

EVERQUOTE

Investor Presentation

August 2020

Disclaimer

This presentation contains forward-looking statements. All statements other than statements of historical facts contained in this presentation, including statements regarding possible or assumed future results of operations, business strategies, development plans, regulatory activities, competitive position, potential growth opportunities, & the effects of competition are forward-looking statements. These statements involve known & unknown risks, uncertainties & other important factors that may cause actual results, performance or achievements of EverQuote, Inc. (“the Company”) to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “should,” “expect,” “plan,” “project,” “estimate,” or “potential” or the negative of these terms or other similar expressions. The forward-looking statements in this presentation are only predictions. The Company has based these forward-looking statements largely on its current expectations & projections about future events & financial trends that it believes may affect the Company’s business, financial condition & results of operations. These forward-looking statements speak only as of the date of this presentation & are subject to a number of risks, uncertainties & assumptions, some of which cannot be predicted or quantified & some of which are beyond the Company’s control. The events & circumstances reflected in the Company’s forward-looking statements may not be achieved or occur, & actual results could differ materially from those projected in the forward-looking statements, including as a result of: (1) the Company’s ability to attract and retain consumers and insurance providers using the Company’s marketplace; (2) the Company’s ability to maintain or increase the amount providers spend per quote request; (3) the effectiveness of the Company’s growth strategies and its ability to effectively manage growth; (4) the Company’s ability to maintain and build its brand; (5) the Company’s reliance on its third-party service providers; (6) the Company’s ability to develop new and enhanced products and services to attract and retain consumers and insurance providers, and the Company’s ability to successfully monetize them; (7) the impact of competition in the Company’s industry and innovation by the Company’s competitors; (8) the Company’s expected use of proceeds from its initial public offering; and (9) developments regarding the insurance industry and the transition to online marketing; (10) the effects of the COVID-19 pandemic; and (11) as a result of the risks described in the “Risk Factors” section of the Company’s most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q & the other filings that the Company makes with the Securities & Exchange Commission from time to time. Moreover, new risk factors & uncertainties may emerge from time to time, & it is not possible for management to predict all risk factors & uncertainties that the Company may face. Except as required by applicable law, the Company does not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

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. 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 present 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 of adjusted EBITDA to the most directly comparable GAAP measure is included in the Appendix to these slides.

An aerial photograph of a city, likely Boston, featuring a large domed building (the Massachusetts State House) on the left, surrounded by green trees. The city is built on a hillside, with various buildings and streets visible. In the foreground, a body of water (the harbor) is visible, with several sailboats and a small boat. The text "Our mission" is centered in the upper half, and "Empower insurance shoppers to better protect life's most important assets—their family, property, and future." is centered below it.

Our mission
Empower insurance shoppers
to better protect life's most important
assets—their family, property, and future.

Key Investment Highlights

Insurance Marketplace

Leading online insurance marketplace providing compelling benefits for consumers & insurance providers

Massive Market Opportunity

\$146bn in annual industry advertising & distribution spend, with spend shifting online

Competitive Advantage

Unique data assets & technology, combined with machine learning, are driving network effects & competitive moat

Leveraged Model

Scalable platform enabling rapid expansion into new verticals

Strong Financial Profile

Revenue CAGR of 32%¹, strong re-occurring revenue model & operating discipline resulting in expanding adjusted EBITDA and path to profitability

