Q4 & FY 2022 Financial Results

Conference Call Slides

eHealth®

Safe Harbor Statement

Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the federal securities laws. Forward-looking statements generally relate to future events or our future financial or operating performance. Forward-looking statements in this presentation include, but are not limited to, the following: our estimates regarding the constrained lifetime value of commissions and commissions receivable; our 2023 operational initiatives; our 2023 annual guidance for total revenue, GAAP net loss, adjusted EBITDA and operating cash flow; and the sufficiency of our liquidity to execute on our 2023 operating plan. Our expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks include those set forth in our filings with the Securities and Exchange Commission, including our latest Form 10-Q and 10-K. The forward-looking statements in this presentation are based on information available to us as of today, and we disclaim any obligation to update any forward-looking statements, except as required by law.

Non-GAAP Information

This presentation includes both GAAP and non-GAAP financial measures. The presentation of non-GAAP financial information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP. A reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable GAAP financial measures is available in the Appendix to this presentation. Management uses both GAAP and non-GAAP information in evaluating and operating its business internally and as such has determined that it is important to provide this information to investors.

Q4 and FY 2022 Highlights

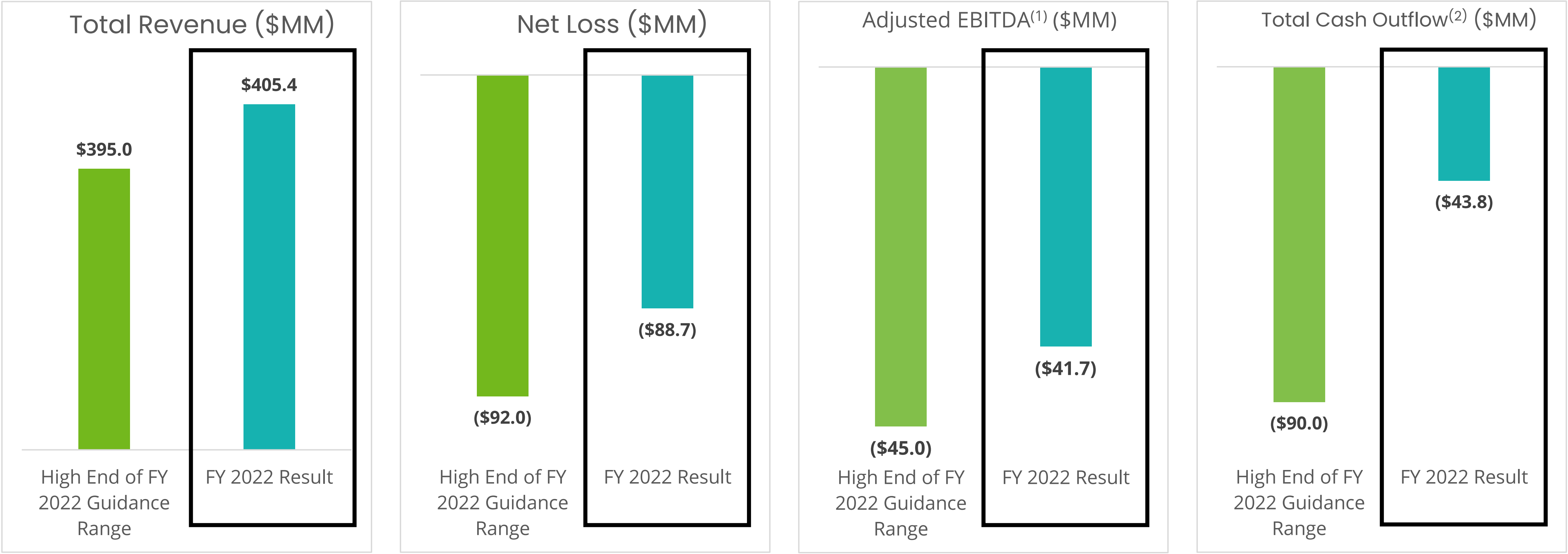
- ✓ **Outperformed the high end of our '22 annual guidance** ranges on each metric
- ✓ **Realized $114 million** in net operating cost savings in 2022 compared to 2021
- ✓ Delivered strong AEP performance significantly **increasing profitability** of our Medicare business
  - ➢ Medicare Advantage **per unit gross margin expanded** from 12% in Q4 '21 to 29% in Q4 '22 (1)
  - ➢ Q4 '22 Medicare segment **profit grew 56% year-over-year**
- ✓ **Successfully implemented** the initial phase of our **business transformation plan** focused primarily on improving quality of leads and conversion rates over growth and streamlining marketing and sales operations
- ✓ Temporarily slowed down enrollment & revenue growth in '22 to focus on enhancing the effectiveness of sales and marketing organizations
  - ➢ Improved lead and enrollment quality
  - ➢ Increased Q4 '22 Medicare telephonic conversion rates by 25% year-over-year
- ✓ Ended the year in a **strong liquidity position with $144 million** in cash, cash equivalents & marketable securities: sufficient liquidity to execute on our '23 operating plan
- ✓ Midpoint of '23 annual guidance implies **return to revenue growth at 6%** while achieving GAAP net loss of roughly $45 million and year-over-year **improvement in adjusted EBITDA(2) of roughly $37 million**

(1) We define Medicare Advantage per unit gross margin as the sum of Medicare cost of acquisition (COA) per MA-Equivalent Approved Member and Medicare customer care and enrollment cost (CC&E) per MA-Equivalent member divided by Medicare Advantage LTV

(2) Adjusted EBITDA is calculated by excluding the paid-in-kind dividends for preferred stock and change in preferred stock redemption value (together "impact from preferred stock"), income tax expense (benefit), depreciation and amortization, stock-based compensation expense, impairment charges, restructuring charges, amortization of intangible assets, other income (expenses), net, and other non-recurring charges from GAAP net income (loss) attributable to common stockholders. Other non-recurring charges to GAAP net income (loss) attributable to common stockholders may include transaction expenses in connection with capital raising transactions (whether debt, equity or equity-linked) and acquisitions, whether or not consummated, purchase price adjustments and the cumulative effect of a change in accounting principles.

