

# Hooper Holmes, Inc.

March 29, 2016

## Earnings Presentation

*Speakers:* Henry Dubois, Chief Executive Officer

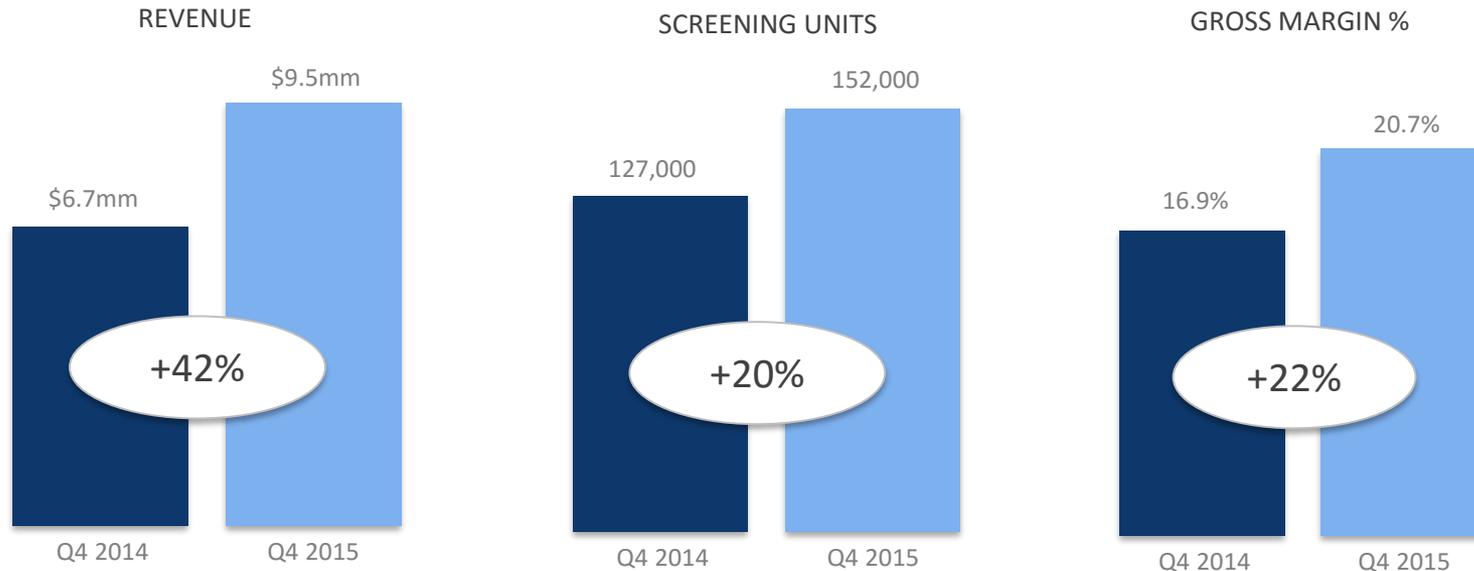
Steven Balthazor, Chief Financial Officer



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# Q4 2015 Results Set Stage for Accelerated Growth



