



Investor Presentation
November 2019

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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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Committed And Experienced Management Team



Mark Jones
*Co-Founder, Chairman
and CEO*

- Served as CEO since inception in 2003
- Prior to joining the company, was a Senior Partner and Director at Bain & Company
- Also served as Global Head of Recruiting at Bain
- Earlier in his career, he worked in the audit and M&A practice groups for E&Y



Michael Colby
*President and
Chief Operating Officer*

- Joined Goosehead Insurance in 2006
- Appointed as EVP and COO in 2011 and then promoted to President and COO in 2016
- Prior to Goosehead, worked with KPMG in the Audit practice



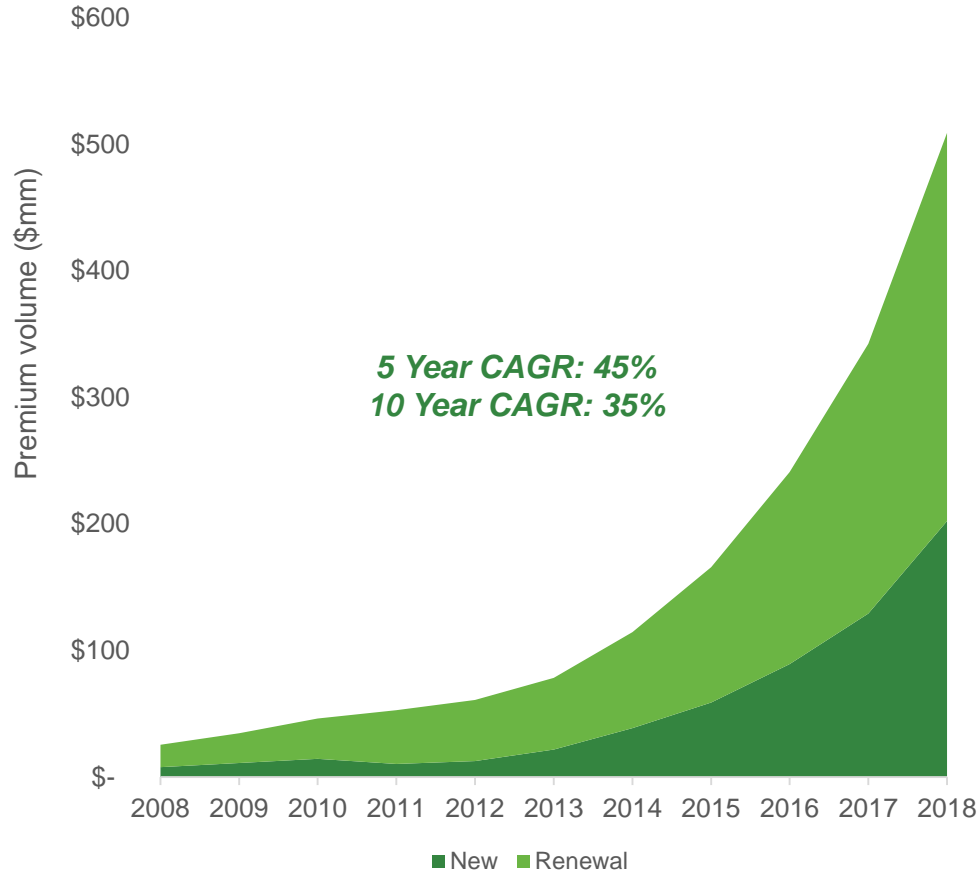
Mark Colby
Chief Financial Officer

- Joined Goosehead Insurance in 2012 and was promoted to Controller in 2014, to Vice President-Finance in 2015, and Chief Financial Officer in 2016
- Prior to Goosehead, worked in E&Y's Transaction Advisory Services and Audit service lines

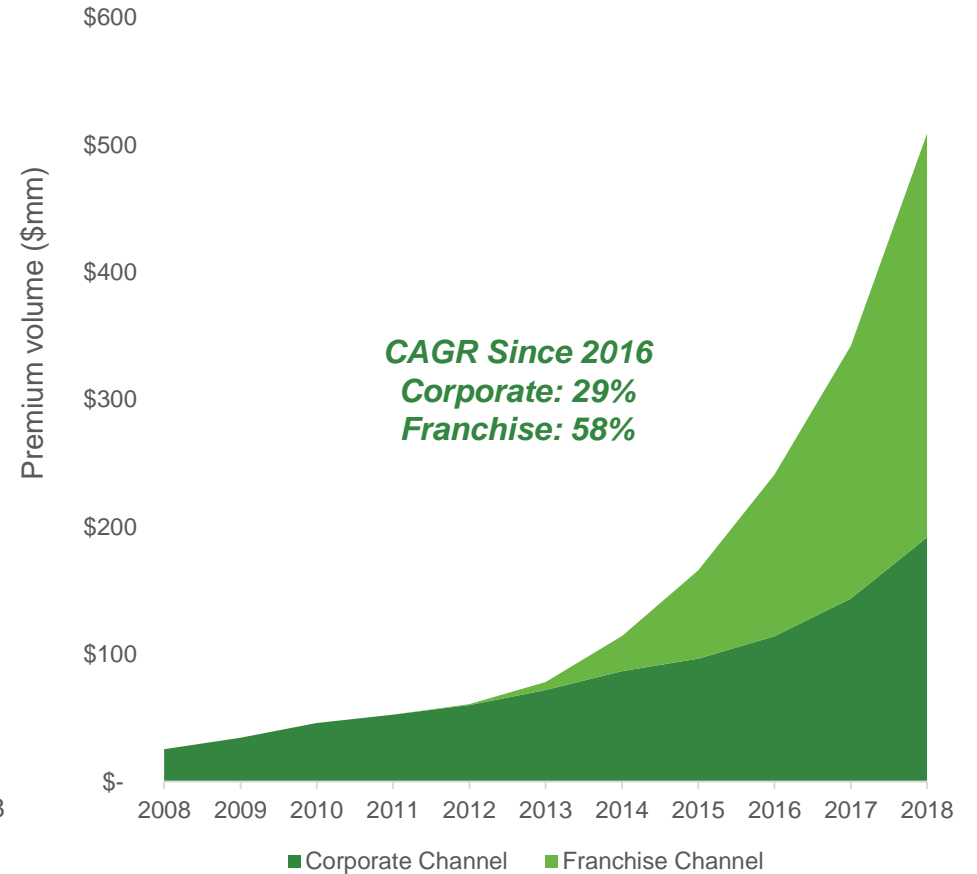
Rapid and Responsible Organic Growth



New Business and Renewal Premium Growth



Corporate and Franchise Channel Premium Growth



¹ 5 and 10 year CAGR calculations through 12/31/2018

Investment Highlights



Disruptive model positioned to substantially grow in a massive and fragmented industry

Outpaced revenue growth driven by strategically solving industry challenges

Comprehensive value proposition for clients, agents and carriers

Highly developed recruiting strategy with experienced evaluators of talent

Robust and innovative technology platform supports high growth business model

Committed and capable management team with ambitions of industry leadership

Recurring revenue with strong future visibility and expanding long-term margins

Personal Insurance Market Large and Highly Fragmented



Industry historically has struggled to find the right way to best serve the needs of customers



Independent Agencies

Captive Agencies Owned By Carriers

Carriers Direct To Customer

Key Attributes

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

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

Largely very small businesses which sell products from only **one carrier**

One carrier which sells products directly to clients

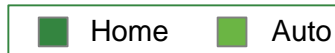
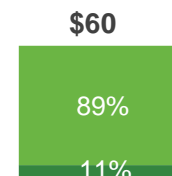
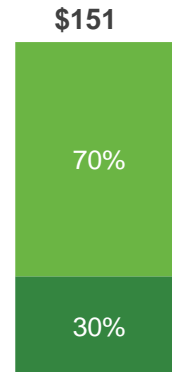
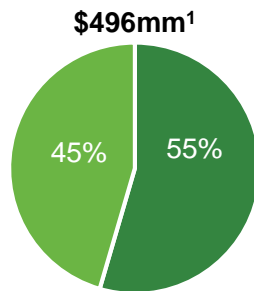
Product Choice



