

Q3 2020 Financial Results

Conference Call Slides

eHealth[®]



October 22, 2020

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 Medicare membership; our expectations of Medicare major medical online application percentage; our expected cash collections for Medicare Advantage plans and member turnover rate; and our guidance for the full year ending December 31, 2020, including our guidance for total revenue and revenue from our Medicare segment and our Individual, Family and Small Business segment, GAAP net income, Adjusted EBITDA, profit from our Medicare segment and our Individual, Family and Small Business segment, Corporate shared service expense, cash used in operations and cash used for capital expenditures, and GAAP net income per diluted share and non-GAAP net income per diluted share. 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 earnings release issued by eHealth, Inc. on October 22, 2020 announcing its third quarter 2020 results. 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.

eHealth Q3 2020 Highlights

Q3 2020 results reflect strong momentum in online Medicare enrollments, significant growth in Medicare advertising revenue and an investment in our telesales capacity in preparation for the AEP.



Q3 2020 revenue grew 35% compared to Q3 2019



Adjusted EBITDA of $-\$13.3\text{MM}$, compared to $-\$18.8\text{MM}$ in Q3 2019



Medicare estimated cost per approved member decreased 2% year-over-year driven by a 7% decline in Customer Care & Enrollment cost per MA equivalent approved member



Medicare carrier advertising revenue grew 103% year-over-year



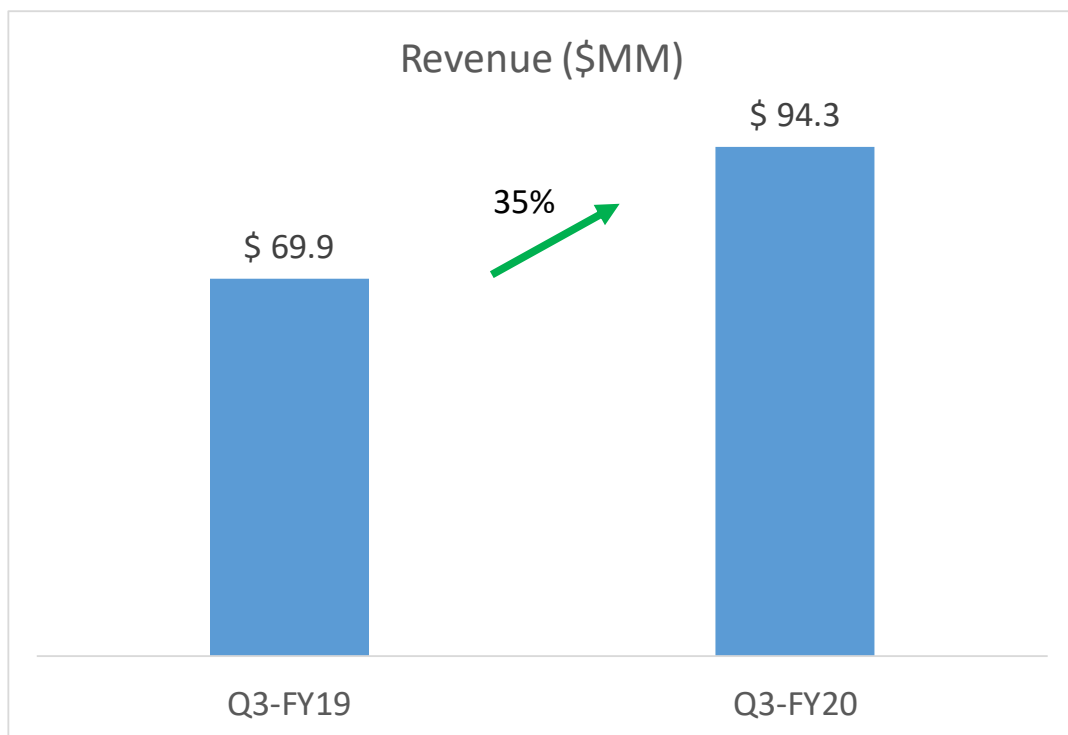
36% of Medicare major medical applications submitted online, compared to 21% in Q3 2019⁽¹⁾



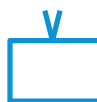
Reaffirming Full Year Guidance:
Revenue $\$630-\670MM
Adjusted EBITDA $\$140-\155MM

Q3 2020 Revenue

Revenue



Q3 revenue growth driven by a 17% increase in approved Medicare members, a 103% growth in Medicare carrier advertising revenue reflecting carriers' recognition of eHealth's value proposition



