

HealthEquity®

# Investor presentation

December 2021

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# 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 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

13.3M

 Total Accounts

100k

 Employer Clients

6.2M

 HSA members

174

 Network partners

\$16.4B

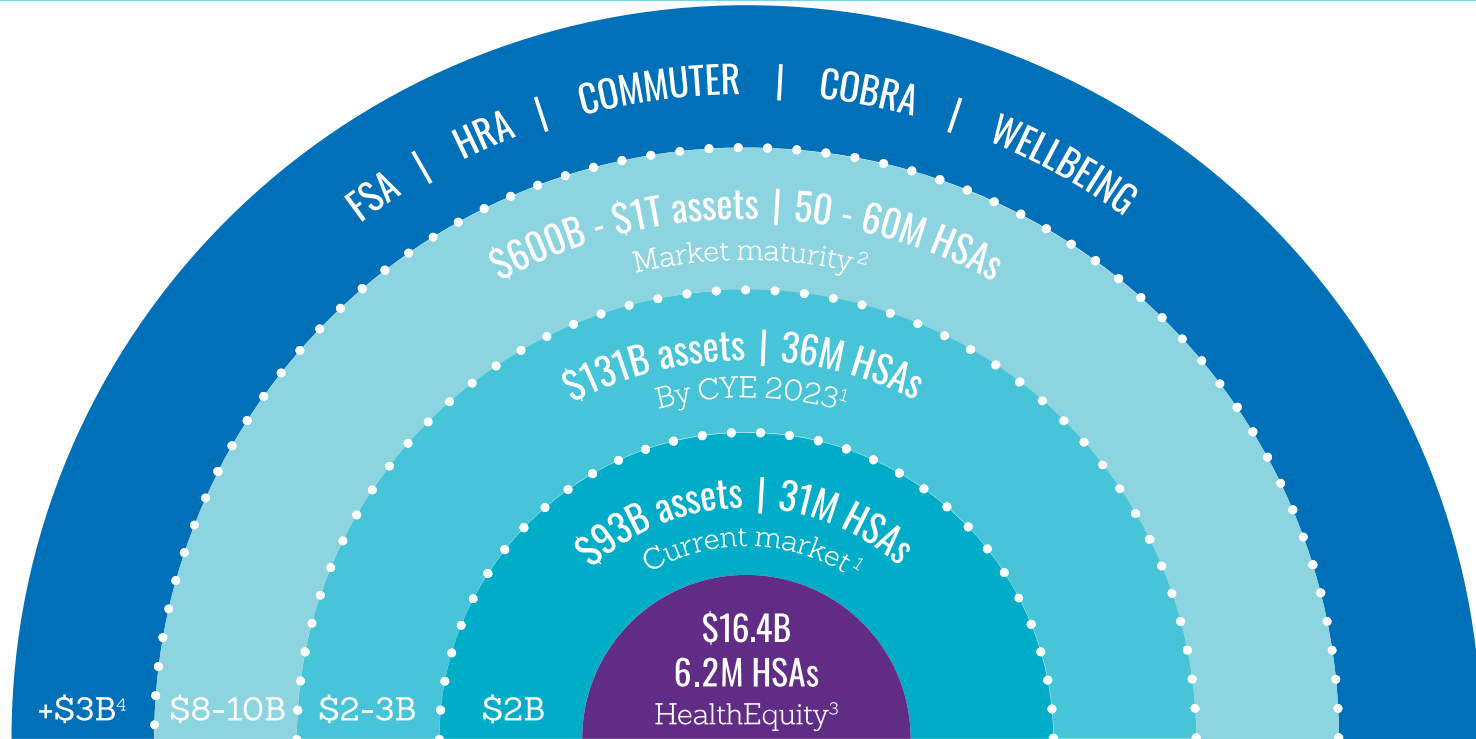
 HSA assets

15k

 Integrations



# Expanding market



MARKET WIDE REVENUE

<sup>1</sup> Devenir HSA Research Report as of June 30, 2021

<sup>2</sup> Management estimate as of December 2021

<sup>3</sup> HealthEquity information as of October 31, 2021

<sup>4</sup> Proprietary research June 2019

# Multiple avenues for growth

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**New partners  
& clients**



