



Insurance Technology Market Update

Q2 2020

Insurance Technology Market Update—Q2 2020

Despite the chilling effects of COVID-19 on the global markets over the past several months, insurance technology (insurtech) M&A and capital raising activity has been quite positive, all things considered.

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Insurance Technology Market Update for Q2 2020.

- **Insurtech appears to be weathering the COVID-19 storm just fine**, with ~\$1.4 billion in financing volume and ~\$1.7 billion in M&A volume during Q2—way ahead of Q1 levels of ~\$700,000 and ~\$865,000, respectively.
- **76 financings in Q2** was ~20% higher than the year-ago period, while total Q2 volume was ~6% behind the year-ago period.
 - If you include Lemonade and Accolade's IPOs (which occurred the first week of July), Q2 financing volume would have totaled ~\$2.0 billion, or the highest single quarter over the past two years.
 - Lots of Q2 financing activity for digital distribution businesses that maximize the customer experience obtaining insurance across a number of categories (including the Zebra and Pie Insurance) as well as software and data and analytics (including Duck Creek and Clara Analytics).
- **31 M&A transactions in Q2** was ~48% higher than the year-ago period, while total Q2 volume was largely in line with the year-ago period.
 - While the ~\$11.8 billion in 2019 M&A volume was bolstered by a number of large deals, including Prudential/Assurance, Roper/iPipeline, and Willis/Tranzact, 2020 hasn't seen similar megadeals and we have seen only ~\$2.5 billion in YTD 2020 M&A volume.
 - Some have argued that the pandemic is actually driving increased M&A activity in the category, as large incumbents push to digitize and small insurtechs look for exits.
- **Q2 saw a significant spike in insurtech IPO launches or filings** (including Selectquote, Lemonade, Accolade, and Duck Creek), which we expect will garner further interest in the category and boost private market capital raising activity.
- **Insurance software and data and analytics companies lead the public company pack**, trading at 22.4x and 21.0x EV/2020E EBITDA, respectively.

We hope you enjoy this report, and please reach out if you have any questions. We look forward to staying in touch.

Regards,



Kegan Greene
Director, Financial Technology
KGreene@HL.com
415.273.3639

Additional Team Contacts

Mark Fisher
MFisher@HL.com
+44 (0) 20 7907 4203

Tim Shortland
TShortland@HL.com
+44 (0) 20 7907 4213











Craig Muir
CMuir@HL.com
212.497.7803

Rob Freiman
RFreiman@HL.com
212.497.7859

Chris Pedone
CPedone@HL.com
212.830.6166






How Is COVID-19 Affecting the Insurtech Market?

We asked five founders from leading insurtech companies how COVID-19 has affected their businesses over the past few months, how they have navigated through the pandemic, and what they expect the impact will be on the broader insurtech market over the next 12–24 months.

Founder	Company	Commentary
 John Swigart Co-Founder and CEO	 PIE INSURANCE	<p><i>"Pie Insurance provides workers' compensation for the kinds of 'main-street' small businesses that have been impacted severely by COVID-19. Pie adapted quickly, offering billing leniency and accepting 'good-faith' deposits in lieu of regular premium payments, which often meant the difference between businesses maintaining or losing workers' comp coverage. Despite COVID-19, Pie continues to grow rapidly, including closing \$127 million in new financing in May 2020, which will support our strategic initiatives and drive new investments in technology. Long term, this crisis has highlighted the technological gap between traditional insurers and insurtechs. While many traditional carriers and agents required employees to be physically present to provide services to their clients, the Pie team transitioned to work from home within 24 hours and customers experienced no interruption in service."</i></p>
 Bob Reville Co-Founder, President, and CEO	 Praedikat	<p><i>"COVID-19 has raised some novel liability risk issues for our clients, and we rapidly responded with some new realistic litigation scenarios and a new litigation tracking capability. Our clients have appreciated both the new capabilities and the demonstration of agility in the face of emerging risk. Overall, I believe it has enhanced our value proposition and improved our client relationships."</i></p>
 Wayne Slavin Co-Founder and CEO	 SURE	<p><i>"As challenging as this time has been for everyone, it's reminded us why insurtechs exist: to drive innovation when it's needed most. Sure is fortunate to have experienced a 400% increase in customer demand and expanded our team by 20% since the start of shelter in place. These data points reinforce the ongoing demand for digital insurance. By not adopting new technology, like Sure, insurers risk losing market share permanently. Alternatively, we'll see savvy organizations begin to acquire insurtechs and vertically integrate the technology into their businesses over the next 12–24 months."</i></p>
 Sean Bourgeois Founder and CEO	 tremor	<p><i>"We've seen trading increase threefold with huge increases in inbound inquiries from both sides of the market to learn more. In general, a transformation towards online programmatic marketplaces was already underway and the transformation has accelerated due to COVID-19."</i></p>
 Sam Hodges Co-Founder and CEO	 vouch <small>insurance</small>	<p><i>"COVID-19 has accelerated two trends we see in the market. The first is a strong preference by consumers and businesses for digitally native insurance offerings. This includes not just applying for insurance, but also seamlessly managing endorsements, renewals, billing, and claims experiences. Secondly, COVID-19 is an additional tailwind for the hardening of the insurance market itself, which presents opportunities but also dislocation. These trends together mean substantial opportunities for technology-driven insurance businesses—both for de novo players and for technology and service providers focused on enabling incumbents."</i></p>

