

Acquisition of WageWorks

June 27, 2019



Members
since 2012



Members
since 2018



Members since 2006



HealthEquity®

Copyright © 2019 HealthEquity, Inc. All rights reserved.

Safe harbor

This presentation contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding the proposed transaction between HealthEquity and WageWorks, the synergies from the proposed transaction, the combined company's future operating results, HealthEquity's expectations regarding debt repayment, projections as to the closing date of the proposed transaction, the anticipated benefits of the proposed transaction, future opportunities for HealthEquity upon closing of the proposed transaction, the product offerings of HealthEquity if the proposed transaction is consummated, and the ability of HealthEquity to deliver value to stakeholders. Forward-looking statements reflect current expectations regarding future events, results or outcomes, and are typically identified by words such as "estimate," "project," "predict," "will," "would," "should," "could," "may," "might," "anticipate," "plan," "intend," "believe," "expect," "aim," "goal," "target," "objective," "likely" or similar expressions that convey the prospective nature of events or outcomes. Factors that could cause actual results to differ include, but are not limited to: the conditions to the completion of the proposed transaction, including the receipt of all required regulatory approvals and approval of the stockholders of WageWorks; HealthEquity's ability to finance the proposed transaction and its ability to generate sufficient cash flows to service and repay such debt; the ability of HealthEquity to successfully integrate WageWorks operations with those of HealthEquity; that such integration may be more difficult, time-consuming or costly than expected; that operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers or suppliers) may be greater than expected following the proposed transaction or the public announcement of the proposed transaction; and the retention of certain key employees of WageWorks may be difficult. Although HealthEquity and WageWorks believe the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to be correct. Actual events, results and outcomes may differ materially from expectations due to a variety of known and unknown risks, uncertainties and other factors, including those described above. For a detailed discussion of other risk factors, please refer to the risks detailed in HealthEquity's and WageWorks' respective filings with the Securities and Exchange Commission, including, without limitation, each company's most recent Annual Report on Form 10-K and subsequent periodic and current reports. Neither HealthEquity nor WageWorks undertakes any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements should not be relied upon as representing views as of any date subsequent to the date of this presentation.

References in this presentation to adjusted EBITDA margin, non-GAAP net income, non-GAAP net income per diluted share and adjusted EBITDA are references to are non-GAAP financial measures. Non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP and should not be considered as a substitute for, or superior to, GAAP results. HealthEquity cautions investors that non-GAAP financial information, by its nature, departs from GAAP; accordingly, its use can make it difficult to compare current results with results from other reporting periods and with the results of other companies. For each non-GAAP financial measure presented herein, please refer to slide 18 for a reconciliation to such non-GAAP measures' most directly comparable GAAP measure.