Each 2022 Guidance Metric Outperformed Expectations

Each of our guidance metrics outperformed the high end of the ranges we gave on our Q2 2022 earnings call:



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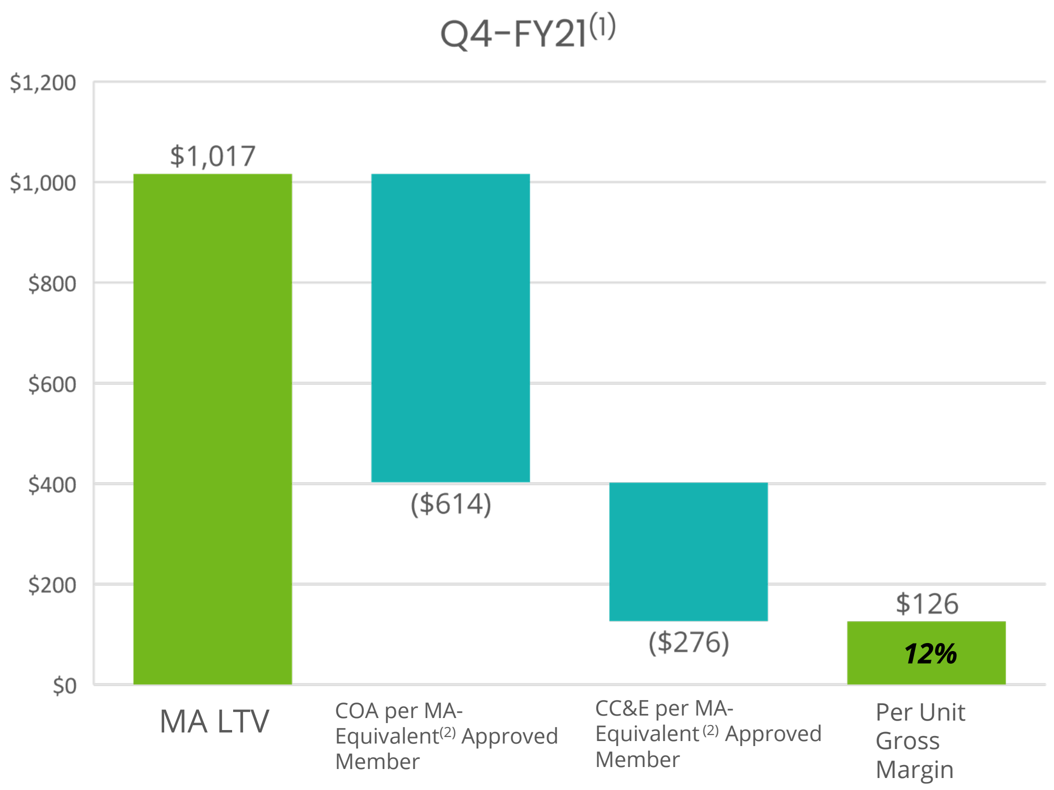
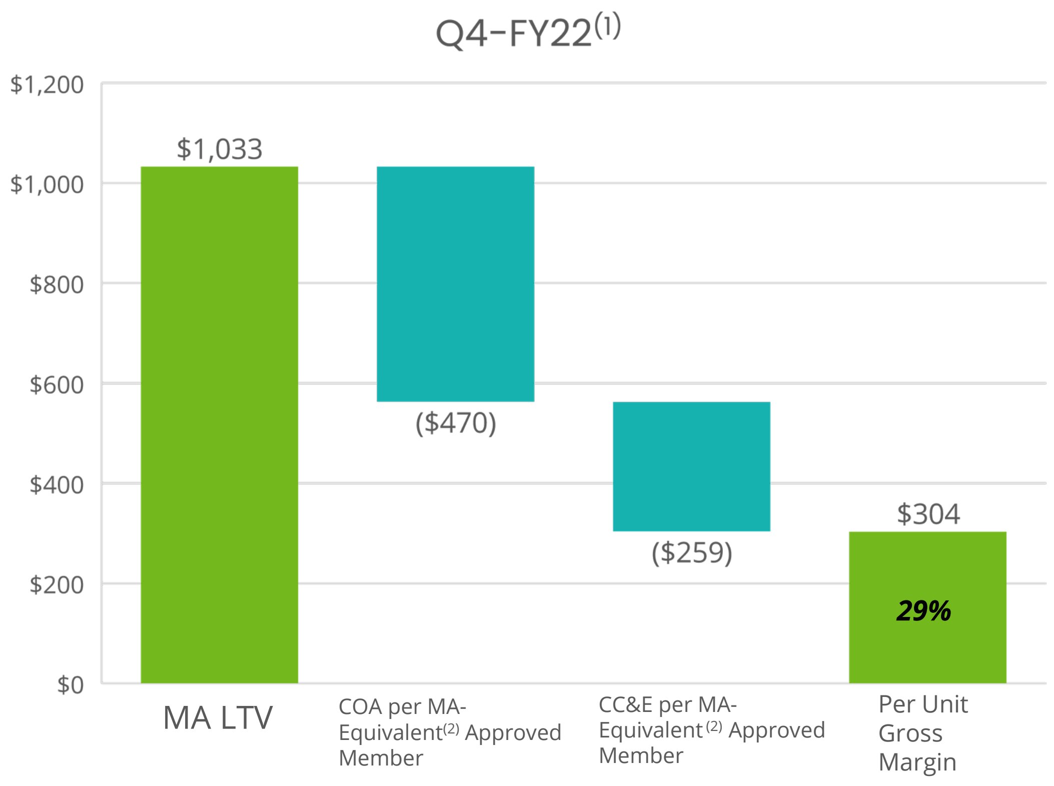
(2) Excluding the impact of our $70 million term loan and associated costs and net securities activities

