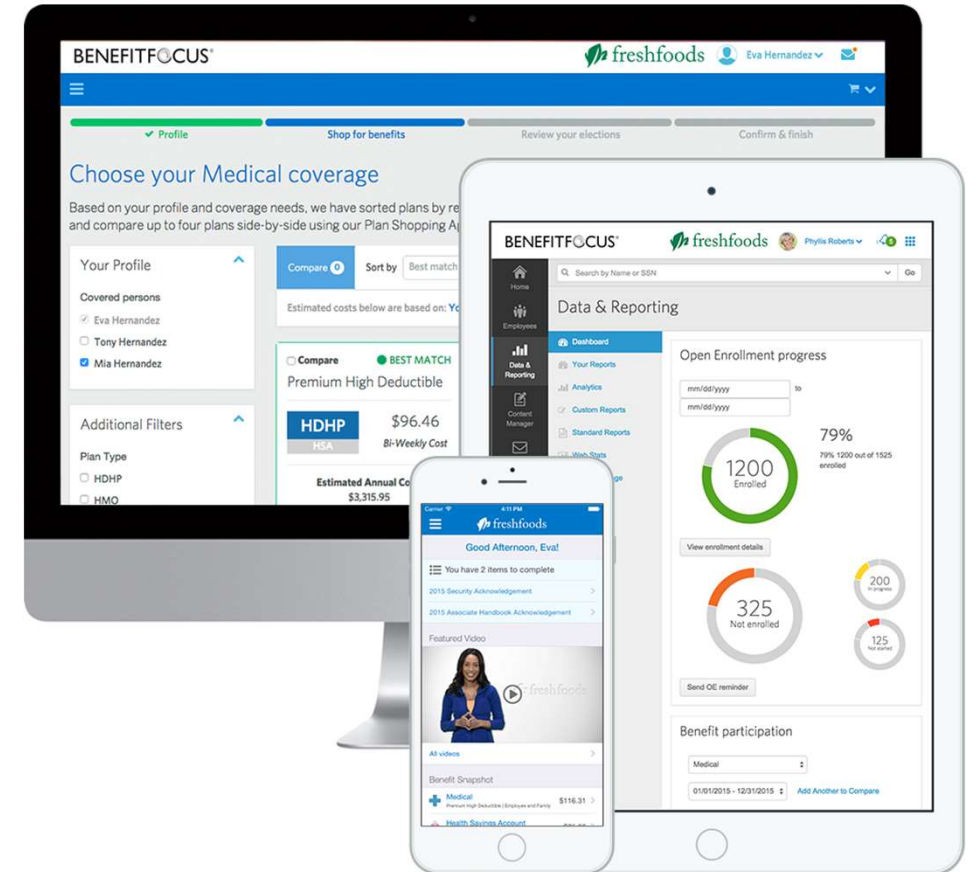


BENEFITFOCUS[®]
All Your Benefits. One Place.[®]

New Revenue Accounting Standard ASC 606

March 14, 2018



Safe Harbor

This presentation may include forward-looking statements related to the future business and financial performance of Benefitfocus and future events or developments involving Benefitfocus, including our long-term financial model. These statements may be identified by words such as “expects,” “looks forward to,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “may,” “might,” “will,” “could,” “would,” “should,” “targets,” “projects”, “opportunity” or words of similar meaning. Forward-looking statements can involve a number of risks and uncertainties that could cause actual results to differ materially from those explicit or implicit in the forward-looking statements, including our continuing losses and need to achieve GAAP profitability; fluctuations in our financial results; risks related to changing healthcare and other applicable regulations; our ability to maintain our culture, recruit and retain qualified personnel and effectively expand our sales force; cyber-security risks; the immature and volatile market for our products and services; the need to innovate and provide useful products and services; our ability to compete effectively; privacy, security and other risks associated with our business; and the other risk factors set forth from time to time in our SEC filings, copies of which are available free of charge within the Investor Relations section of the Benefitfocus website at <http://investor.benefitfocus.com/sec.cfm> or upon request from our Investor Relations Department. Benefitfocus assumes no obligation and does not intend to update these forward-looking statements, except as required by law.

Preliminary Impact of New Revenue Standard (ASC 606)¹

Revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration that the entity expects to receive in exchange for those goods and services.

Professional Services:

- Revenue will be generally recognized over the contract term of the associated software services contract, including any extension periods representing a material right, or in some cases over the period of delivery of the professional fees, both of which are typically shorter than the customer relationship period.

Brokerage Commissions:

- Commission revenue will be recognized when the orders for the underlying policies have been taken and transferred to the insurance carrier. As a result, revenue from these arrangements will be recognized in earlier periods under the new standard in comparison to ASC 605.

Deferral & Amortization of Commission Costs:

- Assets recognized for the costs to obtain a contract, including sales commissions, will be amortized in a consistent manner with the transfer of the services to which the asset relates.
- Assets recognized for the costs to fulfill a contract will be amortized in a manner consistent with the transfer of the services to which the asset relates.

1. We adopted ASC 606 on a full retrospective basis effective January 1, 2018. We will recast our full year 2016 and 2017 as well as our quarterly 2017 results under ASC 606. Our ASC 606 restatement has not been finalized and our current assessment is preliminary.

BENEFITFOCUS®

All Your Benefits. One Place.®

