



Evolve
Capital Partners

DEALS & MARKET UPDATE

Insurance
January 2025



TPA
Services



Adjusting
Services



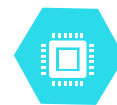
Benefits
Administration



Online
Platforms



Insurance
Distribution



Insurance
Software



Tech-Enabled
Services



Data &
Analytics



Core &
Modular
Systems



Subrogation



Tech-Enabled
MGAs / Agencies



Traditional & Life
Carriers



P&C
Carriers



Multi-Line
Carriers

Specialized investment bankers at the intersection of finance and technology



Overview of Evolve Capital Partners

About Evolve Capital Partners

- Evolve Capital Partners Inc. ("Evolve") is a growing investment bank focused exclusively on entrepreneurial businesses operating at the intersection of technology-enabled solutions and financial services
- Evolve’s primary coverage verticals include Insurance and Capital Markets
- As an independent investment bank, Evolve only advises private and public companies on mergers and acquisitions, divestitures, capital raises, and financial restructurings
- Evolve dispenses bespoke, mission-critical advice within a creative and entrepreneurial environment, ensuring maximum value and successful outcomes
- Since its inception, Evolve has completed dozens of transactions, and professionals of the firm have advised on M&A and financing transactions worth more than \$10 billion
- Evolve was established in 2012 and is based in New York, NY

High-Touch Investment Banking

Our Clients


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


Investment Banking Advisory


- M&A
- Strategic Capital Formation
- Strategic Alliances
- Financial Restructuring

Select Evolve Insurance Transactions


Insurance
SELL SIDE ADVISOR


 **INSURITAS**
has been acquired by

 **VIU**
by HUB
an insurance brokerage platform backed by

 **HUB**
Embedded Insurance Distribution

Insurance
ACQUISITION ADVISORY

 **KELLY**
has been acquired by

 **SOCIUS**
Managing General Underwriter

Insurance
ACQUISITION ADVISORY

 **SOUTHWEST ADJUSTERS**
NATIONWIDE INDEPENDENT CLAIMS ADJUSTING

has been acquired by

 **LONGSHORE CAPITAL PARTNERS**

Independent Insurance Adjuster



We Focus Exclusively on Insurance-Related Firms

Evolve consistently delivers expert strategic advisory across multifaceted Insurance sector transactions



Capabilities

M&A Advisory

Sales / Recaps

Acquisitions

Divestiture

Strategic Advisory

Tech-Enabled Services



Distribution



Core Software



Carriers



Business Services / Outsourcing



Ancillary Software





Insurance Industry M&A Update

M&A Market Update

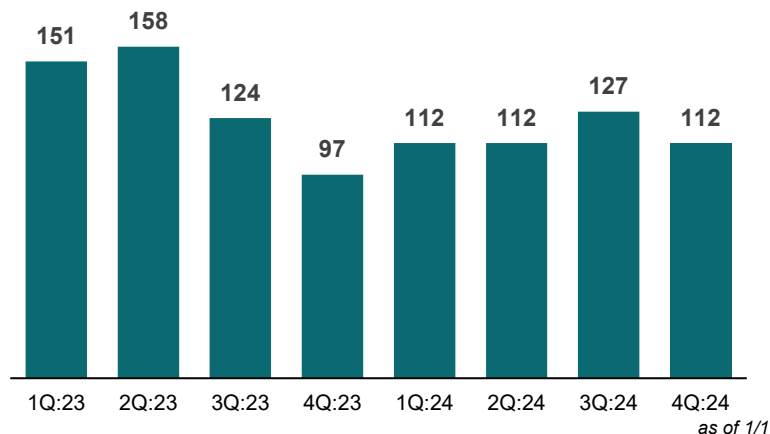
- M&A activity in insurance experienced modest growth in the latter half of 2024; this growth trend is expected to continue in 2025 as firms eyeing inorganic growth opportunities are ready to transact. Anticipated stable or lower interest rates, a favorable regulatory environment, and supportive market conditions will drive growth in M&A in the insurance industry.
- **Services Companies:** M&A activity among insurance service providers has remained steady, with a positive outlook for 2025. Key drivers of growth in the sector include market fragmentation, prompting firms to consolidate for scale and efficiency, and the need for digital transformation to modernize legacy systems and integrate innovative digital solutions. Insurtech firms have become attractive targets as companies seek to strengthen their technological capabilities
- **Distribution:** The distribution market is seeing a modest rebound in M&A activity, driven by its fragmented structure and the need for scale and efficiency. Firms are acquiring to streamline operations and capitalize on growth in the MGA and E&S markets. This trend also involves increased collaboration with BigTech, expanded telematics use, and adoption of subscription-based models.
- **Software & Technology:** The industry is continuing to experience rapid, dynamic changes due to a continuous need to innovate. Significant resources continue to be allocated to AI and ML. Static M&A trends are likely to be buoyed by firms' need to acquire NLP and GenAI to improve underwriting and claims processing efficiencies.

