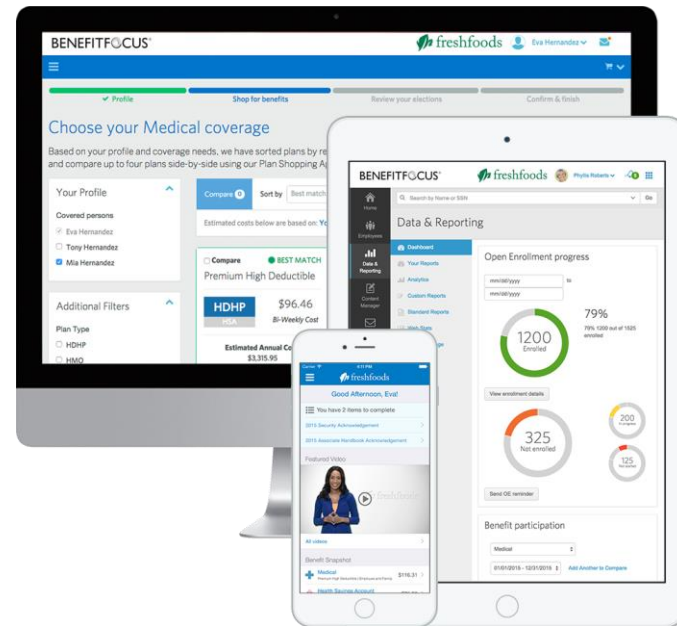


BENEFITFOCUS®

All Your Benefits. One Place.®

Benefitfocus Investor Presentation 2Q19



Safe Harbor

The presentation may include forward-looking statements related to future business and financial performance of Benefitfocus and future events or developments involving Benefitfocus. 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” 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 fluctuations in those results, the immature and volatile market for our products and services, general economic risks, our ability to achieve growth targets and manage growth, the need to innovate and deliver useful products and services, our ability to compete effectively, reliance on key personnel, privacy, cybersecurity, regulatory changes, and other risks associated with our business as set forth from time to time in our filings with the SEC. Some of the services, products and other features discussed in this presentation may be works in progress and not yet generally available for sale. Benefitfocus assumes no obligation and does not intend to update any forward-looking statements.

Non-GAAP Financial Measures

The company uses certain non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance or financial position that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. Please note that other companies might define their non-GAAP financial measures differently than we do.

Non-GAAP gross profit excludes stock-based compensation expenses, amortization of acquisition-related intangible assets, transaction and acquisition-related costs expensed, if any, and costs not core to our business, if any. We define adjusted EBITDA as net loss before net interest, taxes, and depreciation and amortization expense, adjusted to eliminate stock-based compensation expense, expense related to the impairment of goodwill and intangible assets, transaction and acquisition-related costs expensed and costs not core to our business. Please note that other companies might define their non-GAAP financial measures differently than we do. We define free cash flow as cash flow from operations less purchase of property and equipment.

Management presents these non-GAAP financial measures in this presentation because it considers them to be important supplemental measures of performance. Management uses these non-GAAP financial measures for planning purposes, including analysis of the company's performance against prior periods, the preparation of operating budgets and to determine appropriate levels of operating and capital investments. Management believes that these non-GAAP financial measures provide additional insight for analysts and investors in evaluating the company's financial and operational performance. Non-GAAP financial measures have limitations as an analytical tool. Investors are encouraged to review the reconciliation of the non-GAAP measures to their most directly comparable GAAP measures provided in this presentation, including in the accompanying tables.

BENEFITFOCUS®

Founded in 2000 | NASDAQ: BNFT | 1,450 Associates

25M+

Lives

150,000+

Companies
on Platform

\$49B

Insurance Prem.
Processed Last FY

\$30B+

TAM
Opportunity

Differentiated, Single Codebase Cloud Enterprise Benefits
Management Platform

Multidimensional Marketplace Creates Value for Entire Benefits
Ecosystem & Optimizes Consumer Experience



Our Vision



Platform + Community = Change the World

Benefitfocus creates peace of mind on the world's largest benefits platform. Today, we connect over 150,000 employers and more than 25 million consumers with the industry's leading brokers, carriers and the largest ERP provider. Tomorrow, we will transform how all consumers acquire and use products to protect their health, wealth and lifestyle.

Themes for Today

1

Delivering on strategic priorities

2

Revenue growth at major inflection point

3

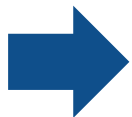
Uniquely positioned to capture massive market opportunity

Why Benefitfocus Now?

