

HealthEquity®

# Investor presentation

June 2021

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# Safe harbor

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# An industry leader

12.8M

 Total Accounts

100k

 Employer Clients

5.8M

 HSA members

174

 Network partners

\$15.0B

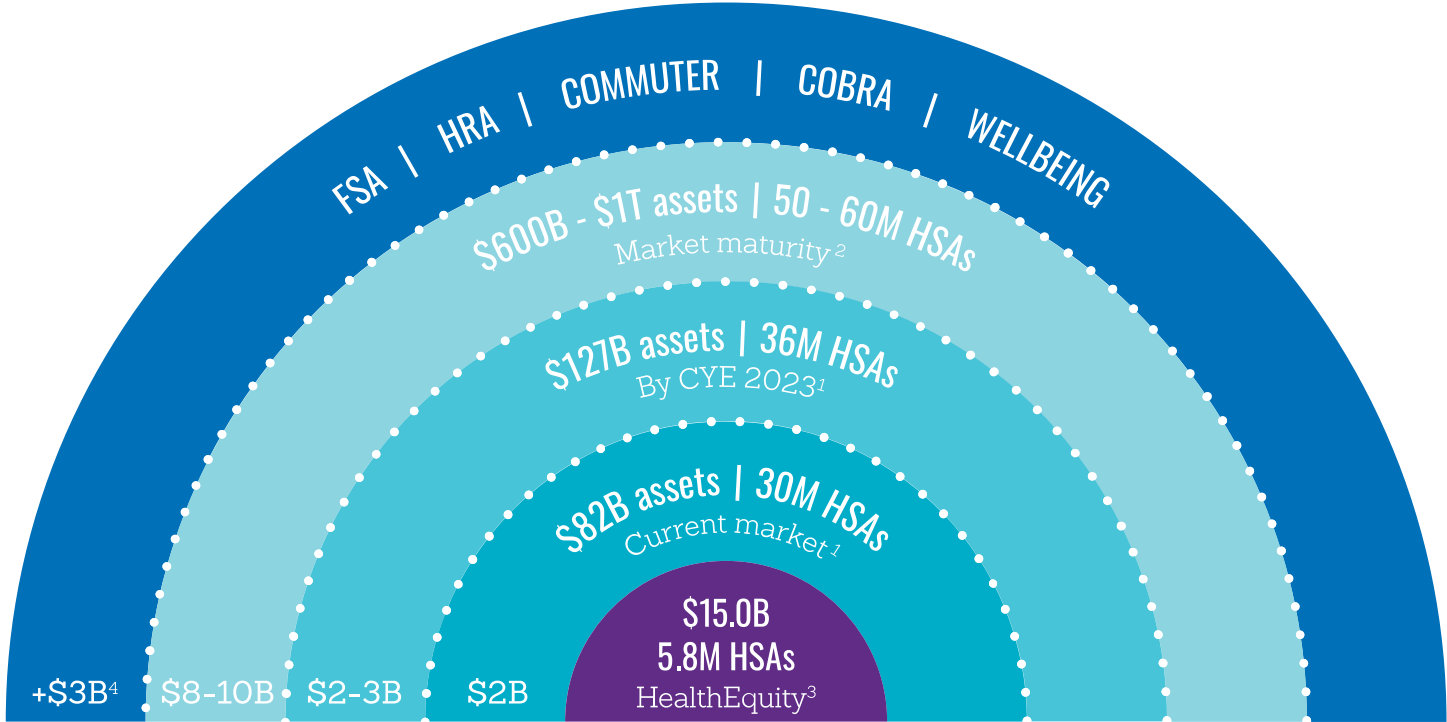
 HSA assets

15k

 Integrations



# Expanding market



## MARKET WIDE REVENUE

<sup>1</sup> Devenir HSA Research Report as of December 31, 2020

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

<sup>3</sup> HealthEquity information as of April 30, 2021

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

# Multiple avenues for growth

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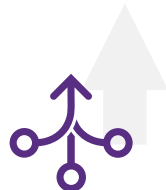
**New partners  
& clients**



