



goosehead[®]
INSURANCE

Investor presentation

March 2023

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Disclaimer

This presentation may contain forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. All statements other than statements of historical facts contained in this presentation, including information concerning our possible or assumed future results of operations and expenses, business strategies and plans, competitive position, business and industry environment and potential growth opportunities, are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on any forward-looking statements in this presentation. Except as required by law, we disclaim any obligation to update any forward-looking statements for any reason after the date of this presentation, or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

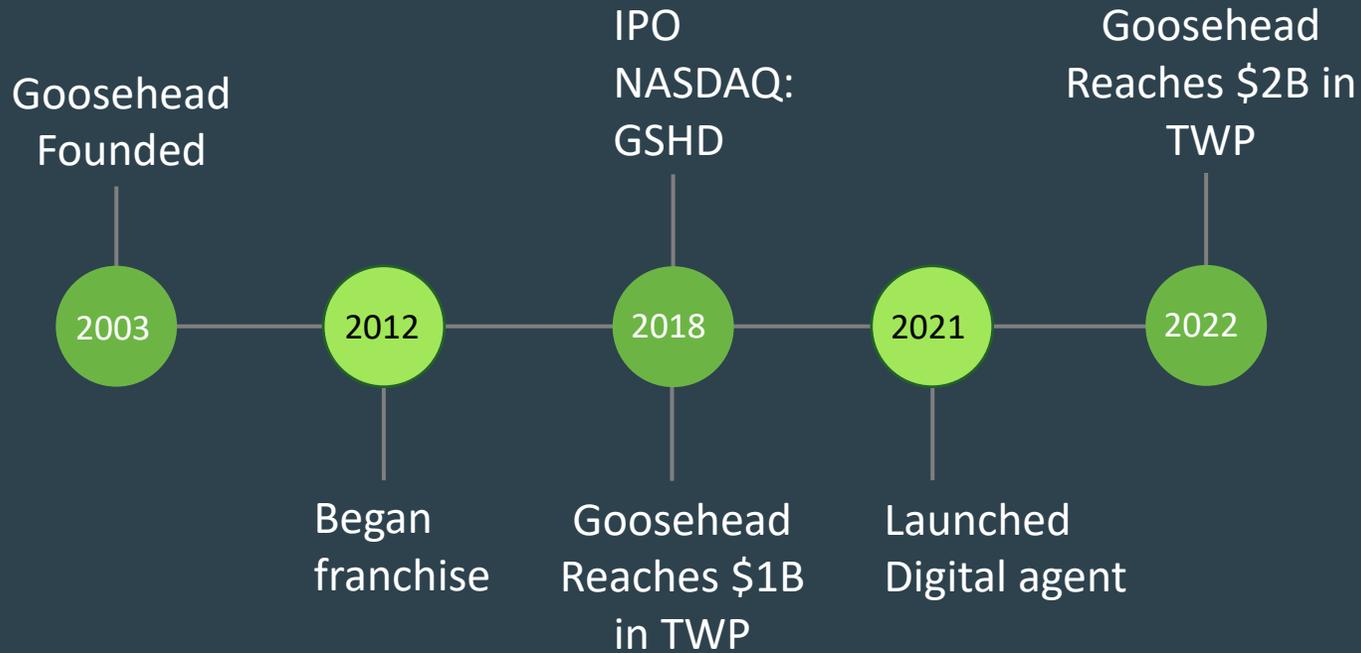
Further information on potential factors that could affect the financial results of Goosehead Insurance is included in our annual report on Form 10-K for the most recent fiscal year and in our quarterly report on Form 10-Q for the most recent fiscal quarter. These documents and others containing important disclosures are available on the SEC Filings section of the Investor Information section of our Web site.

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Meet Goosehead

Our History



12
corporate offices

1,400+
employees

~2,400
selling agents across corporate & franchise

Investment Highlights

1

We've built a differentiated business model positioned to grow in a massive & fragmented industry

2

We have a robust and innovative technology platform

3

We deliver better value for clients, agents, and carriers

4

Proven track record of strategically solving industry challenges

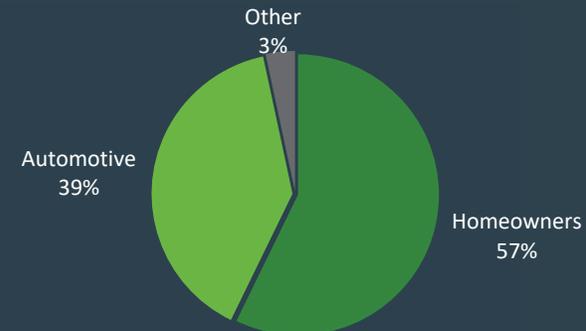
5

Recurring revenue with expanding margins and a very long runway for growth

Accelerating Growth Trajectory



Focused on Personal Lines



TTM Dec22 Total premiums: \$2.2B

About Us

~\$2.2B

in total written
premiums

\$209M

Revenue for 2022

38%

2022 revenue growth

90

Net Promoter Score

~1.3M

Policies in Force

88%

Industry leading customer
retention

1,413

Operating franchises

2,421

Total Producing Agents

Navigating insurance so
you don't have to

The Goosehead Mission

Providing an unrivaled insurance experience through:

Power of Choice

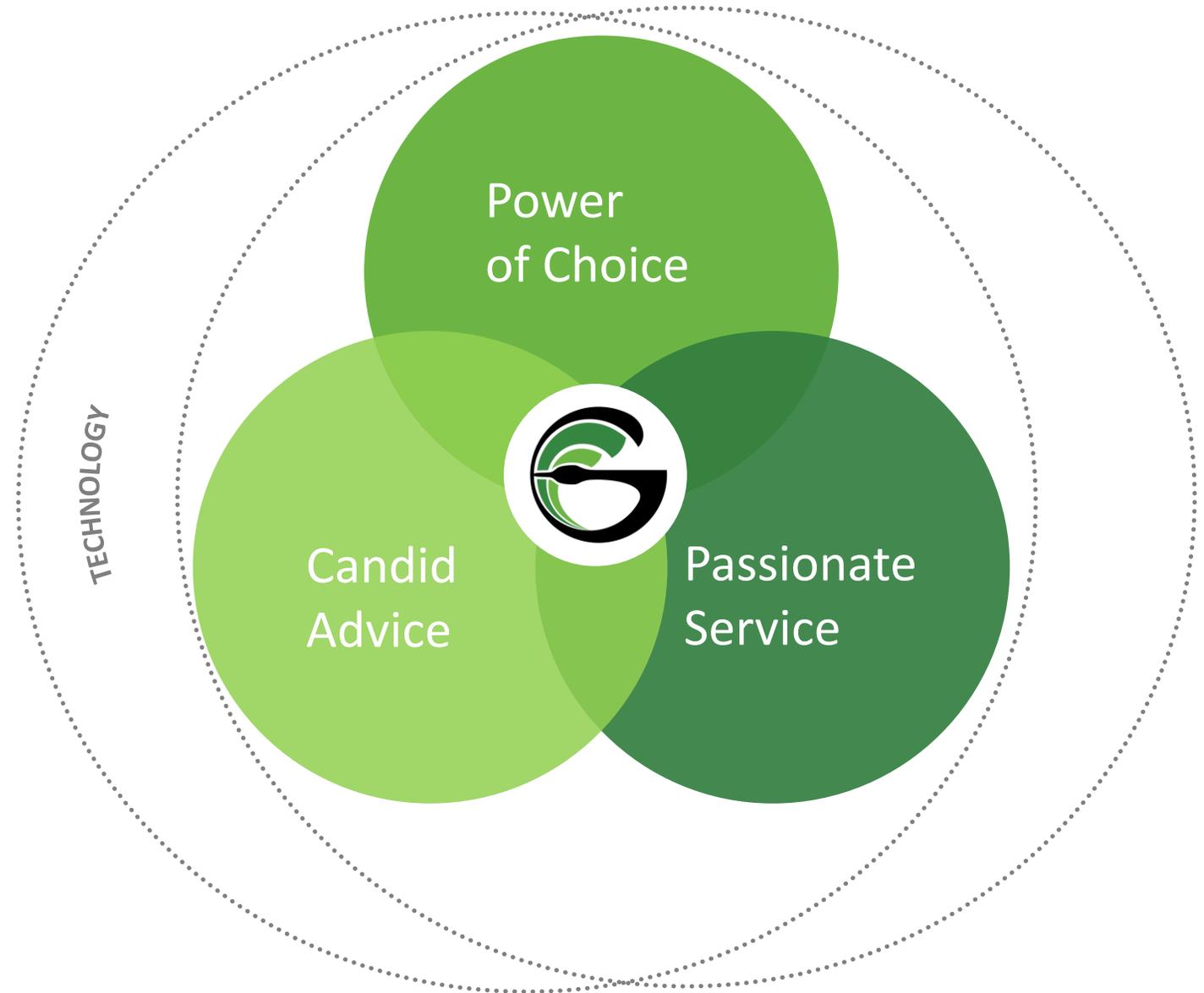
The choice model provides consumers with best experience, the right coverage, the lowest price and a greater opportunity for agents.

Candid Advice

Knowledgeable sales and service agents are critical to help consumers understand their policy and make smart insurance decisions.

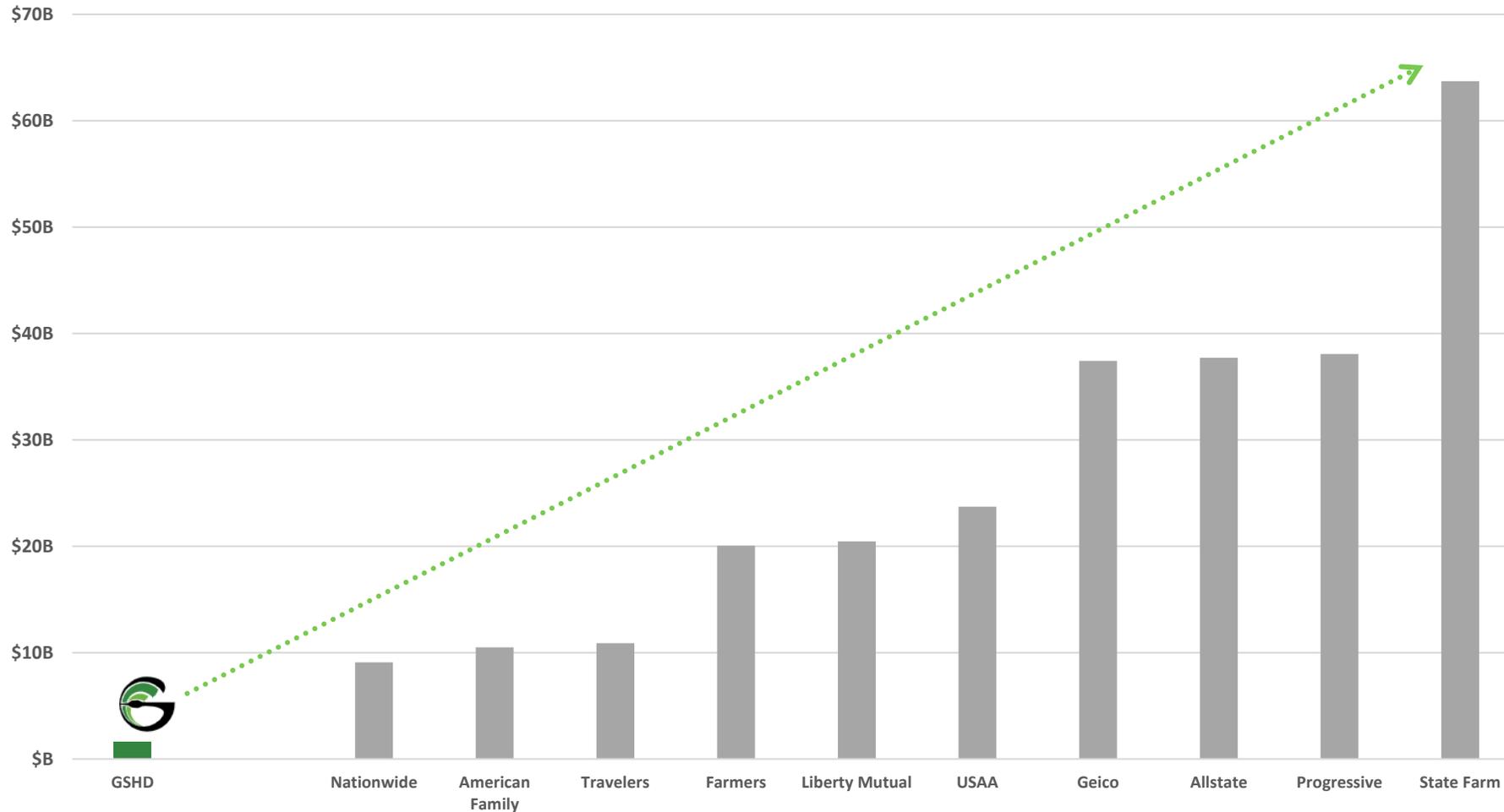
Passionate Service

Agents provide a superior service and experience by leveraging technology to simplify the shopping process and engage with clients through the method they prefer.



