

HealthEquity®



JPMorgan 2024 Healthcare Conference

Investor Presentation

January 2024

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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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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.

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FYE24 outlook



~8.7M

HSA's **+9%YoY**



~\$24.5B

HSA assets **+11%YoY**



~15.6M

Total accounts **+5%YoY**



~900k

new HSA

~\$2.4B

HSA asset growth

200+

Network partners

#1

HSA administrator

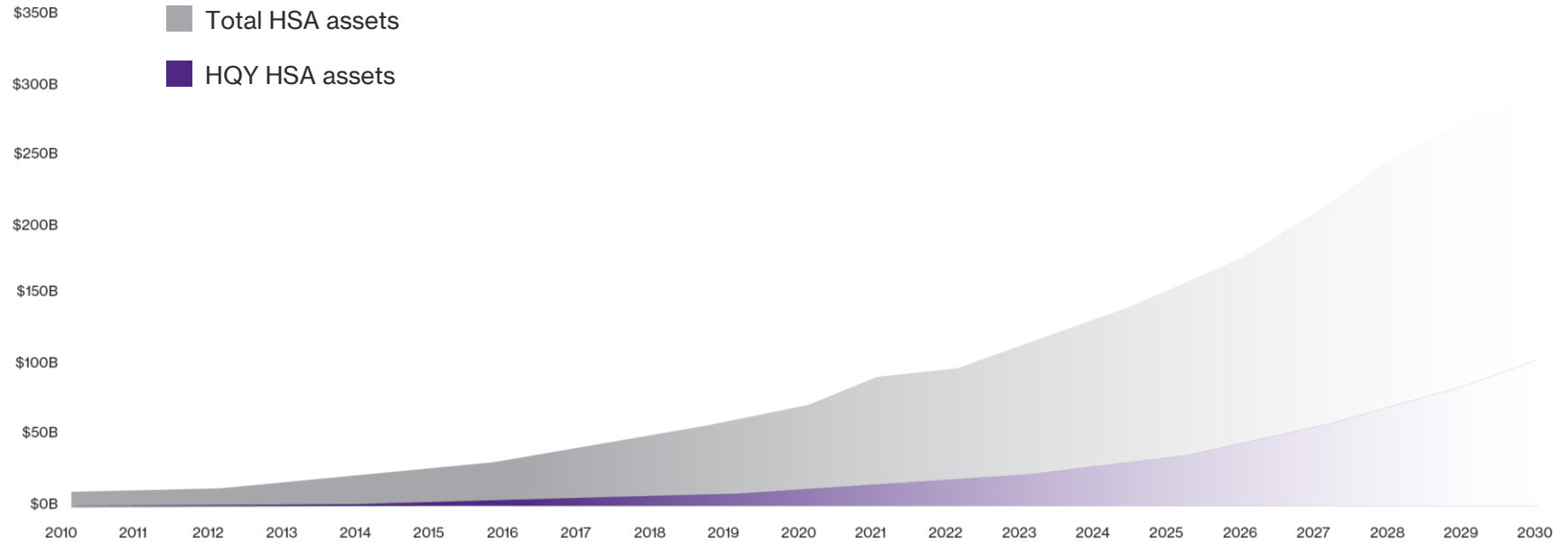
HealthEquity key metrics estimated for fiscal year ending January 31, 2024, except Devenir ranking is as of the Devenir June 30, 2023, HSA Market report.

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Leading the growth of health savings...



