



eHealth[®]
Q4 & FY 2023
Financial
Results

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 estimates regarding Medicare enrollment growth and estimated Medicare membership; our estimates regarding commissions receivable collection and our retention rates; our estimates of constrained lifetime value of commissions per approved member; our 2024 operational priorities, including our local market strategy, branding, and member loyalty and retention strategy; our guidance for total revenue, GAAP net loss, adjusted EBITDA and operating cash flow; our investments in technology and operational initiatives and expected impact of these investments on our business; our expectations regarding our business, industry and market trends, including regulatory proposals, market opportunity, consumer demand and our competitive advantage; and other statements regarding our future operations, financial condition, prospects and business strategies. 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 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.

Earnings Highlights

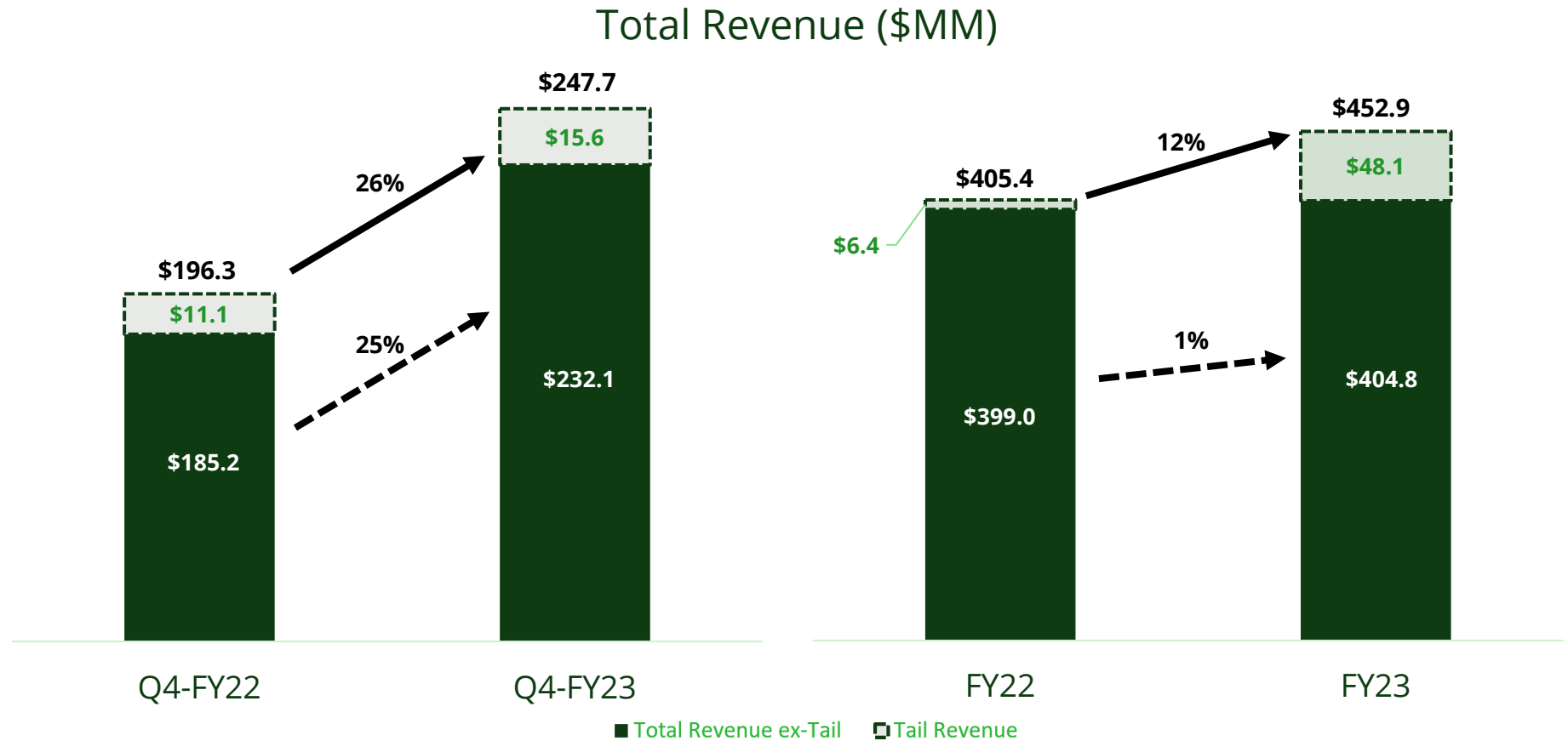
- **Q4 2023 total revenue increased 26% year-over-year to \$247.7 million**, including \$15.6 million in positive net adjustment revenue reflective of continued positive trends in beneficiary persistency commissions payments. This compares to positive net adjustment revenue of \$11.1 million in Q4 2022.
- **Medicare Advantage approved members** for Q4 of 2023 were 159,595, an increase of 22% year-over-year
- **Q4 2023 Medicare Advantage LTV increased 11% to \$1,151 from \$1,033 in Q4 2022**, driven primarily by favorable member retention and carrier mix, among other factors.
- **Operating cash flow of (\$6.7) million for the twelve months ended December 31, 2023** outperformed the high end of our guidance range and represents a significant improvement from operating cash flow for the twelve months ended December 31, 2022 of (\$26.9) million.
- **Q4 2023 GAAP net income** of \$52.2 million improved \$31.5 million compared to Q4 2022 GAAP net income of \$20.7 million.
- **Q4 2023 adjusted EBITDA⁽¹⁾** of \$69.6 million improved \$20.1 million compared to Q4 2022 adjusted EBITDA⁽¹⁾ of \$49.5 million.
- **Q4 2023 online unassisted conversion** rate increased more than 20% year-over-year.
- **Medicare Advantage per unit gross margin⁽²⁾** expanded year-over-year from 29% in Q4 2022 to 32% in Q4 2023.

