GoHealth

Second Quarter 2021 Earnings Slides

August 11, 2021

# Disclaimer

**Forward-Looking Statements**

This release 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 2021, including with respect to revenue and Adjusted EBITDA 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 the Company's relationships with carriers, including a loss of carrier relationships; failure to grow the Company's customer base or retain its existing customers; the time and cost of training agents is significant and can increase during a period of high attrition; 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 this presentation, as well as the cautionary statements and other risk factors set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 and other SEC filings. 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, the Company cannot assess the impact of each factor on its 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.

**Use of 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 Generally Accepted Accounting Principles ("GAAP"). These non-GAAP financial measures include net income (loss) before interest expense, income tax expense (benefit) and depreciation and amortization expense ("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 expense, loss on extinguishment of debt, non-recurring legal fees, change in fair value of contingent consideration liability, IPO transaction costs, and severance costs. 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 measure and excludes certain charges. Reconciliations of Adjusted EBITDA to its most directly comparable GAAP financial measure, net income (loss), is presented in the slide below in this presentation.

# Key Topics

- **GoHealth – Highlights & Continued Market Leadership**
- Detailed Review of Q221 and YTD21 Results
- 2021 Outlook
- 20-Year Track Record of Success

# YTD 2021 Highlights

**50%**
Revenue Growth

**$401M**
Net Revenue

**74%**
Medicare—Internal Revenue Growth

**52%**
MA Approved Submission Growth

**11%**
YoY MA LTV Growth

ENCOMPASS
A GoHealth PLATFORM

**$17M**
Encompass Revenue

# 2021 Initiatives Tracking Well for AEP and 2022

## Increasing confidence in AEP readiness with agent investments

| Strategic Lever | Objective | | YTD Progress |
|---|---|---|---|
| **Agents** | Agent growth of 50+%, additional training and coaching | ✓ | • YTD agent growth tracking over 50% |
| **Technology** | Optimizing around enhanced Plan Fit tools, speech analytics and carrier integrations | ✓ | • Fully integrating with new carriers<br>• Helping power LTV gains |
| **Brand & Encompass** | Scaling Encompass offerings and expanding our brand | ✓ | • $30+ million expected from Encompass in 2021<br>• New marketing efforts optimizing costs to acquire new consumers |

# GoHealth – The Leading Medicare Marketplace

## Financial summary and revised 2021 outlook

| | Q221 Results | YTD Results | FY 2021 Outlook |
|---|---|---|---|
| **Revenue** *% Growth* | **$197M** *+55%* | **$401M** *+50%* | **$1,200M – $1,300M** *+37% - 48%* |
| **Medicare—Internal Net Revenue** *% Growth* | **$160M** *+84%* | **$318M** *+74%* | |
| **Adjusted EBITDA[1]** *% Change* | **$14M** *-47%* | **$46M** *-25%* | **$300M – $330M** *+11% - 22%* |

[1] *See accompanying appendix for a reconciliation of Adjusted EBITDA, which is a non-GAAP financial measure, to the most comparable GAAP measure.*

# Key Topics

GoHealth – Highlights & Continued Market Leadership

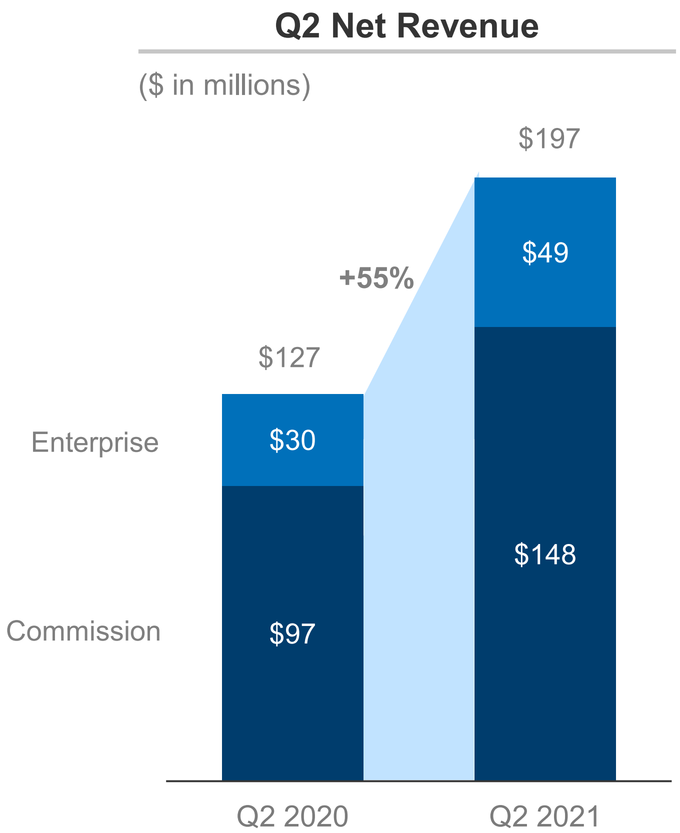
**Detailed Review of Q221 and YTD21 Results**

