

EVERQUOTE

Investor Presentation
August 2023

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The Company presents Adjusted EBITDA as a non-GAAP measure, which is not a substitute for or superior to, other measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation to the most directly comparable GAAP measures is included in the Appendix to these slides.

An aerial photograph of a city, likely Cambridge, Massachusetts, featuring a large river in the foreground with several sailboats. In the background, a prominent domed building, the Massachusetts State House, is visible among other urban structures and greenery.

Our vision

Become the largest online source of insurance policies by using data, technology and knowledgeable advisors to make insurance simpler, more affordable and personalized, ultimately reducing cost and risk.

Key Investment Highlights

Insurance Marketplace Leader

Leading Property and Casualty¹ ("P&C") online insurance marketplace providing compelling benefits for consumers and insurance providers

Massive Market Opportunity

\$171b in annual insurance distribution spend in the early phases of shifting online provides **multi-year tailwind²**

Proprietary Tech and Data

Proprietary platforms built on **highly integrated machine learning assets** support rapid growth and drive **network effects**

Extensive Distribution

Extensive distribution channels with **Carriers** and **Local Agent Network³**

Attractive Business Model

Asset-Light model well positioned for recovery of the auto insurance market

1. Includes auto, home, renters and other related insurance products

2. Source: S&P Global Market Intelligence, Insider Intelligence and Company estimates. Includes commissions and advertising spend of broader insurance including P&C, Life, and Health markets as of 2021

3. Also referred to as 3rd party agent network

Company Overview

Company Snapshot

- One of the insurance industry's largest online customer acquisition and distribution platforms
- Highly scalable, data proprietary platform leveraging 2.5b+ consumer data points amassed over a decade¹
- "Hybrid Marketplace" with extensive distribution: 100+ carriers and 7,000+ 3rd party local agents
- Diversified distribution model serving consumers and providers across multiple P&C insurance markets
- Founded in 2011 with headquarters in Cambridge, MA; IPO in summer 2018

Compelling Value Proposition

Providers: efficiently acquire consumers

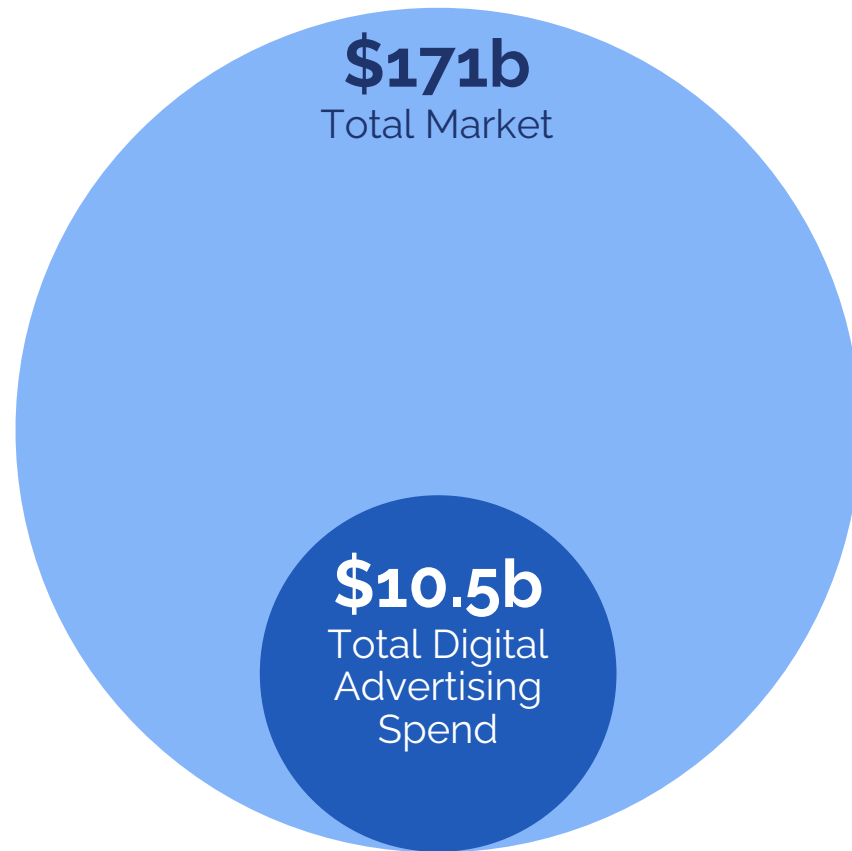
- Large volume of **high intent consumers**
- **Higher ROI** from target-based consumer attributes
- Opportunity to acquire consumer **referrals**