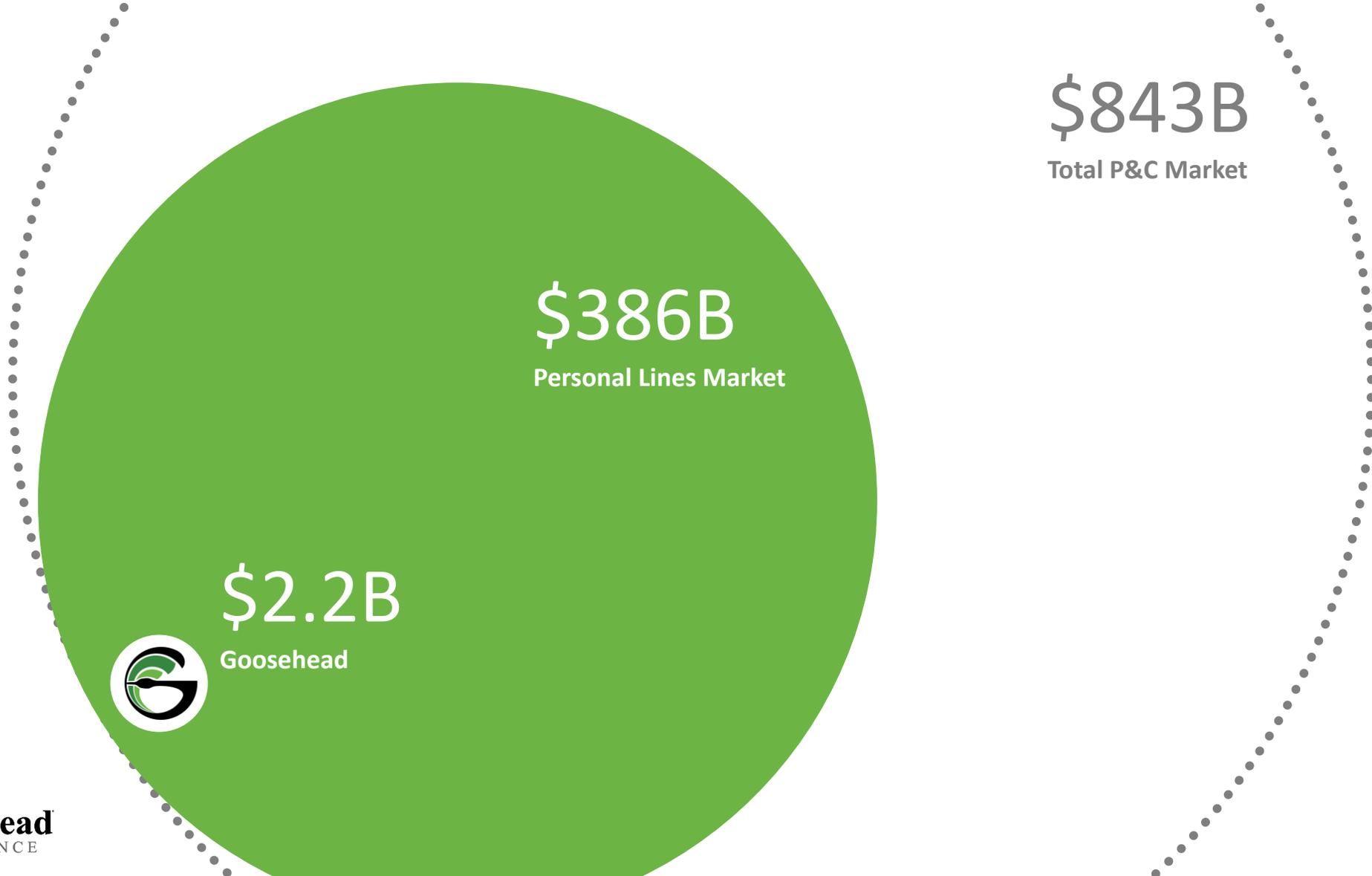
Goal: Be the Largest Personal Lines Distributor in U.S.

2021 US Auto and Homeowners Direct Written Premium



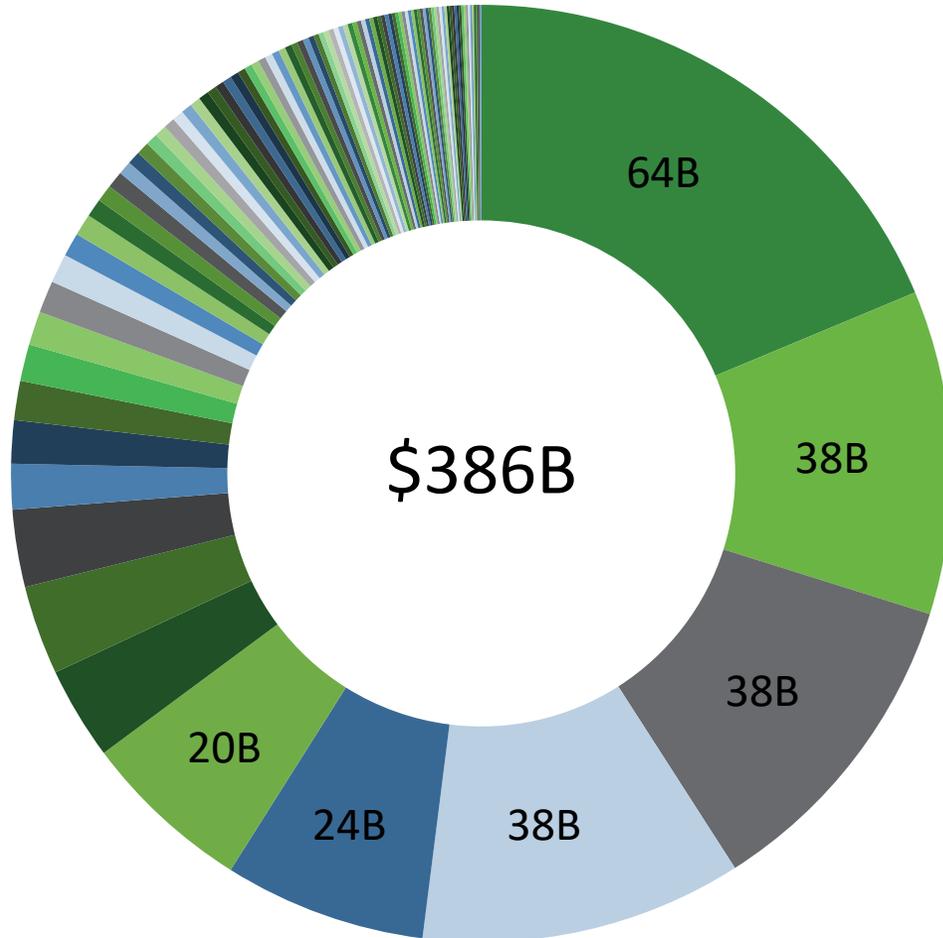
The Opportunity

TAM: The Opportunity is Massive



The U.S. Market is Highly Fragmented

\$386 Billion Total Written Premium in 2021



- 450+ Carriers
- 160 carriers > \$100M in premium
- No US carrier has more than 20% market share

Personal Insurance Market



Business Model

Offers products from multiple carriers with support of best-in-class service organization

Independent Agencies

Largely very small businesses which sell products from **multiple carriers**

Captive Agencies Owned By Carriers

Very small businesses selling products from only **one carrier**



Carriers Direct To Customer

One carrier which sells products directly to clients



Product Choice



Service Quality



U.S. Premiums



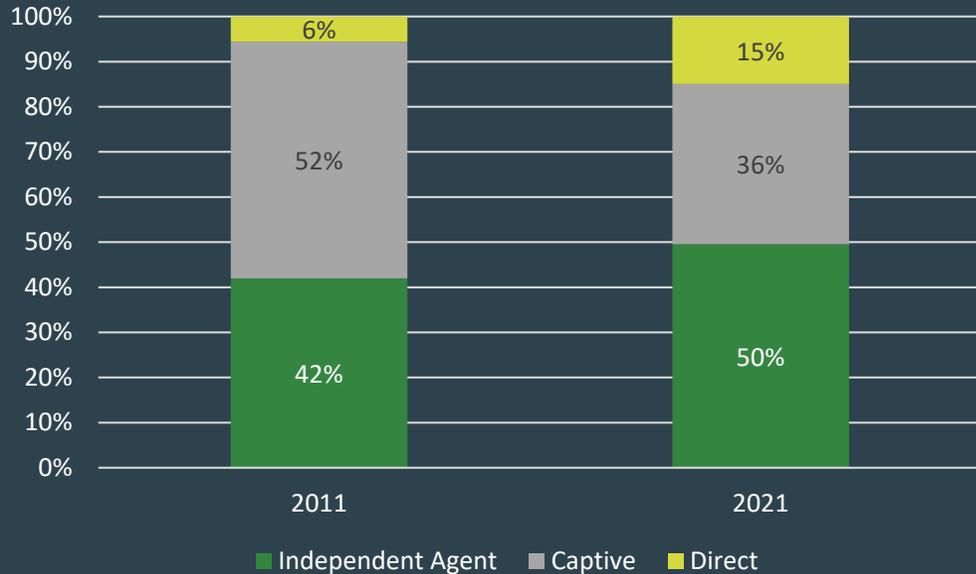
■ Home ■ Auto

Source: Independent Insurance Agents & Brokers of America
¹ Represents GSHD 2022 total written premiums excluding commercial and excess liability premiums and 2021 premiums for the industry, the most recently available data.

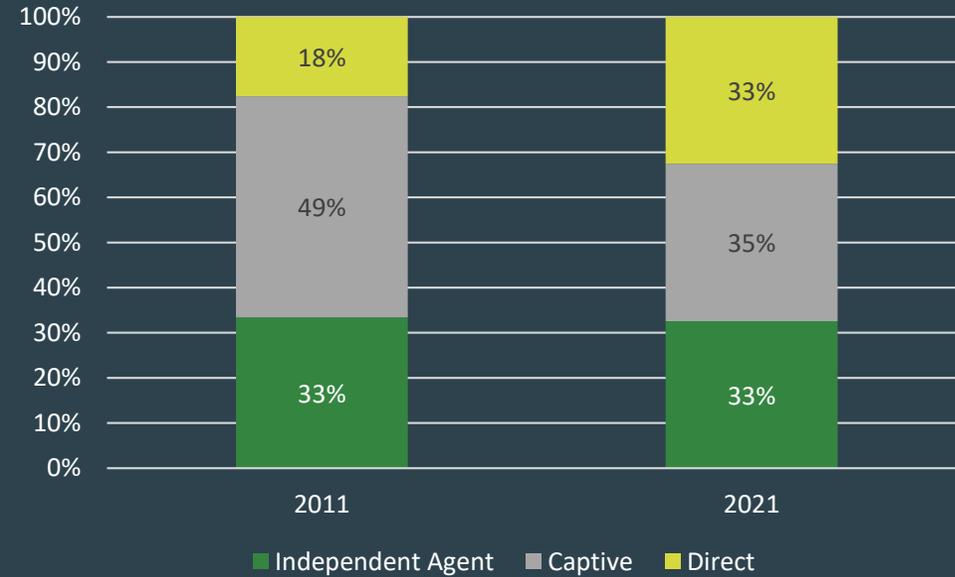


Independent Agent Distribution Continues to Expand

Homeowners Premium Mix by Distribution



Auto Premium Mix by Distribution



2008

Liberty Mutual acquires Safeco, expanding independent agent distribution.

2015

Progressive acquires ASI expanding into homeowners through independent agent distribution

2018

Nationwide announces transition to independent agent distribution (completed in 2020)

2020

Allstate announces acquisition of National General, expanding presence through independent agent distribution

2021

Farmers announces acquisition of MetLife home and auto

2022

Liberty Mutual acquires State Auto; all Liberty Mutual exclusive agents transitioned to independent agents

Attractive Market Dynamics

- 1 Compulsory product that is required by law and/or lenders
- 2 Client experience with legacy agencies are challenging lacking choice, advice and quality of service
- 3 Fragmented, unfocused competition
- 4 Large, well-funded competition impaired by single carrier platforms
- 5 Carriers regulated by 50 separate state agencies

Why Goosehead

The Problem: Buying Insurance is Unpleasant

- ⇒ Asked questions they don't know how to answer
- ⇒ Presented with options they don't understand
- ⇒ Bombarded with sales pitches
- ⇒ Wasted time - can't compare 400+ companies
- ⇒ Resulting in over-paying or not having the proper coverage

With Goosehead: Power of Choice, Candid Advice, and Passionate Service



Choice model provides best experience, price and coverage



Knowledgeable sales and service agents help consumers make smart decisions



Agents provide superior experience to simplify shopping-“Agents for Life”

Without Goosehead: If You're an Agent, Selling Insurance is Challenging



Glen, former agency owner in Florida lacked access to data, technology and partners

- ➔ Limited by low close rates and smaller addressable market
- ➔ Struggle to build scale because they handle all servicing
- ➔ Antiquated technology
- ➔ Expensive and ineffective marketing tactics lead to high overhead

With Goosehead: Agents Can Scale With a Turnkey Franchise Solution



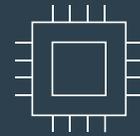
Glen, Agency Owner in Florida has tripled his business with Goosehead.



