

Q3 2022 Financial Results

Conference Call Slides

eHealth[®]



November 7, 2022

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 operational focus in 2022, our growth expectations for 2023, our expectations regarding cost savings, and our 2022 annual guidance for total revenue, GAAP net loss, adjusted EBITDA, and total cash outflow. 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 the 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.

Q3 2022 Financial Highlights

Q3 2022 results reflect the improvements we have made to our sales and marketing operations over the past year.

Increased telephonic conversion rate as well as the impact of our cost transformation initiatives drove improved adjusted EBITDA year-over-year.



Total revenue was \$53.4MM, down 16% year-over-year; Medicare revenue of \$45.1MM was down 3% year-over-year



Total Medicare Advantage approved members increased by 3% year-over-year



Medicare telephonic conversions increased by over 30% year-over-year



Reduced Medicare per member acquisition spend by 35% year-over-year; on track to achieve more than \$90MM in total cost savings in '22 compared to '21



Net loss narrowed to (\$39.1)MM and adjusted EBITDA⁽¹⁾ was (\$33.1)MM in Q3 '22, compared to net loss of (\$53.0)MM and adjusted EBITDA of (\$55.2)MM in Q3 '21

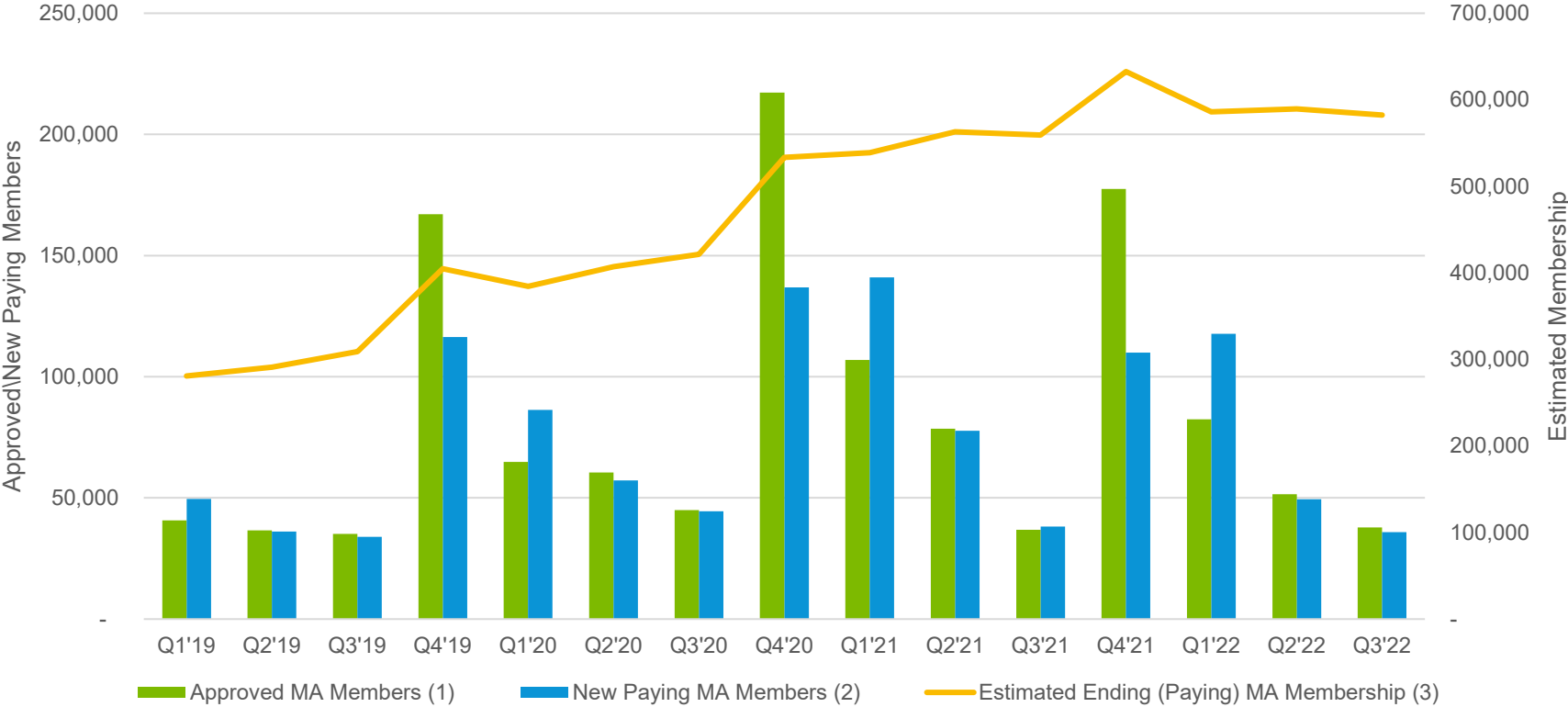


Estimated commission generating Medicare Advantage membership of 582K grew 4% year-over-year



