
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) December 18, 2018

BENEFITFOCUS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-36061
(Commission File Number)

46-2346314
(IRS Employer Identification No.)

100 Benefitfocus Way, Charleston, South Carolina 29492
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (843) 849-7476

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this Chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this Chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

On December 18, 2018, Benefitfocus, Inc. (the "Company") will host its Investor Day. A copy of the Company's presentation for Investor Day and that of ACORD Corporation are attached hereto as Exhibits 99.1 and 99.2, respectively, and are incorporated herein by reference.

The information contained in, or incorporated into this Item 7.01, including the presentations attached hereto as Exhibits 99.1 and 99.2, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any registration statement or other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference to such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Benefitfocus, Inc. Investor Day presentation (December 18, 2018).
99.2	ACORD Corporation Investor Day presentation (December 18, 2018).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 18, 2018

BENEFITFOCUS, INC.

/s/ Jonathon E. Dussault

Jonathon E. Dussault
Chief Financial Officer

BENEFITFOCUS
Investor Day

WELCOME

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Safe Harbor

Forward-looking Statement

This presentation may include forward-looking statements related to the 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 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 costs expensed, and costs not core to our business.

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 release 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 release, including in the accompanying tables.

BENEFITFOCUS
Investor Day

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Today's Agenda



Vision & Strategic Plan
Ray August
President & CEO



Consumer & Platform Strategy
Annmarie Fini
SVP, Platform Strategy



Growth Execution Strategy
Rob Dahdah
EVP, Global Sales & Marketing

Break and Demonstrations (15 minutes)



Digitization & Value Creation
Bill Pieroni
CEO, ACORD



Financial Update
Jonathon Dussault
CFO

Q&A Session - Ray August, Jonathon Dussault

Closing Thoughts - Ray August

Demonstrations Open

BENEFITFOCUS
Investor Day

Vision and Strategy

Ray August, President & CEO





December 18, 2018

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Themes for Today

	Consumer Empowerment	Consumers are the economic drivers of the benefits industry
	Everyone Wins	Our multidimensional marketplace creates economic value across the entire benefits and insurance ecosystem
	Changing the Game	Our BenefitsPlace offering is transforming the industry with 23M+ consumers, 150K+ employers and a strong seller network
	Proven Results	We exceeded our targets for four consecutive quarters and have established a new foundation for accelerated growth

Our New Foundation









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 23 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.

The Platform Economy Creates New Opportunities



BENEFITFOCUS[®]

We Have Shifted Our Economic Model

Two Distinct Markets



Multidimensional Marketplace



Uniquely Qualified to Deliver a Marketplace Solution



- ✓ Critical Mass
- ✓ High-quality Products
- ✓ Unparalleled Technology and Scale
- ✓ Comprehensive Data and Knowledge
- ✓ Everyone Wins

World's Largest Benefits Platform

BENEFITFOCUS
BenefitsPlace™

"Everyone Wins"

|----- Buyers -----|

|----- Sellers -----|



Consumers

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

Network Effect



Employers

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

PEPM



Brokers

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

Commissions



Suppliers

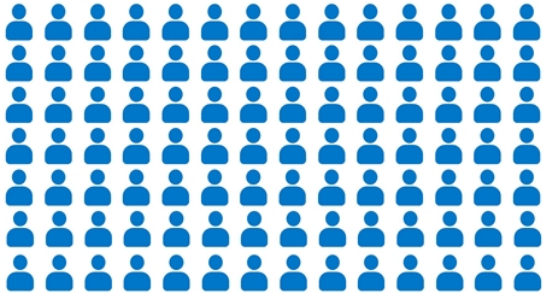
- More revenue
- Consumer access
- Data access
- Operational efficiency

% of Premium

Critical Mass – Low-friction Access to Consumers

13M+ Consumers Enroll on Our Platform

|----- 150,000+ Employers -----|



DIRECT **BROKERS**

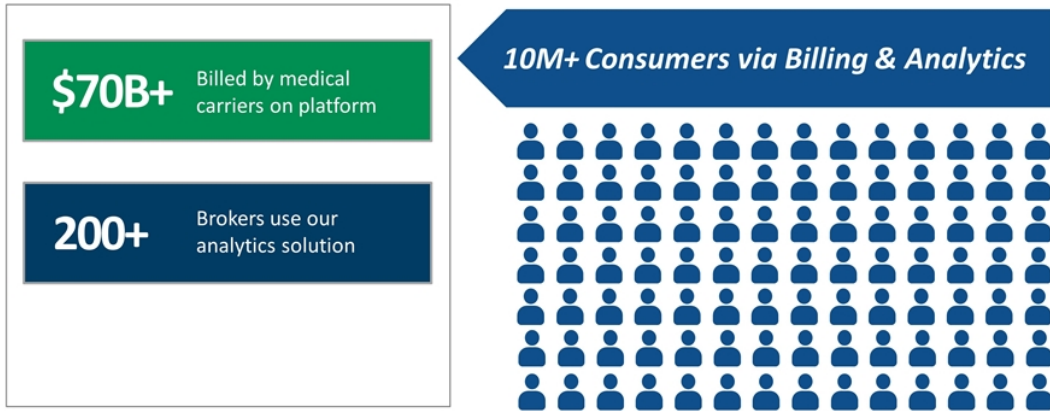
SAP **MERCER** **BlueCross BlueShield**

Companies with 2 to 600,000+ employees

\$49B
Annual Premium Purchased

\$3.4B
Voluntary Benefit Premium Purchased

Critical Mass – Leading Billing and Analytics Solution





The Network Effect in Action



Lives Growth is Just the Beginning



- Direct Sales Force
- SAP Partnership
- Mercer Partnership
- State Government
- Medical Carriers / Aggregators

High Quality Products from Innovative Providers



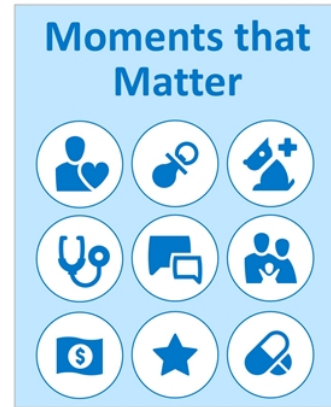
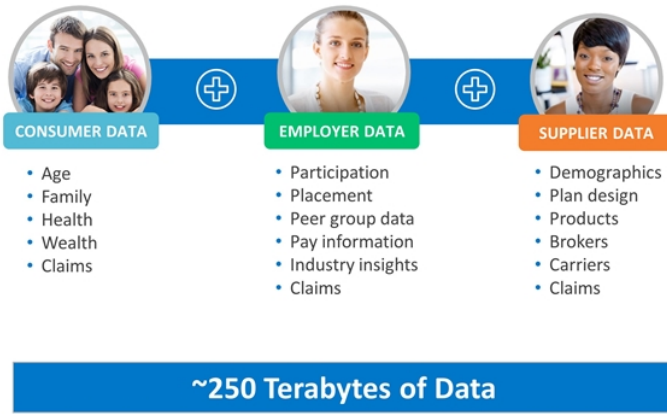
Unparalleled Technology and Scale

Powerful Cloud-based, SaaS Platform

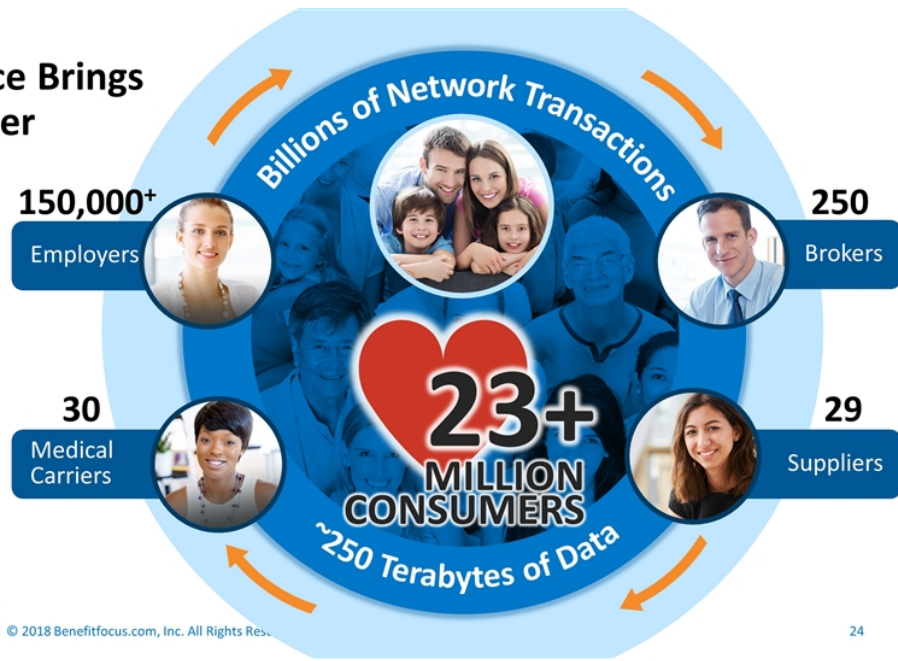
Configurable & Extensible	Performance & Scalability	Automation & Quality
<ul style="list-style-type: none">• Single code base• 2,200 integrations• Predefined APIs• Multi-channel mobile app	<ul style="list-style-type: none">• 99.9% availability• <1s response• Horizontal scaling	<ul style="list-style-type: none">• Approx. \$85M technology spend• Automation in every aspect of platform• Leading data standards

