



# Castlight Health

Q2 2021 Financial & Business Update

August 3, 2021

(NYSE: CSLT)

# Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of the federal securities laws about Castlight Health's expectations, plans, intentions, and strategies which include, but are not limited to, statements regarding Castlight Health's second quarter 2021 performance and 2021 projections, the impact of COVID-19, the success of our strategy, and our expectations for our future business and financial performance. Statements including words such as "anticipate," "believe," "estimate," "will," "continue," "expect," or "future," and statements in the future tense are forward-looking statements. These forward-looking statements involve risks and uncertainties, as well as assumptions, which, if they do not fully materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. The risks and uncertainties include those described in Castlight Health's documents filed with or furnished to the Securities and Exchange Commission (SEC), including the risks set forth in our quarterly report on Form 10-Q for the quarter ended March 31, 2021, as filed with the SEC. All forward-looking statements in this presentation are expressly qualified in their entirety by these cautionary statements and are based on information available to Castlight Health as of the date hereof. Castlight Health assumes no obligation to update these forward-looking statements, except as required by law.

We provide guidance in this presentation, but we will not provide any further guidance or updates on our performance during the quarter unless we do so in a Regulation FD compliant forum. Please refer to today's press release and the risk factors included in the company's filings with the SEC for discussion of important factors that may cause actual events or results to differ materially from those contained in our forward-looking statements.

## Non-GAAP Financial Measures

To supplement Castlight Health's financial statements presented in accordance with generally accepted accounting principles (GAAP), we also use and provide investors and others with non-GAAP measures of certain components of financial performance, including non-GAAP gross profit and margin, non-GAAP operating expense, non-GAAP operating income (loss), non-GAAP net income (loss) and non-GAAP net income (loss) per share. Non-GAAP gross profit and margin, non-GAAP operating expense, non-GAAP operating income (loss), and non-GAAP net income (loss) exclude goodwill impairment, stock-based compensation, certain legal expenses, amortization of intangibles, restructuring charges, capitalization and amortization of internal-use software, and lease exit and related charges.

We believe that these non-GAAP financial measures provide useful supplemental information to investors and others, facilitate the analysis of the company's core operating results and comparison of operating results across reporting periods, and can help enhance overall understanding of the company's historical financial performance. **However, these non-GAAP financial measures should be considered in addition to, not as a substitute for or in isolation from, measures prepared in accordance with GAAP.**

The non-GAAP measures we provide may differ from the non-GAAP information used by other companies, including peer companies, and therefore comparability may be limited. Castlight Health encourages investors and others to review the Company's financial information in its entirety and not rely on a single financial measure.

In the second quarter 2021 earnings press release, we have provided a reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure, except that we have not reconciled our non-GAAP operating loss and net loss per share guidance for the full year 2021 to comparable GAAP measures because we do not provide guidance for stock-based compensation expense, and capitalization and amortization of internal-use software, which are reconciling items between GAAP and non-GAAP. The factors that may impact our future stock-based compensation expense, and capitalization and amortization of internal-use software, are out of our control and/or cannot be reasonably predicted, and therefore we are unable to provide such guidance without unreasonable effort. Factors include our market capitalization and related volatility of our stock price and our inability to project the cost or scope of internally produced software.



# Business Update

Maeve O'Meara, CEO

# Q2 2021 Highlights

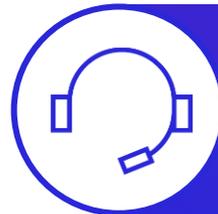
## Highlights

- Revenue of \$35.6 million at top end of guidance range
- Achieved 5<sup>th</sup> straight quarter of non-GAAP profitability and positive cash flow
- ARR increased for a second quarter in a row to \$128.2 million
- Active pipeline generation and RFP season, entering Q3 with largest late-stage pipeline in four years, and establishing strong base for continued improvement in our business
- Demonstrated meaningful progress on retention and continued to increase Customer NPS
- Brought our India R&D operations in-house, which will allow us to scale that team to support future growth
- Delivered against our financial goals and positioned Castlight for re-accelerated growth in the second half of 2021