(1) Adjusted EBITDA is calculated by excluding dividends for preferred stock and change in preferred stock redemption value (together the "impact from preferred stock"), provision for (benefit from) income taxes, depreciation and amortization, stock-based compensation expense, impairment, restructuring and other charges, interest expense, other income (expense), net, and other non-recurring charges from GAAP net income (loss) attributable to common stockholders. Other non-recurring charges to GAAP net income (loss) attributable to common stockholders may include transaction expenses in connection with capital raising transactions (whether debt, equity or equity-linked) and acquisitions, whether or not consummated, purchase price adjustments and the cumulative effect of a change in accounting principles.

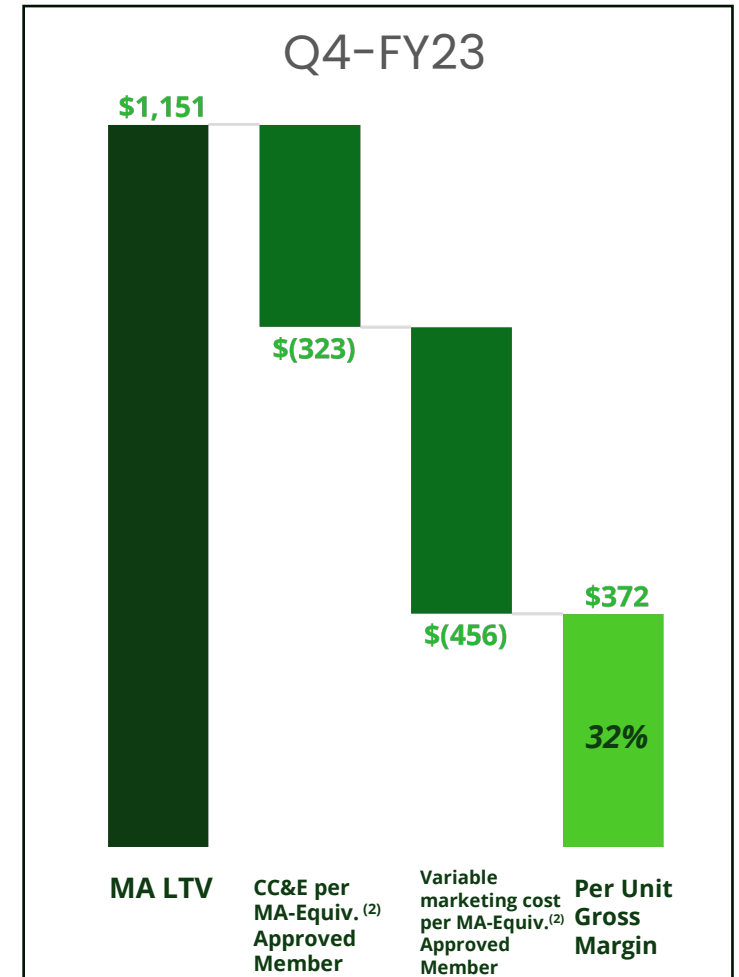
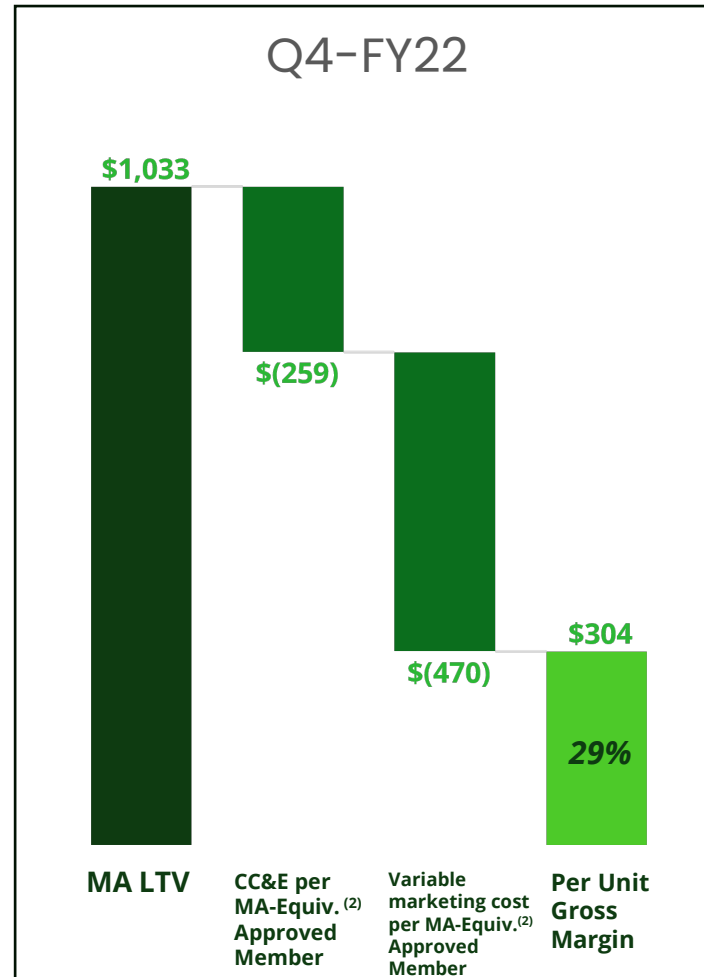
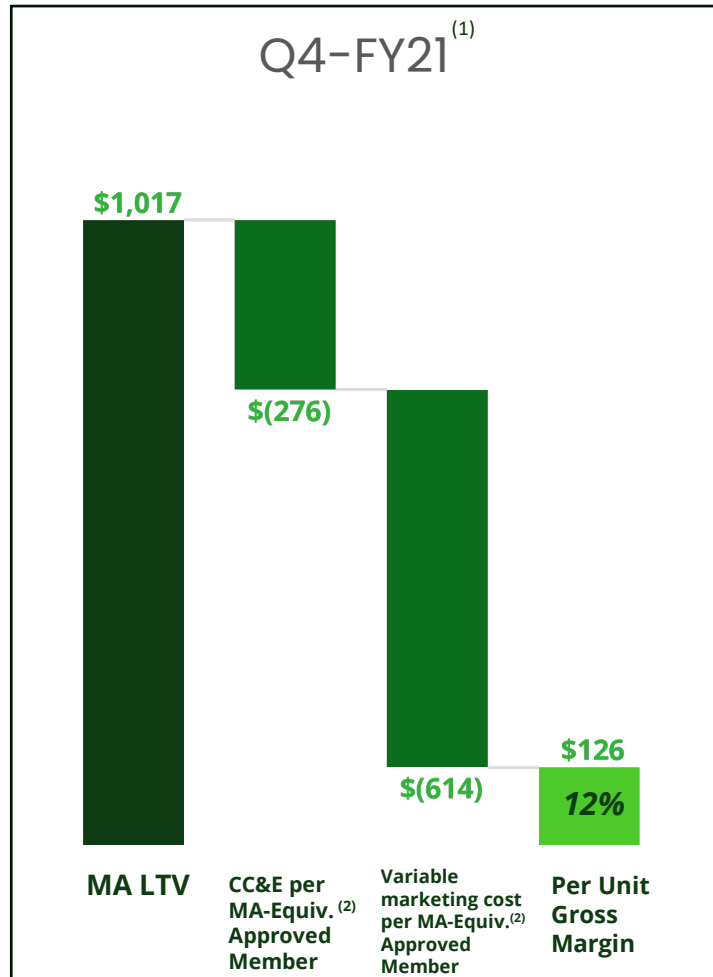
(2) We define Medicare Advantage per unit gross margin as the sum of Medicare customer care and enrollment cost (CC&E) and Medicare variable marketing cost per MA-equivalent approved member divided by Medicare Advantage LTV per approved member.