A Wave of Public Market Insurtech Activity

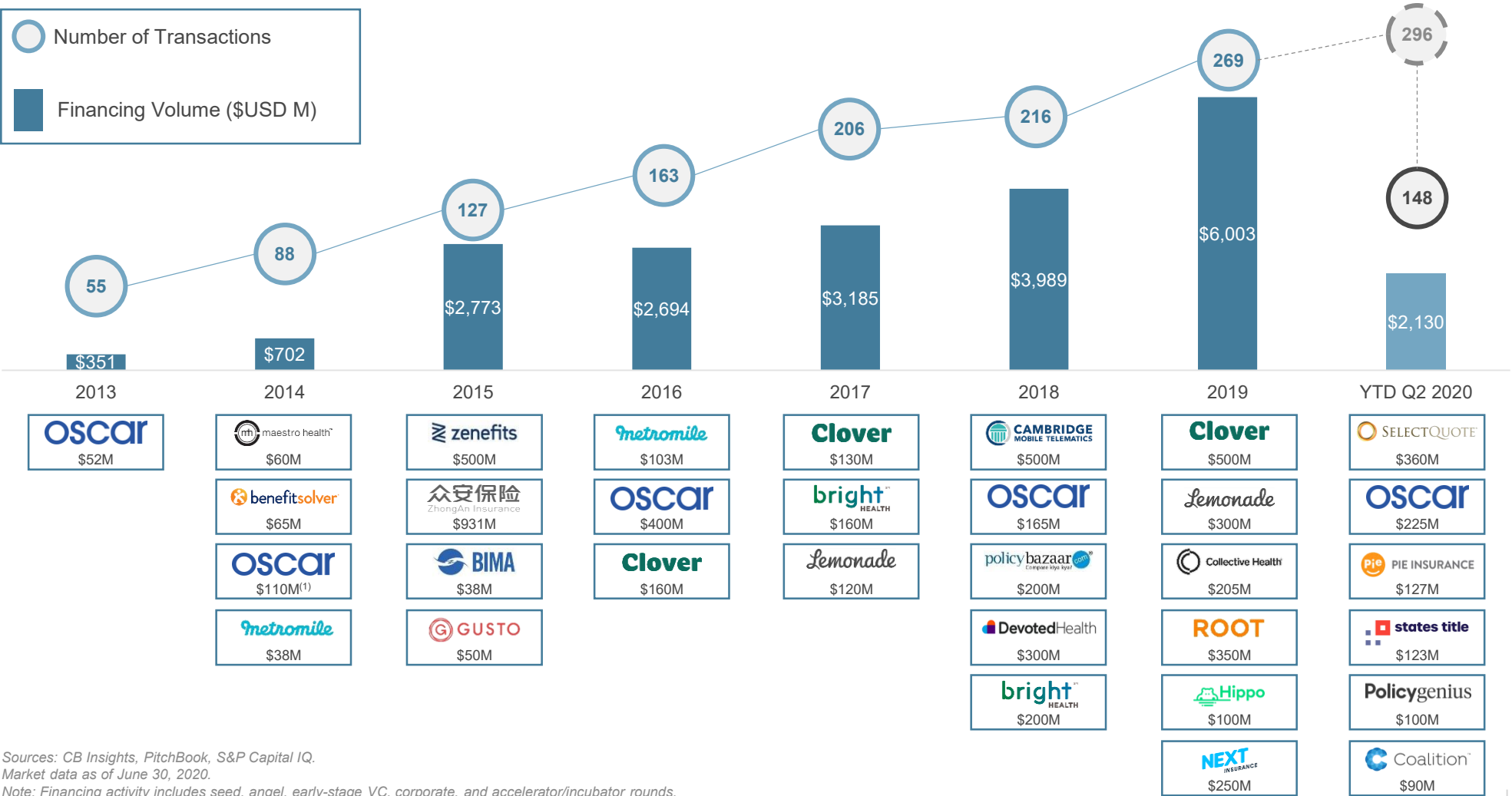
Q2 2020 saw a significant spike in insurtech IPO activity, which we expect to boost private market capital raising activity.

	Company	Year Founded	HQ	Description	Pre-IPO Funding	IPO Date	IPO Details	Pre-IPO Valuation	Post-IPO Valuation	Commentary
Active IPOs	 Lemonade	2015	New York, NY	B2C platform providing technology and transparency that allows customers to get renters and homeowners insurance online or via smartphone.	\$480M	Jul-20	<ul style="list-style-type: none"> Shares sold: 11M Offer price: \$29 Total raised: \$319M 	\$1.3B	\$1.6B	<ul style="list-style-type: none"> Has demonstrated rapid customer and premium growth but has remained consistently and unequivocally unprofitable. However, loss performance and certain conversion stats seem promising. Increased more than 135% in IPO debut.
	 Accolade	2007	Plymouth Meeting, PA	B2B2C provider of a personalized health and benefits platform designed to improve the experience, outcomes, and cost of healthcare.	\$240M	Jul-20	<ul style="list-style-type: none"> Shares sold: 10M Offer price: \$22 Total raised: \$221M 	\$820M	\$1B	<ul style="list-style-type: none"> Brought in just under \$100 million of revenue in 2019, representing more than 20% YoY growth, though still recognizing a bottom line loss. Customer base is relatively industry agnostic. Increased 35% in IPO debut.
	 SELECT QUOTE	1985	Overland Park, KS	B2C distribution platform that facilitates online shopping for health, life, auto, and home insurance.	N/A	May-20	<ul style="list-style-type: none"> Shares sold: 18M Offer price: \$20 Total raised: \$360M 	\$2.9B	\$3.3B	<ul style="list-style-type: none"> Plans to use up to \$100 million of proceeds to repay term loan and put the rest towards working capital, capex, and other corporate purposes. Increased 35% in IPO debut.
Filed/In Process	 Duck Creek Technologies	2000	Boston, MA	B2B P&C insurance software enabling insurers to optimize outcomes through streamlined operations, shared data, and consistent functionality.	\$350M	Announced Dec-19	<ul style="list-style-type: none"> Est. shares: TBD Offer price: TBD Est. raised: TBD 	N/A	TBD	<ul style="list-style-type: none"> Recently raised \$230 million of private capital ahead of its IPO. Proceeds of latest round will be put towards business growth, product development, geographic expansion, and repurchasing equity from certain existing investors.
	 GoHealth	2001	Chicago, IL	Provides a B2C portal enabling customers to compare and purchase health insurance—largely Medicare and individual.	\$122M	Jul-20 (expected)	<ul style="list-style-type: none"> Est. shares: 39.5M Offer price: \$18–\$20 Est. raised: \$710–\$790M 	\$5.2B	\$6.0B	<ul style="list-style-type: none"> Has helped enroll more than 5 million Americans in health insurance plans, and has partnered with major health insurance carriers. Intends to redeem interests held by continuing equity holders, satisfy obligations on existing equity instruments, and general business support and growth.