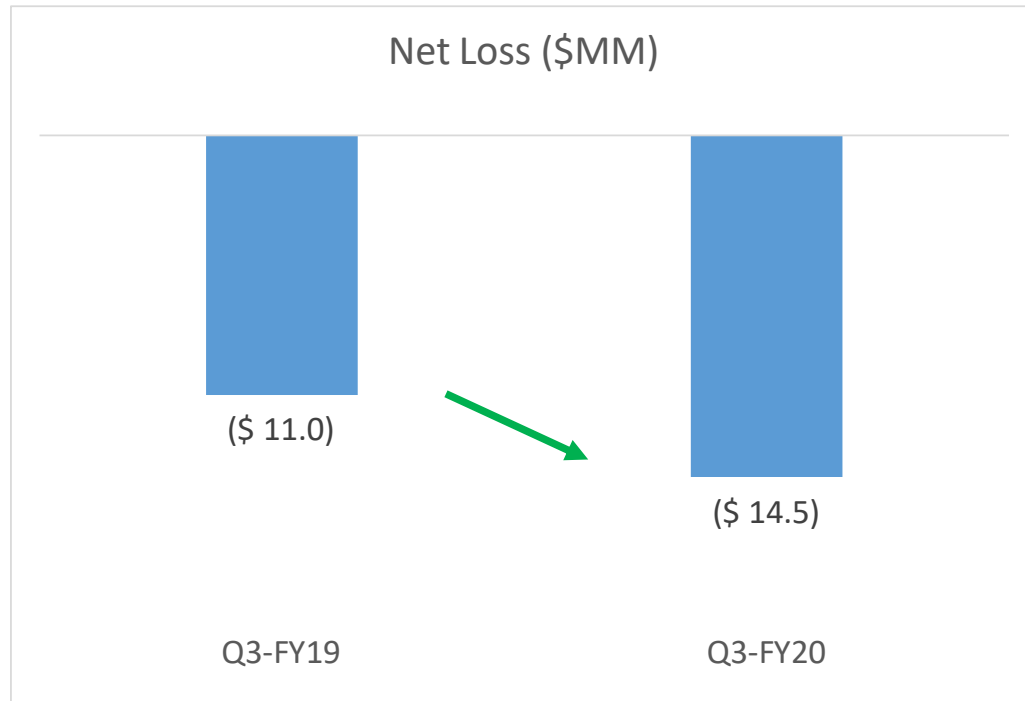
Online marketing delivered a 125% year-over-year growth in submitted MA applications and contributed to a meaningful increase in the number and percentage of major medical Medicare enrollments completed online⁽¹⁾ compared to Q3 '19



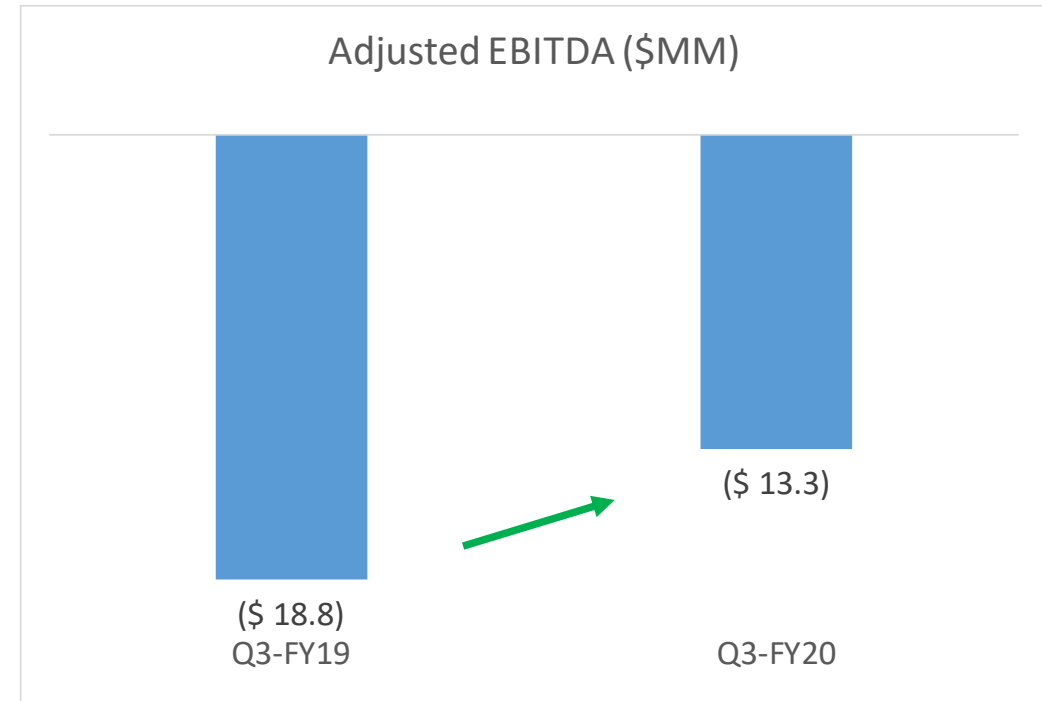
Strategic partnerships including large retail pharmacies, hospitals and other affinity groups remain a substantial driver of new business, driving 89% year-over-year growth in MA submitted applications.