Have immediate access to a competitive carrier portfolio with over 150+ options



Agents can focus on sales, with full outsourcing of all policy servicing



Have access to industry leading technology



Have access to proven marketing targeting real estate professionals

Solution: Goosehead Agency Model

Maximizing New Sales per Producer

Back Office Scaled for Growth



Building Bigger Agencies More Profitably in Less Time



Glen Lubin, Agency Owner in Florida has tripled his business with Goosehead.



Tripled his business



Brenda Camona-Canales, Agency Owner enjoying thriving business



Producing big volume with half the staff compared to her former agency



Erin Lewis, Agency Owner has built a multi-million-dollar agency in 2 yrs.



Rebuilt business in 2 years that took her 10 yrs with prior agency

Focused on Referral Partners for Organic Leads

By adding value to loan officers and realtors, we generate high quality leads at low cost.



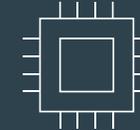
150+ Insurance companies

With the market's best insurance companies at their fingertips, our agents can recommend the best coverage on the market — and find the best price for it.



Service

Our dedicated binder team returns binder change requests within an hour of receipt. That means insurance will never be the reason a closing is held up.



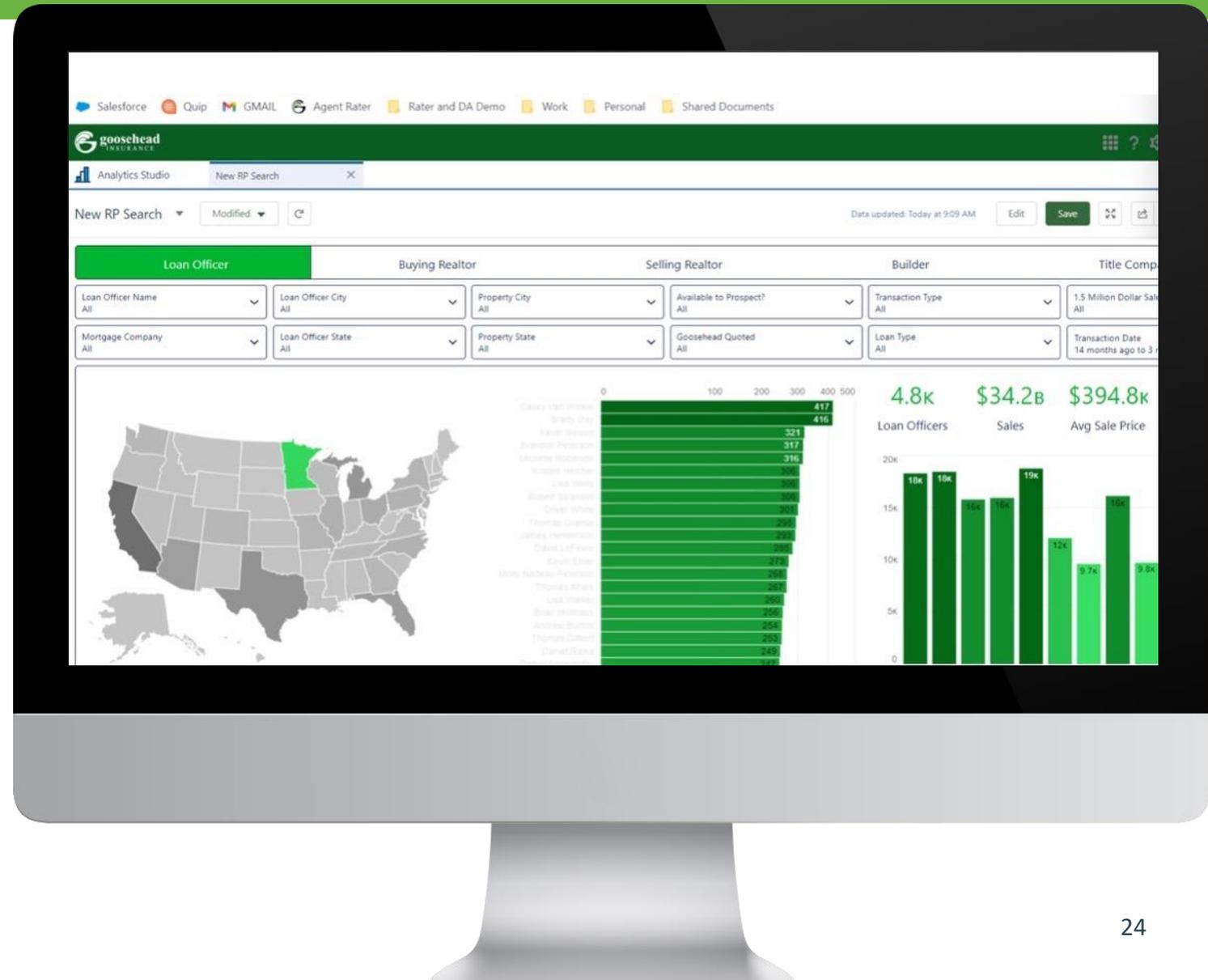
Technology

We invest heavily in technology that tracks loan officer and realtor activity across the nation, so our agents can give you insights into trends in your market, such as new or upcoming realtor producers.

Referral Partner Search Tool

Data base of loan officers

- Database of home transactions tied to loan officer, realtor, title, builder
- Market insights to highest producers in agents geography
- Drives more efficient and profitable go-to-market strategy
- Enables coordination between Goosehead agents
- Major advantage over competitors-very difficult to replicate

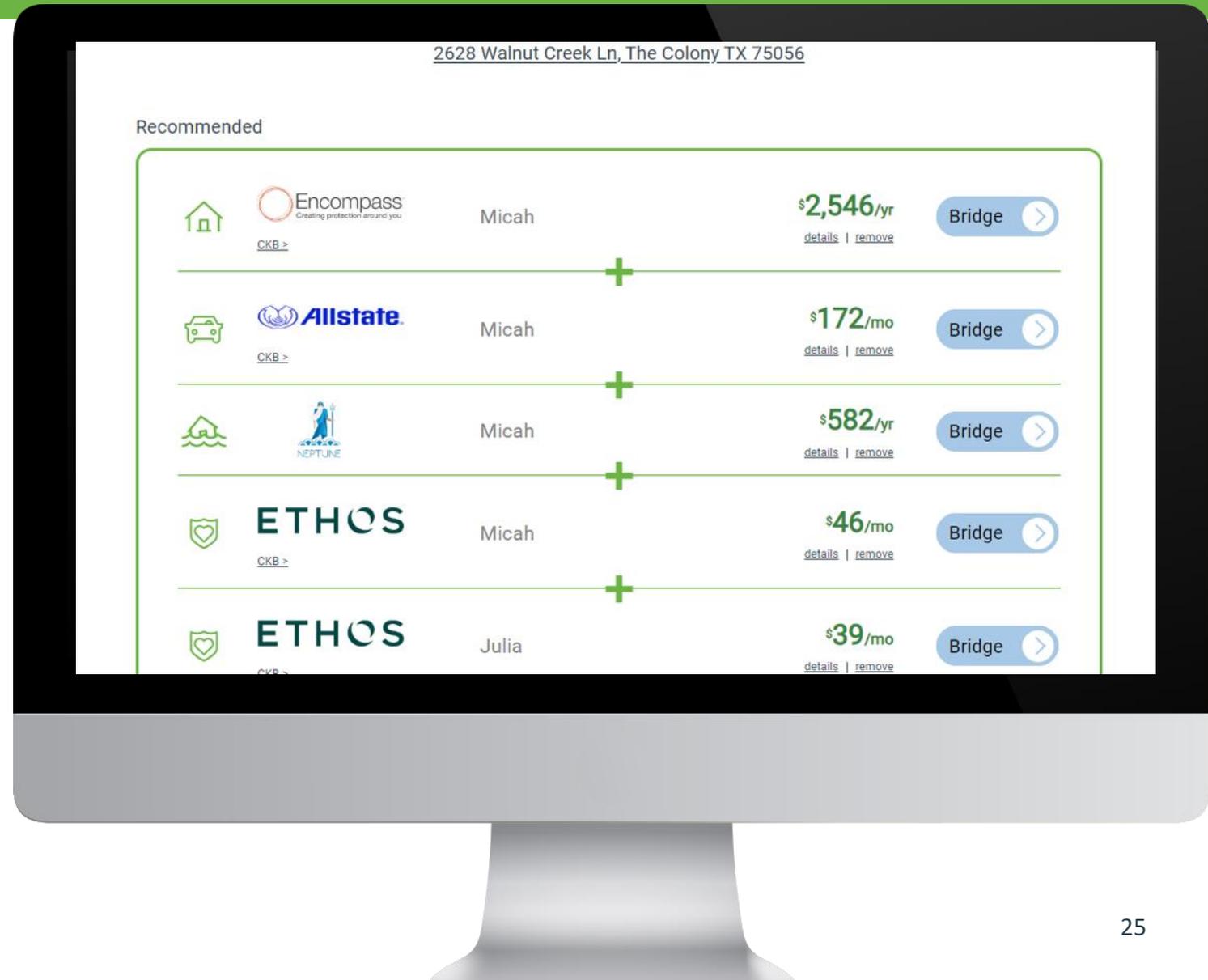


New Agent Comparison Tool

AVIATOR

Matching clients to the best coverage

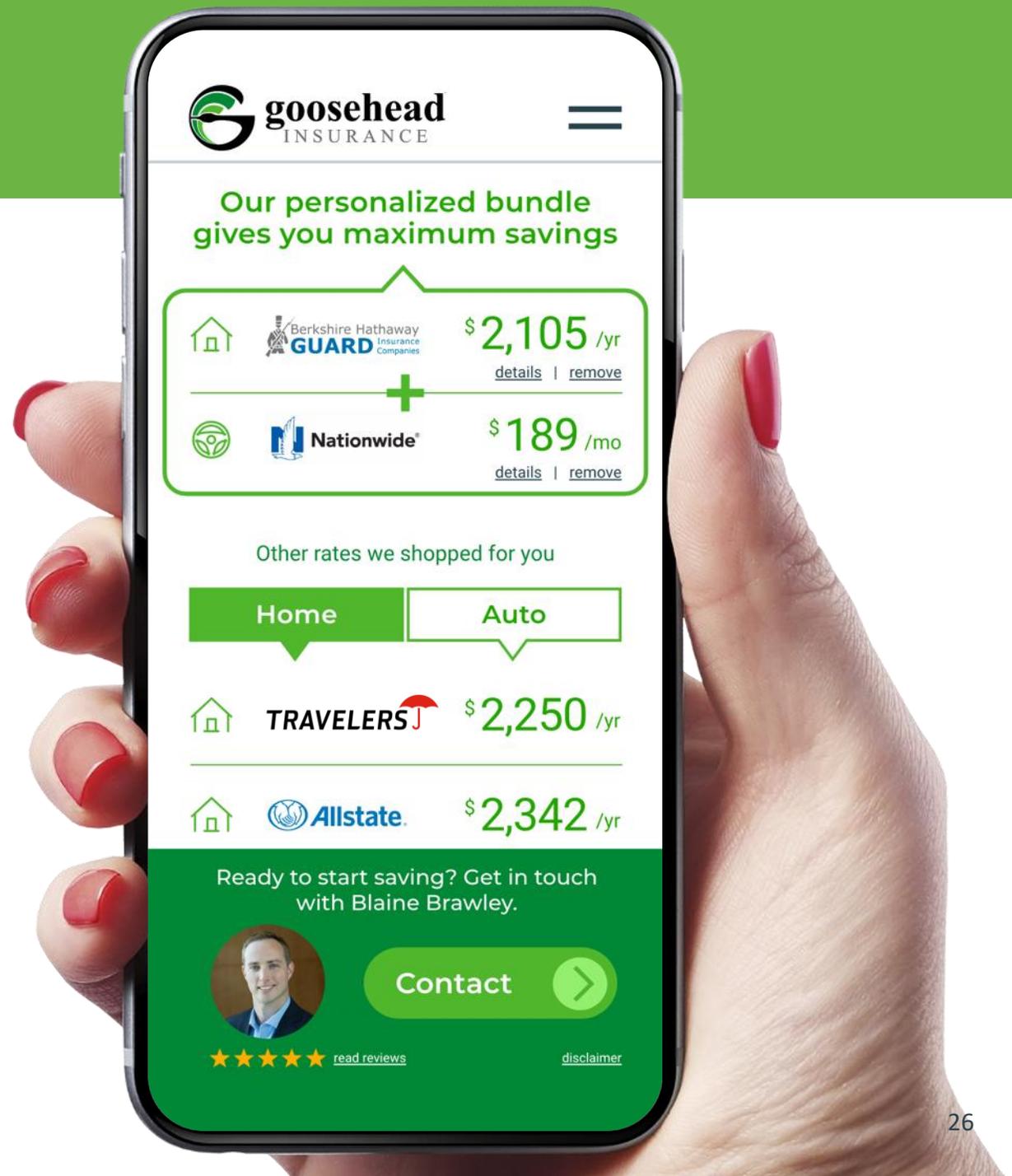
- Streamlines process with pre-filling of data
- Recommends bundles allowing agents to offer more in one call
- Quote time up to 80% faster



