



# INVESTOR PRESENTATION

Last updated August 7, 2015



This Investor Presentation has been prepared by Ebix, Inc. (“Ebix”) for investors, solely for informational purposes.

The information contained herein has been prepared to assist prospective investors in making their own evaluation of the Company and does not purport to be all-inclusive or to contain all of the information a prospective or existing investor may desire. In all cases, interested parties should conduct their own investigation and analysis of the Company and the data set forth in this information. Ebix makes no representation or warranty as to the accuracy or completeness of this information and shall not have any liability for any representations (expressed or implied) regarding information contained in, or for any omissions from, this information or any other written or oral communications transmitted to the recipient in the course of its evaluation of the Company.

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This presentation may contain statements that are not historical facts, referred to as “forward looking statements.” The corporation’s actual future results may differ materially from those suggested by such statements, depending on various factors including those described in filings made with the SEC.

# Ebix Introduction



Ebix, Inc. (the “Company”) was founded in 1976 as Delphi Systems, Inc., a California corporation. In December 2003 the Company changed its name to Ebix, Inc. The Company is listed on the NASDAQ Global Market & is a part of the Russell 2000 Index, Standard & Poor's Small Cap 600 GICS Application Software Sub-Industry Index and Dow Jones Internet Services Index and Dow Jones Internet Composite Index.

Ebix, Inc. is a leading provider of On-Demand software and e-commerce solutions to the insurance industry. Ebix provides end to end solutions ranging from infrastructure exchanges, carrier systems, agency systems and Business Process Outsourcing services to custom software development for all entities involved in the insurance industry and financial industries. Ebix powers multiple exchanges across the world in the field of life, annuity, health and property & casualty insurance, while conducting in excess of \$100 billion in insurance premiums on its platforms.

Ebix's goal is to be the leading backend powerhouse of insurance transactions in the world. The Company's technology vision is to focus on convergence of all insurance channels, processes and entities in a manner such that data can seamlessly flow once a data entry has been made.

With a recurring revenue of approximately 80%, Ebix strives to work collaboratively with clients to develop innovative technology strategies and solutions that address specific business challenges. Ebix combines the newest technologies with its capabilities in consulting, systems design and integration, IT and business process outsourcing, applications software, and Web and application hosting to meet the individual needs of organizations.

The Company has its headquarters in Atlanta, Georgia, and has domestic operations in Los Angeles, Hemet, Pittsburgh, Park City, Salt Lake City, Miami, Lynchburg, Columbus, Portland, New York, Connecticut and Dallas. The Company also has offices in nine other countries - Australia, Brazil, New Zealand, Singapore, Canada, U.K. and India. Through its various SaaS based software platforms, Ebix employs 2,800+ insurance & technology professionals providing products, support and consultancy to thousands of customers on six continents across 60+ countries.

Ebix's focus on quality has enabled its development unit in India to be awarded Level 5 status of the Carnegie Mellon Software Engineering Institute's Capability Maturity Model Integrated (CMMI). With a recent ISO 27001-security certification, the Company also has a ISO 9001:2000 certification for both its development and RCS units in India. Its vast customer base includes hundreds of carriers and hundreds of thousands of brokers, and in addition to a few hundred corporate clients. This includes an impressive blue-chip account base consisting of the nation's largest and most respected insurance companies as well as a large community of insurance professionals.

In 2012 Ebix was ranked as the 6th Fastest Growing Technology Company in America by Forbes Magazine.



**Ebix's goal is to be the largest On-Demand insurance software services company in the world.**



The company's technology vision is to focus on convergence of all insurance channels, processes and entities in a manner that data can seamlessly flow once a data entry has been made. The company intends to do that by designing products and services that are pioneering and at least a few years ahead of its competition. The company believes that profitability and revenue growth must go hand in hand.

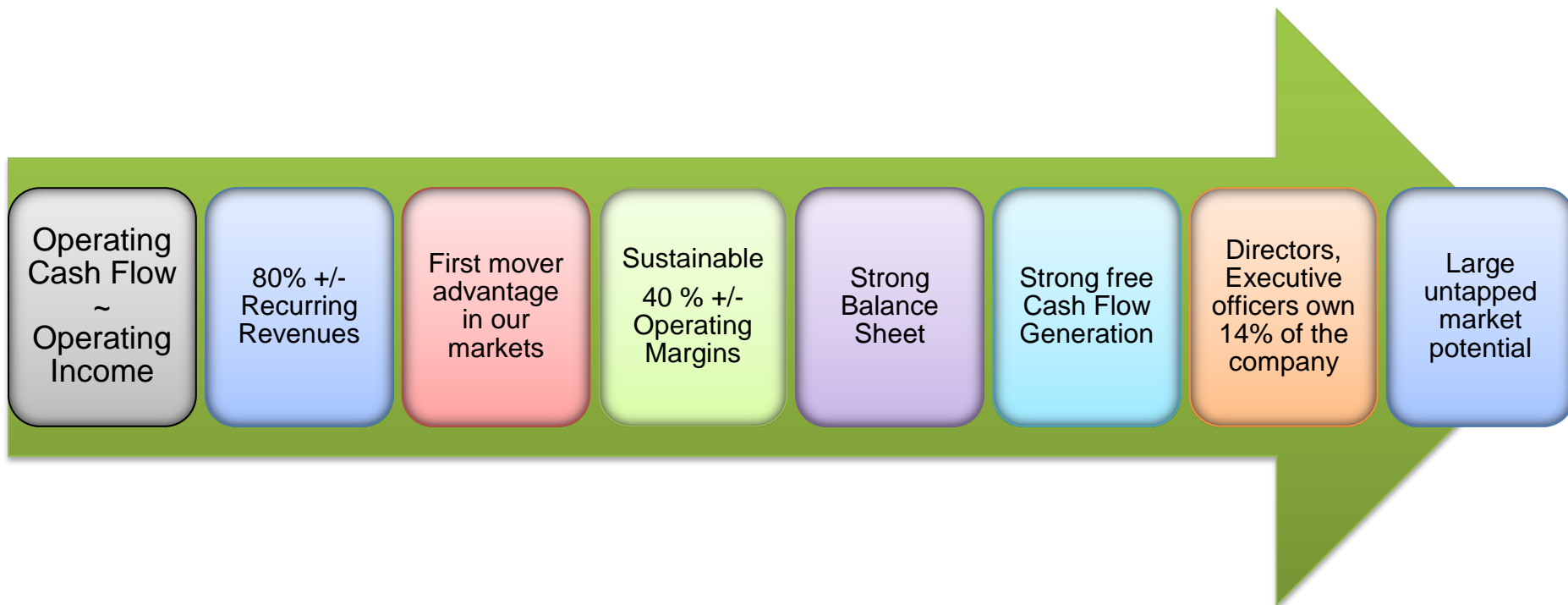
With no competitors who can match the completeness of its vision or its distinct advantages, Ebix is ideally positioned to seize an enormous "green field" opportunity. Continually cited for the high quality of its offering, Ebix has built an outstanding reputation among a large, impressive customer base. With a strong recurring, Software as a Service model, Ebix is positioned to be a leading player in the Global insurance software industry.

# Summary Highlights



Ebiz is a leading developer of global SaaS based end to end solutions for the insurance and investment industry.

Ebiz powers multiple exchanges in the areas of life, annuity, health and property & casualty insurance. More than \$100 billion on insurance premiums flow through our exchanges.





## Strategic Vision

- Focus on Straight Through Processing (STP)
- To be a global insurance infrastructure leader worldwide

## Technology Vision

- Focus on SaaS
- To always be a few years ahead of competition
- Adaptive systems facilitating business agility

## Business Vision

- Utilities based revenue model
- Full ownership of IP
- 80%+/- recurring revenues
- Minimal customer attrition
- Highly Diversified Customer Base

## Financial Vision

- Consistent 40% plus/minus operating margins
- Strong free cash flow generation
- Make accretive acquisitions in areas where there is an opportunity to dominate
- Strong Balance Sheet

