

HealthEquity®

Investor presentation

December 2020

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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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An industry leader

12.5

MILLION ACCOUNTS

BENEFIT ADMINISTRATOR
TO EMPLOYERS OF
1 IN 7 WORKING
AMERICANS



 **~100k**
EMPLOYERS SERVED

LEADING PROVIDER

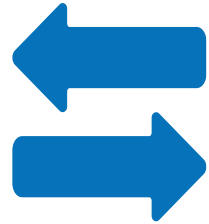
✓ HSAs	5.5M
✓ FSAs	3.3M
✓ HRAs	1.7M
✓ COBRA	0.8M
✓ Commuter	0.5M
✓ OTHER CDBs	0.7M



SEC-REGISTERED
INVESTMENT
ADVISER
HealthEquity Advisors, LLC

\$12.4 BILLION
in HSA
ASSETS

 **15,000+**
INTEGRATIONS
& ECOSYSTEM PARTNERS

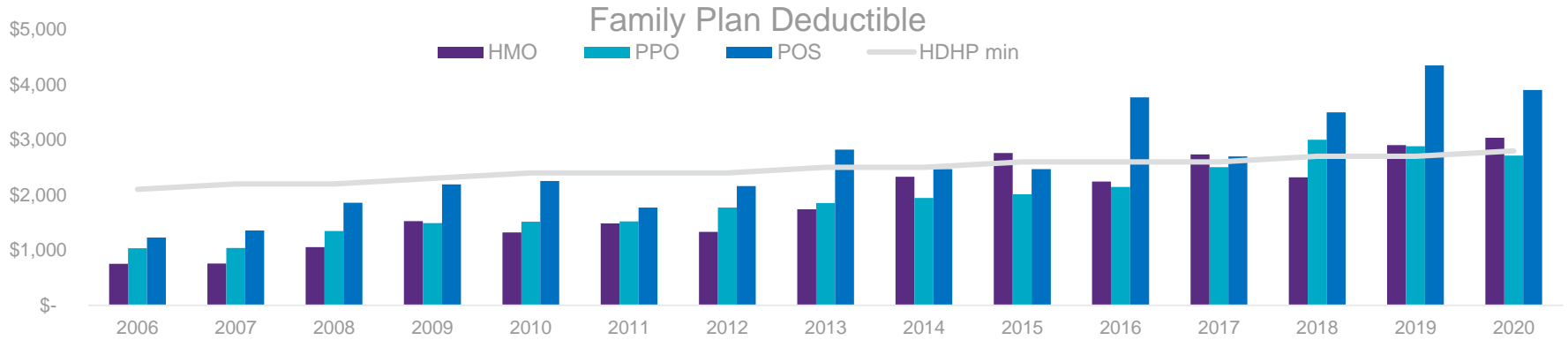
RETIREMENT
PLATFORM
CONNECTIONS 

3 HealthEquity HSAs, HSA Assets, HRAs, FSAs, Commuter, COBRA, and Other CDBs as of July 31, 2020. Integrations information and employer served information is as of January 31, 2020. Management estimates benefits administration for employers that employ 1 in 7 working Americans based on Pew Research Center analysis of 2018 labor force data estimating 154m working Americans as of December 31, 2018, and management's assumption that our 12 million members represent less than half of the workforce of the employers we serve as of January 2020. HealthEquity Advisors, LLC is a wholly owned subsidiary of HealthEquity, Inc. and an SEC-registered investment adviser. Registration does not imply endorsement by any state or agency and does not imply a level of skill, education, or training.

