

**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) May 10, 2022

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 Par Value	BNFT	Nasdaq Global Market

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 May 10, 2022, Benefitfocus, Inc. (the “Company”) will host its Investor Day. Further information about the Company’s Investor Day is provided in the press release attached hereto as Exhibit 99.1 and is incorporated herein by reference. A copy of the Company’s presentation for Investor Day is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

The information contained in, or incorporated into this Item 7.01, including the press release and presentation attached hereto as Exhibits 99.1 and 99.2, respectively, are 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 they 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	Press release dated May 10, 2022.
99.2	Investor Day presentation dated May 10, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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: May 10, 2022

BENEFITFOCUS, INC.

/s/ Alpana Wegner
Alpana Wegner
Chief Financial Officer

Benefitfocus, Inc.
Ana Perez
843-981-8898
pr@benefitfocus.com

Investor Relations:
Doug Kuckelman
843-790-7460
doug.kuckelman@benefitfocus.com

**Benefitfocus Hosts Investor Day and Provides an Update
on Progress Against its Transformational Strategy**

*Company to host Investor Day in New York City today
Will provide further details on strategy to drive growth by year end 2022
Will present ongoing product and technology improvements,
service investments and go-to-market strategy*

CHARLESTON, S.C., May 10, 2022 – Benefitfocus Inc. (NASDAQ: BNFT) (“Benefitfocus” or “the Company”), an industry-leading cloud-based benefits administration technology company that simplifies benefits administration for employers, health plans and brokers, will host its Investor Day in New York City today from 8:30 a.m. to 12:30 p.m. Eastern Daylight Time.

Benefitfocus’ management team will provide an update on the significant progress made on the Company’s strategic pillars, report on its transformation, elaborate on key upcoming operational milestones and its longer-term financial goals.

Benefitfocus President and Chief Executive Officer, Matt Levin, said, “We believe our transformation plan is working and we expect to see an inflection in our growth trajectory by the end of 2022. Our focus on service excellence, efforts to strengthen our go-to-market-channel relationships and product and technology platform enhancements should enable us to increase our market share, solidify our position as an industry leader and return to growth.”

Event Overview

Members of Benefitfocus’ leadership team will outline the compelling value proposition for customers and shareholders:

1. ***Large and Growing Total Addressable Market:*** The market in which Benefitfocus operates is large, underpenetrated and offers a growing opportunity. With an expected TAM reaching over \$30 billion by 2025, the Company is well positioned to expand its presence by improving its core functions, moving into adjacencies and leveraging favorable industry tailwinds.

2. ***Differentiated and Scalable Technology:*** With more than 20 years of domain expertise, customer-centric technology platform and extensive data sets, Benefitfocus has the unique ability to solve complex problems with comprehensive product offerings that simplify the benefits administration process and reduce costs for both employers and health plans.
3. ***Durable Business Model:*** Leveraging its strong industry heritage and deep customer relationships, Benefitfocus' attractive subscription model and sustainable growth model creates a strong competitive moat that provides predictable revenue streams.
4. ***Transformation Growth Strategy:*** Benefitfocus is executing a compelling transformation strategy – strengthening the core, growing with intent and increasing operational efficiency – harnessing the power of its team, technology platform, service excellence and customer relationships. The Company has demonstrated strong progress over the past year and is on track to achieve its growth goals.
5. ***Unrivaled Leadership Team:*** Benefitfocus has one of the industry's most tenured and experienced executive teams, with nearly 200 years of combined health care and benefits administration experience. The team is leading the business transformation to reposition Benefitfocus for a return to growth and – more importantly – to be a safe set of hands for customers.

Financial Outlook

The Company continues to expect an inflection point in growth by the fourth quarter of 2022, as it continues to improve service levels, enhance its products and technology platform and convert existing customer prospects to closed sales.

For 2023, the Company is targeting a year-over-year revenue growth rate in the low-single digits and, as it continues to grow into adjacencies, it targets a growth rate in the low double digits by 2025.

“In the coming years, I expect Benefitfocus will capitalize on the current transformation efforts through higher levels of revenue retention and expansion into adjacencies in both our employer and health plan segments,” said Benefitfocus Chief Financial Officer, Alpana Wegner. “We are confident that between a favorable industry backdrop and our transformational strategy, we will maximize the unique opportunity to grow and deliver long-term value to our shareholders.”

Webcast Information

Benefitfocus' Investor Day presentation will be available via webcast at <https://investorday.benefitfocus.com> from 8:30 a.m. ET (Eastern Time), concluding at approximately 12:30 p.m. ET. The webcast and presentation materials can be accessed through Benefitfocus' investor relations website. A replay of the event will be available following the conclusion of the broadcast and will be accessible following the event.

About Benefitfocus

Benefitfocus (NASDAQ: BNFT) is a cloud-based benefits administration technology company committed to helping our customers, and the people they serve, get the most out of their health care and benefit

programs. Through exceptional service and innovative SaaS solutions, we aim to be the safest set of hands for our customers helping to simplify the complexity of benefits administration while delivering an experience that engages people and unlocks the potential for better health and improved outcomes. Our mission is simple: to improve lives with benefits.

Safe Harbor Statement

Except for historical information, all of the statements, expectations, and assumptions contained in this press release are forward-looking statements. Actual results might differ materially from those explicit or implicit in the forward-looking statements. Important factors that could cause actual results to differ materially include: our need to increase sales and achieve consistent GAAP profitability; fluctuations in our financial results; our ability to maintain our culture and recruit, integrate and retain qualified personnel, including on our board of directors; our ability to compete effectively and implement our growth strategy; our reliance on channel relationships; market developments and opportunities; the need to innovate and provide useful products and services; risks related to changing healthcare and other applicable regulations; the immature and volatile nature of the market for our products and services; privacy; security and other risks associated with our business; management of growth; volatility and uncertainty in the global economy and financial markets in light of the evolving COVID-19 pandemic and war in Ukraine; 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-filings> 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.



Benefitfocus

Investor Day

Investor and Analyst Day

May 10, 2022





Benefitfocus
Investor Day



Welcome



Our Agenda

Welcome	Doug Kuckelman, VP Investor Relations
Vision & Return to Profitable Growth	Matt Levin, President & CEO
Product Enhancements & Strategy	Tina Provancal, Chief Product Officer
<i>Break</i>	
Service Excellence	Sue Leary, Chief Customer Officer
Sales & Marketing	Craig Maloney, Chief Commercial Officer
<i>Break</i>	
Forward Looking Financials & Capital Allocation Guidance	Alpana Wegner, Chief Financial Officer
Q&A	
Closing Thoughts	Matt Levin, President & CEO
Optional: Lunch & Product Demo Station	

Disclaimer

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Except for historical information, all of the statements, expectations, and assumptions contained in this presentation are forward-looking statements. Actual results might differ materially from those explicit or implicit in the forward-looking statements. Important factors that could cause actual results to differ materially include: our need to achieve consistent GAAP profitability; fluctuations in our financial results; our ability to maintain our culture and recruit, integrate and retain qualified personnel, including on our board of directors; our ability to compete effectively and implement our growth strategy; market developments and opportunities; the need to innovate and provide useful products and services; risks related to changing healthcare and other applicable regulations; the immature and volatile nature of the market for our products and services; privacy, security and other risks associated with our business; management of growth; volatility and uncertainty in the global economy and financial markets in light of the evolving COVID-19 pandemic and war in Ukraine; 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 <https://investor.benefitfocus.com/sec-filings> 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.

Disclaimer

Non-GAAP Financial Measures

The company uses certain non-GAAP financial measures in this presentation, including non-GAAP gross profit, operating income/loss, net loss/income, net loss/income per common share, adjusted EBITDA and free cash flow. 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.

Non-GAAP gross profit, operating income/loss, net loss/income and net loss/income per common share exclude stock-based compensation expenses, amortization of acquisition-related intangible assets, transaction and acquisition-related costs expensed, expense related to the impairment of goodwill, intangible assets and long-lived assets, gain or loss on extinguishment of debt, and costs not core to our business. We define adjusted EBITDA as net loss before net interest, taxes, and depreciation and amortization expense, adjusted to eliminate stock-based compensation expense; transaction and acquisition-related costs expensed; restructuring costs; impairment of goodwill, intangible assets and long-lived assets; gain or loss on extinguishment of debt; other costs not core to our business; and loss on settlement of lawsuits. We define free cash flow as cash provided by or used in operating activities less capital expenditures, adjusted to eliminate cash paid for restructuring costs. Please note that other companies might define their non-GAAP financial measures differently than we do.

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. Management also intends to provide these non-GAAP financial measures as part of the company's future earnings discussions and, therefore, their inclusion should provide consistency in the company's financial reporting.