Q3 2020 Net Loss and Adjusted EBITDA⁽¹⁾

Net Loss

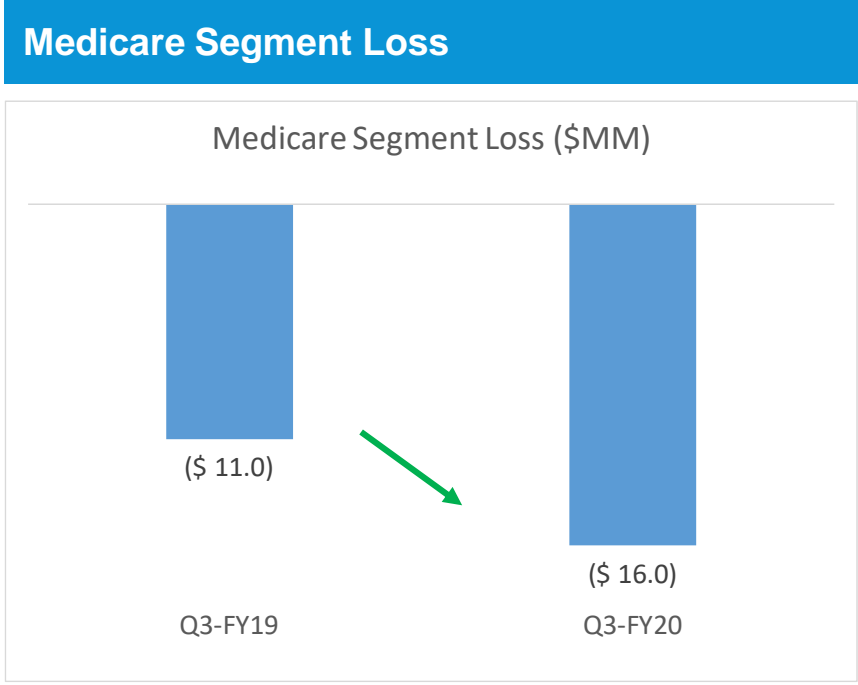
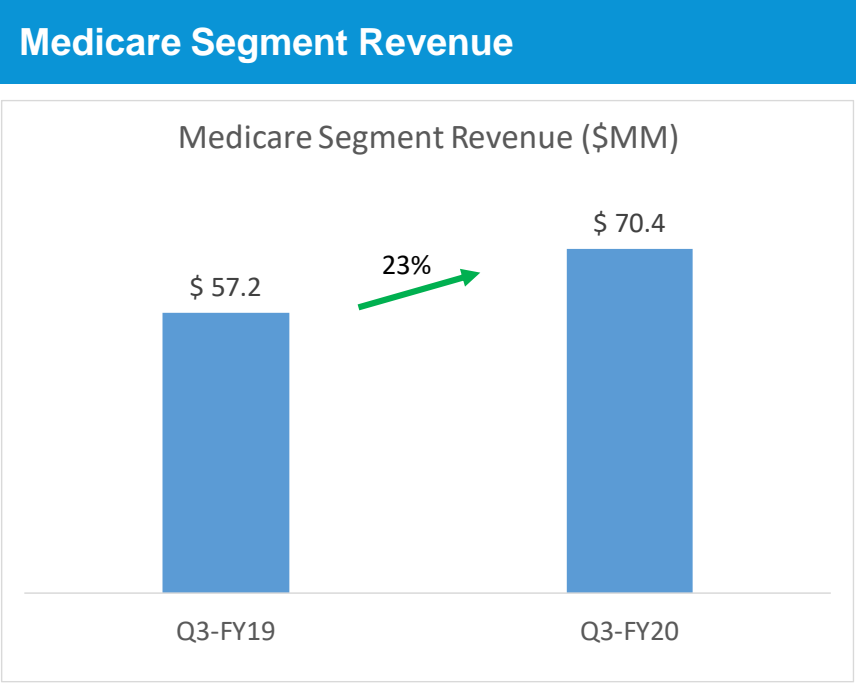