Q3 FY21 trends

- Continued accelerated integration – 10 of 10 FY21 planned platform migrations completed
- \$55+ million net synergies achieved – on target to achieve \$80 million in run-rate synergies in FY22
- Strong retention and cross-sell opportunities
- Commuter headwinds expected to continue into FY22
- Healthcare card spend increasing off April lows
- RFPs trending toward total solution
- COBRA qualifying events providing increased education interactions with members to stay covered

Rising first dollar responsibility



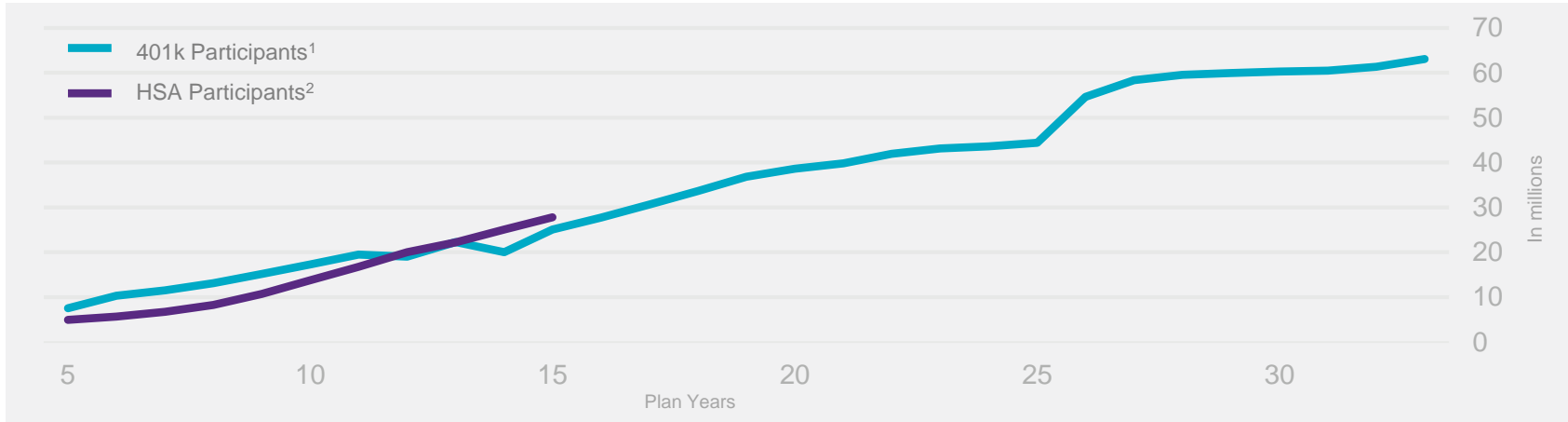
The differences in deductibles among health plans are narrowing as plans trend toward HSAs

