

# EVERQUOTE

Investor Presentation

May 2024

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These forward-looking statements speak only as of the date of this presentation and are subject to a number of risks, uncertainties and assumptions described in our annual report on Form 10-K, our quarterly reports on Form 10-Q and our current reports on Form 8-K as filed with the Securities and Exchange Commission (“SEC”) from time to time. Additional information will also be set forth in the Company’s quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2024, which will be filed with the SEC. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. 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Some of the key factors that could cause actual results to differ include: (1) our dependence on revenue from the property and casualty insurance industries, and specifically automotive insurance, and exposure to risks related to those industries; (2) our dependence on our relationships with insurance providers with no long-term minimum financial commitments; (3) our reliance on a small number of insurance providers for a significant portion of our revenue; (4) our dependence on third-party media sources for a significant portion of visitors to our websites and marketplace; (5) our ability to attract consumers searching for insurance to our websites and marketplace through Internet search engines, display advertising, social media, content-based online advertising and other online sources; (6) any limitations restricting our ability to market to users or collect and use data derived from user activities; (7) risks related to cybersecurity incidents or other network disruptions; (8) risks related to the use of artificial intelligence; (9) our ability to develop new and enhanced products and services to attract and retain consumers and insurance providers, and to successfully monetize them; (10) the impact of competition in our industry and innovation by our competitors; (11) our ability to hire and retain necessary qualified employees to expand our operations; (12) our ability to stay abreast of and comply with new or modified laws and regulations that currently apply or become applicable to our business, including with respect to the insurance industry, telemarketing restrictions and data privacy requirements; (13) our ability to protect our intellectual property rights and maintain and build our brand; (14) our future financial performance, including our expectations regarding our revenue, cost of revenue, variable marketing margin, operating expenses, cash flows and ability to achieve, and maintain, future profitability; (15) our ability to properly collect, process, store, share, disclose and use consumer information and other data; and (16) the future trading prices of our Class A common stock.

The Company’s presentation also contains estimates, projections, & other information concerning the Company’s industry, the Company’s business & the markets for certain of the Company’s products & services, including data regarding the estimated size of those markets. The information concerning our industry contained in this presentation is based on our general knowledge of and expectations concerning the industry. The Company’s market position, market share and industry market size are based on estimates using our internal data and estimates, data from various industry analyses, our internal research and adjustments and assumptions that we believe to be reasonable. Information that is based on estimates, forecasts, projections, market research, or similar methodologies is inherently subject to uncertainties & actual events or circumstances may differ materially from events & circumstances reflected in this information. Unless otherwise expressly stated, the Company obtained this industry, business, market & other data from reports, research surveys, studies & similar data prepared by market research firms & other third parties, from industry, general publications, & from government data & similar sources. We have not independently verified data from these sources and cannot guarantee their accuracy or completeness.

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 body of water (the Charles River) in the foreground with several sailboats. The city skyline is visible in the background, including a prominent white domed building (the Massachusetts State House) and various modern and older buildings. The text is overlaid on the image.

***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.***

# Key Investment Highlights

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## Insurance Marketplace Leader

**Leading Property and Casualty<sup>1</sup> ("P&C")** online insurance marketplace providing compelling benefits for consumers and insurance providers

## Massive Market Opportunity

**\$100b+ in annual P&C insurance distribution and advertising spend** in the early phases of shifting online provides **multi-year tailwind<sup>2</sup>**

## Proprietary Tech and Data

Proprietary platforms improving the way **insurance providers attract and connect** with consumers shopping for insurance

## Extensive Distribution

Extensive distribution channels with **Carriers and Local Agent Network<sup>3</sup>**

## Attractive Business Model

**Asset-Light** model, with strong operating leverage, well positioned as the auto insurance market recovers

# Company Overview

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## Company Snapshot

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- One of the insurance industry's largest online customer acquisition and distribution platforms
- Highly scalable, proprietary data platform leveraging 3.0b+ consumer data points amassed over a decade<sup>1</sup>
- "Hybrid Marketplace" with extensive distribution: ~75 carriers and ~6,000 3<sup>rd</sup> 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

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**Providers:** efficiently acquire consumers

