

HealthEquity®

Cantor Healthcare Conference Investor presentation

September 2021

Copyright © 2021 HealthEquity, Inc. All rights reserved.
HealthEquity does not provide legal, tax or financial advice.

Safe harbor

This presentation does not constitute an offer or invitation for the sale or purchase of securities and has been prepared solely for informational purposes. This presentation is a summary of information contained in our public filings filed with the Securities and Exchange Commission (SEC), which public filings are expressly incorporated herein by reference (see <http://ir.healthequity.com/>), and other publicly available information. Readers are encouraged to review our public filings for further information.

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.

An industry leader

13.1M

 Total Accounts

100k

 Employer Clients

6.0M

 HSA members

174

 Network partners

\$15.5B

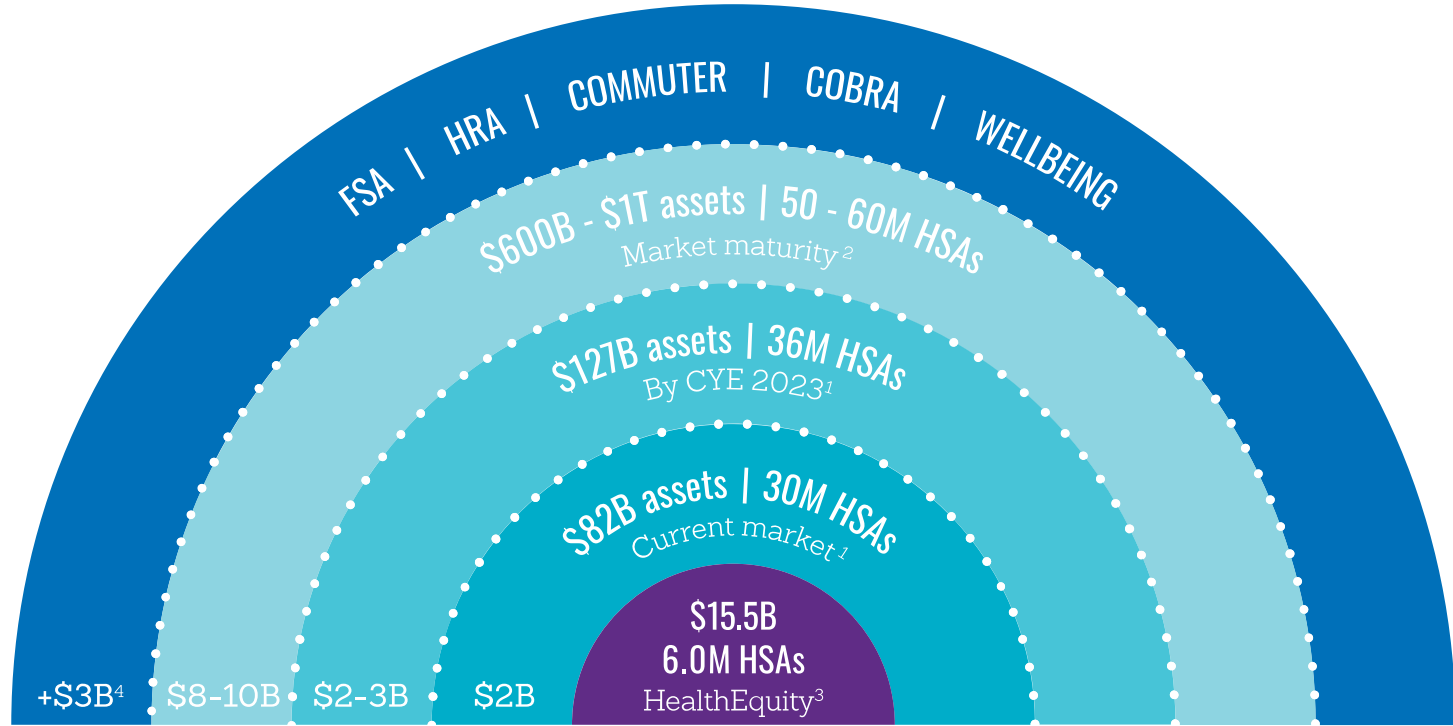
 HSA assets

15k

 Integrations



Expanding market



MARKET WIDE REVENUE

¹ Devenir HSA Research Report as of December 31, 2020

² Management estimate as of September 2021

³ HealthEquity information as of July 31, 2021

⁴ Proprietary research June 2019

Multiple avenues for growth



**New partners
& clients**



Cross-sell



**Uptake &
balance growth**

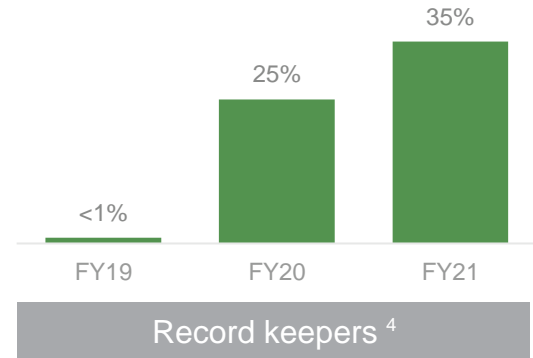
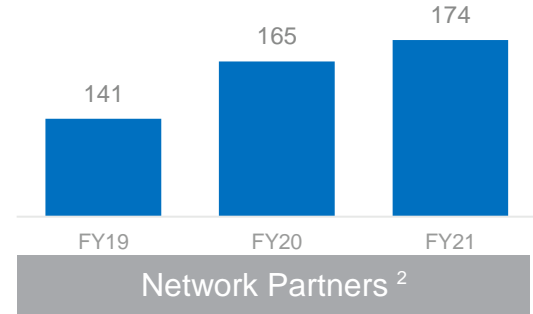
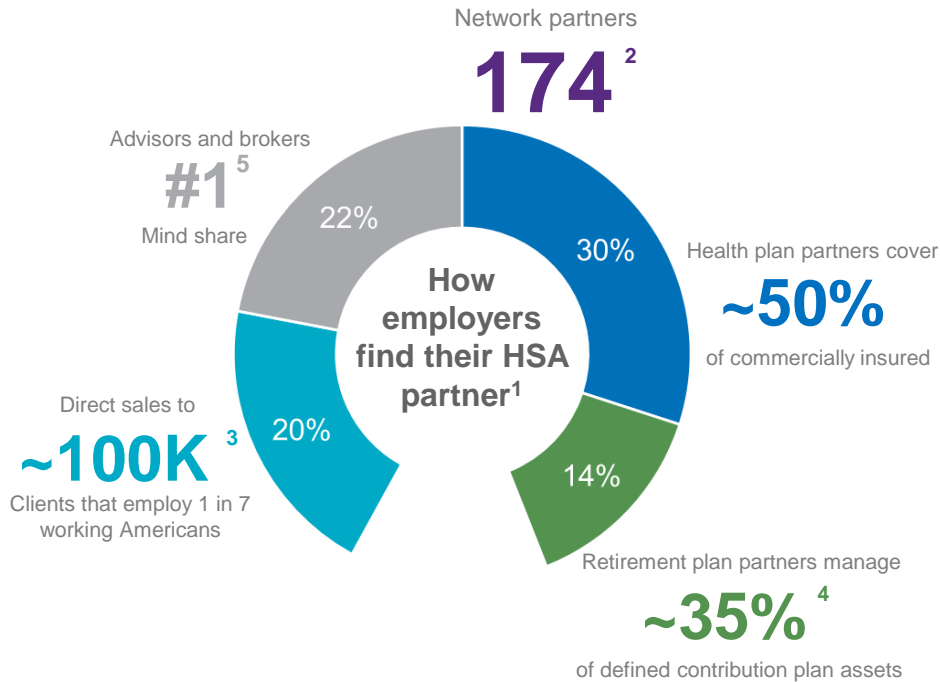


