

# EVERQUOTE

Investor Presentation  
May 2022

Proprietary Information

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The Company presents Adjusted EBITDA as a non-GAAP measure, which is not a substitute for or superior to, other measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure is included in the Appendix to these slides.

An aerial photograph of a city, likely Madison, Wisconsin, featuring a prominent domed building (the Wisconsin State Capitol) and a large body of water (Monona Lake) with several sailboats. The text is overlaid on the left side of the image.

## Our vision

Become the largest online source of insurance policies by using data and technology to make insurance simpler, more affordable and personalized, ultimately reducing cost and risk.

# Key Investment Highlights

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## Insurance Marketplace Leader

Leading **multi-vertical** online insurance marketplace providing compelling benefits for consumers and insurance providers

## Extensive Distribution

Extensive distribution channels with **third-party marketplace** (carriers and local agents) and **first-party DTCA**<sup>1</sup> offerings

## Massive Market Opportunity

**\$154b** in annual **insurance distribution** and **advertising spend** in the early phases of shifting online provides multi-year tailwind

## Diversified Business Model

Multi-vertical insurance market with **diversified distribution channels** creates resilience in business model

## Proprietary Tech and Data

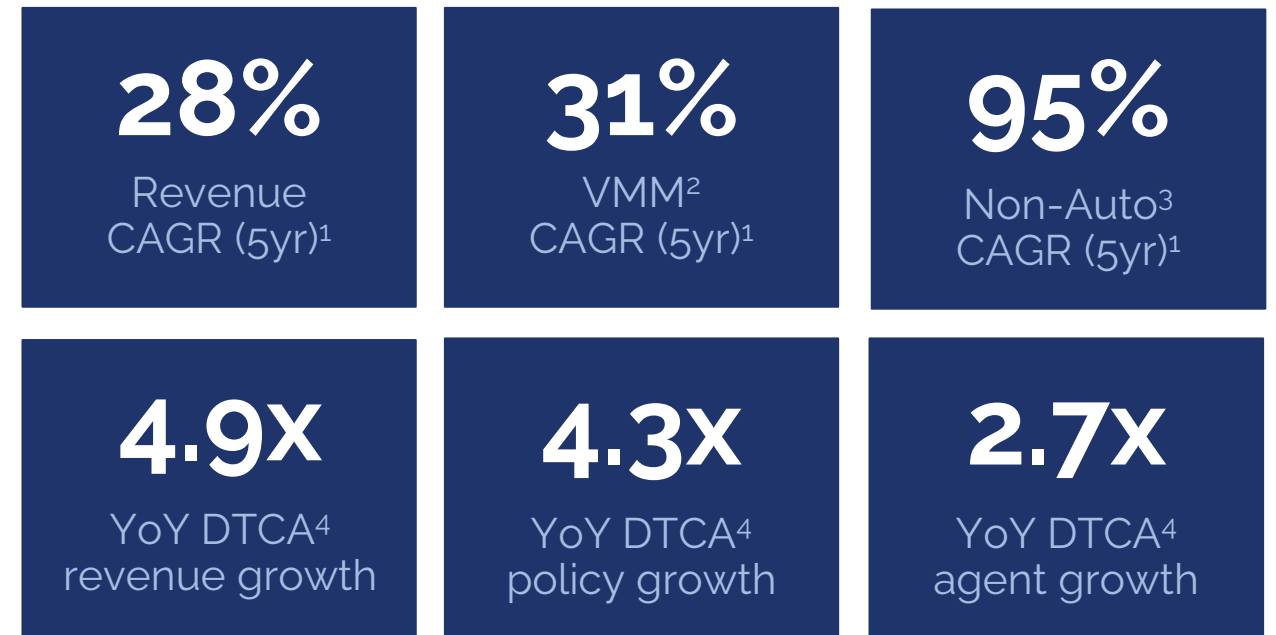
Proprietary platforms built on **highly integrated machine learning assets** support rapid growth and drive **network effects**

## Compelling Financial Model

Targeting **20+% average annual revenue growth** over the long-term with expanding Adjusted EBITDA margin<sup>2</sup>

# Company Snapshot

- One of the insurance industry's largest online customer acquisition and distribution platforms
- 3<sup>rd</sup> party Marketplace with 100+ carriers and 8,500+ local agents; 1<sup>st</sup> party DTCA platform with 200+ agents
- Diversified model serving consumers and providers in the auto, home & renters, life and health insurance markets
- Highly scalable, proprietary platform powered by deeply integrated machine learning and data assets
- Founded by MIT alumni in 2011 with headquarters in Cambridge, MA; IPO in summer 2018



