Porch Group



Love your home.
For moving and improving and everything in between.

Q1 2022 Earnings Presentation May 10, 2022

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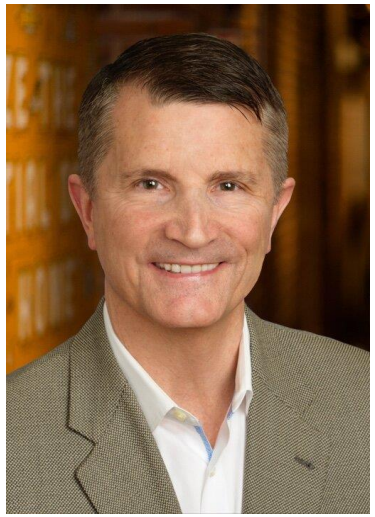
Presenters



Matt Ehrlichman
CEO, Chairman & Founder
Porch Group



Marty Heimbigner
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Adam Kornick
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Porch defines Adjusted EBITDA (loss) as net income (loss) adjusted for interest expense, net, income taxes, other expenses, net, depreciation and amortization, certain non-cash long-lived asset impairment charges, stock-based compensation expense and acquisition-related impacts, including compensation to the sellers that requires future service, amortization of intangible assets, gains (losses) recognized on changes in the value of contingent consideration arrangements, if any, gain or loss on divestitures and certain transaction costs. Adjusted EBITDA (loss) as a percentage of revenue is defined as Adjusted EBITDA (loss) divided by GAAP total revenue. Average revenue per monetized services in quarter is the average revenue generated per monetized service performed in a quarterly period. When calculating average revenue per monetized service in quarter, average revenue is defined as total quarterly monetized service revenues generated from monetized services.

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Agenda

1. Strategy Recap
2. Q1 2022 Results & Guidance
3. Segments & KPIs
4. Deep Dive: Insurance
5. Q&A

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CEO Update

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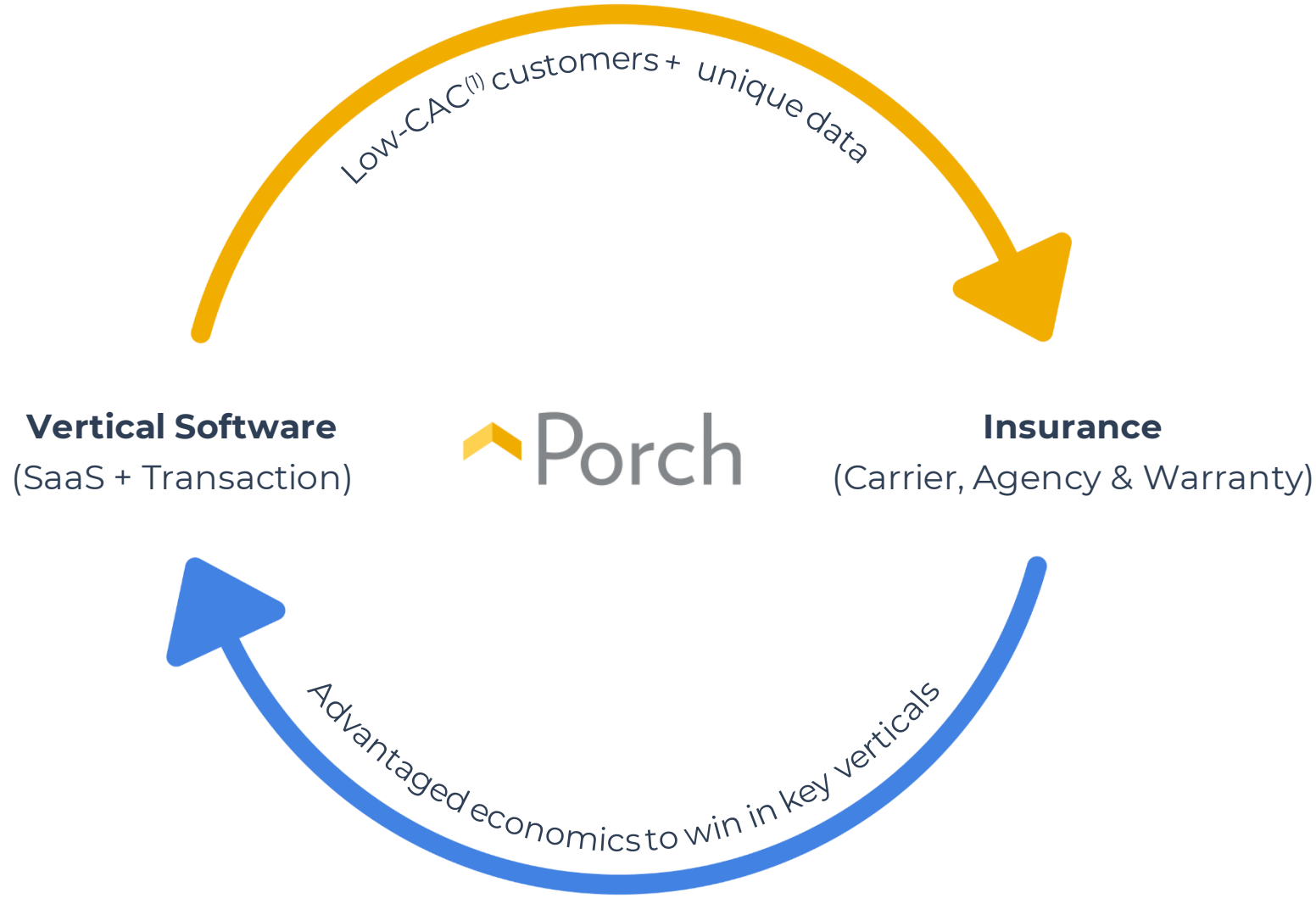
Porch, the Vertical Software Platform for the Home



(1) Customer acquisition cost

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Key Focus Areas for 2022

1. Sell Vertical Software to more companies, increasing market share in key strategic verticals
2. Embed and expand B2B2C Transactions via our privileged access to consumers
3. Enhance Consumer Experience and Conversion via app, digital, and concierge experiences
4. Profitably grow our capital light Insurance revenue via geographic and product expansion
5. Begin to leverage Proprietary Data to improve insurance and warranty risk-based Pricing
6. Integration of past M&A, including SOX-related processes and controls

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Q1 2022 Results & Guidance

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Q1 2022 Revenue and Adj EBITDA Met Expectations

Q1 2021	Q1 2022
$26.7M Revenue	**$62.6M** Revenue
78% Revenue-Cost of Revenue Margin	**66%** Revenue-Cost of Revenue Margin
-36% Adj. EBITDA Margin	**-11%** Adj. EBITDA Margin
	$102M Gross Written Premium[1]

Disclaimer: See Porch's Q1 2022 earnings press release for final audited results for a reconciliation of Adjusted EBITDA (loss) as a percentage of revenue to their most directly comparable GAAP financial measures
(1) Gross Written Premium ("GWP") is the total premium written by third-party insurance carriers through EIG, HOA's insurance operations, and AHP for insurance and warranty policies for the face value of one year's premium, before deductions for reinsurance and ceding commissions.

