

HealthEquity®



Investor Day



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.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. Our actual future results may be materially different from what we expect. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future. Readers are encouraged to review our public filings with the SEC for further disclosure of other factors that could cause actual results to differ materially from those indicated in any forward-looking statements included herein.

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.

No part of this presentation may be copied, recorded, or rebroadcast in any form.



Jon Kessler

President and CEO

15 years at HealthEquity

I'm proud to be at HealthEquity because...

... of the mission. I've always found that empowered people get better results. And in healthcare, "results" = saving and improving lives.





FY24 results

8.7M

HSA's +9%YoY

\$25.2B

HSA assets +14%YoY

15.7M

Total accounts +5%YoY





Our continued commitment to communicate multi-year targets



2014

20%+
revenue growth

35%+
adj. EBITDA growth



2016

Double digit
revenue growth

Bottom line growth
to outpace top line
growth



2019

Outpace
the market and gain
market share



2024

3-year target

Double
non-GAAP net
income per share

Outpace
industry growth



HealthEquity®

**We save and
improve lives by
empowering
healthcare
consumers**

Lian Family
HealthEquity Members

Our Mission



Today's agenda

01 | Consumer-Directed Benefits Market

02 | HealthEquity Strategy

- Deepen Partnerships
- Deliver Remarkable Experiences
- Drive Member Outcomes

03 | Financial Performance

04 | Q&A



Tia Padia

EVP and Chief
Marketing Officer

2.5 years at HealthEquity

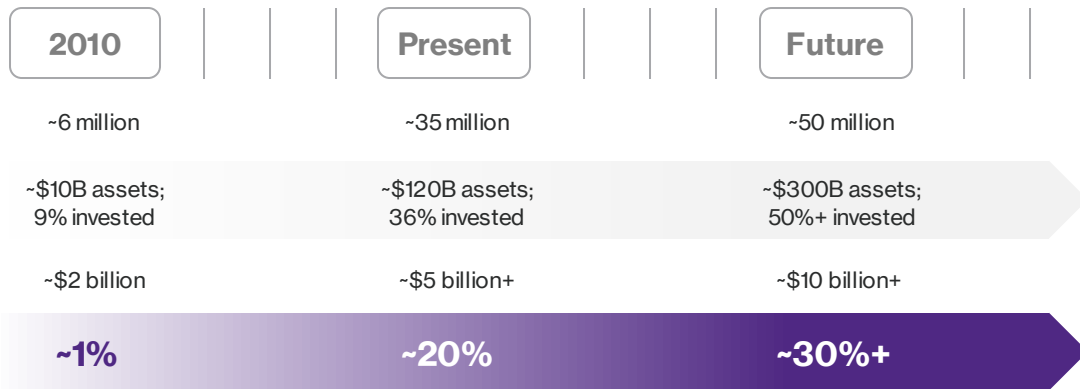
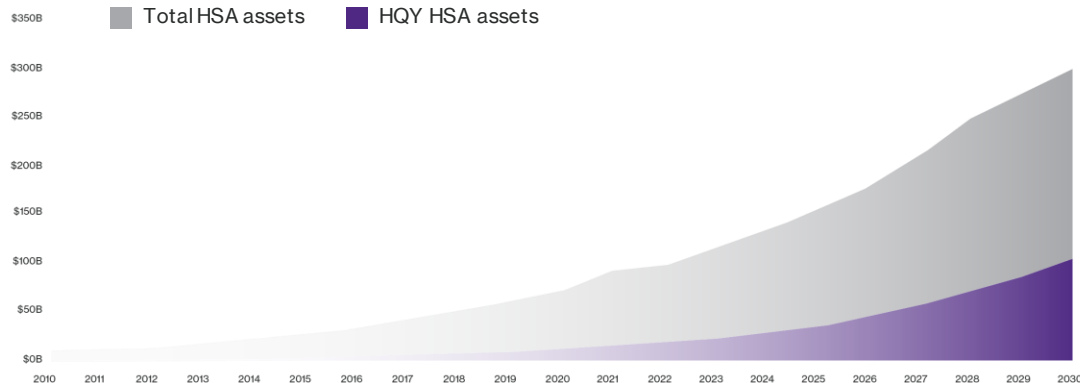
I'm proud to be at HealthEquity because...

...we can help every family improve
financial security, regardless of
their economic situation.





Leading the growth of health savings...



Sales results

FY24

~33%

Market Capture

949K

New HSAs

708K

Net Growth

14%

HSA Asset Growth YoY¹

HealthEquity key metrics for fiscal year ending January 31, 2024, except market capture which is based on Devenir Mid-year report for June 30, 2023.



Deepen Partnerships

Strengthening our integrated ecosystem so that we can go to market faster and more effectively together.



New logo win rates



Account and asset growth



Sales and marketing productivity

Deliver Remarkable Experiences

A friction-free, digital-first consumer experience that supports real-time decision making.



Margin expansion



Client retention & cross sell

Drive Member Outcomes

Empowering members to make better health and financial decisions.



Improving members' health and financial outcomes



Account and asset growth



Client acquisition and retention



Deepening Partnerships

Strengthening our integrated ecosystem so that we can go to market faster and more effectively – together



New logo win rates



Account and asset growth



Sales and Marketing productivity





Steve Lindsay

EVP of Sales and
Relationship Management

18 years at HealthEquity

I'm proud to be at HealthEquity because...

...we don't just administer
benefits, we save and improve
lives. What's more, we do it
with remarkable people.





Eli Rosner

EVP and Chief
Technology Officer

2 years at HealthEquity

I'm excited for the future of HealthEquity because...

...we're on the cutting edge of a
healthcare cost transformation.





Propels all facets of shared customer growth



Clients



Members



Savings



HealthEquity
Blues Partner Summit
June 2023



HELLO AUSTIN,

come to MyBlue! We've sim
help you find exactly

>40,000

FY24 HSA sales
from **new**
partnerships

Shared customer objectives

- Engagement
- Retention
- Growth

3 out of 4

FY24 new sales
with integrated
partnerships





Trends driving partnership success

01

**More partners are
outsourcing consumer-
directed benefits products**



Trends driving partnership success

02

**Greater expectations of
secure data exchange in
return for value and ease**



Trends driving partnership success

03

**Increasing number of
partners associated
with each deal**



Partners are increasing data exchange to create greater value and improve member outcomes

01

More partners are
outsourcing consumer-
directed benefits products

02

Greater expectations of
secure data exchange in
return for value and ease

03

Increasing number of
partners associated
with each deal



Integrated partner network accelerates digital, leveraged distribution model

70%

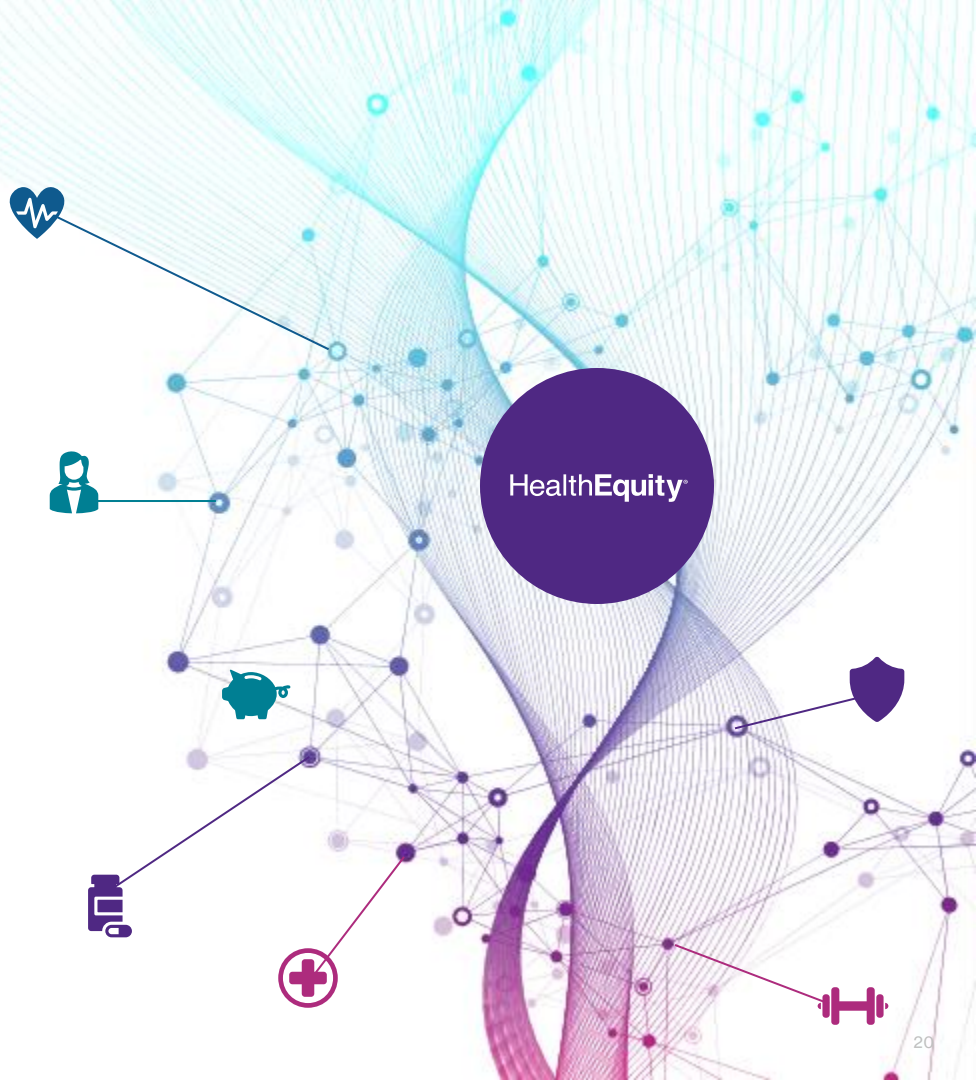
of a sale is determined before
they ever talk to a sales person¹

75%

of B2B buyers prefer an entirely
rep-free experience²

¹ 2022 Win/Loss Report, 23 interviews, 178 survey respondents, completed 2/24/23-3/29/23.

