

eHealth

Q2 2019 and YTD 2019 Financial Results Conference Call Slides

July 25, 2019

Non-GAAP Financial Measures

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.

eHealth Q2 2019 Highlights



Q2 2019 performance significantly exceeded company's expectations



Medicare segment revenue grew 105% year-over-year, with segment profit of \$6.1MM compared to a loss of \$1.5MM in Q2 2018



Medicare submitted applications grew 67% year-over-year



11% of Medicare major medical applications submitted online, compared to 9% in Q2 2018

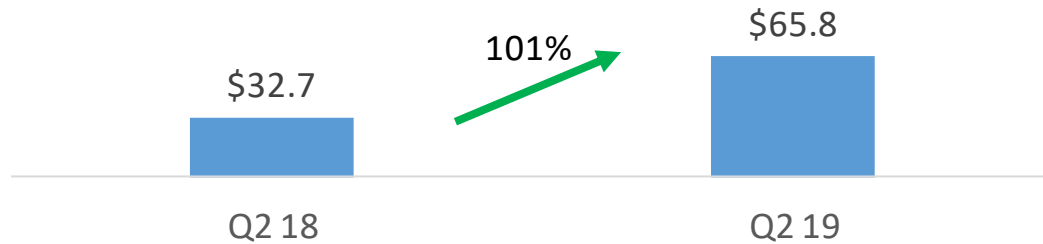


Individual, Family and Small Business segment revenue grew 88% year-over-year, with segment profit of \$5.3MM compared to a loss of \$0.6MM in Q2 2018

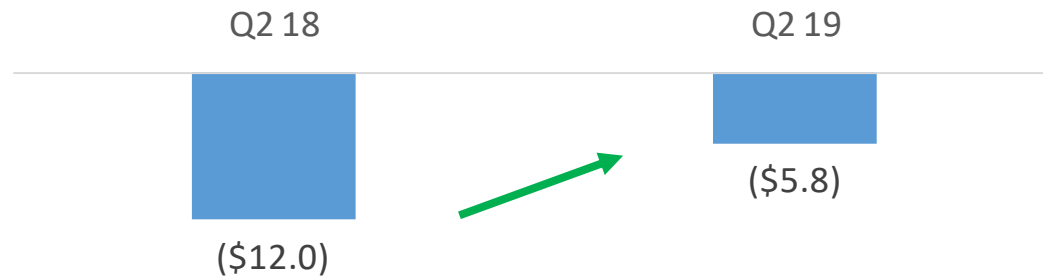
Q2 2019 and YTD 2019 Revenue and Net Loss⁽¹⁾

Q2 2019

Revenue (\$MM)

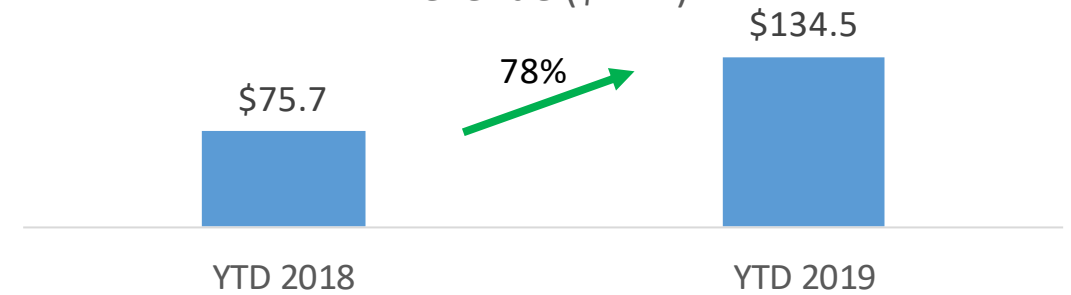


Net Loss (\$MM)



YTD 2019

Revenue (\$MM)



Net Loss (\$MM)



