

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): March 12, 2019

GOOSEHEAD INSURANCE, INC.

(Exact name of registrant as specified in its charter)

Delaware	001-38466	82-3886022
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1500 Solana Blvd, Building 4, Suite 4500
Westlake, TX
(Address of principal executive offices)

76262
(Zip Code)

(214) 838-5500
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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 March 12, 2019, Goosehead Insurance, Inc. posted a Company presentation to its investor relations website. A copy of the presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information contained in this Current Report on Form 8-K, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

(d) Exhibits

Exhibit No.	Description
99.1	Presentation materials to be used by Goosehead Insurance, Inc.

SIGNATURES

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.

GOOSEHEAD INSURANCE, INC.

By: /s/ Mark E. Jones

Mark E. Jones
Chairman and Chief Executive Officer

Date: March 12, 2019

EXHIBIT INDEX

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Investor Presentation
March 2019

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.

This presentation is strictly confidential, is for informational purposes only and may not be relied upon in connection with the purchase or sale of any security. You may not disclose any of the information contained herein to any other parties without our prior express written permission.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

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

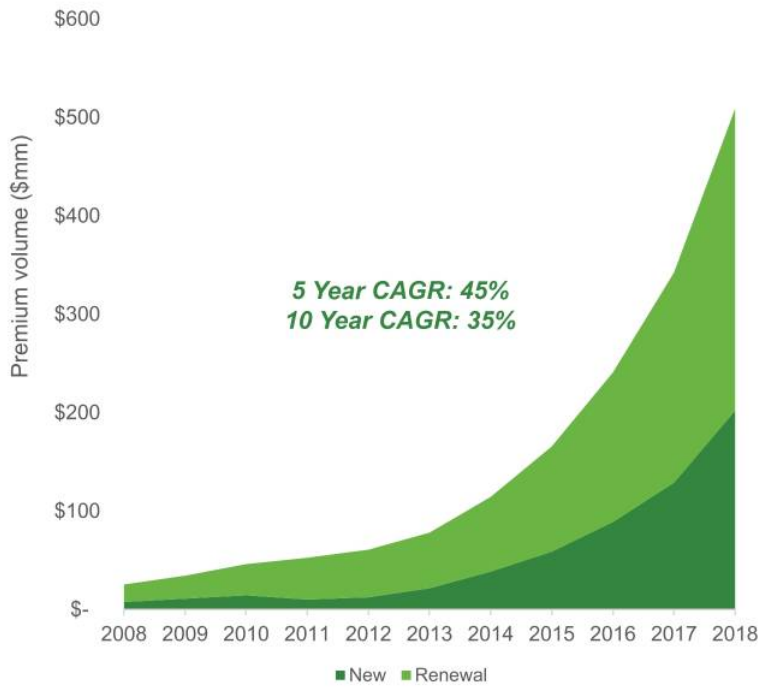


Mark Colby
Chief Financial Officer

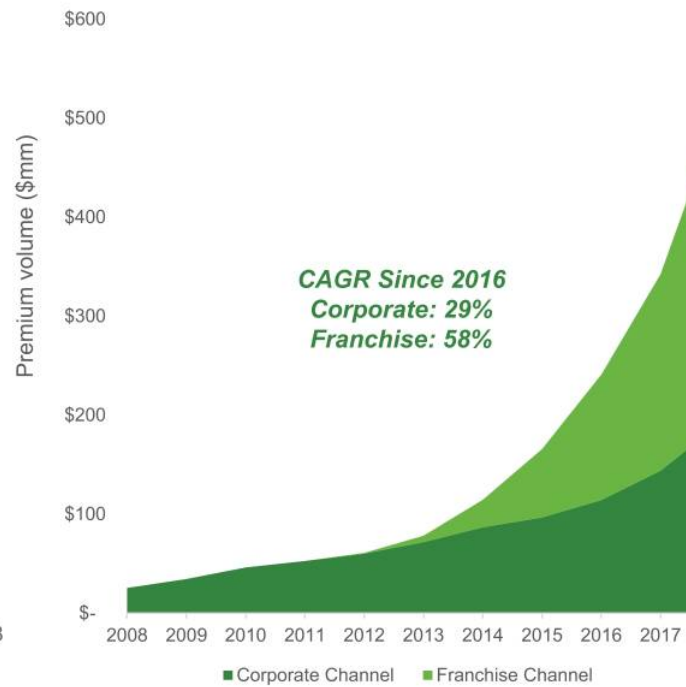
- Joined Goosehead Insurance in 2012 and was promoted to Controller in 2014, to Vice President-Finance in 2015, and Chief Financial Officer in 2016
- Prior to Goosehead, worked in E&Y's Transaction Advisory Services and Audit service lines

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

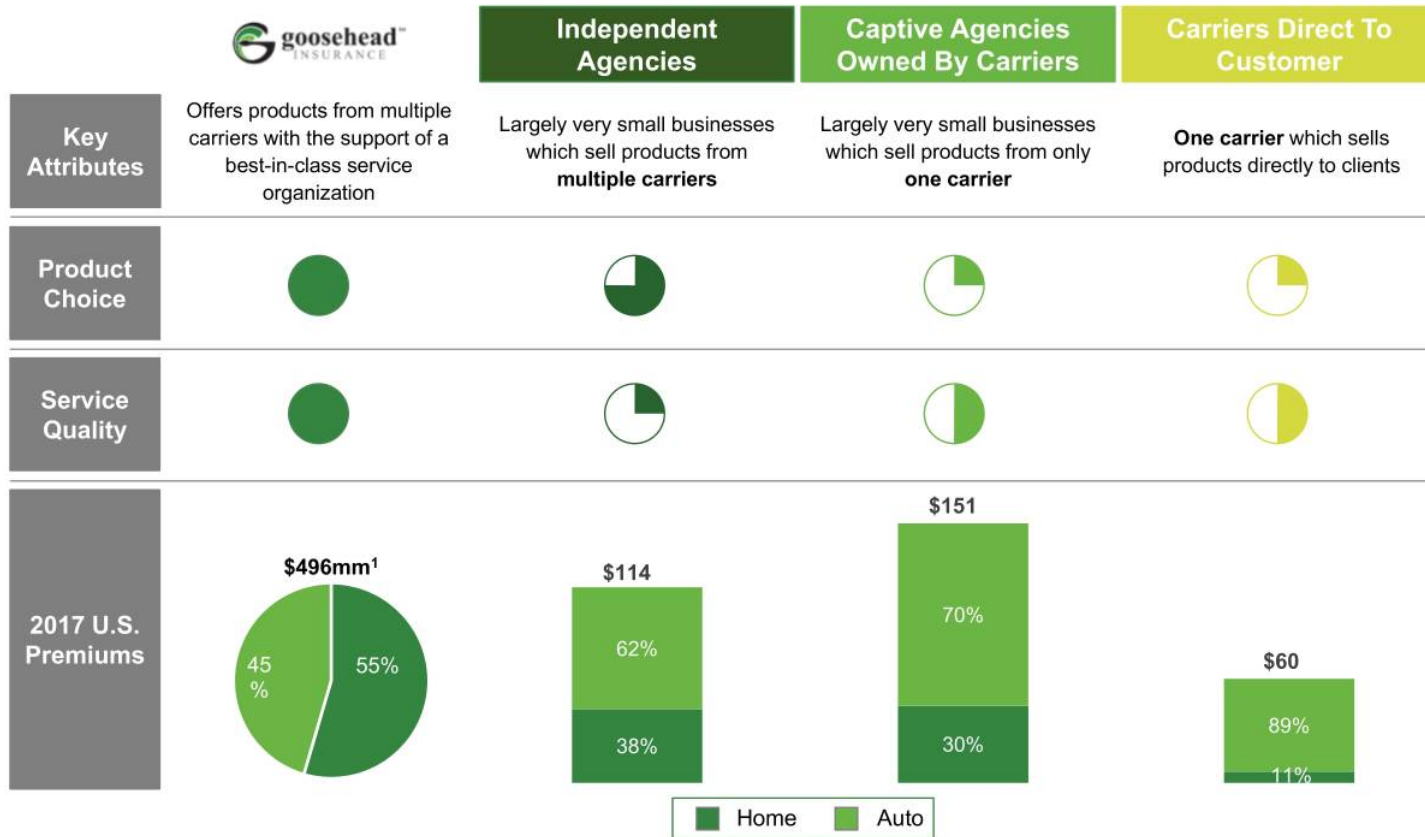
Robust and innovative technology platform supports high growth business model