## Insurance verticals



Auto



Home & Renters



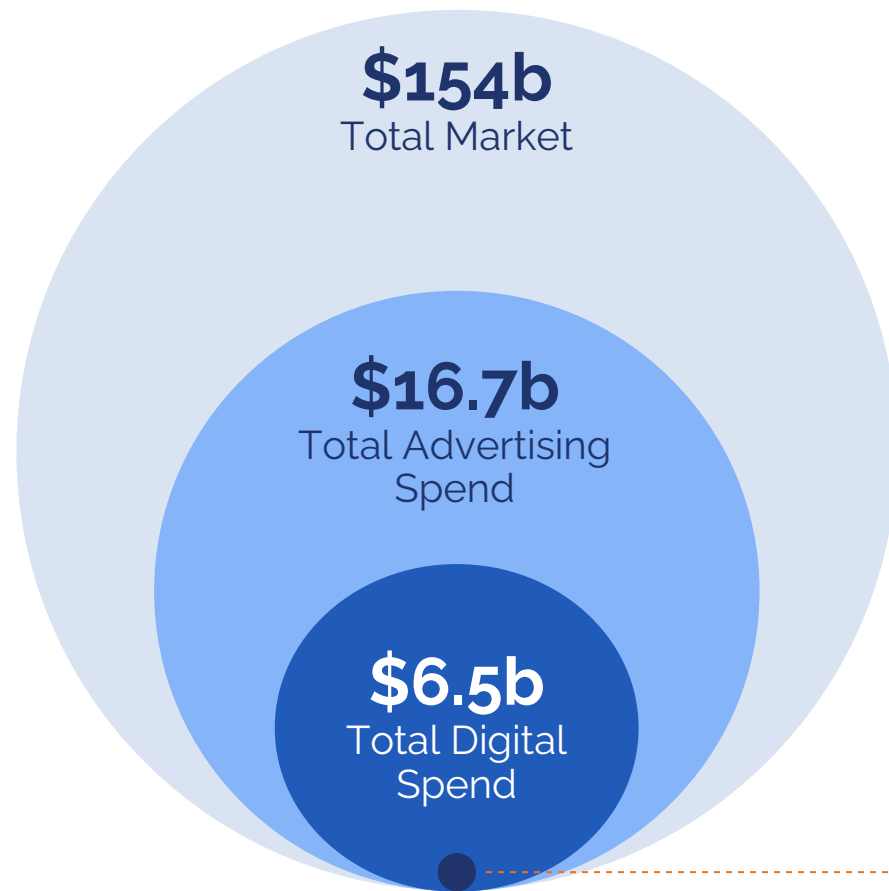
Life



Health

# Large & Expanding TAM

## U.S. Insurance Market: Distribution & Ad Spend<sup>1</sup>



## Projected Annual Growth to 2024<sup>1</sup>

**5%**  
Market growth

**16%**  
Digital spending growth

**\$410m<sup>2</sup>**  
EverQuote 2022 revenue  
guidance midpoint

## Growth Drivers



*Continued shift of  
consumer time spent online*



*Continued shift of  
acquisition spend online*



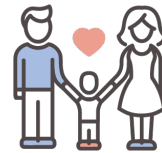
*Continued shift to  
digitization of insurance  
products and workflows*

# EverQuote Benefits Both Consumers & Providers

Our platforms address challenges inherent in the highly-fragmented insurance market

## Consumers save time and money

- Single destination for **insurance needs**
- **Personalized** shopping experience
- Average savings of **\$600** per year<sup>1</sup>



## Providers acquire consumers more efficiently

- Large volume of **high intent consumers**
- **Higher ROI** from target-based consumer attributes
- Opportunity to acquire consumer **referrals** (within Marketplace) **and bound policies** (within DTCA)

Anthem 



United Healthcare

clearcover<sup>®</sup>

Lemonade<sup>™</sup>

PROGRESSIVE<sup>™</sup>

Allstate

Hippo

Nationwide

Liberty Mutual

FARMERS INSURANCE

elephant

# The Customer Journey



## Traffic Channels

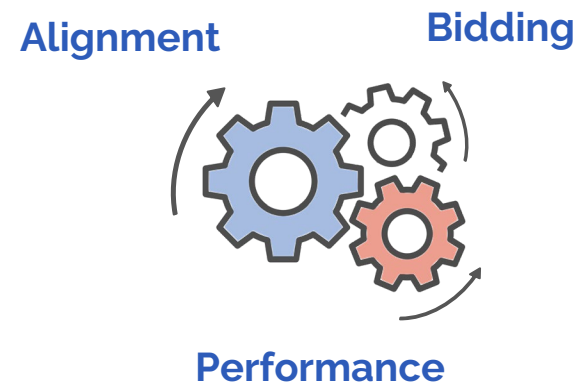
- SEM
- Email
- Calls
- Partnerships
- Display
- TV / Other<sup>1</sup>