# 2021 Strategic Priorities



**Deliver ARR growth, driven by both health plan market and employer business**

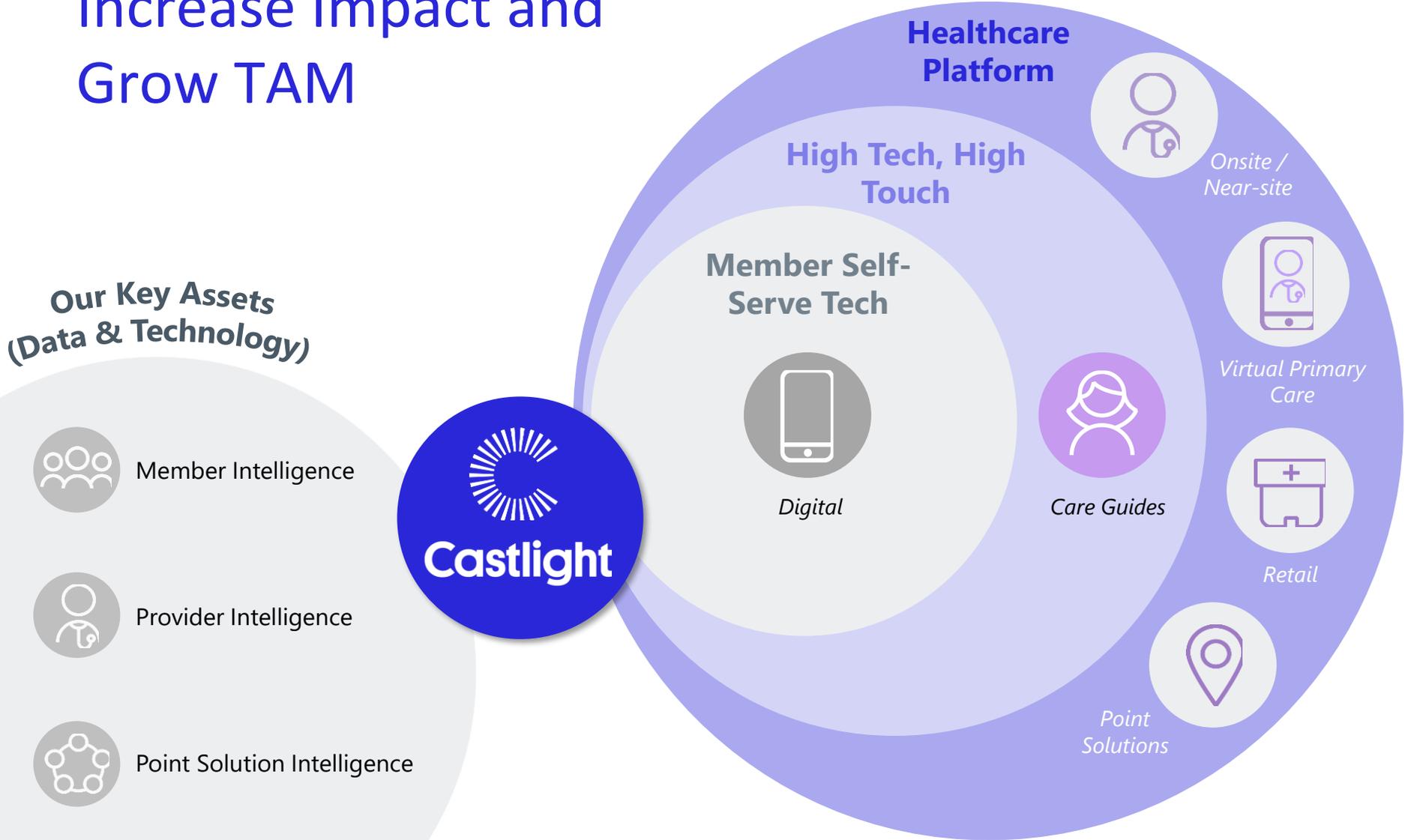


**Pioneer Next Gen Navigation, establishing Castlight as an innovator and leader with high-tech, high-touch approach**



**Build on progress and foster attractive business model, balancing expense management against investment opportunities that will enable growth**

# Castlight's Evolution to Increase Impact and Grow TAM





# Quarterly Results

Will Bondurant, CFO

# Q2 2021 Financial Highlights

Metric	Q2'21 Results	YoY Change
Revenue	\$35.6mm	↑ \$0.1mm
Non-GAAP Gross Margin	69%	↑ 44 bps
Non-GAAP Operating Income	\$1.9mm	↓ \$0.2mm
Non-GAAP Earnings per Share	\$0.01	= \$0.00
Cash Flow from Operations	\$4.6mm	↑ \$1.5mm
Cash, Cash Equivalents, and Marketable Securities	\$60.7mm	↑ \$16.4mm

*Please see the Company's Q2 2021 earnings press release dated August 3, 2021 for the GAAP to Non-GAAP Reconciliation.*

# Reiterating 2021 Guidance

<b>FY 2021 Metric</b>	<b>Range</b>
Revenue	\$135mm – \$140mm
Non-GAAP Operating (Loss) Income	(\$4)mm – \$1mm
Non-GAAP EPS	(\$0.03) – \$0.01
Weighted Avg. Shares Outstanding	160mm – 161mm
Cash Generated in Operations	\$2mm – \$7mm

<b>Q3 2021 Metric</b>	<b>Range</b>
GAAP Revenue	\$33mm – \$35mm

Expect to achieve positive cash flow during 2021 and to end 2021 with more than \$50 million in cash



# Q&A Session