

EVERQUOTE

Investor Presentation
August 2024

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In some cases, you can identify forward-looking statements by terms such as “may,” “should,” “expects,” “might,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential,” “seek,” “would” or “continue,” or the negative of these terms or other similar expressions. The forward-looking statements in this presentation are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition liquidity and results of operations. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. These forward-looking statements speak only as of the date of this presentation and are subject to a number of risks, uncertainties and assumptions described in our annual report on Form 10-K, our quarterly reports on Form 10-Q and our current reports on Form 8-K as filed with the Securities and Exchange Commission (“SEC”) from time to time. Additional information will also be set forth in the Company’s quarterly report on Form 10-Q for the fiscal quarter ended June 30, 2024, which will be filed with the SEC. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. While we may elect to update these forward-looking statements at some point in the future, whether as a result of any new information, future events, or otherwise, we have no current intention of doing so except to the extent required by applicable law. Some of the key factors that could cause actual results to differ include: (1) our dependence on revenue from the property and casualty insurance industries, and specifically automotive insurance, and exposure to risks related to those industries; (2) our dependence on our relationships with insurance providers with no long-term minimum financial commitments; (3) our reliance on a small number of insurance providers for a significant portion of our revenue; (4) our dependence on third-party media sources for a significant portion of visitors to our websites and marketplace; (5) our ability to attract consumers searching for insurance to our websites and marketplace through Internet search engines, display advertising, social media, content-based online advertising and other online sources; (6) any limitations restricting our ability to market to users or collect and use data derived from user activities; (7) risks related to cybersecurity incidents or other network disruptions; (8) risks related to the use of artificial intelligence; (9) our ability to develop new and enhanced products and services to attract and retain consumers and insurance providers, and to successfully monetize them; (10) the impact of competition in our industry and innovation by our competitors; (11) our ability to hire and retain necessary qualified employees to expand our operations; (12) our ability to stay abreast of and comply with new or modified laws and regulations that currently apply or become applicable to our business, including with respect to the insurance industry, telemarketing restrictions and data privacy requirements; (13) our ability to protect our intellectual property rights and maintain and build our brand; (14) our future financial performance, including our expectations regarding our revenue, cost of revenue, variable marketing margin, operating expenses, cash flows and ability to achieve, and maintain, future profitability; (15) our ability to properly collect, process, store, share, disclose and use consumer information and other data; and (16) the future trading prices of our Class A common stock.

The Company’s presentation also contains estimates, projections, & other information concerning the Company’s industry, the Company’s business & the markets for certain of the Company’s products & services, including data regarding the estimated size of those markets. The information concerning our industry contained in this presentation is based on our general knowledge of and expectations concerning the industry. The Company’s market position, market share and industry market size are based on estimates using our internal data and estimates, data from various industry analyses, our internal research and adjustments and assumptions that we believe to be reasonable. Information that is based on estimates, forecasts, projections, market research, or similar methodologies is inherently subject to uncertainties & actual events or circumstances may differ materially from events & circumstances reflected in this information. Unless otherwise expressly stated, the Company obtained this industry, business, market & other data from reports, research surveys, studies & similar data prepared by market research firms & other third parties, from industry, general publications, & from government data & similar sources. We have not independently verified data from these sources and cannot guarantee their accuracy or completeness.

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.



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.

Key Investment Highlights

Insurance Marketplace Leader

Leading Property and Casualty¹ ("P&C") online insurance marketplace providing compelling benefits for consumers and insurance providers

Massive Market Opportunity

\$100b+ in annual P&C insurance distribution and advertising spend in the early phases of shifting online provides **multi-year tailwind**²

Proprietary Tech and Data

Proprietary platforms improving the way **insurance providers attract and connect** with consumers shopping for insurance

Extensive Distribution

Extensive distribution channels with **Carriers** and **Local Agent Network**³

Attractive Business Model

Asset-Light model, with strong operating leverage, well positioned as the auto insurance market recovers to drive strong profitability and cash flow

Company Overview

Company Snapshot

- One of the insurance industry's largest online customer acquisition and distribution platforms
- Highly scalable, data proprietary platform leveraging 3.0b+ consumer data points amassed over a decade¹
- Diversified distribution model: ~75 carriers and ~6,000 3rd party agents across multiple P&C insurance markets
- Founded in 2011 with headquarters in Cambridge, MA; IPO in summer 2018

