

A photograph of a family (mother, father, and young child) sitting together in a modern living room. The mother is holding the child, who is eating a snack. The father is looking at a smartphone. They are all smiling and appear to be looking at a laptop screen. The room has a white brick fireplace, a blue sofa, and a white shelving unit in the background.

Investor roadshow

5 years since IPO, ready for the future

Michael Kelly – Founder & CEO

Ian Lynagh – CFO

Eoin Kirwan – Chief Product Officer

13 November 2024

Presenting today



Michael Kelly
Chief Executive Officer



Ian Lynagh
Chief Financial Officer



Eoin Kirwan
Chief Product Officer



Agenda

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CEO business overview

2

Product position, roadmap and sample demonstration

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Outlook – The next 3-5 years





CEO business overview

FINEOS Achievements since IPO – FINEOS Platform for Employee Benefits

FINANCIALS

Market leading Core Systems vendor

Largest base of Employee Benefits clients. FINEOS Absence & FINEOS Claims - market leader by lives, revenues, clients, etc.
Blue Chip Clients - MetLife, Unum, New York Life, Guardian, SunLife, OneAmerica, Lincoln,...

Revenue up 78%

€73.8m in CY19 to **€131.3m** in FY24¹

Driven by significant growth in North American SaaS revenues

North America subscriptions up 396%

€11.2m in CY19 to **€55.3m** in FY24¹

FINEOS won some significant North American Tier 1 carriers

PRODUCT

FINEOS AdminSuite

Market ready and rounded out for groups of all sizes
Limelight Health rearchitected and rewritten
Embedding AI/ML capabilities

FINEOS Absence

Expanded TAM to include large employers and State schemes
All TAM segments have live referenceable clients

Spraoi delivered a jump start for FINEOS in AI/ML

Accelerated establishment of FINEOS India

CUSTOMERS

FINEOS AdminSuite at NYL-GBS

US\$4.1b Employee Benefits Premium
Legacy elimination - 3 years in production
Recently launched Voluntary Benefits

FINEOS AdminSuite at Guardian

In production since October 1st - delivered in 9 months, integration, training and onboarding took place over 12 months
Strengthening product for SME's - expanding TAM

Building strong SI Partnerships

Partnerships with PWC, EY, Deloitte, CapGemini / Sogeti, BCG, Cognizant
Over 200 FINEOS Certified implementation consultants and growing



The FINEOS Playbook – A powerful culture with a singular focus

FINEOS Mission

“**Global market leader** in core systems for group and individual Life Accident and Health insurance on a single technology platform”



Vision

A world where protection from illness, injury and loss is **accessible to everyone**



Purpose

We help our customers care for the people they serve through the delivery of **superior insurance technology**



The Core Systems problem – Old technologies unfit for digital transformation

THE WALL STREET JOURNAL

World Business U.S. Politics Economy **Tech** Finance Opinion Arts & Culture Lifesty

TECHNOLOGY | PERSONAL TECHNOLOGY | KEYWORDS: CHRISTOPHER MIMS

The Invisible \$1.52 Trillion Problem: Clunky Old Software

Old code piles up and raises the risk of hacks and other breaches, even on new devices. Our compounding ‘technical debt’

ch f t in ThinkAdvisor

NT PORTFOLIO WEALTH MANAGEMENT RETIREMENT PLANNING LIFE/HEALTH INSURANCE PRACTIC

Dave Jones (Photo: California Department of Insurance)

The California Department of Insurance said today that it wants to shut two life insurers down for a year because of problems with life insurance policy administration.

Department officials say, in an order listing accusations against Accordia Life and Annuity Company and Athene Annuity and Life Company, that the companies have failed to meet California service standards for about 50,000 policies issued to California residents.

 **THE STACK**

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ENTERPRISE IT — READ THIS — COBOL

COBOL code base in production hits 800+ billion lines

NEWS OPINION LEGAL GLOBAL TRENDS BROKER CLAIMS

TECH

insurance Edge

transformation | strategy | innovation

HOME > NEWS > Legacy Technology: The Biggest Risk to the Insurance Industry?

Legacy Technology: The Biggest Risk to the Insurance Industry?



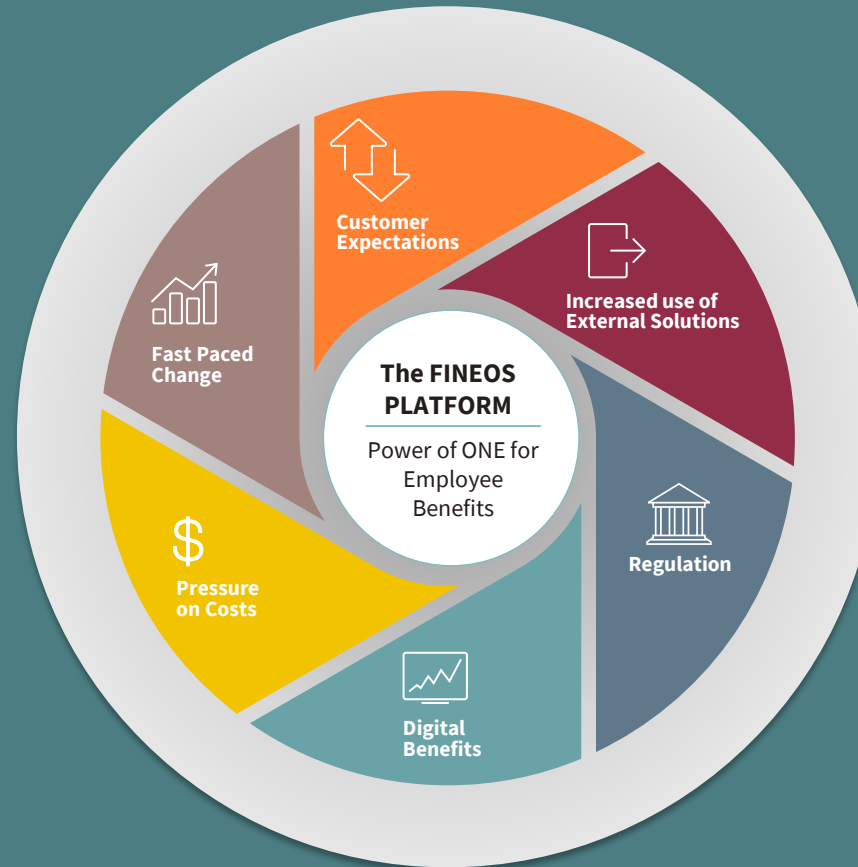
The FINEOS Platform for Employee Benefits

Meets the Challenge of Core, Digital and Data

Largest reference production NA client
New York Life for Group, Voluntary &
Absence with \$4.1B+ Premium, 9 million
customers - 6 Legacy systems replaced

Largest modern Group Benefits
Platform with 50+ carriers globally

40+ carriers in North America
using the FINEOS Platform – including
7 of the top 10 US group carriers as
FINEOS clients



Multiple clients chose the FINEOS
Platform for Integrated Disability and
Absence (IDAM), including 5 of the top
10 group carriers in North America

Largest Employee Benefits core
system vendor measured by
Users, Business Volumes & Revenues



The FINEOS Platform – Purpose-built for Group, Voluntary & Absence

Versus core systems adopted from other insurance domains

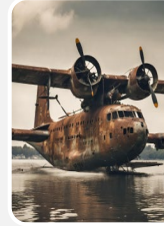


The Power of One:

- Purpose-built
- Innovative and modern
- Mission-critical
- High-performing
- Proven at scale

VS.

