

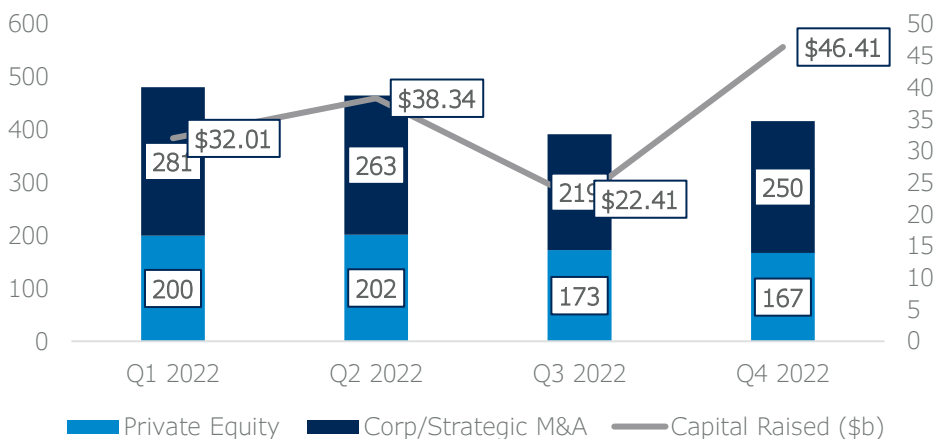
# Market Update

## Insurance Services & Technology

Global M&A activity in the Insurance Services and Technology ecosystem ended 2022 on a slightly high note, with the number of transactions slightly eclipsing Q3 totals as investors and sellers alike continue to prioritize completing transactions to accelerate inorganic growth opportunities. This quarter did present a large spike in total transaction value, led by Optum's \$13b acquisition of Change Healthcare, as well as Berkshire Hathaway's \$11b acquisition of Alleghany. The continuance of "mega deals" has shown that investors are starting to gain slightly more comfort while navigating uncertain economic conditions.

Looking ahead to Q1 2023 and beyond, investors will be keen to understand how the public market and economic performance of 2022 will impact the M&A markets going forward. As for the Insurance Services landscape, large carriers and brokers alike likely will continue to look towards inorganic growth opportunities as a way to enhance the way in which they engage their customers and the channels that are used to do so as Insurance continues its slow but sure adoption of technological services, solutions, and products.

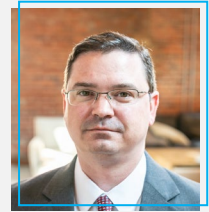
Insurance & InsurTech Deal Count by Type by Quarter



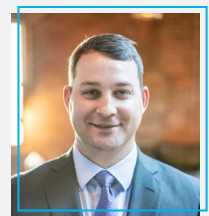
7MA has completed and is constantly working on numerous M&A transactions with companies that operate in the Insurance and Insurtech industry. Our team has developed unparalleled deal expertise and knowledge of the industry trends, valuation trends, and the most active strategic and financial buyers.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