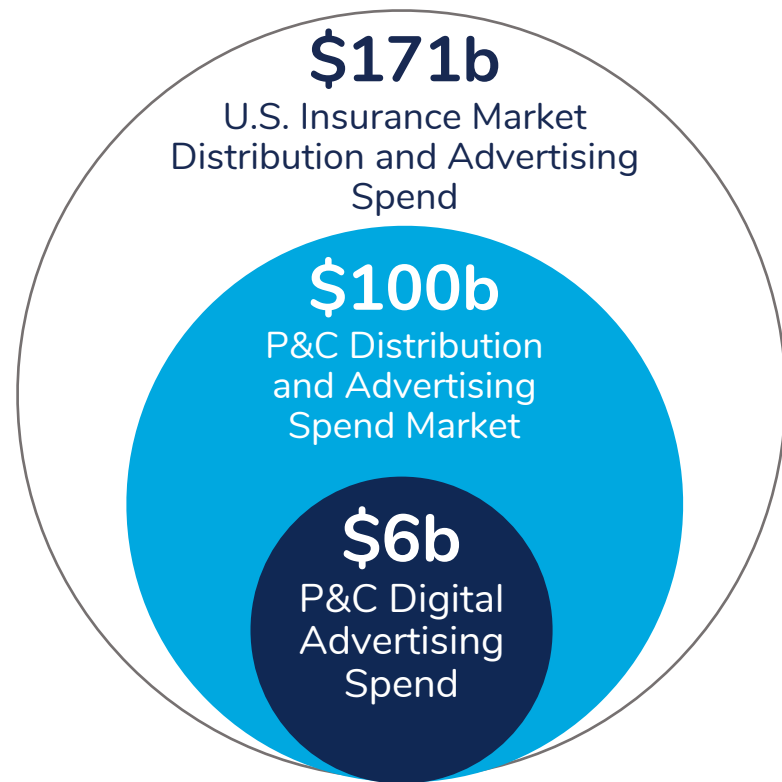
- Large volume of **high intent consumers**
- **Higher ROI** from target-based consumer attributes
- Opportunity to acquire consumer **referrals**

**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 and Advertising Spend<sup>1</sup>



## Highlights<sup>2</sup>

**<1%**  
Estimated share of P&C  
Distribution and Advertising  
Spend Market

**<5%**  
Estimated share of P&C Digital  
Advertising Spend Market

**~10%**  
Estimated Digital Advertising  
Spend Growth<sup>3</sup>

## 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

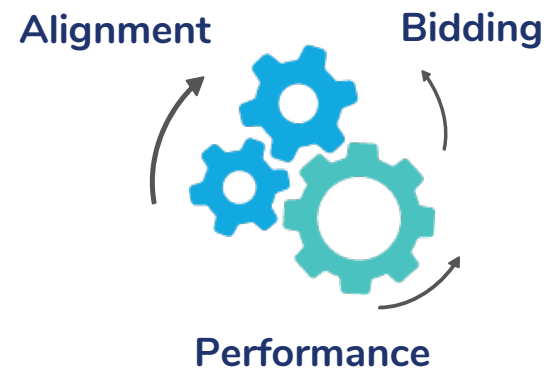
- SEM
- Performance Media
- Calls
- Clicks
- Partnerships
- Other<sup>1</sup>