Continued Strong Investment Into the Insurtech Sector

Despite COVID-19, there has been more than \$2.1 billion in financing volume across 148 transactions so far in 2020. While volume probably won't reach 2019 levels, the annualized number of 2020 transactions would surpass 2019 levels.

Selected Major Insurtech Financings

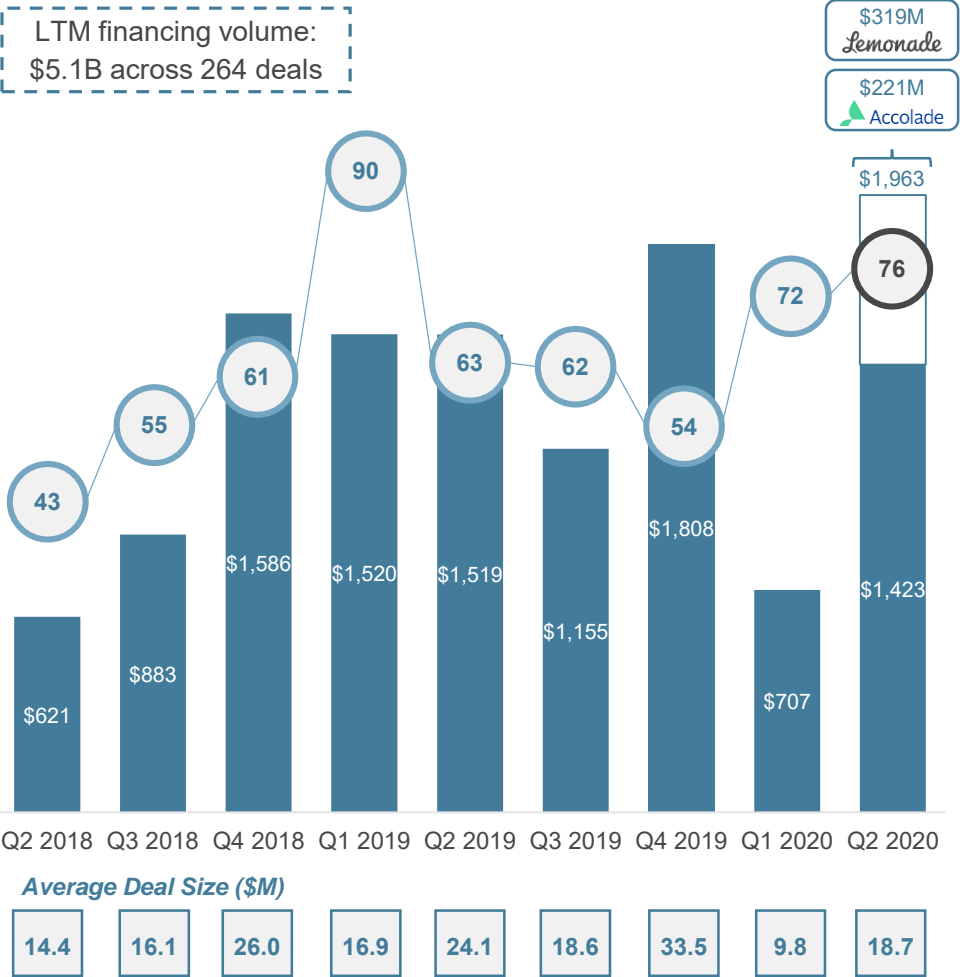


Sources: CB Insights, PitchBook, S&P Capital IQ.
Market data as of June 30, 2020.
Note: Financing activity includes seed, angel, early-stage VC, corporate, and accelerator/incubator rounds.
1) Oscar raised two rounds in 2014—worth \$30 million and \$80 million, respectively.

Financing Activity Continues Across Insurance Types and Value Chain Categories

Q2 2020 far outpaced Q1 2020 with more than \$1.4 billion in financing volume across 76 transactions and a much larger average deal size. If you include the Lemonade and Accolade IPOs (which occurred the first week of July), financing volume was the highest it has been in 24 months.

Quarterly Financing Activity (\$M)⁽¹⁾



Sources: CB Insights, PitchBook, S&P Capital IQ.
Market data as of June 30, 2020.
1) Includes seed, angel, early stage VC, corporate, accelerator/incubator financing rounds, and IPOs (Accolade and Lemonade IPOs excluded from Q2 statistics due to their early Q3 timing).

Selected Q2 2020 Financing Transactions (\$M)

Ann. Date	Company	Selected Investor(s)	Amt. Invested	Post-Money Valuation	Segment/ Value Chain
06/26	OSCAR	G/ khosla ventures GENERAL CATALYST	\$225.0	N/A	Health
06/19	Openly	OBVIOUS PARTNERS	\$15.0	N/A	Life
06/10	PLANCK	TEAM8	\$16.0	N/A	Life
06/05	THE zebra	Accel	\$43.6	\$213.6	Health
05/28	PIE PIE INSURANCE	GALLATIN POINT	\$127.0	\$213.5	Life
05/21	CLARA analytics	ACG	\$25.0	\$100.0	Life
05/21	states title	GREENSPRING ASSOCIATES	\$123.0	\$623.0	Life
05/21	By Miles.	CommerzVentures	\$18.5	N/A	Life
05/20	Coalition	VALOR EQUITY PARTNERS	\$90.0	\$900.0	Life
04/20	alan	TEMASEK HOLDINGS	\$54.5	N/A	Health

