# GoHealth

Morgan Stanley Global Healthcare Conference

September 18, 2020

# Disclaimer

**Forward-Looking Statements**

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this presentation may be forward-looking statements. Statements regarding the Company's future results of operations and financial position, business strategy and plans and objectives of management for future operations, including, among others, statements regarding expected financial performance and operational performance for the fiscal year 2020, including with respect to revenue, Adjusted EBITDA and cash flow; our expectations regarding driving growth and maximizing LTV/CAC, including by gaining share in the Medicare market, scaling internal lead generation capabilities, adding carrier relationships and plans, building agent force, brand, and enhanced DIY capabilities, and pursuing additional opportunities throughout the value chain with GoHealth Encompass Platform; our expectations regarding generating compelling economics, including with respect to our variable cost model, ongoing technology and R&D spend, plans to minimize lead costs with technology, data, and machine-learning and to maximize agent productivity and conversion rates are forward-looking statements. In some cases, you can identify forward-looking statements by terms, such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. There are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these forward-looking statements, including, but are not limited to, the following: the Company's ability to comply with the numerous, complex and frequently changing laws regulating the marketing and sale of Medicare plans; the potential for an adverse change in our relationships with carriers, including a loss of a carrier relationships; failure to grow the Company's customer base or retain our existing customers; carriers' ability to reduce commissions paid to the Company and adversely change their underwriting practices; significant consolidation in the healthcare industry which could adversely alter the Company's relationships with carriers; information technology systems failures or capacity constraints interrupting the Company's operations; factors that adversely impact the Company's estimate of LTV; the Company's dependence on agents to sell insurance plans; changes in the health insurance system and laws and regulation governing health insurance markets; the inability to effectively advertise the Company's products; and our ability to successfully implement our business plan during a global economic downturn caused by the COVID-19 pandemic.

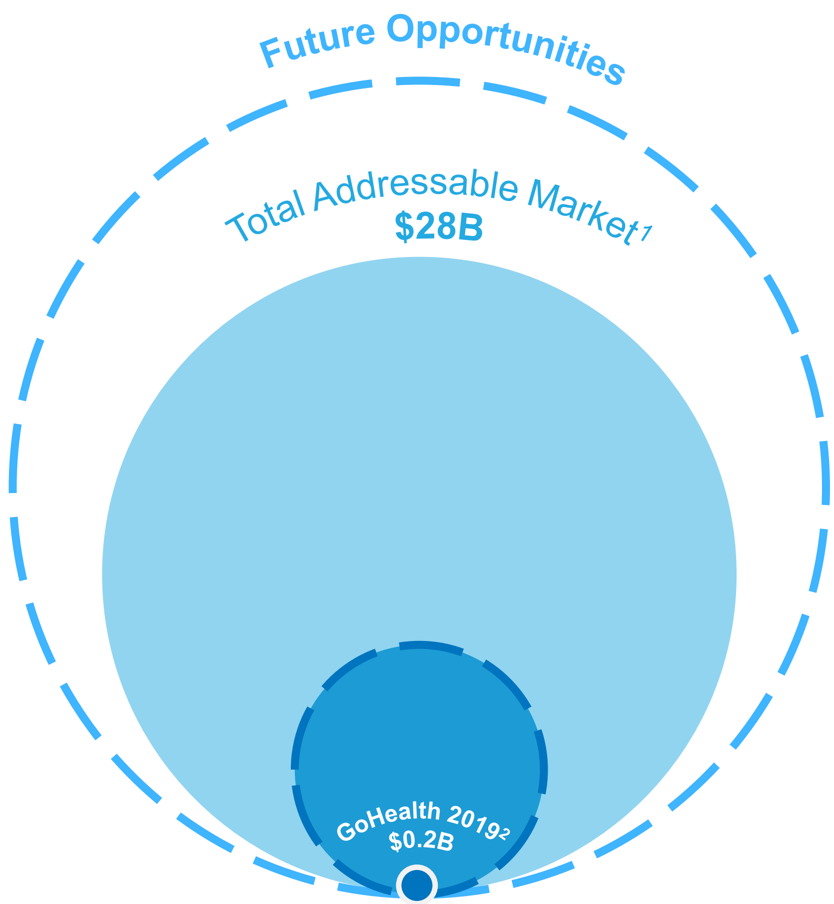
The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in the Company's presentation, as well as the cautionary statements and other risk factors set forth in the Company's forthcoming Quarterly Report on Form 10-Q for the second quarter ended June 30, 2020 to be filed with the SEC. If one or more events related to these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, actual results may differ materially from what the Company anticipates. Many of the important factors that will determine these results are beyond the Company's ability to control or predict. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and, except as otherwise required by law, the Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

