

A man and a woman are sitting at a table, looking at a tablet together. The man is on the left, wearing a dark blue sweater, and the woman is on the right, wearing a white button-down shirt. They are both smiling and looking at the tablet. There are two white mugs on the table in front of them. The background is a kitchen with a blue cabinet and a green mug on a shelf.

eHealth®

Investor Presentation

June 2019

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 strategy, product roadmap, growth prospects and competitive advantage
- Estimated market size, commission opportunity and member economics for the Medicare health insurance market
- Our long term financial goals, including projections and targets for revenue, market share, EBITDA, EBITDA margin and operating cash flow
- The shift to digital enrollment

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 this 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 Investor Relations section of our website located at <http://ir/ehealthinsurance.com>. 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. We have not reconciled our projected EBITDA from 2020 through 2023 to our projected GAAP net income or loss, because we cannot reasonably predict items in the reconciliation and the reconciliation is not available without unreasonable effort.

eHealth at a Glance

Leading private online health insurance marketplace

.....

Well-positioned for consumerization of healthcare and massive industry shift online

.....

Solving critical problem in large, growing market with focus on Medicare

.....

Longstanding relationships, deep technology integration with carriers

.....

Strong revenue growth and EBITDA margin expansion

\$251M
2018
Revenue

17.5M
2018 Unique
Annual
Visitors

504K
Medicare
Members⁽¹⁾

170+
Carrier
Partnerships

91
Net Promoter Score
Medicare Business⁽²⁾

↑ 39%
Medicare Submitted
Applications
2018 YoY



Selecting Health Insurance is Challenging for Consumers

Millions of Americans shopping for Health Insurance.

Choosing from **Thousands of Plans**

Increasing Complexity, Choice, and Volume of Information can be overwhelming

Traditional brokers offer **Limited Choices**

Stakes High with consequence of making wrong decision potentially devastating



Only 1 out of 10
of Medicare
beneficiaries
enrolled in
Optimal Plan⁽¹⁾

Leveraging Technology to Make Medicare Easy

Industry Today

- Face-to-face interaction
- Narrow Consumer choice
- Opaque price and coverage
- Little to no research
- Complexity

eHealth[®]

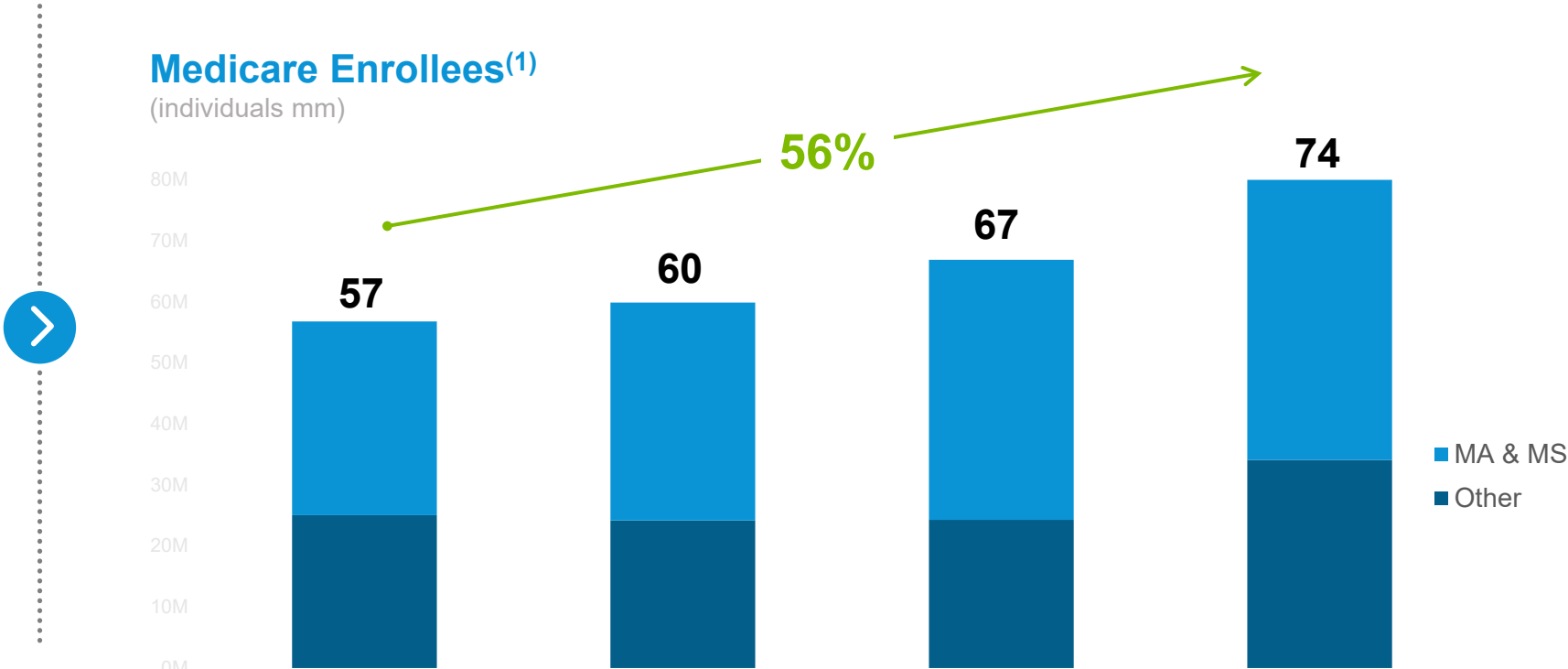
- Omni-channel experience
- Broad marketplace of plans
- Full transparency
- Easy comparison shopping
- Ease of transaction

eHealth Empowers Consumers to Choose the Right Health Insurance Plan

Strong Tailwinds

Large Market with a Growing Penetration of Private Plans

The number of enrollees in Medicare Advantage & Medicare supplement plans is **expected to grow 56%** between 2016 and 2026



	2016	2018	2022	2026
Medicare Advantage + Medicare Supplement	32M	36M	43M	50M
MA+MS Penetration	56%	60%	64%	67%

Competitive Landscape

Omni-Channel Platform is a
Major Competitive Differentiator

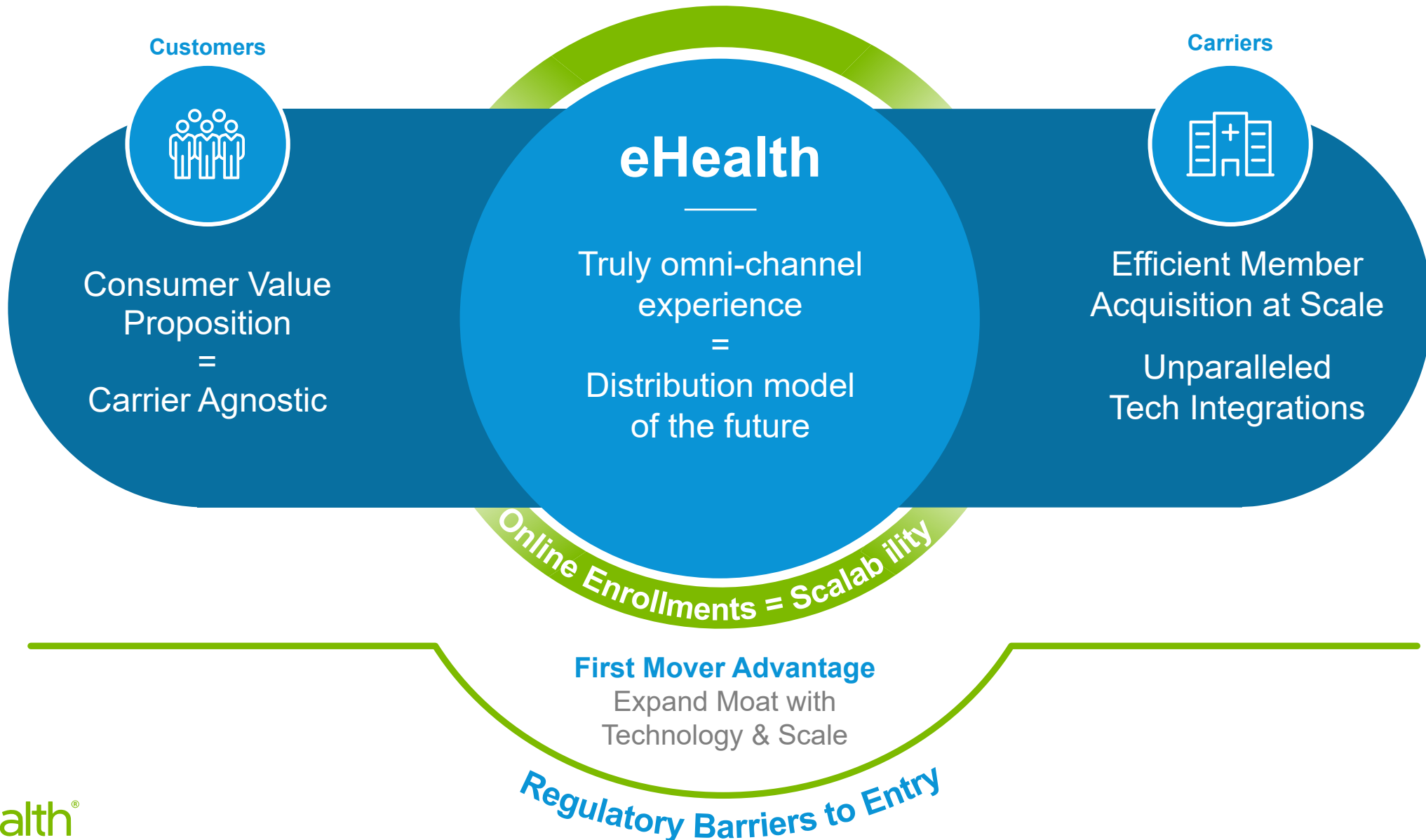
Grew 7x Market Rate
in 2018⁽¹⁾

Taking Share From
Traditional Channels

	eHealth	Traditional Brokers	Carriers
Broad Plan Selection	✓	—	—
Consumer Advocate/ Carrier Agnostic	✓	—	—
Plan Comparison Tools	✓	—	Limited
Best In Class Digital Experience	✓	—	—
Agent Support	✓	✓	✓
Scalability	✓	—	✓