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

\$1,950
Average HSA premium savings

\$1,018
Average employer HSA contribution

HSA antidote to high deductibles



57%
OF HSA INVESTORS
MAKE GREATER THAN **\$2k**
CONTRIBUTION TO THEIR HSA EACH YEAR ³

HSA INVESTOR
BALANCES ARE
4x
GREATER THAN HSA
NON-INVESTORS ³



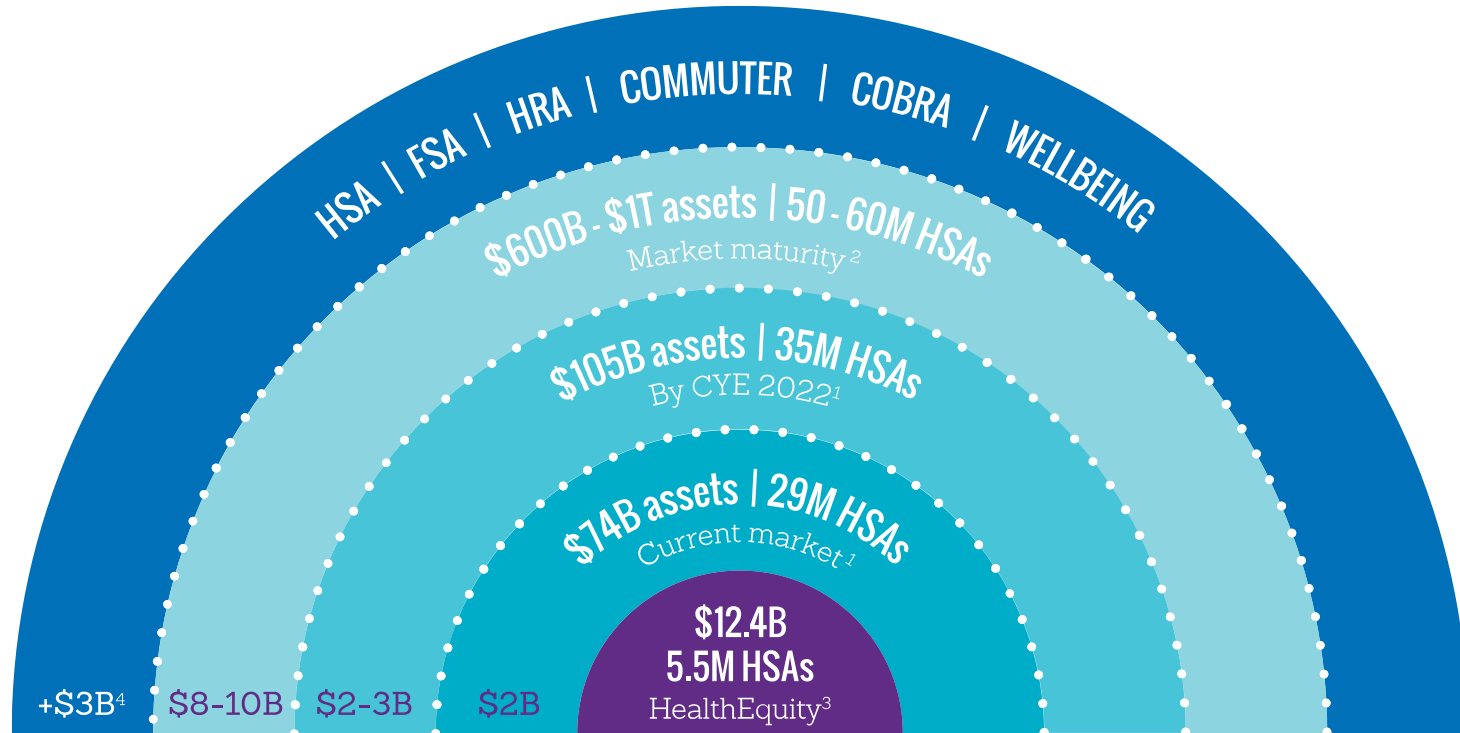
\$1,950
ANNUAL
EMPLOYER
PREMIUM
SAVINGS ⁴



\$1,389
AVERAGE HSA
CONTRIBUTION FROM
CONTRIBUTING EMPLOYERS ⁴

1- 401K participant information from DOL's EBSA research 2019
 2- HSA participant information from Devenir HSA Research reports 2010 to 2019
 3- EBRI Consumer Engagement in Health Care Survey – December 2019
 4- Kaiser Family Foundation 2019 Survey report – September 2019

Expanding market



MARKET WIDE REVENUE

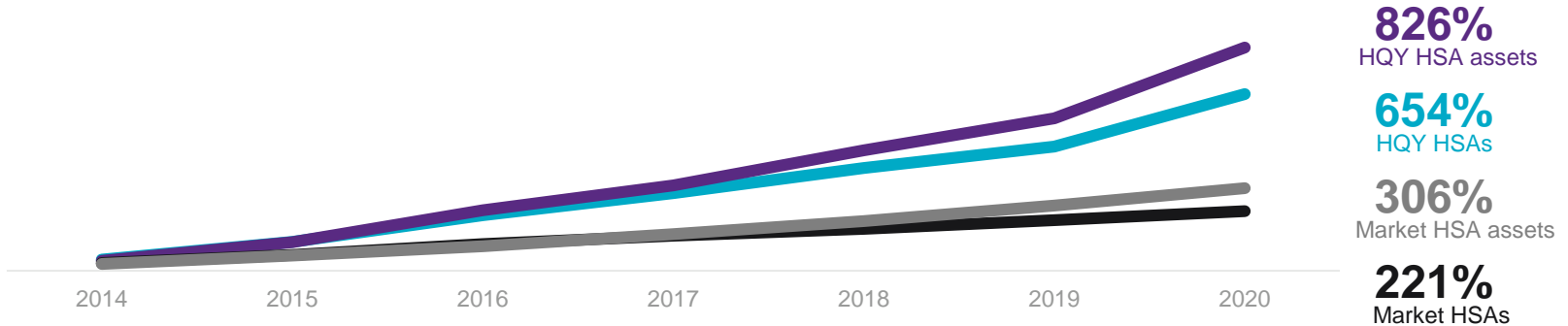
¹ Devenir HSA Research Report as of June 30, 2020