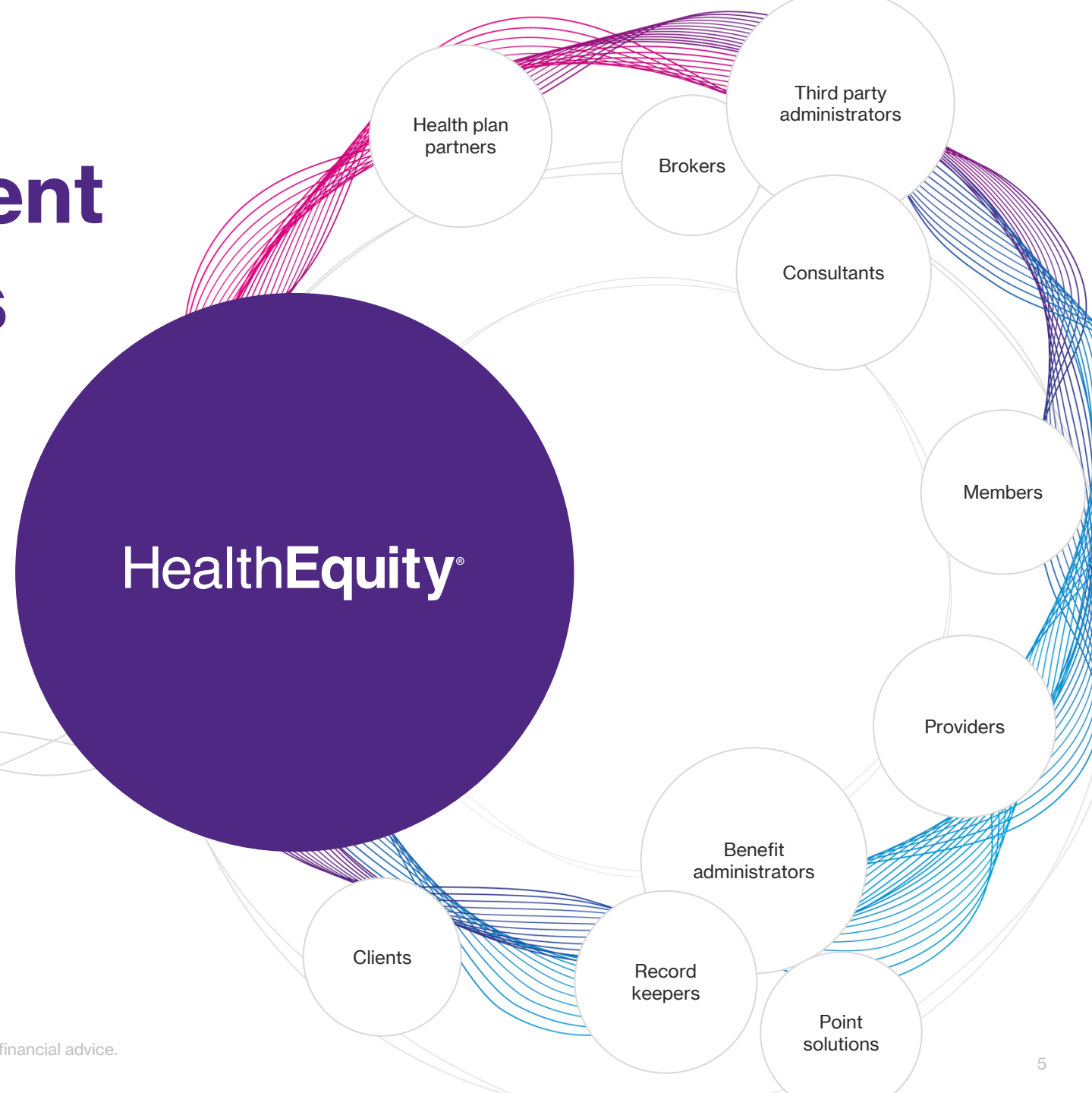
	2010	Present	Future
Total HSAs	~6 million	~35 million	~50 million
Total HSA assets	~\$10B assets; 9% invested	~\$120B assets; 36% invested	~\$300B assets; 50%+ invested
Total HSA + CDB revenue	~\$2 billion	~\$5 billion+	~\$10 billion+
HQY HSA + CDB revenue share	~1%	~20%	~30%+

Reported Total HSA and HealthEquity assets 2010 to 2023 sourced from Devenir HSA Market Reports 2010 to 2023. Projections of Total HSA assets and HealthEquity asset share beyond 2023 are management's estimates based upon extrapolation of Devenir and other market source data.



Through an intelligent connected benefits ecosystem

Powered by proprietary technology and deep integration capabilities, HealthEquity and our partners deliver unique value to members and clients