Service Quality



2017 U.S. Premiums



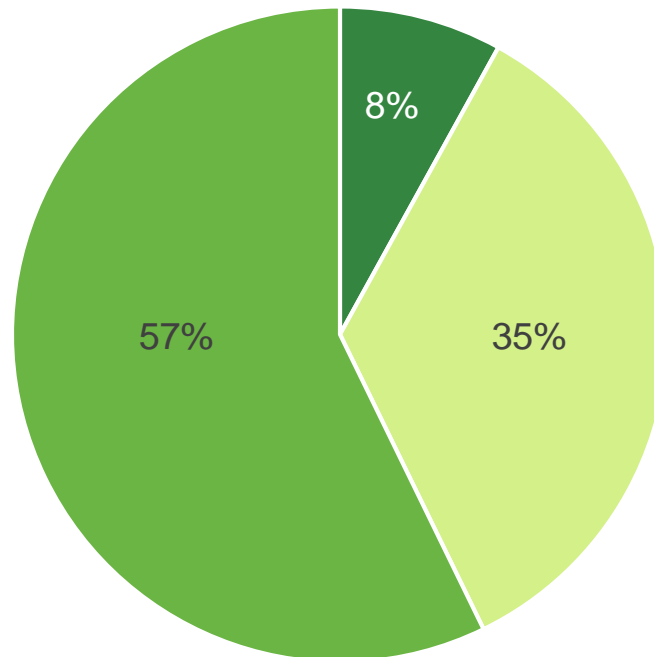
Source: Independent Insurance Agents & Brokers of America
 1 Represents 2018 premiums excluding commercial and excess liability premiums.

Management Strongly Aligned with Shareholders



Deeply committed to long-term success

% Ownership as of September 30, 2019



■ Other management ■ Public Shareholders ■ Mark Jones and family



Delivery of Operations

Redefining the Industry



Personal lines property and casualty insurance broker



Considerably differentiated business model serving the American consumer producing strong, sustained growth and profitability

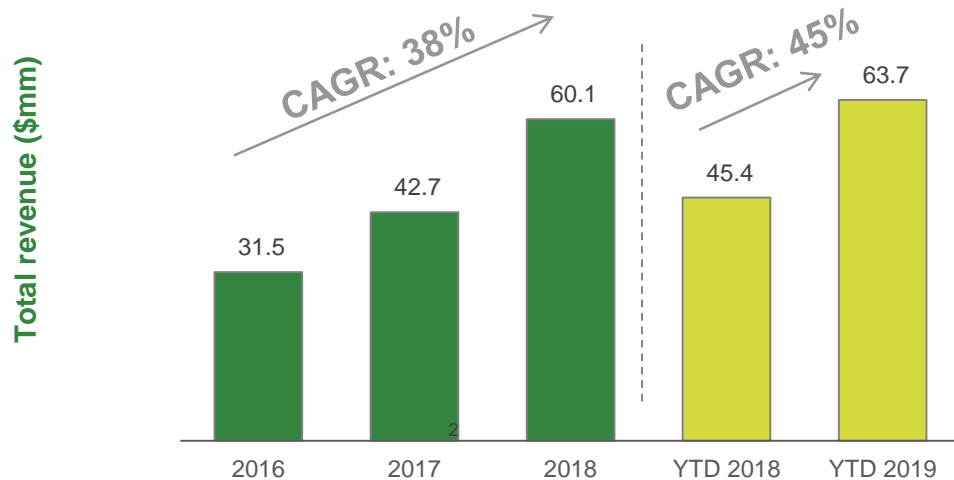


7 corporate sales offices in Texas and Illinois; 828 franchise locations¹ primarily in CA, TX, FL and IL

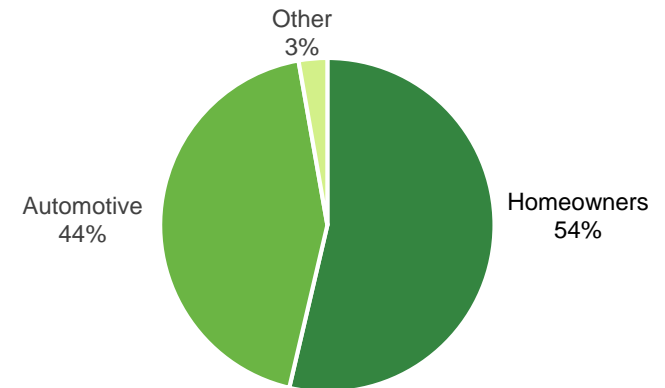


Well-established and positioned for sustained levels of strong growth and profitability

Accelerating Growth Trajectory



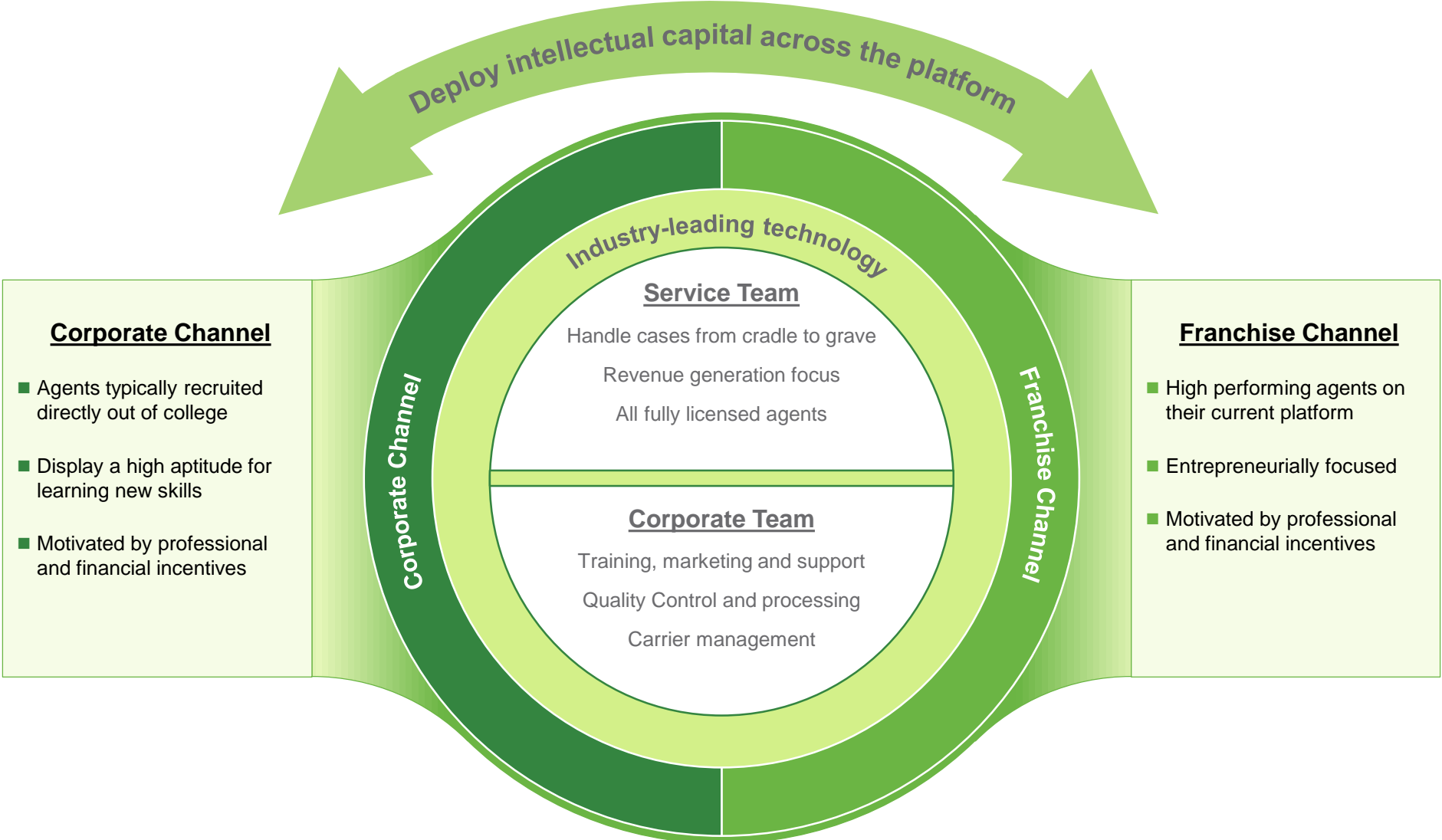
Focused on Personal Lines



TTM Sep19 Total premiums: \$678mm

¹ Number of franchise locations include 245 franchises which are under contract but yet to be opened as of 9/30/2019; ² Excludes gain on sale of \$3.5mm

