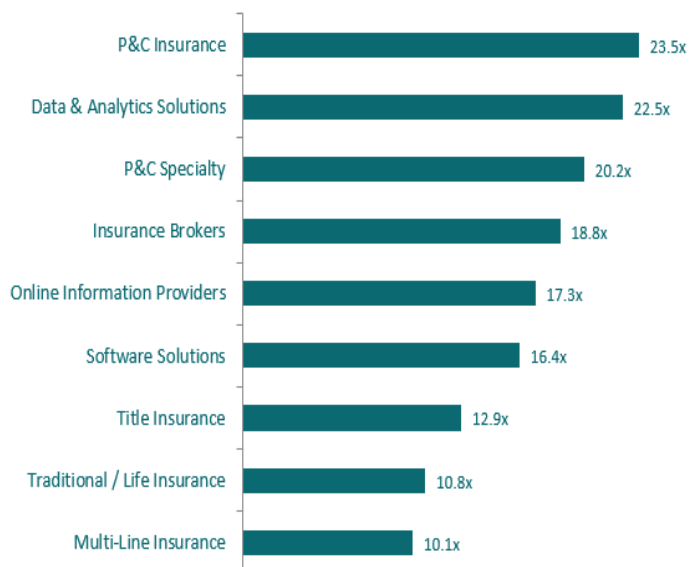
### 2018E EBITDA Multiples



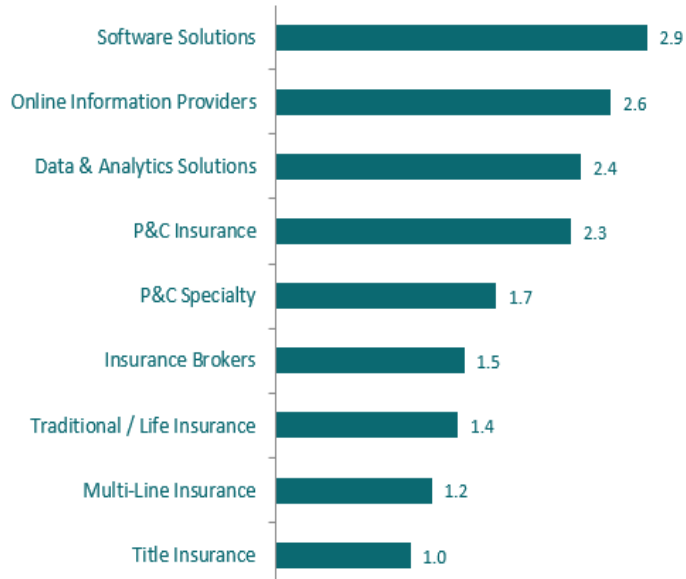
### LTM EBITDA Margins



### 2018E Price / Earnings Multiples



### 2018E PEG Ratio



Source: Capital IQ and market data as of June 1, 2018



## Stock Comparables – Insurance

(All figures in US Dollars. Figures in millions, except per share data, as of June 01, 2018)

| Insurance Sub-Sector         | Aggregate  |                  | EV / Sales  |             | Multiples    |              | Price / Earnings |              |
|------------------------------|------------|------------------|-------------|-------------|--------------|--------------|------------------|--------------|
|                              | Market Cap | Enterprise Value | EV / Sales  |             | EV / EBITDA  |              | Price / Earnings |              |
|                              |            |                  | FY 18E      | FY19E       | FY 18E       | FY19E        | FY 18E           | FY19E        |
| Software Solutions           | \$11,060   | \$11,276         | 2.6x        | 3.7x        | 11.2x        | 12.7x        | 16.4x            | 13.8x        |
| Data & Analytics Solutions   | \$68,032   | \$78,308         | 4.7x        | 4.5x        | 13.6x        | 12.8x        | 22.5x            | 20.5x        |
| Title Insurance              | \$23,469   | \$24,502         | 1.0x        | 1.0x        | 8.2x         | 7.5x         | 12.9x            | 11.5x        |
| Traditional / Life Insurance | \$389,844  | \$450,087        | 1.2x        | 1.2x        | 9.3x         | 9.9x         | 10.8x            | 11.0x        |
| Multi-Line Insurance         | \$290,190  | \$409,822        | 1.2x        | 1.2x        | 9.5x         | 9.4x         | 10.1x            | 9.4x         |
| P&C Specialty                | \$43,690   | \$49,239         | 2.0x        | 1.9x        | NA           | NA           | 20.2x            | 19.2x        |
| Insurance Brokers            | \$118,393  | \$136,742        | 3.0x        | 2.9x        | 12.5x        | 11.5x        | 18.8x            | 16.8x        |
| Online Information Providers | \$3,467    | \$3,314          | 2.1x        | 1.9x        | 11.9x        | 9.5x         | 17.3x            | 13.0x        |
| Benefits Administrators      | \$64,728   | \$62,167         | 1.4x        | 1.4x        | NA           | NA           | 16.8x            | 14.6x        |
| P&C Insurance                | \$185,170  | \$218,885        | 4.1x        | 6.6x        | 14.4x        | 13.3x        | 23.5x            | 33.3x        |
| <b>Median</b>                |            |                  | <b>2.0x</b> | <b>1.9x</b> | <b>11.5x</b> | <b>10.7x</b> | <b>17.0x</b>     | <b>14.2x</b> |
| <b>Mean</b>                  |            |                  | <b>2.3x</b> | <b>2.6x</b> | <b>11.3x</b> | <b>10.8x</b> | <b>16.9x</b>     | <b>16.3x</b> |

| Insurance Sub-Sector         | Number of Companies | Growth Rates |        | EPS 5 Yr | EBITDA Margin |        | PEG* FY 18E |
|------------------------------|---------------------|--------------|--------|----------|---------------|--------|-------------|
|                              |                     | Revenue      |        |          | FY 18E        | FY 19E |             |
|                              |                     | FY 18E       | FY 19E |          |               |        |             |
| Software Solutions           | 6                   | 18.6%        | 9.8%   | 3.8%     | 11.2%         | 19.2%  | 2.88        |
| Data & Analytics Solutions   | 4                   | 5.5%         | 4.3%   | 10.0%    | 28.6%         | 33.1%  | 2.37        |
| Title Insurance              | 4                   | 2.3%         | 3.2%   | 5.8%     | 10.0%         | 9.0%   | 1.04        |
| Traditional / Life Insurance | 18                  | 5.8%         | 7.1%   | 6.5%     | 14.1%         | 2.5%   | 1.42        |
| Multi-Line Insurance         | 7                   | 3.7%         | 2.8%   | 10.3%    | 12.1%         | 4.3%   | 1.21        |
| P&C Specialty                | 10                  | 6.9%         | 318.5% | 6.7%     | 8.7%          | 0.2%   | 1.71        |
| Insurance Brokers            | 6                   | 7.5%         | 5.7%   | 10.2%    | 21.7%         | 24.8%  | 1.46        |
| Online Information Providers | 5                   | 20.8%        | 10.2%  | 6.3%     | 7.3%          | 18.0%  | 2.60        |
| Benefits Administrators      | 6                   | 18.7%        | 14.8%  | 20.8%    | 13.1%         | 24.7%  | 0.94        |
| P&C Insurance                | 11                  | 5.4%         | 4.9%   | 11.4%    | 10.3%         | 0.0%   | 2.29        |
| Median                       |                     | 6.3%         | 6.4%   | 8.3%     | 11.6%         | 13.5%  | 1.59        |
| Mean                         |                     | 9.5%         | 38.1%  | 9.2%     | 13.7%         | 13.6%  | 1.79        |

\* Price/Earnings to Growth ratio is a valuation metric for determining the relative trade-off between the price of a stock, the earnings generated per share (EPS), and the company's expected growth. In general, the P/E ratio is higher for a company with a higher growth rate.

