

# EVERQUOTE

## Investor Presentation

November 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," "guidance," 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.

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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 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 greenery. The city skyline is visible in the background with various buildings. In the foreground, a body of water (the harbor) has several sailboats. The text is overlaid in the center of the image.

**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 33%<sup>1</sup>, strong re-occurring revenue model & operating discipline resulting in expanding adjusted EBITDA and path to profitability

1. Based on compound annual growth rate 2014 – 2020, based on mid-point of CY2020 guidance range

# EverQuote Company Snapshot

Founded\*  
**2011**  
\* First year of revenue

IPO  
**June 28, 2018**

LTM  
Revenue Growth  
**51%**

LTM Variable Marketing  
Margin Growth  
**60%**

LTM Quote  
Request Growth  
**51%**

Headquarters  
**Cambridge, MA**

Employees  
**425+**

## Insurance Verticals



Auto



Home & Renters



Life



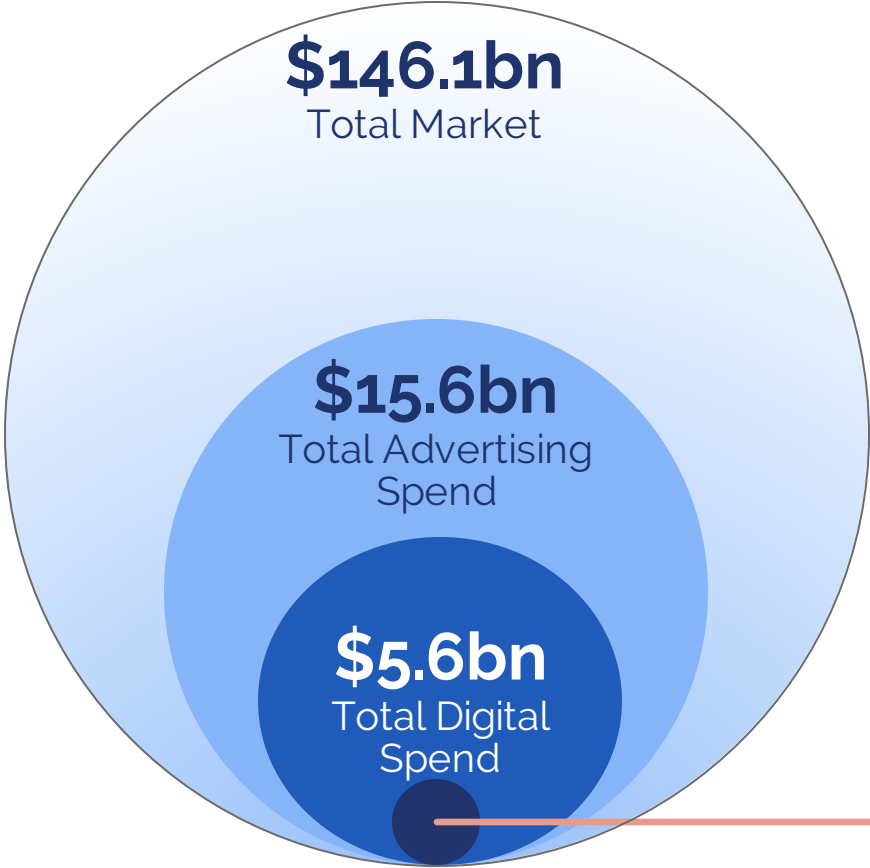
Health



Commercial

# Large & Expanding TAM

## U.S. Insurance Market: Distribution & Ad Spend



**\$341.0mm<sup>1</sup>**  
EverQuote 2020 revenue guidance midpoint

## 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*



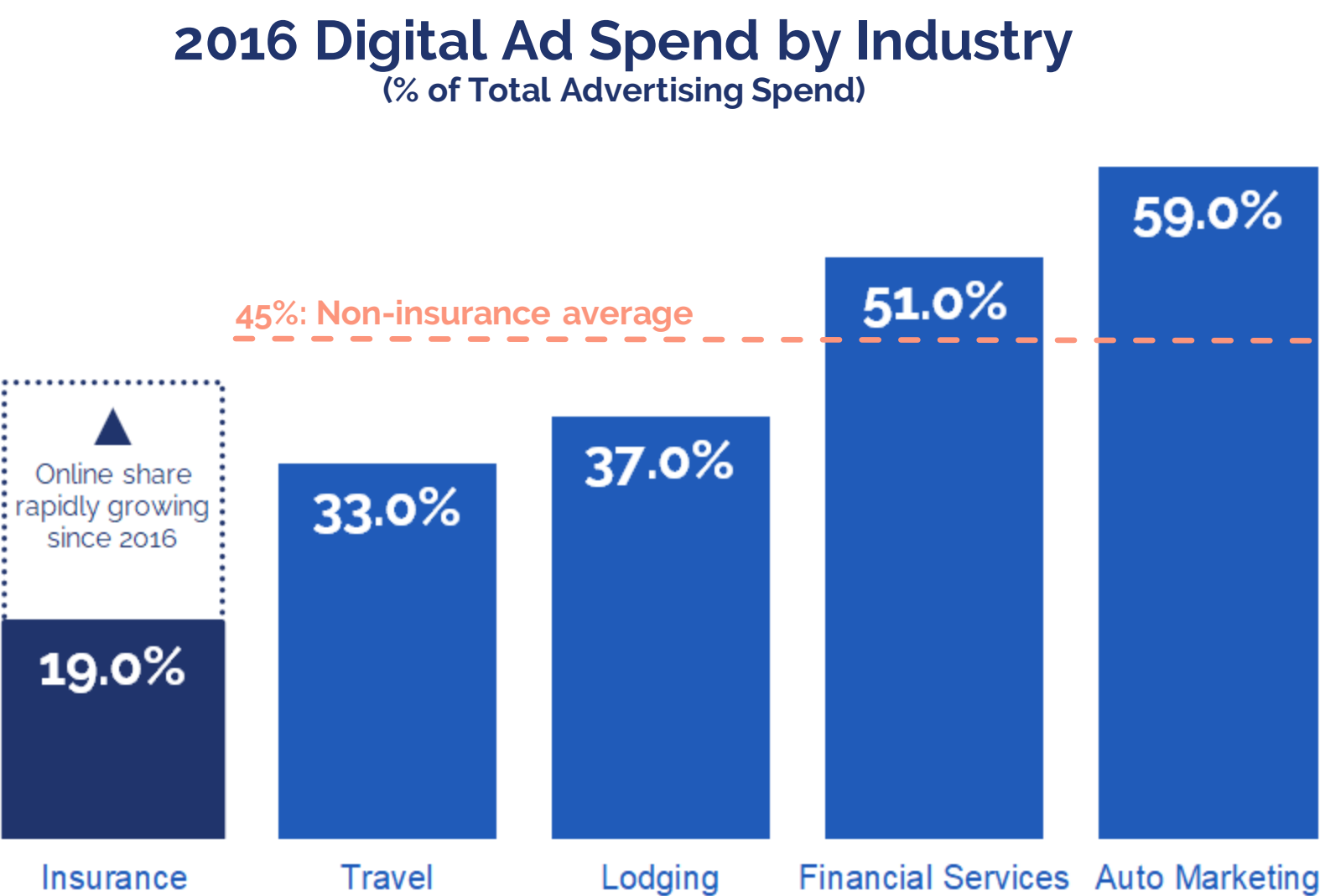
*Continued shift of  
acquisition spend  
online*



*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 to this guidance other than such guidance was provided by EverQuote as of November 2, 2020.

# Increasing Carrier Digital Marketing Spend



**Carriers moving to match digital spend of other industries**

**16+%**

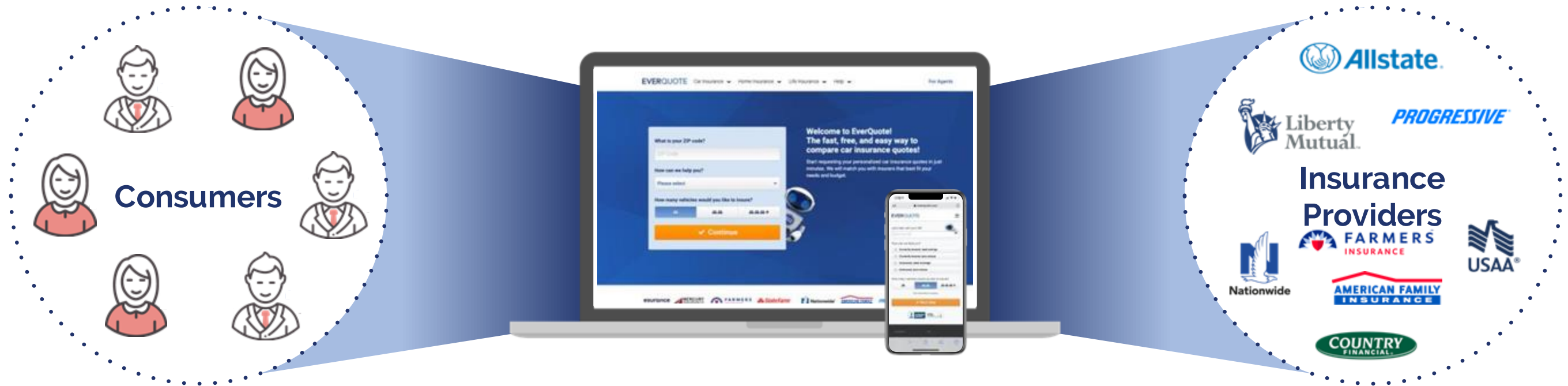
Projected annual growth of carrier digital marketing budgets over the next 5 years