Relevant News

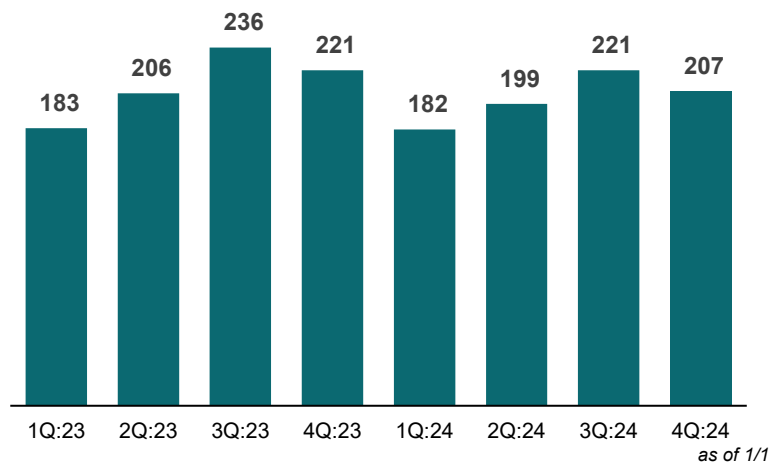
- **1/8:** Wildfire damage in Los Angeles have exceeded \$10BB of insured losses and continue to rise
- **12/20:** New legislation that requires auto insurers to adjust coverage limits to account for inflation faces criticism for potentially increasing premiums for low-income residents.