CYBERSECURITY

Comprehensive Benefits Data and Knowledge

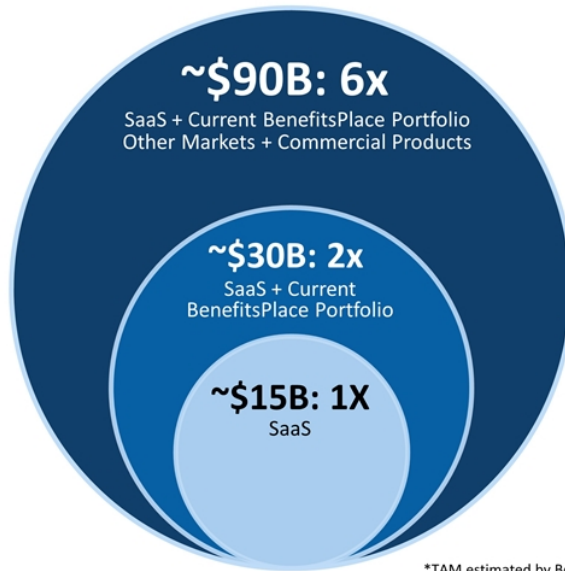


BenefitsPlace Brings It All Together



Large Core Market

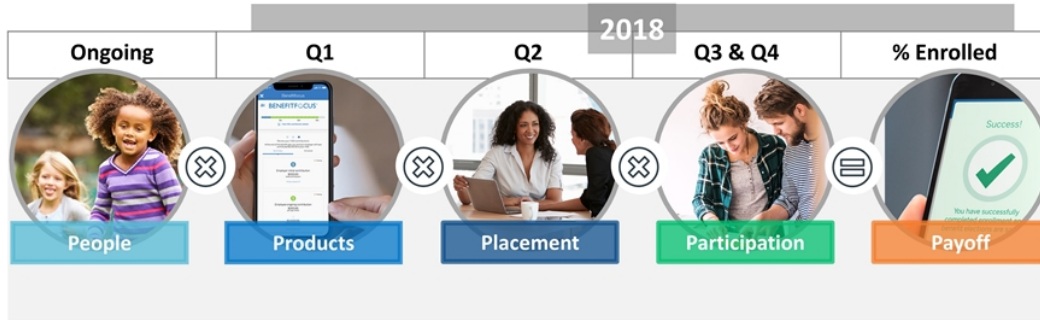
Significant Growth Opportunity



Entire Company Aligned to Deliver Value & Accelerate Growth



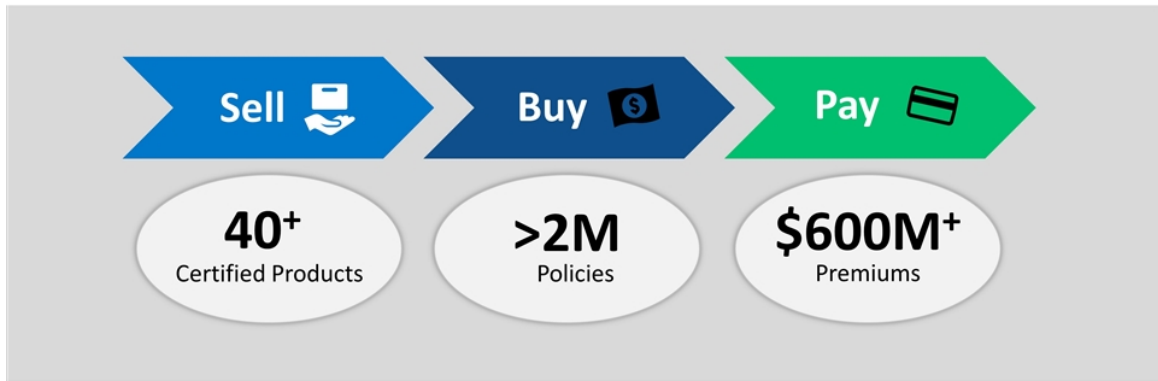
Traditional Benefits Enrollment is Focused on Carriers' Needs



BenefitsPlace Provides Consumers Access to Benefits All Year Long



BenefitsPlace Already Delivering Results Since March 2018 Market Launch



We Are Delivering On Our Three Strategic Priorities

1

Improve sales execution

2

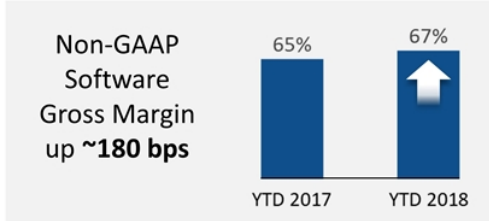
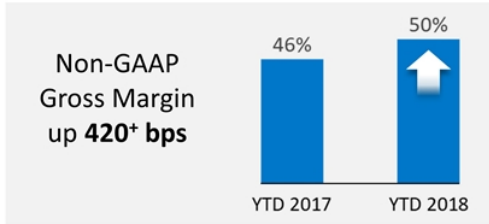
Expand revenue opportunities

3

Strengthen our core

Delivering on Our Three Strategic Priorities

Priority 3: Strengthen our Core – YTD Q3-18



Revenue Growth is Accelerating into 2019

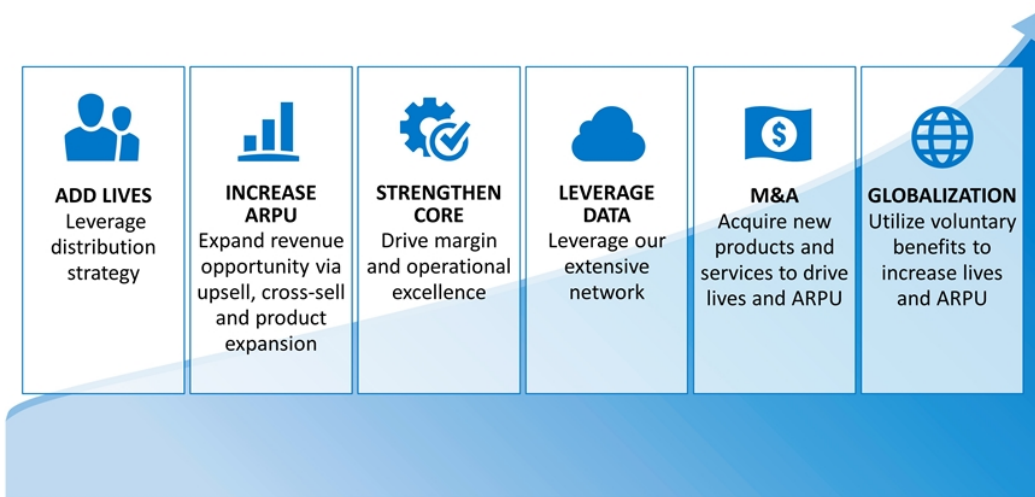
2018 Subscription Bookings Plus BenefitsPlace Drive Future Revenue



1. Mid-point of 2018 guidance

2. Mid-point of 2019 revenue outlook provided on 3Q-18 earnings call

6-point Plan to Achieve our Next Phase of Growth



Key Takeaways

- Building on a solid foundation
- Changing the game with BenefitsPlace
- Accelerating growth and performance



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Our Consumer and Platform Strategy

Annmarie Fini

Senior Vice President, Platform Strategy

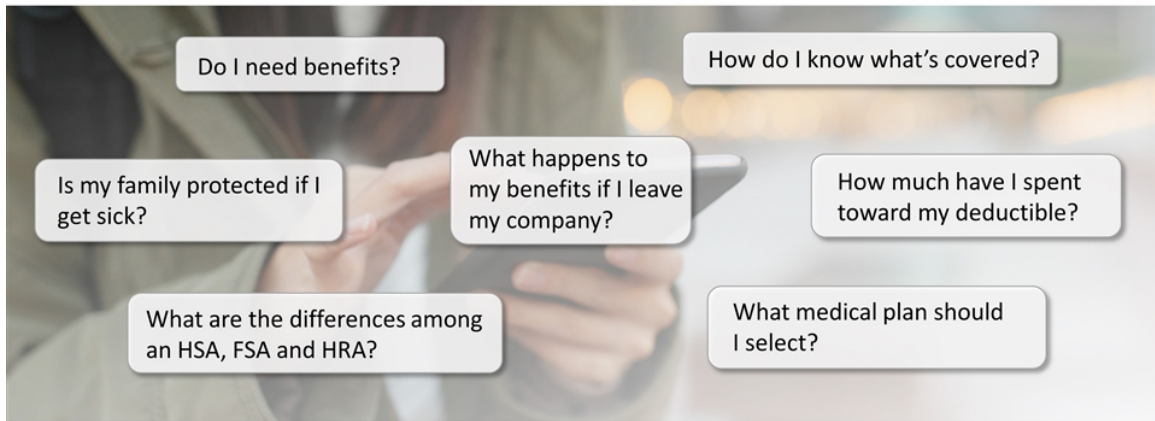
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Key Topics

- 1 Consumer-centric network
- 2 Personalizing the consumer experience
- 3 BenefitsPlace value drivers

Choosing and Understanding Benefits Is a Challenge





We are all driven by the moments that matter.