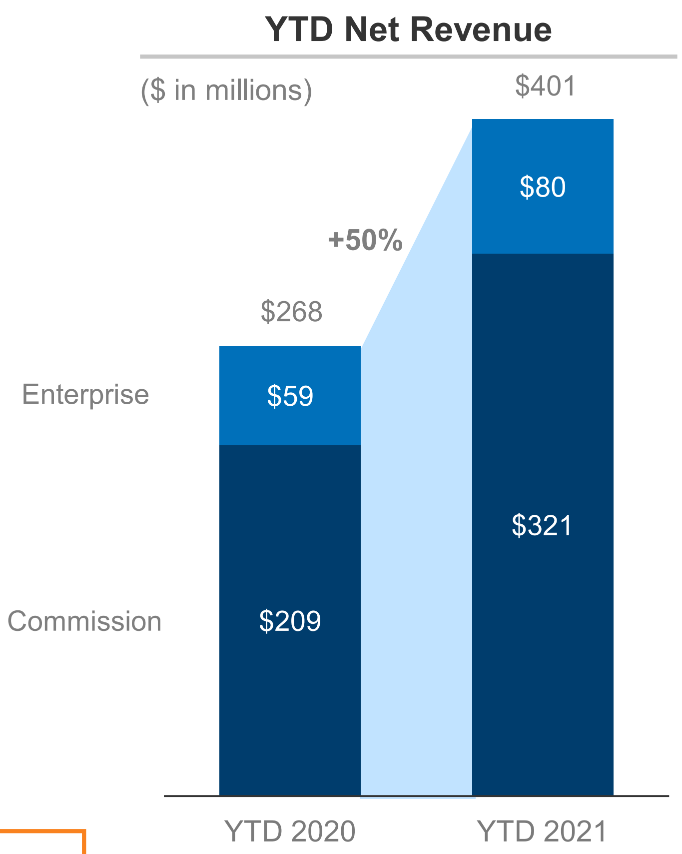
2021 Outlook

20-Year Track Record of Success

# Q221 Revenue Growth of 55% at High End of Expectations

## Investments in agents, technology and Encompass driving results



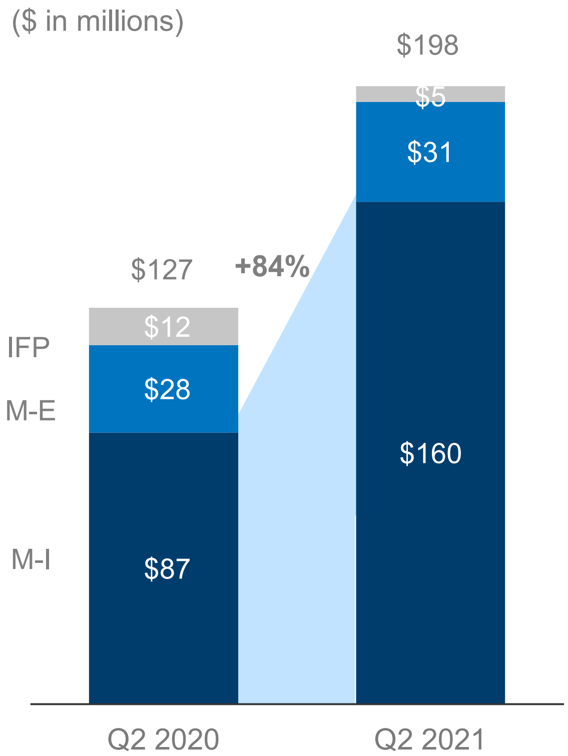




~324,000 Medicare Advantage Approved Submissions YTD (+52%)
and Strong LTV Improvement (+11%)