**Cross-sell**



**Uptake &  
balance growth**

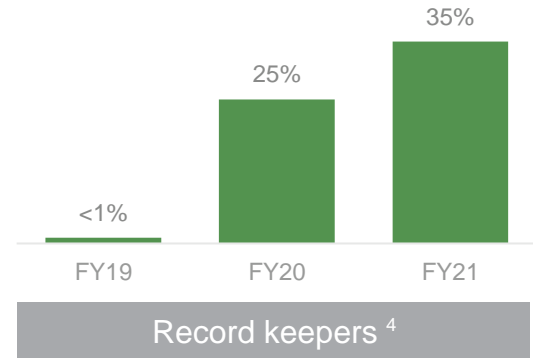
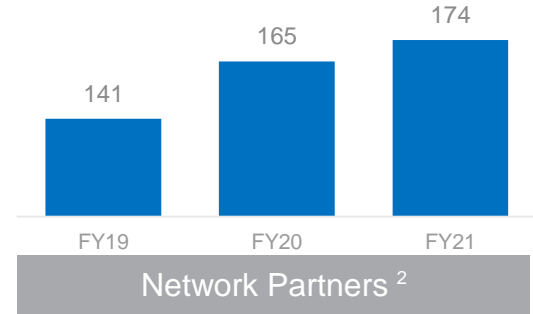
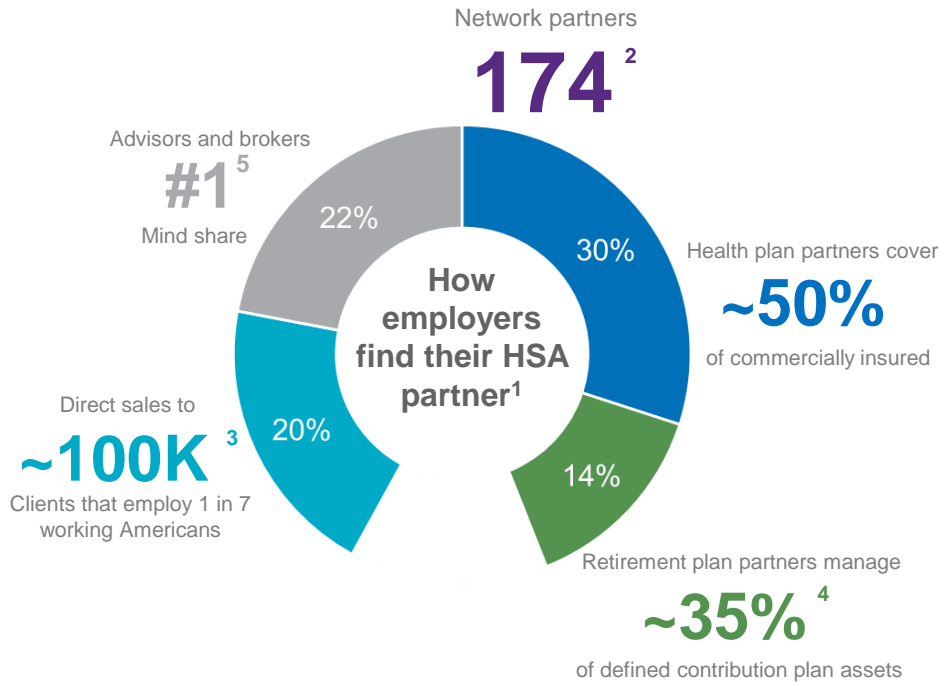