The Company's Inflection Point is NOW



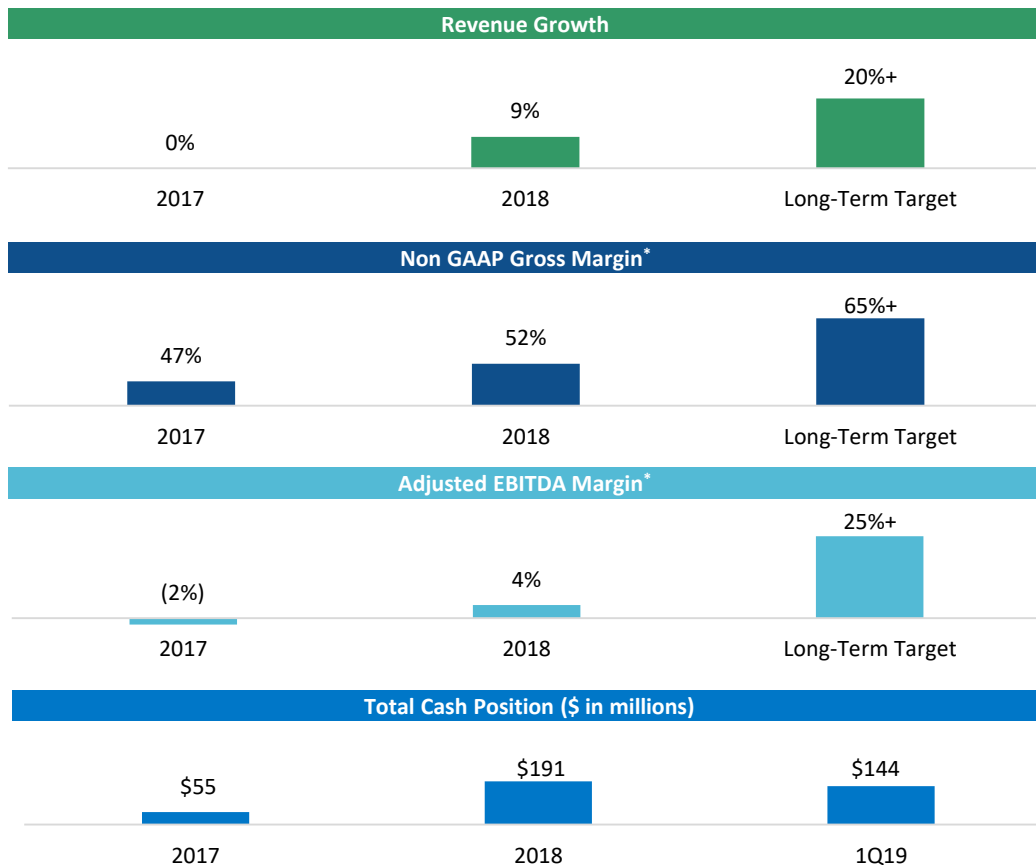
Revenue Mix and Operational Efficiencies are Driving Gross Margin Improvement



The Company's Path to Meaningful Cash Flow Has Begun



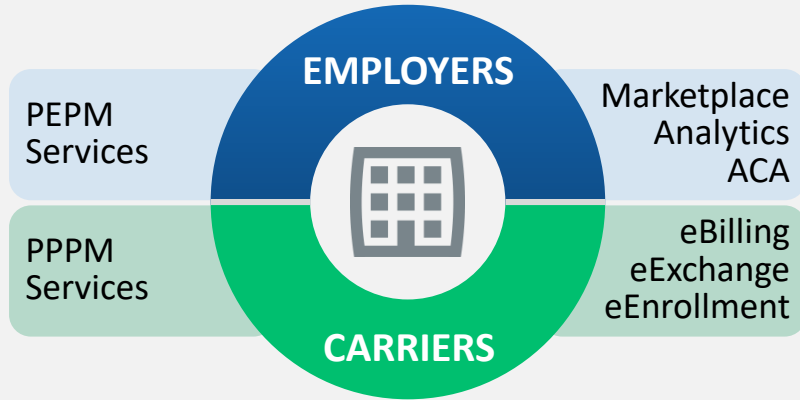
Well Positioned For Future Growth



* See important disclosures about non-GAAP measures on slide 2 and reconciliation table on slides 21 and 22