Source: Capital IQ

## Stock Comparables – Insurance Sub-Sectors

(All figures in US Dollars. Figures in millions, except per share data, as of June 01, 2018)

### Software Solutions

| Company Name                           | Market Cap | Enterprise Value | LTM Sales | LTM EBITDA % | EV / Sales  |             | EV / EBITDA  |              | P / E        |              | PEG        |
|--|------------|------------------|-----------|--------------|-------------|-------------|--------------|--------------|--------------|--------------|------------|
|  |            |                  |           |              | FY2018      | FY2019      | FY2018       | FY2019       | FY2018       | FY2019       |            |
| Guidewire Software, Inc.               | \$7,496    | \$6,990          | \$594     | 2.2%         | NM          | 8.8x        | NM           | NM           | NM           | NM           | NM         |
| Ebix, Inc.                             | \$2,357    | \$2,703          | \$393     | 33.7%        | 6.1x        | 5.8x        | 16.6x        | 14.8x        | 20.8x        | 18.0x        | 2.0        |
| Sapiens International Corporation N.V. | \$468      | \$486            | \$284     | 10.4%        | 1.7x        | 1.6x        | 11.9x        | 10.2x        | 18.6x        | 15.4x        | 3.7        |
| Crawford & Company                     | \$438      | \$653            | \$1,112   | 9.5%         | 0.6x        | 0.6x        | 5.0x         | 4.4x         | 9.8x         | 8.0x         | NA         |
| Majesco                                | \$209      | \$214            | \$123     | 2.1%         | NA          | NA          | NA           | NA           | NA           | NA           | NA         |
| Symbility Solutions Inc.               | \$92       | \$83             | \$33      | 9.3%         | 2.2x        | 2.0x        | NM           | 21.4x        | NA           | NM           | NA         |
| <b>Median</b>                          |            |                  |           | <b>9.4%</b>  | <b>2.0x</b> | <b>2.0x</b> | <b>11.9x</b> | <b>12.5x</b> | <b>18.6x</b> | <b>15.4x</b> | <b>2.9</b> |
| <b>Mean</b>                            |            |                  |           | <b>11.2%</b> | <b>2.6x</b> | <b>3.7x</b> | <b>11.2x</b> | <b>12.7x</b> | <b>16.4x</b> | <b>13.8x</b> | <b>2.9</b> |

### Data & Analytics Solutions

| Company Name                     | Market Cap | Enterprise Value | LTM Sales | LTM EBITDA % | EV / Sales  |             | EV / EBITDA  |              | P / E        |              | PEG        |
|----------------------------------|------------|------------------|-----------|--------------|-------------|-------------|--------------|--------------|--------------|--------------|------------|
|                                  |            |                  |           |              | FY2018      | FY2019      | FY2018       | FY2019       | FY2018       | FY2019       |            |
| RELX PLC                         | \$43,422   | \$49,824         | \$9,941   | 30.4%        | 4.8x        | 4.6x        | 13.8x        | 13.2x        | 19.0x        | 17.8x        | 2.7        |
| Verisk Analytics, Inc.           | \$17,727   | \$20,356         | \$2,224   | 45.5%        | 8.4x        | 7.8x        | 17.7x        | 16.3x        | 25.7x        | 23.6x        | 1.8        |
| The Dun & Bradstreet Corporation | \$4,626    | \$5,785          | \$1,779   | 28.2%        | 3.2x        | 3.1x        | 10.7x        | 10.3x        | 14.3x        | 13.8x        | 2.6        |
| Axiom Corporation                | \$2,256    | \$2,343          | \$917     | 10.4%        | 2.4x        | 2.3x        | 12.0x        | 11.4x        | 31.1x        | 26.7x        | NA         |
| <b>Median</b>                    |            |                  |           | <b>29.3%</b> | <b>4.0x</b> | <b>3.9x</b> | <b>12.9x</b> | <b>12.3x</b> | <b>22.3x</b> | <b>20.7x</b> | <b>2.6</b> |
| <b>Mean</b>                      |            |                  |           | <b>28.6%</b> | <b>4.7x</b> | <b>4.5x</b> | <b>13.6x</b> | <b>12.8x</b> | <b>22.5x</b> | <b>20.5x</b> | <b>2.4</b> |

### Traditional / Life Insurance

| Company Name                        | Market Cap | Enterprise Value | LTM Sales | LTM EBITDA % | EV / Sales  |             | EV / EBITDA |             | P / E        |              | PEG        |
|-------------------------------------|------------|------------------|-----------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|------------|
|                                     |            |                  |           |              | FY2018      | FY2019      | FY2018      | FY2019      | FY2018       | FY2019       |            |
| MetLife, Inc.                       | \$47,431   | \$119,994        | \$62,100  | 9.6%         | 1.9x        | 1.9x        | NA          | NA          | 9.3x         | 8.6x         | 0.8        |
| Prudential Financial, Inc.          | \$41,513   | \$59,607         | \$61,588  | 13.7%        | 1.1x        | 1.1x        | NA          | NA          | 8.2x         | 7.8x         | 1.0        |
| Cigna Corporation                   | \$41,555   | \$44,134         | \$42,522  | 11.7%        | 1.0x        | 1.0x        | 9.0x        | 8.4x        | 13.5x        | 12.2x        | 1.0        |
| Manulife Financial Corporation      | \$37,803   | \$43,031         | \$40,248  | 7.9%         | 1.1x        | 1.0x        | NA          | NA          | 9.5x         | 8.8x         | 0.9        |
| Aflac Incorporated                  | \$35,147   | \$41,807         | \$21,963  | 20.6%        | 1.9x        | 1.9x        | 9.5x        | NA          | 11.4x        | 11.0x        | 1.8        |
| Aviva plc                           | \$27,621   | (\$14,596)       | \$47,497  | 7.9%         | NM          | NM          | NM          | NM          | 9.3x         | 8.8x         | 1.3        |
| Great-West Lifeco Inc.              | \$25,081   | \$31,375         | \$33,964  | 8.7%         | 0.9x        | 0.8x        | NA          | NA          | 11.0x        | 10.2x        | NA         |
| Sun Life Financial Inc.             | \$25,206   | \$26,062         | \$21,960  | 11.0%        | 1.0x        | 1.0x        | NA          | NA          | 11.7x        | 11.0x        | NA         |
| Legal & General Group Plc           | \$21,520   | \$1,702          | \$14,357  | 21.8%        | 0.2x        | 0.2x        | NA          | NA          | 10.6x        | 10.1x        | 1.6        |
| Principal Financial Group, Inc.     | \$16,167   | \$17,352         | \$13,927  | 19.1%        | 1.3x        | 1.2x        | 7.3x        | NA          | 10.4x        | 9.8x         | 1.1        |
| Lincoln National Corporation        | \$14,736   | \$18,721         | \$14,366  | 16.2%        | 1.2x        | 1.1x        | NA          | NA          | 8.1x         | 7.4x         | 0.9        |
| Swiss Life Holding AG               | \$11,893   | \$15,145         | \$19,391  | 9.5%         | 0.8x        | 0.8x        | NA          | NA          | 11.6x        | 10.8x        | 2.9        |
| Standard Life Aberdeen plc          | \$14,048   | \$4,941          | \$10,290  | 27.3%        | 0.2x        | 0.1x        | NA          | NA          | 12.8x        | 12.3x        | 1.5        |
| Aegon N.V.                          | \$12,693   | \$22,631         | \$64,677  | 5.1%         | 0.9x        | 0.8x        | NA          | NA          | 8.5x         | 8.3x         | 2.3        |
| Torchmark Corporation               | \$9,741    | \$11,149         | \$4,202   | 22.6%        | 2.6x        | 2.5x        | 11.7x       | 11.3x       | 14.0x        | 13.0x        | 1.4        |
| Primerica, Inc.                     | \$4,337    | \$5,405          | \$1,773   | 25.9%        | 2.7x        | 2.5x        | NA          | NA          | 13.2x        | 11.5x        | 1.4        |
| American National Insurance Company | \$3,241    | \$3,057          | \$3,435   | 10.2%        | NA          | NA          | NA          | NA          | NA           | NA           | NA         |
| Hansard Global Plc                  | \$113      | (\$1,429)        | \$213     | 5.2%         | NM          | NM          | NA          | NA          | NM           | 25.5x        | NA         |
| <b>Median</b>                       |            |                  |           | <b>11.4%</b> | <b>1.1x</b> | <b>1.0x</b> | <b>9.2x</b> | <b>9.9x</b> | <b>10.8x</b> | <b>10.2x</b> | <b>1.3</b> |
| <b>Mean</b>                         |            |                  |           | <b>14.1%</b> | <b>1.2x</b> | <b>1.2x</b> | <b>9.3x</b> | <b>9.9x</b> | <b>10.8x</b> | <b>11.0x</b> | <b>1.4</b> |