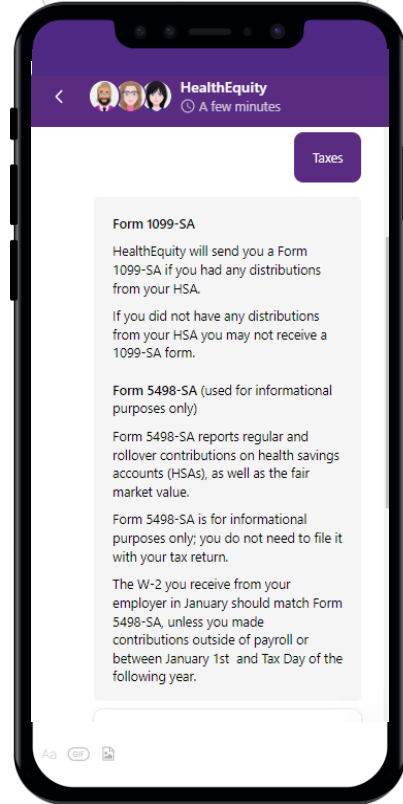




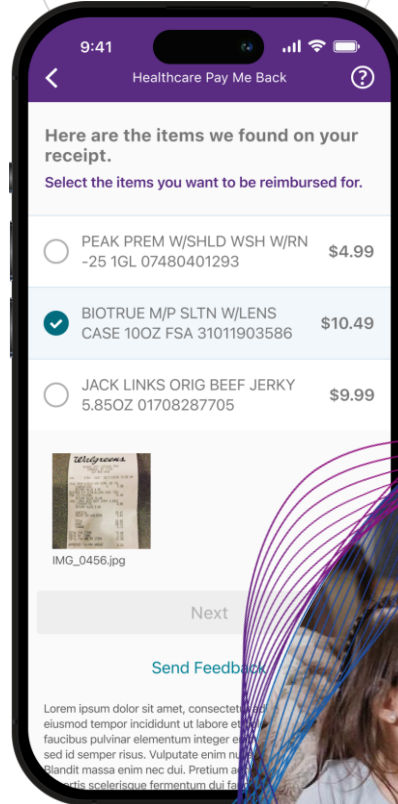
Remarkable experience

Enabled by ecosystem data connectivity + predictive technologies

Frictionless
72% first-chat resolution



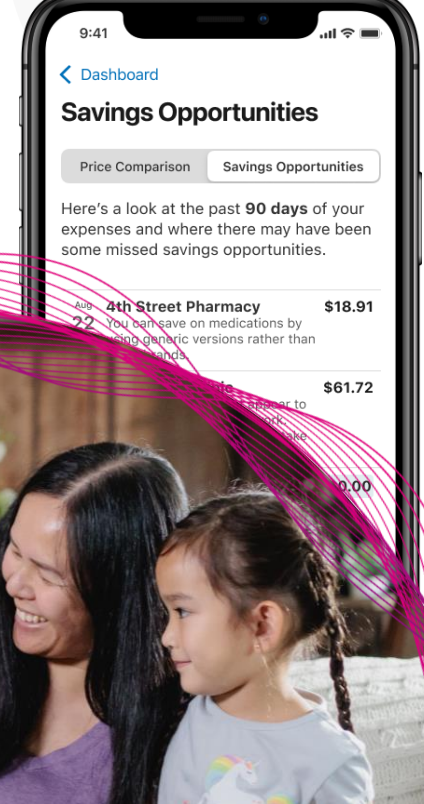
Instant
Claim approval in <1 min (beta)



Digital
multi-product chip card



Smart
savings solutions (coming in FY25)