Matt Levin President & CEO

20+ years health care, benefits,
and technology experience

Expertise in corporate development
and strategic planning

Proven track record developing
and executing growth strategies

Compelling Investment Thesis

 <p>Large and Growing TAM</p>	<ul style="list-style-type: none"> ✓ Expanding presence in large, growing and underpenetrated addressable market with opportunity to grow into adjacencies ✓ Favorable industry tailwinds
 <p>Differentiated & Scalable Technology</p>	<ul style="list-style-type: none"> ✓ Leveraging differentiated, scalable technology platform and capabilities to solve complex problems across Employers and Health Plans
 <p>Durable Business Model</p>	<ul style="list-style-type: none"> ✓ Attractive, durable business model supported by subscription revenue and repositioned for sustainable growth ✓ Strong heritage in the industry and long-lasting customer relationships
 <p>Transformation Growth Strategy</p>	<ul style="list-style-type: none"> ✓ Strengthening the core ✓ Growing with intent ✓ Increasing operational efficiency
 <p>Unrivaled Leadership Team</p>	<ul style="list-style-type: none"> ✓ Tenured management team with deep industry experience executing the business transformation

Simplified Benefits Administration Drives Improved Health and Outcomes



Seasoned Team of Results-Driven Industry Veterans



Matt Levin
President & CEO



Tina Provancal
Chief Product Officer



Sue Leary
Chief Customer Officer



Craig Maloney
Chief Commercial Officer



Alpana Wegner
Chief Financial Officer



Kristin Adams
Chief People Officer



Tim Sand
SVP, Customer
Operations



Ana Perez
Chief Marketing Officer



Greg Mercer
SVP, Sales

~200 combined years of industry experience



 *Joined within last 12 months*

Uniquely Positioned to **Solve Complex Benefits Administration Problems** for Our Customers

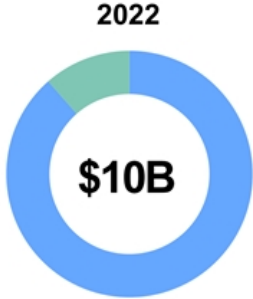


Massive Market Opportunity; With Room to Grow

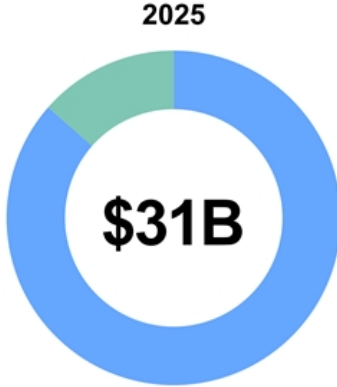
Health Plan penetration
17%

Employer penetration
2%

- Employer
- Health Plan



- 2022 Core TAM Drivers**
- Enrollment
 - Admin Services
 - Voluntary/Platform
 - Data/Health Insights



- 2025 TAM with Adjacencies**
- Advocacy & Navigation
 - New Data Products
 - Individual Platform Expansion



Source: US Census (2019), Salesforce (internal CRM), Hoovers (2019)

Partner of Choice for a Diversified Customer Base

25M Lives 1 of every 12 U.S. Employees		
	Employers	Health Plans
We serve	560+ Employer Customers 50+ Enterprise Customers	~60% of the Blues 35+ Health Plan Customers
We work with	50+ Brokers	100+ Carrier Partners

Evolving Industry Dynamics Unlock Growth Opportunities

Problems We Are Solving

Increasing health care costs for Employers

7.6%

Annual increase in healthcare costs for employers¹

High administrative burden for Health Plans and Employers

\$1T

Spent on administrative costs²

Demand for quality benefits is now a differentiator

98%

Of leaders plan to newly offer or expand at least one employee benefit to help improve retention, health and productivity³

Our Differentiated Value Proposition

- ✓ Lower health care costs
- ✓ Reduce administrative and operational costs
- ✓ Increased access to tools, data and customer service
- ✓ Reduce administrative and operational costs
- ✓ Higher member retention and satisfaction
- ✓ Recruit and retain talent with enhanced benefits
- ✓ User-friendly enrollment solutions
- ✓ Enable employees to maximize benefit elections

Sources: 1. Willis Towers Watson 11/21; 2. WFAE 09/21; 3. Harvard Business Review 04/21

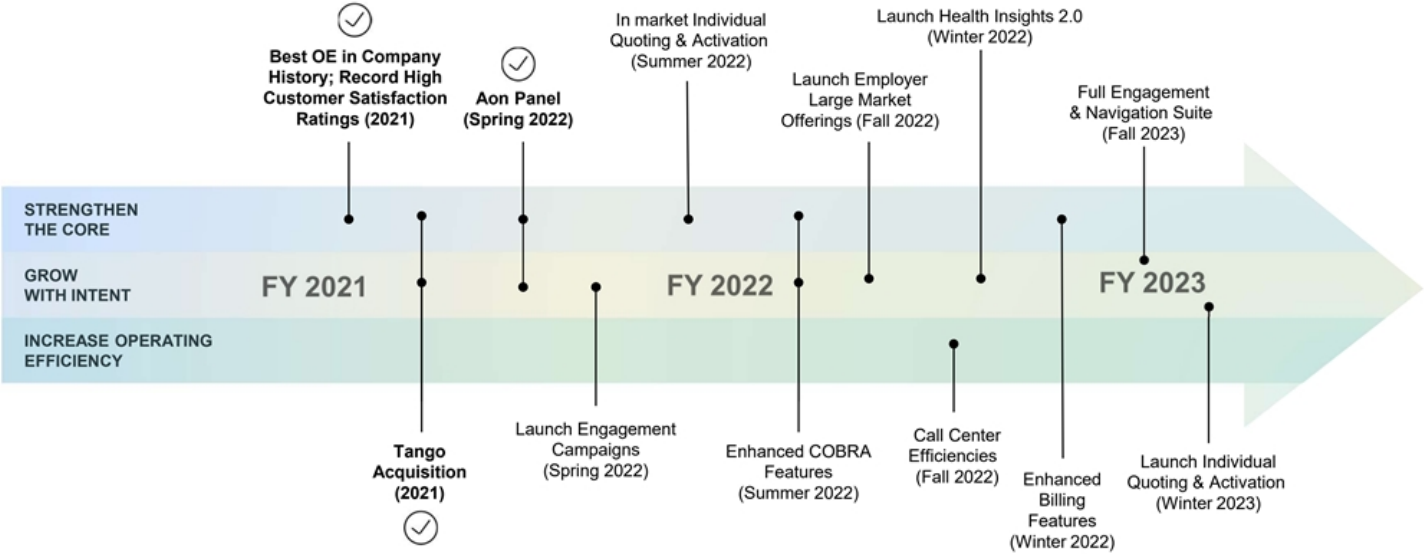
Executing Against Our Three Pillar Strategy

Strengthening the Core	Growing with Intent	Increasing Operational Efficiency
<p>Investing in service excellence to achieve higher customer retention and references</p> <p>Innovating on a strong technology platform to meet our customers' new and evolving needs</p> <p>Execution of plan led by industry veterans with proven transformational expertise</p>	<p>Deploying capital to expand and enhance core product capabilities</p> <p>Leveraging data assets to deliver industry-leading, tech-enabled services and insights</p> <p>Moving up market by targeting larger, higher-value customers</p>	<p>Automating processes to drive stronger software gross margins</p> <p>Optimizing sales and marketing organization, resulting in increased EBITDA</p> <p>Sustaining margins while executing revenue growth strategy</p>

Putting the Benefitfocus Flywheel In Motion



Delivering On Our Commitments With Momentum



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Benefitfocus

Investor Day

Investor and Analyst Day

May 10, 2022





Tina Provancal Chief Product Officer

25+ years of industry experience

Benefits design, administration,
business transformation, clinical advocacy

Consultant and co-creator with
health plans and employers

Health Care is Costly and Increasingly Complex

\$6.8T¹

Projected US
healthcare spend 2030

7.6%²

Increase in
benefit costs

\$32B³

Unnecessary
ER spend

80%⁴

People choose the
wrong medical plan

Sources: 1. CMS 3/22, 2. Willis Towers Watson 11/21, 3. United Healthcare 7/19, 4. NerdWallet 10/19

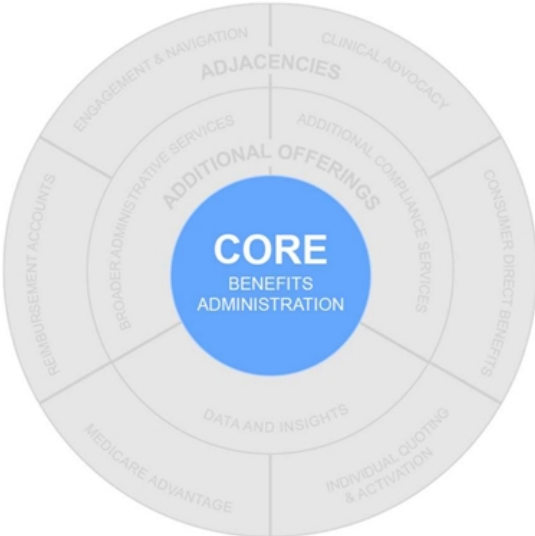
Help People Get the Most Out of Their Benefits