Participants



Jon Kessler

President & CEO, HealthEquity



Steve Neeleman

Founder & Vice Chairman, HealthEquity



Darcy Mott

Executive VP & CFO, HealthEquity

HealthEquity

36%

5 year revenue CAGR¹

20

Consecutive
QUARTERS

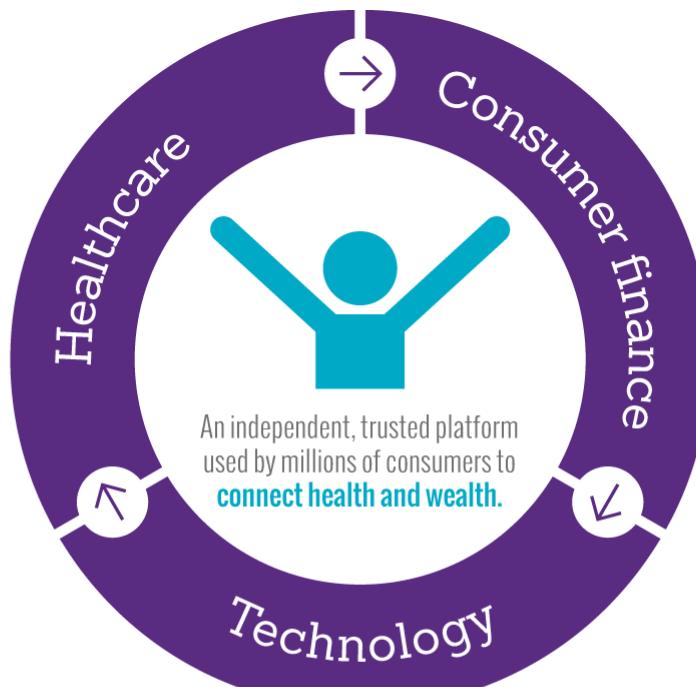
Beating adj. EBITDA consensus

Growth

Visibility

Profitable

Sustainable



1580 bps

Increase in adj. EBITDA margin¹

9

Consecutive
YEARS

Increase market share²



Strategic and financial rationale

Accelerates transition to HSAs and positions HealthEquity to build on its lead



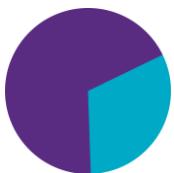
Greater access

Expanded distribution of the industry's premier platform



More scale

Data-driven member engagement



Larger addressable market

\$10B HSA opportunity with \$3B complementary market



Sustained growth

Driven by HSAs & custodial assets



Significant synergies

~\$50M in annualized synergies



Rapid deleveraging

Through strong cash flow growth



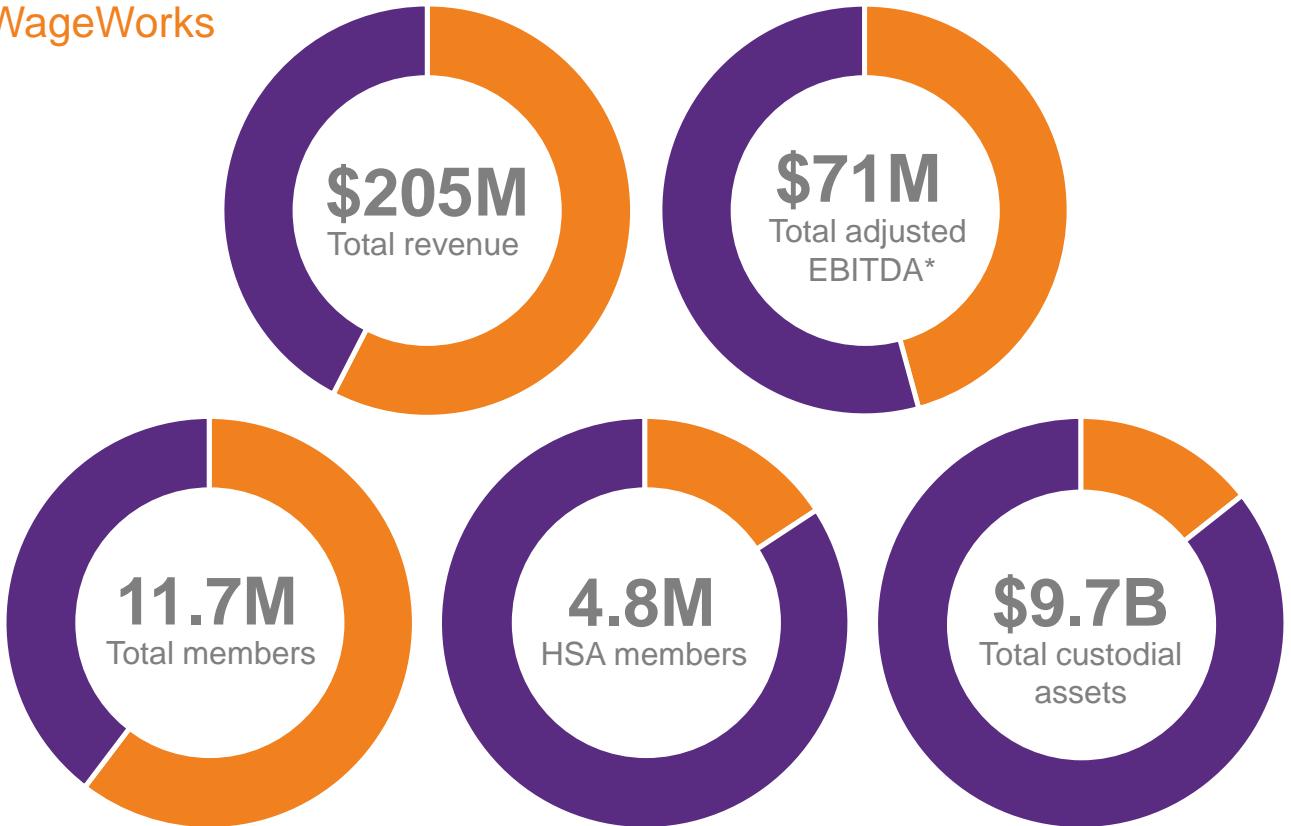
Transaction overview

Purchase consideration	<ul style="list-style-type: none">• \$51.35 per share• 100% cash offer
