
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported)
July 8, 2020

Commission File Number: **001-36568**

HEALTH EQUITY, INC.

Delaware
(State or other jurisdiction of
incorporation or organization)

7389
(Primary Standard Industrial
Classification Code Number)

52-2383166
(I.R.S. Employer
Identification Number)

**15 West Scenic Pointe Drive
Suite 100
Draper, Utah 84020
(801) 727-1000**

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	HQY	The NASDAQ Global Select Market

Item 7.01 Regulation FD Disclosure.

On and after July 8, 2020, representatives of HealthEquity, Inc. (the “Company”) will make presentations to certain investors using the slides attached to this Current Report on Form 8-K as Exhibit 99.1 (the “Investor Presentation”). The Company expects to use the Investor Presentation, in whole or in part, and possibly with modifications, in connection with presentations to investors, analysts and others.

By filing this Current Report on Form 8-K and furnishing the information contained herein, the Company makes no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

The information contained in the Investor Presentation is summary information that is intended to be considered in the context of the Company’s Securities and Exchange Commission (“SEC”) filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

The investor presentation slides include financial information not prepared in accordance with generally accepted accounting principles (“Non-GAAP Financial Measures”). A reconciliation of the Non-GAAP Financial Measures included in the slides to financial information prepared in accordance with generally accepted accounting principles (“GAAP”), as required by Regulation G, is included as an appendix to the Investor Presentation furnished as Exhibit 99.1 to this Current Report on Form 8-K. The Company is providing disclosure of the reconciliation of reported Non-GAAP Financial Measures used in the Investor Presentation slides, among other places, to its comparable financial measures on a GAAP basis. The Company believes that the Non-GAAP Financial Measures provide investors the ability to evaluate financial performance in a way that is comparable to measures reported by other retailers.

Item 8.01 Other Events.

Reference is hereby made to slides 4, 8 and 10 of the Investor Presentation, which are incorporated by reference herein.

Cautionary Statement Regarding Forward-Looking Statements

This communication 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 our industry, business strategy, plans, goals and expectations concerning our markets and market position, product expansion, future operations, expenses and other results of operations, revenue, margins, profitability, future efficiencies, tax rates, 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 in this communication.

Forward-looking statements reflect our current expectations regarding future events, results or outcomes. These expectations may or may not be realized. Although we believe the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to be correct. Some of these expectations may be based upon assumptions, data or judgments that prove to be incorrect. Actual events, results and outcomes may differ materially from our expectations due to a variety of known and unknown risks, uncertainties and other factors. Although it is not possible to identify all of these risks and factors, they include, among others, risks related to the following:

- the impact of the COVID-19 pandemic on the Company, its operations and its financial results;
- our ability to realize the anticipated financial and other benefits from combining the operations of WageWorks with our business in an efficient and effective manner;
- our ability to compete effectively in a rapidly evolving healthcare and benefits administration industry;
- our dependence on the continued availability and benefits of tax-advantaged health savings accounts and other consumer-directed benefits;
- our ability to successfully identify, acquire and integrate additional portfolio purchases or acquisition targets;
- the significant competition we face and may face in the future, including from those with greater resources than us;
- our reliance on the availability and performance of our technology and communications systems;
- recent and potential future cybersecurity breaches of our technology and communications systems and other data interruptions, including resulting costs and liabilities, reputational damage and loss of business;
- the current uncertain healthcare environment, including changes in healthcare programs and expenditures and related regulations;
- our ability to comply with current and future privacy, healthcare, tax, investment advisor and other laws applicable to our business;
- our reliance on partners and third-party vendors for distribution and important services;
- our ability to develop and implement updated features for our technology and communications systems and successfully manage our growth;
- our ability to protect our brand and other intellectual property rights; and
- our reliance on our management team and key team members.

For a detailed discussion of these and other risk factors, please refer to the risks detailed in our filings with the Securities and Exchange Commission, including, without limitation, our most recent Annual Report on Form 10-K, our most recent Quarterly Report on Form 10-Q and subsequent periodic and current reports. Past performance is not necessarily indicative of future results. We undertake no 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 our views as of any date subsequent to the date of this communication.

Item 9.01 Financial Statements and Exhibits

Exhibit No.	Description
99.1	Investor Presentation, in use as of July 8, 2020.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HEALTH EQUITY, INC.