Positive net revenue adjustment of \$3.5MM recorded during the quarter

eHealth MA Membership

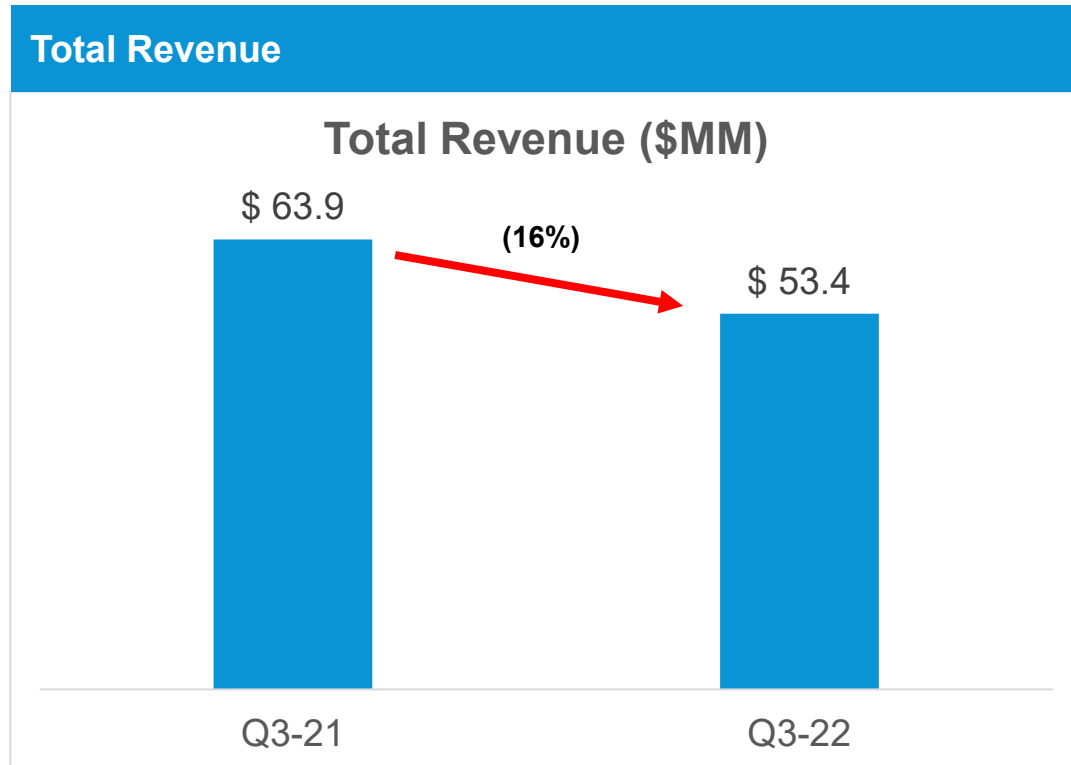


Q3 2022 estimated ending (paying) MA membership increased by 4% year-over-year.



(1) Approved MA members consist of the number of individuals on submitted applications that were approved by the relevant insurance carrier for the identified product during the period presented. Approved members may not pay for their plan and become paying members.
 (2) New Paying MA Members consist of approved members from the period presented and any periods prior to the period presented from whom we have received an initial commission payment during the period presented.
 (3) Estimated Ending (Paying) MA Membership is the number of active members we estimate as of the end of the period. Membership is estimated using the methodology described in our periodic filings with the Securities and Exchange Commission.

Q3 2022 Total Revenue



Total revenue declined 16% on a year-over-year basis due primarily to lower positive tail revenue within our IFP/SMB business line.