Propels all facets of shared customer growth



Clients



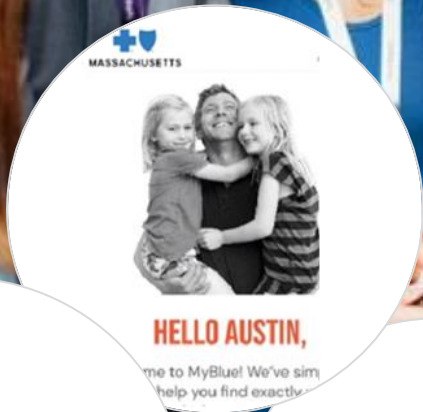
Members



Savings



HealthEquity
Blues Partner Summit
June 2023



>40,000
FY24 HSA sales from **new partnerships**



Shared customer objectives

- Engagement
- Retention
- Growth

3 out of 4
FY24 new sales with integrated partnerships



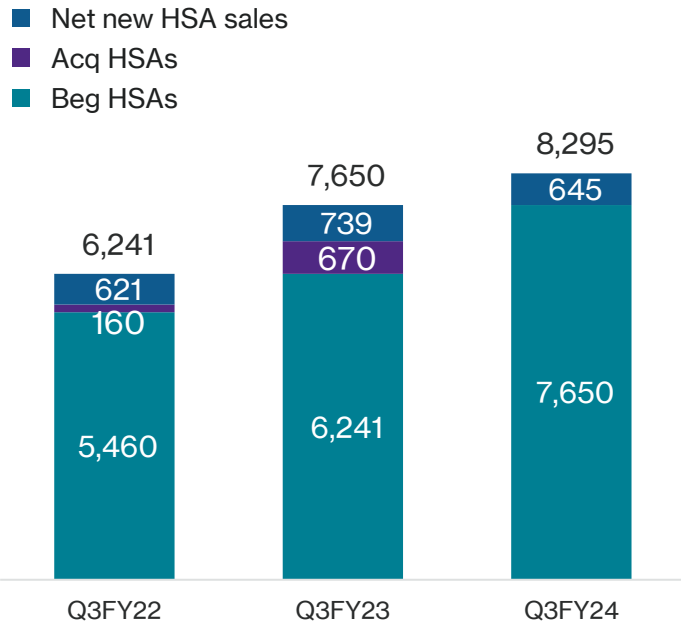
Driving financial performance





HSA key metrics

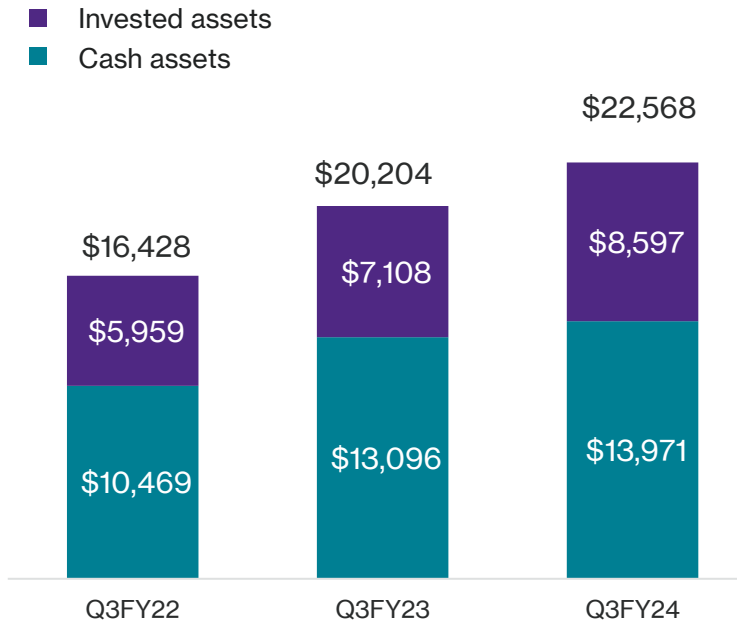
HSAs (000s)



645K net increase LTM Q3FY24 YoY

8% growth Q3FY24 YoY

HSA Assets (\$M)



\$2.4B net increase LTM Q3FY24 YoY

12% total HSA asset growth Q3FY24 YOY

7% cash / **21%** investment growth Q3 FY24 YoY

Total Accounts (000s)

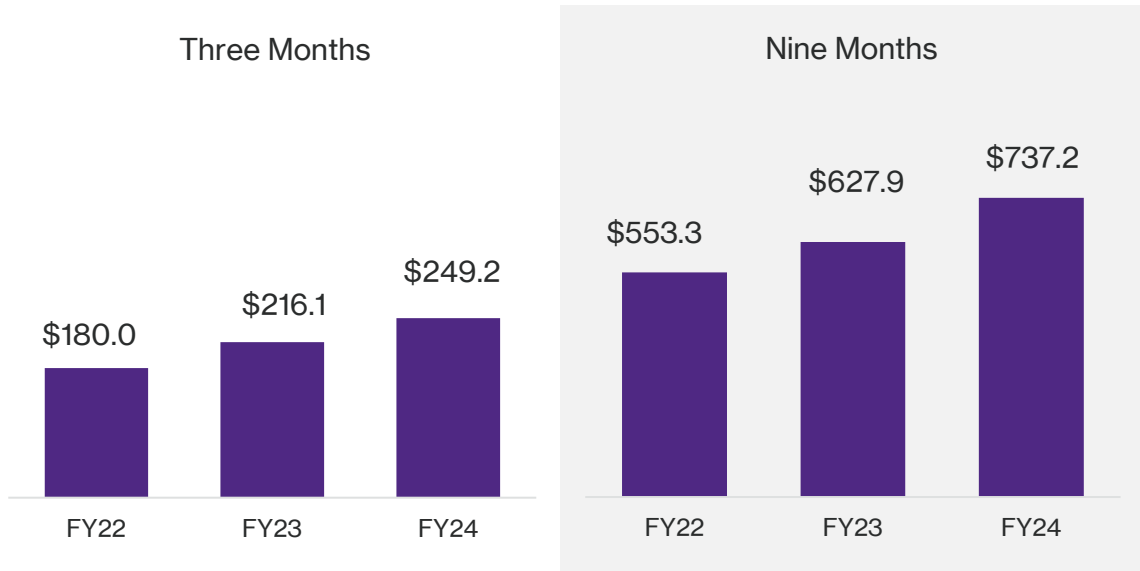
HSA	8.3M
FSA	3.1M
HRA	2.1M
COBRA	0.5M
Commuter	0.6M
Other	0.6M

NOTE: HSA and HSA Asset balances as of October 31 in each year | 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



Fiscal third quarter financial results

Revenue (\$M)