² Management estimate as of December 2020

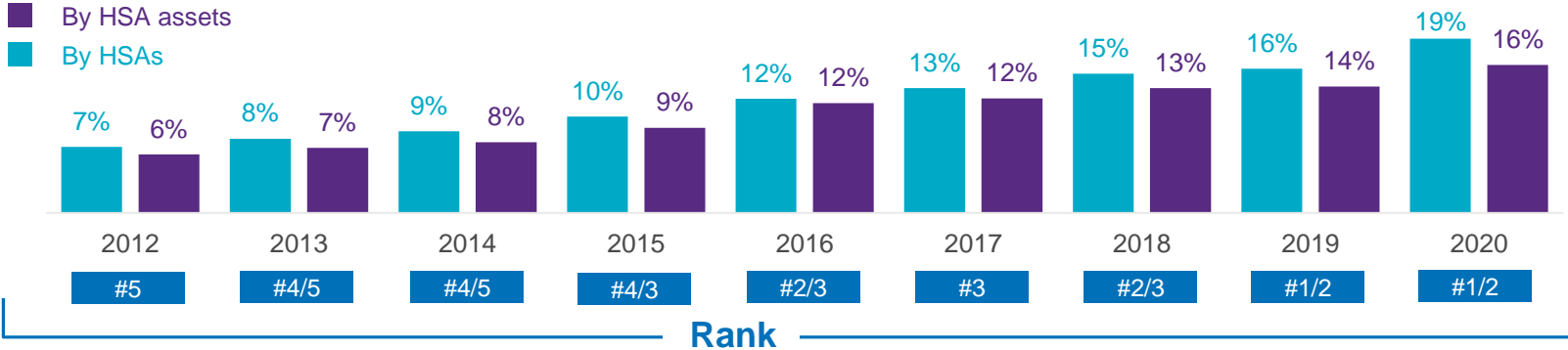
³ HealthEquity information as of October 31, 2020