**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 year<sup>1</sup>

## More Efficient Acquisition for Providers

Large volume of high intent consumers

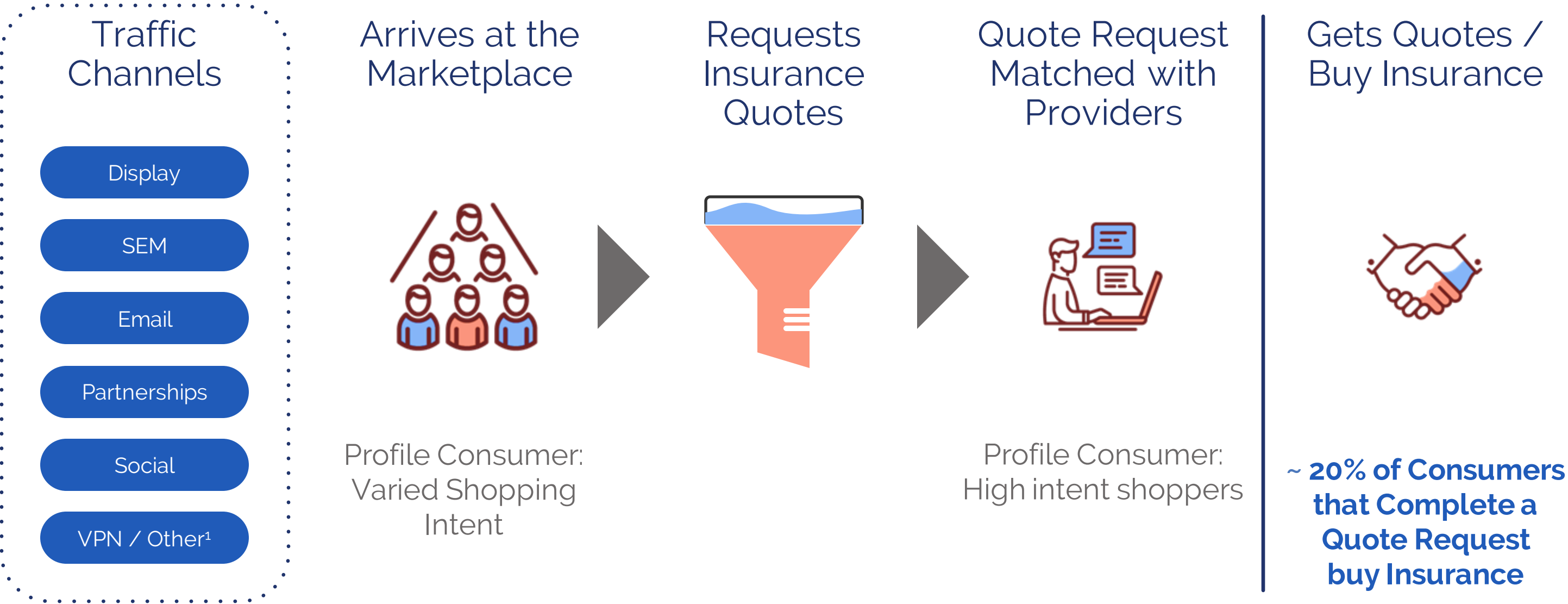
Target based consumer attributes tied to ROI

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 surveys of auto insurance consumers who completed quote requests, conducted in August through October of 2020.

# Distribution Strength of our Marketplace



**100+**

carriers available via the marketplace



**19 of 20**

top auto insurance carriers



**8,000+**

agents



**72%**

of carriers have “deep” technology integrations



**esurance**



**PROGRESSIVE**



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

# Data Assets Create Significant Competitive Moat



**185bn**

Cumulative  
Ad Impressions Served



**86mm**

Cumulative  
Quote Requests



**\$834mm**

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 September 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