## Consumer Arrival

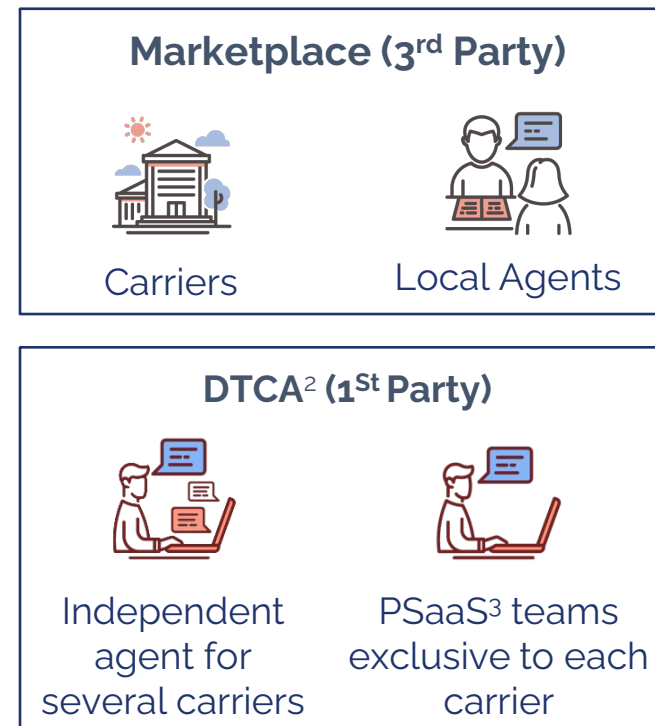


## Consumer Routing

## Provider Matching



## Provider Engagement



## EverQuote Monetization

**Per Referral**

**Per Policy Sold**

1. Other includes organic search, direct-to-site, inbound calls, social & other traffic sources.  
 2. "DTCA" refers to Direct to Consumer Agency consisting of first party agents.  
 3. "PSaaS" refers to Policy-Sales-as-a-Service offering.



# Proprietary Platforms Strengthen Competitive Moat

Highly integrated machine learning and data assets to support growth of all verticals