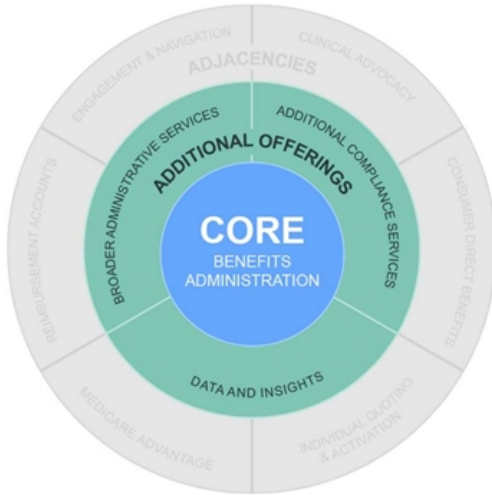
Enhancing Capabilities to Support Growth



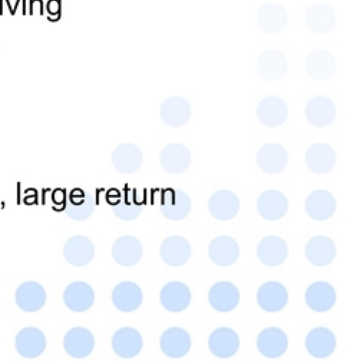
Building on Our Comprehensive Solution Set



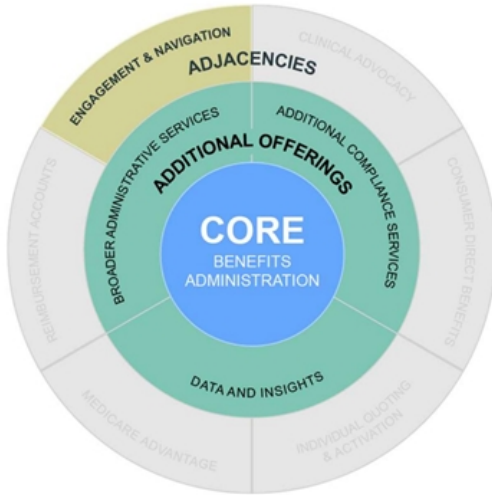
Stronger and Expanded Core Capabilities



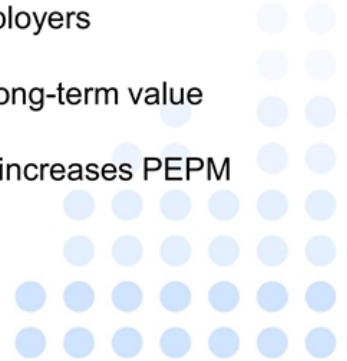
- Deliver industry-leading administrative and compliance services
- Increase automation driving operational efficiencies
- Accessing more TAM
- Moderate development, large return



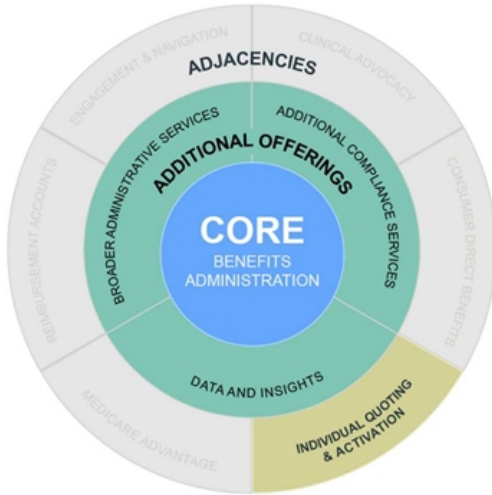
Improved Engagement and Health Navigation



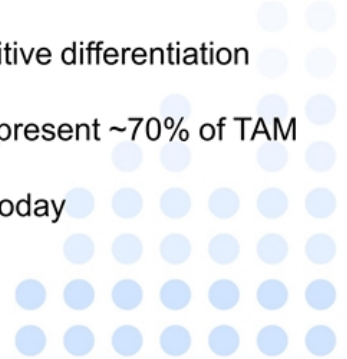
- Deep personalization and decision support
- Critical need for all employers
- Designed to generate long-term value
- Natural adjacency that increases PEPM



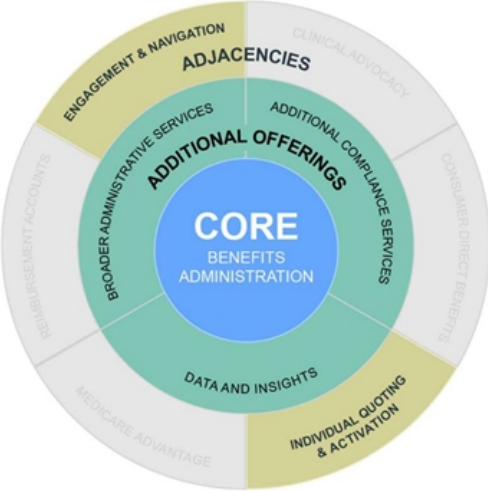
Extension Into Individual Market



- Leverage existing capabilities to win in adjacent, fast-growing market
- Opportunity for competitive differentiation
- Top 10 Health Plans represent ~70% of TAM
- 4 of 10 are customers today



Addressing a Large and Expanding Opportunity



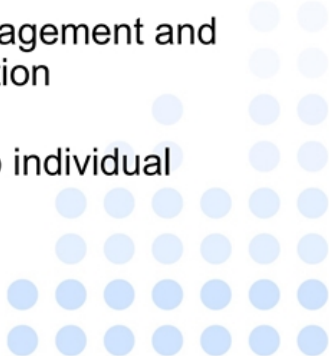
Stronger and expanded core capabilities



Improved engagement and health navigation



Extension into individual market



Product Differentiation Unlocks Customer Value



Technology

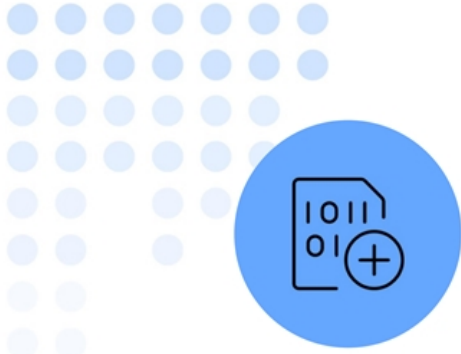


Data



Experience





Technology

An agile and scalable technology platform that accelerates innovation.

Cloud-native

to allow for dynamic scaling and distributed processing.

Modern platform

to reduce maintenance costs and enable greater focus on innovation.

Single codebase architecture

to enable fast implementations and accelerated product development and innovation.

Low-code/no-code development tools

to increase collaboration and speed in our releases.



Data

Access to differentiated data for insights that empower outcomes.

Real-time access to insights

to empower actionable strategies that deliver health care ROI for our customers.

Leveraging AI and ML

to advance existing personalization capabilities and expand into additional insight offerings.

Defense-in-depth security model

to secure critical data, mitigate cyber risk and maintain PCI, SOC, and HITRUST certifications.



Experience

An intuitive user experience designed to maximize engagement.

Real-time member data

to deliver personalized interactions that drive benefits satisfaction and decision support.

Omni-channel

to enable a seamless user experience and drive greater health and benefit engagement.

Self-service capabilities

to help educate and support users anytime, anywhere.



Benefitfocus

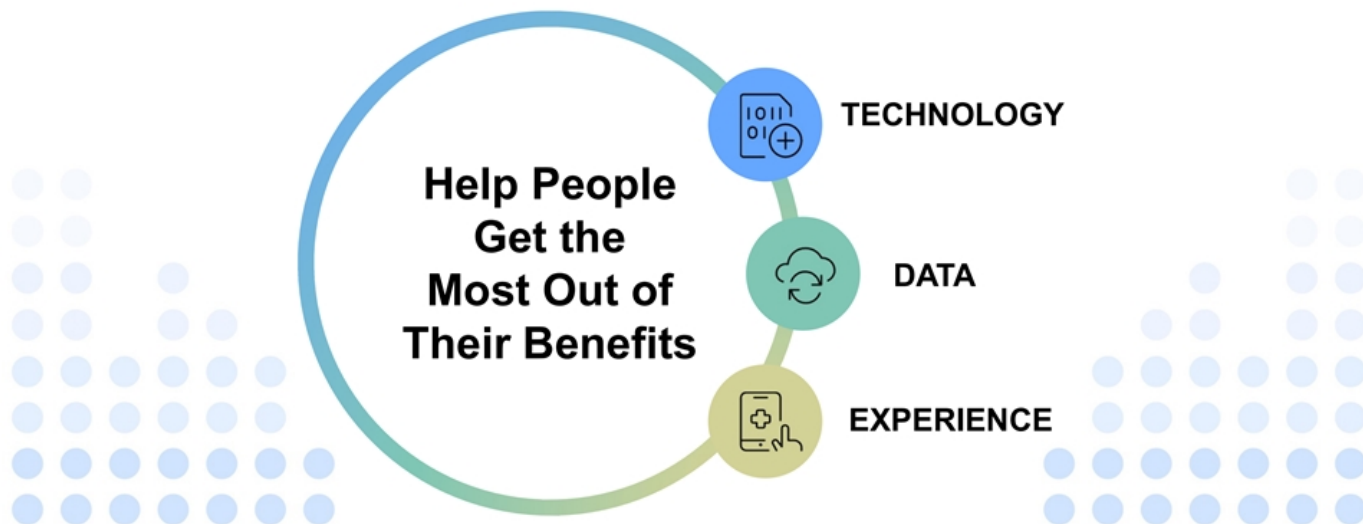
Investor Day

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May 10, 2022



Uniquely Positioned to Unlock Customer Value and Transform Our Growth Strategy





Key Takeaways

We have a large and expanding opportunity to become the preferred partner for benefit administration, driving long-term value for customers and shareholders.