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Affirming Full Year 2022 Guidance

2022 Guidance

~$320M
Revenue

~$210M
Revenue Less Cost of Revenue

~-9%
Adj EBITDA %

>-$26.5M
Adj EBITDA $

~$600M
Gross Written Premium[1]

Disclaimer: See Porch's Q4 and full year 2021 earnings press release for a reconciliation of Adjusted EBITDA (loss) as a percentage of revenue to its most directly comparable GAAP financial measures
(1) 2022 gross written premium guidance is stated as annual run rate as of year end 2022 and is the total premium written by third-party insurance carriers through EIG, HOA's insurance operations, and AHP for insurance and warranty policies for the face value of one year's premium, before deductions for reinsurance and ceding commissions.

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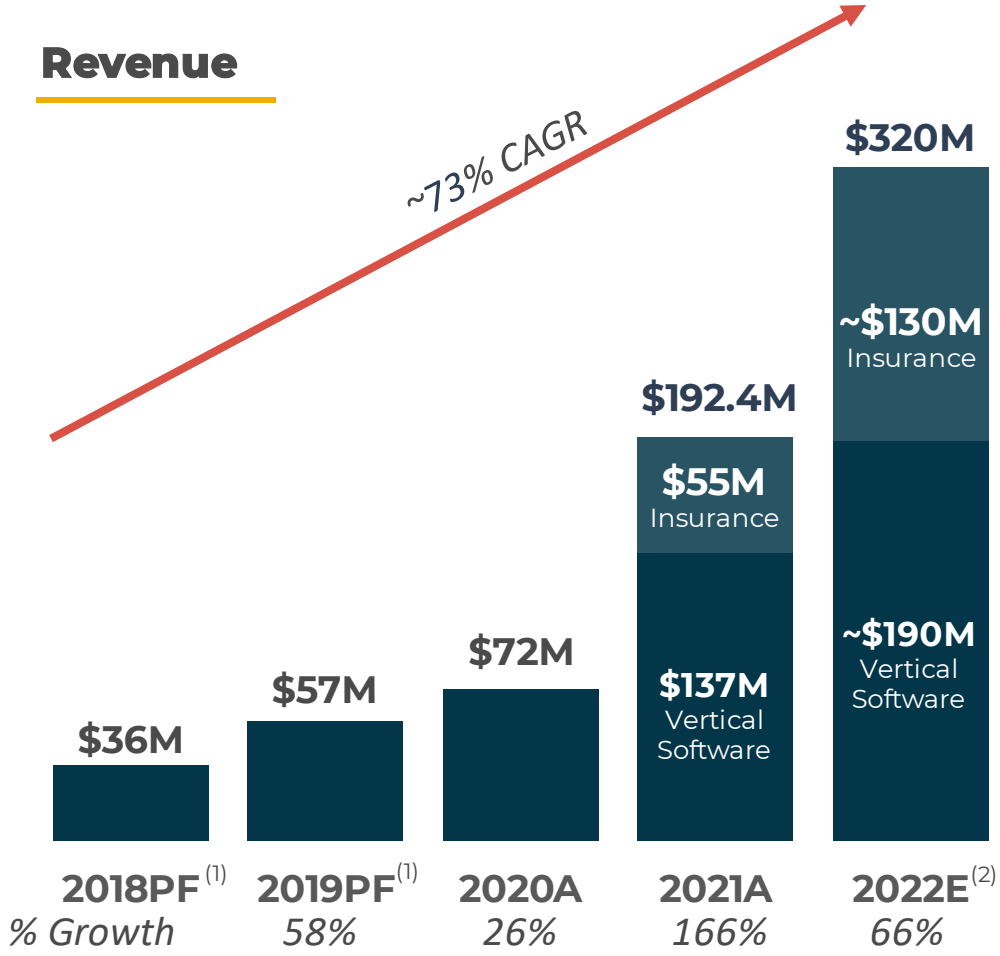
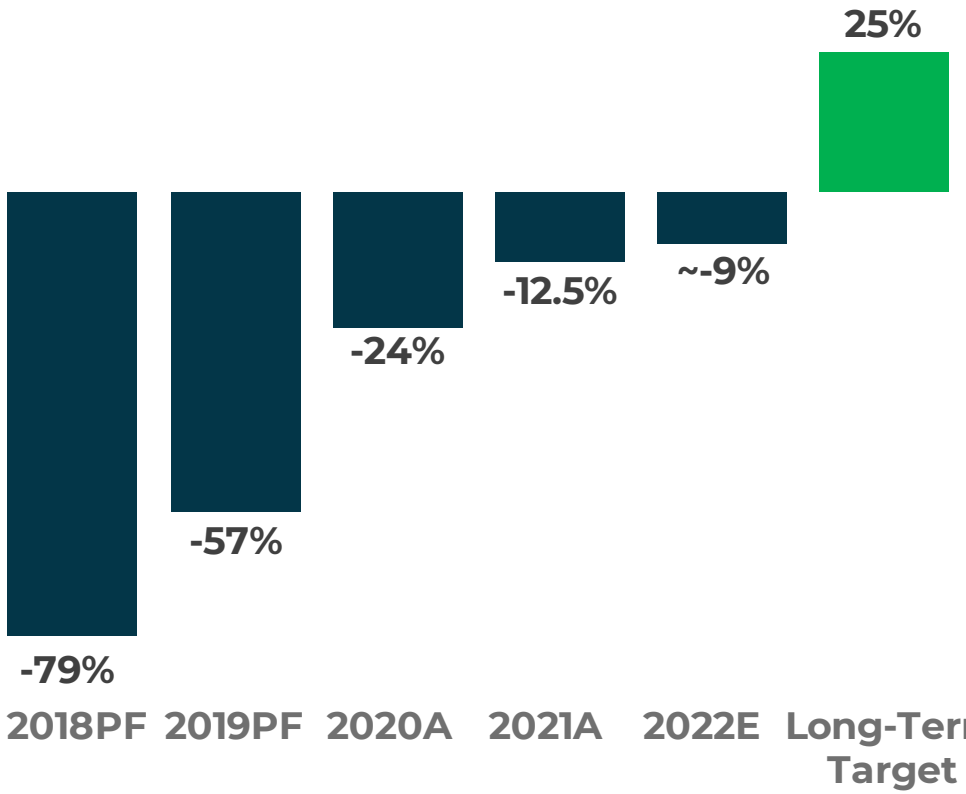
2022E: Both Strong Growth and Margin Improvement

Revenue



Adjusted EBITDA %



Disclaimer: See Porch's Q4 and full year 2021 earnings press release for final audited results for a reconciliation of Adjusted EBITDA (loss) as a percentage of revenue to its most directly comparable GAAP financial measures

(1) PF figures are Pro Forma results which exclude the financial results of certain Porch businesses divested during 2019 and the first half of 2020, after giving effect to all such divestitures as if they had occurred on January 1, 2018