Enhanced Q4 Medicare Unit Economics





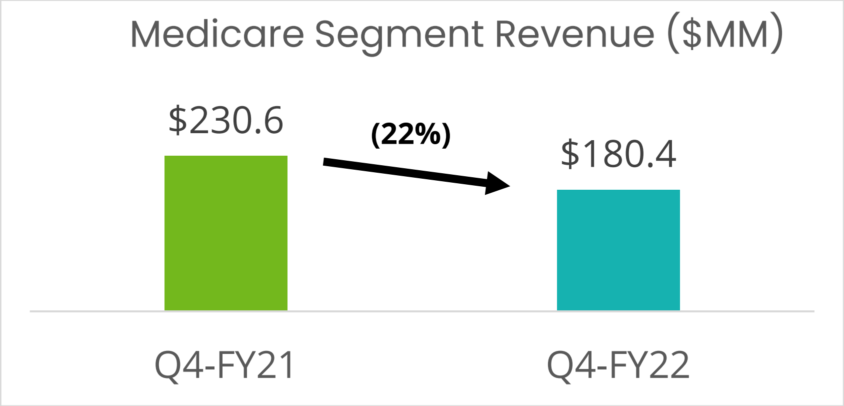
(1) Sums may not foot due to rounding.

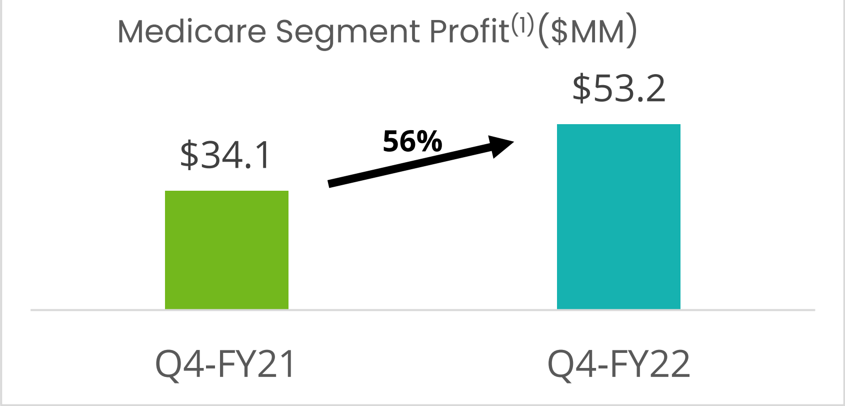
(2) The number of MA-equivalent approved members is calculated by adding the total number of approved Medicare Advantage and Medicare Supplement members and 25% of the total number of approved Medicare Part D members during the period presented.

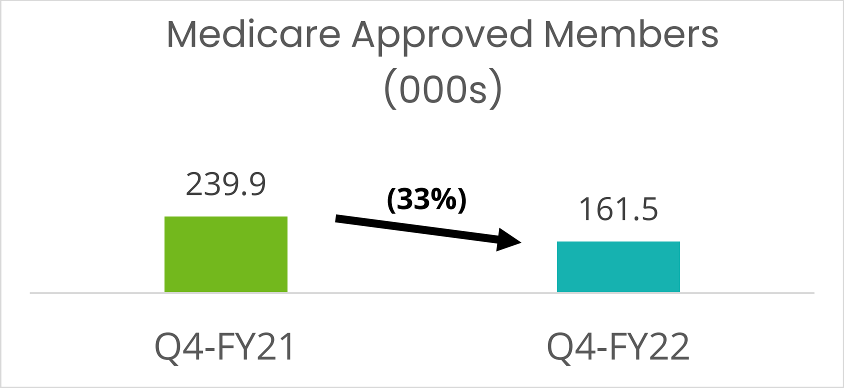
Q4 Medicare Segment Performance

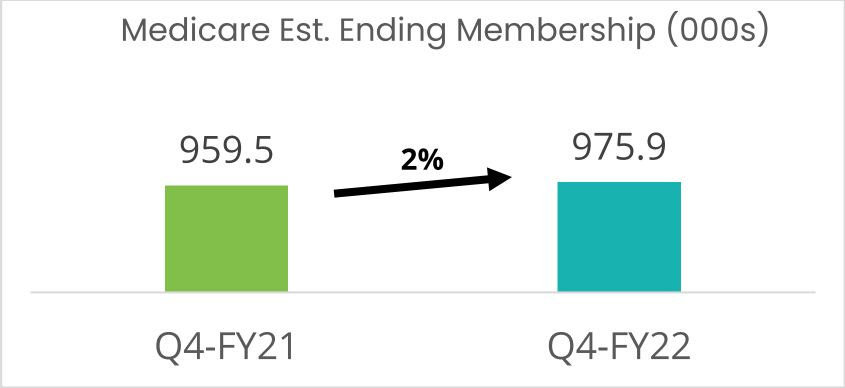
Q4 '22 Medicare segment revenue declined 22% year-over-year due to our intentional decision to pause enrollment volumes as we re-engineered sales & marketing organizations.