Q2 2019 and YTD 2019 AEBITDA⁽¹⁾ and Non-GAAP Net Income⁽²⁾

Q2 2019

Adjusted EBITDA (\$MM)



Non-GAAP Net Income / (Loss) (\$MM)



YTD 2019

Adjusted EBITDA (\$MM)



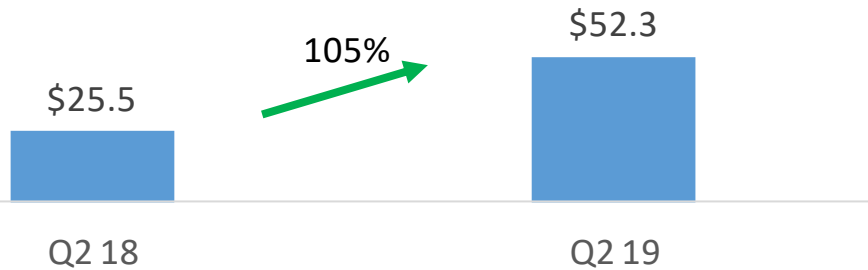
Non-GAAP Net Income / (Loss) (\$MM)



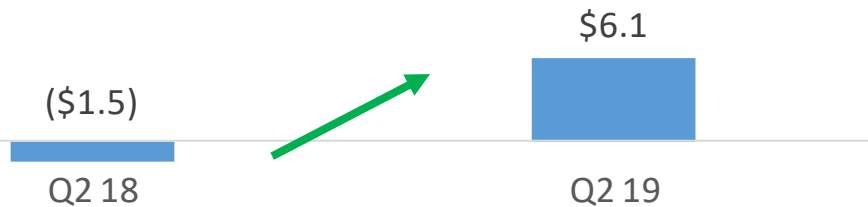
Q2 2019 and YTD 2019 Medicare Segment Revenue and Profit

Q2 2019

Medicare Revenue (\$MM)

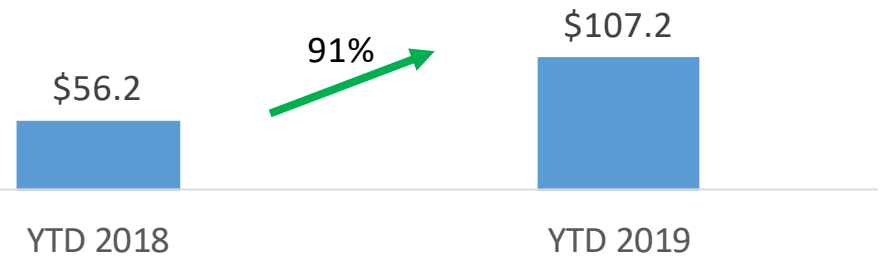


Medicare Profit / (Loss) (\$MM)

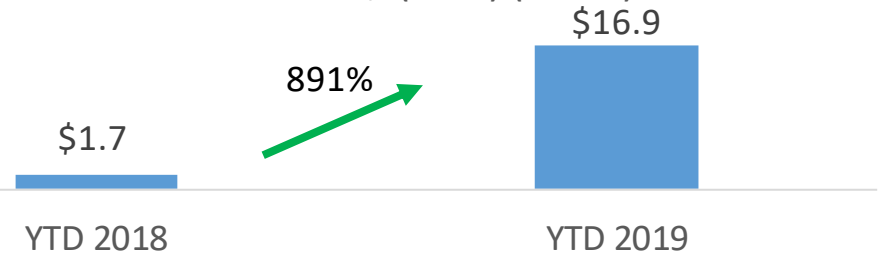


YTD 2019

Medicare Revenue (\$MM)



