

HealthEquity®

J.P. Morgan Investor presentation

January 2021

Safe harbor

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This presentation contains “forward-looking” statements that are based on our management’s beliefs and assumptions and on information currently available to management. These forward-looking statements include, without limitation, statements regarding our industry, business strategy, plans, goals and expectations concerning our market position, product expansion, future operations, margins, profitability, future efficiencies, capital expenditures, liquidity and capital resources and other financial and operating information. When used in this discussion, the words “may,” “believes,” “intends,” “seeks,” “anticipates,” “plans,” “estimates,” “expects,” “should,” “assumes,” “continues,” “could,” “will,” “future” and the negative of these or similar terms and phrases are intended to identify forward-looking statements.

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This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates.

This presentation includes certain non-GAAP financial measures as defined by SEC rules. As required by Regulation G, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in our public filings.

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An industry leader

12.8-13.0M

 Total Accounts

100k

 Employer Clients

5.7-5.8M

 HSA members

174

 Network partners

\$13.6-13.8B

 HSA assets

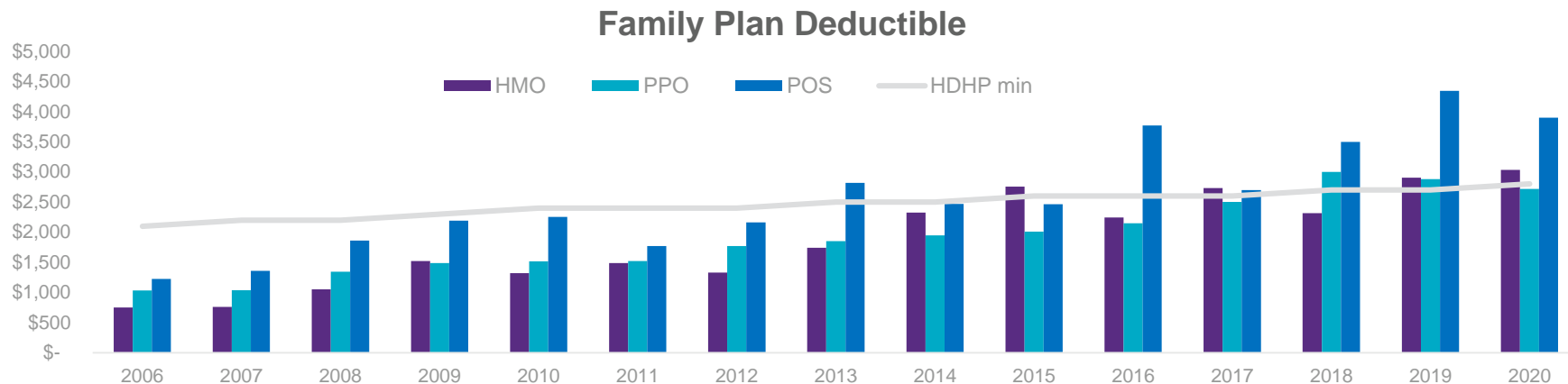
15k

 Integrations



Melissa Jacinto
Team member since 2017

Why HSAs



The differences in deductibles among health plans are narrowing as plans trend toward HSAs