Segment profit grew 56% year-over-year, representing just below 2x Medicare Segment profit margin expansion compared to Q4 '21.







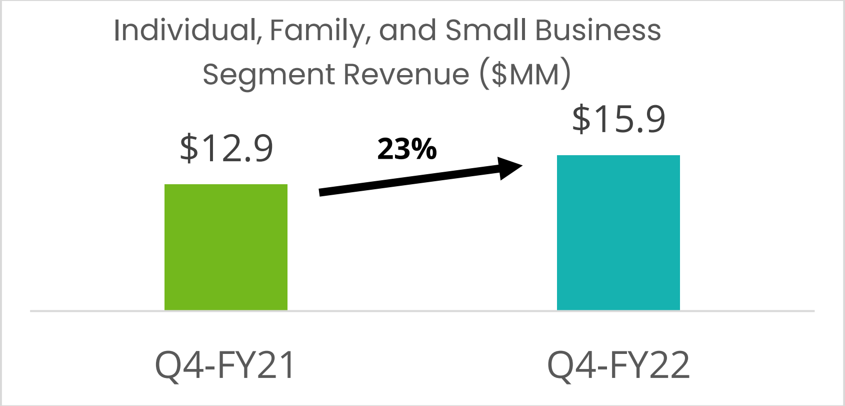


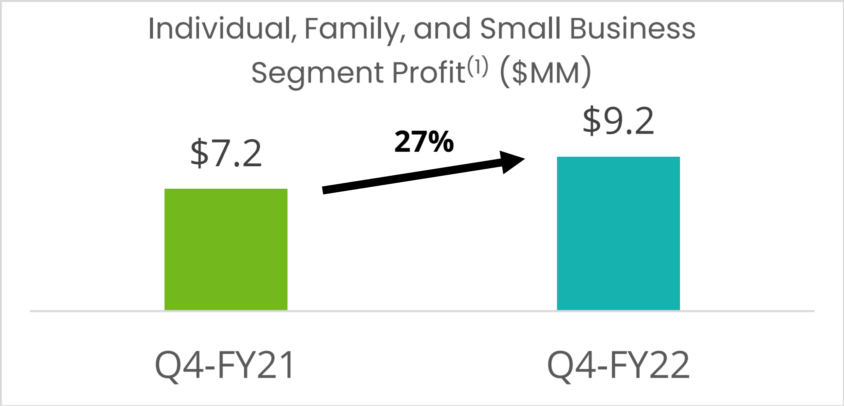
(1) Segment profit is calculated as total revenue for the applicable segment less direct and indirect allocated marketing and advertising, customer care and enrollment, technology and content and general and administrative operating expenses, excluding stock-based compensation expense, depreciation and amortization expense, amortization of intangible assets, and impairment, restructuring and other charges

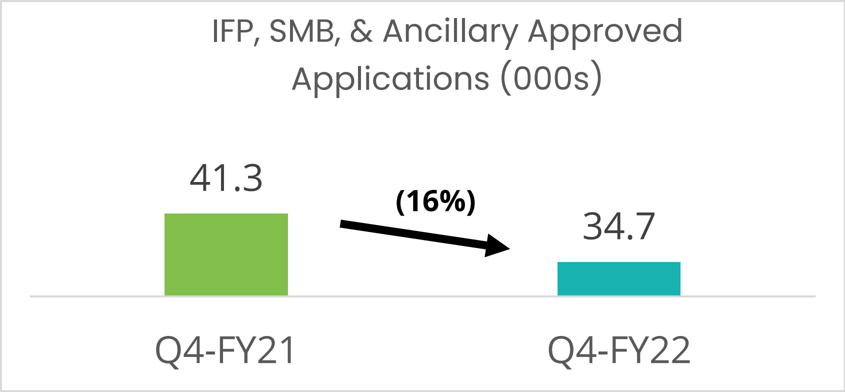
Q4 Individual, Family, and Small Business Segment Performance

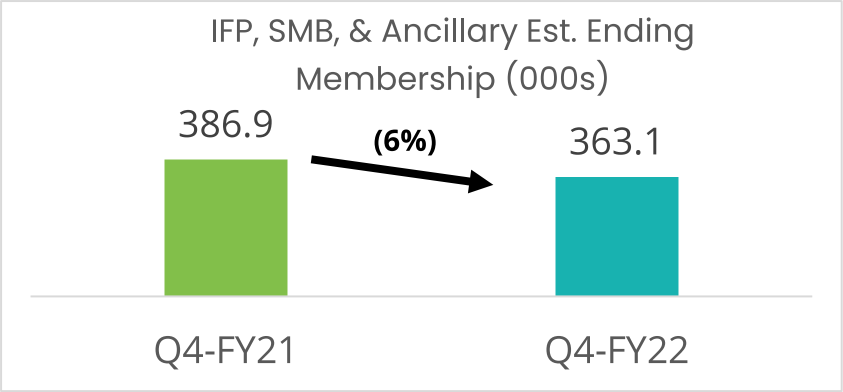
Q4 '22 Individual, Family, and Small Business segment revenue and profit grew compared to Q4 '21, mostly due to higher "tail revenue" and IFP Lifetime Values.

Enrollments declined year-over-year, partially due to our pull back on marketing budget for the segment.