Premium & valuation	<ul style="list-style-type: none">• 19% premium to April 29th closing price of \$43.06• 28% premium to the VWAP price of WageWorks shares since March 18th
Financing	<ul style="list-style-type: none">• Committed financing from Wells Fargo and cash on hand at signing• Rapid deleveraging expected through strong cash flow and growth
Pro forma impact	<ul style="list-style-type: none">• Approximately \$50 million in annualized on-going synergies expected within 24 to 36 months of closing• Guidance on future financial impact on or before the closing
Closing	<ul style="list-style-type: none">• Transaction subject to customary conditions precedent, including WageWorks stockholder approval and antitrust clearance• Expected to close by end of year



Key metrics (quarterly)

■ HealthEquity
■ WageWorks



6%
of WageWorks' 2,000
largest customers
buy its HSA

Note: Figures as of HealthEquity and WageWorks respective first quarters, unsynergized

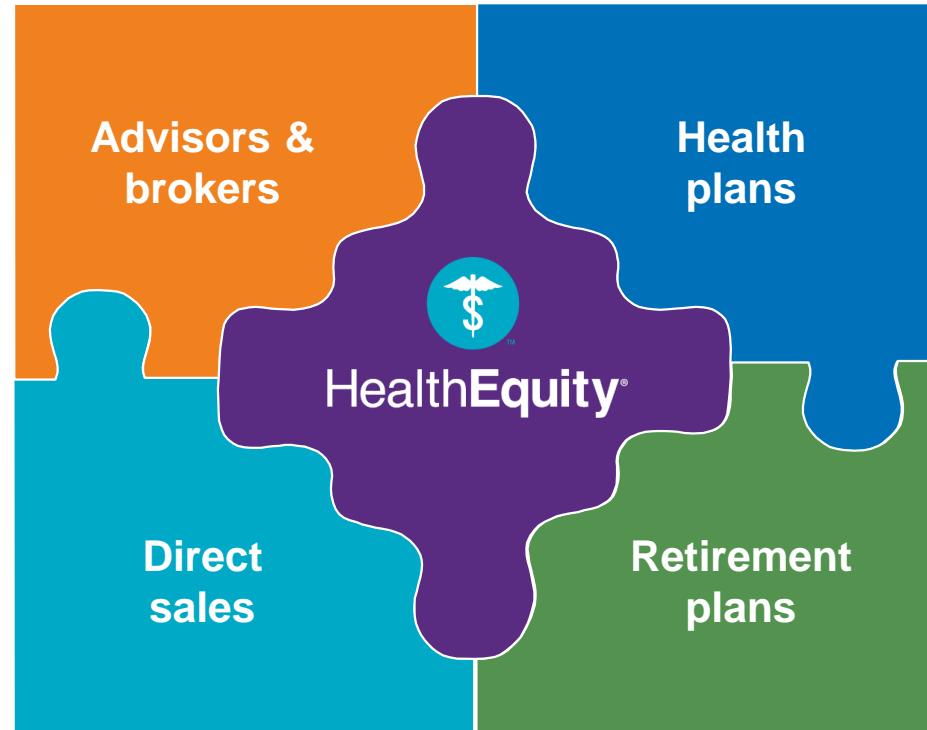
*Please refer to slide 18 for a reconciliation of adjusted EBITDA to net income, its most directly comparable GAAP measure.