Source: Capital IQ

## Stock Comparables – Insurance Sub-Sectors

(All figures in US Dollars. Figures in millions, except per share data, as of June 01, 2018)

### Title Insurance

| Company Name                             | Market Cap | Enterprise Value | LTM Sales | LTM EBITDA % | EV / Sales  |             | EV / EBITDA |             | P / E        |              | PEG FY2018 |
|--|------------|------------------|-----------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|------------|
|  |            |                  |           |              | FY2018      | FY2019      | FY2018      | FY2019      | FY2018       | FY2019       |            |
| Fidelity National Financial, Inc.        | \$10,341   | \$10,914         | \$7,711   | 13.3%        | 1.4x        | 1.4x        | 9.9x        | 9.5x        | 13.8x        | 12.6x        | NA         |
| Old Republic International Corporation   | \$6,313    | \$7,184          | \$6,149   | 10.5%        | 1.2x        | 1.1x        | NA          | NA          | 11.6x        | 10.7x        | 1.2        |
| First American Financial Corporation     | \$5,795    | \$5,351          | \$5,753   | 10.9%        | 1.0x        | 0.9x        | 6.9x        | 6.4x        | 12.2x        | 11.4x        | 0.9        |
| Stewart Information Services Corporation | \$1,020    | \$1,052          | \$1,951   | 5.3%         | 0.5x        | 0.5x        | 7.7x        | 6.6x        | 14.2x        | 11.4x        | NA         |
| <b>Median</b>                            |            |                  |           | <b>10.7%</b> | <b>1.1x</b> | <b>1.0x</b> | <b>7.7x</b> | <b>6.6x</b> | <b>13.0x</b> | <b>11.4x</b> | <b>1.0</b> |
| <b>Mean</b>                              |            |                  |           | <b>10.0%</b> | <b>1.0x</b> | <b>1.0x</b> | <b>8.2x</b> | <b>7.5x</b> | <b>12.9x</b> | <b>11.5x</b> | <b>1.0</b> |

### Multi-Line Insurance

| Company Name                       | Market Cap | Enterprise Value | LTM Sales | LTM EBITDA % | EV / Sales  |             | EV / EBITDA |             | P / E        |              | PEG FY2018 |
|------------------------------------|------------|------------------|-----------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|------------|
|                                    |            |                  |           |              | FY2018      | FY2019      | FY2018      | FY2019      | FY2018       | FY2019       |            |
| Allianz SE                         | \$91,874   | \$116,728        | \$135,224 | 15.0%        | 0.8x        | 0.8x        | 8.5x        | 8.3x        | 11.1x        | 10.5x        | 1.8        |
| AXA SA                             | \$60,750   | \$103,621        | \$159,212 | 6.2%         | 0.9x        | 0.9x        | 11.3x       | 11.5x       | 8.8x         | 8.0x         | 2.3        |
| American International Group, Inc. | \$47,838   | \$79,919         | \$48,643  | 13.1%        | 1.7x        | 1.6x        | NA          | NA          | 10.8x        | 9.4x         | 0.5        |
| Zurich Insurance Group AG          | \$45,142   | \$51,640         | \$64,045  | 9.4%         | 1.1x        | 1.1x        | 8.8x        | 8.4x        | 13.0x        | 11.3x        | 1.1        |
| The Allstate Corporation           | \$32,991   | \$41,690         | \$38,650  | 13.6%        | 1.2x        | 1.2x        | NA          | NA          | 10.5x        | 10.8x        | 1.1        |
| American Financial Group, Inc.     | \$9,818    | \$10,392         | \$6,720   | 15.5%        | 2.1x        | 2.1x        | NA          | NA          | 13.1x        | 12.9x        | 1.1        |
| Genworth Financial, Inc.           | \$1,777    | \$5,832          | \$8,239   | 11.8%        | 0.7x        | 0.7x        | NA          | NA          | 3.2x         | 3.0x         | 0.7        |
| <b>Median</b>                      |            |                  |           | <b>13.1%</b> | <b>1.1x</b> | <b>1.1x</b> | <b>8.8x</b> | <b>8.4x</b> | <b>10.8x</b> | <b>10.5x</b> | <b>1.1</b> |
| <b>Mean</b>                        |            |                  |           | <b>12.1%</b> | <b>1.2x</b> | <b>1.2x</b> | <b>9.5x</b> | <b>9.4x</b> | <b>10.1x</b> | <b>9.4x</b>  | <b>1.2</b> |