## Operational Vision

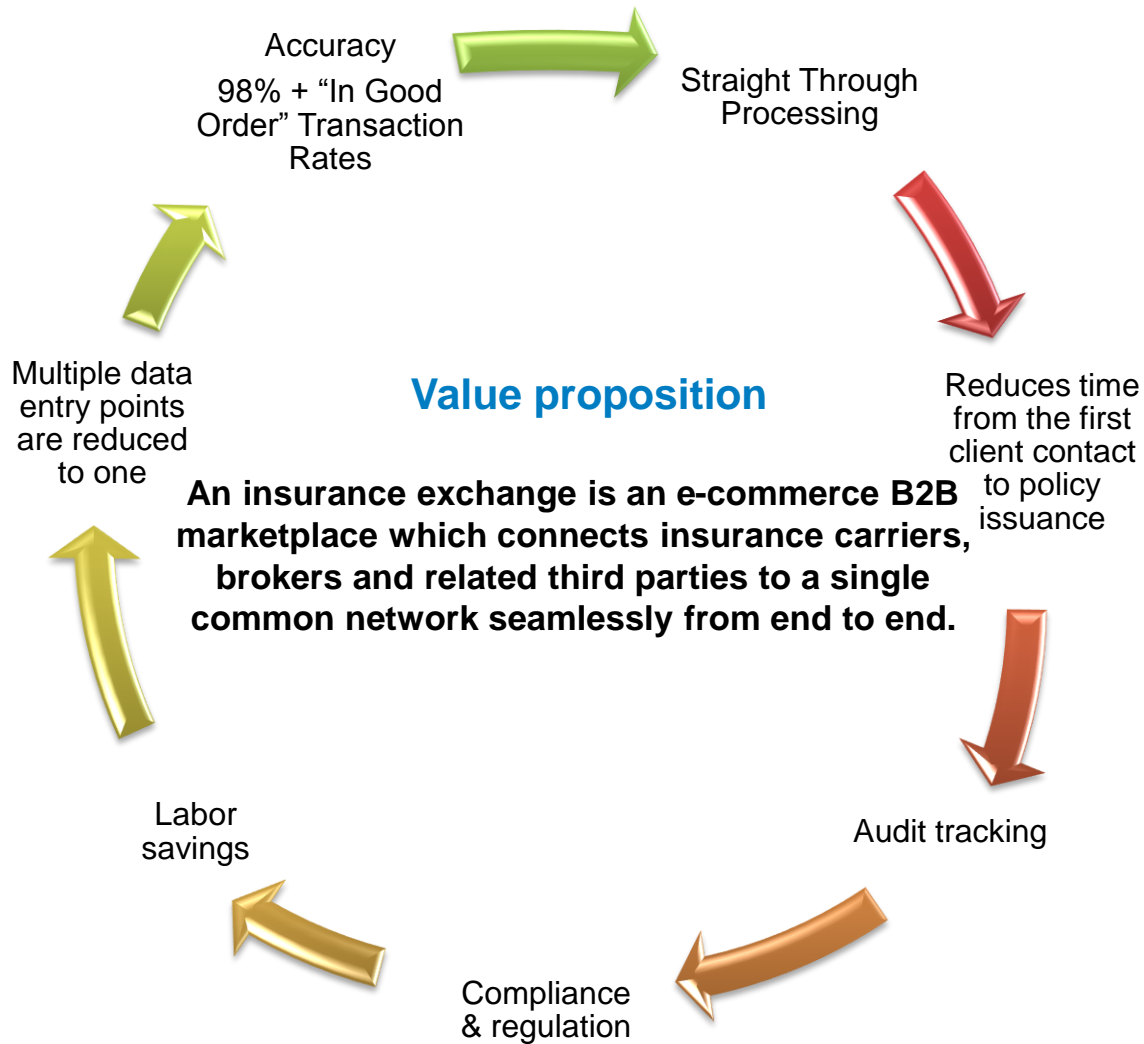
- Centralized Controls
- Zero based budgeting
- Conservative Balanced Business Approach

The logo for EBIX EXCHANGE. 'EBIX' is in a dark blue serif font, with a light blue stylized 'e' above the 'I'. 'EXCHANGE' is in a light blue sans-serif font. A white stylized 'e' logo is in the top right corner of the slide.

# EBIX EXCHANGE

*The On-Demand Software Exchange*

Converges all Insurance and Investment Operations from Front End to Back End, from Quoting to Underwriting, Transactions, to Commissions, from Compliance to Lead Generation, and Claims to Accounting.

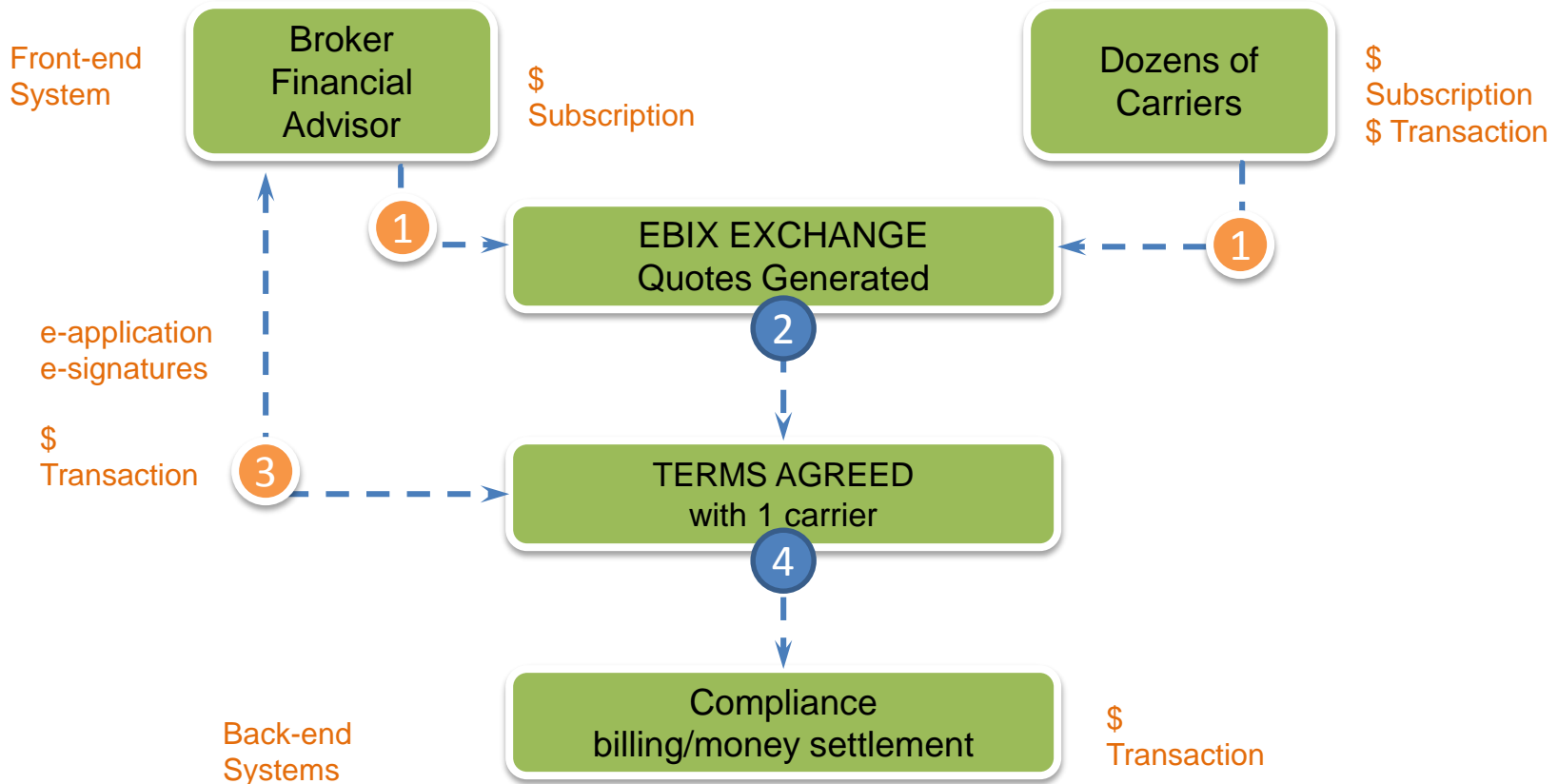




# Straight Through Processing



Every time data is exchanged - Ebix generates revenue



# Market Position - Ebix Exchanges



- Seamless end-to-end On Demand Insurance Solutions to enable convergence of life, annuity, health, property & casualty insurance entities conducting in excess of \$100 billion in insurance premiums annually
- Utilities based revenue structure
- Largest insurance exchanges in the world
- First end-to-end health & benefits network in the US providing a complete range of functionality for all industry constituents - Carriers, Agents, General Agents, Employers, Employees et al.
- Transacts 95% of P&C Insurance e-commerce business in Australia