Adjusted EBITDA



Q3 2020 Medicare Segment Revenue and Loss

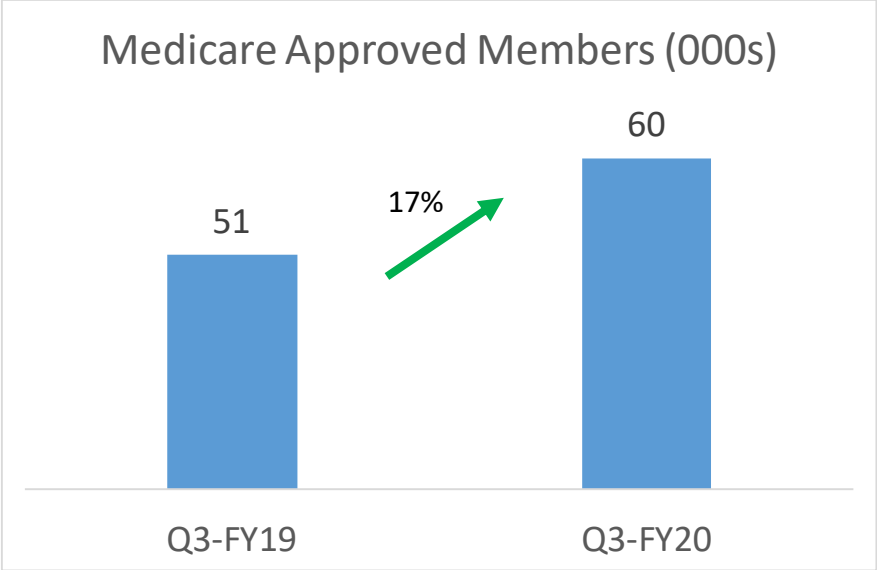
Q3 Medicare Segment results reflect an investment quarter in our telesales capacity and technology initiatives in preparation for the AEP.



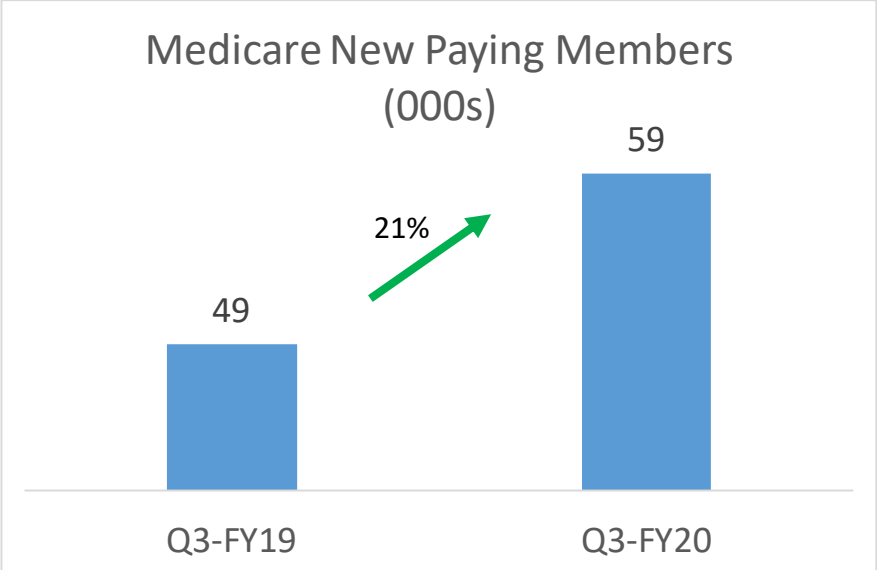
Q3 2020 Medicare Approved Members⁽¹⁾ and New Paying Members⁽²⁾

Medicare approved members grew 17% and new paying members grew 21% in Q3 20 compared to a year ago, driven by continuing strength in Medicare Advantage