By: /s/ Darcy Mott
Darcy Mott
Executive Vice President and Chief Financial Officer

Dated: July 8, 2020

HealthEquity[®]

Investor update

July 8, 2020

Copyright © 2020 HealthEquity, Inc. All rights reserved.
HealthEquity does not provide legal, tax or financial advice.

Safe harbor

This presentation includes 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.

Forward-Looking Statements 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.

Non-GAAP Information 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 attached in the appendix hereto.

SEC Rule 433 The issuer has filed a registration statement (including a base prospectus and the accompanying prospectus supplement) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus and the accompanying prospectus supplement in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. To obtain a copy of the prospectus supplement and related base prospectus for this offering, please contact Wells Fargo Securities, Attention: Equity Syndicate Department, 500 West 33rd Street, New York, New York, 10001, at (800) 326-5897 or email a request to cmclientsupport@wellsfargo.com or J.P. Morgan Securities LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717, by telephone at (866) 803-9204; or by email at Prospectus-eg_fi@jpmchase.com.

Offering summary

Issuer	HealthEquity
Ticker / Exchange	HQY / NASDAQ
Base Offering Size	\$250 million
Over-allotment Option	15% (100% primary)
Offering Structure	Common Stock
Use of Proceeds	To free up additional capital for organic and inorganic growth by pre-paying \$200 million under its term loan facility, with the remaining proceeds to be used for general corporate purposes, which may include additional pre-payments under its term loan facility and/or potential acquisitions.
Expected Pricing	Wednesday, July 8, 2020 (Post-Market Close)
Lock-up Period	60 Days
Lead Bookrunners:	Wells Fargo Securities, JPMorgan Securities
Other Bookrunners:	Goldman Sachs, RBC Capital Markets

Positive trends in Q2

- June new sales opportunities up 16% vs April and up 22% YoY
- 84% of pipeline HSAs are in bundled opportunities FYTD
- June card spend up 16% vs April
- Strong renewals including US Govt. OPM, HQY's largest single client
- Completed migration of ~2/3 of WageWorks HSAs and HSA assets to HQY platform FYTD

On the back of these trends, HQY is launching a \$250m common equity offering to increase capacity for organic and inorganic growth investment

An industry leader

12.7
MILLION ACCOUNTS

BENEFIT ADMINISTRATOR
TO EMPLOYERS OF

1 IN 7
WORKING
AMERICANS



~100k
EMPLOYERS SERVED

LEADING PROVIDER

✓ HSAs	5.4M
✓ FSAs	3.2M
✓ HRAs	1.7M
✓ Commuter	1.1M
✓ COBRA	600K
✓ OTHER CDBs	700K



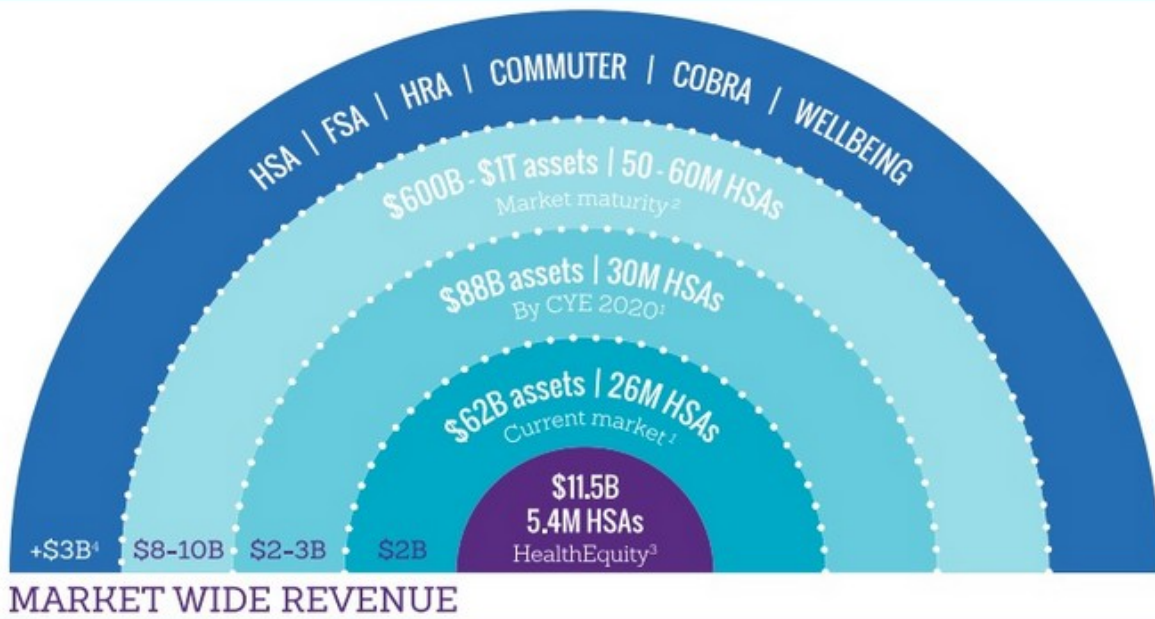
SEC-REGISTERED
INVESTMENT
ADVISER
HealthEquity Advisors, LLC