Q4 & FY 2023 Total Revenue Grew Year-over-Year

Q4 '23 total revenue grew 26% y/y, driven by strong performance within our Medicare segment reflecting approved Medicare member growth, increase in our MA LTVs and positive net adjustment (tail) revenue.



Another AEP with Expanded Unit Margins Year-Over-Year

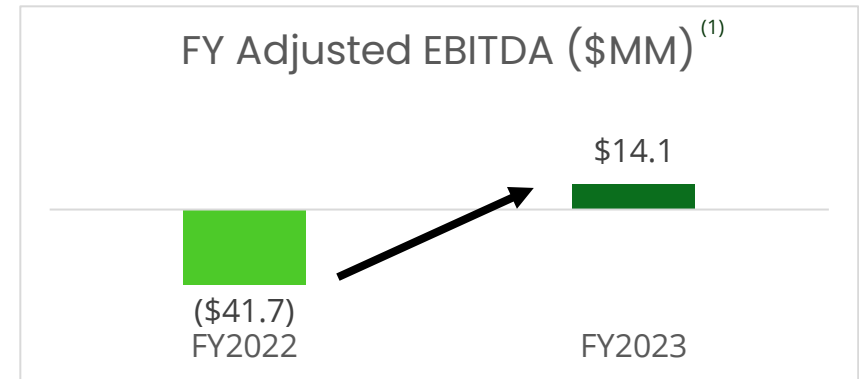
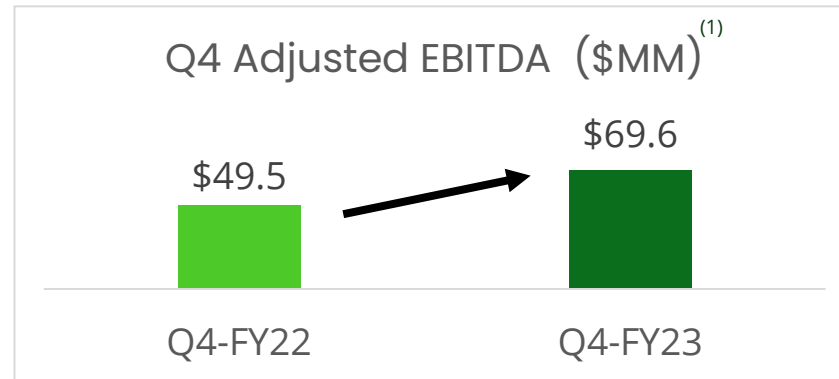
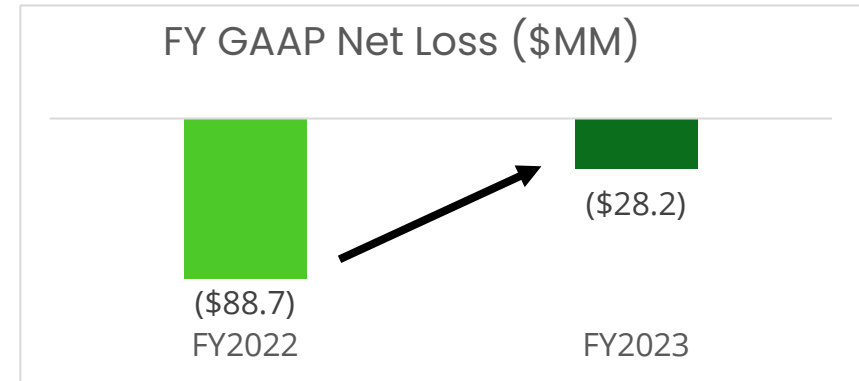
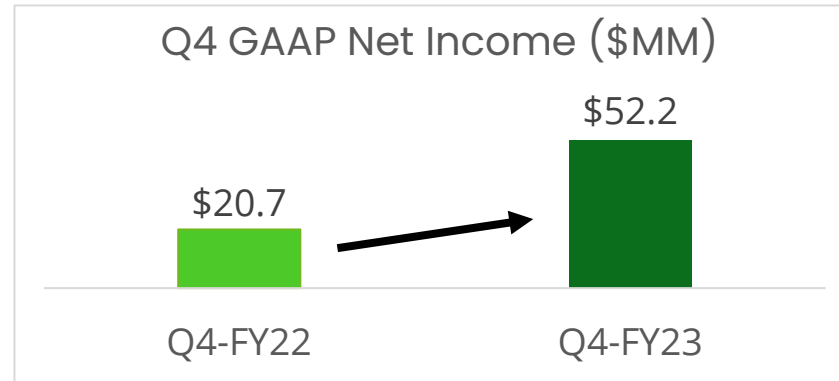


(1) Sums may not foot due to rounding.

(2) The number of MA-equivalent approved members is calculated by adding the total number of approved Medicare Advantage and Medicare Supplement members and 25% of the total number of approved Medicare Part D members during the period presented.

Q4 & FY 2023 Profitability Improved Year-Over-Year

On a year-over-year basis, FY 2023 GAAP Net Income improved \$60.5 million, and adjusted EBITDA⁽¹⁾ improved \$55.7 million compared to FY 2022.