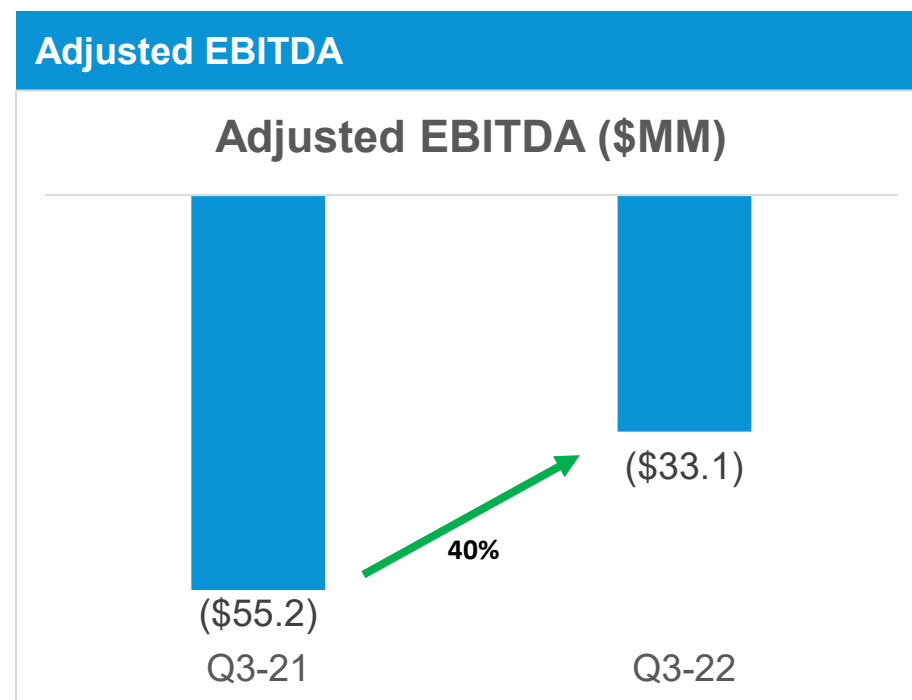
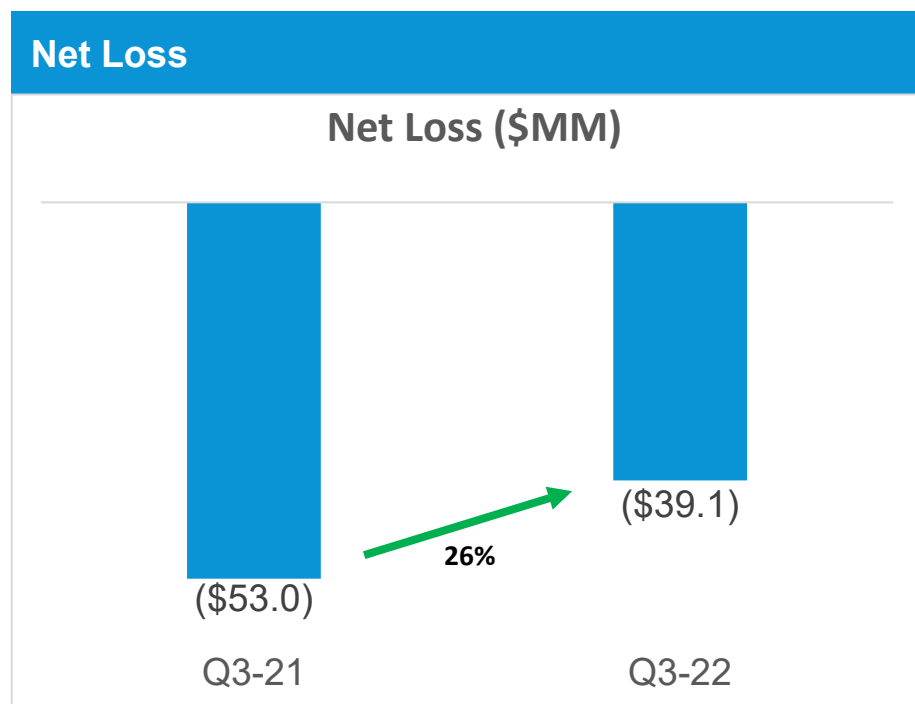


Q3 2022 results benefited from positive tail revenue recognized in the quarter. Total positive tail revenue in Q3 was \$3.5 million including \$1.7 million from our book of Medicare enrollments.