M&A initiatives



Rate recovery, return to work and regulatory tailwinds

Win new network partners and clients



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

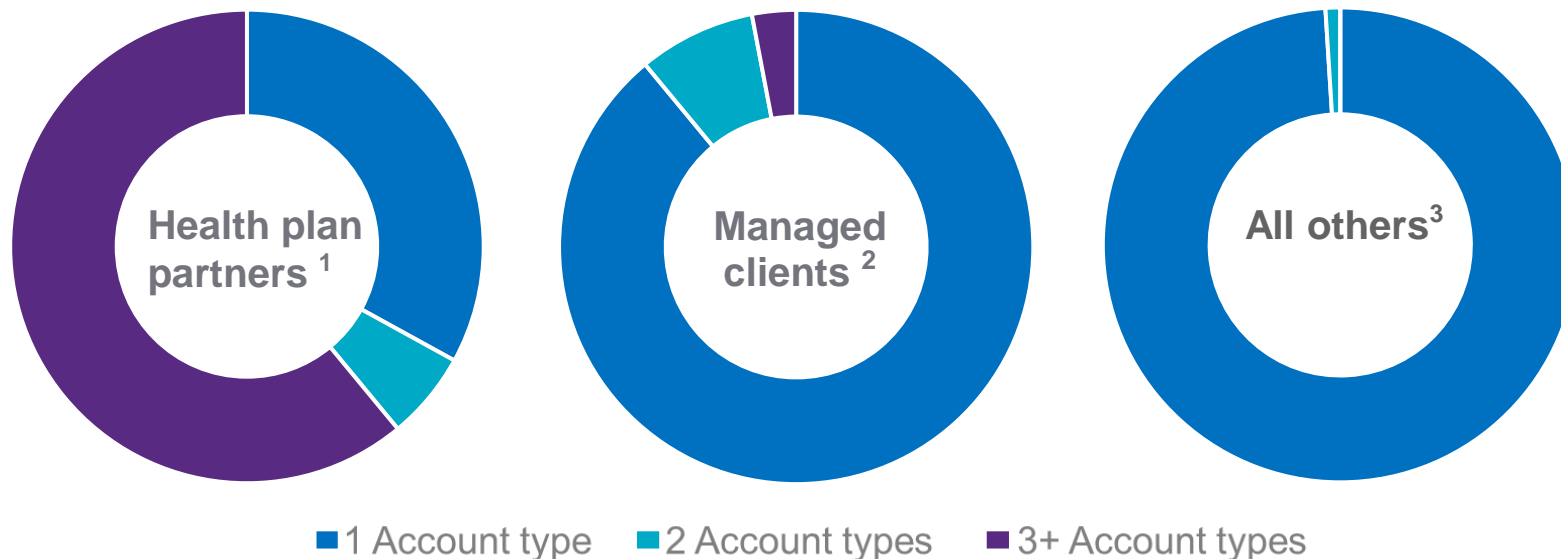
² HealthEquity network partners as of January 2021