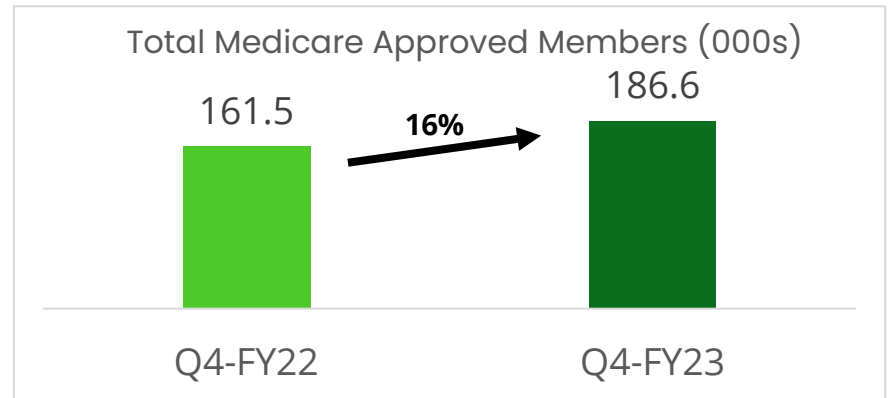
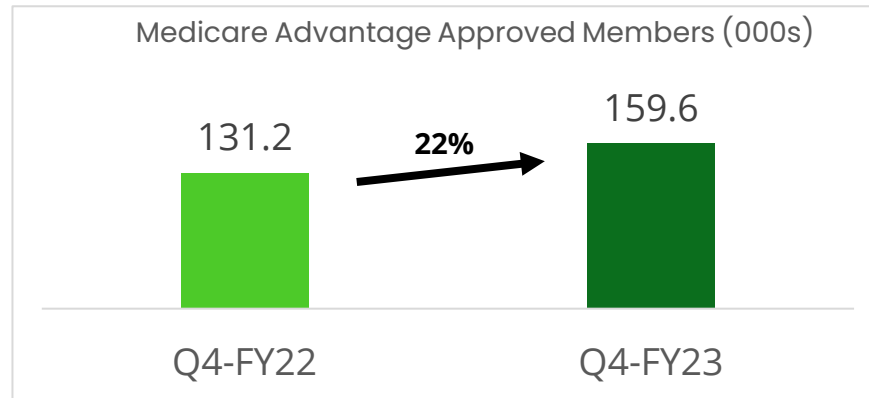
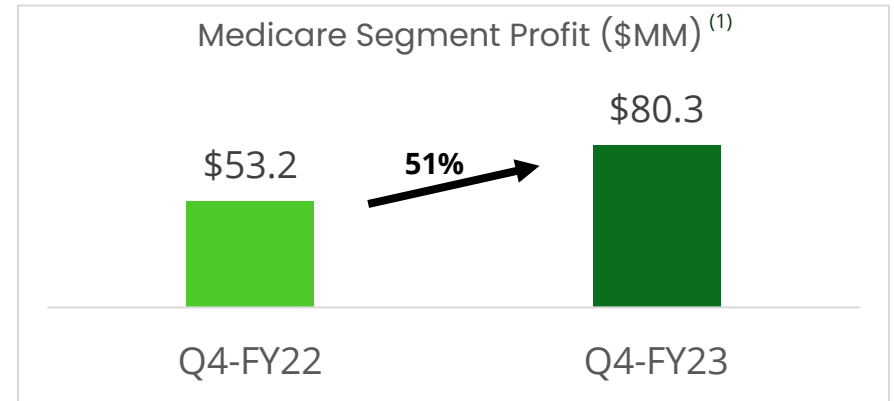
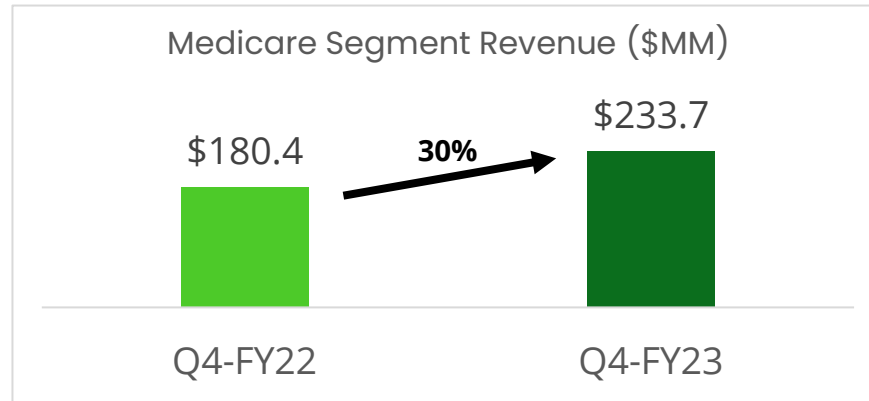


(1) Adjusted EBITDA is calculated by excluding the impact from preferred stock, provision for (benefit from) income taxes, depreciation and amortization, stock-based compensation expense, impairment, restructuring and other charges, interest expense, other income (expense), net, and other non-recurring charges from GAAP net income (loss) attributable to common stockholders. Other non-recurring charges to GAAP net income (loss) attributable to common stockholders may include transaction expenses in connection