Revolutionizing the Industry with Access to Benefits All Year

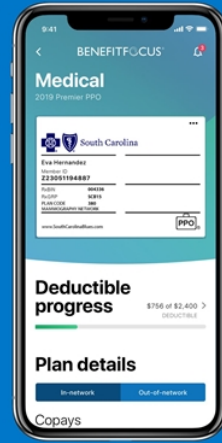
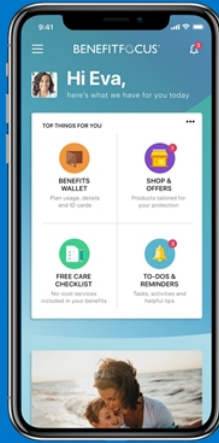


Seamless Process from Seller to Consumer



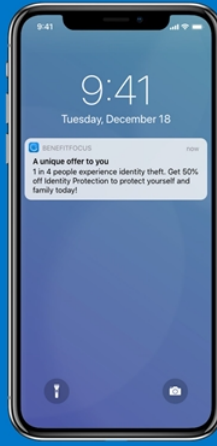
A Personalized Experience

...for the moments that matter



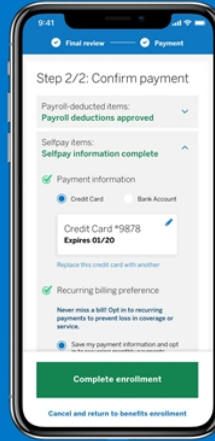
Meaningful Communication

...timely push notifications



Payment Options

...through the Benefitfocus Wallet

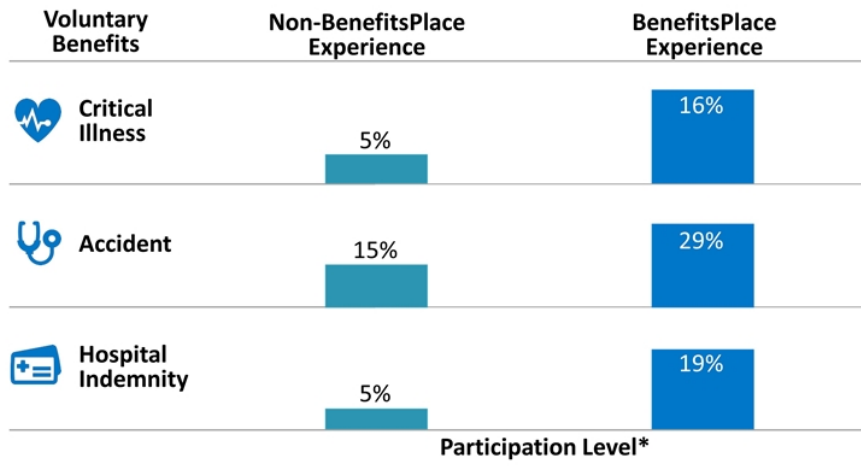


BenefitsPlace Insights

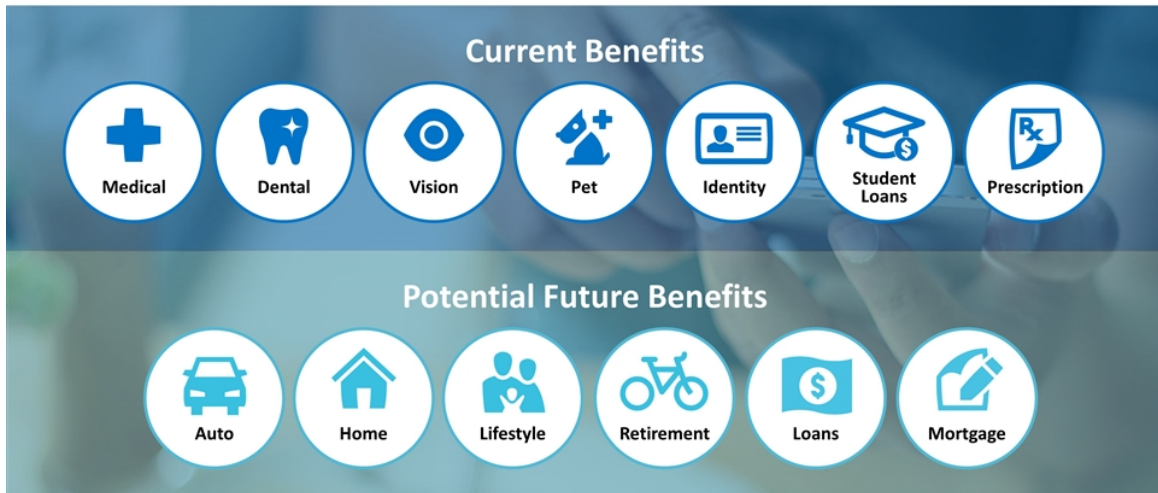
...powerful results for all users



BenefitsPlace Drives 2-4x Higher Enrollment Outcomes



BenefitsPlace – A Holistic Approach to Benefits



Our Strong Foundation



Key Takeaways

- 1 A strong foundation for a consumer-centric network where everyone wins
- 2 Data analytics and insights deliver personalized consumer experiences
- 3 BenefitsPlace significantly increases participation in voluntary benefits

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Growth Execution Strategy

Rob Dahdah
Executive VP, Global Sales and Marketing

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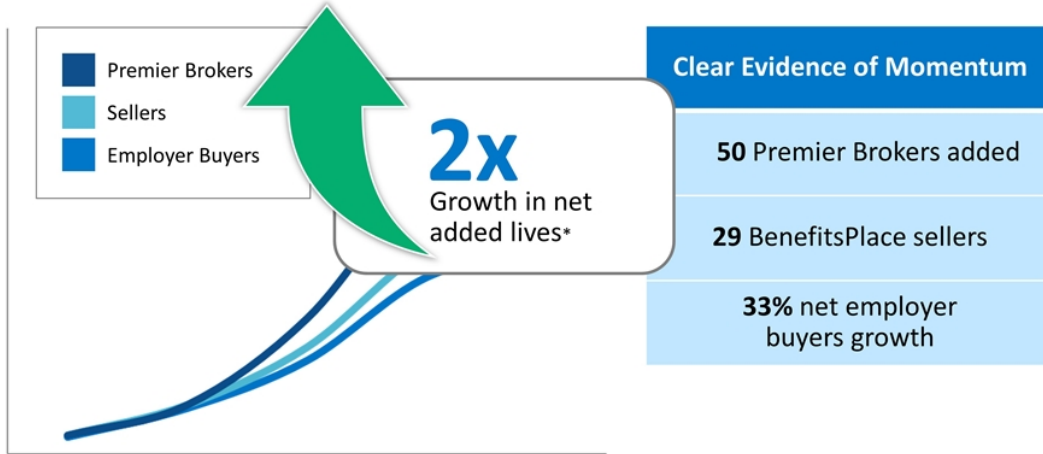
Key Topics

- 1 Market strategy and distribution model
- 2 Strategic pivots and impact to lives and ARPU
- 3 Differentiated value proposition

Direct and Indirect Sales Channels Align to Create Value



Strong YoY Growth – Buyer/Seller Additions Since Q3 '17

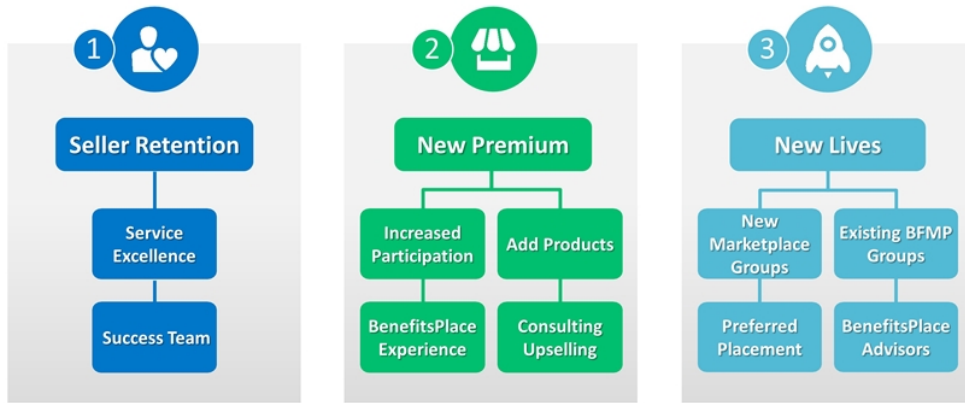


* Indicates net benefit eligible lives

BenefitsPlace is a Unique Transaction-based Model



A 3-pillar Seller Growth Strategy with BenefitsPlace



Driving Growth by Deepening Broker Relationships

Partnering with our broker community to deliver a world-class benefits experience for our shared clients and for every consumer on our platform