We are executing on a product strategy to deliver growth in existing markets and unlock new larger addressable markets.

Our technology and robust data insights, combined with our intuitive customer experience, sets us up for driving highly differentiated value.



Benefitfocus
Investor Day

Investor and Analyst Day

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Sue Leary
Chief Customer Officer

25+ experience in service & delivery

Deep background in Health Plans

Extensive service experience in
growth-focused businesses

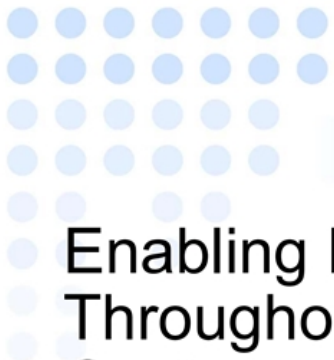
Driving Retention and Referrals Within the Flywheel



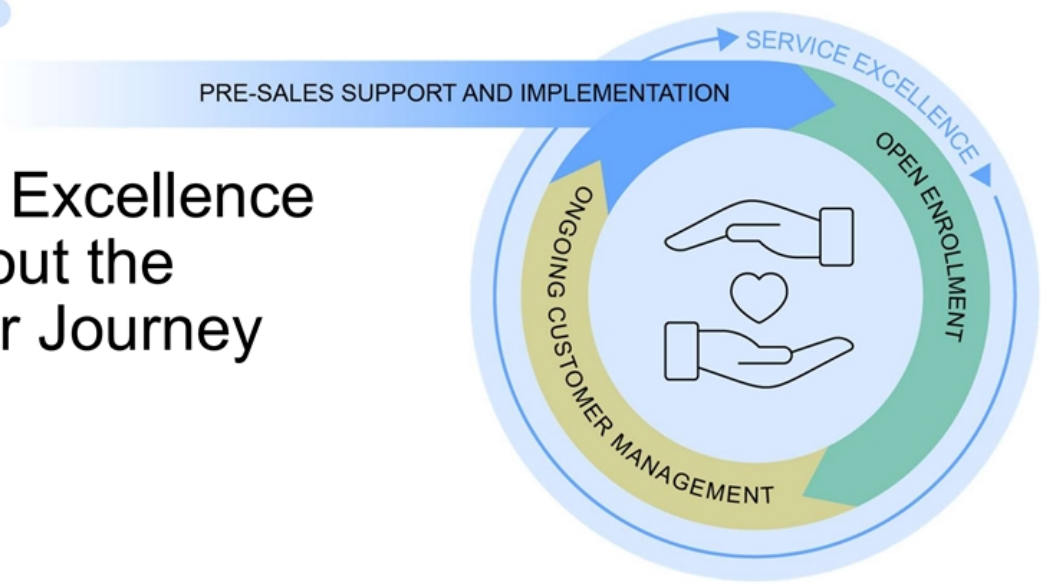


Job #1 Customer Retention





Enabling Excellence Throughout the Customer Journey



Service Excellence Focus Areas

Implementation	Open Enrollment	Customer Management
<p>Providing insights and best practices</p> <p>Understanding and alignment of customer business goals</p> <p>Standardizing for a simplified experience</p> <p>Enhancing customer visibility and proactive transparency</p>	<p>Enabling the customer's health and benefits strategy</p> <p>Optimizing core and voluntary benefit enrollment</p> <p>Executing with high quality data</p>	<p>Building deep, long-standing account relationships</p> <p>Serving as a strategic partner for planning and executing benefit strategy</p> <p>Streamlining customer interactions through enablement and automation</p>

Service Excellence Focus Areas

Implementation	Open Enrollment	Customer Management
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Strategic Actions Delivering Record Success Metrics

100%

on-time
OE start for health plans

95%

customer satisfaction
rating

99%

on time
OE start for employers
enrollment eligibility delivery
payroll data delivery

19M
enrollments during
2021 OE



Source: Benefitfocus

© 2022 Benefitfocus.com, Inc.

Benefitfocus

Service Excellence Focus Areas

Implementation	Open Enrollment	Customer Management
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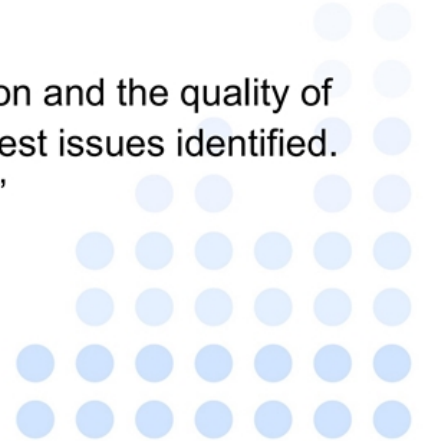


Large Equipment Retailer 46,000 employees



I am SO pleased with my Open Enrollment configuration and the quality of the set up and quick turnaround and feedback on the test issues identified. Benefitplace OE is the least of my concerns right now.”

Health and Wellbeing Director





Key Takeaways

Delivering service excellence is a top priority, and a key point of differentiation for Benefitfocus.

We are focused on three key areas to maximize retention and satisfaction: implementations, ongoing customer support and open enrollment.

We have made tremendous progress across the last year and will continue to enhance our model to maximize retention and growth.



Benefitfocus
Investor Day

Investor and Analyst Day

May 10, 2022





Craig Maloney
Chief Commercial Officer

30+ years of industry experience

SaaS/Ben Admin, Channel
Partnerships, Voluntary Benefits

Track record of leading high growth
organizations

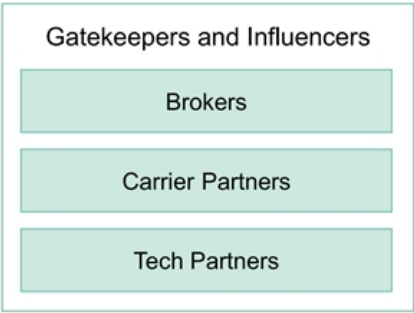
Unlocking Growth Within the Flywheel



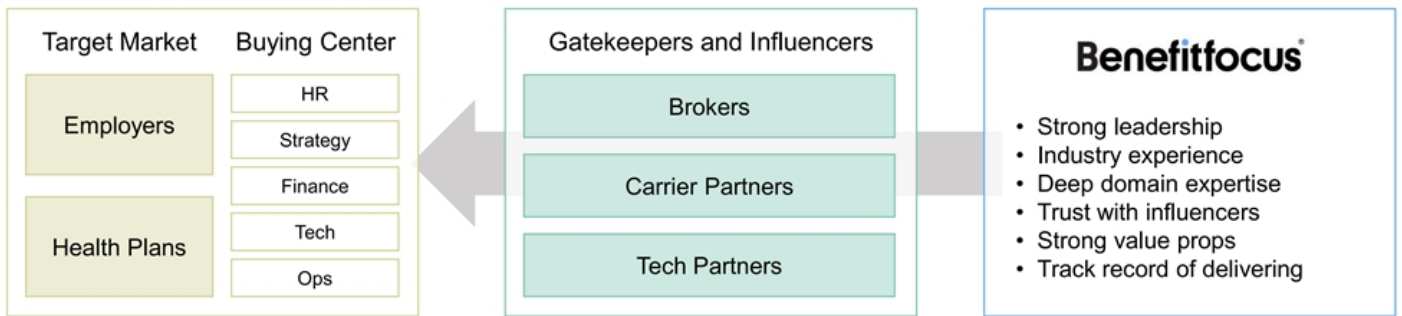
Uniquely Positioned to Win In a Complex Ecosystem



