

Q2 2020 Financial Results

Conference Call Slides

eHealth[®]



July 23, 2020

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 long term financial goals, including projections and targets for revenue, adjusted EBITDA, adjusted EBITDA margin, operating cash flow, and lifetime values; our estimates regarding Medicare membership; our expectations of Medicare Major Medical online application percentage and Medicare Advantage Plan member turnover rate; and our guidance for the full year ending December 31, 2020, including our guidance for total revenue and revenue from our Medicare segment and our Individual, Family and Small Business segment, GAAP net income, Adjusted EBITDA, profit from our Medicare segment and our Individual, Family and Small Business segment, Corporate shared service expense, cash used in operations and cash used for capital expenditures, and GAAP net income per diluted share and non-GAAP net income per diluted share. 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 earnings release issued by eHealth, Inc. on July 23, 2020 announcing its second quarter 2020 results. However, we have not reconciled our projected EBITDA from 2021 through 2024 to our projected GAAP net income, because we cannot reasonably predict certain items in the reconciliation, including stock-based compensation expense and provision to income taxes, and the reconciliation is not available without unreasonable effort. 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.

eHealth Q2 2020 Highlights

Delivering strong revenue and Medicare enrollment growth, while reducing acquisition costs per approved member

Updating our 5-year financial plan given significant outperformance to date



Q2 2020 revenue grew 35% compared to Q2 2019



Medicare segment revenue grew 54% year-over-year, with segment profit growing 120%



Total Medicare approved members increased by 46% year-over-year and Medicare Advantage approved members increased 65%



Total Medicare estimated cost per approved member decreased 7% year-over-year

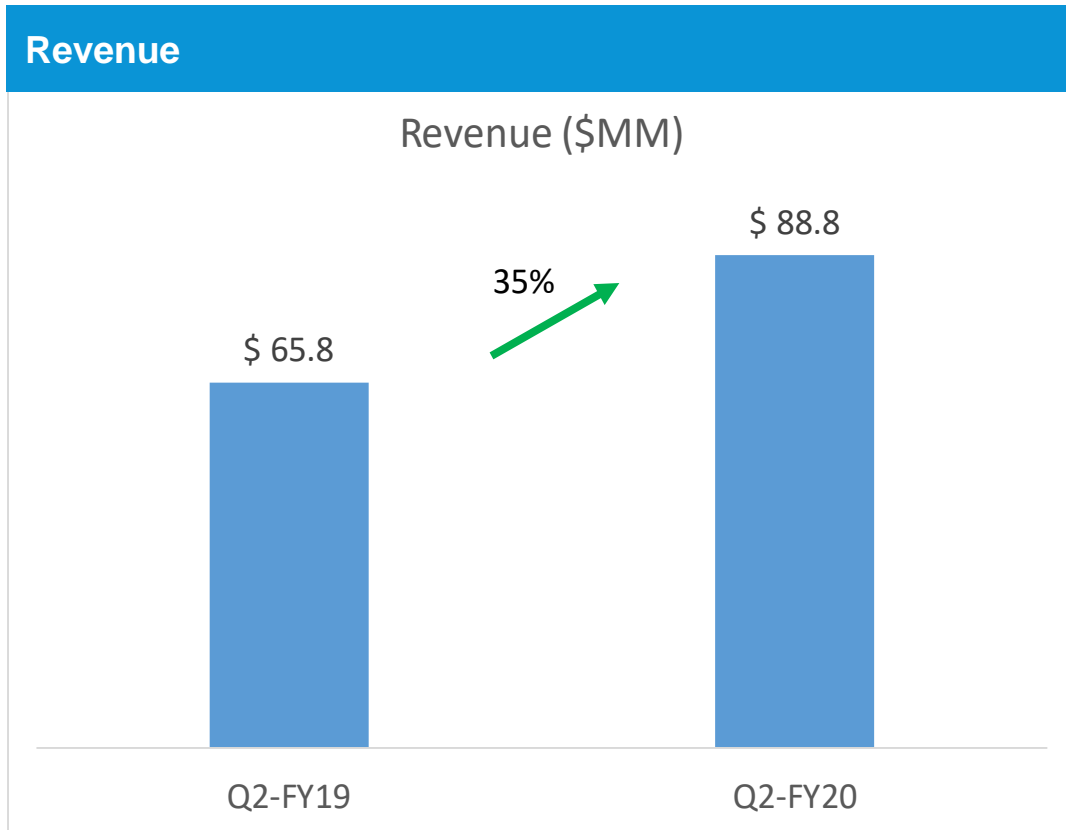


30% of Medicare major medical applications submitted online, compared to 11% in Q2 2019⁽¹⁾

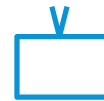


Increased 2020 annual revenue, adjusted EBITDA and GAAP net income guidance for the second time this year

Q2 2020 Revenue



Continue to **achieve rapid growth** in new Medicare enrollments driven by strong consumer demand on our platform and effective demand conversion through our omni-channel consumer engagement platform