Medicare Approved Members



Medicare New Paying Members

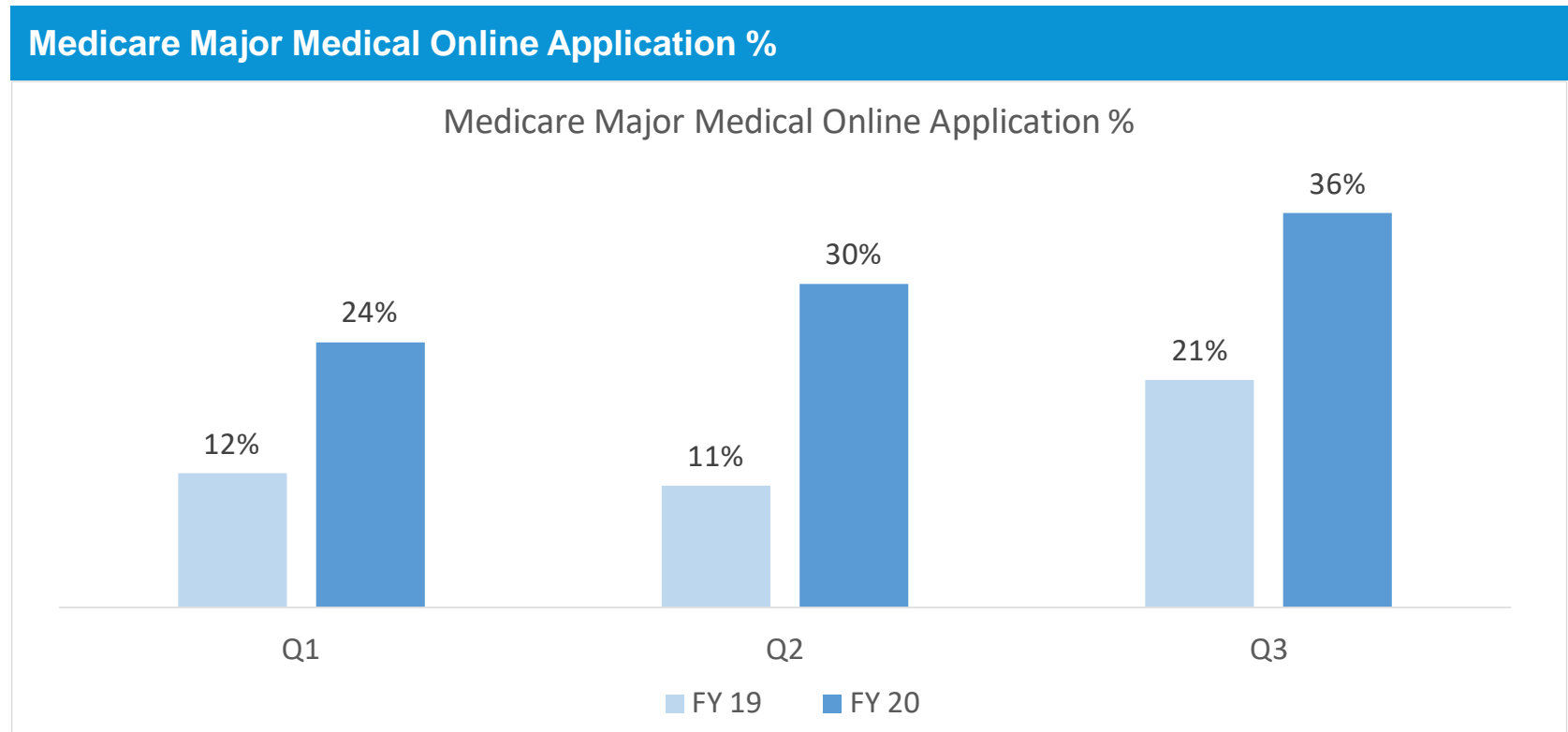


(1) Approved members consist of the number of individuals on submitted applications that were approved by the relevant insurance carrier for the identified product during the period presented. Approved members may not pay for their plan and become paying members.
(2) New Paying Members consist of approved 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.

Medicare Major Medical Online Application%(1)