1. Based on compound annual growth rate 2014 – 2019.

EverQuote Company Snapshot

Founded*
2011
* First year of revenue

IPO
June 28, 2018

LTM
Revenue Growth
59%

LTM Variable Marketing
Margin Growth
69%

LTM Quote
Request Growth
71%

Headquarters
Cambridge, MA

Employees
300+

Insurance Verticals



Auto



Home & Renters



Life



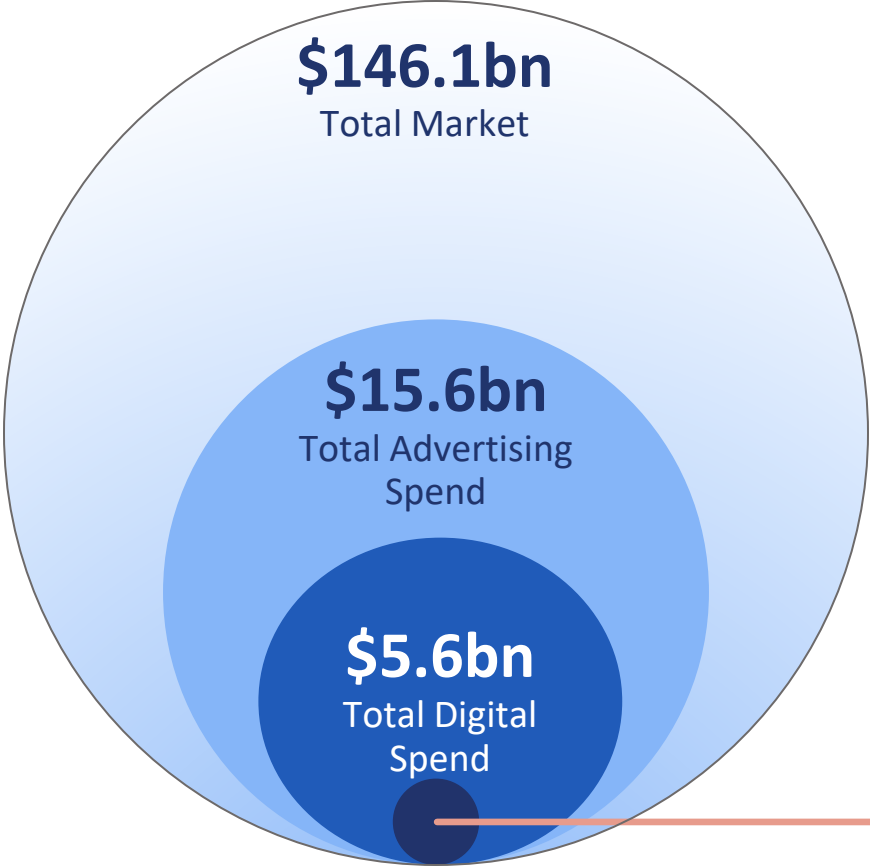
Health



Commercial

Large & Expanding TAM

U.S. Insurance Market: Distribution & Ad Spend



Projected Annual Growth to 2024

Total Market Growth: ~3%
EVER Share: <1%

Total Digital Spending Growth: ~ 16%
EVER Share: <10%

Growth Drivers



*Continued shift of
consumer time spent
online*



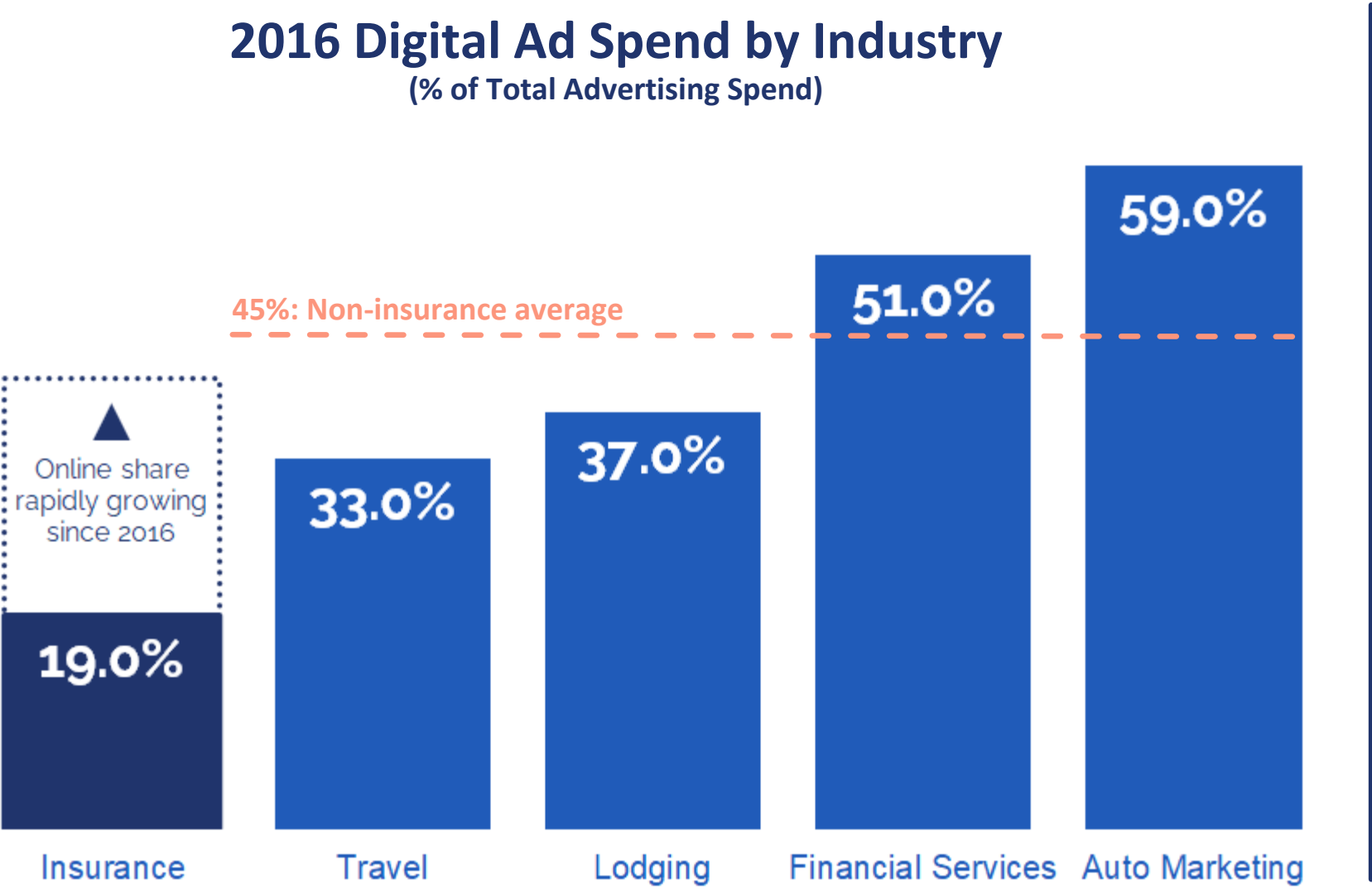
*Continued shift of
acquisition spend online*



*Continued shift to
digitization of
insurance products
& workflows*

Source: Stax Consulting, Inc., S&P Global Market Intelligence SNL Insurance Data, IIABA.
1. EverQuote is not reaffirming this guidance as of the date of this presentation & makes no statement with respect this guidance other than such guidance was provided by EverQuote as of August 4, 2020.

Increasing Carrier Digital Marketing Spend



Carriers moving to match digital spend of other industries

16+%

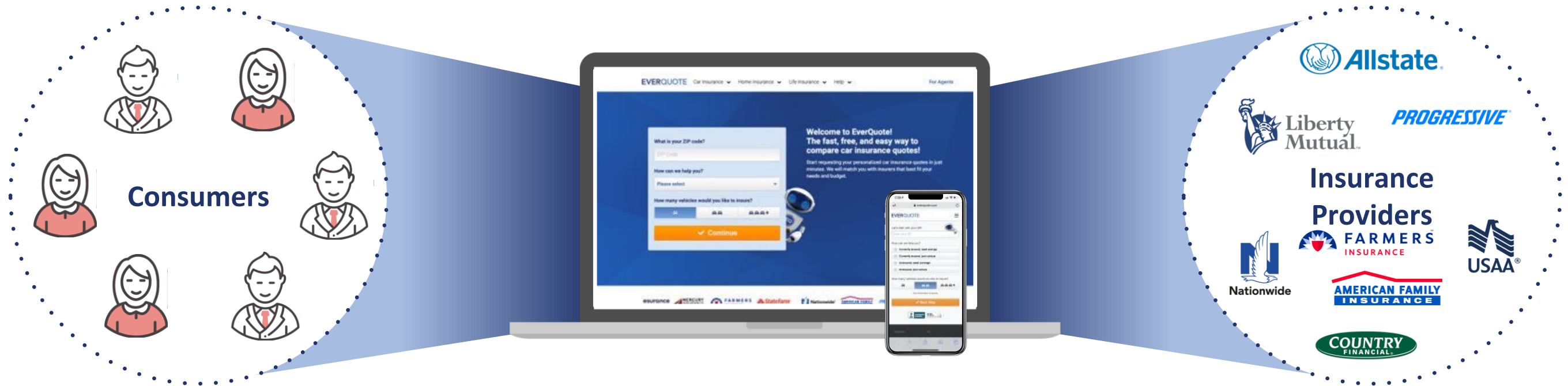
Projected annual growth of carrier digital marketing budgets over the next 5 years