We Have Shifted Our Economic Model

Two Distinct Markets

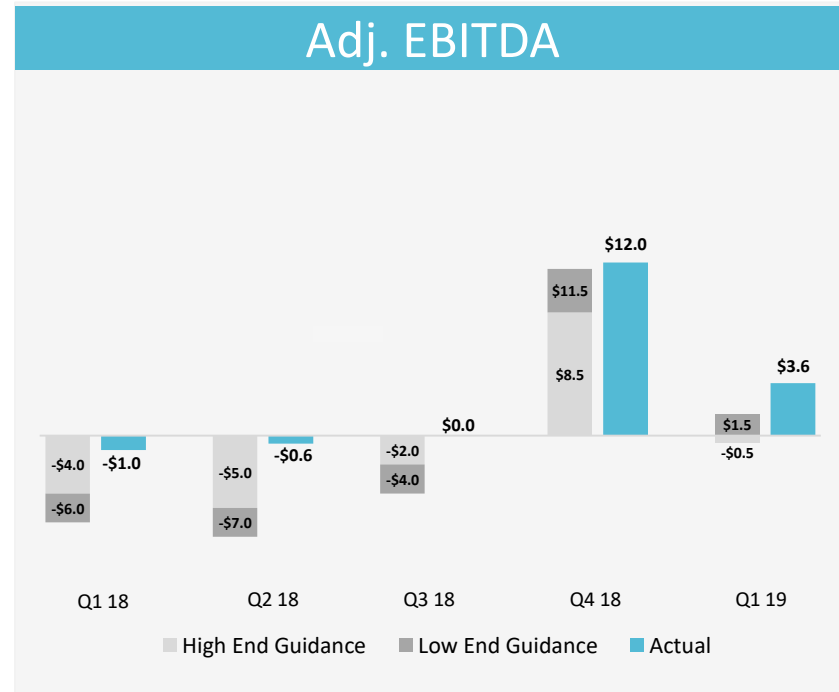
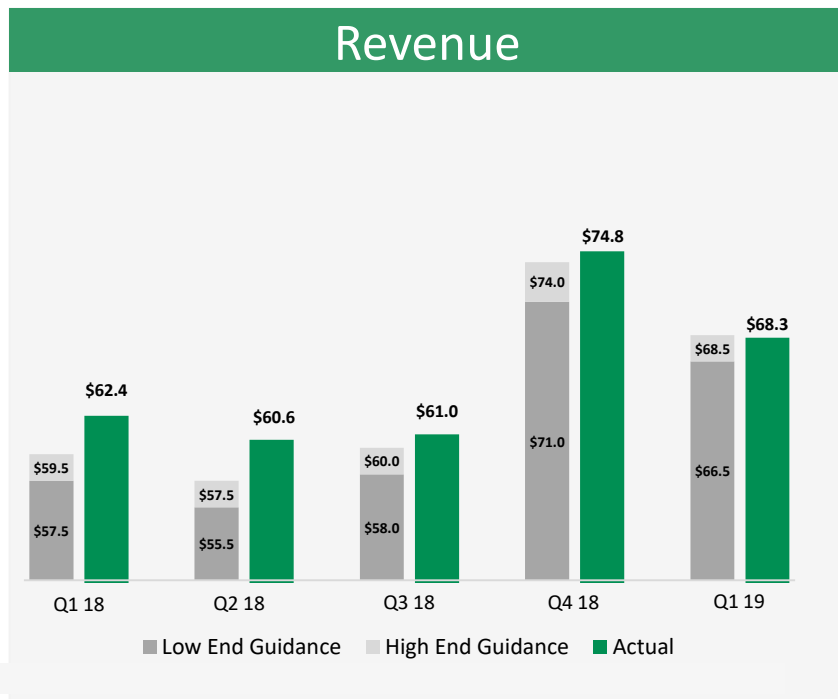


Multidimensional Marketplace



Proven execution against our stated financial commitments

Financial Performance Relative to Guidance (\$ in millions)



World's Largest Benefits Platform

BENEFITFOCUS
BenefitsPlace™



"Everyone Wins"

Buyers



Consumers

- Best price
- Choice
- Peace of mind
- Trusted vendors

**Network
Effect**



Employers

- More benefits
- Variety
- Superior quality
- Lower price
- Efficiency

PEPM

Sellers



Brokers

- Premium service
- Greater access
- Serving employers as trusted advisor
- Data & insights