**Non-GAAP Financial Measures and Key Performance Indicators**

In this presentation, we use supplemental measures of our performance that are derived from our consolidated financial information, but which are not presented in our consolidated financial statements prepared in accordance with GAAP. These non-GAAP financial measures include net income (loss) before interest expense, income tax expense (benefit) and depreciation and amortization expense, or EBITDA; Adjusted EBITDA and Adjusted EBITDA margin. Adjusted EBITDA is the primary financial performance measure used by management to evaluate its business and monitor its results of operations. Adjusted EBITDA represents EBITDA as further adjusted for share-based compensation, change in fair value of earnout liability, Centerbridge Acquisition costs, severance costs and incremental organizational costs in connection with the IPO. Adjusted EBITDA margin represents Adjusted EBITDA divided by net revenues. We use non-GAAP financial measures to supplement financial information presented on a GAAP basis. We believe that excluding certain items from our GAAP results allows management to better understand our consolidated financial performance from period to period and better project our future consolidated financial performance as forecasts are developed at a level of detail different from that used to prepare GAAP-based financial measures. Moreover, we believe these non-GAAP financial measures provide our stakeholders with useful information to help them evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling them to make more meaningful period to period comparisons. There are limitations to the use of the non-GAAP financial measures presented in this presentation. For example, our non-GAAP financial measures may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes. The non-GAAP financial measures are not meant to be considered as indicators of performance in isolation from or as a substitute for net income (loss) prepared in accordance with GAAP, and should be read only in conjunction with financial information presented on a GAAP basis. Reconciliations of each of EBITDA and Adjusted EBITDA to its most directly comparable GAAP financial measure, net income (loss), are presented in the tables below in this presentation. We encourage you to review the reconciliations in conjunction with the presentation of the non-GAAP financial measures for each of the periods presented. In future periods, we may exclude similar items, may incur income and expenses similar to these excluded items and include other expenses, costs and non-recurring items. Management has provided its outlook regarding adjusted EBITDA, which is a non-GAAP financial measures and exclude certain charges. Management has not reconciled these non-GAAP financial measures to the corresponding GAAP financial measures because guidance for the various reconciling items are not provided. Management is unable to provide guidance for these reconciling items because we cannot determine their probable significance, as certain items are outside of the company's control and cannot be reasonably predicted since these items could vary significantly from period to period. Accordingly, reconciliations to the corresponding GAAP financial measures are not available without unreasonable effort.

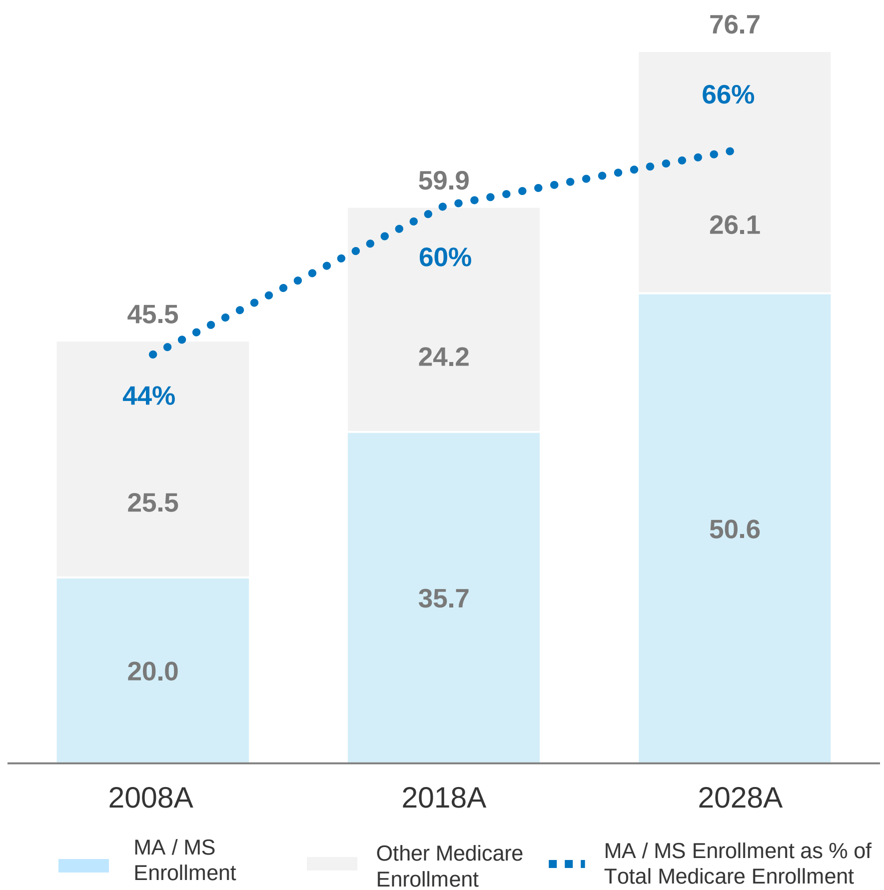
# GoHealth Is Well Positioned to Capture Share in the Large and Expanding DTC Medicare Market

## 19-Year Track Record of Innovation and Execution, Driving Consistent Industry-Leading Growth




Aging Baby Boomers Driving Growth in Medicare Enrollments[3]

(~10,000 people turning 65 every day)




[1] 2020 forecasted total Medicare enrollments (~63M) multiplied by estimated first year commission per policy ($450 / policy).

[2] 2019 GoHealth approved Internal Medicare submissions (~0.4M) multiplied by estimated first year commission per policy ($450 / policy)

[3] CSG Actuarial, Federal Register, and LEK.

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# Largest DTC Medicare Platform

## Powerful Technology Solution with Highly Trained Agents Lead to Industry Leading Margins

Consumers — Convenient access to large selection of plans — GoHealth — Efficient customer acquisition at scale — Carriers

**Omni-Channel Customer Acquisition Platform**

- Search Engine Marketing
- SEO/Organic Web Traffic
- Social & Display
- Mailer
- TV

Consumers

Intelligent, Real-Time Scoring & Routing Driven by Proprietary Technology Platform

BROKER OFFICE | CALLTRON | CALL ROUTER | consent | D | LEADSCORE | marketplace | MEMBER RETENTION MODEL | predictive | SPLICE