*WageWorks Q1 2019 Adj. EBITDA contribution of \$33M calculated as GAAP net income less interest income, plus the sum of interest expense, income taxes, D&A, stock-based compensation expense, employee termination charges and excess restatement-related costs (\$9M)

Expanded employer / advisor channels

2/3

of employers say brokers and advisors are influential in selecting an HSA partner, up 17% in three years*



141¹

Network partners

~12%²
of DC record
keepers by assets

Growing to
25%³
next year

Source: Aite Group survey of U.S. private sector employers, February 2019 and September 2016

*Employer rate brokers as influential, very influential or extremely influential

8

¹HealthEquity network partners as of January 31, 2019

²Current HealthEquity DC record keeper partners by total percentage market assets

³Management estimate as of June 2019



HealthEquity®

Premier single source platform



4.8M
HSAs



3.5M
FSAs



1.5M
HRAs



1.1M
Commuter



800K
COBRA

79%

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

>50%

of HealthEquity
RFPs requested
at least one
CDB product

Large under-penetrated employer base

115K

employer clients¹

2/3

of Fortune 500 employers²



1.7-4X

Revenue with full suite³

>95%

Full suite opportunity⁴

Source: Company filings

¹ Does not contemplate overlapping employers

² Combined HealthEquity and WageWorks

³ Comparative revenue of top 2,000 clients with full suite compared to clients without full suite of HSA and complementary benefits

⁴ Less than 5% of combined employer partners have full suite of HSA and complementary benefits