(2) 2022 Estimated revenue includes the amount of revenue expected from '22 acquisitions to be recorded in the '22 year: RWS ($7.5M) completed in April 2022; CSE (+$10M based on the expectation of a mid 2022 close date, currently pending)

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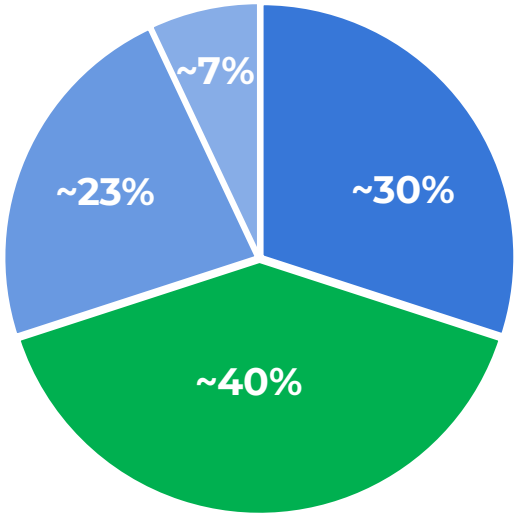
2022E Revenue: Strong Growth in Both Vertical Software and Insurance

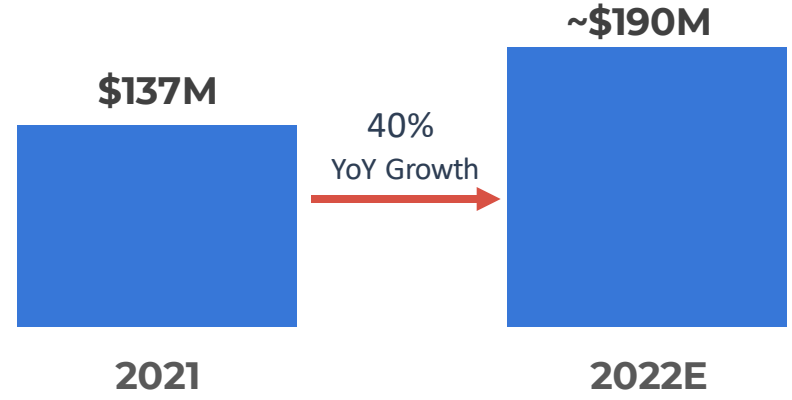
FY 2022E Guidance Revenue Distribution



- **Software & Services Subscriptions (~30%)**[1]
  B2B Recurring Fees From Companies
- **Move-Related Services – Excl. Insurance Segment (~23%)**[2]
  B2B2C Transaction Revenue via Companies (Reoccurring)
- **Post-Move Services (~7%)**[3]
  Transaction Revenue
- **Insurance Segment (~40%)**[2]
  Insurance + Warranty (Recurring Revenue)

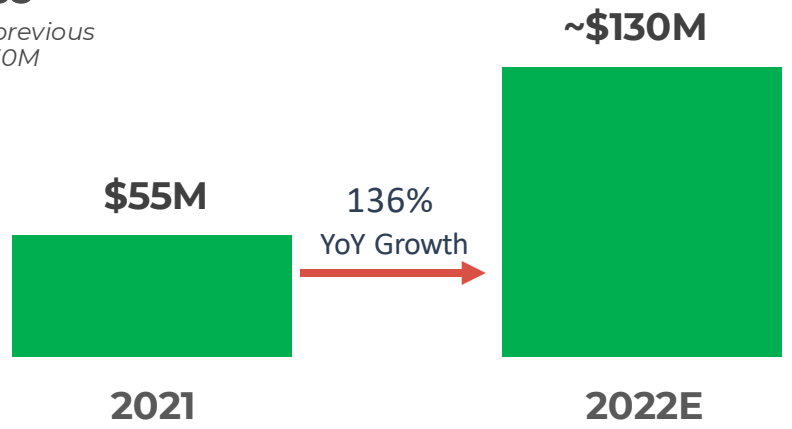
Segment Revenue Growth[4]

Vertical Software



Insurance

Updated from previous guidance of $130M



(1) B2B includes recurring fees paid by Companies to Porch for SaaS and other services
(2) B2B2C (Move-Related Services) includes revenue predominantly related to selling consumers insurance, moving, security and TV/internet, with the majority of these consumers being provided to Porch on a reoccurring basis by companies
(3) B2B2C and B2C (Post-Move Services) includes revenue predominantly related to connecting consumers with contractors across home maintenance and improvement projects with these consumers originating from both 1) companies on a reoccurring basis and 2) direct-to-consumer channels
(4) 2022 Estimated revenue includes the amount of revenue expected from '22 acquisitions to be recorded in the '22 year: RWS ($7.5M) completed in April 2022; CSE (+$10M based on the expectation of a mid 2022 close date, currently pending)

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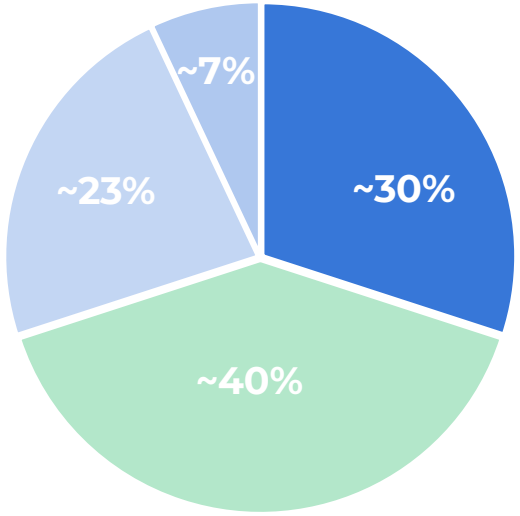
Vertical Software: Delivering Recurring SaaS Revenue

FY 2022E Revenue Guidance Distribution



*B2B Subscription Fees represent nearly **$100M** of recurring revenue in 2022E*

Software & Services Subscriptions (~30%)[1]
B2B Recurring Fees From Companies

Key Verticals	Pricing	Growth Initiatives
ISN[2] — *ERP and CRM software for inspectors*	*Monthly minimum fees that scale with use*	*Consumer app to reach and help all inspection consumers with key services*
Floify — *SMB mortgage automation and point-of-sale solution*	*Monthly subscription fee (per seat / team)*	*Recent integration of insurance quotes into point-of-sale experience*
Rynoh — *SaaS solutions for title companies and other settlement agents*	*Monthly minimum fees that scale with use*	*New module launched to help title companies with more of their operations*

(1) B2B includes recurring fees paid by Companies to Porch for SaaS and other services
(2) Includes all inspection products and services offered by Porch

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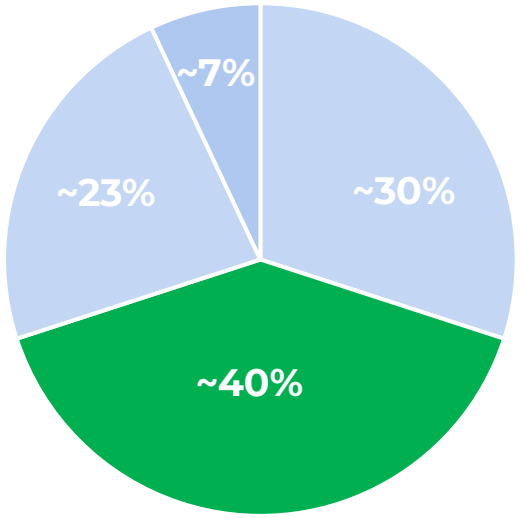
Insurance: Long-Term Fundamental Advantages