Q3 2022 Medicare non-commission revenue of \$3.8 million was flat year-over-year and is comprised predominantly of carrier advertising revenue.

Q3 2022 Net Loss and Adj. EBITDA⁽¹⁾



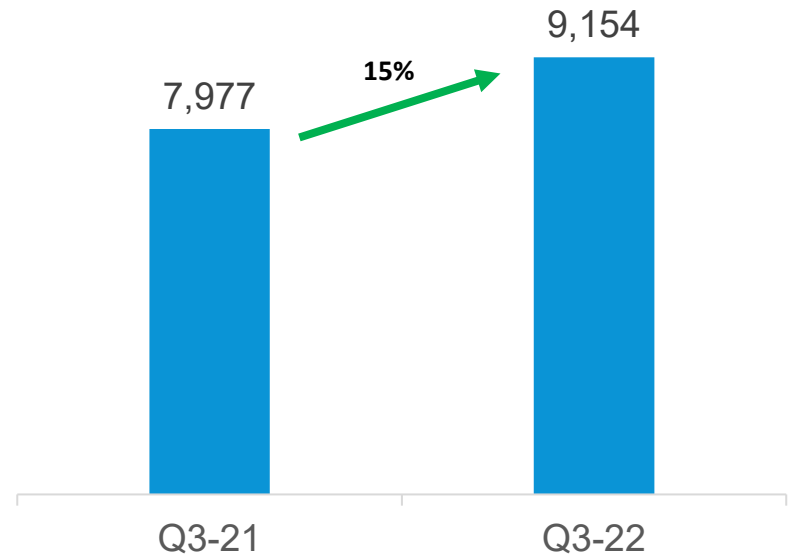
Q3 2022 Major Medicare⁽¹⁾ Online Assisted and Unassisted Applications

Online business continues to generate enrollment growth despite the reduction in variable marketing expense across our lead generation channels.

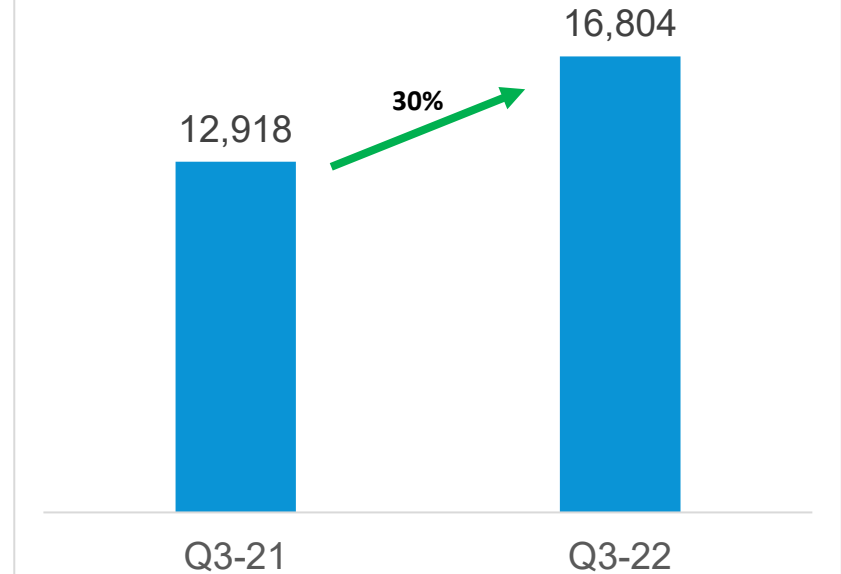
20.1% of major Medicare submissions were online unassisted in Q3 2022 compared to 17.1% in Q3 2021.