Commissions



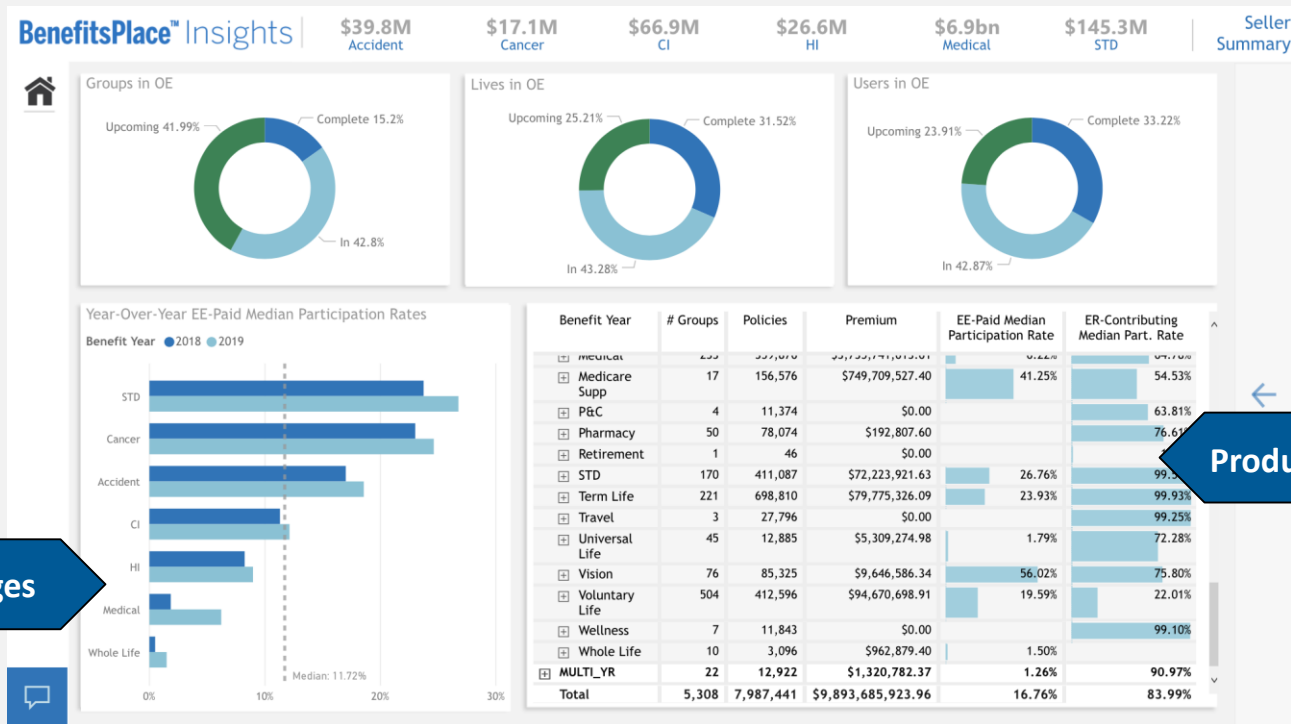
Medical Carriers & Vol. Suppliers

- Increased revenue
- Consumer access
- Data & insights
- Operational efficiency

**% of
Premium**

Benefitfocus Insights

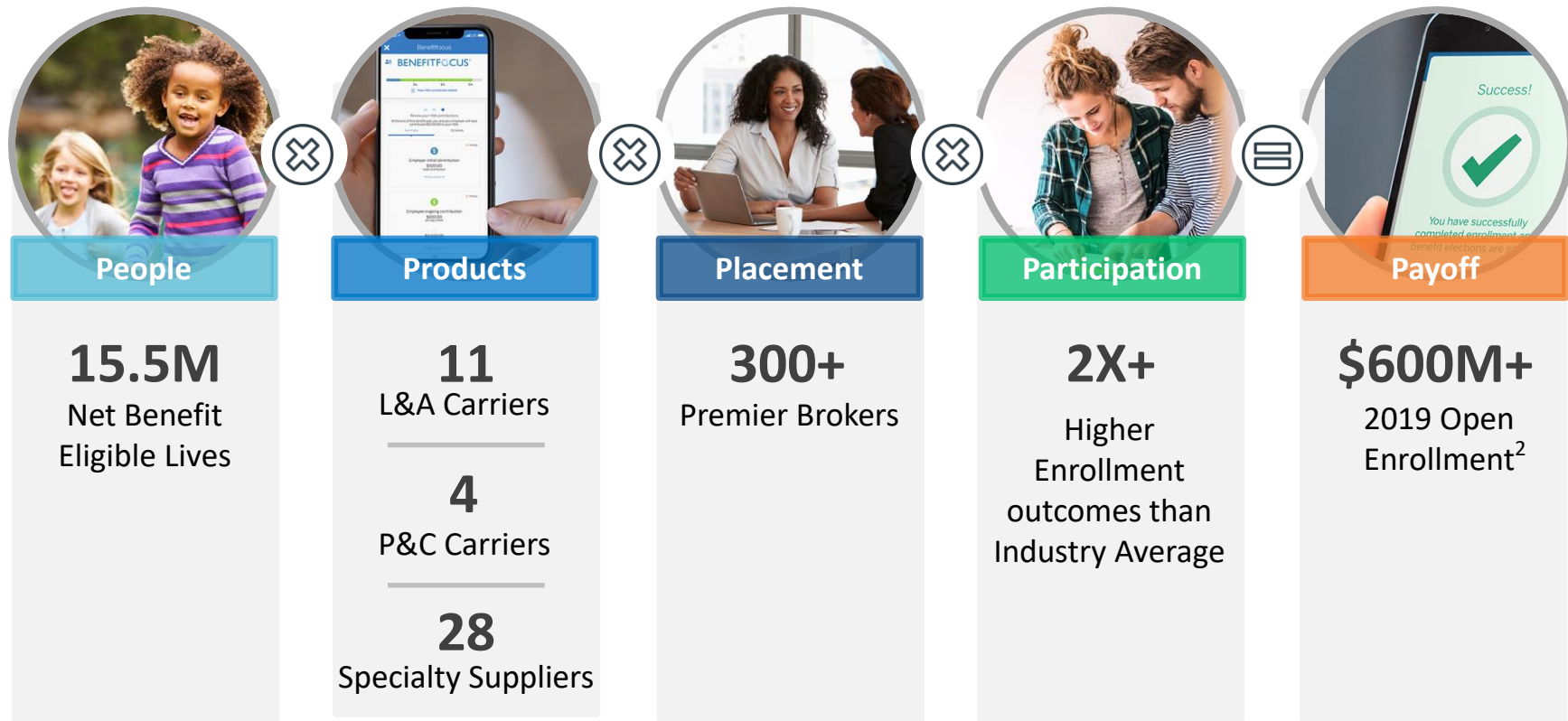
Powerful Results for All Users



YOY Changes

Product and Election Details

BenefitsPlace 5P Model¹



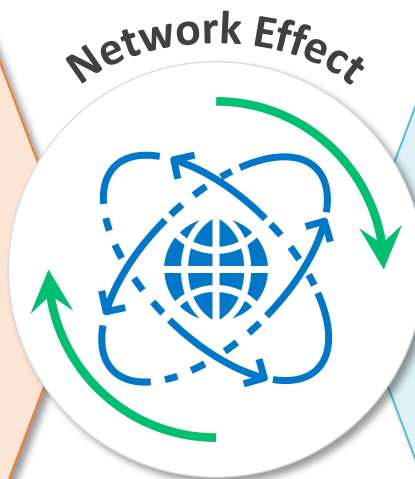
¹ As of March 31, 2018.

² 2019 Open Enrollment occurs in calendar year 2018. Typical open enrollments occur in the Fall with an effective date for the subsequent year.

