

EVERQUOTE

Investor Presentation

May 2023

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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 to the most directly comparable GAAP measures is included in the Appendix to these slides.

An aerial photograph of a city, likely Boston, featuring a large river in the foreground with several sailboats. In the background, there are numerous buildings, including a prominent white domed structure, possibly a government building or university building. The text is overlaid on the image.

Our vision

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

Key Investment Highlights

Insurance Marketplace Leader

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

Massive Market Opportunity

\$171b in annual **insurance distribution spend** in the early phases of shifting online provides multi-year tailwind¹

Proprietary Tech and Data

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

Extensive Distribution

Extensive distribution channels with **Enterprise Marketplace** (carriers), **3rd Party Agency** (local agents) and **DTC Agency**² (1st Party) offerings

Diversified Business Model

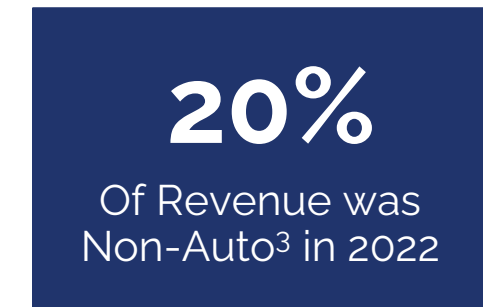
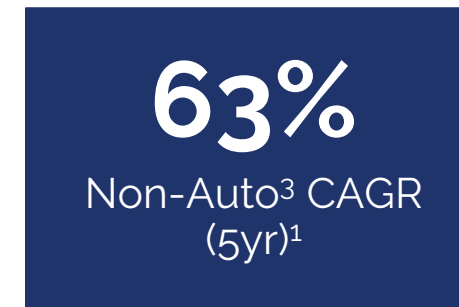
Multi-vertical insurance market with **diversified distribution channels** creates resilience in business model

Compelling Financial Model

Targeting **20+% average annual revenue growth** over the long-term with expanding Adjusted EBITDA margin³

Company Snapshot

- One of the insurance industry's largest online customer acquisition and distribution platforms
- "Hybrid Marketplace" with extensive distribution: Enterprise Marketplace (100+ carriers), 3rd Party Agency (~8,000 local agents), and DTC Agency (~150 1st party agents)
- Diversified business serving consumers and providers across multiple insurance markets
- Highly scalable, proprietary platform leveraging 2.5b+ consumer data points⁴ amassed over a decade
- Founded by MIT alumni in 2011 with headquarters in Cambridge, MA; IPO in summer 2018