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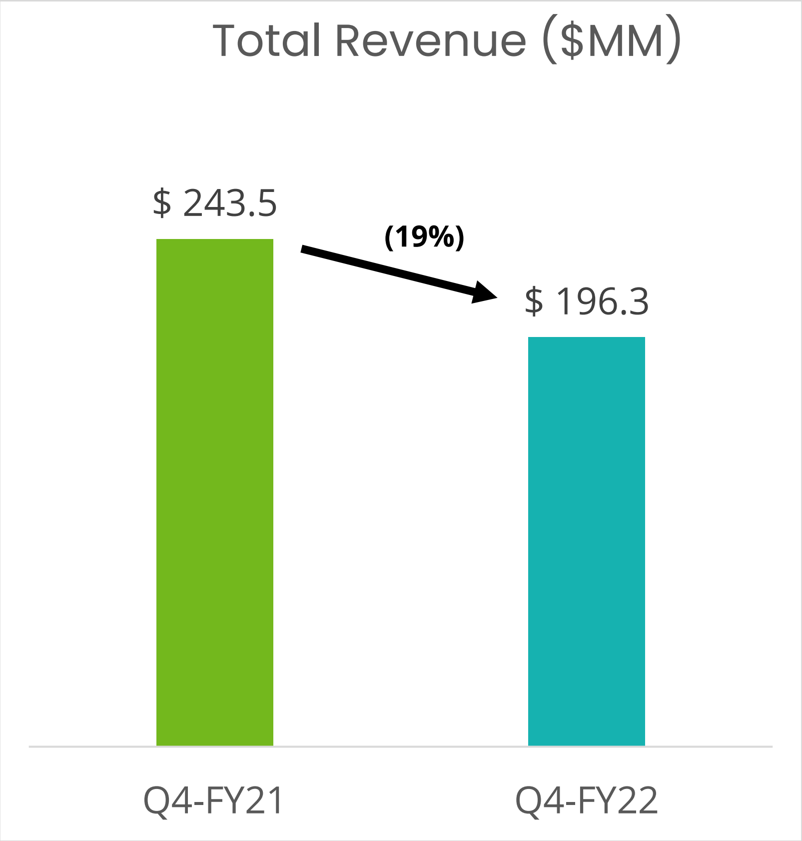
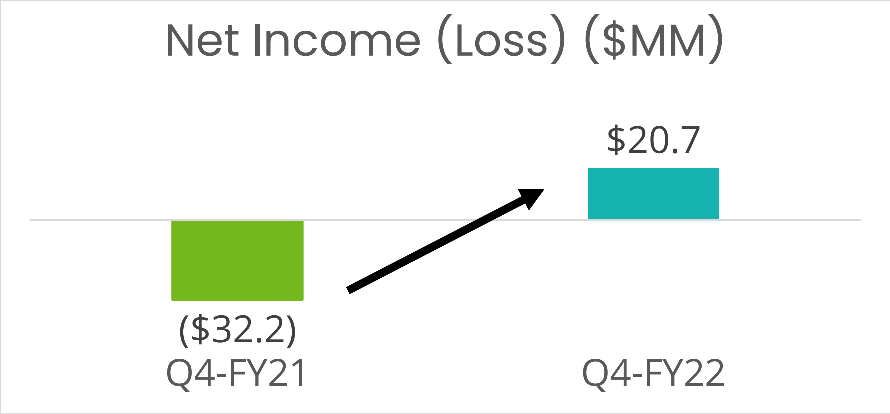
Significant Improvement in Q4 Profitability

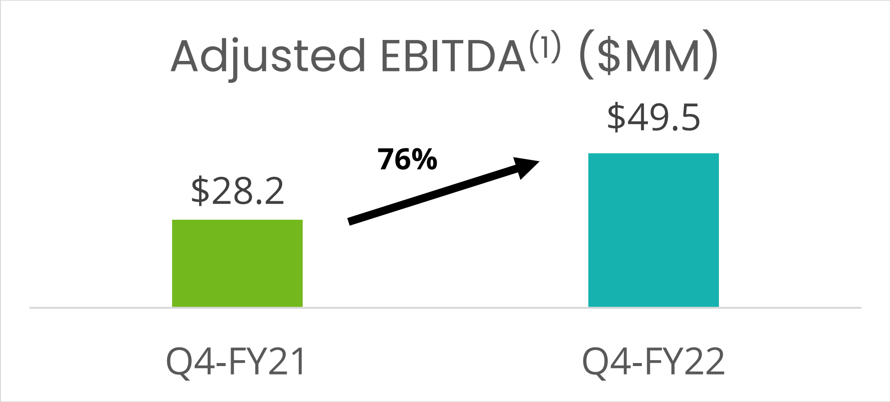
Q4 '22 Net Income and adjusted EBITDA increased significantly compared to a year ago, on a lower revenue base.

The increase in Q4 profitability was driven by operational efficiencies that drove a 25% increase in Medicare telephonic conversions.

Cost reduction program also contributed to higher profit margins.