Solution approaches



Acquisitions Play

- Multi-Domain Focus
- Made up of Legacy Parts
- Fragmented and inflexible
- Limited & Costly to Maintain



Rules & Tools Tech Stack- API's

- Light-weight – good for simple stuff
- Multi-Domain Focus
- Self-Build - MVP
- Modern but Unproven
- Costly, Customisations



Repurposed Parts

- Half-Built
- Multi-Domain Focus
- Inflexible Legacy
- No Back-End
- Won't Fly





**Product position, roadmap
and sample demonstration**

FINEOS Platform (FINEOS AdminSuite & FINEOS Absence) – 5 years after IPO

Capabilities added (selection)

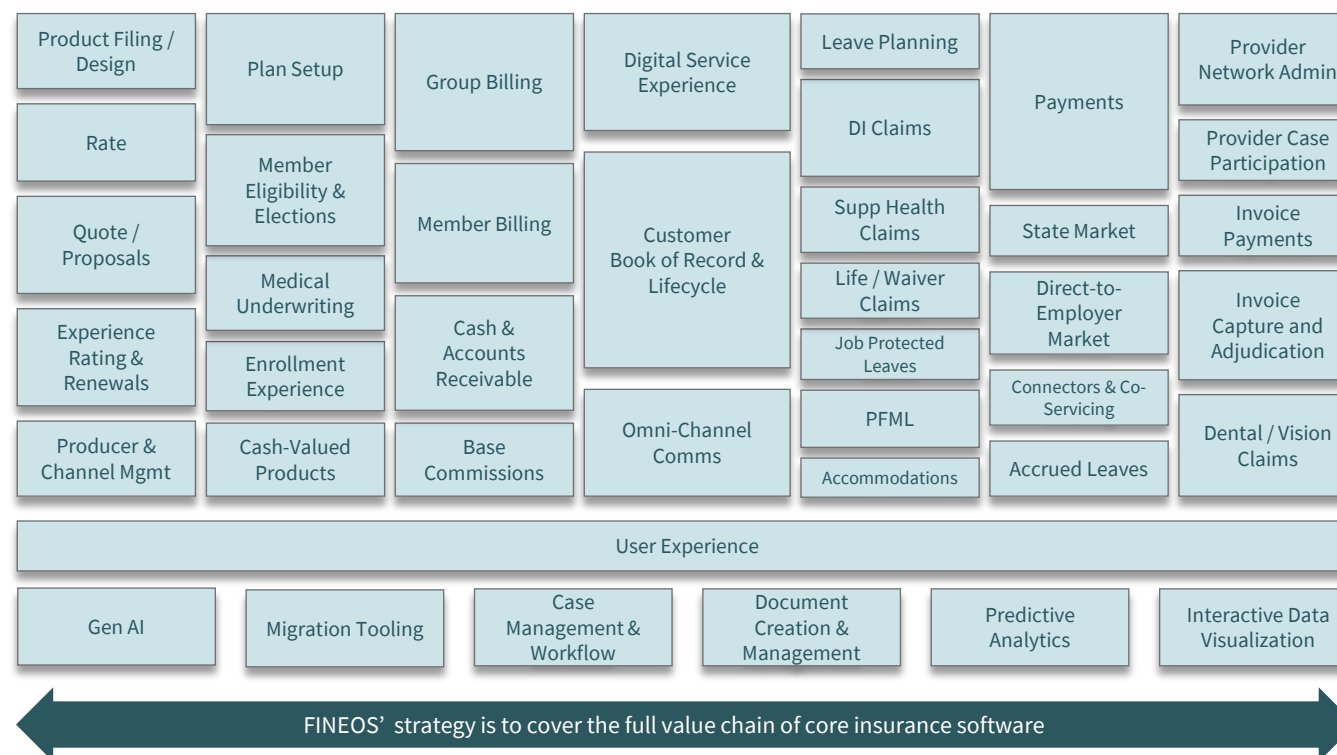
- ✓ Member Billing
- ✓ Cash & Accounts Receivable
- ✓ Base Commissions
- ✓ Voluntary End-to-End
- ✓ Policy Claim Accelerators
- ✓ New Business & Underwriting
- ✓ State PFML Regulations
- ✓ Direct-to-Employer Market
- ✓ Care Planning
- ✓ Interactive Reporting
- ✓ Enhanced Digital / APIs
- ✓ Large Market Support

✓ Expanded Market Reach

✓ Higher Win Ratios

✓ Faster Time to Value

✓ Deeper Customer Value



FINEOS Platform (FINEOS AdminSuite & FINEOS Absence) – 5 years after IPO

✓ Expanded Market Reach

- The largest and smallest carriers
- Jumbos to smallest groups
- Direct-to-Employer market
- State market
- Quote-to-Claim, Add-ons
- More lines of business

✓ Higher Win Ratios

- Highly functional (demos / RFP checklists)
- Quickly reflect each prospect's business
- Product & compliance leadership
- Large and growing 'moat'
- Customer advocacy

✓ Faster Time to Value

- More productised solutions
- Shorter implementation projects
- Offer top-end capabilities to whole market
- More options for customer self-service
- Earlier cross & upsell opportunities

✓ Deeper Customer Value

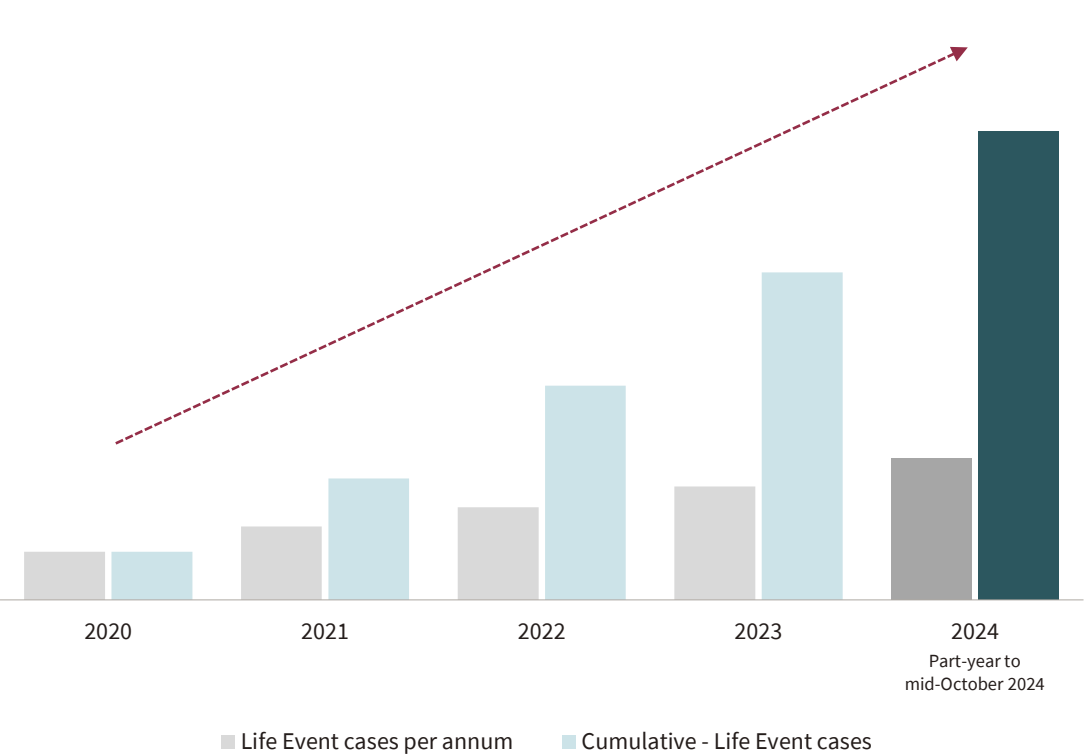
- Operational excellence
- Efficiency, accuracy and automation
- Superior digital experience
- Market agility
- Reduced cost of ownership
- Strong partnership with FINEOS