² 2023 Gartner 2023 B2B Buying Report





Broker portal

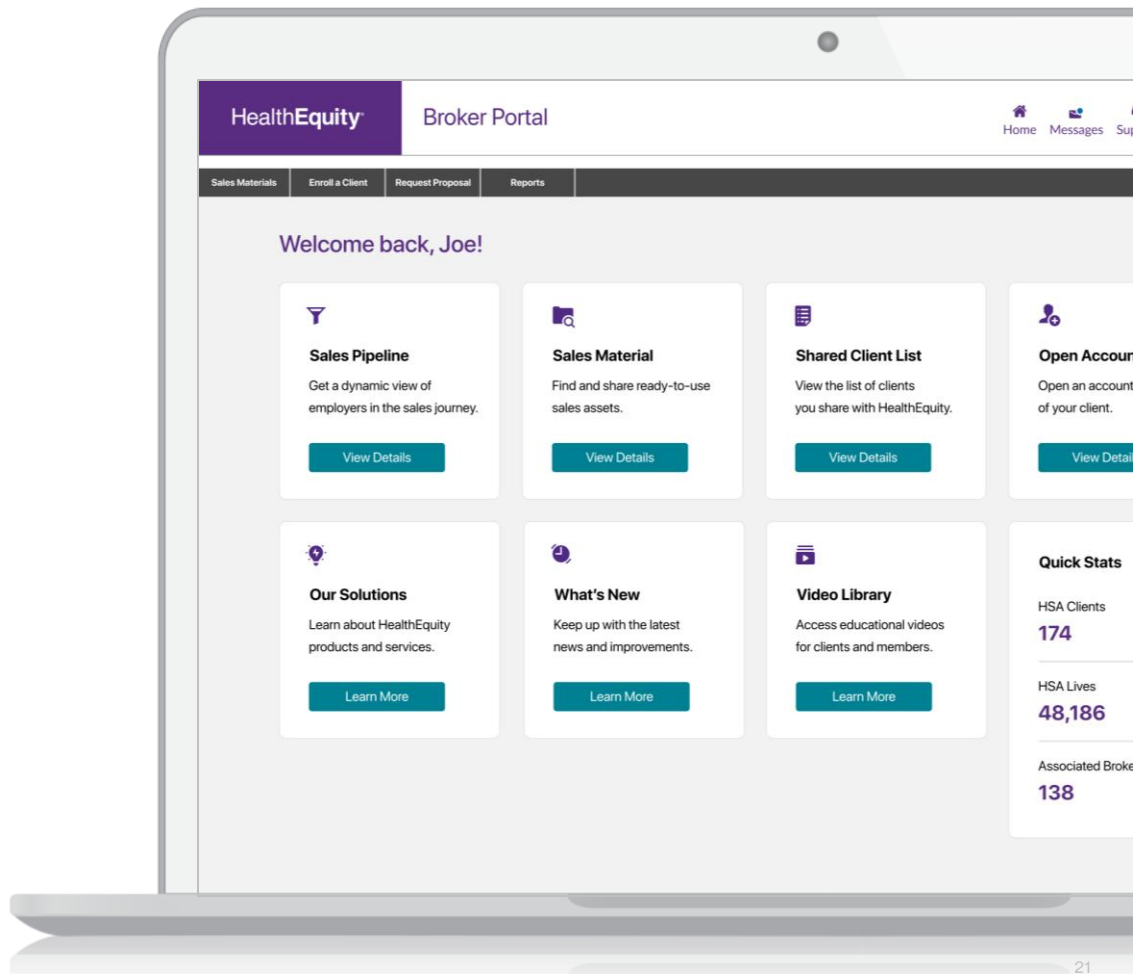
55%

of our small group sales
driven by brokers

**We're improving our broker
portal so brokers can:**

- Self-serve information
- Track clients' progress
- Open accounts directly

HealthEquity sales metric for fiscal year ending January 31, 2024.



What we're solving for:

**Delivering more value to our
clients and members – faster
and seamlessly.**

HealthEquity®



Distinguishing factors require deep trust, capital investment, and technical expertise

01

Integrate into customer
ecosystem vs. customers
conforming to us

02

Incorporate external
innovation alongside our
own solutions





Strategic investments to fuel ecosystem

Product and Technology expense allocation over time



Investments to enable growth



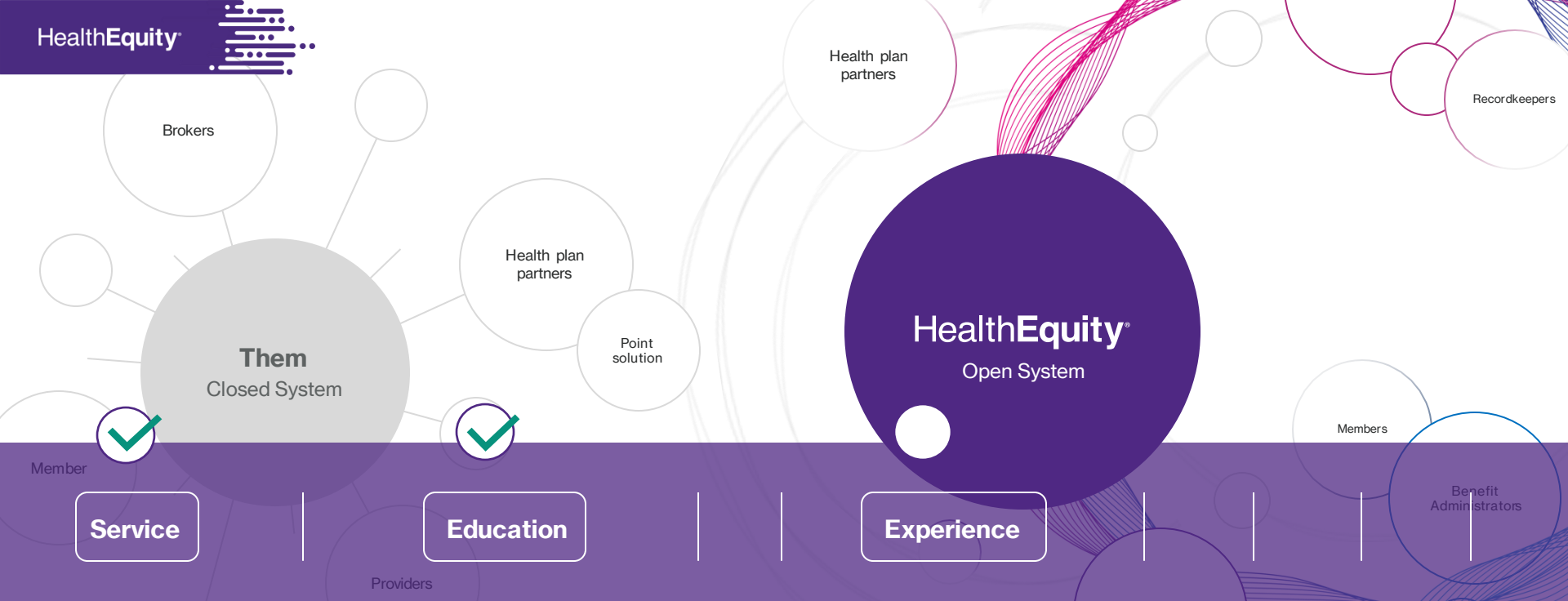
Strengthening our privacy and data security framework