\$11.5 BILLION
in HSA
ASSETS

15,000+
INTEGRATIONS
& ECOSYSTEM PARTNERS

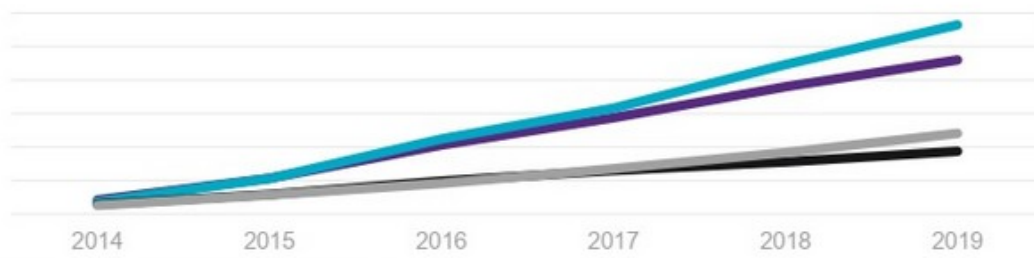
RETIREMENT
PLATFORM
CONNECTIONS

Expanding market



¹ Deloitte HSA Research Report as of December 31, 2019
² Management estimate as of June 2020
³ HealthEquity information as of April 30, 2020
⁴ Proprietary research June 2019