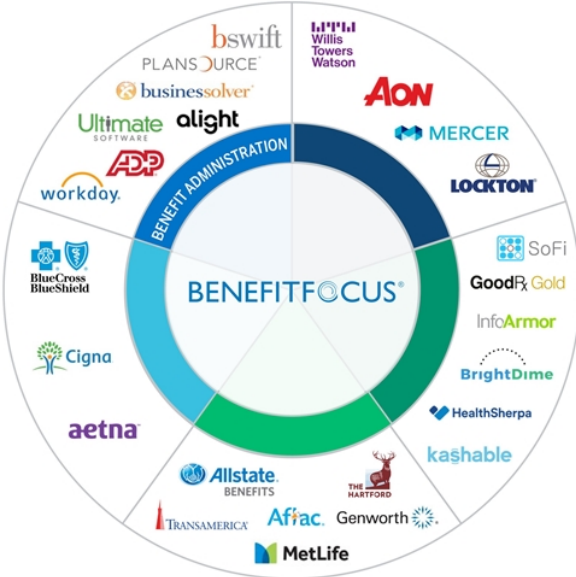


BENEFITFOCUS
Broker Advisory Council

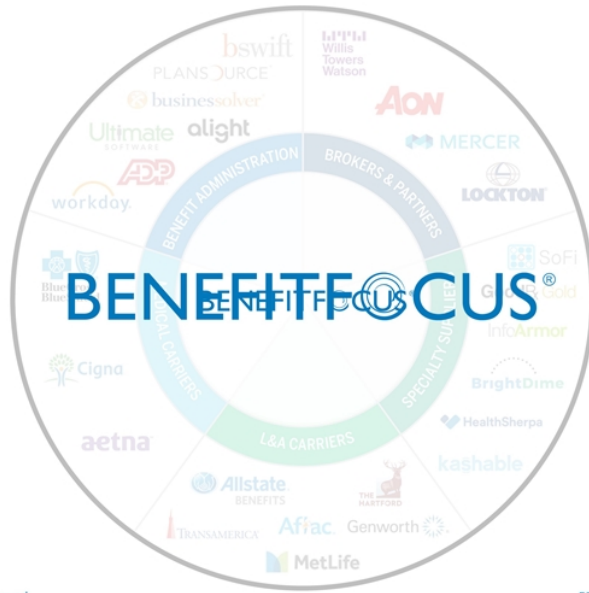
Recognition
programs

Benefitfocus
ONE PLACE 365

From Ben Admin Software to Connected Consumer Platform



From Ben Admin Software to Connected Consumer Platform



Key Takeaways

- 1 We have a diversified go-to-market strategy and our distribution model drives growth in lives and ARPU expansion
- 2 Our strategic pivots have removed headwinds to enable all segments of our distribution model to contribute to lives growth and ARPU expansion
- 3 Our platform connects employers of all sizes and 23+ million consumers with marquee sellers, enhancing our value proposition to channel partners and brokers

**When the
consumer wins,
everyone wins...**

Demonstration



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Digitization & Value Creation

Bill Pieroni, CEO ACORD

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Financial Update

Jonathon Dussault, CFO

December 18, 2018

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Key Topics

- 1 Business fundamentals
- 2 Performance visibility
- 3 Measuring success

We Are Delivering On Our Three Strategic Priorities

1

Improve sales execution

2

Expand revenue opportunities

3

Strengthen our core

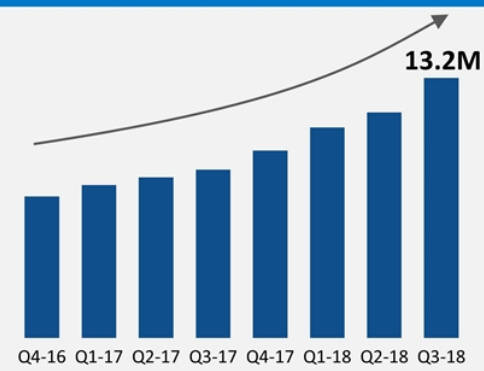
Delivering on Our Three Strategic Priorities

Priority 1: Improve Sales Execution

Solid Results

- ✓ 4 consecutive quarters of strong execution
- ✓ 15%+ year-over-year growth in benefit eligible install base
- ✓ Efficient realignment of our sales engine

Growth in Net Benefit Eligible Lives¹



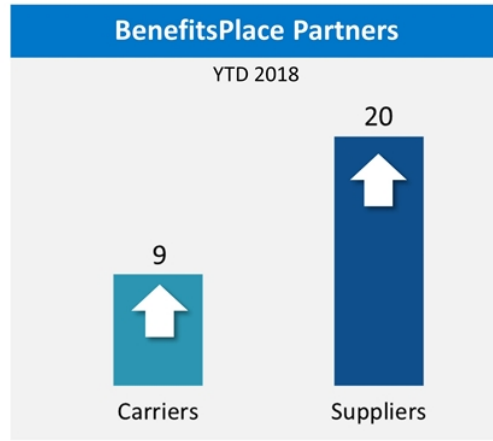
1. Net benefit eligible lives includes carrier and employer enrollment subscriptions with standard contracting, plus their estimated dependents. This figure excludes lives from other subscription related contracts.

Delivering on Our Three Strategic Priorities

Priority 2: Expand Revenue Opportunities

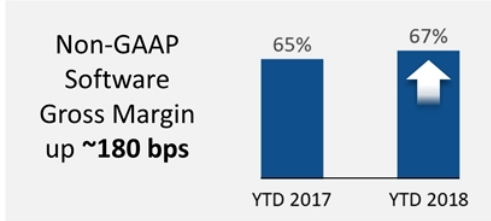
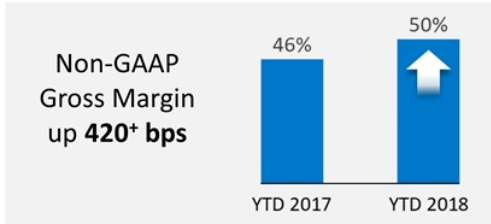
Solid Results

- ✓ Diversified incremental revenue with BenefitsPlace
- ✓ Increase install base adoption
- ✓ Premier Broker program – signed 50 broker partners



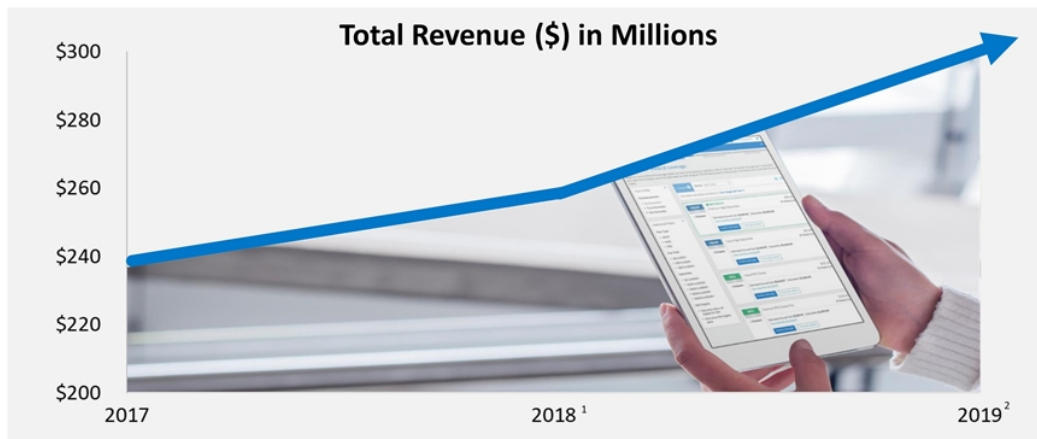
Delivering on Our Three Strategic Priorities

Priority 3: Strengthen our Core – YTD Q3-18



Revenue Growth is Accelerating into 2019

2018 Subscription Bookings Plus BenefitsPlace Drive Future Revenue

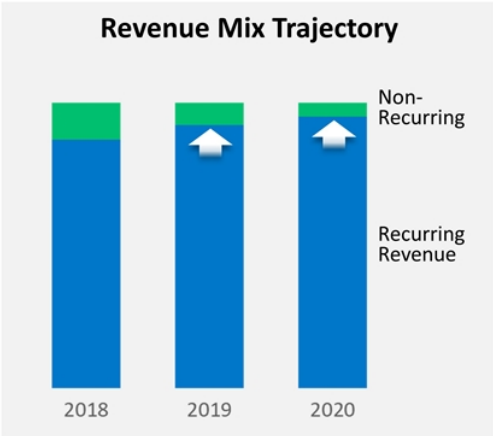
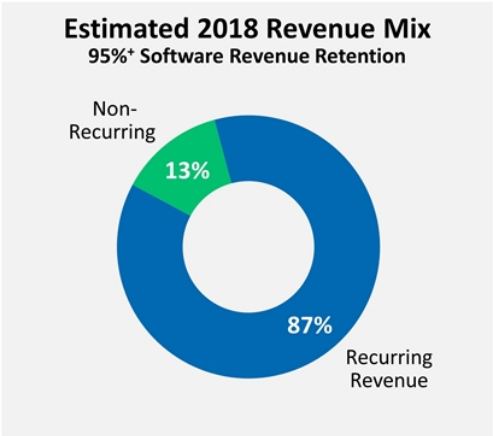


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1. Mid-point of 2018 guidance

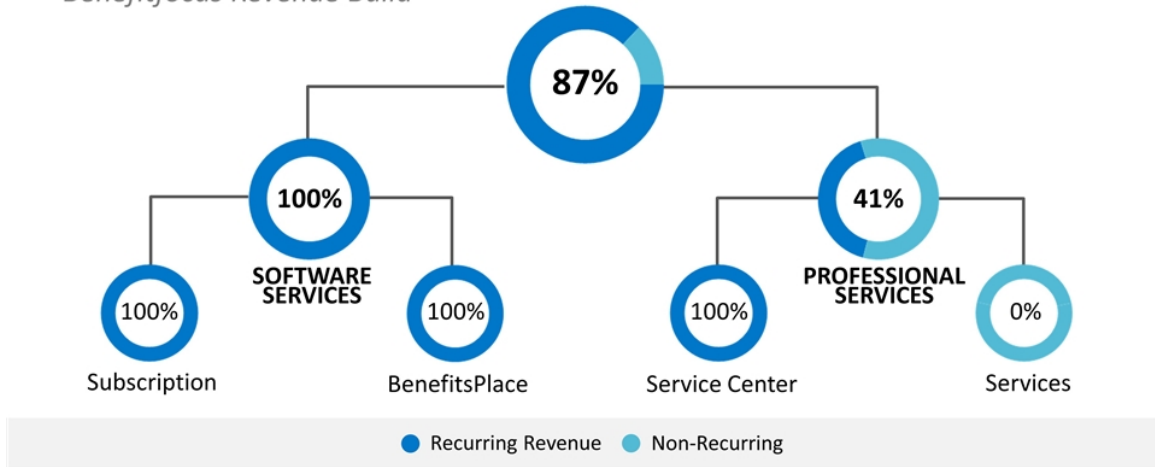
2. Mid-point of 2019 revenue outlook provided on 3Q-18 earnings call