FINEOS Platform – Cloud adoption: stickiness and a widening moat

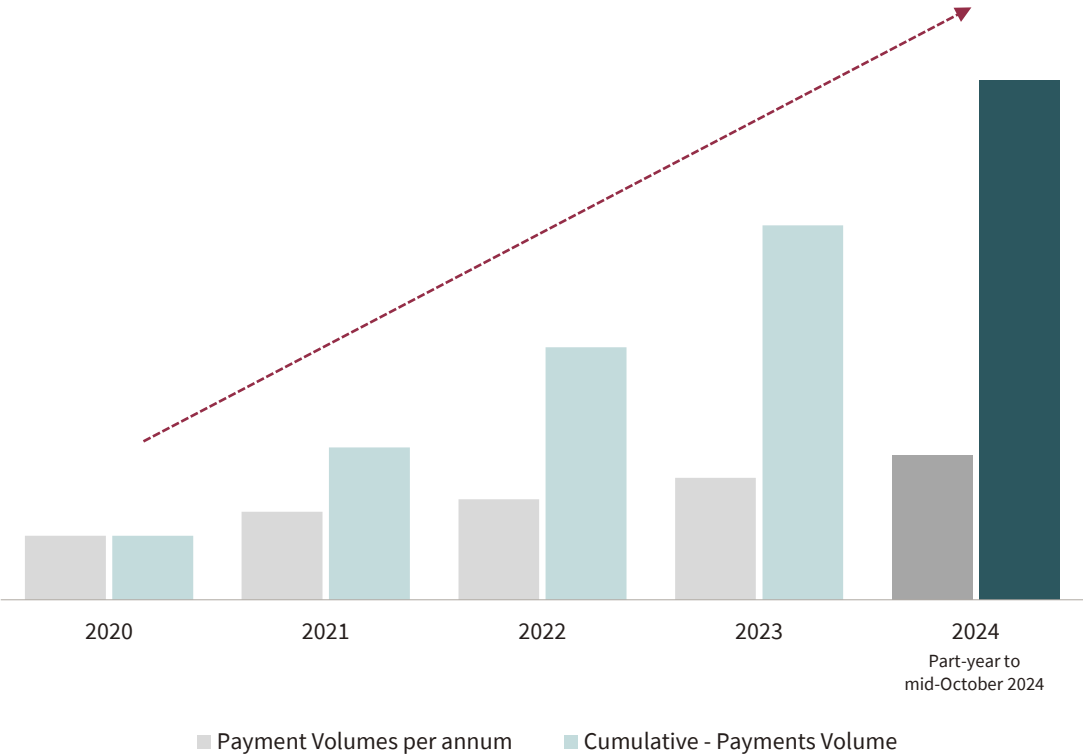
‘Life Event’ cases

Growing Case Load
Over 15 million cases of all types



Payment volumes

Growing Payments Volume
Over \$30bn in aggregate,
approaching \$1bn per month



Driving continuous platform efficiency gains

Focus on enhancing platform efficiency improvements

- **Leaner infrastructure**

- ✓ Dynamic scaling
- ✓ Greater usage of AWS-managed services
- ✓ Move to open source over commercial software
- ✓ AWS cost optimisation
- ✓ Lower-cost architectures

- **Optimised operations**

- ✓ Automated/centralised operations
- ✓ Greater customer autonomy

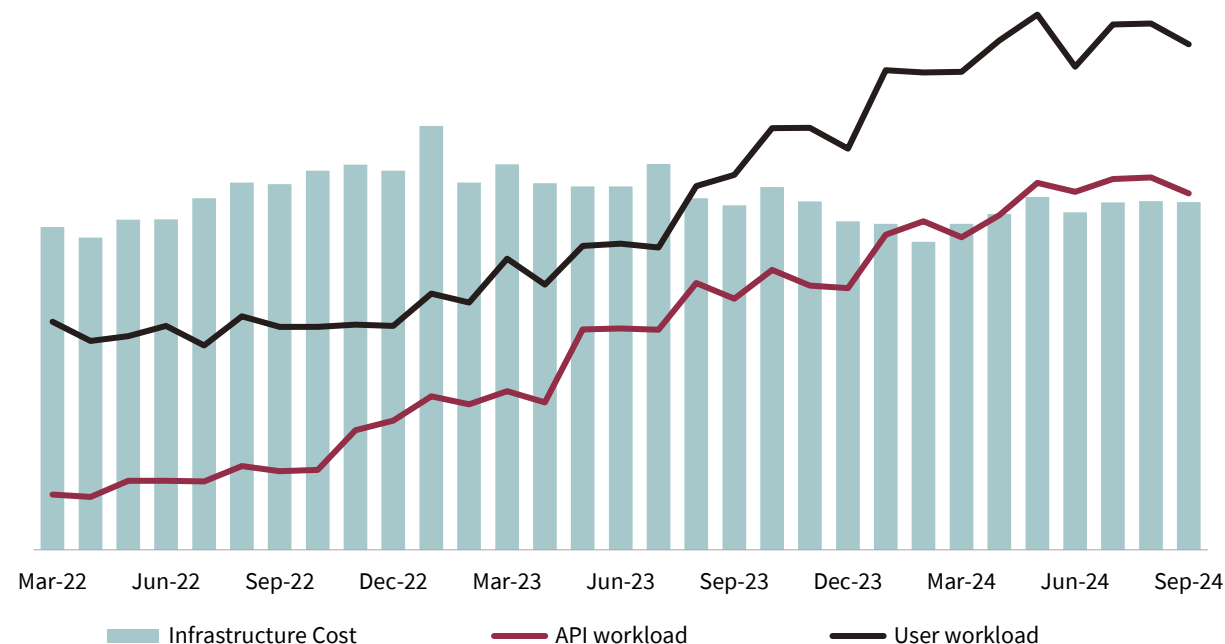
- **Standardisation**

- ✓ Productisation
- ✓ Externalisation

- **Resource management strategies**

- ✓ Active portfolio management
- ✓ Transition to lower-cost regions
- ✓ Expanded use of flex partners