Insurance Segment

P&C

Life

Health

Insurance Value Chain

Customer Acquisition and Engagement

Innovative Distribution and Underwriting

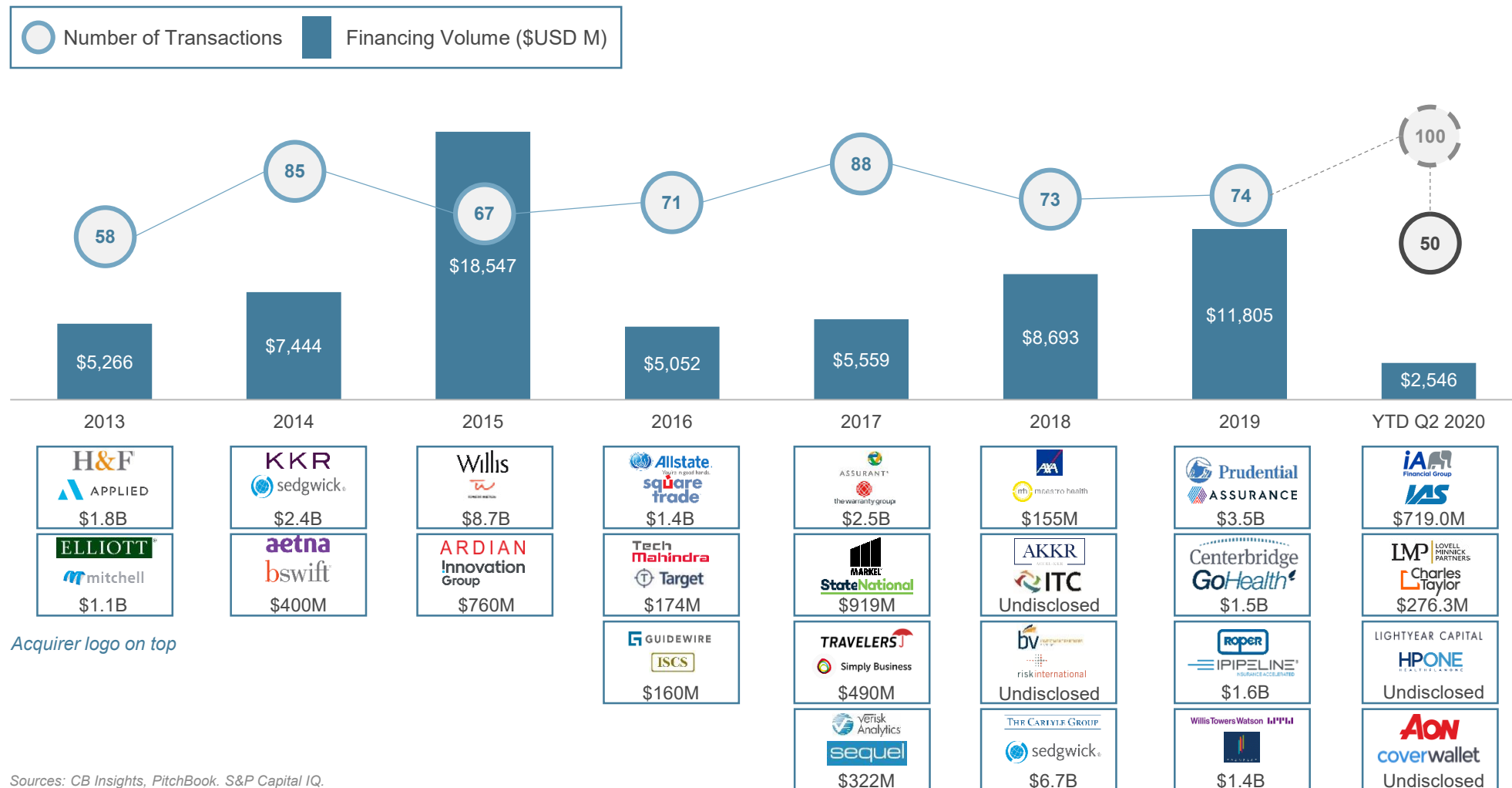
Software and Services

Data and Analytics

M&A Activity Is Off to a Decent Start Halfway Through 2020

Although M&A volume has been relatively low so far in 2020 (due to a dearth of megadeals), 50 transactions YTD reflect a large increase compared to 2019 on an annualized basis.

Selected Major Insurtech M&A Transactions



Sources: CB Insights, PitchBook, S&P Capital IQ.

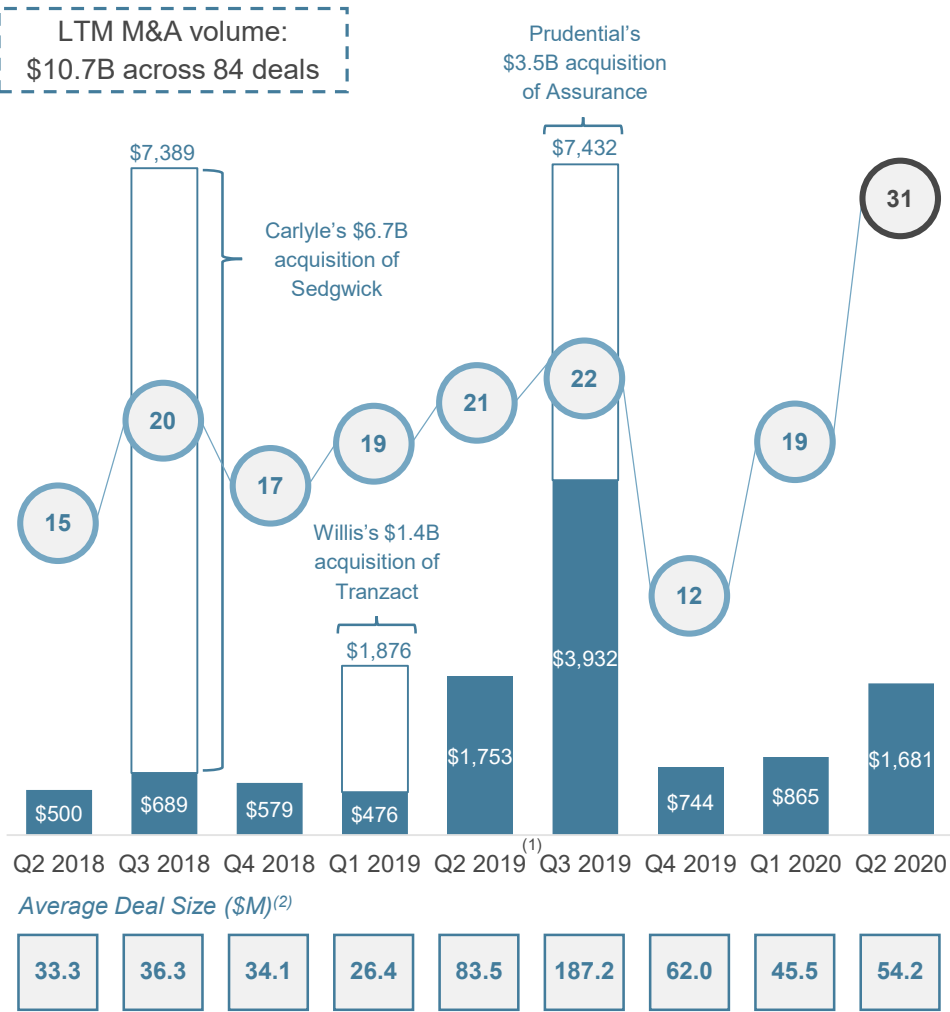
Market data as of June 30, 2020.

