



# Fourth Quarter and Full Year 2022 Results

MARCH 16, 2023

## FORWARD-LOOKING STATEMENTS

These slides contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this press release may be forward-looking statements. Statements regarding the Company's future results of operations and financial position, business strategy and plans and objectives of management for future operations, including, among others, statements regarding expected financial performance and operational performance for the fiscal year 2022 and fourth quarter of 2022, including with respect to revenue and Adjusted EBITDA, and the Company's performance during the Annual Enrollment Period, including with respect to agent conversion and implied growth for the fourth quarter of 2022, are forward-looking statements. In some cases, you can identify forward-looking statements by terms, such as "may," "will," "should," "aim," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "predicts," "potential", "likely," "future" or "continue" or the negative of these terms or other similar expressions. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

There are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these forward-looking statements, including, but are not limited to, the following: the Company's ability to comply with the numerous, complex and frequently changing laws regulating the marketing and sale of Medicare plans; operating results have been, and may continue to be, adversely impacted by factors that impact our estimate of LTV; our expansion of Encompass Solution may not be as successful as expected; the potential for an adverse change in the Company's relationships with carriers, including a loss of a carrier relationship, reduction in revenue or consolidation of carriers; carriers' ability to reduce commissions paid to the Company and adversely change their underwriting practices; our management identified a material weakness in our internal controls over financial reporting, and we may be unable to develop, implement and maintain appropriate controls in future periods, which may lead to errors or omissions in our financial statements; information technology systems failures or capacity constraints interrupting the Company's operations; market factors may adversely impact the Company's estimate of LTV; our dependence on a small group of health plan providers for a substantial portion of our revenue; attracting qualified employees and retaining key employees; our ability to grow our customer base or retain existing customers; our ability to realize the benefits we expect from our strategic cash flow optimization and other cash management initiatives; the Company's dependence on agents to sell insurance plans; and Founders and Centerbridge have significant influence over us, including control over decisions that require the approval of stockholders.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this press release, as well as the cautionary statements and other risk factors set forth in the Company's forthcoming Annual Report on Form 10-K for fiscal year end 2022 and other SEC filings. If one or more events related to these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, actual results may differ materially from what the Company anticipates. Many of the important factors that will determine these results are beyond the Company's ability to control or predict. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and, except as otherwise required by law, the Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, the Company cannot assess the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

## Non-GAAP Financial Measures and Key Performance Indicators

In these slides, we use supplemental measures of our performance that are derived from our consolidated financial information, but which are not presented in our Consolidated Financial Statements prepared in accordance with Generally Accepted Accounting Principles (GAAP). These non-GAAP financial measures include net income (loss) before interest expense, income tax expense (benefit) and depreciation and amortization expense, or EBITDA; Adjusted EBITDA and Adjusted EBITDA margin. Adjusted EBITDA is the primary financial performance measure used by management to evaluate its business and monitor its results of operations.

Additional non-GAAP financial measures, including net revenue excluding the Lookback Adjustments, Adjusted EBITDA excluding the Lookback Adjustments, net revenue excluding both the BPO services revenue and the Lookback Adjustments and Adjusted EBITDA excluding both the BPO services contribution and the Lookback Adjustments, are also discussed in this press release. The Lookback Adjustments are revenue adjustments relating to performance obligations satisfied in prior periods and relate to the fiscal years 2019, 2020 and 2021.

Adjusted EBITDA represents EBITDA as further adjusted for share-based compensation expense, lease impairment charge, restructuring and severance costs, unusual professional and legal costs, loss related to Tax Receivable Agreement, and goodwill impairment charge. Adjusted EBITDA margin represents Adjusted EBITDA divided by net revenues. We use non-GAAP financial measures to supplement financial information presented on a GAAP basis. We believe that excluding certain items from our GAAP results allows management to better understand our consolidated financial performance from period to period and better project our future consolidated financial performance as forecasts are developed at a level of detail different from that used to prepare GAAP-based financial measures. Moreover, we believe these non-GAAP financial measures provide our stakeholders with useful information to help them evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling them to make more meaningful period to period comparisons. There are limitations to the use of the non-GAAP financial measures presented in this press release. For example, our non-GAAP financial measures may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes. The non-GAAP financial measures are not meant to be considered as indicators of performance in isolation from or as a substitute for net income (loss) prepared in accordance with GAAP, and should be read only in conjunction with financial information presented on a GAAP basis. Reconciliations of each of EBITDA, Adjusted EBITDA, net revenue excluding the Lookback Adjustments, Adjusted EBITDA excluding the Lookback Adjustments, net revenue excluding both the BPO services revenue and the Lookback Adjustments and Adjusted EBITDA excluding both the BPO services contribution and the Lookback Adjustments to its most directly comparable GAAP financial measure, net revenue or net income (loss), are presented in the table below. We encourage you to review the reconciliations in conjunction with the presentation of the non-GAAP financial measures for each of the periods presented. In future periods, we may exclude similar items, may incur income and expenses similar to these excluded items and include other expenses, costs and non-recurring items. Management has provided its outlook regarding adjusted EBITDA, which is a non-GAAP financial measure and excludes certain charges. Management has not reconciled these non-GAAP financial measures to the corresponding GAAP financial measures because guidance for the various reconciling items are not provided. Management is unable to provide guidance for these reconciling items because we cannot determine their probable significance, as certain items are outside of our control and cannot be reasonably predicted since these items could vary significantly from period to period. Accordingly, reconciliations to the corresponding GAAP financial measures are not available without unreasonable effort.