## Marketing



Omni-channel  
Automated Bidding

**Minimize Cost per  
Acquisition**

## Consumer



Personalized User  
Experiences

**Maximize  
Conversion Rates**

## Distribution



Consumer Alignment  
Algorithms

**Maximize Bind  
Performance**

## B2B



Enterprise & Agency  
Campaign Management

**Maximize Value per  
Acquisition**

**Machine learning platforms** support automated selection, prediction, and anomaly detection

**Data Platform** supports growing data assets, rapid data onboarding, and rich analytics tools

# Distribution Strength of our Platforms



**100+**

carriers available in the marketplace



**8,500+**

3<sup>rd</sup> party local agents



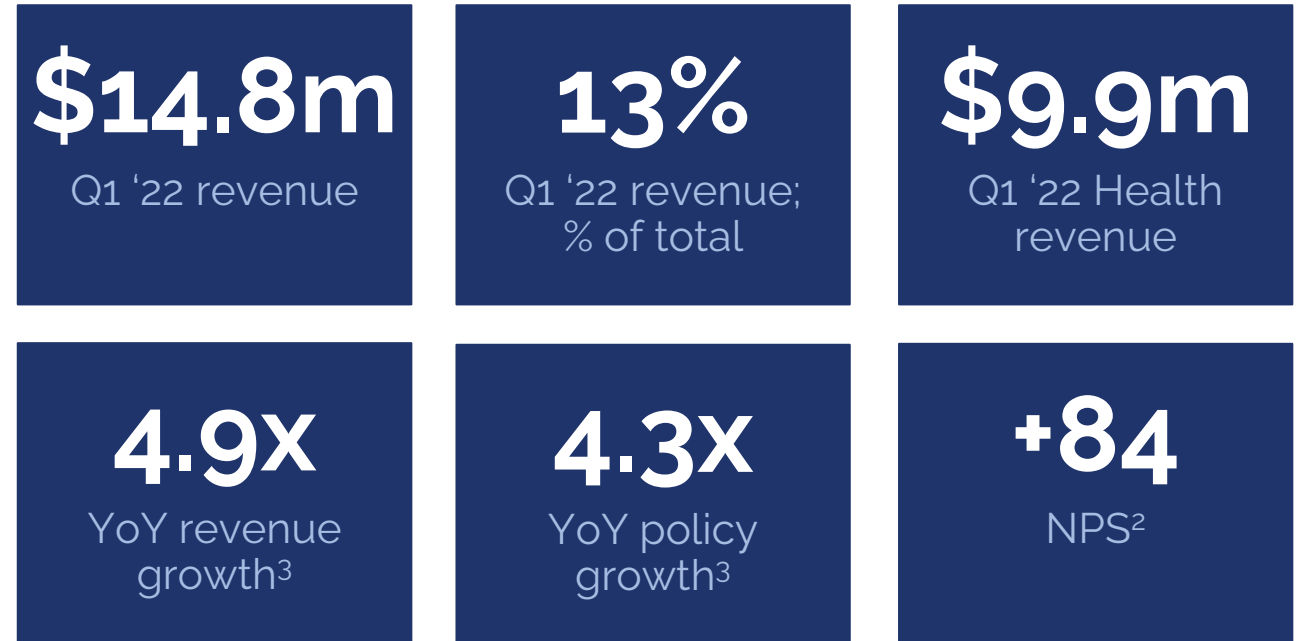
**200+**

1<sup>st</sup> party EverQuote agents

## Representative Partners


# Creating a World-Class DTCA Platform

- **EVER agents** serve consumers in all of our insurance verticals
  - **PSaaS** model for Auto and Home verticals; EVER agents dedicated exclusively to selling a specific carrier's policies
  - **Independent** agent model in Life and Health verticals; EVER advisors work with multiple carriers
- Broadens access to the **\$137b commission TAM**<sup>1</sup> component of insurance distribution spend shifting online
- Opportunity to improve shopping experience, **build lifetime consumer relationships** and enhance monetization
- Started in 2020 with in-house effort; complemented by acquiring CrossPointe Insurance, which we renamed **Eversurance**, and **PolicyFuel**

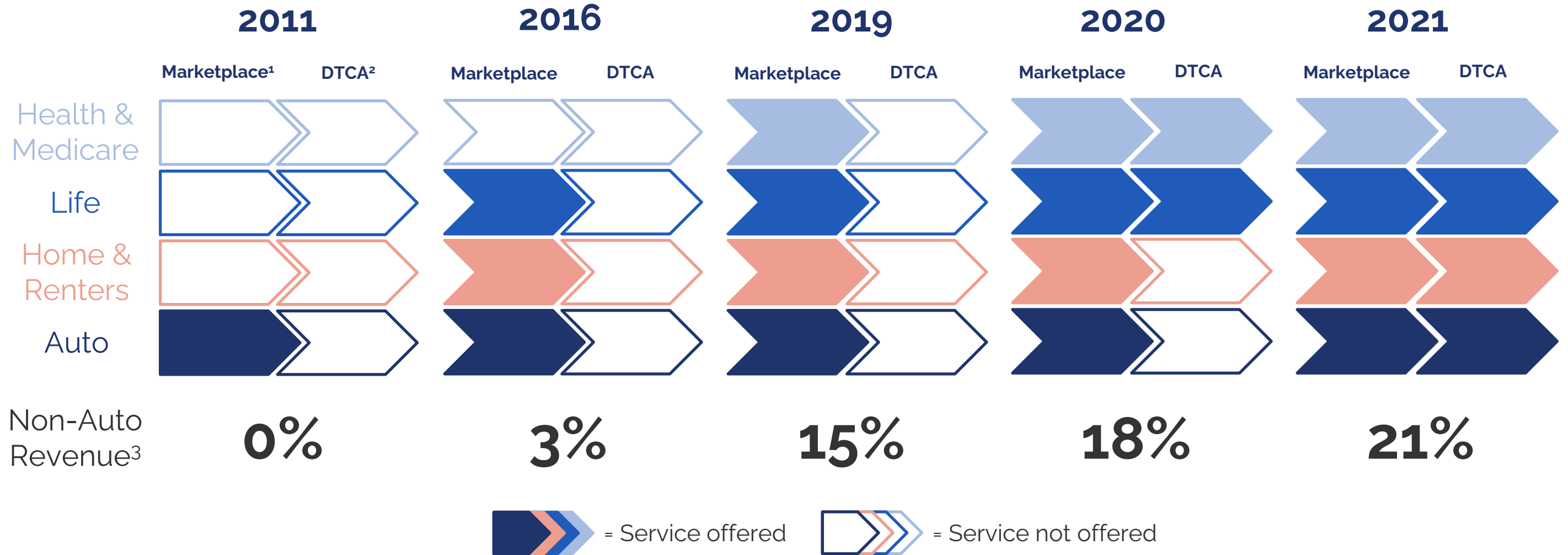


## Representative DTCA Customer Review

"I can't thank Erica enough for her patience, kindness, and compassion she extended to me as I set up a new health care plan for my family. Also, the ability to call and email back and work with the same person who is familiar with you and what you need is outstanding!! Great customer service, looking forward to a long professional relationship."  
- Stephen

# Building a Multi-Vertical Insurance Destination

We are executing on our vision and continue to build more diversified revenue streams



# Track-Record of Successful Acquisitions

Pursued opportunities that accelerate our strategy to be the leading online destination for insurance shopping