Insurance Verticals Served



Auto



Home & Renters



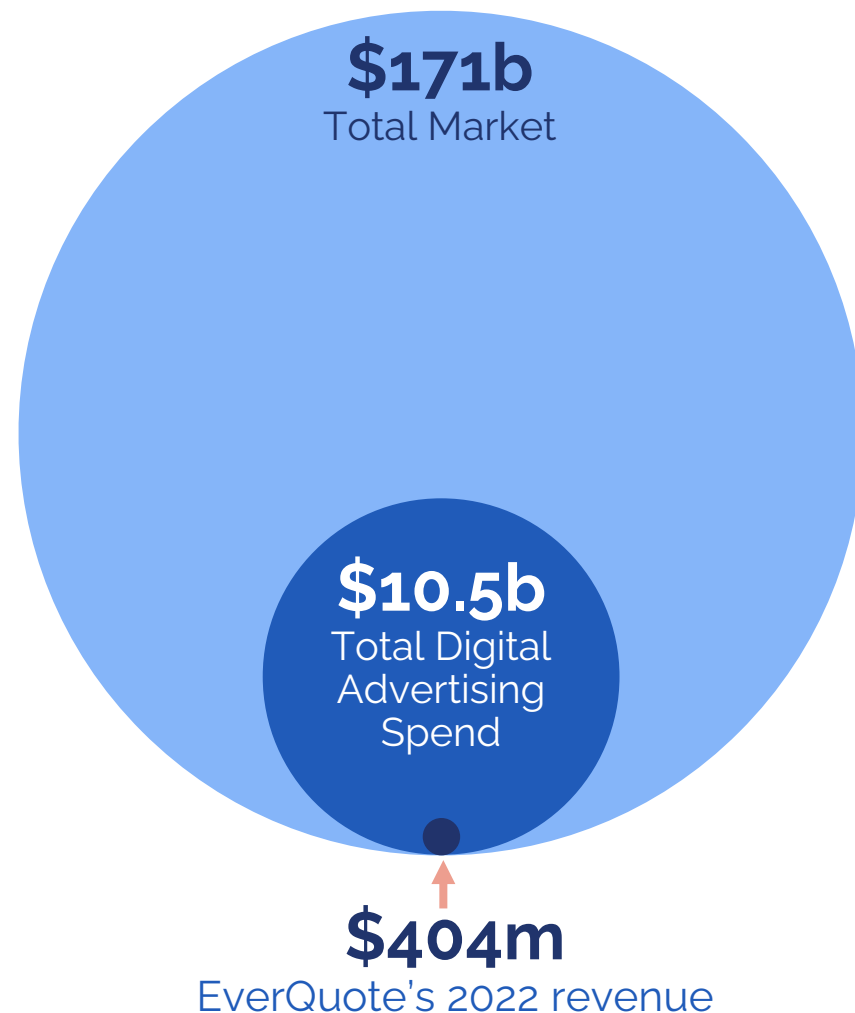
Life



Health

Large & Expanding TAM

U.S. Insurance Market: Distribution Spend¹



Highlights

<1%
Estimated share of Total
Distribution Spend Market

~4%
Estimated share of Digital
Advertising Spend Market

~13%
Estimated Digital Advertising
spend growth²

Growth Drivers



*Continued shift of
consumer time spent online*



*Continued shift of
acquisition spend online*



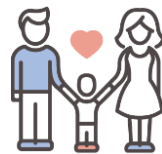
*Continued shift to
**digitization of insurance
products and workflows***

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
- Provide **multiple** quotes, fitting the consumer's needs