Proprietary Digital Agent

Matching clients to the best coverage

- Clients input as little as 3 data points, name, address, DOB
- Agent-driven machine learning data – 40M+ data points & 18 yrs. of agents quoting decisions
- Deep integration with approximately 150 insurance companies
- Provides real time quotes & best pricing in under 2 minutes
- Clients routed directly to agents via personalized link

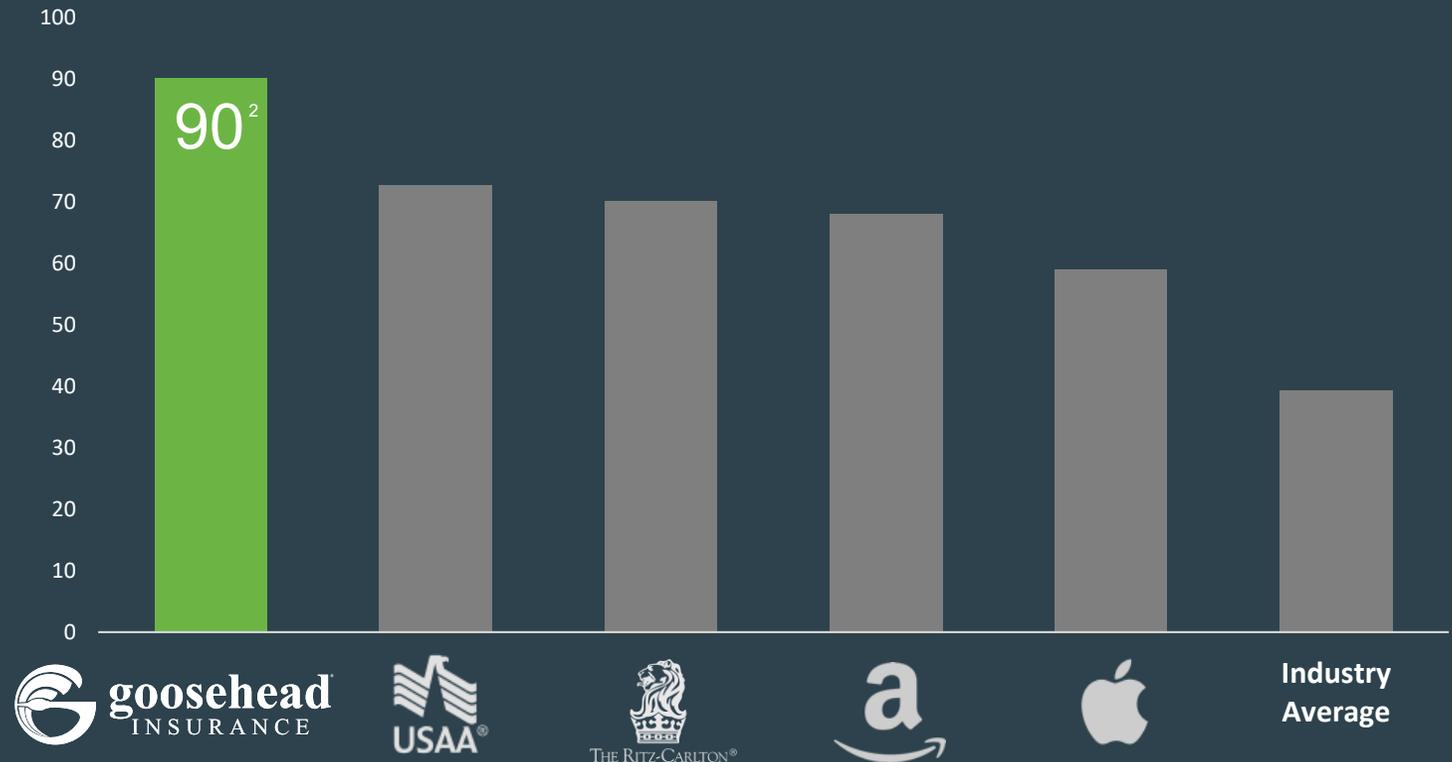


Best-In-Class Customer Service Drives High Retention

90

Net Promoter Score

Above several of the most respected brands in the U.S.¹ has resulted in stable and recurring revenue with a customer retention rate of 88% in Q4 2022



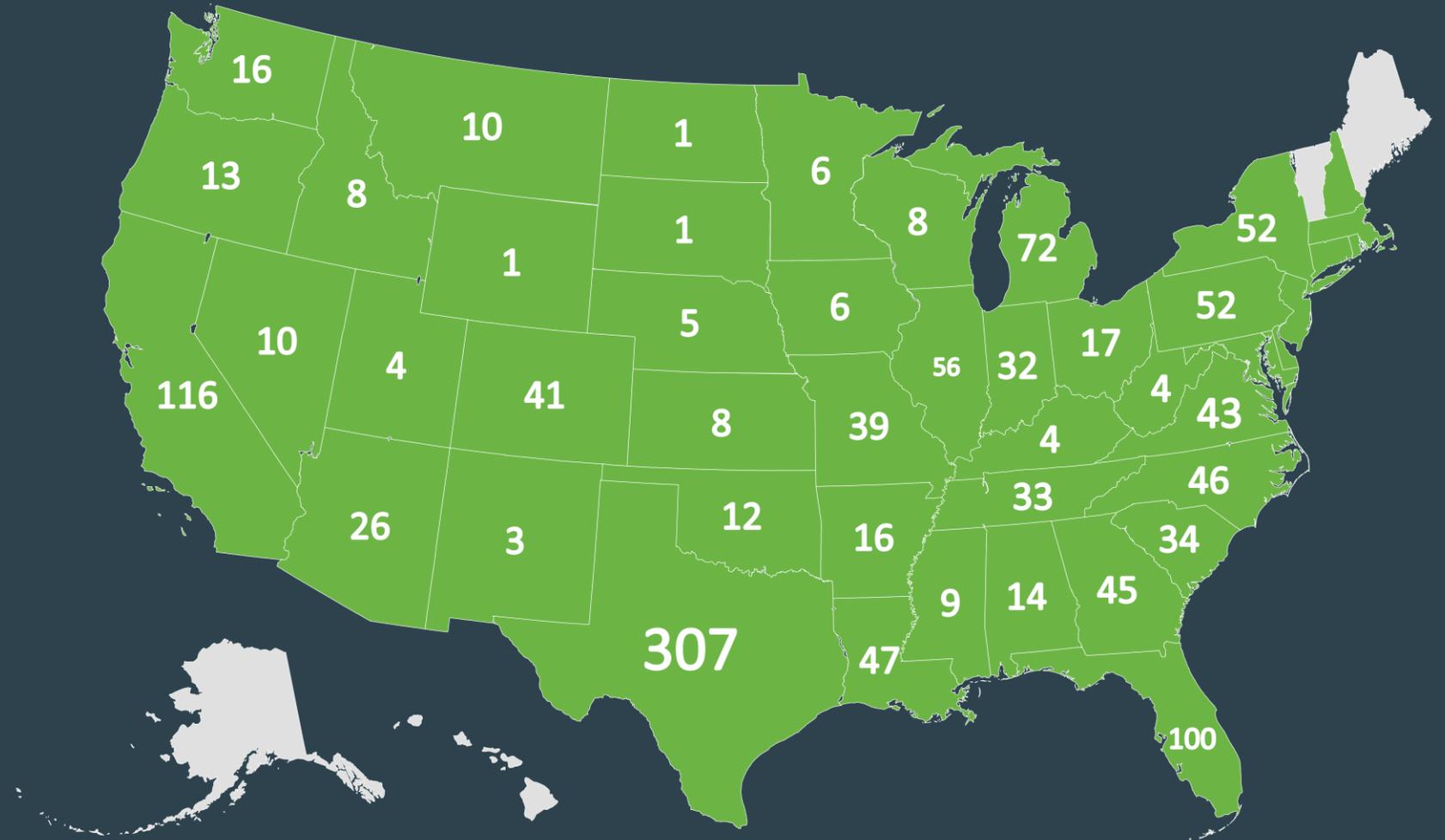
Meaningful Expansion

2,101

Franchise Producers

1,413

Operating Franchise Locations



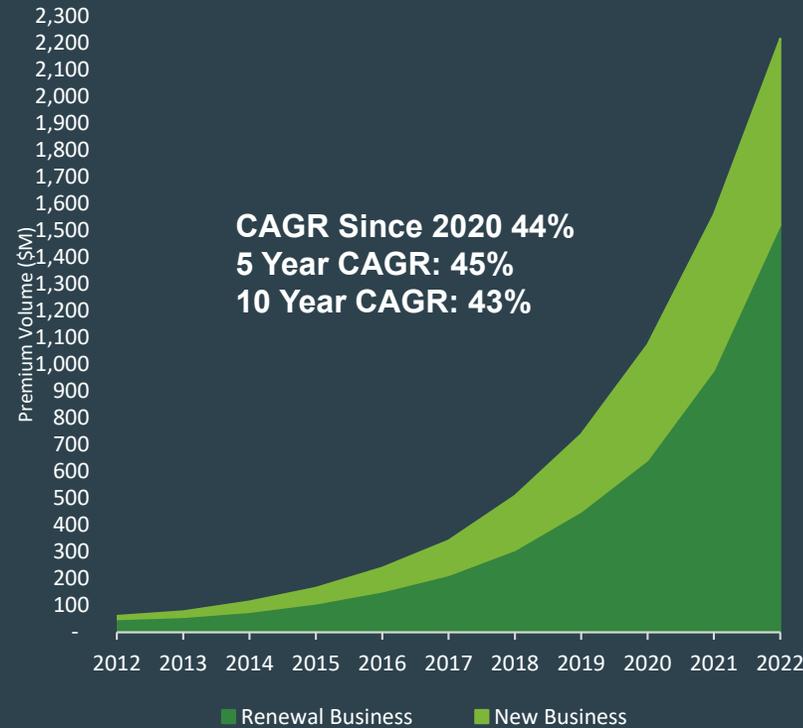
States without signed franchises or operating corporate offices as of 12/31/2022