**Cross-sell**



**Uptake &  
balance growth**

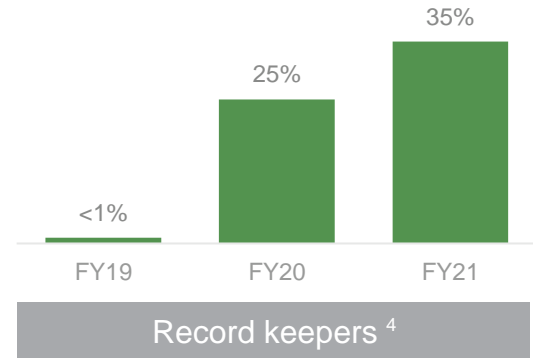
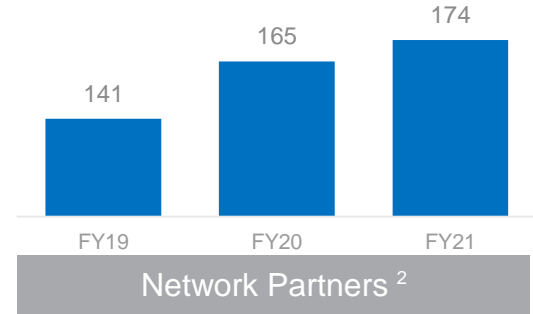
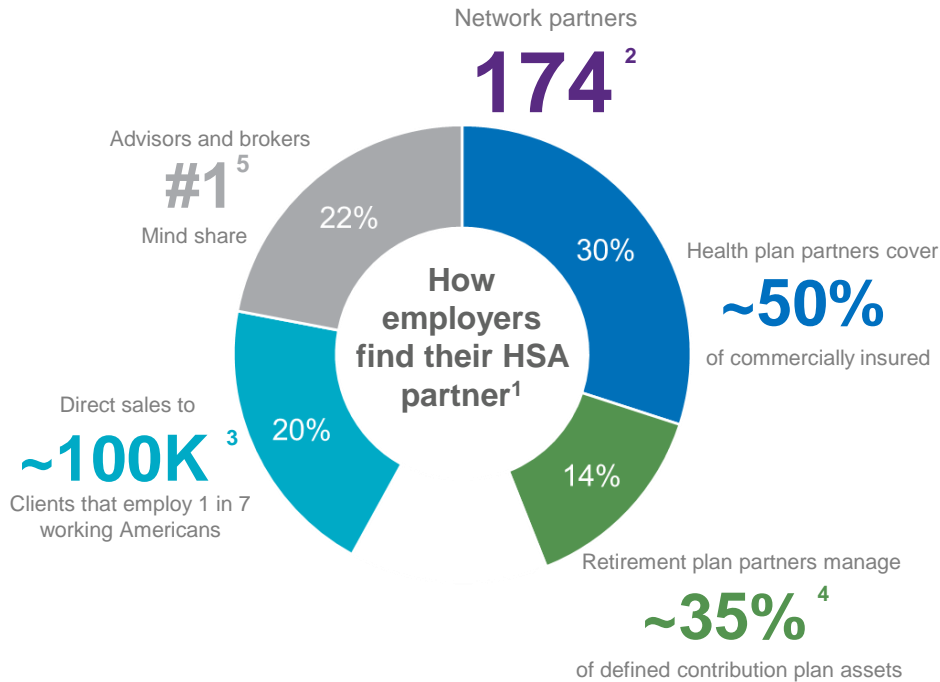