Infrastructure costs / system workload

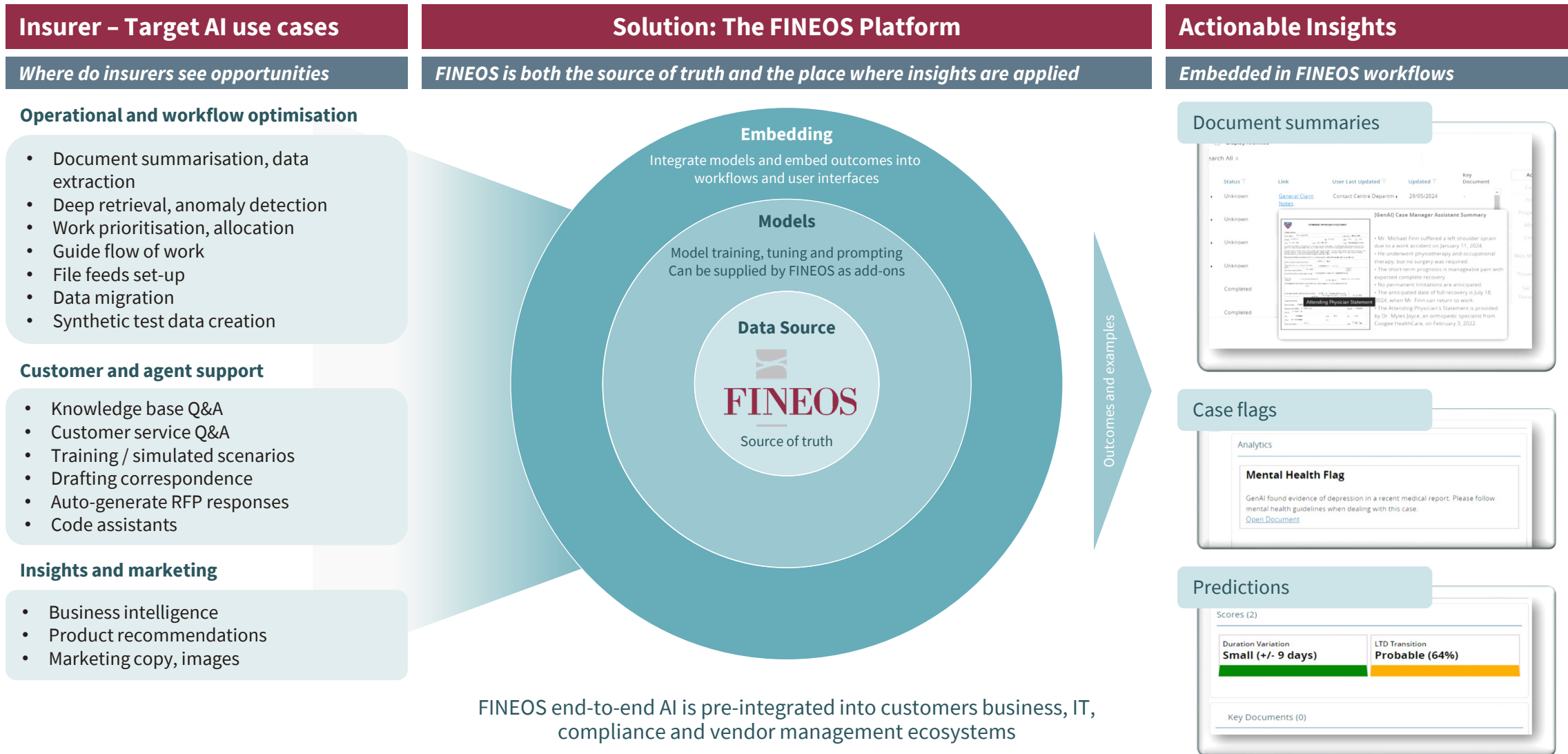


20% per-tenant savings
projected for 2025 from
investments made to date

Operations headcount flat
over 2023/24



FINEOS Platform – Enables and accelerates an Insurer’s AI journey



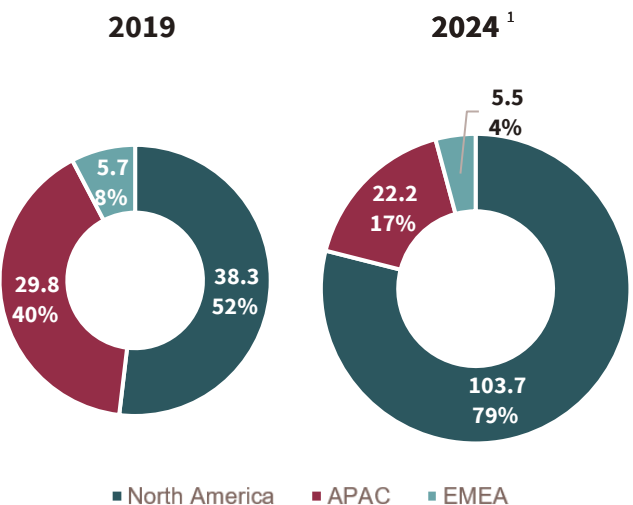


Financial update

FINEOS growth since IPO in August 2019

Market growth

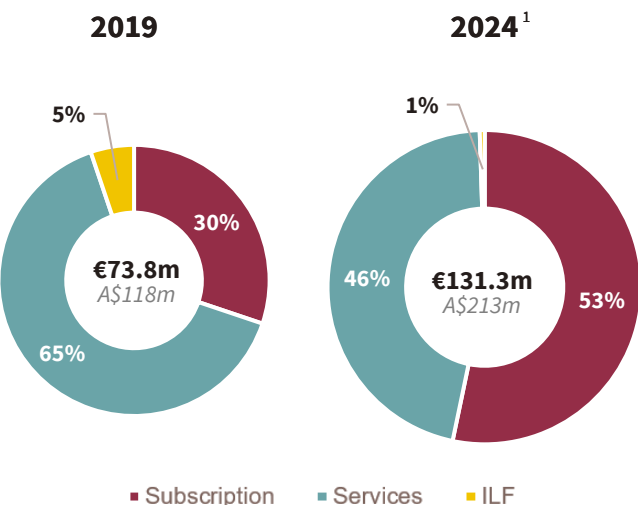
79% of global revenues from North America



R&D targeted at the largest Employee Benefits (EB) in the world i.e., North America