Rapid Responsible Organic Growth

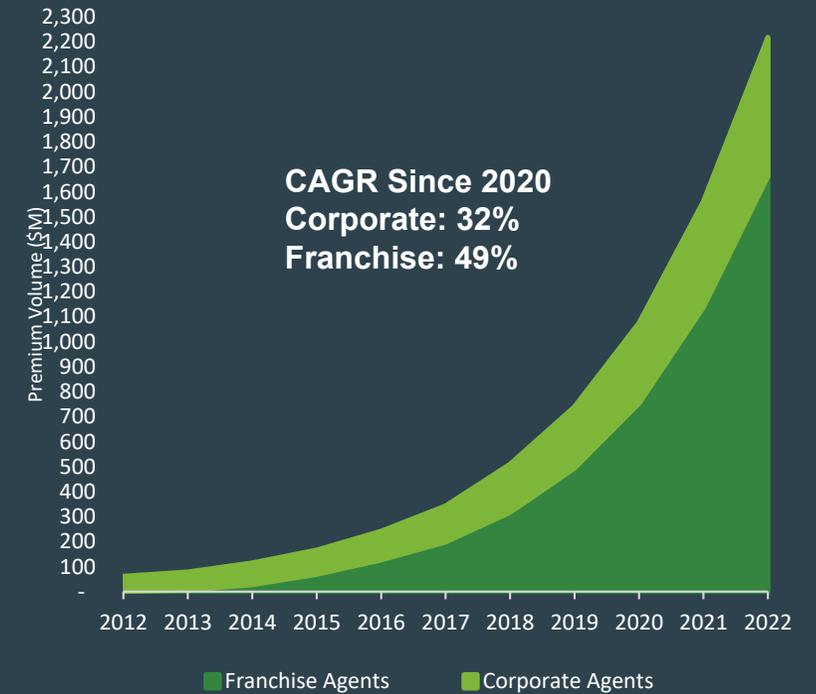
\$2B

in total written premiums

New Business and Renewal Premium Growth



Corporate and Franchise Channel Premium Growth



Growth Drivers

Franchise Growth

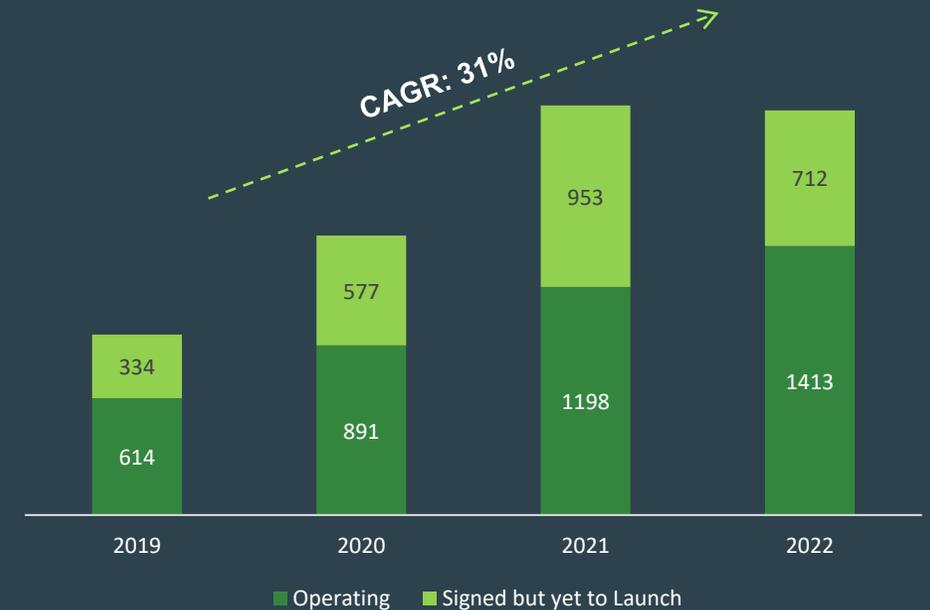
Pipeline Growth



Total Leads as of December 2022: 171,000

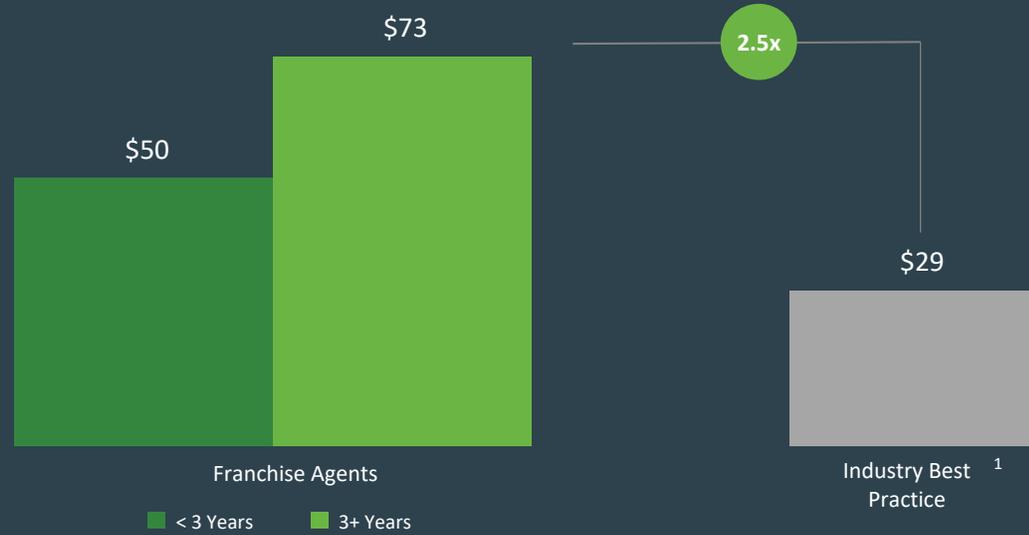
- 139 members on the recruiting team as of Q4 22
- Recruiting targets include the universe of nearly 400,000 U.S. insurance agents
- Actively recruit motivated sales minded individuals from non-insurance backgrounds
- Launching corporate agents to be independent agency owners

Franchise Growth



Franchise Growth: Industry Leading Productivity

New business per agent by tenure (\$000s)



Goosehead training for franchisees

Level 1

Sales College

- Weekly training
- Territory & Regional support meetings
- Focused one-on-ones, Goosehead managers w/agency owners

Level 2

Next level training

- Five-day training to take production to next level
- Focus on referrals time management and efficiency

Level 3

L3 Training

- Focuses on developing plans & scaling for agency owners
- Creating a hiring business plan

Level 4

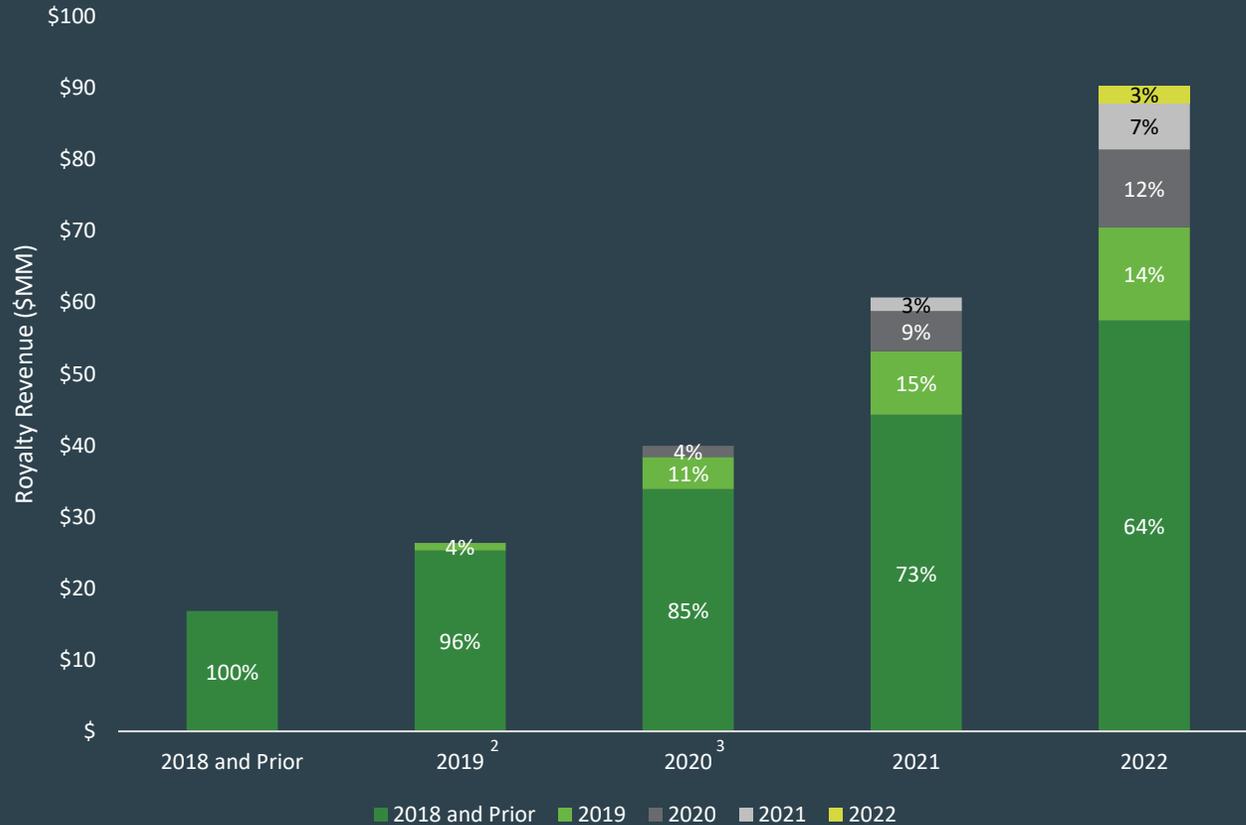
Hiring Program

- Goosehead will recruit, vet, interview and score candidates for agency owners

¹ Represents industry best practice per Reagan Consulting 2022 Best Practices Study (using 2021 data); most industry agents have tenures significantly longer than 2 to 3 years

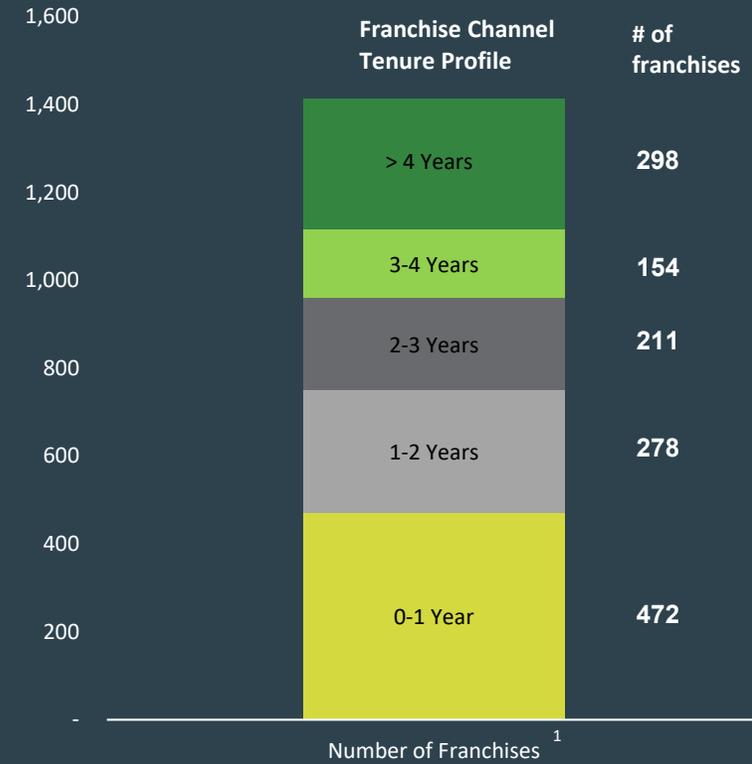
Predictable Organic Growth Opportunity

New franchise units take several years to materially impact revenue



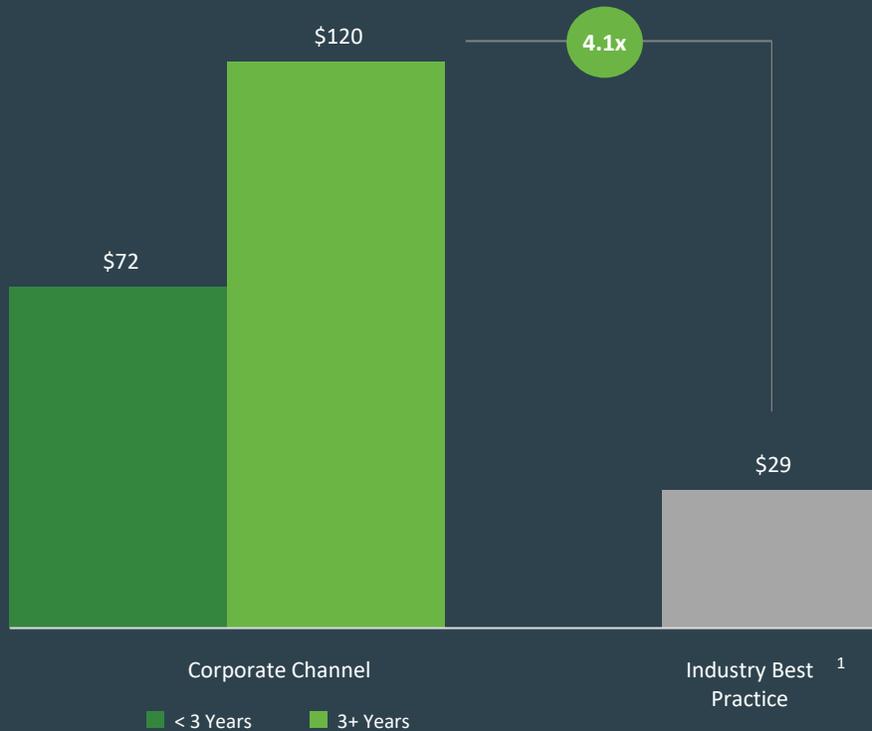
2022 over 2021 Operating Franchise Growth 18%

Young tenure of franchises provides large volumes of predictable future revenue



Corporate Channel Drives Franchise Growth

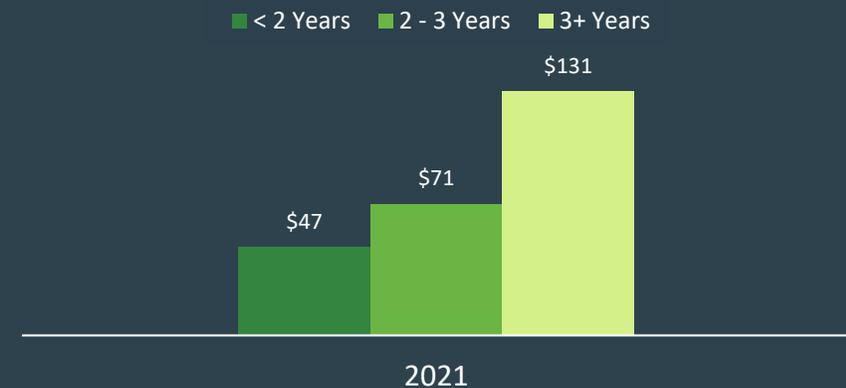
New business per agent by tenure (\$000s)



Corporate recruiting fueling franchise growth

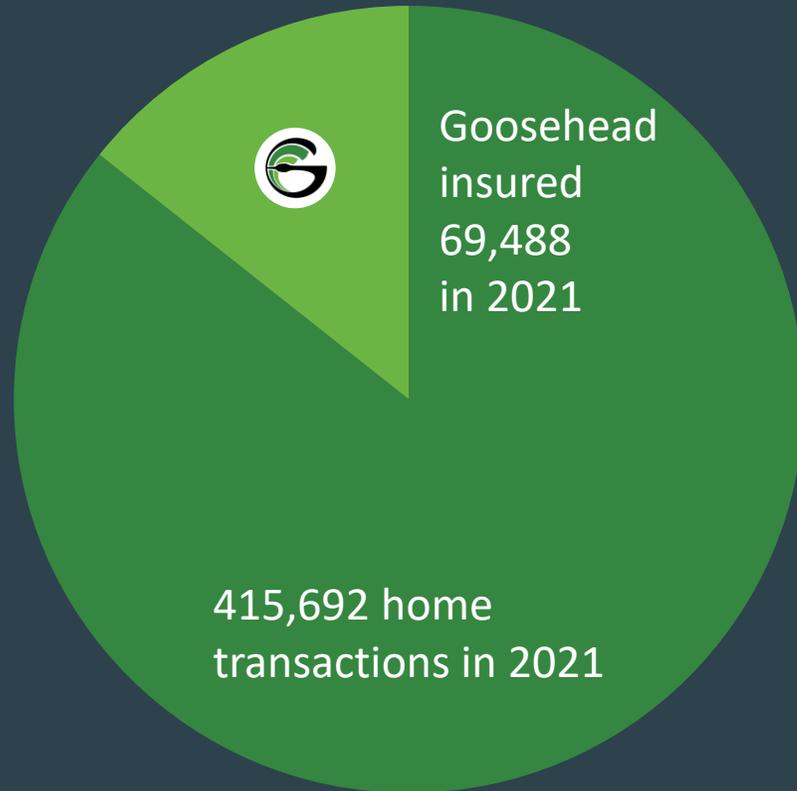
1. Proven on campus recruiting strategy to attract top sales talent
2. Corporate channel demonstrates best practices for franchises
3. Corporate channel is a launch pad for franchises