## Consumer Arrival

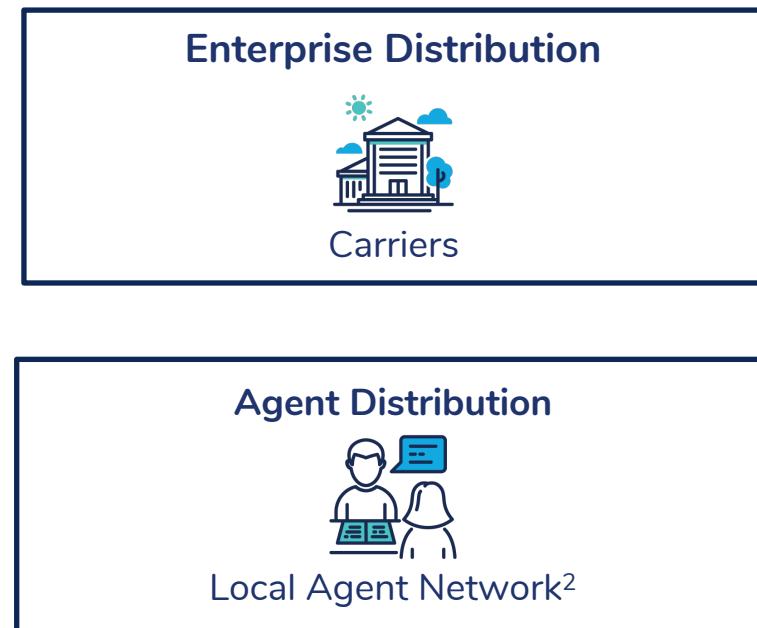


## Consumer Routing

## Provider Matching



## Provider Engagement



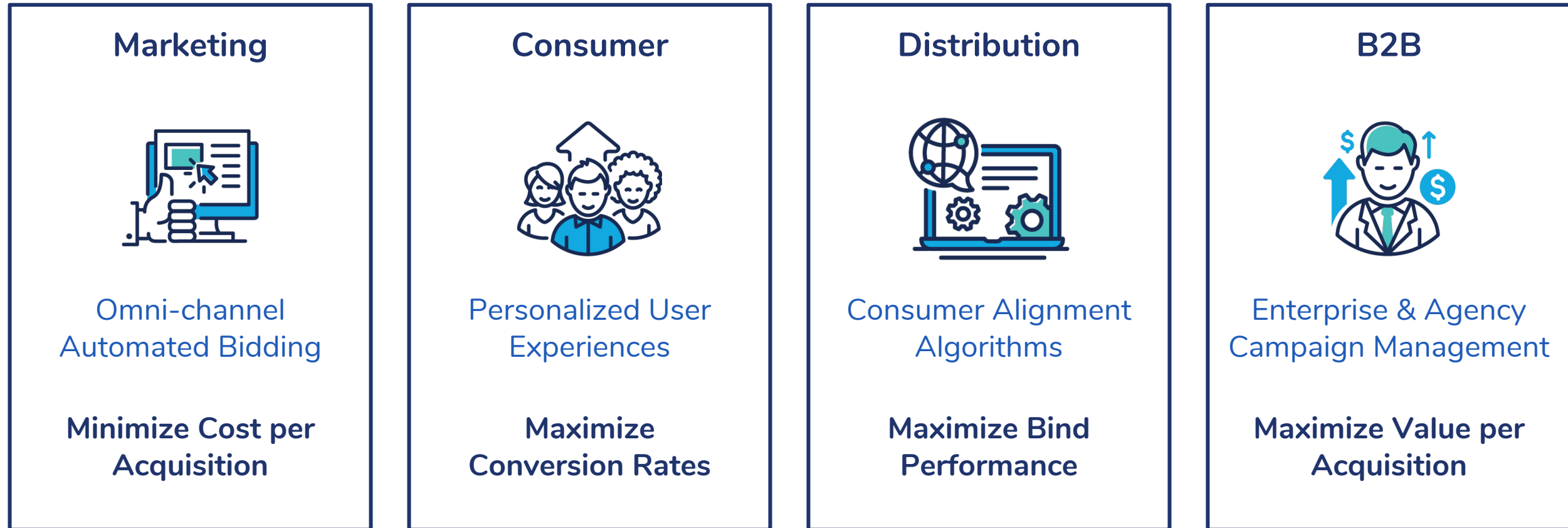
## Representative Carriers<sup>3</sup>



1. Other includes organic search, direct-to-site, partner exchange & other traffic sources  
 2. In addition to the 3<sup>rd</sup> party agent network, EverQuote has a small 1<sup>st</sup> party agent presence  
 3. Based on Company data & representative of the insurance provider partners on the platform as of December 31, 2023

# Proprietary Platforms Strengthen Competitive Moat

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



**3.0b+ Consumer Submitted Data Points Since Inception<sup>1</sup>**

# 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; significantly reduce consumer acquisition spend

## 2024 Auto Insurance Outlook



Auto carriers are receiving rate increase approvals, allowing insurers to restore adequate profitability