Major Medicare Online Assisted and Unassisted Submissions

Major Medicare Online Unassisted Submissions



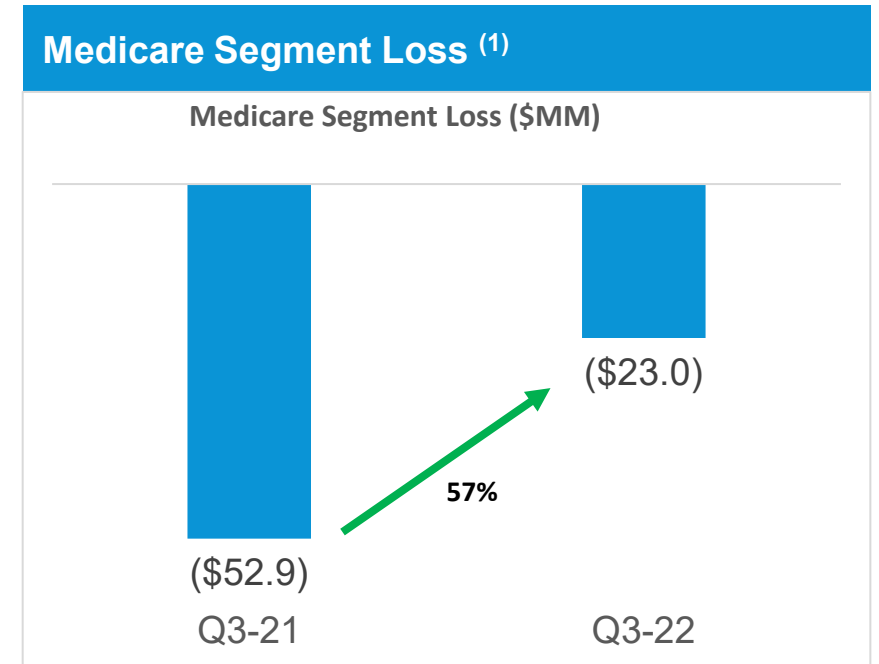
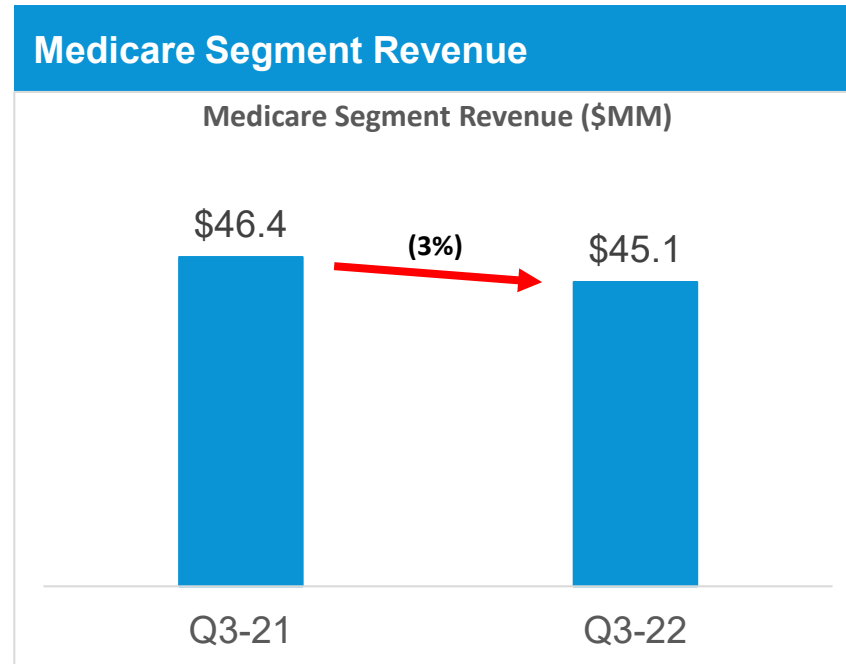
Major Medicare Online Assisted Submissions



Q3 2022 Medicare Segment Revenue and Loss

Medicare Segment revenue declined slightly due to a reduction in approved members for Medicare Supplement and Medicare Part D products.

While Medicare Segment revenue declined 3%, Medicare Segment loss narrowed significantly.