Highly Recurring Revenue Drives Strong Visibility

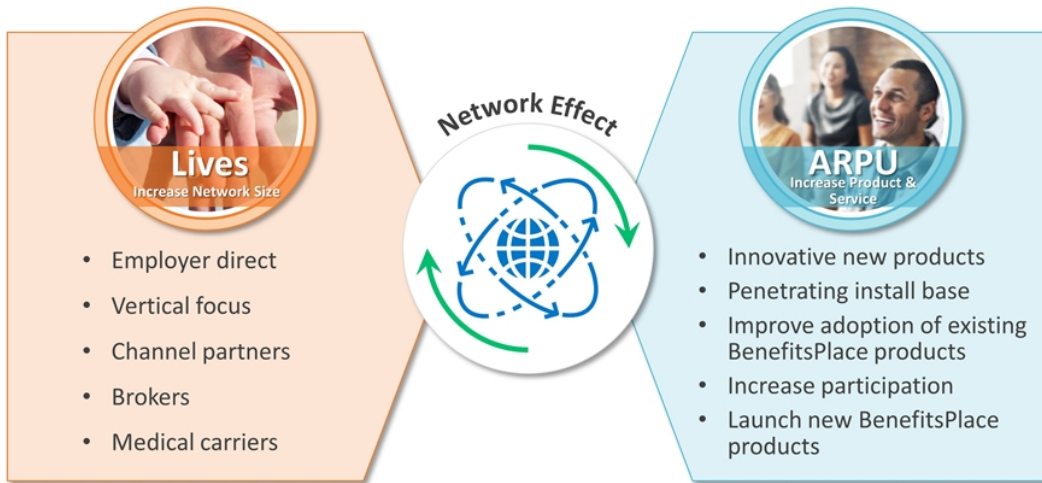


Diversified and Highly Predictive Revenue Stream

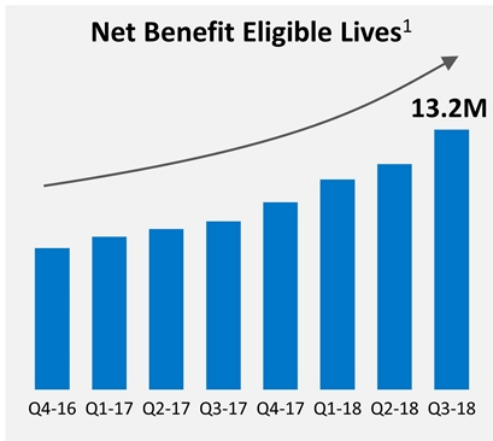
Benefitfocus Revenue Build¹



Key Revenue Drivers



New Measure: Benefit Eligible Lives – Growth Accelerating



Highly correlated to subscription revenue

Foundation for transaction revenue opportunity

Less than 50% of net benefit eligible individuals had access to BenefitsPlace this past open enrollment

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.

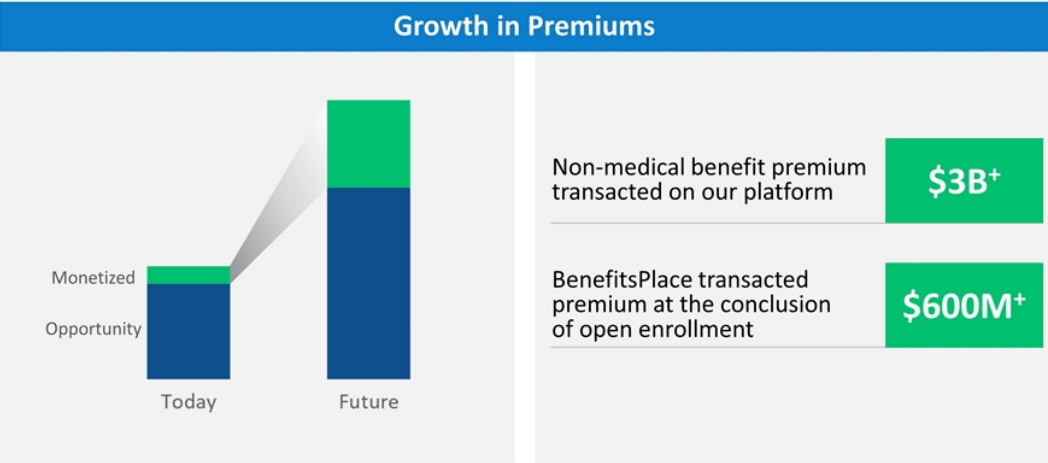
Multiple Drivers for ARPU Expansion



Entire Company Aligned to Deliver Value and Accelerate Growth



More Products + Higher Participation + Better Data = Faster Revenue Growth



BenefitsPlace Creates Win/Win Relationships – Case Study

The Company / Need

- Large employer with dispersed workforce, 16k benefit eligible lives, > \$1B revenue
- Customer since 2014

The Solution

- BenefitsPlace for 3 offerings

Results

- Participation skyrocketed
- Employees have protection they need
- Carrier partners increased premiums sold

Increase in Premiums Sold by Carrier Partners

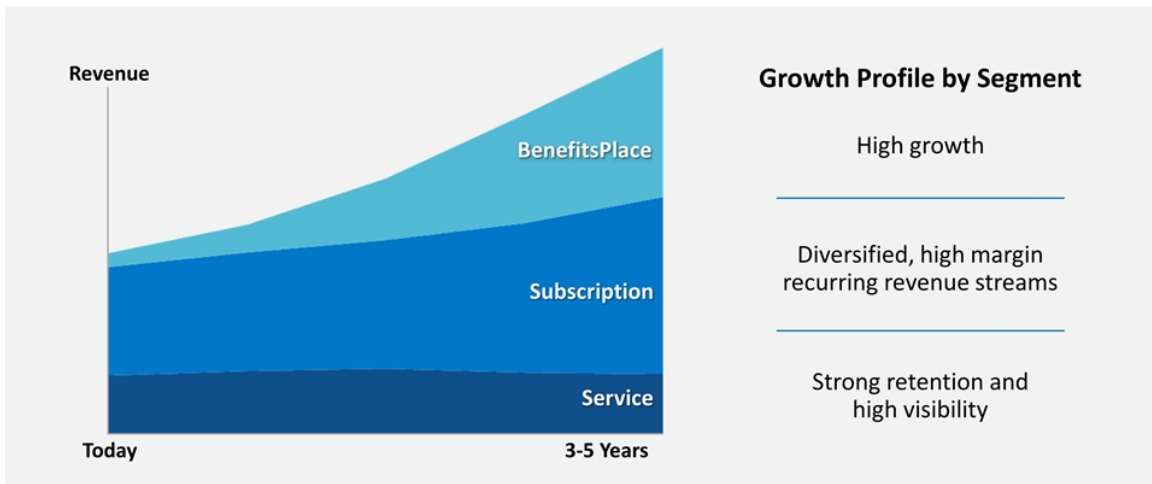
Accident insurance **+44%**

Short-term disability **+39%**

Critical illness for employees **+22%**

Critical illness for spouses **+18%**

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

	2018E	2019E	Target
Revenue Growth	8% ¹	Mid-to-High Teens ²	20%+
Gross Margin			65%+
Adjusted EBITDA Margin*	3% ¹		25%+

1. Mid-point of 2018 guidance

2. Outlook provided on 3Q-18 earnings call

* See important disclosures on non-GAAP financial measures on slide 2 and GAAP to Non-GAAP reconciliation in the appendix.

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Key Takeaways

- 1 The fundamentals of our business are strong
- 2 Recurring and repeatable revenue streams provide high visibility into our 2019 revenue targets
- 3 Our holistic strategy sets the stage for acceleration across all key metrics and positive free cash flow

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Q&A

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Closing Thoughts



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Thank You

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Appendix

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

	Nine Months Ended September 30,	
	2018	2017
Reconciliation from Gross Profit to Non-GAAP Gross Profit:		
Gross profit	\$ 90,086	\$ 75,755
Amortization of acquired intangible assets	81	105
Stock-based compensation expense	2,153	1,803
Total net adjustments	2,234	1,908
Non-GAAP gross profit	\$ 92,320	\$ 77,663

	Nine Months Ended September 30,	
	2018	2017
Reconciliation from Gross Profit to Non-GAAP Gross Profit:		
Software services gross profit	\$ 94,492	\$ 84,420
Amortization of acquired intangible assets	39	46
Stock-based compensation expense	1,244	950
Total net adjustments	1,283	996
Software services non-GAAP gross profit	\$ 95,775	\$ 85,416

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

	Nine Months Ended September 30,	
	2018	2017
Reconciliation from Net Loss to Adjusted EBITDA:		
Net loss	\$ (39,661)	\$ (43,439)
Depreciation	8,864	9,246
Amortization of software development costs	2,898	2,408
Amortization of acquired intangible assets	150	194
Interest income	(199)	(129)
Interest expense on building lease financing obligations	5,601	5,585
Interest expense on other borrowings	4,190	3,526
Income tax expense	22	10
Stock-based compensation expense	12,346	11,646
Transaction costs expensed	257	—
Costs not core to our business	3,922	480
Total net adjustments	38,051	32,966
Adjusted EBITDA	\$ (1,610)	\$ (10,473)
Reconciliation of Free Cash Flow:		
Net cash provided by (or used) in operating activities	(3,982)	(15,068)
Purchases of property and equipment	(5,855)	(6,151)
Free Cash Flow	\$ (9,837)	\$ (21,219)