Establishing a unified data hub in the cloud



Implementing real-time, standardized, and bidirectional API connectivity



Remarkable Service

Reactive

Basic File Processing

Processing claims and eligibility

Proactive Education

Proactive

Basic Data Sharing

Basic behavioral nudges and data insights

Next Best Actions

Prescriptive

Bidirectional Data Exchange

Enables joint experiential enhancements

Real-time API connectors

Immediate and contextual member actions



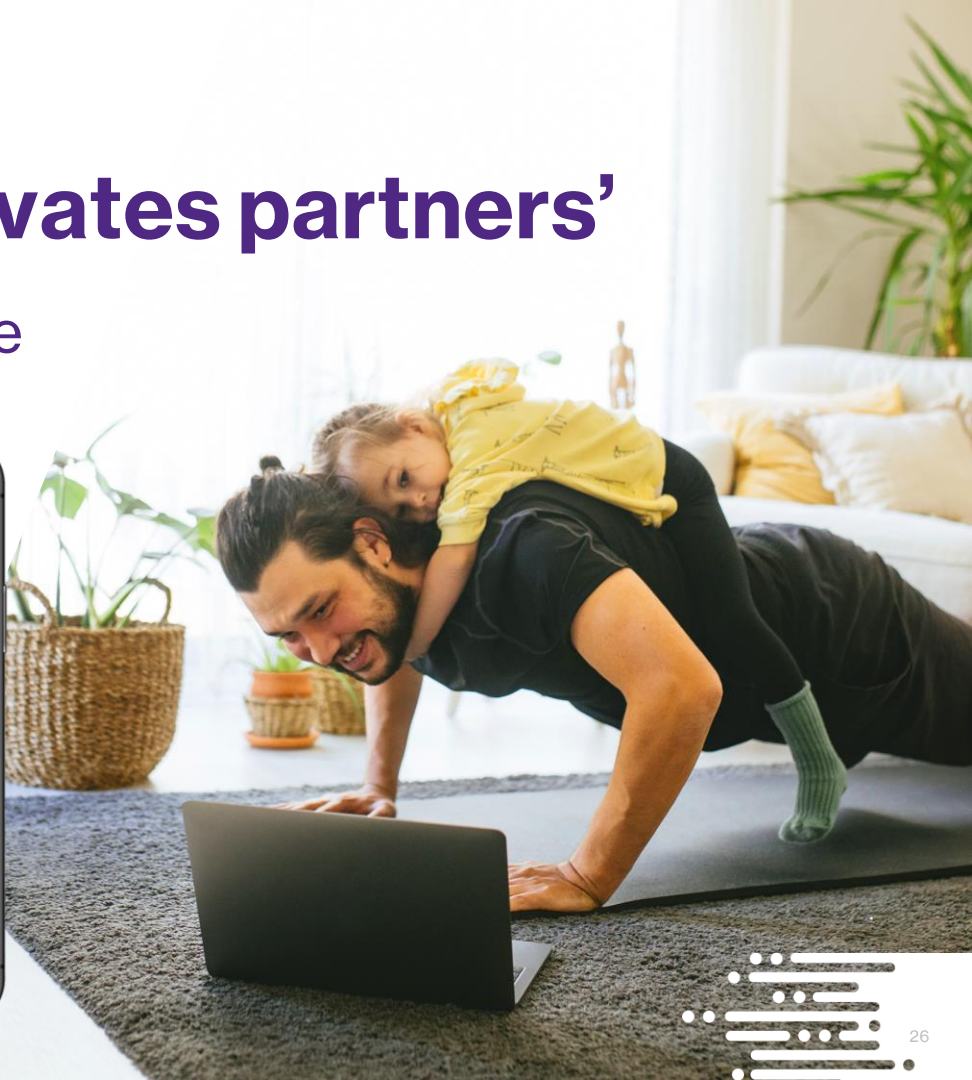
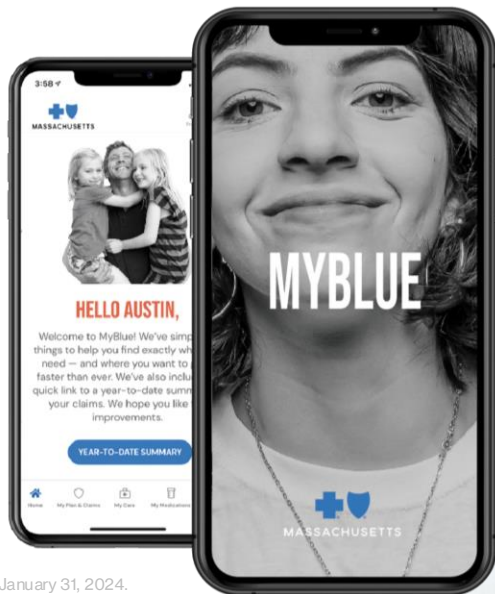
Bidirectional API elevates partners' offering | BlueFit example

95%

of subscribers have earned an incentive

Impact

- Consumer-directed health plan
- Designed around an HSA
- Incentivizes health, wellness, and financial literacy



**01****+****02**

Bidirectional data exchange

- Standard, out-of-the-box connectors
- Data hub

Real-time connectivity

- Instantaneous data exchange

Benefits



**Actionable
recommendations
at precisely the
right time**



**Empowered
consumers to
make better
health and
financial decisions**



Seamless integrations

with out-of-the-box connectors
make it easy and cost efficient
for clients and partners

01

Bidirectional data exchange

**Payroll partner
example**

70%

Cost savings with connectors

\$500K+

Potential annual savings



Connectivity

to provide recommendations
and insights precisely when
our customers require them,
within context

02

Real-time connectivity



Deepening Partnerships

Delivering greater value—to more people—faster through the power of an intelligent, connected partner ecosystem



New logo win rates



Account and asset growth



Sales and Marketing productivity





Deliver Remarkable Experiences

A friction-free, digital-first consumer experience that supports real-time decision making



Margin expansion



Client retention & cross-sell





Angelique Hill

EVP of Operations

13 years at HealthEquity

Five years ago, I never would have imagined...

...that I'd have to find another excuse to get out of cooking (instead of commuting!)





Kamesh Tumsi

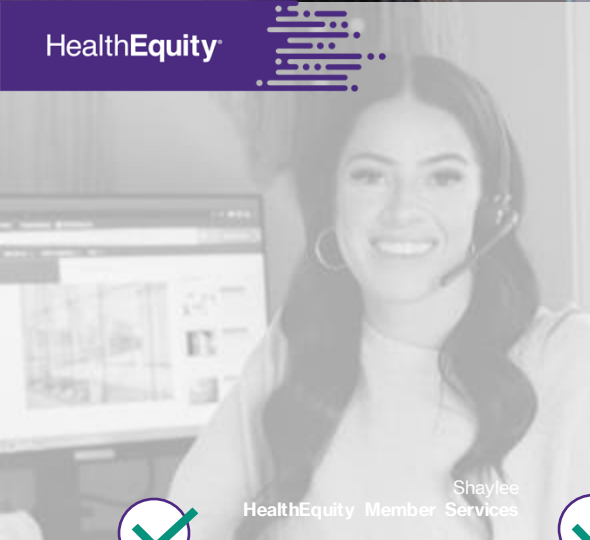
SVP Head of Product

1 year at HealthEquity

Five years ago, I never would have imagined...

...that my dog could come to work
with me every day.





Shaylee
HealthEquity Member Services



Laronne
Client Advisory Board



Lian Family
HealthEquity members



Service

Education

Experience

Business growth



Mobile-first experiences

Shifting consumer demands



Real-time insights

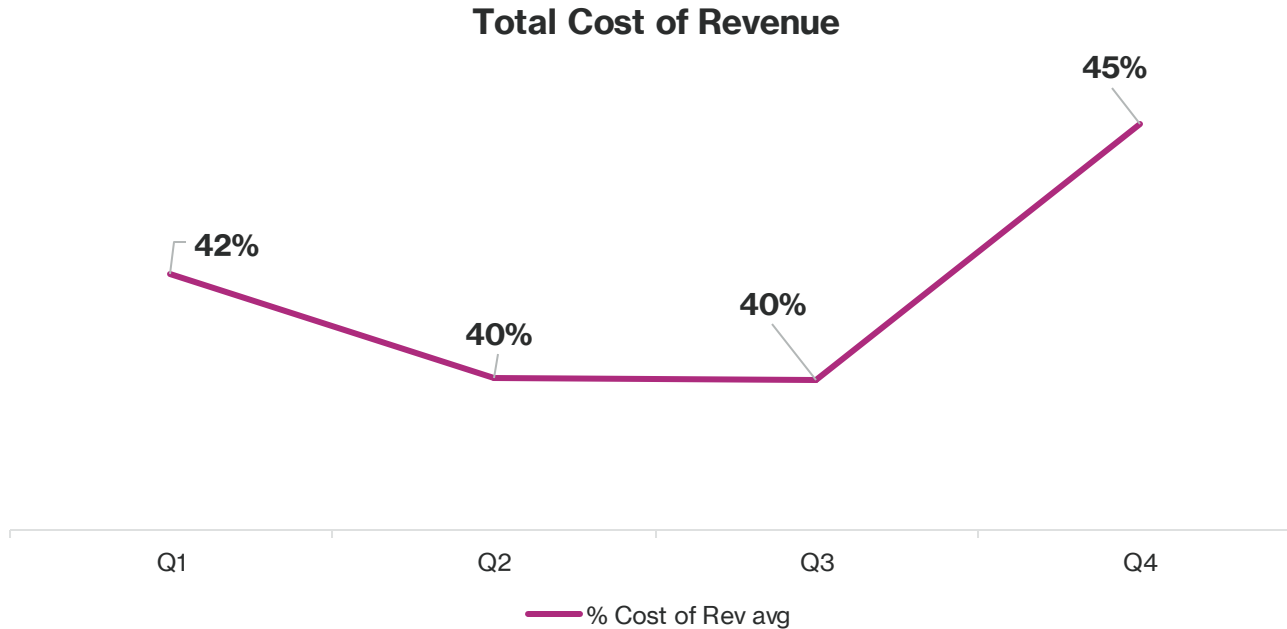
New technologies



Self service



Reducing Member Service expense



HealthEquity total cost of revenue taken from quarterly averages from Q4FY19 to Q3FY24. Member Service and Service cost as a percentage of Total Cost of Revenue calculated from last four quarters Q4FY23 to Q3FY24.



