



INSURTECH SOFTWARE

M&A Review & Analysis



Alkali Partners

Technology Investment Banking

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01

INSURTECH MARKET ANALYSIS

The insurance industry is set for disruption as tech advancements reshape established processes and revolutionize legacy systems. The need for increasingly secure, efficient, and hyper-personalized services for tech-savvy consumers is fueling innovation in the InsurTech space. Insurance firms are looking to tech to modernize myriad of processes, including claims management, security infrastructure, and data forecasting. The InsurTech market is expected to hit \$146.4B by 2030, suggesting a staggering 50.1% CAGR. This explosive growth is fueled by:

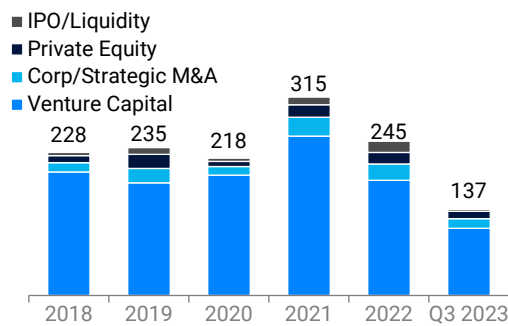
- Large language models and big data analytics to curate personalized experiences
- Decentralized architecture to automate processes across the data lifecycle
- Meta-cloud integrations and CI/CD pipelines to enable better integration, stability, and performance across enterprise cloud platforms

As complexities and competition deepen, the InsurTech space remains ripe for consolidation. In 2022, 167 deals closed with a median post-money valuation of \$18.3M and median deal size of \$4.4M. Through Q3 2023, a total of 137 deals have closed, with a median post-money valuation of \$38M and median deal size of \$4.4M. Future InsurTech advancements will continue to underscore the entire insurance ecosystem – quoting, underwriting, claims adjudication, renewals, reporting, and payments. Therefore, we forecast a strong and stable Insurtech M&A market in 2024 and beyond.

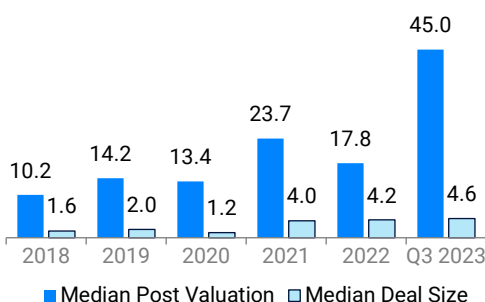
Industry Statistics

787 Companies
2,888 Investors
2,355 Deals

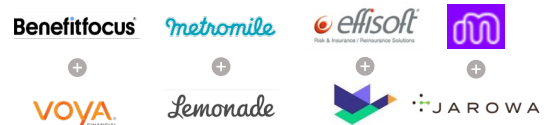
Deal Count



Median Post Valuation & Median Deal Size (in US\$ Millions)



Strategic Acquisitions



Sponsors: Growth-Oriented



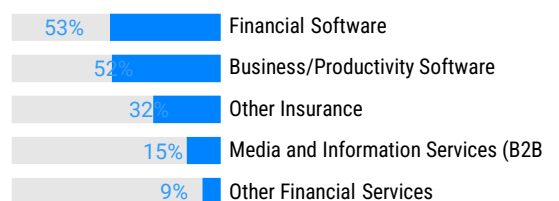
Sponsors: Traditional Buyout



Most Active Acquirers

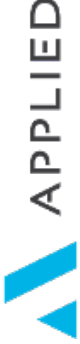









Sector Breakdown



02 INSURTECH

MOST ACTIVE ACQUIRERS

# of Closed Transactions	Acquirer	Select Transactions Target	Deal Value	Deal Synopsis & Rationale
4		Risk Handler Software 	Undisclosed	Risk Handler Software expands Applied Systems' commercial lines distribution capabilities.
		Tarmika 	Undisclosed	Tarmika expands Applied Systems' commercial quoting to create a digital distribution experience at each stage of the insurance lifecycle.
		EzLynx 	Undisclosed	EzLynx expands Applied Systems' portfolio of agency management and rating technologies.
3		Effisoft 	\$115.8M	Effisoft expands Duck Creek Technologies' existing European operations in the UK and Spain.
		Imburse 	Undisclosed	Imburse allows Duck Creek Technologies to bring cloud-native SaaS payment platform to the insurance industry.
		Outline Systems 	Undisclosed	Outline Systems adds distribution management software to Duck Creek's platform.