Announced M&A Transaction Count

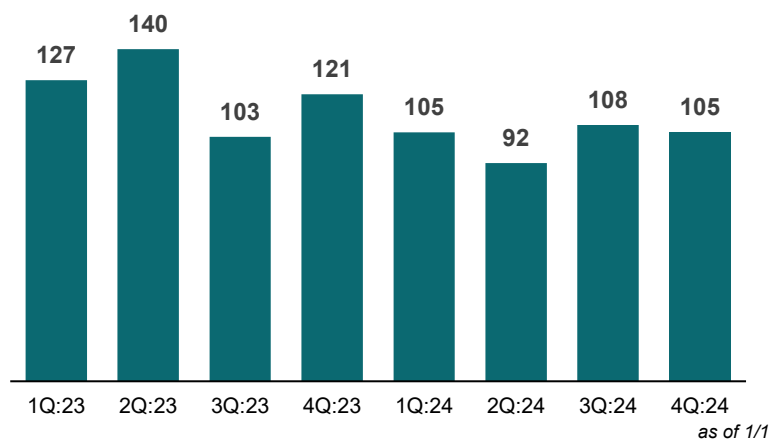
Services



Distribution



Software & Technology

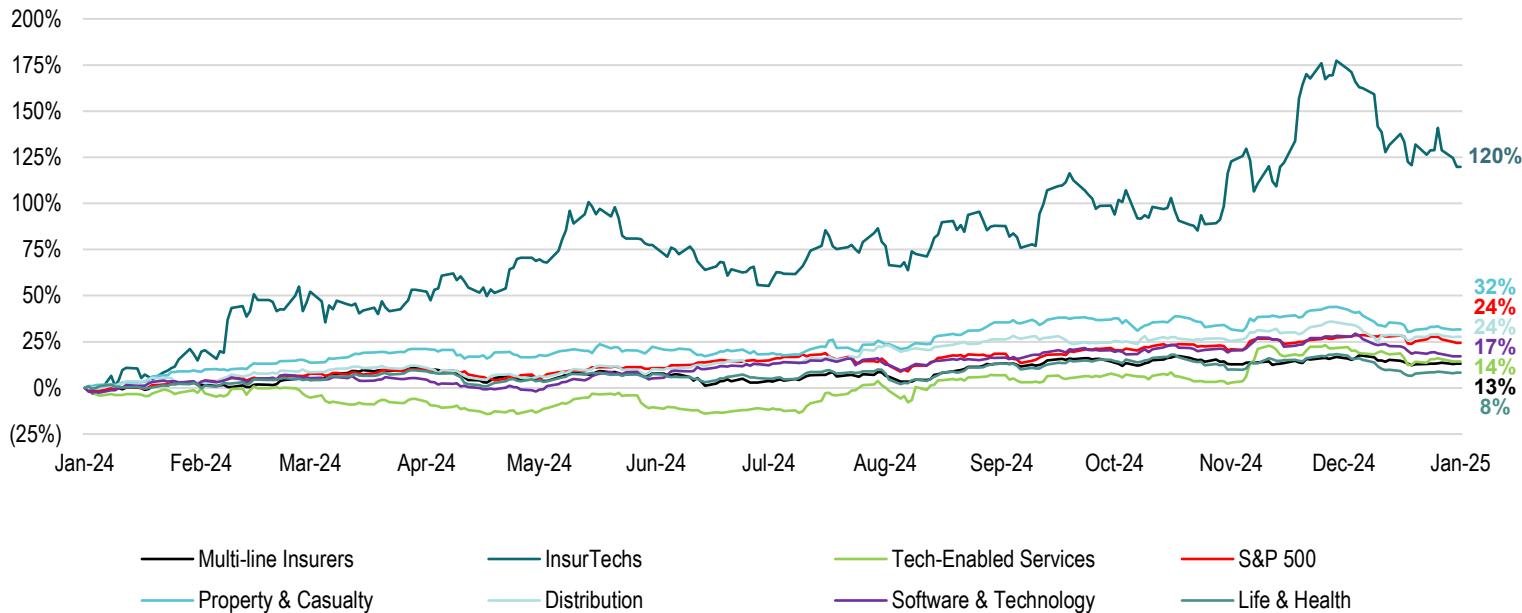




Market Summary and Key Multiples

Evolve's Insurance Industry Stock Market Performance

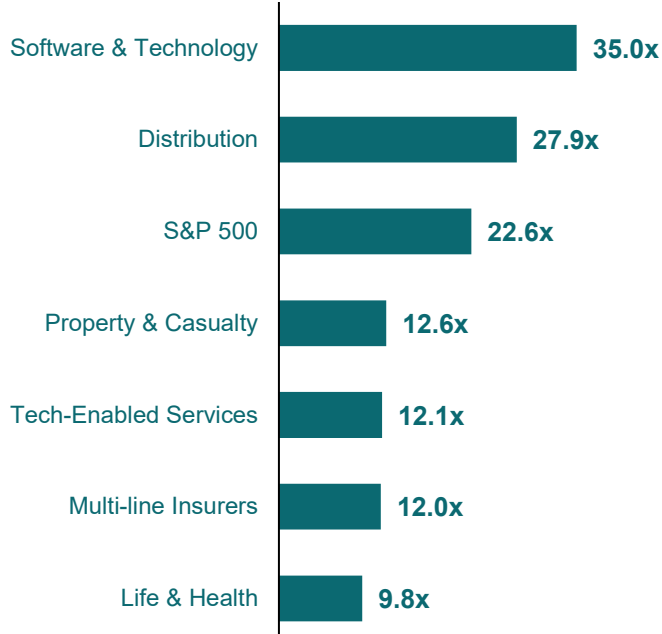
Last Twelve Months Insurance Sector Performance



Public Market Commentary

- The insurance sector largely lagged behind the S&P 500 over the past year, with most segments posting modest growth amid market volatility, however, InsurTech stood out with a meteoric 120% rise, driven by rapid innovation and heightened investor enthusiasm. In contrast, traditional brokers underperformed due to persistent profitability challenges and shifting market sentiment.
- **P&C:** P&C insurers faced challenges from rising claims costs and underwriting pressures, resulting in muted stock performance
- **Tech-enabled Services:** Tech-enabled service providers reported steady revenue growth and healthy EBITDA margins, driven by ongoing digital transformation and operational efficiencies.
- **Distribution:** Forward multiples of ~28x and strong 2024 stock performance signal investor confidence in scalable, recurring revenue models fueled by digital adoption and growing demand for specialized insurance solutions.