## Acquisition Criteria

Broaden market opportunity

Accelerate DTCA strategy

Enhance consumer experiences

Support growth of carrier partners

Financially accretive

Build diversified revenue streams

## Recent Transactions

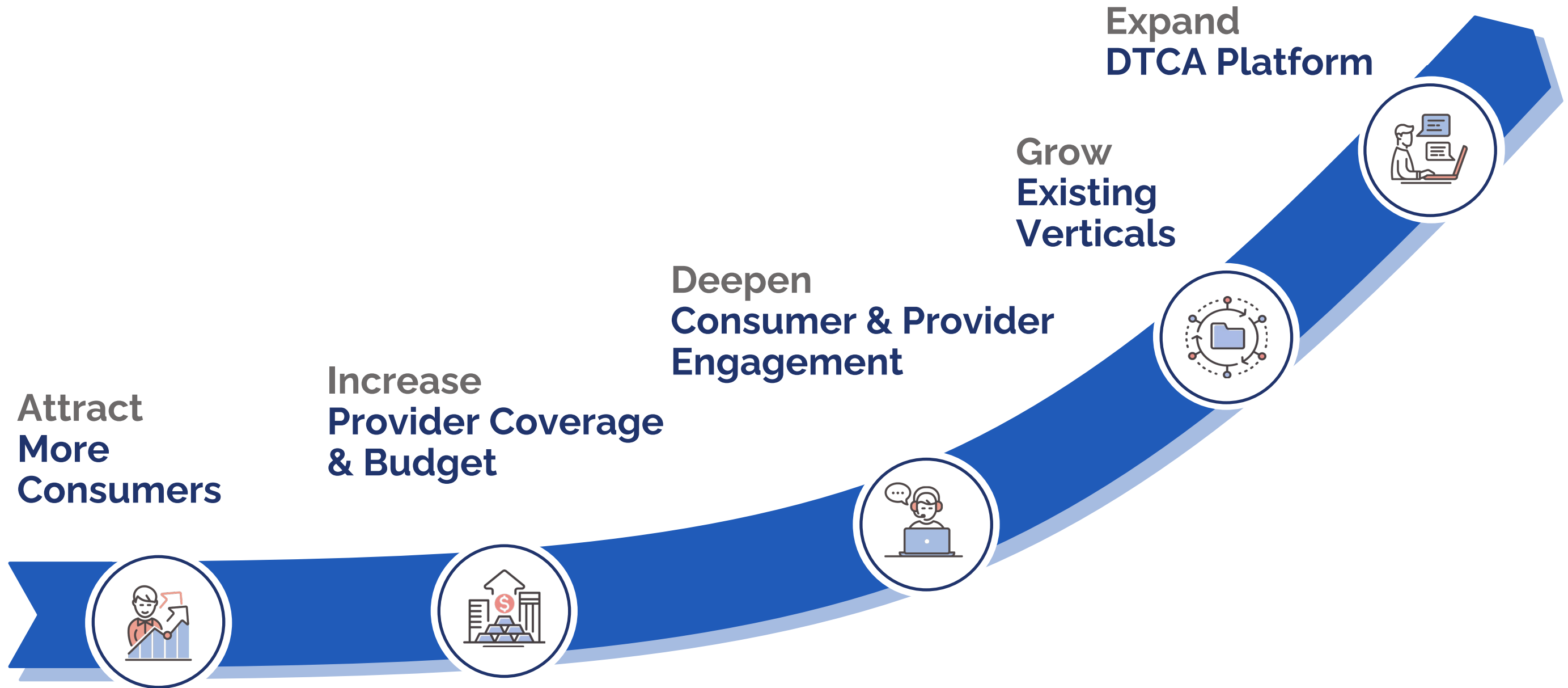
Crosspointe Insurance, which we renamed Eversurance (closed September 2020)

- A sales and decision support agency that connects consumers to high quality health insurance in a customer-centric environment.
- Founders with deep health insurance experience; approximately 30 full-time employees (many of whom are agents)<sup>1</sup>

PolicyFuel (closed August 2021)

- Digitally-enabled insurance agency offering auto and home policies via a PSaaS model; advisor teams focused exclusively on selling a carrier's own insurance offerings to its target consumers
- Founders with decades of collective P&C insurance experience; a team of 90 full-time employees (many of whom are agents)<sup>2</sup>

# Multiple Levers Driving Future Growth



# Financial Overview

# 1Q 2022 Highlights

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- Total revenues of \$110.7m; a 7% increase over Q1'21
- Variable Marketing Margin of \$34.3m; a 9% increase over Q1'21 and 31% as a percentage of revenues
- Non-auto revenues of \$23.0m; a 19% increase over Q1'21 and represents 21% of total revenue
- Delivered Adjusted EBITDA of \$2.4m
- DTCA revenues in Q1 of \$14.8m, or 13% of revenues
- Auto insurance headwinds adversely impacted Q1'22 financial performance