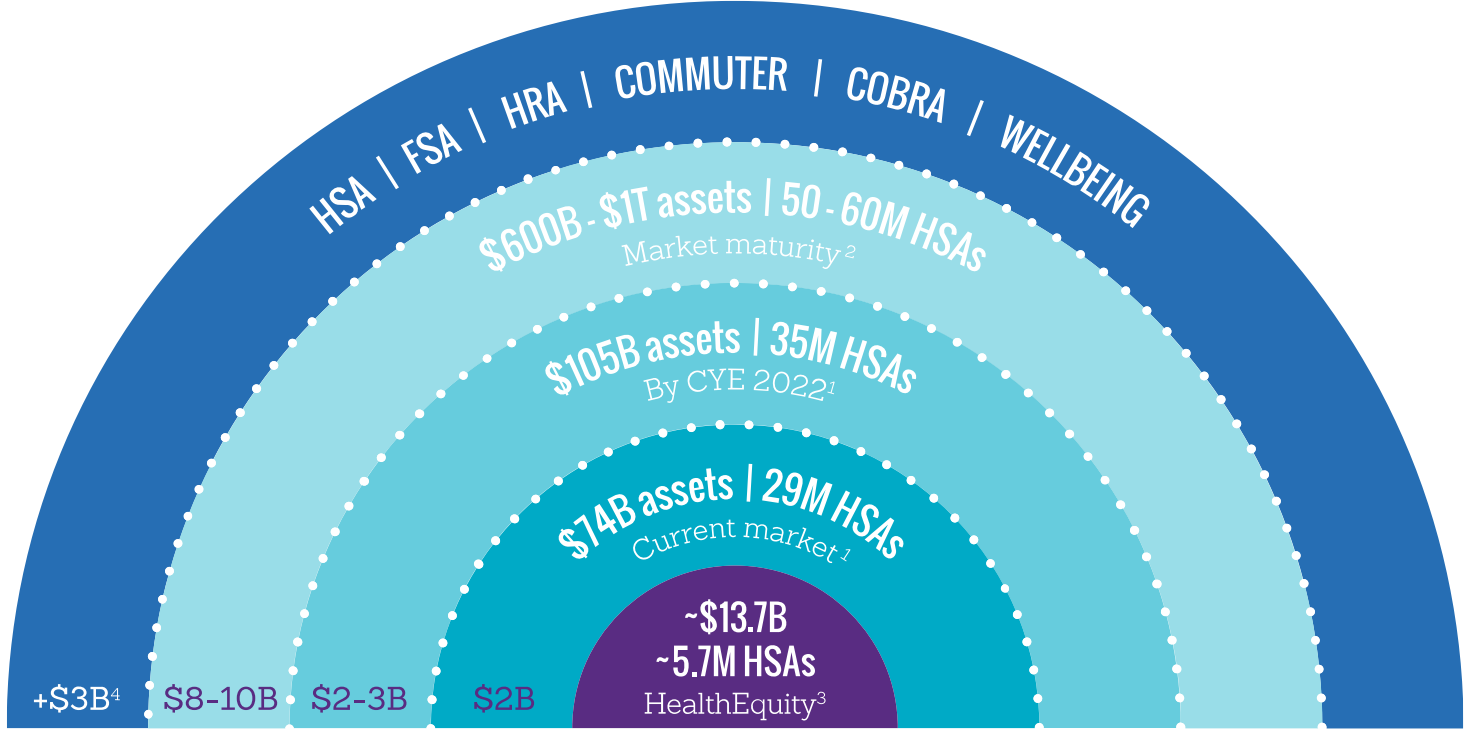
HSA Plans **2% vs 6%** PPO Plans
10-yr CAGR deductible growth