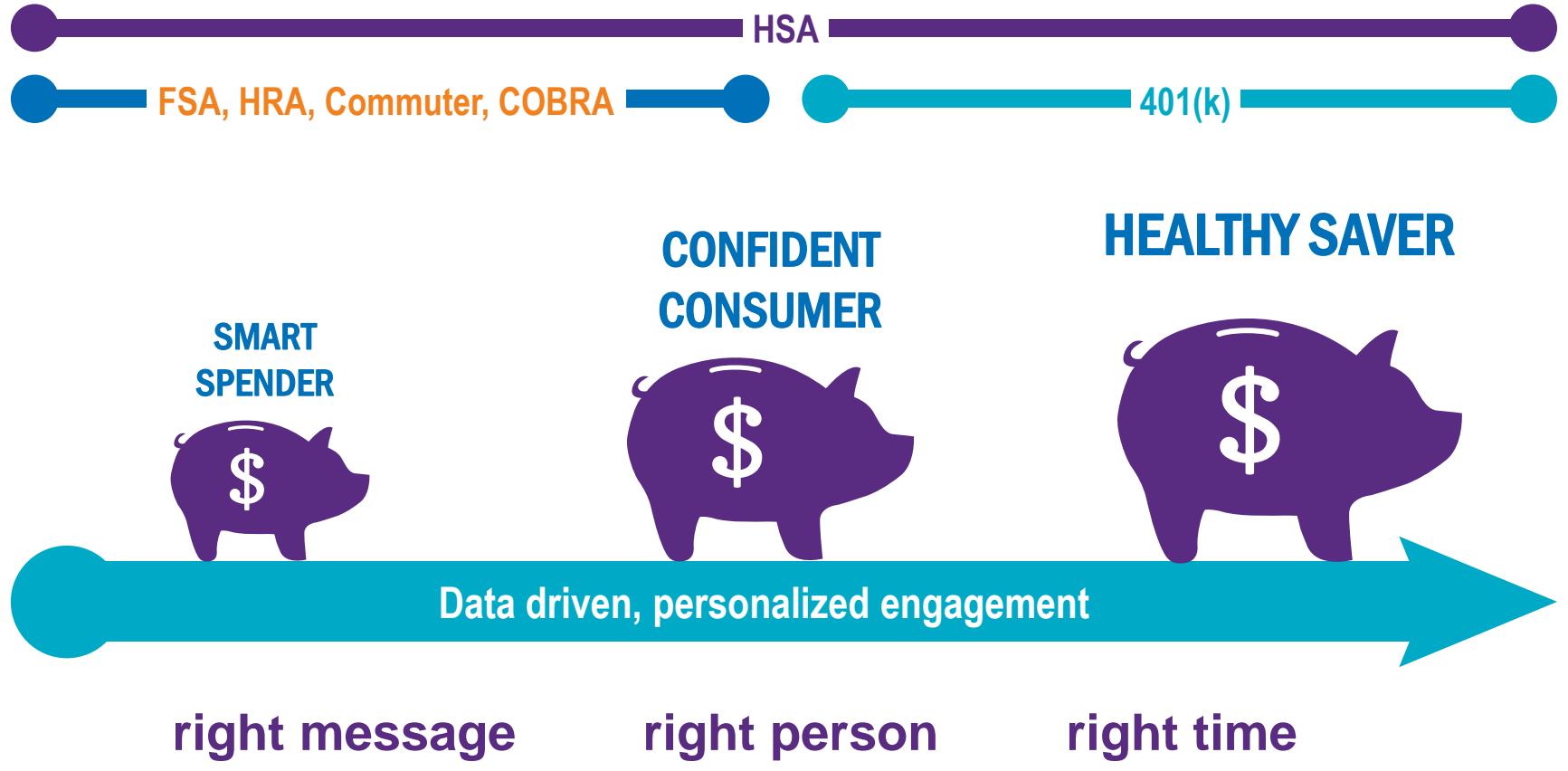
Greater scale for member engagement

12M

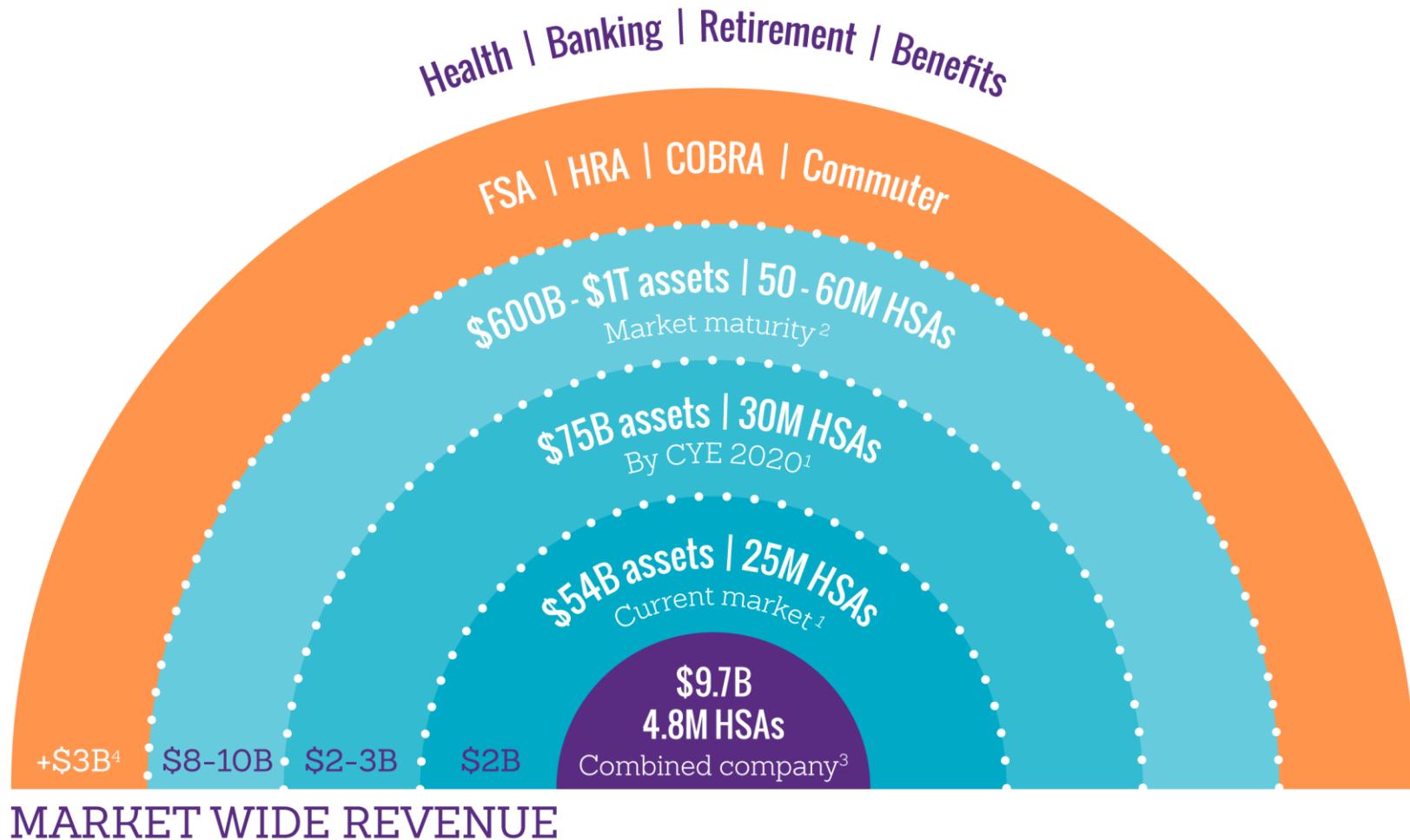
Total members¹

21%

of members visit monthly²



Expands addressable market



¹ Devenir HSA Research Report February 27, 2019

² Management estimate as of June 2019

³ See company filings

⁴ Bain proprietary research June 2019

Strategic and financial rationale

Accelerates transition to HSAs and positions HealthEquity to build on its lead



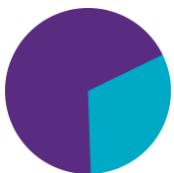
Greater access

Expanded distribution of the industry's premier platform



More scale

Data-driven member engagement



Larger addressable market

\$10B HSA opportunity with \$3B complementary market



Sustained growth

Driven by HSAs & custodial assets



Significant synergies

~\$50M in annualized synergies