## FULL YEAR 2015 HIGHLIGHTS

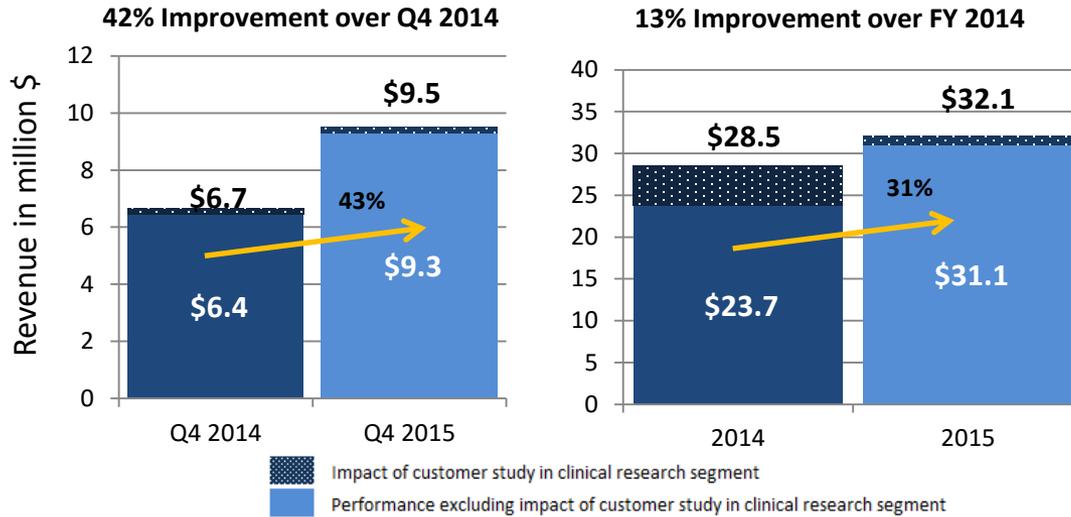
- \$32.1mm record Health & Wellness revenue
- 515,000 record screening units
- Transformed business model, reduced costs
- New sales in 2015 increased the revenue base for 2016 and beyond

## 2016 OUTLOOK

- Successfully raised \$3.5mm in rights offering and an additional \$1.2mm from 200 NNH, LLC an affiliate of Kanon Ventures
- \$42.0mm revenue expected for full year with positive EBITDA & operating cash flow for full year
- Q1 is off to a good start
- Due to the seasonality of the business, ~60% of revenue historically comes in the second half
- Repayment of \$2.3mm of debt planned in 2016

# 2015 Results vs. 2014

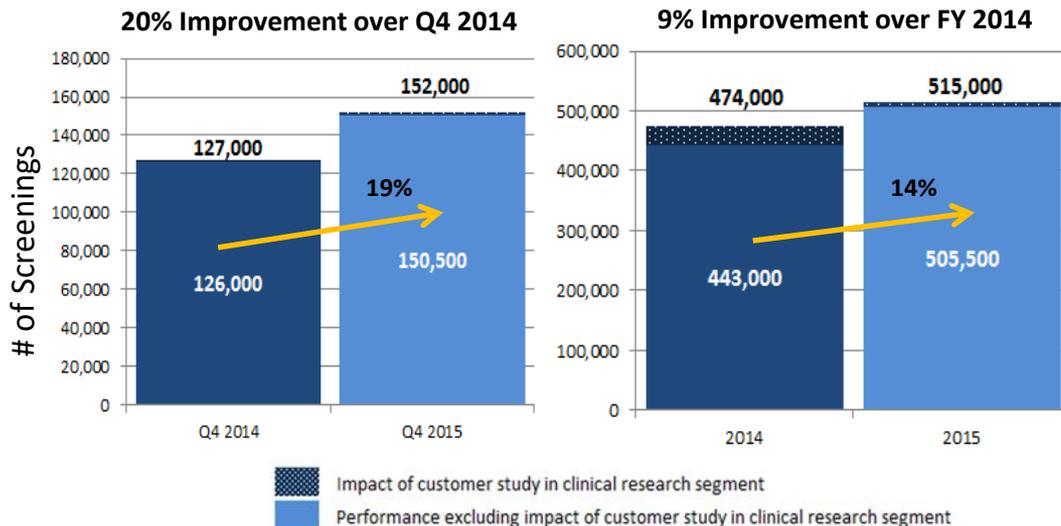
## Consolidated Revenue (\$mm)



## Key Takeaways

- Sequential and year-over-year revenue growth
  - Q4 2015 revenue increased 42% compared to Q4 2014
  - Consolidated revenue, which includes screening and wellness services, increased 13% over full year 2014
- Screening units grew by 14% compared to full year 2014, excluding the impact of a large customer study in the clinical research segment
  - As previously discussed, a large population study on smoking began to wind down in Q4 2014. Unit growth in our wellness business offset reductions in our clinical research segment; we have since won a contract extension for this study worth \$12.0mm over the life of the contract