Insurance NTM P / E Multiples



Data as of January 1, 2025

Source: Capital IQ

Recent Notable Insurance Transactions

amynta

THE AMYN TA GROUP



CRUM & FORSTER

EST. 1822 A FAIRFAX COMPANY

December 27: Amynta Group acquires Crum & Foster's Credit Division

- **Crum & Forster's Credit Division** specializes in structured credit insurance solutions, offering products such as single situation trade credit, multibuyer trade credit, mortgage risk, significant risk transfer (SRT), alternative risk solutions, and political risk insurance.
- **Amynta Goup** is an insurance services company with more than \$3.5 billion in total managed premium serving carriers, wholesalers, retail agencies, auto dealers, original equipment manufacturers, and consumer retailers
- **Strategic Rationale:** This acquisition will expand the company's specialty insurance offerings by adding structured credit insurance solutions and enhancing underwriting capabilities, positioning the company for growth in new markets



GALLAGHER



AssuredPartners

December 9: Gallagher to buy AssuredPartners for \$13.5 Billion

- **Arthur J. Gallagher & Co.** is a provider of insurance brokerage services catering to individuals and businesses
- **AssuredPartners** is the operator of a mid-market insurance brokerage firm committed to partnering with insurance providers to efficiently service customers
- **Strategic Rationale:** Gallagher said the acquisition increases its potential in multiple niche practice groups such as transportation, energy, healthcare, government contractors and public entities; substantiating the 14x multiple paid on AssuredPartners' trailing 12-month EBITDA (ended September 30, 2024)

INSURITAS

VIU
by HUB

December 4, 2024: VIA by HUB acquires Insuritas

- **Insuritas** is a leading embedded insurance provider for financial institutions, partnering with banks and credit unions to bolster product offerings and enhance customer journey.
- **VIA by HUB** is an omnichannel insurance brokerage platform backed by the largest personal insurance broker, Hub International and provides a real-time insurance shopping experience for consumers, offering a wide choice of carriers and advice.
- **Strategic Rationale:** The move positions VIU for rapid expansion as it strengthens its roster of financial institution partners and opens its digital platform to new customers.

★ *Evolve Capital Partners served as exclusive financial advisor to Insuritas*

SHORE
Capital Partners

point.c

November 21: Shore Capital announces recapitalization of Point C

- **Shore Capital**, a Chicago-based private equity firm is an investor in lower middle market companies in the Healthcare, Food and Beverage, Business Services, Industrial, and Real Estate industries
- **Point C** is a leading national provider of support to its network TPAs of medical benefits and administrative services for self-funded employers
- **Strategic Rationale:** Continued partnership positions Point C to support self-funded insurance utilization and healthcare benefits transparency

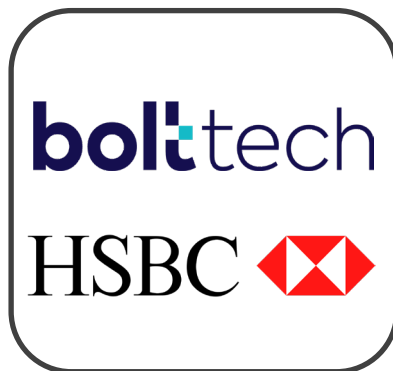


Recent Notable Insurance Transactions



November 20: Davies acquires US loss adjuster Barker Claim Services

- **Davies**, a provider of insurance operations management and consulting services intended for the risk and insurance value chain
- **Barker**, based in Greensboro, is known for its professional claims handling and loss adjusting expertise, particularly in property, casualty and motor claims
- **Strategic Rationale:** This move bolsters Davies' claims handling capabilities across Virginia, North Carolina, South Carolina and north-east Tennessee, offering regional services to its clients



November 20: Bolttech and HSBC close up to \$50M Venture Debt

- **Bolttech** is a global insurtech with a mission to build the world's leading, technology-enabled ecosystem for protection and insurance
- **HSBC** is a global banking corporation serving customers worldwide from offices in 60 countries and territories
- **Strategic Rationale:** The facility will support Bolttech's future strategic growth initiatives, including market expansion and pursuing opportunities to strengthen its technology and product capabilities while enhancing operational flexibility



November 8: Centana Invests \$48M in First Connect Insurance

- **First Connect Insurance Services** helps connect independent agents with today's "best-in-class" insurtech providers
- **Centana Growth Partners** is a growth equity firm that invests in companies within the fintech and related enterprise software eco-systems
- **Strategic Rationale:** First Connect will use this investment to hire more marketing, support, sales, and account management team members, as well as technology engineers, product managers and designers

Public Company Comparables – Insurance Sub-Sectors (1/2)

