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EverQuote Q2 2026 Earnings Call - Prepared Remarks

Sara Buda, Investor Relations

Thank you. Good afternoon, and welcome to EverQuote's **Second Quarter 2026** Earnings Call. We will be discussing the results announced in our press release issued today after market close. With me on the call this afternoon are Jayme Mendal, EverQuote's CEO; and Joseph Sanborn, EverQuote's CFO and Chief Administrative Officer.

During this call, we will make statements related to our business that may be considered forward-looking statements under federal securities laws, including statements considering our financial guidance for the **third quarter of 2026.** Forward-looking statements may be identified with words and phrases such as aim, expect, believe, intend, anticipate, plan, will, may, continue, upcoming and similar words and phrases. These statements reflect our views only as of today and should not be considered our views as of any subsequent date. We specifically disclaim any obligation to update or revise these forward-looking statements, except as required by law.

Forward-looking statements are subject to a variety of risks and uncertainties that could cause the actual results to differ materially from our expectations. For a discussion of those risks and uncertainties, please refer to our SEC filings, including our annual report on Form 10-K and our quarterly reports on Form 10-Q on file with the Securities and Exchange Commission and available on the Investor Relations section of our website.

Finally, during the course of today's call, we will refer to certain non-GAAP financial measures, which include Adjusted EBITDA and Adjusted EBITDA Margin, Variable Marketing Dollars and Variable Marketing Margin, which we believe are helpful to investors. A reconciliation of GAAP to non-GAAP measures was included in the press release we issued after the close of market today, which is available on the Investor Relations section of our website.

And with that, I will now turn the call over to Jayme.

Jayme Mendal, CEO

Thank you, Sara, and thank you all for joining us today.

We continue to execute well and deliver strong results. In Q2, we grew revenue 25% year-over-year to $195.1 million and grew Adjusted EBITDA 37% year-over-year to a record $30.1 million. Importantly, we achieved these results while continuing to advance our strategy, unlock new growth levers and extend our market leadership position.

We continue to experience a healthy market backdrop for both auto and homeowners' insurance, as carriers remain profitable and hungry for growth. Against this backdrop, carriers are turning to EverQuote, as a trusted partner, to help them grow policies in force. In Q2, we further broadened carrier demand, including a ramp with one major carrier that returned to the marketplace as expected. We also grew local agent demand for referrals to record high levels, while increasing the number of products per agent as we advance our 'one-stop growth partner' strategy with local agents. Both carrier and agent revenue reached record high levels in the quarter. Additionally, our home vertical continues to perform well, growing 35% YoY in Q2, also to record levels.

While we execute on behalf of customers, we are also investing to extend our AI leadership position in our market. Our SmartCampaigns AI bidding solution continues to scale, supporting customers' aggressive customer acquisition goals by helping them deploy marketing budgets more effectively and efficiently. 7 of our top 10 carriers now use SmartCampaigns, and in Q2 the amount of revenue flowing through the product increased by over 100% versus the same period last year. Also, in Q2, we released our Agent-facing version of SmartCampaigns to the first cohort of local agents. As SmartCampaigns becomes our customers' dominant bidding approach, we are strengthening these relationships by embedding our technology into their core workflows and achieving deeper data integrations, all while helping customers achieve their growth goals.

Within our walls, use of AI for everything from coding, to automating operational tasks, to prototyping products has reached an inflection point, as our teams integrate AI into their daily workflows to drive greater productivity and velocity. We are seeing daily active use pervasive across our corporate staff, and within engineering we are exceeding industry benchmarks with a 25% measured increase in efficiency. On a daily basis, I am impressed by yet another creative, high value AI-derived output from an EverQuote team member. To name just a few, recent examples include AI Agents designed to emulate human shopper personas and identify friction points in our web experiences; as well as upgrades to our AI traffic bidding platform, which put us on a path to increasingly agentic traffic operations. This trend of delivering innovative products at a faster pace will only increase from here.

As evidenced by our financial results, our consistent, strong execution on behalf of customers has made us a trusted growth partner of choice for the largest carriers and thousands of local agents. We continue to integrate AI across our operations and our products and are emerging as an AI leader within our industry. From this position of strength, we see an opportunity to do more to support customers while unlocking new growth vectors for the business.

Initially, we will focus on two areas: (1) amplifying visibility with consumers through new products that are purpose-built for AI search and agentic commerce, and (2) building AI-native growth solutions for carriers and agents, which allow *them* to derive benefits of AI without having to build and manage as much of the technology in-house. With our rich AI heritage and deep customer relationships, we are uniquely positioned to lead the P&C distribution sector through its transition into the AI era. We look forward to sharing more details of these newer developments in the coming months.