Rapid deleveraging

Through strong cash flow growth

Synergy opportunities

Complementary offerings are expected to unlock significant revenue and cost synergies

Near-term revenue
synergy opportunity of ~\$27M



- Custodial revenue
- Interchange revenue

Significant cost synergy
opportunity of ~\$23M



- Operating efficiencies
- Cost of revenue
- Transaction processing

HealthEquity guidance

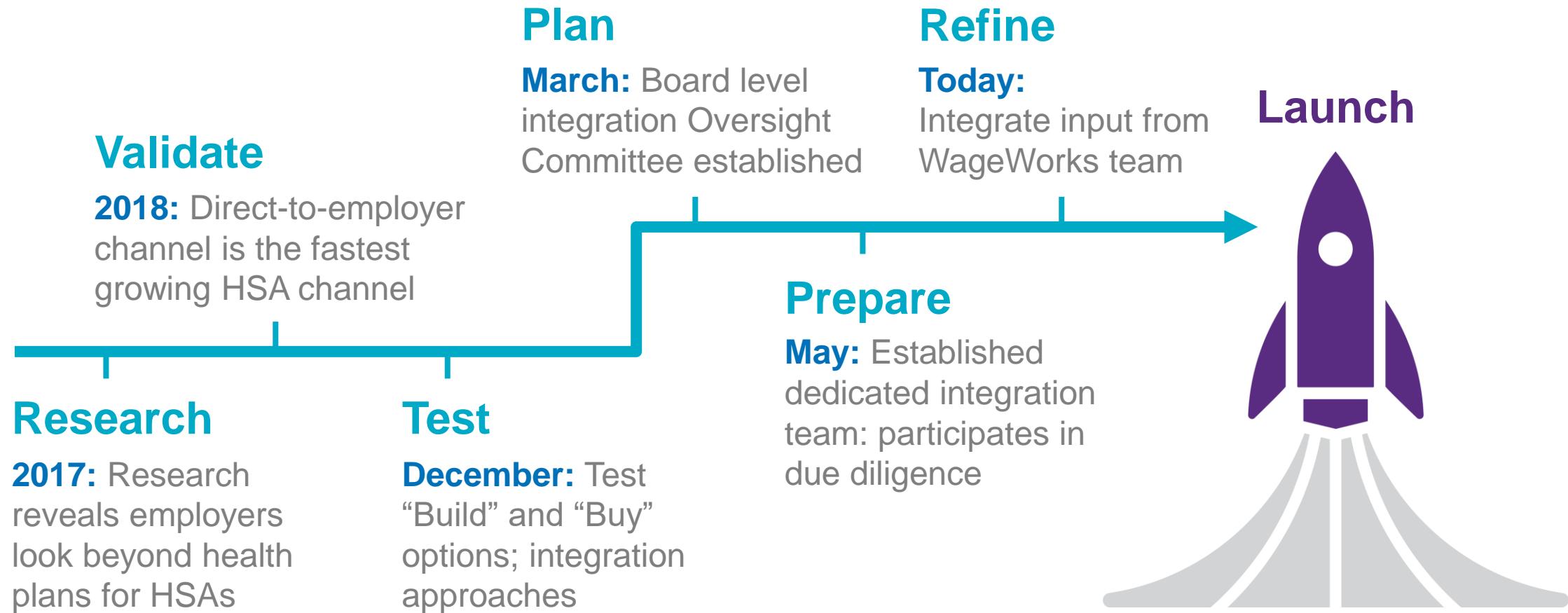
Business outlook			
For the fiscal year ending January 31, 2020			
Guidance as of: (\$ in millions, except per share)	June 4, 2019*	March 18, 2019	Feb 6, 2019
Revenue	\$339 – \$345	\$333 – \$339	\$333 – \$339
Non-GAAP net income**	\$83 – \$87	\$80 – \$84	
Non-GAAP net income per diluted share**	\$1.28 – \$1.34	\$1.23 – \$1.29	
Adjusted EBITDA**	\$135 – \$140	\$133 – \$138	