Compelling Business Model



Highly Developed Recruiting Strategy Supports Sustainable Outsized Growth



Corporate Channel



- New college graduates with entrepreneurial spirit
- Driven by professional development and financial reward based on personal performance
- Well defined target school list with strong on campus relationships and strong sponsorship



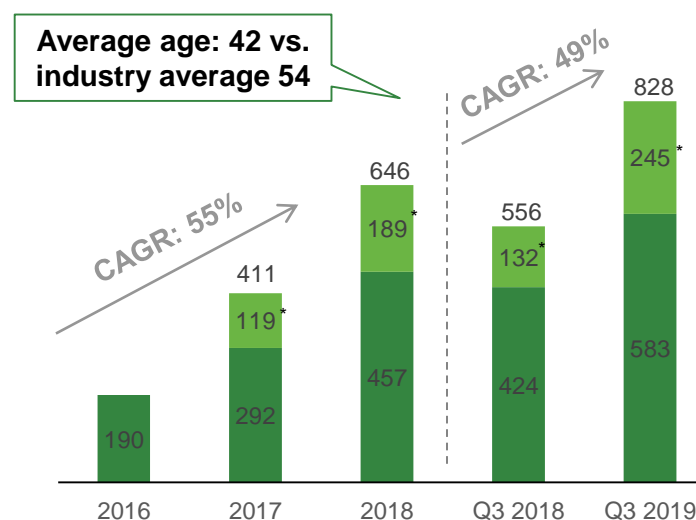
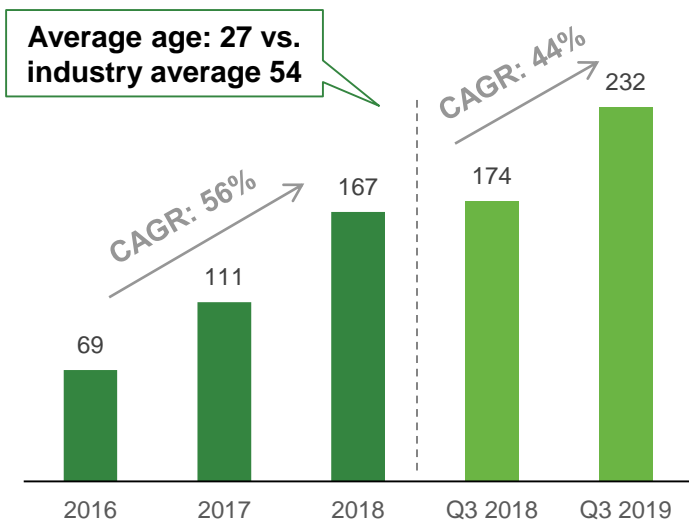
Franchise Channel

- Highly effective producers who are seeking autonomy
- Entrepreneurially motivated to continue to build their own business
- Target professionals from captive agencies and other independent agencies



- Continue to deploy highly refined recruiting and training process for new agents
- Expand geographically through recruiting at additional college campuses

- Continue to recruit and train top producers who desire autonomy from captive agencies and other independent agencies
- Approximately 75,000 potential franchise candidates in the current pipeline



* Franchises signed but yet to open as of the end of the indicated period

Robust and Innovative Technology Platform Supports High Growth Business Model



“Goosehead Insurance leverages Salesforce technology to transform how it serves its partners and customers. Creating innovative applications that bring greater intelligence and value to their industry, Goosehead is a disruptor we are proud to support.”

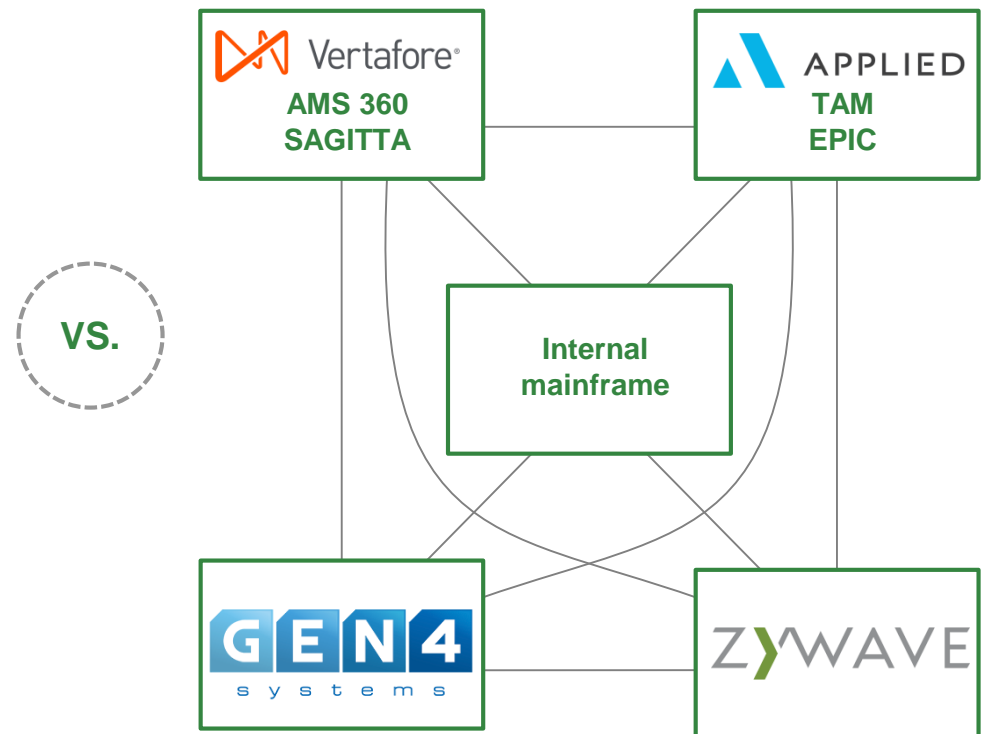
Michael Khoury, Vice President – Financial Services, Salesforce.com

Goosehead Systems



Entire business cycle managed
in the  cloud

Typical Agency Systems



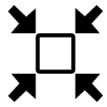
“Hodge-podge” of legacy systems
which lack continuity

Constantly Innovating to Remain a Step Ahead



Enhancing Tech Platform to Optimize Efficiency and Effectiveness

1 Application Development and Investment



Comparative Rater

- Consolidate data entry into one interface
- Eliminates 75% of required input fields
- **Saves agents approximately 15 minutes per quote**

Cloud-based Voice Solution

- Unified communications platform
- Mobile capabilities (text, live chat)
- **Omnichannel client engagement capabilities**



2

Leveraging Big Data



Nationwide Property Database

- Provides info for every U.S. county on age of home, construction type, square footage, roof type, etc.
- **Allows for far more efficient and accurate quoting**

Proprietary Mortgage Database

- Provides U.S. mortgage activity data down to micro-targeted level
- **Agents market services with sophistication and precision**



Strengthening Barriers to Entry

Industry-Leading New Business Production For New and Seasoned Agents



Compelling and proven sales focused model has resulted in industry-leading production

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



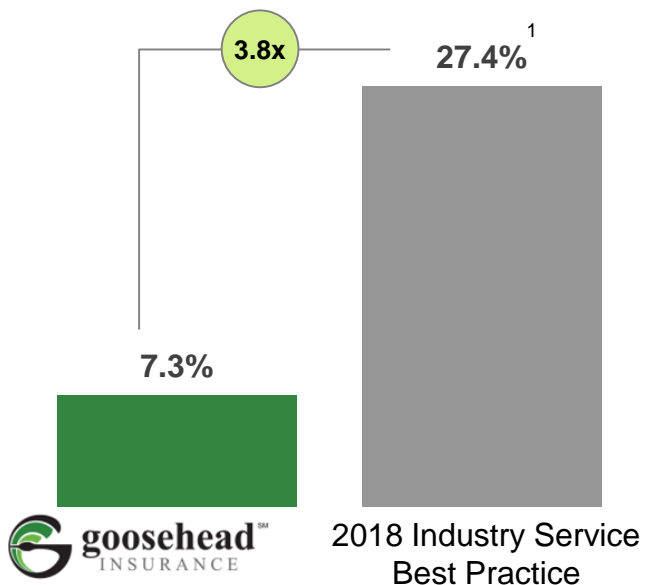
¹ Represents industry best practice per Reagan Consulting; most industry agents have tenures significantly longer than 2 to 3 years

Technology Drives Margins While Simultaneously Ensuring Client Satisfaction



Technology enables Company to deliver service highly efficiently

2018 Service payroll as a % of gross personal lines commissions



Key service center metrics



Net Promoter Score

90



Client hold times

< 60 Seconds



New business generation

Cross-sell / Upsell



In addition, we also carefully monitor call abandonment rate, call back rate and speed of answer