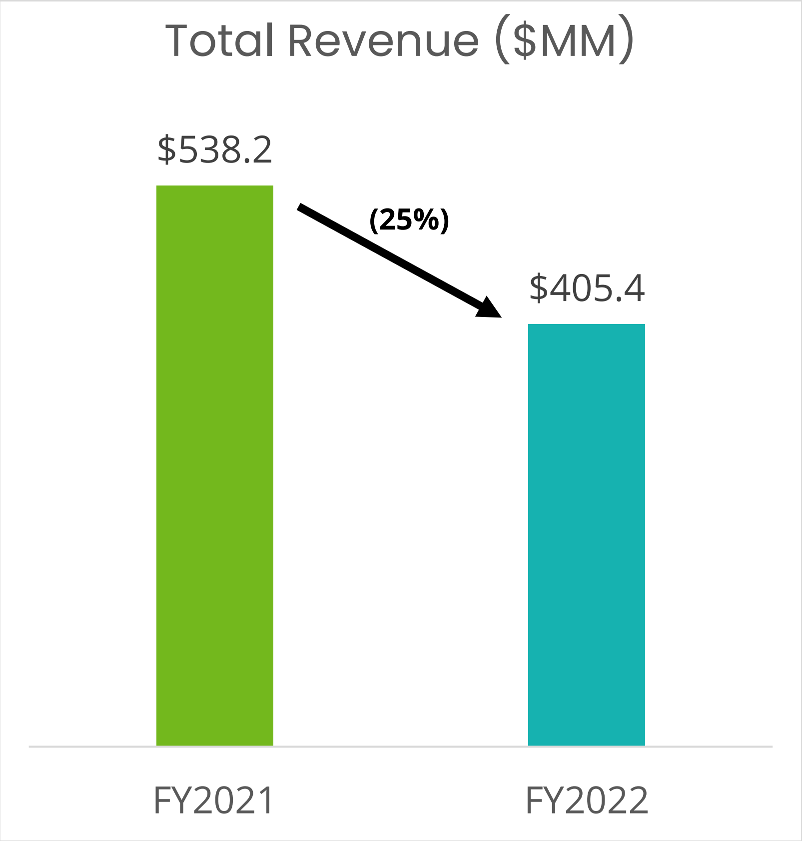
(1) Adjusted EBITDA is calculated by excluding impact from preferred stock, income tax expense (benefit), depreciation and amortization, stock-based compensation expense, impairment charges, restructuring charges, amortization of intangible assets, other income (expenses), net, and other non-recurring charges from GAAP net income (loss) attributable to common stockholders. Other non-recurring charges to GAAP net income (loss) attributable to common stockholders may include transaction expenses in connection with capital raising transactions (whether debt, equity or equity-linked) and acquisitions, whether or not consummated, purchase price adjustments and the cumulative effect of a change in accounting principles.

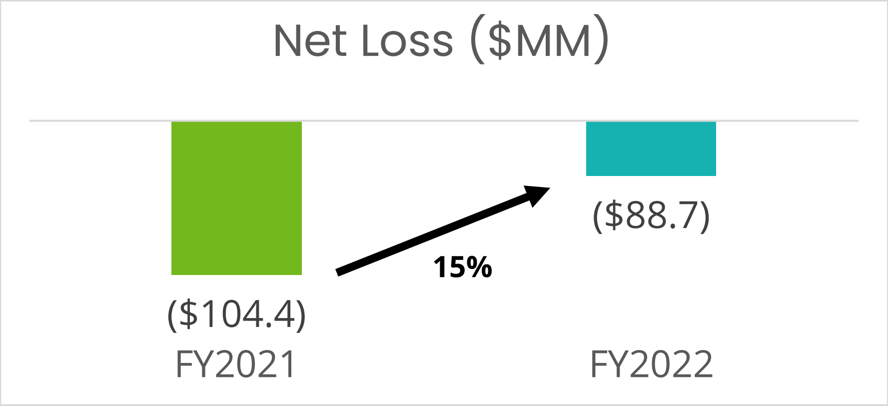
Annual Revenue & Profitability

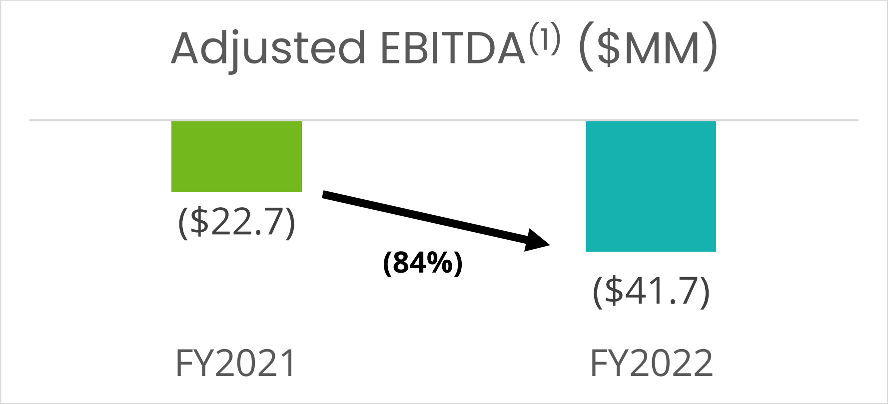
'22 annual results reflect the transitional nature of the first half of the year:

We entered '22 with an inflated cost structure; the $110M+ cost reduction program was introduced in Q2 ‘22.

The impact of our efforts to increase operational efficiency was mostly felt in 2H '22, and especially during Q4.