70%

Percentage of carriers that expect to grow their digital marketing budgets more than 10% annually over the next five years

Source: Stax, Inc. eMarketer, Web Survey & Analysis (December 2019), comScore survey.

Compelling Model Benefits Both Consumers & Providers



Consumers Save Time & Money

Match & connect for multiple quotes

Average Savings \$610 per year¹

More Efficient Acquisition for Providers

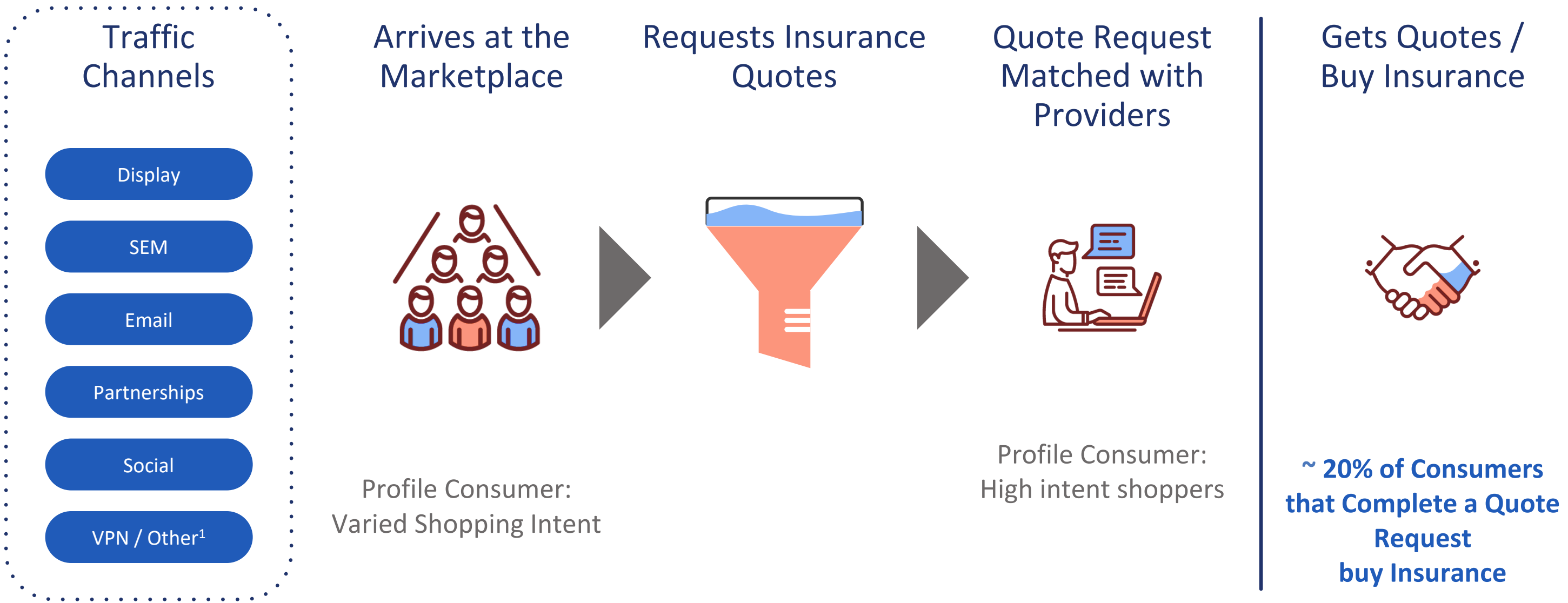
Large volume of high intent consumers

Target based consumer attributes tied to ROI

Addresses the alignment challenges inherent in the fragmented insurance market


1. Estimated average annual premium savings of \$610 based on a countrywide survey between November 2018 & April 2019 of EverQuote users that reported old & new premiums.

Marketplace Consumer Journey




1. Other includes organic search, direct-to-site, inbound calls, & other traffic sources.
Bind-rate based on phone surveys of consumers who completed quote requests, conducted in August through December 2018 and January through April 2019.


Distribution Strength of our Marketplace




100+
carriers available via the marketplace



19 of 20
top auto insurance carriers



8,000+
agents



66%
of carriers have “deep” technology integrations











Based on Company data and representative of the insurance provider partners on the platform as of June 30, 2020.