Compelling Value Proposition

Providers: efficiently acquire consumers

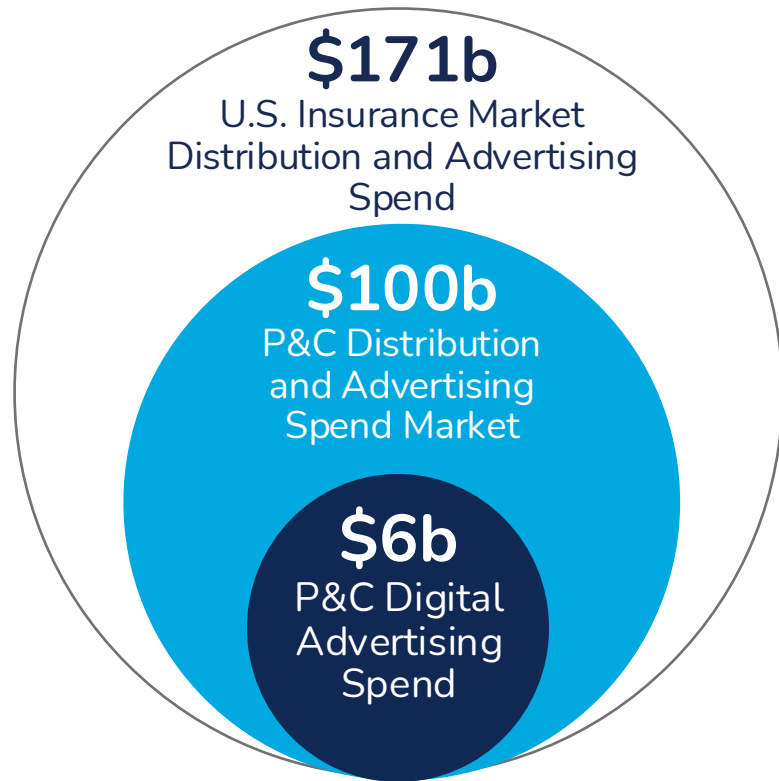
- Large volume of **high intent consumers**
- **Higher ROI** from target-based consumer attributes
- Opportunity to acquire consumer **referrals**

Consumers: saving time and money

- Single destination for **P&C insurance needs**
- **Personalized** shopping experience
- Provide **multiple** quotes, fitting the consumer's needs