The Company is unable to provide a full reconciliation of guidance for Adjusted EBITDA without unreasonable effort because it is not possible to predict certain adjustment items with a reasonable degree of certainty since they are not yet known or quantifiable, and do not relate to the Company's routine activities. This information is dependent upon future events, which may be outside of the Company's control and could have a significant impact on its GAAP financial results for fiscal 2023.

## Unaudited Financial Results

The unaudited results for the fourth quarter and year ended December 31, 2022 included in the Press Release and these slides, which are the responsibility of management, were prepared by the Company's management in connection with the preparation of the Company's financial statements. The Company's independent registered public accounting firm has not completed its audit of the unaudited financial information, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, such unaudited financial information. These unaudited results should not be viewed as a substitute for complete financial statements prepared in accordance with generally accepted accounting principles ("GAAP"). Accordingly, investors are cautioned not to place undue reliance on this unaudited financial information. See the information below under the heading "Forward-Looking Statements" and "Risk Factors" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" in the Company's 2021 Form 10-K, Quarterly Report on Form 10-Q for the first quarter ended March 31, 2022, Quarterly Report on Form 10-Q for the second quarter ended June 30, 2022, Quarterly Report on Form 10-Q for the third quarter ended September 30, 2022, the forthcoming 2022 Form 10-K, and other SEC filings.



## Highlights & Business Update

Vijay Kotte | Chief Executive Officer

# Fourth Quarter & Year End Highlights

---

- The transformation of GoHealth is advancing
- Achieving improved cash flow from operations ahead of schedule
- Maximizing efficiency of our model
- Prioritizing more experienced, higher quality sales agents over volume



# The Problem Facing the Industry

The Medicare landscape can be abrasive and disjointed for consumers

**The number of eligible Medicare enrollees choosing Medicare Advantage (MA) plans has increased 130%\* since 2009.**

MA's rapid growth has led to issues for beneficiaries and health plan partners:

## **Beneficiary experience:**

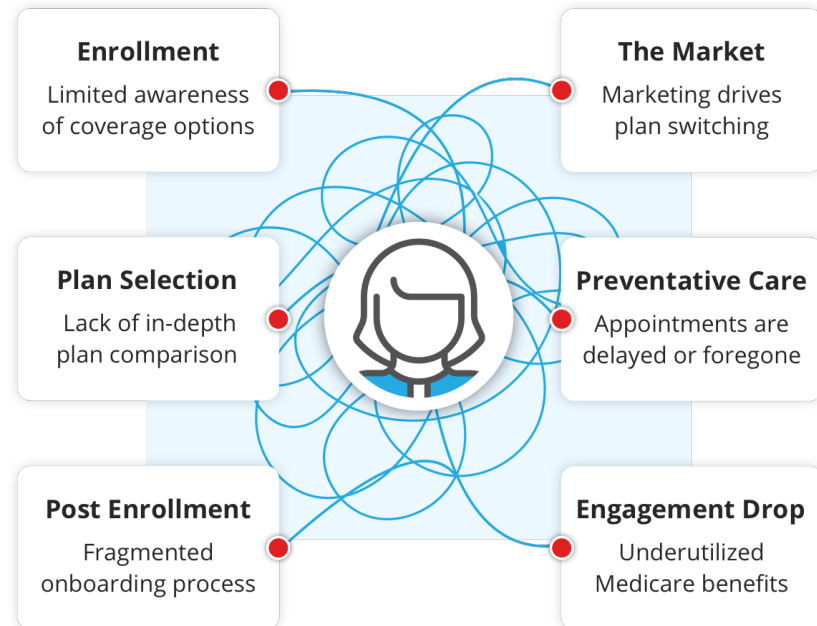
- Overwhelmed with information
- Increase in plan options available
- Lack of trust in the process

## **Health plan partner experience:**

- High CTMs\*\*
- Low effectuation
- Underutilized benefits

## **e-Broker experience:**

- Insufficient focus on beneficiary engagement post-enrollment
- Limited ability to drive retention