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



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

Redefining the Industry



Personal lines property and casualty insurance broker



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

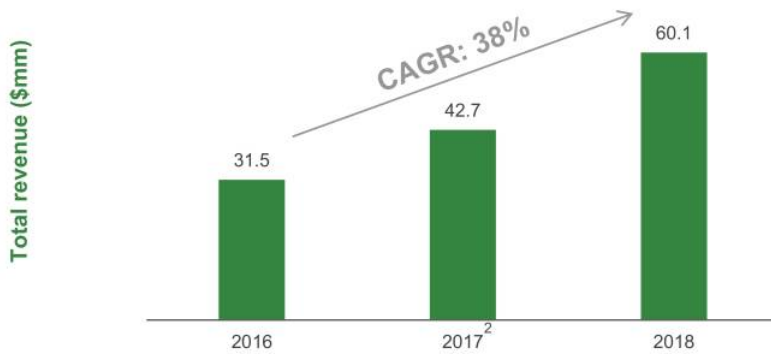


7 corporate sales offices in Texas and Illinois; 646 franchise locations¹ primarily in CA, TX, FL and IL

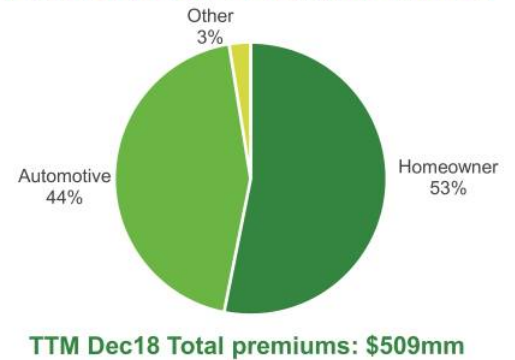


Well-established and positioned for sustained levels of strong growth and profitability

Accelerating Growth Trajectory

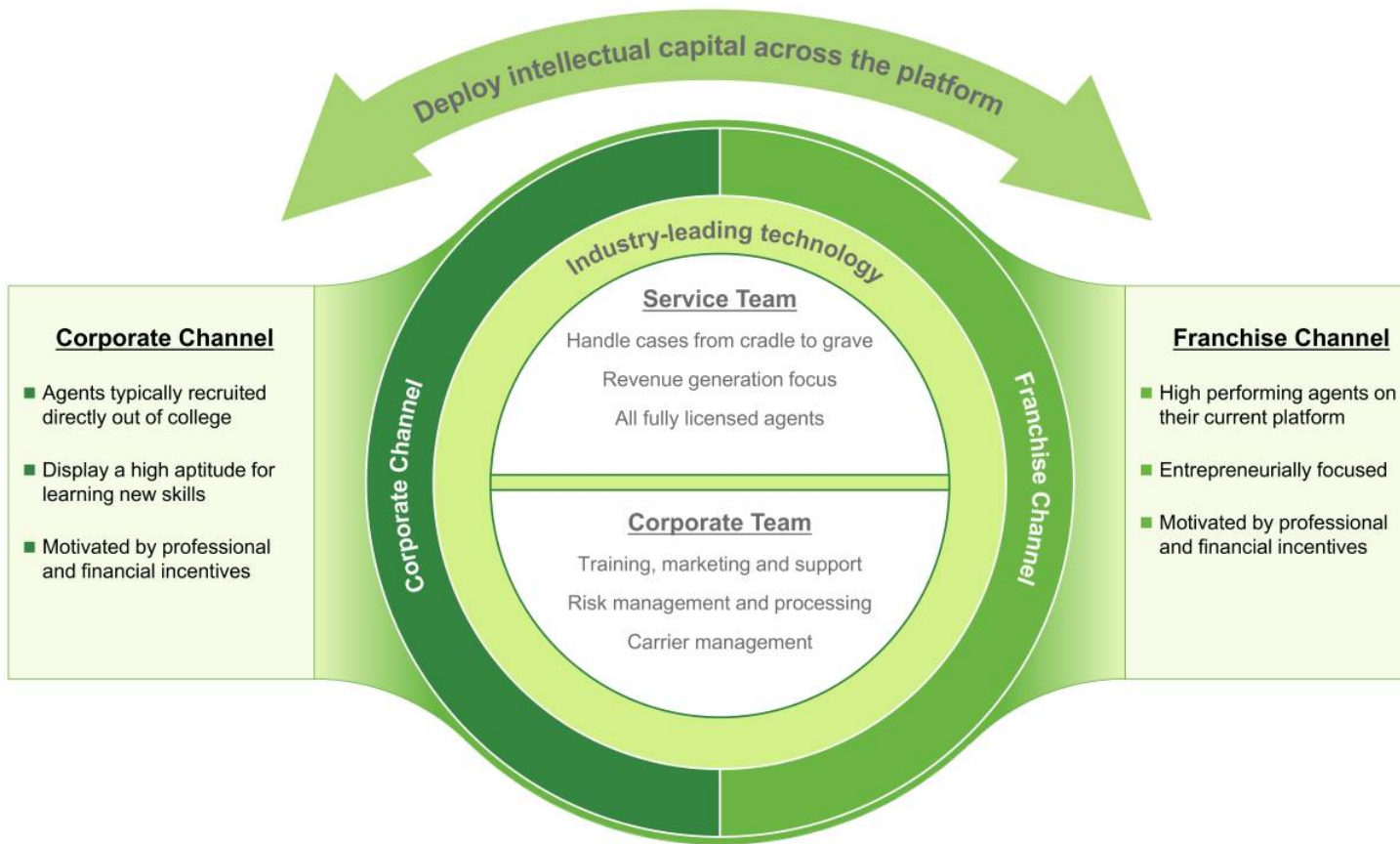


Focused on Personal Lines



¹ Number of franchise locations include 189 franchises which are under contract but yet to be opened as of 12/31/18; ² Excludes gain on sale of \$3.5mm