FY 2022E Revenue Guidance Distribution



2022 Guidance:

~$130M revenue

~$600M GWP *end-of-year run rate*

Insurance Segment (~40%)
Insurance + Warranty (Recurring Revenue)

Key Offerings

Sustainable Advantages

HOMEOWNERS OF AMERICA

CSE INSURANCE GROUP (1)

Access to low-cost consumers via Porch

Proprietary data provides opportunity for enhanced underwriting and pricing capabilities

Strong historic underwriting allows for high margin capital light operating model

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Elite Insurance Group
A Porch Company

Access to low-cost consumers via Porch

Embed insurance into Floify

Access to all consumers of inspectors to assist with insurance

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AMERICAN HOME PROTECT

RESIDENTIAL WARRANTY SERVICES, INC.

Access to low-cost consumers via Porch

Proprietary data provides opportunity for enhanced underwriting and pricing capabilities

Bundle with HOA to provide full home protection

(1) CSE expectation of a mid 2022 close date, currently pending

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Segment Information

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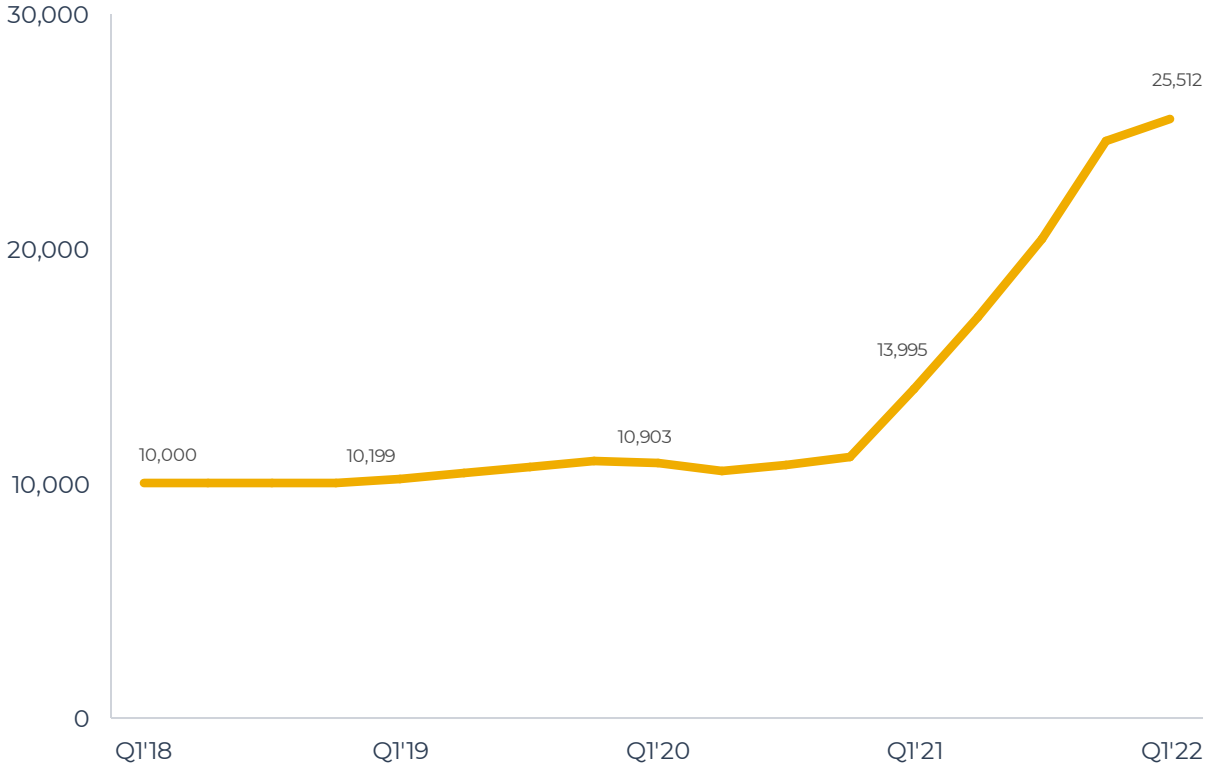
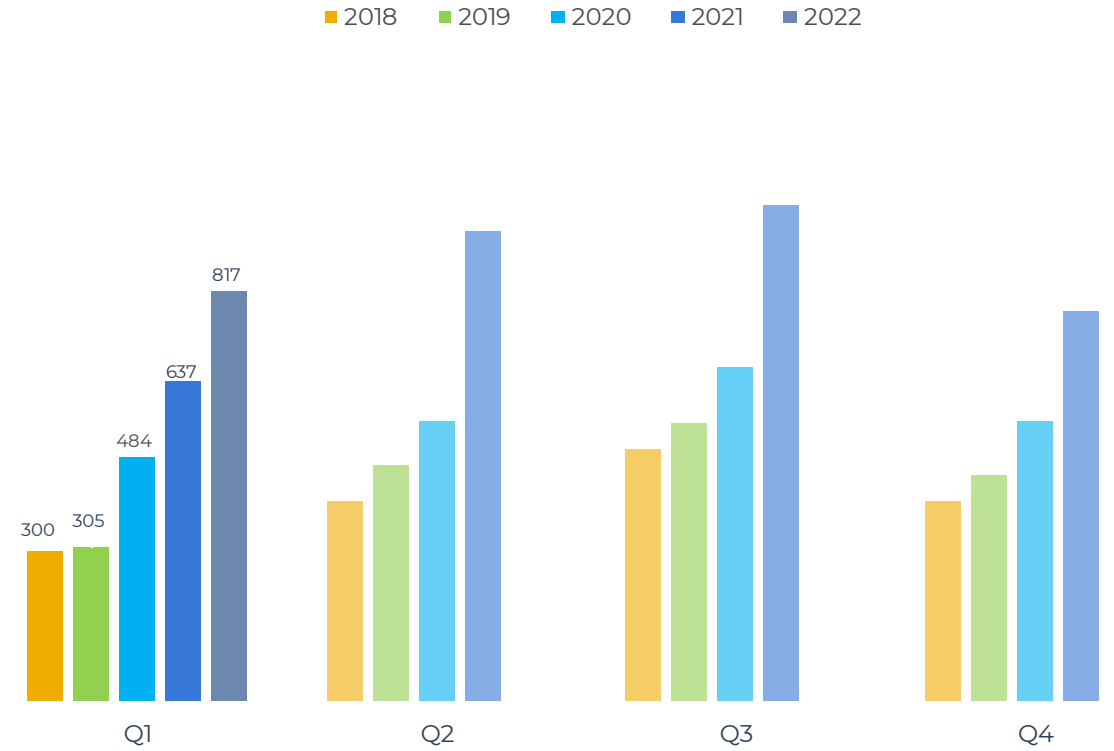
Number of Companies & Average Revenue Per Company

Average Number of Companies in a Quarter [1]



25,512 companies in Q1 2022

Average Revenue Per Company Per Month [2,3]



$817 revenue per company per month in Q1 2022

(1) Porch management defines average companies in a quarter as an average of the end of period number of companies with the beginning of period number, inclusive of all companies across Porch's home services verticals that (i) generate recurring revenue and (ii) generated revenue in the quarter. For new acquisitions, we determine the number of customers in their initial quarter based on the percentage of the quarter they were part of Porch.