ACORD

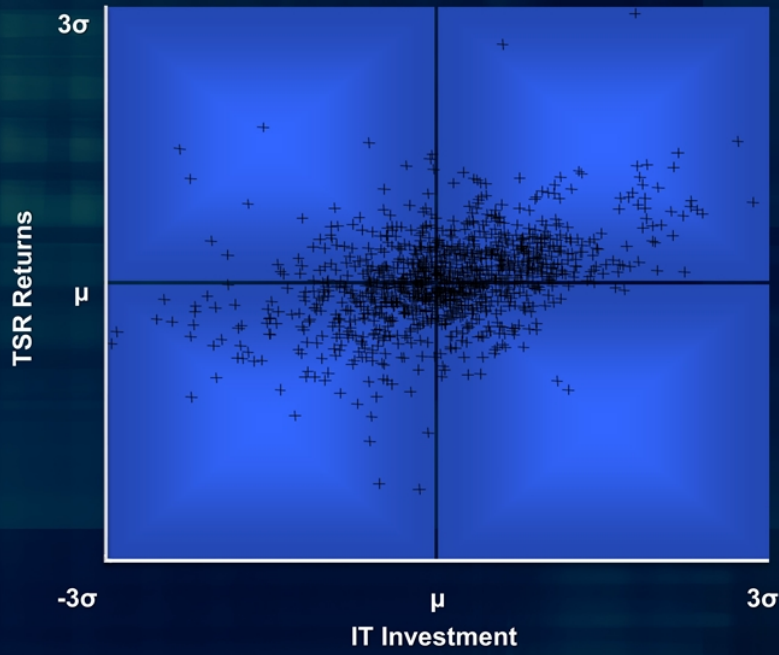
***Digitization & Value Creation
Benefitfocus Investor Day***

**Bill Pieroni
ACORD President & CEO**

**New York
December 18, 2018**

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Digitization & Value Creation
IT Spend vs. TSR



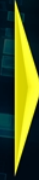
- No measurable correlation
 - Spend less
 - Follow, don't lead
 - Focus on vulnerabilities
- Strategic & tactical drivers
- Single variable vs. enterprise

For additional information contact ACORD at memberservices@acord.org.

■ **Methodology & Assessment**

■ **Classification & Outcomes**

■ **Implications & Imperatives**



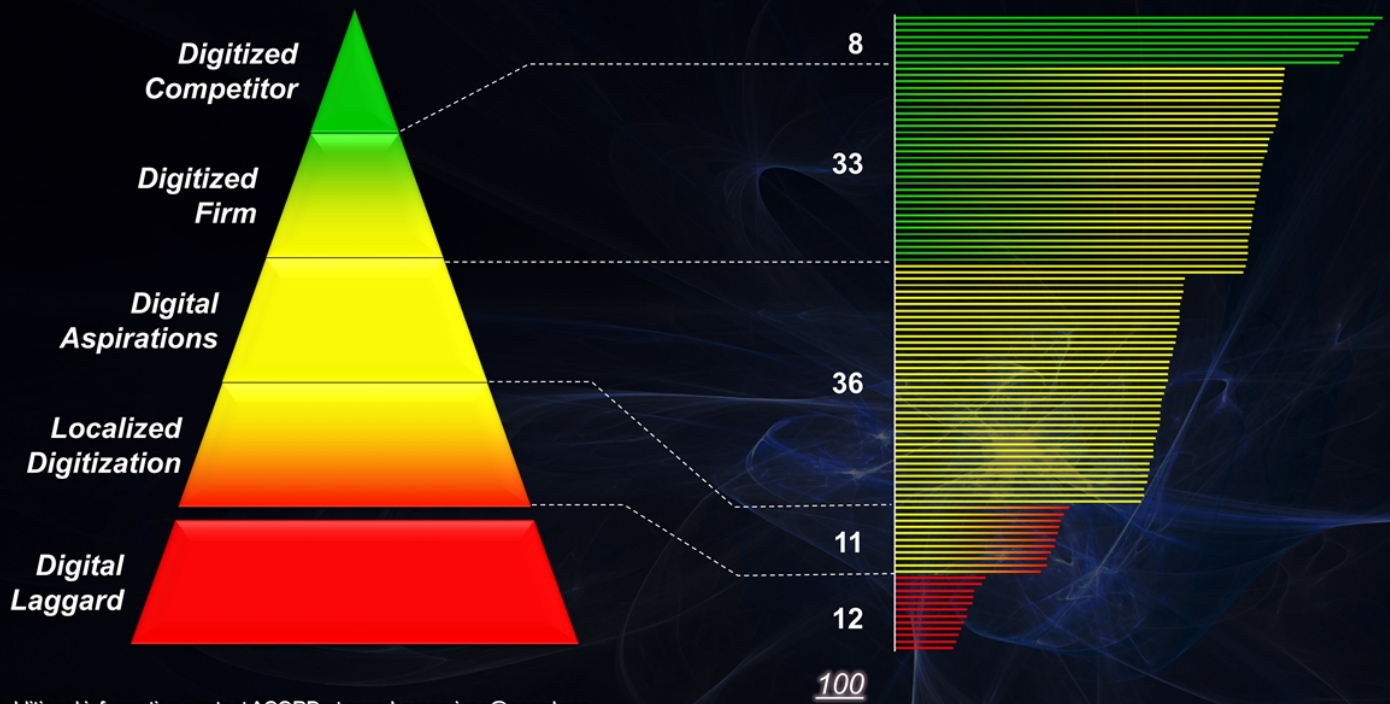
■ **100 carriers – \$1.7T GWP, 40% of global**

■ **7+ years – TSR, Revenue, EBITDA**

■ **Digital Maturity vs. Performance**



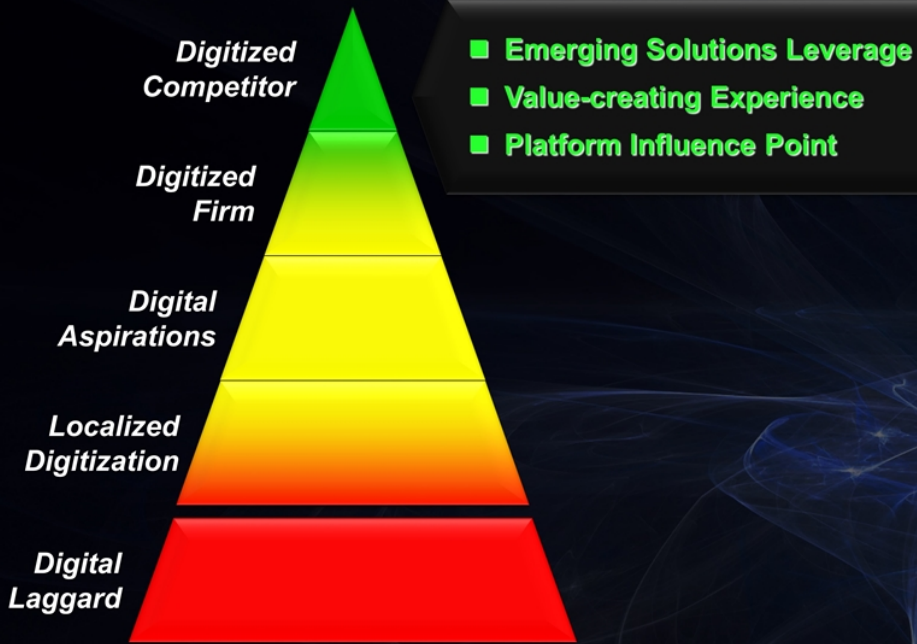
Digitization & Value Creation
Study: Classification & Outcomes



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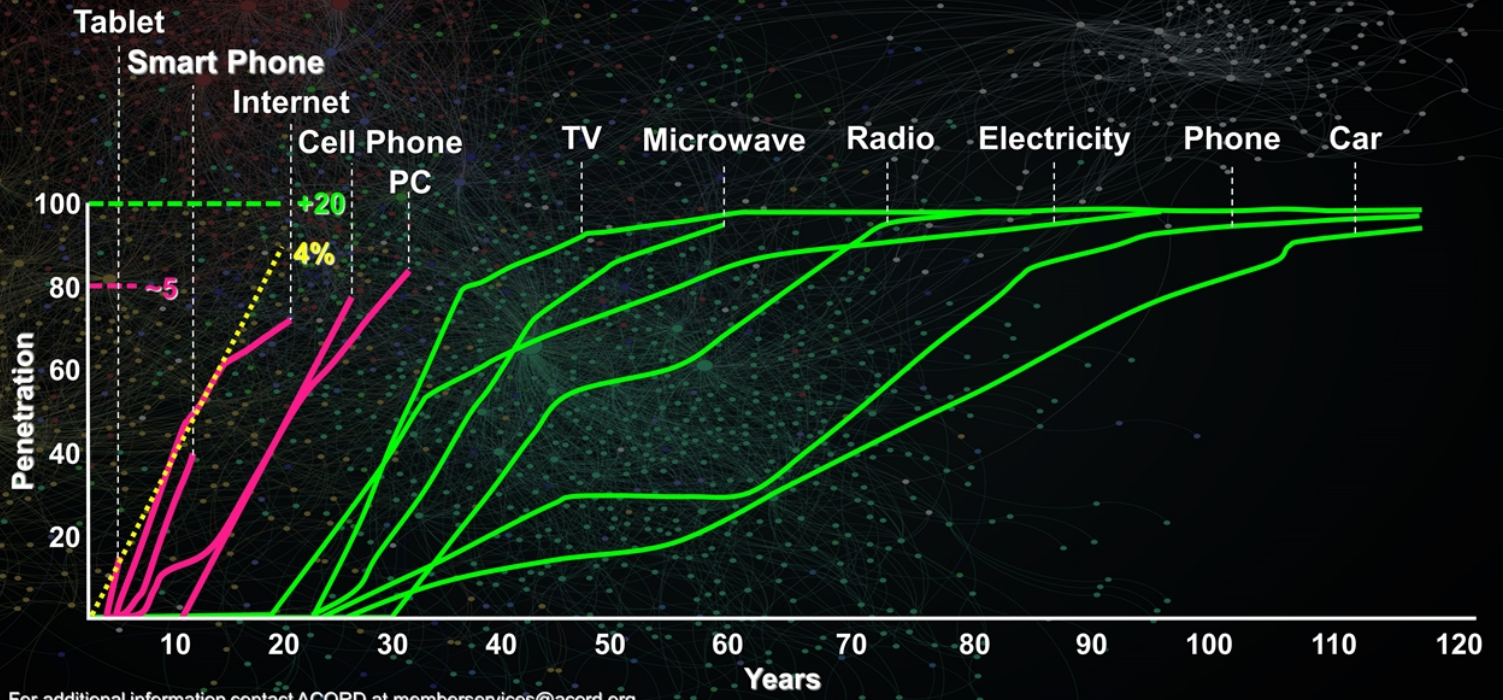
Digitization & Value Creation
Study: Classification & Outcomes, 2010-Q3 2018