ARR growth

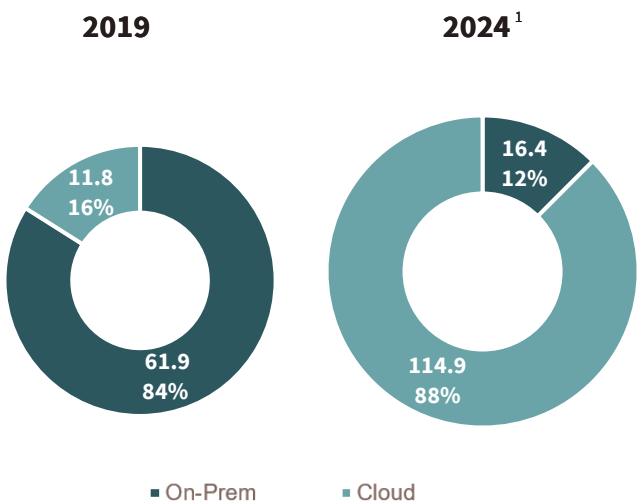
210% growth in Subscription Fees



75%+ total revenue growth
53% Subscription Fees dominant revenue type

SaaS growth

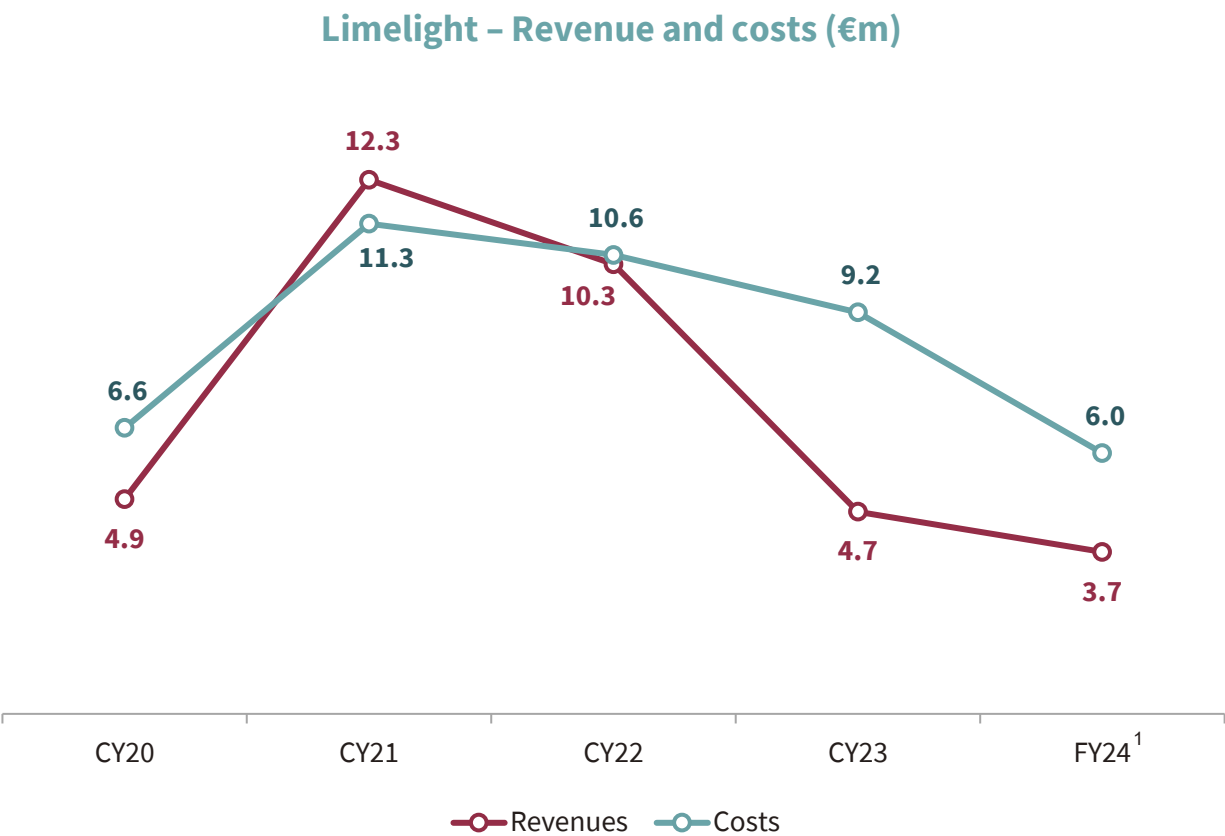
88% of total revenues derived from FINEOS Platform



90% of FINEOS clients have moved or are moving to the FINEOS Platform



Impact of Limelight acquisition & investment required to rewrite



Limelight acquisition and turnaround

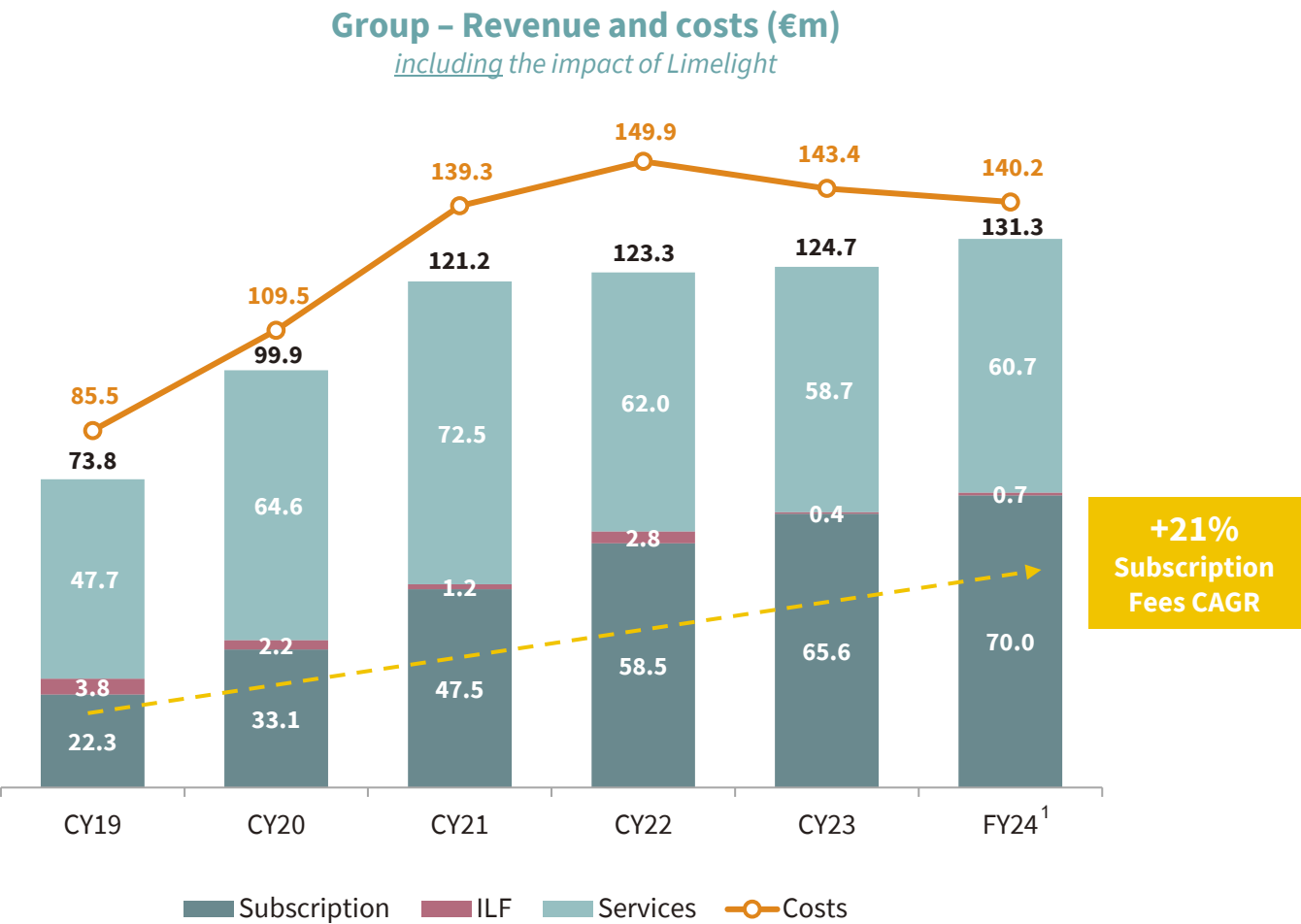
- Acquired to round out our quote to claim end-to-end product suite
- Purchased during Covid - banker sale, relied on analysts, a mutual client, an SI Partner and the founders for due diligence
- Client churn driven by stability & robustness issues
- Absorbed maintenance and re-engineering R&D costs while revenues were declining
- FINEOS NB&U replaces Limelight and enables our quote to claim end-to-end product suite

Note

M&A in ANZ and loss of legacy client in the UK contributed to ARR reduction. We expect churn to significantly reduce from FY25 and beyond



Revenues, costs & ARR growth (including Limelight)