\$1,950
HSA premium savings

\$1,018
Employer HSA contribution

6% to 24%
10-yr HSA market share

Expanding market



MARKET WIDE REVENUE

¹ Devenir HSA Research Report as of June 30, 2020

² Management estimate as of January 2021

³ HealthEquity information - estimated as of January 2021

⁴ Proprietary research June 2019

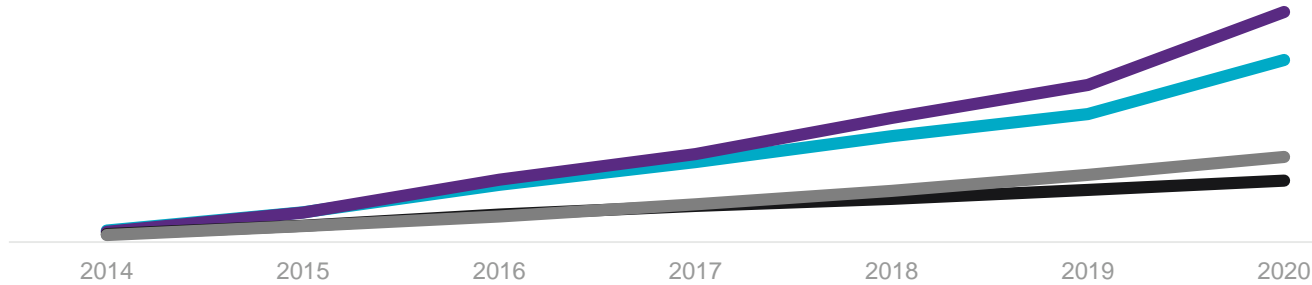
Gaining market share

826%
HQY HSA assets

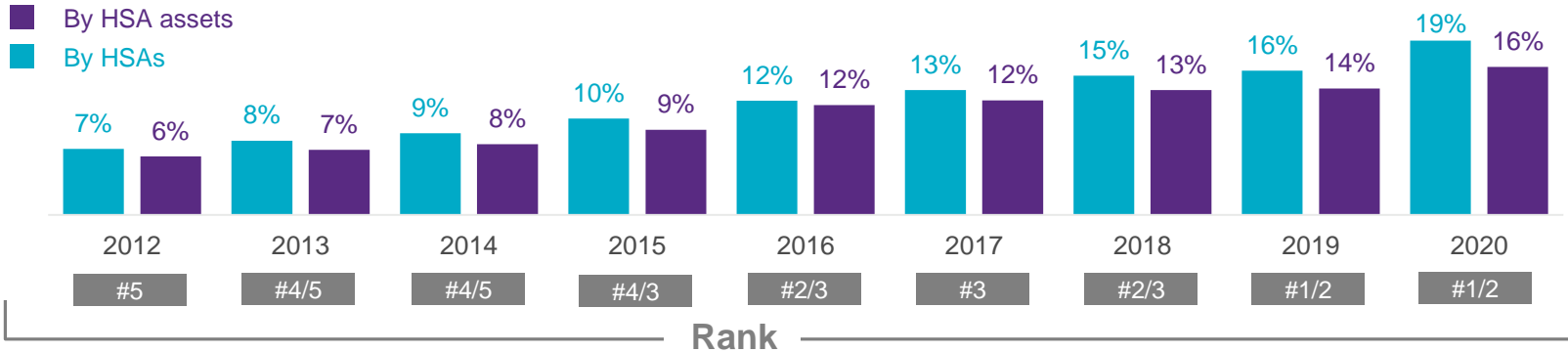
654%
HQY HSAs

306%
Market HSA assets

221%
Market HSAs



HealthEquity HSA market share

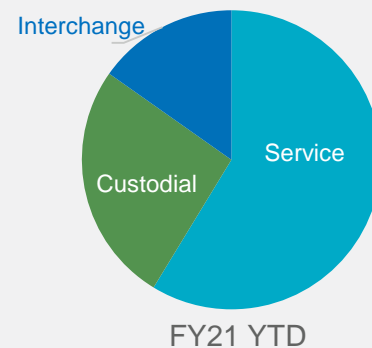
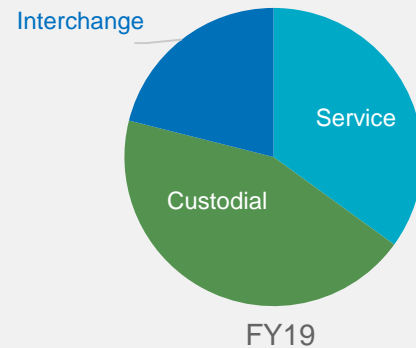
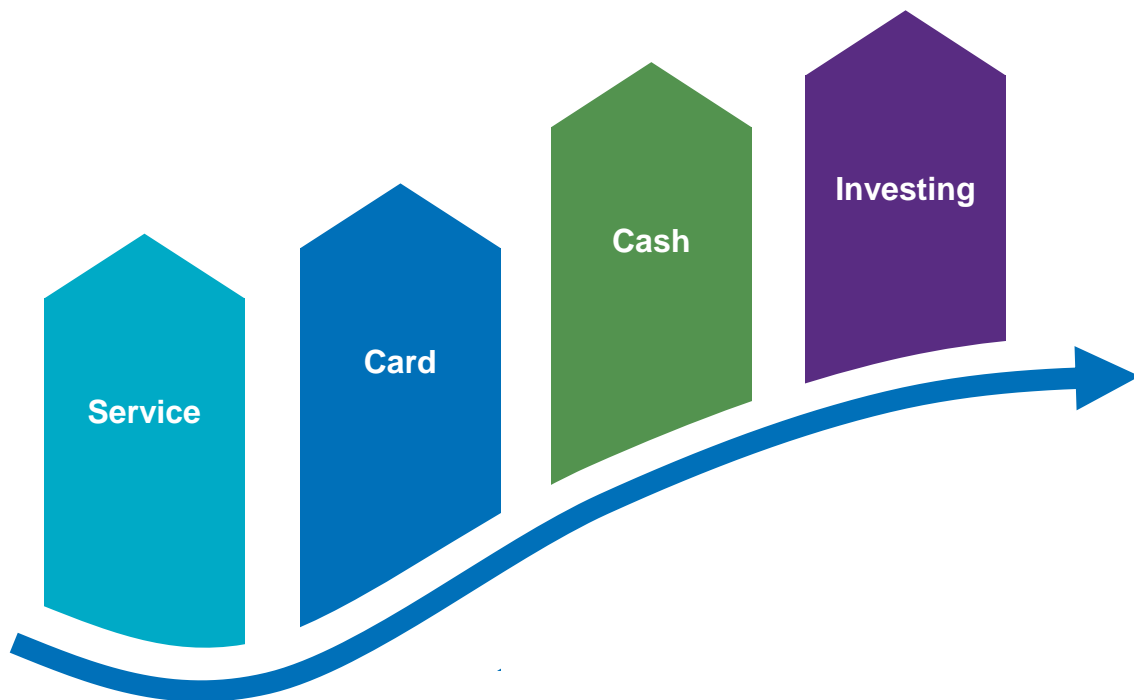