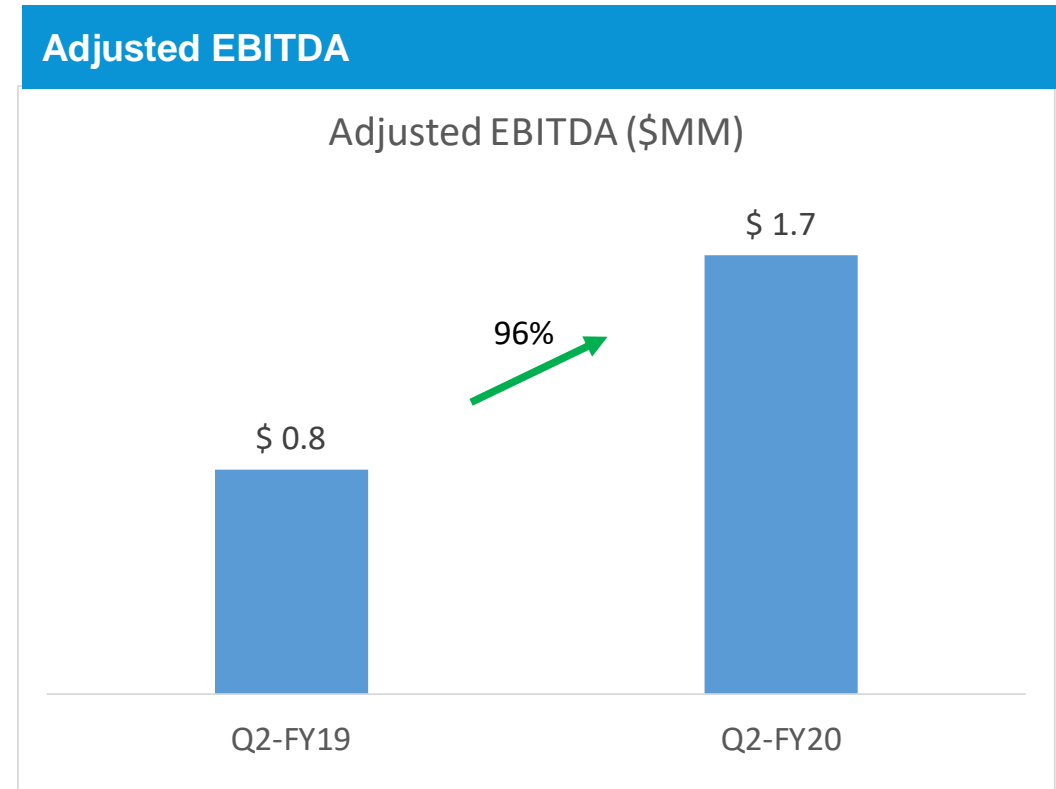
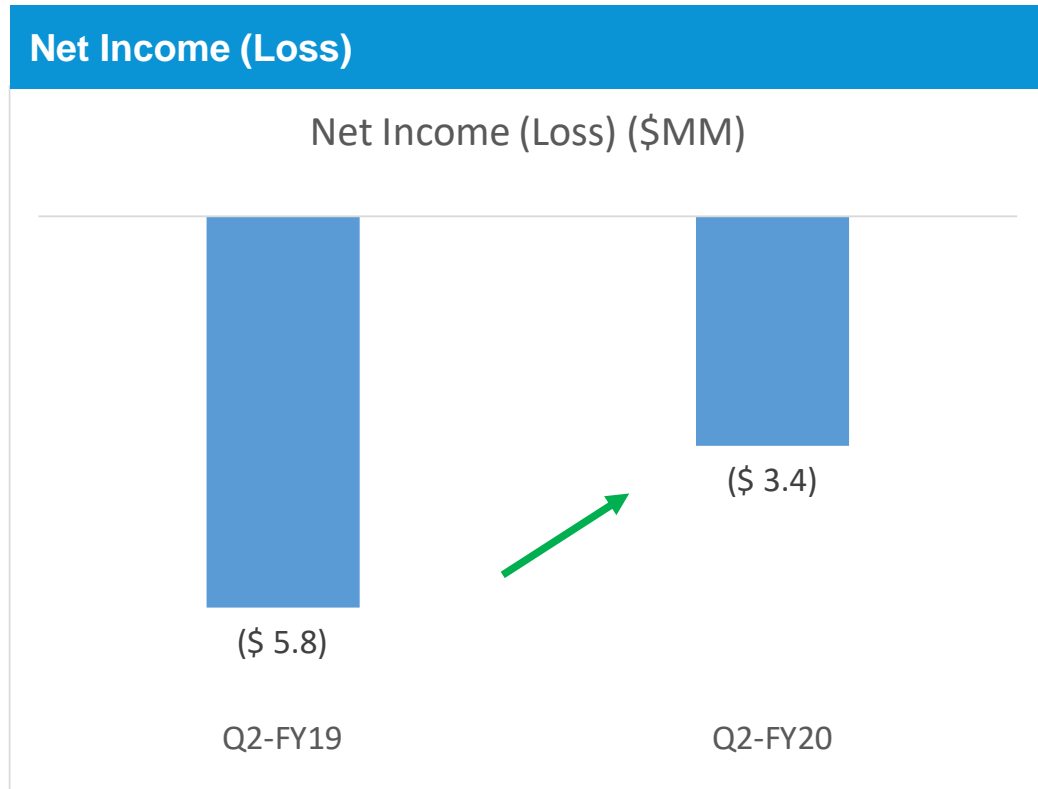


Direct-to-consumer channels providing customer traffic through digital advertising, direct response TV, direct mail, e-mail and organic search initiatives



Strategic partnerships with large retail pharmacies, hospitals and other affinity groups remain a substantial driver of new business