**Manulife Financial**  
For your future

**Swiss Re**

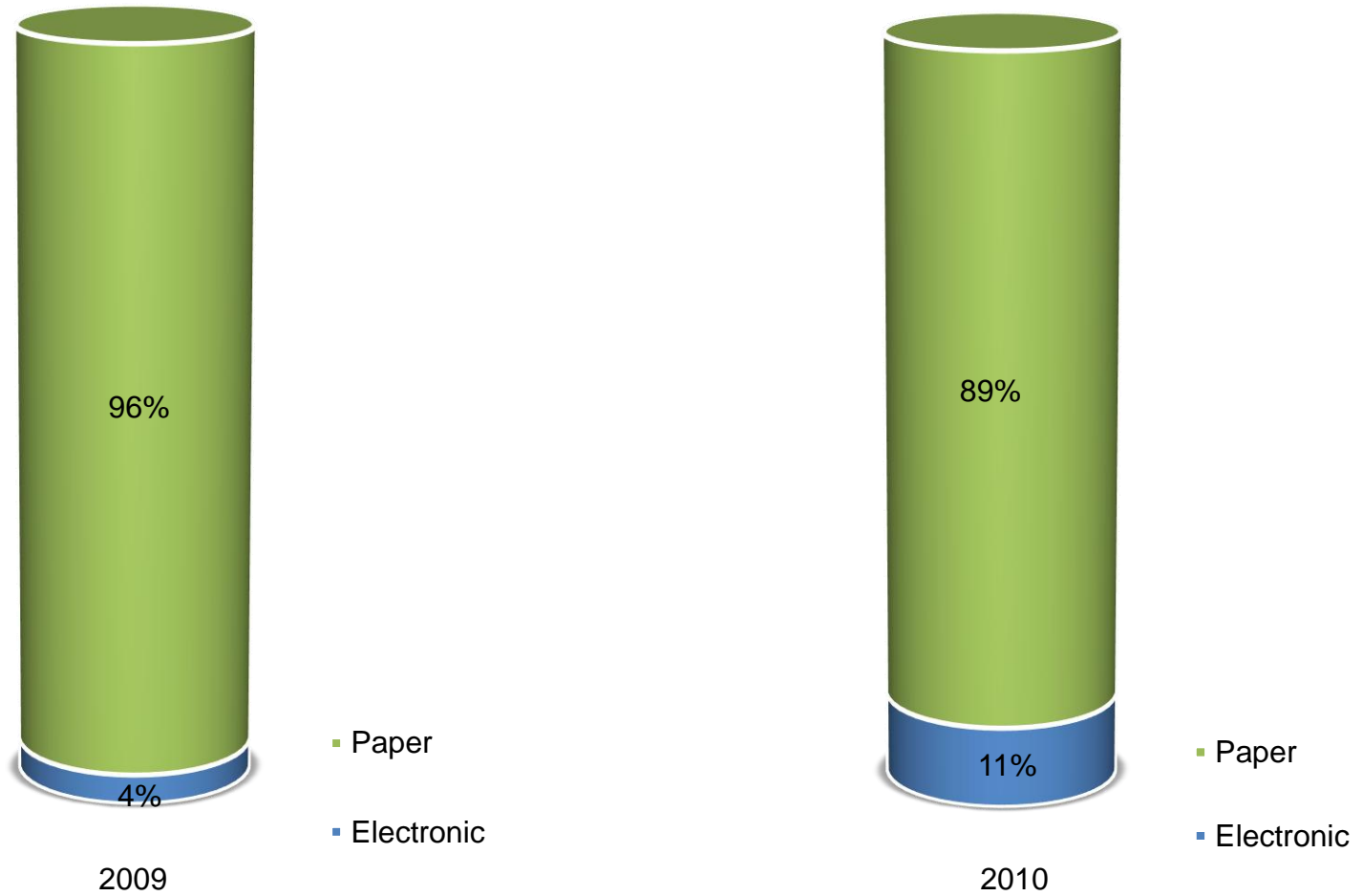
**Liberty Mutual**

**Sun Life Financial**





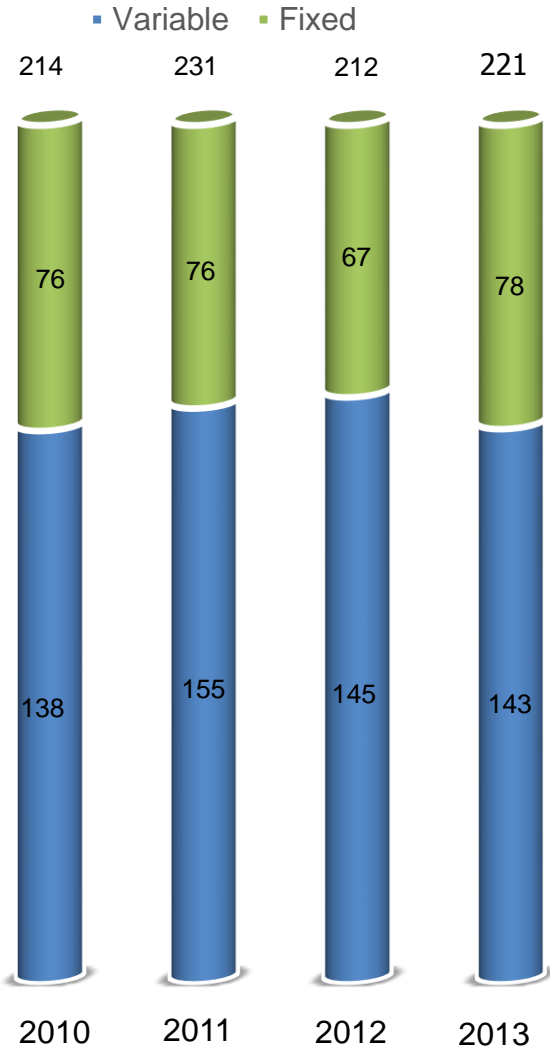
## Electronic Life Insurance vs. Paper Applications



# Market Landscape – U.S. Annuities

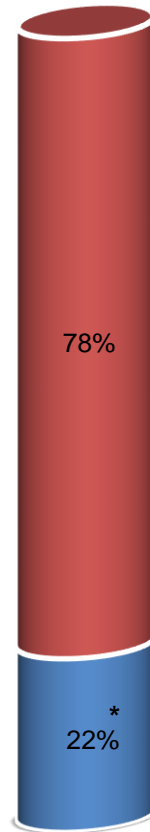


Total Annuity Sales (\$ in Billions)