Uniquely Positioned to Win In a Complex Ecosystem



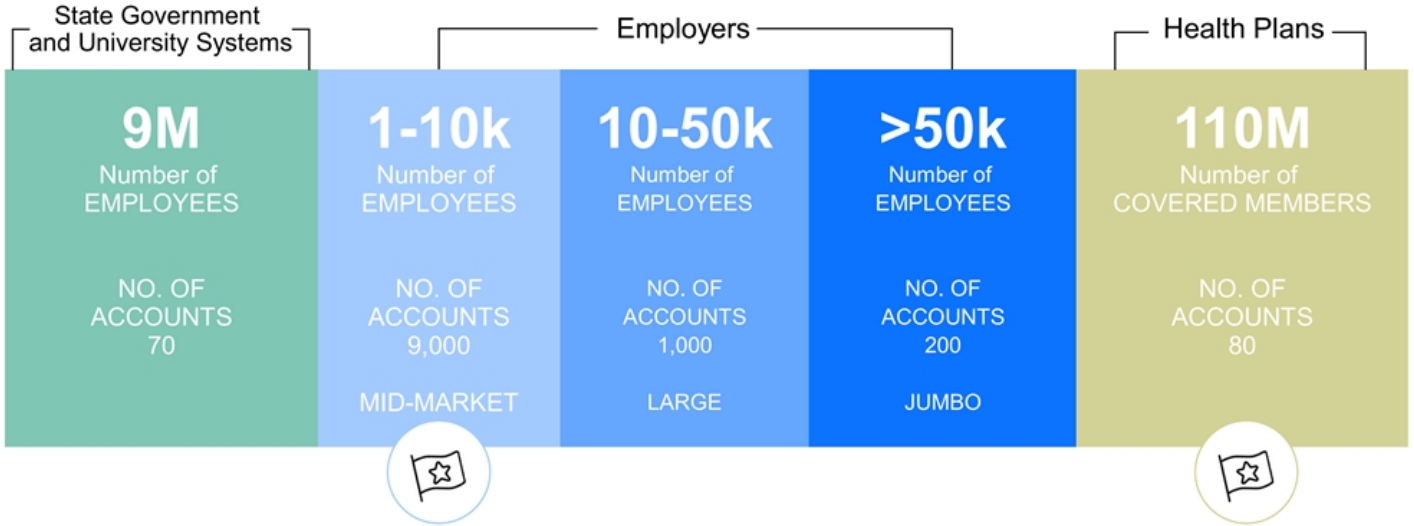
Uniquely Positioned to Win In a Complex Ecosystem



We Have a Strong Customer Base from Which to Capture More of the TAM

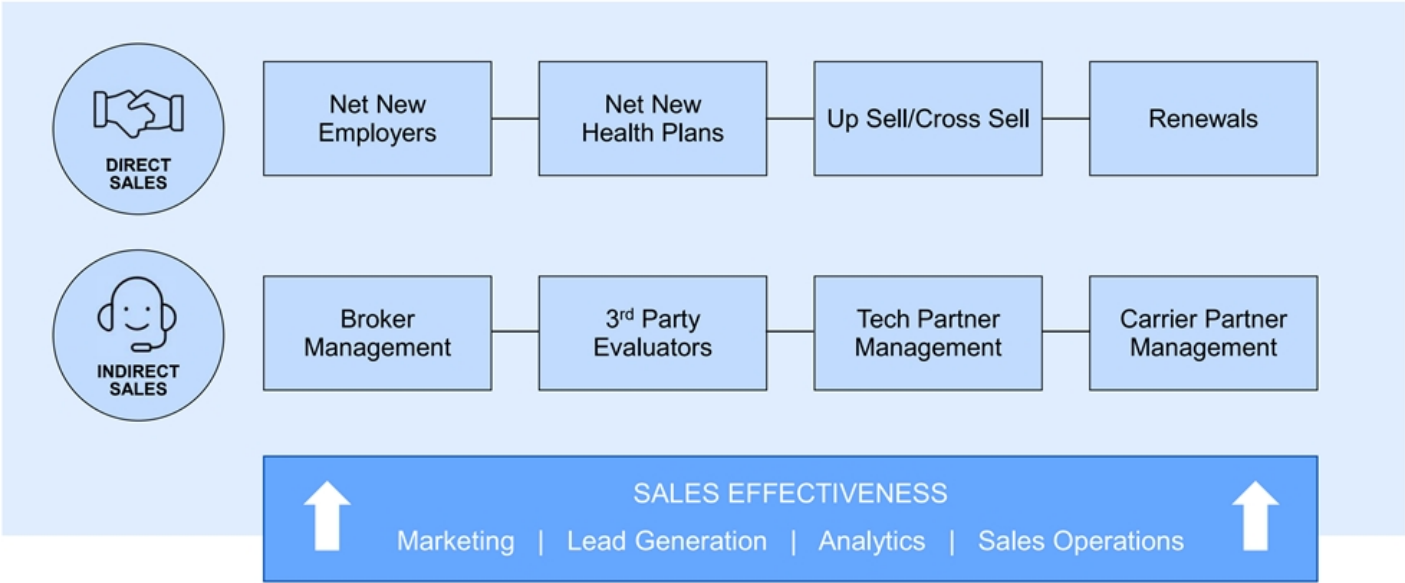


We Have a Massive Growth Opportunity

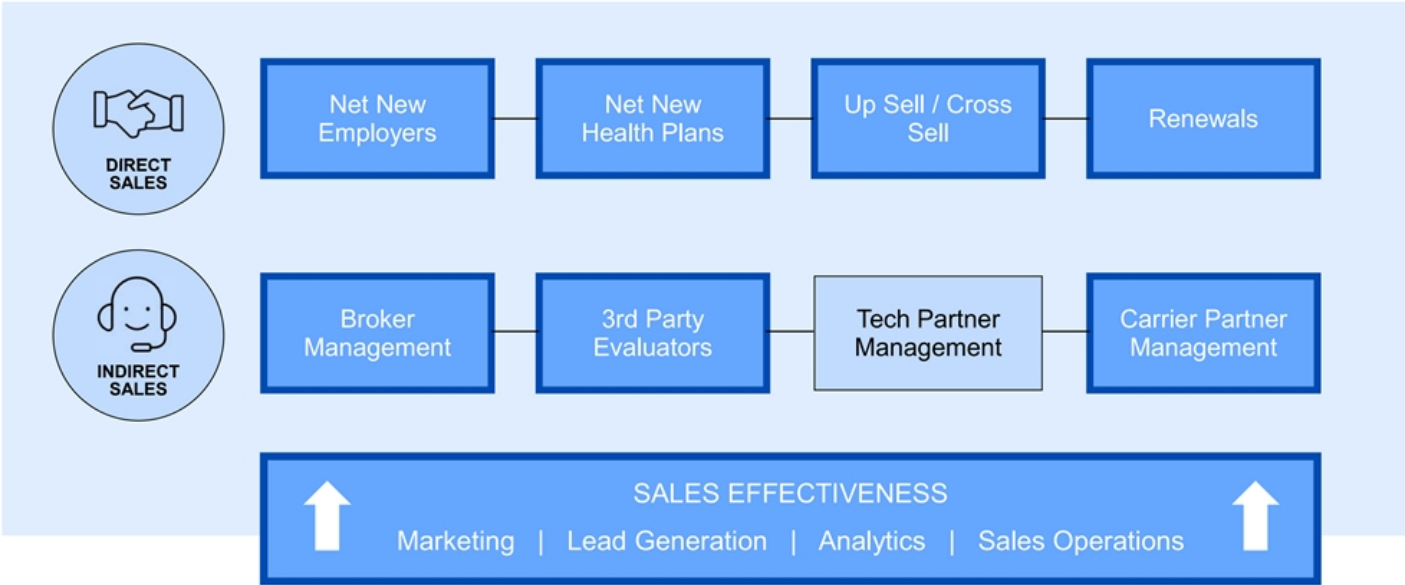


Source: US Census (2019), Salesforce (internal CRM), Hoovers (2019)