Internal Agents

*(DIY and Agent-Assisted)*

***99% of 1H 2020 Segment Profit***

Partner Agencies

TeleCare

## Key Differentiators:

### Marketing

Feedback loop powered by 80% internal lead generation

### Technology

Proprietary tech built over two decades - Scoring and Routing

### Agents

Increasing conversion and 90% retention of top agents

# Industry Leading Results

## Trailing Twelve Months (TTM) June 30, 2020

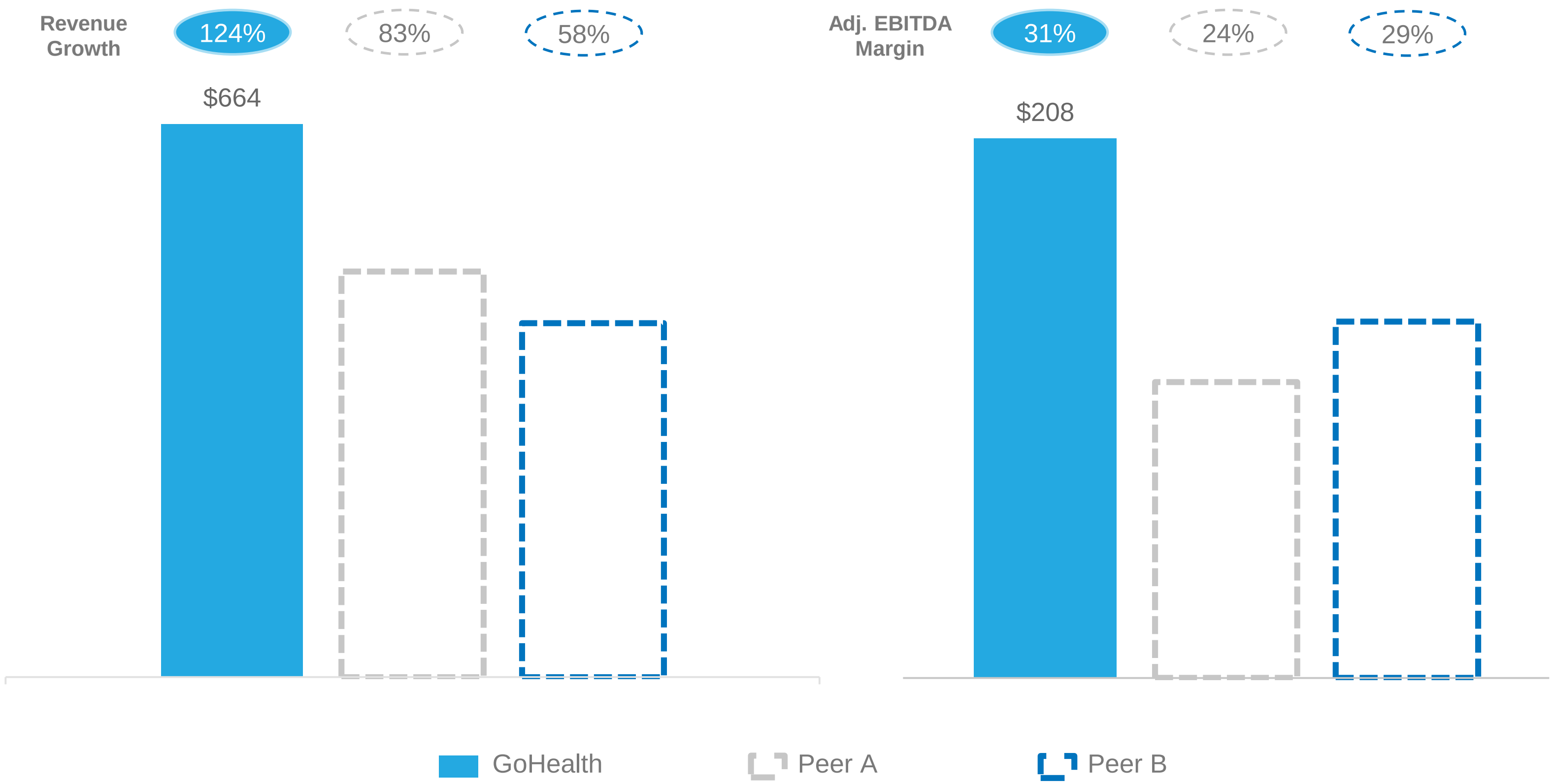
*GoHealth is the Biggest, Fastest Growing, and Most Profitable Amongst Our Peers*

### Revenue

($ in Millions)

### Adj. EBITDA

($ in Millions)




*Source: Public Filings*

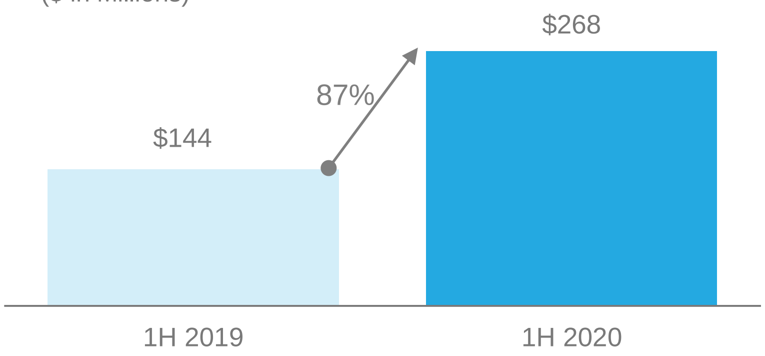
# GoHealth: The Leading, End-to-End Health Insurance Marketplace

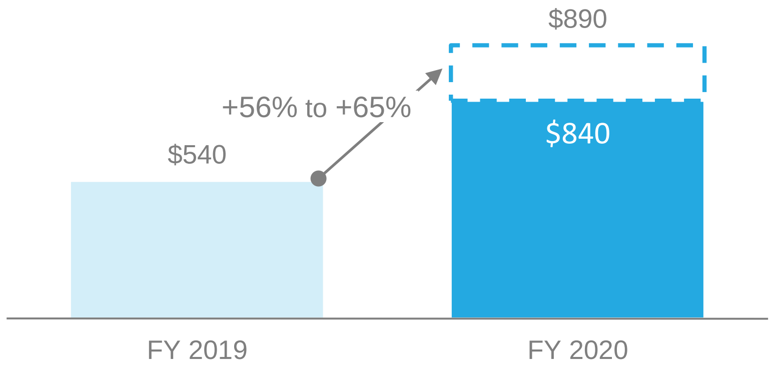
*GoHealth is the leading DTC Medicare telesales/digital distributor*