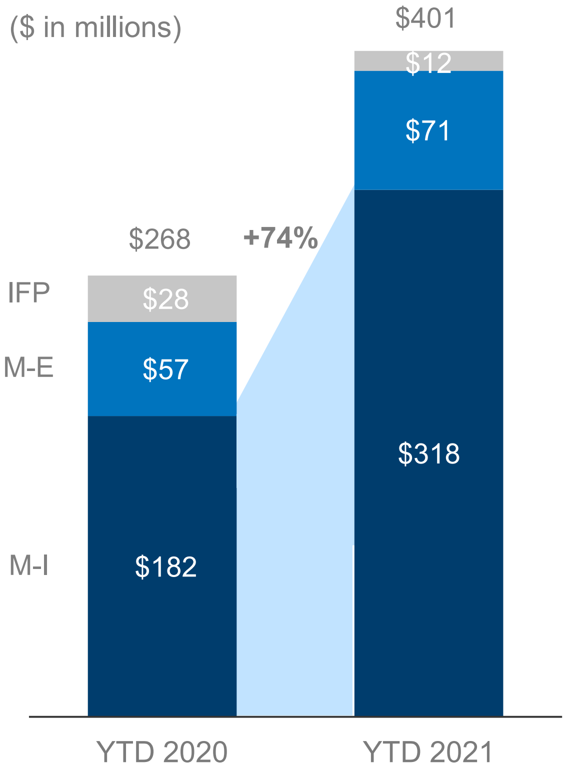
# Delivering Consistent Revenue Growth with Medicare Focus

## Medicare—Internal powering results, with revenue up 84% in Q221 and 74% YTD

### Q2 Revenue – Segment Comparison[1]




### YTD Revenue – Segment Comparison[1]

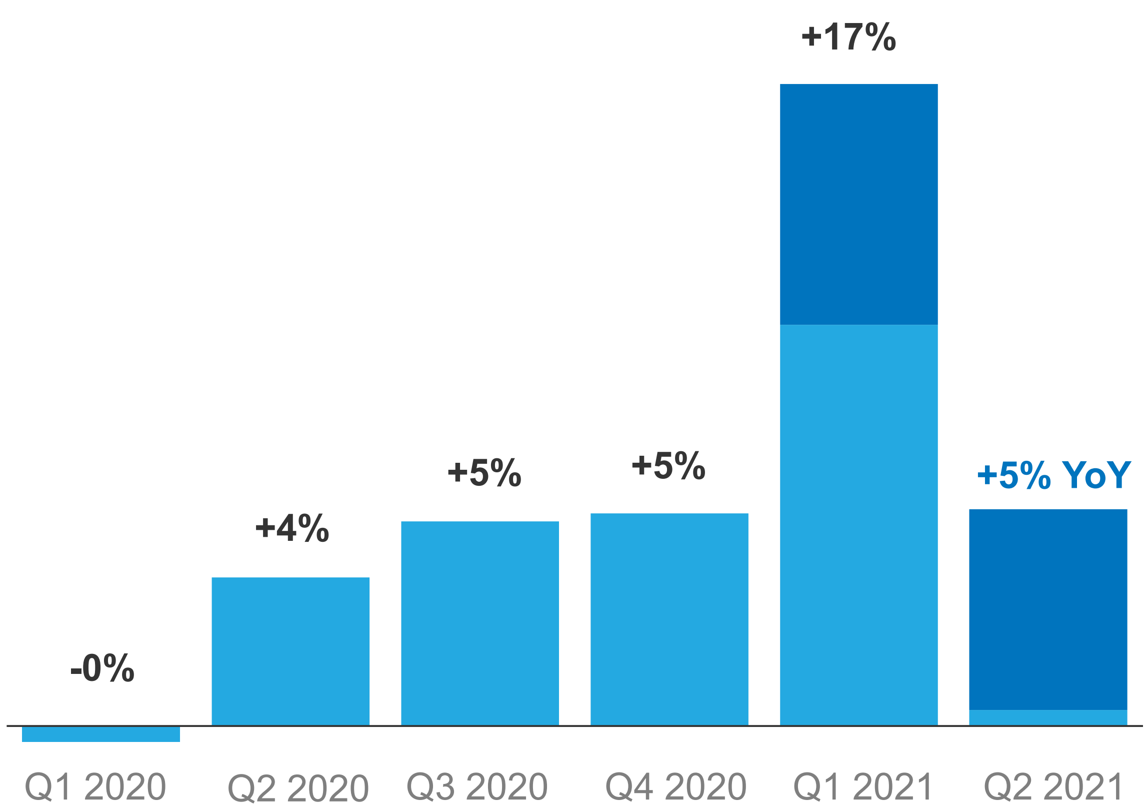



[1] IFP = Individual & Family Plans; M-I = Medicare-Internal; M-E = Medicare-External

# Driving LTVs Higher, up 11% YTD

**2020 investments in TeleCare improve effectuation and persistency, and position GoHealth for additional Encompass revenue opportunities**