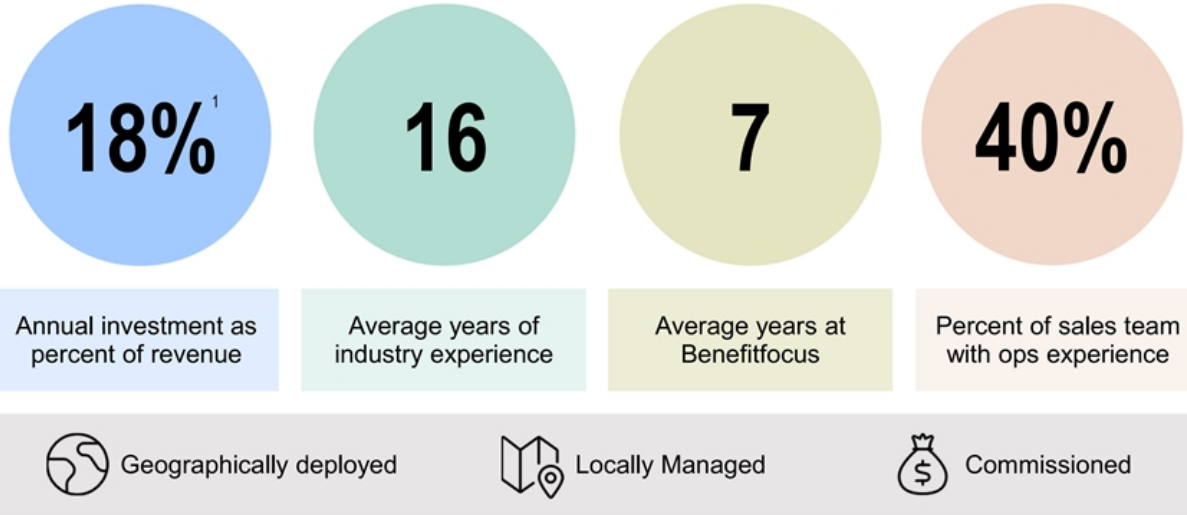
Our Sales and Marketing Org Aligns to Our Growth Strategy



Our Sales and Marketing Org Aligns to Our Growth Strategy




Our Sales and Marketing Organization is Experienced and Tenured





1. Source: Benefitfocus 2021 Form 10-K




Channel Management is a Priority to Unlock Growth...

PARTNERS	BROKER
Role	Gatekeeper Influencer
Value Outcomes	New leads Referenceability Lower cost of sale
Examples	

Channel Management is a Priority to Unlock Growth...

PARTNERS	BROKER	CARRIERS
Role	Gatekeeper Influencer	Influencer Advocate
Value Outcomes	New leads Referenceability Lower cost of sale	New leads Product development Service integration
Examples		

Channel Management is a Priority to Unlock Growth...

PARTNERS	BROKER	CARRIERS	TECH PARTNERS
Role	Gatekeeper Influencer	Influencer Advocate	Platform Integrator 3rd Party Distribution
Value Outcomes	New leads Referenceability Lower cost of sale	New leads Product development Service integration	New leads Platform integrations Lower Implementation Cost
Examples			

...And Early Results Are Strong

Brokers	
	Prospecting Activities +300% YOY
	Appointed to Lockton Ben Admin Panel
	Appointed to Aon Ben Admin Panel
	Launched Benefitfocus Consulting Advisory Board

Carrier Partner	
	100% Partner Referenceable
	100% Partner Retention
	System Integration Programs with Top 15
	Business Reviews and Shared Marketing Plans

Customer Case Studies – The Flywheel In Action



- Large health care organization
- Original annual contract value of \$630,000
- Collaboration with broker to identify opportunities/green space
- Upsell "Renewal Bundle" to add services and broaden scope by \$350,000
- Increase annual revenue by **55%**



- Large school district
- Collaboration with national broker. Broker initiated lead
- Closed the deal 60 days later for \$204,000
- Early success led to a reference to sister district and second win for \$271,000



- Mid-market retailer
- Original contract \$187,000
- Tango ACA solution upsold to solve immediate need
- Increase in annual revenue of **14%**

Go-To-Market Progress and Proof Points



Total Qualified Pipeline YoY



ACA Pipeline YoY



SAP Qualified Pipeline YoY



Voluntary Benefit Pilot Enrollments



Key Takeaways

Benefitfocus is uniquely positioned to win in a complex ecosystem.

The TAM is large with significant green space.

Our go-to-market teams are now aligned to capture meaningful share.

Channel management is a priority within our growth strategy.



Benefitfocus
Investor Day

Investor and Analyst Day

May 10, 2022





Alpana Wegner
Chief Financial Officer

20+ years finance and accounting
leadership experience

Experience in SaaS and tech industry

Strategic, operational and
P&L ownership experience

Accountability and Focus Accelerates Growth and Drives Scale



A Winning Strategy



Innovative Product Roadmap



Delivering Service Excellence



Effective GTM Strategy

Unlocking Value



Unlocking Value



Durable Business Model



Growth Strategy



Unlocking Substantial Long-term Value

Double-digit revenue growth

Mid 20% Adjusted EBITDA margin

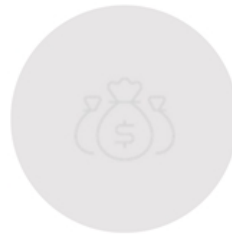
Unlocking Value



Durable Business Model



Growth Strategy



Unlocking Substantial Long-term Value

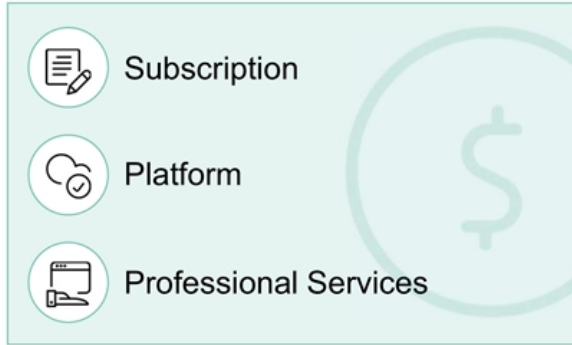
Strength in a Diversified Revenue Profile

Markets We Serve



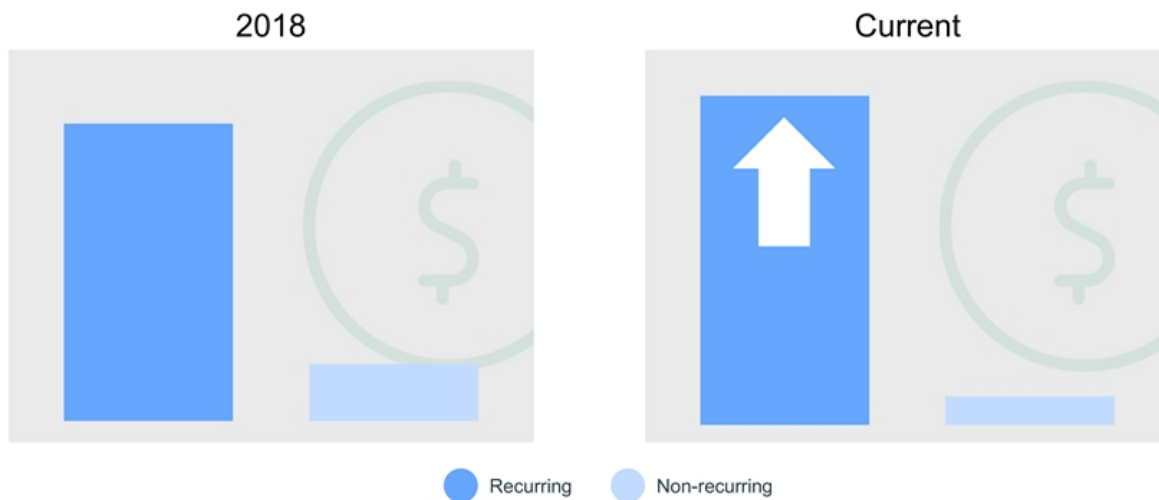
● Employer ● Health Plan

Revenue Sources



Highly Recurring Revenue With Increasing Predictability

90% Recurring revenue



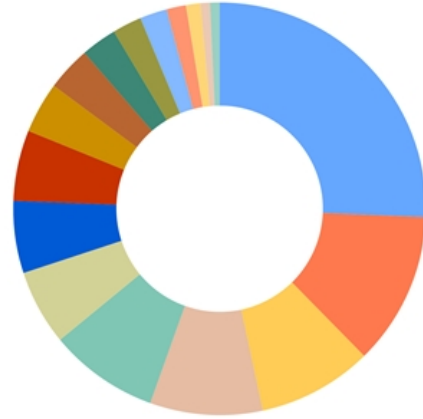
Stability in the Customer Base Improving