**M&A initiatives**



Rate recovery, return to work and regulatory tailwinds

# Win new network partners and clients



<sup>1</sup> Aite Group survey of U.S. private sector employers, February 2019

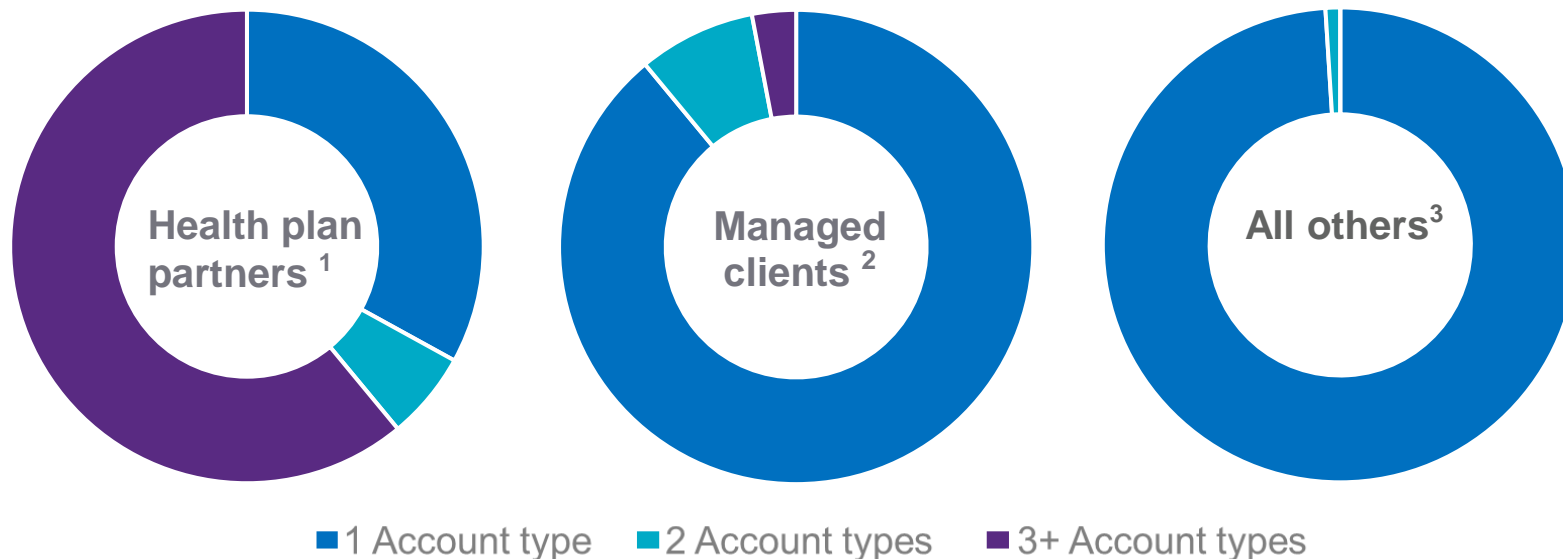
<sup>2</sup> HealthEquity network partners as of January 2021