- 1 Market Overview
- 2 Sector Snapshot
- 3 Public Markets
- 4 Notable Deals

### Sector Coverage Team



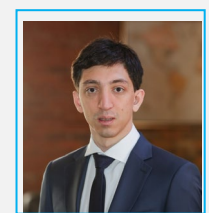
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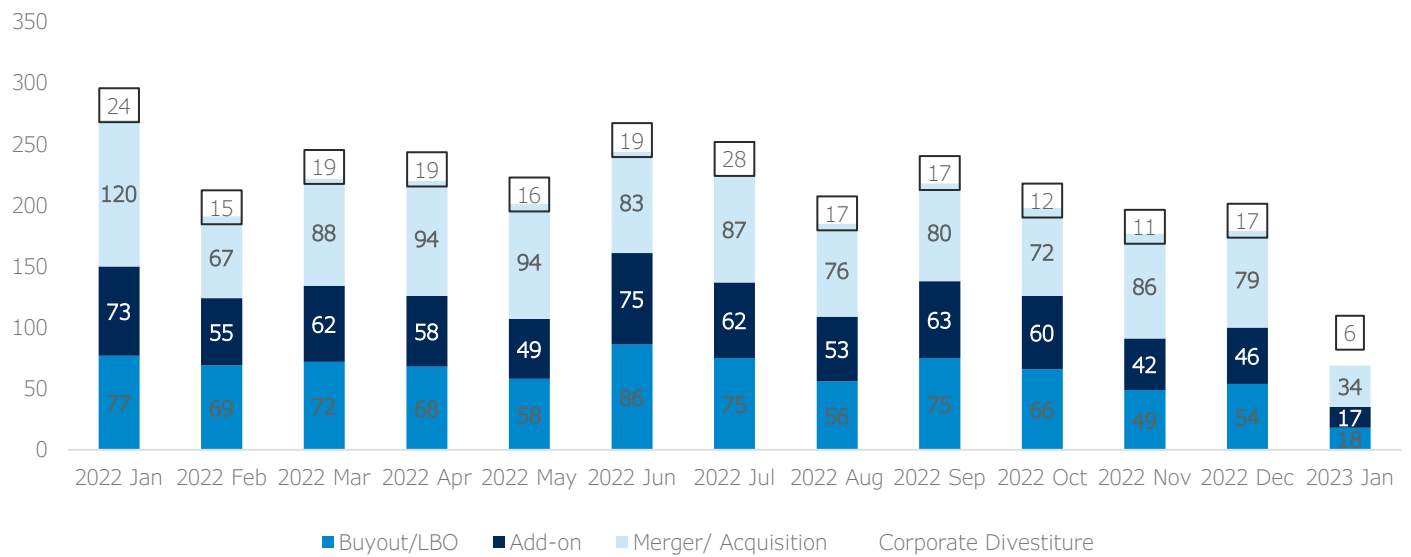
Arthur J. Gallagher & Co. Announces Agreement To Acquire Buck



Arthur J. Gallagher & Co. (NYSE: [AIG](#)) recently announced an agreement to acquire the partnership interests of BCHR Holdings, L.P., dba Buck. The transaction is expected to close during the first half of 2023, subject to customary regulatory approvals. Buck is a leading provider of retirement, HR, and employee benefits consulting and administration services. The organization has a long history, dating back more than 100 years, with a diverse client base of both size and industry. With over 2,300 employees, including more than 220 credentialed actuaries, Buck primarily serves customers throughout the US, Canada, and the UK. One of the major benefits of the acquisition is the expansion of Gallagher's value proposition within retirement, benefits & HR consulting, administration, and technology.

**Date:** Dec 20, 2022  
**Deal Type:** M&A  
**Target HQ:** U.S  
**TEV:** \$660m  
**Revenue Multiple:** 2.4x  
**EBITDA Multiple:** 13.1x