*Guidance issued in press release dated June 4, 2019. We do not undertake to update this guidance, which speaks only as of the date given.

**Please refer to slide 18 for a reconciliation of each of non-GAAP net income, non-GAAP net income per diluted share and adjusted EBITDA, to net income, their most directly comparable GAAP measure



Planning for success





HealthEquity®

Reconciliations

Reconciliation of net income outlook to Adjusted EBITDA outlook (unaudited)

(in millions)	Outlook for the year ending January 31, 2020
Net income	\$82 - \$86
Income tax provision	23 - 24
Depreciation and amortization	~ 17
Amortization of acquired intangible assets	~ 6
Stock-based compensation expense	~ 28
Unrealized gain on marketable equity securities	~ (24)
Other	~ 3
Adjusted EBITDA	\$135 - \$140

Reconciliation of non-GAAP net income per diluted share (unaudited)

(in millions, except per share data)	Three months ended		Outlook for the year ending
	April 30, 2019	April 30, 2018	January 31, 2020
Net income	\$42	\$23	\$82 - \$86
Stock compensation, net of tax ⁽¹⁾	4	3	21
Excess tax benefit due to adoption of ASU 2016-09	(2)	(7)	(2)
Mark-to-market adjustment, net of tax ⁽¹⁾	(18)	-	(18)
Non-GAAP net income	\$26	\$19	\$83 - \$87
Diluted weighted-average shares used in computing GAAP and Non-GAAP per share amounts	64	63	65
Non-GAAP net income per diluted share ⁽²⁾	\$0.41	\$0.31	\$1.28 - \$1.34

(1) For the three months ended April 30, 2019 and 2018, the Company used an estimated statutory tax rate of 24% to calculate the net impact of stock-based compensation expense and mark-to-market adjustments.

(2) Non-GAAP net income per diluted share does not calculate due to rounding.



Reconciliations

Certain terms

Term	Definition
HSA	A financial account through which consumers spend and save long-term for healthcare on a tax-advantaged basis.
HSA Member	An HSA for which we serve as custodian.
Active HSA Member	An HSA Member that (i) is associated with a Health Plan and Administrator Partner or an Employer Partner, in each case as of the end of the applicable period; or (ii) has held a custodial balance at any point during the previous twelve month period.
Custodial cash assets	HSA Members' deposits with our federally-insured custodial depository partners and custodial cash deposits invested in an annuity contract with our insurance company partner.
Custodial investments	HSA Members' investments in mutual funds through our custodial investment fund partner.
Employer Partner	Our employer clients.
Health Plan and Administrator Partner	Our Health Plan and Administrator clients.
Adjusted EBITDA	Adjusted earnings before interest, taxes, depreciation and amortization, stock-based compensation expense, unrealized gains and losses on marketable equity securities, and other certain non-operating items.
Non-GAAP net income	Calculated by adding back to net income all non-cash stock-based compensation expense, net of an estimated statutory tax rate, subtracting the excess tax benefits due to the adoption of ASU 2016-09, and adjusting for unrealized gains and losses on marketable equity securities, net of an estimated statutory tax rate.
Non-GAAP net income per diluted share	Calculated by dividing non-GAAP net income by diluted weighted-average shares outstanding.