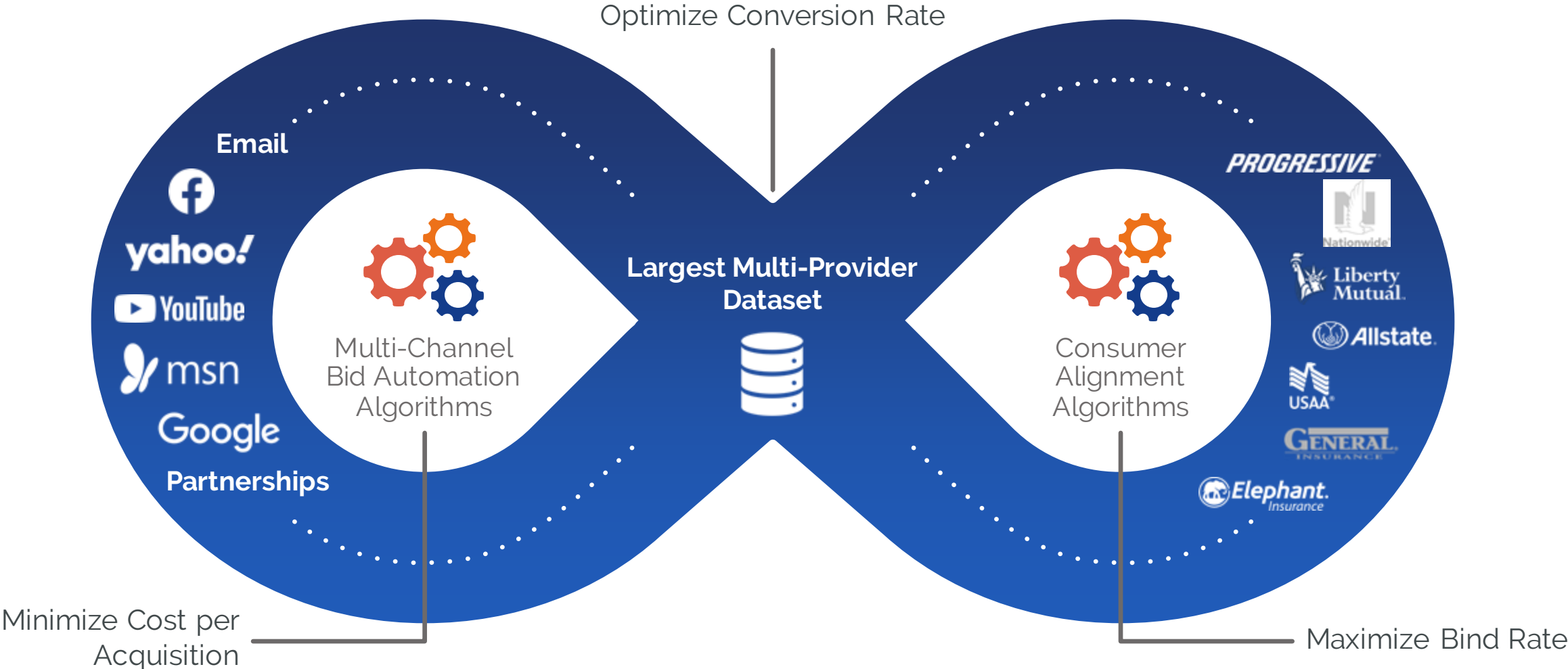


## Enhance Agility

Able to quickly evolve to changing market dynamics

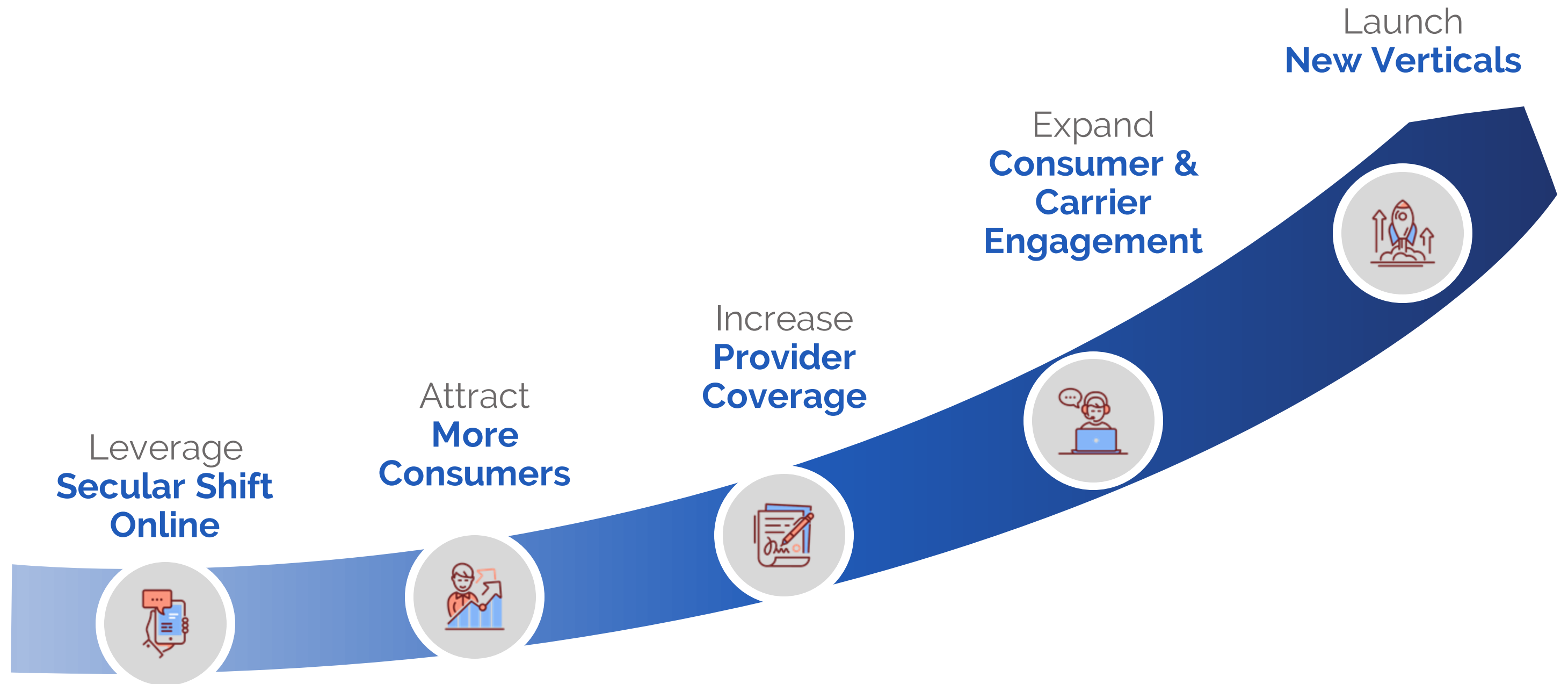


# Data & Tech Stack Drives Growth & Leverage



Growth of Consumer Volume, Provider Diversity & Product Verticals

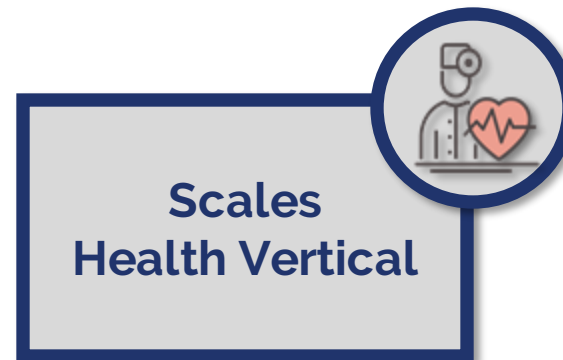
# Levers Driving Future Growth



# EverQuote Acquired 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
- Transaction closed September 1, 2020



- Accelerates the growth of EVER's health insurance vertical with additional carrier distribution and monetization opportunities



- Provides Direct-to-Consumer ("DTC") agency experience for our health vertical
- Complements our internally-developed DTC initiative in our life vertical



- Consistent with EverQuote strategy to use M&A to support and accelerate our organic growth

## Our Acquisition Rationale

# Our World-Class, Founder-Led Team

Drawn from top universities...



~ 200 employees working in engineering / applied math<sup>1</sup>



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, as of September 30, 2020..