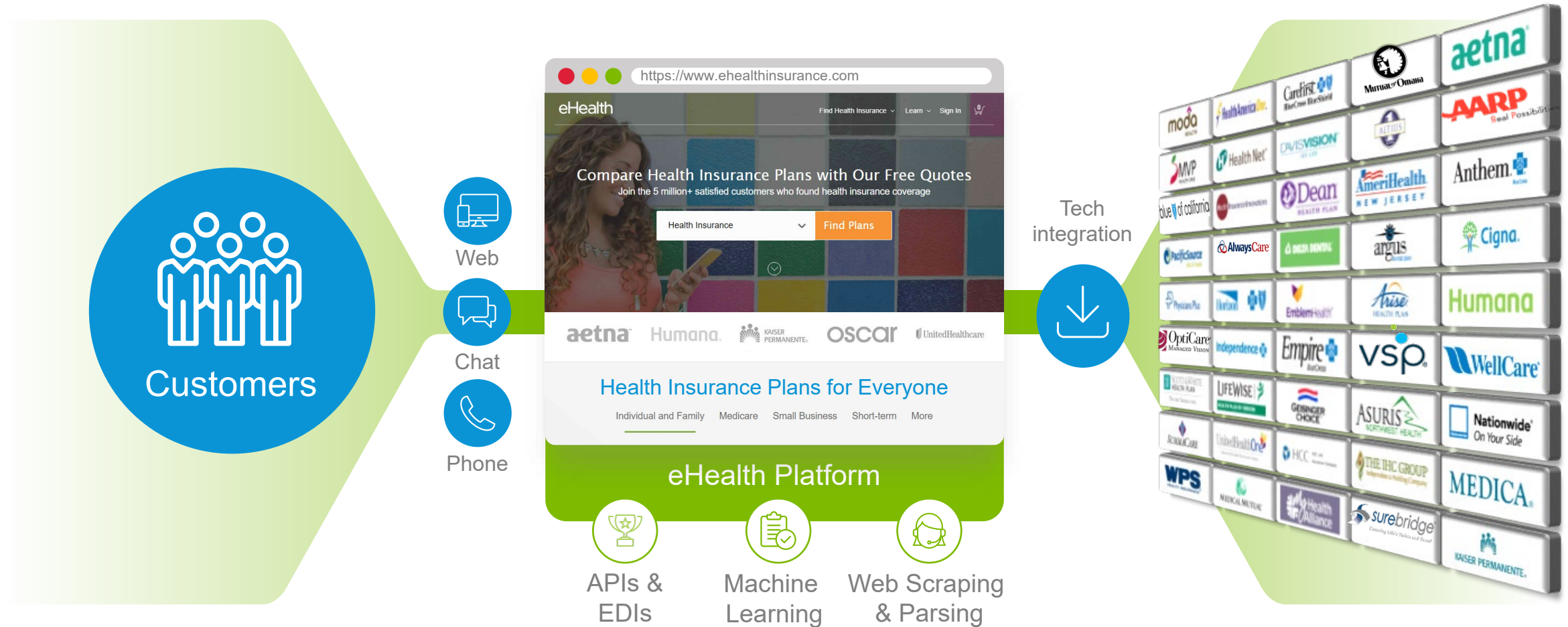
(1) Total Medicare enrollments grew 3.5%; eHealth estimated membership grew 26%..

Unique Value Proposition

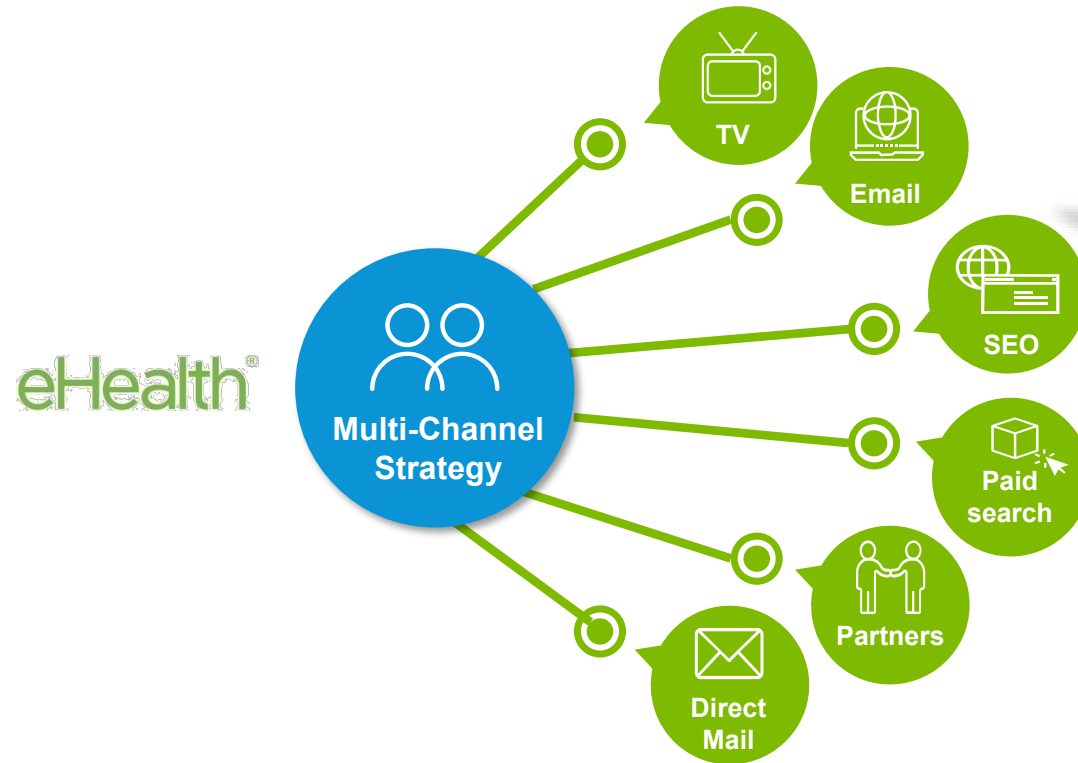


Decades of Carrier Relationships across 170+ Partners

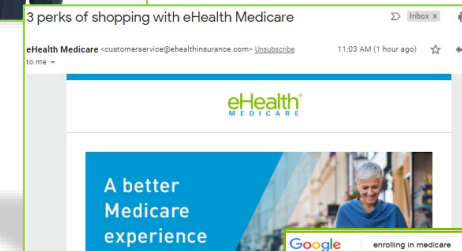
Large and complex platform represents significant barrier to entry



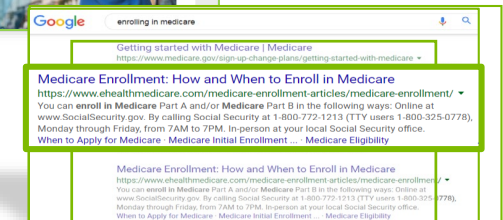
Multi-Channel Customer Acquisition Strategy



Television



Email



SEO

Leveraging 20+ years of investments, technology and know-how to drive consumer engagement

Proven Brand and Digital Marketing Strategy

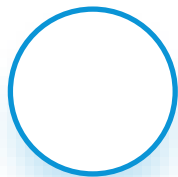


Strong organic search results



Medicare

- 1. Medicare.gov
- 2. eHealth[®]
- 3. MEDICARE INTERACTIVE .GOV
Powered by the Medicare Rights Center



Individual & Family

- 1. HealthCare.gov
- 2. eHealth[®]
- 3. UnitedHealthcare



Dental

- 1. eHealth[®]
- 2. DELTA DENTAL[®]
- 3. UnitedHealthcare



Vision

- 1. eHealth[®]
- 2. UnitedHealthcare
- 3. vsp individual vision plans



Small Business

- 1. eHealth[®]
- 2. fundera
- 3. PeopleKeep

Strategic Partners: Leveraging a Unique & High Value Customer Experience

Expand market reach and build barriers to entry by forging partnerships with key industry players