### P&C Specialty

| Company Name                            | Market Cap | Enterprise Value | LTM Sales | LTM EBITDA % | EV / Sales  |             | EV / EBITDA |           | P / E        |              | PEG FY2018 |
|---|------------|------------------|-----------|--------------|-------------|-------------|-------------|-----------|--------------|--------------|------------|
|   |            |                  |           |              | FY2018      | FY2019      | FY2018      | FY2019    | FY2018       | FY2019       |            |
| Markel Corporation                      | \$15,221   | \$16,373         | \$6,225   | 6.7%         | 2.5x        | 2.4x        | NA          | NA        | 32.8x        | 29.2x        | NA         |
| W. R. Berkley Corporation               | \$9,372    | \$11,136         | \$7,706   | 14.2%        | 1.7x        | 1.6x        | NA          | NA        | 20.8x        | 20.1x        | 1.9        |
| Assurant, Inc.                          | \$5,934    | \$5,611          | \$6,502   | 8.5%         | 0.6x        | 0.5x        | NA          | NA        | 11.8x        | 10.1x        | NA         |
| ProAssurance Corporation                | \$2,055    | \$2,384          | \$844     | 16.6%        | 2.9x        | 2.7x        | NA          | NA        | 22.7x        | 22.6x        | 0.8        |
| AmTrust Financial Services, Inc.        | \$2,625    | \$4,447          | \$6,073   | (7.0%)       | 0.8x        | 0.7x        | NA          | NA        | 10.7x        | 8.3x         | NA         |
| RLI Corp.                               | \$2,929    | \$3,049          | \$786     | 8.8%         | 3.7x        | 3.4x        | NA          | NA        | 29.6x        | 29.4x        | NA         |
| Argo Group International Holdings, Ltd. | \$2,081    | \$2,490          | \$1,791   | 5.9%         | 1.3x        | 1.2x        | NA          | NA        | 16.5x        | 15.5x        | 2.4        |
| The Navigators Group, Inc.              | \$1,768    | \$1,867          | \$1,356   | 7.9%         | 1.4x        | 1.3x        | NA          | NA        | 18.8x        | 19.1x        | 1.6        |
| Amerisafe, Inc.                         | \$1,156    | \$1,120          | \$372     | 22.6%        | 2.9x        | 2.7x        | NA          | NA        | 18.3x        | 18.9x        | 1.9        |
| Global Indemnity Limited                | \$548      | \$764            | \$481     | 2.3%         | NA          | NA          | NA          | NA        | NA           | NA           | NA         |
| <b>Median</b>                           |            |                  |           | <b>8.2%</b>  | <b>1.7x</b> | <b>1.6x</b> | <b>NA</b>   | <b>NA</b> | <b>18.8x</b> | <b>19.1x</b> | <b>1.9</b> |
| <b>Mean</b>                             |            |                  |           | <b>8.7%</b>  | <b>2.0x</b> | <b>1.9x</b> | <b>NA</b>   | <b>NA</b> | <b>20.2x</b> | <b>19.2x</b> | <b>1.7</b> |

### Online Information Providers

| Company Name                   | Market Cap | Enterprise Value | LTM Sales | LTM EBITDA % | EV / Sales  |             | EV / EBITDA  |              | P / E        |              | PEG FY2018 |
|--------------------------------|------------|------------------|-----------|--------------|-------------|-------------|--------------|--------------|--------------|--------------|------------|
|                                |            |                  |           |              | FY2018      | FY2019      | FY2018       | FY2019       | FY2018       | FY2019       |            |
| Moneysupermarket.com Group PLC | \$2,279    | \$2,232          | \$446     | 34.9%        | 4.9x        | 4.7x        | 13.3x        | 12.6x        | 19.5x        | 18.0x        | 3.4        |
| eHealth, Inc.                  | \$408      | \$373            | \$174     | (14.9%)      | 1.4x        | 1.2x        | 12.9x        | 8.9x         | 22.3x        | 13.5x        | NA         |
| iSelect Limited                | \$134      | \$110            | \$149     | 11.8%        | 0.4x        | 0.4x        | 3.7x         | 2.9x         | 10.3x        | 7.6x         | NA         |
| QuinStreet, Inc.               | \$646      | \$599            | \$374     | 4.5%         | 1.5x        | 1.3x        | 17.6x        | 13.7x        | NM           | NM           | 1.8        |
| <b>Median</b>                  |            |                  |           | <b>8.2%</b>  | <b>1.5x</b> | <b>1.3x</b> | <b>13.1x</b> | <b>10.8x</b> | <b>19.5x</b> | <b>13.5x</b> | <b>2.6</b> |
| <b>Mean</b>                    |            |                  |           | <b>9.1%</b>  | <b>2.1x</b> | <b>1.9x</b> | <b>11.9x</b> | <b>9.5x</b>  | <b>17.3x</b> | <b>13.0x</b> | <b>2.6</b> |

Source: Capital IQ



## Stock Comparables – Insurance Sub-Sectors

(All figures in US Dollars. Figures in millions, except per share data, as of June 01, 2018)

### Insurance Brokers

| Company Name                             | Market Cap | Enterprise Value | LTM Sales | LTM EBITDA % | EV / Sales  |             | EV / EBITDA  |              | P / E        |              | PEG        |
|--|------------|------------------|-----------|--------------|-------------|-------------|--------------|--------------|--------------|--------------|------------|
|  |            |                  |           |              | FY2018      | FY2019      | FY2018       | FY2019       | FY2018       | FY2019       |            |
| Marsh & McLennan Companies, Inc.         | \$40,809   | \$46,049         | \$14,521  | 24.1%        | 3.1x        | 3.0x        | 13.0x        | 11.9x        | 18.7x        | 17.0x        | 1.6        |
| Aon plc                                  | \$34,269   | \$39,996         | \$10,707  | 23.2%        | 3.7x        | 3.6x        | 14.0x        | 13.1x        | 17.7x        | 15.6x        | 1.4        |
| Willis Towers Watson Public Limited Comp | \$20,003   | \$23,799         | \$8,089   | 18.4%        | 2.8x        | 2.7x        | 11.4x        | 10.7x        | 16.0x        | 14.2x        | 1.3        |
| Arthur J. Gallagher & Co.                | \$12,072   | \$14,717         | \$6,287   | 15.6%        | 2.2x        | 2.1x        | 13.2x        | 12.0x        | 19.5x        | 17.5x        | 1.7        |
| Brown & Brown, Inc.                      | \$7,746    | \$8,138          | \$1,913   | 31.4%        | 4.0x        | 3.8x        | 13.1x        | 12.3x        | 22.2x        | 20.6x        | NM         |
| Jardine Lloyd Thompson Group plc         | \$3,495    | \$4,043          | \$1,873   | 17.2%        | 2.1x        | 2.0x        | 10.2x        | 8.7x         | 18.8x        | 16.0x        | 1.4        |
| <b>Median</b>                            |            |                  |           | <b>20.8%</b> | <b>3.0x</b> | <b>2.8x</b> | <b>13.1x</b> | <b>11.9x</b> | <b>18.7x</b> | <b>16.5x</b> | <b>1.4</b> |
| <b>Mean</b>                              |            |                  |           | <b>21.7%</b> | <b>3.0x</b> | <b>2.9x</b> | <b>12.5x</b> | <b>11.5x</b> | <b>18.8x</b> | <b>16.8x</b> | <b>1.5</b> |

### Benefits Administrators

| Company Name       | Market Cap | Enterprise Value | LTM Sales | LTM EBITDA % | EV / Sales  |             | EV / EBITDA  |              | P / E        |              | PEG        |
|--------------------|------------|------------------|-----------|--------------|-------------|-------------|--------------|--------------|--------------|--------------|------------|
|                    |            |                  |           |              | FY2018      | FY2019      | FY2018       | FY2019       | FY2018       | FY2019       |            |
| Paychex, Inc.      | \$23,885   | \$23,521         | \$3,308   | 42.5%        | 6.6x        | 6.2x        | 15.6x        | 15.4x        | 25.5x        | 23.0x        | 2.9        |
| Workday, Inc.      | \$27,279   | \$25,422         | \$2,282   | (7.5%)       | NA          | 10.1x       | NA           | NM           | NA           | NM           | NA         |
| Benefitfocus, Inc. | \$1,091    | \$1,159          | \$261     | 0.3%         | 4.4x        | 3.9x        | NM           | NM           | NM           | NM           | NM         |
| TriNet Group, Inc. | \$3,859    | \$3,942          | \$3,328   | 7.8%         | 4.4x        | 4.0x        | 12.1x        | 10.8x        | 19.4x        | 17.9x        | NA         |
| Insperty, Inc.     | \$3,913    | \$3,661          | \$3,432   | 4.6%         | 0.9x        | 0.8x        | 15.6x        | 13.8x        | 25.5x        | 22.5x        | 1.7        |
| HealthEquity, Inc. | \$4,702    | \$4,461          | \$230     | 30.7%        | NA          | 14.7x       | NA           | NM           | NA           | 70.0x        | NA         |
| <b>Median</b>      |            |                  |           | <b>6.2%</b>  | <b>4.4x</b> | <b>5.1x</b> | <b>15.6x</b> | <b>13.8x</b> | <b>25.5x</b> | <b>22.7x</b> | <b>2.3</b> |
| <b>Mean</b>        |            |                  |           | <b>13.1%</b> | <b>4.1x</b> | <b>6.6x</b> | <b>14.4x</b> | <b>13.3x</b> | <b>23.5x</b> | <b>33.3x</b> | <b>2.3</b> |