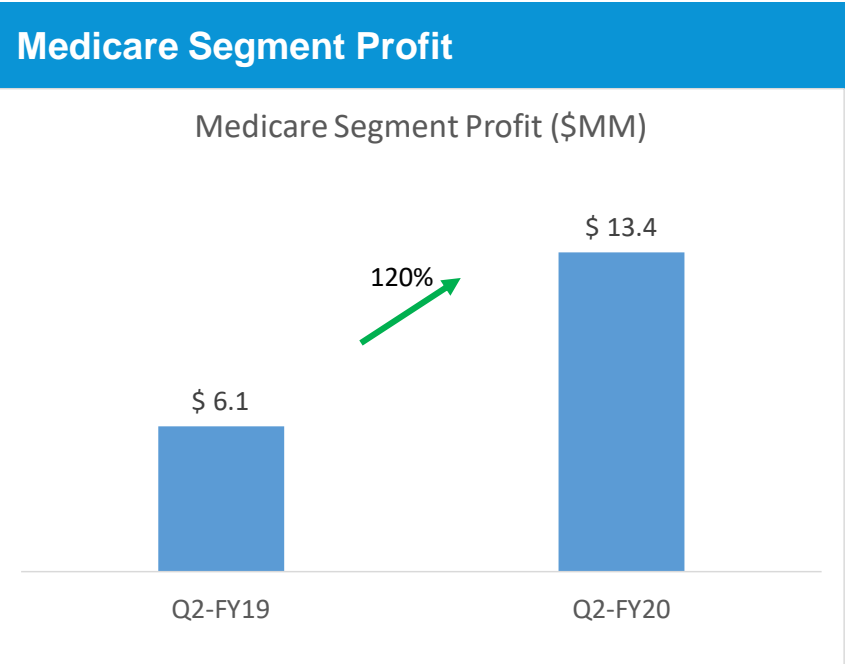
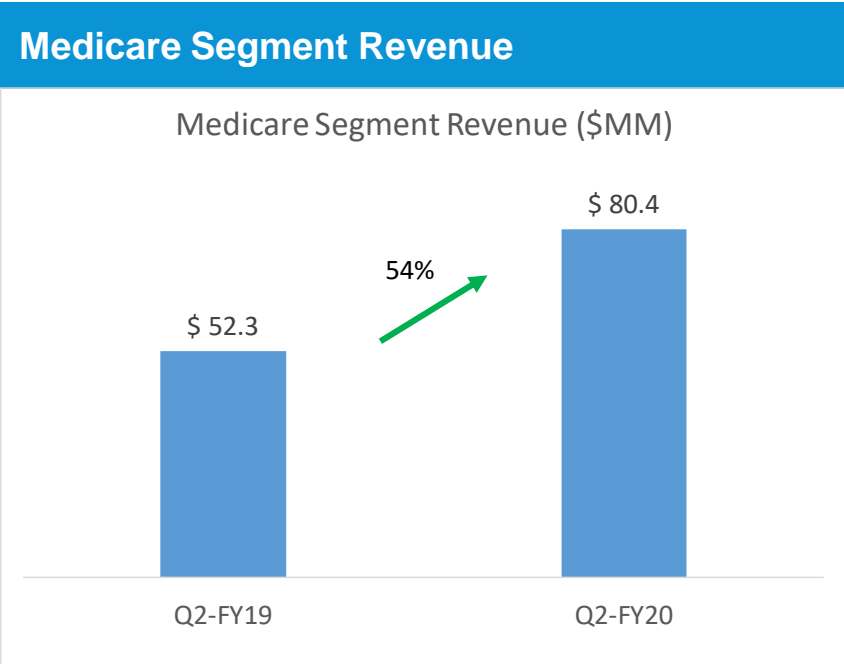
Q2 2020 Net Income (Loss) and Adj. EBITDA⁽¹⁾



(1) Adjusted EBITDA is calculated by adding stock-based compensation expense, change in fair value of earnout liability related to our acquisition of GoMedigap, depreciation and amortization, amortization of intangible assets, other income, net, and benefit from income taxes to GAAP net loss.

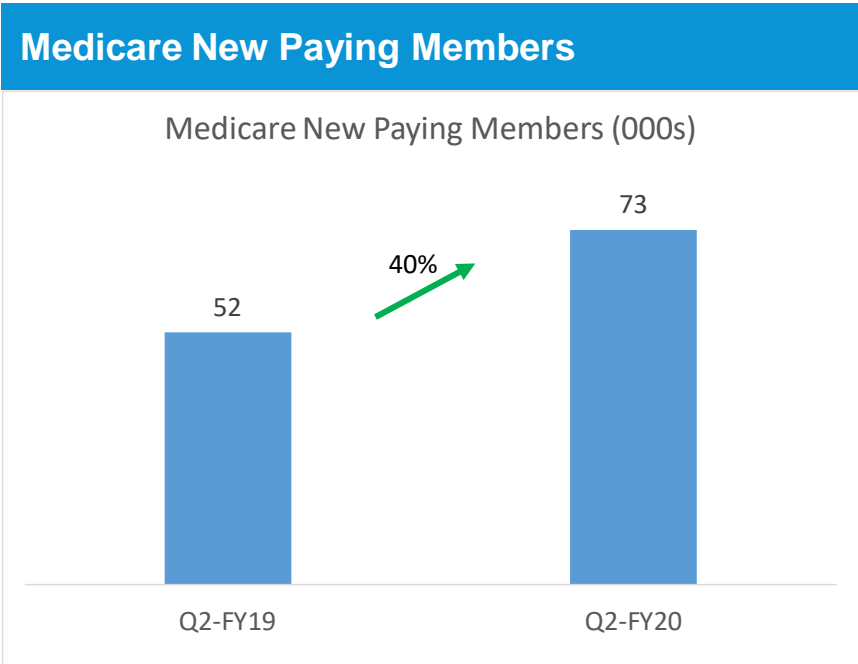
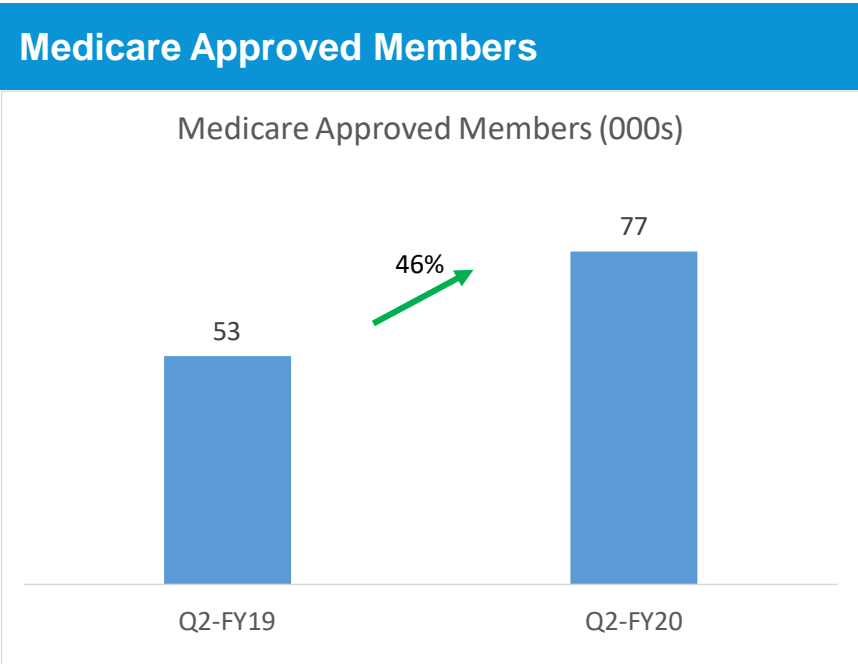
Q2 2020 Medicare Segment Revenue and Profit