**M&A initiatives**



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

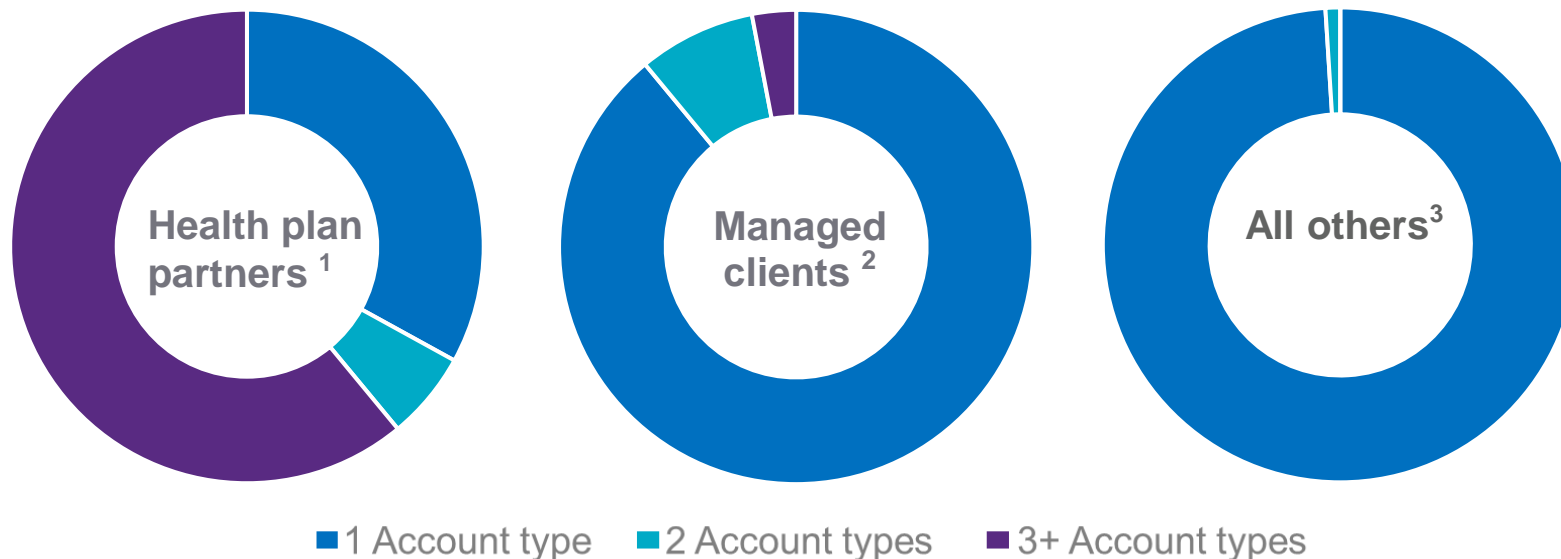
<sup>2</sup> HealthEquity network partners as of January 2021