Compelling Business Model



Highly Developed Recruiting Strategy Supports Sustainable Outsized Growth



Corporate Channel



Franchise Channel



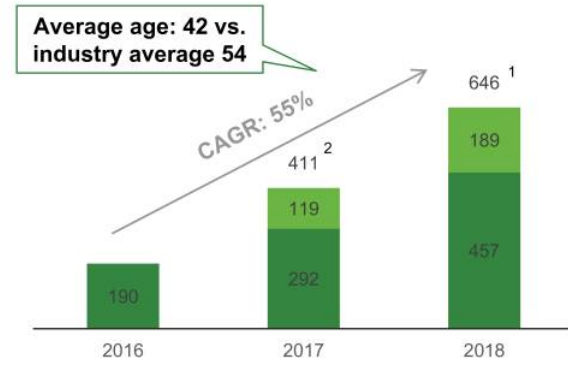
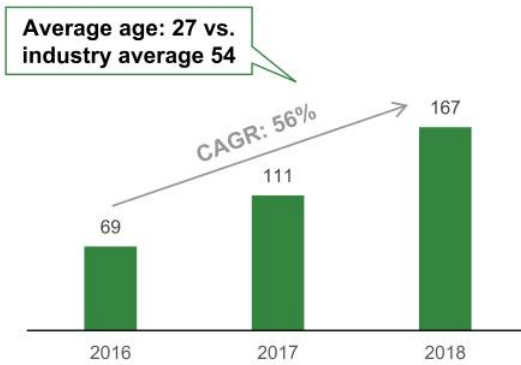
- New college graduates with entrepreneurial spirit
- Driven by professional development and financial reward based on personal performance
- Well defined target school list with strong on campus relationships and strong sponsorship

- 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 65,000 potential franchise candidates in the current pipeline

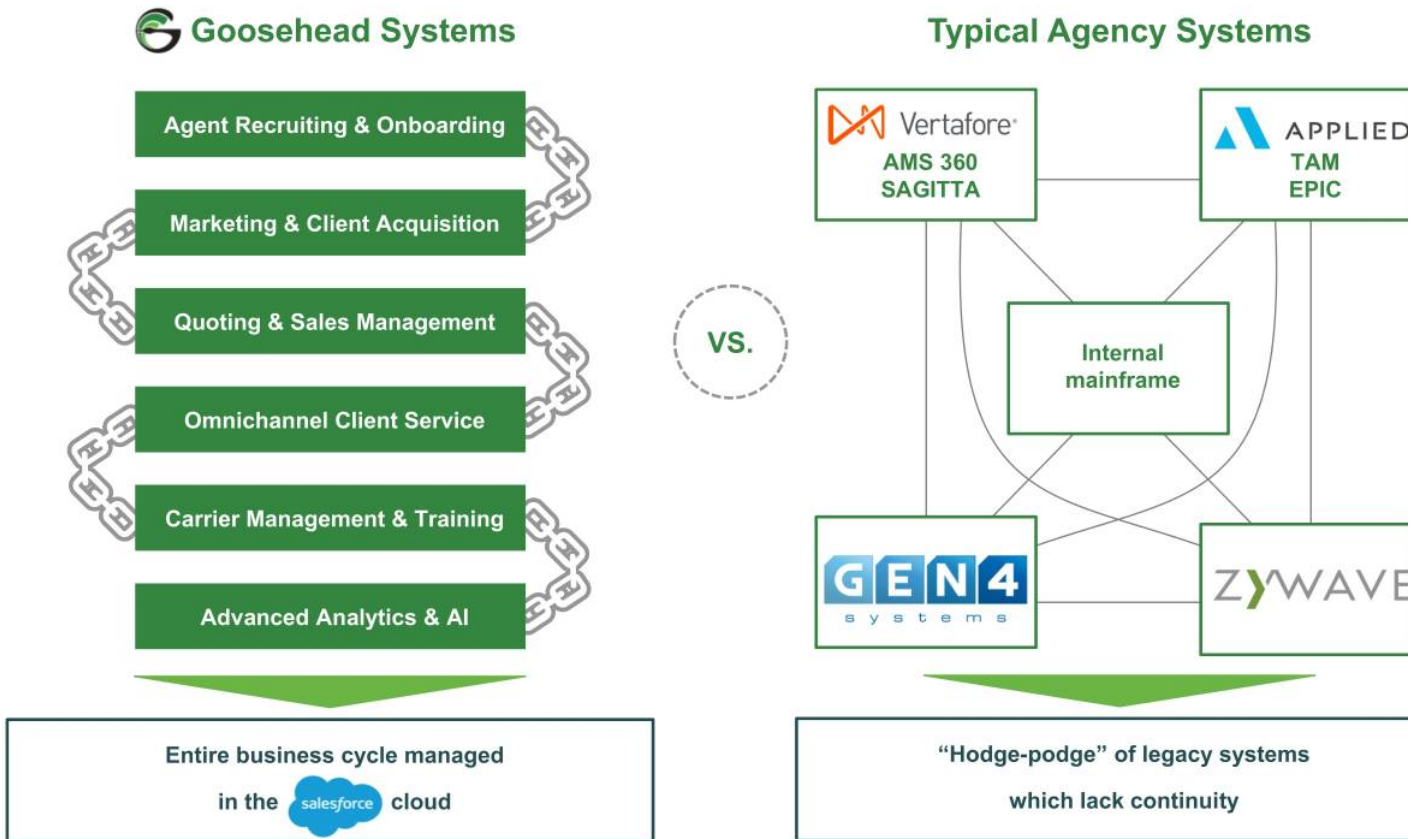


¹ Number of franchise locations include 189 franchises which are under contract but yet to be opened as of 12/31/18; ² Includes 119 franchises which are under contract but had yet to be opened as of 12/31/17

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.”