Our estimated number of revenue generating Medicare members was approximately 716,000 at the end of the second quarter, an increase of 37% year-over-year



Q2 2020 Medicare Approved Members⁽¹⁾ and New Paying Members⁽²⁾

Strong Medicare Advantage enrollment growth driven by eHealth's omni-channel engagement model

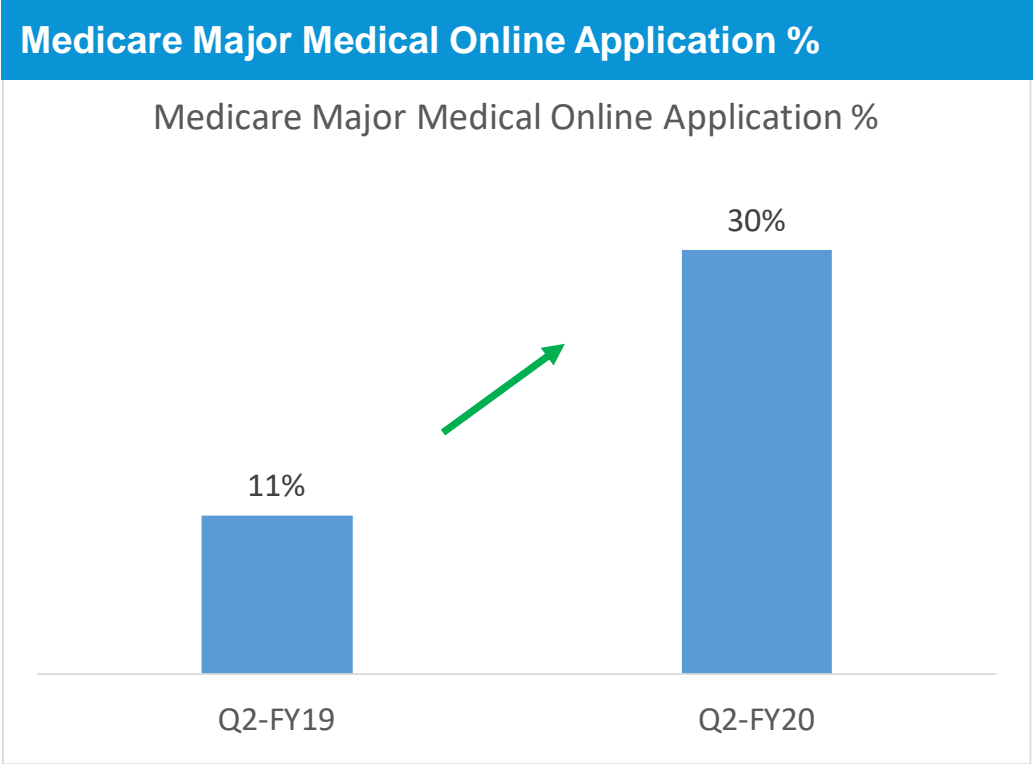


(1) Approved members consist of the number of individuals on submitted applications that were approved by the relevant insurance carrier for the identified product during the period presented. Approved members may not pay for their plan and become paying members.
(2) New Paying Members consist of approved members from the period presented and any periods prior to the period presented from whom we have received an initial commission payment during the period presented.