Outpacing market growth



587%
HQY HSA assets

444%
HQY HSAs

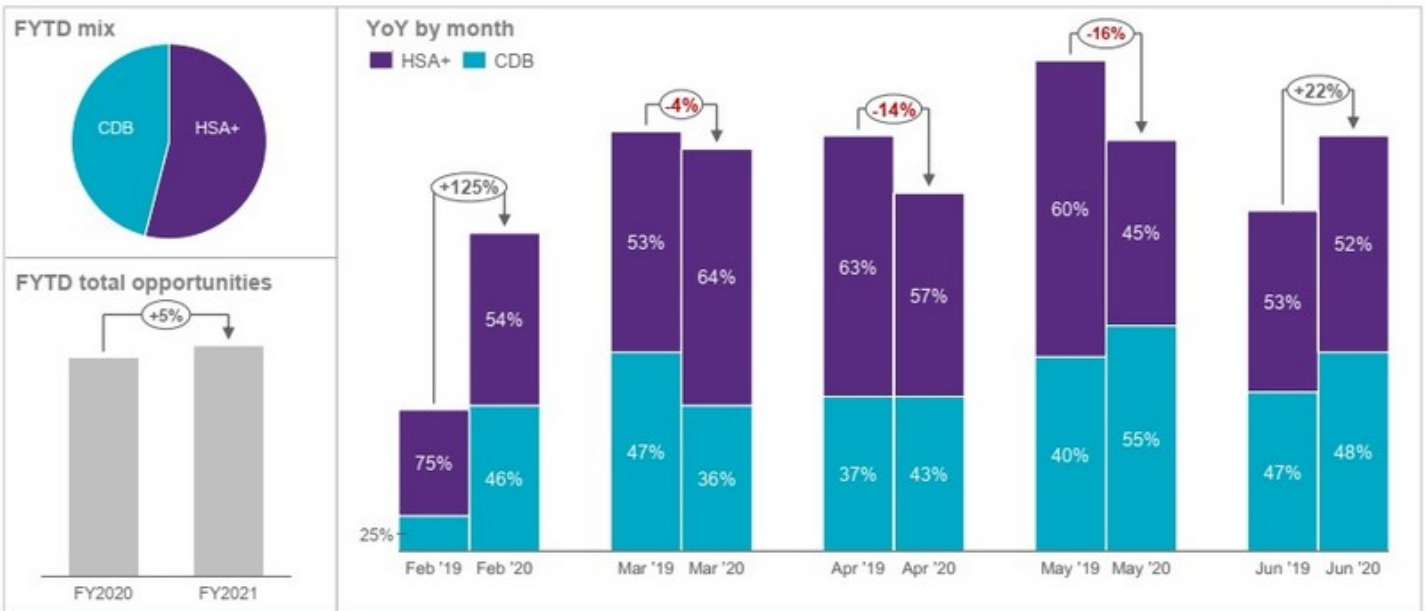
241%
Market HSA assets

165%
Market HSAs

HealthEquity HSA market share



Sales opportunities FYTD



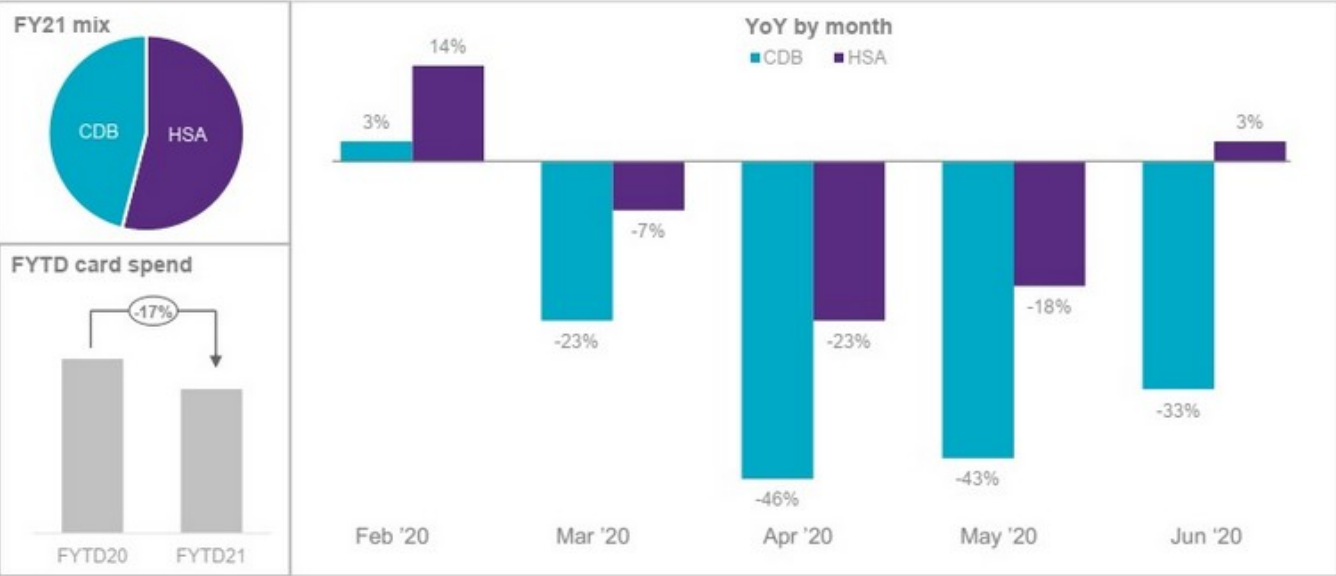
8 *Data includes named employers where a formal response to a request for proposal (RFP) has been or is being prepared. These are typically larger employers in HQY's enterprise or commercial segment

Bundling FYTD

Weighted by estimated number of accounts



Card spend FYTD



Offering benefits

Increased capacity to acquire sub-scale HSA portfolios

- Acquirer of choice for small to midsized HSA portfolios from banks and CUs
- More exits likely with return to ultra-low interest rate policy
- Since 2010, 20+ HSA portfolios acquired

Continued investment in proprietary platform

- Industry-shaping innovation
- Industry-leading scale

Accelerated deleveraging reduces interest costs

HSA portfolio acquisition



Capitalization and leverage

(\$ in millions)	April 30, 2020 As adjusted ¹	April 30, 2020	January 31, 2020
Cash & cash equivalents	\$213	\$171	\$192
Long-term debt ²	\$1,014	\$1,214	\$1,221
Total stockholders' equity	\$1,283	\$1,041	\$1,030
Total net leverage ratio ³	2.88	3.73	3.44