### P&C Insurance

| Company Name                                | Market Cap | Enterprise Value | LTM Sales | LTM EBITDA % | EV / Sales  |             | EV / EBITDA |           | P / E        |              | PEG        |
|---|------------|------------------|-----------|--------------|-------------|-------------|-------------|-----------|--------------|--------------|------------|
|   |            |                  |           |              | FY2018      | FY2019      | FY2018      | FY2019    | FY2018       | FY2019       |            |
| Chubb Limited                               | \$60,918   | \$77,144         | \$32,637  | 13.6%        | 2.8x        | 2.7x        | NA          | NA        | 12.9x        | 11.9x        | 1.2        |
| The Travelers Companies, Inc.               | \$34,942   | \$41,508         | \$29,246  | 13.4%        | 1.6x        | 1.5x        | NA          | NA        | 12.4x        | 11.5x        | 0.7        |
| The Progressive Corporation                 | \$36,358   | \$41,035         | \$27,924  | 10.0%        | 1.3x        | 1.2x        | NA          | NA        | 15.6x        | 15.3x        | 1.0        |
| The Hartford Financial Services Group, Inc. | \$18,799   | \$23,910         | \$17,460  | 9.0%         | 1.3x        | 1.2x        | NA          | NA        | 11.4x        | 10.6x        | 0.7        |
| Cincinnati Financial Corporation            | \$11,464   | \$11,713         | \$5,433   | 9.5%         | 2.1x        | 1.9x        | NA          | NA        | 22.9x        | 20.9x        | NM         |
| RSA Insurance Group plc                     | \$8,958    | \$8,682          | \$9,598   | 10.3%        | 0.9x        | 0.9x        | NA          | NA        | 12.7x        | 12.0x        | 1.2        |
| The Hanover Insurance Group, Inc.           | \$5,083    | \$5,645          | \$5,254   | 7.6%         | 1.1x        | 1.0x        | NA          | NA        | 14.1x        | 13.7x        | NM         |
| Mercury General Corporation                 | \$2,611    | \$2,693          | \$3,348   | 4.4%         | 0.8x        | 0.8x        | NA          | NA        | 23.4x        | 15.0x        | 0.7        |
| Selective Insurance Group, Inc.             | \$3,375    | \$3,869          | \$2,496   | 11.6%        | 1.4x        | 1.4x        | NA          | NA        | 16.6x        | 13.8x        | 1.1        |
| Employers Holdings, Inc.                    | \$1,304    | \$1,267          | \$791     | 20.1%        | 1.6x        | 1.5x        | NA          | NA        | 14.7x        | 16.4x        | NA         |
| State Auto Financial Corporation            | \$1,359    | \$1,420          | \$1,400   | 3.8%         | 1.0x        | 1.0x        | NA          | NA        | 27.4x        | 19.5x        | NA         |
| <b>Median</b>                               |            |                  |           | <b>10.0%</b> | <b>1.3x</b> | <b>1.2x</b> | <b>NA</b>   | <b>NA</b> | <b>14.7x</b> | <b>13.8x</b> | <b>1.0</b> |
| <b>Mean</b>                                 |            |                  |           | <b>10.3%</b> | <b>1.4x</b> | <b>1.4x</b> | <b>NA</b>   | <b>NA</b> | <b>16.8x</b> | <b>14.6x</b> | <b>0.9</b> |

Source: Capital IQ

## Recent Updates



### ***Insurers are using Extended Reality (XR) to overcome their geographical divide with clients***

To connect with customers, insurers are now making a shift from their traditional methods. With the increasing usage of smart devices, insurers are establishing new communication methods that help them be more interactive with customers.

One of these new methods is XR. XR uses visual techniques to combine the real and virtual worlds of the users. It enables insurers to warn customers of specific dangers, increase brand awareness, explain insurance plans and improve damage estimation.

AXA Insurance created Ingress, an AR-enabled game where the player has to move with his mobile device in the real world to capture portals in the virtual world. This game helped AXA increase its brand awareness. More than 600,000 players visited AXA offices personally, and more than 55,000 players interacted with AXA employees.



### ***Hyper-accurate location data is helping Property and Casualty (P&C) insurers improve pricing***

Risk is rarely homogenous within ratings territories. Each iterative improvement in the accuracy of location data, from zip codes to parcel-level (boundary of a piece of land), and increasingly to building footprint-level data, brings insurers a greater ability to precisely factor risk. P&C insurers are leveraging the benefits of hyper-accurate location data to price premiums more accurately.

In 2017, a study by Perr&Knight compared premiums for typical auto and homeowners insurance policies based on

commonly used data sets vs. more precise parcel-level data. The research concluded that although most policies would not have changes in pricing, in the 5%-to-10% that would, the range of under- or overpricing in premiums was significant. Some homeowner policies were underpriced by as much as 88%.

Beyond Floods is helping insurers estimate flood insurance premiums based on hyper-accurate location data.



### ***Insurers are adopting an ecosystem perspective to play a more active role***

Insurers have traditionally acted as risk aggregators. They had a limited connection with customers, which increased their exposure to disintermediation and invisibility. Today, digitization across industries is helping insurance players become more active players in an ecosystem. Insurers are now investing in capabilities in areas including mobile sensors, analytical tools, and customer interfaces.

To improve digital strategies, insurers are considering partnerships with players both in and outside the industry.

For example, in the personal-mobility ecosystem, insurers are expanding into areas such as vehicle purchase and maintenance management, ride-sharing, carpooling, traffic management, vehicle connectivity, and parking. Because of their strong customer base, distribution power, and amount of personal data from auto insurance policies, insurers have a firm hold on mobility.





## Key Initiatives by Leading Insurance Companies

### ***Lemonade launches an open-source insurance policy***

Lemonade introduced the world's first open source insurance policy on May 16, 2018, that brings consumers and professionals together to co-create an insurance policy. Customers can edit the policy in language that can be easily understood and change the coverage to what they want. The policy is not copyrighted because it is open source. The first version — "Renters Insurance Policy 2.0" — is less wordy than most policies but still has 2,300 words. Open source participants can suggest ways to cut policies down in size while still retaining important information. Lemonade's competitors can also access the policies.

### ***The Hanover partners with insurtech Cover Wallet for B2B insurance***

On May 18, 2018, The Hanover, a P&C insurer, deployed Cover Wallet's newly launched B2B insurance platform in their customer service process. Hanover intends to use this new technology to address the resistance independent agents regularly encounter when selling coverage to small business owners. Cover Wallet's platform will allow agents to manage their entire commercial policy lifecycle with minimal data inputs from customers. The insurance platform will also provide real-time quoting, underwriting, binding, and billing to The Hanover.