Consumers: saving time and money

- Single destination for **P&C insurance needs**
- **Personalized** shopping experience
- Provide **multiple** quotes, fitting the consumer's needs

Large & Expanding TAM

U.S. Insurance Market: Distribution Spend¹



Highlights²

<1%
Estimated share of Total Distribution Spend Market

~4%
Estimated share of Digital Advertising Spend Market

~13%
Estimated Digital Advertising Spend Growth³

Growth Drivers



Continued shift of
consumer time spent online



Continued shift of
acquisition spend online



Continued shift to
digitization of insurance products and workflows

The Customer Journey



Traffic Channels

Consumer Arrival

Provider Matching

Provider Engagement

Representative Carriers³

SEM

Performance Media

Calls

Clicks

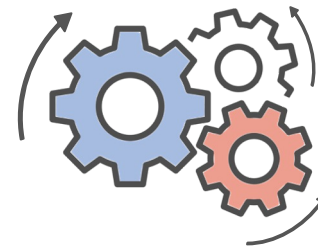
Partnerships

Other¹



Alignment

Bidding



Performance

Enterprise Distribution



Carriers

Agent Distribution



Local Agent Network²



1. Other includes organic search, direct-to-site, partner exchange & other traffic sources
 2. In addition to the 3rd party agent network, EverQuote has a small 1st party agent presence
 3. Based on Company data & representative of the insurance provider partners on the platform as of June 30, 2023

Proprietary Platforms Strengthen Competitive Moat

Highly integrated machine learning and data assets to support growth of all verticals

Marketing



Omni-channel
Automated Bidding

**Minimize Cost per
Acquisition**

Consumer



Personalized User
Experiences

**Maximize
Conversion Rates**

Distribution



Consumer Alignment
Algorithms

**Maximize Bind
Performance**

B2B



Enterprise & Agency
Campaign Management

**Maximize Value per
Acquisition**

Over 2.5b Consumer Submitted Data Points Since Inception¹

The State of the Auto Insurance Market

Late Summer 2021; Auto Insurance Downturn Begins



Cost of claims rises rapidly due to higher used car values, increased cost to repair and overall accident severity



Carriers are unable to adjust and implement rates quickly due to regulatory process and policy renewal cycles



Carriers face elevated claims and combined ratios; pull back significantly on consumer acquisition spend

Current Outlook



Auto carriers continue raising rates to restore adequate profitability; progress varies considerably by carrier and state



Cost of claims show some signs of stabilization, however, loss pressures persist



Exact timing of the auto recovery remains uncertain; anticipated improvements in 2024

Exiting Health Vertical in 2023 Restructuring

Strategic Exit of Health¹

Significant capital and scale would have been required to effectively compete in a highly regulated and increasingly unpredictable market²

Sale of Health Vertical Assets³

Completed sale of select assets, including commissions receivable

Strengthened Balance Sheet³

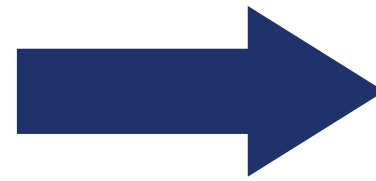
Sale of select Health Vertical assets resulted in cash proceeds of \$13.2m

- **Increased strategic focus on our most differentiated assets to extend competitive moat**
 - **Streamlined operations to improve financial performance**

Strategic Focus Following 2023 Restructuring¹



Asset-Light Model



Streamlining business around the most capital efficient and high ROI parts of EVER's operations



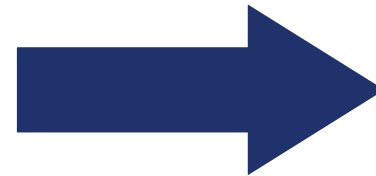
Traffic Scale and Technology



Drive greater value for carriers and agents by leveraging proprietary data, machine learning capabilities and expanding AI applications