60% multi-year ARR renewals

90%+ customers with contract minimums

20% increase in average employer group size YoY

Employers Distributed Across Multiple Industries



Business Model to Unlock Value at Benefitfocus

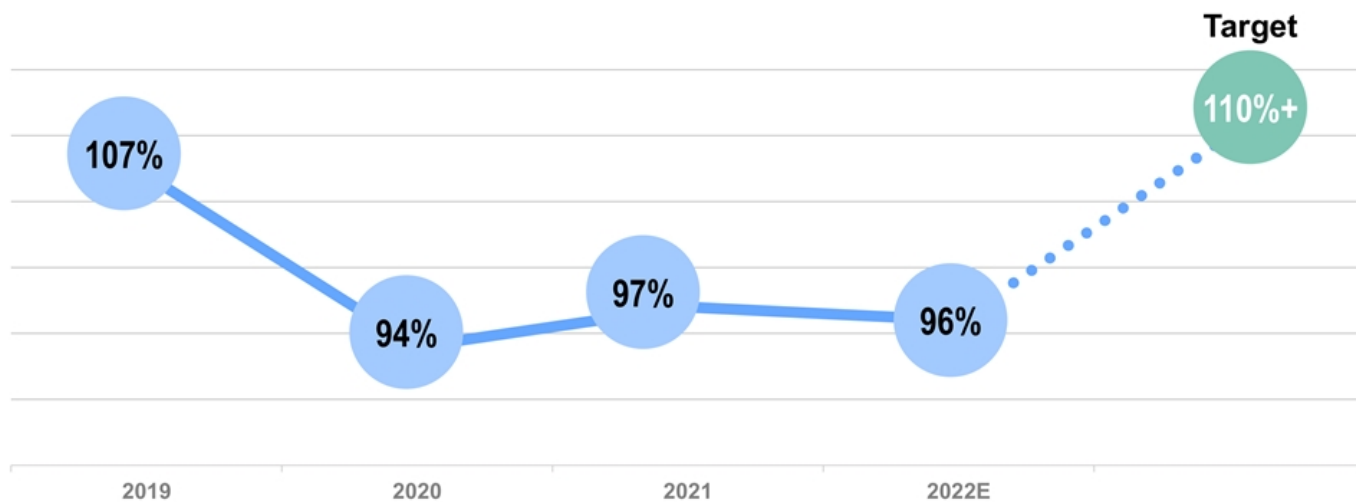


Paths to Revenue Growth

- 1** Improve revenue retention
- 2** Cross sell and upsell to existing customers
- 3** Win new customers

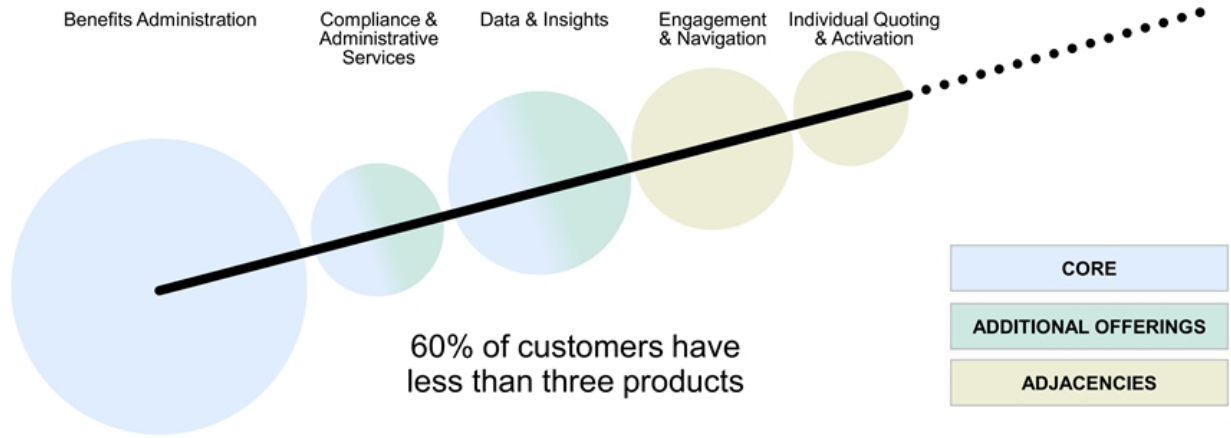


Strengthening the Core Drives Improved Net Software Revenue Retention



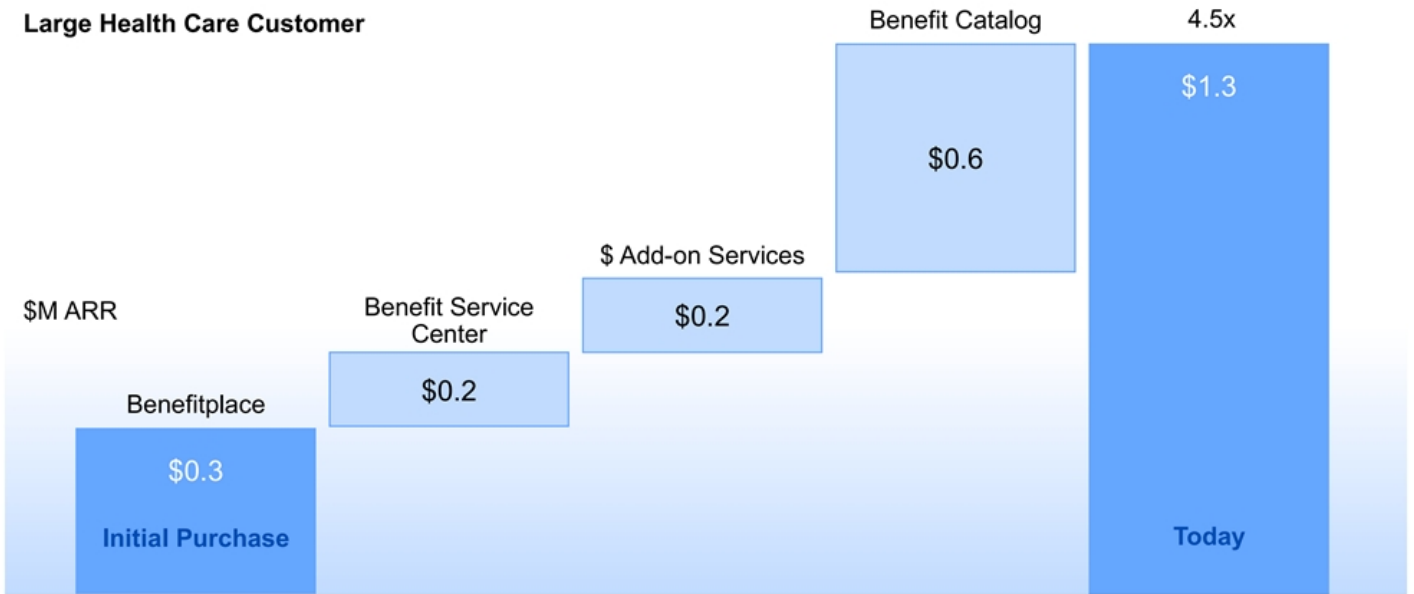
Additional detail is being provided from prior disclosed amounts.

Opportunity to Expand ARR Per Customer by 3.5x as we Add Initial Adjacencies

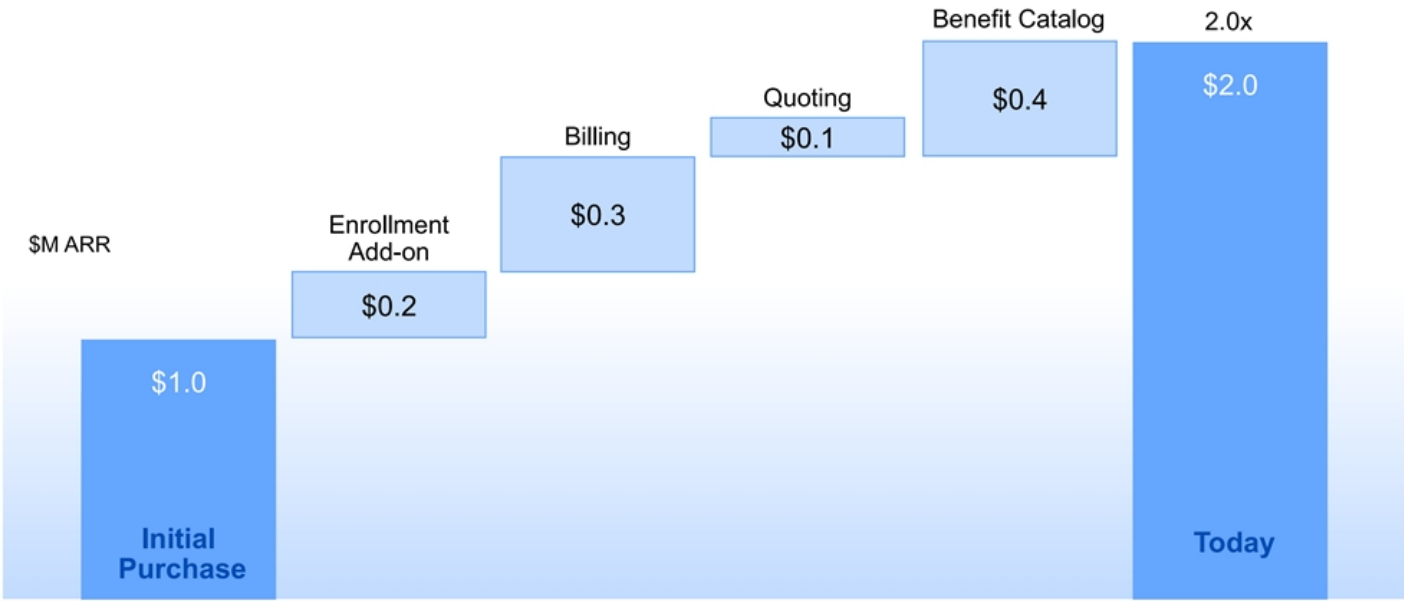


Employer Case Study – Expanding ARR

Large Health Care Customer



Health Plan Case Study – Expanding ARR



Strategy to Win New Customers

- Strengthened channel relationships
- Increased customer references
- Differentiated technology and services
- New product offerings to meet evolving needs