Large & Expanding TAM

U.S. Insurance Market: Distribution and Advertising Spend¹



Highlights²

<1%
Estimated share of P&C
Distribution and Advertising
Spend Market

<5%
Estimated share of P&C Digital
Advertising Spend Market

~10%
Estimated Digital Advertising
Spend Growth³

Growth Drivers



*Continued shift of
consumer time spent online*



*Continued shift of
acquisition spend online*



*Continued shift to
digitization of insurance
products and workflows*

The Customer Journey



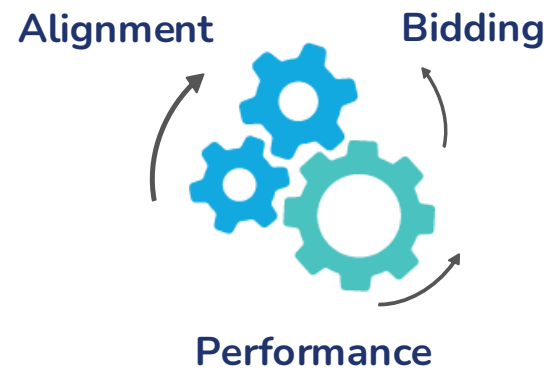
Traffic Channels

- SEM
- Performance Media
- Calls
- Clicks
- Partnerships
- Other¹

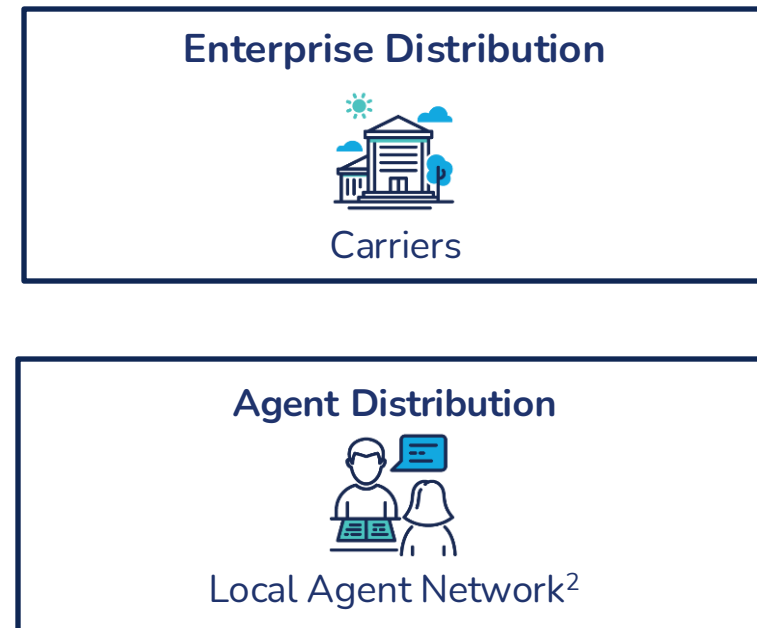
Consumer Arrival



Provider Matching



Provider Engagement

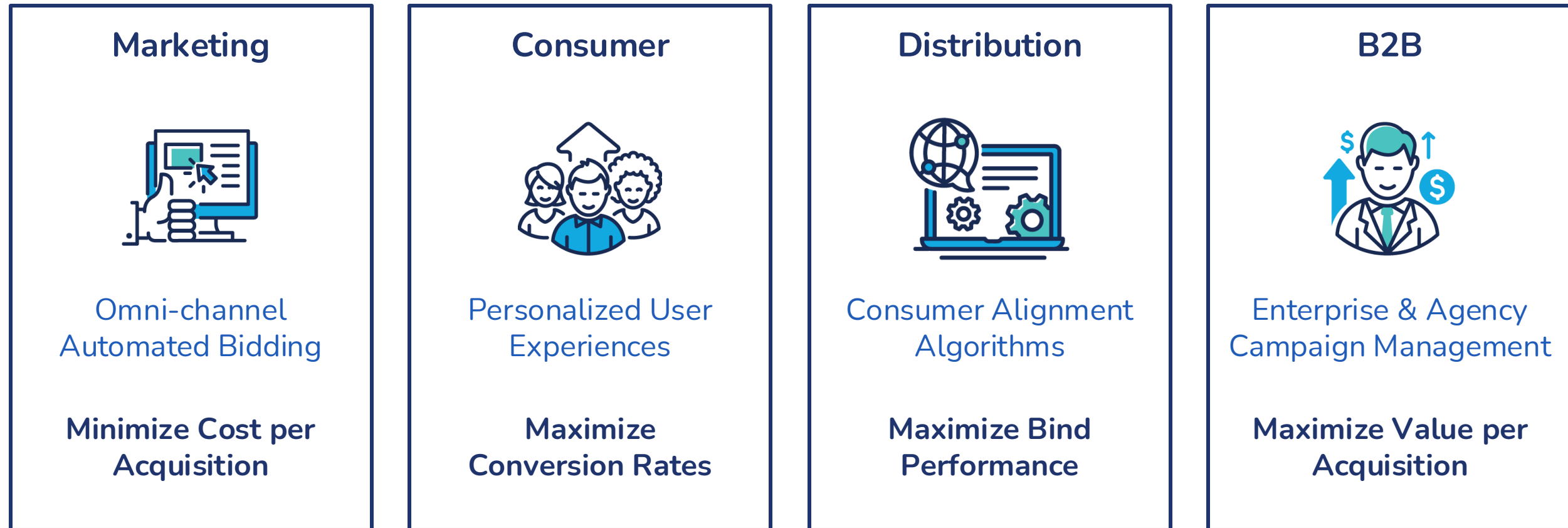


Representative Carriers³



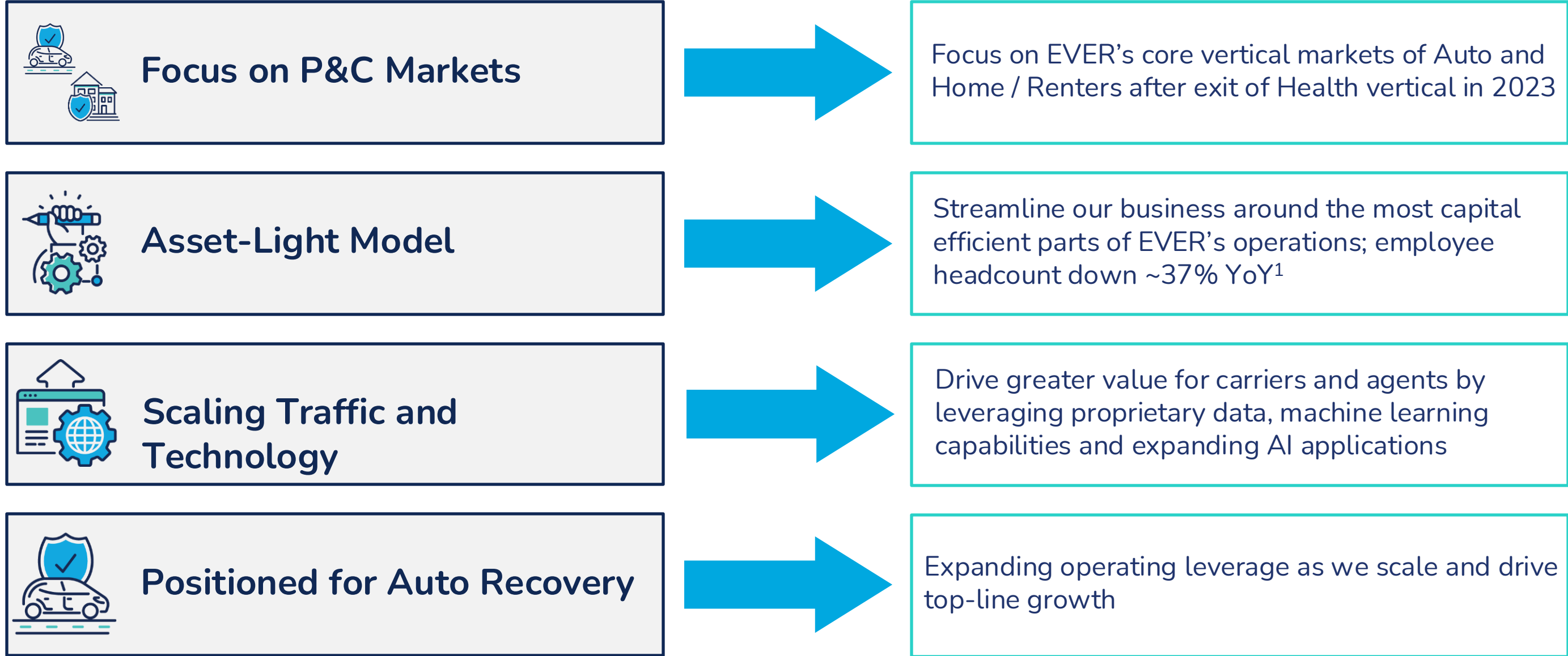
Proprietary Platforms Strengthen Competitive Moat