Data Assets Create Significant Competitive Moat



182bn

Cumulative
Ad Impressions Served



80mm

Cumulative
Quote Requests



\$770mm

Cumulative
Digital Ad Spend



300+

Acquisition Channels



~2 billion

Consumer Submitted
Data Points

Leverage proprietary machine learning
& automated infrastructure

*Note: Cumulative figures since launch through June 30, 2020
Source: Company data, Facebook, Statista, comScore & OperaMedia.*

Data Science & Machine Learning Support Growth



Create Operating Leverage

Build generalizable & scalable solutions for data problem classes across the organization



Drive Incremental VMM

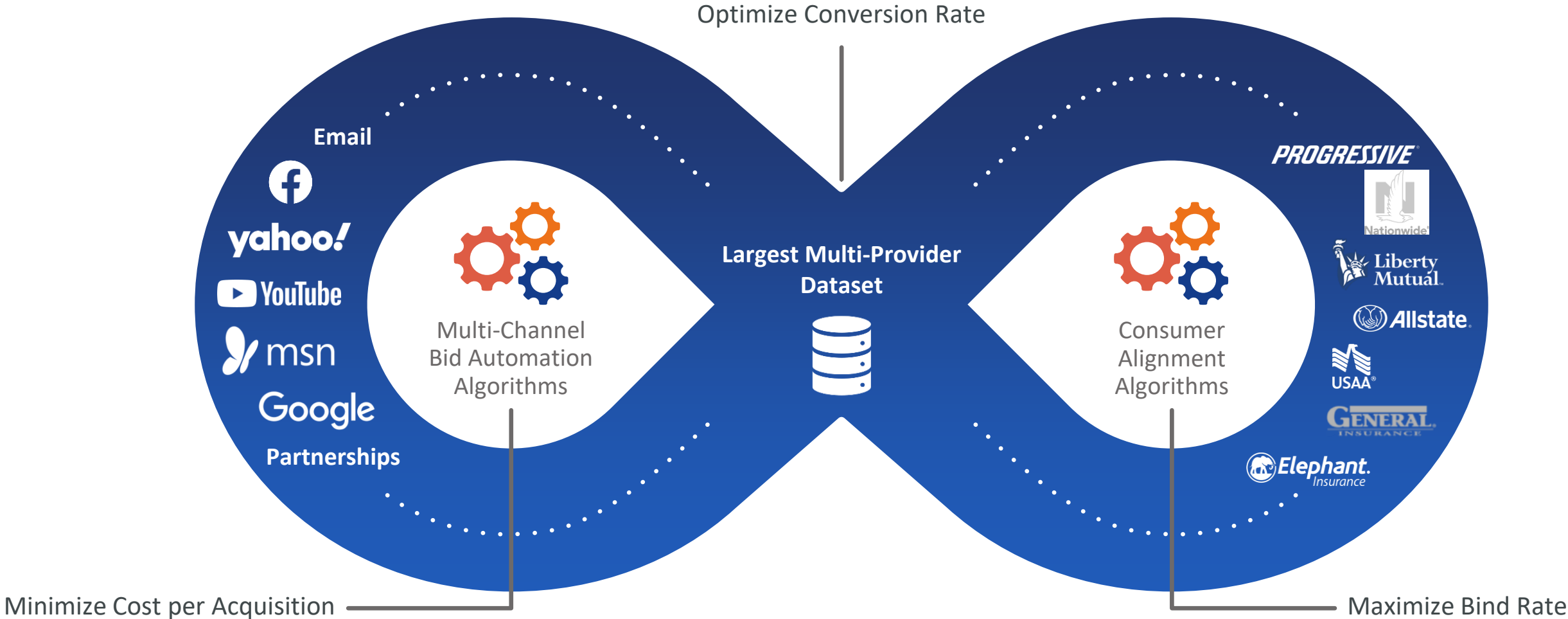
Design Machine Learning products to create performance lift with equal or less operational toil



Enhance Agility

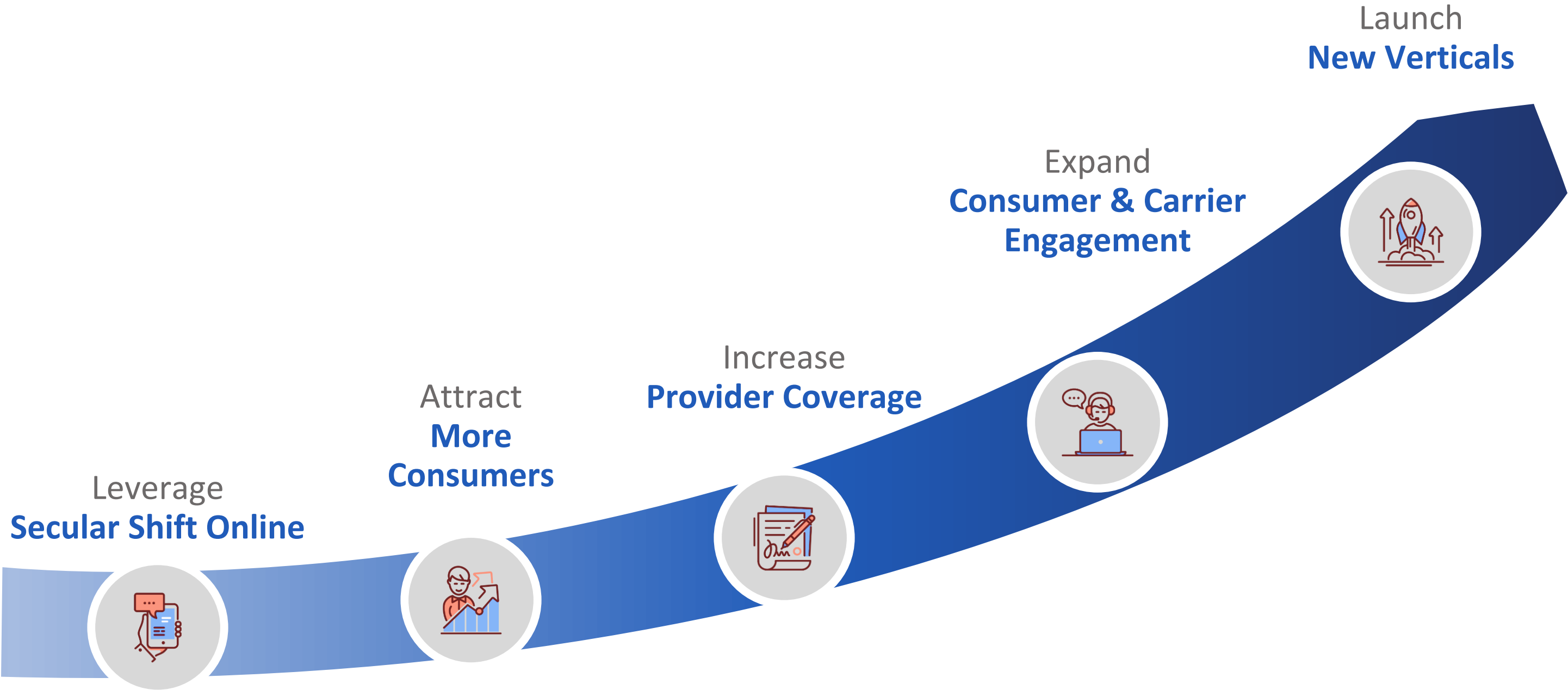
Able to quickly evolve to changing market dynamics