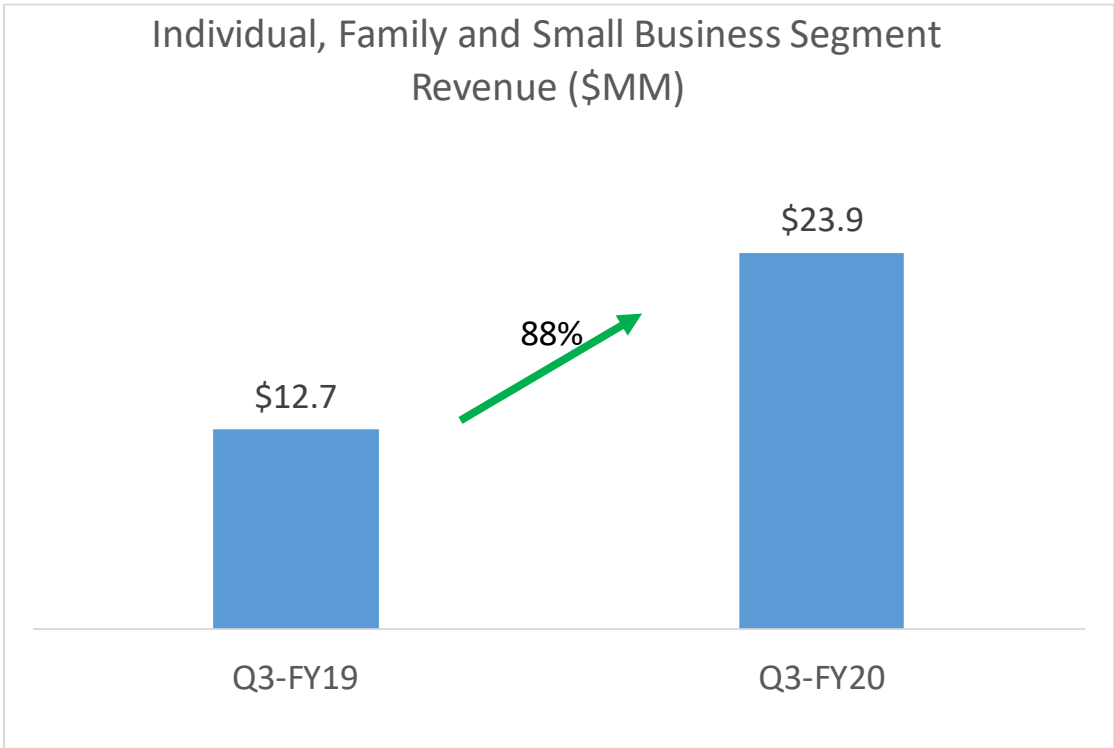


On track to achieve 37% to 40% online penetration for FY 2020, compared to 27% for FY 2019