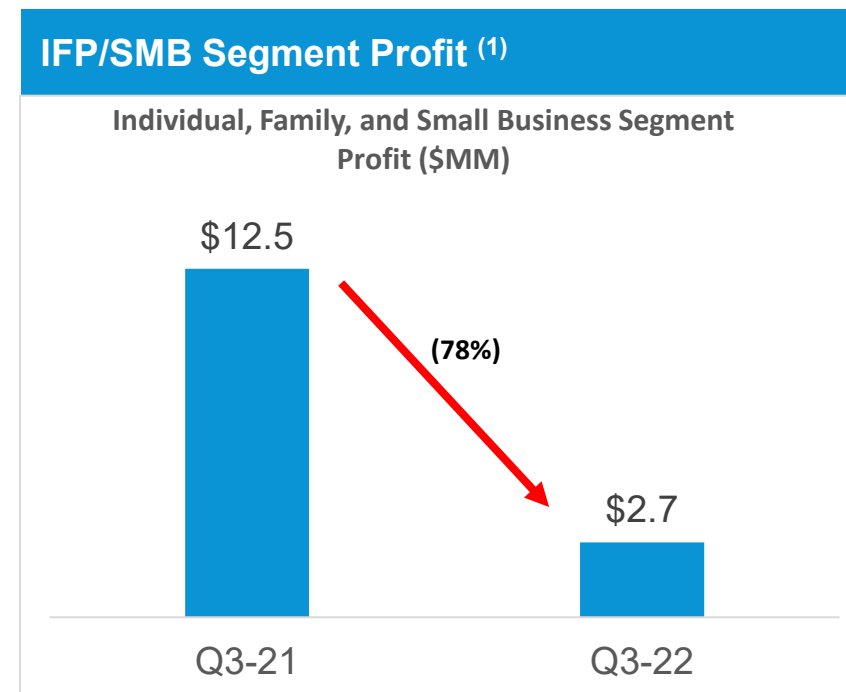
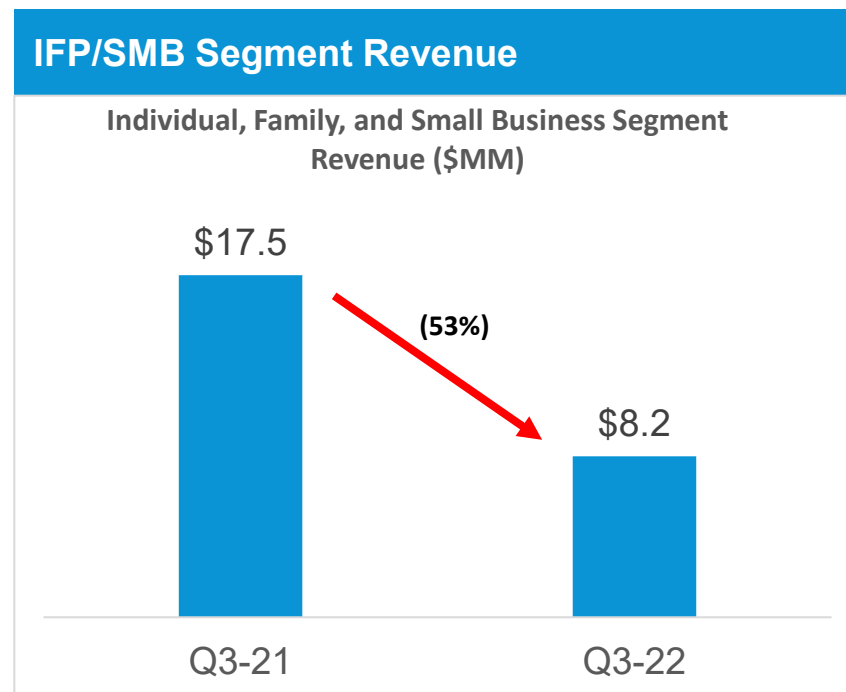


(1) Segment loss is calculated as total revenue for the applicable segment less direct and indirect allocated marketing and advertising, customer care and enrollment, technology and content and general and administrative operating expenses, excluding stock-based compensation expense, depreciation and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

Q3 2022 IFP/SMB Segment Revenue and Profit

IFP/SMB Segment Revenue and Profit declined compared to Q3 2021 due primarily to lower IFP/SMB tail revenue – IFP/SMB tail revenue for Q3 2022 was \$1.8MM, compared to \$10.0MM of tail revenue in Q3 2021.