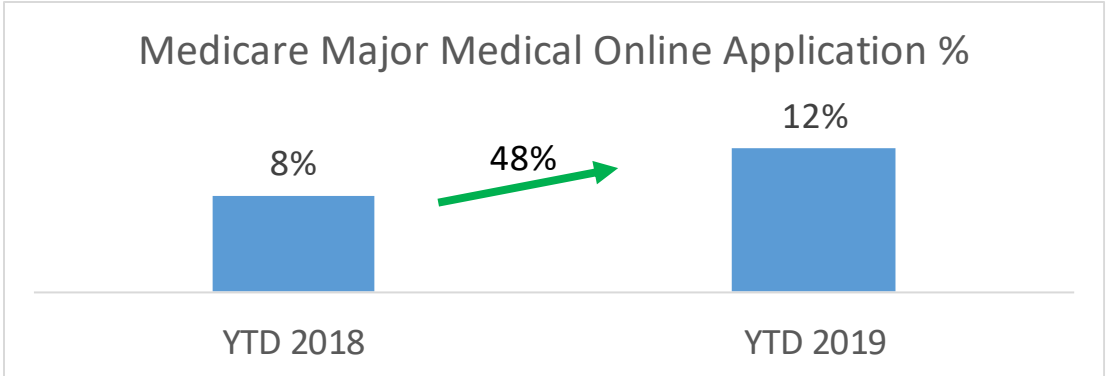
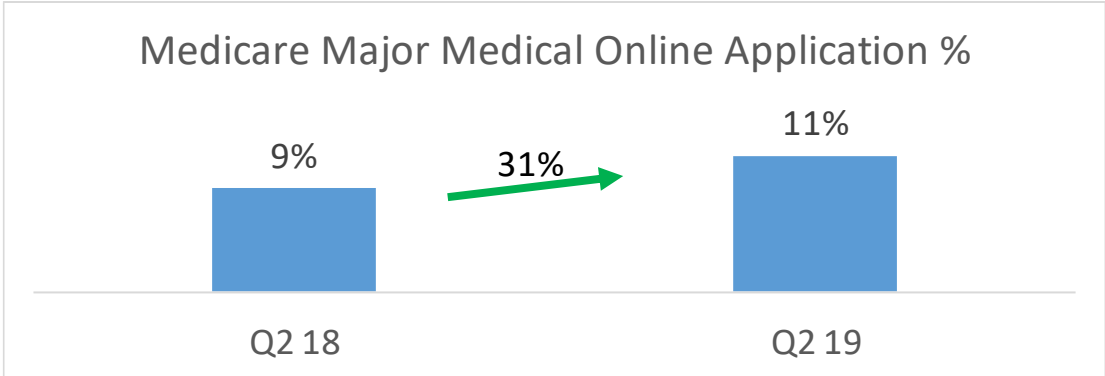
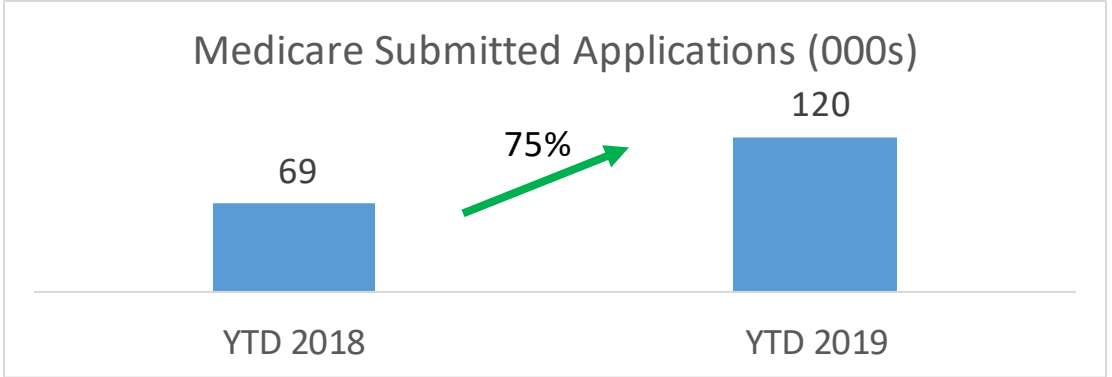
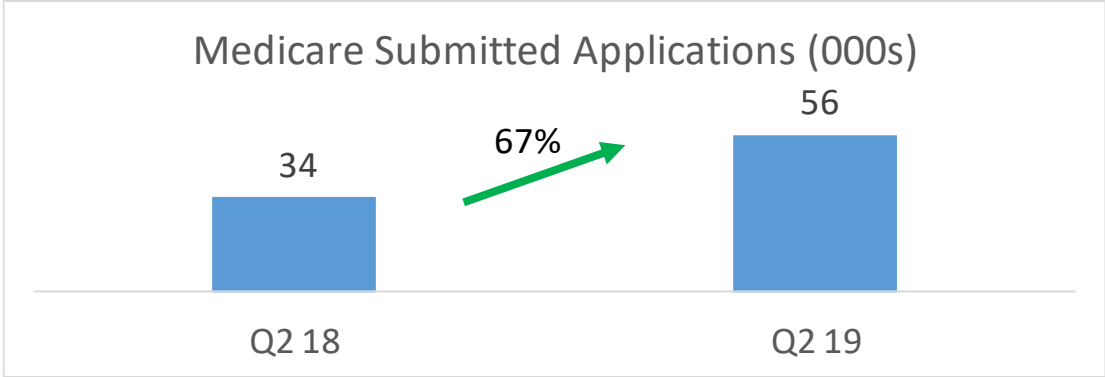
Medicare Profit / (Loss) (\$MM)