FY21 sales results and yield outlook

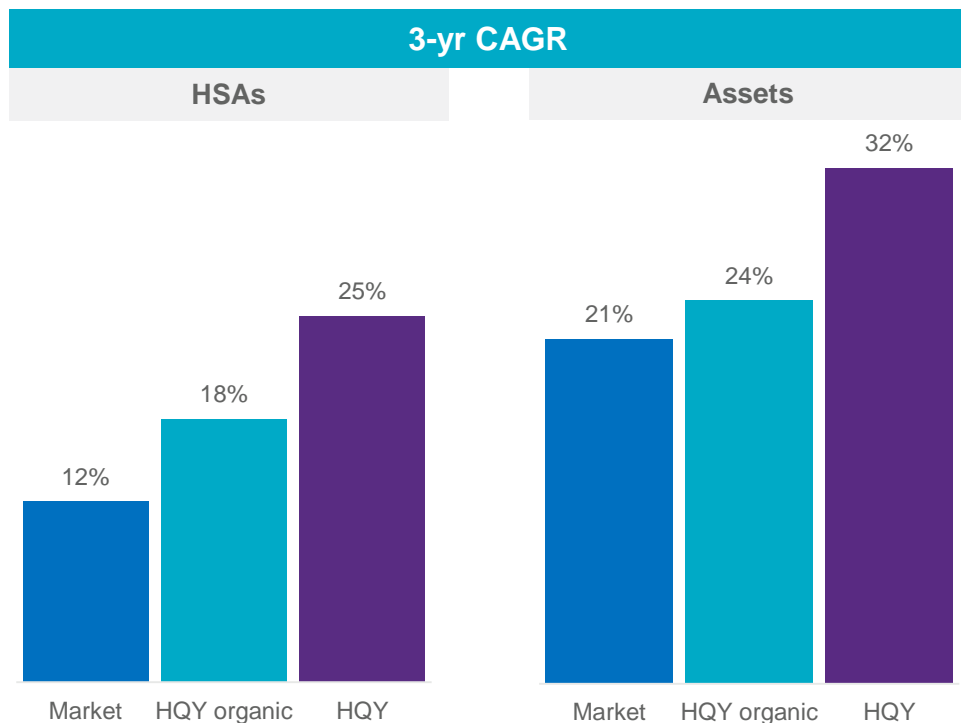
| Sales metrics ⁽¹⁾ | | |
|-------------------------------|------------------|----------|
| HealthEquity at January 31, | | |
| | 2021 (E) | 2020 (A) |
| HSA (millions) | 5.7 to 5.8 | 5.3 |
| HSA cash (\$billions) | \$9.6 to \$9.7 | \$8.7 |
| HSA investments (\$billions) | \$4.0 to \$4.1 | \$2.8 |
| Total HSA assets (\$billions) | \$13.6 to \$13.8 | \$11.5 |
| Total accounts (millions) | 12.8 to 13.0 | 12.8 |
| Employer partners | ~100,000 | 100,000 |
| Network partners | 174 | 165 |
| Yield outlook ⁽²⁾ | | |
| | FY 2022 | FY 2021 |
| HSA cash with yield | 1.75% - 1.80% | ~2.05% |