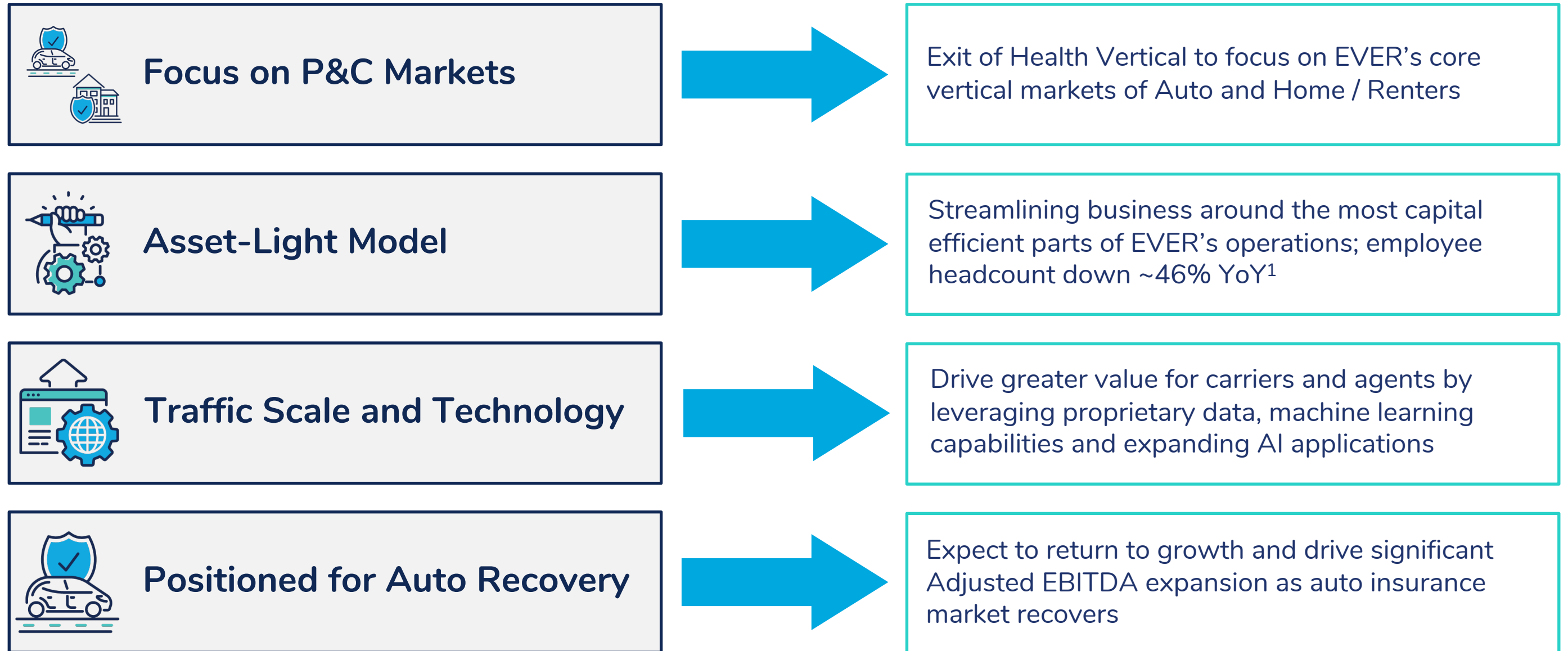
Cost of claims are stabilizing and loss pressures are showing signs of easing



Signs of improvement are shown in early 2024; timing for full auto recovery remains uncertain