Positioned for Auto Recovery



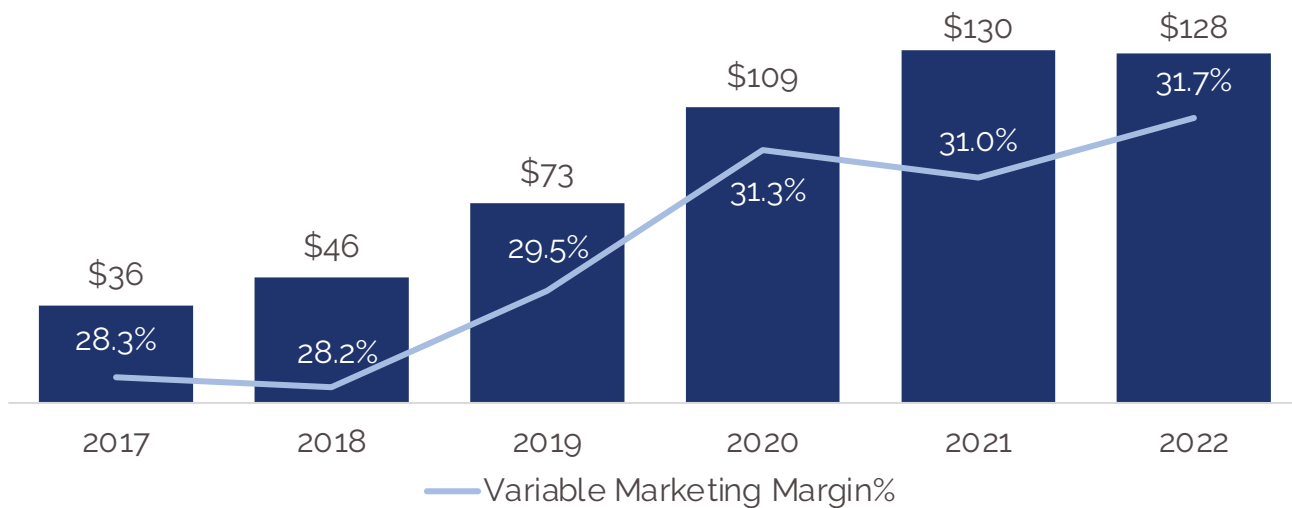
Expected to drive significant Adjusted EBITDA expansion when auto insurance market recovers

Financial Overview

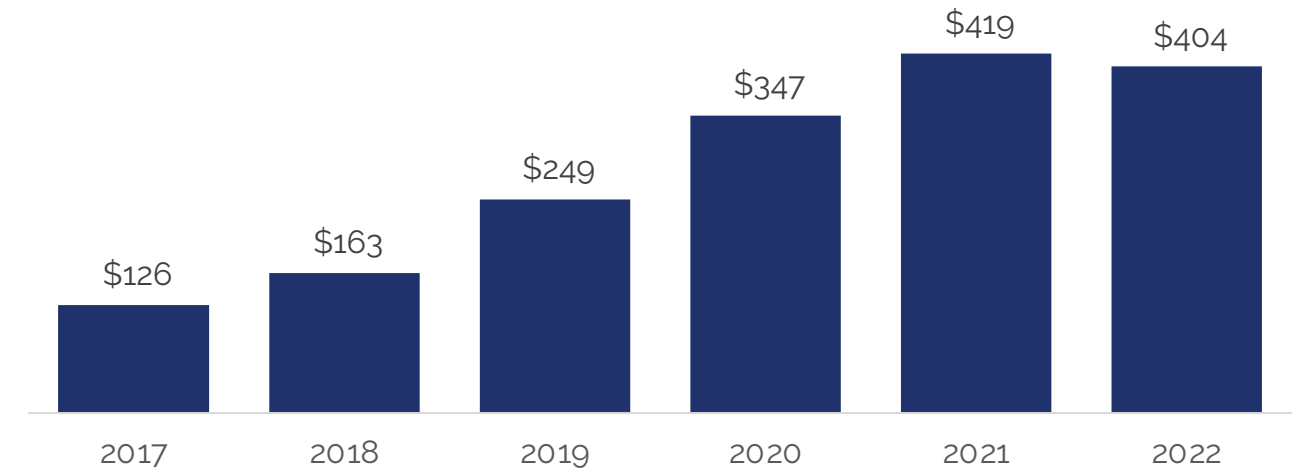
Summary

- Auto carrier recovery is expected to drive a significant rebound to revenue growth
- Potential for incremental improvement in VMM % from traffic optimization and product expansion
- Adjusted EBITDA margin expected to “snapback” to pre-downturn levels when auto insurance market substantially recovers