**7%**

YoY revenue growth

**31%**

VMM as a % of revenue

**9%**

VMM YoY growth

**19%**

Non-Auto YoY revenue growth

**\$2.4m**

Q1 '22 Adjusted EBITDA

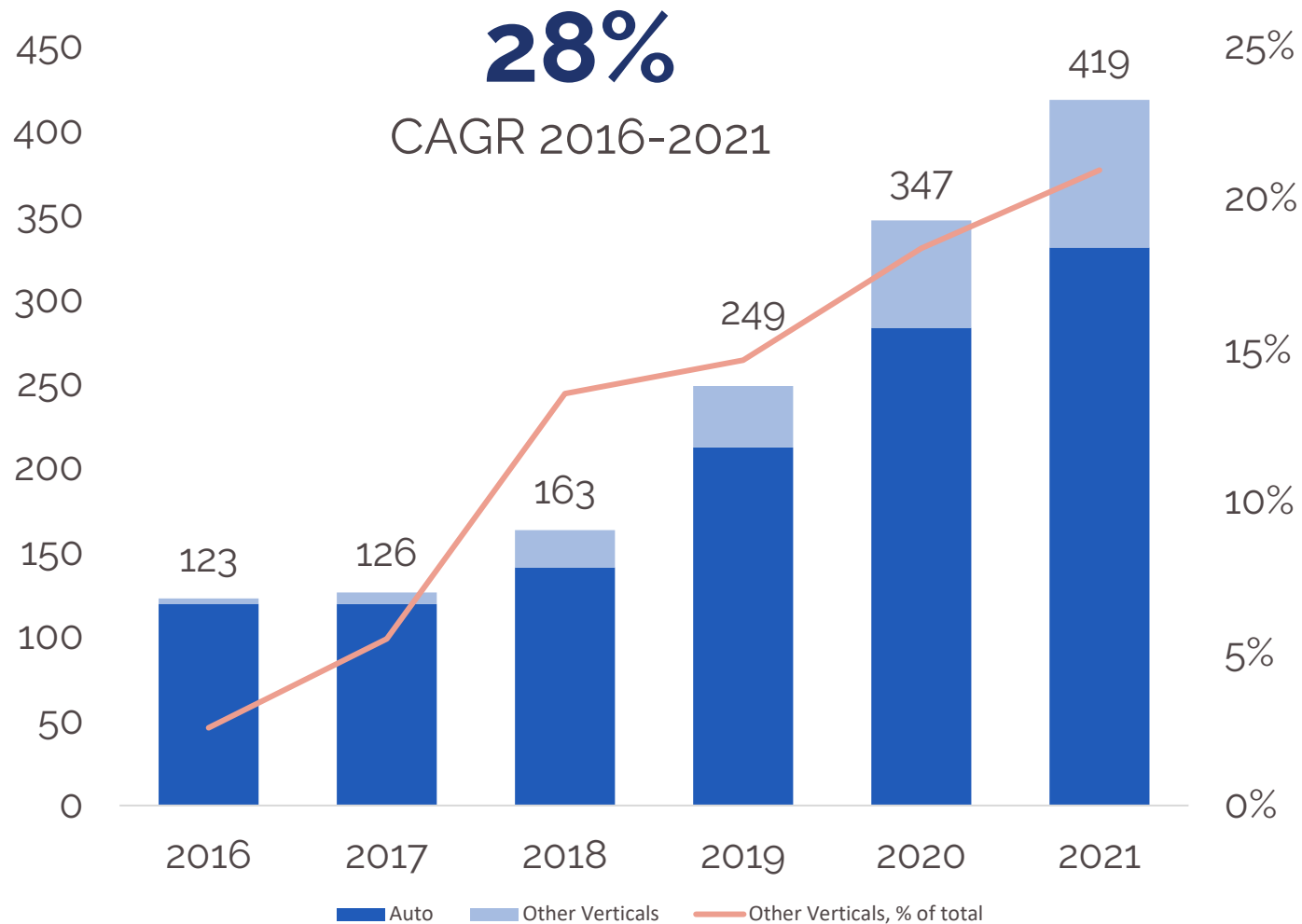
**13%**

DTCA revenues as a % of revenues



# Strong Track Record of Growth

Revenue (\$m)



- Total revenue grew 28% compounded annually 2016 – 2021
- Other Insurance verticals grew 95% compounded annually 2016 – 2021
- Revenue diversification by growing other insurance verticals: Home & Renters, Life, Health