**Early stages of auto recovery has begun as carriers reactivate marketing campaigns in our marketplace**

# 2024 Strategic Focus

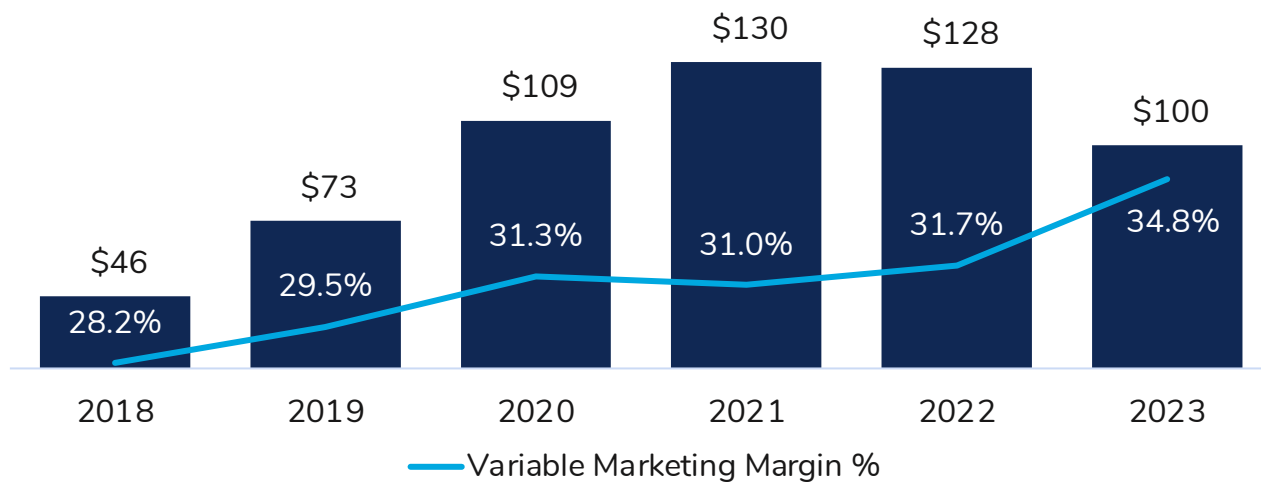


# Financial Overview

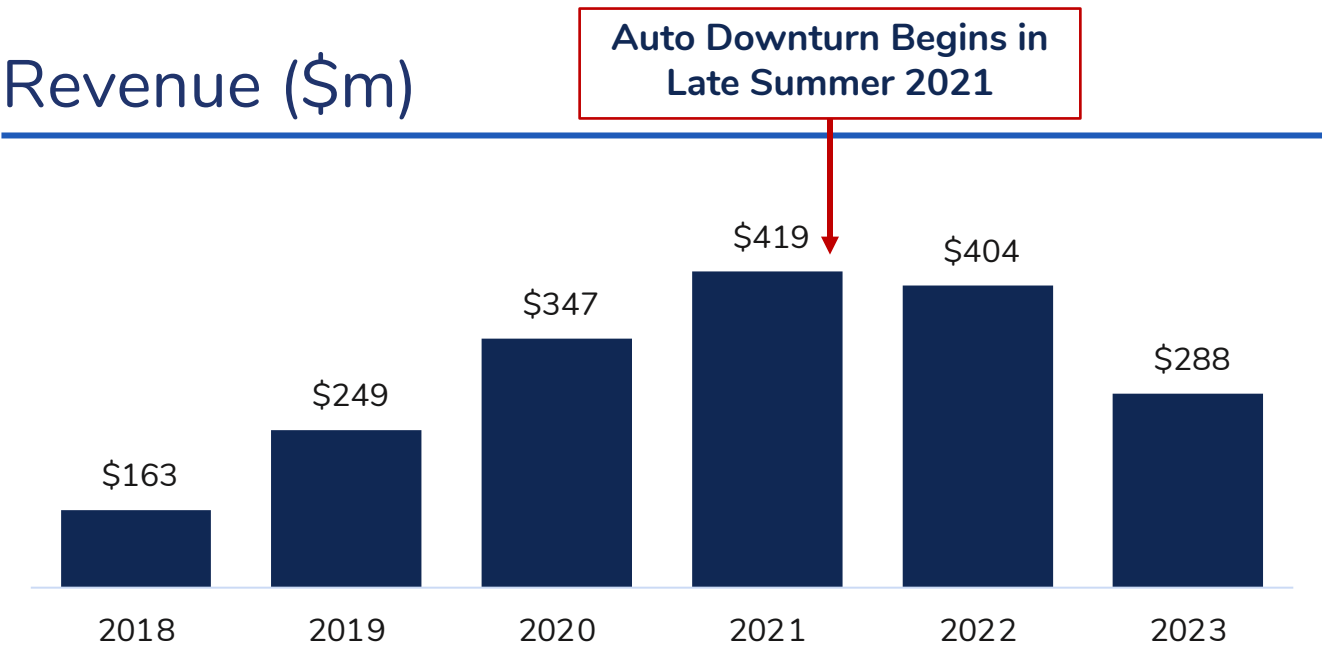
## Summary

- Auto carrier recovery is expected to drive a significant rebound to Revenue and VMM growth
- Adjusted EBITDA margin expected to return to pre-downturn levels as the auto insurance market recovers

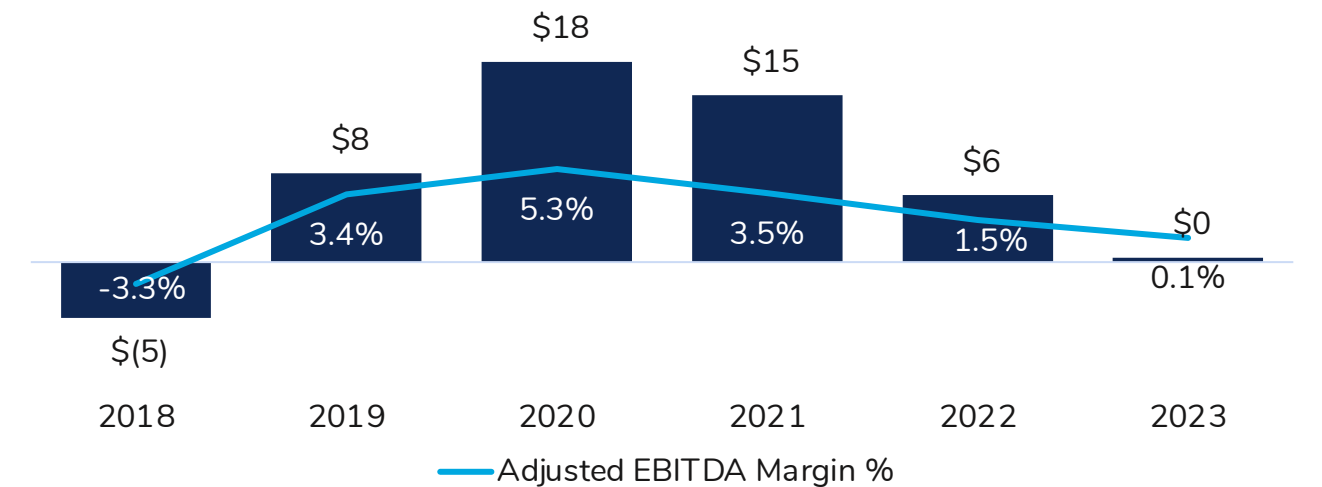
## Variable Marketing Margin (\$m)