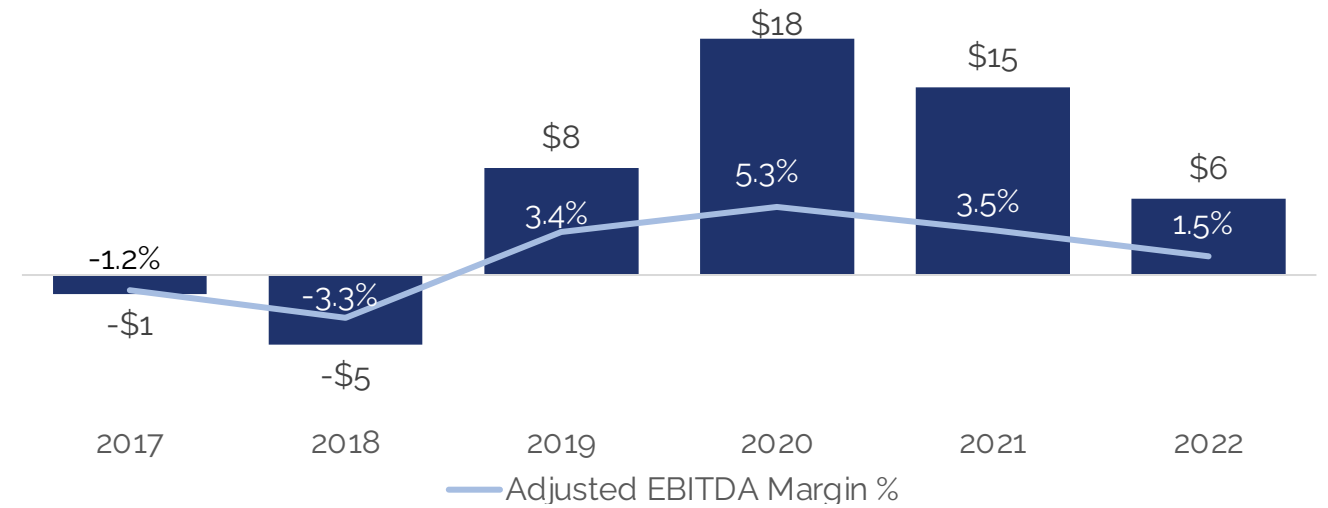
Variable Marketing Margin (\$m)



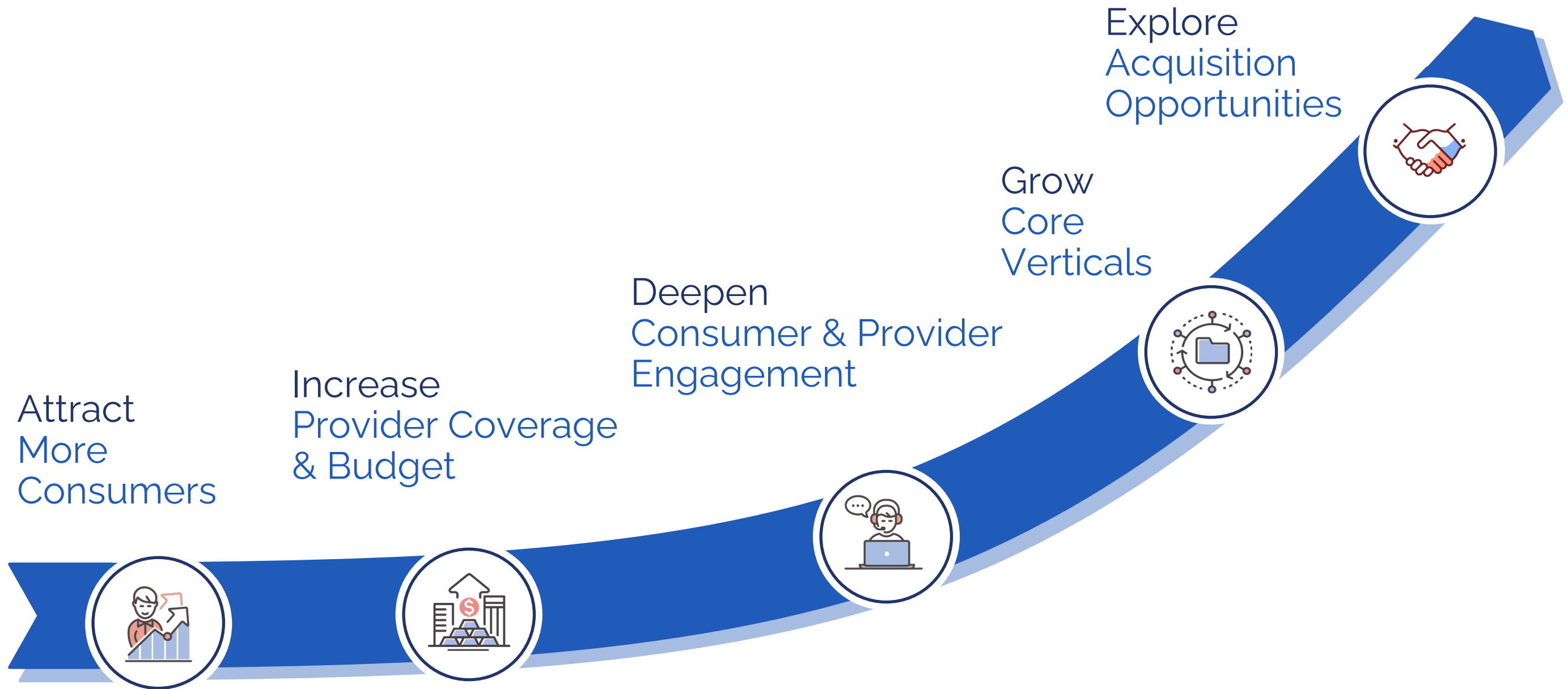
Revenue (\$m)