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

Lean into cross-sell



Increase uptake



Engagement platform



Virtual open enrollment



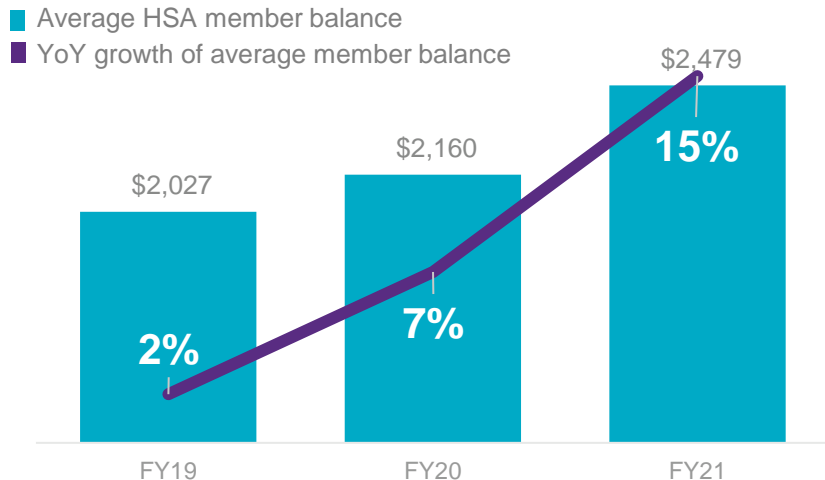
Live specialists



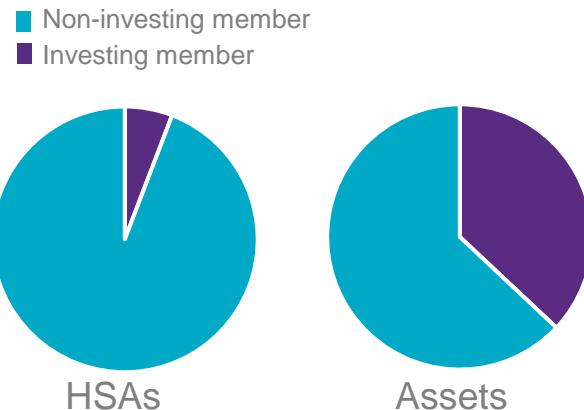
Just 24% of those with commercial health insurance have HSA-qualified plans ¹

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 consolidation¹

HSA Provider	Market Share
Company 1	20%
HealthEquity	16%
Company 3	12%
Company 4	11%
Company 5	5%
#9 Further	2%
#14 Fifth Third Bank	1%
Top 10	80%
All Others	20%

