

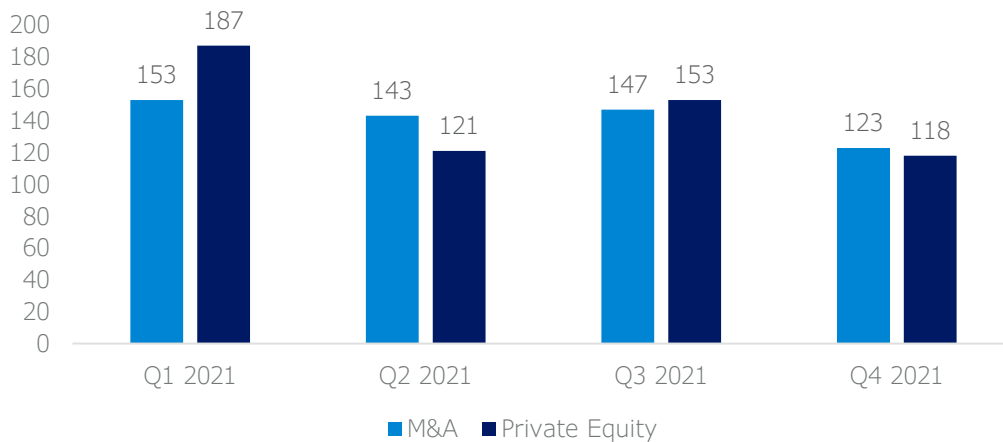
Market Update Insurance

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Global M&A activity in the Insurance industry remained strong in Q4 2021 but slightly pulled back from the lightning-fast pace of the first three quarters of the year. The Insurance industry saw over 1,200 M&A transactions in 2021 raising over \$160 billion in capital, setting records in terms of both deal volume and capital raised.

M&A activity was fueled this year by a number of factors such as record-low interest rates and the rapid adoption of new business models and technologies in the continued response to the COVID-19 pandemic. The Insurance industry was ripe for innovation and disruption, which has allowed InsurTech firms and vendors to command strong interest and valuation multiples in the M&A ecosystem. 2022 shows no signs of slowing down and is expected to be another strong year for all verticals in the industry including InsurTechs, brokerages, agencies, and TPAs.

of M&A Deals in the Insurance Industry

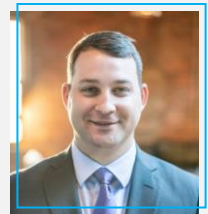


7MA has completed and is constantly working on a number of transactions with companies that operate in the Insurance and Insurtech sectors. Our team has developed unparalleled deal expertise and knowledge of the industry trends, valuation multiples, and the most active strategic and financial buyers. Please contact Nicholas Prendergast, Steve Buffington, or Adam Alderfer if you would like to learn more about 7MA's Insurance Technology and Services practice.

Sector Coverage Team



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The Rise of Digital Insurance Platforms & Digital Experiences

Digital Insurance Platforms are pre-packaged insurance platforms that give insurers the ability to transform their operations by deploying technology-powered products & business models across a variety of distribution channels. These types of end-to-end insurance solutions give insurers the flexibility and operational efficiencies needed to deliver products in a quick and successful manner while cutting out legacy and often pricey marketing strategies. This has created massive market opportunities for vendors who are able to provide global and local insurers alike with expertise on digital transformation, evolution of offerings, and omnichannel platform solutions that provide a seamless and integrated customer journey.

As consumers have increased their demand for personalized and customized experiences, legacy insurance firms have struggled to match the digital experience that InsurTech firms have been able to provide. As a result, insurers have invested heavily, both organically and through acquisitions, to innovate core operations such as policy and claims management, integration accelerators, agent applications and interfaces, and more. Insurers are looking for ways to eliminate the roadblocks between their products and customers to enhance customer interactions to create lasting and profitable relationships. To do this, insurers must accept the digital trends of today such as implementing integrated API-driven platforms and replacing legacy systems with modernized solutions.

This has inflated the insurance P&C platform market and garnered outside investment from strategic and private equity investors alike. Going into 2022, the M&A market will likely remain active as insurers actively look for vendors and partners to help further streamline core operations and create stronger relationships with the end consumer.