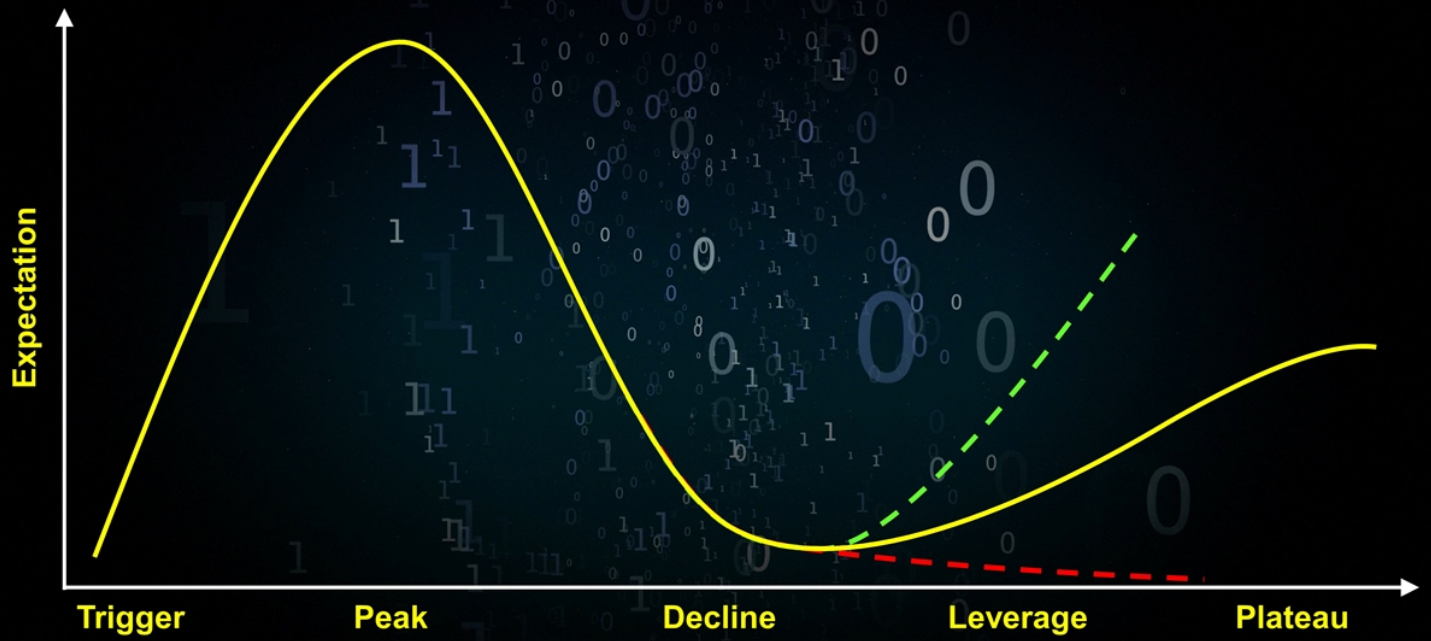


Digitization & Value Creation

Emerging Solutions Leverage: Years vs. Penetration (%)



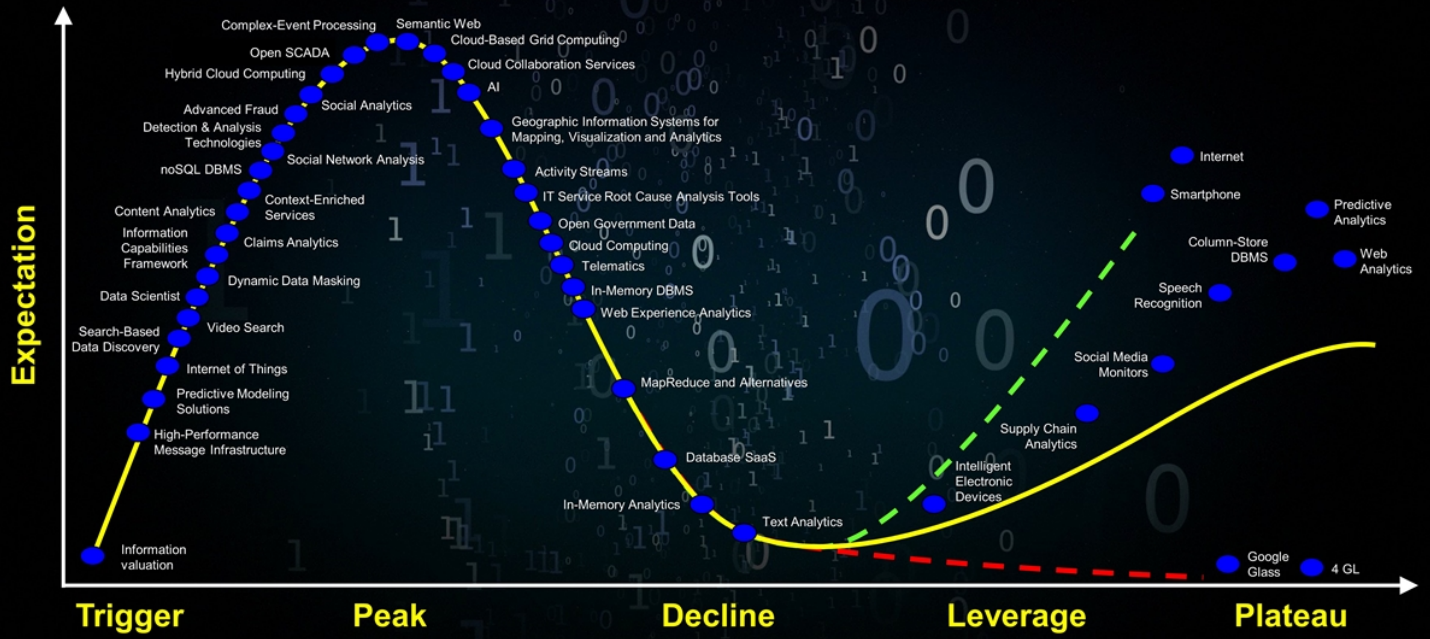
Digitization & Value Creation
Emerging Solutions Leverage: Innovation Diffusion



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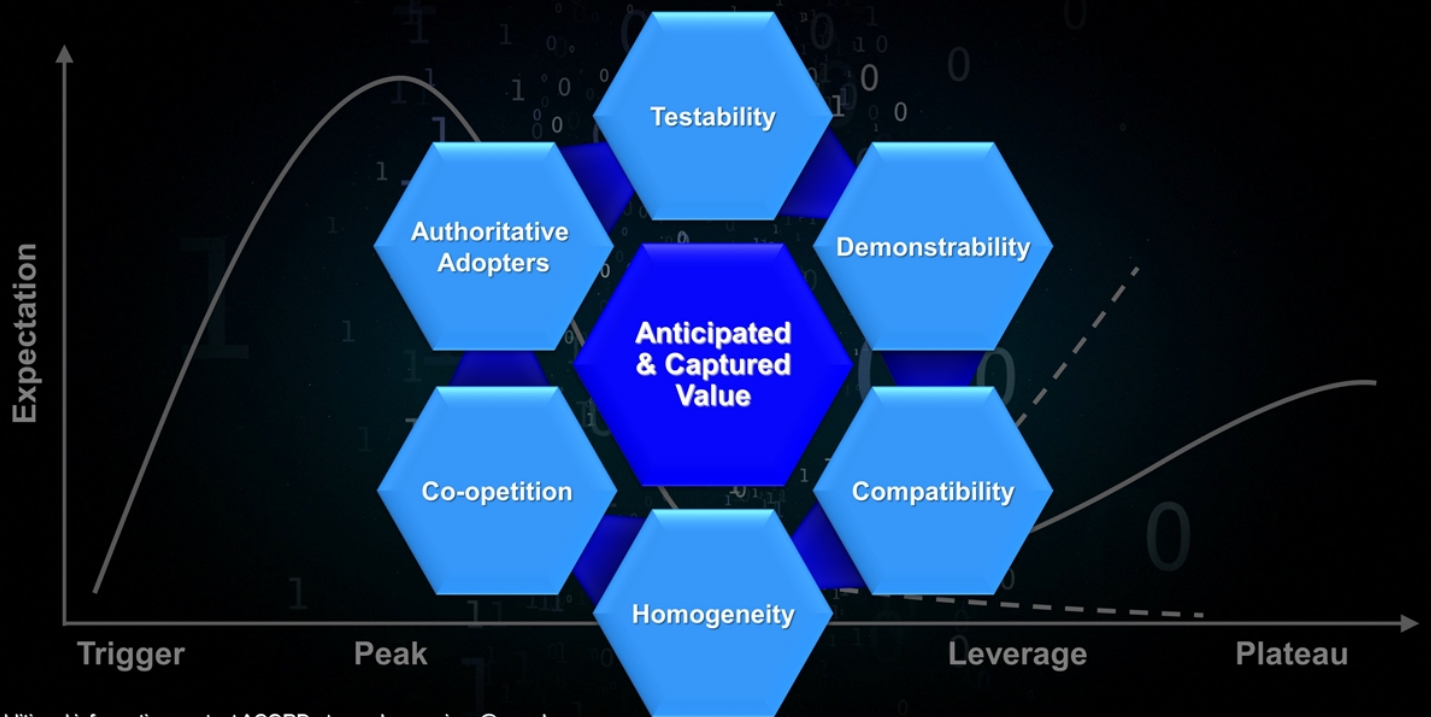
Digitization & Value Creation

