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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Form 8-K**

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

Date of Report (Date of earliest event reported)  
**June 27, 2019**

**Commission File Number: 001-36568**

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**HEALTH EQUITY, INC.**

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**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)

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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:

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

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## Item 7.01. Regulation FD Disclosure.

### *Press Release*

On June 27, 2019, HealthEquity, Inc., a Delaware corporation (“HealthEquity”), and WageWorks, Inc., a Delaware corporation (“WageWorks”), issued a joint press release announcing they had entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Pacific Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of HealthEquity (“Merger Sub”), pursuant to which Merger Sub will merge with and into WageWorks, with WageWorks surviving the merger and becoming a wholly owned subsidiary of HealthEquity.

### *Investor Presentation*

On June 27, 2019, HealthEquity’s President and Chief Executive Officer, Jon Kessler, Founder and Vice-Chairman, Steve Neeleman, and Executive Vice President and Chief Financial Officer, Darcy Mott, will lead an investor conference call regarding the proposed transaction with WageWorks. A copy of the presentation materials is included as Exhibit 99.2 hereto.

The information in this Item 7.01, including the corresponding Exhibits 99.1 and 99.2, is being furnished with the U.S. Securities and Exchange Commission (SEC) and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

### Forward-Looking Statements

This Form 8-K and the exhibits attached hereto and incorporated herein by reference contain “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 Form 8-K.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

The following exhibits are being furnished as part of this report:

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	<a href="#">Press Release of the Registrant, dated June 27, 2019</a>
99.2	<a href="#">Conference Call Presentation Materials, dated June 27, 2019</a>

SIGNATURE

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: June 27, 2019

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

**HealthEquity to Acquire WageWorks Accelerating Market-Wide Transition to HSAs***Delivers sustained growth, significant synergies, rapid deleveraging*

**DRAPER, Utah and SAN MATEO, California,** (Globe Newswire) June 27, 2019 — HealthEquity, Inc. (NASDAQ: HQY) (“HealthEquity”), the nation’s largest independent health savings account (“HSA”) non-bank custodian, and WageWorks, Inc., (NYSE: WAGE) (“WageWorks”), a leader in administering HSAs and complementary consumer-directed benefits (“CDBs”), today announced that they have entered into a definitive agreement under which HealthEquity will acquire all of the issued and outstanding shares of common stock of WageWorks for \$51.35 per share in cash, representing a total enterprise value of approximately \$2 billion. The all-cash offer represents a 28% premium to the volume weighted average closing price of WageWorks shares for the 30 trading days prior to HealthEquity’s acquisition proposal becoming public on April 29, 2019.

The acquisition is expected to give HealthEquity access to more of the fast-growing HSA market by expanding its direct distribution to employers and benefits advisors as a single source, premier provider of HSAs and complementary CDBs, including flexible spending accounts, health reimbursement arrangements, COBRA administration and commuter accounts. Its focus on member engagement and remarkable service enables HealthEquity to more fully meet the needs of employers, partners and a broader range of consumers along the continuum of health savings.

Jon Kessler, President and CEO of HealthEquity, commented on the acquisition, “Acquiring WageWorks positions us to accelerate the market-wide transition to HSAs, with greater market access and an end-to-end proprietary platform built to drive members to spend smarter while saving for healthcare in retirement. Together, we can meet employers and employees wherever they are on their journeys to connect health and wealth, while simultaneously accelerating our growth in an expanding industry. This transaction is compelling for team members and stockholders of both companies and it accelerates the strategic goals of both companies immediately by adding WageWorks’ market-leading CDB services to HealthEquity’s highly acclaimed HSA platform.”

Edgar Montes, President and CEO of WageWorks, noted: “The combination of WageWorks and HealthEquity will be transformative in our industry and will amplify our impact among clients, brokers and policymakers. Together with HealthEquity, WageWorks can bring broader, deeper, more innovative solutions to our customers — giving them greater choice and peace of mind. This transaction recognizes and reflects our strong brand and reputation in the market.”

Stuart C. Harvey, Jr., Executive Chairman of WageWorks, said: “This transaction underscores everything we’ve accomplished as we have worked to rebuild WageWorks and emerge stronger than ever. Our Board of Directors, in line with its fiduciary duties, worked with financial and legal advisors to carefully review the HealthEquity proposal in the context of our business and the industry as a whole, and following that review we are pleased to deliver to WageWorks stockholders the premium value inherent in this transaction.”