Home & Renters



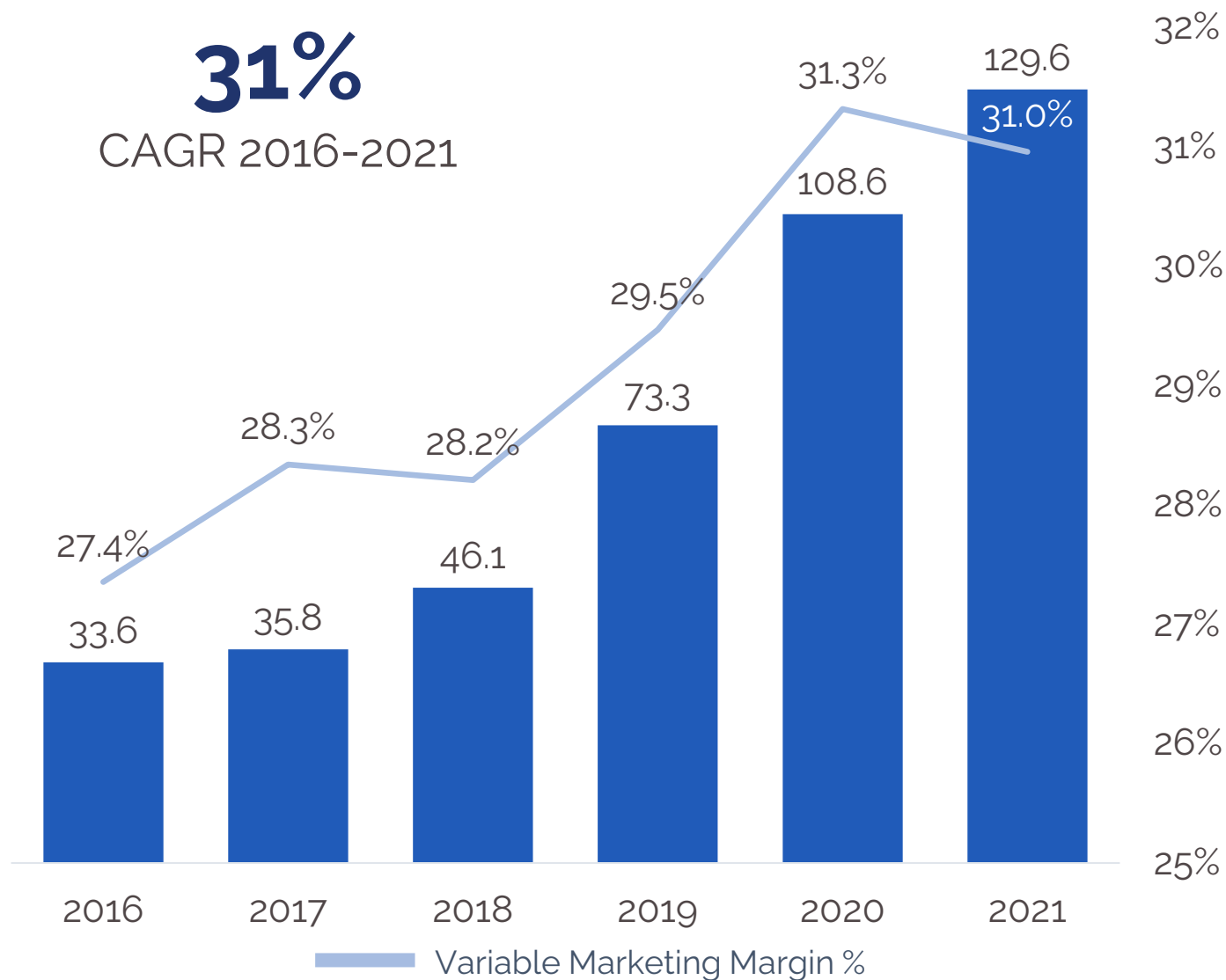
Life



Health

# Delivering Incremental Variable Marketing Margin

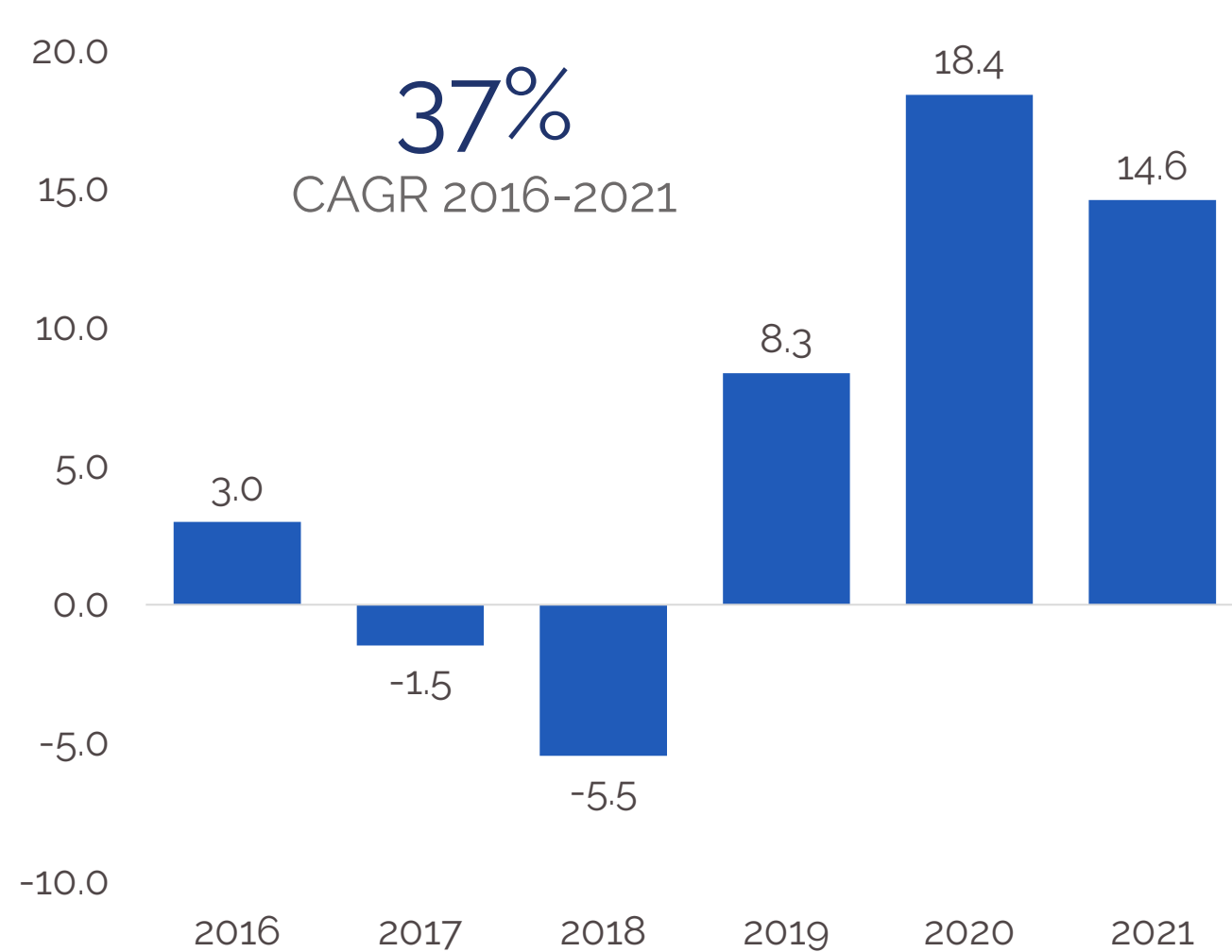
## Variable Marketing Margin (\$m)