Q2 2020 Medicare Major Medical Online Application⁽¹⁾

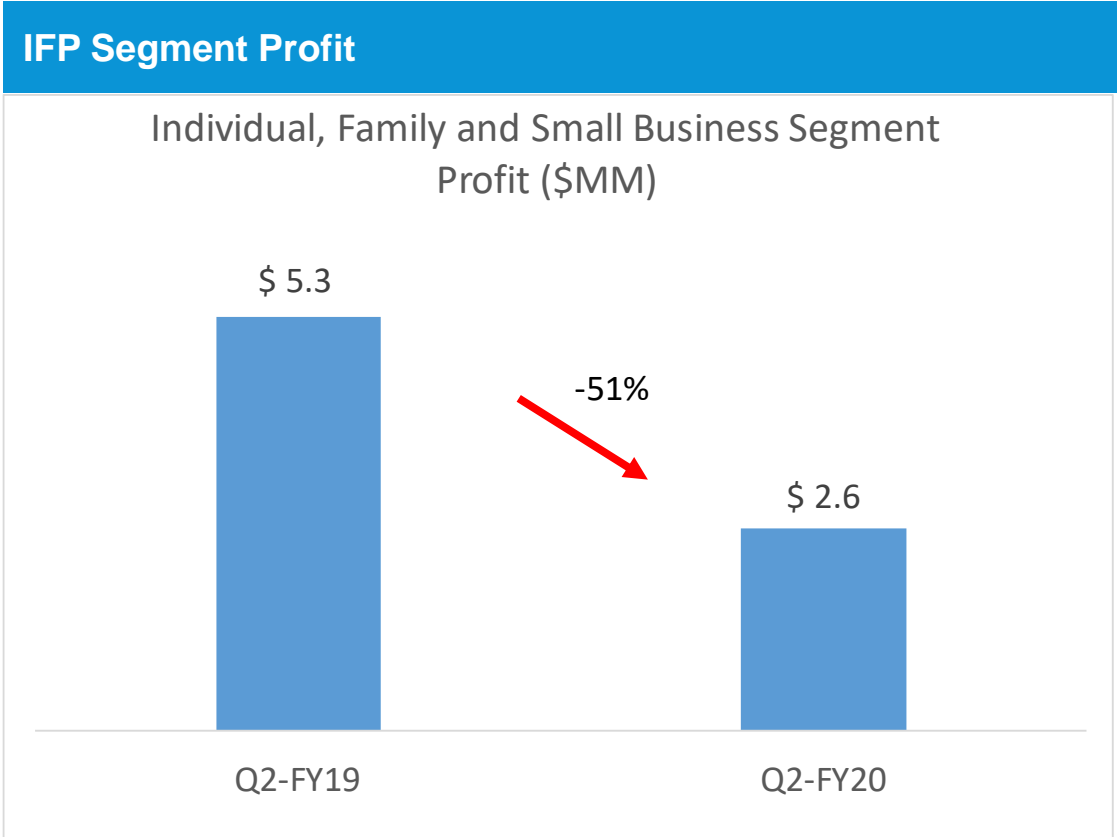
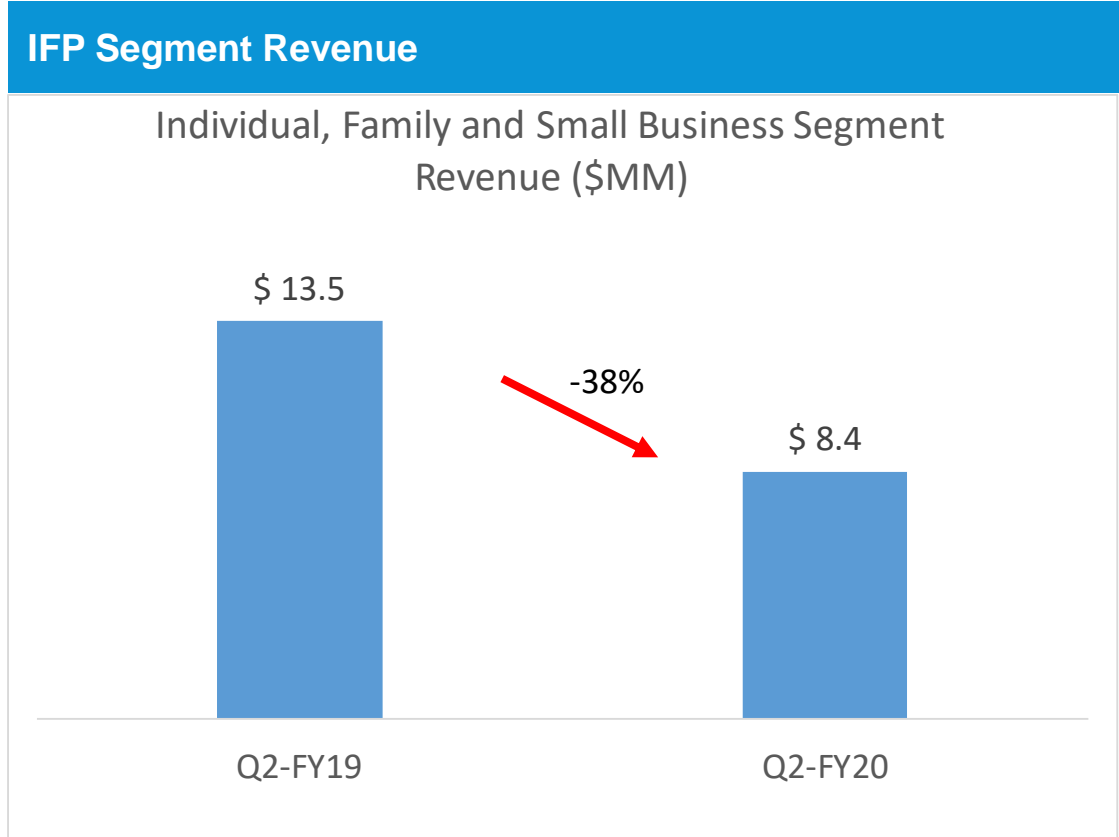