We Deliver

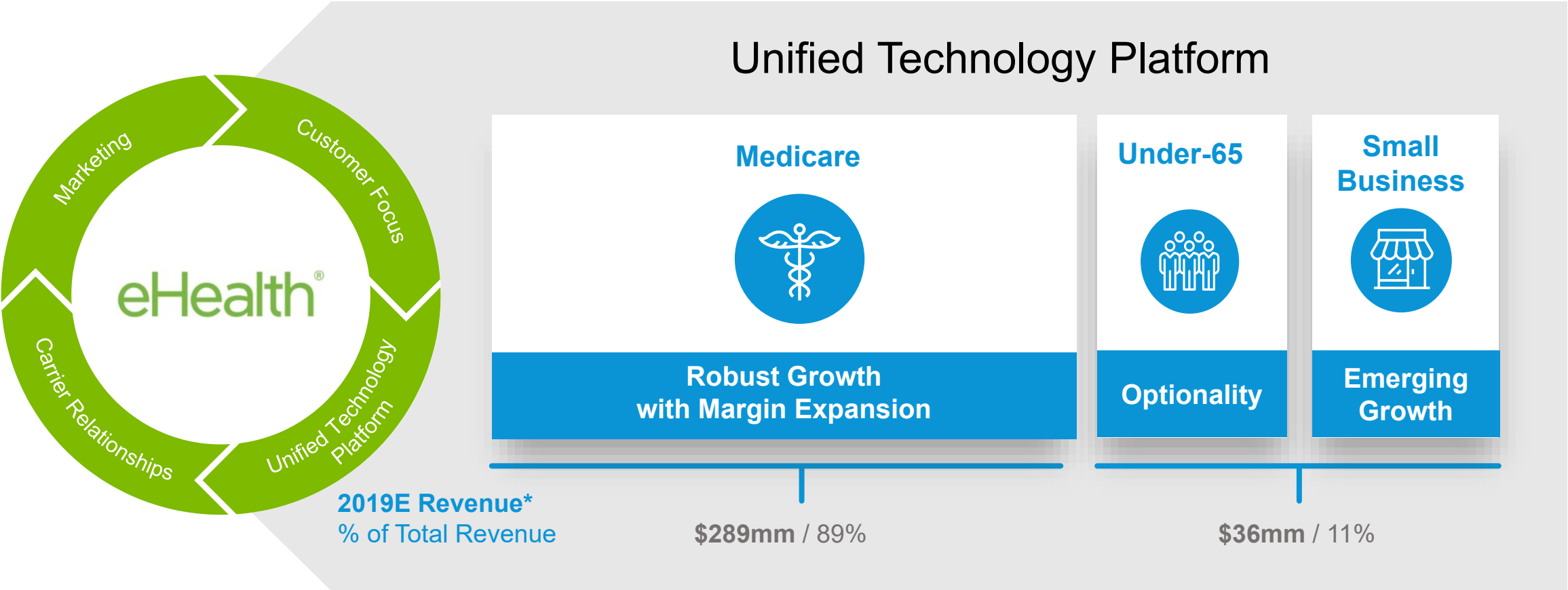
- Clear alignment of value for customer, partner & carrier
- Best-in-class tech support
 - API for seamless integration
- Increase stickiness and satisfaction of their customers/patients



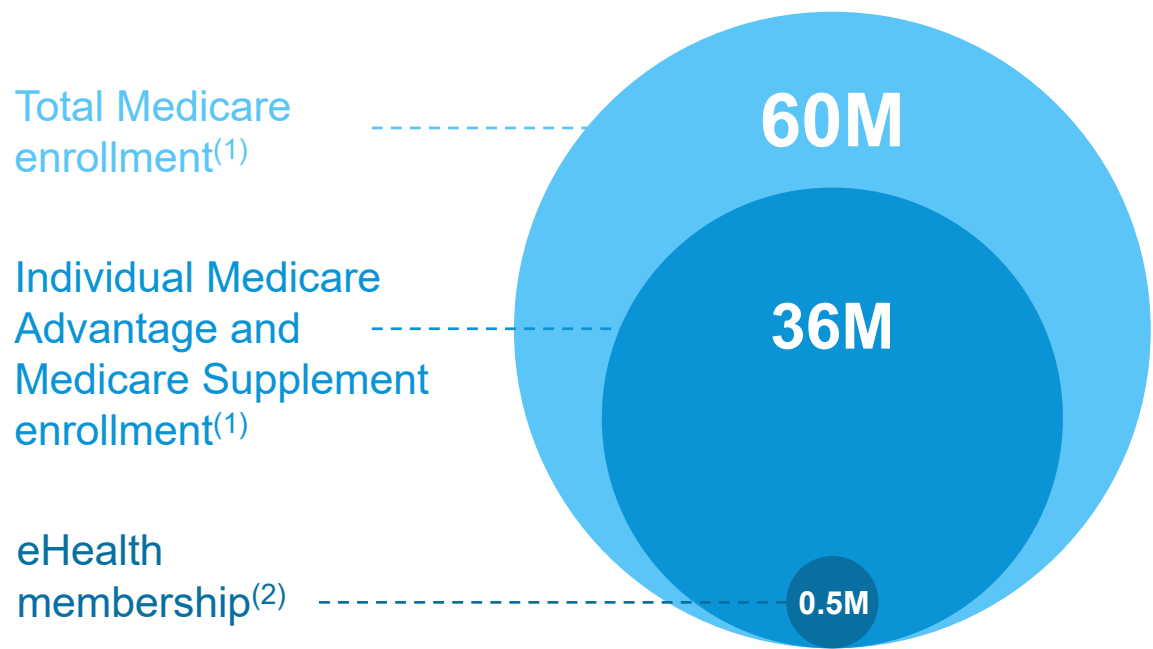
We Get

- Increase top of the funnel
- Know customer better
 - Increased conversions
 - Better Consumer experience
 - Higher % online
- Attractive member economics

Leveraging Capabilities Across Business



Driving to Scale



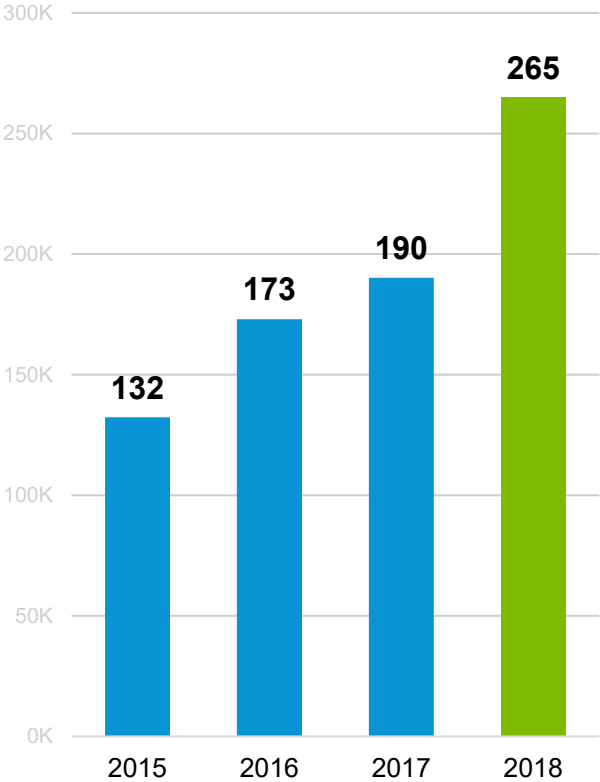
	Today	Illustrative Opportunity*		
Market size (people) ⁽¹⁾	60M	60M	60M	60M
Market share	<1%	4%	6%	8%
Members	0.5M ⁽²⁾	2.4M	3.6M	4.8M

\$19B+ current addressable Medicare market*

Growth Engine Performing Well...

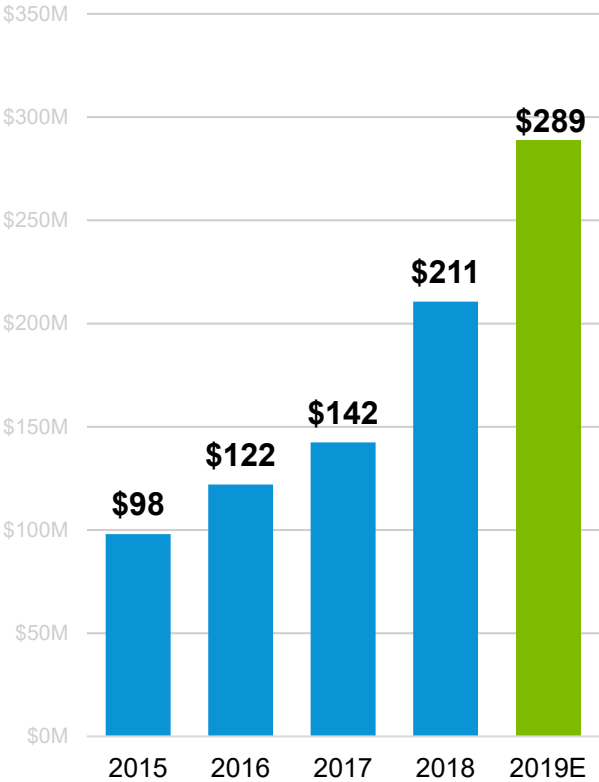
Medicare Applications

(In Thousands)



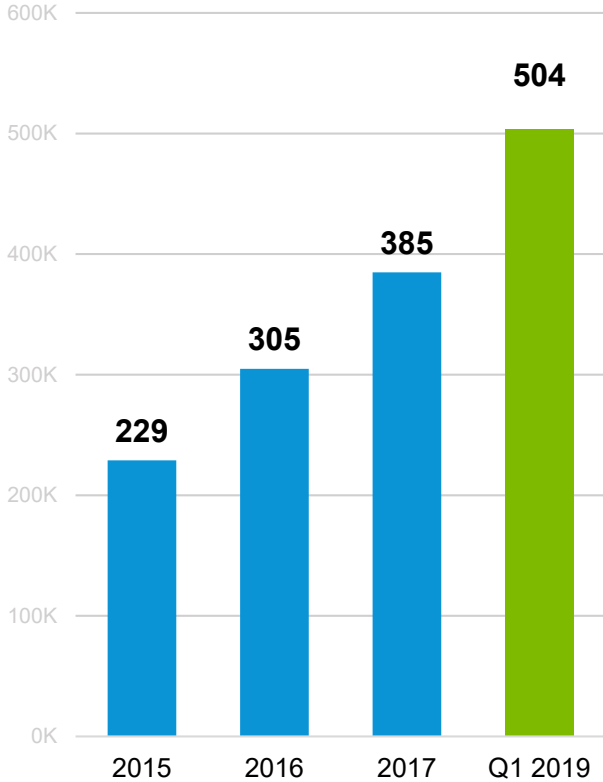
Medicare Revenues

(In Millions)



Estimated Medicare Membership

(In Thousands)