# 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

# Third Quarter 2020 Highlights

**34%**

Revenue increased 34% YoY to \$90.0mm

**41%**

VMM increased 41% YoY to \$29.4mm



Achieved Adjusted EBITDA of \$5.2mm

**33%**

VMM expanded to a record 33% of revenues

**14%**

Quote Requests increased 14% YoY



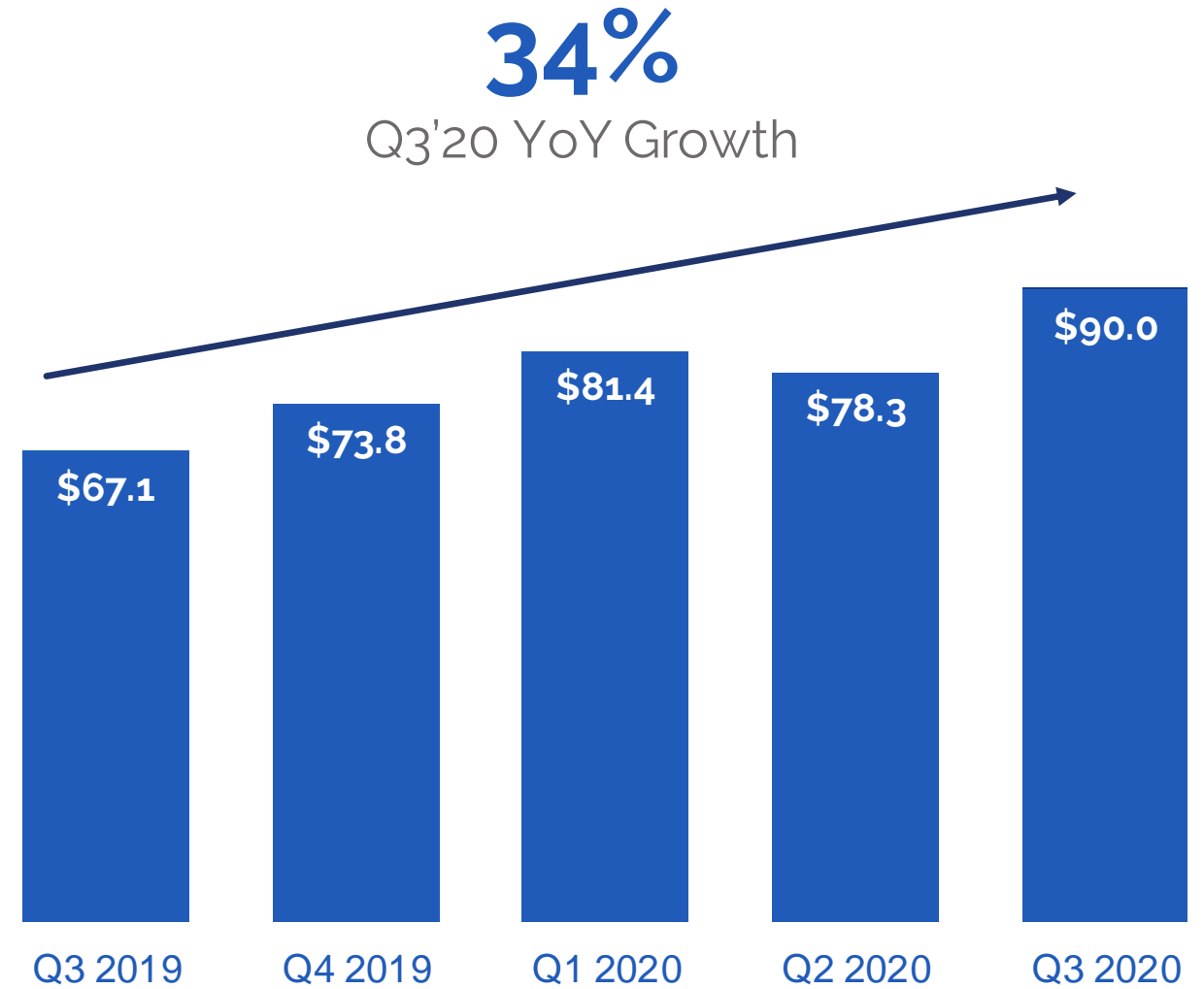
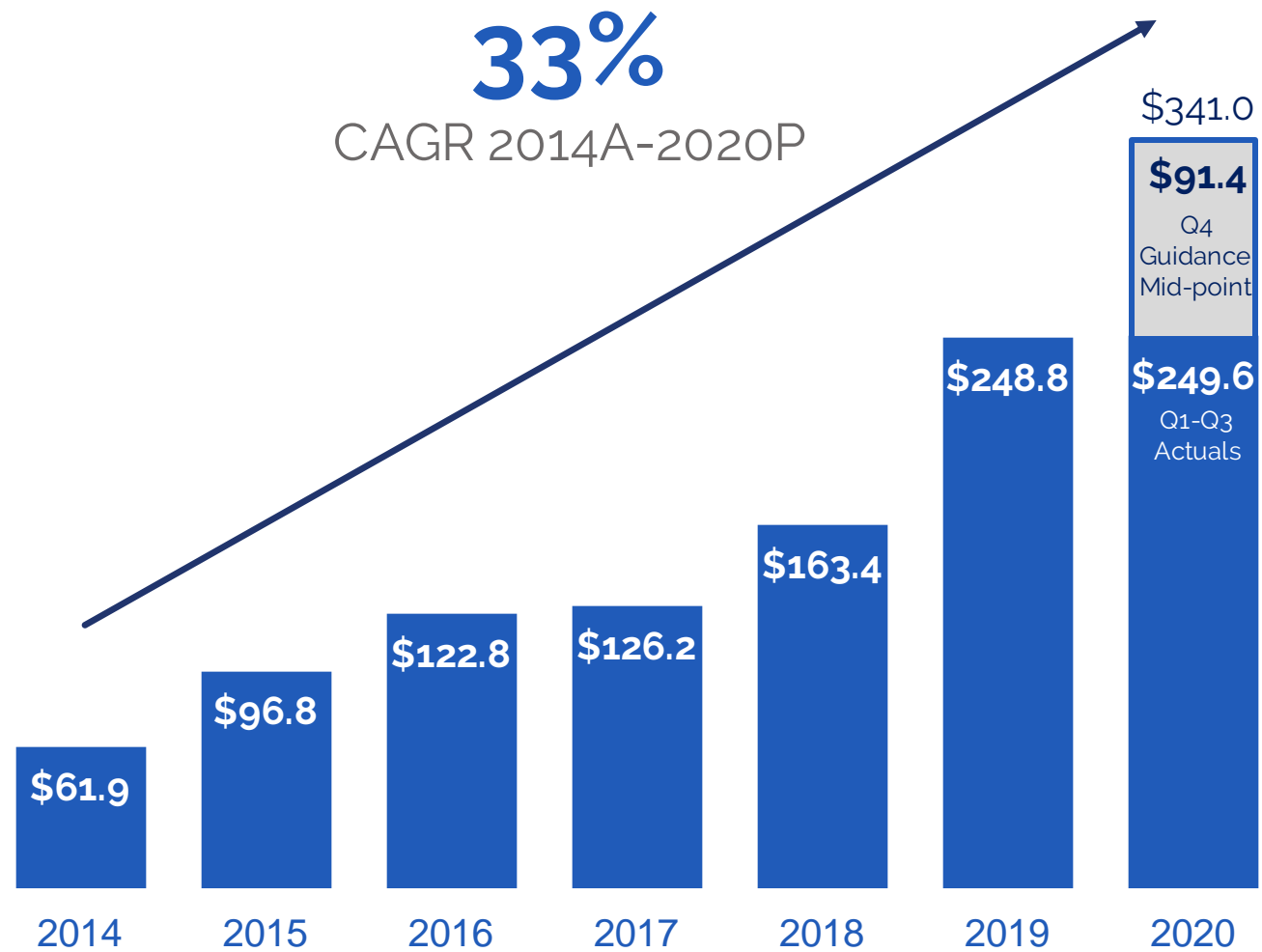
Obtained “deep” technology integrations with 72% of carriers