Electronic Annuity Applications vs. Paper Applications

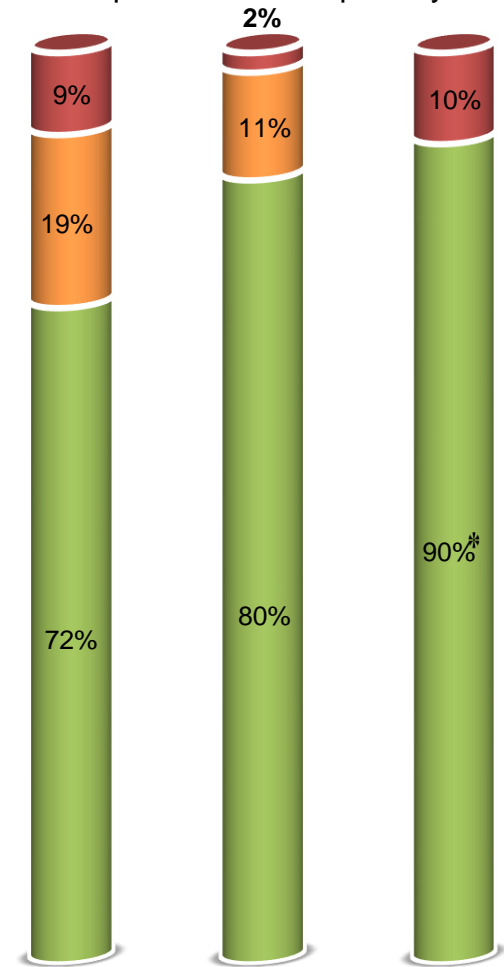
■ Paper ■ Electronic



\* As per DTCC numbers in May 2012

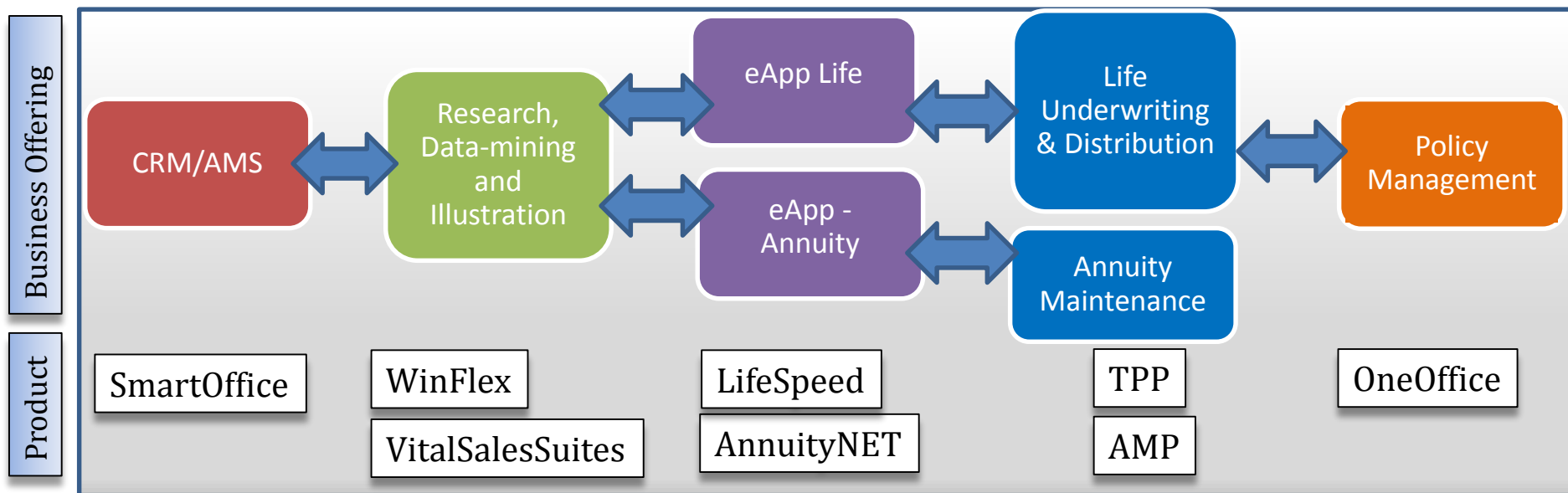
Ebix Electronic Market Share

■ Competition ■ Proprietary ■ Ebix

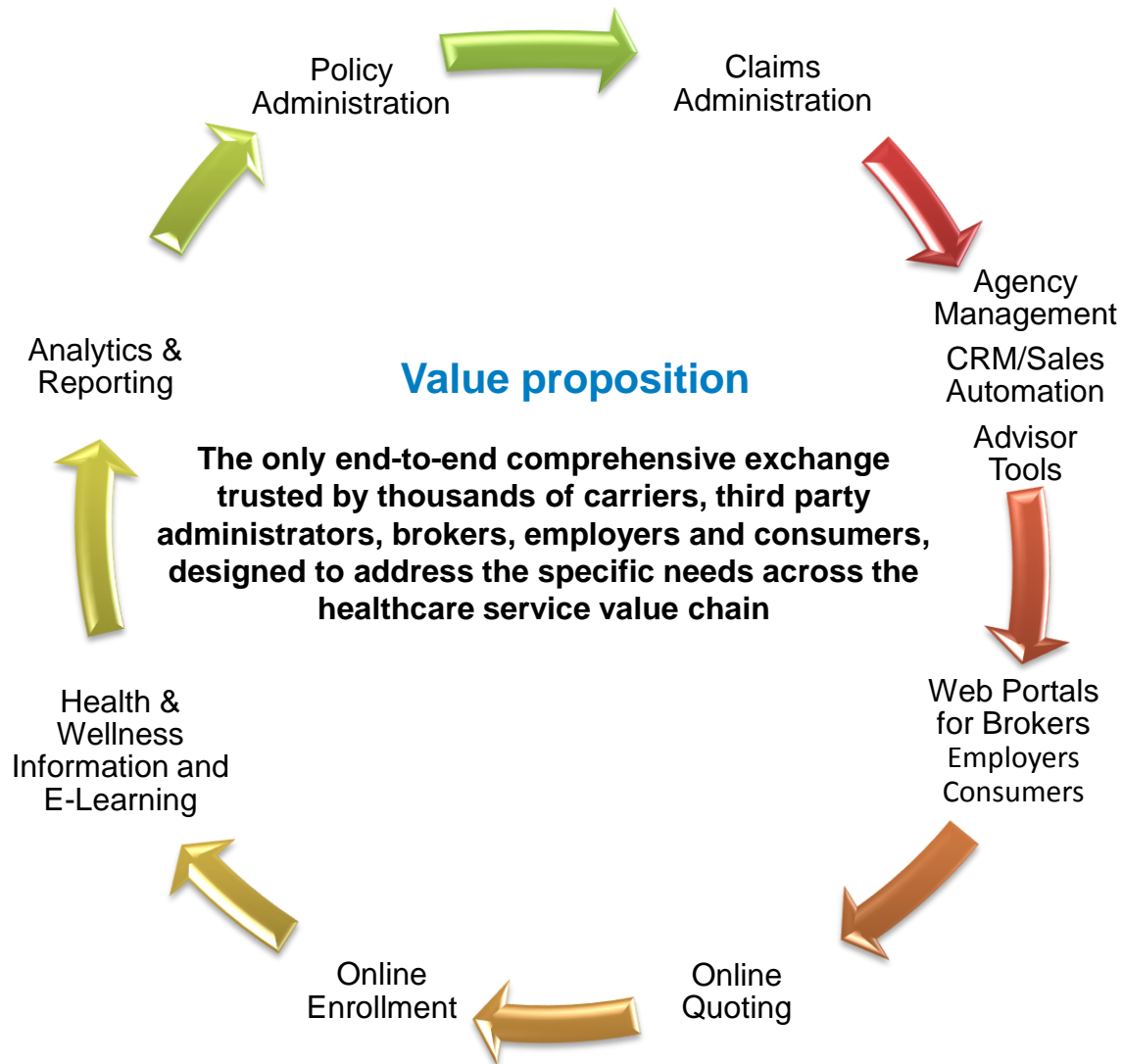


\*As per DTCC numbers in May 2012

Source: 2012 11<sup>th</sup> Edition IRI Fact Book, Beacon Research, Morningstar, Inc.



**Exchange generates more than 22 million illustrations and processes more than \$50 billion of Annuity Premiums each year**





## EbixEnterprise Health Benefits

- End-to-end health and benefits administration solution providing a complete range of functionality for all industry constituents including Carriers, Agents, General Agents, Employers, Employees, Consumers
- Policy Admin, Claims Admin, Quoting, Enrollment, Analytics & Reporting
- Agency Management, CRM/Sales Automation, Advisor Tools, Web Portals
- End-to-End HR and Benefits Management

## A.D.A.M. Health Content/ E-Learning Tools

- Web-based Consumer and Patient healthcare information branded under A.D.A.M.
- E-Learning programs for the Biomedical, Medical Devices and Pharmaceutical industries
- Comprehensive custom and reusable assets including multimedia, interactive programs
- Anatomy and Physiology e-learning resources for the K-12, Higher Education, CME and Library markets

## Pricing

- Subscription and Transaction based

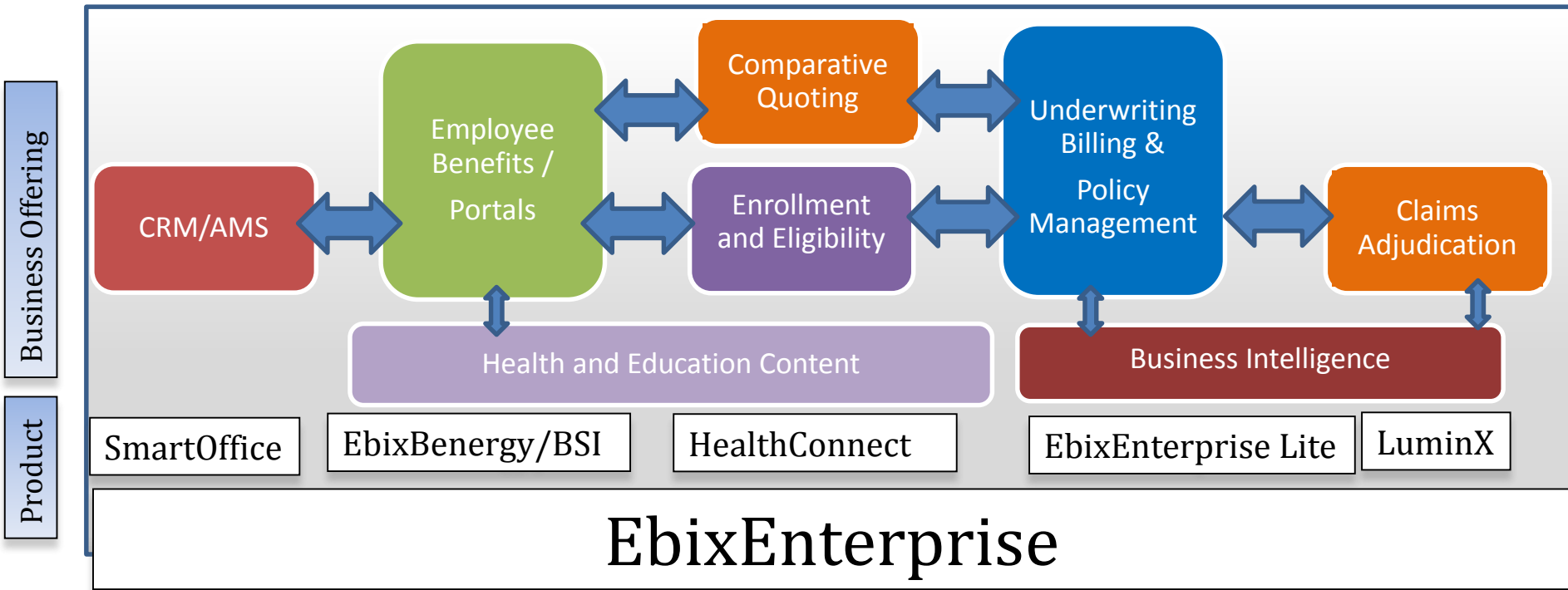


NATIONAL FINANCIAL PARTNERS



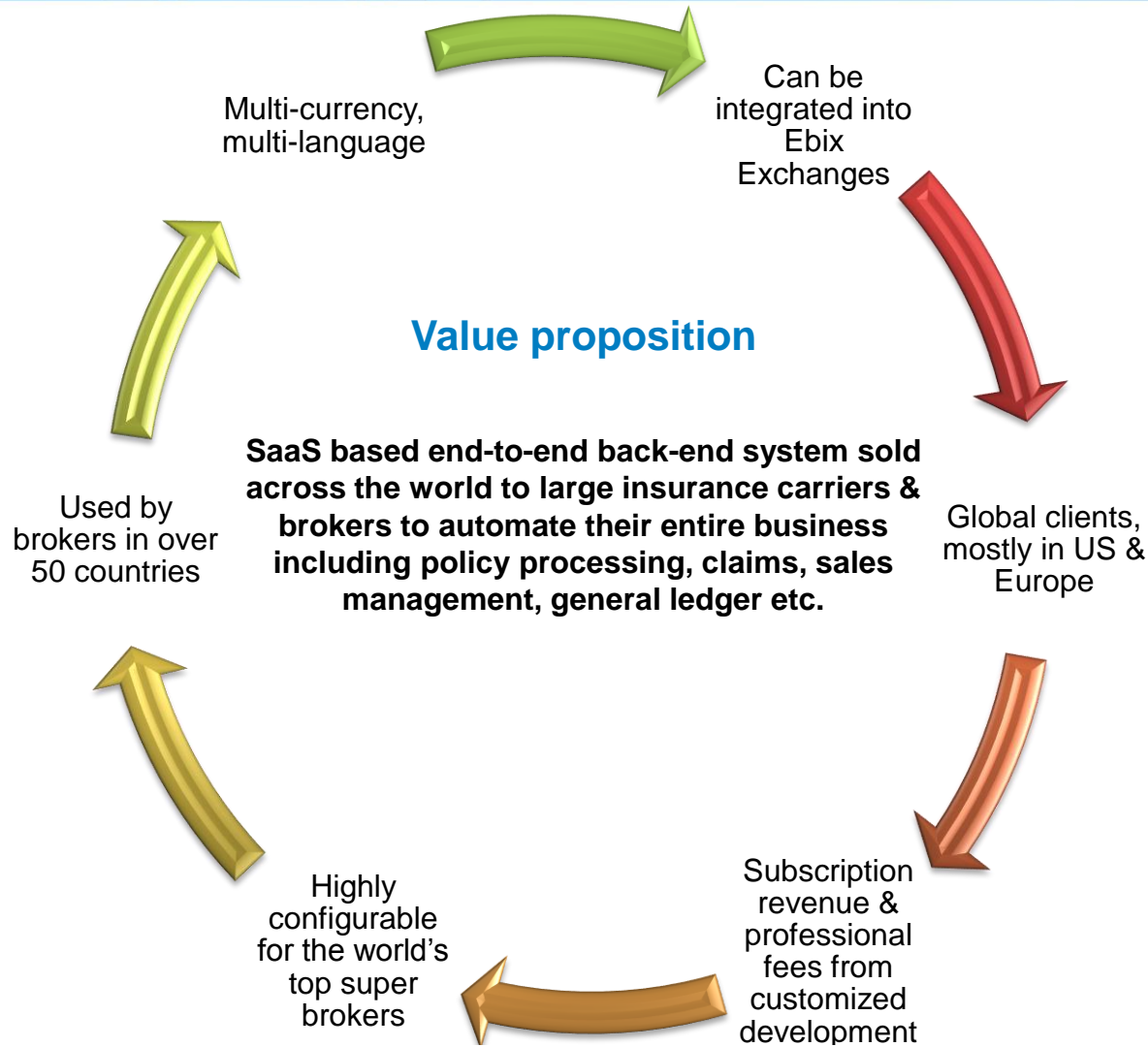
The New York Times





**Clients can utilize on-demand Exchange offerings in multiple ways - fully integrated end-to-end solution or as individual plug-in software components**