⁴ Proprietary research June 2019

Outpacing the market



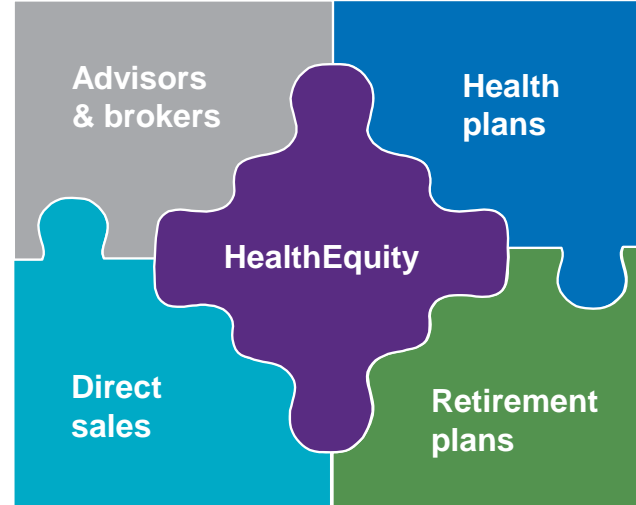
HealthEquity HSA market share



Promoting greater access



#1⁵
Mind share



165²
Network partners

~100K³
Employer clients

Plan partners manage
~25%⁴
of defined contribution plan assets

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

² HealthEquity network partners as of January 31, 2020

³ Employers clients served estimated as of January 31, 2020

⁴ Current HealthEquity defined contribution record keeper partners' total 401K assets as reported by them as a percentage of the approximately \$6 trillion 401K market - DOL Employee Benefits Security Administration, Private Pension Plan Bulletin: Abstract of 2016 Form 5500 Annual Reports, December 2018

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

Delivering a Total Solution

79%

of employers would prefer to receive CDB administration from their HSA partner*

~2/3

of HealthEquity HSA RFPs requested at least one CDB product



SMART SPENDER



CONFIDENT CONSUMER



HEALTHY SAVER



Data driven, personalized engagement

right message

right person

right time

Proprietary Health Savings Score

Client benefits

- Unique client presentation
- Data connecting Health & Wealth for their employees
- Visibility into HSA program effectiveness
- Industry, peer benchmarks
- Identifies opportunities for improvement



Client outputs



Bringing our total solution to market

- Sales decks
- Product 1-pagers
- Brochures
- Case studies
- Articles
- Platform demos
- Sales enablement platform

The collage features several overlapping documents from HealthEquity:

- Commuter Solutions**: A document titled "REDUCE TRANSIT COSTS FOR YOUR EMPLOYEES" with sub-sections: "CONNECTING HEALTH AND WEALTH", "SIMPLIFY BENEFITS ADMINISTRATION", "TRANSFORM EMPLOYEE ENGAGEMENT", "RELY ON OUR REMARKABLE SERVICE", and "HARNESS DATA TO OPTIMIZE OUTCOMES".
- BOOST YOUR BENEFITS ROI**: A document with the headline "Five strategies to make a difference for your people—and your bottom line" and a circular diagram showing HSA, FSA, and RA icons.
- THE HSA EFFECT**: A case study titled "How two school districts reversed runaway healthcare costs by transitioning to HSA-qualified health plans." It includes a photo of a diverse group of people and a table of results:

HSA SAVINGS	\$14.3M	\$600	\$1.7M
4 years + 500 employees 7 school districts	Direct healthcare savings	Average savings per employee per month	Expenses for the HSA rolling balance

At the bottom of the collage is a large white box with a purple header and footer:

HealthEquity

Flexible Spending Account

Give your employees the power to choose the coverage that's right for them.

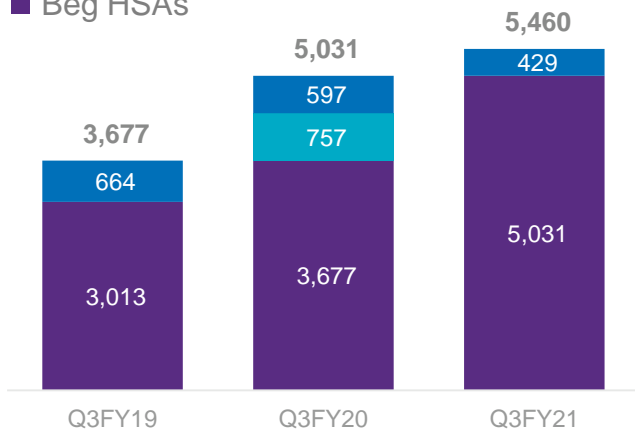
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HealthEquity

Third quarter FY21 HSA key metrics

HSA (000s)