| 1H 2019 vs 1H 2020 | FY 2019 vs FY 2020 Outlook |
|---|---|

## Revenue

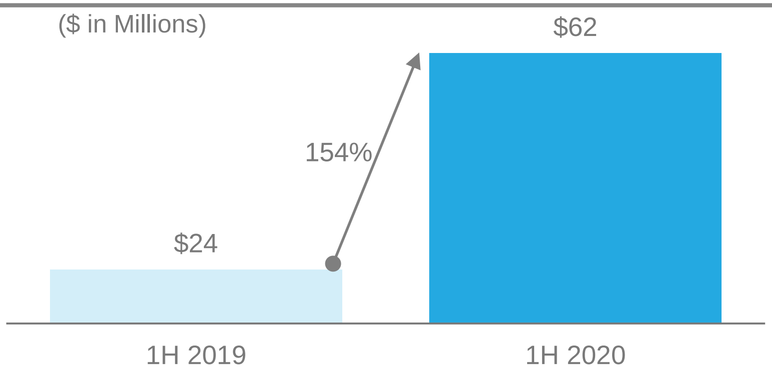
($ in Millions)

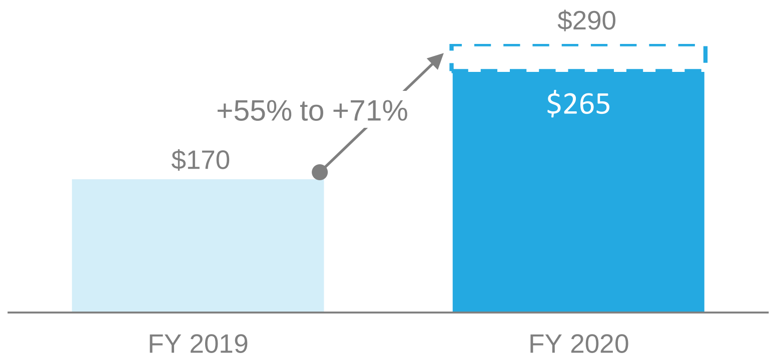



## Adj. EBITDA[1]

($ in Millions)



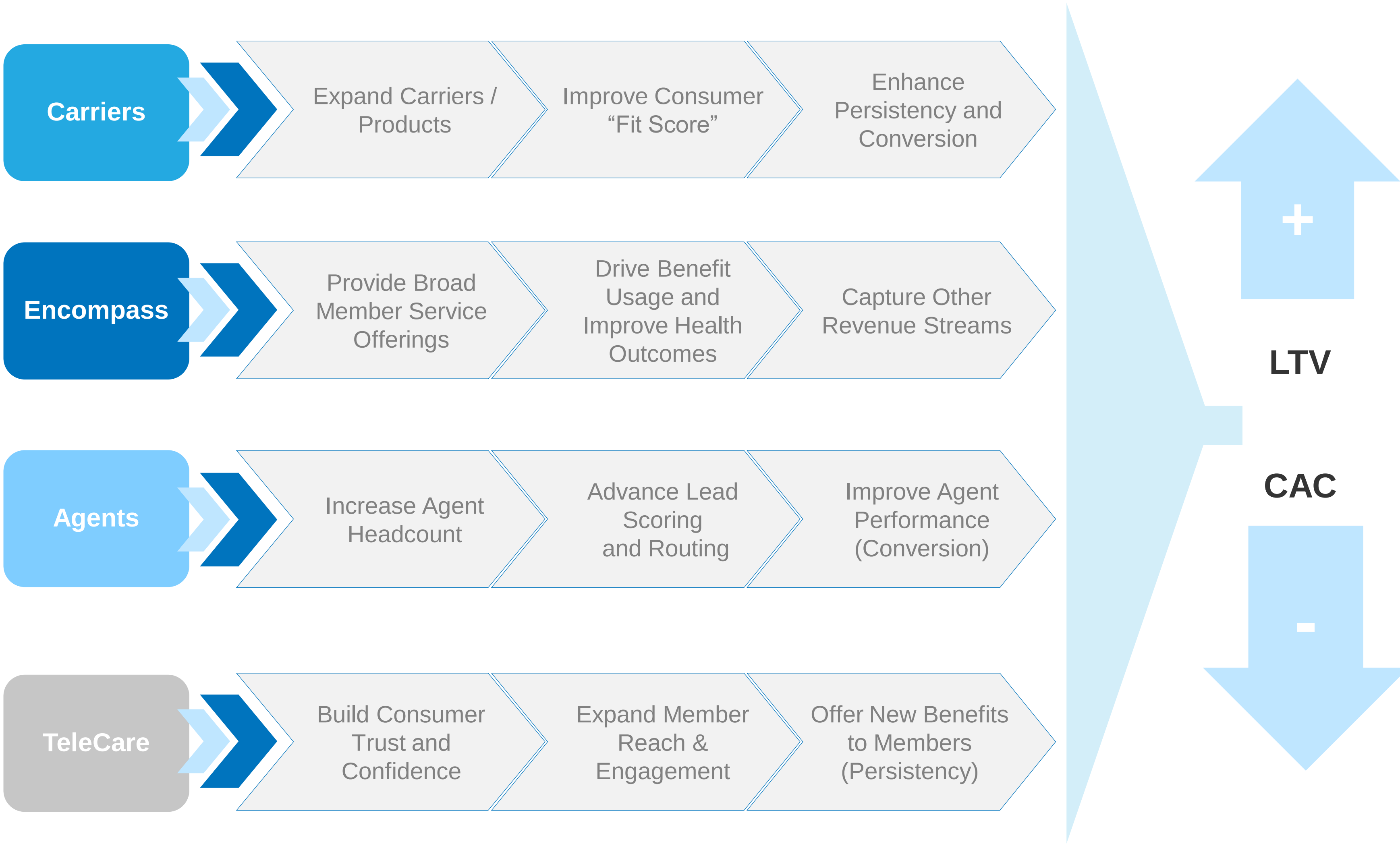

**2.3x** **2.7x**
*LTV / CAC – Internal Medicare segment[2]*

**3.9x**
*LTV / CAC – Internal Medicare segment[2]*

*Source: Census Bureau, Public Filings*
*[1] Adjusted EBITDA is a non-GAAP measure. For a definition of Adjusted EBITDA and a reconciliation to the most comparable GAAP measure, please refer to the appendix [2] For a definition of LTV/CAC, please refer to the Glossary in the appendix.*