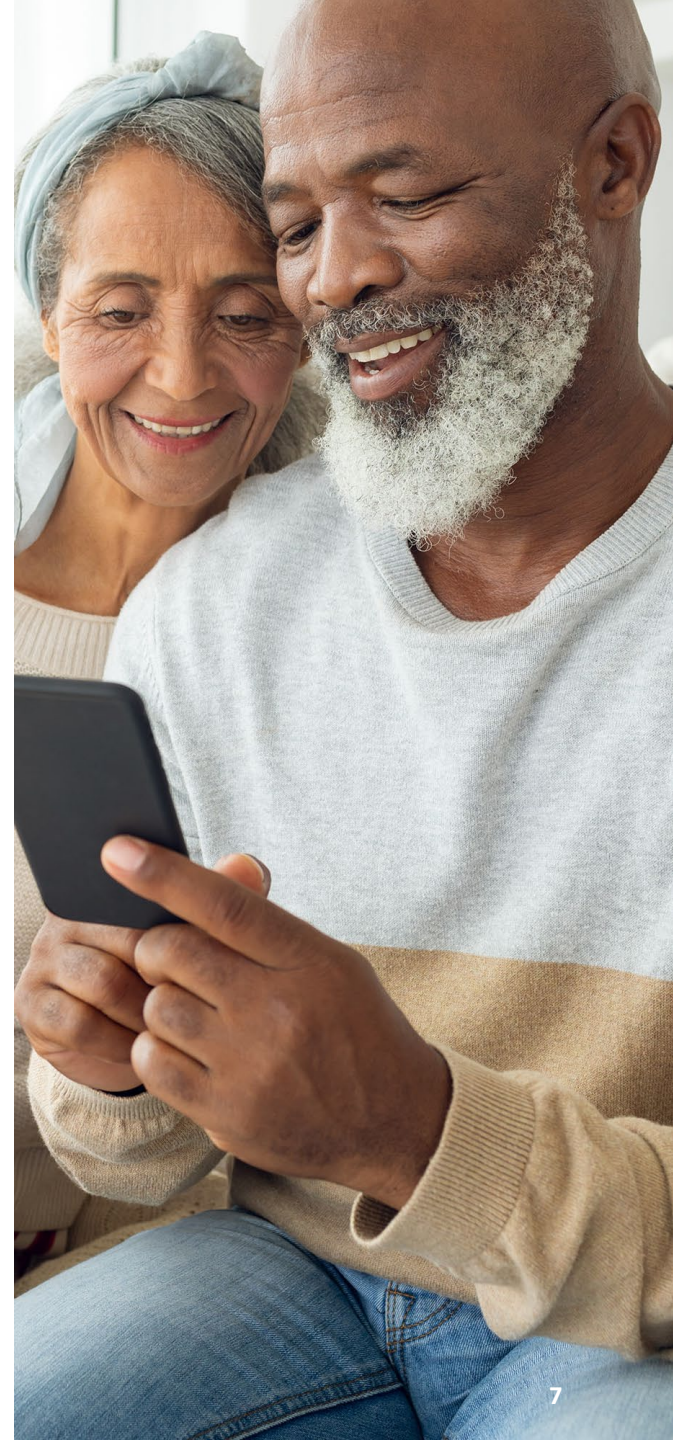
\*Kaiser Family Foundation <https://www.kff.org/medicare/issue-brief/medicare-advantage-in-2022-enrollment-update-and-key-trends/>

\*\*Also referred to as Complaint Tracking Modules

# The GoHealth Model & Medicare Advantage Market Continues to Evolve

---

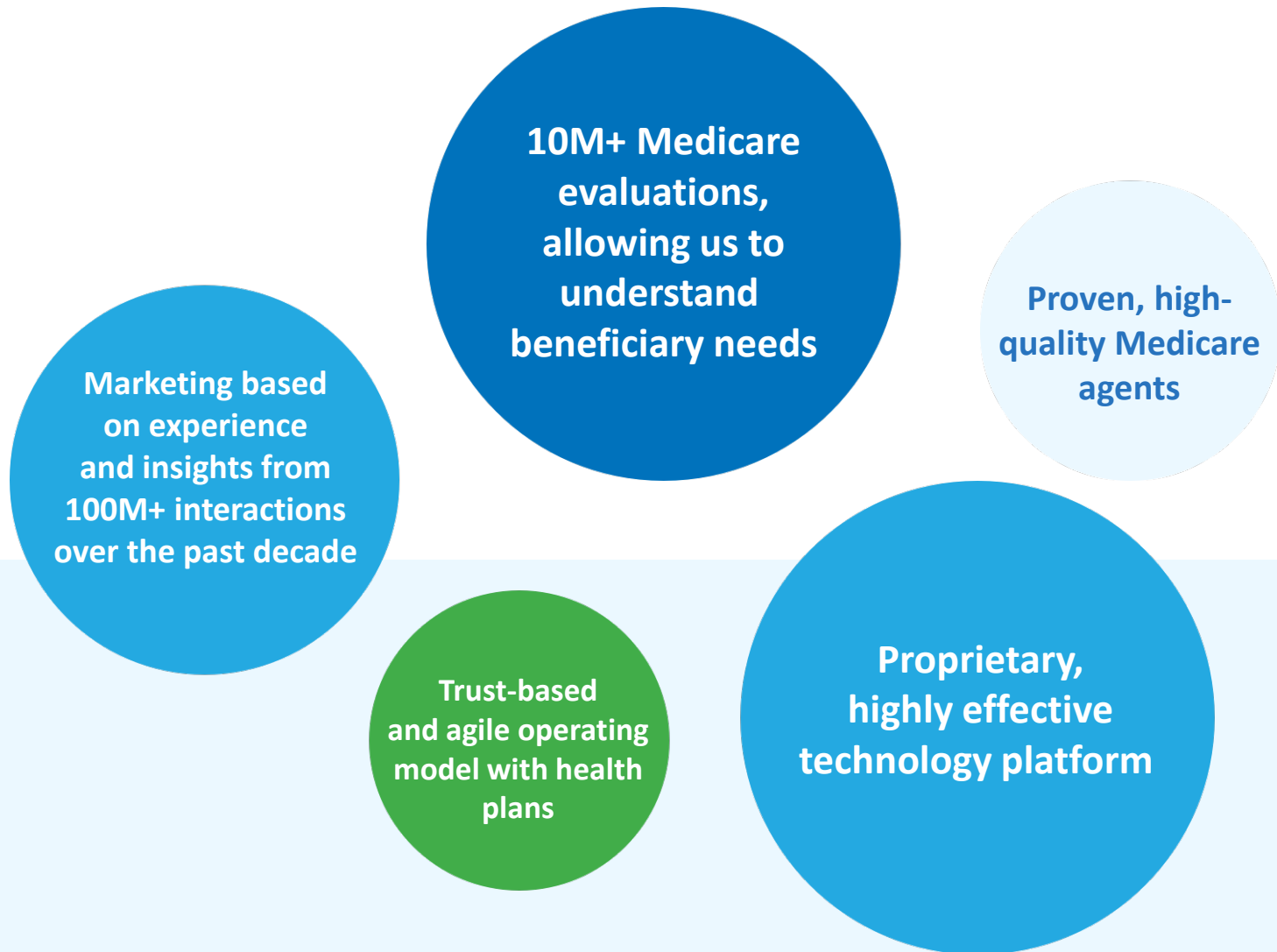
- Diversification to Encompass Solution is intentional and strategic
- Beneficiary needs continuously change and annual plan assessment, or shopping, is healthy but challenging in a complex environment
- Average beneficiary has access to over 43 Medicare Advantage plans, up from only 20 in 2018
- Beneficiaries shopping annually will likely lead to 3 to 5 plan switches over their Medicare eligibility span
- GoHealth is positioning to be the trusted partner to help beneficiaries shop with peace of mind