Data & Tech Stack Drives Growth & Leverage



Growth of Consumer Volume, Provider Diversity & Product Verticals

Levers Driving Future Growth



EverQuote to Acquire Leading Health Insurance Agency



- Crosspointe is a sales and decision support contact center that connects consumers to high quality health insurance in a customer-centric environment.
- Founded in 2008; based in Evansville, Indiana.
- Crosspointe has ~30 full-time employees, the majority of whom are licensed agents

Our Acquisition Rationale




Our World-Class, Founder-Led Team


Drawn from top universities...



150+ employees working in
engineering / applied math¹



Seth Birnbaum
CEO &
Co-Founder



Tomas Revesz
CTO &
Co-Founder

Headquartered in
Cambridge, MA

... & from tech & professional
services powerhouses



Proven track record
of innovation & team building

1. Analysts, Data Scientists, Engineers working in our Engineering, Analytics, and Product & Design divisions.

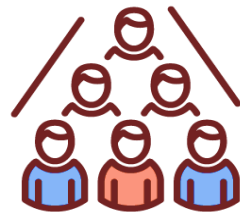
Strong performance demonstrates resiliency of our model and the insurance market



Carriers

Fewer auto claims as consumer stay-at-home

Carriers continue to invest with a focus on high ROI, online customer acquisition



Consumers

Acceleration in shift to online shopping

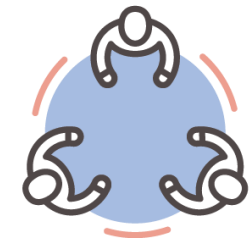
Providing an opportunity to save on non-discretionary expenses like auto insurance