**Medicare Advantage LTV[1] YoY[2] Change**




**Encompass Revenue**

- ✓ Additional value-added services for carriers and partners beyond enrollment

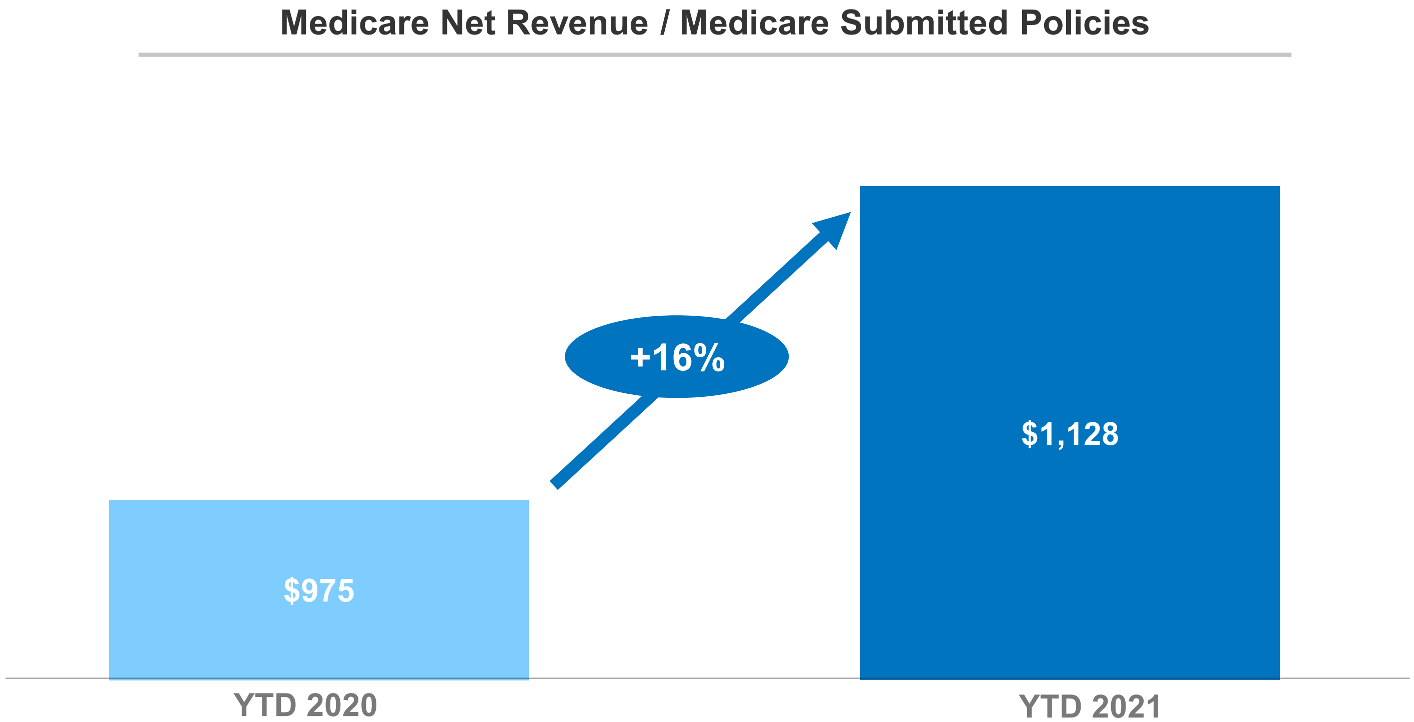
**Persistency & Effectuation**

- ✓ Carrier expansion
- ✓ TeleCare investments
- ✓ Enhanced Lead Routing
- ✓ PlanFit Scoring

*[1] LTVs calculated as Medicare Advantage LTV Per Approved Submission*
*[2] YoY = Year-over-year*

# Maximizing Revenue Per Submission[1]

**Unique carrier relationships and improving LTVs drive growing revenue per submission**




Enterprise and Encompass Revenue are Key Differentiators for GoHealth

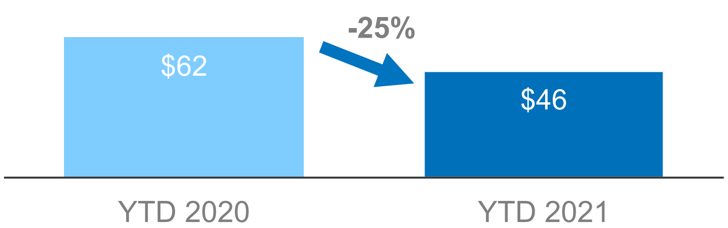
[1] *Revenue Per Submission is calculated as (Medicare-Internal plus Medicare-External) divided by total Medicare Submitted Policies*