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



3.0b+ Consumer Submitted Data Points Since Inception¹

2024 Strategic Priorities

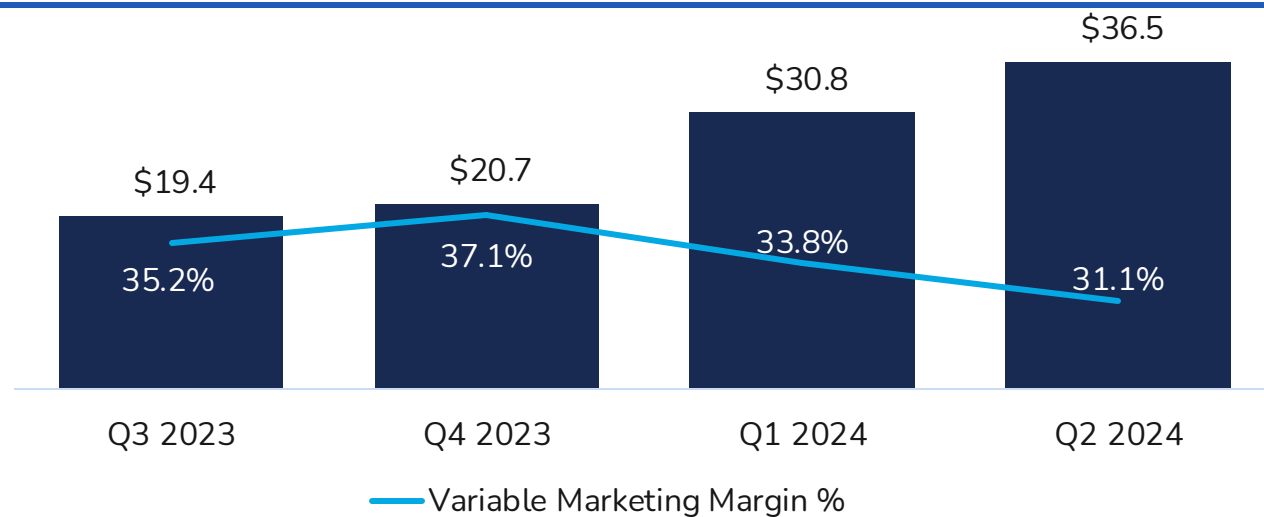


Quarterly Financial Overview Q3 2023 – Q2 2024

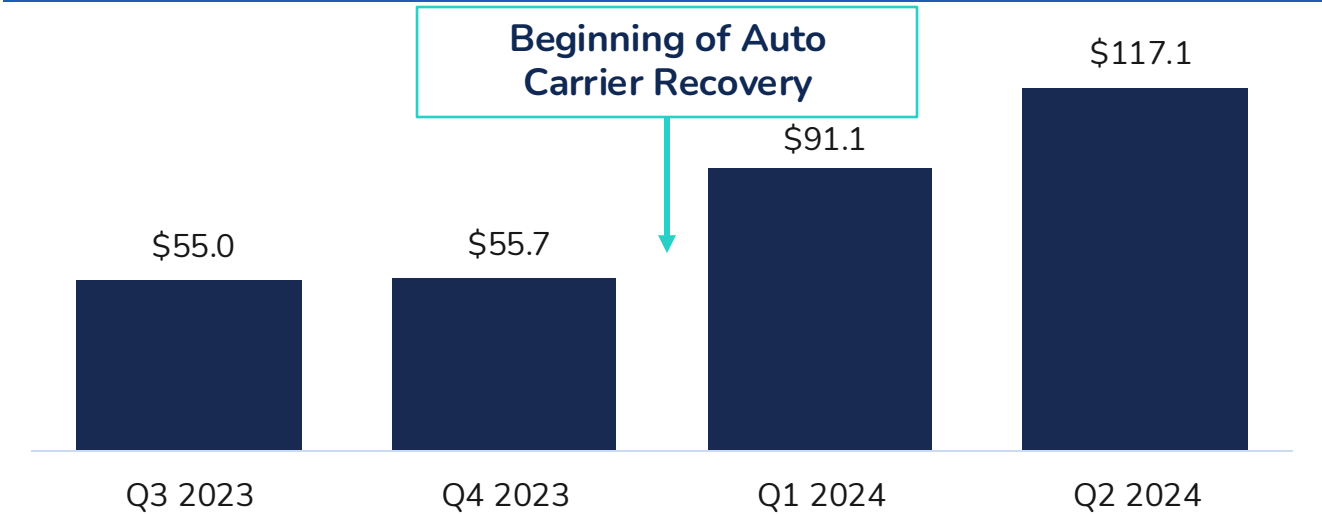
Summary

- Auto carrier recovery is driving significant growth in both Revenue and VMM
- VMM % decreasing (as expected with recovery) due to more competitive advertising environment
- Adjusted EBITDA margin expansion due to strong operating leverage and disciplined expense management

