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Ebix acquisition spree totals over \$90M

*Latest \$50M buyout builds on three deals since summer*

By Martin Desmarais

ATLANTA – Robin Raina's Ebix Inc. has been on a buying spree as of late, gobbling up four different companies since the middle of the summer.

Most recently the Atlanta-based supplier of software and e-commerce services acquired E-Z Data Inc. for \$50.35 million, including \$25 million in cash.

The California-based E-Z Data provides customer relationship management products to life insurance companies. According to Ebix, E-Z Data's products are now considered the industry standard for agency management, practice management, and enterprise customer relationship management. E-Z Data products can be used by all aspects of the financial services industry – including insurance companies, general agents, banks, investment dealers, agents and financial advisors. E-Z Data products are used by more than a quarter million financial services professionals and firms such as HSBC, M Financial, MetLife, National Financial Partners, ProEquities, Prudential, Royal Alliance and Securian.

All E-Z Data products are available in an on-demand basis. Eight-five percent of the company's revenues are subscription-based and recurring. E-Z Data has offices in California, Virginia, two development centers in India, and various offices around the world in emerging markets like China and Japan.

"This is one of our most strategic acquisitions since this will provide us access to a majority of the life and annuity brokers' desktop in the United States. We have always had the vision to include CRM into the core fabric of the information exchanged in the insurance business," Raina, Ebix chairman, president and chief executive officer, said in a statement about the deal. "E-Z Data CRM when blended into our life and annuity exchanges provides the insurance industry with a giant leap forward, in terms of making end-to-end, enterprise-wide information exchange rather seamless for the majority of the industry. We believe that this can serve as a catalyst for industry-wide exchange adoption at a faster pace as this will also help us sell CRM solutions in an enterprise manner to our existing exchange clients.

"E-Z Data has been a market leader in on-demand CRM for the financial services industry and has helped industry professionals better leverage vital client information in a new way. It was attractive to Ebix that E-Z Data serves and covers the full spectrum of financial services distribution," Raina added. "The addition of these services to EbixExchange will strengthen our position in the global on-demand CRM market, which according to analysts, is poised to reach \$3.8 billion by 2013."

According to Raina, the on-demand aspect of E-Z Data's customer relationship management products was key to the company's interest in a deal.

"Our belief has always been that we needed a cutting edge on-demand CRM to best leverage our life and annuity exchanges across the world and the United States. We looked at many CRM vendors across the world and chose E-Z Data not only because it has the majority of the market share in the United States, but also because of the technology edge that E-Z Data had over all other players in the market," Raina said. "The fact that E-Z Data already had an international presence with bases in strategic countries like Japan, China and India was an added plus. We believe that this acquisition will open new life and annuity channels for Ebix in international markets, including Asia, Australia, Africa, Latin America and beyond.

"Financially speaking, we are excited about this acquisition on many accounts. This acquisition brings a revenue base to the company that is subscription-based and 85 percent recurring," he added. "In addition, with the E-Z Data international reach and general market share dominance in the United States, Ebix can quickly help financial services organizations achieve organic growth, decrease the cost of service, and improve operational efficiencies."

The E-Z Data acquisition in mid-October followed quickly on the heels of Ebix's \$9.5 million purchase of the Ohio-based Peak Performance Solutions Inc. on October 1.

Peak offers insurance software and technology services to insurance companies, self-insured entities, and risk management organizations in the areas of workers' compensation claims processing, risk management claims administration, managed care tracking and backend policy administration. The company had 450 customers at the time it was bought by Ebix. The deal involved an upfront payment of \$8 million, plus a potential further cash payment of \$1.5 million. There was no stock involved in the deal.

"Peak has been a strong player in the workers' compensation claims, risk management, managed care and the claims processing industry," Ebix's CEO Raina said about the deal. "The addition of these services to EbixExchange will further strengthen our position in the fast-growing risk management and claims processing sector of the insurance industry."

Last summer, Ebix snatched up two other companies. First it bought Facts Services Inc. for \$6.5 million in cash and combined the company with its Pittsburgh-based division, under the EbixHealth name, with an intention to provide the industry with additional services. Second, it acquired Acclamation Systems Inc., a provider of health-care benefits and claims management software in a \$25 million deal.

Ebix made an upfront cash payment of \$22 million to Acclamations shareholders and agreed to possible additional payments of up to \$3 million over three years if specific revenue targets of Ebix's health-benefits division are reached.

Founded in 1989 and headquartered in Pittsburgh, Acclamation provides benefits administration systems to some of the world's largest insurance carriers, third-party administrators and self-administered organizations. According to Ebix, Acclamation was seen as a leading company in the health benefits software industry, providing benefit services to an estimated 7 million insured lives through its customer base of approximately 80 clients, encompassing health insurance companies, third party administrators and self-administered organizations, according to Ebix.

Acclamation's flagship product, LuminX, is an automated system designed for organizations entrusted with the responsibility of administering health and other employee benefits. To complement the LuminX system, Acclamation also offers a number of Web tools, including online eligibility and enrollment; comprehensive reporting; full accounting capabilities; integrated technologies; and business-process-outsourcing.

Ebix has 23 offices in Singapore, Australia, the United States, New Zealand, India and Canada. Its customers conduct more than \$100 billion in insurance premiums through its products.