Note: Includes merger/acquisition, buyout/LBO, private secondary, PIPE, and PE growth/expansion deals.

M&A Activity Continues Across the Insurtech Ecosystem

Q2 2020 M&A volume was way ahead of Q1 2020 and in line with the year-ago period. Number of deals in Q2 is way up from historical levels.

Quarterly M&A Activity (\$M)



Sources: CB Insights, PitchBook, S&P Capital IQ. Market data as of June 30, 2020.
Note: Includes merger/acquisition, buyout/LBO, private secondary, PIPE, and PE growth/expansion deals.
1) Q2-19 includes \$140 million sale of an investment portfolio by Axiata Digital to Singaporean Fund managed by Gordian Capital, which included their stake in BIMA.
2) Average deal sizes exclude outlier transactions.

Selected Q2 2020 M&A Transactions (\$M)

Ann. Date	Buyer	Target	Transaction Value	Segment/ Value Chain
06/22	insurity	EPIC-PREMIER	N/A	
06/22	LIGHTYEAR CAPITAL	HPONE	N/A	
06/11	AMTD	PolicyPal	N/A	
06/10	Tegra118	RetireUp	N/A	
06/08	BUILDGROUP	BENEFITFOCUS	\$80.0	
06/03	Hippo	SPINNAKER	N/A	
05/28	CENTURY	RITTER	N/A	
05/26	IA	IAS	\$719.0	
05/18	Newlight	Zing HEALTH	\$150.0	
04/01	EVEN	leaplife	N/A	

Insurance Segment

P&C

Life

Health

Insurance Value Chain

Customer Acquisition and Engagement

Innovative Distribution and Underwriting

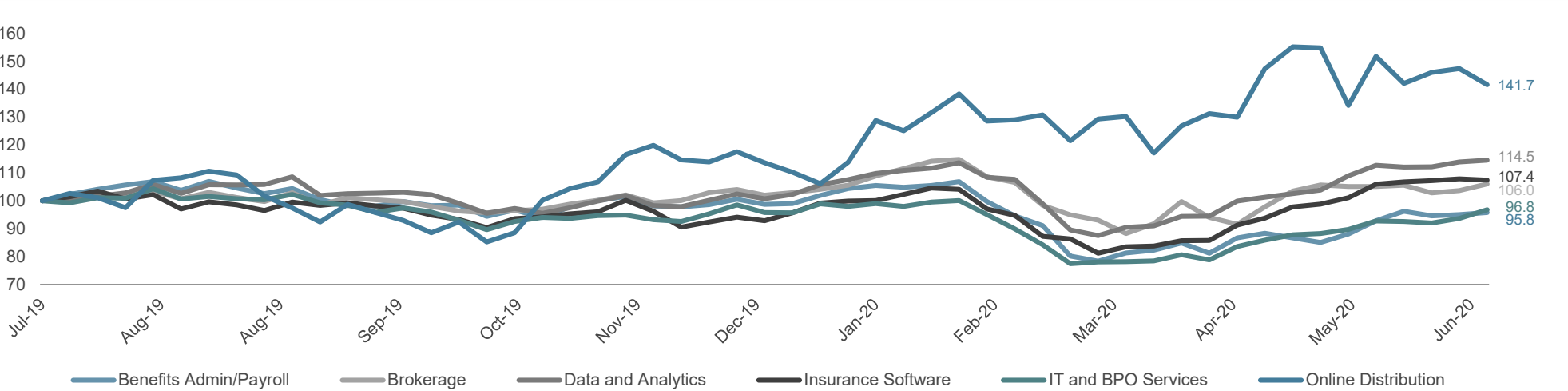
Software and Services

Data and Analytics

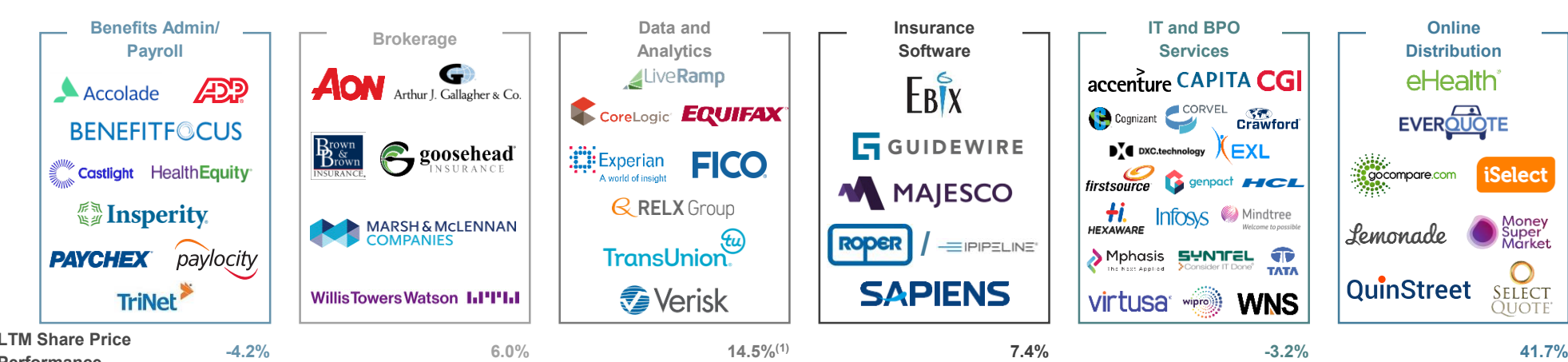
Mixed Insurtech Public Company Performance...

Online distribution and data and analytics lead the insurtech pack. Online distribution has increased 41.7% over the past year.