- HSAs up ~10% YoY net of migration loss
- HSA investments +43%-46% YoY
- Total HSA assets +18%-20% YoY
- Total Accounts of FY21 do not include 0.6 million commuter accounts in suspense due to the pandemic
- CDBs +5% YoY excluding commuter

Powerful monetization



Market growth



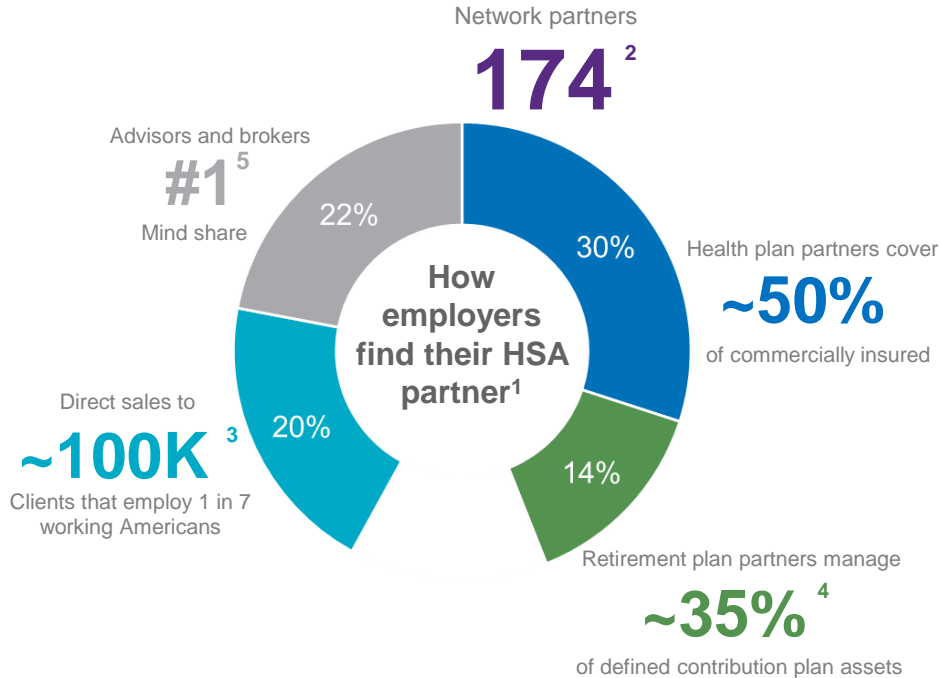
Forward market growth rate¹

7%
HSAs

14%
Assets

- Win/win response to renewed cost pressures
- Growing consumer understanding
- Increasing regulatory flexibility

A total solution from one partner



¹ Aite Group survey of U.S. private sector employers, February 2019

² HealthEquity network partners as of January 2021

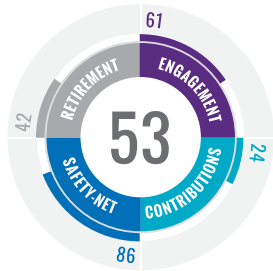
³ Employers clients served estimated as of January 2021