(All figures in millions of USD, except per share data. Data as of January 1, 2025)

Insurance Brokers

Company	Stock Price	% of 52-Wk. High	Market Value	Enterprise Value	LTM		Growth Rates:			LTM Margins:		EV / Revenue			EV / EBITDA					
					Revenue	EBITDA	Revenue:		Earnings	Gross	EBITDA	LTM	CY 2024	CY 2025	LTM	CY 2024	CY 2025	LTM	CY 2024	CY 2025
							CY 2024	CY 2025												
Marsh & McLennan	\$212.41	90.2%	\$104,319	\$117,494	\$23,945	\$7,246	7%	10%	10%	45%	30%	4.9x	4.8x	4.4x	16.2x	17.0x	15.3x			
Aon	\$359.16	90.9%	\$77,674	\$94,806	\$14,926	\$4,295	18%	11%	8%	47%	29%	6.4x	6.0x	5.4x	22.1x	18.9x	16.7x			
Arthur J. Gallagher	\$283.85	89.6%	\$70,906	\$77,490	\$10,668	\$3,382	20%	16%	22%	44%	32%	7.3x	6.8x	5.8x	22.9x	22.0x	18.5x			
Willis Towers Watson	\$313.24	93.5%	\$31,551	\$36,246	\$9,809	\$2,581	5%	(2%)	4%	45%	26%	3.7x	3.6x	3.7x	14.0x	13.4x	13.2x			
Brown & Brown	\$102.02	89.4%	\$29,173	\$32,039	\$4,559	\$1,528	13%	8%	18%	48%	34%	7.0x	6.8x	6.3x	21.0x	19.3x	17.9x			
BRP Group	\$38.76	69.4%	\$2,619	\$4,378	\$1,305	\$286	14%	13%	30%	26%	22%	3.4x	3.2x	2.8x	15.3x	14.0x	12.1x			
Goosehead Insurance	\$107.22	82.2%	\$2,615	\$2,722	\$277	\$73	15%	25%	61%	42%	26%	9.8x	9.1x	7.3x	37.3x	32.2x	25.3x			
GoHealth	\$13.39	89.3%	\$136	\$808	\$700	\$60	0%	7%	NMF	81%	9%	1.2x	1.1x	1.0x	13.4x	10.0x	8.2x			
MEAN							11%	11%	22%	47%	26%	5.4x	5.2x	4.6x	20.3x	18.4x	15.9x			
MEDIAN							13%	10%	18%	45%	28%	5.6x	5.4x	4.9x	18.6x	18.0x	16.0x			

Software Solutions

Company	Stock Price	% of 52-Wk. High	Market Value	Enterprise Value	LTM		Growth Rates:			LTM Margins:		EV / Revenue			EV / EBITDA					
					Revenue	EBITDA	Revenue:		Earnings	Gross	EBITDA	LTM	CY 2024	CY 2025	LTM	CY 2024	CY 2025	LTM	CY 2024	CY 2025
							CY 2024	CY 2025												
RELX	\$45.45	95.6%	\$84,328	\$92,869	\$11,651	\$3,762	4%	6%	10%	65%	32%	8.0x	7.8x	7.4x	24.7x	19.8x	18.7x			
Roper Technologies	\$519.85	89.6%	\$55,743	\$63,850	\$6,776	\$2,733	13%	9%	10%	70%	40%	9.4x	9.1x	8.3x	23.4x	22.5x	20.5x			
Fair Isaac	\$1,990.93	82.9%	\$48,475	\$50,577	\$1,653	\$861	14%	16%	18%	79%	52%	NMF	NMF	NMF	58.8x	53.2x	43.4x			
Verisk Analytics	\$275.43	92.9%	\$38,894	\$41,698	\$2,823	\$1,382	7%	7%	4%	68%	49%	14.8x	14.5x	13.5x	30.2x	26.3x	24.4x			
Guidewire Software	\$168.58	80.6%	\$14,080	\$13,725	\$1,036	(\$13)	13%	17%	136%	61%	(1%)	13.2x	13.0x	11.1x	NMF	NMF	61.1x			
CCC Intelligent Solutions	\$11.73	91.1%	\$7,337	\$7,926	\$910	\$382	9%	9%	20%	75%	42%	8.7x	8.4x	7.7x	20.7x	20.1x	18.3x			
Sapiens International	\$26.87	65.2%	\$1,502	\$1,379	\$539	\$100	6%	3%	7%	43%	18%	2.6x	2.5x	2.5x	13.8x	13.3x	12.7x			
MediaAlpha	\$11.29	43.8%	\$622	\$754	\$497	\$49	122%	31%	23%	18%	10%	1.5x	0.9x	0.7x	15.3x	8.3x	6.1x			
FINEOS Corporation	\$1.14	80.7%	\$385	\$361	\$127	(\$13)	6%	8%	NMF	72%	(11%)	2.9x	2.7x	2.5x	NMF	NMF	21.8x			
MEAN							22%	12%	28%	61%	26%	7.6x	7.4x	6.7x	26.7x	23.2x	24.3x			
MEDIAN							9%	9%	14%	68%	32%	8.3x	8.1x	7.5x	23.4x	20.9x	18.7x			