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## Financial Details

HealthEquity has identified significant synergy opportunities and anticipates approximately \$50 million in annualized, on-going synergies that will be realized within 24 to 36 months of closing, primarily through custodial and interchange revenue and operating efficiencies. HealthEquity also anticipates generating significant incremental revenue synergies over time as the combined client base takes advantage of the complete offering.

HealthEquity has received from Wells Fargo Bank a debt commitment to finance the acquisition. HealthEquity expects to deleverage rapidly through strong, predictable future cash flow and growth.

The transaction has been approved by the boards of directors of both HealthEquity and WageWorks and is subject to WageWorks' stockholder approval, regulatory approvals and other customary closing conditions, but is not subject to the availability of financing. It is expected to close before year-end. HealthEquity expects to provide guidance on the future financial impact of the transaction on or before the closing of the transaction.

Following the close of the transaction, Jon Kessler will serve as President and CEO of the combined company. Kessler continued, "We look forward to welcoming the talented WageWorks team into HealthEquity's "purple" culture of remarkable service to our customers and to each other. This transaction will open new opportunities for both team members and partners. We are committed to ensuring a smooth transition for all of our stakeholders as we expand the benefits we can offer."

## Advisors

Willkie Farr & Gallagher LLP is serving as legal counsel to HealthEquity. Perella Weinberg Partners LP and Wells Fargo Securities are serving as financial advisors to HealthEquity. WageWorks has engaged Wilson Sonsini Goodrich & Rosati P.C. for legal counsel and Evercore as financial advisor.

## Investor Conference Call

HealthEquity will hold a conference call to discuss the transaction with investors on Thursday, June 27, 2019, at 8:00 a.m. ET.

### HealthEquity Investor Conference Call

Date: June 27, 2019  
Time: 8:00 a.m. Eastern Time / 6:00 a.m. Mountain Time  
Dial-In: 1-844-791-6252 (US and Canada)  
1-661-378-9636 (International)  
Conference ID: 6767699  
Webcast: [ir.healthequity.com](http://ir.healthequity.com)

A presentation deck will be made available shortly before the conference call.

## About HealthEquity

HealthEquity connects health and wealth, delivering health savings account (HSA) and other consumer driven health and retirement solutions in partnership with over 45,000 employers and 141 health, retirement and other benefit plan providers nationwide. HealthEquity members have access to its end-to-end platform and remarkable "purple" service to become consumers of healthcare while building health and retirement savings for tomorrow. HealthEquity is the custodian of \$8.3 billion in assets for 4.1 million HSA members nationwide. For more information, visit [www.HealthEquity.com](http://www.HealthEquity.com).

## About WageWorks

WageWorks, Inc. (NYSE: WAGE) is a leader in administering Consumer-Directed Benefits (CDBs). WageWorks is solely dedicated to administering CDBs, including pre-tax spending accounts, such as Health Savings Accounts (HSAs), health and dependent care Flexible Spending Accounts (FSAs), Health Reimbursement Arrangements (HRAs), as well as Commuter Benefit Services, including transit and parking programs, wellness programs, COBRA, and other employee benefits. WageWorks is headquartered in San Mateo, California, with offices in major locations throughout the United States. For more information, visit [www.wageworks.com](http://www.wageworks.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 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 press release.

## **Important Additional Information and Where to Find It**

This communication is being made in respect of the proposed transaction involving WageWorks and HealthEquity. In connection with the proposed transaction, WageWorks intends to file relevant materials with the Securities and Exchange Commission (the “SEC”), including a proxy statement on Schedule 14A. Promptly after filing its definitive proxy statement with the SEC, WageWorks will mail the definitive proxy statement and a proxy card to each stockholder of WageWorks entitled to vote at the special meeting relating to the proposed transaction. This communication is not a substitute for the proxy statement or any other document that WageWorks may file with the SEC or send to its stockholders in connection with the proposed transaction. **BEFORE MAKING ANY VOTING DECISION, STOCKHOLDERS OF WAGeworks ARE URGED TO READ THESE MATERIALS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS IN CONNECTION WITH THE PROPOSED TRANSACTION THAT WAGeworks WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT WAGeworks AND THE PROPOSED TRANSACTION.** The definitive proxy statement and other relevant materials in connection with the proposed transaction (when they become available), and any other documents filed by WageWorks with the SEC, may be obtained free of charge at the SEC’s website (<http://www.sec.gov>) or at WageWorks’ website (<http://www.wageworks.com>) or by contacting WageWorks’ Investor Relations at [ir@wageworks.com](mailto:ir@wageworks.com).