(2) Average revenue per account per month in quarter is defined as the total revenue from the quarter generated across all our home services company customer accounts divided by the average number of companies in the period divided by 3 (to provide monthly revenue).

(3) Average revenue per company per month has been adjusted for Q2, Q3, Q4' 21 representing allocation of HOA revenue change among quarters – no change to full year revenue. See Porch's Q1' 22 10Q for average revenue reconciliation

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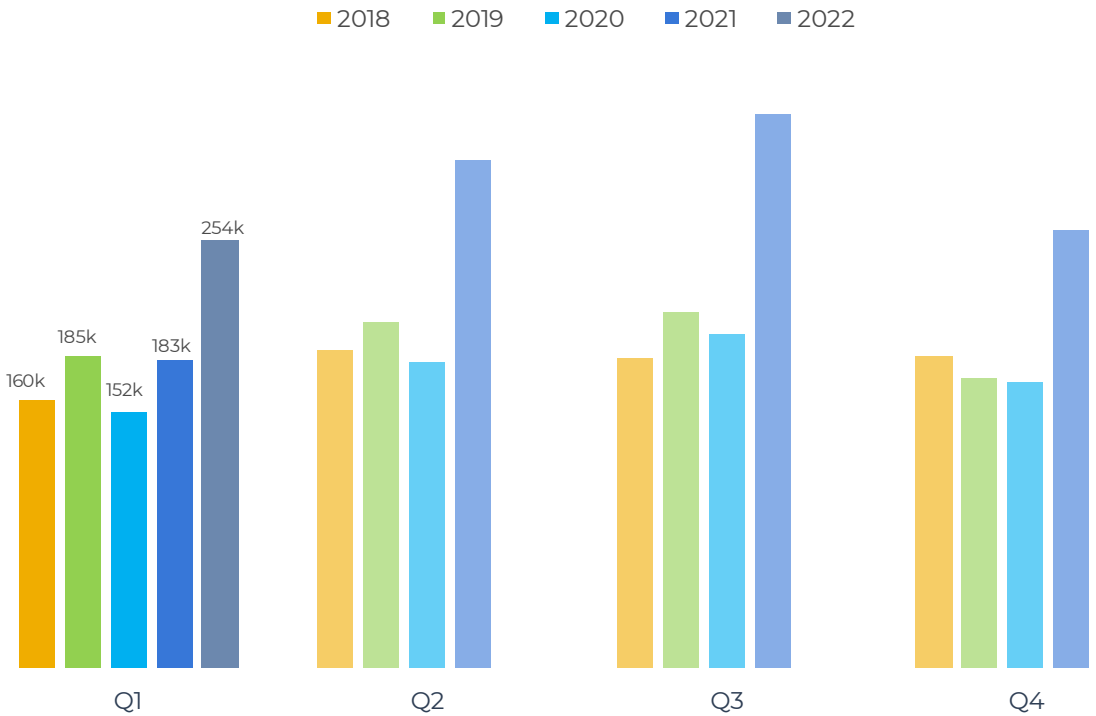
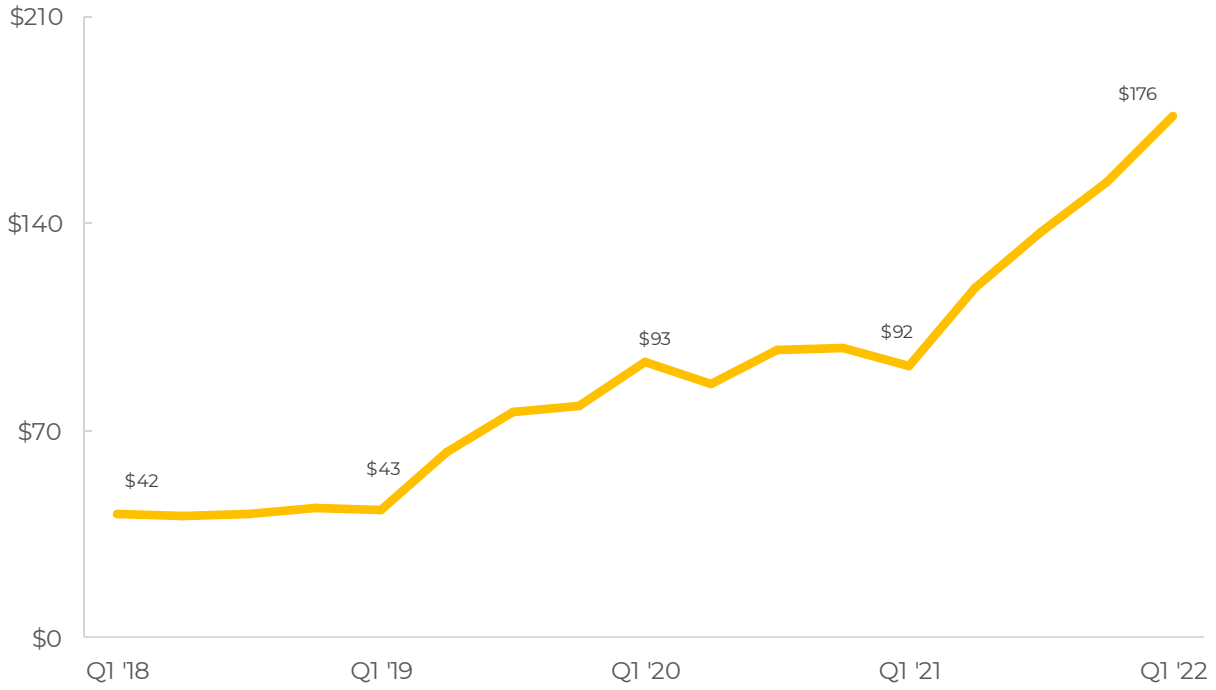
Monetized Services & Average Revenue Per Monetized Service

Number of Monetized Services in Quarter (1)



254,249 monetized services in Q1 2022

Average Revenue per Monetized Service (2)



$176 revenue per monetized service in Q1 2022

(1) Monetized Services per Quarter is defined as the total number of unique consumer services from which Porch generated revenue, including, but not limited to, new and renewing insurance customers, completed moving jobs, security installations, TV/internet installations or other home projects, measured over a quarterly period.
(2) Average revenue per monetized services in quarter is defined as the total service revenue (Move-Related Transaction revenue plus Post-Move Transaction revenue) divided by the number of Monetized Services per Quarter.
(3) Average revenue per company per month has been adjusted for Q2, Q3, Q4' 21 representing allocation of HOA revenue change among quarters – no change to full year revenue. See Porch's Q1' 22 10Q for average revenue reconciliation