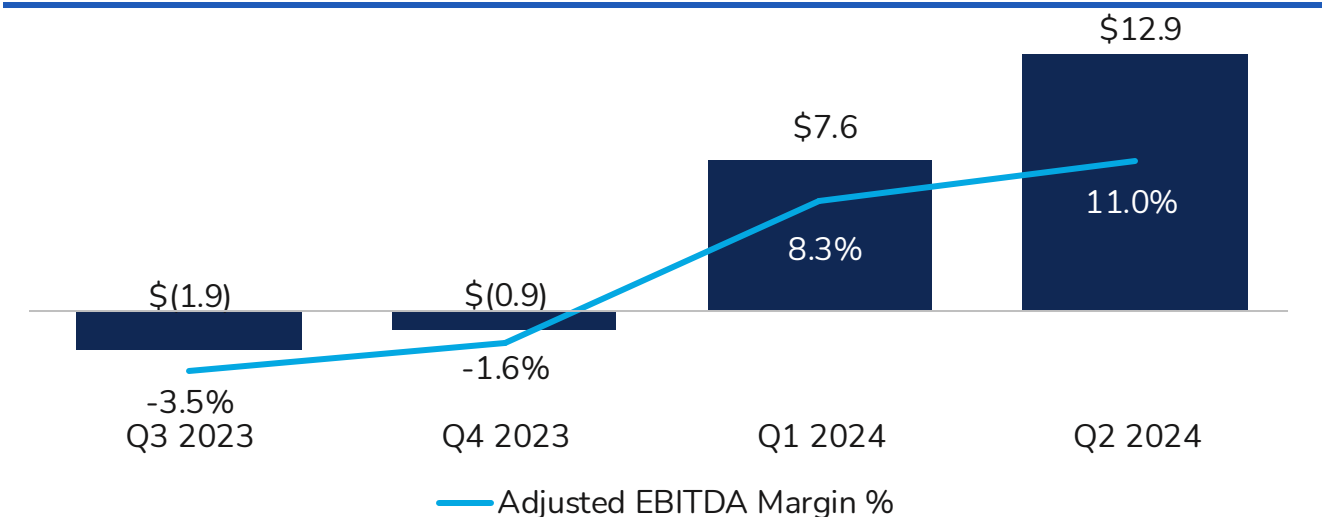
Variable Marketing Margin (\$m)



Revenue (\$m)



Adjusted EBITDA (\$m)