Reducing Member Service expense

01

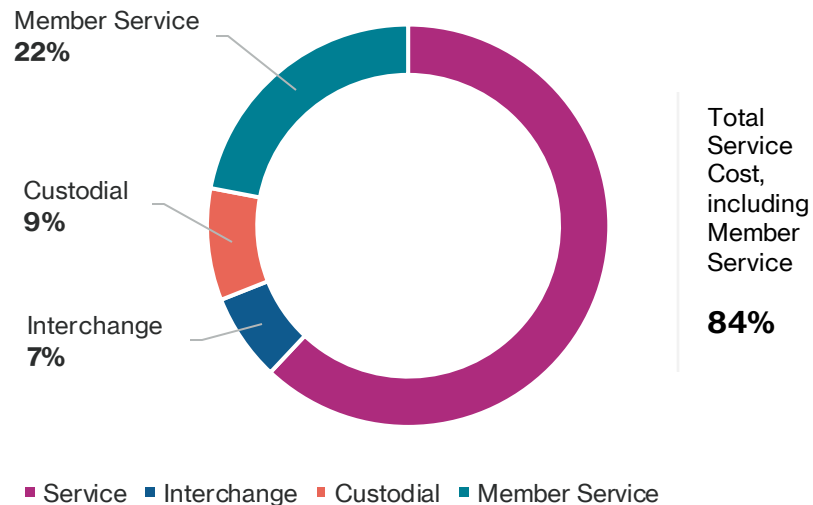
Reducing staffing costs

02

Automating high-volume interactions

03

Investing in digital experiences





Self-help tools

01

Members using self-help through portal navigation, help center articles, and prompts

69%

02

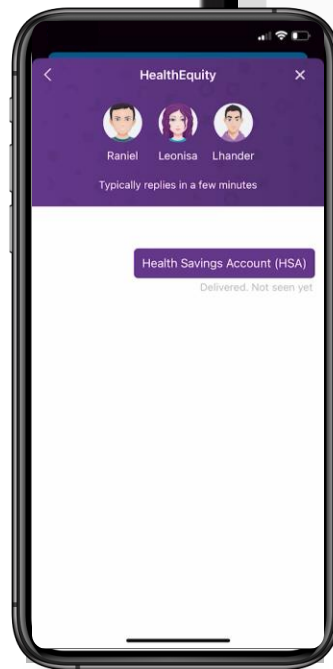
Member interactions served by chats – which are moving from bot to AI bot chat

50%

03

Enhanced Rates adoption driven by self-service education

\$1.5B

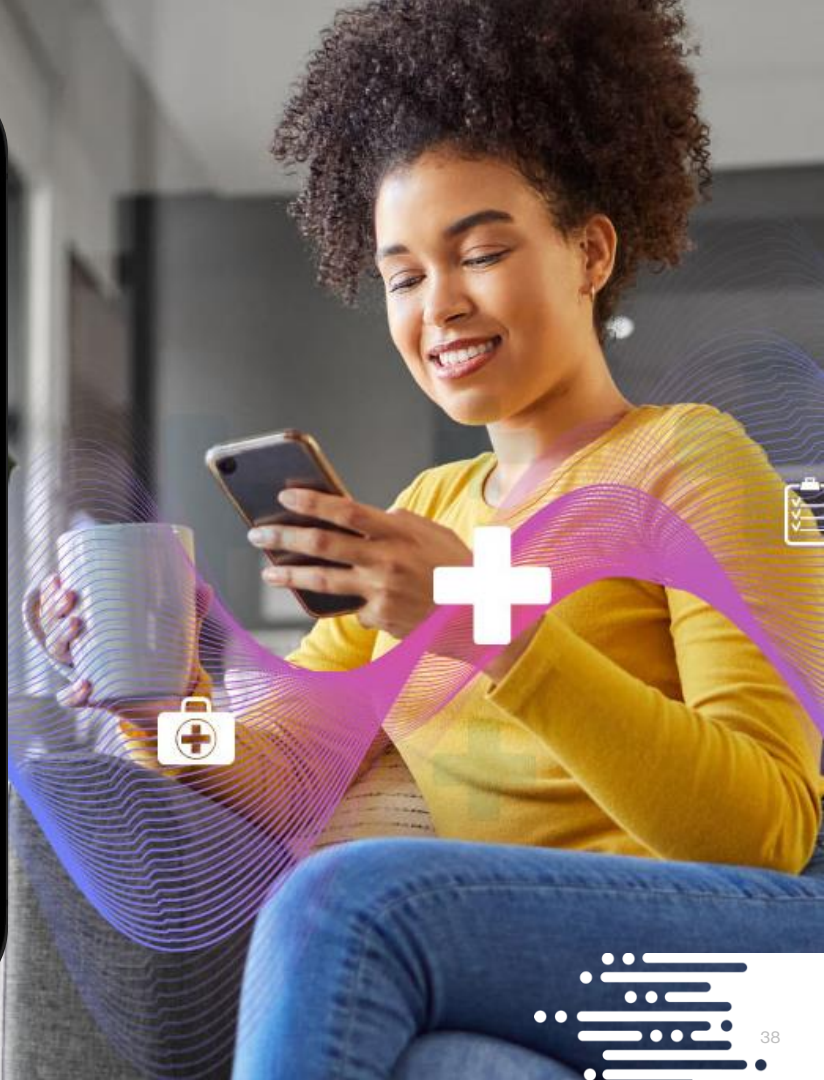
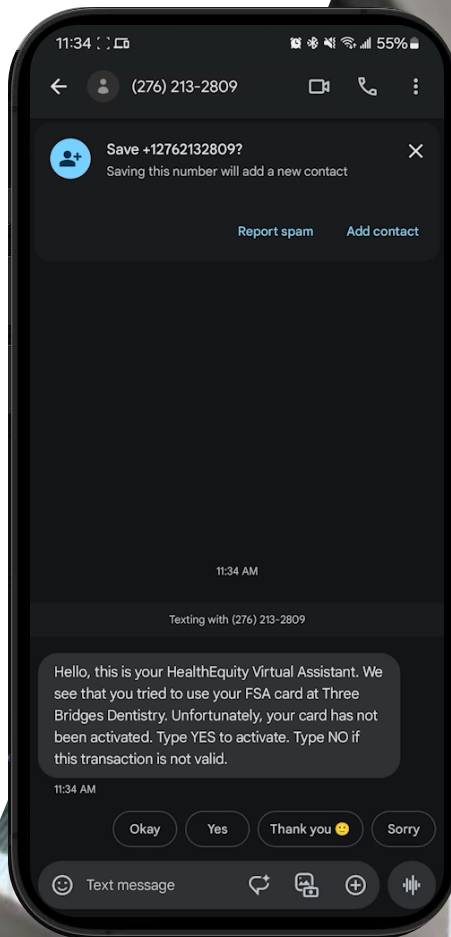




Omni-channel engagement

Mobile-first digital engagement so members have real-time insights to power their health and financial decisions – when and where they need it

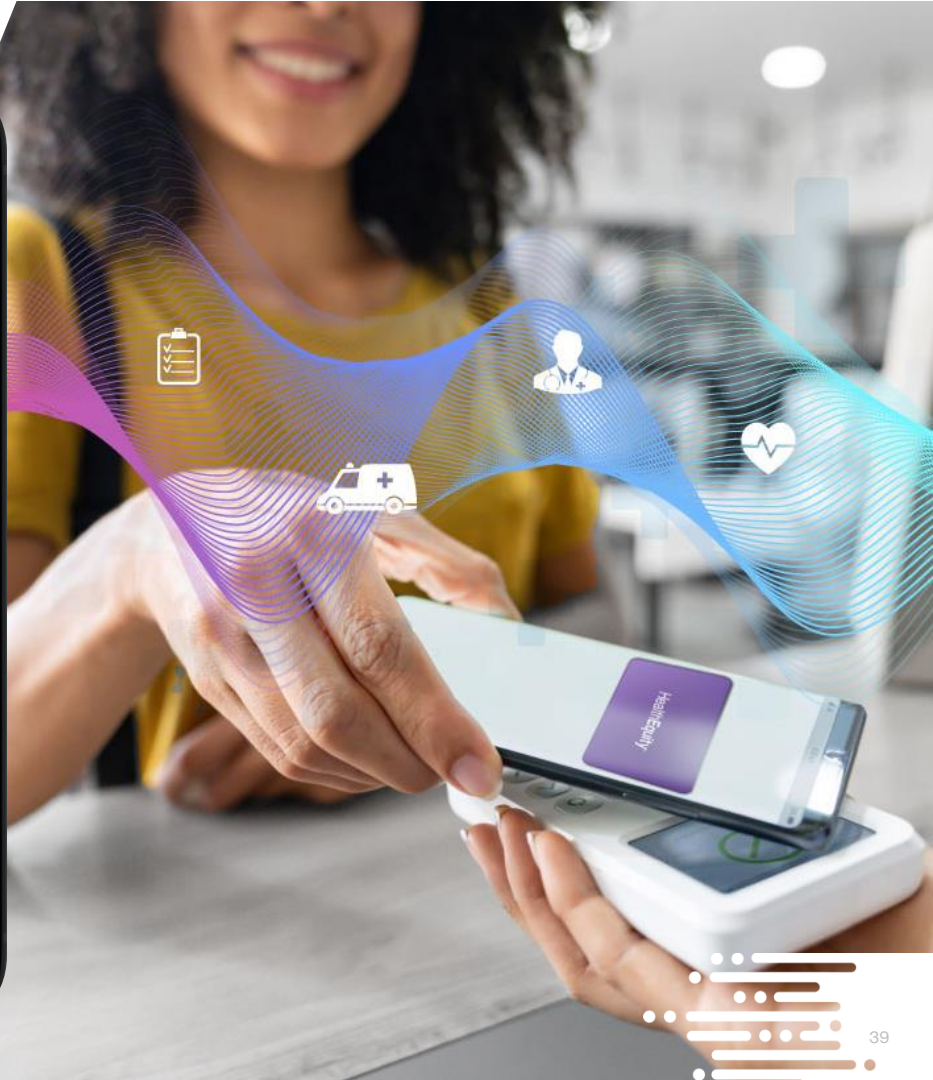
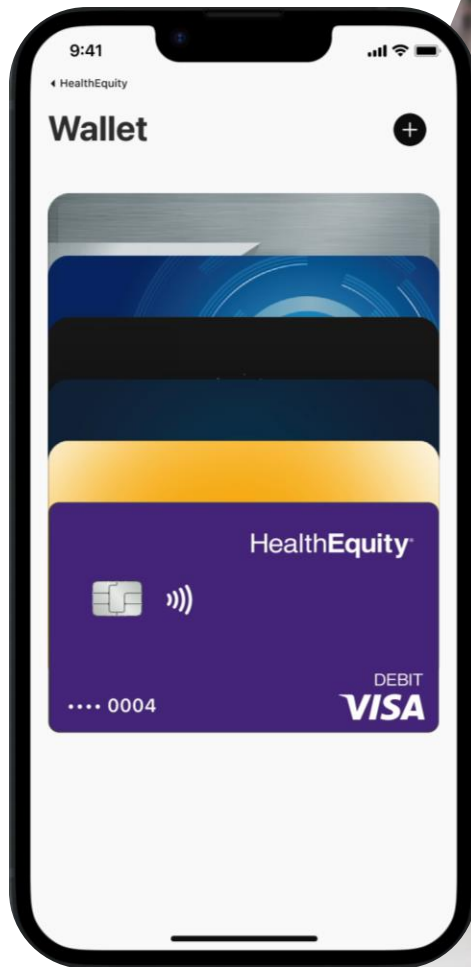
[Watch the demo](#)