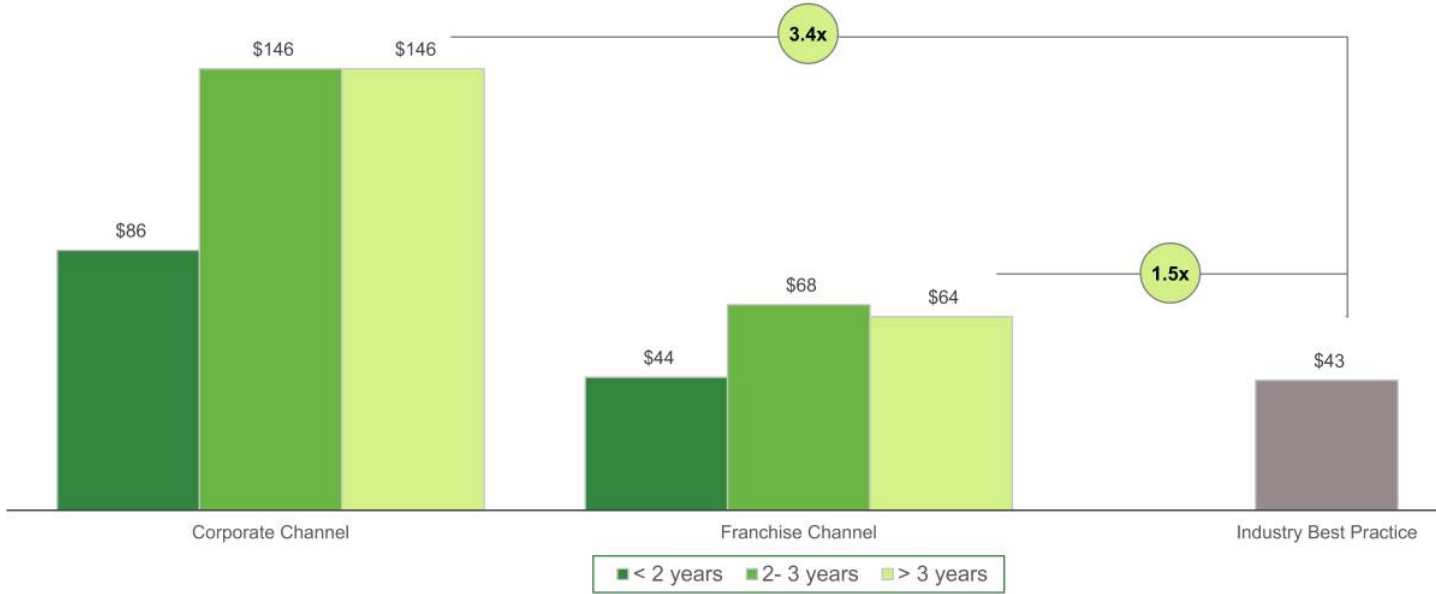
Michael Khoury, Vice President – Financial Services, Salesforce.com



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)

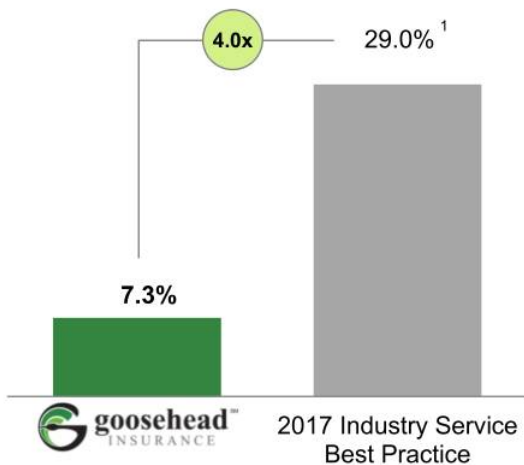


¹ Represents industry best practice per Reagan Consulting; most industry agents have tenures significantly longer than 2 to 3 years