Agents

Greater adoption by agents of digital channels

Increasing demand for online consumer referrals



Team

Maintaining high productivity throughout pandemic

Continuing to expand workforce, leveraging favorable market dynamics

COVID-19 is accelerating the long-term shift of insurance online

Financial Overview

Second Quarter 2020 Highlights

41%

Revenue increased 41% YoY to \$78.3mm

41%

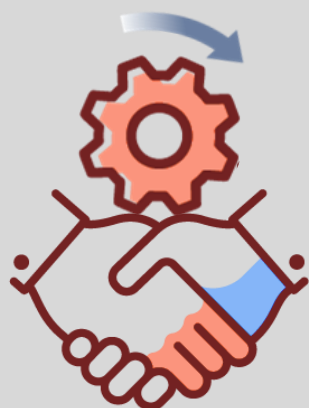
VMM increased 41% YoY to \$23.5mm



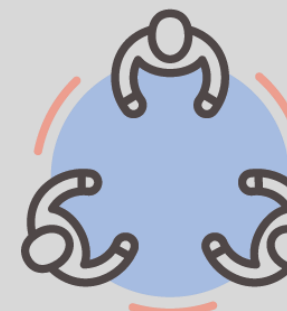
Achieved Adjusted EBITDA of \$4.0mm

50%

Quote requests increased 50% YoY



Obtained “deep” technology integrations with 66% of carriers



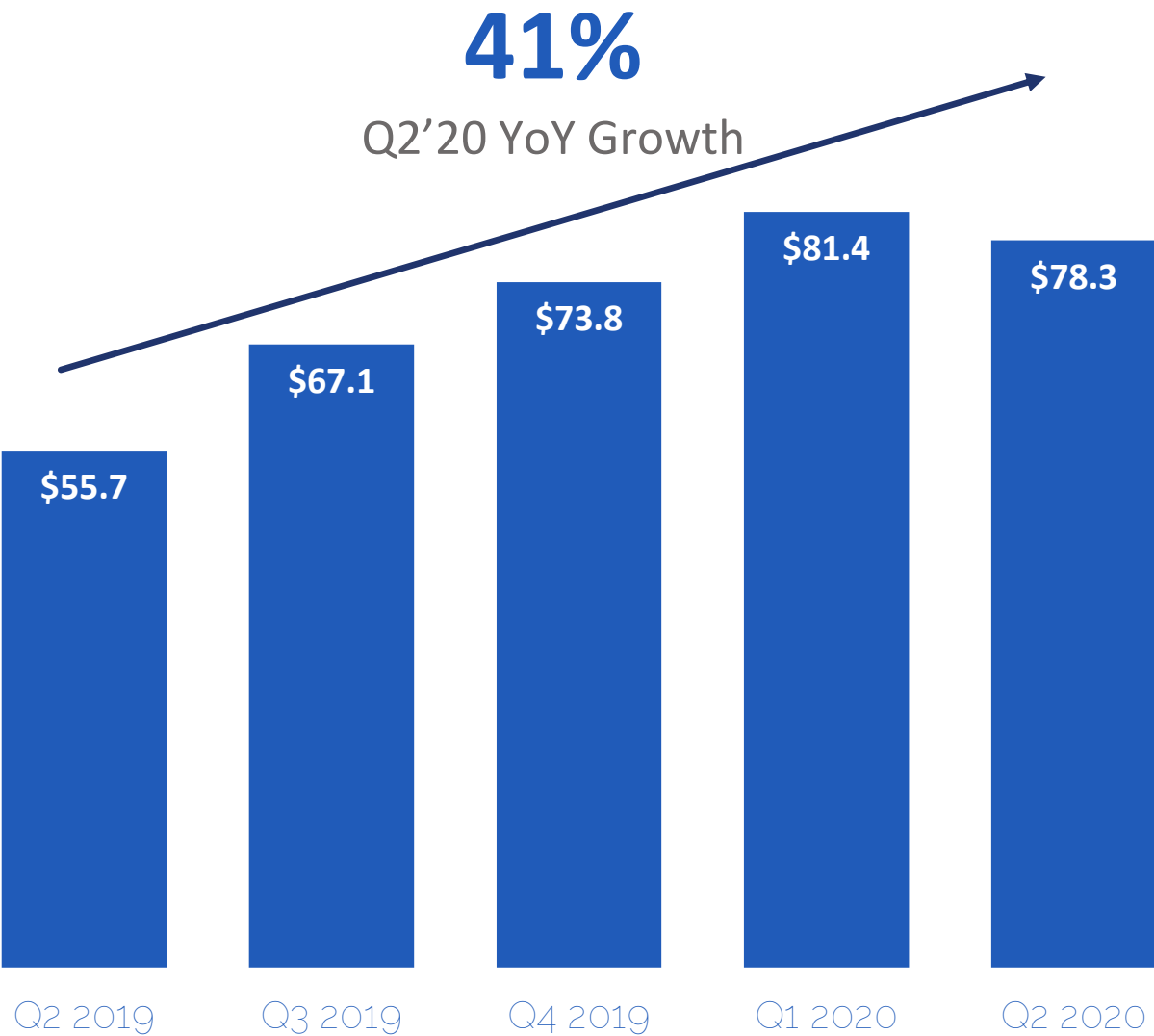
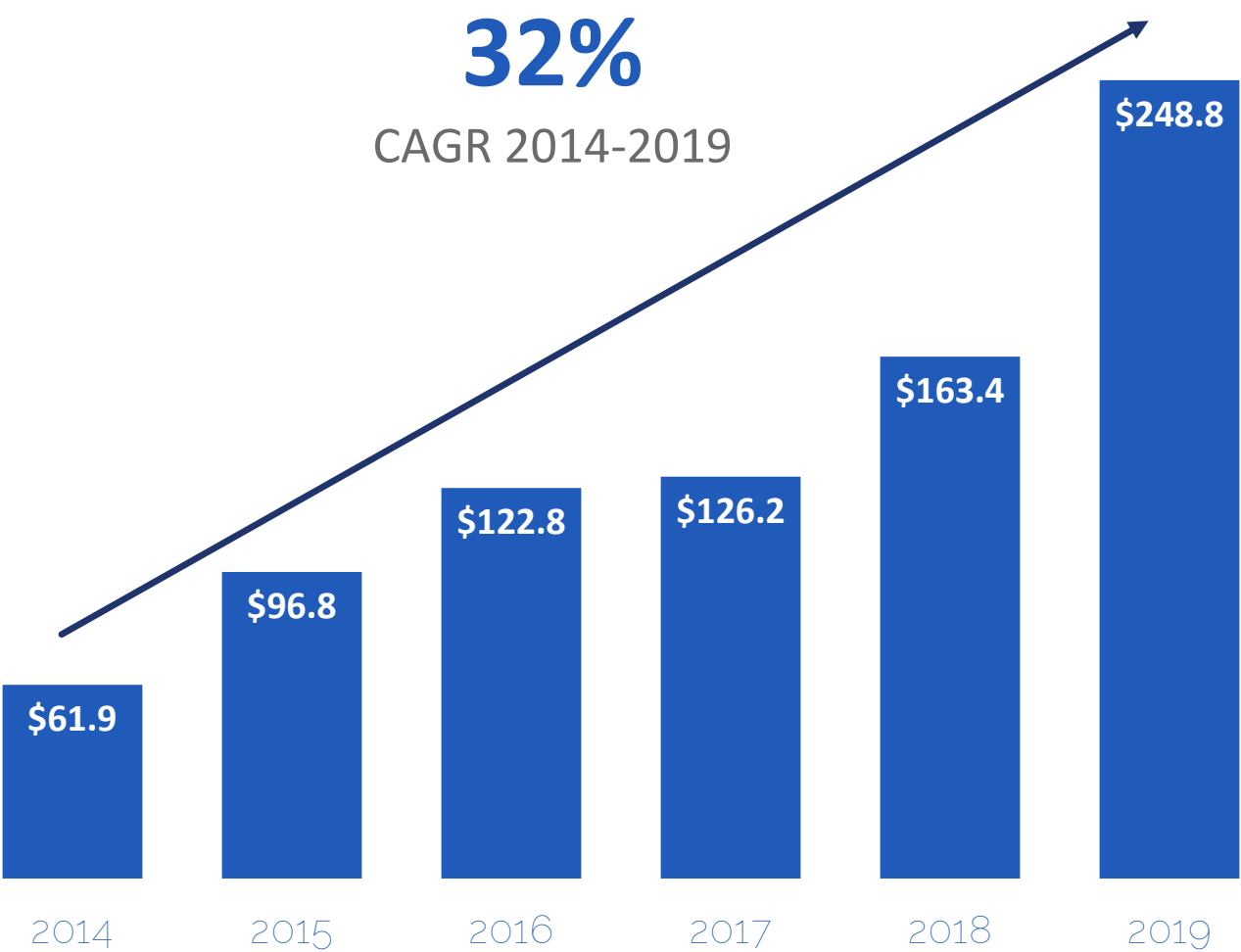
Remotely onboarded several dozen employees, including 20 engineers

Company raised full year guidance

Note: Adjusted EBITDA is a non-GAAP metric, refer to financial reconciliation for additional detail.