<sup>3</sup> Employers clients served estimated as of January 2021

<sup>4</sup> 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

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

# Lean into cross-sell



# Increase uptake



Engagement platform



Virtual open enrollment



Live specialists

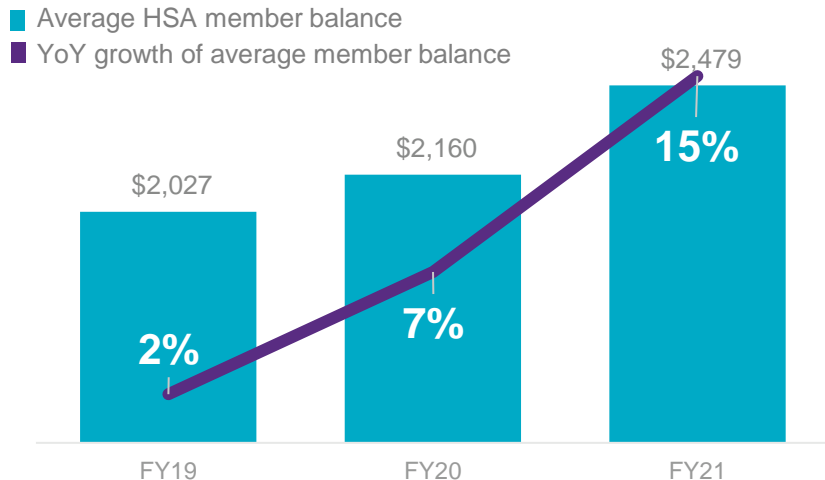


**Just 21%** of those with commercial health insurance have HSA-qualified plans <sup>1</sup>

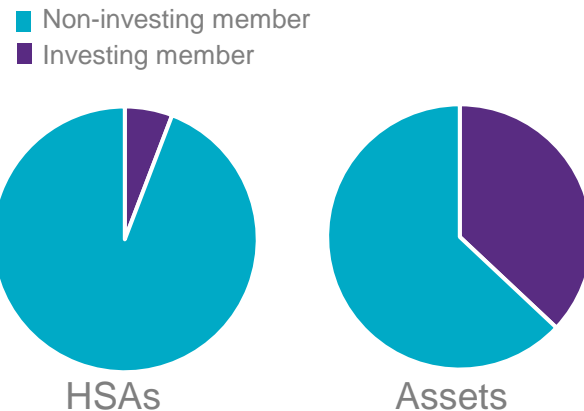


# Grow balances

## HSA average balance growth



## HSA investors FY2021



HealthEquity  
HSAs:

**31%**  
Open 2 years or less

**3.6** Years  
Average age

**5.8%**  
HSAs with Investments

# M&A initiatives

## Custodial consolidation<sup>1</sup>

HSA Provider	Market Share
Company 1	20%
<b>HealthEquity</b>	16%
Company 3	13%
Company 4	12%
Company 5	5%
#9 Further	2%
#11 HealthSavings Admin.	2%
#14 Fifth Third Bank	1%
<b>Top 10</b>	<b>82%</b>
<b>All Others</b>	<b>18%</b>

## Additional solutions



## Capability tuck-ins

- ✓ Proven track record
- ✓ Disciplined approach
- ✓ Integration playbook
- ✓ Go-to-market focus

# Headwinds becoming tailwinds

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## Rate improvement

- Custodial mix shift to annuity products with higher yields than bank deposits
- Balances continuing to grow
- Rates expected to rise



## Return to work

- Deferred client pipeline
- Employment rebound
- Commuter utilization
- Healthcare spend
- Childcare accounts