Powering the Network (Lives X ARPU)



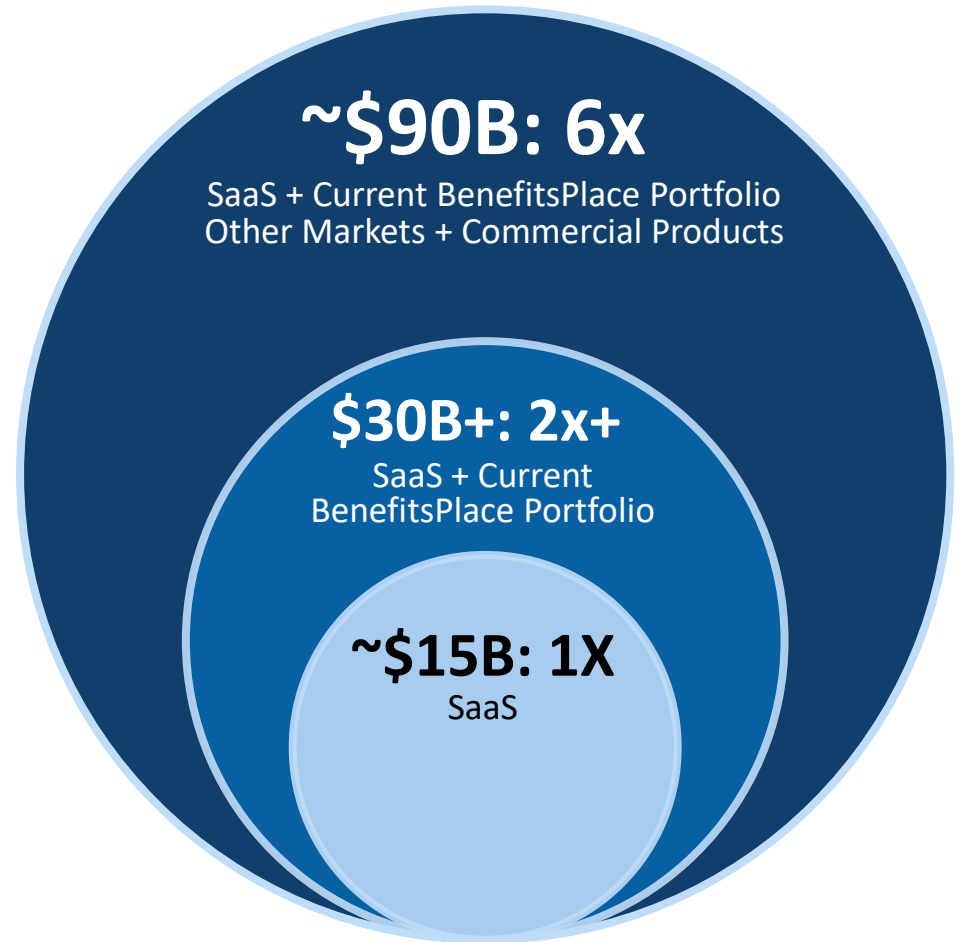
- Medical Carriers
- Brokers
- Channel Partners
- Vertical Focus - SAP
- Employer Direct



- Innovative new products
- Penetrating install base
- Adoption of existing BenefitsPlace products
- Increased participation
- New BenefitsPlace products

Large Core Market

Significant Growth Opportunity



*TAM estimated by Benefitfocus as of 12/31/18

Investment Highlights

1

Market leading platform addressing massive TAM opportunity

2

Differentiated technology and go-to-market strategy

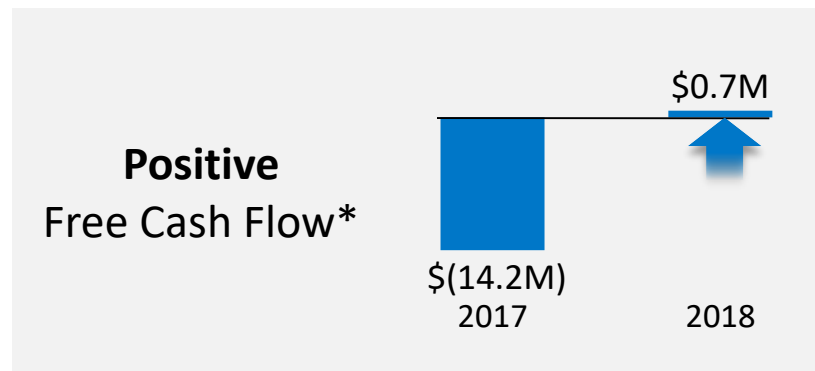
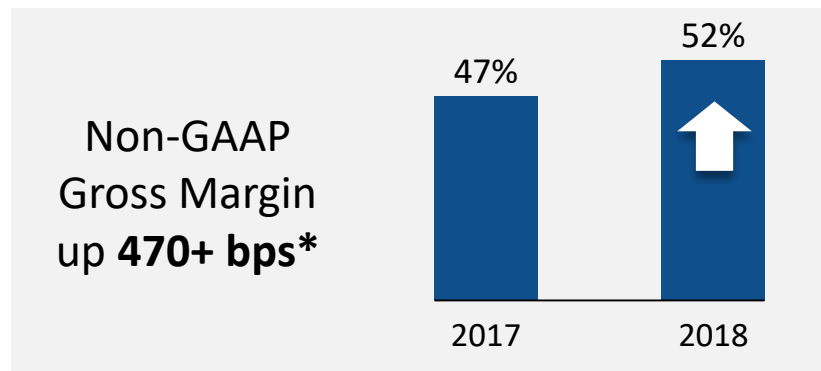
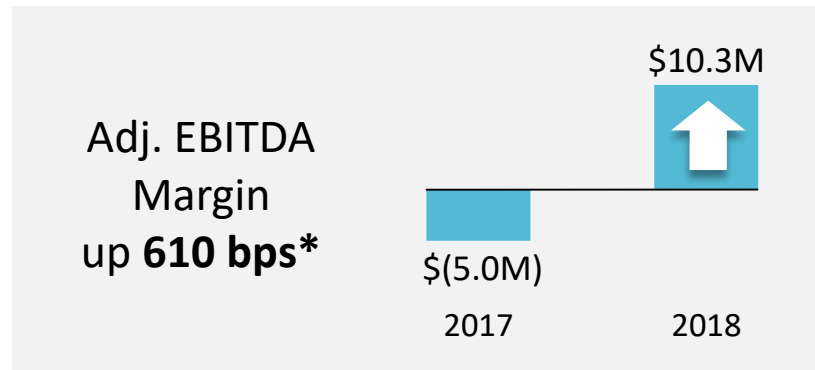
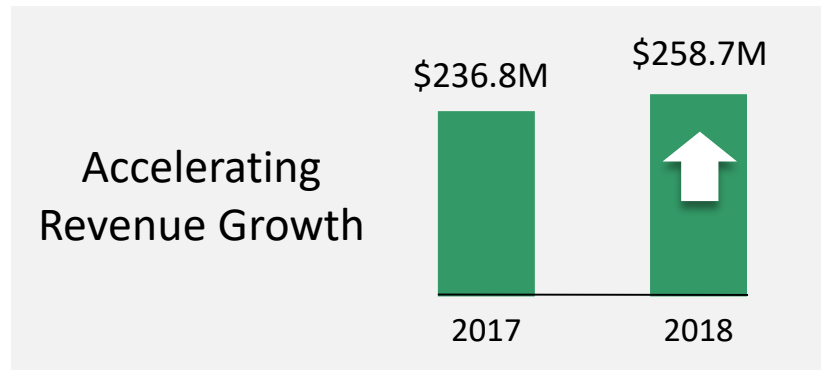
3