Technology Drives Margins While Simultaneously Ensuring Client Satisfaction

Technology enables Company to deliver service highly efficiently

2017 Service payroll as a % of gross personal lines commissions



Key service center metrics



Net Promoter Score

89



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 answer



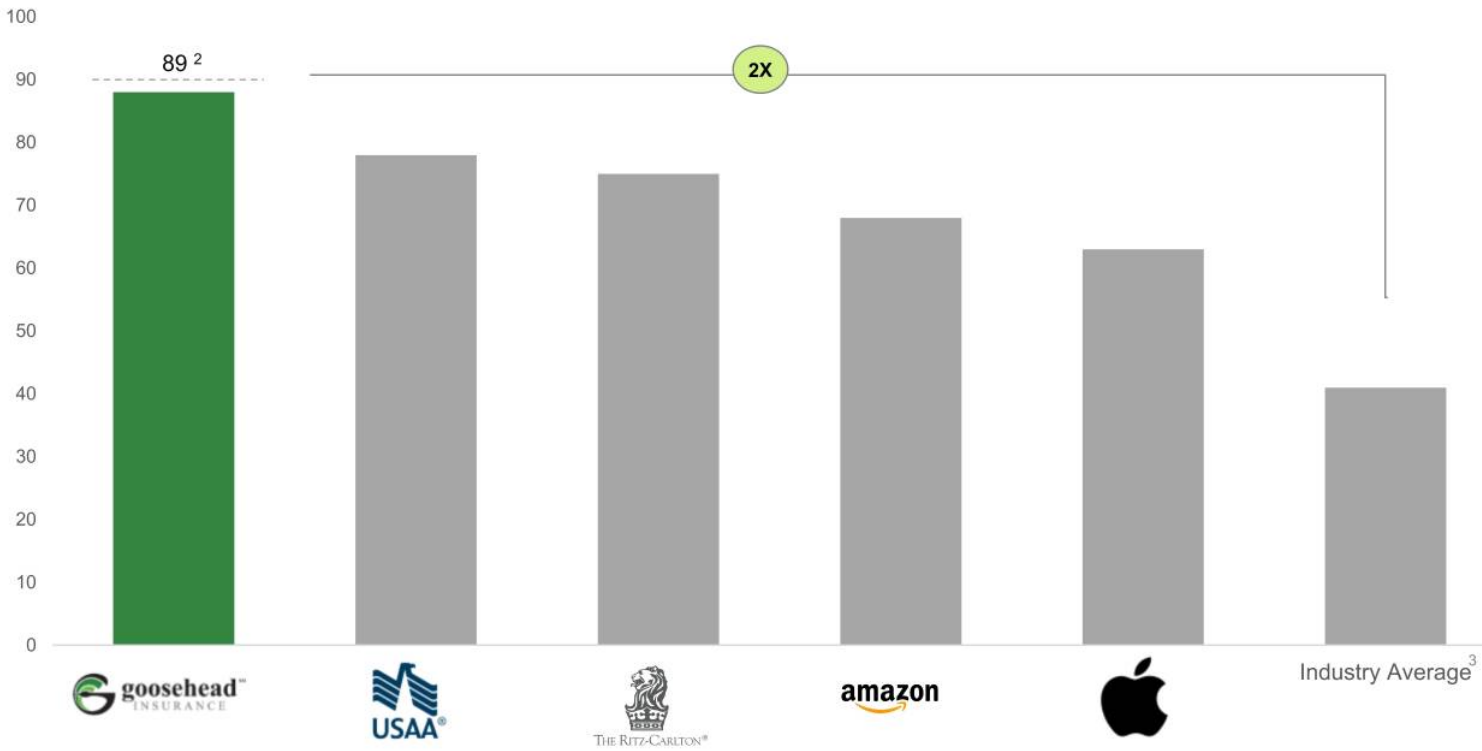
Service agent compensation

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

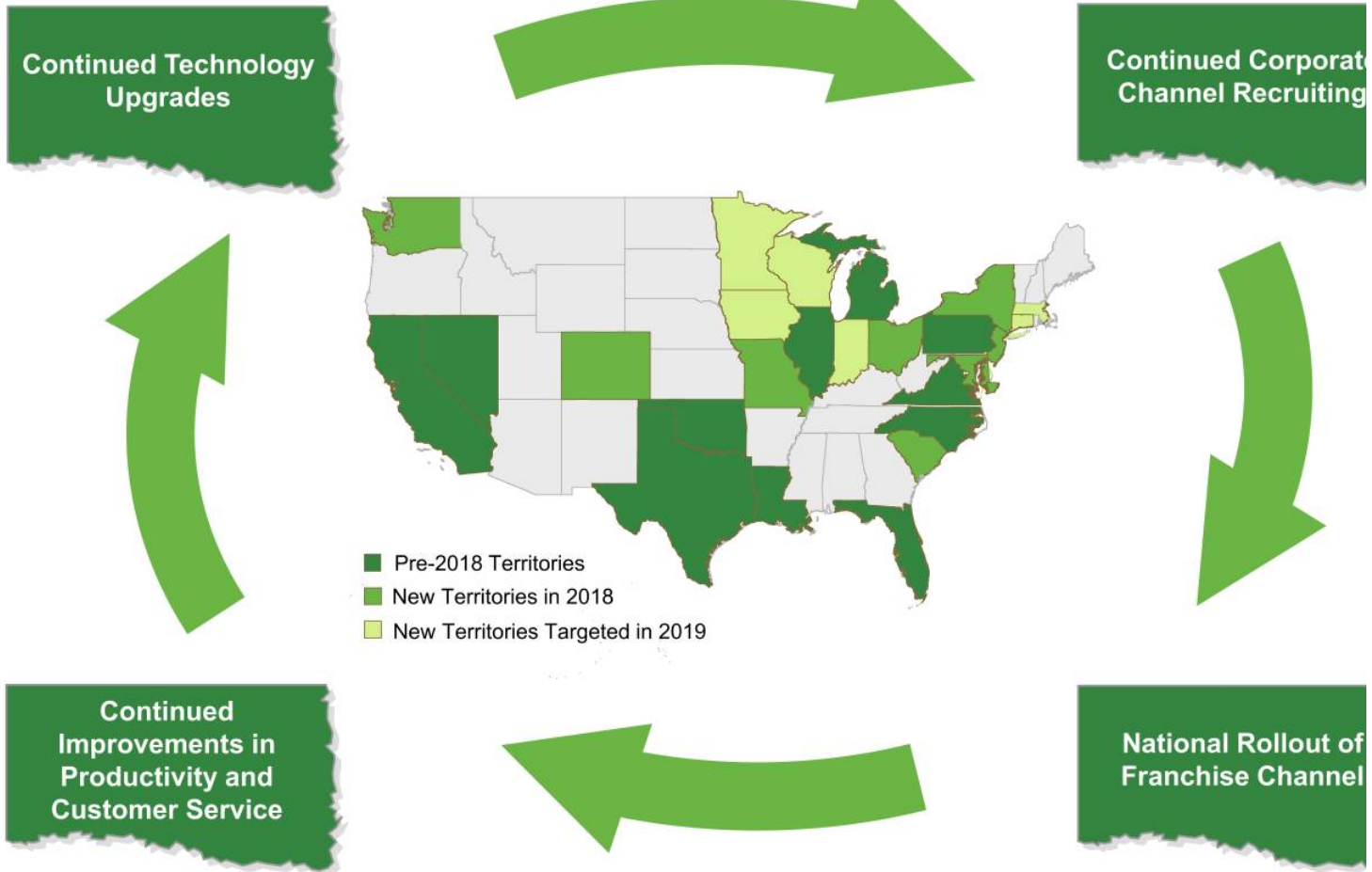
Best-In-Class Customer Service Drives High Revenue Retention

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 2018



Source: Satmetrix; ¹ Ritz, USAA, Apple, Amazon; ² Represents 2018 NPS; ³ Represents average of auto industry and home industry

Meaningful Growth Opportunity

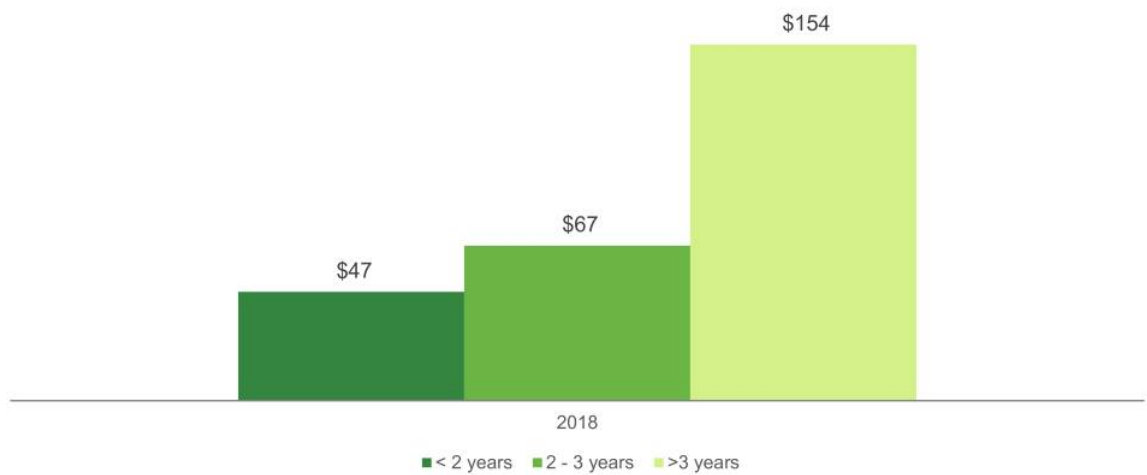


Continued Corporate Channel Recruiting

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

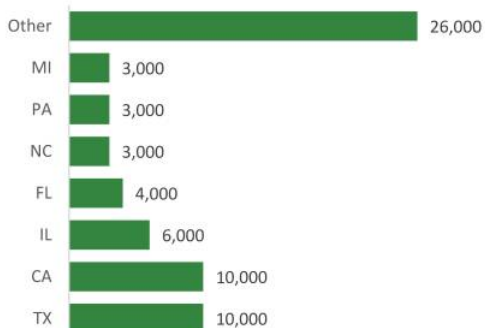
- Goosehead has a highly developed process for recruiting new agents which we have continually refined over the last 10+ years. Additional college campuses to be added
- The ongoing enhancements to our recruiting and training processes has resulted in higher success rates for our corporate agents