Q2 2019 and YTD 2019 Medicare Application Volumes and Medicare Major Medical Online %⁽¹⁾

Q2 2019

YTD 2019

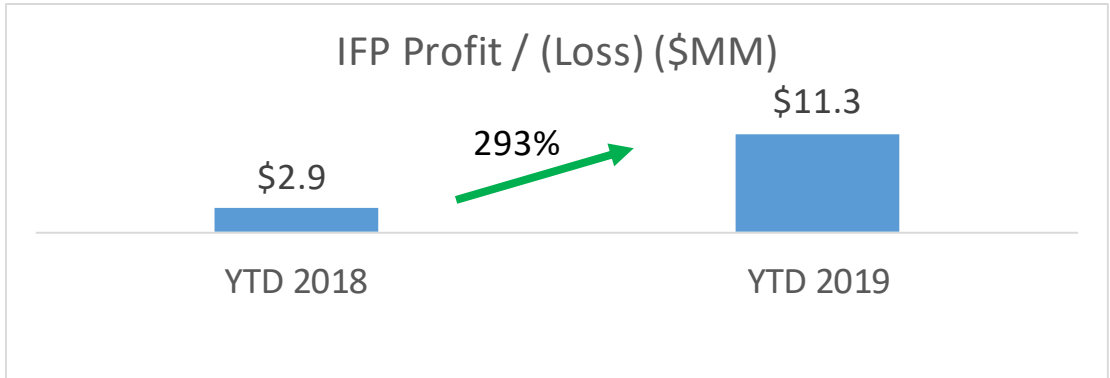
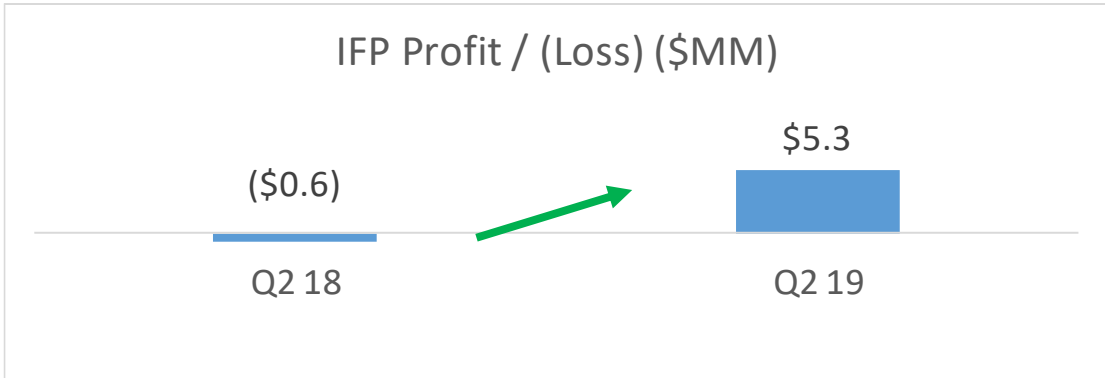