## Revenue (\$m)



## Adjusted EBITDA (\$m)

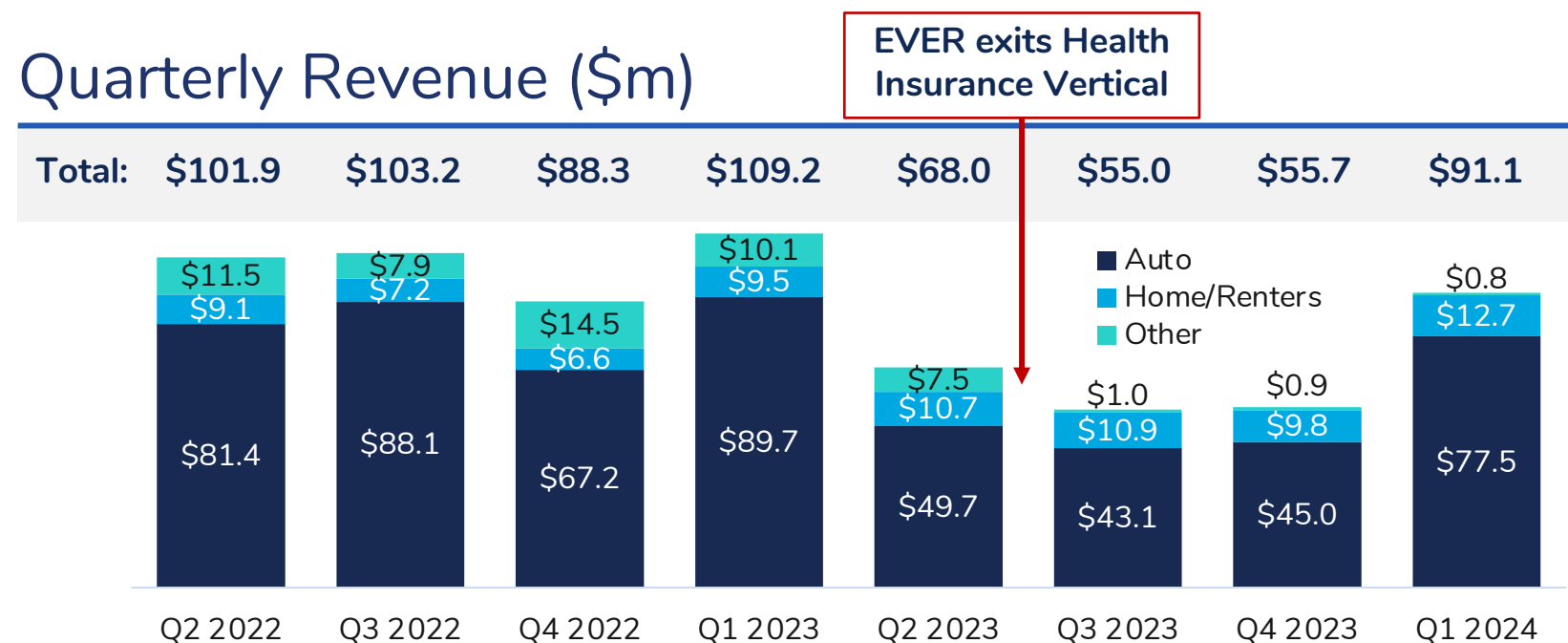


# Revenues by Verticals

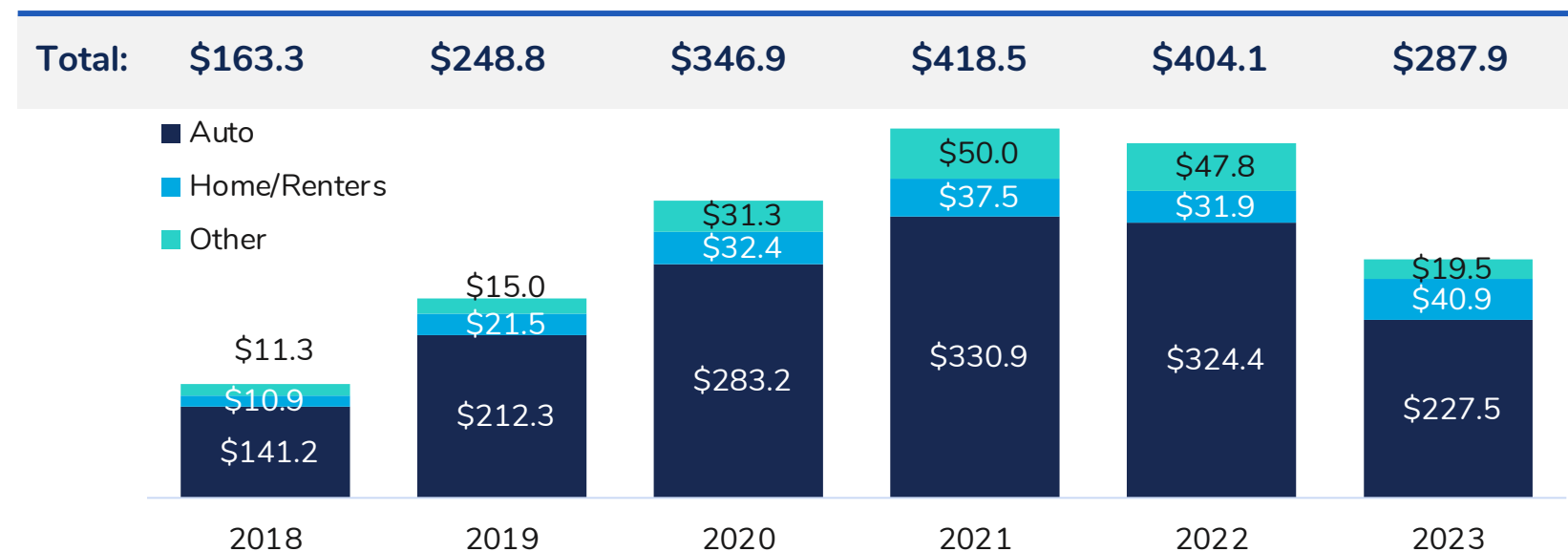
## Summary

- Following our exit of the Health insurance vertical at the end of Q2 2023, revenue from our Other<sup>1</sup> vertical significantly declined