Additional solutions

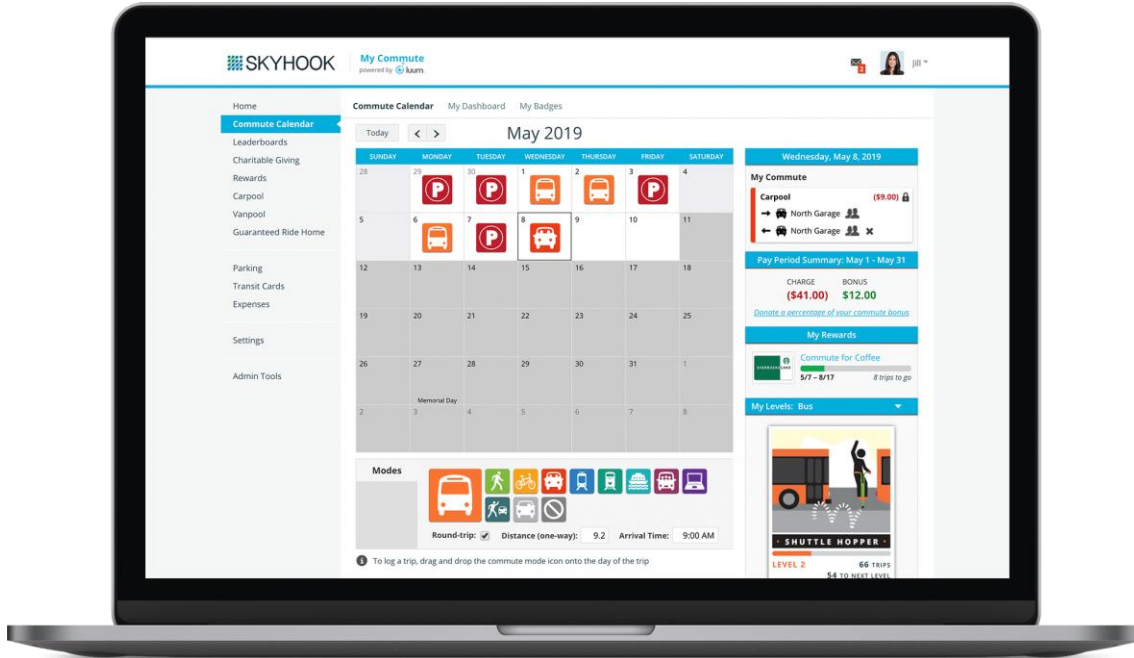


Capability tuck-ins

- ✓ 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 improvement

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



Return to work

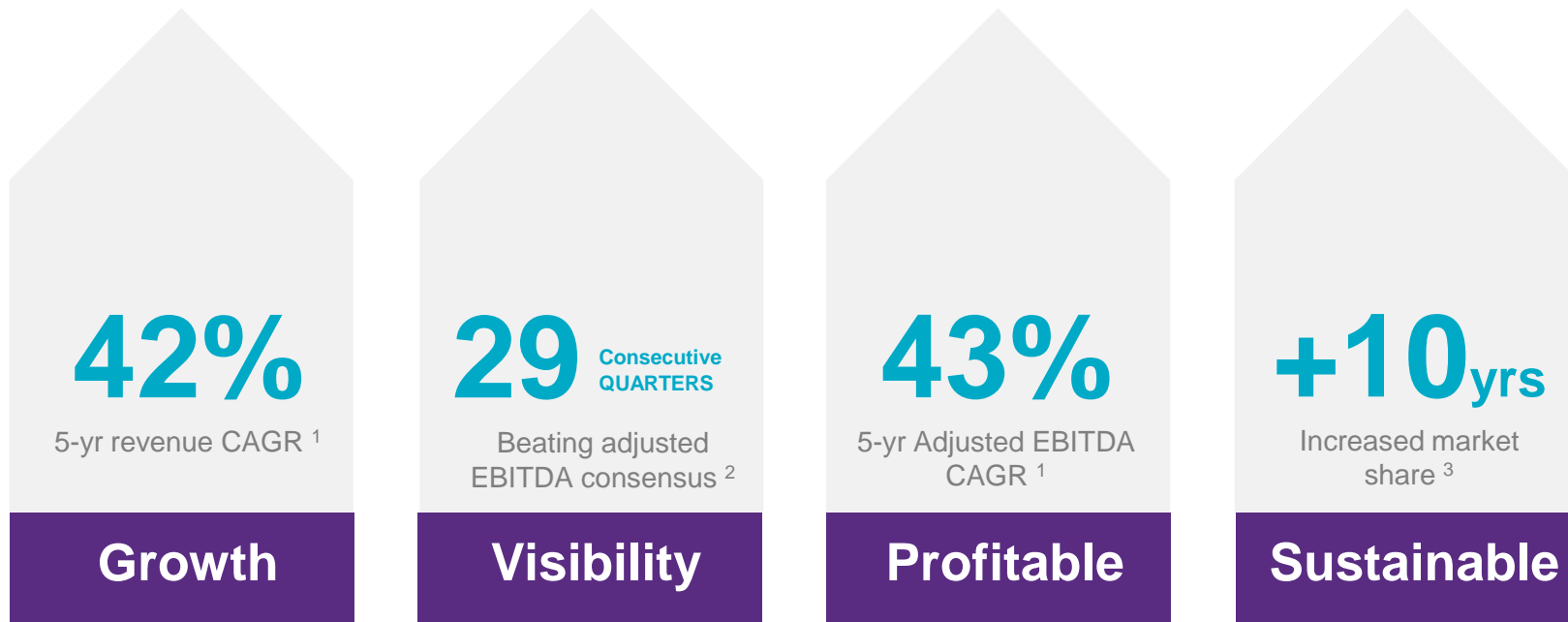
- Deferred client pipeline
- Employment rebound
- Commuter utilization
- Healthcare spend
- Childcare accounts



Regulatory

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

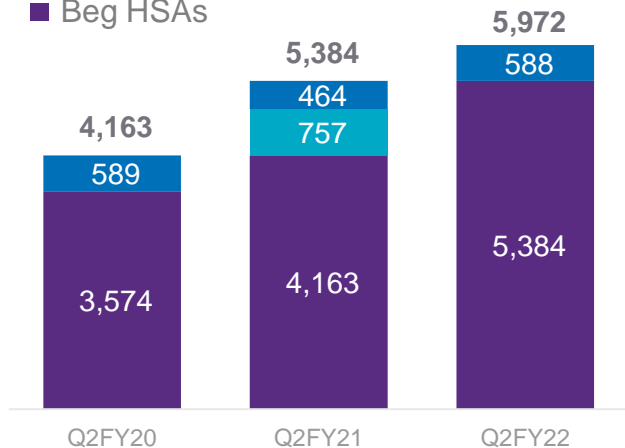
Foundation of promises kept



HSA key metrics

HSA (000s)