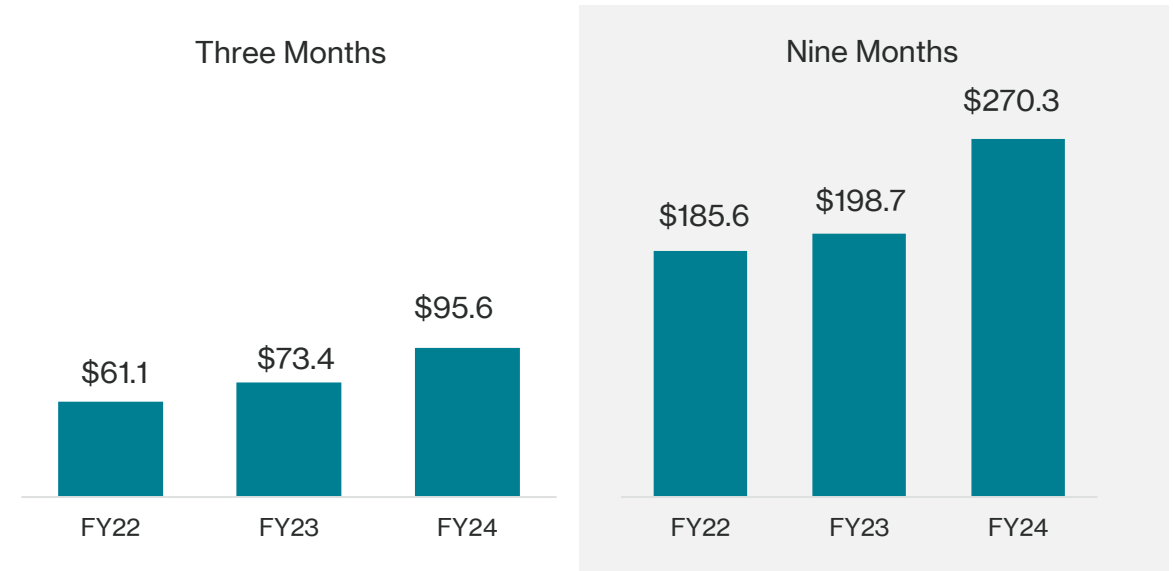
15% Q3FY24 growth YoY

1% Q3FY24 service revenue decrease YoY

43% Q3FY24 custodial revenue growth YoY

7% Q3FY24 interchange revenue growth YoY

Adjusted EBITDA⁽¹⁾ (\$M)



30% adjusted EBITDA Q3FY24 growth YoY

64% gross margin Q3FY24

38% adjusted EBITDA margin Q3FY24

NOTE: 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
 (1) See press release on December 5, 2023, for a reconciliation of net income, the most comparable GAAP measure, to Non-GAAP Adjusted EBITDA. A copy of the reconciliations are included in financial appendix



Fiscal year 2024 guidance

HealthEquity fiscal year ending January 31, 2024

Guidance as of: (\$ in millions, except per share)	December 5, 2023	September 5, 2023	June 5, 2023	March 21, 2023
Revenue	\$985 - \$995	\$980 - \$990	\$975 - \$985	\$960 - \$975
Net Income	\$34 - \$39	\$19 - \$24	\$9 - \$14	\$0 - \$11
Net income per diluted share	\$0.39 - \$0.45	\$0.21 - \$0.27	\$0.10 - \$0.16	\$0.00 - \$0.13
Non-GAAP net income**	\$181 - \$188	\$171 - \$179	\$164 - \$171	\$152 - \$163
Non-GAAP net income per diluted share**	\$2.08 - \$2.16	\$1.97 - \$2.06	\$1.88 - \$1.97	\$1.74 - \$1.87
Adjusted EBITDA**	\$350 - \$360	\$338 - \$348	\$333 - \$343	\$320 - \$335

**See HealthEquity earnings release and 8-K dated December 5, 2023 for additional information and reconciliations of non-GAAP measures to their nearest GAAP measure. A copy of the reconciliations are included in financial appendix



Fiscal year 2025 outlook

HealthEquity fiscal year ending January 31, 2025

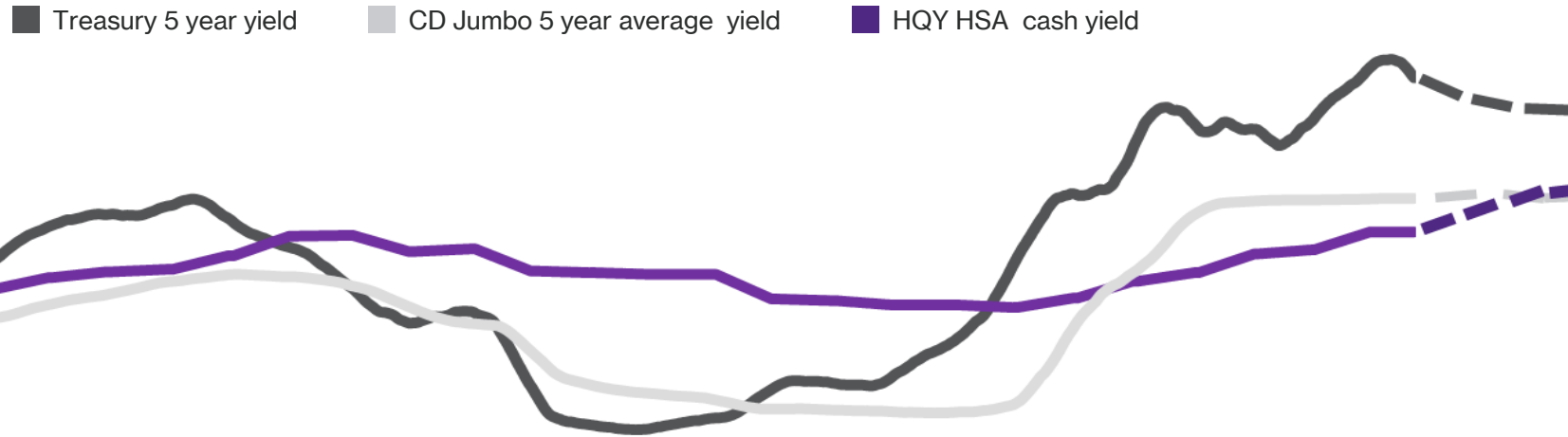
Outlook as of:	December 5, 2023*
Revenue (\$ in millions)	\$1,140 - \$1,160
Adjusted EBITDA (as a % of revenue)	38% - 39%

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)).