# Market Position - Risk Compliance Solutions



Single largest global provider. Over 1000 clients in 26 different industry verticals. More than 80 Fortune 500 companies

## Value Proposition

- Deliver insurance certificates faster and more accurately than in-house systems which are mostly paper based.
- Create standard business process to ensure consistent, timely and accurate certificate generation and tracking for management.
- Compliance
- Litigation mitigation
- Renewal tracking

## Client Benefits

- Accuracy
- Time savings
- Labor savings (regular and overtime)

## Pricing

- Subscription and Transaction based
- New Vendor Pay Model

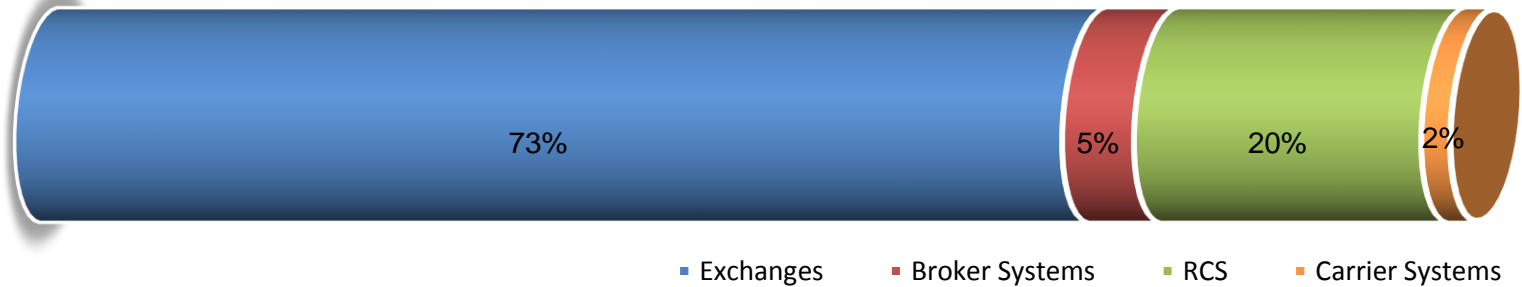


# Financial Highlights



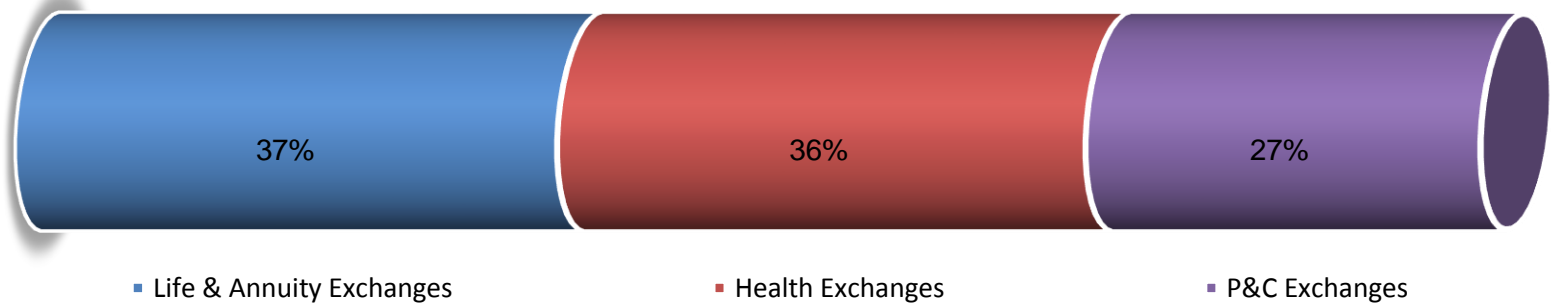
	2011	2012	2013	2014	Q2 2014	Q2 2015
<b>Revenues (in million \$)</b>	169.0 + 28 %	199.4 18%	204.7 3%	214.3 5%	51.5 26%	64.7
<b>Net Income (in million \$)</b>	71.4 + 21 %	70.6 (1.1%)	59.3 (16%)	63.6 7%	13.6 40%	19.0
<b>Diluted EPS (in \$)</b>	1.75 + 16 %	1.80 3%	1.53 (15%)	1.67 9%	0.35 54%	0.54
<b>Operating Margins</b>	41%	39%	37%	37%	34%	32%

# Channel Diversity - Revenue Split in 1H 2015



## The Insurance Exchange Channel

Multiple exchanges across the world in the fields of life, annuity, health, property & casualty insurance conducting in excess of \$100 billion in insurance premiums