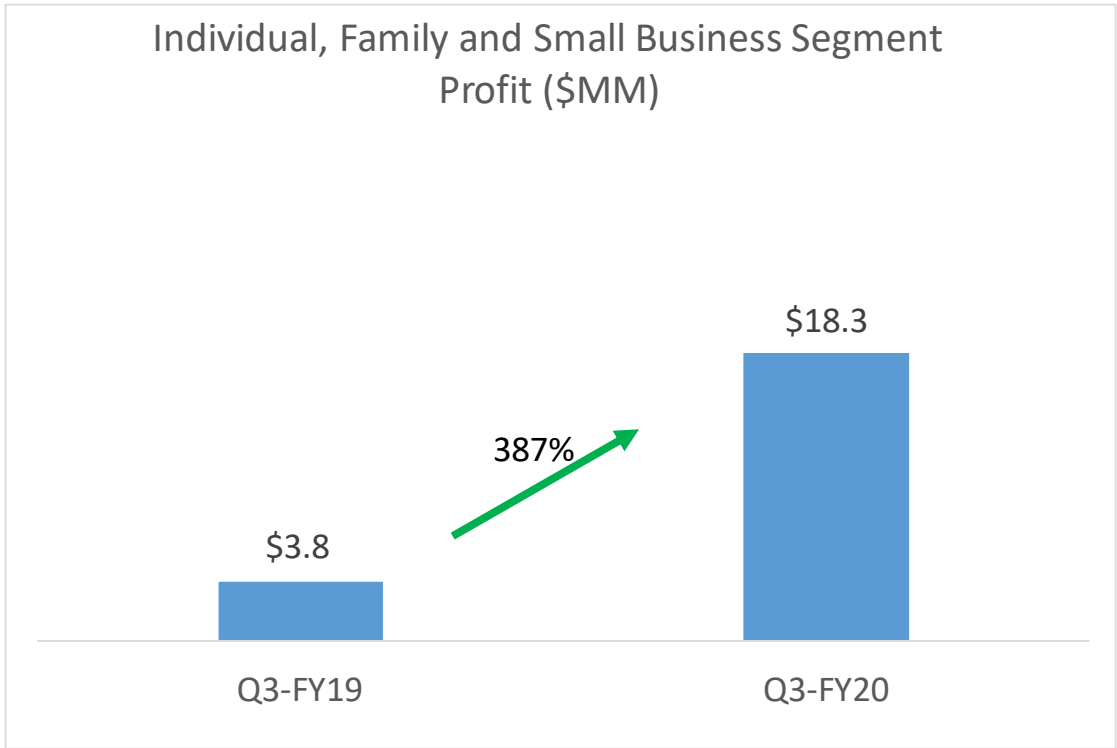


Q3 2020 IFP Segment Revenue and Profit

IFP Segment Revenue



IFP Segment Profit

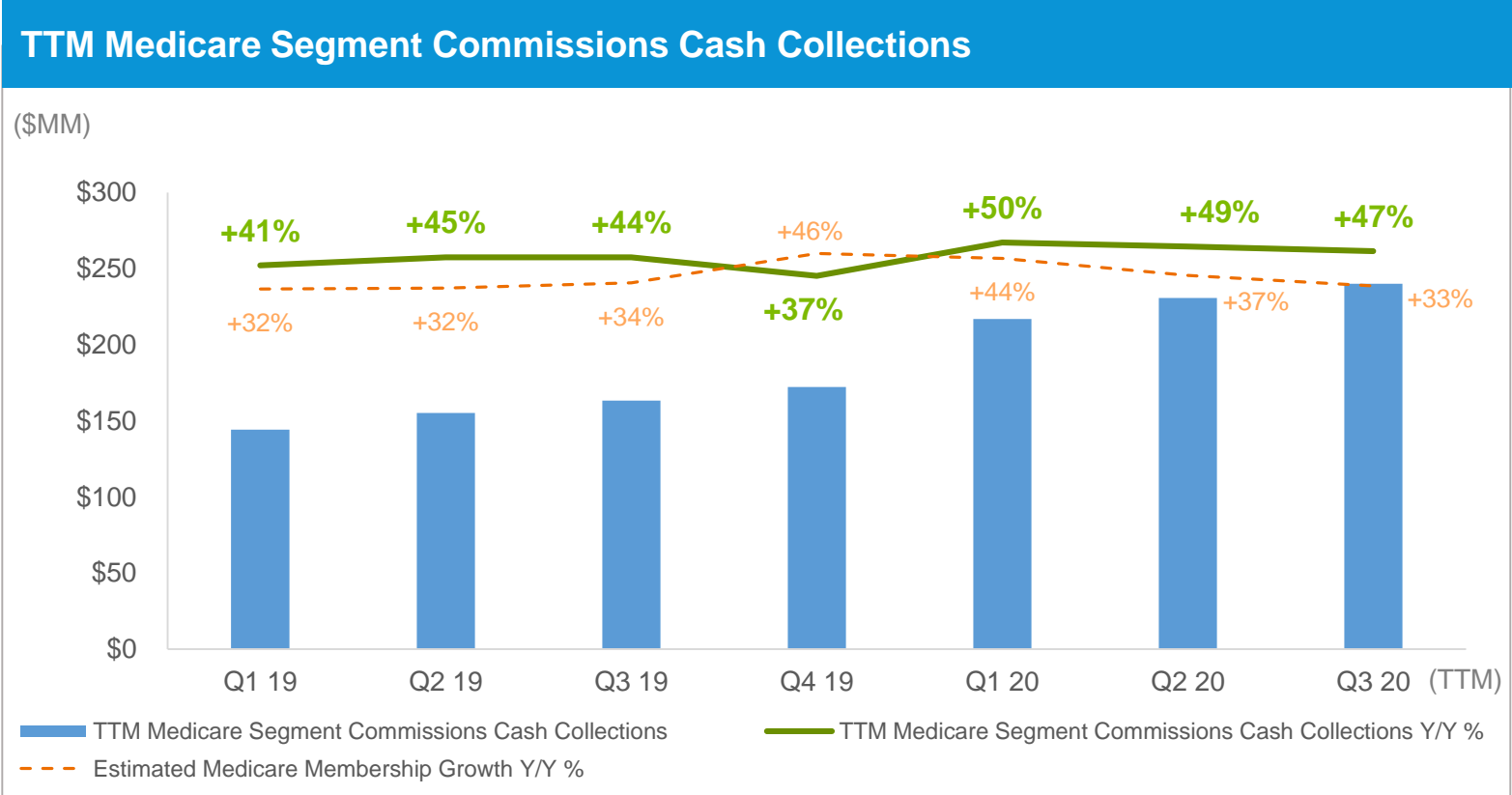


(1) Q3 20 IFP segment revenue and profit include \$18.2MM of net commission revenue from members approved in prior periods, compared to \$7.7MM for Q3 19

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

Q3 20 TTM Medicare Segment commissions cash collections increased by 47% year-over-year