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

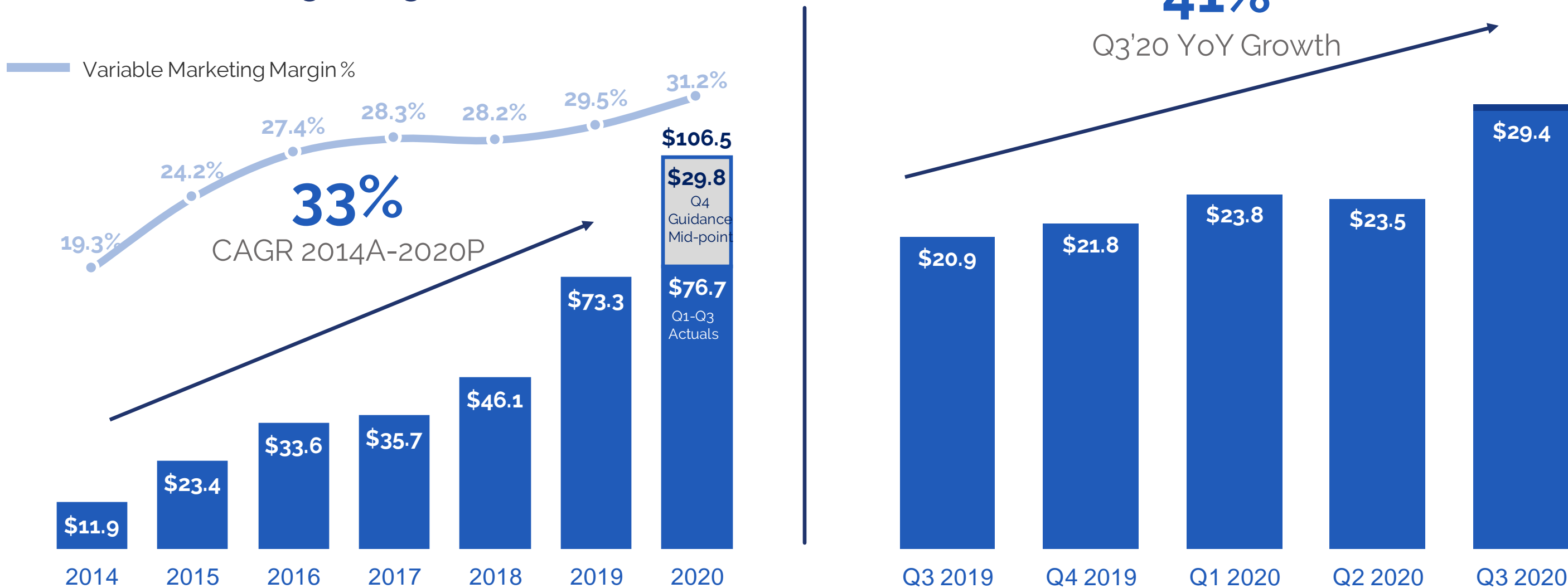
Revenue (\$mm)





# Delivering Incremental Variable Marketing Margin

Variable Marketing Margin (\$mm)