## **Participants in the Merger Solicitation**

This document does not constitute a solicitation of proxy, an offer to purchase or a solicitation of an offer to sell any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. WageWorks, its directors, executive officers and certain employees may be deemed to be participants in the solicitation of proxies from the stockholders of WageWorks in connection with the proposed transaction. Information about the persons who may, under the rules of the SEC, be considered to be participants in the solicitation of WageWorks’ stockholders in connection with the proposed transaction, and any interest they have in the proposed transaction, will be set forth in the definitive proxy statement when it is filed with the SEC. Additional information regarding these individuals is set forth in WageWorks’ Annual Report on Form 10-K for the fiscal year ended December 31, 2018, which was filed with the SEC on May 30, 2019. These documents may be obtained for free at the SEC’s website at [www.sec.gov](http://www.sec.gov), and via the WageWorks’ Investor Relations section of its website at [www.wageworks.com](http://www.wageworks.com).

## **HealthEquity**

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**WageWorks**

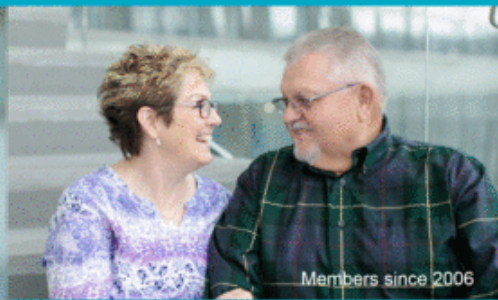
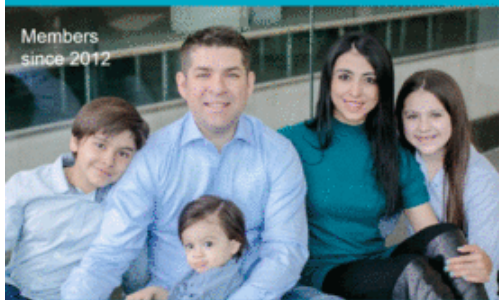
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# Acquisition of WageWorks

June 27, 2019



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# 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

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**Jon Kessler**

President & CEO, HealthEquity



**Steve Neeleman**

Founder & Vice Chairman, HealthEquity



**Darcy Mott**

Executive VP & CFO, HealthEquity

# HealthEquity

**36%**  
5 year revenue CAGR<sup>1</sup>

**20** Consecutive  
QUARTERS  
Beating adj. EBITDA consensus



**1580** bps  
Increase in adj. EBITDA margin<sup>1</sup>

**9** Consecutive  
YEARS  
Increase market share<sup>2</sup>

**Growth**

**Visibility**

**Profitable**

**Sustainable**

<sup>1</sup>HealthEquity data measured for fiscal years 2013 to 2019. Adjusted EBITDA margin is defined as adjusted EBITDA divided by total revenue. Please refer to slide 18 for a reconciliation of adjusted EBITDA to net income, its most directly comparable GAAP measure.