**\$96.34
billion**

2020A Revenue
Generated by Digital
Insurance Platforms

**\$279.51
billion**

2030F Revenue
generated by Digital
Insurance Platforms

11.3%

Digital Insurance
Platform 2021-2030
CAGR

M&A Spotlight: TA Associates' InsurTech Platform Investments



TA Associates, a leading global growth private equity firm, announced a strategic growth investment in Adcubum AG, a leading Swiss health and property & casualty (P&C) insurance software provider, and tech11 GmbH, a fast-growing insurance software provider serving the P&C market in Germany and across Europe. The investment will create a leading software provider in the health and P&C markets in Europe, leveraging the momentum of both Adcubum and tech11. This investment comes off the back of TA's investment in Insurity, a provider of cloud-based software and analytics services intended for insurers, brokers and managing general agents, in November of 2021.



Date: December 10, 2021

Deal Type: Growth Investment

Targets HQ: Europe

Industry Vertical

Insurtech

Life & Health

Property & Casualty

TPAs

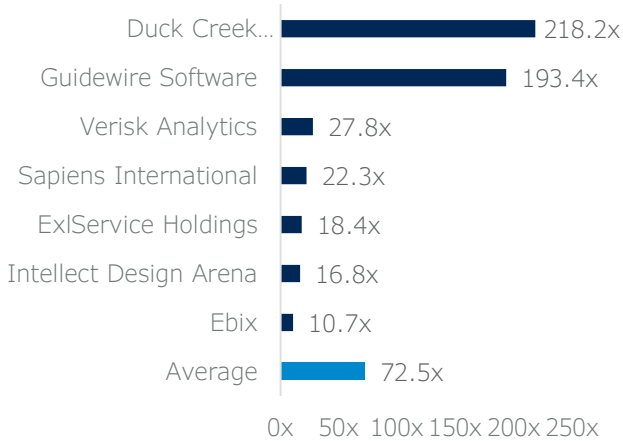


Please reach out to 7MA team to get access to the full list.

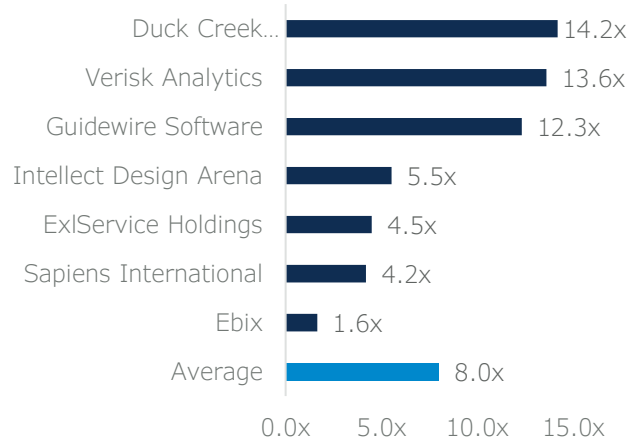
Publicly-traded Insurtech Companies – Q4 2021

Companies	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# of FTEs	Rev / FTE \$k
Intellect Design Arena	1,225	73	223	11%	51%	33%	5.5x	16.8x	4,260	29
Sapiens International	1,856	83	443	18%	41%	19%	4.2x	22.3x	3,438	54
Ebix	1,563	146	950	8%	29%	15%	1.6x	10.7x	9,802	16
ExlService Holdings	4,815	262	1,076	-3%	39%	24%	4.5x	18.4x	31,900	15
Duck Creek Technologies	3,686	17	260	23%	58%	6%	14.2x	218.2x	1,653	223
Guidewire Software	9,087	47	739	0%	48%	6%	12.3x	193.4x	2,942	309
Verisk Analytics	39,990	1,439	2,946	7%	64%	49%	13.6x	27.8x	8,960	446
Average	8,889	295	948	9%	47%	22%	8.0x	72.5x	8,994	156
Median	3,686	83	739	8%	48%	19%	5.5x	22.3x	4,260	54