### ***Marsh explores blockchain applications with proof of insurance***

On April 16, 2018, Marsh rolled out a blockchain application that uses the Hyperledger Fabric code and is built on IBM's Blockchain Platform. The application offers immediate commercial proof of coverage to employers for contracted workers. By doing so, it helps insurers streamline the process for verifying that a contractor has insurance. The application is constructed with strategic inputs from the Association for Cooperative Operations Research and Development (ACORD). ISN is Marsh's first client to test it in the market.

### ***Cyber analytics firm Envelop Risk launches Cyber Managing General Agent (MGA)***

On April 17, 2018, Envelop Risk launched a Cyber MGA. Envelop Risk provides cyber underwriting to re/insurers and partners with cybersecurity firms to deliver custom cyber insurance products to their customers. The Cyber MGA will combine artificial intelligence for security analytics, intelligence gathering, economic, financial, and behavioral analysis, and modeling and simulation. The MGA will apply an augmented intelligence approach, combining quantitative methods with human expertise in underwriting and cybersecurity.



## Deal Activity

### Highlighted M&A Transactions

| Date   | Target  | Acquirer  | Sector             | Implied EV (\$mm) |
|--------|---|---|--------------------|-------------------|
| 3/6/18 |  |  | Software Solutions | NA                |
| 3/5/18 |  |  | P&C Insurance      | \$15,300          |

- M&A deals in Q2:2018 were fewer compared to Q1:2018.
- Incumbents took the inorganic route to automate their processes by leveraging the acquired insurance tech capabilities.
- Growth potential in emerging markets also boosted deal activities.
- The industry saw the emergence of non-related players, who are acquiring insurtechs in order to serve insurance customers.

### Highlighted Financing Transactions

| Date    | Company   | Key Investor(s)   | Type     | Amount (\$mm) |
|---------|---|---|----------|---------------|
| 5/8/18  |  |  | Series C | \$24          |
| 4/25/18 |  |  | Series B | \$29          |

### Automation across industries and opportunities in emerging markets are driving deal activity

The Insurance industry witnessed fewer M&A deals in Q2:2018 than in Q1:2018, but financing transactions continued at the same pace. Incumbents made acquisitions that strengthened their technology for implementing their growth strategies. Several venture investments were led by venture arms that invest in technology companies in the insurance space. Insurers want to gain Artificial Intelligence (AI) and drone capabilities to improve underwriting processes and provide better claims responses.

Nationwide invested in BetterView, which uses drones and AI to analyze building and property conditions and potential hazards.

Several acquisitions were made to gain expertise in areas such as authentication and cybersecurity. An example of

this trend is cloud-based insurance solutions provider iPipeline's acquisition of Alphatrust, which is a leading electronic signature process automation solutions provider. The acquisition enabled iPipeline to integrate Alphatrust's automation capabilities onto its platform.

Non-related players are investing in insurtechs in emerging markets. Amazon invested in an online insurance information provider, Acko, in India. Emerging markets present a significant growth opportunity for online insurers because of large populations, infrastructure development, and technological advancement. A report by Swiss Re's Sigma research institute found that Property & Casualty premiums in emerging markets rose nearly 10% in 2016. While in China, non-life premiums soared by 20%.

*The Insurance sector witnessed few M&A deals but financing transactions continued at the same pace. The need for automation of processes and the opportunities in emerging markets led the transactions in the sector.*

## M&A Transaction Activity Summary

| Date                           | Target   | Acquirer(s)   | Sector              | Implied EV (\$mm) |
|--------------------------------|--|---|---------------------|-------------------|
| 4/26/18                        |  <b>mitchell</b>                                    | STONE POINT CAPITAL   | P&C Insurance       | NA                |
| 3/6/18<br>Transaction Profiled | Innoveo  <b>Skye</b>                                |  <b>servion</b>                          | Software Solutions  | NA                |
| 3/22/18                        |  <b>AlphaTrust</b>                                  |  <b>PIPELINE</b><br>INNOVATION UNLEASHED | Software Solutions  | NA                |
| 3/21/18                        |  <b>CYNOSURE</b>                                    |  <b>ZenSar</b>                           | P&C Insurance       | \$2               |
| 3/19/18                        |  <b>NorthState</b><br>REINSURING THE WORLD'S RISK |  <b>FIDELITY</b><br>NATIONAL FINANCIAL | Title Insurance     | \$1,200           |
| 3/5/18<br>Transaction Profiled |  <b>XL GROUP</b>                                  |  <b>AXA</b>                            | P&C Insurance       | \$15,300          |
| 2/21/18                        |  <b>AXA MBASK</b><br>sigortaçılığı / yeni baxış   | Elkhan Garibli  | Multiline Insurance | NA                |

Source: Capital IQ and Media Reports

## Key M&A Deal Profiles

### Servion Global Solutions acquires Innoveo for an undisclosed amount

#### Target Company Overview



Innoveo Solutions AG provides software solutions and information technology consulting services to the insurance industry in Western Europe.

The company was founded in 2007 and is based in Zurich, Switzerland.

#### Services Offered

Innoveo offers INNOVEO SKYE on commercial (WebLogic, WebSphere, etc.) and open source (JBoss) infrastructure stacks, as well as information solutions to the Property and Casualty insurance industry. The company's consulting services include alignment of business and IT requirements.

#### Acquisition Details



Servion Global Solutions Ltd. acquired Innoveo Solutions AG on March 6, 2018. Puneet Pushkarna will be the new Chairman of Innoveo AG. Servion is backed by the Everstone Group, an India-focused private equity firm.

#### Transaction Rationale

Servion plans to leverage the Innoveo Skye platform along with their existing cloud offerings to increase their footprint in the global insurtech industry.

### AXA acquires XL Group at an implied EV of \$15.3 billion

#### Target Company Overview



XL Group operates as an insurance and reinsurance company worldwide. The company was founded in 1986 and is headquartered in Hamilton, Bermuda.

#### Solutions Offered

XL Group offers primary and excess casualty, environmental liability, professional liability, property, excess and surplus lines, along with U.S. program/facilities and construction business products.

#### Acquisition Details









AXA entered into a definitive agreement and plan of merger to acquire XL Group for \$15.3 billion on March 5, 2018. XL Group will continue as a wholly-owned subsidiary of AXA. Each issued and outstanding common share of XL Group will receive a cash consideration of \$57 per share of XL Group.

#### Transaction Rationale








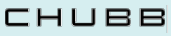













Through this acquisition, AXA aims to capture market share in the U.S. property and casualty market. AXA is shedding some business lines and refocusing on businesses such as P&C commercial lines to generate higher returns.