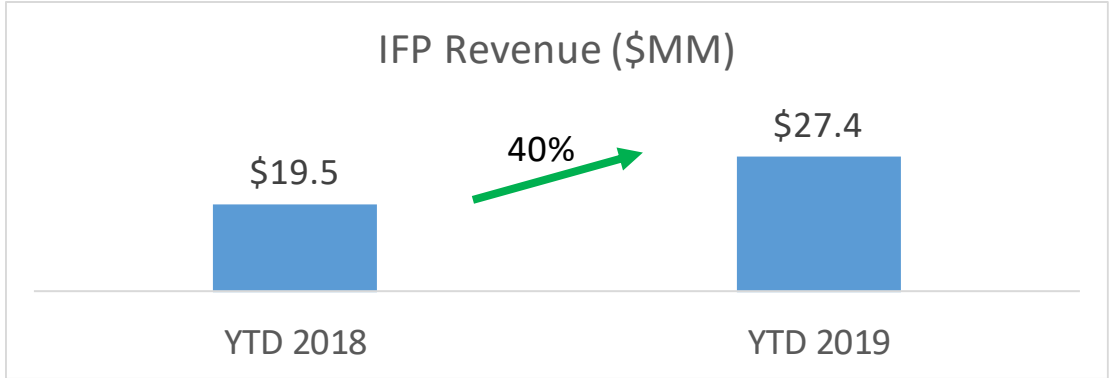
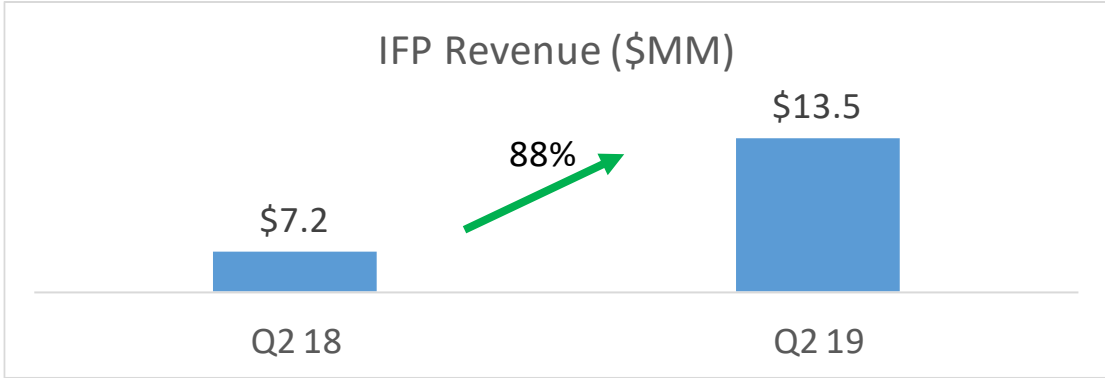


(1) Major Medicare plans include Medicare Advantage and Medicare Supplement plans