On track to achieve 37% online penetration for FY 2020, ahead of 34% goal



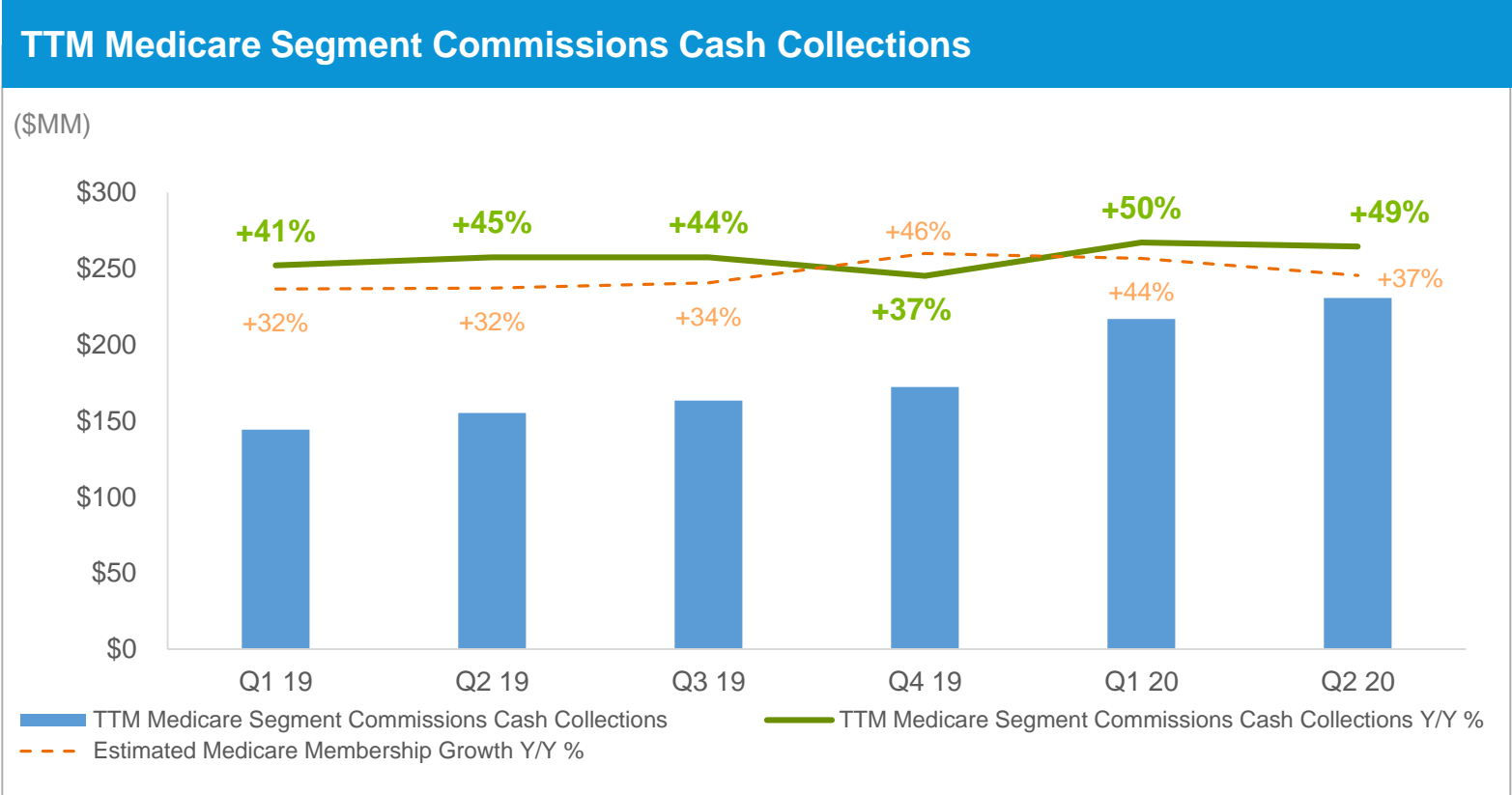
(1) Major Medicare plans include Medicare Advantage and Medicare Supplement plans; Online % represents a combination of unassisted and partially agent-assisted online enrollments.

Q2 2020 IFP Segment Revenue and Profit



Trailing Twelve Months (“TTM”) Medicare Segment Commissions Cash Collections

Q2 20 TTM Medicare Segment commissions cash collections increased by 49% year-over-year, ahead of Q2 estimated Medicare membership growth of 37% year-over-year



Medicare Advantage Plan Member Turnover Trend Since Q4 2018

	Q42018	Q12019	Q22019	Q32019	Q42019	Q12020	Q22020
Approved Members ⁽¹⁾	83,376	40,741	36,576	35,171	167,073	64,898	60,477
Estimated Beginning (Paying) Membership ⁽²⁾	235,269	276,357	280,763	291,171	309,180	404,694	404,262
New Paying Members ⁽³⁾	62,817	49,531	36,122	33,974	116,351	86,299	57,232
Estimated Ending (Paying) Membership ⁽⁴⁾	276,357	280,763	291,171	309,180	404,694	404,262	407,243
Medicare Advantage Plan Member Turnover⁽⁵⁾	21,729	45,125	25,714	15,965	20,837	86,731	54,251
Trailing Twelve Month Member Turnover ⁽⁶⁾	95,065	89,357	102,403	108,533	107,641	149,247	177,783
Average Trailing Twelve Month Estimated Membership Plus New Paying Members ⁽⁷⁾	262,856	276,949	296,491	316,501	348,362	389,638	425,791
Trailing Twelve Month Member Turnover Rate⁽⁸⁾	36%	32%	35%	34%	31%	38%	42%

Medicare Advantage Plan Member Turnover Trend Since Q4 2018 (cont'd)