⁴ Current HealthEquity defined contribution record keeper partners' total 401K assets as reported by them as a percentage of the approximately \$7 trillion DC market - DOL Employee Benefits Security Administration, Private Pension Plan Bulletin: Abstract of 2017 Form 5500 Annual Reports, September 2019

⁵ Proprietary research February 2019 - of the 175 brokers and advisors surveyed, WageWorks and HealthEquity combined to be the most recognized benefit providers

Innovation driving engagement

+ Health Savings Score



+ HealthEquity e360



+ Virtual open enrollment



+ Next gen platform

Rollout of initial components in Q4

+ Integrated service

Fed strong cross-sell opportunities

+ Onshoring member service

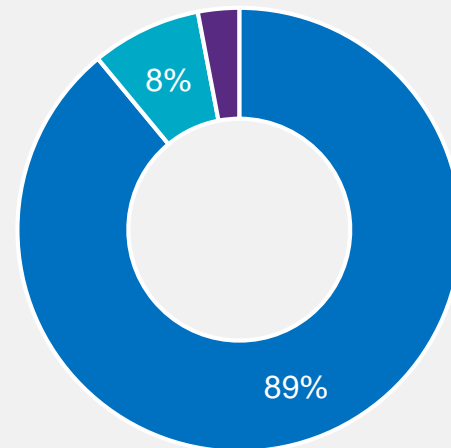
Improved satisfaction 14% from Dec 2019 to Dec 2020

Leaning into cross-sell opportunity

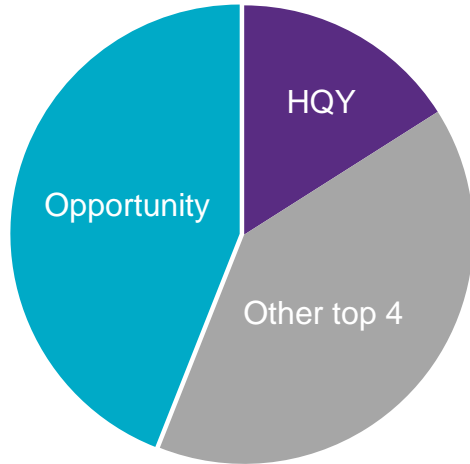
- **\$400 million** cross-sell opportunity with managed clients alone
- **12** network partners expanded account offerings in FY21