LTM Share Price Performance



Public Insurtech Ecosystem

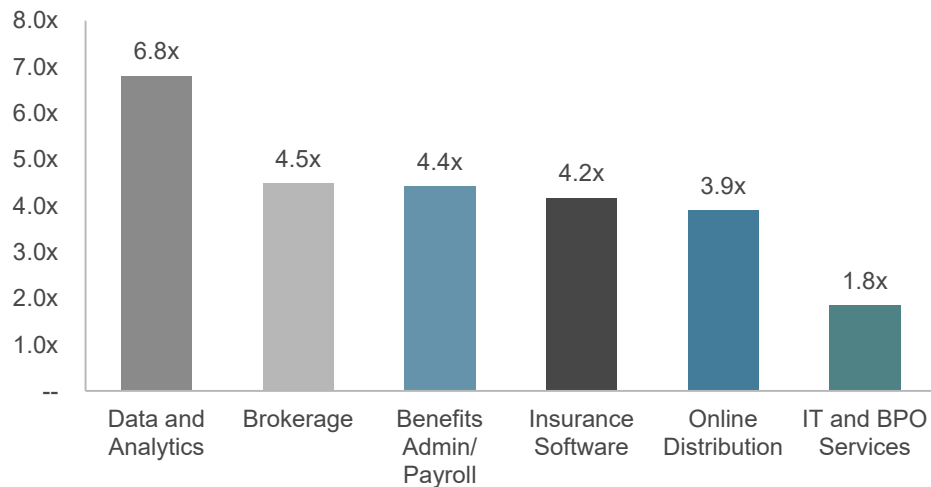


LTM Share Price Performance
Source: S&P Capital IQ.
Note: Growth and multiples shown are median values for comp group. Market data as of June 30, 2020.
1) CoreLogic market data as of one day prior to acquisition announcement by Cannae Holdings for \$4.5 billion on June 26, 2020.

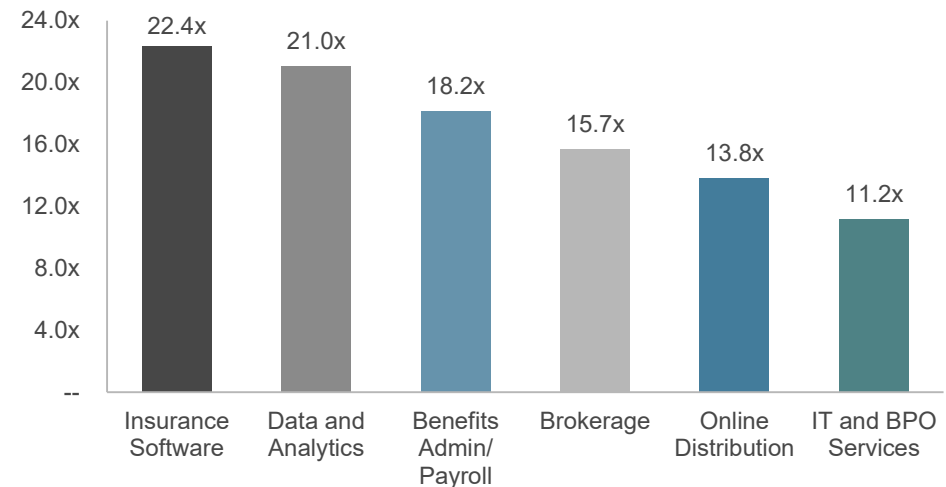
...Drives Revenue Multiple Differentiation in Certain Categories

Insurance software and data and analytics companies lead the public company pack, trading at 22.4x and 21.0x EV/2020E EBITDA, respectively.

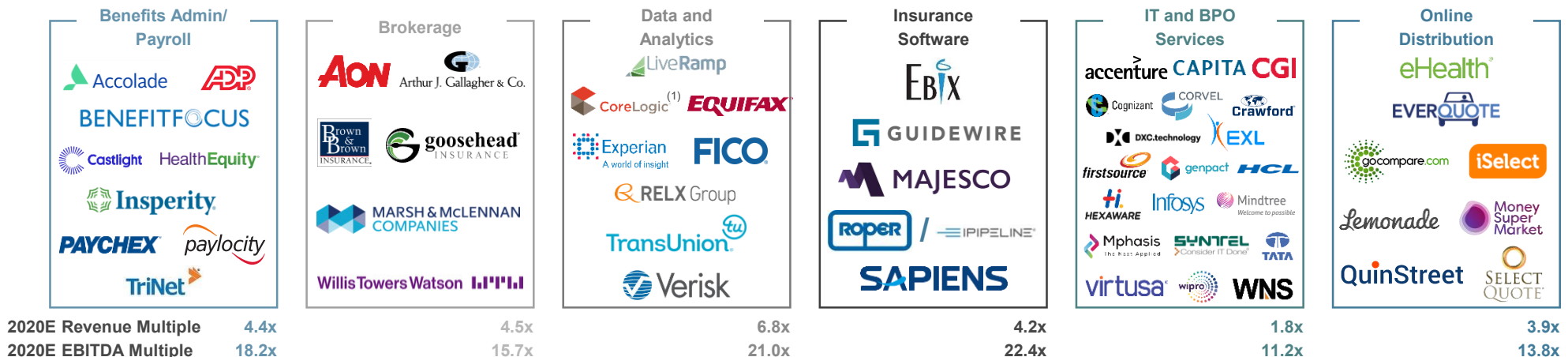
Enterprise Value/2020E Revenue



Enterprise Value/2020E EBITDA



Public Insurtech Ecosystem



Source: S&P Capital IQ.

Note: Growth and multiples shown are median values for comp group. Market data as of June 30, 2020. All financials calendarized to a December year end.

1) CoreLogic market data as of one day prior to acquisition announcement by Cannae Holdings for \$4.5 billion on June 26, 2020.

Leading Independent Advisory Firm

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.