# YTD 2021 Investments Tracking Well Toward Fiscal 2021 Goals

## CC&E investments at high end of expectations

### YTD Adjusted EBITDA[1]

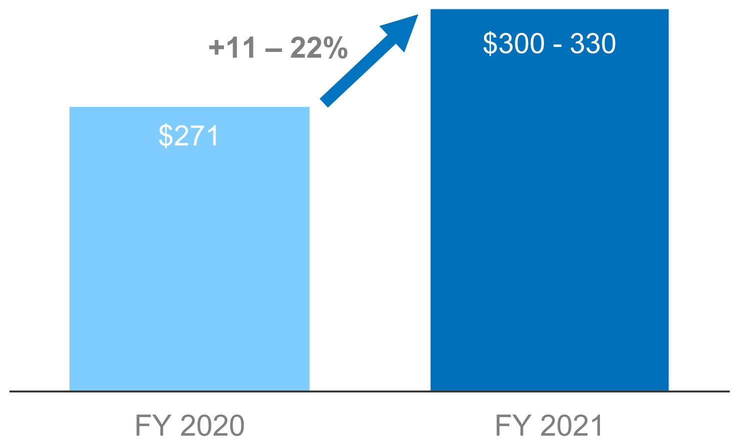
($ in millions)




Margins: 23% 12%

### FY Projected Adjusted EBITDA[1]

($ in millions)




Margins: 31% ~25%

## Q1 – Q3 Investments Will Drive Significant Growth in Q4 2021 and 2022

- Agents
- Technology
- Brand & Encompass

[1] *See accompanying appendix for a reconciliation of Adjusted EBITDA, which is a non-GAAP financial measure, to the most comparable GAAP measure.*

# Key Topics

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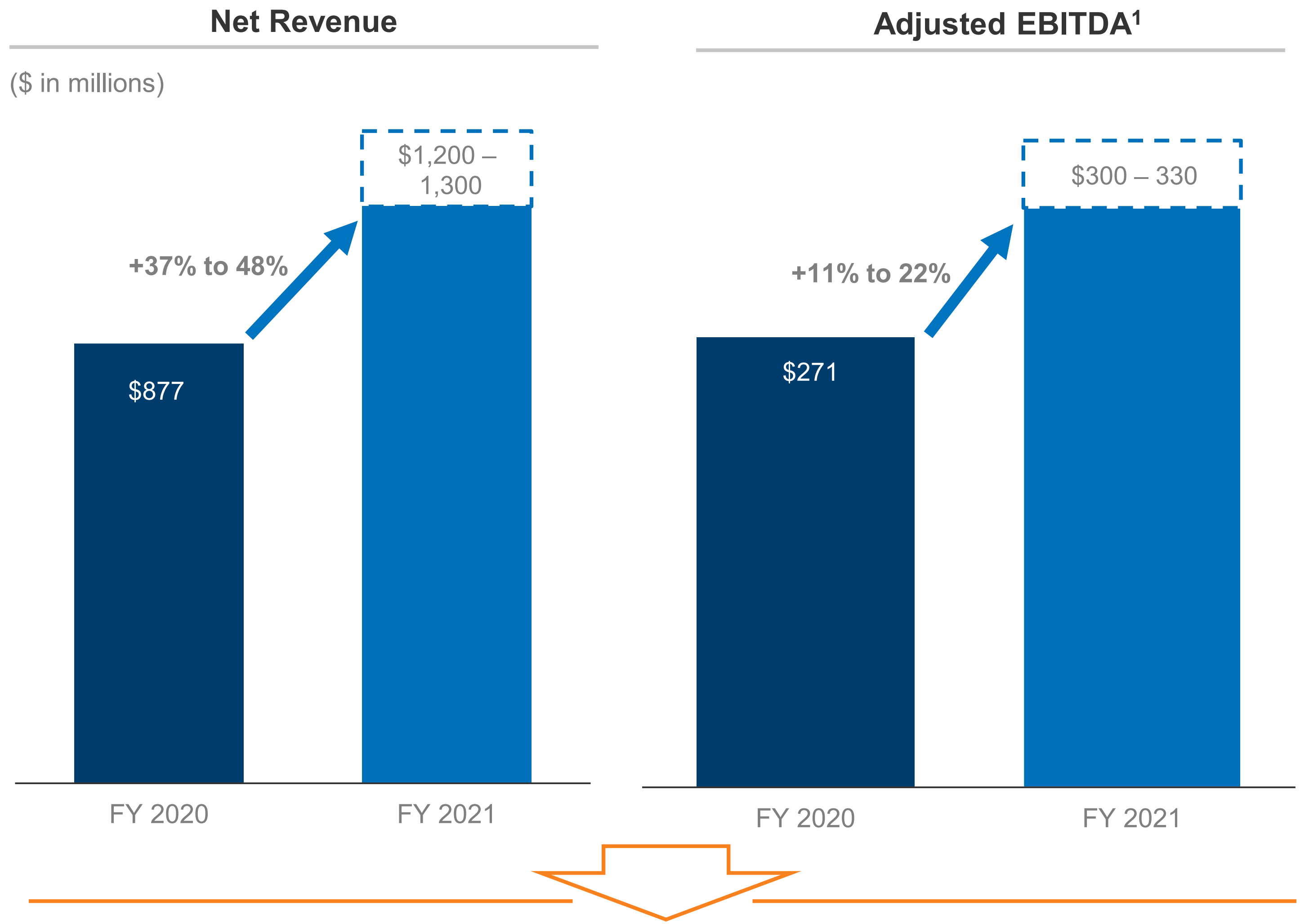
**2021 Outlook**