Last Twelve Months Deal Count by Deal Type



Key Insurance Services & Technology Trends in 2023

Traditional Underwriting Transformation

Increased Number of Insurtech Data Sources

Proliferation of Insurtech Distribution

Increased Competition between Insurers

Increased Demand for Flexible Insurance Solutions

Growth in Embedded Insurance

Insurance's Connection to ESG

Continued Disruption and Innovation by Insurtechs

Insurance Technology Growth Despite Economic Uncertainty

Industry Vertical

Insurtech

Life  
&  
Health

Property  
&  
Casualty

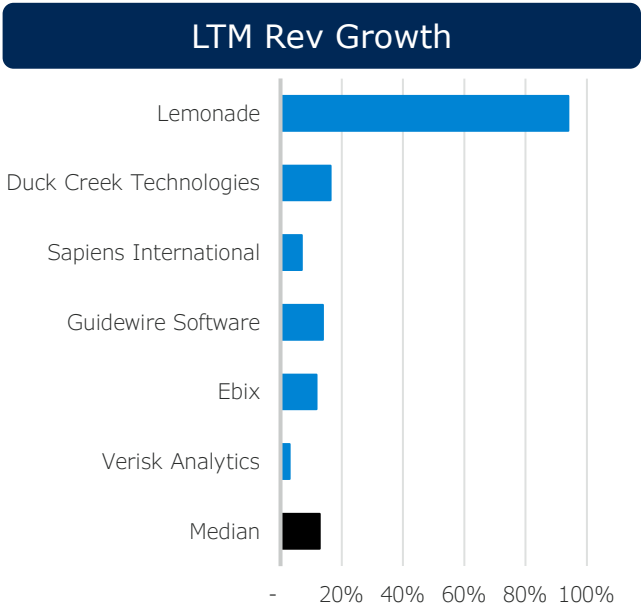
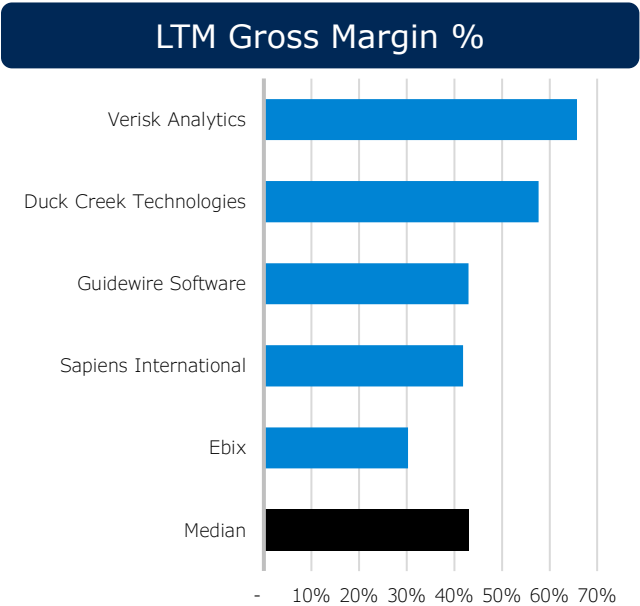
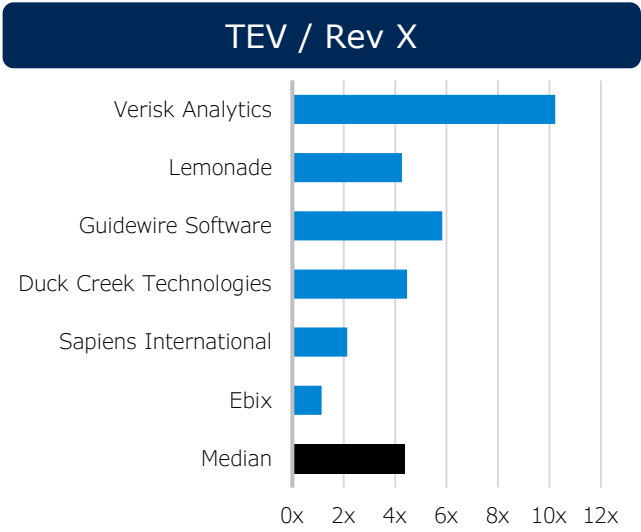
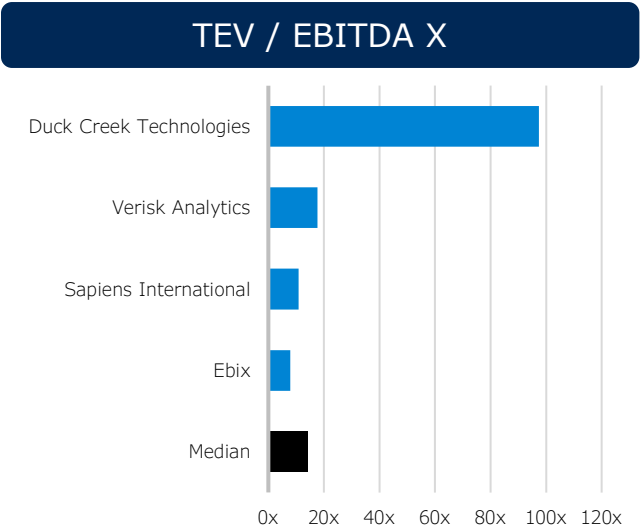
TPAs