# GoHealth is Well-Positioned to Redefine the Medicare Experience

Opportunity to serve as integrated “navigator” through the Medicare care journey

---





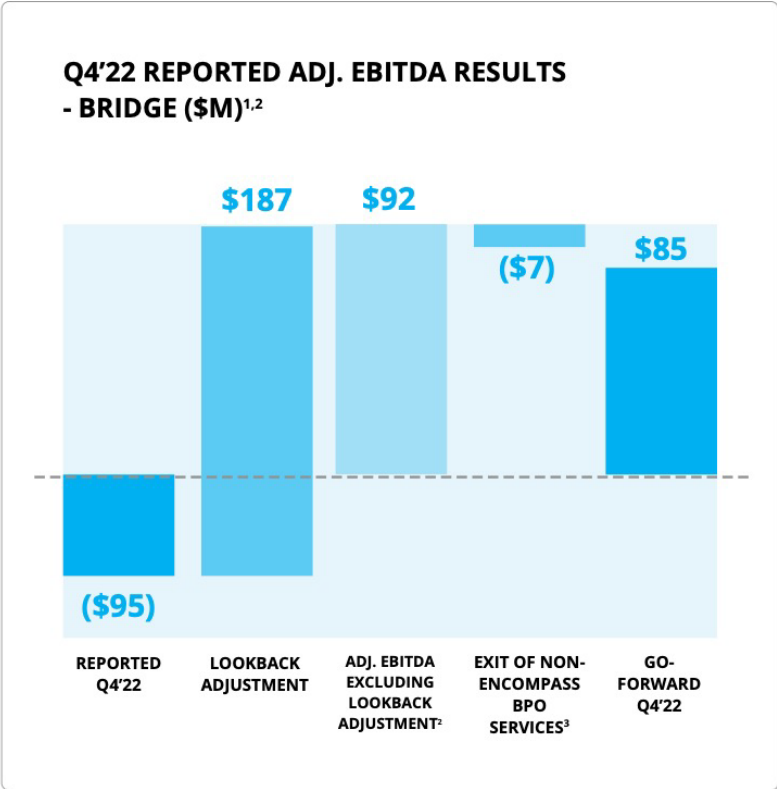
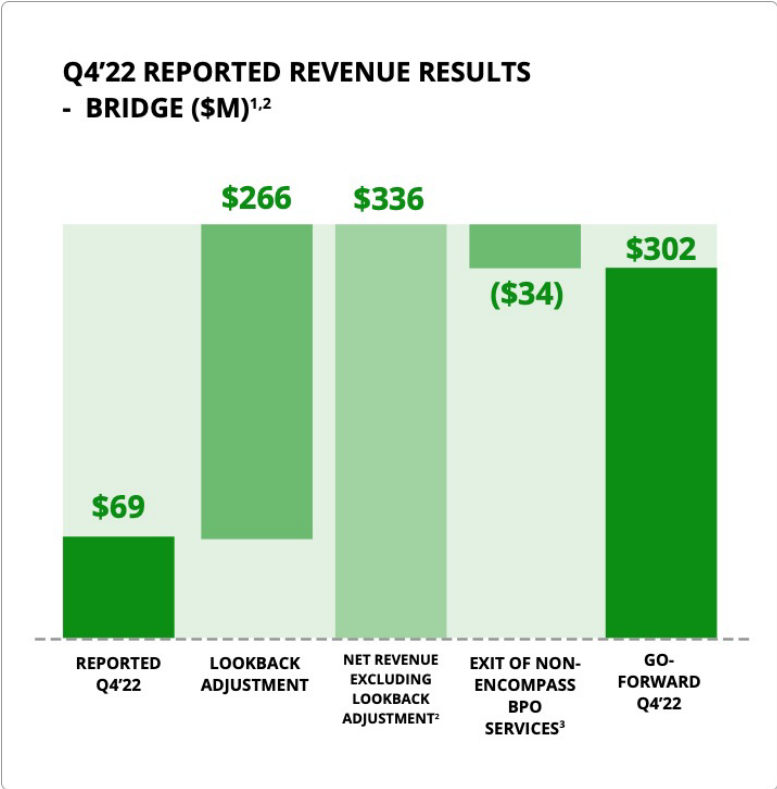