Adjusted EBITDA (\$m)



Multiple Levers to Drive Future Growth



NASDAQ: EVER

Appendix

Key Metrics Definitions

Variable Marketing Margin

We define variable marketing margin, or VMM, as revenue, as reported in our consolidated statements of operations and comprehensive income (loss), less advertising costs (a component of sales and marketing expense, as reported in our statements of operations and comprehensive income (loss)). We use VMM to measure the efficiency of individual advertising and consumer acquisition sources and to make trade-off decisions to manage our return on advertising. We do not use VMM as a measure of profitability.

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss), adjusted to exclude: stock-based compensation expense, depreciation and amortization expense, restructuring and other charges, acquisition-related costs, legal settlement expense, one-time severance charges, interest income and the provision for (benefit from) income taxes. We monitor & present Adjusted EBITDA because it is a key measure used by our management & board of directors to understand & evaluate our operating performance, to establish budgets & to develop operational goals for managing our business.

Reconciliation of Adjusted EBITDA - 12 Months Ended

(\$ in Thousands)	12 Months Ended					
	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Net loss	(\$24,416)	(\$19,434)	(\$11,202)	(\$7,117)	(\$13,791)	(\$5,070)
Stock-based compensation	\$28,986	\$30,020	\$24,179	\$12,721	\$7,121	\$1,860
Depreciation & amortization	\$5,848	\$5,072	\$3,350	\$2,186	\$1,341	\$1,360
Legal settlement	-	-	-	\$1,227	-	-
Acquisition-related costs/earnout	(\$4,135)	\$1,065	\$2,258	-	-	-
Severance under a plan	-	440	-	-	-	-
Interest (income) expense, net	(\$349)	(\$37)	(189)	(\$669)	(121)	381
Provision for (benefit from) income taxes	-	(\$2,510)	-	-	-	-
Adjusted EBITDA	\$5,934	\$14,616	\$18,396	\$8,348	(\$5,450)	(\$1,469)

Reconciliation of Adjusted EBITDA - 3 Months Ended

(\$ in Thousands)	3 Months Ended				
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Net loss	(\$13,193)	(\$2,529)	(\$8,494)	(\$6,451)	(\$3,756)
Stock-based compensation	\$6,007	\$6,509	\$6,623	\$7,233	\$7,600
Depreciation & amortization	\$1,463	\$1,407	\$1,522	\$1,410	\$1,405
Legal settlement	-	-	-	-	-
Acquisition-related costs/earnout	(\$37)	(\$113)	\$632	(\$96)	(\$3,779)
Restructuring and Other Charges	3,832	-	-	-	-
Interest (income) expense, net	(\$271)	(\$187)	(\$191)	(\$113)	(\$37)
Provision for (benefit from) income taxes	\$78	\$286	-	-	-
Adjusted EBITDA	(\$2,121)	\$5,373	\$92	\$1,983	\$1,433