- Starting in Q3 2023, EVER started reporting two main verticals - Auto and Home/Renters
- EVER's Q1 2024 revenue totaled \$91.1m, of which 99% was Auto and Home/Renters
- Auto Q1 2024 revenue increased 42% QoQ and declined 14% YoY
- Home/Renters Q1 2024 revenue increased 29% QoQ and 34% YoY

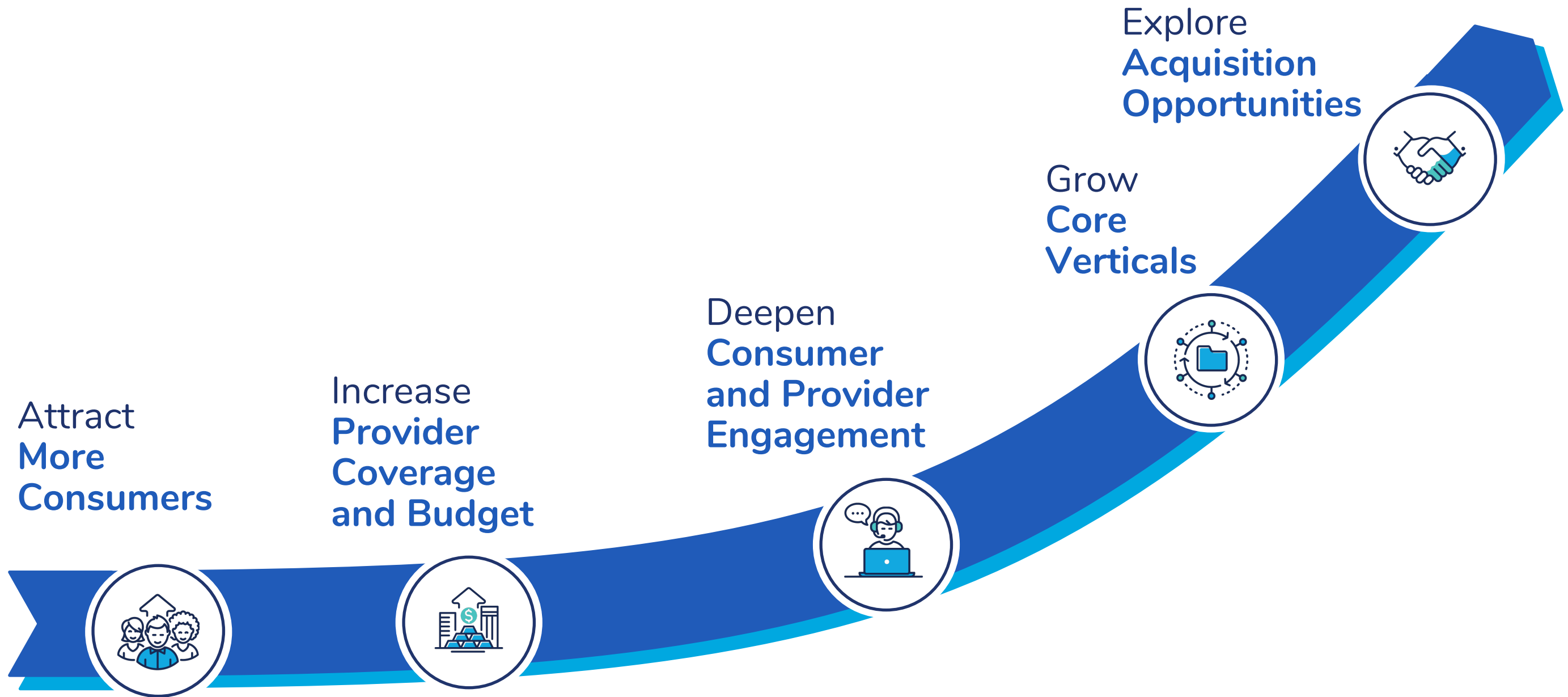
## Quarterly Revenue (\$m)