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



National Rollout Of Franchise Channel

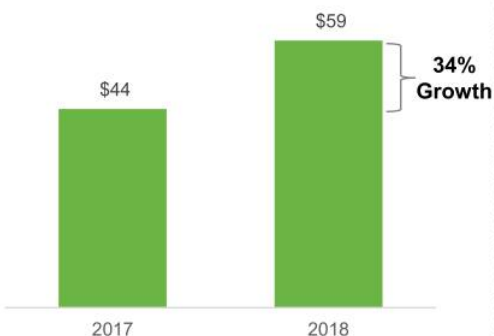
Pipeline Growth



Total Leads as of December 2018: 65,000

- 31 members on the Franchise recruiting team as of Q4 18
- Recruiting targets include the universe of nearly 400,000 U.S. insurance agents

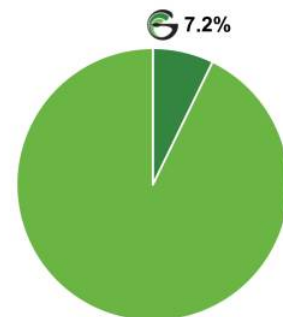
Production Ramp-up



- 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 mortgage originations / refinancings in TX

2017 TX mortgage originations refinancing: ~559k¹

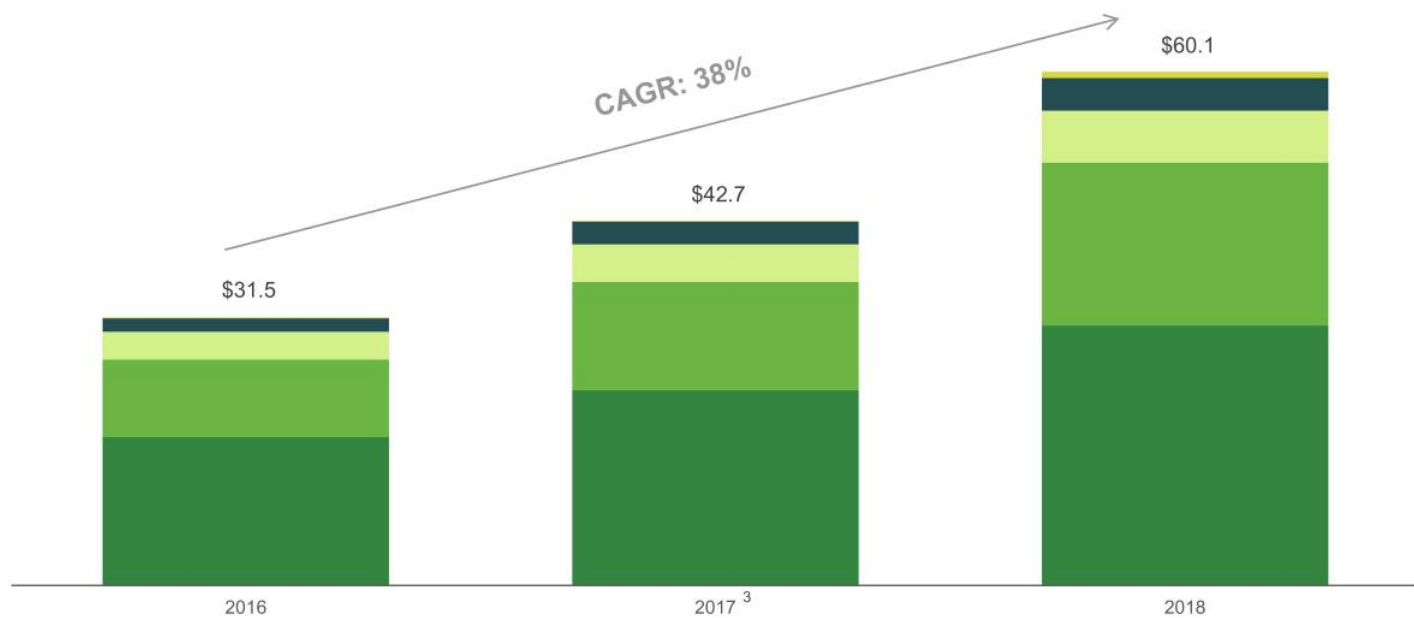
7.2% Goosehead market share × 7.3m Originations / refinancings in the U.S.

529k
Potential new clients each year

¹ Source: 2017 Home Mortgage Disclosure Act Data

Strong Revenue Growth And Stable Margins

Total revenue (\$mm)



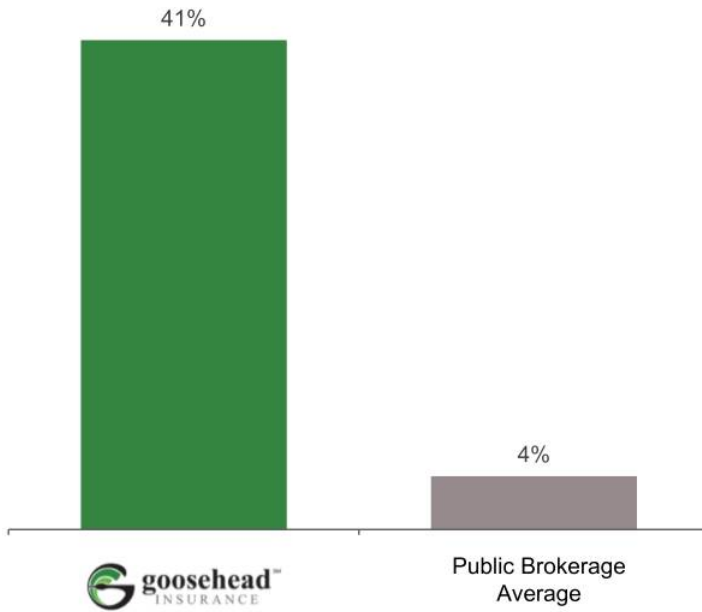
Adj. EBITDA Margin ⁴	25.8%	25.1%	24.5%
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■ Renewal revenue¹
■ New business revenue¹
■ Initial franchise fees²
■ Contingent commissions
 ■ Other income