# Revenue Breakdown 1H 2015



- Exchanges
- Brokers
- RCS
- Carrier/Insurer



- Subscription
- Transaction
- Professional Services

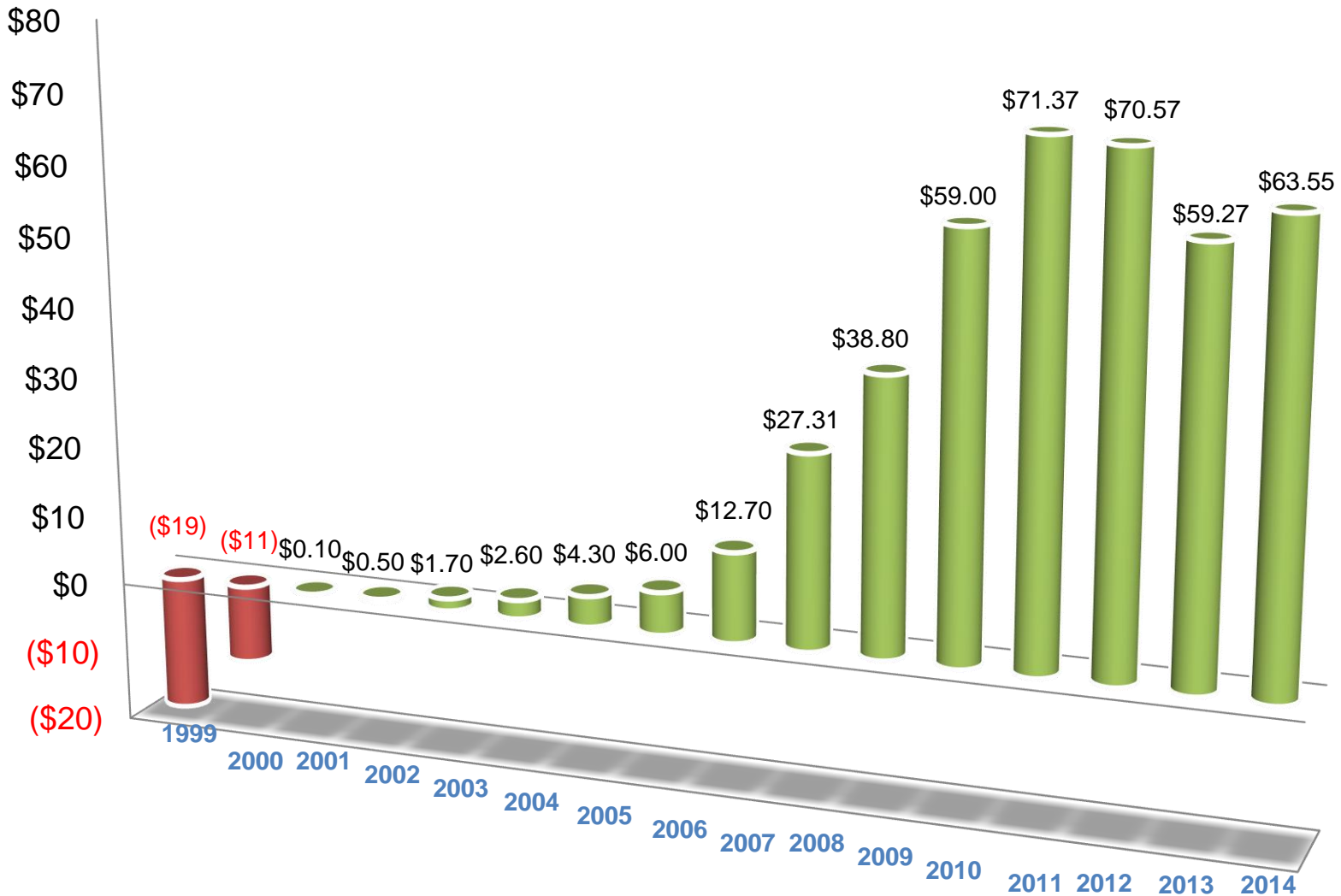


- North America
- International

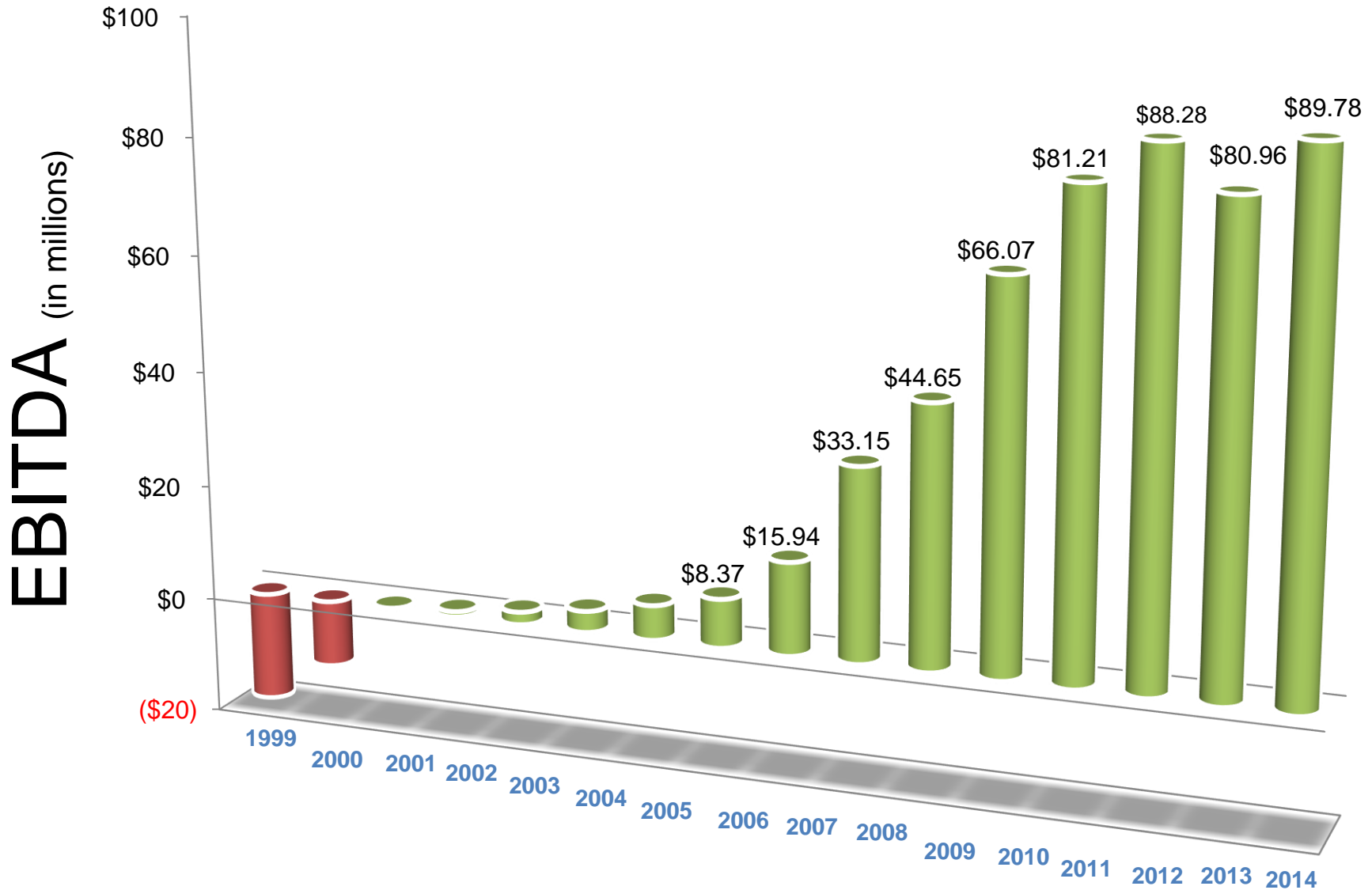
# Net Income History



- In 1999 Ebix had \$19.0 million in Net Losses.
- In 2014 Ebix had \$63.55 million of Net Income.



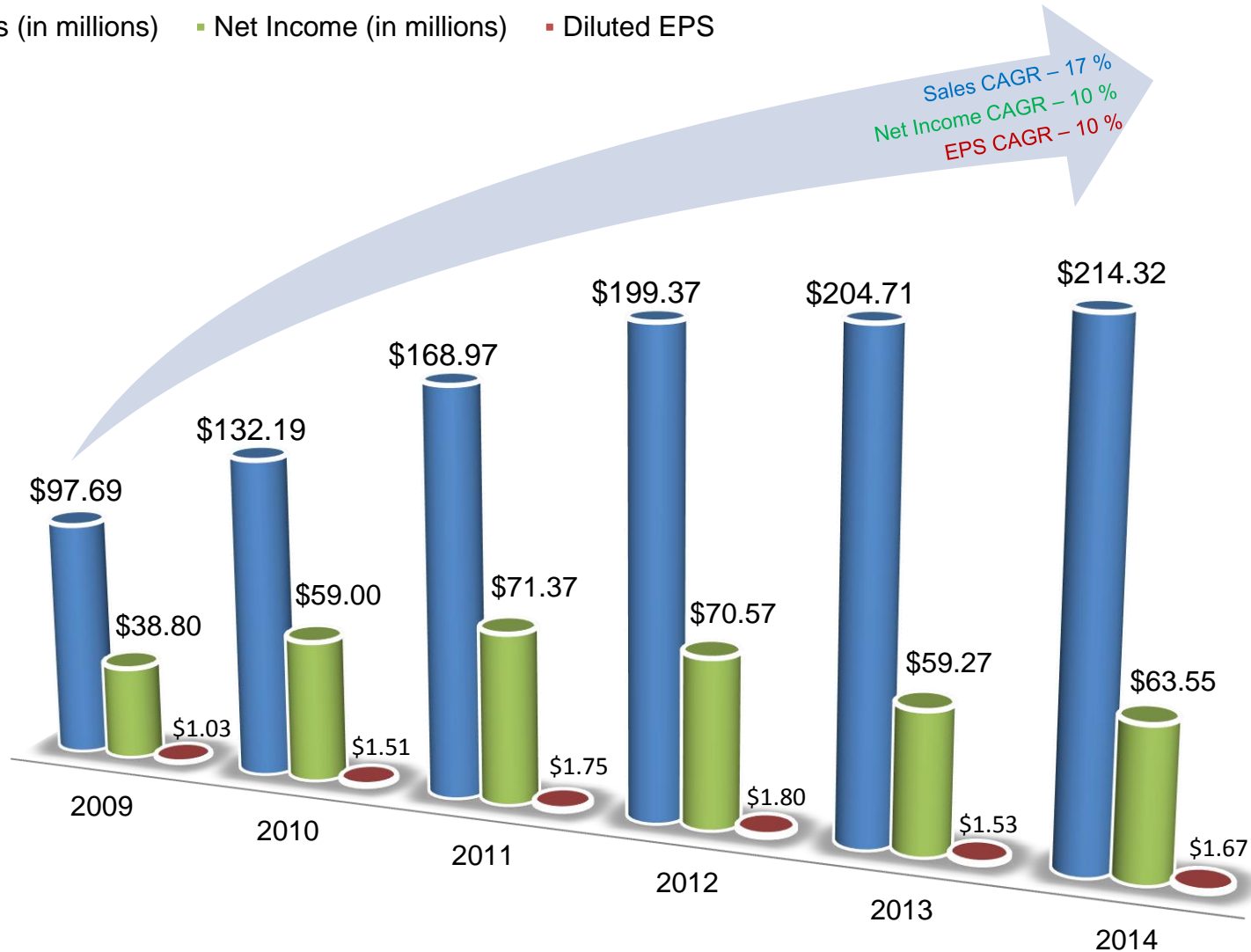
# EBITDA



# Consistent Growth and Profitability



■ Sales (in millions) ■ Net Income (in millions) ■ Diluted EPS



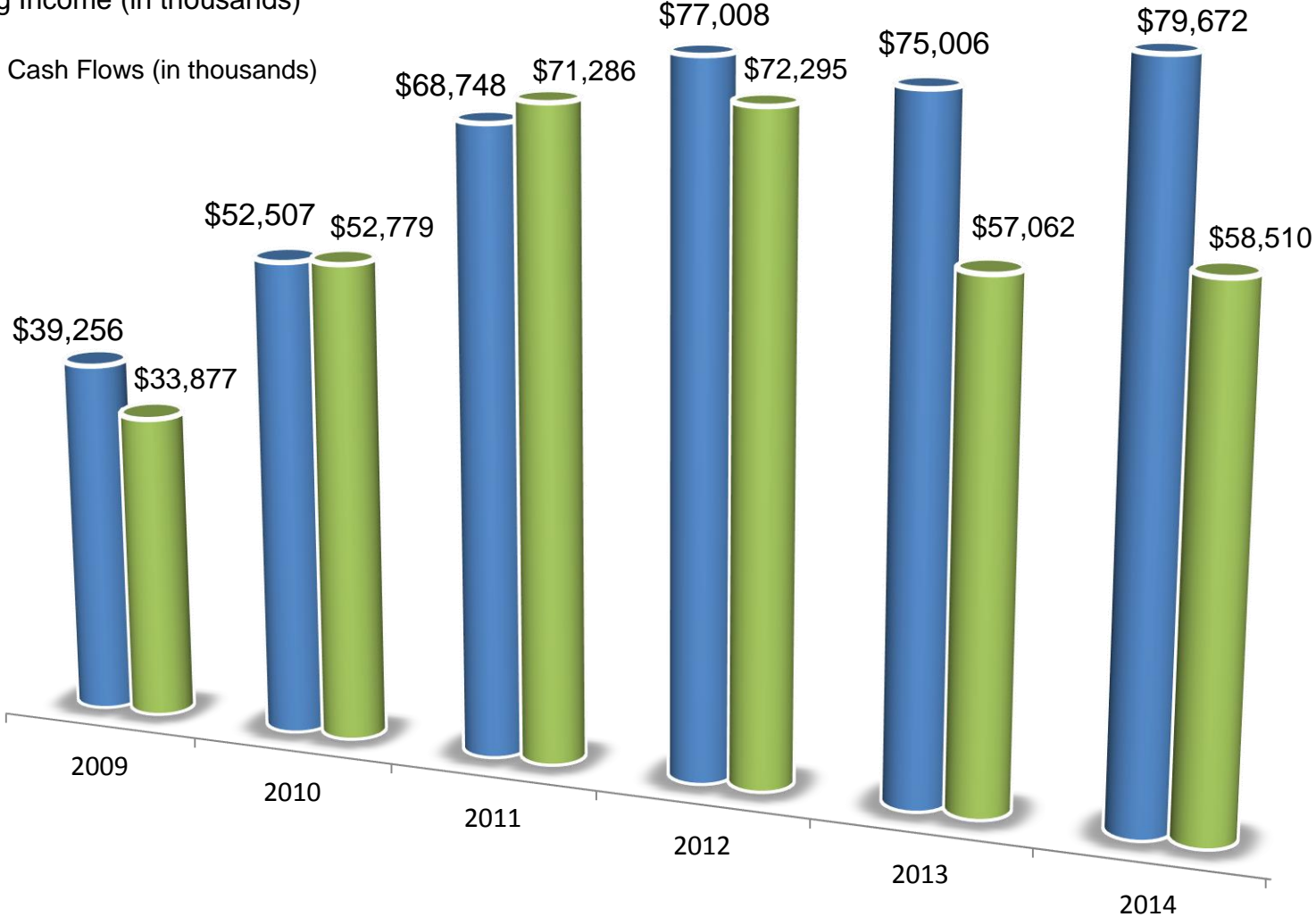
\*Diluted earnings per share reflects two 3-for-1 stock splits, namely the 3-for-1 stock split effective October 9, 2008 and the 3-for-1 stock split effective January 5, 2010