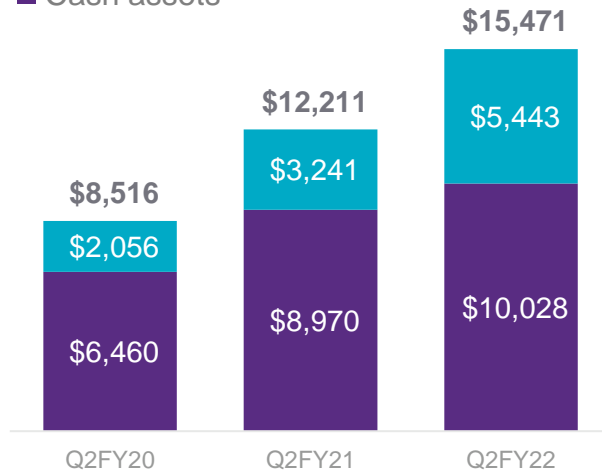
- Net new HSAs
- Acq HSAs
- Beg HSAs



- **180K** new HSAs in Q2
- **11%** growth YoY

HSA Assets (\$M)

- Invested assets
- Cash assets



- **\$3.3B** net increase YoY
- **27%** growth YoY

Total Accounts

HSA

6.0M

FSA

3.1M

HRA

1.8M

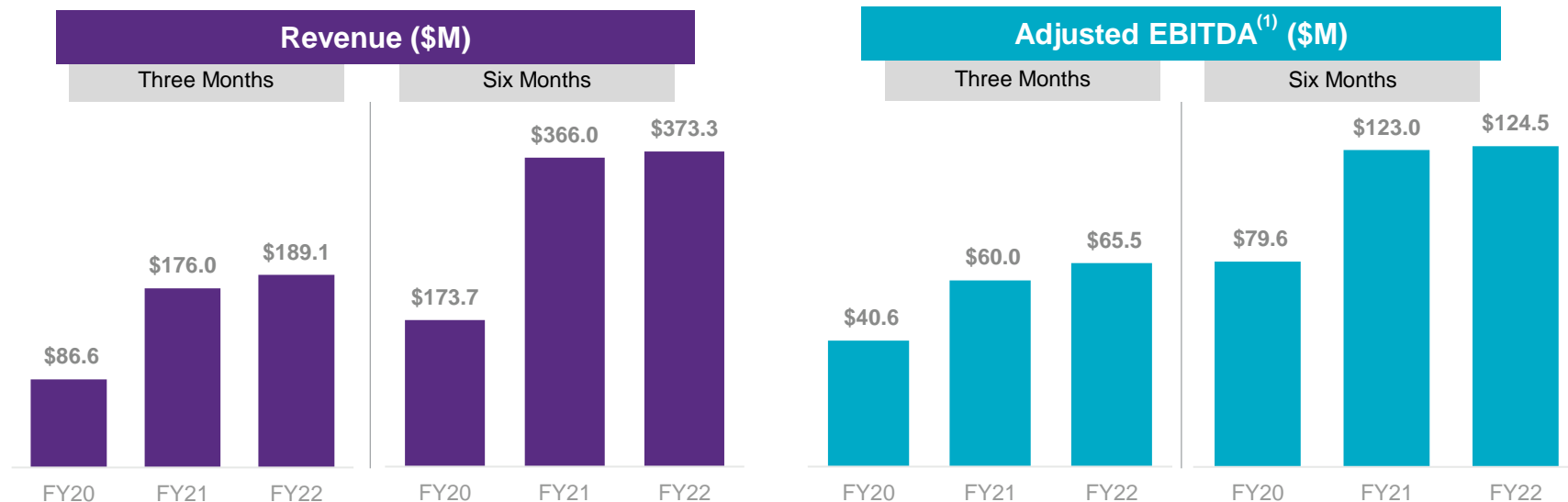
COBRA

1.1M

Commuter

0.4M
HealthEquity®

Fiscal second quarter financial results



- **7%** Q2 revenue growth YoY
 - 5% Q2 growth in Service Revenue
 - 4% Q2 growth in Custodial Revenue
 - 23% Q2 growth in Interchange Revenue