Service agent compensation

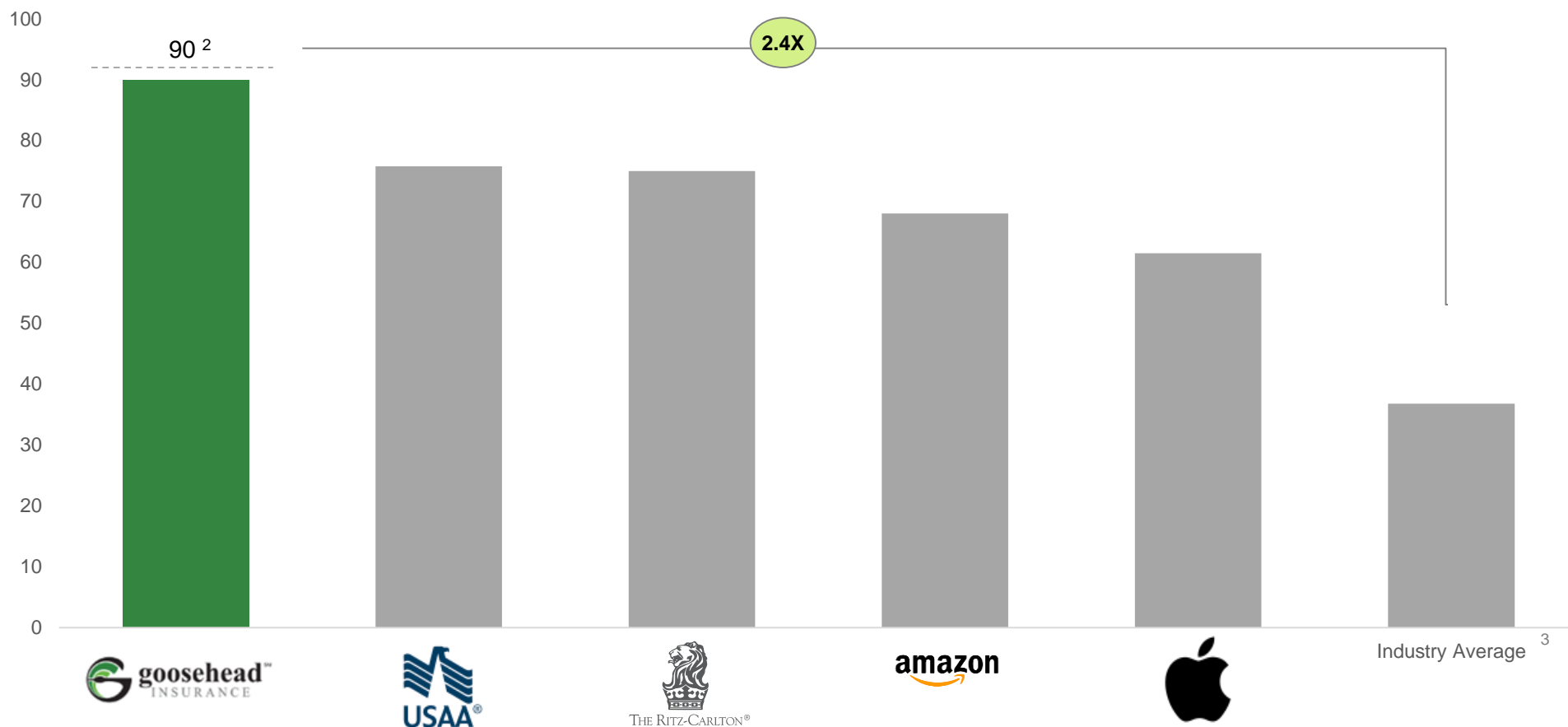
2018 compensation: \$46k

¹ Indicates, per Reagan Consulting industry best practice service compensation as a percentage of personal lines revenue for agencies with revenues of greater than \$25M

Best-In-Class Customer Service Drives High Revenue Retention



Net Promoter Scores (NPS) 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 Q2 2019



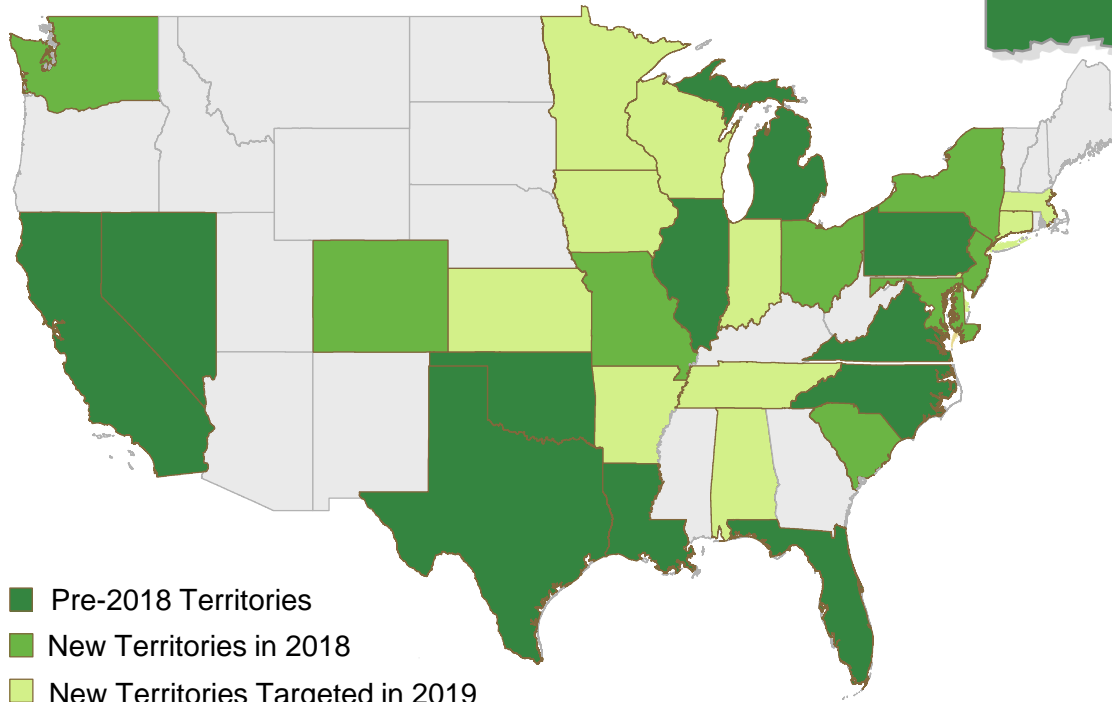
Source: External NPS data from Satmetrix; ¹ Ritz, USAA, Apple, Amazon; ² Represents Q3 2019 NPS; ³ Represents average of auto industry and home industry