with capital raising transactions (whether debt, equity or equity-linked) and acquisitions, whether or not consummated, purchase price adjustments and the cumulative effect of a change in accounting principles.

Q4 Medicare Segment Performance

Q4 '23 Medicare Advantage approved members increased 22% year-over-year.

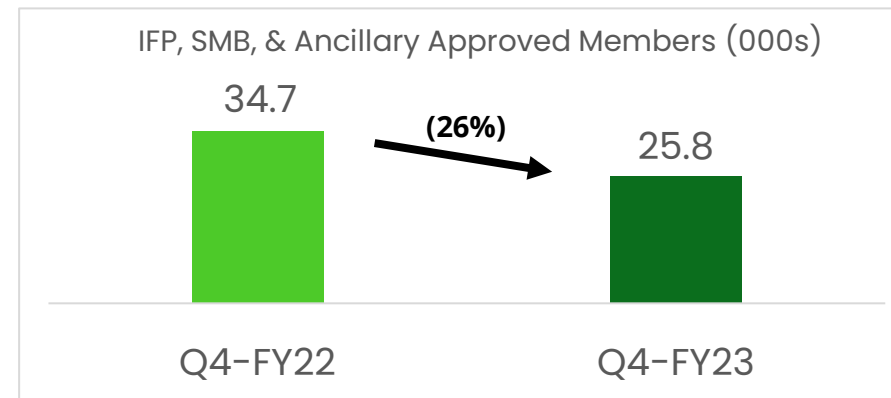
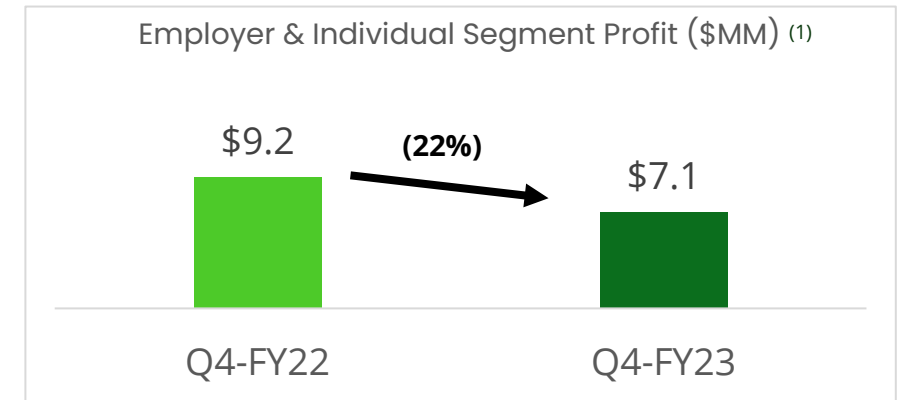
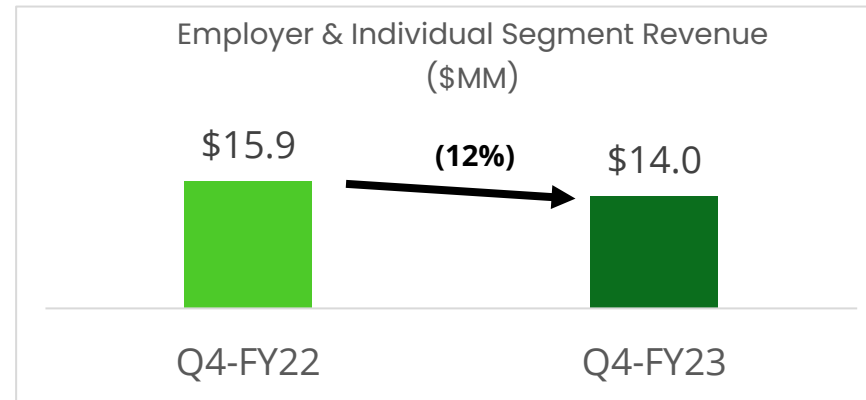
Total Q4 '23 Medicare approved members grew 16% year-over-year, reflecting growth in Medicare Supplement applications and a decline in Part D enrollments, part of a continued market-wide shift away from standalone drug plans.