Digital card

Today's customers demand immediate access to their funds on the go – and they don't want to be weighed down by paper and plastic





What's different about this offering?

01

Integrated multi-product stack

02

Instant issuance feature



FSA open enrollment results | FY24

~12%

improvement in re-elect rates for
clients using open enrollment
education in the FY24 season

**Consumer
research**

**Ongoing bite-sized
nudges**

**Open enrollment
education**





Spending FSA dollars

01

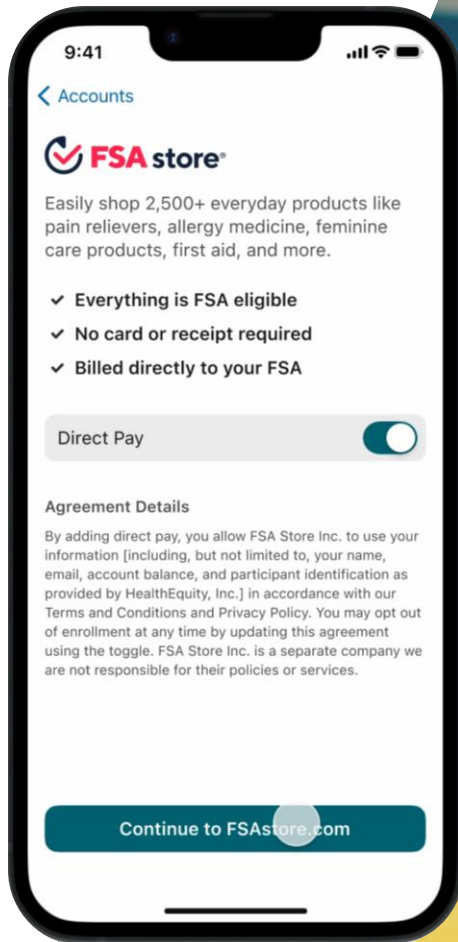
See FSA-eligible
expenses

02

Purchase
online

03

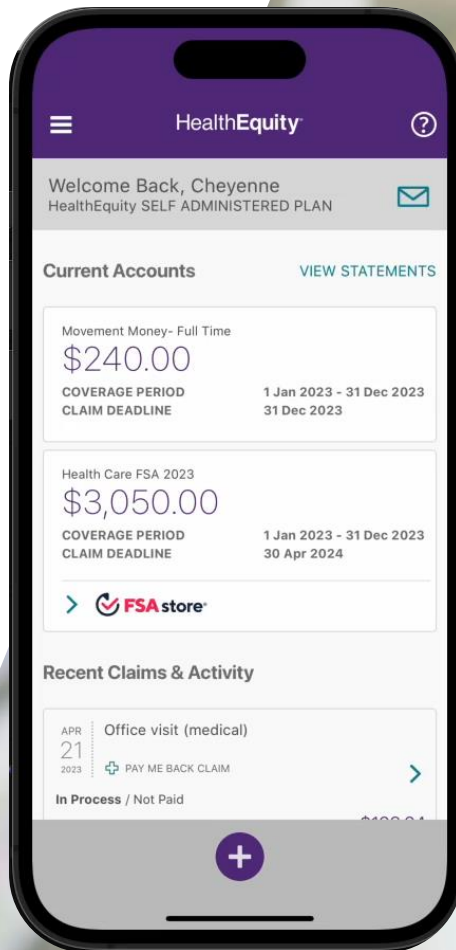
Pay with
FSA funds





Expedited claims demo

AI-driven product enhancement
automates substantiation and
accelerates reimbursement





RA and COBRA renewal

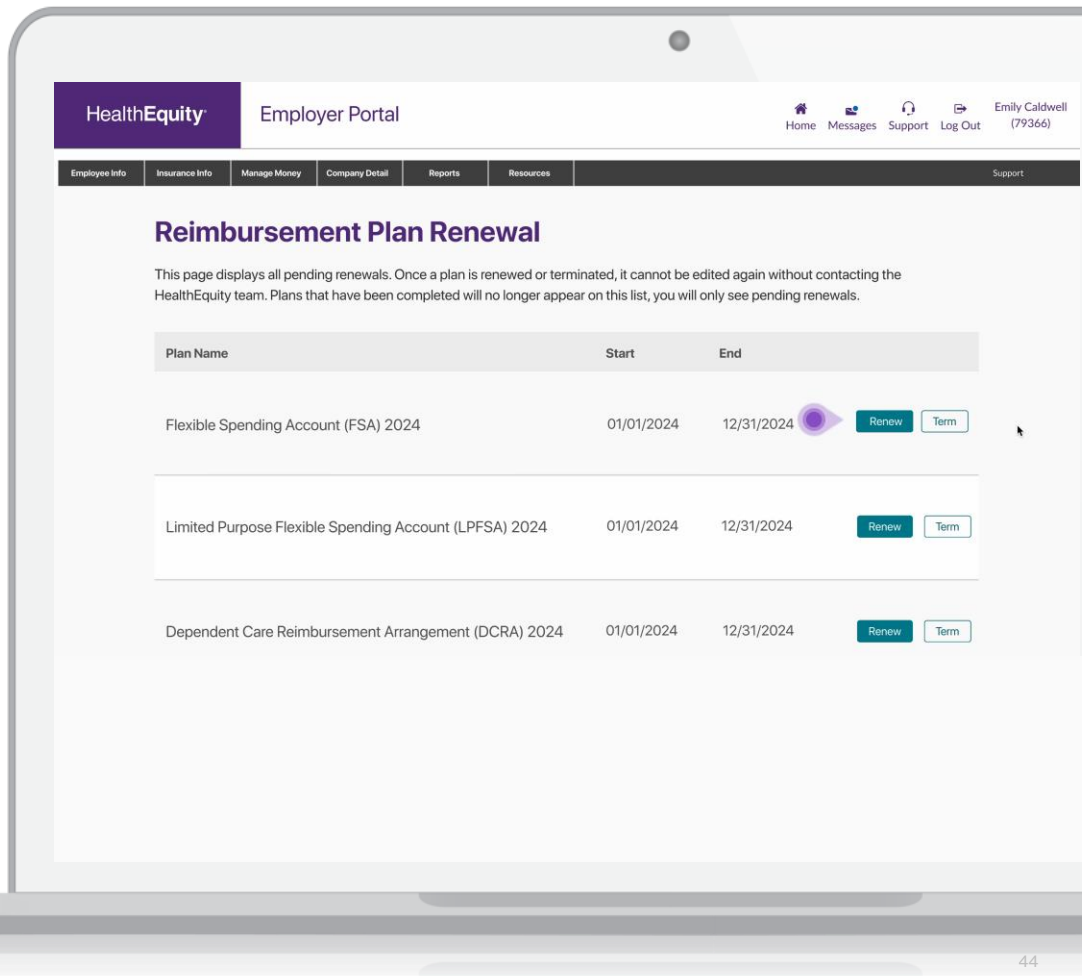
Improved renewals while
reducing service costs

82%

of reimbursement
account renewal
volume occurs in
8-week window

40%

of reimbursement account
renewal processing time
reduced by fully automated
plan renewals