20-Year Track Record of Success

# Revising Fiscal 2021 Outlook

## CC&E investments create the agent capacity necessary for AEP



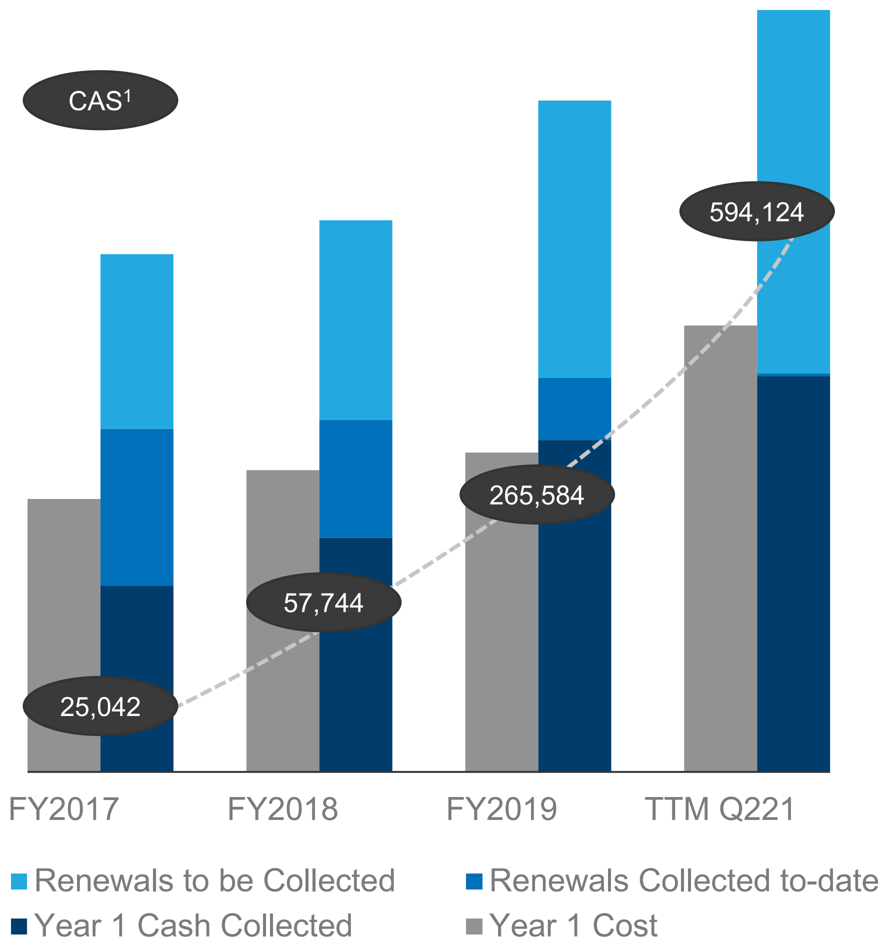

Strong Compounding Growth

[1] *See accompanying appendix for a reconciliation of Adjusted EBITDA, which is a non-GAAP financial measure, to the most comparable GAAP measure.*

# Best-in-Class Payback Periods

## With upside from Enterprise and Encompass

### Faster payback period




### Positioned for future growth and cash flow generation

**+75%** Growth in trailing twelve month net cash collections to $239 million

**$113M** Cash on hand as of June 30, 2021

**$200M**
- Untapped credit facility for working capital needs
- Refinanced a portion of our term loans to reduce borrowing costs