## Annual Revenue (\$m)



# Multiple Levers to Drive Future Growth



NASDAQ: EVER

# Appendix

# Key Metrics Definitions

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## 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, 2023 | December 31, 2022 | December 31, 2021 | December 31, 2020 | December 31, 2019 | December 31, 2018 |
| Net Income (Loss)                         | (\$51,287)        | (\$24,416)        | (\$19,434)        | (\$11,202)        | (\$7,117)         | (\$13,791)        |
| Stock-based compensation                  | \$22,808          | \$28,986          | \$30,020          | \$24,179          | \$12,721          | \$7,121           |
| Depreciation & amortization               | \$6,196           | \$5,848           | \$5,072           | \$3,350           | \$2,186           | \$1,341           |
| Legal settlement                          | -                 | -                 | -                 | -                 | \$1,227           | -                 |
| Acquisition-related costs/earnout         | (\$150)           | (\$4,135)         | \$1,065           | \$2,258           | -                 | -                 |
| Restructuring and Other Charges           | \$23,568          | -                 | 440               | -                 | -                 | -                 |
| Interest (income) expense, net            | (\$1,251)         | (\$349)           | (\$37)            | (189)             | (\$669)           | (121)             |
| Provision for (benefit from) income taxes | \$577             | -                 | (\$2,510)         | -                 | -                 | -                 |
| <b>Adjusted EBITDA</b>                    | <b>\$461</b>      | <b>\$5,934</b>    | <b>\$14,616</b>   | <b>\$18,396</b>   | <b>\$8,348</b>    | <b>(\$5,450)</b>  |

# Reconciliation of Adjusted EBITDA - 3 Months Ended

| (\$ in Thousands)                         | 3 Months Ended |                   |                    |                  |                |
|---|----------------|-------------------|--------------------|------------------|----------------|
|   | March 31, 2024 | December 31, 2023 | September 30, 2023 | June 30, 2023    | March 31, 2023 |
| Net Income (Loss)                         | \$1,907        | (\$6,348)         | (\$29,217)         | (\$13,193)       | (\$2,529)      |
| Stock-based compensation                  | \$4,518        | \$4,813           | \$5,479            | \$6,007          | \$6,509        |
| Depreciation & amortization               | \$1,263        | \$1,075           | \$2,251            | \$1,463          | \$1,407        |
| Legal settlement                          | -              | -                 | -                  | -                | -              |
| Acquisition-related costs/earnout         | -              | -                 | -                  | (\$37)           | (\$113)        |
| Restructuring and Other Charges           | -              | (\$21)            | \$19,757           | 3,832            | -              |
| Interest (income) expense, net            | (\$386)        | (\$382)           | (\$411)            | (\$271)          | (\$187)        |
| Provision for (benefit from) income taxes | \$286          | (\$23)            | \$236              | \$78             | \$286          |
| <b>Adjusted EBITDA</b>                    | <b>\$7,588</b> | <b>(\$886)</b>    | <b>(\$1,905)</b>   | <b>(\$2,121)</b> | <b>\$5,373</b> |