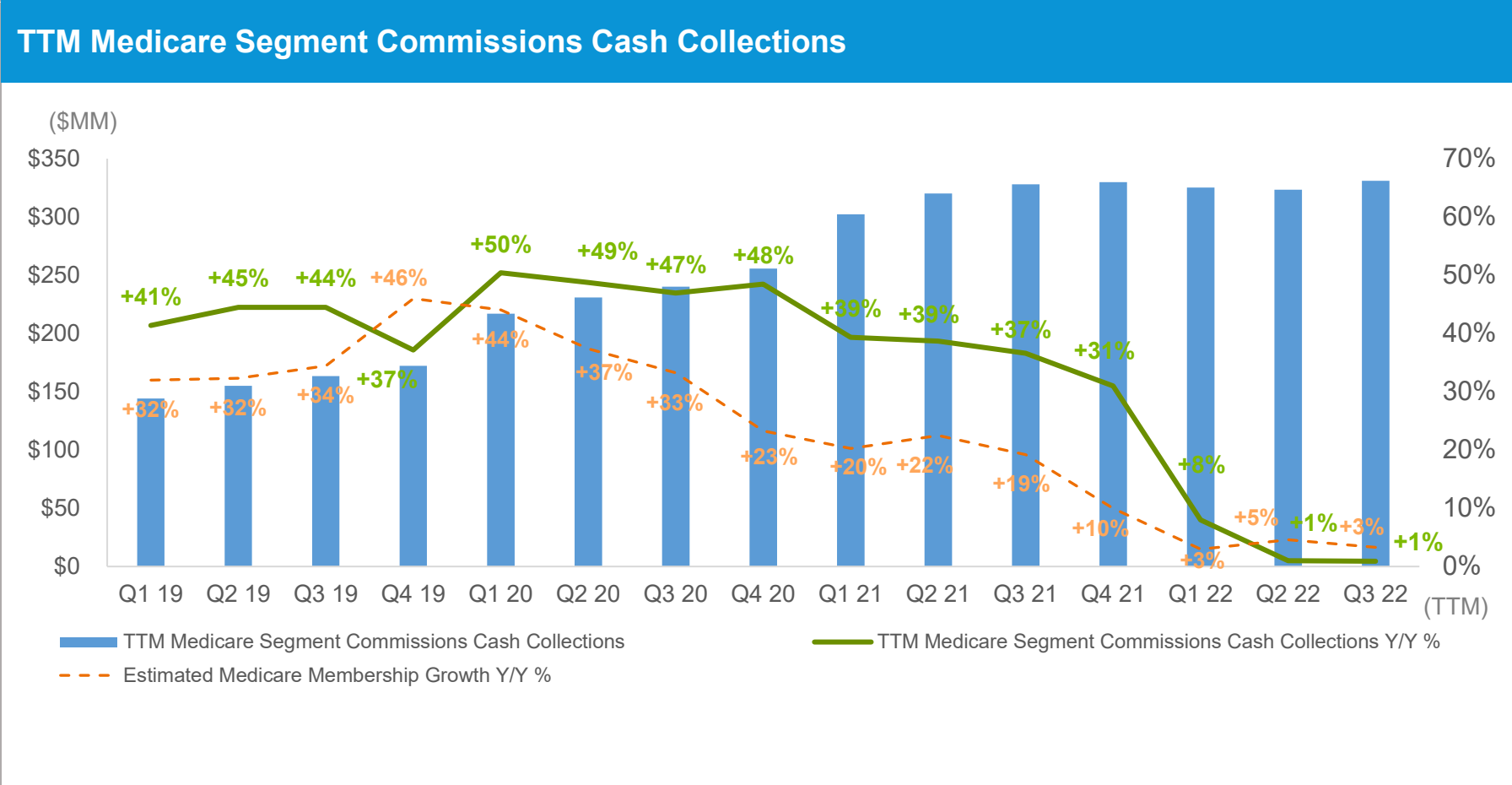
IFP enrollments were also down year-over-year as marketing spend in the segment decreased compared to Q3 2021.



(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.

Trailing Twelve Months (“TTM”) Medicare Segment Commissions Cash Collections

Q3 2022 TTM Medicare Segment commissions cash collections increased by 1% year-over-year.