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Segments: Q1 2022 Financials

Vertical Software Segment

$34.7M

Revenue

72%

Revenue Less Cost of Revenue Margin

9%

Adj. EBITDA Margin[1]

Insurance Segment

$27.9M

Revenue

59%

Revenue Less Cost of Revenue Margin

12%

Adj. EBITDA Margin[2]

Disclaimer: See Porch's Q1 2022 earnings press release for final audited results for a reconciliation of Adjusted EBITDA (loss) as a percentage of revenue to its most directly comparable GAAP financial measures

(1) Impact of preliminary estimate of shared allocation of corporate expense would indicate a 0% Adjusted EBITDA (loss) as a percentage of revenue in the quarter

(2) Impact of preliminary estimate of shared allocation of corporate expense would indicate a 10% Adjusted EBITDA (loss) as a percentage of revenue in the quarter

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Insurance Segment: Q1 2022 Financial Performance & KPI's

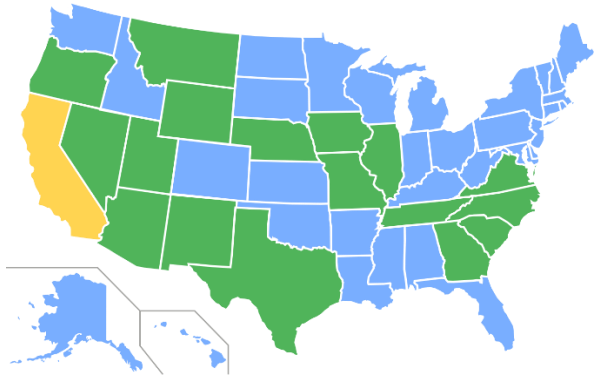
$102M
Q1 GWP(1)

338K
Policies

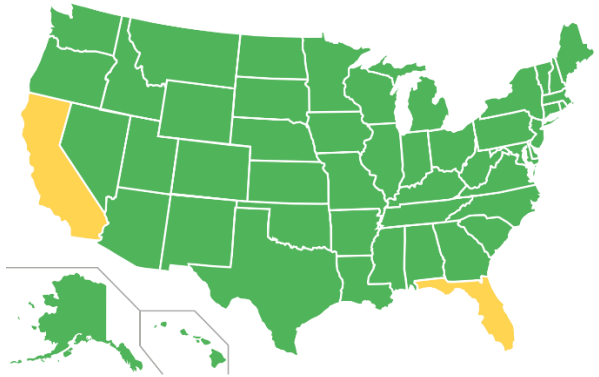
89%
Customer Retention(3)

$330
Annualized Revenue Per Policy(2)

Insurance
(Agency in 50 states. Carrier now live in **17 states** as carrier)



Warranty
(Live in 50 states and D.C.)



- Active states
- Approved / Signed (coming soon)(4)
- Agency only (carrier opportunity)

Disclaimer: See Porch's Q4 and full-year 2021 earnings press release for final audited results for a reconciliation of Adjusted EBITDA (loss) as a percentage of revenue to its most directly comparable GAAP financial measures;

(1) Gross Written Premium ("GWP") is the total premium written by third-party insurance carriers through EIG, HOA's insurance operations, and AHP for insurance and warranty policies for the face value of one year's premium, before deductions for reinsurance and ceding commissions written in the period

(2) Includes quarterly revenue for the segment divided by the number of policies in the segment multiplied by four

(3) Represents rolling 12 months ending March 2021 for HOA

(4) Includes CSE Insurance Group subject to regulatory approval; anticipated for mid-2022

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Insurance Deep Dive

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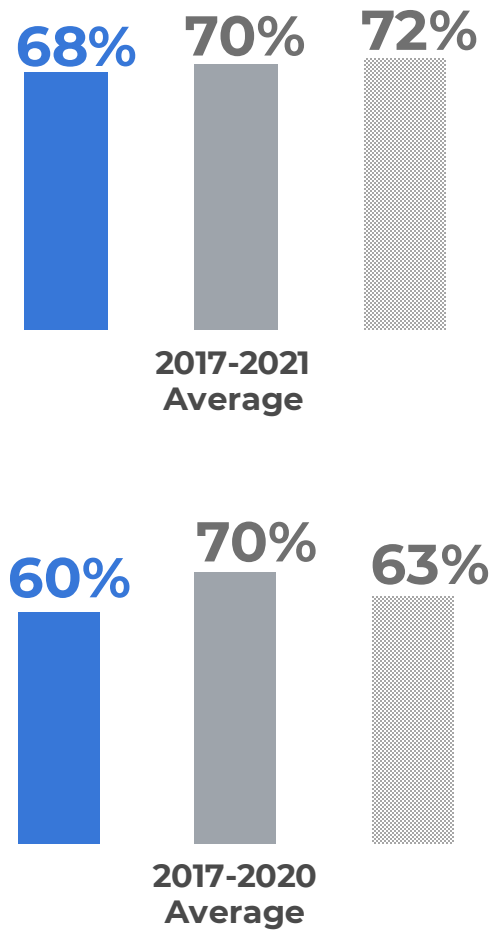
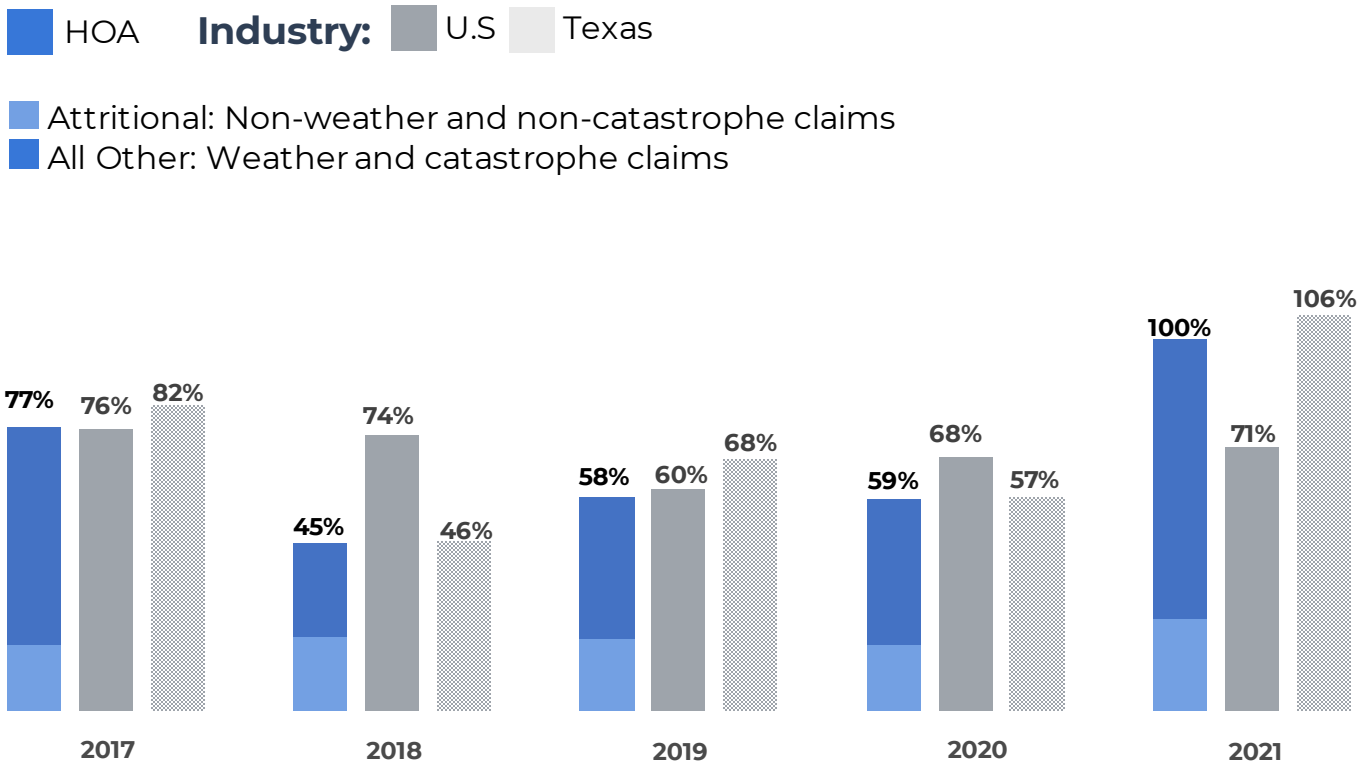
We Have a Proven Track Record of Underwriting Results