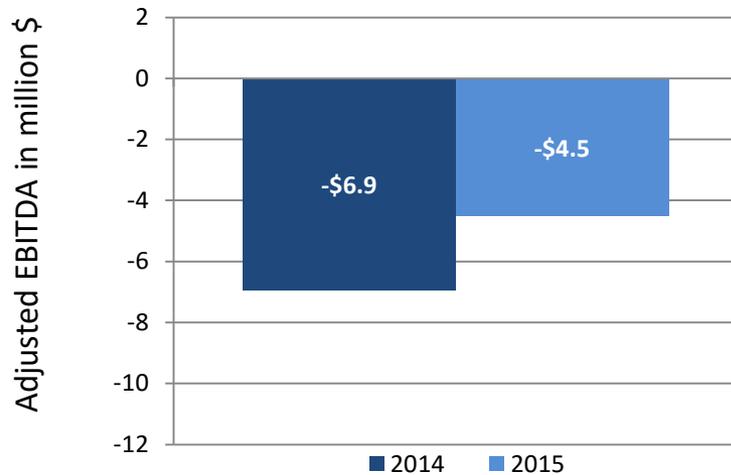
## Screening Units



# 2015 Results vs. 2014 - continued

## Adjusted EBITDA Excluding One-Time Events (\$mm)

**35% Improvement**

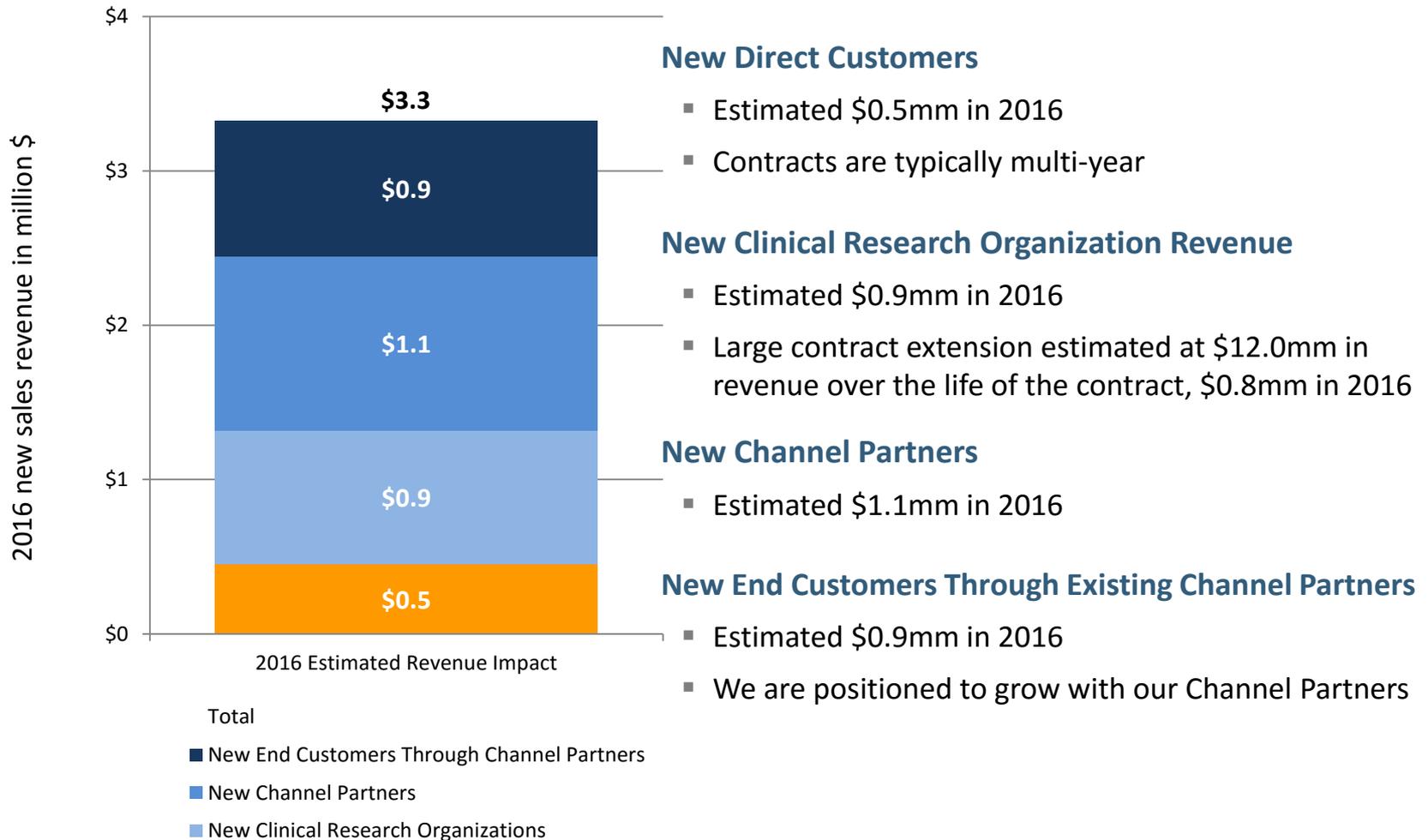


|  | <u>FY 2014</u> | <u>FY 2015</u>  |
|--|----------------|-----------------|
| <b>Net Loss</b>                                  | <b>(\$8.5)</b> | <b>(\$10.9)</b> |
| Interest   | \$0.0          | \$1.4           |
| Deferred Financing                               | \$0.3          | \$0.4           |
| Taxes  | \$0.0          | \$0.0           |
| Amortization                                     | \$0.0          | \$0.9           |
| Depreciation                                     | \$1.2          | \$1.3           |
| <b>EBITDA</b>                                    | <b>(\$6.9)</b> | <b>(\$6.8)</b>  |
| Stock Compensation                               | \$0.5          | \$0.4           |
| Transaction & transition costs                   | \$1.9          | \$1.7           |
| Gain on sale of real estate & restructuring      | (\$1.7)        | \$0.0           |
| Gain on sale of lab services                     | (\$0.9)        | \$0.0           |
| Close-out cost of 2013 Portamedic sale           | \$0.2          | \$0.2           |
| <b>Adjusted EBITDA Excluding One-Time Events</b> | <b>(\$6.9)</b> | <b>(\$4.5)</b>  |

- Adjusted EBITDA excluding one-time events increased 35% over 2014
  - Second half Adjusted EBITDA improved 61% over second half 2014