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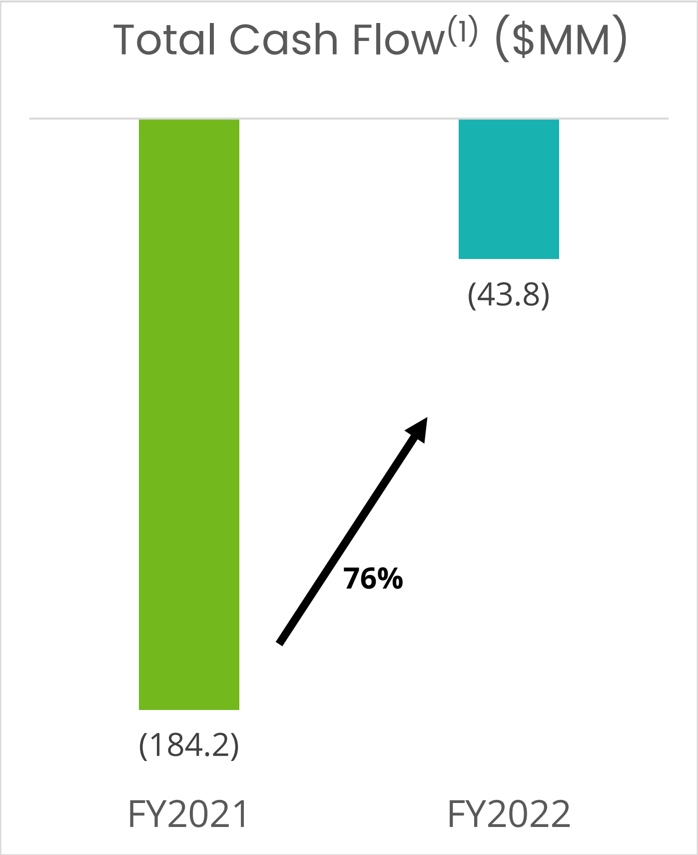
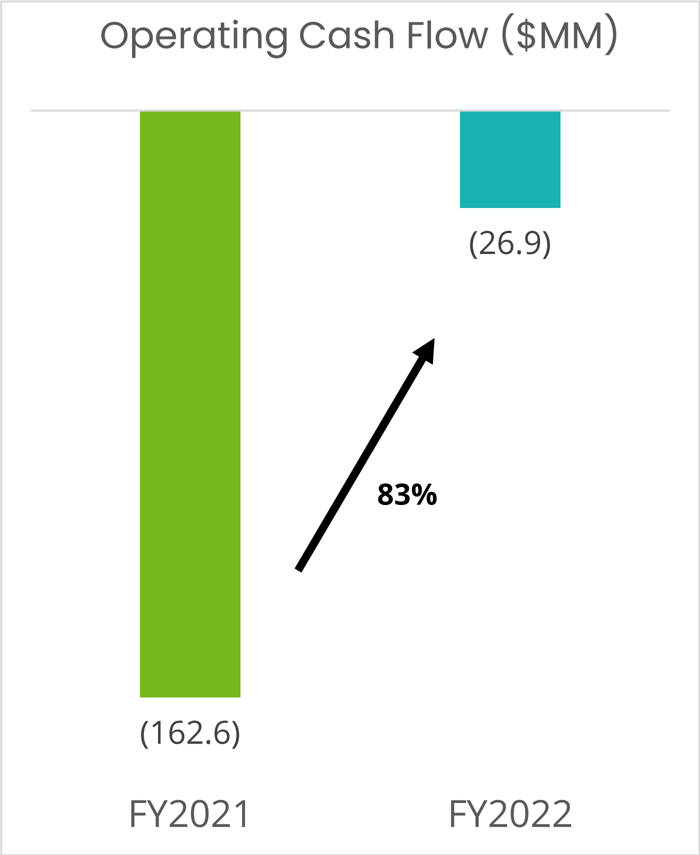
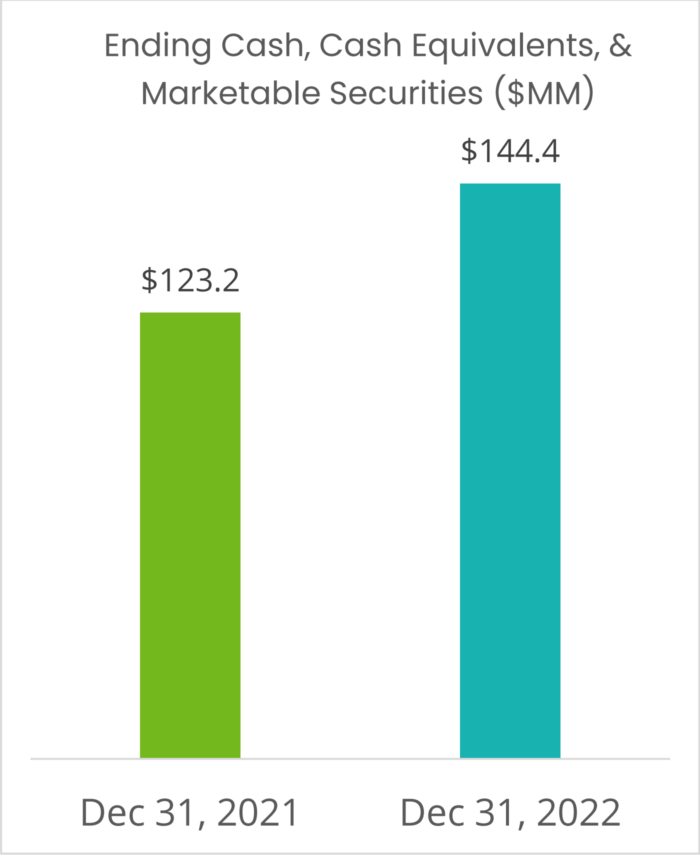
Cash Flow & Liquidity Metrics

In FY 2022 we surpassed our cash preservation goals. The ending balance of cash, cash equivalents, and marketable securities provides us with sufficient liquidity to execute on our '23 Operating Plan.