Meaningful Growth Opportunity



Continued Technology Upgrades

Continued Corporate Channel Recruiting



Continued Improvements in Productivity and Customer Service

National Rollout of Franchise Channel

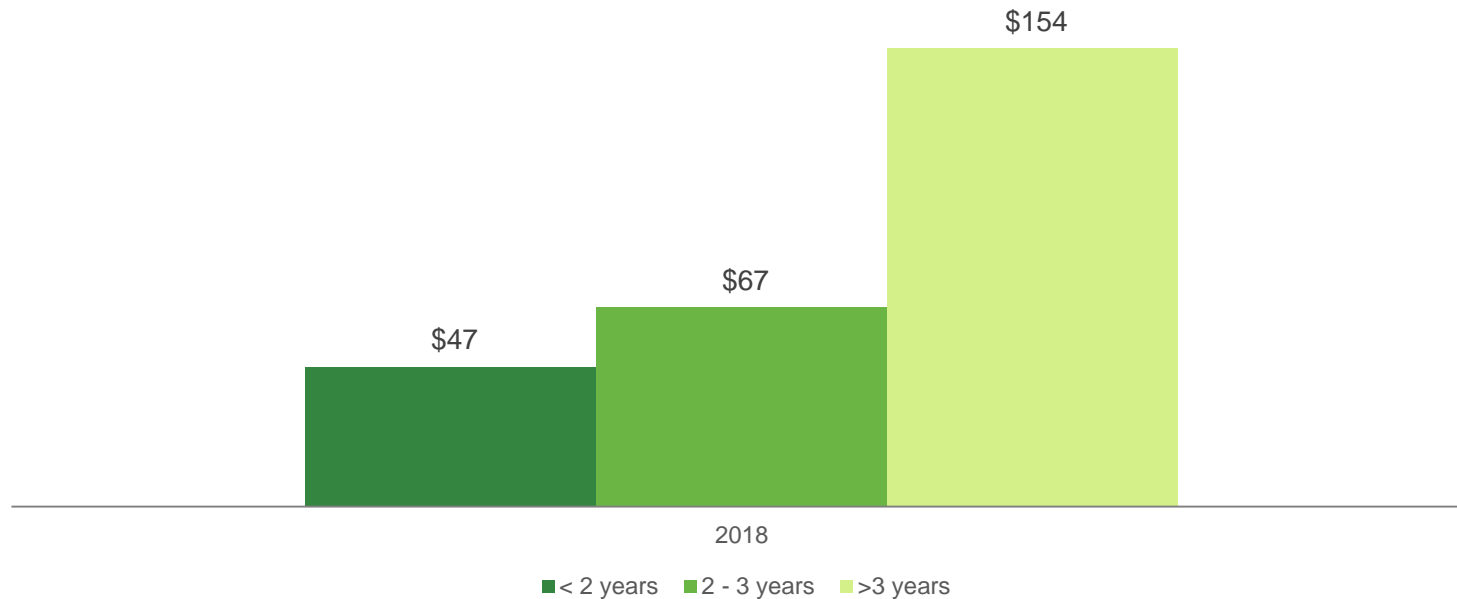
Continued Corporate Channel Recruiting



After working for more than three years, the typical Goosehead corporate agent earns more than \$150k annually

- Goosehead has a highly developed process for recruiting new agents which we have continually refined over the last 10+ years. Additional college campuses to be added
- The ongoing enhancements to our recruiting and training processes has resulted in higher success rates for our corporate agents

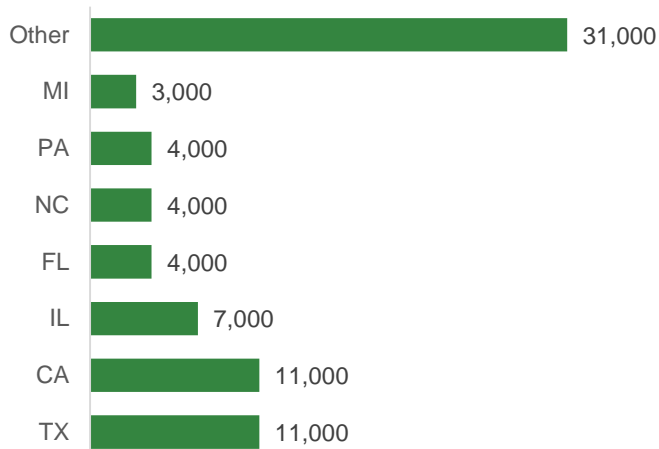
Average corporate agent compensation by tenure (\$000s)



National Rollout Of Franchise Channel



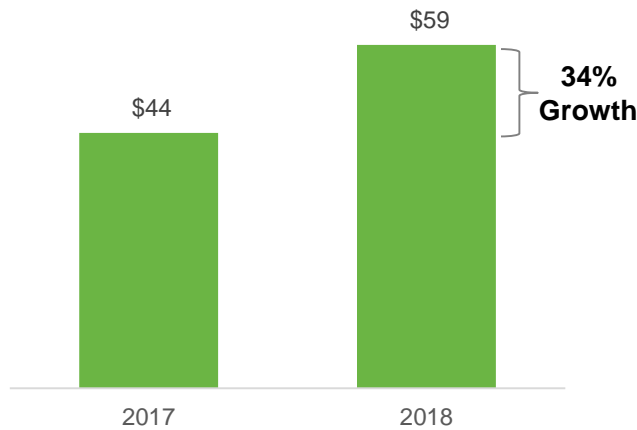
Pipeline Growth



Total Leads as of Sep 2019: 75,000

- ~43 members on the recruiting team as of Q3 19
- Recruiting targets include the universe of nearly 400,000 U.S. insurance agents

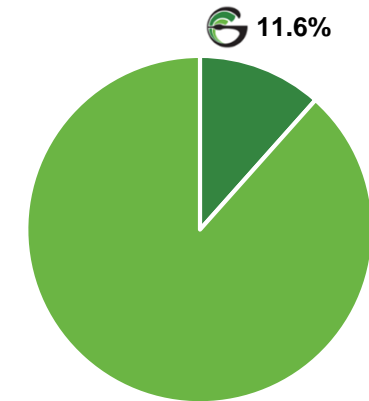
Production Ramp-up



- Through a combination of both refining the Franchise criteria and training, Goosehead significantly lifted productivity for Franchises

■ Non-Texas New Business per agency, >1 year (\$000s)

National Implications



Market share of homeowners insurance in new mortgage originations / refinancings in Texas

2018 TX mortgage originations / refinancing: ~459k¹

11.6% Goosehead market share **×** **7.7mm** Originations / refinancing in the U.S.¹

893k Potential new clients each year

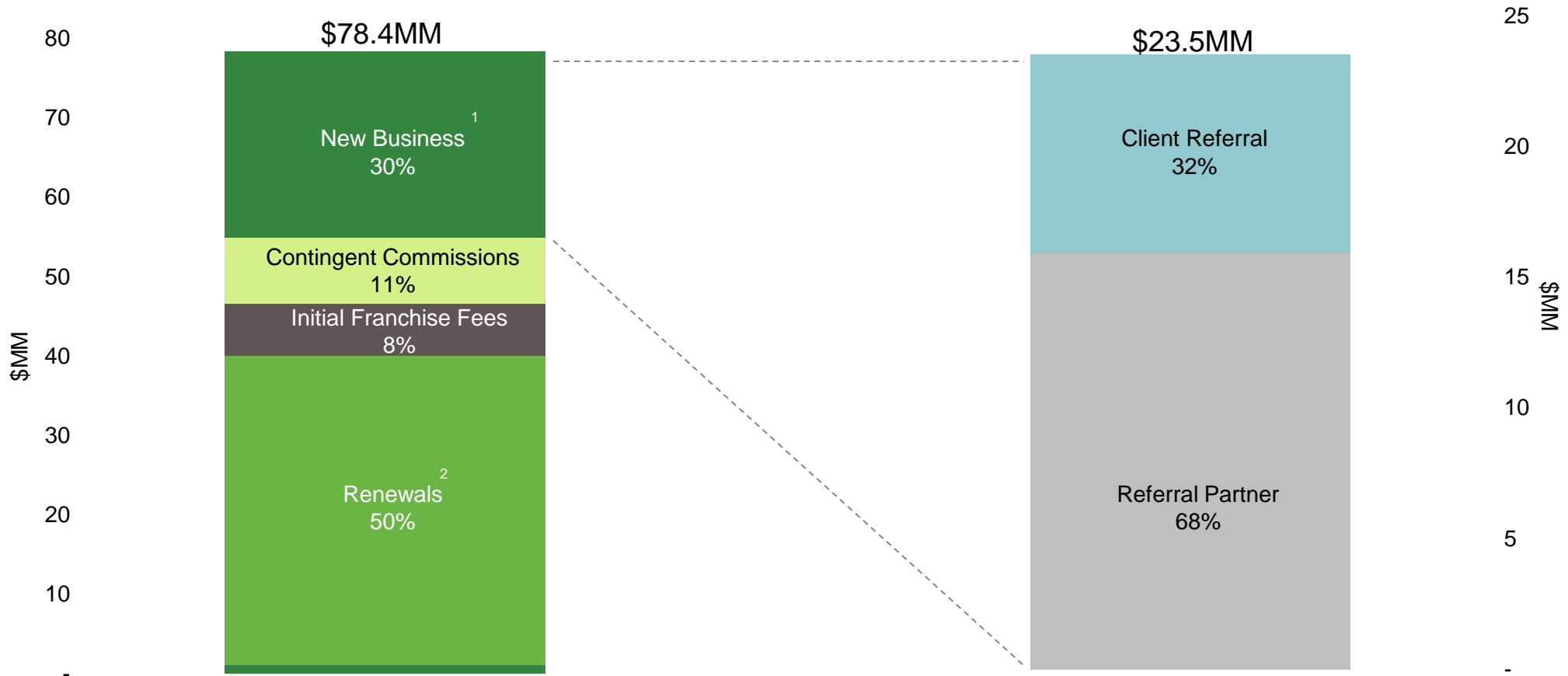
¹ Source: 2018 Home Mortgage Disclosure Act Data