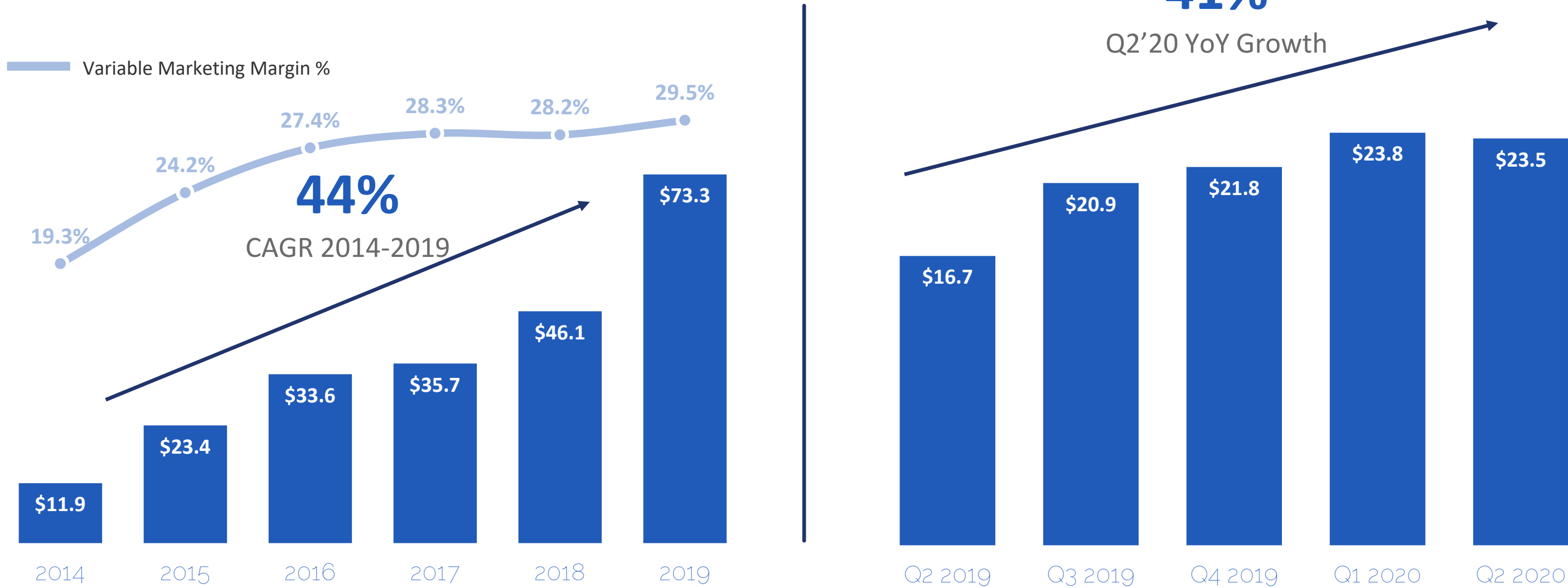
Track Record of Strong Growth

Revenue (\$mm)



Delivering Incremental Variable Marketing Margin

Variable Marketing Margin (\$mm)



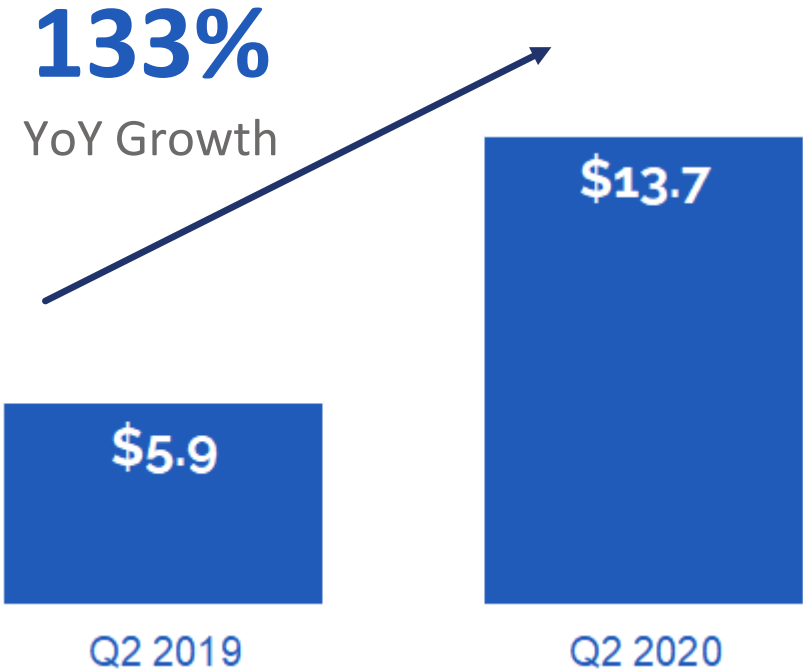
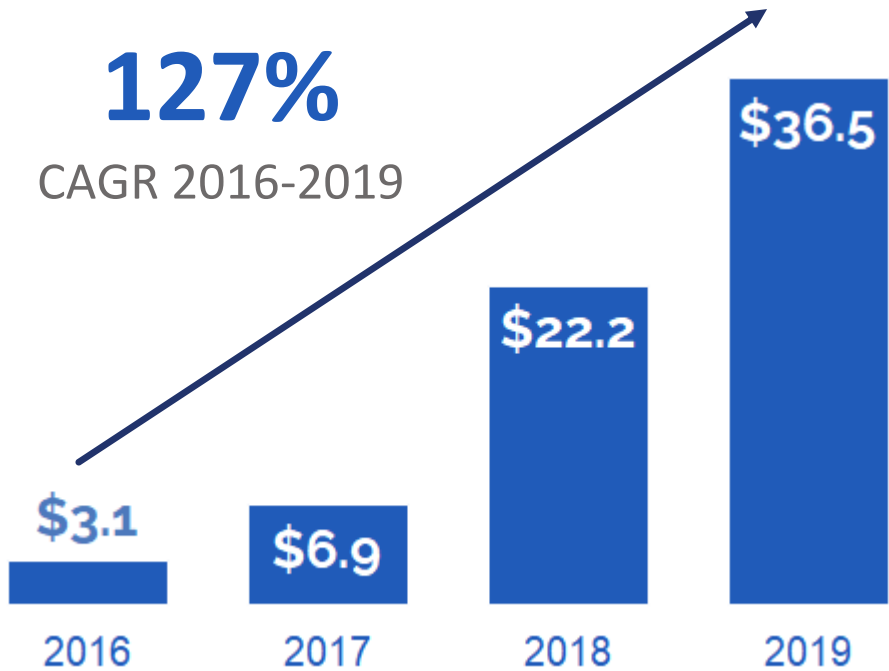
1. Beginning in the first quarter of 2019, we revised our definition of variable marketing margin, or VMM. The VMM displayed above reflects our revised definition of VMM for all years presented. Refer to Key Metrics Definitions in the Appendix for a definition of VMM.