Interest savings offset earnings dilution

(\$ in Millions)



- ✓ Reduces debt outstanding
- ✓ Lowers pricing on overall pro forma debt
- ✓ Enhances liquidity and acquisition flexibility
- ✓ Increases covenant cushion

Fiscal first quarter financial results

Revenue (\$M)

Three Months



- **118%** Q1 revenue growth YoY
 - 315% Q1 growth in Service Revenue
 - 12% Q1 growth in Custodial Revenue
 - 74% Q1 growth in Interchange Revenue

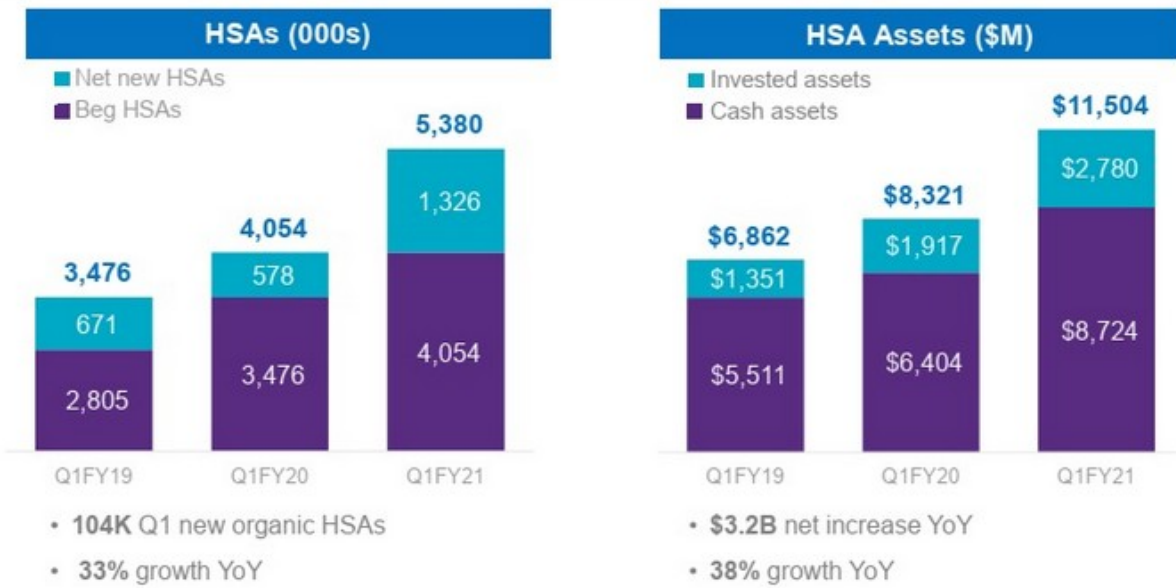
Adjusted EBITDA⁽¹⁾ (\$M)

Three Months



- **62%** Adjusted EBITDA growth Q1 YoY
- **57%** Q1 Gross margin
- **33%** Q1 Adjusted EBITDA margin

First quarter HSA key metrics



16 NOTE: HSA and HSA Asset balances as of April 30 in each year with Q1FY21 balances including the acquired HSAs and HSA assets from WageWorks and other in FY 2020. Historic performance depicted is not necessarily indicative of past and future performance. For more information, see our Company's public filings with the Securities and Exchange Commission.

HealthEquity®

Appendix

Adjusted EBITDA reconciliation

(in thousands)	Three months ended April 30,	
	2020	2019
Net income	\$ 1,826	\$ 41,822
Interest income	(600)	(1,343)
Interest expense	12,263	63
Income tax provision	218	9,456
Depreciation and amortization	8,805	3,282
Amortization of acquired intangible assets	18,702	1,491
Stock-based compensation expense	7,396	6,028
Merger integration expenses	12,770	—
Acquisition costs	94	1,184
Gain on marketable equity securities	—	(23,511)
Other (1)	1,534	451
Adjusted EBITDA	\$ 63,008	\$ 38,923

(1) For the three months ended April 30, 2020, Other consisted of amortization of incremental costs to obtain a contract of \$0.3 million and other costs of \$1.3 million. For the three months ended April 30, 2019, Other consisted of amortization of incremental costs to obtain a contract of \$0.5 million.