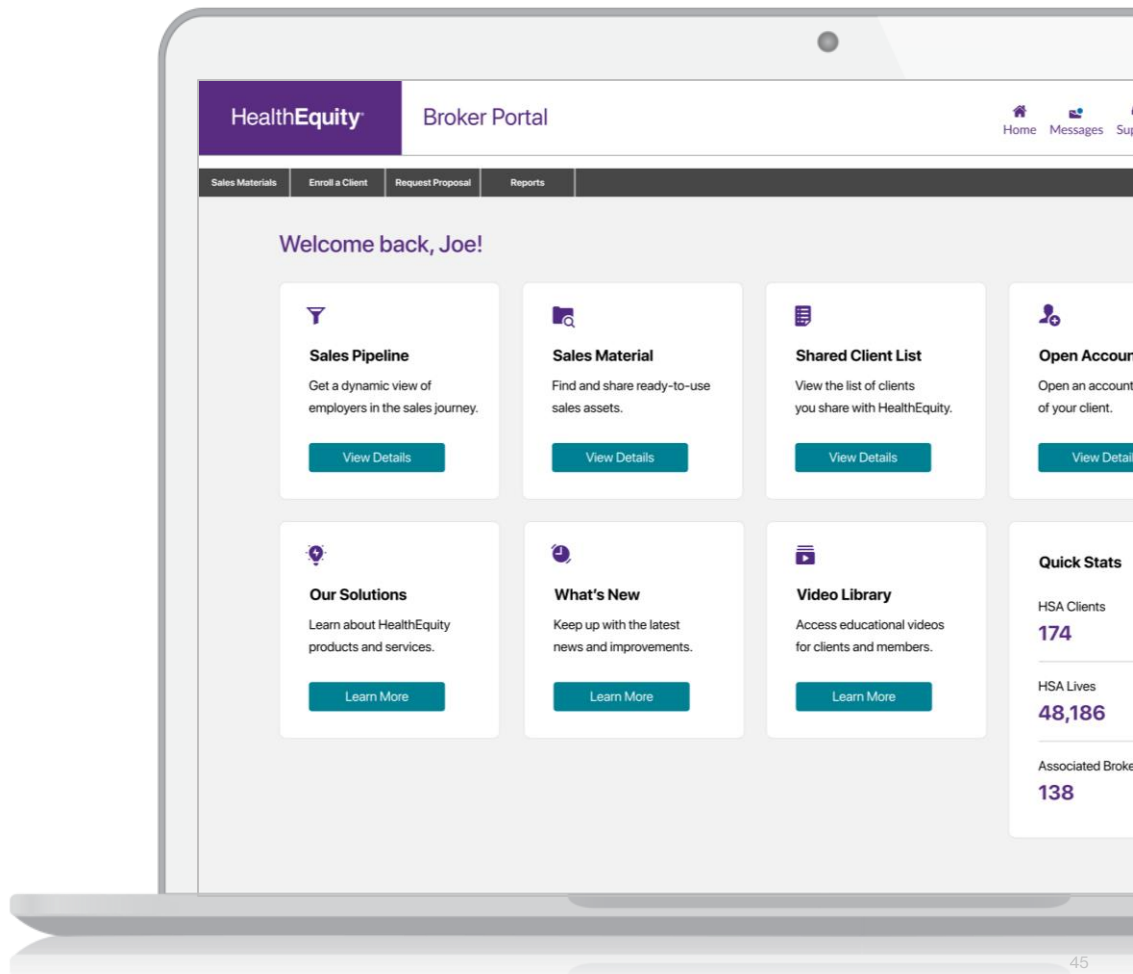
Broker portal

01

Informational dashboards with segment-specific insights

02

Self-service for reporting requests and more





Deliver Remarkable Experiences

A friction-free, digital-first consumer experience that supports real-time decision making



Margin expansion



Client retention & cross-sell





Driving Member Outcomes

Empowering members to make better
health and financial decisions



Improving members' health and financial outcomes



Account and asset growth



Client acquisition and retention





Kelly Koster

Senior Director of Product
Marketing and Sales Enablement

6 years at HealthEquity

Five years ago, I never would have imagined...

...that my teammates would
get to know my cat so well.





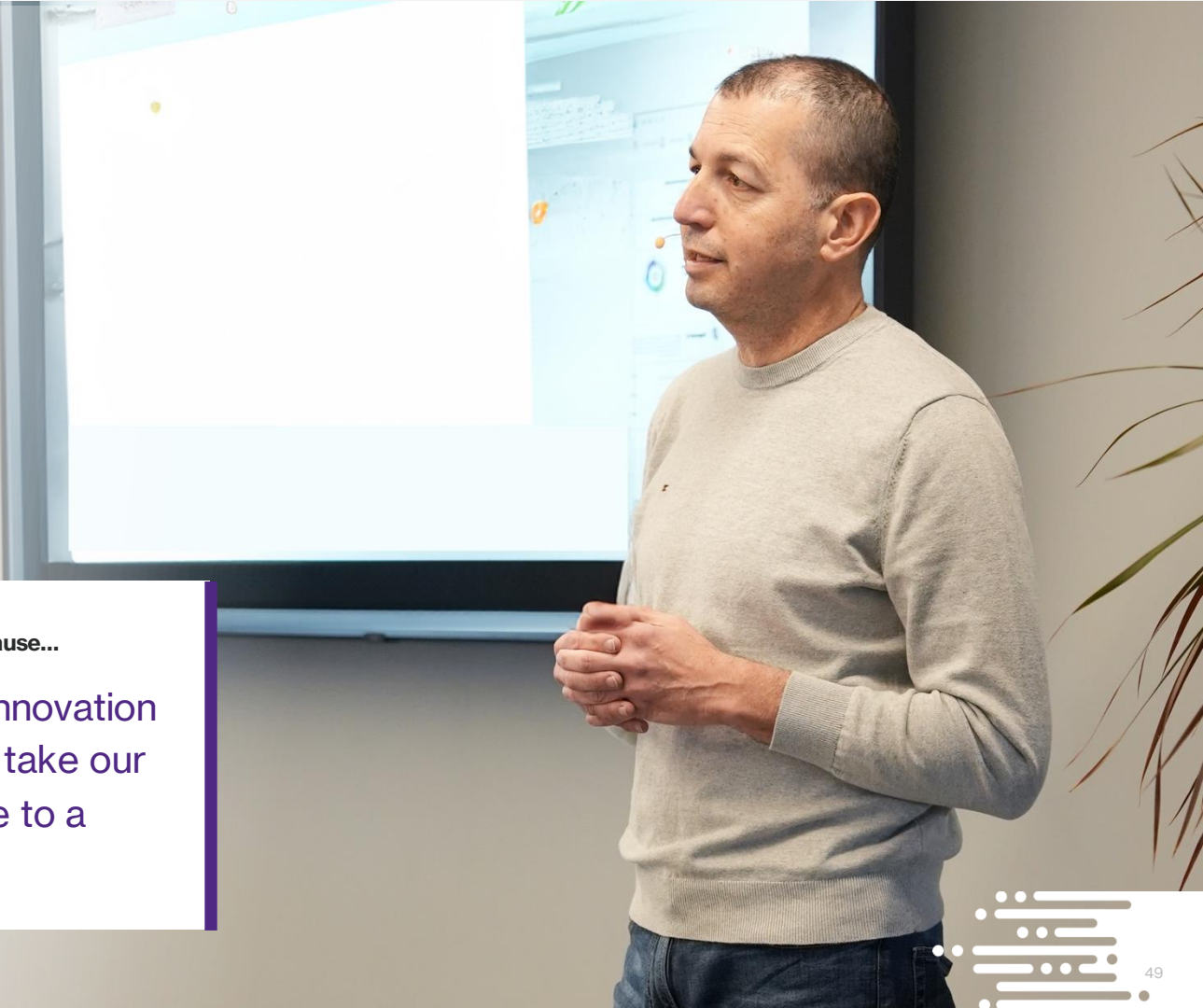
Shuki Licht

VP Head of Innovation

9 months at HealthEquity

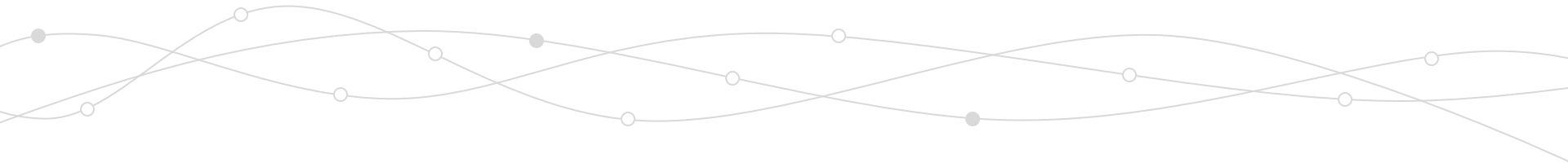
I'm excited for the future of HealthEquity because...

...of the potential for strong innovation and advanced technology to take our already “Remarkable” service to a whole new level!





Driving member outcomes is about leveraging connectivity and technology



01

Enroll

Greater HSA-eligible plan enrollment

02

Contribute

Increase contributors and drive higher contributions

03

Maximize

Grow investing rates

04

Improve

Health outcomes



Enjoying better outcomes and a more affordable health plan

Though improved plan design, this company increased HSA enrollments and contributions without putting a financial burden on their employees.

– \$25 

Reduced cost of health insurance premium per paycheck

+ \$25 

HSA default employee contribution per paycheck

104%

Increase in HSA enrollment since 2021

95%

Of employees contributing²

11%

Less expensive than PPO plan³

HSA members' preventive and clinical care participation rates are on-par or better than those enrolled in a traditional PPO or HMO plan



6,800

Eligible employees



San Jose, CA

Headquarters



eCommerce

Industry



The power of HSA member education

11%

New account rate¹
vs 8% without
open enrollment
education

**Consumer
research**

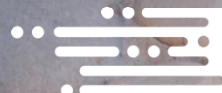
**Open enrollment
education**

**Member
onboarding**

**Ongoing bite-
sized nudges**

¹New Account Rate: Number of New Accounts divided by Number of Accounts on 12/31/2023.