- VMM grew 31% compounded annually 2016 – 2021
- Proprietary platforms have driven increasing VMM as a percentage of revenue (VMM%) since 2016
- Auto insurance headwinds in 2H21 adversely impacted VMM and associated %
- Potential for incremental improvement in VMM% from higher VMM margins associated DTCA and customer cross-selling

# Focused on Delivering Long-term Profitability

## Adjusted EBITDA (\$m)



- Adjusted EBITDA grew 37% compounded annually 2016 - 2021
- Strategic investments in proprietary technology and data platforms provide key driver for long-term growth
- Significant opportunity for growing Adjusted EBITDA margin in the long-term by improving the efficiency of marketing costs and leveraging operating expenses

NASDAQ: EVER

# Appendix

# Key Metrics Definitions

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## Variable Marketing Margin

We define variable marketing margin, or VMM, as revenue, as reported in our consolidated statements of operations and comprehensive income (loss), less advertising costs (a component of sales and marketing expense, as reported in our statements of operations and comprehensive income (loss)). We use VMM to measure the efficiency of individual advertising and consumer acquisition sources and to make trade-off decisions to manage our return on advertising. We do not use VMM as a measure of profitability.

## Adjusted EBITDA

We define Adjusted EBITDA as net income (loss), adjusted to exclude: stock-based compensation expense, depreciation and amortization expense, acquisition-related costs, legal settlement expense, one-time severance charges, interest income and the provision for (benefit from) income taxes. We monitor & present Adjusted EBITDA because it is a key measure used by our management & board of directors to understand & evaluate our operating performance, to establish budgets & to develop operational goals for managing our business.

# Reconciliation of Adjusted EBITDA - 12 Months Ended

(\$ in Thousands)	12 Months Ended					
	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Net loss	(\$19,434)	(\$11,202)	(\$7,117)	(\$13,791)	(\$5,070)	(\$930)
Stock-based compensation	\$30,020	\$24,179	\$12,721	\$7,121	\$1,860	\$1,956
Depreciation & amortization	\$5,072	\$3,350	\$2,186	\$1,341	\$1,360	\$1,437
Legal settlement	-	-	\$1,227	-	-	-
Acquisition-related costs/earnout	\$1,065	\$2,258	-	-	-	-
Severance under a plan	440	-	-	-	-	-
Interest (income) expense, net	(\$37)	(189)	(\$669)	(121)	381	508
Provision for (benefit from) income taxes	(\$2,510)	-	-	-	-	18
<b>Adjusted EBITDA</b>	<b>\$14,616</b>	<b>\$18,396</b>	<b>\$8,348</b>	<b>(\$5,450)</b>	<b>(\$1,469)</b>	<b>\$2,989</b>

# Reconciliation of Adjusted EBITDA - 3 Months Ended

(\$ in Thousands)	3 Months Ended				
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Net loss	(\$5,715)	(\$8,480)	(\$5,272)	(\$1,881)	(\$3,801)
Stock-based compensation	\$7,530	\$7,063	\$8,348	\$7,089	\$7,520
Depreciation & amortization	\$1,511	\$1,464	\$1,298	\$1,136	\$1,174
Legal settlement	-	-	-	-	-
Acquisition-related costs/earnout	(\$892)	\$60	\$819	\$265	(\$79)
Severance under a plan	-	440	-	-	-
Interest expense, net	(\$8)	(\$4)	(\$9)	(\$10)	(\$14)
Provision for (benefit from) income taxes	-	-	(\$2,510)	-	-
<b>Adjusted EBITDA</b>	<b>\$2,426</b>	<b>\$543</b>	<b>\$2,674</b>	<b>\$6,599</b>	<b>\$4,800</b>