Revenue Break-Down



Only 20% of total revenue is exposed to housing market conditions

TTM 9/30/2019 Revenue



¹ Includes TTM New Business Revenue (Corporate), Agency Fees, and New Business Royalty Fees

² Includes TTM Renewal Revenue (Corporate) and Renewal Royalty Fees

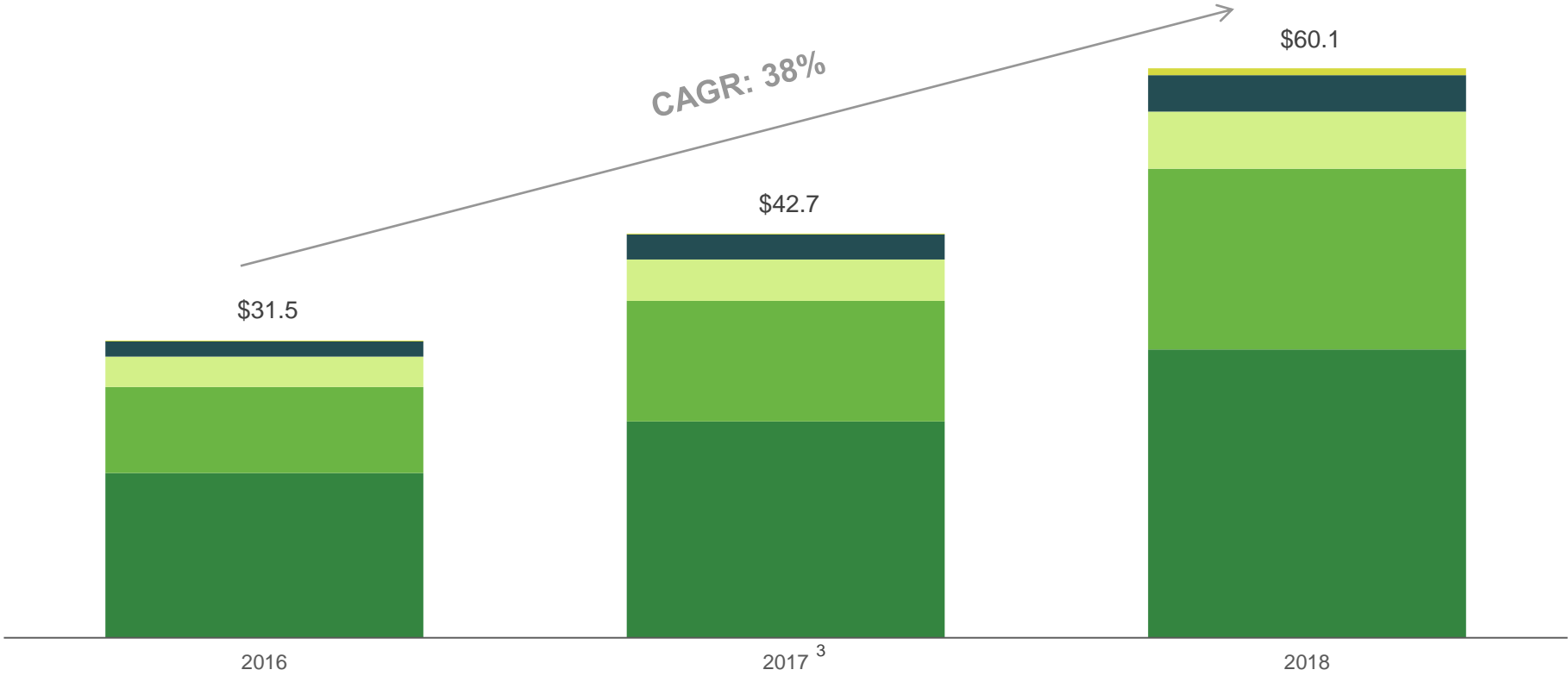


**Economics of our
Business**

Strong Revenue Growth And Stable Margins



Total revenue (\$mm)



| Adj. EBITDA Margin ⁴ | 25.8% | 25.1% | 24.5% |
|---------------------------------|-------|-------|-------|
|---------------------------------|-------|-------|-------|

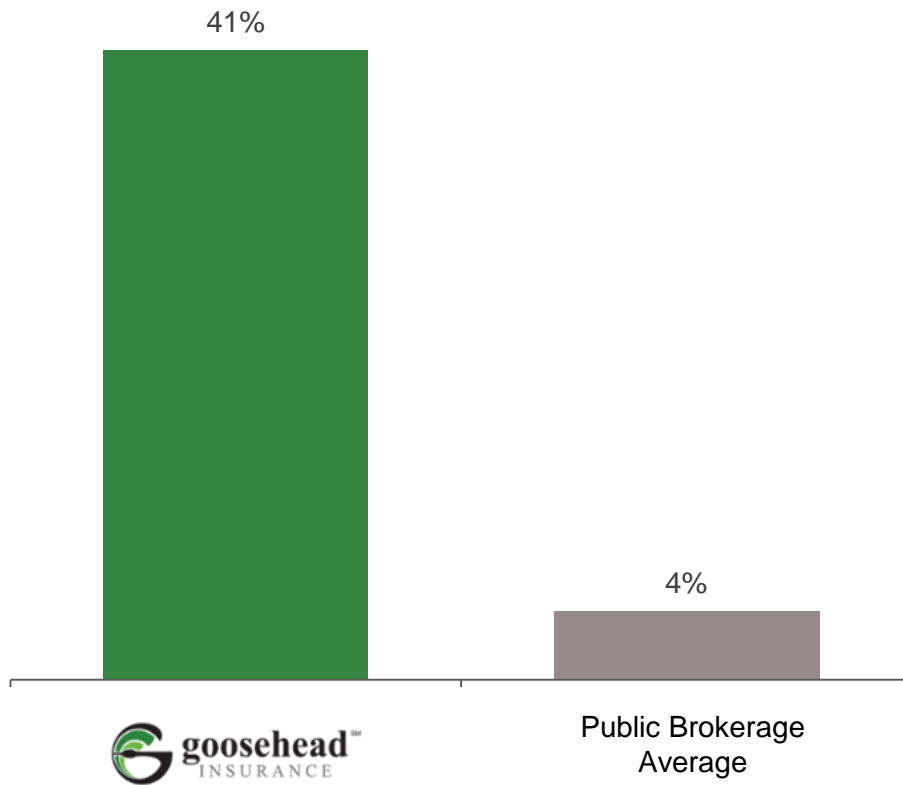
■ Renewal revenue¹ ■ New business revenue¹ ■ Initial franchise fees² ■ Contingent commissions ■ Other income

¹ Includes royalty fees; ² Related to the training and onboarding of new franchise locations; ³ Excludes gain on sale of \$3.5mm ⁴ See Appendix for GAAP reconciliation

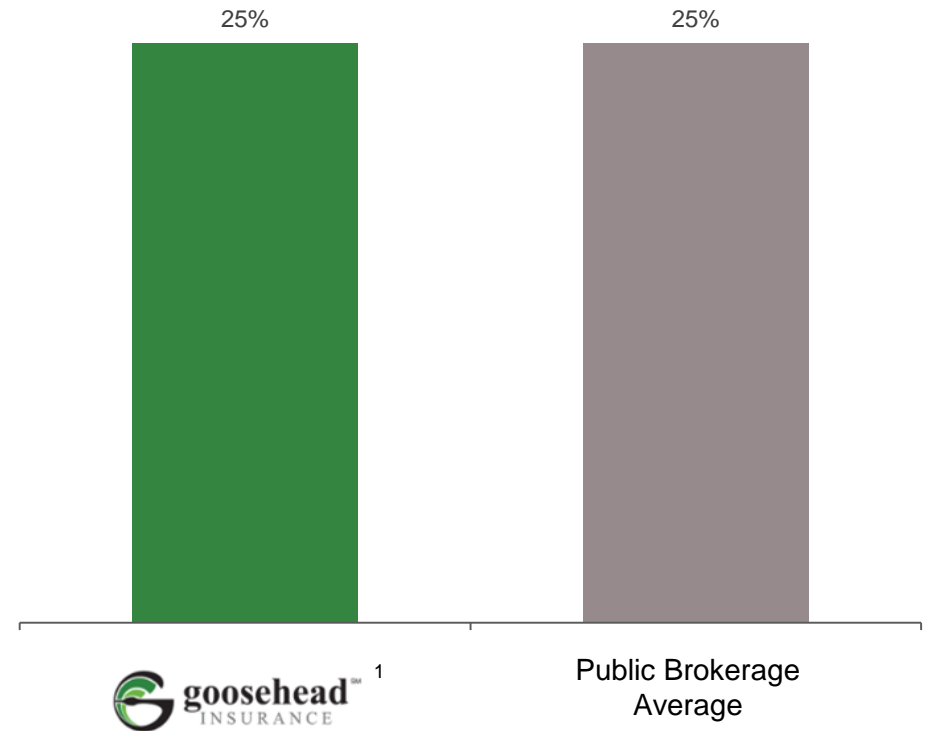
Outpacing The Industry In Growth With A Clear Path To Margin Expansion