Rapid Expansion into New Verticals with Scalable Model

✓ Traffic leverage: Target advertising opportunities leveraging expertise & technology

✓ Sales leverage: Ability to cross-sell traffic to existing customers

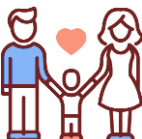
Revenue from Non-Auto Verticals (\$mm)



Non-Auto Verticals



Home & Renters



Life



Health

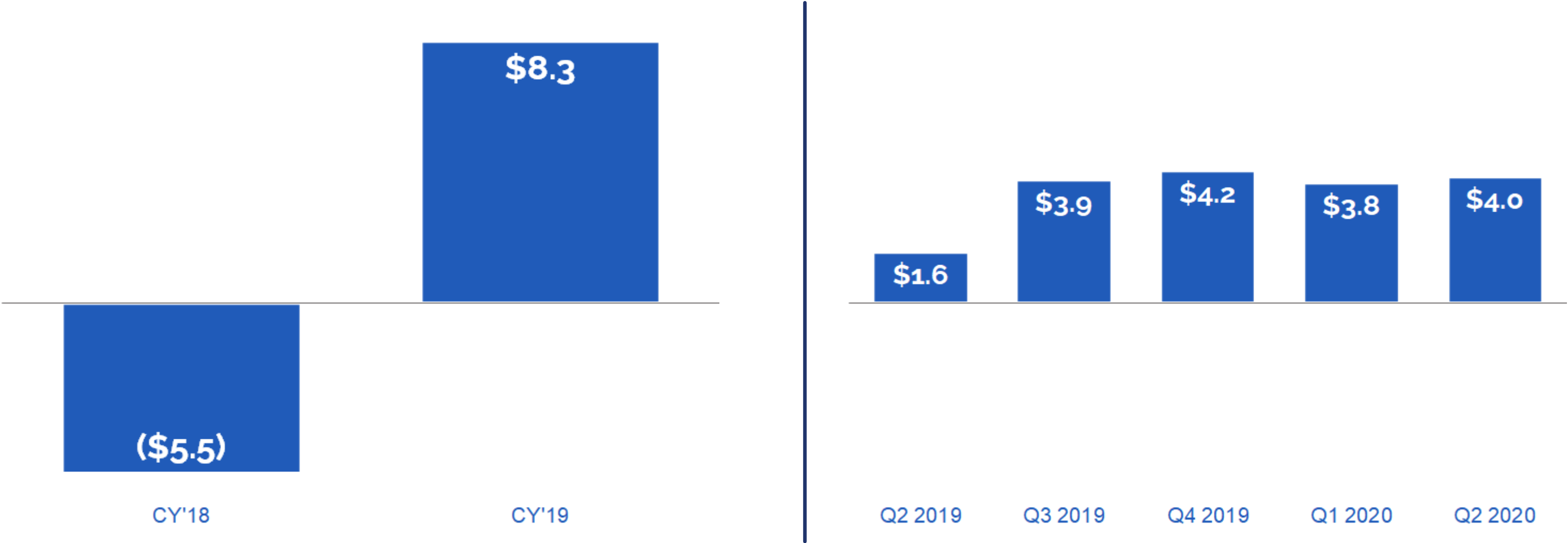


Commercial

Non-auto verticals include our home and renters, life, health and commercial insurance verticals.

Driving Growth & Profitability

Adjusted EBITDA (\$mm)



Note: Adjusted EBITDA is a non-GAAP metrics, refer to financial reconciliation for additional detail.

NASDAQ: EVER

Appendix

Key Metrics Definitions

Quote Requests	Quote requests are consumer-submitted website forms that contain the data required to provide an insurance quote, quote requests we receive through offline channels such as telephone calls, quote requests via our EverDrive app & quote requests submitted directly to third-party partners. As we attract more consumers to our platform & they complete quote requests, we are able to refer them to our insurance provider customers, selling more referrals while also collecting data, which we use to improve user experience, conversion rates & consumer satisfaction.
Variable Marketing Margin	Beginning in the first quarter of 2019, we revised our definition of variable marketing margin, or VMM, as revenue, as reported in our statements of operations & comprehensive loss, less advertising costs (a component of sales & marketing expense, as reported in our statements of operations & comprehensive loss). We use VMM to measure the efficiency of individual advertising & consumer acquisition sources & to make trade-off decisions to manage our return on advertising.
Adjusted EBITDA	We define adjusted EBITDA as net loss, adjusted to exclude: stock-based compensation expense, depreciation & amortization expense, legal settlement expense, and interest (income) expense, net. 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

(\$ in Thousands)

	Three Months Ended					12 Months	
	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	December 31, 2019	December 31, 2018
Net income (loss)	(\$2,808)	(\$1,442)	(\$934)	\$173	(\$1,974)	(\$7,117)	(\$13,791)
Stock-based compensation	\$6,250	\$4,540	\$3,464	\$3,269	\$3,238	\$12,721	\$7,121
Depreciation & amortization	\$594	\$849	\$593	\$588	\$524	\$2,186	\$1,341
Legal settlement	-	-	\$1,227	-	-	\$1,227	-
Interest (income) expense, net	(\$47)	(\$111)	(\$133)	(\$168)	(\$184)	(\$669)	(\$121)
Adjusted EBITDA	\$3,989	\$3,836	\$4,217	\$3,862	\$1,604	\$8,348	(\$5,450)