(1) Segment profit is calculated as total revenue for the applicable segment less direct and indirect allocated marketing and advertising, customer care and enrollment, technology and content and general and administrative operating expenses, excluding stock-based compensation expense, depreciation and amortization, impairment, restructuring and other charges, interest expense and other income (expense), net.

Q4 Employer & Individual (E&I) Segment Performance

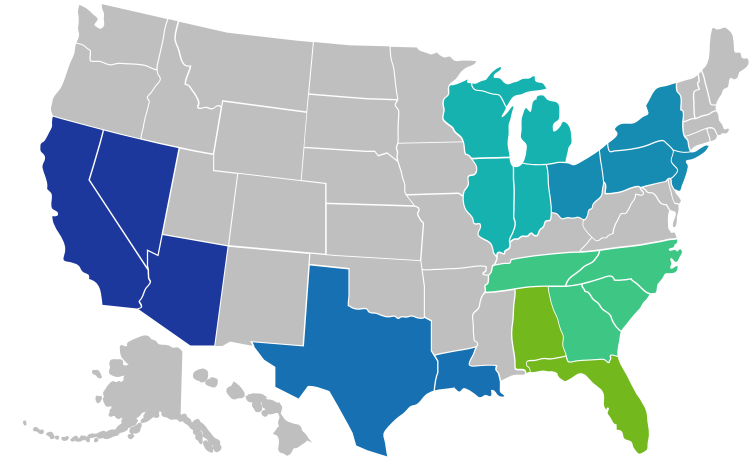
Q4 '23 Employer and Individual segment results reflect a year-over-year decrease in enrollment volume, and roughly flat LTVs.



(1) Segment profit is calculated as total revenue for the applicable segment less direct and indirect allocated marketing and advertising, customer care and enrollment, technology and content and general and administrative operating expenses, excluding stock-based compensation expense, depreciation and amortization, impairment, restructuring and other charges, interest expense and other income (expense), net.