- (1) Approved members consist of the number of individuals on submitted applications that were approved by the relevant insurance carrier for the identified product during the period presented. Approved members may not pay for their plan and become paying members.
- (2) Estimated Beginning (Paying) Membership is the Estimated Ending Membership for the period prior to the period of estimation. Membership is estimated using the methodology described in our periodic filings with the Securities and Exchange Commission.
- (3) New Paying Members consist of approved members from the period presented and any periods prior to the period presented from whom we have received an initial commission payment during the period presented.
- (4) Estimated Ending (Paying) Membership is the number of members we estimate as of the end of the period. Membership is estimated using the methodology described in our periodic filings with the Securities and Exchange Commission.
- (5) Medicare Advantage Plan Member Turnover for the period is derived as follows: Estimated Beginning Membership plus New Paying Members minus Estimated Ending Membership.
- (6) Trailing Twelve Month Member Turnover is the sum of Medicare Advantage Plan Member Turnover for the prior twelve months.
- (7) Average Trailing Twelve Month Estimated Membership Plus New Paying Members is the sum of (i) trailing twelve month Estimated Beginning Membership, plus (ii) New Paying Members for the trailing twelve month, divided by 4.
- (8) Trailing Twelve Month Member Turnover Rate is Trailing Twelve Month Turnover divided by Average Trailing Twelve Month Estimated Membership Plus New Paying Members.

Increasing 2020 Guidance

For the full year ending December 31, 2020, we expect:

Total revenue in the range of \$630M - \$670M, compared to the previous guidance of \$600M - \$640M.

- **Medicare segment revenue** in the range of \$583M - \$619M, compared to the previous guidance of \$553M - \$589M.
- **Individual, Family and Small Business segment revenue** in the range of \$47M - \$51M, consistent with previous guidance.

Adjusted EBITDA⁽¹⁾ in the range of \$140M - \$155M, compared to the previous guidance of \$125M - \$140M.

Medicare segment profit⁽²⁾ in the range of \$176M to \$193M, compared to the previous guidance of \$157M - \$174M, and **Individual, Family and Small Business segment profit** in the range of \$17M - \$18M, consistent with previous guidance.

Corporate⁽³⁾ shared service expenses, excluding stock-based compensation expense and depreciation and amortization, in the range of \$53M to \$56M, compared to the previous guidance of \$49M - \$52M.

Cash used in operations in the range of \$85M - \$95M, compared to previous guidance of \$61M - \$64M, and cash used for capital expenditures is expected to be in the range of \$23M - \$25M, compared to previous guidance of \$18M - \$20M

GAAP net income in the range of \$79M - \$94M, compared to previous guidance of \$70M - \$85M.

GAAP net income per diluted share in the range of \$2.91 to \$3.47, compared to previous guidance of \$2.55 to \$3.10 per share.

Non-GAAP net income per diluted share⁽⁴⁾ in the range of \$3.83 to \$4.32, compared to previous guidance of \$3.41 to \$3.90 per share.



(1) Adjusted EBITDA is calculated by adding stock-based compensation expense, depreciation and amortization, amortization of intangible assets, other income, net, and provision for income taxes to GAAP net income.

(2) Segment profit is calculated as revenue for the applicable segment less marketing and advertising, customer care and enrollment, technology and content and general and administrative operating expenses, excluding stock-based compensation expense, change in fair value of earnout liability, depreciation and amortization, and amortization of intangible assets, that are directly attributable to the applicable segment and other indirect marketing and advertising, customer care and enrollment and technology and content operating expenses, excluding stock-based compensation expense, depreciation and amortization, and amortization of intangible assets, allocated to the applicable segment based on usage.

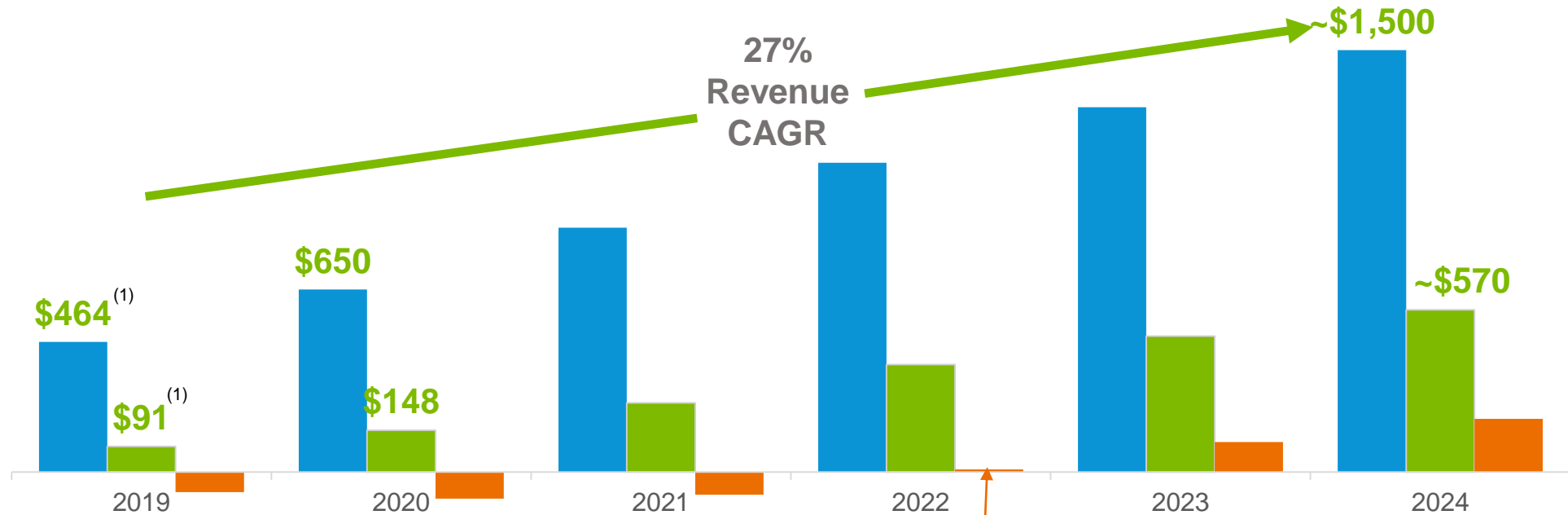
(3) Corporate consists of other indirect General and Administrative operating expenses, excluding stock-based compensation expense and depreciation and amortization, which are managed in a corporate shared services environment and, since they are not the responsibility of segment operating management, are not allocated to the reportable segments.