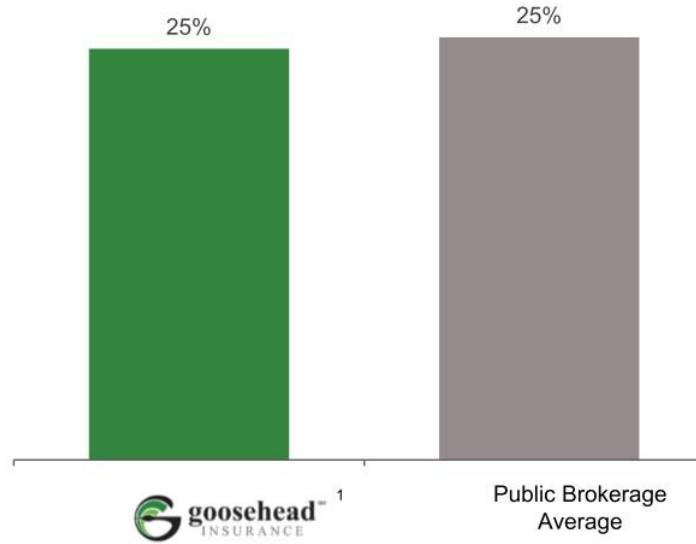
¹ Includes royalty fees; ² Related to the training and onboarding of new franchise locations; ³ Excludes gain on sale of \$3.5mm ⁴ See Appendix for GAAP reconciliation

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

2018 Organic revenue growth



2018 Adjusted EBITDA margins



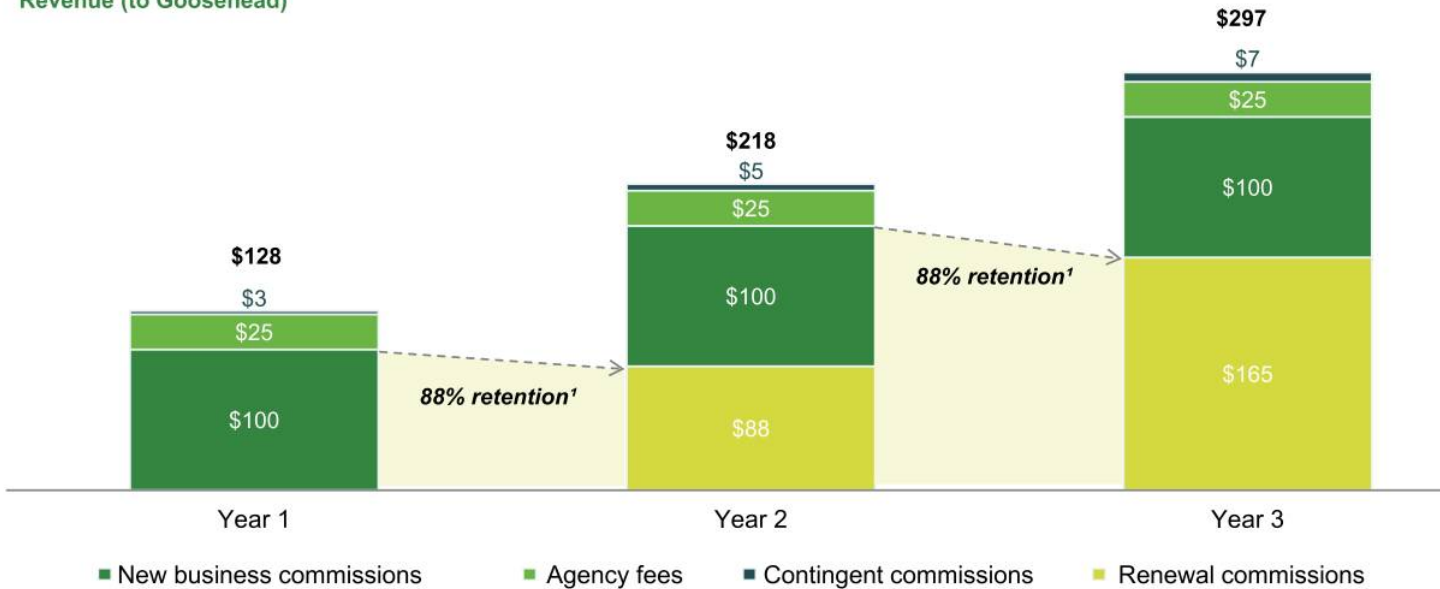
Source: Public filings; ¹ Represents 2018 Adjusted EBITDA margin; see Appendix for GAAP reconciliation.

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 - Corporate Channel

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

Revenue (to Goosehead)

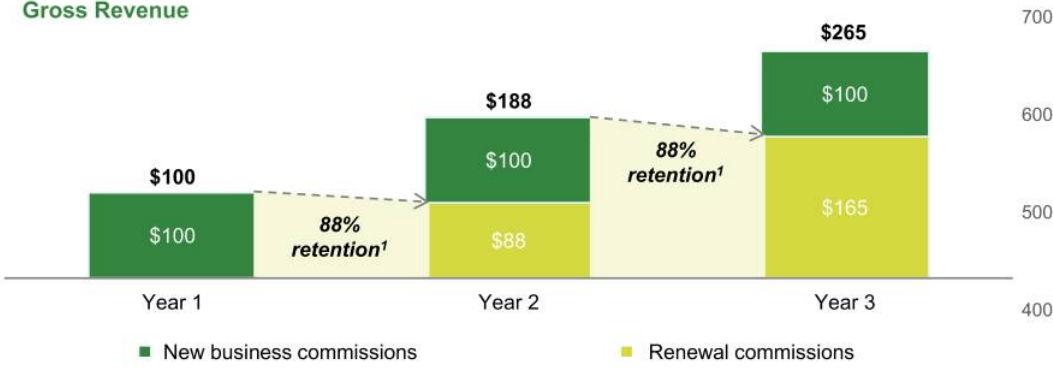


Note: Illustrative example
 1 Represents Q4 2018 client retention rate

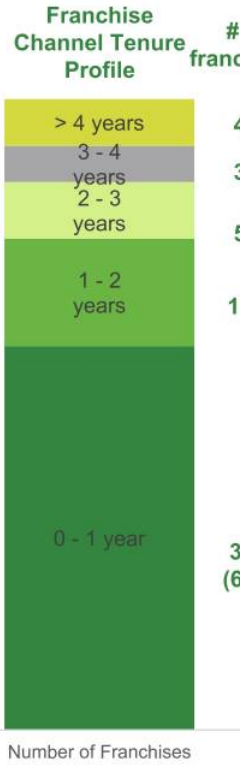
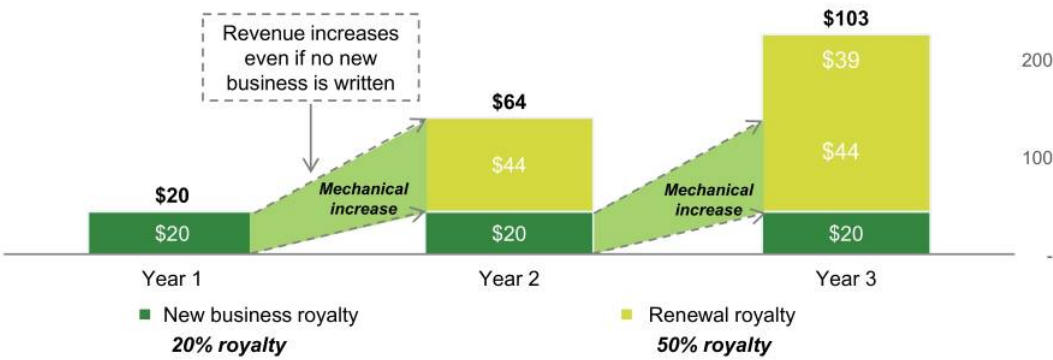
Compelling Economics Drive Growth And Visibility Franchise Channel