Custodial yield - a multi-year tailwind



HQY HSA cash yield

FY19	FY20	FY21	FY22	FY23	FY24 (outlook)	FY25 (outlook)
2.15%	2.44%	2.06%	1.75%	1.90%	~2.45%	~3.00%

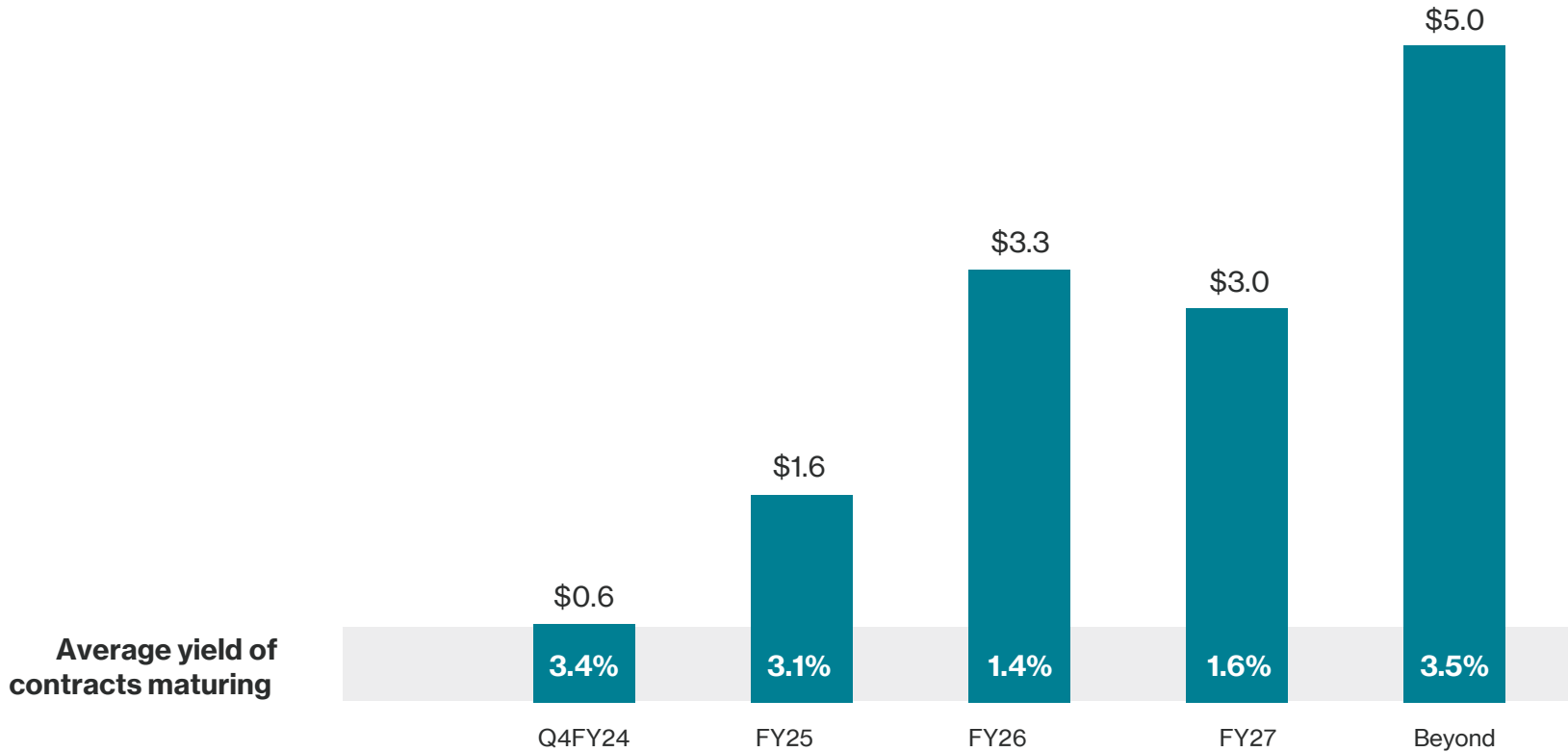
- Maturity and repricing of low yielding contracts
- Favorable interest rate forward curve
- Continued mix shift to Enhanced Rates
- ~5-year laddered approach reduces volatility, enables greater transparency

Treasury yields sourced from FRED Federal Reserve Bank of St. Louis from 2018 to 2023. Jumbo 5-year CD average sourced from Bloomberg national CD average data from 2018 to 2023. Forward yield curves for the 5-year treasury rate used for forecasted FY25. 5-year jumbo CD outlook based upon discount to treasuries. Historical HealthEquity yield on HSA cash assets as reported for each fiscal year and estimated for FY24 and FY25 as of December 5, 2023.