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

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# Encompass Platform Aligns Incentives Across Stakeholders


## Members

- ✓ Improved health outcomes
- ✓ Greater access to benefits
- ✓ Custom coordination
- ✓ Reliable advocacy

## Carriers

- ✓ Optimized MLRs
- ✓ Improved Star ratings
- ✓ Enhanced risk assessment
- ✓ Greater retention

## Care Delivery Partners

- ✓ Member growth
- ✓ Member engagement
- ✓ Connectivity
- ✓ Education

GoHealth™

**Improved member retention and engagement**

**Additional revenue streams**

**Larger TAM**

# 20+ Year Track Record of Innovation and Execution

## Driving consistent industry-leading growth

**Exponential Growth**

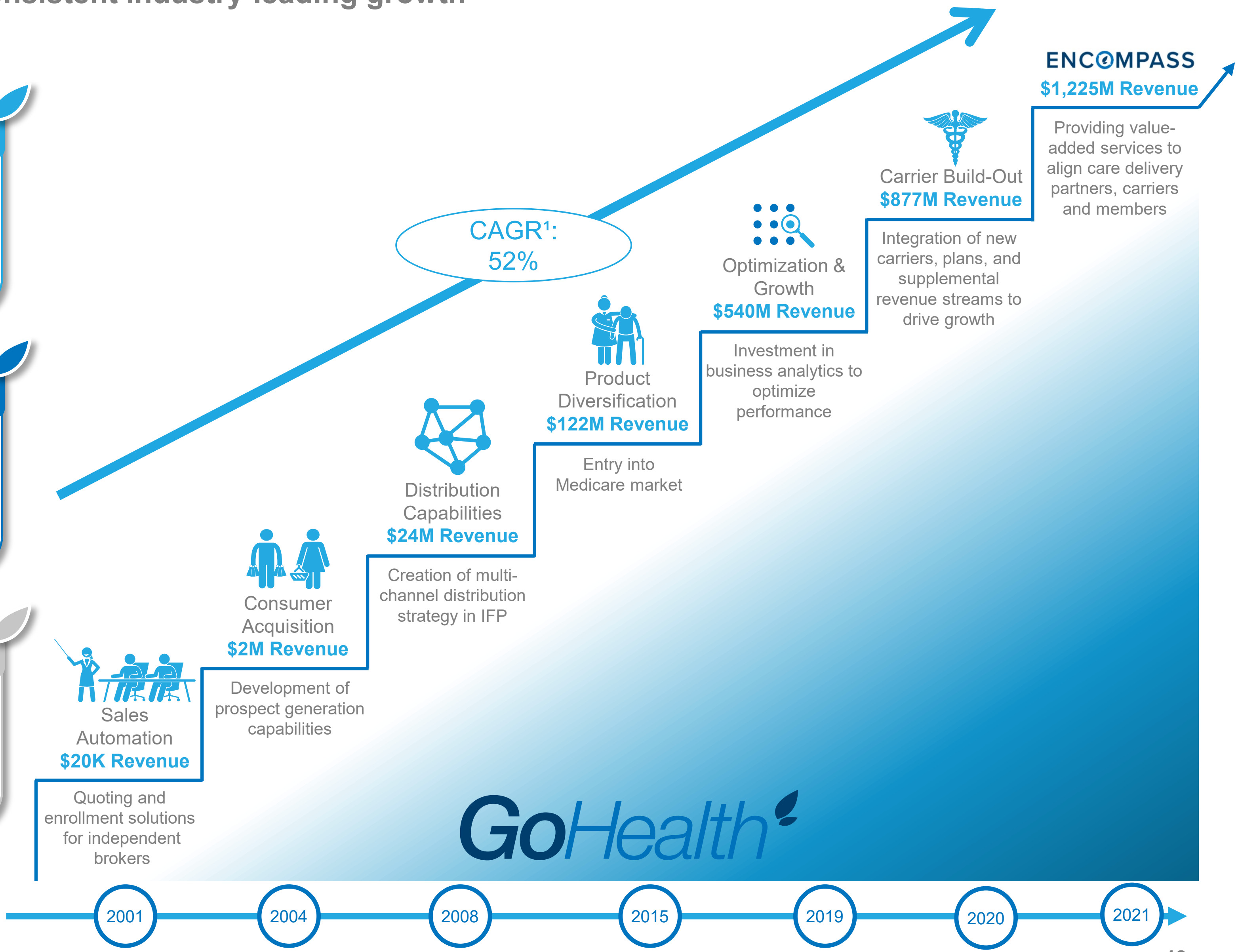
Track record of consistent, strong growth