Service model enables and incentivizes franchises to focus all of their time on new business

Gross Revenue



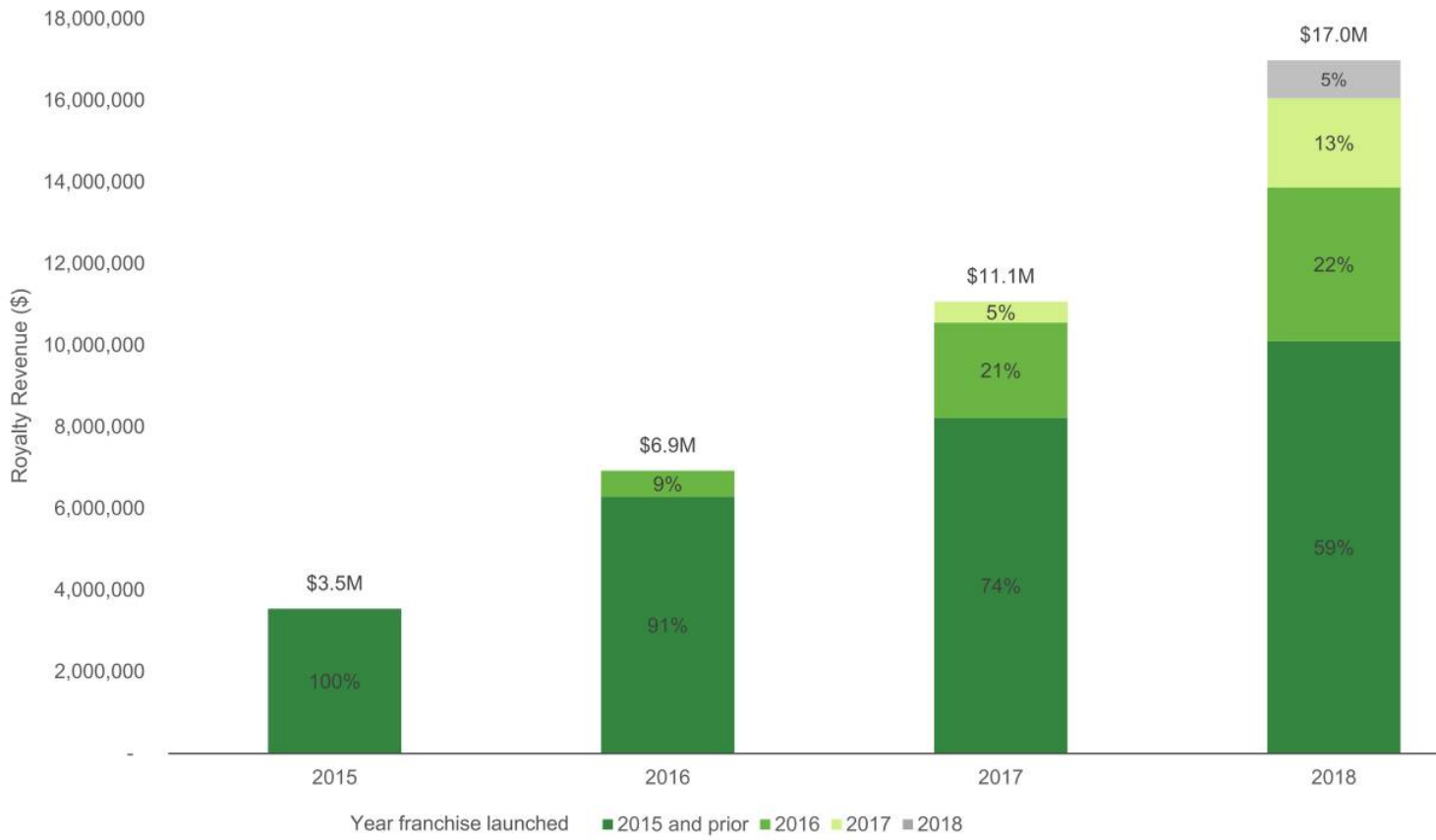
Net Revenue (to Goosehead)



Note: Illustrative example

¹ Represents Q4 2018 client retention rate; ² Number of franchise locations include 189 franchises which are under contract but yet to be opened as of 12/31/18

The Loaded Gun



Margins Increase Mechanically As New Business Becomes Renewal Business

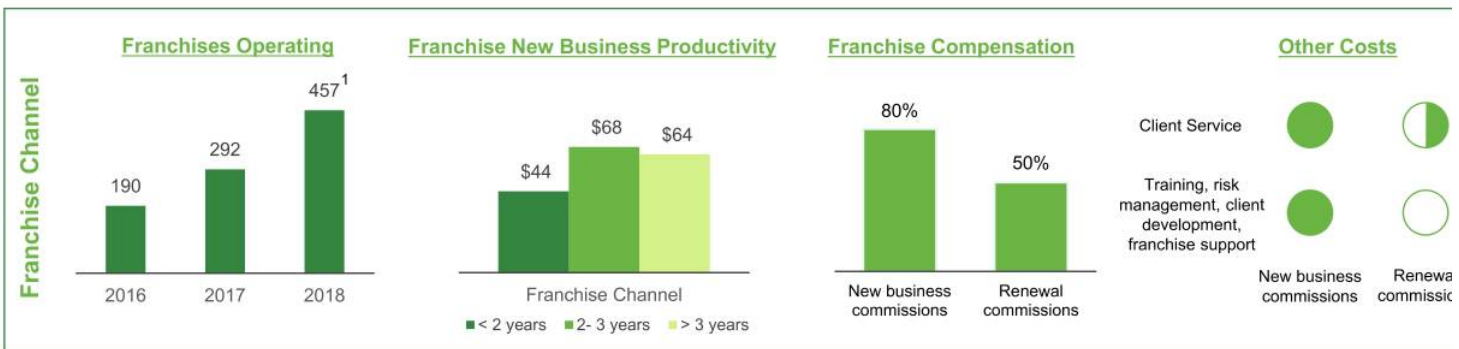
New and renewal business costs

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

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