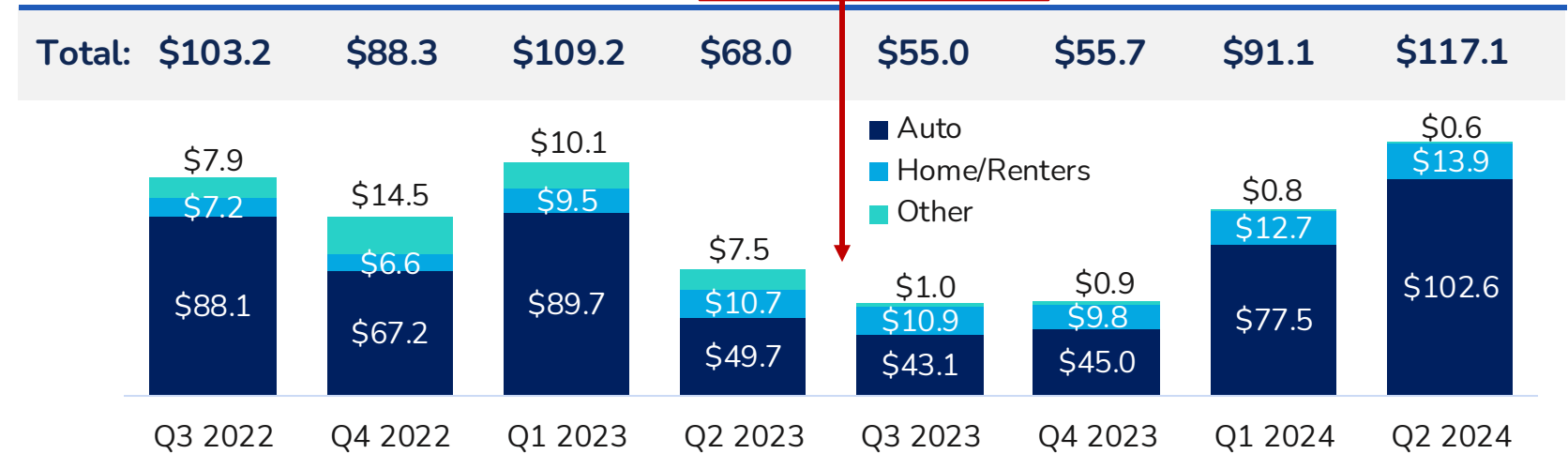
Revenues by Verticals

Q2 Summary

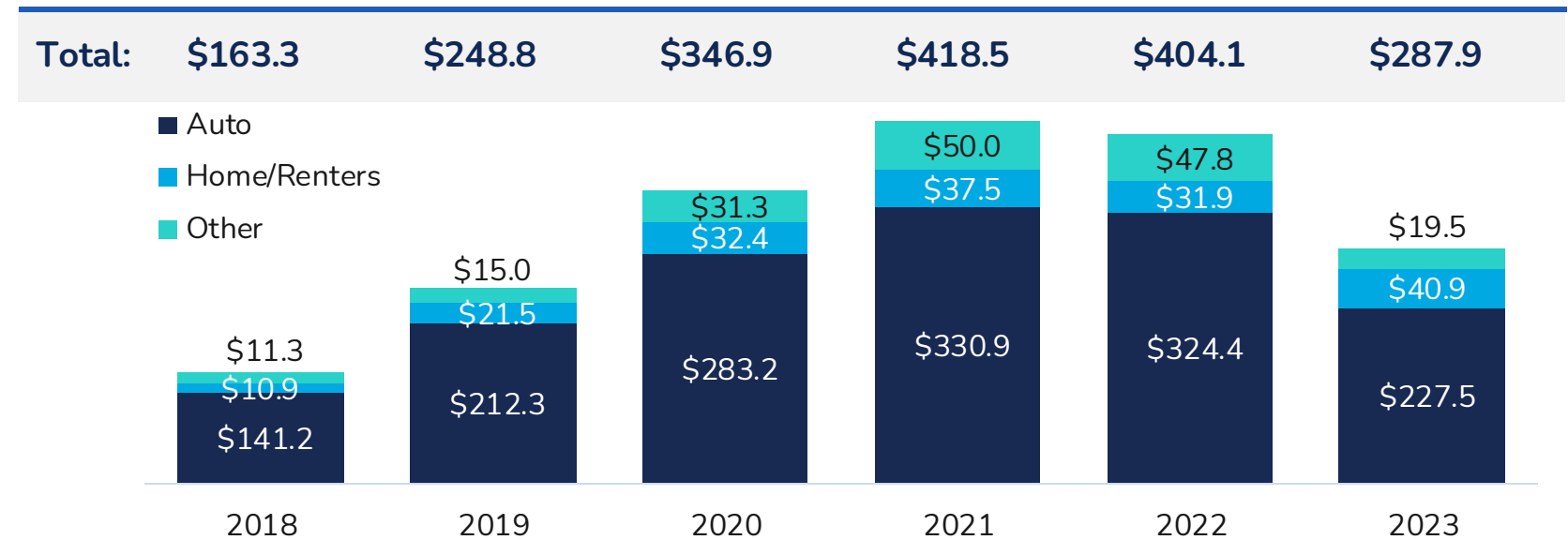
- EVER's Q2 2024 total revenue was a record of \$117.1m
- Auto Q2 2024 revenue increased 106% YoY and 32% QoQ
- Following our exit of the Health insurance vertical at the end of Q2 2023, revenue from our Other¹ vertical significantly declined
- Starting in Q3 2023, EVER started reporting two main verticals - Auto and Home/Renters
- Home/Renters Q2 2024 revenue increased 29% YoY and 9% QoQ

Quarterly Revenue (\$m)