# Laser Focused on Growth Through an LTV/CAC Lens

## Technology and Data Support Efforts to Increase LTV and Lower CAC, De-Averaging the Market



# Lead Scoring and Routing to Expert Agents Drives LTV/CAC

## Utilizing Matching Technology to Maximize Conversion and Customer Satisfaction

### Illustrative Example of Matching Technology

**Name**: Cindy

**Gender**: Female

**Age**: 70 Years

**Likely Product:** Medicare Advantage w/ Part D

**County:** Gadsden, FL

**Channel:** Facebook

**Expected Lifetime Value:** $1,140

**Name**: Karen

**Gender**: Female

**Age**: 32 Years

**Skills:**

- ✓ Medicare Advantage specialist
- ✓ Expert at WellCare sales (strong in Gadsden County, FL)
- ✓ 24 hours of specialized training for Facebook advertising and this specific ad campaign
- ✓ Tenure and skills classify her for prospects with an expected value of $1,100-1,300

GoHealth

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Reviews 11,384 • Excellent

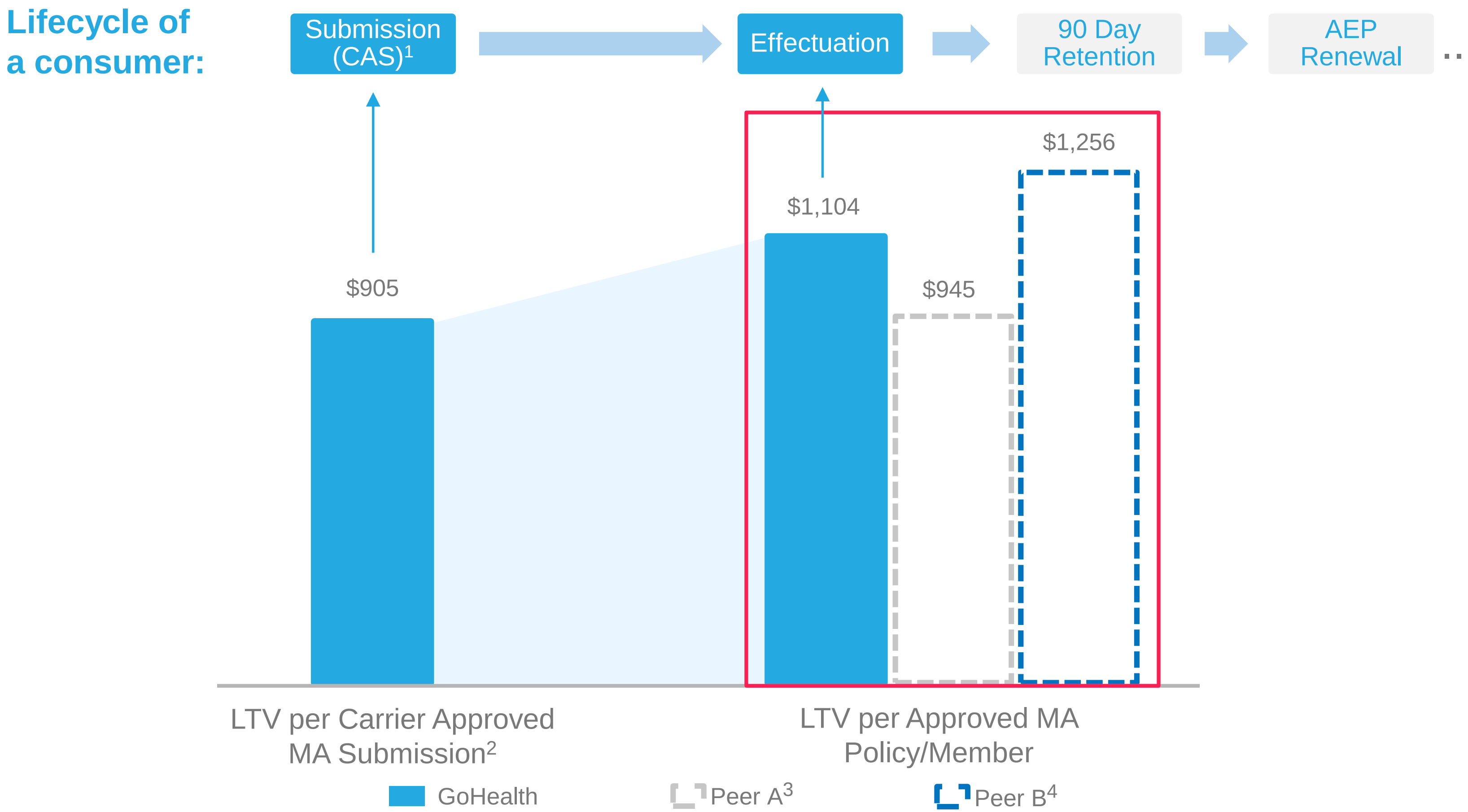
4.8

| | Cindy's | Example 2: Jim's SNP |
|---|---|---|
| | LEADSCORE | LEADSCORE |
| LTV | $1,140 | $950 |
| CAC | $320 | $250 |
| LTV/CAC | 3.6x | 3.8x |