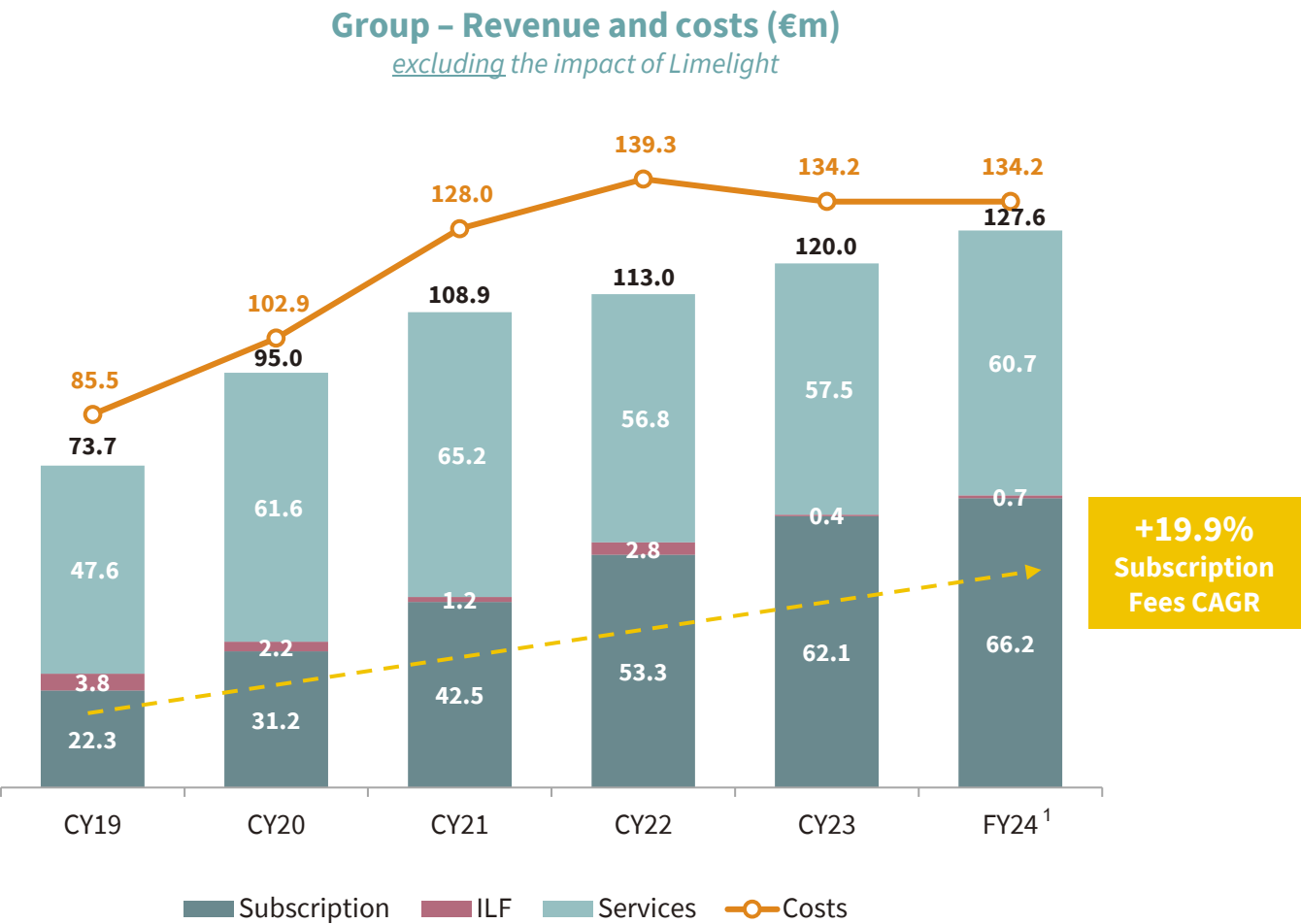


Core business is healthy and growing

- 3x growth in ARR due primarily to IDAM (Integrated Disability & Absence Management) product demand
- Accelerated R&D Investment in 2022 – product build for IDAM - especially for large clients
- Annual revenue increases combined with cost reductions are enabling FINEOS to move towards positive FCF
- The material impact of the Limelight acquisition has been absorbed
- The FINEOS Platform core system is market ready.
- R&D focus is on compliance, ease of implementation, further automation, digital engagement, embedded AI/ML, as well as building our complementary Partner Ecosystem.



Revenues, costs & ARR growth (excluding Limelight)



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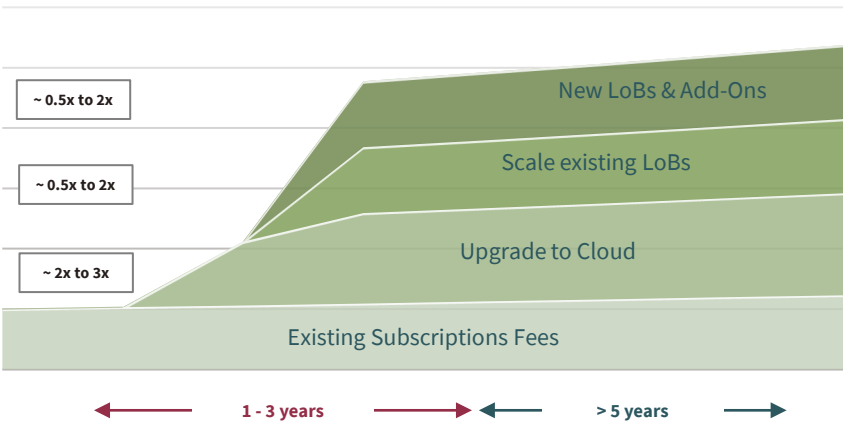
FINEOS up-sell & cross-sell opportunities to existing FINEOS clients

1

Up-sell – Expand usage of a single core product

Sell new lines of business to enable further retirement of legacy systems or to bring new insurance products or paid leaves to market

Additional opportunity for AI and Machine Learning Add-Ons



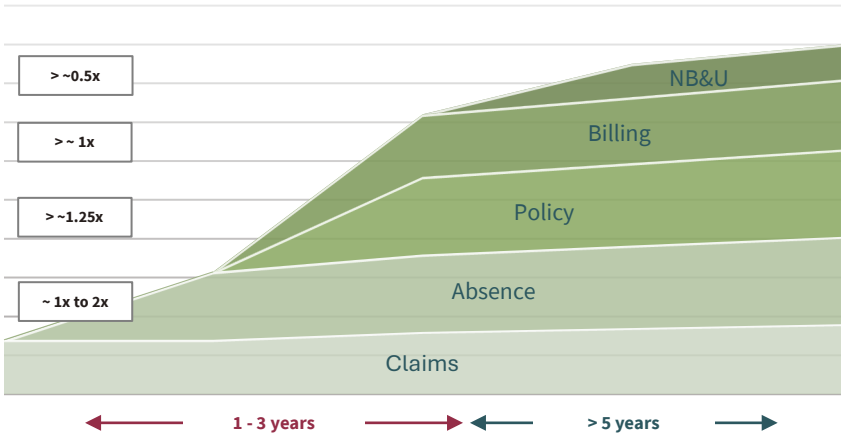
2

Cross-sell – Expand usage of FINEOS AdminSuite

Sell FINEOS Claims clients FINEOS Absence (for IDAM) and also sell Policy or Policy & Billing