2018 Organic revenue growth



2018 Adjusted EBITDA margins



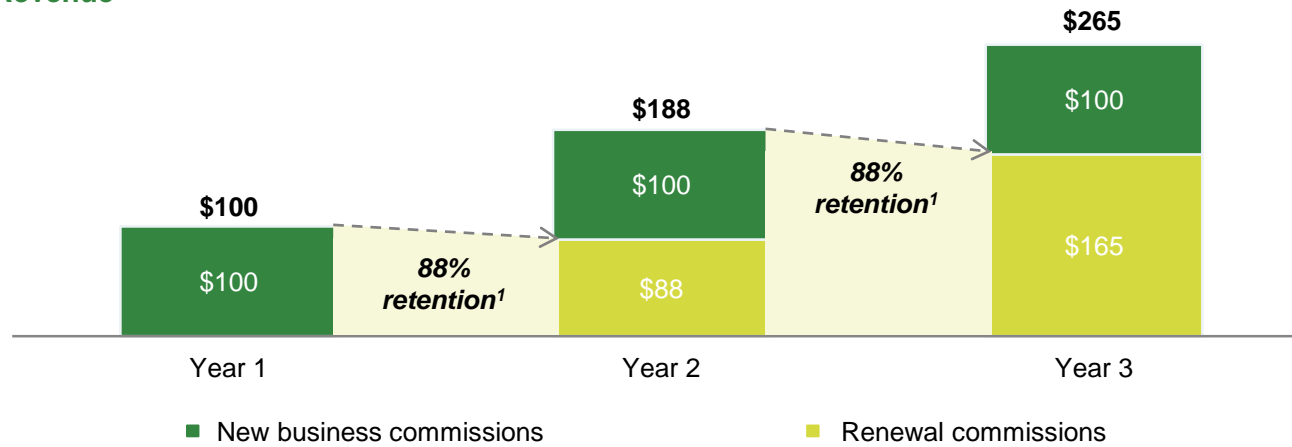
Source: Public filings; ¹ Represents 2018 Adjusted EBITDA margin; see Appendix for GAAP reconciliation.

Note: Public comparables include AON, AJG, BRO, MMC and WLTW; represent North American retail insurance brokerage organic growth or closest approximation

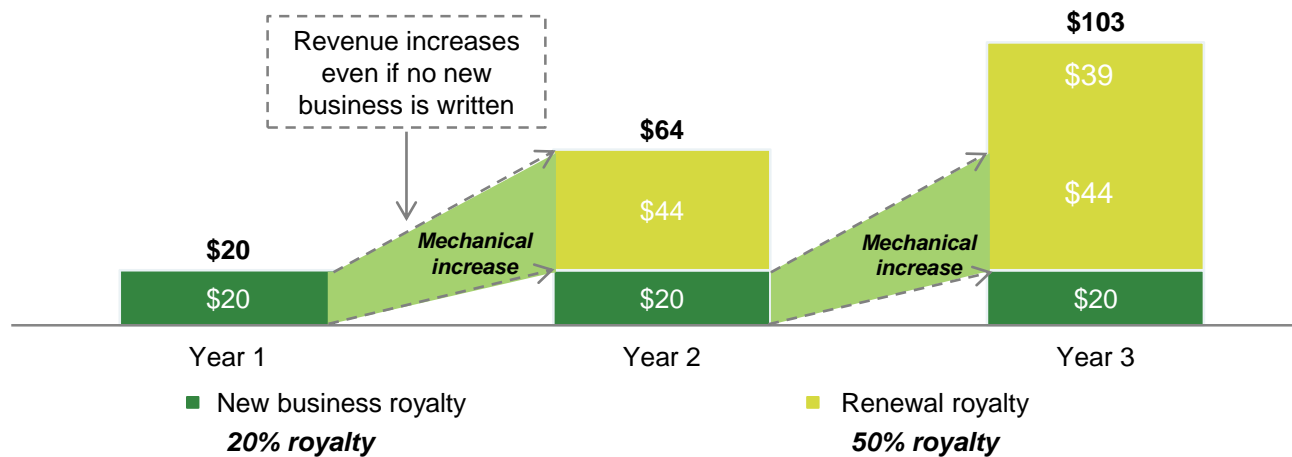
Compelling Economics Drive Growth And Visibility

Allowing agents to focus solely on selling creates a clear path to continued organic growth and revenue visibility

Corporate Channel Revenue



Franchise Channel Revenue



Note: Illustrative example

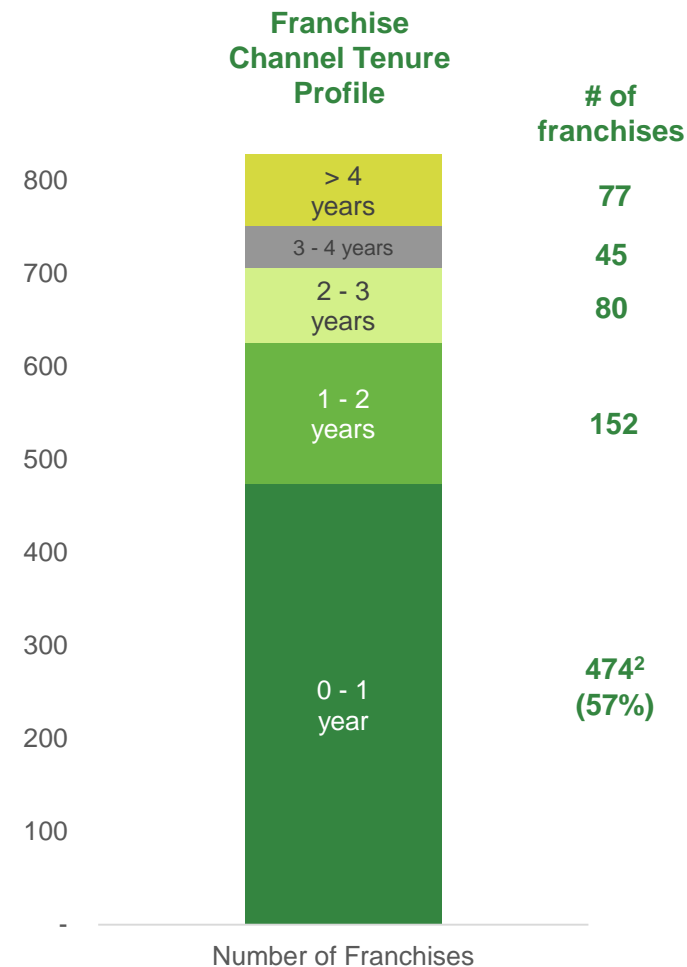
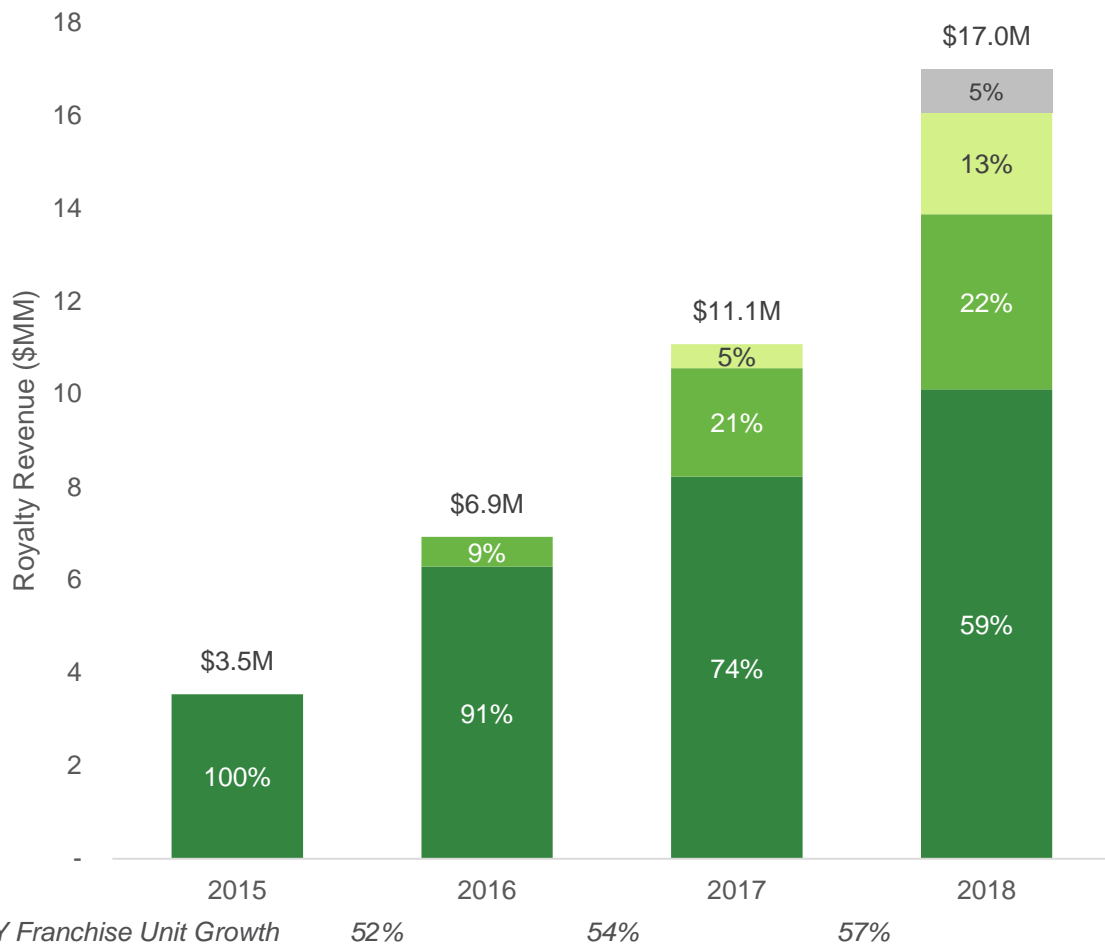
¹ Represents Q3 2019 client retention rate