# LTV Per Approved Submission vs LTV Per Approved Policy/Member

## 3 Months ended June 30, 2020

*Need to compare LTVs on an apples-to-apples basis based on comparable starting points*




Notes:
Source: Analysis based on publicly filed documents, Financials based on Medicare / Senior Operating Segment
[1] Medicare Commissionable Approved Submissions from the Medicare-Internal segment. 2016-2017 are not Medicare Commissionable Approved Submissions but rather internal reported numbers
[2] Medicare Advantage LTV per Approved Submission 2% difference between Total Submissions and Approved Submissions 2Q 2020
[3] Does not report submission counts, just approved members
[4] 9% drop between submissions and approved policies in 4Q 2020, 16% for FY20

# LTV – A Multi Variable Proxy for Future Cash Flow

**Cash collections demonstrate accuracy of LTV Modeling**

- Consumer Demographics
- Plan Type
- Carrier
- Geography
- Commission Rates
- Churn

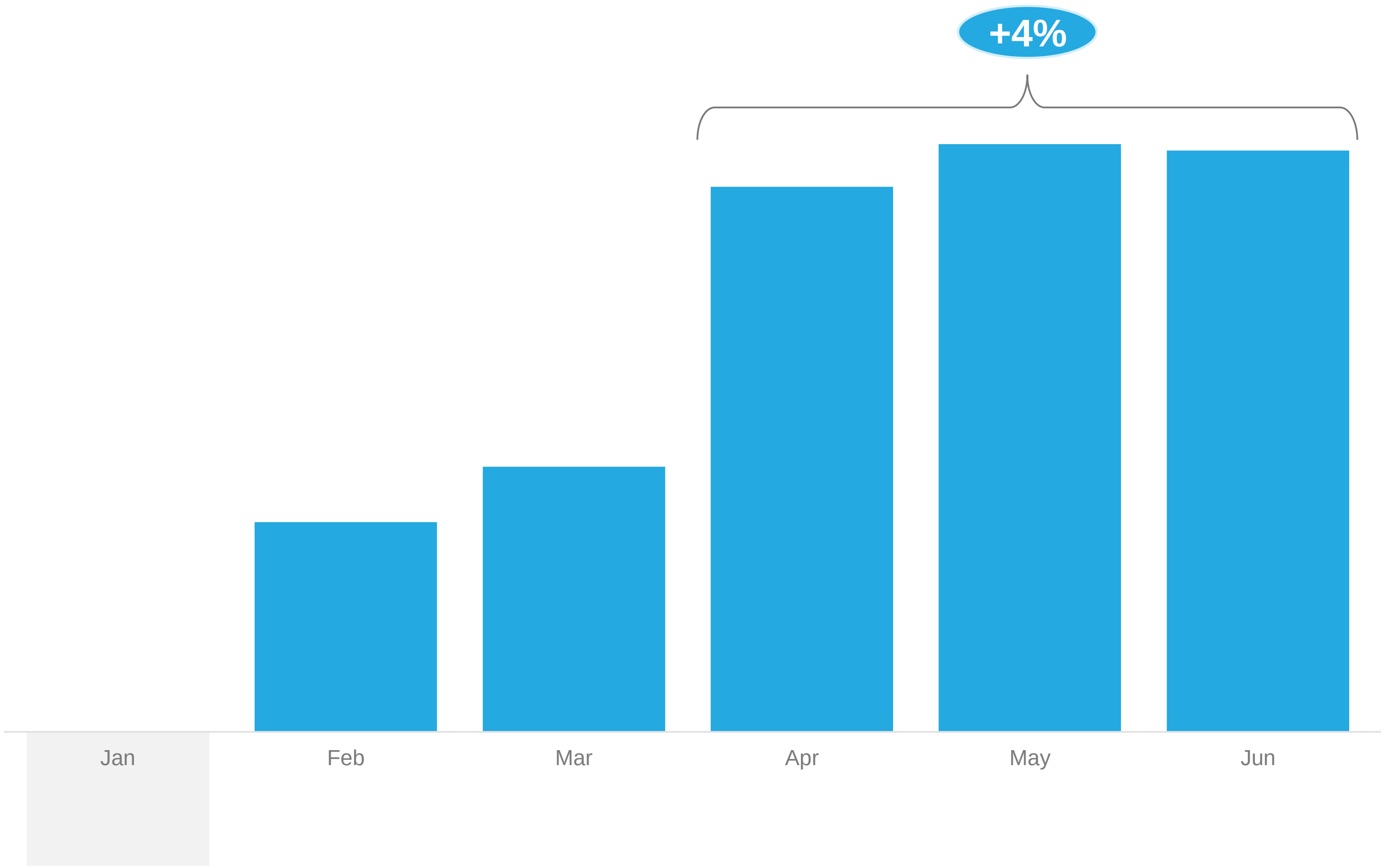
**LTV** → **Cash:**

1H 2020
101.5% of Expectations

*1H 2020 Cash Collections of $162M (+108% YoY)*

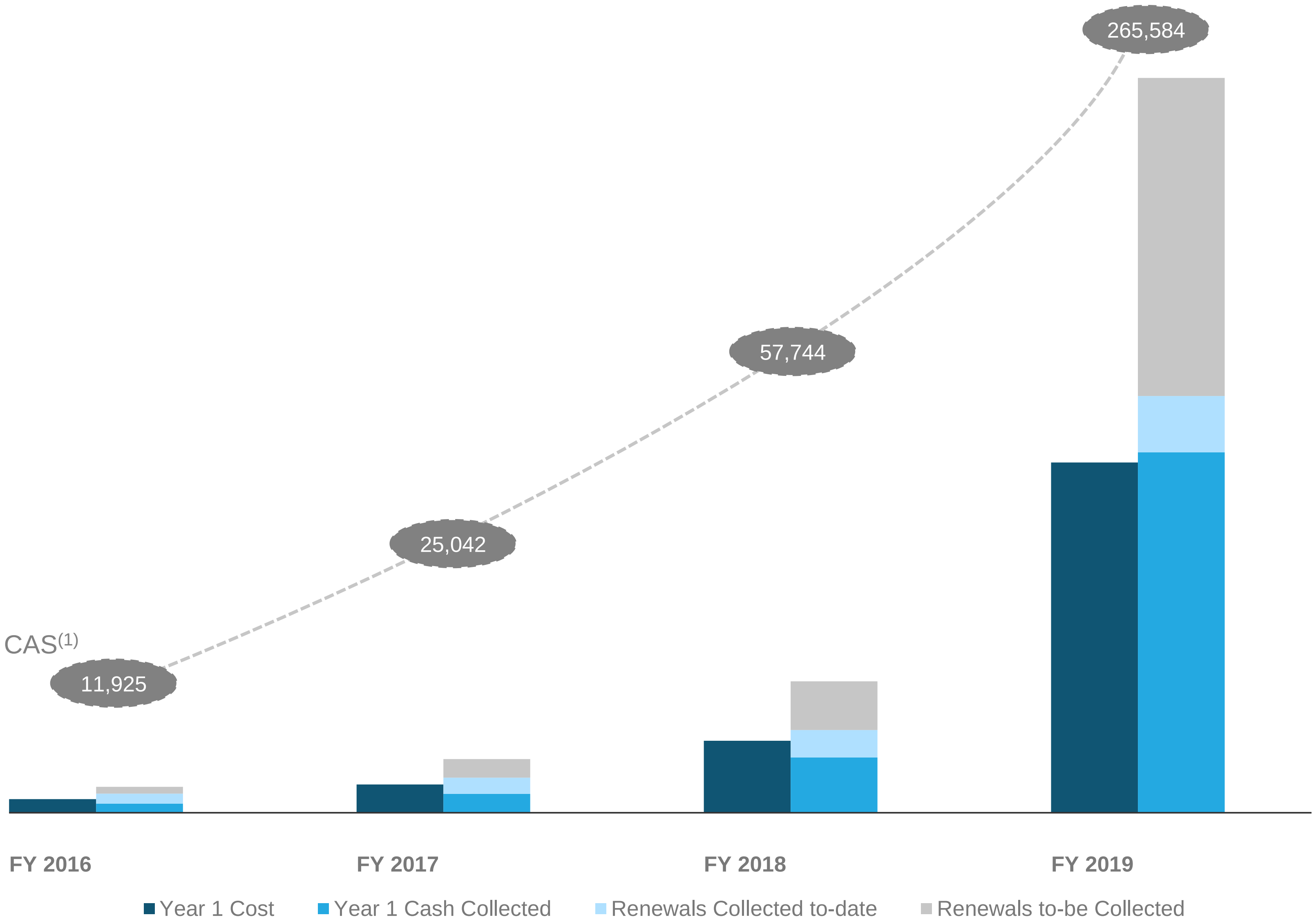
# Driving Higher Persistency in YTD New Business

## Persistency Improved by 4% in Q2 2020 YoY




[1]*Note: Represents snapshot of cohort active rate for same period in 2019 and 2020*