<sup>2</sup>Based on Devenir Research HSA reports December 31, 2010-2018

# 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



## Sustained growth

Driven by HSAs & custodial assets



## More scale

Data-driven member engagement



## Significant synergies

~\$50M in annualized synergies



## Larger addressable market

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



## Rapid deleveraging

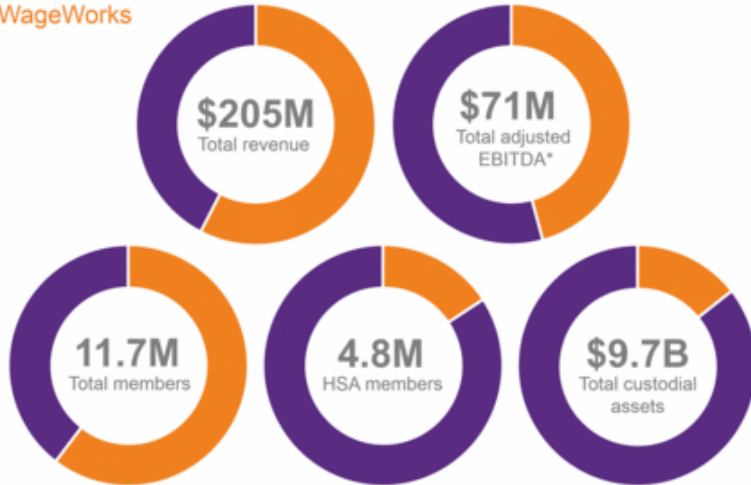
Through strong cash flow growth

# Transaction overview

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

# Key metrics (quarterly)

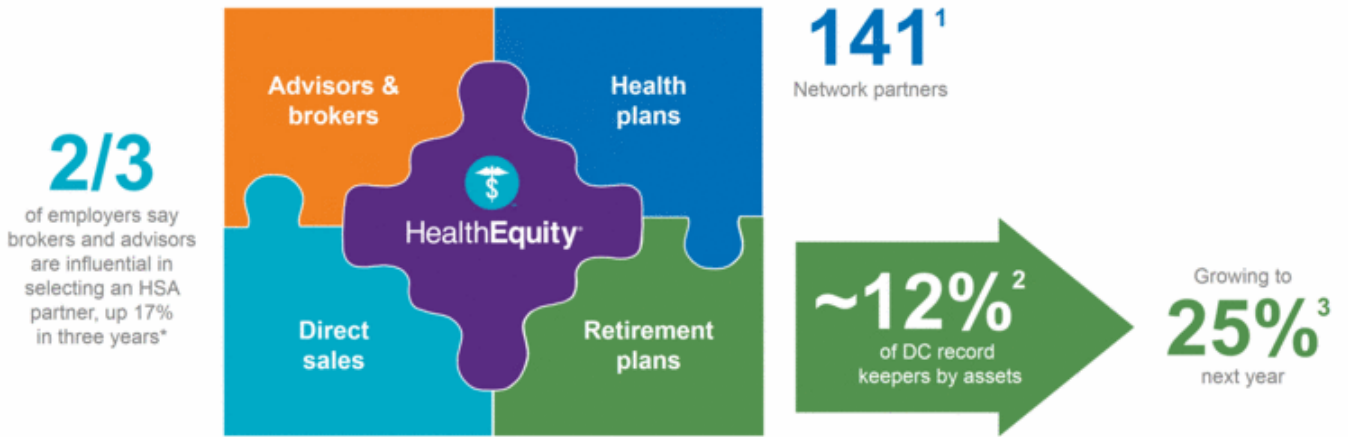
■ HealthEquity  
■ WageWorks



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



# Expanded employer / advisor channels



# Premier single source platform



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 clients<sup>1</sup>

**2/3**

of Fortune 500 employers<sup>2</sup>



**1.7-4x**

Revenue with full suite<sup>3</sup>

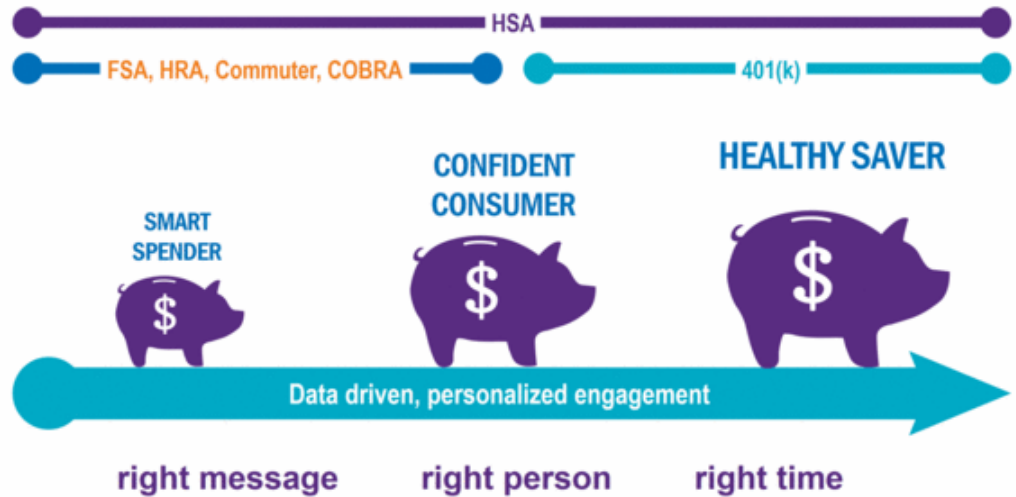
**>95%**

Full suite opportunity<sup>4</sup>