Emerging Solutions Leverage: Innovation Diffusion



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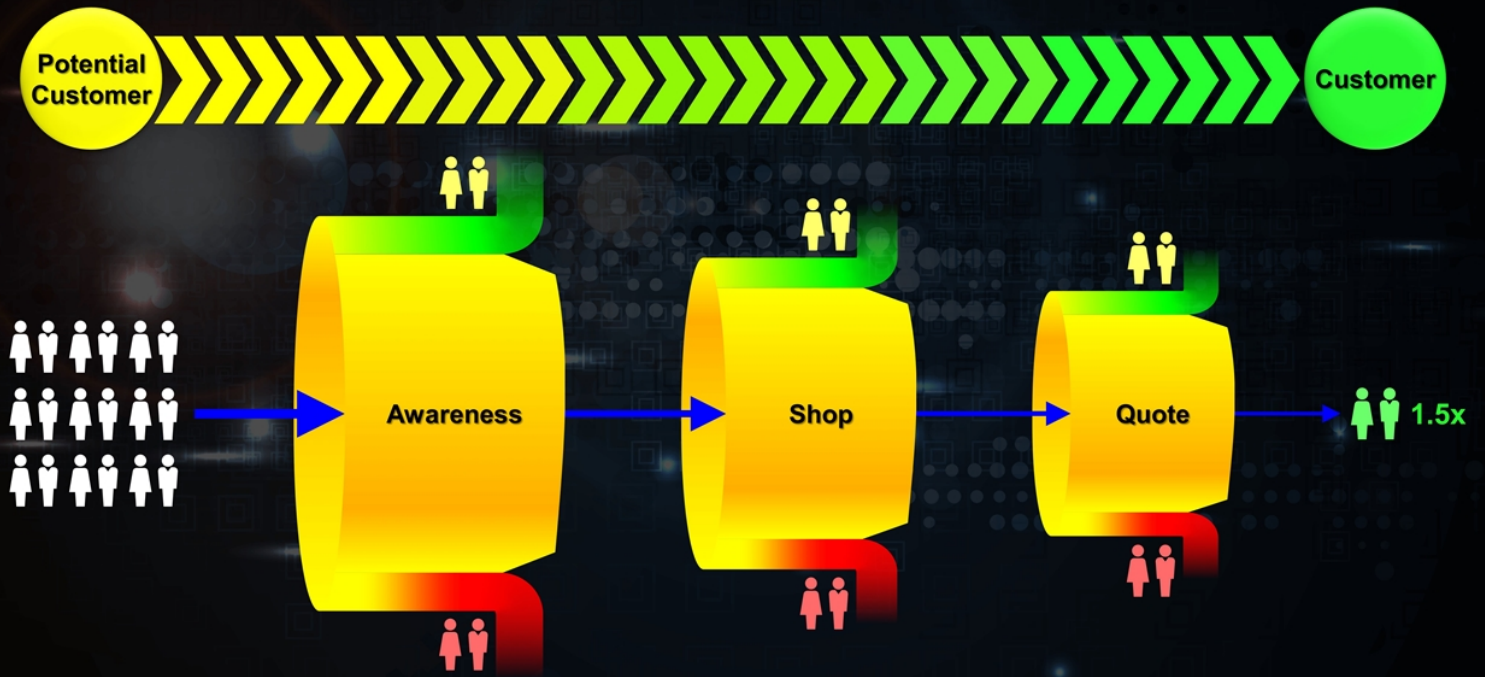
Digitization & Value Creation
Emerging Solutions Leverage: Viability Framework



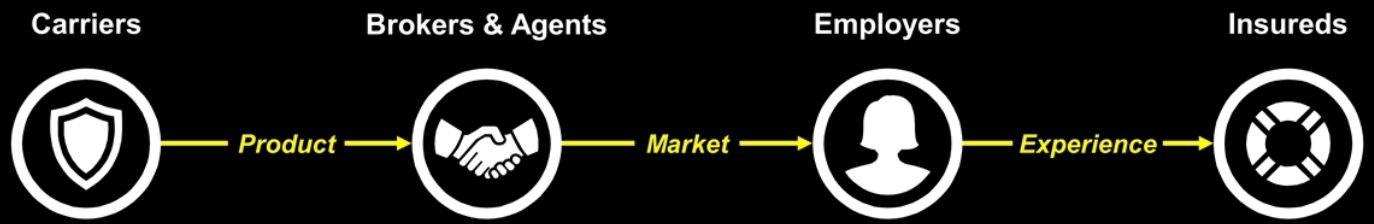
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Consumption Patterns	<i>Passive to engaged</i>	<i><40% Advocates</i>
Meaningful Differentiation	<i>Price shopper to inelasticity</i>	<i>>60% Price-driven</i>
Resource Allocation	<i>Expense to investment</i>	<i>~10% CTB</i>



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➤ *Value creation is relatively fixed and linear*

Value is captured by occupying influence points in networked ecosystems

Winning Platforms



Capacity & Competency: Enable focus on differentiated advantage while delivering value beyond capabilities of any single participant



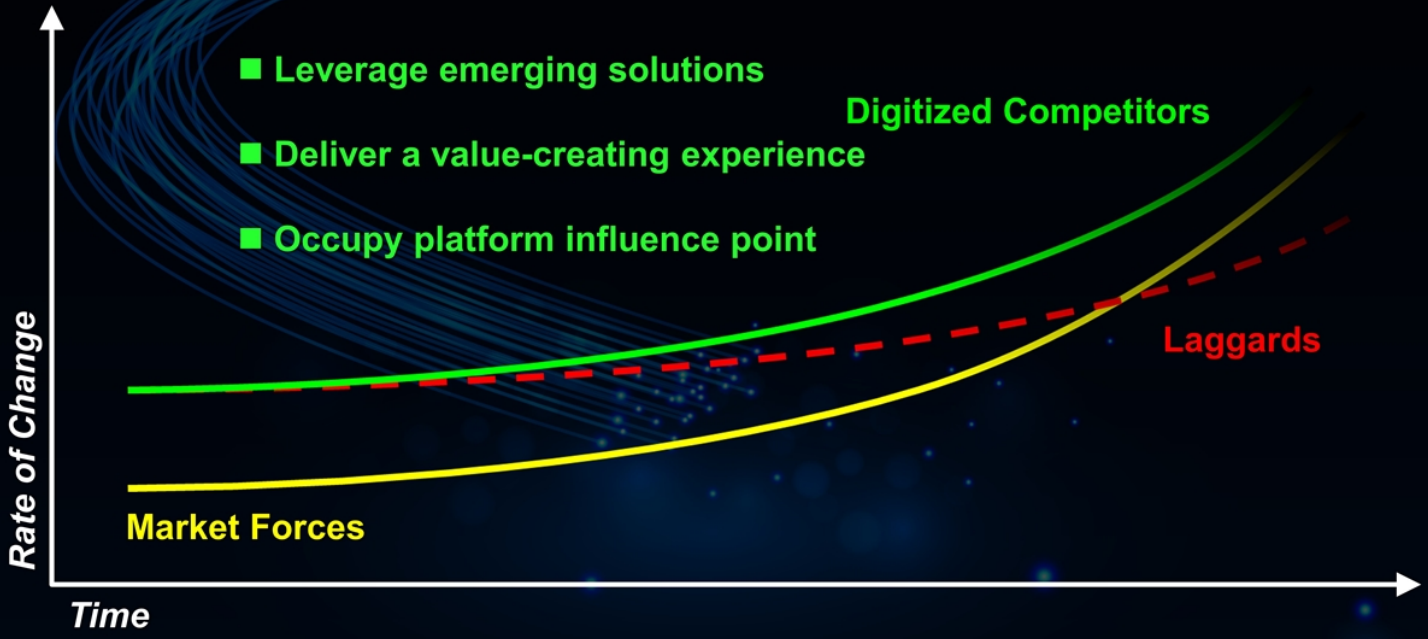
Leveraged Growth: Open value-creating new growth paths beyond traditional organic or M&A options



Distributed Innovation: Empower participants to learn, co-evolve, and work cooperatively and competitively

➤ **Value creation increases and is dynamic**

Digitization & Value Creation
Selected Imperatives



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