Average corporate agent compensation by tenure (\$000s)



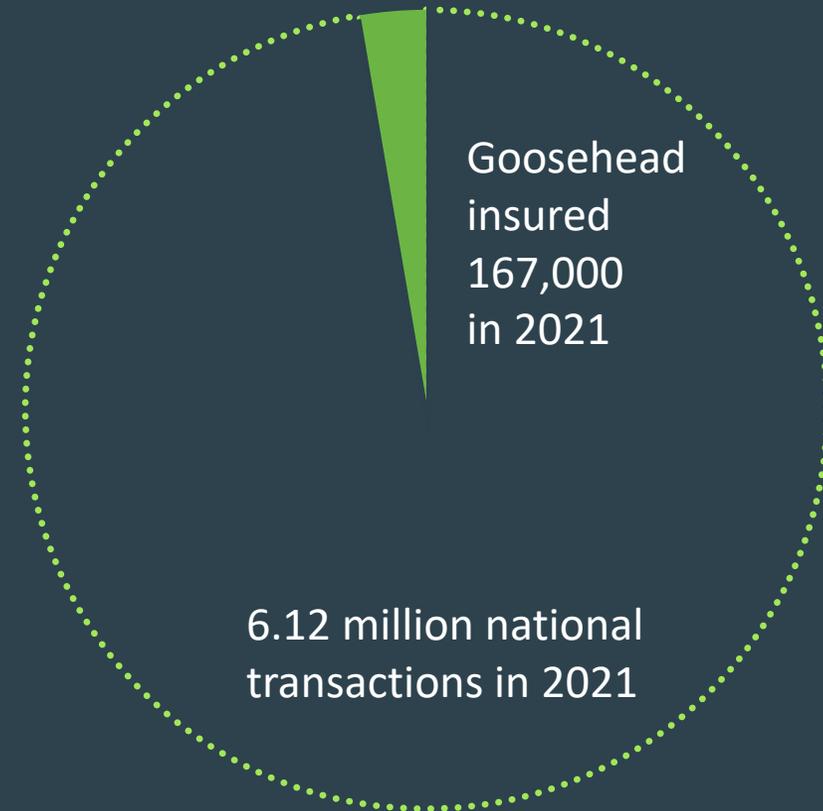
Huge Runway to Grow Home Purchase Market Share

Goosehead has 16.7% market share in Texas



■ Total Texas Home Transactions ■ Goosehead Home Transactions in TX

Goosehead has 2.7% national market share



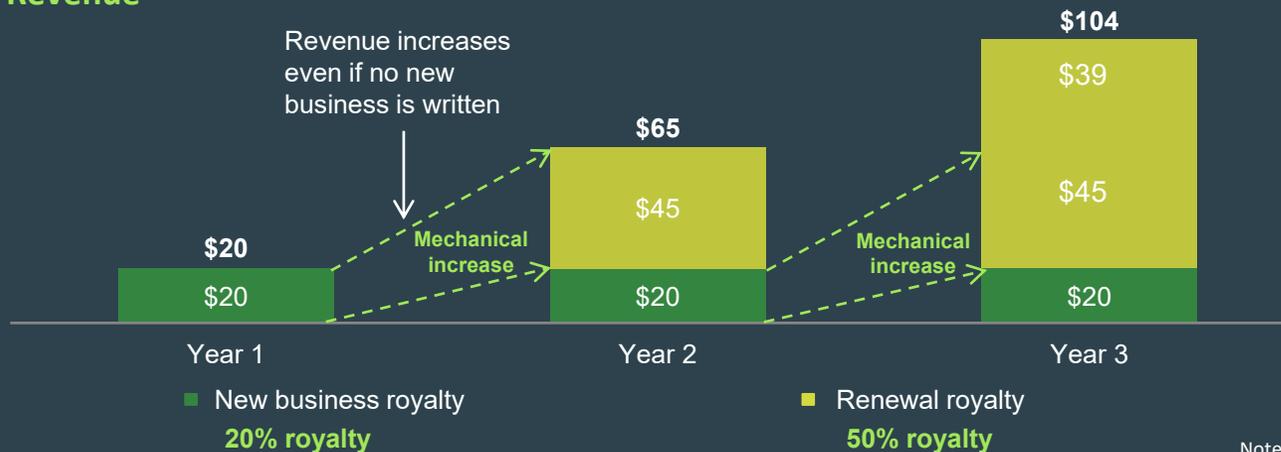
⋯ National Transactions ■ Goosehead National Transactions

Embedded Growth Through Client Retention

Corporate Channel Revenue



Franchise Channel Revenue



Multi-Channel Marketing Growing Traffic

Mobilizing our Agents



Search Engine Optimization



Email/SMS Journeys



Reviews



Social Media

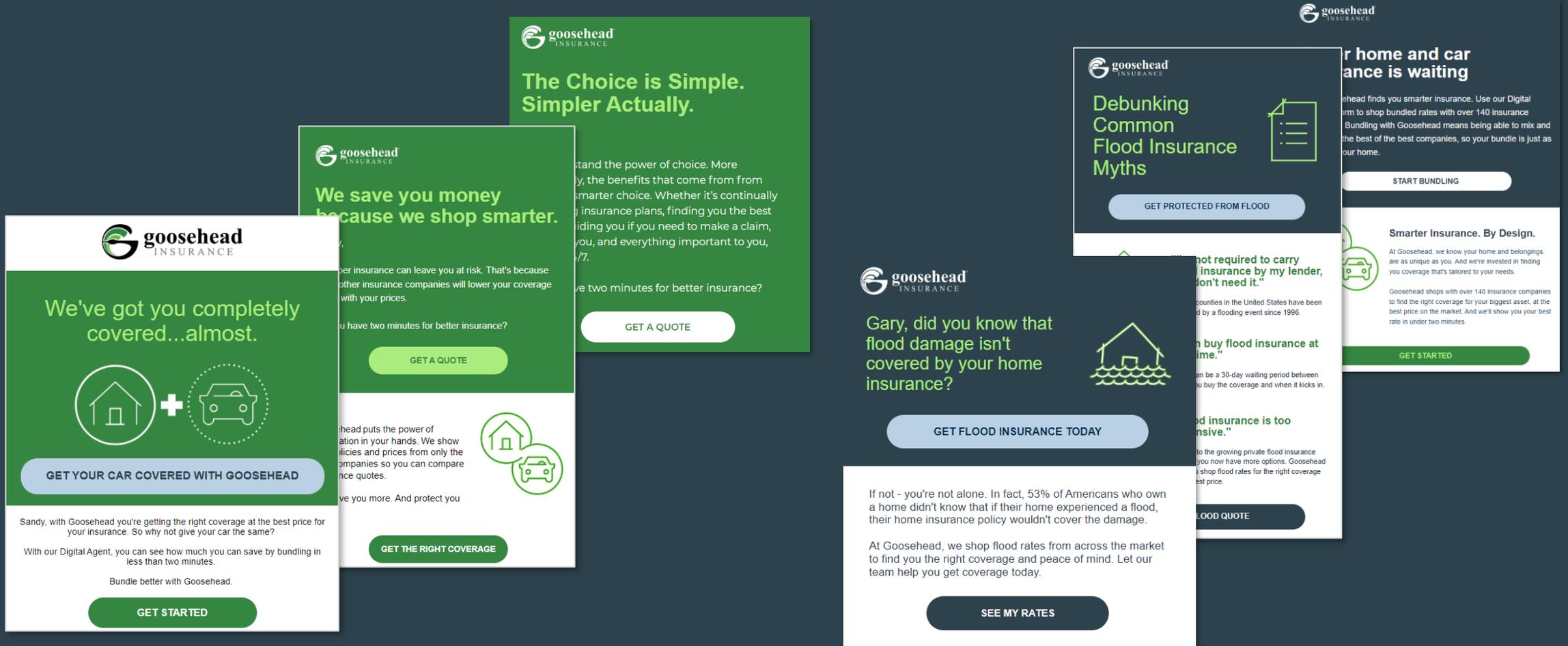


Digital / Partnerships

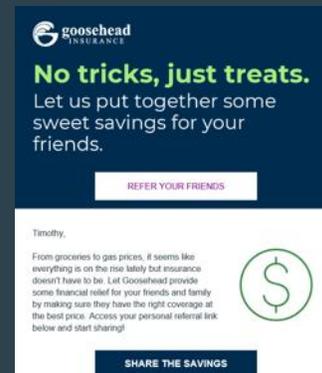
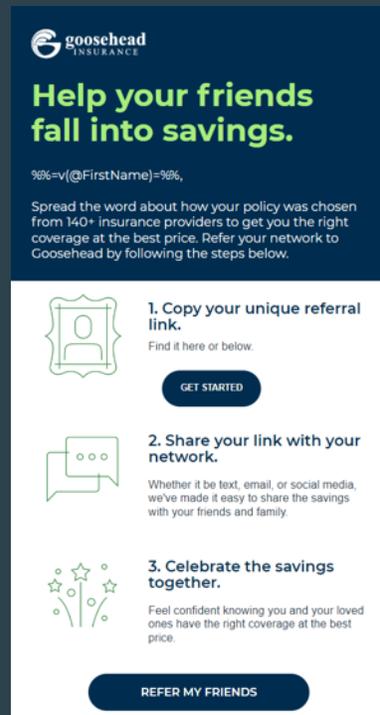
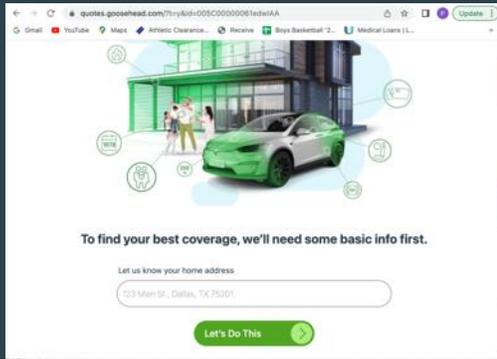
Public Relations

Cross-Sell Email Program Generating Millions in Revenue

Driving organic traffic by leveraging our own book of business



Growing Low-No Cost Client Referral Program

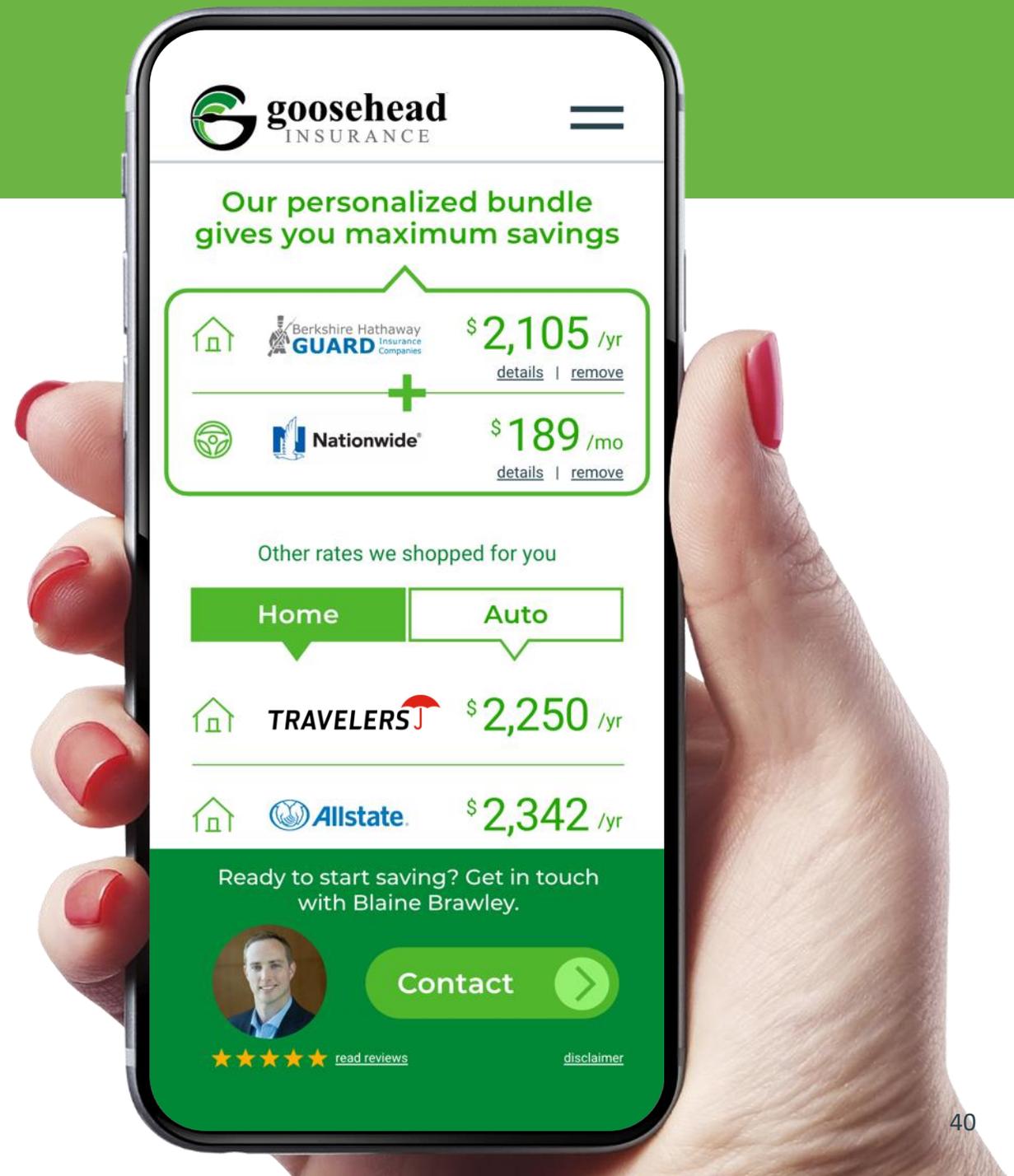


Only 1 referral from each client per year would double new business!