Atypical weather events in Texas in 2021 drove outsized losses across the industry. Despite this, Porch insurance segment had 16% EBITDA margins in '21.

Source: SNL Financial; Porch includes HOAIC; Industry represent SNL Homeowners Multiple Peril for total industry in the US and Texas respectively
1. 2021 EBITDA margin calculated as Insurance Segment Adjusted EBITDA (loss) divided by Insurance Segment revenue for FY2021

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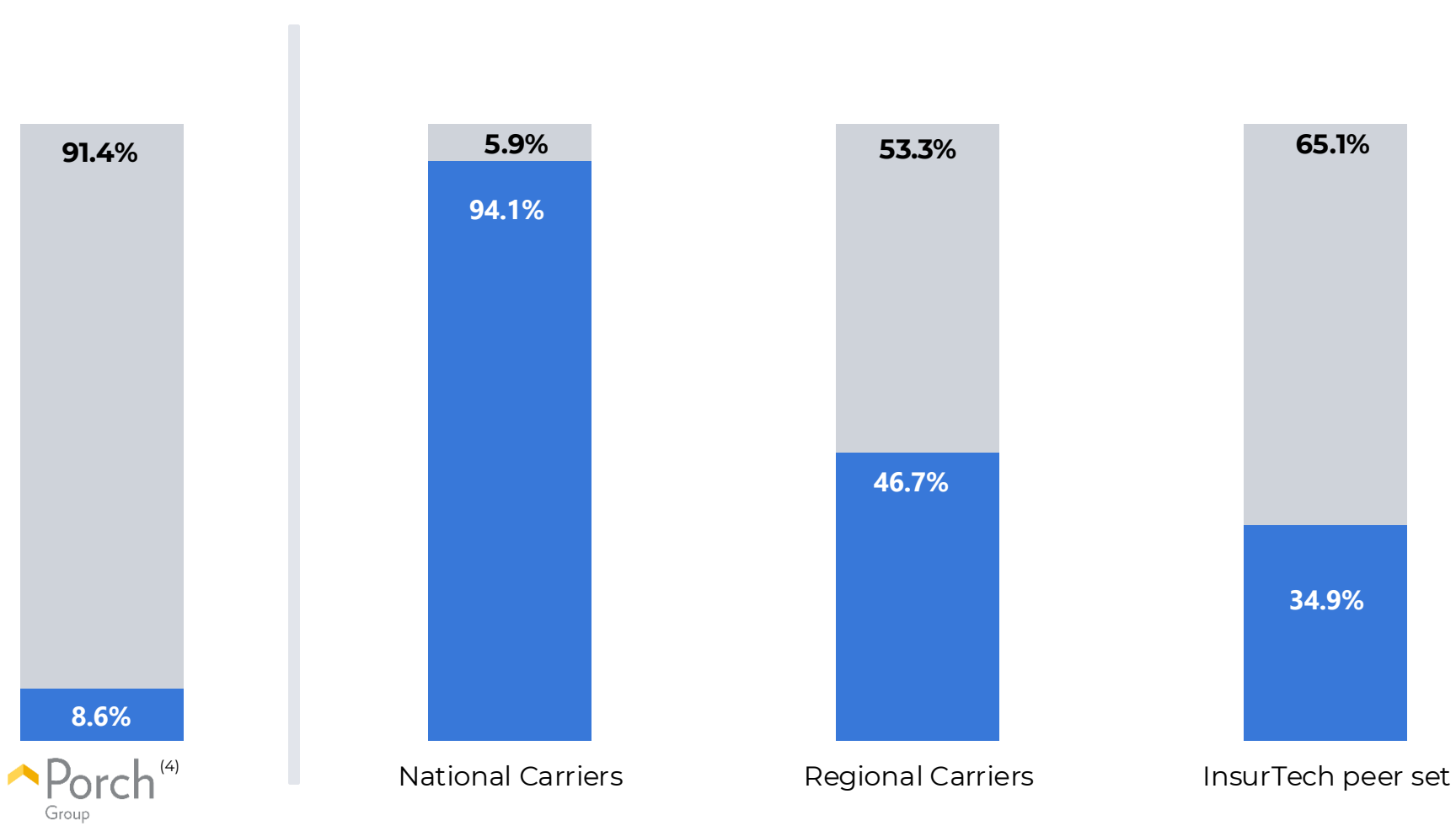
Porch Runs a Growing (~$600M GWP[1]) and Profitable (16% Adj EBITDA Margin[2]) InsurTech

3 Year Average[3] Statutory NWP / GWP



Source: SNL Financial; Porch includes HOAIC; Indices represent median of personal lines for the SNL Group of following companies: National: Allstate, Auto Owners, Cincinnati, Farmers, Liberty Mutual, Main Street America, Mercury, National General, Progressive, State Farm, State Auto, Travelers; Regional: Allied Trust, Erie, Heritage, QBE,Sagesure/Occidental, Universal P&C; UPC; InsurTech: Hippo, Kin, Lemonade, Metromile, Root

1) Represents Porch estimated run rate GWP at year end 2022
2) 2021 EBITDA margin calculated as Insurance Segment Adjusted EBITDA (loss) divided by Insurance Segment revenue for FY2021
3) Represents median of peer company average for 2019, 2020 and 2021 Statutory Net Written Premium (NWP) / GWP which represents the percent of premium ceded which is an approximation of but not the same as ceded risk
4) Represents HOAIC