## Financial Review & Outlook

Jason Schulz | Chief Financial Officer

# Q4'22 Reported Results Bridge to Go-Forward Financials

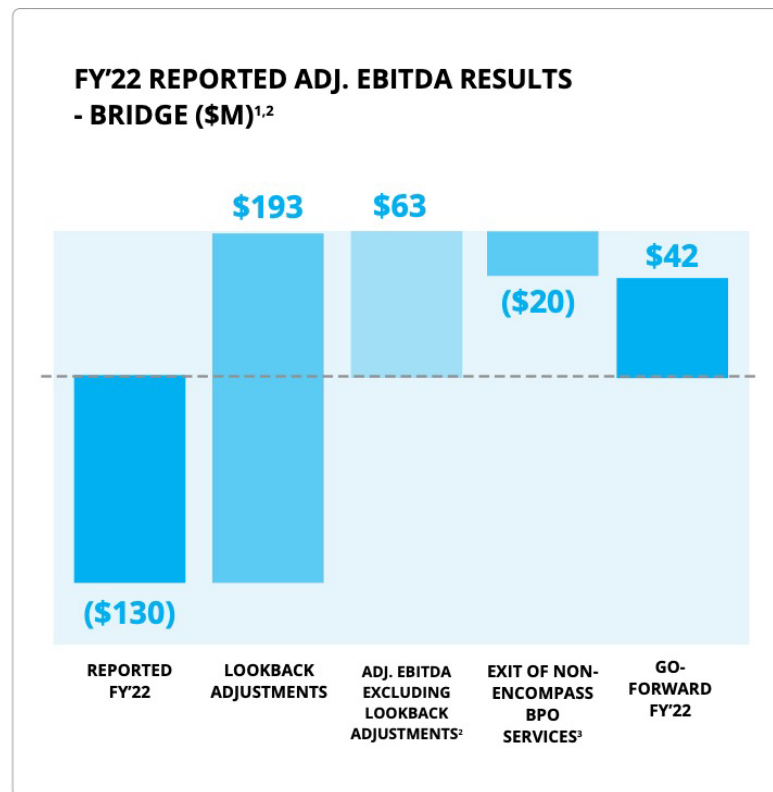
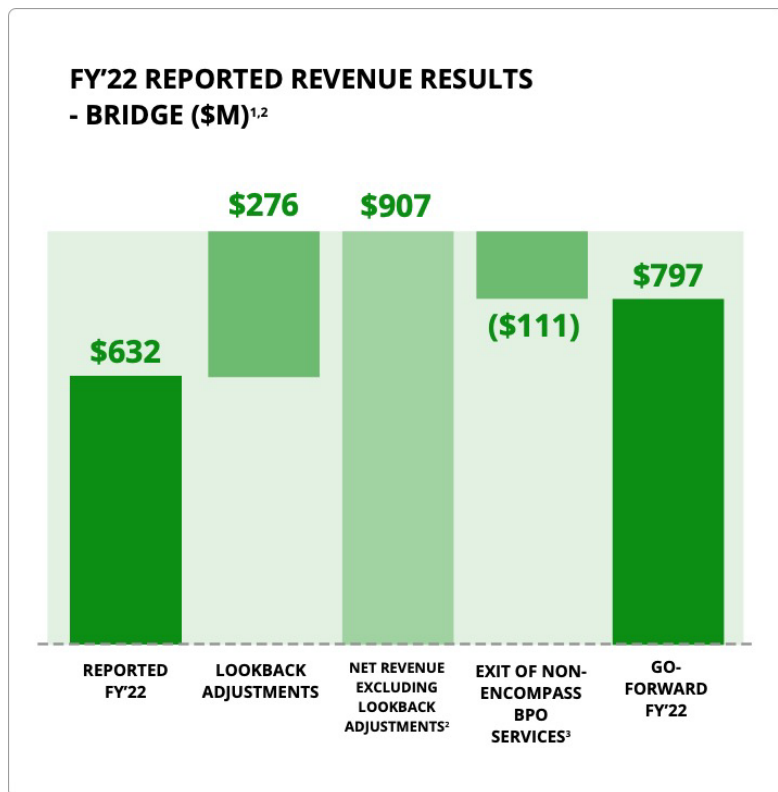
Adjusting reported results for a go-forward perspective



- Numbers may not sum due to rounding. There may be slight differences to numbers shown in the Press Release due to rounding.
- Net revenue excluding the Lookback Adjustment and Adjusted EBITDA excluding the Lookback Adjustment are non-GAAP measures. For fourth quarter and full year impact on revenue and Adjusted EBITDA for the Lookback Adjustment and for a reconciliation to the most comparable GAAP measure, please see tables in Appendix.
- Non-Encompass BPO Services refer to programs in which GoHealth-employed agents are dedicated to certain health plans and agencies we partner with outside of the Encompass Solution.

# FY'22 Reported Result Bridge to Go-Forward Financials

Adjusting reported results for a go-forward perspective



1. Numbers may not sum due to rounding. There may be slight differences to numbers shown in the Press Release due to rounding.
2. Net revenue excluding the Lookback Adjustments and Adjusted EBITDA excluding the Lookback Adjustments are non-GAAP measures. For fourth quarter and full year impact on revenue and Adjusted EBITDA for the Lookback Adjustments and for a reconciliation to the most comparable GAAP measure, please see tables in Appendix.
3. Non-Encompass BPO Services refer to programs in which GoHealth-employed agents are dedicated to certain health plans and agencies we partner with outside of the Encompass Solution.