Source: HealthEquity proprietary data, 1/2024.





Trends

Driving our imperative to
improve member health
and financial security

01

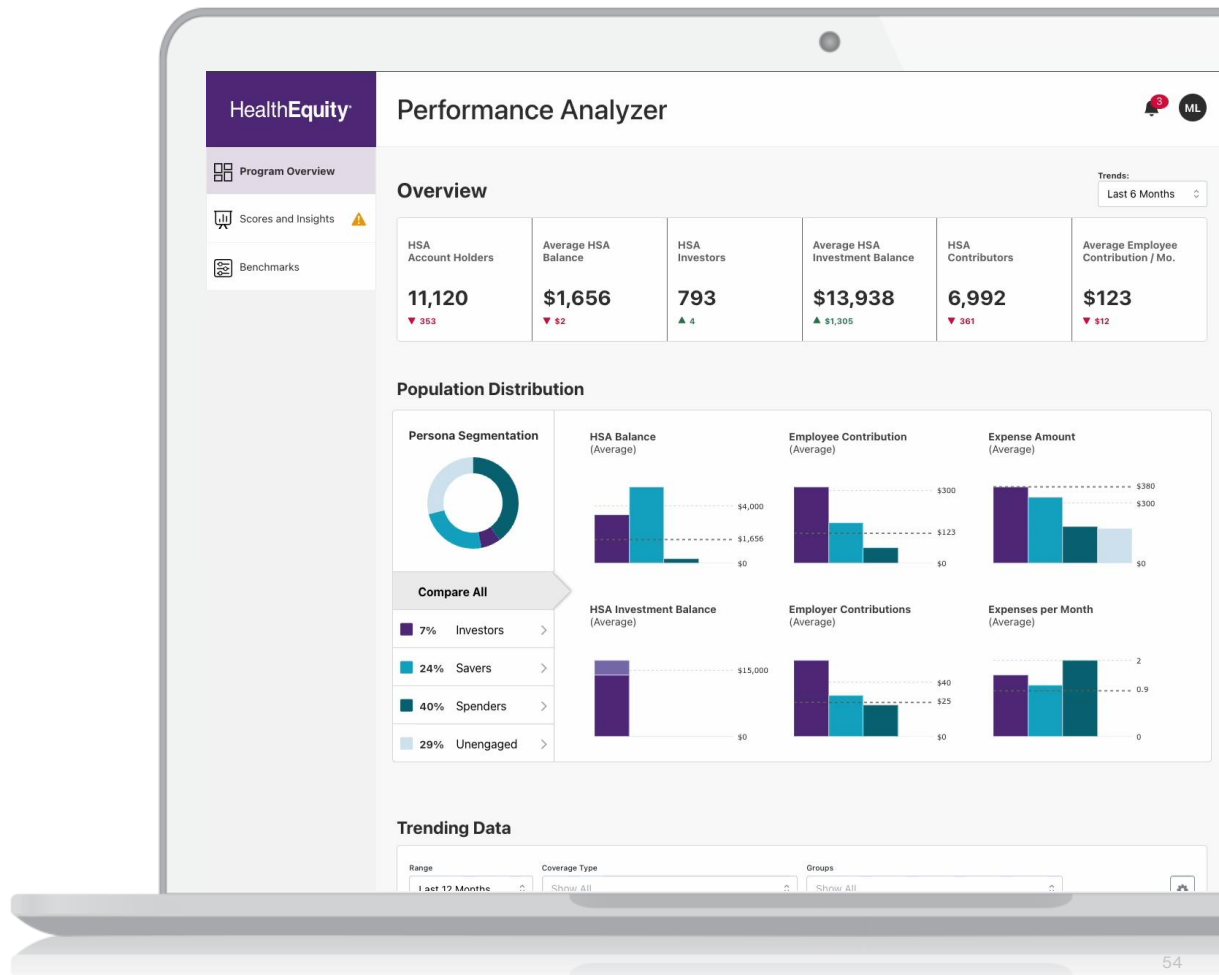
**Affordable,
comprehensive benefits**



Employer insights

- 01 Informational dashboards with segment-specific insights
- 02 Recommended actions with estimated impact
- 03 Ability to deploy actions directly within the tool
- 04 Post-campaign analysis and benchmarking

[Watch the demo](#)





Driving member outcomes is made possible by our unique strengths

01

Power of our connected ecosystem

02

Size and scale of our business

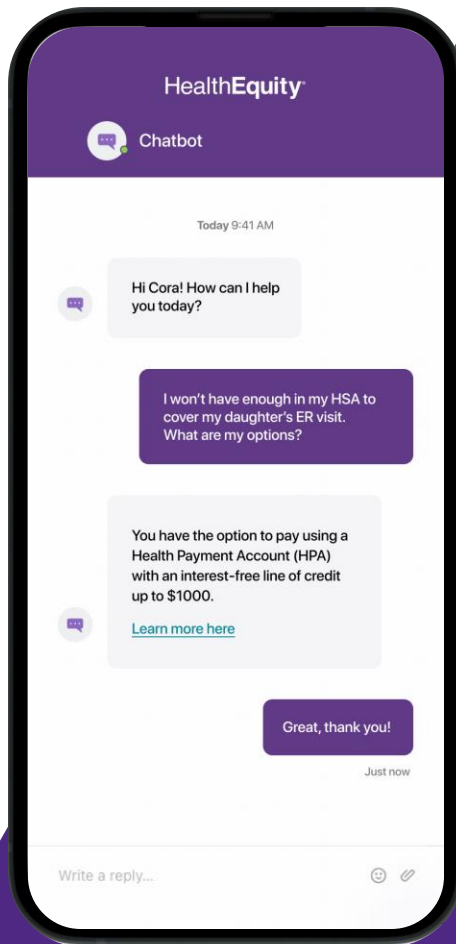
03

Investments in data security, data cloud, and API connectivity



Improving health and financial resilience

Give members the power to pay out-of-pocket healthcare expenses, interest free, and without the need for a credit check



47%

of Americans say it is difficult to afford healthcare costs

1/4

of adults say that in the past 12 months they have skipped or postponed getting healthcare they needed because of the cost





Client Advisory Board Insight

R.R. Donnelley has provided \$1.2 million in interest-free funds to employees through Health Payment Accounts



“We asked ourselves, ‘What are all the different ways that we can make a difference for these employees from a health perspective?’ We feel strongly that this was the way for us to go. We’ve been blown away with how much positive feedback we’ve gotten from the program.”

Christy Goldberg-Hirsch

Senior Vice President Total Rewards

The account was not provided by HealthEquity, but that we believe this shows there is a viable market for the product we are developing.



11,000

Eligible employees



Chicago, IL

Headquarters



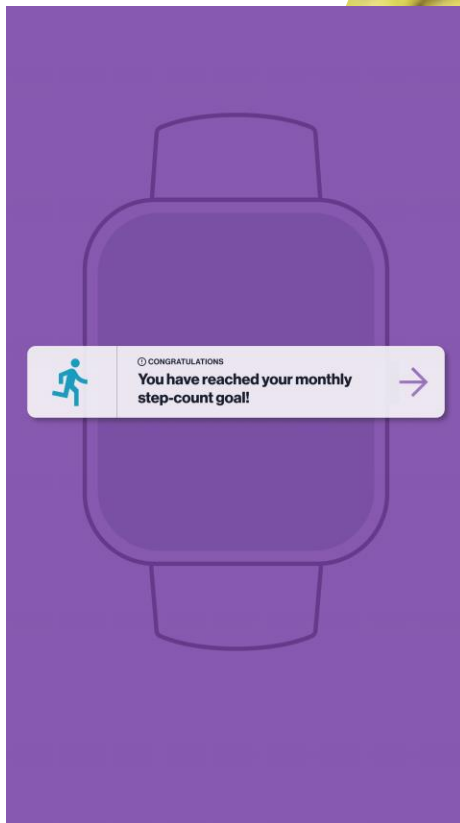
Publishing

Industry



Incentivizing preventative care drives down costs

Increased benefits utilization accelerates the rate of data flow through the ecosystem and drives contributions to the HSA





Trends

Driving our imperative to
improve member health
and financial security

02

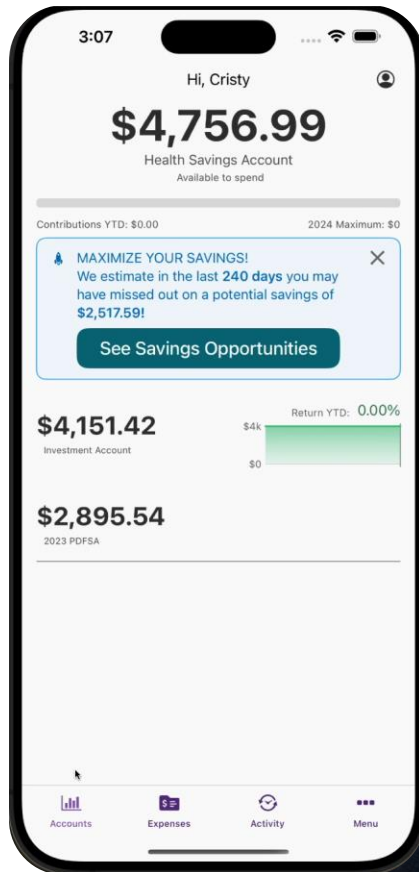
**Intelligent
spending**



Demo

- 01 See areas of overspending
- 02 Find lower-cost care and provider options
- 03 Search by price, rating, distance
- 04 Click to call or schedule

[Watch the demo](#)





Driving Member Outcomes

Empowering members to make better
health and financial decisions



Improving members' health and financial outcomes



Account and asset growth



Client acquisition and retention





Finance

Setting our course to create shareholder value



Driving unit sales growth



Decreasing the cost of serving accounts





James Lucania

Chief Financial Officer

6 months at HealthEquity

I'm proud to be at HealthEquity because...