Existing Client Penetration

- 1 Account type
- 2 Account types
- 3+ Account types / bundle uptake



M&A and growth investment



Portfolio acquisitions



Capability tuck-ins

Dry powder and deep integration experience

Regulatory tailwinds



**Year end relief for
FSA and HRA**



**FDIC brokered
deposit rule**

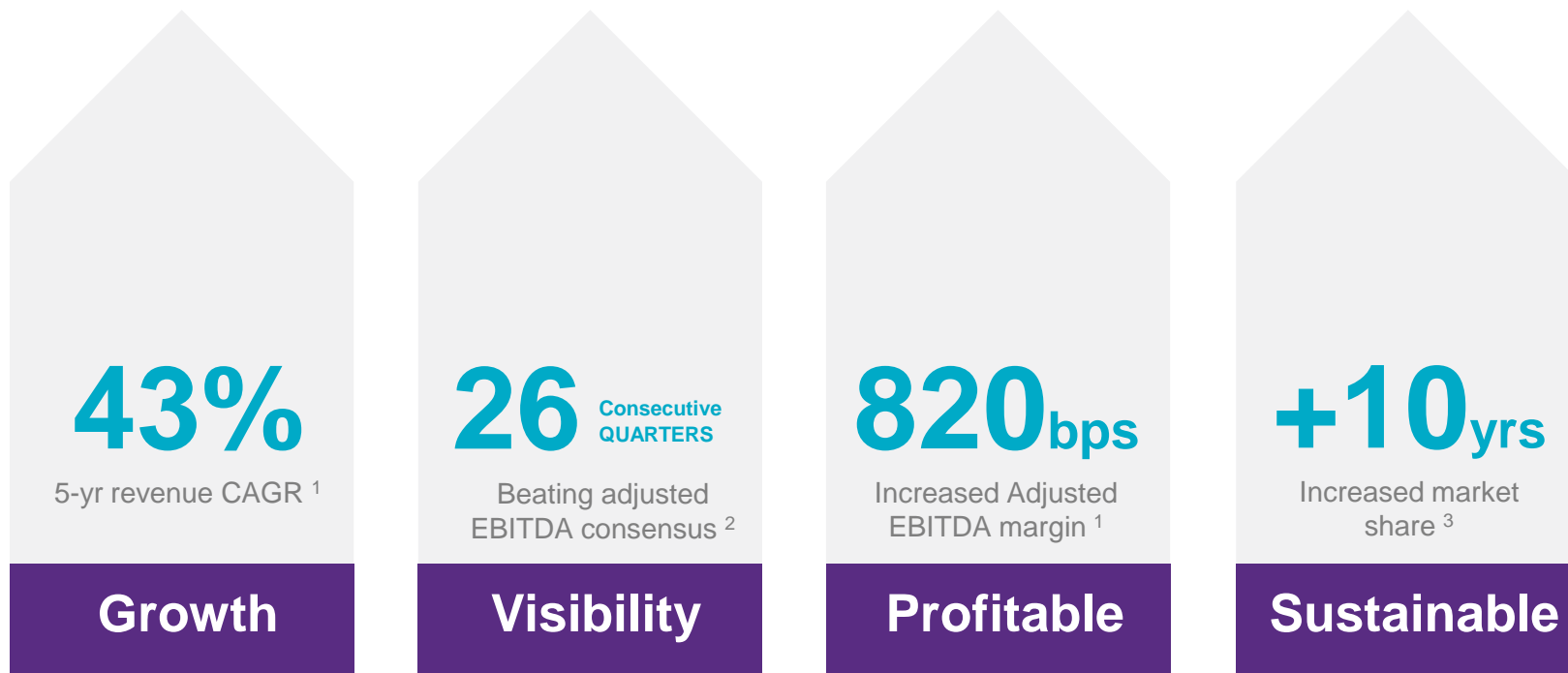


**Potential COBRA
subsidy**



**Potential HSA
expansion for stronger
ACA and Medicare**

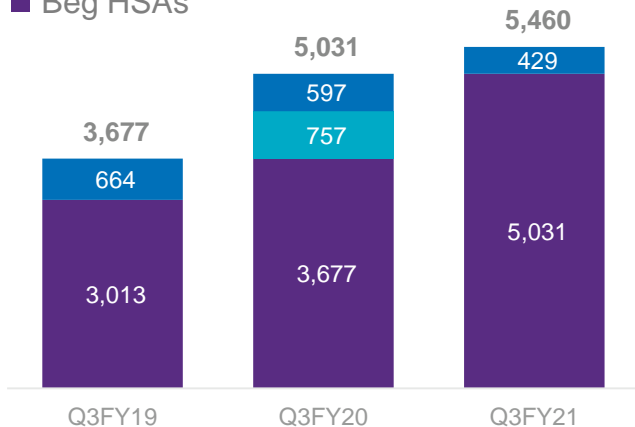
Foundation of profitability



Third quarter FY21 HSA key metrics

HSA (000s)