Providers efficiently acquire consumers

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



The Customer Journey



Traffic Channels

Consumer Arrival

Provider Matching

Provider Engagement

EverQuote Monetization

SEM

Performance Media

Calls

Clicks

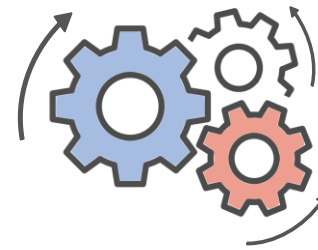
Partnerships

Other¹



Alignment

Bidding



Performance

Enterprise Marketplace

Carriers

3rd Party Agency

Local agents

DTC Agency

1st party agents

Per Referral

Per Referral

Per Policy Sold

1. Other includes organic search, direct-to-site, partner exchange & other traffic sources.

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**

Over 2.5b Consumer Submitted Data Points Since Inception¹

Distribution Strength of our Platform



100+

carriers available in the marketplace



~8,000

3rd party local agents



~150

1st party EverQuote agents

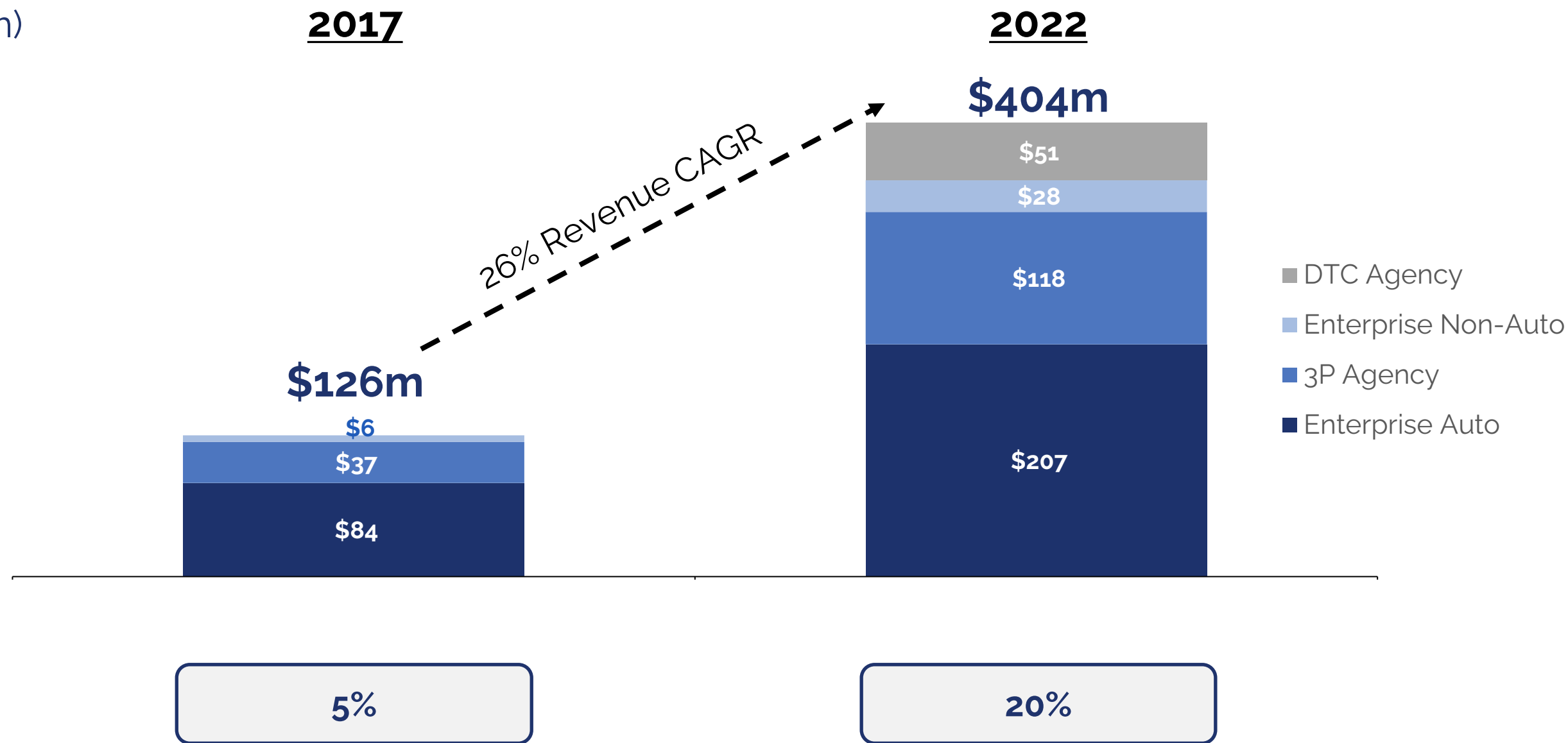
Representative Partners



Diversification by Distribution Channel

We are continuing to build more diversified revenue streams

Revenue (\$m)



1. Non-Auto revenues as a percentage of overall revenue. Non-auto revenue includes home & renters, health, and life verticals.