Accelerating revenue growth, margin expansion and cash flow

4

Blue chip customer base

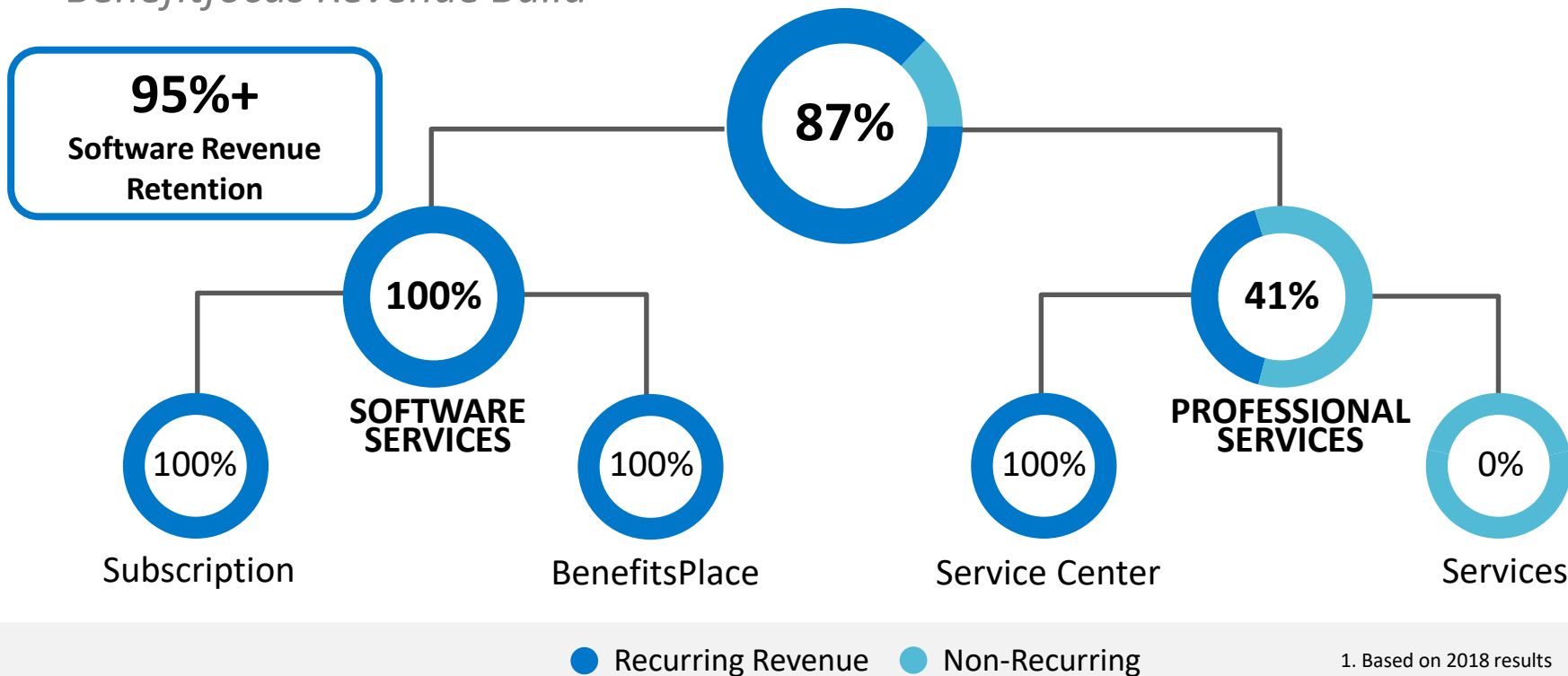
Strengthening Fundamentals



* See important disclosures about non-GAAP measures on slide 2 and reconciliation table on slides 21 and 22