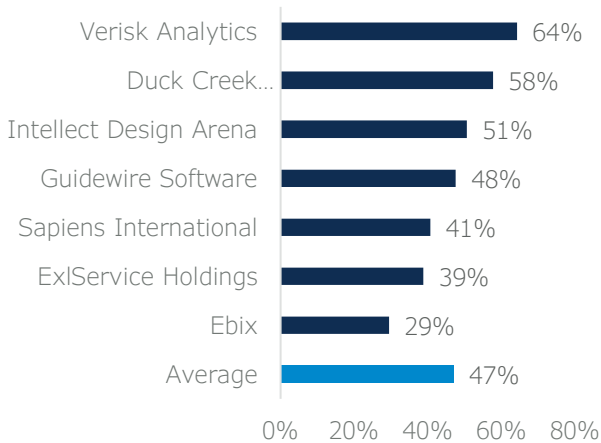
TEV / EBITDA X



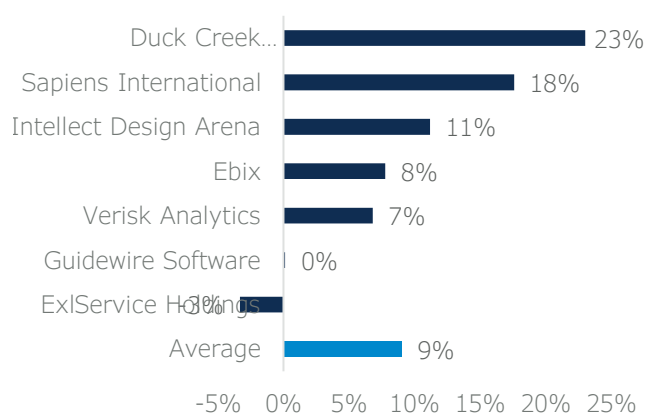
TEV / Rev X



Gross Margin %



Rev Growth YoY



Q4 2021 M&A Transactions

Date	Target	Buyer / Investor	Target Description
December 2021			<ul style="list-style-type: none"> Provider of insurance services intended to serve brokers and insurance agents. The company's services include Captive Consulting and management, marketing and placement, risk mitigation or analytics, thereby helping its customers to think strategically about insurance by developing a long-range plan that delivers net cost savings, minimizes surprises, manages volatility, and simplifies the annual budgeting of their significant operating expense.
December 2021			<ul style="list-style-type: none"> Developer of an insurance management platform intended to streamline insurance administrative works. The company's platform offers an intelligent interface to visualize all the important information about policies, commissions, claims and reports in a single screen, enabling insurance brokers to calculate insurance premiums real-time and send personalized quotes.
November 2021			<ul style="list-style-type: none"> Developer of a cloud-based rating and quoting software intended to develop modern and cost-effective insurance solutions that would solve current problems and position insurance companies for the future. The company's platform offers a rating and quoting service application, enabling insurance organizations, administrators and wholesalers to rate, quote and issue for any line of business easily.
November 2021			<ul style="list-style-type: none"> Developer of an insurance management mobile application designed to help consumers save their existing policies and receive the correct coverage. The company's application uses intelligent algorithms and data mining tools to connect to the current auto or home insurance account of the customer, compare prices, discover the best offers, and present opportunities to switch, enabling consumers to shop for the best insurance products in order to save time and money.
November 2021			<ul style="list-style-type: none"> Provider of insurance brokerage services intended to anticipate the needs of clients. The company offers insurance and risk management programs along with continuous education regarding market, coverage and regulatory changes, enabling clients to effectively navigate the complex and changing insurance marketplace.
October 2021			<ul style="list-style-type: none"> Operator of an insurance agency focused primarily on emerging risk and cyber insurance. The company offers cover for a diverse range of emerging risks that are encountered at the intersection of technology and business to the healthcare, retail, manufacturing, construction and professional services sectors, helping clients to efficiently hedge against any technical contingencies.

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. All securities transactions are executed by 7M Securities, LLC, member FINRA / SIPC. For more information, including research on the M&A markets, visit www.7mileadvisors.com.



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Notable 7 Mile Transactions

7MA

DMS
Real Estate & Construction

Davies

7MA

saratoga

CDC Software