<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

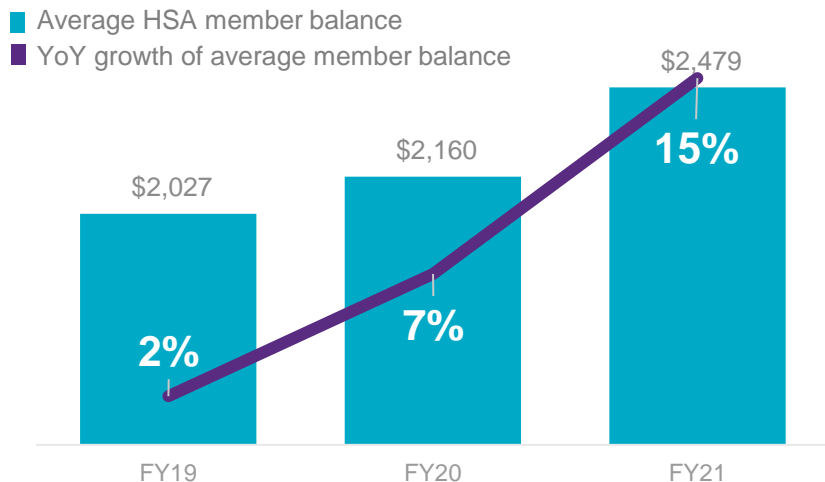


**Just 24%** of those with commercial health insurance have HSA-qualified plans <sup>1</sup>

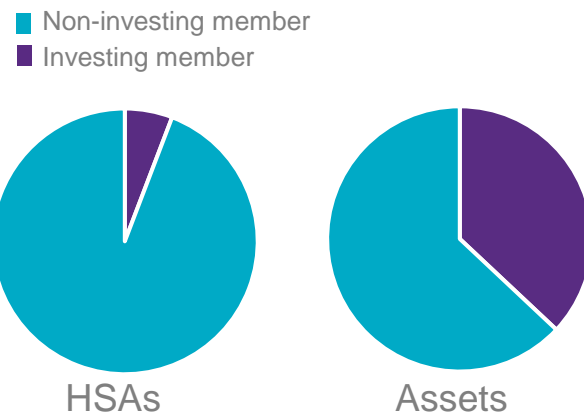


# Grow balances

## 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	12%
Company 4	11%
Company 5	5%
#9 Further	2%
#14 Fifth Third Bank	1%
<b>Top 10</b>	<b>80%</b>
<b>All Others</b>	<b>20%</b>

## Additional solutions

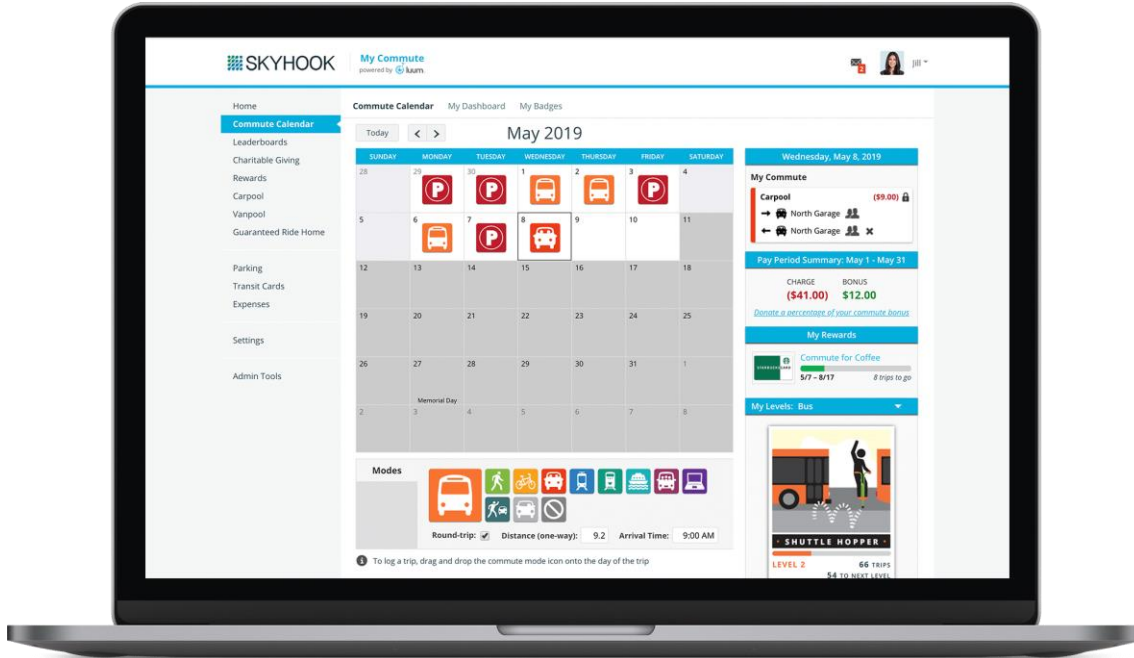


## Capability tuck-ins

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

# Luum

## Return to work solution



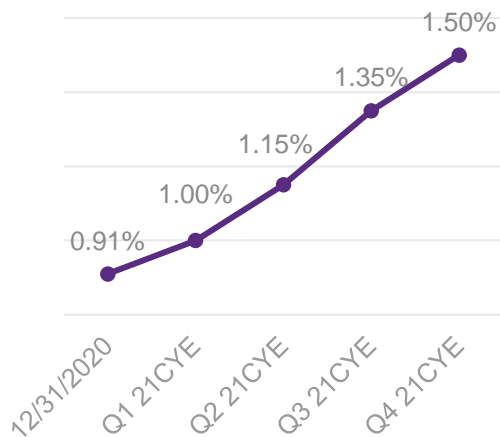
- Beyond monthly passes
- Flexible platform (pc /mobile access)
- Strong partnerships and client base
- Sustainable business model