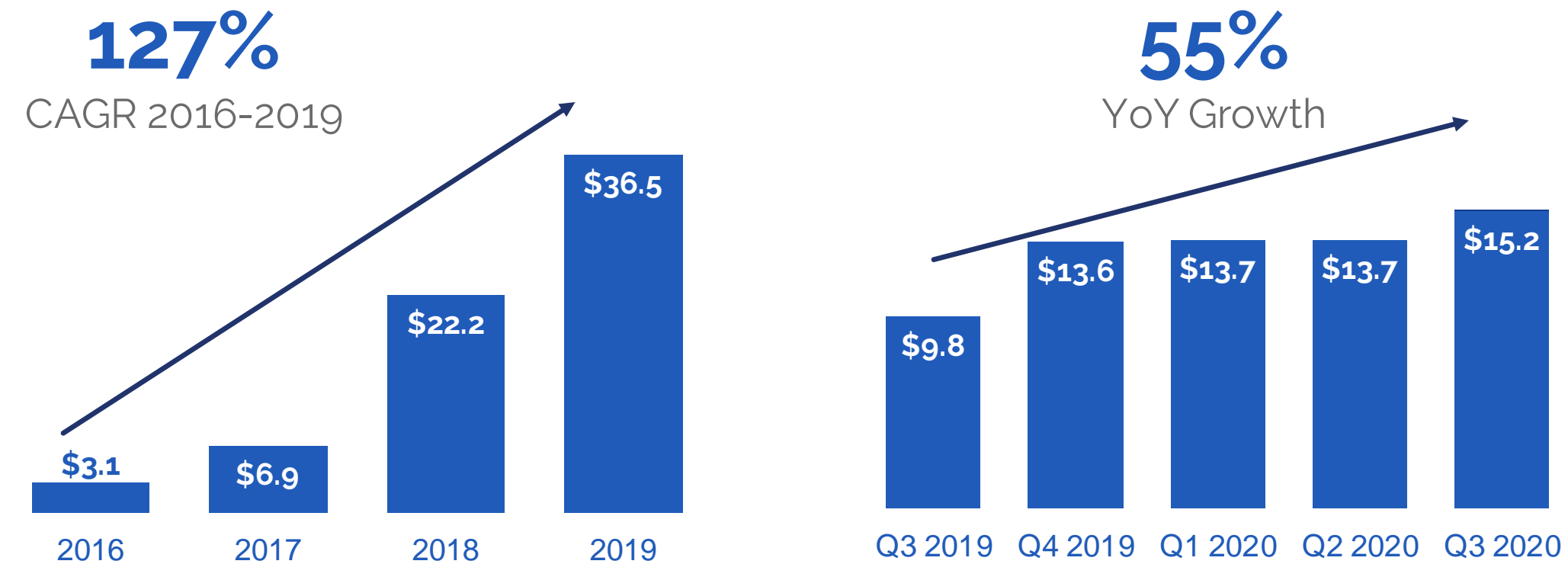


1. Beginning in the first quarter of 2019, we revised our definition of variable marketing margin, or VMM. The VMM displayed above reflects our revised definition of VMM for all years presented. Refer to Key Metrics Definitions in the Appendix for a definition of VMM.

# 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

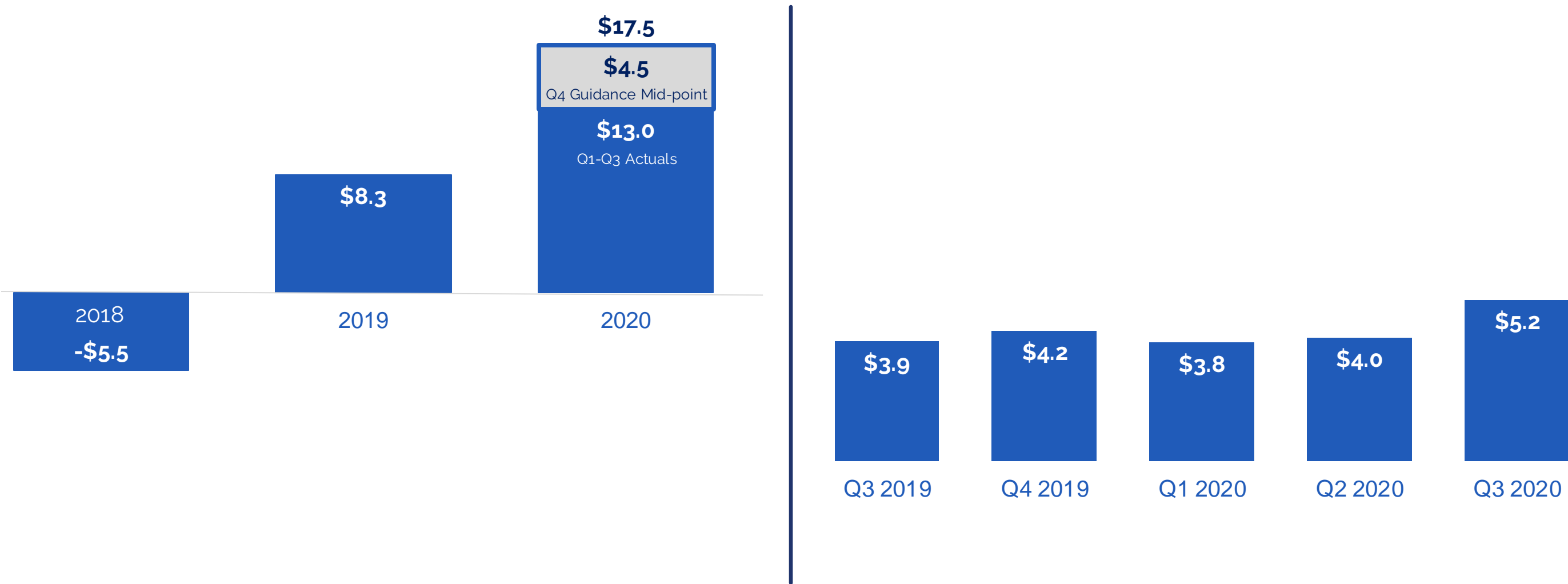


Commercial

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 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, acquisition-related costs, 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	
	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	December 31, 2019	December 31, 2018
Net income (loss)	(\$3,184)	(\$2,808)	(\$1,442)	(\$934)	\$173	(\$7,117)	(\$13,791)
Stock-based compensation	\$7,200	\$6,250	\$4,540	\$3,464	\$3,269	\$12,721	\$7,121
Depreciation & amortization	\$731	\$594	\$849	\$593	\$588	\$2,186	\$1,341
Legal settlement	-	-	-	\$1,227	-	\$1,227	-
Acquisition-related costs	\$480	-	-	-	-	-	-
Interest (income) expense, net	(\$18)	(\$47)	(\$111)	(\$133)	(\$168)	(\$669)	(\$121)
Adjusted EBITDA	\$5,209	\$3,989	\$3,836	\$4,217	\$3,862	\$8,348	(\$5,450)