INSURTECH

KEY DEALS



Acquisition of



The acquisition of Vertafore provides Roper Technologies with a cloud-based software platform built to simplify insurance.




Acquisition of



The acquisition combines Intelligents easy-to-use InsurTech platform with FatBrain's powerful AI solutions.



Acquisition of

 Groundspeed

The combination strengthens Insurance Quantified's underwriting technology and furthers its mission to maximize the value of data for commercial P&C insurers.



Acquisition of

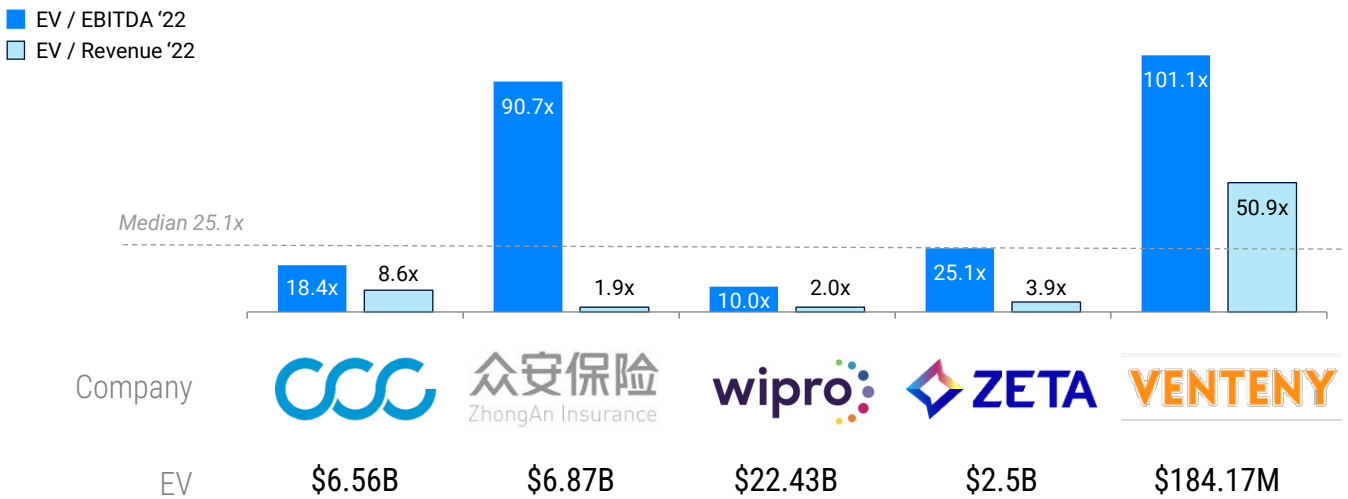


The acquisition enhances the company's mission to protect all customers of the world's largest digital companies and aligns with their growth strategy.