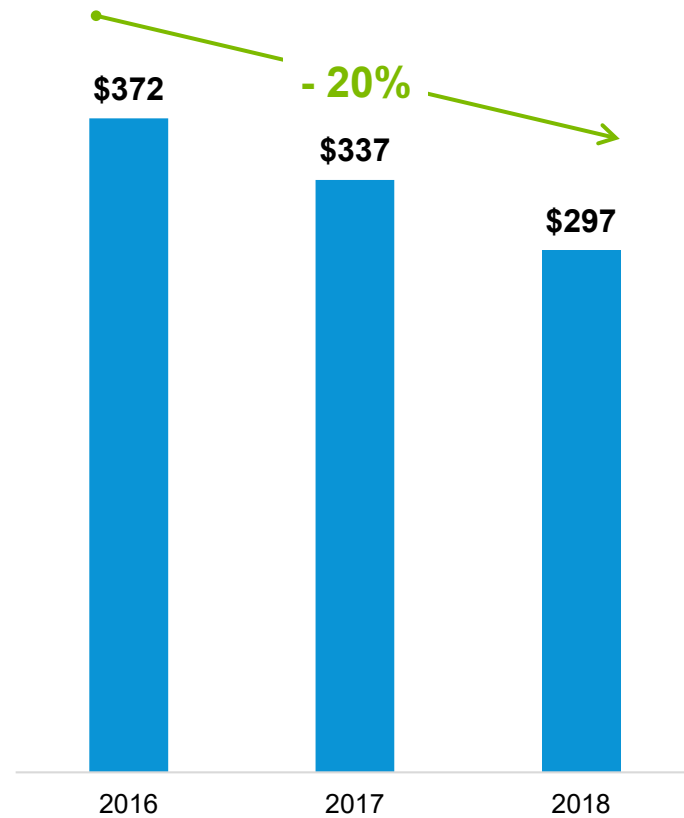


<1%
of the
addressable
market

...With Focus on Improving Profitability

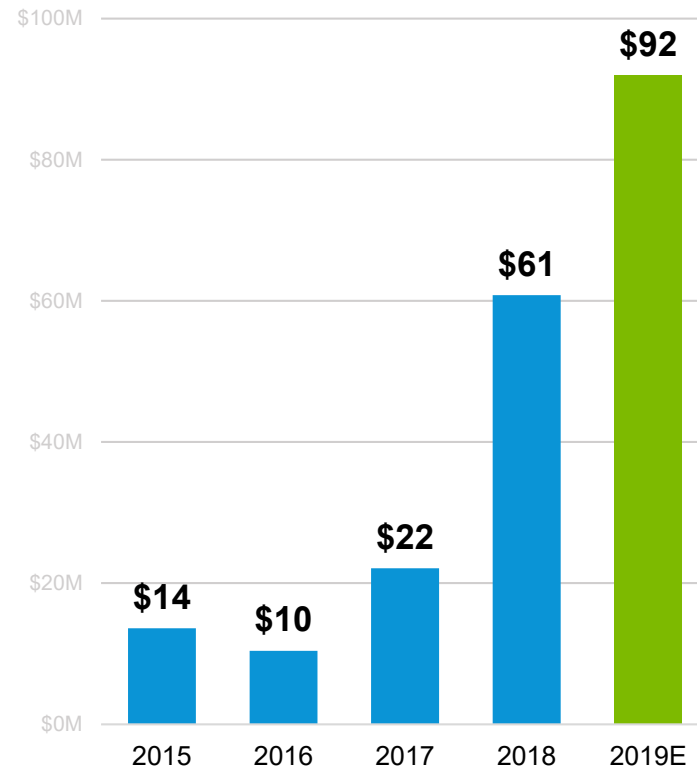
Medicare Variable Marketing Costs

(per enrollee)



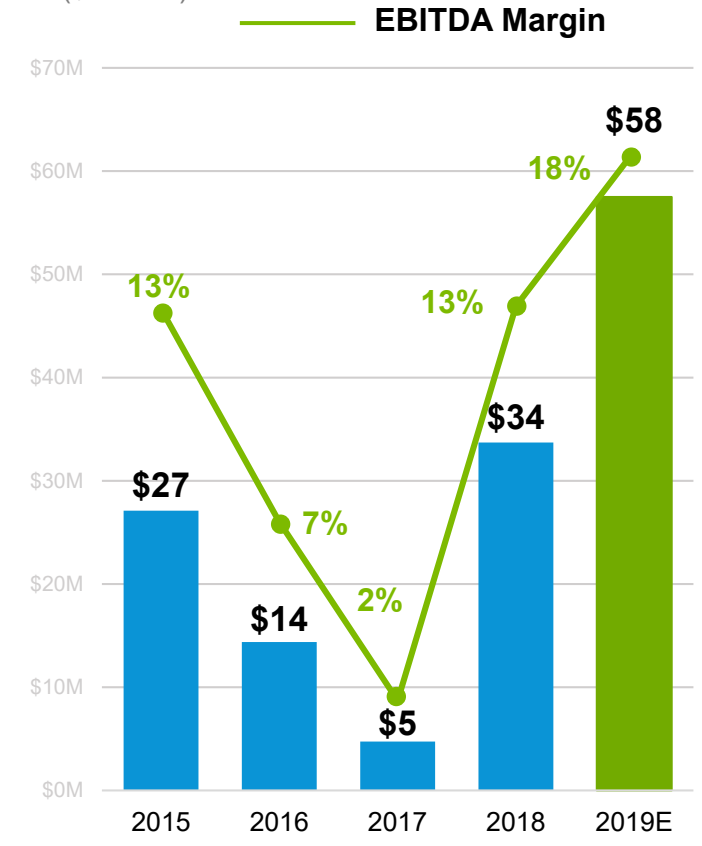
Medicare Segment Profit

(\$ million)



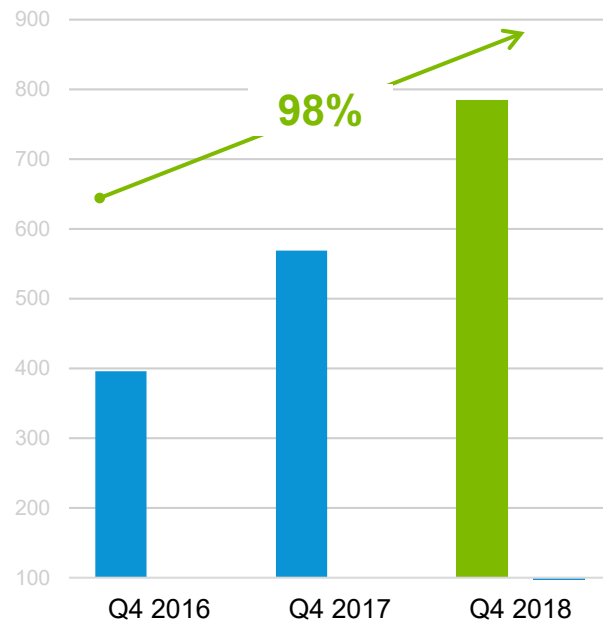
Total Adjusted EBITDA

(\$ million)



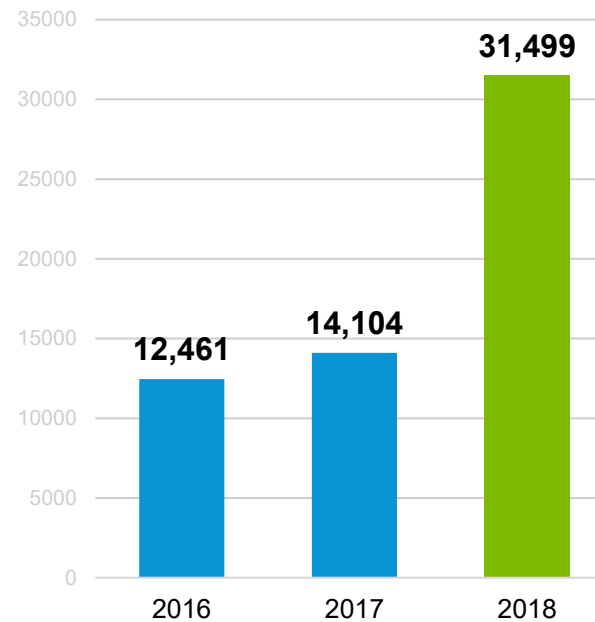
Revenue Growth & Profit Leverage Formula Established

Medicare Telesales Agents



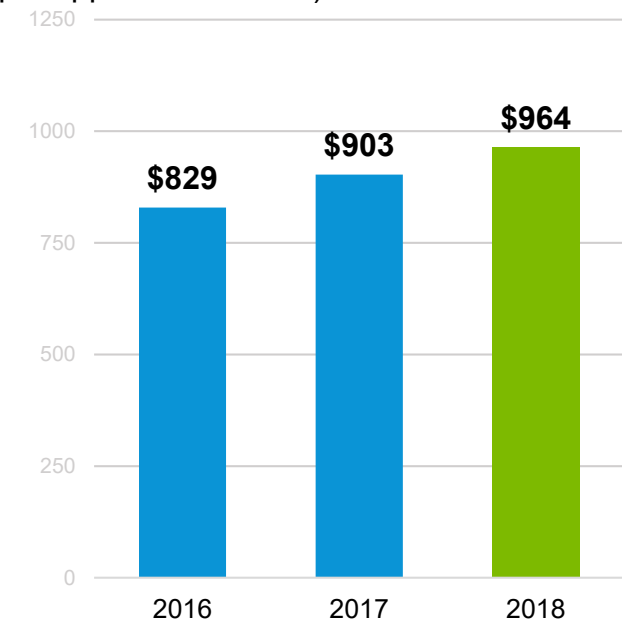
Scale

Online Enrollments (MA+MS)



Scale + Leverage

Medicare Advantage LTVs (per approved member)