# Operating Income and Operating Cash Flow



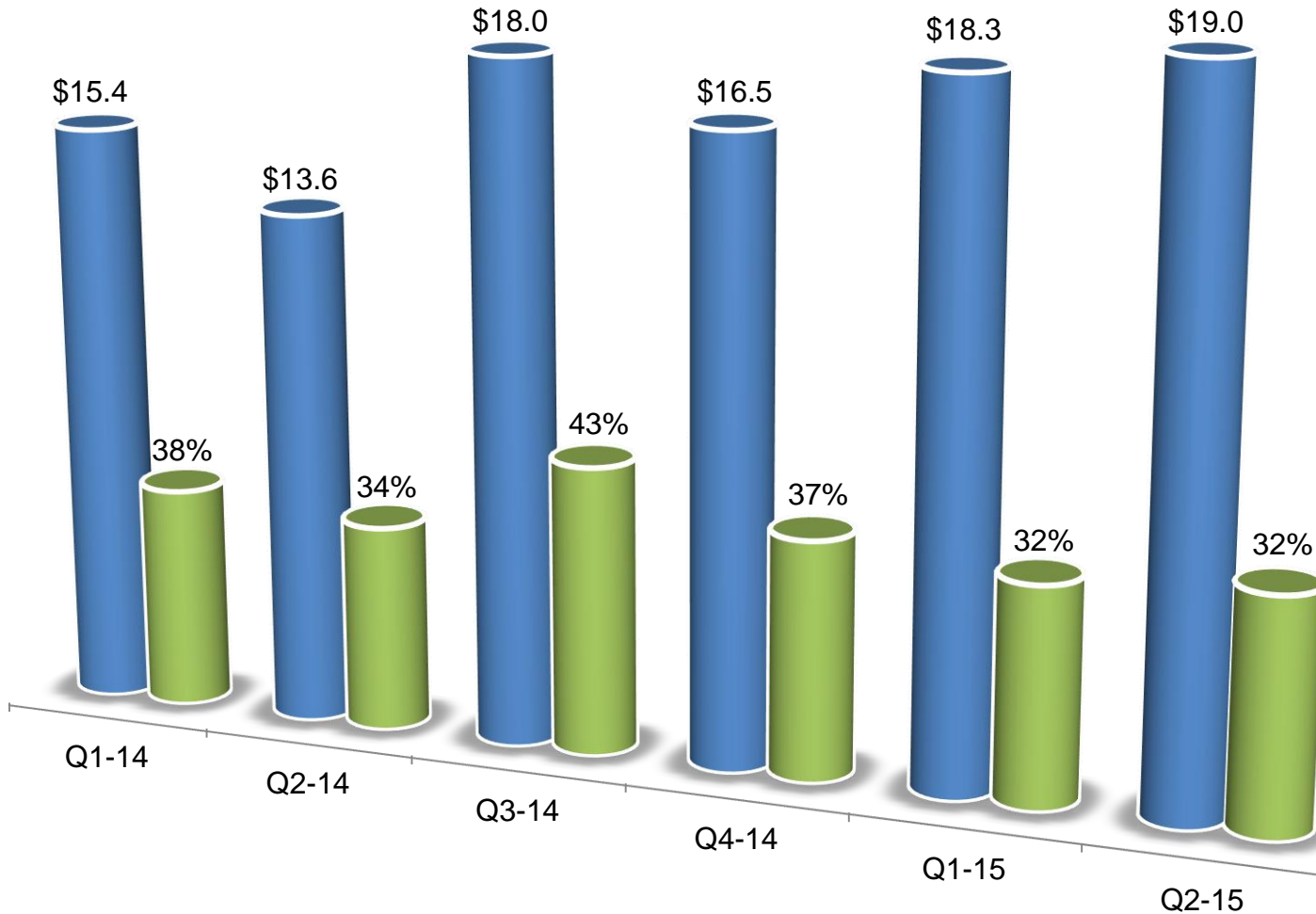
- Operating Income (in thousands)
- Operating Cash Flows (in thousands)



# Recurring Income Streams with Consistent Margins



■ Net income (in millions)    ■ Operating Margins (in millions)



# Free Cash Flow



	2011	2012	2013	2014	1H 2015
<b>Operating Cash Inflow (Outflow)</b>	\$71,286	\$72,295	\$57,062	\$58,510	10,155
Capital spending	2,829	1,965	1,230	16,277	10,312
<b>Free Cash Flow</b>	\$66,352	\$63,296	\$53,038	\$30,827	\$(157)
<b>Uses of cash</b>					
Acquisitions	\$14,981	\$57,063	\$4,740	\$59,194	\$12,480
Earnouts	\$565	\$3,028	\$2,977	\$2,813	\$704
Stock repurchases	\$63,659	\$18,374	\$2,492	\$35,389*	\$34,481
Repayment of debt	\$(15,971)	\$(34,641)	\$24,880	\$32,283	\$624
Dividends Paid	\$1,461	\$7,035	\$2,794	\$11,406	\$5,389

(in thousands)

\*includes 209,656 shares reacquired in connection with put option

# Balance Sheet Metrics



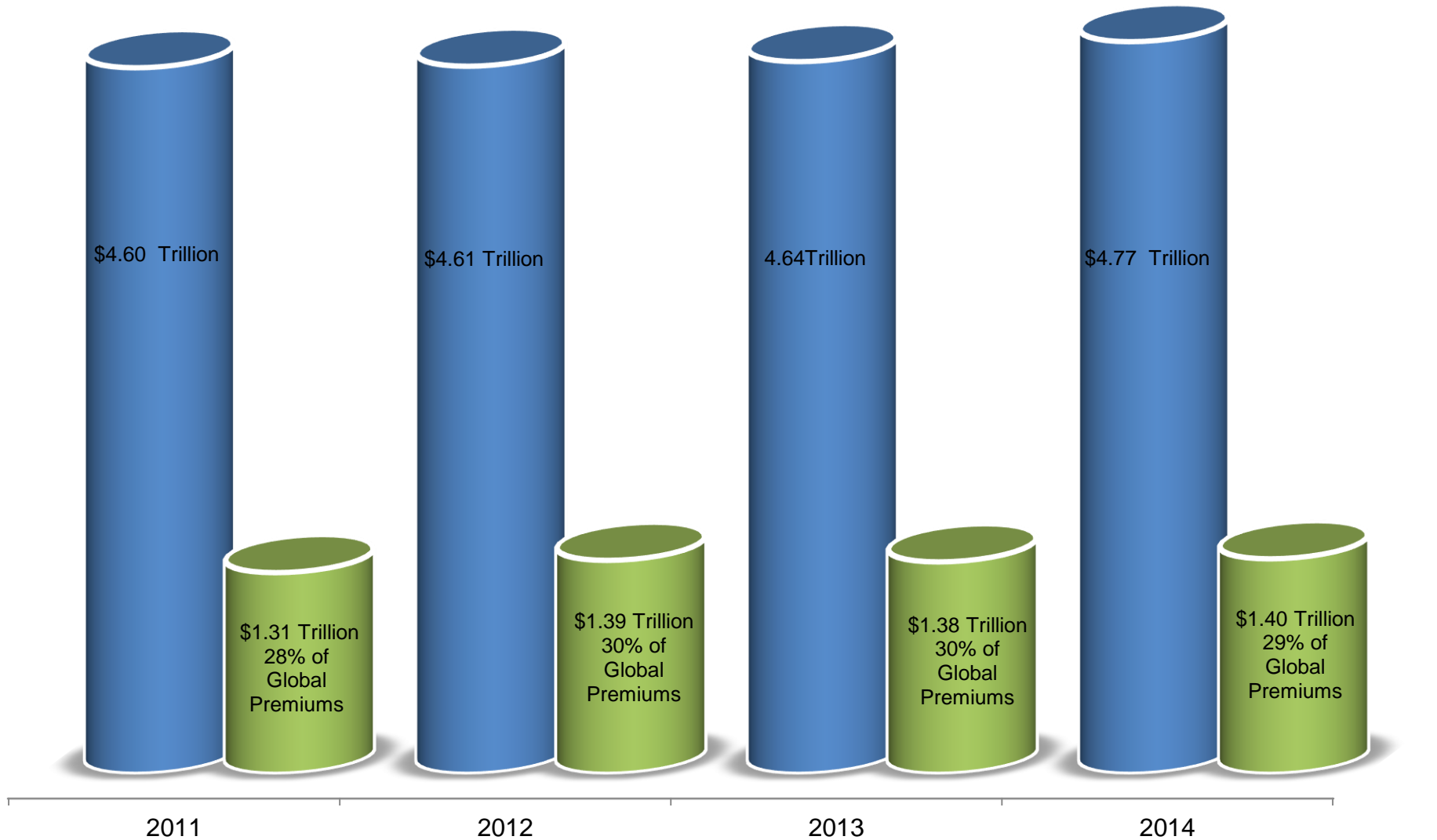
## Healthy Balance Sheet

	2011	2012	2013	2014	Q2 2015
<b>Net Debt (in thousands)</b>	\$21,849	\$44,271	\$179	\$69,413	\$122,728
<b>Current Ratio</b>	1.28	1.44	1.54	1.51	1.69
<b>Cash Balance (in thousands) +Short-term investments</b>	\$25,201	\$37,420	\$57,475	\$52,581	\$28,397
<b>Working Capital (in thousands)</b>	\$14,038	\$24,979	\$35,674	\$35,262	\$34,827
<b>Debt/TTM EBITDA</b>	0.62	0.95	0.69	1.36	1.58
<b>Debt to equity ratio</b>	0.15	0.23	0.14	0.28	0.35