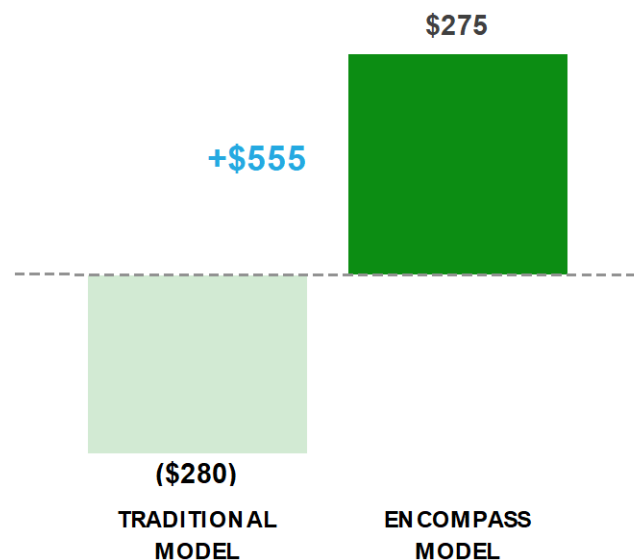
# Encompass De-Risks the Traditional LTV Model

Encompass can deliver predictable, positive margins for GOCO annually, provides positive net cash in year 1, and yields a high-quality beneficiary experience

Encompass can deliver more predictable, positive margins for GoHealth annually...

... and provides positive net cash in Y1, representing a swing of \$555 in cash per policy

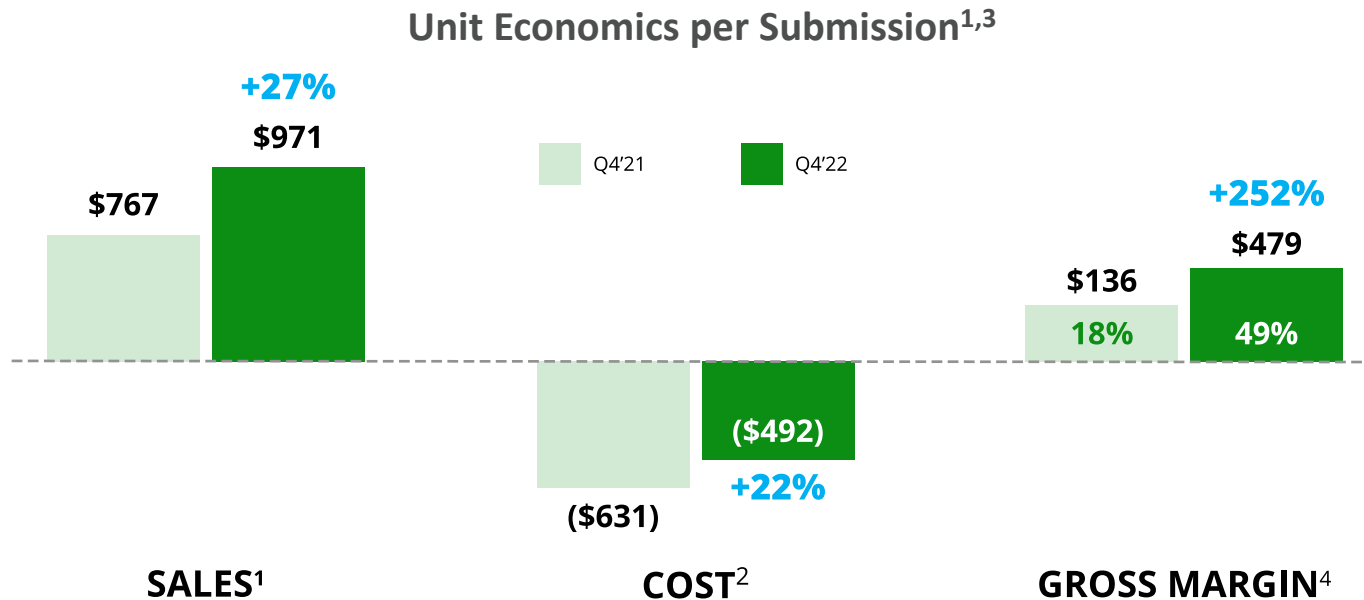
	TRADITIONAL MODEL	ENCOMPASS MODEL
<b>SALES</b>	<b>\$770 - \$1250<sup>1</sup></b>	<b>\$965 - \$1,065<sup>3</sup></b>
<b>COST</b>	<b>\$740<sup>2</sup></b>	<b>\$740<sup>2</sup></b>
<b>GROSS MARGIN<sup>4</sup></b>	<b>\$30 - \$510</b>	<b>\$225 - \$325</b>
<b>GROSS MARGIN %</b>	<b>4% - 41%</b>	<b>23% - 31%</b>



1. The range shown above accounts for variations in churn rate over time. Because these amounts account for variations in health plan and product mix over time, they are not intended to reflect the actual LTVs as reported on Form 10-K for the annual period ended December 31, 2022. These are intended to be illustrative estimates. Sales range excludes the Lookback Adjustments and is a non-GAAP measure. For fourth quarter and full year impact on revenue for the Lookback Adjustments and for a reconciliation to the most comparable GAAP measure, please see tables in Appendix.
2. This amount reflects a rough estimate of upfront submission expenses (as defined in the Form 8-K filed on March 16, 2023) on an annualized basis, with actual expenses by MAPD, D-SNP, regional and national customers varying meaningfully throughout the year. These are total costs for enrollment, marketing, and administrative services with Encompass allowing capture of additional revenue for marketing and administrative services.
3. This reflects average revenue received for an Encompass transaction. Payment is for enrollment, non-enrollment administrative and marketing services, engage and other services. These fees are based on the fair market value of the marketing and administrative services GoHealth provides.
4. "Gross margin" refers to net revenue divided by cost of revenue, marketing and advertising expenses and customer care and enrollment expenses