Mechanical Growth Provides Abundant and Predictable Organic Opportunity



New franchise units take several years to materially impact revenue

Young tenure of franchises provides large volumes of predictable future revenue



Cohorts' contribution to annual revenue ■ 2015 and prior ■ 2016 ■ 2017 ■ 2018

¹ Number of franchise locations include 245 franchises which are under contract but yet to be opened as of 9/30/2019

Margins Increase Mechanically As New Business Becomes Renewal Business



New and renewal business costs

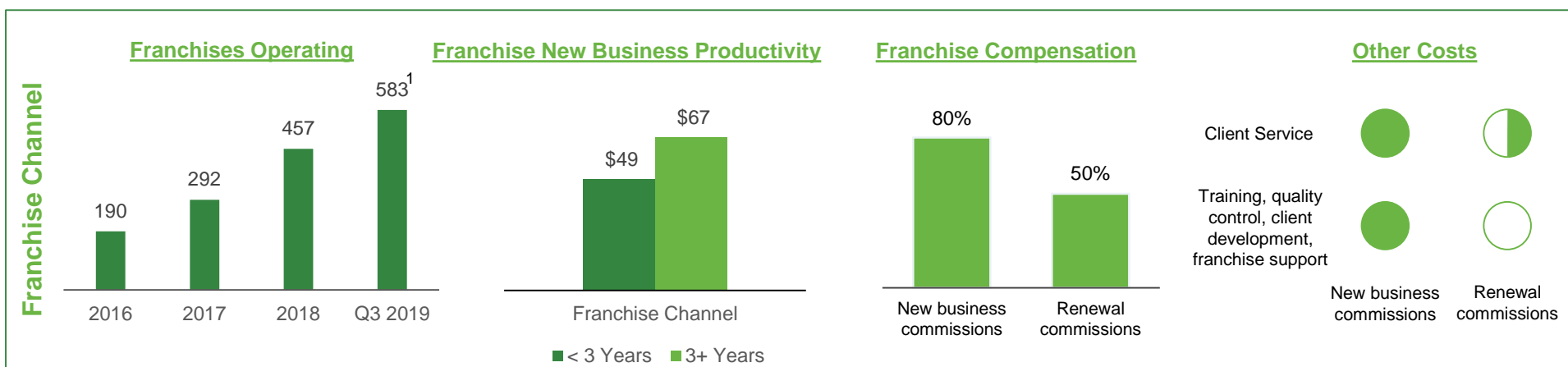
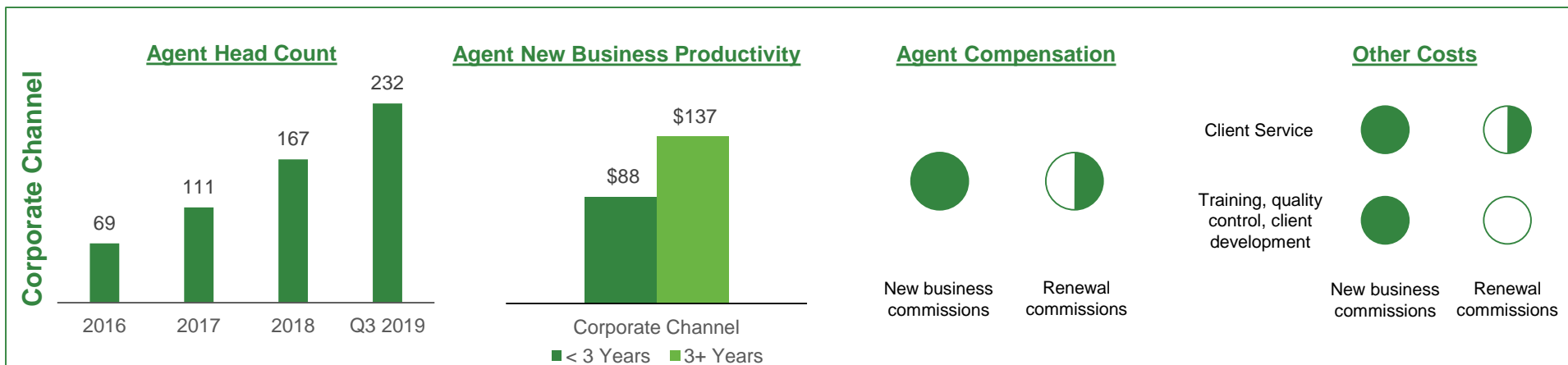
| | New Business | Renewal Business | |
|---------------------------------------------------|--------------|------------------|------------------------------------------------------------------------------|
| Commissions to agents / franchisees (net revenue) | ● | ◐ | ■ >50% lower for renewal business |
| 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 further expand margins through operating leverage created by revenue growth

Investments In People Will Result In Long-Term Growth And Margin Expansion



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



¹ Excludes all new signings and franchises in implementation

Investment Highlights



Disruptive model positioned to substantially grow in a massive and fragmented industry

Outpaced revenue growth driven by strategically solving industry challenges

Comprehensive value proposition for clients, agents and carriers

Highly developed recruiting strategy with experienced evaluators of talent

Robust and innovative technology platform supports high growth business model

Committed and capable management team with ambitions of industry leadership

Recurring revenue with strong future visibility and expanding long-term margins



Appendix

Non-GAAP Adjusted EBITDA Reconciliation



| | <u>2016</u> | | <u>2017</u> | | <u>2018</u> |
|-------------------------------|---------------|-----------|-------------|-----------|-------------|
| Net Income | \$ 4.7 | \$ | 8.7 | \$ | (18.7) |
| Other (Income) Expense | - | | (3.5) | | 0.2 |
| Interest Expense | 0.4 | | 2.5 | | 4.3 |
| Depreciation and Amortization | 0.5 | | 0.9 | | 1.5 |
| Equity Compensation | 2.7 | | 2.2 | | 27.1 |
| Income Tax Expense | - | | - | | 0.4 |
| Adjusted EBITDA | \$ 8.1 | \$ | 10.7 | \$ | 14.8 |
| Adjusted EBITDA Margin | 25.8% | | 25.1% | | 24.5% |

Note: Financials represent Goosehead Financial, LLC and Subsidiaries and Affiliates. May not sum to total due to rounding.