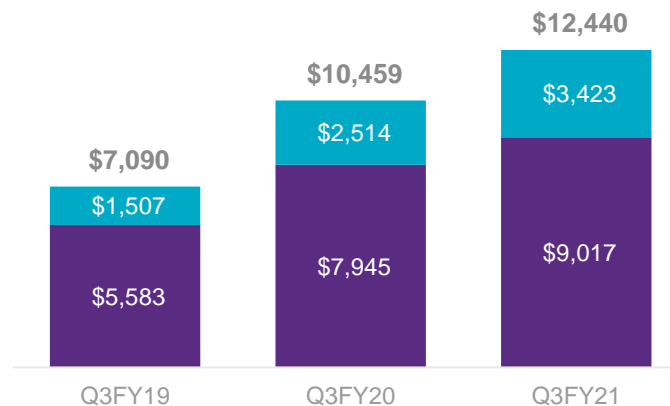
- Net new HSAs
- Acq HSAs
- Beg HSAs



- **104K** Q3 new organic HSAs
- **11%** organic growth YoY

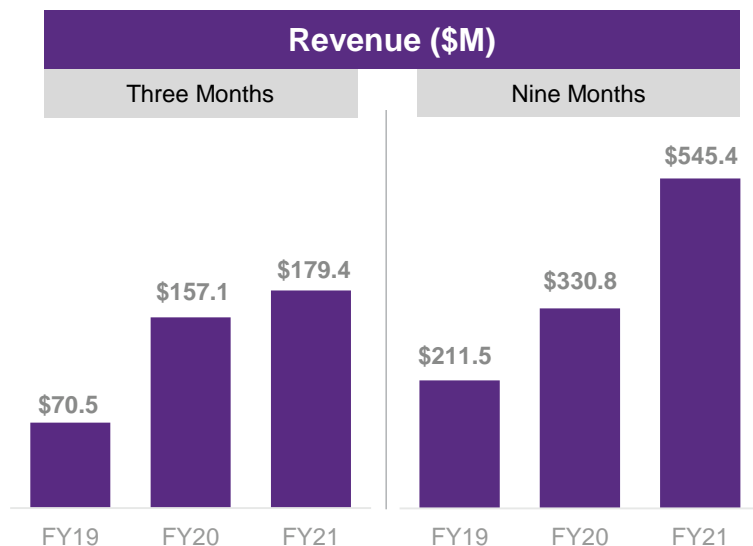
HSA Assets (\$M)

- Invested assets
- Cash assets

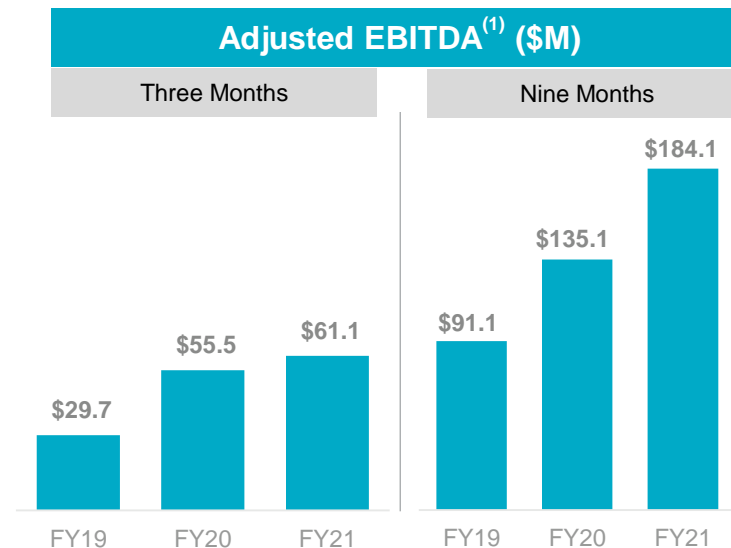


- **\$2.0B** net increase YoY
- **19%** growth YoY

Fiscal third quarter financial results



- **14% Q3 revenue growth YoY**
 - 19% Q3 growth in Service Revenue
 - 3% Q3 growth in Custodial Revenue
 - 17% Q3 growth in Interchange Revenue



- **10% Adjusted EBITDA growth Q3 YoY**
- Q3 Gross margin 58%
- Q3 Adjusted EBITDA margin 34%

Capitalization

| (\$ in millions) | October 31, 2020 | January 31, 2020 |
|--|------------------|------------------|
| Cash, cash equivalents & marketable securities | \$299 | \$192 |
| Long-term debt, net of debt issuance costs (\$350M available LOC) | \$1,001 | \$1,221 |
| Total stockholders' equity | \$1,355 | \$1,030 |

Next up

FY21 sales metrics final results

FY22 initial revenue guidance

February 8, 2021

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