# Headwinds becoming tailwinds



## Rate recovery <sup>1</sup>



## Return to work

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

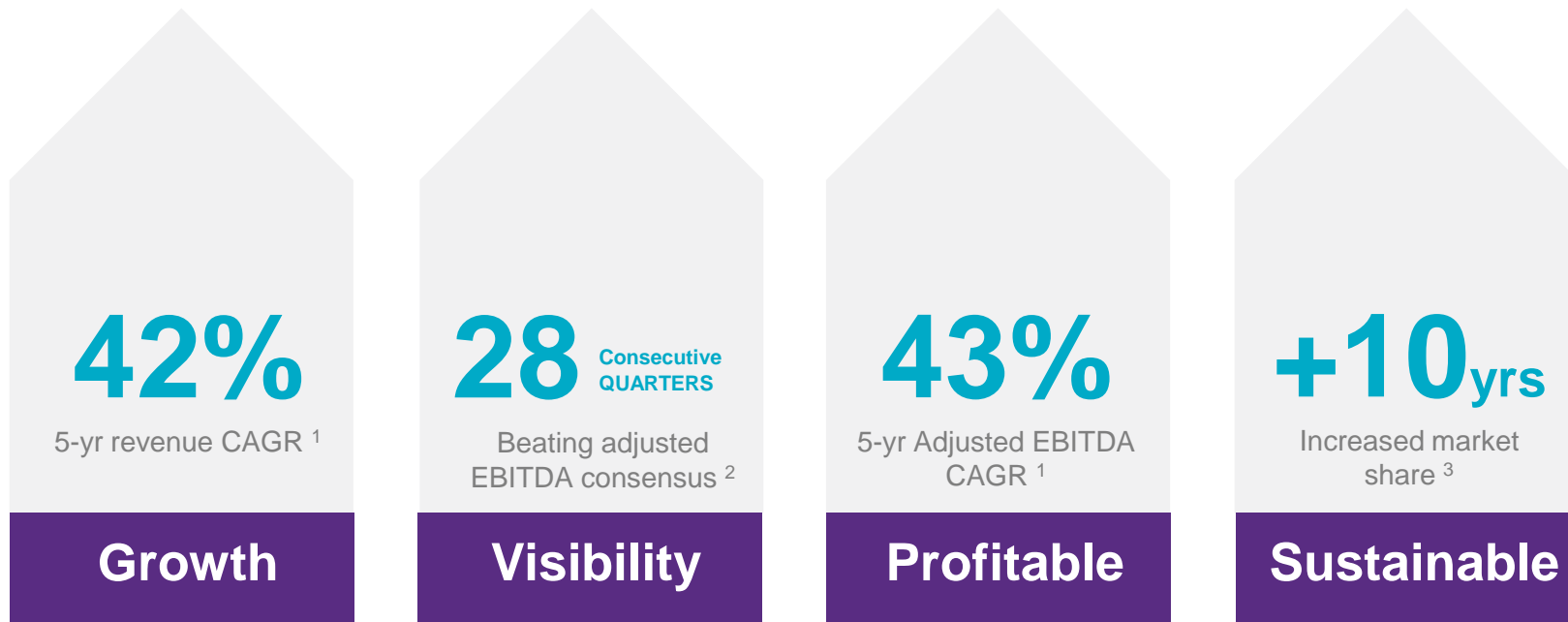


## Regulatory

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

# Foundation of promises kept

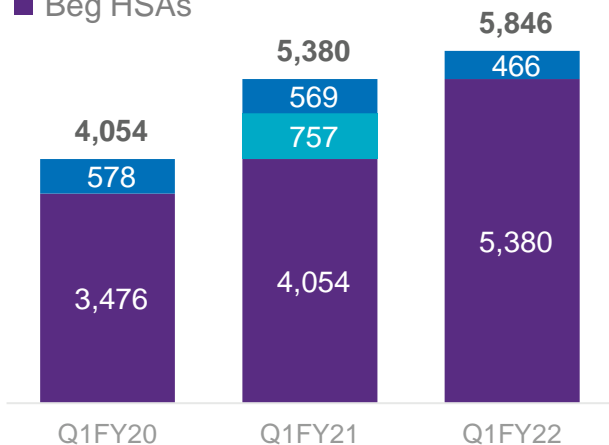
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# HSA key metrics