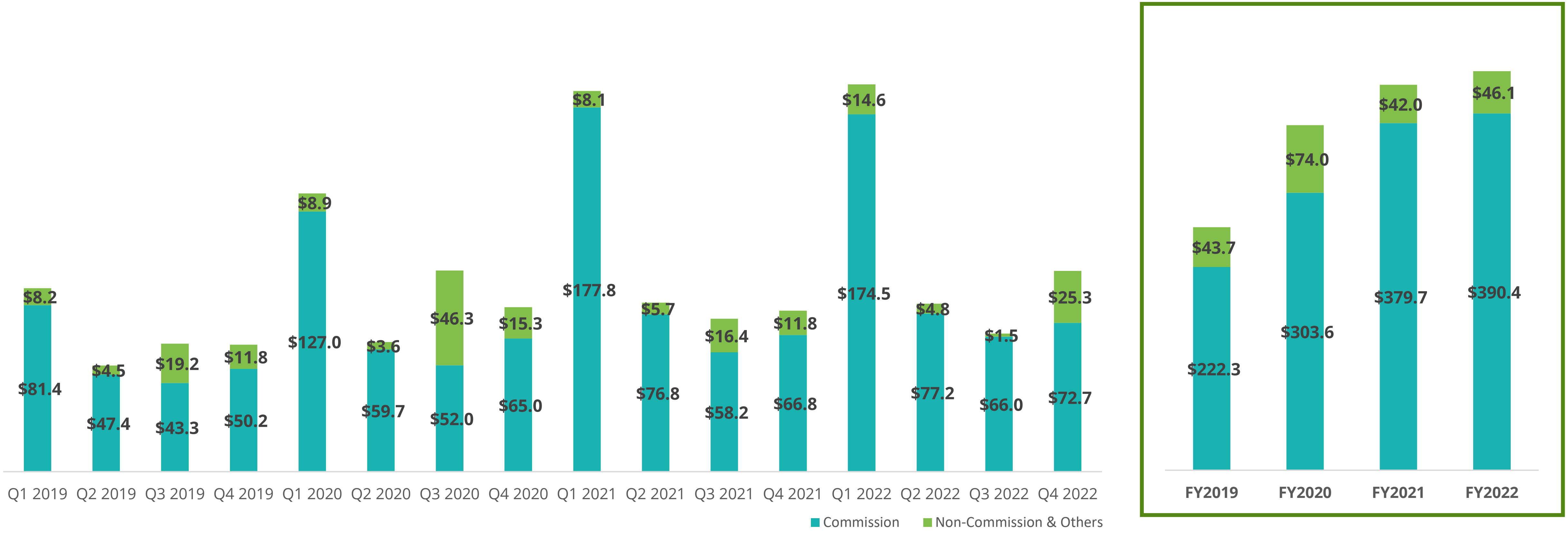




(1) FY2021 total cash flow excludes the impact of our $225 million convertible preferred stock sale and associated costs and net securities activities. For FY2022 total cash flow excludes the impact of our $70 million term loan and associated costs and net securities activities.

Total Cash Collected by Revenue Type

FY 2022 total cash collections of $437MM grew 4% on a year-over-year basis. FY 2022 commissions collections of $390MM grew 3% year-over-year indicating the underlying strength of eHealth's consolidated book of business, and growing commission rates.



(1) We distinguish between commission and non-commission based cash collections using the same methodology we use to distinguish between commission revenue and revenue from non-commission sources, which can be found in our form 10-K filed with the SEC on March 1, 2022.

FY 2023 Operational Priorities

1. **Build on our progress within eHealth's omnichannel marketing and lead generation engine**

2. **Improve conversion rates across our entire enrollment platform**

3. **Introduce the next evolution of our customer retention strategy**

4. **Further diversify eHealth's revenue streams**

FY 2023 Guidance

The midpoint of guidance return to revenue growth at 6% while significantly improving adjusted EBITDA performance. Operating cash flow guidance represents a year-over-year improvement of $4.4 million at the midpoint reflecting our planned investment in enrollment growth for '23 AEP.

2023 Full Year Guidance	Range (in millions)
Total Revenue	$420 – $440
GAAP Net Loss	$55 – $35
Adjusted EBITDA(1)	$(15) – $5
Operating Cash Flow	$(30) – $(15)

(1) Adjusted EBITDA is calculated by excluding impact from preferred stock, income tax expense (benefit), depreciation and amortization, stock-based compensation expense, impairment charges, restructuring charges, amortization of intangible assets, other income (expenses), net, and other non-recurring charges from GAAP net income (loss) attributable to common stockholders. Other non-recurring charges to GAAP net income (loss) attributable to common stockholders may include transaction expenses in connection with capital raising transactions (whether debt, equity or equity-linked) and acquisitions, whether or not consummated, purchase price adjustments and the cumulative effect of a change in accounting principles.

Appendix

Net Income (Loss) to Adjusted EBITDA Reconciliation

	(In thousands, unaudited)			
	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Net income (loss) attributable to common stockholders	$ 12,572	$ (39,306)	$ (119,414)	$ (122,942)
Paid-in-kind dividends for preferred stock	4,937	4,563	19,357	12,206
Change in preferred stock redemption value	3,162	2,591	11,335	6,361
GAAP net income (loss)	20,671	(32,152)	(88,722)	(104,375)
Stock-based compensation expense	4,382	7,976	20,316	32,857
Depreciation and amortization	5,423	5,491	21,108	18,331
Amortization of intangible assets	—	120	—	536
Impairment, restructuring and other charges	8,926	48,218	19,616	51,222
Other (income) expense, net	841	(244)	3,676	(755)
Provision for (benefit from) income taxes	9,231	(1,237)	(17,667)	(20,515)
Adjusted EBITDA	$ 49,474	$ 28,172	$ (41,673)	$ (22,699)

Reconciliation of Non-GAAP Financial Measures to Guidance

	(in millions, unaudited) Full Year 2023 Guidance	
	Low	High
GAAP net loss attributable to common stockholders	$ (90.0)	$ (70.0)
Impact from preferred stock	35.0	35.0
GAAP net loss	(55.0)	(35.0)
Stock-based compensation expense	22.0	20.0
Depreciation and amortization	22.0	21.0
Impairment, restructuring and other charges	5.0	3.0
Other expense, net	7.0	6.0
Benefit from income taxes	(16.0)	(10.0)
Adjusted EBITDA	$ (15.0)	$ 5.0