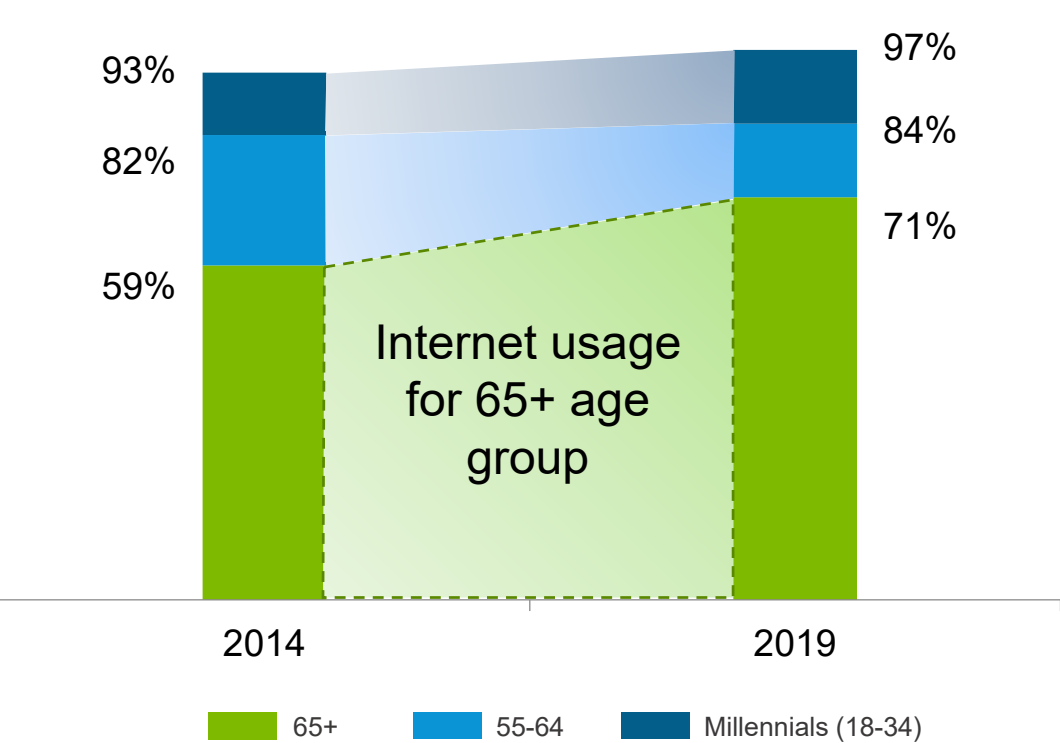


Leverage

Disciplined Focus on Revenue and Profit Growth

Secular Shift Driving Online Usage

% Internet Usage by Age Group⁽¹⁾



Senior Online Trends



Likely to make a purchase online⁽²⁾



Own a smart phone (ages 65-69)⁽³⁾

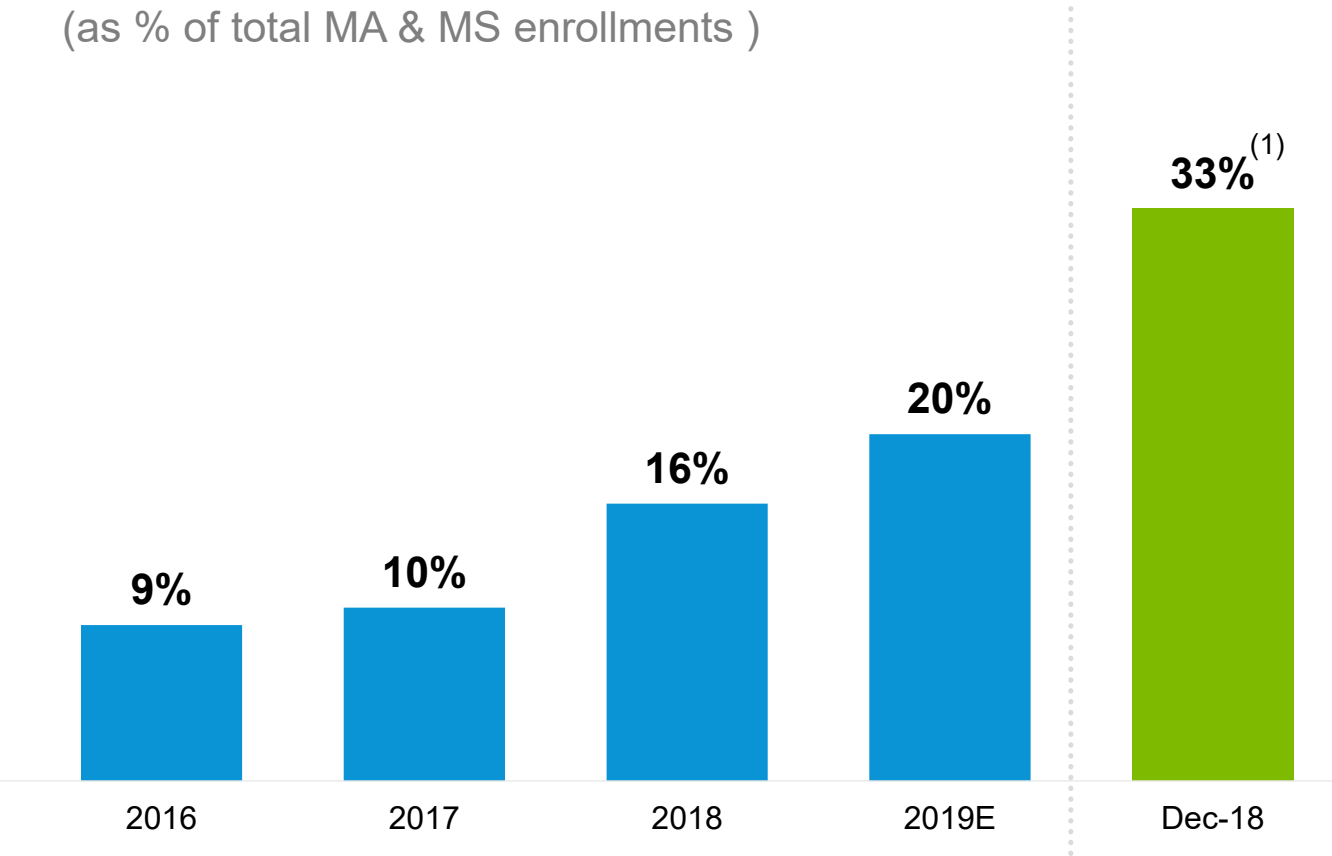


Internet #1 preferred source of Health information among Seniors who use the internet⁽⁴⁾

(1) "The Digital Landscape: Seniors & Baby Boomers" Becca James. (eMarketer, 2016).
(2) "Technology Use and Attitudes among Mid-Life and Older Americans" AARP Research.
(3) "Tech adoption use among seniors" Pew Research Center.
(4) J Med Internet Res. 2015 Jan; 17(1): e10.

eHealth Digitizing Medicare

Digital Enrollment Mix
(as % of total MA & MS enrollments)



- Strong growth through improving online experience & marketing
- Unique model expands competitive “moat” around business
- Reinvesting incremental margin to ramp digital growth
- Enables rapid scaling of business

(1) Reflects online enrollments during the busiest period of the Annual Enrollment Period.

Telesales Leverage: Unique Customer Engagement Advantages



High-Value Customer Engagement

- Broad Choice
- Decision Support Algorithms
- Proprietary Educational Content
- NPS > 90

eHealth[®] Technology Drives Customer Value and Efficiency

- Data Science and Scoring
- Customer Data / Intelligence
- Proprietary Agent Tools
- Expanding Sales Force
- Flex Capacity

Driving Growth Exponentially Ahead of Market Rates

Data Science to Serve More Consumers

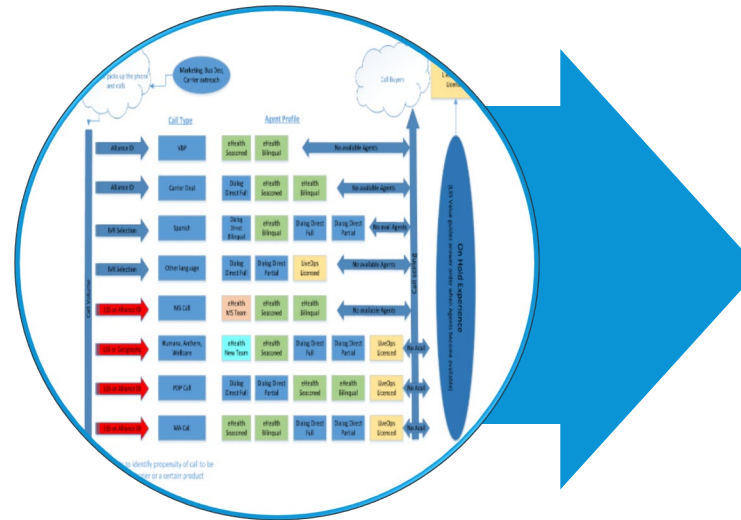
Efficiency and personalization driven by analytics capabilities



MARKETING PLATFORMS

AI-DRIVEN PREDICTIONS

Leads scored by "Subway Map" models and directed to best converting sales service.