I have never been more excited about where we are and where we are going.

We have a unique blend of talent, market leadership, ability to innovate, trusted customer relationships, and financial strength. This positions us to build on recent progress, expand our competitive moat and create a multi-billion-dollar market leader with durable, long-term growth.

I will now turn the call over to Joseph who will discuss our financial results and outlook.

Joseph Sanborn, CFO

Thank you, Jayme, and good afternoon, everyone.

Q2 marked another positive quarter for EverQuote with strong revenue and Adjusted EBITDA growth. We grew revenue 25% and Adjusted EBITDA 37%, year-over-year. We also drove record Variable Marketing Dollars, or VMD, and record Adjusted EBITDA, while at the same time generating strong cash flow.

Now let's turn to the details of the second quarter.

Total revenue grew 25% year-over-year to $195.1 million.

Revenue from our auto insurance vertical increased to $172.1 million in Q2, up 23% year-over-year. We continued to benefit from our broad and differentiated distribution with growth across carriers and agents, including a large carrier ramping as Jayme mentioned.

We also are delivering on the operational plan we've discussed to scale beyond the auto vertical. In Q2, revenue from our home insurance vertical grew 35% to a record $23.0 million, as we capitalized on strong monetization across high-quality traffic sources and secured increased budget from key carriers.

VMD increased to $56.9 million in the second quarter, up 25% from the prior year period. Variable Marketing Margin, or VMM, was 29.2% for the quarter.

Turning to operating expenses and the bottom line….

In the second quarter, we grew GAAP net income to $19.2 million, up from $14.7 million in the prior year period.

Q2 Adjusted EBITDA increased 37% from the prior year period to $30.1 million, representing a 15.4% Adjusted EBITDA margin.

Cash operating expenses, which excludes advertising spend, and certain non-cash and other charges, were $26.8 million in Q2, up slightly from Q1, as expected.

We delivered strong operating cash flow of $24.3 million for the second quarter.

In Q2, we repurchased 578,000 shares totaling approximately $9 million under our share repurchase program. In aggregate, under this program we have repurchased 2.5 million shares totaling $50 million. We are pleased with the results and expect our Board will revisit authorizing a new program later this year as part of our ongoing review of capital allocation.

We ended the period with no debt, and cash and cash equivalents of $192 million.

In summary, our Q2 results reflect continued strong execution. We diversified our revenue across additional carriers in the quarter, further scaled our home vertical, and expanded our AI capabilities to drive innovation for our customers and deliver efficiencies within our own operations.

Turning to guidance for the third quarter of 2026:

- We expect revenue to be between $198.0 and $208.0 million. Representing 17% year-over-year growth at the midpoint.
- We expect VMD to be between $56.0 and $59.0 million. Representing 15% year-over-year growth at the midpoint.
- And we expect Adjusted EBITDA to be between $28.0 and 31.0 million. Representing 18% year-over-year growth at the midpoint.

Looking to the remainder of the year, we are seeing a healthy environment as carriers focus on growing policies in force and as they choose EverQuote to achieve their goals.

We are executing well and remain confident in our ability to achieve $1 billion in annual revenues on the timeline we initially communicated to investors last November, while also generating strong cashflow. We expect to reach this goal by: 1) driving better performance to gain share; 2) obtaining bigger scale as we bring more provider budget and traffic onto our platform; 3) delivering a broader portfolio of solutions to our clients; and finally, achieving greater operating efficiency through investments in AI automation.

As Jayme mentioned, we are increasing our focus on how to build upon our existing success and pursue incremental opportunities to propel our business beyond our $1B revenue target, by delivering new AI first products that add incremental value to our customers. Consistent with our prior commentary, we are making targeted investments in the second half of this year to develop and bring these new solutions to market. Additionally, we are pursuing select strategic commercial partnerships with AI first companies to complement our own internal product development and capabilities. We look forward to providing further updates as our initiatives progress throughout the year.

In conclusion - it was a positive quarter underpinned by strong fundamentals and a focused strategy:

- The strength of our ongoing financial performance reflects that our strategy to be a trusted growth partner for P&C insurance providers is working;
- We are executing amidst a favorable market backdrop as carriers continue to shift spend to digital channels;
- We are well positioned as an AI beneficiary as we bring both new value to customers and drive incremental efficiencies throughout our business;
- We remain committed to our previously stated path to $1 billion in annual revenue with strong cash flow generation; and
- We have built a business with strong underlying fundamentals and a fortress balance sheet that allows us to invest for the long-term and capture new growth opportunities, while continuing to drive value for our customers and shareholders alike.

Jayme and I will now take your questions.