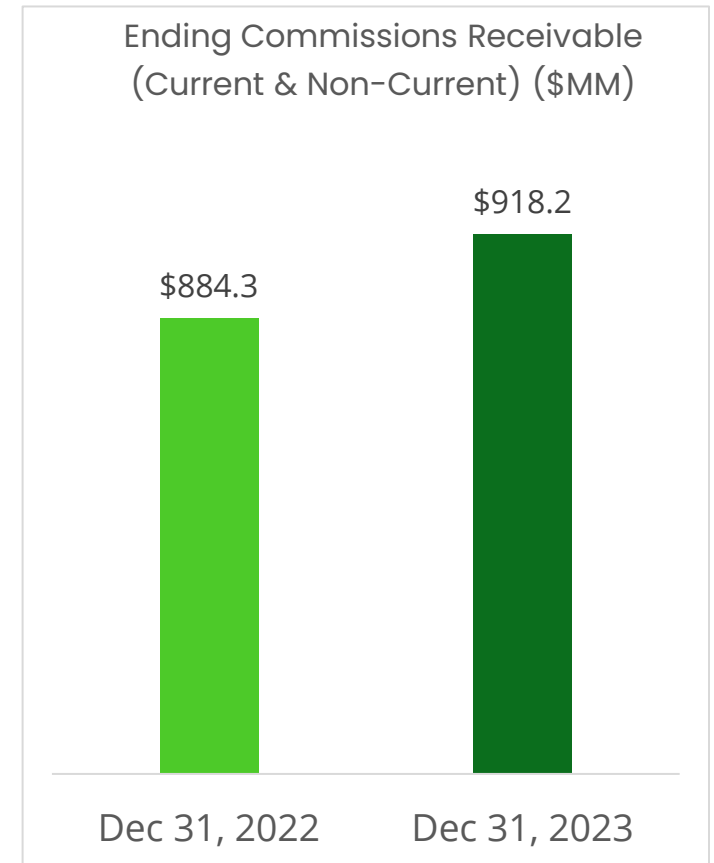
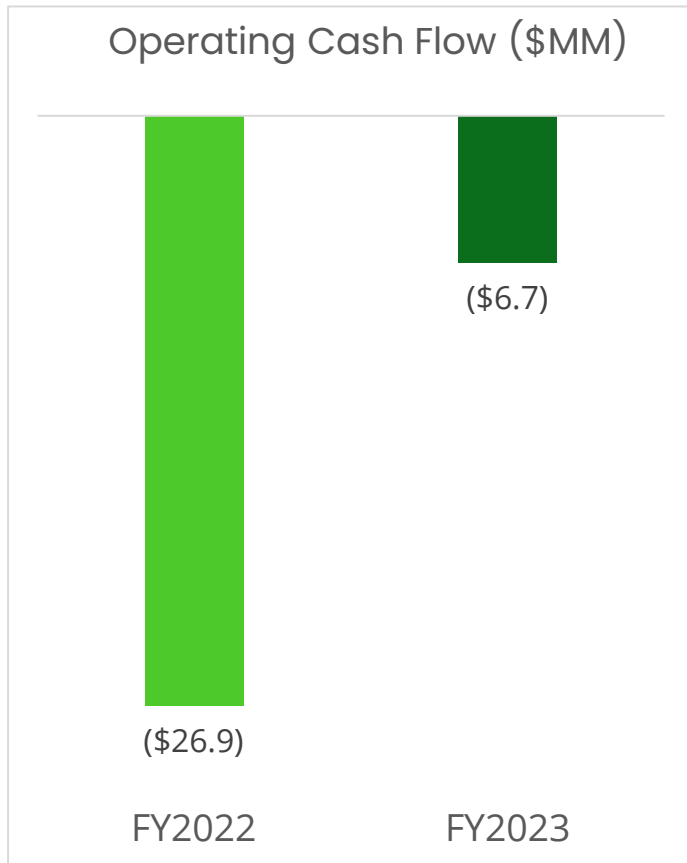
Local Markets Strategy Showing Strong Results

- Born from the idea that “healthcare is local.” Aligned with local provider networks, pharmacies & strategic partners.
- Seeing success in several metrics: Local market enrollments convert at higher rates and have a lower early cancellation rate than national enrollments.
- In Q4 '23 **Local Market agents converted 13% better** relative to our national agents.
- Plan to deepen our investment in existing local markets in 2024.



Cash Flow & Balance Sheet Highlights

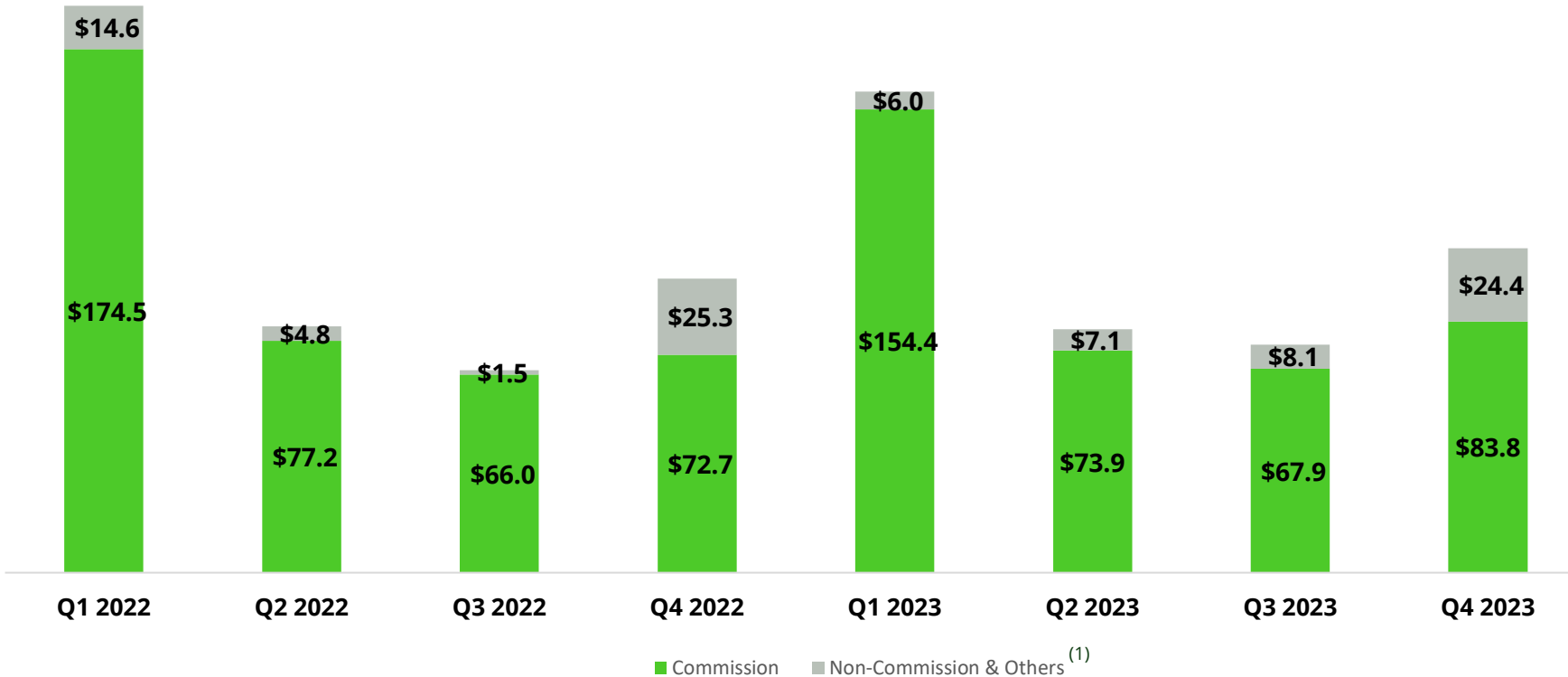
Year-over-year growth in ending commissions receivable balance reflects Q4 enrollment growth and the upward revisions to our receivable that flowed through our income statement in the form of tail revenue. Fiscal 2023 operating cash flow improved year-over-year, driven by year-over-year improvements in operating cash flow Q1 through Q3 of 2023.