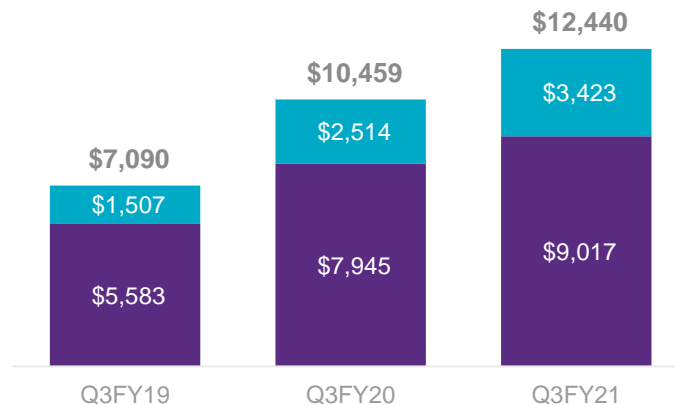
- Net new HSAs
- Acq HSAs
- Beg HSAs



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

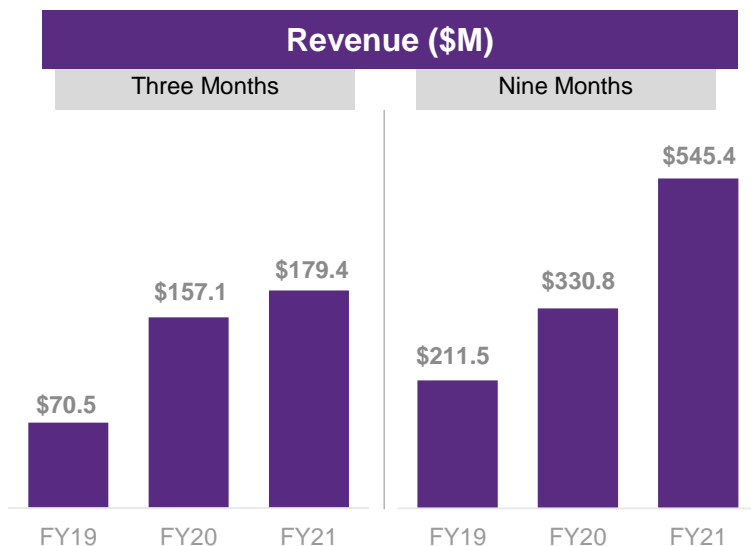
HSA Assets (\$M)

- Invested assets
- Cash assets

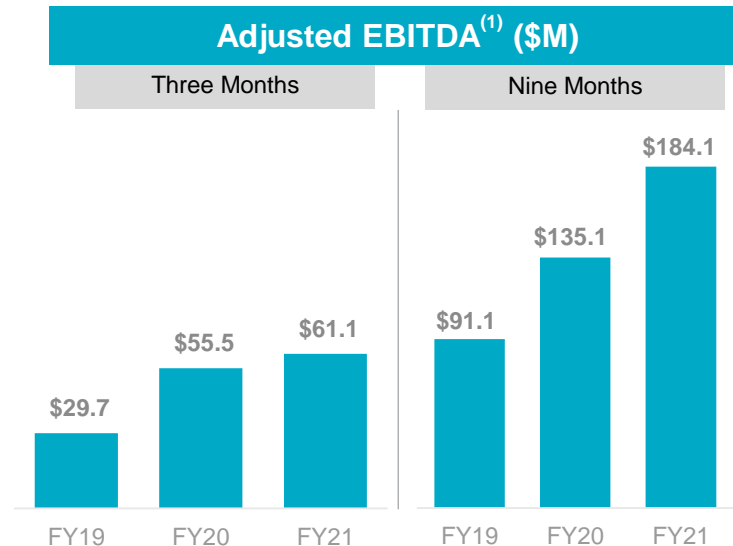


- **\$2.0B** net increase YoY
- **19%** growth YoY

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

Guidance

Business outlook	
HealthEquity fiscal year ending January 31, 2021	
Guidance as of: (\$ in millions, except per share)	December 7, 2020*
Revenue	\$725 - \$731
Non-GAAP net income**	\$116 - \$121
Non-GAAP Net income per diluted share**	\$1.55 - \$1.61
Adjusted EBITDA**	\$232 - \$238

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