# Q4 Medicare Unit Economics

Improving YoY unit economics driven by expansion in revenue and reduction of variable costs



- With the strategic shift to the Encompass Solution and moving to a more efficient operating model, the Company increased profitability 3.5x YoY (when taking into account the adjustment for the Lookback – reconciliation of the Lookback Adjustment is provided in the Appendix)
- Sale expansion: 27%, was achieved by a quality focused enrollment process, as beneficiaries were placed through the Encompass Solution which has led to higher policy effectuation rates as compared to 2021
- Total variable costs decreased by 22% YoY driven by favorable marketing costs and submission conversion rates

1. Sales amounts exclude the Lookback Adjustments and non-Encompass BPO Services (see definition below) and is a non-GAAP measure. For fourth quarter and full year impact on revenue for the Lookback Adjustment and non-Encompass BPO Services and for a reconciliation to the most comparable GAAP measure, please see tables in Appendix.

2. Cost refers to the cost to convert a prospect into a Submission. This cost includes cost of revenue, marketing and advertising expenses, and customer care and enrollment expenses, excluding such expenses related to non-Encompass BPO services (i.e., dedicated services programs where GoHealth-employed agents are dedicated to certain carriers and agencies with which we partner).

3. Q4 Medicare Unit Economics represents GoHealth's Medicare-Internal segment excluding the Lookback Adjustments and non-Encompass BPO services (see definition above)

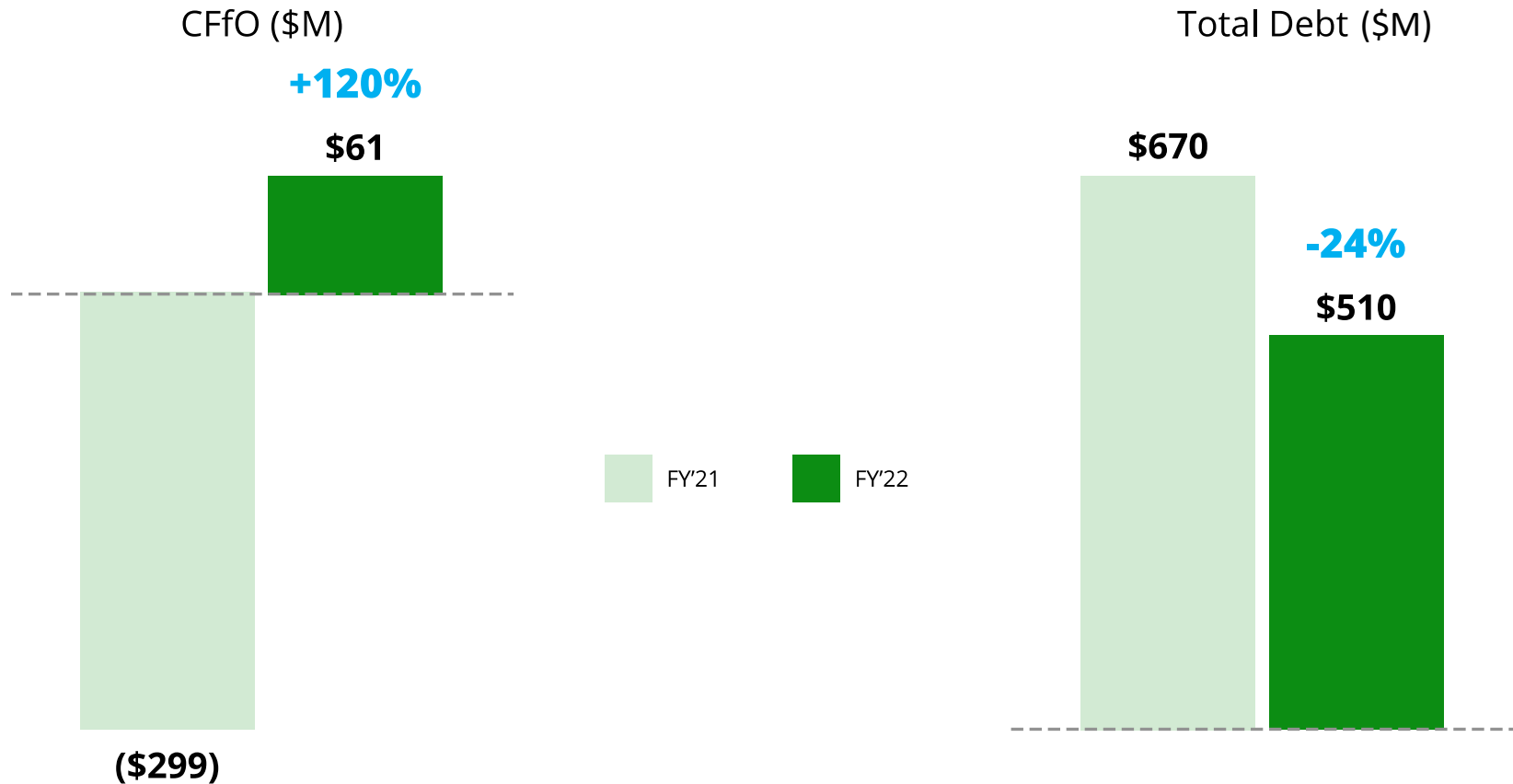
4. "Gross margin" refers to net revenue divided by cost of revenue, marketing and advertising expenses and customer care and enrollment expenses

# FY Cashflow & Total Debt Overview

Evolving the operating model not only drives beneficiary satisfaction, but also drives liquidity flexibility

Dramatic improvement of **\$360M** in operating cash flow, which provides liquidity flexibility

Continue to evaluate debt options to optimize against market conditions and our capital structure position



It's also important to note that we have an untapped **\$200** million dollar line of credit via our revolver for same day access to liquidity if ever needed.