# Medicare Cash Payback in Under 12 Months in FY 2019




*[1] Medicare Commissionable Approved Submissions from the Medicare-Internal segment. 2016-2017 are not Medicare Commissionable Approved Submissions but rather internal reported numbers*

# Deep Carrier Relationships Create Additional Revenue Opportunities

## Increasing Diversification, Scale, and Carrier Partner Breadth

| 2016 | 2018 | 2020+ |
|---|---|---|
| *Traditional sales center revenue engine* | *Additional revenue from technology & distribution services* | *Future diversified revenue focused on driving better health outcomes* |
| | | Value based care |
| | | Preferred pharmacy enrollment |
| | | Social determinants of health |
| | | Health risk assessments |
| | Technology platform services | Technology platform services |
| | Success fees | Success fees |
| Enrollment services | Enrollment services | Enrollment services |
| Marketing programs | Marketing programs | Marketing programs |

*GoHealth continues to approach carrier relationships through a consultative lens for diversifying and scaling its other revenue sources*

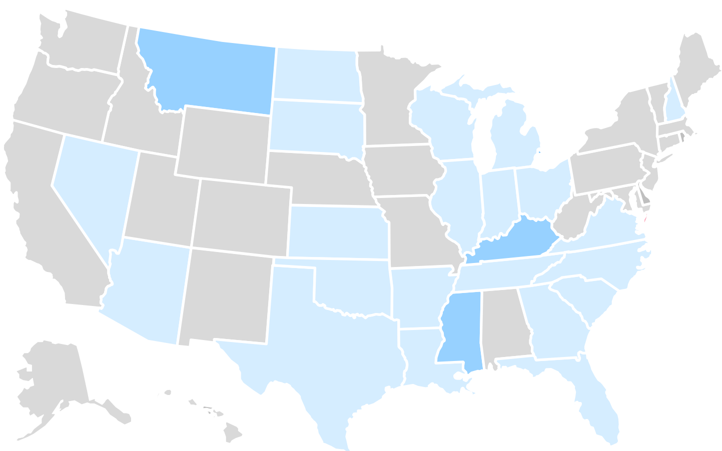
# Expanding Carrier Relationships Supports Future Growth