## Financing Transaction Activity Summary

| Date   | Target  | Sector             | Amount (\$mm) | Type     | Key Investor(s)  |
|--|---|--------------------|---------------|----------|--|
| 5/27/18  |    | Software Solutions | \$12          | Venture  |   |
| 5/21/18  |    | Software Solutions | \$4           | Venture  | Undisclosed  |
| 5/9/18   |    | P&C Insurance      | \$13          | Series A | <br>     |
| 5/8/18<br><small>Transaction Profiled</small>  |  | Software Solutions | \$24          | Series C |   |
| 5/8/18   |  | P&C Insurance      | NA            | Venture  |   |
| 4/30/18  |  | Software Solutions | \$10          | Series A | <br> |
| 4/27/18  |  | Software Solutions | \$23          | Venture  | Undisclosed  |
| 4/25/18<br><small>Transaction Profiled</small> |  | Insurance Brokers  | \$29          | Series B |   |
| 4/16/18  |  | Insurance Brokers  | \$4           | Series A |   |



## Financing Transaction Activity Summary

| Date    | Target   | Sector             | Amount (\$mm) | Type     | Key Investor(s)  |
|---------|--|--------------------|---------------|----------|--|
| 4/10/18 |  alan                                   | Digital Insurance  | \$29          | Series A |  Index Ventures   |
| 4/4/18  |  ITC INSURANCE TECHNOLOGIES CORPORATION | Software Solutions | NA            | Growth   |  AKKR   |
| 4/4/18  |  benefix                                | Insurance Brokers  | NA            | NA       |  MIDCAP EQUITY PARTNERS   |
| 3/29/18 |  BUNKER                                | Software Solutions | \$2           | Venture  |  CHUBB  |
| 3/23/18 |  INSLY                                | Insurance Brokers  | \$3           | Venture  |  BlackPearls.vc<br> LCIF LONDON CO-INVESTMENT FUND |
| 3/22/18 |  everledger                           | Software Solutions | \$11          | Series A |  Bloomberg BETA<br> FENBUSHI CAPITAL               |
| 3/19/18 |  ORIGAMI RISK                         | Software Solutions | NA            | Venture  |  SPECTRUM EQUITY  |
| 3/14/18 |  FIGO PET INSURANCE                   | Software Solutions | \$4           | Venture  |  HCS CAPITAL  |
| 3/7/18  |  RateX                                | Software Solutions | \$3           | Series A |  ALPHA JWC VENTURES<br> INSIGNIA VENTURES PARTNERS |



## Key Financing Deal Profiles

### Simplesurance raises \$24 million in Series C funding

#### Target Company Overview



Simplesurance develops cross-selling software solutions for purchasing insurance at Point-of-Sale (PoS). Simplesurance GmbH was founded in 2012 and is based in Berlin, Germany.

#### Services Offered

Simplesurance offers a software solution that enables a customer to buy a product online and also purchase insurance for the product. The company sells its products to e-commerce and electronics manufacturers. The company also offers digital broker services for customers to manage their insurance on their phones.

#### Acquisition Details



Simplesurance GmbH announced that it received \$24 million in its Series C round of funding led by existing investor Allianz SE on May 8, 2018. The transaction included participation from other existing investors, Rheingau Founders GmbH, Rakuten, Inc., Investment Arm.

#### Transaction Rationale

Simplesurance GmbH will use the proceeds for expansion into new markets with a focus on Asia. Japan is a possible first target to support the launch of new services like Cyber Protection later this year.

### Clark raises \$29 million in Series B funding

#### Target Company Overview



Clark Germany GmbH develops and operates a digital insurance platform that enables users to buy and manage insurance. Clark Germany GmbH was founded in 2015 and is based in Berlin, Germany.

#### Services Offered

Clark offers an insurance robo-advisor through Clark iOS, Android and web apps to manage and purchase insurance products.

#### Acquisition Details



Clark Germany GmbH announced that it has received \$29 million in its Series B round of funding co-led by new investors Portag3 Ventures and White Star Capital, L.P. on April 25, 2018.

#### Transaction Rationale

The funds will be used by Clark to strengthen both technology and marketing to grow in the digital insurance space.

## IPO Activity Summary

| Company  | IPO Date | Amount Raised (\$mm) | IPO Price | Current Market Price | Total Return |
|--|----------|----------------------|-----------|----------------------|--------------|
|  众安保险<br>ZhongAn Insurance                    | 9/27/17  | \$1,1524             | \$7.65    | \$6.64               | (13%)        |
|  ASR<br>nederland                             | 6/9/16   | \$1,153              | \$22.09   | \$42.96              | 94%          |
|  HealthEquity<br>Building Health Savings®     | 7/6/15   | \$127                | \$14.00   | \$76.09              | 444%         |
|  trupanion<br>Medical insurance for your pet. | 7/17/14  | \$71                 | \$10.00   | \$32.47              | 225%         |
|  TriNet                                     | 3/26/14  | \$240                | \$16.00   | \$54.90              | 243%         |
|  BENEFITFOCUS®                              | 9/17/13  | \$131                | \$26.50   | \$34.35              | 30%          |
|  iSelect<br>always get it right             | 6/24/13  | \$199                | \$1.71    | \$0.63               | (63%)        |
|  GUIDEWIRE                                  | 1/24/12  | \$115                | \$13.00   | \$93.80              | 622%         |
|  QUIN STREET                                | 2/10/10  | \$150                | \$15.00   | \$13.71              | (9%)         |

Source: Capital IQ and Pitchbook  
Market data as of June 1, 2018

## Select Wall Street Research Updates and Commentary

### Update from J.P. Morgan, May 2018



We reiterate our OW rating and believe there are 3 reasons to buy now. **We forecast: 1. nonlife combined ratio to improve 0.5% this year due to better pricing; 2. the combined ratio to improve by an extra 0.7% as Zurich is cancelling inadequately priced US commercial motor contracts; 3. the planned cost cuts in nonlife should flow straight to profit this year and we estimate this is an extra 0.8%.** These positives will, we believe, start to crystalize in 2Q18, when Zurich reports full profit figures, not just revenues and solvency as in 1Q18. In addition, we believe 2Q18 will benefit from positive growth in fee contribution from Farmers, albeit slower than we had forecast. We remain OW with an unchanged Dec19 SF375 SoTP-based target price.

### Update from RBC Capital Markets, May 2018



In terms of legacy business optimization, MFC has just started its alternative long-duration asset (ALDA) portfolio sales (15% complete), has discontinued sales of COLI/BOLI in the U.S. and entered into a small reinsurance transaction in Canada which freed up \$240 million of capital. **From an efficiency/expense perspective, two recently announced initiatives are expected to generate approximately \$70 million of pre-tax annual savings by 2019** — however, we assume this will be offset by lower earnings resulting from future legacy business "optimization."

### Update from Oppenheimer, February 2018



Our key theme for Workday this year is that the **market headwinds for financials should lessen from growing demand for SaaS financials edge apps** like planning and performance, an attractive all-in-one financials, HCM, analytics and development SaaS value proposition, and the two F500 wins in F4Q. The HCM, Ed Tech, and Industries businesses are healthy, and the analytics landscape could shift soon with PRISM Analytics followed by cloud platform traction.

### Update from J.P. Morgan, March 2018



We now rate Allianz Neutral as the €2bn FY18 buyback is likely to finish end of April and we now forecast no more this year (previously €0.5bn extra), and just €1bn pa going forward, instead of €2bn before. This is because we believe **Allianz is a more focused on deals than we had previously thought.**

### Update from Raymond James, April 2018



The company continues to report double-digit organic revenue growth while expanding margins and gaining making share. Looking ahead, we continue to expect Progressive to report double-digit EPS growth throughout 2018, reflecting the **company's relative competitive position as other auto insurance companies re-price and re-underwrite business as a result of recent trends in miles driven and accident frequency.** We expect Progressive to report an industry-leading ROBE in excess of 21% in 2018, which should compare very favorably with its peer group. Finally, we continue to believe the stock deserves to trade at a premium to the market multiple considering its best-in-class organic revenue and EPS growth profile.