# Insurance Premiums – 2010 -2013, Global vs. North America Premiums



- Global Insurance Premium
- North America Insurance Premium

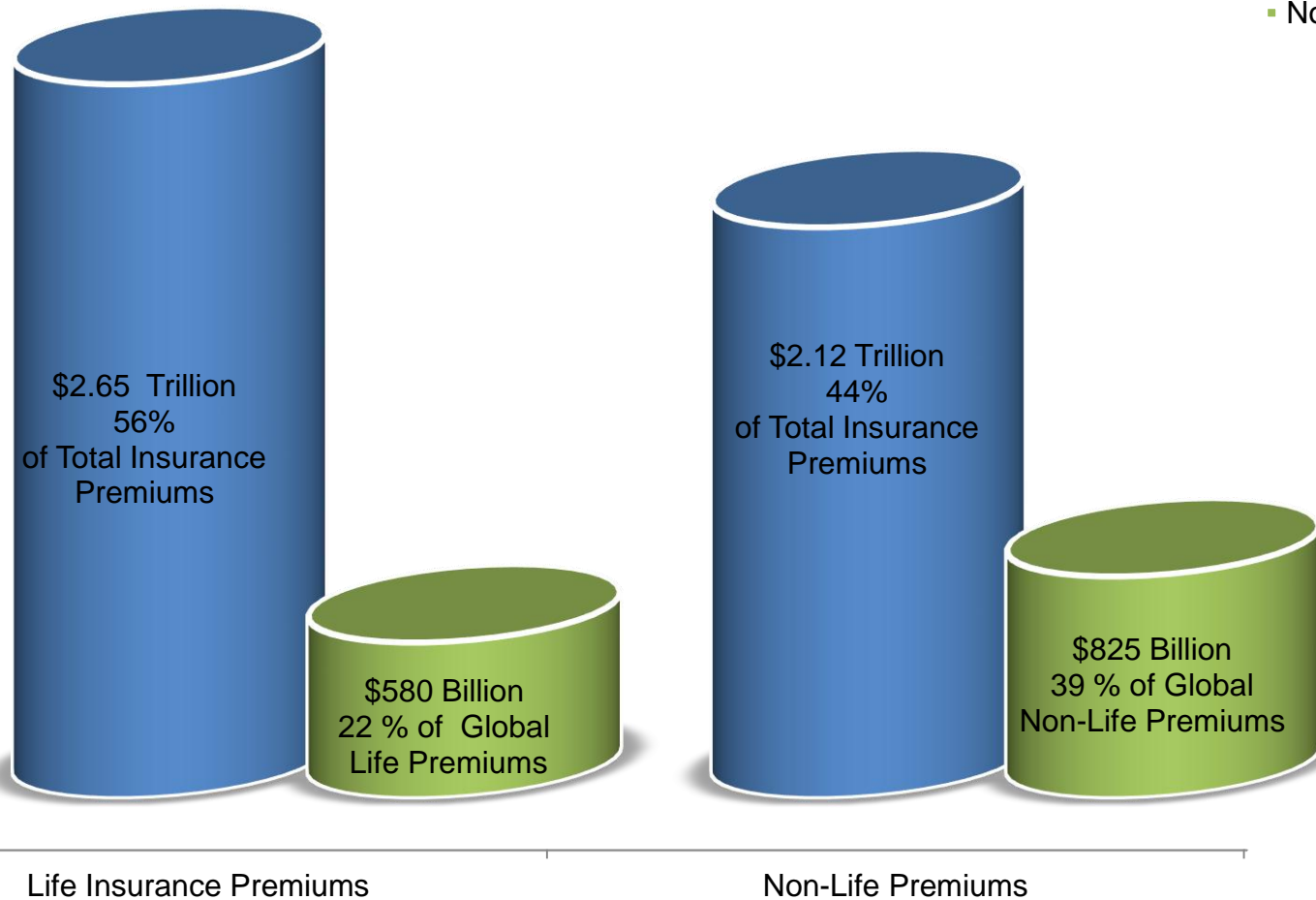


Source – SwissRe, Sigma No 4/2015

# 2013 Life vs. Non-Life Premiums



- World
- North America



Source – SwissRe, Sigma No 4/2015



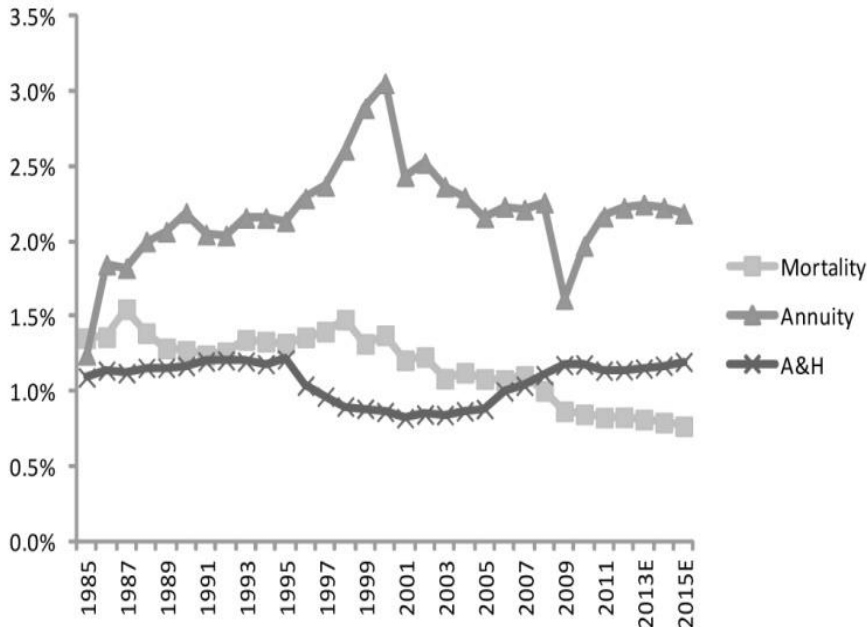
Life Insurance Premiums	Non-Life Premiums
Annual Average Growth Rate 2001 – 2010	Annual Average Growth Rate 2001 – 2010
- 0.5 %	2.0%

# Life Insurance – Declining Industry ?



Life Insurance used to be a growing industry (as a percentage of the economy) in the 1990's but has been mostly declining in the 2000's

US Life Premiums/GDP, Major Lines, 1985-2015E



Sources: SNL Financial, NAIC, FRED, SSR Analysis

US Annuities/GDP vs. S&P 500/GDP Growth, 1987-2011



Sources: SNL Financial, NAIC, FRED, SSR Analysis

Source –  
The Insurance Industry's Growth Issue – May 2012  
Todd R. Bault – SSR (Sector and Sovereign Research)



# Annuity Industry Total Sales



Year	Variable	Fixed	Total
2002	\$114.8	\$103.3	\$218.1
2003	\$126.1	\$84.1	\$210.2
2004	\$129.9	\$86.7	\$216.7
2005	\$133.4	\$76.5	\$219.9
2006	\$157.6	\$74.0	\$231.6
2007	\$183.4	\$66.6	\$250.0
2008	\$154.8	\$106.7	\$261.5
2009	\$125.6	\$104.2	\$229.8
2010	\$138.3	\$76.4	\$214.7
2011	\$155.5	\$75.6	\$231.1
2012	\$145.0	\$66.8	\$211.8
2013	\$142.8	\$78.1	\$220.9
2015	\$137.9	\$91.5	\$229.4

Dollars in Billions

Source: 2015 14<sup>th</sup> Edition IRI Fact Book, Beacon Research, Morningstar, Inc.

# Industry & Market Overview – EBIX's footprint addresses the most strategic needs in the insurance industry



## Property & Casualty (P&C)

- Enterprise Solutions for Carriers, Brokers, Agents, MGA's, TPA's
- Back-office Administration Systems
- Broker/Agency Management
- CRM
- Research, Quoting, Underwriting
- Policy Production
- Accounting
- Claims Processing
- Insurance Certificate Creation/Management

## Health Exchanges Health Content/E-Learning

- Policy Administration
- Claims Administration
- Agency Management – CRM, Advisor Tools
- Web Portals – Brokers, Employers, Consumers
- Online Quoting
- Online Enrollment
- Medical Management
- Analytics & Reporting
- Consumer & Patient Healthcare Information
- E-Learning, M-Learning

## Life and Annuity

- On-Demand straight through processing solutions for Life Insurance and Wealth management sectors
- New business to claims including reinsurance and commission processing
- Enterprise-wide innovation to the front and back office operations of financial services
- Enterprise CRM Solutions
- Agency Management
- Research, Quote and Illustrate
- eApp Exchange, Requirements Management, Case Management, Underwriting, App. Submission, Compensation Management, Agent Portals
- eSignature
- Policy Delivery
- Post Issue Policy Servicing

## Risk Management

- Managers, Claims Administrators, TPAs, Healthcare, Carriers and Safety Professionals
- Worker's Compensation Injury Reporting Service
- Claims Management and Compliance
- Incident and Loss Notice Reporting
- Managed Care Tracking
- Loss and Risk Analysis

## Software Development Services

- Custom Product Development
- Strategic Consulting
- Business Process Management
- Systems Integration
- IT Outsourcing
- E-Governance

## Risk Compliance Solutions

- Insurance Certificate Creation & Issuance
- Certificate Tracking
- Back-office & Compliance
- Claims Validation
- Claims Processing
- Health - Enrollment Services
- Health – Claims Adjudication

# Global Footprint – 40 + offices across the Globe