## Better Policy Fit and Broader Offerings Drives Persistency and Conversion

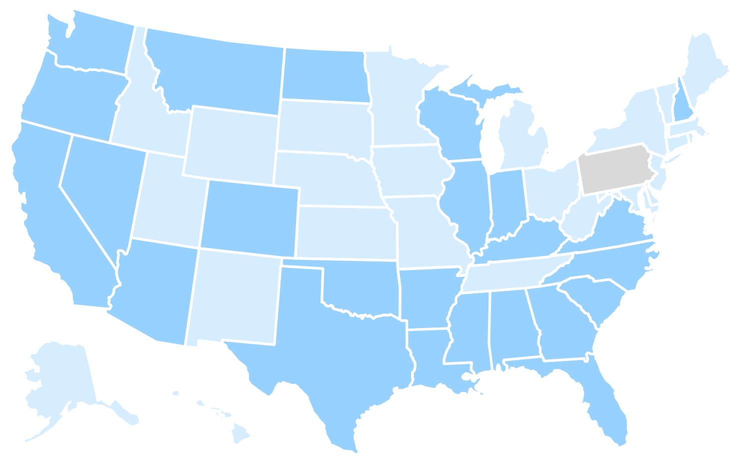
Anthem
Humana
HCSC Health Care Service Corporation
CENTENE Corporation
Blue Cross Blue Shield of Michigan

KAISER PERMANENTE
aetna
UnitedHealthcare
Cigna

2019



2020



Covers 1 of the Top 2 Carriers    Covers Both of Top 2 Carriers

**Rifle-shot approach with Humana and Anthem 28% market reach**

**Broad policy offerings post Aetna, United expansion 75% market reach**

*Source: CMS Market Share Data*

# Key Investment Takeaways

GoHealth

**Biggest,**

**Fastest Growing, &**

**Most Profitable**

- Largest Player in Massive and Growing TAM
- Tech and Data Driving Strong Growth with Best Margins Amongst Peers
- Carrier Relationships Drive Unique Revenue Opportunities with Fast Cash Payback
- The Bigger We Get, the Better We Get
- Founder-Led Management Team with Proven Track Record of Innovation and Growth

# Q&A and Appendix

# Reconciliation of Net Income to Adjusted EBITDA

## Adjustments to EBITDA ($ in thousands)

| | | 2018 | Pro Forma 2019 | 1H 2019 | 1H 2020 |
|---|---|---|---|---|---|
| | Net Income (Loss) | $ 28,114 | $(29,501) | $20,278 | $(23,804) |
| | Interest Expense | 224 | 27,172 | 109 | 15,742 |
| | Income Tax Expense (Benefit) | 46 | (22) | 11 | (24) |
| | Depreciation and Amortization Expense | 6,160 | 98,825 | 3,043 | 48,665 |
| | Reported EBITDA | $ 34,544 | $ 96,474 | $ 23,441 | $ 40,579 |
| 1 | Share-Based Compensation | 0 | 1,853 | 0 | 1,077 |
| 2 | Change in FV of Contingent Consideration Liability | 0 | 70,700 | 0 | 19,700 |
| 3 | Severance Costs and Other | 319 | 966 | 964 | 501 |
| | Adjusted EBITDA | $ 34,863 | $ 169,994 | $ 24,405 | $ 61,857 |
| | Net Revenue | $ 226,205 | $ 539,501 | $ 143,601 | $ 268,067 |
| | Adjusted EBITDA Margin | 15.4% | 31.5% | 17.0% | 23.1% |

## Description of Adjustments

1. Represents non-cash share-based compensation expense in connection with profits interests
2. Represents the change in fair value of the earnout liability due to the predecessor owners of the Company arising from the Centerbridge Acquisition.
3. Represents legal, accounting, consulting, and other costs related to the Centerbridge Acquisition, legal, accounting, consulting, and other indirect costs associated with the Company's IPO, and costs associated with the termination of employment

# Glossary

- *"Approved Submissions"* refer to Submitted Policies approved by carriers for the identified product during the indicated period.
- "*Adjusted EBITDA*" represents EBITDA as further adjusted for share-based compensation, change in fair value of earnout liability, Centerbridge Acquisition costs and severance costs.
- "*Adjusted EBITDA margin*" refers to Adjusted EBITDA divided by net revenues.
- "*Consumer interactions*" refer to the number of times a consumer calls us or visits us online.
- "*Consumer lead*" refers to a consumer for which we have collected some personally identifiable information related to health insurance.
- "*EBITDA*" represents net income (loss) before interest expense, income tax expense (benefit) and depreciation and amortization expense.
- "*Impressions*" refer to the number of times our advertisement is shown to consumers through any medium, regardless of whether such consumers have viewed, clicked through or otherwise interacted with the advertisement.
- *"Internal Multi-Carrier" is a subset of our Internal – Medicare segment that consumes the vast majority of the Qualified Prospects generated by GoHealth marketing campaigns and that offers choice of carriers to our consumers. Some metrics referenced in this document are specific to our Internal Multi-Carrier campaigns because they are the largest revenue and EBITDA driver for this segment and we believe will continue to be our primary focus moving forward. Campaigns that primarily consume prospects generated by insurance carrier partners that only offer plans for one specific carrier are excluded from these metrics.*
- *"LTV Per Approved Submission*" refers to the Lifetime Value of Commissions per Approved Submission, which we define as (i) aggregate commissions estimated to be collected over the estimated life of all commissionable Approved Submissions for the relevant period based on multiple factors, including but not limited to, contracted commission rates, carrier mix and expected policy persistency with applied constraints, divided by (ii) the number of commissionable Approved Submissions for such period.
- "*LTV/CAC*" refers to the Lifetime Value of Commissions per Consumer Acquisition Cost, which we define as (i) aggregate commissions estimated to be collected over the estimated life of all Approved Submissions for the relevant period based on multiple factors, including but not limited to, contracted commission rates, carrier mix and expected policy persistency with applied constraints, or LTV, divided by (ii) the cost to convert a prospect into a customer less other non-commission carrier revenue for such period, or CAC.
- "*Qualified prospect*" refers to a consumer that has confirmed an interest to us in shopping for health insurance over the phone, online or via live transfer to our agents, both through the internal and external channels.
- "*Submitted Policies*" refer to completed applications that, with respect to each such application, the consumer has authorized us to submit to the carrier.