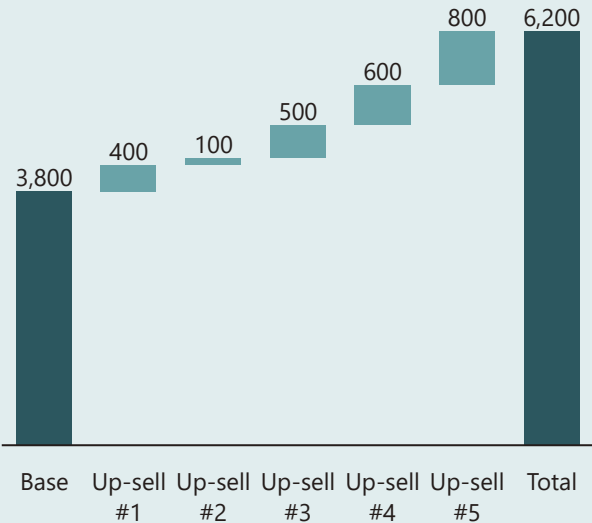
Sell FINEOS NB&U (New Business & Underwriting) to FINEOS AdminSuite clients to enable a quote to claim experience

Sell other combinations of the above



Scaling on FINEOS IDAM - Case study

FINEOS client – Incremental subscription fees (U\$000's)



Product utilization grew- enabling up-sell Subscription Fees growth of 61%

Disclaimer: Figures reduced and rounded to protect the identity of the client



Client track record of continued investment in FINEOS

1

Product Subscriptions

Orders for incremental license coverage ranging from a small extended footprint to a major scale-up, or a new product insurance line, or a new core FINEOS product, or a new name client.

*Transaction sizes range from €20k to several millions of Euros.
Of transactions since 2H19, 61% are above €50k; 20% are above €100k; 9% are above €500k*

2

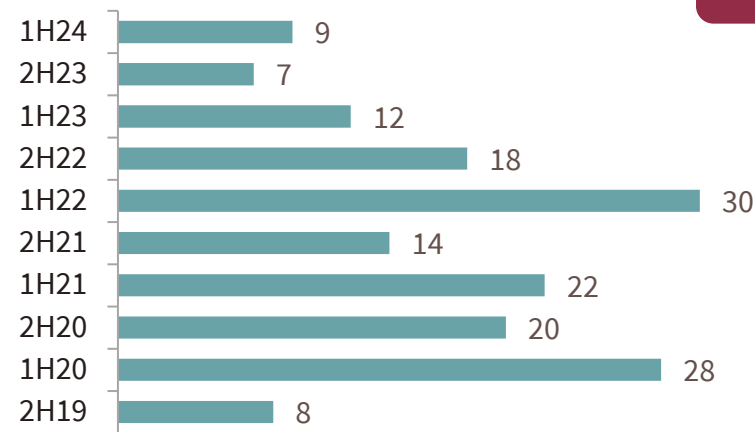
Consulting Services

Contracted via Statements of Work (SoW). SoWs could be for a study with a prospective client, a new implementation, a new phase, an upgrade, next period of an existing project, a training course, etc.

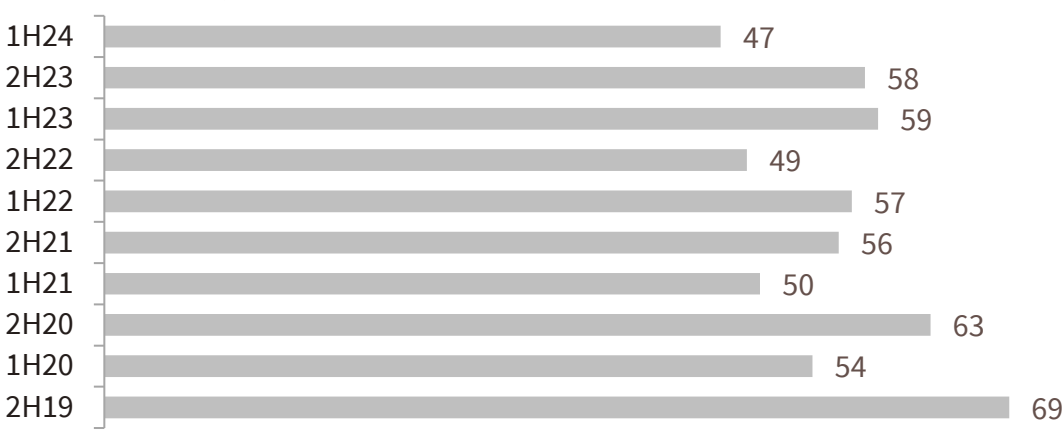
*Transaction sizes range from €10k to several millions of Euros.
Of transactions since 2H19, 82% are above €40k; 34% are above €100k; 11% are above €500k; 14% are above €1m*

Majority of activity is with existing clients, with significant interactions and repeat commitment / endorsements

Subscription fees (by number of deals)



Services fees (by number of deals)



Represents the number of SoWs agreed with clients



**Live customer and systems
integrator discussion**

Live customer and systems integrator discussion



Miloje Stevanovic

SVP Digital Ventures and Transformation



- Leads the Product, Technology and Transformation strategy at unum
- Previously COO (Continental Europe) at Marsh & McLennan and Head of Business Change & Information Technology at Achmea and ING Group
- Expertise includes executive management, corporate development, business operations and technology driven innovation strategies



Rima Safari

Partner



- Specialises in technology strategy and transformations for insurance and financial services with 15+ years of experience
- Advises Fortune 500 clients on IT modernisation, data architecture, and process improvements from strategy to execution
- Named a "Top 50 Outstanding Asian American in Business" in 2021, Rima holds an MIS from Carnegie Mellon