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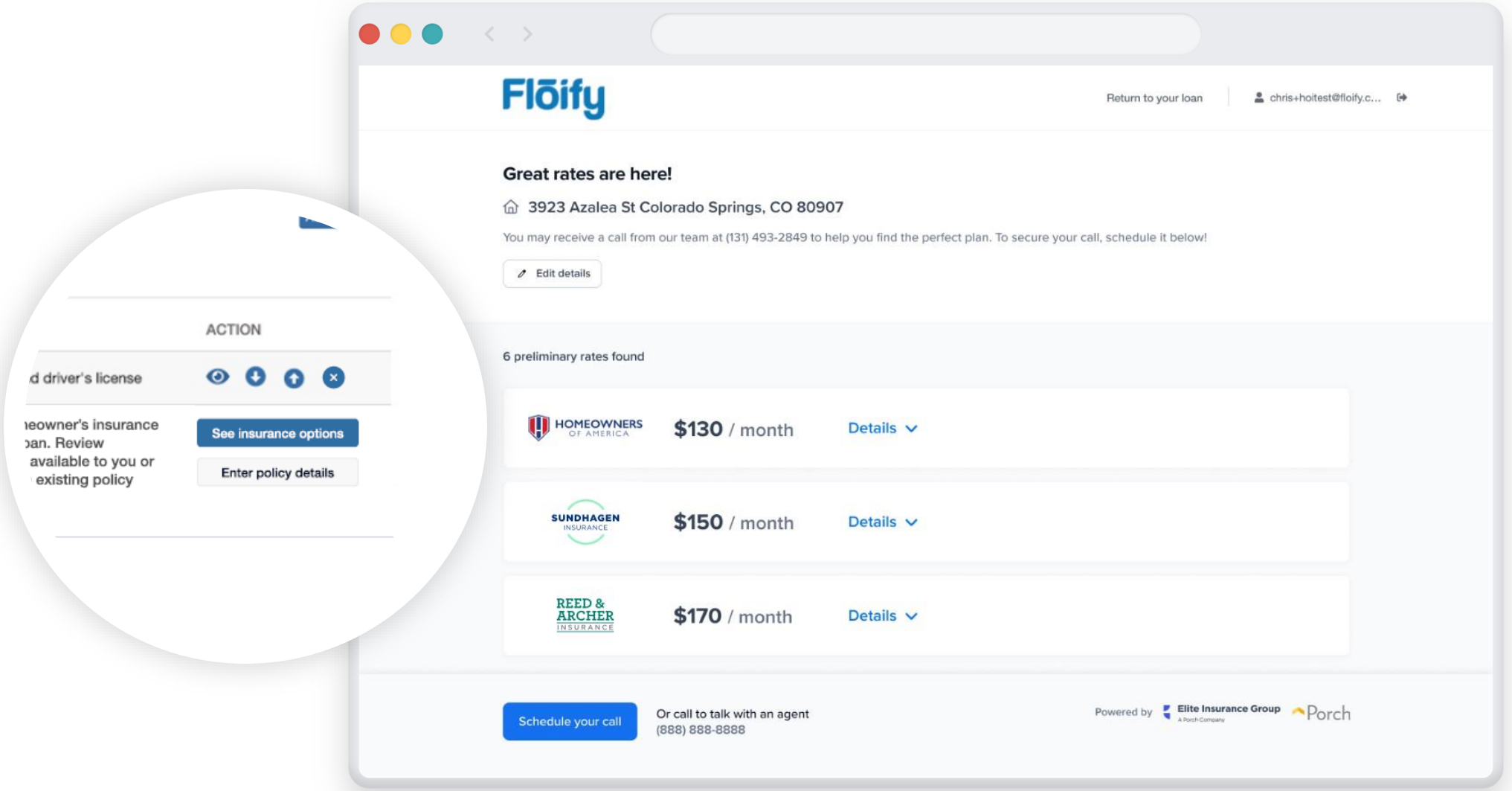
Introducing Insurance to Borrowers via Floify



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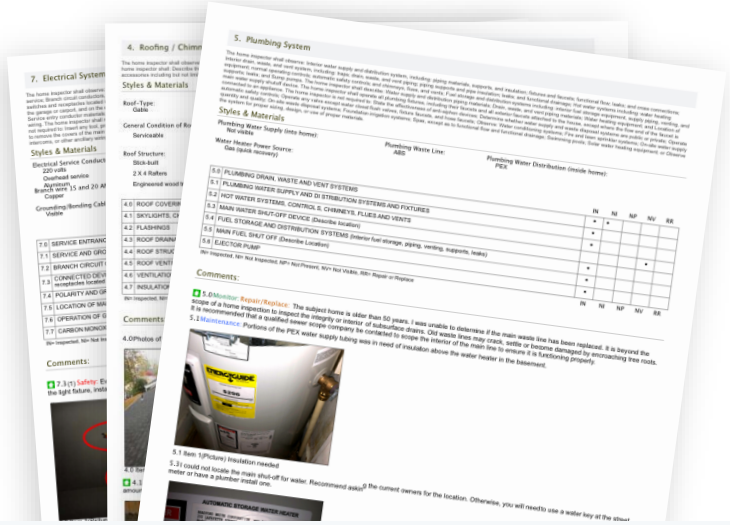
Approved! Porch Data Being Used in Insurance Pricing

Water heater data

Water heater location:

- AZ, VA, GA: Filed and approved
- Additional states: In-flight

Further data (such as system data) under evaluation



Additional data types under evaluation

Roofing
Data Advantage: Up to date roof type, age and quality

Plumbing
Data Advantage: Type of piping and characteristics

Systems and appliances
Data Advantage: Systems make, model, serial number, age and characteristics

Residents
Data Advantage: Unique information we know about the borrowers

Other
Data Advantage: Foundation and siding condition, number of potential issues

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Q&A

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Appendix

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Balance Sheet Well Positioned for Growth

Balance Sheet

Cash and Restricted Cash as of March 31, 2021: $303.0M

- Well positioned to support investments: vertical software systems, Insurtech, data platform & consumer experience

Total Long-Term Debt as of March 31, 2021: $425.5M

- $425M of convertible notes issued in September 2021 and due September 2026. Any conversions may be settled with cash, shares of the Company's common stock, or any combination of cash and shares of common stock at the Company's election.
- $450K Other notes

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Capital Structure Update

Capital Structure

- **Total common shares issued and outstanding as of March 31, 2021: 98.3M and 1.8M private warrants outstanding**

- In addition to the above, when team RSUs vest or team options both vest and are exercised, it will be added to total shares outstanding above.

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Porch Group Investment Highlights

1. Vertical software leader to key home service companies with low churn and high NPS
2. Large and ideal consumer audience provided via software companies, with low acquisition costs
3. Unique, substantial, and valuable property data
4. Large insurance operation with CAC, pricing, data, and value prop advantages
5. Proven team with strong track record
6. Massive and expanding addressable TAM
7. Strong financial results with fast revenue growth as well as strong and improving margins
8. Positioned for long-term leadership in the home: SaaS, insurance, warranty, moving, and homeownership

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