# Momentum Continues to Build

## New Sales Won in Q1 2016 and Associated Estimated 2016 Revenue (\$mm)



# Strengthened Capital Structure

## Current Capital Structure Highlights

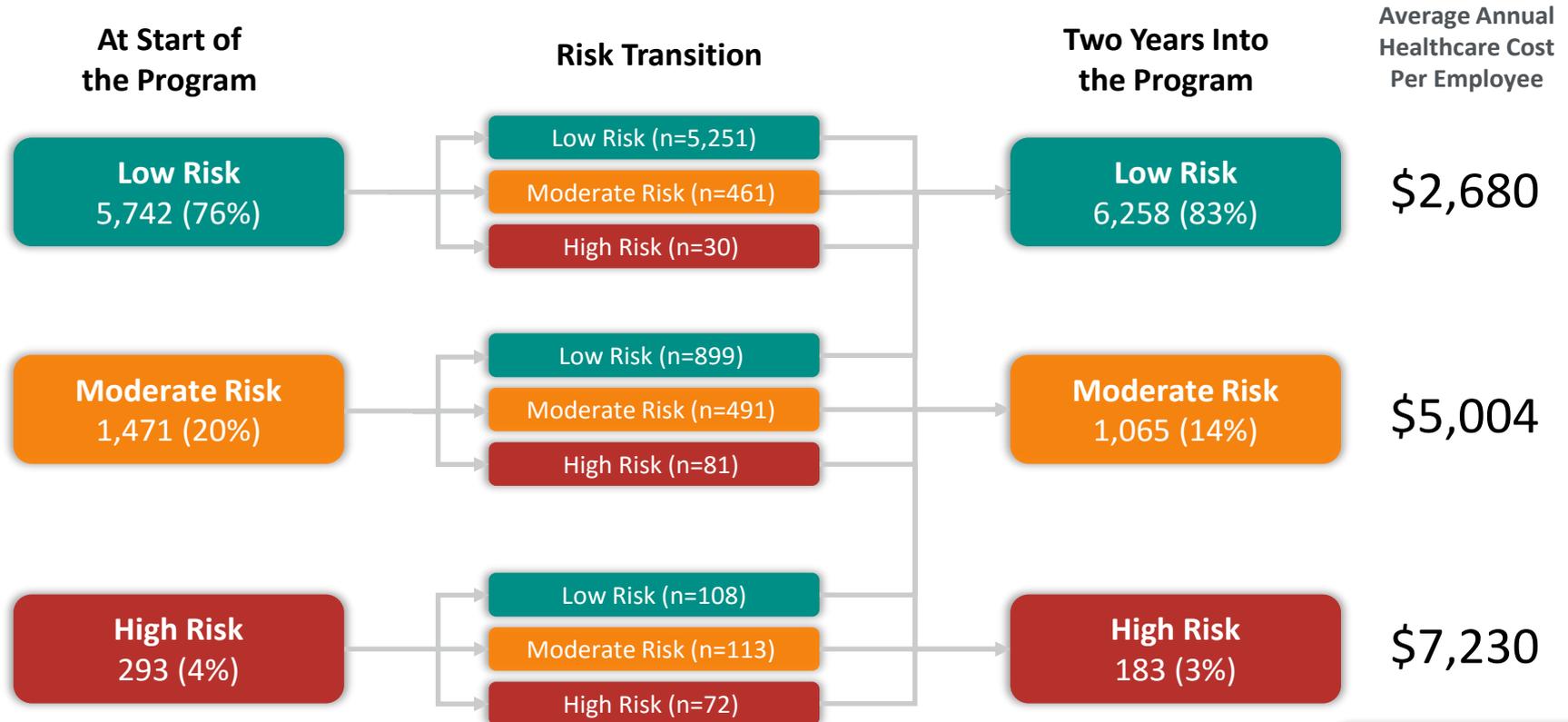
|  |  |
|--|--|
| Cash added through rights offering         | \$3.5mm                                      |
| Cash added from investment by 200 NNH, LLC | \$1.2mm                                      |
| \$7.0mm Revolving Line of Credit           | \$1.5mm at 3/15 (credit line – amount drawn) |
| SWK Term Loan                              | \$4.5mm                                      |

- Rights Offering Successfully Completed in Q1 2016
  - Strong interest and shareholder support
  - Raised \$3.5mm
  - Board and management as a group over subscribed and now hold ~10% of total shares
  - 300+ individual shareholders participated
- Additional Capital Raised in Q1 2016
  - 200 NNH, LLC, an affiliate of Kanon Ventures, Invested \$1.2mm
- Debt
  - Repayment of \$2.3mm of debt planned for 2016
  - Principal payment made in Q1 2016
  - Meaningful interest expense reduction with each quarterly payment

# Hooper Wellness Programs Get Results

7.3% net change in health risk status improvement

91% of the participants that started as a low health risk stayed low health risk



**\$5,952**  
(Non-Participants)

Annual healthcare cost reduction of nearly \$1.5mm; additional cost savings related to higher productivity, reduced absenteeism, ability to attract and retain top talent, and fewer safety incidents not included

## 2016 Outlook: Accelerated Growth

### New Sales

- 2015 sales wins expected to drive \$7.0mm of incremental revenue in 2016
- \$3.3mm of new 2016 revenue won through sales efforts already this year, including the addition of full service wellness clients
- Q1 2016 progressing toward annual goal

### Financial Growth

- For full year 2016, expecting \$42.0mm revenue representing 30% growth as compared to 2015 and continued progress toward achieving our \$100mm revenue target
- Expecting positive EBITDA and operating cash flow for the full year

### Building Awareness

- Q4 2015: LD Micro Conference
- February 22<sup>nd</sup>: Presented at SeeThruEquity Conference
- March 31<sup>st</sup>: Sidoti Emerging Growth Conference

**Drive Shareholder Value**