The Current State of the Auto Insurance Market

Late Summer 2021; Auto Insurance Downturn Begins



Cost of claims rises rapidly due to higher used car values, increased cost to repair and overall accident severity



Carriers are unable to adjust and implement rates quickly due to regulatory process and policy renewal cycles



Carriers face elevated claims and combined ratios; pull back significantly on consumer acquisition spend

Current Outlook



Auto carriers continue raising rates to restore adequate profitability; progress varies considerably by carrier and state

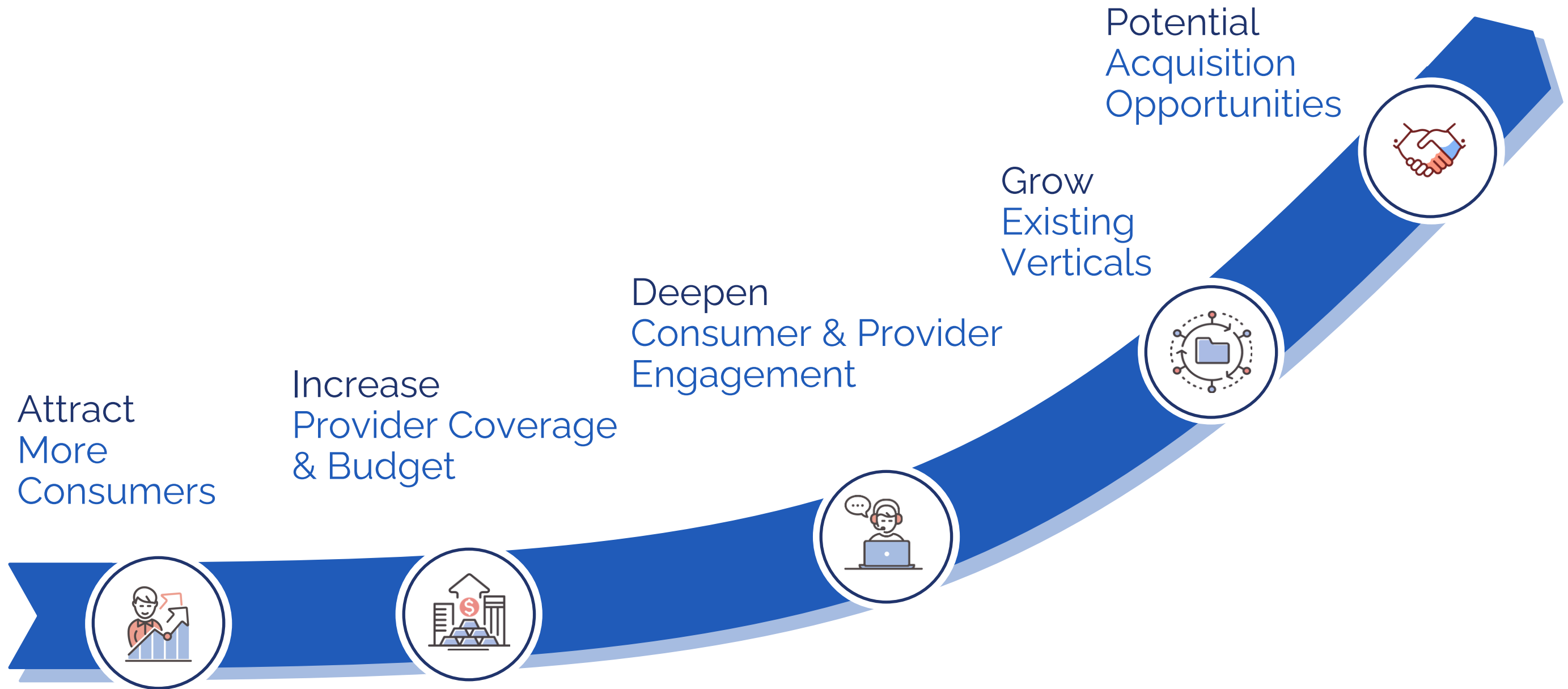


Cost of claims showing some signs of stabilization, however, loss pressures persist



Anticipated improvements through 2023 and 2024; exact timing of the auto recovery remains uncertain