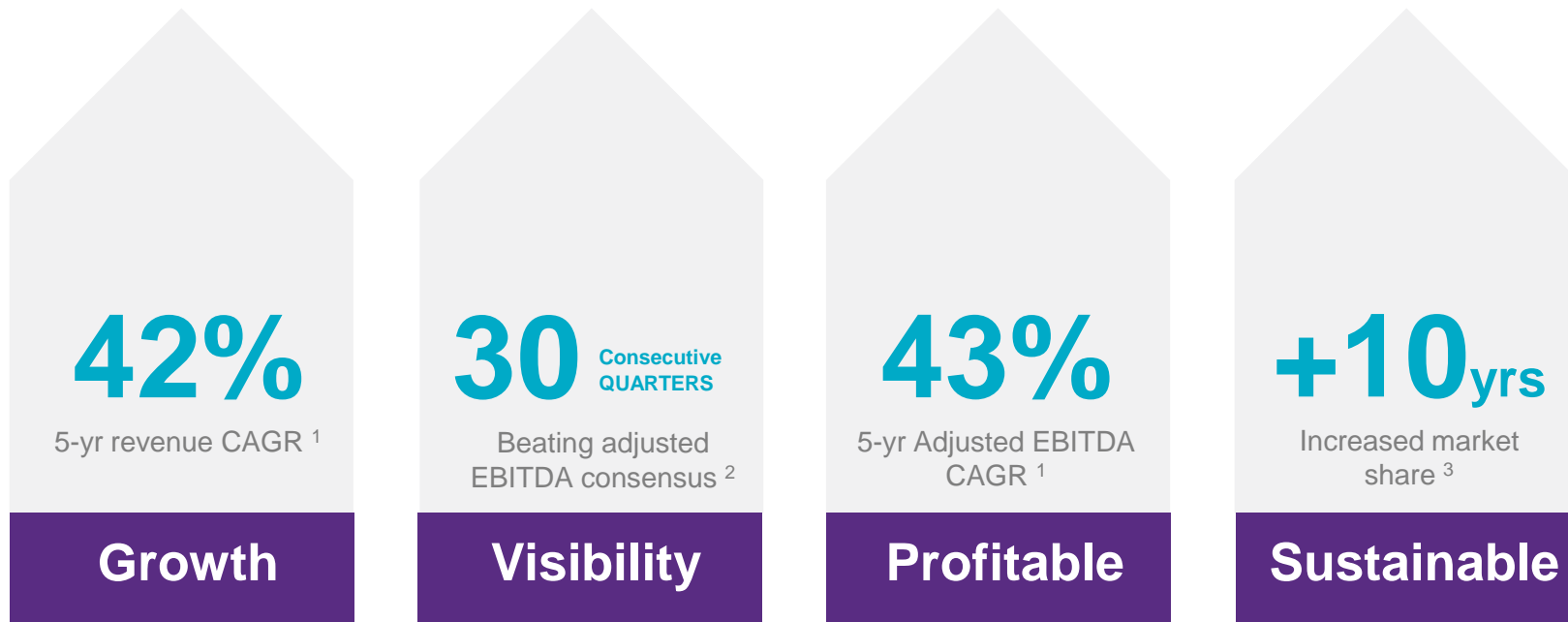


## Regulatory

- COBRA subsidy
- HSA expansion
- Medicare opportunities
- Brokered deposits rule

# Foundation of promises kept

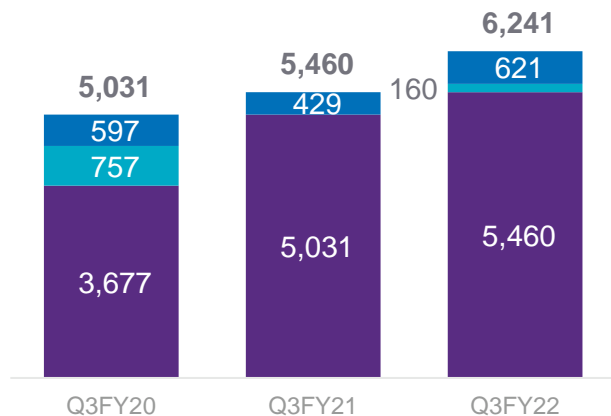
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# HSA key metrics

## HSA (000s)

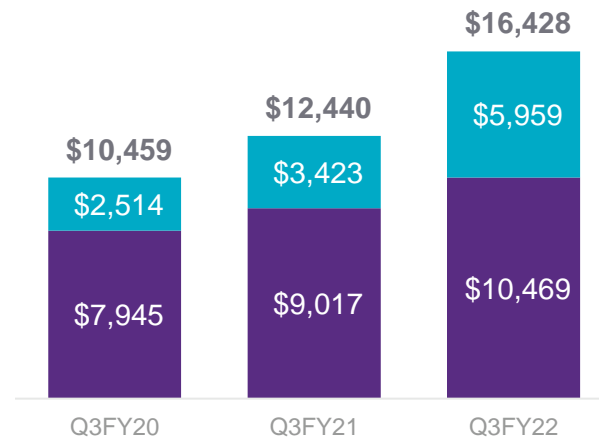
- Net new HSAs
- Acq HSAs
- Beg HSAs



- **151K** new + **160K** acquired HSAs in Q3
- **14%** total / **11%** organic growth YoY