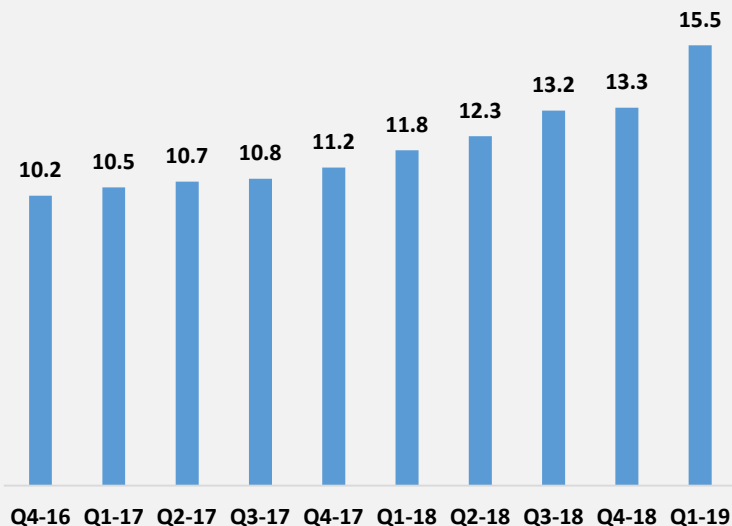
Diversified and Highly Predictive Revenue Stream