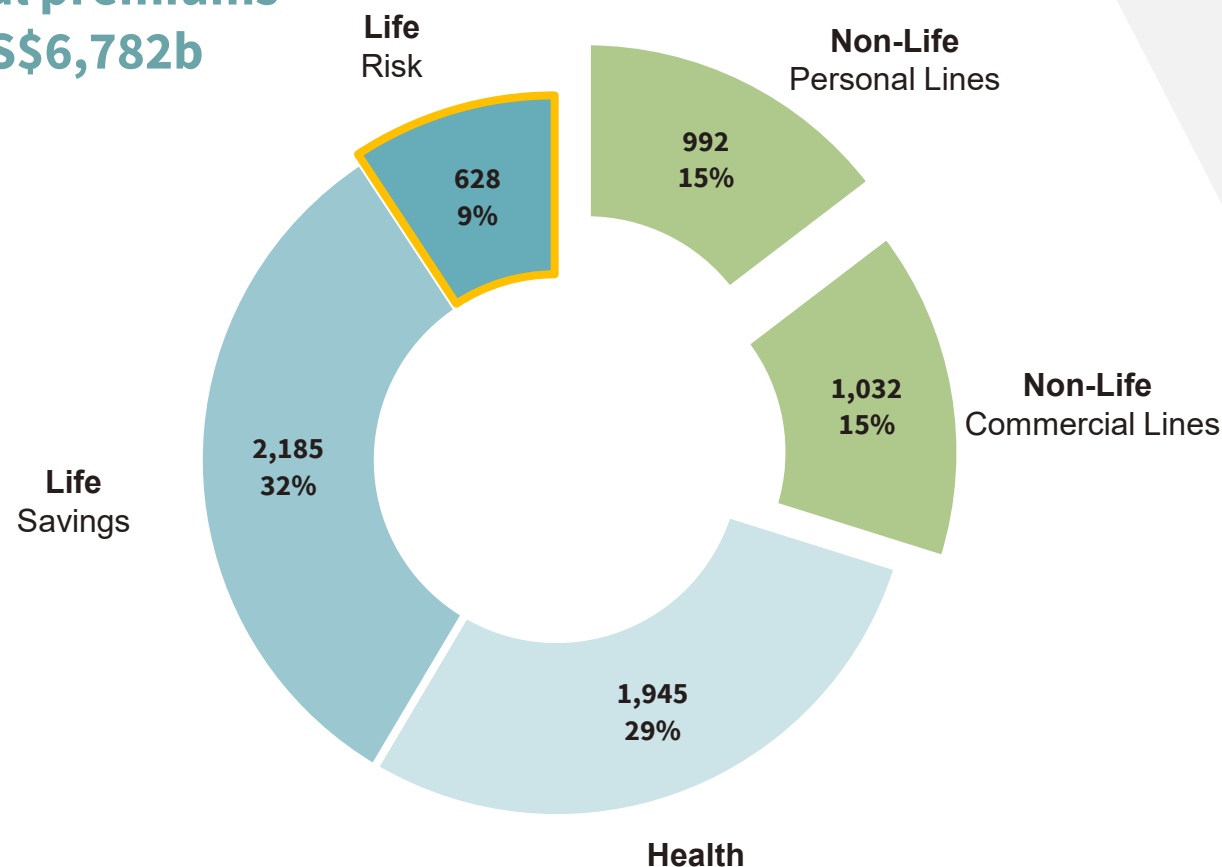




Outlook – The next 3-5 years

Global market – Insurance premiums for Life, Health & Non-Life

Global premiums
US\$6,782b



Global Life, Life Savings & Health premiums are
us\$4,758b

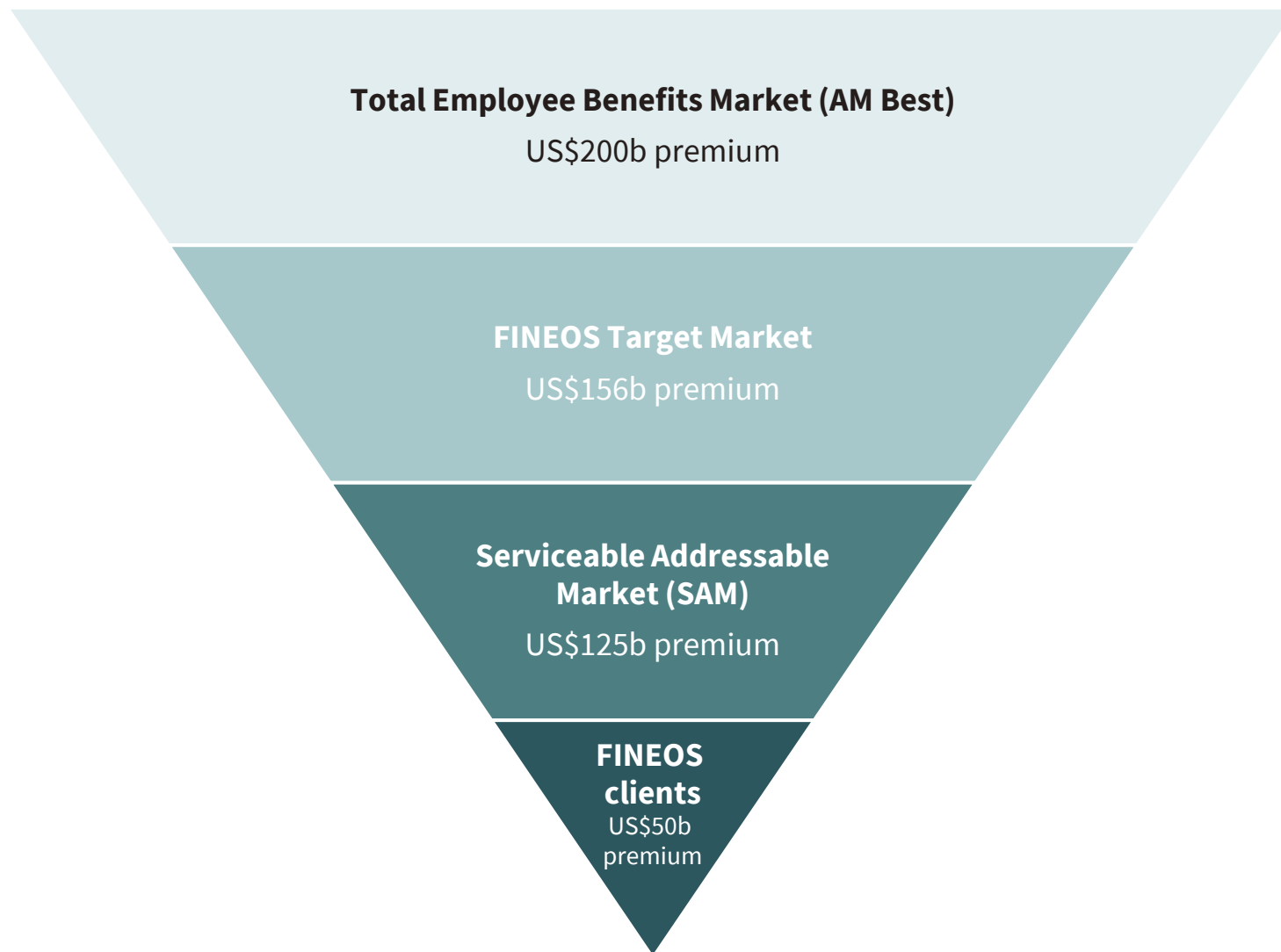
Excluding Life Savings (pensions / wealth)
the combined premiums for Life Risk &
Health is
us\$2,573b

Initial market focus is
on the Life Risk market
which has global
premiums of
us\$628b

AB Best sized NA
risk market at
us\$200b



Significant growth opportunity for FINEOS in North America



Existing clients

- FINEOS penetration is at 10-15%
- Up-sell white space to expand lines of business supported
- Cross-sell opportunity for FINEOS AdminSuite, Insight & Engage

New logos within SAM

- Significant white space for new name sales – 60% of SAM is white space and legacy
- FINEOS Absence for Employer & States

Expanded SAM

- Further opportunity to expand our TAM through additional lines of business in NA
- Expansion in Non-NA Geographies



FINEOS Platform for Employee Benefits – Positioned for growth



Purpose built maturing product

- Market ready business capabilities
- Compliance leadership
- Legacy migration
- AI/ML – Data and Ecosystem



Strong Customer Success

- High C-Sat – driving loyalty, advocacy & investment
- Adoption ramping
- Up-sell, cross-sell & add-on opportunities



Grow Industry Partners

- 6 SI partnerships in place - over 200 FINEOS Certified Partner Professionals
- Building partner EcoSystem



Continue focus on efficiency

- Drive SaaS multiplier to increase efficiencies and margins
- Continuously look for better value – people, suppliers, third-party technologies



Strong Sales & Marketing

- Target, select and train proven senior sales execs
- Focus all marketing on FINEOS Platform for Employee Benefits



Grow Revenues and Margins

- On target for positive FCF in FY25
- Profitable & healthy growth in FY26 and beyond



FINEOS target financial metrics within our current market (TAM)

	Within 3-years	Within 5-years
Subscription fees	+65% of total revenues	+75% of total revenues
Gross margin	75%	80%
EBITDA	25%	40%
R&D as a % of revenue	30%	25%
Cash	Strong positive cash flows to fund organic growth and M&A opportunities	



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