Multiple Levers Driving Future Growth



Financial Overview

First Quarter 2023 Highlights

- Exceeded guidance across Revenue, Variable Marketing Margin, and Adjusted EBITDA
- Total revenues of \$109.2m; a 1.3% decrease compared to 1Q22
- Variable Marketing Margin of \$35.6m; a 3.9% increase compared to 1Q22 and represents 32.6% of revenues
- Delivered positive Adjusted EBITDA of \$5.4m; an increase of 121.5% compared to 1Q22 and represents 4.9% of revenues

\$109m
Revenue

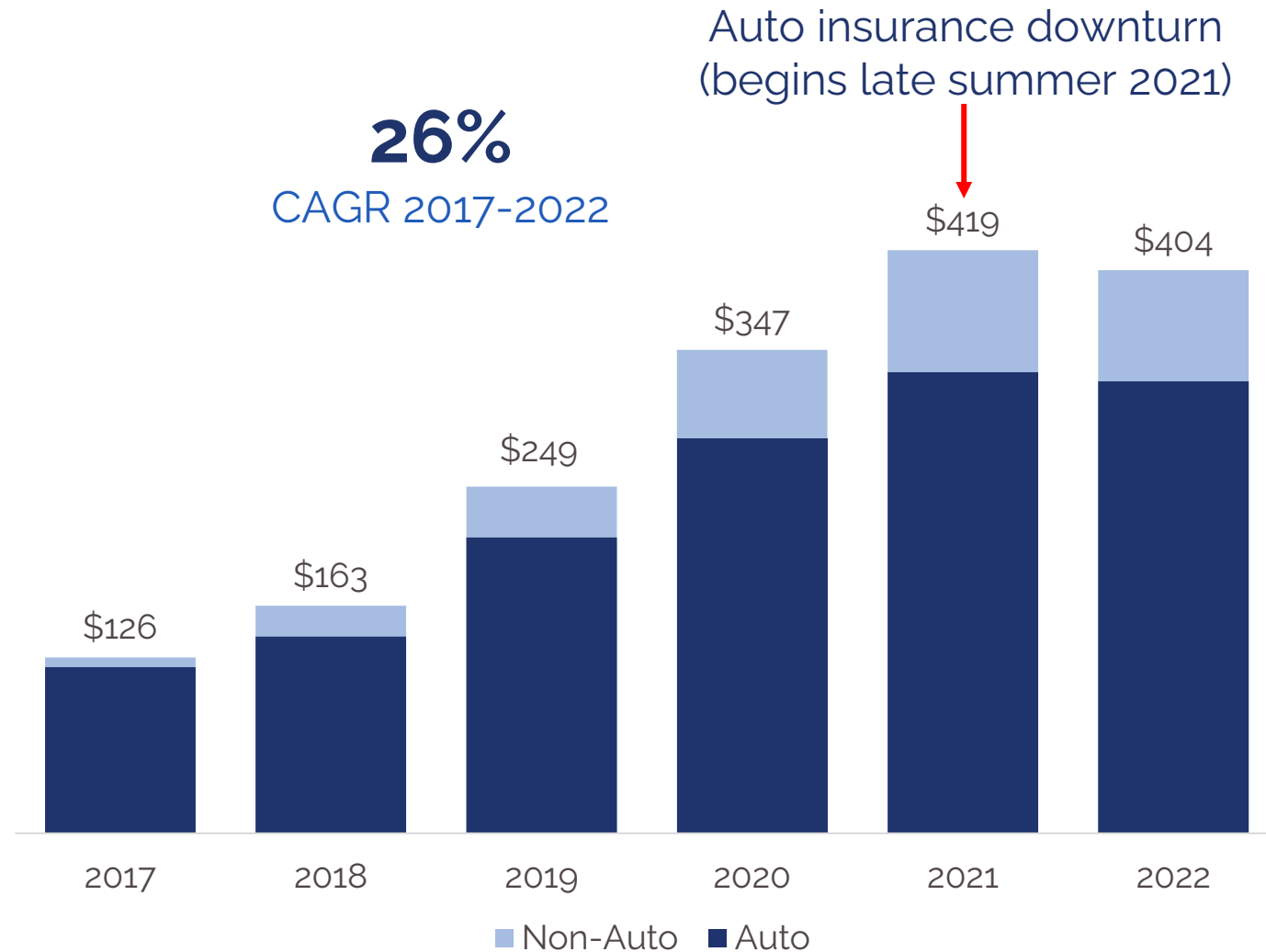
32.6%
VMM as a
% of revenue

\$35.6m
VMM

\$5.4m
1Q23 Adjusted
EBITDA

Focused on Driving Revenue Growth

Revenue (\$m)