Tech-Enabled Insurance Services

Company	Stock Price	% of 52-Wk. High	Market Value	Enterprise Value	LTM		Growth Rates:			LTM Margins:		EV / Revenue			EV / EBITDA					
					Revenue	EBITDA	Revenue:		Earnings	Gross	EBITDA	LTM	CY 2024	CY 2025	LTM	CY 2024	CY 2025	LTM	CY 2024	CY 2025
							CY 2024	CY 2025												
Accenture	\$351.79	90.8%	\$220,038	\$220,785	\$66,362	\$11,358	3%	6%	8%	32%	17%	3.3x	3.3x	3.1x	19.4x	17.6x	16.2x			
Infosys	\$21.99	93.8%	\$91,073	\$88,736	\$18,167	\$4,116	5%	8%	8%	30%	23%	4.9x	4.7x	4.4x	21.6x	20.0x	17.9x			
Genpact	\$42.95	89.5%	\$7,575	\$8,405	\$4,665	\$766	6%	6%	7%	35%	16%	1.8x	1.8x	1.7x	11.0x	9.8x	8.9x			
ExiService Holdings	\$44.38	93.7%	\$7,140	\$7,240	\$1,710	\$381	12%	12%	16%	37%	22%	4.2x	3.9x	3.5x	19.0x	18.3x	16.2x			
CorVel	\$111.26	87.4%	\$5,716	\$5,610	\$817	\$129	NA	NA	NA	22%	16%	6.9x	NA	NA	43.3x	NA	NA			
DXC Technology Company	\$19.98	80.5%	\$3,617	\$7,348	\$13,262	\$1,403	(5%)	(3%)	(8%)	23%	11%	0.6x	0.6x	0.6x	5.2x	3.8x	3.8x			
Conduent	\$4.04	88.0%	\$646	\$1,336	\$3,509	\$102	(10%)	(3%)	(60%)	20%	3%	0.4x	0.4x	0.4x	13.1x	9.2x	7.2x			
Crawford & Company	\$11.63	89.5%	\$570	\$852	\$1,241	\$63	2%	4%	6%	28%	5%	0.7x	0.7x	0.6x	13.5x	7.6x	6.4x			
MultiPlan	\$14.78	27.6%	\$239	\$4,706	\$943	\$558	(3%)	1%	NMF	74%	59%	5.0x	5.0x	5.0x	8.4x	8.1x	8.1x			
MEAN							1%	4%	(3%)	34%	19%	3.1x	2.6x	2.4x	17.2x	11.8x	10.6x			
MEDIAN							3%	5%	7%	30%	16%	3.3x	2.6x	2.4x	13.5x	9.5x	8.5x			



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KEY SENIOR PROFESSIONALS

Alexander Koles

Founder and Managing Director
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Mr. Koles has two decades of financial advisory experience including advising middle-market and multinational firms on merger and acquisition strategies and execution, restructurings and capital raises. Prior to founding Evolve Capital Partners, he worked at a number of leading investment banks in leadership roles. He started his career at Merrill Lynch as an investment banker in the corporate finance group.

Jonathan Litinger

Director
jon@evolve-capital.com

Mr. Litinger has over 10 years of financial services experience. Jon helps lead relations with companies, funds and strategic groups. Prior to joining Evolve, Jon spent 9 years at Citigroup, most recently working in the Global Markets division covering both private companies and institutional investors. In this role, he sourced and connected senior leaders of emerging growth private companies to institutional investor clients, strategic partners and other industry thought leaders to assist with their capital needs and investor relation goals. Mr. Litinger received bachelor's degree from the University of Michigan.

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