# Appendix – Coverage Universe Components

The coverage universe for various sectors is as follows:

## 1 Payments:

ADS, FLT, ENXTPA:EDEN, WEX, FIS, FISV, JKHY, ACIW, EPAY, V, MA, AXP, PYPL, SHOP, ENXTAM:GTO, DBD, CATM, MB, EVRI, PMTS, BOVESPA:CIEL3, FDC, GPN, TSS, VNTV, SQ, LSE:WPG, XTRA:WDI, ENXTPA:WLN, DLX, LSE:PAYS, TSE:3769, QIWI, EVTC, LSE:PAY, UEPS, NEWT, JTPY, ENXTPA:ING, NCR, SZSE:002152, PAY, SEHK:327, AIM:SCH, PAR, WU, EEFT, HAWK, GDOT, MGI, ASX:OPX, PLPM

## 2 Bank Technology Solutions:

FIS, FISV, JKHY, SWX:TEMN, BSE:532466, TSE:6457, QTWO, SGX:5CP, EPAY, OTCPK:CSVI, BSE:538835, SWX:CLXN, AIM:MONI, LSE:EXPN, EFX, TRU, OM:IJ, FICO, FNF, ZG, CSGP, ELLI, CLGX, BKFS, LSE:ZPG, STC, TSX:REAL, ASP, REIS, ENXTAM:WKL, PEGA, DNB, ENXTPA:SOP, WSE:ACP, MITK, AIM:SQS, NTWK, INTC, IBM, AXP, PYPL, FDC

## 3 Specialty Finance / Alternative Lending:

NAVI, NNI, PRAA, ECPG, PRGX, PFMT, ASFI, CIT, CACC, NEWS, MRLN, TSX:CHW, ASX:ZML, CPSS, COF, SYF, DFS, SLM, LSE:PFG, SC, OMF, FCFS, AAN, LSE:TCS, SGBK, WRDL, LSE:IPF, TBBK, EZPW, RM, OB:MONO-ME, ATLC, URI, AL, TSX:EFN, TGH, RCI, ASX:FXL, CAI, FLY, NSM, CASH, PHH, PFSI, OCN, WAC, LC, TREE, YRD, DB:FRU, ENVA, XRF, ELVT, ONDK, DB:MBC

## 4 Securities:

BGCP, LSE:NXG, LSE:IGG, IBKR, ENXTAM:FLOW, KCG, VIRT, ITG, ENXTPA:VIL, INTL, SWX:CFT, BMV:FINAMEX O, WFC, BAC, C, LSE:HSBA, ASX:CBA, TSX:RY, TSX:TD, ENXTPA:BNP, USB, AXP, LSE:LLOY, PNC, ASX:NAB, TSX:BMO, LSE:BARC, SEHK:11, LSE:RBS, SGX:D05, TSX:CM, NSEI:ICICIBANK, MTB, BIT:MB, UMBF, LSE:CBG, FII, NSEI:IIFL, XTRA:COM, CME, ICE, SEHK:388, XTRA:DB1, LSE:LSE, BOVESPA:BVMF3, NDAQ, CBOE, ASX:ASX, SGX:S68, ENXTPA:ENX, BME:BME, TSX:X, SPGI, TSX:TRI, MCO, INFO, MSCI, FDS, ENXTPA:FIM, MORN, NSEI:CRISIL, VALU, JPM, GS, MS, SWX:UBSG, DB:DBK, SWX:CSGN, ASX:MQG, TSE:8604, RJF, LAZ, SF, PJC, GHL, COWN, AMEX:LTS, AIM:NUM, JMP, BLK, BK, BEN, NTRS, AMP, TROW, IVZ, LSE:HL, LSE:INVP, JHG, AB, CNS, WDR, APAM, WETF, VRTS, SCHW, AMTD, ETFC, MKTX, TSE:8628, AIM:PLUS, TSE:8698, YIN, LSE:CMCX, SWX:SQN, GCAP, GLBR, STT, BR, SEIC, ASX:CPU, DST, LPLA, LSE:TCAP, FNGN, ENV, LSE:SNN, ASX:BVS, ENXTAM:KA, SSNC, CPSE:SIM, LSE:ALFA, ASX:IRE, LSE:FDSA, AIM:FDP, ENXTPA:LIN, AIM:SOG

## 5 Insurance:

LSE:REL, VRSK, DNB, ACXM, MMC, AON, WLTW, AJG, BRO, LSE:JLT, MET, PRU, CI, TSX:MFC, AFL, LSE:AV, TSX:GWO, TSX:SLF, LSE:LGEN, PFG, LNC, SWX:SLHN, LSE:SL, ENXTAM:AGN, TMK, PRI, ANAT, LSE:HSD, DB:ALV, ENXTPA:CS, AIG, SWX:ZURN, ALL, AFG, GNW, LSE:MONEY, RATE, EHTH, ASX:ISU, QNST, CB, TRV, PGR, HIG, CINF, LSE:RSA, THG, MCY, SIGI, EIG, STFC, MKL, WRB, AIZ, AWH, PRA, AFSI, RLI, AGII, OB, NAVG, AMSF, GBLI, GWRE, EBIX, SPNS, CRD.B, AMEX:MJCO, TSXV:SY, PN, FNF, ORI, FAF, STC

## 6 BPO:

ENXTPA:RCF, CVG, TTEC, SYKE, SRT, ESRX, ATHN, HQY, BOVESPA:QUAL3, MDRX, HMSY, QSII, CSLT, CPSI, RCM, ADP, PAYX, ULTI, WAGE, TNET, CSOD, NSP, BNFT, ACN, NSEI:TCS, CTSH, NSEI:INFY, DXC, BSE:507685, NSEI:HCLTECH, ENXTPA:CAP, ENXTPA:ATO, DOX, OTEX, NSEI:TECHM, CACI, EXLS, WNS, CALD, SYNT, BSE:532819, NSEI:HEXAWARE, VRTU, UIS, VDSI, LSE:MCGN, BIT:BET, TSX:GIB.A, LSE:CPI, G, BSE:526299, CSGS, BSE:532809, AIM:IBPO, PRGX

## 7 Financial Management Solutions:

INTU, LSE:SGE, BL, COUP, ASX:RKN, TYL, PEGA, ASX:TNE, QADA, AMSW.A, LSE:MCGN, NSEI:RAMCOSYS, ADP, PAYX, WDAY, ULTI, HRB, PAYC, WAGE, PCTY, CSOD, NSP, LSE:HRG

## 8 Analytics / IoT:

ORCL, DB:SAP, CRM, VMW, LSE:EXPN, OTEX, SPLK, DATA, FICO, XTRA:SOW, RP, NEWR, MSTR, CLDR, AYW, HDP, VERI, DWCH, GOOGL, MSFT, AMZN, KOSE:A005930, T, CMCS.A, VZ, QCOM, TMUS, HLSE:NOKIA, S, GRMN, LOGM, SLAB, IDCC, AMBA, GLOB, FIT, CTRL, GE, INTC, CSCO, DB:SIE, HON, TXN, TSE:6501, HPE, SWKS, RHT, ARW, PTC, ZBRA, CY, IRDM, TSX:SW, ORBC, CAMP, SSNI, IBM, LSE:REL, EFX, NLSN, VRSK, IT, TRU, DNB, TDC, CLGX, VRNT, ACXM, FORR, TSX:AIM, MATR

## 9 Healthcare Tech:

INOV, OMCL, VCRA, TRHC, STRM, CERN, DB:COP, MDRX, EVH, QSII, HSTM, AIM:EMIS, CPSI, COTV, HMSY, ATHN, AIM:CRW, RCM, SREV, UNH, AET, ANTM, HUM, CNC, WCG, NUAN, MMS, MOH, MGLN, GTS, HIIQ





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