1,500+
Employees

22
Locations

~45%
Employee-Owned

~\$4 Billion
Market Cap

More Than
\$1 Billion
Annual Revenue

No
Debt

Corporate Finance

2019 M&A Advisory Rankings All U.S. Transactions		
Advisor	Deals	
1	Houlihan Lokey	184
2	Goldman Sachs & Co	167
3	JP Morgan	141
4	Morgan Stanley	122
5	Evercore Partners	112

Source: Refinitiv (formerly known as Thomson Reuters)

No. 1 U.S. M&A Advisor

Top 10 Global M&A Advisor

Leading Capital Markets Advisor

Financial Restructuring

2019 Global Distressed Debt & Bankruptcy Restructuring Rankings		
Advisor	Deals	
1	Houlihan Lokey	76
2	PJT Partners Inc	43
3	Moelis & Co	36
4	Lazard	29
5	AlixPartners	19

Source: Refinitiv (formerly known as Thomson Reuters)

No. 1 Global Restructuring Advisor

1,000+ Transactions Completed Valued
at More Than \$2.5 Trillion Collectively

Financial and Valuation Advisory

2000 to 2019 Global M&A Fairness Advisory Rankings		
Advisor	Deals	
1	Houlihan Lokey	1,057
2	JP Morgan	929
3	Duff & Phelps	734
4	Morgan Stanley	621
5	Bank of America Merrill Lynch	612

Refinitiv (formerly known as Thomson Reuters). Announced or completed transactions.

No. 1 Global M&A Fairness Opinion
Advisor Over the Past 20 Years

1,000+ Annual Valuation Engagements



Global, Market-Leading Fintech Practice

There is significant momentum in fintech following a dedicated team build-out in partnership with the industry's leading Financial Institutions Group (FIG) franchise, further supported by the extensive resources and relationships of Houlihan Lokey's broader global platform.

HOULIHAN LOKEY

75+

dedicated fintech/FIG bankers based in London, New York, Los Angeles, Miami, and San Francisco

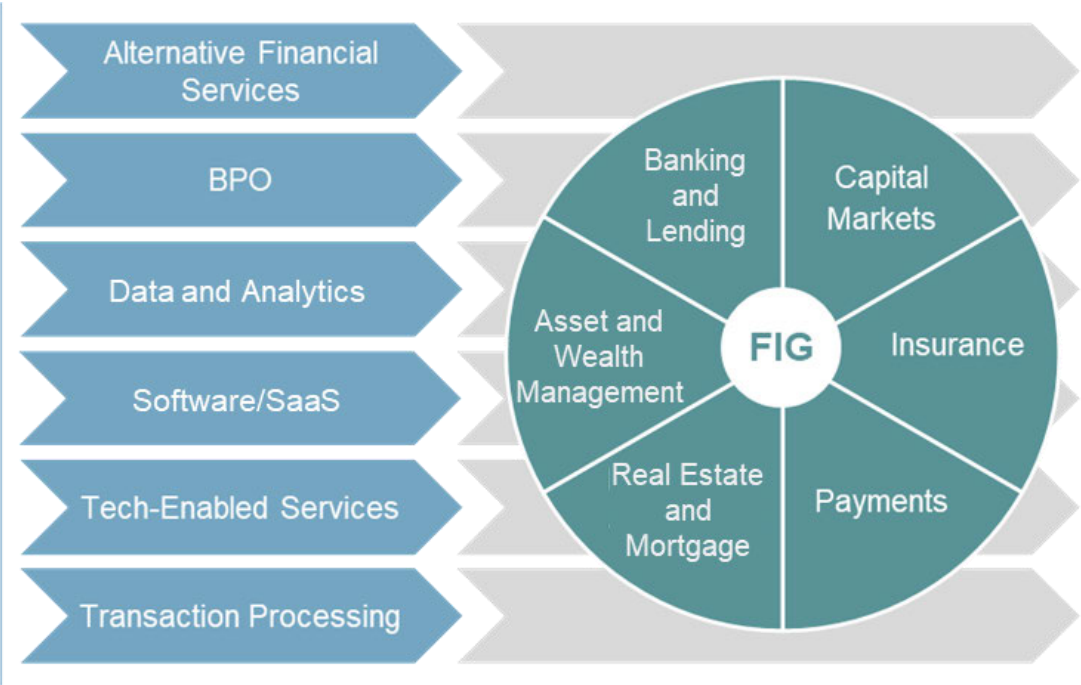
Global

single specialized practice across the world

150+

completed fintech M&A/ private placement transactions by Houlihan Lokey team members since 2010

Fintech



2015–2019 M&A Advisor Rankings North America and Europe FIG M&A⁽¹⁾ Disclosed Deal Value Up to \$1 Billion









































Rank	Advisor	Deals
1	Houlihan Lokey, Inc.	59
2	Barclays Capital Inc.	48
3	Piper Sandler Companies	47

Source: SNL Financial.
(1) Rankings exclude depository transactions.

Product Capabilities

- ✓ **M&A Advisory (Sellside and Buyside)**
- ✓ **Private Capital Markets (Debt and Equity)**
- ✓ **Financial Restructuring**
- ✓ **Board and Special Committee Advisory**
- ✓ **Fairness Opinions and Valuation Services**