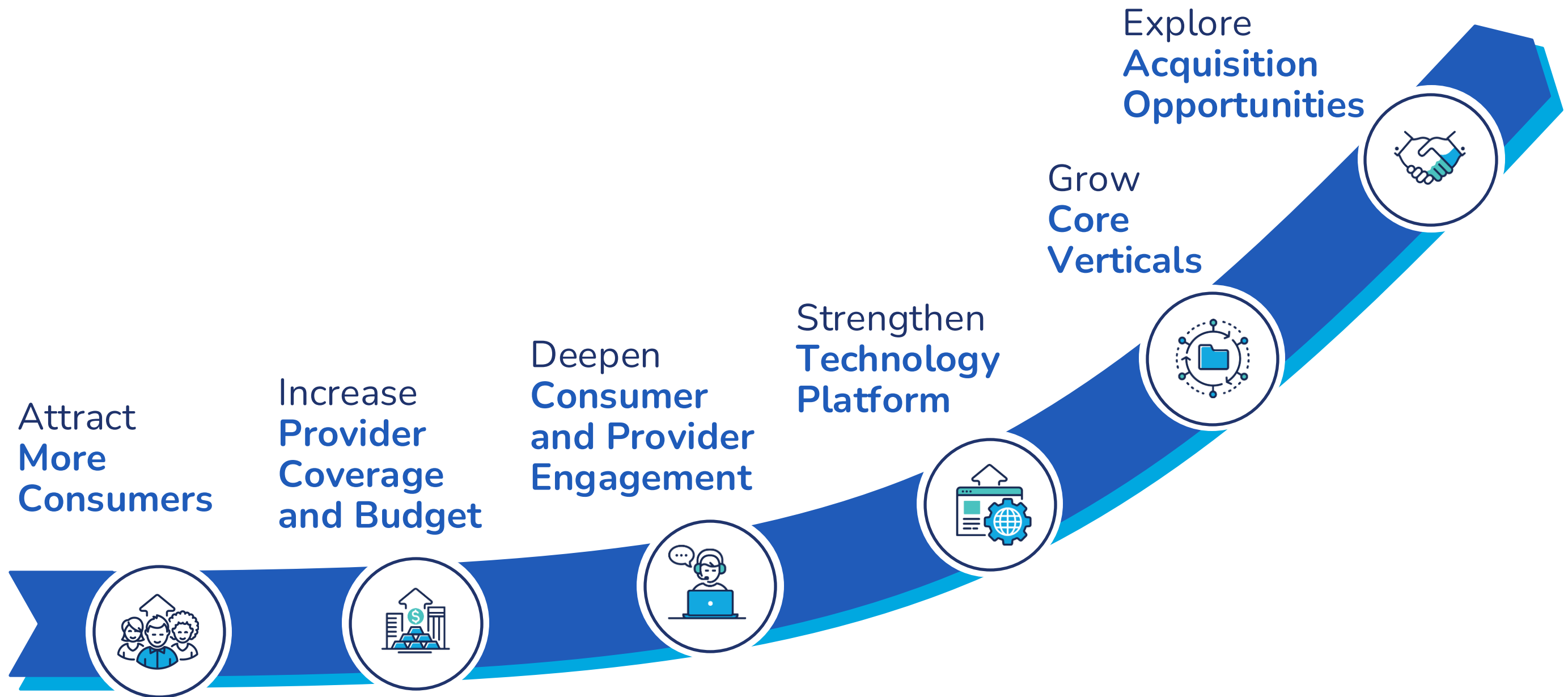
EVER exits Health Insurance Vertical



Annual Revenue (\$m)



Multiple Levers to Drive Future 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, restructuring and other charges, 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, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Net Income (Loss)	(\$51,287)	(\$24,416)	(\$19,434)	(\$11,202)	(\$7,117)	(\$13,791)
Stock-based compensation	\$22,808	\$28,986	\$30,020	\$24,179	\$12,721	\$7,121
Depreciation & amortization	\$6,196	\$5,848	\$5,072	\$3,350	\$2,186	\$1,341
Legal settlement	-	-	-	-	\$1,227	-
Acquisition-related costs/earnout	(\$150)	(\$4,135)	\$1,065	\$2,258	-	-
Restructuring and Other Charges	\$23,568	-	440	-	-	-
Interest (income) expense, net	(\$1,251)	(\$349)	(\$37)	(189)	(\$669)	(121)
Provision for (benefit from) income taxes	\$577	-	(\$2,510)	-	-	-
Adjusted EBITDA	\$461	\$5,934	\$14,616	\$18,396	\$8,348	(\$5,450)

Reconciliation of Adjusted EBITDA - 3 Months Ended

(\$ in Thousands)	3 Months Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Net Income (Loss)	\$6,402	\$1,907	(\$6,348)	(\$29,217)	(\$13,193)
Stock-based compensation	\$5,340	\$4,518	\$4,813	\$5,479	\$6,007
Depreciation & amortization	\$1,236	\$1,263	\$1,075	\$2,251	\$1,463
Legal settlement	-	-	-	-	-
Acquisition-related costs/earnout	-	-	-	-	(\$37)
Restructuring and Other Charges	-	-	(\$21)	\$19,757	3,832
Interest (income) expense, net	(\$456)	(\$386)	(\$382)	(\$411)	(\$271)
Provision for (benefit from) income taxes	\$406	\$286	(\$23)	\$236	\$78
Adjusted EBITDA	\$12,928	\$7,588	(\$886)	(\$1,905)	(\$2,121)