... all 3,500 of us truly believe the combination of our leading technology stack and our Purple culture of service is empowering members to improve their health and financial wellbeing.





Danny Hurst

VP and Corporate Controller

10 years at HealthEquity

Five years ago, I never would have imagined...

...that I'd be doing 10-Ks and audits
from my couch.





Historical revenue streams

01

Custodial

Interest earned on custodial cash

Recordkeeping and investment
advisory service fees

Drivers

- Investor accounts
- Account balances
- Yield earned on HSA cash
and client held funds

02

Service

Service charges per account

Transaction-related fees

Drivers

- Number of accounts on
our platform (HSA or CDB)

03

Interchange

Fees generated by member
spending on our platform

Drivers

- Spend per account
- Number of accounts on
our platform (HSA or CDB)



Income statement presentation updates

Retrospective reclassifications to the income statement presentation for fiscal years 2022 and 2023, as well as full fiscal year 2024 in the upcoming HealthEquity fiscal year 2024 10-K.

Description	Current classification		Updated classification	Analysis
Recordkeeping and investment advisory fees	Custodial revenue	→	Service revenue	Key drivers for these fees are the number of investing accounts and the balances in those accounts. Custodial revenue will now only include yield on HSA cash and client held funds.
Vendor fees and personnel related costs	Custodial costs	→	Service costs	The direct costs associated with recordkeeping and investment advisory services
Personnel related costs	Custodial costs	→	G&A	Reclassification of corporate treasury function

NOTE: Net income, equity, and cash flows are not impacted by these reclassifications.



Reclassification bridge | Fiscal year 2023

(in thousands)	Prior presentation	Reclassifications (unaudited)	Updated presentation (unaudited)
Revenue			
Service revenue	\$ 430,196	\$ 21,830	\$ 452,026
Custodial revenue	283,112	(21,830)	261,282
Interchange revenue	148,440	-	148,440
Total revenue	861,748	-	861,748
Cost of revenue			
Service costs	317,360	1,156	318,516
Custodial costs	29,101	(3,000)	26,101
Interchange costs	25,196	-	25,196
Total cost of revenue	371,657	(1,844)	369,813
Gross profit	490,091	1,844	491,935
Operating expenses			
Sales and marketing	68,849	-	68,849
Technology and development	193,375	-	193,375
General and administrative	95,628	1,844	97,472
Amortization of acquired intangible assets	94,586	-	94,586
Merger integration	28,596	-	28,596
Total operating expenses	481,034	1,844	482,878
Income from operations	\$ 9,057	\$ -	\$ 9,057



Updated YoY comparison

(in thousands) (unaudited)		Year ended January 31,	
	2023		2022
Revenue			
Service revenue	\$ 452,026	\$	443,608
Custodial revenue	261,282		186,119
Interchange revenue	148,440		126,829
Total revenue	861,748		756,556
Cost of revenue			
Service costs	318,516		291,618
Custodial costs	26,101		19,492
Interchange costs	25,196		20,681
Total cost of revenue	369,813		331,791
Gross profit	491,935		424,765
Operating expenses			
Sales and marketing	68,849		58,605
Technology and development	193,375		157,364
General and administrative	97,472		85,438
Amortization of acquired intangible assets	94,586		82,791
Merger integration	28,596		64,805
Total operating expenses	482,878		449,003
Income (loss) from operations	\$ 9,057	\$	(24,238)



Abhinav Dendukuri

VP and Corporate Treasurer

1 year at HealthEquity

I'm proud to be at HealthEquity because...

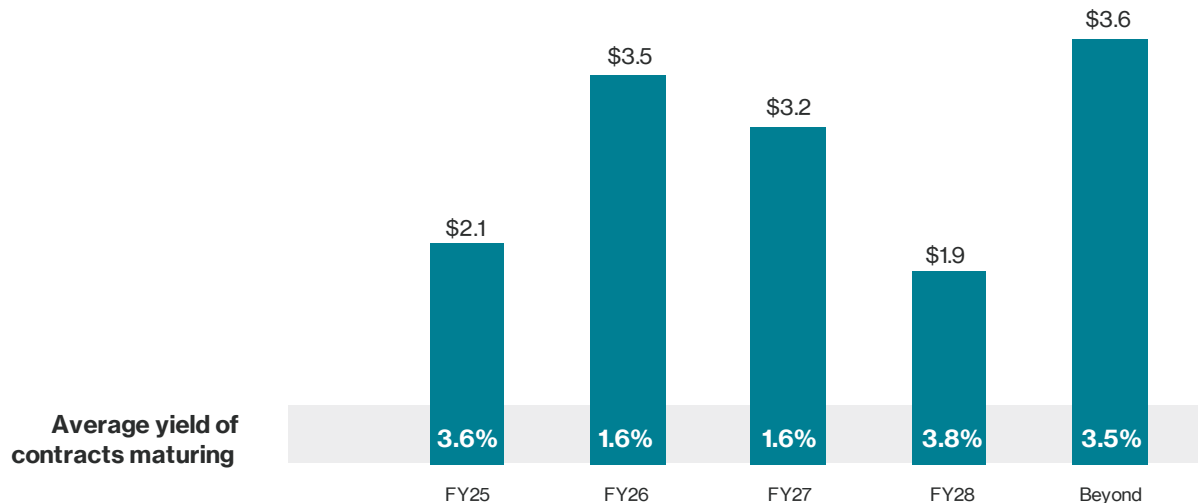
...we're helping our members save
for a healthier tomorrow.





HSA cash maturity schedule

■ HSA cash custodial assets repricing in \$billions



\$15 billion

total HSA Cash assets as of
January 31, 2024

\$14.3 billion

in fixed-rate contracts

FY25, 26, 27

maturing yields are below the
current forward curve
expectations for new rates
expected for these deposits



Benefits of Enhanced Rates contracts

01

**Reduced variable
rate exposure**

02

**Improved stability
of custodial yields**

03

**Increased average yield
across business cycle**

Enhanced rates

Daily inflows and outflows

~4.5 Year repricing cycle

~T+75bps

Basic rates

Variable rate contracts
for daily liquidity

~2.5 Year repricing cycle

~T+10bps



Accelerating Enhanced Rates adoption

~30%

Current adoption

Drivers

- New accounts
- Acquired accounts

10% /yr

Over the next 3 years

Drivers

- Transfer from maturing Basic rates contracts
- New accounts
- Acquired accounts

Enhanced Rates adoption





Guidance | Fiscal year 2024

HealthEquity fiscal year ending January 31, 2024

Guidance as of:

(\$ in millions, except per share)

February 21, 2024

December 5, 2023

Revenue

\$995 - \$1,000

\$985 - \$995

Net Income

\$49- \$52

\$34 - \$39

Net income per diluted share

\$0.56 - \$0.60

\$0.39 - \$0.45

Non-GAAP net income**

\$191 - \$195

\$181 - \$188

Non-GAAP net income per diluted share**

\$2.20 - \$2.24

\$2.08 - \$2.16

Adjusted EBITDA**

\$364 - \$369

\$350 - \$360

**See HealthEquity earnings release and 8-K dated February 21, 2024, for additional information and reconciliations of non-GAAP measures to their nearest GAAP measure. A copy of the reconciliations are included in financial appendix.



Affirming fiscal year 2025 outlook

HealthEquity fiscal year ending January 31, 2025

Outlook as of:

February 21, 2024*

Revenue (\$ in millions)

\$1,140 - \$1,160

Adjusted EBITDA (as a % of revenue)

38% - 39%

Outlook based on HSA cash yield of approximately 3.0%

*A reconciliation of our Adjusted EBITDA outlook for the fiscal year ending January 31, 2025 to net income (loss), its most directly comparable GAAP measure, is not included, because our net income (loss) outlook for this future period is not available without unreasonable efforts as we are unable to predict the ultimate outcome of certain significant items excluded from this non-GAAP measure (such as depreciation and amortization, stock-based compensation expense, and income tax provision (benefit)).

Our goal | FY24 – FY27

Double

Non-GAAP Net Income Per Share

HealthEquity®

A reconciliation of our Non-GAAP Net Income Per Share goal for the fiscal year ending January 31, 2027 to net income (loss) per share, its most directly comparable GAAP measure, is not included, because our net income (loss) per share expectations for this future period is not available without unreasonable efforts as we are unable to predict the ultimate outcome of certain significant items excluded from this non-GAAP measure (such as depreciation and amortization, stock-based compensation expense, and income tax provision (benefit))



Key factors

- Member spending behaviors
- Unit economics
- Interchange revenue



HealthEquity
All Hands Meeting

Revenue Expansion



Growing
accounts



Growing
assets



Increasing
custodial



Cost Reduction



Unit
cost



Finance

Setting our course to create shareholder value



Driving unit sales growth



Decreasing the cost of serving accounts



HealthEquity®