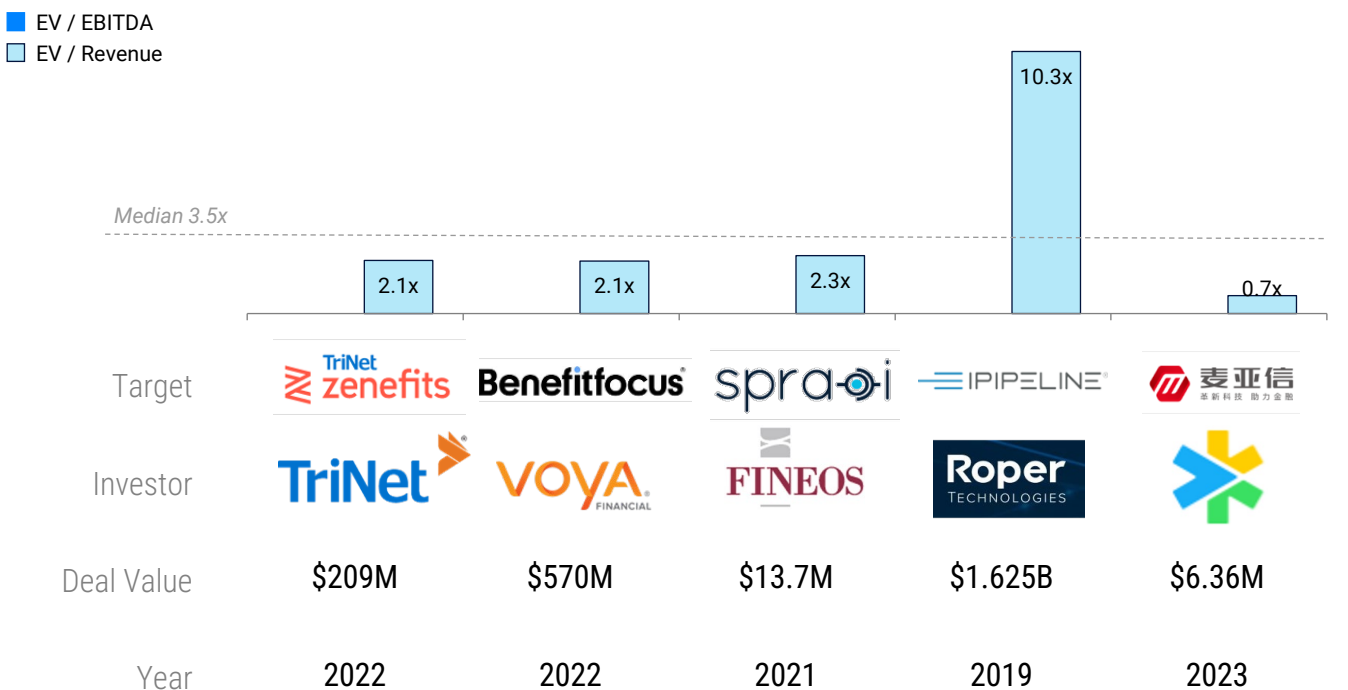
03 INSURTECH MARKET COMPARABLES

Current valuation trends are complex given the variable nature of revenues in the insurance technology space. Public companies are trading at a median multiple of ~14.5x EV/revenue. Private companies have seen a median of ~3.5x EV/revenue based on a limited selection of available private transaction data.