- **9%** Adjusted EBITDA growth Q2 YoY
- **59%** Q2 Gross margin
- **35%** Q2 Adjusted EBITDA margin

Capitalization and leverage

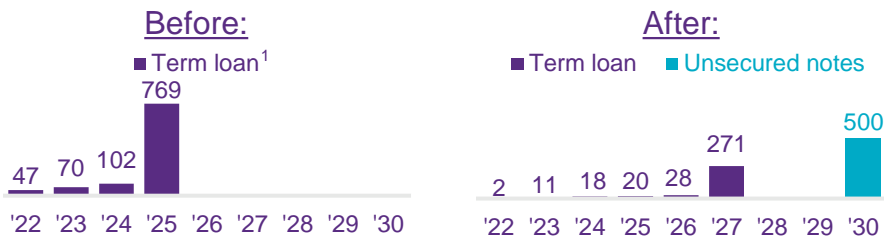
(\$ in millions)	July 31, 2021	January 31, 2021
Cash, cash equivalents & marketable securities	\$754	\$329
Long-term debt, net of debt issuance costs (\$350M available LOC)	\$974	\$987
Total stockholders' equity	\$1,863	\$1,379

Refinancing of debt

Sources of funds (\$ in millions)		Uses of funds (\$ in millions)	
New \$500mm unsecured high yield bonds	\$500	Retiring existing \$350mm revolver	\$ -
New \$1,000mm revolver (\$95mm drawn)	95	Retiring existing term loan A, net	974
New \$350mm term loan A	350	Estimated transaction fees and expenses	10
Balance sheet cash	39		
Total sources	\$984	Total uses	\$984

Key benefits

Tenor



- Provides significant tenor extension with the revolver and term loan now maturing in 2026 and the new notes maturing in 2029

Liquidity

Before:

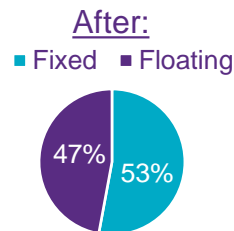
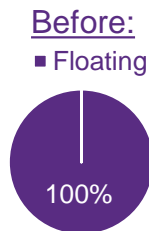
\$754mm cash²
 + \$350mm revolver
 – \$0mm revolver draw
 = **\$1,104mm liquidity**

After:

\$715mm cash²
 + \$1,000mm revolver
 – \$95mm revolver draw
 = **\$1,620mm liquidity**

- Refinancing transaction and new upsized revolver provides HealthEquity significant liquidity for organic and inorganic needs

Floating / fixed



- HealthEquity has locked in fixed rate pricing at historically attractive levels

¹⁷ Note: Fiscal year ending January 31

¹ – Includes unamortized loan issuance costs

² – A portion of the current cash balance will be used to consummate the previously announced Further and Fifth Third acquisitions

Guidance

Business outlook			
HealthEquity fiscal year ending January 31, 2022			
Guidance as of: (\$ in millions, except per share)	September 8, 2021*	June 7, 2021	March 15, 2021
Revenue	\$755 - \$765	\$755 - \$765	\$750 - \$760
Non-GAAP net income**	\$122 - \$126	\$122 - \$126	\$115 - \$119
Non-GAAP Net income per diluted share**	\$1.45 - \$1.50	\$1.45 - \$1.50	\$1.37 - \$1.42
Adjusted EBITDA**	\$241 - \$247	\$241 - \$247	\$240 - \$246

HealthEquity®