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

Publicly-traded Insurtech Companies – Q4 2022

Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Sapiens International	1,013	93	474	7.0%	41.8%	19.6%	2.1x	10.9x	4,044	117
Ebix	1,214	153	153	11.7%	30.3%	14.4%	1.1x	7.9x	10,030	15
Duck Creek Technologies	1,351	14	303	16.3%	57.6%	4.6%	4.5x	97.4x	1,890	160
Lemonade	892	-287	209	94.0%	-	-137.2%	4.3x	-	1,119	187
Guidewire Software	4,913	-208	842	13.9%	42.9%	-24.7%	5.8x	-	3,257	259
Verisk Analytics	30,995	1,759	3,033	3.0%	65.8%	58.0%	10.2x	17.6x	9,367	324
Average	6,730	254	836	24.3%	47.7%	-10.9%	4.7x	33.4x	4,951	177
Median	1,282	53	389	12.8%	42.9%	9.5%	4.4x	14.3x	3,651	174

share price as of 31Dec22



## Q4 2022 M&amp;A Transactions

Date	Target	Buyer / Investor	Target Description
December 2022			<ul style="list-style-type: none"> <li>Provider of IT consulting and support services intended to serve retail and wholesale, medical, engineering, e-commerce, legal, construction management, environmental services and insurance services. The company specializes in managed services, comprehensive cyber security and defense capabilities and associated IT developments, assisting businesses to streamline digital transformation.</li> </ul>
December 2022	<b>Risk Handler Software</b>		<ul style="list-style-type: none"> <li>Developer of insurance software intended to serve brokers, managing general agents (MGAs) and insurers. The company's platform offers personal lines, commercial lines and niche product distribution services, thereby ensuring an efficient digital distribution experience for customers at each stage of the insurance lifecycle.</li> </ul>
November 2022			<ul style="list-style-type: none"> <li>Provider of procurement consultancy services catering to telecommunication, facility management, insurance, banking and automotive sectors. The company specializes in procurement consulting and implementation of advanced IT tools for supply chain management, thereby enabling companies to transform cost into value in the areas of smart procurement solutions, process mining, cost optimization, and more.</li> </ul>
November 2022			<ul style="list-style-type: none"> <li>Provider of insurance brokerage services intended for start-ups, small-medium enterprises, multinationals and individuals. The company's insurance products include after-the-event insurance, business interruption, commercial combined insurance, motor fleet, property owners insurance, legal and professional indemnities and employee benefits, enabling customers to fulfill all their insurance requirements under one roof.</li> </ul>
November 2022			<ul style="list-style-type: none"> <li>Provider of insurance services intended to serve sole practitioner property professionals. The company offers practice professional indemnity insurance and business insurance like chartered surveyor insurance, project manager insurance, structural and consulting engineers insurance, quantity surveyor insurance and town planner insurance, providing tailored insurance advisory as per clients business growth plans.</li> </ul>
October 2022			<ul style="list-style-type: none"> <li>Provider of insurance broker services focused on several niche areas of commercial security. The company offers financial, liability, property, motor and accidental insurance thereby helping corporate and commercial clients to cater to specific needs. The acquisition allows Lockton Companies to gain an experienced team of specialist risk advisors for the transport and logistics industry.</li> </ul>

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](http://www.7mileadvisors.com).



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## Notable 7 Mile Transactions