IMPROVED AEP CONVERSION

New path 7x more effective at producing MS apps

Shorter call lengths
increased agent productivity
20%

Lead Segmentation
Delivered additional \$10M during AEP

Execution Objectives

1

Drive organic growth momentum

2

Exploit lack of digital competition

3

Expand/Deepen strategic partner relationships

4

Maintain discipline on improving member economics

5

Progress on improving IFP/SMB business lines

eHealth's Financial Fundamentals are Strong and Getting Stronger



Core Medicare Business

- 2018: 48% YoY revenue growth; 84% of total revenue; 29% segment profit margin
- Online penetration: Increased to 16% from 10% in 2017⁽¹⁾
- Estimated Membership: 504K⁽²⁾



Other Businesses

- IFP: Generates positive cash flow and provides option for future growth
- Small Business: Growing with potential to disrupt a large, highly fragmented market



Improving profitability & operating leverage

- Operating leverage: Scale business with minimal investment in fixed costs
- Variable costs: Sales agent costs expected to grow slower than revenues
- Reinvest operating leverage from online enrollments to accelerate growth
- EBITDA Margins more than doubling over next 5 years



Improving Cash Flows

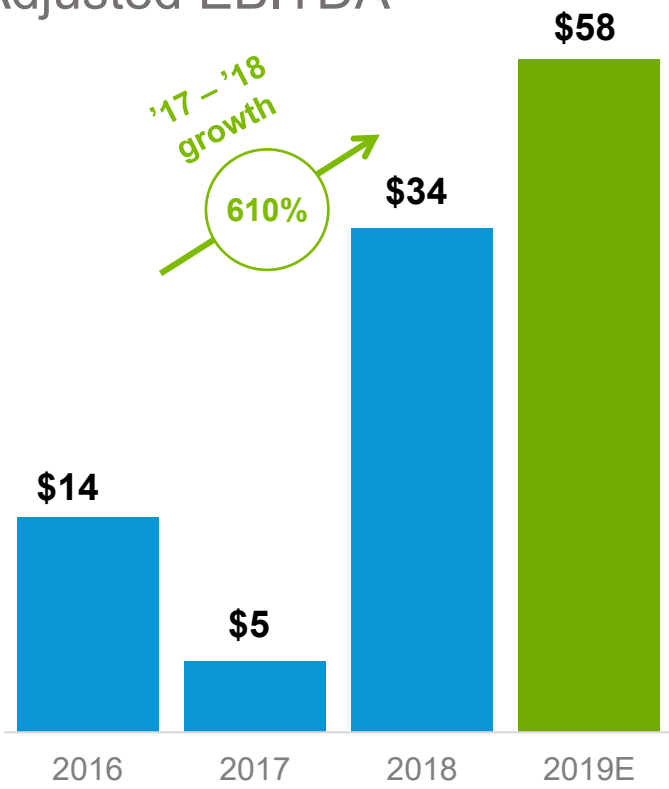
- EBITDA growth precedes operating cash growth in high growth periods
- Cash flow cycle⁽³⁾: (\$1MM) 2018-19 operating cash flow vs. (\$13M) 2017-18

Revenue and EBITDA Growth

(\$mm)
Total Revenue

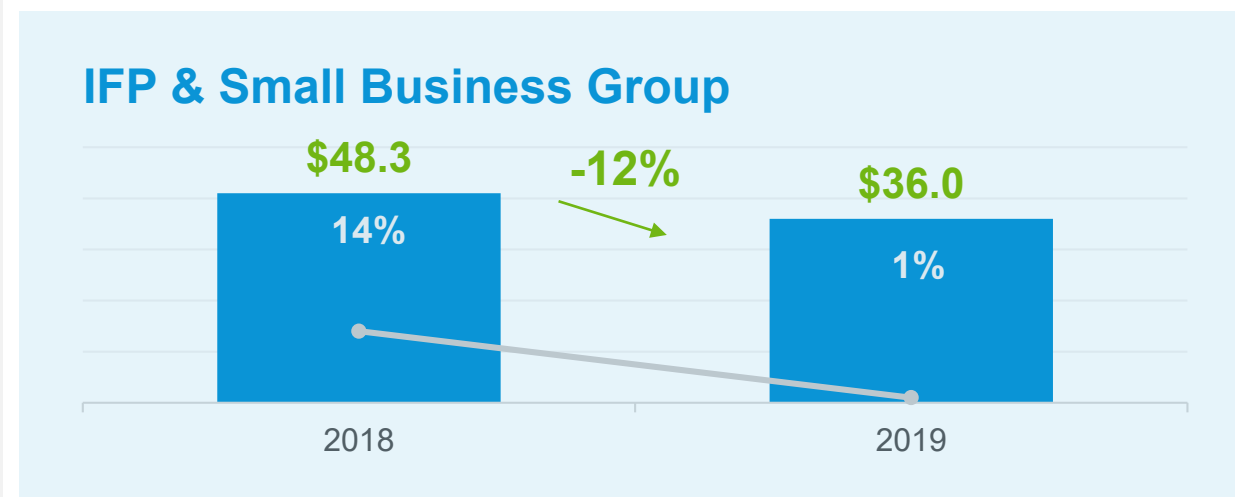
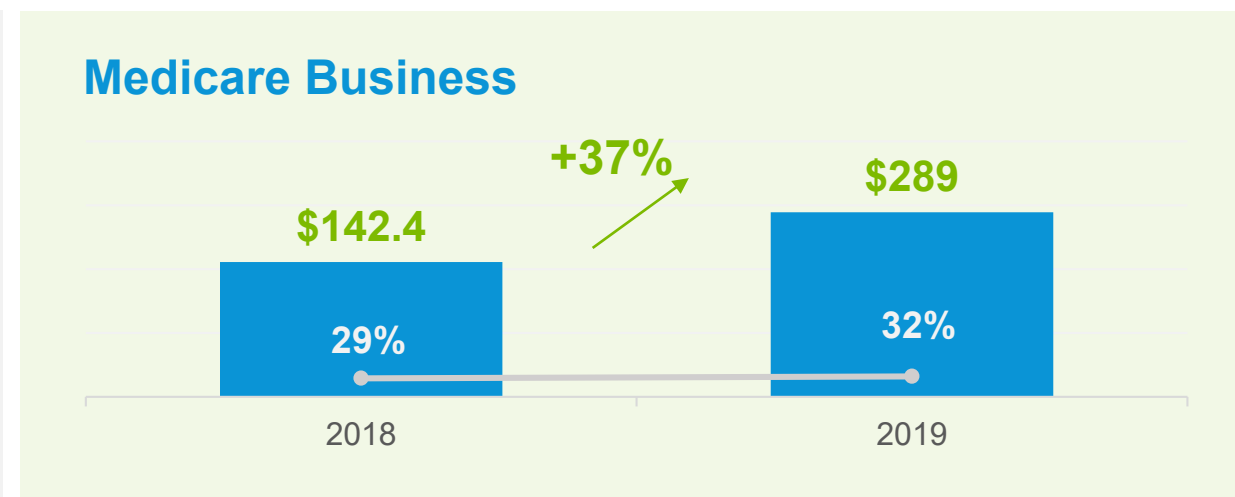
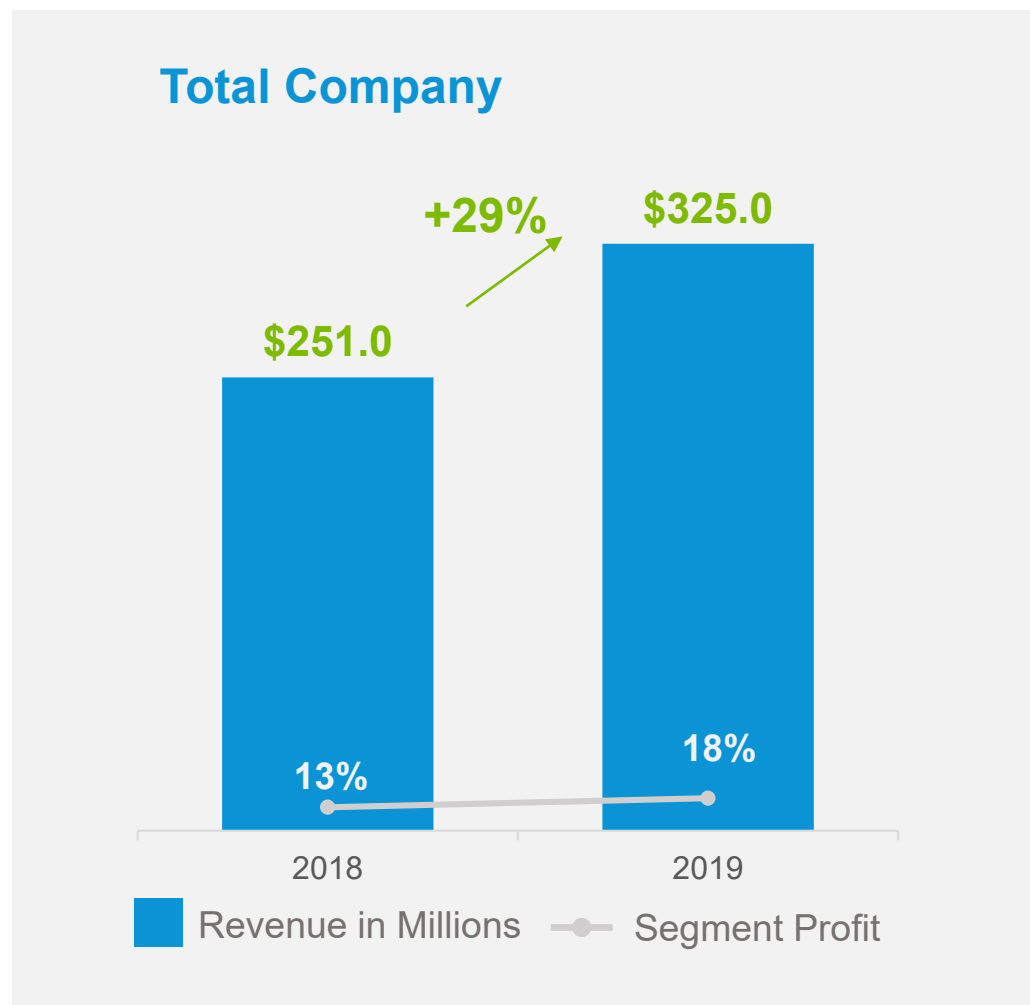