Q2 2019 and YTD 2019 IFP Segment Revenue and Profit

Q2 2019

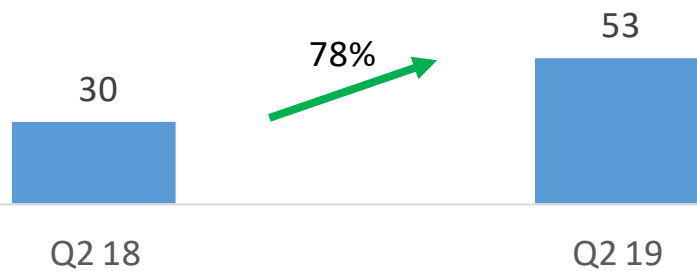
YTD 2019



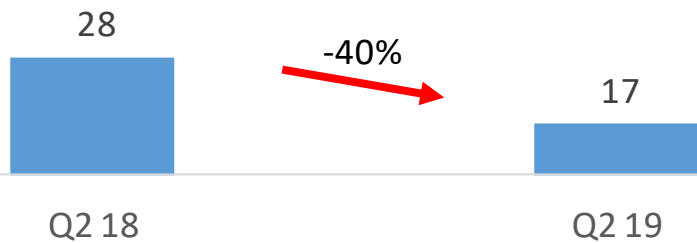
Q2 2019 and YTD 2019 Approved Members

Q2 2019

Medicare Approved Members (000s)

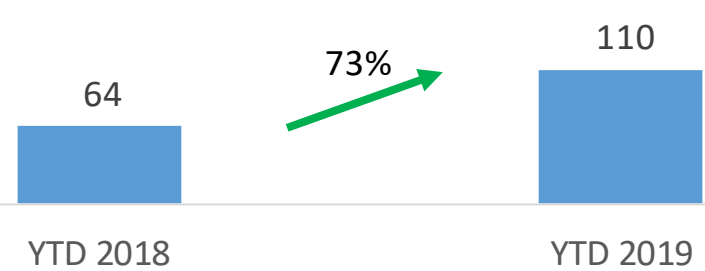


IFP & ST Approved Members (000s)

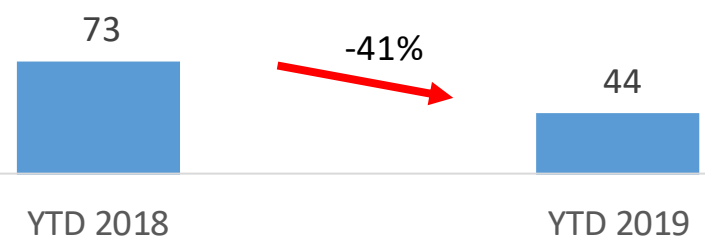


YTD 2019

Medicare Approved Members (000s)



IFP & ST Approved Members (000s)





Appendix

Reconciliation of GAAP to Non-GAAP Financial Measures

	Q2		YTD	
	2019	2018	2019	2018
<i>(In \$000's)</i>				
GAAP net loss	\$ (5,754)	\$ (12,014)	\$ (10,913)	\$ (16,859)
Stock-based compensation expense	4,678	3,131	7,907	5,681
Change in fair value of earnout liability	7,200	2,500	20,506	2,500
Acquisition costs	—	18	—	76
Restructuring	—	9	—	1,865
Amortization of intangible assets	547	547	1,094	998
Tax effect of non-GAAP adjustments	(4,407)	(1,737)	(9,094)	(3,114)
Non-GAAP net income (loss)	\$ 2,264	\$ (7,546)	\$ 9,500	\$ (8,853)
GAAP net loss	\$ (5,754)	\$ (12,014)	\$ (10,913)	\$ (16,859)
Stock-based compensation expense	4,678	3,131	7,907	5,681
Change in fair value of earnout liability	7,200	2,500	20,506	2,500
Depreciation and amortization	733	631	1,388	1,250
Acquisition costs	—	18	—	76
Restructuring	—	9	—	1,865
Amortization of intangible assets	547	547	1,094	998
Other income, net	(699)	(296)	(1,256)	(480)
Benefit from income taxes	(5,858)	(4,610)	(9,325)	(6,301)
Adjusted EBITDA	\$ 847	\$ (10,084)	\$ 9,401	\$ (11,270)