## HSA (000s)

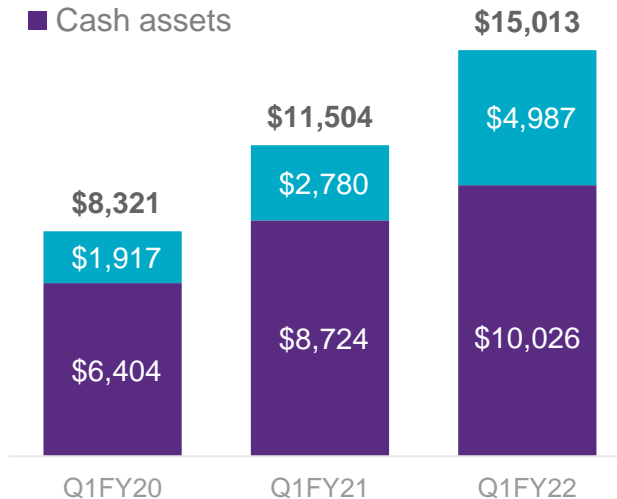
- Net new HSAs
- Acq HSAs
- Beg HSAs



- **115K** new HSAs in Q1
- **9%** growth YoY

## HSA Assets (\$M)

- Invested assets
- Cash assets



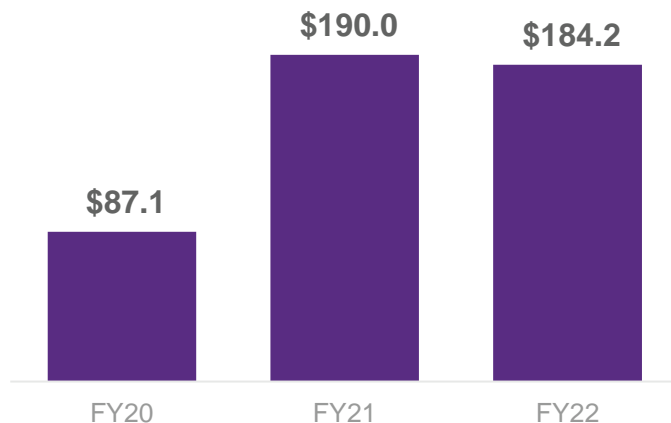
- **\$3.5B** net increase YoY
- **31%** growth YoY

## Total Accounts

HSA	5.8M
FSA	3.2M
HRA	1.8M
COBRA	0.9M
Commuter	0.4M
Other	0.7M

# First quarter financial results

## Revenue (\$M)



- **3%** revenue decrease YoY
  - 8% Service revenue decrease YoY
  - 0% Custodial revenue growth YoY
  - 9% Interchange revenue growth YoY

## Adjusted EBITDA<sup>(1)</sup> (\$M)



- **6%** Adjusted EBITDA decrease YoY
- **32%** Adjusted EBITDA margin

# Capitalization and leverage

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(\$ in millions)	April 30, 2021	January 31, 2021
Cash, cash equivalents & marketable securities	\$737	\$329
Long-term debt, net of debt issuance costs (\$350M available LOC)	\$972	\$987
Total stockholders' equity	\$1,848	\$1,379



# Guidance

<b>Business outlook</b>		
<b>HealthEquity fiscal year ending January 31, 2022</b>		
<b>Guidance as of:</b> (\$ in millions, except per share)	<b>June 7, 2021*</b>	<b>March 15, 2021</b>
<b>Revenue</b>	\$755 - \$765	\$750 - \$760
<b>Non-GAAP net income**</b>	\$122 - \$126	\$115 - \$119
<b>Non-GAAP Net income per diluted share**</b>	\$1.45 - \$1.50	\$1.37 - \$1.42
<b>Adjusted EBITDA**</b>	\$241 - \$247	\$240 - \$246

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