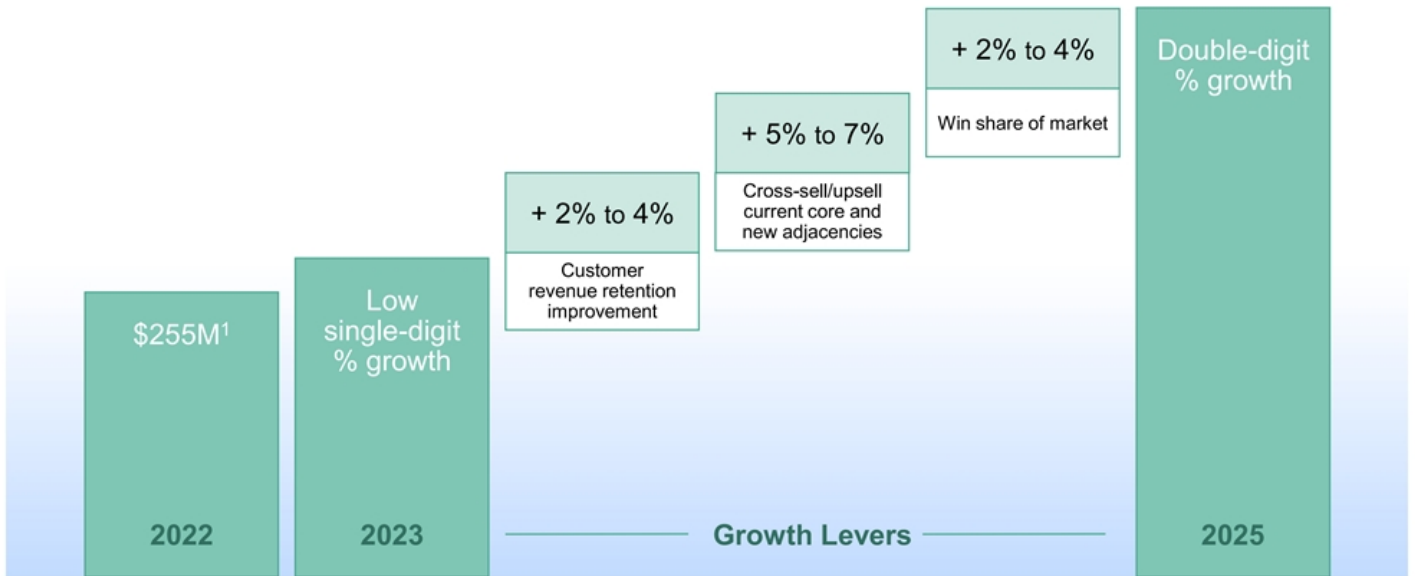


New Metric - Total Contracted ARR



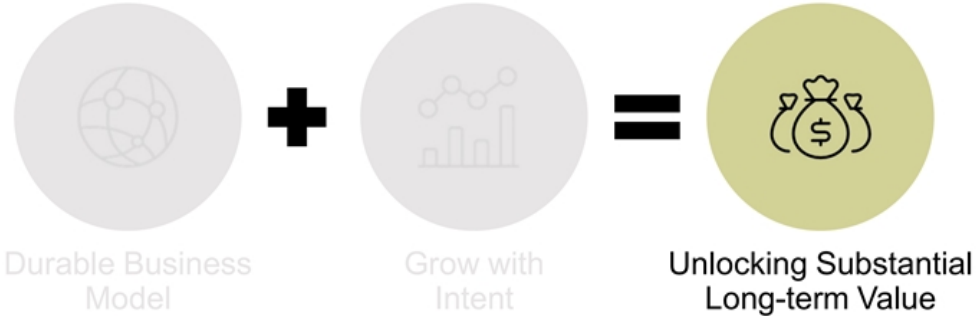
Total Contracted ARR is defined as the annual recurring subscription revenue under contract with a customer.

Accelerate Revenue Through Execution of Growth Strategy



1. Based on mid-point of 2022 revenue guidance provided 5/3/22

Business Model to Unlock Value at Benefitfocus

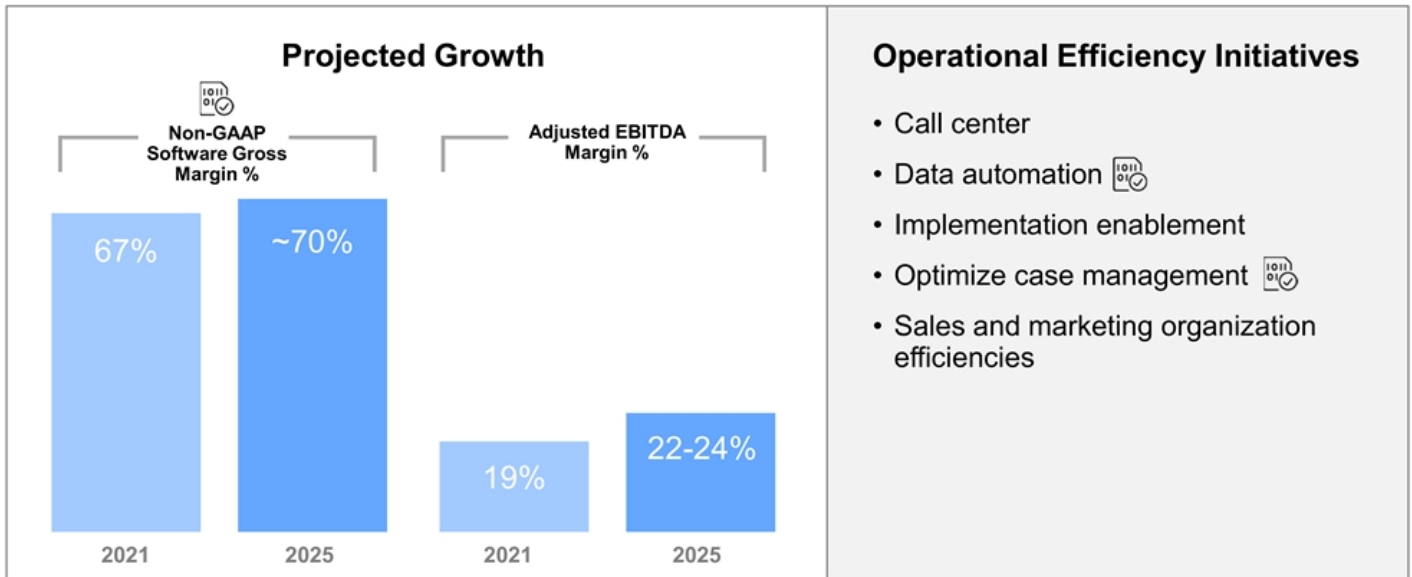


Medium-term Financial Targets

Key Line Items	2021	2025E
Revenue Growth	(2%)	10-12%
Recurring Revenue Mix ¹	90%+	90%+
Software Services Gross Margin	67%	70%+
Adjusted EBITDA Margin	19%	22-24%

1. Recurring Revenue includes Software Services and Benefit Service Center (recurring Professional Services)

Near-term Self-funded Growth Results In Long-term Scale



Disciplined Capital Allocation Strategy

Capital Allocation Framework

Focused on highest and best use of free cash flow to create sustainable value

Prudently re-investing in the business for future growth

Investing inorganically to extend market and product leadership

Opportunistically repurchasing debt and equity

	March 31, 2022
Cash, Cash Equivalents and Restricted Cash	\$59M
Convertible Debt	\$121M
Fixed Lease Obligations	\$80M
Debt to Adjusted EBITDA Ratio ¹	4.4x
Net Debt and Fixed Lease Obligations to Adjusted EBITDA Ratio ²	3.2x

1. Convertible debt and fixed lease obligations as of March 31, 2022 divided by TTM Q1 2022 Adjusted EBITDA.

2. Net Debt plus fixed lease obligations as of March 31, 2022 divided by TTM Q1 2022 Adjusted EBITDA.

ESG at Benefitfocus Highlights

Environmental

- >80% of 2021 revenues derived from energy-efficient cloud services



Social

- Driving increased diversity across the organization from the board through the entire organization
- Recognized as one of the Best Employers for Diversity



Governance

- Independent chair and seven of nine directors independent
- Enhancement made including actively de-staggering board





Key Takeaways

Durable business model gives us a strong foundation for growth

Clear path for growth that translates to increased ARR

Executing on our growth strategy unlocks long-term shareholder value



Benefitfocus
Investor Day



Q&A



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Thank you