Evolution of Digital Agent

Empowering our clients to shop for the right coverage at the best price

- Building out quote to issue
- Developing a self serve model
- Leveraging the new site to drive traffic
- Hosting new content for SEO



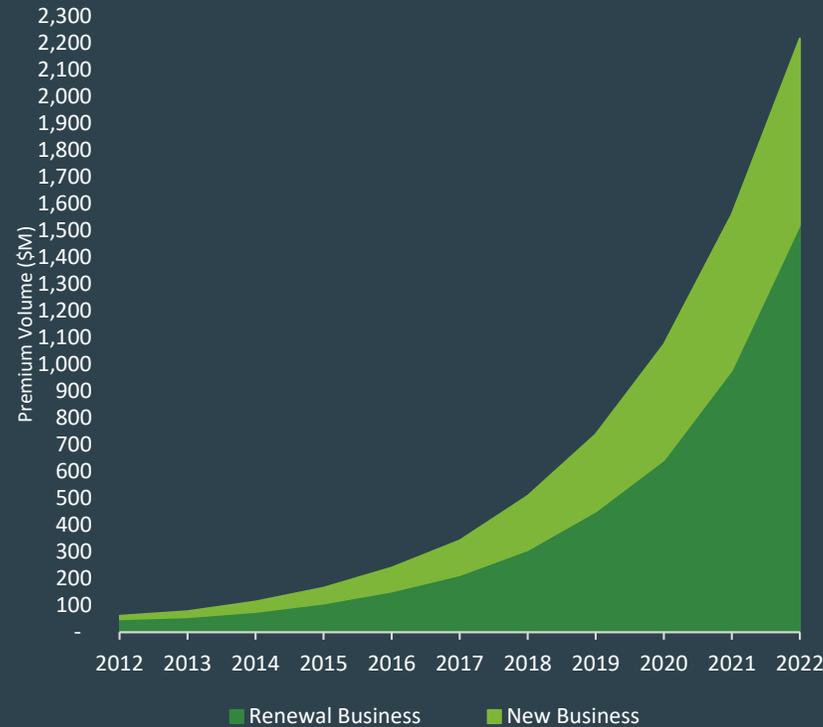
Financial performance

Rapid Responsible Organic Growth

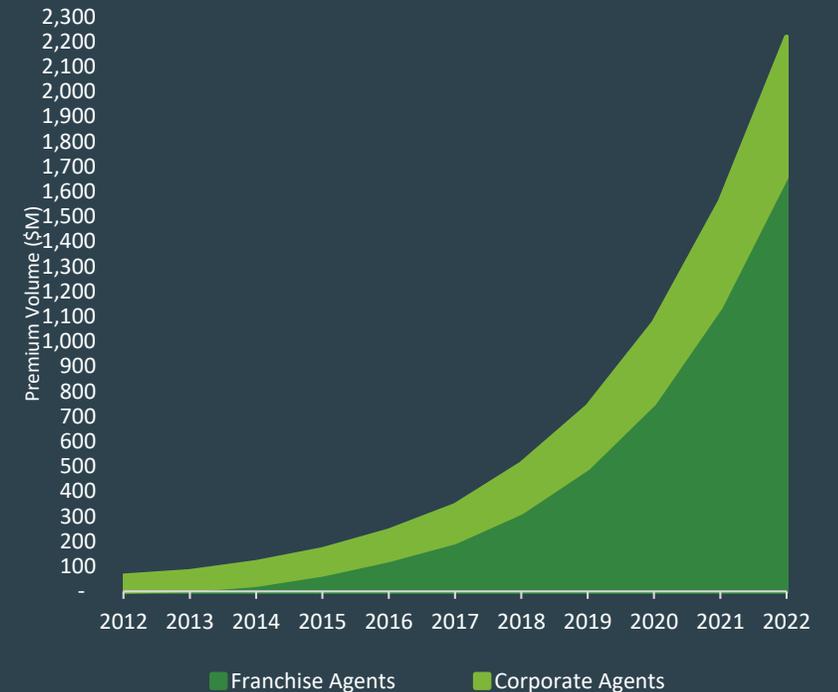
~\$2B
in total written premiums

CAGR Since 2020 44%
5 Year CAGR: 45%
10 Year CAGR: 43%

New Business and Renewal Premium Growth

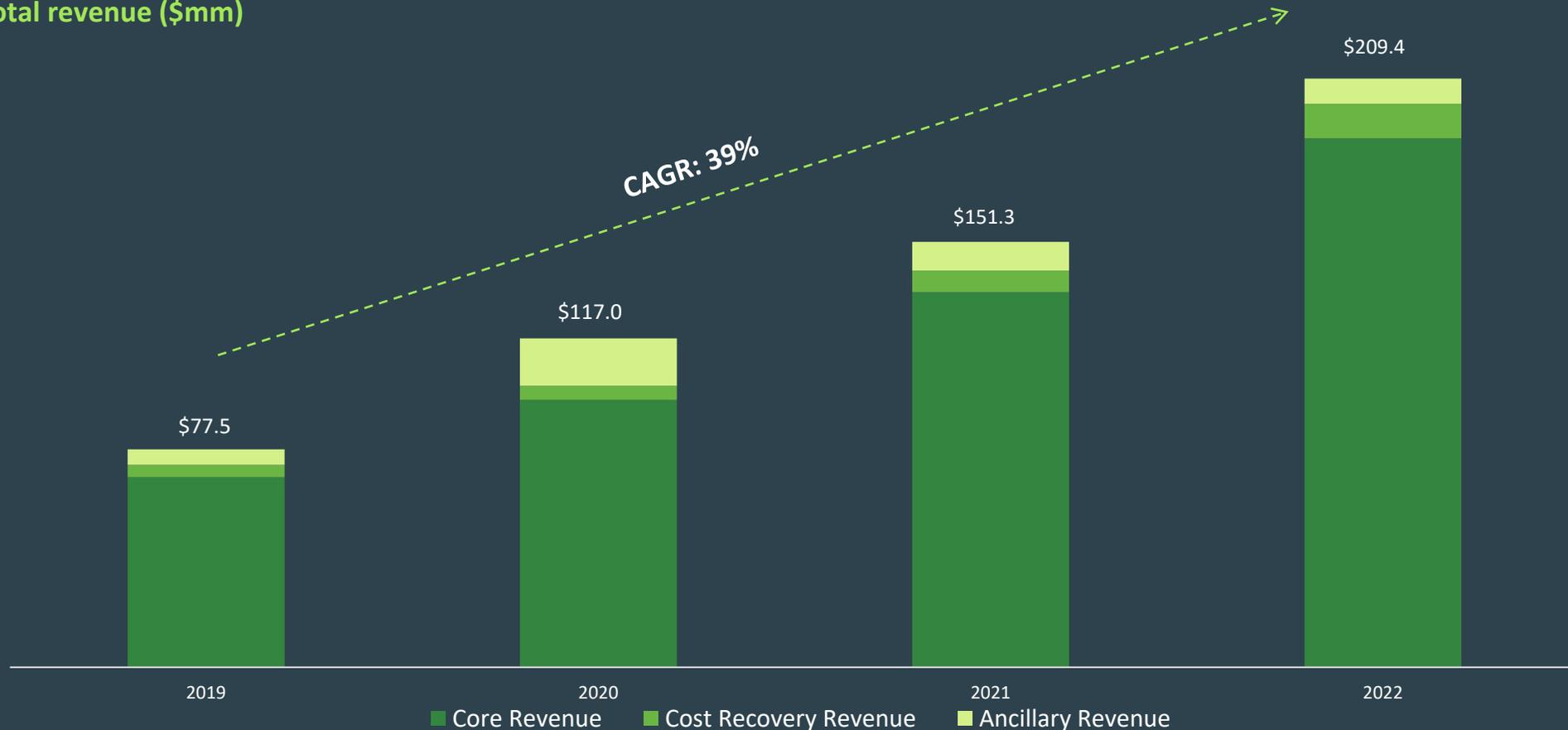


Corporate and Franchise Agents Premium Growth



Strong Revenue Growth and Stable Margins

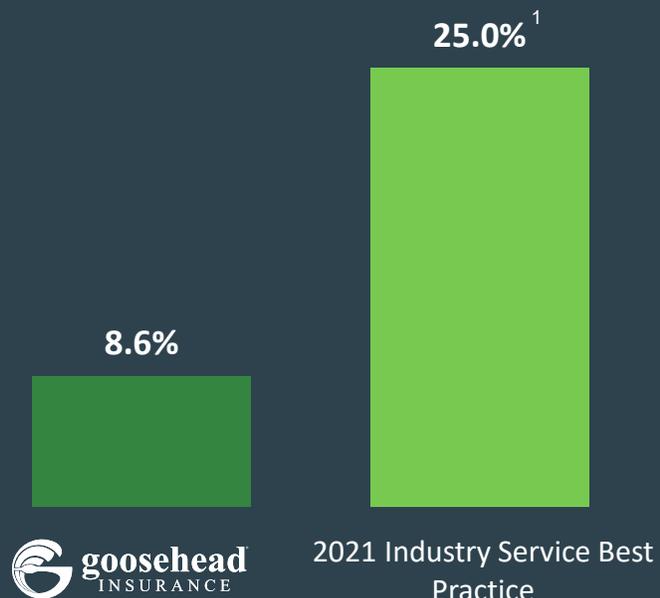
Total revenue (\$mm)



Net Income Margin ²	13%	16%	5%	1%
Adj. EBITDA Margin ²	23%	24%	14%	18%

Technology Drives Margins & Customer Satisfaction

2021 Service payroll as a % of gross personal lines commissions



Key service center metrics

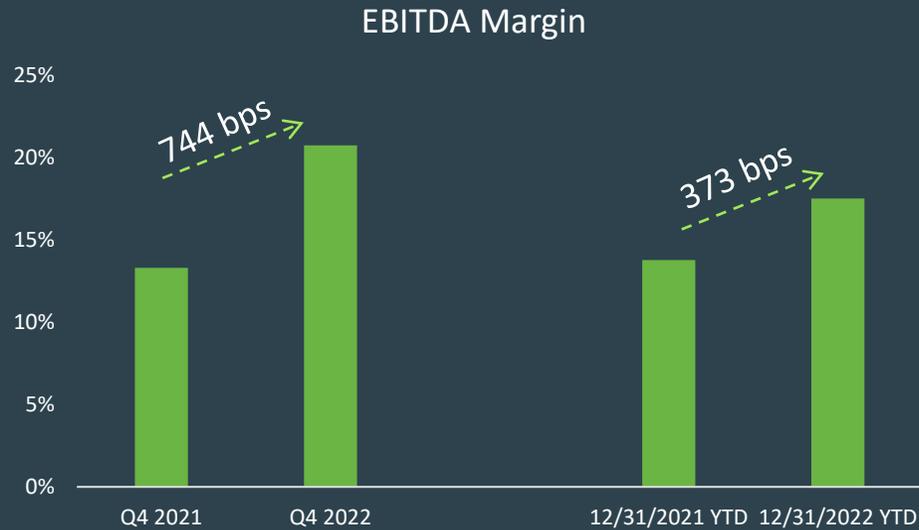
- Net Promoter Score: 90²
- Omnichannel Approach: Client Portal, Chat, Text
- New business generation: Cross-sell/Upsell
- We carefully monitor: call abandonment rate, call back rate and speed of answer
- Service agent compensation: \$48k average

New and Renewal Business Costs

	New Business	Renewal Business	
Commissions to agents / franchisees (net revenue)	●	◐	■ >50% lower for renewal business
Client service salaries and bonuses	●	◐	■ Critical to both new and renewal business; burden heaviest for new clients
Quality control salaries and bonuses	●	○	■ Not relevant for renewal business
Training salaries	●	○	■ Not relevant for renewal business
Client development costs	●	○	■ Not relevant for renewal business
Franchise support	●	○	■ Not relevant for renewal business