- Total revenue grew 26% compounded annually 2017 – 2022
- Non-Auto verticals grew 63% compounded annually 2017 – 2022
- Building revenue diversification by growing non-auto insurance verticals



Home & Renters



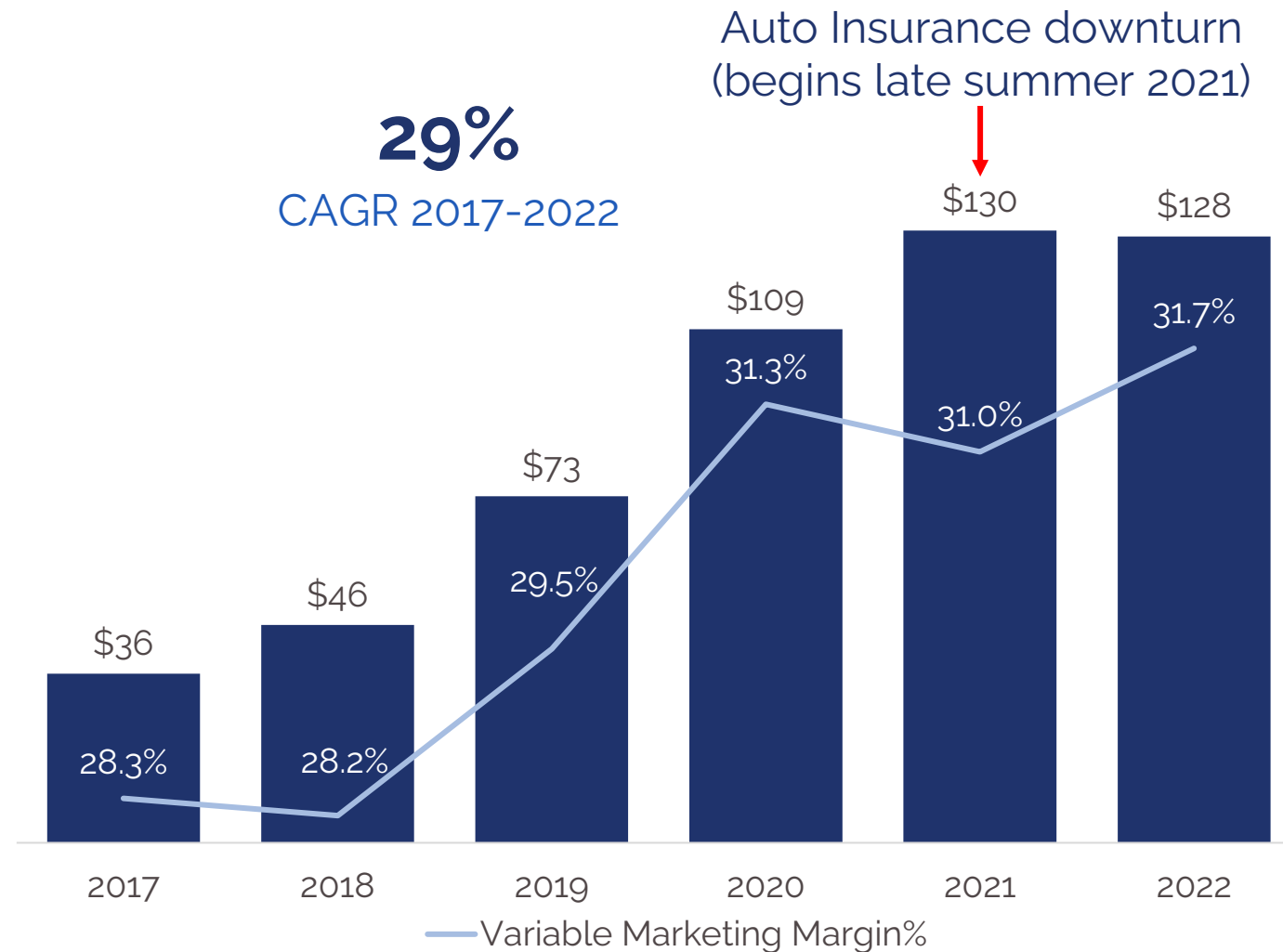
Life



Health

Delivering Incremental Variable Marketing Margin

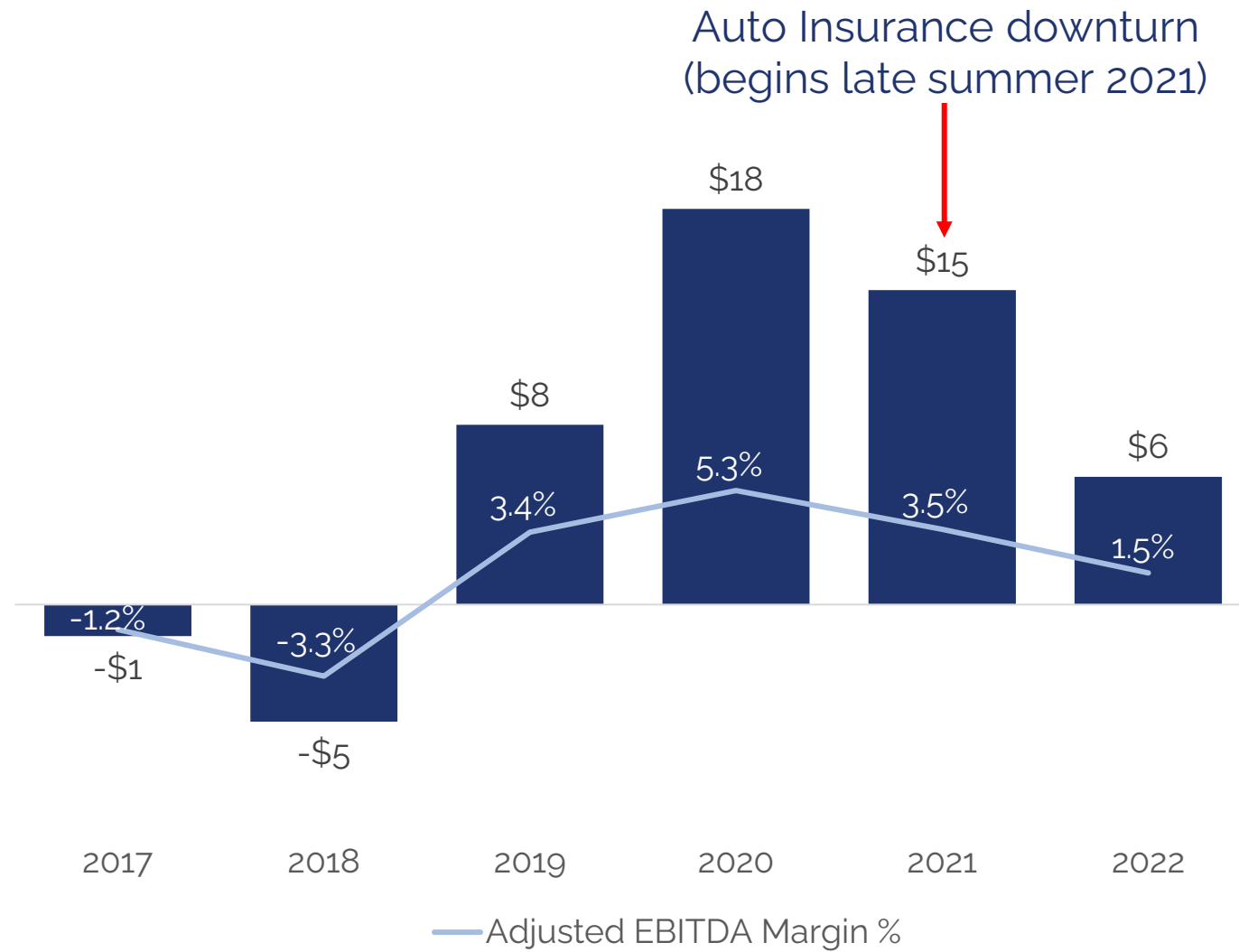
Variable Marketing Margin (\$m)