Total Cash Collected by Revenue Type

Commission cash collections grew 15% year-over-year in Q4 2023. This reflects the increase in commission payments that we have experienced over the past year in conjunction with improved retention within our Medicare book of business.

Cash Collected by Revenue Type (\$MM)



(1) We distinguish between commission and non-commission based cash collections using the same methodology we use to distinguish between commission revenue and revenue from non-commission sources, which can be found in our Annual Report on form 10-K filed with the SEC on March 1, 2023.

FY24 Operational Priorities

1

Grow revenue year-over-year while producing positive adjusted EBITDA

2

Advance our local market focused, omni-channel enrollment engine to drive higher conversions and greater margins

3

Launch the next phase of our member loyalty & retention strategy

4

Drive our B2B strategy and fortify the organizational foundation that supports our strategic partners and direct-to-employer opportunities

5

Enhance eHealth's comprehensive product portfolio beyond Medicare Advantage agency business to drive year-round growth

FY24 Guidance

2024 guidance includes an estimate for positive net adjustment revenue in the range of \$0 to \$15 million reflective of potential tail revenue that was previously constrained.

2024 Full Year Guidance	Range (in millions)
Total Revenue	\$450 – \$475
GAAP Net Income (Loss)	(\$40) – (\$20)
Adjusted EBITDA ⁽¹⁾	(\$5) – \$20
Operating Cash Flow	(\$15) – (\$5)

(1) Adjusted EBITDA is calculated by excluding the impact from preferred stock, provision for (benefit from) income taxes, depreciation and amortization, stock-based compensation expense, impairment, restructuring and other charges, interest expense, other income (expense), net, and other non-recurring charges from GAAP net income (loss) attributable to common stockholders. Other non-recurring charges to GAAP net income (loss) attributable to common stockholders may include transaction expenses in connection with capital raising transactions (whether debt, equity or equity-linked) and acquisitions, whether or not consummated, purchase price adjustments and the cumulative effect of a change in accounting principles.

Appendix



GAAP Net Income (Loss) Attributable to Common Stockholders to Adjusted EBITDA Reconciliation

(In thousands, unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
GAAP net income (loss) attributable to common stockholders	\$ 41,691	\$ 12,572	\$ (66,515)	\$ (119,414)
Preferred stock dividends	5,321	4,937	20,965	19,357
Change in preferred stock redemption value	5,178	3,162	17,336	11,335
GAAP net income (loss)	52,190	20,671	(28,214)	(88,722)
Stock-based compensation expense	5,472	4,382	23,213	20,316
Depreciation and amortization	4,775	5,423	19,916	21,108
Impairment, restructuring and other charges	—	8,926	—	19,616
Interest expense	2,852	2,382	10,974	7,627
Other income, net	(1,953)	(1,541)	(9,453)	(3,951)
Provision for (benefit from) income taxes	6,279	9,231	(2,381)	(17,667)
Adjusted EBITDA	<u>\$ 69,615</u>	<u>\$ 49,474</u>	<u>\$ 14,055</u>	<u>\$ (41,673)</u>

Reconciliation of Non-GAAP Financial Measures to Guidance

	<i>(in millions)</i>	
	Full Year 2024 Guidance	
	Low	High
GAAP net loss attributable to common stockholders	\$ (85.0)	\$ (65.0)
Impact from preferred stock	45.0	45.0
GAAP net income (loss)	(40.0)	(20.0)
Stock-based compensation expense	20.0	17.0
Depreciation and amortization	19.0	18.0
Impairment, restructuring and other charges	1.0	1.0
Interest expense	11.0	10.0
Other expense, net	(8.0)	(9.0)
Benefit from income taxes	(8.0)	3.0
Adjusted EBITDA	<u>\$ (5.0)</u>	<u>\$ 20.0</u>