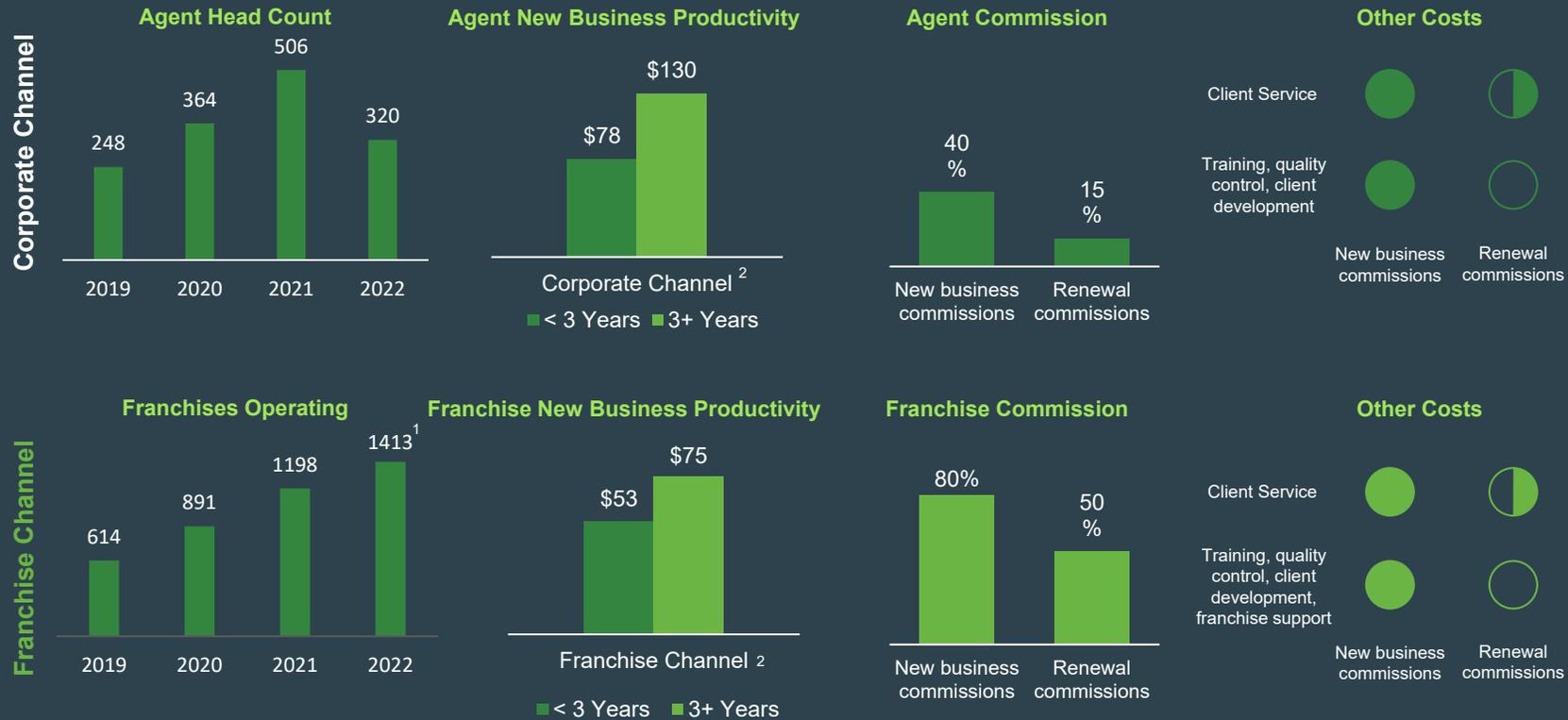
Opportunities to expand margins through operating leverage created by revenue growth growth

Runway for expanding margin



- Intermediate Term (2-3 yrs) Margin Goal Mid 20's
- Long Term (10+ yrs) Margin Potential of 40s+

Investments in People Will Result in Long-Term Growth



Making significant investments today to ensure growth and profitability is sustainable for years to come

Appendix

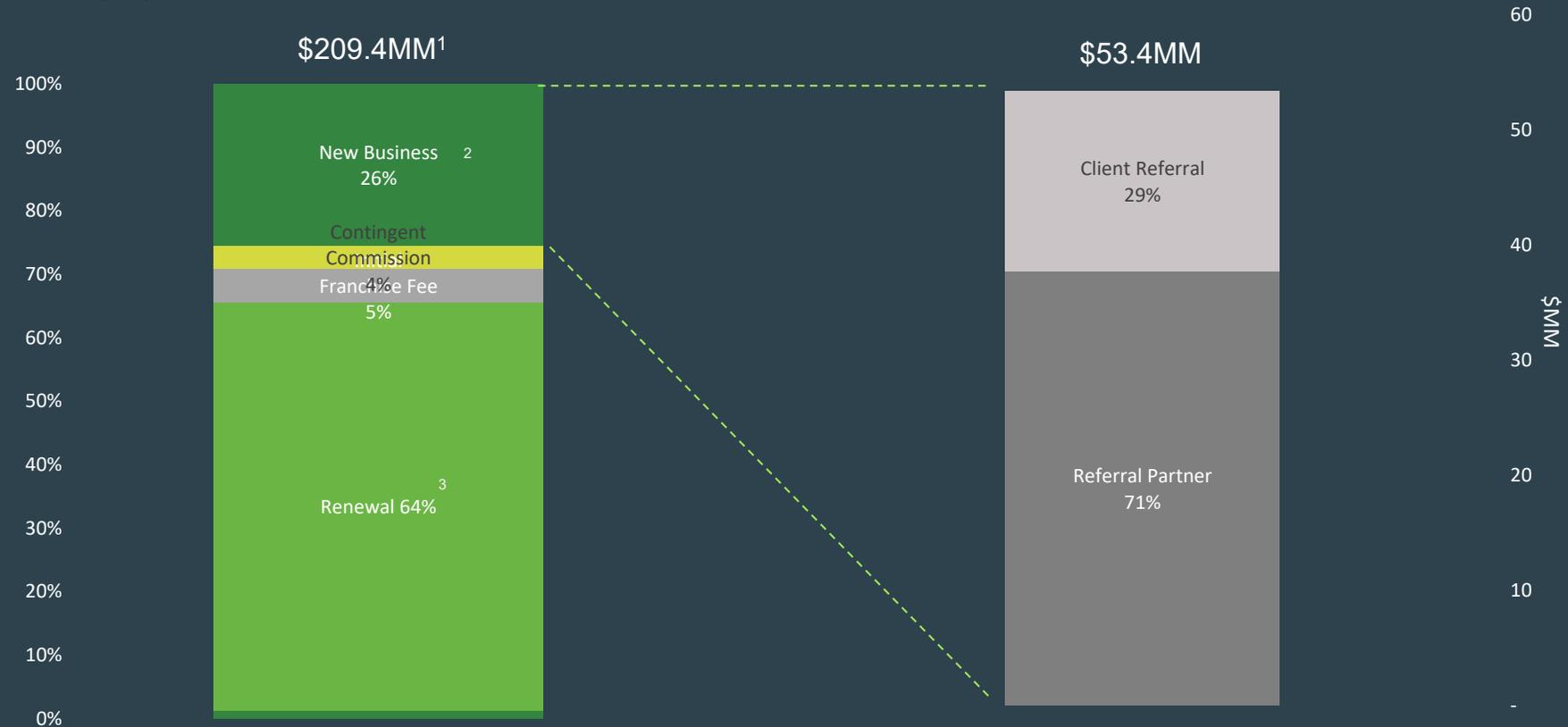
Revenue Stream

Revenue Streams (% of 2022A)		Channels	Overview	Predictable Financial Model Growth Drivers
Core (90%)	New Business (25%)	Franchise & Corporate	<ul style="list-style-type: none"> Commissions from carriers and agency fees charged to clients for policies in the first term Commissions calculated as a % of written premiums (14% in 2022A) In Franchise channel, Goosehead receives a 20% royalty on new business commissions and agency fees earned by franchise units 	<ul style="list-style-type: none"> Corporate Agents: Hiring new Goosehead-employed agents Franchise Units: Signings of new franchise units Agent/Franchise Production: Predictable ramp-up profile as new agents/franchises mature on platform and, for franchise units, and franchisees become established and add producers Digital Agent: Growth in production rates from digital agent tool Commission Rates: No growth assumed in forecast
	Renewals (64%)	Franchise & Corporate	<ul style="list-style-type: none"> Commissions from carriers for policies after first term Commissions calculated as a % of written premiums (14% in 2022A) In Franchise channel, Goosehead receives 50% royalty on renewal commissions 	<ul style="list-style-type: none"> Client Retention: 88% client retention rate Commission Rates: No growth assumed in forecast Renewal Royalty Rate (Franchise Only): 50% royalty on franchise renewal commissions (vs. 20% for new business), combined with 89% client retention rate, drives a mechanical uplift in franchise revenue year-on-year
Ancillary (4%)	Contingent Commissions (4%)	Franchise & Corporate	<ul style="list-style-type: none"> Payments from carriers contingent upon several factors, including growth and profitability of business placed with carriers 	<ul style="list-style-type: none"> Contingent Commissions Rates: 3-year historical average contingent commission rate of 0.85% of total written premium
Cost Recovery (6%)	Franchise Fees (5%)	Franchise	<ul style="list-style-type: none"> Fees paid by franchisees to compensate Goosehead for training and onboarding 	<ul style="list-style-type: none"> Franchise Units: Signings of new franchise units Initial Fee/Franchise: \$40K in Texas, \$25K elsewhere
	Interest Income (1%)	Franchise	<ul style="list-style-type: none"> Interest associated with franchise fee payment plans 	<ul style="list-style-type: none"> Imputed interest income from franchisees who select payment plan option

Revenue Breakdown (ASC 606)

Only 18% of total revenue is exposed to housing market conditions

TTM 12/31/2022 Revenue



¹ TTM 12/31/2022 Revenue as recognized under ASC 606

² Includes TTM New Business Commissions, Agency Fees, and New Business Royalty Fees

³ Includes TTM Renewal Commissions and Renewal Royalty Fees

Non-GAAP Adjusted EBITDA Reconciliation

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net income (loss)	\$2,630	\$8,296	\$18,755
Interest expense	\$4,999	\$2,854	\$2,310
Depreciation and amortization	\$6,884	\$4,873	\$3,147
Tax expense (benefit)	\$2,499	-\$2,292	-\$1,035
Equity-based compensation	\$19,642	\$7,292	\$4,745
Other income (expense, including state franchise tax)	—	-\$185	-\$90
Adjusted EBITDA	\$36,654	\$20,838	\$27,832
Net Income Margin ⁽¹⁾	1%	5%	16%
Adjusted EBITDA Margin	18%	14%	24%

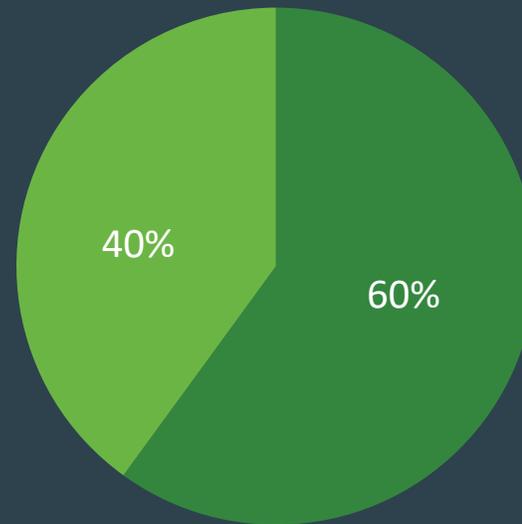
Total Revenue

	2022	2021	2020
Total Revenues	\$209,390	\$151,312	\$117,014
Core Revenue:			
Renewal Commissions	\$57,543	\$39,111	\$28,891
Renewal Royalty Fees ⁽²⁾	\$77,346	\$46,079	\$29,309
New Business Commissions ⁽¹⁾	\$24,126	\$22,108	\$17,324
New Business Royalty Fees ⁽²⁾	\$18,244	\$14,616	\$10,623
Agency Fees ⁽¹⁾	\$10,912	\$11,506	\$8,921
Total Core Revenue	\$188,171	\$133,420	\$95,068
Cost Recovery Revenue:			
Initial Franchise Fees ⁽²⁾	\$10,853	\$6,516	\$4,236
Interest Income	\$1,403	\$1,153	\$813
Total Cost Recovery Revenue	\$12,256	\$7,669	\$5,049
Ancillary Revenue:			
Contingent Commissions ⁽¹⁾	\$7,684	\$9,926	\$16,675
Other Income ⁽²⁾	\$1,279	\$297	\$222
Total Ancillary Revenue	\$8,963	\$10,223	\$16,897
Total Revenues	\$209,390	\$151,312	\$117,014

Management Strongly Aligned with Shareholders

Deeply committed to long-term success

% Ownership as of December 31, 2022



■ Public Shareholders

■ Founders and Management Ownership

Thank you



goosehead[®]
INSURANCE