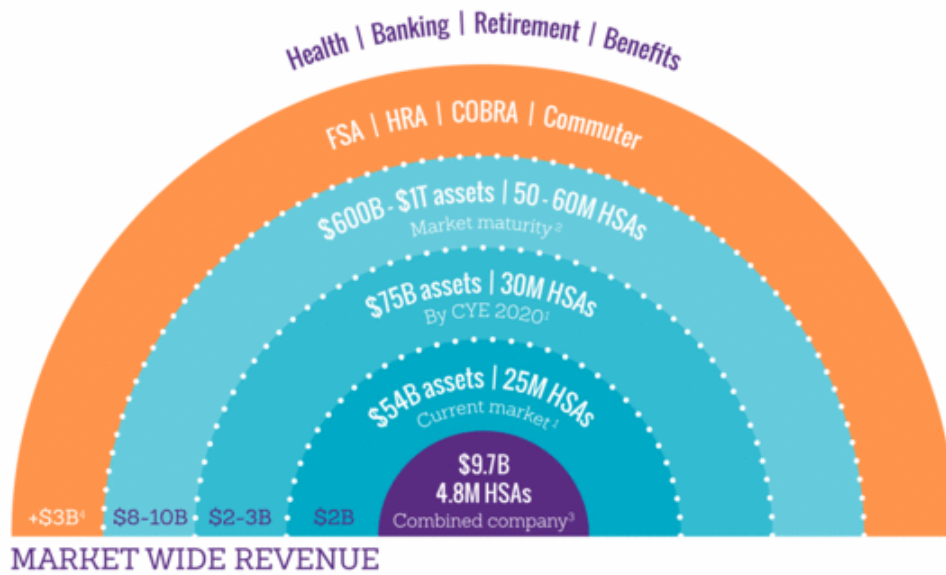
# Greater scale for member engagement

**12M**  
Total members<sup>1</sup>

**21%**  
of members visit monthly<sup>2</sup>



# Expands addressable market



# 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



## Sustained growth

Driven by HSAs & custodial assets



## More scale

Data-driven member engagement



## Significant synergies

~\$50M in annualized synergies



## Larger addressable market

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



## 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

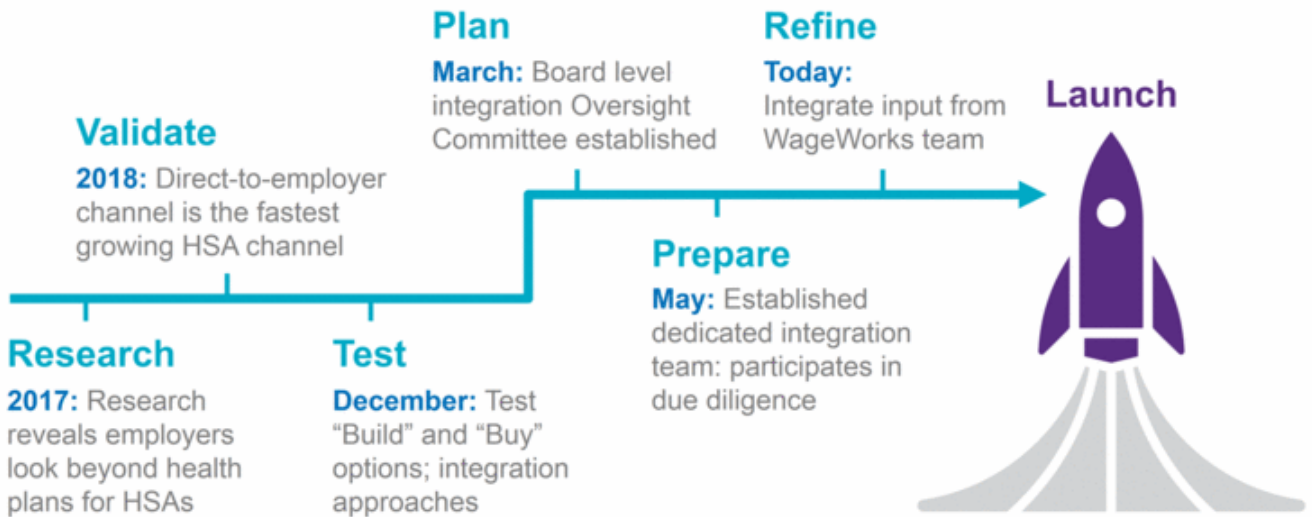
## Business outlook

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	



# Planning for success





**HealthEquity<sup>®</sup>**

# 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 <sup>(1)</sup>	4	3	21
Excess tax benefit due to adoption of ASU 2016-09	(2)	(7)	(2)
Mark-to-market adjustment, net of tax <sup>(2)</sup>	(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 <sup>(2)</sup>	\$0.41	\$0.31	\$1.26 - \$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.