HSA cash maturity schedule

■ HSA cash custodial assets repricing in \$billions



- \$13.5 billion in fixed-rate contracts as of Oct 31, 2023
 - \$14.0 billion HSA cash less \$0.5 billion in floating-rate contracts
- Does not include subsequent growth in HSA cash
 - Q4 organic growth or transfer of BenefitWallet expected in FY25
- To be updated quarterly with release of financial results

HealthEquity HSA cash assets and average yield by maturing cohort as of October 31, 2023.



Accelerating cash flow

\$470M+

Net cash flows provided by
operating activities FY21 – FY23

~\$166M

FY24 Q3 YTD net cash flows
provided by operating activities

- Growing revenue and expanding margins fuel cash growth
- Adjusted EBITDA growth and leveraging capital expenditures



BenefitWallet acquisition expected to increase leverage short-term
but increasing cash flow will allow us to deleverage quickly

Deleveraging could occur through, among other items, a paydown of the debt incurred through the acquisition, improving net leverage ratios, increased cash flow, or other factors. HealthEquity plans to assess these factors as they arise.

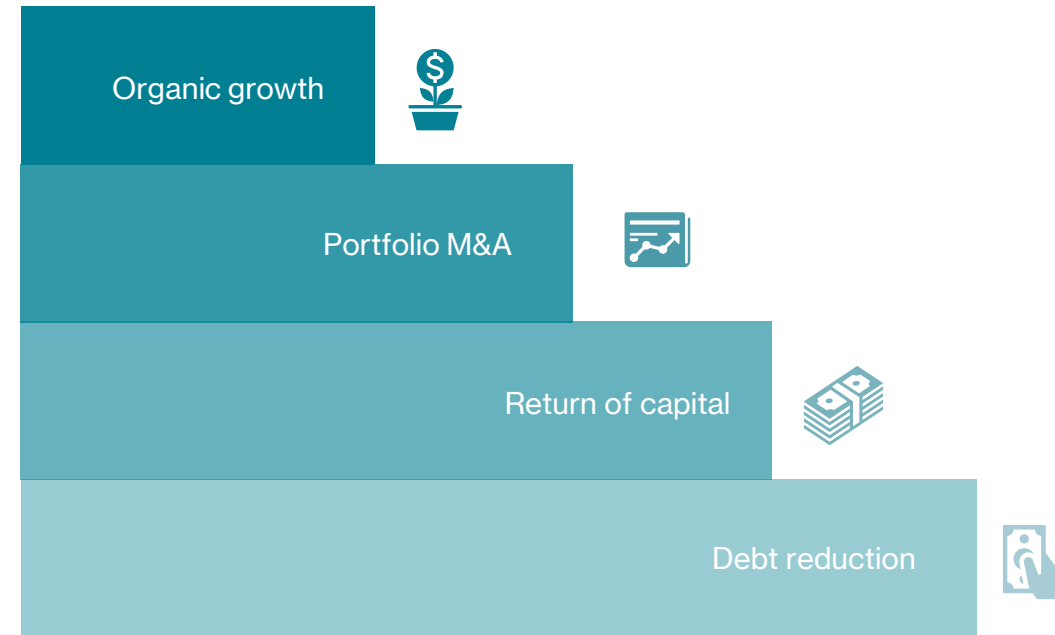




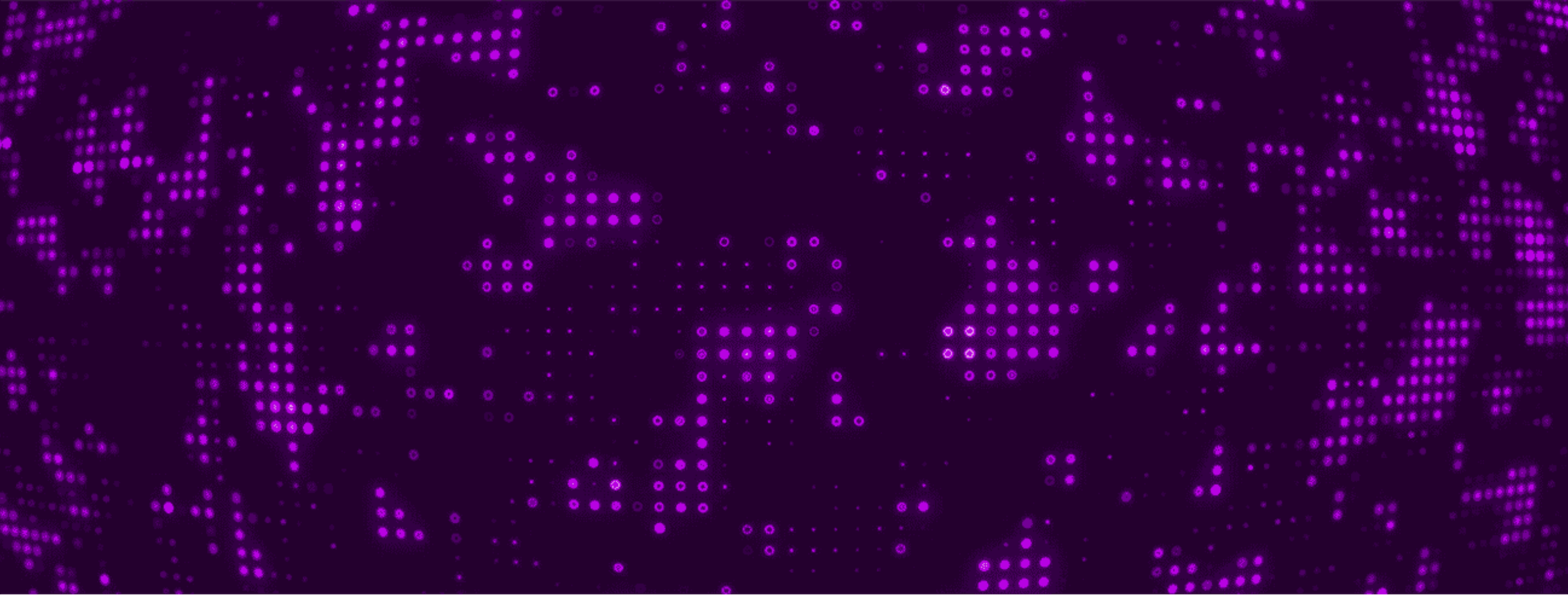
Capital structure

(\$ in millions)	October 31, 2023	January 31, 2023
Cash, cash equivalents & marketable securities	\$334	\$254
Long-term debt, net of debt issuance costs (\$1B available LOC)	\$874	\$925
Debt to Adjusted EBITDA leverage	1.6x	2.5x

Capital allocation considerations



For purposes of this debt to EBITDA leverage ratio, net debt is calculated using debt net of cash limited to \$350M divided by trailing Adjusted EBITDA



HealthEquity Investor Day

February 22 | HealthEquity Headquarters, Draper UT

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Financial appendix





GAAP to non-GAAP reconciliations for reported results

(in thousands)	Three months ended October 31,			Nine months ended October 31,		
	2023	2022	2021	2023	2022	2021
Net income (loss)	14,673	(1,641)	(5,038)	29,348	(25,934)	(11,471)