- Variable Marketing Margin (VMM) grew 29% compounded annually 2017 – 2022
- Proprietary traffic platforms have driven increasing VMM as a percentage of revenue (VMM %) since 2017
- Potential for incremental improvement in VMM % from traffic optimization and product expansion

Focused on Delivering Long-term Profitability

Adjusted EBITDA (\$m)



- Steadily grew Adjusted EBITDA margin until auto downturn occurred in late summer 2021
- Adjusted EBITDA margin expected to “snapback” to pre-downturn levels once auto insurance market substantially recovers
- Post auto insurance market recovery, expect continued margin expansion by improving the efficiency of marketing costs and leveraging operating expenses
- Strategic investments in proprietary technology and data platforms provide key driver for long-term growth

NASDAQ: EVER

Appendix

Key Metrics Definitions

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, 2022 | December 31, 2021 | December 31, 2020 | December 31, 2019 | December 31, 2018 | December 31, 2017 |
| Net loss | (\$24,416) | (\$19,434) | (\$11,202) | (\$7,117) | (\$13,791) | (\$5,070) |
| Stock-based compensation | \$28,986 | \$30,020 | \$24,179 | \$12,721 | \$7,121 | \$1,860 |
| Depreciation & amortization | \$5,848 | \$5,072 | \$3,350 | \$2,186 | \$1,341 | \$1,360 |
| Legal settlement | - | - | - | \$1,227 | - | - |
| Acquisition-related costs/ earnout | (\$4,135) | \$1,065 | \$2,258 | - | - | - |
| Severance under a plan | - | 440 | - | - | - | - |
| Interest (income) expense, net | (\$349) | (\$37) | (189) | (\$669) | (121) | 381 |
| Provision for (benefit from) income taxes | - | (\$2,510) | - | - | - | - |
| Adjusted EBITDA | \$5,934 | \$14,616 | \$18,396 | \$8,348 | (\$5,450) | (\$1,469) |

Reconciliation of Adjusted EBITDA - 3 Months Ended

| (\$ in Thousands) | 3 Months Ended | | | | |
|---|----------------|-------------------|--------------------|----------------|----------------|
| | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 |
| Net loss | (\$2,529) | (\$8,494) | (\$6,451) | (\$3,756) | (\$5,715) |
| Stock-based compensation | \$6,509 | \$6,623 | \$7,233 | \$7,600 | \$7,530 |
| Depreciation & amortization | \$1,407 | \$1,522 | \$1,410 | \$1,405 | \$1,511 |
| Legal settlement | - | - | - | - | - |
| Acquisition-related costs/ earnout | (\$113) | \$632 | (\$96) | (\$3,779) | (\$892) |
| Severance under a plan | - | - | - | - | - |
| Interest (income) expense, net | (\$187) | (\$191) | (\$113) | (\$37) | (\$8) |
| Provision for (benefit from) income taxes | \$286 | - | - | - | - |
| Adjusted EBITDA | \$5,373 | \$92 | \$1,983 | \$1,433 | \$2,426 |