

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)

February 6, 2018

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.

Item 2.02 Results of Operations and Financial Condition

On February 6, 2018, HealthEquity, Inc. issued the press release attached as Exhibit 99.1 to this current report on Form 8-K.

The information in Exhibit 99.1 is being furnished to the Securities and Exchange Commission and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
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99.1	Press release issued by HealthEquity, Inc. dated February 6, 2018.
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SIGNATURES

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.

Date: February 6, 2018

HEALTH EQUITY, INC.

By: /s/ Darcy Mott

Name: Darcy Mott

Title: Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit no.	Description
99.1	Press release issued by HealthEquity, Inc. dated February 6, 2018.

HealthEquity Reports Year-End Sales Metrics

Custodial Assets of \$6.8 billion, up 35% year-over-year, HSA Members up 24%

Draper, Utah – February 6, 2018 – HealthEquity, Inc. (NASDAQ: HQY) ("HealthEquity" or the "Company"), one of the nation's largest health savings account ("HSA") custodians, today announced HSA Member and custodial assets as of its fiscal year ended January 31, 2018.

The total number of HSAs for which it serves as a non-bank custodian ("HSA Members") as of January 31, 2018 was 3.4 million, an increase of 24%, from 2.7 million as of January 31, 2017. Total custodial assets held by HSA Members as of January 31, 2018 was \$6.8 billion, an increase of 35% from \$5.0 billion a year earlier.

Jon Kessler, President and CEO of HealthEquity, commented, "HealthEquity had another record breaking sales year, adding more than \$1.7 billion in custodial assets and 723,000 HSA Members to its proprietary platform. HSAs grew 24% year-over-year to end this fiscal year with more than 3.4 million members. Custodial assets grew an even more impressive 35% to \$6.8 billion at fiscal year-end. Our 98% HSA Member retention rate this year reflects our commitment to remarkable service and the power of our proprietary platform in helping members be healthy savers."

HSA Members (unaudited)

	January 31, 2018	January 31, 2017	January 31, 2016	% change from 2017 to 2018	% change from 2016 to 2017
HSA Members	3,402,889	2,746,132	2,140,631	24%	28%
Average HSA Members - Year-to-date	2,951,790	2,339,091	1,600,327	26%	46%
Average HSA Members - Quarter-to-date	3,188,927	2,519,382	1,850,843	27%	36%
HSA Members with investments	121,614	65,906	44,680	85%	48%

Custodial assets (unaudited)

(in thousands, except percentages)	January 31, 2018	January 31, 2017	January 31, 2016	% change from 2017 to 2018	% change from 2016 to 2017
Custodial cash	\$ 5,489,617	\$ 4,380,487	\$ 3,278,628	25%	34%
Custodial investments	1,288,693	658,580	405,878	96%	62%
Total custodial assets	\$ 6,778,310	\$ 5,039,067	\$ 3,684,506	35%	37%
Average daily custodial cash - Year-to-date	\$ 4,571,341	\$ 3,661,058	\$ 2,326,506	25%	57%
Average daily custodial cash - Quarter-to-date	\$ 4,876,438	\$ 3,854,518	\$ 2,682,827	27%	44%

Business outlook

For the year ended January 31, 2018, the Company reaffirmed previously provided outlook as follows:

- Revenue in the range of \$225.0 million and \$228.0 million;
- Net income in the range of \$43.0 million and \$45.0 million;
- Adjusted EBITDA in the range of \$80.0 million and \$83.0 million;
- Non-GAAP net income in the range of \$39.0 million and \$41.0 million; and
- Non-GAAP net income per diluted share range between \$0.64 and \$0.66.

Non-GAAP net income is calculated by adding back to net income all non-cash stock-based compensation expense, net of an estimated statutory tax rate of 38%, and the impact of excess tax benefits due to the adoption of Accounting Standards Update ("ASU") 2016-09. Non-GAAP net income outlook results is based on an estimated 62.0 million diluted weighted-average shares outstanding.

The Company also provided fiscal year 2019 revenue guidance in the range of \$274 million to \$280 million.

A reconciliation of the non-GAAP financial measures used throughout this release to the most comparable GAAP financial measures is included with the financial table at the end of this release.

Conference call

HealthEquity management will host a conference call at 5:00 pm (Eastern Time) on Tuesday, February 6, 2018. The conference call will be accessible by dialing 844-791-6252, or 661-378-9636 for international callers, and referencing conference ID 5394416. A live webcast of the conference call will also be available on the investor relations section of the company's website at ir.HealthEquity.com.

Forward-looking statements

This press release 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 Company’s industry, business strategy, plans, goals and expectations concerning our market position, product expansion, future operations, revenue, 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 are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond the control of the Company. The Company’s actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to, the continued availability of tax-advantaged consumer-directed benefits to employers and employees, the Company’s ability to acquire and retain new network partners and to cross-sell its products to existing network partners and members, the Company’s ability to successfully identify, acquire and integrate additional portfolio purchases or acquisition targets, the Company’s ability to raise awareness among employers and employees about the advantages of adopting and participating in consumer-directed benefits programs, and the Company’s ability to identify and execute on network partner opportunities. For a detailed discussion of these and other risk factors, please refer to the risks detailed in the Company’s filings with the Securities and Exchange Commission, including, without limitation, the most recent Annual Report on Form 10-K and subsequent periodic and current reports. Past performance is not necessarily indicative of future results. The Company undertakes no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These forward-looking statements should not be relied upon as representing the Company’s views as of any date subsequent to the date of this press release.

Reconciliation of net income outlook to adjusted EBITDA outlook

(in millions)	Outlook for the year ending January 31, 2018
Net income	\$43 - \$45
Income tax provision	5 - 6
Depreciation and amortization	~ 11
Amortization of acquired intangible assets	~ 4
Stock-based compensation expense	~ 14
Other	~ 3
Adjusted EBITDA	\$80 - \$83

Reconciliation of net income outlook to non-GAAP net income

(in millions, except per share data)	Outlook for the year ending January 31, 2018
Net income	\$43 - \$45
Stock compensation, net of tax ⁽¹⁾	~ 9
Excess tax benefit due to adoption of ASU 2016-09	~ (13)
Non-GAAP net income	\$39 - \$41
Diluted weighted-average shares used in computing GAAP and Non-GAAP per share amounts	62
Non-GAAP net income per diluted share ⁽²⁾	\$0.64 - \$0.66

(1) The Company used an estimated statutory tax rate of 38% to calculate the net impact stock-based compensation expense.

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

Investor Relations Contact:

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