# 2023 Financial Guidance Compared to 2022 Go-Forward Financials



1. Revenue and Adj. EBITDA numbers are provided on a go-forward basis, excluding the Lookback Adjustments and non-Encompass BPO Services. These are non-GAAP numbers. For fourth quarter and full year impact on revenue for the Lookback Adjustment and non-Encompass BPO Services and for a reconciliation to the most comparable GAAP measure, please see tables in Appendix.

# Questions & Answers





Improving Access to Healthcare in America

---

**INVESTOR RELATIONS CONTACT:**

**John Shave**

**VP, Investor Relations**

Email: [JShave@gohealth.com](mailto:JShave@gohealth.com)

**MEDIA CONTACT:**

**Melissa Johnson**

**Senior Manager, Brand Communications**

Email: [MJohnson18@gohealth.com](mailto:MJohnson18@gohealth.com)

# Appendix

# Reconciliation of Net Income to Adjusted EBITDA

## Adjustments to EBITDA (\$ in thousands)

	Q4 2022	Q4 2021	FY 2022	FY 2021
<b>Net income (loss)</b>	\$(150,737)	\$(432,320)	\$(376,384)	\$(534,194)
<b>Interest expense</b>	17,317	9,619	57,069	33,505
<b>Income tax expense (benefit)</b>	292	118	764	(24)
<b>Depreciation and amortization expense</b>	26,578	30,332	107,002	107,507
<b>Reported EBITDA</b>	<b>\$(106,550)</b>	<b>\$(392,251)</b>	<b>\$(211,549)</b>	<b>\$(393,206)</b>
1 Share-based compensation	6,256	7,197	32,124	27,297
2 Operating lease impairment charges	-	-	25,345	1,062
3 Restructuring and other related charges	312	-	12,184	-
4 Professional services	773	-	4,752	-
5 Severance costs	400	-	3,340	-
6 Legal fees	3,478	-	3,478	180
7 Other (income) loss related to the adjustment of liabilities under the Tax Receivable Agreement	550	-	550	-
8 Loss on extinguishment of debt	-	-	-	11,935
9 Goodwill impairment charges	-	386,553	-	386,553
<b>Adjusted EBITDA</b>	<b>\$(94,781)</b>	<b>\$1,499</b>	<b>\$(129,776)</b>	<b>\$33,821</b>
Net revenue	\$69,376	\$449,600	\$631,675	\$1,062,415
<b>Adjusted EBITDA margin</b>	<b>(136.6)%</b>	<b>0.3%</b>	<b>(20.5)%</b>	<b>3.2%</b>

## Description of Adjustments

- 1 Represents non-cash share-based compensation expense relating to equity awards, as well share-based compensation expense relating to liability classified awards that will be settled in cash.
- 2 Represents operating lease impairment charges, reducing the carrying value of the associated ROU assets and leasehold improvements to the estimated fair values.
- 3 Represents employee termination benefits and other associated costs related to restructuring activities.
- 4 Represents costs associated with non-recurring consulting fees and other professional services.
- 5 Represents costs associated with the termination of employment and associated fees unrelated to restructuring activities.
- 6 Represents non-recurring legal fees unrelated to our core operations.
- 7 Represents expense related to the measurement of our Tax Receivable Agreement obligation.
- 8 Represents the loss on debt extinguishment related to the Initial Term Loan Facility.
- 9 Represents goodwill impairment charges related to the Medicare— Internal and Medicare— External reporting units for the twelve months ended December 31, 2021.

# Reconciliation of Net Revenue and Adjusted EBITDA to Go-Forward Financials

(\$ in thousands)

	Q4 2022	Q4 2021	FY 2022	FY 2021
Net revenue	\$69,376	\$449,600	\$631,675	\$1,062,415
Lookback Adjustments reported during the indicated periods	266,383	155,002	275,709	165,296
Lookback Adjustments attributed to 2021	-	(57,942)	-	(208,848)
Net revenue excluding Lookback Adjustments	335,759	546,660	907,384	1,018,863
Exit of non-Encompass BPO services	(34,198)	(83,947)	(110,865)	(163,563)
Net revenues excluding Lookback Adjustments and non-Encompass BPO Services	\$301,561	\$462,713	\$796,519	\$855,300
Adjusted EBITDA	\$(94,781)	\$1,499	\$(129,776)	\$33,821
Lookback Adjustments reported during the indicated periods	186,617	105,373	192,693	111,863
Lookback Adjustments attributed to 2021	-	(42,484)	-	(149,559)
Adjusted EBITDA excluding Lookback Adjustments	91,836	64,388	62,917	(3,875)
Exit of non-Encompass BPO services	(6,980)	(13,319)	(20,476)	(25,295)
Adjusted EBITDA excluding Lookback Adjustments and non-Encompass BPO Services	\$84,856	\$51,069	\$42,441	\$(29,170)
Adjusted EBITDA margin excluding Lookback Adjustments and non-Encompass BPO Services	28.1%	11.0%	5.3%	(3.4)%