(\$mm)
Adjusted EBITDA



Building on Revenue and Earnings **Growth Momentum** achieved in 2018

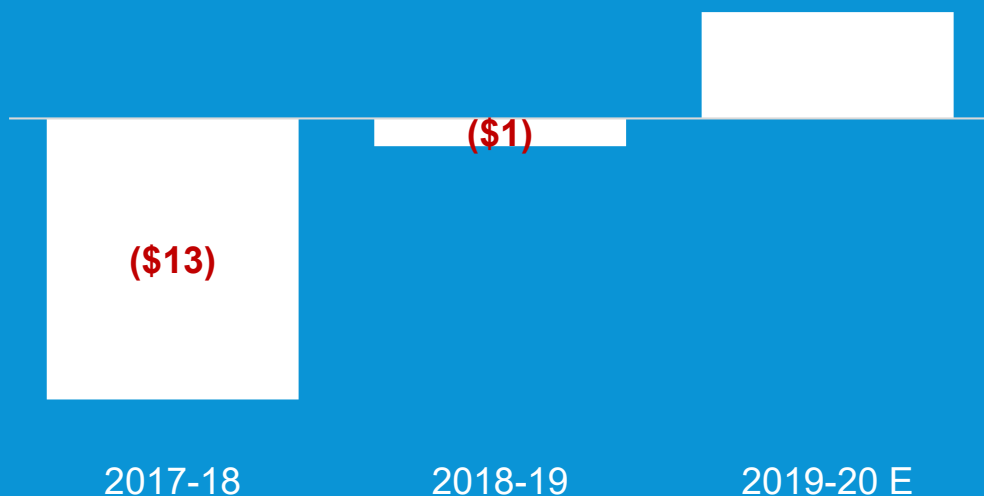
2019 revised guidance with 29% revenue growth and improving EBITDA margins at 18%



Operating Cash Flow has Improved with Strong Organic Growth & Operating Discipline

eHealth Operating Cash Flow April to March⁽¹⁾

(\$ in millions)



Using April to March cash cycle aligns AEP-related expenses (Q4) with AEP-related cash collections (Q4 & Q1).

Strong Balance Sheet

As of March 31, 2019	(\$ in Thousands)
Cash & cash equivalents	\$135,475
Commissions receivable	\$328,211
Other assets	\$85,926
Total assets	\$571,237
Debt	\$0
Total liabilities	\$125,587
Stockholders' equity	\$445,650
Total liabilities and stockholders' equity	\$571,237

\$135 Million in Cash, a large and growing Commission Receivable, **no Debt** and access to a \$40 Million Revolving Line of Credit

eHealth: Just Getting Warmed Up



Leader in Consumer Health engagement solutions



Core Medicare market has strong tailwinds



One-of-a-kind Omni-channel platform enables high growth and creates strong barriers to entry



Unique online enrollment and expanding telesales platforms driving revenue and profit growth well above market rates



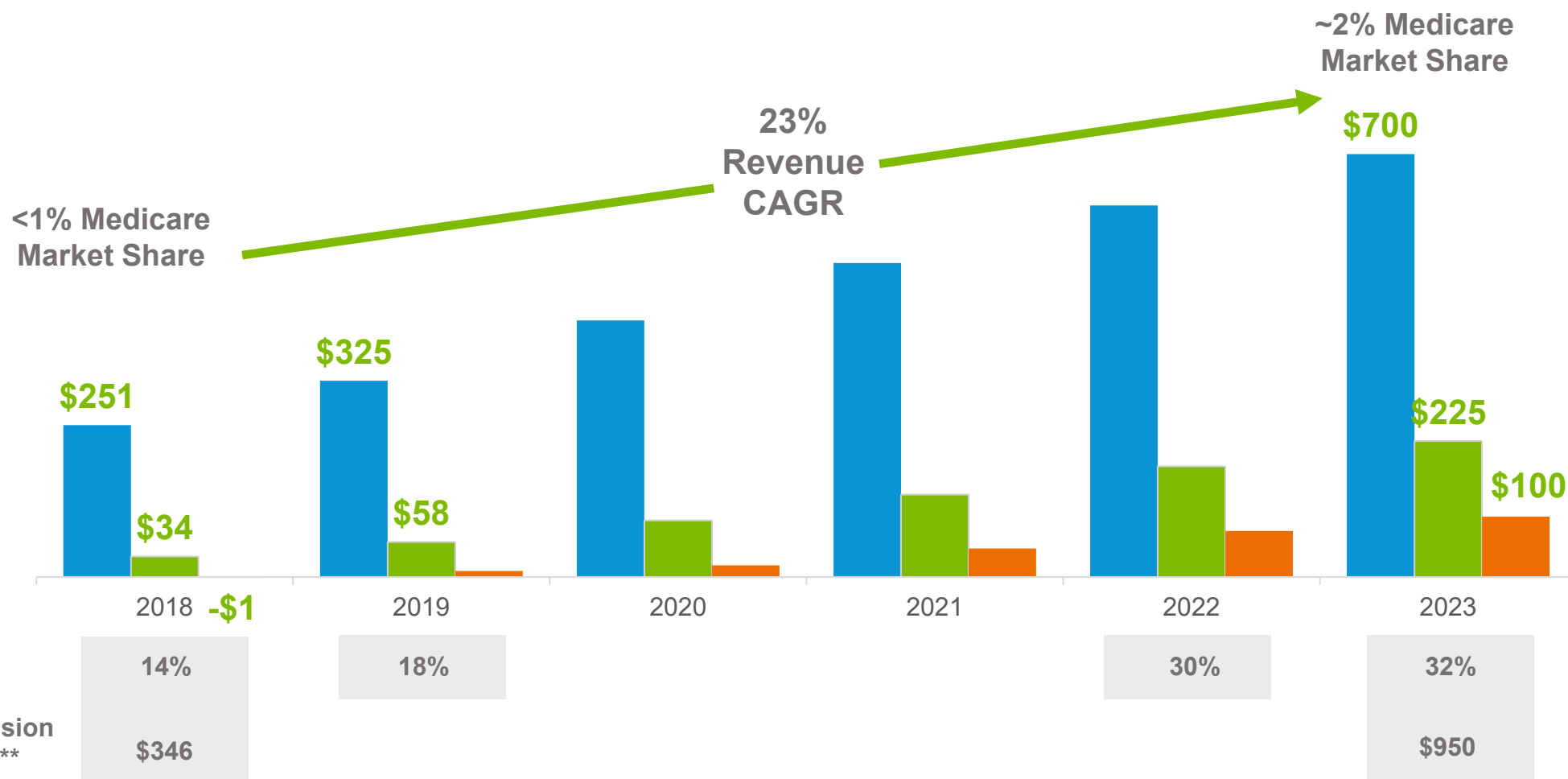
Strong balance sheet and long-term cash flows create strong and growing capital foundation

Re-tooled management team executing with urgency to expand market lead and service more Consumers

Long Term Financial Goals – Current Case

Revised 5-year Outlook for 2019-2023

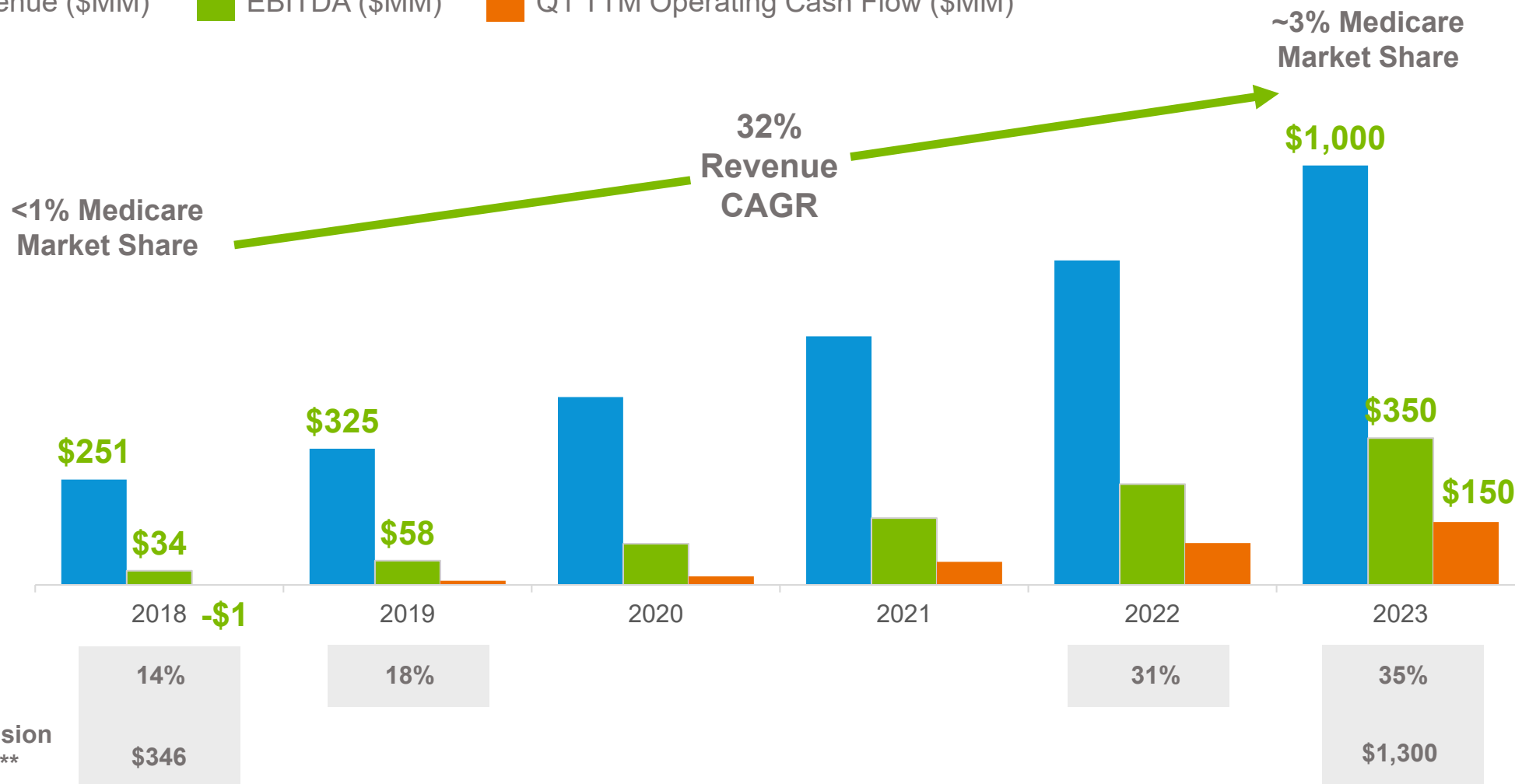
Revenue (\$MM) EBITDA (\$MM) Q1 TTM Operating Cash Flow (\$MM)*