(4) Non-GAAP net income per diluted share is calculated by adding stock-based compensation expense per diluted share, amortization of intangible assets per diluted share and the income tax effect of non-GAAP adjustments to GAAP net income per diluted share.

Long Term Financial Goals – Current Case

Revised 5-year Financial Plan for 2020-2024

■ Revenue (\$MM)
 ■ Adj. EBITDA (\$MM)
 ■ Operating Cash Flow (\$MM)



Adj. EBITDA Margins	20% ⁽¹⁾	23%			38%
Medicare Online % ⁽²⁾	27%	37%			53%

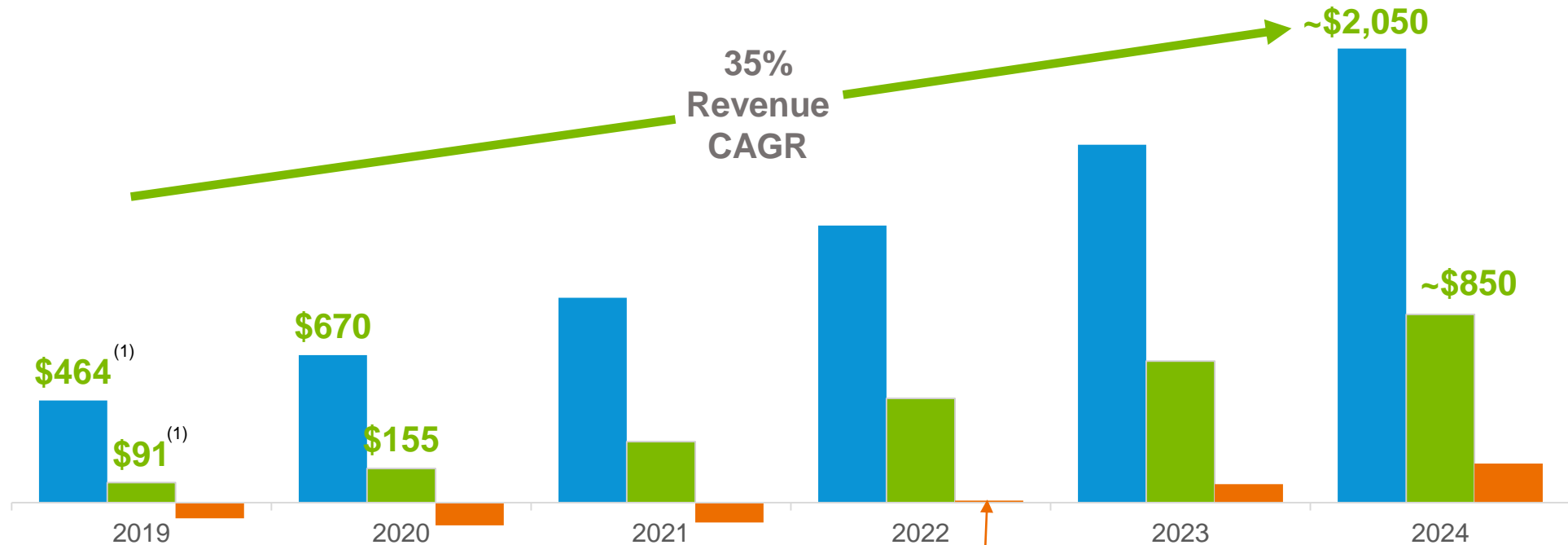


(1) FY 2019 revenue and Adjusted EBITDA exclude the positive impact of \$42.3 million related to the change in estimate in expected cash commission collections for Medicare Advantage plans since we began selling such products through the third quarter of 2019.
 (2) Medicare Online % includes major Medicare plans (Medicare Advantage and Medicare Supplement plans), and represents a combination of unassisted and partially agent-assisted online enrollments.

Long Term Financial Goals – High Case

Revised 5-year Financial Plan for 2020-2024

■ Revenue (\$MM)
 ■ Adj. EBITDA (\$MM)
 ■ Operating Cash Flow (\$MM)



Adj. EBITDA Margins	20% ⁽¹⁾	23%			41%
Medicare Online % ⁽²⁾	27%	37%			57%



(1) FY 2019 revenue and Adjusted EBITDA exclude the positive impact of \$42.3 million related to the change in estimate in expected cash commission collections for Medicare Advantage plans since we began selling such products through the third quarter of 2019.
 (2) Medicare Online % includes major Medicare plans (Medicare Advantage and Medicare Supplement plans), and represents a combination of unassisted and partially agent-assisted online enrollments.

We have significantly raised expectations across both revenue and EBITDA



Medicare Advantage LTV Forecast with Estimated Impact of Near Term Initiatives

Expected rate increases and estimated total impact of near term initiatives would improve FY 2021 MA LTV to above FY 2019 level

Revised 5-year financial plan assumes FY 2021 MA LTV to return to FY 2019 MA LTV