Interest income	(3,713)	(443)	(478)	(7,795)	(584)	(1,419)
Interest expense	13,545	12,165	11,881	41,814	34,119	25,824
Income tax provision (benefit)	6,414	(4,539)	(4,087)	15,975	(12,170)	(11,505)
Depreciation and amortization	14,567	16,959	13,904	45,622	49,306	38,619
Amortization of acquired intangible assets	23,213	23,541	19,642	69,545	71,420	59,745
Stock-based compensation expense	21,662	18,170	13,284	59,939	50,310	41,700
Merger integration expenses	2,655	6,509	13,244	8,157	23,486	38,422
Acquisition costs	–	–	(2,687)	–	53	4,917
Gain on equity securities	–	–	–	–	–	(1,677)
Amortization of incremental costs to obtain a contract	1,379	1,114	843	4,033	3,256	3,468
Costs associated with unused office space	950	1,181	–	3,252	3,788	–
Other	301	345	579	454	1,690	(1,047)
Adjusted EBITDA	95,646	73,361	61,087	270,344	198,740	185,576



GAAP to non-GAAP reconciliations for fiscal 2024 guidance

Outlook for the year ending
January 31, 2024

(in millions)

Net income	\$34 - 39
Interest income	(12)
Interest expense	55
Income tax provision	19 - 24
Depreciation and amortization	60
Amortization of acquired intangible assets	93
Stock-based compensation expense	78
Merger integration expenses	13
Amortization of incremental costs to obtain a contract	5
Costs associated with unused office space	4
Other expense	1
Adjusted EBITDA	\$350 - 360

Outlook for the year
ending January 31, 2024

(in millions, except per share data)

Net income	\$34 - 39
Income tax provision	19 - 24
Income before income taxes - GAAP	53 - 63
Non-GAAP adjustments:	
Amortization of acquired intangible assets	93
Stock-based compensation expense	78
Merger integration expenses	13
Costs associated with unused office space	4
Total adjustments to income before income taxes - GAAP	188
Income before income taxes - Non-GAAP	241 - 251
Income tax provision - Non-GAAP (1)	60 - 63
Non-GAAP net income	\$181 - 188
Diluted weighted-average shares	87
Non-GAAP net income per diluted share (2)	\$2.08 - 2.16

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