Long Term Financial Goals – Tailwind Case⁽¹⁾

Revised 5-year Outlook for 2019-2023

■ Revenue (\$MM)
 ■ EBITDA (\$MM)
 ■ Q1 TTM Operating Cash Flow (\$MM)*



1. **Tailwind vs. Current Case:** Tailwind case assumes: 1) Penetration of Medicare private plans (MA + MS) increases from ~65% to 75-80% by 2023 2) Higher level of consumer online adoption with percentage of online applications increasing from 38% to 50% by 2023 3) Increases in fixed cost (SG&A, Sales & Marketing, and Technology and Support) to support higher revenue growth

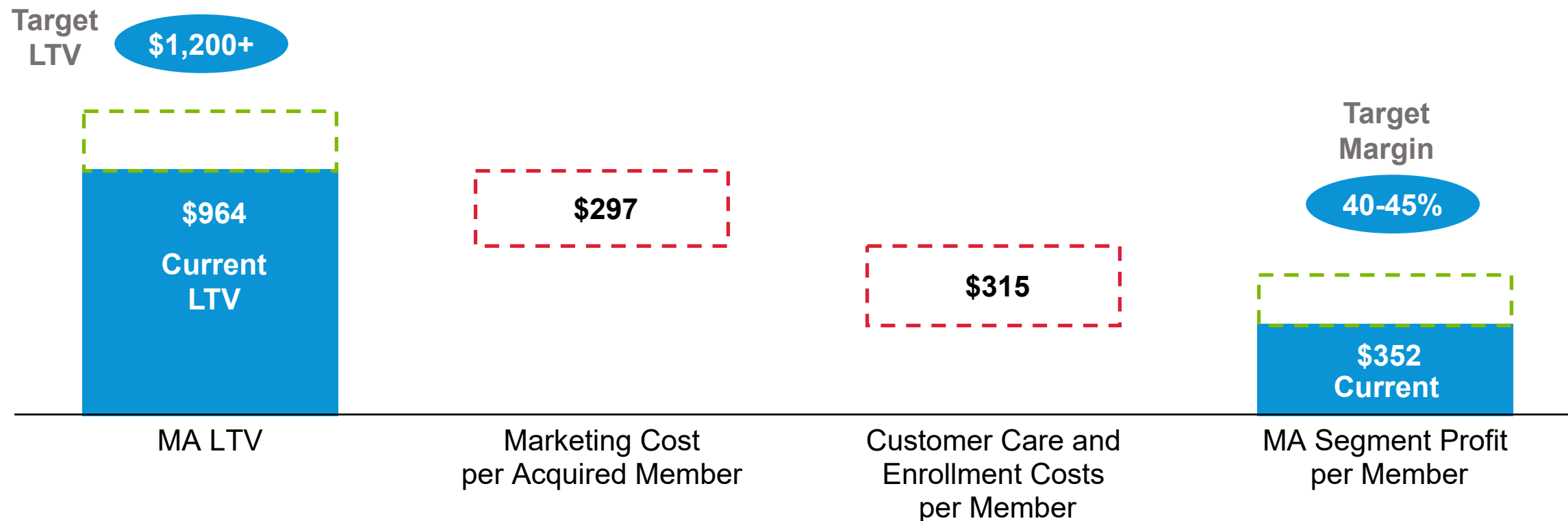
* Based on TTM Q1 the following year (E.g., 2018 would be TTM Q1 2019) ** Commission Receivables balance is of 12/31 of each year.



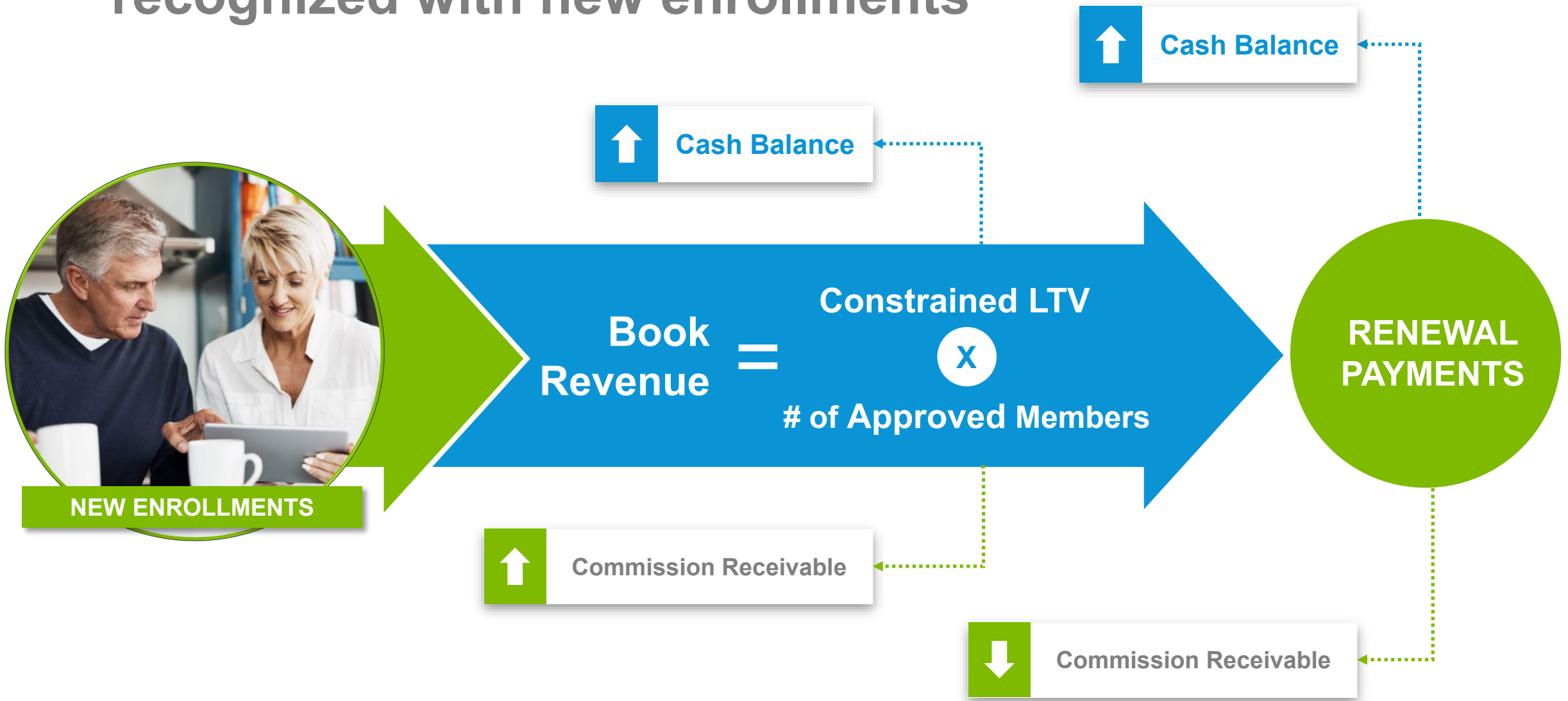
eHealth[®]

Appendix

Medicare Advantage Unit Economics⁽¹⁾



Commission cycle starts when revenue is recognized with new enrollments



Constrained LTVs driven by three main factors, plus constraint

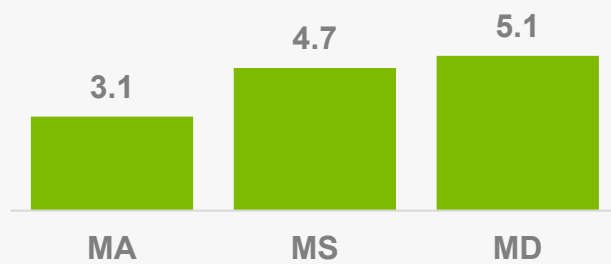
FACTORS

- Based on 8-quarter model of actual observations.
- Calculated on a monthly “cohort” basis.

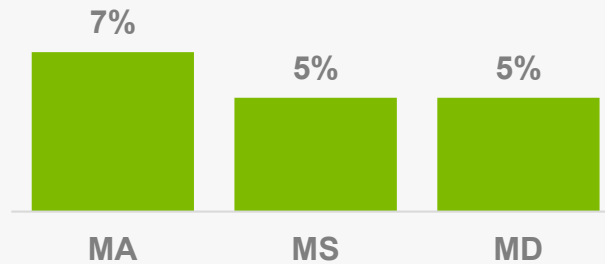
- Additional factor of conservatism to reflect market and other risk to collect.

- **Commission rates**
- **Average policy life**
- **Approved-to-paying member rate**
- **Constraint**

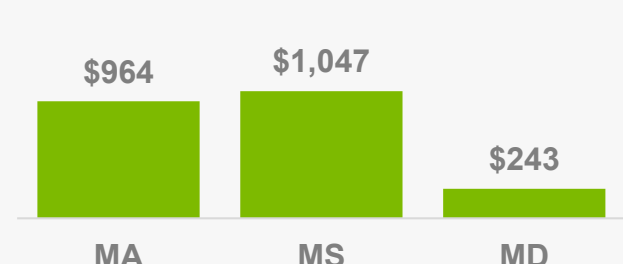
Est. Avg Policy Life (Years)



Constraint (%) ⁽¹⁾



Constrained LTV ⁽¹⁾



(1) As reported for FY 2018.

Medicare Advantage Commissions Cash Flow

Illustrative Example