Benefitfocus Revenue Build¹



Net Benefit Eligible Lives – Growth Accelerating

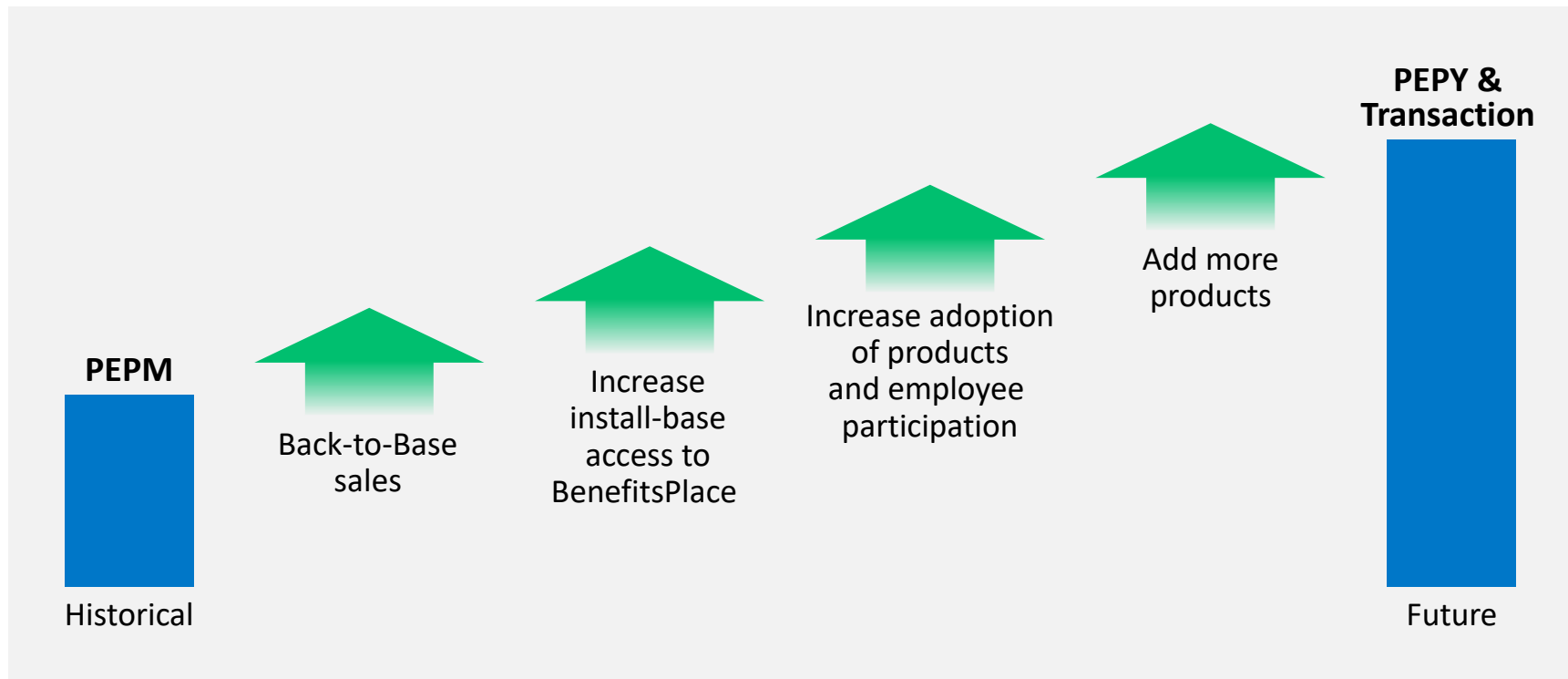
Net Benefit Eligible Lives¹



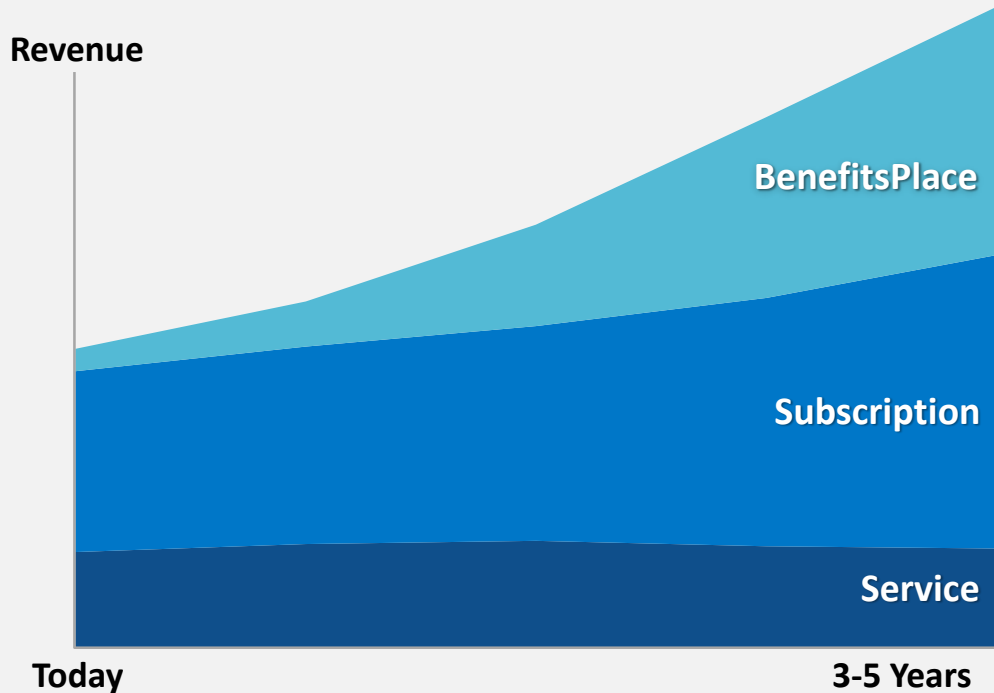
1. Net benefit eligible lives includes carrier and employer enrollment subscriptions with standard contracting, plus their estimated dependents. This figure excludes lives from other subscription related contracts. Acquisition of certain of certain commercial software assets of Connecture added ~2 million net benefit eligible lives in Q1-19.

- Scalable platform
- Highly correlated to subscription revenue
- Foundation for transaction revenue
- Less than ½ had access to BenefitsPlace this past open enrollment

Multiple Drivers for ARPU Expansion



Profile of Benefitfocus 3-5 Years Out






Growth Profile by Segment

High growth

Diversified, high margin
recurring revenue streams

Strong retention and
high visibility

New Model to Deliver Attractive Long-Term Financial Targets

	2018	2019E	Target
Revenue Growth	9%		20% ⁺
Non-GAAP Gross Margin*	52%		65% ⁺
Adjusted EBITDA Margin*	4%		25% ⁺

* See important disclosures on non-GAAP financial measures on slide 2 and GAAP to Non-GAAP reconciliation on slides 21 and 22.

GAAP to non-GAAP Reconciliation (in thousands of dollars)

	Three Months Ended March 31,		Year Ended December 31,	
	2019	2018	2018	2017
Reconciliation from Gross Profit to Non-GAAP Gross Profit:				
Gross profit	\$ 35,447	\$ 30,960	\$ 129,444	\$ 109,460
Amortization of acquired intangible assets	99	34	81	141
Stock-based compensation expense	899	711	5,164	2,508
Total net adjustments	998	745	5,245	2,649
Non-GAAP gross profit	\$ 36,445	\$ 31,705	\$ 134,689	\$ 112,109

GAAP to non-GAAP Reconciliation (in thousands of dollars)

	Three Months Ended March 31,		Year Ended December 31,	
	2019	2018	2018	2017
Reconciliation from Net Loss to Adjusted EBITDA:				
Net loss	\$ (14,209)	\$ (13,802)	\$ (52,627)	\$ (50,294)
Depreciation	3,967	2,977	11,721	12,391
Amortization of software development costs	1,178	889	3,944	3,257
Amortization of acquired intangible assets	190	64	150	258
Interest income	(660)	(58)	(250)	(182)
Interest expense on building lease financing obligations	—	1,866	7,471	7,450
Interest expense on other borrowings	5,814	1,317	5,685	4,931
Income tax expense	6	4	28	15
Stock-based compensation expense	6,367	4,325	28,868	16,137
Transaction and acquisition-related costs expensed	642	—	507	—
Costs not core to our business	320	1,371	4,843	1,058
Total net adjustments	17,824	12,755	62,967	45,315
Adjusted EBITDA	\$ 3,615	\$ (1,047)	\$ 10,340	\$ (4,979)

Reconciliation of Free Cash Flow:

Net cash (used in) provided by operating activities	(20,484)	(3,683)	8,981	(5,937)
Purchases of property and equipment	(2,955)	(1,641)	(8,290)	(8,279)
Free Cash Flow	\$ (23,439)	\$ (5,324)	\$ 691	\$ (14,216)

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