



Goosehead Insurance, Inc. Reduces Cost of Capital by Entering Into New Term Note and Revolving Credit Facility Agreement

August 6, 2018

WESTLAKE, Texas, Aug. 06, 2018 (GLOBE NEWSWIRE) -- Goosehead Insurance, Inc. ("Goosehead" or the "Company") (NASDAQ: GSHD), a rapidly growing independent personal lines insurance agency, today announced that Goosehead Insurance Holdings, LLC has entered into a new \$40.0 million term note payable and \$13.0 million revolving credit facility agreement, effective August 3, 2018. Borrowings from the agreements were used to retire the Company's previously existing note payable and revolving credit facility, as well as for financing working capital needs and general corporate purposes. Goosehead also has the ability, subject to approval, to increase the commitments under the credit facilities by an additional \$50.0 million.

Under the new agreement, borrowings initially accrue interest on amounts drawn at LIBOR plus 2.50%, a 300 basis point improvement from the retired debt's accrued interest rate of LIBOR plus 5.50%. Interest rates past the initial period are based on the Company's leverage ratio for the preceding period, but are capped at LIBOR plus 2.50%.

"We are pleased to enter into this new agreement, which significantly lowers our overall cost of capital - a testament to Goosehead's ability to demonstrate rapid and profitable growth over the past several years, which is reflected in our operating results and balance sheet," stated Mark Colby, Chief Financial Officer of Goosehead. "Through refinancing our debt, we expect to achieve significant ongoing interest expense savings, which ultimately will drive additional earnings. We are now well positioned with credit facilities that immediately create a more efficient capital structure."

J.P. Morgan Chase acted as sole bookrunner for the refinancing. "Goosehead has had an exceptional growth trajectory," said Todd Ritterbusch, Middle Market Banking Executive at J.P. Morgan Chase Commercial Banking. "We're thrilled to lead their financing to help them achieve their goals."

The term note payable and revolving credit facility are collateralized by substantially all of the Company's assets, which includes rights to future commissions. The credit agreement contains certain covenants, including maintenance of specified interest coverage and leverage ratios, and certain other restrictions.

About Goosehead

Goosehead (NASDAQ: GSHD) is a rapidly growing and innovative independent personal lines insurance agency that distributes its products and services throughout the United States. Goosehead was founded on the premise that the consumer should be at the center of our universe and that everything we do should be directed at providing extraordinary value by offering broad product choice and a world-class service experience. Goosehead represents over 80 insurance companies that underwrite personal lines and small commercial lines risks, and its operations include a network of seven corporate sales offices and over 400 operating and contracted franchise locations. For more information, please visit www.gooseheadinsurance.com.

Forward-Looking Statements

This press release may contain various "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which represent Goosehead's expectations or beliefs concerning future events. Forward-looking statements are statements other than historical facts and may include statements that address future operating, financial or business performance or Goosehead's strategies or expectations. In some cases, you can identify these statements by forward-looking words such as "may", "might", "will", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "projects", "potential", "outlook" or "continue", or the negative of these terms or other comparable terminology. Forward-looking statements are based on management's current expectations and beliefs and involve significant risks and uncertainties that could cause actual results, developments and business decisions to differ materially from those contemplated by these statements.

Factors that could cause actual results or performance to differ from the expectations expressed or implied in such forward-looking statements include, but are not limited to, conditions impacting insurance carriers or other parties with which Goosehead does business, the loss of one or more key executives or an inability to attract and retain qualified personnel and the failure to attract and retain highly qualified franchisees. These risks and uncertainties also include, but are not limited to, those described under the caption "Risk Factors" in Goosehead's prospectus relating to its Registration Statement on Form S-1 (Registration Number 333-224080) filed with the SEC pursuant to Rule 424(b)(4) under the U.S. Securities Act of 1933, as amended, and in Goosehead's other filings with the SEC, which are available free of charge on the Securities Exchange Commission's website at: www.sec.gov. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. All forward-looking statements and all subsequent written and oral forward-looking statements attributable to Goosehead or to persons acting on behalf of Goosehead are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made, and Goosehead does not undertake any obligation to update them in light of new information, future developments or otherwise, except as may be required under applicable law.

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