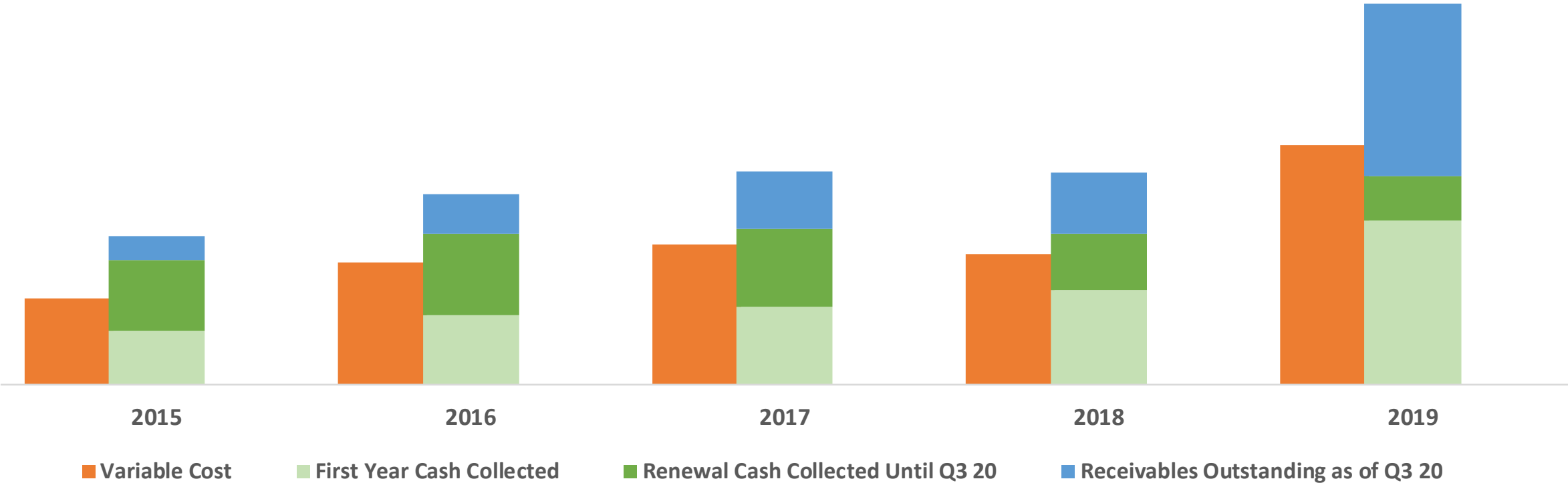
Q3 20 TTM Medicare Segment commissions cash collections per MA equivalent member⁽¹⁾ of \$420 grew 12% year-over-year



(1) MA Equivalent member is calculated as the total number of estimated Medicare Advantage and Medicare Supplement membership and 25% of the estimated Medicare Part D membership during the period presented.

Medicare Advantage Variable Cost and Cash Collection

Medicare Advantage Variable Cost and Cash Collection



- Medicare Advantage (MA) variable cost and cash collections are grouped by member cohorts based on policy effective date.
- Variable cost includes variable marketing and customer care & enrollment costs allocated to the MA members.
- Cash collected are commissions for MA members. For the first year, it also includes non-commission revenue allocated to the MA product.

Medicare Advantage Plan Member Turnover Trend Since Q4 2018

MA	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Approved Members ⁽¹⁾	83,376	40,741	36,576	35,171	167,073	64,898	60,477	44,999
Estimated Beginning (Paying) Membership ⁽²⁾	235,269	276,357	280,763	291,171	309,180	404,694	404,262	407,243
New Paying Members ⁽³⁾	62,817	49,531	36,122	33,974	116,351	86,299	57,232	44,528
Estimated Ending (Paying) Membership ⁽⁴⁾	276,357	280,763	291,171	309,180	404,694	404,262	407,243	421,237
Medicare Advantage Plan Member Turnover⁽⁵⁾	21,729	45,125	25,714	15,965	20,837	86,731	54,251	30,534
Trailing Twelve Month Member Turnover ⁽⁶⁾	95,066	89,358	102,403	108,533	107,641	149,247	177,783	192,353
Average Trailing Twelve Month Estimated Membership Plus New Paying Members ⁽⁷⁾	262,856	276,949	296,491	316,501	348,362	389,638	425,791	457,447
Trailing Twelve Month Member Turnover Rate⁽⁸⁾	36%	32%	35%	34%	31%	38%	42%	42%

Medicare Advantage Plan Member Turnover Trend Since Q4 2018 (cont'd)

- (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 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 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 Membership.
- (6) Trailing Twelve Month Member Turnover is the sum of Medicare Advantage Plan Member Turnover for the prior twelve months.
- (7) Average Trailing Twelve Month Estimated Membership Plus New Paying Members is the sum of (i) trailing twelve month Estimated Beginning Membership, plus (ii) New Paying Members for the trailing twelve month, divided by 4.
- (8) Trailing Twelve Month Member Turnover Rate is Trailing Twelve Month Turnover divided by Average Trailing Twelve Month Estimated Membership Plus New Paying Members.