## HSA Assets (\$M)

- Invested assets
- Cash assets

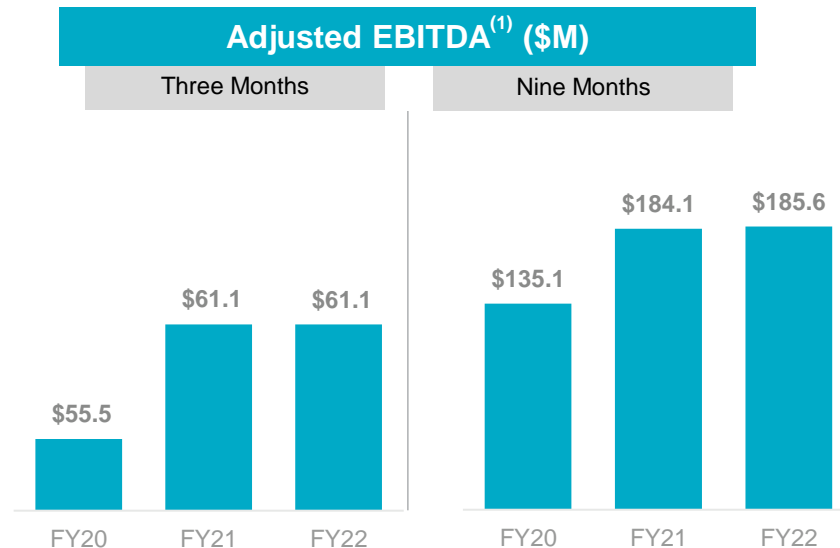
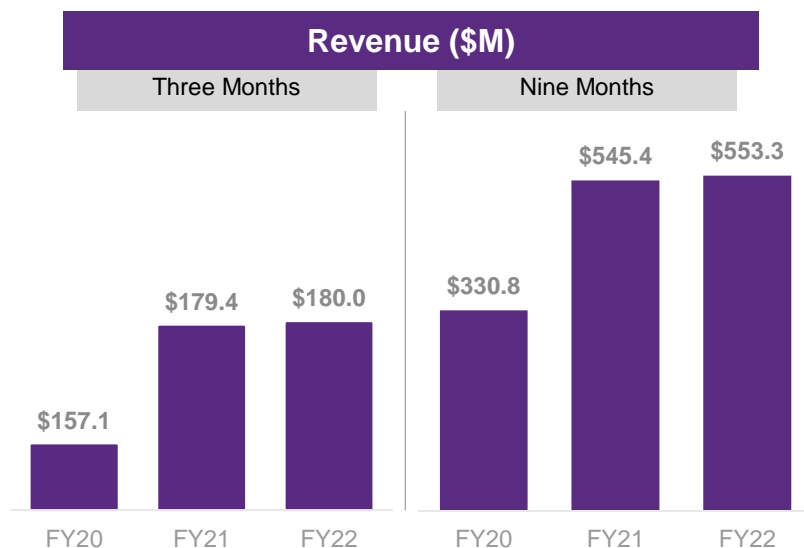


- **\$4.0B** net increase YoY
- **32%** total / **28%** organic growth YoY

## Total Accounts

HSA	6.2M
FSA	3.1M
HRA	1.9M
COBRA	1.0M
Commuter	0.4M
Other	0.7M

# Fiscal third quarter financial results



- 0% growth in Q3 revenue YoY
  - 2% Q3 decrease in Service Revenue
  - 1% Q3 growth in Custodial Revenue
  - 8% Q3 growth in Interchange Revenue

- **0%** Adjusted EBITDA growth Q3 YoY
- **57%** Q3 Gross margin
- **34%** Q3 Adjusted EBITDA margin

# Capitalization and leverage

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(\$ in millions)	October 31, 2021	January 31, 2021
Cash, cash equivalents & marketable securities	\$649	\$329
Long-term debt, net of debt issuance costs (\$350M available LOC)	\$930	\$987
Total stockholders' equity	\$1,872	\$1,379

# Guidance

## Business outlook

HealthEquity fiscal year ending January 31, 2022

Guidance as of: (\$ in millions, except per share)	December 6, 2021*	September 8, 2021	June 7, 2021	March 15, 2021
<b>Revenue</b>	\$750 - \$755	\$755 - \$765	\$755 - \$765	\$750 - \$760
<b>Non-GAAP net income**</b>	\$108 - \$112	\$122 - \$126	\$122 - \$126	\$115 - \$119
<b>Non-GAAP Net income per diluted share**</b>	\$1.30 - \$1.35	\$1.45 - \$1.50	\$1.45 - \$1.50	\$1.37 - \$1.42
<b>Adjusted EBITDA**</b>	\$230 - \$235	\$241 - \$247	\$241 - \$247	\$240 - \$246



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