**Robust Infrastructure**

Unmatched technology and consumer behavior data developed over decades of market experience

**Diversification**

Proven ability to deploy marketplace model in new markets




[1] From 2003 to 2019

# Appendix A

# Reconciliation of Net Income to Adjusted EBITDA

## Adjustments to EBITDA ($ in thousands)

| | | 2Q 2021 | 2Q 2020 | YTD 2021 | YTD 2020 | FY 2020 |
|---|---|---|---|---|---|---|
| | Net Loss | $(39,175) | $(22,867) | $(46,443) | $(23,804) | $(97,200) |
| | Interest Expense | 8,277 | 8,986 | 16,965 | 15,742 | 32,969 |
| | Income Tax Expense (Benefit) | (32) | (22) | (63) | (24) | 43 |
| | Depreciation and Amortization Expense | 25,738 | 24,518 | 51,105 | 48,665 | 98,552 |
| | EBITDA | $(5,192) | $10,615 | $21,564 | 40,579 | 34,364 |
| 1 | Loss on Extinguishment of Debt | 11,935 | - | 11,935 | - | - |
| 2 | Share-Based Compensation | 7,599 | 597 | 12,711 | 1,077 | 6,929 |
| 3 | Accelerated vesting of certain equity awards | - | - | - | - | 209,300 |
| 4 | Legal Fees | - | - | 180 | - | - |
| 5 | Change in Fair Value of Contingent Consideration Liability | - | 15,300 | - | 19,700 | 19,700 |
| 6 | IPO Transaction Costs | - | 424 | - | 424 | 659 |
| 7 | Severance Costs | - | - | - | 77 | 77 |
| | Adjusted EBITDA | $14,342 | $26,936 | $46,390 | $61,857 | $271,029 |
| | Net Revenue | $196,902 | $127,057 | $401,081 | $268,067 | $877,350 |
| | Adjusted EBITDA Margin | 7.3% | 21.2% | 11.6% | 23.1% | 30.9% |

## Description of Adjustments

1. Represents the loss on debt extinguishment related to the Initial Term Loan Facility.
2. Represents non-cash share-based compensation expense relating to equity awards.
3. Represents non-cash share-based compensation expense relating to the accelerated vesting of performance-vesting units in connection with the IPO.
4. Represents non-recurring legal fees unrelated to our core operations.
5. Represents the change in fair value of the contingent consideration liability due to the predecessor owners of the Company arising from the Centerbridge Acquisition.
6. Represents legal, accounting, consulting, and other indirect costs associated with the Company's IPO.
7. Represents costs associated with the termination of employment.

# Reconciliation of Net Income to Adjusted EBITDA Guidance

| ($ in thousands) | Twelve Months Ended December 31, 2021 Guidance Range Low | High |
|---|---|---|
| Net Income | $127,665 | $157,665 |
| Interest Expense | 30,000 | 30,000 |
| Income Tax Expense | 220 | 220 |
| Depreciation and Amortization Expense | 102,000 | 102,000 |
| EBITDA | $259,885 | $289,885 |
| Loss on Extinguishment of Debt | 11,935 | 11,935 |
| Share-Based Compensation | 28,000 | 28,000 |
| Legal Fees | 180 | 180 |
| Adjusted EBITDA | $300,000 | $330,000 |
| Net Revenue | $1,200,000 | $1,300,000 |
| Adjusted EBITDA Margin | 25% | 25% |

# Glossary

“Adjusted EBITDA” represents, as applicable for the period, EBITDA as further adjusted for share-based compensation expense, loss on extinguishment of debt, non-recurring legal fees, change in fair value of contingent consideration liability, IPO transaction costs, and severance costs.

“Adjusted EBITDA margin” refers to Adjusted EBITDA divided by net revenues.

“Approved Submissions” refer to Submitted Policies approved by carriers for the identified product during the indicated period.

“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, excluding revenue adjustments recorded in the period, but relating to performance obligations satisfied in prior periods, divided by (ii) the number of commissionable Approved Submissions for such period.

“Revenue Per Submission” refers to the total net revenues per Submitted Policy, which we define as (i) total net revenue, excluding revenue adjustments recorded in the period, but relating to performance obligations satisfied in prior periods, divided by (ii) the number of Submitted Policies for such period.

“Submitted Policies” refer to completed applications that, with respect to each such application, the consumer has authorized us to submit to the carrier.