Proven Fintech Track Record With Exceptional Momentum

<p>Transaction Pending:</p>  <p>European Servicing</p> <p>has agreed to be acquired by</p>  <p>Sellside Advisor</p>	<p> RetireUp</p> <p>has been acquired by</p>  <p>a portfolio company of</p>  <p>Sellside Advisor</p>	<p> IEQT</p> <p>has acquired an investment in</p>  <p>Financial Advisor</p>	<p> silverfleet capital</p> <p>has acquired a majority stake in</p>  <p>Financial Advisor</p>	<p>SUCSEZGRÖP</p> <p>has been acquired by</p>  <p>Principal Investments</p> <p>Sellside Advisor</p>	<p> ROCKALL</p> <p>has been acquired by</p>  <p>Sellside Advisor</p>	<p> pirum</p> <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>Sellside Advisor</p>	<p> defaqto</p> <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>Sellside Advisor</p>
Pending <i>Banking and Lending</i>	Jun. 2020 <i>Insurtech</i>	Mar. 2020 <i>Financial Information</i>	Mar. 2020 <i>Banking and Lending</i>	Sep. 2019 <i>Insurtech</i>	Apr. 2019 <i>TCM Software</i>	Apr. 2019 <i>TCM Software</i>	Mar. 2019 <i>Financial Information</i>
 <p>BARRACUDA^{FX}</p> <p>has been acquired by</p>  <p>Sellside Advisor</p>	<p>TotallyMoney</p> <p>has received an investment from</p>  <p>and</p>  <p>Financial Advisor</p>	<p>EQUISTONE</p> <p>has acquired a majority interest in</p>  <p>Buyside Advisor</p>	<p> ASSET CONTROL</p> <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>Sellside Advisor</p>	<p> FULCRUM FINANCIAL DATA</p> <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>Sellside Advisor</p>	<p> Lombard Risk</p> <p>has been acquired by</p> <p>Vermeg Group N.G.</p> <p>Sellside Advisor*</p>	<p> equis</p> <p>a portfolio company of</p> <p>HG Capital</p> <p>has been acquired by</p> <p>Verisk Analytics</p> <p>Sellside Advisor*</p>	<p> DYNAMO</p> <p>has received an investment from</p> <p>Francisco Partners</p> <p>Sellside Advisor*</p>
Mar. 2019 <i>TCM Software</i>	Feb. 2019 <i>Credit Information</i>	Dec. 2018 <i>Payments</i>	Sep. 2018 <i>TCM Software</i>	Jul. 2018 <i>Financial Information</i>	Feb. 2018 <i>Insurtech</i>	Aug. 2017 <i>Insurtech</i>	Jul. 2017 <i>TCM Software</i>
 <p>NOSTRUM GROUP</p> <p>has been acquired by</p> <p>Equiniti Group PLC</p> <p>Sellside Advisor*</p>	<p> BUREAU VAN DIJK</p> <p>a portfolio company of</p> <p>EQT</p> <p>has been acquired by</p> <p>Moody's Corporation</p> <p>Sellside Advisor*</p>	<p> message AUTOMATION</p> <p>has been acquired by</p> <p>Broadridge</p> <p>Sellside Advisor*</p>	<p> FACTSET</p> <p>has acquired</p> <p>BISAM</p> <p>Buyside Advisor*</p>	<p> healix GROUP OF COMPANIES</p> <p>has been acquired by</p> <p>Verisk Analytics</p> <p>Sellside Advisor*</p>	<p> dun & bradstreet</p> <p>has sold its Benelux operations to</p> <p>Altarea BV</p> <p>a portfolio company of</p> <p>Naxicap</p> <p>Sellside Advisor*</p>	<p> Third Bridge</p> <p>has received an investment from</p> <p>IK Investment Partners</p> <p>Sellside Advisor*</p>	<p> 4SIGHT FINANCIAL SOFTWARE</p> <p>has been acquired by</p> <p>Broadridge</p> <p>Sellside Advisor*</p>
Jul. 2017 <i>Core Banking</i>	Mar. 2017 <i>Financial Information</i>	Mar. 2017 <i>TCM Software</i>	Mar. 2017 <i>TCM Software</i>	Feb. 2017 <i>Insurtech</i>	Feb. 2017 <i>Financial Information</i>	Oct. 2016 <i>Credit Information</i>	Jun. 2018 <i>TCM Software</i>

*Selected transactions were executed by Houlihan Lokey professionals while at Quayle Munro, a firm acquired by Houlihan Lokey.

Disclaimer

© 2020 Houlihan Lokey. All rights reserved. This material may not be reproduced in any format by any means or redistributed without the prior written consent of Houlihan Lokey.

Houlihan Lokey is a trade name for Houlihan Lokey, Inc., and its subsidiaries and affiliates, which include those in (i) the United States: Houlihan Lokey Capital, Inc., an SEC-registered broker-dealer and member of FINRA (www.finra.org) and SIPC (www.sipc.org) (investment banking services); Houlihan Lokey Financial Advisors, Inc. (financial advisory services); HL Finance, LLC (syndicated leveraged finance platform); and Houlihan Lokey Real Estate Group, Inc. (real estate advisory services); (ii) Europe: Houlihan Lokey EMEA, LLP, and Houlihan Lokey (Corporate Finance) Limited, authorized and regulated by the U.K. Financial Conduct Authority; Houlihan Lokey S.p.A.; Houlihan Lokey GmbH; Houlihan Lokey (Netherlands) B.V.; Houlihan Lokey (España), S.A.; and Houlihan Lokey (Corporate Finance), S.A.; (iii) the United Arab Emirates, Dubai International Financial Centre (Dubai): Houlihan Lokey (MEA Financial Advisory) Limited, regulated by the Dubai Financial Services Authority for the provision of advising on financial products, arranging deals in investments, and arranging credit and advising on credit to professional clients only; (iv) Singapore: Houlihan Lokey (Singapore) Private Limited, an “exempt corporate finance adviser” able to provide exempt corporate finance advisory services to accredited investors only; (v) Hong Kong SAR: Houlihan Lokey (China) Limited, licensed in Hong Kong by the Securities and Futures Commission to conduct Type 1, 4, and 6 regulated activities to professional investors only; (vi) China: Houlihan Lokey Howard & Zukin Investment Consulting (Beijing) Co., Limited (financial advisory services); (vii) Japan: Houlihan Lokey K.K. (financial advisory services); and (viii) Australia: Houlihan Lokey (Australia) Pty Limited (ABN 74 601 825 227), a company incorporated in Australia and licensed by the [Australian Securities and Investments Commission](http://www.asic.gov.au) (AFSL number 474953) in respect of financial services provided to wholesale clients only. In the European Economic Area (EEA), Dubai, Singapore, Hong Kong, and Australia, this communication is directed to intended recipients, including actual or potential professional clients (EEA and Dubai), accredited investors (Singapore), professional investors (Hong Kong), and wholesale clients (Australia), respectively. Other persons, such as retail clients, are NOT the intended recipients of our communications or services and should not act upon this communication.

Houlihan Lokey gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this presentation. The material presented reflects information known to the authors at the time this presentation was written, and this information is subject to change. Houlihan Lokey makes no representations or warranties, expressed or implied, regarding the accuracy of this material. The views expressed in this material accurately reflect the personal views of the authors regarding the subject securities and issuers and do not necessarily coincide with those of Houlihan Lokey. Officers, directors, and partners in the Houlihan Lokey group of companies may have positions in the securities of the companies discussed. This presentation does not constitute advice or a recommendation, offer, or solicitation with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Houlihan Lokey or its affiliates may from time to time provide investment banking or related services to these companies. Like all Houlihan Lokey employees, the authors of this presentation receive compensation that is affected by overall firm profitability.