Public Company Multiples



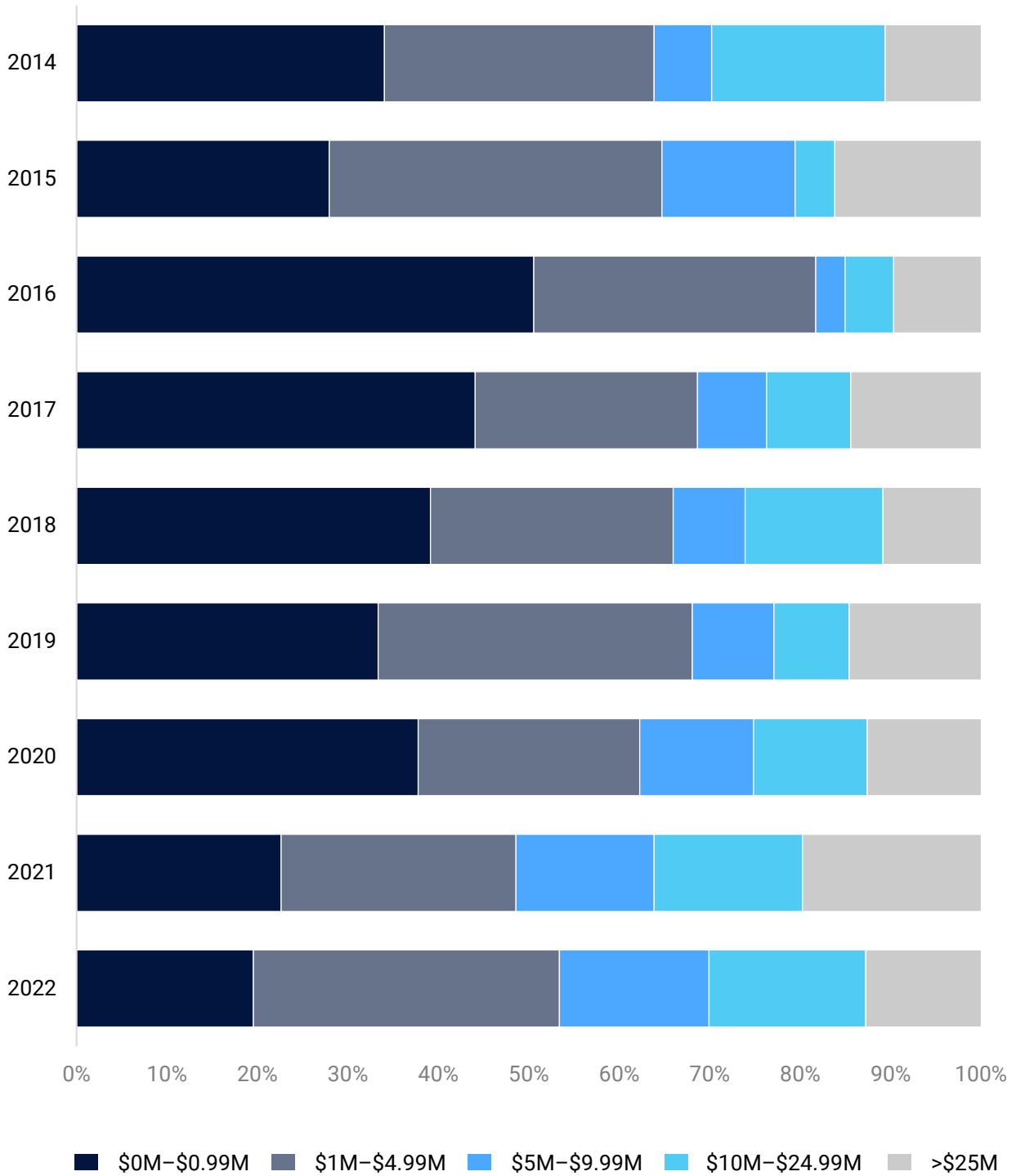
Select Private M&A Transactions



04 INSURTECH

APPENDIX – INVESTMENTS

Segment Breakdown Based on Investment Size, 2014-2022





















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INSURTECH

APPENDIX – SELECTED M&A TRANSACTIONS

Select Industry Transactions, 2022-2023

Date	Target	Acquirer	Deal Value (US\$ MM)
21-Jun-2023	 Groundspeed	 Insurance Quantified	
03-Apr-2023	 Thimble	 Arch	
16-Mar-2023	 Clyde	 COVER GENIUS	
01-Feb-2023	 INSURIUM™	 SPEAR TECHNOLOGIES	
26-Jan-2023	 Prima Solutions	 total specific solutions VERTICAL MARKET SOFTWARE	
24-Jan-2023	 Benefitfocus®	 VOYA FINANCIAL	570.0
23-Jan-2023	 QISS	 AIMCo	
09-Jan-2023	 VISTA	 VISTA EQUITY PARTNERS	2,600.0
22-Dec-2022	 AxyWare	 Lumera	
06-Dec-2022	Risk Handler Software	 APPLIED	
30-Nov-2022	 askporter	DEVINA Dreiundneunzigste	
11-Nov-2022	 BlueBridge Technologies	 everfield	
10-Oct-2022	 INNOVATION GROUP	Allianz X	
14-Sep-2022	 intellagents™	 FATBRAIN	
05-Sep-2022	 Relay	 JAROWA	
17-Aug-2022	 Relay	 at bay	
12-Jul-2022	 effisoft	 VISTA	115.8
05-Jul-2022	 FORMFIRE	 agencybloc	
28-Apr-2022	 COLLISION MANAGEMENT SYSTEMS	 sambasafety	
25-Apr-2022	 CARPE DATA	 THL Thomas H. Lee Partners	
06-Apr-2022	 AMEDEO	 QuestGate	
05-Apr-2022	 BookMyForex	 trip money A MakeMyTrip Group Company	
31-Mar-2022	 PlusOne Solutions™	 LITALICO LIFEC	10.1
28-Mar-2022	 BREATHELIFE	 ELDRIDGE	
24-Mar-2022	 collectAI	 Aareal	



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