Medicare Advantage Plan Member Turnover Trend Since Q1 2020

MA	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22
Approved Members ⁽¹⁾	64,898	60,477	44,999	217,278	106,884	78,569	36,836	177,469	82,431	51,506	37,777
Estimated Beginning (Paying) Membership ⁽²⁾	404,694	384,513	407,243	421,237	533,282	538,716	562,905	559,235	632,574	586,063	589,553
New Paying Members ⁽³⁾	86,299	57,232	44,528	136,857	140,997	77,710	38,193	109,927	117,643	49,476	35,934
Estimated Ending (Paying) Membership ⁽⁴⁾	384,513 ⁽⁷⁾	407,243	421,237	533,282	538,716	562,905	559,235	632,574	586,063	589,553	582,203
Medicare Advantage Plan Member Turnover⁽⁵⁾	106,480	34,502	30,534	24,812	135,563	53,521	41,863	36,588	164,154	45,986	43,284
Trailing Twelve Month Member Turnover ⁽⁶⁾	168,996	177,783	192,353	196,328	225,411	244,430	255,759	267,535	296,126	288,591	290,012

- (1) Approved members consist of the number of individuals on submitted applications that were approved by the relevant insurance carrier for the identified product during the period presented. Approved members may not pay for their plan and become paying members.
- (2) Estimated Beginning (Paying) Membership is the Estimated Ending (Paying) Membership for the period prior to the period of estimation. Membership is estimated using the methodology described in our periodic filings with the Securities and Exchange Commission.
- (3) New Paying Members consist of approved members from the period presented and any periods prior to the period presented from whom we have received an initial commission payment during the period presented.
- (4) Estimated Ending (Paying) Membership is the number of active members we estimate as of the end of the period. Membership is estimated using the methodology described in our periodic filings with the Securities and Exchange Commission.
- (5) Medicare Advantage Plan Member Turnover for the period is derived as follows: Estimated Beginning Membership plus New Paying Members minus Estimated Ending (Paying) Membership.
- (6) Trailing Twelve Month Member Turnover is the sum of Medicare Advantage Plan Member Turnover for the prior twelve months.
- (7) Q1'20 is actual membership instead of reported.

2022 Operational Priorities

1

Through transformative changes, reduce our cost structure while focusing on operational efficiency and excellence; we expect to return to revenue growth in '23 on a substantially improved cost and operational foundation.

2

Deploy marketing dollars in a way that will drive better economics. This includes optimizing our marketing channel mix to cut lowest ROI initiatives and focus on channels where we hold strong competitive differentiation.

3

Slow down telephonic enrollment growth in '22, while emphasizing agent training and retention initiatives, implement a local market-centric model, and increase the contribution from dedicated carrier arrangements.

4

Continue growing our online business and enhancing our e-commerce platform through a highly disciplined approach to tech investment.

5

Work with carrier partners to find additional ways to create value including joint quality and retention initiatives.

6

Pursue cost-effective diversification initiatives including stronger emphasis on our IFP and Ancillary products.

2022 Guidance

For the full year ending December 31, 2022, we are reaffirming the following guidance ranges:

2022 Full Year Guidance	Range (in millions)
Total Revenue	\$375 – \$395
GAAP Net Loss	\$115 – \$92
Adjusted EBITDA ⁽¹⁾	(\$73) – (\$45)
Total cash outflow, excluding the impact of our \$70 million term loan and associated costs and net securities activities	\$110 – \$90

Appendix

Net Loss to Adjusted EBITDA Reconciliation

	(In thousands)	
	Three Months Ended September 30,	
	2022	2021
Net loss attributable to common stockholders	\$ (46,998)	\$ (59,948)
Paid-in-kind dividends for preferred stock	4,933	4,561
Change in preferred stock redemption value	2,916	2,373
GAAP net loss	(39,149)	(53,014)
Stock-based compensation expense	5,144	5,234
Depreciation and amortization	5,558	4,899
Amortization of intangible assets	—	121
Impairment, restructuring and other charges	4,498	573
Other (income) expense, net	647	(189)
Benefit from income taxes	(9,767)	(12,834)
Adjusted EBITDA	<u>\$ (33,069)</u>	<u>\$ (55,210)</u>

FY 2022 Guidance Net Loss to Adjusted EBITDA Reconciliation

	(in millions)	
	Full Year 2022 Guidance	
	Low	High
GAAP net loss attributable to common stockholders	\$ (146.0)	\$ (123.0)
Impact from preferred stock	31.0	31.0
GAAP net loss	(115.0)	(92.0)
Stock-based compensation expense	25.0	25.0
Depreciation and amortization	21.0	21.0
Impairment, restructuring and other charges	13.0	13.0
Amortization of intangible assets	—	—
Other expense, net	4.0	5.0
Benefit from income taxes	(21.0)	(17.0)
Adjusted EBITDA	<u>\$ (73.0)</u>	<u>\$ (45.0)</u>